

**BUILDING ON THE PAST TO CREATE THE FUTURE:  
THE SPIRIT OF SERVICE**

***QWEST COMMUNICATIONS' BRAND JOURNEY  
AND CULTURAL TRANSFORMATION***

Updated October 2006

*The Spirit of Service*

By Frank T. Merritt



*Before the most famous snowstorm in the history of the U.S. roared across the East Coast, the days were actually mild. It was March, after all, and spring weather in cities like New York, Boston, Philadelphia and Washington, D.C., was unpredictable. With temperatures in the 40s and 50s, though, the relative warmth and calm of spring must have generated joy in cities eager to leave winter's cold behind them.*

*But mid-month, it began to rain. And the rain changed to snow, which fell for 36 straight hours, piling up inch by inch and then foot by foot. With winds gusting up to 48 miles per hour, snowdrifts towered 40 to 50 feet high. And though reports differ, the National Weather Service estimated that New York and New Jersey received 40 inches of snow, while Massachusetts and Connecticut were buried under 50 inches.*

*The Eastern states were effectively immobilized. Ships were grounded; rescuers were stuck at fire stations; and more than 400 people died. The storm also destroyed telephone and telegraph wires, taking out essential communications for many East Coast cities.*

Source data: Information Please® Database, infoplease.com

## **A Proud Heritage**

Qwest Communications has certainly faced its own share of setbacks. Financial scrutiny, rock-bottom employee morale, regulator distrust and customer disregard greeted Chief Executive Officer Dick Notebaert when he arrived at Qwest in June 2002. At the time, the company's technicians were so ashamed to be working for Qwest that they traveled to work in regular clothes, rather than in their Qwest uniforms. The company—like the cities hit by the Blizzard of 1888—was trying to weather a merciless storm that showed little sign of letting up.

Behind the embarrassment, though, was a 100-year legacy of providing customers with phone service. Deeply instilled in the company's character, this passion for service went back generations. It was this heritage that Notebaert and his new leadership team tapped into almost immediately after joining Qwest. And a painting of Angus MacDonald, a New England Bell lineman patrolling telephone lines in snowshoes during the Blizzard of 1888, sparked Qwest's cultural transformation and brand renewal. That painting was entitled "The Spirit of Service."

## **Look Forward Through the Windshield; We Have No Rearview Mirror**

Notebaert knew that for Qwest to emerge with its corporate head held high, it would take the determined efforts of all of its employees. Right away, he defined Qwest's goals, often reminding people of the windshield analogy: "We can't fix what's behind us; we can only tackle what's ahead," he explained. So, more united than they'd been since the 2000 merger of US West and Qwest, the entire Qwest employee team began to focus on three main goals.

The first goal was to leverage existing attributes. More than 100 years of pride in going to the ends of the earth to keep customers connected created an intense passion in Qwest people; they just

needed reinforcement that the new leadership team fully supported that enthusiasm. So Notebaert established an environment in which employees were welcomed to contact him and his executive team on any topic. In addition, they were newly empowered to do what was right by their customers. Notebaert reminded them that the passion they exhibited had to go beyond just showing up for work each morning; it had to extend to every facet of what they did each and every day.

The second goal was to work across several fronts to address multiple issues and to acknowledge meaningful, visible steps along the way. That would require frequent and straightforward communications. Qwest had to fix its financials and decrease its debt. It wouldn't be easy; it would prove to be a painstaking process, scrutinized by several federal agencies. A local Denver news room even placed bets on when the company would declare bankruptcy. But Notebaert never gave in to that way of thinking; his team never even uttered what they called "the B word." There were just too many ethical implications of leaving vendors high and dry without payment, and leaving Qwest people without the financial future for which they had worked.

While Chief Financial Officer Oren Shaffer and his team tackled the financial challenges, Notebaert led efforts to reshape what three constituent groups thought about the company. To restore employees' conviction, his team revived the Qwest Foundation and eagerly advocated community involvement and support—personally and corporately. To show Qwest people they were serious, the team incorporated a new "matching time" program that honored employees by awarding grants to non-profit groups where Qwest people volunteered.

To regain credibility and favor with customers and potential customers, Qwest introduced simplified packages and pricing, including a program targeted at *lowering* customers' bills. It was a novel idea, and many customers who were proactively contacted didn't believe that the phone company—and especially the Qwest they knew—wanted to right-size them to telecom services that fit their needs and their budgets. But those efforts helped show customers that Qwest was serious.

