

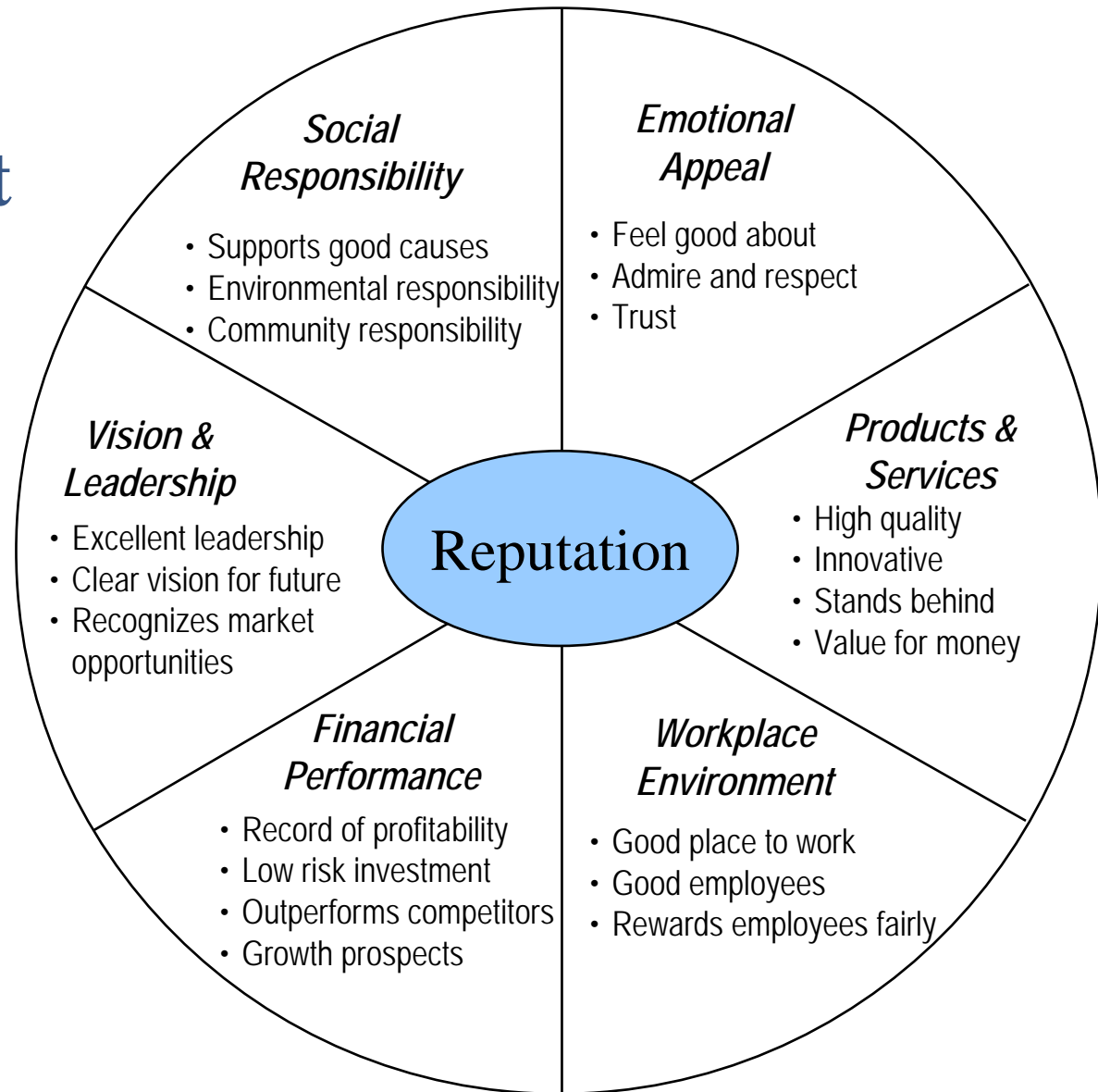
Communicating With Stakeholders: Is the Corporate Communication Function Centralized? Trends and Countertrends

