SOCIALISING YOUR CEO:

FROM (UN)SOCIAL TO SOCIAL

WEBER SHANDWICK

Advocacy starts here.

The reputation of the CEO is in trouble. A mere 14% of American executives hold a positive view of chief executives, according to a 2009 poll by Weber Shandwick with KRC Research. Surely, the image of CEOs among the general public is even worse.

This poor standing of CEOs is not just a matter of bruised egos. Improving CEO reputation is inextricably linked to improved company reputation. Thus, as CEO reputations improve, so do the reputations of their companies. As *New York Times* columnist and renowned author Thomas Friedman wrote, "In this kind of world, leadership at every level of government and business matters more than ever."

Most CEOs are acutely aware that their offices provide unique platforms from which to communicate not just internally, but externally as well. No other business leader can so reliably provide information about a company's prospects or promote corporate citizenry in a way that will so likely be listened to and acted upon by investors, employees, customers, regulators, media and others. According to Alan Miller, chairman and CEO of Universal Health Services, "Stakeholders want to hear from business leaders— in particular CEOs— on a regular basis. They want to know what we're thinking, and not just about our own company, but about the larger industry we represent, the communities we serve, and the world we live in. We have a unique vantage point in that we represent the broadest set of constituencies."

CEOs are aware of their differentiated "narrator" role. But this doesn't mean that they are taking full advantage of that opportunity or quite realise how anxious stakeholders are to hear from them— for example, previous Weber Shandwick research found that during the financial crisis, 71% of U.S. employees wanted more communications from the top. In a world of 24/7 media, hyperlinks and 12-hour news cycles, no better spokesperson exists than the CEO. With 500 million people around the world on Facebook and many people being first introduced to CEOs on YouTube, CEOs must become more comfortable with all the media options now available if they wish to be heard and share points of view. Now is the time for CEOs to take greater responsibility for openly and effectively communicating if they want their companies to be listened to.

> What CEOs say or don't say has taken on added significance. CEOs must more actively narrate their company stories with an "inline" approach that taps into both online and offline channels. Leaders must purposely manage their corporate and social reputations.

Weber Shandwick is well known for its thought leadership services on CEO and corporate reputation and how CEOs best communicate internally and externally. Over the past several years, our firm's research has highlighted the increasing importance of executive communications in determining

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how companies and other institutions are perceived. More than eight in 10 global senior executives report that effective communications is critical to protecting reputation during a crisis. What CEOs say and don't say has taken on added significance as business continues to make news and drive word of mouth.

The proliferation of new media channels, coupled with the need for CEOs and other business leaders to make their companies relevant in an anti-business climate, prompted Weber Shandwick to take a deep look at how leading global CEOs are engaging external stakeholders online and offline. This study explores whether CEOs are taking advantage of the newer social channels of communication or primarily sticking to the more traditional playbook of years past. We plan to use the learning as a benchmark for trending CEOs' socialisation progress in the future and as key global business events unfold.

Tweet-sized Tips for Getting Social

1. Identify best practices of your competition and best-in-class communicators. Then establish and stretch your own comfort zone.
2. Start with the fundamentals (e.g., videos or photos online). Inventory and aggregate existing CEO communications for repurposing online.
3. Learn story sharing. Craft a narrative that captures the attention of target audiences.
4. Develop a C-suite social media strategy. Strategically select social media outlets that fit the company's overall communications strategy.
5. Simulate or test drive social media participation. Understand what you're getting into before you go live.
6. Accept the fact that Getting Social needs to be part of your corporate reputation management programme.

What We Did

In early 2010, Weber Shandwick researched the publicly visible activities of CEOs in the world's largest 50 companies. We assumed that leaders of these companies would, for the most part, serve as good surrogates for the most carefully watched CEOs. These CEOs are often in great demand for news, information and insights. They represent a point of reference for how many CEOs are communicating.