To build trust and confidence with elected and appointed officials and regulators, Notebaert clearly communicated that his team "will do what we say we will do." It was time to be open and work for the benefit of the company's constituencies—to talk the talk and walk the walk with a newfound speed and passion.

The third goal was 100 percent focus on Qwest's number-one objective, which extended to all employees—that of improved customer service. Where Qwest people had been classified pre-merger as "classic Qwest" or "classic US West," Notebaert was clear—in frequent communications—that they were all united as one team with one goal. Building on the passion of all employees, Notebaert stressed that customer service—and the company's new brand, the Spirit of Service—was a way of life. It was up to every person to see the world through the eyes of the customer, to take ownership of customer concerns and to create relationships with customers rather than passing them and their problems along down the line.

Qwest certainly had its work cut out for it. But looking forward through the windshield—rather than back through the rearview mirror—gave the company a renewed focus...on customers.

### *That's Our Spirit of Service*

Qwest's new leadership team included telecom and advertising veteran Joan Walker. Walker had found the picture of Angus MacDonald when she visited the company's archives after a particularly hard day early in her tenure with Qwest. Through the artifacts in that museum, Walker saw 100 years of dedication to serving customers, through good and bad, clear skies and blizzards. And she launched the Spirit of Service brand and advertising campaign with a carefully crafted path for success.

The first step along that path—to reintroduce the Spirit of Service—had to resonate with both employees and customers if the company had any hope of affecting a cultural shift. So the advertising first ran across Qwest's 14-state local-service region. It featured real Qwest employees talking about their dedication to the company's Spirit of Service, and it struck a chord with customers who began to see that the company meant what it said. This inside-out approach with engaged employees talking about customer commitment was so successful that even now, almost four years later, Qwest's advertising still solely features actual Qwest employees and customers.

Employees welcomed the Spirit of Service focus and the new ads. One person e-mailed Notebaert, writing, "You know, it's not only me out here doing everything I can for Qwest, it's my brother, my mom, my uncle and three cousins." So in the spirit of his open and constant communications, Notebaert sent an e-mail to all Qwest people, asking if there were other Qwest families who wanted to help spread the Spirit of Service; 1,100 replies later, the *Generations* ad campaign was born. *Generations* featured 26 families, representing 181 current and retired employees, whose dedication to the telephone company accounted for over 2,000 years of employment.

The second step along the Spirit of Service path was to reach outside Qwest's 14-state local-service region to employees, customers and others who lived and worked in the 36 other states. The Spirit of Service message was extended to all internal and external touch points, making sure to highlight the tangible customer benefits. With *Fortune* magazine's cover story on Notebaert's successes, the brand journey continued to progress. And very importantly, customer regard began to accelerate.

Qwest is currently between the second and third steps of its brand journey objective to earn what it calls "blind trust" from customers. The advertising continues to evolve to keep up with new product bundles and new pricing, but the commitment to integrity and service stays the same. And the message remains consistent: "That's our Spirit of Service."

### **Emphasis on Ethics**

While the cultural shift cascading across Qwest focused on one team united behind one goal—that of customer service—Notebaert's frequent communications made sure to reinforce another bedrock principle: ethics. Notebaert believed that advocating zero tolerance for anything even close to a "gray

zone” would set the tone for Qwest people’s behavior going forward. Now, high ethical standards served as the core of the company.

To motivate everyone at Qwest to subscribe to an ideal of unblemished integrity, Notebaert hit upon two key points: employee empowerment and the “Newspaper Test.” Qwest people began to believe they were empowered to do whatever it took to meet a customer’s need. While everyone strived for perfection as they served customers, they knew that if they made a mistake, that was okay too. As long as they were invested in and passionate about their work and their goals, and as long as they maintained the highest ethical standards, they had the backing of the Qwest leadership team to deliver the Spirit of Service to customers.

That sense of empowerment actually prompted Qwest people to take action beyond helping customers. Technicians began to wear their Qwest-branded uniforms to and from work. Employees who once avoided telling people they worked for Qwest now referred customers to Qwest on a daily basis, through a brand-new employee referral program that brings in tens of millions of dollars in revenue each year. Retirees began attending city council meetings and other regulatory proceedings on behalf of Qwest, sharing the company’s Spirit of Service message and being advocates for it.

