

Reprinted from

SCM

Strategic Communication
Management

Increasingly, communication managers are being held responsible for the ROI from their communication resources and for the efficiency of their programs. If they are to be accountable, says Fraser Likely, they need to manage the “what” and “how” of measurement through a total performance measurement management framework.

COMMUNICATION AND PR: MADE TO MEASURE

by Fraser Likely

How to manage the measurement of communication performance

The VP corporate communication gets invited to a meeting with a reengineering consultant, whose firm was recently hired by the organization, to defend the “efficiency” of the communication function’s organizational structure – what metrics does he or she need to influence the outcome of this situation?

Various experts have written about evaluating communication program outcomes, about measuring communication product outputs and outtakes and about measuring reputation as an organizational positioning outgrowth. Others have written about process efficiency, scorecards or how to measure intangible assets. Each has taken a different approach to measurement – one view, one angle, one piece of a larger measurement picture.

What’s missing is a comprehensive “mental model” or conceptual framework that integrates each of these valuable contributions. We need a common typology and terminology for communication measurement: one that will help the corporate communicator to plan and organize – to manage – measurement.

Whatever their job title, industry or sector, senior communicators need a practical, customizable performance measurement management framework that they can tuck under the arm and take to the management table. This framework would accompany the tabling of any longer term communication plans, and would provide the executive management group with five things:

1. A full visual realization and understanding of precisely what can be measured;
2. A description of what is currently being measured;
3. A set of recommendations from the communication head on what should be measured in the future, and why, and how;
4. An approximate cost and time scale for each recommendation; and
5. An opportunity to choose what will be measured, how, and when – thereby making the decision on how the communication function will be held accountable during the life of the framework.

This approach is proactive, strategic and one that

KEYPOINTS

Made to measure

- Communication measurement takes many forms, which can be confusing to those tasked with performing it.
- Often, communicators want a single, integrated model to measure their unit's performance, but have to cobble together different systems, processes and terminology themselves: what's lacking is a total performance measurement management framework.
- Communication managers are accountable for the ROI in their unit, so they need to influence the "for what."
- The one-dimensional metric is not good enough: two, three or four-dimensional comparisons are needed.
- Methodology is relative – the stronger the relationship with the "client," the less it comes under question.
- The total framework should measure for effectiveness and efficiency on three levels: product, program and positioning.
- A communication program is a set of products, so for each product think about the production process: what are the inputs, throughputs, outputs and outtakes?

any good manager would want to take. If we are to be accountable for the return on the investment in our functional area, it makes sense to put ourselves in a position where we can influence the "for what" of how we're to be held accountable. This is what the VP mentioned at the beginning of this article should do. After all, it beats having to react to situations such as these:

- a new president and CEO is hired and immediately asks the communication head to explain why expenditures on public relations are greater here than with the CEO's last employer, and why the return on this investment is perceived by the CEO as lower;
- an HR manager complains loudly and widely that the company employee publication has lost its value with employees, that it's not as good as it was five years ago and that it's just not read anymore;
- the advertising group is taking full credit for the success of a new marketing campaign and the communication head does not have the metrics to support his or her claim to some of that recognition; and
- an internal client, on completion of a major communication program, wants to know which one of the five communication vehicles/products employed in the communication program was the most cost-effective.

The dimensions of measurement

One dimensional measure is a thing of the past. A single number or metric, such as 67 percent of employees think that... or 48 percent of our media releases were picked up by major television stations... or 8,500 hits on our web site in June... or the message was retained and recalled by 34 percent of local politicians... is no longer sufficient. Two, three or four dimensional comparisons are necessary.

To do so, we can compare the 67 percent to

expectations. These might include a performance target; the objective we had in our plan; the unsaid ideas in the back of the client's mind; or management's expected answers to the questions. You can compare the 67 percent with a baseline (past years' data) or to a benchmark (competitor data; industry benchmarks or standards).

There are only two ways to measure: you count or track and you ask. If you ask, the main issue is whether or not you are concerned with validity, reliability and extrapolation. That is, will you choose a qualitative or quantitative approach? But even a quantitative approach isn't a "perfect" methodology; that is, one that truly is objective and bias-free.

Even the most statistically valid survey has its Achilles' heel – the type of question asked, the wording of those questions, and the order of those questions for example.

Whether we choose to count and/or to ask, and whether we choose to compare the resulting metric to two, three or four dimensions depends, as we all know, on the relationship we have with whoever wants to see the results of our measurements. The stronger the relationship, the less the chosen measurement methodology comes under question.

Three important measures

Organizations need a performance measurement management framework that allows for the choice of three important measures: *effectiveness*; *efficiency*; and *cost-effectiveness*. While the discussion of communication product and program effectiveness measurement still dominates communication measurement literature, communication managers are finding that executive management is just as concerned with efficiency and cost-effectiveness as it is with effectiveness.

