

ANDREWS
PARTNERSHIP



CORPORATE AFFAIRS
LEADERS STUDY

2024

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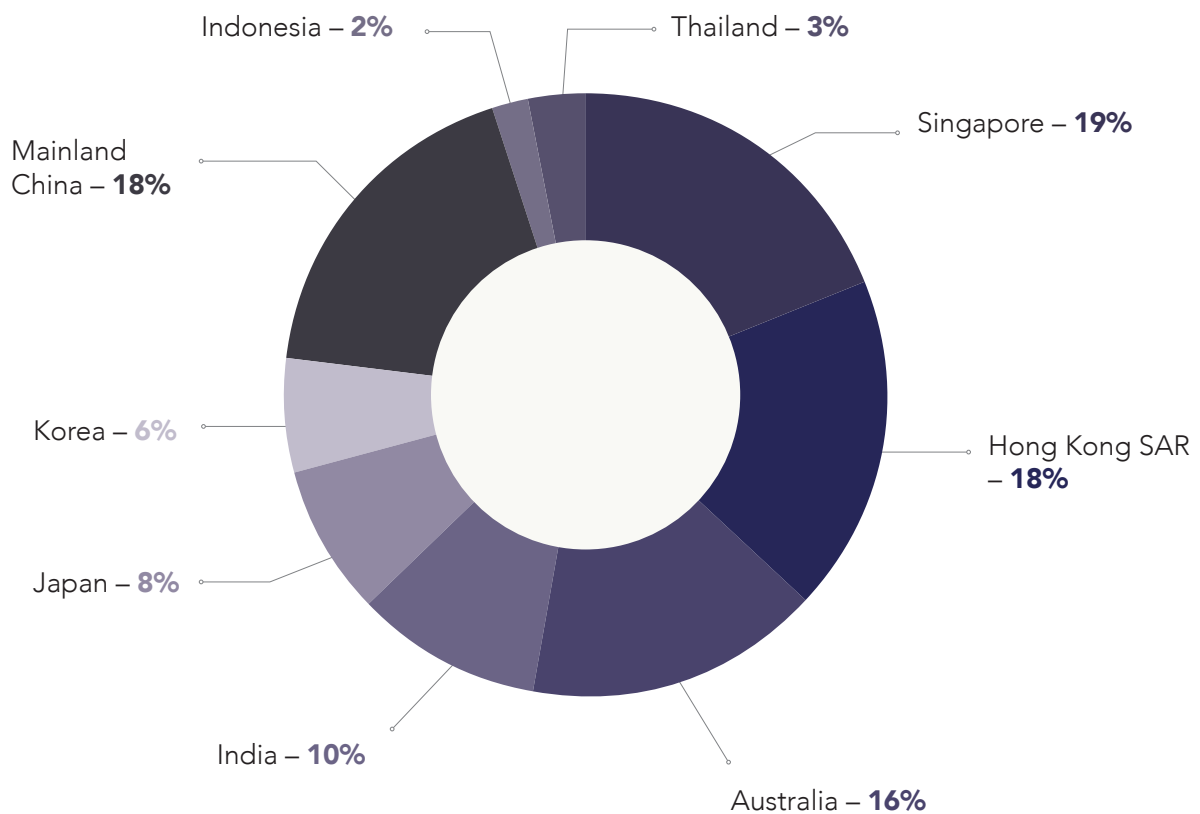
ABOUT THIS RESEARCH

The transformation of the Corporate Affairs (CA) function over the past quarter-century indeed reflects broader shifts in the global business landscape, including the rising importance of transparency, stakeholder engagement, and corporate responsibility. The evolution from a background support role to a critical strategic executive function underscores the increasing complexity of navigating business in a globalized, interconnected, and rapidly changing world.

To better understand these changes, and where the function is headed Andrews Partnership is looking to provide a 2024 snapshot on CA Trends and Priorities by surveying 50 APAC based corporate affairs leaders and compiling these results.

