

Research Brief Series

# The Licence to Operate

Global Research Report

**The Next Level**

The Business Value of Good Internal Communication

February 2019



The report, [The Next Level](#), produced and published by IC Kollektif, examines the value and practice of internal communication (IC) from many angles around one central theme: the business value of good internal communication. This publication is part of a series on topics and issues addressed in the 164-page global research report. Following are key insights from the report looking at practitioners as trusted advisors and counsellors, and how to advocate the business value of internal communication to leaders. The full report is available at [ickollektif.com/report](http://ickollektif.com/report).

## The Licence to Operate

There's a critical need for many communication professionals to convince executives and senior management of their capacity to deliver business value. While an increasing number of business leaders are accepting the inherent value of good communication, not all are confident that their communication teams are delivering it. Moreover, the case made internally is often unconvincing.

Research also shows that most board members and top managers recognize the critical importance of communication for their organization, but they are unclear what role communication practitioners have and frequently view them as channel producers or technicians.

These findings underscore two closely related challenges commonly raised by practitioners: the difficulty to be recognized as trusted advisors and counsellors by executives and senior leaders and to convince them of the business value of internal communication (IC). Successful in-house communication professionals, C-suite leaders and academics outline a number of ways to overcome these challenges.

Gain Credibility. Build Trust. Make the Case for the Business Value of IC.

### **Be part of business conversations**

Practitioners need to create opportunities to demonstrate that they have something to contribute. They should put communication on the agenda and be prepared to discuss how things are performing whether it's good and bad, where there are challenges, what they've learned, what they're seeing, and how it accrues to the business. They should participate in the discussions around where communication can and can't contribute to addressing business opportunities or challenges.

### **Beyond communication expertise**

Communication expertise alone is not enough to get the highly coveted licence to operate. Communication professionals must understand the business and show business leaders that they do. Business acumen is a prerequisite to gain the credibility and trust that are needed to be perceived as a trusted advisor and counsellor and able to work at a level where they can add value.


For IC to be viewed as a vital business management function and IC professionals as business partners who are called upon to help address business issues, practitioners need to have a thorough understanding not only of their business but of the industry in general and, even higher-level, the principles of business.

### **To have influence, communication professionals must talk about the business in ways that leaders do.**

Being able to understand and speak the language of business when engaging with leaders is critical. In doing so, communication professionals start on a level playing field. This means internal communication practitioners should be fluent in conversing about their business with their CEO and executives, or any other corporate officer i.e. HR, IT, Finance, Sales, Marketing and managers at all levels.

### **Assess and measure**

The value of internal communication relies on its capacity to help organizations achieve their goals. Evaluation and measurement are essential to demonstrate to which extent IC has, or not, an organizational impact.



In line with this, the report features the noteworthy IC Standards<sup>1</sup> to help link IC to business results and measurement methods used by communication professionals/executives interviewed for our research.

### **Bring unique insights**

Beyond measurement, it's about bringing insights to business discussions that leaders cannot, and will not, get from anyone else. Telling leaders what will make them more effective leaders through communications gets big attention. And to do this, practitioners have to measure communication activities, distill the feedback, and deliver actionable recommendations. By bringing these measures together and using them to inform action, they can have a rich, constructive conversation about the value of communication. That's a true value-added service for leaders that translates to business metrics like higher employee engagement, greater productivity, safety, or lower voluntary attrition rates.

### **Credibility based on data analysis**

Even if the conversations do happen, it is critical that they reach the strategic level, and steer away from "vanity measures" such as "influencer X is good or bad since his post got Y likes and Z comments". They have to talk strategic, outcomes not outputs.

They should use data to deliver a deep understanding of the value of their work. Practitioners must know what to measure and when, do the analytics on the data, and show how they're using those insights to drive continuous improvement.

Data analysis not only allows objective judgments to be made but more critically, it is data that usually unlocks the dialogue about communication in an organization. It gives credibility to internal communication team members, many of whom may not have maturity and experience to offer a valued opinion based simply on what they know or have seen.

