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# COMMUNICATIONS +

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Briefing Note

## Riding The Wave Of Political Instability

December 2019



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**MONTIETH & COMPANY**



Harald Krüger, the CEO of car manufacturer BMW recently said that a no-deal Brexit would be a “lose-lose” scenario. Business leaders like Mr. Krüger rarely voice public opinions about political events in the U.K. Taking a political stance has always been seen as a risky move with little upside.

And while other [industry leaders, including Sainsbury’s, Airbus, KPMG, John Lewis Partnership, among others, have warned that the lack of proper planning for Brexit](#) would be extremely harmful to the U.K., BMW’s stance resonated with the public.

The U.K.’s exit from the EU is now delayed once again to January 31st further contributing to the ongoing uncertainty. In the meantime, U.K. companies are assessing the impact of Prime Minister Boris Johnson’s Withdrawal Agreement, which was approved by the EU and gained majority support from the U.K. parliament. A general election has been scheduled for December 12th, which could divert the course of U.K. politics, but the expectation for now is that a deal will be made.

### What BMW Got Right, And Dyson Got Wrong

Before a deal was on the table, it was clear that BMW was doing everything in its power

to mitigate risk and ensure production of their Minis in Oxford in the event of a hard Brexit. The car manufacturer consistently communicated to the U.K. government, customers, investors, employees, and the Oxford community that, although a no-deal Brexit presented a high risk to the national economy, it would work hard to ensure no jobs are lost and the factory could go ahead.

The car manufacturer was pressuring the government to avoid a no-deal Brexit at all costs, warning of the disastrous impact this would have. Its public statements were clear, and set out good reasons for the business’ opinion. Quotes were confident and convincing and did not mention the wider question of Brexit. Impact from these comments has been minimal with no notable negative coverage on the statements.

At the other end of the spectrum, James Dyson, founder and owner of Dyson has been a strong supporter of Brexit and urged the U.K. government to leave the EU without a deal. Then in January he announced that he was [“moving the headquarters of his vacuum cleaner and hair dryer technology company to Singapore.”](#)

Dyson claimed the move was to support manufacturing of its electric vehicles and not related

to Brexit, but it sparked outrage in the U.K. regardless. According to the Financial Times, the vast majority of the public thinks that “he is a hypocrite: a billionaire Brexit supporter who has extolled the U.K.’s potential after leaving the EU, only to turn his back on Britain and move his company’s headquarters to the other side of the world — even though he employs more people in his homeland than ever before.”

In the case of Brexit, the ongoing uncertainty in the business environment and potential risks to the U.K. economy meant that CEOs were pressured to take a political stance publicly to protect their business interests. Communicating the negative impact to your business, and namely its employees, in the media can influence public opinion and also put pressure on political leaders to adopt a more accommodating stance. It tells your shareholders who is to blame for any loss in revenues.

Businesses taking a public stance on political issues is becoming more common, not less. However, as Mr. Dyson and Mr. Krüger show, there are different approaches to doing this – and neither comes without a risk.

### Core Communications Learnings

Few issues that any organization faces create as much of a burden for taking an integrated approach to communications as those that involved big political debates. Stepping into political theatre can mean hitting a PR landmine. Strategic planning must involve the entire C-Suite in weighing the risks and rewards of taking a position and the impact that will have on all stakeholder relationships, including government.

Effective integration shouldn't just be seen as a corporate communications/public affairs task. The CEO carries and embodies the message but every externally facing function needs to be aligned. This is a classic "communications cascading" exercise. The CEO might be saying the company is adapting to tackle climate change, but if your sales team can't explain to customers what those adaptations are, your communications strategy breaks down.

Regulatory and legal risks multiply when organizations engage on these issues. Just witness what some multinational organizations faced when speaking out on the Hong Kong protests, or on the US/China dispute. This puts an even higher premium on complete communications alignment within the organization. Getting an outside perspective on strategy and execution will also help ensure that any blindspots in the organization are detected long before they result in reputational damage.

### Additional Resources

-  [Dyson's move shows he thinks the Brexit opportunity will be squandered](#)  
(The Spectator, January 26th 2019)
-  [Brexit supporter Sir James Dyson's family company receives £5m in EU farming subsidies](#)  
(iNews, October 13th 2019)
-  [Dyson Founder's Brexit: UK's Richest Man James Dyson Buys Singapore's Priciest Home](#)  
(Observer, July 10th 2019)
-  [BMW may shift Mini and engine work from UK in no-deal Brexit](#)  
(Sky News, April 5th 2019)
-  [How car firms will alter their prices post-Brexit](#)  
(Autocar, October 22nd 2019)
-  [Brexit uncertainty sparks collapse in car industry investment](#)  
(Car Magazine, July 31st 2019)

# PR TAKEAWAYS Riding The Wave Of Political Stability

## About Montieth & Company

Montieth & Company is a global specialist communications consultancy, dedicated to enabling organizations to seize opportunity and meet their greatest challenges. M&Co operates through six practice groups: Marketing Communications, Corporate and Financial Communications, Litigation Communications, Issues and Crisis Management, Global Content Services, and Public Affairs. Montieth & Company has offices in New York City, Washington D.C., London, Frankfurt, Paris, Madrid, and Hong Kong and projects solutions into multiple money and media center markets throughout North and South America, Europe, the Middle East, Africa, and the Asia-Pacific.



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