



Managing Communications and Reputation across Europe

A report on the role of the European/EMEA Communications Director

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executive search



European / EMEA Communications Director Research Study

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1. introduction

Background

Companies today, particularly those global organisations which have significant impacts on the societies and environments in which they operate, are under the spotlight as never before and are faced with the critical need to communicate more often, more openly and to more audiences than at any previous time in history. The bigger these organisations get, the greater the scrutiny and the consequent need to communicate and engage with multiple stakeholder audiences.

Organisations prosper and succeed when communication between the organisation and its stakeholders works to mutual benefit. Stewardship of relationships and reputation is therefore critical – and it is the very essence of what corporate communications should be about.

Watson Helsby, an executive search firm which specialises in the field of corporate communications and corporate affairs (encompassing all the key reputation management and communications disciplines), periodically undertakes studies to investigate current thinking and best practice in the disciplines which are widely accepted as the functions tasked with the job of 'reputation management'.

This year we have turned our attention to the European or EMEA (Europe, Middle East and Africa) communications / corporate affairs function, prevalent in many global organisations, particularly US, domiciled outside the UK. Ten years ago this role was in its infancy and tended to focus on pure PR activity. But with the emergence of new European Member States and the increasing importance and size of the European Union as an individual region, it is now quite commonplace for large multinationals to have a dedicated and broader European communications and reputation management function.

To date there has been little, if any, research published which explores the role of the European / EMEA Communications Director; hence our decision to conduct this study. For those with an interest in building and managing a European or EMEA communications capability, it should prove to be a useful point of reference.

Objectives

The principal objectives of the research were:

- To gather data on organisational issues such as structure, resource and reporting lines.
- To identify and analyse responsibilities, remit, skill set and personal qualities with a view to designing a comprehensive and definitive Role and Candidate Specification.
- To explore and analyse the dynamic between the European / EMEA communications team and the global team located at the company's HQ. In all but two instances this was in the US (see Participants).

Methodology & Participants

One-to-one interviews were held with the European or EMEA Communication Directors of the following companies:

Bank of New York
Boeing
Citigroup
Coca-Cola EU Group
Dell
Discovery Networks Europe
Disney
GE Money
Herbalife
InterContinental Hotels
Kimberly-Clark
Kraft
Marsh
McDonald's
Microsoft
Motorola
Oracle
PricewaterhouseCoopers
Sony
Toyota
Visa International
Yahoo!

The interviews were conducted between January & March 2006.

Nomenclature

The range of titles encountered in this research varied, since some companies included Middle East and Africa in the remit, and some use the Vice President title rather than the more anglicised Director. Titles included:

- Public Affairs and Communications Director – Europe, Eurasia and Middle East.
- Vice President, Corporate Communications, EMEA.
- Senior Director, Corporate Communications, EMEA.
- Director of Communications, Europe.

However, for reasons of ease and consistency, we have used the title European Communications Director throughout the research, shortened to the acronym ECD.

2. executive summary

An emerging role...

The role of European Communications Director (ECD) has changed radically in terms of visibility and status over the past ten years as a result of globalisation, the opening up of new markets in Europe, the increasing prevalence of pan-European market and regulatory pressures, the increase in diversity of stakeholders and the development of pan-European media. All these factors have combined to create a need for a pan-European corporate communications capability which can oversee and coordinate communications across an increasingly complex region.

The main purpose of the role...

The ECDs view their principal purpose as establishing and overseeing the infrastructure, processes, plans and activity necessary to enhance and protect the reputation of their company across the region. It is up to the ECD to ensure that the right messages get to the right people at the right time – no mean feat given the communications challenges that a region such as Europe presents. Audiences vary from company to company but external stakeholders are nearly always prioritised over employees, a situation which is driven by the agenda of the business leader, rather than by the ECD him / herself.

What activities are they responsible for...?

Media relations is the one activity for which all ECDs have responsibility, followed by internal communications (90% of participants). Almost half (48%) of ECDs had responsibility for government relations. Similarly almost half of the sample had corporate responsibility (CSR) as part of their remit, but more in theory than in substance. It tends to be ad hoc and developed and executed at a local level. Investor relations barely featured for obvious reasons. All ECDs forecast that their remit will change over the next three years, citing external factors such as increased regulation and the increasing importance of corporate responsibility as key drivers.

Reporting lines...

90% of ECDs report to the region and, of these, 86% report directly to the European CEO or President. Interestingly, this closely mirrors the situation in UK FTSE100s, where 85% of communications directors reported to their CEO. A dual reporting line to the global VP of communications at HQ on wider communication issues and functional matters was widespread, and the preferred arrangement.

Positioning and status...

Of the companies included in the study, 86% have a European leadership team, and 62% of ECDs are members of this team.

How does the role add most value...?

Because of their relationships with, and insights into, different audiences across the whole spectrum of corporate life, ECDs believe that their value to the business is in being able to give insightful advice on how a specific activity will affect reputation. No-one else within the company possesses this birds-eye perspective, one which enables the ECD to provide advice that others cannot. Of equal importance is their understanding of cultural differences, denied to those at corporate HQ, which enables them to filter and shape messages to enhance their relevance to a diverse range of regional and indigenous stakeholder audiences.

The ECD's team...

Sizes of teams vary enormously from company to company, depending on the ECD's scope, remit and budgetary resources. The average size is twelve, and the majority (80%) have staff located in countries across the region as well as at regional HQ. The size of these in-country teams will largely be determined by the size and importance of the country concerned. Dotted line reports are quite common (50%), an arrangement that can be a source of frustration as the priorities of these dotted line reports are more likely to be determined by their country MD.

Use of consultancies...

ECDs with limited in-house resource will depend more on the support of PR or specialist communications consultancies. But almost all ECDs use consultancies in some capacity, mainly for media and government relations work. Most consultancies are retained on a local basis rather than a regional one; only 30% of ECDs used consultancies on a pan-European basis, because of concerns about the varying quality of service across different countries. It is also easier to get 'buy in' from the business units on the ground if they feel they have some ownership of the relationship.

Salary levels...

The average salary for our ECDs is £120k with an average bonus potential of 30%, although there is a great deal of discrepancy between remuneration levels.

Core skill set...

A thorough understanding of their industry sector and an in-depth knowledge of the services / products were seen as key. ECDs, in common with other communications professionals, need to be able to bring a business context to communications as well as vice versa. Also critical are financial literacy, business acumen and a clear grasp of cultural differences across the region. Personal qualities include high energy levels and an adaptive, diplomatic style. Technical skills and knowledge, such as communications strategy development and media relations, are all taken as given. Though not a skill as such, the ability to engage credibly (i.e. as an equal) with senior colleagues is extremely important.

What's their next move...?

The most favoured option was to switch to a large UK-based FTSE, in the belief that it would offer the opportunity to work closely with key decision makers and to have a more material and direct influence on the way in which a company deals with its stakeholders than a European role allows. Just under 30% expressed a desire to pursue a global role which would allow them to leverage the experience they have acquired in their regional one.

Relations with global corporate communications team at HQ...

For many ECDs, tension clearly surrounds the issues of 'empowerment', 'autonomy' and 'responsibility without authority'. This relates partly to the alleged lack of involvement in the upstream strategic planning process, partly to the interference in executional matters, and partly to the 'command and control' leadership style employed by HQ, particularly when HQ comes under strain over a particular issue.

Nearly half of ECDs want their global teams to integrate them more in strategic planning activity. They believe that their experience on matters such as EU legislation, the different media outlets, stakeholder issues and cultural diversity means that it is critical that they feed in to planning at an early stage. This will allow them greater ownership of the programme and the scope to ensure that the agreed goals and actions are workable within Europe.

