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Survey of Executive Leadership Demonstrates Necessary Interdependence of Strategic Planning and Corporate Communications

NEW YORK – June 8, 2009 – Chief executive officers, senior strategists and communications professionals share many similar views when it comes to corporate strategy, but they must collaborate more effectively to achieve optimal results, suggests a new study conducted by FD, the Strategic Communications segment of FTI Consulting, Inc., and *Forbes Insights* in conjunction with the Association for Strategic Planning (ASP) and the Council of Public Relations Firms. The complete study is available at www.forbes.com/forbesinsights and www.FD.com.

The study of 163 CEOs, senior strategists and communications professionals examined the intersection of leadership, strategy and communications in successfully creating and implementing corporate strategies. While these three groups generally agree on the overall nature of strategy, the study reveals a level of discrepancy in terms of optimism, the perceived role of communications in strategic planning, and why strategic initiatives fail. These findings indicate that CEOs, strategists and communicators could benefit from enhanced collaboration on the corporate strategy front.

“CEOs and strategists recognize the value of communications in implementing successful strategies, and are calling upon communicators to assume greater responsibilities in this arena for the benefit of all,” said Ed Reilly, CEO of FD Americas. “This study should serve as a call-to-action for communications professionals, in particular, those who underestimate their role in strategy development and execution.

Key findings include:

CEOs, strategists and communicators agree that externally focused initiatives are more strategic than those that are not. Respondents ranked new market entry (71 percent); acquisitions (63 percent); and business model transformation (58 percent); among the most strategic initiatives, and reengineering (23 percent); compensation changes (23 percent); and leadership training (17 percent) among the least.

Successful strategic initiatives require a disciplined strategic planning process, as well as effective communications. 92 percent of CEOs, 85 percent of strategists and 96 percent of communicators said a disciplined strategic planning process was at the very least critical to success, while 90 percent, 86 percent and 96 percent, respectively, said so for communications. Respondents also cited stakeholder commitment and anticipation of obstacles as major success factors.

Strategic initiatives fail for five common reasons, and 82 percent of failures are preventable. Reasons include unforeseen circumstances (24 percent); lack of understanding (19 percent); flawed strategy (18 percent); poor match between strategy and organizational capabilities (16 percent); and lack of accountability (13 percent).



But CEOs, strategists and communicators are not completely aligned on why strategic initiatives fail. CEOs are far more likely to blame failed strategic initiatives on unforeseen circumstances (31 percent), while 25 percent of strategists blame the strategy itself. And when it comes to a lack of understanding, CEOs and strategists overwhelmingly believe the problem is communications-related, while communicators suggest their earlier involvement in the process would have helped.

An optimism gap exists among the three groups. 93 percent of strategists said new compensation models almost always work, compared to only 59 percent of CEOs and 56 percent of communicators. Moreover, CEOs were relatively bullish on technology platform replacement (76 percent) versus strategists (53 percent) and communicators (22 percent). And strategists ranked very high on programs such as leadership training (89 percent), while communicators were surprisingly skeptical (20 percent).

CEOs, strategists and communicators also disagree on the role of communications. 51 percent of CEOs and 47 percent of strategists said communicators should play an active role in strategy development and execution vs. only 39 percent of communicators. Moreover, 58 percent of communicators and 55 percent of strategists said communications acts as a resource to strategists versus only 34 percent of CEOs.

“This study sheds light on the high value placed on both the corporate strategy and communications functions by organizations when pursuing strategic initiatives, but more importantly, it demonstrates the distinct advantages of alignment and execution as a collaborative team.” said Dr. Stanley G. Rosen, ASP President.

“A sound corporate strategy needs an equally strong communications strategy to internal and external stakeholders,” said Kathy Cripps, President of the Council of Public Relations Firms. “The implications from this study are significant, as is the potential to improve outcomes.”

FD and *Forbes Insights* in conjunction with the Association for Strategic Planning (ASP) and the Council of Public Relations Firms conducted the online survey late January to early March 2009. The survey covered CEOs, senior strategists and communications professionals, seeking to determine their perspectives on a variety of issues relating to corporate strategy. Ninety CEOs, 47 senior strategists and 26 communications professionals responded to the survey.

About FD

One of the world’s most highly regarded consultancies in the communications industry, FD employs more than 730 staff and advises more than 1,000 clients worldwide through its hub offices in London and New York, as well as its network of wholly-owned offices in Bahrain, Beijing, Bogota, Boston, Brussels, Cape Town, Chicago, Dubai, Dublin, Frankfurt, Hong Kong, Johannesburg, Los Angeles, Manchester, Melbourne, Moscow, Paris, Panama City, Perth, San Francisco, Shanghai, Singapore, Sydney, Vancouver and Washington, D.C. With over 20 years’ experience of advising clients in both the private and public sectors, FD’s services include financial public relations, investor relations, public affairs, crisis and issues management and corporate, business-to-



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About the Association for Strategic Planning

The Association for Strategic Planning is a non-profit professional organization dedicated to enabling people and organizations to succeed through improved strategic thinking, planning and action. The association, founded in 1999, provides opportunities to explore cutting-edge strategy principles and practices that drive success in the business, government and non-profit sectors. More information about ASP can be found at www.strategyplus.org.

About the Council of Public Relations Firms

The Council of Public Relations Firms was founded in 1998 and is comprised of America's leading public relations firms. Its membership represents the premier global, mid-size, regional and specialty agencies across every discipline and practice area, and represents an estimated 12,000 employees. The Council's mission is to advance the business of public relations firms by building the market and firms' value as strategic business partners. For more information about the Council, visit www.prfirms.org.

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