

# RESETTING CORPORATE STRATEGY

The Impact of Covid-19 on  
Global Businesses - Executive  
Summary

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**/amo**  
strategic advisors

**“Crises slow things down at first, but then they accelerate business change”**

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**“Covid has changed risk and the way people think about risk. Now you have to look at the business and all the potential risks it is exposed to”**

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**“Management has become more difficult, more complex, but also more important”**

The COVID-19 lockdown resulted in a wholesale, overnight shift towards people working from home; millions of office workers have now migrated towards technology-assisted remote working patterns. In some countries, this migration has included over half of the workforce. This trend is likely to persist even now a vaccine is being rolled out across some countries, resulting in one of the most profound shifts in labour market practice in a generation.

Due to social distancing, businesses have been forced to implement more digitised operations. Digital transformation is now something that even the most traditional businesses and sectors are prioritising across a wide range of business operations. This includes making changes to business premises, digitising products and services, customer sales and servicing.

Businesses are also having to innovate how they reach out to new customers through their marketing and corporate communications as clients and customers too have become more aligned with digital lifestyles and online spending patterns.

While millions of workers have become acclimatised to video conferencing and online shopping, the ease of the transition has surprised many as IT systems (and workforces) have proven to be extremely resilient. But this resilience has not yet been tested over the longer term. Companies still need to fully work through all the new and emerging business risks in this new digital landscape.

Businesses which fail to adapt to this change risk landscape are faced with the prospect of losing customers and revenues. They will also find it more difficult to attract and retain the brightest talent.

The purpose of this report is both to provide an overview of the key impacts of the pandemic on businesses globally, but also to better understand how corporate communications functions are adapting to this new world both in the immediate and, crucially, the longer-term. The findings highlight how the aim and purpose of corporate communications is changing and how the channel, message and measure of value is changing accordingly.

# Methodology

To better understand the process of business evolution in a post-COVID environment, the global AMO network undertook a series of one-hour in-depth interviews with 25 senior communications and marketing experts working in some of the largest corporates in the world and spanning a range of sectors.

Countries including:

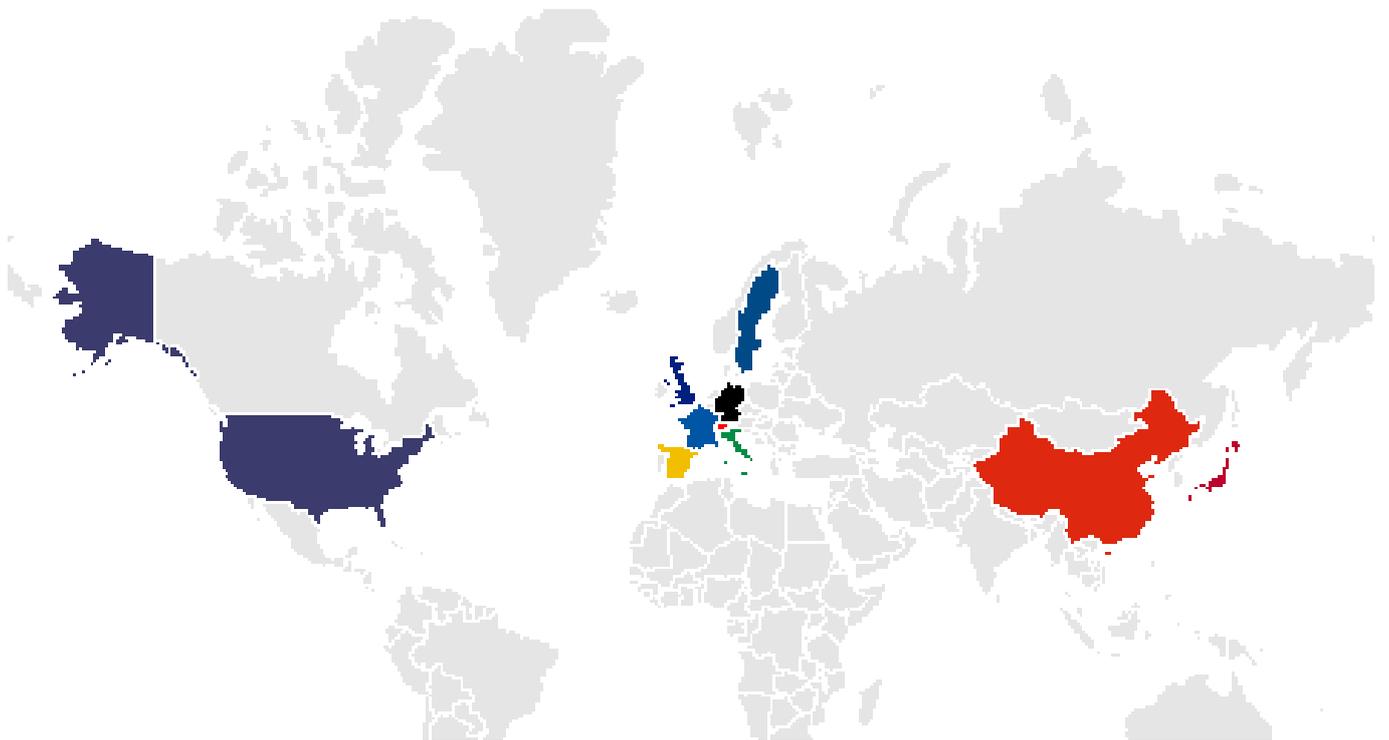
China  
France

Germany  
Italy

Japan  
Spain

Sweden  
Switzerland

UK  
US



Sectors including:



Construction



Financial Services



Manufacturing



Energy



Legal



Technology

The fieldwork was conducted in the form of telephone and video conference calls during the summer of 2020. The in-depth interviews addressed several COVID-related business impacts including day-to-day business operations and business continuity, the impact on revenues and profitability, changes in working practices and the long-term impacts on business strategy, including operating models and communications priorities.

The findings of these conversations tell a story of how corporate communications practitioners and business leaders globally have navigated the shorter-term challenges and are using the experience to implement long-lasting change within their business.

# Executive Summary

2020 has been a year defined by a global pandemic. The impact of Covid-19 on both public health and global economies has resulted in an accelerated shift towards an increasingly digitised world and one in which social values have come to the fore. How businesses are supporting (and seen as supporting) the social cause is increasingly important. This, along with both the practical and economic challenges of the virus, has had a direct impact on corporate strategies.

Based on our conversations with 25 senior communications and marketing experts from some of the worlds largest corporates globally we expect to see the following trends play out over 2021 and beyond:

1.

**Business will increasingly rely on communicating corporate values to keep customers close**

It is not enough to be a good corporate citizen. Firms need to communicate those values to an increasingly aware and discerning society. Whilst marketing and communications roles are well-established business functions, the Covid-19 crisis is likely to attach greater values to these roles as businesses are expected to communicate in a more open and transparent manner. External stakeholders, including customers, regulators, politicians, and the media, will place increasing demands and expectations on firms to demonstrate a strong social and ethical purpose.

“ It was very important to communicate quickly and continuously with internal and external stakeholders, there is still a great need for this ”

2.

**Firms will have to respond to growing digital risks by investing more in digital risk frameworks**

Investing in digital strategies will increase the risks associated with capturing and storing more and more client data. These risks have been laid bare by the current Covid crisis with consumer markets exposed to greater levels of online fraud and financial crime.

As more and more firms move towards a digital first strategy, so the need to invest more in digital risk frameworks and compliance regimes will grow.

### 3.

#### Employees will increasingly be used to embody the brand

As potential brand advocates, a company's employees are the frontline face of the brand - both online and in person. Every interaction between employees and clients has the potential to reinforce (or undo) wider marketing and communications objectives.

Clearly communicating the brand values to employees helps to set expectations about what messages those employees should convey when communicating to clients and customers.

**“ Employees are to become ambassadors for the company; they are an important part of the branding ”**

### 4.

#### Brands will look to harness the power of employee social networks

Communications and HR professionals increasingly recognise that their employees constitute an important social network. As more and more employees develop their own social media profiles and make use of online discussion platforms, they are capable of building extensive communities and influencing public discussions among colleagues, friends, family, and customers. What employees say online can have a major impact on brand and reputation.