There was widespread frustration amongst ECDs that colleagues at global HQ, though accepting of the fact that Europe is different, don't really 'get' Europe. They still tend to view it as a single entity, a homogenous zone rather than a collection of many different countries and cultures. The hostility of the media towards business, particularly in the UK, is also a phenomenon that is not always readily understood by global HQ.

The lack of interest in the complexities of Europe, the seeming reluctance to consult and the imposition of HQ protocols and processes are all symptoms of one inescapable fact - and that is that most 'global' teams are comprised of individuals from the country where HQ is based and they are therefore liable to be parochial and prone to adopting a country-biased mindset which can influence global communications planning. Their specific duties for the country in which they are based can also distract them from their worldwide coordination responsibilities.

ECDs do not see this situation changing but the rationale for a separate global team, with a global profile, is compelling.

3. conclusions & recommendations

(i) Conclusions

- ECDs have seen their role and remit expand quite significantly over recent years, a phenomenon driven by a number of factors, principally:
 - Europe, with the enlarged EU and the addition of new member states, is becoming a much bigger region to manage and coordinate. It is more culturally diverse, there are more stakeholder audiences to look after and there are therefore more issues and potential crises to protect against. Managing communications and reputation across the region is consequently a wholly different task from what it used to be. The fact that this complexity is not always recognised by corporate HQ, who are inclined to be overly prescriptive with the imposition of their thinking and protocols and who can have a tendency to believe that the whole EU region is homogenous, does not help.
 - As a result of the 24/7 nature of newsflow and media management, there are no real borders between the media any longer.
- This situation is further exacerbated by the fact that budgets and resources made available to ECDs have not increased in line with these developments. Nor, it would appear, has there been any significant shift in awareness (or indeed interest, unless of course a crisis looms) at global HQ, of the increased complexity of managing reputation across the region. As a result, many ECDs spend too much of their time in response mode (or responding to the dictates of corporate HQ) and have little time to deal with longer-term reputation building.
- A review of the optimum structure and resourcing of the ECD's function therefore needs to be undertaken in the light of the new imperatives and demands. Given the (reasonably) embryonic nature of the role it is evident that there is still no clear and consistent view of what an optimum structure would look like. Much, of course, will depend on the remit of the role, the operational structure of the organisation across the region and its profile / issues / site in each country within the region.
- Protecting and enhancing reputation amongst multiple stakeholder audiences, who get their information from a far wider range of sources than in the past, is a task which now must be handled in a holistic, joined-up fashion if it is to be done successfully. This means that the ECD should have responsibility for all external and internal communications. But this more integrated approach to communications is still not standardised and we found that responsibility for communicating with different audiences is likely to be spread throughout the organisation. At a time when the sources of reputational risk or damage are more disparate and companies are increasingly coming under attack from stakeholders on a number of fronts, this fragmented structure makes companies poorly equipped to ensure consistency of message.

- The high percentage of ECDs reporting to the regional CEO (or President) confirms the degree to which the communications function has evolved into a discipline which is perceived to provide important support to the business. However over a third of the ECDs we interviewed were not members of the leadership team. This is worrying, and demonstrates that some companies are still not in the habit of integrating broader reputational considerations and stakeholder issues into their decision-making at the highest level. The ECD has to be on the leadership team – and must have the ability and the licence to express his/her opinions to ensure that the views and perceptions of external stakeholders are heard and acted on in the organisation. It is simply not good business practice for the ECD, whose overall role is to protect and enhance reputation, to have to rely on others (who may not fully appreciate the ramifications of a particular issue) to present, pass on the right information and provide the correct advice to the regional leadership.

- With over half of ECDs commanding a base salary greater than £120k, this role is well remunerated. These salaries, however, fall significantly short of those paid to communication directors of FTSE100 companies, many of whom can expect to receive in excess of £200k, plus a bonus averaging 50% of base pay (Watson Helsby Corporate Affairs Director Research Study 2004). That said, the two roles are not directly comparable: Many FTSE100s have a global remit and having to deal with the financial community seems to bring with it a particular premium for those employed within the FTSE100.
- The manner in which the performance of the ECD, and his or her department, is assessed is worrying in its lack of consistency, sophistication and rigour. Budget, as ever, is an issue here. In most other senior management disciplines there will be a clear framework relating to the business objectives and individual targets are set against this. ECDs to whom we spoke, and they are representative, use little in the way of robust methodology to help them (and others) assess their effectiveness in a similar manner. This is not just to justify their existence and to help attain greater credibility at board level, but also because they have an obligation as an asset (reputation) manager.

Since communications activity is targeted at specific stakeholder audiences, it would seem sensible both to analyse stakeholder awareness and attitudes at the outset, and to invest in rigorous evaluation of the impact of communications post communications activity. How otherwise can the effectiveness of the investment be gauged and how otherwise can any course correction be identified and acted upon. Yet little time or money seem to be spent on these activities, and rudimentary measurement techniques such as press coverage analysis or just good old intuition still remain widespread.

- It is interesting to note that the increasing incidence and scale of business transformation programmes is putting a greater emphasis on internal communications skills, and thereby increasing the need for high calibre internal communications resource. It is not a discipline in which companies have historically invested much money (in terms of salary and budgets) and consequently the quality of internal communications practitioners is patchy, and the effectiveness and value of internal communications is hard to gauge. Electronic communication, particularly, has also given managers the dangerous illusion that they can communicate with geographically-dispersed and culturally heterogeneous employees.

Although external communications will probably continue to be prioritised, we predict that internal communications will become an area of greater focus for ECDs, and an area in which more will be expected of their direct reports. They will therefore need to be more ruthless in assessing whether they have the right resource and functional expertise to ensure that their department is equipped to provide the insight, thinking and processes that corporations will increasingly require to get their employees engaged across a wide geographical region.

- Leaving the most important until last, it is abundantly evident that the relationship between the European / EMEA communications team and the global communications team at HQ is, in most cases, failing to provide the framework that ECDs need to do their job effectively. There are a number of issues that need to be addressed, but they would all appear to originate from the fact that the global team is in effect a local one with both global and local (i.e. the country or region in which the team is based) responsibilities. This leads to a situation in which there can be a tendency, on the part of the global team, to be parochial in their thinking and to adopt a country-biased mindset which inevitably influences their global communications planning. Importantly, their specific duties for the country in which they are based can distract them from taking a proper worldwide coordination role.
- The issues that then evolve from this situation are as follows:
 - A lack of appreciation of, and interest in, the cultural differences, the complexities and the difficulties, in communications terms, that Europe presents.
 - The empowerment factor and the issue of responsibility without authority. Many ECDs do not feel empowered and believe the global communications team to be too prescriptive, too controlling and too eager to impose their own protocols and thinking.
 - The lack of integration into the communications planning process and the consequent lack of opportunity to ensure regional issues are factored into decision making.
 - Not enough guidance and not enough authority. This dichotomy emerged several times in our research. ECDs want a clear framework, which they have helped shape, and then the freedom to operate within that framework without interference.
 - Message development – this should be driven as much by existing stakeholder perceptions and attitudes as it is by what the company wants to say. At the moment there is still a tendency for global HQ to impose global messaging on the region.

All of the above inevitably lead to tensions, delays and ineffective communications practices and activity.

The solutions to this significant issue are clearly not straightforward and, as with all operations which are run remotely, there has to be a fine balance between HQ leadership and local devolution; a balance that, on the strength of this research, would still appear to elude many companies.