Sixty* CEOs from companies were examined (20 in the U.S., 27 in Europe, nine in APAC and four in Latin America). In compiling our research, we accessed, among others, Factiva, search engines, company websites, academic calendars, conference agendas, and social media. When possible, the Weber Shandwick team compared CEO communications in 2009 to 2007 and examined CEO activity by region, tenure and reputational status.

Weber Shandwick audited the following CEO activities:

- CEO quotes in top global news and business media articles
- Books published by CEOs
- Interviews by management consulting organisations
- Interviews with top business schools (for newsletter or on campus)
- Speaking engagements at "Five-Star" business conferences **
- Speeches given to external audiences (as listed on company website)
- Communications on company website: letters, messages, videos and podcasts
- Social networking sites (e.g., Facebook, LinkedIn, MySpace)
- Microblogging (e.g., Twitter)
- Wikipedia
- Company YouTube channels

** 10 companies had multiple CEOs during 2009*

*** premier business leadership conferences identified by Weber Shandwick*

What We Learned

Our analysis revealed results that were good and not-so-good. Robust signs exist that CEOs are actively taking charge of their corporate reputations and demonstrating leadership through communications. For the most part, they are extensively quoted in the business press, frequently deliver keynote speeches at conferences, and participate in business school forums. But when it comes to digital engagement and social media, CEOs are generally "unsocial." As more CEOs take on the mantle of "chief narrator," however, we expect that this will change and change fast.

CEOs understand the stakes. Whether online or offline, proactively or reactively, nearly all top 60 global CEOs communicated externally in 2009 (97%) to competitively position their companies and brands in expectation of an economic upturn. Undoubtedly, many CEOs communicated outside the walls of their firms because the down economy left them no choice. As the economy faltered and media scrutiny intensified, companies found themselves losing reputational equity. The vast majority of CEOs understood that if they did not give their companies a voice, competitors and dissatisfied customers would soon fill the void.

Our results on CEO external communications are presented in three sections—online CEO communications, CEOs in the traditional media, including business leadership conferences, and third, the future of external CEO communications.

CEO Sociability by the Numbers

Of the world's largest company CEOs...

97% communicated either through traditional or online channels

36% engaged through company websites or in social media

64% are NOT engaged through company websites or in social media

28% posted letter or message on company websites

18% incorporated video/podcast on company websites or YouTube channels

16% have a profile on Twitter (8%), Facebook (4%), MySpace (4%) or LinkedIn (4%)

12% were featured on their corporate video channels

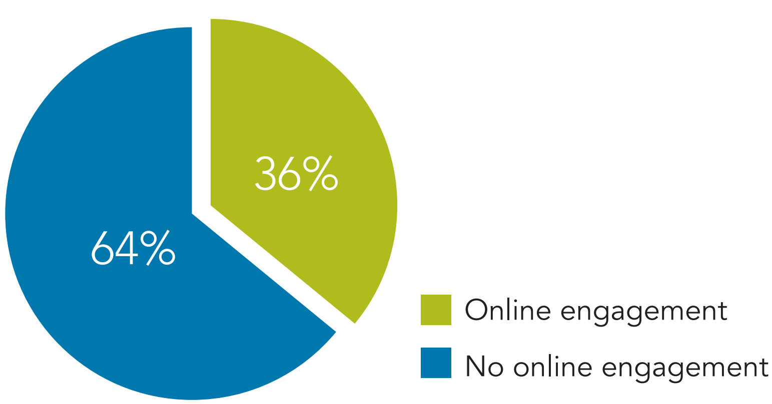
Section 1

from (Un)social to Social

Without a doubt, CEOs recognise that the internet has swept through corporate corridors and boardrooms, transforming the media landscape. The majority of CEOs can be found online, with seven in 10 having some kind of online presence. However, most CEO visibility is limited to Wikipedia, which CEOs and their communications teams are not generally responsible for. Removing Wikipedia mentions leaves the online CEO space rather barren—only 36% are engaged through their company websites or in social media.

