ENTERPRISE ENGAGEMENT ALLIANCE

root People. Strategy. Results.

Strategic Implementation of Enterprise Engagement

The Five Key Tactics for Success

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Introduction

While there may be dozens of good definitions of engagement, all are very similar in their most important respects. All agree that engagement goes beyond mere satisfaction and that it involves a level of commitment from employees, customers, partners and suppliers that surpasses simple respect for an organization or mere contentment within the relationship. True engagement must translate into enhanced performance.

Engagement is reached at a higher level – an emotional one – and that makes all the difference. Engaged customers, truly engaged employees, partners or even suppliers are remarkably similar in their attitudes toward us. They are more enthusiastic about our success, they share ideas, they relate to our brand and are proud of their association with us. They contribute *discretionary* effort beyond what might be required to simply maintain the relationship.

Current estimates of employee and customer engagement hover in the 30 percent range across all industries nationwide[1]. Similar benchmark data for supplier or channel partner engagement does not exist, yet any organization that can engage the majority of its key constituents - employees, customers, suppliers and partners - can expect to reap tremendous advantages and results. The relatively new field of "enterprise engagement" seeks to promote and quantify the benefits of gaining true emotional-level commitment from all key constituencies and applying that approach consistently throughout the enterprise.

In this paper, one in a series for our Enterprise Engagement curriculum, we examine a critically important element of enterprise engagement – moving from strategy to execution. This paper is targeted at organizations that wish to move from talking about and planning enterprise engagement to implementing the initiatives at a tactical and measurable level – throughout the enterprise and for all key constituents. The main objective of this paper is to assist the reader through practical, clear and readily-available techniques, practices and tools to implement enterprise engagement across the organization.

[1] For the most recent data, see Gallup's U.S. Employee Engagement Survey results 2010-2012 (www.gallup.com).

Part One: Setting the Stage for Enterprise Engagement

While “engagement” is a now a common buzzword, Enterprise Engagement is a new term. It is the name for a new discipline that connects people, performance and long-term profitability. The inclusion of other critical stakeholders - beyond employees and customer - such as partners and suppliers is essential to enterprise engagement strategy. The 'enterprise' in enterprise engagement also refers to a consistent application of engagement practices throughout the organization.

Despite the attention, investment in engagement beyond employees and customers is still a fairly radical idea. While the principles are baked into the management and marketing practices of well-known companies such as Whole Foods, the Container Store, Southwest Airlines, and many more, this business approach remains in the early stages. This makes the rewards for early adopters all the more enticing. Enterprise engagement does not require a wide leap of logic. Any employer knows they can’t be successful without their employees and customers. For that reason, employee and customer engagement have moved beyond buzzwords to best practices. But organizations cannot maximize results without their partners (i.e. resellers) nor the people who supply them. For any organization to make the most of its potential, it must engage all of its key constituents.

Enterprise Engagement Strategy

Before a plan can be well-implemented, it has to be documented. The plan should communicate the strategy in enough detail to allow the “doers” to craft tactical action plans from which initiatives can be implemented.

An Enterprise Engagement strategy has three crucial components:

1. An integrated strategy to include at least four key constituents – employees, customers, partners and suppliers.
2. Alignment and conviction from the executive or leadership team to ensure that the strategy will be supported once it is deployed to the business.
3. A strategic roll-out process that ensures the activity, methods and processes are consistently known, understood, applied and sustained across the organization (the enterprise).

Culturally, an organization needs to be prepared for change on this scale. Even if executives "get" employee engagement and customer engagement, is the organization ready to truly embrace engagement? Is it ready to start building trust with employees? Can it engage the people from whom it buys goods and services by treating them the way it would like to be treated by its own customers? Is it ready to emotionally engage customers and channel partners in the business by really connecting with them, listening to their concerns and ideas, and even involving them in decisions? For most organizations, the first part of the strategy is aimed at changing organizational values. Despite the rhetoric, changing or evolving values (hence adapting the culture) is not exceedingly difficult, it just takes time and commitment.

