

# The CEO Forum

The Quarterly Publication by CEOs for CEOs

\$19.95



Insurance:  
**National Life Group**  
Mehran Assadi  
Chairman, CEO & President



Hotels:  
**Marriott International**  
J.W. 'Bill' Marriott Jr.  
Executive Chairman



Direct-to-Consumer:  
**Modere**  
Asma Ishaq  
CEO



Consulting:  
**Deloitte Consulting LLP**  
Dan Helfrich  
Chairman & CEO



Nonprofit:  
**UNICEF**  
Henrietta H. Fore  
Executive Director



Luxury:  
**Rolls-Royce Motor Cars NA**  
Martin Fritsches  
President



Retail:  
**Build-A-Bear Workshop**  
Sharon Price John  
President & CEO



Digital Transformation:  
**Kaon Interactive**  
Gavin Finn, PhD  
President and CEO



Entertainment:  
**NFL**  
Brian Rolapp  
Chief Media & Business Officer



Women Innovators:  
**Springboard Enterprises**  
Kay Koplovitz  
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# The CEO Forum



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## CX Measured Against Best In Class



When I am asked what CEOs really want, I have my own pat Robert Reiss answer: “CEOs want to be Google fast, Facebook far-reaching and Amazon intimate.” This means the customer experience is no longer measured against our industry peers; we are measured against the best in class among all industries. And as Peter Drucker tells us, “The purpose of business is to create and keep a customer.”

In this issue, 10 Customer Experience Industry Leaders, we feature many companies you know and some you should. Most have succeeded by sticking with the fundamentals, like how Bill Marriott uses SOP, and some like Kaon have created new pathways for interaction.

While I know you’ll get a lot of ideas from reading about these great companies, most CEOs tell me they learn most from their personal experiences as a customer. I remember one hospital I visited had dead plants in the lobby – not a good message about customer care. On the other side of the spectrum is our lead story, National Life Group which has an incredibly passionate team all focused on the customer. If you’re ever up in Vermont I strongly suggest a visit. You will immediately sense their servants’ culture.

Hope you enjoy this edition, and if you have any recommendations of great customer experience companies, email me directly or call me. We’re always looking to share best case studies.

## Companies In This Issue



### **National Life Group**

National Life is one of the nation's oldest mutual life insurance companies. Chartered in 1848 in Montpelier, Vermont, National Life provides financial and retirement solutions through life insurance and annuity products. The mission-driven company – with corporate values of Do Good. Be Good. Make Good – has \$36 billion in assets and in-force life insurance with a face value of \$170 billion. The company's focus is Middle America, including K-12 public educators and the multi-cultural market. Its products are offered in all 50 states through National Life Insurance Co. and Life Insurance Company of the Southwest.



### **Marriott International**

Marriott International, Inc. is an American multinational diversified hospitality company that manages and franchises a broad portfolio of hotels and related lodging facilities. Founded by J. Willard Marriott, the company is now led by his son, executive chairman Bill Marriott, and president and chief executive officer Arne Sorenson. Marriott International is the third largest hotel chain in the world. It has 30 brands with 7,003 properties in 131 countries and territories around the world. It is headquartered in Bethesda, Maryland, in the Washington, D.C. metropolitan area.



### **Modere**

MODERE (modere.com) offers a category-leading portfolio of live clean lifestyle essentials including beauty and personal care, health and wellness, and household products that are equal parts safe, high-performing and scientifically designed. Modere believes modern health involves pure nutrition, a clean environment and safe ingredients across all our product categories. Modere brings a holistic, live clean approach to well-being, and our products reflect a commitment to excellence and innovation with tested formulas proven around the globe. With offices and facilities in North America, Australasia, Japan, and Europe, Modere is the recipient of multiple third-party validations, and its line includes products that are EPA Safer Choice-approved, EWG Verified™, NSF Certified, Informed Choice Certified, and gray-water safe. The company is a proud supporter of Vitamin Angels®.



### **UNICEF**

UNICEF works in some of the world's toughest places, to reach the world's most disadvantaged children. Across more than 190 countries and territories, they work for every child, everywhere, to build a better world for everyone.



### **Rolls-Royce**

Rolls-Royce Motor Cars Limited was created over a famous lunch in May 1904. Henry Royce, a successful engineer, struck a deal with Charles Rolls, owner of one of the first car dealerships. The ensuing series of two, three, four and six cylinder cars broke the mold for engineering and craftsmanship. For more than 90 years Roll-Royce Motor Cars set the standard as the ultimate luxury brand. In 1998 the brand was acquired by the BMW Group. The Americas region represents the company's largest region by volume and remains one of the top two markets for Bespoke content worldwide.





### **Build-A-Bear**

Build-A-Bear® is a global brand kids love and parents trust that seeks to add a little more heart to life. Build-A-Bear Workshop has over 450 stores worldwide where Guests can create customizable furry friends, including corporately-managed stores in the United States, Canada, China, Denmark, Ireland, Puerto Rico, and the United Kingdom, and franchise stores in Africa, Asia, Australia, Europe, Mexico and the Middle East. Buildabear.com is the online destination for unique furry-friend gifts, featuring The-Bear-Builder™, a shopping configurator that helps create customized gift options. Build-A-Bear Workshop, Inc. (NYSE:BBW) posted total revenue of \$336.6 million in fiscal 2018.



### **Kaon Interactive**

Kaon Interactive is a B2B software company. Kaon's interactive sales and marketing applications simplify complex product and solution stories in a visually engaging way anywhere, anytime, turning prospects into customers. The company's interactive sales and marketing applications transform product and solution marketing content into visual "value based" storytelling experiences to deepen customer engagement, reduce marketing expenses and accelerate the sales cycle. More than 5,000 Kaon Interactive applications are being used worldwide at trade shows, remote sales demonstrations, product launches, executive briefing centers, and websites by leading global product manufacturing companies. For more information about Kaon, visit [www.kaon.com](http://www.kaon.com).



### **NFL Network**

NFL Network is an American sports-oriented pay television network that is owned by the National Football League (NFL) and is part of NFL Media, which also includes NFL.com, NFL Films, NFL Mobile, NFL Now, and NFL RedZone. Dedicated to American football, the network features game telecasts from the NFL, as well as NFL-related content including analysis programs, specials and documentaries. The network is headquartered in the Los Angeles suburb of Culver City, California.



### **Springboard Enterprises**

Springboard Enterprises' mission is to accelerate the growth of entrepreneurial companies led by women through access to essential resources and a global community of experts. It is the leading network of influencers, investors and innovators dedicated to building high-growth companies led by women who are transforming industries in technology and life science.

## Mehran Assadi



*Mehran addresses a capacity crowd of 10,000 people at National Life's 2019 Do Good Fest, a free benefit concert on their Vermont campus lawn that has raised more than \$185,000 over five years for the Branches of Hope cancer patient fund.*



## Chairman, CEO & President **National Life Group**



**Robert Reiss:** Let's look at the insurance field. There are about 6,000 companies in America. Why is National Life Group different from any other company?

**Mehran Assadi:** Part of it has got to do with the fact that we have figured out our why — why we do what we do as a 172-year-old life insurance company. We are a mission-driven and purposeful company. Our values are do good, be good and make good: our intentions, our actions and the outcome. We have put an emphasis on serving others and find tremendous satisfaction in helping families and business owners protect their legacy.

**When you talk about being a mission-driven company, what are the specifics of that?**

At the core is a mindset of having a servant's heart. Putting yourself in the shoes of your clients, people you are serving, inspires you to do things differently, to serve them differently, and find joy in serving others. As a society, I believe we have gotten away from putting emphasis on being part of the solution in helping many versus what is in it for me.

It really starts by creating vision, mission and values which are meaningful to people. They have to emotionally and



*The CEO Forum selected National Life Group as the lead position in "10 Customer Experience Industry Leaders" for reinventing the 172-year-old company to become mission-driven with a servant leadership philosophy focusing on middle America. Chairman, CEO & President Mehran Assadi encourages his teammates to think big and embrace vulnerability. His perspective is that when he and his team approach business with a servant's heart, success will follow. With year-over-year double-digit growth in an otherwise flat industry, National Life is one of the fastest growing insurance companies in the United States.*

intellectually connect to the purpose and mission of the organization. Our mission is keeping our promises. Our vision is to bring peace of mind to everyone we touch.

**That's great – keeping promises.**

The balance sheet of National Life Insurance Company, which is tremendously strong, is one thing. But I think ultimately, serving many people is what energizes and fills us as an organization, and it delivers the kind of results we have delivered for over a decade. What makes National Life unique is its people. The spirit of the people of National Life is what has fueled the success of this 172-year-old company.

We connect with each other in personal ways. Knowing your associates and understanding what is important to them and their families is paramount to the success of what we do.

**You have this unique personal practice; you go to the gym every morning and spend time with your people.**

One of the ways I set up the day for me is to get in the gym early in the morning and get a workout in. It is as much for mental readiness as it is for physical readiness. A really important part of this is interacting with my teammates, having conversations around what's going on with them professionally and personally. You know, Robert, when people are sweating their tail off, they are very transparent with you. They tell you exactly what is on their mind. So it is one of the best times ever spent first thing in the morning.

**And when I've walked the halls of National Life Group, and listen to the passing conversations of employees, the sense of customer passion is palpable. How do you create a culture of being completely customer-focused?**

I would say that it starts by creating a learning organization which puts emphasis on learning from what we do well, and areas that we need to improve in, and turning that learning into actions and performance. In order to learn, one has got to embrace vulnerability where they're at peace to learn about their imperfections as well as what they do well. And to that end, in serving our clients, I



Mehran annually presents seven National Life leaders a 7Cs Award, based on the seven tenets of his weekly practice of self-reflection.

*“Putting yourself in the shoes of your clients, people you are serving, inspires you to do things differently, to serve them differently, and find joy in serving others. As a society, I believe we have gotten away from putting emphasis on being part of the solution in helping many versus what is in it for me.”*

would say having the sense that you are walking in their shoes, considering how would you want to be treated, is absolutely critical to the success of what we do.

When people ask me to give an example of delighted clients, I prioritize when our clients need us to delight them the most like when they show up with a claim. How timely and with what level of dignity, respect and compassion we handle a claim is how do we delight a customer.

One of my favorite stories is that a few years ago, our oldest client who died at the age of 104 had a whole life policy. At age 100, basically, she got a check because she outlived the promise which was made to her many, many decades ago. This particular client actually had purchased her policy when she was 23 years old.

So, think about this, how many companies have relationships which last over eight decades? Someone from



our customer service organization calls this client and says, “Ma’am, we are calling to verify your address in order to send the check to your home.” And she says, “What check?” And the person responds by saying, “Your life insurance check. You have lived to be 100 years old, therefore you get to get a check for living for 100 years.” And then she says, “Oh, that thing.” And just again think about this, eight decades later, you’re reaching out in order to do what we do best, taking care of our clients.

**What is it that you’re proudest of in terms of the customer experience?**

What I’m proudest of is the investments we have made in giving proper tools to our associates in order to serve our clients in intimate ways. What I’m very excited about is the recruiting that we have done in recruiting people who not only bring IQ to our profession and to our company, they also bring social and emotional intelligence. You can train people all day long, Robert, but at the end of the day, when somebody has a servant’s heart, it is part of their DNA. To me, sometimes you also have to use common sense. So we can have all the procedure manuals and all of the guidelines and all the training, and the question is, are you willing to take your risk as an associate to do what is right for the client?

**You’ve spoken about vulnerability. How specifically can you get people to learn through vulnerability?**

I think what’s very important is to create a culture that is embracing of vulnerability and you know, a lot of corporations have a mantra of behaving corporate-like. We embrace our associates and celebrate them as who they are. The question is, are you creating an environment that is safe to be who you are and not pretend to be someone that you’re not?

Vulnerability is the start of becoming a learning orga-



*Mehran and Chief People Officer Mark Benjamin meet with high school students from the Boys & Girls Club of Burlington to share their respective professional journeys.*

*“In order to learn, one has got to embrace vulnerability where they’re at peace to learn about their imperfections as well as what they do well.”*

nization. Vulnerability is about loving the environment that you’re a part of. Vulnerability is about leaving your guard down in order to learn and create the best version of you. You learn from success as well as mistakes, and as long as there is transparency about it, it is really freeing.

**You talk about imperfections. What’s an example of something you, as CEO, need to improve on?**

One of the things that is going to be a lifelong commitment for me is to slow down, listen and be patient. As a matter of fact, on my desk, I have an hourglass which is a reminder for me to pace myself, and I’ve shared that with my colleagues. You see, once you start sharing about what each of us needs to improve on, it becomes natural to have those types of conversations, and it becomes okay to talk about it.



Every year, Mehran logs tens of thousands of miles speaking to and meeting with agencies across the country about their respective professional journeys. Above, Mehran appears at a conference with National Life board member David Coates.

*“Someone from our customer service organization calls this client and says, ‘Ma’am, we are calling to verify your address in order to send the check to your home.’ And she says, ‘What check?’ And the person responds by saying, ‘Your life insurance check. You have lived to be 100 years old, therefore you get to get a check for living for 100 years.’”*

**And you have another unique practice. You’re the only CEO out of about 750 CEOs that I’ve interviewed who does this. Every Sunday, you analyze yourself under your Seven Cs.**

Yes, I’ve had this unique practice every Sunday morning. It’s a time for personal assessment and reflection of the prior week. What do I need to do more of? What do I need to do less of? It is a time of reflection, and I use a process which I learned from a mentor, which is about the Seven Cs of Leadership. It’s assessing one’s competencies, comprehension, confidence, courage, conviction, communication abilities and character.

It is really powerful and it is eye-opening for me in terms of what I need to do more of, and what I need to do less of. It’s been amazing; I’ve been doing it for over two decades.

### **Talk about the heritage of National Life Group.**

The Founding Fathers of National Life were amazing people. They were strategic thinkers. They had creative minds. They had amazing ambitions. They wanted to create something that was about the United States of America versus being a regional company. To that end, they created National Life Insurance Company of the United States of America.

So the first annual report of National Life, in bold letters, says National Life Insurance Company of the United States of America. Think about that. They built a company with a national vision. These were true visionaries who had grandiose goals as business people. The moral I talk to our teammates about is the fact that if your dreams and goals do not scare the heck out of you, they’re not big enough. Think about the founding fathers of National Life Group. Clearly, these visionary men had the perspective of dreaming big, and what we are doing today at National Life Group is carrying forward their vision. That’s what we are doing.

So, we’re a top 10 life insurance company in the country based on topline growth and taking care of clients, fulfilling the promises we have made since 1848, doing good, being good and making good on the promises we have made. That’s what we’re all about as a company.



**And how about the future?**

You know, my teammates asked me how big is big enough, and my response is it's not about the numbers. It is about our purpose. It's about our why. So one of the goals we set for ourselves is to reach a million delighted clients, and my reaction to that is why not two million delighted clients? Why not three million delighted clients? The financial reality of this company enables us to take care of middle America, the most underserved segment of the market. The financial strength of this company gives us the opportunity to serve more people. That's what this is all about.

**You always seem enthusiastic when I see you in the morning. What excites you most about coming to work?**

What excites me is the mission that we are on. We, as National Life, we have created a movement to take care of middle America, the most underserved segment of the market. We love our affluent clients. However, many of us live in middle America, and that market is underserved by our industry. We have put emphasis on it, and we recruit from middle America to serve middle America, and, by the way, one of the things that's totally misunderstood is the fact that insurance companies support the economy of our country because with premium dollars we collect, we invest in corporate and government bonds. Therefore, we fuel the economy of the country.

So, the mission and the movement that we have created in this industry is unique, and it's different because it's about delighting millions of clients, and my teammates are a source of power and energy for me. I am proud of our company. When I walk in our building in Vermont or in Dallas or I'm out across the country visiting our marketing organizations, I find myself pinching myself about how privileged and honored I am, and lucky, candidly, to be part of something that I enjoy every day of the week.

**On that note, what a pleasure it is having you on The CEO Show and congratulations again on being the recipient of The CEO Forum Group's Transformative CEO Award in Customer Experience.**

It is a privilege, sir. Thank you, I appreciate it.



*Mehran Assadi and Robert Reiss – Interview aired February 23, 2020*

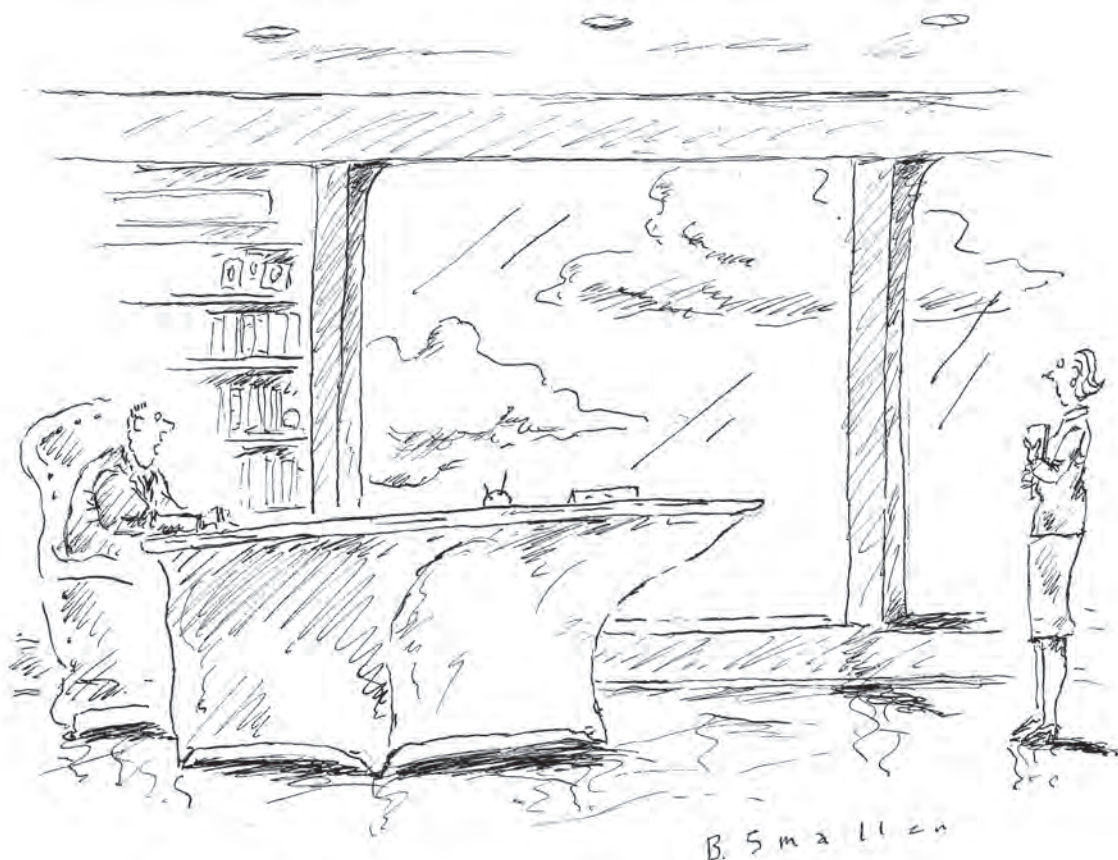
*Mehran Assadi is Chairman, Chief Executive Officer and President of National Life Group. Mr. Assadi joined National Life in September 2003 as interim Chief Information Officer. In 2005, he was appointed the company's President of Life and Annuity. Since becoming President and Chief Executive Officer in 2009, Mr. Assadi has led major growth in sales of National Life's life and annuity products and worked to build a culture of collaboration, engagement and empowerment among employees.*

*He joined National Life's Board of Directors in 2009 and was elected Chairman in 2017. Before joining National Life Group, Mr. Assadi served as Chief Marketing Officer and Chief Information Officer at Provident Mutual in Newark, Delaware.*

*A graduate of Towson University, Assadi has a Master's in Management Information Systems from the University of Baltimore.*



**National Life  
Group®**



*"I have the six figures, the stock options, and the limo, but where are the letters from grateful schoolchildren?"*

*Cartoon: Cartoon Collections*

# Remember Who You Wanted to Be?

*By Lawrence B. Benenson, Principal Owner, Benenson Capital*

Dear Chief Executive Officer,

Hi. How are you? Like you, I run a business. My company owns over 13 million square feet of real estate. Also, I'm on the boards of 12 nonprofit foundations and museums. Here are some thoughts on how you can be a more beloved, and thus a more effective, leader.

First of all, I wrote "How are you?" because I care. I did not write 'I hope you are well,' which is akin to writing, 'Now that we've gotten the mutual BS out of the way, here's what I want...' I do not know you, but I bet you wanted to be someone who actually cares and someone

who is perceived as caring. I'm sure you are a caring person. But, do your lower-wage earners think that you are?