James Rubin, University of Virginia

New (and old) points of stakeholder contact raise new questions for centralized function

- Complexity of investor relations and reports to CFO
- CSR & sustainability aligned with ethics in separate group
- Chief Ethics Officer works on compliance and with employees
- Corporate branding may be in cross functional team, in marketing, or in corporate communication

Reputation Management



Corporate communication continues to evolve



Stakeholders/Constituencies

–Paul Argenti

Compelling Stories

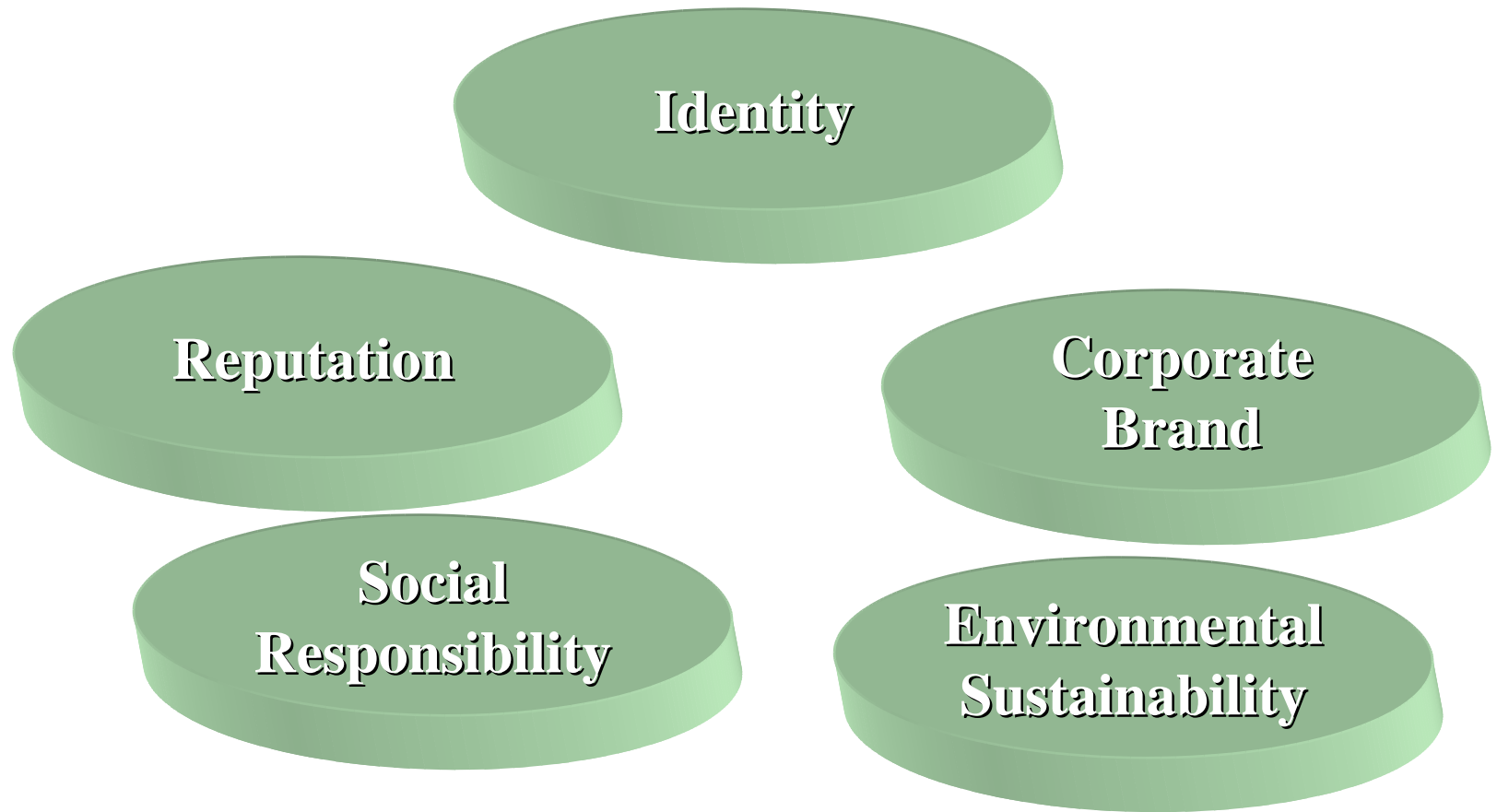


–Cees Van Riel

Company Stories Shift



New clusters of responsibility may align what a company stands for to multiple stakeholders



Brand and reputation convey identity and values to external and internal audiences

Management



Employees

Internal
Constituencies



External
Constituencies

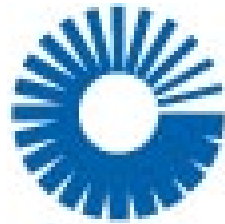
