

Today's corporate affairs director, tomorrow's CEO?

Today's chief executives are increasingly difficult to categorise. Requiring skills that their predecessors a generation ago would barely recognise, they are drawn from a diverse range of backgrounds – from academia to industry and government to creative media. Yet there has been little research to date on another emerging route to the top of business: through senior corporate affairs roles in investor, corporate, public and media relations. The two business leaders and former corporate communications directors profiled here offer advice on how corporate affairs professionals can ensure they are credible contenders for broader leadership positions. Together, we explore the skills that they developed to reach the top.

BY OSKAR YASAR AND DAVID BROOME

In the search for leaders with the depth and diversity of skills needed to run our largest, most important companies, industries and indeed governments, communications and corporate affairs departments have not been considered as fruitful places to explore. There are some valid reasons for this oversight. In the past, the communications marketplace was dominated by specialist consultancies, with few significant in-house roles as 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 were viewed as a more natural route.

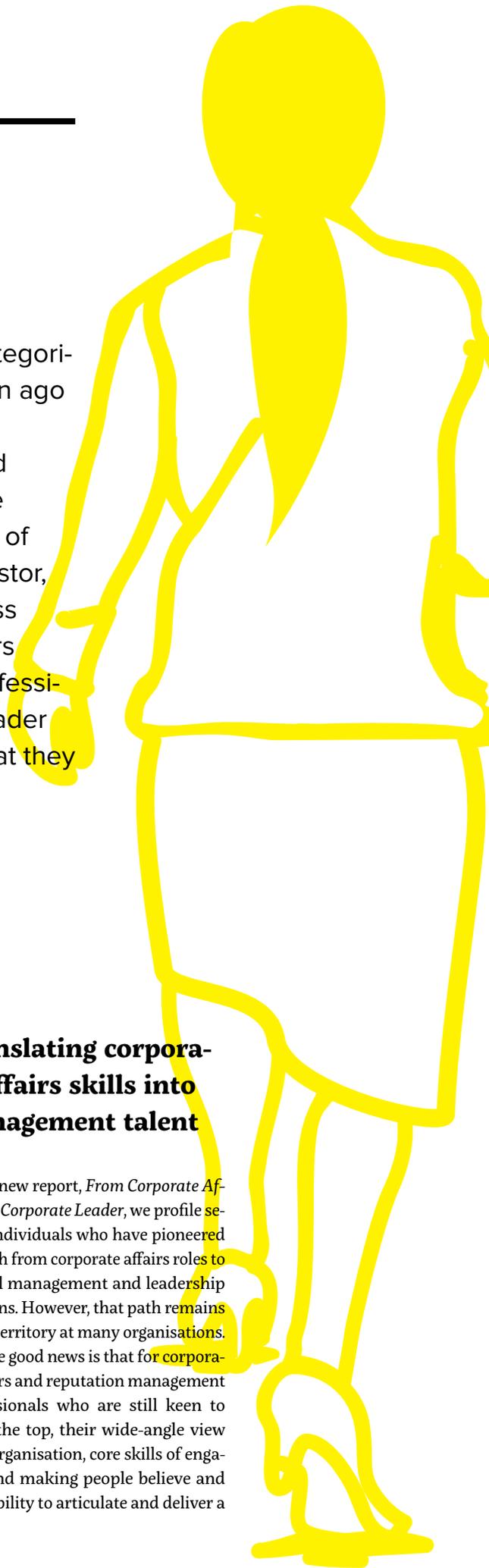
A rapidly changing market for senior roles is challenging this status

quo. A new generation of leaders have developed their skills and outlooks in a digitally-connected, always-on world. Communication is no longer a minor but necessary aspect of corporate life. With an ever greater complexity of audiences and stakeholder groups, CEOs have no choice but to spend more time communicating and the market has little time for those who get it wrong. In response, organisations have become more focused on their own reputation management. Many now state publicly that they consider their robust name or reputation to be their greatest asset. Countless studies demonstrate that the loss of reputation exacts a high cost. An effective reputation engagement strategy is now viewed as business critical.

Translating corporate affairs skills into management talent

In our new report, *From Corporate Affairs to Corporate Leader*, we profile several individuals who have pioneered the path from corporate affairs roles to general management and leadership positions. However, that path remains virgin territory at many organisations.

The good news is that for corporate affairs and reputation management professionals who are still keen to reach the top, their wide-angle view of an organisation, core skills of engaging and making people believe and their ability to articulate and deliver a



message are increasingly in demand. There's huge potential for such individuals to succeed, whether their communications background is in politics or government, a publicly-listed company or a trade association.

