

Reinventing Communications to Set and Get Business Results

- *The company can no longer trade price for market share and is launching a new go-to-market strategy centered on collecting for value. How will you engage the sales force to embrace the strategy, stop discounting and adopt new selling methods?*
- *Your company's oldest, unionized plant has moved from straight-line assembly to cell manufacturing. Since the cells came into the plant, quality and productivity have plummeted. How do you foster a team environment to involve employees and turn around plant performance?*
- *Your company needs to reduce inventory, which requires cross-functional planning and measurement against total delivered cost and customer satisfaction. How do you rally employees to make decisions based on company and customer goals instead of departmental goals?*
- *CEOs are now required to sign off on financial statements. How will management ensure that employees at every level of your organization are willing to bring "bad news" to the top?*

More than ever, business leaders recognize how effective communications can affect business issues like these. As a result, greater expectations are placed on Communications functions, and many of them are delivering. Once looked upon only as a staff service function, yesterday's "spin masters" are reinventing themselves into high-performance functions that partner in decision making and strategy execution.

To deliver the goods in this new role, Communications functions have to rethink everything they do: their very reason for being in terms of *mission, organization* and *staffing*.

Mission: Defining Your Contribution

Companies are looking to Communications functions to help manage real business challenges—market strategy, quality improvement, supply chain integration and corporate governance, to name a few. Departments that focus on such results “get a seat at the table” and receive resources to get the job done. The alternative: watch other functions do the necessary work and get the influence, resources and rewards.

That’s why establishing the right department mission is vital. In setting direction, the first question a function must answer is “How do we want to contribute?” or, “Where will we put a stake in the ground?” The choices made in answering these questions will affect everything the department does. Two well-known and respected Internal Communications functions articulated their contributions as follows:

Figure 1

Department One	Department Two
<ul style="list-style-type: none"> • Protects, enhances, preserves and promotes the brand (and the business) to all audiences. • Develops, implements and manages communication strategies that align management and support the direction that the business is heading. • Bridges the gap between the company's long-term vision and the current situation by developing and implementing strategies that audiences can understand • Provides the organization customer-focused coaching and consulting. • Maintains an ear to various customers, works with the organization to ensure it is meeting the needs of its audiences. • Promotes a shared responsibility for achieving results. 	<ul style="list-style-type: none"> • Aligns the organization around key business goals so that all employees understand the direction the company is heading and see how they fit in. This includes engaging management and motivating the employees. • Helps the organization understand the importance of communicating the same message to all audiences. • Coaches management on the principles of simple, concise, consistent communications to all audiences. • Helps identify areas of vulnerability--and provides strategic counseling to help the organization respond appropriately.

There are a number of similarities between the two approaches. Both departments provide fundamental communication services to their organizations, which are not specifically articulated here. Both indicate a role as **coach to management** and **instrument of alignment**. Both support

the concept that the Communications department acts as **management’s eyes and ears** to the world. Both departments also identify their role as **management’s interpreter**.

While there are many similarities, there also is an important distinction. Department One has set an aggressive role as participant in **managing the company**. It clearly states that the department “protects, enhances, preserves and promotes the brand (and business) to all audiences.” Its mission has a **strong connection to business results** such as improving customer satisfaction and reducing operating costs.

Department Two defines itself more as an instrument of management – a department that executes management’s will after the goals are set. This department’s results are communications oriented, measured in understanding and message consistency.

In defining a mission, a Communications department faces an important decision: *Long term, how aggressive do you want to be in participating in the management decision-making process? Do you want to actively participate in and influence critical business decisions; or, do you want to execute the communications around decisions after they are made?* How the department answers has implications on its results-orientation, role in the company, organization, staffing and the level of risk and reward it takes on. **Figure 2** illustrates the three primary paths to which a department’s mission can lead: strategic influence, strategic communications or communications execution.