We all read some of the same books when we were six and seven years old. When you were growing up I'm sure you wanted to be the good queen or good king in the story. No one wanted to be the bad queen or bad king. Why, then, are there so many CEOs who have forgotten whom they wanted to be?

Please be a CEO who garners loyalty and admiration. Walk the floors. Speak with the people who work paycheck to paycheck. Being personal is meaningful.



Knowing the names of many of your employees, looking them in their eyes, taking time to listen to their perspectives: that's powerful and encouraging, compassionate and caring. You being the CEO who does that will allow them, and green-light them, to be caring and human to vendors and customers. That is how to incrementally make the world a better place.

Are your managers in your Human Resources department nice, and do they treat your employees with dignity and respect? Is Customer Service serving your customers or just reading from some weird script? Are your managers instructing their underlings to redirect, confuse and frustrate or actually solve the callers' issues?

Newsflash: It seems that many customer service representatives are not allowed to empathize. They come across as unsympathetic and robotic, which reflects poorly on your company and on you. And, that's if the customer is lucky to get a live human being on the other end of the phone. Most of the time, there is a menu of options from which to select and then, my goodness, one is directed to the website or mobile app. Sheesh!

Please teach and train your agents to let their inherent compassionate natures treat customers understandingly. They chose to be customer service representatives because they like people. Their managers and their managers' bosses are afraid that correcting a problem shows weakness. Wrong! You and I know being responsive exhibits strength of character and respect.

In the last couple of months, I've witnessed hotel managers, airline workers and bankers all refer to training that is anti-social. Every day is a perfect opportunity to reset many peoples' misguided directives. However, it is difficult to change ingrained behavior. You, the CEO, must go on an unyielding mission to root out meanness and instill kindness towards all stakeholders.

In 1981, the Business Roundtable established a set of guiding principles for companies that intended to make their businesses more successful and make the world a better place. The latter objective was abandoned for a while. But the good news is that it was resurrected and reiterated by the Business Roundtable last August.

Have you read the Statement on the Purpose of a Corporation? You have? Wonderful! Please read it again.

You haven't read it? Please read it and reread it. The Statement is a perfect example of idealistic realism. It's idealistic and realistic. I have sent it to my partners and all my employees. May I suggest you do the same with yours? A short synopsis of the Statement is, 'Let's all work together and be fair and ethical, and the world will be a better place for everyone.'

Shareholders will appreciate it, too. Last year, the S&P was up 30%. Last January, my close friend decided to invest only in companies which concentrated on Environmental, Social and Governance. Her portfolio was up 37%!

The members of the Business Roundtable remembered who they wanted to be. Their Statement of Purpose is a free pass to let your good king or good queen essence embody the Chief Executive Officer that you really want to be. You are able to change the culture of your company for the better. Shareholders and all stakeholders are depending on your remembering who you wanted to be!

Sincerely (not 'Best'),

Lawrence



*Lawrence B. Benenson is a principal owner of Benenson Capital, a New York-based real estate company with property in 32 states. His motto is "People who have more ought to help people who have less."*

*Benenson serves on the Boards of the Inner-City Scholarship Fund, The Museum of Modern Art (MoMA), among others.*

Bio photo: Evan Sung

## J.W. "Bill" Marriott Jr. Chairman of the Board **Marriott International**



**Robert Reiss:** What are some examples of the Marriott customer approach?

**Bill Marriott:** Our people do some amazing things: When Sully Sullenberger landed his Boeing 737 in the Hudson River, he showed up at our Marriott Marquis with a bunch of his passengers who were all wet because they had all been in the river. Our people ran out to the Sports Authority and bought all of our guests sports clothes, jackets and pants and shoes and everything else so they would have something to wear. They did this on their own; they went out and just took care of it.

We've had front office personnel give their shoes to a lady who was going out to dinner and forgot her dress shoes. We've had all kinds of interesting things happen because our people just want to please the guests.

In Cairo, right in the middle of people demonstrating on Tahrir Square, where we have a big 1,200 room hotel, the leader Ed Fuller showed up at the hotel and found that all of the police protection from the hotel had left, and the hotel was unprotected. He looked around and found that the employees of the hotel were standing out in front and defending the hotel with shovels and broomsticks and knives. Nobody was going to take over their hotel ... and nobody did, and no one confronted them because they knew they'd have a problem if they did.

But that's the kind of morale that the leader inspired by being on the spot. He didn't go hide in his office when things got tough. He got out there with the people.

**As part of your service mentality, you've told me how you like to write handwritten letters.**

That's right. I believe in handwritten letters. When the customer writes a personal letter to me, I always try to

*"We've had front office personnel give their shoes to a lady who was going out to dinner and forgot her dress shoes. We've had all kinds of interesting things happen because our people just want to please the guests."*



*The CEO Forum Group selected Marriott International as the customer experience leader in the Hotels category.*

*Bill Marriott has categorically contributed more to the hotel industry than any person in history. Marriott has grown from one to more than 7,300 properties through a philosophy of treating every associate like a manager, including using a SOP system to codify world-class service, while allowing people to think out of the box. He has a practice of personally handwriting letters to customers and staff, where he was once measured to have written over 700 handwritten letters in a single year.*



## J.W. "Bill" Marriott Jr. Chairman of the Board **Marriott International**

*“Our culture is really what’s made our company the way it is today. My father used to say, “Take good care of your employees and they’ll take good care of the customer and they’ll come back.”*

write them back. When I visit a hotel and I see something that I like I’ll write a note to the general manager and tell her what a good job she is doing. My secretary couldn’t believe it, but one time she decided to add it up and it ended up to be about 700 handwritten letters I’d written that year.

**What’s the relationship between culture and customer service?**

We’ve seen for years that if you take care of people they’ll take care of the customer, and taking good care of the customer is what it’s all about. There’s a lot of

competition out there, and that extra touch when you’re on the road, you’re away from home, you’re lonesome, you’re tired, and when someone at the front desk is there to greet you with kindness, it makes the difference.

**Let’s talk about the Marriott values. Those really haven’t changed since day one.**

That’s right. We try to enhance the values every year by talking about them, reinforcing them, and that’s a major part of our training program.

**For 22 consecutive years Marriott has been on Fortune’s list of 100 Best Places to Work. Is there a relationship between culture and business success?**

Yes, absolutely. Our culture is really what’s made our company the way it is today. My father used to say, “Take good care of your employees and they’ll take good care of the customer and they’ll come back.”



## J.W. "Bill" Marriott Jr. Chairman of the Board **Marriott International**

I would add to that: "Provide opportunities for people." That's the most important thing that we do – not only to be fair to them, we treat them fairly, we pay them fairly, but we give them an opportunity to grow and advance. We can show that everyone who comes to work for us, if he or she will study and learn and perform, they can grow into becoming a general manager.

We think that the way to make a business succeed is to say to everybody, "If you come to work for us, you will have an opportunity to grow."

### **How do you treat people so they will have an opportunity to grow?**

The genius of our company is to treat everyone like a manager. We want people to follow our standard operating procedures, and we also want them to be able to think out of the box. If a particular problem comes up, we want them to initiate solutions to the problems, to anticipate the needs of the guest, and we have some fun stories that have come out.

For example we had guests who took their children home

*"The vision was really about taking care of people. We're really not in the hotel business, we're in the people business."*



from our Amelia Island hotel and their little girl left her stuffed giraffe behind. They were wondering where the giraffe was. They got out of the car and they said, "Oh we left it back at the hotel." They called the hotel. The hotel found the giraffe, and they dressed the giraffe up in a swimming suit, put him by the pool, and they took his picture. Then they dressed him up in a suit, took him to dinner in the restaurant, and took him to the health club and to various other places taking his picture at each place. Then mailed the giraffe back with all the pictures of the giraffe enjoying himself.

### **Marriott has more than 7,300 properties. How do you get the best out of the General Managers who are essentially operating as CEOs of their property?**

I believe in having the top of the company set an example of getting out and meeting the people, telling them what they appreciate. I walk the kitchen; I walk the bedrooms; I walk the back of the house; I shake hands with everyone I can, and I thank them for their efforts.

I also always look at the general manager to see if he knows his people's names without looking at their name tag, and it has always been fun for me to watch them. If they have to look at the name tag I know that they don't know their people. If they don't look at the name tag obviously they know their people.

One of my general managers has over 2,000 rooms with 1,500 employees. And he knows his people; he knows their favorite sports team; he knows something about their family; and they would do anything in the world to make this hotel successful.

### **Let's go back to your roots.**

Well, my mom and dad were married in Salt Lake City in the Mormon Temple of the LDS Church on the 8th of June 1927. Just as soon as the wedding was over they got into a Model T Ford and drove all the way to Washington D.C. It took 11 days. When they arrived they had about \$500 in their pockets, which they had borrowed,



## J.W. "Bill" Marriott Jr. Chairman of the Board **Marriott International**



and they opened a nine-stool A&W Root Beer stand. When the weather got cold people stopped drinking ice cold root beer in Washington. So they put on chili and tamales, hamburgers and hotdogs, and called their little place the Hot Shoppe.

We didn't even have a kitchen in there. All we were able to cook were the hot dogs and hamburgers, and my mom cooked all the Mexican food in their apartment and then brought it to the little shop.

Two years later they opened the first drive-in restaurant east of the Mississippi. From there we developed into a restaurant business, airline catering business, and food service management.

Finally in 1957, they opened their first hotel. We opened in time for Eisenhower's inauguration. But when the inauguration was over everyone left town leaving the hotel empty. We had no one with hotel experience, so I said to my dad, "You're struggling in your hotel over there, and you haven't found out what you want me to do ... Why don't you let me run the hotel?"

He replied, "You don't know anything about the hotel business." I said, "Well, neither does anybody else around here." So he let me take over the first hotel.

**Did you have any vision for what Marriott could become?**

No, I'm pretty vague on the vision thing. What I've done is build the business one hotel at a time and one restaurant at a time. The vision was really about taking care of people. We're really not in the hotel business, we're in the people business. All of our associates are interacting with millions

of guests around the world. The key to our business is how we treat the guests and how we make them feel.

**You've obviously experienced unprecedented growth and success. What is the secret to that tremendous growth?**

We use the basic philosophy that we had in our restaurant business with standard operating procedures. You can't run a restaurant chain and have every restaurant different. We had a lot of standard recipes, ways to clean the table, and standard uniforms. When we got in the hotels business we started developing SOPs for hotels. None of the hotel chains at that time had any standard operating procedures. SOPs helped us get consistency and train people better.

**How would you operationalize this with, say, a short order cook?**

I just ask them one question, "How many times do you flip over the hash browns?" If the answer is anything but one, I know we have a problem."

**Let's talk leadership. You've been through seven tough recessions in your career.**

I found that when you get in trouble one of the most important things you need to do is get your people around you to decide what to do to fix the situation. Listen to what they have to say and develop an action plan. I've always said that it's important to decide to decide. Don't kick the can down the road. Make some decisions, get on with it and get things done.

I love reading about Churchill, as he is my hero of the 20th century. He would never, never, never, give up. As

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we've gone through recessions we've had to readjust and reconfigure and do some things we didn't think we'd have to, but we did them. We've found a lot of different ways of operating our business that we wouldn't have found if we had all smooth sailing.

### **Are you saying there is an advantage to obstacles?**

I think obstacles strengthen you, make you a better manager, make you more inquisitive.

### **How about 1990? The business had grown tremendously but then you had \$3.6 million in debt. Your father set a legacy about being wary of debt. Describe your thinking during that challenging time.**

In the 80's we had been building hotels and selling them and taking on management contracts. We had a whole bunch of hotels. We had tentative contracts with a bunch of buyers, many of them from Japan. When the real estate market crashed the buyers all went away, and we were stuck with more debt than we should have had. We learned a lesson during that challenging time that no tree grows to the sky. You should never get more debt than you can handle.

We also got into trouble with not having enough cash-flow to cover our debt service, so we went on a real strong effort to find every bit of cash we could find. Some of our suppliers came to our aid loaning us a little bit of money. We put everybody to work. We stopped construction on two or three hotels that just started and that saved us money. We actually ended up the year with a stronger cash flow than we had the year before because of all of the efforts everyone took.

The most important thing of all was that we realized the importance of our people. We had to lay off 1,000

people in our architecture and construction department. But we set up an outplacement center where we taught them how to write resumes and get jobs. We researched construction companies that were hiring, and we placed 90% of those people into jobs.

We didn't have to do that. We could have said, "We're having difficulties; we're having trouble; we're laying you off." But we said, "No, that's not the way to do things around here."

### **What advice do you have for CEOs and entrepreneurs on how to grow their business in tough times?**

Many businesses go through challenging times, and that's the time for the leader to shine. When times get tough it's important, as a leader, for you to be optimistic, for you to come up and work with your people, and get them together and say, "What do you think we should do, and why should we do it?"

Then listen to what they have to say, and if you think it's good, go with it. Sometimes it's important to trust your people and let them make decisions. Sometimes they'll make great decisions, sometimes they won't. But they'll always learn from it. At the same time, you cannot develop a good team if your team doesn't know that you are listening to them. They expect you to listen to them. If you don't listen to them, you lose your team, and you lose the ball game.

After you've listened, you can still go against the recommendations as long as they know that you've been listening to them and have considered what they said, and then they understand why you disagreed with them. Then they'll support you even if you disagreed. But if you don't listen to them, you don't give them a chance to express themselves and participate in decisions that affect them, you won't be successful.

### **What is the future of Marriott International?**

There's one word I think of when people ask me that question, and that word is 'more'. More satisfied customers, more better return to the owners of our hotels and to our shareholders, more opportunity for everybody in Marriott to get ahead, and just more fun.



## J.W. "Bill" Marriott Jr. Chairman of the Board **Marriott International**



*Robert Reiss and Bill Marriott*

# Marriott®

## INTERNATIONAL

*J.W. Marriott Jr. is Executive Chairman and Chairman of the Board of Marriott International, Inc., the largest lodging company in the world. Mr. Marriott's leadership spans more than 60 years, as he guided what was once a family-run root beer stand and restaurant to a global hospitality company that is today comprised of more than 7,300 properties across 30 brands in 134 countries and territories.*

*In September 2016, Marriott finalized its largest acquisition ever, acquiring Starwood Hotels and Resorts. Mr. Marriott served 40 years as Marriott's Chief Executive Officer, before stepping down on March 31, 2012.*

*Mr. Marriott's passion for the hospitality industry began at an early age. He spent his high school and college years working in a variety of positions in the family's Hot Shoppes restaurant chain. He became a full-time associate in 1956, and soon afterward began managing the first Marriott hotel. He became President of the company in 1964 and Chief Executive Officer in 1972. He was elected Chairman of the Board in 1985.*

*Throughout his career, Mr. Marriott has been known industry-wide for his hands-on management style, which is built on his parents' chief core value of putting people first. The Marriott corporate culture emphasizes the value that associates bring to the organization. Today, there are more than 740,000 people who wear a Marriott name badge worldwide.*

*Mr. Marriott is also known as a lodging innovator – shifting the company's business model in the late 1970s from hotel ownership to property management and franchising. His strategic decision*

*allowed the company to accelerate its growth and broaden its leadership position. That transformation culminated in the company's split in 1993 into Marriott International – a hotel management and franchising company headed by Mr. Marriott – and Host Marriott International, a hotel ownership company chaired by his brother, Richard Marriott.*

*In January 2007, Marriott on the Move, one of the first regular corporate CEO blogs was launched. Mr. Marriott's award-winning blog extends further his global reach and influence that complements his well-known visits to hundreds of hotels annually.*

*Mr. Marriott serves on the board of trustees of The J. Willard & Alice S. Marriott Foundation. He is a former member of the Executive Committee of the World Travel & Tourism Council, as well as has served on the Board of Trustees of the National Geographic Society and as a director of the U.S. Naval Academy Foundation. Previously, Mr. Marriott was chairman of the President's Export Council, as well as served on the board of General Motors and the Mayo Clinic.*

*Mr. Marriott grew up in the Washington, D.C. area, where he attended St. Albans School. At the University of Utah he earned a bachelor's degree in banking and finance, and went on to serve as an officer in the United States Navy. Mr. Marriott is an active member of The Church of Jesus Christ of Latter-day Saints. He is married to the former Donna Garff. They are the parents of four children and have 15 grandchildren as well as 25 great-grandchildren.*



# Gypsies, Tramps and Thieves? You're Thinking It Wrong.

*By Nancy May, President and CEO, BoardBench Companies*

Corporate Board Customer Service: it's a phrase that search engine(s) can't seem to provide any meaningful information on. Why so? When boards use the term they are referring to their companies' customers. But, don't boards have their own customers? Can't think of any? Well, who can put directors right out of work? Still can't think of any?

Are a board's customers the same as the company's products and services customers? Yes, but not directly. If those customers walk away, the company goes down, but not always the board (think: reorganizations, takeovers, mergers, acquisitions). Are employees a board's customers? They, too, can sink a board, just not suddenly or without killing the company. How about the company's shareholders? Yes, they are the ones who can dump directors the quickest, without sinking the company.

With that thought, who should be kept top-of-mind? If keeping your job as a board director is important, you may want to have a direct, hands-on focus in building and maintaining good relationships with these folks. It seems curious that many boards don't directly focus on or even deal with shareholders. Most pawn off share-

holder relationship management onto executives, analysts, advisors, and even Investor Relations, none of whom are viewed by anyone as direct.

Why do directors do that? Maybe because many directors privately view their shareholders as little more than, like the song says, "Gypsies, Tramps and Thieves." Gypsies in that shareholders are mostly interested in what returns they can get right away and will move on at the drop of a hat. Tramps, in that, if they don't like what they see, they simply shift their investments elsewhere: loyalty is not a driver. Then there are Thieves: activist investors looking to "unlock value" in a company's assets or operations for themselves. Knowing this, you can see why many board members prefer to hide from shareholders rather than work with them.

At one time, this take on shareholders could have been understandable, perhaps even justifiable. However, those days are gone.

First off, there aren't as many public companies as there were 20 years ago. Hence, fewer places to migrate to. Second, the rise of funds: pension funds, mutual funds, exchange traded funds (ETFs), index funds, and/or



combinations thereof, has changed the face of equity investing. More than half of all public shares are now held in fund portfolios. As for funds such as ETFs and Index Funds, over 90% of those are controlled by only three companies. In fact, those same companies now control more than 25% of all shares' voting power, and that is expected to rise dramatically. The upshot is that fund investors are not going anywhere. Bye-bye gypsies.

### Accountable to investors

In fact, directors should start thinking that they now have permanent investors. To be sure, fund stockholders, and they may be sizeable, are already resident in almost every company's capital structure. In some cases, if those shares are part of their index portfolio, they may not be able to leave (bye-bye tramps). You may think that's a good thing. But now that they're living with you, their interest in what you're doing, financially, operationally, socially, and otherwise, is growing — big time.

These investors (your customers) are and will be asking you a lot more about performance and strategy, as well as about your policies on the environment, sustainability and governance, and other things you may not have focused on. Don't conflate the term "passive investing" with "investor passivity." They really want to know what your positions and policies are. Here's the kicker: they want to hear from board members, directly and personally, not from some middle-men.

So, now you have resident investors. You may start to see that they plan on acting like activists — oops. One thing to get over is that not all activists are thieves or looking to grab your assets for themselves. However, it is probably safe to assume that, as activists, they want to see some changes made. With that in mind, it's in your immediate best interest to learn what they really, really want. Because, although they may not want to sell their shares and move on, they are far more likely than in the past to get you moved on, if they don't get what they want.

### Shareholder relations

What can a director do? First, get to know who your shareholders are, and what they want (which may vary greatly) or, more importantly, what they don't want. Start building reliable mechanisms and processes to engage directly with them and get your points across. And

rid yourselves of that misplaced comfort in your company's Investor Relations. IR does have a place in fulfilling regulatory and listing-mandated tasks, but the people responsible for servicing your shareholder/customers should not be the gatekeepers and arbiters of what you learn from them. What if shareholders believe your IR or management is a problem? Think you'll ever hear about it? Stop fooling yourselves and fooling around with something that can bite you in the butt. Shareholder engagement should start with and stay with the board.

Engaging with your board's customers and building relationships with them should be on every board meeting agenda. Assigning directors to assume responsibility for meaningful communication with your investors/customers is critical to expanding those relationships. What about building a Shareholder Relations Committee? Too much work, or not enough time? Not to worry; you may have less work and a lot more time when ignored, irate shareholders vote you off the board.

Making your engagement process both convenient for everyone and frequent (at least as often as board meetings are held) will also work to your advantage. Whatever you do, do more, do better. Things have changed, so your thinking and actions must change. Your investors are sticking around. Get to know who they are, and more importantly, get them to know you. Who knows, maybe your customers will actually like you? Now, isn't that a better way of thinking?



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**Robert Reiss: Talk about Modere's products.**

**Asma Ishaq:** For 30 years, our company has produced clean-label health and wellness products that set a new standard for performance while also being formulated with ingredients you can feel good about bringing into your home and to your family.