(ii) Recommendations

- 1** The ECD must have a seat on the European Management Team. It is the only way to integrate broader regional reputational considerations and stakeholder issues into thinking at the highest level.
- 2** The ECD needs to have responsibility for all external and internal corporate (as opposed to brand) communications across the region. Corporate behaviour and activity very rarely impacts on one stakeholder group without having consequences for others. Stakeholders now get their information (which then shapes their attitudes and subsequent behaviour) from a far wider range of sources than in the past. It is bad practice not to take a fully integrated approach to communications planning and management.
- 3** ECDs need to invest in more rigorous measurement to assess the strength of corporate reputation and stakeholder relationships and to demonstrate the value of communications.
- 4** Global HQ needs to take a greater interest in, and develop a greater understanding of, the complexities of Europe and the communications challenges it poses.
- 5** ECDs require a greater involvement in the planning stages of a global communications programme, so that they can ensure that regional differences are factored in at the very beginning. In an ideal world the global and regional teams should jointly own the plans and priorities. This can only happen if both sides have contributed to, and have taken responsibility for, delivering a successful outcome.
- 6** We would advocate, where possible and practical, a global communications team which has a specific and exclusive mandate to oversee communications strategy and activity around the world. This team would actively recruit and attract people with proven global experience, ideally drawn from countries other than that of the host country. This would protect against a country-biased mindset colouring global communications activity and would undoubtedly reduce tensions with regional communications teams.

4. the evolution of the ECD

The ECD has evolved from a role tasked primarily with a narrow PR / media relations remit to one that is more focused on broader reputation management planning and activities. The role, in its current shape, is a relatively new phenomenon – for 85% of the companies involved in the research, the role did not really exist fifteen years ago.

The main reason for its emergence is the increasing geographical spread of Europe and the consequent growth of stakeholder diversity and reputational issues. Ten years ago the majority of sales came from countries such as UK, France and Germany. This still remains the case, but they are mature markets – now the focus for growth is switching to countries such as Poland, Russia and Czech Republic, thereby bringing additional complexity to the task of managing reputation across the region.

This development has created a need for a corporate communications capability which can monitor, coordinate and communicate with multiple stakeholders, and deliver timely and consistent messages across the entire region. An increasingly complex regulatory regime has merely heightened the need for one individual to orchestrate communication across the region, coordinate local communication activities and act as a conduit and source of feedback to the global HQ. Additionally, where no dedicated national communications team exists in a particular country (often the case in smaller developing markets), the regional team can help to ensure that that country receives the communications support and reputation management advice it requires.

On top of this has come the constant pressure on businesses to change and adapt to retain competitive advantage. With change, the need to communicate effectively with employees becomes critical.

As the region becomes bigger, companies are now responding by dividing the region up into more manageable and homogenous sub regions e.g. Northern Europe, Central and Eastern Europe, Southern Europe. Some interviewees pointed out another potential development – that of grouping markets by their characteristics rather than by geography. The net result is that the ECD's role is probably on the brink of the next stage of its evolution, and will begin to be replaced by sub-regional communications directors.

5. the ECD'S role and remit

All respondents said that their number one responsibility is to manage the company's corporate reputation. They do this by limiting reputational risk and enhancing the company's standing with key stakeholders including employees, politicians and government officials, NGOs, customers – but, above all, with the media, the key gateway to most of the preceding stakeholder audiences. In terms of remit, there are two themes that are consistent throughout: media relations and internal communications. Collectively, ECDs have a wide range of responsibilities, but individually their remits range from two or three specific activities through to a much broader scope of work.

ECDs consider that the key purpose of their role is to protect and enhance their company's reputation and to put in place the right infrastructure, processes and resource to ensure that this task can be achieved across the region.

"We act as the glue between the different national businesses. I am the ringmaster in reputation management terms. I align many different activities which are complicated by environment, culture and language."

ECDs interact with a wide range of internal and external stakeholder audiences that take an interest in the business on a daily basis and this gives them – and the advice they offer – real currency around the leadership table. They are uniquely positioned to advise on the likely impact of corporate decisions and activity on stakeholder perceptions by drawing on their knowledge and experience of stakeholders outside the company as well as those inside. Using this helicopter view of how issues will play out across different audiences and opinion formers, ECDs can point out the associated risks of particular courses of action and propose alternative solutions. This advice can be instrumental in helping the business to make the right decisions.

ECDs are also able to add value by utilising their regional knowledge and experience to shape and filter corporate messages (from HQ) so that they are relevant to different European audiences.

"I act as an industrial filter between HQ and our country operations in Europe."

"I protect against the cookie-cutter syndrome."

The audiences they deal with vary from company to company. But external audiences are nearly always prioritised over employees. Business press such as the *Financial Times* and the *Wall Street Journal Europe* are regarded as key media that need special handling because of their potential ability to influence thinking in the region. Institutions such as the European Commission, as well as a broad range of regulators, are also important stakeholders for many ECDs, especially where proposed legislation or regulation is likely to have an impact on the business.

Having the right resource is obviously key. This means that building, managing and enabling a team of communications professionals across an increasingly diverse region is a fundamental aspect of the role. Developing the capability of this group and ensuring they are equipped to deliver global and regional messages to their local markets is crucial to the success of the European communications function. Initially this will often involve hiring or putting in place this local communications capability. Processes must then be in place to ensure that these teams or individuals are supplied with important corporate content such as employee announcements, news releases and information about company successes, as well as potential negative stories that might ripple outwards.

The degree to which the role has strategic value and input seems to depend on two factors:

- (i) Whether the European operation itself takes a long term strategic approach to managing the business. Some EMEA businesses are little more than sales and marketing operations and a vehicle for the implementation of the global sales and marketing strategy in Europe.

"If the business at an EMEA level is not strategic, then why should the communications function be expected to be strategic?"

- (ii) How controlling, involving and prescriptive the global communications team at HQ is.

"Their idea of communications is just constant press releases".

Some participants however were clearly encouraged to take a longer term strategic view.

"My role is take a view on issues five to ten years hence and look at how we can influence the debate now."

Our ECDs highlighted many different aspects of their complex role. The key ones are:

- Defining the regional communications strategy
- Establishing a vision for the function
- Issuing advice on regional issues that require careful communications management
- Developing and managing the European Crisis Management and Preparedness programme for Europe. The ECD is well placed to direct resources around Europe in emergencies and provides corporate HQ with a single (and informed) point of contact during a crisis
- Representing the interests of the regional communications team at European and global levels
- Liaising with the team at HQ on global communication matters
- Filtering and re-casting HQ-originated materials where appropriate
- Setting policy for standards and procedures
- Devising a framework within which local communications must act
- Identifying and sharing best practice across borders
- Determining training and development needs for the function
- Acting as a Centre of Excellence for the region

"The role has evolved," said another ECD. "It was a policing function, but now it's one that is much more integrated with the business - and much more visible in terms of input to senior decision making."

There are sometimes other constituent parts.

"My department is the backstop for things that people can't think where else to put."

This is a universal problem that besets many PR and communications functions, but it is likely to be more marked in an embryonic role, where no standard blueprint exists.

In terms of remit, media relations is the one activity for which all ECDs have responsibility. In most cases they will be responsible for developing and managing the media strategy across the region. Most are also responsible for managing their regional CEO's media contact programme and profile. With media relations a key aspect of the role, it is hardly surprising that they are all authorised spokespeople.

Internal communications came a close second to media relations (90% of the sample). In the other 10% of the sample, usually for historical reasons, internal communications is owned by HR. Similarly, the government relations or public affairs function (where it exists) sometimes falls under a separate legal or regulatory team. This is because the content of these roles is often seen as compliance led, rather than engagement led. There was little mention of policy influence.

