



FLEISHMANHILLARD
FISHBURN

LET'S GET TOGETHER

We are all investors · Issue one 2019



Let's get

Your company's investors are more than your financial shareholders, they're also your customers, your employees, your stakeholders, even the media.

Of course, this has always been true. But today, it's truer than ever.

Because, things are changing. The world has become bigger, wiser and more connected. And to stay relevant, your business communications must do the same – everything you say, think and stand for must go wider, delve deeper and reach further.



After all:

What is a brand without **business purpose**?

What is business purpose without **employee engagement** to make it happen?

What is employee engagement without **reporting communication** to build confidence externally?

What is corporate reporting without active **reputation management**?

What is reputation management without a **brand** you can trust?

At FleishmanHillard Fishburn, we ask ourselves these questions every day. As customers, business partners, employees, society, shareholders... we're all vested in the success of your company, where success is not necessarily defined in financial terms.

We are all investors.

Reputation management, corporate reporting, employee engagement, purpose, brand: they all affect business success, and we are a team with specialists in each of these five fields. Our clients know that the solutions we develop in any of these areas follow a genuinely holistic approach. Because it's the only approach that makes sense.

Say hello at weareallinvestors.com



together



Your Business Purpose	•
Giving investors a reason to believe	2
A millennial manifesto for companies	3
Your Corporate Brand	•
Creating investor experiences	4
Can we still distinguish between people & brands?	5
Your Employee Engagement	•
Raising the level of personal investment	6
3 ways internal communications can support agile operation at scale	7
Your Reporting Communications	•
Building investor confidence	10
Why your report needs to be for every audience	11
It's not about what next but who next	12
Upping your game in corporate reporting	14
The secrets of world-class reporting communication	16
An annual report should last all year	18
ESG reporting should be the norm not the exception	19
Your Company Reputation	•
Shaping investor perceptions	20
A decade from Lehman...where are we now?	21



GIVING INVESTORS *a reason to believe*

By 2025

75%

*of the workforce
will be millennial.*

75% of them would take a pay cut to work at a purposeful company. And 93% base their product preference on whether they believe a brand is purposeful.

This 'purpose' is about more than just righting wrongs or bringing net impact to zero. Our inaugural Purpose Trends Report showed the issues which will define purpose in the next five years are more complex social ones – **automation** (49%), **mental health** (40%), **gender diversity** (30%).

It's an exciting new world. And our FleishmanHillard Fishburn team is here to help you navigate it.

Purpose manifesto

Through a comprehensive audit process including employee interviews, a review of existing purpose content and communications, and an engaging workshop with your leadership team, we help you craft your Purpose manifesto.

Programme planning

Once this is defined, a Materiality Impact exercise is carried out to suggest recommendations for existing communication programmes, plus opportunities for further programme creation and investment.

Platform definition

We also work to develop a platform and communications campaign that resonates with your target audiences.

Purpose training

One of the biggest challenges of launching a new initiative is securing buy-in from the board. Our training team creates a business case presentation that demonstrates relevance to business goals and includes metrics, proof of concept and case studies.

We are all investors.



Paul Afshar

Partner | Head of Purposeful Business



Rima Sacre

Associate Director | Corporate Communications

Contact: businesspurpose@fhflondon.co.uk



A MILLENNIAL MANIFESTO FOR COMPANIES

In 1984, two diametrically opposed things were supposed to happen. One was George Orwell's dystopic vision of the future. The other was the birth of a new era of corporate social responsibility.

Following a seminal essay by management guru Peter Drucker in the same year, companies were urged to not just think about how they fattened the bank accounts of their shareholders, but how they could also create social and environmental value.

In the last three decades, the following have become true.

Since 1990, we've pumped more than double the amount of CO₂ into the atmosphere. Investment in renewable energy went down in 2017 by more than \$70bn. More than half (55%) of CEOs disagree that sustainability is important to their businesses*.

Despite a global march towards equality, a mere 43 out of the Fortune 500 CEOs are women.

Less than 10%.

In Africa there are more than 50 million more 'extremely poor' men, women and children than in 1990. Forty-two people still have as much wealth as the poorest 50% and, unforgivably, there are more than 40 million people in slavery across the world.

The world is still ill.

But the people who run it are changing.

By 2025, three in every four people in the workforce will be millennial. Our generation is a new power with very different expectations than our parents.