### **Case study and statistical approach**

Communication tends to exist in areas that are more experiential and qualitative than most business leaders are comfortable with. If practitioners can share third-party data and analysis that shows ROI and quantitative impact on business, it is sometimes the best tool for convincing management of the need and utility for robust, well-equipped internal communications teams, which is another reason for IC to keep excellent KPIs and internal results tracking to justify their programs and tactics.

## **Early warning systems**

Beyond tracking and demonstrating performance, communication professionals can become a proactive early warning system for identifying issues or problems. Good internal communication can be the canary in the coal mine, an early warning system that allows the communication team to take the pulse of the organization and react accordingly, which can also have an impact on external stakeholders.

## **Financial literacy**

Communication professionals must be able to understand the metrics used to define financial success or the failure of business performance. Financial literacy isn't optional and financial communication isn't an external communication thing. To communicate quarterly and yearly performance internally, practitioners have to understand the business.


Content on business performance should be written by IC practitioners to take that story and frame it appropriately for internal stakeholders. They need to have strong connections in the Finance function and find safe havens to ask questions as they build their financial acumen.

## **Help drive business results**

The current market is so dynamic that leaders are looking not only for experts in their field, but also for business partners and problem solvers, proactive activists who will spot upcoming trends and opportunities and help to develop the whole business, whether it's increasing profits or excelling in customer service.

Successful internal communication professionals must be seen as facilitators, strategic leaders, and creative partners. Senior leaders expect trusted advisors and counsellors to be strategists that help drive business results. Business acumen is up there with strategic and critical thinking skills and insight into emerging trends and issues and how they affect the organization on a strategic level. It enables practitioners' counsel to be strategically linked to advancing organization goals and objectives.





**Cross collaboration** of the IC team with other departments within the organization makes a huge difference. Research shows IC teams in companies that are highly effective are significantly more integrated into the organization.

### **Strategic alignment front and centre**

Alignment with the organizational strategy, including purpose, values, vision, and brand, must be front and centre. Good internal communication programs ultimately have exactly the same objectives and pillars as the overall global corporate strategy for the business, but unless the links are explicitly made to the management team, that may or may not be perceived and appreciated. It goes without saying that SMART objectives are essential to demonstrate impact.

### **A number of factors at play to get that licence to operate**

IC practitioners must be clear on their own role in the communication team and the role of internal communication in their organization with all key stakeholders. Ultimately, IC should be a business function and practitioners must become business people first with an expertise in communication.

To be able to convince executives/ senior leaders of the business value of IC, practitioners must have a business mindset and manage IC strategically. A strategic approach ensures that all IC work is aligned with the business strategy and is supported by formative research, audience analysis, SMART objectives, clear, concise, relevant, timely messages and a measurement plan.

As long as what IC delivers is perceived by business leaders as irrelevant, not serious or strategic, IC practitioners won't get that licence to operate or the coveted recognition needed to reach that next level where they can finally have influence and provide real business value.

## Advice From Executives

*“To every aspiring communications leader, I would remind you that trust is the ultimate human currency. To earn the trust of your leaders, prove to them that you understand the fundamentals of the business. Give them candid advice, based heavily on a true ‘outside-in’ perspective. If you deliver, they will welcome you into the inner circle and never want you to leave.”* **Bill McDermott, Chief Executive Officer, SAP.**

*“Just as business leaders need to be excellent communicators, communicators need to have exceptional business acumen. If we’re going to work together to make the right strategic decisions for our stakeholders, we all need a deep understanding of what we’re trying to do.”* **Steve Shebik, Vice Chairman, Allstate.**

*“...it is important that the intended audience not only understand the news but see themselves in it. So, it’s about more than just putting a comma in the right place. It’s about understanding the business and how it makes money to turn around and communicate something to a group of employees that will help them be educated, inspired, and engaged. Understanding leads to engagement.”* **Linda Rutherford, SVP, and CCO, Southwest Airlines.**