- An Enterprise Engagement strategy will include a survey to gauge current levels of engagement throughout the organization and across constituencies. This is necessary to establish a benchmark which is essential for strategy development and planning. A broader analysis should also be considered to uncover current strengths and weaknesses as well as an analysis of outside forces that might impact the strategy and initiatives.
- The executive team needs to have honest conversations about the current realities of the business, identify the barriers that have prevented it in the past from being successful and gain agreement and conviction on what the organization's future state should look like. This may also include identifying which behaviors the leadership team needs to "throw out" and which they need to embrace and embody to ensure they set the standard for the rest of the organization.
- Document a vision for the organization in the high level strategy. In this case, executives should know what an "Enterprise Engagement organization" will look like so they can "paint the picture" for the rest of the organization. To better understand what the organization might look like when it achieves the vision, strategists and planners should have an understanding about each element of engagement. Books, papers, articles, videos and webinars with leading experts are accessible on the web. Relevant conferences are useful both to hear and meet the presenters and to network with professionals who are trying to accomplish similar things.
- Craft a communications element to the strategy, including, in most cases, a call for initiatives to change attitudes and adjust values. Recognize that communication will likely have to take many forms and require a variety of solutions that incorporate the different ways that people learn – visual, auditory or kinesthetic. While many organizations may assess employee and customer engagement and some might actually implement initiatives to improve engagement, very few organizations have a general "culture of engagement." Where that culture exists, employees, managers and executives all see the value in engaging key constituents and approach every relationship with this attitude.

A survey will quickly determine the degree to which such a culture exists in your organization.

- Address the consistency of commitment to engagement and engagement practices across the enterprise. A culture of engagement cannot be developed and sustained if engagement practices are inconsistently understood and appreciated and applied differently from department to department.
- Create and implement a learning strategy that understands what customers, distribution partners, different types of employees, and even vendors need to know in order to do what is asked of them. Collect resulting data to see how they correlate with performance.
- Identify the appropriate innovation and collaboration strategy to foster ideas, suggestions, and other forms of participation from all of your audiences.
- Determine the appropriate rewards and recognition strategy to foster feelings of support, an atmosphere of fun, and to reinforce the values being promoted.
- Provide detailed goals and objectives that can be measured so that you can make improvements continuously. Planners should quantify the improvements desired in the first year, for example, better engagement scores in the next survey, better customer retention, higher “share of spend,” lower absenteeism among employees, faster supply times from vendors, better knowledge of products and more sales from partners, etc.

Determine how technology can help with all of the above. Most companies start with an engagement portal where all of their audiences can interact with an organization through a single portal tailored to each individual. Ultimately, an Enterprise Engagement strategic plan is created in much the same way as a strategic plan for any other part of the operation. It should be aligned with and support the broader corporate strategic plan and it should provide clear guidance to those that are tasked with implementing the strategy. Where multiple strategies arise from the exercise, forecast ROI (Return on Investment) for each and use the results to prioritize implementation.

Key Issues in Implementation

Like many other enterprise-wide initiatives, engagement requires buy-in from the leadership and a senior executive sponsor – ideally the CEO or CFO. Enterprise engagement implementation faces the additional challenge of having no natural leader other than the highest ranking executives – few, if any organizations currently employ a Chief Engagement Officer[2]. Responsibility for employee and customer engagement, for example, tends to fall to executives in HR and sales respectively – people who may rarely if ever talk to each other. If official responsibility for channel partner and/or supplier engagement is assigned, it very likely involves two additional executives. It is critical, therefore that the CEO or CFO appoint the equivalent of a Chief Engagement Officer as part of the strategy, or take on this role him or herself. Whoever is in the role must have the authority and support necessary to drive a consistent, organization-wide effort that most likely requires cultural and values change to succeed.

For organizations that can overcome the chief obstacles to an effective strategy outlined above, the remaining challenges will be simplified. With a properly empowered and resourced Chief Engagement Officer in place (who enjoys active sponsorship from the CEO or CFO), the right participants can be recruited to help devise and document the strategy across the organization. The heads or senior representatives of sales, HR, marketing, account management, vendor management and channel partner management (where applicable) are must haves. The VP Communications, the Chief Operating Officer and others pulled from the ranks of management across the enterprise might round out a team of a dozen or so individuals.

In addition to internal members, the team will benefit from senior representatives of the employee, customer, supplier and partner communities who might be attached to the team as guests when required. It is vital to hear from the key constituencies during strategy formation. Traditional or online focus groups, for example, may be useful in getting input from key constituencies within and outside the organization. As above, with the right representation in place, the team should be able to craft an Enterprise Engagement strategic plan in much the same way it would any other strategic plan.

Reality Check

Few things worthwhile are ever easy, and especially where uncharted territory is concerned. Organizations that design an Enterprise Engagement strategy (much less

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[2] A June 27, 2012 search of the entire U.S. Monster jobs database resulted in no openings for "Chief Engagement Officer". A search of the U.S. resume database returned only one candidate with that title (who was employed by a small employee engagement consulting firm).

execute it) are trailblazers, there are no case studies or checklists. Those that execute an Enterprise Engagement strategy will be true pioneers.

