



“Effective communication drives business results that lead to success.”

The Most Successful Companies Communicate Better

Communicating effectively creates a myriad of benefits, especially increased shareholder return and higher market valuation

EFFECTIVE COMMUNICATION PERFORMS A CORE corporate role, vital to your company's financial capacity as well as to your overall success.

This success encompasses many measurable factors:

- ◆ Increased market valuation.
- ◆ Increased shareholder value.
- ◆ Greater connection and commitment from employees.
- ◆ A more robust and inclusive corporate culture.
- ◆ Proactive involvement that drives corporate change and growth.

In essence, effective communication drives business results that lead to success.

Increased market valuation. Effective communication is one of the leading indicators for financial performance. Research shows that, over the first years of this century, companies with the most effective communication attained a 30 percent *increase* in market valuation. This is almost 20 percent higher than companies that do not communicate effectively.

This holds true for both publicly-traded as well as privately-held companies.

Increased shareholder value. Effective internal communication benefits your shareholders. Over the early 2000s, research demonstrates that companies with effective communication strategies experienced a 26 percent total return on investment to shareholders. This total return is 57% higher than companies with less effective communication. (By comparison, companies with the poorest communication experienced a 15 percent *decrease* in market valuation.)

Greater connection and commitment from employees. Employees work for more than just money. They want to be part of something bigger than themselves, to have meaning in what they do, to know their work contributes to a larger cause.

Companies that communicate better benefit from employees who feel more connected, more committed, and better understand how

their actions contribute to a company's success, which dramatically reduces turnover.

An effective communication strategy reinforces employees' realization that they are critical assets to the company. Ultimately, employees are more inspired.

A more robust and inclusive corporate culture.

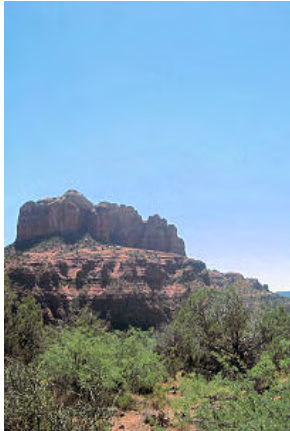
Clear internal communication channels that create a dialog among all employees using a single company voice and that use technology in this exchange make everyone feel more in touch with the company. This is especially true for new hires. New employees feel connected to the company's culture and immediately begin applying their efforts to the overall success of the company.

As companies grow, their culture can become scattered through the forced decentralization that must happen to keep up with a more complex business structure. Effective internal communication helps even the largest companies feel like a smaller, more comfortable, more secure place to work and fosters a sense of participation and contribution.

Proactive involvement that drives corporate change and growth. Effective internal communication has a positive effect on changes in the marketplace and in your industry. Employees adjust quicker and have a greater impact on changing business conditions, allowing your company to keep pace with this change, to grow, and to lead.

Most employees are adverse to change; they get too comfortable with the way things are, the status quo. Yet organizations with effective communication experience strong support for change and growth from management and staff when communication is at its most fluid.

Effective communication sparks a change in behavior, and more closely connects all employees to your customers. Ultimately, effective communication powers your company and proactively drives business performance to a higher measure of success.



"A well-crafted Communication Plan, expertly implemented, allows you to quickly adapt to change and growth, both in your company and from external forces."

A Communication Plan Establishes a Foundation for Success

A thoughtful, thorough plan draws a clear map toward a shared destination

A COMMUNICATION PLAN DEFINES A PROCESS FOR communication among all employees at all levels. It is a strategic method of getting everyone involved in the company, its growth and evolution, and ultimately its continued success.

A Communication Plan is based on strategic goals, aligned and focused, and results in increased revenue and profitability, more robust innovation, and marked organizational stability. It unites everyone—directors, executives, managers, and employees—in your company toward this strategic goal with a shared purpose.

Specifically, a Communication Plan identifies:

- ◆ The types of communication that most benefit your organization.
- ◆ The people involved in sending, receiving, and contributing to this communication.
- ◆ The best channels—written, audio, video, electronic, verbal, interactive, and others—for creating and transmitting this communication, and an action plan for implementing these channels. These channels allow for clear communication up and down the corporate organization chart (from directors and executives, to managers and employees, and back) and among all divisions, groups, and colleagues.
- ◆ A time table for how often information is communicated. Regular communication is one of the many keys to success.

