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The Role of Communications in Business Transformations

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Communication is the Rodney Dangerfield of change management. Like the late American comedian, it gets no respect. It's underappreciated when things go right and vilified when they go wrong. In organizations that successfully implement major change initiatives, the contribution of communications is easily taken for granted. But in organizations that don't, a "failure to communicate" is almost always identified as one of the culprits.

This very observation makes the case for businesses to take a closer look at the role of communications in major change initiatives. For while an effective communications strategy doesn't necessarily guarantee the success of a business 'transformation' – what John Kotter defines as "(making) fundamental changes in how business is conducted in order to help cope with a new, more challenging market environment¹" -- its absence pretty much assures failure.

The good news is that most organizations that think beyond simple command-and-control management models can increase the likelihood of success with business transformations by using communications as a strategic advantage. The challenge is to do it.

Using Communications Strategically

The purpose of what we call "transformational communications" is to connect the process of change with the business strategy that underpins it. It's to condition the organization for change, to introduce new thinking and processes in a positive way and to propel the new initiative forward. Without a purposeful communications strategy, the goals of big change initiatives quickly become detached from the day-to-day activities of the very people who have to achieve them. How many quality initiatives, reorganizations, and reinventions have been dismissed as flavours of the month before they ever got off the ground?

In contrast, an effective communications strategy places the whole transformation initiative in context, stanches early cynicism and lays the foundation for progressive engagement inside the organization. It also sets the stage for communicating change outside the organization – an important step when facing skeptical shareholders or forging stronger ties with supply chain partners.

In short, communication plays a pivotal role in the success or failure of a business transformation, whether it's buying or selling an operation, executing a merger or acquisition, or introducing a culture shifting productivity initiative.

But – and here's the kicker – just having a communications strategy does not make the difference in and of itself. By definition, 'business transformation' implies behavioural and cultural change as well as functional change. For communications to properly support a business transformation, it needs to be a driver of change, not just a series of street signs along the way.

Given the stakes, communication should be at centre stage of the overall business strategy. From there, it can play a strategic role for the organization by accelerating and facilitating the

¹ John P. Kotter, "Leading Change: Why Transformation Efforts Fail," *Harvard Business Review*, March-April, 1995, p.59.

transformation effort. But when it's positioned as a mere adjunct to the core strategy, disappointment looms.

Common Mistakes

So, better communication equals better results. But if that seems obvious, why do so many transformations fail? Why is the success rate for business transformations barely one in three? Why do only half of mergers and acquisitions successfully achieve their objectives? And why does Kotter identify a failure to "communicate the vision" as one of eight reasons for transformational failure?²

Part of the answer is that, even when they recognize the importance of communications in the change process, most organizations don't use them properly. In our experience, organizations tend to commit similar and predictable mistakes when deciding how to fit communications into their transformation plans. Among them,

- Company leaders equate *giving orders* with *communicating*, assuming that the workforce has an overarching obligation to execute the strategy formulated by the Board and senior management team. That may well be, but this approach inevitably focuses employees on executional duties rather than on end goals; as a result, the opportunity to use communications to drive change is lost, or at least diminished.
- Technology is used as a substitute for engagement. While technology offers efficient message delivery options in large organizations, it tends to dampen the motivational impact that communication can have in a major change initiative. When putting your people in the vanguard of change is critical to the success of the initiative, technology is a poor substitute for face-to-face communication.
- Responsibility for the communications strategy is handed to Corporate Communications. Leaving aside the fact that they have too much to do already, communications departments are inherently conservative; their job is to structure and control the message and the delivery system rather than to drive change..
- Communication is treated functionally rather than strategically. Put out a news release? Check. Place an article in the newsletter? Check. Discuss at team meetings? Check. All good, and necessary, but how do these activities support the *strategic* objectives you are trying to achieve? Do they help achieve the desired change or do they simply report on it? The revolutionary's mantra about capturing the communications network first rarely applies in corporate environments.
- Formal communication occurs too late. When a major change initiative is announced at – or after -- its launch, attention inevitably focuses on the initiative itself rather than on the business problem it was designed to solve. How different is the effect when you talk to employees about the issues that give rise to, say, a big cost cutting project or a Six Sigma program *before* launching the initiative rather than after the fact?

Once these 'mistakes' are made, it is very difficult to undo them. When communication is viewed as a business function rather than a business driver, the opportunity to make the workforce an agent or proponent of change is significantly reduced.