The rewards for doing so are touched on above – exponential performance improvements, better retention of customers, more committed employees and partners, special treatment by suppliers … the list goes on. To monetize those advantages – by even the most rigorous and conservative standards – would result in significant sums for most large organizations.

The process, while difficult at first, is likely to be worth the investment. The question then, is how does an organization execute their strategic enterprise engagement plan through tactical initiatives?

Part Two: Five Key Tactics in the Execution of an Enterprise Engagement Strategy

The need to win executive buy-in and support from key leaders is addressed above. Yet, even with CEO sponsorship, senior leadership team commitment and adequate resources, roughly 60 to 90 percent of plans are not executed.[3] This is in part because about 70-75 percent of employees are not engaged.

A strategic plan to engage the workforce (and other key constituents) has one clear advantage over other change initiatives: most employees will offer less resistance to plans that are intended to benefit them. That said, change is still required and wherever change is a factor, resistance can be expected. In this case, resistance might come from those that will be held accountable for results (managers, executives) or from those that view the strategy as an insincere attempt at engagement, meant mainly to extract more effort and output from the workforce. No matter the situation, careful communications are needed.

Tactic #1: A Communication Plan

Some organizations have built a level of trust with their employees over time that makes change initiatives much easier. Employees trust the leadership, so they are less likely to be suspicious about ulterior motives. Their trust also translates to openness and a willingness to say what they are really thinking about the strategy and ideas for execution, thereby streamlining the process of getting it right.

In most organizations, employees are reluctant converts, they have to be convinced and part of that process means helping them arrive at the same conclusions as the leadership team on their own – enabling them to understand not just the "what", but the "how" and the "why" . The best approach is to be honest and clear about the strategy. Realism is at the heart of breaking through to people. Discuss the real issues to get an honest assessment of where you are and where you want to go. Make it safe to talk about the "elephant in the room." The time spent up front in addressing objections will pay off tenfold later in the project. Plowing through people's objections

[3] A 1999 Cover story in Fortune Magazine referenced its research showing that 90 percent of organizations fail to execute their strategic plans. Other studies have estimated failure frequency of 60-90 percent.

or achieving rapid consensus by being closed or defensive about the strategy will almost invariably cause it to fail further along.

Communications are also required to get the word out beyond those involved in implementation. Widespread perceived need for the initiative is the objective. Describe the strategy in the context of the overall corporate strategic plan. How will enterprise engagement help the organization achieve the objectives in the corporate strategy? What are the goals of the initiative and why? How will it impact the workforce? How will it benefit the reader? This tactic should include visioning – painting a picture of what the organization will look like after it has embraced enterprise engagement - thereby creating a shared vision.

Tactic #2: The Right Team

If possible, the implementation leadership team should include the same people as the strategic planning team discussed above. The heads or senior representatives of sales, HR, marketing, account management, operations and strategy, vendor management and channel partner management, the VP Communications and the Chief Operating Officer are key. At the hands-on level, the implementation team will be much larger than the strategic planning group. HR practitioners and managers, marketing, sales, account management, vendor management, communications, legal and union reps may be required. Team leaders should be identified for each segment of engagement – employees, customers, suppliers and partners. It is critical that the team is given ownership and responsibility for results.

Tactic # 3: Develop Skills

Enterprise engagement will touch the entire organization but there will be key players who are largely responsible for carrying it out – both in the implementation stage and in sustaining the initiative afterward. For employee engagement, front-line supervisors and managers are the most critical. For customer engagement, account managers, salespeople, customer service specialists and others will be directly involved. Buyers, procurement specialists and vendor management staff will be critical for supplier engagement. Channel partners are in regular contact with sales managers and others.

These individuals will carry out the plan, and to do that, they need resources and training.[4]

Tactic #4: Set Goals

For each component of enterprise engagement, set clear and realistic stretch goals. If employee engagement is near the national average of 30 percent, make it an objective to achieve greater than 50 percent engagement after year one and greater than 75 percent after year two. If customer attrition is 20 percent per year, make it a goal to reduce it by 50 percent. Set a realistic higher goal for channel partner sales agents, and so on. Make the goals clear and easily measurable. Where goals such as increased sales are concerned, external factors will bear on the results, use simple tools such as the ROI Methodology™ to provide accurate estimates of the contribution your engagement initiatives made to increased sales.

