
SEEBOARD Energy

Integrated Marketing transforms the brand fortunes



Our Integrated Marketer of the Year Award for 2002 goes to SEEBOARD Energy and archibald ingall stretton for this outstanding Integrated Marketing project that created more than £50 million net equity.

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**Centre for
Integrated
Marketing**

The Centre for Integrated Marketing has been funded by industry to research best practice and develop intellectual and other tools on behalf of leading marketers and their agencies.

Contents

| | |
|--|----|
| Executive Summary | 3 |
| Integrated Marketing learning points | 4 |
| Background | 5 |
| Achievements | 7 |
| Going Integrated | 8 |
| 1. Leadership commitment | 10 |
| 2. Agency partnership process | 11 |
| 3. Organising idea | 12 |
| 4. Build core C-level team | 16 |
| 5. Align organisation purpose/brand | 18 |
| 6. Marketing organised by customer communities | 19 |
| 7. Brand-communities research | 19 |
| 8. Living the brand mission | 21 |
| 9. Financial planning-lifetime relationship-LTV | 22 |
| 10. R&D innovation | 23 |
| 11. Community orientation of business | 24 |
| 12. Customer experience audits and research | 25 |
| 13. Value package design | 26 |
| 14. Integrated communications planning | 27 |
| 15. Technology, culture and process redesign | 35 |
| 16. Mobilising everyone | 35 |
| 17. Learning company processes | 43 |
| 18. Integrated communication evaluation and learning | 44 |
| Executive takeaway | 46 |
| Notes & acknowledgements | 46 |

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For further information and case studies, visit the Centre website on www.integratedmarketing.org.uk

Integrated Marketing represents, we believe, the most significant development in contemporary marketing thinking and the supreme vision for marketing leaders. But does Integrated Marketing work? Can it be done?



The answer is simple: it is hard, like most worthwhile things, but it can be achieved and the results are dramatic, as at SEEBOARD Energy, where internal culture and attitudes were transformed with the help of an integrated marketing communications campaign, "Where does it all come from?". The result was a dramatic transformation in customer equity, netting £51 million additional worth. So effective was it that J. D. Power research showed that SEEBOARD Energy was the most improved company in its category in 2002 and the first to improve on every measure.

SEEBOARD Energy's commitment to integrated marketing thus wins our Integrated Marketer of the Year Award, 2002.

The case also illustrates, through the work of archibald ingall strettton, a fascinating and under-researched aspect of the power of marketing communications and the marketing communication agency as agent of organisation development. As such it heralds a new era for the strategic role of leading agencies.

Executive Summary

From late 2001 to the end of 2002, SEEBOARD Energy implemented an outstandingly successful Integrated Marketing project that demonstrates many important principles of Integrated Marketing. Highlights of the case include:

1. During 2001, SEEBOARD Energy was suffering in the highly competitive, post deregulation market and rapidly losing market share and customers. To overcome the problem they turned to a London based agency for a retention programme.
2. The integrated agency, archibald ingall strettton, with which SEEBOARD Energy worked, was a vital catalyst and extremely influential factor in the successful development of the company. They recognised a fundamental truth of the brand that was not fully exploited and proposed a way to do so. The quality of partnership and trust between archibald ingall strettton and SEEBOARD Energy was a vital factor in success. However, their insight and integrated communication worked because of the total organisation-wide commitment.
3. Unlike many organisations, SEEBOARD Energy's internal structure was wholly aligned to delivering value to customers. In SEEBOARD Energy's case, the organisation was channelled through two customer facing groups, with each tailored to a customer community, namely residential and business customers, and reporting to the sales and marketing director, Nigel Samuels. Each has full P&L responsibility, absorbing all the other costs of the business. Other functions including customer service, finance and organisation development (which includes HR) are therefore formally structured to support the frontline.
4. The key research-driven insight was recognising the creative culture of the business and its intense service ethos. This was a basis for real brand differentiation.

5. The whole organisation, and in particular all managers (not just the top team) worked on the archibald ingall stretton insight. After much intensive work it was fashioned into a precise vision statement, every word of which mattered and had meaning. This customer vision is now also the basis of the brand promise:

Passionate about finding new ways to save you energy and give even better value for money.

6. The marketing communications project was based on a media neutral creative idea and plan, *Where does it all come from?* And it was based on a fundamental truth of the brand/organisation. archibald ingall stretton produced diverse creative treatments for different media that still reflected the integrity of their creative idea.
7. SEEBOARD Energy implemented a substantial award-winning internal programme of organisation development and alignment that involved everyone in the company. The process involved leadership, teamwork, innovation and commitment. This wider effort, which involved many leaders, was essential to the project and to the communications campaign.

The effect was a dramatic turnaround in the brand's fortunes across a wide range of measures. SEEBOARD Energy demonstrates that Integrated Marketing is a powerful discipline and agencies can play a significant part.

The company became an operational plant of the LE Group PLC (part of EDF, a global energy company) from the beginning of 2003, which makes it all the more appropriate to document the achievement of this era.

Integrated Marketing learning points

Integrated Marketing is the powerful new vision and discipline that connects and enhances the most important ideas in marketing. Our definition:

Integrated Marketing is an holistic discipline that inspires coherent and creative organisation, culture and brand alignment around fundamental truths of the brand to deliver value to customers, employees and the organisation.

Notice, this means that Integrated Marketing is much more than just conventional integrated marketing communications, as we shall see in this case.

During our research at the Centre for Integrated Marketing, we have identified over 140 Integrated Marketing Diagnostic factors that influence success in organisations and brands. From these we have identified 26 essential factors. SEEBOARD Energy performs well on 23 of these, and 1 is not applicable:

1. Customers feel that all their brand experiences come from one identity.
2. Customers trust the brand's promises.
3. The brand treats different kinds of customers in ways appropriate to them.
4. Customers are happy with the brand experience.
5. There is a service-oriented ideal that encourages aligned commitment across the organisation.
6. Future vision is consistent with core truths of the brand.
7. Everyone nurtures what the brand means to committed customers.
8. The values we express in the brand are the same as we experience in our company culture.

9. Quality is understood as that which is good for the customer, employee(s) and company.
10. Objectives are coherent with the brand/company's competence.
11. There are no silos.
12. Practices ensure shared learning across the organisation.
13. The organisation works in effective partnership with the members of its value stream.
14. Each and every business process is actively aligned to the brand value promise.
15. Leaders promote what they practice.
16. The Marketing function is organised primarily around customer groups with their different needs and opportunities, not marketing disciplines.
17. Senior marketing people are skilled in multiple communications disciplines.
18. Customer management focuses on the value of customers over their lifetime.
19. The body language of the brand (how customers experience it in practice) is given at least as much importance as ad language (conventional marketing communication activities).
20. The company and agencies all work together in partnership.
21. Communication is creatively aligned through "big media neutral ideas".
22. Evaluation is managed as a learning discipline across the participants.
23. The key evaluation processes are primarily designed to increase knowledge about what most efficiently creates value for customers.

In addition to these points from the 'essentials list' SEEBOARD Energy performs well on many other factors. These five are important to this case:

1. The brand cares about customers as people to serve.
2. The company ethos values people as individuals.
3. There is effective co-operation across the marketing teams.
4. Communication planning routinely reviews all customer Touchpoints.

And finally, as will become evident from the case study:

5. The organisation is innovative.

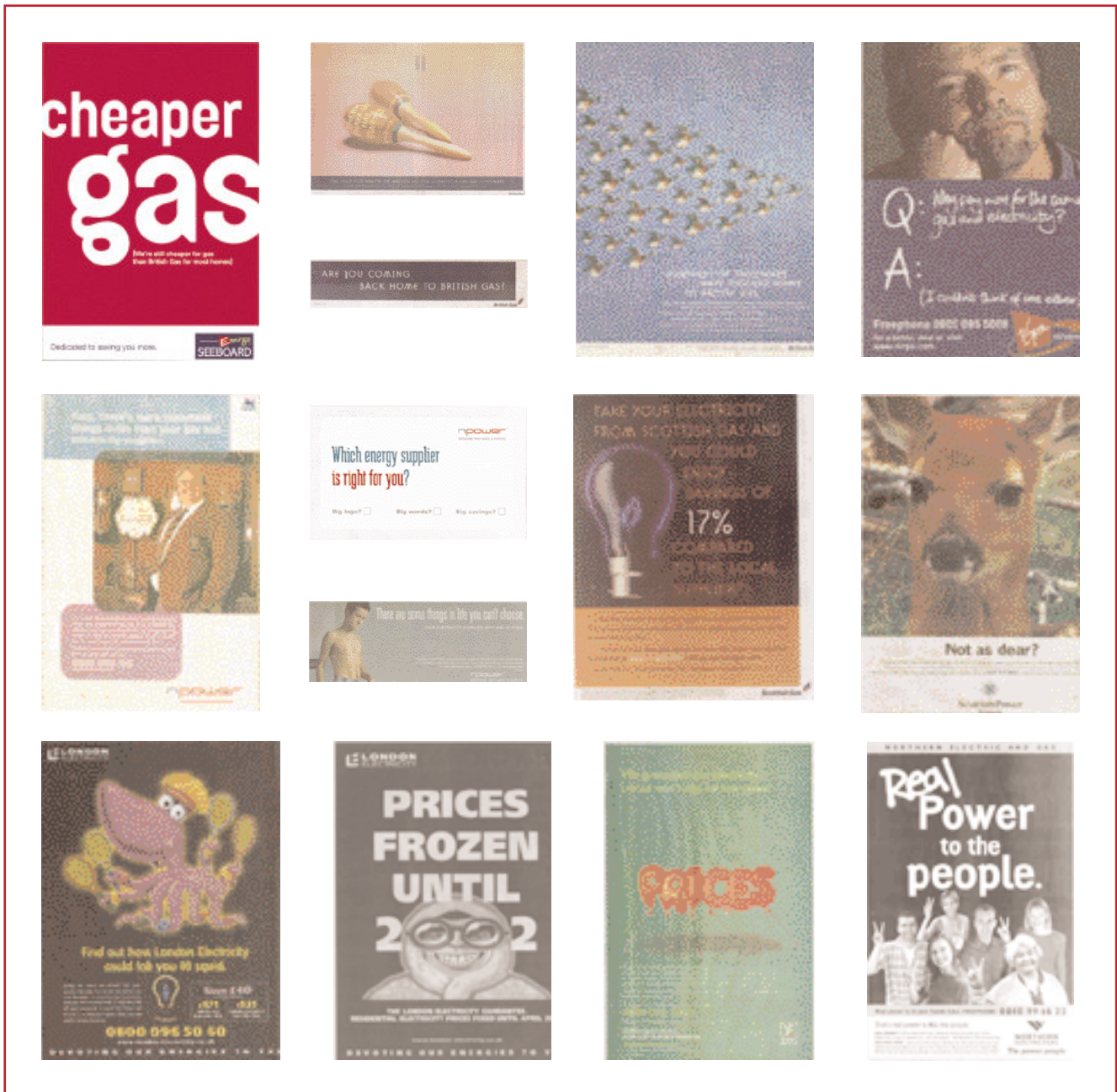
Background

SEEBOARD Energy was formed during the deregulation of the UK power industry from the old electricity utility, the Southeast Electricity Board, and bought by an American company, South West Corporation (CSW) of Dallas, Texas in 1996 and then in June 2000 by American Electric Power Company. In both cases the primary motivation was probably acquiring a cash cow. Instead, a combination of tight regulations and a highly competitive market led to decreasing margins and increased customer churn.

A relatively small company of only 1.5 million customers with 2 million accounts, SEEBOARD Energy found itself in a bitter and competitive battle for customers with the giants, and in particular British Gas. Like other brands in the energy category it diversified and added gas and other products to its portfolio. This was not, however, enough to stem the haemorrhage of customers, which during 2000 / 2001 grew to a peak of 10,000 accounts a week.

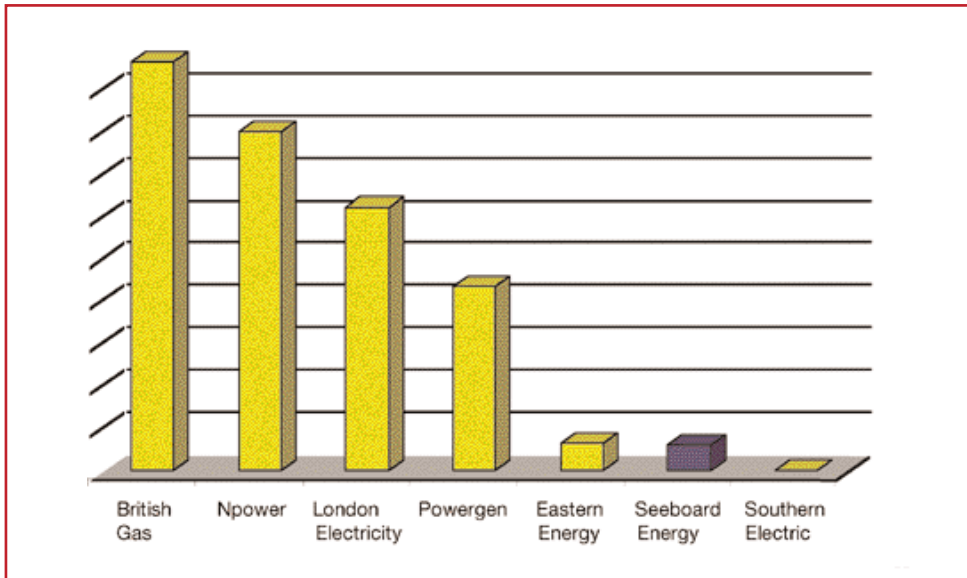
Outspent by its competitors, SEEBOARD Energy had a small share of voice. According to Nigel Samuels, Sales and Marketing Director of SEEBOARD Energy, "Larger companies seemed to be successful, but this was substantially because of the budget they had to spend and the corresponding size of their image." None

of SEEBOARD Energy's customers had ever consciously chosen to be a SEEBOARD customer. They were customers only because they happened to live in the SEEBOARD Energy area. Now all the competitors claimed to be offering a cheaper solution, and indeed turning up at the doorstep to push their offers.



SEEBOARD Energy had a low share of voice amongst a range of me-too, price led communication.

One of their challenges was that energy is a low interest to many customers. As Samuels, describes it: "It is something that you have to have, it is a commodity. But you cannot claim to have better gas than any other brand. So people rarely think about it until someone comes knocking on the door and says they can save you £50, sign here! That was our big challenge."