Now, not only can we measure effectiveness, efficiency and cost-effectiveness, but we can do



Fraser Lively
founded Lively Communication Strategies Ltd., an Ottawa, Canada based PR, communication management and training firm, in 1987. Fraser is an associate faculty member in Royal Roads University's Executive MBA Program in Public Relations and Communication Management. He is also on the Editorial Board of *SCM*.

Communication/PR
When we mention the manager or head of communication in Fraser Lively's framework, this position could also refer to the head of public relations.

Figure One: The Likely performance measurement framework

Role	Performance Measures		
	Efficiency	Effectiveness	Cost-effectiveness
Executive <hr/> PR/C positioning: Outgrowths	Strategic management <ul style="list-style-type: none"> organization financial/resource utilization planning/strategy formation continuous improvement/learning client relationships 	Positioning <ul style="list-style-type: none"> reputation brand equity relationships leadership 	Efficiency & effectiveness measures combined
Manager <hr/> PR/C program: Outcomes	Project management <ul style="list-style-type: none"> allocation of resources supplier management client service 	Communication effects <ul style="list-style-type: none"> awareness knowledge understanding perceptions attitudes/opinions behaviors 	Efficiency & effectiveness measures combined
Technician <hr/> PR/C product: Outputs	Inputs/Throughputs <ul style="list-style-type: none"> process quality task time cycle time cost productivity 	Outputs <ul style="list-style-type: none"> produced distributed reach/coverage/pick up Outtakes <ul style="list-style-type: none"> attractiveness attention to recall/retention/response 	Efficiency & effectiveness measures combined

© Likely Communication Strategies Ltd.

so on three levels. We can measure on the level of *product*, on the level of *program* and on that of *positioning*.

Surely, most of the energy we give to communication measurement should be devoted to the “what” of measurement, not the “how.” Wouldn’t we rather spend time discussing the merits of measuring product X or program Y this year, the efficiency of our media release development process in year three or corporate reputation each year, rather than defending the randomness of a certain sample or the timing of a focus group?

So, while the “how”(techniques of measurement) is important, discussing the “what” with those who hold us accountable is much more rewarding. This is best achieved with a Performance Measurement Management Framework (See Figure One, above) – a conceptual construct that displays the full “what.” This framework

allows the communication manager to see all that’s possible to measure. And, from this generic framework, the communication manager then can customize his or her own performance measurement framework.

As I stated, there are three levels of measurement: product, program and positioning.

On each level, effectiveness, efficiency and cost-effectiveness measures are possible. As suggested by Figure One, each level roughly corresponds with our three major roles:

- technician responsible for the production of communication products;
- manager responsible for managing communication programs, campaigns or accounts, and for managing the relationship with internal clients; and
- executive responsible for overseeing the positioning of the organization and managing the communication function as a whole.

These are not mutually-exclusive roles – often, we play more than one at a time dependant on the size of the communication function. There’s a hierarchical effect here. While communication products – such as media releases, newsletters, speeches, special events, annual reports, and webcasts – are the building blocks of any communication initiative, they’re limited in the communication results they can achieve. For the most part, we (as consumers of communication products) are well-informed and capable of making rational message choices from the thousands of messages that reach us daily. Seldom will a message embedded in a single product produce the desired results, and we compensate by employing a variety of products.

A communication program is a set of

How do I do it?

Observational methods:

- participant observation
- time studies
- case/field study
- expert review/external objective analysis
- process mapping

communication products, with each product containing a similar message targeted to the same public or audience. A different set of communication effects can be achieved at the program level. It is these effects for which we normally establish objectives in our communication plans. The third level is that of organizational positioning. Positioning can be seen as the cumulative result of all the communication programs.

It's not a question of measuring everything (ie. every product or every program). Rather, it's a question of making choices from a comprehensive and complete buffet menu. It is a question of making informed choices, together with those who hold us accountable.

Communication products

For each product that internal communication staff and/or external contractors produce, there's a production process. That process has four steps along a continuum.

Step 1: Inputs

This could mean direction, objectives, ideas, background information, data, and approvals, whether from internal clients or other sources. We can measure the effectiveness of these inputs (accuracy of the background information, for instance) and the efficiency of this step of the process (time, number of times we had to go back to the client for more information).

While we can measure at this step of the product production process, we seldom do – unless there is a major, on-going difficulty assessing timely, complete and correct information from internal sources. This type of measurement is usually part of a management audit of the communication function, or initiated as part of a total quality management initiative.