CEO Online Engagement*

*excludes Wikipedia



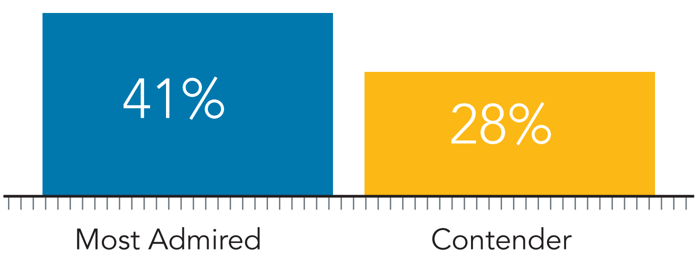
Who's Social?

If nearly two-thirds (64%) of CEOs are not engaging online, what distinguishes the approximately one-third (36%) who are building a presence online? The research identified the following characteristics of social CEOs:

Social CEOs lead companies with higher reputational status. Most admired company CEOs in our audit had greater online visibility profiles than less admired company CEOs (41% vs. 28%, respectively). Quite possibly, CEOs of esteemed companies recognise that their engagement helps drive reputation and do so because it is expected by their constituencies. Another theory is that these companies have a greater reputational margin of error and their CEOs are subsequently more comfortable experimenting with new modes of engagement.

CEO Online Visibility (excluding Wikipedia)

By 2010 Fortune Most Admired Company Status



Social CEOs are multi-users. When they engage, social CEOs employ more than one online channel, with 72% of them using more than one channel (on average, social CEOs use 1.8 channels). They appear on company YouTube channels, share messages on company websites and participate in Facebook or Twitter.

Social CEOs are more likely to represent American companies. CEOs of companies with headquarters in the U.S. are more likely to engage online than those in EMEA (60% vs. 12%, respectively). Although the sample sizes of CEOs in Asia Pacific and Latin America are too small to allow for reliable comparison, indications are that they too are at low levels.

Social CEOs are more tenured. Online engagement increases with tenure. Newer CEOs (three years or less) are less likely than those in their middle (three to five years) and later period of their tenures (more than five years) to engage online— 30% vs. 38% vs. 43%, respectively. For new CEOs, the first few years typically require a more internal focus to earn organisational support. After they pass the three-year mark, CEOs have more opportunity to focus on external communications and tell the company story. Additionally, these CEOs now have the experience and track record that make them less risk-averse about trying new forms of engagement.

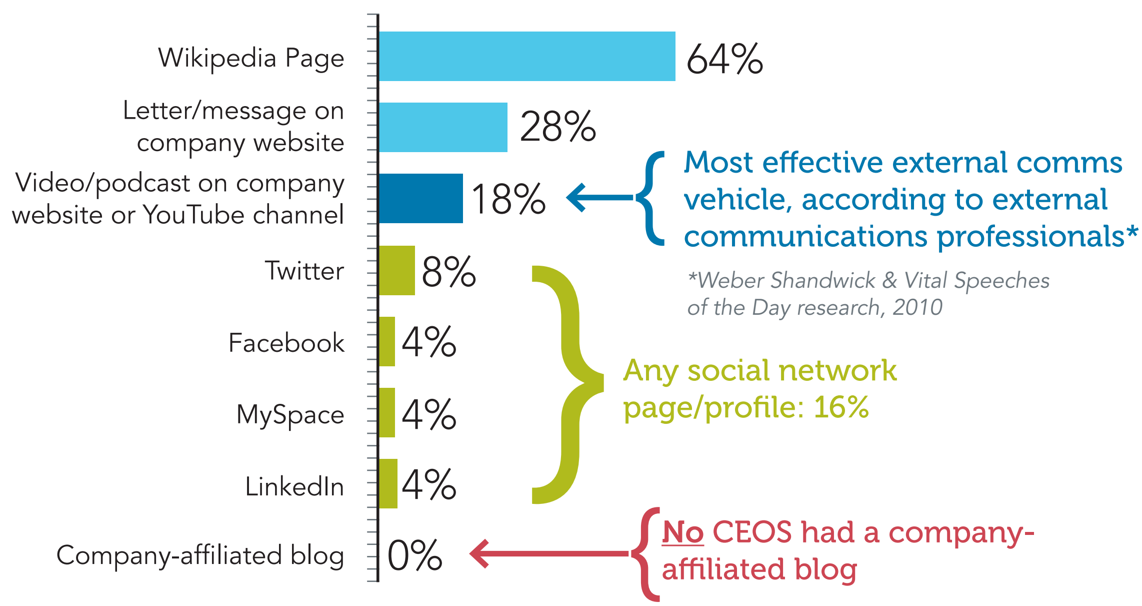
What Online Channels are 36% of CEOs Using to be Social?

