



Expert Insight

SPECIAL REPORT

Corporate Communications For Entrepreneurs



by Business Grow

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*Shared Learning for
Faster Business Growth*

Expert Insight



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Simon Sproule

*“Speed, relevance
and trust are at
the core of all
communications.”*

Revving up your Corporate Communications

Effective corporate communications is vital for a business regardless of whether it is used to promote new products or strategies, talk with the press, or communicate with stakeholders and customers. One business that has turned good communication into an art form is **Nissan Motor Company Ltd.**, Japan's second largest and arguably most competitive automobile enterprise. Under the stewardship of CEO Carlos Ghosn, Nissan's phoenix-like rise from the ashes has captured not only hearts and minds, but also hundreds of hours of advertising and media time and thousands of headlines worldwide.

Business reporter **Jonathon Walsh** spoke with **Simon Sproule**, Vice President of Global Communications at **Nissan**, to discover some of the company's corporate communications secrets that, with a touch of creativity, can empower entrepreneurs to more effectively promote their businesses and communicate with customers.

Providing stakeholders with timely information

Nissan needs little introduction. The automaker's stunning turnaround from out of a spiraling black hole of debt, poor employee morale and plummeting global market share

into a high-growth, highly profitable efficient car-making machine has captured headlines the world over.



Nissan's Fairlady Z Roadster two-seater convertible with power-operated soft top.

The mission of Sproule's department is global communications, sustainability and investor relations. "Our goal is to provide key stakeholders with timely information about Nissan and its brands that allow them to make informed decisions concerning our company and its products. Speed, relevance and trust are at the core of all communications at Nissan."

Key departmental responsibilities include media, analyst, and shareholder relations, crisis and employee communications, corporate citizenship, media activities, motor shows, product launches, publications, websites, broadcast media services and event management.

"On the global communications side, our principle tools are the website, press releases, media presentations, media, analyst & shareholder events, speeches, conference presentations, and other activities."

10-SECOND BRIEFING

INDUSTRY: Automobile
LOCATION: Chuo-ku, Tokyo
ESTABLISHED: 1933
NET SALES 2004: ¥8,576.3 billion
OPERATING INCOME 2004: ¥861.2 billion
EMPLOYEES: 183,607

PTO...



Nissan's LaFesta.

What are the most effective methods Nissan uses to communicate with customers?

Sproule says that it depends on the stakeholder. "In our area with the media, the website is the cornerstone of what we do. Every journalist has access to the Web so that is the primary port of call. After that, it gets into personal communication, physically talking and meeting with analysts and journalists, and putting on events and shows where we interact with them. Within that, we use tools such as press releases, media kits, and so on. A lot of the time we are communicating through the Web—that's how journalists are picking up information about us."

How does Nissan monitor feedback from customers and vendors?

"Ultimately, it is through sales. There are a variety of methods. We have tools to measure the effectiveness of a promotional channel, ie: we can tag a website to monitor whether someone clicks through it, and we can see which pop-ups or Web pages someone clicked on to get to the Nissan website and track them that way. Likewise with special offers in magazines, incentives, etc. We also measure feedback in terms of media coverage. For example, we were mentioned in *this* number of articles and described in *that* tone, and *this* is how it compared with our competitors, etc."

What structures does Nissan use to process and action useful feedback from customers?

- **Customer Assistance Centre**—a live, personal phone-line which is very often for complaints or issues, but also to solicit feedback, both positive and negative.
- **The ability to receive e-mails from any of their websites.**
- Nissan **relies on dealers to relay concerns, likes, dislikes**, etc.
- Nissan **conducts surveys** to measure customer satisfaction.

INNOVATION SPOTLIGHT

In contrast with the company's high-tech image, Nissan recently used a surprisingly low-tech communication tool—a simple *manga* booklet called *The GT-R* released at the 2005 Tokyo Motor Show. The scale of positive response and requests for copies took Nissan by surprise. "The basic idea was to tell the history of the GT-R in a more entertaining way than a boring fact sheet. We distributed more manga comics than actual press kits at the show!" Sproule says, underscoring how something simple can make a serious impact.

Regarding running a business in Japan, Sproule suggests **people can think big**. "You can be dramatic and provocative and you can challenge conventional thinking in ways that maybe you can't in other markets. And the size of Japan and the dominance of Tokyo means you can focus your activities in this city and have a very big impact on the population as a whole."

