

# How to Make the Shift to a PPMM Strategy

No doubt people some people might dismiss Integrated Marketing as a passing fad, and who would view the burgeoning discipline of People Performance Management and Measurement (PPMM) as a buzz phrase or “flavor-of-the-month” marketing strategy. Yet, such people—as evidenced by a rapidly growing body of academic and corporate-sanctioned research and case studies—are demonstrably wrong. In a business environment in which shareholder value is linked to the quality of the Brand, and in which the Brand is embodied and driven by employees and other audiences, the need for an integrated strategy such as PPM has risen to the forefront of corporate priorities. Never before have organizations had more reasons to integrate communications across employees, customers, and all of the other critical stakeholders.

The pressing questions, therefore, become:

- How does one integrate PPMM into an organization?
- How does one implement the new strategy?
- How does one evaluate the progress and results?

This white paper defines the **shared central characteristics** of organizations that successfully make the shift to a PPMM strategy by integrating

their internal and external marketing efforts. While many examples demonstrate how specific companies have embraced this issue, one of the powerful things about adopting a PPMM-driven strategy is that it can be shaped to reflect the unique style and values of any organization. PPMM is not a solution for all organizational problems or challenges, but it addresses one of the most often overlooked: the connection between the brand and employee and channel partners.

## The PPMM Model

The research conducted and analyzed by the Forum for People Performance Management and Measurement has identified a management framework consisting of seven key elements, designed to show the key issues that have to be addressed and measured. These key issues include:

- **Organizational Performance**  
*Achievement of financial and other goals.*
- **Customer Loyalty and Attitudes**  
*Enthusiasm and willingness to refer.*
- **Behavior of Channel Partners**  
*Commitment in terms of sales and marketing support.*
- **Organization-Customer Interface**  
*Consistent delivery of product and service satisfaction, either directly or indirectly.*
- **Constituent Attitude/Behavior**

*A general link between what customers expect and what channel partners, salespeople and all employees seek to deliver.*

## ■ People Performance Practices

*People-to-people multi-touch communications, learning, and rewards, to make the necessary external and internal marketing connections.*

The above issues rest on an organizational foundation that includes:

## ■ Leadership/Strategic Objectives

*Understanding the economics of connecting customer and employee engagement. Ability to help the organization break down the silos to align all activities against the customer, profits, and other key organizational goals.*

## ■ Organizational Culture

*The benefits, compensation, the general level of understanding of and buy-in to the organization and overall mood of the organization; the relative feelings of support and positive emotion related to the organization.*

## Key Characteristics of a PPMM Organization

Evidence continues to mount that organizations with successful PPMM-based marketing and communications strategies are driven by the following, broadly defined seven characteristics:

## ■ They engage their employees

Employee engagement is a hallmark—

## About the Forum

The Forum for People Performance Management and Measurement conducts research on the link between employee and channel partner motivation and engagement, customer satisfaction, and financial results. It is affiliated with the department of Integrated Marketing Communications, the Medill School, Northwestern University.

and a holy grail of sorts—for PPM. Ample research demonstrates that engaged or satisfied employees directly influence customer loyalty, and that customer loyalty, in turn, directly affects long-term company financial performance.

The keys to cultivating a truly engaged employee population, as referenced in the Internal Marketing Best Practices study, are empowerment, two-way communication, a vibrant rewards and incentive program, corporate philanthropy with which employees identify, and special events designed specifically for employees.

The Wm. Wrigley Jr. Co. is one such company that gets this. Among other initiatives, Wrigley has an employee engagement group that created the GOLD (Goals Outcomes Learning Development) program, which enables employees to actively participate in the ongoing appraisal of their performance against corporate goals. Creating opportunities for this level of participation motivates and engages employees.

Companies with high levels of employee engagement tend to also have strongly defined usage of the latest information technology. This is especially important as employee populations become increasingly diverse by geography, and employees are frequently granted greater levels of authority over the management of their benefit programs. Fedex and Hewlett-Packard are but two examples of companies that are focused on leveraging IT for the purpose of effective employee communication.

■ **They possess senior management buy-in and support**

Make no mistake—any integrated marketing strategy must have the clear and public support of senior management in order to succeed. Employees take their cues from their managers; especially the C-suite, which sets the tone for the entire organization. Senior managers are also uniquely situated to create cross-functional teams, thereby removing—or at least lessening—some of the barriers that

can reinforce silo mentality. Senior management must also be involved in establishing incentives that reward integration and teamwork, rather than “old” behaviors of protecting departmental self-interest and processes in favor of meeting customer or overall organizational needs.

