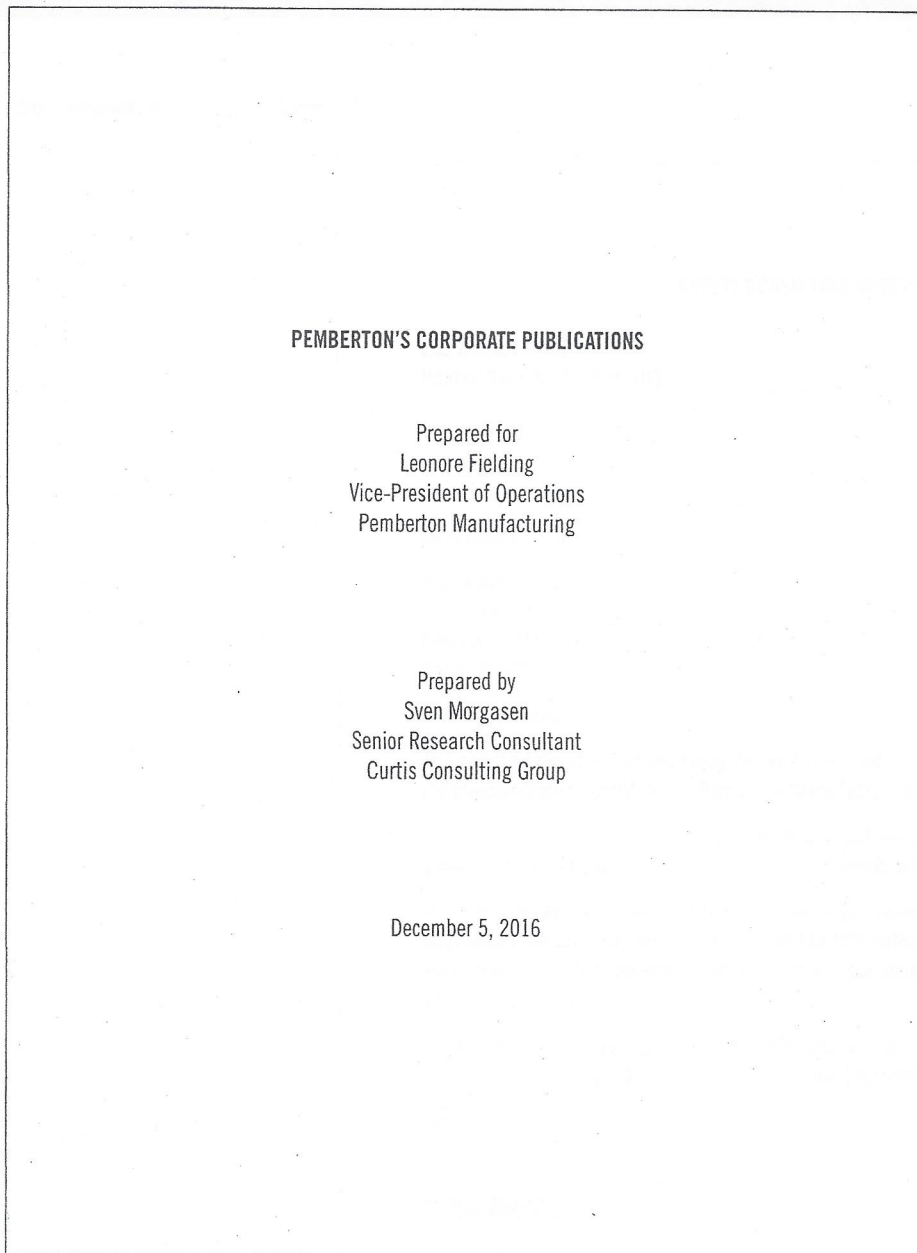


FIGURE 8-5 Formal Report



**CURTIS CONSULTING GROUP**

200 Avenue Road  
Halifax Nova Scotia B3K 1B3

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December 5, 2016

Ms. Leonore Fielding  
Vice-President of Operations  
Pemberton Manufacturing  
Paris ON K4N 2T3

Dear Ms. Fielding

The attached report, which you requested on September 1, represents our findings regarding the corporate publications at Pemberton Manufacturing.

Our report includes an assessment of current publications at Pemberton as well as an analysis of the current and future communication needs of your company.

The communications action plan outlined in our report reflects the results of our research both within the company and in the national and international marketplace. We are especially grateful to the Pemberton staff, in particular the members of the Communications Group, for their input.

I look forward to discussing our recommendations with you and will be happy to meet with you and your staff regarding our report and its exciting implications for Pemberton.

Sincerely

*Sven Morgasen*

Sven Morgasen  
Senior Research Consultant

#### EXECUTIVE SUMMARY

Recent changes at Pemberton and a new strategy for customer service have led to this review of current corporate publications. In this time of transition, effective publications will help Pemberton employees understand and support ongoing change. Good publications will also enhance the company's image and marketing effort.

