

Paul Nixon: This is Paul Nixon today with Donal McCabe, Head of Corporate Communications at Land Securities. And we're going to talk about expressing company views and writing papers on the corporate website and its impact on reputation.

So Donal, do you want to introduce yourself, a bit of background, and then we'll progress with the questions.

Donal McCabe: Yes, happy to. I'm Donal McCabe. I've been at Land Securities for just coming up to about three and a half years now. And I joined Land Securities from what was Alliance Boots, where I had worked with them as Boots was repositioning itself; then they merged with Alliance Unichem and then when it ultimately got taken over by private equity. And before that I'd had quite a long stint and ended up as the director of comms at Railtrack, as was.

So reputation management as such and the bitter experiences of what can go on in that area has been etched on my formative years really. And before that I was at London Underground. And again, similar type issues really.

Paul Nixon: Well let's start with Land Securities. As a company they're held in very high regard by the city. And they stand out to the extent that analysts actually mention it when compared to their peers. And why do you think that is? What are the sort of elements that the company's done to build its reputation and to continue being held in such high regard?

Donal McCabe: I think it's very hard to pin down, that there's ever one thing. It's usually a cocktail. And different things influence different people. I think if I had to put my hand on it I would say it's that Land Securities – and before I joined, I can't take any credit for this – is a very open organisation and it's very transparent.

And everyone talks about being transparent, but it gives a lot of data out. It always has. It gives very full reporting, very full disclosure. And of course within the analyst community and within the investor community, that's the treasure trove of material. And it's very consistent; so there are not redefinitions, there's always a willingness to have a debate about greater disclosure.

Paul Nixon: Just on financials or on other things?

Donal McCabe: Well I think that for organisations like Land Securities, which is a quoted company (I mean that's really at the heart of it) it goes a little bit further because what happens is we – our senior management team are very open, happy to meet people, happy to have conversations. So I think it's just an approachable and open company.

I think people would find it very hard to say they don't know what's going on, because it's all out there in the public domain. And I think that makes a difference. Certainly from my experience with other companies – it's not critical of them – we're probably the most open and transparent company I've worked for.

Paul Nixon: And as you go forward, day to day, do you have a strategy for building reputation or is it just carry on sticking to the principles and doing more of the same?

Donal McCabe: I think you have to be careful with reputation. Reputation is – all the clichés say it takes a long time to build and a short time to destroy. So you can never be complacent about it. So you always have to be thinking about it and working out, through actions, what the impact is going to be.

But then again I think you also have to be quite dynamic and as a company you have to make the business decisions that make

sense. And when you do that you shouldn't worry about what the impact on reputation is, you just have to explain it in such a way that people get, in the context of what's going on. And so you give the same level of detail that you will on other things, which I think is what's important for Land Securities. And if people want to talk about it, you're happy to have a dialogue with them.

I don't think reputation is rocket science. I think most people who exist in the corporate communications world, or in any sort of communications world, can put their finger on what they like about companies and what they don't. And I think it's just up to people like myself and my team just to sometimes check and hold the company to account.

I have a phrase that I use with a lot of my advisors or people that we work with, which is "You're there to keep us honest. So you should be asking us questions even if you think that we might not want to be asked them. That's what you should do, because that's the best test to know that as a company you're going on the right lines and that you have got good answers and honest answers and you're happy to talk about things." So that's what we're here to do really.

Paul Nixon: Well let's talk about the Sight line area of the website, which has been very successful for you. And I don't know whether it's seen as reputation enhancing or just a manifestation of your transparency and openness, but let's talk about what made you decide to do it. What were the underlying thoughts?

Donal McCabe: There were a couple of things. I'm a man of a certain age where a lot of this is not second nature to me, so I leave that to my nieces and nephews and my children to master some of the more – where

people now get information from. And there's a generational shift going on about the use of the web.

And where I'm slightly sort of caught up in the wave but it's really – the power of it all is behind me and it's the next generation coming through that we're having to target. We want them to be employees. They will be making customer based decisions around us.

So we were always alive to the power of the website and we were alive that there were trends going on. I mean we've been doing Sight line for just over a year. There were trends; there were lots of companies starting to do blogs. Blogs didn't feel right to us. To be relevant, blogs have to be regular. There has to be – they have to be well written. And they have to be by people that people want to listen to. Well it's very...