When we asked senior decision makers at companies – many of whom are increasingly of the millennial generation – whether investing in purpose is critical to future growth, **more than half** (55%) said yes.

So how do we get to a world where the default behaviour is driven by purpose? There simple answer is follow the money.

From Blackstone to Legal & General, investors are driving a higher bar of expectation. **45%** of respondents to the FHF Purpose Trends survey said lack of investor impetus was the main barrier to purposeful change.

And if you don't believe change will come from investors, then be heartened by the '**making it rain**' millennial generation who will pack \$20tn of spending punch by the end of the decade.

A change is coming. And only the most purposeful companies – the ones who truly understand the millennial manifesto – **will thrive.** ■

CREATING INVESTOR EXPERIENCES



The right brand experience can either make or break your business. According to *Forbes* magazine, if you are not investing in your brand, you're unknowingly depriving your business of its highest potential.

But what does this mean? What does 'the right brand experience' actually look like? And what do you need to do to 'invest in your brand'?

Brand insight

We conduct a full analysis of your audiences, competitors, sectors and market trends, giving valuable insight into the challenges and opportunities for your brand.

Brand strategy

A workshop with your teams defines the vision, mission and values that underpin your corporate brand purpose, from which we develop your compelling brand narrative.

Brand naming

We identify the right criteria for the new name, run naming workshops, engineer the candidate names and conduct initial name screening. We also work with your legal teams to ensure your new name is protected and registered.

Brand identity

We lead extensive creative exploration for the new visual identity, sharing conceptual routes for the brandmark, fonts, colours, imagery and how all these elements work seamlessly across all your channels.

Brand management

We produce pragmatic brand guidelines and essential brand assets to ensure effective implementation and management. We can also be on hand for further design support on a retainer basis tailored to your needs.

We are all investors.



Christopher Onderstall

Director & Partner | Creative Studio



James Shirley

Creative Director | Creative Studio

Contact: brand@fhflondon.co.uk



Can we still distinguish between **PEOPLE & BRANDS?**

*A person is a human being with complex thoughts, emotions and feelings.
A brand is something synthetic, created to sell products or promote an ideology; the two things are entirely different... or maybe not.*

According to the *Oxford English Dictionary*, a brand is a “particular identity or image regarded as an asset”. Is this definition restricted to big companies and corporations, or can we now use the same classification for personal reputation too?

The CEO of Yum Brands (KFC’s father company) recently said, “You can market to love and hate; you cannot market to indifference”. This especially rings true if the brand being marketed is an individual. Think back to the dramatic showdown between Usain Bolt, the Saviour of Athletics, and Justin Gatlin, the Returning Drugs Cheat. Both athletes – both people – were identified by nothing more than a name and a tag line; we could just as easily be discussing a face-off between BMW, The Ultimate Driving Machine, vs. Mercedes, Unlike Any Other.

Traditional brands have their part to play; people cannot always become brands on their own. Individuals like Steve Jobs, Richard Branson and Anna Wintour started off as brand leaders before moving on to epitomise the values of the companies they represent. Jobs is probably the best example of this. ‘Think Different’ is Apple’s tag line, and he became renowned for doing just that. He even perfected a signature outfit, the famous black turtleneck jumper and blue jeans rather than a corporate suit and tie. Ironically, he’s most well-known in the business world for hating the words ‘branding’ and ‘marketing’, as he was renowned for being all about the product quality.

Today, celebs don’t need the springboard of a well-known product or company to launch themselves as a brand. The rise of social media means that celebrities can be created, promoted and engaged with much more easily. Katie Hopkins, although controversial at the best of times, offers a masterclass in cultivating

a brand image and getting it noticed by a huge number of people (not necessarily for all the right reasons). And there’s a wide range of Twitter, YouTube, Instagram and blogging stars who managed to get their own names out there simply through creating a unique voice. Power couple Zoella and Alfie Deyes are a prime example.

On the flip-side, large companies like Tesco, Pret and Flybe are using the personal approach to engage with potential and existing consumers. By being personable and having banter with the consumers they’re trying to reach, traditional brands are proving that personal is the new professional. The Innocent Drinks communication, for example, is full of personality, with jokes and photos that could easily be found on a personal Twitter feed; they’re carving themselves out a fun, quirky identity that internet users want to engage with.

