# From Activity to Impact
## Aligning Communications Goals with Business Results

**Ragan Communications Leadership Council**

Group Learning Session

Karen Vahouny

August 27, 2026

# A “Commercial”: One-on-One Coaching for CLC Members

**Tailored business/finance fluency coaching**

*Some recurring discussion topics:*

- Business and finance basics/Q&A
- Linking our work to organizational priorities
- Best practices and brainstorming: planning and measuring results
- Alignment and opportunities with investor relations
- Career path growth

# Today's Topics

1. The difference between outputs, outtakes, and outcomes in communication measurement – *and what leaders value most*
2. Key Performance Indicators and how they're used for benchmarking and performance assessment
3. An example: A company successfully linking its organizational and communication goals

# But First …

***… Some advice from a CEO***

# The Setting

# The Leader's #1 Piece of Advice

***Know the business model***

# Business Model: Four Key Components

1. What you sell and why people want it?
2. Who are your ideal buyers or users?
3. How your business generates sales?
4. What it costs to run your business?

# The Leader's Second Piece of Advice

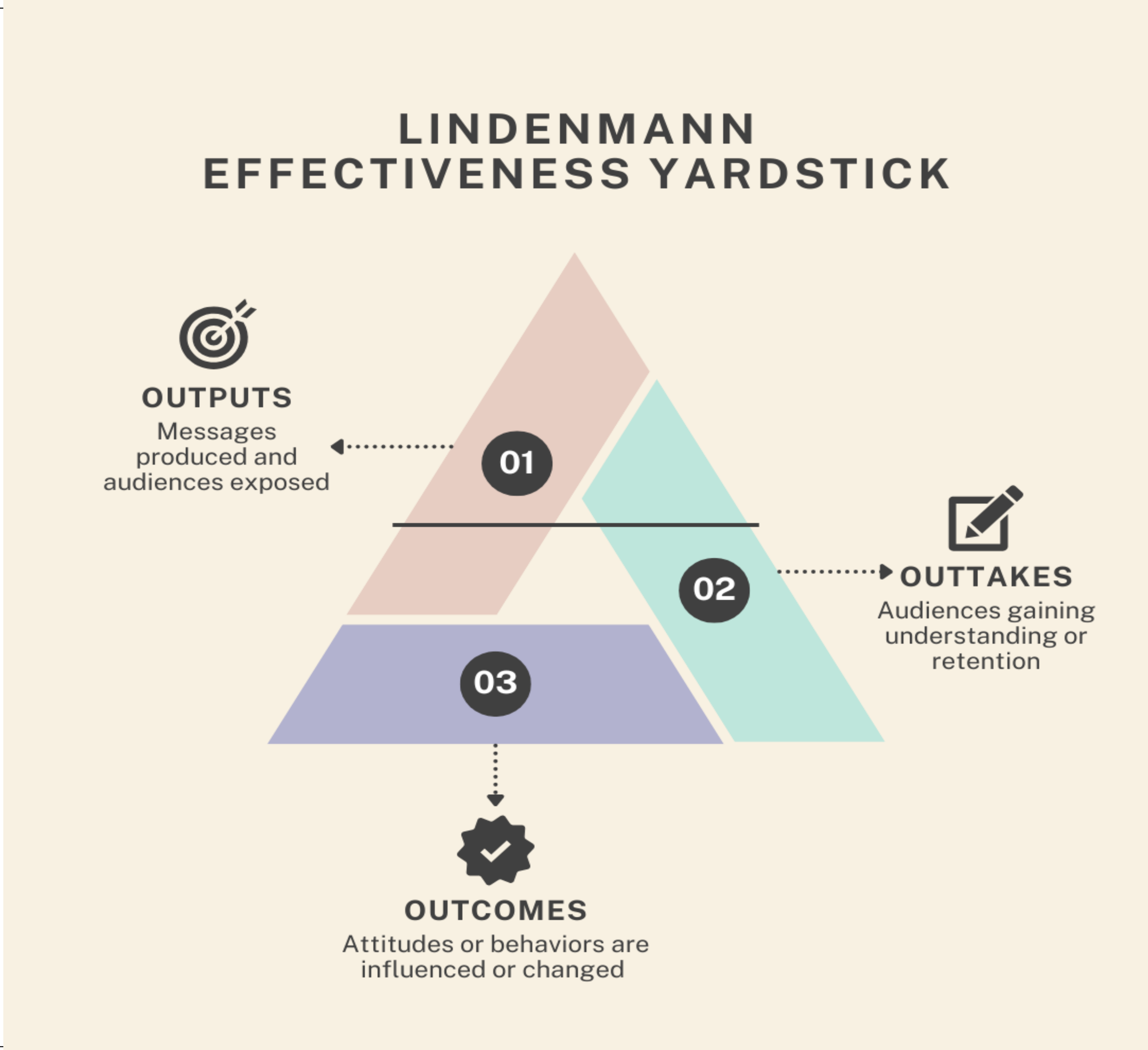
***Embrace the numbers***

# Linkage to Organizational Priorities

1. Leaders measure (and are measured) using numbers
2. Their performance is tied to numbers
3. We need to be comfortable with numbers

# Returning to our First Topic: Communication Measurement

***Let's start with a yardstick …***


LINDENMANN
EFFECTIVENESS YARDSTICK
OUTPUTS
Messages produced and audiences exposed
01
02
OUTTAKES
Audiences gaining understanding or retention
03
OUTCOMES
Attitudes or behaviors are influenced or changed

# The Yardstick Details

Outputs: Messages produced, audience number potentially exposed to messages, media placements, impressions, content of coverage

Outtakes: Surveys and focus groups: Did the audience receive, understand or retain the messages?

Outcomes: Surveys, behavioral data: Did opinions, attitudes or behavior change?

# Measure What Matters

*Ragan Internal Comms Conference Oct. 2024*

IPR speakers highlighted Lindenmann's Effectiveness Yardstick

*Key question: How are you tying your internal communications to business results?*