As a result of our assessment, which included discussions with employee groups and major customers, we recommend five changes to the publications program:

1. Institute an electronic newsletter to be emailed to employees monthly. It will provide brief, timely information to employees and make feedback between management and employees easier to obtain.
2. Refocus the present print newsletter, *Newsline*, to emphasize discussion of policy issues. Rename it and reduce the number of issues to two a year from the current four.
3. Double the issues of the corporate magazine, *Salute*, to two a year, with the Marketing Department becoming more involved in planning and getting feedback from customers.
4. Enliven the annual report by increasing the use of visuals, upgrading the binding and cover design, and including comments from employees and customers.
5. Publish a version of the annual report on the Pemberton website to increase access to the global marketplace.

The Communications Group can begin to implement these recommendations immediately, if approved, for an estimated added cost in 2017 of \$56 000 over the 2016 budget of \$158 000.



## PEMBERTON PUBLICATIONS

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### INTRODUCTION

In its first year under new ownership and management, Pemberton Manufacturing has undergone major changes, including the adoption of a new strategy for customer service. As part of Pemberton's company-wide review, this report presents our assessment of corporate publications and recommends steps to increase their effectiveness in this period of change.

Our assessment included

- extensive discussions with the Communications Group;
- meetings with senior managers in all departments;
- ten focus groups, each with 15 to 20 employees. Individuals in the groups were selected to represent the various functions and levels at Pemberton. We chose to use focus groups rather than conduct a survey of all employees, since in the preceding month employees had completed a human resources questionnaire and would likely not have welcomed a second one so soon;
- ten interviews with Pemberton's major customers.

### ASSESSMENT OF CURRENT PUBLICATIONS

Currently the Communications Group produces three publications:

1. **Newsline.** Pemberton's internal newsletter, published quarterly, covers a whole spectrum of topics, from employee news to industry matters. Our focus group discussions revealed that most employees read it and find it easy to understand. However, they find the news value is limited. Since it is published every third month, most news items have reached them through the grapevine before employees read them in *Newsline*.

Our experience with other companies suggests that this type of publication is most useful for discussion of policies, issues, and ideas for which the "news" element is not as important. It is also suited for complex items, such as changes in employee pension

## PEMBERTON PUBLICATIONS

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plan options. The ability of the Communications Group to write in simple, clear language is of great benefit in this type of publication.

The publishing cost for *Newsline* is currently \$19 000 per issue.

2. **Salute.** Published annually, this glossy, colour magazine for industry customers reviews new products and discusses industry issues. It has a high approval rating and serves a useful marketing as well as general public relations purpose. Customers say that the range of this publication gives Pemberton an edge over competitors. It is expensive—\$35 000 to produce and deliver one issue of 3 000 copies—but readers want more than one issue per year.
3. **Pemberton Annual Report.** Produced in two colours, the report performs a financial information function for investors. It also doubles as the Pemberton corporate brochure for people wanting general information about the company.

However, the impersonal focus, lack of visuals, and tabular presentation of data are conservative and leave a somewhat dated impression. The publication does not reflect Pemberton's new emphasis on customer service—on people serving people.

The annual report is relatively inexpensive to produce—\$47 000 for 6 000 copies.

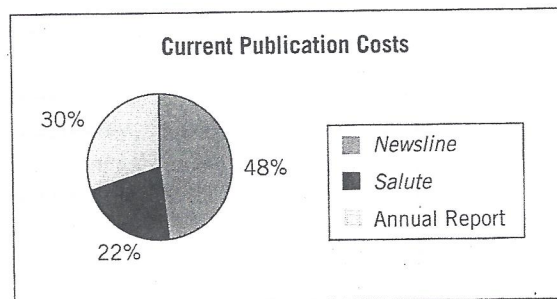


Figure 1



### COMMUNICATION NEEDS FOR A CHANGING COMPANY

#### Internal Communications

Changes at Pemberton have created an increased need for timely internal communication. The focus groups with employees indicated that at all levels they want to be informed about new policies and planned changes. Without this communication, much productive time will be wasted on speculation and rumour.

As well, employees at all levels need to understand how the new customer service strategy translates into action. If they are to support it actively, they will need to know that management is responsive to their concerns and ideas. Although much internal communication with employees can and should take place informally through meetings and one-on-one discussions with others, written communications can also help. As the recent Infosystems study suggests, strong internal communications have a major impact on employee morale and productivity levels (Brown, 2015).

