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As Trust Among Consumers Wavers, Authenticity is Critical

Forbes
Jan 14, 2019
https://www.forbes.com/sites/michaelfertik/2019/01/14/as-trust-among-consumers-wavers-authenticity-is-critical/

Facebook might be under fire for questionable data management practices, but that doesn't mean businesses should shy away from social media as a means of connecting with customers.

In fact, high-profile breaches of consumer trust have lead to a call for authenticity, and businesses who fail to connect on social media and through other digital methods will miss the opportunity to demonstrate authenticity and earn consumer loyalty.

Why is consumer trust at an all-time low? Well, the ongoing deluge of scandals involving misuse of consumers' personal data has had a devastating effect. For example, Facebook's rocky year ended with a harsh New York Times expose, revealing that the company sold out even more user data than previously thought to a whole bunch of companies — including Netflix and Spotify, who supposedly can now read your private messages.

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So, here we are. Consumers don't trust the government or social media, but they rely on review sites and social media giants like Facebook for information to guide their purchasing decisions. Case in point: Facebook continues to add more active users, and many think the #deletefacebook movement is self-defeating — the # itself connotes the idea of social media channels aggregating data for our perusal.

It's up to businesses to figure out how to be seen as trustworthy using an inherently untrustworthy marketing medium. In this contradictory environment, how do businesses fare well? Provide exceptional service. Hold yourself accountable. Be *authentic*.

What Consumers Really Want

Reputation.com's 2018 Retail Reputation Report uncovered powerful, actionable insights into what retail customers really want — staff competence and friendliness, short wait times and product value all play significant roles in swaying customer sentiment. All of these things are reflected in online reviews and social commentary, and contribute to a business's overall Reputation Score — the sum of all your efforts to optimize your online presence.

Our report lists the winners, with Lego at the top, along with Trader Joe's and (you guessed it) Nordstrom. And we found that a high Reputation Score correlates with a 3.9% boost in sales.

But brands should be careful not to overlook another important factor that goes a long way in earning consumer trust — authenticity. Eighty-six percent of people say authenticity matters when deciding what brands they like and support. To win the hearts and business of your target customers, you have to convince them you are trustworthy and authentic.

Being authentic means being accountable and upholding your brand promise. It requires transparency and a dash of vulnerability. When a brand is authentic, consumers know it, appreciate it and prioritize their spending accordingly.

Think about it. What are people looking for when they have a bad experience at a store, or when a service they access online is temporarily unavailable. Usually an apology combined with a concerted effort to right the wrong — in other words, being authentic — will quell a consumer's anger and resentment. And, it can keep bad reviews or negative posts from spiraling out of control.

Forrester's 2018 Customer Experience Index found that the way an experience makes customers feel has a bigger influence on brand loyalty than any other factor. Elite brands provided an average of 22 emotionally positive experiences for each negative experience.

When it comes down to it, we're all human. We respond to being treated well. We reject what's fake or dishonest, and we are drawn to authenticity. It seems so easy, yet for many brands, it's difficult to accomplish.

Here are some simple ways to build the authenticity your audience is looking for

- Listen and respond to your customers publicly online. Responding to a critique or complaint online is more critical than ever — 54% of consumers expect a response in less than 60 minutes. And Gartner found that not answering customers on social channels can lead to a 15% increase in the churn rate for existing customers. Make sure you have processes and the right technology in place to monitor all your social media and review sites continuously, and set up alerts to notify you when reviews come in, so you can respond right away.
- Address complaints and take action to correct issues. The content in reviews and social commentary contains clues to a better customer experience — but you'll never know they're there if you don't leverage technology to collect and analyze the text. That's what AI-based solutions can do. They pull in content from all over the web, apply machine learning and uncover all kinds of useful information, like where your locations can improve. Having this information on-hand can help you optimize the customer experience (and also boost profits).
- Share authentic user-generated online content, from reviews, social media and surveys. Lean on your advocates to tell your story. In the customer's mind, they are way more credible and trustworthy than you are.
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Here's How Google Harnessed the Cultural Zeitgeist

Social Media Week
April 30th, 2019
https://socialmediaweek.org/blog/2019/04/heres-how-google-harnessed-the-cultural-zeitgeist/

Google worked out how they could use an event everyone would be watching to their advantage. Here's how you can too.

In an age of viral videos, online cultural trends, and memes that seem to take over the world, it's no wonder major global brands are looking to hop on board with whatever is uniting the population in order to maximize their yield of potential consumers and advertise their products.

Basing a marketing campaign around the zeitgeist – or cultural phenomenon – of the times, is a sure-fire way of making sure your campaign hits – and is discussed by – a plethora of people. Social media, all of the existing platforms, is used by 3.2 billion people today. Its reach is unchallenged by any other medium.

Addressing the crowd at #SMWNYC 2019, Raashi Rosenberger, Brand Marketing, Consumer Apps at Google, discussed how they found a cultural zeitgeist to craft to their wishes and created a marketing campaign that subsequently became one of their most successful ever — boosting their mention and impression rates by 24 and 71 percent respectively.

Here's what we took away from Raashi's masterclass.

Find Something That Unites Everyone

'We live in a fragmented world,' said Raashi. 'It's hard to find something that unites a lot of people.'

But Google did.

Avengers: Endgame, upon its theatrical release worldwide last week, broke almost every box office record imaginable and grossed $1.2 billion in its first weekend. Everyone loves movies, right?

'We wanted to make a unifying experience for a load of people, not just a small fragment. So we picked the Oscars'.

Google, per Rosenberger, was late to the game with Google Assistant and Google Home. Siri's been around for years, and Alexa, Amazon's answer, has been rapidly gaining traction in recent years. They had to think of something that their consumers would simply *have* to see – and something that would reach a whole wealth of potential consumers that wouldn't normally be users of either home assistants or Google products.

The Oscars were that. The people that were watching would, even if they were watching passively, have Google's clips playing on their screen repeatedly during the night. Those who weren't watching – they'd be interacting somehow with content online.

So they did it – created a campaign. The idea was genius – short ads which depicted a scene from a classic film – but where a character's request, or dilemma, was heeded or made better with the use of Google

Assistant. Take Alfred Hitchcock's 'Psycho', for example. In Google's re-done version, no one needs to stay at the motel – as Google Assistant shows them the motel's rating and asks them if they'd like a room.

Genius, right? And That Has Legs on a Social Platform

Google's campaign exploded on social media. They used influencers, Instagram story ads and Twitter promotions to reach as many people as possible – even those who didn't care for the Oscars – because chances are, they'd care about the film that they were being targeted with.

The crux of it was that it was entertaining – and people were watching it for that, rather than the fact that it was advertising a Google product. But most of all, it was reproducible. The name of the campaign, Google's starting block, was #heygoogle – simple, relevant and perfect for social media. Google focused on making their collaboration with GIPHY one of the most integral parts of the entire campaign. Social media users could recreate GIFS and make their own Google Home moments, showcasing how their day-to-day lives would be improved by the use of Google. Even those who only cared for the ads due to the cinematic references could drive Google's reach and knowledge of the campaign by the nonchalant use of the hashtag.

Keep The Momentum

One of the most important aspects of the talk divulged on the timings of advertising campaigns, illustrated through a graphic depicting when Google rolled out their adverts on different social platforms.

'The momentum around an event starts in advance and carries on the week after.'

If something's based around a cultural zeitgeist, especially one that's in the diary – and the start and end can be pinpointed – it's critical to note that the beginning and end of the event should not be the beginning and end of the campaign. Building anticipation and sustaining a conversation, arguably, are more important than the launch itself. Google's YouTube, Twitter and Instagram ads all rolled out up to two days before the event and carried on for days after.

'Creative ideas stick and trigger conversation,' says Raashi. Simple, isn't it?

Establish An Emotional Connection With Everyday People

Not everyone has as much money as Google does. The price of some of their strategies is beyond the imaginable range of many start-ups, non-profits or small businesses. But the ideas work in the same way. The idea is key.

Google's campaign was so successful because it was personal. It tugged on the nostalgia involved with a classic film that many viewers probably found joy in seeing referenced again. And it was funny. People liked it because it made them laugh, and subsequently remembered it.

71% of Google's mentions over the Oscars period were by new users,

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Survey Reveals How Consumers Really Judge Brand Authenticity (and Influencers)

Social Media Today
Published Feb. 25, 2019
https://www.socialmediatoday.com/news/survey-reveals-how-consumers-really-judge-brand-authenticity-and-influence/549038/

There's no denying that social media has drastically changed the way people communicate, shop and experience the world. But as consumers look to social media and other digital channels to discover products, make purchasing decisions and interact with brands, what types of content do they seek and trust most?

As it turns out, it's not the content brands are spending lots of money to produce, but the content consumers themselves are creating and sharing online everyday - user-generated content (UGC).

Stackla recently surveyed 1,590 consumers and 150 B2C marketers from the U.S., UK and Australia, to uncover the gaps that exist between the content consumers want and what marketers believe they're providing - the results of which should serve as both a warning and an opportunity for marketers everywhere.

Authenticity has never been more important

Though it probably won't come as a big surprise, ad-exhausted audiences are increasingly looking for authenticity.

A whopping 90% of consumers said that authenticity is important when deciding which brands they like and support - up from 86% in 2017. And marketers understand how much authenticity matters, with 83% saying authenticity is very important to their brands, and 61% believing authenticity is the most important component of impactful content.

So just how authentic and effective is the content brands are producing? That depends on who you ask.

An overwhelming 92% of marketers believe that most or all of the content they create resonates as authentic with consumers. Yet the majority of consumers disagree, with 51% saying *less than half* of brands create content that resonates as authentic.

How can marketers be so off-base when they clearly recognize that authenticity is what consumers seek? The answer can be found in the types of content marketers view as authentic.

Marketers underestimate the authenticity and influence of UGC

User-generated content is viewed as the most authentic form of content by consumers globally, with 58% of consumers agreeing. Marketers are on a different page.

While consumers are 2.4x more likely to say UGC is most authentic, when compared to brand-created content, marketers are 2.1x more likely to say brand-created content is most authentic in comparison to UGC.

Herein lies a crucial issue for marketers - they believe that authenticity is the most important component of effective content, yet the content they perceive to be most authentic - brand-created content - is not the content their audiences views as most authentic.

Beyond being seen as the most authentic, user-generated content is also the most influential content consumers reference when making purchasing decisions. Most consumers say that they've made purchasing decisions based on user-generated visuals - 57% have made plans to dine at a particular restaurant, 54% have purchased a consumer packaged good and 52% have made plans to travel to a specific destination based on a consumer-created image or video.

Globally, 79% of people say user-generated content highly impacts their purchasing decisions - up from 60% in 2017 - while only 13% say content from a brand is impactful, and a mere 8% say influencer-created content would highly impact their purchasing decisions.

The waning influence of celebrity and/or influencer content is an indicator that everyday consumers' trust in social media influencers has been shaken in the wake of numerous reports of fake and fraudulent influencer behavior (we've all seen at least one of the documentaries on the Fyre Festival at this point, right?).

But although consumers find user-generated content 9.8x more impactful than influencer content, nearly half of marketers (49%) are planning to increase their investment in influencer marketing in 2019.

Seeing as the cost of influencer marketing can range anywhere from $250 per Instagram post to upwards of $500,000 per YouTube video according to Digiday, this may not be the most effective use of brands' marketing dollars.

Marketers feel pressure to produce more content, but aren't investing in the content consumers seek

The punishing pace of today's news and technology cycle has deepened the content challenges of modern marketers. Now, not only do you need to produce more compelling and visual content to break through in an increasingly cluttered landscape, but you also need to ensure that content is always fresh.

Half of marketers say producing or sourcing enough engaging visuals is a top content challenge, and 63% feel pressure to continually produce greater amounts of content at a higher frequency. But the greater the demand, the more crucial it is to prioritize the content that's going to be most effective at attracting and motivating audiences - yet, 67% of marketers are planning to increase their use of brand-created photos and videos in 2019, although only 15% of consumers say that's the type of content they most want to see from brands.

So what type of content *do* consumers want from brands? You guessed it: UGC.

Fifty-six percent of consumers say the types of content they most want to see from brands are user-generated photos and videos - and they're constantly creating them.

Consumers create the content they seek from brands

While marketers are increasingly struggling to create enough content, everyday people have become the world's greatest content creators. The majority of people say they would post about a wide variety of

positive brand and product experiences - travel to a destination, dining at a restaurant, using a new health and beauty product or purchasing a new car.

And most are sharing these experiences with the hopes that brands will notice, saying they would not only welcome, but reward brands for using the content they create. In fact, 51% of people say they'd be more likely to continue engaging with and/or purchasing from a brand if it shared their photo, video or post throughout its marketing.

How marketers can bridge the content gap

In order to bridge these gaps in perception, marketers need to move away from the expensive and time-consuming professional content they currently prioritize and listen to what global consumers have repeatedly declared throughout this report - the authenticity and influence of user-generated visuals are what people seek, trust and act on most.

By strategically tapping into the content consumers freely crave and create, marketers can simultaneously solve their content production and authenticity challenges, while also reducing their costs and delivering more relevant, engaging and influential content experiences for their audiences.

You can read the full Bridging the Gap: Consumer & Marketing Perspectives on Content in the Digital Age for more insights.

Power of Consistency: 5 Rules

Inc.
June 12, 2021
https://www.inc.com/eric-v-holtzclaw/consistency-power-success-rules.html

Are you stopping short of the finish line? Consistency is the difference between failure and success. Here's why.

Throughout my career, I've strived to stay consistent about consistency. Even the best business plans will fail without a dedication to consistency.

If I say I'm going to do something, I do it. If I say I'm going to be somewhere, I'm there. If I initiate a new business process or initiative, I follow through. In my experience, consistency is a must as you build and grow your business.

Here's why:

1. Consistency allows for measurement.

Until you have tried something new for a period of time and in a consistent manner, you can't decide if it works or not. How do you measure effectiveness if what you are measuring isn't performed consistently?

I typically give new initiatives, processes, and organizational structures at least six months before judging them a success or failure. It's often minor tweaking instead of major overhauls that make the difference.

2. Consistency creates accountability.

I ask my employees to be accountable for their deliverables and goals. They should expect the same in return from my leadership. I put a priority on making time for and being available to my team. I work to establish consistent and recurring meetings when a project or aspect of the business requires attention.

The simple fact that there is a set time to report on progress is often the catalyst that moves an initiative along to a successful end.

3. Consistency establishes your reputation.

Business growth requires a track record of success. You can't establish a track record if you are constantly shifting gears or trying new tactics. Many efforts fail before they get to the finish line, but not because the tactic was flawed or goals weren't clear. The problem is often that the team simply didn't stay the course to achieve the objective.

4. Consistency makes you relevant.

Your employees and your customers need a predictable flow of information from you. All too often I see businesses, both small and large, adopt a campaign or initiative only to end it before it gains traction. It's effective to run many advertisements, numerous blog entries, weekly newsletters, or continual process changes throughout a year.

5. Consistency maintains your message.

Your team pays as much or more attention to what you do as to what you say. Consistency in your leadership serves as a model for how they will behave. If you treat a meeting as unimportant, don't be surprised when you find they are doing the same to fellow teammates or even customers.

When something doesn't work, I look back at what happened and ask some serious questions. Did we shift gears too quickly? Did part of the team not deliver on a commitment? Or was the expected outcome off base from the start? Most of the time, the reason tracks back to lack of consistency.

How to Prioritize Consistency in Your Startup

Startacus
5th August 2020
https://startacus.net/culture/how-to-prioritize-consistency-in-your-startup#.YJe_P7UzZPY

Motivation is fleeting; consistency is everything.

When operating a startup, tasks pile up fast, resources are limited, and every day is a challenge. Consistency is the key to moving forward and making progress. Without it, your business will get backlogged and crumble.

Here are six ways to prioritise consistency in your startup.

Get the Right Tools

Having the right tools in place can make all the difference in the early days of your business. They can help you stay on task and ensure things get done when they're supposed to. The tools you use should also reflect the changing times in the business world.

For example, rather than desperately searching where to fax near me when an important contract comes in while you're traveling, invest in an online fax service with digital signature capabilities. Rather than breaking up the day to post on social media, invest in an automated scheduling tool.

Having the right digital tools in place makes consistency intuitive and natural when running a business.

Let Go of Perfection

As an entrepreneur, you'll need to let go of your ideas of perfection. Being a perfectionist can lead to analysis paralysis, which kills productivity and derails consistency.

Yes, it's important to proofread your work and produce something that you can be proud of. However, overthinking leads to delays and second-guessing yourself. Eventually, a decision has to be made, and as an entrepreneur, you're the one who will have to make it.

Prioritize your tasks, write pros and cons, and set a deadline for decision making.

Create Action-Focused Goals

Why do so many people fail at their goals? The primary reason for failure is the focus on the result rather than the steps to get there. Once you've set a goal, it's time to reverse engineer it and write out your daily tasks to get there. Make these small, manageable tasks a part of your daily routine, and you'll consistently make progress in your business.

For example, if you hope to secure three new clients by the end of the month, consider how you'll do it. What actions need to be done this month? This week? This day? Once you know, make it happen.

Create Standard Operating Procedures

Standard operating procedures (SOP) create a consistent work environment that helps with outsourcing and time management. You can build an SOP for every task in your business, from reviewing client files to executing the work.

One of the overarching benefits of having SOP in place is the continuity of your business should you need to step away. This is vital for solopreneurs who experience a family emergency or illness. By creating SOP documents, you can subcontract your work and keep your business consistent.

Learn Smart Time Management Practices

Everyone knows that time management is important. However, knowing how to implement time management is something else entirely.

There are many methods to improving time management, from using the Pomodoro technique to implementing time blocking. Find an approach that works for you and build a daily schedule that allows you to get your work done.

Regardless of what approach you take, remember to be realistic about your commitments, and incorporate buffer time.

Seek Accountability

There's a common belief that you can only truly be accountable to yourself. This belief is true for many reasons. However, plenty of people thrive from a sense of external accountability and the feeling that they're failing others rather than themselves.

Seek accountability by hiring a reputable business coach, joining a mastermind group, or creating an advisory board for your startup. By having someone else support you and pay attention to your progress, you'll become more consistent in your business actions.

Consistency is what determines whether your startup will still be here a year from now. Keep moving forward using this advice to guide your path.

Consistency Is the Most Important Leadership Trait in a Crisis

Inc.
May29, 202
https://www.inc.com/minda-zetlin/consistency-most-important-leadership-trait.html

It's even more important than inspiration or reassurance.

What do your team members need most from you as a leader in times of crisis? You might think they need you to be calm and reassuring, to offer an upbeat perspective, inspiration, or motivation. And they do need all those things. But the thing they need most isn't on that list. It's consistency.

In an insightful post on the *Psychology Today* website, Victor Lipman, a longtime executive at MassMutual, management trainer, and author, argues for the importance of consistency and the bad things that can happen when it isn't there. "Few management attributes can be as stress-inducing for employees on a daily basis as not knowing what's expected of you, or what kind of management mood will await you from one day (or moment) to the next," he writes.

Early in my career I had a boss who was very smart and excellent at sales. She had risen through the ranks to be second-in-command in our department. It was a place of large workloads and challenging deadlines and very frequent business travel. One night I found myself in the office late, trying to finish a project that was due that day but not terribly essential. I had an early flight the next morning and then a full day of meetings. And so I left the work uncompleted and went home to bed.

The next day, I got a furious phone call from my boss. I was sorry I hadn't finished the project, I explained, but I had to leave for the trip. I would complete it as soon as I returned to the office in a couple of days. That wasn't good enough, she told me. When I realized I couldn't finish on time, she said, I should have contacted her, late in the evening though it was, and asked whether I should still go on the business trip or skip the trip to finish the work.

I was stunned. Deadlines were always tight in that company and sometimes they were missed. Whereas there were people, some of them customers, expecting to meet with me at my destination and standing them up would be unacceptable so far as I knew. What my boss had said was completely at odds with the company's priorities as I'd always understood them. By the time I got back to the office, she seemed to have changed her mind again.

Can I count on you?

"What I came to realize over the course of my career was that it mattered less to me whether a manager was stern or gentle, authoritative, or easy-going. What really mattered was whether I could count on the person," Lipman writes. And, he says, employees crave consistency in their leaders even more during uncertain times like these.

It reminds me of a conversation I had many years ago with a CEO known for his ability to turn failing companies around. At the time, he'd recently saved a New England manufacturer from oblivion. When I asked how he did it he said, "The most important thing is that the people in the company never have to guess what the boss is thinking. They always know what decision I'll make in any situation, because I've made clear what I consider most important and I've never wavered from that."

I was struck by that answer at the time, and all these years later I still am. This turnaround expert who'd made a career out of saving struggling companies was saying that letting your team know exactly where you stand, and sticking to it, is even more important than making the right decisions. That's something to remember next time you're wondering how you can best help your team.

4 Tips for Practicing Consistency in Management

Management Training Institute
September 18, 2020
https://www.managementtraininginstitute.com/4-tips-for-practicing-consistency-in-management/

You might be familiar with the phrase, "consistent action leads to consistent results." This is especially true when it comes to management. A leader must be predictable and provide stability wherever possible. Consistent management techniques are important anchors for any business and help to advocate a more stable work environment. As a manager, you are in charge of establishing a consistent culture of excellence among your team. If business goals are not reached, deadlines are not met, and professional expectations are not enforced, it falls on the manager's shoulders. Employees look to their manager to lead them and this starts by implementing consistent management practices. Here are four tips for practicing consistency in management.

Follow Through with Commitments

Managers wear a lot of hats and this means they commit to a lot of different things. However, your employees are counting on you to deliver on your word. If you tell one of your employees you will email them on Tuesday, your employee should not receive the email on Wednesday. If you tell your team that you will be present at the next team meeting to go over the details of a new project, you need to be there as promised. Take your commitments seriously and let your actions follow your words. This builds trust and respect among employees, knowing they have a manager they can count on.

Treat Everyone Equally

Nothing is more frustrating than working for a manager who plays favorites. This is one of the fastest ways to destroy employee motivation. As a manager, it is your responsibility to treat every member of your team with equal respect. You must reward the same behaviors every time you see them and discourage the same behaviors every time you see them. Each member of your team should be given the same opportunities and held to the same standards.

Focus on Consistent Communication

The way in which you communicate with your team can directly impact their success. When relaying information, setting goals and expectations, and delegating tasks, do so with clarity and accuracy. One way to do this is by sending out a weekly newsletter or team email to ensure everyone is well informed of happenings in the department. Schedule regular meetings to discuss current projects and allow for open discussion. Commit to regular one-on-one meetings with employees to provide feedback. However, you choose to communicate, do it clearly and consistently.

Consistently Enforce Professional Rules

As the manager, you set the example in terms of your behavior. If you show up late, your team will be less punctual. If you break the dress code, your team is likely to follow suit. Strive to be consistent in all of your actions. Show up to work on time every day. Follow the dress code. Meetings need to start and end on time. Follow the protocol for requesting time off. Turn in your work on time and meet your deadlines. Likewise, be consistent in enforcing these same rules among your team. Avoid making exceptions for

certain employees and not others. Consistency in your behavior and your expectations for your employees' behavior will lead to a stronger and more successful team.

If your company isn't consistent, you're setting yourself up for failure. Here's why it's the most reliable path to success.

Insider
Sep 11, 2020
https://www.businessinsider.com/the-difference-between-success-and-failure-is-ruthless-consistency-2020-9?IR=T

Michael Canic, PhD, is a consultant who heads strategic change initiatives with top CEOs and management teams, and was a former leader at FedEx. The following is an excerpt from his new book, "Ruthless Consistency: How Committed Leaders Execute Strategy, Implement Change, and Build Organizations That Win."

In it, he explains how leaning on consistency is a reliable path to success, and companies that incorporate changes on a systematic level achieve more than those who superficially fix problems. "The whole truly is greater than the sum of its parts" when it comes to crafting a plan — and aligns every decision and action with success.

"Create a culture of continuous quality improvement."

That was the mandate that came down from corporate. It was early in my career with FedEx where I had taken on a role with responsibility for district-level service quality. I was just one of many young professionals at the company who wanted to make their mark in this newly created position.

FedEx already had a strong reputation for service quality.

It had set the industry standard for reliability — delivering overnight packages "absolutely, positively" on-time — but the competition was closing the gap. Driven to stay one step ahead, the company decided to create a culture of continuous quality improvement, a culture that would continually find ways to enhance service, compress cycle times, and reduce costs. Better. Faster. Cheaper.

Many of my counterparts wanted to get a fast start.

Almost immediately they started pushing people through quality training and forming quality teams. The race to implement quality was obvious when they reported their progress each month on a global conference call. Everyone wanted to impress.

I took a different approach.

I knew that many organizations had gone down the same path, and while some had succeeded, most had failed. In fact, leading publications were touting headlines that suggested quality—known more

commonly then as Total Quality Management, or TQM — was on its last legs: "TQM: More Than a Dying Fad?" (Fortune), "Is Quality Dead?" (Training magazine), "Totalled Quality Management" (Washington Post), "The Dark Side of Quality" (Quality Digest). Failure, apparently, was the norm. I wanted to know why. So instead of racing off to implement quality, I dove into the articles and case studies to understand what led to success and what led to failure.

Naturally, I had some preconceptions. All of them were wrong.

The anatomy of success and failure

My first thought was that training was the key. Maybe the successful companies provided employees with more training than the unsuccessful ones. Maybe they delivered "just-in-time" training. Maybe they started by training top-level managers and then cascaded training down through the organization. All reasonable ideas ... but none of them was the answer. Many companies provided quality training in a variety of ways, yet still failed.

Could it be resources?

Maybe the successful companies simply allocated more resources to their quality efforts. But that wasn't it either. Surprisingly, the companies that applied the most resources often experienced the greatest failures.

What about communications?

Maybe the secret was to communicate continually to employees the what, why, and how of continuous quality improvement. No, that wasn't it. I came across companies that implemented detailed communications plans ... and still failed.

Incentives and rewards?

Surely, aligning these with the desired behavior and outcomes would lead to success.
Nope. Measurement, tracking, and reporting? Same thing. And so it went with every management practice I examined. It all pointed to a conclusion I didn't like and didn't want to accept. That succeeding or failing with continuous quality improvement was simply a matter of chance.

I was at a dead end.

Isn't there anything an organization can do that reliably leads to success?

And then it hit me. No, there isn't anything. *Any one thing.* It's everything. *Everything matters.*

Companies that successfully implemented continuous quality improvement made sure everything was aligned with success. Every decision. Every action. All the arrows were pointed in the right direction. Consistently.

The successful companies regularly communicated the purpose of continuous quality improvement, why it was important, and how it applied to each individual. They provided the necessary skills, resources, and authority. They developed metrics and goals. They tracked and reported progress. They aligned management compensation. They celebrated successes. And they had the courage to hold people

accountable. Again, all the arrows were consistently pointed in the right direction. These companies understood that "tell 'em and train 'em" simply wasn't good enough. They knew that any critical factor misaligned could lead to failure.

And the companies that weren't successful? Every case of failure I came across could be traced to inconsistency. The unsuccessful companies formed quality improvement teams, but didn't give people the authority to make changes. They set goals, but didn't provide the resources to achieve them. They promoted quality, but as long as managers hit their financial targets, then quality didn't matter. Inconsistency.

It was absolutely clear. The difference between success and failure was ruthless consistency.

It turns out that's true not just for continuous quality improvement; it's true for any strategic change initiative (SCI). Successful implementation requires more than just a pinch of training, a dash of resources, and a dollop of communications. It requires a systematic approach to aligning everything with the desired outcome. Everything matters. The whole truly is greater than the sum of its parts.

Think of it this way. It takes only one misaligned wheel to make your car undrivable, one misaligned vertebra in your back to incapacitate you. One misaligned element in any system can undermine everything.

Ruthless consistency is the key to implementing strategic change.

13 Creative Ways to Differentiate Your Business From Competitors

Business Collective
https://businesscollective.com/13-creative-ways-to-differentiate-your-business-from-competitors/index.html

It takes a few tricks up your sleeve in order to stand out from a sea of competitors.

Question: If you're not the first in your space, how do you differentiate your company from the other businesses that do the same thing?

PETER DAISYME
Calendar

Offer Lower Prices

"This is our company 100 percent. We beat everyone's price. Nobody can beat us. If you're looking to differentiate yourself from your larger competitors, you need to cut the price or have a MUCH better service. We decided to cut the price. It's working well so far!"

PHIL CHEN
Wrapify

Focus on One Thing

"If you find your company is not in first place in comparison to your competitors, a method of differentiation is to focus on one aspect of your business product/feature and make it the best in your space. The second step is to market the focused product/feature explaining how it is better than your competition."

STANLEY MEYTIN
True Film Production

Improve Upon Customer Feedback

"Just because a company is first in your space doesn't mean everything about them is good. Look for what the customers say and keep an eye on finding the strengths and weaknesses in the space. Once you identify the strengths and weaknesses, get creative and innovate, helping you differentiate yourself from the crowd and offer a solution consumers are seeking."

NICOLE MUNOZ
Start Ranking Now

Differentiate at the Strategy Level

"I'm a consultant, and anyone can offer the same types of services. But not everyone can provide the same level of strategic planning I do. There are lots of consultants and some are better than others. What sets the great consultants apart, regardless of their niche, is their strategy. My strength is in strategy and executing the strategy. What's your strength? That's your differentiating factor."

DAN PICKETT
Launch Academy

Be Controversial

"Doing what everyone else does is comfortable and "safe," but stir some controversy and do something drastically different! It takes courage, but focus on one thing you think others are doing incorrectly, or not doing at all, and consistently demonstrate how you're bucking the trend. Then, shout it from the rooftops in all of your marketing and communication."

SIMON CASUTO
eLearning Mind

Market Your Individuality

"Your business branding should be focused on showing potential customers how you stand out from similar companies. Emphasize these aspects of your business's identity and your customers will take note."

FIRAS KITTANEH
Amerisleep

Make Your Core Values Reflect Something New

"In the business of luxury mattresses, I'm faced with several competitors who produce good, high-quality products for the same market as me. However, I am the only one who emphasizes the green technology that goes into making my products. By planting a stake in the ground in advocating for environmental protection, I make my values known to my customers and stand out from the crowd."

JEFF CARTER
Grand Coast Capital Group

Emphasize Your Unique Strengths

"For our company, we lean on four differentiators. First, we promote our unique investment thesis and our superior customer service, including response time to inquiries. We also have a unique business model

that differentiates us from other companies. And finally, it's important for us to show that we are investing and more than just a manager."

ALFREDO ATANACIO
Uassist.ME

Clearly Define Your Added Value

"Think of yourself as a potential client. What would make you choose your company over your competitors? How is your business relevant to your market, and where does it stand out compared to the current players? Do some research on your market and industry trends, and use this information to determine your added value. That will be your competitive advantage."

MILES JENNINGS
VocaWorks

Look Into Other Industry Leaders

"It can be extremely helpful to look into other industries than your own and see what their leaders are doing when trying to differentiate. Even if you are not in tech, you can still look at Apple's business plan and marketing strategies and utilize them in your own way. Looking into other industry leaders may open your mind outside of the "box" of what your competition is already doing."

DAVE NEVOGT
Hubstaff.com

Focus on Quality of Process

"You can really beat your competition by making it easier to do business with you than with them. Consider things like their refund policy, satisfaction guarantees or any other barriers to doing business that they have in place. Check reviews to verify if those barriers are a pain point with consumers, and if they are, streamline or remove them in your own company."

Your Whole Company Needs to Be Distinctive, Not Just Your Product

Harvard Business Review
May 19, 2016
https://hbr.org/2016/05/your-whole-company-needs-to-be-distinctive-not-just-your-product

Ever since the idea of strategy came to the business world in the early 1960s, the goal of differentiation has been paramount. Customers choose the company that gives them value that other companies can't match. A company that can show it is different from other companies, in a way that is relevant to customers, gains a major competitive advantage.

As business strategists, we see endless amounts of writing about how to achieve differentiation. And we see many executives trying to take this advice to heart. But we are also regularly reminded of the lack of true differentiation in most mainstream global companies — and of the opportunities they are thus squandering.

The problem starts with the way many business people think about differentiation. To them, the unit of differentiation is an individual product, service or brand. That's what customers see, after all, relative to what the competition can provide.

But differentiation needs to be sustainable; it shouldn't live or die with individual offerings. The heart of differentiation therefore is your company's ability to develop and promote distinctive products, services, and branded experiences on a consistent basis. It's not the output that sets you apart, but the way that everything you do supports the product and gives it context. With truly differentiated companies, much of the distinction goes beyond the product itself. With Apple, you don't just buy a computer or a phone, but a seamless array of related online services and a genius bar to help you solve problems. With IKEA, you don't just buy a couch or a cabinet, but a means of decision-making, assembly, and delivery.

Your differentiation challenge is to set apart your company as a whole, instead of staking your future on one or two isolated products. This requires you to build distinctive capabilities – to learn to do a few things really well, that few, if any, other companies can do.

This is a change from the differentiation strategies of the past. Back in the 1980s, a company could set itself apart through scale, being the largest company in a category provided leverage over costs, back office processes, distribution, and marketing effectiveness. But starting in the early 2000s, the advantages of scale were mostly eliminated, in large part because of globalization, deregulation, and the rise of digital technology. It became easier and easier for small enterprises to gain customer reach and awareness (along with working capital). Large companies found themselves competing against a much larger group of rivals, and a more global group, than ever before.

Differentiating by product or service served as an alternative strategy, but with increased competition, it is also no longer enough for success. A company with a distinctive product is a "one-hit wonder"; when that hit loses popularity, or if something else happens to it, the whole enterprise is vulnerable.

Consider, for example, the way many credit cards are marketed. Since they all essentially offer the same commodity service — unsecured loans — they have to find other forms of differentiation. This usually means alliance with another business: creating airline cards with frequent flier miles, cards with extended warranties subsidized by insurance companies, or retail cards offering exclusive access or discounts. Thus

American Express had an extremely valuable "one-hit wonder"– an exclusive arrangement for years with the CostCo retail chain in the U.S., which permitted no other card in its popular stores. But in 2015, CostCo shifted its affiliation to Citigroup's Visa. Discover suffered a similar setback in 2004, when Walmart shifted its credit card partnership to MasterCard.

Moreover, when you differentiate by product, you risk incoherence — because different products may require different capabilities, and that can pull your company in too many directions at once. For example, Iams pet food was one of the first premium brands; it sold to health-conscious pet owners, who purchased it only at specialized pet stores. When Procter & Gamble purchased it in 1999 for $2.3 billion, it was regarded by many as a good acquisition — adding another premium, differentiated offering to Crest, Tide, Ivory Soap, and the other highly valued brands that P&G purveyed. But it didn't quite work out that way. Over the next decade, new competition emerged in the form of gourmet pet foods. P&G is unparalleled in developing and positioning personal care and laundry products, but it didn't have the capabilities to maintain Iams' distinctiveness in the suddenly more competitive pet food arena. In 2014, P&G sold Iams and its related brands (Eukanuba and Natura) to Mars, which had other distinctive pet food brands (like Whiskas) and thus had the requisite capabilities in place.

The most effective companies don't rely on distinctive products, services or brand for differentiation; instead, they focus on creating an enterprise so distinctive that it can create many products, services and brands, each more compelling than the next.

In our book *Strategy That Works* we articulate what those capabilities can look like, how to blueprint and build them, and how to bring them to scale. Our recommendations for accomplishing this start with the top team's commitment, and expands to include people throughout the enterprise. Our recommendations include:

- Be skeptical of benchmarking. Don't be drawn into practices that are not right for your company, even if they're common throughout your industry.
- Start from your goal and work backward, articulating the steps you'll need to take to get from the capabilities you have to the capabilities you need.
- Continue to use focused interventions — the kinds of moves you already make to adjust systems and organizations — but align them all to realizing your strategy.
- Become a remarkable capability innovator, designing and developing your own practices that give you prowess no one else matches.
- When acquiring companies, look for "enhancement deals:" prospects that fill in the gaps in your own capabilities; and pay attention to post-merger integration.
- Design your capabilities with teams that transcend functional boundaries.
- Make tacit knowledge explicit by codifying the things you do in capabilities, but keep rethinking, improving, and reworking your codification.

Distinctive capabilities cannot be easily replicated by others. They are present in everything these companies do. They start paying off as soon as you begin developing them, but they deepen and become more powerful over time, as you apply them to products and services around the world. Other forms of value creation are short-lived. Differentiation through capabilities is not. It is the only way we know to generate consistent success, time after time, with the same clear strategic identity behind everything your enterprise does.

Why Being Distinctive Is So Important For Founders, And How To Get It Right

Founders Guide
January 10, 2017
https://foundersguide.com/why-being-distinctive-is-so-important-for-founders-and-how-to-get-it-right/

The moment entrepreneurs open their doors to new customers, the clock is ticking. The race is on to generate a personal and professional brand out of nothing. Thousands of dollars are potentially on the line and the only tools you have are your own imagination and the conversations you have with others. You need customers through the proverbial door – and fast.

The good news is that there's plenty that you can do to elevate your personal brand and make yourself more distinctive. Here are some ideas to help.

Start With Goals, Not Products

Nothing illustrates the importance of focusing on goals rather than products than the Apple Mac. The idea behind the Mac all along was to enable a particular user experience: the ability to do things like edit multimedia, play games and browse the internet without all the usual hurdles encountered on PC. Apple championed the Mac on this basis. It wasn't about whether the Mac had the latest processor or the most storage: it was about ease of use and the ability to enjoy one's experience on the computer.

Moorea Seal, the creator of a lifestyle brand, says that businesses need to create their own story around a product. Apple created a story that said that the PC is hard to use and boring, and then set itself up as the antithesis of that, providing users with choice. Seal herself started off with no money but used social media to share her vision of the world, capturing her customers' imaginations.

Personal fitness brand owner, Melissa Guitron, adopted the same approach. Instead of focusing on the equipment at her strength and conditioning facility, she instead focused on her customers' goals. Guitron says that she has a particular mindset and this has attracted fans from the start.

Regularly Interact With Your Customers

Kara Goldin is the founder of Hint Water. Her aim was to start a beverage company that could compete with the likes of Pepsi and Coca-Cola, offering customers a healthier alternative to regular soda. Part of her strategy involved constantly interacting with clients.

One of the things that she does on a regular basis is find out how customers are using her products. Often, by listening, she's able to find out things that she would never have thought of herself. For instance, she discovered that her products were being used by some of her customers to help their relatives control their diabetes or beat cancer. Goldin says that customers will tell companies how they're using their products, so long as companies are willing to listen. Listening, she says, is the way to be a sticky brand and avoid being a "flash in the pan."

Finding personal business card designs that reflect your brand and encourage customers to contact you, she says, is important. Businesses need as many ways as possible to open up direct channels with customers.

Find A Tribe And Find A Voice

Many new businesses think that they have to do exactly what their customers tell them to do, after all, “the customer is always right,” right? Well, not according to Goldin. She found herself coming to loggerheads with her customers when they kept asking her to introduce a sweetened product. A sweetened product would have gone against the spirit of the brand and essentially made it into another beverage manufacturer without anything to make it distinctive. Despite customer demands, Goldin refused. She knew that the ultimate selling point of her company was the fact that it refuses to do anything that could potentially harm the health of its customers. Even if 90 percent of its products were healthy, Goldin had a sense that the remaining unhealthy 10 percent could destroy the authenticity of her brand, brandishing it as yet another soft-drinks outfit, intent on destroying the health of its patrons.

Find People Who Think Like You

Hint Water is an example of a company with a very clear mission: to make soft drinks healthier. It’s a goal with which many organizations and famous people will ally themselves because it’s something that they believe in. Perhaps they have suffered from obesity in the past, or perhaps they had a relative who died, thanks to excessive intake of sugary drinks.

Goldin says that her company has values and, as a result, she was able to find people who were allied with those values. Often celebrities expressed interest in supporting the brand, but sometimes Goldin turned down people who didn’t fit the bill. Often she found celebrities who would disparage “clean living” and so refused to work with them.

How B2B Marketers Have Embraced Empathy Marketing

Upland

https://uplandsoftware.com/kapost/resources/blog/b2b-empathy-marketing/#:~:text=Therefore%2C%20empathy%20marketing%20is%20when,to%20connect%20to%20their%20brand

For a while now, empathy marketing has been an important topic in the B2C space, and there are lots of examples to illustrate this strategy.

For instance, check out this awesome example of empathy marketing by the brand Extra Space Storage.

However, for the B2B marketer, evoking empathy in their buyers is not so easy. The B2B space is considered more "professional" and less "emotional," so it's not as simple to pull on someone's heartstrings by filming mothers and their children interact.

That being said, empathy marketing is still an important part of the B2B buyer's purchasing decision because behind the "business" in "business-to-business" interactions are people with emotions and morals.

In this article, we're going to dive into what empathy marketing is and how to implement it in your marketing strategy in order to connect with your B2B audience.

What is Empathy Marketing?

If you've read our blog post, "How to Appeal to Emotion in Your B2B Marketing Campaigns," you have a good idea of the definition of empathy and how to use it to negotiate with the individual B2B buyer. But how can you implement empathetic marketing into your strategy to connect to a broader B2B audience?

First, we have to ask the question, "What makes a buyer connect to a brand in the first place?"

To recap, the definition of empathy is "the capacity to understand what another person is experiencing from within the other person's frame of reference, i.e., the capacity to place oneself in another's shoes."

Based on this definition, empathy is what makes it possible for the buyer to understand and relate to an experience a brand is attempting to create. And guess what? Buyers (often unconsciously) make their purchasing decisions based on this ability to feel emotions evoked by others.

Therefore, empathy marketing is when the marketer designs a marketing strategy based off of the understanding of which emotions will evoke empathy in their target customer in order to get said customer to connect to their brand.

So now we're back to the question, "How can you implement empathetic marketing into your strategy to connect to a broader B2B audience?

How to Implement Empathy Marketing into Your B2B Marketing Strategy

Hopefully, it's not a surprise that the first three steps to creating a more empathetic marketing strategy all are centered around the customer. With that in mind, get ready to understand, define, and address your customer.

1. Understand the Customer

Like any marketing strategy, understanding the mind's of your B2B customers is the first step towards creating an empathic marketing strategy. This is a crucial first step because not every customer will connect to every message, and you need to understand who you're talking to in order to figure out how to communicate with them.

For example, according to a SMITH study, there are up to eight different emotions that influence how consumers make buying and shopping decisions.

8 emotions that drive shopping and buying decisions (© SMITH.co)

(Source)

Which emotions are driving your customer's shopping and buying decisions? To find out you have to get into the mind of your audience by collecting and analyzing data.

Pro Tip: Artificial Intelligence is making data collection and analysis more dynamic, precise, and relevant than ever before. Check out this article by Tech Emergence to see six examples of AI in Business Intelligence Applications.

2. Define the Customer

It's not enough to just *understand* your customer. Without a documented persona in place, your research can quickly become diluted or unused throughout the rest of the company.

These aren't just any personas though—focus on defining the driving force behind your customers' emotions. Get to the root of not just their pain points, but how they feel because of these pain points.

Making distinctions between these emotions will help inform your content. For example, an overwhelmed customer wants a simplified guide, but a hopeless customer needs something inspiring and tactical to tackle their challenges.

Recommended reading: "Before You Go to Market, Go to Persona"

3. Speak to the Customer

Creating empathetic content is an important step in the empathetic marketing journey because it defines how you'll show buyers that you understand what it's like to walk in their shoes.

B2B customers (and most customers for that matter) feel good when a brand has a solution to their problem. Deliver a message that demonstrates your brand's ability to solve issues that matter to the customer.

Understanding and defining your customer personas will help in the process of choosing the best message and the medium that will create the right reaction.

Pro Tip: Use your blog to establish a narrative that focuses on the important issues of your customers. This is also a great place for customers to discuss these issues and give you insight into which topics they care enough about to comment on. Furthermore, the highly visual nature of video content is great for relaying a message in an impactful and efficient manner.

For example, check out how IBM address social issues in their empathetic marketing campaign below.

Empathy in the Real World

The B2B giant IBM has an excellent idea of what empathic marketing looks like in their campaign aimed at addressing some of the biggest environmental issues the world is facing today.

The video combines dark humor and hard facts to convey a message about the out of control and wasteful agricultural system. IBM ends the video with a simple URL encouraging viewers to go check out their THINK Blog.

The goal here is to not only to show viewers what IBM is doing with their research team but also to evoke empathy in their viewers about the environment. If the viewer feels connected to IBM's efforts, they may want to employ some of their services.

Key Takeaways

Although empathy marketing isn't so simple in the B2B space, it's still an effective and important method for getting your brand's message across to the right customers.

Start by understanding your customer and then define what matters to them most. Once you have a thorough understanding of the customer, create content that will relay your message in the most impactful way.

How brands are using empathy to enhance marketing

Econsultancy
August 10th 2017
https://econsultancy.com/how-brands-are-using-empathy-to-enhance-marketing/

What makes customers buy into a brand?

In the past, we might have said heritage or prestige, and perhaps more recently, instant gratification or entertainment. Now, 'empathy' seems to be the buzzword of the moment, with many brands aiming to create meaningful content that truly resonates with consumers.

So, what does empathy in marketing look like? And what makes it so effective? Here's an explanation along with a few interesting examples.

What exactly is empathy?

While authenticity and honesty is also important in marketing, a key differentiation is that these characteristics are owned by the brand.

In contrast to *being* something – empathy is something that is offered. And unlike sympathy, which is the third-party emotion of feeling compassion, empathy means putting yourself in another's shoes and truly identifying with their situation.

For brands, empathy can be used to create customer personas, which can help to inform more effective targeting. In terms of marketing however, it means asking what customers truly value rather than what will sell. And by creating content that evokes empathy, consumers are more likely to take action – sharing, responding, and even prompting change within their own communities.

But, why are brands suddenly realising the power of empathy?

According to Google, the assumption that millennials in particular are self-entitled or self-obsessed (and therefore likely to respond to content that indulges this) is misjudged.

YouTube stats show that 70% of millennial users watched YouTube to learn how to do something new last year. Meanwhile, 39% of millennials say an online video has helped change their perspective, and 45% of users agree that a YouTuber has inspired them to make a personal change in their life.

This shows that today's consumers are not only interested in passively consuming content. Rather, they are actively seeking out content that prompts change, in both themselves and/or the world around them.

Let's take a look at how brands are delivering this.

Procter and Gamble

Most people can relate to motherhood – whether that's through personal experience or thinking about your own mother. Procter and Gamble cleverly turned this relatability into empathy in its 'Thank You Mom' campaign by depicting the struggles that come along with parenthood.

The ad, which was released in time for the 2012 London Olympics, shows mothers in different locations and their difficulties in raising young athletes. By evoking empathy for the mums, viewers are enabled to truly invest and connect to the story, making the subsequent sporting triumphs of the children all the more powerful.

Delta

Delta showed the importance of brand-empathy earlier this year when it treated delayed passengers to a pizza party.

With hundreds of Delta flights cancelled and delayed due to extreme weather in Atlanta, some passengers were left sat on the runway for hours. But while the event could have resulted in a swathe of social media complaints, Delta turned the situation around by ordering hundreds of pizzas to be handed out on planes and in surrounding airports.

I think this example counts as more than just good customer service, as by going above and beyond what's expected, Delta managed to further its reputation as a brand that truly cares about its customers. What's more, by giving its employees the autonomy to take meaningful action whenever they choose – it fosters a collaborative and empathy-driven culture.

National Autistic Society

According to the National Autistic Society, 99% of people in the UK have heard of autism, but just 16% understand it in a meaningful way. In order to combat this, the charity launched a VR-driven campaign to help people truly understand what it's like to have the disability.

The Autism TMI VR Experience lets users experience what it's like for a boy with autism to navigate around a busy shopping centre. With flickering lights and intense and overwhelming sound – the video effectively highlights the sensory overload that occurs in busy and stressful environments.

It's an incredibly effective approach. This is because, unlike other charity examples that only tend to raise sympathy or compassion, it puts the viewer in someone else's shoes – shocking them with the disarming reality of dealing with autism. Even watching somebody else undergo the VR experience provides enough insight to evoke real empathy and emotion.

Dove

Unlike campaigns that aim to evoke empathy in the consumer – Dove is a brand that displays empathy *with* its audience. Its 'Real Beauty' campaign taps into the idea that both women and men struggle with low self-esteem, and in turn, encourages empowerment and self-belief.

Its 2013 'Real Beauty Sketches' ad was based on insight from customers, specifically the idea that just 4% of women consider themselves beautiful. The video involves a woman describing her facial features to a sketch artist before being presented with two results – one image based on the way she described herself, and the second based on how someone else sees her.

With the tagline of ‘you are more beautiful than you think’ – the ad elicited a powerful and emotional response in viewers, contributing to more than 20m shares in the first week of release. It’s also worth noting that it doesn’t promote Dove’s products in any way, solely relying on the emotionally-driven context of the ad.

Hyatt

As you might imagine from an ad that uses the song ‘what the world needs now is love’ – Hyatt’s recent campaign is centred on notions of understanding and togetherness. First broadcast in the US during the Oscars, the ad depicts moments of understanding and empathy around the world.

Sure, it’s a bit too sickly sweet, but it’s yet another example of a brand presenting a social statement rather than one centred around corporate gain. As well as allowing Hyatt to enhance its reputation as a brand that cares about social good, it also represents what it can offer customers – a meaningful and memorable travel experience.

Airbnb

Airbnb describes itself as a brand that aims to increase cross-cultural empathy and decrease cultural boundaries. However, while the brand itself might be based on tolerance, not everyone who uses it shares these same values.

Last year, controversy arose when a customer accused the company (and an Airbnb host) of racial discrimination. Having already been refused a booking, the guest was then accepted after using a fake profile of a white man. In response to this, Airbnb launched the ‘Open Doors’ policy, announcing that the brand will place any guest who feels like they are being discriminated against somewhere else – whether in another Airbnb listing or a paid-for hotel.

By highlighting its zero-tolerance stance on discrimination, it’s clear that Airbnb wants to reclaim and further its reputation as an empathetic brand – and one that aims to instil this characteristic in others.

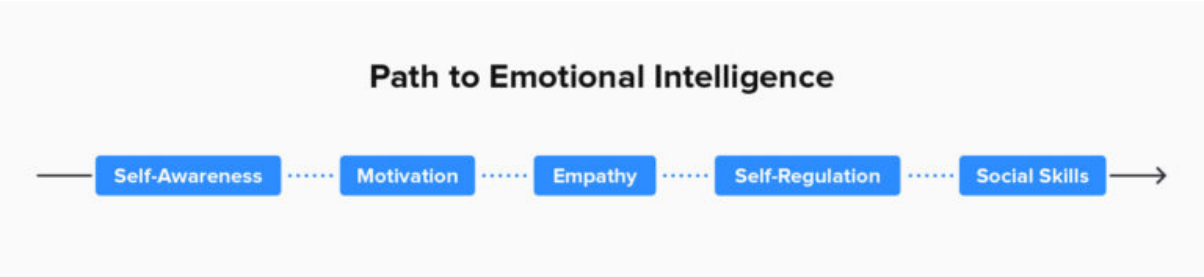
Why Empathy in Marketing Is More Important Than Data

Marketing Insider Group
July 28, 2021
https://marketinginsidergroup.com/marketing-strategy/empathy-in-marketing-why-its-more-important-than-data/

Data has revolutionized the world of marketing. It's become an invaluable asset in targeting audiences and building personalized experiences for individuals.

While it's an indispensable tool in company decision-making, it doesn't necessarily lead to authentic connections. Understanding your customer does that. That's why it's critical to infuse empathy into marketing – to deliver a truly customer-centric approach.

Empathy is considered a key component of emotional intelligence, a crucial skill to have as a leader. After a year like 2020, empathy is also a fundamental emotion that marketers need to show in 2021 to do their jobs effectively.



Source: OptinMonster

This sentiment is echoed loudly in an article by Noah Fenn: "Despite All This Data, Empathy is Still the Greatest Tool in a Marketer's Toolbox." It inspired a lot of my thoughts over the years and in my post *Empathy is a Marketers Greatest Tool Fort Success*.

While we may have more opportunities to connect with customers today (through social media, content channels, and technology), building trust can be more challenging than ever.

To become more empathetic, step into your customers' shoes to better understand what they're experiencing. Then you can give them exactly what they want or need to live better lives.

Quick Takeaways:

- Empathy is a vital component of emotional intelligence – a skill every leader needs to succeed in today's world.
- Marketers can suffer from "collective amnesia" when attempting to connect with their target audiences.
- Data is essential and highly valuable, but marketers must balance it with empathy.
- Data can never replace real human connections.

- We should use empathy in marketing to drive success.

What is Empathy-Based Marketing?

Empathy-based marketing involves seeing through the eyes of your customers. To be truly customer-centric, marketers must gain a deep understanding of who their customers are, the challenges they're facing, and what motivates them to act.

We must learn to think like our customers and walk the steps they'll take to make a decision that improves their lives. After you understand what motivates them, you can give them what they want or need to solve a real problem they're facing.

Provide them with content, advice, educational resources, and tools to directly address their situation and give them clarity. To incorporate empathy into your marketing strategy, follow these tips.

- Always focus on your customer. Put them first. Help them find a solution to their problem by first understanding what they desire. Show your interest in helping and listening. Speak to their emotions to create authentic connections and build stronger relationships.
- Have conversations. Rather than pushing your brand on someone and telling them why they need you, show them how you'll help them achieve a desired goal or outcome. Listen as well as speak.
- Give your leads the content they're seeking. Don't guess. Get to know your potential and current customers so well that you know without a doubt that they crave the content you create and offer. If your content isn't helpful, it will be useless.
- Be a good listener. Understanding buyer intent involves seeing past what's spoken. It involves empathetically listening for cues and motivations behind what someone says or does. This will help give you more context and understand why people are communicating certain emotions. Paying attention to emotional triggers – like guilt, fear, or trust – can help you craft compelling marketing messages that get to the heart of an issue.

Your Audience is Made Up of Real Humans, Not Data Points

I won't lie to you. I love analyzing data, but I don't love math. Yes, there's a difference.

However, I recognize that information isn't the only thing that matters in marketing. Being overly data-centric can create a disconnect, which Fenn also emphasizes in his article.

It's easy for marketers to start seeing their audience as numbers – or data points – instead of individuals with real names and needs. Fenn dubs this concept "collective amnesia." In other words, marketers often lose the proper perspective, which hinders their ability to empathize and build connections.

Fortunately, Collective Amnesia is Curable

When you put your marketer's hat on, ensure you don't ditch your "human" hat. While you can learn a considerable amount about your customers by analyzing data – their preferences, motivations, demographics, etc. – being customer-centric requires a special ingredient. Can you guess what it is?

