

Division's Transition to New Organization

Employee Communications Strategy

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Plus: Attachment –Tactical Plan

SECTION I - BACKGROUND

Document purpose

This document is intended for the use of the management team of the new division to help you plan communications to your internal stakeholders over the next few months of transition.

Situation analysis

The industry

To compete more effectively today's environment, we and our competitors are initiating new strategies to build their businesses, improve services and reduce costs.

Our own environment

Here, the need for action is pressing.

Our structure allowed us to rapidly develop new capabilities in a short period of time. Strategies and activities in the businesses were intent on moving to become a more customer-centric organization. However, the structure had outlived its usefulness and was creating barriers to moving forward. Issues included silo thinking and structure, which interfered with our ability to effectively service customers and created unnecessary duplication and costs. We needed to take advantage of the capability we had created and move it to the next level of performance to achieve results that would meet the expectations of all stakeholder groups including customers and shareholders.

Recent announcements

The new chief executive's announcements presented a new management team and organizational structure. He also painted a clear vision of a broader, more integrated organization that will better serve customers, more effectively address our competitive challenges and ultimately increase shareholder value.

Communications challenges/opportunities

In many cases, it is hard to separate overall business challenges from communications challenges. The flip side of each of these communications challenges is that, if we handle the communications well, each one brings new communications opportunities.

- **Cultural diversity/ meshing** – there are definite cultural differences among the groups brought together in the new organization. We need to be aware of differences and past histories so we can be sensitive to them in our approach to communications
- **Leadership communications challenges/opportunities:**
 - **need for visible commitment and support** – managers and leaders play a crucial role in

helping employees understand change and stay focused on their day-to-day business. During the reorganization in the months ahead, leadership roles are potentially going to experience the greatest amount of change and our primary challenge will be to ensure leaders and managers feel well-informed and supported as we go through this change

- **ability to communicate** – the ability of our leaders to communicate with employees will be absolutely critical moving forward. We cannot perform optimally (e.g., continually reach higher and achieve more with less) without the fully aligned, collaborative effort of our employees. And this will not happen unless we have a continuing, consistent process of leadership communication to build awareness, understanding and commitment to strategic intent
- **need to work in partnership** – the new organization is intended to help address issues such as duplication of effort and silo thinking and structure, which interfere with our ability to effectively service business partners and customers. It will be a challenge to stay connected, keep consistency of key messages and ensure integration of communications. It will also be important for employees to see senior executives “walking the talk” and working in partnership as we move forward
- **need for open, regular communications** – it will be important to communicate regularly even when there is not much to say except “stay tuned”. The importance of asking for employee feedback, repeating key messages and keeping communication lines open so people feel connected and informed cannot be underestimated
- **Employee communications challenges:**
 - **uncertainty** – as things change, there will be uncertainty and concerns about job security. Regular two-way communication encouraging employee feedback and open acknowledgement of employee issues and questions can help alleviate some of the anxiety employees may have about change and make them feel more positive about their future at this organization
 - **responsibility for involvement** – once we have the feedback mechanisms in place, it will be important to ensure that employees understand, while the leaders need to commit to communicate, employees in turn have a responsibility to be actively involved and engaged in dialogue with their leaders
 - **need for continued focus on customers, financial results** – our targets remain the same. For the balance of the year, we will need all employees to continue to focus on the customer and improving our business results, and must emphasize that the talent, skill and capability of employees in all business areas will be crucial to our future success
- **Resources:** providing the needed resources is likely to get tougher going forward

Communications vision

Based on our increasingly complex environment, new organizational changes, our rapidly changing industry and the challenges we face today, we should be supporting a vision for employee communications over the next few months and years that will lead us to:

- clear communications leadership and accountability
- best practices approach to ensure quality communications – timely, pull versus push, effectiveness measured

The leadership team will work out its communications vision as part of the development of the overall divisional vision.

SECTION II - FRAMEWORK

Guiding principles for employee communications

The following principles will guide all communications to employees reporting through to the executive team and all communications to business partners.

