

Web-centric Communications Structure

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Corporate messages come from departments organized by audience and media. Each department delivers part of a total organizational message, often with little integration. Investor relations (IR) talks to analysts and institutional investors but rarely to reporters. Reporters, however, speak to analysts and institutional investors. Corporate media relations talks to business reporters, but IR isn't aware of the conversations. The Web master posts information to the Web site and reports to Information Technology, but most content comes from the PR, marketing and HR departments. The product publicist reports to marketing and incidentally to corporate communications. Corporate philanthropy is variously located in corporate communications or in Human Resources (HR), sometimes as a part of community relations. Community relations and philanthropy both have social messages that are sometimes divorced from the company's business strategy. HR controls training but corporate communications may control the TV studio where training programs are made. Public affairs reports to the general counsel, but public affairs messages may have direct impact on company operations, which in turn affects PR and marketing messages, but public affairs, PR and marketing might not be tightly coordinated.

Wherever they are located, communicators maintain contact with specific executives who generate messages and specific audiences that receive them. But the communications system is inefficient and less effective than it might be since the rise of the web. The web is the only unified distribution point for all corporate messages. In most organizations, it is the one place where all messages are available to the public, either as a repository of communications or as a proactive medium. Moreover, the web is the only around-the-clock representative of a company's brand and views with near-universal reach in developed countries. As a result, company web site has become the most valuable medium an organization has, even if the organization spends tens of millions on advertising, promotions and other media. This is why the web should become, if it is not already, the primary driver for a company's communications.

Primary driver means:

- The first communications in investor relations, other than regulatory, are on a web page tailored for analysts and investors.
- The web page newsroom for reporters becomes the first place reporters look for new company information

- More than 50% of the marketing budget goes to customer communications related to online.
- Public affairs reports and studies are published online in a page tailored for politicians and their staffs.
- Community relations and philanthropic news appear online first.
- Employee news appears online first and secondarily in other media.

This is beginning to happen with advertising and PR moving to the web along with decline of traditional media such as newspapers, magazines and TV. The shift is occurring, however, while corporations continue to maintain traditional alignments in communications departments. This raises two questions:

1. Should communications departments remain in traditional structures?
2. If communications departments change structure, what should a web-centric alignment look like?

No answer fits every company, but this essay examines the issues that communicators will confront as they deal with dislocations caused by the increasing power of the web as a medium.

Basics and the web.

Why does a company communicate? To survive and grow as an economic entity. Even in the simplest economic transaction, two parties must communicate their presence as seller or buyer, the type and kind of product and service being offered, a value for the product or service and conditions of exchange. Only then is an exchange of goods and services possible. Communication rapidly moves from simple transactions to complexity with the presence of governments, competitors, influencers, and peers. The web is the one location where each communications element of the complex economic transaction is represented daily.

Because companies must communicate to audiences that control their ability to survive and grow, companies rank audiences by the audience's power over the companies and communicate to these audiences proportionately. Customers come first. Without customers, there are no sales, no revenues and no company. This means a company web site should be oriented to customers predominantly. The second audience is shareholders because owners dictate the future of the enterprise and whether it remains an entity. The third audience should be employees, but employees usually have internal web sites in the form of intranets dedicated to them, so this group might be ranked lower than regulators, communities, philanthropies, etc. (On the other hand, a company's

web site presents to the world its brand, and employees make the brand real, so a web site should never totally exclude employee considerations.)

The purpose of a medium in business is to reach audiences effectively and efficiently with messages that promote positive relationships and economic transactions. Effectiveness means an audience takes an action in accordance with a message's intent. Efficiency means the medium delivering the message is the least costly way to reach the audience. The web is the most efficient medium but not the most effective. The most effective medium is face-to-face communication, but it is impossible for owners of any mid-size to large company to deal with key audiences personally. Hence, owners trade between efficiency and effectiveness by using secondary media. The web's effectiveness as a secondary medium comes from its continual presence and flexibility in carrying all other media.