Paul Nixon: With something to say.

Donal McCabe: Yes, with something to say. It's very hard for us to make a commitment or expect our directors, who people want to hear from, to make that sort of commitment. And you would just end up with something ghost written more than likely. And that just didn't feel right. That didn't feel like that was right for us.

So a member of my team had this idea that where we felt strongly about an issue – or where there was a debate going on in the industry – that it might be that we should come up with an opinion piece on it that gives our opinion.

Now with a quoted company it's not always easy to get those opinions out there if you haven't got some formal route of doing it. You can't guarantee that the press are going to want to write about your opinion on it because they'd say, "Well if I write about your

opinion I have to write on three other company's opinions on that.”
So you can't guarantee it.

But we just felt it was a good way of going on the record about issues that meant something to us or meant something to the industry. And that's where it came from.

I think the other key discipline about it is it's got to be short, it's got to be relevant, and it's got to be written in a way that most people can understand. So it can't be full of jargon; which is a real corporate sin and we're as guilty of this as anybody else.

So it does bring a real discipline and actually it's been much more of a discipline than we thought it would be. And it's been a bit harder to do some of them than we thought it would be. There's a lot of toing and froing. It takes a brave person to go back to your chief exec and say “Well I just don't think anyone will understand that so you need to rewrite.” (Laughter)

So it's been really good from that aspect. But we haven't done that many because we only want to do it where we can add value, where we can add something to the debate; this is the only reason we do it.

And it's funny, I've been chatting recently with my team about what are the next topics that we think touch – that there's a touch point, people want to hear about. And we've got a few bubbling along but nothing that's really out there, that you know, “We have to do something soon.”

Paul Nixon: And how easy was it to sell upwards?

Donal McCabe: It was remarkably easy actually. It was easier than I thought. If you take from the point that look around and there's blogs, which would

have been impossible to sell and we didn't want to do, it was more we just felt that there was a gap where we should be having an opinion and we should be adding to some of the debate, and it was the natural way of doing it.

But we presented it upwards with some strict rules about what were the sorts of topics we would talk about and those that we wouldn't. And the sort of sign-off agreement about identifying a topic and then taking it forward.

So it was very easy to sell it because the thought had gone into it rather than it just being a vague idea and saying "Well, we'll do that." And it was actually refreshing for me, as somebody who works with the board and the senior team, in that they got it straight away and they got why some of the rules were important.

Paul Nixon: And who came up with the topics, your team or the exec or a mixture or both?

Donal McCabe: It's a bit of both. I mean we tend to as a team – as you'd expect, we tend to sit there, we have investor relations in the team; we have media in the team, so we can see what the topics are that are, as modern terminology says, 'trending', or what the issues are. Or we know from chatting to the journalists what are the topics that they're trying to get a better understanding of.

So we tend to have a view. And the board tend to have a view on what it is they want to have an opinion on. I often use this debate: we're the biggest company in the sector; so we're the biggest commercial property company in the UK. So we're the leader really. To be perceived as the leader you have to act like the leader. And leaders aren't afraid of having opinions. Leaders aren't afraid of taking a counter view to a prevailing thought.

And therefore Sight line allows us to do that sometimes. And therefore, as you would expect when you've got very bright people in the company, sometimes they do have a view on what they want.

Paul Nixon: Damn them. (Laughter)

Donal McCabe: This is a conversation we've never had: when somebody says "I'd like to do one" and we say "No, it's too boring." We haven't got there yet but I'm sure we will.

Paul Nixon: And did you consider any other options for different styles of presenting it or...?

Donal McCabe: Yes. I don't think we'd rule out that it could be a talk piece; a very short interview. So I don't think we'd rule that out. Or maybe a little film. But I think you're taking it into a whole new area there. And a talk piece and a film still have to meet the basic criteria. They've got to be relevant. They've got to be interesting. They've got to have something to say and they've got to be short. And it's hard enough doing that in words as it is to think then about the pictures that go with it. But I wouldn't rule it out. I think that would be a natural development for it. Especially as technology with Flip cameras and everything gets better and better.

Paul Nixon: Yes. And I think the quality of doing it yourself or doing it with a member of the team is driving down costs and making it easier to do and we'll just see more of it.

