



## The value of thought leadership

How can corporate communications use thought leadership to support organizational success?

- ▶ Thought leadership is a powerful strategy that an organization can use to strengthen its positioning. It can have a positive impact on an organization's reputation, trust, legitimacy as well as its relationships with relevant stakeholders.
- ▶ Corporate communications in particular can benefit from thought leadership activities. They can give corporate communications greater credibility and help them to set the agenda for a particular topic.
- ▶ A new framework has been developed that distinguishes between two types of thought leadership (strategic vs. transformative) and visualizes how they can add value for an organization.

### What is thought leadership?

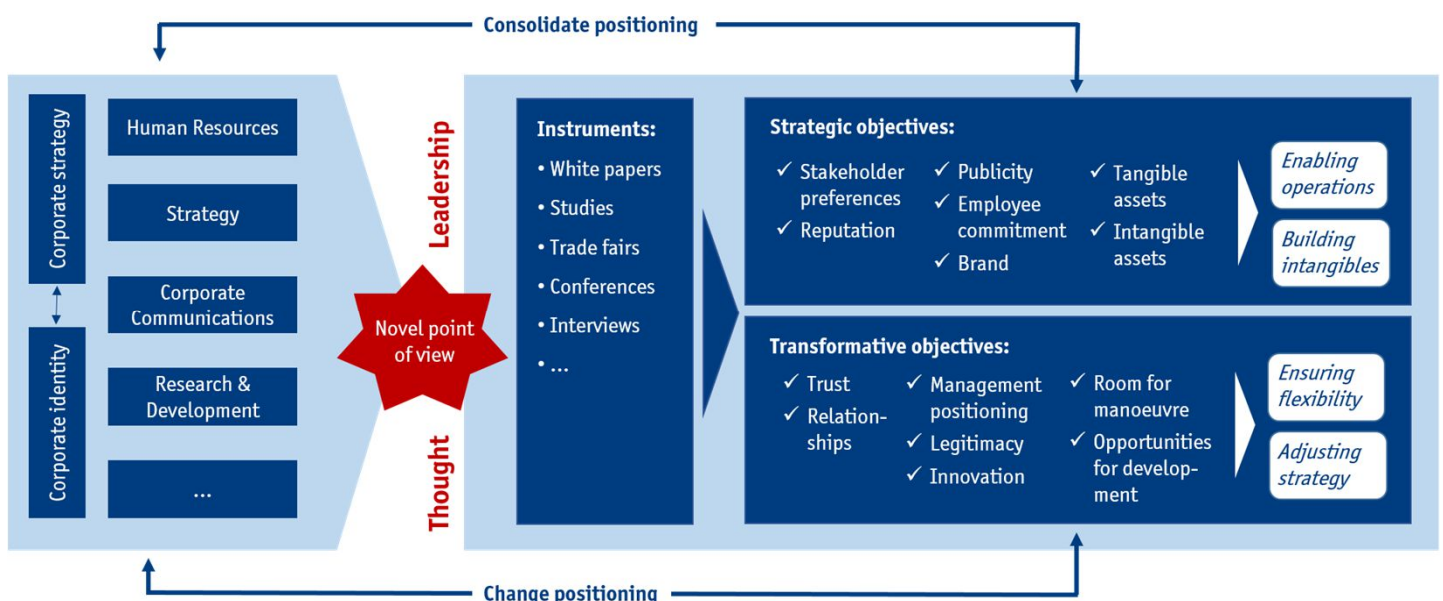
Thought leadership is often used to describe innovative thinking – many times without a clear relation to communicative activities. In other cases, people consider thought leadership as being no more than a buzzword.

But it is more than that: The essence of thought leadership is that it helps an organization to come up with thought-provoking, innovative, and transformative ideas covering anything from technologies to ethics. Communicating the new idea or the new perspective on an existing issue is described as the *novel point of view* and forms the key element of thought leadership.

The goal is to shape the public discourse on a specific topic before others do so. Becoming a reputable thought leader strengthens the positioning of the organization and creates value in different dimensions. It can even lead to a revision of the business strategy or facilitate the invention of cutting-edge solutions.