Addressing the Customer

If the customer is the primary audience for company web sites, then how should a web site address customers? There are two basic ways to speak to customers with unlimited variations between them: Sell product or sell the company and its people. Product-centric sites are the domain of marketers, and Corporate Communications takes a back seat. Company-centric sites are the domain of corporate communications, and marketers take a back seat although not completely because marketers heavily influence a company's presentation online. The decision to be product- or company- centric comes from the way companies conduct economic transactions. For a company that uses personal or consultative selling, a web site is informative but not sales oriented. For example, see www.spencerstuart.com or www.whitecase.com. For a company that is retail sales-oriented, a web site is close to a catalog. See www.amazon.com or www.homedepot.com. Companies can also divide web sites into locations optimized for product and services, and locations for the corporate communications message. See www.pg.com and www.tide.com. Marketing controls product/service oriented sites, while corporate communications controls information and sites focused on the company as a business.

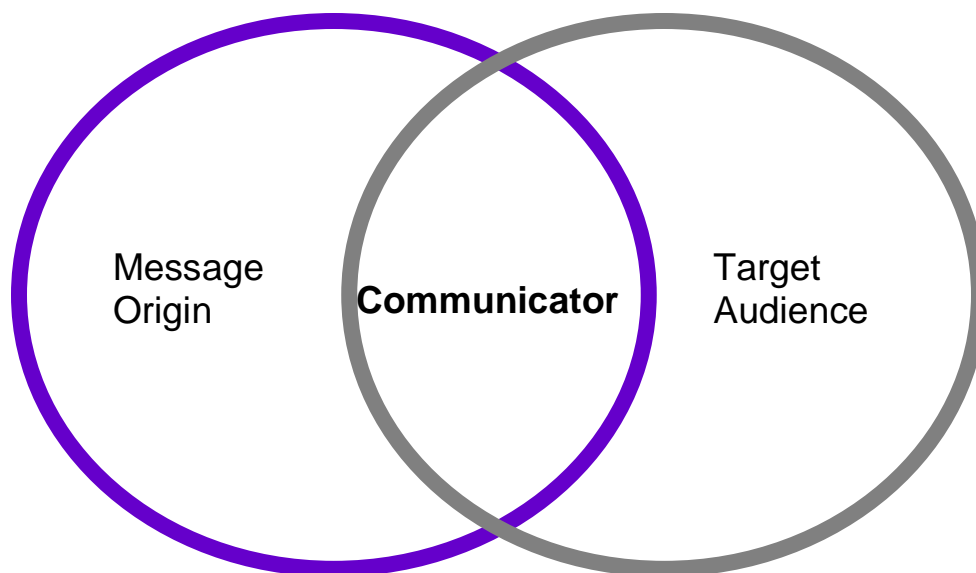
Alignment

Companies align communications departments in two ways – by audience and by medium with variations between these poles. For example, Investor relations is aligned by the audience to whom it speaks. Advertising is aligned by the medium used. Variations occur throughout communications departments. Media relations is aligned by the medium of news publishing but it also deals with a specific audience – journalists. The question is whether dual alignments are necessary when one uses a medium that encompasses all other media as the web does.