Beyond media, internal communications and public affairs, the breadth of an ECD's remit tends to reflect the regional CEO's priorities, the breadth of the reputational issues, the scale and maturity of the European operation and the existence (or otherwise) of in-country communications professionals available to execute specific activities. In larger teams there are more closely defined remits, with staff specialising in particular areas such as Executive Communications or e-media. In smaller teams staff are expected to be more versatile and consequently have less specialist roles.

Some of the ECDs who do not have all the key stakeholder communications functions reporting to them find it frustrating, since they believe it prohibits them from doing their job effectively (i.e. managing reputation and influencing perceptions of all the key stakeholders in a joined-up manner).

"Not having a direct influence over all communication channels can really impair the smooth execution of an integrated communications programme".

The majority of ECDs reported that their remit had grown over the past few years, citing the expansion of the company itself and increasingly complex regulatory frameworks across Europe as the main drivers.

The ECD – Remit

Activities	% reported as being in remit
Media Relations	100
Internal Communications	90
Government Relations /Public Affairs	48
Corporate Social Responsibility	48
Issues management	33
Develop and build communications function	24
Other stakeholder relations (eg trade organisations)	24
Investor Relations	19
Corporate Sponsorship programme	14
Executive Communications	6
Event Management	6
Corporate Advertising	6
Corporate Branding	6
Marketing Communications	6
Competitor Intelligence	5
Website (external)	5

“Our reach is so large now, it just shows how corporate communications underpins the success of so many of our business activities,”

The explosion of e-media channels has required some companies to devote dedicated resources to the web over and above the standard website responsibilities. Policing, and advising on, blogs is very much seen as a communications concern.

“The role of blogs is something that will need to be resourced and handled by us.”

Although 48% of our sample cited corporate social responsibility (CSR) as part of their remit, most explained that this was an area that exists “more in theory than in substance”. This is partly because it is less of an issue in the US where most of the companies we interviewed are domiciled, although a small number of interviewees remarked that their company was keen to develop a regional CSR programme, and were attuned to CSR issues.

“If they don’t have the problem, they don’t see it elsewhere”.

How to get CSR to get a foothold in HQ’s thinking is clearly an issue for several companies, particularly those that have to contend with a significant activist or NGO agenda that is not replicated in the market where HQ is based.

Currently, most CSR activity is ad hoc and developed and executed at local level; but most of the ECDs intend to introduce a more holistic approach which will streamline, and professionalise, corporate responsibility strategy across the region.

“Our American colleagues are starting to have to grapple with CSR so it’ll be on our worldwide agenda within the next 12 months”.

Not surprisingly, investor relations barely featured (fewer than one in five ECDs has it in their remit in any form). No ECD has hands-on responsibility for managing relations with the investment community in Europe. This is owned and managed by a specialist team based at corporate HQ. Those ECDs that do have limited IR responsibilities tend to do little more than arrange for the dissemination of financial information to European audiences, rather than originate materials themselves. Examples of this include distributing financial press releases and organising analyst roadshows.

Some ECDs expressed the view that they should have greater influence over IR and that they should be allowed more involvement in the IR programme. But they encountered resistance in persuading the US to acknowledge that European investors have an influential role in a company’s success.

“How do you get access and force them to acknowledge this – particularly as they are paranoid about the lack of control over messaging?”

All ECDs forecast that the remit will change over the next three years given the constant state of flux ‘in which companies find themselves’. The drivers for this are mostly external and include the continued evolution of digital media, increased regulation, increasing M&A activity and the growing importance of corporate responsibility globally. The growing incidence and scale of business transformation programmes is also putting a greater emphasis on internal communication skills and thereby increasing the need for higher calibre internal communications professionals (see Watson Helsby report *“The Rise of the Internal Communicator”*).

6. how are ECD's teams structured and resourced?

(i) In-house

The size and structure of the ECD's team will depend on the scale of the European operation, the team's remit and whether there are local (i.e. national) teams present to carry out the work or whether the ECD's immediate team is required to deliver locally, as well as regionally.

The average team size in this research study was 12, with 80% of them having staff members in countries other than where they were based personally. Just over half of those questioned also have a network of "dotted line" (indirect) reports, averaging 15 in number, who tend to be located around the Continent.

The number of direct reports to ECDs interviewed in our survey ranges from 0 to 55, covering many different disciplines. Exactly how many and in what function depends on the ECD's scope and remit. A high percentage of teams are spread across the Continent which allows for a good range of perspectives on reputation and communications issues. This is invaluable to an ECD when he or she is developing a strategy.

"It would be very tricky to carry out this role if we were all stuck in one office."

Indirect reports range from one to a huge 115, reflecting how little consistency there is in this role currently. In most cases, these "dotted line" staff are either communication managers responsible for specific country or business stream activity, or employees who have communications as part of their job description. Since they invariably report to the country MD / head, whose influence over reward and bonus is more established and whose priorities are likely to be different to those of the ECD, getting control and direction over these dotted

lines can be a real challenge. There are often issues around accountability and self-interest and consequently the ability to influence, without any real authority, really comes to the fore.

"The more accountability the in-country guys have to the regional level, the better."

Not surprisingly, ECDs with more limited in-house resource depend more on the support of agencies, and what team members they have are expected to be more versatile. Smaller teams also tend to be made up of senior managers who spend a large proportion of their time directing others in the network. Conversely larger teams allow for more specialisation and a wider variety of skills and levels. In a few instances, there is a "liaison" arrangement where people in-country are required to cooperate with the ECD without any formalised dotted line report. The ECDs with this set-up find this unsatisfactory; they sometimes feel that they lack the necessary authority to gain willing cooperation for particular activity.

"It can sometimes be difficult to push things through if the people you have to rely on lack accountability to the function".

(ii) Use of external consultancies

Given the broad remit of European communications teams and their average size, it is not surprising that most ECDs outsource some work to consultancies. How much they are used depends on the individual team's remit and ability to deliver through their in-house resources.

"We could only drop agencies if we could hire the headcount internally to replace the arms and legs we'd lose."

In some less developed countries where communications is less established as a recognised professional discipline it can also be easier to hire an agency than hire an individual or a team from another company.

Most prefer to retain PR agencies on a local or individual country basis because the combination of the local business leader and the local communications team is more likely to select an agency that has a good fit with the needs of the local operation. Perhaps more importantly this gives them a sense of ownership, since they do not have a pan-European agency relationship foisted on them.

"It's easier to get agreement from business units on the ground when they feel that they have been involved in the agency selection process."

Although ECDs in companies with in-country consultancies tend not to get involved in the selection process, they will normally draw up a framework for selection and evaluation which is then deployed and adopted at a country level by the local management teams. This does not mean that the ECD's job is easy, however. *"In Europe I oversee 28 PR agencies, all appointed on a best-fit basis by the local teams,"* one ECD told us. *"I actually have a part-time member of staff whose main responsibility is to run the network."*

As one would expect, the ECD usually plays a central role in the appointment of pan-European agencies. That said, only 30% of the companies we surveyed use consultancies on a pan-European basis. Although this arrangement brings economies of scale, there are concerns about the varying quality of service across different countries, which often dissuades people from employing this option.

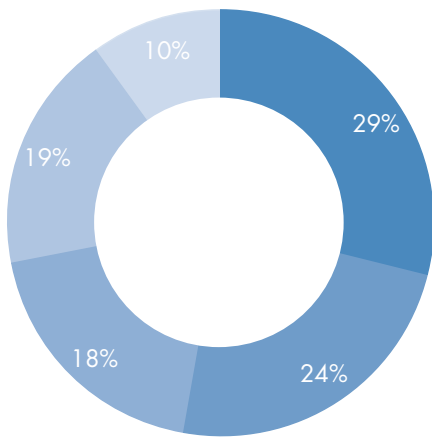
ECDs clearly value the support from their consultancy colleagues.

