

BUSINESS ACUMEN FOR STRATEGIC COMMUNICATORS

Business Acumen for Strategic Communicators

This book tackles the top question I hear from communicators all over the world. What is the one x-factor that gives communications leaders the guts to speak up and shape critical C-suite affairs? If you're in business, there are few things more important than understanding how businesses really work. Stepping up your business acumen is always time well invested.

– **Stacey M. Tank**, Chief Transformation & Corporate Affairs Officer, Heineken N.V.

Business Acumen for Strategic Communicators is an important read for anyone building a career in public relations. The book provides a compelling view into how business I.Q. makes communicators better at their craft, and how it lays the groundwork necessary to bring an informed, powerful voice to corporate decision-making. It is thought-provoking while also providing important, practical advice.

– **Andy Polansky**, Chairman & CEO, IPG DXTRA & Executive Chairman, Weber Shandwick

Understanding and explaining how business works is one of the most important tools that a strategic communicator can have. This book gives those looking to enter strategic communications, and those already in the field, great tools and skills to advance their careers. If you want to take a leading role in your organization, this is the book for you.

– **Chris Roush**, Quinnipiac University

Matt Ragas and Ron Culp have provided communicators with a trifecta of business knowledge. Their first book provided the what, their second book explained the why, and now *Business Acumen for Strategic Communicators: A Primer* gives us the how of developing business acumen in our field. Once again, Ragas and Culp have made the language of business accessible to educators, students, and professionals alike.

– **Sandra Duhé**, MBA, Ph.D., Southern Methodist University, USA

BUSINESS ACUMEN FOR STRATEGIC COMMUNICATORS

A Primer

BY

Matthew W. Ragas
DePaul University, USA

and

Ron Culp
DePaul University, USA



United Kingdom – North America – Japan
India – Malaysia – China

Emerald Publishing Limited
Howard House, Wagon Lane, Bingley BD16 1WA, UK

First edition 2021

Copyright © 2021 Emerald Publishing Limited

Reprints and permissions service

Contact: permissions@emeraldinsight.com

No part of this book may be reproduced, stored in a retrieval system, transmitted in any form or by any means electronic, mechanical, photocopying, recording or otherwise without either the prior written permission of the publisher or a licence permitting restricted copying issued in the UK by The Copyright Licensing Agency and in the USA by The Copyright Clearance Center. Any opinions expressed in the chapters are those of the authors. Whilst Emerald makes every effort to ensure the quality and accuracy of its content, Emerald makes no representation implied or otherwise, as to the chapters' suitability and application and disclaims any warranties, express or implied, to their use.

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

ISBN: 978-1-83867-662-9 (Print)

ISBN: 978-1-83867-659-9 (Online)

ISBN: 978-1-83867-661-2 (Epub)



ISOQAR certified
Management System,
awarded to Emerald
for adherence to
Environmental
standard
ISO 14001:2004.

Certificate Number 1985
ISO 14001



INVESTOR IN PEOPLE

*This book is dedicated to our students and alumni, and to all
the educators, professionals and mentors who help develop the future
leaders of our field.*

This page intentionally left blank

CONTENTS

<i>List of Figures</i>	ix
<i>List of Tables</i>	xi
<i>List of Sidebar Contributors</i>	xiii
<i>Foreword by Linda Rutherford</i>	xv
<i>Preface</i>	xix
<i>Acknowledgments</i>	xxiii

PART I: INTRODUCTION

1. Strategic Communication and Business Acumen	3
--	---

PART II: GUIDING APPROACHES TO BUSINESS

2. Growth, Innovation and Transformation	19
3. The Lean and Agile Enterprise	33
4. The Purpose-driven Enterprise	49

PART III: THE PEOPLE

5. Stakeholders and Society	65
6. The Board of Directors and the C-suite	79

PART IV: THE MONEY AND THE NUMBERS

7. Finance and the Capital Markets	97
8. Financial Statements and Valuation Essentials	115
9. Corporate Disclosure: Laws, Rules and Regulations	139

PART V: BUSINESS MODELS

- | | |
|--|-----|
| 10. Strategic Communication Agencies and Consultancies | 159 |
| 11. In-house Communication Departments and Teams | 177 |