What constitutes effective communication. Effective internal communication gets—and keeps—everyone on the same page with your values, image, brand, mission, and goals. Focusing on these aspects ensures all employees know:

- ◆ *What the company does*, and comprehends the entire scope of its products, services, solutions, and benefits.
- ◆ *Where the company is headed*, and how its products and services, coupled with innovation, keep the company moving in a positive direction.
- ◆ *How the company is doing financially*, as well as projected revenues and profits.
- ◆ *How their work helps the company succeed.*

A singular, purposeful message. A well-crafted Communication Plan, expertly implemented, allows you to quickly adapt to change and growth; it strengthens your position in the marketplace. As a company, you benefit from a clear sense of purpose, a laser-focused message, and a strategy to distribute your message, both internally and externally. When your external target market receives your message, they respond in a positive manner, helping fuel your growth and contribute to your bottom line.

This focus works for a number of reasons and has many benefits. Everyone in your company gets and contributes to the same message using the same voice. Clients and prospects receive the same message in their interactions with employees.

Within your company, one hand knows what the other is doing. Employees not only understand, and appreciate what other departments, divisions, and groups are doing, they also know what the people in these organizational structures contribute to the company. Employees see the big picture and better understand their place in it. They better comprehend where the company is going, and the benefits it brings to your customers as well as to them.

This is a powerful motivation and an unstoppable force both within your company and in the marketplace. Customers know what you stand for, creating a clear image of who you are and what to expect from you: greatness. This focus allows your company to not only stand out from the din of too much information, but also to rise above it. This focus replaces uncertainty with clarity: a clarity which you define and communicate. For if you do not define your message—your brand, image values—outside forces will and it will not be the one you want out, nor would it be accurate or consistent.

Effective communication enables you to speak with one carefully crafted message backed by real action and commitment. Only this type of true message strikes deeply, withstands constant testing, and endures.



"A Communication Plan relates the a company's brand, image, mission, values, and goals to all employees"

The Many Benefits of Effective Communication Plans

The resulting discussion leads to continuous improvement and innovation

SUCCESSFUL PERFORMANCE MEANS BRINGING TOGETHER the best resources for serving future needs with a company's capabilities, investing in these resources, then constantly measuring and managing the results. To best bring these resources together, you must communicate effectively. And for that, you need a plan.

A Communication Plan relates the a company's brand, image, mission, values, and goals to all employees, informing them of what the company does and for whom; the benefits it offers and the problems it solves. It describes communication channels that facilitate the exchange of information and ideas among your board, executives, management, and staff. It is a strategic discussion about the very core of a company: how it operates, what it stands for, what it delivers. This discussion must be robust enough so that everyone related to the company speaks with one voice, one mind, one purpose: a focused, clear, articulate message.

Creating and implementing a Communication Plan. Solari creates and implements a Communication Plan on your behalf, applying our four communication principals: Enlighten, Convince, Motivate, and Align. These four-steps provide the framework for creating and implementing company-wide communication where everyone actively participates.

When creating a Communication Plan, we address the particular challenges to communicating effectively in your company. To better evaluate poor or nonexistent internal communication, we look for ways to change how you talk about problems, to truly assess and analyze these problems in a new light, and to generate new and innovative solutions.

We examine the relationship between organizational structure and specific communicative practices, how communication practices by various levels of hierarchy establish, maintain, or change the message and, ultimately, the culture. We anticipate communication deficiencies, and use these discoveries as a means for facilitating organizational development and innovation.

In a Communication Plan, Solari draws the map that enables you to create a company dialog. We help you implement simple, clear communication through the most effective channels so that all employees can easily access, understand, and distribute the necessary information. We help you devise a clear overriding message that embodies your image and values.

A well-implemented Communication Plan has many benefits. Effective internal communication, implemented through a thoughtful plan, allows employees to feel comfortable with the company and contribute to its vibrant culture. And it's this vibrant culture that leads to the many benefits experienced through effective communication.

- ◆ Your company is able to distinguish itself enough to attract and retain the best and brightest employees.
- ◆ Your company has a strong sense of culture, one that employees help create and want to participate in.
- ◆ Employees feel comfortable enough to not only recognize and accept change and growth, but to participate and lead it.
- ◆ Employees can readily see how their contribution impacts the company and its performance.
- ◆ Employees at all levels engage in a dialogue to become intimately involved in the company and its daily interaction with its customers.
- ◆ Employees can readily see they are working for something larger than themselves, some greater cause, and thus can see the effect of their efforts on the bigger picture.
- ◆ Clear communication engenders a strategic discussion about your company and its industry, leading to continuous improvement and innovation that anticipates and addresses market needs.

To attain these benefits, your communication must be authentic, aligning words with actions; it must be real, having a human touch; and it must use a language, a voice, that everyone can speak.



"As a company grows and changes, communication becomes more of a challenge."

The Many Reasons for Needing a Communication Plan

Growing, changing companies inevitably experience breakdowns in communication; a well-founded Communication Plan overcomes these impediments

CONSIDER THESE QUESTIONS TO BETTER DETERMINE how well you are communicating.