In addition to goals, set milestones for the implementation project itself, for example, the number of people trained, number of initiatives launched, progress in implementation across the organization and among each element of engagement, etc. Also plan to make adjustments and refine the processes or operations based on various milestone check points.

Tactic #5: Adjust Accountabilities – Tie Goals to Rewards and Recognition

It is crucial to make sure that incentives are aligned with actions. Unless employees have real incentives to implement the engagement strategy, they will not commit to it. Simply put: Reward good behavior, correct bad behavior. This thread must weave through daily communication at all levels and include performance reviews, salary adjustments, and bonus configurations. This is why your goals have to be clear and measureable. Employees responsible for implementing your engagement strategy may love the plan and the vision behind it but if they are not recognized, rewarded and held accountable for it, it is certain to receive lower priority. Remember also to recognize success on the team itself, to celebrate milestones and call out people who have made significant contributions.

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[4] The potential range of training required will vary from organization to organization. Many will benefit from investment in the soft skills that enable managers to more successfully manage frontline employees, for example. Other training might include equipping frontline employees to make customer-first decisions and ensuring that partners and channels have the same skills.

Part Three: Implementing Tactical Plans

The rubber hits the road through the execution of the many tasks associated with each tactic. And while the range of tactics and tasks is too large to list, it is important to plan your enterprise engagement program in terms of three main levels of activity: Strategy, Tactics and Tasks. To illustrate, it is useful to look at some real case types throughout the elements of Enterprise Engagement.

Employee Engagement

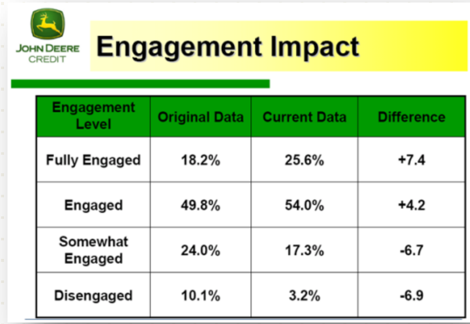
At the strategy level, one component of the Enterprise Engagement strategy will certainly be employee engagement. Within that strategy will be elements addressing communications, assessment, metrics, etc. For example, the strategy might describe the need to enlist managers and supervisors in the goal of increasing employee engagement. A tactic might be to develop or purchase training for front line managers and supervisors that will both build their awareness of the advantages of employee engagement and equip them with better skills around goal setting, recognition, feedback and coaching. The tasks that fallout from this element of the strategy and this tactic are numerous. Persons will have to be assigned to investigate training, evaluate it, determine whether to build or buy, book venues, schedule classes, print materials, find and qualify instructors, teach classes, etc.

Case Vignette: John Deere Credit

In 2005, John Deere Credit (now John Deere Financial) had about 800 employees. It sought to improve its managers' capabilities in employee engagement. First, JDC surveyed the organization. Though much like an engagement survey, this survey focused on those things most impacted by a person's direct manager or supervisor. Analyzing the results, JDC could see what managers were doing relatively well and relatively poorly. Strengths and weaknesses were ranked and shared.

This gave the organization and managers themselves a benchmark, insight and guidance. In addition to drafting plans at the unit and individual levels, managers were asked to choose two activities that they would lead with their reports. Monthly meetings were scheduled to review progress and hold all managers accountable for following through with their plans.

JDC's next employee engagement survey about 12 months later revealed tremendous gains. While it was not possible for JDC to isolate for the impact of the manager initiative alone, they felt that the initiative could be attributed the lion's share of the improvements.



JDC's goal, no doubt, was to generate more revenue and profits through a strategy with many elements, one of which was to increase employee engagement. One tactic (among several) was to enlist the managers in improving engagement levels. Tasks included the assessment survey, analysis, communicating the results and organizing the managers to choose their own methods of increasing engagement. The managers developed tactical plans of their own, and executed many tasks along the way.

Customer Engagement

Another key component of an enterprise engagement strategy is customer engagement. Customer engagement occurs when customers become fans — willing and even eager to refer their family, friends, and colleagues. Only when a customer is emotionally engaged will they spend even a very small amount of their unpaid time promoting a commercial brand – think Harley Davidson, Apple, most colleges and universities, even certain banks and airlines.

