

Valassis: Nurturing a Team-oriented Environment

Introduction

To enrich and evolve the company’s culture is one of the company’s key strategies to support its Mission – that speaks to how highly they value their associates and want their jobs to be more than a “job.” Providing a rewarding work environment with a focus on open communication, trust, recognition, work/life balance, diversity, camaraderie and corporate citizenship is a priority. It is a difficult task to capture the company’s culture in words. The workplace environment is one to be experienced. It is one where collaboration is a hallmark, which has been evident during its acquisition in March of 2007 of the nation’s leading direct mail marketer. Together, with its now

Exhibit 1: Valassis Quick Facts

Industry	Marketing & Communications
2005 Revenue:	\$1,043M
U.S. Employees	1,500
Headquarters	Livonia, MI
CEO	Alan Shultz
Founded	1970
% Minorities	16%
% Women	52%
% Voluntary Turnover	6%
Website	http://www.valassis.com

7,000 associates worldwide, the company is embarking on its next chapter, which has brought about change, but has remained committed to best practices.

At Valassis, they strive to make the company more than a place associates come to work each day; associates is the term used to refer to employees. The word, “associate,” is collaborative in nature and speaks to the strong team environment that is nurtured.

Background

Valassis has likely been to your home. If you ever wonder who sends you those savings coupons in your weekend newspaper, here is your answer. Livonia-based Valassis pioneered the newspaper coupon booklet. The company has been in the

(edits to Quick Facts)

2006 Revenue	1,131.0
U.S. employees	5,000
CEO	Alan F. Schultz
% minorities	28%
% women	51%
% voluntary turnover	8%

promotions/marketing services industry for 37 years. Today, Valassis is a public company whose stock is traded under VCI on the New York Stock Exchange and is a widely-recognized global leader in

marketing services. They offer a plethora of media products and services, including: newspaper-delivered promotions; shared mail; direct mail; in-store marketing; direct-to-door advertising and sampling; Internet marketing; loyalty marketing software; coupon and promotion clearing; promotion planning; and analytic services.¹

The company employs around 7,000 associates in 29 states and nine countries. Valassis companies include ADVO (the ADVO name will be retired in 2008), Valassis Canada, Promotion Watch, Valassis Relationship Marketing Systems and NCH Marketing Services.

Valassis is led by CEO Alan F. Schultz, who has put strategies in place to keep the business competitive in an ever more globalized world and competitive marketplace. In order to stay on top despite declining newspaper circulation, Valassis has completed numerous mergers and acquisitions and grown organically allowing it to both enter the global marketplace and expand its customer base and product portfolio. In the majority of cases, it is difficult for an organization going through a merger or acquisition to ensure a sense of commitment or common culture. But Valassis has managed to communicate to its associates that their feedback is encouraged and their interests are at the forefront of the decision-making process. Valassis associates across the company collaborate to support the company's mission and strategic initiative to further strengthen the business.

Awards

In 2005, Valassis was named to FORTUNE Magazine's "Hall of Fame" for being named to the "100 Best Places to Work For" list since its inception in 1998. Valassis appeared on the list from 1998 through 2006. Due to eligibility requirements relating to acquisitions, Valassis was ineligible for the 2007 and 2008 lists. Valassis also appeared in the book, "The 100 Best Companies to Work for in America" in 1994, which launched the annual listing.

It has also been rated as a top company in many areas. In 2005, it was regarded one of the "Top 50 Companies to Sell For" by *Selling Power* magazine, one of the "50 Best Manufacturing Companies" by *IndustryWeek* magazine, and one of the "100 Best Corporate Citizens" by *Business Ethics* magazine.

Locally, Valassis has been touted as one of the "Best and Brightest Places to Work" in Metropolitan Detroit by the Michigan Business and Professional Association (MBPA) and a "Cool Place to Work" by *Crain's Detroit Business*. The MBPA award honors companies in southeastern Michigan that are committed to exceptional human resources practices. This year, 2007, marks the fifth time Valassis has been recognized on the "Best and Brightest" list.²

This shows that the success that Valassis achieves is not isolated to one department, but exists at the cross-section of many moving parts and a culture that permeates the organization. Also, despite the mergers and acquisitions, Valassis is still sought as a great employer.