- Many are not!
- Or, they are linking their comms to the objectives but not the outcomes

# Measuring Results …

- Research
  - Readership surveys, perception surveys, focus groups, etc.
- Event attendance
- Enrollment data
- Response rates
- Web traffic/analysis:  visitors, top pages, etc.
- Social media: followers, new followers, likes, shares
- Media coverage:
  - Key message analysis
  - Coverage in most important/influential media
- Feedback
  - Letters, unsolicited comments, etc.

# The Evolution of Measurement; Measuring What Really Matters

Good morning! My colleague Lara O'Reilly, author of the great CMO Insider newsletter, has a new podcast. Check out her first episode, where Rankin Carroll, chief brand officer of Mars Snacking, explains *why 25 billion impressions mean nothing these days*. – June 16, 2026 Business Insider

BUSINESS INSIDER Today

MARS

# Really Measuring Results …

- Did sales increase?
- Did enrollment increase?
- Did productivity increase?
- Did costs decrease?
- Did error rate decrease?
- Did quality improve?
- Did on-time delivery improve?

*And how we can we link our efforts directly to any of these*

# Where to Start …

# Goals versus Objectives

**Goals:**

- What we want to achieve
- Broad and overarching

**Objectives:**

- Specific and measurable
- Clear timeframe

# Examples of Goal Categories

- Build image and reputation
- Increase sales
- Reduce costs
- Influence legislation
- Improve quality
- Increase customer loyalty
- Increase employee loyalty
- Enhance corporate social responsibility

# Examples of Objectives

- Increase product (or service) sales by x%
- Increase donations by x%
- Improve stock valuation by x%
- Reduce employee turnover by x%
- Reduce employee benefit costs by x%
- Build brand awareness by x%
- Increase market share to x%
- Add x% new members
- Achieve a client retention rate of x%

# The Difference Between Quantitative and Qualitative

Quantitative:

- Of the 1,000 business cards we collected at the trade show, 200 were qualified leads, and half of them became customers.
- 95% of the people who sampled our product said they would buy it if the price was $5 or less.
- The error rate decreased 50%.
- Product sales increased 40% this quarter compared to the same period last year.