If brands are representing themselves as people and people are being identified as brands, maybe distinguishing between the two is harder than it once was; the two ideas are starting to merge as we search for the best way to promote and sell our products and ideals. But perhaps the distinction is also changing in places other than the world of celebrity. Anyone who has a social media account – literally anyone – is promoting their own personal brand. By controlling the content you share with friends and followers to portray the version of you that you want others to see, you’re being reduced to your very own name with a tag line, visual identity and tone of voice.

You’re selling your own ideology – Brand You.

So, and this might not be a surprise to everyone reading this, it makes sense to monitor very carefully what can be seen by who, if you want Brand You to be the next big hit – or at least keep it out of trouble. ■

RAISING THE LEVEL OF PERSONAL INVESTMENT



Engaged employees perform better, drive innovation and stay with organisations longer. In short, their investment in your organisation is central to your business success.

Although CEOs and senior executives realise this, and are increasingly approaching employee engagement with the same level of thinking and investment as other key stakeholder relations, it's still not enough: the latest research reveals 85% of employees worldwide are still not engaged.

At FleishmanHillard Fishburn, we change this.

Our core belief is that real engagement is only possible when three elements – culture, communications infrastructure and content – are aligned in a way that's right for your employees.

Through this lens, we help organisations understand how to create an employee experience that truly encourages personal investment. Whether translating your strategic ambition into meaningful communications, refreshing your employer brand, or something in-between, we help connect the dots between employees day-to-day and the organisational context around them.

We are all investors.



Faith Howe

Director & Partner |
Talent and Transformation



Thomas McCaldon

Associate Director |
Corporate Communications



Philippe Crump

Director |
Talent and Transformation

Contact: employeeengagement@fhflondon.co.uk

3 WAYS INTERNAL COMMUNICATIONS CAN SUPPORT AGILE OPERATION AT SCALE

It's no secret that large organisations with traditional hierarchies are increasingly being buffeted by disruptive competition and dynamic markets. There's a strong argument to suggest traditional structures are no longer fit for purpose.

Businesses are increasingly looking to adopt agile principles to inform the way they operate, so they can compete more effectively with nimble and disruptive competitors. This way of working holds the promise of “higher team productivity and morale, faster time to market, better quality, and lower risk than traditional approaches can achieve” (Rigby, Sutherland and Noble, *Harvard Business Review* May 2018).

But not all functions are suited to using agile principles. Agile teams are by their very nature small and multidisciplinary; they are designed to solve complex problems through rapid prototyping and tight feedback loop; and they embrace change more than sticking to a plan. But this style doesn't necessarily work for such business functions as finance, HR and customer support.

However, in order to adapt to change, the parts of the organisation that suit an agile approach need to be able to work in partnership with these traditional functions. For example, teams working on prototypes may need to access budgets quickly instead of waiting for the annual budget process, or they may need to get customer data quickly and easily from marketing, sales and customer support.

Making sure that these two approaches work well together is easier said than done.

For large-scale businesses, with global and – in some cases – disparate workforces, adopting an agile operation is a challenge for any CEO or COO. Not only must they decide the right mix of agile and traditional structures across the business, but they also need to make sure that agile teams don't become encumbered by traditional bureaucracy.

How can Internal Communications practitioners support the new mix of agile and traditional approaches?

A key piece of the puzzle for overcoming these challenges and achieving an agile vision is through effective internal communication. Specifically, organisations need to inspire colleagues with new ways of working, explain how agile and traditional teams and functions need to work together, and enable colleagues at all levels to adopt these principles. They also need to facilitate the connections and knowledge flow that fuels agile ways of working.

In this respect, the Head of Internal Communications is a CEO's or COO's key partner in the process. →

Here are three ways Internal Communications can help CEOs and COOs to achieve the vision of an agile operation at scale:

1

Inspire colleagues with what can be achieved through the right combination of agile and traditional operations

One challenge businesses have to overcome is conflict between agile teams and traditional teams, who – typically – fiercely defend the status quo. This might be in the form of not providing access to software or data within the short time frames that agile teams require.

