

MAKING PROGRESS POSSIBLE

The Message, the Medium, the Madness: Engaging a Diverse Audience

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CATERPILLAR[®]
TODAY'S WORK. TOMORROW'S WORLD.™

Agenda

- Who we are
- Current state
- What are we doing?
- Future challenges

Caterpillar Legacy



1920

Caterpillar Formed
Sales: \$14 – 52 Million

Diesel Engine Emerges
Sales: \$45 – 58 Million

1930

1940

World War II
Sales: \$73 – 255 Million

U.S. Manufacturing Expansion
Sales: \$337 – 742 Million

1950

1960-70

Global Expansion
Sales: \$716 – 7,618 Million

Factory Modernization
Sales: \$8.6 – 11.1 Billion

1980

1990

Company-Wide Reorganization
Sales: \$11.4 – 19.7 Billion

6 Sigma Introduced
Sales: \$20.2 Billion

2000

2005

Enterprise Strategy and Values Launched
Sales: \$36.3 Billion

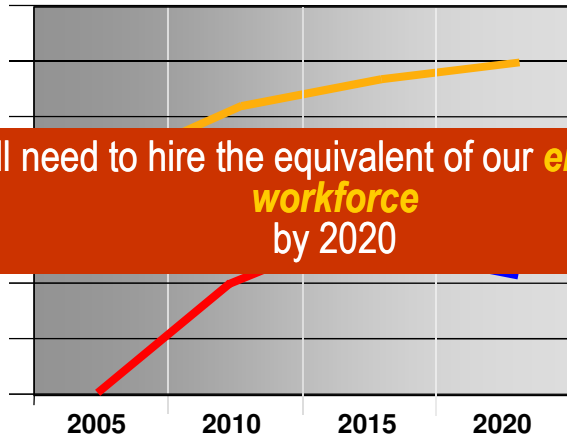


Dr. Doolittle, I presume

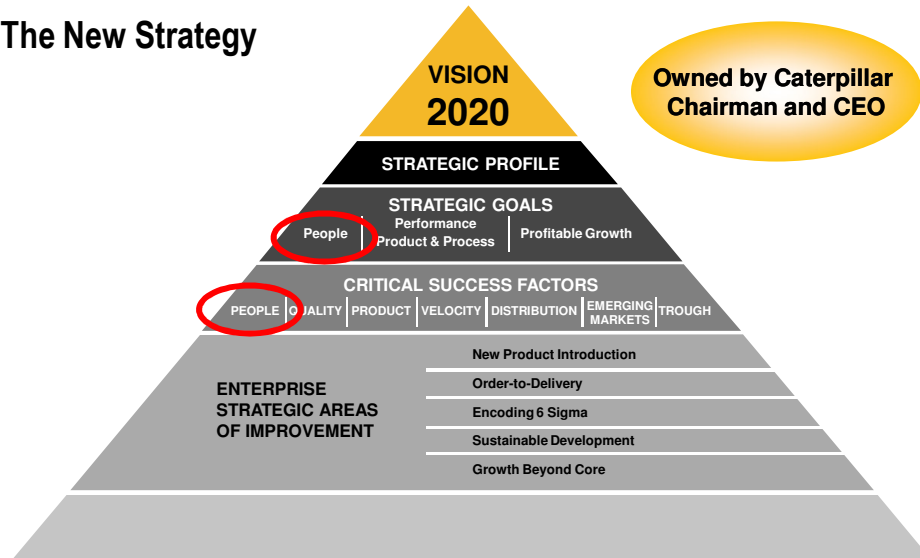
- Clinical Psychologist
- Mid-career hire
- Training Influence
 - Listen analyze, synthesize, articulate
 - Who, what, when, where, how
 - Leadership and direction

Our Communication Challenge

We will need to hire the equivalent of our **entire current workforce** by 2020



The New Strategy



Communications Today

Current State

- Communications driven by/controlled by Process Owners in silos
- “Help and direction” from Process Owners
- Communications - PowerPoint creation and button pushing...and other administrative duties as needed
- Significant variation in delivery
- Multiple generations – legacy vs. new hire
- Responsible for driving engagement

What are we doing?



