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PROJECT COMMUNICATIONS

HOW TO KEEP YOUR TEAM ENGAGED AND INFORMED

By: Dave Nielsen

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EBU
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is an online magazine with a strong heritage in the fields of ethics, governance, corporate responsibility and socially responsible investing.

Now available only on the web, but soon will be published and will be available for monthly subscription.

The mission of Ethical Business Update? Now, as then - is "to promote ethical business practices, to serve that growing community of professionals and individuals striving to work and invest in responsible ways."

We believe this is not only how to guarantee a future f or all, but makes good business sense.

A lot has changed in the more than two decades, ethics and governance have emerged as front-page news and lead agenda items in corporate board rooms and the halls of Congress.

Good corporate citizenship is now studied, advocated and sometimes practiced. Sustainability has become a goal f or well-meaning small businesses as well as many of the Fortune 500.

Whether that represents real progress is open to debate. The continuing fallout from the recent economic and financial crises is a constant reminder that many systems are not working. There's plenty to discuss. Ethical Business Update aims to serve as a guide.

Contents:

04 *6 Inspiring Ideas for Your 2017 E-Business Strategy*

08 *Why Your Employees Are Always Putting Out Fires*

11 *Project communications: how to keep your team engaged and informed*

19 *Will 2017 Be The Year When Corporate Digital Communications Grows Up?*

21 *5 things every CSR report should include*

25 *Is corporate social responsibility China's secret weapon?*

29 *How air pollution affects office workers—and the economy*

31 *How lightning strikes can improve storm forecasts*

34 *16 companies' breakthroughs in stakeholder engagement*

37 *ceos must engage all the stakeholders.*

39 *A career in engineering is right on the money*

42 *Rebounding from career setbacks*

47 *McDonald's and the challenges of a modern supply chain*

50 *The healthcare intelligence revolution: supply-chain management for healthcare*

6 INSPIRING IDEAS for Your 2016 E-Business Strategy

By: Jillian Knox

6 Inspiring Ideas
for Your 2016 E-Business Strategy

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Amazon boasts of over 2 million third-party sellers worldwide, accounting for 40% of total units sold on Amazon. Shopify, one of the fastest growing eCommerce platforms, has over 200,000+ merchants since founded in 2006.

There are more retailers starting e-businesses. They start by opening their own webstore, marketplace account, or multiple stores across multiple platforms.

For 2016, what new strategy are you going to undertake to be a successful e-business? This article will cover a list of ideas to help inspire your e-business strategy.

6 E-Business Strategy Ideas

E-tailers have many opportunities to expand and grow their online business. Your strategy most likely depends on the state of your business.

Are you a new business just starting out? Are you an established e-business looking to expand your customer reach?

No matter where your e-business currently stands, here are some different strategy ideas.

Product Information Management

It's time to put an emphasis on the product information you share with customers. Product information help customers find, compare, and decide to buy your products. It's a crucial throughout the entire customer experience.

30% of online shoppers said they would consider buying from an online buyer that they never have bought from before, if they provided detailed product information.

That statistic says a lot to e-Tailers about the value that consumers place on rich product information.

So, why don't more retailers focus on it?

Product information management can be difficult for retailers. It's hard to take product data in multiple formats and standardize, manage, and then publish it across your channels. It's a tedious and time-consuming project to pull off.

However, retailers are realizing the consequences when they don't take the time to manage product information right. Their products aren't found and customers decide to buy from competitors who do have rich product information.

Shipping/Fulfillment Services

One of the biggest challenges for e-businesses is delivering product to customers.

Customers have high expectations for shipping. They want free, or low-cost shipping that's available in different lengths.

96% of consumers consider "fast shipping" to be either same-day or next-day delivery. Only 63% of people consider within 3 – 4 days as "fast."

Not only do e-businesses have to have these options, they also have to deliver on-time, as promised. E-tailers who can do this consistently are considered reliable. This earns them repeat purchases, or loyal customers.

When you only have a few orders a week or month, fulfillment is a process you can handle yourself. But, when your business grows to hundreds of orders a month, you should consider using a third-party logistics, or pick and pack service provider.

These type of services pick, pack, and ship your items when you sell an item. Most of them even store your products in warehouses for you.

When you don't have to manage this entire process yourself, you have more time to focus on other aspects of the customer experience.

This is why many retailers turn to services like Amazon's Fulfillment by Amazon. Through FBA, retailers can provide the type of experience that Amazon is so well-known for.

It can be tricky deciding if you need to use a pick and pack service, and then which one to use. If you're at the point in your strategy, you might find these resources useful:

Inbound Marketing

As eCommerce evolves, so does its marketing. It's no longer enough to just blast your customers will ads on tv or on paper. Customers are looking for personalized relationships with who they buy from.

This forces eCommerce marketers to truly know their customers inside and out. When they do, they can provide customers with the products they want, when and how they want it.

To achieve this type of experience, e-businesses are turning to companies like Hubspot who use inbound marketing to foster a personalized relationship between customers and e-tailers.