"They are my execution engine. I couldn't do without them."

No one thought they could do without their help unless they cut back on their output or were awarded more in-house resource. Neither option seemed realistic.

7. reporting lines

Almost all the ECDs report in to their European business in some capacity, and most directly to the regional CEO (or equivalent). But most respondents also have a functional reporting line into the global communications team based at corporate HQ.



Who do you report to?

Dual reporting line to HQ and European business	29%
Direct reporting line to European business, dotted line to HQ communication	24%
Direct reporting line to HQ, dotted line to European business	18%
Direct reporting line to European business and "liaison" only with HQ communication	19%
Direct reporting to HQ and "liaison" only with European business	10%

We asked whether each ECD reported to their regional leadership team or into the communications function at head office. There were no less than five different combinations of reporting structures, reflecting the differences in size and complexity of the companies questioned.

Of the five different reporting options, the most popular was a dual reporting line to the European business on operations and to the global head of communications at HQ on wider communication issues and functional matters.

"The nature of the role means that I must be plugged in to leadership at both the regional and the global (i.e. functional) level".

An ECD needs to work on regional operational and reputational issues and liaise closely with HQ on wider global communications programmes, so the dual reporting line makes sense. Most of the ECDs with this arrangement thought that it worked well.

"Reporting to both sides gives me useful leverage on both sides of the equation".

In these instances where the ECD reports to the regional business, 86% of them report directly to the European CEO. They said that this is a critical factor in ensuring the role's overall effectiveness.

"In order to be truly effective I need a direct line to the ultimate decision-maker".

The 14% who report into someone other than the CEO are accountable to the regional heads of either regulatory affairs or marketing. However, these individuals still have regular access to the CEO when they need it. Despite the fact that they have this access, the lack of reporting line is a source of dissatisfaction since it can send out the wrong signals, either to the media or peers within the company, implying that the individual might not be as well connected or 'plugged in' to the people at the top as he or she should be. As one ECD explained, *"Reporting to the CEO gives me extra clout when I need it."*

The research suggests that reporting structures tended to follow that at global HQ. So if the group communications chief reports directly to the global CEO, it usually follows that ECD reports to the regional leader. Similarly, if the global communications chief has a seat on the global leadership team, then the ECD is usually a member of the regional executive.

8. a seat at the table?

86% of the companies in the sample have a European Management team and 62% of the ECDs we spoke to sit on this leadership team, alongside the business stream heads and more traditional functions such as finance, HR and sales & marketing. The rest are invited to attend if there is a particular issue which requires the regional communications team to be involved.

Not surprisingly, our participants regard membership as an important factor in their team's success – and interestingly, it compares favourably with the situation in FTSE100 companies, where only 30% of Communication Directors are part of the main Executive (Watson Helsby Corporate Affairs Director Research Study 2004).

"Being a member of our Executive means that I get to know what's going on early on. This is good for the company and good for the team".

"I need to get early warnings on potential problems, rather than having to rely on others to remember to tell me."

Those who have to rely on others, for instance the head of marketing, to represent their interests said that this arrangement is *"not ideal"*. They have concerns about how accurately their needs and feedback are represented – and this is an issue which the majority of them want addressed.

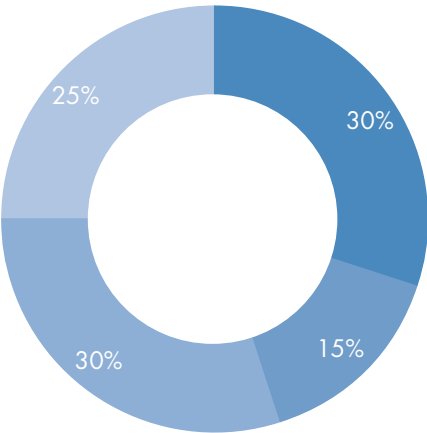
But encouragingly ECDs, primarily employed to protect and enhance reputation, are usually members of a European Risk Committee which, as its name suggests, monitors and advises on potential risks to the region, be they operational, financial or strategic. Nearly two thirds (62%) of the companies in our sample have a European Risk Management Committee (or similar), designed to monitor and advise on potential risks to the region. Historically these teams were primarily focused on traditional financial risk, but nowadays their remit has been expanded to monitor and evaluate operational and strategic threats to the company, which by definition will frequently have implications for corporate reputation.

Consequently ECDs, primarily employed to protect and enhance reputation, are usually members of such committees if they exist (81% of ECDs interviewed).

"It would be ludicrous if I wasn't on a committee whose very purpose was to protect against risk and reputation".

9. salary levels

The average salary among our group of ECDs was £120k; the average bonus potential is 30% of salary (usually paid in cash). But the range was considerable.



Base salary bands	
£70k – 100k	30%
£101 – 125k	15%
£126 – 150k	30%
£151 – 175k	25%

With salaries ranging from £70k to £175k, there appears to be no clear pattern on ECD remuneration. But the factors that seemed to impact reward were:

- The positioning of the function within the company
- The size of the company globally
- The scale of European operations
- Internal perceptions of the value of the company's brand and reputation

These salaries fall significantly short of those paid to Communication Directors of FTSE100 companies who can expect to receive well in excess of £150k, plus a bonus averaging 50% of base pay (*Watson Helsby Corporate Affairs Director Research Study 2004*). That said, the two roles are not directly comparable; a group role that has responsibility for aspects of financial communications to the City brings with it a particular premium for those employed within a FTSE100.

10. relations with corporate headquarters

"England and America are two countries separated by a common language."

George Bernard Shaw

(i) Introduction

We wanted to explore the relationship between the ECD and his or her global communications team based at HQ. Is their relationship a healthy one? And what, if anything, could be changed to improve the relationship in order to optimise the value of the ECD and his or her support to the business?

We also canvassed ECDs on their view of the role of the global team. They all said that it was to set the overall strategy and direction for communications around the world; to develop corporate messaging and to take the lead on issues, both positive and negative, which could impact the company's reputation overseas.

So, that is the idea. How is it working in practice?

(ii) How global is the global team?

"The global team is the same as the US team, so their global perspective is through the lens of 'imperialist' Americans."

Two-thirds of our ECDs work with global teams that are also responsible for communications in the country where they are located. In US companies this often means that the "global" team is often the US team pulling the strings. Most of the people on the team are therefore responsible for local and global work. This suggests that the individuals are not necessarily global in their outlook and perspectives. At best their specific duties for the country in which they are based (i.e. where global HQ is located) can inhibit them from taking a proper worldwide coordination role. At worst an attitude of parochialism can affect their level of interest in other international markets.

"The US team do not see themselves as custodians of the net effort of over 100 countries but more as stewards and executors of US projects."

"They are quite inward looking."

A number of ECDs suggested that the two spheres of activity should be split between two separate teams to engender a more focused "global" capability.

"I'd like to see separate US and global decision making. The company always promotes international business as key to its future success, but decisions are still viewed very much through the US's lens."

In the rare instances where a company does have a separate global communications team, the composition of the team is, unsurprisingly, far from global.

"Although we have a separate global team, every one of its members is an American."

(iii) The ECD's integration with HQ thinking

We asked the ECDs how involved they are with the global communications team's planning, thinking and decision making.

The answers revealed a wide variety of perceived levels of integration and involvement with the communications team at HQ. A key factor determining the level of integration and influence was the size of the European business and its potential contribution to global business performance, and therefore to share price performance. Sharing the same nationality at HQ also seems to enhance influence.