That create meaning through engagement

But as boundaries become permeable stakeholder groups cluster in changing affinities

- Employees may identify with causes not aligned with corporate strategy
- As loyalty to some kinds of brands is shifting so too stakeholder groups form new and unfixed positions
- The rise of issue management affects a wide range of stakeholders in disparate ways

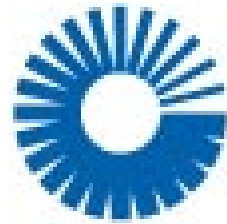
How do you communicate “endorsed” identity?

- “There is no such thing as a UTC”
- Individual franchises have more brand equity than corporation
- Corporate brand most meaningful to capital markets (UTX)
- Debated issue of corporate identity



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Hamilton Sundstrand

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OTIS

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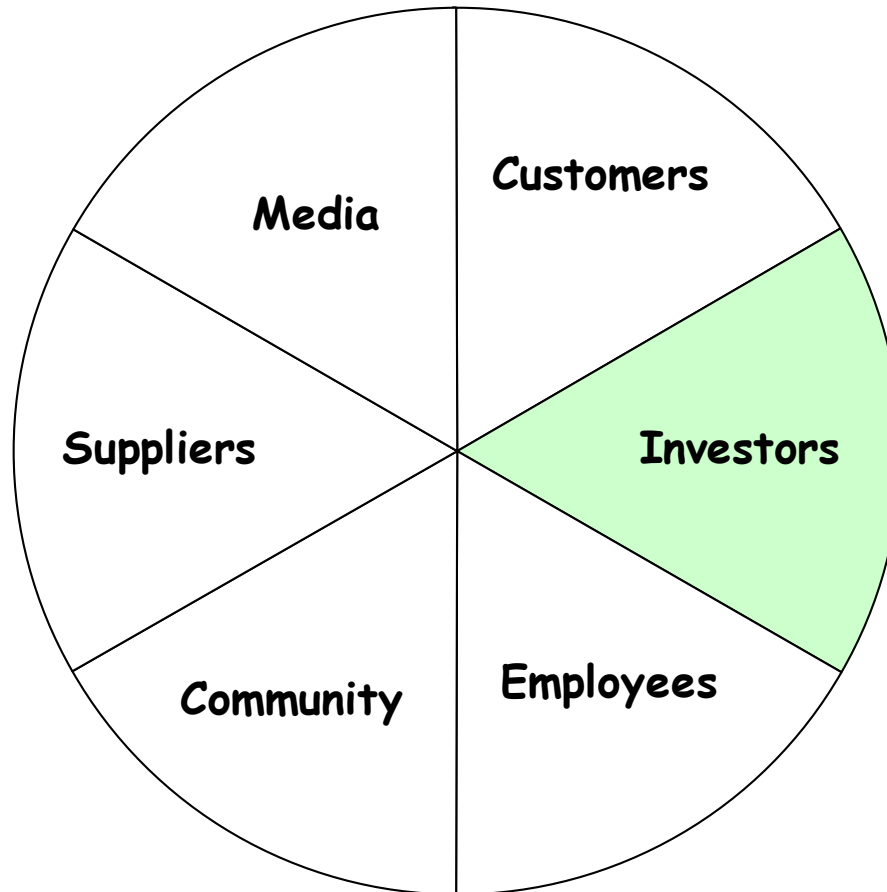
Carrier