This study offers a comprehensive view of the current state and future direction of the Corporate Affairs (CA) function, especially within the dynamic and diverse APAC region.

CONTRIBUTORS GEOGRAPHICAL LOCATION



CONTRIBUTORS ROLE SCOPE:

Corporate Communications
Government Affairs
Sustainability

ROLE LEVEL:

Functional Head of Corporate Affairs

CONTRIBUTORS SECTOR



FMCG



Financial services



Pharmaceuticals



Technology



Agriculture



Hospitality



Energy



Mining & Metals



Retail



Construction
/ Real Estate



Professional
services



Manufacturing



Education



Food &
Beverages

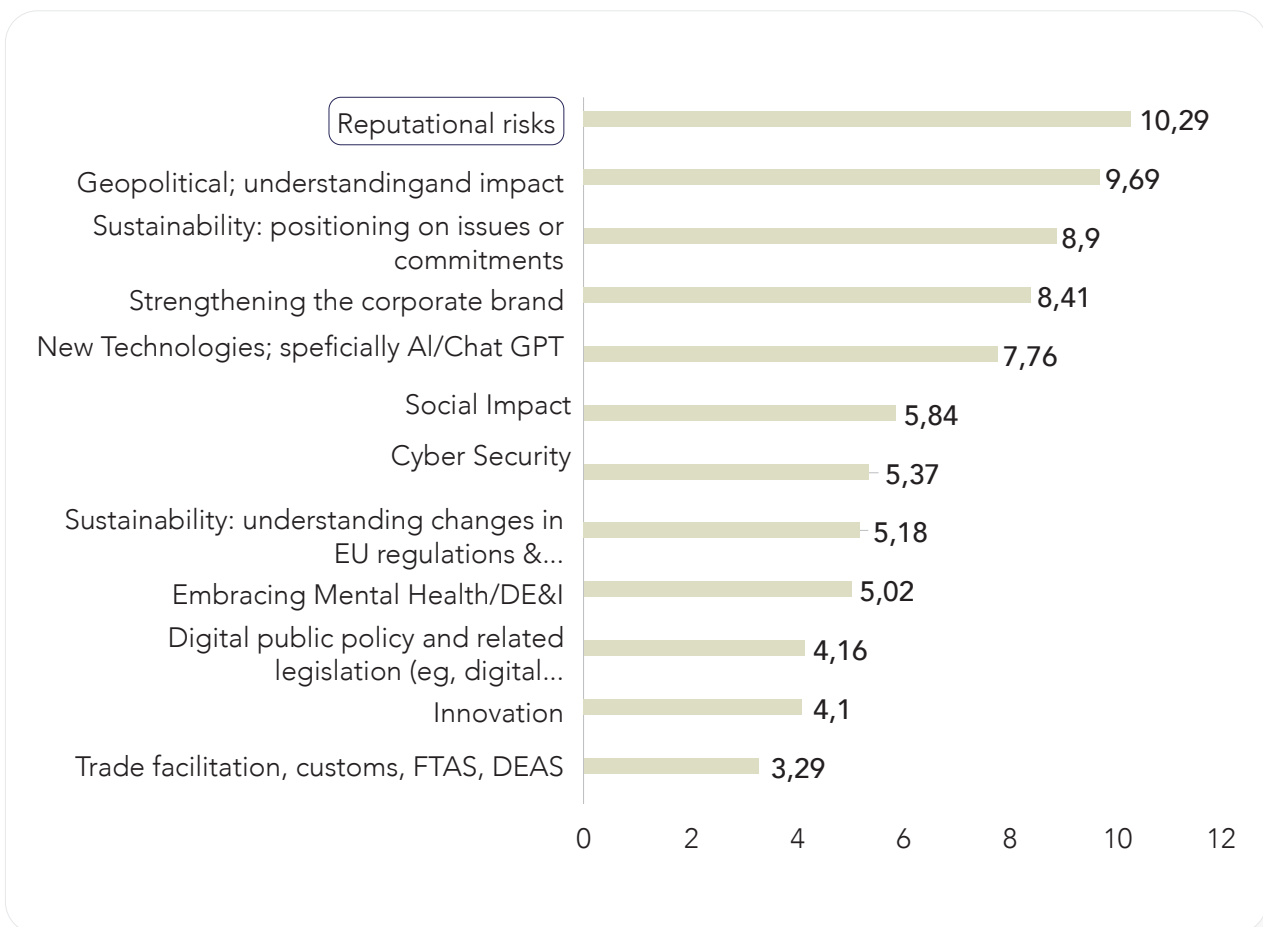


Media





2024 TOP PRIORITIES



Navigating corporate reputational risks in the context of an increasingly complex geopolitical landscape requires a nuanced and strategic approach. The interconnected nature of global markets means that geopolitical events can have far-reaching implications for businesses, affecting everything from supply chain logistics to public perception and investor confidence.

Enhancing transparency and ESG credentials was a key theme of those surveyed, as a focus to a growing shift of “businesses being increasingly scrutinised on their impact on the environment and society” across areas such as pricing strategies / approach vs quality or service delivery, employees (direct employees and those in the value chain) and rising cost of living pressures and inequality impact on the distrust in big business / private sector.

Navigating social justice and sensitive geopolitical issues, such as those related to China, was reported by Corporates as an ongoing complex challenge. High-profile controversies, like H&M and Nike, or issues surrounding Cross-Strait relations and human rights in China, highlight the potential reputational risks companies face.

Innovation was another key theme, for many corporates the drive for speed, agility, and bold risk-taking in corporate strategy, while essential for maintaining competitive advantage and driving performance, undeniably introduces increased reputational risks. The rapid pace of decision-making and the pursuit of innovation can sometimes lead to oversights that affect stakeholders or lead to external (and internal) challenges.

Integration of technology, especially generative AI, into business operations poses both opportunities and challenges, particularly in the realm of reputational risks. The increasing speed, scale, and potential for amplification of impacts through AI present new considerations for companies. Many spoke of the pitfalls of “fake news mitigation” via AI detection and how to ensure their collaboration with platforms to report and address instances of fake news related to their brand.

Finally, a focus on geopolitics continues to loom large for many. Ensuring consistency in internal and external messaging for global companies with diverse brands, consumers, and influencer-driven marketing is crucial, especially when addressing political, social, and environmental issues.



