

by

DeAnne Aguirre

deanne.aguirre@booz.com

Christopher Hannegan

christopher.hannegan@booz.com

Gary Neilson

gary.neilson@booz.com

Claudia Staub

claudia.staub@booz.com

booz&co.

Navigating The Network

*Communications
That Create Lasting
Change in Today's
Dynamic World*

Booz & Company is a leading global management consulting firm, helping the world's top businesses, governments, and organizations.

Our founder, Edwin Booz, defined the profession when he established the first management consulting firm in 1914.

Today, with more than 3,300 people in 57 offices around the world, we bring foresight and knowledge, deep functional expertise, and a practical approach to building capabilities and delivering real impact. We work closely with our clients to create and deliver essential advantage.

For our management magazine *strategy+business*, visit www.strategy-business.com.

Visit www.booz.com to learn more about Booz & Company.

CONTACT INFORMATION

Chicago

Gary Neilson

Senior Vice President
+312-578-4727
gary.neilson@booz.com

Christopher Hannegan

Principal
+312-578-4754
christopher.hannegan@booz.com

San Francisco

DeAnne Aguirre

Senior Vice President
+415-627-3330
deanne.aguirre@booz.com

Zürich

Claudia Staub

Vice President
+41-43-268-2148
claudia.staub@booz.com

Originally published as:

Navigating the Network: Communications That Create Lasting Change in Today's Dynamic World,
by DeAnne Aguirre, Christopher Hannegan, Gary Neilson, and Claudia Staub, Booz Allen Hamilton, 2007.

Navigating the Network

Communications That Create Lasting Change in Today's Dynamic World

Companies facing the prospect of radical change, such as postmerger integration, a restructuring, or a change in business model, often succeed in engineering the business aspect of the change, but fall short in genuinely engaging key stakeholders—employees in particular—in understanding and embracing the change. The reasons for failure are numerous and varied, but it's our experience that many companies fail in part because of a communications approach that is outdated. Such an approach neglects to take into account the way today's employees, and audiences in general, process information, respond to outreach, and form the personal opinions that ultimately lead to modified behavior and sustainable change.

Not so long ago, the primary means of communication between senior management, employees, and other stakeholders was the static announcement, a one-way, top-down message. Usually written by the corporate communications staff and often edited by the CEO, these messages presumed that absolute authority—and credibility—emanated from the corner office. In addition, those communications frequently took a passive tone of reporting on an upcoming change, rather than an active tone of illustrating and embodying the change itself (let alone a tone that allowed stakeholders to participate in the change process). This now-outdated approach to managing the matrix of communications ignores the fact that employees process information like consumers and