Why You Need Empathy in Marketing

Fenn was in charge of video strategy and sales at AOL. In his article, he describes the complexities of video content marketing. Many industries suffer from the same challenges he discusses. But the truth is, the way you deliver content to your audience should be simple, not overly complex.

You could spend enormous amounts of time trying to design the perfect campaigns based on your data. That doesn't mean it will resonate with your audience. Depending too much on your data could leave you with blind spots that prevent you from developing new, innovative ideas.

By coupling data with customer empathy in marketing, you could see massive results. You can create something highly targeted and meaningful.

We learn how to empathize with others as children, but it's easy to lose this skill as an adult. It doesn't mean we don't care about others. Nor does it mean we're born with a compassion gene that eventually fades away or goes dormant as we face harsh realities throughout our lives.

Empathy is a skill we can acquire, so there's hope for us all. While it's true that social factors can impact our ability to attain this skill, we can learn to overcome our environments – even when they're full of mean people who suck.

Relearn how to be empathetic by implementing key elements into your marketing tactics. Let's face it—most marketing sucks. It's not exciting, relevant, or beneficial. It's often full of a lot of BS that avoids empathizing with customers. Your job is to turn things around and stand out from the crowd.

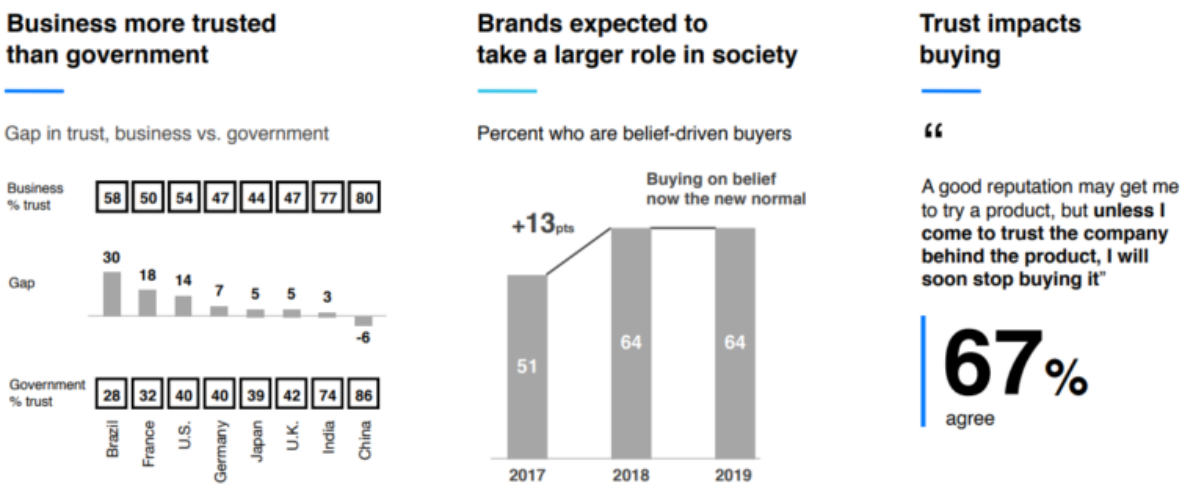
Learn how to create empathetic content and start counting the marketing ROI.

How to Become an Empathetic Marketer

Empathy-based marketing is built on trust. Do your customers trust your brand? Does it even matter?

It absolutely does. We used a brand trust survey, The Edelman Trust Barometer Special Report: In Brands We Trust, to gather some interesting tidbits on the importance of trust in marketing.

- Trust is nearly as valuable as quality and value. Consumers ranked it as a critical factor in making a purchase decision.
- Most people somewhat distrust brands they buy from. 53% of respondents claim they can spot when a company is being dishonest.
- Consumers place more trust in influencers who are relatable than those who are the most popular.
- Organizations that care about having a social impact resonate more with buyers than those that don't. 53% of respondents said they expect brands to engage in at least one social issue.



Source: Edelman

Each of these findings brings us back to empathy in marketing. To build trust and provide transparency for your customers, look at things from their perspective. Then you can start connecting with them from a sincere and authentic place. Ultimately, how you make people *feel* will either encourage or discourage them from buying from you.

Top Tips for Empathy-Based Marketing

Here are some ways to build empathy into your marketing strategy for better connections and more significant results.

Help Instead of Sell

Trying to push a sale by leading with hooks in your messaging won't help you build trust. Instead, try focusing your content marketing efforts on helping your audience by delivering content consistently that solves relevant problems.

Get in Touch with Your Customers' Feelings

Empathetic storytelling can help you create a meaningful bond with readers. Creating narratives around real challenges and situations helps customers see themselves in your story.

Think Like Your Customer

Step into their shoes and walk through the path they may take when researching and finding a solution to their problem. Doing this will help remove any bias you may have and see from a different perspective.

Focus on How You Can Make Your Customer's Life Better

Regardless of what you market, it serves a need (or you wouldn't have a business). Focus on the benefits of your content rather than product or service features. You can develop a brand story to show how your product or service will save a customer time or money, make their process more efficient, or make their life easier.

Source: OptinMonster

Be Clear, Not Confusing

Have you ever seen a brand promotion and thought, "What the heck was that?" If your message confuses people, it will also repel them. Even if you're selling the most complex service or product on the market, your message must be clear and easy for non-experts to understand.

Listen Closely to Your Customers, and Be Willing to Evolve

Listening may be the most vital part of being an empathetic marketer. You'll learn a lot from your customers – both the happy and unhappy ones. Take time to listen to their frustrations, desires, and constructive criticism. Implement changes as necessary.

Ready to Incorporate Empathy into Your Marketing Efforts for Greater Success?

Consider picking up a copy of *Mean People Suck* and get the bonus visual companion guide along with it. Also check out our services, including training, consulting, keynotes, and workshops that can help you transform your work culture, become a better leader, and build a more purpose-driven company. I would also be thrilled to present to your team the power of empathy in business.

The Importance of Empathy-Based Marketing

Business 2 Community
May 31, 2020
https://www.business2community.com/marketing/the-importance-of-empathy-based-marketing-02315516

3 Ways to Use Empathetic Content Marketing

When I say the word "empathy," what do you associate it with?

Kindness to a family member going through a hard time? Supporting your partner when they've had a bad day? Or, does a business-related example come to mind?

I'm going to guess that many people don't associate "empathy" with buying or selling.

Unfortunately, many brands don't either!

But as we move forward from COVID-19, empathy-based marketing isn't just the right thing to do, your customers now expect it.

Many studies done during the pandemic are showing that people want brands to be more empathetic and aware of the long-term impact it will have on their lives.

Hopefully, you communicated authentically and empathetically with your customers during this time, and you're going to have to continue to do so!

So now that we've established that being empathetic is important, let's define exactly what it is.

Basically, it's putting yourself in your customers' shoes to better serve them. And unlike sympathy, which is feeling compassion, empathy means imagining yourself in another person's situation.

Examples of Brand Empathy

Let's look at a real-world example: IKEA recently created a video using footage shot by employees, capturing moments at home.

By thinking like their customers, the company showed solidarity and connection during the COVID-19 crisis—and reminded people that maybe they should spruce up their space!

Here are a couple of ways a small business owner could use empathetic content marketing:

- Make a DIY blog or video to show people how to create something using your product. Whether it's growing herbs, updating their wardrobe with a few key pieces, doing crafts, or tracking their finances, this could be a good way to provide something useful to customers or social media followers who are spending more time at home.
- Give a portion of your proceeds or donate products to a charitable cause. During the pandemic, one of our clients was very active in the community, donating a number of face masks to health

workers. People are going to be looking to brands to continue these charitable efforts post-pandemic.

No matter how you approach empathy-based marketing, make sure you're offering something of value to your audience.

According to Forrester's 2019 research, 65% of consumers say they already get too much material from marketers, and nearly that many think they're getting useless content.

Being empathetic isn't your excuse to peddle fluff or lose sight of providing people with an actual solution.

How to Use Empathy to Enhance Marketing

1. Tap into emotional triggers.

Yes, your product or service offers buyers a solution, but that's the logical side of the equation. What emotions drive your customers' behaviour?

For example, one of our clients offers financial therapy services. Rather than focusing only on the numbers and figures, Wendy Wright dives deeper into the *why* of financial decision-making.

She talks about her previous struggles with money and the importance of looking at finances with "compassionate curiosity" to empathize with her clients, who often feel shame or anxiety around debt or savings.

2. Listen to your customers.

A 2018 study by M&C Saatchi looked at how well 34,000 customers' actual experiences with brands lined up with their promises. They discovered that 18% of consumers had stopped using a brand in the last 12 months because of a broken promise.

Twenty-seven percent believe that experiences are getting worse with brands, not better.

Are you following through with the quality and service that your customers deserve?

I've talked about this many times before, including the importance of dealing with negative customer reviews. At the core of brand empathy is how you treat your customers when they provide negative feedback.

For example, when a customer accused Airbnb and a host of racial discrimination after being refused a booking, then accepted after using a fake profile of a white man, Airbnb responded swiftly.

They launched their 'Open Doors' policy, which places any guest who feels like they are being discriminated against somewhere else, whether that's in another Airbnb property or in a hotel.

3. Remember and respect differences.

No two customers are alike, even if they both fall into your target audience. People from different geographic locations, generations and genders aren't all going to necessarily want the same thing from you.

When you're creating your empathetic content marketing strategy, start with in-depth customer persona research. A marketing persona defines a segment of your audience, for example "tech-savvy millennial", or "thrifty young mom."

To design these useful marketing tools, you can look at your demographic data, survey and/or interview your customers and listen on social media.

By developing these marketing personas, you'll have a much better idea of how to approach—and appeal to—your audience by offering them relevant content they will appreciate receiving from you.

Chances are you had to pivot your marketing strategy during the pandemic, but that doesn't mean it's going to be back to business as usual now.

It's time to walk a kilometre in your customers' shoes. So be kind, understand the emotional level your client is at right now, and provide valuable content that is relevant to them as we all do our best to move forward stronger than ever.

How to Weave More Empathy Into Your Marketing for Better Connections With Potential Buyers

Entrepeneur
August 25, 2020
https://www.entrepreneur.com/article/354243

Improve the empathy and relationships you have with your prospects.

Here's an example scenario I'm sure you're familiar with: You walk into a shop prepared to buy. This time, it's organic moisturizing soap. You already know what you want and you're 100 percent sure you're going to walk out of the shop with it.

But when you enter, you're greeted by a saleslady with a bright yellow dress and gigantic grin. "Can I help you?" she asks.

You politely wave her off, telling her you already know what you want. But she stays at your elbow, upselling the shop's best products in her bright, cheery voice. "How about adding moisturizing cream to your purchase? Have you tried our latest conditioners? You will love our all-new bath gels."

In the end, frustrated and annoyed, you leave the shop without making your purchase.

It's easy to laugh this off as a common, old-fashioned brick-and-mortar sales gaffe, but surprisingly too many marketers still use this tactic today. They shove their products down their prospects' throats. They make a beeline for the sale, whether or not their customers will benefit from it. They care more about "closing" prospects and hitting quotas than they do about serving.

This lack of empathy in marketing is costly.

In fact, according to Forrester's 2019 Research, 65 percent of consumers say they get too much useless material from marketers. If your prospects feel this way about you, it won't be long before they abandon you for your competition.

To address this problem, you need to take the important step of weaving empathy into all your marketing campaigns. Here are five ways to do it.

1. Step into your prospects' shoes.

Empathizing goes far beyond sympathizing, which simply means feeling compassion for someone else. Empathizing is stepping into other people's shoes, seeing the world from their eyes and imagining yourself in their place.

When you empathize with your prospects, you get into character with them. You discover their biggest (and smallest) dreams, their 2am-thoughts, their fears, and their desires. You unravel their beliefs, preferences and personalities. Learn how to create an audience persona — this can be a great task to add to your list to get to know your prospect better.

From there, you ask yourself: how can my product solve their problems, fulfil their dreams, and alleviate their fears? How can I talk to them in a way that fits their beliefs, personalities, and preferences?

Let's go back to the example above and approach the organic soap buyer from a place of empathy. By now, we know that she:

- Wants natural, healthy ingredients for her skin
- Is a thrifty buyer
- Feels annoyed with upselling and pressure

By knowing her and empathizing with her, it'll be easier to create a marketing campaign she will love.

2. Make your marketing about serving.

These days, traditional advertising no longer works the way it used to. People hate ads so much, they pay to get rid of them. Not surprisingly, the total cost of ad blockers in the U.S. alone is $12,1 million in 2020.

The bottom line is that the new generation of buyers dislike disruptive marketing. They don't want to feel pushed into a sale, and do everything they can to avoid feeling "sold" or "closed." If this says anything to you as a marketer, it's that you should avoid pushy mass marketing tactics at all costs.

What you should do instead is make your marketing about serving first and selling second. Dive deep into the benefits your brand offers, and make it a point to solve your prospects' problems. For example, if you sell SEO services, your goal should be helping clients get in front of their audience first, and making money from subscriptions second.

To succeed in marketing today, it's essential to find out what your audience needs, then make it your mission to fulfil that need. The sales you make will only be the natural outcome of your empathy and service.

3. Accentuate positivity in all your interactions with prospects.

Your brand's biggest goal is to improve lives. This is true whether you sell tiny knickknacks or comprehensive business solutions.

To convey this mission to your prospects, it's a good idea to accentuate a positive vibe in all your marketing efforts. Here are three ways to show positivity in your marketing.

- Use positive words in your captions, content and site copy. Words like "incredible," "win" and "possible" make your audience feel good.
- Focus on positive outcomes. This doesn't mean hiding the problems your prospects are facing, but showing them it's possible to overcome these problems.
- Use smiling, candid photos of yourself in your content, along with a mix of professional photography. By doing so, you portray yourself as a real person instead of only a money-making brand.

4. Listen to what your current customers are saying.

As your business grows, it's natural for you to get negative reviews. Instead of sweeping them under a rug, it's important to take a moment to really listen to them. Ask yourself:

- Why are customers reacting negatively to my brand?
- How would I feel if I were in their shoes?
- Is there any way I can exceed their expectations when solving their problems?

An excellent example of showing empathy while solving problems is Airbnb's Open Doors Policy. This policy was created after a guest experienced racial discrimination, and focuses on providing equal treatment to all customers.

5. Pay attention to emotional triggers.

When making purchases, people don't only buy for the functional benefits of a product. They buy for the emotional benefits as well. For instance, a middle-aged man won't buy a two-door coupe only to get him to work every day, but also to make him feel sexy, smart and young. A mother of five won't get a financial service only to save up for her kids' college, but also to make her feel secure, responsible, and loving.

When you feel empathy towards your customers' emotional triggers, it'll be easier for you to craft marketing messages that touch them personally.

The Sustained Charitable Giving Model of Newman's Own And What Others Can Learn From It

Forbes
Oct 30, 2020
https://www.forbes.com/sites/kathycaprino/2020/10/30/the-sustained-charitable-giving-model-of-newmans-own-and-what-others-can-learn-from-it/

During the current Covid-19 pandemic in which so many individuals and small and mid-sized businesses are struggling to stay afloat, our attention has been drawn to many key issues that we may not have focused on before. For instance, according to the 2020 Deloitte Global Millennial Survey, about three-quarters of Millennial and Gen Z respondents said the pandemic brought new issues to their attention and increased their sympathy for the needs of others in their local communities and across the globe. The same percentage said they plan to take real action to benefit their communities after the pandemic, while about 70% of respondents have already taken steps in this direction.

Recent Mintel data states that struggling retailers have potential to win new customers by connecting with them on an emotional level. Now more than ever, consumers are more focused on how they—and brands—can give back and support ethical causes.

From a business perspective, the Business Roundtable has discussed broadening the function of companies beyond purely financial gains (shareholder capitalism) to benefit all stakeholders (including addressing societal issues).

As an example of this model, since 1982, Newman's Own has been focused on marrying business with philanthropy. The brand's 100% profits to charity model has come back into fashion with a whole new generation of people who weren't even familiar with the Academy Award winning actor and founder, Paul Newman.

As a Connecticut resident and huge fan of Paul Newman, I've been following the work of Newman's Own Foundation and was thrilled to catch up recently with Miriam E. Nelson, Acting President and CEO of Newman's Own Foundation, to learn more.

Newman's Own Foundation was established by the late actor and philanthropist Paul Newman to continue his philanthropic legacy to use all profits and royalties from the sale of Newman's Own food company's food aimed to make our world a better place. Since its inception, Paul Newman and Newman's Own Foundation have donated more than $560 million to thousands of charitable organizations around the world.

As Acting President and CEO of Newman's Own Foundation, Nelson is a leader with extensive experience in academia and nonprofits, and is a well-known expert with numerous articles and bestselling books on food policy, public health, and civic engagement.

Here's what Nelson shares about the mission of Newman's Own Foundation, the key strategies of the organization around philanthropic contribution, and more:

Kathy Caprino: In what ways do you feel personally connected to Newman's Own founder Paul Newman?

Miriam Nelson: I always knew and appreciated Paul Newman as an actor. My favorite movies growing up were *Butch Cassidy and the Sundance Kid* and *The Sting.* And while I was aware of his accomplishments as a race-car driver, I also knew him as an aficionado of good, wholesome food. I became more acquainted with him when, a decade ago, I was working with colleagues from Tufts University to improve the lives of children across the country. Newman's Own generously provided funding for our project to curb childhood obesity.

Now, in my role at Newman's Own Foundation, I get to see first-hand how Paul stood up for the underdog and for those who faced great challenges in life. It is an honor to follow in his footsteps and carry out his vision.

Caprino: Can you provide an example of a nonprofit you've invested in, where that investment enabled them to scale up their impact in a significant way?

Nelson: One of the first things that Paul did after founding his food company was to create a camp for children with serious illnesses. He named it The Hole in the Wall Gang Camp after the feisty gang of "outlaws" in his film *Butch Cassidy and the Sundance Kid*.

When asked why he founded the camp, Paul said: "I wanted to acknowledge luck; the chance and benevolence of it in my life, and the brutality of it in the lives of others." Paul felt that children who—through no fault of their own—were seriously ill, should have the same opportunities to have joy in their lives that other kids had. Over the years, inspired by what was happening at The Hole in the Wall Gang Camp, Paul, along with like-minded and generous supporters, opened up similar camps all around the world, sparking a global movement and creating a very special community of 30 camps and programs now known as SeriousFun Children's Network.

SeriousFun Children's Network serves children with serious illnesses and their families, always free of charge. Collectively, they have created 1.3 million camp experiences for children and family members since 1988. Their work continues to inspire me.

Caprino: From your perspective and work experience, what leadership skills do you believe are critical during this time of Covid-19? Have you personally had any leadership challenges to overcome this year, related to the pandemic?

Nelson: I started this job on January 1st and had two months in residence with my wonderful team at the Foundation, and then the pandemic hit. I had barely gotten to know people, then found myself working from home.

As a leader during these times, you need to acknowledge that the most important component of your operation is your people: their health and well-being come first. While working remotely has challenged us to find new ways to stay connected, it is critical that we do so.

I check in on my team members regularly—in small groups, as a team, and as individuals. I feel very connected to and engaged with my colleagues, and feel that they recognized that leadership has their well-being as a top priority.

Caprino: During times of crisis like these, how can funding organizations best allocate their resources?

Nelson: I wrote a piece about this topic for The Chronicle of Philanthropy in the early days of the pandemic. Essentially, I called for small and medium-sized foundations to stay the course and continue to invest in the areas that they traditionally supported, and that's just what we've done with some additional funding to the camps as they were particularly hard hit.

While large foundations—Bill & Melinda Gates Foundation and others—have the resources to fund the vaccine hunters, and Congress—through the CARES Act—targeted unemployment, small foundations need to prevent chaos in other areas. If everyone redirects their aid toward the latest crisis, we run the risk of hurting communities that rely on funding from small foundations.

Caprino: With consumers paying more attention to socially responsible brands, what's one piece of advice you'd offer to other industry leaders or up-and-coming businesses that are interested in weaving corporate giving into their business model?

Nelson: You need to do more than write checks. You need to care for your employees, think about your environmental footprint, and hone and direct the talents and expertise of your team to strengthen your community. Leaders who do this improve their bottom lines because consumers have stronger emotional ties and loyalty to businesses that have a well-rounded approach to their social mission. Also, be generous and give back.

Caprino: What is the key mission of the Newman's Own Foundation? What type of social impact is most pressing for the foundation and why was this focus chosen?

Nelson: We were founded to give 100% of the profits and royalties that we receive from Newman's Own food company away. Over the years, we have directed our philanthropy to many great causes, but a through-current has always been children. Paul cared deeply about children and, for this reason, we continue along this path.

Caprino: How does having this type of impact improve all business operations— what is the effect on employees, leaders, partners, etc. when social impact is a key goal?

Nelson: Newman's Own Inc. makes wholesome, high quality food that tastes great. There are a few other companies that also do that, but Newman's Own Inc. is the one-and-only that gives away 100% of profits to the Foundation to then donate. In this moment in time, what an amazing thing to be a part of—as an employee, as a consumer, as a partner, etc. There's a double benefit: employees are part of making a great product *and* improving the world. Consumers get to feed their family high-quality, delicious food, and make a difference. These twin engines fuel our bottom line in a positive way.

Caprino: What are three strategies you can offer leaders who wish to incorporate more of a mission-driven purpose into their organizations?

Nelson:

1. Connect with companies—Newman's Own, Patagonia, and others—that are doing well by doing good.

2. Focus your mission on something that is relevant and relatable to your consumer.

3. Tell your consumer what positive change you are making.

For more information, visit Newman's Own Foundation.

6 Advantages of Corporate Sponsorships and Giving Back to Your Community

Thriving Small Business
JUNE 24, 2020
https://thethrivingsmallbusiness.com/corporate-sponsorships/

Many successful organizations understand the importance of corporate sponsorships and giving back to the communities in which they operate.

These organizations, both large and small, recognize their responsibility to support their communities and those living within them.

According to the foundation center, 86,203 grant-making foundations gave an estimated $62 billion in 2015 alone!

Larger organizations often have the resources to provide substantial contributions but smaller businesses can also provide value for their communities.

For instance, if you operate a local restaurant, you can encourage employees to volunteer to help clean up flooded areas in your community. Giving is relative and the small needs of one organization may be just as important as the large need of another.

So whether your organization sponsors an annual fundraiser for cancer research, donates supplies for disaster relief, or provides volunteer labor to help a neighborhood food bank, every gift is important!

6 Advantages of Giving Back to Your Community

1. Having A Cause

As human beings, we all yearn for a purpose and a reason to exist and employees enjoy working for an organization that makes them feel like they have meaning in their work!

Corporate giving provides employees with an opportunity to champion a cause for positive change and give back to their communities.

This opportunity is what makes employees proud to represent an organization that gives.

2. Positive Public Relations

Giving back to the local community is another tactic that can be incorporated into your public relations strategy.

People will consume products and services from businesses that they see supporting their community.

These efforts send subtle, yet positive messages about the businesses' interest in giving back by supporting a local event or charity.

3. Advertising/Name Recognition

Organizations that participate in local fundraising events get an added benefit of marketing their name and business. Having the organization's name and logo printed on signage, t-shirts or other marketing materials is a great way to advertise and increase name recognition within the community.

For example; Think of the names you see printed on the back of t-shirts at the annual Susan G Komen race.

4. Some Tax Advantages

Tax laws are complex and seeking a professional about all of your tax questions is important, but there are some tax advantages to corporate sponsorship.

Seek a legal professional to see what advantages you might have when giving to a community event.

5. Employee Engagement

Employees want to work for organizations that demonstrate moral, ethical, and caring behaviors.

Employees take pride in working for an organization that gives back to its community and will often have a higher level of employee engagement.

6. Team Building Opportunity

Some businesses pay employees to volunteer for those organizations they sponsor and have relationships with.

I have seen this with teams of employees participating in a disaster relief project or a group of employees volunteering at an early childhood center.

Either experience takes the employee out of the work environment, fosters team building, and helps employees empathize with the needs of those less fortunate.

It is important for all of us to give back but it is especially important for businesses to support the communities in which they operate.

Taking time to explore the needs of others, and committing resources to help those in need, is what makes us different from so many other nations.

If you would like to get started, there are many resources available to help find organizations in need of volunteers and corporate sponsors.

35 companies that give back all year long — not just around the holidays

Insider
Aug 26, 2021
https://www.businessinsider.com/companies-that-give-back?IR=T

Giving back is woven into the business and operations of these 35 companies.

Aside from volunteering with or sending direct donations to non-profits that make our world a better place, one way you can do your part throughout the year is to support businesses that give back. During these tumultuous times, giving back to those in need has never felt more urgent and necessary.

If you're gifting your loved ones, it'll only benefit more parties if you buy from companies with a social and environmental conscience.

When you buy a gift from these 35 companies, you're also helping to plant a tree, improve livelihoods in underserved areas, save an animal, and more.

Amour Vert

This sustainable fashion brand joins hands with the non-profit organization American Forests to plant a tree for every tee purchase. Since its inception, Amour Vert has planted 351,466 trees in North America.

Learn more about the initiative here.

Conscious Step

Every Conscious Step purchase makes a large impact on the world and the environment. With a cause of your choice, each sustainably sourced pair of socks supports 17 different organizations or communities that the comapny serves. Whether its the fight for equality or protection for dogs, these soft and comfy socks help to create a better world.

Learn more about the initiative here.

Barefoot Dreams

Known for its ultra-soft loungewear and blankets, this company donates a portion of the Covered in Prayer Collection's purchases to The WunderGlo Foundation. This charity aids doctors and researchers in their search for developing a cure for colon cancer in honor of the brand's late founder who died of cancer.

Learn more about the initiative here.

TOMS

Popular shoe brand TOMS has expanded from its original shoe design and is now offering sneakers, sandals, heels, and even slippers. Philanthropy remains important to the brand, which continues to commit 1/3 of its profits to supporting various grassroots efforts.

Learn more about the initiative here.

Thinx

Thinx offers a wide collection of absorbent underwear and apparel and donates a portion of its profits to support puberty and reproduction education and grassroots activism.

Learn more about the initiative here.

Amazon

Blk & Bold, a newly certified B-corporation, prides itself on prioritizing giving back as much as making a profit. The company donates 5% of its profits to supporting at-risk youth and works with over ten organizations with various missions to improve the lives of kids across the country.

Learn more about the initiative here.

Uncommon Goods

Combine unique and fun finds with giving back through Uncommon Goods' Better to Give program. Not only are you supporting small businesses by shopping with Uncommon Goods, but once you select a Better to Give partner, you'll also be supporting the causes most important to you. Uncommon Goods currently works with organizations that focus on issues including forest conservation, supporting those whose lives have been impacted by conflict and natural disasters, and more.

Learn more about the initiative here.

Bookshop

Bookshop allows customers to support local bookstores from afar by allowing readers to purchase books directly from their favorite bookstores. If you would like to support a specific bookstore, use Bookshop's store locator and your pick will receive 100% of the profit from the sale. Bookshop's mission is to support independent bookstores by connecting them with potential customers.

Learn more about the initiative here.

Everane

Everlane donates 10% from every purchase in this collection of tees, sweatshirts, face masks, and tote bags to the ACLU and has raised over $1 million to date.

Learn more about the initiative on each individual product page in the collection.

Bombas

Whether you'd like to gift athletic socks, hiking socks, or dress socks, Bombas has you — and the feet of someone in need — covered. For every pair purchased, it donates a specially-designed pair to a homeless shelter. It has donated more than 43 million pairs to more than 3,000 giving partners in the US.

Learn more about the initiative here.

STATE Bags

When you buy a STATE bag, the company fills another with school supplies and gives it to a local student in need at a "Bag Drop" rally. It also shines a light on issues like mass incarceration, the Flint water crisis, and Black Lives Matter through its #WhatDoWeTellTheKids initiatives.

Learn more about the initiative here.

Leesa

Leesa donates one mattress to a nonprofit for every 10 sold and has donated more than 37,000 mattresses so far. The gift of a better night's sleep for your recipient (plus someone in need) comes in the form of four different mattresses.

Learn more about the initiative here.

AUrate

Fine jewelry startup AUrate finds beauty in honestly priced, ethically sourced gold jewelry — as well as the power of reading. Every year, it donates thousands of books to students in need in the US.

Learn more about the initiative here.

Cotopaxi

Cotopaxi is a B Corp that puts 1% of its yearly revenue toward grants to nonprofits making sustainable changes in poverty alleviation. Cotopaxi/Instagram

For colorful outdoor and travel gear they'll be proud to carry, shop at Cotopaxi, the B Corp that puts 1% of its yearly revenue toward grants to nonprofits making sustainable changes in poverty alleviation. So far, it has awarded 42 grants in six countries.

Learn more about the initiative here.

Cuyana

In line with its "Fewer, Better" philosophy, Cuyana encourages shoppers to clean out their closets by providing shipping labels to thredUP. Send in a box of high-quality apparel they no longer need, and they'll receive a credit to shop at Cuyana. When that credit is spent, Cuyana donates 5% of the profit to H.E.A.R.T. (Helping Ease Abuse Related Trauma).

Learn more about the initiative here.

Skylar

Skylar is a natural, eco-friendly fragrance company that makes candles and perfume perfect for gifting. It donates a portion of proceeds and time to Step Up, a nonprofit dedicated to mentorship for girls.

Learn more about the initiative here.

Thrive Market/Facebook

Thrive Market, a place to shop natural and organic products for less, offers a one-for-one membership program. That means that every paid membership gives a free one to someone in need, like a low-income family, student, teacher, veteran, or first responder.

Learn more about the initiative here.

Parachute

For every Venice percale bedding set sold at Parachute, it donates one malaria-prevention bed net in partnership with the UN Foundation's Nothing But Nets campaign.

Learn more about the initiative here.

Alltrue

Alltrue (formerly Causebox) stands out among the bevy of beauty and accessories subscription boxes by only featuring socially conscious products and companies that give back. Its main areas of impact are women's empowerment, supporting disadvantaged producers, education and skill development, and poverty alleviation. The company itself also helps various charity partners raise funds and awareness.

Learn more about the initiative here.

Wildfang

Wildfang, a female-founded and women-run clothing and accessories brand, donates a percentage of profits from full-price goods to a rotating monthly charity. Charities have included Planned Parenthood, Black Girls Code, and Girls Inc.

Learn more about the initiative here.

Judy

Judy's bright and expert-informed emergency preparedness kits empower you to get your safety plan in place. It just launched earlier in 2020 but plans on donating 1% of sales annually to the Los Angeles Fire Department Foundation, which provides essential equipment and training to supplement city resources.

Learn more about the initiative here.

Love With Food by SnackNation

Better-for-you snack subscription service Love With Food by SnackNation nourishes both stomach and soul by donating at least one meal to a family in need — through Feeding America — for every snack box purchased. Thanks to its subscribers' healthy appetites for organic and all-natural snacks, it has donated over 1 million meals.

Learn more about the initiative here.

ThirdLove

ThirdLove partners with Good360, I Support the Girls, and more organizations to donate its comfortable bras to women in need. It has donated more than $40 million of bras to date, and in the past, it has also donated a bra to a California wildfire victim for every bra purchased.

Learn more about the initiative here.

Warby Parker

If this were like any other year, Warby Parker would distribute a pair of glasses for every pair sold in two different ways. The first helps train adults to administer basic eye exams and sell glasses for affordable prices, while the second gives vision care and glasses to students in need. Its partners include VisionSpring, the Department of Education in New York, and the Department of Health in Baltimore.

Due to the novel coronavirus pandemic, Warby Parker is only distributing glasses where where it can safely. In the meantime, it's providing PPE and preventative health supplies to healthcare workers and communities in need for a portion of glasses purchased.

Learn more about the initiative here.

Allbirds

Lightly used shoes from this popular startup known for its use of unique materials are sent to Soles4Souls, a nonprofit that donates shoes to people who have been affected by disasters.

Learn more about the initiative here.

United by Blue

The conservation-minded outdoor brand pledges to remove one pound of trash from the planet's oceans and waterways for every product sold. It has removed more than 3.5 million pounds of trash through organized cleanups, while also using more responsible materials like recycled polyester in its products.

Learn more about the initiative here.

Ethique

Gone are the days of wasteful plastic haircare and skincare bottles. Ethique packs the essential ingredients into a concentrated bar that's equivalent to three bottles of liquid shampoo, then donates 20% of profits to conservation, animal welfare, and environmental groups and "adopts" animals to pay for their care. It has worked with over 170 organizations worldwide and has ongoing partnerships with Rainforest Trust and HUHA, among others.

Learn more about the initiative here.

Avocado Mattress

These eco-friendly mattresses are made from materials like natural latex harvested from sustainable tree-tapped sources and organic cotton. The company donates 1% of revenue to environmental nonprofits like Plastic Oceans International and Big Green.

Learn more about the initiative here.

Tatcha

Every purchase from this Japanese beauty-inspired brand helps fund girls' education. Tatcha's Beautiful Faces, Beautiful Future program with nonprofit Room to Read has funded more than 4.6 million days of school for girls in Asia and Africa.

Learn more about the initiative here.

Patagonia

Since 1985, Patagonia has donated $89 million to hundreds of grassroots environmental groups. It also donates to nonprofits through its Employee Charity Match program, invests in socially and environmentally minded companies through its own venture capital fund, and donates new and used clothing.

Learn more about the initiative here.

Yoobi

Yoobi partners with the Kids In Need Foundation to donate a school supply to a classroom every time you buy one of its products. We're fans of its sturdy notebooks and weekly calendar planner pads. So far, it's donated supplies to more than 4 million students.

Learn more about the initiative here.

KitNipBox

Each month, this cat toy and treat subscription service donates a portion of proceeds and products to shelters, rescues, and other feline welfare causes. It supports more than 100 animal welfare organizations.

Learn more about the initiative here.

Barkbox/Instagram

BarkBox has thousands of rescue and shelter partners that benefit from each subscription purchased. Be on the lookout for custom codes from your favorite organization. When you use the code, BarkBox donates $25 to that rescue or shelter.

Learn more about the initiative here.

Sand Cloud

Anyone who loves spending time at the beach should be more invested in protecting marine life. Sand Cloud, which makes Turkish cotton beach towels, donates 10% of profits to organizations that protect and preserve beaches and oceans.

Learn more about the initiative here.

Natori

Natori's giving program is unique in that it's customizable and gives you the power to support a cause you care about. When you add one of its bras or lounge products to your cart, you can choose the nonprofit org that will receive 1% of your purchase. There's a whole directory of organizations but some featured ones include The Breast Cancer Research Foundation and the Equal Justice Initiative.

Learn more about the initiative here.

Corporate Social Responsibility: The Definitive Guide

Double the Donation
https://doublethedonation.com/tips/corporate-social-responsibility/

Corporate social responsibility (also known as CSR) is a term used to describe a company's efforts to improve society in some way. These efforts can range from donating money to nonprofits to implementing environmentally friendly policies in the workplace.

Who does CSR impact?

CSR impacts companies, nonprofits, and employees alike. Corporate social responsibility is not a mandated practice in the United States; instead, it is something *extra* that companies do to improve their local and global communities. This means that the general public can be impacted by CSR as well when they get to reap the benefits of companies' do-good efforts.

What is the purpose of corporate social responsibility?

The purpose of corporate social responsibility is to give back to the community, take part in philanthropic causes, and provide positive social value. Businesses are increasingly turning to CSR to make a difference and build a positive brand around their company.

How can CSR programs help nonprofits?

Individuals make up roughly three-fourths of an organization's total monetary contributions. CSR initiatives can help nonprofits make up that leftover 25% after they've looked to individual donors. CSR also encourages corporate volunteerism in the communities where employees live and work.

How much money has been donated as a result of corporate giving?

Corporations donated a total of $26 billion to nonprofits in 2019. 28% of total giving went to education programs, while 25% went to health and social services and 16% went to community and economic development programs.

CSR Statistics: What You Need to Know

- 18 Million Individuals work for companies with matching gift programs.
- 40% Of Fortune 500 companies offer volunteer grant programs.
- $2 Billion Is donated by the top 10 corporations annually in cash to nonprofits, much of it through employee matching gift programs.
- $2-3 Billion Is donated through matching gift programs each year.

Source: *Double the Donation Research*

Benefits of Corporate Social Responsibility

For Employees

Employees like working for companies that have a good public image and are constantly in the media for positive reasons. Nearly 60% of employees who are proud of their company's social responsibility are engaged in their jobs.

For Society

CSR is a thoughtful and practical way to give back to society. When businesses are conscious of their social and environmental impact on the world, they can benefit society by giving back and helping to find solutions to everyday issues.

For Businesses

Consumers are more likely to work with companies or purchase goods from companies that are socially responsible. You can also raise brand awareness by being featured on donor recognition walls or acknowledged in marketing materials.

For Nonprofits

Companies with strong corporate social responsibility programs are looking for nonprofits to receive their support in the form of grants, matching gift programs, and volunteer grants. CSR initiatives help nonprofits find support beyond individual donors.

Types of Corporate Social Responsibility

Corporate Philanthropy

Corporate philanthropy occurs when a corporation promotes the welfare of others, usually through charitable donations of funds. Companies can leverage this type of CSR in various ways, though one of the most popular methods is by matching gifts their employees make to nonprofits.

Corporations that offer matching gift programs essentially double the donations that their employees are giving to eligible organizations.

Corporate Volunteerism

Corporations can leverage corporate volunteerism by encouraging their employees to volunteer. Many companies allocate hours to go toward volunteering during the workday, and many more encourage involvement by offering volunteer grants to the nonprofits where their employees volunteer.

This kind of socially responsible program is a win-win for every party involved. Employees are seen volunteering and donating their time to important causes in the community, and nonprofits are receiving free time and volunteer work, which is essential for the success of so many organizations. Not to mention the reputation the business can build as they support local missions!

Environmental Leadership

Corporations can demonstrate environmental leadership in several ways. For example, they can:

- Put forth efforts to reduce their carbon emissions
- Recycle their products
- Give back to environmental causes

By showing that they care about improving and preserving the environment, companies can gain more support and business, and also build a solid reputation as an environmental leader.

Ethical Labor Practices

Part of being socially responsible for a corporation means participating in ethical labor practices. These practices can include:

- Offering more competitive salaries and compensation packages to employees
- Providing generous parental leave
- Offering tuition reimbursement

Following ethical labor practices reflects well on companies and causes more individuals to want to work with them—and consumers feel better about buying their goods or services.

Economic Responsibility

In being economically responsible, companies "pay their dues" to society. This is often done by:

- Keeping up with their taxes
- Investing back into their communities
- Paying their employees competitive wages

Companies that take part in economic responsibility are truly paying it forward for the greater social good. This not only impacts their values as a company but also their employees and the well-being of the economy overall.

Company	Annual Giving Information	Learn More
Walmart	$250 for 25 volunteer hours	Walmart's CSR program
Wells Fargo	$2,000 maximum match per employee	Wells Fargo's CSR program
Microsoft	$15,000 maximum match per employee	Microsoft's CSR program
Apple	$25 per volunteer hour	Apple's CSR program
Google	$12,000 maximum match per employee	Google's CSR program
Boeing	$10,000 maximum match per employee	Boeing's CSR program
ExxonMobil	$500 grant after 20 hours of volunteering	ExxonMobil's CSR program

Chevron	$10,000 maximum match per employee	Chevron's CSR program
Starbucks	Up to $1,000 for volunteering	Starbucks' CSR program
Verizon	$750 volunteer grants for up to two nonprofits	Verizon's CSR program

Types of CSR Programs for Companies

Matching Gift Programs

Matching gifts are a type of corporate philanthropy in which companies match donations that their employees make to nonprofit organizations. When an employee makes a donation, they'll request the matching gift from their employer, who then makes their own donation. Companies usually match donations at a 1:1 ratio, but some will match at a 2:1, 3:1, or even a 4:1 ratio.

Matching gifts are also growing in popularity. Check out these statistics:

- 65% of Fortune 500 companies offer matching gift programs.
- 84% of donors say they're more likely to make a donation if a match is offered.
- 1 in 3 donors indicates that they would give a larger gift if matching was applied to their donation.
- 12% of total corporate cash contributions have gone through corporate matching gift programs.

Matching gifts can make a huge difference in nonprofit fundraising, as well as employee engagement.

Volunteer Grants

Volunteer grants are a form of corporate giving that encourages employees to volunteer in their local community. Companies then provide monetary grants to the organizations where these employees regularly volunteer.

Volunteer grants are a great way to turn volunteer time into tangible funds and are also rising in popularity. For example:

- 40% of Fortune 500 companies offer volunteer grant programs.
- 80% of companies with volunteer grant programs offer between $8-$15 per hour volunteered.
- 66% of companies that were surveyed provided paid-release time volunteer programs in 2019.

Volunteer grants essentially help nonprofits meet their volunteering *and* fundraising goals at the same time.

Corporate Social Responsibility Examples

Walmart donated more than 1.4 billion globally in FY2019, and more than 47,000 associates in the U.S. volunteered more than 776,000 hours. Walmart also donated 640 million pounds of food in the U.S. alone.

Google recently set a 5-year goal to give $1 billion in grants and offer 1 million volunteer hours. They are also helping close the world's education gap by supporting nonprofits that build platforms to scale digital learning resources.

Microsoft strengthens communities all over. They recently donated $1.4 billion in software and services to NGOs, and their employees donated $158 million (including Microsoft matching gifts) to nonprofits.

Nonprofits can increase their revenue by promoting matching gifts and volunteer grant programs to their supporters. Through these CSR programs and others, donors can often double their contribution and volunteers can make an even greater impact with their time.

Double the Donation can help both nonprofits and employees take advantage of these CSR opportunities.

A transformative moment for philanthropy

McKinsey & Company
May 21, 2020
https://www.mckinsey.com/industries/public-and-social-sector/our-insights/a-transformative-moment-for-philanthropy

Here's how the positive changes in individual and institutional philanthropy sparked by the COVID-19 pandemic can take root and grow.

The philanthropic response to the COVID-19 pandemic has shown the sector at its best. From the launch of community-based rapid-response funds to the development of diagnostics and vaccines, philanthropy is showing up both to help flatten the curve in the short term and to address the inequities the crisis will exacerbate over the long term.

What's striking is not only the scale of capital being committed by major philanthropists (at least $10.3 billion globally in May 2020, according to Candid, which is tracking major grants) but also how it is being given: at record speed, with fewer conditions, and in greater collaboration with others. According to the Council on Foundations, almost 750 foundations have signed a public pledge to streamline grant-making processes, and individual donors are partnering with their peers to make sizable grants with less paperwork.

Confronted with the global pandemic, individual and institutional philanthropy has been responsive, engaged, and nimble. The challenge—and opportunity—for the sector will be to make those features stick. The gravitational pull toward old ways of working will be strong, especially as philanthropies grapple with the impact of an economic downturn on their own endowments. But many of the practices that have emerged during this pandemic, including the five that we highlight in this article, should be expanded and formalized as the world heads into the long process of recovery (exhibit).

Reduce the burden for grantees

Over the past 20 years, the philanthropic sector has adopted a more data-driven and rigorous approach. While those developments have strengthened the field in many ways, they have made the process of seeking and managing grants more cumbersome, especially for small, community-based organizations. The COVID-19 pandemic has accelerated moves to reduce those hurdles, prompting many foundations to relax grant requirements, speed up decision making, and give recipients additional flexibility in how they use funds.

What would it take to simplify further the processes for grant approval and reporting? Looking to college admissions for inspiration, imagine a common application for grant seekers, similar to the Common App platform that enables students to apply to many colleges using a single application. There could be a central clearinghouse with data-collection tools that nonprofits could use to share information with any donor, thus eliminating the burden of bespoke application forms and different data-reporting requirements. The platform could also store each organizations' grant-approval history, as well the reviews of those grants. It could even spur donors to adopt a shared calendar of application and decision deadlines, allowing nonprofits to plan their annual budgets. If such a platform could trim just 15 percent off the cost of raising money from foundations, US nonprofits could save at least $4 billion a year.[1]

The barrier to such innovation is not cost but collective will. Some efforts are already underway—for instance, the JustFund web platform allows grassroots organizations to connect with small foundations and giving circles through a common proposal. But the real transformation can occur only if leading foundations collectively adopt a single platform. The pandemic offers proof that philanthropies are willing to bypass their unique vetting processes in the interest of speed and impact. As the crisis abates, donors should question whether their processes produce enough impact to justify their costs—and whether it might be time for a sector-wide effort to ease nonprofits' administrative burdens.

Accelerate the pace and volume of giving

The COVID-19 pandemic has prompted a number of donors to dig deeper into their endowments and change their grant-making approaches to deploy more capital than they had planned. Some have doubled or quadrupled their payout rates, others will distribute 20 percent of their total assets this year, and others have committed as much as $1 billion to COVID-19 relief.[2] All are recognizing that this historic pandemic demands an extraordinary response.

If ever there was a time for foundations to consider permanently accelerating the pace and volume of giving, it's now. At present, US foundation assets total almost $1.1 trillion, according to Candid, while another more than $120 billion sits in donor-advised funds (DAFs). Foundations typically pay out around 5 percent of those assets each year to meet the federally mandated minimum, and DAFs have no such payout requirement, prompting many to demand faster distribution of dollars that have already produced tax benefits for their donors.

If ever there was a time for foundations to consider permanently accelerating the pace and volume of giving, it's now.

In 2002, our colleagues Paul Jansen and David Katz argued in *McKinsey Quarterly* that donors should assess the time value of philanthropy in the same way an investor does: putting more value on a dollar deployed today than one spent in the future. The conclusion was that delaying grant making in favor of capital accumulation often exacts a significant cost. While an increasing number of philanthropists have since committed to giving away the majority of their wealth in their lifetimes instead of conserving their assets to exist in perpetuity, the average annual spend down of foundation endowments has barely budged.

As we enter the long recovery effort, boards and leadership teams, as well as individual philanthropists, should have explicit discussions about the rationales for their giving horizons. Does perpetuity help achieve your social-impact objectives, or is it serving another objective, such as family unity or founder legacy? If family connection is the primary goal, is setting up a permanent foundation the best way to achieve it? What do you believe your giving will be able to do better 50 or 100 years from now? If you have already received the tax benefit for your giving, why not disburse more of the funds sooner?

With approximately 112,000 foundations in the United States alone, a one-size-fits-all answer to these questions is neither appropriate nor desirable. But for philanthropists tackling issues that are compounding and getting harder to solve with every passing day—among them, racial inequity, weak public health and education systems, and the climate crisis—accelerating spending may make sense.

Partner with other donors to go further faster

Private investors typically look to investment managers who have specific expertise and a successful track record; private-equity investors frequently deploy their capital alongside others they trust, following others' due-diligence efforts rather than conducting their own. Yet when it comes to philanthropic giving, many individual donors—and institutional foundations—often go it alone. They build sizable teams that develop expertise, create new initiatives, and deploy grants largely in isolation from other donors.

The pandemic response has demanded a different approach, bringing donors together at the local, state, national, and global levels to pool resources, align on priorities, and deploy funds rapidly through collaborative funding platforms. For instance, seven foundations partnered to create the Families and Workers Fund, providing flexible funding to organizations working to prevent people from falling deeper into poverty because of the effects of COVID-19. Similarly, the COVID-19 Therapeutics Accelerator was formed to develop treatment options, anchored by $125 million in funding from the Bill & Melinda Gates Foundation, Wellcome Trust, and Mastercard. It was quickly supported with follow-on funding from others.

While donor collaboratives existed well before the COVID-19 pandemic, they were more the exception than the rule. Going forward, what if each foundation and donor aimed to allocate at least 25 percent of their funding to support initiatives led by other donors? Building nimble, impact-oriented governance models is no small feat when there are multiple donors with their own strategies involved. Yet such partnerships are highly effective when they rally donors around concrete and measurable goals—and when they collaborate to scale, share expertise, and combine diverse networks.

Invest more in local communities

Philanthropists are often drawn to global problems, leading them to invest in the well-being and empowerment of people living thousands of miles away. While these contributions are critical to address global inequities and injustices, the pandemic has rightly turned many philanthropists' attention to the severe inequities in their own backyards, producing a swell of local giving. According to Candid, almost 600 state and local community-focused COVID-19 funds have cropped up around the United States, attracting contributions from private foundations, corporations, and individual donors alike.

While such local giving has often been deprioritized by philanthropists focused on national or global issues, the current crisis is a reminder that we each depend on—and have an obligation to support—the strength and resilience of our local community. All philanthropists should consider increasing the percentage of their giving that is truly local, looking beyond organizations that primarily serve elite interests. Donors should look to local organizations that support communities of color and those that are led by people of color, particularly women. Structural racism has left these organizations chronically underfunded, yet they are often doing the most vital work to strengthen local communities and reduce inequality.

Upending power dynamics and empowering grassroots leaders will require many foundations and donors to shift their mindsets and build new capabilities. Local giving is an opportunity for philanthropists to test and learn from a range of community-led and participatory grant-making models, which they can then apply in their work across their countries or around the world.

Support the public sector

While philanthropists have responded to the COVID-19 pandemic with record levels of support, the massive responsibility for leading the response and recovery falls primarily on the shoulders of the public

sector. Philanthropists have rightly coordinated with city and state governments during this crisis—for example, in the Chicago Community COVID-19 Response Fund launched by the Chicago Community Trust, the United Way of Metro Chicago, and the City of Chicago.

While a handful of foundations collaborate with government at the state and local levels and an increasing number seek to influence government policies by supporting advocacy, the vast majority of foundations have steered clear of investing in public-sector capacity building. This is a significant missed opportunity. Given the vast scale of government (which dwarfs the nonprofit and philanthropic sectors), the use of philanthropic dollars to improve the efficacy of government is a potential high-return investment.

The vast majority of foundations have steered clear of investing in public-sector capacity building.

There are several ways that private philanthropy can help make government more effective. First is to double down on its role of providing risk capital to support innovative programs. Now is the time to collaborate with public-sector partners to plan, test, and validate new approaches, which agencies can then adopt if proven effective.

Second is to support cross-agency efforts that address underlying problems. Government agencies tend to focus on delivering against their particular mandates (for instance, financing affordable housing and policing). They find it challenging to address root causes across departments (for instance, getting the homeless into permanent supportive housing instead of police placing them in temporary shelters).

Third is to address talent and personnel constraints. That can take a few forms: training government employees and leaders who are in critical positions, helping governments identify and attract top talent, and supporting the creation or expansion of positions that fill specific skill gaps (for instance, data analytics and supply-chain management).

In addition to supporting government agencies' effectiveness, perhaps philanthropy's most crucial role is to support the public-policy ideation that is necessary for the recovery stage of the COVID-19 pandemic. This is a historic moment to make major changes to our economic and social orders; private philanthropy can help drive the reimagination by funding the analysis, debate, and advocacy of new ideas, with a particular focus on ensuring that vulnerable communities are not left behind. To help safeguard public-sector accountability and community involvement, donors can strengthen the ecosystem of the think tanks, advocacy organizations, movements, and media needed to ensure that the public policies that drive social and economic recovery are responsive to community needs.

Since the COVID-19 pandemic took hold in March 2020, donors and foundation teams have been working around the clock, drawing upon their missions and values to guide them through uncertainty. With this renewed sense of purpose comes an opportunity to reshape priorities and practices for the next era of giving. The pandemic has demonstrated that the sector can and will pivot quickly in a crisis. The challenge for leaders working in philanthropy is to expand and institutionalize the practices that emerged during the crisis for the work that lies ahead.

6 Steps To Building A Sustainable CSR Program

GlobalGiving
July 2, 2020
https://www.globalgiving.org/learn/steps-to-sustainable-csr/

In today's competitive business environment, corporate social responsibility (CSR) programs need to go beyond "doing good." The most successful CSR initiatives tell a company's story, implement stakeholder feedback, position a company as a leader on social issues, and guide how community investment dollars will best be spent.

But to accomplish this, CSR programs first need to be strategically aligned with a company's business model. If corporate citizenship efforts do not demonstrate value to customers, employees, and shareholders, as well as the community, they're less likely to be successful and serve a long term purpose.

Below are six ways that your company can craft an effective corporate social responsibility program that is strategic and sustainable:

1. Build your strategy around your company's core competencies.

There are many worthy causes companies can choose to support, but without focus and alignment around what your business already does well, your CSR efforts may be less effective. If a company has developed strengths, research, and knowledge in a specific area, supporting a cause that aligns with that expertise can be both a win for community partners and for the company with new customer visibility and revenue streams. "CSR can be both a risk mitigation strategy and an opportunity-seeking strategy, and leaders should look for the 'sweet spot' within their organizations—that is, the intersection between business and social/environmental returns," Kellie McElhaney, Director at the Center for Responsible Business, explains.

2. Recognize issues that matter to your customers.

It's no secret that corporate citizenship efforts can promote a positive brand association for companies, but do customers really care? The answer is a resounding "yes." According to a Cone Communications CSR Study, 87% of consumers would purchase a product based on a company supporting a social or environmental issue the consumer cares about. Consumers are rewarding socially responsible companies through brand loyalty, making donations to charities companies support, and purchasing products that provide a social benefit. As recent corporate scandals in the news demonstrate, consumers also aren't afraid to use their buying power to punish companies who have acted irresponsibly or harmfully, through boycotts and negative social media campaigns.

3. Develop CSR initiatives that make your employees proud.

Strategic companies are also using CSR programs to protect and grow their biggest asset—their employees. Seventy-six percent of millennials consider a company's social and environmental commitments when deciding where to work and 64% would not take a job if a potential employer didn't have strong corporate social responsibility practices in place.

“Being a good employer has always served companies well in terms of recruitment and retention, now those practices can also yield broader positive business benefits,” said Alison DaSilva, former Executive VP of CSR Strategy at Cone Communications.

In addition, engaged employees are more likely to stay with a company longer, reducing attrition cost. Eighty-eight percent of millennials say their job is more fulfilling when they are provided opportunities to make a positive impact on social and environmental issues. These initiatives can range from paid time off for volunteering to company-wide days of service to skills-based virtual volunteering opportunities.

4. Measure the ROI of your CSR efforts for the C-suite and your investors.

Evaluating CSR programs can be overwhelming, especially when initiatives can span many different departments such as human resources, marketing, sustainability and compliance. However, developing an organized framework for reporting that links efforts back to strategic priorities for the business will inform your C-suite and investors if your CSR efforts are affecting your company’s performance. Seek to quantify socially conscious efforts that are directly tied to the company’s bottom line—for example, activities that drive cost savings, new customer acquisition, and brand awareness.

5. Expand your company’s definition of CSR.

Traditionally, good corporate citizenship was defined by annual giving programs, cause marketing campaigns, and efforts aimed at reducing environmental resources. And while those efforts are valuable, consumers and companies alike have become more innovative in how they define a responsible company.

