

Because employees constitute such an important public, an alert public relations executive makes strong efforts to keep them accurately informed about their organization's plans, policies, and activities. One of the most effective means for doing so is an annual report for employees.

A company which gives full recognition to the value of such a report is Thomas J. Lipton, Inc. (TJL), Englewood Cliffs, NJ. Being a wholly owned subsidiary of Unilever N.V., Rotterdam, The Netherlands, there is no need for preparing the usual type of annual report to stockholders. But TJL's management feels strongly that the company's 5,000 employees "should be as well-informed as the public stockholders of other companies because Lipton employees have an important stake in the success of the company." Consequently, the report to employees gets full management support and major attention.

TJL, founded in 1893 by the famed English yachtsman whose name it bears, has gradually diversified far beyond the tea for which it is known throughout the world. It is now a major producer and marketer of a wide range of convenience foods (including instant soups, salad dressings, gelatine, ice cream, spaghetti sauces, and pet foods), operates 14 plants and numerous other facilities in 19 states, and had 1975 sales exceeding \$465 million.

The coast-to-coast spread of the facilities gradually intensified the internal-communications situation and an employee publication evolved. Finally, an annual report in the present impressive form was introduced. Its stated objective is to build greater awareness and understanding of corporate goals and the economic, social, and sales environment in which the company operates.

In format, it is an 8½x11-inch full color, 32-page slick (but not too slick) paper booklet. Titled "Chairman's Progress Report," it is replete with superb, and often imaginatively composed, photographs and drawings.

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All issues, consistently with the title, start with, "To the People of Lipton," conclude with the facsimile signature of W. Gardner Barker, Chairman and CEO, and feature a pleasantly serious photo of him. Copy is couched "in his language" and "truly represents his opinions." The text is always based on the assumption that most readers have no experience in interpreting financial statements. Each entry is therefore carefully explained in everyday terms and, where helpful, through analogies with the typical worker's personal finances (e.g., equating depreciation of machinery with that of the employee's car and prepaid items with the fact that the reader normally pays his auto insurance for a full year in advance. A colorful bar chart is customarily used to present a five-year record of profits before and after taxes.

Subjects discussed are always told in terms of employee involvement and liberally illustrated by photos of workers at their jobs. Presentations on the same topic in different years are made with interesting variations. Such titles as the following indicate the various subjects handled and the publication's approaches to them: Employee and Company Grow Together; Computers Won't Think For You; Changing Times/Changing Solutions (10-page discussion of what is happening in each aspect of TJL's operations); A Quest For Excellence Has No Bounds; and Five Points of Responsibility (excellent statement of why "attention to each" of five key publics -- shareholders, employees, customers, suppliers, and the community -- "is equally essential to Lipton's continued success").

The consistently high quality of the Report (it has won awards from the International Association of Business Communicators and similar groups) can undoubtedly be attributed in part to the carefully organized way in which it is produced under the direction of Communication Manager Kenneth L. Gold and Senior Editor Mary Ann Copp. Effective use is made of a "Program Evaluation Review Technique" (PERT), adapted by Gold to the publication's needs. Using a 12-inch long chart in which 24 circles arranged in groups

are connected by various flow and inter-flow lines (each of the lines carries a time allowance), it enables written copy and art work and layout to be developed cooperatively and in parallel and at the same time minimize the development of bottlenecks. Gold points out that the PERT technique helps him and his staff meet planned deadlines and also minimizes printer's overtime charges.

The 1975 issue provides a good example of how the production is carried out.

Gold and Copp researched possible subjects which might be included, prepared outlines of them, and conferred with Barker. Plans as to content were made.

As finally decided, there were 10 sections. . . After a two-page, 1,000-word review of 1975 operations (it stressed the importance of efficiency), came the major feature: eight pages titled "The Sum of our People." This devoted 75% of the space to variously sized and shaped photos of 20 different employees at their jobs, identified each, and described the contributions of his or her work. Copy stressed that every one is "part of the sum that makes Lipton a dynamic organization". . . The next ten pages dealt with articles on 1975 marketing, history of a 25-year-old division, safety, value of long service, and training of better managers. . . Two pages with photos of the 18 top executives were followed by the financial statements. . . The last section was a two-page discussion of "Looking Ahead: Planning the Competitive Edge." This concluded with the observation that the company's "record of outstanding achievement," to which "each individual contribution" has been "an integral part" must be continued "if our people are to have the same opportunities for personal growth in the future that they enjoy today."

Preparation then followed the standard path prescribed by PERT. . . While copy is being written, TJL's outside designers prepare a layout. Both are reviewed by middle management, revised, and assembled in a composition book with the planned photos and drawings sketched in. This is presented to top management for approval. . . After Barker's OK and suggested revisions, copy and art work again follow their separate ways, with photos

being taken and retaken and retouched and copy polished, set, and proofed. This series of steps is scheduled to take no more than four weeks. (Photography of executives is expedited -- and economies are achieved -- by obtaining from each a schedule of available times and making a "grid" of these). . . From there in, including time for a look at color proofs by the Chairman, it takes about three weeks. Gold, Copp, and the designer keep close tabs on progress at every stage, including inspection of early runs as they come off the press.

Between 10,000 and 11,000 copies are usually printed and the cost (which involves some rough approximations because the many photo sessions are customarily used to provide pictures for perhaps a dozen other projects) has been around 20,000.

Precise evaluation of such an activity as a Report to Employees is always impossible. But it's obvious that TJL's top management is well satisfied; otherwise the project would have been curtailed during the recent years of tougher business conditions. What's more, its editors, who frequently survey employee opinions, have been getting "very enthusiastic" reactions from line workers and hearing specific words of praise from managers. For example, the head of the Safety Department credits safety material in the reports with having helped him cut in half the number of lost-time accidents.

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