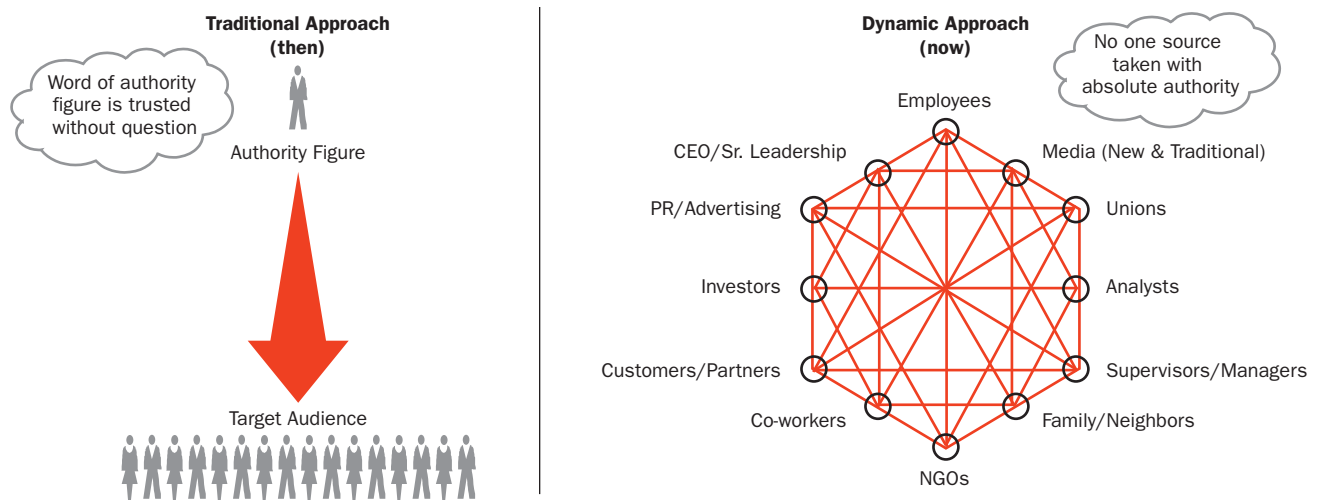
reach out to multiple sources before forming their opinions (see Exhibit 1, page 2). Employees no longer take the word of their CEO; they check to see what their supervisor thinks of the announced change, what's posted about it on the site of an anonymous employee blogger, what the latest analyst report contains, and what union stewards have to say. What questions are in employees' heads as they reach out to these sources? Typically things like "What are the sources I trust the most telling me? Am I getting the same story from multiple sources? Do I believe what I'm hearing? Is what I'm hearing presented in a way that will make me want to change?" It's only when questions like these are answered that employees decide whether to support the change and encourage others to go along with it or to reject the change and convince others to do so as well.

We're not advocating the end of CEO announcements or more traditional methods of communicating; many of those more traditional tactics are still vital. Rather, we're suggesting that companies build on those tactics and, by taking a fresh look at their stakeholders, develop complementary communications strategies that have a higher likelihood of breaking through to people and ultimately causing them to support radical change.

Further complicating the job of today's communications strategists are two additional phenomena: the blurring and morphing of constituencies, and the rapid increase in new communications channels. Increasingly, employees are also shareholders. A journalist may also live

Exhibit 1

Stakeholders Today Process Information and Form Opinions in a Highly Dynamic Way



Source: Booz Allen Hamilton

next door to an employee of the organization he or she is covering. A retiree of a company may be an anonymous blogger about the company. An analyst may also be a customer of the company. Memos and e-mails intended for in-house use are often leaked to the press and the blogosphere (as happened at Wal-Mart and Hewlett-Packard); members of the analyst community weigh in and publicize their thinking about a company's direction; and PR campaigns are created by competitors or detractors to undermine a company's official position.

Further complicating the job of today's communications strategists are two additional phenomena: the blurring and morphing of constituencies, and the rapid increase in new communications channels.

Layered on top of the blurring of constituencies is an ever-increasing dynamic flow of information at lightning speeds. The sheer number of communications and new media channels—Web sites, blogs, social networking platforms, wikis, videos, message boards—means companies no longer have control over their messaging and their corporate reputations. During

times of rapid and sometimes wrenching change, these realities are unpleasant to accept—but also deadly to ignore.

Companies Can't Afford to Fail at Communications

In one survey of 250 corporations conducted by consulting firm KPMG, "managing people" emerged as the difference between failure and success in change efforts. According to these corporations, a whopping 86 percent of the reasons projects failed had to do with how people were managed through the process, with 20 percent of problems being attributed to a lack of communications and another 17 percent to a failure to define objectives.

Jonathan Low and Pam Cohen Kalafut coined the term "invisible advantages" to refer to those intangible assets, or non-accounting, nonfinancial drivers that have added value to organizations' bottom lines.¹ Communications can be among those invisible advantages, and at no time is it more critical than during a time of radical change.