Online communications other than Wikipedia is scarce.

Only one in four CEOs (28%) posted a letter or message on their company website and even fewer (18%) incorporated a video/podcast on either the company website or its YouTube channel. Understandably, CEOs may feel it necessary to go out of their way not to be seen as celebrity CEOs with their pictures and words plastered online. Humble as this may be, it might be counterproductive for personalising corporate leadership, especially as a means of building corporate credibility in this online world among customers and other key stakeholders.

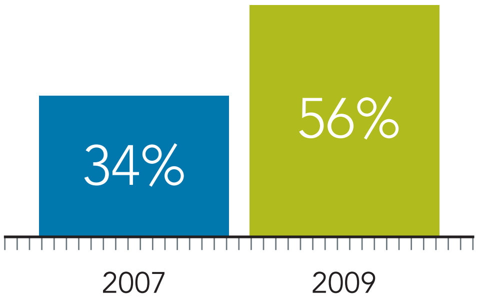
When it comes to social networking sites, the sociability of top CEOs drops even further. Only 16% of the top global CEOs studied had a profile on Twitter (8%), Facebook (4%), MySpace (4%) or LinkedIn (4%). At the time of our research, not one CEO had a company-affiliated blog. These findings are roughly in line with a study conducted in 2009 by UberCEO among *Fortune's* top 100 U.S. company CEOs. It found that 19% of U.S. CEOs had a Facebook page, 13% were on LinkedIn, and 2% had a Twitter account. Apparently, CEOs are just not

CEO Online Visibility Channels

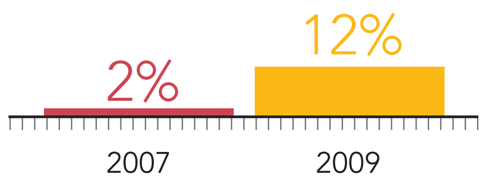


Wikipedia, the free, public-driven, web-based, collaborative encyclopedia, is the most common source of information on CEOs in our research. Nearly two-thirds of CEOs investigated (64%) have a Wikipedia profile. This group is roughly evenly divided between European and American CEOs (28% and 26%, respectively). Weber Shandwick explored the origination of CEOs' Wikipedia pages and learned that profile creators are an eclectic group, ranging from graduate students to self-proclaimed casual contributors to writers to company fans. We could not find proof that any originator was employed by the companies we studied. Given that Wikipedia often shows up at the top of search engine results lists, companies may want to be their own content providers to supplement or offset what the other profilers are saying.

Companies with YouTube channels



CEOs Featured on Company YouTube channels



ready to be fully social. Interestingly, Toyota CEO Akio Toyoda has a blog but uses an alias: "Morizo" on Toyota's Gazoo e-commerce and networking site in Japan.

Video is under-utilised as well. Despite the near doubling of corporate YouTube channels among the companies researched from 2007 to 2009, only 12% of their CEOs were featured on their video channels in 2009. GE's chairman and CEO Jeffrey Immelt was featured more than any other top 50 global CEO on its company YouTube site, followed by Mexican petroleum company Pemex's CEO Jesus Reyes Heroles. This finding is surprising considering that a company-controlled YouTube site is an easy, straightforward and simple way to add some personality and humanity to the role of CEO and to tell the company story in a compelling way. Videos can be scripted, edited and shared virally. They also provide an opportunity for a CEO to offer a more relaxed, appealing and conversational message than might be otherwise traditionally available. Recent Weber Shandwick research among executive communications professionals found that video was the preferred form of communication, yet was the least-used medium for showcasing CEOs today.