Our consumer packaged goods product portfolio includes an award-winning product line of multi-patented collagen supplements, award-winning weight management nutritionals, and distinct and innovative personal care products and household products.

We've made a conscious choice to eliminate unnecessary and potentially harmful ingredients commonly found in conventional formulations, because what we leave out is as important as what we include. We believe our customers should never sacrifice performance for safety, or safety for performance.

**What can you share about the direct-to-consumer model that many CEOs wouldn't know?**

Although it seems that companies like Amazon are making online retailers' competition more challenging, the most successful eCommerce brands have distinguished themselves by providing a unique customer experience. This is where the likes of Zappos and Chewy.com have defied the trends, and I believe the distinction boils down to two factors. First, the relationship with your customer and second, the exclusive nature of your brand and products. Consumers want a simple ordering process, a pleasant experience, and the satisfaction knowing that what they purchased is not available elsewhere, which justifies and validates their decision to purchase directly from the retailer.

**What is the secret to finding the best people?**

Companies with a clear and viable vision for the future will attract the best personnel, because talented people



*The CEO Forum Group selected Modere as the customer experience leader in the Direct-to-Consumer category, D2C. CEO Asma Ishaq utilizes what she terms the "founder's mentality" to instill Modere's culture of employee engagement across the globe to monitor and improve their employee's satisfaction. This in turn is reflected by Modere employees to their customers.*





Asma Ishaq and Modere's Management Committee (from left: Chris Lee, VP Global PMO; Shane Ware, CFO; Michelle Wilson, CLO; Asma Ishaq, CEO; Justin Serra, SVP Global Sales; Alex Lopez, VP Operations and Strategic Initiatives; Robert Harris, VP IS/IT).

are drawn to a larger purpose and to the opportunity to be part of an exciting, high-performance culture. Everyone involved in your business needs to have a clear understanding of the future direction of the company, as well as the plans for getting there, so that those goals seem not only achievable, but inevitable. As the team creates more and more wins, the satisfaction and pride they experience will inherently perpetuate a high-performing culture.

### **What are the core elements of your customer experience and how is digital changing your customer model?**

We are leading the future of our distribution channel with a novel, social commerce model that, together with our state-of-the-art products, is responsible for record growth across our markets. For example, the compound annual growth rate for 2019 over 2018 in North America alone was 70%.

We leverage a particular consumer trend that demonstrates we have moved to the era of the nano-influencer. In recent years, social media

mega- and macro-influencers' sway over purchasing decisions has markedly dissipated. Having millions of followers who will buy what you are selling was once an extremely valuable commodity (and still can be for other reasons). However, the general public has become immune to these paid plugs, just as they have to most advertisements and infomercials. Today, consumers are more influenced by nano-influencers because they have a closer relationship. Nano-influencers provide an established level of trust, nearly three times the engagement rate, more relevant brand positioning, and allow for a more intimate customer experience. They are also the most prevalent marketers on social media. According to HypeAuditor's 2020 report, 69% of Instagram users are nano- and micro-influencers who have less than 20,000 followers. Nano-influencers are the only category showing (overwhelming) growth in engagement and interactions per post in 2019 vs. 2018.

Furthermore, our product mix caters precisely to the top two categories for which influencers create content – the beauty and health and wellness categories.

Our salesforce attracts customers using digital

*“Our consumer packaged goods product portfolio includes an award-winning product line of multi-patented collagen supplements, award-winning weight management nutritionals, distinct and innovative personal care products, and household products.”*



Asma Ishaq hands on discussing samples of new products with the team. From left, Chris Lee, VP Global PMO; Michelle Smith, North America Sales Assistant; Justin Quinn, North America Events Manager; and Shane Ware, CFO.

tools to share their experiences, the benefits of our products, and their passion for our company and products. Our digital platform has shaped our business and helped us to scale what is otherwise heavy investment in media and advertisements. It has also allowed us to reach more people, and most importantly, it has allowed us to engage with more potential consumers.

### **What were your personality traits that helped you originally be chosen as CEO?**

First of all, I could never have built the company and the career I have today without the help of many other competent, brilliant people. One of the greatest benefits of our merger/acquisition was the fact that I gained an incredibly talented team. I went from having to do everything on my own to relying on people around me to do everything so much better than I could. My executive team in particular (some of whom are depicted here) deserve all the credit for our success – they have embraced and executed on each of our company initiatives with unimaginable passion. Our mutual respect is very rare – it has been earned in its full right.

I also work hard to make sure that everyone on my team knows they are valued and to encourage them to express their ideas and concerns so that we can grow together. I learned the concept of ‘servant leader’ -- that your success

is directly connected to the success of those around you -- early on at the first job I took after graduating from Berkeley, and I have applied that concept ever since. In fact, one of our company objectives in 2020 is to foster a Growth Mindset. A Growth Mindset invites employees to be open to change, believe in growth, and embrace training, effective communication and mentoring. It allows for mistakes, because we will all learn and grow from them.

I would say that I have risen to CEO because of my passion for excellence and my drive to be the best, as well as a deep-rooted belief in people

that I have always tried to invoke when building and managing my teams. I have also always valued high ethics as guiding principles in my personal and business life.

If you were to ask my parents, they would probably tell you I have always been somewhat of an overachiever. As a young child, I was very competitive and found validation in winning everything from the spelling bee to the most elected student of the year awards. For better or for worse, I have

*“The most successful eCommerce brands have distinguished themselves by providing a unique customer experience.”*

maintained that drive throughout my education and career, and I credit it for having pushed me to accept nothing less than the best when it comes to the products we develop.

I am also adamant about the importance of maintaining high ethical standards and serve on several industry boards to set and safeguard those standards. I am a committee member on the Council of Responsible Nutrition, on the Advisory Board of the Fragrance Creators Association, Advisory Board of the Women Business Collaborative, the Board of Directors of the Direct Selling Association /





Modere's Quality Assurance Lab supports the company's Perfect 10 quality process.

DSA, and the CEO Council of the World Federation Direct Selling Association.

### **What did you learn about M&A from the merger where you became CEO of the larger entity?**

I believe M&A activity accomplished what I had hoped – the ability to bring my products to the international landscape faster, to gain market share, and to expand my company's capabilities by leveraging a larger platform. I've learned a lot, and the last few years have been transformative for our business.

First, I learned that I'm very uncomfortable in any role other than CEO. In the beginning, I was responsible for the transition of the acquisition without true clarity on my future involvement, even though I was on the company's executive committee. Lacking the level of authority I needed to improve our company was challenging, to say the least, and I'm thankful to be given the opportunity to lead. It has worked out well.

Second, I've learned working with a dynamic team to execute on a transaction is critically important. Every member must be aligned with the objective and understand the boundaries within which to accomplish synergy without compromising the values and culture of an organization. Such a compromise can create a very difficult merger of two companies.

### **In running a larger entity did your leadership dashboard change? Did any of your leadership practices change?**

The greatest change occurred very clearly to me – I had to trust the people around me more than ever. Having ten

*“We have moved to the era of the nano-influencer.”*

times the number of employees and a salesforce that was growing exponentially, I didn't have the amount of hands-on management over the business that I had had in a smaller company. However, I adapted quickly and developed an uncanny ability to gauge competency and trust in choosing the management team that surrounds me.

It didn't stop with trust alone, of course. I had to determine how to transform our culture and set new standards for performance that would reach everyone – from production team members who had been there for 20 years to the brand-new hire in our graphics department. The first step was to add a core value that I believed was missing from our company's already established core values. I added “extraordinary” to convey to our team that our expectation is to go the extra inch, to do more than the average, to look at details that others would miss, and to be dissatisfied with mediocrity and complacency.

Second, I established our company Principles by working with our management team throughout the global organization. These Modere Principles would drive our consequences and establish clear guidelines from which our employee behavior and performance would be driven.

### **How do you keep customers while going through a merger?**

Communication, communication, communication. Even if you think your customers don't want or need to know, they actually do. And in fact, they wanted to hear from you sooner.

### **What advice do you have to women who want to become a CEO?**

Gain expertise:

One of the reasons I have earned respect from small and large organizations alike is that I'm a specialist. Dig deep into an area, whether it's a product category, manufacturing, innovation, or turnaround. Whatever it is, stay persistent with a discipline because your organization and team will follow someone who is schooled in their field.

Read (a lot):



Modere's Production and Warehouse team at the company's 300,000 sq. ft. manufacturing facility.

The greatest asset I have is my desire to learn. I have a very busy schedule, as you can imagine, but I make time to read at every chance.

Be decisive:

Making bad decisions is better than not making any decision. When you're being evaluated for your leadership, others will weigh your conviction and decisiveness.

Lead more than you react:

When you are reacting, you are not leading. People around you – whether peers, subordinates, or management – will notice leadership. You can't lead if you are constantly reacting. Ask for the team and resources you need so you avoid being consumed by reaction.

Ask, even if it's uncomfortable:

Research indicates that women tend to shy away from asking for what they desire or need – whether a raise, a promotion, or resources – this is a dangerous path. It not only hinders your ability to be effective but builds a subconscious (or conscious) resentment over time, which only accelerates regression. What's more, your male counterparts are asking while you are not, and they are

*“I have always tried to work hard to make sure that everyone on my team feels valued and to encourage them to express their ideas and concerns so that we can grow together.”*

asking for way too much (and get it!).

**You've been called the Collagen Queen ... What is it about collagen that is so significant?**

Collagen comes from the Greek word for glue. It is, quite literally, the building block of the body, the substance that holds it together. Found in bone, muscle, skin, tendons, the eyes, hair, nails, teeth, and blood vessels, it is the most abundant protein in the body and provides a sort of 'scaffolding' or structure for its various parts.

As we age, our body's rate of synthesis of collagen and hyaluronic acid (the component responsible for moisture-binding properties of our cells) declines dramatically, causing our connective tissue to weaken. This leads



to drier skin and eyes, weaker hair and bones, and deteriorating joints, tendons and ligaments. Fortunately, the modern discovery of our multi-patented, naturally-occurring matrix of hydrolyzed collagen type II, hyaluronic acid (HA), and chondroitin sulfate called Liquid BioCell counters that deterioration by delivering collagen and HA to the joints, skin and other connective tissues in an ideal molecular weight that the body can effectively absorb. It helps to increase the rate of synthesis of these molecules and goes a step further to inhibit the enzymes in our bodies that are constantly breaking them down.

Our active ingredient has been the subject of multiple randomized, double-blind, placebo-controlled human clinical trials demonstrating statistically significant improvement in joint and skin health. Our cosmetic grade nutricosmetic, BioCell Collagen CG, delivers the same matrix topically in our CellProof premium skincare line.

The results our products have delivered for more than a decade are life-changing, helping people to regain their confidence and quality of life and to look and feel significantly better.

**I see Asma as a brand .... If you were a car what car would the Asma brand be and why?**

I would definitely want to be a Tesla. It's the car of the future – creative and innovative, yet fast and efficient. You'd never imagine the power an electric car can have, and that it can have that much power so quietly. Having the command on the road that it does, it makes the driver feel secure and in control. You never worry about missing an exit or changing a lane – it gives you the effortless ability to adapt to even the most sudden traffic obstacle. I also love that it updates on a regular and frequent basis, needs no maintenance, and is environmentally forward-thinking. All the while, it's head-turning sleek and leaves a lasting impact.

**Talk about what you see the future holding for you.**

I've always envisioned myself as the CEO of a multi-billion-dollar company, so I continue to drive growth for our business toward that goal, and we will get there. I hope to constantly raise the bar for our performance, innovations, and achievements.



*CEO Forum Group Managing Director Bill Peters with Asma Ishaq.  
Interview aired June 23, 2019.*

*CEO Asma Ishaq unites experience and vision to establish innovative concepts in health and beauty. Her extensive background in product development, formulation and manufacturing of nutritional supplements and skincare has been conducive to the marked success of Liquid BioCell®, the premiere line of patented liquid collagen and hyaluronic acid nutraceuticals, nutricosmetics and skincare products.*

*She is a committee member on the Council of Responsible Nutrition, sits on the Advisory Board of the Fragrance Creators Association and the Women Business Collaborative (WBC), is an active member of the Women Presidents' Organization, and serves on the Board of Directors of the Direct Selling Association (DSA) as well as on the CEO Council of the World Federation Direct Selling Association (WFDSA). A sought-after speaker on industry stages including the World Collagen Conference and NutriCosmetics Summit, Ishaq has also appeared on Fox, CBS, ABC, NPR, and in Forbes as a go-to expert.*

*Her work has earned recognition and awards from organizations such as SupplySide West, New Hope and DSA, and she was selected as a finalist for the NutraIngredients-USA NutraChampion Award.*

*Ishaq earned her BA from the University of California, Berkeley and an MBA with a dual concentration in finance and marketing from Rice University. She is the recipient of Rice University's Alumni Industry Excellence Award in Entrepreneurship.*

# MÖDERE®



*A rendering of The Wharf, Madison Marquette's \$2.5 billion mixed-use development along the Potomac River in Washington, D.C.*

# Real Estate Value Creation, Placemaking are Based on Integrated Systems

*By Amer Hammour, Executive Chairman, Madison Marquette*

I believe that the best way to produce high value for customers is to design our businesses and our projects as fully integrated systems, to directly control every component of these systems and focus on their effective integration, how they work together and build on each other. In real estate businesses and in large real estate projects, such as the Asbury Park Boardwalk in New Jersey, or The Wharf in Washington D.C., it is not individual components but the whole that creates excitement, value and success.

Our company, Madison Marquette, which I managed as CEO from 2001 to 2012, and where I am currently the Executive Chairman, invests in and manages over 350 properties, from 14 offices nationally. Our primary client is the investor who partners with us and the owner who

entrusts us to manage and enhance their property. The focus of our services is to produce better returns and additional value for our clients, going beyond the returns they get from simply selecting and holding assets.

We differentiate ourselves from simple asset managers or pure service providers by offering a full array of integrated services: investment, asset management, development, construction, property management, leasing, marketing, and consulting. We create full teams with local leadership for every project, collaborating to implement a complete value-add plan to lease-up the property, to manage it more efficiently, to repurpose it and reposition it for different users, to add density, and to activate it. We believe that by having the full array of skills in house, and by forming fully integrated teams that utilize these





skills, we can maximize value and produce “Alpha” returns for our clients.

A hallmark of Madison Marquette is our ability to deliver customized expertise in a variety of asset classes, including retail, office, residential and medical projects, and to integrate them within urban mixed-use environments. In recent years, across the U.S., people with disposable income have been moving back to urban areas. This trend is especially evident among empty-nesters and millennials who prefer to live in apartments and to be close to the vibe, the energy, the workplace hum and the restaurant and entertainment options of a dynamic city.

Many of our industry colleagues focus on placemaking. For us, the physical place is just a stage. It is important that we program the activity on that stage, to establish the uses that promote this activity -- the food halls, the markets, the medical services, the shops, the hotels, concert halls, and restaurants. All of these bring great excitement to a residential and office area, and similarly, an active office and residential population will support these businesses. The more integrated the activities, the more feedback between them, the more exciting and valuable are the projects, and the more thriving are the cities they anchor.

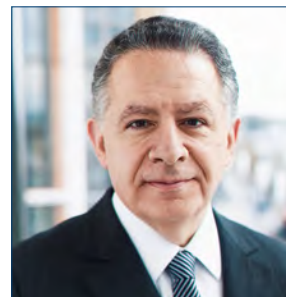
When we came to Asbury Park, the historic beach town on the Jersey shore in 2008, it was still in ruins. The boardwalk area was boarded up, decrepit and deserted. With hopes of bringing the crowds back, we restored many key buildings and pavilions, but no tenants would dare lease space because of the negative reputation of the town. To prove that the city could work again, we created activity: We opened and directly operated restaurants, music clubs, after-hours venues, and we provided security.

For one year, we maintained a substantial operating staff, and we still manage five different music venues, including the world-famous Stone Pony. As people came back to the Asbury shore, we then signed leases across the project. The activity we started has built on itself. We invited artists to create street art on our walls, programmed music and film festivals, built great apartments and hotels. Today, the city is thriving, edgy,

gritty, authentic, artistic, and fun. The liveliest town on the Jersey shore.

For each project, we think of the greatest need that the ultimate users have, and then build the project around that need. In Washington D.C., there is very little waterfront that is not a federal park or public land. People in the D.C. area needed a place where they could gather and fully enjoy the waterfront. So, we designed The Wharf around one spine, a 60-foot-wide, mile long promenade that edges the riverfront. Four piers jut out into the channel from the promenade allowing residents and visitors to view and utilize the water, to live on it and to experience its unique beauty. The Wharf offers office buildings and apartment residences that take full advantage and celebrate the Potomac and thrive on the diverse amenities. We integrated a historic fish market and added a wide variety of restaurants, hotels and music clubs as well as a 6,000-seat concert hall. All of this now fronts an active marina with over 400 boat slips.

It is not any one element of the project that makes it successful, but the full integrated system which creates excitement and repeat visits and maximizes values for our investors, clients and end users. This approach is effective in real estate and for many other businesses as well.



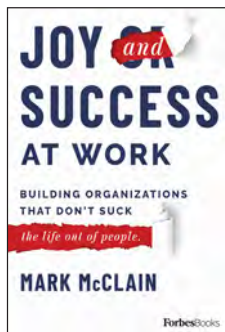
*Amer Hammour is Executive Chairman of Madison Marquette, and heads all real estate operations and investments for its parent company Capital Guidance in the U.S. and internationally. As founder of Madison Marquette, he is responsible for setting*

*the company's investment strategy and leads its growth and capital relationships. Over the past 38 years, Mr. Hammour has completed -- on behalf of Madison Marquette, Capital Guidance and its subsidiaries -- over 200 real estate investments in retail, office, land, and industrial projects and developments valued at over \$8 billion.*

*Mr. Hammour holds a BS in Industrial and Systems Engineering from the Georgia Institute of Technology and an MS in Business Administration from the Sloan School of Management at MIT.*

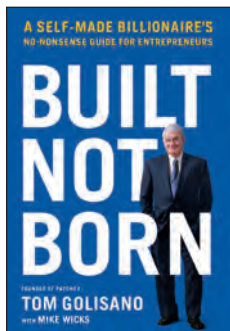
## CEO Library

“One of my favorite quotes on learning is from Julia Child, ‘You’ll never know everything about anything, especially something you love.’ My love has been learning about business models and success, where I have read over 1,000 business books; following are three of those which I believe can be of great value to today’s top CEO.”



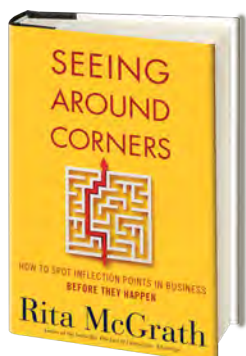
### ***Joy and Success at Work: Building Organizations that Don't Suck the Life out of People* by Mark McClain**

Joy and Success at Work: Building Organizations that Don't Suck the Life out of People is not your typical leadership book. It implores the readers to ask if and when they have ever uttered these words and meant it: “I can't wait to get to work!” Author Mark McClain, CEO and Founder of SailPoint, has and still does. He and his leadership teams have focused on creating companies that make the quality of their employees' work experiences of equal importance to the quality of the solutions those employees create. With Joy and Success at Work, McClain has produced a manual that shares how you and your team can, too.



### ***Built Not Born* by Tom Golisano**

With \$3,000 and a credit card, Tom Golisano became a billionaire and grew the company he founded, Paychex, to a \$30 billion market valuation and more than 670,000 customers. Golisano wasn't born with an instinct to think entrepreneurially, but instead he honed this skill over a long career of leading Paychex and investing in other companies. Now, in his trademark direct and often humorous style, Golisano shares the hard-won lessons for all phases of business ownership from his entrepreneurship journey in Built Not Born: A Self-Made Billionaire's No-Nonsense Guide for Entrepreneurs (Harper Collins Leadership, February 11, 2020).



### ***Seeing Around Corners* by Rita McGrath**

Rita McGrath has been ahead of inflection point curves since the 90's, when she introduced the ideas underlying the Lean Startup movement and the new practice of innovation. With her fifth book, Seeing Around Corners: How to Spot Inflection Points in Business Before They Happen, she offers a prescriptive, practical guide for executives who want to be prepared for the changes emerging in an uncertain world. The book shows you how to pick up weak signals, how to map out your strategy and how to bring the organization along with you. A must read!





Dan Helfrich, Chairman & CEO, Deloitte Consulting LLP, interviews Georgetown University Men's Soccer Head Coach Brian Wiese, during the team's 2019 National Championship season.

**Robert Reiss:** You are CEO of Deloitte Consulting. You have 56,000 employees who you're responsible for, and, more than that, you have the fiduciary responsibility to guide a lot of CEOs in their strategy and execution. So here's the big question. This is a very competitive space you're in. What's different about Deloitte?