Companies make huge investments in planning the change, setting up a project management office, and designating resources. But for the business to achieve the desired results, communications should never be regarded as ancillary to the transformation

¹ Jonathan Low and Pam Cohen Kalafut, *Invisible Advantage: How Intangibles Are Driving Business Performance*, Perseus, 2002.

process. Rather, it should be seen as inextricably intertwined with change management. This is not a job to be delegated to the corporate communications team; leaders throughout the organization must be responsible for delivering the communications themselves. Further, companies should not even expect their in-house teams to have targeted change communications in their skill set—navigating the intensity and dynamic nature of planning and executing large-scale change programs requires deep experience, a disciplined approach, and the knowledge of what has worked well in similar situations in the past. Although many communications professionals do indeed have these perspectives, CEOs need to be realistic in assessing the strengths and weaknesses of their in-house communications teams.

CEOs need to be realistic in assessing the strengths and weaknesses of their in-house communications teams.

Fundamentals of Change Communications

The good news is that it's more than likely your organization has already laid much of the groundwork for successful strategic communications in today's environment. You may already use the following traditional best practices in your strategic communications programs:

- *Ensuring management is visible to key stakeholders during times of major change.* For example, having the CEO and his or her senior team embark on a campaign—such as a series of face-to-face employee meetings or videoconferences—to explain the ramifications of a major acquisition. They're visibly taking ownership of the change, putting a human face on it, and increasing their accessibility for questions and comments.
- *Employing multiple communications vehicles.* For instance, a manufacturing concern might find the natural points where communications are already occurring, such as shift briefings, and use them as the venues to tell employees about changes to its manufacturing processes. Communications at the

corporate level and detailed briefings to union leadership are consistent and reinforce the shift briefing messaging.

- *Making sure the communications process continues even after recommendations for change or restructuring have been approved.* For example, a chemical company creates a series of ongoing communications as progress reports on a slate of recommendations made by its steering team to reduce costs and restructure. The reports reinforce the need to change, recap the strategic decisions made, and provide timely updates on the implementation of the changes. In some cases, the progress reports “bring the change to life” by highlighting personal stories of how the change is positively affecting people, thus reinforcing desired behaviors.
- *Preparing supervisors with information and training about the change, and letting them know that communicating it is part of their role.* For instance, a pharmaceutical company holds briefings with supervisors and managers the morning before an afternoon announcement that it is buying its closest rival. The training includes distribution of a list of answers to frequently asked questions, an opportunity to ask questions of senior executives, and the setting of clear expectations about what communications roles supervisors should play in the coming days and weeks. Over the longer term, supervisors are evaluated partly on the basis of their effectiveness as communicators and rewarded accordingly.

Critical Success Factors in Communicating Today

As important as these foundational communications practices are, they're no longer enough to succeed in today's highly dynamic communications environment. Consider the following three additional approaches to managing the communications matrix during times of transformative change.

(1) The Power of Storytelling: Articulating a Clear, Compelling, Memorable Story.

In today's world, it's harder than ever to break through to our audiences. They're overwhelmed by data, decisions, and appeals for attention. This phenomenon, which futurist Linda Stone calls “continuous partial

attention,” may be the most prevalent in the workplace, where employee audiences are stretched thin and more cynical than ever. Without a good story to tell that will make your audience take notice, your communications efforts are dead on arrival.

Companies often overcomplicate messaging... in today’s world, messaging needs to be short and to the point.

Companies often don’t go far enough when developing their core messaging to support change. They focus only on what’s good for the corporation, not on how the change will appeal to employees and make them want to get out of bed every day. You must tie your messaging to the core purpose of the organization and to what motivates your audience.