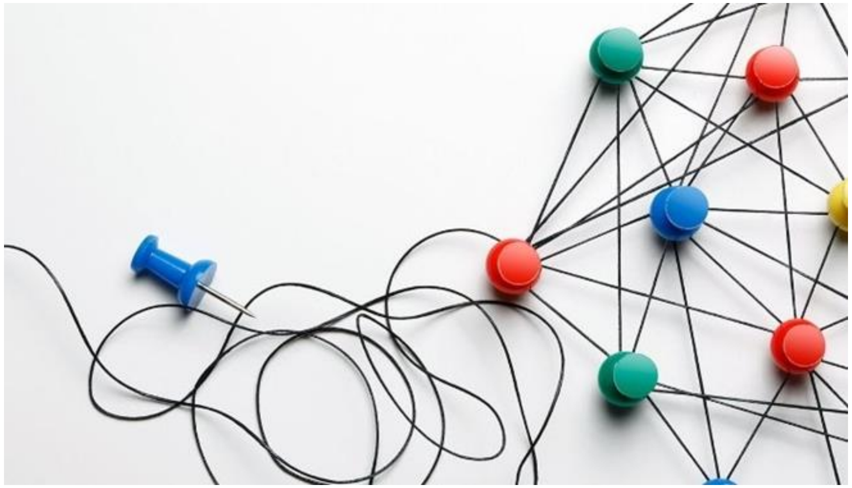
# The Difference Between Quantitative and Qualitative

Qualitative:

- The CEO said that our ad campaign was the best yet.
- We had more people at our trade show booth than any of our competitors.
- Customers love our product, and here's why.
- The top industry analyst covering our sector said that our customer service was the best in the business.

# What Will Drive our Performance and Value …

*Connecting the dots between organizational goals/objectives and communication goals/objectives*



# Grad Student Project Examples

They work for public and private companies, nonprofits, government agencies, PR and PA agencies.

The Assignment:

- Organization's priority/need
- Organizational goal and a related objective
- Communication goal and a related objective

*This can serve as the basis for a comm/PR plan:*

- Tactics, budgeting, measuring results

# Some Strong Examples

# A Nonprofit

Organization goal: promote science-based legislation and policy that protects X park and surrounding area from negative actions that could affect natural resources

Org objective: Defeat the legislative proposal, preventing it from moving forward in the state legislature

Comms goal: Maintain and grow support for our mission by implementing a PR campaign in key locations that raises awareness about why the legislation should be defeated

Comms objectives: Add 500 new members to email list; add 25 new donors from our state

# A Corporation

Organization goal: Recruit new employees to support a large, new contract.

Org objective: Hire 250 IT and 100 infosecurity staff within six months.

Comms goal: Partner with HR to create and promote a major recruiting event in our headquarters city.

Comms objectives: Take advantage of multiple communications channels in our city/state to achieve a turnout of 1,000 applicants at the event. Promote a new, more robust referral bonus program for employees who refer potential candidates who are hired, with 25% of the applicant pool associated with employee referrals.

# An Award Winner

# Gold Quill Award Example

FedEx

GOLD QUILL
AWARDS
CELEBRATING COMMUNICATION EXCELLENCE

# FedEx

Business need: FedEx health care costs exceeded $1.7 billion annually

Business goal: Reduce health care costs by replacing traditional plans with two high-deductible Consumer Medical Plans

Communication goal: Help employees understand the new plans and how to use them effectively to save time and money

Challenges:

- Each operating company used different channels and intranet sites
- Only 65% of respondents said they “understand the benefits FedEx offers to support my health and well-being”

# FedEx, cont.

Communication campaign centered on Well Hub, a new benefits educational portal for employees and dependents

Objectives (*partial list*)

- Have 10,000 employees access the new portal within the first month after launching the communication campaign
- Hit 1 million page views within six months after launching
- Increase employee viewership of the enrollment guide materials prior to and during annual benefits enrollment
  - 10,000 versus 6,800 the prior year

# FedEx, cont.

| Objectives | Results |
| --- | --- |
| 10,000 employees access the new portal | Over 25,000 |
| 1 million page views | 1.8 million |
| 10,000 enrollment guide views | 43,000 |