**“ Social media has become even more important, we are now relying more on LinkedIn to continue employer branding and now want to use LinkedIn even more strategically ”**

### 5.

#### There will be a strategic reallocation of communications budgets towards increasing digital

**“ We had planned a big press conference during the pandemic, but it transformed into a digital event. It was cheaper, more effective and gave us a much bigger footprint. We will do more like that in the future ”**

Covid-19 has forced a rethink in communications. Less able to meet customers and stakeholders face-to-face, the role of the communications expert has had to evolve and innovate. Firms are already changing their communications approach and taking different decisions when allocating their budgets. In a socially distanced world, face-to-face events and seminars have all been postponed or cancelled altogether – often being replaced by a virtual equivalent or, due to budgetary caution, not replaced at all.

## 6.

### Clear, simple and sustained messaging will be the order of the day

**“ We want to look even more closely at what exactly customers need and align our marketing accordingly. The goal is to have more continuous dialogue with all stakeholders ”**

Successful firms navigated the challenges of 2020 by relying on simple and clear messages that underlined their financial strength and their long-term commitment to their clients and markets. Offering reassuring messages to clients was viewed as the most effective means of cutting through the negative media and uncertainty. The challenge that firms have faced as a result of this approach, however, has been how to best sustain it over a prolonged period, while maintaining new and engaging content.

## 7.

### Business will commit greater resource and place greater value on owned-channels

At a time when many firms are having to restructure their businesses and resize their workforces to reflect the impact of Covid on business revenues, it is more important than ever to make sure that corporate messages are made publicly available and corporate reputations are protected.

Previously, many businesses operating in B2B markets had predominantly used PR channels such as national and trade coverage to communicate their corporate messages. We are now, however, seeing wider appreciation of the role social channels can play.

New social channels also offer the opportunity to reach very targeted audiences, and to develop more sophisticated Client Relationship Management (CRM) systems capable of tracking the quality of those engagements with new data-rich metrics.

The remit of communications professionals within corporates will increasingly mix social channels in with proactive and reactive PR – and skills will need to adjust accordingly.

**“ We aren’t looking to achieve a PR splash. Instead we are using our own social media channels to put a spotlight on the value of what we are doing. Using social as a prime channel is a big change ”**

## 8.

### Agencies will need to lean in and demonstrate value-add to succeed

The picture emerging universally is that the use of agencies will continue. However, we can expect to see some attrition in the marketplace as in-house budgets come under short- and medium-term pressure. These pressures are forcing in-house professionals to cut external support or reduce their agenda roster.

In all cases, Covid-19 has forced businesses to assess the value they derive from their agency partners more stringently. Agencies must demonstrate greater agility, intelligence, and creativity to win and retain the client mandate. New social channels also offer the opportunity to reach very targeted audiences, and to develop more sophisticated Client Relationship Management (CRM) systems capable of tracking the quality of those engagements with new data-rich metrics.

“I should be outsourcing more to agencies and doing less in-house. But budget discussions are a fight. Demonstrating value becomes key”

“I think the good agencies will survive, but the ones that don't add value, not so much”

## 9.

### How the value and success of corporate communications is measured will change

Historically, the value of communications and marketing activity was typically measured in purely financial terms – and from a PR perspective this has long been a bone of contention. Marketing activity too would also be judged on how this translates to direct sales. It is unlikely that these measures will disappear any time soon.

We are now seeing an increase in activity where its specific strategic aim is to influence customer and wider stakeholder perceptions of the brand.

In the modern world it can take only one slight mis-step or one error of judgement to destroy a brand's reputation. One way brands will look to guard against the effects of such instances is by building brand equity – vocally and visually portraying a positive image that reflects the values of the customer base.

“Going forward, we want to focus more on customer relationship management in our marketing. The goal is to have more dialogue with customers and other stakeholders”

## Get in touch



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We provide thoughtful counsel to corporate boards and executives. Our mission is to help them achieve critical business goals through our powerful influence in local markets, our deep sector expertise, our broad global perspective and our ability to collectively provide seamless project management to our clients around the world, particularly in the key financial centers of Europe, Asia and the Americas.

AMO is backed by Havas, one of the world's largest global communications groups, founded in 1835 in Paris.

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