The inbound methodology is customer-focused marketing strategy that relies on empowering your customers with knowledge and content that they're looking for. Inbound marketing focuses on providing different types of content, like blog posts, to customers depending on where they are in their buyer's journey.

eCommerce sellers who take an inbound approach can attract more visitors, turn more visitors into buying customers, and create brand evangelists.

See what inbound marketing is all about at Hubspot's Marketing blog.

Mobile

If you haven't invested in mobile yet, 2016 is the year to do so.

Technology advancements have made shopping on a phone, or tablet easier for consumers. In return, consumers are using mobile devices more often to research and buy products.

30% of eCommerce transactions in the US happen on a smartphone or tablet. Conversion rates are 2.1x higher on mobile-optimized websites vs non-optimized sites.

Mobile investment could mean making your site mobile responsible. It could also mean making an app for customers to use in or out of store.

Your customers must have the ability to research and shop your products across multiple devices, whenever they want.

Channel Expansion

As an established seller, you might already be executing some of these strategies. If you are, then your next move might be to expand your business to new sales channels.

Those with just a webstore can look to popular marketplaces like Amazon and eBay. Marketplace sellers can look to create their own-branded site.

As an e-business, you can even consider opening a brick-and-mortar store. Retailers like Amazon, Warby Parker, and Birchbox are going from clicks to brick.

These type of decisions depend on your customer needs and where they can be reached. E-tailers looking to move offline plan to use the data they know about their customers online to create a great in-store customer experience.

Just know that expanding to other channels makes your business more complex. You must have the resources and structure in place to handle a true multichannel business.

Multichannel Integration

True multichannel businesses need to integrate going forward. Integration allows for automation between your systems, which helps streamline your business processes.

If you're selling through a webstore, Amazon, and eBay, real-time inventory updates and automated order posting is a must. Otherwise, you run the risk of overselling or missing orders.

It's complex and time-consuming to maintain separate systems. If you don't integrate, you're stuck hand-keying data from one system to the next or having incorrect data across your systems.

Integration will help you streamline the experience your customers have across different touchpoints. To see what those type of solutions look like, see what integration solutions that nChannel provides for retailers.

Why Your

Employees Are Always Putting Out Fires

By: Elizabeth doty

Company leaders, consider the following questions: How many surprises have you dealt with this week? How many customer relationships have had to be rescued or late orders escalated? How many apologies delivered, numbers explained, or presentations redone?

Every leader I know wrestles with these and other crises as a matter of routine. Yet leaders also recognize that running a business through constant firefighting puts them at risk of stressed-out employees, customer defections, a damaged brand, and safety or ethics catastrophes.

On closer inspection, the vast majority of fires are preventable. They are essentially "rework" — the added effort and cost required because something was not done right the first time. Unfortunately, firms can get stuck in a vicious cycle of rework, shortcuts, and more rework. I once worked with a workers compensation firm that discovered they could cut costly disputes and attorney involvement by contacting injured workers within 24 hours.

Still, new claims would languish for a full five to seven days, because employees were dealing with all the prior claims that had gone to court. Unfortunately, this meant 80 percent of those new claims would also involve attorneys and disputes. In aggregate, rework costs can be huge. The Juran Institute estimated in 2010 that 15 to 20 percent of revenues for manufacturing companies went to rework; for service businesses, it estimated 30 to 35 percent.

How did we get to this point, where firefighting is standard operating procedure? And how do we get out? Thirty years ago, the godfather of quality, W. Edwards Deming, addressed a similar situation with his book, Out of the Crisis (MIT, 1982).

Japan had begun making products with high conformance quality at lower cost than poorer quality products made elsewhere. Many U.S. executives assumed Japanese exporters must be dumping products at a loss, and responded with price wars, cost cutting, and blame for American workers.

In his book, Deming focused on how leaders could shift their organizations from a short-term focus on manipulating numbers to more ongoing, sustained success.

Although his work is generally applied to manufacturing or routine services, many of Deming's "14 points for management" can be adapted to help managers in knowledge-driven, professional businesses to dig their teams out of constant crisis. Here are just a few:

"Create constancy of purpose."

Yes, some fires are urgent. But if you can take the time to provide clear direction; design simple, empowering processes; pause to get data before initiating change; and learn from teams who deliver without heroics, you will find your employees feel even more motivated and engaged. The workers compensation company I mentioned above? A year later, they had cut attorney involvement from 80 percent to 20 percent. A number of factors contributed, but one key was to reserve two hours a day for employees to contact each newly injured worker. No new technology, no new superstar employees — just a commitment. This mobilized a virtuous cycle of higher quality, a better brand, less stress, and lower costs: the

"Cease dependence on inspection to achieve quality."

Most leaders these days strive to hire talented people and let them find their own way to a goal. Then, confronted with haphazard approaches, poor coordination, and embarrassing snafus, leaders gradually end up adding checkpoints, approvals, and red tape. Neither extreme is ideal. Deming's approach to processes focused on building quality in from the start — reducing reliance on inspection and even individual performance reviews. Even for highly professional work, developing a few simple, repeatable processes for doing things right the first time can drastically increase your quality output.

"Institute leadership."