Diversity

One award, not mentioned above, that Valassis received in 2006 was the Mosaic Award from the American Advertising Federation (AAF). The award honors Valassis' diversity initiatives, which are

¹ Valassis Webpage, www.valassis.com, 29 August 2007

² "Valassis Honored as One of 'Metropolitan Detroit's 101 Best and Brightest Companies to Work For'; Company Remains Committed to Fostering Award-Winning Best Practices, PR Newswire, New York: 6 Aug, 2007

focused not only on maintaining a diverse workforce, but also on enhancing employee knowledge and acceptance of various ethnic and cultural backgrounds.

In response to this award, Carol Spann, Valassis Senior Vice President of Corporate Human Resources, made the following remarks: “It’s an honor to be recognized by the AAF, the premier voice of the advertising and marketing industry...Diversity is a very important strategic initiative at our company and we view it as one of our greatest assets.”³

The flagstone of Valassis’ commitment to diversity is its Diversity Council, which sponsors numerous speakers and workshops such as women in leadership, salsa dancing, gay and lesbian education, and language and culture classes. Diversity Councils exist in locations across the company – all with a common mission:

- To achieve a workplace where every associate feels included valued and respected;
- To provide an environment that is diverse in thought, experience, people and action; and
- To enhance relationships with co-workers, clients, suppliers and the community through greater understanding and appreciation of differences.

Although diversity has recently been a hot topic in many organizations, Valassis, in line with its open and honest culture, was a leader in recognizing the need to establish a formal council and full-time management position for diversity. Both were established in 1998.

Benefits

Note: new benefit program to be rolled out for 2008.

When someone mentions benefits at Valassis, they are speaking well beyond medical and dental

Team Achievement Dividends	Child Care Reimbursement
Stock Matching	Dependent Care Reimbursement
401(k) Matching	Counseling Services
Profit-sharing	Alcohol / Drug Abuse Rehabilitation
Flex Benefits	Onsite Fitness Center & Doctor
Part-Time Benefits	Travel Service
Paternity Paid Time Off	Corporate Discounts
Adoption Time Off	Free Car Seat for New Parents
Adoption Reimbursement	Expectant Mother Parking
Flex Scheduling	Dry Cleaning and Postal Services

coverage.

Note: Exhibit 2 is reflective of the benefit section TBD

Associates Receive Transparent Communication and Recognition

In Valassis’ Annual Report they clearly recognize globalization, increasing materials costs, intense competition, shrinking margins, and competing electronic media outlets. These are factors that unfortunately sound familiar to many Michigan businesses. But Valassis manages the balancing act of

³ “Mosaic Award Recognizes Valassis for Workplace Diversity Initiatives,” PR Newswire, 25 Sep, 2006

being transparent to its associates through this open dialogue that includes leader meetings, portal announcements, newsletters, videoconferences, e-mails and voicemails – with a goal in mind to reach associates, how when and where they want, similar to the company’s mission of delivering value to consumers how, when and where they want. Open communication is a cornerstone of Valassis’ culture. This open culture also recognizes that when the company is rewarded, that reward rightfully belongs to all of the associates, and everyone is recognized for their collaborative success. In response to *IndustryWeek*’s award for being one of the “50 Best Manufacturing Companies,” Valassis gave the credit to its workforce. William F. Hogg, Jr., Executive Vice President of Manufacturing and Client Services for Valassis, said, “The commitment of our employees to quality and their attention to detail helps us achieve these goals. Their talent is unparalleled and recognition by *IndustryWeek* is a direct reflection on them.”⁴

Conclusion

Valassis is a great example of a Michigan-based company that believes in open communication, encourages collaboration and places value on building and maintaining a great place to work. Valassis recognizes business challenges as opportunities for future success. In response to the naming of Valassis to the FORTUNE magazine’s Hall of Fame, Alan F. Schultz, Chairman, President and Chief Executive Officer of Valassis said, “As part of our unique culture, we celebrate our successes and we view our challenges as opportunities to build camaraderie, which further strengthens our culture. For us making Valassis a great place to work is always a priority.”⁵

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⁴ “Valassis Selected as One of IndustryWeek’s ‘50 Best Manufacturing Companies’; Distinguished List Honors Valassis for Third Year,” PR Newswire, 12 Jun, 2006

⁵ “Fortune Names Valassis to ‘100 Best Companies to Work For’ List for Ninth Consecutive Year” PR Newswire. New York, 9 Jan 2006