

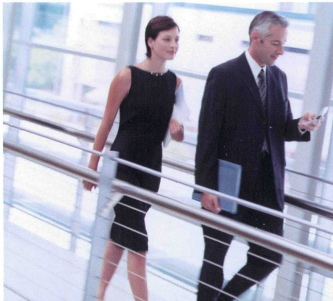
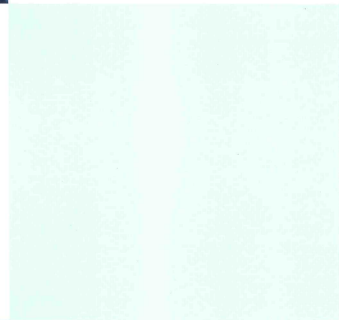
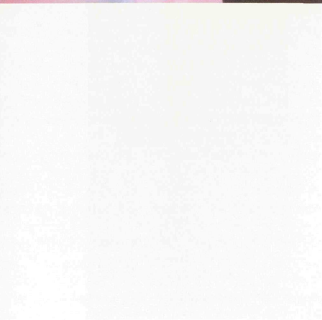
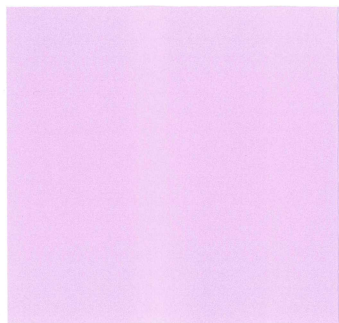
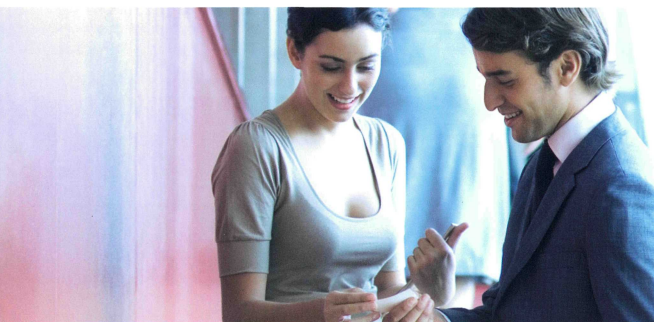
LIFE
WITH
PRINT

CORPORATE COMMUNICATION
IN THE MEDIA MIX



Carlos
Art Director
Suite 3
Tampa, Florida 33602

sappi



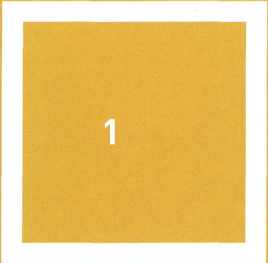
HOW CAN SOMETHING THAT DOES NOT
MOVE BE SO MOVING? HOW CAN SOMETHING
THAT MAKES NO SOUND SAY SO MUCH?
THAT'S THE POWER OF PRINT. PAPER AND INK
CREATING LIFE. OR RECREATING IT.
BUT WITH NO RULES. NO RESTRICTIONS.
IN ITS FINISHED FORM, PRINT HAS
THE ABILITY TO TOUCH EACH AND
EVERY EMOTION WE HAVE. IT CAN MAKE US
LAUGH. MAKE US CRY. MAKE US THINK
IN WAYS WE'VE NEVER THOUGHT BEFORE.
AND BECAUSE OF THAT, OUR RELATIONSHIP
WITH PRINT IS ONE OF THE MOST
MEANINGFUL WE WILL HAVE IN OUR LIVES.

CORPORATE COMMUNICATION
IN THE MEDIA MIX

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One could also say that a company establishes its personality, character and soul vis-à-vis these dimensions. The personality of Virgin -very anti-establishment- is quite different from that of British Airways, just as the soul of the Red Cross is quite different from that of Microsoft.

Details of how companies want to be perceived are laid down in vision and mission statements. These statements, in conjunction with the company values, present stakeholders with a clear view about the intentions and the identity of the company.

1.1

Corporate identity and image

Mission statements can be brief, such as Gottfried Daimler's (Daimler-Benz) "Das Beste oder Nichts" or Polaroid's, "We provide instant photography". More often than not, we can find five to ten lines of mission- or vision-related testimony in annual reports.

The corporate image has an important task that is geared towards several groups of stakeholders, who are commonly divided as follows:

- 1 Consumers (clients and prospects)
- 2 Functional groups (potential staff, suppliers and distributors)
- 3 Normative groups (capital suppliers, government, trade organisations and unions)
- 4 Other interest groups (general public, journalists, consumer organisations and pressure groups)

The sum of all impressions, experiences, knowledge, expectations and feelings of these stakeholders define the corporate image and determine the **value** (brand equity) of the corporate brand.

Corporate brands are ranked by Fortune Magazine in its annually Most Admired Companies list. This list is based on nine questions that rank companies in terms of such items as innovation, ability to attract and retain talent and financial soundness. [See page 56 for more details.]

THE MISSION AND VALUES OF THE DISNEY COMPANY

Mission:

- Providing quality entertainment for people around the world.

Values:

- Innovation: We follow a strong tradition of innovation.
- Quality: We strive to follow a high standard of excellence, and we maintain high-quality standards across all product categories.
- Communities: We create positive ideas about families and we provide entertainment experiences for all generations to share.
- Storytelling: Every product tells a story; timeless and engaging stories delight and inspire.
- Optimism: Entertainment is about hope, aspiration and positive resolutions.
- Decency: We honour and respect the trust people place in us — our fun is about laughing at our experiences and ourselves.

WALT DISNEY CORPORATE IDENTITY



The **WALT DISNEY** Company



The benefits of strong reputational capital underlined by Dr. Charles J. Fombrun (CEO of The Reputation Institute) are as follows ⁽¹⁾:

- 1 More demand for products and stocks.
- 2 Products and stocks can bring a higher price.
- 3 It makes easier to attract staff.
- 4 More loyal and productive staff.
- 5 Better position towards suppliers and trade partners.
- 6 Less chance for a crisis, and when that might happen, a smaller impact.

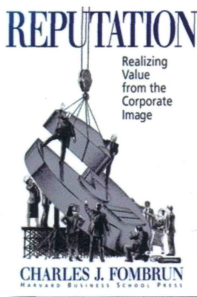
The European Communication Monitor 2007 confirms the growing importance of corporate communication. Respondents of the survey say that by 2009 corporate communication will be the most important discipline in communication

management in Europe (today it ranks second behind marketing/brand and consumer communication).

Also, within the next two years, the survey shows that coping with digital evolution and the social web will be the most important issue.

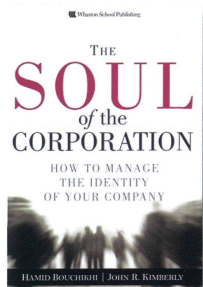
A corporate image is clearly linked with the possibility of attracting and retaining talented staff. Often the term "employer branding" is used, a subdivision of corporate branding. Employer branding has to do with all the functional, financial and psychological advantages of working with a specific company.

Employer branding is like an internal relationship programme. Human resources management benefit from a strong employer brand, as it helps to attract and motivate staff.



REPUTATION: REALIZING VALUE FROM THE CORPORATE IMAGE BY CHARLES J. FOMBRUN

THE SOUL OF THE CORPORATION
BY HAMID BOUCHIKHI AND
JOHN R. KIMBERLY



1.2

Corporate identity tools

A company has a full set of tools to influence the corporate image. These are the following:

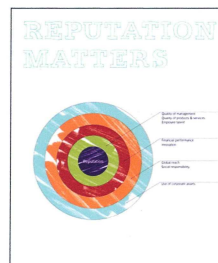
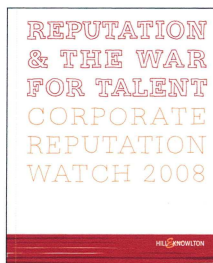
- 1 Identity tools | corporate identity, house style, stationery
- 2 Presentation tools | corporate brochure, website
- 3 Reporting tools | annual reports, quarterly reports, sustainability reports
- 4 Relationship material for internal and external stakeholders | statements, bills, calendar, agenda
- 5 Support tools | instruction manuals, product guides
- 6 Active reputation tools | corporate advertising

These different tools represent slightly more than a quarter of all paper used by companies for their various purposes. The chart on page 29 illustrates the use of paper by the range of tools. Corporate usage exceeds that for advertising, promotion and direct marketing.

The PR company, Hill & Knowlton, issues a Corporate Reputation Watch. The results of its 2007 survey indicates that “over 90% of analysts agree that a company which fails to look after reputational aspects of its performance will ultimately suffer financially, too”. Besides financial elements, clear and consistent communication is the third most important factor (93%) that contributes to the company’s overall value. To stay updated about a company, analysts attach the most importance to one-to-one meetings with company leadership, conference calls and annual reports. The company’s website and customer research are seen as the most reliable information sources, with blogs seen as the least reliable.



“IT TAKES A LIFETIME TO BUILD A REPUTATION AND ONLY A SHORT TIME TO LOSE IT ALL” JOSEPH NEUBAUER, FORMER CEO ARAMARK WORLDWIDE



1.3

Measuring an image with many dimensions

The corporate image is regularly monitored by many companies, particularly in moments of crisis. These situations often trigger a proactive corporate communication policy.

The effects of a company's corporate image are also measured by Interbrand in its yearly rankings of Best Global Brands. This list is based on the value of the company's brands, that represent, in many cases, the same value as the company.

Measurement of the internal image (among staff) is part of the establishment of the corporate image, although only 34% of companies have a strategy for measuring internal communication^[2].

The **impact of a strong reputation** cannot be neglected. Business influencers, worldwide, say that 63% of a company's market value is attributable to reputation (Weber Shandwick^[3]).

The internal image clearly affects staff motivation, as well as many other aspects of the company culture. Comparable data for internal images can be found via the 'Best Workplaces' competition. This competition, running on several continents, selects the most pleasant environments in which to work. In 2007, Microsoft was chosen as winner in Europe, after having won in 12 individual countries.

Canon's corporate philosophy is called "Kyosei", which refers to living and working together for the common good. This corporate guideline translates into a typical corporate behaviour: truly global companies must foster good relations, not only with their customers and communities in which they operate, but also with nations and the environment. They must also bear the responsibility for the impact of their activities on society. Canon's goal is to contribute to global prosperity and the well-being of humankind, which will lead to continuing growth and bringing the world closer to achieving "Kyosei".

Canon 共生

WHICH PAPER IS RIGHT?

In principle you can't go wrong with paper. Paper is based on natural renewable raw materials, it stores carbon dioxide throughout its product life, it can be recycled after used and live again in a new product and you can generate carbon neutral bio energy from it when you generate energy from it eventually.

HOW TO SELECT PAPER THAT FITS YOUR "GREEN" CORPORATE IDENTITY?