"Our global head used to work in Europe which makes things very easy."

This is obviously an important subject since it is the ECD's job to tailor messages for regional consumption and to feed back region-specific intelligence – to better inform corporate decision-making that might directly or indirectly affect the region. Most therefore need to be involved in the planning stages of a global communication programme, so that they can ensure that regional differences are properly taken into account.

It was however encouraging to note that 43% considered themselves sufficiently involved, with the remainder holding the view that while integration was limited it was not an issue.

49% of ECDs however said they wanted more involvement in HQ thinking; especially on issues of substance, such as the corporate communications strategy and the identification of priorities and issues. They are clearly frustrated – they believe they have a valuable contribution to make and wanted to be listened to more.

“We are invited to turn out for summits and fix the problems... but not really shape the direction with an equal voice”.

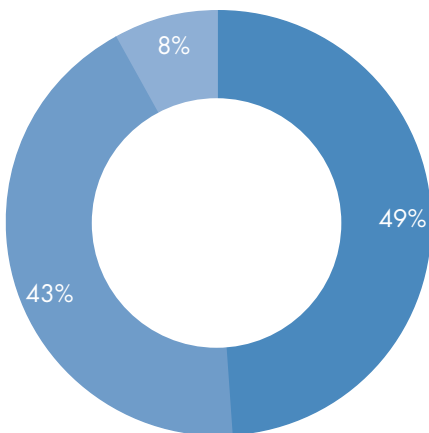
“You have to be integrated, otherwise you get saddled with inappropriate plans and messaging.”

Specific plans and debates into which they want greater input include:

- **Corporate communications planning:** overall strategy, key messaging, priority identification, processes for decision-making
- **Management of specific issues and risks:** positioning statements, Q&As, communication timetables
- **Project-based activity:** messaging, communication timetables
- **Plans for the future of the function:** standards, processes, training and development.

By not being asked for their input at an early stage, they find that some of the directives coming down the line are impractical or inappropriate for European consumption.

“Generally speaking, cultural gaffes are caught in time, although it can be a very time-consuming process.”



Integration with global HQ

Wanted greater integration	49%
Happy with level of integration	43%
Little integration, but not an issue	8%

This involvement early on would also allow them more advance warning on initiatives that required them and their teams to act within a clearly defined framework.

This one-way traffic gets worse, said some of the ECDs, when HQ comes under strain over a particular issue (usually negative) and defaults to a command and control structure, with seemingly little regard for a regional perspective.

We heard several negative comments alluding to this problem.

“As soon as something goes wrong, all the strings are pulled back to the mothership. They have to take control of everything.”

All this leads to tensions, on both sides, which adds to workload and which could sometimes be avoided through a period of consultation during the initial stages of project development.

Though they might acknowledge efforts being made to facilitate this, some question whether this is more a tokenistic gesture rather than a genuine desire to actively seek their views. One of the ECDs went even further.

“The US team sits in an echo-chamber just listening to its own voice.”

Lest this create the impression that the onus is exclusively on the global team to make a greater effort, there is a recognition that the European team needs to appreciate the pressures the global team is frequently under, as well as the

differences in business culture and management style. It is a two-way street.

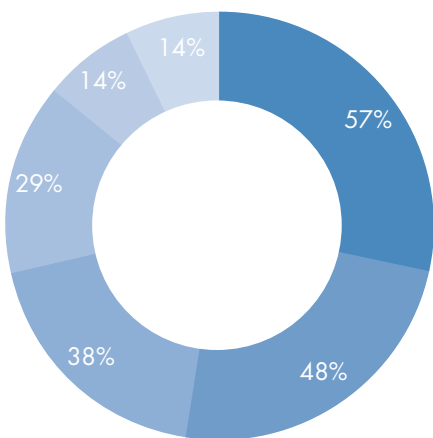
“We complain about the global team not understanding our cultural requirements, but by the same token we don’t really appreciate the pressures, politics and sensitivities at HQ.”

It was also observed that (generally speaking) in Europe there is a more consultative approach to reputation management planning, which involves consultation across a number of different groups – including the communications team – due to the inherent cultural diversity of region. In the US, where a command and control style of management is more widespread, the status and role of the global communications team is more akin to a classical, messenger-type function. Decisions regarding reputation are arrived at at the top of the organisation and then passed on to the communications team, who are not necessarily consulted by the senior leadership team, but nonetheless required to deliver the message. If their views are not always considered or sought, is it really that surprising that some of them opt not to seek the views of others further down the line? In other words they expect their regional teams to deliver messages, without significant input into their development, just as they have to themselves.

Nevertheless, in an ideal world, the global and regional teams should jointly own the plans and priorities and this can only happen if both sides have contributed to, and take responsibility for, delivering a successful outcome.

(iv) Getting the best out of the European Communications Team

We then asked what global HQ could do to help maximise the effectiveness of the European communications team.



Suggestion for improvement	% who suggested it
Involve ECD more in planning	57%
Appreciate more the communication challenges in Europe	48%
Provide more detail on strategic direction and overall plan for function	38%
Devolve more responsibility to region	29%
Be stronger advocate of function at top table	14%
Host more meetings for communication professionals	14%

Not surprisingly, given the situation described in the previous section, the number one suggestion (57% of sample) was for the global team to consult and involve them more in the planning stages. This group wanted to be consulted on, or provided with, the following:

- A blueprint of the overall communications strategy
- The main priorities and plans for the year ahead
- Confirmation of the core underlying messages about the business
- Standardised procedures for authorisation and approvals

This would allow all parties to concentrate their time more profitably on the main aim – that of managing and protecting the company’s reputation in a region that requires a more individualised and a less homogenous approach.

For those ECDs working for US companies, next on the wish list was a greater understanding of, and sensitivity to, the inherent communications challenges that such a culturally diverse region as Europe presents. A more obvious appreciation of the challenges that are specific to making corporate communications programmes work within Europe would make their job a lot less frustrating.

Examples of regional differences that ECDs believe are important and which need to be factored into the early stage planning are:

- EU directives and country legislation, especially with regard to employment law (e.g. European works councils)
- Different regulatory frameworks
- Different media landscapes
- Languages
- Time zones
- Non-US business models
- A complex and diverse range of stakeholder audiences
- Local leader personalities
- Skeletons in the local cupboard

“Americans don’t get Europe”

The reality, not always appreciated, is that Europe is not only a collection of many different cultures and countries but also that even within many of the individual countries, there are several sub-cultures and languages. One only has to look at the Basque region of Spain, the Cantons of Switzerland or the split of Ireland into Ulster and Eire to see the differences that exist.

This makes Europe a far from homogeneous region. Add in the Middle East and Africa and one has to ask if the EMEA ‘region’ exists at all in any meaningful way.

Though global HQ understand that Europe is different from the US (and EMEA different from Europe), there remains a tendency to think of it as rather more integrated than it really is. The ever expanding EU adds to this belief with its centralist approach to business and trade but in truth, even within the ‘Euro-zone’ the fundamental differences remain.

This makes the development of a single pan-EMEA or pan-European strategy extremely difficult and only achievable at the most generalised levels; however such strategies continue to be prevalent at global HQ and that can be a big problem for those working at regional or country level. Some interviewees remarked that global HQ finds this difficult to understand and accept.

The media landscape also varies enormously from country to country. The very same culture (or sub-culture) that gives each country its identity, also shapes the media and that makes for an extremely varied structure. Pan-EMEA channels simply don’t exist and Pan-European channels are few.

By ensuring that these factors are taken into consideration, ECDs would have greater confidence that the goals and actions laid down by HQ are practical and realistic for delivery around their region. It would also make them feel that they have more ownership of the programme, and would help create a reassurance that the hurdles they face are recognised, thereby encouraging a sense of greater empathy.