### A new framework for thought leadership

- The framework can be used as a way to explain the **value-add** of thought leadership to the top management and others.
- It differentiates between the **two types** of thought leadership – strategic vs. transformative. It classifies communicative objectives that can be reached through thought leadership and that create value for an organization in the long run.
- It can be used as a **tool** for corporate communications to first reflect on objectives for thought leadership before deciding on communicative measures.
- The defined objectives can be backed up by precise **KPIs** that make it easier to measure and steer thought leadership.
- For **academia**, the framework provides a starting point to spark further discussion on the topic and link the scarcely researched phenomenon to the recent debate about value creation through communication.



» To attract customers, employees, and investors, companies need to be progressive leaders and put their vision in a broader social context.«

Paul A. Argenti, Professor of Corporate Communication, Tuck School of Business, USA

## The benefits of thought leadership

To benefit an organization and gain the support of the top management, communicators need to be able to understand and explain how thought leadership creates value.

The biggest advantage is its **greater credibility**. Thought leadership activities often involve the expertise and knowledge of independent experts (e.g. studies are conducted together with independent research partners or think tanks). They do not focus primarily on sales even though they might support sales in the long term. Therefore, they are not perceived as product communication or advertisement and usually generate a wider outreach than other communication activities.

**Two types** of thought leadership need to be distinguished since they pursue different objectives and add value in different ways:

► **Strategic thought leadership** aims to support and strengthen the existing positioning of the organization. To do so, topics are chosen that are in line with the business strategy. Value is added by building tangible assets (such as positively influencing stakeholder preferences or generating publicity) and by creating intangible assets (such as fostering the reputation, the brand, and employee commitment).

► In contrast, **transformative thought leadership** seeks to radically change the positioning of the organization by developing new topics. This has implications for the business strategy and product development. Corporate communications can support this process by positively influencing dimensions such as trust, relationships to mission-critical stakeholders as well as the legitimacy of the corporation. These in turn help to secure room for manoeuvre (the freedom of a corporation to try out a new or adapt the existing business model) and create opportunities for business development.

A holistic combination of the two types of thought leadership offers the highest potential for organizational success and value creation.

## 4 steps to engage in thought leadership

- 1 Thought leadership initiatives are often developed and driven by the communication department. However, in order to be successful, they need the **support of the top management**. Otherwise, these initiatives are no more than a communication strategy and will not become relevant for the entire organization.
- 2 In order to **identify the right topics**, scanning and monitoring the organizational environment (organizational listening) are necessary. Market and trend research, qualitative data and academic papers are helpful. The chosen topic needs to be relevant to society at large and/or to critical stakeholders of the organization. It should also generate an innovative thought or provide a new perspective on the chosen topic (**novel point of view**). In addition, the topic should be in line with the identity of the organization and its goals and strategy. Only then can thought leadership create value for an organization.
- 3 **Spreading the news:** A number of measures support the positioning of an organization as a thought leader, e.g. conferences, studies, white papers, joining a task force or think tank, high profile interviews and panel discussions.
- 4 **Choosing the right target groups:** Thought leadership activities should be aimed at all relevant stakeholders of an organization, but above all at credible multipliers (such as journalists, bloggers, experts, researchers, etc.) who can help to reinforce the status of thought leader and can also help to spread the new ideas in the public debate.

## About the research project

There has not yet been a comprehensive study into how thought leadership contributes to corporate success. Luisa Bisswanger's award-winning thesis demonstrates the value-add of thought leadership for organizations. A comprehensive literature review formed the basis of her research. Expert interviews with five blue chip companies (BMW, Deutsche Telekom, Deutsche Post DHL, Siemens and SAP), three consultancies (Boston Consulting Group, Edelman.ergo, PA Consulting) and two researchers working in that field provided valuable insights and served as a plausibility check for her newly developed framework.



The Academic Society for Corporate Management & Communication is an initiative of leading companies and universities in Germany and beyond. It aims to shape the future of corporate communications through joint research projects and knowledge sharing.

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