As a result, we are witnessing more corporate affairs and reputation management heads developing into business leaders. Senior communications professionals possess increasing influence within organisations and enjoy wider exposure to business decisions and strategy. An estimated 50 per cent of corporate communications directors now sit on executive committees. Communications is emerging as a business critical function and as a valid and respected management discipline. Furthermore, it is increasingly common for potential business leaders to be expected to spend some time in the communications function. It is unsurprising that the range of skills required in a communications role can translate effectively into management talent. Through their everyday tasks, corporate affairs professionals are honing core CEO skills such as the ability to build a narrative, remain calm in a crisis, multi-task, think fast and communicate succinctly and quickly.

Broader skills, business portfolios, projects

Communications skills alone are not sufficient to progress professionals into senior executive or CEO roles. While corporate affairs is increasingly attracting people with broad skill-sets from diverse backgrounds, a need remains for professionals starting in the industry to proactively widen their portfolios. Without commercial acumen and financial management knowledge, an ambitious communicator may find it difficult to progress across organisational departments and become stuck in a career rut.

All interviewees in our report stressed the importance of volunteer-

ing for new opportunities and wider involvement throughout an organisation. Managerial training at institutions such as business schools and MBAs can help fill financial gaps, while there are myriad opportunities to gain experience through volunteer board roles. By gaining cross-functional and broader experience, and becoming involved in wider strategy deliberations, many corporate communications professionals have found that their own profile is raised within a business, as well as their efforts being rewarded by increased interest externally.

Being vocal about one's ambitions is also of paramount importance. Most of our current crop of leaders admit to having had close senior support, including mentors who were prepared to guide and to challenge them into trying new roles. Many of our interviewees suggested considering a move to another organisation if that support culture does not exist within an existing employer. An open-minded environment is needed to facilitate a transition out of corporate affairs.

Articulate the benefits

While ambitious potential leaders might want to move upwards quickly, the journey to leadership may not be straightforward. As some of our interviewees point out, sometimes it is expedient to move sideways into a role that may not be high-profile or report directly to a chief executive. Such moves can equip individuals with new skills, vastly improve their operational knowledge and help them make connections that may fuel future progress. This process can build personal networks and add direct experience of an array of different functions, geographies and business areas to an executive's communications prowess.

Some of our interviewees found invaluable experience from gaining NED positions, though there remains concern that corporate affairs professionals are not often considered for such roles. Others in trade and professional

FROM CORPORATE AFFAIRS TO CORPORATE LEADER

- Ensure your organisation is supportive of your ambitions. If it isn't, move.
- Look to gain commercial and financial skills and experience.
- Build your network outside your organisation.
- Do your own PR within your business and get to know as much as you can about how it works.
- Find a supportive senior mentor.
- Consider external management training e.g. an MBA, not-for-profit sector to add skills.
- Don't underrate your existing skills.
- Volunteer for strategic and other managerial opportunities and keep yourself visible.
- Consider a move sideways if it helps build experience.
- Understand the true nature of a leadership role and ensure you really want it.

“Communications is emerging as a business critical function.”

bodies have made fruitful transitions to leadership roles. This may be explained by the campaigning nature and mind-set of many such organisations, which aligns leadership closely to communications. Yet, such organisations, like third sector groups, can be large and diverse concerns and increasingly operate on extremely commercial lines, so skills other than communications are in demand there as much as they are at limited companies.

Is it right for you?

In the near term, the increasing numbers of corporate affairs leaders in executive committee roles and the encouraging level of support that now exists within businesses can make this ambition a reality. At Broome Yasar Partnership, we are sure that the market will see more communications professionals making this transition, but careful planning and ambition are prerequisites to tread the path to leadership. Of course, the chief executive position does come with a health warning. It can be a lonely existence and operating in the spotlight is not for everyone. For those who wish to travel in this direction, however, the good news is that the route is becoming well-established, there are signposts along the way and support now exists for the journey. Bon voyage. ●

To download the full report, go to www.broomeyasar.com/#reportdownload

Two profiles, two pathways to the top:

I. Sue Clark, Managing Director, SABMiller Europe

Sue Clark says communications was seen as something of a “backwater for failed sales or marketing people” when she began her career in investor relations at National Power. In contrast, she could now hardly have a more central role at brewing group SABMiller. The route she took to a senior management position at a consumer goods manufacturer was a relatively uncharted one, through investor relations to corporate affairs roles at energy and rail utilities. Yet Clark feels passionately that the experience she gained not simply of reputation management but also of commercial operations honed her skills for the roles she now performs.

“Understand what people on the sharp end... are going through.”

During her role leading communications at Scottish Power, her remit extended beyond privatisation and energy outages to the minutiae of corporate takeovers, synergy gains and merger integrations. At Railtrack she gained in-depth crisis management expertise as the rail infrastructure provider experienced a financial collapse. Clark played a key role in achieving a settlement with the government for shareholders.

