

### *Walking the Talk to Sustainable Growth: Blog Blast '06*

**Kelly Brereton**

**The Coca-Cola Company with Burston-Marsteller and Sagepath Inc.**

**Africa, Latin America, North America and Asia**

**Brief description:** a seven-day global employee discussion to share stories/specific examples to help define what it means to “Live our Values”, co-hosted by senior leadership. The primary objective was to help drive sustainable growth by accelerating the transformation of the culture by inspiring employees’ passion and commitment to our values.

For your reference, below is the calendar for the Blog Blast '06 event.

<b>Value</b>	<b>Executive Hosts</b>	<b>Date</b>
<b>Passion</b> “Committed in heart and mind”	Irial Finan, Pres. of Bottling Investments Don Knauss, Pres. & COO of North America	Mar. 29
<b>Leadership</b> “The courage to shape a better future”	Sandy Douglas, SVP/Chief Customer Officer Dominique Reiniche, Pres. & COO of Europe	Mar. 30
<b>Integrity</b> “Be real”	Cynthia McCague, SVP of Human Resources John Murphy, VP of Strategic Growth	Mar. 31
<b>Accountability</b> “If it is to be, it’s up to me”	Gary Fayard, CFO & EVP Geoffrey Kelly, SVP & General Counsel	April 3
<b>Collaboration</b> “Leverage collective genius”	Tom Mattia, SVP of Public Affairs & Communication Alex Cummings, Pres. & COO of Africa	April 4
<b>Quality</b> “What we do, we do well”	Muhtar Kent, Pres. of Coca-Cola International Glenn Jordan, Pres. & COO of Pacific	April 5
<b>Innovation</b> “Seek, imagine, create, delight”	Mary Minnick, Pres. Marketing, Strategy, Innovation Jose Octavio Reyes, Pres. & COO of Latin America	April 6

### **Need/Opportunity**

The Coca-Cola Company (TCCC) had been experiencing declining market share and slowed growth in recent years, attributed to declining carbonated soft drink sales, increasing health and wellness trends, a series of leadership changes and increasing competition in the industry. The Company’s 2005 “**Manifesto for Growth**” sought to address these and other concerns by outlining a plan to reinvent itself.

As a part of this new commitment to sustainable growth, TCCC realized it needed to make fundamental changes to its culture and work environment. As seen in a video sent to all employees, Company Chairman and CEO Neville Isdell stated “I want to use these seven values to create a new, better culture for our Company. Not a North American culture, not a corporate culture, not an international culture but a Coca-Cola culture.”

This global campaign was designed to **accelerate the transformation to a high-performance culture** by inviting all employees to participate in a dialogue about its values: passion, leadership, integrity, accountability, collaboration, quality and innovation. This dialogue would allow us to better define what the values mean, how we get things done and the specific behaviors and actions that would drive better business results.

This initiative was shaped by research indicating:

- Companies who leverage their cultures well experience increases in average revenues of 682% as opposed to 166% for companies with weaker cultures (based on a 10 year time horizon) –*Corporate Leadership Council 2003*

- Non-financial criteria such as Quality of Management, Strength of Corporate Culture, Quality of Products and Services are some of the key factors that constitute on average 25% of the investors decision –*Measures that matter Ernst and Young, 1997*
- When managers demonstrate company values, company stock appreciates by 1.1 percent. –*Watson Wyatt 2000*

### **Intended Audience**

The intended audience was more than 20,000 Company employees worldwide. The 2005 Employee Insights Survey, used to measure factors which contribute to and/or drive engagement, indicated that globally employees rated these categories as (100% being the highest score):

- Employee engagement 74%
- Diversity and fairness 69%
- Communication and awareness 65%
- Performance management 68%
- Leadership 54%

By engaging in an open dialogue about our values at all levels, the Company aimed to improve areas of the organization that were cynical and/or apprehensive of change. Given the global nature of our business, with employees located across the globe, a blog format seemed the natural solution.

### **Goals and Objectives**

The primary goal was to help **drive short-term and sustainable growth** by accelerating the transformation of Coca-Cola’s culture and work environment by inspiring employees’ passion and commitment to the values. Senior leadership wanted to better define the values of the Company, how things got done, and how those actions drove business results.

The seven day blog was just the beginning of a larger initiative, launching in the first quarter and running throughout 2006 (details in the “Solution Overview” section).

- Phase 1: Define (January – April)
- Phase 2: Communicate (May – July)
- Phase 3: Embed (June – ongoing)
- Phase 4: Measure (ongoing)

The goals of Phase 1 were to:

- Accelerate the transformation of Coca-Cola’s culture and work environment by inspiring employees’ passion and commitment to the values;
- Re-engage employees in the business strategy and help the organization better understand what it means to live the values and why they are critical to driving business results; and
- Engage employees in a collaborative manner to define what it means to live the values, to describe what makes the company unique, competitive and engaging, and how those actions drive business results.

The 2,409 employee posts from more than 45 countries and the 136,862 employee page views demonstrate that Phase 1 goals were successfully met. **In fact, more than 30,000 page views were captured in the first day alone.** Furthermore, participation rates **were higher than 2 other Fortune 100 benchmark companies** that hosted similar events. Numbers below were provided in the Preliminary Results report for the senior leadership members who hosted a values discussion.

