



What's measurable get's done

**Communication controlling as a
prerequisite for successful reputation
management**

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Specialist group for communication controlling

- Set up in October 2006
- About 20 (german) members from corporate communications departments, controlling, PR agencies and universities
- Meetings three times per year – additional working groups
- Result to be published in 2010 in the series Controller-Statements of the ICV as a standard and advice for practitioners.

Objective: An integrative framework for communication controlling built on existing methods as a part of general management and controlling at the strategic level of companies.

International Controller Association



First step: Finding a joint language for controllers and communicators

Sales?
Market share?
ROE ?
Profitability?
Cash flow?

Number of clippings
Contacts
Tonality
Share of voice
Awareness

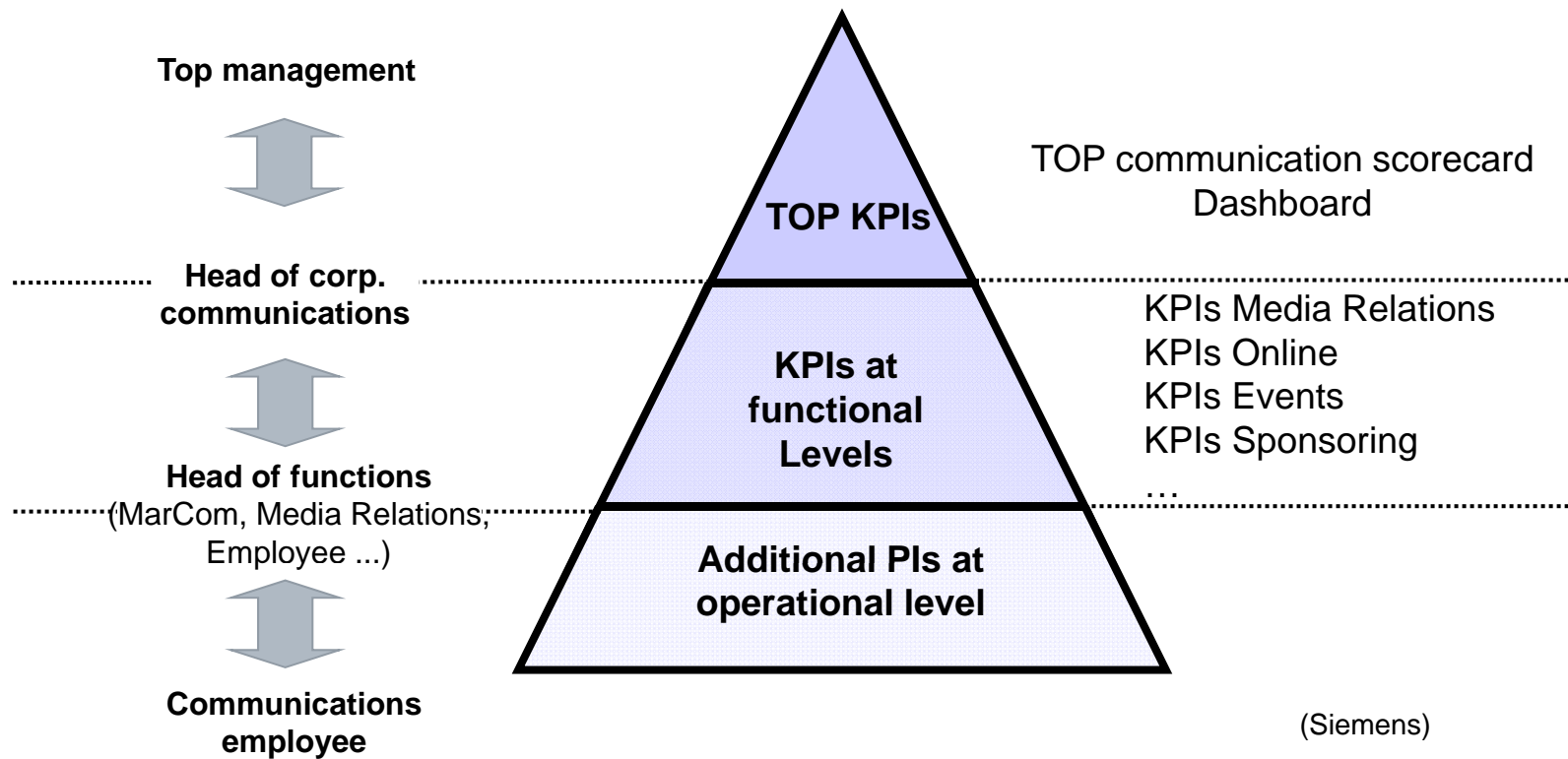


Measurement of reputation makes no sense without

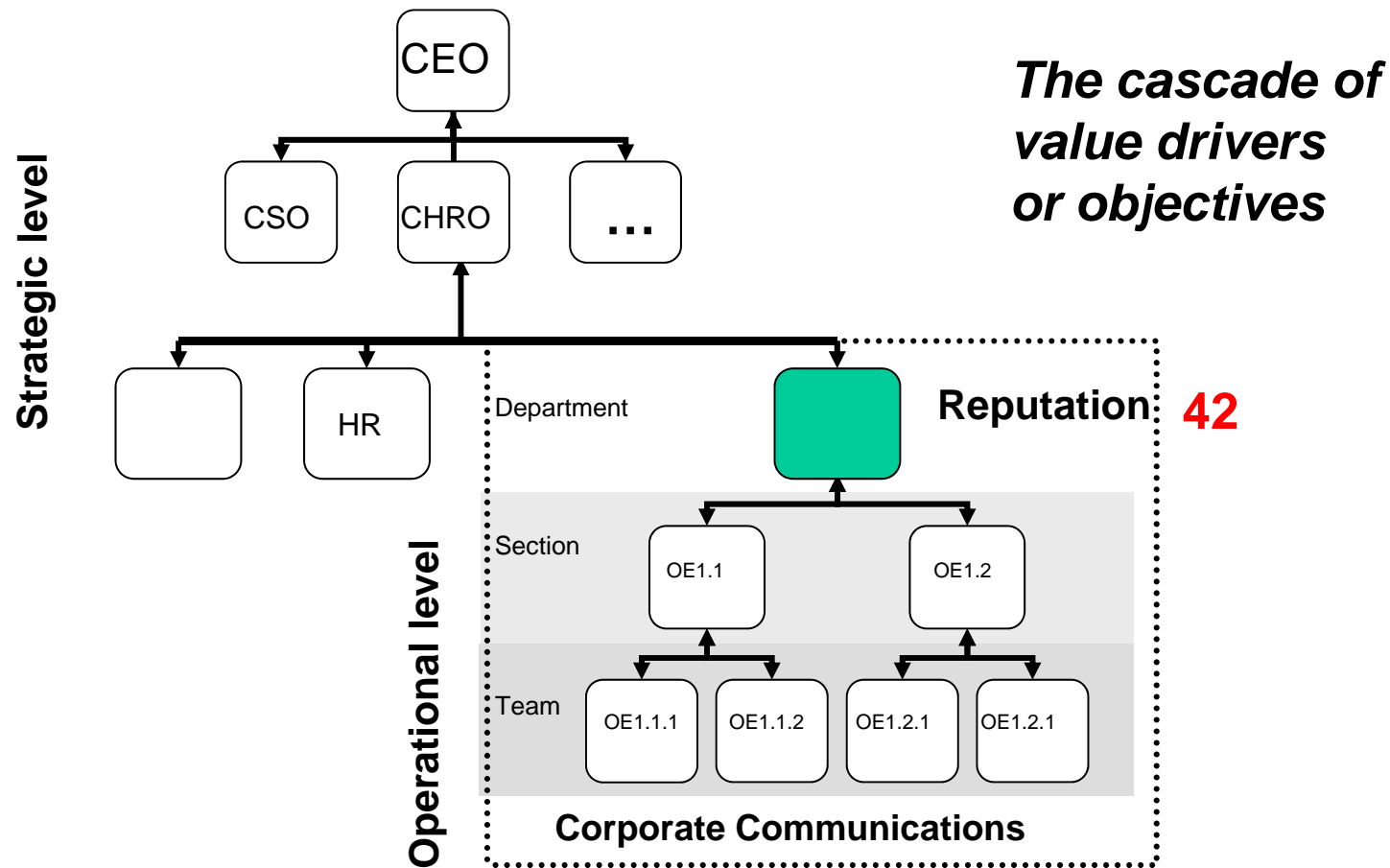
1. ... defining objectives beforehand, to set the benchmark and create the question for which the KPI is the answer:
The only thing you can measure are objectives!
2. ... drilling down to the drivers of reputation and the operational level.

