



Communicating Corporate Restructurings

Five Rules for Success

- 01 Be Guided By Trust**
- 02 Know Your Stakeholders**
- 03 Don't Operate In A Vacuum**
- 04 Provide A Vision For The Future**
- 05 Plan For Announcement Day**

Be Guided By Trust

The communication of major organizational changes carries significant risk but also significant opportunity. Companies find themselves in a position where they can grow, but also damage their trust capital. Understanding the trust dynamics in play, including the reality of the trust landscape for the company in question is crucial in ensuring communications are appropriate and resonate with audiences:

Is the industry in question considered to be „trusted“?

What about the company?
What barriers / issues / risks exist and what can be done to prepare for or mitigate them?

Don't over-promise, being forced to go back on previous statements can take a serious toll on trust.

Expect the situation to be emotionally charged, while also combined with limited information, or limitations on what can be shared, and plan for that.

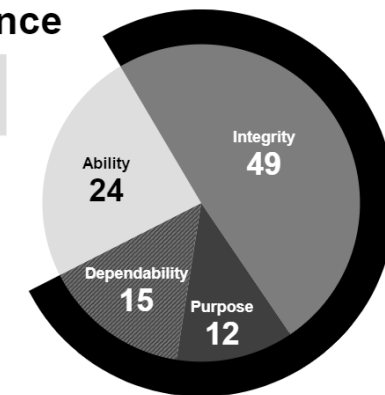
Ethical drivers, more so than competence, play a lead role in building and maintaining trust

ETHICAL DRIVERS 3X MORE IMPORTANT TO COMPANY TRUST THAN COMPETENCE

Percent of predictable variance in trust explained by each dimension

Competence

24%



Ethics

76%

Know Your Stakeholders

Transparent communication with stakeholder groups is key during a restructuring. While employees should be the priority, do not neglect other important relationships where an impact may also be felt. Who should hear proactively from the company? Reactively?

Serve The Interests of All Stakeholders

87%

Stakeholders, not shareholders, are most important to long-term company success

2020 Edelman Trust Barometer. PPL_RNK. Please rank the following four groups of people in terms of their importance to a company achieving long-term success. Give the most important group a rank of 1 and the least important a rank of 4. Stakeholders is a net of "Communities," "Customers," and "Employees". TMA_SIE_SHV. Please indicate how much you agree or disagree with the following statements. 9-point scale; top 4 box, agree. Question asked of half of the sample. General population, 28-mkt avg.



03

Don't Operate In A Vacuum

Corporate restructurings vary in scope, scale and focus but in almost all cases, there is a high level of complexity that requires a strong understanding of the different factors in play. While communications plays a very important role, ensure you have all the right experts in the room for the planning process.



This is a complex situation, engage relevant functions for all internal and external stakeholders.

01 Communications and legal teams should partner early in the process for a briefing and overview of the road ahead.

02 Keep legal closely involved in the communications process to review documents, ensure accuracy and optimize communications.

03 Who else needs to be involved and when?

- HR
- Public Affairs
- Investors Relations

Provide A Vision For The Future

And Communicate Your Message Clearly

Good communication in a restructuring is grounded in a comprehensive narrative that lays out the why, what and how of the restructuring process and the vision for the future:

The overarching goal is to ensure that the new direction resonates with key stakeholders, especially employees, to secure their buy-in for the path forward. Therefore, people need to know:

Why restructuring is necessary.
Acknowledge and address the issues.

What it means for the company, it's employees.

How the company will move forward and what is it working towards after initial measures have been implemented.

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Plan For Announcement Day

A detailed timeline of events is crucial for announcement day to ensure information is communicated to the correct stakeholders, at the correct time and in the correct way. Key considerations for announcement day include:

01 Have a “tick-tock” plan for the day to lay out exactly what is happening when and where.

02 Are all members of management prepped and ready to communicate?

03 Consider message and presentation trainings for the C-suite and managers who will be delivering information to employees.

04 Will external communications be proactive or reactive?

05 Is there are process for responding to media inquiries? Holding statements? Press release?

06 Day 1 of a new organization – identify this date and prepare to communicate the beginning of a new direction.

Contacts



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