Wherever possible, communications will:

Provide context:

- support the organizational vision and strategies
- reflect the organization's values
- link with the organization's "big picture"
- present both the customer and employee perspectives

Be accurate, timely, relevant and easy to understand:

- provide fair, accurate and timely disclosure of appropriate information
- contain only information that is relevant to the employee group
- minimize jargon and work towards simple, clear language that is easy to understand

Encourage an open, multi-directional communications environment:

- ensure that those affected directly by change know about the impact on them quickly and first
- use communications channels that invite input, involvement and ongoing dialogue
- measure the effectiveness of communications against key objectives

Be well-integrated with consistent messages:

- ensure alignment with organization-wide messages and those of other parts of the organization
- consistently reinforce key messages

Audiences

Primary:

- Divisional employees
- Divisional managers
- Divisional leadership team
- Senior Executives/Vice-Chairmen

Secondary:

- Business partners:
 - leaders of internal support groups
 - leaders of other employee groups
- All organizational employees

Communication objectives

1. to ensure that employees understand the new direction of the organization and of the division, including the nature of change and rationale for change
2. to motivate employees to accept and willingly participate in change and reassure them that they have an important role to play in our success
3. to support employees through change to ensure they maintain their focus on business goals and maximize their chances for success
4. to ensure that business partners also understand the direction of the division and its impact on them

Transition communication strategies and tactics

To support the four main communications objectives, the following summarizes the high-level strategies and tactics to guide the development of tactical plans and day-to-day execution and delivery of communications:

Strategy #1 – clearly communicate the vision and direction of the new division and the context for change**Supporting tactics:**

- widely share our vision, strategies and business plans, wherever possible, and provide information on a regular basis to reinforce a common, clear understanding of where we are headed
- ensure all employees have information about our strategic direction and how the division's groups integrate and work together in partnership
- create the business imperative/urgency to compel people to change through a deep understanding of the impact of the change at the organizational/unit/individual level
- provide hard facts
- executives to be highly visible
- recognize past accomplishments
- celebrate successes

Strategy #2 - support leaders and managers in their roles as key communicators**Supporting tactics:**

- define management communication roles (i.e., who communicates what to whom, who is responsible for high-level strategy, to answer “what about me?”) and reinforce their roles in our communications activities and processes.
- reinforce the importance of “face-to-face” communication activities and consistently provide managers with high level direction/process as materials are distributed (e.g., when they receive a communication, how do we expect them to share it with employees – in a meeting? post it on a bulletin board?).
- communicate key messages and the context for change in their specific units

Strategy #3 – create opportunities to communicate key messages**Supporting tactics:**

- develop and manage communications according to an overall tactical plan throughout the transition period that outlines a variety of communications opportunities continually reinforce a few key messages that are central to our future success

Strategy #4 – strengthen our multi-directional communications approach to increase employee feedback, involvement, and confidence that they are being heard**Supporting tactics:**

- ensure all materials incorporate an employee feedback channel, and set-up/encourage informal channels (e.g., management/leadership teams) to feed information and questions into the employee communications area.
- where possible, have leaders acknowledge employee feedback and address questions (i.e., in printed materials, e-mail boxes or through face-to-face meetings/presentations).

Key messages

The following outlines a few general key messages that we should reinforce wherever possible in our communications. These key messages will evolve over time and will be updated on an ongoing basis:

- **The imperative for change:**
 - industry challenges are escalating – changes in the way we do business are critical to our survival in an increasingly competitive and rapidly changing marketplace
 - our non-interest expense ratio is among the highest of all of our competitors
 - we do not find our customer satisfaction results satisfactory
 - the silo structure interfered with our ability to effectively service customers and created unnecessary duplication and costs
 - the Chief Executive painted his vision of a broader, more integrated organization that will better serve customers, more effectively address our competitive challenges and ultimately increase shareholder value
- he plans achieve this through a number of means, including the structural changes we are now going through and major cost-cutting and revenue-generating initiatives

- **Our major challenge:**
 - the group contains those businesses where the customer selects the products primarily for their ability to accept and distribute funds
 - all of the businesses in the group are key drivers of revenue, customer relationships and customer loyalty and are strong contributors to our overall profitability and underpin our ability to be successful in key areas of strategic focus. Our challenge going forward will be to prove that we can deliver new capability, revenue and profit growth, with increased speed-to-market and greater cost-efficiency, for all the key segments dependent upon these services
- **Building on the past and celebrating achievements:**
 - we have all been successful in the past – now the synergies made possible by bringing us together will help us be even more successful and aligned
 - ... (to be developed as major milestones are met)
- **Executive commitment:**
 - the division's leadership team is fully committed to the new organization
 - they are also committed to sharing information and getting feedback from employees to ensure understanding of the changes and the reasons for them
 - communication will be regular and focused on reaching major milestones
- **Employee involvement critical:**
 - the ultimate success of group is dependent on your support and involvement
 - this is your organization: your leaders are seeking ways to involve you in our future – we also need your commitment to be involved and to let us know your thoughts
- **Focus on deliverables and on the customer:**
 - we need to continue to focus our energies and our people on our key deliverables for Fiscal 2XXX, our key strategies for growth in Fiscal 2YYY and the fundamentals that will deliver results
 - the momentum of earning revenue and serving the customer must be protected during this transition period