Strategy starts with a message

"It starts with a message," Sproule advises regarding the **basic ingredients of a good corporate communications strategy**, which he summarizes as What, How, Who and When. "We often start with a headline and ask ourselves, 'WHAT do we want to see in the press? What is the end aim? What are we trying to tell?' Because unless you have that at the core, then you are going nowhere. Then we work on HOW we

STRATEGY SPOTLIGHT

"For example, if we want to communicate that we are a technology leader, the 'WHAT' message might be, 'Nissan is a technologically advanced company.' HOW do we want to deliver it? We might plan to stage a technology event in our engineering centre. And the WHO is newspaper media, broadcast and lifestyle press. Finally, we work out the WHEN."

HISTORY OF NISSAN MOTOR CO., LTD.

Nissan Motor Co., Ltd. was established in 1933 to manufacture and market the Datsun, a small passenger car, and related automotive components. The company markets a wide range of passenger cars, commercial vans, trucks and buses, parts and components in over one hundred and seventy countries. The company has also expanded its operations to include forklifts, textile machinery and other industrial machinery and equipment. Nissan's affiliation with French automaker Renault in 1999 has helped produce Nissan's best results in a decade. The company has three hundred and forty two consolidated subsidiaries worldwide.

Carlos Ghosn

Carlos Ghosn is the president and chief executive officer of Nissan Motor Co., Ltd., a global automotive company with 183,607 employees and 80 billion dollars in revenue. Mr. Ghosn joined the company as its chief operating officer in June 1999, became its president in June 2000 and was named chief executive officer in June 2001.

On April 29, 2005, Mr. Ghosn was named president and chief executive officer of Renault S.A. in addition to his current responsibilities at Nissan. As head of the Renault-Nissan Alliance, Mr. Ghosn is responsible for two separate companies with combined annual global sales of 5.7 million vehicles.



Carlos Ghosn with the Nissan Murano.

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CONTINUES...

SHIFT_

SHIFT_. A single word that captures the passion and commitment that has revived Nissan and drives their future.

“Everything we touch, we shift. And everything we shift, we try to make better and uniquely Nissan.”

What does “SHIFT_” mean at Nissan?

“SHIFT_ thinking changes the way we look at things, the way we do things and the way we react to life around us. It is more than kaizen. It’s no longer about just doing, but doing for a purpose, doing effectively. It is change, but change driven for better, faster, higher performance.”

“Our job is to create value, and we believe great products define a great carmaker. We are not afraid to take the lead at times or to stretch the boundaries in wider, better directions. When you change the way you look at reality, you will find that amazing things can happen.”

NISSAN’S 3-STAGE TURNAROUND STRATEGY

NISSAN Revival Plan

April 2000 - March 2002

- to return to profitability in fiscal year 2000;
- an operating margin higher than 4.5%;
- halving net automotive debt by fiscal year 2002.

NISSAN 180

April 2002 - March 2005

- 1 million additional vehicle sales compared to the start of the plan
- 8% operating profit margin
- zero net automotive debt.

NISSAN Value-Up

April 2005 to 2008

- reach annual global sales of 4.2 million units by the end of fiscal year 2007;
- maintain an operating profit margin at the top level among global automakers; and
- maintain a minimum 20% return on invested capital.



Nissan’s Wingroad

want to tell the story and WHO we want to tell the story to. And finally WHEN.”

Language, cultural barriers

Working for a large multinational does not guarantee things will be easy. As a non-Japanese, what difficulties has Sproule faced communicating with his target audience?

Language and cultural barriers tough to overcome. “As a communicator, you rely on your communication sense to make judgments, so you read, watch and listen to the media to enable you to make judgments. In Japan, all that is blocked so I have to rely on my team to tell me. I manage, but there is a filter – I don’t receive the information immediately.”

What kinds of differences is Sproule seeing between the ways Japanese and western corporations communicate with customers?

“I would preface this answer by saying that Japan is changing, but the sense I have is that Japanese company’s communications functions tend to be **more reactive than proactive**. In the U.S. or Europe, companies use their communication functions to get out and tell a story in a very proactive way. In Japan, on the other hand, the communication function is there to respond to inquiries, so it is a slightly different mindset, but I think that is changing and we are now seeing a lot more proactivity in Japanese corporations.”

