



PLEXUS

A GLOBAL NETWORK OF
COMMUNICATIONS AGENCIES

mobilcom 

Client:

mobilcom AG (Büdelsdorf, Germany)

PR Team:

BSK (Germany)

Campaign:

Crisis PR which slowly evolved into a solid corporate communication programme and extensive product PR for the launch of a new product line.

Timescale:

April 2003 – August 2005

Budget:

Undisclosed

The Company

mobilcom AG is a leading German telecommunications provider. Their traditional core business is mobile telephone systems. As a service provider and partner of all German mobile networks, mobilcom supports a total of 4.65 million customers (status November 2005). The 50.4% owned subsidiary freenet.de AG is responsible for the landline business including the Internet. In the first half of 2005, mobilcom also made a major strategic step: with the conciliation of the affiliation of the subsidiary freenet.de AG initiated by mobilcom, the company is expanding into a new dimension.

mobilcom terminated the UMTS activities in 2003 after a crisis that threatened their existence in 2002. But even in the core business, mobilcom registered a negative EBITDA of € –82.7 million and an EBIT of €–372.9 million in 2002. After profound restructuring, the company concentrated successfully on revenue-oriented growth. In 2003, the EBITDA rose to € 103.6 million, in 2004 to € 166.6 million and for 2005 up to € 200 million is expected.

Goal

In April 2003, BSK was hired to re-establish public trust as well as the trust of customers and employees. In 2002 alone, around 6600 contributions were published about mobilcom, of these almost 4000 were critical and only 94 were positive. This corresponded to a negative advertising value of around € -20 million. In addition the communication team had to be reorganised.

Strategy

The communication strategy and story line were closely linked with the company's four steps to restructuring. Profit turnaround at group level; profit turnaround and product push in the mobile phone service provider business, balancing growth and profitability, improving market and revenue position through active consolidation and consolidation with freenet. Thorsten Grenz was committed as a successful and credible manager for the successful reconstruction and return to profitable growth, and was consistently positioned as the restructuring specialist to the media. In the corporate area, background meetings with the daily and business press were initiated in order to communicate the long-term restructuring strategy. In addition, statements were issued at short notice, in which the company reacted to current inquiries, court decisions or similar time-critical issues. Particular attention was also aimed at the editorial compilation and the overall coordination of the quarterly and annual reports.

In the product PR, activities were tightened up, areas of responsibility and competence were re-defined and a goal-oriented valuation system was introduced for the employees in the Communications Department, in order to provide incentive for a more efficient implementation of the PR strategy. Internal communication was improved both by a regular management newsletter and by a weekly on-line newsletter and meetings with the CEO.

Results

In 2003, the number of critical reports was reduced from over 60 to around 40%, in 2004 to 7.8%. From January to June 2005 alone, 1609 articles appeared in the press – only 38 of these were critical – although during this period an absolutely controversial issue such as the consolidation with the subsidiary freenet.de was on the agenda. The share price has risen since the third quarter of 2002 from € 1.12 to € 21 (end of July 2005). During the entire phase, BSK initiated a large number of articles in the national and international media. In June 2005, the portion of self-initiated press coverage was, for example, 86.6% out of a total of 247 articles, including the *Frankfurter Allgemeine Zeitung*, *Financial Times Deutschland*, *Handelsblatt*, *Süddeutsche Zeitung*, *Welt*, *Welt am Sonntag*, *Wirtschaftswoche*, *manager magazin*, *Capital*, *Der Spiegel*, *Focus* as well as the press agencies *dpa*, *vwd* and *reuters*. In the specialised press, the company achieved reliable press coverage in the relevant media for mobilcom product news, such as new tariffs and services, but also for company news. The launch of a new product line demonstrated both the positive resonance of the press as well as the more efficient structures of the Press Department. The new areas of responsibility and competence led – despite a lower number of staff – to considerable improvements in both internal and external communication.