

Internal Communications Group Presentation Assignment:

An Internal Communication Plan for Lululemon Athletica Inc.

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PBRL 252

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8 April 2014

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Executive Summary

In 1998, Chip Wilson founded Lululemon Athletica. It was brought to his attention that the material and design for workout clothing was inapt; there was little difference to street clothing. With this in mind, Wilson created a line of clothing specifically designed for exercise giving freedom of motion. He proudly announced in 2000 the opening of the first Lululemon store in Vancouver, British Columbia. Wilson created a vision "to elevate the world from mediocrity to greatness," by making Lululemon the brand and in-style jump-start to a healthier active lifestyle in the community. Lululemon is passionate about creating a better life for the customer, which is reflected in the manifesto (<http://www.lululemon.com/about/manifesto>). It was created to inspire individuals to change their outlook on life with little simple things, like drinking more water. Once Wilson had everything set in place, the brand took-off and the company grew quite a bit. At the end of the fiscal year for 2014, Lululemon's revenues rose \$521 million from the previous \$485.5 million in 2013. Now Lululemon has over 50 stores across Canada, over 200 locations worldwide, and more than 7000 employees. Their main focus of bettering the lives of their customers, however it is easy to see where the connection and the communication might have gotten lost throughout the company's enormous development.

The following report is an internal communications project plan for Lululemon Athletica Inc. This plan has been created in order to introduce better problem-solving workshops and promotion techniques for all Lululemon employees, to improve communication between in-store employees and management, as well as strengthen the Lululemon brand and employee effective.

The project plan will include an analysis of the current Lululemon internal communications and what is needed to improve the brand based on in-depth interviews with current and past employees at Lululemon. The plan will also describe current and new efforts to be launched to enhance brand awareness and strengthen the communication from the executives to management, including in-store employees.

The plan will also provide new objectives and key messages, with a detailed strategic plan designed to improve the current communication at Lululemon Athletica, using tactics such as problem-solving and brand awareness workshops, as well as launching *LivingLulu*, the organization's own social network. The plan will also allocate a basic budget and spokesperson for our tactics and categories. It will discuss how each tactic will be adopted due to current concerns with internal communications at Lululemon, along with a quick projection of what this company will roughly need to spend in order to carry out this plan successfully and meet our measures of success for the company.

S.W.O.T. Analysis

Better reach and penetration into emerging economies.

Strengths	<ul style="list-style-type: none">• High-end and quality products and accessories.• Innovative features and styles for both men and women.
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	<ul style="list-style-type: none"> • Vertical retail strategy (i.e. produces everything from design, fabrics, trend etc). • Multiple classes and workshops for customers. • Premium store locations across the world. • Community-centered marketing approach (i.e. building brand awareness, relationships and philanthropic activities).
Weaknesses	<ul style="list-style-type: none"> • Lack of employee knowledge: understanding of sports and wear. • Lack of crisis communication and team bonding. • Limited global penetration despite high quality apparel. • Brand recall is less in comparison to international brands.
Opportunities	<ul style="list-style-type: none"> • International expansion – stores based on trending exercises in those countries (i.e. surfing vs. biking). • New market segment – men and youth. • Active-wear industry expected to increase. • The market is driven by the trend of more active, healthier lifestyle, with older demographics/women becoming more active. • Better reach and penetration into emerging economies.
Threats	<ul style="list-style-type: none"> • Economic conditions may decrease consumer spending. • Competition • Heavily focused word-of-mouth marketing strategy. • Challenges faced by sports apparel companies include constantly changing fashion trends, tough competition and price-conscious shoppers.

The Successes and Failures of Lululemon Athletica Inc.

In recent media, Lululemon has received a reputation for bad materials and an even worse CEO. One of the biggest problems Lululemon is suffering from today is the lack of communication between employees and executives.

In 2013, there was an uproar of women who were dissatisfied with the quality of the fabric of certain yoga pants; they became sheer when the wearer was bent over, making it impossible to properly exercise. For months prior to the scandal, employees in multiple stores were receiving returns and complaints about this product, and the customers were demanding answers. Unfortunately, the sales associates were not informed about the issues and had no knowledge of what was going on within the organization, and had no direct answers for the customers. Once the media got their hands on the issue, the in-store employees found out there was a real problem with the pants the same way as the general public. This made the employees feel less apart of the company and made Lululemon look more secretive

than transparent to both the employees and the customers.

This was Lululemon's most recent failure, although it is an opportunity for growth and improvement for the Lululemon internal communications department and a chance to boost employee moral and understanding of the company and its products.