Once your team knows the goal and invests in repeatable processes, the next challenge is to avoid management "tampering." Managers naturally want to act swiftly to address breakdowns — changing personnel, adding checkpoints, or escalating issues. Yet, as Deming put it in Out of the Crisis, "No amount of skill or pride in workmanship can overcome fundamental faults in the system." Poorly thought-out quick fixes consume staff time, leaving them less time for the core work and, often, confused about expectations. Instead, Deming insisted that managers develop "profound knowledge" of their work processes and the root causes of any issues before making any changes.

“Drive out fear.”

Deming highlighted the reactive behavior caused by a culture of fear. People generate fewer creative solutions and are more likely to gravitate to the familiar, cut corners, or hide data. These days, reactivity can also be caused by adrenalin, the thrill of the deadline. This can create an addiction to excitement and a focus on finding fires to fight — especially if the people who do so are rewarded by management. To help your organization sustain focus and build for the long term, Deming advised, “The leader, instead of being a judge, will be a colleague, counseling and leading his people on a day-to-day basis, learning from them and with them.”

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HOW TO KEEP YOUR TEAM ENGAGED AND INFORMED

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11

Project

Communications: How To Keep Your Team Engaged And Informed

By: Dave Nielsen

Communications are a critical deliverable of every successful project and a key project management soft-skill. You may not have thought of communications as an actual project deliverable, but it is. It may not be the one your client or customer places the most emphasis on, but that's because every client and customer will take good communications for granted.

Project communications is one deliverable that you are personally responsible for and it's one that has a large influence over your project's success or failure. I say this because personal experience has taught me that the best managed projects, delivering on all their promises, on time, and on budget can still get a bad reputation and be perceived as failures. The reason: the project manager did not do an adequate job of communicating project success to their stakeholders.

We hope that the information and template in this section will help guide you to choose the right information, schedule, and communication vehicles for your project.

The Major Elements of Project Communications

Who to communicate to...

You could just say that it's important to communicate with all the project's stakeholders and leave it at that, but this approach would guarantee failure. Each individual stakeholder has a different set of requirements for project information, and prefers different ways of receiving their communications. It will not be possible to define a unique set of communications and communication vehicles for each stakeholder in most projects, so the best you can do is identify the different category of stakeholder and define the required information and communication methods that best suits the group.

Executive Sponsor/Business Sponsor

Probably the most important customer(s) of your project communications. It's going to be worth your while to define a custom set of communications for each person in this category. Generally speaking, these are busy people who don't have a lot of time to read a lot of detail. Charts and graphs that tell the viewer a lot about the project at a glance will probably work best for them.

Take the time to interview them about their preferences: what they need to know, how they want to be communicated with, and how often. Keeping them informed about project performance is critical because they sign the cheque for the project (including your salary). They also need information so they can keep their peers appraised of the project's performance. Remember, they are your project champions so the better armed with information they are, the better job they can do promoting your project.

Tip: don't report a problem to them without suggesting a solution. For example, if you're reporting an SPI of less than 1.0 for the 2nd week in a row, you need to include a corrective action with the report.

Project Team Members

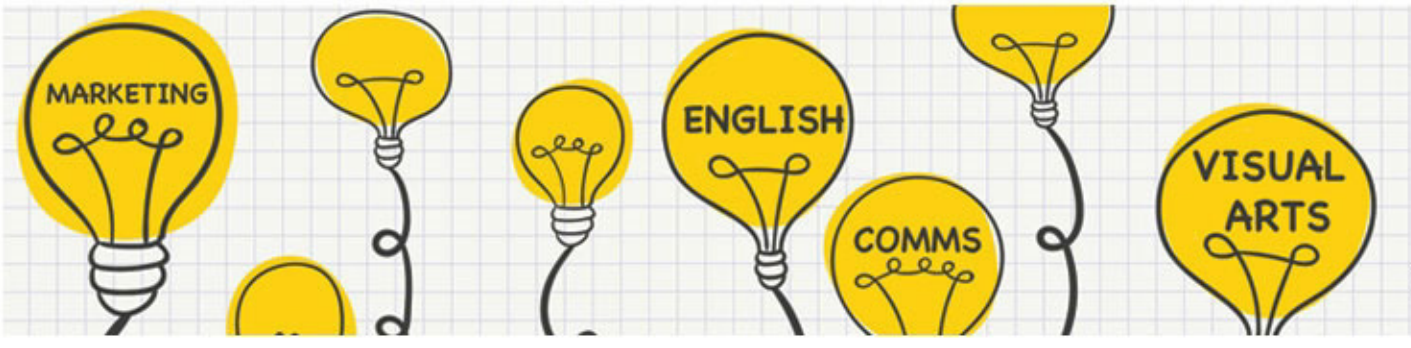
This is the single most populous group in your list of stakeholders. You may want to subdivide the group into sub-groups based on their roles. For example you may want to have a different set of communications for the Business Analysts and Software Developers, or for the Electricians and Plumbers on your project. This group has a different perspective on project performance than sponsors: the sponsor views the project as work being done for them. The team member views the project as work being done by them and therefore reports on project performance are a reflection on them. A good report pleases everyone - project sponsors and team members. A bad report will cause the sponsor to worry, but may negatively impact team morale.