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What should communications shop do?

- Find key stakeholders
- Find ways to reach them
- Stay within limited resources

Who was key stakeholder for corporate brand?



Blue Momentum: a targeted corporate advertising campaign

- Target investment community
- Find places where they work
- Find journals they might read

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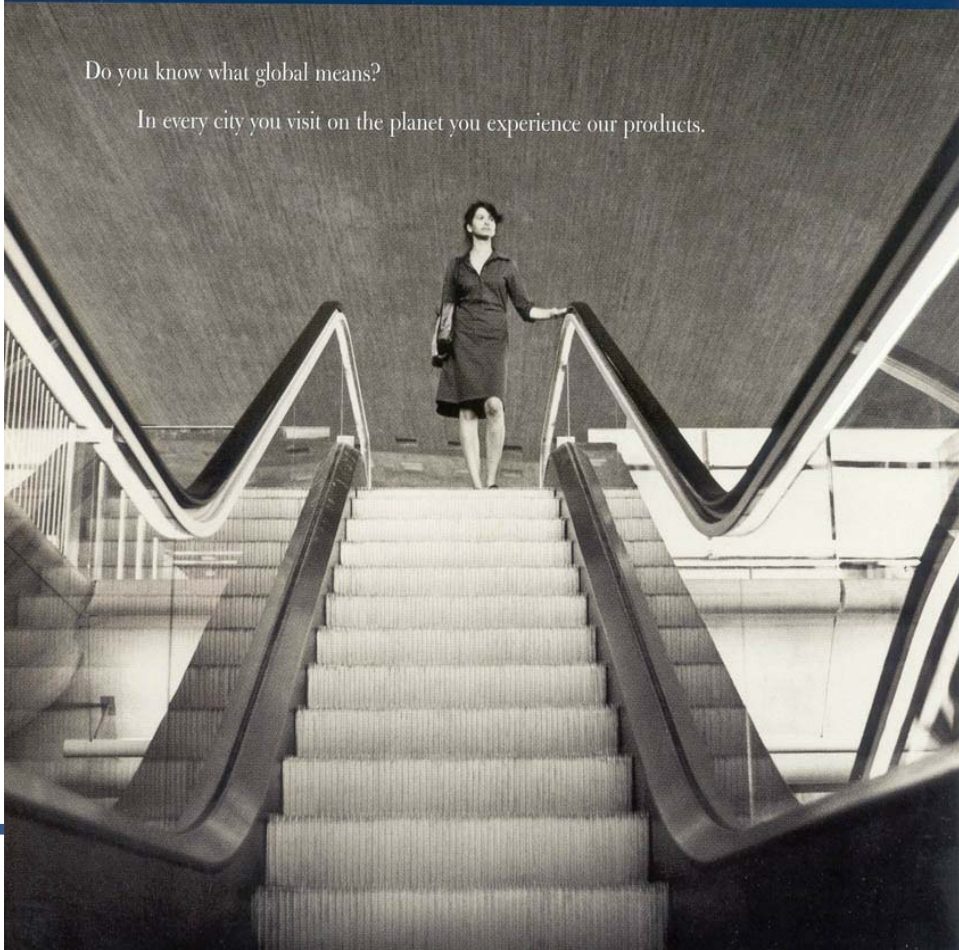


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What do you take for granted?

Elevators and air conditioning.