Even with the setbacks, Lululemon does have its share of successes. Sustainability and working to reduce the organization's impact on the environment has always been a priority, as well as creating a positive outlook and impact within its communities across the world. With this in mind, Lululemon created the Metta Movement: a grassroots community philanthropy program. The program provides money to stores, employees and brand ambassadors to launch projects that contribute to social and environmental health.

Some examples of projects are:

- Heartwood Foundation
 - A documentary film created for the Heartwood Foundation Women in Cancer Program. This foundation focuses on providing holistic healthcare services to women of limited financial means who are being treated for cancer. Lululemon assisted in raising over \$25,000 for the organization.
- Bliss Down Event
 - The Durham team brought yoga to students from Duke University and University of North Carolina just before their final exams began.
- Love. Yoga. Give.
 - Team hosted an event to support a local elementary school's physical education program. They raised \$3,000 for the Pasadena Education Foundation.

Target Audience

Our target audience is current sale associates, management and executives within Lululemon.

Sale associates are the front lines, brand ambassadors and faces of Lululemon. They are the first people to interact with and communicate any in-stores deals, sales or products that are offered in the stores. Sales associates need to be knowledgeable about the products and the company to be as transparent and honest with the customer, and be able to meet the needs of the customer. Implementing the workshops and intranet will allow sales associates to better understand the company and the products, as well as create a better relationship with upper management and further their career at Lululemon.

Store managers are the connection between the sales associates and the executives. Managers need to be approachable, knowledgeable and understanding. Manager may be in contact with customers from time to time, but if they are able to train sales associates properly there would be no confrontation between the associate and the

customer, as well as, using these new tactics to their advantage, they will be able to speak with the sales associates better, and allow for a true “open door” policy.

The executives at Lululemon are the first to know about happenings within the organization. These employees should take full advantage of the new tactics, forming relationships with the in-store employees, in addition to allocating two-way communication theory into their office and through social media. Employees need to know whom they are working, and what they are working towards to better understand each other and feel truly comfortable. Implementing these strategies will hopefully give the customers a better overall experience at the stores.

Figure 3: Sample Resource Plan

Business mission statement and goals	Communication goal	Challenges/risks	Past communication campaigns
<p>· Mission: Lululemon provides luxurious and innovative athletic wear to the athletic community. The Lululemon employees are the foundation of the organization, especially those at store level. Lululemon does its best to stay transparent and socially responsible when carrying out business while providing employees with the best product and product knowledge possible.</p> <p>Goal: To make our employees feel just as important to us as our customers, while nurturing them to grow and develop professionally up the Lululemon ladder, as well as physically by encouraging an active and healthy lifestyle.</p>	<p>· Increase effective communication with implementation of weekend retreats, specialty workshops and the LivingLulu intranet/personal social media network.</p>	<p>· The Lululemon culture is set in its ways, and long-term employees with routines both inside and outside the workplace may be resistant to the new tactics.</p>	<p>· Currently, Lululemon uses a communication log, Lululemon email and an advisement board in addition to information being passed through chain of command verbally.</p>

Audiences	Communication mix	Time line	Tracking/measurement schedule
<ul style="list-style-type: none"> · Total number of employees: 7, 622 http://www.crmz.com/Report/ReportPreview.asp?BusinessId=10164167 	<ul style="list-style-type: none"> · In addition to the Lululemon communication log, Lululemon email and an advisement board. Information is passed through chain of command verbally at pre-shift meetings that take place 15 minutes before each sales employee starts their shift (conducted by a manager or supervisor), formal meetings are also held when deemed necessary. 	<ul style="list-style-type: none"> Entire campaign before new tactics launch will be six weeks. Employees will be informed of the changes via all current implemented communication techniques. This includes email to each employee's Lululemon email, as well as their outside email (week 1). · Posters will be hung in break rooms and on advisement boards (week 1). · A formal meeting with a manager/supervisor will take place two weeks after first emails are sent and posters hung. (Week 3). · Prior to the formal meeting, employees will receive brochures better explaining the plans in greater detail, so employees will have a better understanding of the changes to come (week 2). · Employees will be informed of their retreat details, which will include information such as place, date and time (week 4). · Schedule will be released for specialty workshops. Employees that are interested will be able to sign up (weeks 4 - 5). · Finalized specialty workshop schedule will be released (week 6). 	<ul style="list-style-type: none"> · Managers/supervisors will record the initial response of employees upon first communication of new IC plans and send findings to corporate (weeks 1 - 5) · Each employee will complete an anonymous survey measuring morale and team-closeness before attending a retreat (week 6). · Each employee will complete a general knowledge test before attending any specialty workshop (week 6) · After completion of the campaign, managers/supervisors will record employees' openness, enthusiasm and willingness to participate in the new IC activities and send findings to corporate (end of week 6).