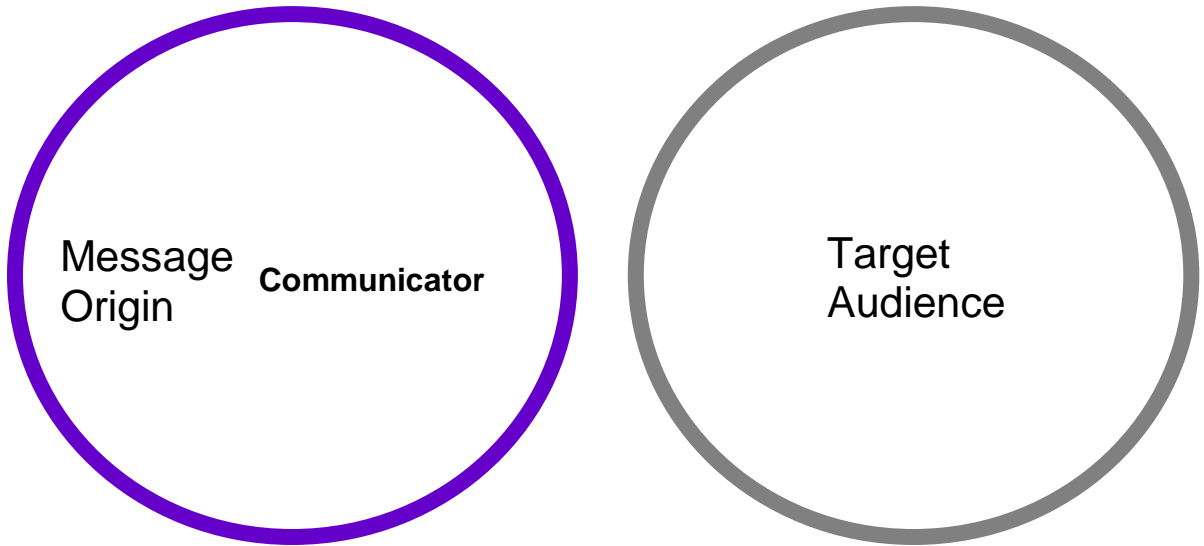
The argument for keeping departmental alignment as is without change rests on continued strength of other media, resources these media require and their efficiency and effectiveness in maintaining contact with key audiences. The argument against continuing departmental alignment comes from continued growth and strength of the web versus other media and the ability of the web to reach individual audiences efficiently and effectively. A middle range argument, which I prefer, states that either position could be taken for departmental alignment. For example, web-centric companies use web alignment while more traditional media companies won't. A futurist argument contends that the web will supersede other media, as it is doing already. Hence, it is better to organize communications departments into a web-centric organization for the future. One could make a strong case for each of these positions, but should not rule out other alignments as circumstances change.

The issue for a communicator is what structure best serves effective and efficient communications of messages. It will vary by company, but the basic consideration is that proximity counts. One cannot reflect accurately in messaging the mind of another without interacting with that person regularly. Hence, corporate communications officers need direct access to the CEO. Media buying departments need direct access to marketing. Investor relations officers need direct access to the CFO. The reason communications departments have been scattered across the organization is that each communications group resides nearest the message sender. However, One cannot assess accurately the mind of an audience without interacting with that audience regularly.