Internal communications can help leadership teams solve these conflicts by:

- Inspiring all parts of the organisation – both traditional and agile – with the vision of harmonious working, which delivers innovation and ensures organisations have sustainable futures in dynamic market environments
- Educating all colleagues on agile values and principles, including the people that do not work in agile teams. Using role models is important here, as colleagues need to hear from key figures within the business, such as heads of functions from both agile and traditional departments, who can explain this new way of working
- Setting out ‘rules of play’ between traditional and agile departments. This includes communicating the parameters of each type of department’s operation, and connecting colleagues so they know how best to operate together and what they can and can’t do
- Creating communication tools for managers that help them play their new roles as facilitators and coaches within more fluid organisational structures
- Celebrating great examples of how traditional and agile collaboration has led to market innovation, efficiency and improvement. This is about making sure everyone gets credit and feels part of the movement to work in this way.

2

Facilitate easy and effective access to collective company knowledge and education materials

Agile operation requires colleagues to get to information fast and learn new skills quickly. As company knowledge often sits within the remit of the Internal Communications team – often in the form of intranet management – it means IC has the responsibility to get people to read the information that will help them operate effectively.

A great deal of employee time is wasted simply looking for this information. However, with the use of technology – such as AI and chat bots – businesses can ensure more of colleagues’ time is spent learning by connecting colleagues with those who have the relevant knowledge, and using information rather than simply finding it. This in turn facilitates the company’s ability to be agile.

Internal Communications can help leadership teams efficiently share knowledge by:

- Adding AI-driven, conversational interfaces to intranet platforms, so people can get to the information they need more quickly
- Giving employees quick and easy access to education materials and ensuring they are packaged in engaging, easy-to-access formats that test knowledge using creative techniques such as gamification
- Encouraging colleagues to share knowledge across Enterprise Social Networks instead of using closed channels in discrete groups via email. This practice means knowledge is searchable and accessible by everyone in the organisation
- Celebrating great examples of how (face-to-face and digital) connections, created by effective networkers across the business, have meant colleagues have shared more knowledge and achieved results.

3

Adopt more agile ways of working to role model these principles

Great communication is a key factor that underpins a culture of innovation and collaboration. Harvesting this core ingredient for agile operation requires the Internal Communications department to ‘walk the talk.’

Enabling fast development of effective peer-to-peer, top-down and upward communications can be a challenge, especially when the business prioritises high volumes of low grade Internal Communications or is focused on traditional top-down communications only.

Internal Communications can help leadership teams introduce agile principles by:

- Adopting the ‘fail fast’ prototyping approach that agile uses. For example, applying concepts such as Google’s Knowledge Graphs to Internal Communications channels means colleagues can ask questions like ‘how many customers did we acquire last quarter?’ or ‘which skills should I focus on to improve my customer service performance?’ to access information effectively. This kind of innovation requires iterative R&D cycles
- Launching beta versions of communications channels or innovations, and getting regular feedback from colleagues to constantly improve them
- Working in small, cross-functional teams to better understand and solve communications challenges across every colleague touchpoint.

These **three** actions can help businesses gain the agility they need to compete in dynamic marketplaces and, in that respect, Internal Communications practitioners have a central role to play as one of the CEO’s or COO’s key partners in transforming businesses into more agile operations. ■





Building investor **CONFIDENCE**

Reporting communications is in our DNA. For the last 20 years, we've been building valued relationships with some of the biggest (and smallest) and oldest (and newest) names in the game.

They come to us because they know that whatever their business, whatever their size, we understand what they need. Because here at FleishmanHillard Fishburn, there is no 'one size fits all' approach, the only thing that never changes is our passion to do the best job.

Reporting strategy

We believe in making everyone vested in your company feel part of who you are and what you do by helping you develop an authentic corporate narrative.

Engaging design

Our specialist creatives understand how to bring this new narrative to life, leveraging your brand equity to carry your stakeholders with you on your reporting journey.

Production and delivery

We offer heavyweight project managers, typesetters, proofreaders, print and digital production experts, believing that the best relationships are built on precision, flexibility and collaboration.

We are all investors.



Nick Rose

Director | Head of Reporting Communications

Contacts: reportingcommunications@fhflondon.co.uk



Richard Costa

Client Partner | Reporting Communications

WHY YOUR REPORT NEEDS TO BE FOR EVERY AUDIENCE

Your annual report needs to look past the financials and connect with your wider audiences and not just the institutional investor.

The FRC recently released a new UK Corporate Governance Code and Revised Guidance on the Strategic Report: two documents endorsing our view.

While the new Code will only affect businesses with financial year ends from 1 January 2019 onwards, we have long advocated introducing these changes.