Step 2: Throughputs

Here, we take the inputs and design, approve and produce a specific communication product. Again, we can measure the effectiveness and efficiency of this part of the process in the same way as we do with inputs. These measures are useful when we make decisions on whether to produce a certain product in-house or through the use of external suppliers. (With more competition on the street, many communication products are seen as “commodities” with the resulting low-ball commodity pricing in effect.)

For both the input and throughput steps, the measurement techniques include

counting/tracking (mostly time) and asking (client satisfaction). The work of Craig Fleisher is an important reference for efficiency measurement in this field.

Step 3: Outputs

The communication product, appropriately packaged, is delivered to a pre-determined public or audience. We can measure dissemination, receipt, reach/coverage and pick-up or usage. As far as measurement techniques go, this is mostly a counting/ tracking exercise, whether the dissemination is directly to the targeted public, or through an intermediary.

Most of us measure the dissemination of our products, especially for media releases.

Step 4: Outtakes

In North America, particularly the United States, the term impact (or outcome at times) is used. I prefer the European term outtake, which in this case means what the public or audience takes away from the receipt of the product output. The dictionary definition of impact suggests a violent contact or shocking effect, neither of which is suited to communication products.

Only in our wildest dreams (or in our submissions to award programs!) would we see our communication having such a forceful result. Outcome is more properly used, certainly in the program evaluation field, with reference to program outcomes. Measuring outtakes is mostly an act of asking. Were you attracted to the product? Did it get your attention? Can you recall a specific message? Did you retain certain information, arguments, ideas, data, or directions? Did you have a response? If so, what was it? (eg: call for more information, visit a Web site, send in a reply card, discuss the question with a friend or take more notice of an issue?)

Many communication managers review their regular products – like newsletters, annual reports or Web sites – on an cyclical basis.

Consistent measurement will allow the manager to appreciate which products are the most cost-effective, dependant on the need and situation. It should be noted that an important premise on which this hierarchical arrangement is based is that

How do I do it?

Unobtrusive methods:

- counting/tracking
- tracking
- content analysis
- readability studies
- literature/database searches

How do I do it?

Combination methods:

- PR audit
- communication audit
- management review
- program evaluation
- social audit
- benchmarking study

Figure Two: Measuring communication outcomes

<p><i>A communication program tries to create one or more of these communication effects per audience:</i></p>	
Dimension	Effect
Cognitive (thoughts)	<ul style="list-style-type: none"> • awareness level changes • knowledge/understanding level changes
Affecting (emotions)	<ul style="list-style-type: none"> • interest level changes • liking/preference/desire level changes
Conative (motives)	<ul style="list-style-type: none"> • attitude/opinion changes • individual & group behavioral changes • agreement/adoption/use/commitment/action • collective cultural and social change

How do I do it?

Quantitative methods:

- In-home/in person surveys
- Telephone surveys
- Mail/fax/e-mail surveys

☉ it's seldom that a single product will have a major effect on a particular audience or public. That is, a single message will not cause great changes in awareness, attitudinal or behavioral

levels. It's necessary to repeat the message – usually in more than one product – to produce these more fundamental changes.

Communication programs

A program is a set of communication products, each with similar messages targeted to the same public or audience. We evaluate the effectiveness of a communication (or PR) program by determining if the outcomes of the program met the objectives set out in our communication plan. We can measure cognitive, affecting or conative outcomes and communication effects. (See Figure Two, above.) In what way, and by how much, did our targeted public change?

We ask, through surveys or polls – that's our technique. But determining behavioral change is more difficult, both in isolating communication effects and in performing the counting or tracking necessary to see the change in action or behavior.

Considering that awareness, understanding, interest, desire, attitude, or behavioral changes do not happen overnight, it's best to see communication program measurement as a mid or long-term proposition. While product outtake measures are readily available, outcome measures may not be available for many months, or years. The

efficiency of the communication program can be measured using project management tools such as

How do I do it?

Qualitative methods:

- One-to-one interviews
- Focus group interviews
- Client/customer panels
- Intercept/mall surveys
- Delphi/jury of executive opinion
- Deliberative polls
- Soft soundings/convenience polls

process mapping, time studies, and resource utilization analysis, or with program evaluation methods like client satisfaction studies and cost-benefit analysis. The first is counting or tracking; the latter is an exercise in asking.

Measuring organizational positioning

Measuring intangible assets like corporate reputation, corporate brand equity, relationships (personal and as a member of a group, whether as a customer, employee, stakeholder or citizen) and leadership is not an easy task. The technique is simple enough: we ask. What we ask, however, is more complex. Clustered within terms like reputation and relationships are more basic constituent parts like loyalty, trust, satisfaction, faith and the ubiquitous "goodwill." The pioneering work of Jim Grunig and Linda Hon on measuring relationships (through the Institute of Public Relations Commission on PR Measurement and Evaluation) will be extremely valuable in helping us know exactly what to ask.