**Dan Helfrich:** It is competitive. And by the way, that makes it fun. There's nothing that gets my juices going and frankly, nothing that gets the juices going of our entire 56,000-person team than the thrill of

*"In the first six months that I had been in this role, I probably had 30 or 40 CEO conversations and 95% of them have had purpose and responsibility."*

competing to do great work for our clients. What's different about us, in my mind, it's our ambition first. We have a very clear ambition, and that is to be the most influential and the most responsible consultancy in the world. Influence meaning that the problems, the risks, the challenges that are the greatest for individual clients, for ecosystems of clients or for society writ large. I want Deloitte Consulting's voice in those conversations.

And responsibility, which means that as we do our work, as we lead ourselves in the industries we work in, doing it with responsibility at the fore to create positive change in society; that's critical. In my mind, if you can be the most influential and the most responsible, you'll also be the best consulting firm in the world.

**So how do you show responsibility? How does that manifest itself when you're working with clients?**



*The CEO Forum Group selected Deloitte Consulting as the customer experience leader in the Consulting category. CEO Dan Helfrich has elevated the 56,000-person organization by detonating traditional business orthodoxies and convening with unconventional organizations. He's also focused on shifting behaviors through his "everyday equations" such as horseshoes are greater than circles.*

Well, first of all, it manifests itself in shared objectives that the client and you have on an important topic societally. Maybe that topic is economic development for disadvantaged youth, and the client and Deloitte both have a shared passion about addressing that issue. You come together in the context of either a local community or nationally to address that issue.

**Do you do that more often because both companies have that in their focus? Or does it ever get to a personal level where you'll be one-on-one with the CEO and you'll say, "Hey, this is really important to me?" .... How does it really work?**

It works both of those ways, and it works all the time. The great thing, and if you dial it back 10 years ago, I don't think those CEO-to-CEO conversations that had responsibility and purpose at their core were happening as predictably as there are today. In the first six months that I had been in this role, I probably had 30 or 40 CEO conversations and 95% of them have had purpose and responsibility -- both what we care about in society, and, frankly, how we're dealing with it in-

ternally with our employees. It's been in every one of those conversations.

**We're in our fourth phase, which is that everything's an integration of purpose and profit, and you're finding that in 95% of your discussions.**

Absolutely.

**Do you have any examples of one you want to talk about?**

Let's talk about places like Silicon Valley where so many of the companies there are both our clients and our business partners, as we form joint solutions with, for example, software companies that we're going to bring

*"Convene. It means that unconventional partnerships must be formed to bring to bear the best solutions to our client's biggest problems."*



At Deloitte's 2019 Impact Day, Dan Helfrich volunteers with a team at SMYAL Foundation, which empowers LGBTQ youth.





At a recent client event, Dan Helfrich and So Chan, Principal, Deloitte Consulting LLP talk about technology driving digital transformation.

*“The consulting firms that are going to win, and the consulting firms that are going to have the biggest impact possible are going to be the smartest at realizing how to knit together, how to convene different types of solutions, different types of stakeholders.”*

businesses and bring in big governments and bring in integrated solutions. Well, in every one of those conversations with the CEOs or senior executives in those Silicon Valley companies, the topic of a particular passion is on the table.

Sometimes it's about, frankly, big topics like the future of capitalism, and how we, as big businesses, have a role to play in making sure that the work we do and the benefits that we accrue have benefit to society writ large. Sometimes, it's on a more localized topic, like how do we deal with a housing crisis in a particular region? Those are all topics that are fair game now in CEO-to-CEO conversations.

**It's really refreshing to me to see that a consulting firm is having these types of partnerships because you're solving two things simultaneously — the business issues and also the bigger issues of the world.**

**I know you have used the term “convene and detonate.” Talk about what that really means.**

So two words. They matter a lot. Convene and detonate. Convene. It means that unconventional partnerships must be formed to bring to bear the best solutions to our client's biggest problems. That means that your grandfather's consulting firm, maybe your father's consulting firm or your mother's consulting firm. They used to think they could do it all by themselves. That is from a by-gone era.

Consulting firms, do we have immense talent? Yes. Do we have terrific solutions? Yes. Do we have a monopoly on the best ideas? Heck, no. And the consulting firms that are going to win, and the consulting firms that are going to have the biggest impact possible are going to be the smartest at realizing how to knit together, how to convene different types of solutions, different types of stakeholders to address a problem holistically. That's where I see the power coming from.

Now, detonate may seem like a bit of a paradox, but what I see in leading my own team, and what I see as I talk to other CEOs are processes, systems, management systems, and ways of behaving that are decades old, and they become habits that people don't even recognize that they have. It might be the hour-long status meeting that the executive team has every week that no one looks forward to; no one uses. And they're not getting value out of it.

It might be the orthodoxy that we're challenging ourselves, which is where you recruit the best and the brightest from. Is it only from Tier 1 universities or graduate degree programs? I think not. Do you want to have the most diverse workforce, as we do? You better be going out to a wide variety of institutions. You better be looking for not just the newly-minted MBAs, you better be looking for artists and designers and cultural anthropologists and scientists and clinicians. We need all those types of people.

So, for us and for our clients, being able to actually find the orthodoxies that are preventing progress and detonating them is incredibly important.

**I read a great blog that you wrote about the future of talent, and it ties exactly into what you're talking about.**

I just got the great opportunity to spend time with about 100 MBA students the other day and we were talking about the future of this profession. And what I found was some things that were the same as I would have heard seven or eight years ago, and some very different. The same is that people are looking for a variety of experiences in a short period of time. So that going into consulting is a fast-forward experience in your development.

What's different? The allure of travel has gone way down.

**People used to love that, now they don't.**

People used to love the idea of jet setting around the country or the world. It's certainly still appealing to some, but for others, some for personal wellness reasons, some for climate and sustainability reasons, they say, "I want to be on a plane less often." And then connecting

*"Being able to actually find the orthodoxies that are preventing progress and detonating them is incredibly important."*

this to the early part of our conversation, the number one thing people say they want out of a consulting experience is to create an impact that has positive societal value.

**What do you do to build the culture at Deloitte? You now have 56,000 people and you have responsibility to a lot of CEOs you're advising. I know you have these special "everyday equations" and other sorts of things.**

The first thing I talk about every time I'm with a group is: We better be having fun with the purpose of what we do.



At the 2019 Dreamforce, Dan Helfrich spends time with The Female Quotient's Founder & CEO Shelley Zalis at the Equality Lounge.

**I love it. You're talking about fun.**

Life's too hard and this career brings with it inherent stresses and inherent competition, and it can bring about anxiety for folks. Let's not forget that it's such a privilege to get to do what we do, and if you aren't able to do it with people that you admire, respect and do it while you're laughing every day, then it's not worth it. So, that's the first thing. That is a foundation; fun with purpose.

The thing we've done with our team is say, instead of talking about culture as an amorphous organism that people can't really get their hands around, we've talked about it in what we call "everyday equations." Here are 15 things we want you thinking about when you make choices every day. So what might one of those be? Horseshoes are greater than circles. Why would I tell someone that horseshoes are greater than circles? What's the difference between a horseshoe and a circle? One's open and one's closed. I want our team always making sure that they're not creating units that people can't penetrate.





*Dan Helfrich describes what detonating traditional orthodoxies means to him at Oracle OpenWorld 2019.*

Instead of saying, “Avoid cliques,” you say, “Horseshoes are greater than circles.” And it creates another whole conversation.

Another one is: diversity and inclusion is less than intentional every day. What does that mean? It means that it’s not good enough to advance the diversity and inclusion goals that we have, and just say, “I’m a great person and I’m going to make thoughtful value-based decisions every day.”

No. You’re going to need to have this at the front of your mind to create choices and create opportunities, so that no matter the underrepresented demographic in our workplace, those individuals are getting the greatest opportunity to move forward. And on the inclusion front, that you ask yourself every day, “Are all the voices on this team heard?” If they are not, then you need to be intentional about the way to do it. So, there are 15 of those that are driving a really powerful conversation about culture, but it’s also a more tangible conversation about culture, which I think is important.

### **What is it that CEOs need to do to be more successful today?**

There are a number of answers to that question. First, in the way CEOs lead their organizations, they need to be closer to their teams. I see a dissonance between the C-Suite and the executive teams and the employees who are making things happen every day. CEOs have to find a way to make sure that they’re spending time and have the pulse of their broader organizations.

The second is, there’s been a discussion about customer experience and employee experience for a while now. What we’re realizing in our research is that the best CEOs leading the best organizations think about the human experience. It’s actually the intersection of all individuals that interact with their company or their brand, whether they are business partners, whether they are employees, whether they are customers, ... and elevating the human experience.

Those that look at the experience as holistic, who apply values to that thinking, will elevate the human experience, and they will have more engaged employees. They’ll have more loyal customers, and they’ll have business partners who want to spend more time with them versus their other choices.

### **In addition to running a 56,000-person organization, you are a professional broadcaster. Talk about what you’re doing there, and what lessons you’ve learned from broadcasting in sports that impact a CEO?**

Sure. I probably am your first guest who has been both the CEO and a broadcaster, so how did I get into it? Well, like a lot of young people, I grew up dreaming of being a sportscaster. When it came time to graduate from school, I actually had some broadcasting opportunities and consulting opportunities, and for a variety of personal reasons I chose the consulting ones, which some people told me at the time was crazy.

Then 15 or 16 years ago, as the online streaming of college sports, in particular those not on network television became more approachable and more available, I started to do play by play of the Georgetown men’s soccer games. I actually played soccer, and I played at Georgetown as an undergraduate and over the course of 16 years, I’ve broadcasted hundreds of games -- most of them soccer. To this day, I broadcast every Georgetown men’s soccer game.

The technology’s gotten a lot better through those 16 years; the viewership’s gotten a lot higher. And I will tell you that amongst the greatest thrills, the non-family

thrills, of my lifetime was just this past December when I got to broadcast the final eight of the NCAA tournament when Georgetown was victorious and earned a spot in the final four. To be able to call the winning goal with about 10 minutes to go in that game was a lifetime highlight.

You asked about connections of broadcasting to leadership in my job, and there are actually many. The first thing is when you see a lot of CEOs talking about work-life balance, work-life fit, et cetera, I'm walking the talk of the importance of having a fulfilling set of passions, hobbies and things that occur outside my workplace. The fact that I turn down — if there happens to be a broadcast I'm doing in the middle of the week — an internal meeting, or I can configure my life so that I can do that broadcast, ... that speaks volumes to my team, and gives permission for others to make their own version of a personal choice.

The last thing I'll say is, when you do play-by-play as I do, the intersection of preparation and real-time articulation comes to the fore, and if you want to be a great business leader and a great consultant, you absolutely must be prepared.

You must have facts; you must have data; you must understand the people you're interacting with. Just as I must understand the facts and the rosters of the teams I'm broadcasting, but guess what? The world changes before your eyes. In a business meeting, in a moment, and it changes before your eyes when you're broadcasting a game. Don't let the preparation prevent you from seizing a moment and being articulate as things change. I have to do that well to be a good CEO and a good adviser to CEOs, just as I have to do it well to paint an attractive picture and a memorable picture to my viewers when I'm doing a broadcast.

**And on that note, it has been a real pleasure having you on The CEO Show, and for all of you out there, remember ... use the horse-shoe.**

Thanks, Robert. It's been fun.



*Robert Reiss and Dan Helfrich – Interview aired December 14, 2019.*

*Dan is chairman and chief executive officer of Deloitte Consulting LLP. As its CEO, he leads more than 56,000 professionals who help clients solve their most complex business issues and move forward with confidence across areas of technology modernization and innovation, human capital, strategy and analytics, customer experience, and enterprise operations. Dan is also a member of the U.S. Executive Committee and the U.S. Management Committee.*

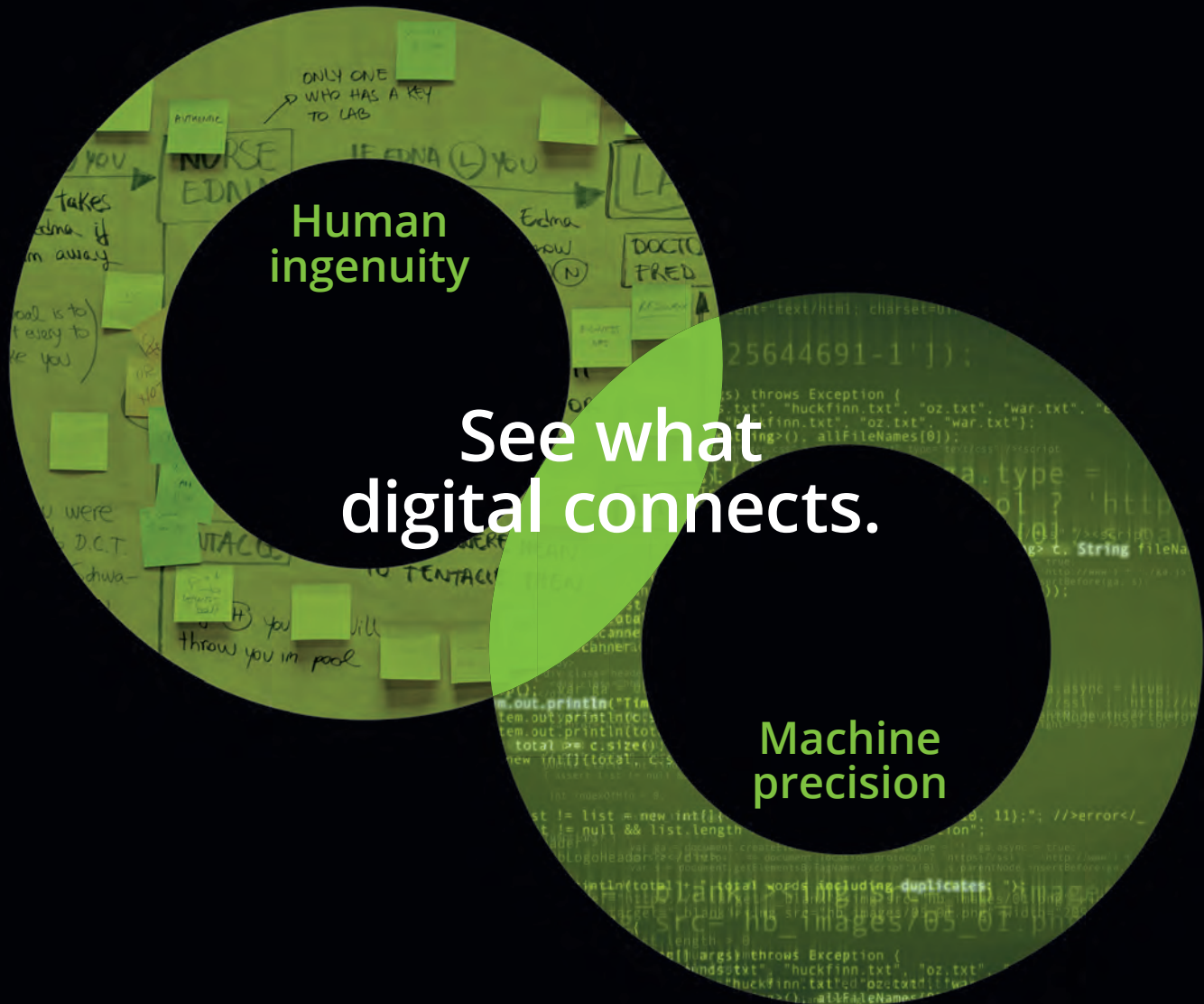
*In his more than 20 years with Deloitte, Dan has led large customer-centric transformations for both public and private sector clients. Previously, Dan led the Government & Public Services practice helping to solve our nation's biggest challenges across all levels of government, including all 15 U.S. cabinet-level agencies, 44 states, and more than 60 of the top 100 universities. He also served as Deloitte's chief strategy officer for Human Capital and led the Civilian Government sector.*

*In addition, Dan writes and speaks regularly on topics such as purpose-driven leadership, elevating citizen and customer experience, and the future of work.*

*Dan holds a Bachelor of Science in international economics and a Master of Business Administration from Georgetown University.*

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**Deloitte.**



# Speed, Transparency in Equipment Financing are Most Revolutionary

*By Bill Verhelle, Founder, Innovation Finance — Creator of QuickFi*

### **Talk about the history of equipment financing.**

Business equipment financing was invented and expanded half a century ago by independent finance companies. Over the last several decades, those businesses were largely consolidated into large banks. Many of the global manufacturers of equipment also have their own equipment finance businesses to help finance the equipment they make. Today there are a number of independent companies, like Innovation Finance, that are working to innovate within an industry that has seen little change in decades. Together, these businesses finance a trillion dollars worth of capital equipment every year in the U.S. alone.

### **What is QuickFi?**

QuickFi is a 100% digital, 100% cloud-based financing platform that represents an entirely new business model for the \$1 trillion per year commercial equipment financing industry. QuickFi allows borrowers, who are financing equipment, to complete transactions that previously took days or weeks, in 3 minutes. QuickFi provides borrowers with unprecedented transparency, in addition to nearly instantaneous speed. Transactions that used to take weeks or longer to complete can now be completed by a borrower on an Apple iPhone or Android Mobile device 24/7/365 based on their schedule.

### **Why is speed and transparency important?**

Speed attracts people to our platform because it's so revolutionary and so different from what currently exists. And

the 24/7 self-service element of the platform puts the customer in total control. Ultimately, for the borrower, the transparency is really what is most revolutionary. That's what our customers tell us they most appreciate following their QuickFi borrowing experience. They can see, before they enter a new transaction, what the all-inclusive interest rate on the loan is going to be. There are no hidden fees, no hidden costs whatsoever. And it's within the borrower's control to process the transaction from start to finish.

### **You said it's important for the CEO to become a technologist. Explain what you mean by that.**

I started as a CEO at a very young age, and I'm still trying to figure it out. But one of the things that I've seen change over 20 years is that it has become much more important that a CEO has a technological understanding, as part of their core competency and skill set. Things are moving so fast, business models are changing so rapidly, you really have to know something about technology to set strategy and oversee execution.

### **Henry Ford is a hero to you, but you said the assembly line has actually hurt our economy. Why?**

Sometimes, good ideas are taken a bit too far. In this case, we've seen 25 years in the financial services industry where the prevailing business strategy was really consolidation and economies of scale. Everything was about growth and scale. If you can squeeze out widgets for a nickel less next year, that's what we all have to do. There wasn't really a lot



of focus on what we're delivering, on the customer experience or on the long-term business model and how we'll respond to challenges and opportunities arising from new, exponentially advancing technologies. In financial services, it has all been about the assembly line, and how we could make the assembly line bigger and more efficient.

This type of efficiency comes at a cost. Financial services organizations today are not very good at changing themselves. They're not very agile. These are big organizations that are siloed; they have a lot of hierarchy and a lot of bureaucracy that tend not to be team-based. They tend to have the decision-makers quite far away from their customers and their competitors, which makes it very difficult for those companies to be agile.

This is the way we think about the competitive landscape when we look at some of the "new" big companies like Google. We see technology companies that are very large, but they're very team-based and they're organized very differently. They're team-based and not assembly line-oriented, and that's really what my point was about Henry Ford's revolutionary ideas being taken too far.

### **One of your philosophies is to stop being a follower.**

Right. I read a largely unknown book years ago that had a big impact on me as a CEO. It's a book called *Leadership: Thinking, Being, Doing* by Lee Thayer. In the book Mr. Thayer talks about the fact that everybody wants to be extraordinary. Everybody wants to have extraordinary results, but only if they can pretty much do everything like everybody else .... if they can be the same as everyone else.

Lee's point is really a commentary on human nature. We all want to fit in; we want to do things like everyone else. In many ways, we strive to be the same as those around us. One of the things we've realized is that, in business, if you want to have extraordinary results, you have to pick a few things that are different from what all your competitors are doing. And that's what we've done with QuickFi.

In certain industries you see there's very much of a follower mentality. There's a market leader, and then most of the rest of the companies are following what they do. J.P. Morgan Chase might be such a company in commercial banking. One of the most important roles for a CEO is to be thinking where the CEO's company can actually be doing something that's different compared to what everyone else is doing.

### **Where do you see the equipment financing industry in five years?**

Five years ago, I opened an industry conference asking the question: Will things be fundamentally different five years in the future (which is today)? The reality is, in the past five years, the transformation of the finance industry in the U.S. hasn't moved as fast as I had expected. I do believe that there's going to be a point between the next five and 10 years where the commercial equipment finance industry will be dramatically different from what it is today. Rapidly advancing exponential technologies are transforming business models and entire industries throughout the global economy. There is nowhere to hide from such changes.

### **And the future for Innovation Finance?**

We're excited about the new QuickFi platform. We've created a platform that's fast, transparent, 100% digital, 100% cloud-based, and it is completely customer-focused. QuickFi delivers a unique experience in business equipment financing, and we are optimistic that it represents the future for this \$1 trillion per year U.S. industry.



