

David Cameron was Carlton Television's director of corporate affairs before he became the UK's 'CEO'



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Comms chief to ... CEO?

If reputation matters so much, shouldn't more CEOs have a comms background? There are signs – whisper it – that this may finally be happening

BY DAVID BROOME AND OSKAR YASAR

As decisions go, it's a bold move to declare, within 11 months of your appointment as CEO, that the future of your company's textbook-publishing business lies not in textbooks but tablets. But that's just what Pearson CEO John Fallon did. And then, in 2015, he decided to sell the world-renowned, salmon-pink *Financial Times* to Japanese company Nikkei, despite the newspaper having increased its circulation by 30% in the preceding five years. It was a decision that Fallon's predecessor had once declared would take place "over my dead body".

That Fallon took these decisions marks him out as a leader who's unafraid to think 'balance sheet' before 'brand'.

Fallon's zeal is noteworthy for another reason: he wasn't picked for Pearson's top job from law or accountancy, but from PR. He'd been comms director at Powergen and then Pearson, and was once a researcher for John Prescott. →

COMMS ON TOP?

So, will more and more leaders now beat a path from communications and PR to the boardroom? This was the question we at Broome Yasar Partnership wanted to address in our recent report *Today's Corporate Affairs Director, Tomorrow's CEO?*

Industry studies estimate that a third of a chief executive's time is now spent on formal comms activities. But where are CEOs expected to learn such skills? As an alignment grows between what is expected of successful CEOs and the experience of heads of corporate affairs, there is the potential for a new generation of corporate leaders to spring from the ranks of the PR industry.

WANTED: MORE ROLE MODELS

The ambition to make such a transition exists – our research across 120 corporate affairs directors shows that one in five have considered progressing into a broader, general management role –

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yet a lack of role models partly explains why few, so far, have made the move.

The opportunity is beginning to be marked out by some high-profile pioneers. Former prime minister David Cameron was once director of corporate affairs for Carlton, now part of ITV. The job earned him a reputation as a bright and able colleague, and, he has said, the work helped to shape his adult persona.

SOMETIMES KNOWINGLY OVERLOOKED

Historically, in the search for leaders with the skills needed to run our most important organisations, corporate affairs departments have been overlooked.

There are a number of reasons for this: the comms marketplace was once dominated by specialist consultancies, with few significant in-house roles that offered a route into senior management. It was even rarer for a corporate affairs professional to have a seat on a corporate executive committee. Other functions – such as finance, with its emphasis on operations, applying financial acumen and directing resources – were viewed as offering a more natural route.

Sue Clark, managing director at SABMiller Europe, says that when she began her comms career at National Power the role was seen as a “backwater for failed sales or marketing people”.

This, however, is changing. “Today, reputation is finally seen by boards as a big risk that needs to be managed,” says Clark. “Together with the increasingly stringent regulatory environment, expectations of businesses have changed. This all plays into the heart of a communications director's background.”

FIVE INDUSTRY FLAG-BEARERS



John Fallon CEO, Pearson

Fallon started his career as a researcher for Labour politician John Prescott before climbing the ranks in PR, becoming director of comms for Powergen in 1993. By 1997 he held the same title at Pearson, before going on to become its chief executive of education EMEA in 2003. He was given control of all divisions, as CEO of Pearson, in 2013.



Lynda Thomas CEO, Macmillan Cancer Support

Cutting her teeth in consumer PR, Thomas was media manager for the NSPCC before she joined Macmillan in 2001. As director of fundraising she gained invaluable financial experience. She rates “reputation-management skills”, “the ability to talk to people” and “an adaptable mindset” as some of the most useful qualities for a CEO.



Simon Walker Director general, Institute of Directors

Representing the membership and debating matters of corporate governance, Walker took up his post in 2011 and leaves at the end of this year. He was previously comms secretary to the Queen. He believes reputation management and the need for emotional intelligence will see more and more CEOs come from comms backgrounds.



Simon Lewis CEO, Association for Financial Markets in Europe

In terms of PR experience, Lewis packs a punch. Once head of PR for investment bank SG Warburg (which became part of UBS), he's served as communications secretary to the Queen and director of communications at 10 Downing Street, and he had stints at Centrica and Vodafone too.