SEEBOARD Energy's communication budget represented a small 'share of voice'.
In area advertising spending, Jan-June 2001.
 Source AC Nielsen MMS.
 Includes London & Southern regions.

Here was indeed a crisis. One that SEEBOARD Energy triumphantly rose to. They knew they had potential. The issue was how to exploit it. Samuels, backed by the managing director, Peter Hofman, turned to archibald ingall stretton, a London based integrated communications agency, for a solution to the problem of losing customers. The brief was simple:

An honest, 12-month retention plan to cover all aspects of the SEEBOARD Energy business. Not limited by what is currently possible. Not limited by budget.

A remarkable brief that led to a remarkable plan and remarkable results.

Jon Ingall, Managing Partner of archibald ingall stretton, led a research project that identified current reality, both the strengths and weaknesses, and recommended a radical solution known as the "Where does it all come from?" campaign, based on a core truth of the business. The entire leadership of the organisation recognised the importance and opportunity and ensured that the whole organisation rose to the challenge.

Achievements

This project demonstrates that Integrated Marketing works. SEEBOARD Energy's commitment has led to startling success, impacting everything from sales, to customer retention to customer attitudes and complaints, and even employee attitudes and behaviour, as demonstrated by these statistics from late 2002:

- Customer losses were down 31% year-on-year for residential customers and nearly 35% for business customers. That equates to an additional 125,000 residential accounts and another 9,000 additional business customers.
- Cross-sell was up by 20%, accounting for some 15,000 new supply accounts.
- Against an industry average of 50% cancellation rate for new accounts, the SEEBOARD Energy rate reduced from 40% at the start of the campaign to just 27%, accounting for a further 32,500 extra accounts.
- A significant 20% of the total customer base upgraded by signing up to one of the new products introduced, and in the process made a commitment to SEEBOARD Energy for the first time.
- The level of complaints reduced significantly, with SEEBOARD Energy coming

first in no less than eight of the nine categories measured in the December 2002 Energywatch survey (an industry survey).

- Prompted awareness of SEEBOARD Energy increased by 11% between December 2001 and July 2002. Unprompted awareness of their advertising outstripped British Gas by an unprecedented 3 to 1.
- Attitudes to the brand changed: from a tortoise or Morris Minor to a dolphin, sheepdog or Ford Focus.

SEEBOARD Energy and archibald ingall stretton's performance has also been recognised in the range of awards that they have won, including advertising, direct marketing, PR, industry services, National Training and others.

Three achievements sum up the effectiveness of their actions and communication programme:

1. SEEBOARD Energy was acquired by the LE Group from its former owner at the end of 2002 at a premium over historic per-customer values. Due to successful acquisition and protection of customer churn (worth 173,000 residential accounts and over 10,000 business accounts) the project was worth approximately £51 million net to the SEEBOARD Energy business.
2. The internal transformation reduced staff churn to an all-time low so that the business saved approximately £800,000 in reduced recruitment and training costs during 2002, savings which can be converted into marketing budget.
3. Innovation has led to new products and services that give it enduring competitive strength.

Going Integrated

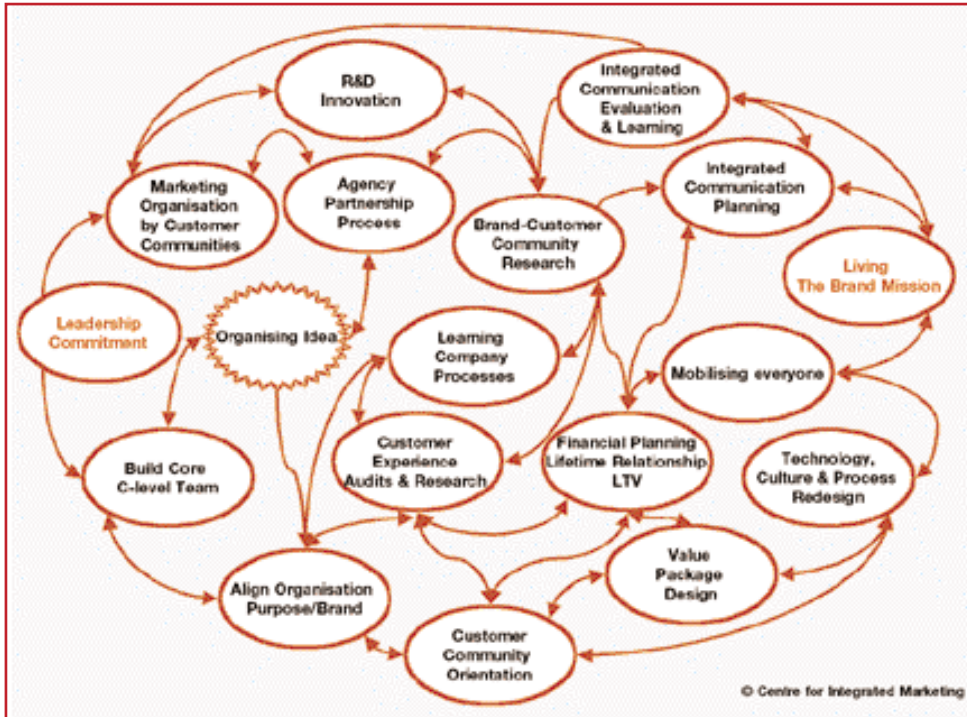
During our research we identified a network of 18 major stepping-stones or actions towards Integrated Marketing success. We believe it is instructive to see how SEEBOARD Energy and archibald ingall stretton followed these actions.

They are shown below in the system network diagram, which also shows the primary activity flows. Each 'stepping stone' represents a major activity or action in the action system for senior marketing leaders to initiate and manage.

As the network diagram shows (through the flow arrows), the action areas are interdependent. Each of them also includes a further detailed set of actions. However, from the 19 case studies we have already observed in detail, the network is also relatively fluid and creative. For example, leaders initiate the 18 actions in somewhat different sequences. They might also give relatively more or less weight to different actions depending on the brand situation.

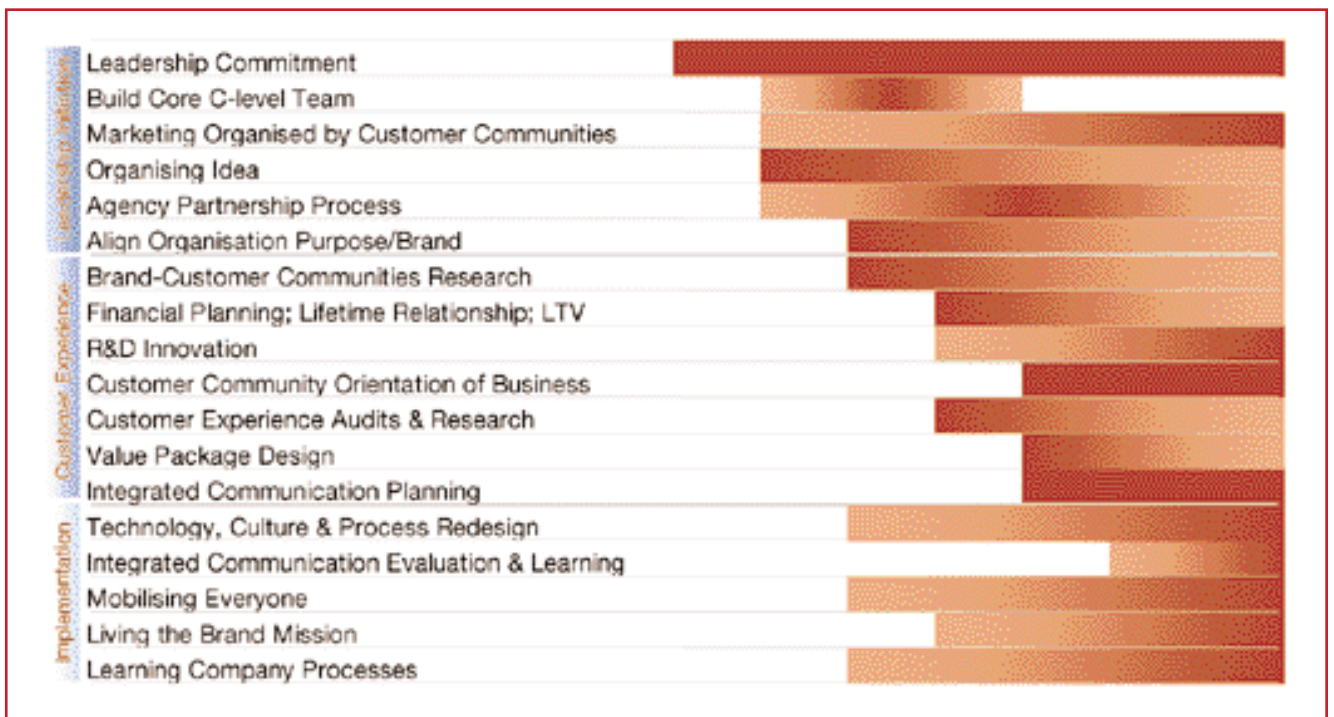
For example, one leader might achieve a marketing revolution by transforming the structure and working of the marketing function (as we found with IBM) while another might achieve dramatic results through its 'organising idea' (e.g. i2 or The Automobile Association) while another might give priority, say, to Technology, Culture and Process Design (as with Centrica). In each situation, leaders should focus on their relative priorities and/or easier to implement options.

Nevertheless, we believe that most, if not all, successful cases of Integrated Marketing will show implementation of these 18 actions. And, as in the case of SEEBOARD Energy, actioned not as independent (fragmented) initiatives but as part of a systemic approach to achieving marketing integration.



The Integrated Marketing Action Network indicates the 18 actions for marketing directors to follow.

The network of actions may also be represented as a project management Gantt chart, as below, showing a typical sequence of actions, including parallel activity.



We will use this simpler structure in order to describe SEEBOARD Energy's development plan.

Integrated Marketing Action Steps in Gantt chart form. Shading reflects relative intensity of the activities.

1. Leadership commitment

Each of our case studies demonstrates the importance of leadership commitment. It is leadership commitment that begins the Integrated Marketing process and leadership commitment that sustains it. Final success usually comes from a form of leadership across the organisation that is collective, (everyone takes ownership together) distributed (all parts play their part) and situational (the right person takes leadership at the right time). However, it usually needs an individual to make the initial decisive shift.

At SEEBOARD Energy, lead responsibility for this belongs to Nigel Samuels, the Sales and Marketing Director. His vision was the galvanising force that transformed the brand and influenced every part of the organisation.

Samuels' leadership shows signature characteristics of the marketing director role in Integrated Marketing.

A key part of his achievement, in partnership with the managing director Peter Hofman, was building the C-level team commitment for sustained development and implementation. A further part of the challenge is to empower leadership in pursuit of the brand objectives at all levels and across the organisation. These objectives were also emphatically achieved at SEEBOARD Energy.

Nigel Samuels' seminal achievement was to face up to the fact that there was a problem. This problem was that SEEBOARD Energy was losing customers and market share. The parent company had already advised the Board of a probable sale within the following 12 months or so, reinforcing the need for something to be done. According to Samuels:

We knew that we were potentially up for sale and therefore it was imperative that we maintained as many customers as possible, because the evaluation of business in this industry has historically been based on customer numbers.

Converting to retention

Samuels recognised that it was impossible to achieve the level of customers he sought by focusing on acquisition. As Samuels puts it:

The marketplace was on a suicide path and we were trying to do something different.

Obsession with customer acquisition was increasing churn and marketing costs and was inherently less effective than the two alternative marketing strategies: upgrade and retention. Samuels decided that a major commitment to these strategies was the best answer to the brand's difficulties.

Samuels translated this into a clear brief to a business partner that he felt he could trust and that had the creative intelligence and commitment to support him. He then demonstrated brave, resourceful and committed championing of the consequences. He provided the budget and access for the research and audit of the situation. When the initial results of the research showed the full scale of the problem and challenge he fully accepted the need to take on board and act on these results.

The proposed solution was imaginatively potent but also carried the price of requiring major and organisation-wide commitment to change. While many leaders

walk away from such a problem, Samuels embraced and championed this, lobbying his fellow directors individually and collectively.

As Samuels acknowledges, it would be wrong to assume that he was entirely responsible for the success of the project. Success was achieved because many leaders took up the challenge. For example, the M.D., Peter Hofman, stood four-square behind the project. Furthermore, a conscious commitment by senior management to making empowerment real led to people across the organisation showing leadership.

The leadership role of archibald ingall stretton, led by Jon Ingall, is also important. They:

- Brought insights, creative solutions and a major idea;
- Recommended action and actions;
- Made important contributions to the design of various events and programmes, as well as to their execution;
- Maintained the essential combination of acceptance of the problem and faith in the solution, pulling no punches in their advocacy.

2. Agency partnership process

In our research, we have noted a variety of different relationships between marketing communications agencies and the client organisation. All too often the relationship is dysfunctional, usually through problems of power, lack of trust and chemistry, or differing values. In the case of the relationship between SEEBOARD Energy and archibald ingall stretton, an excellent partnership was fundamental to success, and we believe that this is a standard requirement for successful Integrated Marketing.

Nigel Samuels commented on the importance of the trust and relationship between SEEBOARD Energy and the agency: “You have hit one of the key successes of the whole 12 months”. “It took real endeavour and everything we created was done in partnership. There was a constant interaction throughout the process giving everybody in the extended team a chance to engage and contribute”.