The ethical changes were encapsulated through Notebaert’s “Newspaper Test” standard. As he repeated to both internal groups and external organizations, “If you wouldn’t want to see what you’re thinking about doing spread across the front page in the morning, then don’t do it. Ever.” Notebaert steered Qwest people to focus on their tasks at hand with the utmost integrity.

### **Constant Communications**

A key part of Qwest’s cultural shift was Notebaert’s insistence that all employees were welcome to contact any member of the executive team any time, on any topic. It wasn’t an altogether popular idea, as some members of the leadership team weren’t comfortable with the new, non-hierarchical approach. Those who didn’t buy into the ideal didn’t last long with Qwest; of 180 executives at the company when Notebaert arrived, fewer than half remained.

The communications, though, were instituted to tap into employee insights and ideas, and to make good on the promise that employees were empowered to serve customers. Once employee e-mails directed to Notebaert hit the 100,000 mark, he stopped counting. Further, each executive who received an e-mail or a phone call was expected to follow up with the employee, even if it was just to say thanks. Communications were constant, two-way and without question; they demonstrated that Notebaert and team were doing what they said they’d do, openly and honestly.

Plus, Notebaert’s messages to all employees—often transmitted via “good morning” or “good afternoon” e-mails—strengthened the cultural shift by reiterating Qwest’s key message points: look forward through the windshield; personify the Spirit of Service by seeing everything through the eyes of the customer; work hard and work smart; and maintain an unwavering commitment to the highest ethical standards.

## Higher Calling

The company's heritage was an appropriate springboard to launch Qwest's cultural transformation. And as the Spirit of Service journey continued, the evidence for employees' passion was everywhere. The stories came pouring in:

Immediately after Hurricane Katrina struck the Gulf Coast, Qwest technicians expressed an urgent desire to help their Bell South colleagues get phone and data services back up and running. In addition, Qwest employees donated \$530,000 toward hurricane relief, an amount accompanied by \$500,000 from the Qwest Foundation.

When a blizzard dumped four feet of snow on Colorado and Wyoming in 2003, three Qwest technicians fought their way to the Qwest central office in Evergreen, Colorado, using tractors, snowshoes and cars that they had to dig out of snowdrifts. Rather than allow phone service to go down for 19,000 customers, the technicians engineered a generator cooling system out of three household fans—and slept overnight on the floor—until power was restored in that area.

One wintry day in 2004, a woman named Emily was driving State Highway 93, which runs along the foothills between Boulder and Denver, Colorado. It had snowed earlier and the road was icy. After swerving to avoid an oncoming car, Emily's car rolled twice. Doug, a Qwest technician driving the same route, saw what happened. He ran to get Emily, put her in his warm truck and called for help. Doug was the only person to stop that morning.

Those stories are just a few examples of the newly invigorated Qwest people who approach their work life with a passion that shows it's more important than the money they earn; they love what they do. And for every story that's featured in a Qwest commercial or that finds its way into Notebaert and team's inboxes, there are a dozen stories, just as moving, that only Qwest people—illustrating the Spirit of Service—know about.

## Self-Evaluation

Although the cultural shifts happening within Qwest seemed obvious to those observing them, the company's leadership team recognized an opportunity to measure both internal and external attitudes about what was taking place.

Employees were (and are) tapped regularly to complete surveys to measure their attitudes on a variety of fronts. Notebaert even provides his own take on the progress. One vehicle he uses takes the form of an annual, video Labor Day "card," which thanks employees for their service and encourages them to continue the charge to serve customers.

With outstanding customer service at the heart of everything Qwest people do, various customer surveys are constantly conducted, and customers' experiences and comments—good and bad—are used in many ways. For one, they are communicated to employees in an ongoing feature that is part of the company's online newsletter.

As shown in the annual J.D. Power and Associates (JDP) surveys, Qwest continues to demonstrate marked improvement across many lines of business. For instance, in the 2006 results, Qwest technicians received the highest satisfaction rating across all providers in JDP's wireline "all-distance" survey.

Because media coverage can strongly impact the Qwest brand, the company monitors news media reports to analyze the percentage of positive vs. negative coverage. Since Qwest began evaluating these reports four years ago, the company has been able to plan for, as well as realize, continuous improvement in the quality of aggregate coverage.

