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M A N A G E M E N T

Is Your Corporate Communications Effective?

New Tools Can Provide Realtime Answers For Managers

In these hard times it is understandable that companies want to find out if the dollars spent on communications are effective.

But can you measure the return on investment of your company's communications with something other than a seat-of-the-pants metric?

Absolutely, according to Angela D. Sinickas, who specializes in helping corporations achieve business results through focused diagnostics and practical solutions. Her research has been cited in the Harvard Business review.

"We've moved from measuring how happy employees are with what we do, to quantifying the impact our communications outcomes are having on our companies' financial success," said Sinickas at a recent assembly of Detroit public relations practitioners.

Sinickas gave this example of one way to measure communication's ROI based on an employee survey that revealed that 54 percent of the respondents credited corporate communications with a major role in reaching their sales goal.

First, multiply the company's increased sales revenue of \$24 million by 54 percent. Then to account for two other possible major factors, discount that number by 33 percent and assume communication's "credit" for increased sales is \$4.28 million.

Then divide \$4.28 million by \$217,000, which is the cost of communications and research. The result is an impressive 1971 percent ROI.

communications impact on employees and customers.

Another example of this innovative new communications approach comes

from Theresa Welbourne, chief executive officer of eePulse in Ann Arbor. eePulse developed a Web-based tool that measures employee issues, satisfaction and productivity. Chicago's Northwestern Memorial Hospital saved several hundred thousand dollars annually by collecting people data in a real-time fashion. Previously, the hospital had utilized costly and time-consuming focus groups to collect critical information.

"If you want to make the right decisions and resource allocations, you need a scientifically proven methodology that gets the voice of

the customer into the decision-making process," says Larry Freed, chief executive officer of ForeSee Results, which was founded in 2002 by Compuware and CFI Group.

ForeSee Results was hired by the prestigious *Forbes* magazine to improve its web site. As *Forbes.com* Chief Technical Officer Michael Smith explains it: "This helps make product development very customer-aware and customer-driven. And that's what it takes to produce the most powerful site for users and advertisers." ■

The screenshot shows a web browser displaying a report from 'CommToolbox'. The report is titled 'Content Analysis Database Report for XYZ Corp.' and includes a table with the following data:

Content Criteria	Update Top 20%	Update 2001 Average	All Publications Database	Other Manufacturing Publications	Other Quarterly Resources
Mission / Vision / Related Statement	88%	88%	87%	81%	82%
• Customer Satisfaction	43%	43%	43%	59%	20%
• Employee Satisfaction	61%	61%	60%	61%	20%
• Financial Outlook	29%	29%	42%	50%	13%
Business Units	86%	86%	79%	60%	88%
• Corporate Headquarters/Home Office	86%	86%	2%	0%	0%
Company Plans / Strategic Initiatives	52%	52%	21%	15%	21%
Location	83%	83%	85%	24%	88%

Besides measuring the return on investment of your company's communications, other tools can be used to evaluate the adequacy of the communications infrastructure, as well as how well stakeholder needs are met and the effectiveness of communications channels and messages. Several of these are available for a three-month trial at www.CommToolbox.com, and free benchmarking is available online there for a year.

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Two Michigan companies — eePulse and Foresee Results — are among the U.S. leaders in developing new tools to help companies interested in measuring their communi-

—BY CINDY ORLANDI