These intangible assets can be seen to be "outgrowths" of the previous two levels. That is, it's the cumulative effect of our communication outtakes and outcomes that contribute to the desired communication outgrowths: a positive perception – both internally and externally – of reputation, branding, relationships and leadership. They're also the opposite and equal reaction to corporate actions. These concepts are usually measured on a regular basis – more often if the organization is under stress, particularly from its external environment. Given the term positioning, these concepts are best measured in relation to other organizations. There are many syndicated studies that do just that.

This movement has two fronts. First, we'll be able to better measure those intangible assets that we affect. Second, new organizational accounting systems will recognize those assets. Then we will be able to show a cause and effect relationship with the bottom-line – something we can't do now.

These are promising developments indeed, giving us the possibility of conducting quite comprehensive measurements of effectiveness, at the level of organizational positioning. There's also promise in the measurement of efficiency, and the positioning of the total communication function within the organization. Many communication managers measure efficiency (their ability to deliver results with little waste of time or effort), and some have borrowed from popular "scorecards" like the Baldrige Awards in the US, the Canada Awards for Excellence or Robert Kaplan and David Norton's Balanced Scorecard.

Keeping the score

Scorecards focus on many common elements, including: leadership; strategic management; customer focus; internal processes; and employee learning and change. Of these, strategic management, organization and continuous improvement are the most important measures for the communication function, so let's take a look at each of them in turn:

Strategic management: We do this, in part, by examining the correlation between corporate and business line objectives and actual work activities, and between communication function objectives and work activities. The examination includes both deliberate and emergent planning and strategy formation processes, and our contribution to these processes. Is our time, effort, staffing and resource allocation reflecting the priorities of the organization and its business units?

Organization: We examine organizational structures, roles (both service and challenge roles) and resource utilization (including external resources) against planning priorities, production processes and client satisfaction. Does the organization of our work mirror the needs and priorities of our clients?

Continuous improvement: We can conduct an examination of individual and group professional development plans, function knowledge management systems and archival or corporate memory mechanisms, and then compare them to client satisfaction, product and program results, internal and external recognition programs and industry benchmarks and trends. Are we perceived as competent – both individually and collectively? Are arrangements in place to share our corporate memory and new learnings to ensure a common degree of knowledge across all account managers? Where do we stand in our organization, among competitor communication functions and in the profession as innovators?

Financial administration, internal processes, leadership, client relationships, communication staff and supplier deployment are other possible elements of a function efficiency scorecard (See sidebar, *right*). The measurement techniques we use: we ask; and we count.

Conclusion: take the straight line

There's a lack of measurement frameworks that incorporate all the measurement possibilities open to the communication manager. The above is my attempt, and I look forward to seeing new and improved versions soon. Accountability, increasingly, is important to our professional field.

Hit the bull's-eye with the balanced scorecard

Balancing the business scorecard allows you to build process and measure results across four key perspectives: financial, customer orientation, internal process and organizational learning. Take these ten steps to hit the bull's-eye:

1. Understand your company's business goals and strategies. Remember, everything you do should be tied to the fundamental activities of the business.
2. Build a communication program that will support the company's goals. The scorecard is not a short cut to developing a strategy; its use lies in measuring the strategy you've agreed on.
3. Define your communication function's core capabilities (eg., to inform, promote, and counsel).
4. Zero in on the critical success factors that will support business strategies. Once you've identified the communication function's core capabilities, what do you need to do well in order to help the company accomplish its goals?
5. Identify the key performance indicators that will effectively measure the critical success factors supporting each strategy. Encourage participants to stretch their powers of creativity as far as possible, and balance both input and outcome measures.
6. Run through your list of key performance indicators and prioritize them. Make sure they're balanced, strategically relevant and achievable. Challenge each key performance indicator to weed out all but the most essential strategic priorities.
7. For each key performance indicator, determine your data needs, frequency of measurement, and parameters for reporting the data. Identify the dependencies that will affect the data gathering process. Operationalize the metrics in order to understand their impact.
8. Weigh the costs against the benefits of each identified metric. You may determine that a measurement will help you hit your strategic target but simply consume too much time to collect and analyze.
9. Translate each key performance indicator into individual activities tied to the performance review process.
10. Test and review your metrics periodically to ensure they're delivering what you need. If not, discard them. Have you overlooked anything worth adding? Remember to maintain the scorecard as an evolving resource.

Communication managers are in need of a "mental model" that not only visually depicts communication accountability, but serves as a learning tool for our clients and for senior executives. It's a straight line between understanding what and how communication performance will be measured, to why that performance is so important to the organization in the first place.

Contact

Fraser Likely

Likely Communication Strategies

E-mail: likely@intranet.ca