

THE NEED FOR NARRATIVE

All new and interesting ideas have a good story behind them. Every financial forecast has a story underlying the numbers, every new business initiative starts with a brainstorm, every career change is based on life events...and there is a story in that as well. The background of how we came to our decision is not only relevant to understanding strategy or financial forecasts, but that "story" can be entertaining, enlightening, and will engage the audience in ways that the ordinary delivery of information simply will not. Yet the tool of narrative is under-appreciated. If it is because of our predisposition to rely on hard facts and numbers rather than subjective interpretations, or because the speaker wants to remain on-point and not digress, by not using the tool of narrative we may miss a unique opportunity to convince and persuade our audience. Numbers or analysis alone will not convince an audience of a point of view. It is *your* perspective, the story of how you came to the conclusion that you did which is important.

There are good reasons to incorporate the tool of narrative into business communications, particularly in the following situations:

1. When asked to talk about yourself. Rather than tell the audience what sort of person you are, demonstrate it through a personal story from your past: how you overcame a career challenge or managed a difficult project in a unique way. It might not explain *everything* about yourself but it will illuminate *a single important quality*, one which you would like to convey.

2. When asked about your career path. Harvard Business Review wrote an article on the use and benefit of using classical story elements to explain your own career transition story. Changes in a career path are not so dramatic when grounded in elements of our character.

The essential ingredients of a great story

Harvard Business Review defined the key elements of a classic story as follows.

A protagonist the listener cares for: the story is about someone your listener can relate to.

A catalyst compelling the protagonist to take action: identifying an event (a challenge) that has caused the status quo to change.

Trials and tribulations: The actions taken to manage the change, these actions reveal the qualities you want to bring forward.

A turning point: The point of no return, when a course of action has been taken.

A resolution: the success or failure of the strategy.

3. To communicate corporate vision and capabilities. It is significantly more powerful to convey integrity, productivity or compassion - whatever your values might be - by using an actual example of those values in action. A properly structured case study is a good way to demonstrate capabilities (particularly if you incorporate "The essential ingredients to a great story", below). To communicate the company vision one can recount a tale. Tales have been used for years to teach religious and moral values. In some cases, a story is the ideal way to say "this is who we are". I recently interviewed Laurence Geller of Strategic Hotel Capital for his view on using the story of the bee and its hive as a means of communicating the values of his organization. See the next page for the ideas he shared on the Strategic Bee.

4. To lead people into the future and encourage a change in perspective. To get a person to buy into your vision of the future, you need to help them imagine the future, as you have done. This can be achieved two ways: A) tell a story from the past where the leap of faith was successful or B) describe the future without excessive detail but with enough colour to inspire action. See the next page for an example of this approach at Nautilus Minerals, a first mover in ocean floor mining.

5. To transmit values of social responsibility. This is the power of the testimonial. To convey a sense of compassion and purpose without conceit, one can allow a third party to the organization tell the story for you. Let the stories of your customers, partners, investors speak for you. Check out the Newcap Radio example, on the next page.

These guidelines are particularly useful to create a structure, or organization around your story. They are relevant when you are using a story to talk about yourself, to explain a career transition, to develop a case study and in many other instances. Below are a few examples of how stories are being used to provide clarification and support for specific business concepts. Not all of them incorporate all the elements of a good story as I've just defined here, but each of them is imaginative and uniquely suited to the communication issue at hand. And, if it's not obvious, a story well told is worth nothing if it isn't based on something true.

Balance the delivery of information and analysis with inspired and personal anecdotes. The "why" is just as important as the "what" .

Example #1 Strategic Hotel Capital and the Strategic Bee

To communicate corporate vision and capabilities:

Strategic Hotel Capital is a publicly-owned business focused on the ownership and asset management of high-end, luxury hotels and resorts. It has a strong sense of identity and purpose which has been accurately reflected through the innovative story of the bee: "A luxury hotel, under the surface, is a study in purposeful chaos: busy people, swarming here and there, adapting on the fly to unexpected demands. It works because everyone has a role, a skill, and a schedule... **like bees in a hive**. A guest at a luxury hotel judges each stay by their total experience... like a queen bee."

I asked Laurence Geller: why the bee story? Other than on the web site, how is the bee story communicated? He told me that the Strategic Bee was the direct result of the team deciding to change their business philosophy from one built on the life-cycle analytics of owning a hotel to

one built on values. As explained to me by Laurence Geller, as the team discussed the values that mattered to them, values such as passion, resourcefulness, a competitive spirit and consensus-building, the notion of the bee and its hive became a fitting analogy to the vision they shared for the company. In this case, the analogy of the bee became as important to the company's identity as the new logo that was developed from it (which is a stylized bee).

Not only is the Strategic Bee story on the web site, it was presented in a full page ad in the Wall Street Journal and it is communicated to their corporate office, lenders, the hotel management teams and to shareholders. The bees and the hives are also part of the company vernacular. He explains: "we have fun with it, people refer to me as a bee, and I refer to new hotels as the hives we are building." His last comment: "the bee story is memorable and controversial, fits our style and that's why it works".

Example #2 Nautilus Minerals as first-mover

To lead people into the future and encourage a change in perspective:

Nautilus Minerals is the first company in the world to commercially explore the ocean floor for gold-copper-zinc-silver sea floor massive sulphide (SMS) deposits. As a first-mover in the mining industry it has the challenge of effectively communicating the scope of opportunity. David Heydon, CEO, conveys the future prospects with conviction when he begins his presentation by stating: "**imagine this!**".

What David Heydon wants you to imagine is how Nautilus has secured rights to mine the ocean-floor that are equal in area to the United Kingdom. He further elaborates: "imagine if you were the first company to stake rights in Canada, the land that generated such global mining companies as Teck Cominco, Noranda, Inco and Falconbridge, and no one else had mined there before. Imagine the opportunity you would have if you could do it all over again, knowing what you know now, in this vast area." This is the clean slate we are starting from." David leads us into the future by reminding us of the past, and how we still can shape the future.

Example #3 Newcap Radio and its community partners

To transmit values of social responsibility:

Supporting local and national charitable organizations has always been a critical part of Newcap Radio's operating philosophy. Newcap Radio owns 75 radio licences across Canada and is committed to supporting charitable organizations in the communities that it serves. In the 2006 annual report the company chose to let their community partners speak for themselves.

The partners told the story of their relationship with Newcap Radio. The result? Newcap's values of community support and the fostering of long-term, sustainable partnerships with the community were demonstrated by independent third parties. The partners had an opportunity to **use their own words** to explain the impact the partnership had on their organization, thereby developing a personal story that they both could share.

Comments? Questions? Looking for further guidance on strategic communication issues?

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The Capital Lab works with clients in a variety of industry sectors in the area of business development and strategic investor communications. For more information please visit www.thecapitalab.com.