Traditionally, businesses have considered the institutional investor as the primary audience. These investors already have preferential treatment, through one on one meetings with the CEO and CFO, quarterly updates and investor calls. Whatever they want to know, they can easily access. Whereas retail investors, and other stakeholder groups only receive updates when the company chooses.

The new FRC Code and guidance finally, thankfully, put a critical emphasis on businesses building trust and relationships with all their stakeholders. And it's not just us banging this drum; recently, David Lloyd-Seed, Director of Investor Relations at O2 and the Chair of the IR Society said the following:

“

The most important person is the customer – that's what generates your business; the second is the employees; the third suppliers and business partners; fourth is the impact you make on society as a whole – and then it comes to the shareholders. Only if you get all those points right then the shareholders will see true value.

”

Businesses now have to explain how and when they engage with stakeholders and which stakeholder groups they are listening to, what these stakeholder groups asked and what their concerns are and then how the business has responded, and what plans they've put in place going forward.

Here at FleishmanHillard Fishburn, we firmly believe in the principle of We are all investors, that reporting must be for the benefit of all, whether that's your employees, your customers, your suppliers or your stakeholders. By aligning with your purpose, your brand and your reputation, your reporting can be your most powerful piece of comms that can work all year round, reinforce your message and tell your story. ■

It's not about **WHAT NEXT** *but* **WHO NEXT**

Listed entities, regulators and wider industry experts perpetually debate the actual need for an annual report. Let's end that debate now.

Listed entities will always legally be required to communicate its financial results at year end. As part of that, all your audiences with a vested interest will need commentary explaining what the numbers mean.

More than just about numbers

The narrative section of the annual report has increased to over 60% of the annual report, highlighting increased recognition that the income statement and balance sheet in isolation do not tell the whole story.

FleishmanHillard Fishburn's recent research The Dying Days of Spin, has revealed:

76% consider a company's ESG commitments before deciding where to work

87% believe the success of a business should be measured by more than financial performance

80% have stopped using products and services of a company because its response to an issue did not support their personal views

With 80% of corporate value reliant on intangible assets such as intellectual property, customers and the company's brand, the debate should not be about the future of the annual report but how we communicate this story to the next generation of analysts, investors and wider stakeholders.

The next generation

By 2025, 'millennials' will make up 75% of the world's working population. They have higher expectations of companies to communicate their approach towards tackling societal issues, articulate purpose, demonstrate their investment thesis, improve governance and show financial stability.

And our research agrees. 84% of millennials believe sustainable investing has increased in importance.

Although the next generation of analysts, investors and wider stakeholders will still need annual reports, what they'll be looking for is different – they live their lives online so will demand greater accountability and clarity in the communications they receive.

Future-proofing the report

In the future, annual reports will be shared in a variety of formats. From senior management sound bites through key facts and figures infographics to operational and community project videos across Twitter, LinkedIn, Instagram, Facebook and YouTube.



It is not easy to digest 250+ pages of content in one sitting and outside of institutional investors and analysts, most audiences find it a challenge to digest a financial report of any length. Breaking content up into bite size chunks also helps to build an ongoing conversation with stakeholder groups over the course of a year.

Some topics are challenging enough to understand, especially when mired in industry jargon and detailed content. The simplest way to increase engagement is through video. LinkedIn introduced video for company pages this year and saw engagement levels increase five-fold by comparison to other content.

A talking head of the CEO is a staple of an online report, but is this necessarily the right person? To increase the breadth of audience and give your communications real stature, it should be employee-led not senior management-led. This increases your company's reputation and demonstrates your culture. It is also who your employees resonate with more readily and believe more quickly.

Steps to succeed

There are three simple ways to increase the use of your company's social media channels to successfully promote your annual report:

- 1** Pre-package your annual report content and decide what the key messages are that you want to share – financial as much as operational and sustainable performance;
- 2** Make your approach employee-endorsed; if they share the content across their social channels it carries more weight than being purely company-led; and
- 3** Ensure your social media channels are audited regularly to maximise the use of your content across all channels.

The annual report will still be a key corporate piece of communication when Generation Z (the generation following on from the millennials) are at the senior management table of listed organisations, so make it accessible now rather than wait until it is their turn. ■



Upping your game **IN CORPORATE REPORTING**

At the end of 2018 The Financial Reporting Council (FRC) published a review on the state of reporting in the UK.