Suggested ways to improve HQ’s empathy with Europe include:

- Job rotation or job swaps
- Secondments
- Shadowing
- Extended visits to parts of Europe other than the UK

More than a third of the ECDs wanted more direction on the macro issues and less bureaucracy and interference on the micro issues. Sign-off procedures were a particular source of irritation. Almost all companies have HQ sign-off procedures for corporate communications materials. The level of sign-off depends on actual content and its potential on reputation. For some ECDs, this is a workable and acceptable arrangement; they understand the need and usually the process is quite quick and straightforward. But for several the process is laborious and onerous.

All news releases, even localised ones from continental Europe, have to be translated into English before approval can be given. This can lead to bottlenecks and unhelpful delays and eats up an unnecessary amount of time for all parties.

“We’ll get a media query late in the day in Europe which requires a quick response. If the issue has to be referred to the global team, we’ll often miss the press deadline to offer a comment, all down to delays and time differences.”

“Some of the checks and balances aren’t necessary, we could be a lot more productive if we did not have to spend so much time getting approval for small-ticket items.”

A similar solution to that regarding the issue of integration into planning was supported, i.e. confirmation of the main priorities and plans for the year ahead, and confirmation of the core underlying messages about the business.

ECDs believe that – if armed with this information – they could be more effective in supporting the business. More importantly there would be less need to defer to HQ for decisions regarding direction or approval processes, since they would be operating within clearly defined parameters.

11. core skill set for the ECD

With technical communication skills taken as a given, our ECDs said that a thorough understanding of their industry sector, a clear grasp of cultural differences and proven business acumen are prerequisites to being a shrewd and respected operator at a regional level.

The role usually demands a lot of travel and the ability to engage with diverse cultures. So in terms of personal skills, high energy levels, an adaptive style and supreme diplomacy are considered especially important.

The ECDs identified a thorough knowledge of their industry sector as the key to succeeding in the role. Equally important are technical (in-depth product or service understanding) and financial literacy. Mastery of these enables ECDs to connect with business leaders and talk to them in a language that they value and understand. This earns them credibility quickly.

"You must first establish your business credentials, then introduce communications."

24

"I've performed roles in HR, health & safety and finance which have equipped me really well for this current job. I've got a much greater appreciation of other business functions and their specific needs."

An appreciation of business *cultural* differences is also seen as intrinsic to the role – and a clear differentiator to a senior communications role focused on just one country. An insight into how the media work in different countries, and into the various ways in which companies conduct their business around Europe, means that an ECD can adapt his or her style more readily, and thereby acquire more credibility and traction with teams and business leaders in different territories. This is hugely valuable to the communications team at corporate HQ, who are not ideally positioned to do this and who do not have the time or inclination to do the necessary travelling to acquire it.

Skills that are key to success

Skill identified	% identified
Technical knowledge of industry sector	70
Clear understanding of cultural business differences	52
Sound business and financial acumen	24
In-depth grasp of regulatory laws in Europe	24
Personal relationships with Tier 1 media	19

Personal qualities that are key for ECDs

Quality identified	% identified
High energy level	43
Adaptive style	24
Diplomacy	24

Having a clear grasp of the relevant regulatory landscape and regime is also considered a big plus by some ECDs. This allows them to flag potential issues with both their HQ and regional leadership and take steps to address any likely implications. Interviewees didn't just cite the European Commission and national governments, either. Understanding the regulatory regime where corporate HQ is based is also a real help. *"If you are working for a US company, it really helps if you understand the US commercial and regulatory landscape that shapes their thinking and behaviour,"* one ECD told us. This allows them to draw parallels with activity in Europe and to be able to swap experience with their global teams on strategies to tackle issues that are affecting, or might affect, the business.

These abilities and areas of knowledge sit alongside the stock-in-trade skills normally associated with senior corporate communication professionals. Excellent communication and presentation skills, a thorough knowledge of all types of media and a proven ability to develop and deliver effective communication strategies are all taken as given.

The ability to converse in continental languages is not considered crucial; the accepted language of business is English across all the global operations in all of the companies whose ECDs we interviewed.

12. optimising the value and contribution of the ECD's Team

Over a third (38%) of the ECDs believe that both greater guidance and increased autonomy from their functional head at HQ would enhance their impact and potential contribution. This interesting dichotomy has been explored earlier in this report. Limited resources and lack of influence on decision-making are the other top factors diluting their team's effectiveness.

Not enough guidance and not enough autonomy? Actually, they're not incompatible. The ECDs want a clear framework from HQ (preferably one which they have helped shape) and then the freedom to operate within that framework without interference.

"I want the US team to be more collegiate and provide a clearer framework for our approach and priorities."

"Having stronger guidance from HQ would provide air-cover to support us in what we are doing."

Not having enough resource is considered the next biggest obstacle.

"If we're too stretched, we can't give proper thought to strategic planning since all our resource is focused on the doing."

With the increasing demands being made on them and their teams, the ECDs are concerned that their ability to support the business effectively is being dangerously compromised. However since most country MDs have their own P & L's, it is an uphill challenge persuading them to add overhead in non-revenue generating functions.

Those that are not members of the European leadership team, or do not report into the regional business leader, see this as the main issue that they want addressed.

This lack of guidance and simultaneous desire for more autonomy presents an interesting dichotomy. As with all operations which are run remotely, there has to be a fine balance between HQ involvement and local devolution. Within the world of communications, where companies sometimes have to act swiftly and effectively, it is important that this balance is clearly defined from the outset. According to our ECDs, the more guidance the better. That way, when they need to move on an issue quickly, they have the framework within which to do so.

Top four obstacles to progress

1. Insufficient guidance and autonomy from HQ
2. Not enough resource
3. Function not given high enough priority in decision-making
4. Don't own all communication activity in region

13. the ECD's next move?

Of the ECDs who had given thought to what role they might move on to, the most favoured options were to switch to a large UK-based FTSE or to take a global position with another company domiciled outside of the UK. No one was interested in joining a consultancy.

Most respondents are enjoying the challenges that their current roles offer. But that's not to say they don't think about the future. One said to us: *"Four to five years in the role is about right. After that you get too comfy and complacent."*

Those who have considered joining a FTSE company as their next career move are attracted by the opportunity to work closely with the key decision makers and to have a more material and direct influence on the way in which the company deals with stakeholders than their European role allows. In particular, dealing with the financial community appeals to them; it's something they feel they lack in their current role.

Just under 30% expressed a desire to pursue a global role which would allow them to leverage the experience they have acquired in their regional one.

"I want to be on the global team next time – I want to be in the driving seat."

Some are happy to consider relocating abroad for the right opportunity, but others, although interested in principle, are constrained by personal circumstances.