1. MAKE SURE THAT IT IS PRODUCED FROM WOOD AND PULP THAT IS EXCLUSIVELY SOURCED FROM SUSTAINABLY MANAGED FORESTS AND SAFE AND CONTROLLED FOREST SOURCES
2. IF AVAILABLE, TRY TO BUY PAPER THAT IS CERTIFIED UNDER SUSTAINABLE FORESTRY CERTIFICATION SCHEMES SUCH AS THE FOREST STEWARDSHIP COUNCIL (FSC) OR THE PROGRAMME FOR ENDORSEMENT OF FOREST CERTIFICATION (PEFC)
3. DESIGN YOUR PRINT WORK EASY TO RECYCLE. USE AS LITTLE NON RENEWABLE MATERIALS AND THOSE THAT RESTRICT RECYCLING AS POSSIBLE.
4. FOR PARTS WHERE OPTICAL PROPERTIES DO NOT MATTER (E.G. BOXBOARD AND CORRUGATED BOARD) TRY TO MAKE SURE THAT IT IS A BOARD WITH A RECYCLED MATERIAL BASE.
5. VERIFY THAT THE PAPER COMPANY HAS A GOOD ENVIRONMENTAL TRACK RECORD (E.G. USES EFFICIENT MEANS OF ENERGY GENERATION LIKE COMBINED HEAT AND POWER, USES RENEWABLE RESOURCES AND REPORTS THEIR SPECIFIC ENVIRONMENTAL PARAMETERS OPENLY.
6. MAKE SURE THAT THE PAPER MANUFACTURER HAS A CORPORATE COMMITMENT TO SUSTAINABILITY AND THAT THE COMPANY HAS A CERTIFIED ENVIRONMENTAL MANAGEMENT SYSTEM (ISO 14001 AND EMAS) AND ISSUES AN ENVIRONMENTAL REPORT.

1.4

Responsible corporate citizens

Paper manufacturers ensure that the paper used for advertising and promotional purposes comes from certified and controlled sources. The Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC) focus on the management of the world's forests and plantations to ensure their sustainability. The FSC and PEFC provide certificates of wood and fibre that are sourced from sustainable and controlled sources through the entire supply chain – from the forest or plantation to the production of pulp and paper, and the printing and converting processes.

When buying paper, an increasing number of companies refer to these certifications as part of their CSR programmes. Sixty percent of the UK book industry is already procuring paper with these certificates. In Canada, 520 book publishers, magazines, newspapers and printers have an eco-paper purchasing policy in place (from 172 in 2007). The certificates assure them and their consumers that the paper used is made from wood which is derived from forests in which not more wood is removed than what regrows.



The H.J. Heinz Company runs a program that will distribute by 2010 free packets that contain nutrients, vitamins and minerals to 10 million children, and that will lower the risk of iron-deficiency anemia. This program, launched in 2001, aims to assist people who suffer from malnutrition. By virtue of this program, over 400,000 children in Indonesia have already been helped; children in India and China are targeted next. The proof that this CSR program is valued by the investment community is the No.1 position of Heinz in the LOHAS Index. This index ranks the 50 most environmentally and socially responsible US companies, and it has placed Heinz first in the investment community.

2 IDENTITY TOOLS

The first and foremost totem of a company or organisation is the logo: its name or its symbol, or a combination of the two. Some companies and organisations are immediately recognised just by their symbol, or even by the typography used for the writing of the name. Be it the Red Cross, a greyhound, a yellow-and-red shell, a panda bear or the ubiquitous swoosh, every symbol is instantaneously connected to a well known company or organisation.

Companies and organisations pay a great deal of attention to the development of the logo and the house style. Corporate identity is the singlemost important tangible manifestation of the corporate personality. It is meant to influence every audience of the organisation. Because of this importance, companies present guidelines on how to use the corporate identity [CI] in **graphic guidelines or brand books**. These books detail the graphic standards and outline the use of the CI for all possible applications.

One of the tools that companies almost always use is stationery. Letterheads, bills, statements, envelopes — they all carry the CI in a consistent way and are therefore probably the most visible expressions of the CI. The CI, along with products and services, the environment in which the products are produced and the behaviour of the staff, present the company to the outside world in a well-defined way, and determines how it is perceived. Interestingly enough, despite the very important role stationery plays in establishing and maintaining the corporate identity, the board of a company does not always treat it with the respect it is due. In many cases, the development of the CI and housestyle is left to other departments in an organisation.

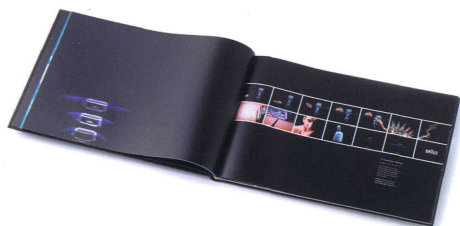
Maintaining the correct CI has become more difficult because employees apply the identity digitally in their correspondence, instead of using pre-printed letterheads. (The market for printing stationery represents 4% of the total volume of of all paper produced^[4]).





EXPRESSING THE IDENTITY:
ENGINEERING MAGIC BRAUN
42,5 CM X 32,5 CM
102 PAGES

RED DOT AWARD 2007



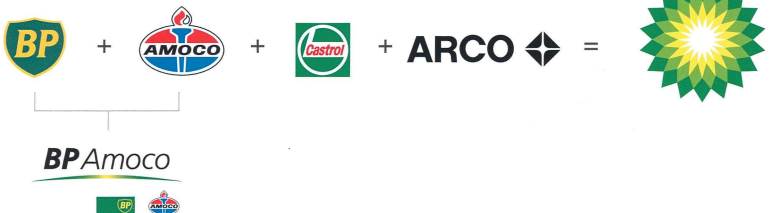
2.1

Brand architecture

The identity of a company can become confused and convoluted when the company puts several products with different names on the market. A company in this situation is called a "House of Brands". Unilever (Dove, Magnum, Axe) and Procter & Gamble (Olay, Always, Duracell) are good examples of companies that have strong product brands, as well as a separate corporate brand. The corporate brand is used in conjunction with the product brand, acting as an endorser. Some have argued that a corporate brand is only as strong as the weakest product brand.

Other corporates such as Shell or Canon are monolithic, using only the company brand. They are referred to as "Branded Houses", and their corporate images have a more immediate impact on the perception of the companies' products. "Simply because in a world that is bewildering in terms of competitive clamour, in which rational choice has become almost impossible, brands represent clarity, reassurance, consistency, status, membership — everything that enables human beings to help define themselves. Brands represent identity." Wally Olins, On brand⁽⁵⁾

WHEN BRITISH PETROLEUM(BP) MERGED WITH AMOCO, ARCO AND CASTROL IT NEEDED A NEW IDENTITY TO ESTABLISH THE NEW BRAND. THE BP SHIELD WAS REPLACED BY A GREEN, WHITE AND YELLOW HELIOS MARK EVOKING NATURAL FORMS AND ENERGY. ONE MONTH AFTER THE LAUNCH, INTERNAL STAKEHOLDERS AGREED THAT THIS WAS THE RIGHT DIRECTION FOR THE COMPANY (90%), FAVOURABLE FOR THE NEW BRAND (76%) AND CREDIBLE FOR BP TO GO 'BEYOND PETROLEUM' (77%).



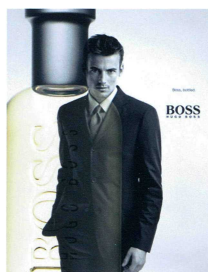
"HOUSE OF BRANDS"

P&G

PANTENE® PRO-V



BOSS



"BRANDED HOUSES"

DUPONT®

SORONA®

PYRALUX®

SENTRYGLAS®

ETC

monomeric-urea. Thousands of uses replace urea in oil.
DuPont is dedicated to using innovative monomers and biological manufacturing processes to create sustainable products such as fibers, apparel and home goods. The following core capabilities are trademarks in the manufacturing process. DuPont will use the reputation of its leading global of quality products.
For more information, visit www.dupont.com

DUPONT

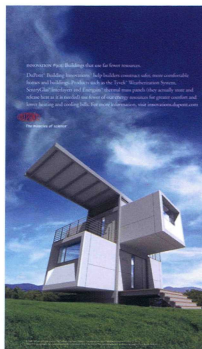
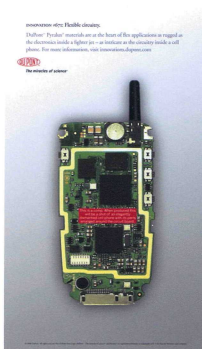
The strength of nature



monomeric-urea. Flexible design.
DuPont's Pyralux® monomers are at the heart of their application as rugged as the chemical bonds in light or in nature in the industry such as oil phones. For more information, visit www.dupont.com

DUPONT

The strength of nature



3

PRESENTATION TOOLS

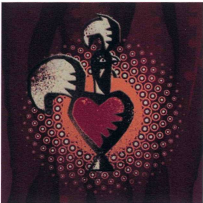
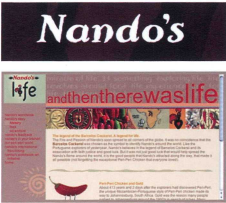
Slides, overheads, PowerPoint presentations, websites and corporate brochures — they all help companies explain their activities to clients and showcase their strong points. Sometimes these tools are barely used; often they are used in combination with each other. Most companies host a proper website, using PowerPoint presentations to incorporate elements from the site. The internet offers customers easy access and frequent updates, melding text, audio and video. The disadvantage, however, is not having a presentation of equivalent quality as a hand-out. Printing from a website will never deliver the same experience, and it is definitely inferior to the traditional printed corporate brochure. To address this, most companies print out a PowerPoint version of the website or produce printed brochures of the information.

One of the best-known PowerPoint presentations is called, “Your’s is a very bad hotel”. Two consultants arrived late one night at a hotel in Houston and were refused their confirmed room because it is no longer available. Their presentation was soon circulating online, with the author receiving more than 6,000 emails. It drew extensive press coverage, and forced companies to focus on customer service and brand experience.

Most PowerPoint presentations tend to be boring, so many companies try reduce the frequency of their use at meetings. Because they are often detailed and one-sided, they do not always lead to a meaningful conversation with the audience.

Some companies offer PowerPoint-free meetings or insist on everyone first reading the “Death by PowerPoint” presentation. At Nortel, people are asked to reduce the messages on each slide so that the presentation can be told in one minute: hence, the one-minute drill.

Avoiding using a PowerPoint presentation more easily generates a **conversation**. Participants get involved in a discussion rather than following a pre-defined and ordered number of slides. The typical presentation basically doesn't allow for interruptions (“we will come to that point later during the presentation”). This does not imply that slides are never used in presentations, but only that they support the conversation instead of defining the meeting.



Fewer and fewer corporate brochures are printed, as websites and corporate presentations in PDF become available online. Although online presentations do offer definite advantages, they do not offer the equivalent of the printed brochure. Clients, staff and analysts need to print out the presentation themselves and do not end up with the same production quality — and thus the same impression — as with a printed brochure.