*“Understanding how our businesses make money and impact society is relevant to creating messages for all our audiences . . . At any corporation, a communications specialist must have a real understanding of and deep appreciation for the business in order to be an effective communicator, influencer, and strategic counsellor. Our ability to work in strategic partnership with business leaders is based on a deep understanding of our respective businesses and what they mean for employees, customers, investors, and communities.”* **Stacy Sharpe, SVP, Corporate Relations, Allstate.**



## Earn and Maintain Credibility and Trust

A trusted advisor has strong relationships with senior management and colleagues, is regularly consulted for advice and counsel both within and outside their specific professional expertise and has influence over organizational activities/decisions. Practitioners need to build excellent relationships to earn their executive/senior leaders trust, a combination of credibility, reliability, and integrity.

- Listen.
- Make sure you have a common understanding of the problem/issue.
- Focus on clearly defining the problem before offering a solution. More value is added through problem definition than through problem answer.
- Ask questions to understand why. Keep asking questions to understand why they're asking you what they're asking you and why they think like they do.
- Use open-ended questions.
- Summarize what you've heard to confirm you heard correctly what was said and what was intended.
- Don't be right. Be helpful.
- Be confident.
- When you don't know, say so, quickly and directly.
- Always tell the truth about what you can and can't do.
- Don't ever lie or even shade the truth.
- Deliver honest and difficult counsel, even while others are in "yes" mode.
- Be respectful. Always. Even when you need to have difficult conversations.
- You build trust by doing what you say you'll do. Create opportunities to deliver on your promises.

## Capabilities to Contribute to Corporate Success and Explain our Contribution to Business Leaders

### If only they understood us

“One of the most common complaints of communication professionals is “if they only understood what I could contribute, I wouldn’t be stuck with all this tactical stuff”. However, a big challenge for communicators is the elevator test – describe in a paragraph what our strategic contribution is. Often the response is to describe what we *do* (tactics) rather than what our *contribution* can be,” says Anne Gregory, PhD, Chair in Corporate Communication, University of Huddersfield, UK. An indispensable tool to overcome this challenge is the Global Capability Framework published by the Global Alliance for Public Relations and Communication Management and presented in [the report](#) (p.136 -140).

The framework lists capabilities under three headings:

- **Communication Capabilities** that describe the specific contribution of the functional specialism of communication
- **Organizational Capabilities** that describe communication’s contribution to the organization
- **Professional Capabilities** that describe the nature of being a professional

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#### Show the impact of ineffective communication

Often, knowing the impact of ineffective communication helps to place conversations in perspective.

Show what happens when IC is not involved. Let something fail to demonstrate the value of the IC presence. It is a bit radical, not the preferred method showing the usefulness of the function, but sometimes a powerful last recourse.



## Signs That you are Seen as a Trusted Adviser/Counsellor

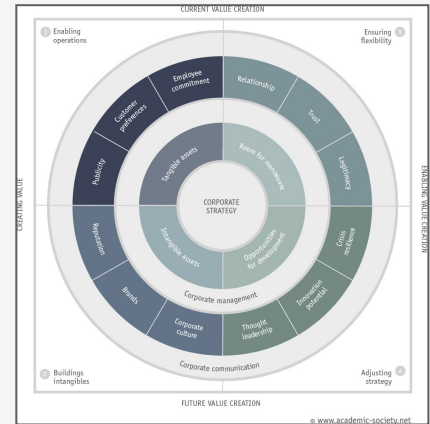
- Executives/senior managers reach for your advice.
- Executives/senior managers take your recommendations seriously.
- You are invited to senior-level meetings dealing with organizational strategic planning.
- IC head is involved at the earliest stages of strategic planning.
- The communication team is increasingly being brought to the table to contribute business-relevant perspectives.
- Executives/senior leaders recognize that the communication team supports the definition of business strategies and the attainment of the desired corporate performance.