The benefit of reaching this level of connection with customers is profound. In their 2007 book *Human Sigma*, Gallup studied organizations across various industries. They found that when customer is rationally satisfied – i.e., against price, quality, delivery, etc. – they are no more likely to stay or spend more money with a company than is a customer who is dissatisfied. However, when a customer becomes emotionally engaged, they are tremendously more likely to be retained and to spend more.[5]

The tactics of customer engagement are many, but those that emphasize customer service, rewards and branding are the mainstays. Below are three case studies that illustrate several tactics with an emphasis on *enterprise* engagement – both in combining elements of engagement (employee and customer) and in driving at consistency across the enterprise.

Case Vignette: Isle of Capri Casinos

When a new management team took over at Isle Corp, they embarked on a rebuilding program. The shared vision was to make Isle of Capri Casinos one of the premiere gaming operators in the US.

Within the strategy to accomplish this goal was a customer engagement strategy. Isle of Capri wanted to ensure that every interaction between an employee and a guest should be used to build an emotional connection to the brand. Moreover, to become a premiere gaming operator, it included in its strategy a customer engagement plan - to make every guest experience a memorable one by using basic tenets of hospitality to enhance the guest experience, i.e., courtesy. This strategy, though clear and straight forward, required significant change – cultural change in fact.

Among the tactics the casino used to implement the strategy was the creation of an energizing and informative program for diverse functional areas of customer-facing employees called: *"See.Say.Smile."* The program was to be implemented enterprise-wide and in an environment in which many customer facing employees were jaded and skeptical. Isle of Capri Casinos realized that to make their customer engagement strategy work, they needed to embed and integrate an employee engagement effort at the same time.

As the pilot program began to show results and the casino wanted to expand it enterprise-wide, the employee engagement component became the most important element of the strategy. Isle Corp. learned that an investment in its people, combined with the tactics it used to drive the elements of the program, led naturally to the goals it had established for better customer engagement.

To measure its success, Isle Corp. mystery shopped each of its casinos eight times per month and scored them on whether all parts of the *See.Say.Smile*. program were being

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[5] Gallup Consulting (2009)***, Customer Engagement: What's your engagement ratio?*** – Gallup: available at *www.gallup.com*

demonstrated. For teams that consistently achieved targets, quarterly bonuses and prizes were awarded (bringing more internal publicity and buzz to the program).

Ultimately, participation in the program reached over 90 percent of Isle Corp's casinos in the first three years of the program. Employee engagement rose dramatically and repeat visitations to casinos increased in each and every market.

Case Vignette: Petco

With the rapid growth of the Pet Specialty industry in recent years, Petco observed a real opportunity to take the leadership position in the market. Petco's efforts began by creating alignment at the senior leadership level to develop a clear message about the marketplace and their strategy, and then a plan to engage customers. Once established, this strategy and associated initiatives were cascaded down through the Petco organization using multiple tools and techniques that centered around three Learning Map® super modules.

Once this new strategy and vision was set firmly in Petco's culture, the next step was to develop the leadership skills and capabilities of all people-leaders to ensure their ability to lead their teams to achieve the vision. Petco sought to develop managers at all levels across their business – including their stores, national support center, and distribution centers. They understood that Petco managers have a unique influence on their teams; that engaged and well-trained managers create engaged and knowledgeable frontline employees, leading to increased customer engagement and satisfaction. Ultimately, satisfied customers drive sustained profitability and growth. To Petco it was simple – great people-leadership was viewed as the most critical factor to their long-term success.

Petco was committed to providing managers with tools, resources, and dedicated time to practice these new skills in order to continuously build and hone their people leadership skill sets, rather than give them a one-time training event.

Petco selected Root's Compass Manager Development Program to meet this business need and named the rollout, "Leading at Petco." The one–and-a-half day blended learning approach gave managers the opportunity to focus on the business, gather new insights about their role, learn how to connect their teams to the business in relevant and meaningful ways, acquire new skills, share best practices with their Petco peers, and improve their leadership capabilities. The seven simple and practical modules take a context-content-practice-apply approach – providing managers with insights and exercises in the sessions as well as tools to apply to their day-to-day jobs.

Mid-level and executive leaders throughout the business were teamed with associates from Petco's Learning and HR function, and were trained to facilitate the workshops. This leader-led approach ensured buy-in and support from the managers, and signaled to the entire organization that Petco was committed to the program. The program has been rolled out across the entire organization and continues to be executed to all people-leaders. To date, more than 1,500 Petco leaders have experienced the Compass program in groups of 10 to 40.