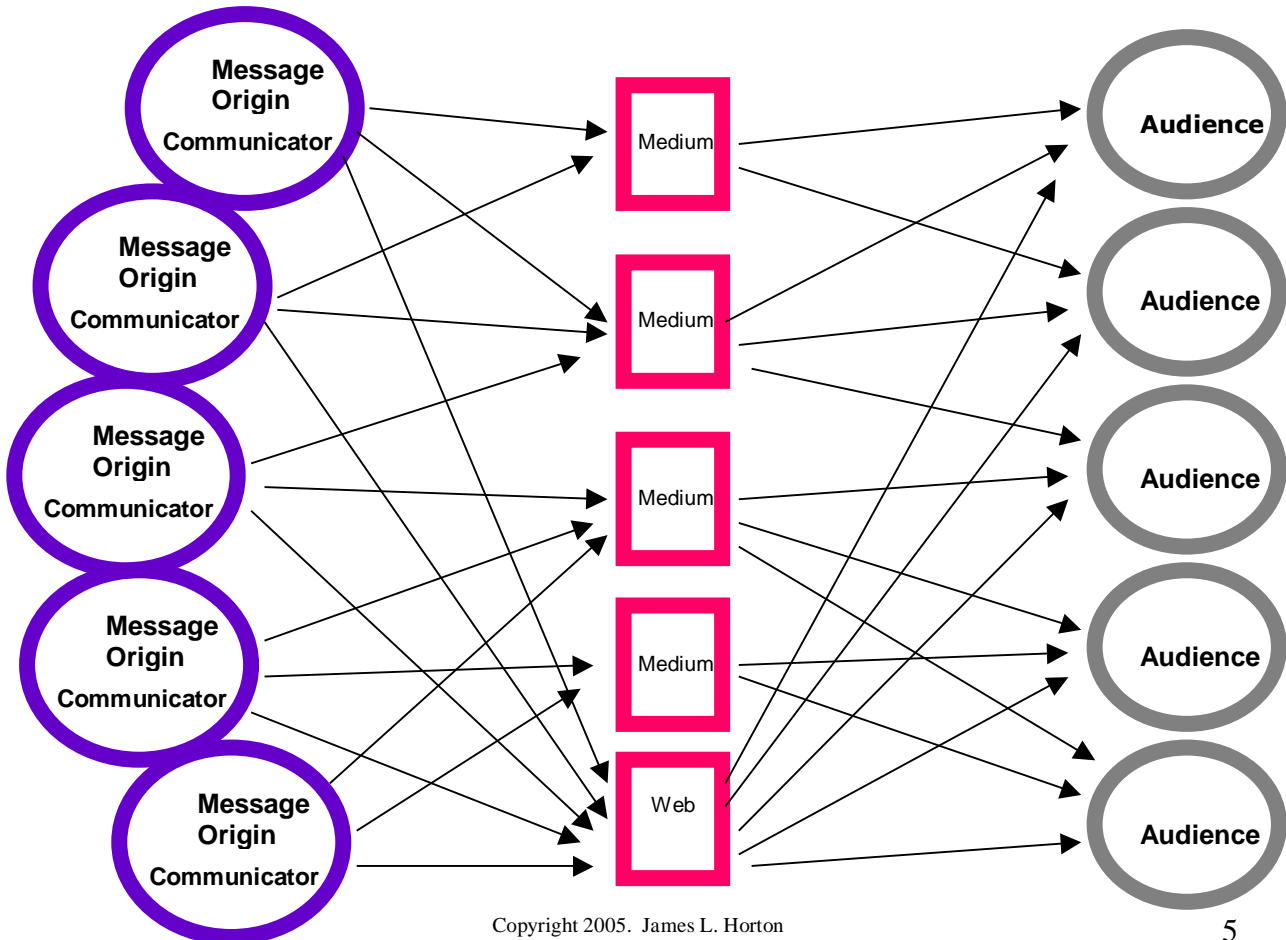
Ideally, communicators would be positioned midway between audience and company. Their position would look like this.