- ◆ Are your employees at all levels talking to each other?
- ◆ Do your strategic groups know what each other is doing?
- ◆ Is there a breakdown in communication—the information only goes so far, but from that point on, everyone makes it up as they go?
- ◆ Is there animosity over the perception that other groups simply don't contribute enough to the company's success?
- ◆ Does your staff know exactly how to proceed, or are there conflicting ideas?
- ◆ Are expectations clear?
- ◆ Are departments duplicating efforts while other tasks are left undone?
- ◆ Was your communication once flawless, but now that you are growing and changing quickly, these communication channels just don't work anymore or are filled with static?

Communication fails as a company grows and changes. As a company grows—whether through sales or acquisition—communication becomes more of a challenge. What once seemed so intuitive, now seems like such a struggle. The breakdown of communication channels is common. This is not an isolated phenomenon, but rather a pervasive issue with growth and change.

There are size thresholds where communication becomes problematic: approach that size and issues arise. For smaller companies this happens when you just don't know everyone in the organization any more, or staff come and go and you've never met them. For larger companies, the increasing size just doesn't fit into your infrastructure causing things to slip between the cracks. For extremely large companies, employees don't know all the countries around the world with company offices, much less what they do at those offices. There is just a sense that everything is just too distant.

Miscommunication results when channels breakdown. To compound the problem of weak-

ening communication channels, employees at all levels unwittingly communicate schizophrenically—especially managers and company leaders. A specific message about policy discussed on Monday changes by mid-week. Appeals to raise the bar of integrity are counteracted when actions fail to support this imperative. Or decisions passed down through the chain of command take diverging routes as managers and leaders at each level obfuscate the meaning, diluting its impact.

Messages about the state of the company change, sending staff in varying directions to the point where they end up in many different destinations. Off-hand remarks are misinterpreted and undermine trust.

Miscommunication can occur at all levels of a company. This kind of communication, of course, leads to confusion and misunderstanding, takes up valuable time while everyone tries to decipher the real message, and leads to shrinking morale.

Absent any overarching statement of vision and values and image, absent any clear channel of communication, absent any method for engaging in a shared multidimensional dialog, managers and leaders up and down the organizational chart are free to interpret any message and its meaning.

Effective communication is clearly stated and singular in nature. A Communication Plan must clearly state the company's brand and mission in words that can be understood and internalized by everyone. It must inform every employee about where the company is going and how it is doing.

A company's stories must be truthful and honest; they can't be mere claims using strong powerful words. The emotional value behind the words and the means of how the words are delivered must not only ring true, they must be true! When that happens, a focused strategy emerges, energizing everyone to arduously pursue a common goal of success.



"1 — the number of Communication Plans that a company must implement to achieve effective communication."

Communication by the Numbers

A numerical perspective on the benefits of effective communication

EMPLOYEES FEEL DISCONNECTED IN COMPANIES WITH POOR communication. Why effective communication is needed in a workplace without it:

- 40 Percent of employees who feel disconnected at work.
- 67 Percent of workers who do not identify with or are motivated to help the company attain its business goals and objectives.
- 25 Percent of employees who show up just to collect a paycheck.¹
- 49 Percent of employees who feel their company is open and honest in its communication.
- 55 Percent of employees who feel that senior leadership only talks at them, but doesn't listen to them.
- 51 Percent of employees without a channel to communicate up the corporate organizational chart.²

Benefits to companies that communicate better.

Company that communicate effectively enjoy these statistical benefits over firms with poor communication:

- 30 Percent increase in market valuation.³
- 57 Percent higher in total return to shareholders than companies that communicated least effectively.
- 4.5 Times more likely to benefit from employees meaningfully connected with the company.
- 20 Percent who are more likely to experience lower turnover rates.⁴
- 1 Number of Communication Plans that a company must implement to achieve effective communication.

Succeeding with better communication. From an employee's perspective, effective communication encompasses these elements:

1. Open and honest exchanges of information.
2. Clear, easy-to-understand materials.
3. Timely distributions.
4. Trusted sources.
5. Two-way feedback systems.
6. Clear demonstrations of senior leadership's interest in employees.
7. Continual improvements in communication.
8. Consistent messaging across sources.⁵

¹ "U.S. Job Satisfaction Keeps Falling, The Conference Board Reports Today", The Conference Board. 28 February 2005.

² "Study Offers Insights on Effective Communication from the Perspective of Employees", Towers Perrin. January 2005.

³ "Connecting Organizational Communication to Financial Performance—2003/2004 Communication ROI Study", Watson Wyatt & Company. 3 November 2003.

⁴ "Effective Communication: A Leading Indicator of Financial Performance—2005/2006 Communication ROI Study", Watson Wyatt & Company. December 2005.

⁵ "Study Offers Insights on Effective Communication", Towers Perrin.