



During the past two years, companies have had to reassure a vast and expanding portfolio of stakeholders of their ability to operate smoothly and successfully through the most difficult economic period in decades. The simultaneous explosion of new media venues that allow companies to more effectively and instantaneously communicate with their constituents also permits emerging business issues to become headline news overnight, leaving little to no time to prepare for a response. More than ever, companies are faced with an overwhelming array of management, financial and communications challenges.

Through all of this, the Chief Communications Officer (CCO) has had to become even more adept at navigating the complex landscape of communications challenges and opportunities that threaten company reputation. Spencer Stuart and Weber Shandwick have been monitoring the evolving role of the CCO since 2007 by partnering on a comprehensive and quantitative survey of global CCOs.

The Rising CCO, now in its third year, examines the roles, responsibilities and opinions of CCOs in the world's largest companies.

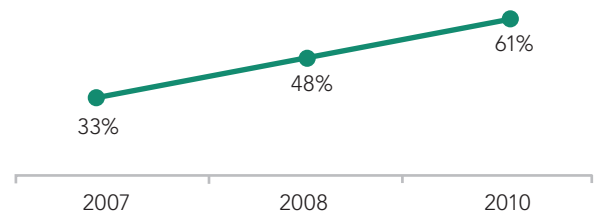
“Corporations act, brands don't. Reputation matters. Corporations need to have a voice and presence in times of crisis in order to maintain client confidence, trust, and good reputation.”

– Fortune Global 500 CCO

NEED FOR CRISIS & ISSUES MANAGEMENT ESCALATES

- Crisis/issues management has soared during the past three years as a critical experience for tomorrow's successful CCO. It is considered nearly twice as important in 2010 as it was in 2007.

% Global CCOs citing Crisis Management as CCO Prerequisite



- An Internet search of “crisis management” from January through August 2010 generated more than 92 million results compared to 2.4 million in all of 2007, underscoring the growing importance of the function.

“Whether management says so or not, amid crisis, management is expecting corporate communications to be proactive internally to coordinate key stakeholders and develop and implement a communications plan.”

– Fortune Global 500 CCO

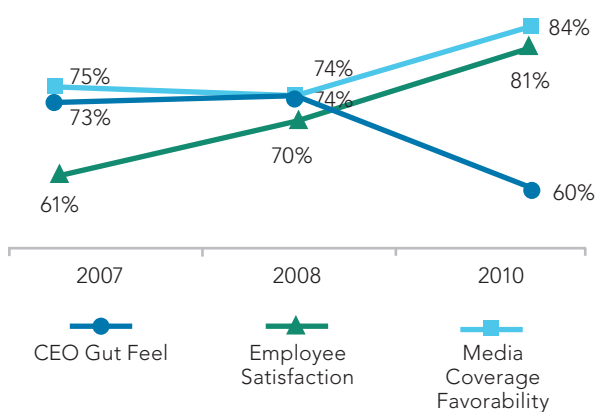
MEDIA COVERAGE FAVORABILITY TAKES ON MORE SIGNIFICANCE

- The reaction from the media has consistently been at the top of the CCO’s list of effectiveness measures in our ongoing research. In 2010, media favorability rose even higher as a barometer of communications success, from 75% in 2007 and 74% in 2008 to 84% in 2010. In times of relentless bad news and often venomous online commentary, organizations are exceptionally hungry for their positive stories to be covered by respectable and responsible journalists.

EMPLOYEE OPINION SURPASSES CEO OPINION AS TOP COMMUNICATIONS EFFECTIVENESS MEASURE

- CCOs increasingly report that employee satisfaction/engagement metrics are their effectiveness yardsticks, growing by 33% from 2007 to 2010. Employee engagement is also expected to be a top challenge/issue by CCOs in the upcoming year. These findings may not be surprising given reported employer expectations of worker attrition and the need to retain skilled talent upon economic recovery.
- For the first time since our tracking began, the CEO’s “gut feel” is not the top measure for evaluating communications programs. This year saw a marked drop in the number of CCOs reporting that the CEO’s reaction to their work is important in judging effectiveness. Most likely this reflects the CEO’s pre-occupation with business results during the tumultuous economic period combined with trust in the CCO’s ability to expertly manage communications.