Nando's is a fast food restaurant chain originating in South Africa. Its brand has a very distinctive and strong imagery. Nando's tells the story of the Barcelos Cockerel legend that has become the basis for the Nando corporate policy. The characteristic brand is supported by an interesting and nicely designed website, telling the story of the brand through humorous and often controversial television commercials.



THIS BID BOOK FROM THE CITY OF VANCOUVER HELPED THE CITY WIN THE 2010 OLYMPIC WINTER GAMES. THE 140-PAGE BOOK PRESENTS VANCOUVER'S AMBITIONS, INFRASTRUCTURE AND SERVICES. AN ESSENTIAL ELEMENT OF EVERY OLYMPIC GAMES IS THE LOGO.

4 REPORTING TOOLS

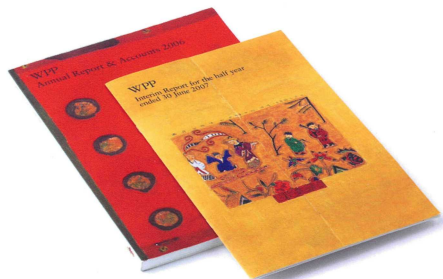
We are all familiar with what can be seen as the “business card” of a company: the annual report. Each year there is a significant commitment of money and energy that goes into the design and development of this document. Although it is a formal legal document, it is increasingly becoming a statement of company management. Typically, the annual report presents the company mission, vision and values, linking product development, expansion programs, product portfolio and other strategic elements to these statements. It remains key to understanding whether or not a company is well run, and if the management are on the top of their game. And it provides, of course, the required financial data. Because annual reports are closely analysed by financial experts and then compared with those of the competition, they become important tools that can make positive impressions, attract investors and, ultimately, build a strong corporate reputation.

Sixty percent of their content is what PricewaterhouseCoopers calls “narrative reporting”, the critical contextual and non-financial information that provides a broader and more meaningful understanding of a company’s business. Via this contextual information, companies have the opportunity to express their corporate identity. Increasingly, companies apply a

narrative structure, including a character, setting, problem and resolution to this part of the report.

An increasing number of companies (44% of those listed on the Dow Jones Global 1800 Index) also spoke to environmental, social and governance issues in 2005, often including sustainability reports. For an increasing number of companies, an active corporate social responsibility policy is part of corporate strategy, as stakeholders become more concerned about the role companies play in the environment.

Nick Robinson, an expert on reporting and communication on corporate sustainability issues, mentions **five guidelines** for a sustainability policy: **acknowledge the issue, position your company, state your policy, set metrics for your performance and report without fear⁽⁶⁾**.



WPP ANNUAL REPORT PLATINUM WINNER AT 2006 LACP AWARD

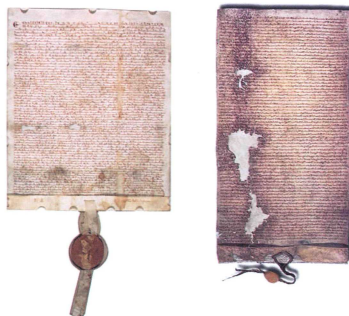
Annual reports have become one of the most important tools in establishing the corporate image of a company. Although financial data can be provided electronically to most stakeholders, the printed version plays a significant role in establishing a positive corporate image.

Recent research among the Fortune's 500 companies indicates that 53% use printed annual reports. Other research^m among 500 member companies of the National Investor Relations Institute indicates that 95% of the members post an electronic version.

In 2007, the Swedish government announced that all 55 state-owned companies needed to comply with the Global Reporting Initiative (GRI) guidelines for sustainability performance reporting. As these companies represent substantial value, employ large numbers of people and are ultimately the property of all Swedish taxpayers, the government wanted to ensure that societal interests are fulfilled. The GRI standard international guidelines for sustainability reporting are applied by more than 1,000 companies worldwide; they establish uniformity and compatibility in CSR reporting. The GRI is sometimes referred to as the Triple Bottom Line, pointing to financial, social and environmental criteria.

Official agreements were, and always will be, produced on paper or other substrates. Recently, a version of the Magna Carta of 1297 was sold in New York for \$21.3 million. This animal skin vellum that measures only 35 cm by 40 cm features 2500 Latin words in 68 lines of text, and yet provides the basis for modern laws on human rights and freedoms.

Contrast the simple Magna Carta with the 2007 Treaty of Lisbon, concerning the establishment of the European Community. This 287-page book has been published in 23 European languages and exemplifies perfectly the growing complexity of communication.



MAGNA CARTA 1297

5

INTERNAL RELATIONSHIP TOOLS

Most companies and organisations claim that their staff is their biggest asset, and in this way guarantee shareholder value. Internal communication's main objective is therefore to maintain a high level of motivation and satisfaction. Retaining and attracting talented people is the key driver of strong employee-branding activities.

Internal communication can be seen as an **internal marketing** role of selling the corporate brand inside the company.

The fact that internal communication is key to motivating staff is proven by research: 90% of people who are fully informed are motivated to deliver added value. Of those that are kept in the dark, 80% are not prepared to do so^[8].

An intranet is a platform that offers groups of employees access to available company information. A company's intranet can be extended each time new information becomes available. Although monitoring can show exactly which pages have been read and for how long, the intranet does not physically put the information into the hands of the staff. It is a so-called "search media". People go there whenever they want to, implying that blue collar workers, for example, with limited access to the intranet, are handicapped. For the same reason, promoting visits to the intranet by emailing staff news stories also falls short of desired goals.

Internal newsletters that are printed follow in the tradition of newspapers, briefing everybody in an identical way via the printed word.



HEWLETT PACKARD USES THE "COFFEE TALKS" TO SHARE COMPANY INFORMATION WITH EMPLOYEES. FORMER CEO CARLY FIORINA USED THESE MEETINGS IN ALL PARTS OF THE WORLD TO OUTLINE HER STRATEGY.

5.1

Effectively reaching employees

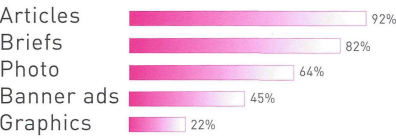
Printed newsletters are the most common in-house publications and offer some distinct advantages over the online version. Longer, more complex stories, photos and artwork are easier to comprehend because employees can go back and reread articles. They also have a higher comfort level with a printed newsletter by virtue of their daily newspaper experience. Reading the morning paper is not just a habit, it is a ritual, whereas a PDF attachment to an email is not necessarily opened, (printed) and read. A printed brochure or newsletter arrives on a desktop or doormat and is, at the very least, thumbed through.

Printed newspapers provide employees with a tangible communication tool that serves different roles: it indicates that management **cares and encourages employees'** sense of ownership, as they can see their work as an integral part of the company's success. Staff members feel respected as stakeholders of the company when they can read personal

stories in the newsletter. It also motivates them and helps to bring them together during disruptive periods when acquisitions or mergers are occurring⁽⁹⁾.

The Stanford University and the Poynter Institute⁽¹⁰⁾ researched the patterns of reading internet news with an eye-tracking device. One of the most striking observations was the limited immediate attention for graphics and photos. These are generally regarded as websites attention-grabbers. When evaluating the first three fixations on web pages, the research team concluded that text scored the highest.

Where does the eye go (first three fixations)?



EMPLOYEES	UNDERSTAND HOW THE ORGANISATION PLANS TO ACHIEVE GOALS	DO NOT UNDERSTAND HOW THE ORGANISATION PLANS TO ACHIEVE GOALS
ARE MOTIVATED	73%	22%
ARE LOYAL	81%	28%
ARE EXCITED ABOUT THE FUTURE	69%	11%
WORK FOR A GREAT ORGANISATION	77%	28%

SOURCE: A LITTLE MORE CONVERSATION, CHA, 2005

5.2

I belong

Fortis, a worldwide operating financial group with over 60,000 employees, publishes the Fortis Tribune ten times a year. This 24-page, tabloid-size newspaper is produced in three languages, distributed in 50 countries with a total circulation of 71,000. The editorial focus of the Fortis Tribune is on employees: how can they realise growth with Fortis. The newspaper is written along five editorial pillars: team, business, career, community and passion. The latest survey indicates that 89% of all personnel read the Tribune (vs. the 86% that consults the online version called Fortis Net). During the acquisition process of ABN-AMRO by Bank of Scotland, Banco Santander and Fortis, the interactive tools helped to uncover staff opinions and to react to tension and concerns, both online and via the Tribune. During this integration phase, the Tribune is featuring human interest stories that facilitate mutual understanding.

"Johnson & Johnson is a company that's grown, historically, through acquisition. A company that's acquired by J&J keeps its name, and typically will keep many of the top management people. What the corporate parent does is to install systems for monitoring performance and rewarding employees. But in each one of J&J's subsidiaries, there's what would be called in French a "double appartenance". That means, in the minds of people who work in the subsidiaries, that they belong both to the subsidiary and to J&J as a whole"⁽¹¹⁾.

Communication is seen as the most important variable for management throughout the entire M&A process. Effective communication informs employees that it is not what is done (or what is going to be done), but rather why and how it is done (or will be done), that really matters. Explaining this is necessary to effectuate changes in operations and behaviours required for the successful execution of corporate strategies.





TESCO — THE UK RETAIL CHAIN — HAS A SIMPLE ACID TEST FOR ALL INTERNAL INITIATIVES: SIMPLER, BETTER, CHEAPER. IS IT SIMPLE FOR EMPLOYEES, BETTER FOR CONSUMERS, AND CHEAPER FOR THE COMPANY? IF IT'S ALL THREE, THEN DO IT. IF IT'S NOT, THEN RECONSIDER.

5.3

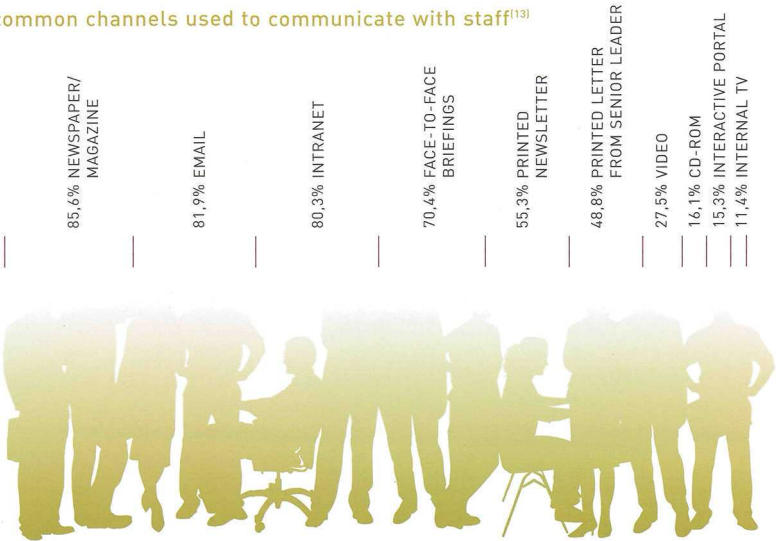
Where are we headed?