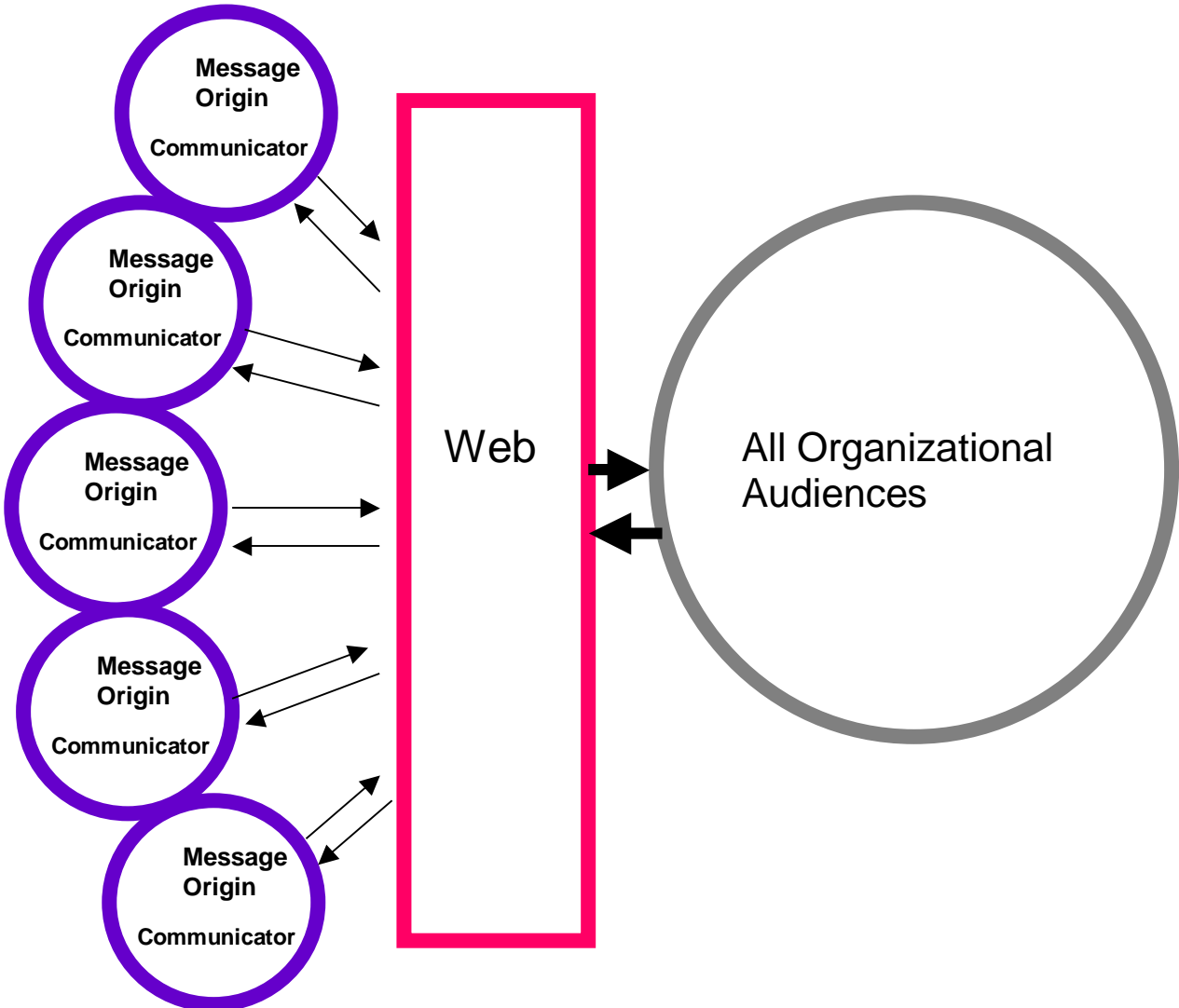
However, within an organization, it is often difficult, or impossible, to be placed near a target audience because it is too large and too dispersed. So communications structures in organizations actually look like this.



Communicators often use a variety of media to reach target audiences, so total organizational communications look like this – a crazy quilt of overlapping media and messages.