Companies also often overcomplicate messaging, creating pages of bullets that leaders are expected to internalize and recite. In today’s world, messages need to be short and to the point. In our experience, if you can’t fit

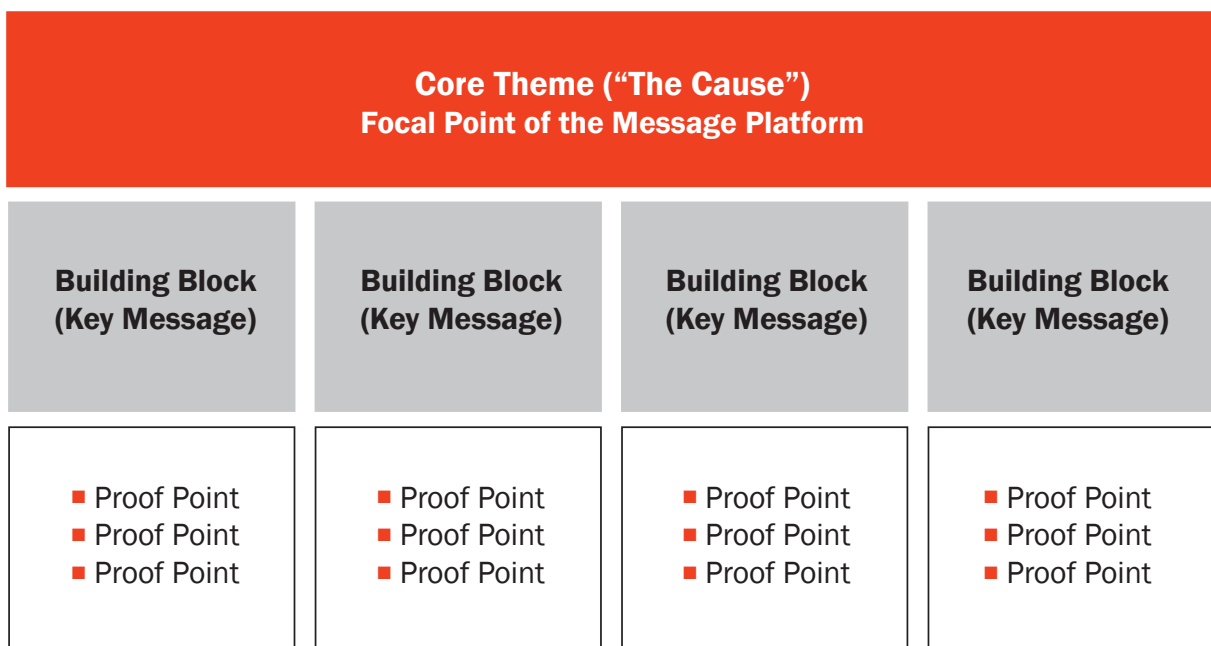
your main message and up to four supporting messages with proof points on one single page, you’re trying to say too much. Your core message must be succinct, compelling, and memorable. It should be in the kind of language you’d actually want a frontline supervisor to use in talking about the change. Any supporting messages must play the role of reinforcing the core message (see Exhibit 2).

This kind of message platform is never distributed to the organization, but rather is used to develop actual communications pieces and train leaders how to talk about what’s going on and how to relate questions to the main messages they want people to hear. During particularly contentious change, it’s often helpful to create a counter-message platform using the words and logic that the opposition (whether an internal union or an outside pundit) is using. This will ensure that your own messaging is addressing critical points head-on.

It’s unrealistic to expect all leaders (be they at the highest levels or on the front lines) to parrot messages exactly as they’ve been crafted. Instead, the message platform provides direction and overarching

Exhibit 2

Core Message Platform Template



ideas for people to express in their own way, adding their own details and examples. The goal is not to have everyone speaking with one voice, but rather to have everyone speaking in harmony. The message platform also serves as a tool to train leaders in communications delivery, which is an absolute must for even the most accomplished and confident presenter.

The goal is not to have everyone speaking with one voice, but rather to have everyone speaking in harmony.

Finally, keep in mind that succinct and compelling messaging is effective only if the delivery of those messages is highly integrated across the entire communications matrix. A solid change communications strategy encompassing all audiences should help you know at all times what messages are to reach which groups with what desired outcomes.