According to a Cone Communications CSR Study, consumers prioritize the following business actions as important: being a good employer, operating in a way that protects and benefits society and the environment, creating products and services that ensure individual wellbeing, investing in causes in local communities and around the globe, and standing up for important social justice issues. For a summary of this article, check out our infographic, “The Keys To Strategic Corporate Giving.”

6. Be prepared for rapid response to current events and social movements.

Even the best laid plans for CSR may require changing. To be sustainable, your CSR work needs to be flexible. This could include modifying budgets, redirecting investments of time, and quickly identifying trusted nonprofit partners to launch new programs or adjust existing ones. In response to the COVID-19 pandemic and the murder of George Floyd, many companies pivoted in their social impact work. By being adaptive with your CSR, your program will remain relevant and timely.

CSR programs have the potential to bring value to business and society, but only if done well. By aligning corporate citizenship efforts with revenue-generating activities, you can ensure your CSR program is strategic and sustainable.

The Business Impact Of Gratitude

Forbes
Nov 27, 2019
https://www.forbes.com/sites/ericmosley/2019/11/27/the-business-impact-of-gratitude/

This week, our focus turns to giving thanks and the power of gratitude. While many of us tend to view and express gratitude in relation to our personal lives, gratitude in the workplace is especially critical because it satisfies the higher psychological need to feel a sense of belonging to something greater than ourselves–to feel a sense of meaning at work.

This desire for meaning at work is part of an organizational and psychological shift toward a more human workplace, rooted in gratitude, where employees feel appreciated, valued, respected, and empowered to reach their fullest potential.

Gratitude goes hand in hand with the act of giving recognition. When we recognize one another, it makes us even more appreciative and inspires the person we've thanked to give that feeling to someone else, leading to a swell in happiness, well-being, morale, energy, and engagement–all of which directly influence performance, productivity, and retention.

This is the gratitude effect: a ripple of acknowledgment and appreciation that surges forward, transforming and inspiring us, and improving business outcomes. The more gratitude going around, the more human connections are being made, and the more collaboration, engagement, and innovation across the organization. Moreover, when recognition is given frequently throughout the year, the impact of that positive reinforcement is even greater.

Gratitude changes the giver, not just the receiver.

While we tend to think about recognition from the perspective of the employee who receives the positive reinforcement, it's just as important to look at that moment of recognition through the lens of the giver, a perspective that deserves much more attention. "Research suggests people often underestimate the impact of showing their gratitude to others," writes Deloitte's Suzanne Vickberg, Ph.D., a social-personality psychologist, public speaker, and co-author of *Business Chemistry: Practical Magic for Crafting Powerful Work Relationships*.

The act of expressing gratitude makes us vulnerable and authentic, creating a powerful, human connection between the giver and the receiver. Saying "what you did had a positive impact on me" is a profound message to give to another human being and it puts both of you in a happier, more grateful frame of mind. In its in-depth 2019 Global Happiness and Well-Being Policy Report, the Global Happiness Council estimated that "a meaningful increase in well-being" yields, on average, about a 10% increase in

productivity. In her book, *The Future of Happiness: 5 Modern Strategies to Wire Your World for Greater Productivity and Wellbeing*, Global Happiness Council Member Amy Blankson says, "by scanning the world for the positive, we can begin to transform our past failures, hurts, and fears into a source of potential growth—a process that paves the way for long-term happiness."

The act of giving recognition can be an even more transformative experience than the act of receiving it. Dr. Robert Emmons, professor of psychology at University of California, Davis, characterizes gratitude as "the ultimate touchpoint of human existence … and the ultimate performance-enhancing substance."

When you thank someone, you're creating what *New York Times* best-selling author Dan Heath calls "a defining moment," not just for the receiver, but also for yourself. *The Power of Moments: Why Certain Experiences Have Extraordinary Impact*, which he co-wrote with his brother, Chris, encourages readers to write gratitude letters to people who have made a positive difference in their life and read the letters aloud to them in a face-to-face visit. "Research shows that doing that can boost your happiness levels for as much as a month," Dan Heath said in a 2017 interview.

The virtuous cycle of gratitude and recognition.

In his book *A Whole New Mind: Why Right-Brainers Will Rule the Future*, best-selling author Daniel H. Pink explains how a gratitude visit can generate positive momentum. When you thank someone, it often leads them to consider whom they might never have thanked. "So, they make their own pilgrimage, as eventually do the recipients of their thanks, resulting in a daisy chain of gratitude and contentment."

GoodThink cofounder and CEO Shawn Achor also discussed the positive impact and ripple effect of expressing appreciation in his *New York Times* best-selling book *Big Potential: How Transforming the Pursuit of Success Raises Our Achievement, Happiness and Well-Being*. "Praise creates what I call a 'virtuous cycle' – the more you give, the more you enhance your own supply. When done right, praise primes the brain for higher performance, which means that the more we praise, the more success we create. And the more successes there are, the more there is to praise. The research I've been doing over the past five years shows that the more you can authentically shine praise on everyone in your ecosystem, the more your potential, individually and collectively, rises."

Achor's findings were reinforced in the Global Happiness Council's 2019 report that included a case study about the business impact of LinkedIn's social recognition program on employee retention and performance. In addition to showing correlations between recognition, increased retention rates, and higher year-over-year performance rating increases, "particularly for high-performing employees who received more frequent recognition," the LinkedIn data also revealed the powerful impact of practicing gratitude on the givers: "The more employees offered praise, the more praise they received in return, creating a virtuous circle of positivity and success."

Be the change you want to see.

Leaders should model the habit of frequent and widespread expressions of recognition and appreciation to inspire others throughout the organization to emulate that behavior. Three tips for getting started:

- Never underestimate the power of "thank you." Everyone wants to feel recognized and appreciated, so encourage employees to thank the people around them, including their colleagues, senior leaders, and employers, on a regular basis, year-round.

- Look beyond the 'big wins' to uncover lower-profile contributions that also deserve appreciation and recognition. Dr. Vickberg shared this insight in her recent LinkedIn article that summarized the findings of a Deloitte Greenhouse report she co-authored on employee recognition preferences. "Sometimes projects fail, despite a team's heroic efforts. Not everyone's role is closely tied to identifiable successes. Some peoples' contributions are impactful, but less visible." Many of the 16,000 professionals surveyed expressed the importance of recognizing "the effort they put in, their knowledge and expertise, and their commitment to living the organization's core values," not just the "big wins."
- Give recognition to those who habitually recognize others. Rewarding the employees who express their gratitude often and to many people can inspire others to follow their lead.

While Thanksgiving is a great opportunity to acknowledge and remember the proven benefits of gratitude in the workplace, remember that the power of gratitude is too important to be celebrated on just one day. When people lift one another with acknowledgment and recognition–when giving and receiving gratitude is the foundation of a culture–we're all elevated, we're all able to blossom into the best versions of ourselves, and one person's success becomes everyone's.

20 Examples of How Showing Gratitude Helped a Business

Medium/Thrive Global
Oct 5, 2017
https://medium.com/thrive-global/20-examples-of-how-showing-gratitude-helped-a-business-86af0fd9e40

Showing gratitude year round (not just during the holiday season) has major benefits for any business.

More and more businesses are showing appreciation daily, not just around Thanksgiving, and they're reaping the benefits. When a business shows gratitude, customers feel valued and employees are more engaged.

Here are 20 entrepreneurs who show gratitude year round and share how it's changing their lives and businesses for the better.

1). Recognize People for Their Accomplishments

According to Steven Benson, founder and CEO of Badger Maps, his favorite part of Badger's company culture is to show thanks to employees on a weekly basis. "We have an all-hands meeting once a week, and we finish the meeting by 'giving props', which is recognizing people on the team for their accomplishments that week. Anyone on the team can give props to anyone else on the team, which fosters an atmosphere of appreciation and teamwork. For example, someone who noticed another employee doing a great job with a particularly difficult customer, might 'give props' to that person and recognize them in front of the group as having done an amazing job. It's a great way to be thankful and show appreciation as a group for all the accomplishments of the week, and make sure everyone gets recognized for their contributions. This has helped us build a strong team and sense of community. The success of your business depends on your employees and establishing a positive culture where everyone feels appreciated and enjoys coming to work makes a big difference in increases employee satisfaction and happiness."

2). Gives Others the Incentive(s) to go Above and Beyond

Remi of Brāv Online Conflict Management knows a bit about gratitude. Helping others achieve employment, work from anywhere safe, private, and confidential, all while building peace, has helped get them in front of very important people, including Asia-Pacific mediation conference convener Tom Giglione.

As a result of their gratitude, they've been invited to keynote two speeches November 11–13th in Vietnam where many world leaders, including Prime Minister Trudeau and President Trump, will be for various summits including APEC — and who also may present at the Asia-Pacific conference.

3). Helped My Bottom Line

Dr. Justin Wood, Th.d., CJME recalls that "Some years ago, I was put in charge of a restaurant that had little going for it. I was given a small breakfast crew and list of chores a mile long to accomplish before 11am. After a disheartening meeting about shutting down breakfast, I looked deep into my customer service

knowledge and realized how customers liked feeling appreciated. Playing on this, I challenged my crew to make every customer feel their gratitude, as without them we would all be looking for new jobs.

By the end of the month, I had doubled last month's receipts. By the end of the quarter, I was setting records continually. Mediation Week 2017 beginning October 15, elaborates on civility and peaceful resolution. A smile, a thank you, a trip with fresh coffee was all it took to show our gratitude for their visit and how we appreciate their business."

4). Reduces Conflict; Maintains Civility

Dr. Thornton and colleagues learned in customer service training that people more freely spend money where they feel appreciated.

Whether or not you have the best product or service on the market, people want to feel you appreciate their business. A smile, a thank you, a handshake is all it takes to tell people; "Thank you, I appreciate your business".

Customer retention or getting customers to return costs you half your initial investment. Simply listening to people and showing gratitude for their business will positively affect your bottom line.

Similarly, Dr. Wood stresses,"I retain a high percentage of customers. This costs me less in marketing and those customers tell others of my services; in turn, gratitude saves me money, while making me money and costing me nothing."

5). Gratitude and Daily Affirmations Go a Long Way in Business

"I used to stare at my computer...at my email list number, my number of sales that day, my social media posts...with a huge pit in my stomach feeling like such a failure even after having works my buns off," says Michelle Lewis of VisibilityVixen.com.

"Entrepreneurship is, by far, the hardest I've worked in my entire life. So not seeing the results I was desperate for left me in a state of such discouragement. I'm sure many out there can relate! So I decided to change up my perspective. I started putting hourly affirmations in my phone that would ding with phrases like,'I welcome new members into my group every single day' 'Every time I take care of myself, my income increases', positive statements where I was celebrating the victories in advance with gratitude. Maybe I was crazy, but I figured I had nothing else to lose! I literally had only implemented this for 24 hours when my phone dinged that I had made a sale...right when I got out of the bathtub. I was taking care of myself — my income increased. There are more of these victories than I can mention here, but this changed everything in my business. Advanced gratitude is the best perspective you can ever adapt into your life and business!"

6). Moments of Gratitude Spurred Me to Keep Going

"I started my business almost 3 years ago. It wasn't so much a planned strategy, but rather I was forced to do something, or run out of cash (I ran out of cash anyway).

Starting a business was easy. Staying the course has been one of the hardest things I have ever accomplished. Keeping afloat has been so hard that I have often felt tremendous despair to keep going. Most of my work has been repeat business, but even so, I have experienced many days of emotional

turmoil, hard work, and stress. But then, when I take a moment to reflect on the fact that I alone have kept two people plus a dog alive over the last 2 and something years, I realize how blessed I truly am.

I would say that those moments of gratitude have spurred me on to keep going, because it's in those moments that I am able to see the full and complete truth about the situation. Being grateful gives me the motivation to keep going, and to push on with my business, knowing that victory and stability will come. I have come this far." — Claire Carradice,

7). Gratitude to Cure Perfectionism

Nina Pfister, Founder & Principal of Mooring Advisory Group states, "Growing up, I always believed that if I followed the perfect, straight and narrow path, I'd ultimately be happy. As I experienced more of life's messy, unexpected twists and turns, including this unpredictable & amazing journey that is Entrepreneurship, I've come to realize that putting my energy into Gratitude versus trying to fix every inevitable imperfection in business has freed me...and fuels the positivity that is required to move a business forward. Gratitude allows me as an Entrepreneur to embrace abundance instead of lacking in times of doubt, and for that, I am thankful.

8). Gratitude Inspires Me to Refocus & Gain Clarity

According to Dr. Jodi Ashbrook, Inspirational Speaker, Author, Founder of The Yoga Movement & Co-Founder of Elevate Higher Ed, "Gratitude allows us to press pause on whatever negative chaos is surrounding us, and take a moment to simply focus on what is working, what is going well, and something as simple as breathing. In between meetings or stressful email marathon responses, I often take 30 seconds to zone in on deep inhales and exhales including affirmations of gratefulness to release stress and recognize how grateful I truly am to be in a position where I have the power to lead and influence others in a positive way. Shifting my perspective on a regular basis to embrace gratitude through my meditation practice in challenging business situations helps me to deflect negativity when I need to find my calm, refocus, and get inspired to visualize the path ahead more clearly, and make pivotal decisions with confidence.

9). Showing Gratitude Wins the Hearts of Customers

Cindy Georghiou, owner and operator of emerging skincare brand, JaquaBathandBody.com believes that a little extra goes a long way — and not just during the holidays.

To show her customers appreciation, she likes to share early promotions and exclusive VIP offers before sharing them publicly. She believes that making customers feel important and valued is the key to building lasting relationships with them.

10). Gratitude Has Grown Significant Business Partnerships

Valerie Sarron, Owner & Operator of VS Photography, states, "When I started my Boudoir photography business, I felt very much alone in my new endeavor. Over time, I worked to build a strong partnership network with other local, creative entrepreneurs, and showed gratitude by maintaining meaningful relationships with each of them, which has led to my own business growth and a strong referral channel for business development. When you take the time to show gratitude to those instrumental partners who fuel your own creativity, it opens the door to innovation that you might not have discovered on your own."

11) Gratitude Has Formed Long Standing Customers and Referrals to New Ones

Rachel Leone, President and Founder of Leone Marketing Solutions states, "I have always strived to form solid relationships with the individuals that I partner with and really understand their business goals and what they are looking to achieve. It is key to longevity and the overall reputation of Leone Marketing Solutions. There are many folks that they could choose to work with, however, I feel creating the personal relationship and showing gratitude and interest in their success allows for repeat customers as well as referrals to new clients from satisfied ones. It also makes me take a step back and be so thankful of how much I love what I do!"

12) Personal Touch with Every Customer Shows Gratitude

Alexandria Broytman, Owner of EvaDane Jewelry has been conveying acts of gratitude as company value from the start. Since the first order was placed back in 2015, founder Lexie has included a personalized, handwritten note on customer invoices conveying appreciation and thanks for their purchase. The belief every customer counts has been integral. "Personally, I took note of the businesses which took time to write something extra when I made a purchase. It made me feel more connected to a company with a heart", noted Broytman. When creating her own business, she carried forth the concept of gratitude, hoping to develop personal relationships with her own customers. "I find I have clients that feel comfortable asking questions and making repeat purchases. I do believe acts of gratitude is the source".

13). How Showing Gratitude in Business Helps All in Parts of Life

Emily Bell, the CEO and founder of EmilyVsBear.com says that, "I think gratitude helps all parts of life. When you can look at the world through a positive and grateful lens, it really does change your reality and how you experience the world. I see the impact all the time in my own life. If I'm in a bad mood, I realize it affects the way I function in and see the world. As soon as you flip the switch and start to look at things positively, the effects can be quite astonishing."

14). How Gratitude and Meditation Breeds Success

"Gratitude has changed my business and LIFE, and I began the practice before I even had steady clients. I'd start by being grateful for all the bills associated with my business. 'I'm grateful to pay my web hosting service so I can serve the world.' Then, each time I'd get a new contact, I'd say out loud how grateful I was for speaking with them. As they turned into clients, I'd meditate on how grateful I was to serve. Now that my client-based business is thriving, I still practice it on off days when a client request or mishap can get riled up. Returning back to that grateful space not only brings more abundance into my life, but keeps me in a happier and more peaceful state of mind all day long. I truly attribute gratitude and mindset work to so much of my businesses' success."

— Ashley Hannah, Founder of AshleyHannah.com

15). In a 360-Degree Fashion, Recognize Entrepreneurial and Positive Attitude

"MNI Targeted Media Inc. is proud to shine a spotlight on our outstanding employees. Recognizing achievement is vital to encouraging success and fosters a positive corporate culture of creativity and hard work. Both are critical to the bottom line of our business.

One of our secrets to success is staying nimble and open to constant change — instilling a maverick spirit across the organization. The MNI Targeted Media Maverick Award has been our most coveted recognition for almost 20 years of our more than 50 years in business. Presented annually, the Maverick Award recognizes two employees — one from our remote sales team across the nation and one from our Stamford, CT headquarters — who have demonstrated a consistent, yearlong level of accomplishment. The MNI Mavericks are an elite group who have impacted both our sales goals and our overall go-to-market strategy. The MNI Mavericks have a great deal of pride in our company and their work which translates into happy clients and a thriving business."

— Rob Reif, President of MNI Targeted Media Inc., a subsidiary of Time Inc.

16). How Practicing Gratitude Helps in the Midst of Challenges

"Becoming an entrepreneur is the best form of self development, especially when I incorporated my gratitude practice into my daily routine.

There are so many ups and downs that come with entrepreneurship that it's easy to focus on the results you're not getting or what others are doing. I have found that by focusing on gratitude, I have shifted how I view my business and progress. Instead of viewing challenges as just challenges, I view them as opportunities for growth. I look for what I can be grateful for in the midst of the challenge.

When I do this, it makes it easier for me to move out of the struggle and opens my mind to receiving new ideas or inspiration on how I can solve the problem. This outlook is the reason I am still in business and have grown my business year over year. If I didn't have my gratitude practice, I probably would have given up a long time ago.

Gratitude really allows me to see what's possible. And I am so grateful for this practice."

— Minling Chuang, Founder of BrandFameSchool.com

17). How Gratitude Helped Me Focus on The Important Things

"There are hundreds of perks to entrepreneurship, but here's the thing that no one likes to talk about.. It's lonely. There's nobody to give you an A+, and nobody to say you've done a great job. So it can be extraordinarily easy to move from one milestone to the next, always looking for the next project, or the next client to provide that fulfillment.

In 2017, I made the decision that every time I accomplished something small or large I was going to celebrate it! I was going to say out loud 'Great job, Alyssa' or 'I'm proud of you for figuring that out' or 'You really killed that client call, let me take you to lunch!'

I now practice every morning and night, I celebrate my wins and the things I'm grateful for in my business and life. I stopped feeling constantly unfulfilled or looking for the next milestone. It helped me realize the things that are important to me, and the things that really don't matter (ahem, responding to that email in record time). It's a daily reminder of which direction to move in, and is the guiding force behind being purposefully productive, rather than tackling whatever is thrown in my direction."

— Alyssa Cole, AlyssaColeman.ca

18). Use Gratitude Specifically in Transformative Mediation

Doyin Ayeni states that “Transformative Mediation [allows] parties…to express themselves so both parties hopefully are able to come to a middle ground. Each side is able to hear the other’s side of the story and come to an agreement which produces a mutual satisfaction with the agreement reached.

The transformative approach brings out a more cooperative form of problem solving to resolve their differences instead of pursuing an adversarial approach.”

19). Get All Parties in Conflict Together

Dr. Thornton and Dr. Smithmyer of Brāv remind us that any and all parties in conflict have to be willing to have some level of curiosity about why the other side feels the way they do and be willing to debate the issues without exploding into factions. Gratitude works if prep time is used to explore issues — from a need to support the opposition’s position. It is a radical approach, but one that forces all parties to learn about the alternate viewpoint.

20). How Being Thankful Shaped One Entrepreneur’s Success

“Before I had adopted the attitude of thankfulness in business, I was not seeing the success I wanted. This negative mindset warped the 5 year plan I had set and I felt as if I was getting nowhere.

I started submersing myself in this culture of affirmations and gratitude. The idea of viewing failure as an opportunity and being gracious for setbacks in business was eye opening. This type of mindset was intriguing and my intuition led me to start making this a daily habit to become more conscious of my thoughts and attitude.

This switch in having a gracious mindset plays a huge role in the success of my business today. The voice of my business has strengthened along with the way I come across on live video. Having a thankful mentality and incorporating this in my morning routine as a business owner has shaped my mindset to be more productive and positive.”

— Haley Burkhead, CEO of marketbeautifully.com

If you’re really looking to strengthen the bonds of your organization, then show gratitude to everyone involved including employees, prospects, customers, suppliers, and vendors. Not only will it improve your well being, your stakeholders will feel valued and appreciated.

In Times of Crisis, a Little Thanks Goes a Long Way

Harvard Business Review
May 22, 2020
https://hbr.org/2020/05/in-times-of-crisis-a-little-thanks-goes-a-long-way

Summary. As managers, it's essential to express gratitude to your employees, especially in this time of uncertainty and social distancing. People are battling fears about the situation and juggling home and work in close proximity. Almost every employee needs to hear that...more.

The chatter in our cafeterias and conference rooms is replaced by the disquiet we're experiencing inside our socially-distanced bubbles. From general malaise to specific maladies, many employees are afflicted by stress and anxiety that make brushing teeth and cooking a meal feel like the day's crowning achievements. My clients, executives in a variety of organizations, feel overworked, underappreciated, and cut off from their colleagues. While there's no panacea for these current ills, regularly practicing gratitude can help.

Research clearly indicates expressing gratitude is beneficial to our health and well-being. We're happier when we're grateful. During a crisis, taking the time to thank others is vital to dampen loneliness, amp up social connections, and generate generosity. Yet, while the benefits of gratitude are widely acknowledged, we feel thankful a lot more often than we express it — and it seems to be least often expressed at work.

As managers, it's essential to express gratitude to your employees, especially now. For one thing, being thankful to your team is the right thing to do. People are battling fears about the pandemic and juggling home and work in close proximity. Almost every employee needs to hear that their dedication is noticed and it matters. What's more, gratitude is proven to show improvements in self-esteem, achieving career goals, decision making, productivity, and resilience.

Yet for busy and stressed-out leaders, it can be easy to put gratitude at the end of a to-do list. During our last coaching session, Mandeep, a senior academic executive, said, "I'm so busy fighting fires from 4 a.m. to 10 p.m. that I don't have time to acknowledge the work my team is doing." Recognizing that expressing appreciation is more important than ever, we devised five strategies for Mandeep and his organization.

Bring people together for a gratitude shower. Every evening at 7 p.m., people in my neighborhood (and in cities around the world) gather on our balconies and in the streets to applaud essential workers for their sacrifices. Mandeep created the organizational equivalent of this activity by asking everyone to join a live chat at 4 p.m. daily for exactly two minutes. In this time, team members type out compliments for colleagues. Since these notes are written and saved in a chat, people can scroll through past kudos if they miss a session. Use this kind of appreciative communication to foster community by coming together for a daily dose of applause.

Tailor your thanks. Research shows gratitude strengthens relationships much more when it is conveyed as appreciation for what the other person did, rather than about the way it benefited you. For example, "Your creativity sparkled in the virtual happy hour you organized for the team. By creating the theme and sharing ideas for how everyone could follow it, you added a unique touch."

Take it one step further by understanding how people like to be acknowledged. One tool is the 5 Love Languages. While this framework was originally designed for couples, you can modify it for the workplace. One of your colleagues might respond to words of affirmation, for instance. In that case, send her a carefully crafted email or handwritten note. For those whose preference is acts of service, help them with a research project. To emphasize quality time, schedule a virtual one-on-one with a direct report where you set aside business discussions and take a cue from them on other meaningful topics.

Make them the star attraction. During this pandemic, everyone is going above and beyond. Some days it takes extraordinary effort to perform even the ordinary activity. This is especially the case for invisible work — tasks we take for granted or underestimate the amount of effort involved. Celebrate unsung heroes and feature them prominently in companywide communications. Most executives are communicating weekly with their teams. Why not start each week's missive calling out the effort expended by someone who seldom takes center stage?

For example, one client showcased the project coordinator who made an offsite engaging through the innovative use of technology: "Thank you, Max, for creating breakout rooms, team colors, unusual signs, and a whiteboard — all through the power of your keyboard, screen, and resourcefulness." Shining a spotlight on usually unseen accomplishments boosts productivity and increases empathy and understanding about the workload we might unintentionally unleash on others.

Popularize positivity. Research shows a recipient of thankfulness will be more generous and helpful to others. To spark this, create a pay-it-forward movement in your organization. Encourage those who have been thanked to craft a gesture of appreciation for someone else. This spreads the uplift while reducing the pressure on one manager trying to thank multitudes of people. It also expands visibility of individuals and their praiseworthy work.

Give thanks as a team. Amplify your efforts by working as a team to express acknowledgement and give credit for an outstanding contribution. Coordinate your efforts with others and package your praise for greater impact. You can use online tools like a Kudo board where you create a theme, and collectively build one for a colleague. This packs a bigger wallop for your coworker and binds your team together in a shared positive activity.

Gratitude is a dish best served to suit the recipient's tastes, but it comes with benefits for both the chef and the consumer. When people around you feel seen and acknowledged, they return the favor, invest more in their efforts, and form stronger connections — all essential ingredients to offset the stress of a crises. Giving thanks can be infectious. Even when we're uncertain about the present and future, one thing that we control are our actions. We can choose to help sincere expressions of appreciation catch on.

How to Build a Company That (Actually) Values Integrity

Harvard Business Review
July 30, 2020
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For decades, leaders were expected to focus on one thing: financial results. But we are now in the midst of an ethical revolution. Leaders are increasingly held accountable for poor behavior, and companies are pushed by employees, governments, and customers to step up and adopt a multi-stakeholder approach that serves social purposes as well as investor demands.

Canned codes of ethics that ask employees to check a box to certify that they've read the material and third-party online ethics training courses might be all that is required to comply with the law, but they don't move the needle. Employees see them mostly as a nuisance they have to suffer through.

Business leaders need to do more. I've spent more than 30 years as an attorney studying workplace issues, as the head of Trust and Safety at eBay, and as general counsel at companies including Chegg and Airbnb. I've seen too many workplaces in which it seemed that legal and HR were just reacting to one problem after the next. Over the years I've developed the following six practices to help leaders be proactive, inspire their workforces, and stay ahead of the ethical revolution.

Lead by example.

Leadership must openly and directly embrace integrity. The CEO and others on the leadership team are powerful role models who set the company's ethical tone. If they cut corners, don't follow the rules, or ignore bad behavior by top performers, it gives everyone implicit permission to act the same way. Leaders must openly and directly talk about integrity, embrace it as part of the culture, and be ready to do the "right thing," even if it appears to hurt business in the short run.

In a crisis, fear runs high, and everything a leader does is amplified. An "integrity moment" can happen anytime, and a leader has to be committed to the right principles or risk losing a team's trust forever. Take CEO Kevin Kelly, of Emerald Packaging. During a meeting in the early days of the pandemic, an employee asked, "What if I'm the only one who can operate a particular machine, and it goes down?" In that moment, Kevin's leadership was on the line, and he handled it perfectly. "Stay home," he said, and asked the employee to repeat his words. Everyone laughed, but everyone got the message — he cared for employee health above immediate business needs.

CEOs have to be particularly careful about setting ambitious targets and using powerful language to motivate employees. Audacious goals can create fear (what happens if I don't deliver?), and they may be interpreted as giving implicit permission for bad behavior. Unrealistic goals played a key role in the

infamous Volkswagen emissions scandal, for example. More recently, a scandal erupted when six eBay employees were criminally charged after allegedly engaging in an aggressive cyberstalking campaign against critics of the company. According to an affidavit released by prosecutors, an eBay executive had told the team to deal with the critics by doing "Whatever. It. Takes."

Make your ethics code your own.

Too many companies treat their code as a legal box to check. They download another company's code and put their logo at the top. Or they delegate the task to lawyers, who understandably draft a document designed to protect the company from liability. Don't depend on something that someone else drafts — you can't outsource integrity.

Your code of ethics should reflect input from a broad cross section of employees and be based on your company's core values along with the norms of your particular industry, geographic location, and culture. You don't want to get bogged down with too many rules, but there are usually a dozen or so issues that come up over and over. Clear guidance on how to handle them is important so that individuals aren't making up their own code as they go.

We built the Airbnb code of ethics with input from employees around the world and on diverse teams including finance, marketing, data, and customer experience. Titled "Integrity Belongs Here," it is based on our core value of promoting human belonging through travel. It discusses issues such as whether it's appropriate to accept gifts from third-party vendors or grateful hosts. We also review conflicts of interests around side gigs, because our employees are often approached about consulting and board work.

Talk about it.

It's not enough to simply go about your business and assume integrity will naturally occur. Leaders must talk openly, explicitly, and regularly about its importance. Orientation is a good place to start. Make a point of having your CEO or another top leader come into each orientation class and spend an hour personally talking with new employees about company values and ethics, using real examples from their career. This sort of authentic live discussion from a leader sets a tone and can make a lasting impression.

I give the orientation talk at Airbnb each week. It's a 75-minute interactive session in which I go over specific ethical scenarios that employees have faced. The feedback I get is overwhelmingly positive. We talk frankly about challenging issues, such as how much alcohol you should serve — and drink — at a work-related function. We also talk about dating a colleague and planning team offsites in such a way that everyone will feel comfortable. Earlier this year, a woman sent me a note telling me that she left her previous job because her male manager kept propositioning her. She was afraid to report it, so she joined Airbnb. "If I had heard this message *from a leader* at my last company, I would have reported it," she wrote me after her orientation session. "I'm happy to be at a company now that really cares about this."

Make sure people know how to report violations.

Too many companies bury their reporting system in a link deep in the company intranet and don't talk openly about how the investigation process works. That silence breeds suspicion, distrust, and an environment in which employees aren't comfortable using the process. Companies that want a culture of integrity must make the process of reporting all problems, especially violations of the code, easy, straightforward, and clear. You need to create a culture that isn't afraid to have people raise ethical questions, that welcomes bad news, and that celebrates employees who speak out about problems. I

once had an IT security person walk up to me in the office and point out that I had left my computer on and unattended at my workstation for five minutes while I went to the restroom. Rather than getting annoyed, I gave him an award for having the courage to call out a senior leader (me) for a lax security practice. A year later, he still cites that recognition as the highlight of his career at the company.

I hear leaders of some companies proudly say that their employee ethics hotline has few or no reports. That could be a sign of a problem. Try this: Pull random employees into a room and ask them to show you how to file an ethics report. Time how long it takes them to get to the right place. Or do a quick anonymous survey and ask how comfortable employees are reporting violations and whether they feel the company walks the talk when it comes to ethics. Explore new tools. For example, Vault Platform, in the UK, designed a mobile phone app that allows employees to securely and confidentially submit incidents of misconduct that they have experienced or witnessed. It includes a unique feature whereby an employee who is reluctant to speak up alone can submit a report only if another employee independently submits a complaint against the same person.

Demonstrate the consequences.

Ethical violations must be investigated, and when they are substantiated, fair and reasonable consequences must be handed out. Leaders and top performers cannot enjoy immunity. Even in companies with a robust reporting and investigations protocol, employees may be skeptical that reports will be acted upon and may cynically assume that nothing ever happens. That sort of culture erodes trust and discourages everyone from reporting issues.

One way to fight this problem is to build transparency into the process. Companies such as Airbnb and Cisco talk to employees about what happens when a claim is filed, and they issue regular “transparency reports” that, while respecting privacy, give employees data on the number of reports, types of complaints, how many are investigated and substantiated, and the range of consequences. Providing windows of transparency into a good process can build trust.

Remember that repetition matters.

Integrity can’t be handled by a once-a-year email or a couple of pages in a forgotten employee handbook. As former NBA Commissioner David Stern told me, it’s like a television advertisement — you can’t run it once and expect to get your point across. Repetition matters.

Be creative; don’t rely on canned, outsourced videos to make a difference. Challenge someone on your team to make funny videos about ethical scenarios, and get leaders to participate. At Airbnb, we created short (three- to five-minute) iPhone videos exploring scenarios such as a recruiter asking unethical interview questions, a team planning a wild holiday party, and an employee stealing bags of coffee to fuel a side business. Watching them is voluntary, but they are entertaining enough that a third to half of employees view them each month, and leaders and managers often suggest topics and ask to appear in them. If videos aren’t your style, try something that fits your culture. Make an “integrity minute” part of each company meeting, or (as we did at Chegg) hold a game-show-style test in which leaders have to answer tough questions about your code of ethics. Or create an “Ethics Ambassador” program like the ones at L’Oreal and Airbnb, in which volunteers from across the company are given special training and provide ethics advice to other employees.

Make a point of adding ethics as a dimension of your business decisions. In addition to asking “What does it cost?” and “What’s our profit margin?” ask about the impact of a product’s supply chain on the world, or

how the product affects employee health or climate change. The key is to create an environment in which it's seen as good to talk about ethics, a program designed to create an integrity environment through repetition, or what I call a "constant drumbeat." Embrace an environment in which values are top of mind in words and deeds.

Integrity is a powerful double-edged sword for companies today. Lapses can spark employee rebellion, customer blowback, and government investigations. But handled correctly, integrity can be a superpower that inspires employees and resonates with today's values-minded consumers. And integrity is contagious. Create an environment in which it is openly embraced by leadership and woven into the fabric of your culture, and it will be a powerful asset.

Why corporate integrity is more crucial now than ever

EY Global Integrity Report 2020
June 25, 2020
https://www.ey.com/en_za/forensic-integrity-services/why-corporate-integrity-is-more-crucial-now-than-ever

Integrity is more important today than it has ever been. As companies anticipate and respond to current challenges, such as by changing suppliers and shifting priorities, it's essential that compliance standards are upheld. If they're not, companies are exposing themselves to major risk.

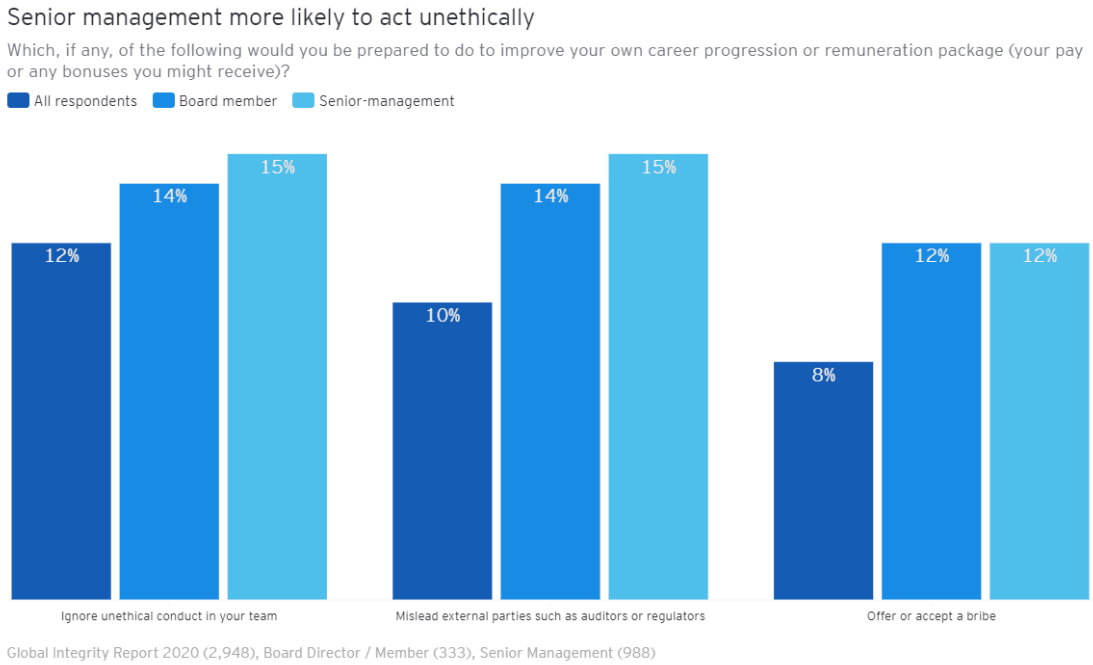
In times of crisis, personal conduct can be the first standard to slip, evidenced by the latest insights gleaned from thousands of companies that participated in our Global Integrity Report 2020 (pdf).

Organizations are not machines. They are complex systems made up of humans with individual instincts and behaviors that are influenced by their environment. "Understanding the people who make up your organization and the environment in which they operate is critical to protect against unethical conduct," says Stefan Heissner, EY EMEIA Forensic & Integrity Services Leader.

Inside the numbers

Thirty-five percent of respondents to our survey believe that unethical behavior in their organization is often tolerated when the people involved are senior or high performers. This figure increases to 41% for the senior manager respondents. Furthermore, 46% of respondents believe that there are managers in their organization who would sacrifice integrity for short-term financial gain. This figure increases to 51% for the senior manager cohort.

Our research finds that the more senior an employee, the more likely they would be to act unethically. Senior employees are more likely to justify unethical behavior such as ignoring unethical conduct in their team, misleading external parties such as auditors or regulators or offering/accepting a bribe in order to boost their own career progression or remuneration. This is concerning as leaders set the tone at the top and define standards of behavior for their organizations.



Those employees who believe they demonstrate the highest levels of integrity have more confidence in their past conduct. Therefore, with over half (51%) of all respondents concerned if information about their work decisions came under public scrutiny, COVID-19 and the ensuing economic crisis will undoubtedly uncover their unethical behavior and actions. This leaves companies wide open to the threat of reputational damage, especially considering how large our digital footprint is — decisions, statements and social media posts, for example, are all preserved electronically.

Well over half (59%) of respondents say that it is challenging for organizations to maintain their standards of integrity in periods of rapid change or difficult market conditions. This figure rises to 63% for those in emerging markets.

Such findings paint an ominous picture, even pre-COVID-19. Now that companies are under extreme pressure to survive, ethical standards may slip even further. In times of trouble, a deep commitment to measuring and monitoring personal and corporate integrity is more important than ever.

Furthermore, a fifth (21%) of respondents in our follow-up survey in April 2020 believe that ethical business conduct will decrease due to COVID-19.

Five things you need to know about employees' view of organizational culture

EY research shows a striking mismatch between the way management and junior employees[1] perceive the actions of leadership, and the values of their organization. Of course, just because junior employees believe something is happening, it doesn't mean it is. But perception is powerful, and the key is to understand why.

1. Junior employees fear personal consequences for reporting wrongdoing. Only 58% of junior employees agree that employees in their organization can report wrongdoing at work without fear of negative consequences for themselves. In contrast, 70% of board members agree. Management must build the trust of their workforce through clear communication of values and

transparent compliance with the rules, and provide secure ways in which employees can voice their concerns.

2. Management doesn't talk enough about integrity. Two-thirds (67%) of the board think management frequently talks about the importance of behaving with integrity, but only 37% of junior employees think the same. Management must talk about integrity to the wider organization, engaging employees on the issue.
3. Junior employees doubt standards of integrity are improving. Fifty-eight percent of junior employees believe the standard of integrity at their company has stayed the same or has become worse, but 71% of the board think standards have improved. Companies must work hard to make tangible improvements to their integrity standards that can be felt internally across the organization.
4. Managers are believed to let high performers get away with unethical behavior. A third (32%) of junior employees believe unethical behavior is tolerated if the culprits are senior or high performers. In fact, a similar proportion (34%) of the board agrees. Misconduct should not be tolerated at any level.
5. Junior employees do not believe management operates with integrity. Sixty percent of junior employees are not very confident that their managers demonstrate professional integrity. Meanwhile, the majority (55%) of board members are very confident they do. Management must always demonstrate integrity and lead by example.

How to protect against personal misconduct with integrity

Actions to take now include:

- Assess your current compliance framework — is it fit for purpose as the risk landscape evolves, does it influence individuals' behavior and is it adequately resourced?
- Probe the attitudes of your people about the risks and pressures to do the wrong thing and strengthen channels for employees to confidentially report cases of misconduct without fear of retaliation
- Take personal responsibility for your own professional actions, whether scrutinized or not. Senior employees should lead by example to create a culture of integrity
- Conduct root cause analyses of misbehavior rather than treating symptoms, and understand the dynamics of the social environment shaping unethical behavior
- Develop policies and procedures that influence individual behavior at all levels and reinforce with tailored training and communications
- Use data to obtain measurable insights on actual behaviors in your organization.

Placing Integrity at the Heart of Business Strategy

Corporate Compliance Insights
July 23, 2020
https://www.corporatecomplianceinsights.com/integrity-heart-of-business-strategy/

Why shouldn't businesses only be worried about the bottom line? How have business strategies changed? MetricStream's Gaurav Kapoor article discusses the importance of putting ethics and integrity at the core of the organization's business strategy.

In today's world of social media and global interconnectedness, organizations are constantly under examination. This scrutiny comes not only from regulators and stakeholders, but also from customers and prospects. As Gen Z becomes the newest generation of consumers and employees, they are now expecting businesses not only to provide quality products, but also to have a strong commitment toward ethics and governance at the core of their organization.

As we begin to navigate through the uncertainty associated with COVID-19, setting integrity at the heart of business is not simply a best practice, but vital for a company's survival. In this new environment, sustainability, diversity and transparency are more important now than ever before.

Even prior to COVID-19, millennials shared that they were extremely influenced by a brand's purpose, values and practices. In fact, many millennials take a company's values into consideration before they even make a purchase.

Social media has also created an environment in which brands are under constant scrutiny from the public. In the event of a corporate misstep perceived to be a breach of consumer trust, the virality of the information can put an organization under an enormous amount of pressure.

As consumer voices become louder than ever, no business is exempt from the risk of unethical behavior being thrust into the limelight. The rise of social media puts these organizations at increased risk unless they can take decisive steps to put ethics and integrity at the heart of their business model.

Now, with the world watching, it's time to make meaningful change at the core of your business.

The Great Recession and How it Changed Business Strategy

When markets were hit hard during the 2008 financial crisis, the notion that a company was "too big to fail" was thrown to the wayside. As a result, banks and financial institutions were put under strict regulation and held under the highest standards.

The shift in expectations led to businesses questioning if "growth at all costs" was an effective business strategy. Today, instead of merely focusing on driving a profit, it's nearly impossible for organizations to ignore the need for strong ethics within their business structure.

COVID-19 Puts Ethics and Integrity to the Test

As in 2008, the COVID-19 pandemic has stirred up many different reactions from organizations. In the middle of this crisis, the steps these organizations have made will long be remembered by consumers and, in some cases, will define the public's perception of a company's moral compass.

COVID-19 acts as a true test of how well certain businesses fared in their ethics and integrity programs prior to the outbreak. While the pandemic may be disruptive, it also illuminates areas in an organization needing improvement, forcing them to look in the mirror: How have they maintained a strong culture amid mass layoffs? How have they protected consumers and employees with health concerns on the rise? How have these organizations provided economic relief for consumers? How do they handle privacy? All of these are important questions to ask as we navigate through these uncertain times.

The truth is – this is not the only crisis we will face. If you haven't already, now is the time to evaluate your organization's latest reaction to crisis and to recognize the importance of establishing a strong culture of integrity so that you can be ready for the next big challenge.

Setting the Tone at the Top

Whether you're in a private, public or nonprofit setting, a company's purpose and culture can be directly affected by those in leadership positions. If leadership is solely worried about the bottom line, employees will take notice and reflect that mentality in their own actions as well.

If you're a C-suite executive, employees will also closely follow the correlation between your words and the actions you take. Establishing a code of ethics and actively working to enforce those ethics from the top will help establish a culture of integrity throughout the entire organization.

The Benefits of Investing in GRC

To become a high-performing and ethical organization, one must invest in a strong governance, risk and compliance (GRC) program. This will allow you to create efficient compliance and ethics policies that can be communicated business-wide and to implement and track code of conduct training, awareness programs and other ethics programs with ease. Additionally, associated risks can be consistently monitored, and potential red flags can be investigated and addressed.

While many organizations may already have a GRC program, these programs are not likely to be as integrated in the overall business plan as what is recommended. As a result, leadership is unable to have a clear and timely view of potential ethical risks and problems, hindering the company's ability to react promptly and effectively.

A strong, integrated GRC program can help display connections between compliance, ethics, risks, governance, issues and integrity and makes it easier for organizations to see the bigger picture. This type of strategy also allows you to standardize GRC terms so that decision-makers can be given clear and consistent risk and compliance insights.

In determinations of brand performance, integrity and business performance are now closely tied together. Organizations are increasingly expected to positively impact the communities in which they serve. By choosing to build a strong culture of ethics, integrity and governance, organizations will be better able to build trust and brand loyalty among consumers, regulators, employees and stakeholders alike.

Why corporate integrity is more crucial now than ever

EY Global Forensic & Integrity Services
25 Jun 2020
https://www.ey.com/en_za/forensic-integrity-services/why-corporate-integrity-is-more-crucial-now-than-ever

The EY Global Integrity Report 2020 reveals a divide in perceptions between management and junior employees about unethical behavior.

Integrity is more important today than it has ever been. As companies anticipate and respond to current challenges, such as by changing suppliers and shifting priorities, it's essential that compliance standards are upheld. If they're not, companies are exposing themselves to major risk.

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Companies that embed the value of integrity in their strategic vision and day-to-day operations develop stronger businesses, sustain their long-term competitive advantage and deliver more value to shareholders. EY Forensic & Integrity Services can provide the broad sector experience, deep subject-matter knowledge, the people, technologies, processes, tools and insights that help you to instil a culture of integrity in your business

Those employees who believe they demonstrate the highest levels of integrity have more confidence in their past conduct. Therefore, with over half (51%) of all respondents concerned if information about their work decisions came under public scrutiny, COVID-19 and the ensuing economic crisis will undoubtedly uncover their unethical behavior and actions. This leaves companies wide open to the threat of

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This article is one in a series based on the Global Integrity Report 2020 (pdf). For a comprehensive approach to maintaining integrity, please see the other articles in the series, accessible below:

1. Foster trusting partnerships with third parties based on integrity
2. Safeguard data while ethically leveraging its value

- About the survey
- Show article references

Summary

Now that some companies are under extreme pressure to survive, ethical standards may slip. In times of trouble, a deep commitment to measuring and monitoring personal and corporate integrity is more important than ever. However our research shows a striking mismatch between the way management and junior employees perceive the actions of leadership and the values of their organization.

Want a Company With More Integrity? Leaders Set the Tone

Gallup
Dec 14, 2020
https://www.gallup.com/workplace/327521/company-integrity-leaders-set-tone.aspx

STORY HIGHLIGHTS

- Trust in leadership is lacking
- Align what you say with what you do
- A culture of compliance influences business outcomes

COVID-19 made compliance a more urgent leadership imperative than ever. Keeping employees and customers safe requires "doing the right thing" all the time, which requires intrinsic motivation.

Another word for that is integrity. And integrity has a closer relationship with trust in leaders than many recognize. As Peter Drucker wrote in his 1992 classic *Managing for the Future*. "Trust is the conviction that the leader means what he says. It is a belief in something very old-fashioned, called 'integrity.' A leader's actions and a leader's professed beliefs must be congruent, or at least compatible."

If Drucker is right -- and you'll be hard-pressed to catch Drucker in an error -- a recent Gallup surveys in Europe and the U.S. give leaders reason to worry: Only about 40% of employees in France, Germany, Spain and the UK and 36% in the U.S. think their employer "would do what is right" if they raised a concern about ethics and integrity.

Those data points indicate a lack of trust in leaders -- but they also suggest that employees don't understand their leaders' "professed beliefs" very well.

That's fair. Ethics, integrity and compliance are abstract concepts. They're related but distinct and in need of explanation. Typically, behaving ethically means voluntary adherence to certain rules and values as expressed by leaders and the law. Integrity can be defined as behaving ethically even when no one is watching -- i.e., do the right thing for the right thing's sake. Employees who willingly act ethically and with integrity naturally comply with defined values and rules. Hence, a culture of compliance.

So, when fewer than half of all workers think their leaders comply with the culture they themselves created, there's a problem. Leaders need their employees' trust. And employees tend to emulate their leaders. So if leaders aren't trusted and employees don't emulate "doing the right thing," where does that leave the company?

Without a culture of compliance. And with serious risk exposure. Lack of accountability for the company's own organizational, legal and ethical values can damage brands and harm profitability. Sometimes the harm is fatal -- remember Enron? This is why a culture of compliance isn't just a risk-management strategy, it's an operational necessity.

It's up to leaders to sustain operations. And, in many ways, that depends on employees' trust in their leaders' integrity.

Cultures of compliance contribute to business success.

But make no mistake: Drucker didn't think leaders had to be paragons of morality to lead a successful business. He did, however, believe that the function of an organization is to do what it sets out to do, and a lack of values is a real obstacle to getting things done. "By themselves character and integrity do not accomplish anything," he wrote in his legendary 1966 book *The Effective Executive*. "But their absence faults everything else."

Volkswagen brought that premise to life, painfully and memorably, in 2014. To avoid the expense of engineering a low-emissions diesel engine, VW rigged the software that tests emissions. The company's unethical behavior was discovered when two West Virginia University students and two professors found higher levels of pollutants in three VW cars than the company had ever reported. VW wound up recalling 11 million automobiles, and Gallup polling showed that four in 10 U.S. consumers were less likely to buy a VW as a result.

People don't act with ethics or integrity because they're told to, though, and compliance doesn't cascade from a command. Leaders have to act with integrity, not just profess it, to make "beliefs congruent, or at least compatible" with a culture of compliance. In *The Effective Executive*, Drucker wrote that the "four basic requirements of effective human relations [are] communications, teamwork, self-development, and development of others." Those elements are the platform on which leaders demonstrate integrity in the day to day, where it counts.

But most of an organization's employees will rarely see their senior leaders, much less converse with them. That may help explain an interesting data point from the Gallup survey: European employees have a lot more trust in their managers (46%) and colleagues (44%) than their company's leadership (33%). Perhaps that's because managers have more access to that platform -- "the basics of human relations" just occur more often on the local level. Frequent conversations enable trusting relationships between managers and their employees too, Gallup research shows.

How leaders can increase the visibility of integrity.

But leaders do have a platform of their own. And they should use it intentionally to demonstrate integrity where employees can see it. The tone from the top drives employees' perception of compliance and their confidence that leadership acts with integrity and is ethical. How leaders act -- not just what they say -- gives workers faith in leadership and builds a brand that communicates "doing the right thing."

For that reason, Gallup recommends that leaders:

- Reinforce values with clear messages and signals to the organization. Most workers -- 56% in Europe and 66% in the U.S -- think corruption is widespread within businesses in their country. Leaders need to put integrity, ethics, and compliance on the agenda, and emphasize the importance of them in their formal and informal communication.
- Highlight positive examples of integrity, ethics, and compliance in every level of the company. Most stories about compliance are cautionary tales -- positive messages may gain widespread attention if only for their novelty -- though recognition is an effective and underutilized means of reinforcing behavior,
- Detail how goals are achieved through acting with integrity and ethical behavior and alternately undermined by bad behavior.
- Establish a reporting system for issues related to integrity, ethics and compliance. One that both supports employees' faith in corporate integrity and identifies maladministration before it erupts

in scandal. But people have to believe their companies act in good faith for the system to succeed, so companies should work hard on building and strengthening trust in their systems.
- Communicate the behaviors that won't be tolerated and the consequences for misconduct. Zero tolerance has to start at the top because leaders' behavior is the template and the ultimate arbiter of what's OK and what's not OK for everyone else.

It's on that last point that the leadership rubber meets the accountability road.

People need to know that something will happen when the red line is crossed. In point of fact, they need to know that the *right thing* will be done. Making that call can be tough -- but cultures that give bad behavior a pass undermine belief in leadership, imply that wrongdoing poses no risk, and nurture carelessness. That will not benefit a culture of compliance.

Leaders need to put integrity, ethics, and compliance on the agenda, and emphasize the importance of them in their formal and informal communication.

Integrity will -- and it builds trust. For example, a 2019 study in Germany shows that 65% of those who strongly agreed that they're confident their employer would do what is right about an ethics and integrity issue also trust the leadership of their organization a great deal. Compare that with those who doubt their company will do the right thing -- only 29% of them trust the leadership of their organization a great deal.

Leaders of the trusting 65% have an advantage: Most of their employees have "the conviction that the leader means what he says" about doing the right thing. At worst, those workers are confident in leader. At best, they're deeply engaged. Either way, their leaders are earning a culture of integrity, ethics and compliance -- and a far greater ability to do what they set out to do.

The Irony of Integrity: Character Traits Leaders Need

Center for Creative Leadership
November 27, 2020
https://www.ccl.org/articles/leading-effectively-articles/the-irony-of-integrity-a-study-of-the-character-strengths-of-leaders/

Academicians and the popular press both have tried to uncover reasons behind high-profile ethics scandals by highlighting the role of character flaws in organizational or personal failures.

We conducted a research study taking an alternative approach, looking at the importance of character strengths in the performance of leaders in organizations.

We examined the relationship between job performance of C-level executives and middle-level managers, and found that these are the 4 character traits that leaders need:

- Integrity
- Bravery
- Perspective
- Social Intelligence

Overall, we found the more integrity, bravery, perspective, and social intelligence leaders have, the higher their performance ratings.

No real surprise there; these are widely understood to be among the qualities of a good leader.

But that's not the whole story.

What Character Traits Matter Most for Leaders? Hint: One Is Integrity.

We then examined the character traits together to determine their relative importance for performance. We also compared the findings from our middle-level manager sample to the findings from our top-level executive sample.

What we found was surprising and perhaps a little disconcerting. Some character traits are more important than others when you consider leader level, and their importance differs for middle-level managers as compared to top executives. We found that:

Social intelligence was the most important character trait for middle-level managers' performance, while integrity was the most important character trait for top-level executives' performance.

Further, when comparing the findings across the 2 samples, both integrity and bravery were significantly more important predictors of performance for top-level executives than for middle-level managers.

Given that social intelligence was the most important of the 4 character strengths for middle-level managers' performance, we encourage middle-level managers to go through leadership training initiatives aimed at improving their social intelligence.

Middle-level managers can become “stuck in the middle” of the organizational hierarchy. They are tasked with communicating the vision of those at the top to others at lower levels in an organization, while simultaneously, they have to engage with lower-level employees in the day-to-day, ground-level work. Dealing with these challenges are why leaders in the middle need certain skills to advance.

To develop greater social intelligence, mid-level managers should obtain on-the-job developmental experiences or invest in a middle manager training program so they can learn to enhance workplace relationships, given their special place in organizations.

We found that top-level executives should also pay attention to these character strengths, particularly integrity and bravery, which may go hand-in-hand:

- Integrity is needed when deciding what action should be taken.
- Bravery is needed to take actions that might be unpopular.

