

# Home Warranty of America Case Study

## Managing Change with Exceptional Communications

*Navigating a complex business transformation under one shared voice with a robust Communications Strategy and tactical plan—supporting a distributed workforce of 600 employees, 300 partner franchisees, a network of 3,500 contractors, 35,000 real estate agents, and 500,000 customers.*

### Who is Home Warranty of America (HWA)?

Home Warranty of America is a home protection plan provider servicing over half a million US customers. The company was founded in 1996 and became one of the leaders in the home warranty industry—helping homeowners and supporting real estate professionals and service providers across all 50 states.

Home Warranty of America is a subsidiary of Direct Energy. As of July 2020, it was announced that Direct Energy and its sister company Direct Energy Business, were being acquired by NRG Energy Inc., a Fortune 500 company that serves more than 3.7 million residential, small business, and commercial and industrial customers in the U.S. and Canada. Together, they will form one of North America's most innovative energy providers.

### What was the challenge?

#### Enterprise Transformation Across Multiple Countries, Companies, Including External Partners

When Direct Energy engaged Harbinger in 2015 to lead their change management, communications, and training efforts to implement Microsoft Dynamics AX across the entire business, we were up for the challenge. With an overarching goal to deploy a new enterprise-wide platform that enables Direct Energy to standardize its business processes and use consistent technology solutions, while enhancing the customer experience, they knew stakeholder awareness, engagement, and buy-in would be critical to their success.

A pivotal part of this mandate included building out an enterprise mindset that would unify the organization. With this vision in place, Direct Energy's Project Unify was created, it required a comprehensive communications plan to support this organizational change management effort within each stage of the project.

#### Siloed Knowledge and Information Sharing

While the organization made an effort to inform both internal and external stakeholders about the pending implementation of AX, there were several factors contributing to Direct Energy's inability to gain support and alignment:

- Direct Energy had a highly distributed workforce with employees based at the Houston or Buffalo Grove offices, or remotely spread out across all 50 states. Parts of the business resisted the new platform launch and others continued to pursue their own interests.
- Employees felt they were not receiving transparent or timely communications, increasing tension and anxieties about the viability of the new platform. As corporate communications teams were being restructured, engagement processes and ownership of standardized internal channels were unclear or almost absent.
- The project had a history of multi-year delays and there were also significant leadership changes (six leaders in five years) during the project's life span, which added more instability and frustration amongst the employees and external stakeholders.

These factors resulted in siloed teams providing different messages about what was happening with the project. Leadership had a difficult time endorsing the new changes and were skeptical of the benefits the new platform would bring into their environment. Staff became unmotivated and hesitant to talk about the new Dynamics AX platform with external stakeholders. It was a challenge to garner interest, build momentum, and excitement.

## What did we do?

To help the project navigate through this change under one shared voice, Harbinger developed a Communications Strategy and tactical plan that provided consistent messaging, and delivery mechanisms to meet the pre-during and post launch needs of the project for both internal and external stakeholders.

### Stakeholder Analysis and Management

Harbinger conducted one-on-one meetings with various leaders and middle managers across the business, coupled with group sessions with subject matter experts and front-line staff to extrapolate the insights needed to determine an approach that met Direct Energy's stakeholder engagement needs.

This analysis found that Direct Energy had a highly distributed workforce comprised of 600 employees, including staff based in Texas, with operations running out of Illinois and approximately 100 remote employees spread out across 50 States. In addition, Direct Energy's workforce consisted of near and offshore sites encompassing third-party call center and support agents who either worked remotely or were based in Guatemala, El Salvador, and Kolkata. External stakeholders were also significantly impacted by the new technology platform. These groups included approximately 300 partner franchisees, a network of 3,500 contractors, 35,000 real estate agents and 500,000 customers.

### Developing the Right Communications Plan

By developing a detailed stakeholder map, Harbinger identified how each group within the business would be engaged, how to relay information to staff and external partners and customers and determine the frequency of message delivery.

Multi-channel formats and integrated messaging were leveraged to maximize project and leadership visibility, reinforce information, celebrate wins, and boost employee morale.