Why do staff want to know about the company strategy?

- 1 Know what my organisation plans are.
- 2 Understand my individual role in achieving my organisation plans.
- 3 Understand how I will personally benefit from the plans.
- 4 Know how the organisation proposes to achieve its plans.
- 5 Have confidence that the plans are achievable.
- 6 Believe that my effort makes a difference to the organisation's success.

Companies can measure the impact of their internal relationship tools via the **Employee Communication Quotient (EcQ)**⁽¹²⁾ The EcQ is based on the performances on six indicators: internal media, management, cross organisation, personal messages and communication climate.

Most common channels used to communicate with staff⁽¹³⁾



LIFE
WITH
PRINT





6

EXTERNAL RELATIONSHIP TOOLS

External stakeholders have different relationships with a company or organisation. Stakeholders are heterogeneous groups that are reached via different tools.

The most visible tool is the customer magazine. Customer magazines vary in function and content: some are product-driven, other breathe the company values and build the corporate brand. The main task of these magazines is to strengthen the company's identity and by doing so create a stronger loyalty to the company. Producing customer magazines or relationship magazines treads a fine line: how to express corporate values and commercial interests on the one hand and still apply production qualities to the printing, keeping the return on investment in mind.

On special occasions such as anniversaries, companies publish special editions of these magazines or even anniversary books.

Through these magazines — specifically, their design and paper — companies also express the importance of corporate communication and the relationship with the stakeholders.

A great example of such an anniversary book is the three-volume, 1750-page book celebrating the centenary of the formation of the Royal Dutch Shell group. Employees and pensioners that expressed interest received the book for a contribution of €20, which was donated to a charity organisation. In total, more than 48,000 books were distributed among the (former) personnel. A total of 76,500 books were printed and are being sold through bookstores. The academic world, and people with interest in the oil industry and, more particularly, in Shell, have also expressed interest.

In order to further express the message, a box containing three DVDs and a 75-page booklet were given to each of the 108,000 employees.



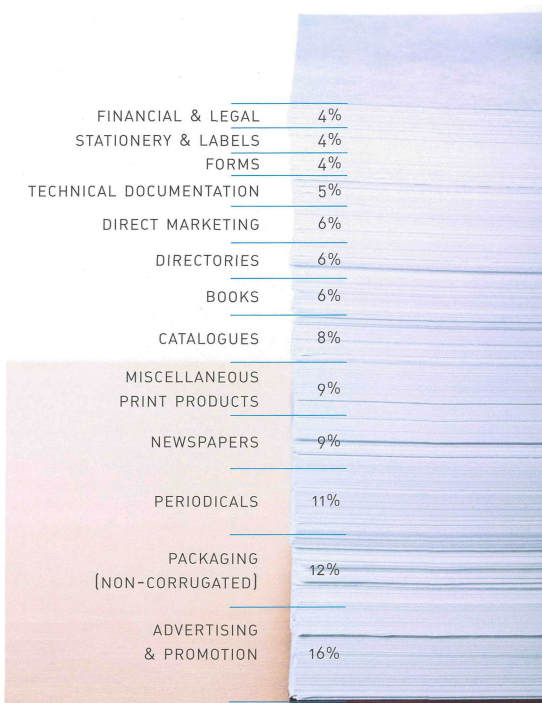
6.1

Curling up with a book

Printed documents remain the preferred medium for reading. Especially in the (Western) "knowledge economy", working with paper has many advantages (despite suggestions years ago about a paperless office^[14]):

- 1 Paper supports authoring work.
- 2 Knowledge workers review documents on paper.
- 3 When planning and thinking about projects, pen and paper are the primary tools.
- 4 Paper supports collaborative activities.
- 5 Paper helps knowledge workers to grease the wheels of organisational communication. A book helps people to relate to the stories and create a sense of connectedness to the relevant company. The stronger an individual feels connected to a corporation, the more he or she is engaged with that corporation and feels a strong corporate pride.

Paper is used for a great variety of applications. Because corporate communication encompasses financial and legal documents, stationery, labels and forms, as well as technical documentation, it accounts for more paper than even advertising and promotion.



FINANCIAL & LEGAL	4%
STATIONERY & LABELS	4%
FORMS	4%
TECHNICAL DOCUMENTATION	5%
DIRECT MARKETING	6%
DIRECTORIES	6%
BOOKS	6%
CATALOGUES	8%
MISCELLANEOUS PRINT PRODUCTS	9%
NEWSPAPERS	9%
PERIODICALS	11%
PACKAGING (NON-CORRUGATED)	12%
ADVERTISING & PROMOTION	16%

Source:
The Electronic Document Systems Foundation, 2007

6.2

Books and magazines: timeless class & quality

"A high-quality magazine is an appropriate means to address discerning customers. It opens up the possibility of conveying communication contents in an *tranquil and non-promotional manner*. The haptic dimension allows that the contents of the magazine are "staged" in a fascinating and even more dimensional manner. A magazine has a certain permanence. By now MINInternational is a **collector's item**".

Because of the heterogeneous character of the group of external stakeholders, online and printed versions of tools are used. The MINInternational magazine, for example, is only available in a printed version and includes a CD-ROM. The internet shows a teaser version of the magazine, as well as films and music. And, of course, via the website, you can obtain the printed version. It is the magazine itself that strongly exhibits the brand values (the same as the company) and provides an ideal tool to support its identity and attract new customers.

The printed version can become a collector's item, especially when produced in a limited edition. The best-known example of this collector's item is the *Pirelli calendar*. Produced since 1964, it has become the most awaited calendar in the world and the prime corporate gift reserved for the special few on the mailing list. Many world-known models and photographers have been featured and admired by owners of the calendar. Many other companies have tried to copy the success of Pirelli. Ryanair, the low-cost airline, produced a 2008 calendar with photographs of some of their most beautiful staff. The 10,000 copies were quickly sold out in the planes and online.

The Guinness World Records book was first published in 1954 by Guinness in the UK and quickly became a top-selling corporate item. In 1995, the brewery sold the book, as people worldwide did not associate the book, strongly with the brewery. The book had become a branded item, in its own right.



MINI - THE BOOK
COLLECTORS ITEM FOR BRAND AFICIONADOS

6.3

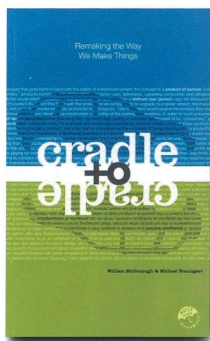
Do you find your way?

Several digital tools are used to maintain or build relationships with stakeholders. Websites, blogs and, podcasts are the best known. Websites have changed the way companies present themselves to stakeholders. Structure, content and format of the company information has been affected by the internet. Companies now have a platform to express their corporate identity using an integrated tool.

The medium defines the format of the information; simply copying the design of newspapers to a webpage does not work. As we know, photographs do work very well as an entry point in printed newspapers.

Various pieces of research indicate that reading articles online is restricted by a certain level of **disorientation**. Printed documents have a structure — a fixed place on the page and a specific size of the heading — whereas online articles lack this structure. They are chunked in small pieces, facilitating reading, but also hindering the reader in understanding the overall structure and the comprehension of the article.

One of the conclusions made by Andrew DeVigal⁽¹⁵⁾ is that high-end, graphically intense presentations should be made in print and that the bare-bones version of the same information should be available for wireless and low-end computers.



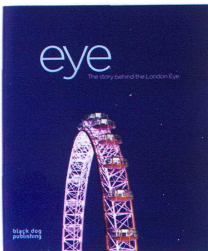
WILLIAM MCDONOUGH, ARCHITECT, AND MICHAEL BRAUNGART, CHEMIST, LAUNCHED SOME YEARS AGO THE IDEA "CRADLE-TO-CRADLE". ECOLOGICALLY INTELLIGENT DESIGN IS AT THE BASIS OF THIS THINKING. WHEN APPLYING THE INTELLIGENCE OF NATURAL SYSTEMS, PRODUCTS AND INDUSTRIAL SYSTEMS, BUILDINGS AND REGIONAL PLANS CAN BE CREATED THAT ALLOW NATURE AND COMMERCE TO CO-EXIST. FORD MOTOR COMPANY INTEGRATES THE CRADLE-TO-CRADLE IDEA IN A CONCEPT CAR AND THE FORD ROUGE FACTORY.

THE BOOK THAT PRESENTS THE IDEAS OF MCDONOUGH AND BRAUNGART IS MADE FROM SYNTHETIC PAPER (CONSISTING OF RESINS AND ORGANIC FILLERS) AND IS COMPLETELY RECYCLABLE.

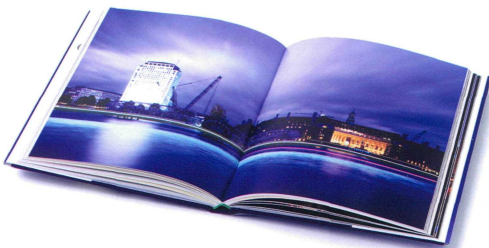
6.4

A readable and impeccable source

Despite the possibilities the internet offers, it also complicates the search for the stakeholders. Not everybody around the world has access to the information, and with the increasing number of websites, documents, blogs and podcasts, it becomes a time-consuming task to find the right piece of information. The latest estimates count between 15 and 30 billion web pages and over 100,000,000 active websites.



EYE, THE STORY BEHIND THE LONDON EYE, STEVE ROSE
 (AUTHOR) AND MARCUS ROBINSON (PHOTOGRAPHER),
 BLACK DOG PUBLISHING LONDON UK, 2007



The way articles are read also adds to the difference in comprehension; reading online articles is about 20-30% slower than reading a printed article. The same readers also read both articles differently. Online readers tend to read more selectively, while readers of hardcopy are less likely to skim or read selectively.

Wikipedia is a great source of information on people and organisations. It offers free information about millions of subjects. The information is provided by users of the internet and can also be changed by the users. This indicates also the weakness: objectivity of the information is not guaranteed. The information is a compilation of what PR agencies, organisations, relative and pressure groups have written. Their views do not necessarily present an objective image of a person or company.

Via the Wikipedia Scanner, changes and sources of entries can now be checked. This will prevent situations such as with Wal-Mart in 2005 or the former UN's High Commissioner for Refugees, Ruud Lubbers^[16].