And third-party analysts are tapped for their opinions about Qwest. Recently, the company reached a point where analysts again began to recommend Qwest services to their clients considering telecommunications purchases. In fact, Jeff Kagan, an Atlanta-based telecom industry analyst, was recently quoted in the *Chicago Tribune*: "Dick Notebaert used the force of his personality to turn Qwest around. Five years ago when you talked to people in Denver about Qwest, whether it was employees or customers, you'd often get a thumbs down. This summer I got mostly thumbs up. Once beaten down, Qwest is on the upswing."

In 2003, four prominent industry analysts provided quotes to support Notebaert's successful nomination as PRSA Executive of the Year—especially highlighting excellent leadership in the areas of operations, customer service and brand execution. This has been but one of several outside awards and recognitions for the executives involved in Qwest's turnaround. The latest was in April 2006 when Qwest CFO Oren Shaffer was lauded as the 2005 Telecom Executive of the Year by the Denver Telecom Professionals.

To add to Qwest's "upswing," for the first time without a special transaction, the company was profitable through the first two quarters of 2006. Practically, the profitability was good business. Psychologically, the profitability showed employees, customers and others that Qwest's commitment to the Spirit of Service is making a positive difference in the solid financial performance of the company.

## **100 Years and Counting**

When Notebaert took the reins of the company in mid-2002, its very future was uncertain. With mounting debt and an investigation into alleged accounting misdeeds, almost nonexistent employee morale, regulator mistrust and customer defections, few thought that Qwest could last, much less succeed.

But like Angus MacDonald, the lineman who endured the Blizzard of 1888 on snowshoes to make sure phone customers stayed connected, Qwest people—with unprecedented, focused leadership—embraced a new era of customer service and dedication. Empowered to do whatever it took to help a customer, they looked to establish a relational connection with them. Gone were the days of confrontation or indifference. And with Notebaert and his team's constant communications about looking forward through the windshield while operating with passion and unwavering ethical certainty ringing in their ears

(not to mention their hearts and minds), Qwest people became the personification of the Spirit of Service—in their workplaces and in their communities.

## *APPENDIX*

DVD with examples of Qwest advertising and documentaries:

*TV Spot: Generations (2002)*

*Labor Day Card: At Our Best (2003)*

*Documentary: Ends of the Earth (2004)*

*TV Spot: Whatever It Takes (2005)*

Example of Dick Notebaert speech

Example of Qwest award entry

## ***SPEECH EXAMPLE***

**Daniels College of Business, University of Denver**

**March 31, 2006**

**Richard C. Notebaert**

### **“More Than a Slogan: Transformation and the Spirit of Service”**

Thank you, Kevin. It is an honor—both for me, personally, and for Qwest—to contribute to your “Voices of Experience” series. We applaud the University of Denver for elevating the discussion of business ethics, both in its curriculum and through this program. And we’re humbled to be among the highly respected business leaders and commentators who’ve been invited to share their insights on this timely topic.

As timely as it is, though—and certainly the spotlight on business ethics has never been brighter during our careers—the imperative that business be conducted from an ethical foundation is hardly a new concept.

The students among us could no doubt cite many examples of that theme throughout history, including Adam Smith’s book, “Wealth of Nations.” Published in 1776 and studied by George Washington, the author predicted that neither political freedom (which we’d describe as democracy) nor economic freedom (which we know as capitalism) can hope to survive unless people behave ethically as they deal with one another.

If strong ethics are that fundamental to the American way of life—and I firmly believe they are—then the outrage demonstrated by their absence is justified, whether the shortcomings occur in sports ... government ... journalism ... academia ... the church ... or in business.

And when we look at the results of a Roper poll taken last summer, in which 72% of all respondents said that wrongdoing is widespread in industry—or when you hear the joke circulating that the term “crooked CEO” is a redundancy—then business ethics takes on real urgency.

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In my 37-year career—which began, by the way, as a summer intern at Wisconsin Bell while I attended the University of Wisconsin—I have enjoyed associations with many hundreds of business leaders. I can tell you I have considered the vast majority of them to be individuals with solid ethical standards. When this has *not* been the case, repercussions were typically swift and sure.

I had never had occasion to defend or reinforce an organization’s position in this area until I arrived at Qwest in June 2002.