PART VI: PRACTICE MAKES PERFECT

- | | |
|--|-----|
| 12. Business Acumen and Professional Development | 197 |
| <i>Glossary</i> | 213 |
| <i>References</i> | 257 |
| <i>About the Sidebar Contributors</i> | 293 |
| <i>Index</i> | 299 |

LIST OF FIGURES

Fig. 1.1.	Business Acumen Model for Strategic Communication Professionals.	10
Fig. 1.2.	Three Presumed Benefits of Business Acumen for Strategic Communicators.	12
Fig. 3.1.	The Progression of an Agile Mindset.	37
Fig. 3.2.	The Relationship between Lean, Agile and Kanban Approaches.	37
Fig. 4.1.	The Southwest Way: Purpose, Vision, Promise and Values.	55
Fig. 4.2.	Our Behaviors: How the Southwest Way Comes to Life.	56
Fig. 5.1.	Business Roundtable: Statement on the Purpose of a Corporation.	70
Fig. 6.1.	B Lab Advertisement: “Let’s Get to Work.”	90
Fig. 7.1.	Prospectus Summary First Page of WeWork S-1 Filing.	108
Fig. 10.1.	Omnicom Group Total Revenue by Geography.	163
Fig. 10.2.	Omnicom Group Total Revenue by Industry.	164
Fig. 11.1.	Integrated Corporate Communication and Marketing Team at Cummins.	185
Fig. 12.1.	Personal Board of Directors.	207

This page intentionally left blank

LIST OF TABLES

Table 2.1.	The Top 25 Most Innovative Companies.	22
Table 6.1.	Benefit Corps versus Certified B Corps.	89
Table 7.1.	The World's 20 Largest Stock Exchanges.	103
Table 8.1.	Alphabet, Inc. Expanded Revenue Disclosures (2017–2019).	122
Table 8.2.	Alphabet, Inc. Annual Income Statement (2017–2019).	123
Table 8.3.	Alphabet, Inc. Balance Sheet (2017–2019).	129
Table 9.1.	The Alphabet Soup of US Federal Government Agencies.	142
Table 10.1.	PR and Communication Agency Rankings Table.	166

This page intentionally left blank

LIST OF SIDEBAR CONTRIBUTORS

<i>Valerie Barker Waller</i>	YMCA of America
<i>Katie Boylan</i>	Target
<i>Joe Cohen</i>	Axis Capital
<i>Carol Cone</i>	Carol Cone ON PURPOSE
<i>Bob Feldman</i>	ICF Next
<i>Catherine Hernandez-Blades</i>	Aflac
<i>Shelly Lazarus</i>	Ogilvy & Mather
<i>Maril MacDonald</i>	Gagen MacDonald
<i>Kelly McGrail</i>	MARS, Inc.
<i>John Onoda</i>	Onoda Consulting
<i>Linda Rutherford</i>	Southwest Airlines
<i>Rodrigo A. Sierra</i>	American Medical Association (AMA)
<i>Grant Toups</i>	ICF Next
<i>Karen van Bergen</i>	Omnicom Group

This page intentionally left blank

FOREWORD

Linda Rutherford

As 2007 was drawing to a close, I got my most frightening assignment ever. As a young leader in our communications group at Southwest Airlines, I was asked to take on getting our Annual Report written – there was a desire to change up the writing style, make the language more consistent and help tell a better story of all of the airline’s achievements for that year.

Oh, super. I’d managed to skate along for nearly 15 years at Southwest Airlines on my journalism background – someone who could find just the right words to explain a complex story to the masses. Or so I thought. All of a sudden, my vocabulary was being overwhelmed with terms like forward-looking statements, earnings before interest and taxes and one of my favorites: compound annual growth rate (CAGR). When CAGR was thrown around verbally as we were prepping for the annual report sections, I quietly laughed to myself, thinking: what in the world does a “kegger” have to do with finance? That’s when I did what all former journalists come communications pros do – I Googled it. Then, I spent the holidays hunkered down for weeks cramming on all things finance. My investor relations partners were incredibly patient with me and I learned a great deal in a short amount of time.

That experience was enlightening. It taught me that our communications profession is dynamic: that I had *not* learned all I needed to know in college, and that if I wanted to contribute at a higher level, I had to be committed to lifelong learning.