These are the basic requirements of our Controller Association specialist group for the professional management of communications.

KPIs and their reports support different target groups of communication controlling



Reputation could be the value link between the company and corporate communications.



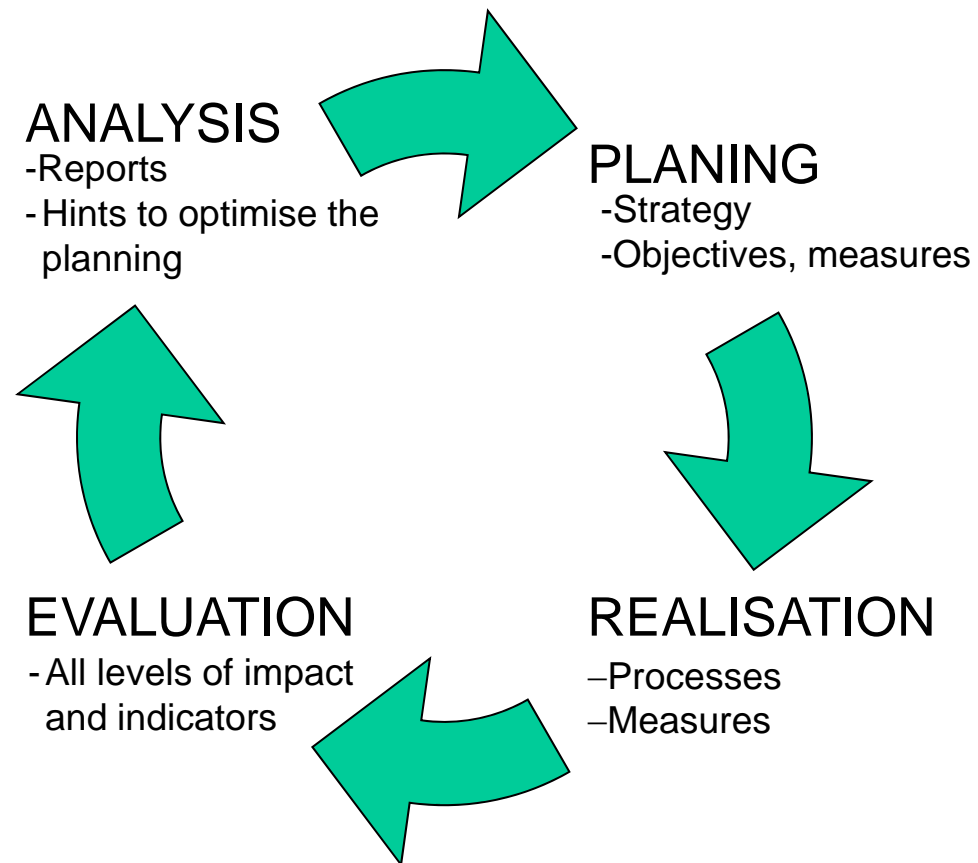
What is reputation management?

The management of **expectations** of all stakeholder groups and of their cognitive and emotional **attitudes** towards the company. That includes the identification of the reputation drivers and the assessment of its value creation.

What is communication controlling?

The meaning of controlling can be easily misunderstood, especially in German: It means not only checking budgets and costs, but **management** as a whole. Communication controlling establish professional management for corporate communications with methods to measure its value creation.

Communication controlling includes the whole management cycle



When was communication successful?