The outcome wasn't great. City AM reported that "Businesses have been told to up their game in key elements of corporate governance and reporting, after a review found a multitude of basic errors and misapplications of the UK corporate governance code in reports."

Of course, the FRC's Revised UK Corporate Governance Code 2018 does not set out a rigid set of rules, rather, it offers flexibility through the application of 'Principles'. The Code is designed to improve your company's relationships with a wider range of stakeholders and reinforce a healthy culture in your workforce.

That's great, but how do we do it in practice?

Building investor confidence

According to movie director and Toy Story writer Andrew Stanton, the greatest story commandment is...

“

Make me care!

”

Instead of reporting, communicate. Rather than writing about your strategy, write it for your audience.

“No one ever made a decision because of a number. They need a story”, explains Dan Kahneman, who won the 2002 Nobel Prize in economics for his pioneering work on the psychology of decision-making.

Even the best social science says storytelling lies at the heart of memorable and persuasive communications. It's what Plato called “The art of winning the soul by discourse.”

Reporting communication is about more than producing a report. It's about more than words and numbers, it's about making people who are vested in your company feel part of who you are and what you do. It's about what they value – every employee, every customer, every shareholder.

Beyond reporting

Baseball legend Yogi Berra once said “In theory, there is no difference between practice and theory. In practice, there is.”

The first step to putting the Code into practice is a change in mindset. We've written on what this looks like before which you can read at www.weareallinvestors.com

The second step goes beyond reporting.

Ah, I hear you say, but ‘value’ means something different for different people – what the public expects may not be what shareholders want.

Less them, more we

You are right. As customers, business partners, employees, society and shareholders, we're all vested in the success of the company, where success is not necessarily defined in financial terms.

Now more than ever a myriad of external influences impact your business and in turn your corporate narrative. Your story must respect how each stakeholder is affected in a different way. It's the authentic way to connecting with – and connect together – your various stakeholders.

The polarised world we live in can put fear into communicating your beliefs and value. Yet our UK-based survey, The Dying Days of Spin, reveals that 38% of consumers believe if a company explains why they have taken a position on an issue that is important to them, they are extremely or very likely to continue to support them, even if they disagree.

Only a consistent and holistic approach to your corporate communications will positively engage stakeholders, attract long-term investment and affect the bottom line, because after all:

What is corporate reporting without **active reputation management**?

What is reputation management without a **brand** you can trust?

What is a brand without **business purpose**?

What is business purpose without **employee engagement** to make it happen?

What is employee engagement without corporate reporting to build confidence externally? ■

THE SECRETS OF *world-class* REPORTING COMMUNICATION



There is a growing recognition that reporting communication isn't just about producing reports, it's about telling a stories. It's not just about words and numbers, it's about making you care. And it's not just about talking to financial investors, it's about connecting with all your investors – every employee, every consumer, every stakeholder.

1 Be purpose-led

Purpose has become one of the most popular trends for communications professionals in recent years, but corporate reporting experts have long known that purpose is more than just a fad. Purpose is, and always has been, the very reason your company exists.

The current rise in popularity though has been driven largely by millennials, with recent research showing that 74% think a successful business needs to have

a genuine purpose. Yet despite the manifest shift in mindset, many businesses have still failed to keep up, and have failed to define what they really stand for.

We can help. By facilitating workshops with senior leaders, we will identify what your business means, and how to articulate it for your corporate report. What is your North star? What guides you? What have you done this year that doesn't just make you money, but makes you proud?

2 Be integrated

The ambition: you are one business, with one message, creating one cohesive report. The reality: various uncommunicating teams, pushing their own agendas, in a stilted, siloed list of chapters.

It's not really surprising, people are busy, and speaking to each other to create an integrated report can seem like yet another complication on a long to-do list. But if you want your report to work, then it needs to work together.

A workshop is your opportunity to build consensus on the point and structure of your reporting communication at senior level. This will filter through the many content contributors spread throughout the company. Much of an annual report's unrecognised value is in how the process of pulling it together can encourage people to view their activities holistically. An integrated report can act both as a catalyst for, and test of, a joined-up business.

3 Be authentic

It's tricky. You want to sell your company and celebrate your achievements, but you don't want to gloat. In an age where real purpose matters, it's more important than ever that a report sounds real, relatable, personable.