In the end, few if any employees will take integration seriously if senior management doesn’t lead by example. Company leadership must live, breathe and demonstrate a commitment to integration daily, in all that it says and (especially) does in order for an organization to reap the rewards of PPM.

**People Performance  
Starts at the Top  
With Leadership**

Ritz-Carlton exemplifies the practice of actively rewarding employees based on behaviors that reinforce the company’s values related to customer-service. Its hotel employees know that they are all in a position to positively influence the customer experience, even if they’re not customer-facing employees. And at Visa, a cross-functional team of senior managers must approve all major marketing campaigns; this demonstrates to rank-and-file employees that the organization’s leadership takes integration seriously.

■ **Human resources helps drive integration**

The days of HR as simply a repository for benefits information have long passed. Today, HR is a strategic management function, and greatly influences the recruitment, training, acculturation and retention of employees that play such major roles in establishing behavior expectations and definitions of success.

HR is especially critical to the integration process today because the workforce is so diverse. With employees working in diverse locations, coming from diverse backgrounds and even

**CASE IN POINT:**

**Southwest Airlines**

Southwest Airlines is one of the most frequently cited examples of companies truly committed to integrated marketing and communications across all levels and aspects of the organization. “We have always had a philosophy that we treat our employees the same way we expect them to treat our external customers,” says Cheryl Hughey, director of the company’s leadership training, people and leadership development department.”

Southwest is integrated to such a degree that at orientation, new employees are fully indoctrinated about the airline, its culture, its mission and what the Southwest brand stands for. A cross-section of employees comprise a “culture committee” that focuses on special events such as picnics, as well as well-chosen incentives and recognition, to show employees how much they are valued. The company also works hard to ingrain its “Share the Spirit” philanthropic efforts into its corporate culture—rallying all 31,000 employees around shared charitable activities for the neediest people in Southwest’s communities.

speaking diverse languages, the HR function at highly integrated companies helps determine what education, tools kits, processes and systems are required to facilitate integration across the organization.

Bear in mind that HR isn’t solely responsible for any of these functions or sets of decisions. But, given its

unique place in most organizations, HR does work closely with marketing, communications and other functions to define these imperatives and to bring them to life.

■ **They understand marketing is important outside and inside the company**

Companies that are fully integrated, and embrace PPMM principles, understand that the sophisticated marketing strategies they have practiced outside the organization apply equally to the people inside the organizations. These companies, in fact, deploy employee- and partner-marketing strategies that parallel how they pursue the pursuit and retention of customers.

For audiences both inside and outside the company, organizations with savvy marketing operations recognize that they must define clear goals and objectives, strategies for achieving those objectives, and measurable tactics for gauging results.

Moreover—and this is critical—they recognize that none of these audiences is independent of the others. Certainly, the goals and tactical approaches related to each of them will differ. Yet, the communications should be integrated to ensure everything you're saying and doing consistently supports the most important company objectives and customer requirements. Further, even within specific audience segments, messaging should be tailored to reflect the core information needs—and potential contributions of that portion of the audience to the overall organizational or brand objective.

For example, when defining internal marketing strategies, it's quite likely most companies will have distinct messages and desired-behaviors for employees on the manufacturing floor from those they expect of sales people or Help Desk personnel. Yes, the end-goals are the same, but the contributions of each employee group will likely differ. Similarly, companies might communicate different messages to top-quartile customers and employees, versus those in the middle or bottom-quartile.

■ **They articulate—and deliver on—their Brand Promise**

As highlighted by the Internal Marketing Best Practices study, branding bridges the gap between “promise makers” (marketers) and “promise keepers” (employees). It also serves as the overall promise or connector of organizations to customers, communities, partners and all other audiences.

The brand promise also serves as an ideal litmus test for company behavior; if an isolated tactic, position or program doesn't clearly reflect the company's brand promise, it quite likely isn't worth the time, resources or effort to pursue.

Ultimately, internal branding should be driven by external (customer) criteria, and engage employees to support the brand initiatives that will enable the company to flourish from a competitive perspective.

