
Watson Helsby

FTSE 100

Group Director of Corporate
Affairs/Communications Survey

2014 Results

2014 RESULTS

1. Summary

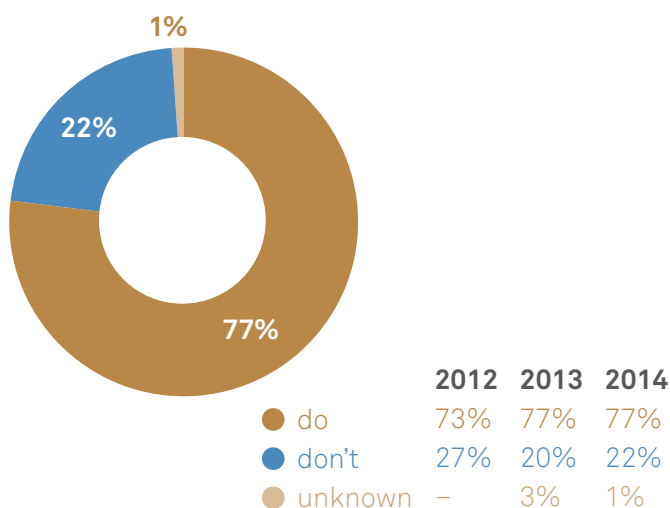
Watson Helsby, the executive search firm, has updated its 2013 FTSE 100 Group Director of Corporate Communications/Affairs survey, providing information on reporting lines, Executive Committee membership, and remuneration. This year we have also included a gender analysis as well as an analysis of turnover and new appointments.

2. Methodology

We used a combination of proprietary data, desk research and phone interviews (for compensation details). We collected data on 99 of the FTSE 100, making this the most comprehensive survey currently available.

3. Key Findings

(i) % of the FTSE 100s employing a Group Corporate Communications/Affairs Director



In those companies that do employ a group corporate communications/affairs director, the job title varies considerably as does seniority and status and remit.

Titles include: Communications; Corporate Affairs; External Affairs; Corporate Relations; External Communications; Investor Relations & Communications; Corporate Communications & Affairs; Corporate Affairs & Strategic Planning.

The Director title predominates but there were a few SVPs (7%) and a number of Heads (9%) and one Officer.

The remit of the role also varies with the main variables being investor relations (10% of the FTSE 100 group corporate communications/affairs directors responsible for it), internal communications (sometimes into HR) and public affairs/government relations.

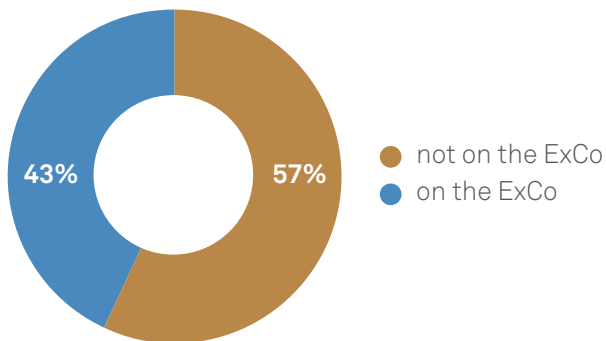
Leadership of the function, like remit, is still far from standardised. In most cases it is led by a director with either a PR/communications background or a public affairs background. But in heavily regulated sectors, such as tobacco, the function can be led by a lawyer/general counsel. In the natural resources sector it is not unusual for the function to be led by and represented at Executive Committee level by a function that is quite specific to the sector, Corporate Services Director (organisational resources, property etc).

In the twenty one FTSE 100s that don't have a corporate communications/affairs director (40% of which are in the bottom 20 of the FTSE 100) the following situations apply:

- (i) They are B2B companies with a reasonably low profile operating in markets with low political and regulatory scrutiny, and where two audiences are prioritised, customers and investors/analysts. Corporate communications/affairs is a discipline that is therefore regarded as one that does not require senior level resourcing and the group corporate communications/affairs director is therefore an unnecessary luxury. It is resourced at a more junior level, often reporting through the marketing or finance function. A number of them have a head of investor relations who handle some financial communications.
- (ii) They are companies (Fresnillo, Carnival, Bunzl) that are not headquartered in the UK.
- (iii) The position has been made redundant in 2014 and not reinstated.

(ii) Membership of the Executive Committee

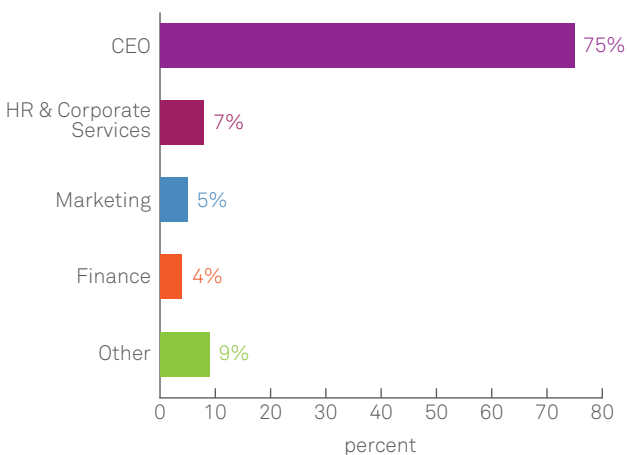
Of those companies with a group director of corporate affairs/communications (or other comparable title), 43% regard it as an Executive Committee level post and 57% do not. In last year's 2013 study it was also 43%, so there has been no change.



In those companies where it does not have a seat on the ExCo it is represented by either Marketing, Strategy or an executive with a combined remit of HR & Corporate Services/Organisational Resources, or the CEO.