		· LuluLiving will launch, employees will have access to their username and be able to sign on for the first time (week 6).	
Budget			
· Expensive			

Figure 7: Project Plan

Date	Communication Activity
June 1	A one-page e-mail announcement will be sent to all employees listing new IC plans, to both Lululemon e-mail accounts and outside addresses (upon availability). More information will follow.
June 1	The one-page e-mail announcement will be hung on advisement boards, break-room walls and posted in the communication log: employees will initial after reading.
June 8	Formal meetings will be held by team leaders/managers/supervisors outlining new strategies. The detailed brochures will be available just before the meeting.
June 22	Team-retreat details pertaining to each team will be posted in the communication log and sent to each employee's Lululemon e-mail. Specific dates, locations, times, and transportation details will be outlined.
June 22 - 29	Schedule for specialty workshops will be posted in communication logs. Employees will be able to sign-up on a first come, first serve basis.
July 6	Finalized specialty workshop schedule will be released.
July 6.	LivingLulu social network will launch. Employees will receive detailed instructions to their email, including an IT contact for guidance.

Objectives

1. Increase staff morale by January 2015. Results can be measured by receiving feedback through staff completion of anonymous surveys before and after participating in the retreats. Enhanced camaraderie and team spirit: Lululemon Athletica will implement a mandatory team-building program called Lemons' Retreat. This mandatory program would occur annually and be a retreat style program. Lululemon employees, referred to as 'Lemons,' will be required to sign up and participate outside of working hours. The program would include team building that will promote a sense of camaraderie a team spirit amongst store employees. The program activities would be of athletic nature (camping, canoeing, rafting, cycling) to promote the healthy lifestyle the Lululemon Athletica brand represents. In addition, this retreat style team-building program will aid to strengthen connections between both employees and managers making it easier to communicate and connect in the workplace. These team-building programs will occur within all levels and branches of the Lululemon staff.

Key messages

1. Lemons' Retreat: the ideal approach for team-building, team-engagement and team-connecting. Providing the perfect environment for our team to flourish.
2. Lemons' Retreat is the perfect icebreaker and team-builder for all employees alike; from cashiers to CEOs.
3. Our Lemons' Retreat program is held in the great outdoors. Its purpose is to stimulate our employees' body and mind through healthy living, personifying the Lululemon Athletica brand.

Project plan

To build awareness around the Lemons' Retreat program managers/supervisors must have a paid meeting with all employees (for in-store employees before the store opens on Sunday, June 8, 2014, for office employees Monday, June 9, 2014). (two weeks later the exact trip details will be available to all staff). Managers/supervisors must keep track of those who are absent from the meeting in order to brief the absentee.

This style of introducing the Lemons' Retreat program is the most effective. It brings employees of all positions together to talk discuss the importance of the program, the benefits, and the reasons it's mandatory. In addition, having everyone physically in the same place will be efficient and easy in terms of attendance, briefing and answering all questions.

In terms of measuring staff morale before and after the retreat, managers/supervisors can use websites such as FluidSurvey.com to create and provide the survey to employees, as well be able to calculate survey results in a fast and efficient manner as the website does all the work. This method will keep the survey completely anonymous, ensuring staff feels safe being honest. Managers/supervisors will make certain each employee completes the survey.

2. Decrease confusion among staff when challenged with everyday issues, as well as crisis-like issues by January 2015. Results can be measured by ensuring employees have a unified response to such issues as they arise. Approach situations, problems or crises proactively: encourage an environment and system where employees and management can communicate effectively during times of crisis, i.e. the Lululemon CEO Chip Wilson scandal. Employee e-mail accounts will be utilized and a social network will be adopted. The social network, *LivingLulu*, will be separate from any existing/current social media site. It will be comparable to Twitter, with every employee following the corporate entity and whomever else they desire within the Lululemon employee.

The network can be a one-stop shop for updates and professional networking. The *LivingLulu* social network, will allow users to ask questions and make comment to other network participants. With the reinforcement of the Lululemon email accounts, crisis-style information could be forwarded to all employees, keeping them in the loop of all company happenings. The repetition of getting both email updates and notifications via *LivingLulu* will help reinforce messages

that Lululemon wants to send through the employees to the public. This ensures all staff members are aware and educated on the matter and able to answer stakeholder questions with a unified response.

