

Pitney Bowes' CEO on what he wants from employee comms

Focusing on the engagement metrics that matter to senior leaders

BY MICHAEL J CRITELLI

CEO of Pitney Bowes, Michael J. Critelli and his employee communication vice president, Rob Hallam, have come a long way in clarifying the role that communication needs to play in the business. Here, Critelli takes the conversation one step further by sharing his vision of how the employee communication function of the future will keep him up to speed on the engagement and comprehension metrics that really matter.

People have asked me, as a CEO, what do I want from communication? My answer is simple: I want communication to work. Further to that, if a communication isn't working, I want to know why, as quickly as possible.

One thing we're all sure of is that there's an overload of communication in all parts of society. And that's something that has to be factored in, or tailored to, the audience we're aiming to reach.

Here's an example of what I mean. After 9/11, we began a program we call "Power Talks". Essentially, it's a voicemail from me, once a week, telling employees know what they need to know. It was created as a response to a once-in-a-generation crisis.

The purpose was to elevate the company and its leadership in the eyes of the employees. It helped make them realize we were a lot more in control than they thought, and able to manage through difficult times. As it continues, the Power Talks keep everyone informed on the important issues of the day. Or so we hoped.

We used to send them out to everyone on a

Monday morning, but it turned out that for some audiences, this was the worst time for them to receive their message.

Dealing with information overload

Here's one example of what we did to deal with the issue. We took a look at our call-center employees. These are the people who are on the phone all the time, answering questions and solving customers' problems.

They receive a message from their CEO first thing on Monday morning, precisely the time they are trying to work through a backlog of messages from over the weekend. As a result, my Power Talks got deleted without being listened to. So, we tried moving them to Tuesday. But they were still overloaded, so the messages still got deleted.

However, Wednesday turned out to be the magic day when call-center employees finally had the bandwidth to listen. Would we like to get their attention first thing Monday? Of course, but we know we can't. At least not with voicemail.

Feedback on deletions made the difference for Power Talks. Since there was measurement, both anecdotal and statistical, we were able to quickly adjust and improve the effectiveness of that communication channel.

Talking to different employee groups

How I communicate as a CEO has been influenced by many things. However, my college education emphasized looking at large groups as bunches of different, smaller interest groups, and that particular mindset has stayed with me and proved invaluable over the years (unlike the



Pitney Bowes Inc. is a US\$5.8 billion mailstream solutions company with 35,000 employees around the world. Once known as a postage meter company, today the organization spans the entire mailstream; helping customers create, produce, distribute and manage their mail, documents and packages.

majority of CEOs I wasn't a Finance Major, I majored in Communications and Poly Science).

For example, I quickly learned that when I go to field locations, I don't have to wait for feedback from salespeople. They immediately react and ask questions. They don't care if they're being addressed by a manager, VP or CEO, whatever's on their mind just comes right out.

That completely changes when I'm in front of a service audience. With our service technicians, I have to plant tough questions with one of their members in the audience to open the door for them to ask me questions. They're much more respectful of hierarchy and as a result reluctant to challenge it. So we have to give them explicit permission to ask challenging questions. But once we do, they open up just as much as salespeople.

Pitney Bowes has a decades-long culture aimed at fostering frank, open discussion. Those are sometimes hard to get started, so another technique I use is to start asking the audience questions. Or asking myself questions that I know they think are out of bounds, or that they would think but not ask the CEO in a large room.

What gets the CEO's attention

Another CEO perspective is this: If a communication project is going to affect the bottom line, it gets our attention fast. That was the case with a recent health-care initiative at Pitney Bowes, in the area of "Health Care Accounts" and "Health Savings Accounts" (HCAs and HSAs). The more of our employees that sign up to these programs, the more they save on health care, and the more we as a company save on taxes. It's a win-win situation for everybody.

Our overall enrollment in HSAs and HCAs grew by 28 percent in the past 24 months. The total dollars contributed by employees went up 37 percent to more than US\$7 million pre-tax dollars in 2007. The benefit is clear. But it requires action that will drive new behaviors on the part of our employees. So, it's a persuasive communication challenge.

Finding the right approach

Here's how we were able to drive up participation and drive down costs over the last two years. The first year we tried the traditional communication approach. We held classes on investment strategies and provided slides and Excel sheets that basically drowned the employees in numbers. Unsurprisingly, it generated insufficient buzz. We realized we needed to tailor our message.

My employee communication VP Rob Hallam and his team created a humorous infomercial that was aired on our intranet site. It featured two mock employees, Mo and Joe. Mo loved the idea of an HCA, Joe hated it. They argued their way

through all of Joe's objections and in the end, Joe is persuaded.