What are we doing?

- Audience-Matures, Boomers, Gen X, Millennial
- Messages-assuring value, reducing volume
 - Message Integration Template
- Tools-paper, electronic, face-to-face
- Philosophy-Leaders as Teachers
- Effectiveness-measuring success
 - Employee Opinion Survey
 - Communication Effectiveness Survey

What are we doing?

Message

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What did we do? - Message Integration Template

Integrate key messages points to ensure communications support our strategic goals

*The CSFSA below is dependent on (D) or an enabler for (E) the CSFSA actors

	PEOPLE	QUALITY	PRODUCT	VELOCITY	DISTR. CHANNEL	CHINA	TRUCKS	New Product Int. (NP)	Order to Delivery	Encoding & Signs	Sustainable Development	Growth Beyond Core	Our Values in Action
PEOPLE	E	E	E	E	E	E	E	E	E	E	E	E	D/E
QUALITY	D	E	E	E	E	E	E	D	D	D	D	E	D
PRODUCT	D	D	E	E	E	E	E	D	D	D	D	E	D
VELOCITY	D	D/E	E	E	E	E	E	D	D	D	D	E	D
DISTRIBUTION	D	D	D	D	E	E	E	D	D	D	D	E	D
CHINA	D	D	D	D	E	E	E	D	D	D	D	E	D
TRUCKS	D/E	D	D	D	D	D	D	D	D	D	D	E	D
New Product Introduction Int.	D	E	E	E	E	E	E	E	E	E	E	E	D
Order to Delivery	D	E	E	E	E	E	E	E	E	E	E	E	D
Encoding & Signs	D/E	E	E	E	E	E	E	E	E	E	E	E	D
Sustainable Development	D	E	E	E	E	E	E	E	E	E	E	E	D
Growth Beyond Core	D	E	E	E	E	E	E	E	E	E	E	E	D
Our Values in Action	D/E	E	E	E	E	E	E	E	E	E	E	E	D

Corporate Actually Helped!

Strategic Areas of Improvement

Key Message Matrix

Message Integration Executive Topic: QUALITY

Key Area: QUALITY supports our strategic goals like this:

- **QUALITY** (Quality) provides good quality products, which helps us to win the market. This means only accepting, engineering and design solutions only through customer and the quality of our products.
- **QUALITY** (Quality) provides good quality products, which helps us to win the market. This means only accepting, engineering and design solutions only through customer and the quality of our products.

Message Integration Executive Topic: DISTRIBUTION

Key Area: DISTRIBUTION supports our strategic goals like this:

- **DISTRIBUTION** (Distribution) provides good quality products, which helps us to win the market. This means only accepting, engineering and design solutions only through customer and the quality of our products.
- **DISTRIBUTION** (Distribution) provides good quality products, which helps us to win the market. This means only accepting, engineering and design solutions only through customer and the quality of our products.



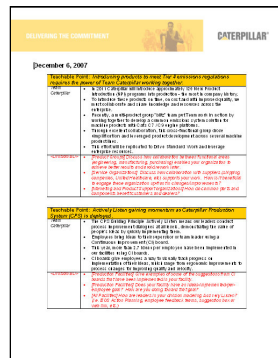
What are we doing?

Tools

- Audience-Matures, Boomers, Gen X, Millennial
- Messages-assuring value, reducing volume
 - Message Integration Template
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Communication Tools – Face-To-Face



**Leader
Talking Points**



**Enterprise Strategy
Cascades**

What are we doing?

Communication Philosophy

- Audience-Matures, Boomers, Gen X, Millennial
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What did we do?

It all adds up to engaged employees who passionately do the right thing, at the right time, the right way and for the right reason.