Key messages

1. A one stop-shop for all Lululemon-related interest, questions and concerns. LivingLulu is the answer to all Lululemon needs.
2. Ask. Discuss. Relate. Inform. Connect. Register with your employee I.D. at LivingLulu and join the conversation.
3. LivingLulu can be accessed 24 hours a day to serve you socially and professionally. Every employee is now equipped and prepared to hurdle life's obstacles.

Project plan

To reinstate the personalized Lululemon email account as well as launch *LivingLulu* (Lululemon's own social networking program). Managers/supervisors are to have a paid meeting with all employees (Sunday, June 8, 2014 for in-store employees and Monday, June 9, 2014 for office employees). Managers/supervisors will be trained themselves prior to the meeting on *LivingLulu* by and I.T. professional. They'll be able to introduce and elaborate on the features and benefits of *LivingLulu*, as well as go over how to use the Lululemon e-mail. A healthy breakfast will be provided for the staff during the meeting, keeping minds focused and stomachs happy.

Managers/supervisors will demonstrate the use of each concept on a mobile device, tablet and computer and then questions can be asked. Managers/supervisors must keep track of those who are absent from the meeting in order to brief the absentee. It is the absentees' responsibility to seek further help from fellow employees and managers if need be.

This plan is efficient, for all employees will be together with managers of all ranks to be retrained on how to use the Lululemon emailing service as well as LivingLulu. This plan will resemble a classroom setting; unique questions will be asked and answered with everyone present, making it overall a great hands-on learning experience. Employees will learn faster amongst their peers.

From there on after the meeting on how to use both apps, managers can then quiz employees every now and then during pre-shift briefs to ensure employees are checking both their Lululemon email account and LivingLulu. It is the managers' responsibility to emphasize the importance of using both apps, especially if a crisis was to occur within the company. Employees will be able to talk about the matter to customers confidently in a unified manner due to being prepared ahead of time.

4. **Increase productivity and product knowledge of the sales associate staff by December 2014.**

Results can be measured with a quiz for a staff member to successfully complete a

workshop. Empower employees by giving them a sense of ownership of the company: To create a sense of onus and connection to the company and brand, bi-monthly workshops will be available for Lemons wanting to further their athletic knowledge and performance. There will be a series of educational workshops in different areas of study Lemons can sign up for. Upon completing a workshop, a Lemon will earn "star" in the field of choice (running, yoga, dance, cycling, tennis, crossfit, swim, surf). This will allow the Lemon to participate in the employee ambassador program, a program that will allow designated ambassadors (based on their area of expertise) to answer customer questions and queries about products for that specific sports.

Key messages

1. Build confidence in your product knowledge and fitness: be the best Lemon you can be. Bi-monthly workshops are available in almost any active area of interest.
2. Be a star in your field of choice. Sign up for a workshop of your choice and earn your stars, elevating you as an ambassador in that activity and all the products to help you shine. Exercise and learn on Lululemon.
3. Embody your passion or learn new things. Lululemon is giving you the chance to participate in an active workshop of your choice and become the expert.

Project plan

Lululemon wants to build awareness around Lululemon's bi-monthly specialty workshops. The key messages will be delivered face-to-face by managers/supervisors are to have a paid meeting with all employees Sunday, June 8, 2014. Since all new internal communications plans will be discussed in the same meeting, breakfast will still be available. A comment card will be distributed at the beginning of the meeting in order for employees to write down comments and questions as the meeting progresses in order for the ideas and suggestions to not be forgotten. The cards will be collected at the ending of the meeting.

Encouraging an open dialogue where employees can communicate their reservations or ask their questions will be done most effectively by face-to-face communication because communicating electronically can sometimes lead to things getting lost in translation and can also at times have individuals feel that their opinion isn't important and is unwarranted.

Completing a specialty workshop will allow every employee to have a recognized area of expertise. For instance, when a customer asks which gear to wear for cycling, the employee with the background knowledge from the cycling workshop will have all the answers and will be able to provide added insight. In order to pass and earn a star, participants must complete a quiz at the end of the workshop.

The face-to-face meeting will eliminate any misconceptions and misguided information. The meeting will also give the managers a chance to empower a genuine employee's sense of ownership within the organization. During the meeting, employees will be put into small groups. A manager will lead each group which will allow even the most timid people to voice their opinion and feel heard, (it can be intimidating stating opinions in big groups).

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