This is the type of communication that works for me as a CEO. It's crafted to reach a particular type of audience. It's focused on supporting a larger specific business outcome – giving our employees excellent health care at the most reasonable cost to them and the company.

And it's worked. We kept per-employee costs flat throughout the 1990's, and have lagged benchmarked cost increases every year since 2000. Essentially, the benchmark costs have doubled in the past 10 years, while our costs have only gone up 50 percent. And the communication supporting it can be tracked, measured and improved.

A futuristic vision of measurement

This ability to track, measure and improve brings me on to the next theme of this article: how I want communication to work for me, as a CEO, in the near future. Let me set the stage.

It's a Wednesday morning. The previous day, Pitney Bowes announced its largest acquisition ever – MapInfo, a location intelligence solutions company (the communication scenario I'm about to cover is futuristic for us, but MapInfo is a real company that we acquired in the second quarter of 2007). The move doubled the size of this kind of software offering for Pitney Bowes, but integration and cross-selling will be a key to us leveraging this business quickly and justifying the investment in MapInfo

Back to my fantasy. Our software business unit and the communication team worked together to build a sizable, but targeted communication plan which rolled out yesterday with the announcement. It's now 24 hours later, on Wednesday. I've just arrived at my office and I'm sitting down at my computer. And here's what I hope for in the near future.

I open up my management dashboard and the communication screens will provide me high-level data on the reach, comprehension and engagement ratings we achieved in the first day of ►



Michael J Critelli is executive chairman of Pitney Bowes Inc. For over 10 years he was CEO of the company, taking on his new role in May 2007. He also serves as the Chairman of the Board for three non-profit organizations.



Rob Hallam is employee communication vice president at Pitney Bowes Inc. He's one of the speakers at Melcrum's Strategic Communication Management Summit 2007 in Chicago in September, where he'll deliver a presentation on "Using Dashboards to Demonstrate Communication's Business Impact". For more information go to: www.melcrum.com

KEY POINTS

- As a Communications major, Pitney Bowes' CEO, Michael Critelli, understands the need to tailor communication for different groups.
- Like most leaders, communication gets his attention when it's focused on delivering bottom-line results.
- In his future vision of communication, Critelli would like to see data that tracks how messages have been comprehended and acted on.
- The success of channels – especially managers – are key to this vision.

◀ the MapInfo roll-out plan (see Figure One, below). Obviously with an acquisition like this, I'm interested in target audiences beyond internal, such as financial analysts or the media. But for now I'm going to focus on employees only.

Because in my imaginary world I have a huge number of communication metrics from which to determine the effectiveness of this announcement, and a limited amount of time to review this, I'm only going to look at those metrics which are either well-above or below the communication targets we set in advance. I'll then leave the rest for my communication team to analyze. They can provide me with an end-of-the-day report.

Focusing on different audiences

Let's start with audiences. Certain audiences are more important than others on this announcement. I want to be able to see how my sales organizations are adapting to this new information. They're the ones who need to be cross-selling MapInfo's capability. Meanwhile, how are my call center and service employees digesting the information? Are they fully up to speed? After all, they're going to be asked questions about it by customers.

So the communication team working with our software business unit flags those segments with more aggressive penetration goals for reach, with acceptable highs and lows.

In my visualized future, the stats in front of me would represent a combined score. First, how well local management communicated this news, because that's the universally preferred means of receiving information. After all, good managers provide context. The second is how well we did with whatever is our designated preferred means of breaking news to these audience segments – typically the intranet or e-mail in this case.

Let's say my management dashboard shows that the software and management services groups are

all at or above first-day targets. However, our mailing services sales organization is well below the norm on penetration. The question would then be "why?" So, I'd have a quick look at the channel analysis for this group.

Tracking comprehension

The chart might tell me that we had acceptable overall e-mail pick-up, but that the manager portal story click-through rate was low, as was the manager toolkit download and the follow-through huddle presentations to employees.

To better understand the problem, I would need to look at the comprehension data for these audience segments. Here's how we'd get that data: A program we call "point of connection" (just like "point of sale" in retail), in which we attach a short evaluation box at the bottom of all mass-distributed communication. This evaluation would only take 10 seconds or less to complete, and just a bit longer if someone wanted to add a comment.

The second comprehension test is literally that – an online test. But we'd add an incentive for employees to take it. Let's call those "PB Points", which would be redeemable for employee rewards. While many companies are using these now to motivate sales and service employees, we'd use this approach for all employees.