Let me say up front that it is not my practice to comment on what may or may not have occurred here before I arrived. From day one we’ve been about looking through the windshield rather than the rearview mirror. I still laugh, though, when I recall having lunch with Warren Buffet a year or two into this job. He surprised me by asking whether I liked country music. And I’ll never forget his suggestion that I really might want to find myself a copy of a particular Toby Keith song—the one with the lyrics, “Wish I didn’t know now what I didn’t know then.”

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What I did know very quickly was that Qwest had two fundamental challenges we had to resolve—two overarching objectives, if you will, that everything else would depend on. We had to fix the financials. And we had to achieve cultural transformation.

I will focus on the second part of that equation this morning, although many of the decisions we made on the financial side also demanded an ethical perspective. The company was \$27.5 *billion* in debt—and would undergo investigations that would require the incredibly labor-intensive process of restating earnings for 2000 and 2001. The situation was so bad we heard that business reporters at one of Denver's papers were taking bets on the date we'd declare bankruptcy! Even one of our regulators—he was not, I should add, from Colorado—publicly called for us to get on with it.

But how could we even consider such an action without weighing the ethical ramifications? The hundreds, perhaps thousands, of vendors and lenders who'd be left holding the bag for the money we owed them. The tens of thousands of employees who could see their jobs eliminated or put at risk. The communities we'd have no future opportunities to support. The customers who'd have to depend on the courts to oversee their communications options.

That solution never worked for us. In fact, we never even said the word out loud. If we were forced, we'd simply allude to "the B word," put our heads down and get back to work. We would fix the financials because it was the right thing to do. It was also the hard thing—excruciatingly so, at times. But we felt we owed it to our constituencies—as well as to the proud heritage enjoyed by the traditional phone companies—to hang in there.

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As I mentioned, the second challenge was cultural transformation. And ethics has been—and will continue to be—at the core of that endeavor.

As you can imagine, Qwest people were demoralized in mid-2002. Let me give you an illustration. Our technicians wear uniforms, with "Qwest" on their shirts or jackets. But they didn't want people to know where they worked—they got tired of the disparaging remarks. So on their way to and from work, they'd wear their own shirts, then change into Qwest ones while they were on the job. Before going home, they'd change again. And when they told me about this practice, they invariably used the words "ashamed" or "embarrassed."

So we set out to transform our culture in two ways: One, we'd restore credibility by providing outstanding service. And two, we'd motivate people to restore their conviction that they work for the finest company in America.

To do that, we invoked that heritage I just mentioned—the Spirit of Service.

You may not know this, but The Spirit of Service is the title of a painting that's long been very well known in telephone company circles. It depicts a lineman putting himself in harm's way as he snowshoes beneath his overhead lines during the Blizzard of 1888—a storm that dumped 40 to 50 inches of snow all

along the East Coast. He was doing whatever it took to serve his customers. And that became the perfect symbol for us, since that kind of commitment was precisely our objective as well.

We quickly established an environment in which all employees were not only welcome to contact any executive on any topic, but who also were newly empowered to do what was right by their customers. I have to tell you that some managers weren't altogether comfortable with that non-hierarchical approach. In fact, of 180 executives in place when I arrived, less than half remained.

We recruited people with outstanding credentials, some of whom I'd had the privilege to work with in the past. In the process, we built an amazing senior team. Most have track records that stretch back 30 years. All enjoy unblemished integrity. None have anything further to prove professionally. Quite simply, we love working together. We finish each other's sentences and have zero need to watch our backs. We're at Qwest for the opportunity to make a difference. And to demonstrate—one more time, for many of us—what a great team can accomplish.

The employee base embraced that vision. They just wanted to feel a tone, a rhythm, an appreciation of who they were. They also wanted reassurance that whatever small percentage of people who'd cheat would not be tolerated. Just would *not* be tolerated! There would be no favoritism. No good-old-boys or good-old-girls network. If we found that, we'd root it out. We would do the right things for the right reasons. We would be transparent and straightforward. It was the environment employees had yearned for, because it's who they are. Who they've always been.

And as they learned this was the real deal, the pride returned. In fact, in 2003—the first full calendar year of the Spirit of Service—employees of every job description spent more than \$1 million of their own money on Qwest-branded clothing. They *wanted* people to know where they worked—and if seeing the Qwest logo prompted a negative comment, we all considered that an opportunity to make something right. (By the way, that desire continues. Qwest people spent even *more* on Qwest-branded clothing in 2005!)