In an age of see-through reputation where everyone is indexed, CEOs appear to be overlooking the fundamental advantages of the internet age.

As leaders come to fully realise that they must be content providers of the highest order, greater participation in the social media world order seems inevitable. As CEOs become more comfortable engaging online, their online participation— be it video, podcast, internal blog or Facebook— will help shape their company reputations as well as their own. This is not to say that CEOs need to engage all or most of their time online, but they should at the very least have a presence online. Adopting one or more of the many social media outlets available today and limiting usage to what is feasible would seem more than a reasonable use of a CEO's time. Forrester's CEO George Colony said on his CEO blog, The Counterintuitive CEO: "The Social CEO should not be chasing followers. He should be Social Light— blogging six to eight times per year and posting on Twitter 12-24 times per year. This level of

What Messages are 36% of CEOs Conveying Online?

Weber Shandwick analysed the content of the social CEOs, excluding shareholder and investor messages. For the most part, they are sharing corporate and CEO leadership news. For example, they impart forward-looking company or industry news, post links to recent CEO public appearances, discuss significant company partnerships, and share the company story. A few CEOs are on the defensive, combatting negative public opinion or reassuring stakeholders that they are trying hard to mend their damaged reputation.

presence will reveal the broad thinking of the CEO, while matching up with the time demands of running a company."

The failure to maintain an online presence may have a marked downside. For most companies today, the majority of their constituencies are now online and CEOs should be where stakeholders are likely to be listening, watching and searching. Lack of an online presence may easily be misinterpreted as evidence of an attempt to hide unpleasant facts or, even worse, being uncommunicative. Weber Shandwick believes that CEOs need to play some role online today, however limited, because whether six out of 10 CEOs acknowledge it or not, presence online serves as the face of a company and helps protect and build reputation.

As President Obama's senior adviser David Axelrod said, "The reality is you cannot operate in this environment passively. If you do, the coverage and events will be shaped for you. Things that may seem like trivial distinctions can become large problems in terms of communications unless you're aggressive about engaging. We didn't create the environment. We didn't make the rules. But we have to live with it."

Why are 64% of CEOs (Un)Social?

Possible reasons abound...

- Some argue that engaging online is of secondary importance and that CEOs should spend the majority of their time face-to-face with customers, employees and other hard-to-reach constituencies. Such upfront and personal efforts require extensive travel, late nights and back-to-back meetings that severely limit the ability to communicate and regularly participate online.
- CEOs aren't convinced of the ROI from online engagement.
- CEOs of the world's most powerful companies are older and may not be as comfortable communicating through online channels (the average age for the CEOs in our sample is 57).
- CEOs are apprehensive of online engagement in general.
- Constraints from the legal team, corporate communications and investor relations may make it difficult, even impossible, for many CEOs to interact online.
- Aversion to being seen as a "celebrity CEO" or sensitivity to overshadowing the organisation.
- Regional and cultural differences may not yet make online a viable communications tool.

Section 2

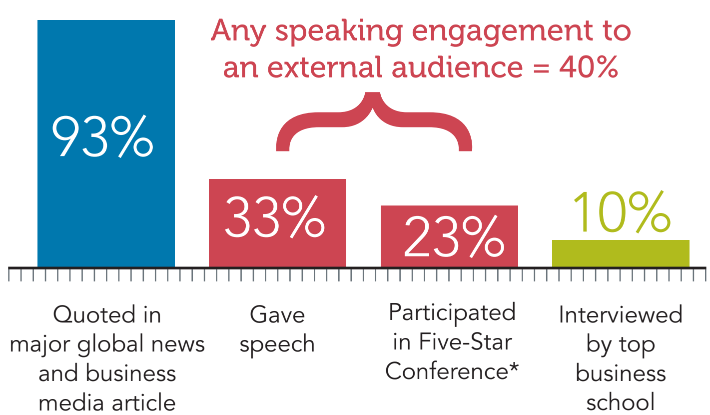
Traditional CEO Communications

In addition to examining online communications, we also analysed the extent to which traditional communications remained prevalent among CEOs. According to our analysis, CEOs were not silent. During the last year, the vast majority—93%— communicated externally in traditional fashion and did so in a variety of ways— from being quoted in the top media, to speaking at influential conferences and top-drawer business schools.