And the learning keeps on coming. I believe 2020 will go down in history as the “lost year,” and especially for those industries hardest hit by the impact of COVID-19. Our travel demand went from “robust to bust” in the span of just a few weeks. It called for a whole new approach to crisis communication (being informative and conveying what we are calling controlled uncertainty); writing new playbooks for rebuilding the business and getting travelers comfortable about getting on a plane again; and pursuing clever financing options to maintain our liquidity without taking on too much debt.

We've seen some hopeful signs of recovery, but this will be a long road back to our "new normal," and the story is still being written on what that ultimately looks like. It has been a great lesson in humility – we simply must never rest on our laurels.

Matt Ragas and Ron Culp recognized that fact several years ago. They embarked on a journey to better equip communicators with tools, concepts and even handy glossaries so that we could up our game and have a better understanding of how business really works – in its glorious highs and most certainly in its lowest of lows. Today, we're all familiar with the term "trusted advisor." Thanks to their two previous works, *Business Essentials for Strategic Communicators* and *Mastering Business for Strategic Communicators*, we have resources to more fully understand the fundamentals of business models, financial reports and elements of corporate strategy – all with a mission to help us earn the trust of our business peers in HR, strategy, finance, marketing and operations.

In this latest work, *Business Acumen for Strategic Communicators*, Matt and Ron keep challenging us to learn and grow because the sands of business are shifting again. Industry disrupters, economic downturns, the rapid pace of change, the rise of the activist stakeholder, the growing sophistication of communications agencies, the digital/social influence – all these things and more mean we need to keep learning.

Southwest Airlines Founder Herb Kelleher once said, "if you don't change, you die." He knew instinctively that the airline he founded in 1971 could not remain static or it would not be relevant to the changing wants and needs of air travelers. The same goes for all of us as communicators.

Those of us in the business world today are beyond being seen as "just spokespeople" for our organizations. We have the "seat at the table" but the expectations have grown. Increasingly, our roles as communications advisors mean we need to have a pulse on all aspects of business. As "keepers of the corporate soul," we are being tapped to provide a holistic viewpoint on pivots in the business model – not just write the news release to talk about it.

The Page Society – a premier organization dedicated to the growth and development of the world's top communications professionals – has a new model by which we can measure our ability to influence our organizations in a few key areas. Page's research into "The CCO as Pacesetter" explores the expanding roles and expectations for communicators as businesses and organizations wrestle with heady topics like societal value creation,

corporate culture and brand stewardship (Arthur W. Page Society, 2019a). Further, communications leaders are expanding capabilities in the digital space beyond content creation and into publishing and listening capabilities, and thinking through the needed talent and structures to support those functions for the enterprise.

This book explores the dynamism of our chosen profession; it looks at the latest ways communicators should effectively work across the enterprise and be ready to step into a new role, that of “chief integration officer.” More than ever, communicators are being asked to break down functional siloes and work collaboratively to bring their holistic view of an organization’s stakeholders into the larger context of decisions made about people, performance and policies.

We need to live up to that challenge, now more than ever, and this book will help you do that. Happy reading!

Linda Rutherford
Senior Vice President & Chief Communications Officer
Southwest Airlines Co.

This page intentionally left blank

PREFACE

Be an eternal student and learn the client's business.

These two timeless pieces of professional advice from the late Betsy Plank, often called the “First Lady of Public Relations,” have perhaps never been more prescient as the strategic communication profession enters a new decade (*PRWeek*, 2015; Public Relations Society of America, Inc., 2019). A long-time resident of Chicago, Plank was a trailblazing public relations executive with a deep commitment to public relations education, including co-chairing the precursor to the Commission on Public Relations Education and playing a central role in the formation of the Public Relations Student Society of America.

After decades of arguing that communication needs a seat at the leadership table and to advise those “in the room where it happens,” this has become more the reality in recent years. Earning and keeping the trust of stakeholders and creating societal value – not just financial value – has become an imperative for many chief executive officers and C-suite leaders. The concomitant rise of the chief communications officer (CCO) in many larger organizations has resulted in strategic communication finally becoming more *strategic* – not just being responsible for crafting messages that announce C-suite decisions, but serving as trusted advisors to the C-suite in the formulation of such decisions. This shift and elevation of the communication function has accelerated the mix of competencies expected of not just CCOs, but of everyone in the profession, as they seek to work more effectively with often MBA-trained businesspeople.

