



“Effective communication drives business results that lead to success.”

The Most Successful Companies Communicate Better

Communicating effectively creates a myriad of benefits, especially increased shareholder return and higher market valuation

EFFECTIVE COMMUNICATION PERFORMS A CORE corporate role, vital to your company's financial capacity as well as to your overall success.

This success encompasses many measurable factors:

- ◆ Increased market valuation.
- ◆ Increased shareholder value.
- ◆ Greater connection and commitment from employees.
- ◆ A more robust and inclusive corporate culture.
- ◆ Proactive involvement that drives corporate change and growth.

In essence, effective communication drives business results that lead to success.

Increased market valuation. Effective communication is one of the leading indicators for financial performance. Research shows that, over the first years of this century, companies with the most effective communication attained a 30 percent *increase* in market valuation. This is almost 20 percent higher than companies that do not communicate effectively.

This holds true for both publicly-traded as well as privately-held companies.

Increased shareholder value. Effective internal communication benefits your shareholders. Over the early 2000s, research demonstrated that companies with effective communication strategies experienced a 26 percent total return on investment to shareholders. This total return is 57% higher than companies with less effective communication. (By comparison, companies with the poorest communication experienced a 15 percent *decrease* in market valuation.)

Greater connection and commitment from employees. Employees work for more than just money. They want to be part of something bigger than themselves, to have meaning in what they do, to know their work contributes to a larger cause.

Companies that communicate better benefit from employees who feel more connected, more committed, and better understand how

their actions contribute to a company's success, which dramatically reduces turnover.

An effective communication strategy reinforces employees' realization that they are critical assets to the company. Ultimately, employees are more inspired.

A more robust and inclusive corporate culture.

Clear internal communication channels that create a dialog among all employees using a single company voice and that use technology in this exchange make everyone feel more in touch with the company. This is especially true for new hires. New employees feel connected to the company's culture and immediately begin applying their efforts to the overall success of the company.

As companies grow, their culture can become scattered through the forced decentralization that must happen to keep up with a more complex business structure. Effective internal communication helps even the largest companies feel like a smaller, more comfortable, more secure place to work and fosters a sense of participation and contribution.

Proactive involvement that drives corporate change and growth. Effective internal communication has a positive effect on changes in the marketplace and in your industry. Employees adjust quicker and have a greater impact on changing business conditions, allowing your company to keep pace with this change, to grow, and to lead.

Most employees are adverse to change; they get too comfortable with the way things are, the status quo. Yet organizations with effective communication experience strong support for change and growth from management and staff when communication is at its most fluid.

Effective communication sparks a change in behavior, and more closely connects all employees to your customers. Ultimately, effective communication powers your company and proactively drives business performance to a higher measure of success.