Customers/Clients

These can be internal to your organisation, or external to it. These people may profess no particular interest in project communications until the final product or service is delivered. You need to overcome this disinterest and pique their interest in project progress. The more informed they are on the project as it progresses through its lifecycle, the more likely they are to accept the resulting products or services.

Partners

These are people who are doing work that is in some way affected by the work of your project. You may both be working on projects that are part of a programme, or your projects may simply affect one another without further integration. For example, you may be managing a software project that requires a corresponding database project - the database project team is your partner. Or, you may be working on a new software system that will utilise an existing web portal for customer access - the portal team is your partner despite the fact they aren't performing a project.



Community Stakeholders

These are an increasingly important category of stakeholder. As more emphasis is being placed on organisations ethical behaviour and social responsibility, there is an increasing demand for projects to be performed ethically. One of the ways this is done is by treating those who don't belong to the performing organisation, or to the customer/client organisation, as project stakeholders. Consideration of these stakeholders must go beyond communications, but project communications constitute an important part of your ethical dealings with them.

Project Manager

Don't forget to include yourself as a stakeholder. Your need for project information is perhaps the most important for the project. If you aren't receiving the information you need to run the project, you won't be able to share it with other stakeholders. Your needs will stem from the need to be updated on the progress of the individual tasks of the project so that you can keep the project plans up to date and identify preventive or corrective actions.

Project Management Office (PMO)

Your PMO may have requirements for project information that will enable it to identify opportunities for process improvement. While these needs are very much like the needs of sponsors, customers, and clients to know how the project is progressing, its focus is on the project processes, tools, techniques, and best practices it supports. Your PMO may also be tasked with reporting on project progress to the organisation. Reports which the PMO is responsible for should provide very specific requirements for information.

What to Communicate

What project information to communicate to a stakeholder group is inextricably tied to the information that is available for communication. After all, you can't communicate what you don't know. On the other hand, if the need for the information is real and gathering the information is feasible, you should make every effort to make it available. The choice of the information to be communicated cannot be made without considering the project's tools and techniques for gathering the information and vice versa.

Project communications is not a key deliverable of the project, but it should be treated as a project deliverable. Start with your Project Charter: does the charter contain any requirements for information? If it does, the information and its target audience ought to be included in your Communications Management Plan. Your Scope Statement may also include requirements for project communications. The Statement of Work (SOW) may also have captured requirements for project communications. When you are performing a project for an external customer or client the SOW is your bible and any project communications that are part of the legal contract should be specified there.

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Tip: share as much of the information reported to the other groups with the project team (the people actually doing the work of the project) as is possible. Your organisation may have policies or guidelines around what can and cannot be shared outside executive offices; share as much information with the team as possible without violating these policies. You'll find sharing positive reports will boost morale, while sharing negative reports will stop the rumours that will further erode morale.

Be prepared to capture and report information by stakeholder group, department, or sub-project. The individual groups on your team will want the ability to view their progress in isolation from the rest of the team. Tip: make sure that you break the work down so that tasks performed by individual groups or departments are identifiable. This will enable you to report performance group by group or department by department and still roll totals up to report for the entire project.

The information you plan to communicate will drive your activities throughout the project. Your plans should include the metrics that must be gathered in order to support the information you plan to communicate. You will need to identify who is responsible for providing the information and where the information is to be stored and reported from. There are two questions you need to ask yourself before you commit to providing a report:

1. How do I get this information? (i.e. what metrics do I need to capture and where will they come from)

2. Where will I store the metrics?

A failure to answer both questions will mean that either you have to alter your plan to task someone to gather the metrics, identify a tool to capture and retrieve the metrics, or drop the requirement.

Finally, don't forget individual accomplishments and rewards when reporting project progress. There's nothing like a good news story to keep team morale high and the celebration of a team member's accomplishment is something most sponsors enjoy hearing about.

How to Communicate

There are many different means of communication available to you - face to face, email, Intranet, Internet, regular mail, phone, video conferences, etc., etc. These can be grouped into 2 groups: ";push"; communications and ";pull"; communications. Push communications requires you to push the information onto the recipient as the name would suggest, while pull communications requires the recipient to actively retrieve the information from a central source. Websites and centralised repositories are examples of pull communications, while email and meetings are examples of push communications.

Preference for either push or pull communications is typically a personal preference. Some people deal with information best when it's presented to them and some prefer to retrieve it at their own convenience. Be prepared for conflicting requirements from individuals in your stakeholder groups. You may have to make the final decision on which method to use if there are conflicting requests. Alternatively, you may be able to identify a spokesperson for the group who will be empowered to identify the group's requirements. The exception to this rule is your project's sponsor. Because there is only one or two of these people, you need to ensure that your communication methods suit their requirements.

Tip: if you determine that the project must have a new tool, such as a website, to satisfy a stakeholder requirement, you'll need to justify the cost with a business case. State the benefits to the project in business terms that justify the costs. You can also include benefits that supersede your project. For example a website or tool such as Lotus Notes could benefit all projects your organisation performs, and may even provide a benefit to operations. You may also want to explore having the PMO, or Operations bear the cost of the new tool.