An answer at different **levels of impact**:

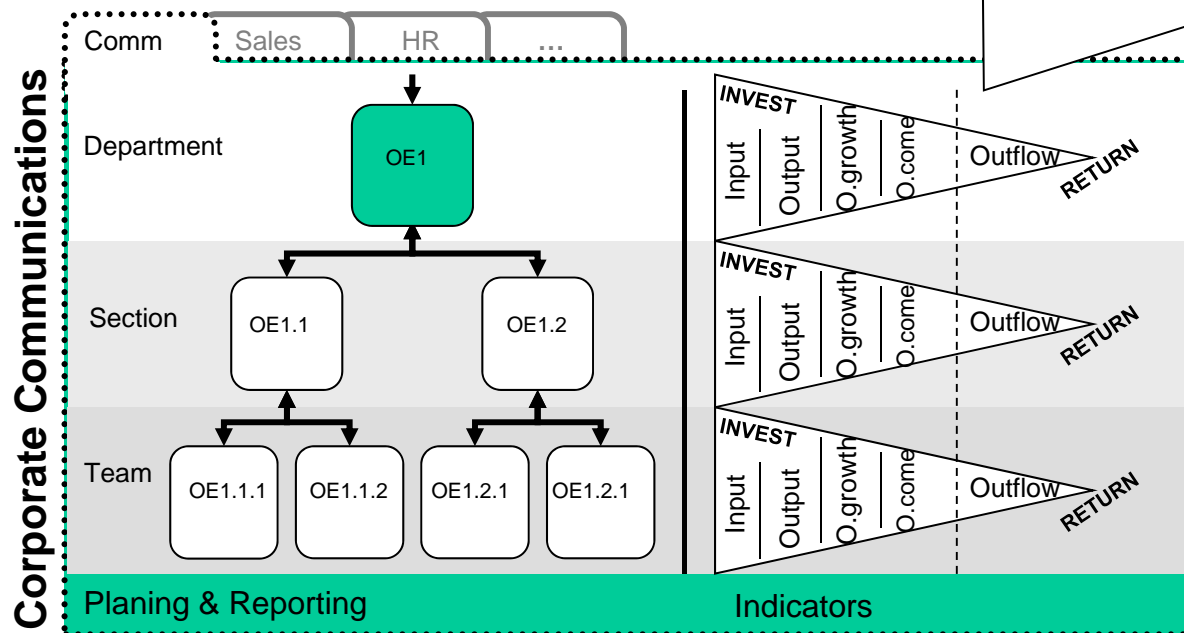
Effect level:	Statement on:
Outflow	Microeconomic effect: Support of the production of goods and services & buildup of immaterial capital
Outcome	Indirect effect on stakeholders: Knowledge, attitudes & behavior
Outgrowth	Direct effect on stakeholders: perception & understanding
Output	Availability of messages/offerings: Contact opportunity & usability
Input	Initiation of communications: Cost, processes, integration

Expectations fulfilled?
Trust? **Reputation?**

Operational level

At all organisational levels of the communication department we have **all kinds of performance indicators**.