If those roles constituted her corporate operations education, Clark’s 13 years at SABMiller have seen her embrace a consumer products environment and experience the winds of a rapidly globalizing industry. Clark’s appointment constituted a major plank in SABMiller’s objective to build a global corporate affairs function. The nine years she spent in this role were a training for her current role as managing director of SABMiller Europe, overseeing a territory representing one fifth of the company’s global business. No woman before Clark had ever held general management roles at the company, even at country level. Although Clark always wanted to be a general manager, she assumed that it would be a difficult leap to make. She was surprised to have found that while there are clearly differences, some things are much the same. “Leadership issues are the same, whether you are in charge of a larger corporate affairs team or elsewhere in an organisation,” she says. “It’s learning how to deal with them that is important.” Another important skill is an ability to cut through complexi-



SUE CLARK’S CAREER HISTORY

- Managing Director, SABMiller Europe 2012 – Present
- Director of Corporate Affairs, SABMiller 2003 – 2012
- Director of Corporate Affairs, Railtrack 2000 – 2003
- Director of Corporate Affairs, Scottish Power 1996 – 2000
- Investor Relations Manager, Scottish Power 1992 – 1996

ty and create clarity for stakeholders. Clark feels this can also prepare communicators for the cut and thrust of senior management roles. However, she believes this is a skill that many communicators forget to highlight.

Corporate communicators need to recognise that they have a key role to play in keeping management focused on the demands of their broader stakeholder group. One of the reasons for Clark’s relentless travel schedule is that it enmeshes her tightly in business operations and ensures that she is on top of local knowledge: “You have to know the details of the situation: and understand what the people on the sharp end of that are going through.” Clark’s own unique achievements within corporate affairs, at the heart of major, high-profile corporate crises and events, have been a major addition to her CV. For others on a similar path, she advocates gaining financial and commercial experience that goes well beyond that needed for a communi-

cations role. Volunteering to help with acquisition planning and integration can augment formal training. “If I reflect back on my career, I don’t regret the things I’ve done; it’s the things I haven’t done that I regret. If you think you’ve a contribution, comment to make or want to be part of something, push yourself forward and challenge yourself.”

2. John Fallon Chief Executive, Pearson

After a decade in corporate affairs at Powergen and Pearson, John Fallon decided that he wanted to “have a go at running a business and seeing what it was like”. He took a job running Pearson’s education business in Europe, the Middle East and Africa but says the transition is not always straightforward. “I went from reporting directly to chief executive Marjorie Scardino to reporting to someone who reported to someone who reported to Marjorie.” Fallon feels that one of the biggest challenges for corporate affairs directors looking to move into general management roles is learning not to be obsessed with status. Fallon had prepared himself by spending time with the head of Pearson’s North American education business. He was curious about the business and wanted to know how Pearson developed new products and sold and marketed them. “I think you can do the corporate affairs job in a way that you really get into the substance of the business,” he says. “Corporate affairs is a fantastic role because it gives you a chance to look at the whole business and get stuck in.” Fallon is a strong believer that corporate affairs directors and chief executives alike should be good at listening. “Clearly, a lot of the job these days is about clarity of message and communicating the employer vision and purpose internally and being able to do so externally as well and manage complex relationships with stakeholders. A really good corporate affairs person is someone who really understands the business strategy and



JOHN FALLON’S CAREER HISTORY

- Chief Executive, Pearson 2013 – Present
- Chief Executive, International Education Businesses, Pearson 2008 – 2013
- Chief Executive, Education EMEA, Pearson 2003 – 2007
- Director of Communications, Pearson 1997 – 2003
- Director of Corporate Affairs, Powergen 1992 – 1997

products, what the business is doing worldwide and why it’s doing well where it’s doing well and why it’s struggling where it’s struggling.” Why then, have so few corporate affairs directors made the transition to senior management? Fallon feels it has to do with the changing nature of the job, which was once viewed as a transactional role dominated by ex-journalists and long boozy lunches. To some extent, he believes it is a “generational thing”. Corporate affairs is now much more grounded inside businesses, with greater depth and substance, he says.

Fallon also believes that it is possible to “over obsess” about one’s career path. “Clearly, it’s important to be ambitious and have confidence in yourself and in the future,” he says. “It’s good to be ambitious and want to take on more but first and foremost you have to love what you do.” ●

“Doing the CEO job, you also need a resilience and a sense of perspective.”



OSKAR YASAR

Managing Partner, Broome Yasar Partnership

Oskar Yasar established the Partnership, a specialist corporate affairs and investor relations executive search firm, after 10 years at VMA Group as board director and managing director of VMA International. He has 15 years’ executive recruitment experience and was previously a senior consultant at Citigate Dewe Rogerson.



DAVID BROOME

Managing Partner, Broome Yasar Partnership

David Broome has specialised in corporate communications executive recruitment for 15 years, previously as board director at VMA Group. Helping appoint more than 300 senior communications roles globally, he regularly leads industry forums for senior communicators to aid industry community building.