What is Business Communication? The Definition

Business communication is the process of sharing information between people within the workplace and outside a company.

Effective business communication is how employees and management interact to reach organizational goals. Its purpose is to improve organizational practices and reduce errors. It's important to work on both your communication skills and communication processes to achieve effective business communication.

The importance of business communication also lies in:

- Presenting options/new business ideas

- Making plans and proposals (business writing)

- Executing decisions

- Reaching agreements

- Sending and fulfilling orders

- Successful selling

- Effective meetings

- Providing feedback to employees and customers
- All organized activity in a company relies on the process of business communication and your communication strategy. This could be anything from managerial communication to technical communication with vendors.
- And once communication becomes unclear, the company's core systems risk falling apart. Data shows that 60% of internal communications professionals do not measure internal communications. Potential reasons include not knowing where to start, the next steps, or how to calculate ROI.

Why is business communication important?

Voice solutions like VoIP (**Nextiva or other alternatives**) will likely result in higher employee engagement. And companies with connected employees in the workplace have seen a spike in productivity of up to 25%.
Companies with an engaged workforce see a 19.2% growth in operating income over a 12-month period. Those with low engagement scores earn 32.7% less.

What is VoIP and how it works?

VoIP is the technology that converts your voice into a digital signal, allowing you to make a call directly from a computer, a VoIP phone, or other data-driven devices. Simply put, it's phone service delivered over the internet.
Every time you use your Mac or Windows computer to call someone using the internet, you are using VoIP. For instance, when you use Skype or Facebook Messenger, these are VoIP applications.

Types of Business Communication

Internal business communication can be:

- **Upward communication:** any communication that comes from a subordinate to a manager. Or from another person up the organizational hierarchy.

- **Downward communication/Managerial communication:** anything that comes from a superior to a subordinate.

- **Lateral communication/Technical communication:** internal or cross-departmental communication between coworkers

Then, there is external business communication:
External business communication is any messaging that leaves your office and internal staff. It involves dealing with customers, vendors, or anything that impacts your brand.

You can sort all communication in this spectrum into four types of business communication.

1. **Getting and receiving instructions and assignments both upward and downward.** This includes an effective delegation from one person to another. Most problems in business begin with unclear communications in this area.

2. **Sharing and discussing information, including information sharing that goes on in meetings.** When communication fails in this area, it causes tasks to be done improperly or not at all.

3. **Giving feedback to people who report to you so they can do their jobs better.** Giving great, actionable feedback is a key skill for anyone in a

leadership position. Non-verbal communication and body language also play a role here.

4. **Problem-solving and decision-making meetings and discussions.** These are considered among the most important discussions for any organization. This involves higher critical thinking and better communication technology.

5. **Public relations can even be considered a form of external communication.** Public perception is an essential aspect of a business communication strategy.

Problems That Effective Business Communication Can Solve

Clear and effective business communication is critical for teams, employees, managers, and executives to perform their jobs and fulfil their responsibilities Without the right processes and tools in place, the flow of information is interrupted and people are left in the dark. This can lead to serious consequences for the company, from unsatisfied employees and customers to lost profits.
The transparent flow of information is an obvious overarching goal of a business communication process.

1) Email overload and lack of everyday productivity and clarity
In many workplaces, people are simply overwhelmed by the number of messages they receive in a single day. In his book *Message Not Received*, Phil Simon said the average person receives 120 to 150 emails per day.
We easily misplace or completely overlook a crucial piece of information. With a business communication system in place, companies can 1) Email overload and lack of everyday productivity and clarity

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2) Horizontal and vertical communication silos

Oftentimes, teams and departments don't exchange essential information. Other times, there's no easy way of reaching out to a department manager when there's an

issue inside a team. These silos form easily and often without anyone noticing but can easily be remedied with a communication plan in place.

3) Poor communication with remote employees

Remote work is here to stay. The State of Remote Work report from Buffer shows that the vast majority of employees would like to work remotely for at least some of the time.
They list collaboration and communication among the top three struggles when it comes to working remotely, proving the value of the right communication systems in place.

4) Employee turnover/Low employee engagement

Losing the ideal people from your organization puts your ability to serve customers at risk. It's also expensive.
Losing an employee can cost as much as twice their annual salary, but when companies communicate effectively, they are 50% more likely to report turnover levels below the industry average.

5) Poor customer service

If there's poor communication in an organization, two things happen when it comes to customer service. First, employees in customer-facing roles won't have the information they need. Second, customers will sense low employee morale and have a negative experience.
In fact, one study found that employee attitude improvement impacts customer satisfaction, which then results in an increase in revenue.

What is the importance of non-verbal communication in business?

Non-verbal communication covers so much ground – from your facial expressions to your tone in an email. Considering the vast majority of business communication happens asynchronously (meaning anything other than a 1-1, face-to-face meeting) via email, project management task boards, or chats…almost all of our business communication can be considered non-verbal. Therefore, it's incredibly important to work on your verbal communication as well.

5 Steps to Set Up Your Business Communication Process

1) Audit your current state of business communication and set goals

- Low employee satisfaction or high turnover

- Lower than expected outputs across the company

- Fast growth, which leads to losing track of information

- Lack of information transparency due to remote work

- A specific employee turnover or satisfaction rate

- Customer satisfaction rate

- Number of projects completed

- Number of interactions between departments

2) Identify core groups in your organization and their relationships with each other

- **Horizontal classification**, i.e., departments (operations, marketing, design, human resources, sales, customer support, finance, and more)

- **Vertical classification**: professionals in teams, team leaders, department managers, executives

- **External groups**: customers, suppliers, partners, and more

- Which teams and people have to talk to whom on a daily basis? What about weekly, biweekly, and monthly?

- What communication happens only when there's **an ongoing crisis**?

- How are managers and team leaders maintaining progress in their departments? How does reporting work?

- Is there a knowledge library that has the potential to reduce unnecessary meetings and conversations?

- Which projects and processes need approvals from other people in the company? How are approvals requested and facilitated?

3) Define methods of communication

- Web-based communication

- Telephone meetings

- Video conferencing

- Face-to-face meetings

- Reports and official documents

- Presentations

- Forum boards and FAQs

- Surveys

- Customer management activities

4) Choose the right tools

- Use cloud storage to preserve important documents and other data. Enable automatic sync and backup to avoid human error and forgetting to manually save information to it.

- Use a single platform for emails and calendars.

- Use a single tool for chat messaging. For example, if some people use Slack and others Hangouts in their Gmail, it will create friction and impede communication.

- Implement an easy-to-use, reliable **VoIP phone system** if many of your meetings happen remotely.

- Develop brand and editorial guidelines that detail the tone of voice and use of brand elements. This way, all communication is unified, internally and externally.

5) Document the process

Finally, take note of everything you do throughout this setup and turn in into a shared document visible to the entire organization.
This way, each employee can refer to an intentionally developed communication plan and decide on the best action for the situation they're in.