The book you are holding in your hands or reading on your screen represents our latest effort to help boost the confidence and business acumen of strategic communication professionals, particularly younger practitioners and students. The world has changed significantly since the publication of our first book, *Business Essentials for Strategic Communicators: Creating Shared Value for the Organization and its Stakeholders*, some seven years ago.

Since the publication of *Business Essentials*, a growing number of colleges and universities have overhauled their curriculum to include coursework on business acumen. Similarly, more agency and in-house training programs are emphasizing business acumen.

We are grateful for the feedback of the countless educators, students and professionals who helped shape this book. Diversity, equity and inclusion (DE&I) is a defining issue of our time. We have made an intentional effort to feature more diverse voices in this book.

Business Acumen is divided into five sections: an introduction to strategic communication and business acumen; a look at three guiding approaches to business that are increasingly prevalent in the C-suite; the people at the core of the relationships within and among business and society today; a dive into the essentials of the money and the numbers for communicators; a look at the business models of agencies and consultancies, and in-house communication teams and departments; and a final chapter on business acumen and professional development, which is chock full of actionable advice for putting into practice beyond the pages of the book.

Students and professionals alike are starved for time today as they juggle competing demands and more available media options than ever before. In the business world, this has even impacted the pace and length of meetings. Increasingly, *less is more*. With *Business Acumen*, we have tried to adopt a writing style that is conversational and accessible, as well as to make the chapters as concise as possible. The net result is to allow the reader to complete at least one chapter per sitting and to give you a sense of accomplishment and progress after each reading.

Every chapter includes an “Expert Insight” sidebar essay authored by a senior communication leader. At the end of each chapter, there are a set of discussion questions and keywords to review. Back by popular demand, *Business Acumen* features an updated and expanded glossary of business terms. To become fluent in the language of business means learning its vocabulary. The reference section is also updated and expanded. The subtitle of this book is very much intentional. Our goal with this book is for it to serve as a *primer* on developing your business acumen. We hope you will use the extensive reference section to help you dive deeper into the subject matter. We always welcome your feedback and comments.

In conclusion, two more timeless pieces of advice from Betsy Plank come to mind: invest something in the profession you practice and consider work

as grown-up play. In this spirit, we hope you find this book to be a worthy investment by us back into a field which has provided us with so much opportunity and satisfaction. Further, we hope this book shows that learning about the world of business doesn't need to be boring – and dare we say it – can even be fun.

Matt Ragas
Ron Culp
DePaul University
Chicago, IL.

This page intentionally left blank

ACKNOWLEDGMENTS

Book collaborations are common in academia, but writing three books together in seven years is a feat that can only be achieved when the authors are passionate about the subject, share a mutual respect for each other and have plenty of colleagues and friends who enthusiastically support their efforts. We are blessed on all three counts as our latest book, *Business Acumen for Strategic Communicators: A Primer*, now builds on our first two joint efforts – *Business Essentials for Strategic Communicators: Creating Shared Value for the Organization and its Stakeholders* and *Mastering Business: C-suite Insights from Strategic Communications Leaders*.

We are grateful to the educators at more than 40 colleges in the United States and abroad who are using our books to help communications students understand the vital role of business in society. Increasing the business acumen of communicators is the goal of our books, since applying this knowledge will elevate the role, respect and influence of our profession on society.

Almost before the ink was dry on *Mastering Business*, our editor, Charlotte Maiorana, expressed interest in this book. Without a doubt we could not have done this without Charlotte, editorial assistant Katy Mathers and the talented Emerald Publishing team. We are also forever grateful to the diverse group of some 60 strategic communication professionals who enthusiastically provided their wise counsel and advice that you will read in the following pages. We are especially indebted to Linda Rutherford for her illuminating foreword.

Since beginning this mission, we have been personally humbled by the encouragement from professionals, students and colleagues who have urged us to write, speak and teach about business acumen. Nowhere was that support more gracious and enthusiastic than at the institution we've loved since both of us first walked onto the DePaul University campus roughly a decade ago. From interim provost Salma Ghanem and acting dean Lexa Murphy to our colleagues in the College of Communication, we are inspired by their

laser focus and commitment to the success of our students and alumni, especially during difficult and stressful times. Other partners in the effort to elevate the stature and business acumen of strategic communication and public relations pros are the many academic and professional groups, including those to which we belong – Arthur W. Page Society, Association for Education in Journalism and Mass Communication, Institute for Public Relations, the Museum of Public Relations, National Investor Relations Institute, Publicity Club of Chicago, Plank Center for Leadership in Public Relations and the Public Relations Society of America.