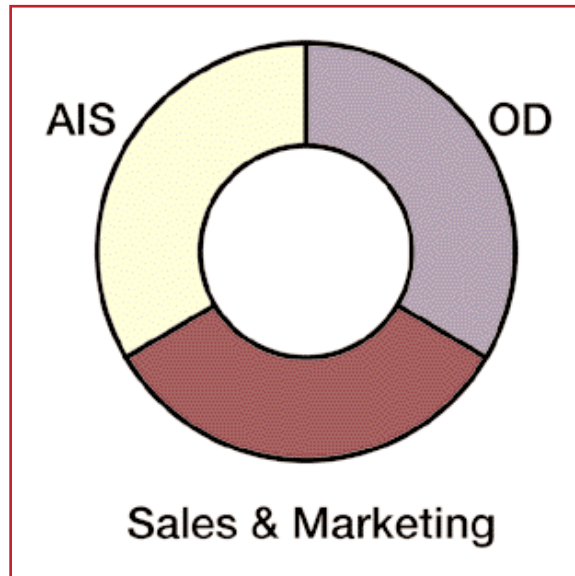
archibald ingall stretton was chosen as a business partner because Samuels, with his Marketing Communications Manager Shwezin Win, recognised their honesty and believed that they had already shown insight and creativity in the initial pitch. Originally, archibald ingall stretton was asked to pitch for a different project, but Samuels and Win decided that their approach made them suitable for this altogether more important project. As Samuels puts it: “In their original presentation they acted like the voice of the customer. They told us how we were seen by our customers and provided us with creative and powerful ideas. My thought was that if they could do so much with such a limited exposure to our company, what might happen if we provided them with full access?”

archibald ingall stretton experienced an unexpected level of candour and openness from their client. Samuels offered the agency complete access to every part of the organisation. They could interview anyone they wanted and go anywhere they wanted. In addition he provided a significant budget for research in order to understand the various stakeholder groups, especially customers. This made a huge difference to their research options and undoubtedly affected the outcome positively.

Jon Ingall comments that this level of candour and openness is unusual in a client until a significant level of trust has been built up, usually after a period of working together. In our experience, it is often never achieved.

Typically an agency partnership also means building partnership between a group or roster of agencies. In this case something different was involved. archibald ingall stretton was already an integrated agency, capable of handling the majority of external communication and with its own research and media network.

The project involved a close partnership between AIS and SEEBOARD Energy, with OD and Marketing as well as Customer Services closely involved. OD won a communications award for internal PR in its own right.



However, the partnership process included working with the equivalent of an internal agency: the Organisation Development (OD) function at SEEBOARD Energy, led by Sharon French, which is responsible for all human resources issues. A further part of Samuels' success was tapping into the creative resource of this function and engaging their wholehearted commitment.

It is notable that the OD function won an internal marketing PR award from the Institute of Public Relations in its own right.

Thus we have sales and marketing, archibald ingall stretton and OD/human resources working in close collaboration on internal and external communication. Depth of partnership between the brand and the agency therefore extends beyond simply the marketing department.

3. Organising idea

Our research shows the fundamental importance of organising ideas for achieving alignment'. Powerful ideas have the effect of empowering staff in all parts of the business. Ideas change the way people see the world. They have the potential to generate meaning and purpose.

Brands are themselves excellent examples of such ideas. Successful mission or purpose ideals have the effect of simultaneously giving clear direction and creative permission to achieve objectives. This is exactly the outcome that SEEBOARD Energy achieved.

Nigel Samuels describes how historic marketing communications had relatively weak ideas:

We had to stem some incredible losses that were based on a rational pricing position but without any clear proposition or added value.

Very often mission and values ideas are generated by a Board of Directors in meetings outside the organisation and injected in the form of expectations. This is often an unsuccessful strategy. The process followed here was quite different. In this case the organising idea grew out of a creative insight driven by research.

Once archibald ingall stretton was appointed by Samuels they spent three months investigating the state of SEEBOARD Energy. An investment of £100,000 was made into research. According to Nigel Samuels, this sum would be immediately recovered by retaining a few hundred customers (based on the then current market equity).

archibald ingall stretton commissioned Michael Herbert Associates to carry out research on behalf of archibald ingall stretton and SEEBOARD Energy, focusing on three key stakeholder groups: residential customers, business customers and employees. The explicit inclusion of employees in the research programme should be a standard practice in Integrated Marketing. In this case it led to an important part of the breakthrough.

Insights

The research results are hard hitting, indicating that SEEBOARD Energy had not achieved a sufficiently successful marketing and brand profile. (Especially compared with larger spending competitors such as British Gas and Powergen. It is interesting that the Powergen brand was best known for its sponsorship of the weather on ITV, an important contemporary brand communication method but not classical advertising.) SEEBOARD Energy had an established presence, but customers were generally able to name spontaneously up to ten or more brand names. Often they said they were with the local energy supplier but were unable to name it.

The SEEBOARD Energy personality included positive attributes such as being solid and reliable, trustworthy and decent, but these were associated with an old Englishman in his 60s with a typically aloof or shy approach. An association such as Morris Minor, tortoise, slug and 'out of touch' were unwelcome in the mix alongside more positive values. Furthermore, customers did not feel sufficiently cared for.

Research into customer attitudes to SEEBOARD Energy products and services also included a full review of existing products and services and pipeline ideas. What emerged from this were the key customer needs, which provided vital focus for the subsequent development and implementation.

The research identified not only functional needs, such as an end to inaccurate meter estimates, but also communication needs. (The failure to communicate value effectively represents a negative service or value to customers.) Several areas were identified where communications failed to communicate an effective brand proposition. In other cases the underlying concept was strong but the execution was not successful. Not surprisingly, there was more critical comment from customers who had defected underlining the importance of talking to former customers.

The research showed that the previous communication, designed as a more limited tactical campaign featuring a Pink Panther emblem and bright pink colours, was simultaneously both highly noticeable and less than fully successful.

The previous Pink Panther campaign served as a learning opportunity for the team. They recognised that getting awareness was not enough: they had to build a differentiated and positive brand.



Like many other marketing communications that have chased the simplistic goal of awareness, its bright colouring was successful in cutting through the plethora of alternative and competitive communication. Only Virgin Energy, featuring Branson, had a stronger recall factor. However, although the advertising was recognised, it was not associated with any brand or with any coherent value-added brand message, demonstrating the danger of following simplistic ad awareness evaluation.

The research company makes a poignant and pointed remark: in order for the Pink Panther communication to be successful in delivering the brand and brand message, it “would need to be built into a brand strategy, and made an integral part of the SEEBOARD Energy communications strategy and part of all SEEBOARD Energy communications”. (In other words transferred into an Integrated Marketing communications project.)

They further point out that, “In order to do this effectively, the following question would need to be asked and answered: Other than attracting attention, what is a 1950s appealing cartoon character such as the Pink Panther delivering as a brand message for SEEBOARD Energy in 2001/2?” A similar question could be asked of many advertisers. Samuels and Win used this campaign as a learning opportunity (see below).

Employee research

The employees’ perception of what SEEBOARD Energy should do to enhance the value proposition aligned closely with customer statements. This demonstrates an old Integrated Marketing finding that employee and customer attitudes to the brand are typically similar and mutually reinforcing. Considerable customer insight can be obtained by talking to the right employees.

Employee research generally confirmed how positive employees were about the company, and while they saw the need for further improvement, they appreciated the changes that had already been made and were still being made.

They were however very frustrated by the perception of the brand, because they did not think it reflected the true spirit, bright ideas and hard work going on within the company. They felt that the brand needed to communicate its true attributes more effectively. They believed that SEEBOARD Energy was modern, dynamic and innovative and wanted this to be recognised. The problem was lack of direction.

There was therefore a radically different view of the organisation internally and externally. From our research, such divergence is a good way to identify lack of integration. Integrated organisations are congruent internally

and externally and with their vision. (A margin of aspiration in your vision is desirable: A margin of hype is not.)

There was thus a powerful truth about the organisation that was not being leveraged sufficiently.

archibald ingall stretton then made a major leadership contribution, demonstrating the potential for agencies to achieve major transformation in organisations, where they have the support of the senior team.

The big idea

archibald ingall stretton envisaged a powerful, integrated communication programme within a larger Integrated Marketing project. They proposed a new brand promise communicated through a big, media neutral creative idea. They said that SEEBOARD Energy should tell customers about its creative passion for helping customers. Their proposal was that SEEBOARD Energy makes visible its creative commitment, not simply to saving the customer money, but to its relentless pursuit of innovative ideas that would save customers energy.

Their proposition involved aligning current reality, vision and the brand. To achieve this it was necessary to stretch the organisation, but only to achieve its existing potential. The challenge was to actualise this by making the people (with their innovative and creative culture) into the heroes.

Some Board members, particularly corporate (plc) Board members, were surprised, as you might be, at the idea that a utility company might be genuinely creative. However, a visitor to their cafeteria might be confused into thinking that they were in the internal café of a large London agency. In fact, SEEBOARD Energy has a genuine tradition of innovation. For example, it was the first utility company to offer a customer loyalty programme.

This was in turn driven by the quality of people in SEEBOARD Energy, as Samuels describes: “We had the good fortune that the Brighton/Hove location had many talented people and we maximised the opportunity to encourage them to work for us rather than going up to the City.”

Jon Ingall commented: “It doesn’t feel like a big company, it feels like a small company. Going into a steering group meeting with perhaps ten people from different departments wasn’t like other meetings I’d been to. Everybody knew each other, obviously on a very business basis, but also on a human basis and the meeting was full of good humour. The most telling thing was that every single person had actually actioned what they said they’d do.”

The archibald ingall stretton organising idea was quickly taken up by the Board. For example, Sharon French, who heads the Organisational Development team (OD), saw this as a major help in achieving her own objectives. The commitment of someone with OD intelligence is clearly evident in what followed.

The essence of the archibald ingall stretton solution was based on a fundamental truth of the brand. That is why it worked. Yet, by making it a promise, they created an aspirational stretch, one that lay within the organisation’s potential, but only if they stepped up to the mark and ensured that the vision was authentically realised across the organisation. In human psychology terms, we would call this self-actualisation.

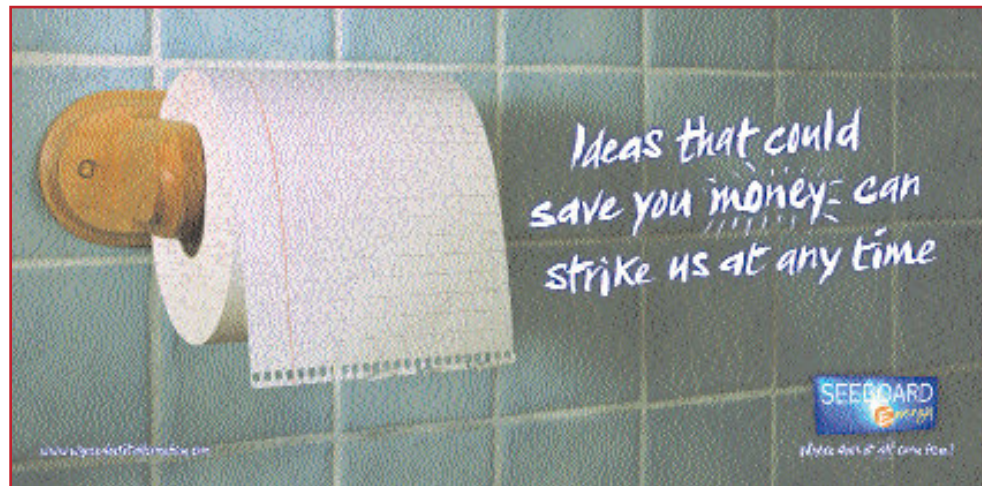
Gaining involvement

Adopting the archibald ingall stretton idea did not stop with the Board, nor was it simply presented as a finished deed. A series of workshops and processes that included and involved managers and staff across the organisation took place. The initial draft from archibald ingall stretton was used to focus dialogue and get final agreement from everyone. The result was a powerful organising idea for the business that had grown out of observation of reality and dialogue and discussion across the organisation. There was therefore less need to persuade staff about the idea and more opportunity to think about how to put it into practice.

The eventual vision statement was one in which every word mattered and had meaning, integrating both customer vision and brand promise:

Passionate about finding new ways to save you energy and give even better value for money.

The new customer vision suggested that employees never stop thinking of new ideas.



The power of an idea is that it organises how people see the world and gives meaning and direction. This idea plugged into the latent talent and capability of the organisation and gave employees across the organisation a purpose and opportunity to put their enthusiasm into practice. It provides a much wider basis of value than simply money (or price) yet at the same time focuses the organisation on issues of value to the customer.

Great organising ideas inspire both employees and customers and can be sustained for years. This is such an idea.

4. Build core C-level team

Integrated Marketing cannot be successful without co-operation and commitment across the C-level team (those heading the various functions of the business). The basis for this had already been developed at SEEBOARD Energy. Three directors, Peter Hofman, M.D., Chris Daniels, Commercial Director and Nigel Samuels, Sales and Marketing Director, were asked to take responsibility at the onset of competition in 1998 and two others joined later.

Since 1998 the team had already worked on developing mutual trust and respect. Nigel Samuels comments: "There is a massive element of trust. In the same way as I trusted our Commercial Director to procure millions of pounds worth of energy every day, they entrusted me in my sector of responsibility."

This Board-level trustware made possible over £50 million of increased worth through the project.

Clearly, the project also implied significant change, and needed to win serious commitment from the Board. The leadership role of the C-level team had three separate and important aspects

1. An acceptance of the facts: there was a crisis and something needed to be done.
2. An evaluation of the integrity of the proposition and proposed solution. Was this a message that SEEBOARD Energy could genuinely live up to? Did it really express a truth of the brand? We regard this as one of the fundamental questions of Integrated Marketing and one that all senior leadership teams need to face up to.
3. Having accepted that the proposition lay within the potential of the organisation, albeit with an acceptable margin of aspiration, they then committed together and individually to its achievement. Moreover, they sustained this commitment for over a year with the full intention to continue it.

Nigel Samuels confirms that the findings were a challenge to the Corporate Board (of SEEBOARD plc), headed by the then Chief Executive, John Weight. According to Jon Ingall, "Given that we had customers saying quite nasty things about the brand, I think it was quite brave of us and Nigel to present the research findings to the Board".

Gaining approval from the Corporate Board needed a robust argument, since the plan meant changing the communication and relationship strategy and values. Jon Ingall explains:

One of the things that our research identified was that no customer who lived in the SEEBOARD Energy area had ever actually chosen to be with SEEBOARD Energy. They were a SEEBOARD Energy customer simply by happening to live in the area. Probably the bravest part of the strategy was to decide to get those people to make a choice to be with SEEBOARD Energy before they made a choice to go somewhere else. To get people to make such a conscious decision was quite a dangerous thing, because if you get people making a conscious decision when you've relied on inertia they could have decided to check out who else was out there and whether they were with the best company. Nevertheless, that was a core part of the strategy.

Once this was obtained the SEEBOARD Energy Board made a total team commitment. Synergy is a powerful feature of Integrated Marketing. This is most powerful when the objectives of the different leaders and functions are wholly congruent and contribute seamlessly to the brand vision. SEEBOARD Energy is an excellent example of this. They demonstrate the Integrated Marketing principle that marketing works with the entire senior management team, so that each director becomes responsible for the marketing mission while marketing supports the objectives of the rest of the business.