And how much effort did it take for each research piece?

Donal McCabe: I think...

Paul Nixon: Or is that how long is a piece of string? (Laughter)

Donal McCabe: Well it is a bit. I mean the topics we've done, some are very close to the directors' hearts and they can be done very quickly.

The first one we did was our chief executive did one about a very particular topic in the industry around the structure of companies within it and whether they should behave more like overseas property companies, under the REIT model, or whether they should be more like more traditional UK property companies; which was a big debate January last year.

And it takes a little bit of time on something like that because don't forget these topics, you might write them last January, but if you write them well and you think about them properly, these are the views that you're going to hold for a length of time. You're not going to flip-flop on them.

And as the chief exec said to me during that process, he said "Actually it's a really good discipline, to make you think exactly what it is you want to say and get the words down."

So they can take a little bit of time because words are at a premium. You have to be short and sharp. And that can be difficult sometimes on difficult topics.

But it's interesting, I mean we did one last April on creditor voluntary arrangements, which are CVAs, which are a way of restructuring businesses use. And that still gets quoted today. A year on it's still being quoted in the press. And we still refer people to it. If they ask us around this issue we say "Well we've actually talked about this issue last year and it still holds." So that gets a lot of – you see that getting a lot of traffic.

So you do need to take time on them. And my view is if they're worth doing, they're worth putting out when they're ready, not rushed to meet a deadline.

Paul Nixon: Yes. And did you promote them at all or did you just launch them on the site and see what people thought; how they reacted?

Donal McCabe: There's a little bit of promotion. I mean when we did the first one we talked to some people we knew about it and said we were doing it. And one journalist we knew, who we'd bounced the idea off to see what he felt were the relevant issues out there, so that we understood, and he was very interested in just taking it and putting it in as an opinion piece in his trade paper. So we did that. Then we – the second one we did on-

Paul Nixon: And that was a co-produced...?

Donal McCabe: No, we did it as a Sight line and he said "Can I use that Sight line piece?" and we said yes. And he obviously had to edit it to fit in his space so he just ran that by us. And that's happened with a few of them actually, they've been done with that approach. One or two have stimulated a debate or an opinion piece.

So we haven't actively – we don't actively do it as a press promotion but we do send it to people who we think will be interested and if they want to use it we're happy for them to use it. It's public information.

Paul Nixon: And tell us about the reaction you got from the different groups of people.

Donal McCabe: It's been eye-opening really. People like it. They like having the fact that you've got a board director who's given thought to a topic,

expressed their views, put it down in writing, and it's there for them to look at. Now they might not always agree with it but it's there.

So it's got that key communication factor from a business to its stakeholders in that it's got some authority.

So we know it scores well and we know they get opened and we know that people look at them and we know which ones are probably more interesting than others because we know which ones get switched off quite quickly. (Laughter)

But it's interesting because if you then follow it through Twitter, when you launch these, you can see them gaining traction. And I wouldn't say that we've created a social media storm but we can see that they end up in some very interesting places. And I mean interesting as in they start hitting groups that we never would have thought.

We did one based around the carbon reduction commitment and some of the laws of unintended consequences we felt that would have. And it was interesting to see where that went through the blogosphere I suppose, to see what people saw. And we've done some more mainstream ones and we've seen where they've gone and where the press have picked them up.

And we've done one or two which didn't really get much shall we say public attention. We did one on debt. But we did see it got a lot of hits through Twitter and it got a lot of hits on the website, so there was obviously a core audience interested in it.

And funnily enough, some of the phrases that we used in that one we have started to see coming through. I'm not saying it's because people have read ours, but these phrases have almost entered into the dictionary. And it's partly probably just part of that process.

So it is very interesting. If you think about it, it's actually quite a powerful tool which puts the onus on us and the board of directors to make sure it's correct.

Paul Nixon: And what about from the analysts and so on, because I think...?

Donal McCabe: Yes.

Paul Nixon: As you mentioned, there was some interesting feedback from them.

Donal McCabe: Yes, they like it. I think that the key thing for any analyst is that it's often the CEO or one of the board directors speaking, or a very senior manager. So it's somebody, if you were following a company, why wouldn't you be interested in what they've got to say? And why wouldn't you take that just to get an understanding of the company? And that's what we've seen.