## Signs That IC is Valued by Executives/Senior Managers

- IC is considered as a business variable in the company.
- Executives/senior leaders are strong advocates of internal communication.
- Executives/senior leaders walk the talk.
- Executives/senior managers value IC as much as the other communication disciplines in the organization.
- The value of internal communication need not be proven at every juncture at your company.
- Communication professionals have access to members of the top management team.
- Internal communication has a strategic advisor role.
- IC is recognized as a shared responsibility across the organization.

## Resources to Help Deliver and Demonstrate Business Value

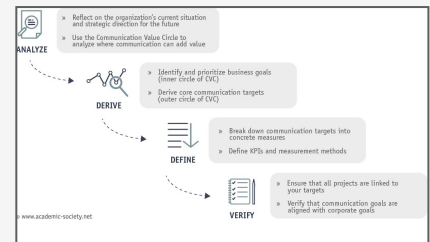
**The Communication Value Circle** is a new interdisciplinary framework to help communication professionals explain the value of their work more effectively. It can also support the process of aligning a communication strategy with the overarching corporate strategy to ensure a good fit. [See report p. 141](#)



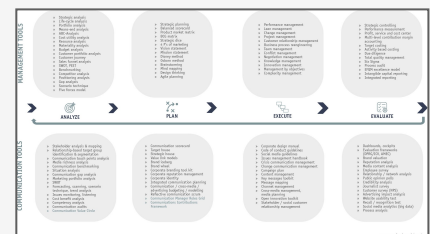
**The Communication Contributions Framework** helps communication leaders reflect and report on their department's activities, allocate resources, set and prioritize goals for sub-units, and develop job descriptions for themselves and for team members. [See report p.145](#)



**The Strategic Alignment Process** visualizes an ideal process of linking communication targets to overarching corporate goals. [See report p. 146](#)



**The Toolbox for Strategic Communication Management** offers a comprehensive and structured overview of the most popular tools from management and communication for each phase of the communication management process. [See report p.147](#)



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## References

<sup>1</sup> See p. 149, *The Next Level: The Business Value of Good Internal Communication*, IC Kollektiv, 2018, available at [ickollectif.com/report](http://ickollectif.com/report).

**About the report** - *The Next Level* is the first publication of its kind bringing together C-suite leaders, in-house communication professionals/executives, and academics across all continents. Based on primary and secondary research, the report takes the conversation about internal communication to the strategic management level. Via solid insights, advice, frameworks and resources, *The Next Level* covers critical topics and issues dealing with today's challenges and future needs to truly help practitioners better position themselves as trusted counsellors and advisors and communicate on the same strategic level with senior management. Find out more and download the full global report at: [ickollectif.com/report](http://ickollectif.com/report).

**About the Research Brief series** - 'Research Brief' is a publication series based on the findings of the global research report *The Next Level*. The series takes a step further as each edition puts a specific topic at the forefront, by consolidating critical information found on this subject in the 164-page report, in a clear and concise document. Each edition of the series is available at [ickollectif.com/next-level-research-brief](http://ickollectif.com/next-level-research-brief).

**About IC Kollektiv** - IC Kollektiv is an award-winning global organization dedicated to the strategic management of internal communication as a business function. The independent non-profit is based in Montreal and shares knowledge, insights and research from around the world on the practice of IC with people in more than 163 countries. For more information on IC Kollektiv, please see our website [ickollectif.com](http://ickollectif.com).

**Contact:** Email [info@ickollectif.com](mailto:info@ickollectif.com) | Twitter [@IC\\_Kollektiv](https://twitter.com/IC_Kollektiv) | LinkedIn | Facebook | Website [ickollectif.com](http://ickollectif.com)

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The global report is supported by **IABC**, our strategic partner, as well as by the **Global Alliance for Public Relations and Communication Management** and by **The Conference Board**.

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