6.5

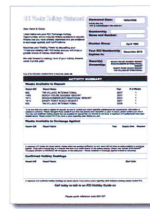
A bill with a message

One of the oldest forms of corporate communication is the use of bills, statements and notifications. This part of corporate communication is often overlooked, but it represents an enormous amount of documents: in the US, 64.3 billion documents have been valued at \$120 billion. Recently, these forms of communication have gained the attention of marketers, who are starting to use these transactional documents as marketing communication vehicles. They are calling it **Transpromo**. Research from Infotrends (2007)^[17] indicates that 31% already include marketing messages in transaction documents and 22% plan to do so in 2008.

Sixty-three percent of consumers prefer these statements, including personalised offers. Marketers are interested in this channel because it can be personalised at minimal additional cost and it uses an existing (and already paid for) channel that has the consumer's attention (95% of transaction documents are read, as the mailings are all opted-in).

On top of that, adding personalised offers, redesigning statements and adding colour increases the response rate by 40%.

Some companies are shifting to internet-based statements, ignoring several basics of interacting with consumers, who indicate that they prefer to be contacted by paper-based direct mail (60%) versus (20%)



BEFORE



AFTER RE-DESIGN

via e-mail^[17]. Americans spend twice as much time (seven minutes) reviewing printed statements compared to the three and a half minutes spend scanning their web statements^[18]. The cost to the consumer is ultimately more, as he or she, will in most cases, print the statements at home.

RCI is probably the largest timeshare vacation exchange in the world. It has 3 million members and properties in 100 countries. Their make-over of simple, 6-week statements into full-colour statements that help clients in brokering their timeshare has been very effective. The number of timeshare bookings increased by 100% using these newly designed full-colour statements.

Ten tips to maximise monthly bills^[19]

- 1 Use colour to highlight particular points.
- 2 Use your bills and statements as a marketing channel.
- 3 Use images where possible.
- 4 Provide a summary.
- 5 Go green — scrap the insert.
- 6 Avoid clutter.
- 7 Make the best use of space.
- 8 Get your branding right.
- 9 Get personal.
- 10 Get targeted.

6.6

The future of printed and electronic documents

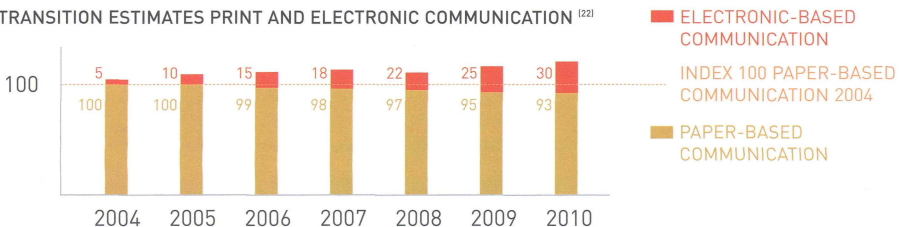
The carbon footprint is a new dimension in the evolution of printed and electronic communication. Chris Anderson, author of *The Long Tail*, concludes that magazines have a smaller net carbon footprint than web media^[20]. The Swedish Royal Institute of Technology comes to a similar conclusion when comparing a printed newspaper with a web-based newspaper and an e-paper^[21]. To put the carbon emissions into perspective, Time magazine calculated that a week production of the magazine equals in CO₂, 160 people travelling around the world in an airplane.

Overall budgets for document use are flat or slightly increased^[22]. Given that the large majority of document communication continues to be in paper form, the use of traditional print is likely to continue for many years to come. (The UK Royal Mail, for example, delivered in 1997 25 billion items and in 2007 30,66 billion).

With printed documents, the reader doesn't experience the fatigue related to watching a screen for long periods of time. The visual quality of printed images is enhanced, and text is easier to read. Presenting a document in a tangible form means that it can be read anywhere, stored (as in your briefcase, not your database), referred to at a moment's notice, and easily written on. Printed documents also promote social exchange between employees, unlike e-mail. Intel, for example, has established a "quiet period" once a week, during which time staff refrain from reading their e-mail. This allows them to focus on their work and to meet face-to-face with their colleagues. Bottom line: printed words and images are engaging; they encourage an easier and deeper understanding of the concepts and information they impart^[23].

Organisations that attempt to use electronic delivery exclusively as a substitute for paper should be extremely conservative in their estimates, particularly as a means for cost reduction.

TRANSITION ESTIMATES PRINT AND ELECTRONIC COMMUNICATION ^[22]



7

SUPPORT MATERIAL

Many consumer products and almost all business-to-business products are accompanied by instruction manuals, (illustrated) parts manuals, training manuals, user guides, quick-start guides, service manuals or other printed material. Multiply the number of assembly furniture items at Ikea times their annual sales and you will get the number of typical Ikea instruction sheets produced per year.

With products becoming more complex (audio and video equipment, mobile phones, digital cameras, etc.), the need for instruction manuals is growing.

Although in the future many products' operating manuals, guides or instructions will be supplied electronically, there are a number of product and service categories where printed versions will be required. Material for outdoor usage, assembly required products, home appliances,

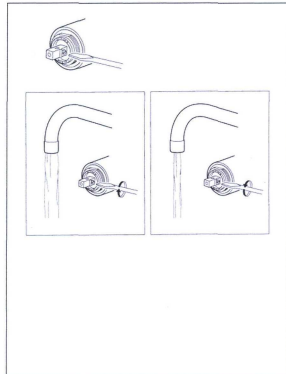
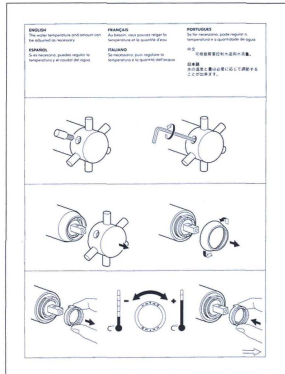
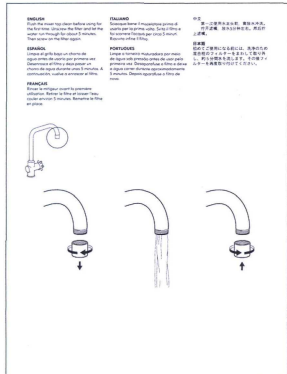
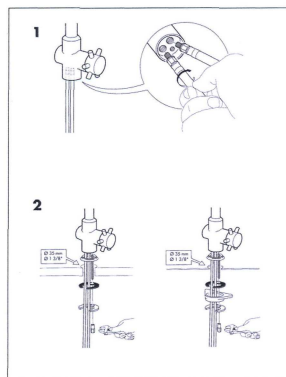
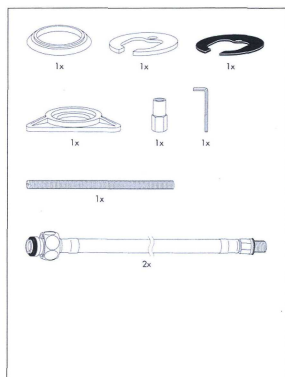
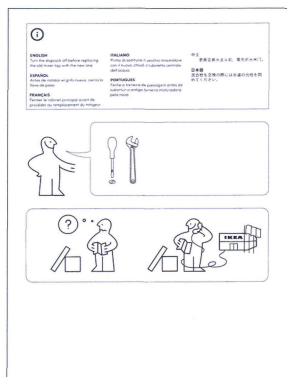
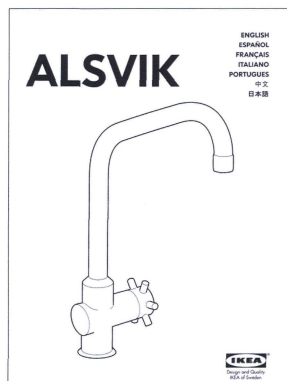
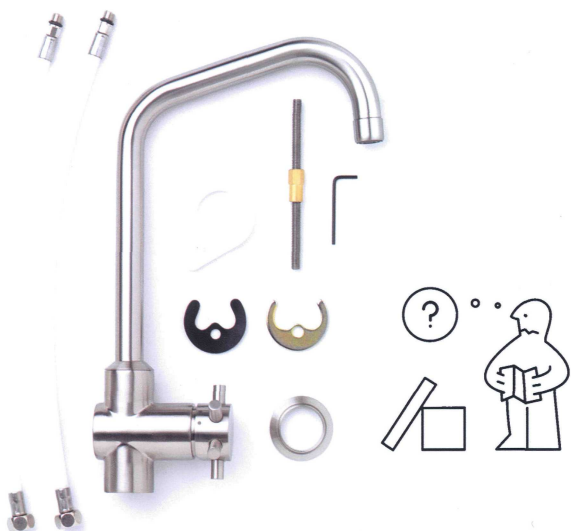
medicines and cars will always need a hardcopy version of the manual or instructions. In general, it is argued that whenever a product has a built-in screen, a printed manual can be replaced by an electronic version.

More and more, the initiative to print documents is moving to the consumer. HP estimates that 48% of all material printed at home originates from the internet. At the same time, consumers have difficulty in printing exactly the content of what is on the Internet. The printer provides a blank page, part of the printout is cut off, or the printout does not match the screen.

For instruction manuals, this can especially pose problems, but other support material may also suffer when consumers cannot print instructions when they need them.



YAMAGATA, A COMPANY SPECIALISING IN THE PRODUCTION OF MANUALS, HANDLES ALL SPARE-PART MANUALS FOR THE SONY WORLD REPAIR PARTS CENTER. THE VOLUME OF PRODUCTION IS IMMENSE: OVER A PERIOD OF 10 YEARS ABOUT 85,000 ORDERS HAVE BEEN PROCESSED. EVERY ORDER INCLUDED NEXT-DAY DELIVERY OF ONE OR TWO BOOKS. IN TOTAL, 6,000 DIFFERENT MANUALS ARE AVAILABLE.



8

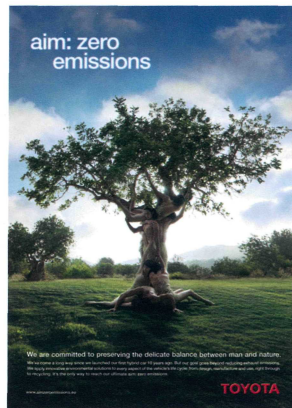
ACTIVE REPUTATION TOOLS

Corporate advertising is used to actively promote the corporate identity, especially at moments of change or crisis. A company's mission, values and strategy are central to corporate advertising. In the steel industry, when Mittal wanted to take over Arcelor, both companies addressed the shareholders to explain their point of view and to convince them of the logic of the deal. The same happened a few years prior to the merger between the pharmaceutical giants Aventis and Sanofi.

Roadshows for clients, financial partners, employed or other stakeholders are employed to bring the company closer to the stakeholders. The company is in total control of the situation in which it presents itself.

Charity is also a tool often used by companies to influence corporate reputation. Some charity funds are part of the company or organisation, others are indirectly linked (via the name of the fund) to the company. Probably the best-known example is the Bill and Melinda Gates Foundation, supporting projects in over 100 countries. With \$37.6 billion in assets, it has made grants totalling \$14.4 billion since its inception. Supporting projects on health and development in the US and abroad has certainly added another dimension to the profile of Bill Gates, and probably also to Microsoft.

