When Ericsson took steps to radically change its approach to internal communication, the objectives were clear: to give both communicators and leaders the skills needed to drive business performance. Here, Per Zetterquist and Bill Quirke describe the journey that has empowered leaders to become more inspirational communicators, while shifting communication’s role to facilitating and consulting.

Transforming internal communication at Ericsson

Restructuring the function to deliver on business strategy

By Per Zetterquist and Bill Quirke

Internal communication functions are currently facing a challenge that other functions have faced for some time. Finance has had to reinvent itself from bean counters to decision supporters, and HR had to shift from being payroll processors and “body shoppers” to business partners. IT has had to radically reduce its total cost and still provide leading-edge technology.

Similarly, internal communication departments that don’t examine the value they add, will soon find themselves being examined by the finance function who, while they may not understand communication, do understand cost and value.

Successful internal communication departments know that communication is a means to an end, and so establish a clear link between the business’s desired ends and the means of communication. They start with defining what value they should be adding, then organize themselves to deliver that value.

Ericsson is a good example of an internal communication function that set out to:

• Re-examine where it was delivering value for the business.
• Create a clear internal communication strategy directly linked to the business strategy.
• Re-examine where it was investing its time, effort and money.
• Refocus on what skills were needed by internal communicators.

This case study explains the steps taken by Ericsson’s internal communication function to achieve these objectives.

Striving for global leadership

Ericsson has traditionally been very positive and supportive of internal communication. The company has a history of allocating a fair amount of resources for internal communication, but the majority of that money was spent on printed and electronic editorial products. The internal communication operation could by any comparison be described as having “good housekeeping” standards, but these no longer met Ericsson’s ambitions for global best practice in all areas of the business.
In an environment where the CEO drives the whole business to focus on “true world leadership,” clearly this is also a requirement for the internal communication function.

What this meant for communication
The drive became to make sure that the talent and resources spent on internal communication at Ericsson were focused on making the most difference for the business.

Towers Perrin’s eye-opening data shows that the leadership accounts for two-thirds of the impact on employees’ attitudes and behavior. In comparison, the formal channels – where internal communication traditionally spends most of its efforts – account for less than 10 percent of the impact, but takes up the majority of the budget spent. So it was clear from the outset that Ericsson’s new direction for internal communication would involve supporting leaders to become more active as communicators.

Reassessing the value of communication
As part of reassessing the value of internal communication, all the editorial resources, including 20 journalists, were outsourced to an external agency. This was intended to free up resources to better support leaders in the company, rather than team members occupying themselves with the writing and distribution of text. It also enabled better governance and processes for the internal news flow, reduced costs and provided better career opportunities for the in-house journalists.

The change in the approach to internal communication was driven by three basic questions, answered with the help of Synopsis Communication Consulting:
1) How can internal communication add value for the business and where should it be focusing in the future?
2) How well are communication channels working and what is the best way to give people the information they need?
3) What can internal communication do better as a professional community, how should roles develop and what skills are needed?

The strategy was then developed and delivered in three steps.

Step 1: Setting the objectives
First, internal communicators were gathered to review the strategy in a “value proposition” workshop (see side box, page 20). The end result was an internal communication strategy directly linked to where the business wanted to be. The strategy was built on four pillars:
1) Focus on the customer and understand the industry from a business perspective.
2) Understand business priorities so that employees can accept strategic business decisions, understand where they fit in, prioritize their daily work and strive for success.
3) Feel part of “One Ericsson” – regain pride following the years of downsizing, feel confident about progress and positive about achievements, and be more motivated to perform.
4) Be connected and collaborative – understand how different units connect to serve the customer, and collaborate and cooperate more effectively across units.

Step 2: Identifying the right channels
The workshop was followed by a thorough appraisal of the investment in communication channels, via focus groups and a web-based survey sent to employees across the global organization. The review identified which channels were preferred for different sources of

KEY POINTS
- Ericsson recently completed a review and restructure of its internal communication function. As part of the process, editorial resources, including 20 journalists, were outsourced.
- A comprehensive analysis of the function and channel review helped clarify a new strategy more focused on business needs.
- In-depth interviews with communication practitioners defined three main areas for development: facilitation skills, consulting skills and message creation.
- Leadership communication now plays a far more pivotal role in the organization’s internal communication strategy.
- The communication efforts of managers and communicators are now tracked and linked to performance appraisals.

Per Zetterquist is the former VP internal communication at Ericsson, where he led the function’s recent restructure. He is now active in his own consultancy, focusing on improving internal communication in global organizations.
Bill Quirke is managing director of Synopsis Communication Consulting. Synopsis worked with Ericsson to help transform the company’s internal communication function. Quirke is also the author of Making the connections.