Top 3 Effectiveness Measures



“How to effectively use social media to build consumer interest is the most critical corporate communications challenge in the year ahead.”
 – Fortune Global 500 CCO

SOCIAL MEDIA CONTINUES TO RISE ON CCO AGENDAS

- A growing number of CCOs believe that social media experience is critical for CCO “stars of tomorrow,” ranking it as the third most important experience behind business/financial and crisis/issues management.
- Social media/blogging is expected to be the communications tool that will increase most dramatically in importance over the course of the next year.
- CCOs cite social media/blogging as the most frequently added function to their departments during the past year.

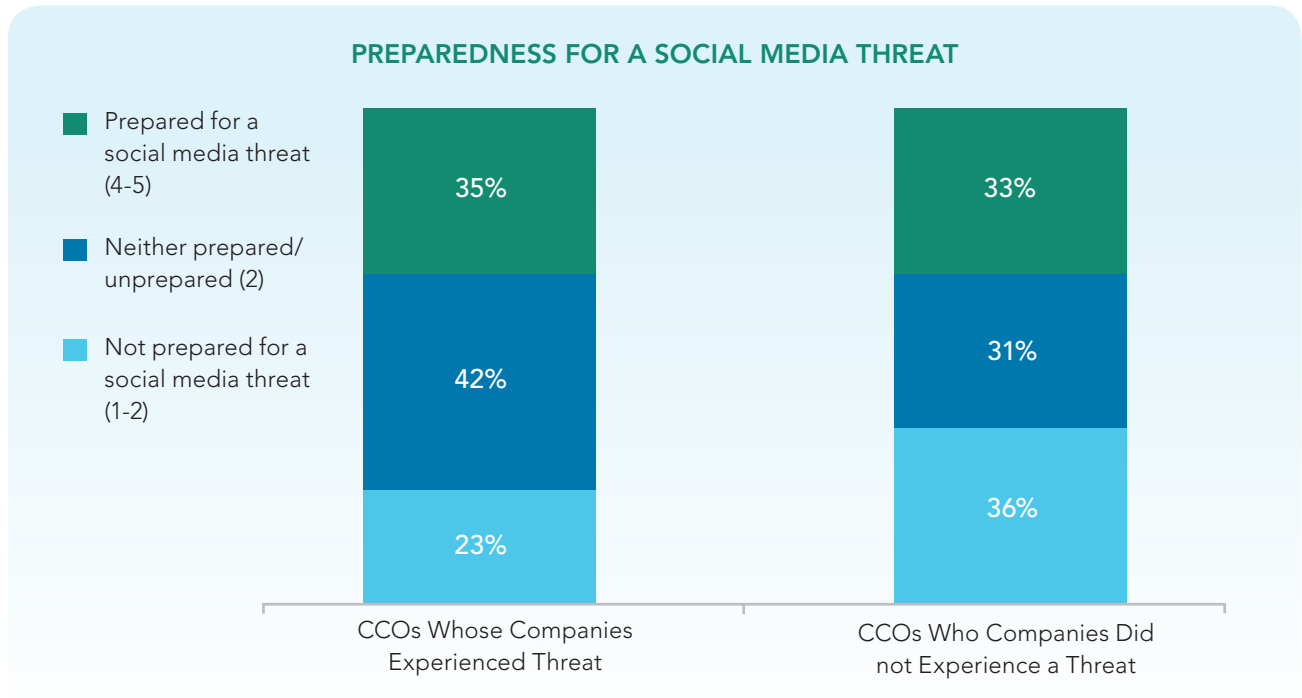
RISING IMPORTANCE OF SOCIAL MEDIA

	2008	2010
New/social media experience among the most important qualifications for tomorrow’s corporate communicators	31%	54%
Social media/blogging the fastest growing communications resource for next year	28%	41%
Social media/blogging the top function/responsibility added to department in past 12 months	35%	40%

- Asked on an open-ended basis about the most critical challenges facing corporate communications in the year ahead, CCOs most frequently mentioned social or online media.

ONLINE THREATS TO REPUTATION SHOULD ESCALATE SOCIAL MEDIA IMPERATIVE

- Approximately one-third of global CCOs (34%) report that their companies experienced a social media-based reputation threat during the past 12 months. Yet, just as many - 33% - say they are not prepared for managing these types of online reputational threats.
- Interestingly, CCOs of threatened companies are no more likely to believe they are well-prepared to deal with such a threat than their counterparts whose companies were not threatened. In fact, nearly one-quarter of them (23%) say they are not prepared. Either they have not learned their lesson or realize the complexities and unknowns of managing reputation in social media.