Andrew Edgoose, Customer Services Director, made a huge difference to the subsequent communication of the brand by putting his and his team's full commitment behind the plan.

The collaboration with the Organisation Development (OD) function led by

Sharon French was another good example. French has a background as a management consultant and her responsibilities include all aspects of Human Resources including culture change, training and internal communications. An innovative and positive aspect of the SEEBOARD Energy business model is that Human Resources is seen as an organisation development function and not just a personnel bureaucracy. It therefore has a mission to move people and organisation forward to achieve culture and values alignment. This is again an initiative Samuels introduced into the company having utilised the services of Deloitte & Touche H.R. Consultants in 1999.

Thus French immediately saw the synergy between the marketing project and her objectives and was not only the first to support the initiative but also backed it fully with her complete budget. “As far as I was concerned,” she said “there was a real win-win here. Everything that Nigel was trying to do could support me in my objectives and everything that I was trying to do could support him. It made absolute sense to put the budgets together and work creatively with them”.

5. Align organisation purpose/brand

One of the fundamental characteristics of successful Integrated Marketers is congruence between internal image, for example cultural values, external brand image and future vision. Where these are not congruent, there is a tendency towards stress, confusion and failure.

Jon Ingall confirmed this from his experience: “It just creates confusion for everyone”.

As indicated above, SEEBOARD Energy had already taken active steps to develop the brand organisation, yet there remained a significant gap between external and internal image, and its previous communication had not helped this. The new idea was powerful, but its implementation needed organisation-wide commitment.

As Jon Ingall puts it:

The archibald ingall stretton proposition was to celebrate SEEBOARD Energy's creative commitment to its customers.

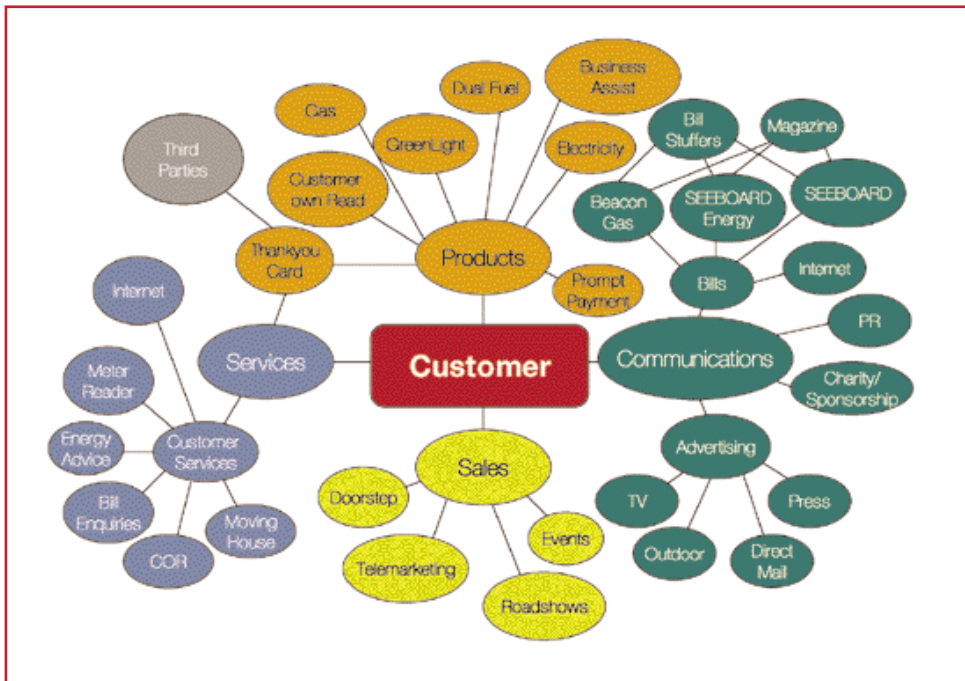
One of the things that we did right at the start with SEEBOARD Energy was actually to try and map out all the possible points of contact between customers and the SEEBOARD Energy brand, including things like the vans on the road, customer services, and right through to sales. Then we investigated how we could present their proposition at all those different Touchpoints. That normally is as far as it goes, but you realise that if you are going to do that, you actually then have to go internally into the organisation and transform it, so that the people who are making these Touchpoints, actually deliver.

Innovation was put at the heart of this, which meant that as part of the campaign we had to deliver new products and services on a regular basis. This put the focus within the business on developing new products and services.

In adopting this strategy, SEEBOARD Energy and archibald ingall stretton were nearly a year ahead of Datamonitor in their recommendations to the international utility industry published August 2002². According to Datamonitor, “Utilities must therefore progress up the chain from functional product features with only a short-term impact upon customer loyalty... to develop credible brand values that have an emotional resonance”.

Furthermore, they identify a continuing failure of utilities to “live the brand” across their organisations. According to Datamonitor, “a coherent and consistent brand

‘story’ will be required to succeed in tomorrow’s market place”. They believe that, “Consumers in general are looking for greater levels of reassurance, more intimate product experiences and more holistic propositions that fit into their wider lifestyles to reflect the beliefs that they hold. This presents opportunities to those utilities that can create one engaging identity that aligns all aspects of their business.”



The diagram shows SEEBOARD Energy customer Touchpoints identified by archibald ingall stretton.

This was the commitment that SEEBOARD Energy and archibald ingall stretton undertook together. As the results show, it was a challenge in which substantial progress was not only achieved but this progress became a virtuous circle of improvement as organisational confidence and enthusiasm on the one side and customer attitudes on the other steadily reinforce each other.

6. Marketing organised by customer communities

Marketing functions are often organised along product and/or communication discipline lines. Our research shows that this is a recipe for fragmentation. One of the decisive first steps that any marketing director can take is to reorganise his or her functions into customer-based structures. The aim should be holistic communication planning and management.

The SEEBOARD Energy marketing communications department had already achieved this. It was organised into two groups, based not on marketing communication disciplines but instead on customer communities.

This means that instead of having an all too common silo-based, fragmented communications structure, the entire range of communications for each customer type at SEEBOARD Energy were managed holistically by a single group, headed by Shwezin Win, who had a full complement of skills for brand management, communication, product development, customer research and organisation.

Win took responsibility, reporting to Samuels, for consistency of communications and for servicing the needs of two Market General Managers, each responsible for a core group of customer. Travers Clarke-Walker was responsible for all of the marketing sales and services that SEEBOARD Energy provide to residential

customers. Alongside him, a parallel group was responsible for business customers, headed up by Steve Hargreaves.

Their responsibility was to develop the marketing plan and strategy for each customer group and to agree that plan with the other parts of the business. They were then responsible for taking the plan to market. They also had customer insight management and data to ensure business performance and statistics were also aligned.

We cannot recommend this approach too highly.

7. Brand-communities research

Integrated Marketing differentiates between customer segments and customer communities. The value of 'customer communities' is that they represent groups of customers who share important values and needs and therefore characteristics in their relationship with the brand³. Integrated Marketing leaders carry out research not only to understand the truth of the brand, its essence and soul, but also the kinds of customers they have and what matters to them, particularly the specific brand relationship drivers, typically brand needs, for each type of customer. This is summed up in the leadership action: brand-communities research.

Best practice in brand-community research involves two research areas, both of which SEEBOARD Energy have implemented effectively!

- In-depth research into the brand signature: its essence, core values, positioning, the core customer needs, its services and brand promise. This then needs to be translated into a communication tool to be used by agencies, HR, R&D and all other relevant parts of the business. Clearly this needs to be based on truths not hopes.
- In-depth research into the customer clusters or communities: identifying and profiling what major groups of customers have in common that is relevant to their brand relationship, especially how the brand meets their needs. Again these should be translated into community signatures that imaginatively, but accurately, communicate a portrait of each customer type.

In the first area, SEEBOARD Energy, working with archibald ingall stretton and its research partner, took some very solid steps forward in understanding the SEEBOARD Energy brand. The insights, as we have noted, drove the new customer vision, organisation development and customer communication across all media.

archibald ingall stretton developed 'The Little Book of Inspiration', a small card-based ring binder, which describes the brand values and brand promise. This was given to all staff.



To communicate this internally, archibald ingall stretton also redesigned the logo when they realised it did not effectively express the brand. 'Energy' moved from

above to below SEEBOARD Energy, a more logical place, and acquired a 'halo' that tied into the perceived values of the brand.



For the second area, SEEBOARD Energy has made customer research an impressive commitment to understanding its key customer types – a process that is ongoing. Working in conjunction with Paul Lillico, then Applications Director of Prophit Share, an analytical consulting firm, that analysed their database of customers and identified ten customer clusters. The modelling was based on income, age/life-stage, lifestyle, product consumption and service use and payment methods. This fuses external commercial data with internal data.

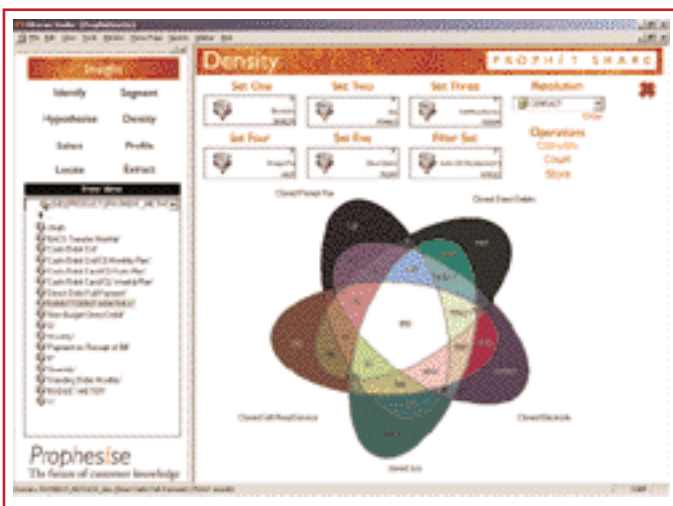
Each of these clusters has a portrait that describes the essence of the customer type and a range of leading indicators. Prophit Share have tailored their Prophesise software system to provide SEEBOARD Energy with a powerful and flexible tool.

SEEBOARD Energy have profiled their customers into ten clusters.



In addition to holding the Portrait overviews, it offers an effective and easy to use data mining and analytics tool that provides instant customer knowledge through drill down, cross-tabs and graphics output. Built into the tool are various customised scores and customer metric formulas developed during statistical modelling.

A powerful software tool is used to get customer insights.



So far these portraits are database biased, with limited qualitative and ethnographic research and remain at the customer 'profile' level. They have not yet been developed into 'community signatures', but very few brands have

achieved this level of sophistication. SEEBOARD Energy, subject to the new Group plans, is still developing its customer modelling and research, but many brands would be delighted to have achieved their current status.

The value of customer insight and quality research became even more embedded into the SEEBOARD Energy culture. Recognising that knowledge is power, they put in place an ongoing mission to understand customer experience (described below).

8. Living the brand mission

In Integrated Marketing, living the brand mission is both the outcome that the organisation seeks and a process that needs to be begun early. Indeed every action in the Integrated Marketing leadership model should contribute to developing this outcome.

The C-level team had already taken the fundamental decision to organise the business in order to deliver value to customers, in such a way that there was clarity of purpose through the value stream. Indeed, Jon Ingall comments: “I think the change in the organisation happened before we even came along. All we did... was to highlight to the Board how much potential they had”.

To achieve the objective, the Board committed to a full-scale programme of internal development, launched and directed by Samuels as Programme I, for Innovation, – the internal arm of the ‘Where does it all come from?’ campaign.

SEEBOARD Energy’s performance here was exemplary in four ways:

1. The new proposition was built on a fundamental truth of the brand that simply needed to be leveraged.
2. The process of agreeing the customer vision/brand promise was one that involved all parts of the organisation and was taken up actively, not only by marketing, but also by the OD team who worked collaboratively in conjunction with the agency.
3. The marketing communications project explicitly included internal marketing communications and a series of involvement events. This was not simply one-way communication but involved extensive dialogue. For example, leaders put themselves on the line to discuss real issues with staff across the organisation.
4. The OD team developed and carried Programme I in partnership with archibald ingall stretton. This was a systematic process involving everyone in the organisation, communicating and gaining involvement, ideas and feedback in a variety of ways to ensure that the organisation lived to the brand vision. As we have noted, Programme I won an award from the Institute of Public Relations for internal marketing.

9. Financial planning-lifetime relationship-LTV

Integrated Marketing is also driven by understanding the dynamics of customer value. Pareto analysis identifies the relative financial worth of customer segments and/or communities. This is used to manage investment in services and communication as well as customer acquisition strategies. Lifetime value (LTV) is the most strategic measure to use in Pareto analysis.

LTV is in turn driven by efficiency and effectiveness of managing the customer relationship cycle through acquisition, retention and upgrade, with service as the

influencer. Good marketers manage customer relationships as an integrated process over time, taking into account the full variety of customer Touchpoints. A key step is modelling and optimising the financial dynamics around acquisition, retention and upgrade strategies.

SEEBOARD Energy was committed to mastering these issues. Their modelling included good life-time value approximations for different customer types and a recalibration of strategy in order to optimise LTV.

For example, the programme obviously shifted priority from the acquisition to retention and upgrade, a widely proven route to success.

Prophit Share, as part of their customer analysis, developed an LTV scoring model for each customer based on consumption, tariff, various operating and service costs (fixed and variable) and the likelihood to churn or defect based on various lapse predictors. The output provided both a current and potential NPV.

The success of this work was evidenced by many factors, including these 3 indicators:

- Industry leading (i.e. low) churn rates for customers.
- A dramatic improvement in product cross-sell of 20%.
- An industry leading (i.e. high) LTV attribution to SEEBOARD Energy customers during its recent acquisition by the L.E. Group, part of EDF.

10. R&D innovation

It will be obvious that R&D Innovation was a central plank of SEEBOARD Energy's strategy. In the context of Integrated Marketing, R&D innovation means:

- Developing a nimble ability or competency to produce customer value, tailored to different customer groups, while enhancing value for all other stakeholders (which we describe as 3D Worth: good for customers, employees and brand).
- Encouraging and achieving a culture of innovation across the organisation, so that it not only includes the R&D function but everyone managing any aspect of the value stream.



This poster demonstrates the benchmark – albeit tongue in cheek – that SEEBOARD Energy needed to live up to.