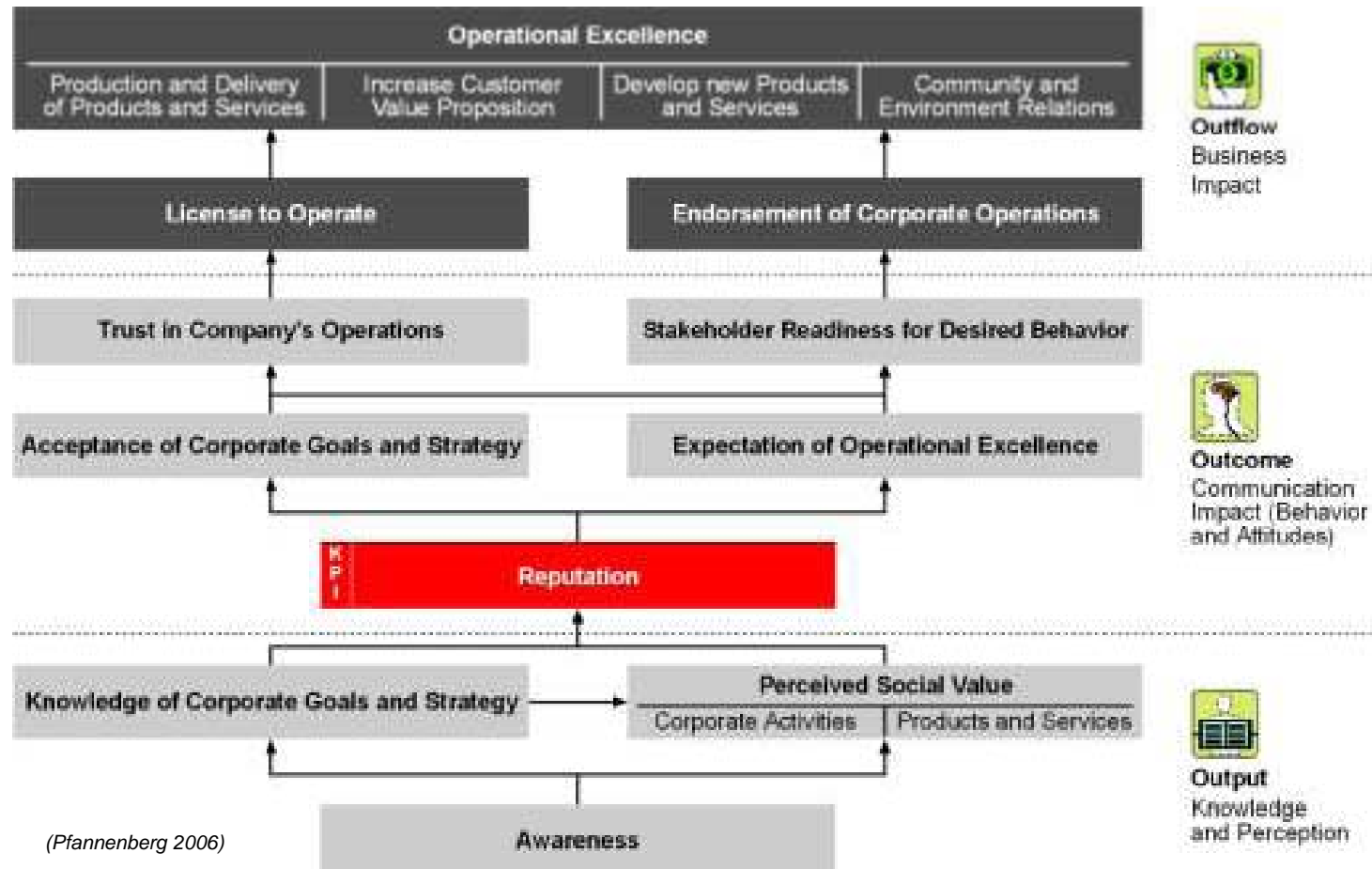
Strategic Key Performance Indicators (KPIs) only at the top level.