This means it's not about a distant CEO regaling a list of financial successes or talking about overarching strategy, it's about someone real – an employee, a consumer – talking about the culture of the company and the impact of its strategy. It's about understanding, and communicating, how you are meeting a more complex definition of value: it might not be perfect for all, but is certainly fairer.

We don't pretend this is easy, but it's critical – our Authenticity Gap research shows that consumers are nearly four times more likely to believe an employee over a CEO: that's a pretty significant statistic. So give a specific audience ownership of a topic and let them speak on your behalf. The more voices you have, the more balanced your story.

So, that's it. The big three: purpose, integration and authenticity.

Together, they – and we – can turn your report from industry-standard, to industry-leading. ■

AN ANNUAL REPORT SHOULD LAST ALL YEAR

We know that releasing your annual report can feel like a relief. A milestone. That date in the calendar when you finally say goodbye to six months of hard toil. But we also know this is a mistake.

The release of your annual report shouldn't be the moment you cross the finishing line, it's the moment you get started.

Think about it. The report is a summation of everything you've done in the course of a year, and, through that, what you will do over the course of the next year. Basically, without the back story, you have no future story, yet the annual report is so often a forgotten tale; told once then left to languish until the next deadline rolls round.

Here at FleishmanHillard Fishburn, we want to show clients that the annual report isn't a one hit wonder. We want to show that we can increase the longevity of the annual report, that we can make all your hard work... work harder.

This might involve using your company events, beyond the AGM, to re-use annual report content to celebrate sustainability successes or highlight new initiatives and demonstrate where these fit within the corporate strategy, but principally it's about repackaging it for use on social media at key reporting stages of the year or in response to wider news stories always driving the reader back to the original source on the corporate website.

This isn't just for show, either. Putting your content on social media is a way of tracking your target audience, seeing what they respond to, and telling you how to shape your next report.

For this to be really successful though, it's not just about sharing with an external audience, it's about sharing internally too – your corporate comms, social media and reporting teams all working in tandem, generating stories and crafting content for each other.

Your annual report is probably the most important piece of communication you produce for your stakeholders, so why should it shine bright for its one week of glory, then fade quietly into the background?

Let it be what it should be; a report on your last year, guiding your vision and your content through the next.



ESG REPORTING SHOULD BE THE NORM NOT THE EXCEPTION



There are many good reasons for companies, both small and large, to improve their ESG reporting practices – not least being financial and commercial benefits.

It is no surprise that Environmental, Social and Governance (ESG) reporting is becoming more commonplace in investor relations. With growing interest in sustainable business and a flood of ethical corporate issues, stakeholders are increasingly keen to know more about a business than just its financial position. There is now a general acceptance by companies that off-balance sheet information is of equal importance in helping people understand a company's performance.

In 2018, we saw Legal and General take a stance on climate change. The company, which manages a staggering £900bn in funds has now started divesting from companies it says are 'climate laggards'.

However, it is not just climate concerns that can damage a company's reputation. We are witnessing a rise in expectations from millennials wanting to see companies putting purpose before profit. Whether you are keen to attract them as customers or as employees, communicating your values helps them create a connection with your organisation. It is a connection that can be lucrative – our latest research showed that only 16% of respondents were very likely to continue to use products and services from a company that didn't communicate their corporate values.

There is more, too. Against the oft quoted fact that there are more CEOs in the FTSE 100 named John than there are women, and the media attention surrounding the gender pay gap, stakeholders of all levels are – quite rightly – more aware of the diversity of your company.

It is vital that all your communications reflect and inform on these issues. Beyond communicating to stakeholder groups, the more immediate business benefit is attracting capital with preferential credit rates. Sustainability loans and credit facilities are gaining traction, providing a direct incentive for companies to improve ESG through lower credit costs. Generali, CMS Energy and Danone among others have each entered into deals of over \$1bn where improved sustainability performance can lower their interest rates.

Clearly, whether you are trying to attract investors, employees or customers, you need a well-defined approach to ESG reporting. The key data and the reporting against the Global Reporting Initiatives and Sustainable Development Goals remains an essential part of the reporting process (though should be included in a separate report or be available online). Remember, too, do not make this a box-ticking exercise, be open and transparent and embed the commentary throughout to create a truly authentic report.