(2) Drowning Out the CEO: Using Other Credible Voices During Major Transitions.

A recent survey from PR firm Edelman uncovered a huge jump in the credibility of peers and of a company's employees when it came to who was trusted as a source of corporate information. The survey found that trust in a person "just like me" leaped from 20 percent in 2003 to 68 percent only three years later. In addition, a message carried by a rank-and-file employee was perceived as being more credible than the word of a CEO by nearly a 2-to-1 margin.

With that in mind, it's important for senior management to realize their word is no longer final or most trusted. Certainly senior leaders need to be highly visible champions of any change effort, but they cannot rely on their stature alone to win people over. And just as employees are more likely to believe fellow employees than the CEO, so is the general public.

What can you do to relate to employees on a peer level? Consider giving lower-level employees a visible role in communications events. Instead of having a senior team member speak at a "town hall" meeting

or quoted in an update, feature sales managers who are closest to the customer, or a Six Sigma black belt who has led an improvement effort. At the plant level, cross-pollinate shift briefings with supervisors from other departments concerned with the change. When doing so, make sure anyone involved in your communications effort understands what's expected of them and has the support and training they need to succeed. The effort needs to be genuine; your peer communicators can't be viewed as mere mouthpieces of management, but rather people who believe in the change and are making it happen. You can also feature lower-level employees in videos and podcasts for added credibility—it doesn't always have to be (and indeed shouldn't be) the people at the top of the organization charts.

(3) The Walls Have Ears (and Mouths): Redirecting the Rumor Mill.

Just as it's important to communicate major change through a variety of vehicles, it's also important to realize that alternative information sources may carry even more weight with your company's stakeholders than official channels. Tap into the buzz that may be making its way through channels such as news stories, blogs, and social networks.

Alternative information sources may carry even more weight with your company's stakeholders than official channels.

Time is of the essence; rumors travel at the speed of light—regardless of accuracy—and even faster during times of change. In the absence of official communications, rumors often take over as the primary information resource. Also, remember that all organizations have a core group of people who are the primary feeders of the rumor mill. It's important to identify and engage those people, and realize their roles in information sharing may be quite different from their official place on the org chart.

One organization we worked with identified a small group of people who, by nature of their connections

and tenure, influenced a disproportionate number of employees' opinions. Once they were identified, the company engaged those people regularly through meetings and calls and used them to test ideas and messaging. By doing so, executives ensured that they could positively influence the buzz about an upcoming change—as well as receive valuable feedback about things that might need to be refined before they were debuted with a larger audience.

In today's reality, the rumor mill for companies both large and small has also gone high-tech in the form of blogs and message boards. Millions of conversational threads are taking place about large companies every day on social networking sites, blogs, and posting boards—most entirely without participation by the companies themselves. In our experience, “chatter” on these sites increases as companies near announcement of large-scale transformation and continues at high volumes as implementation milestones are reached. In particular, we usually see spikes of postings on social networking sites—similar to familiar examples like MySpace and Facebook, but existing solely for employees of a specific organization.

Companies need to have a basic understanding of what information is being leaked and speculated about, and need to know whether misinformation is taking hold. Keep in mind that information posted on

blogs is often automatically accepted as accurate, and journalists are likely to pick it up and run with it; executives need to know what's out there before they are caught off guard. A more sophisticated approach calls for getting involved in the online conversations to make sure the company's official voice is heard. When doing so, be sure to remain completely up-front about who you are and who you work for. These kinds of new media strategies should be embedded in the overall strategic communications plan to ensure that consistency is maintained across all communications media.

Conclusion: Getting Change Communications Right Is Tricky, but Essential

Today's complex environment for business offers more communications tools and channels than ever before, yet communicating with employees and other audiences has never been more difficult—or more important. Particularly during times of change, companies must take a strategic and fresh look at how effective communications can enable change, whether by viewing employees as consumers of information, turning the rumor mill to their advantage, integrating the communications matrix with all audiences, or developing messaging that catches attention and gets people to change their behavior—the ultimate enabler and sustainer of large-scale change.