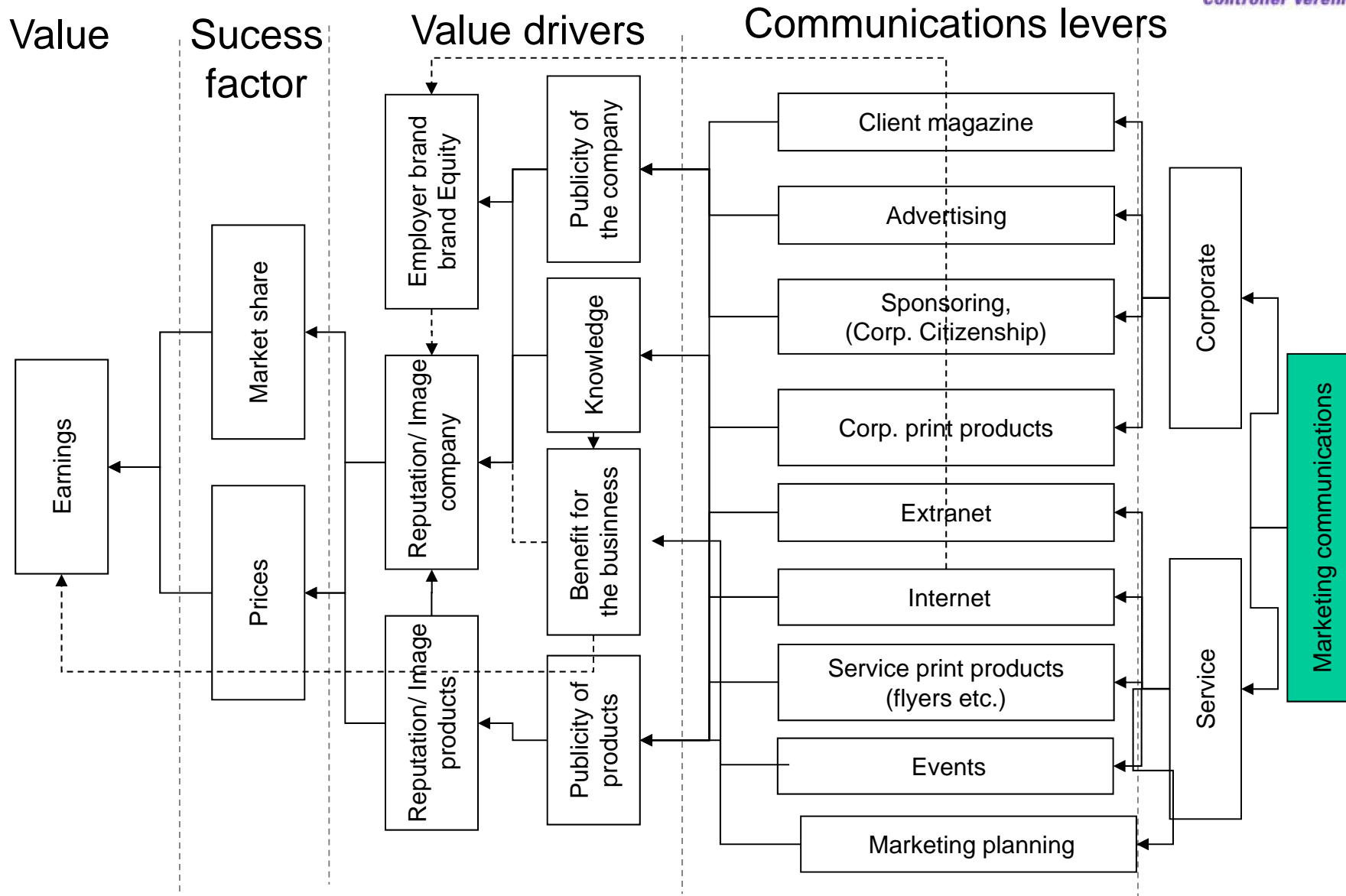
Strategic level: Link to company's value

Task force “Value Creation through Communication”
German Public Relations Society (DPRG e. V.)

Discussion papers: External communications value drivers



Value driver tree – Example



Two steps to implement your own communication controlling

1. ... define value drivers and objectives, create specific KPIs and establish their regular measurement and evaluation:
The only thing you can measure are objectives!
2. ... drill down to the operational level and the communication levers.

A question of patience:

1. Its a real change process for the people.
2. It takes more than one cycle to obtain valid figures.

At the end:



1. Why is reputation management important for communication controlling?

- **Intangible assets** become more and more important.
- It is no longer **knowledge** which is considered as crucial, but **relations**.
- Relations are at the top level of value drivers influenced by communications. They were evaluated by reputation measurement.
- Reputation management is the **controlling of relations**.

2. Communication controlling is a prerequisite for reputation management

- because it makes transparent the **links to the measures as the levers** of value creation.
- and because it built an **integrative framework** for corporate management and for the **different approaches of reputation measurement**.

Thank you.

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International Controller Association (Internationaler Controller Verein e.V.)



founded in 1975

- Network for the exchange of experiences and knowledge of controlling practitioners with about 6 000 members
- Currently 64 working groups (for regions or special issues)
- Every year a central Controller Congress in Munich and eight regional and branch conferences
- Controller eNews > 12 000 subscribers
- Series of Controller Statements

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