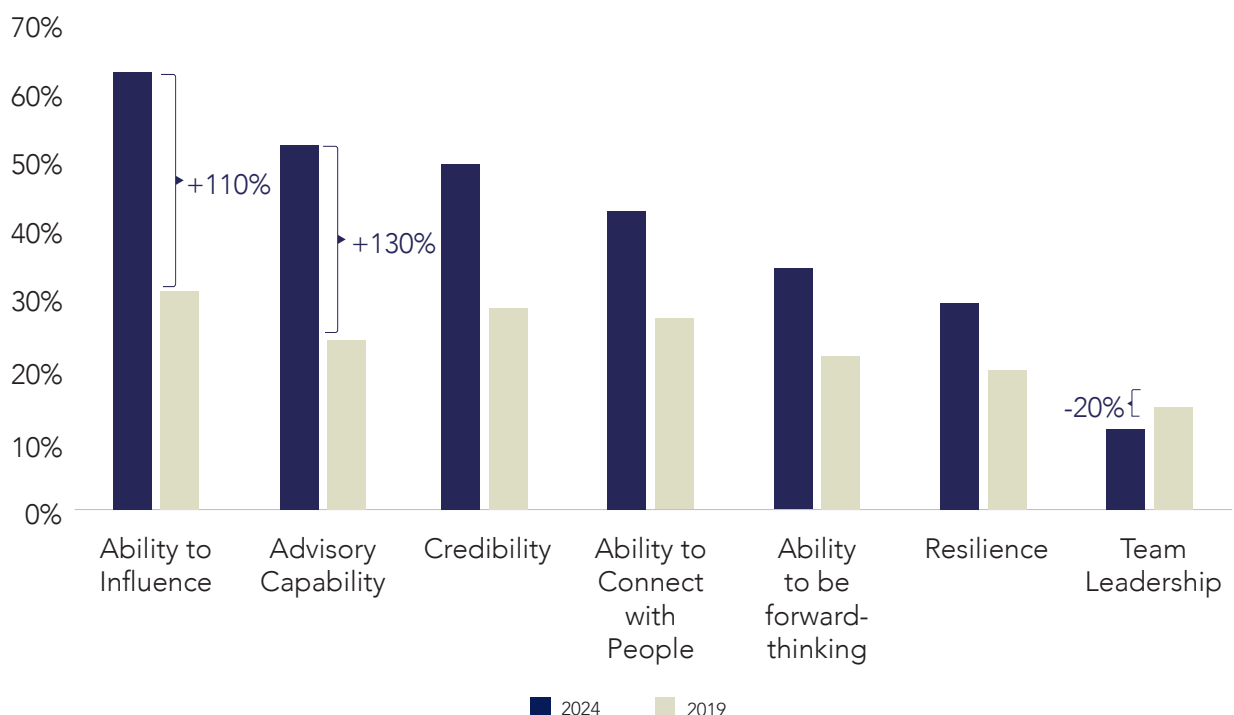
“Like other businesses, we’re seeking to move with more speed and agility, and to take bold risks to drive performance and ensure competitive advantage. Whilst this is the right mindset and approach given the external environment we’re all in today, we need to be as equally vigilant in navigating reputational risks as our appetite for trying things differently and moving faster to enhance performance could open up reputational vulnerabilities.”

CA Leader, APAC



2024: CA LEADERS TOP SKILLS REQUIRED

2024 Corporate Affairs Leadership Skills



The evolving landscape of corporate affairs in the APAC region demands a nuanced skill set from senior practitioners. Among the essential traits and capabilities identified in this study is the ability to influence which stands out prominently. In fact, its importance has surged dramatically, with a stark 110% increase reported by CA leaders within a 12mth period. This skill is deemed critical in navigating the multifaceted challenges inherent in corporate affairs today.

Similarly, the advisory capability has seen a remarkable rise in value, experiencing a 130% increase since 2019. This underscores the growing demand for strategic counsel and expertise within the field. Corporate affairs professionals are increasingly expected to possess a deep understanding of geopolitics and adeptly navigate its complexities. Given the dynamic nature of global geopolitics, this knowledge is invaluable in guiding corporate decision-making and mitigating risks.

Resilience is another key quality highlighted by corporate affairs leaders. In an environment marked by volatility and uncertainty, resilience is indispensable for effectively managing crises and driving

organizational resilience. Corporate affairs leaders play a pivotal role in fostering resilience throughout the company, integrating it into various aspects of corporate strategy and operations.