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Now that I've set the stage a bit, let me focus on how ethical practices have reinforced this new environment—and how the new environment has fostered ethical practices.

Everything began with communication: Dialogue that was constant, two-way and left no doubt whatsoever on where we stood.

Thousands of out-of-state Qwest people called into employee meetings here in Denver. Senior team members visited Seattle, Omaha, Phoenix and scores of other locations. We shared information in formal communications, a daily online publication and my early-morning e-mails to all employees.

What did we share? We reminded folks to keep their eyes on that windshield I told you about. We talked about the Spirit of Service and seeing our business through the eyes of the customer. We shared the need to work hard and smart in light of our financial challenges. And we hammered home our unwavering commitment to the highest ethical standards. It wasn't long before we were all applying what

we called “the newspaper test” to every decision and initiative: “If doing this were to end up on the front page of tomorrow morning’s paper, would I be embarrassed or would I be pleased?”

The communications didn’t just flow out; they also flowed back in. Like a tidal wave. We kept track of the numbers for awhile—but when e-mail box alone had reached 100,000 by my third anniversary, we stopped counting.

Employees who wrote members of our senior team always got a prompt response. If they simply wanted to say hello—and many did—we’d just respond with something like “Have a great day.” If they wrote to point out a problem, we’d promise a look into the situation—and then follow through. But if they wrote to suggest even the slightest impropriety—from lifting office supplies to inappropriate sexual comments to getting kickbacks from a customer, we were all over it. We made no secret that we had a policy of zero tolerance. And we made no apology that Qwest celebrated whistleblowers.

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Even as we were informally reinforcing such standards, we were creating formal processes and building a new compliance and ethics organization. Almost immediately, we offered employees a hot line through which they could report what they believed to be ethical infractions. We redrafted our Code of Conduct, and required everyone in the company—including our Board members—to complete that training on an annual basis. And we tapped Dave Heller, who had been part of the compliance organization at US West, to build an ethics and compliance program from the ground up.

Selecting Dave proved to be a great decision. We knew he had an outstanding reputation for being unbending when it came to doing the right thing. But we also understood that Dave has the ability to temper that judgment with reality. I mean, the fact that somebody makes an inadvertent error on an expense report does not mean they are out of compliance. They may simply need to be corrected and coached—and Dave does a very good job at that.

He also built an outstanding team—one that understands that we’re not just looking for letter-of-the-law compliance. Because by definition, compliance implies that you have a rule—and you can’t have a rule for every single thing. So this team is equally charged with having a bedrock understanding of the ethics underlying the rules. We don’t want to have to make judgments on whether or not someone crossed a legal line—we don’t want anyone to get anywhere *close* to that line.

So Dave’s job, as the head of compliance and ethics in our company, is more than just running an audit to see if we’re in compliance with some set of rules or regulations. It’s about setting a tone for behavior ... it’s about setting a high bar for how you conduct yourself and the way you discuss things. No winks, no nods, no side agreements.

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That is not to say, of course, that we don’t also perform audits. In fact, if your company ever catches the eye of the Department of Justice and the Securities and Exchange Commission, you’ll find that you’ll receive lots and lots of advice and assistance in this area.

For us, this has been a two-step process. First, we had an outside, independent ethics and compliance expert look at our program, benchmarking it against accepted standards and various other programs. And we got very, very good marks on that, by the way.

The second is to see whether an employee survey will validate what the auditors reported. Earlier this month, 22,000 Qwest people were randomly selected to complete an anonymous survey created by the Ethics Resource Center in Washington D.C. Each employee was asked to offer an opinion on such topics as how important they think ethical behavior is to the company ... whether they're aware of resources they can use when they have concerns ... and what ethical standards are exhibited at the top, in their business units and by their co-workers.

We'll get the results of that survey in the next month or two, and we'll use them to make adjustments—increasing emphasis where that is required and working to move the program to the next level of effectiveness.

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I started off today by telling you my favorite Warren Buffet story. And I'll end with an observation he made at the beginning of the "Most Admired Companies" article in the March 6<sup>th</sup> issue of Fortune magazine. What he said was this: "It takes 20 years to build a reputation, and five minutes to ruin it."

I wish he'd also mentioned how long it takes to get it back.