We thank our families and friends for their support, help and encouragement of this book. Our partners in life, Traci Ragas and Sandra Culp, have patiently endured hundreds of conversations throughout this and prior projects, and they occasionally chimed in at just the right moments to improve a word choice, delete an unnecessary comma or suggest that we take a break.

These acknowledgments began with a brief mention of the mutual respect the authors have for each other. Our instantly congenial academic kinship and shared values have grown into a mutual admiration society and perfectly balanced collaborative partnership. Ron is impressed by Matt's near encyclopedic business knowledge, organizational skills and his ability to translate often complex subjects into clear, coherent sentences. Matt admires Ron's steadfast commitment to teaching, mentoring and helping lift up others, as well as his eminent career in government, corporations and agencies where he built decades of knowledge and relationships that have helped create an invaluable perspective for our three books.

Finally, our thanks and respect to you, the reader, of this book. The fact you have chosen to devote your valuable time to reading it demonstrates your commitment to increasing your own business acumen, which we hope will both increase your confidence and enhance your career.

PART I

INTRODUCTION

This page intentionally left blank

STRATEGIC COMMUNICATION AND BUSINESS ACUMEN

Actions (often) speak louder than words.

This timeless phrase has perhaps never been more salient or relevant. With the rise of social and digital media, the world is more transparent, and organizations are being held more accountable. By itself, *talk is cheap*. Stakeholders and society today support organizations that don't just "talk the talk" but "walk the walk." Even better, the *walking* helps drive the *talking*. Such a societal bias for action provides strategic communications professionals with a unique opportunity to not just craft messages on behalf of organizations and clients, but also to advise these organizations and their leaders in the C-suite on values-driven policies and behaviors.

At times, the past can be instructive for the future (Kerrigan, 2020; Miller, 2017; Weindruch, 2016). Arthur Page was a corporate public relations (PR) and communications pioneer. He was one of the first communications executives to serve on the boards of directors and trustees of major corporations and non-profit organizations (Block, 2019). For example, from 1931 to 1948, Page served on the board of AT&T, then one of the world's largest and most powerful companies. He also advised a host of US presidents from Teddy Roosevelt to Dwight Eisenhower (Block, 2019). Page's approach to communications and business is memorialized in The Page Principles, which were developed by the founders of the Arthur W. Page Society (2019b), a professional organization for senior communications leaders. The first Page Principle is "always tell the truth." The second Page Principle is "prove it

with action.” Page was quoted many times during his life as saying that effective corporate communication is 90% *doing* and just 10% talking about it (Block, 2019).

As memorialized in a song from the hit Broadway musical *Hamilton*, everyone wants to get inside “The Room Where It Happens.” Arthur Page was one of the first corporate communicators to get to do so. AT&T was one of the first large corporations to recognize the value and untapped potential of communications beyond simply managing publicity (Miller, 2017; Weindruch, 2016). In the 1980s, PR executive Marilyn Laurie became the first woman in the top policymaking councils of AT&T, then a Fortune 10 company (D. Martin, 2020). Today many corporations and chief executive officers (CEOs) are recognizing how effective strategic communication can help make or break an enterprise (Weindruch, 2016). In some ways, the C-suite has issued the communications profession a license to lead (Ragas & Culp, 2018a).

It is now up to the communication field to take full advantage of this opportunity and demonstrate that it deserves to contribute to *strategic decision making* – advising on organizational actions and not just words (Berger, 2019; Berger & Meng, 2014).