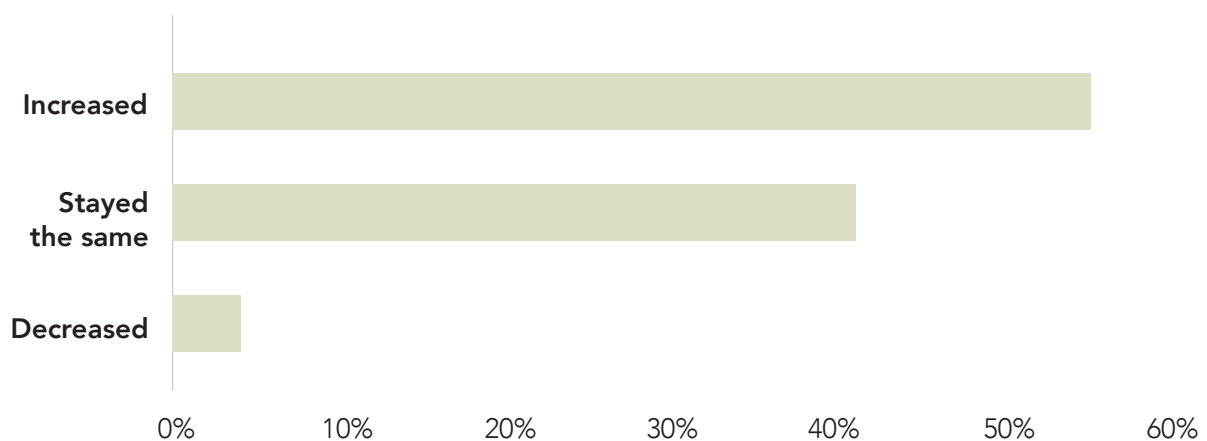
As one CA leader aptly noted, "The expectation to guide the company's C-suite in planning and preparing for evolving scenarios is paramount. Geopolitical dynamics add an additional layer of complexity, necessitating a proactive and informed approach to decision-making. In this context, the ability to influence becomes instrumental in driving strategic initiatives and shaping organizational responses to external challenges."

Overall, success in corporate affairs hinges on a diverse set of personal and professional qualities, including the ability to influence, advisory expertise, geopolitical acumen, and resilience. By embodying these traits, senior practitioners can navigate the complexities of the APAC region's corporate landscape and drive sustainable growth and success for their organizations.



LEADERSHIP CONFIDENCE

IN THE LAST 12MTHS HAS YOUR CEOS CONFIDENCE IN THE CA FUNCTION CHANGED?



KEY AREAS FOR THIS CHANGE OF INFLUENCE



Geopolitics

Increased clarity: executive teams now recognise the direct connection between mitigating risk and the corporate affairs leader. Particularly with ongoing world crisis including Ukraine and Middle East.



Market Conditions

Elevated expectations from external stakeholders across all touch points with the business.



Advisory Capacity

Shortening timeline across the ecosystem (regulatory, geopolitical and technology) has resulted in a greater reliance on CA Leaders advisory ability due to the impact on the pace of issues.



Corporate Reputation

Influence - leadership recognition that the outside-in influence and impact on the company has become more important than ever.



Sustainability

Integration of Sustainability into mainstream business operations rather than an 'off to the side' capability.

2024 CORPORATE AFFAIRS

Top Skills Required for a Corporate Affairs Team



Top 5 Team Skills Included:

01

Corporate Financial Acumen: Understanding financial principles and practices is crucial for corporate affairs professionals. This includes proficiency in financial analysis, budgeting, and financial reporting. *“If you are going to work with your CEO/CFO, you need to understand their language – EBITDA, capex, EPS, revenue growth, volume growth, etc. Many years ago I did an MBA to bolster my understanding of the business (and my credentials) as I felt incredibly uncomfortable not understanding what was being talked about. Going through finance and operations classes helped me understand the business drivers so that I could translate what was happening into accessible language for employees.”*

Contributors remarked the importance of developing tools that enable ‘cheat sheets’ for your team to help to embed their understanding, *“Developing resources like a “scorecard for dummies” can also be incredibly helpful in bridging the gap between financial jargon and practical understanding for employees across various roles within the organization. Breaking down key metrics and concepts into layman’s terms can empower employees to better understand their role within the broader business context and align their efforts accordingly.”*

02

Stakeholder Engagement Techniques: Ours is a discipline founded on the powers of engagement and persuasion. What we bring to the table is our ability to shape people and guide them towards a desired goal.