Traditional media was by far the most common form of CEO communication in 2009— 93% of the CEOs analysed were quoted in the major global news and business publications. [Weber Shandwick counted inclusion in the major global news and business media when an individual CEO was quoted in a publication offline, regardless of whether it appeared online as well.] CEOs were quoted about a wide range of news and informational content, including new product or technology introductions, leadership transitions, financial performance, business strategy, the economy, government regulations, philanthropic activities, and sometimes apologies for, or in defence of, wrongdoing.

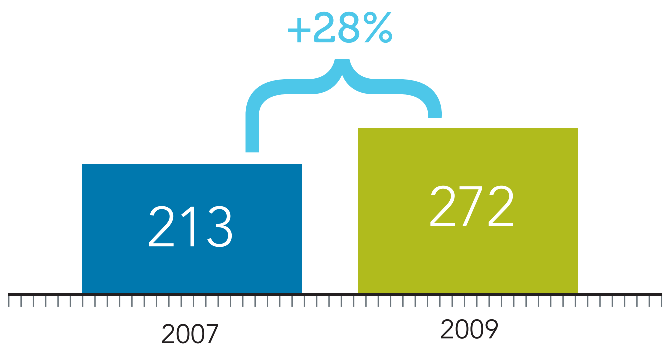
Whether in spite of or because many CEOs and their companies suffered significant reputational blows in the past year, CEOs did not pull back from traditional media— newspapers, magazines and news services— but used them as vehicles to narrate their company point of view and tell the story as they saw fit. In 2009, the world's top CEOs were quoted 28% more than in 2007. This increase in CEO quotes in the traditional news media held for both U.S. and EMEA CEOs (43% vs. 25% increases over 2007, respectively). Less admired company CEOs were quoted in more articles than more admired company CEOs. This difference is significantly driven by CEOs in intensely scrutinised sectors such as financial services and automotive who received much of the blame for the economic meltdown and were called upon to comment on their actions and unfolding events.

CEO offline external communications activities in 2009



** premier business leadership conferences identified by Weber Shandwick*

Average number of global major business articles in which CEOs* were quoted *Top Global Company CEOs



CEOs on the Speaking Circuit

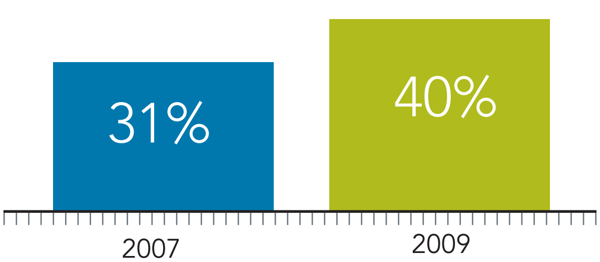
Whereas CEOs' use of traditional media is ubiquitous and considered part of their job, the speaking circuit for CEOs and other executives is a rapidly growing means to communicate externally.

Speaking publicly is a strategically smart way to engage face-to-face with customers, prospects, peers and talent. Weber Shandwick identified a 29% increase from 2007 to 2009 in top 50 global CEO conference speeches, not including investor conferences.

Four in 10 top 50 global CEOs (40%) gave a speech in 2009, with nearly one in four (23%) speaking at an esteemed Five-Star conference. Five-Star conferences include forums such as *Fortune, Wall Street Journal* and *Forbes* CEO conferences, the World Economic Forum and Clinton Global Initiative. Although traditional, conferences are an effective and less risky way to advance company business and positioning with receptive audiences.

