

## STRATEGIC LEADERSHIP: 3 Actions You Can Take

### Business in Society

*“You can’t hug a company, but you embrace its values”.*

That embrace only occurs if all the stars are aligned. And our stakeholders can so clearly see what our enterprise stands for, that we could bond over values. For this to be possible, we need to make sure our company – from top to bottom – knows what it stands for.

On the journey to greater awareness of a company’s role in society, many twists and turns need to be navigated. It is a journey of discovery that is well worth undertaking. No one in the leadership is better placed to serve as mapmaker and pilot than the senior communicators. We know that companies build stronger reputations through engagement, and that engagement makes for a more robust, engaging narrative. And companies with a clear purpose are more authentic and better at creating value, with others and for others.

### Three actions you can take now

Better connectivity with the world around the company helps improve both its competitiveness and standing in society. To achieve that, senior communicators should focus on three interlinked steps.

#### Action 1: Map the company’s societal context, using the model pictured\* or something similar.

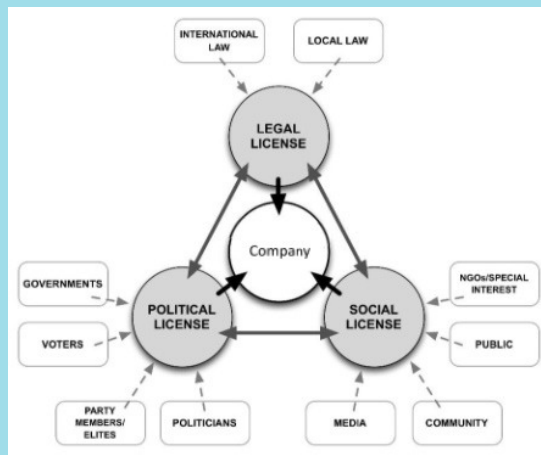
Obtaining that “public permission” can be seen as securing a legal license, a political license and a social license to operate.

To define the company’s “legal license”, map its regulatory framework as well as other legal constraints and the rights that pertain to its operations. It may also be of interest to look at the company’s article of association, to see the original purpose under which it was incorporated.

The “political license” is a reflection of how the company is viewed – and treated – by elected authorities and political parties.

A company’s “social license” is obtained through interaction. A clear narrative and constructive engagement is built on finding and exploring common ground with communities, NGOs and other interest groups as well as on how well we can make our case to the media and the public.

“All business in a democratic society begins with public permission and exists by public approval.”  
Arthur W. Page, VP of PR at AT&T from the 1920s to the mid-40s.



## Action 2: Define your hill

Exploring the societal context also entails looking at how your sector is viewed by critical stakeholders.

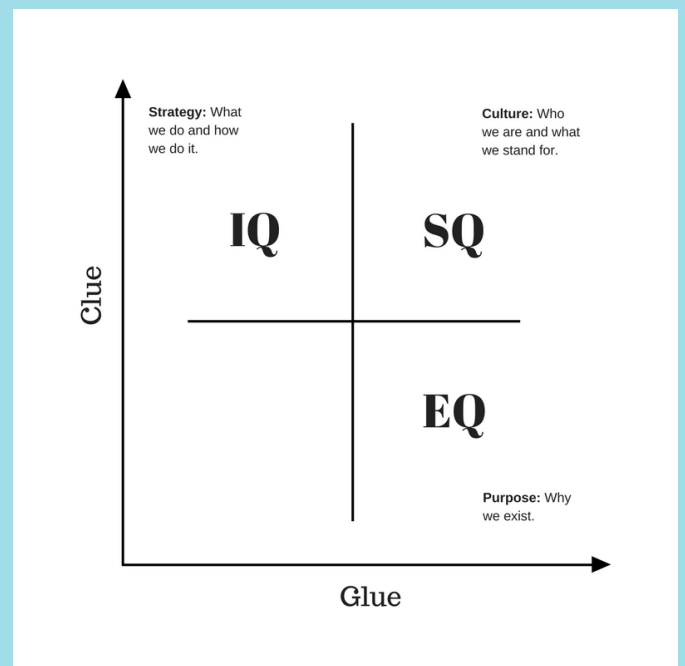
And within our sector, “what is our hill?” How high is it? Where does it sit in the landscape, far back against the horizon or dominating the picture? What hills are our competitors on? How does our hill look different from theirs, seen from within and from a distance?

To define your hill, the company must be clear about its culture, its strategy and above all its purpose. It is about who we are, how we run our business and about the very core reason for being.

Culture, strategy and purpose are linked for a reason. They are the three key levers – and sources of energy – with which business leaders run their companies, whether they know it or not.

And they take us beyond mere facts, numbers and spread-sheet thinking – into the realm of values and beliefs. And that’s where real connections take place.

In the model to the right, the notion of societal intelligence (SQ) is overlaid on a two-dimensional chart, with one axis showing the “clue” (IQ or strategy) of the business and the other the “glue” (EQ or culture). If your hill has been well-defined and your purpose clearly outlined, societal intelligence (SQ) helps optimize purpose as the best possible combination of a strong and vibrant culture with smart and empowering strategy.



## Action 3: Define your purpose



“Performance with a Purpose is based on the belief that companies can – and must – achieve business and financial success while also leaving a lasting and positive imprint on society.”  
Indra Nooyi, Chairman of PepsiCo, 2008

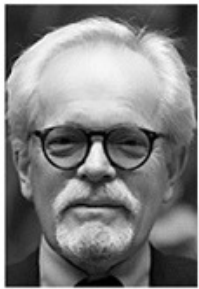
To get there, purpose must be defined. Why does our company exist? What needs does it meet? With and for whom do we create value?

Defining purpose is probably the most important part of the journey to greater awareness about the company’s role in society. Communicators are the best pathfinders, ideal for this quest: how to mold culture, strategy and purpose into a harmonious process purely aimed at expressing the authentic character of a company.

The work of the communicator is all about relationships with stakeholders.

Defining purpose is building a bridge, by being clear about why the company exists while also ensuring we understand the world from our stakeholders' perspective, so we can be attuned to the communities our company operates in.

A well-defined purpose also is about having engagement systems focused on building and preserving the company's license to operate.



**Bjorn Edlund**  
Senior Advisor  
Basel, Switzerland

### **About Tantalus Strategic Leadership expert Bjorn Edlund**

Björn Edlund is widely recognized as a PR and Strategic Leadership pioneer. Over a 20-year period, he supported 11 CEOs as head of corporate communications in three issues-rich multinationals, Royal Dutch Shell plc, ABB Ltd and Sandoz AG. He has also served as chairman, Europe, & CIS at Edelman.

Edlund is a visiting fellow at Henley Business School and a trustee of the Institute of Human Rights and Business. He received a SABRE award for lifetime achievement in 2009, the Alexander Hamilton Medal from the Institute for PR in 2013 and was inducted into the Arthur W. Page Society's Hall of Fame in 2015. Edlund studied political science and history in Sweden and graduated as a teacher in Switzerland.

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