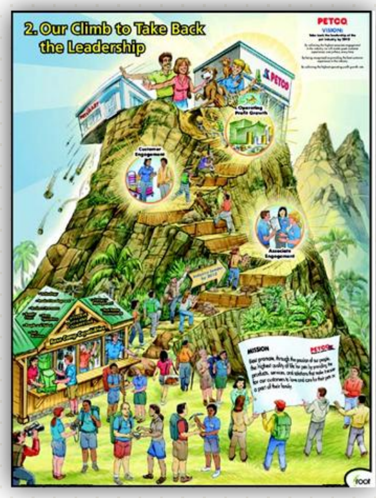
The program generated huge momentum throughout the organization. The blended, high-touch, interactive program ensures that the sessions are fun, provocative, practical, and most important, effective. Participants respond to the content and connect to the learning in a way that is unprecedented.

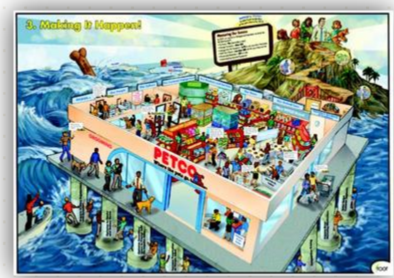
Senior Vice President and Chief People Officer Charlie Piscitello could not be more pleased with the Program's receptivity and impact: "From the corporate perspective, Leading at Petco has enabled us to accelerate the implementation of our retail business strategy and ensure consistent understanding and interpretation across all 1,000+ stores and support functions. Core to our strategy, Leading at Petco has succeeded in creating a solid foundation of skills and expectations for leaders at all levels and has provided us with a definite competitive advantage."

Piscitello says that, at the store level the impact has been extraordinary, with the program consistently getting rave reviews: "Immediately after the initial roll-out, we saw more confident managers and more engaged associates, and our customer satisfaction metrics have improved markedly across the board. We have also had one of our best years ever. All of these indicators speak for themselves."

District Manager Roy Kerslake is also a fan, and has witnessed firsthand the "domino effect" of investing in managers with a program that addresses their needs. "The

Leading at Petco program has been huge," he says. "My managers exude a confidence that I have not seen before, and are now spending time developing their people rather than policing them. Employee engagement has improved and our customer sat scores are also tracking higher. I'm certain that is not a coincidence."





Case Vignette: Intel and General Electric

The integration of employee and customer engagement through a simple program such as *See.Say.Smile* demonstrates the synergistic relationship between the two. Studies going back as far as 1999 have established the strong, consistent connection between employee commitment, customer satisfaction, and increased profits (*The Employee-Customer-Profit Chain at Sears*, Harvard Business Review, 1999). In Gallup's 2007 book *Human Sigma,* researchers found that integrated customer and employee engagement results don't just double the benefit of one or the other (as might be expected) - they more than triple the returns.[6]

The blending of customer and employee engagement through branding is another tactic seen more and more among large organizations. Most recently, General Electric launched a national media campaign to link its aircraft engine production to the commitment and passion of its employees. Intel Corporation employs this tactic as well. Intel has succeeded brilliantly in elevating a commodity (microprocessor chips) to a global brand. Its Intel Inside® campaign has largely convinced consumers that their choice of microprocessor manufacturer for their laptop or computer is important. More recently, Intel has extended the campaign to include another differentiator, the

[6] Fleming, John.H and Asplund, Jim.Human Sigma, Gallup press, 2007. P. 207

employees Inside Intel. By airing commercials, erecting billboards and constructing elaborate web sites about the "Rock Stars" at Intel, it has very effectively integrated consumer and employer branding and used a very clever tactic to drive employee engagement through recognition. Moreover, as witnessed by hundreds of comments on YouTube, the campaign has been effective in endearing consumers to the brand through a very human, often humorous and emotional connection to its people.

Intel: "Who Are Your Rock Stars"

GE: "We Build Jet Engines"

http://www.youtube.com/watch?v=qiQHr2n3j3k&feature=relatedhttp://www.youtube.com/watch?v=ySwp12Rp8Jk

Channel Partner Engagement

Not every business has channel partners or resellers but engagement is important with respect to all partners, whether they are resellers or collaborators on projects or assignments. Whatever their role, they must be engaged like all other key constituents of the business.

In many industries and businesses, channel partners are a link between employees and customers. They are a weak link if they are ignored, or an important source of strength if they are engaged. Channel partners normally represent many products and/or services; they may favor some over others based on a variety of factors, including financial motivations. However, partners that are emotionally engaged, like customers, are more likely to take an active interest in the success of the organization. Where channel partners are concerned, the stakes are especially high. Often, a channel partner is the sole connection to a customer. As such, their impact can be enormous in terms of sales volume, market share and share of customer.