As ecology and sustainability are becoming key messages for companies, more and more companies are running advertising campaigns to underline their environmentally friendly strategies and sustainable production. Sustainability reports have also helped to change the perception of companies. The oil industry, however, has a long way to go on these issues, and is therefore running campaigns to demonstrate its investment in saving energy, searching for alternative sources or producing it in an environmentally friendly way. As the messages often require explanation about the strategy and how it is being put to work, print media are used in ways that can convey this message.



TOYOTA
AIM:
ZERO EMISSIONS
CAMPAIGN

8.1

Well known and well liked

There is an interesting relationship between the familiarity with a company and its positive reputation. Companies that are well known have a more positive reputation. These companies tend to be more visible in the media than lower-rated companies^[23].

The companies with a good corporate reputation also allocate more budget for communication^[24].

	LOW REPUTATION	HIGH REPUTATION		LOW REPUTATION	HIGH REPUTATION
Magazine articles	28%	57%	Media relations	\$723	\$1096
Magazine advertising	20%	48%	Executive outreach	\$165	\$227
Newspaper articles	22%	45%	Investor relations	\$367	\$635
TV advertising	5%	26%	Annual and quarterly reports	\$357	\$920
TV programs	5%	20%	Industry relations	\$329	\$1247
			Employee comm.	\$545	\$1621
			Department management	\$312	\$256
				\$2798	\$6002



THE INDIAN TATA GROUP IS AN EXAMPLE OF HOW CORPORATE SOCIAL RESPONSIBILITY INFLUENCES ASPECTS OF LIFE BEYOND THE PLANT BORDERS. THE GROUP OF 98 COMPANIES, ACTIVE IN 80 COUNTRIES AND WITH A TOTAL WORKFORCE OF ALMOST 290,000 STRIVES TO IMPROVE THE QUALITY OF LIFE OF THE COMMUNITIES IT SERVES. FROM THE START OF THE COMPANY IN THE 19TH CENTURY, TATA CREATED A LIVING ENVIRONMENT FOR ITS EMPLOYEES. CITIES LIKE JAMSHEDPUR, MILHAPUR AND BABRALA WERE DEVELOPED AND ARE CURRENTLY MAINTAINED BY THE GROUP. IN JAMSHEDPUR (1.1 MIO INHABITANTS), FOR EXAMPLE, TATA TAKES ALSO CARE OF ROAD MAINTENANCE, HEALTHCARE, AND EDUCATION.

8.2

Reputation = savings account

One way of building a reputation is by sponsoring a major sports event. Being associated with these events (Olympic Games, Ryder's Cup, America's Cup or World Championship Football) increases corporate awareness, and at the same time associates the sponsor with the values linked to these sports. That sponsorship is not always free of pitfalls is demonstrated by the doping incidents in American baseball or the Tour de France. Because of reputation damage, T-Mobile withdrew from sponsoring a cycling team.

The America's Cup — one of the most difficult sailing races in the world — had a Swiss winner in 2007 with Alinghi Swiss Challenge. Says UBS, the major partner of Alinghi, about this sponsorship: "...sailing at a world-class level symbolises many of the qualities and values of the UBS brand that continue to ensure our success.

The interaction of strategy and tactics, stamina, speed and the mastery of state-of-the-art technology are all key factors".

Reputations possess a considerable amount of hidden value as a reservoir of goodwill. The market value of high-reputation companies was less affected by the market crash of 1997 than was that of a comparable sample of companies with weaker reputations^[1].

Actively promoting corporate identity via advertising therefore serves as an insurance for moments of crisis. Controllable advertising and an online strategy to deal with spoofs and complaints is part of this corporate campaign. A strong reputation is also required because these uncontrollable online activities may seriously impact the corporate reputation when not handled correctly.



ROLEX



THE ARTS
VERBIER
FESTIVAL



EQUESTRIAN
ROLEX FEI
WORLD CUP
JUMPING



GOLF
MASTERS



MOTOR SPORT
ROLEX 24
AT DAYTONA



TENNIS
WIMBLEDON



YACHTING
ROLEX CUP

8.3

Countries as brands

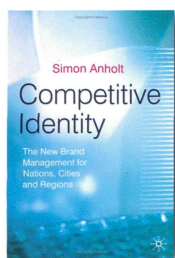
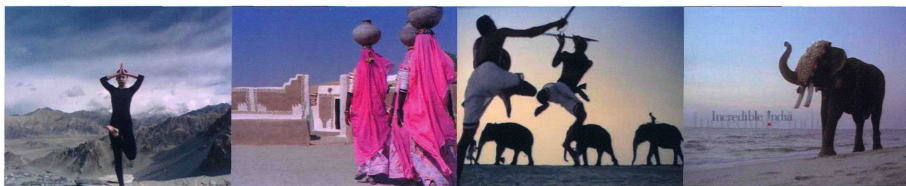
Does a country have an identity and can it be managed? Simon Anholt has developed a proprietary research model and publishes the Anholt Nation Brand Index annually. But do countries also actively develop their brand image just as companies do?

Like any corporate or product brand, nations also score on different dimensions and have an overall ranking. When taking Greece as an example, the country scores 17th in the index (Q2 2007). The strongest

dimension is tourism, and one would expect a strong position on sports as well, after Greece organised the Summer Olympics in 2004 and won the European Soccer Championship. However, the 20th position indicates that these events have not strengthened Greece's sports-related reputation. Comparing this score with other countries, and looking at detailed scores, can feed the corporate nation strategy.

MINISTRY OF TOURISM INDIA

"INCREDIBLE INDIA" CAMPAIGN AIMED TO PERSUADE AFFLUENT EUROPEANS TO HOLIDAY IN INDIA



SIMON ANHOLT
COMPETITIVE IDENTITY
THE NEW BRAND MANAGEMENT
FOR NATIONS, CITIES AND REGIONS

A photograph of a person's arm and shoulder in a grey t-shirt, positioned on the right side of the frame. The background is a blurred, vertical-striped pattern in shades of red and blue. In the top left corner, there is a white square containing the text "LIFE WITH PRINT" in a sans-serif font.

LIFE
WITH
PRINT



2

MAYBACH



MAYBACH

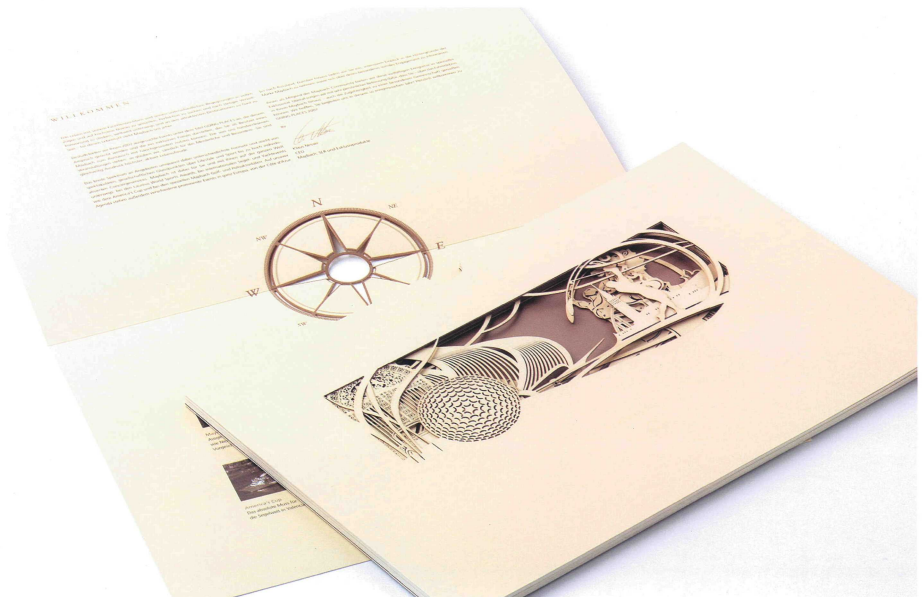
WINNER OF IF GOLD AWARD 2007

Description

The world of the Maybach is characterised by exceptional attention to detail, regardless, apparently, of the effort it takes. Customers enjoy the combination of luxury and design in the Maybach cars.

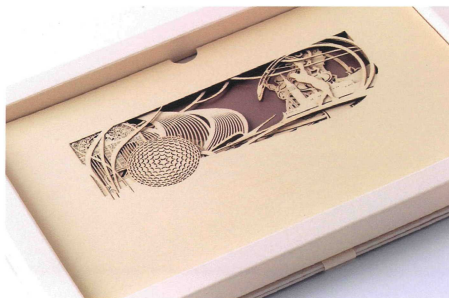
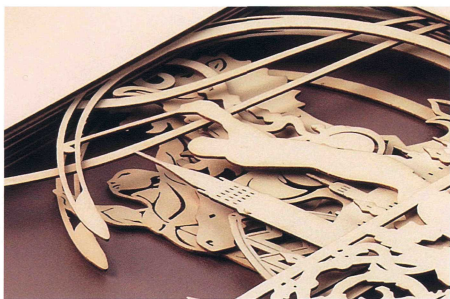
Details

The Maybach calendar, "Going places", is inspired by the Chinese architectural characteristics of layered wood carving and produces a three-dimensional impression. The eleven pages can be combined, allowing the reader to interact.



The filigree laser technique requires great accuracy during the design process, and provides the same kind of attention to detail as is used for the production of a Maybach car.

Production: 2,500 pieces





THYSSENKRUPP

BEST OF CORPORATE PUBLISHING, 2007

Description

ThyssenKrupp, the global industrial group, wanted to enhance its reputation among opinion leaders economists, scientists and top managers.

Details

A series of books, called Discover Steel, were produced to create interest and enthusiasm for Steel.

Production: Books with superb printing qualities and over 130 pages, with a total circulation of 3,000, produced in two languages.







LAMBORGHINI

GRAND WINNER BEST OF MAGAZINE, MERCURY AWARD 2007

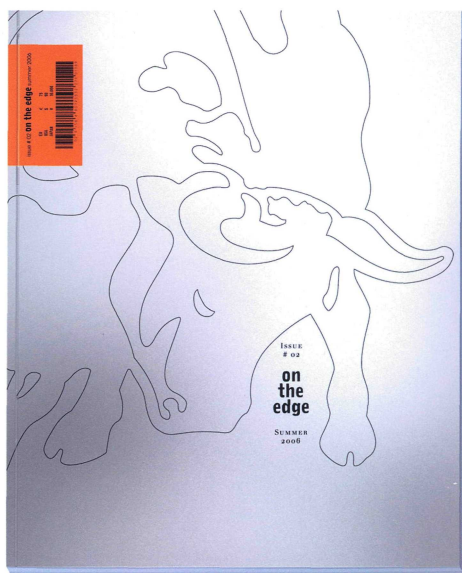
Description

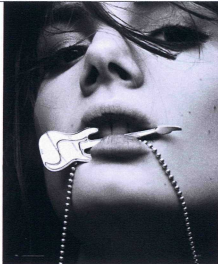
Although Lamborghini is a relatively young brand (1963), it has a very strong identity. The external relations magazine objective was to address the Lamborghini community adequately in an exclusive way.

