

Communication Strategy for the CFO

What is the right way to deal with business
journalists?

Vienna, October 7th, 2009

Handelsblatt

- Circulation: 150.000
- Leading financial daily in Germany (and a little bit in Austria and Switzerland)
- Mostly readers in top management of companies and public authorities
- Best knowledge of managers' needs and interests

2009 – the year of the crisis

- New situation for CEE companies
- After years of tremendous and extraordinary growth funds have dried up
- New and growing importance for communication
- Communication gives decisive support in the search of new capital
- PR is part of the strategic communication of the CFO

East-West-Gap

- Continued strategic disadvantage for CEE companies: The money is still coming from the West
- Information divide: limited interest in Western Europe for countries in the East
- Communicators' task: information has to be broadly pushed westwards

Analysts vs. Journalists

- Analysts: just a small audience
- Number-Crunching: deep, but with limits
- Journalists: widen the scope
- improve the chance to go the right way
- Using the right media, finding the right people
- All means of communication have to be used

How to do it right

- The ideal world in the view of journalists
- Companies are open, tell always the truth
- Clearness, high responsiveness
- No contradictions
- Continuity
- Credibility
- Companies help and support journalists

Special problems in the East

- Extraordinary tendency to hide
- Extended shyness
- Attempts to avoid journalists
- Strategy not to give clear answers and to win time
- Attempts to shift responsibility to other people/departments
- Compliance is used as an excuse for not replying

Example Wienerberger

- How not to do it:
- CFO on February, 12th, 2009: “The past year was extremely challenging. However, we still intend to distribute a dividend to our shareholders.”
- CFO on March, 17th, 2009: “On account of the growing economic uncertainty of recent weeks and concerns about a further deterioration of markets, we propose to suspend dividend payout for 2008.”

Examples „east of Vienna“

- Banks in Hungary: questions are only admitted via e-mail – there is no better way to avoid clear and open communication
- Banks in the Ukraine: „No, we will not reduce the number of employees.“ The next day: 300 people lose their job. A „very good“ way to win credibility.

The CFO's role model

- The (German) CFO of Skoda asks in public in Prague for the early introduction of the Euro in the Czech Republic
- The CFO adopts the role of promoting the country
- The CFO gives a signal into his own company: „I care“
- The CFO uses media to transport the message

Conclusions

- Financial Journalists are no enemies that are better avoided
- PR opens all channels of communication
- Special feature in the current situation: journalists from the West work like a bridge for CEE companies during the financial crisis