You can't expect a disengaged channel partner to build engagement around your brand. They may meet quota and be able to accurately describe the benefits of your product or service but if they are emotionally detached, they will be far less effective. Their detachment versus enthusiastic engagement is also bound to have an impact on your employees, just as an unenthusiastic, disengaged employee will have a negative impact on any channel partners they interact with.

There are four main tactics to implementing a channel partner engagement strategy:

1. Recruitment
2. Enablement
3. Management
4. Reward

It is vital to select channel partners well, to equip, train and otherwise enable them to succeed, to put in place management processes and attitudes that make it easy and engaging for channel partners to work with the organization and to offer both the standard rewards (margins, commissions, etc.) as well as recognition rewards, unexpected praise and tangible rewards and bonuses.

Case Vignette: AllSante

Allsante (a pseudonym for a major national healthcare insurance firm) wanted to better engage its channel partner salesforce throughout Georgia and Alabama. Within its broader corporate strategy was the objective of driving more growth in revenue and profits. A sub-strategy included a channel partner engagement plan. Georgia and Alabama were pilot sites. Among the tactics employed for the strategy were enhanced training and orientation on Allsante's products and its differentiators in the healthcare insurance industry. Allsante also planned to reward and recognize its top channel sales agents as a tactic. Another tactic was to create opportunities for its internal sales managers to meet channel partner agents face to face in order to build stronger connections and trust. Allsante also employed the tactic of measuring its program for impact and ROI.

Allsante invited 50 of its top channel sales agents to a two-day offsite conference. The event was held in a very attractive resort venue in the southeast. This provided the recognition and reward aspects of its plan. In addition to the 50 high performers, Allsante included all available sales managers in the two states, thereby creating opportunity for networking, relationship development and trust. During the two day conference, managers and others provided seminars on Allsante products to the high performing agents. In the sessions, agents were encouraged to discuss their challenges and share their successes. Significant information transfer occurred and participants left the event more knowledgeable about Allsante's products and how they were unique in the marketplace.

The impact and ROI study began months before the initiative (including gathering and analysis of benchmark data) and concluded six months after. The effects of the event were measured thoroughly using the ROI Methodology™. As the event ended on day two, Allsante gathered agents' initial reactions (highly positive). Three months later, they surveyed the agents to assess the impact of the event at that stage. 80% agreed or strongly agreed that they had sold more Allsante products in the three months following the event than in the three months prior to the event.

This analysis was followed up after another three months. This time, Allsante included real data from its sales databases to examine actual sales and revenue among the attending agents. Attending agents sold more than twice the product than non-attending agents in the period 6 months after the event and greater than 50 percent more (prorated) than their own results in the one year period prior to the event.

The increased sales of the attending agents (in excess of the sales levels they achieved before attending the event) totaled $781,352. Allsante consulted with the agents and with internal experts to arrive at a contribution level[7] and confidence level[8] in terms of isolating the impact of the event on the increased performance of the attending agents.

Given the short passage of time and few external factors (i.e. major economic shifts, new sales incentives, cost changes, etc.) Allsante attributed 83 percent of the gains to the event. However, because they could not be fully confident of this estimate, they assigned a 67 percent confidence level. This reduced the estimated net financial benefit of the event from $781,352 to $434,224. Yet, after all costs were accounted for, a very impressive ROI of 190% was realized.

This case study illustrates the potential of implementing aspects of a channel partner engagement strategy through a few simple tactics. The importance of thorough measurement is key because no matter how good a strategy or tactic looks, it can only be truly evaluated through proper measurement, and only through measurement can engagement tactics be adjusted and improved for better results.

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[7] The ROI Methodology describes "contribution level" as the amount of the change that can be attributed to the initiative or investment in question. In this case, those closest to the event, including attendees and their managers, attributed a great deal (83%) of the change to the event.

[8] The ROI Methodology describes "confidence level" as the degree to which those who estimated the contribution level are confident in their estimate. In this case, they assigned a relatively high contribution level but a relatively low confidence level (67%) in their estimate. This may be because they felt they did not have all the information available to make the best estimate of contribution possible.

Supplier (Vendor) Engagement

By far the least developed of the key components of enterprise engagement is supplier engagement. Few organizations can be found that have a formal vendor engagement strategy. However, many have some notion of supplier relationship management or vendor management. One of the keys to supplier engagement is understanding suppliers' business and strategic goals, and appointing relationship managers that are able to see issues from the supplier's point of view while balancing their own organization's requirements and priorities.