It is not an easy process; that I know. We're nearly to our fourth anniversary and we continue to read newspaper stories punctuated with references to the alleged misconduct of the past. We still have customers who rank us low on such factors as "trustworthy," even though that was one of the key brand attributes we put in place in mid-2002. There are still citizens who no doubt wonder why the University of Denver would invite the Qwest CEO to speak in a forum like this one.

But we are determined to stay the course and walk the talk. To hold ourselves to a higher standard than others would require of us. And to align ourselves with like-minded organizations, including the ones you represent.

And, as we make progress along that journey, we very much appreciate such opportunities as this one, to share our story.

Thank you.

## ***AWARD ENTRY EXAMPLE***

**Public Relations Society of America, Colorado Chapter, Gold Pick Awards  
Submitted July 2003  
Category: Internal Communications  
Awarded the Silver Pick**

### **“The Spirit of Service – A Foundation for Employee Success”**

#### **SITUATION**

In the fall of 2002, a new CEO and management team at Qwest Communications International faced a company in turmoil. Qwest had become a company customers loved to hate, and employee morale was at a critical all-time low. Dissatisfaction was compounded by the specter of two federal investigations into accounting practices. Qwest stock had lost 92 percent of its value in just two years and shareholder confidence was in the balance.

Exacerbating the situation, customer satisfaction with telecommunications providers had been on the decline for years, and Qwest was at the bottom of the list. Employees were frustrated by the company's public perception and mistrustful of leadership after numerous downsizings and the erosion of company benefits. Without a major shift, the company's future was in serious jeopardy.

#### **RESEARCH**

A survey conducted in January 2002, prior to Chairman and CEO Dick Notebaert's arrival, underscored employee dissatisfaction. The survey showed that:

1. More than 72 percent (72.89 percent) of those surveyed said they either somewhat or strongly disagreed that the company's outlook in the coming year was positive or that Qwest had the resources to achieve or surpass objectives.
2. More than 68 percent (68.58 percent) of those who responded either somewhat or strongly disagreed that Qwest management valued the contributions of all employees to the success of the company.

Among the many changes Qwest's new management team brought to the company's business strategy and operations, Notebaert developed and launched a brand transformation in September 2002. The transformation recaptured and revitalized the company's historical customer service commitment. The goal was to rebuild credibility and confidence, first with employees and then with all stakeholders as the brand journey evolved.

#### **PLANNING/OBJECTIVES**

To re-engage employees, Qwest's Internal Communications group developed these objectives:

- Improve employee perceptions of Qwest by 50 percent during first six months of the brand journey (September '02 – March '03).
- Expose 80 percent of employees to the Spirit of Service brand effort in the first six months.
- Launch an employee customer referral program generating more than \$11 million in revenue by end of 2003.
- Engage employees in the company's transformation by creating an Employee Suggestion Program.
- Promote and increase two-way communication between employees and top leadership.  
It was determined that these objectives would be measured by:
  - Monthly surveys measuring employee perceptions of Qwest's brand campaign and communications.
  - Increased employee participation in Qwest's Referral and Reward and Recognition programs.
  - Participation in the Employee Suggestion Program.
  - Increase in employee e-mails to Notebaert and other senior leaders.

## **PLANNING/PROJECT BUDGET AND TIMELINE**

All employee communications activities in support of the Spirit of Service brand journey from September '02 – May '03 were completed within a budget of \$120,000.

## **EXECUTION**

The brand transformation began at the core of the organization with a fundamental change in Qwest's corporate culture, replacing the technology-focused "Ride the Light" approach to business with the relationship-focused Spirit of Service approach. The success of the transformation required a complete shift in the way the company operated and communicated. Every decision in the company was based on Qwest's relationship with its employees and the customer experience.

Transforming the brand in such a deep, complete manner required an inside-out approach, starting with internal operational initiatives and expanding to the ways the company communicated with employees and external stakeholders. Employee buy-in of the transformation was critical to its success; after all, the Spirit of Service is an attitude and a personal promise. Therefore, the brand journey was first launched internally with employees to put the Spirit of Service in motion. Moreover, Qwest advertising featured outstanding employees who exemplify the brand's promise.

The brand journey in internal communications comprises three phases:

Phase 1 began with an all-hands meeting in which Notebaert introduced the brand journey to Qwest's 50,000 employees. The meeting was broadcast via phone, satellite and Web cast. The internal launch also included:

- Increased emphasis on two-way communications with employees.

