1 Corporate Goals and Strategies

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With a few exceptions, the process of creating corporate goals and the strategies by which those goals may be achieved is the cornerstone of business success. In some corporate cultures this process is highly structured and formal, while in others, equally successful, it may be informal and intuitive. In today's commercial world, however, there are few organizations that can reasonably claim to be able to ignore the basic questions of 'Where do we want to go?' and 'How (and when) are we going to get there?'

There are many elements that have to be considered by management in constructing plans that incorporate realistic goals and feasible strategies: market forces, research and development, finance, and human resources are but a few. This book will demonstrate that the way in which an organization needs to be perceived by those whose decisions or opinions will impact on the achievement of its business goals has a no less essential case for recognition within the planning mix.

In the context of this book, 'corporate identity' and 'corporate image' are the elements that require definition if we are to understand their importance in formulating an organization's overall corporate plan and facilitating its progress. There is often confusion as to what these terms actually mean, and, in fairness, corporate communication specialists in the past have not been all that successful at defining their own terminology. The definition that I prefer is provided by W. P. Margulies in an article in the *Harvard Business Review* (July/August 1977):

Identity means the sum of all the ways a company chooses to identify itself to all its publics ... Image, on the other hand, is the perception of the company by those publics.

(Note that 'corporate identity' is not a term that is restricted to the visual element of corporate communication. The design industry has done a great deal to improve the manner in which companies project themselves in visual terms, but many have misused the term to imply only visual identity.)
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It should go without saying that a company will have a corporate image whether or not it manages its corporate identity. Management almost universally has long since embraced – if sometimes with reluctance – the fundamental concept that it is going to have an image anyway so it might as well attempt to manage the development of that image through the communication of its chosen corporate identity. At last count, over 4600 organizations in Britain are currently using the services of a public relations consultancy in membership of the Public Relations Consultants Association. Many more are operating in-house departments or are being advised by non-member consultancies. Each of these companies or bodies is actively addressing the question of how it is viewed by its external audiences.

In the development of public relations over the past 50 years as a professional part of the management armoury, the function unfortunately gained in many organizations a ‘bolt-on’ status, as distinct from being accepted as an integral part of the overall management mix. This was due in part to the level of importance that managers, who were (and, some would argue, still are) largely untrained in this area, gave to the corporate communication process, although far greater credibility was afforded to marketing publicity. The blame must also be shared, however, by the PR practitioners, who were all too often well equipped to communicate but lacked the necessary parallel expertise of the other management processes they were seeking to represent.

While not totally removed from the management scene, this mismatch has been significantly eroded by the increase in the attention being paid to formal communications training for managers, coupled with the development of PR education and recruitment to encompass a broader understanding of other areas of management responsibility. The introduction of an MBA course at Cranfield in 1987 and more recently degree and postgraduate courses at Stirling University, the University of Wales at Cardiff and elsewhere which concentrate on public relations, and the significant increase of PR electives at UK business schools over the past few years, are representative of the strength that the function has achieved.

The development of the corporate communication function within industry and its integration into the central stream of management was highlighted by a 1987 study, *The Practice of Public Relations* by Katie Arber, then of the Durham University Business School, and sponsored by Traverse-Healy Limited. From a sample of 179 of the 500 largest UK companies, 86 per cent of companies had a defined PR policy, and of these, 76 per cent said that the policy formed a fully integrated part of a public relations plan which required board-level agreement in the context of corporate planning.