



**Communication as a Strategic Business Tool**  
Health Care Financial Management Association  
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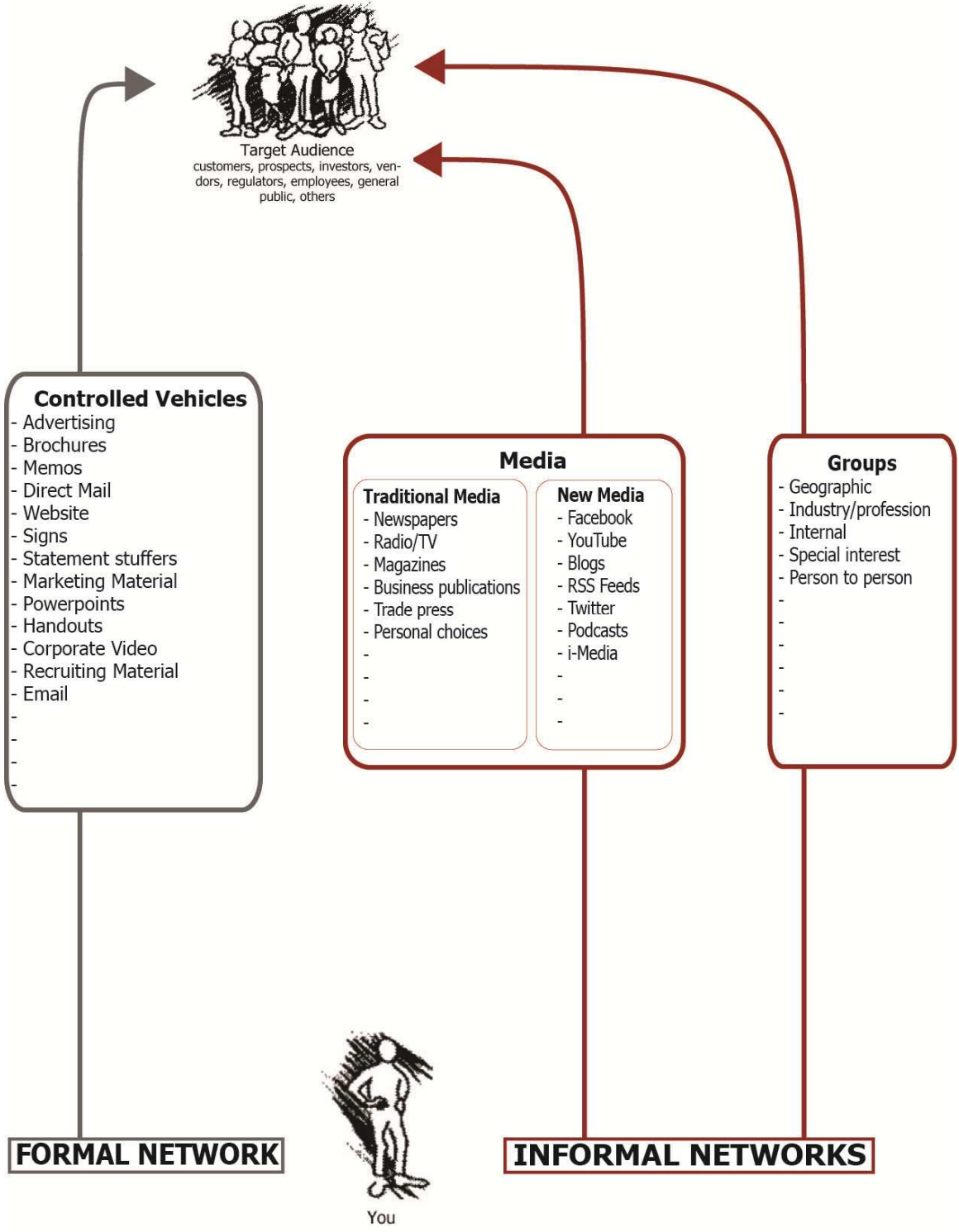
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# The Influence Model™



# Implications of the Spaeth Influence Model™

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**The Influence Model™ developed by Spaeth depicts the routes of communication. A brief description of the model follows:**

The *formal* route is any information the target audience perceives that you control, including marketing materials, advertising, collateral, internal publications, website, annual reports and so on.

The *informal* routes of communication are those the target audience perceives that you do not control. The two most powerful, credible informal routes for communicating your message are through the media and through the various groups in which the target audience congregates, including person-to-person communication.

Today, a sophisticated communication program should carefully identify the target audiences, examine the routes (*formal* and *informal*) available to reach them, and look at the vehicles currently being used and the frequency of their use. A proactive strategy using both routes will maximize the effectiveness of your communication. The idea of message alignment or consistency of communication along all three networks outlined in the *formal and informal* routes is crucial.

*How has the advent of YouTube, Facebook and other new media affected these three networks?* While these outlets are controlled, they appear in a medium that allows and invites discussion, thus giving it the credibility advertisements and other types of controlled collateral don't enjoy.