Figure 2

	"A" Strategic Influence	"B" Strategic Communications	"C" Communications Execution
Mission	Drive business results/influence business decisions	Support decision making/convey knowledge, information and motivation	Service requests
Results Orientation	Financial and operating metrics	Communication metrics	Tasks, service recognition metrics
Organizational Structure	Organized around results	Organized around communication disciplines	Organized around clients and channels
Staff Requirements	Senior business people	Communication experts	Communication skills
Risks and Rewards	High	Medium	Low

These options are not mutually exclusive. In fact, Communications departments must have a leg in each camp to get the job done. Nonetheless, how leadership envisions the department's role, even if it is an aspiration, will determine its staffing decisions, training and department structure. (Conversely, if the decision is not made deliberately, events will dictate the answer *to* the department.)

Today, companies are calling on their Communications functions to act in the "A" dimension, as a strategic influence, more often, while also acting in the other two dimensions. A Communications function can operate in this dimension at various levels of the organization and position itself to influence decisions of greater import. To do that, however, the department must organize and staff itself to make operating in the various dimensions possible.

Organization: The Schematics of Success

Your Wish Is Our Command:

Communications Organized as a Service Function ("C")

Departments operating in the "C" dimension **act as service bureaus for their organizations, and are set up around clients and communications channels.** When a function is organized to execute communications, department employees focus on specific jobs. In this model, communicators manage specific channels (such as the company newsletter), and are on call to do specific jobs for executives or departments.

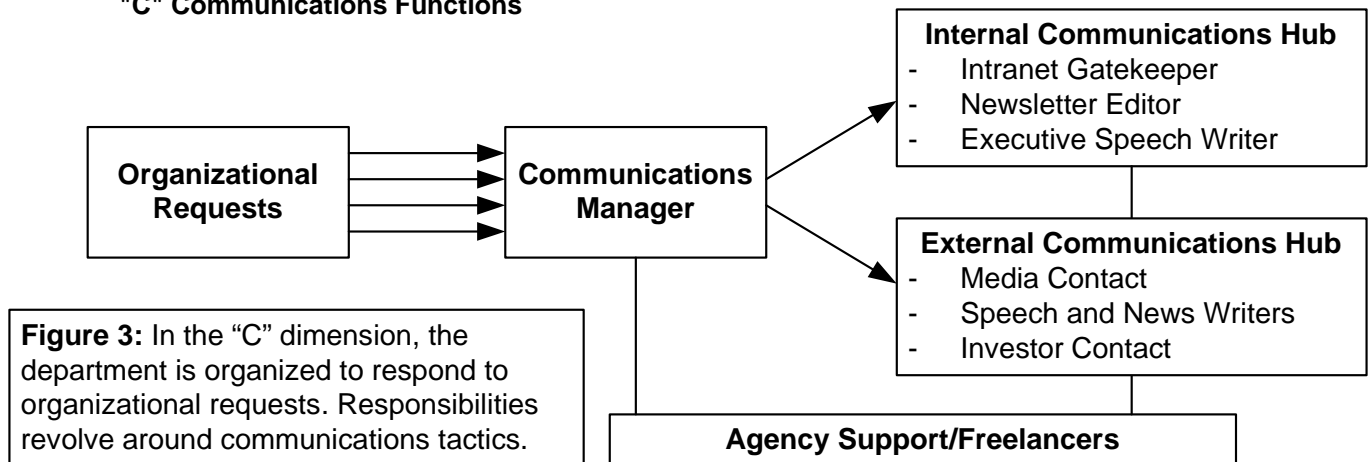
Departments operating only in this dimension can use it as a platform to move into more advanced areas. These responsibilities can be used to develop new relationships within the company and to grow the department's influence by providing solutions instead of simple services. For example: A sister department calls Communications for a video, and Communications offers a different solution: a face-to-face meeting tour, which will have a greater impact on the sister department's objectives.

Organizing a Communications department as a service function typically requires an ability to apply specific communication skill sets to specific communication problems, and making those skills readily available to the rest of the organization. Individuals within the department usually work for various parts of the organization. In other words, people call and Communications serves their needs.

