

15.5.06 (smz) – A CASE FOR VIDEO

Not video, not TV, not email but face-to-face communications will forever be the medium of choice to get buy-in from employees, customers and shareholders. This is what research has shown for years – regardless of advances in technology¹. Does this mean that CEOs soon will have to spend 100% of their time for communications since all multipliers fail?

Ralf von Baer, director of Putzmeister Holding in Aichtal/Germany recently spent an entire flight with one of his employees who works for one of his direct reports. Both considered the time well spent: “During the flight I found out that the man was missing certain critical pieces of information which his boss should have handed down. Without that particular knowledge it was unclear to him why we had made a difficult decision for the company which, from his perspective, seemed damaging. He did not have a complete business perspective on the matter. As a result of this much broader view, it was not difficult to re-ignite his enthusiasm.”

Although face-to-face contact gets the best ratings in terms of results, companies have to search for alternative communication vehicles to bring the corporate message to the masses. As companies grow through acquisitions, challenges emerge due to their sheer size. Distributed headquarters, global locations and multi-lingual cultures are just a few of the areas which need to be addressed. The current 20 to 30 percent of time with employees² resembles the “average temperature in the hospital” – in reality some get full attention, others none.

Some of the top management take on the burden of writing email messages even though less than a third of the recipients actually read them in their entirety. Some try to gather employees in town-hall meetings with the side effect that multiple meetings create confusion through inconsistent messages during Q&A. Blogging seemed a solution to some, only to realize that serious security issues in terms of shareholder/stakeholder communications emerged. Jochen Malterer, CFO of Siemens Mobile Networks Division sends a mobile radio message about quarterly results to his top 250 employees’ mobile phones, created by their ‘mobile radio team’.

So what *does* work best? Research indicates that one-way video communications benefits come closest to face-to-face, while at the same being suitable for mass distribution:

¹ Tandberg International Survey among 625 business professionals across UK, US, Norway, Germany and Hong Kong, November 2003

² Burson Marsteller CEO Survey 2005

- **Video creates trust:** What makes video interesting is that nearly everyone pays more attention to a message when they are able to see the person giving it.³ In addition to the higher attention span, a vast majority enjoy observing non-verbal communications, i.e. body language, to determine the level of trust. The recent quest for authenticity finds its expression here, since body language cannot be 'faked'. Consequently video accelerates changes in corporate cultures, according to research on the subject.
- **Video transports information well:** The visual information inherent in video obviously helps to explain complicated matters more comprehensively than verbal information alone. Abstract corporate information can be transported easier. Content is easier to remember and better suited for the communication of a single persuasive message. A new business practice can be illustrated by 'seeing it happen' and so becomes more viable. Additionally, things that don't exist physically, such as a new corporate identity, can be brought to life. Like a text message video offers - other than a live presentation – the advantage of evaluating (e.g. peer review) and improving its contents before it is distributed.
- **Video has uncomplicated logistics (today):** Video has largely benefited from its transition to digital storage and distribution. It can be saved, protected and mass-distributed much easier than in the past where bulky physical cassettes in different video standards had to be sent via parcel services through the world. Today a piece of streaming software on a website makes a video visible to a worldwide audience and streaming services are ready to take on production, storage, security and delivery of video messages, whether in-house or externally. Even the number of competing standards and viewers is limited and can be managed.

Detlef Rochow, Vice President Internal Communications at Siemens COM has worked with Video communications for the last 2 years. His audience is roughly 70% of all employees, he uses either the employee magazine Com.ma or internal business video, called com.tv. The latter is used to communicate quarterly results and to transmit video interviews with the CEO on special occasions. Concludes Rochow: "One CEO – one message – one team."

Why wait? 2006 is the year of video on the web!



³ Tandberg International Survey among 625 business professionals across UK, US, Norway, Germany and Hong Kong, November 2003