When to Communicate

Your communication schedule will be driven by the needs of your audience and the availability of the information to be communicated. For example, if you had the bandwidth, you could report on any metrics managed by your MS Project file daily. On the other hand, you can't report on the results of your Gate Meeting until the Gate Meeting has actually been held. There is also no reason that a report communicated to one stakeholder group bi-weekly, can't be communicated to another group every week.

You need to use common sense in addition to capturing your stakeholders' requirements. If you choose to use a ";town hall"; to communicate to all stakeholders, don't schedule the meeting to occur weekly.

Tip: when planning a meeting that involves you (or another team member) communicating information to an audience, count the audience, multiply that number by the number of hours the meeting lasts and multiply that number by the loaded labour rate for that group. Avoid spending large amounts on frequent communications.

Other meetings, such as status review meetings with project teams must be done more often to avoid the project going off the rails. I find that when the project is on track, weekly status review meetings are sufficient. When your project encounters problems, you might want to increase the frequency to better control the work. In extreme cases such as a project rescue, you may need to hold them daily.

Tip: when the project is running smoothly and you have an alternate means of identifying completed tasks, don't be afraid to cancel a status review meeting and give the team an hour off!

Remember that communications is part of the project work. You should manage that work in your MS Project file like other project tasks, but be sensible - don't overload yourself by tracking every meeting in MS Project. You should be using the ";walk around"; style of management if your team is collocated, you needn't track each informal meeting you have with individual team members. Use MS Project to help you control the project, not overload yourself with work.

Tools and Techniques

Tools and techniques include tools you'll use to convey the information, tools you'll use to gather the information, and tools you'll use to store and retrieve the information. Conveyance tools will include email, websites, webcasts, conference calls, video conferencing, public directories, town hall meetings, and graphical tools such as Excel. What you're communicating, how you need to communicate it, and your communication budget will determine which of these tools you'll use.

There is one tool that you'll rely on more than any other to manage information about your project: MS Project (or Primavera, if that's the tool your company has selected for use). These tools are referred to as Project Management Information Systems (PMIS) by most PMP Exam preparation courses and in the PMBOK. These tools are capable of capturing, manipulating, and reporting most of your project's relevant information so you need to be very familiar with their use. There are many excellent courses available that will ground you in the fundamentals of their use.

Your organisation may employ a time tracking system in which case you have an additional source of information. Your time tracking tool should allow you to report on labour costs for your project (i.e. support the charging of time to your project code). It should also support the reporting of these costs by group and by type of work. For example it should tell you how much time was spent last week on analysis of your software project. You should reconcile the metrics from the time tracking system with your MS Project file to ensure they tally. Tip: if your time tracking system is used to generate the pay cheque for your team, make it your bible. A discrepancy means your MS Project file may be inaccurate.

MS Project comes complete with a selection of ";canned"; reports ready for your use. I have found that it's most useful feature for reporting project progress is its ability to export data to an Excel spreadsheet. Because Excel has been around so long it's feature rich and supports just about any type of graph or chart you can imagine. The trick here is to export the information you need to base your report on, then edit it in Excel. MS Project contains ample help facilities on how to export data.

I mentioned the 2 different categories for distributing information: push and pull. Many of your project's communications will lend themselves equally well to both methods.

For example, if you communicate you can review your dashboard report with the project executive steering committee during a meeting, push it to the project team via an email broadcast, and archive it on a public directory or the project's website.

Lastly, remember that the accuracy of the information you communicate about the project will have a profound affect, either good or bad, on your reputation.

You need to do your utmost to ensure the information you communicate is accurate. Measures such as the reconciliation between timesheets and your MS Project file can save you from making claims about project progress that aren't supported by the facts.

Even with that degree of scrutiny your information can still be misleading or out of date. Be open and honest with your communications: tell your audience where the information comes from, how it was compiled, and how old it is. Be forthcoming with any information that could impact on the accuracy of your reports and let your audience form their own opinions of the accuracy and value of your communications.

Will 2016 Be The Year When Corporate Digital Communications Grows Up?

By: Yim Wong

Corporate communications professionals now have more tools than ever before to bring their clients' stories to life.

Consumer-facing brands have long understood the power and possibilities of social media, running highly targeted and frequently interactive digital campaigns to win the hearts and minds of consumers. But the rest of the corporate class, particularly financial companies and other B2B businesses, have been slow getting out the gate, often hesitant to engage with the speed, immediacy and constantly-changing dynamics of the online world.

These concerns are certainly valid: recent times have brought a swathe of changes from the mainstream social platforms and online media. There have been the much-debated moves to algorithmic timelines by Twitter and Instagram; the launch of Twitter Moments; video continues its rapid rise, with autoplay and native video available across social channels; and Facebook is about to open up Instant Articles to all publishers. Likewise, media brands such Guardian Labs and FT Squared are investing heavily in branded content offerings, City AM is about to allow brands to directly publish content on its website, and Buzzfeed continues to see most of its traffic coming from Facebook shares.