Per Zetterquist
Bill Quirke
To define the new strategy for communication at Ericsson, internal communicators from across the organization came together for a “value proposition” workshop. Using data from past employee surveys, they focused on answering these key questions:

- What was the business strategy at Ericsson, and what was its desired position in the market place?
- What were the implications for employees – what did Ericsson need from its people in terms of what it wanted them to think, feel and do in order to deliver on the strategy?
- Where were people currently – what did employee survey data reveal about their existing attitudes and behaviors?
- What was the gap that needed to be closed – how did attitudes, beliefs and behaviors need to change to achieve business success?
- What did internal communication need to do – where should the function focus its efforts, where could it be most valuable, what were the priorities?
- What communication activities were most needed?
- How did internal communicators have to work with management teams in their businesses?
- What were the performance indicators for success and how would these be measured?

A lot of emphasis was put on identifying managers’ performance in comparison to the traditional set of channels (magazines, web, videos, etc.). Unsurprisingly, the managers came out as the most preferred channel. What was surprising was that they were not always the most trusted channel.

The survey provided in-depth information, which channels were performing best for each purpose and what barriers there were to increasing their impact.

At Ericsson, individual interviews identified: what was expected from each communicator by their business management team, the range of different communication roles they’re expected to fill, the range of communication activities they were engaged in, and the critical things they had to deliver. This allowed the team to identify a range of competencies for different communication roles – whether they were at the corporate center, at a site, in an affiliate or working on a project.

By mapping these onto an existing internal communication “role ladder,” the team was able to identify what skills were needed to do the job better. They could also identify what skills were needed to allow communicators to develop their own skills and provide more valuable support. This exercise helped identify the key areas for training and development needed to make the greatest business impact at Ericsson.
on managers’ training and development. Basic management training has been redesigned to help line managers increase the impact of their leadership through better communication with team members. This training is offered to around 600 line managers on a yearly basis.

The communication team has also worked to make sure that managers are well equipped with the necessary tools. Early in 2006, a dedicated space was launched on the intranet offering hands-on support to managers for internal communication activities. The content is simple and straightforward, focusing on tangible advice for successful communicators. Local internal communicators then provide additional support to managers asking for more in-depth knowledge and advice.

In addition to training and measurement, communication is now one of the core competencies defined in Ericsson’s new leadership framework. This framework specifies what is important for a manager in Ericsson. The communication skills are defined as the ability to listen, share information and have an impact and influence on others.

A summary of what’s changed
From an environment where internal communication was very focused on news flow, the focus now is on supporting leadership to harness the power of good communication. The communication team has redefined its role and developed a strategy accordingly. The analysis of communication and channel review helped the team adjust its investment, and internal communicators have been trained in critical competencies. In parallel, measurement and training has been introduced to track and improve managers’ communication skills.

Centralized editorial staff now have greater opportunities to make sure that the editorial agenda and news stories are supporting and aligned with overall corporate strategies. For example, editorial content has shifted to become more externally focused, sharing customer experiences and keeping employees informed about competitors and trends in the industry. This wasn’t always the case in the earlier days of decentralization, with numerous “local editors” being loyal to local managers and priorities.

Although there are still areas in need of improvement – such as using segmentation techniques to improve the impact of internal communication – overall, the new approach has been successfully implemented at Ericsson.

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**FOUR CRUCIAL COMMUNICATION AREAS**

To deliver their strategy successfully, says Bill Quirke of Synopsis, internal communication departments have to balance four crucial areas: customers, channels, capacity and capability.

1. **Customers**
   Communicators must ensure they are providing the service that internal customers expect. Often confused expectations mean that internal communication departments are forever busy, but not seen as particularly valuable.

2. **Channels**
   They have to ensure they are investing their money in channels with clear and demonstrable return on investment. Internal communication teams often operate a full range of communication channels which duplicate coverage, use inappropriate content and compete with each other and other channels in the organization. Internal communication teams need to understand which channels are used by employees for different types of information, and where they should be investing time, money and effort.

3. **Capacity**
   They have to make sure they are putting their time and energies into areas of strategic importance to the business, as defined by the leadership team. Otherwise they will always be stretched, usually putting most work into areas of relatively low value – endlessly redrafting leaders’ e-mails and scheduling events. The greatest amount of communicators’ time often goes into the lowest value activity. This is driven by the fact that internal customers expect high degrees of support in areas of tactics and execution, but don’t expect or welcome support in the higher value areas such as planning, coaching and message articulation.

4. **Capability**
   Internal communication teams have to develop their skills. The business needs a range of skills from the basic requirements of writing, crafting and drafting, to advice, message creation and the challenging and coaching of leaders. Identifying the skills needed for internal communicators means making a careful analysis of:
   • what the business needs;
   • what the internal communication department is offering as a service; and
   • individual communicators’ career aspirations.

These three are routinely out of line in most departments because businesses are often unclear of what they want, internal communication departments are unclear about the service or level of service they’re offering, and individuals’ aspirations are often disconnected from the job they’re expected to do. For example, providing training in change management for individuals who should actually be honing their writing skills, is a recipe for disaster.

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