*Bill Verhelle is the Founder of Innovation Finance, Harvard Partners and First American Equipment Finance.*

*Innovation Finance is a national commercial equipment finance company serving creditworthy businesses on the newest, most innovative and transparent self-service platform, called QuickFi.*

*While a student at the Cornell Law School in 1996, Bill founded First American Equipment Finance with his long-time friend and business partner, Guy Klingler. During his nearly 20-years as First American CEO, the Company was recognized eight times by Inc. Magazine on the prestigious Inc. 500 listing as one of the fastest growing private companies in the U.S.*

*Bill has a Bachelor of General Studies Degree (BA) from the University of Michigan at Ann Arbor, a Master in Business Administration (MBA) from the Anderson School at UCLA and a Doctor of Laws (JD) from Cornell Law School.*

*During 2008 Bill served as the Chairman of the Equipment Leasing and Finance Association.*





*On December 10, 2018 in the Syrian Arab Republic, UNICEF Executive Director Henrietta H. Fore (left) welcomed at the entrance of Saif Al-Dawleh primary school by school children. Saif Al-Dawleh is one of seven schools in Douma supported by UNICEF. Out of the 34 schools in Douma, 14 are completely destroyed or heavily damaged.*



*“Our work is guided by the Convention on the Rights of the Child, the most widely ratified human rights treaty in history.”*

**Robert Reiss:** To you as leader, what is the purpose of UNICEF in the world?

**Henrietta Fore:** UNICEF works to help children. We want to make sure they are healthy, educated, protected and have the skills they need for the future. We work in 190 countries with just one main goal in mind: building a better world for every child, everywhere. Our work is guided by the Convention on the Rights of the Child, the most widely ratified human rights treaty in history. The Convention turned 30 in November last year, which is an opportunity for us to reflect on what we have achieved so far, and what we need to do more of in the future.

**Are there any parts of the UNICEF model that you wish CEOs and other people understood better?**

We receive our entire funding from voluntary contributions. The critical work we do for children around the world depends on the generosity of our donors in government, business, philanthropies, etc.

We are also a decentralized organization. Our teams in every country work with their government counterparts and other partners to do what's best for children. We have headquarters in New York, Geneva and Copenhagen, but the core of our work happens in the field.

**Talk about who your 'customers' really are.**

Our first stakeholders are the children and young people we serve. Whether in Afghanistan or Argentina, Mala-



*The CEO Forum Group selected UNICEF as the customer experience leader in the Non-profit category. Executive Director Henrietta Fore has helped drive a passionate culture to galvanize and care for the world's ultimate customer – underserved children. UNICEF is 100% funded by voluntary contributions.*





*“We receive our entire funding from voluntary contributions.”*

*A mother and child interact with UNICEF Executive Director Henrietta H. Fore as she observes during a ground level visit to witness Home Based New Born Care in Ramchandrapur. The UNICEF Executive Director visited Ramchandrapur Village in Mirzapur District near Varanasi in Uttar Pradesh to see the impact of UNICEF programs on the ground, including health, nutrition, ECD, education, adolescent empowerment, child protection and WASH.*

whether in Mexico, South Sudan or Sri Lanka, children are our one and only priority. To do this, we work with governments, donors, private businesses, academia – anyone who can help us advance and secure children’s rights. I have traveled quite extensively over the past two years. Whether in Mali, Sudan, South Sudan in Africa, or Bangladesh, India, Myanmar in South Asia, Honduras and Mexico in Central America, or again Syria and Yemen in the Middle East, I am inspired time and time again by the resilience of the children and young people I have met. They are tomorrow’s leaders and we owe it to them to equip them with the tools for success.

#### **How do you use digital to deliver for your customers?**

We have a strong multilingual digital presence which allows us to interact with diverse audiences in diverse regions. We believe it is important to reach children

wherever they are, offline as well as online. Through our social media platforms, we communicate to young audiences about children’s needs and our work throughout the world to help meet these needs. We also use our digital platforms to engage children and young people about the issues that matter most to them.

For example, we have a program called U-Report, which is a messaging tool that allows young people to share information and opinions about topics they care about, ranging from employment to discrimination and child marriage. U-Reporters respond to polls, report issues and support child rights. The data and insights are shared back with communities and connected to policy makers who make decisions that have a direct impact on these young people.

#### **When you became Executive Director at UNICEF, what were your goals and what have been the**



**challenges and successes in meeting these goals?**

I joined UNICEF in January 2018. My goal then is the same as my goal today: How do we deliver for children in the most efficient, rapid and respectful way? A lot of the work we do is in remote areas, where violence, poverty, conflicts and natural disasters put children at risk or keep them from reaching their potential. We work with governments, communities and young people themselves to co-create solutions for the world's most vulnerable children, those who live in remote rural areas or slums, those in the path of severe hurricanes or those in the frontlines. And we are constantly looking at how best we can make a difference in their lives.

**Prior to UNICEF you were a CEO. What lessons did you learn that prepared you for UNICEF?**

My work with the private sector has inspired me to engage with businesses in a more proactive way. The business community has always been a key ally for UNICEF, helping us raise resources for the most vulnerable children.

Now we want to go to the next level. We want to work with more private sector partners to co-create solutions for children. We want to develop priority integrated partnerships with companies to achieve and accelerate results for children in a range of areas, from delivering education to hard-to-reach communities using online learning tools, to reducing the costs of toilets and water delivery in disadvantaged areas, to our ongoing work to shape vaccine markets.

**Talk about how children develop and their role in the future of the world.**

Children's needs change as they grow and get older. First, we need to keep them alive. We know that the first 28 days are the most critical. Indeed, in 2018, 2.5 million children

died in their first month of life, which is approximately 7,000 babies every day. We need to make sure that mothers have a healthy pregnancy and delivery, and that babies receive adequate food, nutrition and health services from day one.

We also know that, for healthy brain development, children need care, love and stimulation, particularly in the

*“We have a program called U-Report, which is a messaging tool that allows young people to share information and opinions about topics they care about, ranging from employment to discrimination and child marriage.”*



(Top photo) On December 12, 2018 in the Syrian Arab Republic, UNICEF Executive Director Henrietta H. Fore (center) joins school children in an outdoor activity at the UNICEF-supported Al-Mahatta Al-Awla primary school in Izra city, in Dara'a, southern Syria, where 360 students go to school. (Bottom photo) Fore visits the Thet Kel Pyin Muslim Internally Displaced Persons (IDP) camp and meets with Tin Tin Aye, 2.5 years old from the Temporary Learning Centre at Thet Kel Pyin Camp in Sittwe, the capital of Rakhine state.





UNICEF Executive Director Henrietta H. Fore walks with members of the Vigilante Committee in a "walk of pride" observing toilet facilities at the Open Defecation Free village of Ramchandrapur.

*“For healthy brain development, children need care, love and stimulation, particularly in the first 1,000 days of their lives.”*

first 1,000 days of their lives. Children who are nourished, loved, protected and stimulated are more likely to become better learners, form positive relationships, resolve conflicts peacefully, and contribute more to their economies and societies.

When young children are exposed to violence, starved of nutrition, neglected of responsive interactions with their caregivers, the brain simply doesn't develop as it should, affecting everything it is responsible for, including children's cognitive and emotional development, behavior, happiness, well-being and health.

The teenage years are a different ballgame. The risks children face at this age vary from obesity, child marriage, cyberbullying and online misinformation to road traffic accidents, mental disorders and gun violence. Keeping them safe and healthy at this age requires the combined efforts of governments, businesses and parents.

To give you one example, I was in Honduras earlier this year. Did you know that a person under the age of 18 dies from violence every day in Honduras? For a country not engaged in active warfare, this figure is staggering. Gangs are terrorizing neighborhoods across the country, offering young people an impossible choice: Join them or die. More than half a million children old enough to go to secondary school do not go to school. Dropping out of school is far too often the only way young people can escape gang threats, harassment and forced recruitment, particularly as they travel to and from school through gang-controlled areas.





*Robert Reiss and Henrietta Fore*

The combination of violence, poverty and lack of education opportunities is causing thousands of children and families to flee their homes and look for safety in other countries, including here in the U.S. It is clear that what these children and young people need more than anything is real investment in education, protection and other services that can help guide them toward a more hopeful future while also reducing some of the causes that drive them to flee.

Overall, I firmly believe that if we give children and young people reason to be hopeful about their future, we will be addressing a lot of the challenges they face. If they go to school and learn skills that will allow them to find jobs and meet the needs of the modern labor market, there will be a much better way forward for them. If they know about the online and offline risks stalking them, they will be better equipped to avert them.

If governments consider children's best interests in everything they do, there will be fewer violations of child rights. It really shouldn't be that hard.



*Henrietta H. Fore became UNICEF's seventh Executive Director on January 1, 2018. She has worked to champion economic development, education, health, humanitarian assistance and disaster relief in a public service, private sector and nonprofit leadership career that spans more than four decades.*

*From 2007 to 2009, Ms. Fore served as the Administrator of the U.S. Agency for International Development (USAID) and Director of United States Foreign Assistance. The first woman to serve in these roles, she was responsible for managing \$39.5 billion of U.S. foreign assistance annually.*

*Earlier in her career at USAID, Ms. Fore was appointed Assistant Administrator for Asia and Assistant Administrator for Private Enterprise (1989-1993). She served on the Boards of the Overseas Private Investment Corporation and the Millennium Challenge Corporation. In 2009, she received the Distinguished Service Award, the highest award the Secretary of State can bestow.*

*From 2005 to 2007, Ms. Fore served as Under Secretary of State for Management, the Chief Operating Officer for the U.S. Department of State. She was responsible for the staff, resources, facilities, technology and security of the Department and was the Secretary of State's principal adviser on management issues. She oversaw a management budget of \$3.6 billion, 7,200 employees, 30,000 contractors and 267 embassies and posts in 172 countries.*

*From 2001 to 2005, Ms. Fore was the 37th Director of the United States Mint in the U.S. Department of Treasury, managing the world's largest manufacturer of coins, medals and coin products.*

*Immediately prior to her appointment with UNICEF, Ms. Fore was Chairman of the Board and Chief Executive Officer of Holsman International, a manufacturing and investment company. She also served on the boards of a number of domestic and international public corporations.*

*Ms. Fore has a Bachelor of Arts in History from Wellesley College and a Master of Science in Public Administration from the University of Northern Colorado. She is married and has four children.*



# 6 Ways the Customer Experience Is Being Transformed

*Rita Gunther McGrath, Professor, Columbia Business School*

The inflection point that is digital has utterly transformed the relationship between organizations and their customers. We've gone from selling products through retail channels to selling 'experiences' directly to the end user. We've gone from sales funnels to immersive and experiential connections to customers. And we've gone from products that were, well, products, to hybrid offerings in which product features take a back seat to the digitally intermediated experience. What does all this mean for the future of the customer experience?

## 1. Blending the best of human with best of technology

Far too many companies, particularly in low-margin businesses like retailing, have come to treat customer-facing employees like Kleenex. They hate their jobs. They quit en masse. They're poorly trained. Their schedules are unstable. The pay stinks. And even worse, as research by MIT's

Zeynep Ton has shown, many CEOs are oblivious to the fact that the bad jobs they are offering their employees translate into horrible experiences for their customers.

Some forward-thinking firms – firms such as Wegmans, Best Buy and Costco – in contrast, invest in their people, and blend training and a sense of purpose with top-notch technology. The result? Happier humans on both sides of the customer experience and better bottom lines overall.

## 2. Experience in the context of arenas

What confuses many company leaders is that they are still thinking in terms of competing with others in their industries. Guess what? Customers don't care. They want not only the best experience they have with any provider to be the standard, but they'll gaily buy from players from other industries if the mood suits them. Just have a look at what technology-based direct-to-consum-



er operations like Dollar Shave Club and Harry's have done to mighty Gillette's market share, costing it 14 points of market share in a breathtakingly short period of time.

### 3. Breakdown of taken for granted assumptions about advertising

We have collectively managed to sleepwalk our way into the surveillance economy, where every move we make on line (and increasingly in the real world) is tracked and monetized. But there are signs of a backlash. First up – Google's announcement that it would phase out third party cookies for Chrome, technology that powers a reported \$25 billion in revenue in the consumer economy. Next, a lot of consumers really hate ads, even (or especially) targeted ones with the result that about a third of Internet users employ some kind of ad blocker. Particularly offensive are ads that consume bandwidth (and therefore battery life). Consumers are so keen to avoid ads that services such as Hulu are inserting them when a viewer presses "pause." Finally, there has been a lot of confusion that micro-targeting of consumers implies that they are engaged. They aren't.

### 4. Brands taking back control

For many categories of offering, conventional wisdom has been that there is no option but to play by the big distribution platforms' rules. Back in 2014, publisher Hachette, for instance, took a beating from Amazon that included dropping pre-order buttons for some of their titles and delaying shipments of others. While the dispute was resolved, the cautionary tale of Amazon's power stuck. Today, however, brands themselves are getting on the direct-to-consumer bandwagon with firms such as Nike and Birkenstock taking back control of how their products are marketed and distributed, essentially cutting Amazon out of the picture.

### 5. Content creators fight back

After decades of fighting a rear-guard action against the mantra that content should be free and seeing their revenues shrivel, content creators are beginning to flex a few muscles. News Corp's Robert Thomson has been saying for years that Facebook should pay to use publisher's content and – guess what – it finally happened in a deal cut between the two companies. Publishers in general are

getting a lot smarter about what goes behind a paywall, what requires a subscription and what tiers of service get you what. You're also starting to see "membership" and belonging concepts creeping into content consumption as creators use their talent to create compelling experiences.

### 6. Regulators wake up

Finally, even as consumers want more personalized experiences from their providers, they also want protections for their data and limits to what for-profit companies can do with that information. Where consumers go, legislators eventually follow, even if it is likely to create unintended consequences for businesses that have grown accustomed to weak, if any, privacy protections for consumers.

What we can begin to prepare ourselves for is an environment in which consumers increasingly have far greater power to select what kinds of experiences they are going to seek out – and pay for.

The company that remains clueless is only going to lose out.



*Rita Gunther McGrath is a best-selling author, a sought-after speaker, and a longtime professor at Columbia Business School. She is widely recognized as a premier expert on leading innovation and growth during times of uncertainty. Rita has received the #1 achievement award for strategy from the prestigious Thinkers50. As a consultant to CEOs, her work has had a lasting impact on the strategy and growth of Fortune 500 companies.*

*Rita is the author of the best-selling *The End of Competitive Advantage* (Harvard Business Review Press, 2013). Her new book is *Seeing Around Corners: How to Spot Inflection Points in Business Before They Happen* (Houghton Mifflin Harcourt, 2019). Her book *Discovery Driven Growth* was cited by Clayton Christensen as creating one of the most important management ideas ever developed. She is a highly sought-after speaker at exclusive corporate events around the globe.*

*She received her Ph.D. from the Wharton School (University of Pennsylvania) and has degrees with honors from Barnard College and the Columbia School of International and Public Affairs.*

*Follow Rita on Twitter @rgmcgrath, and visit [RitaMcGrath.com](http://RitaMcGrath.com).*

## Martin Fritsches President Rolls-Royce Motor Cars North America



*“Rolls-Royce is not only a brand that represents or offers products with four wheels, but most importantly it’s a lifestyle. It’s an experience.”*

*Martin Fritsches presents the Black Badge Wraith with the classic Rolls-Royce two-tone paint finish in a darker, edgier manner.*

**Robert Reiss: I bet there’s not one person who is not familiar with the brand. But from your perspective, what is the Rolls-Royce brand really all about?**

**Martin Fritsches:** That’s true; everybody knows Rolls-Royce. But what I’ve been seeing in the last year and a half in this role for North America, everybody knows the

name, but they don’t really know or even, I would say, understand what lies behind the brand and the types of products we now offer. That’s one of the major game changers that’s currently happening. It’s trying to explain to the audience, not only to customers to reinforce it, but also to potential customers, and to the younger generation, what our brand is about.

Going to your initial question, Rolls-Royce is not only a brand that represents or offers products with four wheels, but most importantly it’s a lifestyle. It’s an experience. It’s about bespoke. It’s about the craftsmanship, and at the end, it’s about the overall lifestyle of something very exclusive and unique.

**So you’re saying it’s really more of a lifestyle than an automobile?**

Correct. Within the automotive industry, we earned the pinnacle of the industry. As I said, we don’t sell just an asset, a product going from A to B, but particularly to the audience we talk to and also because of the price



*The CEO Forum Group selected Rolls-Royce Motor Cars NA as the customer experience leader in the Luxury category. There is actually an entire traditional ceremony in handing over a car to a customer, and many people end up buying two, three or four. And more than automotive, Rolls-Royce is the ultimate lifestyle bespoke brand.*



*“Our average owner’s age is 42, which is younger than most people would have guessed.”*

ultimately, we sell a piece of art. We sell something very unique, something that really is important for the customer to own, to live, and ultimately also to show it off. When you talk about the customer experience, what is it about your customers that you look to when you say, “Here’s how we can even exceed their expectations.” They already have a very high expectation going in, being involved with arguably the premier luxury brand in the world.

It’s not just the effect of simply buying a car; it all starts where they decide, “Okay, I deserve a Rolls-Royce.” It’s all about an initial dream and eventually saying, “Okay, I have come to a certain point in my life to really deserve this art piece.”

**You use the word “deserve” which is an emotionally charged word.**

I use the word deserve because we know that’s how buyers feel. Interestingly, our average owner’s age is 42, which is younger than most people would have guessed. And many have accomplished great things and do deserve a Rolls-Royce. We have recently launched products that are specifically targeted for the younger clients who deserve it, because people, particularly in the United States, understand more and more what Rolls-Royce stands for.

**What are key components of the experience?**

It’s really a whole experience, I cannot just say it’s one thing that is relevant within this unique customer experience, but it starts from our events. We are heavily investing in experiential marketing activities where we not only mingle and try to interact with our current customers, but where we also attract relevant partnerships and affinity partners, new potential buyers.

Once we have identified them, once we have really raised their attention and caught their interest in Rolls-Royce, and a potential is brought up, then you have



the whole journey out to the final delivery of the car, where we have the dealers in between. Many of our customers go to Goodwood, the home of Rolls-Royce. We have just one single plant, one and a half hours away from London in West Sussex, where we generally produce, almost handmade, every single car in that facility. We often send many customers to go there to our private office, to configure or finalize the configuration of any bespoke accessory and come up with the final product, send it to the line, and produce it. We actually have a traditional ceremony of handing over the car. Many of our customers, once they have not only ordered the Rolls-Royce, but once they have driven it, end up buying two, three or four.

**They buy two, three or four?**

Yes. They start buying one, of course. In addition, and why we have expanded our model lineup in recent years, we have realized that many of our customers start with a Ghost, for example, a sedan, but with their house in Florida, they buy a Dawn, a convertible. Throughout their lifetime, they add additional units into their family.



*“We are heavily investing in experiential marketing activities where we not only mingle and try to interact with our current customers, but where we also attract relevant partnerships and affinity partners, new potential buyers.”*

**I understand you now have an SUV, but there’s quite a long waiting list, right?**

Yes.

**Talk about the whole process of how you came up with the idea that you’re going to do a Rolls-Royce SUV.**

Obviously, we still sell products, cars of course, heavily focused on the lifestyle, on the bespoke, and craftsmanship. But we also live in modern life, modern business, and we are within an industry which is very dynamic. Clearly the trend in the last decade, and particularly in North America in the U.S., is the evolution of the SUVs. People would

say, “We have the Rolls-Royce of the SUVs.” So we knew we needed to have the real Rolls-Royce SUV.

We have been able to come up with the right product for the American market, and this has been, particularly in the U.S., a game changer, where we have been able to attract not only a new audience, potential buyers, but particularly also a younger audience.

**I’m curious, what is the most popular color?**

That varies. I would say people still want to be noticed as creative with more expressive colors. But we still have some who are a bit more conservative with the black and gray designs. I must say that we have also strengthened our Black Badge offer, a special line of products for Wraith, Ghost and Dawn. And we just launched Black Badge Cullinan, a more sporty, aggressive, more charismatic product. These show the night or darker side of our customers, but we see a lot of clients commissioning them in bright colors like orange, red and yellow.

**How do you maintain the integrity of the quality?**

That’s part of our DNA. It’s one part of our main prem-



*“We actually have a traditional ceremony of handing over the car. Many of our customers, once they have not only ordered the Rolls-Royce, but once they have driven it, end up buying two, three or four.”*

ises of doing business. We also are part of the BMW Group umbrella. So, as you can imagine, integrity is a must. And again, the craftsmanship is so detailed with so many hours of dedication in every single product. And we make sure that once a car leaves a factory, it is absolutely fulfilling not only the highest standard of the industry, but the quality and the demand of our customers.