A sample of the tactics included:

- Reimagined broadcast communication: Introducing a quarterly eNewsletter that featured messages from leadership, highlighted different employee profiles, and provided further details into project updates, key milestones, and practical tips to prepare for the upcoming launch.
- Made data driven decisions about the message and messenger: Broadcast communications were released through the internal communication tool, Poppulo, the newsletter format tracked open rates, click-through rates, comments and other data to help inform future content and further refinement of communications planning and messaging.
- Drove consistent and honest executive messaging: Crafting and distributing executive messages from senior leadership to build connection, keeping employees abreast of the progress being made on the project and acknowledge the efforts and dedication of employees.
- Placed fun at the heart of the campaign: Reinforcing Direct Energy's corporate values through gamification. A monthly contest with prizes was introduced where employees had an opportunity to recognize each other's individual and team contributions that made a positive difference.
- Recognized it takes a village: Hosting a blend of virtual/brick and mortar town halls that brought together approximately 300 employees impacted by the transformation from all offices, including those located at near and offshore locations to connect with leadership, share updates, celebrate wins, discuss challenges and ask project-related questions.
- Introduced the power of social media: Leveraging Yammer as a social engagement tool that comprised of photos and team discussions to boost morale, increase dialogue, and recognize colleagues.

### Partnering With Leadership

Given the amount of disruption and history the project had over the past five years, it was paramount that the Direct Energy team kept staff informed and listened to their feedback.

Harbinger advised Direct Energy's Executive team on what was required of them to build employee trust and be the champions of the change within their environment. Through weekly communication meetings with the Executive and Senior Leaders of the project, Harbinger was able to counsel leadership on the communication approaches, messaging and tone to make themselves more accessible to staff, celebrate progress and provide routine updates – regardless if they were positive or negative.

### Pivot, Pivot, Pivot!

Despite having the best laid communication plan, circumstances required that Harbinger demonstrate its agility and creativity in unexpected ways. Leading up to and beyond the system launch, Direct Energy faced unprecedented and unexpected circumstances that required its communication efforts to be flexible.

The team rose to challenge in keeping leadership and employees motivated when they encountered the following setbacks:

- Leading up to and on launch day, Direct Energy employees had to combat sub-zero temperatures, earthquakes, tsunamis, multi-day network outages, power-outages with back-up generators failing, which required regular communication updates to confirm the right course of action to ensure the system launched successfully.

- Following the launch there were numerous system errors and malfunctions identified that threatened Direct Energy's ability to operate on the new platform. Increased transparency and communications from executive leadership was required.
- As the business tried to stabilize prior to hitting its peak season, the COVID-19 emerged and disrupted the business. The global pandemic highlighted the absence of a business continuity plan and process. Communications played a key role in message development and collaboration with the Executive, legal, customer service, digital and marketing teams to quickly get messages out to stakeholders through multiple communication channels. Internally, it also required delivering timely messages to Direct Energy employees to help them transition to working remotely and balancing their personal and professional needs.
- In order to help manage the impact to the business given the looming peak business operations busy season for HWA, the Harbinger team expanded an in-person event held that was held annually in Buffalo Grove into a virtual one where more employees from other locations could participate by introducing online trivia contests and games, TikTok dance competitions and virtual lunches with colleagues and leadership to build closer connections during a time where social distancing became the new normal.

## What was the outcome?

Harbinger's focus on stakeholder engagement helped Direct Energy experience and understand what is possible when there's a comprehensive communications strategy, channels and management put in place. Through this effort, making communications a top priority during times of uncertainty can reduce anxiety, foster clarity, transparency, and trust from leadership. It provides opportunities for meaningful exchanges between staff and managers and enables widely distributed employees bases to band together and celebrate each other during times of tumultuous change.

While the project experienced multiple setbacks and unprecedented crises, a foundation was laid for Direct Energy to have a standardized engagement mechanism that encouraged collaboration and communication. Consistent messaging and powerful storytelling delivered through accessible channels enabled Direct Energy to achieve their overall business goals.

## Key Deliverables and Activities

- Communications Leadership
- Stakeholder Analysis and Management
- Communications Strategy, Plan, Development and Execution Management
- Executive Leadership Counsel
- Event Management
- Communications playbooks, virtual desk drops, toolkits



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