It might be tempting to view ESG reporting as an add-on, but we believe there is infinitely more value in integrating ESG commentary into the main annual report and the overall corporate narrative. Full incorporation will take time, but if we are bold enough soon there will be no such thing as 'responsible investing', it will simply be 'investing'. ■



SHAPING INVESTOR *perceptions*

We help facilitate a meaningful, productive and progressive exchange between your company and the people with a vested interest in it.

Corporate communications

The world has changed. You know that. You know it is no longer enough to speak to investors in isolation or to create messages that are uniform and indistinct. Your competition is adapting – and fast.

The only way to keep ahead of the game is to have a partner who understands this environment and is able to navigate the need for change. You need a corporate communications team who understands your sector, understands the value of insight and can respond quickly to changing situations.

Financial communications

Regulation. Industry complexity. Economic uncertainty. These are a few of the challenges you are facing – challenges that can erode confidence and credibility in capital markets and the trust of customers and shareholders. The historical ways of doing business – relying on sheer size and political clout – no longer apply. To succeed in today's environment, organisations must adapt.

FleishmanHillard Fishburn's Corporate & Financial Communications team helps organisations strengthen reputation, advance policy and connect with the wide range of audiences that influence a company's success.

We are all investors.



Stephanie Bailey

Senior Vice-President & Senior Partner
Corporate Communications



Ludo Baynham-Herd

Associate Director
Corporate & Financial Communications

Contact: financialcommunications@fhflondon.co.uk

A decade from Lehman...

WHERE ARE WE NOW?

In the decade since those fateful weeks in autumn 2008, regulators have been busy ushering in new capital reserve requirements, drafting regulation and introducing ring-fencing rules, but have the lessons been learnt?

It is ten years since the fall of Lehman Brothers signalled the single biggest corporate failure in history, sending the global financial market into crisis – and we've been paying the price since. In fact, according to a new report from the Institute for Fiscal Studies the UK economy is now 16% smaller today than it would have been had it kept growing at its pre-crisis rate – or in layman's terms (excuse the pun) we have lost £300bn.

Are we actually any better prepared for another crisis?

From a capitalisation standpoint, yes. Liquidity reforms and stress testing under the Basel III framework has undoubtedly made the sector much more resilient to withstand another crisis. And the new ring-fencing rules better protect consumers from riskier practices of investment banks.

But one could argue that the underlying signs are still there. The global economy – as a whole – is still heavily reliant on debt, fuelled by low interest rates and stagnant wages. Subprime mortgages may well be resigned to the history books, but the debt-laden culture remains. Now more than ever.

What about trust?

In the aftermath of the crisis many people described the banking sector as a self-interested and bloated industry that rewarded risk and profiteering at the public's expense – and some would protest that still rings true. Since then, the industry has weathered countless scandals, from PPI to Libor fixing to rogue traders and FX rigging, and has sought to restore trust by cleaning up its act.

On trust, too much has been written about its decline and stall in recovery, but to really understand how financial brands can reconnect with consumers, we instead need to focus what really drives reputation in the sector.

FleishmanHillard's propriety 'Authenticity Gap' research, which measures consumer expectations against experience, has revealed that reputational drivers around better value, customer care and innovation make up 60% of peoples' expectations of banks. Of these three, banks are paying too much attention to innovation – which probably isn't surprising given the focus for many of the biggest financial institutions has been on responding to the growing threat from disruptive new entrants and harnessing the power of data.

Former Barclays CEO Anthony Jenkins recently suggested that "digitisation and technology is now the biggest threat to banks' going as far as predicting that half of jobs in financial services could disappear over the next decade.

While it is true that technology will likely eradicate many traditional back office functions and the rise of digital banking is questioning the need for a vast branch network, customer care remains essential. In fact people still have enormously high expectations – five times higher than innovation – and banks are drastically falling short on this customer care metric, worse than any industry or sector we studied.

At its core, banking is, and probably always will be, about relationships.

Ten years ago a lot of people at the big banks forgot that. And while they may have well weathered the storm of the global financial crash, without a focus on customer care, and authentic communications, the sheen off innovation will soon wear off – potentially plunging them into another existential crisis they may not recover from. ■



FLEISHMANHILLARD
FISHBURN

GET IN TOUCH

Email

weareallinvestors@fhflondon.co.uk

Call

+44 (0)20 8618 2847

Visit

FleishmanHillard Fishburn | Bankside 2 | 100 Southwark Street |
London | SE1 0SW | United Kingdom

weareallinvestors.com