Leaders as Teachers

Prepare to Teach

Teachable Point of View



Teach

Teaching Not Presenting



Continue the Momentum

Being a Leader/Teacher is More than a One-Time Event

What are we doing?

Effectiveness

- Audience-Matures, Boomers, Gen X, Millennial
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Measuring Success

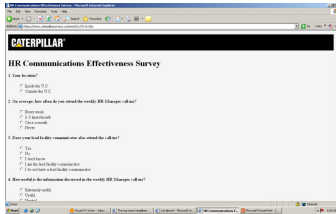
- Core Audience: all employees
- Focus on engagement as key measure



DRIVE ACTION

CATERPILLAR EMPLOYEE OPINION SURVEY

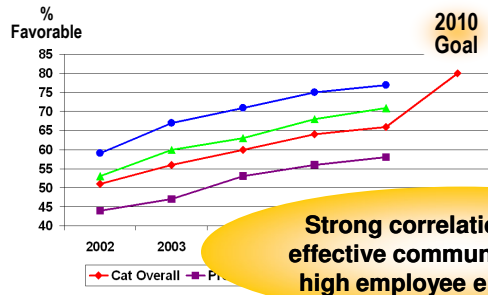
Employee Opinion Survey



Communications Effectiveness Survey

- Core audience: business unit communicators and HR managers
- Evaluate content, vehicle, frequency, relevance

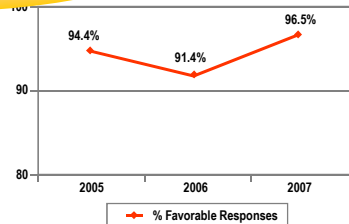
Measuring Success



Employee Opinion Survey
Employee Engagement Index
(All Employees)

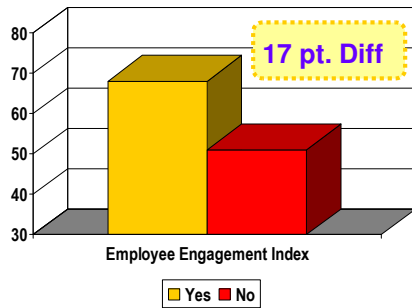
Strong correlation between effective communications and high employee engagement.

Communication Effectiveness Survey
(HR & Communications Professionals)

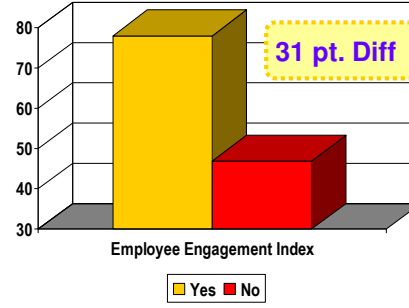


Engagement – Impact of Feedback & Taking Action

Have you received **FEEDBACK?**



Have you seen **TANGIBLE ACTION** taken?



Future Challenges - Personalized Communications

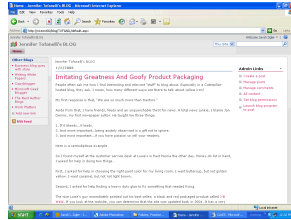


Future Challenges

Social Media



Wiki



Blog



Podcast

- Culture
- Goals
- Message control

Future Challenges

Crisis Communications

Worst U.S. shooting ever kills 33 on Va. campus

15 others wounded as panic grips Virginia Tech for 2 1/2 hours



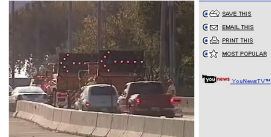
Security Crisis

Midwest digging out from heavy snow storm



Weather Events

Work On McClugage Bridge Resumes



Transportation/Access Issues

Conclusion

- Engagement still depends on effective communication with people – diverse people
- Asking, Listening and Reviewing remain a critical part of the communication process
- Technology drives opportunity, not answers
- With increasing complexity, personal relevance is more challenging