These character traits are key for senior executives.

The Irony (and Trouble) With Our Findings on Character Traits of Leaders

Our research found that while integrity is the most important character strength for the performance of top-level executives, it has less to do with the performance of middle-level managers.

The irony of this statement may provide insight into why there are ethical failures at the top of organizations.

Job performance is a well-used proxy for promotability. Managers who perform the best in their current roles are usually the ones promoted to higher levels of management.

Yet based on our results, middle-level managers may be promoted to top-level positions with little regard to their integrity, as it’s not considered as important as other factors in evaluations of their current performance.

So when middle managers are promoted to the C-suite, they may or may not have the integrity to perform effectively at higher levels. Because integrity hasn’t mattered to their performance up to that point, it may not be considered in their promotion.

Organizations may be promoting people up their ranks without knowledge of a crucial character strength needed in those top-level positions. When middle-level managers get to the top of organizations, they may neither have, nor have developed, the integrity needed at the highest of leadership levels.

What’s even more troubling, executives may not know they have problems with integrity when they become a CEO or get their C-suite office. The top-level executives in our study overrated their integrity in comparison to ratings of their integrity provided by their direct reports. The same pattern was not found for middle-level managers. The ratings of integrity by middle-level managers were much closer to (in agreement with) the ratings provided by their direct reports.

What does this mean? Integrity is a potential blind spot of serious concern.

Middle-level managers should focus on social intelligence as well as integrity, particularly if they have aspirations for succeeding in top-level positions, where integrity is of the utmost importance.

And those at the very top of organizations should try to get as much honest feedback about their integrity as they can.

If not addressed in time, this blind spot could lead to failure, infamy, or worse, and may affect far more than just the primary individuals involved, as evidenced by the devastating and far-reaching consequences of many well-publicized scandals in politics and the business world.

How Intelligent Enterprises Outperform The Competition

Forbes
July 23, 2020
https://www.forbes.com/sites/sap/2020/07/23/how-intelligent-enterprises-outperform-the-competition/?sh=26aba0c566d4

If companies weren't convinced before the pandemic that digital transformation was an imperative, they are now. But just moving business systems to the cloud isn't enough. Real digital transformation is about becoming an intelligent enterprise, where companies turn insights into action, anticipating and responding to customer demands at any time. During a digital broadcast of SAPPHIRE NOW Converge, leading industry and research experts shared the top four characteristics of intelligent enterprises.

Innovation is core

According to Helen Dwight, global vice president, head of Intelligent Enterprise and Industries Marketing at SAP, innovation is what sets intelligent enterprises apart as the highest-performing businesses.

"Intelligent enterprises are able to rapidly adapt to market conditions, whether that's driving new business models or pivoting rapidly, or scaling up or down as we've seen so many companies do in recent months," said Dwight. "More importantly, they're able to drive customer success for ultimately profitable and sustainable growth as a result."

At the height of the pandemic crisis, examples of what intelligent enterprises could achieve were rampant. A global automotive manufacturer quickly transformed operations to produce ventilators. One hospital set up a command center that used AI and machine learning to integrate information from over 100 data sources throughout the organization, improving patient care and staff productivity. A leading international thread manufacturer transformed operations to produce materials for personal protective equipment (PPE), gaining real time visibility across multiple manufacturing facilities. With one view of customer orders, plant capacity, and inventory levels, the company could work together and quickly transfer production to meet constantly-changing demands, ultimately producing PPEs better, faster, and at lower cost.

Combination of operations and experience

While the pandemic has upended business and life as we knew it, the strategic business value of customer and employee experiences has never wavered. The latest research findings revealed that this is the case for across companies of all sizes.

"The intelligent enterprise has three strands: technology, operations, and experience. The operations are what you do, the technology and intelligence are how you do it, and the experience is why you do it," said Edward Cone, technology practice lead and editorial director at Oxford Economics. "An intelligent

enterprise focuses on the experience of its customers and employees...to survive, stabilize and focus on the future."

Cone advised companies to apply lessons learned during the pandemic as they reinvent business to meet evolving customer and employee expectations. He saw AI increasingly critical to long term survival and growth, as more companies will use predictive analytics, chat bots, and other technologies to understand and improve the customer and employee experience.

"More than ever, this crisis has shown us that the experiences are the why of behind we're in business and the operations support it, and the intelligence enable it," he said. "If we can come out of this crisis with a renewed focus on the why, the what, and the how, businesses will be in good shape for what happens in the years ahead."

Interconnected world demands interconnected data

It's worth mentioning that long before the pandemic, many companies were already on the road to becoming intelligent enterprises. A New Zealand-based agribusiness was breaking new ground by integrating data across the entire supply chain including crops, farms, and animals. In China, a consumer food product company was developing an intelligent, zero waste supply chain from farm to table. One Switzerland-based company that manufactures IoT sensors achieved 98 percent on-time delivery and increased revenue by 15 percent.

What separates these organizations from their competition is the ability to make decisions based on the combination of real-time, contextual data from both operations and the customer and employee experience. In fact, bringing emotions into business decisions is central to becoming an intelligent enterprise, especially during a crisis like the COVID-19 pandemic.

"Knowing where customers are, what they need right now, and how can you best serve them with the appropriate products and services," said Dwight. "Surveys show that understanding the customer experience is just as important as ever, especially when we start transitioning a lot of our activities online. It shows that the interconnectedness of data provides the backbone, but you need the smarts around it to run as an intelligent enterprise."

Intelligent enterprises are big on imagination

Although the pandemic reinforced the natural human bias towards short-term thinking for the sake of survival, Martin Wezowski, chief designer and futurist at SAP, urged leaders to also think bigger towards a "do-topian" future.

"Be curious about where you could play a positive, significant role. Know what's right to do, then do it right because you were curious with your imagination," he said. Be optimistic about the future. We need optimists and utopians...I call it the do-topia...where we get together, do stuff, design, discuss, develop and deliver.

Pointing out that moving forward with imperfect amounts of information is hardly unique to the current health crisis, Wezowski advised people to think about the future in three horizons: short term incremental betterment, mid-term forecasts for improvements over time, and net new innovations that aren't built on what's already known.

“Daydream about where you want to be 10 years from now...You are the protagonist in your future story. Take on that role,” he said. “The future is an adventure sport...you will never have all the answers. Let’s map, build, and inspire a future that we will want to live in.”

Five common characteristics of intelligent organisations

Andy Young, Accenture
Sep 30, 2019
https://www.ccl.org/articles/leading-effectively-articles/the-irony-of-integrity-a-study-of-the-character-strengths-of-leaders/

In my last post, I talked about how there is no one-size-fits-all solution when it comes to organisation design for financial services (FS) firms. And while all different models of organisation design require customisation based on the unique needs of each firm, our research has identified the common traits of truly intelligent organisations.

In an age when many FS firms are struggling with the drive for productivity, the quest for agility, the pursuit of innovation and the need for employee engagement, leading organisations exhibit common design traits.

The top five characteristics of truly intelligent FS organisations, according to our research, are: living, enhanced, modular, liquid and human. Depending on the business model and market conditions, these will not all carry equal weight in the organisation.

Intelligent FS organisations display a 'living' culture. They have adaptive work structures that continuously self-tune to market needs. Living businesses rely on self-organising agile teams and are stakeholder- and customer-centric. They sense and experiment without fear of failure, learn from past mistakes and adjust quickly. This helps to improve time to market and responsiveness to customer needs. Examples of this go back to Toyota's empowered teams on production lines, but other more recent examples can be seen. Michelin, for example, has driven responsiveness and productivity by pushing operational responsibility to factory-floor workers, while WL Gore has created much more broadly defined jobs and responsibilities.

In intelligent FS organisations, humans and machines are always enhancing each other. Intelligent automation and augmentation are paramount to their successful workforces. In FS there is a wave of automation driven by the maturation of robotics. This is now giving rise to a wider discussion around augmentation of the human worker and productivity through machine learning, artificial intelligence, analytics and other more intelligent technologies. More broadly, the use of collaboration technologies such as Microsoft Office 365 can move beyond a technology deployment into something that transforms work, especially for distributed and multi-disciplinary teams.

Modular building blocks are the foundation of many intelligent organisations. Leading FS firms can build flexibility and efficiency by developing multi-engine models. They excel at strategic venturing, working with *ecosystems*, and maximise 'plug and play' capabilities—think of these as organisational APIs or Lego bricks. This helps to build new ventures quickly, access new ecosystem capabilities and innovate faster. In particular, it is needed where different business models exist across a corporate structure. Haier, the Chinese white goods manufacturer, has divided itself into 4,000 microenterprises, each with 10 – 15 staff members and capable of being spun off separately.

Seamlessly accessing the best capabilities from anywhere is what gives intelligent FS organisations a 'liquid' trait. The leading firms make the best of ecosystems by sharing or renting assets, including talent, bringing the best skills to problems and opportunities at the point of need. Examples of this range from

Unilever's marketing supply chain of freelancers and agencies, through to Pfizer, which has a program where employees can bid for work internally.

Last but not the least, intelligent FS organisations are unabashedly human. Unleashing passion, purpose and performance in the workforce is paramount to the successful rewiring of any FS firm. The leaders not only provide personalised, authentic work experiences, but also encourage entrepreneurial learning. I am particularly proud of Accenture's own work in this space. We are leading the way in inclusion and diversity, using savings from AI to reinvest in new-skilling people, and embracing a truly human culture where we help our people bring their whole selves to work.

FS change leaders have embraced innovation, agile methodologies and ecosystems as concepts, but too few have fundamentally changed how they work. Our research shows that FS change leaders have made some progress using artificial intelligence, building collaboration, introducing multi-disciplinary working and reorganising around customer journeys or propositions. However, they still struggle with short-term prioritisation, legacy complexity and moving mindsets and skills. To change the way a bank or insurer works requires much more than just changing an organisation design, especially if that entails copying someone else's structure without embracing a new way of working.

Truly agile banks and insurers need to be intelligent organisations—adapting and self-tuning to disruption, to an evolving strategy and to changing market conditions.

How well is your organisation doing with regard to these factors: living, enhanced, modular, liquid and human? What does it need for the future? How can you start to experiment with and iterate a different way of working?

To find out more about intelligent organisations, please contact me here, or @andyyoungACN.

I'd like to acknowledge the work of Kent McMillan and his team in developing our cross-industry research into intelligent organisations, and Neetu Mishra for her work bringing this into a financial services context.

What It Takes to Lead Through an Era of Exponential Change

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https://hbr.org/2020/10/what-it-takes-to-lead-through-an-era-of-exponential-change

No, it isn't just you — the pace of change has picked up. More than that, whereas we used to experience disruptions followed by periods of stability, change now is increasingly perpetual, pervasive, and exponential. To keep pace, leaders need to take a different approach than the "leader as hero" model — the solo, individualistic leader who inspires certainty in a deterministic way forward. The authors suggest a new approach, which they call Sapient Leadership, inspired by conversations held at Stanford in the spring of 2020 with Doug McMillon, President and CEO of Walmart; Toby Cosgrove, former CEO of the Cleveland Clinic, heart surgeon, and White House advisor; Halla Tómasdóttir, CEO of The B Team, and runner-up in Iceland's 2016 presidential elections; and Bret Taylor, President and COO of Salesforce.

These leaders articulate a humble, nimble, and value-driven vision for leadership. Leader humility, authenticity, and openness instills trust and psychological safety. In turn, trust and psychological safety empower individuals and teams to perform at their highest capabilities. Additionally, continuously learning teams are essential for keeping pace with and effectively navigating 3-D change. Finally, shared purpose and common values enhance focus, cohesion, and resilience in the midst of 3-D change.

To say that 2020 is a year of disruption and change is to understate the obvious. Our daily lives, from educating our kids, managing our health, and working from home, to simple social rituals like dinner with friends, underwent rapid multi-dimensional change. Nascent trends — virtualization of the workspace, online learning, virtual health, and e-commerce — accelerated exponentially. Changes anticipated to take years occurred in months and, in some cases, weeks and even days. Understandably, leaders have struggled mightily to address these overlapping changes simultaneously, dealing with economic, health, and logistical crises that have unfolded at top speed.

Much as we might like to think of 2020 as an anomaly, it may not be. Conditions for accelerating change have been building for years. Advancements in information technology, automation, human interconnectivity, Artificial Intelligence, and the network effects among them, created a new reality where change is much more rapid, continual, and ubiquitous. Covid-19 and its derivatives laid bare a "new normal" of change, marked by three dimensions:

- It's *perpetual* — occurring all the time in an ongoing way.
- It's *pervasive* — unfolding in multiple areas of life at once.
- It's *exponential* — accelerating at an increasingly rapid rate.

This three-dimensional (3-D) change is defining our emerging future and, as a consequence, effective leadership will be defined by the ability to navigate this new reality.

The problem is, our models for leadership weren't built for this kind of 3-D change. Human minds evolved for thinking linearly and locally in the face of challenge, not exponentially and systemically. Noted futurist Ray Kurzweil asserted, "The future is widely misunderstood. Our forebears expected it to be pretty much like their present, which had been pretty much like their past." But, projecting our pasts onto our futures exposes a fundamental error: Linear thinking can never catch-up and adapt to the perpetual, pervasive, and exponential change occurring around us — it's simply too fast and too complex.

We need a new form of leadership, better equipped to navigate this unprecedented kind of change. For this purpose, we gathered, under the Stanford University umbrella, world-class luminaries — leaders who generate impact and change at a global scale — for conversations on the future of leadership and change-making. What emerged was a new vision of leadership, which we call Sapient Leadership. A Sapient Leader is characterized by being wise, sagacious, and discerning in navigating change while also being humane in the face of change that can often feel alien. This kind of leadership emphasizes — counterintuitively — an anti-heroic leader. Sapient Leaders exhibit authenticity, humility, and vulnerability, inspiring the necessary trust and psychological safety that drives shared learning and intelligence, resulting in enhanced collective performance and leading to a better future for all.

Limits of Linear Thinking in an Era of 3-D Change

In a world that's relatively stable and mostly predictable, where change is incremental, punctuated by relatively few bursts of large change — what's often called "disruption" — a model of leadership that relies on linear, local thinking can be useful. Much of the leadership literature focuses on the qualities, skills, abilities of the leader as an individual, and the linear and local maps they use to navigate the world. However, 3-D change presents a "high seas" environment where the leader navigates multiple domains — the waves and ever-evolving weather — of change simultaneously. In this environment, linear and local thinking can never adapt fast enough, leaving us increasingly ill-equipped to manage our rapidly changing business and work environments, our physical and mental health and well-being, and the major trends that shape our societies and cultures.

Change, by its nature, leaves people and organizations feeling confused, vulnerable, and fractured at a time when resilience, cohesion, and collaboration are necessary to perform at the highest levels. An emerging body of literature points to psychological safety, shared purpose, and distributed cognition as powerful drivers of leadership, team, and organizational performance, particularly in rapidly changing environments. The days of "leader as hero" — the solo, individualistic leader who inspires certainty in a deterministic way forward — are over. This evolution in how we think about change and leadership has only accelerated in the past year.

Fortuitously, our spring course at Stanford University, LEAD 111 "Luminaries: Life Lessons from Leaders and Change-makers" became a study of how top tier leaders embodied this emerging approach to leadership. Finalized one week before the Covid-19 pandemic struck the west coast, our original plan was to create a new framework of leadership suitable for a time of disruption, accelerating change, and a highly polarized political and social environment, and we designed the course to engage leaders and change-makers in conversations across sectors, generations, and the political spectrum. We wanted to know how change-oriented leaders operate. As the pandemic unfolded, however, we expanded the course to create a new model of leadership. And recognizing that these questions were of immediate and broad interest, we invited more leaders within and beyond the Stanford community to weigh in on how they were navigating this 3-D change.

We engaged leaders across sectors to analyze — in real time — how they adapted: captains of industry, such as Doug McMillon, president and CEO of Walmart and chairman of the Business Roundtable; innovators in health care such as Toby Cosgrove, former CEO of the Cleveland Clinic, heart surgeon, and White House advisor; global social change-makers such as Halla Tómasdóttir, CEO of The B Team, investor, co-founder of Reykjavik University, and runner-up in Iceland's 2016 presidential elections; leading-edge technologists and innovators such as Bret Taylor, president and COO of Salesforce, co-creator of Google Maps and the "Like" button, and board member of Twitter.

The essential question we had was this: If leadership is significantly defined by the ability to skillfully navigate 3-D change, what type of leadership is most effective for our emerging future, one defined by perpetual, pervasive, and exponential change? The answers that emerged formed the basis for Sapient Leadership.

How to Practice Sapient Leadership

The four pillars of Sapient Leadership emerged out of the discussions with our luminaries as they were navigating 3-D change in real-time — each leader, in some capacity, articulated a version of these ideas. Leader humility, authenticity, and openness instills trust and psychological safety. In turn, trust and psychological safety empower individuals and teams to perform at their highest capabilities. Additionally, continuously learning teams are essential for keeping pace with and effectively navigating 3-D change. Finally, shared purpose and common values enhance focus, cohesion, and resilience in the midst of 3-D change.

1. Leader humility, authenticity, and openness instills trust and psychological safety.

In times of uncertainty, leaders often posture themselves, maximizing perception of power and control. In contrast, Halla Tómasdóttir modeled authenticity and humility when she reflected on her challenges as a candidate during the Icelandic presidential election. She, along with many of our luminaries, openly questioned the traditional paradigm of a leader as an individualistic hero. Instead, she highlighted the need to build trust through openness, saying, “what this crisis has shown us is that the leadership style of ‘I know it all’ is not a good leadership style for this moment or any other challenge we are going to continue to face and need to deal with collectively, collaboratively, with compassion, and with care.”

In a world of 3-D change, leaders need to continuously evolve themselves in order for their organization to evolve and grow. Rather than bending the organization to the will of the leader, a leader must be willing to instead exhibit humility and flexibility and change according to what the organization and circumstances require. Tómasdóttir exemplified this notion in her personal philosophy: “leadership is not given to the few — it’s inside of all of us, and life is all about unleashing that leadership.” This leadership style, which engenders trust and psychological safety within teams and organizations, animates much of her work with the B Team members that she’s leading — Sir Richard Branson, Arianna Huffington, Ajay Banga, Mary Robinson, and Marc Benioff, among others.

Our other luminaries echoed Tómasdóttir’s message about Sapient Leadership in the context of 3-D change. Doug McMillon said: “I don’t run Walmart, I help lead Walmart” asserting that leadership of this sort needs to go beyond words. Leaders, he said, “have to live it. It has to be authentic. It has to be habitual.”

2. Trust and psychological safety empower individuals and teams.

3-D change amplifies our innate and evolved human tendencies to skew towards threat perception, anxiety, and divisiveness when experiencing stress and encountering ambiguity. As such, psychological safety is even more important during these times change. Individuals and the teams they comprise thrive in environments where trust and psychological safety are present. In a recent extensive study at Google, code-named Project Aristotle — for the maxim frequently attributed to him, “The whole is greater than the sum of the parts” — researchers found that the most important factor associated with the highest performing teams was psychological safety. When team members feel safe to be vulnerable in front of one and to take risks, they perform at their best.

A consistent theme running throughout conversations with all of our luminaries was the essential nature of empowering teams and individuals to perform at their highest capabilities, especially now. “Change is not a solo sport,” said Bret Taylor, president and COO of Salesforce. “All great change has been done by great teams, great communities, and great networks.” When recalling times of rapid change throughout his career — from the creation of Google Maps to inventing the “like” button to scaling rapidly worldwide during the early days of Facebook — Bret asserted the importance of leadership that motivates strong relationships, fluid communication, and a foundation of trust to driving exceptional team performance.

3. Continuously learning teams enable effective navigation of 3-D change.

In a world where change is perpetual, pervasive, and exponential, Sapient Leaders, their teams, and their organizations must continually learn, update mental-maps, deploy new tools, and course-correct based on the best ideas and practices. “If you want to make a change in something you have to get into it deep,” said Toby Cosgrove, describing his openness to learning transformative ideas from anywhere he could. When he was the CEO of the Cleveland Clinic he regularly immersed himself in contexts where he could learn a better way. “If I heard somebody was doing something someplace in the world, I would pick up my pencil and paper and I would go and watch them do it,” he said. “I traveled someplace, learned something, and tried to bring it back and incorporate it.” What he was doing as a leader was both modeling leadership as a process of continual learning so others would replicate in their way, as well as disseminating what he learned throughout the organization in order to improve on existing processes and innovate new ones.

In a world of 3-D change, no one person or organization can master all knowledge across all domains, no single person or organization can master enough skills in breadth, depth, or pace, to keep up. Instead, learning must be inspired by leadership, reinforced by culture, occur across a variety of domains, coordinated through the whole and shared openly and actionably to create the broader picture. The analogy here is to mosaic vision, or the compound eye, where thousands of specific receptor units, oriented in different directions, work in coordination to create a composite perspective with a very wide angle of view, continually updating in real time as the organism moves through time and space. Without data and input to synthesize into understanding and action, a team or organization will be perpetually impoverished. To keep pace with 3-D change, Sapient Leaders need to enhance the breadth, depth, and pace of learning in their organizations to meet the extent and velocity of change.

4. Shared purpose and values enhance focus, cohesion, and resilience during 3-D change.

Professor Bill Damon, our esteemed colleague at Stanford University and one of the world’s leading purpose researchers, defines purpose as a stable intention to accomplish something that is both personally meaningful and serves the world larger than the self. Purpose, necessarily informed by our values and arising from a sense of personal meaning, unites our inner world with our actions in the world around us in a unique and powerful way in service of a vision larger than ourselves.

In times of 3-D change, which by its nature amplifies uncertainty and ambiguity, shared purpose and values increase organizational focus, enhance team cohesion, and amplify personal and collective resilience. They can also powerfully mobilize large numbers of people to solve complex problems together.

Doug McMillon, CEO of Walmart and chairman of the Business Roundtable, recounted Walmart’s Five Guiding Principles, which provided the organization focus, resilience, and a basis for cohesive action during the early challenging stages of the pandemic.

1. Start with the people: “Support our associates financial health, physical health, and emotional health and well-being. They are on the front line.”
2. Focus on the fundamentals and first principles: “Serve our customers — we had to keep the food supply chain going to avoid chaos.”
3. Make sure our own home is in order: “Managing the business through the crisis — making sure inventory is under control, making sure we have cash flow, etc.”
4. Keep building for the future, not for the past: “Continue assertively into online e-commerce, grocery delivery, leverage what’s already been put into play that customers want.”
5. We’re all in this together: “What can we do to help other people through this crisis that does good for this company and society?”

Doug recounted how these principles guided Walmart’s actions during the early turbulence of the Covid-19 pandemic. “We received a call from the White House with a request to open drive-through testing stations throughout the nation in Walmart parking lots,” he recalled. “Although we didn’t know exactly how to do it and didn’t have a way to charge for it, Walmart’s response was fully committed, rapid, at scale, and across distributed geographies. Walmart’s ethos during this time: ‘Don’t worry about the short-term financials. Go do what’s right and it will all eventually work out.’”

The shared purpose and values articulated in Walmart’s Five Guiding Principles allowed collective action that was focused, cohesive, and resilient by many people across multiple geographies in the early times of 3-D change. Focus and cohesion allowed rapid learning of new skills, it allowed decisiveness during uncertainty, and it promoted working together towards a shared goal bigger than any individual or the company. Further, resilience allowed the courage to try something new and execute quickly, without giving up, in the face of ongoing change and challenge.

The Future of Leadership

Along with the myriad challenges it brought, the singular realization of 2020 is that 3-D change is the new normal. Navigating perpetual, pervasive, and exponential change is the quintessential test of effective leadership in this era. Leaders, teams, and organizations that don’t skillfully navigate change will fail. Mastering this new reality requires fundamental enhancements to our collective capabilities. Sapient Leadership enables the creation of perpetual, pervasive, and exponential capacity building necessary for handling 3-D change effectively. In addition, our recent conversations with Sapient Leaders have uncovered new ways in which exponential and transformative technologies can further enhance and amplify human capabilities. This topic is the basis for a future article we are preparing.

The key of Sapient Leadership is that it fits into the long history of the evolution of our species. Sapient, in its definition, refers to the nature of humans — it is in our nature to adapt or risk perishing. The challenge of 3-D change is that it amplifies the pressures on leaders, teams, and organizations to evolve and adapt faster, or become irrelevant. Change that used to take place over years and decades is now taking place in weeks or days. We, as a species, have never confronted change of this magnitude or at this pace. Sapient Leadership is a framework that enables accelerated adaptation in a wise and humane way. It builds into its structure the imperative for leaders, teams, and organizations to continuously evolve in order to overcome the challenges of 3-D change. Sapient Leaders and their successful organizations change with change itself.

Decision Intelligence in 2021: In-Depth guide for businesses

AI Multiple
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The unpredictability of the outcomes in today's decision models often arises from the inability to capture the uncertainty factors linked to these models' "behavior" in a business context. By introducing machine learning algorithms to decision-making processes, a new field called "decision intelligence" is emerging to create strong decision models in a wide range of processes.

What is decision intelligence?

Decision intelligence is a trending field that contains a range of decision-making methods to design, model, align, execute, and track decision models and processes. The implementation offers a structure for organizational decision-making and processes with the integration of machine learning algorithms. The main idea is that decisions are based on our perception of how actions lead to outcomes.

Here is Wikipedia's definition of decision intelligence:

Decision intelligence is a discipline for analyzing this chain of cause and effect, and decision modeling is a visual language for representing these chains.

Decision intelligence is a field that also includes decision management and decision support, as well as methods like descriptive, diagnostic, and predictive analytics.

How do intelligent decision models work?

Businesses have complicated adaptive systems. Unsuccessful outcomes often arise from the discrepancies between the sophistication of organizational decision-making practices and the complexity of the situations in which those decisions need to be taken. By following the steps below, intelligent decision models aim to help businesses for profitable decision making.

Observe

The models start with collecting all relevant information. This data can be historical, transactional, sensory, behavioral, attitudinal, structured, unstructured, transient or persistent, external, or internal to businesses. Any piece of information can help for reconstructing the outcome, informing other impacted mechanisms, or improving processes.

Investigate

With all the collected data, models bring a clear understanding of the situation and construct possible actions.

Model

This step includes the generation of alternative actions by considering existing business capabilities. These actions must explain causalities that lead to alternative scenarios because businesses can't always foresee the complete picture during decision processes.

Contextualize

Considering the decision time, the model might run out of options due to the high complexity of the situation. Emerging techniques benefiting game theory methods, sophisticated system modeling, and dynamic agent-based collaboration methods help address the blind spots of the model. The idea is to provide the decision-maker with a range of executable actions that can be implemented quickly.

Execute

In the end, the decision model chooses and takes a particular action. After execution, this part is also responsible for measuring the impact of the taken action to improve the model.

What are the different types of decision models?

There are three primary levels of decision models:

Human-based Decisions

In these decision models, AI systems provide insights and data visualization for humans. However, it is not directly connected to the decision processes, and humans make decisions.

Machine-based Decisions

AI systems make decisions independently in this type of model. While it can be argued that humans are still at the base of autonomous systems, AI systems can develop behaviors that are not predicted by their programmers (apart from programming errors). Examples of machine-based decisions can be swarm networks and their evolving practices.

Hybrid Decisions

Both humans and AI systems work together to achieve an outcome. This decision model can make recommendations or even take action for humans. The proportion of the decision-making process handled by either humans or machines can vary widely, but the collaboration of AI systems and humans provides the basis of the outcome.

What are the principles for sustainable decision models?

According to Gartner, sustainable decision models must fulfill the following three principles:

Relevance

Every decision should contribute, directly or indirectly, to the outcome. For example, in customer relationships, relevance is often connected with the optimal action that can be taken to obtain, retain, or extend customer relationships.

Transparency

The growing popularity of machine learning techniques brings the tradeoff between using accuracy and explainability. Businesses can prefer using black-box models at the price of understanding how these models work. Decision traceability, intelligibility, and explicit dependencies are vital for business stakeholders, customers, and regulatory approvals.

Resilience

Ensuring the stability of decisions in the light of complex and continuously evolving processes is essential to their reliability. By stability, we refer to the ability to detect harmful biases and security breaches while being able to fail gracefully when encountering uncertain situations.

What are the main benefits?

The main benefits include:

- Making more accurate decisions that provide better outcomes
- Making faster decisions
- Eliminating errors like biases
- Accommodating the benefits of human judgments like intuitions

How will decision intelligence evolve in the future?

When businesses have reliable data analyses, recommendations, and follow-ups through AI systems, they make better decisions. The reason for integrating AI systems in businesses relies on the growing amount of available data. Gartner indicates that we will have 800% more data by the end of 2020, and 80% of this is unstructured data that consists of images, emails, voice records, etc.

While the human force wouldn't be able to process all this data, decision intelligence is a solution to handle this increase by the help of improving machine learning algorithms.

As human intuition in the decision-making process wouldn't be eliminated, machine learning algorithms will provide valuable insights and support. In the future, decision intelligence might impact businesses in two different ways:

- With higher computational power, AI systems can support managers to make fast, informed, and accurate decisions by offering the most profitable options.
- AI agents can make decisions on their own, with the attributes and capabilities of a person running a department.

What are the example case studies demonstrating modern decision intelligence?

Decision intelligence solutions can be implemented in a wide range of use cases under different industries. Decision intelligence incorporates both human and machine contributions to arrive at optimal decisions. However, it is hard to identify case studies that incorporate this since most case studies are published by software vendors and highlight how software contributes to better real-time decision making. That is why these case studies focus on machines making real-time decisions:

Logistics Optimization

Because bulk tankers are specialized in a small set of products, shippers need to contact small logistic providers to handle their transportation needs, and this situation causes higher supplier management costs for the company. By using IBM's Hybrid Cloud solution, this leading bulk tanker transportation company decided to optimize truck routes in real-time. As a result, it eliminated miles of unnecessary driving and saved millions of dollars.

Demand Forecasting

Red Eléctrica de España, the Canary Islands' electricity company, needs to balance supply and demand for electricity while integrating renewable energy sources like wind and solar power into their production systems. The company decides to use IBM's Hybrid Cloud solution for electricity demand forecasting and optimize their electricity production. As a result, electricity demand forecasts are done much faster with higher accuracy levels.

Discovering Cause-and-Effect Links

A banking company with locations in 53 countries needed to upgrade its telecommunication technology. However, it seems highly costly because an action taken in one database has consequences on another one, and the company can't easily connect these cause-and-effect chain links. With a decision intelligence solution, the company gained an understanding of these chains of events and minimized their costs while upgrading its telecommunication technology.

4 Reasons Emotionally Intelligent Leaders Impact the Bottom Line

Entrepeneur
October 22, 2020
https://www.entrepreneur.com/article/357371

Think emotional intelligence is "fluffy" concept? Think again. Emotional intelligence is linked to star performance and business success.

If you're a leader, chances are good you've been reading and hearing about emotional intelligence more often than normal lately. Emotional intelligence goes beyond empathy and listening to others. These qualities, while important, are not by themselves going to make you an effective leader. You need self-awareness, courage, the ability to tell people what they don't want to hear (but need to hear) in the right way, assertiveness and influence. If we have high EQ, not only do we tend to have more self-awareness and mastery of our own emotions, but we also have more social awareness and can adapt our communication style and language to suit our audience and build relationships.

Luis Alvarez | Getty Images

Why should we care about emotional intelligence in a work environment? What impact does it really have on the bottom line?

According to a study by Development Dimensions International, which did a global leadership forecast study in 2011, with responses from 1,897 human resources professionals and 12,423 leaders from 74 countries, in the area of key metrics like financial performance, organizations with the highest quality leaders were 13 times more likely to outperform their industry competitors.

So, how does emotional intelligence contribute to high quality leadership?

> "The most effective leaders are all alike in one crucial way: They all have a high degree of what has come to be known as emotional intelligence. It's not that IQ and technical skills are irrelevant. They do matter, but...they are the entry-level requirements for executive positions".
>
> -Daniel Goleman

1. Emotional intelligence is linked to high performance

Travis Bradberry, an emotional intelligence expert, studied the emotional intelligence of personalities within the workplace, and discovered that emotional intelligence was the strongest predictor of high

performance in all types of jobs. In a survey carried out by TalentSmart, of which Dr. Bradberry is co-founder, they found that:

90 percent of the top performers were high in emotional intelligence, with a higher average income per year and an increase by one point of emotional intelligence contributing to as much as an extra $1,300 in annual salary.

20 percent of low performers were high in emotional intelligence.

Emotional intelligence also accounted for up to 60 percent of the job performance for supervisors through CEOs.

High-performing leaders equates to better quality leadership and better results for the business.

2. There are relatively few leaders high in EQ in senior leadership positions

The interesting point is that despite emotional intelligence being linked to high performance, senior leadership does not often reflect this. Bradberry discovered a trend through measuring the emotional intelligence of 100,000 senior executives across industries in six continents.

The emotional intelligence of an executive rises as they climb managerial positions, peaking at manager level and dropping off significantly to the CEO position.

This means that most executives that are promoted have the least emotional intelligence, even though it's a strong predictor of performance and great leadership.

These statistics present a golden opportunity for companies that are looking to be future intelligent and competitive by recognizing, developing and supporting leaders to become more emotionally intelligent, and then helping them to rise to the top of the company.

3. Emotionally intelligent leaders lead higher performing teams

According to research by the Goleman EI, 80 percent of employees with poor manager relationships are disengaged, and 50 percent of former employees left to get away from their manager.

High employee turnover can be a huge cost to a business, and if the problem with the managers concerned is allowed to continue, then it might be difficult to recruit and retain going forward as well.

On the other hand, engaged employees who are inspired and motivated by a high-quality leader will perform at a higher level. Where employees feel that they are being treated with respect and feel listened to and understood, it creates loyalty and the sense of being one team.

One of the keys to being constantly innovative as a company is to encourage and champion appropriate ideas from your team. That will not happen unless a leader creates "psychological safety," an idea first introduced by Amy Edmondson, a Harvard professor, who says that this is necessary for employees to grow, improve and learn from their mistakes. If employees feel safe and think that their leaders are on their side, they will be more creative and productive.

4. Emotionally intelligent leaders know their customer

Brand loyalty is hard to come by. There are many contenders vying for the attention of customers, and unless there is a compelling reason to stay, customers don't care about who they use as much as we might think they do. We wouldn't have to spend so much time worrying about what the competition was doing if we were secure in the value and customer care that we were providing to our customers.

How about rather than seeing our customers as numbers, invoices and turnover, we started to understand what our customers really want, need and value? In other words, we start to see them on a very human level. If we are emotionally intelligent as leaders, we will have taken the time to listen and ask questions either directly to our customers or through listening to our frontline employees.

With the pace of technology accelerating rapidly, it's time for us to focus on the aspects of us that make us human. Our creativity, empathy, innovation and awareness. In the workplace of the future, our ability to capitalize upon this, and develop it in others, might ultimately lead to our company's success or failure.

The tangible bottom line benefits of emotional intelligence are there. It takes some effort to develop and hone EQ. By doing so, you will continue to reap the benefits tomorrow and in the years to come.

The Type of Purpose That Makes Companies More Profitable

Harvard Business Review
October 21, 2016
https://hbr.org/2016/10/the-type-of-purpose-that-makes-companies-more-profitable

We hear more and more that organizations must have a "purpose." Purpose is on the agenda of the World Economic Forum in Davos, and discussed by celebrity CEOs like Richard Branson of Virgin Group, who has said, "It's always been my objective to create businesses with a defined Purpose beyond just making money." Oxford University and Ernst and Young found that public dialog on purpose has increased five-fold between 1995 and 2016.

But is all this talk about purpose actually delivering business results? Most companies have mission and vision statements, but those tend to communicate very little about a company's purpose. They all use the same words, such as "respect," "teamwork," and "innovation." But many, perhaps most, of the same organizations lack those characteristics. A recent study found that corporate jargon about values has absolutely no relationship with firm performance.

In a new research paper we tried to determine if all the resources companies are putting toward at least the appearance of purpose are working. We constructed a measure of corporate purpose within a sample of 429 U.S. companies, based on more than 450,000 survey responses of worker perceptions about their employers. Our evidence comes from a proprietary survey from the Great Place To Work (GPTW) Institute that covers employees across all hierarchical levels within hundreds of organizations that rate their employers in terms of a wide variety of organizational workplace variables.

The primary benefit of this dataset is that it allows us to construct measures across a diverse set of companies based on actual employee beliefs about their employer. A subset of the survey asks employees to agree or disagree with statements like: "My work has special meaning: this is not just a job"; "I feel good about the ways we contribute to the community"; "When I look at what we accomplish, I feel a sense of pride"; and "I'm proud to tell others I work here."

Notice that these questions do not ask exactly what that purpose is, whether it is to save the environment, advance human health, push the technological frontier, or provide cheap and efficient energy for all. The actual purpose of the company can differ wildly across companies. All that matters for our purposes is that it focuses employees on a goal beyond profit-maximization and resonates in a meaningful and personal way within the company.

The Great Places to Work survey also gives us the opportunity to measure other employee beliefs about their employer (e.g. fairness, management quality) and connect them both to purpose and financial performance. Even more interestingly, the survey allows us to measure these beliefs at various job levels, from executives down to hourly workers, and report how beliefs differ by job levels and how those differences relate to performance.

So what did we find?

Interestingly, in our initial analysis, we found that our measures of purpose weren't correlated with firm financial performance in either direction.

We then performed what is called a "factor analysis" on the survey responses. This analysis lets us see how purpose interacts with other attributes in the data. From this analysis, we identify two types of companies with purpose. The first type, high purpose-camaraderie organizations, includes companies that score high on purpose and also on dimensions of workplace camaraderie (e.g. "This is a fun place to work"; "We are all in this together"; "There is a family or team feeling here"). The second type includes high Purpose-Clarity organizations that score high on purpose but also on dimensions of management clarity (e.g. "Management makes its expectations clear"; "Management has a clear view of where the organization is going and how to get there").

When we replaced our initial measure of purpose with these measures capturing the two types of purpose organizations, we found that only the high Purpose-Clarity organizations exhibit superior accounting and stock market performance.

We also found that middle managers and professional workers seem to be the key players in driving this relationship, not hourly workers and not top executives. This last finding underscores the absolute importance of fostering an effective middle manager layer within firms: managers who buy into the vision of the company and can make daily decisions that guide the firm in the right direction.

Ultimately, our study suggests that purpose does, in fact, matter. But it only matters if it is implemented in conjunction with clear, concise direction from top management and in such a way that the middle layer within the firm is fully bought in.

The future of business? Purpose, not just profit

World Economic Forum
Jan 17, 2019
https://www.weforum.org/agenda/2019/01/why-businesses-must-be-driven-by-purpose-as-well-as-profits/

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We live in turbulent times. Poverty, inequality, youth unemployment and climate change are among the challenges we are facing.

In business, CEOs have gone from being symbols of aspiration to objects of intense scrutiny. Even the younger, 'cooler' entrepreneurs, the kick-starters of the shared economy, are now being asked questions about the impact their companies have on society. Trust has become the ultimate currency.

Millennial consumers are driving this trend; 40% of those polled by the Deloitte Millennial Survey 2018 believe the goal of businesses should be to 'improve society'. This is seriously worth pondering. By 2020, millennials will make up 40% of all consumers, influencing about $40 billion in annual sales.

Profit with purpose is set to become the new norm. Up to this point, social enterprise and impact investment have been driving this concept, which has somehow remained confined to a niche. Not anymore. Now, it's all set to change: the CEOs of the future will want their companies to be recognised as forces for good.

Unilever is a good indicator of how major conglomerates might soon be developing a purpose-led strategy for their core business. Their outgoing CEO, Paul Polman, has been among the first business leaders to give a new, more profound meaning to the word 'sustainability', regarding it not just as the right thing to do, but an essential component of growth.

In 2010, Polman launched a 'sustainable living development plan'. Its goals include: helping more than one billion people improve their hygiene and living conditions, reducing the impact of Unilever's operations on the environment, and promoting gender parity in its factories.

For Polman, the incentive is clear: businesses cannot thrive in a world in which people don't. Protect people and the environment, and you will protect the future of your enterprise. From reducing packaging to halving factory water waste and distributing free health and hygiene products to remote communities, Unilever no longer has a separate corporate social responsibility (CSR) department. Instead, it has a new business model with sustainability at its core. Unilever's net income in 2017 was $6.84 billion.

Has Polman revolutionised the sector? Not quite – but there is certainly an emerging trend for more corporates to take sustainability issues seriously, and changing their business strategies accordingly.

Take the rise of 'B Corporations'. These are companies certified on the basis of social sustainability and environmental performance standards. Launched in 2006, the B Corp movement was historically made up of small and medium-sized companies. It now comprises more than 2,600 businesses across 60 countries, and increasingly includes larger multinational companies such Patagonia and Innocent Drinks, fully owned by Coca Cola since 2013.

Danone, one of the world's largest food companies, has made a public commitment of becoming a certified B Corp by 2030. Its CEO Emmanuel Faber is on a mission to "re-establish trust with employees, consumers, partners, civil society and governments". His vision of 'One Planet. One Health' addresses the intersection of food sustainability, health and the environment. As one example, Danone now analyses the habits and health issues of its customers in 52 countries and adapts its products accordingly. It recently added vitamins to one of its best-selling cheeses after researching the diets of young people in Brazil.

We are at a critical juncture. According to last year's Edelman Trust Barometer, 64% of people globally expect CEOs to lead on social change rather than waiting for government intervention. And a significant 84% expect CEOs to influence policy debates on social issues. Overall, trust in business (52%) remains higher than global trust in government (43%).

Increasingly, companies are going beyond compliance. Nearly 90% of the world's biggest companies are reporting on their sustainability performance, using metrics established by the GRI (The Global Reporting Initiative, established in October 2016). Nearly 9,933 companies from 160 countries are currently members of the UN Global Compact – an initiative launched to align businesses' strategy with social goals, and to support the Sustainable Development Goals. Corporate responsibility is going mainstream.

So will the future of big business be modelled on social enterprise? It may not be too unrealistic. Investors are also signaling a desire for social impact alongside a financial return. A recent survey of high-net-worth millennials found 69% place greater importance in investing in companies showing a high level of corporate social responsibility. Globally, responsible investing is booming, up 25% over the past two years to the tune of $23 trillion, according to the Global Sustainable Investment Alliance. In addition, the global green bond market – created to fund projects that have a positive environmental or climate benefit - was estimated to reach up to $300 billion by the end of 2018, nearly double its value in 2017.

It's becoming increasingly evident that the world's most pressing problems cannot be solved by governments or civil society alone. It's time for business to pitch in. From reducing environmental impact to contributing to healthier societies and fighting forced labour, companies can achieve tremendous results if they balance profit and purpose. As stated in the B Corp Declaration of Interdependence, it's all rooted in the concept of 'do not harm' and 'benefit all'.

With the growing trend for investors and consumers to buy into companies that deliver positive social change alongside financial returns, the trend for big business to adopt impactful social missions looks set to continue. The question is: how many business leaders will have the courage to step up to the plate? The business of changing the world is in their hands.

How great companies deliver both purpose and profit

London Business School
31 OCTOBER 2019
https://www.london.edu/think/how-great-companies-deliver-both-purpose-and-profit

The idea that business must sacrifice profits to do good must be turned on its head, says Alex Edmans

Capitalism is in crisis. The consensus among politicians, citizens and even executives themselves – on both sides of the political spectrum and throughout the world – is that business just isn't working for ordinary people.

The 2007 financial crisis cost nine million Americans their jobs and 10 million their homes. The economy has recovered since then, but the gains have largely gone to bosses and shareholders, while ordinary incomes have stagnated. In 2018, just 26 tycoons owned the same wealth as the 3.8 billion poorest citizens in the world.

Corporations affect not only people, but also the planet. The environmental costs created by business are estimated at $4.7 trillion per year. Notable examples are the Deepwater Horizon disaster, which spilled five million barrels of oil into the sea, and Volkswagen's dodging of emissions tests, which caused an estimated 1,200 deaths in Europe alone.

Citizens, and the politicians who represent them, are fighting back. The precise reaction varies – occupy movements, Brexit, electing populist leaders, restricting trade and immigration, and revolting against CEO pay. But the sentiment's the same. "They" are benefiting at the expense of "us".

While radical calls to reform business drum up significant support, they risk throwing out the baby with the bathwater and ignore the positive role that businesses can play in society. Successful businesses design products that transform customers' lives for the better, provide employees with a healthy and enriching workplace and preserve the environment for future generations. Merck's drug Mectizan has substantially reduced river blindness worldwide; Vodafone's mobile money service M-Pesa has lifted 200,000 Kenyans out of poverty; and Google's maps, search engines and shared documents make millions of lives easier each day. Moreover, successful businesses generate profits. Profits aren't evil value extraction, but serve a crucial role in society, providing returns to parents saving for their children's education, pension schemes investing for their retirees and insurance companies funding future claims.

Viewing business as "them" and society as "us" is an example of the pie-splitting mentality (see Figure 1). It sees the value that a company creates as a fixed pie. Thus, any slice of the pie that goes to business reduces the slice enjoyed by society. In this view, the best way to increase society's take is to straitjacket business so that it doesn't make too much profit. Sadly, the pie-splitting mentality is practiced by many CEOs, too. They think the best way to increase profit is to reduce society's slice by price-gouging customers or exploiting workers.

Business and society, in this view, are enemies. And the battle they've been fighting has been around for centuries. Think of the late 19th century robber barons who created giant monopolies such as Standard Oil; policymakers responded by breaking some of them up. Or trade unions in the 1970s, followed by legislation that caused their decline. Or the rise of big banks in the early 20th century which culminated in the 1929 financial crisis and their regulation by the Glass-Steagall Act – itself partially reversed since the

1980s, contributing to another crisis in 2007. Unless we can come up with another way, this movie will keep on being replayed.

But there is another way...

By applying a radically different approach to business, companies can create profit for investors and value for society. The pie-growing mentality stresses that the pie is not fixed. By investing in stakeholders, a company doesn't reduce investors' slice of the pie, as assumed by some CEOs – it grows the pie, ultimately benefiting investors. A company may improve working conditions out of genuine concern for its employees, yet these employees become more motivated and productive. A company may develop a new drug to solve a public health crisis, without considering whether those affected are able to pay for it, yet end up successfully commercialising it. A company may reduce its emissions far beyond the level that would lead to a fine, due to its sense of responsibility to the environment, yet benefit because customers, employees, and investors are attracted to a firm with such values.

In the pie-growing mentality, a company's primary goal is to serve society rather than generate profits. Surprisingly, this approach typically ends up more profitable than if profits were the end goal. That's because it enables investments to be made that end up delivering substantial, long-term pay-offs.

It's important to acknowledge that a profit-focused company will still invest in stakeholders – but only if it calculates that such an investment will increase profits by more than the cost of the investment. Indeed, comparing costs and benefits is how finance textbooks argue companies should decide whether or not to take an investment.

But real life isn't a finance textbook. In practice, it's very difficult to calculate the future payoff of an investment. In the past, this was easier when investments were in tangible assets – if you build a new factory, you can estimate how many new widgets the factory will produce and how much you can sell them for. Most of the value of a 21st-century firm comes from intangible assets, such as brand and corporate culture. If a company improves working conditions, it's impossible to estimate how much more productive workers will be and how much greater profit this increased productivity will translate into. The same is true for the reputational benefits of a superior environmental record.

A company that's free from the shackles of having to justify every investment by a calculation will invest more and may ultimately become more profitable.

> *"The starting point is to define its purpose – why it exists and the role that it plays in the world."*

This new approach to business is the subject of my forthcoming book Grow the Pie: How Great Companies Deliver Both Purpose and Profit. I wrote it out of concern for the polarisation between business and society that the world finds itself in. In the face of this conflict, it's a fundamentally optimistic book – not based on blind hope, but on rigorous evidence that this approach to business works, across industries and for all stakeholders, and is an actionable framework to turn hope into reality.

Let's look at that evidence. The idea that both business and society can benefit might seem to be too good to be true. However, rigorous evidence suggests that companies that treat their stakeholders well deliver superior long-term returns to investors. For example, one of my own studies (profiled in my TEDx talk, The Social Responsibility of Business), shows that companies with high employee satisfaction outperformed their peers by 2.3%-3.8% per year over a 28-year period. That's 89%-184% compounded. Further tests suggest that it's employee satisfaction that leads to good performance, rather than the

reverse. Other studies find that customer satisfaction, environmental stewardship, and sustainability policies are also associated with higher stock returns.

So, creating value for stakeholders isn't just a worthy ideal – it's good business sense. When I speak to practitioners on the importance of purpose, I'm introduced as a professor of finance and the audience often thinks they've misheard. The finance department of a company is frequently the enemy of purposeful business, believing that it's simply a distraction from creating profits. This might be true in the short › term, but the long-term evidence shows that any finance department with this mindset is failing at its job. The positive relationship with long-term returns also means that it's in companies' own interest to transform the way they do business and take very seriously their impact on society. In fact, it's urgent that they do. Otherwise, anti-business regulations will be passed and customers and workers will switch to competitors whose values they share. Serving society isn't an optional extra to be confined to a CSR department, but should be fundamental to how a business is run.

A shift in thinking

The pie-growing mentality shifts our thinking on some of the most controversial aspects of business. First, it transforms what leaders' and enterprises' responsibilities are, and what society should hold them accountable for. We often "name and shame" companies who engage in errors of commission – actions seen as pie-splitting, such as making what we see as too much profit. But high profits may be a by-product of serving society. Instead, we should hold businesses accountable for errors of omission – spurning opportunities to grow the pie through inaction. For example, Kodak failed to invest in digital cameras and ultimately went bankrupt. It's rarely seen as a corporate-governance failure, because investors didn't profit – but that's of no consolation to the 150,000 workers who were made redundant. An irresponsible company is one that shrinks the pie or fails to grow it, harming everyone.

Second, the pie-growing mentality changes our view on how to reform executive pay. The level of CEO pay is perhaps the single most-cited piece of evidence that business is out of touch with society. In the US, the average S&P 500 CEO earned $14 million in 2017, 361 times the average employee. The idea is that, if the CEO wasn't so greedy, their pay could be redistributed to colleagues or invested. But that's the pie-splitting mentality. The amount that can be reallocated through redistributing the pie is tiny. The median equity value in the S&P 500 is $22 billion. $14 million is only 0.06% of the pie – far smaller than the 2.3%-3.8% that can be created by growing the pie through improving employee satisfaction.

Moreover, just like high profits, high pay could be a by-product of creating value. It's fair for CEOs to be paid like owners – to own a long-term share in the business, so that the CEO is on the hook if they underperform. But the flip side is that, if they grow the long-term stock price, they'll automatically be rewarded as their shares will be worth more. For example, Disney CEO Bob Iger was criticised for earning $66 million, but the market value of Disney had risen by 578% in his four years at the helm, and 70,000 jobs had been created – so we shouldn't criticise high CEO pay without first asking whether it results from pie-growing or pie-splitting.

And that's where there is major room for reform. Some CEOs aren't paid like long-term owners. They're instead given bonuses based on short-term targets – so it's possible for them to earn millions by exploiting workers and customers. The solution isn't so much to change the level of pay, even though this might win the most headlines, but its structure – to move away from short-term targets and pay the CEO with shares that they can't sell for (say) five years. Giving long-term incentives rewards them for pie-growing and discourages pie-splitting. Importantly, they should continue to hold their shares after retirement, to

ensure that their horizon extends beyond their tenure. And shares should be awarded to all employees, to ensure that everyone benefits from pie-growth. If the company does well, it's not just due to the CEO.

Third, the pie-growing mentality shifts our thinking on investors. Investors are often viewed as nameless, faceless capitalists who extract profits at the expense of society. One book claimed that "Shareholder activists ... are more like terrorists who manage through fear and strip the company of its underlying crucial assets ... extracting cash out of everything that would otherwise generate long-term value" and politicians in both the UK and US have made proposals to restrict investor rights. But such views aren't backed up by the evidence. Rigorous studies show that, while shareholder activism does indeed increase profits, this doesn't arise from pie-splitting but pie-growing – improved productivity and innovation, which in turn benefits society.

Investors are not "them"; they are "us". As mentioned earlier, they include ordinary citizens saving for retirement and mutual funds and pension funds investing on their behalf. Policies that suppress investors will not only make companies less purposeful and less productive, but also harm citizens. Investors aren't the enemy, but allies in growing the pie. Any serious proposal to reform business should place investor engagement front and centre.

Putting it into practice

So, how does a company actually "grow the pie"? The starting point is to define its purpose – why it exists and the role that it plays in the world. A purpose might be to develop medicines that transform citizens' health; to provide an efficient rail network that connects people with their jobs, family and friends; or to manufacture toys that entertain and educate children.

Importantly, a company's purpose cannot be to earn profits – instead, profits are a by-product of serving a purpose. This is similar to how a citizen's vocation is not to earn a salary; instead, they earn a salary by choosing a career they enjoy and thus flourish in. Equally importantly, a purpose should be focused. Many companies have broad purpose statements, such as "to serve customers, colleagues, suppliers, the environment and communities, while generating returns to investors," because they sound aspirational. But a purpose that tries to be all things to all people offers little practical guidance because it sweeps the harsh reality of trade-offs under the carpet.

Leaders need to make tough decisions that benefit some stakeholders at the expense of others. For example, closing a polluting plant helps the environment but hurts employees. A focused purpose statement highlights which stakeholders are first among equals to guide such a trade-off.

Evidence highlights the criticality of focus. Companies that do well on environmental, social and governance dimensions across the board don't beat the market. But those that do well on only dimensions material to their business – and scale back on others – do significantly outperform.

The book introduces three principles (the principle of multiplication, the principle of comparative advantage and the principle of materiality) to provide practical guidance on which investments in stakeholders a company should make and when it should show restraint. This balance is critical. Some leaders misinterpret the call to "serve society" as an imperative to invest as much as possible and many politicians advocate such behaviour. But there are many cautionary tales of companies imploding through over-investment, Daewoo being a particularly prominent one.

Of course, purpose must go beyond a mere statement and must be put into practice. The book discusses five tools through which a company can do so – aligning its strategy, operating model, culture, reporting and governance. It also stresses the role of investors in stewarding a company's purpose – holding CEOs to account for embedding it throughout the organisation and providing an independent sounding board on long-term issues. I provide a practical guide for how investors can undertake stewardship effectively and how the relationships between different players in the investment industry – asset managers, asset owners, investment consultants and proxy advisors – can be reformed from the transactional to the trusted; in turn providing the long-term context necessary for stewardship to thrive.

"Creating social value is neither defensive nor simply "worthy" – it's good business."

