

The State of Corporate Communications Today

Russell Dubner

President, Edelman New York

Trust and confidence in business and business leaders is at an all-time low – see [this year's Trust Barometer](#) if you missed it. The parade of shoes dropping in the fallout from the credit crisis has left Americans tired and frustrated with the brands and the leadership they previously trusted. How are smart companies dealing with this challenge? How are they communicating with public constituents? And what are forward-looking communicators doing now to position their company's brand for the anticipated recovery?

The Corporate Communiqué team sat down with Russell Dubner, president of Edelman New York, to discuss these and other questions on the minds of corporate communicators today.

Corporate Communiqué (CC): What is the current state of corporate communications?

Russell Dubner (RD): Communications has become much more holistic and nimble – it had to. Communications disciplines across corporate departments are working more closely together and with their agency partners – they are becoming more nimble, especially in the way they monitor and identify issues. **They must have their finger on the pulse of a broader set of issues and they're realizing that issues can come from a larger spectrum of constituents:** NGOs, analysts, consumer groups, activist investors, D.C., employees.

These **audiences are more empowered than ever before** and coupled with the **speed at which social media accelerates an issue**, the spread of information between (and connectivity of) these audiences has increased. This makes it much **more difficult to keep issues isolated**.

CC: What's "the takeaway" for clients?

RD: Smart companies will have issues monitoring and the mechanisms to evaluate and react quickly in place – and that has to include digital and social media. This enables companies to quickly decide what to manage and where there may be an opportunity to take a leadership role.

CC: How are smart companies positioning their brands, business and communications now for the anticipated recovery? Who is getting it right?

RD: There are a few companies in the most troubled areas of our economy that stand out for **what and how they are communicating** and they seem to be the companies that actually know where they want to be when they come out of the more trying times. **They seem to be communicating based on principles and a strong sense of self.**

Ford has done a significantly better job than its peers. It strikes me that they are very consciously trying to set themselves apart from the other automakers with actions like renegotiating their labor agreements before others and piling up cash reserves when they can. And they did it in a way that showed they are two to three steps ahead of everyone else. So yes, they're making **smart business moves** but they also **aligned these moves and communicated them clearly so people could make the inferences that Ford wanted them to make.** Ultimately this is helping to pull the overall quality story through.

Lloyd Blankfein at Goldman Sachs is another great example. It was bold for Blankfein to step out and address executive compensation and how Goldman is going to compensate its employees with a longer-term view. And then it was not just cow-towing – Blankfein has spoken up when moves from D.C. were not in the mid-term best interest as well. I think **it's the balance of open, straight-forward communications and then being contrite when they really believe it, that have positioned Blankfein and Goldman in a more positive light.**

CC: What's "the takeaway" for clients?

RD: One of the biggest mistakes is not having the courage to intercept issues and seize opportunities to step out and lead. Some companies see the iceberg coming and they talk about it. But actually going out earlier to avert it or even dock there instead of running into the iceberg takes courage. There are many examples where it wasn't for lack of knowledge, but lack of courage to take preventative measures that cost some companies their reputation. Others (as just mentioned) have done this really well. They saw an issue on the horizon, they thought through the scenarios, they were open and engaged, but true to their principles, and they will come out of the storm in a better place.

CC: What's one thing to keep in mind in tough times?

RD: One thing I have seen in a few instances is CEOs who are only focused on communicating about the short-term viability and the short-term actions they're taking – cost-cutting, spin-offs, etc. It's not necessarily the wrong thing to do – these are the actions you need to take to remain an ongoing concern. But **there's going to come a point reasonably soon** for some of those businesses – if not in tandem with making those communications – **when you have to answer: "What is the future I should be excited about and that I can feel energized by?"** There's a hesitance right now – rightly so – of being Pollyannaish about the future, but ultimately there are always opportunities for growth. Unless you're winding your business down, you're going to **have to find a way to tap into people's energy around something** – a new innovation, a new strategy, a new market. What are you going to be doing differently so that in X years you're going to be in the leadership position? The transition point to telling the future story and not just defending is around the corner.

CC: What's "the takeaway" for clients?

RD: Don't get stuck in defense. You'll never win.