Remember, SEEBOARD Energy's customer vision statement "Passionate about saving you energy and giving even better value for money", was already a core

truth of the brand. It was the first energy company to introduce a loyalty scheme and the first to introduce a green tariff. Jon Ingall confirms:

Our campaign was actually based on what's true about SEEBOARD Energy. SEEBOARD Energy was actually based on innovation way before we ever got there.

But, to be innovative and to base your mission on innovation are two different things. The latter requires a new emphasis and new communication.

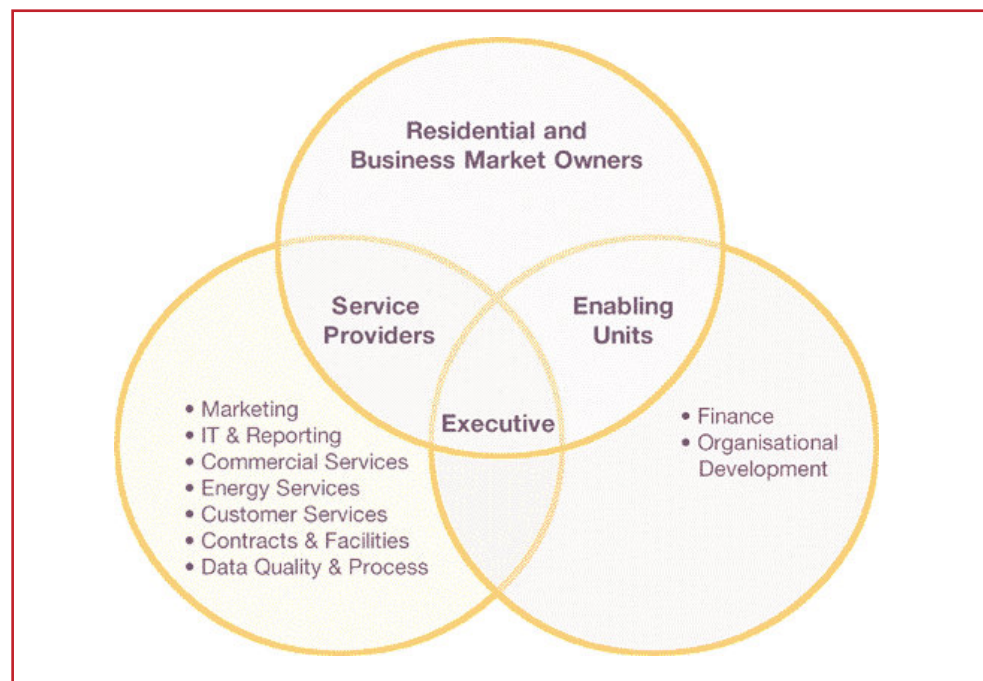
Programme I (for innovation), which is described below, was the primary internal project, which integrated a wide range of activities and processes into organisation and employee change. As the poster on page 23 indicates, it was a primary expectation that employees would become more creative. Notwithstanding that innovation was a core truth of the brand, as Jon Ingall put it: "Once you make this the basis of your brand promise you'd better deliver".

For convenience, we have described the creative way employees were engaged in this in the section *Mobilising Everyone* (page no. 35).

II. Community orientation of business

Most organisations are structured into functional silos that form a barrier to communication and integration of value. An important step in Integrated Marketing best practice is therefore to reorganise the business so that it focuses effectively on each of its customer franchises, with minimisation of disruption to the value stream process. This requires a range of skills and processes, often called Lean Thinking.

The SEEBOARD Energy organisation structure demonstrates the innovative culture. Breaking out of traditional structures it reflects co-operation and customer focus.



We have already noted that the SEEBOARD Energy *marketing* function was divided into two groups each of which had a full complement of brand communication and customer research and management skills, with customer insight management and data to ensure business performance and statistics were also aligned. Their responsibility included developing the marketing plan and

strategy for each customer group and agreeing it with the other parts of the business.

However, their responsibility went significantly further, because SEEBOARD Energy had already reorganised itself in an innovatory manner, focusing the whole business and P&L through these business units.

All other parts of the business acted as internal service units supporting these business units, both of which reported to Nigel Samuels.

Ingall notes that this organisation, which was already in place prior to the beginning of the work by archibald ingall stretton, was fundamental to the success of the project. Its effect is to make SEEBOARD Energy much more customer focused.

Because the sales and marketing group had a clear responsibility for P&L, there was alignment of the whole organisation and an effective means of overcoming politics and silos.

Each of the other three directors acted in relationship to Nigel Samuels as service providers. The functions work together to channel value to the customer that the customer wants. The groups collectively agree budgets and service level specifications. There is little need for arguments between Sales and Marketing, Commercial, Customer Services and Finance because the plan is driven from a customer perspective.

SEEBOARD Energy is convinced that the model works.

Within the two primary communities, there are additional customer communities, some of which are longer term, others more transient. Again units were set up to service these particular communities.

For example, a unit was established to support home-movers, a group of residential customers with radically different needs, at least for a period of time. There was also recognition of the special needs of residential customers with social needs. On the business to business side, large organisations with substantial energy needs are treated differently from smaller enterprises.

12. Customer experience audits and research

Often, the brand's knowledge of customer experience is fragmented or limited. Developing an intense, empathic and widely disseminated knowledge of the experience of the different customer communities is therefore an important sub-discipline of Integrated Marketing. The processes involved need to include all Touchpoints, and especially the key moments of truth.

This was achieved by appointing Brand Experience Managers to understand and monitor the residential and business communities. In the case of residential customers, two analysts were involved in understanding every aspect of the customer experience across every Touchpoint. This is a full time and ongoing commitment and involves not only external, but also internal research. For example, they run workshops and focus groups with different parts of the organisation as well as interviewing front line people. A full model of customer Touchpoints for each type of customer was developed and is used for both evaluation and innovation.

By investing in Brand Experience Executives with the passion and social skills

necessary to get information from people, and the analytical and creative skills to turn these into insights, SEEBOARD Energy now has much better information about how customers experience the brand at every point of contact, and this in turn supports a learning company organisation.

The brand now has many activities designed to identify how customers feel. For example, all customers who defect are contacted for root-cause analysis. SEEBOARD Energy has developed maps of all customer Touchpoints and uses these to identify actual versus planned experience by type of customer.

The analysts' experience indicates some of the problems and opportunities of Integrated Marketing. For example, they discovered how fragmented customer knowledge was across the business – a common phenomenon – and how much work was required to put it together.

13. Value package design

Integrated Marketing is an holistic discipline that inspires coherent and creative organisation, culture and brand alignment around fundamental truths of the brand to deliver value to customers, employees and the organisation.

The definition of Integrated Marketing indicates the vital importance of value design: the purpose of understanding customers and brand, mobilising the organisation and developing communication is to be able to deliver value. To do this most effectively requires a design process.

SEEBOARD Energy needed to back up its claims with genuine innovations, like this new product. The communication demonstrates the creativity of the company and the product creates value. This was actually a flip chart size document enclosed in a direct mail pack.



Integrated Marketing takes an holistic view of value and therefore value design: for example, it recognises communication as a value generating activity (when

relevant and performed effectively). Furthermore, the value that bonds customers to the brand includes social and structural elements as well as performance and price. The ideal of value generation is 3D Worth: value for customers, employees and the organisation.

The SEEBOARD Energy customer vision represents an ideal of value generation on behalf of customers. In order to deliver on this ideal, it needed to engage in product innovation, as we have noted. An essential objective of the project was to get customers to commit themselves actively to new products or variants on existing ones, rather than being passive consumers.

archibald ingall stretton and the SEEBOARD Energy team therefore responded creatively to the customer research and engaged in developing new products.

In this, SEEBOARD Energy was highly successful. Innovations included:

- The Self Read Saver product (developed as a result of an idea from a staff member) was based on one of the most important requirements of customers – to get away from inaccurate estimates and have accurate billing. The Self Read Saver product enables customers to register, read their own meter (thus demonstrating trust of the customer) and notify SEEBOARD Energy. Over 200,000 customers took up the product; with direct mail generating approximately 18% response, while the call centre staff actively sold it as an upgrade. The annual target was achieved within six weeks. At current rates one in three customers could take up the product, thus significantly improving retention rates. This was a genuine example of 3D Worth: it is valuable to the customers, but it also represents a significant improvement in income and reduction in SEEBOARD Energy's costs in handling complaints about inaccurate invoices. Furthermore, it means that hundreds of thousands of customers are in contact with SEEBOARD Energy every quarter, in a positive encounter (that also reminds them about their discount).
- A Prompt Payment product that provided discount for early payment.
- A new website was developed in order to provide enhanced services. More web-based sales were achieved in the first two months from the launch of the www.wheredoesitallcomefrom.com website than in the previous 12 months using the old website.

14. Integrated communications planning

Jon Ingall: “Our campaign was actually based on what’s true about SEEBOARD Energy. There is nothing in the campaign that has been a work of fiction. We probably pushed reality 10% in order hopefully to then push the staff 10%. We want to achieve more and keep pushing and challenging. But SEEBOARD Energy was actually based on innovation way before we ever got there.”

Samuels: “We had to engage people with the brand to the point that they first had a much higher level of awareness and secondly the brand meant something positive to them. Furthermore, we wanted to try to get customers to like SEEBOARD Energy, to create a brand with which they felt an affinity and that they believed was on their side. We wanted to use this emotional energy to encourage them to make a positive decision to sign up for one of our product innovations.”

Integrated Marketing dissolves the old concept of above and below the line, as well as a number of outdated marketing communication concepts. Key features of communication planning in Integrated Marketing include:

- An holistic attitude to communication: for example integrated communication thinking includes reality media as well as traditional advertising media. It is time to break out of artificial barriers designed to promote the individual communication disciplines in competition with each other.⁴
- Media neutral planning, and media neutral payment to agencies;
- A media neutral creative idea;
- Recognition that all communication is brand defining; there are no such things as brand building and non-brand building communications disciplines;
- Integrated Thinking across mass and one-to-one communication.

All of these criteria are fully met by this project. This is not surprising given the attitude of Jon Ingall, who told us: “I am absolutely convinced that the current models of the different disciplines, and what they do and don’t do, has lost sight of the commonality across the disciplines”.

It will have become evident by now that the design of the communication project explicitly included not only conventional marketing communications such as TV, direct mail, web site, radio, posters and exhibitions, but also a range of SEEBOARD Energy media, such as the call centre. Like all great integrated communication projects, the starting point was a big, media neutral creative idea: Where does it all come from?

The entire 12 month communication project was based on the media neutral idea: Where does it all come from? This was executed humorously and playfully using a wide range of media and methods. The resulting work has won a range of international creative awards.



Once they had established this core creative thought, archibald ingall stretton then looked for a way to turn it into a multi-media creative programme that would engage, intrigue and amuse consumers over an extended period of time. One feature of the development of this, which we believe should be more common, is the direct involvement of the agency’s creative team.

The Creative Principle

Steve Stretton and Matt Morley-Brown, Creative Directors at archibald ingall stretton, described their approach as follows:

“While doing the groundwork for any campaign, we make a point of meeting and talking to as many people relating to the brand we’re working on as possible. After a matter of minutes, it became obvious to us that there was an unusual spark of enthusiasm and passion about the way people worked at SEEBOARD Energy. The magic was already there, we just had bring it to life.

This we did by imagining there was an elixir that was the source of the inspiration and ideas. The television campaign then became a series of episodes of an unfolding story in which a documentary team went in search of the source. And, in all other media we simply demonstrated the enthusiasm, ideas and passion of the staff, created by our magic elixir, as freshly and originally as we possibly could.”

One of the great successes of the campaign was the close involvement of the SEEBOARD Energy staff in the television campaign.

“Wherever possible, we used SEEBOARD Energy staff to appear in the commercials...and as with everything else their enthusiasm and willingness to be involved was inspiring.”

The result was an 18 month campaign that gave SEEBOARD Energy a unique personality by dramatising the simple truth about the company. Execution of the question was playful and humorous, designed to bring out the human and creative qualities of SEEBOARD Energy, and had both internal and external applications.

As with most successful communication projects there is interplay between two big organising ideas: here it is between the enduring vision and brand promise (Passionate about finding new ways to save you energy and give you even better value for money) and the seasonal creative idea (Where does it all come from?).

Just as most music is based on polyphony and its interplay of melody and counterpoint, and most works of imaginative literature on multiple plots and characters, so creative marketing communication also arises out of the drama between ideas.

This theme became a fertile source of ideas to reveal SEEBOARD Energy’s creative character. Each element of the communication was designed to contribute to the whole as well as to execute its special purpose. While the big idea came from archibald ingall stretton, the development of the whole campaign relied on partnership and very active support from Shwezin Win and the communications team.

Communication planning and objectives: a new tool.

We have designed an holistic tool that supports discipline and media neutral planning and evaluation. Our model proposes that each and every marketing communication contains a blend of five elements related to customer experience, with the significance or intensity of each element varying. These elements are:

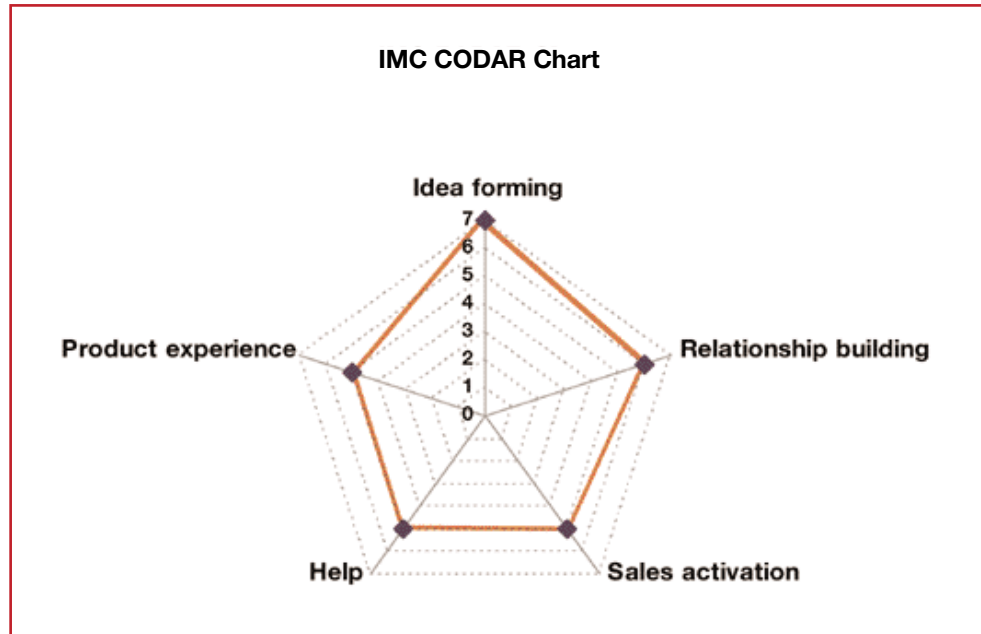
1. Idea forming: generating ideas in the consumer or client mind, such as the brand promise, a value proposition or brand values.
2. Relationship building: building a relationship, including affinity, emotional bonding, brand know how or expertise, and database and/or personal knowledge about the customer.
3. Sales activation: stimulating the customer towards further investigation, trial or purchase.
4. Help: providing service and assistance to the customer in relationship to their needs and wants; from informing the customer about availability of new technology/product to consultancy in the purchase process, in-use status reporting, or resolution of a post purchase problem.
5. Product experience: using and interacting with the brand’s deliverables, including store and web site design, product availability, information such as a bank statement, value or pleasure in use.