Citizens have a major part to play, too. The popular narrative is that corporations are so large that citizens are powerless to shape them. But I stress how citizens – in their roles as employees, customers and investors – enjoy agency: their capacity to act independently and influence their environment, rather than being acted upon

One source of agency is the power to put their time and money into companies that reflect what they would like to see in the world and walk away from others. Customer boycotts for allegedly non-purposeful behaviour are arguably more powerful than ever before due to social media, as shown by the #BoycottVolksvagen and #DeleteUber campaigns. In the modern firm, human (rather than physical) capital is more important than ever before and departures of key employees severely damage a company's competitiveness

A second source of agency is the power to shape companies people choose to be members of. Every night, Abdul Durrant worked hard to clean the London offices of HSBC, including that of chair Sir John Bond. But he struggled to support his five children on his low wages. So Abdul attended HSBC's AGM and addressed Sir John, saying: "I am here on behalf of all the contract staff at HSBC and the families of east London. We receive £5 per hour – a whole £5 per hour! – no pension and a measly sick pay scheme. In our struggles, our children go to school without adequate lunch. We are unable to provide necessary books for their education. School outings in particular they miss out on." Moved by this plea, Sir John gave HSBC's cleaners a 28% pay rise. This shows the power of a single employee to change the wage policy of a large multinational.

A collaborative effort

So it's not business or society – it's business and society. This observation gives us great hope, but also great responsibility. Not only can all stakeholders benefit from a growing pie, but it's also their duty to work together to grow the pie. When they do so, bound by a common purpose and focused on the long-term, they create shared value in a way that enlarges the slices of everyone – shareholders, workers, customers, suppliers, the environment, communities and taxpayers.

Evidence suggests that visionary leaders can transform a company, growing the pie for the benefit of all. Engaged shareholders can intervene in a failing firm, growing the pie for the benefit of all. A motivated workforce can innovate from the bottom up, growing the pie for the benefit of all.

Importantly, an approach to business driven by purpose typically ends up more profitable in the long-term than an attempt to maximise shareholder value – so it's one that leaders should voluntarily embrace, even in the absence of public mistrust or threats of regulation. Creating social value is neither defensive nor

simply “worthy” – it’s good business. The highest-quality evidence, not wishful thinking, reaches this conclusion: to reach the land of profit, follow the road of purpose.

Purpose set to drive investment

Top 1000 Funds
July 1, 2020
https://www.top1000funds.com/2020/07/purpose-set-to-drive-investment/

Investors should use stewardship to encourage purposeful companies that provide long-term value by meeting the needs of multiple stakeholders and helping improve society. FIS 2020 Digital panellists discuss the characteristics of a purposeful company and the challenges in their evolution.

Denmark's Novo Nordisk embodies the latest evolution in good corporate citizenship. In an expert panel discussion at FIS 2020 Digital on how today's companies can and should incorporate purpose, delegates heard how the global healthcare group has moved from mission to a modern day purpose in its evolution from producing insulin to a broader offering helping to treat diabetes. Today the company works to eradicate the disease, all the while inspiring multiple stakeholders and delivering shareholder value.

Navigating the consequences of COVID-19 could see more companies adopt purpose, said Colin Mayer, professor of management studies at the Saïd Business School, Oxford University. Mayer, who led the British Academy's The Future of the Corporation project, said purpose involves finding profitable solutions to the challenges confronting society and the natural world – rather than profiting from those problems.
He said companies today face difficult trade-offs between cutting costs, supporting their employees or paying dividends to their pension fund investors. Yet having a purpose will help corporates navigate these trade-offs and come out of the crisis. He urged companies to embed purpose in their activities and encouraged boards to lead in the area.

"We should measure the performance of a company against its purpose," he said to the investor audience. "Purpose helps make companies more resilient and reduces risk for investors."

He also said that purpose has replaced the dated concept of corporate social responsibility by defining how a company does business and the reason it was created.

Sharan Burrow, general secretary, ITUC, named consumer goods group Unilever and European food group Danone as other prime examples of companies driven by purpose.

She noted how both multinationals have worked with trade unions to protect employees, focused on environmental risk and careful monitoring of their supply chains.

She said purpose driven companies report on purpose to their shareholders and can help "fundamentally reshape a future" where "everybody wins."

Only when multiple stakeholders work together will companies adopt a purpose that will ultimately lead to a better world, she said, adding that companies without purpose lack resilience or core values. When profits and shareholders come first, it prevents freedom of association and the ability of collective bargaining to solve problems.

“We say let’s transition to a world where everyone’s rights matter,” she urged delegates. Reflecting on whether corporate America is “ready” for purposeful companies, she said appetite was mixed.

Fiona Reynolds, chief executive, PRI, told delegates that some pension fund investors are “good” at stimulating companies to adopt purpose.

However, many investors still think through the prism of “risk and return.” She said the PRI is increasingly working to move the discussion on ESG to incorporate risk, return and impact. Urging delegates to stop thinking “traditionally,” she said valuing companies on just profit and endless growth is flawed.

Reynolds added that institutional investors have a chance to push purpose now because they will be vital contributors to financing the economic recovery in the wake of the pandemic. “Governments can’t do this alone,” she said.

“Stewardship is one of the most powerful tools investors have.”

Here she urged investors to spend more on stewardship, suggesting that only via a collective engagement that looks at systemic issues, will change truly happen. She said building back better could see sustainability come to the fore with a new realisation that without a healthy planet, we can’t have a healthy economy.

“Sustainability needs to be built into the recovery.” She also urged governments to incorporate the transition to a low carbon economy and jobs for the future into their reconstruction packages.

Mission to purpose

Panellists discussed how companies should change their mission statement to new statements on purpose. A mission statement details what a company does, whereas a purpose statement details why a company exists; why it was created and what it is there to do, providing a “North Star.”

Panellists also said it should be possible for investors to measure a company for purpose. Mayer urged for integrated reporting to help purposeful companies show investors how they are delivering for all their stakeholders.

He said purpose needs to be integrated into standard accounting measures, and until this happens there won’t be a “bottom line number.” Similarly, Reynolds said purpose should be integrated into a company’s KPIs.

Three Steps To Follow (On Repeat) To Keep Your Brand Relevant

Forbes
April 13, 2021
https://www.forbes.com/sites/forbescommunicationscouncil/2021/04/13/three-steps-to-follow-on-repeat-to-keep-your-brand-relevant/?sh=2dacfa05702e

Established brands can fall into a rut of talking, marketing and thinking about themselves in a certain way. However, a brand's positioning drives most business decisions and actions, including those that customers and prospective customers take. That's why brands must evolve — perhaps more often than many realize.

Since I joined my company in 2016, we've made a number of acquisitions to support our strategic vision. We've also extended our innovation into new categories and significantly expanded our solutions and services portfolio. Each change has prompted us to reevaluate our brand principles and, in some cases, completely refresh our brand. Though our legacy will remain core to our identity, we are no longer the same company we were 50-plus years ago — or even five years ago. We're constantly striving to ensure our brand reflects today's company and, more importantly, the current value we bring to partners, customers and employees. We're also working hard to ensure our brand reaches the right people, especially as we enter new markets.

Though each branding (or rebranding) initiative has had a different purpose and started at a different baseline, the process has been nearly identical. These are the three steps we've taken on a consistent basis, along with key learnings from them:

1. Take Inventory Of Your Brand's True Impact

Regardless of why you feel compelled to refresh your brand, the first thing you must understand is whether customers perceive the brand the same way you do. But it's important to gauge current — not just historical — market perception. Things change fast, including a brand's reputation and value. Conduct an annual survey to see where you stand with your target audiences.

Be sure you're speaking to the right people and giving weight to the right metrics. Many companies tend to rate a brand's strength on brand awareness alone. Yet I believe brand preference is a better indicator of brand performance. It's also important to understand how brand attachment influences preference and purchase rate. Brand recognition doesn't automatically equate to sales. A 9-year-old girl might be able to associate certain logos with different automotive manufacturers from TV ads, but it will likely be at least nine more years before she's ready to shop for a car. In other words, you need to find out:

• If your target audiences are familiar with your brand.

• How they feel about your brand and why.

How your brand makes people feel and act.

Pro tip: I know many companies will eventually retire an acquired brand once the integration is complete. However, if market research reveals the acquired brand has high value and brand preference for customers, you must be strategic about transferring that value to your master brand. If the attachment rate translates to a high sales rate, consider leveraging it as an “owned” or “ingredient” brand.

2. Reimagine Your Brand Image (Through Everyone Else’s Eyes)

If your brand has a strong legacy, you may want to preserve it as much as possible. And it’s important to stay true to your company’s values. However, your brand must align with your vision, which should be constantly evolving. Therefore, you must consider what’s “authentic” now — to all stakeholders. What does your brand need to represent to connect with customers, partners, employees and even future talent? What should you say and do to build trust and secure confidence in your brand so they’re willing to commit now — and for the long term? If you aren’t managing your brand through their eyes, your efforts will likely fall flat.

Pro tip: When you’re going through a rebranding, ensure you are:

• Realistic: Trendy brands don’t always have staying power, mainly because shiny logos and taglines used at the overarching level may not be functional as you start to drill down into product, vertical or service-level use cases. Don’t outthink yourself when creating your platform. And do give your marketing, sales and channel teams the tools to strengthen the brand at all levels.

• Open-minded: Test messages often to see if they resonate, and don’t fret if they don’t. If you entered this process thinking customers put a premium on pricing but you learn they now care more about service and warranty, just adjust your value proposition accordingly.

• Patient with the process and everyone involved: There will be a lot of input to compile and holistically evaluate, so it will take time to come to an agreement among key stakeholders. Furthermore, you’ll test — and refine — your messages, logo and other brand elements multiple times as you go through this process. It could take up to a year to get things “right enough” to bring to market and another year to see if brand attachment and preference rates swell to your desired levels. Just remember that you’ll never get it perfectly right the first time. That’s why you have brand managers.

Be careful not to fall victim to “inside-out thinking.” The more people you engage when you're developing your overall brand platform, the more opinions you’ll have to balance. Don’t discount anyone’s input. However, you may want to weigh feedback from your executive leaders and sales team more heavily. If you don’t have top-down buy-in, you’re just spinning your wheels. And if your sales professionals aren’t buying what you’re selling, your customers won’t either. They know your customers better than anyone else in your organization.

3. Protect Your Brand

There are a number of things that can cause brand degradation. Some you can’t control, like customers’ evolving needs and preferences. Others you can, like where and how your brand appears in print, online, or on products, as well as how you allow partners to use it. Define usage policies; make them public, and then enforce compliance, both within your organization and in the public domain. Be prepared to get your legal team involved as necessary.

Remember: There will always be gaps in your brand strategy. As long as you’re looking for them and taking action to close them, you’ll be well positioned to preserve and continually strengthen your brand.

Brand Relevance: How to Successfully Connect With Your Customers

Brandingmag
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In the past 30 years, technology and globalization have been taking down barriers, one after another, making it possible for anyone with an idea to validate, fund, develop, launch, and promote it online. As a result, there has never been more competition for attention and dollars.

Companies can no longer rely on intellectual property, infusion of capital, or product differentiation to protect their brands. What can they do to future-proof their businesses? The best defensive strategy in today's marketplace is to build and sustain brand relevance.

What is brand relevance?

Brand relevance is a company's ability to connect with people's emotions and become personally relevant to them. It is not about how customers think, but how they feel, prompting statements such as "watching Netflix makes me feel good," "driving a Tesla makes me feel smart," and "shopping at Whole Foods Market makes me feel responsible."

Focusing on your brand's relevance will pay off in many ways. It will lower customer acquisition costs and increase the lifetime value of customers, which means your company will continue to grow and profit.

Now, as the world undergoes one of the most traumatic moments in history, that emotional connection with consumers is more crucial than ever. People are looking for a sense of normalcy and relief, and brands have a role to play in bringing those to life through responsible and inspiring communication that resonates with customers' pain points and connects with them on an emotional level.

How to create brand relevance

Sparking an emotional connection with customers requires listening and understanding what matters to your target audience, creating and distributing high-quality content that resonates with them at every part of the journey, and continually obsessing about data to surface insights and make improvements. Here are three best practices.

1. Listen to your customers

Emotional connections sprout and blossom when brands make themselves relevant to their target audiences through the experience they have with a company. Successful brands such as Apple, Spotify, Nike, and Starbucks keep their brands relevant by providing a distinctive and high-quality customer experience.

Creating a customer experience is becoming more and more important in an increasingly crowded marketplace. According to a study by IBM, 68% of companies said they expected their organization to emphasize customer experience over products in the future.

Brands that excel at creating customer experience don't ask people to fit in with their own processes. Instead, they shape their products and services to meet customer expectations to ensure they remain connected.

The first step for every brand is to listen to their audiences and understand what matters to them. Analytics make it easy to do so. Having robust community management and analytics solutions in place is key to implementing this best practice — basic Google Analytics isn't going to be enough. It is necessary to examine both quantitative data such as the number of likes, shares, and comments a piece of content receives on social media and qualitative feedback such as sentiment analysis to surface insights.

2. Tell an authentic story

Based on those insights, brands need to develop messaging that is both appropriate to the context in which it is delivered, and consistent with the brand's DNA. Roll out a communications plan that focuses on what your products and services can do for customers. Even more important, however, is using storytelling to speak to the heart.

To make sure the pieces of your brand's story unfold smoothly, brands should begin by developing content-publishing plans that detail the types of content you want to create, their messages, and where and when each will appear online.

Content development and execution can be a complex process, and the best way to accomplish it is by using tools that help you develop a solid, agile, and scalable workflow across departments and teams. That will ensure you make the most of your employees' skill sets and help you keep your storytelling consistent.

3. Sustain the connection

Finally, brands need to repeat this process — over and over again. Taking a continuous improvement approach to how you create and deliver messages is essential to maintain your connection with customers. Continue to examine the data you collect, monitoring how your audience reacts to your messaging and using the findings to connect more deeply with customers.

Brand relevance in a nutshell

Building a relevant brand is an iterative, long-term process that responds to trends and shifting circumstances. Staying in touch with how your customers feel and how their needs may be changing — as well as what competitors are doing — will ensure your brand stays relevant long into the future.

Keeping your Employer Brand Relevant in Times of Transition

Handshake
https://joinhandshake.com/blog/employers/keeping-your-employer-brand-relevant-in-times-of-transition/

At-home mandates, limited social interactions, and a completely new way of living have made it difficult to imagine what life will be like post-pandemic. But with an end in sight, organizations need to start preparing now for what the world of work will look like after COVID-19. Are you prepared?

Imagine that it's 2021 and the economy is slowly recovering from the previous year's pandemic. People are gradually returning to the office and things are starting to feel a bit more normal. You're ready to start hiring again but discover that your qualified talent pipeline is almost empty. Why? You neglected your employer brand—and potential candidates took notice.

Much like in good times, during a downturn, candidates still want to know what it's like to work at your company. "[They] are going to remember which employers rose to the occasion and how companies managed and led through this crisis," explains Director of Employer Brand at Recruitics, Jillian Einck. "Doing things that are not seen as people-centric during this time will have a detrimental impact to both consumers and [your] employer brand."

Did you lay off employees? Did you help employees find part-time jobs if they were laid off? Top talent want to know that you took care of your employees' mental health and well-being during tough times. Did you come up with creative solutions like virtual internships or was your ultimate solution to cancel internships and freeze hiring? These are things candidates look at when evaluating your employer brand.

If you take care of your employer brand throughout the pandemic, you may have a full pipeline of excited, eager, and qualified candidates knocking on your door—ones who value what your organization stands for. Let's explore how you can come out of the pandemic with a strong employer brand.

What is an employer brand?

Simply put, your employer brand is a reflection of your brand in the workplace. While your corporate brand is how customers view your organization, your employer brand is how prospective talent views you. Your organization likely strives to be a great place to work in good times, but it's even more crucial you execute employer branding strategies in tough times.

How to create or maintain a positive employer brand

We all try to do our best in both good and bad times, but COVID-19 threw a curveball at everyone. With companies still discovering new ways to virtually engage with candidates and employees, it can be easy to set your employer brand aside. However, by doing this, you risk your reputation with employees and future hires. Instead, try some of these strategies to create an employer brand that draws talent in and retains current employees.

1. Protect your employees' emotional well-being

Along with the stress that comes with a pandemic comes a fear of losing your job and income, anxiety about not being able to leave the house, isolation, adjusting to kids being home, and so much more. Show your employees you understand and that you genuinely care by putting them first.

Many organizations are suspending raises and bonuses, cutting leadership salaries, and reducing benefits across the organization to prevent layoffs. When you take this approach, it "sends a message to employees that right now everyone at every level in the organization is sacrificing for the greater good," explains Gartner. You're showing your individual contributors and managers that they matter just as much as the C-suite.

You should also acknowledge your frontline workers—doctors, nurses, delivery drivers, fast food workers, and more—for everything they're doing. These essential workers are putting their health on the line to keep your business running. Show your appreciation and dedication to employees by offering hazard pay or a cash bonus. Verbal acknowledgment (on top of these offerings) is also a good place to start.

Maybe your employees are working from home while balancing online school for their kids. In addition to recognizing that this is a unique but exhausting situation, Gartner suggests giving employees flexibility with working hours, creating employee resource groups (ERGs) to support each other, and offering stipends to help with unforeseen expenses.

Here at Handshake, our Parent Community shipped every parent a summertime box chock-full of family-friendly toys and games to help them keep their kids engaged throughout the warm months.

2. Protect your employees' financial well-being

Imagine not knowing whether you're going to be able to pay your bills next month and constantly stressing over your financial situation. While this may be a reality for many employees who have been laid off, it doesn't have to be. As an organization, you can help employees through tough financial times, even if you had to lay them off.

A few giants in the retail, fast food, and tech industries have set the bar when it comes to their employees (who have been essential workers throughout the pandemic). Instead of cutting pay or letting employees go, they kept their employees and added on temporary subcontractors to help those who lost their jobs or needed to supplement income because of COVID-related financial hardships. It shows that they not only cared about their employees but that they were also going to do everything to ensure financial security in these trying times.

Other companies partnered with organizations that suddenly had a higher demand for workers, like grocery stores and hospitals, to connect people with short-term work. Gartner explained the process: short-term contractors were hired quickly and allowed to return to their original jobs when business picked up again.

If your business isn't considered to be essential, you can still build your employer brand and show you care by offering short-term internships. According to Handshake's COVID-19 report, students are very open to part-time contracts, freelance, or gig work. In fact, 70% of students surveyed would consider a job in the gig economy. This is your opportunity to support new talent and create a memorable employer brand for your interns or contractors.

3. Support your remote and frontline workers

With social distancing practices in place and growing concern over health, companies have decided to take their teams remote. While this sounds like a great idea in theory, it can be a stressful transition for your employees. Ease their minds by providing proper support.

Do you have an IT team ready to help workers set up their home offices? Are you using a collaboration tool like Slack to keep team members connected and projects moving? Ensure you have everything your employees need to be successful remotely.

With remote work comes a lot of video meetings, which means potential "Zoom fatigue." This phenomenon causes us to become quickly drained after countless video meetings. Harvard Business Review explains it as such:

Zoom meetings force us to focus more intently on conversations in order to absorb information. When you're sitting in a conference room, you can rely on whispered side exchanges to catch you up if you get distracted. During a video call, however, it's impossible to do this unless you use the private chat feature or awkwardly try to find a moment to unmute and ask a colleague to repeat themselves.

Another problem is that videoconferencing causes us to multitask. Yes, we can check email, talk with team members on chat, and listen to the call all at once...in theory. In actuality, we rarely listen when we do this. Be patient with employees who are trying to balance meetings with kids being home or struggling with distractions. Encourage them to take a walk, cook a meal, or participate in a team activity to break up the day and ensure mental well-being.

4. Overcommunicate

Nothing makes an uncertain situation worse than a lack of communication, so make sure you are being fully communicative with your employees. With more and more employees posting reviews, it's important that your communication reflects positively on your employer brand.

"There's been an over 70 percent increase in Glassdoor reviews mentioning layoffs. We know that this is a given right now, and candidates and employees understand that. They know that business has changed, and revenue is down for a lot of industries—it's really more about how employers are reacting to those challenges, how they handled the layoffs, as opposed to the decision to conduct the layoffs."

—Jillian Einck, Director of Employer Brand at Recruitics

You can partner with your communications and marketing team to build a solid relationship with your employees during the pandemic. Lori Sylvia, founder of Rally Recruitment Marketing, suggests communicating how you're handling the pandemic both internally and externally, from one voice.

This includes updating job listings, pointing people to careers pages, making them aware of your hiring process, and working with HR to create a back to work plan and announcement. Be sure to include what safety precautions you'll have in place and how employees will transition back to the office.

Set the right tone. Rian Finnegan, senior manager of employer brand and recruitment marketing at Instacart, wanted to be conscientious when communicating that they're hiring. Instead of celebrating hiring, they chose to build on the pride their employees felt being essential workers.

5. Show talent what your employer brand is all about

What better way to show candidates what it's like to work with your company than to give them an inside look? Alumni, ambassadors, department leads, and other employees are all great ways to put your culture—and employer brand—on display.

Handshake Premium partners can highlight dynamic testimonials from these groups on their Employer Page, and take their efforts a step further by using Campaigns to send personalized outreach. Their outreach can even include an introduction to ambassadors on Handshake.

Our COVID-19 student report confirms the need for this kind of communication. Students and alumni are looking to employers to reach out with open roles and updates on hiring. Students want to engage with employers, whether it's through a Campaign message or during a virtual event.

Remember, your employer brand isn't limited to your profile or reviews. It includes how you interact with people to create meaningful experiences. Are you ambassadors warm and friendly? Are they excited about working with you? Then they're the perfect people to connect with candidates!

Beyond your ambassadors and employees, you too can show your employer brand in action. For example, GM partnered with Ventec Life Systems at the beginning of the pandemic to create ventilators. These were in high-demand and, instead of focusing solely on themselves, GM shifted focus to support the fight against the novel coronavirus. GM showed that they were a mission-focused company, which will likely positively impact their employer brand and make them more desirable to mission-driven Gen Z.

Your employer brand after the pandemic

Your organization's employer brand has always been important, but now more than ever, it's crucial that you take care of it. Words on paper are one thing, but how your company is treating its employees, customers, and community during this critical time defines your employer brand.

Sylvia highlights the importance of investing in your employer brand and the lasting effects it will have on "your company's culture, your reputation and your ability to attract, recruit, and retain talent today and in the future." Want top talent? Invest in your employer brand.

You'll undoubtedly work with your marketing and communications team to create an employer brand strategy, but you can also utilize Handshake to build a great reputation with future candidates. Use your Employer Page to display testimonials from ambassadors, employees, and interns and write out your mission statement—including a COVID-19 response statement—that highlights your purpose and why someone would want to work with you today and in the future.

But how will you know if your efforts are paying off? You can continually gauge your performance through Handshake page views, job applications, and engagement with your campaigns.

These are all great indicators, but what better way to know how employees and candidates view your organization than to ask them directly? You could send a survey with questions that help express sentiment, like "What attracts you to working with our company?" or "Do you enjoy engaging with our business?" You can also ask specific questions, like "After viewing our Employer Page, did you take any action?" or "How familiar are you with our company?" You'll want to send before and after surveys to see if your employer brand strategies are working.

13 Ways to Maintain Brand Relevance Amidst Changing Industry Trends

Newsweek
May 15, 2021
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An industry never remains the same for too long. There will always be new trends or developments on the horizon, and if a brand doesn't evolve, it will soon be forgotten.

However, there are ways to keep your brand top of mind for consumers and industry peers. The key is being able to adapt and adjust your strategy to suit the times.

To help you do this, a panel of Newsweek Expert Forum members shared ways institutions can maintain relevance amidst the constant shifting trends and challenges in their industry.

1. Ask Clients What They Want

The key to a great brand is authenticity, however, you must be able to evolve with the times while still maintaining your unique promise of value. Consider creating a new product or service that offers to meet the needs of the changing market. Ask your clients what they want or need. If this line of open communication is an ongoing practice, you won't be caught off guard when trends shift again. - Carol Parker Walsh, Carol Parker Walsh Consulting, LLC

2. Truly Consider the Individual and Their Community's Well-Being

Capitalism has to change. In an age where trust in information is scarce, more marketing dollars is not the answer. Making sure products truly consider an individual and a community's well-being is critical. Empowering meaningful choices is key to sustained relevance. The day brands respect customers as citizens and not cash cows, they will guarantee their relevance as a partner. - Ali Mostashari, LifeNome

3. Apply Your Core Values to Current Events

You can maintain brand relevance by understanding your three-to-five core values and applying those values to current events. Branding is how you tell the story. Although the characters (core values) don't change, how they relate to the audience is situational. This strategy will provide consistency and connectivity. - LaKesha Womack, Womack Consulting Group

4. Develop Your Brand Around Customer Needs

It may seem obvious but you need to develop your brand around your customer needs. Don't tell them about your product, ask them about their pain points and develop solutions that make their lives easier. - John Butler, Quantumcyte, Inc

5. Be Thoroughly Transparent

Be transparent and visible throughout your journey. People love a good story to follow and appreciate authenticity. - Jenna Hinrichsen, Advanced RPO

6. Maintain Open Communication With Stakeholders

In order to maintain brand relevance, institutions should maintain open and honest communication with stakeholders. Institutions should focus on making sure their communications are socially responsible, not tone-deaf. As our world faces unprecedented challenges, it is important that brands focus on humanizing their initiatives and communications to remain relevant in a responsible way. - Kisha Renee Ward , Creative Umbrella Consulting

7. Invest in R&D Over Marketing

Rethink the needs of your consumers! So many large institutions think that pouring money into marketing is going to capture new dollars. Put that same spend into R&D and try something new. Think about Goldman Sachs's move into personal finance. It's a tough, but necessary transition! - Marshall Sandman, Sway House

8. Establish Yourself as a Thought Leader

Make your brand being a thought leader that helps guide your customers through these trends and challenges. You're going to have to constantly keep tabs on your industry to stay ahead of the game anyway, so why not share your learnings with customers? The most relevant brands will always be those that help. - Scott Baradell, Idea Grove

9. Take a Human-Centered Approach

Keeping up with faced-paced and rapidly evolving industry trends can be a daunting task for brands trying to maintain relevance. The key to avoiding trend-chasing is to take a human-centered approach. Success becomes less about relevance and more about co-creating a brand with the community of customers. - Dave Green, Otter Public Relations

10. Prioritize Integrity

Integrity never goes out of style. Hold true to your values, through and through, and your brand will always stay relevant, even if your product or customer may shift in the storm. - Emily Thompson, Being Boss

11. Empower the Next Generation

Employ and empower young people. With every generation comes a fresh new perspective and experience in the world—an idea that might seem foreign to someone in their fifties may be obvious to someone in their twenties. By creating opportunities for younger perspectives, conventional ways of thinking can be challenged and institutions can keep up with new trends and channels. - Chloe Alpert, Medinas

12. Talk to Your Customers

Institutions aren't just big behemoths, they are communities of people—consumers and employees. Start by talking to your customers and get them involved with your brand. Give them freebies for joining think tanks, start a brand ambassador program and listen to their concerns about your product. Find the most passionate people about your brand and figure out how to make them love you even more. - Matt Wilson, Under30Experiences

13. Observe Your Market Without Bias

Become a "first-class noticer" a la Saul Bellow and look with an unbiased beginner's mind at what most excites or angers your market. Build something beyond that or build something that takes that frustration away. - Mark Goulston, Mark Goulston, M.D., Inc.

How to Stay Relevant on Social Media

Relevance.com
November 27, 2020
https://www.relevance.com/how-to-stay-relevant/

Social media is more than just a platform for connecting with loved ones and watching funny cat videos. Businesses can use social media to reach new customers, generate sales leads, and hone their brand image. But to achieve any of those outcomes, they have to be relevant.

Staying in the loop on social media is easier said than done. Trends come and go faster than ever, as do consumer expectations. Companies that fall behind rarely catch up.

Don't take the risk of irrelevance. Here's how to keep your company relevant on social media:

Choose Keywords Wisely

Just as search engines do, social media sites use algorithms to provide their users with personalized content. Keywords have a big impact on this algorithm, and targeting the right terms can boost your visibility. More exposure means more relevance.

You can research keywords that fit your brand, products, and campaign to see how they're performing on social media currently. Keywords with higher usage will have greater competition—but also provide a greater chance to get exposure and relevance.

Publish Content Consistently

Your social media pages will stagnate without content. If your page has nothing on it, or the last post was from last year, customers will not find the page to be credible or relevant.

Too much content, on the other hand, can be overwhelming. Strike a balance. Posting two or three times per week, while commenting on others' content every day, is about right. Regardless, your content needs to be consistent in style. Find a voice that can be used for multiple audiences and sets your posts apart from the competition. Consistent imaging is also a critical part of a coherent social media presence.

Target the Right Audiences

Social media allows you to target individuals whose interests fit your campaigns. Focusing on key demographics helps your content resonate with the people it's meant for.

For example, if you are an outdoor clothing brand, you'll be more relevant to groups of people who like camping and hiking than those who are interested in home decor and pottery. Outdoor enthusiasts will find your brand more relevant if it speaks to people with related interests.

Embrace Different Platforms

Focusing all of your social media efforts on a single platform might net you a large audience there, but what about people who prefer other social media? To expand your reach, don't be afraid to dabble in multiple platforms.

Some consumers prefer Instagram for its focus on high-quality images. Others flock to Facebook for its groups and media agnosticism. These are only two of many popular platforms, each with its own format and demographic mix. Familiarize yourself with each one, and make an effort to reach your customers wherever they are.

Look to Influencers

Influencer marketing is an inexpensive shortcut to relevance on social media. Many consumers trust social media influencers who reflect them more so than the marketing team of a global corporation. To really hit home with new customers, look at partnering with influencers.

Many partnerships are simple: Influencers will share your product with their followers in exchange for compensation, often determined by the number of followers or viewership each influencer brings to the table.

Use exclusive offers to judge influencers' relevance to your strategy. Provide a unique coupon code to each influencer to help you see how many purchases they're able to push your way.

Do your research before committing to an influencer. You're looking for relevant people whose comments or conduct won't tarnish your brand image. Choose wisely, and you'll find it that much easier to build a mutually beneficial relationship.

Social media can empower your business to find relevance in an increasingly crowded market. Engage the right communities online, and watch them strengthen and grow your brand in ways you alone never could.

Resilience in an age of disruption

World Economic Forum
Davos Agenda, Jan 25 2021
https://www.weforum.org/agenda/2021/01/business-resilience-pandemic-disruption/

- 2020 was an unprecedented year of global disruption which left some businesses unable to cope.
- New report by Deloitte Global reveals that companies with built-in resilience were better equipped to handle the crisis.
- We reveal the five key characteristics which could help businesses overcome future challenges.

The global financial crisis of 2008 taught leaders in both the public and private sectors many valuable lessons about readiness. But nothing prepared CXOs for the triple threat they faced in 2020—the confluence of a global health pandemic, social and political unrest, and worsening climate events. Mounting challenges during the year expanded the concept of preparedness in ways many leaders didn't anticipate and pressured organizations in ways many couldn't imagine.

Most organizations continue to struggle and many have been forced to cease operations, some permanently. However, certain companies have persevered, even succeeded in this unusual environment. And they're not just the ones that happen to be in industries whose products and services are needed during crises.

Have you read?

- Post-pandemic: How to rebuild resilience and trust
- The Great Reset: Building Future Resilience to Global Risks
- Deloitte's Punit Renjen: 'The future is not pre-ordained'

Deloitte Global wanted to know which organizations possessed the cross-functional, strategic resilience and state of readiness that could overcome a worldwide challenge to consumer and B2B activity (and more importantly) why they were able to deliver. Therefore, we decided to focus our inaugural 2021 Resiliency Report on how organizations best survive ongoing, broad and unexpected disruption on the scale witnessed in the past year.

The survey of 2,260 private and public-sector CXOs in 21 countries revealed that successful organizations intentionally cultivate resilience and embed it in various aspects of their businesses. Those that make it a priority are not only doing better than their peers in the current environment, they also anticipate more robust growth in 2021.

Most global business leaders believe 2020 may not be an outlier. More than six in 10 of those Deloitte surveyed said they think we're likely to see either occasional or regular disruptions of this scale going

forward, and three-quarters of CXOs said they believe the climate change crisis is of similar or greater magnitude than the pandemic. Assuming they're right, organizational resiliency is more critical than ever.

Those who acted early fared best

To get a sense of business resiliency before, during and after the disruptive events of 2020, Deloitte asked leaders to state which actions they had already taken or were planning to take—actions that suggest baked-in resiliency—in the areas of strategy, workforce, technology and societal impact.

We learned that taking early action matters and that resilience is as much about thinking ahead as it is about doing what it takes to respond and recover from a crisis.

Across the board, organizations that had implemented key actions prior to 2020 surfaced as leaders in resiliency. Typically, they already had invested in workforce initiatives like reskilling their employees or redesigning work. They had diversified operations and developed technological capabilities to drive new business models. They had adapted to remote working, kept employees safe and maintained trust between leaders and employees. Their organizations valued diversity, equity and inclusion and they were committed to improving the environment and strengthening communities.

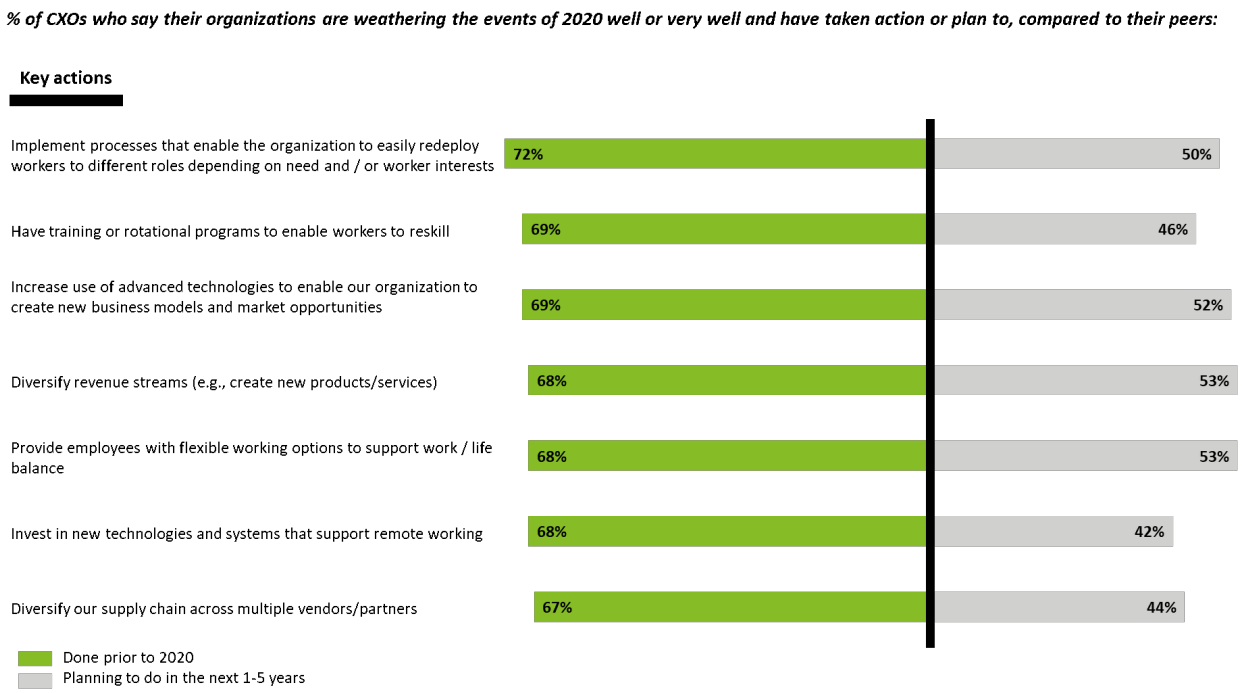


Image: Deloitte Global 2021 Resiliency Report.

Those who were actively planning investments in these processes showed some resiliency, but not as much as the pacesetters. Respondents who were not planning such investments, in the near future or ever, were most likely to be overwhelmed by the events of 2020. Some data variances were particularly stark. More than 80% of CXOs who said their organizations had done very well cultivating resilient cultures also said they are doing well weathering the events of 2020. But among those who said they had not done well at all building resilient cultures, only 27% were happy with how they fared in 2020.

Unfortunately, organizations that acted prior to 2020 were in the minority. Less than a quarter of respondents said they were already engaged in the most popular strategic actions to survive the challenges (assessing cash reserves, strengthening supply chains and removing organizational silos) before the pandemic. Not surprisingly, the events of the past year have moved more companies to act.

The five characteristics of resiliency

Organizations that plan and invest in anticipation of disruption—whether it's a gradual transformation or a sudden pandemic—are better positioned to adapt, rebound, and endure. Deloitte Global's research identified five attributes of resilient organizations that enable and promote nimble strategies, adaptive cultures, and the implementation and effective use of advanced technology. Businesses that can bounce back from unexpected challenges typically are:

1. Prepared

More than 85% of CXOs whose organizations successfully balance addressing short and long-term priorities felt they had pivoted very effectively to adapt to the events of 2020, whereas fewer than half of organizations without that balance felt the same.

2. Adaptable

Leaders recognize the importance of having versatile employees. Flexibility/adaptability was by far the workforce trait CXOs said was most critical to the future of their organization.

3. Collaborative

CXOs indicated the importance of collaboration within their organizations, noting that it accelerated decision-making, mitigated risk and led to more innovation. Removing silos and increasing collaboration was one of the top strategic actions CXOs took before and during 2020.

4. Trustworthy

Those who are succeeding are focusing on improving communication and transparency with key stakeholders, as well as leading with empathy.

5. Responsible

Eighty-seven percent of surveyed CXOs who said they have done very well at balancing all of their stakeholders' needs also felt that their organizations could quickly adapt and pivot in response to disruptive events. That's nearly 50% higher than CXOs whose organizations haven't achieved that balance.

These five attributes don't just occur organically. They require desire, effort, investment and action to cultivate and maintain.

Leaders cannot be sure their organizations are truly resilient until they are tested by adversity. Last year presented organizations with the toughest and most important test most have ever taken and confirmed for some CXOs that their organizations are more resilient than they realized. Those that deliberately had built these resilient attributes into their mindsets and cultures were better positioned to overcome disruptions. They are the living examples that others should follow as we pursue a "better normal" post-pandemic.

Resilient brands that overcame adversity in 2020

Financial Mail
11 JANUARY 2021
https://www.businesslive.co.za/redzone/news-insights/2021-01-11-resilient-brands-that-overcame-adversity-in-2020/

The common themes that emerged from 2020 are that strong brands will endure if they are nurtured, says a recently published Forrester report. However, these brands need to be comfortable with weak control, given that the age of hypermanaged branding is over. Strong brands will increasingly be built from the community up.

The report, titled "Brand Spotlight, 2020: Six Brands Shine in the Most Challenging of Years", authored by principal analyst Dipanjan Chatterjee, identifies six brands that thrived despite adversity in 2020. They include both traditional commercial brands and non-traditional brands: TikTok, White Claw, Walmart, Lululemon, Black Lives Matter and women leaders of countries such as New Zealand, Germany, Taiwan and Finland.

TikTok and White Claw are brands at the forefront of culture. TikTok was recognised for its explosive growth and for creating a differentiated, relatable and authentic offering with the power to transform culture. White Claw, an alcoholic seltzer manufactured by Irish company Mark Anthony Brands International, makes the list for its ability to create a whole new category that was always in plain sight but eluded the big brands – and for breaking cultural boundaries and avoiding "legacy sexist tropes".

Brands that have made smart investments include Walmart and Lulelemon. Walmart was recognised for mastering digital transformation and omnichannel, while at the same time reinventing the brand to position it to address the pandemic. Athletic apparel retailer Lululemon makes the list for reaffirming its commitment to brand experiences as the engine of growth for its community and for thinking beyond apparel and retail to involve itself with the community's wellbeing.

Two unusual, but nonetheless remarkable, examples of nontraditional brands – both of which blazed the trail for social change – are women leaders and the Black Lives Matter movement, says the report. Women leaders who guided their nations through adversity and saved lives elevated their national brands, while the Black Lives Matter movement reshaped brand values and epitomised the virality of decentralised brand growth.

The lessons from these brands, says the report, is that strong brands make a significant and ongoing investment in customer engagement and loyalty which future-proof them against crises. As the power continues to shift from brands to consumers, brands can no longer employ "old-style command-and-control brand management". Lastly, "accessible digital experiences fuel communities that create brand icons and category leaders".

THE BIG TAKE-OUT:

Strong brands will flourish when they are nurtured but they need to be comfortable with yielding control to their communities and allowing the brand to be built from the community up, says a Forrester report.

Lessons in resilience from 2021's most innovative companies

Fast Company
March 9, 2021
https://www.fastcompany.com/90611337/lessons-in-resilience-from-2021s-most-innovative-companies

They know that disorder is the new normal, and they're acting accordingly.

It's not enough, in 2021, for businesses to be resilient. As many search for ways to manage the ongoing disruptions caused by COVID-19, a growing number believe that disorder is the new normal. They are embracing it and making it part of their processes.

Essayist Nassim Nicholas Taleb explores this phenomenon in his 2012 book, Antifragile: Things That Gain From Disorder. "Some things benefit from shocks; they thrive and grow when exposed to volatility, randomness, disorder," he writes. "Antifragility," as he terms this way of being, "is beyond resilience . . . The resilient resists shocks and stays the same; the antifragile gets better." President Joe Biden campaigned on an economic recovery plan echoing this sentiment, called "Build Back Better," a phrase often used in natural-disaster recovery.

Camille François, chief innovation officer at Graphika. There are few corporate playbooks for antifragility, partly because a century of management science has trained leaders to make order of chaos using backward-¬looking models. Luckily, Fast Company's annual look at the World's Most Innovative Companies is rich with examples of organizations that have transcended resiliency and thrived. Here are just a few examples:

Empower Employees and Move Fast

When hospitals faced supply shortages, employees of 3D-printing company Carbon (No. 5, Manufacturing) dreamed up a printable swab for COVID-19 testing. "Within a three-to-four-week period, we went from idea to testing in clinical settings" to production, says CEO Ellen Kullman.

Embrace Tech

The World's Most Innovative Companies don't use technology as a substitute for the analog—they use it to make experiences better. The NBA (No. 1, Sports) has enhanced its broadcasts with holograms and improved cameras, features that aren't going away. While racing to develop a vaccine, drugmaker Pfizer (No. 1, Biotech, with partner Bio¬NTech) outfitted workers with augmented reality goggles and software to help diagnose equipment issues, often avoiding the risk of dispatching an in-person repair crew at a time of social distancing.

Anticipate Customer Needs

Shopify (No. 1, Retail) has launched loan programs to help small retailers scale, premium subscription services to help larger players expand, and two-day shipping to help everyone compete with Amazon Prime. Last year, it enabled pandemic-stricken mom-and-pop stores to get online.

In fact, this year's edition is filled with examples of companies whose antifragility helps their customers to stay afloat right now. Perhaps these innovators will inspire their clients and others to think beyond resiliency tomorrow.

How To Build Crisis Resilient Brands

Startups Magazine
https://startupsmagazine.co.uk/article-how-build-crisis-resilient-brands

With the sudden shock and panic now over from the COVID crisis, we are now settling into the 'new normal' of on-and-off-again lockdowns and formulating new habits for our businesses, all the while, bracing ourselves for the next crisis; the quietly creeping recession and wondering how our brand can survive.

As we see the job cuts and big brands collapsing, accepting this new reality is the best course of action. The truth is you do need to be prepared for the economy to get a lot worse. But how do you ensure you survive? Is there a way to make your brands resilient to crisis'?

Anna Qvennerstedt, Global Chair Member at Forsman & Bodenfors recently said: "Resilience is the flexibility to respond to changing circumstances. It's what allows brands not only to survive but also to thrive in uncertain times."

INCREASE REVENUE STREAMS

The best way to survive is by finding the money to increase your financial runway. We saw this with the onset of the COVID crisis. The brands that succeeded to stay afloat generated extra cash by adding revenue streams.

To increase revenue streams, many businesses shifted to online, it was essential. But how do you stand out when everyone is online? The only thing that's keeping others from copying you is having a solid brand.

People will choose a company that they trust. And that is where branding comes in.

When COVID initially hit, a lot of business owners felt branding was completely irrelevant, putting it on the back burner as they struggled to make sense of the crisis. However, not only was branding crucial in making the difference between which companies stood out and which fizzled away, but it also provided the answers on how to pivot, reposition, communicate, and behave. Let's take a look at how branding plays it's part in situations like these, helping us to create a crisis resilient brand.

PURPOSE THE HEART OF DECISION MAKING & ACTION

When in times of crisis, fear and industry-wide panic, referring back to your brand purpose as your north star will help guide you to make decisions and take actions that do not seem foreign to your brand.

It will help you stand out from your competition who may be looking to follow others, whilst you can take the lead. You can use your brand purpose and the wider brand strategy as a blueprint to navigate your behaviour and guide your need to pivot.

Brand strategy shouldn't sit in documents but are designed to be implemented and followed. They are not just design guides but behaviour and action guides. They were created to give you direction.

Brand purpose is a core component of brand strategy, that can help your company become more resilient to fading away from memory, and stand out regardless of what the crisis is.

THE POWER OF PURPOSE

It's in times of crisis we need to remind ourselves of why we exist. Our purpose is relevant now more than ever. And how *that* purpose can help our customers and guide what we need to do differently.

So What's the Point of Purpose Again?

In his book Start with Why, Simon Sinek explains how selling your purpose can be powerful.

Here's an example of a man explaining why he would make a great partner with just the facts and no why.

- *'I am extremely rich.'*
- *'I have a big house and I drive a beautiful car.*
- *'I know lots of famous people.'*
- *'I'm on TV all the time, which is good because I'm good looking.*
- *'I've actually done pretty well for myself.'*

Here it is again but with a strong purpose & why.

"You know what I love about my life? I get to wake up everyday to do something I love. I get to inspire people to do the things that inspire them. It's the most wonderful thing in the world. In fact, the best part is trying to figure out all the different ways I can do that. It's amazing. And believe it or not, I've actually been able to make a lot of money from it. I bought a big house and a nice car. I get to meet lots of famous people and I get to be on TV all the time, which is fun because I'm good looking. I'm very lucky that I'm doing something that I love, I've actually been able to do pretty well because of it."

We can see just how much of a difference it makes.

Here's another example this time applied to a business. Again just the facts and no why.

- *'Our company is extremely successful.'*
- *'We have beautiful offices, you should stop by and check them out sometime.'*
- *'We do business with all the biggest companies and brands.'*
- *'I'm sure you've seen our advertising.'*
- *'We're actually doing pretty well.'*

And this time with a powerful purpose & why.

"You know what I love about our company? Every single one of us comes to work every day to do something we love. We get to inspire people to do the things that inspire them. It's the most wonderful thing in the world. In fact, the fun part is trying to figure out all the different ways we can do that. It really is amazing. The best part is, it is also good for business. We do really well. We have beautiful offices, you should stop by sometime to see. We work with some of the biggest companies. I'm sure you've seen our ads. We're actually doing pretty well."

THE COLD HARD DATA

And if those examples weren't convincing enough, and you're after the data, you can have a look at new research into How Consumers View Brand Purpose in 2020. Studies reveal that purpose-led actions by brands will heavily influence consumers' purchase decisions, both now and in the future.

The unrelenting pursuit of profit is, unsurprisingly, not what consumers consider businesses to be good for. Profit is increasingly seen as a negative word, while 52% of consumers think it's 'very important' that a brand proactively makes the world a better place.

Actions like treating employees well, improving on sustainability, and helping the most vulnerable are expected of brands. Meanwhile, 'virtue signalling' is seen as far less important than positive action.

PURPOSE-LED COMPANIES

We often forget that people buy ideas not just things.

Consumers "want brands to embody an inspiring ethos, bring a strong point of view, and take action to make a positive impact in the world" – that is what purpose is.

Our purpose and the beliefs we stand for can shape our identity and behaviour as a brand as well as create a loyal following. We buy with our emotions not just carefully considered rational decisions. And this is why consumers tend to align themselves with brands that say a lot about who they are and what they believe.

PIVOT ON PURPOSE

If your purpose is strong you can diversify your services based on your purpose without losing a sense of who you are and still stand out.

Let's look at a restaurant for example. If their purpose is to ensure their customers enjoy great food, how they get that food can change without affecting who the company is. Many restaurants pivoted from seated dining to delivery, keeping their purpose intact, and maintaining customers.

Repackaging and delivering raw quality ingredients that were already ordered and stockpiled in storage was another way restaurants adapted. This allowed restaurant businesses to remain relevant by serving a new need and increased engagement and visibility with bored consumers wanting to experiment in the kitchen.

As an example, we can look at Côte at Home.

"Cote's chain of brasseries and bistros moved to online delivery of their French cuisine. Using geo-location-based Facebook ads, the business was able to identify and target its primary market with their new offering.

Delivery of goods like meats, chilled bistro meals, wines, and desserts as well as surprise gifts from the business, have engendered positive reception from its patrons."

Maintaining their high quality and authentic french cuisine through online delivery helped them stay true to their purpose and stand out next to the competition when everyone is going online.

Diversifying your services and changing the way your business operates is akin to driving a car, you may have switched lanes but the engine (purpose) that drives you forward is still the same, as is your direction and destination.

If you are diversifying your services, so that you can *'find the money'* and maintain your cash flow during the recession, expand your service range on your purpose and shout out about it. It will make that service stand out like a Batman beam.

Brand purpose makes all the difference in the best of times, but especially so in a crisis, but it MUST be authentic. By this, we mean words are followed up with actions.

Businesses exist to service people, not just make money – who do you serve? Do you place purpose over profit?

Purpose Exercise

- Why do you exist beyond making a profit?
- What does your business add to making the world a better place?
- Does your founder story help you shape your purpose?
- What does your brand say about who you are to your consumers?
- What do your customers say about you?
- What do your employees say about you?
- How can you action your purpose through your marketing communication during the recession?

Conclusion

Businesses with a strong purpose simply had to continue being themselves when lockdown started. And these aspects of branding will serve them well preparing for the oncoming recession.

In times of crisis, people want brands to be truthful, useful and have a voice. But to do this authentically will mean your actions are aligned to your brand's purpose, values and personality. A strong foundation helps your business brace for the impact of sudden change. These foundations are forged in a robust brand strategy.

Now is the time to build a resilient brand that can carry your business through whatever tomorrow brings.

How Business Can Create Value for All Stakeholders

Medium
Oct 11, 2019
https://medium.com/the-mission/how-business-can-create-value-for-all-stakeholders-cb2a454d27b9

Through Practices That Improve Social and Environmental Factors, Companies Build Stronger Economies and Communities.

As a new social contract between business and society gains broader traction after the Business Roundtable's commitment "to lead for the benefit of all stakeholders," a community of businesses stands ready to help turn those words into concrete actions.

More 10,000 successful Certified B Corporations and benefit corporations already have adopted stakeholder governance and are delivering value to their shareholders *and* to their customers, employees, suppliers, and communities, while preserving the natural systems on which all life depends.

The shift from shareholder primacy to stakeholder capitalism is a natural evolution that occurs through positive changes like those B Corps and benefit corporations are making through their everyday operations. Below are examples from two B Corps of business practices and worker innovation that show how to transform bold words about purpose into concrete actions that create value for everyone.

Health Care Beyond the Clinic

Northwest Permanente, a Portland, Oregon-based medical group with more than 1,300 physicians and clinicians, recently released a climate action plan for its operations and region — a unique move in the health care industry. The Northwest Permanente plan includes steps to ensure that vulnerable populations in its communities have a leading voice in planning for climate interventions; minimize the B Corp's greenhouse gas footprint and offset the carbon its core business creates; and make the case for climate-smart business as a strategy for financial solvency amid growing uncertainty.

"What we're really trying to say is that health care goes way beyond the clinic, and we need to address social and environmental factors. Over 60% of health issues are around housing, security, education, and transportation," says Carolyn Allison, interim director of communications at Northwest Permanente. "Addressing the climate crisis is imperative for the medical community. As physicians, our voices are among the most trusted resources when it comes to issues that will impact our health, yet the field of medicine has been slow to respond to this issue. We created a platform that other health systems can use, and we're really excited about that."

By stepping up to face our planet's biggest social and environmental challenges with steps such as a climate action plan, B Corps like Northwest Permanente serve as a model for other businesses looking to build a better world and a healthy and strong future for themselves and others.

Northwest Permanente also steps up in its communities through volunteering for change. This includes physicians and clinicians who participate in caring for the unserved populations by staffing free clinics during Martin Luther King Day of Service and throughout the year. In the NWP Hippocrates Circle program, physicians serve as mentors for middle school students interested in a health care career to ensure the medical workforce of the future represents the communities it serves.

Read more about Northwest Permanente and other B Corps working to improve the health of their communities.

NativeEnergy helps businesses offset the environmental impact of their operations through renewable energy sources like solar.

Growing Benefits of Regenerative Agriculture

Carbon-offset provider NativeEnergy, a B Corp since 2016 and a benefit corporation since 2018, works with businesses to mitigate their impact on the planet by taking a look at a company's entire supply chain to find areas for improvement. NativeEnergy also promotes net-positive practices like regenerative agriculture through a soil-based carbon emission reductions project.

"Almost all of our businesses touch agriculture in some way, and improving the way we cultivate food and materials has compounding benefits for the climate, biodiversity, waterways, and the resilience of farming communities around the globe," says Tom Stoddard, vice president and general counsel at NativeEnergy.

By examining the footprint of each business client, NativeEnergy finds where a company can direct a portion of its budgets to invest in the landscapes it draws materials from and the communities it relies on for labor.

"For example, if you buy cotton, collaborate with B Corps buying cotton to invest in farmers willing to transition to carbon-sequestering cropping practices," Stoddard says.

With a business goal to improve the capacity of the globe to sequester or mitigate carbon and other greenhouse gases, NativeEnergy walks its talk by sourcing renewable energy for its offices and purchasing offsets to address greenhouse gas emissions from travel and other activities.

The value of value creation

McKinsey
June 16, 2020
https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/the-value-of-value-creation

Challenges such as globalization, climate change, income inequality, and the growing power of technology titans have shaken public confidence in large corporations. In an annual Gallup poll, more than one in three of those surveyed express little or no confidence in big business—seven percentage points worse than two decades ago.[1] Politicians and commentators push for more regulation and fundamental changes in corporate governance. Some have gone so far as to argue that "capitalism is destroying the earth."[2]

This is hardly the first time that the system in which value creation takes place has come under fire. At the turn of the 20th century in the United States, fears about the growing power of business combinations raised questions that led to more rigorous enforcement of antitrust laws. The Great Depression of the 1930s was another such moment, when prolonged unemployment undermined confidence in the ability of the capitalist system to mobilize resources, leading to a range of new policies in democracies around the world.