² Carolyn Aiken and Scott Keller, "The irrational side of change management," McKinsey Quarterly, April 2009. Mark L. Feldman and Michael F. Spratt, *Five Frogs on a Log*, (NY: Harper Collins, 1999), p. 9. Kotter, *op.cit.*

This shouldn't come as a revelation. Only a generation ago, many corporations didn't have Human Resources departments as we know them today. Instead, 'personnel' departments dealt with manpower planning, administration and labour relations, but harnessing 'people power' was not necessarily viewed as a strategic priority. Today, few would argue that recruiting, developing and retaining the right people is at least as important to a company's overall business strategy as IT, R&D, Finance or Distribution.

Similarly, communications is still underutilized as a strategic function in most organizations' change management efforts. Those that do use communications in this way have a definite leg up on their competitors.

The irony is that it doesn't take a ton of money or a paradigm shift to make this happen. Most organizations already have some sort of communications infrastructure in place, and often it's very sophisticated. What is needed is the determination to re-deploy communications as a driver of change and a serious plan to make it happen.

How to Make the Shift

In this context, four big changes are required to increase the likelihood of success in business transformations: 1. *Integrate* communications into your strategic plan; 2. *Start with communications first*; 3. *Aim the communications plan deep into the organization*, and 4. *Call in the experts*.

Make Communications Part of the Strategic Plan

"But," you might argue, "we do make communications part of our transformation. Our senior communications guy is an integral part of the planning team and we recognize that we can't execute if we don't communicate."

This perspective is common, but it doesn't go far enough. While it certainly makes communications part of the planning process, it doesn't necessarily make it part of the strategy. The question to ask is whether your communications plan is primarily executional or truly 'strategic.' For example,

- Does it *speed up* the transformation by removing barriers to acceptance, e.g., by bringing union, government and community leaders onside, as well as internal work and business units?
- Does it *differentiate* the transformation effort from past initiatives, particularly unsuccessful ones in the eyes of cynical managers, supervisors and employees who've "seen it all before?"
- Does it engage *customers* so they'll be prepared for the changes that lie ahead?

In one instance, we visited various European facilities of a global manufacturing firm to determine how best to introduce a new, enterprise-wide lean manufacturing initiative. Initial reactions were skeptical, and upon examination we discovered that much of the resistance was based on language (the company used English as its official language, which the locals resented) and the perception that local productivity initiatives were being cast aside in favour of the new corporate program.

By establishing a formal communications work stream that, among other things, encouraged communication with local employees in their local languages and married local initiatives with the larger initiative *before* the campaign was launched, the corporation garnered the support of the European facilities and accelerated implementation of the global program.

In another case, a major retail chain recognized that its primary competitors held radically different views on external communication. One competitor was publicity averse, avoiding the headlines to reinforce its image as a no-frills operator. Another typically deferred public comments to its trade association.

The retailer in question, which itself had a long tradition of not speaking publicly unless publicly spoken to, concluded that it could reposition itself in the marketplace through a communications strategy aimed at exploiting the image of an undisputed industry leader. Over time, the strategy contributed to a substantial increase in market share.

In both cases, communications strategies were part of the business strategy, not just support services for other business functions. Companies that use communications as a strategic asset at the very least have a bigger toolbox to work with, and depending on the initiative, may realize a significant *competitive* advantage.

Put Communications First

Articulating the vision is one of the key roles of leadership and one of the key areas where business transformations can fail. Visions are aspirational; they define an ambitious future state that everyone in the organization strives to achieve. If you communicate the vision after the strategy has been activated, ownership of that vision is taken away from the very people whose efforts are needed to achieve it.

On the other hand, if you let your people know where you're going before you go there, then you have the opportunity to mobilize their talents and energy to help create and sustain the change you need.

Obviously there are times when confidentiality must be maintained, but when it comes to major change, communicating retrospectively is less effective than communicating prospectively. Employees can feel when change is in the air. Communicating early in the process removes much of the fear and suspicion associated with the sense that one is not in control of one's destiny.

This doesn't mean that the leadership team has to disclose everything as it happens; if anything, deploying a systematic communications plan should give you greater control over the message and the information you want to release.

In addition, starting early helps reveal barriers that might otherwise surface at a later point in the implementation process, as, for example, with the language issue identified above.

The solution is pretty simple. Just as communication needs to be baked into the development of the strategy, it needs to be placed at the beginning of the implementation plan. Communicate

first; then execute – it's a simple principle that eludes even the most sophisticated organizations.

Aim Deep

Traditionally, communications plans come up short. They focus on developing and distributing information, but shy away from prescribing what their audiences should do with the information. Their goals are to create awareness, and maybe understanding, but action and behavioural change is usually left to line management.