Anna Jones CEO, Hearst UK

Jones began her career at Scope Ketchum, working in the business division for clients such as Xerox and Whitbread. She says: “Working in PR taught me the importance of putting comms at the centre of any successful business.” She will leave Hearst in early 2017 to set up AllBright, a funding platform for female-led businesses.

SKILLSET ALIGNMENT

Today's CEOs have no choice but to spend more time communicating – the market has little time for those who get it wrong. "Being able to communicate effectively is a core skill for CEOs," says Simon Lewis, CEO of the Association for Financial Markets in Europe and former comms director for then prime minister Gordon Brown.

"Every organisation is competing for their share of voice," he says. "If you can communicate a sense of purpose, it is a distinguishing talent."

At the same time, in their everyday work, comms leaders are honing what are essentially core CEO skills – the ability to build a narrative, remain calm in a crisis, multitask and think fast. They already tend to have a wide-angle view of the organisation and an ability to engage people and articulate messages.

As a result, senior communications professionals are growing in influence in organisations and enjoying wider exposure to business decisions and strategy. About half of corporate comms directors sit on executive committees.

Clark says: "As a leader of a large business you have to deal with complexity and ambiguity, and make decisions with imperfect information. These are valuable capabilities that corporate affairs professionals bring to a management role."

GET A LIFE (OUTSIDE COMMS)

Comms skills alone aren't enough to make a CEO. Commercial acumen and financial-management skills are vital too.

Lynda Thomas, CEO at Macmillan Cancer Support, says: "You need to broaden your experience. If you are serious about progression, go out of your comfort zone: do an MBA or get involved in project-management work that addresses the whole organisation. Prove you can run a huge budget in terms of expenditure and money coming in. You must be able to read a balance sheet."

Start early, adds Nick von Schirnding, who was director of corporate affairs at Anglo American before serving as CEO at two commodities businesses. "You need to understand what the key drivers are in your business, facts and financials, the capital structure and the elements that

make it up. People will give you a certain time frame to work out if you know what you are talking about," he says. "If you pass, it is an empowered role. If not, you won't get a second chance."

STATUS-CONSCIOUS?

Although hungry potential CEOs might want to move upwards quickly, it is often necessary to move sideways first.

This was a scenario that faced Fallon. He explains: "I went from being on the Pearson executive committee reporting directly to CEO Marjorie Scardino to reporting to someone who reported to someone who reported to Marjorie. I went from being based on the Strand in

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People will give you a limited time frame to work out if you know what you're talking about

London and a fantastic corner office on Sixth Avenue in New York to working in Harlow running what was then a loss-making £250m business," he recalls. "I've seen subsequently that people find that quite a difficult transition to make."

Such moves may not be great for the ego but they can build personal networks and add experience of different functions, geographies and business areas.

WHY US AND WHY NOW?

Today's comms leaders operate much more visibly, both internally and externally. They must understand the commercial side of the business and navigate complex stakeholder, regulatory and political interactions.

There's clearly more work to be done to raise the profile of corporate affairs and public relations as a source of potential CEOs, but we do now have high-profile role models to show how, with careful career planning, it can be done.

David Broome and Oskar Yasar are managing partners of executive search firm Broome Yasar Partnership. Download and read the report at: broomeyasar.com/#reportdownload

TEN STEPS FROM COMMS CAREER TO CORPORATE LEADER

- 1

Ensure that your organisation supports your ambitions. If it doesn't, move.
- 2

Look to gain commercial and financial skills and experience.
- 3

Build your network outside your organisation.
- 4

Do your own PR within your business. Know as much as you can about how it works.
- 5

Find supportive senior mentors who will guide you and challenge you to try a new role.
- 6

Consider external training (an MBA or a role with a non-profit) to add to your skills.
- 7

Don't underrate your existing skills.
- 8

Volunteer for strategic and other managerial opportunities, and keep yourself visible.
- 9

Consider a move sideways if it would help to build experience.
- 10

Understand the true nature of a leadership role and make sure you really want it.