Communications skills are very important to departments organized to serve channels (i.e., publications editor or senior speech writer) and clients. These skills include strong writing, editing, listening, channel knowledge, presentation skills and the like. These departments measure success against service metrics that focus on the number of engagements (speeches written, publications distributed), services provided and client (executive) satisfaction. The risk level in this area is commensurate with skill levels. For example, strong writers usually deliver good writing, so if people are skilled, the risk is relatively low.

While the “C” function enables some information sharing, the scope and breadth of this dimension’s reach is limited, at best. This model does not facilitate systematic top-down communications from leadership to employees, nor does it permit opportunities for employee feedback or cross-functional communications. In this dimension, Communications departments are not organized to effect significant organizational change or real business results. These departments are organized around tactical activity and are typically housed in the human resources, marketing or legal functions.

"C" Communications Functions



Consult the Experts:

Departments Organized for Strategic Communications (“B”)

In the “B” dimension, **Communications acts as a focused function to do the job of communications in the organization.** This department might provide services, but the focus is on doing its job, not the job of others. If an executive needs a speech, the department will write it *if it serves the communications needs of the organization.* This concept is not so foreign when other functions are considered. For instance, the accounting department’s job is to track financial information and provide it to management in an understandable and usable format. They might help another department with a budget in a pinch, but they are not going to do it as a matter of course, even though the task involves numbers.

The “B” Communications function sets broad objectives beyond “client service” or executive support. Historically, this job involved taking management’s larger, strategic messages and delivering them to employees. The job takes on the additional responsibility of facilitating upward communications to management. “B” departments often are considered the “eyes and ears” of management, requiring a much more focused and strategic approach to channel management and communications infrastructure.

Strategic Communications functions often are structured around communications disciplines, such as internal communications, public affairs, investor relations and others. They are staffed with experienced communications professionals, all reporting up through a hierarchy to a functional head, who may be on the executive team because leadership believes communications is important. Communications expertise and experience in this dimension is essential. These departments use communications metrics such as employee awareness and understanding of strategies, internal reputation management, intranet usage, movement in communications scores in an employee survey and other communications-centered measures.

Departments operating in the “B” dimension add credibility and depth to the Communications function. These departments take on greater risk as functional experts and, therefore, have greater autonomy and carry greater clout within the organization. This approach builds upon the “C” function, but still is not necessarily set up to give Communications a seat at the decision-making table.

"B" Communications Functions

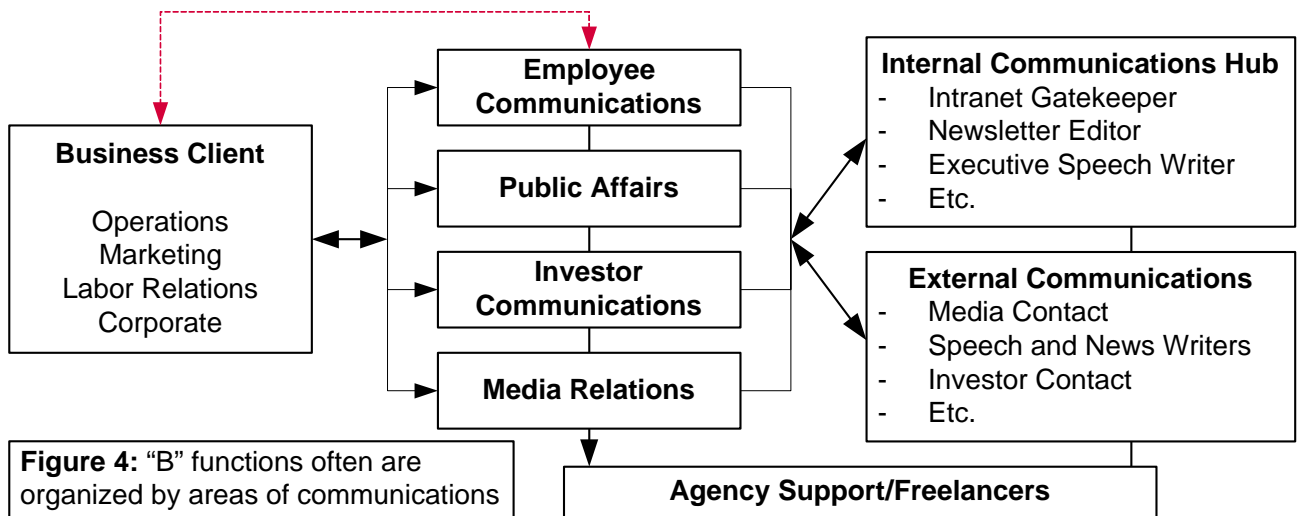


Figure 4: “B” functions often are organized by areas of communications expertise. The department is responsible for managing company relationships with various audiences.