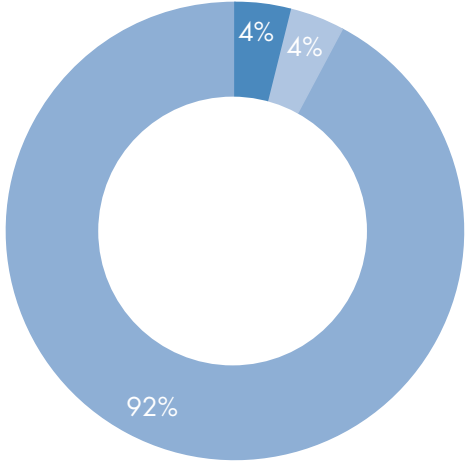
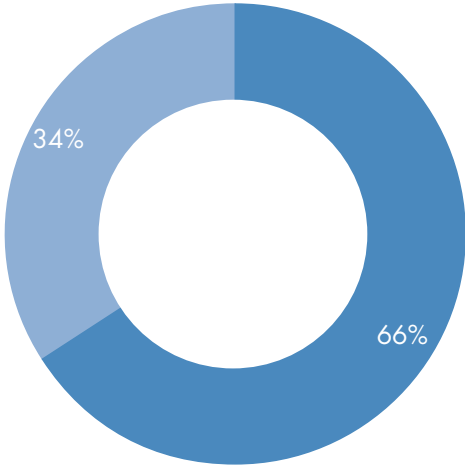
A smaller number (15%) have considered career progression through their current employer, either to another region or to a different part of the business – neither, necessarily, in communications roles – which can draw on their communications experience. *"A one-year secondment to the head office would take me out of my comfort zone and offer real development opportunities,"* said one ECD

The two ECDs who were from a business background, rather than a professional communications one, both expressed a desire to return to general manager positions after their current tenure was up. Interestingly, they find the communications role too political for comfort.

appendix 1

participant demographics

Twenty of the ECDs were based in the UK — only two were located on the continent. Only one respondent originated from the country where their parent company was headquartered.



Gender	
Female	34%
Male	66%

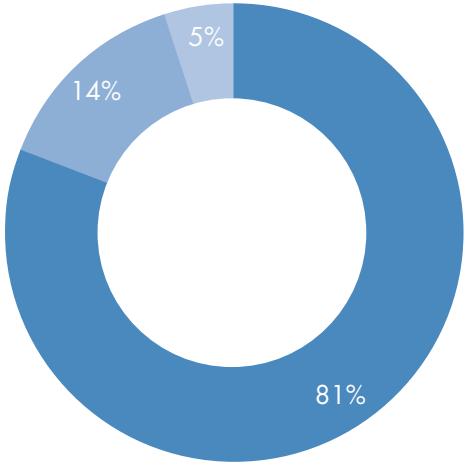
Nationality	
US	4%
Continental Europe	4%
UK and Ireland	92%

appendix 2

how is the function funded

The vast majority of European teams are funded by the European business. ECDs believe this to be the most appropriate arrangement; if the business is paying for them, management are more likely to engage with the team and utilise it fully in supporting their needs.

"It's important to have ownership of budget spend across the region. That way, you get much greater leverage."



Who funds the ECD's team	
Funded by European business	81%
Funded by HQ	14%
Funded by both	5%

appendix 3

European communications director – role and candidate specification

This is a close approximation to the standard job description for the role of European Communications Director in organisations today:

1. Role Specification

(i) Purpose:

- To develop an integrated and robust approach to communications that enhances and protects the company's reputation amongst all its external and internal stakeholders across the region.
- To drive the communications function to act in a proactive and strategic way.
- To drive the communications agenda and ensure communications is on the board agenda.

(ii) Responsibilities:

a) Global:

- Contribute to the development of the global communications strategy, flagging 'local' issues and developments that will affect its regional relevance, implementation and impact.
- Closely collaborate with the global communications team to ensure coherent, consistent and timely corporate messaging to enhance the company's reputation and that of its brands.
- Keep the global team closely advised of regional developments and issues which could impact the company's reputation on a global scale.

b) Regional:

- Shape and drive the successful delivery of a communications strategy that supports business objectives for the region and advances the company's commercial interests.
- Devise and maintain a communications framework across the region to allow the easy transfer of relevant information across, up and down the business.
- Define, develop and evolve key corporate messages and ensure alignment and consistency of message in complex situations which impact different parts of the business.
- Act as a trusted adviser to the CEO and senior management team on the communications and reputation aspects of corporate policies and strategies. Ensure that all major strategic decisions are fully evaluated and appreciated in terms of reputational impact.
- Bring a corporate communications and reputation management perspective to the development of strategy on the senior management team.
- Develop a regional media relations strategy for adaptation by individual countries and establish positive and productive relationships with pan-regional media. Act as a company spokesperson.
- Establish and maintain an active issues management programme and advise regional management on issues likely to impact stakeholder opinion and behaviour towards the company. Provide assessment of risk stemming from stakeholder, competition and pressure group action.
- Implement and manage a comprehensive crisis management programme ensuring training of regional and national teams.

Coordinate crisis management responses, liaising across the business as necessary.

- Determine the regional strategic approach and priority areas for the following core corporate communication disciplines:
 - Media relations
 - Internal communications including change management programmes
 - Public and regulatory affairs, particularly EU / Brussels
 - E-Media
 - Relations with trade organisations
 - Support to investor relations activity
- Ensure brand PR and communications are consistent with corporate communications via liaison with marketing managers and their agencies. Also to identify consumer PR initiatives that could be exploited in corporate communications activity.
- Work closely with HR and other business units to develop a strategy for internal communications and employee engagement.
- Oversee the development of materials at a regional level eg positioning statements, briefings, Q&As for specific issues arising.
- Select, manage and coordinate PR agency advisers in the regions.
- Oversee the development of a European corporate responsibility programme, advising on issues relating to community programmes and environmental policy and social accountability and their impact on reputation.
- Monitor and measure communications outputs, impacts and outcomes amongst all relevant stakeholders.

c) Team Leadership:

- Provide strategic vision, leadership and guidance to the corporate communications function.
- Build and develop a network of communications experts across the region to support business needs and provide functional leadership to this communications community.
- Develop protocols, frameworks and standards for the team to work within, including authorisation levels and budget arrangements, and ensure standards are adopted and adhered to. Bring consistency and common approaches to communications and reputation management across the region.
- Identify and develop talent within the communications function and network ensuring professional skills are raised and maintained.
- Champion the needs and interests of the team at national, regional and global levels.
- Identify and share best practice across the team to capitalise on effective communication experiences across and beyond the region.

2. Candidate Specification

(i) Experience, skills and competencies

- An international perspective gained from working in a multinational, complex organisation, and used to dealing with a broad variety of personalities and cultures.
- A thorough understanding of the company's industry sector.
- A thorough understanding of the company's financial and business dynamics – how it makes money, where the work is done that generates that money.
- Track record of managing communications strategy and issues on an international scale, making very clear links with business strategy.
- Excellent leadership skills and proven experience of managing a remote team across borders.
- The ability to provide board level leadership around stakeholder management. It's the ECD's job to ensure that reputational and stakeholder issues are integrated into the board's decision making.
- The ability to assess the impact of critical corporate developments on internal and external audiences and on corporate reputation and to recommend a strategy / plan to achieve desired outcomes.
- Breadth and depth of stakeholder expertise and the ability to offer holistic reputation management advice and the ability to orchestrate 'joined up' strategic communications programmes.
- First class technical communication skills; written, oral and presentation.
- Proven experience in the core disciplines; media relations, internal communications, public & regulatory affairs, CSR and e-media.
- In depth knowledge of all aspects of managing press and media relationships, preferably including pan-European media and key indigenous European business media.
- Strong business and commercial acumen.
- An understanding of the cultural, economic, media and political differences across the region.
- An understanding of, and interest in, the latest stakeholder research and reputation evaluation metrics and methodology. The ability to demonstrate both the accountability and value of the communications function.

(ii) Personal qualities

- Adaptable, flexible, able to work in an international, fast-moving environment that requires one to adopt different leadership styles in different situations.
- A strong authoritative and direct approach, maintaining a firm stance on important issues, but coupled with diplomatic skills and the consensual ability to find a way through.
- Highly developed advocacy, influencing and negotiating skills.
- Tenacious and high energy levels.
- Robust and resilient.
- Focused achiever and self-motivated.

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