SOCIAL MEDIA ROI IS UNPROVEN

- Communications departments are not taking advantage of social network metrics. When CCOs are asked about the importance of communications effectiveness measures, only 14% say the number of Facebook or other social network users who “like” their company or join their company’s network groups is important. Even fewer, 10%, report that the number of people who follow their company on Twitter is important.



The critical communications issues from the downturn made corporate communications very valuable...and very busy with less folks to do the work.

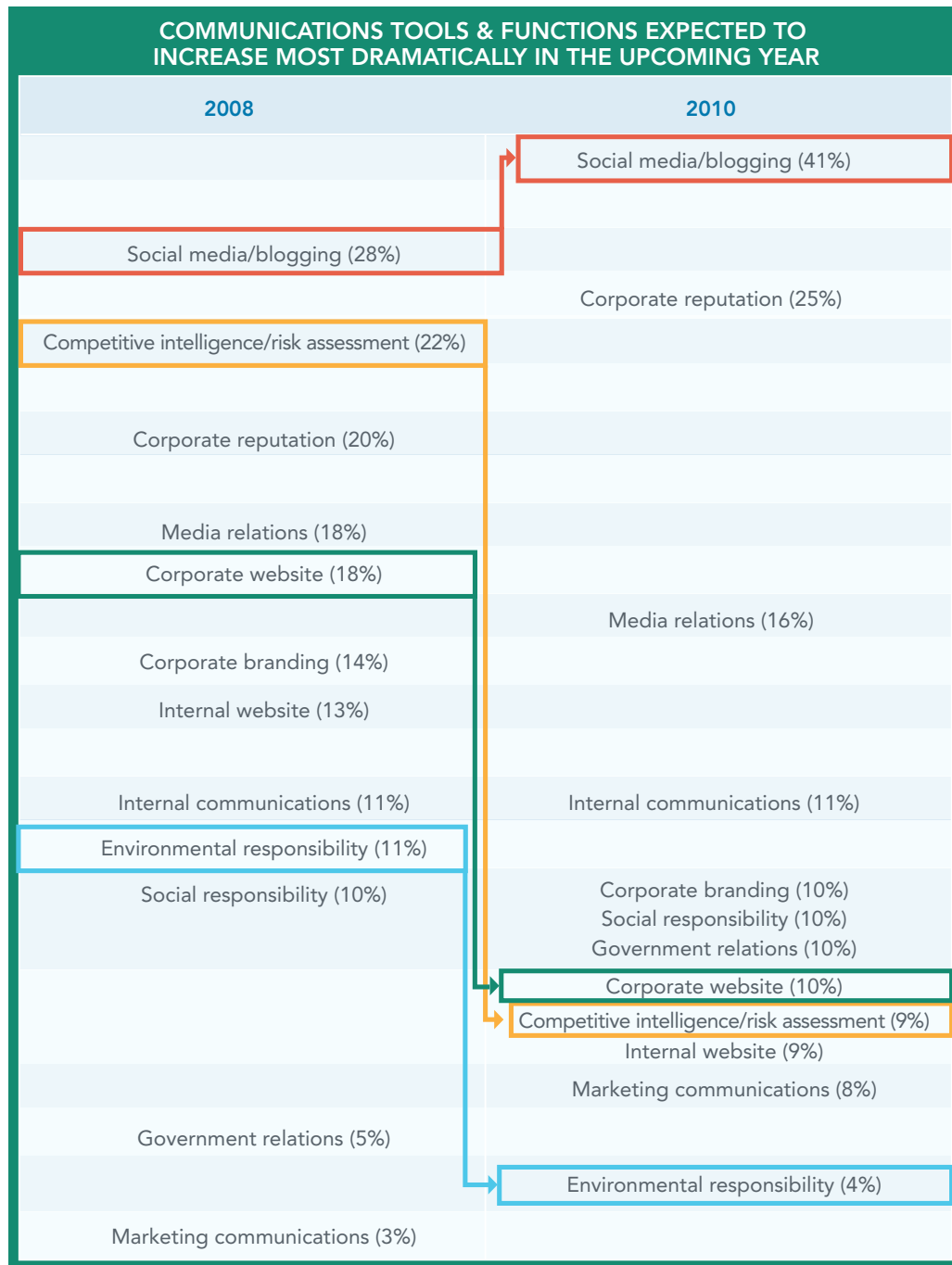


– Fortune Global 500 CCO

SOCIAL MEDIA PREOCCUPATION

The novelty and relative low cost of social media coupled with manpower and budget constraints may be forcing communications professionals to shift attention from other critical functions and activities with potentially damaging effects...