Get In On the Action:

Communications Organized to be a Strategic Influence (“A”)

A new dimension of communications is emerging that extends strategic communications expertise deeper into the realm of management decision making and strategy execution. In the “A” dimension, **Communications works to help run the business, not just report on it.** Sometimes, there is confusion about how the “A” and “B” options differ. A real-life situation may provide a more practical understanding of each.

As part of its long-term strategy, a manufacturing company was considering building a large offshore facility to reduce its dependence on unionized domestic plants. Management believed that the facility would provide negotiating advantage. Leaders of the Communications function participated in the management meetings that developed and debated strategy, and could have served two roles in this process:

- In the “B” dimension, they would have taken management’s decision to build the offshore plant and communicated it to internal and external audiences as best they could. Their primary goal in participating in the strategy meetings would have been to gain a deep understanding of the decisions to aid communications efforts.
- In the “A” dimension, they would have actively participated in management’s decision whether to build the offshore plant using departmental knowledge of what the organization’s unionized employees would or would not accept, and what a focused, successful cross-functional initiative might accomplish in winning support (or union acquiescence) for management’s strategy.

In this particular example, the Communications department acted in the “A” dimension.

Communications participated in the decision and, based largely on their input, the company decided to build a smaller facility that was less threatening to the unions and represented employees. It also launched a multi-year, focused business effort to build greater understanding among represented employees of the business issues and strategic necessities for the long-term viability of the company.

In this case, the decision making was at very high levels and in a critical situation. There are many decisions with various levels of risk in which Communications departments can participate to help run the business, while also building credibility to earn an invitation to help answer the critical questions surrounding decisions:

- *Given employee relations, do we negotiate higher medical co-pays in the next contract?*

- *Do we stop the assembly line to fix quality problems along the process?*
- *Do we take a hit in market share to improve our profitability?*
- *Do we limit customer choices to improve manufacturing efficiencies?*
- *Do we eliminate forced overtime to reduce absenteeism?*
- *Do we limit the market segments we serve to focus the business on core competencies?*
- *Will a downsizing really net the savings we expect?*
- *Can we get the synergies we expect from this acquisition?*
- *Should we close current distribution operations and outsource our requirements to capture greater efficiencies and lower costs?*

These types of issues are often considered the purview of line management, and rightfully so. In the strategic influence dimension of communications, however, the Communications function acts as a line function responsible for line results. As such, Communications is evaluated on those results, not executive inputs. The risks associated with this approach are higher, but so are the rewards.

Communicators operating in the “A” dimension require a greater degree of business experience than in the other dimensions. They combine business experience with communications expertise. This is necessary to determine what the function can accomplish from a business sense, not just a communications expertise.

In dimension “A,” much of the channel infrastructure is intact. So are many of the traditional communications functions such as media relations. These functions serve as tools for the department, which generally are used by communicators providing support to other departments or organizations. The greatest difference in structure emerges as Communications staff becomes assigned to specific issues (such as those listed above).

As they relate to these kinds of issues, communicators are removed from traditional silos and responsibilities and, instead, assigned to business metrics and objectives. For example, a Communications staff member might be assigned to the team that is trying to "capture the full value of an acquisition," or to the cost reduction team that is assigned the responsibility of finding \$20 million in savings, or to the function that is trying to improve manufacturing quality or to drive the business strategy into the organization. This approach forces new and aggressive thinking among the Communications staff. It also changes the relationship they have with line management, as collaborators and business partners.