Let's say that in this future world taking the test gets you two PB points; passing it gets you five. Our employees get to build up points based on what they know and how soon they know it. We would have calculated the cost of the affinity program against the cost of ignorance and found that the ROI made sense. I think just about every company would see the value of making on-the-spot learning more fun and rewarding.

Now that I have all that comprehension data, I would use it to see what the problem is. Perhaps it shows that the mailing services employees received the information either via e-mail or their huddle meetings, although there was much higher comprehension from the huddle meetings.

That would mean that the area where the breakdown is taking place is the managers. Does this sound familiar?

Showing commitment to engagement

Just to be sure, I'd want to check my engagement data too. In today's world, Pitney Bowes has a substantial commitment to engagement and has been conducting an annual program since 2004 – employee participation now stands at a very healthy 86 percent.

In our future Pitney Bowes world, we'd have moved to a monthly sample of our employees; senior leaders and managers would see regular results for their business units or functions. A subset of our engagement survey would be an

Figure One: Dashboard showing overall effectiveness of a new communication



11-question management communication section, which would result in each manager getting a communication rating in addition to their overall engagement rating (see Figure Two, right).

Maintaining the Buzz Index

So, let’s go back to the future. Say the trailing six months show the US mailing group is falling slightly short of achieving its engagement improvement goal. When we break that information down we see that it’s communication that’s having a detrimental effect on the figures. This requires further investigation.

And here’s where we see one of our problems – US mailing group managers are getting lower than normal marks on these communication questions. But our engagement tools don’t begin and end with the engagement survey.

In our future world we’d also measure how much buzz we’re able to create around a topic to see how engaged employees are in the subject. And that “Buzz Index” on this announcement would be based on things like the following:

- MapInfo blogger hits – we’d set up three MapInfo employees with blogs for companywide access.
- We’d track the number of times MapInfo was searched internally and externally through our search engines.
- We’d track the number of times “MapInfo” and its various inevitable misspellings appeared in point-to-point communication yesterday, including instant messaging.

Acting on the information

To conclude my vision, let me tell you how I’d use this information as CEO. On the positive side, I’d contact the business-unit leaders whose numbers were strong on this communication. I’d spend a short time on the phone congratulating the top five individual managers with the best communication scores on this roll-out.

In the case of our US mailing group, I’d be on the phone with the head of that unit having a different kind of conversation. To drive management communication numbers up, we’d place an alert on the homepage for the US mailing group managers and any other groups that were trailing behind.

Keep adapting, keep monitoring

This vision is a few years from becoming a reality, but we’re working on it. Just remember, an informed CEO is a happy CEO. If my communication team can tell me the best time and the best medium to use to engage with my staff, and then show me how that information is received, we’ll certainly be moving in the right direction. Never let it be said that it’s impossible.

Figure Two: How a Pitney Bowes manager’s communication rating would be calculated

Pitney Bowes Management Communication ScoreCard			
Questions from Employee Engagement Survey			
James Smith, Top Field Service Manager	Individual score	Company score	+/-
Overall Manager Communication Rating	4.54	3.79	+ .75
1. Departments in Pitney Bowes work well together	4.00	3.40	+ .60
2. I can see a clear link between my work and the goals of Pitney Bowes.	4.71	3.82	+ .89
3. I am informed about the activities of Pitney Bowes	4.64	3.89	+ .75
4. In Pitney Bowes, there is open and honest two-way communications	4.57	3.57	+1.00
5. My manager/supervisor helps me know what is expected of me to do my job effectively	4.79	4.11	+ .68
6. My ideas and suggestions count	4.64	3.73	+ .91
7. My manager/supervisor effectively communicates Pitney Bowes’ goals and objectives	4.71	4.01	+ .70
8. My manager/supervisor shared the results of the 2005 Employee Survey with our work group	4.54	4.10	+ .44
9. I was given the opportunity to discuss my ideas about the results of the 2005 Employee Survey	4.31	3.82	+ .49
10. My manager/supervisor along with our work group developed an action plan to improve engagement	4.46	3.75	+ .71
11. My manager/supervisor implemented the action plan and monitored progress	4.54	3.52	+1.02

I want an instant snapshot of what’s going on in the minds of my people. That’s my communication dream world of the future. If you want to earn a permanent seat at my table, or any CEO’s table – build or buy the processes and software that will do this, and achieve the metrics that you and your CEO jointly set together. scm

This article is adapted from a presentation delivered by Michael J Critelli at the CCM 2007 Annual Conference in Memphis, US. Rob Hallam will deliver a presentation at Melcrum’s **Strategic Communication Management Summit 2007** in Chicago in September, on “Using Dashboards to Demonstrate Communication’s Business Impact”. For more information go to: www.melcrum.com

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