Traditional media outlets are also playing in the space of new media thus causing the line between the two to blur. Traditional media (newspapers, television stations, magazine, etc.) utilize blogs, RSS feeds, Twitter, Facebook, text messages, e-mail updates and more. The result: A world of 24/7 news cycles where news is delivered instantly.

The model has vast implications for both your professional and private worlds. If you can execute and incorporate it into your communication plan on a daily basis, you will achieve a competitive edge that few executives and companies obtain.

# The Five Drivers of Memory

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## **Key Words**

The first step in preparing a message is to identify your target audience(s). Identify not only those who hear your remarks *directly from you*, but those who may *hear* your remarks from *someone in the audience*, or who may *read* your remarks. Consider what key words or short phrases that you want those target audience(s) to remember and repeat.

The *good word/bad word exercise*. It is useful to begin the thought process in preparing your remarks by creating a list of key words and phrases. List those words that you want remembered and repeated, those that reflect well on your company or your product. Also, add those "bad" or negative words that you do not want your audience to associate with you or your product/company. (Make sure that your "good" word list includes words or messages that counter those negatives.)

## **Statistics**

Statistics are an important communication tool, but they can be difficult to comprehend and remember when presented orally. Numbers can be misunderstood; target audience(s) will remember one or two numbers only. Remember to ask yourself which numbers the audience will retain and what numbers mean to them, not you.

## **Predictions**

Predictions are a dynamic memory tool, but be careful how you use them! Remember who your target audience(s) are and limit your predictions to one per presentation or communiqué. With internal audiences, using predictions every time you speak may take the punch out of the technique.

## **The Targeted Message**

Identify your target audience(s) verbally by name, title or group, so that the listener knows you mean him or her. Also, tell anecdotes about success stories (or on rare occasions, a disaster and what you learned from it) or use examples from the targeted audience.

## **Memory Points**

The two most important memory points for any presentation or communiqué are the beginning and the end.



D CEO

Jan./Feb. 2010

## Harmonic Convergence

*If you don't ensure consistency in your company's messages, you could come to regret it.*

What is “alignment,” and why should you, as a C-suite resident or aspirant, care about it? Fundamentally, “alignment” recognizes that there are multiple routes among which information flows to key company audiences such as employees, customers, regulators, the public, and investors. Instead of concentrating only on what the company formally controls – such as brochures, annual reports, web pages, and advertising – the CEO needs to be equally concerned with what’s flowing along all the informal routes.

This used to be referred to as “water-cooler” talk – all those encounters and interactions that make up the vast majority of communications among employees.

But, how can the CEO possibly pay attention to hundreds of thousands of such encounters? You can begin by creating a comprehensive standard or model with set expectations and definitions. While explicating such an approach is beyond the scope of this column, the starting point is extremely simple – and might have saved UBS, for example, intense embarrassment,

significant damage to its reputation, and \$35 million.

Communication starts with the very words chosen to represent a company’s mission, products, services, values, and people. Two decades ago we coined the term, “good words,” to describe the words you want people to latch on to and repeat. “Bad words” are the words you don’t want repeated. It couldn’t be simpler.

UBS sold hedge-fund customer Pursuit Partners collateralized debt obligations that UBS represented as “investment-grade” securities. However, in internal e-mails, UBS traders referred to the same products as “vomit” and “crap.” (CDOs are considered risky. The debate over the past year has been whether the structure of the investment conceals, rather than spreads out, the underlying credit risk.) In this instance, UBS customer Pursuit Partners charged that UBS knew the rating services were about to downgrade the securities and then rushed to unload them.

A judge in Connecticut ruled that UBS would have to set \$35 million aside as

a prejudgment precaution. The judge's written decision is both hilarious and sobering, pointing out that no one could mistake "investment grade" for "vomit and "crap."

UBS continues to insist it will "prevail on the merits," and it may well be able to argue that Pursuit Partners should have known CDOs were risky. However, the damage has already been done. There are almost 41,000 web entries linking UBS with the words "vomit" and "crap." The bloggers on this issue are highly sophisticated individuals in financial services. Their general tone is illustrated in a post by Felix Salmon titled, "When UBS sells crap and vomit."

"Even if it does prevail, UBS has been revealed as being extremely sleazy at best," Salmon writes in the post. "And it

would be fair for anybody dealing with the UBS fixed-income desk to assume that they're being ripped off, and treat any proffered paper with extreme prejudice."

Would this have happened if UBS leadership had understood that the words associated with the company – integrity, trust, invest-grade –were sacred, and not just marketing throwaways? We believe someone might have stepped forward to point out the disconnect. UBS is making the mistake of treating this as a minor legal matter. It's not. It's about the soul of the company, and whether future customers will follow Salmon's advice or regard UBS as a trusted partner.

This is what we mean when we refer to "alignment." No doubt, it's a strategic matter worth of attention from the top.