There is a clear pathway for consumer brands and advertisers to take advantage of these new developments. But for corporate communications professionals, the proliferation of channels, which are often interconnected, and the growing need to pay for visibility, require a new skillset and way of thinking. It is certainly daunting, but financial and corporate communications has always been about telling the stories behind the numbers and bringing the business case to life. Communications professionals now have a huge playbook of tactics to do so and there has never been a better time for brands to explore the creation of compelling content, ripe for storytelling.

Indeed, excellent, organic content is still hugely important for the social networks. However, with such rapid change taking place in the media and with more competition than ever for cut-through, it is in fact, harder than ever to be heard. This isn't news to the media agencies and ad players, but increasingly it is becoming accepted among communications professionals that social media is here to stay and communications strategies without a paid distribution element are likely to struggle.

All too often the temptation for businesses is to wait for a more pressing rationale to invest in owning their digital persona. However, it is crucial to start planning and piloting an approach and tone of voice – before it is really needed.

There have been endless, well-publicised social media crises from companies that have been ill-prepared. And the hard fact remains that business journalists, investors, customers and other key stakeholders will Google your corporate website or find you on Twitter to learn more.

They are used to the speed of a digital world and expect frequent and up-to-the-minute content from corporate brands too. This isn't changing. Ever. It therefore makes strong business sense for a brand to curate a corporate presence online, ensuring that all audiences hear first-hand the business strategy and brand values, rather than leaving it to others to fill in the gaps.

The comforting thing is that the longstanding skills of building relationships and networks and crafting compelling narratives still hold strong.

The advantage is that it is now easier to identify the most influential voices and discover insights which support those narratives. Importantly, the technology exists to make this all much more manageable:

from social listening and influencer identification tools, to new-generation software which allows brands to run whole campaigns within a website, from audience identification to data analysis. It serves to allow corporates to take more creative and strategic steps to communicate with stakeholders, while affording visibility over performance metrics and enabling speedy evolution of strategies to maximise the impact of campaigns.

Understandably, corporate communications may be traditionally risk averse. But even with the dawn of this fast-paced digital world, a careful and strategic approach can still be, and should be, employed. It is businesses that marry a thoughtful strategy with an investment in the right technology and skills, to start experimenting, that will produce reputational rewards that flow through the whole business.

5 things every CSR report should include

You want to tell the world about your outstanding corporate social responsibility efforts, of course, but presentation is crucial. Here's what you need to know.

By: Michael Gutman

5 things every CSR report should include

You want to tell the world about your outstanding corporate social responsibility efforts, of course, but presentation is crucial. Here's what you need to know.

By: Michael Gutman

Over the last month I have been comparing and contrasting corporate social responsibility reports from six major San Francisco Bay Area companies across different sectors.

Gap, eBay, Wells Fargo, SunPower, Chevron, and Salesforce all show their efforts to invest in environmental and community stewardship. Here are the insights and tips I've learned through this review process, including what a CSR report should include

First, a key question must be answered: Why develop a corporate social responsibility report in the first place?

There are two main reasons:

- To benchmark a company's current operations and impact on society and the environment in order to know how and where they can improve.
- To show stakeholders that a company is investing in community and environmental stewardship.

With these objectives in mind, here are five things a good CSR report will do:

Focus more on future goals and less on past successes:

The purpose of a CSR report should be to understand and showcase how business has been conducted so a company can plot a course to do better. Although sharing the success of your CSR strategy is good, don't make the mistake of dwelling on the past CSR successes and forget to focus on future goals. A CSR report without clear goals for the next year is like a boat with no compass. If people are going to jump on board with your company, they will want to see where the ship is headed.

In addition, be absolutely clear about your goals and how you plan to achieve them. This helps you and your stakeholders measure the success of that plan.

Examples of measurable goals:

- 30 percent reduction in greenhouse gas emissions over the next 10 years by putting solar panels on our buildings.
- Converting all office paper to 100 percent recycled paper within the next year by developing an environmentally preferable purchasing policy.

Set goals that are cautiously optimistic, yet obtainable. This way, year after year your company can report progress and avoid setting weak goals.

Discuss the elephant in the room:

Every business, regardless of how irresponsible it is at a given point, can move toward operating with more sustainability. But how should that company talk about its efforts when people know that the manufacturing process of its products leads to environmental devastation?

The question will come up for any business that consumes more natural resources and produces more waste than it recovers. It is important for a company to address these issues first. This can be accomplished with a simple statement such as:

"We are providing a valuable product or service that helps people with XYZ, and although we acknowledge that the creation and the consumption of our product or service does have consequences on the environment and communities, we are looking at behaviors and technologies we can adopt and invest in to reduce our negative impact."

If you don't feel comfortable acknowledging the negative impact of your business, then I would take another look at your motives for writing a CSR report.

Avoid a PR nightmare:

Focus on sustainable business practices and responsible workplace conditions, rather than on philanthropy. Corporate social responsibility is more about how a company makes a profit than what it does with its profit.