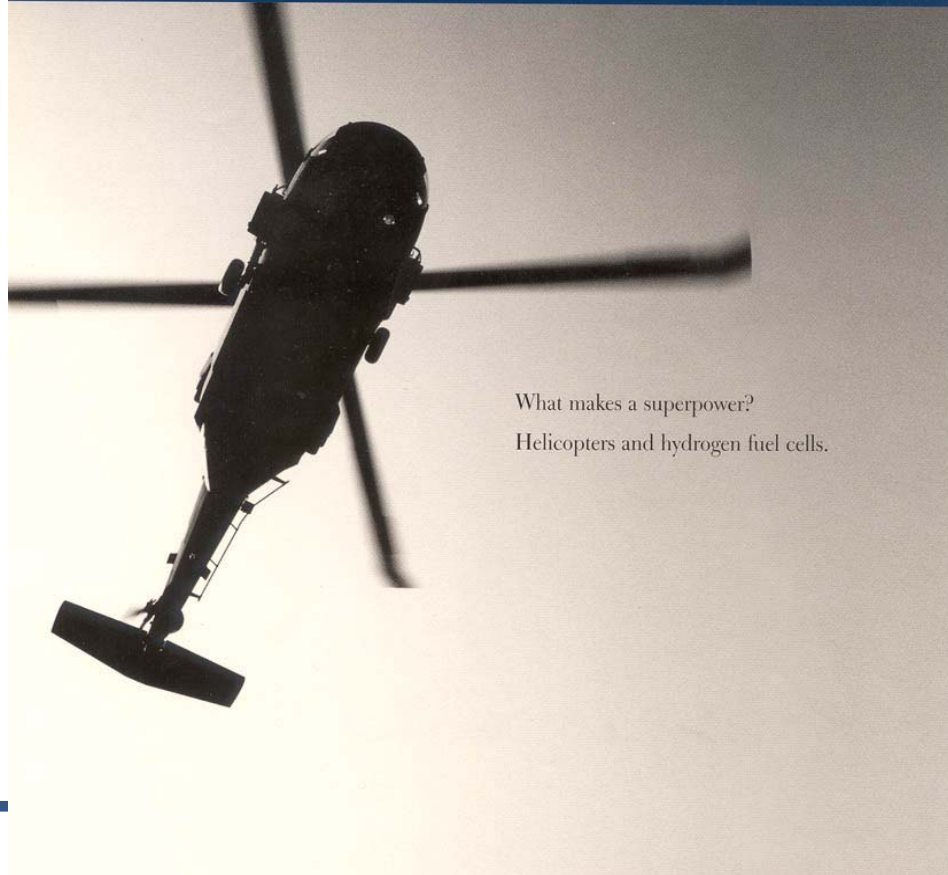
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What makes a superpower?
Helicopters and hydrogen fuel cells.