In this case, the overall communication project had the objectives shown in the IMC radar chart below.

**Where does it all come from?
project media:**

TV
Direct mail
Internet
Radio
Press
Call Centre services
Field Force
Office Reception
Billing invoices
Repair staff
Roadshows
Posters
Public Relations
Sponsorship
Exhibitions
Vans
Word of mouth

CODAR® radar chart of the Integrated Marketing communication designed by archibald ingall stretton. CODAR® is a proprietary Integrated Marketing communication planning tool evaluated and used by the Centre for Integrated Marketing. These five elements are present in every marketing communication to varying levels of intensity or significance. CODAR has an international patent pending and is a trademark of Stepping Stones Consultancy Ltd.



We suggest that this tool is useful in the following ways:

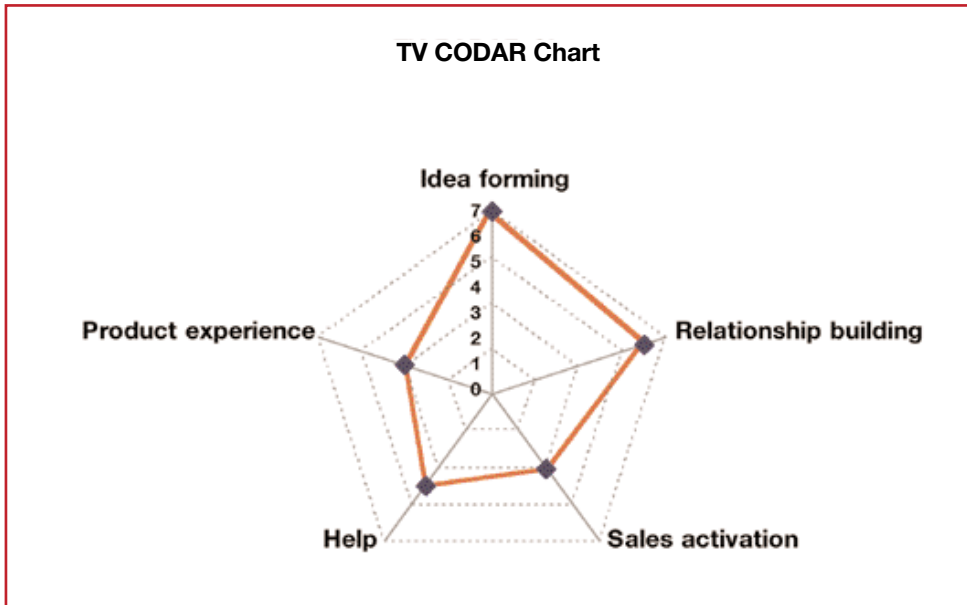
1. It is much more effective in terms of both precision and creative opportunity for a marketer to brief the communication requirements in terms of these criteria than in terms of specific methods. Similarly, it provides a more open and precise internal agency brief to creative.
2. Every agency including PR and research companies could provide solutions that affect all these five dimensions. Therefore it is possible to brief all agencies on a neutral basis during communication project planning.
3. Every medium is capable of contributing to these five objectives in different combinations according to customer circumstance and creative use.
4. This also means that it can be used for internal briefing for internal communication centres, such as call centres.
5. It provides an effective basis for discussion and debate about what the communication objectives should be and how they will contribute to brand and customer equity.
6. It provides an effective evaluation tool when assessing agency propositions or pitches.
7. It is easy to translate into a research instrument for evaluation and therefore into econometric planning tools.

archibald ingall stretton produced diverse creative treatments for different media that still reflected the integrity of their creative idea. Successful integrated communication does not require that every piece of communication looks identical: indeed that can easily become boring. In this case, each element is targeted to achieve a specific set of objectives that contribute to the overall plan.

The overall result based on the most simple of marcoms measures is outstanding. During the project unprompted awareness of the SEEBOARD Energy brand advertising outstripped the market leader, British Gas, by nearly 3 to 1. Prompted awareness was up 11%. 39% more people remember seeing SEEBOARD Energy advertisements compared with December 2001. A more strategic set of evaluation measures is given below.

Execution

About 50% of the SEEBOARD Energy external media budget was spent on television. As the radar chart below shows, television was designed to plant new ideas about SEEBOARD Energy and to build a relationship through affinity and affection, strongly supported by accompanying radio ads in the same style. The aim was to get people to like SEEBOARD Energy more. These provided strong support for other communication objectives, without focusing on them.



The radar chart (a CODAR® tool) shows the relative priority of television advertising objectives. The award-winning radio ads had very similar objectives

A total of eight different television and a number of radio executions were created. Each of them uses the same theme: astonishment about the passion SEEBOARD Energy people have to come up with good energy saving ideas and products, styled in the form of documentaries. The opening TV ad “Mockumentary” uses a full 60 seconds to allow a television documentary team to investigate why people change when they start working there. Over 100 SEEBOARD Energy staff took parts in this ad alone.



Other executions included an employee who abandoned the football game he was refereeing in order to develop his sudden inspiration for teamwork.

Over 100 SEEBOARD Energy staff acted in the initial ad alone.

Once again, SEEBOARD Energy staff played supporting roles in the development of this documentary-style, playful TV ad, featuring a referee who suddenly got inspiration for a new product and abandoned the field of play to work on it further.

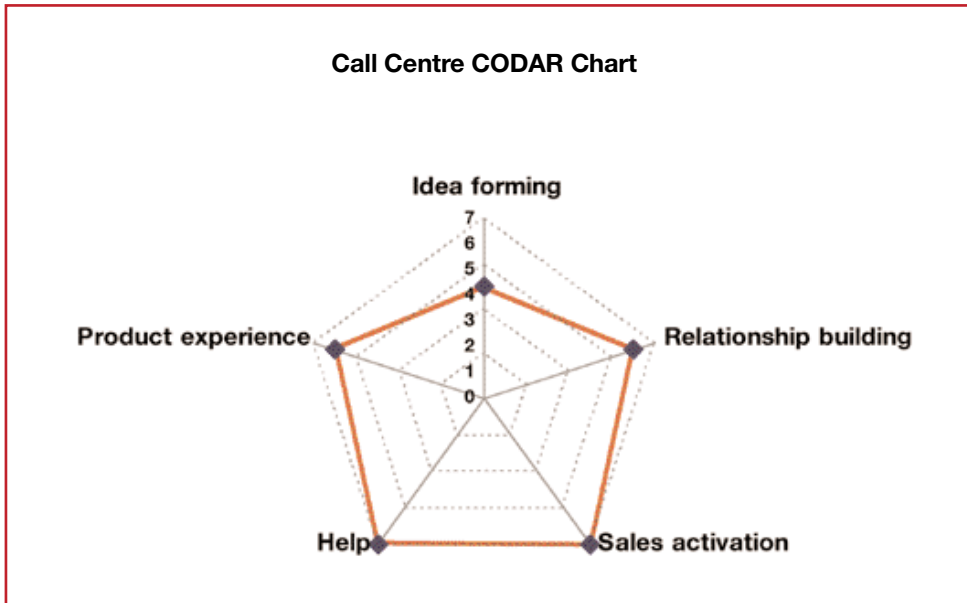


Another commercial features a man who jumped out of the bath and ran to work in his dressing gown with a breakthrough product idea. Although the ads are extremely humorous and playful (and therefore not meant to be taken too seriously), they are designed to communicate a truth about the brand. In support of this, they are designed around real innovations and services.

SEEBOARD Energy employees never stop thinking of new ideas.

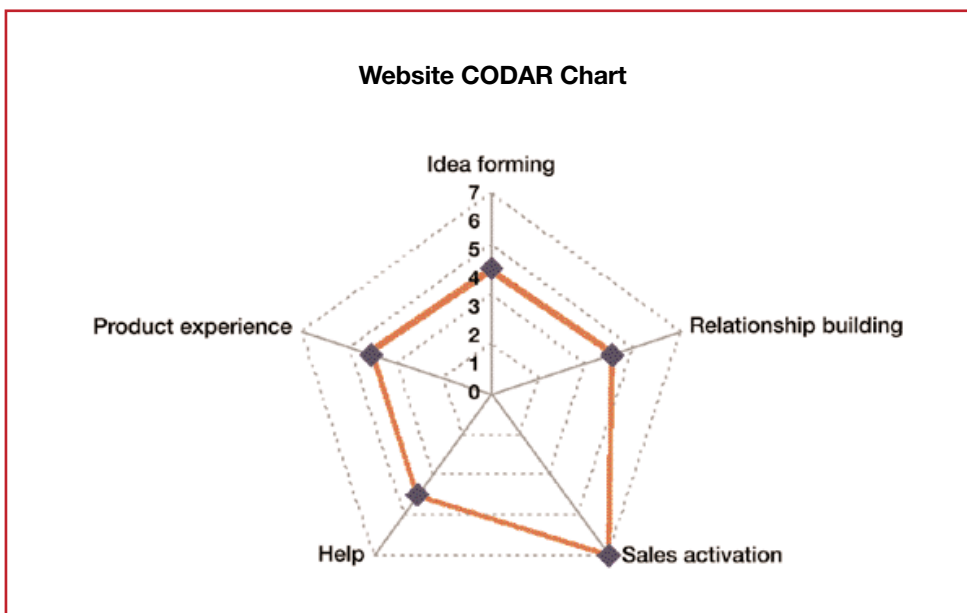


Most of the other media are designed to support the overall communication with more detailed facts and help, but once again creatively and, wherever appropriate, with humour. Call centre and face-to-face encounters are enhanced through improved training and an upgrade of the working environment: for example call centre staff have budget and encouragement to design their local environment creatively. The enhanced training won a National Training award.



Call centre communication supports the overall objective by giving customers experience of practical help, enthusiastically selling the difference and value in products and supporting relationship development. Several of the products are designed to encourage customers to contact the call centre on a positive rather than negative note, thus developing an active relationship with the brand.

A specially designed web site, featuring SEEBOARD Energy's reception was created during the height of the campaign to provide help, sell products and encourage more interaction.

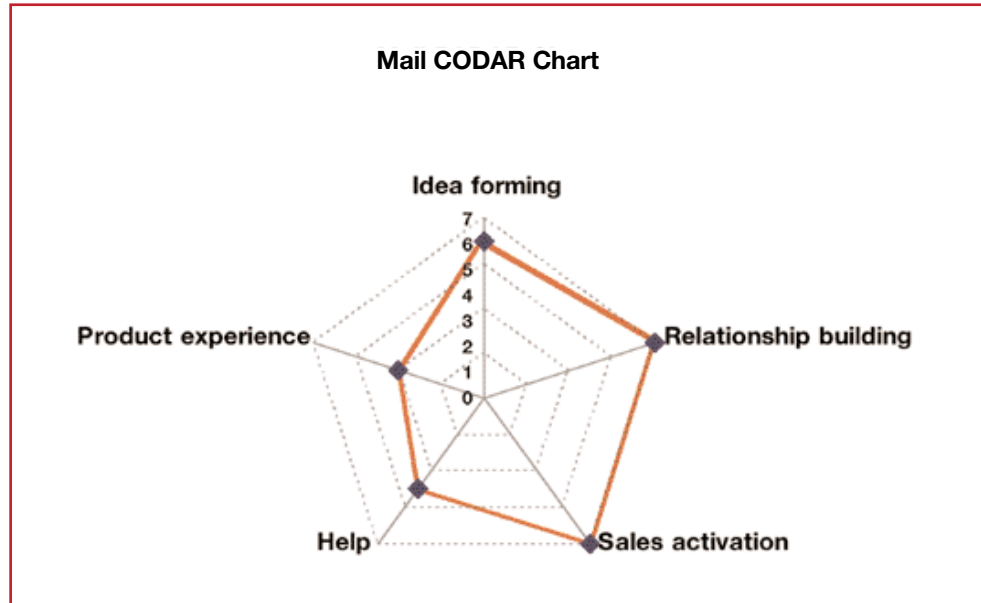


www.wheredoesitallcomefrom.com successfully supported the television advertising with tailored objectives. More sales were achieved in two months than in the previous 12.

Mail media played an important part. There was a limited initiative to improve the design of bills, but given the fact that SEEBOARD Energy's IT systems were likely to be under review in a new company, the budget for major IT development of the billing system was limited. However, one of the areas of greatest complaint was consumption inaccuracy, which was addressed by new products, winning significant commendation from J.D. Power.

Once again, SEEBOARD Energy demonstrated the brand building power of one-to-one communication and its ability to transform attitudes. Like British Telecom, who found effective information about products could transform satisfaction, SEEBOARD Energy have seen their satisfaction levels rise dramatically. This seems to be partly because they convey a sense of caring, and partly because they communicate genuine innovation and value.

Mail CODAR Chart



Letters depart radically from business like (boring) communications. This pack included a full flip chart-sized piece of paper (featured on page 26) intended to show the results of brainstorming in a workshop. The CODAR® radar chart shows the importance of sales activation, but also the wider objectives.



SEEBOARD Energy
PO Box 5050, Hove, BN3 5ER
www.seeboardenergy.com

Account No. Electricity
Account No. Gas

Dear Sample,

You know how it is when you have a great idea and you just have to tell someone about it?

