Open Leadership: How Social Technology Can Transform The Way You Lead

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Altimeter Group
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#openleader
More people visit Facebook than Yahoo!
It’s about relationships
Why is social hard?

Because real relationships require that you give up control
The need for open leadership

When people get what they need from each other

“How open do I need to be?”
Defining Open Leadership

Having the confidence and humility to give up the need to be in control, while inspiring commitment from people to accomplish goals, and be in command.
Best Buy’s First Social Media Experts

Steve Bendt & Gary Koelling
They harnessed Best Buy’s biggest asset

The Blue Shirts
BlueShirtNation.com supported Best Buy’s front line employees

So I don’t know who designed the new Digital SLR Camera display case but it definitely wasn’t anyone who works in the stores...

The new “wood slat look” is pretty cool and the lighting makes the cameras look much more expensive and desirable but everything else really needs to be rethought. First of all, it is about 9 inches too high so it towers over the lower gondolas making it the tallest landmark in the digital camera dept. If it was going to be that tall, it should have at least been on an endcap.

There is a small riser that the case sits on that could probably be removed making it only a few inches too tall but that would make the viewing angle of the cameras kind of awkward for anyone over 6 feet. Secondly - and most importantly - the 7 inch tall opening for the storage underneath can’t fit a single SLR camera through the opening. Some of the lens boxes can fit but now we have to walk to the other side of the department to the serpentines to check if an SLR is in stock instead of just bending over to open the previous case.

I have been to the prototype room many times and I have met some of the guys who “test” these things before sending them to the stores and usually the new displays are spot on for both form and function...this one however missed the mark. Please chim in if you have one in your store and have an opinion, I have posted a picture of it.

-Chris
Steve & Gary had an executive sponsor

Barry Judge
CMO of Best Buy
They kept telling him one thing…

“Barry, you gotta get a blog!”
Barry’s first post

“I was so relieved when it was over—it was just two sentences to get started.”
The Premier Black Fiasco

6.8 million emails sent instead of 1,000 test
Barry’s response

“…we screwed up the execution which makes me feel sick about the customer trust that we have impacted.”
Openness became a strategy

Open market testing of new logo
+2,200 Best Buy employees provide support on Twitter
Focus on relationships, not technologies

What kind of relationship do you want?

Transactional
Occasional
Impersonal
Short-term

Passionate
Constant
Intimate
Loyal
Four goals define your open strategy, but always start with learn

- Learn
- Dialog
- Support
- Innovate
Go beyond traditional customer data

- Demographic
- Geographic
- Psychographic
- Behavioral
- Socialgraph
Engagement Pyramid: Focus on Watching and Sharing

- Curating
- Producing
- Commenting
- Sharing
- Watching
Dialog with your community

Learn
Support
Innovate
DellOutlet drives sales with Twitter

@DellOutlet Thanks, that's what happened searching 1735 instead of 1737
about 17 hours ago from web in reply to DellOutlet

sportster_rich
Rich Morton
Help your members support each other

- Learn
- Support
- Innovate
- Dialog
Social moves into enterprise apps

Salesforce Chatter

Service Cloud with...?

LinkedIn in Lotus Notes
Innovate with customer feedback

Learn

Dialog

Support

Innovate
Starbucks involves 50 people around the organization
What to do first

- Buy 20 binders (40% off at local store until Friday)
- Create graph for slide 4
- Finish presentation outline
- Buy tickets for concert
- Meeting @ 10:15 am
- Pick up &
- Get time details from Matt
- Call John again when Matt gets back (after 26/2)
- Send quote to Bill
- Order # AE34M20
- Contact plumber about tap leak
- Water plants
- Pick up eggs at local shop
- Mow the lawn
- Shopping list (2)
  - Bread (3x)
  - Raisins

- Watch memory (2 GB)
- Look at PDA user manual
#1 Align openness with strategic goals

Examine your 2011 goals

Pick one where open and social can have an impact
#2 Understanding the value

“We tend to overvalue the things we can measure, and undervalue the things we cannot.”

- John Hayes, CMO of American Express
The new lifetime value calculation

+ Value of purchases
- Cost of acquisition
+ Value of new customers from referrals
+ Value of insights
+ Value of support
+ Value of ideas

= Customer lifetime value

• Percent that refer
• Size of their networks
• Percent of referred people who purchase
• Value of purchases
• Percent that provide support
• Frequency and value of the support

Learn more: Webinar this Friday 5/7 bit.ly/openleaderweb2
#3 Understand how open you need to be

Information Sharing
- Explaining
- Updating
- Conversing
- Open Mic
- Crowdsourcing
- Platforms

Decision Making
- Centralized
- Democratic
- Self-managing
- Distributed
Determine how open you need to be to meet your goals

- Explaining
- Updating
- Conversing
- Open Mic
- Crowdsourcing
- Platform

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<thead>
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<th>Platform</th>
<th>Today</th>
<th>Where we need to be</th>
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</thead>
<tbody>
<tr>
<td>Explaining</td>
<td></td>
<td></td>
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<td>Updating</td>
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<td>Open Mic</td>
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#4 Find and develop your open leaders

- Cautious Tester
- Realist Optimist
- Worried Skeptic
- Transparent Evangelist

Collaborative

Independent

Pessimist

Optimist
#5 Prepare your organization

Ideally, you should be at “4.0” for launch.

Area of opportunity.
Social media triage

Do you want to respond?

Assess the message

Evaluate the purpose

Unhappy Customer?

Are the facts correct?

Gently correct the facts

Yes

Does customer need/deserve more info?

Yes

Take reasonable action to fix issue and let customer know action taken

No

Response

Yes

Can you add value?

No

Can you add value?

Thank the person

No

Do you want to respond?

Respond in kind & share

Yes

Dedicated Complainer?

Are the facts correct?

Explain what is being done to correct the issue.

No

Comedian Want-to-Be?

Is the problem being fixed?

No

Yes

Let post stand and monitor.
Create a culture of sharing
#^ Embrace failure
Buyer blog hit the right note
Manage risk with Sandbox Covenants
What the future will bring

Social networks will be like air
Summary

- Focus on relationships.
- Align your social strategy with strategic goals.
- Support open leaders in your organization.
- Be prepared for failure – you’ll encounter many.
Thank you

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Learn more and buy the book at
open-leadership.com