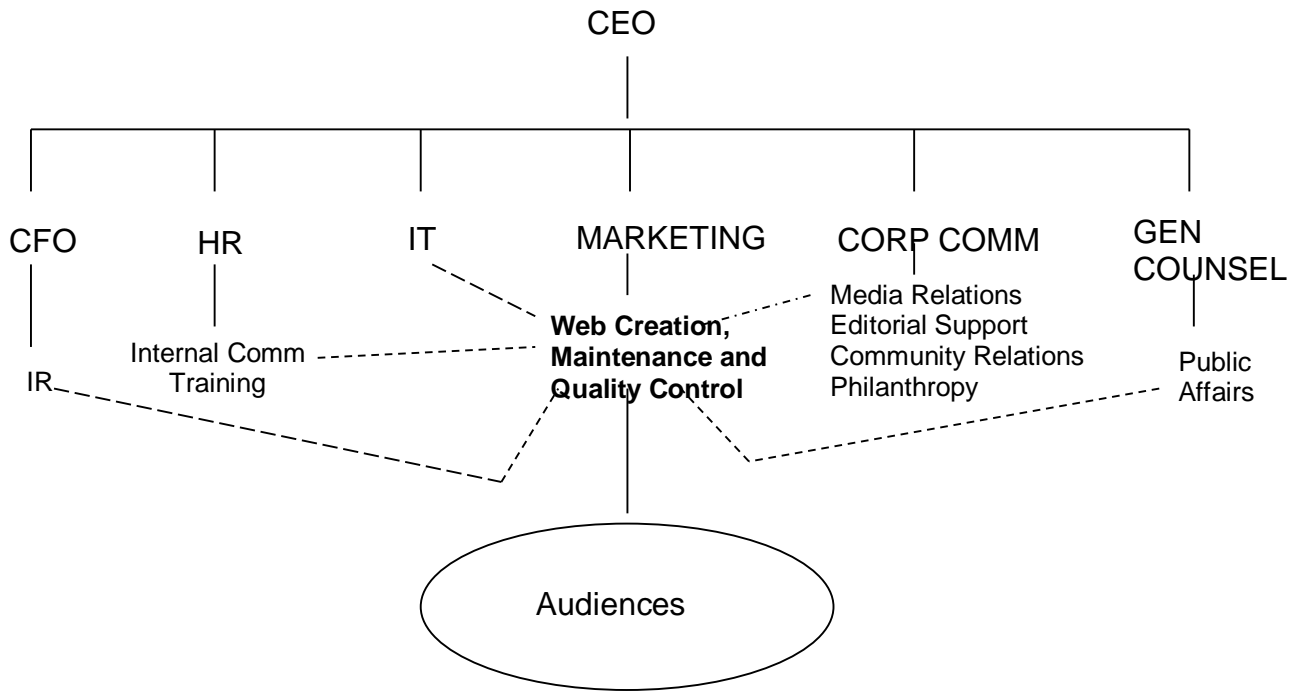
With the Web, on the other hand, multiple media are supplanted by a common and interactive communications point that dominates but does not entirely supplant other media. It looks like this (with other media subverted for illustration purposes.) It is potentially more efficient than traditional crazy-quilt media choices.