I think the feedback we've had has been very positive, but it's always tempered with the key is to make the topic interesting. "We don't just read these because you do them. We do it because often it's on a topic that we are interested in."

So again, like I say, companies doing restructuring and the onus it puts on us as property landlords is still of interest 12 months on. So it's not a surprise that we get good feedback on that.

If I'm being hand on heart, the one around the carbon reduction commitment, probably the analyst community didn't touch it very much at all. But a lot of our other stakeholders will have, such as local authorities and some of the NGOs or third parties that we deal with.

Paul Nixon: And if you compare the Sight line pieces with, say, your press release section – or maybe even other areas on the website –

which do you think would have the most influence or power to influence people, stakeholders, visiting the site?

Donal McCabe: I'll have to be careful what I say otherwise I could do myself out of a job writing press releases. (Laughter) I think I'd struggle to go for one or the other and I'll explain why; it might help.

Press releases often reflect events and action within the business. And sometimes the small press releases, maybe over one small letting or something in the business, might not mean anything on their own. But if that's the 12th one you've done in three months it shows there's a momentum in there. And they're all important, as you get a view on the company. Because that's what people do.

Sight line is a bit more of a thought piece about an issue that's resonant – or resonates – with the stakeholder. So it depends on what people are looking at.

I think they have to exist together. I don't think you could not do press releases and do Sight line. Likewise, you couldn't do Sight line and have the authority that you're a dynamic business who's at the forefront if you haven't got a media sector showing all the work that you're doing. So I think there's a co-relationship there.

Paul Nixon: And in the wider sense, how much effect do you think that the overall corporate website has on reputation and perception about the company?

Donal McCabe: I think it's huge. I think it's probably – it's big. It's probably like what's happening in retail with website shopping or internet shopping. It hasn't taken over as to be the only thing, but it's certainly – for most retailers it's their biggest store at Christmas. So

they sell more on the internet than they will in even one of their megastores.

And it's a bit like that I think for companies. It's big. It's probably one of the biggest components, but it doesn't dominate to the exclusion of all else. You still need to have a pretty broad shift of appeal of getting information out to people. But it's only got potential to grow. It doesn't look like to me it's ever going to shrink.

Paul Nixon: Yes, look at this thing that just passed.

Donal McCabe: Yes. Bits within it, such as you know blogging and Facebook pages and Tweeting, where that goes is very interesting. You think it's going to be around for a long time, but history would seem to suggest there will be a new version of it at some stage. So within it there might be some shifts in the dynamic of it, but it's still going to be there. And companies are alive to that. We can know that by looking at just how companies do it.

Paul Nixon: I was going to say what's your current position on looking at the social media side and influencing reputation or protecting it?

Donal McCabe: Well I think it's protecting it. Influencing it, I think that social media is almost designed so that companies like us can't influence it.

I think that the way it goes – and the people who are very social media savvy are very quick to spot companies who are playing games I think.

I think the aim is – social media is almost – I use the words – they're probably slightly ill-advised – self-regulating. If it looks like it's been spun or style over substance it would get seen through. And of course there are always one or two renegade opinions that can appear as well.

I think companies have to manage their reputation through it and I think there are probably some very clever companies who can get one or two hits of creating a social whirl and a social sort of – a rising star of a product and things like that, but...

Paul Nixon: You have to be in the right industry for that.

Donal McCabe: Yes. I think if you think you can manage it and you think you can get it right every time I suspect you probably fall into the alchemist category. So I wouldn't like anyone – I wouldn't hold with bold predictions around that.

I just think it's one of these things. It has a role and it's up to you to decide how you want to use it and how it suits your company.

Now we are not a massive business to consumer company, we tend to be business to business. So social media for a lot of our business would be very limited about the sort of people you'd be targeting. Our shopping centres however, that we have out there, they do want to target shoppers to come in, so social media is a big part for them.

So it's really what part of your business and who you're trying to appeal to and do it on that basis rather than saying "We've got to do something."

Paul Nixon: Yes. It's just about knowing where the people are and using the appropriate channel for that.

Picking up on something you said about the spin side and making sure that you're credible, I mean what sort of things do you think companies need to do to come across as credible in their web communications and so on?