- Announcement of a new vision, values and brand attributes.
- Establishment of an employee suggestion program, an employee business referral program and a reward and recognition program to honor employees who best personify the Spirit of Service.
- Enhancement of communication vehicles to inform employees of company news and events, including an Intranet (TheQ), a daily online newsletter (Qwest Today), direct e-mail updates from executives (Good Morning/Afternoon from ...).
- Implementation of brand voice workshops to teach employees how to communicate in ways that support the brand.

Phase 1 also included the external introduction of the Spirit of Service brand through a series of advertising campaigns including “Generations” and “There for You.” The concept for “Generations” arose from an employee e-mail to Notebaert. In it, the employee expressed pride that many generations of family had worked for the company. Notebaert then sent an e-mail to all 50,000 employees, inviting them to respond with stories about their families’ heritage of service to customers on behalf of Qwest and its predecessor companies.

Within days, 1,153 employees responded. Qwest developed advertisements from unscripted interviews with 26 families (181 family members) with more than 2,000 years of combined company service. The families talked about what the Spirit of Service means to them and how they share a great tradition, working at Qwest, from one generation to the next. The “There for You” campaign expressed Qwest’s commitment to serving customers, communities and the country. Again, the ads featured real employees sharing their stories, putting a human face on the company and relaying a far-reaching commitment to service.

Phase 2 of the brand journey in internal communications, which began in the spring of 2003, delivered tangible benefits as proof of Qwest’s commitment to action and operationalizing the Spirit of Service. In this phase, Qwest brought the *Spirit of Service* to life across all communications touch points and extended the brand journey to all customer segments—consumer, small business and large business by empowering employees to affect change. Operational improvements in response to employee and customer feedback included: Extended customer service hours; enhanced customer care through a customizable Web site, MyQwest.com, enabling customers to order and change service online; simplified pricing for residential services packages; a new automated voice routing system for incoming calls; improved customer care services to support small and large business customers; live residential repair service representatives available 24/7, and personal phone call to the customer before and after every service visit—to ensure the customer is satisfied. The Phase 2 print and broadcast advertising campaign, “On Your Terms,” supported the delivery of customer benefits by highlighting the operational changes made to bring the Spirit of Service directly to customers.

In Phase 3, Qwest will continue the brand journey through the coming years, working diligently on behalf of customers to earn their loyalty and business by making employees and service delivery the key differentiator between Qwest and its competitors.

## EVALUATION

The company's communications team formally measures employee perceptions of Qwest through monthly surveys that began in December '03. Metrics have increased significantly since the brand journey launch in September '02. In addition, Qwest also measures customer satisfaction and external perceptions of the Qwest brand. These measurements have also increased since the launch of the campaign.

Employee Reactions – Formal: Employees participate in monthly, random, confidential Web surveys about the Spirit of Service and its impact on their perceptions of Qwest.

- In March 2003, 74 percent felt more positive about Qwest in light of its Spirit of Service efforts.
- Employee awareness of Qwest's brand vision, values and attributes increased from 73 percent in December '02 to 85 percent in May 2003.
- The company received more than 2,000 suggestions during the first year of the employee suggestion program.
- On a five point scale, employees consistently rated their workplace a four for strongly supporting the brand attributes.
- Qwest's employee customer referral program, launched in the fall of 2002, is set to generate more than \$11 million in revenue from customer sales by the end of 2003.
- To date, more than 74,500 referrals have been submitted through the employee customer referral program.

Employee Reactions – Anecdotal: The following anecdotes demonstrate employees' embracement of the Spirit of Service brand journey:

- When Notebaert requested stories about "Generations" of families, he received 1,153 e-mails within days. To date, he has received and replied to more than 24,000 employee e-mails offering feedback and suggestions to improve the business.
- In early 2003, when Qwest launched a company-wide initiative aimed at building employee unity, finding new customers and winning back old ones, the internal response was significant. Teams volunteered in Omaha, Nebraska and Phoenix and Tucson, Arizona; to distribute door hangers in neighborhoods. In Omaha, 33 percent of all Qwest employees volunteered, resulting in 600 calls from potential new customers. In Tucson, 30 percent distributed door hangers - in Phoenix, 20 percent.