#### **Talk about your partnerships.**

We have our own strategy, as a subsidiary of Rolls-Royce and Goodwood, here for North America, where we are investing heavily on resources and, of course, on experiential marketing. What we do is, we separate the events into three tiers: The first tier is the major events like Pebble Beach, where we have the highest number of ultra-high-net-worth individuals attending. These are the kind of events where we traditionally have been present and we will continue to be present. This is together with affinity partnerships, where we work with them together on these kinds of events.

Going a little bit back to your initial question, we also try to tier per industry according to our brand image and brand moment in the market, which could be potentially relevant brands that match within our strategy.

#### **Could that be in food, in hotels?**

In several industries, anything from water, hotels, resorts, up to, yes, food, restaurants, and the wine industry. Even when it comes to jets, we partner with two or three com-



panies that sell or rent private airplanes. Yachts as well. The idea is to create or be part of an environment where we do not only come ourselves as a brand and unique concept and product, but also we mingle or participate in an environment where you have other potential customers linked to our relevant brand.

#### **What is the key to selling to the most discerning customers?**

Having a very strong brand. We are lucky to have a very unique product. We have to make this very clear to our customers, and our potential customers, so they really



Martin Fritsches shows off the Black Badge Wraith, one of the brand's offers to a younger clientele.

*“The idea is to create or be part of an environment where we do not only come ourselves as a brand and unique concept and product, but also we mingle or participate in an environment where you have other potential customers linked to our relevant brand.”*

understand it. That's one of my major challenges currently in the United States, where we have the major potential to really convey that message. Basically, it's all about quality, and we make sure that we deliver not only the best experience and lifestyle, but also the best product and the quality behind it.

What I've been realizing now for almost over a year in my function in going from East to West, attending events, PR events, it's all about relationships, gaining the trust of the customers, and the brand, and that we start creating a kind of a family within Rolls

Royce, to create a sense of community that Rolls-Royce is.

Yes it's something truly special and unique, but still it's something affordable and enjoyable.

**And as president, what's your number one job?**

To me, it's all about customers' satisfaction, and, in the end, I would introduce and translate it into a more broader description. It's not just the final customer, but partners as well, and our dealer network, they're also customers. Many times, we're in a market where not all units are being configured and bespoke right away, but some are built to stock units. So, at the end, I also consider heavily our dealers as partners and also reliable, strong, effective customers.

**Let me ask you this, when you were a child what did you think of the brand of Rolls-Royce? Were you experienced with it at all?**

Yes, and I even used to have a Matchbox toy. I used to have other brands too, and particularly German brands.



## Martin Fritsches President Rolls-Royce Motor Cars North America

But to me Rolls-Royce was always the pinnacle. It is still nowadays. When you want to really bring something to the next level, or you're ambitious, you aim with, "Okay, that's the best. It's the Rolls-Royce of ..."

I also grew up watching movies. One of the movies used Rolls-Royce products. It was something really very spectacular, unique, and exclusive. That speaks of royalty, and it was something very special.

### **And you worked in the BMW family. What was it like your first day being CEO of Rolls-Royce Motor Cars North America?**

I've been working for 20 years for the BMW group. I've worked for all the brands in different markets. Every experience, obviously, you take away some very relevant, interesting learning. Mostly, my background is from volatile markets. From that perspective, entering Rolls-Royce, which is a far more stable business, a very exclusive business in a market which does not have a volatility, I could say that I brought some agility into business, time-to-market, and kind of a more open, I would even dare to say, modern, mindset into the brand. For the North American market and particularly for the U.S., it is not only very important, but this is what opens up huge opportunities for our market.

### **You mentioned the customer experience, and Rolls-Royce is growing significantly these days. What is the future of Rolls-Royce?**

I see a bright future. Of course, we will continue to follow the market trends. I would say, not necessarily in terms of product, but particularly when it comes to new technologies. It wouldn't be a surprise if, within the next decade for example, we'll see an electric Rolls-Royce. Why not? That could be very possibly within our plans, and continue to bring more innovation when it comes to connectivity, for example, as you have it also with some other brands.

So, at the end, as I said, very positive, bringing up new technologies, and of course, continue to bring up new customers and attract new audiences into our business. Martin, a pleasure having you on The CEO Show.

My pleasure Robert. Thank you very much.



Robert Reiss and Martin Fritsches – Interview aired January 26, 2020.

*Martin Fritsches was appointed as President, Rolls-Royce Motor Cars North America in September 2018. Fritsches joined Rolls-Royce in 2018 as Vice President of Sales for the Americas region, responsible for sales planning and operations, including the marque's 44 dealers in the Americas, the largest region for Rolls-Royce Motor Cars globally.*

*Prior to Rolls-Royce, Fritsches held a number of BMW Group senior positions in sales, marketing and dealer development in Argentina, Brazil and Germany. In 2012, Fritsches was appointed Sales Director for the BMW brand in the Brazilian market.*

*Mr. Fritsches originally joined the BMW Group in 1999 in Argentina. Since that time, he has accumulated an extensive, well-rounded background over nearly 20 years.*

*Fritsches graduated from San Andrés University in Buenos Aires, Argentina with a degree in Business Administration.*

*Fritsches is located out of the headquarters in Woodcliff Lake, NJ where he oversees the Americas staff of Rolls-Royce Motor Cars professionals.*

*He and his wife live in New York with their two children.*





**Robert Reiss: As CEO, describe Build-A-Bear's business.**

**Sharon Price John:** Build-A-Bear started as one of the first truly experience-based retail companies offering a unique hands-on process in which guests make personalized furry friends that happened to become a powerful brand with high awareness and consumer affinity. When I joined the company in 2013, we initiated our current strategic plan designed to leverage this brand power and monetize it across multiple revenue streams. Our brand is our most valuable asset, and we have multiple initiatives to move beyond the original mall-based retail concept and evolve into a multi-dimensional intellectual property and innovation company.

**Build-A-Bear created a new concept of customer experience in retail. Talk about how**

**that emerged and why it is different than other companies?**

*“Build-A-Bear started as one of the first truly experience-based retail companies.”*



*The CEO Forum Group selected Build-A-Bear Workshop as the customer experience leader in the Retail category. The company completely pioneered experience-based retail. CEO Sharon John has transformed the beloved company from just in-store to a multi-dimensional intellectual property and innovation company.*

Yes, Build-A-Bear was founded with the idea that a retail concept that offers desirable products would be even more successful when it provides an interactive, entertaining and memorable experience. Our guests enjoy our step-by-step process of making new furry friends because they end up making a memory or creating a moment and that is much more satisfying than what a traditional retail transaction delivers. As a result, our furry friends are so much more than just another stuffed animal, they become friends for life. Without the hands-on interaction, Guests could still technically walk away with the same physical product – but they wouldn't have the emotional connection that comes from the personal engagement.



*“Following the success of our adult-focused Valentine’s product, last April Fool’s Day we teased a “Build-A-Bae” dating app positioned for people who love Build-A-Bear to meet others with like values.”*

Our founder, Maxine Clark, understood the importance and comfort that can come from an early attachment to a teddy bear - much like she had as a child - and she was a pioneer in understanding how making it themselves would make the bond even more special.

The difference between Build-A-Bear and other companies is that we place a very high level of importance on assuring that our guests, who include a wide range of ages and cultures across the globe, have a wonderful and memorable experience no matter where or how they engage with our brand – whether it’s in a store or online through e-commerce or through our recent addition of Build-A-Bear Radio.

We simply happened to have been elevating this valuable skill set for years before “experiential” became the newest big buzzword in the retail industry.

**How has the customer experience changed over the years?**

The steps that are in the process of making a furry friend are largely the same as when we started, and this process has become iconic to our retail concept. What has changed is that when the company started in 1997, the target was expected to be kids 3-8 years of age, however, currently about 40% of our furry friend sales are to guests that are tweens, teens or adults. Some of that shift is because now that we are over 20 years old, we are a multi-generational company, and some of that is because we have focused on driving the segment of our business that appeals to an older consumer by expanding our offering of fan-based and affinity items. For example, this year we launched products ranging from a Valentine’s line designed for adult-to-adult gifting, a “Deadpool” bear and a collection of products based on Disney’s “Nightmare Before Christmas” – all of which exceeded our expectations.

At the end of the day, we have about 45 million people who cross the lease-line of a Build-A-Bear Workshop



Build-A-Bear Workshop® Parties



Build-A-Bear Workshop® Furry Friend Choose Me Wall

ers at buildabear.com compared to our stores which skew more towards kids. These are digitally native consumers and it is very important that we transform our company to be more technically savvy in order to deliver the quality of interactions that they expect. This has impacted us in a number of ways. From an e-commerce perspective, we have been focusing on improving our mobile-first approach and reducing transactional pain points. Digital enhancements have also been made to increase the engagement and quality of

store each year – that’s as many as annually visit a major theme park – so we have to be focused on guest experience and personalizing it to each guest regardless of their age, gender or purpose for visiting a store or online site.

**Who are your core customers and how do you engage with them as they grow older?**

We continue to have strong appeal to kids and are proud to say that each year millions of children choose to celebrate their most special day – their birthday – with us. Some people are surprised to learn that up to 1/3 of our sales are associated with a birthday party, or what we like to call a party of one if it is just the birthday child and a family member in attendance. They are even more surprised that over 25% of purchases are by a teen or adult making a furry friend for themselves, a level that has been increasing in recent years. As I mentioned, now that we are over 20 years old, we believe these shifts are largely attached to the fact that kids who grew up with Build-A-Bear are now adults, and have such an affinity for the brand that they want to continue to engage – just in new and different ways.

**How has digital changed your customer experience?**

Not surprisingly, we tend to over-index with older consum-

*“Every year we sell more musical sound chips than it takes for a record to be considered “gold.” When you layer on the fact that traditional media keeps contracting, it makes sense that we would have our own branded radio station.”*

our loyalty program. We are in a process of continuous improvement with our CRM strategy, from acquisition to creating customer journeys with better segmentation models. Currently we have over seven million active loyalty program members opted in for messaging and, with the primary program member generally the mom of the household, those accounts represent approximately 20 million family members that we see as all potential guests with diverse purchase triggers.

In addition, we have leaned heavily into social media engagement and digital marketing as a way to connect with our existing guests and efficiently build new guest acquisition. We partner with a wide variety of best-in-class companies to find unique ways to engage and market through these sites, including amplifying some of the numerous heartfelt stories about Build-A-Bear that are shared through user-generated content.



**What have you done to grow your digital community?**

In the most basic terms, we have shifted some of our more traditional marketing and media funds into the digital world where return on advertising spend is not only more measurable, but often more efficient. We are also creating new and different reasons for people to engage with our brand; for example, following the success of our adult-focused Valentine's product, last April Fool's Day we teased a "Build-A-Bae" dating app positioned for people who love Build-A-Bear to meet others with like values. This drove a lot of public relations attention and media impressions and added engagement with an unconventional consumer base for us.

**Talk about your radio venture.**

Although the addition of radio may not be an obvious strategic move, Build-A-Bear has been deeply engaged in the music industry for years through sound chips that are added to our furry friends. Every year we sell more musical sound chips than it takes for a record to be considered "gold." When you layer on the fact that traditional media keeps contracting, it makes sense that we would have our own branded radio station which lets us engage directly with our current fan base and introduce new potential consumers to our brand.

Just recently we moved our nearly year-long radio venture to the industry-leading platform of iHeartMedia. Build-A-Bear Radio originally launched on another platform and had been averaging between 200,000 and 500,000 listeners per day. This caught the attention of the largest player in the industry who saw our brand power and brand loyalty as an asset that could potentially be leveraged with the highly sought-after family demographic. We, of course, are beyond excited to work with iHeartRadio which has over 125 million users.

**What are similarities and differences from culture to culture in your international operations? What are the core lessons you have learned from your international business?**

Of course, there are cultural nuances and specific traditions that we do our best to respect and adhere to, however, we are firm believers that there are more similarities than dif-



Build-A-Bear Workshop® Furry Friend

ferences when it comes to the value of a teddy bear and joy of interacting with Build-A-Bear. One of our favorite mantras is that "A hug is understood in every language." And, we are getting very close to surpassing the mark of having over 200 million furry friends sold around the world, so it's hard not to believe that our mantra holds true.

**Let's talk about your corporate culture and diversity of bringing together teenagers and grandmothers?**

Without a doubt, we believe that there is a childlike nature that is in all of us regardless of age. Some people are more willing to embrace that inner child, but we are here to enable people to access the joy of childhood through the hug of a teddy bear. We also love that we bring families and different ages together in the bear-building process to make a memory together. Yes, we are definitely part of the "post-able moments" generation, but it is more than that – we enable engagement, laughter and learning.

We are very proud of the corporate culture that we have created. Our culture continues to nurture and champi-

*"One of our favorite mantras is that A hug is understood in every language.' And, we are getting very close to surpassing the mark of having over 200 million furry friends sold around the world, so it's hard not to believe that our mantra holds true."*

on the core values of our brand and company. It takes commitment and active involvement of every one of our associates whether millennial or boomer to embrace very high standards, corporate curiosity and willingness to innovate. That is what keeps Build-A-Bear at the forefront of experiential retail and is helping us evolve and expand our intellectual property developments.

**When you joined as CEO, as I know you to be highly strategic, what was your thought process?**

Simply put, the company had been struggling to maintain consistent profitability for a number of years post the economic recession. Although I would not have deemed it “retail apocalypse,” there was writing on the wall that mall-based consumer traffic was bound to contract with the significant changes that were occurring in consumer shopping habits and trends. However, with no debt and with good cash flow and brand metrics that rivaled much larger brands and companies, I believed the fundamentals of retail could be corrected to the point of returning to profitability, while we started building the infrastructure, process and talent to evolve the company beyond mall-based retail.

Overall, we have stayed on course even with a stronger traffic decline than expected which has created greater complexity and uncertainty in brick and mortar retail. That is why it is important that we now have considerable optionality at the lease level with about 70% of our North American leases coming to their natural end in the next two to three years, while we have simultaneous-

ly diversified the retail footprint to include more tourist locations through third party retail including partners such as Carnival Cruise Lines and Great Wolf Lodge.

As I mentioned, the underlying tenet of our long-term strategic plan is that our brand is our most valuable asset and it is critical that we monetize that asset to create additional value for our company. Our key initiatives, such as diversifying our consumer base while we are preparing to create more meaningful and diversified revenue streams through outbound brand licensing and entertainment, would not be possible without the correct assumption of the power of the Build-A-Bear brand, which continues to post the same level of strong metrics for awareness and affinity as the day I started, on par with a variety of world class companies and brands.

**What were the greatest challenges you faced in transforming a beloved brand?**

Other than the unexpected business headwinds brought on by the more acute than expected mall traffic declines and some international uncertainty including the challenges surrounding BREXIT, the greatest challenges we faced involved getting the company to come with me on the journey in the early days. Even though the business was “broken,” the brand was not and the corporate culture just needed to evolve and embrace the change needed to move forward. I needed to convince the organization that even though we had to learn how to operate the business differently, the power of the brand and the core values of the company were both assets that would ultimately fuel our success.

We went through a classic change process that involved sharing the vision first, followed by outlining what could happen if we did not change, then providing a positive alternative to that not-so-good outcome. But the alternative road would require change. These changes included organizational restructuring, new leaders with diverse and expanded skill sets, and system and process updates throughout the company.

**What are the keys to making licensing work?**

It is important that when you are trading on brand equity that each of the products that is representing the brand in a new category outside of plush or even toys,



*Build-A-Bear Workshop® Heart Ceremony*



has some element of the brand promise present in it. We have accomplished that to varying degrees, but one of our best examples of success is the Build-A-Bear Stuffing Station which was recently selected by kids as one of the top toys for Wal-Mart for holiday 2019.

We have also had success with plush slippers for children which were initially introduced in Fall 2018 with an expanded line based on the initial sell-throughs.

**From all your previous leadership positions, what have you learned about branding?**

True brands are not owned by their companies, per se, they are owned and if done well, loved by consumers. As such, we are actually the keepers and protectors of the brand. Brand value only exists if you continue to nurture the relationship with your loyalists and guests – because the only place that the meaning of the brand is expressed is in their hearts, minds and actions. That relationship must be respected – and even cherished.

**How would you codify your leadership philosophy?**

I would say I am more of a teacher. I really want my teams and the organization as a whole to understand the strategy behind our choices and decisions. I want them to be intellectually curious and focused on not just answering the “question” but solving the “problem” and better yet identifying the opportunity. If they understand the goals and the strategy, they are more likely to be able to make tactical decisions without executive counsel – a concept I often refer to as “freedom within frames.”

Without what I call “freedom without frames” a company cannot truly strategically expand as the level and scope of decision-making that can feasibly be pushed up and back down the chain of command becomes very restrictive, and it does not develop the next generation of leaders and is actually, frankly, exhausting.

**What is the secret to building a great culture?**

Having a strong vision and declaring and living up to your core values ... do your personal best to live them and expect others to do the same.



*Robert Reiss with Sharon Price John.*

*Since June 2013, Sharon Price John, President and Chief Executive Officer of Build-A-Bear Workshop, has led the company through a financial turnaround, while refreshing the more than 20-year-old brand. During her tenure, Sharon has helped return Build-A-Bear to profitability; diversified the company's real estate portfolio; launched a new e-commerce platform; and expanded the company's intellectual properties, entertainment ventures and outbound licensing partnerships. Prior to Build-A-Bear, Sharon held positions of increasing responsibility in marketing, product development and change management at companies including Hasbro, Mattel, Wolverine World Wide and DDB Needham Worldwide. She holds a bachelor's degree in communications from the University of Tennessee, Knoxville and an MBA from Columbia University.*

**What is the future for Build-A-Bear?**

In addition to expanding the brand in a variety of ways — from new categories and new consumers to entertainment, we are working to assure that this amazing company is here for the next generation to create their own special furry friends for life ... basically changing the world one hug at a time and adding a little more heart to life along the way.





# Chart your CX North Star with an Enterprise Experience Strategy

*Billy Seabrook, Global Chief Creative Officer, IBM iX*

A great many things are expected of brands today. They must stand for something. They must maneuver complex digital transformations. They must create customer journeys, infused with a brand purpose and enabled by digital, which engender affinity and trust.

This ideal customer experience (CX) becomes an organization's "North Star," providing the direction that can truly differentiate a brand from its competitors. Yet, defining a North Star for CX is only the beginning. Activating that vision is something else entirely. How do organizations operationalize their North Star in the experiences they create for customers?

To find out, IBM's Institute for Business Value (IBV) conducted a worldwide quantitative and qualitative study. The research indicated that in order to make their CX North Star a reality, companies need to open the aperture of their experience strategy to include em-

ployee and ecosystem experiences – their enterprise experience. This takes a holistic view of the organization and the many different people, internally and externally, whose own experiences shape an organization's CX. These enterprise experiences (personalized, simple and empowering) require meaningful, actionable communications from leadership, technology solutions like Cloud, AI, and IoT and tools for collaboration.

*Download the IBM Institute for Business Value study "From customer experience to enterprise experience: Six leading practices to activate your CX North Star": [bit.ly/IBVNorthStar](http://bit.ly/IBVNorthStar)*

### **Much to be learned from the few**

While the majority of survey respondents struggle to get their teams to recognize their brand vision as core to the company's DNA, the study identified a small subset of outperformers. Comprising just 14 percent of the total survey sample, these Visionaries are passionate about protecting and managing their brand vision. They are



committed to manifesting that vision through their CX and making it foundational to their corporate cultures. Also worth noting, far more Visionaries reported outperforming their peers for financial health and performance measures.

## Six leading practices for the CX North Star journey

Interviews uncovered six leading practices from these Visionary companies. These start to outline best practices for others attempting to make their own North Star a reality.

### 1. Move from comprehension to action.

It's important to distinguish between understanding a concept and acting on it. Participants were asked to what extent their brand vision guides employee behaviors and decisions at work. For most organizations, the decline in influence below the managerial level was especially precipitous. Those other employees — the ones often on the front lines with customers — do not always have the insight, tools, training, or frankly, the authority, to apply this vision to their day-to-day activities.

### 2. Align brand vision to enterprise strategies.

If an organization's brand vision isn't aligned to the key functional strategies across the company, its CX North Star risks being an isolated, conceptual exercise without consistency or accountability. Alignment empowers organizations to holistically manage CX priorities, budgets and resources with the necessary executive support and cross-functional oversight.

### 3. Innovate with technology as an enabler for customers and employees.

Customers are attracted to innovative companies — but only if innovation is meaningful. A number of the interviewees talked about the technologies they are using to transform their current CX and their plans for continued improvement. A similar approach to technology innovation is needed to empower employees with insights and executional strategies to deliver their organization's ideal CX.

### 4. Activate the employee experience to activate CX.

Visionaries work hard to embed their brand vision into processes and initiatives enterprise-wide to help employees activate their organization's ideal CX.