CEO Speaking Engagements*

**Excluding Investor Conferences*



Other findings include:

- U.S. CEOs were more than twice as likely to speak externally than EMEA CEOs in 2009 (70% vs. 30%, respectively).
- CEO participation in speaking engagements increased with tenure— half of all CEOs in office for five years or more (50%) addressed an external audience through speaking engagements compared to nearly one-third (32%) of those in office three years or less. Clearly, as longer-tenure CEOs begin contemplating their legacies and how to position their companies for the next generation, CEOs take their role as content providers more seriously.

Business school forums were chosen by 10% of the leading CEOs audited as an external communications vehicle. As the economy recovers, Weber Shandwick expects this type of forum to increase as CEOs go on the campaign trail to attract the best talent. We anticipate a rise in CEO commencement speeches as well since these speeches are readily rebroadcast online as well as being reported in the traditional media. In 2010, notable CEOs speaking to university graduates included JPMorgan-Chase CEO Jamie Dimon (Syracuse University), General Electric CEO Jeffrey Immelt (Hamilton College) and Amazon CEO Jeff Bezos (Princeton University).

Section 3

the Future of CEO External Communications

Despite all the talk about the demise of traditional media outlets, it still remains the preferred outlet for CEO external communications. The traditional media still wants to hear from the person at the top. What is changing is how CEOs are slowly coupling their traditional media engagement with social networks and channels where they can reach more stakeholders and give their companies a much needed human face or connection. The four in 10 CEOs in this analysis who are socialising their brands online may now be perceived as trailblazers but in short order, will be expected leadership behaviour.

Six Rules of the Road

CEOs need to be in greater control of their online as well as offline communications, known as "inline" communications by Weber Shandwick. As attention on CEOs continues to be more about wrongdoing than rightdoing, CEOs must be more active as chief storytellers. Weber Shandwick recommends that companies seriously consider the following to enhance their leadership reputations in this internet era and demonstrate that they can adapt to market dynamics:

1. **Identify best practices of your competition and best-in-class communicators. Then establish and stretch your own comfort zone.** Audit the competition and best-in-class communicators to determine the right balance between CEO offline and online communications. This analysis should take into account that online communications are meant to supplement traditional offline communications from the top, not replace them. Realise that the CEO's online comfort zone may not extend beyond posting video of a speech on the company website, so use it and refresh often, continuously expanding the online comfort zone.

2. **Start with the fundamentals (e.g., videos or photos online). Inventory and aggregate existing CEO communications for repurposing online.** Actively aggregate CEO external communications (e.g., speeches, investor conferences, university appearances, annual report and social responsibility report letters from the CEO, video, op-eds) and repurpose and reverberate online and offline to ensure top search engine visibility and forge a sharper and more transparent executive voice for the company.

3. **Learn story sharing. Craft a narrative that captures the attention of target audiences.** Weber Shandwick conducts workshops to train executives in crafting a narrative and sharing stories that achieve business goals and advance the business. It provides a step-by-step process for turning messages into stories that capture attention, resonate and deliver a call-to-action for stakeholders.

4. **Develop a C-suite social media strategy.** C-level executives should strategically select social media outlets to get the company point of view across and that fit with the company's overall communications strategy. This top-level participation online needs to take into account any regulatory restrictions and legal considerations.

5. **Simulate or test drive social media participation.** Understand what you're getting into before you go live. CEOs and the corporate communications team should test the waters in a simulator setting to get the CEO comfortable with using the medium and identify any channels that simply don't work to the CEO's best advantage. This exercise will also help establish a realistic time commitment for online engagement.

6. **Accept the fact that Getting Social needs to be part of your corporate reputation management programme.** Purposefully manage your corporate and social reputation. Weber Shandwick provides counsel on how CEO and corporate reputations are best built in today's shifting business landscape. Included in that counsel and research-backed advice are recommendations on building social CEO reputations in addition to traditional ones.

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References for Getting Social or Socialising Your CEO

5 Reasons CEOs Hesitate to Adopt Social Media
Forrester's The Social CEO
UberCEO: Fortune 100 CEOs are Social Media Slackers
The Altimeter Group's Founder Charlene Li, *Open Leadership*