Don't get me wrong: Philanthropy is definitely part of the CSR story, and my business, REACH The Future, or organizations like Universal Giving would not be in business if it weren't. However, if a company focuses its CSR efforts on the donations it has made and ignores its toxic chemical pollution and child labor practices, the news media will have a field day.

Gain third-party credibility:

Nothing will help build integrity, credibility, and transparency to a company's CSR efforts like third-party reporting or certifications. Many industries have unique reporting tools designed for a specific industry.

Here are some tools that work across industries:

- Global Reporting Initiative
- Greenhouse Gas Protocol
- Carbon Disclosure Project

Share stats and stories:

Stories do a great job of showing the effects that CSR efforts have on your community and the environment. However, they don't give a company and its stakeholders baseline metrics for evaluating the success of future CSR efforts. A CSR report that is heavy on stories and light on stats comes across as more of a PR initiative than a sincere effort to invest in measurable results. Both are great, but go heavier on stats than on stories.

Here is a helpful tool from Boston College's Center for Corporate Citizenship that will help guide the creation of a CSR report: How to read a corporate social responsibility report—a user's guide

Conclusions:

Creating a CSR reports takes the effort of many to get all the data, discuss a communications strategy, and get approval from everyone involved. In the end it all comes back to why. Why is any organization creating this report in the first place?

If your intentions are genuine, then people will be OK with your faults and interested in your efforts and strategy to do better. This position yields a brand that is honest and has integrity. If your efforts are motivated by PR, than your CSR report could open up a can of worms that backfires, creating negative press.

Is corporate social responsibility China's secret weapon?

By: Meng Liu

Today, we hear a great deal about Chinese M&A deals, Chinese money and investment pouring into diverse markets, and even Chinese loans being used to bail out struggling economies.

Combined with press coverage of Chinese tourists and elites rushing abroad to spend lots of cash on real estate and luxury goods, the world must be wondering: Is China really that rich? The short answer is, yes – some Chinese companies and citizens have been able to use the country's remarkable development momentum and trade surplus to accumulate tremendous financial assets.

When you look at the 2014 Global Fortune 500 list, 95 companies from China made it onto the prestigious ranking, a big jump from only nine in 2000. However, the majority of these companies are state-owned enterprises (SOEs) and three giants in monopoly industries – Sinopec, CNPC and State Grid – rank among Fortune's top 10.

So Chinese companies are getting rich, but are they actually competitive globally? This is perhaps a more important question when assessing the relative strength of Chinese companies in an increasingly globalized economy.

While the sales and financial assets of Chinese companies have continued to grow for the past decade, the spotlight has increasingly focused on their domestic and global performance in the realm of corporate social responsibility (CSR). While wealth has great influence, as reflected in the old saying "money talks", the leading companies from China have been forced to make a fundamental change in their strategic thinking.

The days when organizations focused solely on becoming the country's most profitable are long gone. Today, leading Chinese companies seek to become some of the world's most reputable and pre-eminent brands and view CSR as a critical part of their transformation. During face-to-face interviews carried out by the United Nations Global Compact, some Chinese business leaders echoed this sentiment, saying that being on the Fortune 500 list is not sufficient in maintaining competitiveness in global markets and that their companies must evolve, particularly in the area of CSR, if they are to achieve their lofty goals.

"Social licence to operate" under threat

CSR is widely seen as the way to help companies operate responsibly and in an environmentally sustainable way. Positive performance in these areas in return for consumer and local community support, or a "social licence", is viewed as an informal contract between companies and local stakeholders. For example, an area of recent interest to the Chinese public is product safety, particularly regarding food and drug safety. This topic has caused heated domestic discussion and companies have faced a backlash amid broad public scrutiny since 2003.

More recently, a popular documentary on air pollution, "Under the Dome" – regarded as the Chinese version of "An Inconvenient Truth" – has sparked debate among hundreds of millions of people on how to save China from environmental catastrophe. These debates have further challenged corporations about their lack of responsibility over social impacts, which reflects a new chapter in Chinese public discourse.

Chinese companies also face higher expectations as they look to expand globally. With the growing presence and influence of Chinese companies abroad, host countries increasingly expect Chinese companies to contribute positively to their sustainable development objectives and not to merely profit from their investments (particularly on resource-extraction projects). For instance, despite not being the biggest investor in Africa, Chinese investments are frequently criticized and their projects are labelled as a form of neo-colonialism.

In response to this negative image and disconnect from local communities, some leading SOEs – including Sinosteel, Sinopec, China Minmetals and CNPC – have begun to disclose publicly their social investment and impact in Africa through their CSR reports with dedicated efforts to address and showcase sustainability activities in the region.

The rise of more conscientious domestic and global consumers and investors, the prevalence of social media and the increasingly competitive global marketplace can all be viewed as key initial drivers for Chinese attention to CSR.

Beyond philanthropy

In most cases, and not only for Chinese companies, CSR is interpreted as corporate philanthropy. Many examples published in CSR reports or examples from speeches at CSR-related conferences relate to a corporation's donations to a charitable programme or participation in disaster-relief efforts. These actions are undoubtedly of great importance in aiding emergencies and helping those in great need. However, the core characteristic of CSR is not about how to spend money but, rather, about how to make money in a sustainable and responsible manner.