Biggest challenges often internal

“In my experience here, the **biggest challenge is often internal**. It is convincing people inside the company that we need to tell the story. We not only have to communicate to the media, but we also have to educate the company

into why it is a good idea to tell a story. So, if you are an engineer or a financing guy, for example, you are not necessarily thinking about communication; you are thinking about your job and we come along and say, ‘Hey, we want to tell a story.’ They may not be so sure, so for us we often have to communicate internally about why it is important to tell this message.”

Sproule suggests the **solution involves building a culture of openness in communication**. “A communication vacuum is a very dangerous thing. If people don’t know certain things, they tend to speculate and make things up, so our job is to try to be as transparent as possible and keep the communication level very high.”

Build a brand from the inside first

Brand building takes skill and a keen knowledge of a market. How does Nissan go about building their brand?

“**You create a culture inside the company that values transparency and communication**. You reinforce it in ways such as management training. This culture starts at the top with the CEO. Some companies think that you build a brand by advertising and slick promotions, but we believe that you build the brand from the inside first. You get your employees to understand the brand. That then influences their work and then you have your platform where you can go outside and tell your story. If your employees do not inherently understand the brand and the company, then you will go nowhere.”

KEY POINTS

- Website is the cornerstone of what Nissan does.
- Website and incentive monitoring, media coverage used to track feedback.
- Challenge conventional thinking.
- Strategy: What, How, Who and When.
- Biggest challenge to communication often internal.

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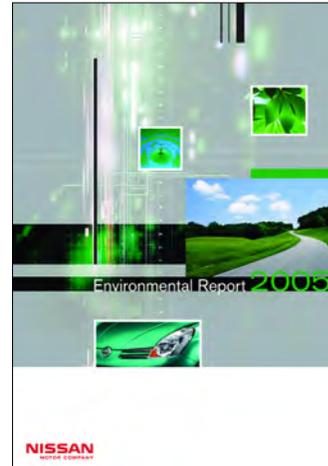
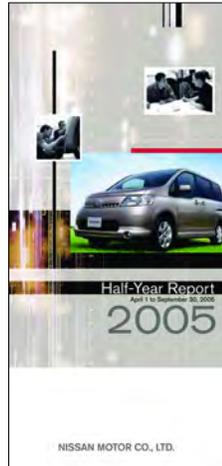
NISSAN CORPORATE REPORTS

Tools in Nissan's corporate information library include:

The following are a selection of the printed media Nissan uses to get the word out. Entrepreneurs may find Fact Files, Press Kits and Corporate Profiles to be useful communication tools.

Annual Report

Presents financial results for the latest fiscal period. The Annual Report also provides shareholders with insight into the company's management team.



Press Kit

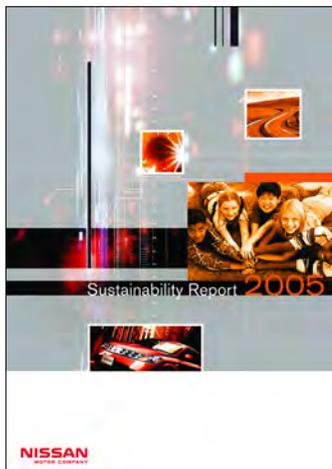
Hardcopy packs containing information and photographs about the company.

Business Report

Half-Year and other kinds of Business Reports.

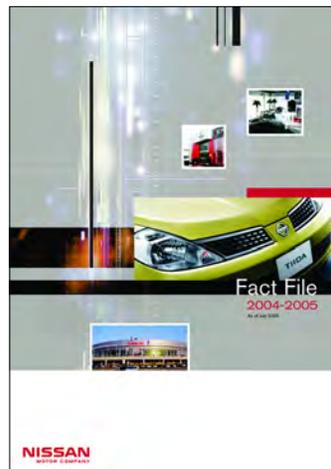
Environmental Report

Provides an overview of environmental achievements and more detailed information specifically about ongoing environmental activities.



Sustainability Report

Describes how Nissan conducts business to ensure equal commitment to their economic, environmental, and social responsibilities.



Fact File

May present information such as: Corporate Data, a Business Overview, Products, Major Events in company History, information about Subsidiaries and Affiliates, etc.



Corporate Profile

A Corporate Profile may include a message from the President/CEO, Business Overview, information about Environmental Activities, Safety, R & D, Manufacturing, Sales & Marketing, Product and Service Line-ups, and more.



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