■ **They communicate relevantly and effectively**

Communication is a vital element of PPMM, serving as a great unifier that marries the needs of external audiences to the goals and behaviors of internal ones. Regardless of audience, strong communications create understanding and buy-in, and encourage desired behaviors. They also reinforce brand promises and themes designed to permeate the entire business to maximize the chances that promises actually get delivered.

The most successful communicators recognize, as referenced earlier, that one size of communication doesn't fit all. Rather, they segment communications by factors such as audience demographics, functions, size, level of training, etc. By extension, the tools utilized can differ from audience to audience; manufacturing employees might respond to an internal newsletter and paycheck stuffers, for example, while large customers or channel partners will quite likely require significant degrees of interpersonal contact and even special events tailored for their specific needs.

Companies with savvy communication skills also understand that the

It Boils Down to The Ability to Deliver The Brand Promise

messenger can be as important as the message. Announcements that invoke major changes in services or offerings might dictate dissemination by the CEO. On the other hand, day-to-day communications are often better delivered by line managers and sales people. Frequently, companies will designate “champions” to shoulder the bulk of responsibility for specific program communications.

Regardless of tactic and messenger, companies are frequently judged by the quality of their communications. This might seem obvious, but it merits mentioning. Consider, for instance, a company that positions itself on unsurpassed quality; poor-quality communications—with typographical errors or inferior graphic quality—can undercut everything the company has worked so hard to establish. The same holds true for companies positioning themselves as the most customer-friendly, yet haven't adequately trained customer-service employees to interact with customers.

■ **They have an integrated horizontal organizational structure**

Finally, research indicates that a horizontal organizational structure—featuring frequent opportunities for cross-functional interaction and leadership—goes a long way toward eliminating or minimizing the silos that serve as the enemy of true integration.

At Staples, international communications, branding, public relations, organization development, HR and training teams work together on numerous initiatives. At General Electric, former CEO Jack Welch was renowned for establishing protocols such as “Workout” that virtually forced internal constituencies to work together in order to maximize customer solu-

tions and operational efficiency.

## MEASURING THE RESULT

Each of the seven Best Practices referenced here makes its own, vital contribution to organizations seeking integrated external and internal marketing. Yet, the road to integration doesn't stop there. It's equally important to measure the results of integrated strategies and efforts to ensure the organization makes the right choices. Gut feel plays a rightful role, but so should empiric measurement.

Measurement should be repeated on a regular basis (annually, or even more often). Why? Because the right strategy today may not be the right strategy in six or 12 months. It's imperative that the organization continually gauges whether employees, customers and other audiences "get it."

In terms of perceptual measurement, benchmarking surveys provide powerful tools for assessing levels of understanding, buy-in, and engagement. As integrated communications become more entrenched, these levels should progressively rise. Follow up surveys can determine whether or not the perceptual needle is in fact moving in the right direction—or at all.

Similarly, there's ample evidence that company financial performance is affected by the improved levels of employee satisfaction and customer loyalty that integrated communications should boost.<sup>7</sup> Therefore, some of the measurement effort should determine if financial performance is transforming as a result of the company's efforts to integrate. This can occur at the department, division, or geographic level, and include such indices as: productivity (sales or units produced per employee); quality (product defect rates, safety claims, customer satisfaction ratings), and profitability, to name a few measures.

Finally, it's important to ascertain if there remain gaps between desired and actual behaviors. Incentive and recognition programs can help collect data to determine if actual behaviors line up with those promoted in the program. Armed with that information,

the company can plan for shoring up the gaps between the desired behaviors and what actually gets done.

One powerful, scientifically based measurement technique that's especially effective—particularly for evaluating incentive programming—is the Master Measurement Model, created by the American Productivity and Quality Center, and funded by the Incentive Research Foundation. This model is based on the premise that almost any job can be measured, and any performance can be assigned a value. The model also includes a measurement for ROI. More can be found at [www.theirf.org](http://www.theirf.org).

## CONCLUSION: PPM REPRESENTS A LONG-TERM STRATEGY

At this stage, it should be abundantly clear that PPM reflects far more than a quick fix; rather, it's a long-term strategy to achieve sustainable results. It involves all elements of leadership, training, marketing and communications, and even embodies the characteristics and values of organizations aspiring to find the most sustainable ways to achieve financial and other objectives, by connecting all of the people who touch their organizations.

By understanding the links between all of its people, organizations can take an important step toward achieving the most valuable results of all: those with the best chances of being repeated year after year.

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