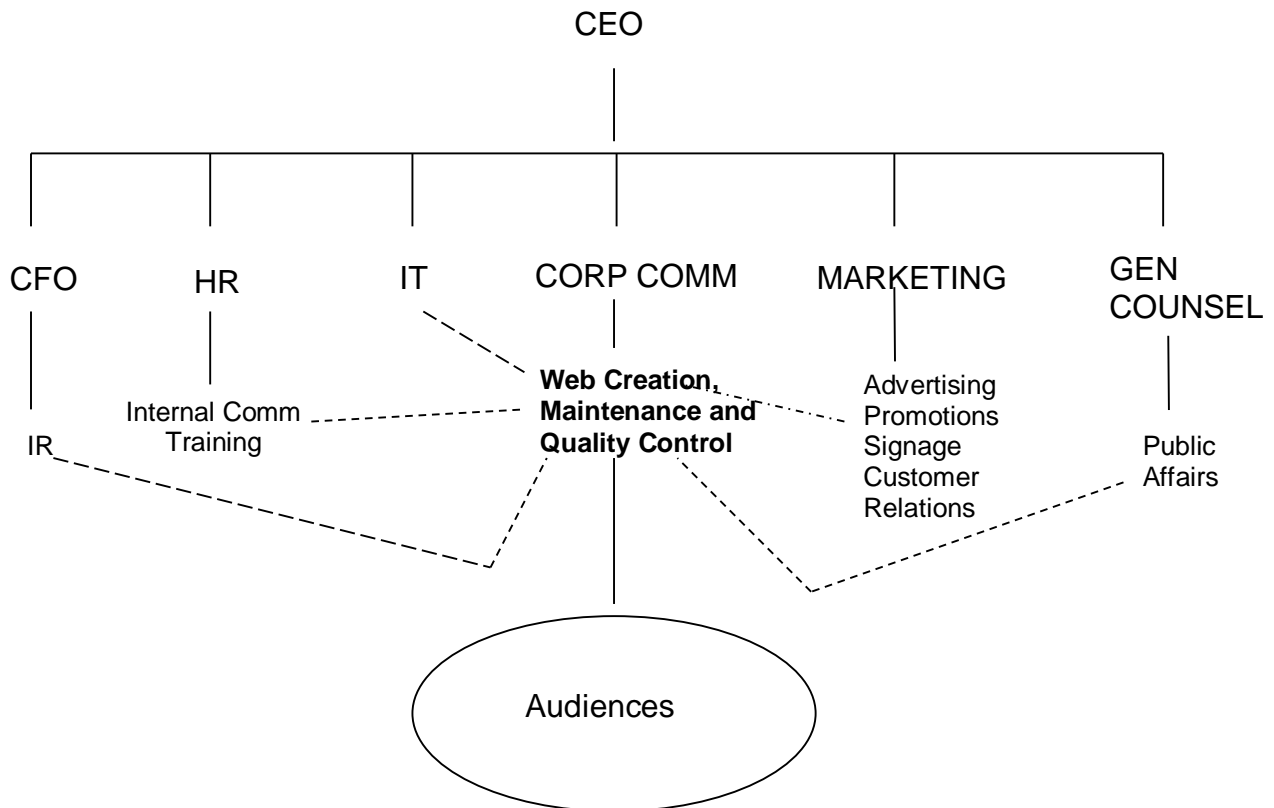
Reporting and the web

As we have stated, communications departments should remain closest to the point of message origination and move as close as possible to the point of message delivery to maintain efficiency and effectiveness. Communicators gather information more quickly when placed at the point of information creation, and they can adjust messages to better suit audiences when placed as close as possible to them. In product-centric web sites, corporate communications messages should be coordinated through marketing, whether or not these messages are distributed primarily through the web site. In company-centric web

sites, corporate communications should coordinate marketing messages whether or not the web is the primary distribution vehicle. A marketing-based structure might look like this.



