



## Progression Path to Proficiency in CommTech

# MITSUBISHI HEAVY INDUSTRIES: BUILDING SYSTEMIC COMMTECH

Progression Path Stage:  
Professional into Pathfinder



## 1. PROFESSIONAL

**Content is king.**

- Listening yields insights.
- Create, distribute content tailored to the channel
- Monitor social platforms for keywords, sentiment
- Audience determined by platform and channel

**KPIs:**

- Content engagement (views, likes, shares, retweets)



## 2. PATHFINDER

**Campaigns that move stakeholders to action.**

- Establish Agile teams
- Target by digital behavior
- Design journeys that lead to outcomes
- Content for each touchpoint
- Launch, iterate, optimize
- Paid is essential
- Detect, address fake news

**KPIs:**

- Audience engagement (open rates, click-throughs, conversion)



## 3. PACESETTER

**Optimize for performance and transformation.**

- Hyper-targeting
- Dynamic content
- Continuous optimization
- Identify opportunities for on-brand activities
- Source of rich enterprise data

**KPIs:**

- Net Promoter Score
- User reviews
- Job offers accepted
- Leads generated, progressed

## Company background and the CCO objective

Mitsubishi Heavy Industries Group (MHI) is a Japanese industrial conglomerate with revenues of \$39 billion. The company's 81,000 employees work in 300 companies within three groups – Power Systems; Industry & Infrastructure; and Aircraft, Defense & Space. MHI is well known and admired in Japan, where it has been an industrial leader for 130 years. But outside the country, it is largely invisible. The company never built advanced marketing and communications functions, because it never needed them, with its businesses focused on the Japanese market. "We're the biggest company you've never heard of," says Head of Global Communications Dan Lochmann. "We've been here for more than a century, but we haven't spoken."

This became an increasing problem as the Japanese economy slowed over the past several decades, while new growth opportunities were rising in Southeast Asia, Europe and especially the U.S. The problem came to a head in 2014, when CEO Shunichi Miyanaga was working on a joint bid with Siemens to buy the gas turbine and power arms of French energy company Alstom. The bid was won by GE, which mounted an aggressive PR campaign to persuade not just the sellers but the French government and citizens. Miyanaga understood that MHI's lack of global visibility outside its industry was a severe handicap to further global growth, and decided to rapidly increase awareness outside Japan.

Lochmann was hired and arrived to discover a function that was primarily focused on Japanese media relations, a small handful of overseas projects, some advertising, ESG, internal comms and traditional crisis communications. The function's operations were highly decentralized, and there was little coordination with communications teams in different business units, group companies and countries.

So the challenge was multi-dimensional: To introduce MHI to the world, essentially for the first time; to reintroduce it in Japan, rebranding it from a somewhat reticent icon of Japan's industrial past to a relevant convener, driver and leader of 21st Century global business; to create, almost from scratch, modern marketing and communications functions to help accomplish those goals; and longer term, to begin changing the company's culture – to shift it from an internal focus, a hierarchical decision-making and a center of gravity in engineering and sales, to a culture that is

adaptive, innovative and outward-focused.

Interestingly, the quickest path to those deep shifts in the company's brand and corporate character and to a new Comms and Marketing capability – the most effective intervention into the existing system – was to move rapidly to CommTech for content marketing.

### How did the CCO build the Stage 1/ Professional function?

To build a Professional level Comms function at MHI, Dan and the new talent he brought in – including Dan Nestle, Vice President, Marketing and Communications, MHI America – first needed to sell the idea of that within their own shop.

They began with a world tour of the company's Comms teams, starting with a seven-city visit to the U.S., to sell their goal of a unified global function. "Typically in Japanese conglomerates you have a dynamic where corporate people come to the group companies and give orders," explains Nestle, who has worked in Japan for 16 years. "Instead, we tried to create buy-in. We said, 'Here's what we're thinking. We'd like your input.' We created relationships that are solid to this day." This led to the creation of a Global Strategic Council for Communications, which has served not only a valuable organizational role but a validation and internal advocacy one, as well.

Once the principle of a unified global Communications function was established, "the next job was to identify areas for quick improvement," Lochmann says. The low-hanging

fruit – the opportunity to show concrete results to a sales- and-engineering-centric organization – was to build a digital marketing system with high-impact communications content at the top of the “funnel.”

To prove financial value, they focused on a couple of group companies that would be good for a very basic digital campaign. They took the small portion of the ad budget that Comms controlled and ran digital pilots. “We knew we could do quick executions. We used existing content -- knowing that culturally it would be hard to do something completely new – and we created a basic landing page, and did the bare minimum in collecting data, so as not to create privacy problems. In three months we generated \$30,000 of new revenue.”

This was the proof of concept that the Global Strategic Council could present to get executive buy-in. The fact that Communications was driving leads, revenue and business development was a big change.

“Comms is traditionally seen as a manager of reputation, as something regarded as obligatory, a cost center,” says Lochmann. “But there’s a path all the way from reputation down to product results. That’s compelling to business leaders. When you’re showing leads and sales, you’re starting to speak in a new language to leadership, and it changes how they see the function.”

### How did the CCO move to Stage 2/Pathfinder?

Building on the pilots, Lochmann and his team moved to create an advanced B2B digital marketing program that produced story-led customer journeys. One of those journeys involved not an immediate sales opportunity but addressing a customer-relations and brand image problem.

