

STARTING OVER: HOW TO REMAKE YOUR DEPARTMENT

PART 1 OF 3

If you could change one thing about your employee communication department, what would it be? If the answer is, "just about everything," read on. We begin this three-part series at the beginning: Recognizing the need for change and developing a new business model.

Hitting the 100-year-mark is a memorable milestone for any company. It's especially satisfying for Pacific Gas and Electric Co. this year, considering the company's recent experiences. PG&E has faced monumental challenges during the past decade, including the California energy crisis, competitive threats and a high-profile bankruptcy.

As the company prepares for its centennial this October, it's embarking on an unparalleled company-wide business and culture transformation designed to position it to once again lead the utility industry. The com-

munications department, and internal communications in particular, have been at the epicenter of this company transformation.

The internal communications department never could have taken on this critical role without undergoing its own transformation. This article, the first of three, addresses how we recognized the need for change and the business model we developed. The next two articles will explore the department's transition and our achievements to date.

As background, PG&E is one of the largest combination natural gas and electric utilities in the United States. The company serves >



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approximately 14 million people throughout northern and central California. About 20,000 employees work for PG&E, and 70 percent of them belong to a union.

Department review

In 2003, while the company was still in bankruptcy, our communications department conducted an internal assessment of employee communications. We saw several signs of ineffectiveness. Employee communication staff members took their direction from various lines of business. Internal communications didn't have a seat at the table and was rarely, if ever, consulted on important company issues. And, there were no consistent answers to these questions:

- What's our purpose?
- How effective is our communication?
- How should our staff members spend their time?

We began a methodical, multi-prong analysis that we called "The Roadmap to Increased Effectiveness." We investigated our purpose, programs, principles, people and process—the five "Ps."

To start, we conducted best practices and external benchmarking research with other *Fortune* 500 companies. We wanted to see whether these organizations had a system of communication representatives who took their direction from individual departments and business units without overarching corporate coordination. (None did except for PG&E.)

New vision, mission

Based on our research, we redefined our purpose, creating a department vision and mission. Initially these were more aspirational than real; however, they helped ground us.

Based on what we heard from executives interviews and employee focus groups, we were misaligned, especially with the audiences we served. We were missing in action

decided to focus on key enterprise-wide business issues, such as operational improvement, customer service, a safe work environment and the rebuilding of PG&E's reputa-

VISION

Our vision is to be a highly valued driving force in achieving company success through strategic communications.

MISSION

Our mission is to lead an integrated communications program that effectively supports the achievement of company goals.

We create and help guide the delivery of employee communications that explain organizational strategy, support the utility's mission, values and goals and inspire dedication and pride among employees.

We provide consistent, coordinated and strategic communications counsel—assuring alignment with the company's objectives.

on company-wide communication, as well as communication with frontline supervisors and field employees.

Our decentralized structure had created two unintended consequences. First, the communications department lacked the resources to provide coordinated communication planning, message delivery or other execution around company-wide issues. Second, even though we were structured to serve individual lines of business, we didn't have the resources to support all of them.

Programs, principles, people and process

As for our other "Ps," we first concentrated on the programs needed to support our new purpose. We

tion, post-bankruptcy. Our highest priority was to increase our face-to-face communication, especially to help executives be more visible and to develop formal manager/supervisor communication.

Through our research, we also had identified seven themes we adopted as our communication principles, which we'll review in the next article. As for people and process, we tackled them during our transition phase, the second part of our journey.

Our roadmap hits a speed bump

By December 2003, we finalized our "Roadmap to Increased Effectiveness" and were eager to get approvals. Less than one month later, though, we hit a major speed

bump. PG&E was about to emerge from bankruptcy after almost three years, and was doing so with new executives, changes to the company structure and reduced budgets. Furthermore, the new executives were actually beginning to request strategic communication services from our department.

The irony was the proposed roadmap changes didn't go far enough, especially since we hadn't anticipated a budget cut or the need for accelerated change. So we regrouped. Internally, our department reached out to Kim Walsh, vice president, corporate communications, for her guidance. Externally, we hired a consultant, Liz Guthridge of Connect Consulting Group LLC, who had organizational design experience, especially for communication functions.

Reinvent internal communications

We quickly developed a more robust business case for change. We concluded that we could meet our new business and budget requirements if we:

- Removed our silos and became a centralized department
- Transitioned from doing tactical work for different departments to providing strategic communication support for all
- Took accountability for our actions, including setting communication goals and objectives that directly tie to the company's goals and measuring the effectiveness of the communication

- Moved to a business model that would serve as a strong foundation for these actions

This model entailed a smaller staff supplemented with support from an external agency. This way, our department would pay only for the outside expertise we need when we need it, rather than having a large staff of generalists. Thereby, the department could provide more cost-effective, flexible services and deploy them more quickly. We also could build more quality controls into this model.

We then developed both a transition communication plan and a change plan to guide us and received executive approval to adopt our long-awaited roadmap. The next article in this series will address these steps in detail. ■