Today's critique includes a call on companies to include a broader set of stakeholders in their decision making, beyond just their shareholders. It's a view that has long been influential in continental Europe, where it is frequently embedded in corporate-governance structures. The approach is gaining traction in the United States, as well, with the emergence of public-benefit corporations, which explicitly empower directors to take into account the interests of constituencies other than shareholders.

Particularly at this time of reflection on the virtues and vices of capitalism, we believe it's critical that managers and board directors have a clear understanding of what value creation means. For today's value-minded executives, creating value cannot be limited to simply maximizing today's share price. Rather, the evidence points to a better objective: maximizing a company's value to its shareholders, now and in the future.

Answering society's call

Recently, the US Business Roundtable released its 2019 "Statement on the purpose of a corporation." Dozens of business leaders (the managing director of McKinsey among them) declared "a fundamental commitment to *all* of our stakeholders [emphasis in the original]." Signatories affirmed that their companies have a responsibility to customers, employees, suppliers, communities (including the physical environment), and shareholders. "We commit to deliver value to all of them," the statement concludes, "for the future success of our companies, our communities and our country."

The Business Roundtable's focus on the future is no accident: issues such as climate change and income inequality have raised concerns that today's global economic system is shortchanging the future. We agree. The chief culprit, however, is not long-term value creation but its antithesis: short-termism. Managers and investors alike too often fixate on short-term performance metrics, particularly earnings per share, rather than on the creation of value over the long term. By prioritizing (or, perhaps more correctly,

mischaracterizing) shareholders' best interests in terms of beating analyst estimates on near-term quarterly earnings, the financial system can seem to institutionalize a model that cares only for today and all but ignores tomorrow. There also is evidence, including the median scores of companies tracked by McKinsey's Corporate Horizon Index from 1999 to 2017, that the tendency toward short-termism has been on the rise. Certainly, the roots of short-termism are deep and intertwined. A collective commitment of business leaders to clear the weeds and cultivate future value is therefore highly encouraging.

Companies that conflate short-termism with value creation often put both shareholder value and stakeholder interests at risk. Banks that confused the two in the first decade of this century precipitated a financial crisis that ultimately destroyed billions of dollars of shareholder value. Companies whose short-term focus leads to environmental disasters also destroy shareholder value, not just directly through cleanup costs and fines but via lingering reputational damage. The best managers don't skimp on safety, don't make value-destroying decisions just because their peers are doing so, and don't use accounting or financial gimmicks to boost short-term profits. Such actions undermine the interests of shareholders and all stakeholders and are the antithesis of value creation.

Managers and investors too often fixate on short-term performance metrics, particularly earnings per share, rather than on the creation of value over the long term.

Value creation is inclusive

For companies anywhere in the world, creating long-term shareholder value requires satisfying other stakeholders as well. You can't create long-term value by ignoring the needs of your customers, suppliers, and employees. Investing for sustainable growth should and often does result in stronger economies, higher living standards, and more opportunities for individuals. It should not be surprising, then, that value-creating capitalism has served to catalyze progress, whether by lifting millions of people out of poverty, contributing to higher literacy rates, or fostering innovations that improve quality of life and lengthen life expectancy.

A strong environmental, social, and governance (ESG) proposition also creates shareholder value.[3] For example, Alphabet's free suite of tools for education, including Google Classroom, not only seeks to help equip teachers with resources to make their work easier and more productive, but it can also familiarize students around the world with Google applications—especially those in underserved communities who might otherwise not have access to meaningful computer engagement at all. Nor is Alphabet reticent about choosing not to do business in instances that it deems harmful to vulnerable populations; the Google Play app store now prohibits apps for personal loans with exorbitant annual percentage rates, an all-too-common feature of predatory payday loans.[4]

Similarly, Lego's mission to "play well"—to use the power of play to inspire "the builders of tomorrow, their environment and communities"—has led to a program that unites dozens of children in rural China with their working parents. Programs such as these no doubt play a role in burnishing Lego's brand throughout communities and within company walls, where, it reports, employee motivation and satisfaction levels beat 2018 targets by 50 percent. Or take Sodexo's efforts to encourage gender balance among managers. Sodexo says the program has increased the retention of not only employees, by 8 percent, but also clients, by 9 percent, and boosted operating margins by 8 percent as well.[5]

Shareholders and stakeholders: A balanced approach

Inevitably, there will also be times when the interests of all of a company's stakeholders are not complementary. Strategic decisions of all kinds involve myriad trade-offs, and the reality is that the interests of different groups can be at odds with one another. Implicit in the Business Roundtable's 2019 statement of purpose is concern that business leaders have skewed some of their decisions too much toward the interests of shareholders.

Stakeholders for the long term

Time will tell how they act on this conviction. As a starting point, we'd encourage leaders, when there are trade-offs to be made, to prioritize long-term value creation, given the advantages it holds for resource allocation and economic health. Consider employee stakeholders. A company that tries to boost profits by providing a shabby work environment, underpaying employees, or skimping on benefits will have trouble attracting and retaining high-quality employees. Lower-quality employees can mean lower-quality products, reduced demand, and damage to the brand reputation.

More injury and illness can invite regulatory scrutiny and more union pressure. Higher turnover will inevitably increase training costs. With today's mobile and educated workforce, such a company will struggle in the long term against competitors offering more attractive environments. If the company earns more than its cost of capital, it might afford to pay above-market wages and still prosper, and treating employees well can be good business.

How well is well enough? A long-term value-creation focus suggests paying wages that are sufficient to attract quality employees and keep them happy and productive and pairing those wages with a range of nonmonetary benefits and rewards. Even companies that have shifted manufacturing of products such as clothing and textiles to low-cost countries with weak labor protection have found that they need to monitor the working conditions of their suppliers or face a consumer backlash.

Value-creating companies create more jobs. When examining employment, we found that the US and European companies that created the most shareholder value in the past 15 years have shown stronger employment growth.

Or consider how high a price a company should charge for its products. A long-term approach would weigh price, volume, and customer satisfaction to determine a price that creates sustainable value. That price would have to entice consumers to buy the products—not just once, but multiple times, for different generations of products. The company might still thrive at a lower price point, but there's no way to determine whether the value of a lower price is greater for consumers than the value of a higher price to shareholders, and indeed to all corporate stakeholders, without taking a long-term view.

Social consequences

Far more often, the lines are gray, not black or white. Companies in mature, competitive industries, for example, grapple with whether they should keep open high-cost plants that lose money, just to keep employees working and prevent suppliers from going bankrupt. To do so in a globalizing industry would distort the allocation of resources in the economy, notwithstanding the significant short-term local costs associated with plant closures. At the same time, politicians on both sides of the aisle pressure companies to keep failing plants open. Sometimes, the government is also a major customer of the company's products or services.

In our experience, managers not only carefully weigh bottom-line impact but also agonize over decisions that have pronounced consequences on workers' lives and community well-being. But consumers benefit when goods are produced at the lowest possible cost, and the economy benefits when operations that have become a drain on public resources are closed and employees move to new jobs with more competitive companies. And while it's true that employees often can't just pick up and relocate, it's also true that value-creating companies create more jobs. When examining employment, we found that the US and European companies that created the most shareholder value in the past 15 years have shown stronger employment growth (exhibit).[6]

Value creation is not a magic wand

Long-term value creation historically has been a massive force for public good, just as short-termism has proved to be a scourge. But short-termism isn't the only source for today's sense of crisis. Imagine, in fact, that short-termism were magically cured. Would other foundational problems suddenly disappear as well? Of course not. There are many trade-offs that company managers struggle to make, in which neither a shareholder nor a stakeholder approach offers a clear path forward. This is especially true when it comes to issues affecting people who aren't immediately involved with the company. These so-called externalities—perhaps most prominently, a company's carbon emissions affecting parties that otherwise have no direct contact with the company—can be extremely challenging for corporate decision making because there is no objective basis for making trade-offs among parties.

That's not to say that business leaders should just dismiss the problem of externalities as unsolvable, or something to be solved on a distant day. Punting is the essence of short-termism. With respect to the climate, some of the largest energy companies in the world, including BP and Shell, are taking bold measures right now toward carbon reduction, including tying executive compensation to emissions targets.

Still, the complexity is obvious for any individual company striving to comprehensively solve global threats such as climate change that will affect so many people, now and in the future. That places bigger demands on governments and investors. Governments can create incentives, regulations, and taxes that encourage a migration away from polluting sources of energy. Ideally, such approaches would work in harmony with market-oriented approaches, allowing creative destruction to replace aging technologies and systems with cleaner and more efficient sources of power. This trading off of different economic interests and time horizons is precisely what people charge their governments to do.

Punting is the essence of short-termism. With respect to the climate, some of the largest energy companies in the world are taking bold measures right now toward carbon reduction, including tying executive compensation to emissions targets.

Institutional investors such as pension funds, as stewards of the millions of men and women whose financial futures are often at stake, can also play a critical supporting role. In the case of climate change, longer-term investors concerned with environmental issues such as carbon emissions, water scarcity, and land degradation are connecting value and long-term sustainability. Indeed, investor scrutiny has been increasing. Long-term-oriented companies must be attuned to long-term changes that will be demanded by both investors and governments, so that they can adjust their strategies over a five-, ten-, or 20-year time horizon and reduce the risk of stranded assets, or those that are still productive but not in use because of environmental or other issues.

Unfortunately, governments and long-term investors don't always play their roles effectively. Breakdowns can lead to divergences between shareholder value creation and the impact of externalities. Failure to price or control for externalities will also lead to a misallocation of resources. Those effects can create new stresses, and sometimes outright divisions, between shareholders and other stakeholders.

Yet as the Business Roundtable statement affirms, the interests of shareholders and stakeholders can go hand in hand. Businesses make a vital contribution by creating value for the long term. Doing so in a sustainable manner calls for meeting the concerns of communities (including the environment), consumers, employees, suppliers, and shareholders alike. A short-term focus necessarily shortchanges some or all of these constituencies. A long-term commitment toward value creation, by contrast, almost axiomatically takes a broad range of constituent interests into account. Of course, it's not the cure for all social ills (beware of anything that purports to be!), but a commitment to long-term value creation is something worth valuing indeed.

How Does Value Creation Lead to Business Success?

CFO Perspective
Feb 6, 2020
https://cfoperspective.com/how-does-value-creation-lead-to-business-success/

Business success comes from value creation for owners, customers, and employees. Value is being built or destroyed throughout your business.

What's the purpose of your business? Some would define it as profitability, cash flow, security, or freedom. The purpose of a business is to serve the values of you as the owner. Its purpose is value creation for the owner. This can become easily lost in the day-to-day management of the company.

What you value may change over time. For example, once your company achieves a certain level of cash flow, you may want more time or a more flexible schedule.

Let's define value creation and explore ways your company can create more value for you.

Value creation definition

The definition of value creation is giving something valuable to receive something else that's more valuable to you. This definition is broad and captures both costs and benefits. Further, it applies to owners, customers, and employees, as I'll describe later.

Isn't it just profitability? It might be for shareholders of large businesses but becomes less true for small businesses. A shareholder of a large business may only care about profits. It's a component in their investment portfolio and its only role is to enlarge their wealth.

Some investors have gone beyond that to impact investing and want more than just income from their investment. This has led to the rising popularity of B-corporations. Impact investing and B-corporations balance financial returns with producing a public benefit. They are driven by both mission and profit.

Value creation must be defined very broadly for small businesses because their owners define value in many ways. Small businesses have even more non-financial definitions of success. You have the freedom to define value creation of your company for your specific values.

It may be how you can live out your values or achieve goals you couldn't do individually. You may want time or freedom. It may be your status or position in the community. Owners often have a deep devotion to employees and are willing to provide for them even if it means reduced profits.

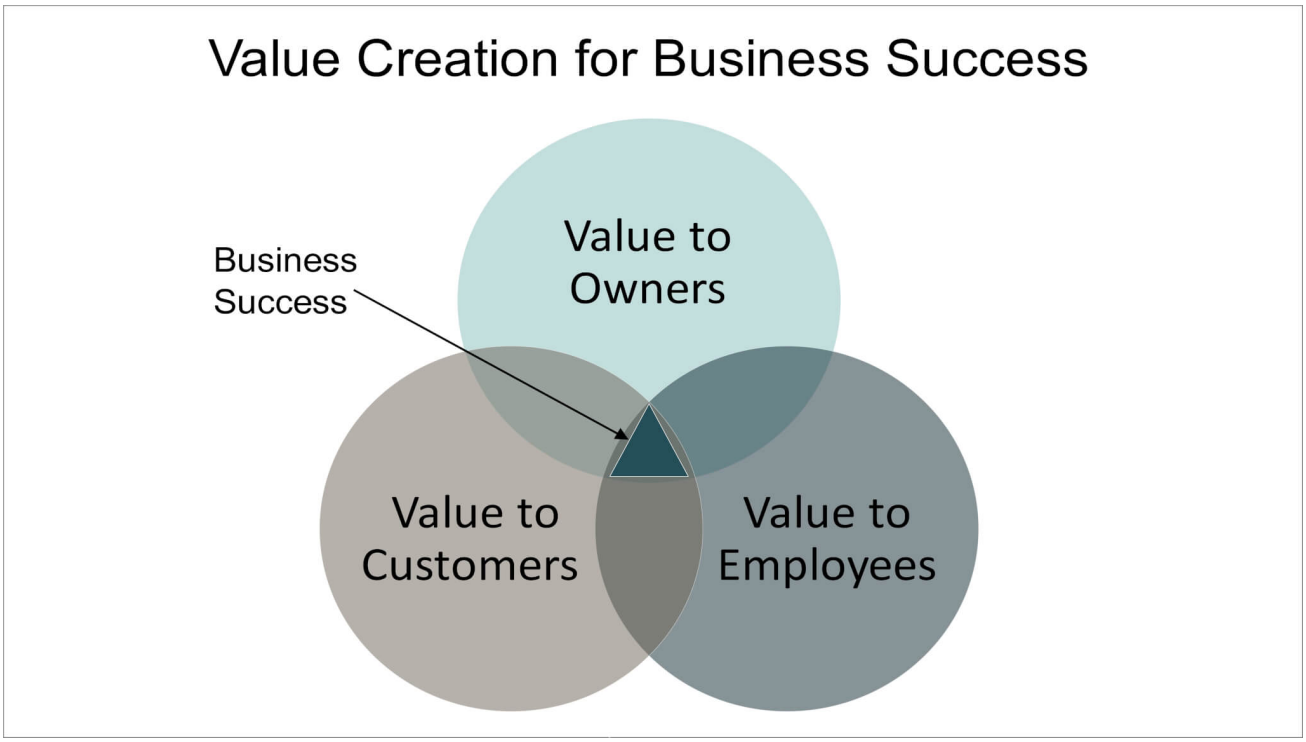
Clarifying your values takes work. I go into detail on how to do this in my blog article on how business goals move you from distraction to direction. In that article, I provide exercises to:

- Identify your life aspirations
- Develop the primary aim of your business
- Develop goals that focus your company on achieving that primary aim.

You can define “value” in many ways. I’ve created a short worksheet with three exercises to clarify your values and set the purpose of your company. You’ll list what you want to be, do, or have in your life and how your company can support that. Download the free worksheet here.

Value creation for customers

You get value when you give value. Your business will only succeed if you provide great value to both your customers and to employees. Think of it this way:



Businesses fail when they can’t produce value for both owners and customers. I’ll explain later in this article how to create value for employees.

At one extreme, you could create a product with high value to you but customers don’t see a need for it. You don’t make sales, which means you don’t create much value for you.

For example, a business owner could create a high-tech gadget at a high price. It’s a business failure if customers aren’t willing to pay the price or don’t see a need for the device. These owners aren’t serving their customers and they aren’t earning profits. They haven’t created value.

The other extreme provides value to customers but no value to owners. Owners do this when they provide their services or products at prices near or below their costs. The company is very busy making little profit or cash flow. This owner would need to find some other source of value to justify this. This may be viable if it’s part of a larger pricing strategy that provides profits later. I talk about this in my pricing strategies article.

I’ve been asked many times to analyze a product or pricing strategy that they know will be very popular with customers. These products often devastate company profits. Financial analysis has proven many “great ideas” to be earnings disasters.

You get value when you give value

It's easy to be caught up in the excitement of a potentially great idea. Take time to challenge it and do the financial analysis on it. I talk about how to do the financial analysis in this article.

Common selling wisdom is to sell benefits and not features. People care most about how their life will be better. The features are just proof that your product or service can deliver the benefits.

Carmine Gallo, the author of Talk Like TED, summarizes this as "Sell dreams, not products."

In an Inc. article titled "The Hidden Reasons Why Customers Buy Your Products," Katlin Smith states, "People make purchases that fit who they are or who they aspire to be (or both). Who are your customers? Who do they want to be? Determine this. Keep it in mind at all times."

In my free customer dreams worksheet, you can identify the dreams of your customers and how you fulfill them. You can then clearly communicate the value you provide to customers. Click here to learn more about the worksheet.

Where value creation occurs

You can create value throughout your company. It doesn't just happen when you sell your product. It starts with how you structure your company. Value creation continues with how you build your product or provide your service. It's completed with the sale.

Value creation from how you build your business

Committing to what's best

Many owners want too many good things because they haven't committed to what's best. You can't have it all. An old saying is "The person who chases two rabbits catches neither." Wouldn't it be better to get the largest amount of what you want the most?

I talked earlier in this article about clarifying your personal aspirations and the purpose (or aim) of your company. The rubber meets the road of that purpose when you commit to it at the expense all else. Saying yes to everything means saying no to large amounts of what you value most. You must commit and be willing to make the tradeoffs.

Clarity of purpose produces elegant simplicity. As the saying goes, "When your vision is clear, the decisions are easy." You aren't wasting your time, energy, or money. Your company focuses on providing that profitable overlap of what you value and what your customer values.

Your supportive team

You don't achieve your goals alone. You need the support of mentors, contractors, and employees. All but the smallest companies rely heavily on the support of their employees.

We can't just provide value to our customers to succeed. We must also provide value to our employees.

Is this value just having a job and getting a good paycheck? It's enough for getting their bodies to show up for work but not their hearts and minds. They'll give the minimum when they're given the minimum.

Effective employees want purpose, not just paychecks

Effective employees want purpose, not just paychecks. You want employees that are internally motivated to provide value for your customers. That sense of purpose and accomplishment energizes them.

Money is a weak motivator. In research done by Sylvia Hewitt, she found that both Boomers and Gen Y found motivators like "a great team" and "the ability to give back to society through work" to be more important than money.

Value creation from buying or building assets

You often create the bulk of your profits before you make a sale. There's a saying in real estate that the profit is made when you buy – not sell – a property. This means there is more opportunity for profit by finding underpriced properties than the ability to sell at a premium.

Many bankers, especially lenders, think loans provide the biggest profits for banks. Banks get most of their revenue from loans. Yet the price of bank stocks is driven by the strength of that bank's deposits more than its loans. The market values deposits more than loans.

It's easy to link value to when you see the cash. It's easy to confuse activities that produce revenues as creating the bulk of the value. In the banking example above, loan interest is income to the bank and deposit interest paid to depositors is an expense. How can something that causes expenses be more valuable than what creates income?

The key is to think of your business as a complex system of value creation processes.

One way to think about it is to break the whole system into pieces by imagining each process being its own company. Which processes are more stable and profitable? Where are the opportunities? There are a couple of ways to estimate this:

1. Estimate the profit as the cost of each process compared to the increase in the value of the product from that process.
2. Compare your cost of a process or product to industry averages. Greater efficiency creates greater profits.

For example, banks can invest in anything and still make a profit when they find cheap deposits. When they have expensive deposits, the only way to make a profit is by finding higher yields. That may cause them to make riskier loans with higher yields, which is dangerous.

It's easy to miss where you're creating value when you're just looking at sales. You can create profits by both lower costs and higher revenue.

Value creation from sales and marketing

Selling communicates value to customers so they recognize it and are willing to pay for it. Profits come from both the *creation* of value in production or service delivery and *communication* of value through your sales process.

A good sales process can do two things:

1. Communication: Some products are said to "sell themselves". In these cases, focus your sales dollars on getting the word out as broadly and clearly as possible at a low price. Customers must understand the value you can provide to them to pay what it's worth.
2. Creation: You create value in your sales process by improving what people believe about you and your product. The product is still the same, but sales increase because your customers perceive a higher value.

The sales function can be your biggest missed opportunity. You could create great value in the product or service but underinvest on marketing. Never underrate the power of building a brand. Do the work to build the trust and knowledge customers need to be willing to buy.

The opposite mistake is to waste dollars on a sales process that provides little value. This usually occurs when owners see sales revenue but don't know what's driving it. They haven't learned what their customers truly value. Driving blindly, they continue to pour money into sales staff and marketing to keep the sales going.

"Half the money I spend on advertising is wasted; the trouble is I don't know which half"

John Wanamaker

John Wanamaker, a successful business owner from many years ago, is credited with saying "Half the money I spend on advertising is wasted; the trouble is I don't know which half". Do you feel the same way?

Sales staff are usually very highly compensated. This means there must be a large creation of value at the sales stage to justify the expense. Otherwise, you're destroying value (losing money) in your sales process. Here are ways to determine whether you're creating value through your sales and marketing process:

- Higher profits: Are your good sales staff profits well above your weaker salespeople? Make sure you're measuring profits and not sales. Some salespeople are better at convincing their company to sell at a lower price than convincing customers to buy at standard prices. Salespeople that can create larger profits are creating value for your company.
- Repeat Sales: Identify the salespeople or marketing channels that lead to repeat sales. They haven't just made a sale; they've created loyal customers.
- A/B Testing: You can experiment to see what increases profits. A/B testing is the process of comparing the results of two different sales or marketing strategies. You can learn more from this article on LinkedIn.

Incentive pay is popular for sales staff and managers. These incentives are sapping the productivity they were meant to promote.

Daniel Pink, in his insightful book Drive, states that monetary "rewards can deliver a short-term boost [to interest and productivity]... but the effect wears off- and worse, can reduce a person's long-term motivation."

The London School of Economics did an analysis of 51 studies of financial incentives. Here are some quotes from their conclusions:

- “Performance-related pay often does not encourage people to work harder and sometimes has the opposite effect”
- “We find that financial incentives may indeed reduce intrinsic motivation and diminish ethical or other reasons for complying with workplace social norms such as fairness. As a consequence, the provision of incentives can result in a negative impact on overall performance”
- “Companies should be aware that the provision of performance-related pay could result in a net reduction of motivation across a team or organization.”

The sales and marketing process is when your customer first learns the value you can provide to them. You may be creating or destroying value to the owners by how you invest in this area.

Looking for Value

I was the CFO of a bank and would get frequent calls from a bond broker. When I would ask how things were going, he would often reply, “I’m just looking for value.” We can say the same for ourselves as business owners.

We’re constantly looking for ways to provide value to our customers and employees. When we create value for our employees and customers, they provide value to us as owners. A company’s purpose is value creation for owners.

Linking the customer experience to value

McKinsey & Company
March 4, 2016
https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/linking-the-customer-experience-to-value

Many customer-experience transformations stall because leaders can't show how these efforts create value. Patiently building a business case can fund them, secure buy-in, and build momentum.

The road to failed customer-experience programs is paved with good intentions. Executives are quick to see the end-game benefits of a customer-centric strategy: more satisfied customers, increased loyalty, a lower cost to serve, and more engaged employees. But they often fail to understand clearly what a superior customer experience is worth and exactly how it will generate value. At a recent roundtable, fewer than half of the customer-experience leaders present could say what ten points of net promoter score would be worth to their businesses.

Video

Improving the customer experience

McKinsey principal Kevin Neher explains how companies can meet changing consumer expectations.

Many companies begin their efforts to change the customer experience with a broad aspiration to transform it. Executives launch disruptive initiatives to delight customers with bold moves and innovations. But they often fail to quantify the economic outcomes of differences in customer experiences, so their efforts end up having clear costs and unclear near-term results. Customer-experience transformations invariably raise questions about business policies, cross-functional priorities, and how to invest in innovation. Without a quantified link to value and a sound business case, such efforts often can't show early gains, build momentum among functional executives, and earn a seat at the strategy table. They stall before they ever really get going.

There is a better way, anchored in science, fresh research, and a structured methodology. We also find that the most successful programs are self-funding—early wins remove costs from the system and simplify the business. Those savings can then fund medium-term initiatives to innovate, to change the trajectory of the customer experience, and to support some of the boldest actions. With a self-funding business case, a customer-experience program can maintain momentum and build buy-in throughout an organization.

Make no mistake, however: building an unambiguous link between the customer experience and value requires patience and discipline to invest early in an analytic approach. It is easy to skip this step for the sake of speed, but that is a mistake every time. When establishing a link to value is done well, it provides a clear view of what matters to customers, where to focus, and how to keep the customer experience high on the list of strategic priorities.

In essence, getting the logic and the math right for a successful program requires a structured approach and real science to achieve three objectives: building an explicit link to value, directing investments to

where they will do the most good, and designing a detailed road map populated with early successes to self-fund the transformation.

Building an explicit link to value

Companies investing to improve the customer experience must be clearer about what it is actually worth and exactly how the improvements will generate value. To construct this link, start by defining the customer behavior that creates value for your business and then follow customer satisfaction over time to quantify the economic outcomes of different experiences. Several steps can help.

Develop a hypothesis about customer outcomes that matter. Start by identifying the specific customer behavior and outcomes that underpin value in your industry. For example, in the telecom sector, more satisfied customers should be less likely to churn, have fewer issues that escalate into calls, and sign up for more products. Airlines will focus on capturing a greater share of trips and trip revenues and on lowering the cost to serve. Business outcomes will vary by industry, but the principle is the same—postulate three to five hypotheses about the outcome measures that deliver value.

Link what customers say to what they do. The next step is to link what customers say in satisfaction surveys with their behavior over time. Begin by building a customer-level data set of the results of past surveys that asked respondents about their overall satisfaction or willingness to recommend your products or services. Using an email or customer identifier (with due regard to customer privacy concerns and in compliance with applicable regulations, of course), most companies can link survey results back to their databases. Query your customer database to pull down two to three years of monthly data for each priority outcome measure. For example, a pay-TV company matched its historical willingness-to-recommend survey responses at a customer level, on the one hand, with two years of monthly data on customer retention, cost to serve, revenues, product upgrades, and referrals, on the other. This type of link will form the backbone of your customer-experience data analysis.

Analyze the historical performance of real customer cohorts. Using customer data linked to survey respondents, analyze customers you designate as satisfied, neutral, or dissatisfied over a period of one to two years. How much less subject to churn are satisfied customers than dissatisfied ones? What about generating expensive calls, adding additional lines of business, or defaulting on loans? For each group of customers and segments, summarize the one- to two-year outcomes. Those with larger differences among dissatisfied, neutral, and satisfied customers tend to link more solidly to value. Leading customer-experience companies use these data to estimate the value, at an enterprise level, of moving 5 percent of their dissatisfied customers to a neutral status.

Look at the trend to take a forward-looking view. Successful customer-experience programs look forward, not backward, in assessing the link to value. Building a business case solely on backward loyalty data may overinflate the economics in ways that bias investment decisions. For example, since 2009 the stated loyalty of customers has dropped by 20 percent for pay-TV companies that provide an average customer experience. By looking at year-over-year changes in outcome measures for dissatisfied, neutral, and satisfied customers, companies can build a view of where the link to value is heading.

Track outcomes. In our experience, the best approach to quantify the value of the customer experience is to track outcomes over time for each customer segment that matters. To set priorities and quantify payouts for improving the customer experience, every company with a program to improve it should be able to link satisfaction directly to business outcomes.

Directing investments to where they will do the most good

To be confident that your customer-experience program will generate a positive return on investment, building a link to value is necessary but not sufficient. The next step—where most companies fall short—is to base priorities for initiatives and opportunities on their importance to customers.

What matters to customers

To do this well, a company must create a model of what matters to customers, a graded short list of customer pain points to eliminate or fix, and a view of opportunities to innovate as seen from the customer's perspective. A number of actions can be taken.

Focus on customer-satisfaction issues with the highest payouts. Customer-experience break points are not standard across industries. For example, in health insurance, improving the experience of customers who are dissatisfied with the service so that they become merely passive about it has more economic impact than migrating such "passives" to the category of people willing to promote the service. However, in retail banking, every promoter does matter—moving someone from the 80th to the 90th percentile of satisfaction has a significant economic payout. Using the link-to-value analysis outlined earlier, determine if it would be more valuable to reduce the number of detractors or to create more promoters, and then focus your portfolio of customer initiatives on achieving that goal to maximize the return on your investment from the start.

Build a model around what matters to customers. End-to-end customer journeys, not individual touchpoints, are the unit to measure when setting priorities for your customer-experience investments. Why? Our research has found that journey performance is significantly more strongly linked to economic outcomes than are touchpoints alone. Modeling customer satisfaction around journeys rather than touchpoints enables you to estimate the most important end-to-end journeys across customer segments. Start by rethinking the scope of existing surveys. Test whether they cover the most important customer journeys and lesser elements of customer satisfaction. Next, expand your customer data set so that it links up with operational data, as well as input from employees and customers. Finally, you can use advanced "derived importance" analytics, such as Johnson relative weights,[1] to build a model of customer satisfaction that links perceived and operational performance on each journey with long-term costs and revenues.

In addition to identifying the most important journeys, supplement the model by exploring how consistently you perform. In our experience, improving your consistency in delivering a flawless customer journey is often one of the best ways to create value. A flawless onboarding journey, for example, might entail a single sales phone call, zero callbacks, service activation within 48 hours, active usage in the first ten days, and no issues on the first bill. A company may be 80 to 90 percent successful at each stage of that sequence, but only 30 to 40 percent of customers will have a flawless experience end to end. Done well, the satisfaction model will also help you measure the value of consistent performance.

Within journeys that matter, size and set priorities for key areas to improve. Once you know the journeys to focus on, assemble a cross-functional team to dig into possible initiatives to improve your performance. What pain points or opportunities will help you differentiate your company? Where do you want to focus first?

To create a set of pain points, analyze the voice of the customer, starting with the driver model above. But extend it into specific operational surveys, focus groups with customers who recently undertook the

journey in question, and deep structured interviews to highlight pain points, missed expectations, and opportunities to differentiate. In parallel, the voice of the employee will help you gather the experience of those who know customers best—the front line. Use site visits, employee focus groups, and supervisor interviews to construct a map of the current journey and a short list of pain points, complexities, and opportunities to streamline.

Once you have listed the pain points, size the potential impact of each, using three measures: reducing the cost to serve, capturing longer-term revenues and loyalty, and improving overall satisfaction. In the customer-experience area, the most concrete business cases are often built on a near-term reduction in the cost to serve: fewer calls, escalations, technician visits, and so on. These moves remove both customer pain points and costs from the system. Then measure longer-term outcomes. For example, mobile customers who dispute their first bill are less likely to remain active 12 months later—a lagging effect common across many industries. Finally, for each journey, size the potential impact of improvements at every pain point on overall customer-satisfaction scores. Moreover, what does the model you have created suggest about the value of customer-satisfaction improvements over time? Taken together, the near-term cost, medium-term loyalty, and overall-satisfaction analysis will help you set priorities for addressing specific pain points in the journeys that matter.

Identify opportunities to innovate and disrupt in competitive white spaces. While eliminating pain points for customers is important, it is equally critical to identify areas where you can differentiate your company from competitors as customer expectations change. For example, retail-banking customers increasingly want a digital, branchless, and paperless experience. Getting ahead of that trend is far more important than incrementally improving the branch experience.

Where else can you innovate?

Voice-of-customer analysis can provide a starting list of disruptive ideas. How else can you decide where to innovate? First, focus innovation resources either on important customer-experience journeys where you have a large gap against competitors or on reasonably important journeys where the gap is narrow or unclear. The model described above will help you estimate the potential for disruption in those areas.

Second, look at your operational data for digital-innovation opportunities. Which customer journeys drive the largest number of calls? For example, a typical banking customer of the diversified financial-services group United Services Automobile Association would make multiple calls to obtain a new car loan. USAA turned this process into an online digital-loan-origination solution. Journeys that generate more than six calls per customer are leading opportunities for digital innovation; you can build an economic case around reducing the cost to serve customers and promoting loyalty by engaging them more intensely.

Third, conduct ethnographic research to follow customers in their daily lives and identify unmet needs and innovation ideas. Then assess these ideas against the customer-satisfaction model to estimate the potential impact.

Designing a road map with early successes to self-fund improvements

So far, you have analyzed what matters to customers, set your priorities for customer journeys, and weighed the importance of initiatives. Now you can construct a transformation road map backed by a clear business case. Many customer-experience efforts lose momentum because the path to impact is too slow or too vague. Efforts to improve near-term quarterly performance can therefore sweep aside initiatives to improve customer-satisfaction scores. To overcome that risk, successful efforts construct road

maps that ring the cash register in the near term, fund themselves in the medium term, and make a long-term impact anchored in a model of the things that matter most to customers. To create that road map, it can help to follow these steps.

Calculate each initiative's expected value, time to capture, and cost to implement

The exploration of what matters most to customers should unearth the value of initiatives under consideration and help to crystallize a short list of priority efforts. With that in hand, convert an initiative's overall potential impact into an expected value by combining the severity of an incident or opportunity (for instance, its magnitude of impact, whether it is positive or negative, or when it occurs) with its frequency (say, how often all or part of the customer base is affected). For example, a telecom company would consider a phone's technical failure a severe but infrequent event. By contrast, surprise billing changes are less severe as individual events but happen all the time. Addressing the customer shock from billing changes almost always represents greater overall value.

For each of these examples (and others), a cross-functional team must then estimate the time needed to capture the value at stake. If the expected benefit is reducing customer churn or boosting future revenues, a payoff may not be visible for more than 12 months. Finally, estimate implementation costs.

In a smart sequencing, you want to order and balance multiple initiatives: those that will affect the largest number of customers, that will pay off quickly, and that address the most severe problems or the most important areas to exploit.

Separate initiatives to help balance the portfolio

To achieve the right balance and sequence, two dimensions are critical. First, some initiatives, such as simplifying billing or revising rules on issuing customer credits, will be policy driven. Others, such as enhancing the skills and training of field technicians or boosting customer-service skills at a retail bank, will require a frontline field rollout. In general, policy initiatives can be directed centrally and are therefore faster to implement than field-driven initiatives requiring disciplined rollouts in waves. A well-sequenced road map balances both types of initiatives throughout.

Second, some initiatives will affect nearly all customers, and some will be severe opportunities that affect only a few. A good sequencing balances both because companies must ensure that a majority of their customers experience the change in some way. An overemphasis on severe incidents and opportunities is a common blind spot.

Design a balanced road map that will signal success and fund itself

With the expected value, cost, and impact timetable for each initiative in hand, and with a clear sense of which initiatives can be undertaken centrally and which require a rollout in the field, operators will have enough information to build a well-sequenced road map. Keep in mind a few design principles:

- Ensure some quick wins early. For example, make a policy change that is easy to implement, even if its impact is relatively small.
- Tackle at least one sacred cow in the early going to signal that you are serious. Every company has them—often, some pricing or policy element that the organization knows to be customer unfriendly but generates such high earnings that most executives shy away from unwinding it. Armed with a robust fact base, leaders can demonstrate the value of piloting such initiatives.

- Balance severe incidents and opportunities with frequent ones—make sure the road map will touch all customers and all employees in some way within the first year.
- Finally, use the early wins to finance investments in longer-term solutions—for example, upgrading systems or easing logjams in IT. Armed with your analysis of what matters to customers, you will typically find constructing the business case to be straightforward.

Many companies begin customer-experience efforts with lofty ambitions but a poor grounding in linking programs to value. There is a better way. Take the time to construct a self-funding business case and you will reap company-wide buy-in as your reward. That will anchor your customer-experience program and pay dividends long after the up-front months needed to do it right have passed into history.

7 Ways To Make Your Business Stand Out In A Crowd Of Competitors

Forbes
Feb 23, 2017
https://www.forbes.com/sites/larrymyler/2017/02/23/7-ways-to-make-your-business-stand-out-in-a-crowd-of-competitors/

In a world where the competition regularly claims to be #1, it's difficult to differentiate and build your own identity. Difficult, but not impossible. Look at big brands like Pepsi, KFC and Zara. They have built their brand identities to command a large share of the market. Effective differentiation is one of the main challenges small businesses face, as they are forced to compete against big companies.

Let's look at seven ways to help your business stand out from the crowd. Each one of the following factors has worked well in countless companies. How many of them are part of your current branding strategy?

1. Provide Legendary Customer Service. Treat your customers like royalty, even if you are not in the service industry. The belief that customer service only matters in the service industry is a myth. All customers have an expectation of great service and will not put up with waiting in long lines or receiving poor responses from representatives. Around 75% of customers state that they consider customer service a true test of a company's competence. Well-known companies with great customer service include Amazon and Hyundai. But even small companies seem to be doing much better in this area, as they have discovered the loyalty-generating power of remarkable customer support.

2. Admit Mistakes and Fix Problems to Build Stronger Relationships. Customers equate experience with brands. If they have even one bad experience that remains unresolved, they will write off the brand. And negative feedback spreads like wildfire through social media and word of mouth. You need to be on top of your game to improve the customer experience, sometimes by going far out of your way. One major point is to accept your mistakes, whether they are your fault or not. Customers prefer businesses that own up to their mistakes and take steps to correct them. In fact, customer relationships can actually be stronger after a problem than before, if handled well by your people.

3. Be Honest About Your Products and Services. Honesty is not just the best policy; it should be your main policy. Can't deliver by a due date? Call and let your buyers know. One of your field reps messed up on a bid? Immediately have a tough conversation with your client. Lying to customers is like shooting yourself in the foot. If your customers catch you lying, they will lose faith in you and may even spread negative feedback about your business. One common form of dishonesty in business is failing to share bad news. In reality, the faster you share bad news, the more your customers will respect you. Just make sure you follow up with solutions as mentioned in #2 above.

4. Come Up With Something New. Continue to reinvent your company by adopting emerging technologies and introducing new processes, products and solutions. For example, make use of social media and mobile apps as a growing number of buyers prefer to find and work with you through their phones. There have been many examples of people coming up with unique ideas that have made a lasting impression, such as a real Santa Claus in Birmingham. All of these attention-grabbers help businesses stand out from the crowd; however, to be effective the underlying product or service must be at least up to par.
5. Embrace Corporate Social Responsibility. While some may argue that a company's main responsibility is to take care of its core stakeholders such as customers, employees and owners, experts believe that businesses should give back to society as well. Look at Microsoft. It has excellent CSR programs that not only help society but also keep the corporate giant in the news. CSR programs help businesses stay in customers' minds, improve goodwill, and often bring in more revenue.
6. Start a Blog. Most forward thinking companies are familiar with the benefits of blogging. If you're tired of being overlooked online; if you're seeking a fresh way to share ideas and have your voice heard, get involved with corporate blogging. You can write the content yourself and/or involve employees to regularly contribute. Many companies hire outside writers to provide content. Sometimes it's good to have someone else handle certain tasks. Caution: Be sure to concentrate on high quality content in your blog. Purely promotional text will drive readers away, while insightful, entertaining and educational content will attract them.
7. Offer a Guarantee. Can you guarantee next-day delivery? Are you confident enough in your product or service to stand behind it 100%? If so, guarantee it. Adding this type of assurance to your marketing message shows customers and prospects that you truly care about their satisfaction. Here's the only thing you need to remember: you must back up your guarantee if and when the time comes.

Standing out in a crowd of competitors is no easy task, and it's getting more difficult all the time. Choose one or more of these tactics to create an advantage for your venture.

Workplace Culture Without An Office: Is It Possible?

Forbes
June 11, 2020
https://www.forbes.com/sites/laurelfarrer/2020/06/11/workplace-culture-without-an-office-is-it-possible/?sh=2dbdcd074013

Birthday cake in the break room, ropes courses on in the woods, and chats at the coffee pot - shared celebrations and activities throughout the workday have always been what bonds our teams together to create a sense of camaraderie. Or are they?

The fear of remote worker isolation is a lurking topic for every business leader during this era of office lockdowns. Companies are anxious to keep their employees engaged to prevent feelings of loneliness and abandonment. So, assuming that strong company culture is the traditional solution for employee engagement, leaders are feeling helpless without break rooms and baristas. How can we prevent isolation without an engaging office culture? But the real question may be even bigger than that: did our employees feel isolated *before* they went remote?

We often associate perks like ping pong tables and cereal bars as “great culture,” but that is a critical error. Those may be expressions or channels of culture, but they are not the culture itself. True organizational culture is based on the mission and values that unify a workforce, and the most effective methods for building unity are soft skills like communication, empathy, and trust. Which is great news for company culture in distributed teams, because all of those are 100% location independent.

As the brand that we’re all relying on to stay socially connected during physical distancing, Zoom’s recent whitepaper on How to Adapt Company Culture for Remote Work couldn’t have come at a better time. In collaboration with remote work experts, Distribute Consulting, the content provides a “5-step guide to ensuring your workforce feels connected and valued, regardless of office location,” including defining, activating, and monitoring your company culture in a virtual workplace.

This conversation proves that culture-building activities can be just as fun and tangible in a virtual workplace as they were in an office. Even better, Zoom and Distribute Consulting explain how to integrate culture directly into digital operations, so that virtual culture can become something that you see and experience on a daily basis, whether you’re in the office or at home. For example:

- Discussing and analyzing examples of company values during performance reviews
- Team members giving recognition by tagging projects or messages as representations of the culture
- Designing a decision-making process on alignment with the company mission
- Activating values in leadership and productivity-tracking methods
- During onboarding, showcase a timeline of the company progressively fulfilling its mission over the history of the business
- Building virtual events, channels, and or conversations based on cultural values

The recognition that company culture is irrelevant to coworker proximity is long overdue. For decades, we’ve been relying on physical proximity to substitute for true unification. Now that our locations are dispersed, it may become painfully evident that our offices were the only thing keeping our staff together.

So, arguably, organizational culture is even more important in work-from-home teams than it was in the office, because without walls and ceilings, culture becomes the “office” environment of your company that align our workforces, and delineate their work time from their personal time. Active participation and connection provides a feeling of “being at work” and encourages loyalty and pride in your staff.

Brand matters...more than ever

Raconteur
May 17, 2020
https://www.raconteur.net/business-strategy/risk/brand-reputation-coronavirus/

coronavirus pandemic has sharpened consumer attitudes towards poor corporate behaviour, which could make or break brands in times of crisis.

How many times have we heard the word "unprecedented" in relation to the coronavirus pandemic over the past few weeks?

One word that has not been quite as overused is reputation. However, plenty of brands and businesses stand to cement or lose theirs depending on their response to this crisis. And some have already been found wanting, making headlines for the wrong reasons.

Companies are coming under increased scrutiny, whether it is for what they do or do not say. Brand reputation may be hard to measure, but it becomes a valuable asset during times of crisis especially.

Neil Stanhope, founder of brand agency Underscore, says: "Brand reputation is not just how your company is perceived by your existing customers, but by the market as a whole. In times of crisis, people quickly turn to what they know and trust or they work on market authority and word of mouth.

"A favourable brand reputation means people not only trust your company, but they are comfortable spending what little they have with you." Every decision your company takes in the COVID-19 outbreak will be examined more closely than ever before, says Louise Ahuja, director of LouiseBcomms.

Silence isn't golden

Brand marketing in a crisis: Why now is not the time for silence, published in March by Opinium, shows the more vocal brands are perceived as having responded better to the crisis.

It is no surprise that supermarkets came out on top for having been vocal and responding well, followed by the healthcare, pharma, and food and drink sectors. Meanwhile, Opinium's research shows the top five sectors consumers think have not done anything in response to the crisis are automotive (27 per cent), fashion and beauty (26 per cent), gym and fitness (17 per cent), financial services (15 per cent) and charities (14 per cent).

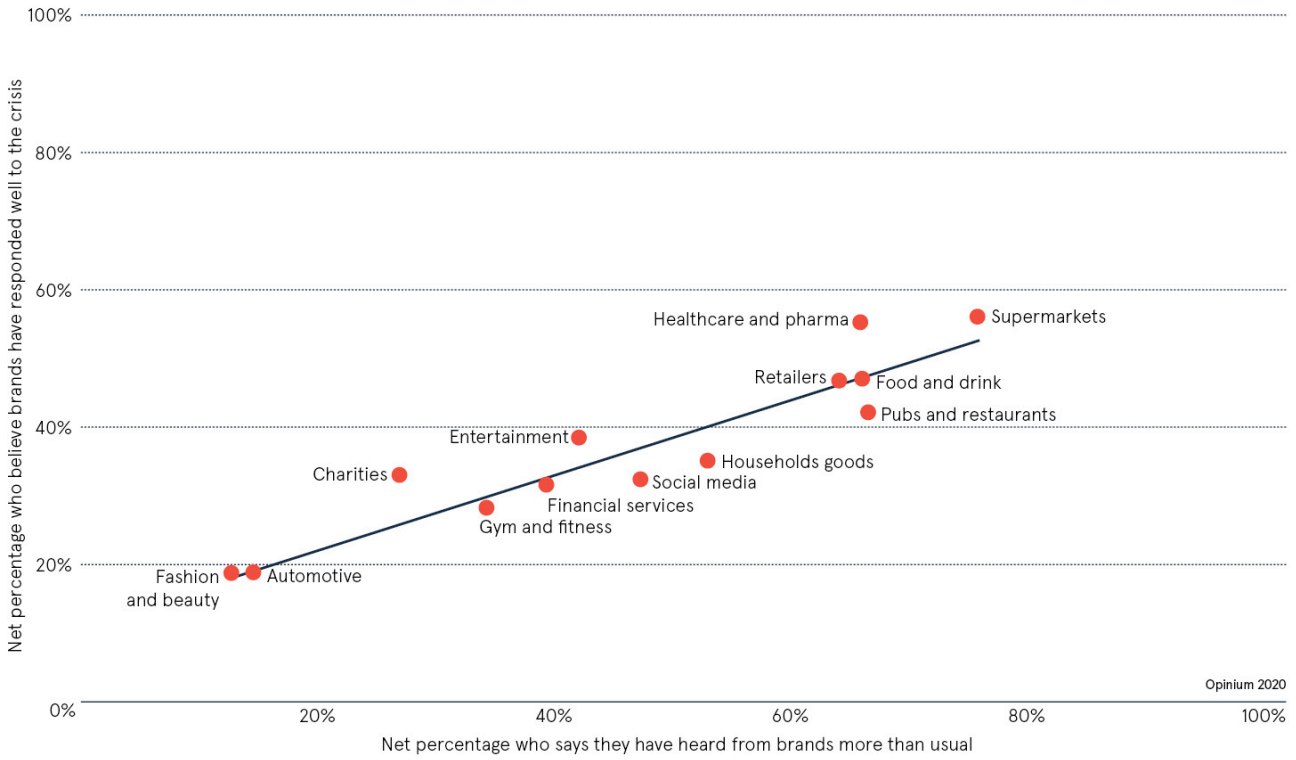
"Now is the not the time for silence," says Ahuja. "Even companies that have been forced to close need to find ways to communicate with their audiences to stay relevant and help their customers."

Paul Beadle, associate director and head of social media and digital communications at MRM, a financial comms and public relations consultancy, says during a crisis companies should want their brand reputation to communicate trust and responsibility.

"If you're a brand like Ryanair, which doesn't come across as being very customer focused, then it comes as no surprise when the airline starts dragging its feet over refunds for passengers. That just compounds a poor reputation," he says.

VOCAL BRANDS IN TIMES OF CRISIS ARE PERCEIVED MORE FAVOURABLY

Percentage of consumers who think brands in the following sectors have responded well to the crisis, compared with those who think they have heard from the brands more than usual



All for one...

How have the supermarkets managed to find this balance? "The quality I'm seeing from good brands, like the supermarkets, is the sense that 'we are all in this together'," says Beadle. "Shoppers will be tolerant if there are queues or shortages in stores, so long as companies explain why and show the extra mile they and their employees are going during difficult times."

Stanhope agrees that the best way for brands to demonstrate solidarity is to show empathy with their customers and their supply networks. Who this message comes from is also important, though.

The same report by Opinium found 38 per cent of consumers want to hear from employees on the frontline of brands' communications, followed by 31 per cent who want to hear directly from the chief executive or founder. Only 5 per cent and 4 per cent of those asked wanted to hear from influencers and celebrities respectively.

To then suddenly tell all its staff to get jobs at supermarkets when it was told to shut down and refuse to pay suppliers owed money, suggests its previous stance was purely driven by greed

Ahuja believes employees are now brand ambassadors. "Your reputation is in their hands, which is something all chief executives and communication specialists need to wake up to very quickly," she adds.

As Beadle points out: “Co-op has done well, tapping into its community roots and putting a real face to its communications, using real employees and customers.”
But the general public has not responded so well to billionaire businessman Sir Richard Branson, founder of the Virgin Group, whose plea for state aid for his airline Virgin Atlantic fell on unsympathetic ears.

“The Virgin Atlantic brand reporting about unpaid staff leave, furloughs on government money and government bailouts to the tune of £7.5 billion has felt far removed from their celebrated promise as the ‘fun, friendly and fabulous choice’ to fly,” says Stanhope.

“While their needs as a business to weather this storm are completely understandable, it seems the brand itself is inextricably linked in the minds of the public with a high-profile billionaire owner of whom they simply expect more, even in a global crisis.”

Of course, many companies will have to break bad news to their employees and customers, but there is a way to deliver these announcements without causing serious, long-term damage to your brand reputation.

“Clear, timely and honest communications to staff, customers and shareholders is critical to maintaining a firm’s reputation,” says Louise Dolan, a partner at Camarco, a financial and corporate advisory firm. “If tough decisions have to be made, such as restructurings, furloughing or closures, explaining why and being transparent will show the integrity of the business and its senior staff.”

Driven by greed?

Keep consistent and authentic, advises Beadle. “When [pub chain] JD Wetherspoon said it was staying open during lockdown because pubs were essential, it was clearly trying to create a ‘bulldog’ spirit,” he notes.

“To then suddenly tell all its staff to get jobs at supermarkets when it was told to shut down and refuse to pay suppliers owed money, suggests its previous stance was purely driven by greed.”

One company that can certainly not be accused of greed is insurance provider Admiral, having stated “it isn’t our intention to benefit from the lockdown”. It announced a stay-at-home refund to its car and van insurance customers totalling £110 million, in recognition of there being fewer drivers on the roads.

“Brand is more than just the logo and colour scheme for a company. It should be how you feel about doing business with them; so it’s about a culture,” Beadle concludes. “If you still feel the way about a company in a crisis as you do during normal times, then the brand is strong and shines through.”

What is Omni-Channel? 20 Top Omni-Channel Experience Examples

Hubspot
https://blog.hubspot.com/service/omni-channel-experience

The more technology advances, the more it's integrated into our daily lives. The lines between what we do online and in real life have begun to blur. As people change their behaviors, marketers, salespeople, and customer support reps will need to react. Instead of thinking of a desktop experience, a mobile

experience, a tablet experience, and an Apple Watch experience, we'll need to pursue one, holistic approach — an omni-channel experience that customers can use whenever they want.

In this post, we'll go over what omni-channel means and how you can use omni-channel experiences to create profitable marketing, sales, and service strategies.

Omni-channel, also spelled omnichannel, is a lead nurturing and user engagement approach in which a company gives access to their products, offers, and support services to customers or prospects on all channels, platforms, and devices.
Instead of only offering support on its desktop website, for example, a company would offer support through Facebook Messenger, live chat, email, and phone.

Adopting an omni-channel approach in your marketing, sales, and service strategies has plenty of benefits. The advantages include:

Greater reach.

With an omni-channel retail, marketing, or service strategy in place, you'll be reaching your customers where they are. They no longer have to search and search to find you. No matter where they are, your team or your products are only a click, an email, a direct message, or a phone call away.

Increased profits.

If and when your prospects are ready to buy, they'll find it much easier to make a purchase if they can find your product on multiple platforms and channels. Offering a multi-channel retail experience also ensures it's easier for them to purchase from you again or renew their subscriptions, securing recurring revenue.

Boosted customer satisfaction.

Your customers will be happier in the long term if they feel they have several methods to reach your customer service and sales teams. Or if they can purchase your product easily regardless of their device or preferred platform. Customer satisfaction is the key to reducing customer churn and keeping them returning to you for their needs.
As you can see, creating an omni-channel experience for your customers is critical for your business success. That said, what is the omni-channel experience?

The omni-channel experience is marketing, selling, and serving customers on all channels to create an integrated and cohesive customer experience no matter how or where a customer reaches out. The experience should be the same for customers regardless of the platform or method they choose to use.

The customer can be shopping online from a desktop or mobile device, or by telephone, or in a bricks and mortar store and the experience should be equally seamless.
It's important here to distinguish an omni-channel experience from a multi-channel experience. Essentially, it comes down to the depth of the integration between the channels and platforms your business is on.

Omni-Channel vs. Multi-Channel

In a multi-channel environment, the user has access to a variety of communication options that aren't necessarily synchronized or connected. However, during an omni-channel experience, there are not only multiple channels, but the channels are connected so you can move between them seamlessly.

The difference between omni-channel and multi-channel experiences comes down to two distinctions:

- All omni-channel experiences will use multiple channels, but not all multi-channel experiences are omni-channel. You can have amazing mobile marketing, engaging social media campaigns, and a well-designed website. But if they don't work together, they don't create an omni-channel experience for customers.
- Omni-channel experiences account for all devices and platforms. Whereas a multi-channel strategy might include two or three channels, an omni-channel experience includes all channels, platforms, and devices.
-

The multi-channel experience is what most businesses invest in today. They have a website, blog, Facebook, and Twitter. They use each of these platforms to engage and connect with customers. However, in most cases, the customer still lacks a seamless experience and consistent messaging across each of these channels.

An omni-channel experience accounts for each platform and device a customer will use to interact with the company — and also creates an equally efficient and positive experience across all platforms. Creating an omni-channel experience is especially important in retail. Whether you have an omni-channel retail strategy in place or not determines how much you will sell.

Omni-Channel Retail

Omni-channel retail refers to the method of putting your products and services up for sale on all channels and platforms for the purpose of increasing reach, reducing friction, and boosting sales. An omni-channel retail experience will include brick-and-mortar stores, app-based options, and online platforms.

For instance, a clothing brand might sell its products on its website, app, Instagram's "Shopping" tab, and Amazon, as well as brick-and-mortar stores.