**Divisional transition
employee communication plan
Tactical plan**

Divisional transition employee communications plan

| <i>Channel/ vehicle</i> | Objective(s) | Audience | Commu- nicator(s) | Frequency | Timing | Signoff | Resp |
|---------------------------------|---|------------------------------------|------------------------------|--|--|----------------|------------------------------|
| MEETINGS | | | | | | | |
| Offsite meetings | <ul style="list-style-type: none"> • show leadership commitment and solidarity • bring senior managers up-to-date on developments • provide opportunity for open discussion • obtain senior manager commitment | Senior management levels | Leadership team | Once | Sept 1 | NA | Leadership team |
| Town Hall meetings | <ul style="list-style-type: none"> • show next level management commitment • share vision • bring employees up-to-date on developments • introduce leaders • provide opportunity for open discussion • build employee commitment • celebrate successes | All divisional employees, by group | Business leaders | As required – once after offsite and then when major milestones achieved | Soon after Sept 1 Oct 15, on completion of Phase 1 Nov 1: on completion of Phase 2 | NA | Business leaders |
| Regular staff meetings | <ul style="list-style-type: none"> • regular updates • uncover and resolve issues • obtain feedback | All employees | Managers | As scheduled | Ongoing | NA | Managers |
| Leadership team meetings | <ul style="list-style-type: none"> • regular updates • uncover and resolve issues | Leadership team | Divisional and other leaders | Every two weeks | Starting Oct 1 | NA | Divisional and other leaders |
| One-on-one meetings | <ul style="list-style-type: none"> • deal with individual issues | Individual employees | Managers | As required | TBD | NA | Managers |

| <i>Channel/ vehicle</i> | Objective(s) | Audience | Communi- nicator(s) | Frequency | Timing | Signoff | Resp |
|--|---|------------------------------------|--------------------------------|--------------------|--|------------------|----------------------------------|
| Partner meetings | <ul style="list-style-type: none"> • discuss impact on changes to business partners • obtain feedback and buyin to vision and strategy | Business partners | Leadership team | As required | TBD | NA | Managers |
| Executive meetings/ meetings with Vice-Chairman | <ul style="list-style-type: none"> • get feedback on vision/ strategy • obtain buyin to strategy • progress report on major milestones | Senior Executives, Vice-Chairman | Leadership team | As required | TBD | NA | Leadership team |
| WRITTEN COMMS | | | | | | | |
| PRMail/ Today | <ul style="list-style-type: none"> • announce structure • announce leadership team • progress report on major milestones • provide overview to the organization | All employees | Divisional leadership team | As required | First: Aug 8 Second: Aug 20 Third: when VP, strategy appointed | Leadership team | Leadership team, supported by HR |
| E-mail | <ul style="list-style-type: none"> • updates/ news for business units | All divisional employees, by group | Business leaders | As required | TBD | Business leaders | Business leaders supported by HR |
| Q&A | <ul style="list-style-type: none"> • provide managers with answers to potentially difficult questions | Managers | Leadership team | Update as required | Same time as new organization announcement | Leadership team | HR for leadership team |

| <i>Channel/ vehicle</i> | Objective(s) | Audience | Commu- nicator(s) | Frequency | Timing | Signoff | Resp |
|-----------------------------------|--|----------------------|--|------------------|---------------|---------------------------------------|--|
| FEEDBACK CHANNELS | | | | | | | |
| Employee e-mail box | <ul style="list-style-type: none"> obtain employee input as to questions, issues | Divisional employees | Leadership team (to provide responses) | NA | September? | Appropriate member of leadership team | Emp Comm and HR to draft responses for leadership team members |
| IVR survey | <ul style="list-style-type: none"> take the pulse of employees benchmark leadership, HR and communications effectiveness | Divisional employees | Leadership team | Quarterly | November | Leadership team | HR and Emp Comm to draft survey |
| LESS FORMAL | | | | | | | |
| | | | | | | | |
| Informal leadership visits | <ul style="list-style-type: none"> executive visibility employee involvement | Divisional employees | Leadership team | NA | NA | Leadership team | Leadership team |