EVOLUTION OF PR AND STRATEGIC COMMUNICATIONS

The late Harold Burson, a father of corporate PR and a founder of what is now BCW Global, succinctly argued that the PR and communications field has progressed through three stages (Burson, 2017; Christian, 1997). Communicators used to be asked by business leaders simply, “how do I say it?” – to announce business decisions *after* they had already been made. Over time, communicators began being asked, “what do I say?” Decisions were still often made in another room, but communications professionals were gaining greater respect and influence within organizations. Today, more C-suites are asking communications professionals, “what do I do?” – thereby giving communicators a voice beyond message crafting and into strategic decision making. While the level of influence varies by organization (APCO Worldwide, 2016), more senior communicators are being asked to advise and counsel those “in the room where it happens” (Arthur W. Page Society, 2016b, 2017, 2019a; Bolton, Stacks, & Mizrachi, 2018; Neill, 2015; Ragas & Culp, 2018a, 2018b). With the rise of the chief communications officer (CCO), the senior

communicator in some organizations is now sitting at the leadership table as a member of the executive committee and/or the C-suite (Bolton et al., 2018; Harrison & Mühlberg, 2015).

Given this evolution, to be most effective and best prepared to live up to the *strategic* part of *strategic communications*, communications leaders and their teams, as well as their agency partners, need to have a stronger business IQ (Feldman, 2016; Penning & Bain, 2018; Ragas & Culp, 2014a, 2018b). The Arthur W. Page Society, whose membership is made up of senior communications leaders from around the world, has conducted an extensive research program into the opportunities and challenges facing today's CCO and communications departments. This includes interviews with 20 CEOs of large corporations about the roles and expectations of the CCO and the corporate communication function. Page's (2017) research finds that total business knowledge by the CCO and senior communications leaders is now "table stakes" (p. 4).

More specifically, this C-suite research (Arthur W. Page Society, 2017) concludes that:

In years past, CEOs have expressed hope that their CCO would know all about their enterprise's business in order to more strategically apply communications to advance its goals. Now, many CEOs require their CCO to be knowledgeable about the business – from strategy to operations – so they are able to provide strategic input on issues that span business functions. This is especially true at enterprises with communications departments that are well established and have a broad mandate. (p. 4)

Former CCO Charlene Wheeless, the 2020–2021 chair of the Page Society, says that it is important to understand how the company you work for makes money and to learn the *business* of business (personal communication, July 12, 2020). "This is the holy grail of every company," says Wheeless, a strategic communications consultant to senior executives and previously the vice president of global corporate affairs for Bechtel Corporation, one of the world's largest engineering, procurement, and construction companies. "When you know how a company makes money (and loses it), you are much more likely to make better decisions, and much less likely to appear as the tone deaf communications person."

"The CEOs we work with are looking for communications leaders who can articulate the business case for every recommendation they make," says

Jean Allen, a Page Society member and a partner and head of the global communications practice for Heidrick & Struggles, an executive search firm (personal communication, September 12, 2019). “Gone are the days when a program would fly without a clear connection to the strategic goals of the enterprise.”

When strategic communicators become trusted business advisors and counselors to the C-suite, the results for business, stakeholders, and society can be significant. For example, NIKE has been both lauded and criticized for its 2018 decision to feature former NFL quarterback turned civil rights activist Colin Kaepernick in its 30th anniversary campaign for “Just Do It” (Youn, 2019). In 2016, Kaepernick gained international attention after he began “taking a knee” during the national anthem before NFL games to protest racial inequality and police brutality against Black people in the US. Kaepernick and the San Francisco 49ers parted ways in March 2017. He has remained unsigned and in retirement since (L. Thomas, 2020).

Despite some initial backlash, the “Dream Crazy” anniversary campaign featuring Kaepernick and other athletes who have overcome the odds to be successful, not only racked up awards, but NIKE credits the campaign with driving positive business results (Youn, 2019). Yet, this campaign reportedly almost *didn't happen*. According to a published report (Creswell, Draper, & Maheshwari, 2018), NIKE had considered just the year before dropping the controversial Kaepernick as a spokesperson. Nigel Powell, the head of communications for NIKE, vocally opposed the possible move and argued this would have been viewed very negatively by younger consumers. NIKE decided to keep Kaepernick. Later, NIKE's ad agency partner, Wieden & Kennedy, persuaded the company to feature Kaepernick as the face of its anniversary campaign.