Donal McCabe: I think you have to be accurate. You have to have lots of information on there. I'm not the expert, but I know I have a view. It's like anything, you have to give people information quickly, but what you have to acknowledge is that some people might want to get a little bit more information or to go into more detail on it.

And the key thing, for companies who I think want to build credibility, is you can give them that information. Nobody likes to go on a website that after you think "Oh, well that's interesting. I'll just see – I want to find out a bit more about their history or their social responsibility" and you click on and there's just no second page, it's just a load of motherhood and apple pie statements.

So you have to have a bit of substance there, you have to have an opinion. You have to be able to say "We don't regard this as an issue for us."

I learnt a lot from some colleagues of mine at Boots actually. And Boots had on their website – and I haven't checked whether this is still the case but I'd be stunned if it isn't. They have a section on which chemicals they will use and which chemicals they won't; and why; and what the latest stage of research is.

And I was always amazed at how powerful that was. When you've got groups coming on to you, or journalists coming on who will say "Well what's your view on benzenes and things like that?" You could just say "Well go on the website. We'll tell you whether we believe that research or whether we don't. We'll tell you how we're using it. We'll tell you whether it's on our watch list, that we think that there might be some concern but there's not enough proof so we continue to use it in minimal amounts."

And I think that was the perfect example of a credible, trusted brand acting very credibly. Nobody could argue that they weren't telling you the truth. They weren't just giving you a load of "Don't worry about it, you're safe with us." If you wanted more detail you could find it. And I think that's what good companies do.

Paul Nixon:

And the final question, because we're tight on time, is about how you choose which media to use and whether you think that has an impact on people's impressions.

So obviously the chance to see the whites of the eyes of the chief executive can help and that's why in many analysts' presentations people have gone to webcasting and so on. But do you have a view on which media to use or trying to maximise the use of video or what approach to take; without breaking the bank obviously?

Donal McCabe:

Well I think you've hit a very pertinent nail on the head, which is budget. I think that we can answer this question in so many ways.

I think that it comes back to the core. Who is it you're trying to reach with a certain message? Which way do they prefer to receive it? So you take that as your core. That's the essential way.

So we know say for instance around results that lots of people want to come, they want to sit down, they want to see the management present and they want the chance just to quickly chat to them over a cup of coffee afterwards. Others are happy to see it on a webcast.

So we know that there are different ways and you just have to cater for that. And you have to deal with what's practical and what you can afford.

I think that the danger you can get to is that you could throw a lot of money at it and in terms of a value there would be a diminishing return on some of the edges of what you're doing.

So better to start off with things you know work and add to them rather than start off trying to do everything and then try and draw back. Because once you've started doing something it's very hard to draw back on it, because even if it's only six people that say "Well that's how I prefer it," you've started a relationship like that. So you have to be a bit wary of that.

The other point I'd say is what I haven't quite worked out is there are lots of agencies – this isn't a criticism – throwing lots of ideas at us about how we can improve our digital communications say and how they can do wonders for us.

At some point you have to be careful I think that what you have is a credible offer, not a twee or a cliché ridden offer, or something that's got more gadgetry on it than is really needed.

And I am not the expert on that but that's one of the things that sort of makes me think "Well should we do this? Should we do that? How's it going to look? What's our core audience think?" But that just seems like technical advance for technical advance's sake. I'm not sure whether it really works. So these are the sorts of things that I worry about every now and then and chat to the team about.

Paul Nixon: But ultimately I think it's about the message and I'm sure – in terms of getting the right thoughts out there and...

Donal McCabe: Yes. I mean it is. I mean every company – I mean at its simplest what does a corporate comms director do? I think he/she helps the company tell a story. And I don't mean tell a story as in make it up

but to present the company so that people understand it and can take a view on whether they support that company or not.

Some companies throw so much information at you. As I always say, they don't wash you with the information they absolutely drown you in information. And actually often those companies are difficult to understand and to get a view on. But it's about presenting that in a way that people want to hear it or want to see it; and doing it in a way that's consistent.

And you've got to have something to say. If you haven't got a point to say or you haven't got anything that you need people to understand, then really do you need to be saying it?

Paul Nixon:

Indeed. And on that thought I think let's finish. So thank you very much for your time.