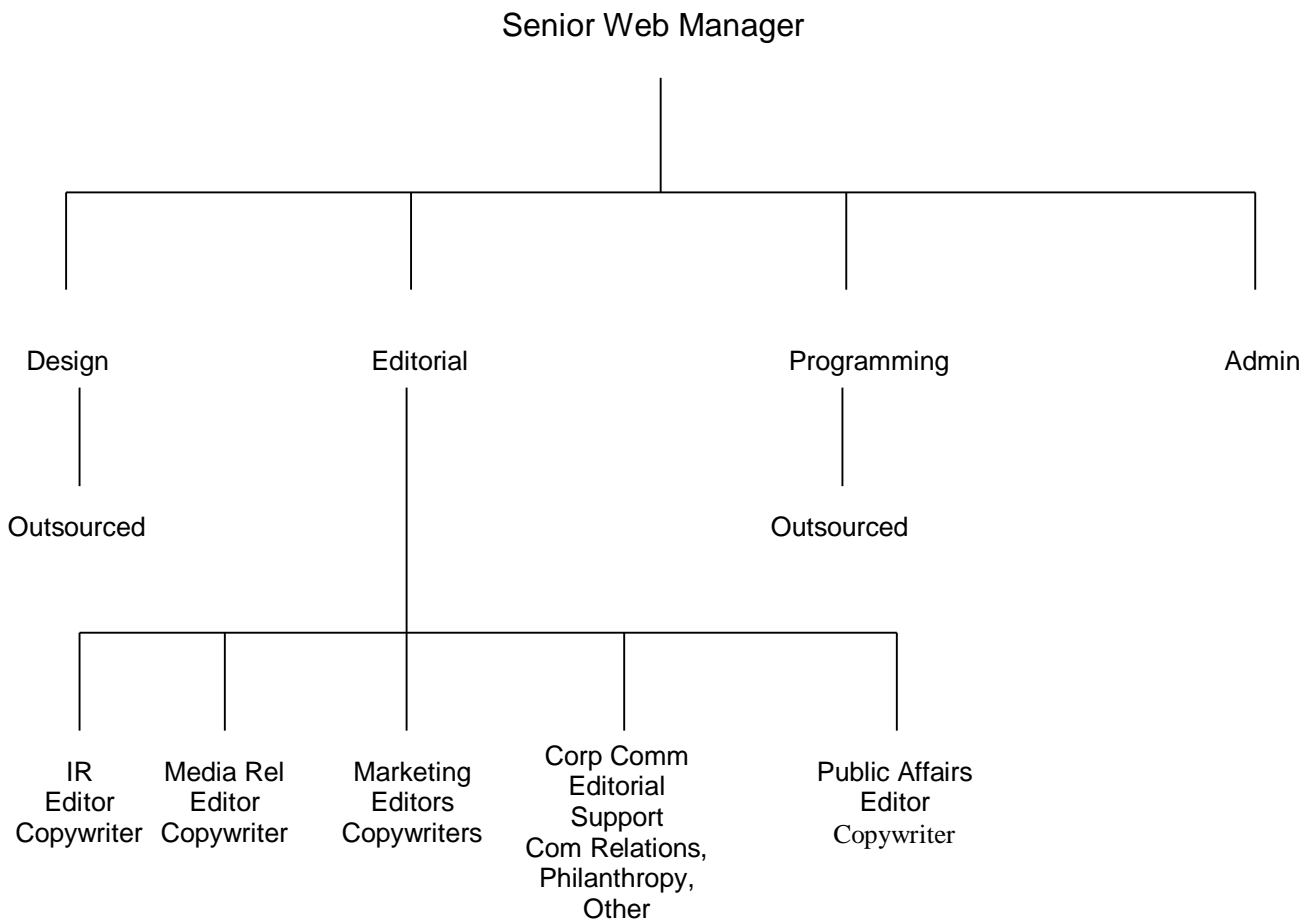
A corporate communications structure might look like this.



The structure of a web department is an open issue, but there are certain characteristics it should have:

- **Design resources:** This might be outsourced or kept in-house depending on the site. It is responsible for site look, feel and usability.
- **Editorial support:** Major communications departments should have dedicated resources in the department that help produce content and advise on the best use of the Web to establish interactive relationships with target audiences.
- **Programming:** This might be outsourced as well, but there is continuous need to expand and improve the functionality of the web site.
- **Administration:** This arm keeps the site up and running, makes daily editorial and other changes as required, plans and budgets.

A web-centric structure might look like this.



Reporting structure shifts power in an organization. It gives the department in control dominant influence over the look, feel and content of a web site. Even

though audiences differentiate themselves by self-interests, a company differentiates a web site and its brand by what it chooses to emphasize. The look, feel and content of the site benignly guides audiences to information sets and perceptions by priority. Designers and web editors maintain even messaging in subsections throughout a site.

In some organizations today, this kind of structure may be in place. In other organizations that use traditional media heavily, a web-centric organization might be heretical. It is certainly not a structure for every company in all instances. There are firms for which the Web is and will be more of a repository than primary means of customer communications. But, if the web continues to grow and dominate other media, that may change.

There is one caution about structure that communicators should heed. Don't change structure that works well. Change structure that isn't working and where splits among communications departments are cumbersome. But, with media alignment and audiences shifting rapidly, change may be necessary. Every organization is in a different situation with a different need for change or stability. The communicator determines in the case of each organization what is best to achieve efficiency and effectiveness. Change requires a solid business case for each target audience and approval from management. Never rush in blindly.

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James L. Horton, the founder of online-pr.com, has been in public relations for more than 25 years.