One CA Leader remarked, *“You need to be not just a spokesperson but have ‘the power to convince’. You need to be able to sell your ideas to stakeholders.”*

But that capability has become so much harder to deliver in recent years, as corporate affairs has developed into an increasingly sprawling ‘hub’ profession, drawing in a bewildering multiplicity of influences, disciplines and stakeholders. Practitioners now need to have the broad-spectrum capabilities of a skilled politician, able to connect at very different levels with very different groups. As this universe has become more complex, the core qualities – to be able to work in partnership, make connections, and convince – has never been more essential.

03

Strategic Planning: Strategic planning is essential for driving long-term success and achieving organizational goals. Corporate affairs teams must have the ability to develop and execute strategic plans that align with the company's mission and vision. This includes identifying key priorities, assessing risks and opportunities, and monitoring progress towards strategic objectives.

04

New Technology, including AI: Embracing new technologies, such as artificial intelligence (AI), is now regarded as 'crucial' for many CA Leaders in this rapidly evolving business environment. With 63% of CA professionals surveyed ticking 'yes' to their teams using AI, which is seemingly a positive endorsement, the actual penetration of this technology is still light with only 25% remarking their teams use it 'frequently'. Content development is the top pick for usage, followed by media coverage snapshots, executive communication and internal memo's.

05

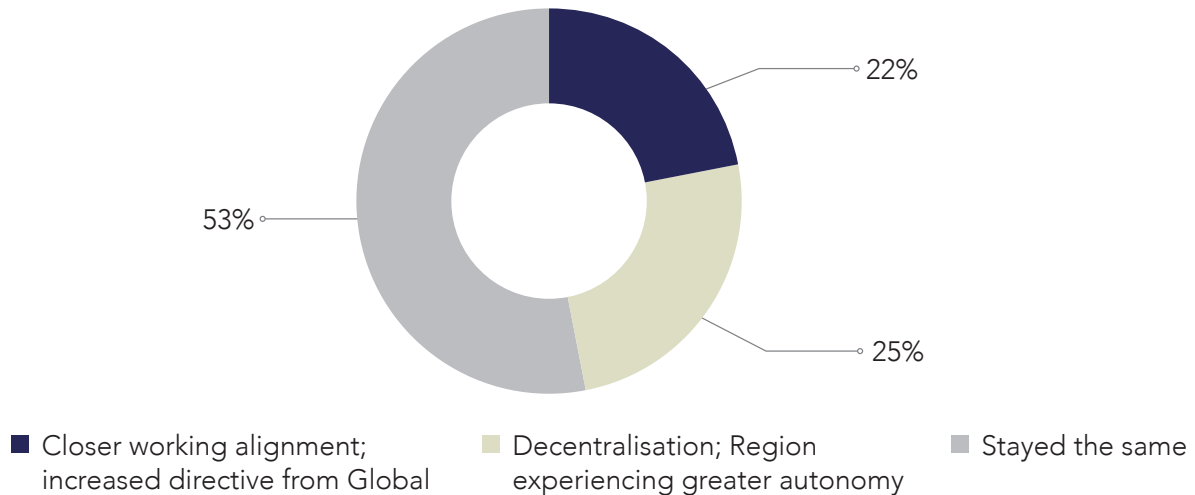
Storytelling: Effective storytelling is a powerful tool for conveying key messages and shaping perceptions. Corporate affairs professionals should be skilled storytellers, capable of crafting compelling narratives that resonate with stakeholders. By telling authentic and engaging stories, corporate affairs teams can inspire action, build brand loyalty, and drive meaningful change.

By cultivating these top skills, corporate affairs teams can effectively navigate complex challenges, drive strategic initiatives, and contribute to the overall success of the organization.