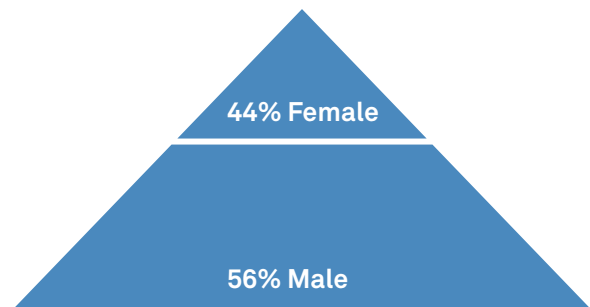
(iii) Reporting Line

The CEO reporting line predominates with 75% (up from 70% in 2013) reporting to their CEO (obviously the case if they are a member of the ExCo). We noted seven other executive committee reporting lines, the most widespread of which (7%) was into an executive director with responsibility for HR and other corporate services (e.g. Property). Third came Marketing (5%) and fourth Finance (4%)



(iv) Gender analysis

There is no marked bias here with 56% of corporate communications/affairs directors male and 44% female.



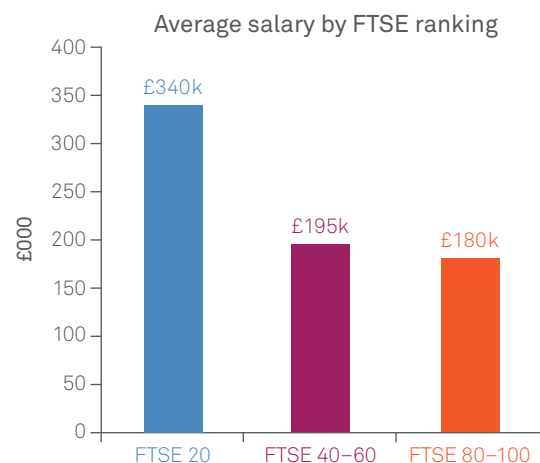
(v) Remuneration

Remuneration packages can vary significantly between those working for a FTSE 20 and those employed by a company at the bottom end of the FTSE 100 index. Taking an average for the entire FTSE is therefore meaningless. Our approach has been to take averages from three different groupings of corporate communications/affairs directors: FTSE 20; FTSE 40–60; FTSE 80–100.

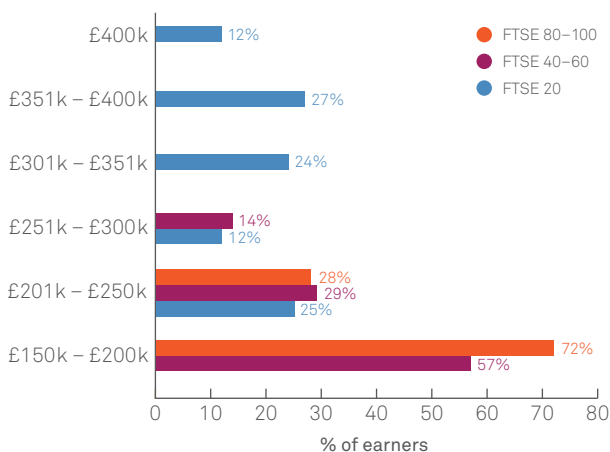
(a) Base salary

Basic salaries in the FTSE 20 ranged from £225,000 to £800,000. In the FTSE 40–60 salaries ranged from £150,000 to £290,000. In the FTSE 80–100 salaries ranged from £140,000 to £250,000.

Market cap is only one determinant of salary. Other factors include profile/ubiquity of company and stature/experience of the individual in post.



% of each grouping by salary band



(b) Bonus

FTSE 20	on average	100%
FTSE 40-60	on average	80%
FTSE 80-100	on average	60%

Though exceptional performance could take bonus to 150% and above in a FTSE 20, the average on target was 100%.

On target bonus in FTSE 40-60 ranges from 40%-100%, but averages out at 80%.

On target bonus for those working in a company grouped in FTSE 80-100 ranges from 40% to 100% but averages out at 60%.

(c) LTIPs

FTSE 20	on average	140%
FTSE 40-60	on average	85%
FTSE 80-100	on average	65%

LTIPs for FTSE 20 group corporate communications/affairs directors will rarely be less than 100% of base salary if corporate and personal criteria are met.

Those working further down the FTSE 100 can expect an LTIP ranging from 45%-150% of base salary, the range is broad.

(vi) Turnover of Corporate Affairs/Communications Directors

In 2014 there was a turnover of group corporate communications/affairs directors of 11% (some of the searches were completed in 2013, but joining date was in 2014). The companies that appointed a new functional leader were as follows:

E = External hire

I = Internal hire

Amec (E)

Associated British Foods (E)

BAE Systems (E)

British American Tobacco (I)

Burberry (E)

Diageo (E)

HSBC (I)

Pearson (E)

Royal Bank of Scotland (I)

SAB Miller (I)

Shire (I)

46% of these appointments were made from within the company and 54% were hired externally. Of those that were hired externally, all came from different industry sectors to the one they were hired into.

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About Watson Helsby

Watson Helsby provides executive search counsel and expertise across the following disciplines: corporate communications; financial PR; media relations; public affairs; internal communications; crisis and issues management; digital communications; investor relations; corporate responsibility and communications strategy and planning.

In addition to our core offer of search, we regularly publish Watson Helsby industry reports. These examine the latest thinking, practices, trends and issues in the disciplines into which we recruit. In so doing, they provide a contemporary view of the direction in which specific roles are evolving as well as the competencies that leaders of these disciplines require to be successful.

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