Omni-channel retail mainly applies to retail-based business-to-consumer (B2C) industries such as clothing, consumer goods, food and beverage, and others. Business-to-business (B2B) companies can simulate an omni-channel retail environment by allowing prospects to request demos, ask for quotes, or schedule consultations across various channels and platforms.

For instance, you could create an app that allows prospects to tour your product on their phone, you could add a "Request Consultation" button on your Facebook profile, and you could use Facebook Messenger to provide quick quotes.

Whether in a B2B or B2C environment, omni-channel retail is most powerful when paired with an omni-channel marketing strategy.

Companies use an omni-channel marketing approach to align their messaging, goals, objectives, and design across each channel and device. Omni-channel marketing can be a valuable asset for businesses that are looking to deliver a better customer experience.

Omni-Channel Marketing

Omni-channel marketing is a method where businesses promote their products and services across all channels, devices, and platforms using unified messaging, cohesive visuals, and consistent collateral. Omni-channel marketing ensures you reach customers where they are with a relevant and on-brand offer.

By uniting the strengths of each communication channel, marketing teams can use omni-channel marketing to deliver a more effective brand message. They can also reach target buyers at the right time, increasing the chances of converting them into a lead. Omni-channel marketing uses the customers' perspectives and interests to optimize the consistency of the company's marketing messages. For instance, on Instagram and Facebook, you might only target users with a certain interest and create collateral that appeals to them specifically.
Omni-channel marketing shouldn't be done on a whim, though. Brands should create an organized omni-channel marketing strategy to ensure they're delivering content to their prospective buyers at just the right time.

To learn how to start implementing an omni-channel experience into your company, keep on reading. We'll even highlight some inspiring brands that are already making moves to create experiences that are more omni-channel.

How to Build an Omni-Channel Marketing Campaign

An omni-channel marketing strategy contains consistent messaging, visuals, and positioning statements across all channels, platforms, and devices. It creates a seamless brand experience for customers by ensuring that your brand is presented in exactly the same way from platform to platform.

Keep in mind that omni-channel marketing campaigns positively impact your sales and service departments, too. Why? By showing customers that you're on all of the channels and platforms they're on, they'll know to expect a similar experience for their shopping and customer service experiences.

1. Start with the basics: Your website and social media channels.
Creating an omni-channel experience is a slow process. You don't need to be everywhere all at once; you'll get there in time. Start with your website and social media channels and nail those down before moving onto other platforms. Ensure that you're posting consistently and engaging with users who reach out to you via those channels.

If you consistently engage with users on Instagram but don't answer on Facebook, they'll notice. Focusing on one and neglecting the other will make your brand look inconsistent and unprofessional.

2. Create an app if needed.
Depending on your industry and product, you may not need to take this step. But if you sell consumer products or offer a SaaS tool — or could benefit from offering an app otherwise — consider creating an app.
If you're a small company, you can hire a freelance developer to create an app. Just be sure to have a legitimate reason for offering an app and to think through every functionality. Read this article to learn how to make an app and the steps you should take to do it successfully.

3. Seek to solve for the customer every step of the way.
When you add a new channel to your omni-channel strategy, do it for the purpose of solving for the customer at every step of the way.

It's not just for your company to get more visibility or for you to make more sales — although those are definitely tangible benefits of establishing an omni-channel strategy. But it's also about making sure your customer has an easy, issue-free experience. The goal of solving for your customers should inform your messaging in each channel and the way you engage with users on those channels.

4. Use the same messaging across channels, but beware of using boilerplate content.
To create a consistent experience, use the same messaging across channels. For instance, if you're running an ad on various social media platforms, you'll want that ad to have the same messaging. You can change the wording a bit, so long as the overall messaging is the same.
Be careful of overusing boilerplate content, however. You might run into duplicate issues that could lead to being penalized by search engines and social media platforms. Don't just copy and paste everything left and right. Instead of always using the same exact phrases, create a consistent brand voice that allows you to mix it up without looking inconsistent.

5. Give customers a device- and platform-appropriate CTA.
Every time you engage with customers on certain channels — whether it's on an ad, an organic post, a private message, a phone call, or an email — you should end the engagement with a CTA. That CTA should, of course, be device- and platform-appropriate.

For instance, a social ad should lead to a mobile website, not the desktop version of your site. You should close your email with a link to schedule a meeting, not with a link that triggers an automatic app download (your customer may not be using a mobile device to check their email).

Ensure that the CTA doesn't throw off the customer and only extends the seamless experience you've already provided. If you need some inspiration, you can find plenty of companies that have already implemented fantastic omni-channel user experiences. Let's take a look at them below.

It's one thing to discuss the theory and practice of omni-channel customer experience. But it's something else entirely to see brilliant companies that are already implementing it in their strategies. Here are a few that I admire most:

1. Disney
Disney gets the omni-channel experience right, down to the smallest details. It starts with your initial experience on the entertainment giant's beautiful, mobile-responsive website. Even its trip-planning website works well on mobile — that alone is something that you don't see very often.
Once you've booked a trip, you can use the My Disney Experience tool to plan your entire trip, from where you'll dine to securing your Fast Pass. In the park, you can use your mobile app to locate the attractions you want to see, as well as view the estimated wait time for each of them.
The entertainment company takes it one step further, though, with the release of its Magic Band program. This tool acts as a hotel room key, photo storage device for any pictures taken of you with Disney characters, and a food ordering tool. Plus, it even has Fast Pass integration to keep your vacation moving.
That's a truly omni-channel experience.

2. Virgin Atlantic
Robert Fransgaard shared an account of his amazing experience with Virgin Atlantic's omni-channel customer service experience.
In his anecdote, he shares the story of his personalized experience with a representative named Dan, who, after being the unwitting recipient of Robert's frustration over a missed engineer appointment, encouraged Robert to reach out to him directly in the event of any future issues.
Dan didn't say to call customer service, or to post another tweet to get attention. Instead, Dan reached across the company's different marketing channels to give Robert a personalized service experience.

It's amazing what a personal touch like this can do, especially when it comes to consoling customers who have had a poor experience with the company.
Virgin leads the way in many aspects of omni-channel marketing, but this account seems to best describe the types of things that can happen when all channels and employees work together seamlessly.

3. Bank of America
Bank of America takes their omni-channel development seriously. As one of the biggest brands in their industry, they're setting the standard for a dynamic experience, which — as of today — allows for everything from check depositing to appointment scheduling to be handled by the company's mobile and desktop apps.
Sure, Bank of America still has a ways to go. As of yet, users can't apply for loans or carry out other more complex banking needs from their phones. But other activities, such as paying your monthly bills or depositing a check, shouldn't require that level of hassle — and the company's commitment to the omni-channel experience ensures that it doesn't.

4. Oasis
Oasis is a U.K. fashion retailer that's fusing its ecommerce site, mobile app, and brick-and-mortar stores into a simple shopping experience.
If you walk into one of its stores, you'll find sales associates armed with iPads that are available to give you on-the-spot, accurate, and up-to-date product information. The iPad also acts as a cash register, making it easy for associates to ring you up from anywhere in the store. And the cherry on top? If it appears that something is out of stock, the staff can instantly place an online order for you to have the item shipped directly to your home.
Plus, shoppers can download Oasis' app to supplement its in-store (or online) shopping experiences, too. If that's not customer service, I don't know what is.

5. REI
Imagine a shopper looking for an item that your website or app says is currently in stock ... but it's not. You have it in-store. That's not a great experience.
Instead, you need to make sure that each of your shopping channels work instantaneously with one another to provide something truly powerful. REI does this well through their many shopping touch points.
With the company's omni-channel initiative, you'll find up-to-date and accurate product information at every turn. And that kind of internal communication will keep customers happy, satisfied, and returning back to the store again and again.

6. Starbucks
A quick look at the Starbucks rewards app will reveal why many consider it one of the top omni-channel experiences out there.
First, you get a free rewards card that you can use whenever you make a purchase. But unlike traditional customer loyalty programs, Starbucks has made it possible to check and reload your card via phone, website, in-store, or on the app. Any change to the card or your profile gets updated across all channels, in real-time.
Standing in line to get a coffee and realize you don't have enough on your balance? Reload it and the cashier will know it's been updated by the time you swipe your card.

7. Chipotle

Have you ever ordered something online, only to find that the restaurant hasn't prepared your purchase by the time you arrived? I hate when that happens. What's the point of an online ordering system if I have to come in and wait for my order anyway?
Chipotle seeks to eradicate that frustration with its online experience. Its online system and mobile ordering app allow you to place an order wherever you are.
On-the-go and need a quick way to order? Signing up for an account allows you to save your favorite orders for a quick and seamless experience. Want to take up requests from everyone around the office? Place an order online for the whole team and have it ready by the time you arrive.
With omni-channel, it's all about making the customer's life as easy as possible. And with its easy-to-navigate tools that provide on-the-go ordering access, Chipotle does a great job at delivering that.

8. Timberland
Timberland creates a connective customer experience in its brick-and-mortar locations by utilizing near-field communication technology. Near-field communication technology is the software that's responsible for data transfer tools like Apple Pay and Android Pay. This technology allows users to tap their mobile device against a special chip which wirelessly transfers information between the two devices. Rather than using it for ecommerce, Timberland makes use of this technology in its stores by giving shoppers a tablet that can be pressed against products and signage throughout the location. When the tablet is pressed against the chip, information about that product or offer is displayed on the tablet. Customers don't have to seek out store clerks for more information and can easily see the deals that are offered for each product.
As shoppers continue to look up different items, the personalization software on the tablet begins to make product suggestions for the user based on their shopping history. This creates a more individualized experience for the customer as well as highlights products in your store that may not be very popular.

9. Orvis
Orvis is a sporting goods retailer that has won awards for its omni-channel strategy. How, you might ask? Orvis understands its target audience and knows the most effective ways to communicate with them. Orvis used first-party data to discover that its target audience consisted primarily of affluent customers who were age 50 and older. The company understood that while this demographic hasn't fully adopted digital technology yet, they have shown a genuine interest in using modern ecommerce tools.
So to help, Orvis gave their employees tablets that had CRM and ecommerce tools pre-installed. These tools can order out-of-stock products to the store as well as charge customers for both online and in-store purchases. If customers need assistance with a product, they can find a rep and use their tablet to learn more about an offer.
While this not only improves customer experience, Orvis's marketing team also benefits from the information they gather from customers. The CRM tools on the tablet record customer information so that employees can recognize loyal customers when they walk into a store. Employees record their shopping habits and purchase history, giving more insights to their marketing teams who are looking to deliver a more effective offer.

10. VIP.com
VIP.com is a leading ecommerce marketplace that operates in China. The company is a B2B website that charges retailers that sell goods on its platform.
VIP.com delivers an omni-channel experience through how it helps retailers connect with potential leads. When retailers post new products on VIP.com, the site's geolocation tools send push notifications to customers who are located in the retailer's area. These leads can then visit the store directly, or have VIP.com deliver the order for them.

Geo-location data can be highly valuable for companies that are looking to deliver an omni-channel experience. When customers sign up to use a product or app, the app will ask permission to access the user's location. Companies like VIP.com capitalize on this information by delivering offers that are timely and relevant to potential customers.

11. Sephora
The beauty giant Sephora creates an omni-channel experience that connects its shoppers' online purchases to their in-store visits. In addition to beauty workshops and complimentary makeovers, customers can use in-store tablets to access their "Beauty Bag" account while shopping.
This account allows them to look up item details and virtually try on products using digital software. If they like a product, they can add it to a wish list and purchase the entire list using the app.
Sephora recognizes that its shoppers have a wide variety of products to choose from when they walk into one of its stores. By integrating its Beauty Bag feature with its in-store communication channel, Sephora is able to help customers narrow their options and keep track of products that they intend to purchase.

12. Walgreens
Walgreens has created an omni-channel pharmaceutical experience by using its mobile app as a primary tool for brand communications. Customers can use the app to check and refill prescriptions without having to call their pharmacy. They can also set up reminders that alert the customer if a prescription needs to be renewed.
While the Walgreens app doesn't have any groundbreaking features, its fundamental tools completely change the shopping experience. Rather than having to call and set up a prescription with the pharmacy, customers can do everything through the app. This eliminates potential hold times and can reduce the waiting time for in-store pick-ups.

13. Topshop
Topshop (now owned by ASOS) is a UK-based fashion brand that produces trendy clothing for women. As part of its marketing campaign for London Fashion Week, the company launched a series of digital billboards that were displayed throughout the United Kingdom.
Each billboard was synced with the company's Twitter data, so when followers would tweet using the hashtag "#LFW," the billboard would display the tweet alongside a relevant item from Topshop's catalog. This way, fans of fashion week would know where to shop whenever the latest trend was being talked about online. And, each billboard was placed within a 10-minute walk from the company's stores, so viewers didn't have to travel far after seeing the advertisement.

14. Pepperfry
Pepperfry is a home furnishings company that's based in India. It was built by two friends who wanted to create a delightful customer experience for purchasing furniture.
Pepperfry accomplishes this goal by pairing its online store with an immersive in-person experience. Customers can shop for a product online, look for furniture they like, then travel to a "Studio Pepperfry" to see what the products look like in person.
Once there, customers tour the studio with a Pepperfry design consultant. The consultant helps them find their ideal home decor and makes suggestions to ensure customers don't experience buyer's remorse. When customers find the furniture that's right for them, they can either buy the product in-store or return home to buy it online. This reduces friction between customers and salespeople as leads don't feel as pressured to make an in-store purchase.
And, this investment seems to be paying off for Pepperfry as the company reports that 10-15% of its sales come from these studio locations.

15. Benefit Cosmetics
Benefit Cosmetics launched a memorable omni-channel campaign when it brought "brow bar" experiences to its UK customers.
After hosting a competition in the UK, Benefit Cosmetics traveled across the region and provided brow bars to its contest winners as part of its "BrowMobile" campaign. It also hosted a beauty drive-thru where customers could receive free eyebrow waxes and product samples.
The company's former head of brand activation, Kyra White, noted that this campaign "shows customers that we're happy to go to them anywhere. Plus it's really Instagrammable, which is great for a brand like ours which doesn't do traditional above-the-line advertising."
White isn't exaggerating either, as this campaign helped the company increase its market share for brow-products to 60% in the UK market.

16. Amazon
Amazon is the king of the omni-channel experience in the consumer retail space. Not only does it have an app and website that automatically syncs users' carts when users are signed in, it also offers a support experience that gives customers the option to choose whatever method they're most comfortable with.
The megabrand particularly excels in offering an omni-channel experience to its paying Prime members. No matter what device or platform the members are using, they can access the benefits of the membership without feeling like they're being shortchanged if they switch from platform to platform.

17. Barnes & Noble
Brick-and-mortar bookstores may be considered a thing of the past, but Barnes & Noble wins at giving their members and customers the traditional brick-and-mortar experience while staying agile in the marketplace. Whether you access its offerings through the Nook app, the mobile website, the desktop website, or the physical store, you'll have similar, if not identical, experiences.
It adds another layer on top of these omni-channel experiences: An in-store cafe where customers can sit and read. Aside from being able to access the store's products on whatever platform they choose, customers are also allowed to have a traditional cafe experience.

18. Google Chrome
Google is another champion for omni-channel experiences, and a particular example is its browser, Google Chrome. When users are logged into their Google accounts, their history and activity is automatically synced into every device. Users can even access tabs on their phone app that they left open on their laptop.
This seamless synchronization allows users to have a seamless experience regardless of the device they use to access Chrome. The result? Google Chrome holds the majority market share — above 65% on average — in the internet browser industry. That shows just how important it is to offer an omni-channel experience not just through your marketing, sales, and service efforts, but through your product, too.

19. Spotify
Spotify is another great example of offering an omni-channel experience at a product level. The company not only has a web app, a desktop app, and a mobile app, it also syncs among all apps when you have them open at the same time. If users are listening to Spotify on their phones, the desktop app will show the song that's currently in progress.
Another testament of Spotify's excellent omni-channel experience is its availability on most platforms and devices, with very little variation in the actual user experience.

20. Apple

Apple takes the omni-channel experience to the next level by offering devices that seamlessly communicate with each other using the user's iCloud account. The user's messages, photos, and connected devices act exactly the same way regardless of the Apple device the customer is currently using. There's a startling lack of redundancy — once a customer sets up an Apple device and signs in using their iCloud account, all pertinent information, data, and settings are downloaded to the new device.

While reaching this sort of interconnectivity between your company's products and services may seem like a difficult task, you can emulate Apple's omni-channel experience by ensuring that customers don't have to repeat information when they call your team.

For that, you might use a CRM such as HubSpot that stores every single interaction your customer has had with you. Whether they use email, phone, or chat to speak with your team, the customer should have a frictionless experience. That's what building an omni-channel strategy is all about.

Creating an Omni-Channel Experience is the Key to Future Success

Every company must develop its own unique omni-channel experience infrastructure, and you'll need to work closely with several departments in your company to develop this strong strategy.

While building your own program, look to the following stakeholders.

- Product
- Marketing
- Sales
- Customer Support
- Customer Success

Once everyone understands the goals and objectives of your omni-channel initiative, you can start planning your transition to this model. Including these departments early on will make it easier as you try to shift into an omni-channel way of doing things — it's less of a headache down the road when you get people excited in the beginning. Ultimately, your strategy should consist of a strategic plan to build a coherent, aligned experience across multiple platforms. Because this is still a relatively new emerging concept, there's still time to start small and expand in the future.

Certainly, omni-channel user experiences still have a long way to go, and the scale of some of the integrations described above may make the entire endeavor feel out of reach for smaller companies.

But personally, I don't think we're that far away from a world where omni-channel is accessible to brands of all sizes. Technology has come a long way over the past decade, and there's no doubt in my mind that future changes will make it possible for even the smallest of companies to engage directly with customers — no matter where they are, what they're doing, or what device they're using.

Living the Brand: How to Help Employees Become Brand Ambassadors

The Social Workplace
https://thesocialworkplace.com/2009/05/creating-brand-ambassadors-how-to-help-employees-promote-the-brand/

While attending a market research seminar recently, I noticed the cellular phone company employee sitting next to me pulling out her phone to place a call. I commented that the phone was made by one of her employer's competitors. "Oh I don't actually use our phones," she laughed. "Too unreliable."

It's unlikely that any of the people who overheard her comment will ever buy one of the phones that her company makes either.

An organization's brand is one of its most valuable assets and what differentiates it in the marketplace. As this story illustrates, the brand promise that an organization makes to consumers is not only delivered through products and services, but also through the behaviors of the employees — or brand ambassadors — who represent the brand with every move.

After all, an organization can devote unlimited advertising proclaiming that it is customer-focused, but nothing conveys this more clearly than the customer service hotline or the company receptionist's greeting. Ultimately, identifying what makes a corporate brand valuable and then helping employees to become active advocates who live and breathe the brand promise results in better employee and customer experiences.

So, how does an organization successfully engage employees so they understand the brand and act as advocates on its behalf?

Successful branding involves a complex formula. Identifying the brand and determining how to position it in the marketplace is only one part of the solution. The rest of the answer lies in ensuring that employees are demonstrating the value of the brand on a regular basis — both inside and outside the organization.

Employee brand advocacy is a competitive advantage
The power of employees who are truly engaged as brand advocates is difficult for competitors to replicate.

JRS Consulting conducted employee focus groups for a client that had recently laid off 10 percent of its workforce and wanted to determine how to re-engage remaining employees. Our research revealed the pride that employees felt about the unique heritage of their corporate brand. This pride formed the basis of an emotional benefit that employees associated with their now struggling employer — feeling proud to be a part of the overall organization, even when the business environment had become extremely challenging.

This association was incredibly valuable to our client, and virtually impossible for competitors to duplicate. It was an emotional benefit that employees associated only with "their" brand and they wanted very much to help the brand to regain its stature. There was clearly an opportunity to engage employees in helping to support and get the beloved brand back on track by appealing to their sense of pride in working for the organization and supporting the company's new vision.

Brand advocacy starts with leadership
If top leadership within an organization lives and breathes the brand, employees are much more likely to embrace it as well. It is therefore critical that an organization's CEO leads by example and always acts as an advocate on behalf of the brand. Communication professionals can assist their executive leadership by encouraging them to constantly communicate about the brand and share examples of how they bring the brand to life.

In Building Strong Brands, author David A. Aaker provides a powerful example of how Mike Harper, President of ConAgra Foods, led that organization's brand evolution. After suffering a heart attack in the early 90's, Harper realized that he needed to adopt a healthier lifestyle. When he examined the foods that ConAgra and others made, he was surprised to learn of their high fat content. So, Harper decided that ConAgra Foods would develop and market more nutritious and healthy products. As a result, the Healthy Choice brand of frozen dinners was introduced to consumers. In fact, because of Harper's leadership and the success of the frozen dinners, the Healthy Choice brand name also appears on other products including soup, ice cream and deli meat.

Give employees the information they need
Employees can't be brand advocates if they don't understand the brand. Therefore, it's important to communicate the organization's brand to employees — both implicitly and explicitly.

Key messages about an organization's brand and its positioning should be integrated into all communication vehicles including the employee newsletter, Intranet, emails, voicemails, speeches and town hall meetings. For example, The Body Shop brand is characterized by a strong commitment to being environmentally friendly. So, employees receive regular updates on the environment through training courses and newsletters and are also encouraged to share what they learn with others.

Brand resources should be readily available to employees. This includes everything from information on corporate identity standards and brand guidelines to tools that help employees talk about the brand.

To engage employees, consider holding an employee celebration recognizing the organization's brand and heritage. This is not only a great way for employees to come together as a group, but also helps instill a sense of pride that everyone is working toward one common goal — to build and enhance the brand. For example, McDonald's Corporation holds Founder's Day each year, a celebration where employees remember the unique history of their company and commemorate the growth of the Golden Arches brand. And to help make Founder's Day even more memorable, it is always held on the birthday of Ray Kroc, the company's founder.

Provide employees with opportunities to "live" the brand
Once employees understand the organization's brand, it is critical to provide them with tangible ways to be brand advocates. At Yahoo, some employees allow their vehicles to be painted with the Yahoo logo. Of course, this might seem extreme to some, so it is important that employees have options so they can choose a brand advocacy role they feel comfortable with. Other ways to be a brand advocate might include volunteering in the community on company time or sharing a perspective about the company brand with new employees at orientation.

Recognize brand advocates
It's important to shine the spotlight on employees who are bringing the brand to life within the organization. This encourages brand advocates to keep up the good work and also shares concrete examples to inspire others to get involved. The CEO can recognize brand advocates during meetings and

in voicemails and emails. Employees who are bringing the brand to life can also be featured in employee newsletters and the Intranet. At Southwest Airlines, Colleen Barrett, President and COO, recognizes employees who bring the brand to life in “Colleen’s Corner,” a monthly column that runs on-line and in Spirit, the airline’s in-flight magazine.

Some organizations choose to get consumers involved in recognizing brand advocates, too. Westin Resorts, for example, gives guests lapel pins when they check in and asks them to give the pin to an employee if they feel like he/she has exceeded expectations. This type of recognition helps to build a personal connection between consumers and the brand.

Explore understanding of your brand among employees
A brand is only as strong as its advocates, so it’s important to keep a pulse on brand awareness across the organization. Consider holding focus groups on a regular basis to help explore employees’ understanding of the organization’s brand. This employee feedback will help identify which characteristics of the organization’s brand are most meaningful to employees and which might need updating or changing.

For example, JRS Consulting tested a multi-million dollar advertising campaign that positioned a global travel organization as a wonderful employer, promoting a good work atmosphere and benefits. However, employees in our focus groups argued that the claims were untrue. Further investigation at corporate headquarters revealed that the employment conditions described in the advertising were not universal among all locations, and the campaign was scrapped. This not only saved the organization money, but kept it from alienating one of its brand’s most important assets — its employees.

The power behind your brand
Employees put a face on a corporate brand — to consumers, the community and prospective employees. Simply put, engaged and motivated employees who understand the brand and where it is going translate to happy customers. Helping employees to feel equipped and motivated to support the organization’s brand may be one of the most important and effective ingredients in building market share.

Source: Employees as Brand Advocates by Jenny Schade.

The human side of business: Using your personal story in brand marketing

Zapier
March 19, 2021
https://zapier.com/blog/personal-story-in-brand-marketing/

Hi there, folks—I'm Alex, the founder of Cooper's Treats, and my business recently got covered in this Associated Press piece that was syndicated across dozens of news outlets. It led to quite a few sales, a few retail stores reaching out to me, and a proud email from my dad after one of his friends sent him the article before I did.

That might give you the impression that I'm some sort of fascinating character whose life is downright newsworthy. As it turns out, though, I'm just a guy who decided to sell dog treat mix on the internet.

But that hasn't stopped me from getting my name out in the press. Because while I know that my life is pretty mundane, I also know that people love to hear tales of small business. They have all the elements of our favorite stories: a scrappy underdog in a harsh world, lots of setbacks that are eventually overcome, and hard work and perseverance paying off.

So rest assured that, even if you're like me, just trying to make your business work one day at a time, you have a story to tell—a story that people really do want to hear. And that's a powerful asset.

You don't need to be the next big thing to get press. Here's how you can create a press page and automate your PR process to get things moving.

Why your story is an asset

We live and work in an increasingly crowded world, where new competition is cropping up every day, and millions of businesses are vying for consumers' attention. It's incredibly difficult to stand out, particularly when you're competing against huge companies that have not only the advantage of well-known brands, but also the resources to advertise their products constantly.

The upside, though, is that more and more people are turning their attention away from big names and toward smaller companies. As consumers, we no longer just want a good deal and a recognizable logo—we want to know who makes our products, how they make them, and how they treat their employees. We want to support companies that have a mission we agree with and that were started by people with real passion, not just those who saw the opportunity to make a buck.

That's why your story is so valuable: it gives people a reason to connect with your business and give your products a try, even though you're not a name they're familiar with. And beyond being a way to drum up business, it's also a way to find the kinds of customers who won't just be one-time buyers, but rather advocates for a brand they can really relate to.

As the owner of a business that sells products to dog owners, I'm dealing with an extremely passionate customer base. I would know—I'm one of them.

I put sunglasses on my dog, if that helps you understand me a little better.

There are a whole lot of dog owners out there who will find my products appealing for the exact same reason that I made them: the alternatives have very questionable ingredients. Ours, on the other hand, are all-natural and free of added sugar, salt, preservatives, color, or flavor. That's why telling my story is such an asset: the people who buy from me are the kind of people who read the label on their dog treats, so when they understand that this all started because I read my competitors' labels and didn't like what I saw, they can relate. When they realize that I decided to do something about it by making a better treat mix, they love it.

Of course, none of this is to say that a great story is a substitute for any of the critical pieces of a successful business—like a good product, strong marketing, and great customer service—but it's a powerful tool that might lead to customers coming back again and again.

What's your story?

While you may think your story isn't particularly interesting, I'll just be blunt here and say: you're wrong. You live your own life, day in and day out, so you know that it's mostly mundane. But the reality is that all good stories are curated, and yours should be too. Take the highlights—the parts people can relate to—and I promise you've got something meaningful to tell.

Highlight your scrappiness

Let's start with entrepreneurship. If you've started a company, you've done something that the vast majority of people in the world never will. And it's something genuinely admirable. There's a reason that the one thing politicians on both sides of the aisle seem to be able to agree on is that we should support small businesses: people look up to those who are willing to leave the comfort of a traditional job behind and start something new.

So start with that, and build from there. Why did you start your business? What inspired you? I'm like a lot of entrepreneurs: I encountered a problem in my life, solved it for myself, and then realized that other people would probably like the solution too.

Take a look at why Americans aren't starting businesses.

Pick the right details

Next, go through the details that help people put themselves in your shoes.

- Where were you when you got the idea for your company?
- What pushed you over the edge from having an idea to actually starting to do the work?
- What was the first thing you did?
- When did you decide to leave your job (or whatever you were doing before) and work on your company full time?

I'm currently living a story that most eCommerce entrepreneurs have lived: my business is growing pretty quickly, but I don't have a warehouse yet. That means I have a whole lot of boxes of freeze-dried meat, egg powder, whole wheat flour, and other ingredients in my living room. My wife has the patience of a saint, but I'm very much straining it because she also likes a clean house. That sort of conflict is pretty low-stakes, but it's the kind of thing that people can relate to. Use that to your advantage.

Ditch the rose-colored glasses

Make sure to share the bad parts of your journey too. The article I was recently featured in talks about how I started Cooper's Treats after the pandemic shut down my previous business, which caused me to lose a pretty serious sum of money.

Our tendency is to hide the bad things in our lives (and post the good on Facebook). Fight that instinct. Stories without obstacles and challenges are boring. Stories in which the protagonist struggles are compelling. They get people rooting for the hero, and people who are rooting for you are going to want to support your business.

Talk about how you failed or almost failed or broke down crying because of stress. Talk about being rejected over and over. Talk about how the uncertainty put a strain on your relationship. These are all things people can understand, whether they're entrepreneurs or not, and they're things that will put them squarely in your corner.

If you need help crafting your narrative, listen to How I Built This. It's an amazing podcast with fantastic guests that have built wildly successful businesses. It'll really give you a feel for what makes a story compelling, and it might just inspire you to start a business too.

Where to use your story

Writing your story is part one. But you also need to get it out into the world, so let's talk about how to do that.

PR

Pitching your story to a writer can be incredibly intimidating. For starters, it can feel very self-serving: you're trying to get them to do something that benefits you. But remember, journalists are paid to tell stories, so if you bring them a good one, it benefits them too.

With that said, you do still need to make sure it's a *relevant* story for them. Pitching to every reporter you can find is a waste of everyone's time. Instead, focus on the ones who are a solid match for your story.

- Look for reporters who already write about businesses like yours, in terms of size, industry, location, or anything in between.
- Consider outlets that cover your audience demographic. The more your audience matches the audience of the outlet, the more mutually beneficial an article will be (hello, *Modern Dog* magazine).

Last but not least, if you're looking for press, you should be signed up for HARO. It's a free service that lets reporters ask for sources for their stories—and you can be one of the sources. You'll get an email with the queries three times a day, and you answer any of them that seem like a good fit. This is how I found my way into the AP piece I mentioned above: the writer was seeking folks who'd had to pivot their businesses as a result of the pandemic.

Your website

Make your story available to people who want to know more about your company. I give the basics of why I started Cooper's Treats on our mission page, which is linked straight from our main menu. Because people are passionate about their dogs, I know it's the kind of thing they'll care about, so I want it to be easy to find.

You'll notice the big picture at the top isn't anything wildly professional. That's because the goal of the page isn't to show what an impressive business we are, but rather to remind people that this company is run by a dog-lover like them.

Email marketing

Email campaigns are a great place to tell your story. When folks sign up for my newsletter or make a purchase, I send them a series of emails over the course of a week that are designed to educate them about Cooper's Treats.

These cover our products and their features, but they also speak heavily to our story and our mission. I link to some of the interviews and other press about the company, so they can see some external validation of what I'm telling them.

As you start to collect more emails, here are 4 ways to automate your email marketing for better communication.

I've spent the last six months experimenting with Facebook ads to figure out what people respond to. I've tried it all: ads that give information about our products, ads that offer discounts if you buy right now, AdS WiTh WeIrD CaPs To GeT YoUr AtTeNtIoN, ads quoting customer reviews, and anything else I could throw at the wall.

The one that worked best? The story of why I started the company.

I was sure it'd be too long to work (at 250 words, it's very long for a Facebook ad). But it turns out that not only do people spend the time to read it, but a whole lot of them click the link and immediately make a purchase.

Once people know about your brand, it makes sense to advertise the features of your products. But if they have no idea who you are, starting with your story can help them connect with you in a way that drives them to learn more about what you sell.

You're interesting!

Your story is interesting, even if it doesn't seem that way to you. I feel the need to belabor that point because, even though my story has proven to be a huge asset for my business, it's *still* hard for me to really think that people want to hear about me selling dog treat mix.

So take your story and share it with the world. You'll help your business, and you may just inspire someone else to go start something of their own.

When It Comes to Culture, Does Your Company Walk the Talk?

MIT Sloan Management Review
July 21, 2020
https://sloanreview.mit.edu/article/when-it-comes-to-culture-does-your-company-walk-the-talk/

Company practices often conflict with corporate values. Closing the gap starts with communication.

Measuring Culture

This series includes the *MIT SMR*/Glassdoor Culture 500, an annual index and research project that uses over 1.4 million employee reviews to analyze culture in leading companies, along with new research focused on measuring organizational culture using a scientific approach.

When Johnson & Johnson's CEO codified the company's principles into a credo in 1943, corporate value statements were a novelty. Today they are ubiquitous among large corporations. In our study of nearly 700 large companies, we found that more than 80% published an official set of corporate values on their website.1 Senior leaders, in particular, love to talk about their company culture. Over the past three decades, more than three-quarters of CEOs interviewed in a major business magazine discussed their company's culture or core values — even when not specifically asked about it.2

Corporate values statements are nearly universal, but do they matter? Critics dismiss them as cheap talk with no impact on employees' day-to-day behavior. Recent corporate scandals support the skeptics' view. Volkswagen, Wells Fargo, and Barclays each included ethics or integrity among their core values in the years before their wrongdoings were discovered, while Boeing hit the trifecta by listing integrity, quality, and safety among its "enduring values."

It is tempting to dismiss corporate value statements as irrelevant, but ignoring them is a mistake. Even when companies fall short of their aspirations, official statements still cast light on the values leaders consider critical for success. They also spell out the cultural elements that leaders believe distinguish their company in the eyes of employees, customers, and other stakeholders.

The Research

To identify official statements of corporate culture, we reviewed websites and annual reports of 689 large, mainly U.S. organizations between March and July 2018. We identified 562 companies (82% of our initial sample) that published official statements of their corporate culture.i

We grouped similar values based on the most frequently occurring unigrams and sequential bigrams, stemming to term roots (for example, innovat* to capture innovation and innovator) and excluding stop words.ii The most commonly occurring unigrams were integrity (occurred in 298 value titles), respect* (180), and innov* (152).

READ MORE

Official corporate values only matter to the extent they shape employees' activities and decisions on a day-to-day basis. This raises a fundamental question: How well does behavior inside a company align with cultural aspirations? In other words, when it comes to their core values, do companies walk the talk?

To measure the gap between aspiration and action, we collected the official corporate values statements for more than 500 large organizations and compared these official values with how employees view their companies on common corporate values based on an analysis of more than 1.2 million Glassdoor reviews.

Prevalence of Official Corporate Cultures by Industry

The retail and accommodation and food service sectors together employed nearly 1 in 5 U.S. workers in 2018.[iv] A handful of companies in these sectors, including Costco, Trader Joe's and Wegmans Food Markets, have distinguished themselves by building a healthy culture for their front-line employees. Their emphasis on culture is relatively rare. Of the 35 industries we studied, official corporate values statements were least common in industries that employed large numbers of less skilled workers. Five of the industries with the lowest incidence of published values were apparel retail, hotels and leisure, fast food, general retail, and grocery stores.

What Companies Aspire To

Corporate culture means different things to different people. There are more than 50 distinct definitions in the academic literature, including the stories employees tell to interpret events, organizational rituals, and corporate symbols.[3] The official culture statements we studied, in contrast, display a striking consistency in how they define corporate culture.

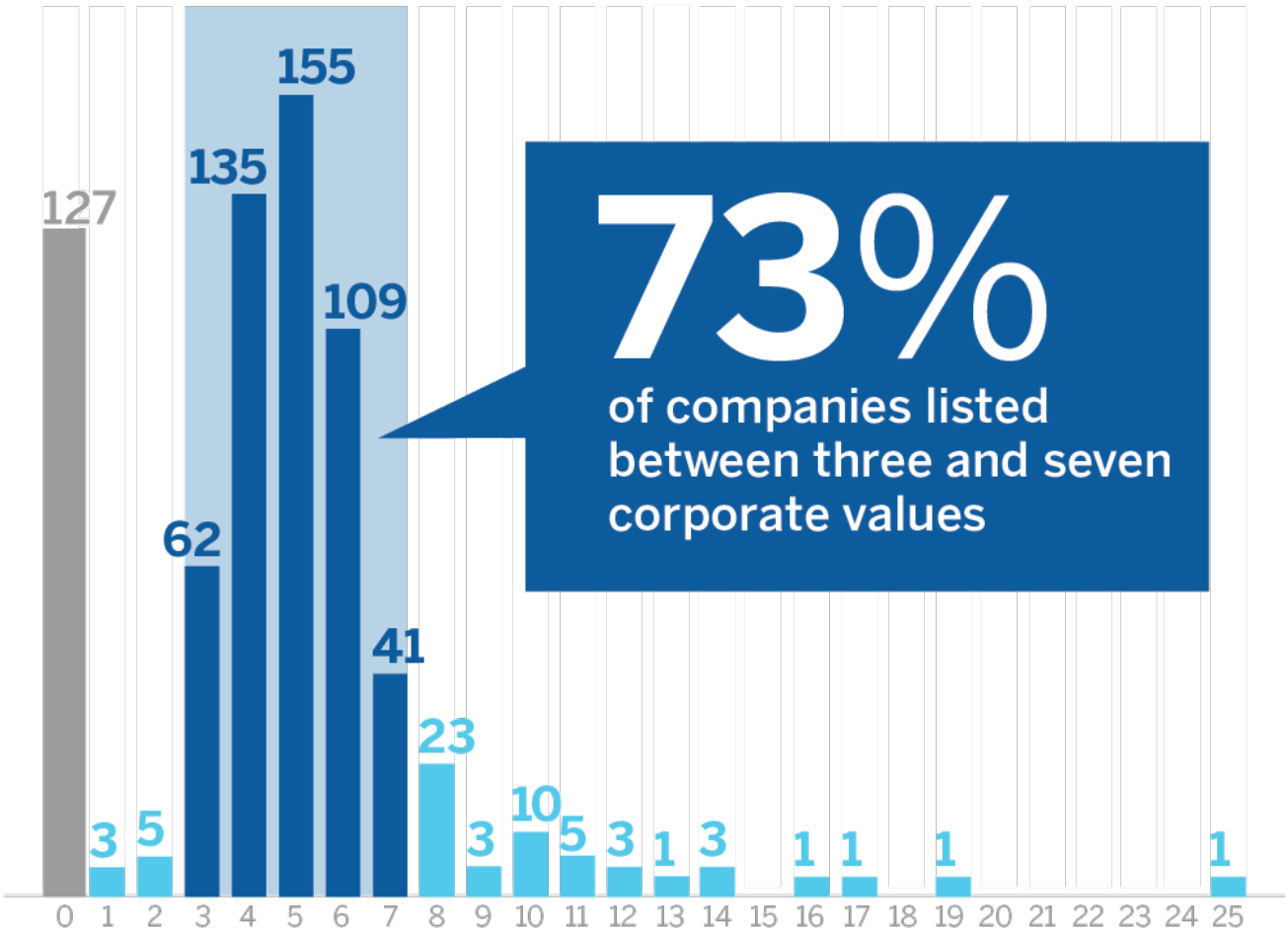
Three-quarters of the culture statements include an introduction explaining the role of corporate culture. The primary function of corporate culture, according to these descriptions, is to guide the actions and decisions of employees throughout the organization.[4] Aligning behavior with official culture allows companies to differentiate themselves from competitors, build trust with stakeholders, increase brand equity, and attract great talent.

Nearly all the organizations we studied rely on a set of core values as the guideposts for helping employees align their behavior with corporate culture. Of the companies in our sample, 72% referred to their company's culture as values or core values, and even employees at companies that use other labels — principles, philosophy, or ideals, for example — cited values as the foundation of their culture. The realities of how companies talk about their culture is consistent with a prominent theory that defines organizational culture as "a set of norms and values that are widely shared and strongly held throughout the organization."[5] We'll use this definition of corporate culture throughout this paper.

The typical company lists a handful of values — the most common number of reported values is five, and nearly three-quarters of companies in our sample listed between three and seven values. (See "How Many Corporate Values Do Companies Have?") Companies are not, however, always disciplined in spelling out their core values. Ten percent of organizations listed two or more sets of values under different names (core values and corporate culture, for example) on different parts of their website. Others packed multiple values into a single item. JP Morgan Chase's business principles, for example, included "a commitment to integrity, fairness, and responsibility," which we count as three distinct values. When we accounted for nested values, the average company in our sample listed seven distinct values.

How Many Corporate Values Do Companies Have?

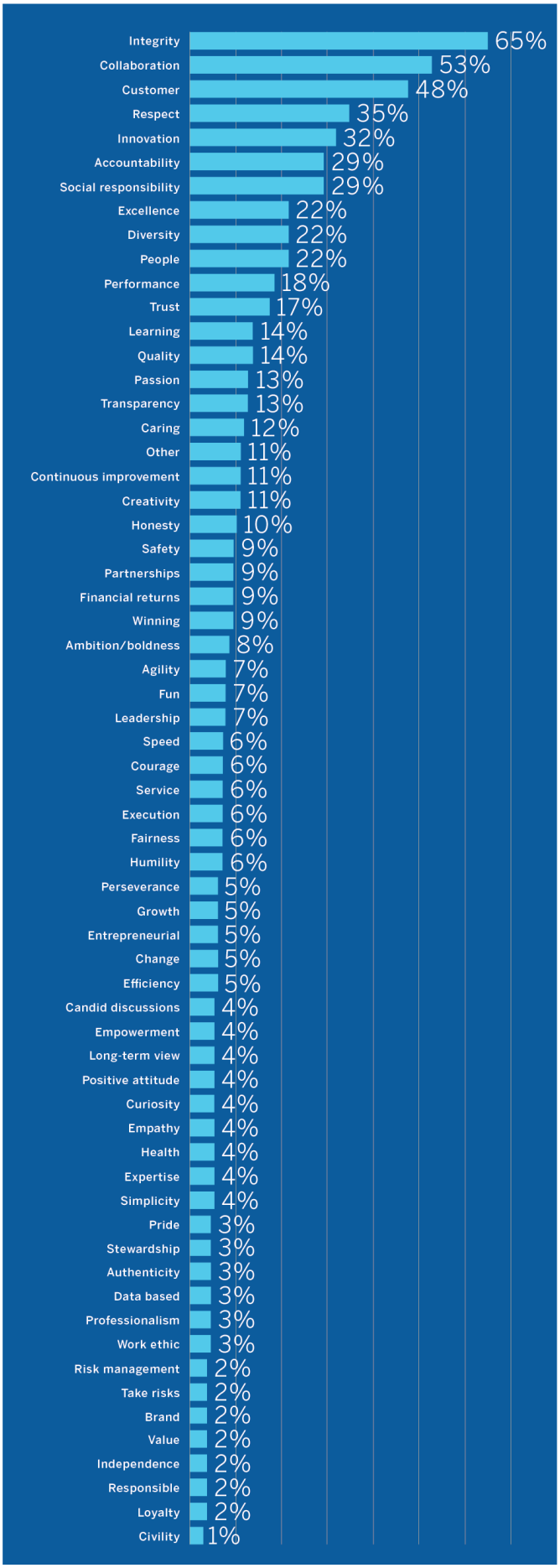
In a sample of 689 large, mainly U.S. companies, 127 (18%) did not list any official corporate values. Overall, 155 (22%) listed five values, and 502 companies (73%) listed between three and seven values.



One of the most striking findings of our analysis is the sheer number and diversity of values cited. We identified 62 distinct values mentioned by at least 1% of the companies with official values statements. Integrity was the most common, listed by 65% of all companies, followed by collaboration (53%), customer focus (48%), and respect (35%). No other value was cited by more than one-third of companies, and the list contains a long tail of values mentioned by less than 10% of companies. (See “What Companies Say They Value.”)

What Companies Say They Value

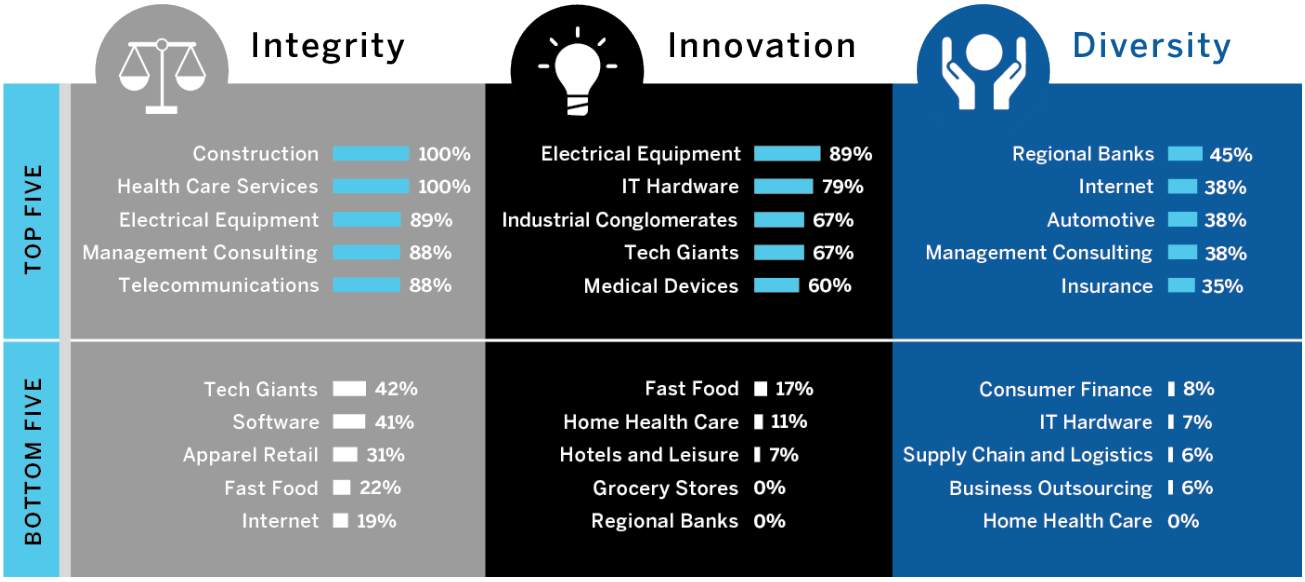
This figure shows the percentage of 562 large, mostly U.S. companies that listed each value among their official corporate values.


Integrity 65%
Collaboration 53%
Customer 48%
Respect 35%
Innovation 32%
Accountability 29%
Social responsibility 29%
Excellence 22%
Diversity 22%
People 22%
Performance 18%
Trust 17%
Learning 14%
Quality 14%
Passion 13%
Transparency 13%
Caring 12%
Other 11%
Continuous improvement 11%
Creativity 11%
Honesty 10%
Safety 9%
Partnerships 9%
Financial returns 9%
Winning 9%
Ambition/boldness 8%
Agility 7%
Fun 7%
Leadership 7%
Speed 6%
Courage 6%
Service 6%
Execution 6%
Fairness 6%
Humility 6%
Perseverance 5%
Growth 5%
Entrepreneurial 5%
Change 5%
Efficiency 5%
Candid discussions 4%
Empowerment 4%
Long-term view 4%
Positive attitude 4%
Curiosity 4%
Empathy 4%
Health 4%
Expertise 4%
Simplicity 4%
Pride 3%
Stewardship 3%
Authenticity 3%
Data based 3%
Professionalism 3%
Work ethic 3%
Risk management 2%
Take risks 2%
Brand 2%
Value 2%
Independence 2%
Responsible 2%
Loyalty 2%
Civility 1%

While some values are more common than others, none are universal. Even integrity, the most frequently cited, is listed by less than two-thirds of all organizations in our sample. The lack of universal values is explained, in part, by variance across industries. All of the companies in the construction and engineering and health care services industries, for example, included integrity among their core values, while less than 20% of internet companies did so. (See "Stated Corporate Values Vary Across Industries.") Even within the same industry, however, we observed significant variation in the choice of core values.

Stated Corporate Values Vary Across Industries

The percentage of companies that included a specific value among their core values varied widely by industry.



The diversity of values calls into question the usefulness of frameworks that attempt to reduce all corporate cultures to a handful of universal types. One popular model, for example, argues that all corporate cultures can be plotted along two dimensions — internal versus external orientation on one dimension and flexibility versus control on the other.6 The cultures that correspond to the resulting quadrants — clan, ad-hocracy, market, and hierarchy — are presented as archetypes that describe all corporate cultures.

While these dimensions are important elements of corporate culture, the resulting two-by-two matrix cannot easily accommodate crucial values like integrity, diversity, or psychological safety. Other models choose different dimensions and produce other cultural archetypes, but they face the same fundamental challenge.7 No two dimensions can or should be able to capture the richness and diversity of corporate cultures that companies attempt to achieve. Trying to force diverse corporate values onto a cultural Procrustean bed, moreover, strips them of the very elements that make them distinctive.

Do Companies Walk the Talk?

More than 80% of large American corporations publish their official corporate values. But do these professed values make a difference? If a company singles out teamwork as a core value, for example, are employees more likely to collaborate with one another compared with a company in the same industry that does not include collaboration among its core values?

To address whether stated values shape employee behavior, we first measured what companies say they value. The simplest way to quantify corporate culture would be to treat each value as binary — a company either listed it as a core value or did not. When Charles Schwab lists innovation as one of four core values, it is presumably more focused on it than Quicken Loans, which includes innovation among a laundry list of 19 elements of its culture.

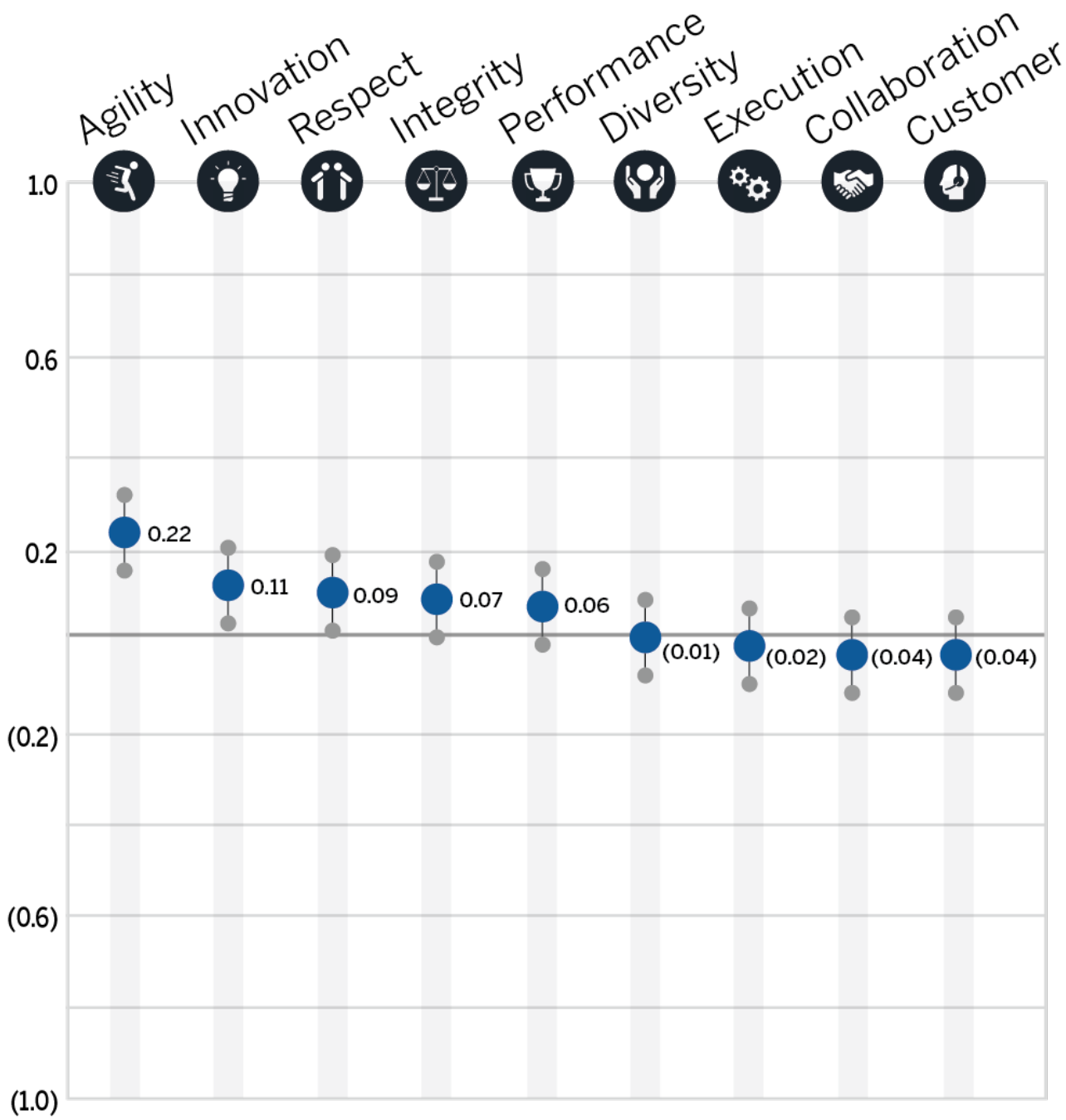
To quantify each company's relative focus on a value, we weighted it by the inverse of the total number of values listed.[8] So innovation was weighted at 25% for Charles Schwab and 5% for Quicken Loans. (A company that didn't list a specific value received a weighting of zero for that value.) To control for differences across sectors, we assigned each company to one of 33 industries.[9] We then ranked each company in its industry based on the weighting for each value we measured.

To assess how well companies live up to their stated values, we used data from the 2019 Culture 500, which ranks companies on nine of the most commonly cited values. Every Culture 500 company received a sentiment score that measured how positively employees talked about a specific value in the free text of their Glassdoor reviews.[10] If half the employees who discussed integrity in a company spoke about it in positive terms, for example, that company's sentiment score for integrity would be 50%.

Comparing the rankings from the Culture 500 with official corporate values allowed us to measure the correlation between them.[11] The figure below shows the correlation coefficients (with 95% confidence intervals) between official and actual values.[12] The analysis reveals that there is no correlation between the cultural values a company emphasizes in its published statements and how well the company lives up to those values in the eyes of employees. All of the correlations between official and actual values were very weak, and four of the nine — collaboration, customer orientation, execution, and diversity — were negatively correlated.

Data Shows No Correlation Between Official Values and Corporate Culture

The chart shows the correlation (with 95% confidence intervals) between the values a company emphasizes in its official corporate culture and how well the company lives up to those same values in the eyes of employees. Four of the correlations are negative, and all but one hover near zero. Even agility, with a correlation coefficient of 0.22, reveals a very weak relationship between a company's public commitment to flexibility and employees' assessment of how agile the company actually is.



Values Should Be Actionable, Distinctive, and Linked to Results

Our research reveals a gap between official values and the cultural reality on the ground in most organizations, which raises the question of how leaders can close that gap. As a first step, leaders can communicate corporate values more effectively by providing concrete guidance on desired behavior, ensuring their organizational values are distinctive, and linking them to outcomes that matter to employees. Effective communication cannot, of course, guarantee a healthy culture on its own. But it's a good place to start.