STRUCTURE

CENTRALISATION OF GLOBAL VS REGIONAL



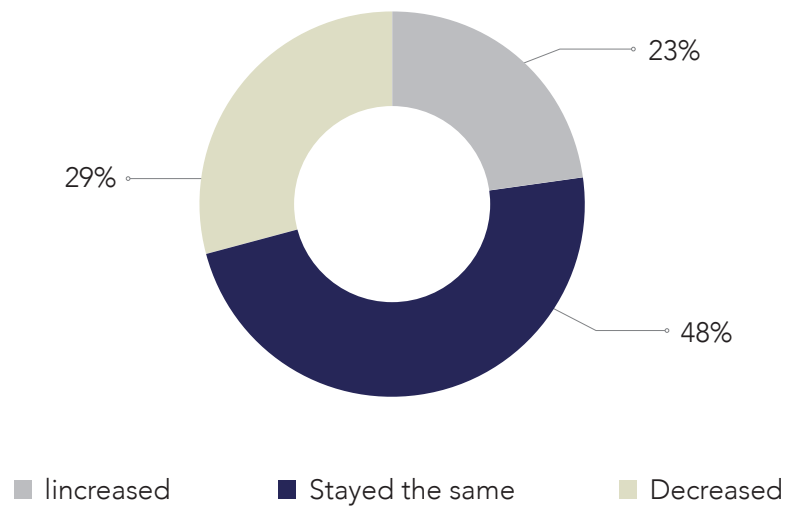
The growing trend of decentralization of corporate affairs structure, where regions like APAC (Asia-Pacific) operate more independently from global headquarters, is signifying a maturing of the corporate affairs function within the region. This shift often reflects a recognition of the unique cultural, regulatory, and market dynamics present in this region and the need for tailored approaches to corporate affairs activities.

Contributors commented that “the business need for faster responsiveness to local issues have demanded a ‘power shift’ from Global, due to the requirement of deeper local understanding of regional stakeholders and market conditions.” As an industry we know, that large scale crisis requires fast responses, and none more so than COVID, and with Asia being the ‘first’ affected, this set our region on a path where, since 2020, this local empowerment has continued.

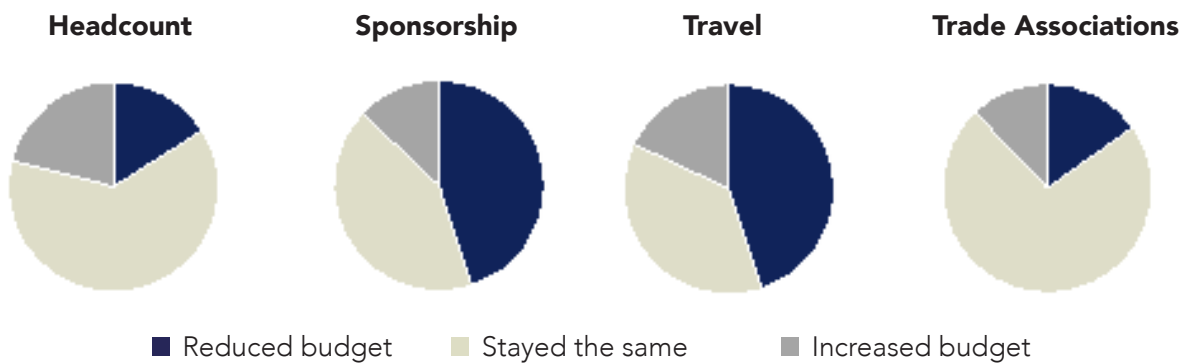
Additionally with economic super powers emerging such as India, this continues to drive local decision making, given the diverse business landscape and regulatory environment in India, corporate affairs play a critical role in ensuring transparency, accountability, and ethical conduct within organizations. Over the last 18mths, senior level CA hires have risen 150% across India, signally yet again a maturing of the function and recognition of senior level local advisory.

BUDGET CHANGES 2024

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ABOUT ANDREWS PARTNERSHIP

An organisational consulting firm specialising in

Corporate Affairs, Communications, ESG & Sustainability

Services:

01

AP Advance

- Professional development
- Functional structure design
- Skills capabilities review

02

AP Assess

- Executive assessment
- CEO & executive Advisory
- Succession planning

03

AP Appoint

- Executive search
- Career & onboarding support
- Diversity, equity and inclusion

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