### 5. Bring the ecosystem into the fold.

Visionaries are very mindful of how their ecosystems contribute to the delivery of their ideal CX. Partners, vendors and suppliers should not be forgotten. These groups are increasingly playing integral roles in the ultimate experience customers have with a brand, even if customers are unaware of the ecosystem's involvement. Sharing the company's CX philosophy with this group should also be a priority.

### 6. Shift the cultural mindset by prioritizing empathy.

To adopt customer centricity across the enterprise, an organization's cultural mindset needs to shift. Instead of focusing primarily on outputs, focus too on empathy for the customer.

## Navigating to your CX North Star

Many companies see their digital transformation as an opportunity to enhance that human connection with their customers. Pulling this off requires an orchestrated customer-centric approach that employees throughout the enterprise can embrace, whether customer-facing or not. If one thing is clear, it is that great CX is driven by great enterprise experiences.

From executives to employees to ecosystem partners, they all must be empowered with the technologies, data insights and empathic communication strategies to turn vision into reality. Together, this will forge experiences that break through the noise and build lasting relationships with customers.



*Billy Seabrook has spent over 20 years creating innovative brand strategies and omni-channel customer experiences for leading brands in the automotive, CPG, financial services, retail, technology, and travel industries. As the Global Chief Creative Officer of IBM iX, Billy leads a global network of over 57 design studios to deliver data-driven insights, human-centric ideas, and measurable business impact for leading brands around the world.*

*Prior to joining the IBM team in 2017, he held executive creative leadership roles at Digitas, eBay and Citi, where he managed the growth and change of the organizations and the day-to-day activities of global creative teams.*



Business relevant immersive Virtual Reality, allows customers to experience complex subject matter in a way they can't otherwise visualize. Kaon's customer engagement platform enables these VR experiences to evolve and be reused, effectively telling your value story everywhere your buyers are.

**Robert Reiss:** You talk about how Marketing is held in low regard by the C-Suite when efforts are focused on tactical items and not strategic issues. Why is Digital Transformation such an imperative for removing that stigmatism?

**Gavin Finn:** We've found that visionary marketing leaders understand how the change in demographics and psychographics of their markets and employees — to a more digital-enabled world — is affecting their compa-

*“CEO's are no longer tolerating organizational silos and are demanding alignment in Sales and Marketing.”*

ny's competitive position. CEO's are no longer tolerating organizational silos and are demanding alignment in Sales and Marketing. Digital sales and marketing solutions are no longer experiments for the sake of following trends; rather, digital transformation in customer engagement is essential when creating sustainable differentiated advantages.

**I know IBM's a client of yours. What was driving their need to elevate the way they convey their value to the market, prospects and customers?**

Even in the world's most recognizable companies, research has shown that the primary factor causing enterprise sales teams to lose those deals that they should win is their inability to convey the company's differentiated value. Global market forces, and inevitable industry change, has intensified the need for enterprises to communicate their key value differentiation in a much more concise, relevant, and consistent way.



*The CEO Forum Group selected Kaon Interactive as the Customer Experience leader in the Digital Transformation category for their advanced work in interactive sales and marketing applications, utilizing 3D, augmented reality and virtual reality, which changes the model of the customer engagement from being presented to, to having customers being in control. Kaon's pioneering work and patented customer engagement platform have transformed customer engagement for global B2B companies.*



We call these macro-level forces the Four C's: (1) pace of change, (2) ever increasing complexity, (3) shifting competitive landscape and (4) industry consolidation.

And, at the end of the day, Marketing leaders need to both identify and clearly *articulate* their ever-evolving value — not just at a product or even business unit level, but overall as a company — at every customer touch-point. Increasingly, having a digital *customer* engagement platform is becoming essential to this mission.

**You have done pioneering work that no one else has done.**

What we've really innovated, Robert, are the technologies that make it easy to engage buyers and decision-makers directly with highly visual interactive experiences, so that companies who have complex products and solutions, can convey their value differentiation. A lot of big companies spend a lot of time investing in R&D, and I want to make sure that the unique value that they're delivering is understood by their markets, their prospects and their customers. Our technology inventions are all focused on making complex stories simple.

**I think you were the first in the B2B space to do 3D interactive applications which involve augmented reality and virtual reality.**

Precisely. We found that the technologies that had been developed for a lot of different consumer markets could be applied to enterprise and B2B if they were re-focused on the kinds of solutions that big companies were really

interested in. So, we innovated in Augmented Reality and Virtual Reality where new B2B technologies needed to be developed.

**I know you're doing some breakthrough work for many global technology leaders such as Amazon.**

In many cases, these companies are very good at explaining their technical features and functions. In the past, there was a lot of technical buying and selling that was going on, so explaining feeds and speeds and specific product differentiation was enough. The world has changed, and there are many more buyers involved in big procurements today. There are economic buyers. There are users. There are technical buyers. What ends up happening is you now need to be able to explain your value on many different dimensions, not just the technical dimension.

Even with companies like Amazon, who are extremely well-known in their web services business, Amazon Web

Services, they still face tremendous competition from major players like Microsoft and others. So, explaining their differentiation requires more than just explaining the technology that's behind it. It's explaining the value of their technology differentiation — be it speed, scalability, redundancy, or any of the critical business benefits that their technical infrastructure delivers.

What we've done with AWS is help them abstract their technical differentiation to explain these multiple dimensions of value for different buyers in their customers' ecosystem, so that everybody who needs to be part



*Non-Immersive Virtual Reality extends the value of the company's existing virtual reality-based B2B marketing solution by delivering these experiences not just on VR headsets, but now on smartphones, tablets, desktop PCs, touch screens, and the web.*

*“A lot of big companies spend a lot of time investing in R&D, and I want to make sure that the unique value that they're delivering is understood by their markets, their prospects and their customers.”*



*“Rather than being presented to, the customer is now in control.”*

*Interactive applications generate 2x more conversations than passive content and are 33% more effective at educating buyers.*

of that buying process really understands what the AWS differentiation means to them.

### **And what's the impact on the customer experience?**

The change has been that rather than being presented to, the customer is now in control. They are the ones who are interacting with these digital experiences directly. What they're finding is that control has allowed them to spend time in the areas that are most relevant to them. Rather than listening to a sales pitch, which by definition has to cover a whole variety of different areas of interest, they focus directly on those dimensions — the product, the problem, the market — that's really important to them. The buying experience has, in this way, been powerfully transformed to put the customer in charge of their own journey, and because of these more relevant experiences, they make better buying decisions.

That whole process has been turned around from delivering, say, PowerPoint slide presentations for sales people to use, to now delivering interactive experiences for the customer to use. Customers are now engaged in three important ways: a) they have a multi-sensory perspective — touching, moving, seeing, hearing, for example, b) they have a relevant intellectual experi-

ence — learning information that is useful to them, and c) they connect on an emotional level — it is fun and engaging.

**That is so true. IBM's recent CEO study that shows over the last several years, technology has become the primary driver.**

Absolutely. I think the distinction between IT strategy and business strategy has really blurred. Big companies today, I think, are all actually data companies. They're all technology companies. For example, if their business is flying airplanes, they're all about how do we leverage the data in a way that not only makes us competitive, but, most importantly, I think this is where CEOs need to focus deeper on how we use data to transform the customer experience. I think everybody has been focused on the backend.

### **How specifically do you change the customer experience using data?**

What I think you really have to do is use the data to not only understand the differences between your customers and the customer segments, and their demographic and psychographic behaviors, but more importantly to design your interactions, your touchpoints across all of the



ways that prospects and customers touch your companies, to meet their individual and specific needs.

### So let's talk about Augmented Reality.

Let's just start with some definitions. Augmented Reality is a solution where we're placing digital objects and data in a person's view of the real world, say, for example, on the camera's view from their phone. So, in many cases, you can't tell the difference between what's real and what's digital.

### And you had told me before, the first ever doing this was the NFL, the 10-yard yellow line, right?

That's exactly right. When you think about a view of the world through a camera or a lens, and you see what objects in the real world, if we're then superimposing digital objects, particularly, those that look really photorealistic, it's almost impossible to distinguish between what's real and what's not real. That gives us tremendous possibilities for all kinds of applications like service and support, sales and marketing, all those kinds of things.

### OK, and what is Virtual Reality?

Virtual Reality is almost the diametric opposite of what we just described in Augmented Reality. Virtual Reality is where we're taking real people and we're placing them, or more specifically, what they see and experience, into an entirely immersive virtual space. So, in augmented reality, we take digital objects, and superimpose them into a real space. And in Virtual Reality, real people get to be inside of a completely virtual three-dimensional space.

Applications for Virtual Reality have become associated with computer games. And experiences at theme parks where people maybe ride a virtual roller coaster. Even consumer games that place the person in, or traveling over, a big waterfall when

they're sitting in their living room, those kinds of things.

In terms of B2B, there are actually several use-cases for both of those technologies where allowing the customer to experience something that they can't otherwise visualize really helps to convey some very complex subjects in a much more effective way than if we're just talking about it, for example, or even if I'm just showing pictures of it.

### Let's shift over to something else you're passionate about – sailing – and what you've learned about business from sailing.

First of all, I learned a long time ago that I had an interest in sailing, and I just never took the time to delve into it and learn how to sail properly. As a matter of fact, when I was at graduate school, that was the first time I ever sailed. But in my 50s, my wife bought sailing lessons as a birthday present, and I took the time and learned how

*Another business lesson from sailing is there's very little that's in your control, and a mistake people make in business is that while you can't control everything, we must learn how to use the elements to your advantage*



*An antiquated, but common, analog way of laying out a lab using Post-It notes on graph paper has been digitally transformed to a fully digital, interactive, personalized, and precise laboratory design tool, using 3D, augmented reality and virtual reality to visualize laboratory configurations and communicate the unique benefits of lab products and services.*



*Deployed on touch-screens, tablets and the web, this interactive application alters customer conversations by bringing to light 'The Storage Revolution.' Sellers can now set the stage of what is changing in the storage industry, focusing them on value-based discussions versus product commoditization and price.*

to sail properly. I so enjoyed it that I decided to become as proficient as I could and to try to make time for sailing whenever I can.

Through this, I learned a number of things that I thought were more general life lessons than just sailing. First of all, it's always good to challenge yourself and do something new. And I find that even though I've been sailing for a while now and I'm comfortable in a boat with a crew or by myself, every time it's an adventure. And every time there's a little bit of something new, a bit of a risk here or there, and I think that's a little metaphor for the business world as well. As comfortable as we get in knowing our business and knowing our markets, each time we should think of it as a bit of an adventure. What can we learn? What can we do differently?

Another business lesson from sailing is there's very little that's in your control, and a mistake people make in business is that while you can't control everything, we must learn how to use the elements to your advantage. You don't control the tides, you don't control the wind, you don't control the temperature, you don't control the boating traffic that's around you. So, really what you have to do is decide where you are trying to go, what kinds of things do you control, and how are you going to use those things in conjunction with the external elements to get where I need to go.

I think in life and in business, similar principles apply. When you think about all of the things around us, a very small fraction is in our control. The real trick is to figure out if I'm not in control of the wind, how can I use the

wind? How can I use what's at my disposal, even if the wind's going in the wrong direction to turn the boat or to trim the sails in order to get where I need to go.

### **How do you use these sailing principles to lead Kaon?**

I found that my sailing experiences have given me two benefits in my business role. One of them is: Sailing has given me time to be by myself and to think about the world beyond my company, my team members and the customers. And that

break, that decompression, I think is very, very valuable for everybody. It allows you to put things in perspective, and it refreshes you. So, even if I just go for a sail on the weekend, I come back refreshed, and I come back with a sense of energy and excitement that I didn't have otherwise.

It has also allowed me to think about how the team members that we work with all play a different role. When you're sailing with different crew members — one is at the tiller, one is at the mainsail, one might be controlling the jib, or whatever their roles are, they each have a job to do. In order for you to get where you're going, everybody has to understand their role, and they have to act in concert. It's not that they have to be perfect, but they have to understand what their role is in this complex set of actions. And I think teams are very much like that in business.

### **Do they need to be able to fill in for someone if something happens to a teammate?**

I think that's a valuable element of being a good sailor, and it's a valuable element of being good at what you do in business. It's not just being unidimensional. It's being able to understand what everybody else's role is. Everyone should understand all roles. In our company, everybody, including developers and finance, talks to customers.

### **Every single person?**

Everybody talks to customers. I think that the further away you get from the customer, the less likely you are to create a solution that's going to work for them. So,



the more we can hear from them, the better we're going to be at understanding their world and actually solving their problems.

Even if their role is finance, for example, listening to what a customer's challenges might be and understanding their world gives you a better way of thinking about how we can optimize our systems to make their lives better. What I want to do is add value by solving problems for them, and I also want to remove friction from the system, from the process, so that things are very easy for the customer. They don't have to do a lot of work. They don't have to think too much to make this whole process work. The more we understand them, no matter what role you are, the more friction we can take out of the process, and the more value we can add.

You'd be surprised at how often our team has come up with very interesting ideas, very useful ideas after participating in a customer meeting and hearing what their real challenges are.

### **Whose decision is it to change to a culture focused on 'customer value'?**

Transformative executives change how people see the world. I believe the only way to create sustained competitive success is to build an entire company culture focused on *customer* value – and then to embed this perspective into the very essence of an organization's ethos.

Making this decision is not a department-level choice. Each group, department and division have their own goals, metrics and budgets, so they are incented to optimize locally. Creating consistency across the entire organization *must* be the charge of the senior executive, and those visionary executives who embrace this kind of transformation will be the true winners of the next generation of industrial digital economies.

**I want to commend you because you're breaking through and showing how the only way to accomplish true transformation is to embrace the "new normal" of continuous evolution. And having the right sustainable solutions to strategically achieve this, really is the future of business.**

Robert, it's been a real honor. Thank you.



*Robert Reiss and Gavin Finn – Interview aired December 15, 2019.*

*Gavin Finn is an experienced executive with more than 25 years of success in building growth-oriented marketing and technology companies. He is currently the President & CEO of Kaon Interactive, the leader in interactive digital marketing applications. Under his leadership, the company has experienced substantial growth and has introduced numerous award-winning products.*

*Gavin was President & COO of Bluestreak, a provider of online marketing software. He led the company through three successful acquisitions, and a European market expansion. Previously, Gavin was the President & CEO of Prescient Technologies, a provider of data quality and automation software. He teaches Entrepreneurial Marketing at Tufts University and holds both a Ph.D. and an MS from MIT.*





**Robert Reiss:** Let's talk about the NFL as a brand. How is it different from the NBA, MLB, NHL, soccer and other sports?

**Brian Rolapp:** It's different in a lot of ways from those sports, especially the NBA or Major League Baseball. One thing that's different is constantly the data will tell you that people in America's favorite sport is NFL football, their second favorite sport is college football. The role that football plays in this country is much different, I think, than all the other

sports, and that translates to the number of fans that we have.

We have about 180 million people in this country who count themselves as NFL fans. Some are more avid, some are less avid, but they all count themselves as NFL fans. When you're that big, you look like America. You look like America socio-economically, people are different. Racially, they're different. Politically, they're different. But the one thing they have in common is their love for NFL football, and NFL football is one of the last things in this country in my opinion that can unite that many people in a common passion. Those just don't really exist anymore, and that alone, I think, is what our brand is about and what NFL football represents for people.



*The CEO Forum Group selected the NFL as the customer experience leader in the Entertainment category. According to Brian Rolapp, "NFL football is one of the last things in this country in my opinion that can unite that many people in a common passion." The NFL has an unprecedented number, 180 million people who call themselves fans.*

**If you look at the NBA, more players are getting aligned and there's a little bit of a dynamic shift from the owner to the player. What's your take on the direction happening in sports?**

Look, we can't have a sport. We can't have a business. We can't have anything without our players. They're great. In my opinion, they're the most well-rounded, outstanding athletes on the planet in what they do every



*“NFL football is one of the last things in this country in my opinion that can unite that many people in a common passion”*

weekend; it's quite amazing. They're really important, and they're increasingly using their platform to do things that they care about, which we love. They get involved in their communities.

With the advent of social media, now you can see these guys. They spend most of their Sundays behind helmets, but now you get to know them and they can communicate directly with fans. Across all sports that is creating more of an athlete empowerment than I think we've ever seen in the history of sports, which is not a bad thing. In fact it's a great thing.

Clearly, they're making more money than they ever have before, which is great. They're being compensated for the unique talent that they have. Athlete empowerment to do what they want with their platform is a really good thing, and I think you are seeing that more across all sports.

**What about the economics of the NFL do you think is least understood by the general public?**

One of the greatest reasons why the NFL has been so successful for as long as it has is that we have an economic system that has combined two important elements. One, equally shared revenue. Most of the revenue that we generate as a league is equally shared among 32 teams. And that is combined with a salary cap that is collectively bargained with our players. What that does is allow for competitive parity regardless of market size.

The New York Giants will spend the same amount of money on players as the Green Bay Packers. And if the New York Giants beat the Green Bay Packers, it's not because they're in a bigger market and they have more resources and they can pay players more. It's because they've allocated the same number of dollars better than the Green Bay Packers.

**That's a really interesting point and I bet a lot of people didn't realize that.**

It is, and I think that's why you can have a market the size of Green Bay, which I think has maybe 200,000 people in it, consistently winning the league over teams that have ten times that population. Market size doesn't matter. That's not true in international soccer in some other places. I think you see most sport leagues trying to move towards that model as much as they can.





*“Most of the revenue that we generate as a league is equally shared among 32 teams. And that is combined with a salary cap that is collectively bargained with our players. What that does is allow for competitive parity regardless of market size.”*

Our economic system leads to competitive parity, which means the product is fabulous and that’s really what it’s about. We typically have teams who finished last in their division go to the playoffs the next year. That’s why it’s so hard to predict.

**I’m a Jets fan, and I have yet to see that.**

They were in a couple AFC Championships not too long ago. You know, they’ve had their years. But it also shows why what New England does is so impressive.

**That’s what I wonder. What is New England doing differently? Is it really just Belichick is smarter than other people? Is Brady still that good at 42?**

I think it’s all of it. If I knew the answer to that question, I wouldn’t be sitting here. I’d probably have a different job, and I think that a lot of people ask those questions. The Krafts run an unbelievable organization. Bill Belichick is obviously a really brilliant coach. Somehow, they have figured out a system that seems to work where they

have been competitive for two decades. In the salary cap era, that is supposed to not happen very often, and they’ve done it well. I think that’s unique.

**Staying on economics, what’s important in digital media and television?**

Media revenue is the bulk of our revenue. It’s where we make most of our money, which is equally shared from television and other media. Our media strategy is one of the reasons the NFL has been so successful, and, quite frankly,

it is not that different today from what Pete Rozelle came up with in the early ’60s. That is to use the dominant media platform of the day to reach as many households as you can for as long as you can.

Back then it was television, and for a long time it has been television. Television is still pretty dominant, but now that reach is more complicated, because as digital has come and technology changes it has fragmented audiences, and it’s harder to reach people for long durations of time.

Anybody in the media business, especially in the live events business, is figuring out how you replicate that and how you reach those people. We spend a lot of time thinking about how we distribute, not only our live games digitally but also how we distribute all our content outside of games — whether during the week or in the off season — using digital platforms. That’s only going to increase; it just has to.

**How about platforms like RedZone?**

RedZone is a great example of — when we look at our media strategy, when you have 180 million fans, they all have different levels of avidity. I can watch games from 1:00 to 11:00 on a Sunday. My wife won’t, but she will watch the biggest game, right? So, she is a variation football, but she’s not as avid as I am.

What we try to do is to make sure that there is football available for everybody all the way up that avidity curve. So, if there is somebody like me, I can watch every game. I can buy Sunday ticket to get all the other games. I can



get the RedZone channel, which is great. If it's someone like my wife, we just make sure that there are always games over to her television for her to watch.

RedZone fits more of that avidity curve. A lot of people when they see RedZone think, "This is the only way to watch football." The reality is, we only have, on a given Sunday, around a million people watching the RedZone channel. For comparison on a 1:00 game, we'll probably have 10 times that nationwide. RedZone is still a small part of our fan base, but the people who watch it, love it. They can't get enough.

### **And partnerships?**

While we have a television network and a significant digital arm, we really can't grow the sport and grow the business without our partners. And so, partners have been extremely important for us over the years. When it comes to the media space, we have the best-in-class television partners. One of the secrets of our success is that we're not in business with one media company; we're in business with a bunch of them.

NBC has a package, CBS has a package, Fox has a package, ESPN has a package, and our own network that we own has a package. We want as many media companies talking about the NFL as possible. At the same time, we have new partners. Amazon distributes NFL Football as well. We have an increasing partnership with Instagram, and we're the highest performing content on SnapChat and YouTube.

What we realize is, in this whole media strategy we need to reach everybody. Television is not going to reach everybody like it did 10, 15, years ago, and it won't necessarily increase in the future. So you need to have partnerships with people who can reach those people you can't. That has increased the digital platforms and the social platforms.