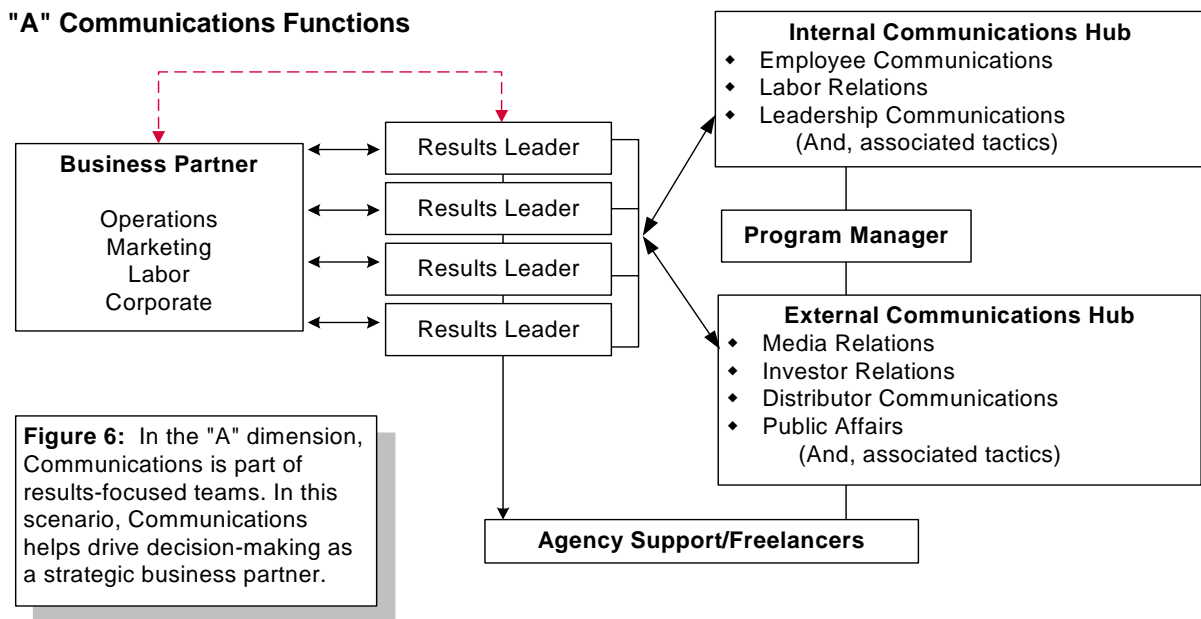
Planning for Results

The most effective communications start with a connection to an organization's business objectives. In the "A" dimension, the yearly Communications department objectives closely mirror what the company as a whole is attempting to achieve. If a Communications department plans against financial metrics and ties communications to business goals, communicators and management will ensure their work adds value in a measurable way. This "planning for results" approach requires the Communications team to think and plan differently. Here are some general rules of thumb to get a team on the right track.

- **Start with the company's business objectives:** Understand the company's primary business objectives: *Is the company trying to reduce variable costs? Does the company need to reduce inventory lead times? Does the company need to lower absenteeism across its manufacturing facilities? Etc.*
- **Identify the results your department can affect:** Some business objectives are outside the influence of Communications, but not many. After understanding the company's goals, dig deep into each objective and identify if the result requires employees to think about or behave differently in their jobs. If so, Communications can affect the result.
- **Attack issues and their behavioral root causes:** Business results stem from employee action, and employees behave in a certain way because of their beliefs shaped by past experiences. In order to address issues in an organization, Communications must get to the "root cause," or the experiences that drive employee behavior. Changing the employees' experiences will change their behavior.
- **Provide clarity, information and inspiration:** Communications can play a significant role in aligning employees to execute the company's strategy and achieve its objectives. In starting the effort, the Communications function must cut through the clutter to clarify what it is the company *really* wants employees to do. The department must meet employees' needs for information that is critical for them to do their jobs. Finally, yet most important, Communications must give employees a reason to care (inspire them to action).

In Dimension “A,” the metrics by which Communications initiative owners are measured do not differ from the financial and operating metrics with which line management is charged. The staff certainly uses communications metrics to determine communications strategy and to ensure quality of implementation, but communications improvement does not equal success: Only bottom line results matter.

