

Four Steps to Demonstrating Communication ROI

CW World On-Line

by Jim Shaffer, IABC Fellow

I've never met a senior business leader who didn't want to make more money.

Nor have I met one who didn't appreciate that communication breakdowns lead to mistakes, accidents, shoddy service, high costs and low productivity. Business leaders, especially CEOs, are eager to rid themselves of value-draining dips in performance that prevent them from hitting their numbers. As a communicator, if you can do four common-sense things well, you can not only help senior leaders to avoid these breakdowns, but you can also demonstrate how to maximize the power of communication for better business results.

Focus on things that matter

This sounds elementary. But too often, communication practitioners worry more about output than outcomes. Certainly output can lead to outcomes, but the outcomes aren't always the right ones. I'm reminded of Henry Wadsworth Longfellow's poem: "I shot an arrow into the air, / It fell to earth I knew not where." So often, communication management is akin to Longfellow's

[Discuss this article](#)

Related Resources

[The New PR Wiki](#)

A discussion space with links to a variety of resources including podcast interviews, conferences and articles for those interested in PR measurement.

[Measuring the Value of PR](#)

Columnist Mark Nowlan provides ways PR departments can easily measure their value.

[Marketing Clout](#)

Today's marketers don't speak the CEO's language, but by adopting a proactive approach that understands the corporate agenda, marketers can once again move to the forefront.

bow. Those in management, using formal communication channels, shoot their messages into the air in hopes of hitting something. When they do hit something important, it's usually coincidental rather than the result of thoughtful, strategic focus.

Communication management should be surgically focused on removing the business problems that hinder operations and financial performance the most. This is the notion of leverage.

A recent FedEx Express project represents a good example in focusing on problem areas. In an effort to become more outcome-based than it has been in the past, the internal communication department, under the leadership of Director of internal communication, Mike Kolasinski, and Manager of internal communication, Terry Simpson, has been working with senior leaders to identify and address the best opportunities to improve performance by better managing the company's communication system. Better communication management represents the *means* to better operating and financial performance. It's not the end goal.

The company's focus has been on increasing U.S. export volume, one

of the biggest opportunities for any shipping business. Simpson's initial data gathering identified several target areas that could be improved. From that data, the leadership agreed to focus on Los Angeles, because it had the greatest potential to help achieve the overall goal of increasing export volume.

Leaders who direct and own an initiative are more apt to make it succeed. They know that success depends, in part, on making sure the project is appropriately funded and supported.

Employ sound business processes

It's tempting to start trying to fix a problem immediately. But, I've learned that if I want to make a big problem go away forever, I need to understand the problem very well. This means understanding the problem's size and its impact on company performance. It means differentiating symptoms from root causes and determining the potential investment that might be needed to make the problem go away.

For instance, was export volume in Los Angeles lower than it should be because couriers on the ground didn't know that increasing exports was important, as some suggested? Or was there a more fundamental

issue?

Communication management should be fact-based, as it should be in other business disciplines. Using generally accepted business problem solving and communication processes to attack root causes helps make the problem go away and it builds credibility among leaders who usually have a working knowledge of Pareto charts, run charts, force field analysis, two-by-two matrices, activity analyses and process mapping. And because communication departments don't have in-depth knowledge of particular functions, it's important to invite other functional experts into communication projects because they often increase the chance for success. For instance, human resources generally oversees the reward, recognition, leadership development and performance management systems, all of which communicate powerfully in any organization. Likewise, experts in Six-Sigma and Lean can boost the opportunity for success with their insight on these ways to improve quality and productivity.

Using sound data collection and business processes builds credibility and boosts the chance for success. It also helps make gains sustainable.

Involve the experts

The late legendary poultry producer, Frank Perdue, escorted me through one of his processing plants a number of years ago. During the tour, he pointed to an employee and said, "See that guy over there? That's Keith. He knows more about his 25 square feet of space than anyone in the plant. So, when I want to know how to improve that 25 square feet of space, I go ask Keith."

Go where the work gets done. This is often where frustration can be rampant, where people are more than willing to sit around and talk about ways that work could be improved, if someone would just listen.

For the FedEx Los Angeles project, the communication team created a 15-member group representing all of the positions and disciplines that had a hand in influencing export volume. The team included couriers, truck drivers, and people from sales, call centers, IT, human resources and engineering.

Over two-and-a-half days, we conducted a "kaizen blitz," a hyper-intensive session focused on identifying impediments to increasing export volume and specific tactics to eliminate those barriers. The team then created an action plan with a

timetable and accountabilities that focused on:

Improving employee-customer communication.

Enhancing sales and operations integration.

Creating incentives that communicated the relative importance of domestic and international business.

The plan would be implemented over a four-month period and then assessed.

Within a few days, Simpson created and presented to her leadership a rock-solid business case for implementing the team's plan. They approved the plan immediately because it was focused on the right things, it was built with rigor and it promised a significant return on the investment.

The experts uncovered root causes and ways to eliminate them in a few days. The people who would be called upon to improve export volume owned the effort and would work to make it a success.

Create gains, not costs

The project ran for four months. During that time, FedEx Express leadership participated in various project-related kick-off events and mid-course meetings. It gave the team on the ground the resources it requested. While the communication

system was focused on the three high priority areas that the team had identified, it was also designed to increase engagement by building line-of-sight among employees, involving a lot of people in the process, sharing huge amounts of information with people on the front lines and rewarding and recognizing people for improvement.

At the end of four months, the Los Angeles region had:

- Increased export volume 15 percent.

- Increased sales by 25 percent.

- Generated a 1,400 percent return on investment.

The Los Angeles process has been imbedded into regular work processes in the region. Five more markets have undergone the same transformation with results that exceeded those created in Los Angeles. And because it is clear to FedEx Express leaders that the internal communication function creates value, they have also asked internal communication to address multiple other issues related to improving financial and operating performance.

When the returns are far greater than the investment, business leaders want more of a good thing. A

return of 1,400 percent is rare in most businesses.

Jim Shaffer is an IABC Fellow and leader of the Jim Shaffer Group, a communication consultancy based in Annapolis, Maryland. He can be reached at

jimshaffer@jimshaffergroup.com.