Business transformations demand more. The key question in a transformational communications plan is not “how do we get the message out?” but “how do we use communications to create change?” Can the communications plan help the organization achieve the desired changes faster, smoother, and more consistently than other organizations that don't have such a plan?

It can, but it has to be much more ambitious than the traditional communications plan.

First, it has to be *comprehensive*. It has to cover all audiences, stay on point religiously, and maintain total alignment from the senior leadership group right through the shop floor. It must ensure that all business segments and functions give equal weight to the initiative, so the initiative doesn't end up being portrayed as a peculiar obsession of the operations group, the human resources group, or indeed of the CEO.

Second, it must provide clear instructions for *cascading* information through the organization. The traditional path, where information is sent to managers and supervisors, who are then responsible for communicating with their staff, is simply not sufficient to ensure that everyone in the organization understands the depth of the commitment or the leadership group's expectations in terms of final outcomes. Often the managers and supervisors are the barriers themselves. The communications plan needs to spell out the minimum requirements for driving these expectations all the way down to the most basic work unit.

One method we have used with success is to introduce a suite of standard communications 'vehicles' ranging from regular team meetings to on line forums and performance trackers. The point is not to create new communications channels for their own sake or to increase work loads, but to ensure that everyone in the organization uses similar instruments and follows similar practices to advance the transformation effort. The introduction of common disciplines reduces the anxiety associated with the unknown, signals the importance of the business transformation throughout the organization and above all, ensures that communication actually gets through.

Third, the plan should provide a full complement of support materials to enhance learning and understanding of the transformation effort. These need not be elaborate – an intranet site, regular addresses from the CEO, reference materials and periodic progress reports are all important components of the transformational communications plan. They also relieve the burden on managers, who can now spend less time convincing their troops and more time addressing specific challenges in the workplace.

Fourth, the plan should be broken into phases, each building on the achievement of objectives in the preceding period. To guard against information overload, or of intimidating people with the enormity of the transformation, the communications plan should move progressively from, for example, generating awareness in Phase 1 to building support and knowledge in Phase 2, to engaging workers in actual applications in Phase 3, and so forth. Each phase should have a clearly-defined purpose with its own set of objectives, deliverables, action items and performance measures.

And finally, as the initiative progresses, each phase should track and promote the initiative's progress, while recognizing team and individual achievements. And performance results should always be related back to the business objectives that gave rise to the transformation effort in the first place.

Call in the Experts

Can a transformational communications strategy be executed from within?

The answer is, "potentially," but the likelihood of success is greater when a third party is engaged to help. The reasons are mostly practical:

- First, the initiative is a *business transformation*, not a step-wise policy change or a modest promotional event. The engagement of outside expertise and the creation of a separate, dedicated communications plan signals the fundamental nature of the transformation and the magnitude of the organization's commitment to change. It also breaks the inherent conservatism of the organization.
- Second, a dedicated plan keeps the initiative from becoming entangled with competing communications priorities. It ensures that the transformation effort will stay on course as internal staff struggle to balance other communications duties, from investor relations to employee recognition events. While some might anticipate that internal staff could resent the presence of 'outsiders,' our experience is that the additional help and initiative-specific expertise are in fact welcomed.
- Third, it enables the transformational communications strategy to reside in the division or functional area most appropriate to the initiative itself. The launch of a major quality, safety or productivity initiative, for example, can be delivered more convincingly inside the operations group than from a 'corporate' perch.
- Fourth, it enables the proponents to assign people who have the right combination of content, process and communications expertise. If one of the goals of transformational communications is to drive change into the field and onto the shop floor, then familiarity with the business operation and of the initiative itself is essential -- whether it's a lean transformation, a corporate social responsibility initiative or a business merger where a sense of urgency and the need for speed prevail.

None of this implies that the organization's existing communications functions should be ignored. Instead, it means that the communications plan may be led by outside personnel but must be aligned with internal functions with responsibility eventually migrating to internal staff. The role of the third party is to accelerate the transformation and ensure it stays focused on end goals.

Re-casting Communications

One of the challenges faced by communications practitioners in complex organizations is that we focus so much on communicating that we lose track of why we're doing it. Re-focusing communications on the end goals of a business transformation not only increases the likelihood of success with the transformation, but may also prove to be a strategic advantage in relation to competing organizations.

Unlocking the strategic benefits of communications is relatively simple in concept, but can be complex in execution depending on the organization. From a big picture perspective, the investment is as much one of commitment as of financial expenditure. Nevertheless, the benefits are well worth it when the stakes are high.

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