# My Question

***Could they quantify the cost savings associated with improved employee understanding of the plans and use of the portal?***

# My Questions

*Could they quantify the cost savings associated with improved employee understanding of the plans and use of the portal?*

- And could they follow up with a brief summary to management:
  - Quantitative results
  - Qualitative data (anecdotal feedback that substantiates the importance of the communication)
  - New ideas for extending and improving the communications effort in subsequent years

# Another Format to Consider …

Aimed at linking goals, objectives and KPIs

# From Ragan Communications

Goal:  Employee engagement and alignment

Objective: Strengthen engagement and strategic alignment

Sample KPIs

- Increase employee engagement scores by 5 points following leadership communications initiatives
- Improve employee understanding of company strategy to 80% in annual employee surveys
- Increase participation in company initiatives or programs by 30% through targeted internal campaigns
- Reduce employee turnover in critical functions by 3-5% through improved culture and leadership communication

# Today’s Topics

1. The difference between outputs, outtakes, and outcomes in communication measurement
2. **KPIs and how they're used for benchmarking and performance assessment**
3. An example: A company successfully linking its corporate goals and communication goals

# KPIs

- Are measures of your organization's performance
- Help uncover trends in your organization or one that you're evaluating
  - Compare metrics over time
- Allow you to make comparisons to competitors
  - Ratios make it far easier to make rational comparisons (apples to apples)

# My "Big 3" Ratios …

*These are the three I look at first, before getting deeper into a company analysis:*

Operating profit margin: profitability from operations

Current ratio: liquidity (*ability to pay the bills*)

P/E: value/valuation (*for public companies*)

# Operating Profit Margin

- Operating income as a percentage of revenue
- The profit you're generating before non-operating expenses like depreciation and taxes are deducted

# Income Statement – Basic Example

| | in 000s | |
|---|---|---|
| Sales | $500,000 | |
| Cost of goods sold | $380,000 | (*this could be cost of services*) |
| Gross profit | $120,000 | |
| Operating expenses: | | |
| Sales and marketing | $25,000 | |
| General and admin. | $55,000 | |
| Total oper. expenses | $80,000 | |
| Operating income | $40,000 | |
| Income tax expense | $8,400 | |
| Net income | $31,600 | |

# Operating Profit Margin

- *The % is only part of the story*
- It's important to compare the margin percentage with:
  - The same quarter a year ago; previous quarters *(is it improving or getting worse … why?)*
  - Your peers *(better, worse, about the same … why?)*

# My "Big 3" Ratios …

Operating profit margin: profitability from operations

Current ratio: liquidity (*ability to pay the bills*)

P/E: value/valuation (*for public companies*)

# Why the Current Ratio is Important

- Used to assess the liquidity of an organization
  - Does it have enough cash to pay the bills?
- Current assets: cash or assets that can be easily sold within a year
- The calculation:
  - Current assets/current liabilities
  - Ratios of 2:1 or higher are preferred

# My “Big 3” Ratios …

Operating profit margin: profitability from operations

Current ratio: liquidity (*ability to pay the bills*)

P/E: value/valuation (*for public companies*)

# Why the P/E Ratio is Important

- Is one tool used by investors to value a stock
- Helps determine whether a stock seems to be undervalued, overvalued or fairly valued
- Can highlight which companies in an industry are in and out of favor
  - If there's a company with an especially high P/E in relation to everyone else in your industry, why is that?

