

Navigating your way through dramatic corporate change

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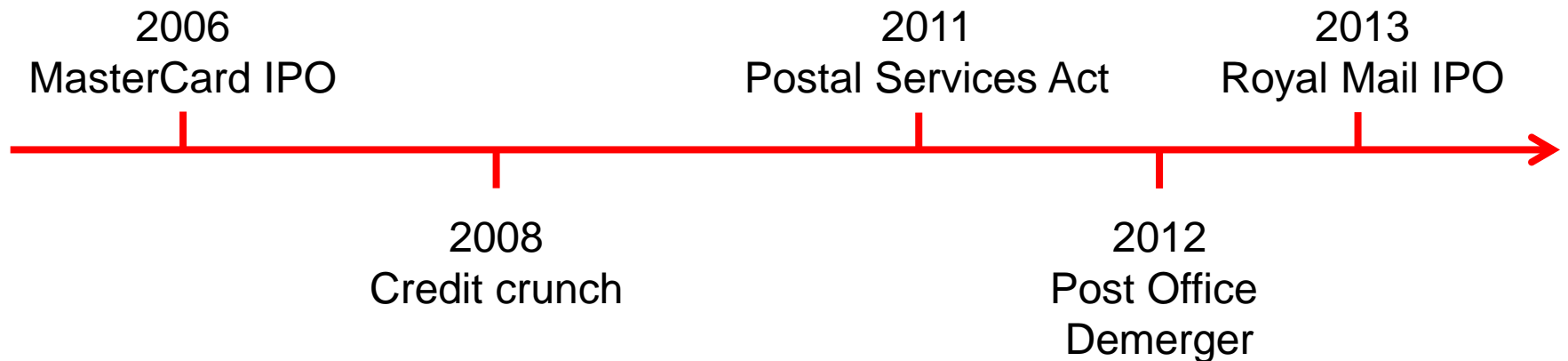


The second law of thermodynamics

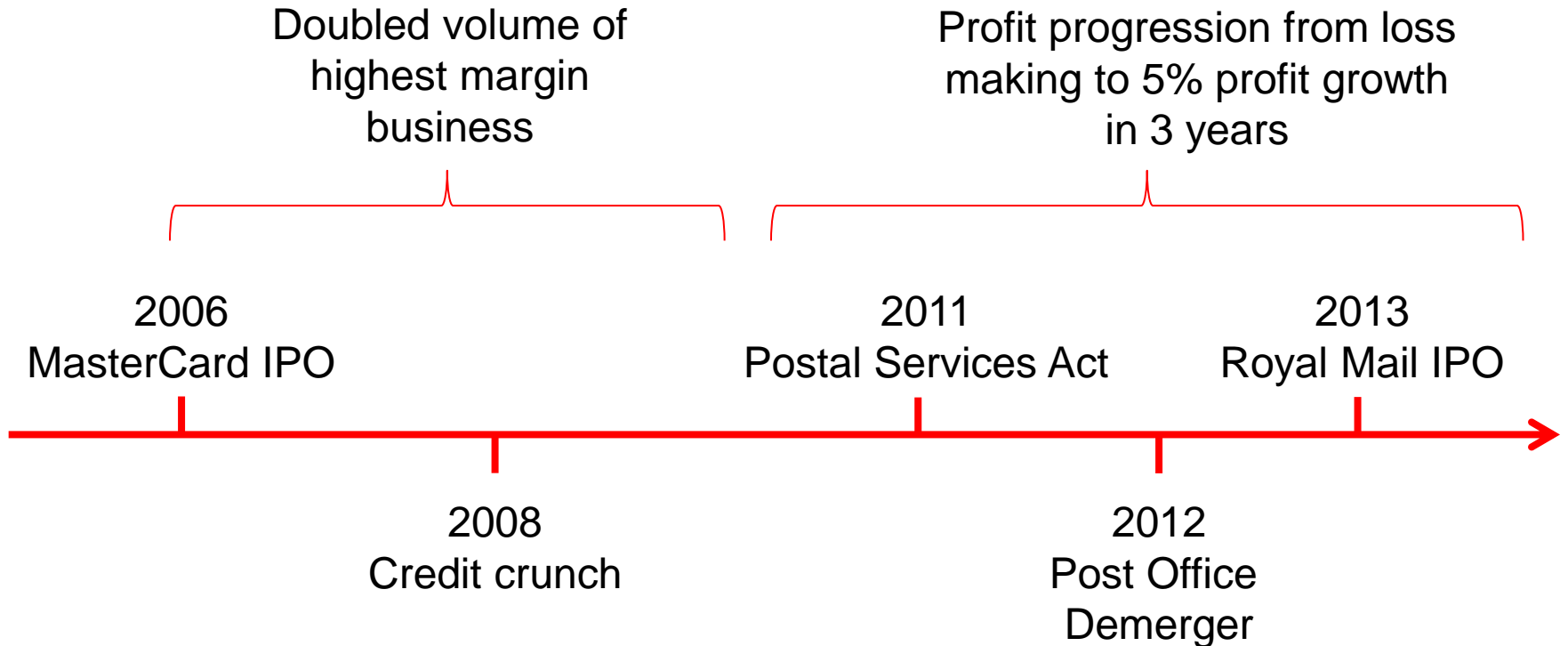
$$dS = \frac{\delta Q}{T}$$

$$dS \geq 0$$

Major corporate change will happen to all of us at some time in our careers (with some brief pauses of respite)



Change doesn't mean failure...