Details

The Lamborghini brand stands for Italian, uncompromising, extreme and also for upscale and unusual. The magazine is dedicated to one subject; the first issue is a tribute to the strong personality of the founder Ferruccio Lamborghini and titled "Me". The magazine claims to be an object of desire by paying a great deal of attention to the print quality, the extravagant design and the weight.

Production: 12,000 copies,
three languages.







FAIR TRADE

WINNER OF IF GOLD AWARD 2007

Description

The Fairtrade Labelling Organisations (FLO) International is the umbrella organisation for 20 labelling initiatives, representing a total of 550 Fairtrade Certified Producer organisations.

Details

The FLO International corporate brochure addresses the Fairtrade Producer organizations, representing over one million producers. The purpose is to supply them with basic information, easily digestible in a visually appealing brochure. The stakeholders do not actively look for information on the internet because many have either no access or only limited access.





Production: 14,000 copies,
three languages.

DEUTSCHE TELEKOM

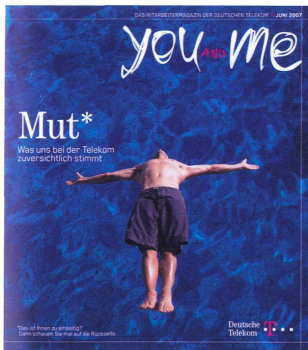
WINNER FEIA GRAND PRIX AWARDS 2007 – BEST INTERNAL MAGAZINE

Description

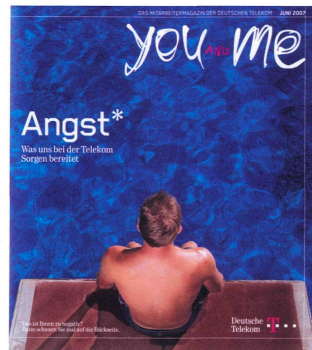
“You and me” was developed as the new internal magazine for all Deutsche Telekom employees. It replaced existing internal magazines and by doing so confirmed the company’s restructuring. The magazine promotes the integration of employees of different divisions, strengthens the sense of group-wide identity and communicates the central group values.

Details

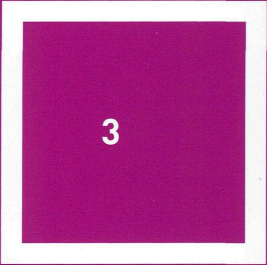
The “you and me” magazine intends to be a printed forum for employees, by tackling a current topic or concern within the group. This subject is treated honestly and shows different perspectives, keeping its style simple with short articles that are to the point. The size and way a subject is treated offers a fresh face for internal communication. The June 2007 issue is a reverse magazine with two covers dedicated to opposing feelings: Courage and Fear.



COURAGE



FEAR



LEADING THEMES

NOT ONLY DO COMPANIES LIKE TO BE ADMIRERD, THEY ALSO LIKE TO KNOW WHERE THEY STAND VIS-À-VIS OTHER LEADERS IN THE BUSINESS COMMUNITY. ONE OF THE MOST IMPORTANT CRITERIA USED TO COMPARE ORGANISATIONS TODAY IS HOW THEY MEASURE UP IN TERMS OF CORPORATE SOCIAL RESPONSIBILITY. WHEN THE PERCEPTION OF THEIR GOOD CITIZENSHIP IS IN QUESTION, THEY OFTEN TURN TO "SPIN DOCTORS" FOR HELP.



THE FORTUNE MOST ADMIRED COMPANIES

The Fortune Most Admired Companies study surveys 16,000 top executives and directors from 65 industry groups in the US and 30 globally.

The respondents are asked to score companies from the Fortune 1000 and the Global 500 list on nine attributes. These attributes are presented without further definition. Respondents are asked to rate the companies "on firsthand knowledge or anything you may have observed or heard about them".

Research done on the market value of the Top 10 most admired companies during the period 1983-2004 shows that these stocks outperformed the Standards & Poor's 500 by a substantial and statistically significant margin. The Top 10 companies often trade at a high price-to-earnings ratio (P/E) and are therefore often judged as expensive. In 2003, FedEx traded at a relatively high P/E and was selected as a Top 10 company. Early 2007, the stock was up more than 93% since 2003! The attributes selected by Fortune are apparently a very good yardstick for measuring outstanding business^[25].

THE NINE ATTRIBUTES ARE:

- 1 Ability to attract and retain talented people
- 2 Quality of management
- 3 Social responsibility to the community and the environment
- 4 Innovativeness
- 5 Quality of products or services
- 6 Wise use of corporate assets
- 7 Financial soundness
- 8 Long-term investment value
- 9 Effectiveness in doing business globally



2000 GLOBAL WINNERS

- 1 General Electric
- 2 Cisco Systems
- 3 Microsoft
- 4 Intel
- 5 Wal-Mart Stores
- 6 Sony
- 7 Dell Computer
- 8 Nokia
- 9 Home Depot
- 10 Toyota Motor

2007 GLOBAL WINNERS

- 1 General Electric
- 2 Toyota Motor
- 3 Procter & Gamble
- 4 Johnson & Johnson
- 5 Apple
- 6 Berkshire Hathaway
- 7 FedEx
- 8 Microsoft
- 9 BMW
- 10 PepsiCo

CORPORATE SOCIAL RESPONSIBILITY

The public's trust in businesses has waned over the course of the last decade, and concerns about pollution, child labour, energy consumption, food-calorie levels, carbon emissions and ethical issues have put many companies under extreme pressure.

Companies have reacted in different ways. Some continue their long-standing charity work. "Giving back to the community" is what drives them. The Ronald MacDonald House Charities is an example of such a program. Others react by providing more transparency in the way they operate and about their ethical standards.

The increase in the number of corporate responsibility reports is indicative for companies that understand that a good reputation is based upon insights in good behaviour.

The growing concern about our climate has raised the interest in subjects such as sustainability, energy use and emissions. Organisations are taking these issues to heart and redefining their business as a function of these dimensions. Only buying paper from sustainable managed forests, or using energy from renewable sources, reducing carbon dioxide emissions or offsetting them are some of the measures taken.

For these companies, CSR is at the heart of the business, and as The Economist mentioned, "Doing well by doing good" is their mantra. And companies think a solid CSR strategy is a worthwhile investment.

A study from Publicis Consultants indicates that a 86% of interviewees view a CSR strategy a worthy investment and 76% say that a CSR strategy will have a positive effect on the stock price.

PRICEWATERHOUSECOOPERS

"OUR OBLIGATION AS BUSINESS LEADERS IS TO LEAVE THE WORLD BETTER THAN WE FOUND IT", SAM DIPIAZZA, CEO OF PRICEWATERHOUSECOOPERS.

Ten universally accepted principles developed by the United Nations Global Compact

Human Rights

- 1 Business should support and respect the protection of internationally proclaimed human rights;
- 2 Make sure that they are not complicit in human rights abuses.

Labour Standards

- 3 Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 The elimination of all forms of forced and compulsory labour;
- 5 The effective abolition of child labour;
- 6 The elimination of discrimination in respect of employment and occupation.

Environment

- 7 Businesses should support a precautionary approach to environmental challenges;
- 8 Undertake initiatives to promote greater environmental responsibility;
- 9 Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- 10 Business should work against corruption in all its forms, including extortion and bribery.

SPIN DOCTORS OR "REPUTATION MANAGERS"?

Who are spin doctors and what do they do? The term was first publicly used on October 21, 1984, in the New York Times: "A dozen men in good suits and women in silk dresses will circulate smoothly among the reporters, spouting confident opinions. They won't be just press agents trying to impart a favourable spin to a routine press release. They'll be the Spin Doctors."

In politics and public relations the word "spin" means to present an event or a fact in such a way that the outcome is positive for you and negative for your opponents. Spin doctors selectively present facts and quotes that support their client. They phrase things in a way that assumes unproven truths, and issue non-denial denials. Using euphemisms to disguise hidden agendas, they hold back bad news until a more appropriate time.

Politicians use an actual spin doctor; companies just use a strategy. The recent trend in public relations and spin doctoring is "being green", giving the company a reputation that creates a

positive image and promotes them as eco-conscious.

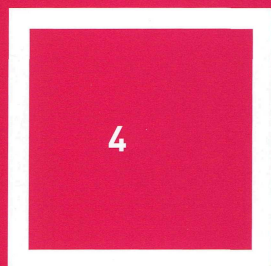
For example, the Aral sea, which is disappearing, was said to be rising; in fact, a dam was being built by Kazakhstan between the north and south parts of the sea. But because the sea rose, the environment was saved, or so said the media.

Spin doctors often attempt to manipulate the truth to favour their client. Pharmaceutical companies, for example, base much of their budget on public relations. Merck was recently caught up in a crisis with their drug, VIOXX, that was linked to incidents of heart failure. In this case, spin-doctoring only succeeded in exacerbating the problem.

When companies start telling their people to spin and hide the truth, this can mean a loss of trust, resulting in a loss of reputation, eventually leading to a loss in market value.

SEVEN GOALS FOR STORYTELLING^[26]?

1. SPARKING ACTION
WHEN THE GOAL IS A RESPONSE SUCH AS:
“JUST IMAGINE..”, “WHAT IF...”
2. COMMUNICATING WHO YOU ARE
WHEN THE GOAL IS A RESPONSE SUCH AS: “I DIDN’T THINK ABOUT HIM!”, “NOW I SEE WHAT SHE’S DRIVING AT.”
3. TRANSMITTING VALUES
WHEN THE GOAL IS A RESPONSE SUCH AS: “THAT’S SO RIGHT!”, “WHY DON’T WE DO THAT ALL THE TIME?”
4. FOSTERING COLLABORATION
WHEN THE GOAL IS A RESPONSE SUCH AS: “THAT REMINDS ME OF THE TIME THAT I ...”, “HEY, I’VE GOT A STORY LIKE THAT”.
5. TAMING THE GRAPEVINE
WHEN THE GOAL IS A RESPONSE SUCH AS: “NO KIDDING!”, “I’D NEVER THOUGHT ABOUT IT LIKE THAT BEFORE!”
6. SHARING KNOWLEDGE
WHEN THE GOAL IS A RESPONSE SUCH AS: “THERE BUT FOR THE GRACE OF GOD...”, “WOW! WE’D BETTER WATCH THAT FROM NOW ON”.
7. LEADING PEOPLE INTO THE FUTURE
WHEN THE GOAL IS A RESPONSE SUCH AS:
“WHEN DO WE START?”, “LET’S DO IT!”