In 2020, NIKE doubled down on its commitment to social justice. Following the brutal death of George Floyd, which galvanized Black Lives Matter (BLM) protests around the United States, NIKE unveiled several days later a “For Once, Don't Do It” anti-racism video (Ebrahimji, 2020). NIKE then announced a \$40 million commitment over four years to supporting organizations focused on racial inequality, social justice, and greater access to education (L. Thomas, 2020). NIKE subsidiary Jordan Brands and basketball Hall of Famer Michael Jordan separately announced plans to donate \$100 million over 10 years to these causes. Finally, NIKE CEO John Donahoe reportedly recommitted to the firm getting its “own house in order”

by growing a company culture “where diversity, inclusion and belonging is valued and is real” (L. Thomas, 2020, para. 5).

STRATEGIC MANAGEMENT FUNCTION AND BUSINESS ACUMEN

Not so surprisingly, business acumen is increasingly acknowledged as a critical competency for communications professionals, particularly in contributing to strategic decision making and organizational leadership matters (Berger, 2019; Neill & Schauster, 2015; Penning & Bain, 2018; Roush, 2006). However, senior communications leaders indicate that young professionals often do not receive enough training in this area. For example, a survey of senior leaders (all members of the Page Society) found that roughly 8 out of 10 respondents (85%) placed *very high* importance on “business 101” coursework as part of a communication education, but almost as high of a percentage (81%) felt that college and university communications programs were *not* placing sufficient curricular emphasis on this area (Ragas, Uysal, & Culp, 2015).

More educators are getting the message. Many of the top textbooks within PR and strategic communications now highlight the importance of business literacy as part of the development of communications graduates into future leaders (e.g., Bowen, Rawlins, & Martin, 2019; Kelleher, 2020; Page & Parnell, 2019; Swann, 2014; Wilcox, Cameron, & Reber, 2015). For example, Wilcox et al. (2015) highlight in their popular introductory textbook, *Public Relations: Strategies and Tactics*, the following essential career skills: (1) writing skills, (2) research ability, (3) planning expertise, (4) problem solving ability, (5) business/economics competence, and (6) expertise in social media. These educators explain that “the increasing emphasis on public relations as a management function calls for public relations students to learn the ‘nuts and bolts’ of business and economics” (Wilcox et al., 2015, p. 27). Swann (2014) also highlights the need for graduates to develop business acumen, writing in *Cases in Public Relations Management*, another major textbook, that “one factor preventing some public relations practitioners from entering the ranks of management is a lack of understanding of basic business principles, management strategies, and number-crunching” (p. 5).

In its 2018 report on undergraduate PR education, the Commission on Public Relations Education (2018) recommended business literacy as a new, additional recommended area of study. The Commission, which is a joint effort of academics and professionals from a wide range of communication organizations, recommended five new areas of study in total: business literacy, content creation, data analytics, digital technology, and measurement and evaluation. These areas are in addition to a recommended now six-course minimum sequence for PR majors: introduction/principles of PR, research methods, writing, campaigns and case studies, supervised work experience or internships, and ethics. The Commission on Public Relations Education (2018) defines business literacy as “providing students with a working knowledge of the fundamentals of corporate accounting and finance, economic thinking, capitalism, markets and financial communications” (p. 63).

A large industry-wide survey of PR and communications professionals found that possessing business acumen was rated as one of the 12 most important skills/areas of expertise for the next generation of communicators (Krishna, Wright, & Kotcher, 2020). More specifically, the most important skills/areas of expertise in rank order, out of 32 items, were as follows: (1) writing; (2) listening; (3) research/measurement skills; (4) creative thinking; ability to deal with online reputation crises; ability to communicate effectively in today’s environment of disinformation (all tied); (5) creativity; (6) ability to build a modern crisis response plan; (7) digital storytelling; and (8) possessing business acumen; and social listening (tied). Notably, further analysis found that top/senior management (e.g., CCOs) in this survey rated possessing business acumen as significantly more important than middle managers (Krishna et al., 2020). The authors of this study believe that “senior executives’ experience and broader worldview of the business world contributed to this difference” and conclude that “business literacy then needs to be built into basic curricula by public relations faculty so future generations are well-versed in the language of business, as recommended by senior managers” (Krishna et al., 2020, p. 50).

In *Mastering Business for Strategic Communicators*, more than 20 current or former CCOs provided career advice on serving as trusted advisors/counselors to business leaders across the enterprise (Ragas & Culp, 2018b). In reviewing the chapter contributions, Ragas and Culp (2018b) note that these senior leaders often defined themselves as *businesspeople with an expertise in communication*. When discussing business acumen, several contributors