# Calculating a P/E

To calculate: Use the most recent closing price (P) of the stock

*Divided by*

Its *earnings per share (EPS) – trailing 12 months (TTM)

**Net earnings (aka profit), not operating income*

# Calculating a P/E

Use the most recent closing price (P) of the stock

*Divided by*

Its earnings per share (EPS)

***Example:***

Stock price: $15

TTM Earnings per share: $1.25

P/E is 12

# Calculating a P/E

Use the most recent closing price (P) of the stock

*Divided by*

Its earnings per share (EPS)

***Example:***

Stock price: $15

Earnings per share: $1.25

P/E is 12

***Another Co. Example:***

Stock price: $120

EPS: $10

P/E is 12

# Comparing Two in an Industry Sector

37

20

# Let's Consider Costco …

37

20

49

# What Drives Valuation?

*For both public and non-public companies*

- Financial results, balance sheet strength, cash flow, KPIs
  - *Yes, these are an important part of the picture!*

# There's Another Component to Valuation

Research has shown that 35 percent of a typical professional investor's decision is tied to non-financial factors, such as:

- Strategic vision
- Reputation and brand value
- Market opportunities, product differentiation
- Quality of leadership/management team
- Environmental, social and governance (ESG) performance

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*And here's where we can connect the dots – a golden opportunity!*

# More on KPIs

- They're important to any type of organization, and not only large, public companies!
- Here are some examples:
  - Small, growing company: Current ratio (*current assets/current liabilities*)
  - Association: Cost to serve each member
  - Hotel: RevPAR (*Revenue per available room*)
  - Retail: Sales per square foot

# Let’s Return to the Retailers …

# Some Important KPIs for Each

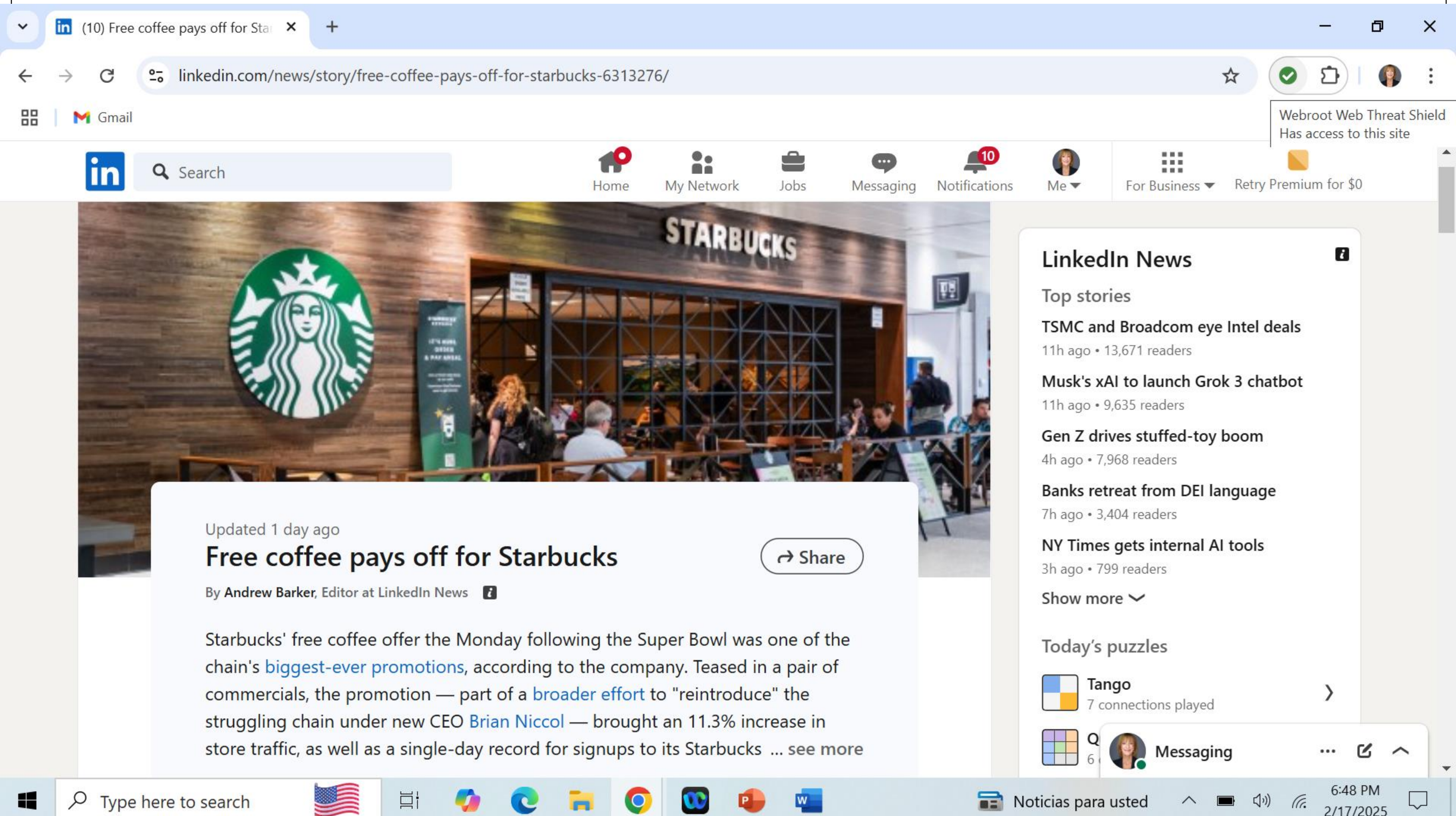
Same store sales: sales changes in stores open 1+ year