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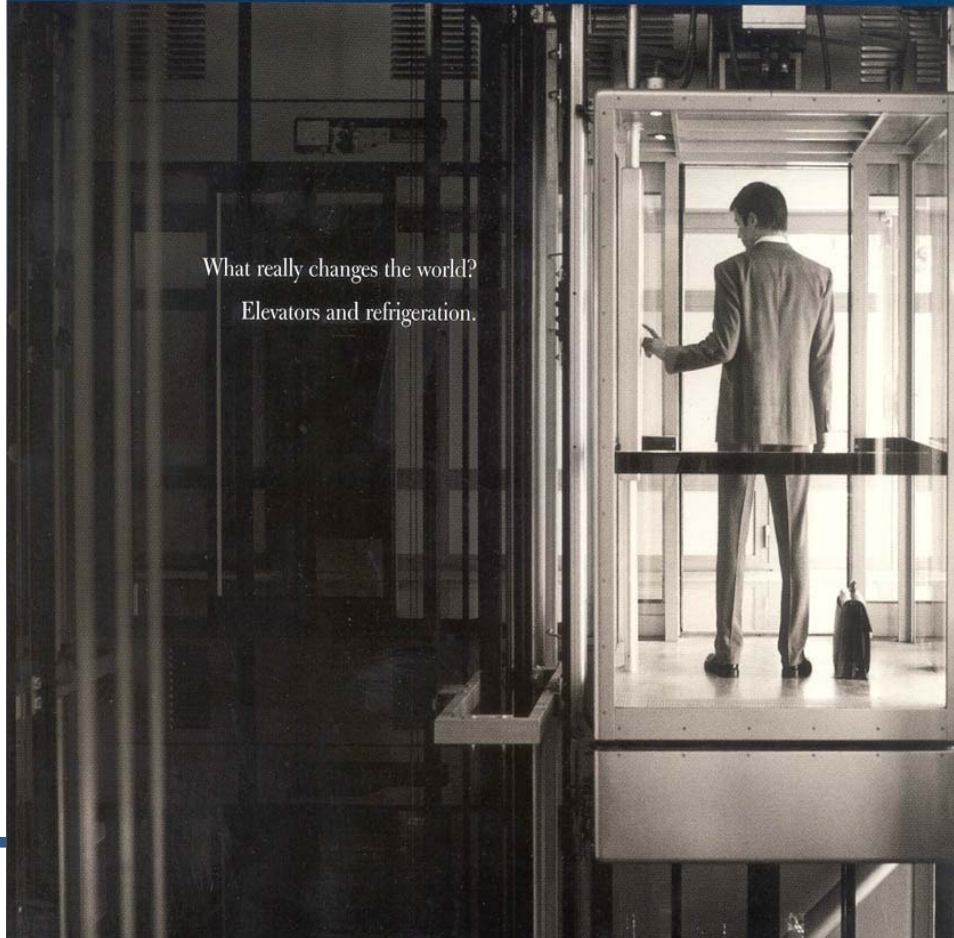
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What really changes the world?
Elevators and refrigeration.



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What will your children take for granted? Hydrogen fuel cells.



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Why spend a quarter billion on employee education?
Because the only proprietary technology is the human brain.



Company chose key placements to target audience

- Wall Street
- Building-sized banner mid-town
- New Yorker Magazine

Questions for endorsed identity

- United technologies one of first U.S. endorsed identity corporations—Harry Gray
- Individual business invented products and have deep brand equity
- Could or should corporate advertising pull identity together or relate to capital markets as aligned with corporate brand?

The corporate communication function continues to...

- ✓ Emphasizes employee communication
- ✓ Communicates identity and corporate brand as intrinsic to organization
- ✓ Expresses values and character of company¹
- ✓ Counsels action that increases transparency, encourages enlightened “self interest”²
- ✓ Nurtures reputation as a result of open and honest communication culture in the organization

¹The Expressive Organization

²Charles Fombrun, Reputation

While corporate communication is best positioned to rebuild trust and reputation

- Aligning stakeholders
- Communicating strategy to internal and external audiences
- Telling the company's story

And communication and ethics share the same concerns

- Stakeholder approach
- Crisis as ethical lapse
- Aligning and understanding interesting of constituents, “publics”
- Crisis as issues management, as misalignment

New areas of responsibility and new issues raise new questions

- Triple bottom line in Europe aligns most stakeholders but raises questions for financial community in some markets
- U.S. adapters of sustainability reporting, such as UPS, assign responsibility to dedicated CSR groups
- Ethics remains a separate compliance issue and academic area
- Responsibility for corporate brand and corporate communication function remain idiosyncratic to culture

Will potentially unifying concepts such as brand, reputation, identity, and issues management lead to fragmentation?

- Who will be key audiences for new kinds of reporting?
- Where will trend toward corporate brand take hold in U.S.?
- Will complexity of regulation make alignment with IR more difficult?
- Will major issues facing corporations lead to specialization?