

Lessons From the Campaign Trail

Today's environment for multinational businesses is complex, crowded and chaotic. It places increasing demands on transparency and accountability and involves many competing stakeholders. In short, it is highly political. Leo Wood looks at the parallels between the communications challenges facing the corporate world and politics, and identifies the top lessons from the campaign trail for businesses seeking to manage reputation effectively.



Where Business and Politics Meet

In April this year, more than 535 million Indians headed to the polls, the largest cohort of voters the world has ever seen. In total, 40% of the global population is electing their leaders in 2014. Across continents, political campaigns are trying to mobilise and shift public opinion in ways that are similar to the challenges facing multinational businesses. This convergence of business and politics is being driven by four key trends:

People Power

The most important development is the explosion of people power, driven by the spread of the internet. Equipped with nothing more than a smartphone, Ordinary Joe today has the power to influence reputations of businesses. Huge conversations are taking place on a constant basis via blogs, forums, customer review portals, social media platforms and websites. Often aggressive and emotional, they have the power to alter and determine mainstream perceptions of corporates in an instant and narratives can grow from nowhere.

Amazon, Google and Starbucks all took hits when it emerged that they had been minimising their UK tax liability through tax avoidance tactics. While in the past the story may well have been confined to the business pages of a newspaper, the story was amplified through its dissemination across the internet and social media.

Andrew Work, publisher of the Harbour Times, a media group serving the political and diplomatic community in Hong Kong, identifies a new empowered generation who have the ability to start powerful campaigns from scratch: "People can marshal

their resources effectively without either governments or businesses." This development is an irreversible transformation of the way public conversation is formed and aired.

Competing Stakeholders

Never have there been so many stakeholders in a company's reputation. As well as empowered citizens, businesses are dealing with a vast and powerful array of interest groups, many of which run highly sophisticated campaigns. As governments constantly deal with competing interests, businesses also have to understand and interact with everyone from governments and NGOs to media organisations and interest groups. Controversial industries like alcohol, oil and tobacco have long been seeking to balance the concerns of different political and social constituencies. Today, this delicate balancing act is more challenging than ever and applies to all manner of businesses. On the other hand, there are unprecedented opportunities to build support through engagement. A company will enhance its reputation if it can prove it has greater value in society than just paying taxes and abiding by the law.

Distrust

The financial crisis catalysed a deep mistrust of government and business. In the court of public opinion, large businesses and governments are guilty of betraying ordinary people. The most important consequence of this 'zeitgeist of disillusionment' is that the media and regulators are on the hunt for perpetrators. In major economies such as the U.S. and UK, regulators now seem to exist to make examples of corporate abuses and their hunger for high profile scalps is unabated. In a recent example, the bank BNP Paribas was given a criminal conviction and US\$8 million fine for processing payments on behalf of businesses and countries subject to U.S. sanctions.

The International Stage

As multinationals compete on the international playing field for resources such as commodities, talent and customers, their decision-making resembles that of state actors. This is particularly true for companies operating in the highly regulated, so-called strategic industries such as information technology and natural resources, where successful foreign investments are contingent on a high degree of diplomacy and public affairs.

The lines between business and politics are even more blurred with the prevalence of state-owned enterprises from countries such as China. Outbound acquisitions from mainland Chinese businesses and state-owned enterprises surged to a record high of US\$68.7 billion in 2013, but their ambitions are still hitting hurdles — most notably the Committee on Foreign Investment in the United States (CFIUS) process in the U.S. Huawei Technologies, the world's second-largest supplier of telecommunications equipment, has been forced to withdraw from two acquisitions in the U.S. amid national security concerns, drawing the ire of Chinese authorities in the process.

Learning From Our Leaders

Executives are quick to assert that government would be more efficient if it were run more like a business but politics offers some valuable lessons for the way businesses should communicate.

Engage in the Public Conversation

Businesses operating in the court of public opinion can no longer afford to ignore the constant conversation taking place around them. Organisations that are able to shape the debate around public issues can put themselves at a competitive advantage. For example, an alcohol company faced with industry tax rises can be more effective if it frames the proposed policy as a mean-minded government assault on one of people's daily pleasures. An emotional appeal like this is far more powerful than traditional 'closed-door' lobbying routes.

Speaking in an emotive and relevant manner is an essential part of effective engagement in the public conversation. In his book, *Meet the People*, the independent consultant James Frayne argues that businesses should speak to the public on an emotional level in the same way that the best politicians do. He cites the example of politicians turning dry discussions on taxation into conversations about fairness. Regardless of the subject matter, talking to people in terms they can relate to is more likely to resonate.

Organisational Structure

In the Twitter age, the 'command and control' mind-set that still dominates corporate communications is defunct. The ability for corporate communicators to maintain a strong degree of control over their image is largely lost in a fundamentally uncontrollable world. This does not mean businesses should give up communicating, rather it means they need to rethink their approach in an effort to master the art of public persuasion, rather than issuing only top down communications.

Andrew Work says that "businesses need to learn to let go" and rethink their sign-off processes to allow for rapid response. A successful communications operation in an 'always on' environment may mean ceding executive control to experts in their specialist fields. In his ground-breaking 2008 campaign, Barack Obama placed huge trust in Harper Reed, a then 34-year old who had never worked in politics, to create the electronic Get Out the Vote campaign aimed at increasing electoral turnout. Reed proceeded to create the largest online presence in the history of politics, allowing local Democrat groups throughout the U.S. to connect, fundraise and campaign together based on their social media history. In tapping sporadic voters through online channels, Reed's efforts effectively changed the way campaigns are run.

Targeting

Political campaigns are among the most sophisticated users of polling and statistics. According to Patrick Muttart, a corporate affairs strategist based in Asia and former adviser to Canadian prime minister Stephen Harper, political campaigns are "ruthlessly efficient" at knowing who they need to reach and then bombarding them with targeted messages using different tactics. This scientific approach to testing, targeting and metrics remains relatively untapped in the majority of businesses' communications programmes. Who exactly is the key audience? Where do these people look for information about us, what are they seeing and by whom? Where can we change people's minds, where should we fight back and with what messages? Businesses must find the answers to these kinds of questions to build an effective communications strategy.

One Plan Does Not Fit All

Some of the major differences between politics and government should also be pointed out. Political campaigns operate under severe time pressure and are not able to experiment with new products or brands in the same way that businesses can. In the UK, for example, political parties have just 25 days to communicate their positions on issues before a general election. Another crucial difference is the relative influence of communications professionals. Campaign staff hold great sway in politics and are at the heart of the decision making process in a way that their peers in the corporate world can only envy. Patrick Muttart recalls a national candidate calling his pollster late at night to check on the latest focus group results and suggests it is difficult to imagine a similar scenario in business.

The democratisation of communications has brought major challenges to businesses, mainly in the form of non-stop scrutiny and aggressive public commentary. But there are huge opportunities for those that can tap into existing networks to spread favourable messages or apply pressure to opponents on an issue. Companies who were once unable to gain access to political or media elites can now harness the power of public opinion more easily than ever before to amplify their position and make their voices heard. The best companies will thrive in the new landscape if they can learn to become experts in influencing public opinion to support positions that further their objectives.



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