<b>Metric</b>	<b>Passion</b>	<b>Leadership</b>	<b>Integrity</b>	<b>Accountability</b>	<b>Collaboration</b>	<b>Quality</b>	<b>Innovation</b>	<b>Total</b>
# of Comments	569	421	319	246	287	223	339	2,409
# of Page Views	33,686	25,911	17,809	15,684	15,344	12,595	15,833	136,862
Total Visits	3,073	3,083	1,888	1,773	1,819	1,418	1,536	14,590

## **Solution Overview**

### **Phase 1: Define (January – April)**

**Target Audience:** Employees worldwide

**Objective:** engage employees worldwide in a collaborative manner to define what makes TCCC unique, competitive and engaging. Ask employees how we make the values “real”? How do those actions drive business results?

### **Key Tactics (Neville Isdell, CEO & Executive Committee Participation):**

- Engage Executive Committee members in the “Walking the Talk to Sustainable Growth” initiative (Executive Committee meeting Feb. 20 – 21)
- Coordinate high-profile, three week promotional campaign (concluding with CEO video message) with the support of Employee Communications and Human Resources colleagues worldwide (Feb. 27 – March 28)
- Engage Top 150 global leaders in this initiative at the Manifesto for Growth Strategic Planning Meeting (March 12 -15)
- Launch Blog Blast ‘06 with EC members co-hosting a value and actively participating throughout the day. Using discussion threads, ask employees to tell a story of how they personally experienced our values in action (March 29 – April 6)
- Share final recommendations for review and approval by the EC (May 5)

### **Phase 2: Communicate (May – July)**

**Target Audience:** Employees worldwide (leveraging People Managers). The objective was to broadly communicate and reinforce the agreed upon behaviors for each value and the business case behind the behaviors. Employees would be engaged in follow-up discussions and storytelling about how to embed the values into our everyday actions.

### **Phase 3: Embed (June – ongoing)**

**Target Audience:** Employees worldwide (leveraging People Managers). The objective was to model, educate and reinforce the importance of our values by building them into key business policies, processes and procedures.

### **Phase 4: Measure (ongoing)**

**Target Audience:** Employees worldwide. The objective was to measure the effectiveness of our culture building efforts and their impact on the growth and success of our business.

## **Implementation and Challenges**

The team had only 4 months to fully develop, execute and measure the goals described for Phase 1 (Jan. – April 2006). Additionally, we would not receive final approval from senior leadership on the initiative until the Executive Committee meeting on February 20 – 21, 2006. The project budget was \$455,655, however the most serious challenge was the time constraint.

The team was also faced with the serious challenge that the use of blogs was a new concept to the organization and the Company culture favored face-to-face interaction. This was further complicated by local cultures that were not used to offering constructive feedback, especially to members of senior management (e.g. Asian cultures). Various solutions were developed to mitigate challenges, including:

- **A video from the Chairman:** acknowledged the cultural differences about providing feedback but reinforcing the need for all employees to participate in order to achieve our vision of long-term sustainable growth.
- **Organized local teams posted “group comments” to the blog,** allowing individuals who were uncomfortable submitting their ideas directly to share them within a small group which reported out as a “single voice”.
- **A “Blog Tutorial” video:** demonstrated how easy it was to post and view comments.
- **A global Activation Team & comprehensive toolkit:** built excitement about the initiative in the business units (Africa, Europe, Latin America, North America, Pacific and Middle East). Promotional items could be customized and translated into local languages.
- **A customized blog tool was built by partnering with IT** since there was no other in-house technology available.
- **Blog events were kicked off at 7 pm ET** to allow field employees in Asia to be the first to participate (7 am local time in Hong Kong). This responded to a common perception that corporate was insensitive to employees in different time zones.

### **Measurement/Evaluation**

An in-depth, qualitative analysis was conducted on all Blog Blast entries, revealing twenty-nine (distinctive themes and forty-one distinctive types of workplace behaviors. An analysis of the distribution of behaviors by value and by business group revealed insights into what employees say each value “should” and “should not look like” at the Company (see Blog Blast '06 Results Global Report).

One of the key measures for this initiative was to inspire employees’ passion and commitment to our values. **A positive impact can be seen in The Employee Insights Survey results,** shared in July 2006, indicating significant improvements in key categories:

- Engagement rose to **79%** (previously 74%)
- Diversity and fairness increased to **77%** (previously 69%)
- Communication and awareness increased to **76%** (previously 65%)
- Performance management increased to **76%** (previously 68%)
- Leadership rose to **64%** (previously 54%)

Following this initiative, the Company identified specific behaviors associated with each of our values and that input is being integrated into processes and programs around the world. Some examples include:

- A new TCCC Behavior Model, based on the behaviors identified, was created for people managers to complete with their teams
- A competency for “Living our Values” has been embedded in the Performance Management Process and 360° performance reviews.
- Values Alignment Index tool is coming soon to help rate how well a team lives the values.
- An online guide – Walk the Talk: A guide to improving culture and engagement – was created to help people managers align resources with business priorities.
- In Corporate and North America, “Living the Values” was added as criteria for the Red Tag rewards and recognition program.
- In Africa, two-way communication is created via Africa Update where associates can write in and pose questions to Alex Cummings.
- In Latin America, the senior leadership team created a “Few Good Rules” to ensure alignment with the values and surveyed how well they are living the values.
- In Asia, the SEWA Division holds monthly, full-day "Advanced Business Orientation" for groups of 10-12 associates to meet the division president and function heads.

The Company recognizes that much work is still needed, however this initiative contributed significantly to our vision of driving long-term sustainable growth by accelerating the transformation of the organization’s culture. Ultimately, the Company is measured by Wall Street which saw steady increases in business results for 2<sup>nd</sup> and 3<sup>rd</sup> quarter of 2006 (4<sup>th</sup> quarter still pending).