#### External Publications

##### *Salute*

External corporate publications can reinforce customer and investor perceptions of Pemberton's attention to customer service. Prior to 2015, the annual report was the single

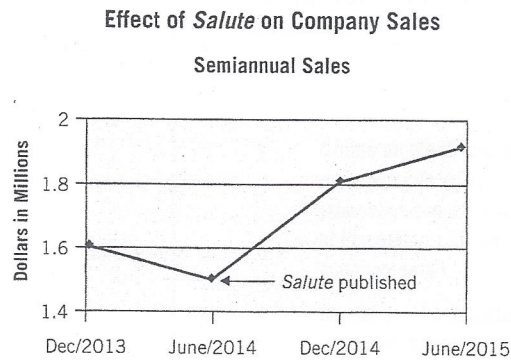


Figure 2

## PEMBERTON PUBLICATIONS

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document distributed externally by Pemberton Manufacturing. In June 2015, management published the first edition of a new public relations magazine, *Salute*. The effect on sales was dramatic: an increase of 20 per cent in the first six months after publication.

The role of *Salute* in enhancing the profile of Pemberton products in the marketplace is clear; with the company's marketing effort increased, the magazine will assume a leadership role in developing new international markets.

### *Annual Report*

Pemberton is acquiring a dominant position in the international marketplace, with the result that the company's annual report must be adapted to suit a new readership. The traditional format requires some updating to keep pace with current marketing trends; in addition, an online format will be a major asset in reaching a global market. Online reporting has resulted in increases of between 15 and 20 per cent in international sales (McLean, 2014; Stewart, 2014), an opportunity Pemberton can capitalize on in the next six months.

## RECOMMENDATIONS

1. **Create an electronic newsletter.** New information technologies are making it easier to send information quickly to many people and to enjoy the benefits of interactive communication. A monthly electronic newsletter would take advantage of Pemberton's highly computerized workplace, where all employees have access to company email.

An electronic newsletter is useful for brief, timely items, not for lengthy multipage discussions, which are harder to read online. It can also foster a two-way flow of communication with management. For example, it can ask for quick feedback on plans or respond to employee questions.

Forty hours of staff time per month should be budgeted for the production of a monthly electronic newsletter, with an approximate annual cost of \$15 000.



2. **Refocus *Newsline*.** With the new online newsletter, the print newsletter would not have to be produced as often. Two issues a year would likely meet the need for the kind of in-depth discussion of policies and issues that the print version is best suited to.

The present cost of *Newsline* is \$19 000 per issue or \$76 000 per year. We anticipate an increase of approximately 10 per cent in printing costs, which would be offset by the savings realized by printing only two copies a year. This would result in a reduction of costs by approximately \$34 000 annually.

3. **Double the number of issues of *Salute*.** Concern for customer preferences as well as for costs suggests an initial experiment of two issues a year instead of one, with a re-evaluation of reader response after one year. Two issues would increase the present annual cost by \$35 000.

Since this publication provides an opportunity to market new products as well as enhance the company's image, the Marketing Department should be more involved in planning each issue as well as obtaining regular feedback from customers.

4. **Reformat the annual report.** Three additions would help to produce a more dynamic, people-focused report reflective of Pemberton's customer-service strategy:

- increased use of visuals, including photographs of plant operations;
- interviews with Pemberton employees and customers to demonstrate the company's new customer-service orientation;
- upgrades of binding and cover design for a more professional look.

These changes would increase the cost of the report by approximately \$20 000.

5. **Publish a Web-based report.** Pemberton's rapidly increasing global market requires the immediate transmission of information and suggests the need for an online report. The company website at [www.pemberton.com](http://www.pemberton.com) is reporting in excess



## PEMBERTON PUBLICATIONS

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of 3 500 hits per month, and publishing an annual report on the site is an obvious strategy for building global communications.

Pemberton's information technology staff have the expertise and the technology to do this; the estimated figure for staff time is approximately \$20 000.

## CONCLUSION

Overall, the estimated cost of implementing this communications action plan is \$56 000 for the next year.

Publication	Current Cost	(-)	+	Projected Cost
<i>Newsline</i> : email edition			\$15 000	\$ 15 000
<i>Newsline</i> : print edition	\$ 76 000	(\$34 000)		\$ 42 000
<i>Salute</i>	\$ 35 000		\$35 000	\$ 70 000
<i>Annual Report</i> : print edition	\$ 47 000		\$20 000	\$ 67 000
<i>Annual Report</i> : online			\$20 000	\$ 20 000
<b>Totals</b>	<b>\$158 000</b>	<b>(\$34 000)</b>	<b>\$90 000</b>	<b>\$214 000</b>

Figure 3

We have discussed our findings and recommendations with members of the Communications Group, who think they could make the changes within six months. Given the expertise of current staff and the state-of-the-art technology at Pemberton, the recommended changes would be unusually inexpensive to implement.

In addition, there would be no disruption to Pemberton's current organizational plan. The Communications Group could implement these changes with staff experiencing only minor changes in their job descriptions. There would be no layoffs and no new hires would be required. The stability at Pemberton would continue unimpeded, and there would be no negative impact to employees or customers.

If management approves the proposed changes, Pemberton would realize almost immediate gains in productivity and sales at minimal cost.

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