I've just come out of a brainstorming session with some of our team, where we've come up with some great ideas that could help you to save money and we've also had some more thoughts on how to further improve our service to you.

I couldn't wait any longer to tell you about them, which is why I'm writing to you now.

The market for gas and electricity has completely changed and as an energy company, we've changed with it. We realise that in order to continue to supply you with gas and electricity, we've got to compete hard against the other energy companies. We know that other energy companies are approaching you and to be perfectly honest, we'd like you to stay with us.

Thousands of customers have recently been involved in our biggest ever customer-research programme. You said encouraging things about the way we've always tried to deliver excellent service, but some of you thought that we perhaps didn't communicate with you as often as we should. And many of you were surprised by the number of products and services we already have on offer.

We've listened to what you had to say and now we're trying harder than

more communication

improving products

SEEBOARD Energy Gas Limited, Power Gate, Brighton Road, Crawley West Sussex, RH11 9HJ Reg No. 3342795 England

over before.

We want to give you an unrivalled level of service, so we put our entire customer services team into extensive training to give them all the necessary skills available, to ensure you reap the benefit.

And it doesn't stop there.

We've introduced our biggest communications package to date, including a commitment to contact every customer, to ensure you are getting the best possible value for money and to keep you up to date on all our latest products and services.

COMMUNICATE? So, you can expect to hear from us again over the next few months. We'll fill you in on the latest news and answer any questions you may have.


At SEEBOARD Energy we believe that an energy company and its staff should always (if you'll pardon the pun) be full of energy. That's why we never stop thinking of new ways to help our customers and we're always coming up with new money saving ideas.

To give you an idea of how passionate we are, please find enclosed a page from one of our flip charts, used in a recent brainstorm. On the page you'll find information on our latest money saving ideas and some of the newest products and services we have on offer - you'll also see that we've found a way to help you make savings of up to £110*.

We're always enthusiastic about finding new ways to save you money and improve our service, so if you have any ideas on how we can save you energy and money, we'd love to hear them. Please jot any ideas you may have down on the reply card and return it to us.

TO IT NOW! To register for any of our ideas, or for a free personal savings estimate, simply use the reply card enclosed, visit us at www.seeboardenergy.com, or call our customer service number on 0800 444 244** quoting reference PRO4. I look forward to hearing from you.

Kind regards,

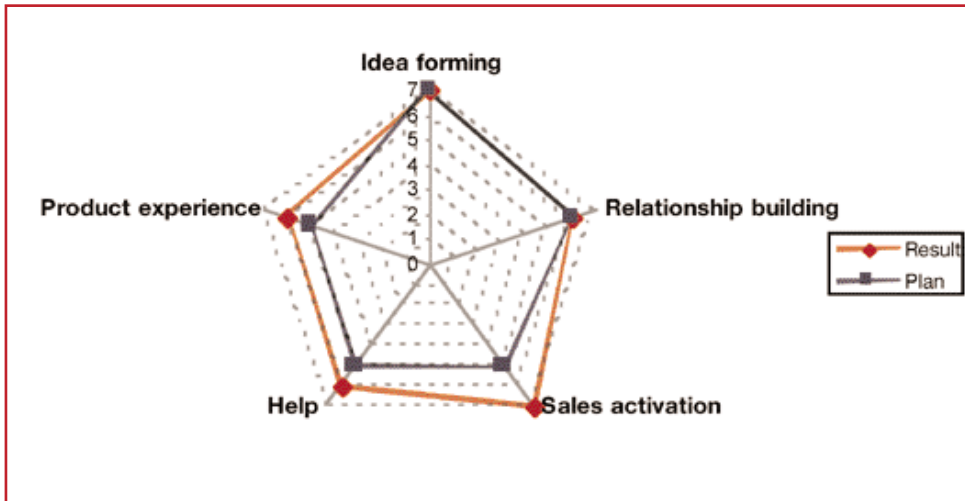

Peter Hofman,
Managing Director, SEEBOARD Energy
www.seeboardenergy.com

*See enclosed for details. ** Calls may be recorded and monitored as part of our customer care programme.

The full range of communication involved is extremely extensive. Given that the project also included a redesign of the logo everything from letterheads to vans needed to change. Communication also extended to road shows, the Ideal Home exhibition and doorstep visits.

The one communication area we question is, however, strongly driven by the category rather than SEEBOARD Energy. We think that over-extensive use of field force to sell new products (rather than provide services) is damaging to the category reputation and probably to the brands, notwithstanding the fact that it might superficially look profitable. (Figures from J. D. Power tend to confirm this, see below). However, when we accompanied the SEEBOARD Energy field force on their visits, we noted that the most successful members of staff have a very strong attitude that they are actually there to serve customers, not simply to sell, an attitude also noted even in trainee staff.

We do not have access to the customer-based evaluation of the overall communication structured around our CODAR® tool (although there is extensive other evaluation, indicated below). Drawing from this, we conclude that the following chart gives a fair indication of achievement against objectives, showing that all objectives have been achieved or exceeded.



All communication objectives have been achieved or exceeded.

15. Technology, culture and process redesign

One of the most important actions for leaders to take is to audit and improve the technology, culture and processes of the business and redesign them. Our recommended approach is based on 'Lean Thinking' methodology in conjunction with other core Integrated Marketing principles.

SEEBOARD Energy Directors knew that the company would be taken over in the near future. While approaching the buyout date, they prioritised those investments and activities that would yield major benefits. Major technology investment was not considered viable at that time for this reason. The focus was on the development of efficient and effective processes and skills to sustain them. This decision turned out to be appropriate, given that since it merged with LE Group, SEEBOARD Energy is able to use their technology.

However, technology innovation will climb the priority list in 2003. The CRM technology presents considerable room for improvement and the benefits it will yield when properly implemented have major potential for the company's overall future success.

16. Mobilising everyone

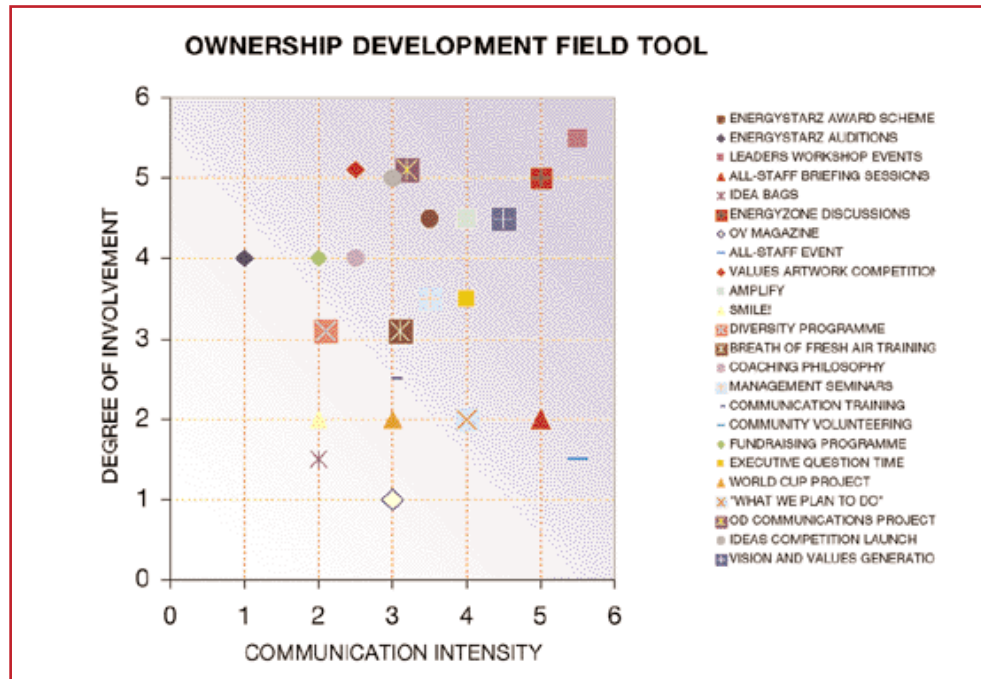
Effective implementation of any change or innovation typically includes all the involved parties. Integrated Marketing goes further in needing to mobilise everyone towards living the brand mission. This needs hearts and minds and not just compliance, a significant new strategic role for the senior marketing executive.

Sharon French and her team took up the challenge of driving the internal communication culture and changes required to support the campaign.

It was a year-long holistic investment project that touched everyone and every part of the business and impacted the entire people plan; from the way people

were recruited and trained to staff re-training, innovative communications, implementation of diversity and community involvement and launch of a new health and leisure function. We have classified these activities using our Ownership Development tool, shown below, based on relative intensity of employee-directed communication and employee involvement.

Our Ownership Development Field Tool shows relative intensity of employee-directed communication and employee involvement during SEEBOARD's process of mobilising the entire staff



Stepping up a gear

As indicated, SEEBOARD Energy had a history of innovation and customer focus. It had ideas, passion and commitment. However, the new commitment to the ‘Where does it all come from?’ campaign meant stepping up a gear to ensure that it was 100% true that SEEBOARD Energy was *“Passionate about finding new ways to save you energy and give even better value for money”*. Basing the brand, customer vision and strategy on the attributes of the people was a huge practical, financial, emotional and psychological investment. Management had to ensure that this was a reality and not just lip service; credibility was crucial. The alternative was open to cynicism and criticism.

The challenge included convincing the staff themselves that this was true and not just advertising hype, before it could be real for customers. To bring the customer vision to life would require something above and beyond the people investment previously deployed; it would require innovation and a new approach that placed people at the centre of their strategy and create the kind of company people actively want to work for.

A SEEBOARD Energy internal report states:

“The project [Programme I] was built upon the approach already taken with the business towards people investment. Whilst SEEBOARD Energy already demonstrates best practice within people investment, (as evidenced by the IIP report and accreditation), to place employees at the centre of brand strategy was a very new approach. One that could yield business benefits but required innovative people investment practices above and beyond the norm. If we are a company full of ideas then staff needed a demonstration of commitment from all levels to believe this.”

Each of the functional areas set up their own project plan within a team context,

complete with aims and objectives. This enabled a widespread involvement across departments and teams where people could actively take part in the project by defining the essence of it. The approach advocated staff involvement and engagement at all times, and this was something that was done with staff, not to them. They had real input at every step. The set of harmonised objectives was designed to achieve the ultimate goal of the project: implement customer vision across the organisation.

Programme l's project activities are discussed in chronological order as they were implemented and therefore experienced within SEEBOARD Energy.

SEEBOARD Energystarz

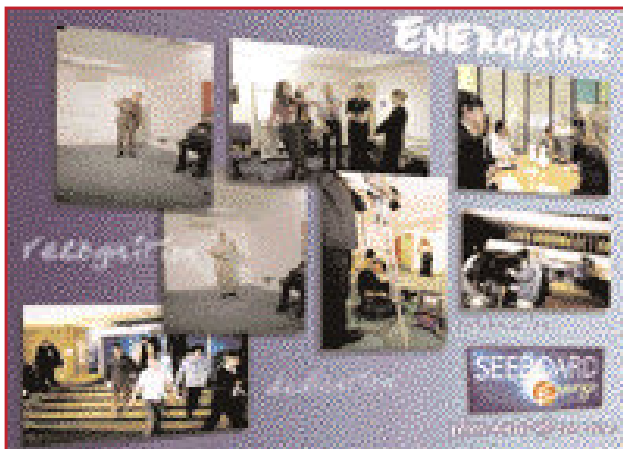
The Energystarz programme was a reward and recognition scheme designed to encourage and identify behaviours aligned with the customer vision and strategy. Programme leaders identified six focus areas: ideas, energy saving, team playing, customer focus, ensure value and quality, and extra step. Performance was measured against educational and motivational value.

Managers were invited to nominate and make a case for members of their team each month. All those nominated were invited to a buffet lunch attended by directors and senior managers and presented with a certificate. At the start of each month four finalists were announced with their photographs displayed prominently in the appropriate areas of the premises. At the end of each six months, overall winners in each category were selected and rewarded.

Schemes like this only work if they are meaningful and seen as having a strong soft value (associated with recognition and appreciation). The 2002 scheme built on earlier experience and was supported by directors and in particular the Managing Director, Peter Hofman. Each of the criteria was specifically linked to vision. The programme is seen as meaningful within the larger context and as a way of recognising individuals who were making superb efforts. Because there were nominations from each department as well as award winners in each category in each month, there was an opportunity for many people to be recognised. We have no evidence of bad feeling that sometimes arises in "positive discrimination" schemes.

Energystarz Auditions

People were not simply told or shown the communication plan and the new TV commercials; they were given the opportunity to become heroes by appearing in them. Real auditions were held to cast extras in the new SEEBOARD Energy commercials in the training centre, in the style of the "Popstars" TV show. People, their offices and the SEEBOARD Energy building were given prominence by appearing on TV. For once, they became the stars, not spectators.



Employees were invited to audition to take part in the TV commercials

Leaders Workshop Events

Off site Interactive workshop events were run for all management to communicate face-to-face the why, what, how and when for the new customer vision and strategy. These leaders were asked for their ideas and input to make the customer vision and strategy work, thus involving them at the beginning of the process. Their ideas were captured and used wherever possible, creating both involvement and a higher level of perceived and factual responsibility, which translated into better information sharing and work quality.

All-Staff Briefing Sessions

The output from the workshop events defined materials to cascade the why, what, how and when to their teams. Since they had been involved in the development of the materials, there was greater buy in and understanding. All staff were given a briefing and asked for ideas on how to make the vision work.

All-staff briefing sessions continue as a tool to communicate important business messages. The strategy of involvement is now standard practice, asking staff how they think the company can overcome challenges and deliver solutions. Leaders across the business created the ideas discussed within their teams and feel more passionate about them. This enthusiasm is transmitted to the team members and reinforced by their involvement and by the opportunity to contribute to the overall improvement of the plan.

OV Magazine

A softer, highly informative and more one-way focused medium has also been included in the communication plan. OV (One Vision) Magazine is a quarterly publication and has been used to communicate key messages and explore the concept of branding with a lead article entitled "What's in a name?". OV Magazine continues to promote employee involvement by ensuring contributions from staff. It is also an important showcase for the staff that earned awards and recognition through distinctive behaviour or actions.

The One Vision Magazine is designed to communicate key messages and business news to staff.



OV Magazine is attractively designed with the help of an external studio and includes news and articles that go beyond work-related interests. The company's interest in the overall well being of its staff is an integral aspect of the publication and of the organisational culture.