Provide behavioral guidelines. Most employees would agree in principle that integrity, respect, and innovation are worthwhile values. They might have very different notions, however, about what these abstract terms mean in practice. Leaders can provide additional guidance by spelling out a handful of

expected behaviors consistent with each value. To the extent these guidelines shape behavior across all parts of the organization, they provide a consistent framework for different functions, business units, and teams to coordinate their activities.

Biotechnology company Biogen, for example, includes pioneering among the elements of its corporate culture. Pioneering is an inspirational value to be sure, but one that employees might struggle to operationalize without further guidance. To clarify what pioneering means in practice, Biogen offers examples, including "We encourage candor to test assumptions and uncover the best ideas" and "We are open about what we do not know and ask questions to understand." (See "Behavioral Guidelines for Innovation.") Amazon and Nvidia, two of the highest-ranking companies on innovation in the Culture 500, likewise provide employees with concrete guidelines on how employees can incorporate innovation into their daily activities.

Articulate what makes your organization distinctive. A company's core values should capture its unique identity — the enduring essence of the company that distinguishes it from competitors.[13] When employees identify with a distinctive culture, they are more likely to incorporate core values in their daily activities and pursue their organization's goals.[14] A distinctive corporate culture can also differentiate an organization from competitors and provide a source of sustainable competitive advantage.[15]

Unfortunately, many organizations' core values are so generic that they could easily serve as fodder for a *Dilbert* cartoon (there are more than 50 lampooning official culture statements).[16] The core values of pharmaceutical supplier McKesson (integrity, customer-first, excellence, respect, and accountability) could apply equally well to an airline, grocery store, or bank.

How can leaders translate common values, like customer-centricity or integrity, into something distinctive? One approach is to translate abstract values into organization-specific behavioral guidelines. Alaska Airlines and McKinsey & Co. both emphasize customer service. The specific behaviors associated with their values, however, are tailored to their respective industries and strategies. Alaska Airlines offers tactics for front-line employees dealing with passengers, such as "engage with kindness" and "offer assistance." McKinsey's guidelines, including "use our global network to deliver the best of the firm to all clients" and "build client capabilities to sustain improvement" are appropriate for a professional services company serving global clients.

The McKinsey example illustrates another way to make values distinctive — by elaborating on desired behaviors in language unique to an organization. Within McKinsey, "follow the top management approach" means thinking through an issue for the client organization as a whole, rather than its impact on a single division or function. That phrase, and others like "obligation to dissent," have been used for decades, have a well-defined meaning within the company, and constitute part of the company's distinctive legacy.

Another approach is to take common values as a given, but then highlight those elements of corporate culture that differentiate an organization. Netflix, for example, acknowledges that integrity, respect, and collaboration are important, but emphasizes five values that distinguish the company including "encourage independent decision-making by employees" and "share information openly, broadly, and deliberately."

Clarifying what your values mean in practice and providing insight into what truly differentiates your corporate culture requires hard work. Linguistic gimmicks are no substitute for effort and insight. Appending adjectives like "ferocious," "unflinching," or "relentless" will not make values more distinctive or

actionable. Leaders also do well to avoid acronyms that force fit values. Would Discover Financial Services, for example, have included "volunteerism" (the "V" in its DISCOVER values) or Hilton Hotels "now" (the "N" in HILTON) if these companies went by different names?

Explain why your values matter. Official statements of culture signal *what* matters most to an organization, and behavioral cues provide concrete guidance on *how* to translate values into actions. Leaders can further clarify their organization's values and what makes them distinctive by spelling out *why* they matter. Of the companies that publish corporate culture statements, less than one-quarter include any discussion of how those values help the organization succeed. And most of those companies simply assert culture is a competitive advantage without explaining the link between core values and organizational performance.

A handful of companies, in contrast, explicitly spell out the connection between their culture and desired results. A common rationale links corporate culture with a company's ability to attract, retain, and energize the best employees. HubSpot — the No. 1 company on Glassdoor's list of best places to work in 2020 — explains its "culture doesn't just help *attract* amazing people, it *amplifies* their abilities and helps them do their best work." Where companies choose to publish their core values provides a clue as to why they matter. One in five companies publish values on the section of their website targeted at potential employees. Their culture statements often include values, such as respect, diversity, learning, and caring, that are attractive to many job seekers.

Nearly the same percentage of companies (18%) include core values in their code of business conduct, which, unsurprisingly, emphasizes integrity, honesty, fairness, and strict compliance with applicable laws. Deutsche Bank, for example, underscores the importance of integrity in rebuilding trust with key stakeholders: "By living these values and beliefs in daily interactions with our stakeholders, employees have a critical role to play in helping us to restore the trust lost during the financial crisis."

Companies can also spell out the link between values, behaviors, and performance. Netflix explains that employees are expected to be "extraordinarily candid with one another" because "we will learn faster and be better if we can make giving and receiving feedback less stressful and a more normal part of work life."[17] The company's value of "avoid rules" is, according to Netflix, critical to maintaining agility in the face of changing market circumstances.

Explaining the rationale behind specific values helps employees (and other stakeholders) understand why the organization prizes certain values above others. Illinois Tool Works' emphasis on decentralization and entrepreneurship is appropriate for a diversified conglomerate, for example, but would not suit a global professional services company that needs to collaborate across offices and practice groups to serve multinational clients. Clarifying the purpose of values also makes it easier to measure whether they are working. HubSpot, for example, could track attrition among employees they want to keep to assess whether their culture is doing its job.

Leaders love to talk about corporate culture. Many companies, however, display a disconnect between what leaders preach and what is practiced throughout the organization. Improving corporate culture is a long journey that demands a holistic approach and sustained effort over time. During the next year, the Culture 500 project will publish a steady stream of content exploring how leaders can build and sustain a healthy corporate culture.

As first steps in improving their culture, leaders can take a hard, evidence-based look at how well their organization is living up to its espoused values. Which elements of your culture are working well? Which

are falling short? Where are the pockets of cultural excellence within your organization? Which teams are undermining your culture?

A cultural diagnostic may reveal that your values are too abstract, generic, or divorced from results to shape how employees act on a day-to-day basis. In this case, you may want to refresh your core values to make sure they capture the distinctive essence of your organization, provide concrete behavioral guidelines, and clearly link to outcomes that matter to employees.

ABOUT THE AUTHORS

Donald Sull (@culturexinsight) is a senior lecturer at the MIT Sloan School of Management and cofounder of CultureX. Stefano Turconi is a teaching fellow at the London Business School. Charles Sull is a cofounder of CultureX.

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2. We identified all interviews in Harvard Business Review published between January 1990 and December 2019, and excluded anyone who was not the CEO of a for-profit organization with more than 250 employees at the time of the interview. We searched the text of the remaining interviews for mentions of culture, core values, or other phrases indicating the interviewee was discussing corporate culture.

3. W. Verbeke, M. Volgering, and M. Hessels, "Exploring the Conceptual Expansion Within the Field of Organizational Behavior: Organizational Climate and Organizational Culture," Journal of Management Studies 35, no. 3 (May 1998): 303-329 identified 54 definitions of organizational culture. For a terrific overview of the current state of corporate culture literature, see J.A. Chatman and C.A. O'Reilly, "Paradigm Lost: Reinvigorating the Study of Organizational Culture," Research in Organizational Behavior 36 (November 2016): 199-224.

4. More than 80% of the explanations of corporate culture in our sample explicitly discussed the role of corporate values as guides to behavior.

5. C.A. O'Reilly and J.A. Chatman, "Culture as Social Control: Corporations, Cults, and Commitment," Research in Organizational Behavior 18, eds. B.M. Staw and L.L. Cummings (Greenwich, Connecticut: JAI Press, 1996): 166.

6. K.S. Cameron, R.E. Quinn, J. DeGraff, et al., "Competing Values Leadership: Creating Value in Organizations" (Northampton, Mass: Edward Elgar Publishing, 2006).

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8. When weighting each value, we used the number of values we coded for each company (average of seven per company) rather than the number of values reported by the company (five per company on average). This adjustment allowed us to account for companies that incorporated multiple values into a single item in their official values statements and more accurately reflects their level of focus on any value.

9. The list of industries can be found at the Culture 500 website. Companies like Johnson & Johnson, which competes in pharmaceuticals, medical devices, and consumer goods, were assigned to multiple industries.

10. A company's sentiment score for a value was calculated as the number of reviews that discussed a value in positive terms divided by the total number of reviews that mentioned that value.

11. This analysis applied to companies that were both included in the Culture 500 and that had published official values statements. Of the 531 organizations in the 2019 Culture 500 sample, 444 (84%) had official culture statements. Some of the Culture 500 values included cultural items that we classified as distinct cultural items when coding official value statements. The Culture 500 value of agility, for example, included topics of agility, speed, entrepreneurial, change, and simplicity. In calculating the weighting of official corporate values, we consolidated those values to ensure consistency with the Culture 500 data.

12. We tested the association between officially stated values and employees' assessment of those values in practice using Pearson's rho. The correlations had a p-value less than 0.01 for agility and innovation, below 0.05 for respect, and was above 0.05 for all other values. Many companies did not list a specific value, which resulted in many tied value rankings within an industry. We used the Kendall rank correlation to calculate correlations in the presence of ties. The correlations coefficients using the two methods were virtually identical.

13. David Whetten defines organizational identity as "the central and enduring attributes of an organization that distinguish it from other organizations, " D.A. Whetten, "Albert and Whetten Revisited: Strengthening the Concept of Organizational Identity," Journal of Management Inquiry 15, no. 3 (September 2006): 219-234.

14. J.E. Dutton, J.M. Dukerich, and C.V. Harquail, "Organizational Images and Member Identification," Administrative Science Quarterly 39, no. 2 (June 1994): 239-263; and M. Riketta, and R. van Dick, "Foci of Attachment in Organizations: A Meta-analytic Comparison of the Strength and Correlates of Workgroup Versus Organizational Identification and Commitment," Journal of Vocational Behavior 67, no. 3 (December 2005): 490–510.

15. J.B. Barney, "Organizational Culture: Can It Be a Source of Sustained Competitive Advantage?" The Academy of Management Review 11, no. 3 (July 1986): 656-665.

16. A search of Dilbert cartoons produced 44 comic strips for culture and seven for core values, https://dilbert.com, accessed March 15, 2019.

17. "Netflix Culture," Netflix, accessed March 17, 2020, https://jobs.netflix.com.

i. We searched websites and annual reports between March and July 2018. We classified as corporate value statements any list of two or more items that were labeled as culture, values, principles, philosophy, norms, beliefs, creed, credo, ethos, attitudes, way, tenets, or commandments. We only included lists of items that were clearly separated from the main text of the website or document through, for example,

bullet points, separate lines, item titles, etc. This allowed us to avoid subjective assessments of whether text embedded in a paragraph was discussing corporate culture. We excluded mission and vision statements that laid out an organization's desired future without specifying the values that would guide behavior.

ii. In some cases, we could not code a value based on the value title alone. Aon Hewitt, for example, listed head as one of its core values. In these cases, we read the value description (if available) to identify what the company meant. If the explanation included more than one value, we coded for all of these. In the Aon Hewitt example, head was described as "Integrity and professionalism are the pillars of our business. Our commitment to rigorous standards and innovation assures clients of bespoke valued solutions," which we coded to four values (integrity, professionalism, innovation, and customer orientation).

iii. Our list is broadly consistent with the Organizational Culture Profile, a compendium of corporate values widely used by management scholars that lists more than 60 distinct values. In the late 1980s, the development of the Organizational Culture Profile (OCP) summarized the most common values found in academic and managerial writing at that time. C.A. O'Reilly, J. Chatman, and D.F. Caldwell, "People and Organizational Culture: A Profile Comparison Approach to Assessing Person-Organization Fit," Academy of Management Journal 34, no. 3 (September 1991): 487-516. In a later study, they added 10 new value statements that did not appear in the original OCP, mostly dealing with customer orientation (three) and integrity (three). C.A. O'Reilly, D.F. Caldwell, J.A. Chatman, et al., "The Promise and Problems of Organizational Culture: CEO Personality, Culture, and Firm Performance," Group and Organization Management 39, no. 6 (December 2014): 595-625. Seventy-five percent of the values listed by companies we studied were also included among the superset of OCP values enumerated by O'Reilly and Chatman across their two studies.

iv. According to the Bureau of Labor Statistics, the retail trade sector and accommodation and food services sector together employed over 30 million employees in 2018 versus a total employed population of 161 million.

50 Stats That Prove The Value Of Customer Experience

Forbes
Sept. 24, 2019
https://www.forbes.com/sites/blakemorgan/2019/09/24/50-stats-that-prove-the-value-of-customer-experience/?sh=412e55404ef2

Customer experience champions often face an uphill battle trying to start new initiatives or change their company's mindset. It often isn't as easy to see the value of customer experience as it is to see the ROI of other investments. However, customer experience is incredibly valuable. Executives often won't invest in customer experience without "proof," even if the writing is on the wall. Here is actual proof you can share with your teams. Without a customer focus, companies simply won't be able to survive. We are living in a time where we face the commodity trap. Too many of our products and services are the same. To stand out in a sea of sameness, customer experience is the only way to to do that. These 50 statistics prove the value of customer experience and show why all companies need to get on board.

50 Stats Proving The Value of Customer Experience For Your Business

Companies with a customer experience mindset drive revenue 4-8% higher than the rest of their industries.

Two-thirds of companies compete on customer experience, up from just 36% in 2010.

Companies that lead in customer experience outperform laggards by nearly 80%.

84% of companies that work to improve their customer experience report an increase in their revenue.

73% of companies with above-average customer experience perform better financially than their competitors.

96% of customers say customer service is important in their choice of loyalty to a brand.

83% of companies that believe it's important to make customers happy also experience growing revenue.

Brands with superior customer experience bring in 5.7 times more revenue than competitors that lag in customer experience.

73% of consumers say a good experience is key in influencing their brand loyalties.

77% of consumers say inefficient customer experiences detract from their quality of life.

Customer-centric companies are 60% more profitable than companies that don't focus on customers.

Customers switching companies due to poor service costs U.S. companies a total of $1.6 trillion.

Loyal customers are five times more likely to purchase again and four times more likely to refer a friend to the company.

American consumers will pay 17% more to purchase from a company with a reputation for great service.

Companies that excel at customer experience have 1.5 times more engaged employees than less customer-focused companies.

Companies with initiatives to improve their customer experience see employee engagement increase by 20% on average.

Companies with engaged employees outperform the competition by 147%.

81% of companies view customer experience as a competitive differentiator.

68% of customers say the service representative is key to a positive service experience.

The top reason customers switch brands is because they feel unappreciated.

64% of companies with a customer-focused CEO believe they are more profitable than their competitors.

63% of CEOS want to rally organizations around customers as the top investment priority.

90% of CEOs believe the customer has the greatest impact on their business.

Customer experience leaders are more likely to have senior executives leading company-wide efforts.

22% of Fortune 100 companies have a C-level customer officer, compared to 10% of Fortune 500 and 6% of Fortune 1000.

90% of CEOs believe customers have the biggest impact on company strategies.

75% of customer experience management executives gave customer experience a top score for being incredibly important to business.

59% of companies with a CEO who is involved in customer experience report higher revenue growth, compared to just 40% of companies without a customer-focused CEO reporting growth.

39% of CEOs say customer experience is the most effective method of creating a competitive advantage, which was the most common answer.

90% of global executives who use data analytics report that they improved their ability to deliver a great customer experience.

77% of consumers view brands more favorably if they seek out and apply customer feedback.

Companies that earn $1 billion a year will see an average gain of $700 million within three years of investing in customer experience.

Customers tell an average of nine people about a positive experience with a brand, but they tell 16 people about a negative experience.

69% of U.S. consumers shop more with brands that offer consistent experiences in store and online.

Companies that use tools like customer journey maps reduce their cost of service by 15-20%.

Companies that have embraced digital transformation are 26% more profitable than their peers.

The top 10 most empathetic companies increased their financial value more than twice the bottom 10 companies.

Offering a high-quality customer experience can lower the cost of serving customers by up to 33%.

71% of the companies say the cloud has influenced the customer experience.

65% of companies say improving their data analysis is very important to delivering a better customer experience.

Two-thirds of customers will share personal information with brands, but only in exchange for some kind of value.

Customers are likely to spend 140% more after a positive experience than customers who report negative experiences.

70% of Americans have spent more money to do business with a company that offers great service.

Companies that provide an emotional connection with customers outperform the sales growth of their competitors by 85%.

A 2% increase in customer retention is the same to profits as cutting costs by 10%.

87% of customers who say they had a great experience will make another purchase from the company, compared to 18% of customers who had a very poor experience.

52% of marketers adapt their strategies and tactics based on customer interactions and feedback.

80% of customers say they are more likely to do business with a company if it offers personalized experiences.

75% of marketers say they will be responsible for the end-to-end experience over the customer's lifetime.

62% of marketing leaders said use of online customer data at their firms increased in the last two years, and 70% said they expect to use more online data in the next two years.

10 Branding Statistics You Need to Know In 2021

Oberlo
31 Dec, 2020
https://www.oberlo.com/blog/branding-statistics

Your brand is your chance to tell your customers a story.

Branding is not just the logo you design, the font you use, or the products you sell. It's all these things and much more. It's the customer experience you provide. It's the philosophy you embrace and the culture you adhere to. A brand is a feeling that a business evokes in customers—it's what makes your business unique.

And when it comes to online businesses, branding is no different. Have you ever visited a website and were instantly confused? Maybe you weren't sure what they were selling or what service they offered. A lot of companies have a hard time trying to explain what they do, and how they do it. And nobody wants to buy what they don't understand.

Your brand strategy should guide how and what you communicate with your customers. As a business, you should strive to humanize your brand. You need to think in terms of value provided to your customers. Your brand can help differentiate your business from competitors. It can help set you apart and market your distinctive qualities.

But, a brand isn't built overnight. It takes time. And more often than we might think, it needs a little push in the right direction from our side. That's why we put together this guide on how to build a brand. Give your brand the push in the right direction that it needs.

Your brand shapes your business, and how people view it. And there are many factors that shape your brand. So if you've been curious about why branding matters, and what your customers think about it, we've got you covered. Let's jump into the top 10 branding statistics that you should know about in 2021.

1. Authenticity Is Important for Brands

It's the age of authenticity and brands need to get real if they want to connect with their audience. 86 percent of consumers say that authenticity is a key factor when deciding what brands they like and support (Stackla, 2019).

It's not surprising that consumers expect that the companies that they buy from are authentic in how they present themselves and carry out their business. Consumers expect brands to be honest. But brand authenticity is a relatively recent concept, mainly pushed forward by Millenials. They've seen to be more vocal about their demand for authenticity. But of course, this demand extended on to Gen Z as well. Millennial and Gen Z consumers demand that businesses care for something more than just profit, and if they can't see that from a brand, they don't hesitate looking for a brand that does.

Brands can start being more authentic by being transparent and consistent in their branding and messaging, by having values that they can stay true to, and most importantly, by being honest. This way, they'll be able to build long-lasting relationships with their customers and prospects.

2. Consumers Buy Based on Trust

When consumers buy from brands, they put their trust in them. One survey showed that 81 percent of consumers said that they need to be able to trust the brand in order to buy from them (Edelman, 2019). As a matter of fact, the percentage of consumers that felt this way was similar across different global markets, different ages, and also across different income groups.

It's safe to say that when brands build trust, consumers reward them. And this can be in the form of building long lasting relationships with them, and sticking to the same brand in thick or thin. Consumers are no longer simply caring about the product experience, but they also have growing concerns about the customer experience that brands promise, and increasingly about a brand's impact on society.

In the long run, if brands are able to build trust with their customers, they will earn their attention as well. So, as we saw with the first brand statistic, the same logic applies here. If brands are honest and authentic with customers, it'll help build a relationship based on trust.

3. Color Matters for Brand Recognition

Colors matter when it comes to marketing. Choosing brand colors wisely can impact how people perceive your brand. In fact, using a signature color can increase brand recognition by 80 percent (Reboot, 2018).

Colors have a unique way of making you feel certain emotions. It's for the same reasons that when colors are selected in marketing, they can have a drastic effect on what consumers associate with your brand. If you're thinking about your brand image, and how you want to represent your business, you could use the right colors to enhance your brand's visual representation.

Let's take a look at currently established brands. Take a moment and think about which brand you most associate with red and yellow, or with the colors blue and yellow. Did you think about McDonald's for the first one, and IKEA for the second one? We did too.

Use colors to your advantage to express your brand in the best possible way. And if you're wondering how different color meanings can affect your brand, we've got you covered. Dive into our piece about color psychology and branding.

4. First Impressions Matter for Your Brand

It takes 1/10th of a second to form a first impression of someone. But we know that people are way more than just their first impressions. When it comes to your brand, it's better not to risk it. It takes about 50 milliseconds (0.05 seconds) for people to form an opinion about your website (8ways, 2019).

How many times have you stumbled across a website and had a feeling that it hadn't been touched since the 90s? We're guessing more than a few.

If you've got an online store or your business exists online, it's how you present yourself to people virtually. If you don't take care of your website, chances are you're losing your customers attention.

So what can you do to make sure you nail your brand's first impression? To start with, make sure you carefully choose your colors, spacing, font, amount of text, and structure. Think about the content on your website. Is it optimized? Or is there room for improvement? Are you happy with how your logo looks or how it's positioned? Maybe you can make improvements with the images on your website? Try to make

sure people have a comfortable experience when they visit your website. Make it easy for them to search for what you have to offer. Present them an easy navigation menu. Make sure the time they spend on your website is an enjoyable one.

5. Importance of Brand Consistency

Brand consistency is making sure that your brand values, image, and messaging is consistent across all channels. Customers appreciate it when a business has a consistent brand. In fact, consistent presentation of a brand has seen to increase revenue by 33 percent (Lucidpress,2019).

Consumers want to know your business, and one of the best ways is through your brand. Keeping a consistent brand image helps customers position you as a business, and makes it easier for them to remember you or associate with your brand.

When customers know your brand, they will be able to trust your brand. Utilize brand guidelines to keep your brand voice consistent across all channels gives your customers a consistent experience with your brand. In a way, they'll know and feel that your messaging is true because you're sticking with it. This way, your customer remembers you. When they see your logo, or your branding, they'll know what to expect, and what to feel. To create a relatable identity, you can't ignore brand consistency.

Having a strong brand will not only improve your chances of getting new customers, but also increase employee motivation, and provide your business with a unified direction. For you to succeed in building a strong brand image, you need to understand your customers. And in doing so, you need to humanize your brand. You need to think of your brand as something your customers can relate to and identify with.

6. Your Brand Needs to Be Transparent

With trust comes transparency, and vice versa. According to a survey, 66 percent of consumers think transparency is one of the most attractive qualities in a brand (Accenture Strategy, 2018). This includes transparency in where the brand sources its materials, how it treats employees, and what it cares about beyond the profit motive. People are increasingly curious about what happens behind closed doors, and we can't blame them. Brand transparency has never been more important.

Brands need to be clear and authentic. If brands support each and every cause that they don't even feel strongly about, they might end up being perceived by consumers as inauthentic. Consumers don't appreciate insincere attempts from brands showing that they care. Companies need to establish an emotional connection with their consumers, and be true to who they are as a business. That's why transparency not only helps to maintain current customers, but it also helps to attract potential customers.

In the era where people tweet, leave reviews, and share all their thoughts with a click of a button, people can find out everything they want to know about a brand. This puts brands in an increasingly important position to embrace brand transparency.

7. Consumers Want Brands to Be Vocal About Social Issues

Most consumers want brands to take a stand on social or political issues. As a matter of fact, two-thirds (64 percent) of consumers around the world said that they would buy from a brand or boycott it solely because of its position on a social or political issue (Edelman, 2019).

But that also doesn't mean that brands should be vocal about matters that they don't truly believe in. As we've mentioned, it's important to stay realistic and to be transparent. Customers see through brands who are faking their interest in a social concern, and are also keen to follow up on any promises that a brand makes—publicly.

Some brands might see this as a tricky situation, as taking a stand can mean to alienate a certain group of consumers. But in the social era that we're living in today, they also risk putting themselves in danger if they turn a blind eye to social matters. That's why in any case, we refer back to our previous statement for the importance of being transparent.

8. Customer Service Helps Brands to Stand out From the Crowd

With competition levels soaring, it seems difficult to stand out from the crowd. As a brand, you can take a few extra steps to make sure you're being remembered fondly by people. Offering extraordinary customer service is one of the things you can do. A survey shows that 73 percent of consumers cite customer experience as an important factor in their purchasing decisions (PWC, 2018). Good customer service makes consumers feel heard and appreciated.

Customer service can include many different aspects of the customer's buying experience. This could mean for you as a brand to provide exceptional convenience, a friendly service, and approaching customers in a helpful manner. You can go a long way if you add a human element to your customer service, by remembering your customer's needs and personalizing your approach to deal with each customer in the way that suits them best. But customer service doesn't just end here. There's an endless amount of things you can do as a brand to meet this need. It could also include post-purchase coordination with customers by helping them with any refund or return queries they may have.

Customers prefer if you would understand their buying habits, and their needs, instead of just nailing their names in the subject lines of the emails you send out to them. If your brand can customize the experience for individual customers, you'll have a higher chance of winning customers. The aim should be to personalize with purpose and not just for profit.

9. Being Meaningful Is Good for Business

We've previously covered that it's important for a brand to stand for something other than a profit motive. And here's another statistic to back that up: 77 percent of consumers buy from brands who share the same values as they do (HavasGroup, 2019). The purpose of a brand is to make it easier for customers to make decisions. And to build a brand strategy, it's important to understand your target audience. Understanding what is meaningful for them is the first step towards forming a meaningful brand.

You may be wondering, what makes a brand meaningful? A meaningful brand is defined by its overall impact. This includes the impact they have on their direct customers, as well as the surroundings. The relationship between a brand and its audience has changed rapidly over the years. It's no longer enough for a brand to care solely about their customers. In fact, brands need to also address what their customers care about. Customers want brands to be genuine and care about purposes that are broader than just products or services.

Businesses need to work on humanizing their brands, by speaking in the way that would most appeal to their audience. A great place to start would be for brands to represent their company and values clearly to

their audience. Maintaining a consistent brand image and messaging is important for customers to understand what the business stands for.

10. Content is Crucial for Brands

The impact of influencer content is declining while user generated content grows. In fact, 79 percent of people say that user generated content highly impacts their purchasing decisions (Stackla, 2019). And it makes sense. Consumers have more ways now than ever before to discover and research brands and products.

User generated content includes any type of content such as images, comments, reviews, videos, and so on that have been posted by users on online platforms such as social media. Consumers are increasingly finding ways to carry out their own research online by looking at what other consumers have experienced and shared. For instance, visual content is highly valued by customers when it comes to travel or dining experiences.

It's also interesting to note that the same research claims that celebrities have a declining influence on consumer decision making. Only eight percent of customers claimed that influencer content highly impacts their purchasing decisions, which is down from 23 percent in 2017.

Conclusion

A brand is a story. It's a feeling. A perception. But most importantly, a brand is what your business shapes it to be.

Your brand should stand for what your business feels.

Building your brand image and working on your brand strategy should be something you have in mind all throughout your journey as a business owner. Make sure that you establish trust and authenticity through your brand. Let your brand convey your values and beliefs, and do it in a way that your customers believe you, and trust in you.

As we've said before, your brand is your chance to tell your customers a story. Make it one that counts.

Summary: Top Branding Statistics You Need to Know in 2020

1. 86 percent of consumers say authenticity is important when deciding what brands they like and support.
2. 81 percent of surveyed consumers said that they need to be able to trust the brand in order to buy from them.
3. Using a signature color can increase brand recognition by 80 percent
4. It takes about 50 milliseconds (0.05 seconds) for people to form an opinion about your website.
5. Consistent presentation of a brand has seen to increase revenue by 33 percent.
6. 66 percent of consumers think transparency is one of the most attractive qualities in a brand.
7. Two-thirds (64 percent) of consumers around the world said that they would buy from a brand or boycott it solely because of its position on a social or political issue.
8. 73 percent of consumers cite customer experience as an important factor in their purchasing decisions.
9. 77 percent of consumers buy from brands who share the same values as they do.
10. 79 percent of people say that user generated content highly impacts their purchasing decisions.

40 Amazing Customer Loyalty Statistics in 2021

Smallbizgenius
March 10,2021
https://www.smallbizgenius.net/by-the-numbers/customer-loyalty-statistics/#gref

As we close out the second decade of the 21st century, the disruption levels in all aspects of the retail industry have never been higher. The old world is rapidly giving way to new and emerging ideas, while consumers are enjoying more and more power.

Never before have people had this much influence on what others will buy or use, which makes customer retention and loyalty more important than ever.

All the latest customer loyalty statistics, however, show that holding on to your existing customers while attracting new ones is becoming increasingly difficult. In an era of plentiful great choices, the quality of the product is becoming less and less impactful compared to the quality of customer service and user recommendations.

Here's the deal:

The internet has allowed many businesses and products to become successful without ever investing into advertising. Instead, they rely on word-of-mouth recommendations. This is why established brands are starting to reward customers for their advocacy in addition to the traditional loyalty programs.

What this means is:

Customer actions, such as referring friends, sharing posts, and creating content are becoming more and more important to the brand itself.

To help paint a better picture of the current state of the relationship between the retail industry and its customers, we dug deep into the available statistics and research to bring you over 40 of the most incredible customer loyalty statistics in 2021.

Consumer Loyalty Statistics - Editor's Choice

- 82% of companies agree that retention is cheaper than acquisition.
- 75% of consumers say they favor companies that offer rewards.
- 56% of customers stay loyal to brands which "get them."
- 65% of a company's business comes from existing customers.
- Increasing customer retention by just 5% boosts profits by 25% to 95%.
- 58% of companies pursue personalization strategies for customer retention.

Most Important Statistics about Customer Loyalty

1. About 80% of businesses still rely on email marketing to assist with maintaining their client retention rate.

   (Emarsys)

   The same research done by Emarsys lists organic search and paid search at spot two and three on the list, with social media trailing right behind. These statistics clearly show the true importance of keeping your business visible on the internet at all times.

2. The probability of selling to an existing customer is 60-70%.

   (Altfeld)

   The research shows existing customers are much more valuable than new prospects. In fact, loyalty statistics data proves that the probability of selling a product to a new customer stays at a low 5-20%,

3. The Pareto Principle shows 80% of your profits come from just 20% of customers.

   (Forbes)

   Vilfredo Pareto's 80/20 principle works amazingly well with sales and marketing, even a hundred years after its discovery. This means that, by studying the top 20% of your customers, you can work out how to attract similar people and increase your future profits.

4. 58.7% of internet users believe earning rewards and loyalty points is one of the most valued aspects of the shopping experience.

   (eMarketer)

   This was the second most common answer, only below "Quick and easy checkout" in the same product loyalty research, which stood at a high 83%. Rewarding customers for their loyalty in a meaningful way should therefore be one of the top priorities of any business.

5. 87% of Americans are willing to have various details of their activity tracked in exchange for more personalized rewards and brand experiences.

   (Bond)

   This correlates with a sharp increase in people's openness to being observed. And it will lead to a completely new age of brand loyalty. Younger generations are increasingly willing to share more and more of their life with the world, and the trend doesn't seem likely to slow down any time soon.

6. Over 70% of consumers are more likely to recommend a brand if it has a good loyalty program.

   (Bond)

Loyalty program statistics and trends show how essential these services are for brands and businesses around the world. So much so that 77% of people are more likely to continue using a brand's services if it has a loyalty program.

7. 95% of loyalty program members want to engage with their brand's program through new and emerging technologies.

   (Bond)

   People are very interested in engaging with brands through Virtual Reality, Augmented Reality, chatbots, wearables, biometrics, and so on. This very much indicates that following the latest emerging technologies trends and integrating them with your brand can prove to be extremely valuable.

8. 56% of programs employ game mechanics in their loyalty programs.

   (AP News)

   Adding features that are commonly found in games, like virtual rewards and goal-setting, can almost double the levels of customer enjoyment. If customers feel like they are working towards a goal or a reward, they are more likely to stay loyal to a brand and invest even more money into its products.

9. 72% of US adults belong to at least one loyalty program.

   (Oracle)

   The research also found that loyalty program members on average belong not just to one, but to nine different ones across multiple industries. Two thirds of these loyalty programs come from high-frequency businesses like groceries and drugstores.

77% of brands could disappear, and no one would care.

(Vivendi)

This figure represents a 3% increase compared to the customer loyalty research from just two years ago. Some of the most prominent brands are still being cherished, but most of the others are quite simply dispensable.

10. Brands which are meaningful and viewed as making the world a better place outperform the stock market by 134%.

    (Vivendi)

    As more and more users reward brands and companies that share their personal values, brand activism will continue to rise in importance. That's why we're seeing a sharp increase in politicized ads across all industries.

75% of consumers expect brands to make more of a contribution to their well-being and quality of life.

(Havas)

Of all those people, only 40% actually believe brands are contributing to their overall quality of life. This brand statistics research shows there is a huge opportunity for smarter businesses to attract new customers and keep them loyal to their brand.

11. 56% of US consumers are not confident that brands have their best interests in mind when they use, share, or store their personal data.

    (Acquia)

    Privacy is slowly but surely becoming the priority issue for customers in the US. It is no surprise then that over 78% of people surveyed believed that brands should not be able to use their personal data to market different things to them.

12. Nearly 50% of customers in the US say brands don't meet their expectations.

    (Acquia)

    This customer loyalty study found a great discrepancy between how customers and marketers view the quality of customer experience. Almost two thirds of buyers surveyed could not even recall the last time a brand exceeded their expectations, while a staggering 87% of marketers believed they deliver an engaging customer experience.

13. 60% of brand-created content is failing to deliver.

    (Havas)

    The majority of consumers think many world-leading brands create only clutter content that has little impact on their lives. Having actual quality content will prove to be a huge advantage in coming years.

14. 69% of US consumers say customer service is very important when it comes to their loyalty to a brand.

    (Microsoft)

    All branding statistics from the research done by Microsoft show just how powerful customer service can prove to be for any business out there. It also serves as a word of caution to those businesses that disregard the importance of customer service.

15. 54% of consumers say they've had at least one bad customer service experience in the last month.

    (HubSpot)

    Bad and annoying experiences with customer service often lead consumers to switch brands, which is made even worse by the fact that people are more willing than ever before to abandon one brand for another.

16. Revenues for businesses that prioritize customer service rise 4-8% above their market.

(Bain)

All retention stats like this one show how a superior customer experience helps to improve people's loyalty to a business. Your satisfied customers will make more purchases and even serve as promoters who make recommendations to their friends, making them extremely valuable.

17. 69% of US marketers believe technology has made it harder for them to offer customers personalized experiences.

    (Acquia)

    At first glance, a statistic like this one seems strange, as people assumed technology would resolve these issues. A deeper look, however, reveals a growing concern that the levels of personalized experiences that customers demand are not something they can achieve with current technology.

18. Satisfied US customers will share their positive experience with 11 different people.

    (Business Wire)

    Americans share a lot of their positive and negative customer service experiences with others. In fact, customer satisfaction statistics show the average American consumer is even more likely to tell 15 others about a negative experience they had with a business.

19. 81% of Americans say businesses are meeting or exceeding their expectations for service.

    (Business Wire)

    In 2014, this number was at 67%, which indicates that US businesses have realized the advantages that quality service offers. In fact, seven out of ten consumers say they spend more money with a business that delivers great service.

20. 77% of consumers say they stayed loyal to specific brands for 10 years or more.

    (InMoment)

    Customer brand loyalty is big even for millennial consumers. Despite their relatively young age, they already have long-term relationships with brands at the rate of 60%. People grow to love certain brands due to the quality of products and service. They often go out of their way to buy from them.

21. 90.2% of US consumers feel equally or more loyal to a brand than they were a year ago.

    (Yotpo)

    Acquiring new customers has been steadily getting harder. This trend shows brands have recently started pushing for loyalty as a way to offset the costs of customer acquisition.

22. 55.3% of consumers stay loyal to a brand because they love the product.

    (Yotpo)

If you're ever wondering what is the most direct cause of customer loyalty, this is the one answer that's always been true. Having a great product is still the most important thing for customer brand loyalty. Similarly, offering a poor quality product remains the top reason why customers abandon the brand. 51% of people cite this very reason, while only 23.5% of loyal customers abandon brands because of poor customer service.

23. In 2018, the top three brands by customer loyalty were Amazon, Google, and Apple.

    (Brand Keys)

    These giant digital brands stay on top by building loyalty through different types of products. In fact, loyal customers are six times more likely to use the same brand if they start selling a product in a whole different category from the one that they started with.

24. 69% of US consumers do not trust advertisements.

    (HubSpot)

    While trust in businesses erodes, trust in family, friend, and colleague recommendations keeps growing. Third-party websites that rate and review businesses are also increasingly used for getting further information about their practices and service quality.

25. 93% of consumers are more likely to make repeat purchases at companies with excellent customer service.

    (HubSpot)

    Repeat customer statistics prove that people appreciate great service and will gladly recommend it to those close to them. This makes quality of experience the main driver in brand growth for any type of business, big or small.

26. 74% of millenials will switch to a different retailer if they receive poor customer service.

    (Business Wire)

    This number is high, but it is also significantly lower when compared to gen X and baby boomer consumers, where an estimated 86% and 85% would leave after one bad customer service experience.

27. 90% of US consumers prefer national brands to store or local brands.

    (Business Wire)

    The biggest categories consumers are loyal to on the national level are electronic devices at 79%, apparel and footwear at 65%, and health and beauty products at 59%.

28. More than 50% of Americans have cancelled a purchase because of bad service.

    (Business Wire)

Customer retention statistics additionally show 33% of US consumers consider abandoning a business and switching to a competitor after just one instance of bad user experience.

29. 50% of US consumers have left a brand they were loyal to for a competitor that better met their needs.

    (HubSpot)

    It is of great importance not to get too comfortable and risk falling behind, even when your business has amassed a great number of loyal customers. Everything in the world is rapidly evolving, so consumer expectations and standards are constantly becoming higher and higher.

30. 37% of consumers feel they need at least five purchases to consider themselves loyal to a brand.

    (Yotpo)

    All brand loyalty statistics indicate that customers are reacting to the push from businesses to increase their lifetime value by requiring multiple positive purchase experiences to consider themselves loyal. A third of people will say they are loyal customers after three purchases, while only 12% will consider themselves brand-loyal after two.

31. 61% of consumers think surprise gifts and offers are the most important way a brand can interact with them.

    (AP News)

    Other top answers from the research are a more convenient shopping process at 50%, solving a problem or a question at 45%, and recommending products based on needs at 27%.

77% of consumers say they favor brands that ask for and accept customer feedback.

(Microsoft)

The same research found that 68% of consumers will view brands more favorably if they offer or contact them with proactive customer service notifications. Loyalty program stats like this one show an engaging brand is a loved brand.

32. Globally, 67% of consumers feel like customer service is improving.

    (Microsoft)

    The research also showed people from around the world still prioritize live-agent support. What's more, the main reason for customer frustration at 30% is not being able to reach the support staff.

33. A billion dollar company will earn $775 million over three years on average due to quality customer experience.

    (Experience Matters)

The biggest correlation between customer experience and increased earnings is with billion dollar software companies, which can make $1 billion over three years with dedication to quality service.

34. 48% of people expect specialized treatment for being a good customer.

    (Accenture)

    Consumers increasingly demand tailored experiences to maintain brand loyalty and will abandon businesses that lack personalization. A third of people surveyed said they left a brand for that exact reason, which shows the potential for revenue that customized services really have.

35. Businesses lost $75 billion in revenue due to poor customer service in 2018.

    (Forbes)

    This represents an increase of $13 billion compared to the research done in 2016 and shows the true importance of customer retention. Businesses are already responding to this trend by starting to prioritize customer service over product quality and price.

36. 86% of customers say an emotional connection with a customer service agent would make them continue to do business with the company.

    (Forbes)

    The same study found that only 30% of customers felt companies made that connection with them in 2018. People are increasingly comparing a business to the best service they had, no matter the industry. This pushes companies to focus increasingly on customer service.

65% of customers aged 18-34 feel social media platforms are an effective channel for customer service.

(Microsoft)

The research revealed a wide gap between younger and older people, with customers over 55 having a completely different outlook on social media platforms. 75% of them believed those platforms are not viable for customer service.

Final Words

The statistics we compiled here show the true importance of customer loyalty. All trends point to an industry that is bound to continue experiencing huge changes and even bigger challenges.

While the quality of product and service is more important than ever, customer satisfaction can make or break almost any business. So, companies that fall behind on technological innovation are bound to be forgotten.

As the number of quality competitors gets higher and higher, there will be fewer chances to come back from a business or a PR mistake. Never before has there been such a focus on emotion, virtue, and personal values as there is today. Reputation management services are a useful tool in maintaining a positive image of your brand online.

Here's the bottom line:

Brands that have to navigate the increasingly politicized society are going to tread carefully. The customer loyalty statistics we presented clearly show one misstep now costs more than many companies are prepared to pay.

People are increasingly willing to abandon and change brands when there are multiple quality solutions out there. What's more, the future is only going to get more complex with the emergence of new, disruptive technologies.

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53+ Customer Loyalty Statistics to Keep in Mind in 2021

Review42
July 12, 2021
https://review42.com/resources/customer-loyalty-statistics/

What's the first word that comes to mind when you think of something disposable you'd use to wipe your face?

Is it a) tissue or b) kleenex?

If you're reading this in North America, chances are it's going to be the second one.

But did you know it's actually a registered trademark?

That's right. A brand name is used more often than the generic term. Brand loyalty on a subliminal level.

And this fun fact is only one of the most important customer loyalty statistics I've collected to bring you up to speed with the state of the field in 2019 and beyond.

But before digging deep into every interesting stat, let's have a look at some important fascinating facts first.

Eye-opening Customer Loyalty Statistics (Editor's Choice):

- 65% of a company's business comes from existing customers.
- 43% of people spend more money on brands they're loyal to.
- A 5% increase in customer retention can lead to a 25% increase in profit or more according to statistics about customer loyalty.
- Highly-engaged customers buy 90% more often.
- 84% of US adults are loyal to specific retailers.
- Almost 90% of buyers are willing to pay more for improved customer experience.
- Recruiting new customers costs 5X more than retaining existing ones.
- Building a long-term business relationship with a new customer is 16X more costly than cultivating the loyalty of an existing customer.

Intrigued? I bet you are. And there's plenty more where that came from. Let's dive right in.

What Are the Benefits of Customer Loyalty?

Which is better – keeping your existing customers or recruiting new ones?

Let's see what the stats have to tell us.

1. 65% of a company's business comes from existing customers.

(*Source: Fundera*)

- 80% of profits come from 20% of a company's existing customers.
- Do loyal customers spend more? 43% of people do indeed.
- Recruiting new customers costs 5X more than retaining existing ones.

Attracting new customers is no easy task. It takes plenty of time and effort and a lot of money.

Which begs the obvious question:

"Why not prioritize your existing customer base instead?"

Actually, it makes perfect sense to do so. And it's not just about short-term profits.

2. Building a long-term business relationship with a new customer is 16X more costly than cultivating the loyalty of an existing customer.

(*Source: Annex Cloud*)

- There's a 60%+ chance of selling to an existing customer.
- The chances of a first-time visitor to your eCommerce website buying something are less than 20%.
- A 5% increase in customer retention can lead to a 25% increase in profit or more.

Thanks to customer loyalty statistics for 2018, we already know how expensive and time-consuming it is to recruit new customers.

But the difficulties don't end there:

Building a long-term relationship with them requires top dollar as well. What's more:

Statistics of customer loyalty tell us existing customers are far more likely to buy your product than first-time visitors. Existing customers are also likely to recommend your brand and customers are 4 times keener to buy something recommended by people they know. In conclusion, by increasing your customer retention, you can boost your profits significantly.

3. Highly-engaged customers buy 90% more often.

(*Source: Vision Critical*)

- They also pay 60% more per transaction.
- Engaged customers are 5X more likely to stick to the same brand in the future.
- A strong emotional connection is a stronger driver of loyalty than "ease" or "effectiveness".

Connect with your customers on an emotional level, and they'll repay you with unwavering loyalty.

Which brings us to the next question...

Good Customer Retention Percentage or How to Gain Customer Loyalty?

First of all, here's a handy formula you can use to calculate your own customer retention rate courtesy of the guys at Hubspot:

Customer Retention Rate = ((# Customers at End of Period – # Customers Acquired During Period)) / # Customers at Start of Period)) X 100

4. According to customer loyalty statistics for 2017, the average customer retention rate in most industries was less than 20%.

(*Source: Hubspot*)

- Retention over 25% is considered above average in the media and finance industries.
- Retention over 35% is considered above average in the SaaS industry.
- Retention over 38% is considered above average in the ecommerce industry.
- Most apps and software have a 6-20% retention rate.

So, what is a good customer retention rate? Unfortunately, there's no simple answer.

What's considered a good retention rate for a media company might be well below average for an online store. That's why you should pay close attention to the latest trends and developments in your niche.

5. 57% of people would stop using a brand if their negative review is left unanswered.

(*Source: Fundera*)

- 68% of customers do so because they believe the company no longer cares about their business.
- 43% leave because they lose trust in the company.
- Brand loyalty statistics state 50% of customers stop using a brand straight away after a bad sales experience.
- 54% of consumers would drop retailers who don't offer engaging content and/or relevant coupons.
- Businesses lose $1.6 trillion every year when customers leave them.

There are plenty of factors that can lead to a low customer retention rate. It should come as no surprise that the most important ones have to do with engagement.

Consumer reports on customer service are clear:

If you don't give a hoot about your customers, don't address their legitimate criticism, and don't offer them any incentives, it will probably affect your reputation. In case you weren't aware, 86% of people don't mind paying more if it's to a reputable company. And there goes your profit.

After all:

It's not like yours is the only small business selling printed T-shirts and tote bags – and small businesses fail at an alarming rate.

And now that we know why customers leave, let's check out what keeps them coming back for more.

Here's what the latest consumer loyalty statistics have to say:

6. Price and value are the top reason to stay loyal to a brand for 92% of customers.

(*Source: Business Wire*)

- Product and quality are the second most important reason, with 79%.
- 77% of consumers will stick with a brand that resends lost or damaged items with fast shipping.
- With 71%, variety and selection are the third most important reason.
- 62% of consumers are willing to spend more if their shopping experience is customized to their interests.

If you'd like to bump up your customer retention rate (and, let's face it, what business owner doesn't), you should start by offering a quality product at a competitive price.

Next, you should widen your product range.

Finally, as customer loyalty statistics for 2019 make clear, you need to make sure each and every one of your customers gets a shopping experience perfectly suited to his or her unique needs.

As spy extraordinaire Harry Hart put it in the movie Kingsman: The Secret Service:

"Now the first thing every gentleman needs is a good suit. By which I mean, a bespoke suit."

Can't argue with that.

And here are some strategies to boost your customer retention:

7. Customer loyalty statistics suggest you should segment your customer base by personas.

(*Source: Hubspot*)

- Highlight case studies during the sales process.
- Create a roadmap for your future relationship with your customers.
- Ask for customer feedback and act on it.
- Keep a record of communication to address past and/or recurring issues.

Loyal customers will appreciate your respect for their opinions and your efforts to act on their feedback, as the latest statistics on customer loyalty programs highlight. What's more, 90% percent of people decide on buying a product based on online reviews.

Take extra care not to creep out your customers! According to a 2016 report, this happens most often when companies misuse personal data, fail to delete data upon request or use invasive marketing tactics.

8. 74% of millennials would consider switching to a different retailer in case of poor customer service.

(*Source: Business Wire*)

- 86% of GenXers would leave if customer service is poor.

- 85% of Baby Boomers would do so.
- Almost 90% of buyers are willing to pay more for an improved customer experience.
- 58% of millennials would stick to the same brand no matter what.
- 80% of millennials buy exclusive store-branded products because they get good value for money.

Brand loyalty statistics for 2018 suggest negative sales experience affects millennials far less than it does older generations. CLICK TO TWEET

While poor customer service remains a big turn-off across the board, over half of millennials are willing to stick with the brands they're loyal to through thick and thin.

And that's great news for startup owners, in particular, as they face an uphill struggle to stay in business.

Customer Loyalty Program Statistics

9. 73% of buyers think loyalty programs should be a way for brands to show loyalty to customers.

(*Source: Kitewheel*)

- Members of loyalty programs generate between 12 and 18% more revenue than non-members.
- There are 3.8 billion loyalty program memberships in the US.
- 56% of consumers improve their opinion of a brand that offers personalized rewards.
- Mobile apps for tracking and redeeming rewards are the preferred method for 52% of loyalty program members.

"The things we do for frequent-flyer mileage," as James Bond sarcastically noted in Goldeneye. On that particular occasion, he had to catapult out of a stationary helicopter seconds before it got demolished by Stinger missiles.

Sound familiar?

The thing is:

Glib remark or not, we all cling on to loyalty schemes in the face of adversity. And we're willing to book that slightly more expensive flight from New York to Warsaw as long as it's going to earn us a few extra miles on our Star Alliance membership card.

Even if there's a five-hour layover in Tangier.

Ouch.

10. Are you a member of any company's loyalty program? Here are some loyalty program stats you should know.

- Over 90% of companies have some kind of loyalty program.

- 52% of US consumers join the loyalty program of a brand they frequently buy products from.

- The average US consumer participates in 14.8 loyalty programs but is active in 6.7 of them.

- 18% of consumers were active in every loyalty program they entered.

- 65% of US consumers participated actively in less than half of the loyalty programs they entered.
- 49% of consumers in the US engaged with up to three loyalty programs.
  (Source: Forbes)

Seeing these statistics, we can say that a lot of people take part in the loyalty programs of the companies they purchase from. Through membership management software loyal customers get points and rewards which makes them happy and more likely to buy something again from their favorite brands.

Next, come customer retention statistics, so let's see what customers have reported in multiple surveys.

- A 5% boost in customer retention results in a 25% increase in profit.

- Loyal customers spend 33% more money per order in comparison to new customers.

- 43% of US consumers spend more money on products from businesses in which they have a loyalty card.
- 93% of consumers will buy again if the brand has excellent customer support.
  (Source: MyCustomer)

From the statistics above, we can see that people who engage in loyalty programs spend more on products than people who aren't in any program. Reasons behind this behavior vary, for example, some loyal customers are happy when they receive rewards. Also, a big percentage of loyal customers (95%) stay dedicated to a brand because of its good customer support.

The following statistics will tell us what is cheaper, customer acquisition, or customer retention.

- Customer acquisition costs 7%-13% more than customer retention.
- Companies in the eCommerce category reported that retention is five times less pricey than acquisition.
  (Source: FreshWorks)

The statistics related to customer acquisition can vary for different industries. There are many case studies and statistics on the topic of customer retention and acquisition so it's hard to say with certainty. Retention is cheaper than acquisition – after all, you need a good lead generation company or press release distribution services for the latter.

11. According to Starbucks customer loyalty statistics, the coffee company's membership program grew more than 25% between 2017 and 2019.

(*Source: Zinrelo*)

- In the second quarter of 2020, Starbucks saw a 15% increase in active loyal members.
  (Source: Fool)
- According to Apple customer loyalty statistics, the brand had a 91% loyalty score in 2017.

- Amazon customer loyalty statistics state 95% of Amazon Prime members would "definitely" or "probably" renew their membership.
- 85% of Prime buyers visit Amazon at least once a week.
- According to customer loyalty statistics for the UK, 36% of Brits use customer loyalty programs multiple times a month.

Big brands like Amazon, Apple, and Starbucks offer some pretty lucrative loyalty schemes – and customers on both sides of the pond are getting hooked!

What's more:

Small businesses are increasingly getting in on the action in order to improve customer retention by rewarding loyal customers.

Which brings us to the $64,000 question:

Why Are Consumers Loyal to Brands?

Indeed they are – to a surprising extent. Let's look at the latest brand loyalty statistics in 2020.

12. As of May 2020, 35% of US consumers are likely to try new brands of healthy foods vs. 29% of them opting for a new snack.

(*Source: Statista*)

How willing are US smartphone users to change the brand in 2020? Well, not many. Merely 11% are "very likely" to do so.

13. 84% of US adults are loyal to specific retailers.

(*Source: Fundera*)

- In addition, 82% of Americans are loyal to product-brands.
- 37% of US customers become loyal to a company after five purchases or more.
- 60% of loyal customers will purchase more frequently from their preferred companies.
- People will pay a price premium of more than 13% for luxury services if they have a great customer experience.

These customer loyalty stats unequivocally show customers aren't as fickle as many would have you believe.

But let's see

What has changed during COVID-19 pandemic

Many things have changed due to the COVID-19 pandemic, and customer loyalty is one of them. People have switched to working remotely and with that, they started purchasing products from the comfort of their homes.

So, let us show you some facts about customer loyalty that have changed throughout 2020.

14. Per Ketchum's report from July, 45% of consumers in the United States have changed their preferences during the pandemic.

15. According to the McKinsey report from August, 75% of US consumers have changed their shopping habits. The reasons cited were availability, price, and convenience.

(Source: Fortune)

Having in mind the rise from 45% to 75% in only a month, shopping habits have definitely changed significantly in 2020.

And how many people plan to stick to their new preferences?

- According to a study conducted by the communication firm Ketchum, 62% of people in the US who changed their brand preference will make that choice permanent even after the COVID-19 pandemic ends.
  (Source: Fortune)

Now, take a look at some Apple brand loyalty statistics.

15. In 2020, Apple's brand value had increased to $352 billion from $309.5 billion in 2019.

(Source: Statista)

- The American Customer Satisfaction Index published a survey where Apple was ranked the highest in regard to customer satisfaction, with an 82 out of 100 quality score.

- Around 40% of Apple customers reported that their brand loyalty increased during the pandemic.
- 55% of Apple users said they used Apple devices more during the COVID-19 pandemic.
  (Source: Fool)

Emotional connection and customer satisfaction are some of the reasons why people are sticking with Apple. And, having in mind the statistics above, it's no wonder that this company's value increased in 2020 and that it holds second place, after Amazon.

Bottom line:

Nurture your existing customer base, and you'll reap the benefits. CLICK TO TWEET

Conclusion

Now that we've studied carefully the latest customer loyalty statistics, we can safely conclude two things:

First, customers expect a diverse range of high-quality products. Yes, content is king – in more ways than one.

Second, customized offers and exemplary customer service are absolutely crucial. And you have only one chance to get it right. One strike and you're out.

However:

As long as you meet your customers' (admittedly high) expectations, your venture will live long and prosper.

Cheers to that!

Now get a kleenex and wipe those tears of joy.

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