The Mitsubishi Regional Jet (MRJ) is a game-changing aircraft, but it was several years behind schedule following multiple developmental delays. At the start of 2017, airline customers and aircraft suppliers of key systems were losing patience, or even threatening to pull out. Despite the challenges, there were reasons for optimism behind the scenes. But that progress story wasn’t being told clearly, nor was it reaching – or persuading – the right people.

Lochmann’s team built a target list of senior executives and decision-makers from partners and customers – at 24

airlines and 35 supplier partners. They conducted extensive research to understand what information regarding the MRJ program was specifically relevant to them, as well as their media consumption habits. They then developed content that mapped to their needs and created a tailored B2B marketing program to ensure engagement with that content.

This all came together in a digital engagement program consisting of:

- Geo-fenced mobile ads: targeting attendees at the Paris Air Show to receive mobile ad units while on premises at the event

- Digital hub: a Hubspot-based “Progress” subdomain that published a regular cadence of “progress” content. Opt-in subscription forms for visitors facilitated further engagement, with refinements through backend analytics

- Sponsored content on a microsite repurposed in key publications, coupled with ad units that drive traffic to the hub

- Sponsored email: Paid placements in industry trade subscriber newsletters were repurposed to drive traffic to the Progress hub

- Email marketing: updates to customer lists, purchased industry lists and subscribers to drive hub traffic

- Targeted display ads: banner advertisements in targets’ web browsers

- Opt-in newsletter email updates: to customer lists, purchased industry lists and subscribers to drive hub traffic

Results:

- 96% of target airlines reached

- 518 target audience subscribers to newsletter

- Paid unit CTR of .61% vs. 0.05% B2B industry benchmark

In fact, the work was so successful in cementing confidence in and enthusiasm for MRJ, that the company decided it could be rebranded in a more compelling way – as SpaceJet. Results of that include renewed interest in the brand and new orders.

## What were the keys to success?

1. Connect the corporate brand to solutions and products: Address the need to build both a corporate brand and drive tangible business results
2. Leverage the power of digital to microtarget: Identify your audience specific to the objective of the program (reputation or sales) and the locality (industry, event, regional etc.)
3. Provide value to every audience: Create high-quality, relevant content
4. Build loyalty through nurturing: Identify specific customer needs
5. Be where your customers are: Build company "embassies" on content platforms where you already have an active and captive audience
6. Digital marketing gives CCOs a seat at the table: Digital provides a way to rapidly change perceptions and drive business outcomes in a cost-effective, controllable and measurable way

Do more digital pilots: "Whenever there's a new business within the company, it presents new opportunity to embed a digital approach from the beginning," says Nestle. "We can use targeted ads to get leads, but that doesn't necessarily generate demand among prospective customers. We can apply digital techniques to content in a new way to build demand for MHI. Demand generation, further up the funnel, broadens the reach of the brand. And that trickles down to the group companies."

Partner more effectively with Sales: "We need to figure out a stronger connection with Sales," says Dan Lochmann. "It's not just about proving our ability to generate leads. We need to get Sales to really buy in and co-own the process. Our role in corporate is 'top of funnel.'"

Strengthen the master brand: MHI's group companies are a mixed bag of brands – some of which are quite strong on their own. Comms needs to continue demonstrating how the MHI Group master brand is beneficial to them.

Define the future: MHI has created something they call MHI Future Stream. It's the business vision for the future of the company, guiding how they future-proof themselves, have the right partnerships, shift products in the right way. They call that 'Shift the Path' – making the old equipment work in new environments, in new ways.

A promising example is a new effort around the goal of a hydrogen economy – and an innovative, high-growth and societally progressive space that MHI can claim and lead. "We want to invest in this type of marketing communications because it has so much potential impact – for the world and for MHI," Lochmann says. "We have gas turbines that can use hydrogen as fuel, wind turbines that use completely clean energy to create hydrogen; and ships to transport it. This has the potential to rebrand MHI at a global scale as a critical innovator of the future."

Lochmann's team spearheaded the development of a long-form eBook on hydrogen, with content housed on a custom-created landing page and promoted through display advertisements, a content partnership with Energy Live News and account-targeted LinkedIn advertisements. The campaign launched with targeting of European accounts; after initial success, in late April 2019, the campaign was expanded to the U.S. market. As Nestle notes, "MHI is now at the top of Google search results on hydrogen. So, we now have a first-mover advantage there."

## What challenges lie ahead?

When asked what the next two years will look like in MHI Comms, the two Dans identified six five areas of focus:

More relationship-building internally: "I now have a person whose whole job is to reach out to people across the company to persuade them to work with us. It's one thing to win executives' trust. They have a broader view. It's harder the further down you go in the organization. They will not necessarily cooperate immediately with a function they've not held in high regard in the past," says Lochmann. "But that's where we need to get. I see the next year as embedding this new approach across the entire organization, from corporate functions to marketing and specific business units."

Win via digital: "The world has changed. Sales is still one-to-one, but customers are becoming more complex. We have the opportunity to sell them different things. What we're selling 10 years hence will be different. And with everything online, we can offer skills, best-practices and shared services to get them started," says Nestle. Specifically, they will continue to...



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2019 Page Research Report

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