### **What don't people know about the economics of digital?**

What they don't know about the economics of digital is that it's not the same as the economics of the traditional media industry. It's easy to say that the only economics driving somebody's digital player is advertising, when in reality, they're creating other much more complex businesses.

Amazon is going to be as big a media company as anybody. Clearly they're in multiple lines of businesses -- whether that's a subscription to Amazon Prime, whether that's selling new merchandise, or whether it's their cloud business. There are different ways where they make money.

What the NFL does well is help you make money on advertising, but also helps you make money in other parts of your business. So, as we move to those digital platforms, that'll be interesting to watch.

### **Switching gears, something I always wondered about, what are the highest rated time slots each week?**

*"One of the secrets of our success is that we're not in business with one media company; we're in business with a bunch of them."*





The most viewed game every week is the 4:25 national game on either CBS or Fox. That is the most viewed football game we have. The second most viewed football game is Sunday night. Now, a lot of people think Sunday night is the most highly viewed, and it is very highly viewed, but that 4:25 game is still the biggest. When we make the schedule, we keep that in mind.

**That's why the Jets, a losing franchise, are always on at 1:00. I get it.**

Yes. The more they win, they will play their way on to 4:25.

**Ok. Which is bigger, Monday or Thursday?**

Thursday.

The number one show on television is the 4:25 game. The number one primetime show on television is Sunday Night Football. The number two primetime show on television is Thursday Night Football. Thursday Night Football started as a small cable package in 2006 on the NFL Network. In just 13 years, we've grown it to be the second highest primetime viewed program. We always felt Thursday could be a football night, and we really built that over a decade.

**You also have Sunday morning now, when teams go to England. What's your take on how you're expanding internationally in Mexico, England and other places?**

We put a lot of time and investment on that. Football is not as popular a sport internationally as it is domes-

*"We're the highest performing content on SnapChat and YouTube."*

tically, so that takes a lot more work and investment. I would say we probably have more of a multinational strategy than international strategy. What I mean by that is we're really concentrating on a few core markets ... the UK, Canada, Mexico, Germany and some in Japan.

We invested quite a bit, and what we realized a few years ago is that sports fans around the world are sophisticated. They know the difference between the varsity and the JV. What I mean by that is they know the difference between a regular season game and an exhibition game. We made a decision, if we are going to grow this sport meaningfully, we're going to have to play our best products. So, we started playing regular season games abroad consistently. We play four games in London this year. In fact, we have a great partnership with Tatum, who just built a new stadium, and we put money into that stadium to make sure it converts appropriately to American Football. We play the others in Wembley. We played a game in Mexico. We played pre-season games a little bit in Canada, but we've also played regular season games there too.

I guess the point is, we're investing our best product because people know the difference, and it has paid dividends. Our viewership and our fan growth in Europe has been significant. Mexico is a great market, growing not only economically but the number of fans by leaps and bounds every year.

**What's the secret to growing fan base internationally? Is it digital? Is it certain teams? Is it followership?**

It's a multi-variable approach, but it's tough. If you think about some of the sports that are popular internationally -- basketball has been an Olympics sport since 1950. They've been playing baseball in Japan since 1945. These are long term sports that have been in those markets. And so, how do you replicate that and do that? It takes a lot of investment, and it takes the right media strategy.



We try to replicate into other countries, as much as we can, the reach strategy that has built fans in this country. That's having the right broadcast partners, but that's also increasingly meant digital, where you see the same trends that you see in this country, where more people are consuming almost exclusively their content from digital platforms. You need to be there in a meaningful way if you want to build a fan base, forgetting about the money.

When we think multinationally, the order is fan base then money. I think you see some of these new sports are trying to replicate the professional sports model by starting a new sport and then getting TV money. That's not really how it works. If you really look at the history of sports leagues, the NFL didn't really start making a ton of television money until the early '90s. That was when we had had decades and decades of building this sport and building the fan base.

It's like any business. You have to get your customer base in an appropriate customer acquisition cost and then the model starts to scale where you can find new ways to actually drive the economics part of it.

**New topic. A lot of CEOs I know are big-time football fans, and they use a lot of sports analogies. What would you say CEOs can learn from football that could help them in business?**

It's really interesting. One thing that makes the game of football so amazing is that it teaches lessons that are applicable to anything you do in life, especially business. A lot of the successful CEOs in this country played football. They will tell you, to be part of a football team, a competitive football team, it doesn't matter if that's high school or college, whatever it is, it takes a tremendous amount of hard work. There is no substitute for hard work. Everybody hates football practice. I never met anybody who loves football practice because it's hard, hard work.

It's cliché, but it's true: it requires teamwork. You have to get along with others, and at the same time you have to do your individual job. Football plays breaks down if individuals don't

*“When we think multinationally, the order is fan base then money. I think you see some of these new sports are trying to replicate the professional sports model by starting a new sport and then getting TV money. That's not really how it works.”*

do their individual job, yet they work as a team, which is really, really important. I think that is a huge lesson.

I think sacrifice, hard work and teamwork are things that people take away from football, but I also think from the business of the NFL, if you break down our business, it really starts with a fabulous product. Every business decision we make is relevant. If the game on the field, or in this case, this product is not healthy, it's not safe, it's not competitive, then it's not exciting. So every decision we make starts with, “Does this make the game better or not?”

Then the business goes from there, because you can run a fabulous business but if you don't have a great product you're not going to have the right customers.

**Talk about the future of the NFL.**

Our fans are amazing and are really what make the NFL go, and we ask a lot of them. We ask three hours of



their time to watch a game. We ask them to come to a stadium. Tickets are increasingly expensive. And so, we have a very fan-focused approach when we build stadiums. Some of the stadium construction that you'll see in the next 10 years will be much different. They'll be much different in the type of amenities they have. How they use technology like 5G, which is really important. You can actually provide more value. You'll see a ton of innovation.

If you think about a stadium, this should be the best place to experience football, and you actually live in a world now where there is so much at your fingertips with mobile technology and the highlights we give you on Twitter and everything else. Maybe it's cold out. You might be making that decision and may not go to the stadium. Maybe I put my tickets on StubHub and sell them. We can't have that. We have to make sure that the stadium is the best place to go and the best place to experience football.

The amount of investment we will put into that over the next decade will be really important. By the way, you only get one shot at this. You build a stadium and it's good for 20 years, and you spent billions of dollars, so you've got to get that right. We'll spend a lot of time on that, but at the same time, the customer experience is only going to improve with technology between 5G and mobile technology and the rise of digital platforms.

The way to get content around football will be much easier and much richer in the next 10 years than it was over the last 30 years combined. We're approaching television agreements which end after the '21-'22 season, and I think we will shuffle the deck and negotiate and create new media agreements. I think you'll see them different in a lot of ways, not only in the partners we might have but also on how we deliver football to the next generation of fans.

I think we'll be as different as anything you've ever seen.

**On that note, a pleasure having you on The CEO Show, Brian.**

Thanks for having me Robert, appreciate it.



*Robert Reiss and Brian Rolapp – Interview aired January, 12, 2020.*

*Brian Rolapp began as an analyst at CIBC World Markets for their Media and Entertainment Group. In 2000, after completing his MBA at Harvard Business School, Rolapp joined NBC Universal as the Director of Business Development in New York.*

*Rolapp moved to the NFL Network in 2003 where he became the Director of Finance and Strategy. In 2005, he was promoted to Vice President of Media Strategy and Digital Media. In 2007, his title was changed to Senior Vice President. He was promoted to COO of NFL Media in 2011, and in 2014 Rolapp became the Executive Vice President of NFL Media and the CEO and President of the NFL Network.*

*Brian has been named to the Sports Business Journal's Forty Under 40 Hall of Fame.*

*Rolapp graduated from Brigham Young University with a Bachelor of Arts in English and Business and the Harvard Business School. He currently lives in Connecticut with his wife and children.*



# NETWORK





*Springboard Enterprises launched SBE Australia in 2013 supporting early-stage women-led technology companies headquartered in Australia with global market aspirations.*

**Robert Reiss:** Most people know that you are the founder of USA Networks. That had huge success, transformed television and ended up selling for \$4.5 billion. However, your second act, Springboard Enterprises, I think that's even more significant in society.

**Kay Koplovitz:** Well, because it is a group, a network of women entrepreneurs in technology and life sciences

and transforming industries, I think you're right. The long-term impact will be even greater because it's multiplied through almost 800 entrepreneurs now and because of what they're doing to transform different industries. So, yes, I believe it will have a greater impact.

However, USA wasn't just a company. It was really launching an industry. It was the first one out there with satellite delivered to cable systems for basic cable, and it really started the industry. They had a bigger impact, and that \$4.5 billion was when it was a lot of money.

**Let's talk about your original vision, and I know you're a Michigan State Spartan, as I am, and it was in your graduate thesis that you came up with the satellite concept. Talk about how the vision emerged, and what made it so successful.**

Well, when I was an undergrad at the University of Wisconsin, I took a trip to Europe, a backpack and student traveling. I was in London, and I heard a lecture by a famous science fiction writer about geosynchronous orbiting satellites. I popped in and heard this lecture, and I thought, "Oh my goodness! This is really powerful." That was, of course,



*The CEO Forum Group selected Springboard Enterprises as the customer experience leader in the Women Innovators category. Springboard created a market for women innovators by helping them develop strategy and raise capital. Their results are unprecedented with almost 800 portfolio companies creating a value of over \$20 billion, with five unicorns and over 20 IPOs.*

*“I was in London, and I heard a lecture by a famous science fiction writer about geosynchronous orbiting satellites. I popped in and heard this lecture, and I thought, ‘Oh, my goodness! This is really powerful.’ ”*

Arthur C. Clarke; there are many of us in this industry, in the satellite industry and then the telecommunications industry who are devotees of Arthur C. Clarke.

I came out of that, and I thought it was so powerful of an idea. This was during the Cold War and we didn't know what was behind the Berlin Wall or the Great Wall of China. It was a battle between democracy and communism. It was a really different time. The '60s were a very volatile time in our society. And I thought, “Well, this is something that really could bring people together. This could really reach people around the globe.” And you can't stop a satellite signal the way you can a ground signal like a radio signal or TV signal. It's not possible to jam the satellites coming from above. So, it was an idea that would never let me go. It was the genesis of my writing, my master's thesis. I went to Michigan State as a merit scholar to write my graduate degree on satellite technology and its potential impact on the communications.

**What is the most important thing in bringing vision to fruition?**

You have to take a certain amount of risk to be able to do that. You

have to get into an area where you don't know the answers to the questions and feel comfortable there. I have always been attracted to the unknown. I find it enormously seductive and frightening at the same time. And if you don't have sort of a combination of those things, it's hard to take the leap.

So, whether you're an entrepreneur who comes up with an idea to fill whitespace, something that doesn't exist, which is something that I personally am attracted to .... Or, you're inside a corporation and you've got to take a risk that's maybe a risk to your position, or whether you're going to succeed within that corporation or not with this innovative idea that you have, you've got to have a management that accepts a certain amount of risk. And every risk is not going to be positive at the end. You have to accept some level of failure. Now, you want some guards around it. You don't want to bet the ranch and go out of business.

**So, what was the biggest failure you had and what did you learn from it?**



At the UBS conference “Revitalizing America, The Road to Sustainable Growth,” with (from left to right) Jacqueline Novogratz, President Bill Clinton, David Gergen, and President George W. Bush



I failed to do certain things that I wanted to do, that's for sure. For example, I was expanding USA and I did the Sci-Fi Channel. I had a deal to buy FNN and turn it into the business news channel, which is called CNBC today. I negotiated for a year with that deal. I had it with the Dow Jones for a business news source. I was sitting in a conference room in Paramount, at that time, signing the contract, and Sid Sheinberg who was the president of Universal at that time called in and said, "We're out. I just don't think we're set up to do news, business news and so forth."

*"You have to take a certain amount of risk to be able to do that. You have to get into an area where you don't know the answers to the questions and feel comfortable there."*



U.S. team for the 1991 Ryder Cup on Kiawah Island, South Carolina. USA Networks was the first to telecast the competition in the United States.

I was so angry. I mean I almost went to Patagonia and didn't come back. I was really, really angry. And the guys, Peter Kahn, the guys from The Wall Street Journal, they didn't talk to me for like two years. We spent so much time negotiating that they were really looking forward to launch. Then I ultimately got Bob Wright at NBC, and I said, "Just follow me around and pick up the things these people don't want to do. You'll do really well with it because this will really turn out to be a very profitable network, because you're just a desk in different cities -- London, Tokyo, Singapore, Hong Kong, U.S., and so forth."

**Let's talk about the concept of how you changed the customer experience in television. I know Manila was a huge piece, but the whole business model changed in two core ways.**

Well, the key attribute of satellites is that you could distribute them to anywhere and deliver it into a satellite dish, assuming visibility from that satellite dish. And so, with The Thrilla in Manila in 1975, September 30th, that fight was brought live via satellite into Vero Beach, Florida to demonstrate for the cable industry that satellites could be used for commercial purposes. And you could not have picked a better event to really make the point.

Even today, it is rated the number one heavyweight boxing match of all time. HBO was my client then, and it happened to be the system owned by Bob Rosencrans's company, the gentleman I worked for in the cable industry. He knew I wanted to launch these television networks using satellite distribution. And he said, "Kay, tonight your dream comes true." And it did.

**What did it feel like when that happened?**

Great. Great. The next day, I went right to Madison Square Garden and negotiated with Joe Cohen for the 125 sports events from Madison Square Garden and after that went on to Major League Baseball, the NBA, the NHL, all in the '70s. It was really a vision of making sports available using satellites, making sports available every single night, live sporting events, and that was before ESPN. So, I really brought all the sports to cable, actually, and it was exhilarating to do something that

you had thought about as a student and that you had nurtured in your mind.

I worked in the satellite business. I worked in the cable business. I worked in the television business. I just wanted to get the things in my experience level. So, when the moment appeared to me, I was ready to go.

**We're going to talk about Springboard. It was 1998 and you were appointed to the Chair of the National Women's Business Council by President Clinton, and you found out something about women in business. Talk about what that was.**

I saw all the money pouring over the transom in venture capital in 1998 and 1999, \$104 billion, and no women. I thought, "Where are the women? Aren't they in technology and life sciences that need to raise this kind of money?" I think they are. We set out to find them, and that's what we did.

**What is the website for Springboard if anyone wants to go?**

[www.SB.co](http://www.SB.co).

**Springboard has already generated \$20 billion in value. Talk about some of the accomplishments of what Springboard has done.**

Springboard is really a vast human capital network of experts and entrepreneurs. We're not investors in these companies. We bring these companies on board. We actually train them to raise capital and then go out to introduce them to the right people. So, we're the catalyst for them to raise. We're the bridge for them. And we do a lot of other work with them in their understanding of their businesses, the talent that they have, for example. It's a really high touch for us nearly 800 companies in



*New York Fashion Tech Lab program created in 2014, is a Springboard cohort for women entrepreneurs innovating at the intersection of Fashion, Retail and Technology. Courtesy of ThirdWave Magazine; photo by Tóry Williams.*

20 years. About 600 are in the technology sector and about 200 in the health sector, and women really move the needle. People know companies like iRobot, Constant Contact, Minute Clinic, Zipcar, Viacord ... people know companies like these. Those are all women founders, and they are all in our network. We have a lot of serial entrepreneurs in the network and a lot of advisors, about 5,000 experts in these different fields who are experts at different levels. So, for example, if you have a biotech company and you're developing a drug and you have to go through the clinical trials that the FDA judges, wouldn't you just love to have a team of advisors that has already done that before you?

The value it created is the amount of venture capital that has been raised by the companies which is over \$10 billion.

**Over \$10 billion.**

And almost 200 M&A transactions, companies that have sold for over another \$10 billion, and 20 IPOs.

**20 IPOs and several unicorns too.**

Of course, we do have the unicorns. The RealReal is one of our companies. That's a unicorn. There are a number of them actually – 51Job out of China, a \$5.3B



market cap company listed on the NASDAQ. That was the first IPO in 2004. There are many others, and there are others in the pipeline that are still private like Canva out of Australia which is an online design company coming up behind Adobe. It is worth currently \$3.2 billion, and many others that are over that mark of \$1 billion.

**Here is a big thing. There are so few women CEOs. What needs to change? It's not a social issue to me, rather it's an economic issue and we've talked before about getting to 50 Fortune 500 women CEOs. We're now at 32. Talk about it.**

It definitely is. There are a lot of studies out there that show that a very diverse management team produces better results.

**11 times, right?**

According to recent Accenture information, returns are 11 times greater for a more diverse workforce than a company that has not engaged in diversity and inclusion in their workforce. And what Springboard companies do, when

*"He knew I wanted to launch these television networks using satellite distribution. And he said, 'Kay, tonight your dream comes true.' And it did."*



Kay Koplovitz invited to share her views about the streaming wars and Disney Plus on CNBC's Closing Bell

you think about almost 200 of these being acquired, they are bringing in top talent. These women have succeeded in a very competitive environment and often times with less capital. Women deliver two times the revenue on capital raised than men. These are real numbers.

**What's the flipside of that?**

There is a flipside. Women are raising capital at a discount and at the early stages like Series A and so forth, men raise two times the capital of women, and we're out to close the gap. People say, "Isn't it wonderful that women have such a better performance on less capital?" And I say, "Just think what they would do if they had the same amount of capital? They will not waste people's money."

**This is a real economic issue for America. We have 600,000 CEOs listening in and we have top CEOs. What should CEOs do to change this equation?**

CEOs really need to scour the market for the talent that is needed to bring up in the management teams. Work with our companies, our technology companies or our healthcare depending on what they want to bring into their company, and work on agility. How do these entrepreneurs gauge their risk? What do they do? What does their leadership consist of?

They are looking to improve the agility of their senior executives. And at the same time, the senior executives have very valuable information to confer to the technologist or the entrepreneur and how their system works. Could they work within their system with what they have? It's a two-way street. It's not a one-way street and it's a very important type of program.

Those are some of the things that can be done when you buy a company as a CEO, and CEOs do a lot of M&A, most of them, for their companies. Really understand the DNA of the company that you're buying. And before you bring them in, understand what the pathway is for integrating them in a way that keeps them in the company. This is the talent pool that you're bringing in.

I've been on quite a number of public corporate boards, and every company buys companies. Sometimes, they buy them to kill them, but when they intend to keep them and integrate them because they're going to improve their business, they often lose the talent because they do not have the environment for an entrepreneurial mind to work within the structure. So, this is a pathway that CEOs and people in charge of the integration of acquisitions really have to figure out before they actually pull the trigger on the acquisition. It's very important.

**So, at Springboard, you brought in \$10 billion? You're looking to get to \$20 billion. What do you need in the future to grow Springboard for that?**

I also am a partner in Springboard Growth Capital and we invest in growth stage companies, usually over \$10 million in revenues, raising a minimum of \$20 million in a round, usually a C-round and above. So, we do that. But Springboard itself -- our future is going to include also a funding source. We have to go out and raise that fund to do that. It is also going to be a content producer because we have a lot of content and knowledge about how women lead. It's really important for people to understand the differences of the way women approach problem solving and that will help within corporations as well.

**What advice do you have to women about succeeding?**

That's a good question. Everybody is a bit different in the way they approach things, but I think clarity of vision, maniacally focused on what you're trying to deliver, being resilient because there are lots of setbacks along the way, and really bring your team along. Be open, transparent and have everybody in your company own the mission and the way to deliver it. That's really how you get it done. Whether you're a woman or a man, that's how you get it done.

**And there you have it. Kay, a pleasure having you on The CEO Show.**

Thank you.



Robert Reiss and Kay Koplovitz – Interview aired February 9, 2020.

*Since 2000, Kay has served as Chairman of Springboard Enterprises, where under her leadership, the venture-catalyst accelerator has been bringing women founders leading transformational businesses to parity in raising capital. The value of Springboard Enterprises has been validated by a strong 19-year track record of success having created over \$20 Billion in value, raising over \$10 Billion in capital, realized more than \$10 Billion with almost 200 in M&A transactions, and counts 20 IPOs. Springboard's portfolio includes 5 Unicorns valued at over \$1 Billion.*

*Ms. Koplovitz is the founder and former Chairman & CEO of USA Networks. She is credited with bringing professional sports to cable including Madison Square Garden, Major League Baseball, the NBA, NHL, the Masters Golf, the US Open Tennis and more. Kay is the visionary who created the business model for cable networks by introducing the concept of two revenue streams: licensing and advertising, launching an industry. She ran the company for 21 years until stepping down in 1998 when the company was sold for \$4.5 Billion.*







“We have put an emphasis on serving others and find tremendous satisfaction in helping families and business owners protect their legacy.”

Mehran Assadi  
*Chairman, CEO & President  
National Life Group*



National Life is working to transform customers' lives, transforming ourselves through cause-driven servant leadership.

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