- In 2008, competitive intelligence/risk assessment ranked as the second most important communications resource planned for 2009 by 22% of CCOs, close behind social media (28%). In 2010, only 9% of CCOs expect it to be a growth resource in the upcoming year, ranking very low on the list of CCO priorities.
- Significantly fewer CCOs in 2010 report environmental responsibility as a growing function compared to 2008. Social responsibility remained flat. These corporate citizenship issues are no less important now to boards, customers and investors than they were before the recession and surge of social media.



HOW CCOs DIFFER REGIONALLY

- North American CCOs are the most tenured, surpassing European CCOs by two and one-half years and APAC CCOs by five years.
- European CCOs are the most likely to report to the CEO.
- The CCO's best interdepartmental ally is different in each market. North American CCOs are most likely to claim their top ally is the CEO, which may be why they also rank the CEO's opinion among their most important effectiveness measures.
- In general, it seems that APAC CCOs* place more value on external recognition than other CCOs. They measure communications effectiveness primarily through media analysis: favorability of coverage, value of impressions, and the number of company mentions in the media. Awards and recognition are also a top measurement indicator in APAC. Unlike their peers in North America and Europe, APAC does not count employee satisfaction/engagement or leadership's opinion of communications as effectiveness measures (both of which are internal voices) among its top three metrics.
- Given the importance of media in assessing the success of communications in APAC, it's not surprising that deep media relationships are considered among the top requirements necessary for tomorrow's successful CCOs more so in APAC than elsewhere.
- North American CCOs are the most likely to have experienced a social media threat to their companies' reputations in the past year. They are also the most likely to feel well-prepared for dealing with such threats. By far, APAC CCOs are the least confident in their preparedness, although many (52%) are striving to formalize their social media efforts.

HOW CCOs DIFFER BY REGION

	North America	Europe	APAC*
Average tenure as CCO	85 months	55 months	24 months
Report to CEO	42%	74%	50%
Top organizational ally	CEO	Investor Relations	Marketing
Measuring communications effectiveness (top 3 most important metrics)	<ul style="list-style-type: none"> • Media coverage favorability • Employee satisfaction/engagement • CEO's gut feel 	<ul style="list-style-type: none"> • Media coverage favorability • Employee satisfaction/engagement • Media impressions 	<ul style="list-style-type: none"> • Media coverage favorability • Media impressions • Number media/online mentions (tie) • Awards/recognition (tie)
Qualifications for future CCOs (top 3 most important)	<ul style="list-style-type: none"> • Business/financial experience • Business acumen • Persuasiveness 	<ul style="list-style-type: none"> • Business/financial experience • Business acumen • Crisis/issues management (tie) • New/social media (tie) 	<ul style="list-style-type: none"> • Crisis/issues management • New/social media • Business acumen (tie) • Deep media relationships (tie)
Social media differences...			
Added social media/blogging function during past year	41%	32%	52%
Experienced social media threat during past year	41%	27%	29%
Prepared to deal with a social media threat	43%	30%	14%

* Caution: very small sample

The Spencer Stuart/Weber Shandwick research provides quantitative evidence on where the CCO role stands today and how it is expected to evolve. The study reinforces the fact that when many organizations endure critical times, CEOs increasingly look to CCOs for strategic crisis communications and their ability to quickly react to a variety of scenarios. Like never before, CEOs are depending on CCOs to help steady their company reputations and calm their stakeholders. We will continue to track their progress.

ABOUT THE RISING CCO

The Rising CCO III surveyed 127 senior corporate communications professionals from companies based in North America, Europe and Asia Pacific. Seventy-eight percent of respondents work in global Fortune 500 companies. The survey was conducted online May and June 2010. Respondents included individuals with titles such as Chief Communications Officer, Head of Corporate Communications, Senior VP Communications, Head of Corporate Marketing, and Global Chief Public Affairs Officer.

To learn more about our *The Rising CCO* research, please contact:

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Spencer Stuart is one of the world's leading executive search consulting firms. Privately held since 1956, Spencer Stuart applies its extensive knowledge of industries, functions and talent to advise select clients – ranging from major multinationals to emerging companies to nonprofit organizations—and address their leadership requirements. Through 50 offices in 27 countries and a broad range of practice groups, Spencer Stuart consultants focus on senior-level executive search, board director appointments, succession planning and in-depth senior executive management assessments.

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