PERSPECTIVES

THE WORLD OF CORPORATE COMMUNICATION HAS MANY DISTINCTIVE AND OUTSTANDING PERSONALITIES. A FEW OF THESE KEY PLAYERS SHARE THEIR VIEWS IN THE FOLLOWING PAGES, AS THEY ANSWER A SERIES OF PROBING QUESTIONS.



VICTOR CHEONG

MANAGING DIRECTOR AND DESIGN DIRECTOR, THE DESIGN ASSOCIATE (HONG KONG)

What role do you see for printed corporate communication in a world of abundant media choice?

Even though we live in a multi-media world, there are still customers, clients and shareholders who prefer printed communication tools – particularly in the delivery of complex messages such as annual reports and product manuals, or if a company is making an important financial announcement or unveiling a new product. Many people researching companies and their businesses today utilise electronic delivery formats in parallel with the traditional printed communication tools. As designers, we need to be ready and able to produce high-standard tools in both electronic and traditional print formats. Often, there is a direct translation from one format to the other with no changes required. Other tools require distinct formatting for a specific delivery model.

Do you think companies and organisations will be as credible and trustworthy when they base their corporate identity on online messaging?

Corporate trust and credibility is not just about communication tools. It is about the way a company handles its business, its investor and client relationships, its

openness and transparency. Communication tools reflect a company's aspirations in these areas. Whether that identity is founded in online corporate identity messaging or through traditional printed tools is almost incidental. If the messaging is clear, the credibility will be there.

Over 90% of major companies have their annual report online in the US. What is the future for the printed version?

Increasingly, shareholders, analysts and investors etc are using online annual reports. It proves to be a convenient way for many to access such information. As for whether this will replace the need for a printed version, this is hard to say. Many people predicted electronic books would spell the end of the printed variety, but this has yet to happen. For now, a printed annual report is still the preferred medium of delivery and the online format is seen as an extra.

How can companies and organisations guarantee a high level of consistency between the different corporate messages when different media are used?

Consistency begins within the company itself. Management must be clear on and committed to the key corporate messages they wish to deliver. Once

everyone understands the messages, the delivery is relatively easy. Logos and letterheads are designed with the prescribed corporate philosophy in mind. Vision and mission statements are immediately reflected in annual reports and brochures. Effective corporate communication tools are designed with a sense of clarity and with an understanding of the company's aspirations.

What is the impact of corporate communication on shareholder value?

Corporate communication tools can have a vital impact on a company's shareholder value. The reason for this comes back to creating appropriate corporate messages and delivering those messages in a way that tells shareholders exactly what the company has achieved and the direction in which it is heading. If the message is clear and concise and the communication tool reflects that clarity, then shareholders will feel informed, valued and will make their decision on the veracity of the company and the level of support they will give it.

ITS INVESTORS AND CLIENT RELATIONSHIPS.

CORPORATE TRUST IS ABOUT HOW A COMPANY HANDLES ITS BUSINESS.





CEES VAN RIEL

PROFESSOR CORPORATE COMMUNICATIONS (ROTTERDAM)

What role do you see for printed corporate communication in a world of abundant media choice?

CC is a managerial activity aimed at creating mutual understanding between the organisation and those stakeholders on whom a company depends. Media are still important in the direct and indirect interactions between the organisation and its stakeholders. The internet has had a huge impact on the relationship with stakeholders. Direct contact has become more simple and tailor-made approaches to subgroups have become cheaper and more doable. This does have an impact on the position of the traditional media. Their role is still important, but to a lesser extent than before the digital revolution.

Do you think companies and organisations will be as credible and trustworthy when they base their corporate identity on online messaging?

The internet will most probably not be the only channel they use. If it is an additional platform to express oneself to external (and internal) audiences, it simply has great added value.

Over 90% of major companies have their annual report online in the US. What is the future for the printed version?

Providing a printed version of the annual report is purely a legal obligation.

Please note that annual reports, in my opinion, have become unreadable reports, produced by and consumed by the financial experts. This limits the implementation of other communication goals that used to be part of the production of annual reports as well.

How can companies and organisations guarantee a high level of consistency between the different corporate messages when different media are used?

Themed messaging is an important technique companies can use to stimulate consistency in messaging. This implies streamlining corporate messaging in the context of the key strategic topics a company chooses to express to the outside world.

What is the impact of corporate communication on shareholder value?

Shareholders evaluate a company on a mixture of rational elements (financial performance, future growth potential) and emotional assessments (do I trust the company, especially their management?). A combined effort by investor relations and corporate communication managers can contribute to a positive evaluation by shareholders on both points. However, this will only work if the two specialists join forces, not if they work in a silo-based environment.



THEMED MESSAGING CAN BE USED TO STIMULATE CONSISTENCY IN COMMUNICATION.

Saffron

WALLY OLINS

FOUNDER WOLFF OLINS (LONDON)

What role do you see for printed corporate communication in a world of abundant media choice?

The media choice is getting larger. However, I do not see the role of printed corporate communication declining. When you want to retain, refer to, or look back at anything, the printed document is the most convenient medium. Also, the sensory pleasures of the medium, type and photography add to the total experience of paper.

Do you think companies and organisations will be as credible and trustworthy when they base their corporate identity on online messaging?

The brand uses a vast variety of points of interaction, and corporate communication is only one. You should also include the behaviour of people (important for service brands), the environment (key for hotels and department stores) and the product itself. Therefore, it is not fair to refer only to the impact on shareholder value of corporate communication. It is in just a few businesses that corporate communication is overwhelmingly important and these companies will not make a shift to online, as it doesn't deliver the same credibility.

Over 90% of major companies have their annual report online in the US. What is the future for the printed version?

Probably not many annual reports will continue to be printed, unless the companies alter the content. Annual reports need to become more interesting and worth keeping. They should become more memorable, and include much more than simply facts and figures printed in a very expensive way.

How can companies and organisations guarantee a high level of consistency between the different corporate messages when different media are used?

Increasingly, you will see Creative Directors at companies take over the role of Marketing and Communication Directors when it comes to integrating the various communication channels. These are senior executives who can hold together the corporate image and override individual interests. Good examples of where CSR (Corporate Social Responsibility) is important are Apple, BMW and Virgin. Because companies do not know how to manage these people, they are reluctant to hire them.

What is the impact of corporate communication on shareholder value?

Corporate communication cannot make a company that is producing poorly look better. You need to have an open communication with shareholders. When they find out that you hide things, this will

have a reverse effect. For too many companies, CSR is important because of the commercial interest. Most companies have no idea what they are doing, and have not integrated CSR.



MOST COMPANIES HAVE NOT INTEGRATED CSR.

signi

DANIEL CASTELAO

PRESIDENT, SIGNI (MEXICO)



A GOOD PRINTED ANNUAL REPORT COMMANDS AUTHORITY.

What role do you see for printed corporate communication in a world of abundant media choice?

Printed media's unique qualities — such as the physical connection it provides while being held by the reader, the sensation on your fingertips as they go through the pages, the pleasant way you can read its content or admire high quality images are still not surpassed by any other media. Online media have taken positions that were once print's domain, but so far, printed media will still play a key role in any well-balanced corporate communications program.

Do you think companies and organisations will be as credible and trustworthy when they base their corporate identity on online messaging?

Credibility has more to do with content, timeliness, transparency and consistency than with any particular media. If a company understands its stakeholders, it will not lose its credibility by basing its identity on online messaging, but will risk wasting the unique benefits other media provide. It all comes down to offering your audience the possibility of choosing the right media.

Over 90% of major companies have their annual report online in the US. What is the future for the printed version?

Online annual reports have been around for well over a decade, and those who anticipated the end of the printed version are still waiting. The internet has promoted not the demise of the printed annual report, but its transformation from a financial reference document into a key marketing tool. We have borne witness to the flexibility of this document over the last few years.

This includes new products such as corporate responsibility reports, together with traditional format books. Although most have an online version, companies still rely heavily on the printed version to get their messages across. A good printed annual report still commands authority and offers the lasting qualities of a valuable object.

How can companies and organisations guarantee a high level of consistency between the different corporate messages when different media are used?

It is essential to establish a platform that accurately reflects the company's corporate mission, vision, core values and goals

— the way it wants to be understood — and determine the corporate language. This is the cornerstone of every successful communication program and should comprise a wide array of identity items, from a distinctive mission statement to the use of a specific color palette or font style. Each stakeholder's particular information needs must be identified; each media's limitations must be evaluated. Consistency is more a consequence of applying these elements to each piece of communication in an effective manner, than of the media mix used.

What is the impact of corporate communication on shareholder value?

It is evident that a clear, distinctive and consistent corporate communication program is a key component in any decision-making process when buying, selling or holding a company's shares. It comes down to choices and to facilitating decision-making. An investor certainly gains more benefit from a company with high-quality and timely information and that articulates its messages than from one which does not. This translates into a win-win situation for both the company and the shareholder: the main objective when designing and executing a corporate communication plan.

LIFE WITH PRINT

"Life with Print" provides a perspective on the efficient use of print media. It offers qualitative examples of the value of print in the media mix, and shares Sappi's passion for print with image-conscious companies throughout the world. Integrated media campaigns

provide maximum results for building brands. The Sappi Print Media Efficiency Awards and Effie Awards in Europe give recognition to those campaigns which have not only proved to be effective, but have also achieved their effectiveness by integrating print in the most efficient way.





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Sappi promotes excellence in print at the annual Sappi Printers of the Year awards, ensuring that print remains an effective, efficient and compelling medium for the communication of products, brands, knowledge and ideas.

Sappi is fully committed to environmental protection and continuously minimizes its impact on the environment by observing best practice working procedures. Sappi manages its fibre materials consistent with internationally recognised and sustainable standards and aims for the most efficient use of resources such as water, energy and raw materials.

To learn more about the power of print visit www.sappi.com/LifeWithPrint

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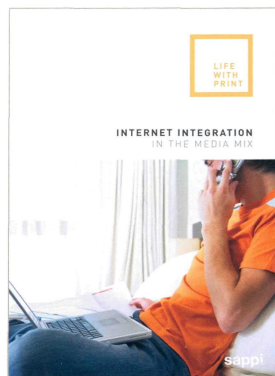
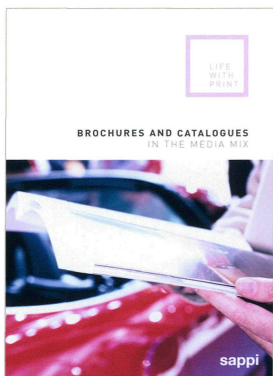
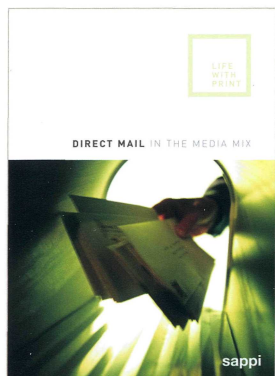
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0.060

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