Also contributing to this article was Eric Spiegel (eric.spiegel@booz.com), a Booz & Company senior vice president based in McLean, Virginia.

Special thanks to Paul A. Argenti (paul.argenti@dartmouth.edu), professor of corporate communication at Dartmouth's Tuck School of Business, for acting as an advisor on this article.

Case Study: How a Global Relief Organization Used Communications to Drive Change

Booz Allen Hamilton launched a comprehensive organizational redesign program at a global relief and development Non-Governmental Organization (NGO), which included a strategic communications plan that could keep its more than 20,000 employees across dozens of countries engaged and informed about the initiative. As expansion strained its operations, it had to find a way to free up its resources—its time, talent, and money—for carrying out its organizational mission.

Booz Allen looked to improve the effectiveness of the organization by addressing its global strategy, governance, support processes, and operations. The organization did not want to go through a one-time change initiative—leaders wanted to transform the NGO into a resilient organization that could meet new challenges in an effective way. This goal called for the design and implementation of a collaborative change management approach.

Communications' Role Within the Change Management Process

Although communications played a role in other parts of the change management process, such as change coaching for project teams and construction of the organization's new model, the organization also needed a specific communications and tactical plan that addressed the far-flung nature of the organization. Prior change initiatives had suffered from incomplete and untimely information, conflicting messages from senior managers, and a failure to connect project goals with local realities.

The plan helped the NGO bring focus and direction to project and organizational communications, thanks to key questions around communications:

- *Audience segmentation:* What are the major segments within the organization (e.g., senior management, midlevel managers, technical specialists, all employees). What are the needs of each segment, the goals for the project, and the appropriate communications messages and vehicles for each audience?
- *Communications vehicles:* What are the most effective communications vehicles (such as e-mail, posters, videos, speeches, interactive presentations) for each audience segment? What is the right frequency for each vehicle? With limited human and financial resources, which communications vehicles can deliver the most impact for the cost?
- *Feedback mechanisms:* What are the most effective ways to get feedback on project communications?
- *Overall timeline:* What are the key project milestone dates? What conferences and major meetings are planned, and what information can and should be presented at each one, and by whom?

The communications team worked very closely with each of the project teams to ensure accuracy and consistency in assessing evolving communications needs and crafting and delivering effective messages. The team also worked to make sure that managers throughout the organization had a simple set of tools to use in briefing their staff about the project.

Overall, the organization saw a huge improvement in consistency, frequency, and quality of communications. This led to much greater organizational understanding and buy-in. Staff continued to be interested in the project's progress and responsive to communications about it, especially when the communications focused on values-based issues central to the organization. In addition, midlevel managers were more willing to take an active role as advocates for the project. They were fully informed of the project and organizational changes, felt they had been engaged in the process, and were comfortable with the project direction.

BOOZ & COMPANY WORLDWIDE OFFICES

Asia

Beijing
Hong Kong
Seoul
Shanghai
Taipei
Tokyo

Australia, New Zealand, and Southeast Asia

Adelaide
Auckland
Bangkok
Brisbane
Canberra
Jakarta
Kuala Lumpur
Melbourne
Sydney

Europe

Amsterdam
Berlin
Copenhagen
Dublin
Düsseldorf
Frankfurt
Helsinki
London
Madrid
Milan
Moscow
Munich
Oslo
Paris
Rome
Stockholm
Stuttgart
Vienna
Warsaw
Zurich

Middle East

Abu Dhabi
Beirut
Cairo
Dubai
Riyadh

North America

Atlanta
Chicago
Cleveland
Dallas
Detroit
Florham Park
Houston
Los Angeles
McLean
Mexico City
New York City
Parsippany
San Francisco

South America

Buenos Aires
Rio de Janeiro
Santiago
São Paulo