

## Public Relations Means Business



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ADDRESSING THE NEED FOR GREATER BUSINESS ACUMEN

Public relations is growing up. The chief communications officer (CCO) increasingly has a seat at the table alongside the chief marketing officer (CMO) and other C-level executives. Public relations professionals no longer simply craft messages announcing policy decisions that have already been made but often now have a hand in the development of such policies.

With such greater responsibility comes greater expectations and a shift in the skills and competencies needed among all communication professionals. The Arthur W. Page Society, an association for communication leaders, sees the future of the CCO along three dimensions: the foundational CCO (business leader/counselor, enterprise reputation steward, effective communicator), the integrator and the builder of digital engagement systems.

**Business acumen is increasingly seen as a must-have skill for young communication professionals**

To fulfill this mandate, PR and communications professionals — from junior ranks on up — need a deeper grounding in “the business of business.” In today’s complex business environment, the best communicators are businesspeople with an expertise in communication that can make a business case behind their recommendations.

Research bears out that business acumen is increasingly seen as a must-have skill for young communication professionals but that universities and training programs are generally falling short. For example, recent research by Marlene Neill

and Erin Schauster, based on interviews with PR and ad agency executives, found that business acumen was the second most identified skill lacking in graduates, topped only by writing skills.

This deficiency is not just limited to young professionals but even in the more senior ranks of the profession as well. For example, Gary Sheffer, former CCO of General Electric, openly shares that when he joined GE (his first “corporate job”), he did not know what “organic growth” meant. Sheffer at that point had deep professional experience in journalism and public affairs but needed to engage in a crash course in business and finance upon joining GE.

Given this gap between the need for greater business acumen and professionals falling short in this competency area, I offer the following four actionable recommendations:

- For younger professionals, become an expert in the language of business and finance by making business news part of your daily routine. There is perhaps no better place to start than The Wall Street Journal and CNBC. Also, read Warren Buffett’s annual shareholder letter.
- For mid-career professionals, take advantage of in-house training programs on the business of business and seek out opportunities for external training. This might mean earning a graduate degree, such as an MBA. Or it could mean completing the CFA Institute’s Claritas investment certificate or NIRP’s new Investor Relations Charter (IRC) program.
- For senior leaders, quickly build constructive relationships across the enterprise before you need them with your colleagues in finance, legal, accounting, marketing, human resources and other C-level functions. Tap into the institutional knowledge of these colleagues to learn the nuances of the business, the industry and the organizational culture.

- Also, for senior leaders, get every member of your team — not just corporate and financial communicators — listening to the quarterly earnings conference calls of your company, competitors or clients. SeekingAlpha.com is a free source for accessing earnings call transcripts. Your team will become more business savvy by understanding how Wall Street analysts and investors think (and react).

Bottom-line, public relations can have the greatest impact when it serves as counselor on C-suite decisions before they are made not simply playing message manager after the fact. To earn this role means having a business-savvy communication function from the top on down.



### Sources:

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