Reinventing your Communications function into a high-performance business team requires that your staff operate in all three dimensions. When organized together, the high-performance Communications department might be structured along these lines:



Staffing for Success: Eight Special Ingredients

If today’s high performance Communications teams are to contribute directly to the bottom line, they must function in ways outside the purview of traditional communications: influencing and aligning management’s decision making; partnering with other functions to help the company meet

its objectives; winning employee support, commitment and action for the business strategy; and driving cross-functional/cross-divisional work (to name a few examples). Placing the right people in the right positions is critical to the successful reinvention of a Communications function.

As a department organizes to meet the pressing, chameleon-like requirements of today's business environment, attention must be focused on staffing. Of course, Communication team members need to have strong verbal and written skills: those competencies are green fees. However, as the department expands its reach and builds its capabilities to act in all three dimensions, these additional core competencies will become increasingly critical to its success:

Business acumen is critical to winning the respect and trust of the organization. If communicators do not have a good understanding of how the company works, their ability to counsel top management and provide value in the decision-making process is severely limited. To function in the "A" dimension of communications, department employees must focus on the business first.

Bias for action is at the heart of strategic influence. Achieving results requires action. Communicators with a bias for action seize opportunities to make a difference in the company's performance. Without a bias for action, communicators often end up falling into the trap of "reporting."

Common sense generally is not identified in a job description, but as the cliché goes, common sense is not as common as you'd think. It's critical for this function. Communicators who provide strategic influence must be able to look through the clutter of the workplace and their own biases in order to see the truth in a situation and the various realities affecting people. They must be able to quickly identify what will work at the earliest possible stage, separating fact from fancy, to provide management with effective counsel and influence their thinking at critical times. Life experience is more important than formal training in this regard.

Interpersonal savvy enables communicators to build trust and respect with the audiences they are addressing: front-line employees, business unit leaders, middle management or senior management.

The ability to understand the different realities of each of these groups, how to champion their perspectives and defuse high-tension situations is essential to success, as most business results are reached through compromise among varying viewpoints.

Positive attitude is realistic optimism. It is not “cheerleading” or “sugar coating” information. When leaders are faced with a tough challenge, they know all too well what can go wrong. To them, finding solutions is much more valuable than issue identification. Communicators must see the opportunity in things more than the barriers, and have a bias toward taking action to make things happen. Communicators must be energized by tough challenges and committed to finding solutions.

Comfort around higher management and willingness to stand alone are key to the success of “A” dimension communicators. Companies’ decision makers usually are high-level managers and executives. If communicators are to provide strategic counsel and earn a seat at the decision-making table, they must have an ability to work one-on-one with leaders and feel comfortable enough to push back when leaders’ ideas do not make sense.

Dealing with ambiguity is essential in today’s rapidly changing business environment: As the saying goes, *those who do not change are left behind*. Dealing with ambiguity includes flexibility, ability to shift gears comfortably, risk taking and effectively coping with change. Industry and Wall Street dynamics will affect company goals and strategies. As the company changes direction, so must its communications approach.

Passion for the job and the business is a must. Period. If communicators are not energized by the business and passionate about the company’s success, it will be very difficult for them to ignite those feelings in others.

The Road to Reinvention:

It's not just what you do, but how you do it.

Communications functions across corporate America are working to reinvent themselves to deliver what the business needs to be successful. For high-performance companies, Communications is leveraged to new levels, as it is becoming clearer that Communications delivers bottom line results.

Indeed, a recent study conducted by the USC Annenberg Strategic Public Relations Center found “there is a correlation between the [Communications] budget and the degree to which [Communications] is believed to make a contribution to corporate strategy. This connection suggests that there is a financial benefit when [Communications] secures a seat at the strategic table.” (The Holmes Report, v.2 no.45, Nov. 18, 2002)

The closer a function can get to creating a multidimensional approach, the more it can affect bottom line results. Once a Communications function has set the right mission, organization and staffing, it can delve deeper into how the organization's communication style/culture affects performance.