Same KPI as Walmart

Member renewal rate

New member growth

# Where’s the KPI Here?



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# Spotlighting a CLC Member

Carla Guest, senior communications manager

SIEMENS energy

# Award-Winning Global Town Hall

- Town hall attendance has doubled
- Updated focus on combining business objectives with "what matters to me?"

# Evolution of Global Town Hall

***Changes were directly linked to employee surveys***

- Bureaucracy was one of the lowest-scoring topics on the annual Voices engagement survey.
- Spotlight: Three managers with high engagement scores and low bureaucracy scores were spotlighted at the TH
  - "Dialogue with the CEO"
  - Afterwards: Manager toolkits were distributed
  - Resources relating to how bureaucracy affects their teams

# Local Action and Team Leader Ownership

***Shift:*** From measuring participation (output) to measuring action and change (outcome)

***Action linked to bureaucracy***: Spotlight and recognize managers and teams that are making a difference

# The Evolving Emphasis

***Communication Goals***

- Build shared understanding of bureaucracy
- Encourage employee-driven change

***Measurement and Outcomes***

- A full bureaucracy reduction plan
- 15 follow-up initiatives
- Emphasis on time savings, simplification, automation

# One Bottom-Line Result

The connection of daily work steps with financial KPIs and value drivers

- One process was reduced from 24 hours to 10 minutes!

# Questions?

Reach out to Carla

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# Today's Parting Thoughts …

- The difference between outputs, outtakes, and outcomes in communication measurement
- Key Performance Indicators
- An organizational success story
- ***Next steps***

# Top 3 Qualities Companies Want in Their Next CCO

*From May 26, 2026 Ragan.com*

#3: Boardroom ready

#2: Collaboration and integration

#1: Business acumen

# From an Executive Search Specialist – LinkedIn Post

I had an interesting call yesterday with a CEO interviewing for a Director of Corporate Affairs role. She said, “I don’t just want someone who can write a good press release. I need someone who understands how comms drive revenue, influences deal flow, and protects shareholder value.”

# LI Post, Cont.

The expectation has shifted. Communications is expected to be revenue and risk-aware with <u>measurable impact</u>.

It made me think – are we training communicators to think commercially, or hiring for craft skills and hoping they pick up business acumen along the way. – *Sarah Leembruggen*

# Marketing, Consumer Behavior, and Maslow's Needs

# Our Evolution

*Being viewed as an organizational leader*

*Evolving to counselor and trusted advisor*

*Researching best practices; measuring results*

*Building engaging communication*

*Taking orders*

# Your Thoughts and Questions?

# Backup Slide if Question

# Operating Income vs. EBITDA

## Op income

- Operating earnings *before interest and taxes*
- A measure of operating efficiency
- Considers operating expenses, such as raw materials, production, sales and marketing, G&A, etc.
- *Also includes depreciation and amortization*

## EBITDA

- Earnings *before interest, taxes, depreciation, and amortization*
  - Depreciation: "Writing off" the cost of a tangible asset over its useful life
  - Amortization: Spreading intangible assets' costs out over a period of time
    - Examples: R&D or patents/trademarks