Similar to channel partner engagement, supplier engagement tactics start with selection. Organizations should put processes in place to choose the best suppliers – not just on price and quality but also on cultural fit, compatibility, values, etc. This will help position the organization for a longer-term, more beneficial relationship and make true supplier engagement more sustainable. At the selection stage, open communications will help motivate suppliers to present the best proposals. Up front engagement tactics might also include making potential suppliers aware of the indirect financial aspects of winning the business, for example, such as capturing a new market or taking business from a primary competitor.

As with all aspects of enterprise engagement, emotional tools are critical to building a relationship that goes beyond mere contentment. For supplier engagement to work, vendors have to be treated with respect. Beyond this simple rule, key tactics for keeping suppliers engaged are best illustrated in the following case.

Case Vignette: Silver Fern, Inc.

Silver Fern Inc. is a small restaurant corporation that includes two properties in a unique, very affluent part of New Hampshire, which also hosts a large university. "Murphy's" is a high end pub-style restaurant that faces stiff competition in the casual fine dining end of the market – a market that has seen dozens of restaurants come and go in the 22 years since Murphy's opened. "Three Guys" is a Southern-Style BBQ restaurant aimed at the college crowd in the difficult, high-volume, low end of the market.

Silver Fern takes engagement very seriously. It is proactive concerning employee, customer and supplier engagement, and analyzes its tactics and metrics frequently to allow for quick adjustments, which are necessary in the food service industry.

The owner of Silver Fern, Nigel Leeming, is a 38 year veteran of the industry who has held senior human resources positions before owning his own firm. Leeming is passionate about engagement, even where it concerns his suppliers. His tactics include the following:

- Leeming always does his best to pay his suppliers early, before they require it and before past due notices are sent. And while this is often extremely difficult given the cash flow irregularities and challenges in any restaurant, he believes it is critical. On the rare occasion that he has not been able to pay a bill on time, Leeming personally calls his suppliers to explain the delay and when they can expect payment.
- Because Silver Fern is a small company, Leeming can personally negotiate with each supplier over prices, quantities, quality and delivery schedules. He makes it a point to share competitor information in order to get the best terms but his partnership approach is key and for that to work, trust has to be established. Leeming always looks for a win-win in any negotiation as opposed to a quick, one-sided win for Silver Fern that might damage the long term relationship.
- Silver Fern's policies are generous toward employees where meals are concerned; customers earn free meals and suppliers can also be found frequently enjoying lunch at the bar and in friendly conversation with staff. Leeming's approach is to treat his key constituents like family. This extends to food and beverage suppliers as well as his bankers and other providers of professional services. In his view, these small gestures create an atmosphere in which an extended team of individuals and organizations are emotionally engaged in his success. Where suppliers are concerned, he believes these tactics have earned him favored status when key ingredients are in short supply, and on quality, price and reliability - even on the terms of loans he's received.

Silver Fern makes very little distinction between the effort and importance placed on employee, customer and supplier engagement. While he will admit that good employees and customers are harder to replace than suppliers, he points out that while his competitors have initiatives aimed at customer service and, in many cases, employee engagement or satisfaction, he believes that none have a proactive strategy of supplier engagement, and in that sense, supplier engagement represents his biggest competitive advantage.

Conclusions

The implementation of an enterprise engagement strategy is similar to strategy execution elsewhere in the organization. It should be viewed as a three-stage process with strategy informing tactics and tactics driving tasks – with necessary adjustments being made through constant measurement and analysis. However, given the organization-wide scale of enterprise engagement, and the fact that it must touch employees, customers, partners and suppliers, it requires significant change, often cultural and values change.

Enterprise engagement is as much a mindset as a series of practices and protocols. Isle of Capri Casinos changed its culture in the course of executing what started out as a customer engagement strategy. At Silver Fern, a belief system nurtured for decades led to a natural culture of engagement that involves everyone in the organization and is applied to everyone who walks in the doors of the restaurants. Even still, it must maintain a constant vigilance, including measurement, to sustain enterprise engagement.

As above, rewards of great value are rarely come upon easily. Any organization that wishes to become a pioneer in the field of enterprise engagement should expect a long road full of challenges, set-backs and frustration. Yet the potential rewards are likely to surpass what is to be found elsewhere in business strategy. Indeed as, Gary Rhoades, Ph.D. has said: *"Engagement is one of the most powerful emerging business opportunities of the 21st Century."* A similarly wise observer, Thomas Friedman, said recently: *"The new model in business is that you involve your community and customer in an ongoing conversation about every aspect of your business."*