Major corporate change introduces risk

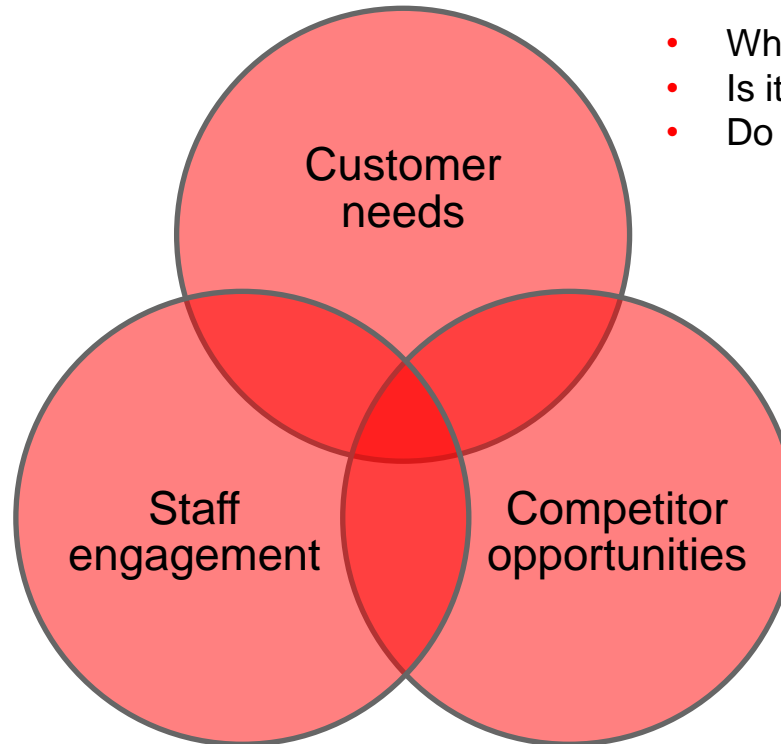
- Staff become unclear on the future of the business
- Customers become unclear on the services that they will receive
- Competitors sense new opportunities

The key question becomes:

“What practical actions can a marketer take to manage these risks and turn them into opportunities for growth?”

1. Understand your audiences and their needs

- Do I trust the business?
- Do we have a clear and winnable strategy?
- Should I stay or go?



- What services will I receive?
- Is it value for money?
- Do I still trust this brand?

- How can we destabilise the business further?
- What customers can we win?
- What investments can we make to get ahead?

2. Have a clear view on what your brand stands for in a changing environment

- Is your brand strategy aligned to your business strategy?
- Do you have a clear purpose that is still relevant?
- What changes need to be made to keep brand aligned to strategy?

Example:

- When we were deregulated should we still think of ourselves as a postal operator?
No, we decided to think of ourselves first as a delivery company
 - When we separated from Post Office, our retail arm, should we positively differentiate from it?
No, we decided it was too confusing and of no benefit to customers
 - Do we need to redefine our purpose to position ourselves for growth
Yes, we redefined the purpose of the brand and started the long journey to embed this in the business through values and leadership behaviours, tone and refreshed visual identity
- In the short term we positioned the brand more on parcel delivery and goods fulfilment to signal change from our past**

3. Communicate, communicate, communicate

- Reassure your employees and customers that you have a clear and credible plan
- Minimise competitive opportunism through discord
- Build confidence in the market and in yourselves

Example:

Internal:

- 3,000 managers conferenced 3 times per year by CEO and exec team on our strategy
- Top 300 executives spent 2 weeks each in the operation talking to staff about the financial position, the strategy and the need for change in ownership
- Supported by a high profile internal communications campaign educating 150,000 staff on what the changes meant to them, and the benefits of being a shareholder

External:

- We ran a new advertising campaign featuring our people and choir, articulating our focus on parcels and the continuity of service we offered when privatised

Summary: Change is part of business today

- Accept that change happens
- Be clear on what that change means to strategy and the brand
- Evolve the brand... don't let it stand still

Jack Welch once said “machinery rusts, people die, but brands live on”. True, but only if they evolve

2nd law of thermodynamics

- Everything goes from order to chaos with time
- It is critical that the marketer plans for this, manages the risks and leverages all the opportunities this presents

Thank you