Energyzone Discussions Session

Resistance and friction are inherent to any change process. Generally, people prefer keeping things as they are rather than engaging in new, unknown situations.

One of the outputs from the all-staff briefing sessions was inevitable cynicism and scepticism about making this work. In particular there were a number of issues staff saw as barriers to realising the customer vision and 2002 strategy. In order to address these issues discussion sessions with controversial titles were set up to tackle problems head on in a face-to-face environment. The sessions were advertised with names such as:

- Guess what they want me to do now?
- Nobody told me
- Here we go again
- IT; help or hindrance?
- I want my own seat!

The sessions were run by senior management, which gave credibility and serious intent, while maintaining an extremely open approach to discussions. The success of these sessions has continued to the present day.

All Staff Communication Event

All of the communication activities were building up to the All Staff Communication Event. The event also showcased the new customer communication and demonstrated the alignment of internal and external messages, reinforcing key messages from the programme.

Since the launch of the campaign a team of cameramen had also been in the business interviewing staff about their key achievements in 2001, how they had met their goals, what they thought about working at SEEBOARD Energy, the awards scheme, the new commercials and so on. These were edited into short videos that were used within the event as a powerful peer communication tool: rather than Directors telling staff they are passionate and energetic, it came from the staff themselves. Every department was represented and everyone saw either himself or herself or someone they knew on the big screen.

Ideas bags were presented at the All Staff Communications Event to further reinforce key messages and introduce a fun element. The contents of the bags aimed to help staff have a fun-filled Christmas with loads of ideas.

The film of the event was sent out to all staff unable to attend. The evaluation of the event was excellent, with staff saying that they felt proud to work at SEEBOARD Energy.



The All Staff Communication Event showcased the customer communication and demonstrated the alignment of internal and external messages.

Values Artwork Competition

A competition was launched to encourage buy in and ownership of brand/culture values. The competition asked staff to visually represent the values and what they meant to them. The values are printed on a set of big panels that are decorated

with the competition artwork and exposed across the company's offices. The artwork has been awarded and published in the company's publications.

Staff were invited to create pictures that capture the essence of the brand /culture values. Kevin Donnelly's "We encourage trust" was the overall winner of the Values Artwork Competition.



Smile!

A health and leisure function was introduced at the beginning of 2002. A workgroup, representing the business, was established in autumn 2001 to design and help manage the health and leisure function. The workgroup put together a calendar of events to support the health and well being of employees. The intent is to go beyond merely offering health and leisure activities but to bring together people across the organisation that share health and leisure related interests.

Diversity Workgroup and Strategy

In order to make it real that SEEBOARD Energy cares, a Diversity Manager and workgroup were appointed to develop a diversity strategy for SEEBOARD Energy. Examples of initiatives the workgroup has implemented include:

- Designated play scheme places for staff to use in the school holidays if they are experiencing childcare problems
- A 'Bring your child to work' day

Breath of Fresh Air Training

Around 600 customer-facing staff attended a 1-day training programme aimed at introducing the customer vision and brand strategy to them, as well as stressing the importance of the contribution they could make. The initiative is consistent with the broader aim of the company to become more customer focused. It also shows that considerable attention and effort are put towards enabling employees to acquire the necessary skills to reduce stress and enhance the enjoyment at work.

Coaching Philosophy

Around 100 managers attended coaching training and have since set up a coaching register to offer coaching to the rest of the business where relevant. This underpins the values of the project in that staff are involved, rather than just told. Coaching now forms part of the appraisal system used for staff.

Amplify – Staff Survey Focus Groups

The Amplify employee research programme was a serious effort to understand how employees felt about working in the business. Without positive attitudes, the strategy would be a failure. Focus groups were then used to involve staff in discussing action plans to tackle key areas of concern raised within the staff survey. For example, staff asked for more fair and open recruitment and subsequently developed an action plan that SEEBOARD Energy implemented. There is an ongoing commitment to-biannual research and follow-up.



Amplify is an excellent employee research programme. Employee satisfaction greatly improved. 92% felt proud to work for SEEBOARD Energy and employee retention dramatically increased.

Management Development Seminars

In response to suggestions from staff, management development seminars were set up to address specific issues they flagged, such as assertiveness, dealing with difficult people and time management.

Communication Training

In response to requests from leaders, communication training was delivered to help leaders communicate effectively with their teams.

Community Volunteering Programme

An employee community volunteering programme was set up to further support staff buy in to the customer vision. Volunteering opportunities were used to reflect key attributes of the customer vision, in particular energy saving. Volunteering is used as another mechanism to reward staff, particularly when displaying attributes which support the customer vision.

Fundraising Programme

In order to strengthen the brand's links to local community, staff were asked to submit their ideas about causes and charities to support. Staff hold fundraising events, both in and out of work, to raise funds. These funds were matched by the business.

Executive Question Time

In response to suggestions from staff, each Director runs a question time, where they genuinely take questions from the floor, about any topic.

World Cup Project

This turned a potential absenteeism liability into a bonus. A cross-business workgroup consulted staff and asked them what could be done to encourage them not to take time off during the world cup. A programme was put together which involved:

- Plasma screens showing the matches
- A World Cup booklet
- Free burgers/hotdogs at matches
- Competitions
- Shift swap schemes

Evaluation demonstrated the success of the project with sickness actually decreasing when the World Cup was on in June!

What we plan to do

All staff were issued with a document at the beginning of the year which outlined the mission, vision, customer vision and strategy. It detailed business goals for the year and key areas of focus as well as the staff values.

The classic complaint of employees is that managers don't communicate. Programme 1 included extensive communication about company plans.



Organisational Communications Project

Staff were consulted on how to improve their working environment so that it reflected the customer vision and personality of the business, a programme that is now ongoing. Each department made many functional and aesthetic changes, including:

- Staff values artwork replaced the old values graphics
- New breakout areas were launched
- Point of sale signs were removed
- Functional changes included a range of useful tools to improve productivity.

Ideas Competition Launch

A project to foster a culture of ideas included a competition for staff to win a trip to the “source of inspiration” where one of the TV ads was filmed (Iceland). The competition asked staff to submit their ideas on the back of the postcard, resulting in 2,000 staff submitting around 500 ideas, many of which are now in development. All the ideas, which are being further developed, were rewarded. This activity now continues with an ongoing scheme called “Inspired”.

Existing communication channels were also utilised to communicate key messages. The Intranet site was used to deliver real time messages to employees based on site and SMS text messaging was used for field sales employees.

Measuring Success

The activities undertaken as part of this project demonstrate marketing innovation. OD leader, Sharon French, commented: “By placing staff at the centre of our customer vision and strategy, we had to truly demonstrate that everyone from the top team to front line agent believed that we are a company full of ideas, passion and energy. The approach taken, aimed to inform, lead, listen and importantly involve people.”

Impressively extensive evaluation was conducted at every stage of the project and results demonstrate its effectiveness and the level of support by staff. Different tools are used including electronic questionnaires, focus groups, the “vox-pop”

facility on the Intranet, surveys and ghost calling. Evaluation of the project, early in 2002 and again mid year demonstrated the success of the project. From our experience, these are excellent results. For example:

- 99% say they supported the new customer vision and strategy and over 90% consistently understood the contribution they could make (various measures though the year)
- 88% would recommend SEEBOARD Energy as a good place to work to their friends
- 92% felt proud to work at SEEBOARD Energy

When viewed against the backdrop of the sale of SEEBOARD to the LE Group, these results are testament to the success of investing in the people.

The Keys to Success

The keys to Programme 1's success include:

- Cross functional activity and co-operation
- A structure which facilitates customer focus and a view of end to end customer processes at all levels of the business
- An energetic, talented and ideas-focused team of people taken from all parts of the business
- An award winning⁵ capability to communicate a vision right across the business
- A passion to do the best thing possible for the customer and for the business
- Clear focus on the business value and clear selection criteria
- More than anything else, a team which works as a team.

17. Learning company processes

Learning is a fundamental part of integration. In order to understand the current state of the company and plan the activities to achieve the desired state, the organisation must adopt a learning culture. Learning must be an integral part of business processes and infrastructure.

SEEBOARD Energy understood this importance. Adopting a learning culture enabled them to identify their business problem and design and execute the solution. Evidence of their healthy approach comes from many examples.

- The management, starting from the C-level team, believed that internal communication must be encouraged horizontally, across departments and vertically, across levels of responsibility.
- They organised and promoted discussions between management and employees. There are three main reasons for this: everyone in the company felt included and engaged in discussions, the management vision is better communicated and therefore better understood across the company; anyone in the company has the opportunity to express their view and contribute to improving any aspect of the business. Engaging people in discussions creates ownership of ideas, commitment and loyalty.
- The previous 'Pink Panther' campaign noted earlier (see section 3) was used as a learning springboard for the new campaign. While not seen as wholly successful, the campaign was used as an invaluable source of learning points, including the ways to engage staff and prepare the launch of the 'Where does it all come from?' campaign.
- Jon Ingall and Archibald Ingall Stretton were able to conduct an extensive three-month research programme to build a clear picture of the state of the company and design a set of solutions. They were allowed to ask hard questions and approach anyone involved with the company, including the

customers. The priority of management was to learn. This was only possible due to their positive spirit and desire to improve. They engaged with archibald ingall stretton without any prejudice and were keen on hearing their findings. This approach required considerable trust. The outcomes of the research included positive and negative aspects that formed the bases for the partners to design the solution plan together.

- Like archibald ingall stretton, we found that SEEBOARD Energy was probably the most effective company that we have worked with in being able to provide the data that we needed and transparent access to the organisation. A company can only do this when transparency is part of the organisational culture, when the organisation is prepared, organised and has a history of learning and evaluating effectively.

18. Integrated communication evaluation and learning

Integrated Marketing is built not just on planning but also on evaluation and learning. Undoubtedly, the marketing community needs to develop new tools for the evaluation of Integrated Marketing communications. For example: how do you evaluate an extensive mixed media campaign that runs over 12 months and includes internal as well as external actions? Clearly there are opportunities to evaluate each of the elements independently on a range of criteria. However, our research shows (and is documented in other cases) that all too often the criteria employed are both too tactical and too narrow.

For example, we believe it is of fundamental importance that a 3D Worth measure is employed to evaluate the effect on employees as well as customers and the brand, and the impact on the brand should extend beyond simply profitability but also include learning.

We are impressed with the tremendous range of criteria that SEEBOARD Energy (in partnership with archibald ingall stretton) used to evaluate their work. It includes very specific marcoms measures (e.g. 18% response to a direct mail pack, more sales on the web site in two months than in the previous 12, precise counts on Click and page traffic). The full range of criteria used are however much wider in scope than traditional marcoms and incorporate strategic criteria. In this respect, we believe that it represents best practice in Integrated Marketing.

For example, the primary measure is lifetime value impact. SEEBOARD Energy are able to analyse not only the change in customer and customer account numbers, but were also able to develop a rigorous argument for the lifetime values of the different customers, netting, as we noted, an increase of £51 million.

The project also led to dramatic changes in the performance of the brand within the category. J. D. Power and Associates, one of the leading customer satisfaction analysts, note that SEEBOARD Energy are the only supplier to have seen a rise in their supplier image score (+6%) within the electricity supply category. Also within the electricity energy category, they had the largest rise in price and value score and the highest increase in overall satisfaction.

Within the gas supply industry, J. D. Power found that SEEBOARD Energy had the highest year-on-year increase of all providers not only overall, but also across every individual satisfaction factor.

These improvements are confirmed by the Energywatch (regulatory) figures for customer satisfaction, in which SEEBOARD Energy came first across all suppliers in no less than eight out of nine categories in the latest evaluation, December 2002.

The benefits to customers are matched by benefits to employees. Satisfaction scores are up significantly, as already described, and are indeed at outstanding levels. That this represents a real change in attitudes is demonstrated by the fact that recruitment and new training costs reduced by approaching £0.8m per annum.

The company has not only improved its image but its competence. It has been learning from its staff: it improved its training (winning a national award), organisational logistics and processes in the call centre and elsewhere, its way of working with an external marcoms agency, its product set and other factors. All these are concrete outcomes from the project.

These 'soft' investments are not achieved at the expense of profits, but are the means by which they have been achieved.

During the initial planning phase, SEEBOARD Energy and archibald ingall stretton worked together to understand the results that would be needed in order to achieve good payback on the level of investment that was deemed necessary to achieve major change. The overall budget was achieved. The project has therefore demonstrated significant bottom line impact, and this can also be tracked back to individual activities, for example, a dedicated "Homemovers" team was established to look after customers moving home. They now contribute 45% of all cross sell volumes. This represents not only a sales win, but also a business result in learning and applied competence.

Customer Loss rates are an ultimate test. Residential customer losses are down 30% and business customer losses down 35%, representing outstanding results.

We do have concerns for the future: so much has been achieved in results, in culture, in expertise. No doubt some or all of this will be at risk as a result of the merger, so often an occasion for the destruction of carefully nurtured values.

Executive takeaway

The learning from this case (and others) suggests the following actions by senior marketing executives:

1. Integrated Marketing delivers a wide range of mutually supporting positive results. Commit to understanding and implementing it, and thereby broaden your strategic responsibility and potential.
2. Check your current performance (or the performance of your client) by visiting the Centre for Integrated Marketing web site or requesting a diagnostic review.
3. Apply the 18 Action Steps. They are a route to success.
4. Renegotiate your relationship with your agency (or agencies) or client.
5. Rethink the way you plan and measure communications. Widen the scope, enhance the objectives and measure more holistically and strategically. Test the CODAR® tool as a communication planning and evaluation method.

Notes & acknowledgements

We very much appreciate the help of senior managers at SEEBOARD Energy in researching this case. The views are our own, but the information and audit access depended on their support.

Notes

- 1 See for example the case study, *i2 Shows the Way*, Jenkinson and Sain, 2002. www.integratedmarketing.org.uk
- 2 *The Future of Branding in Residential Utilities*, Datamonitor, 08/2002.
- 3 Segmentation is often characterised by more superficial analysis, such as Geodemographic profiles or purchase history (where several kinds of customers may actually have similar transaction histories).
- 4 For a detailed argument supporting this proposition, see the paper: *AOL, redefining marcoms*, by Jenkinson and Sain, on the Centre for Integrated Marketing website, www.integratedmarketing.org.uk
- 5 SEEBOARD Energy 2002 winners of the Institute of Public Relations Award for Internal Communication.