CSR is embedded in corporate policies and actions through respecting and protecting human rights, safeguarding the well-being of workers and communities, protecting the environment, and eliminating corruption through good governance. It is key for companies to strategically integrate environmental, social and governance issues into its core business and decision-making processes, which goes far beyond legal compliance and philanthropy.

In the past, when operating abroad, many new Chinese companies often worked in a silo due to language and cultural barriers. In addition, they often held on tightly to existing business practices as they viewed them as their key to success. But, it quickly became evident that companies from emerging markets like China had to make efforts to build a sound and stronger multi-stakeholder dialogue system and ensure timely communications with the communities affected by their operations.

Following suggestions, some of them started to change their business practices and took a bottom-up approach not only to focus on government relations with the host country, but more importantly, to build trust and long-term relationships with local residents, NGOs and other stakeholders. This bottom-up approach further minimized risks and helped to make sure operations ran more smoothly once the necessary support from the local communities was secured.

This also helped to foster a strategic alliance to advance business sustainability and prosperity for the entire community. It is encouraging to see, over the past years, that a growing number of Chinese companies have changed their practices and are more proactively leveraging two-way communications to respond to the concerns stakeholders raise instead of remaining silent. A number of Chinese companies have established an "Open Public Day" to allow relevant stakeholders and the general public to visit the company and voice their concerns and suggestions on their operations.

In overseas operations, an increasing number of local hires and more training opportunities – instead of bringing staff directly from China – have become the new trend. A more transparent and open corporate culture has started to shape up for Chinese companies and this has allowed CSR to further embed itself as a critical part of their businesses, particularly if they wish to succeed abroad.

Government support

The concept of CSR has been well supported by the Chinese government. The turning point came on 1 January 2006, when Chinese corporate law was revised to include formally the concept of CSR in legislation.

In the same year, the State Grid Corporation of China issued the first-ever CSR report by a Chinese SOE. On the one hand, the Chinese government was a strong supporter of the involvement of Chinese companies, mainly state owned, in advancing CSR to drive harmonious integration into the broader global market. But, on the other hand, China wanted to create its own CSR definition and guidelines that embedded its unique economic situation and business culture.

Besides including the concept of CSR in the Corporate Law of China and Labor Contract Law (effective 1 Jan 2008), the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) of China issued an important policy directive on Guidelines to the State-owned Enterprises Directly Managed under the Central Government on Fulfilling Corporate Social Responsibilities in 2008.

This directive was the highest priority for SASAC that year, reflecting a rapidly growing demand from society. In 2009, during a meeting with the leaders of SOEs, SASAC mandated that all SOEs under their management set up a CSR mechanism within their governance structures.

SASAC further mandated that all SOEs under its supervision publish their first CSR report by the end of 2012 if they had not already done so. This policy, and the subsequent momentum that was generated, led to the release of more than 1,600 Chinese sustainability reports. Half of these reports were from SOEs or listed companies and represented a significant jump compared to the 22 CSR reports from China between 1999 and 2005.

Today, SASAC is exploring how to build an internal system to evaluate the CSR performance of its member companies. This includes, for example, how a company's impact on the environment will affect its top leaders' remuneration, and setting incentives to serve as a next step to enhance corporate sustainability and global competitiveness.

Like many of their Western counterparts, Chinese companies faced a variety of societal and market pressures that prompted their CSR journey. However, perhaps more than their competitors, many Chinese companies view their futures as inextricably linked to their CSR performance and have begun viewing it as a potential competitive edge.

China has learned that CSR, in the current economic and political landscape, will help the country to become a leader, not a follower.

How air pollution affects office workers

—and the economy

By: K.S

How air pollution

affects office workers—and the economy

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FOR anyone who has tried jogging through smog, the physically sapping impacts of air pollution should come as no surprise. But pollution doesn't just slow down runners, it hampers workers too. Research by Tom Chang of the University of Southern California and colleagues found that pear packers working indoors were slowed by air pollution even at levels well below current air-quality standards. Might sedentary office workers indoors, also be slowed down by poor air quality?

In a second paper, Mr Chang and his colleagues studied China, where air pollution is a major problem. China releases a daily air-pollution index (API)—also referred to as an air-quality index—which rates air quality based on the health risk it represents. Anything above 100 is bad news. In Shanghai the index periodically hits 150, putting everyone's health at risk. To establish the correlation between productivity and air pollution, the authors focus on office workers in two call centres in Shanghai and Nantong, where productivity can be measured by counting the number of calls workers handle per day.

What they find isn't good. On days with higher air pollution, workers spend more time on breaks and complete fewer calls. On average, a 10% increase in the API was associated with a 0.35% decrease in number of calls handled per day.

That quickly adds up: workers in the call centres studied are estimated to be 6% more productive on low-pollution days than on days when pollution is high. The likely culprit for office workers is particulate matter, which can easily enter buildings through windows and vents. The smallest of these particles enter the blood stream and the central nervous system, affecting concentration and mental performance.

Activity in the service sector, much of which happens in offices in polluted cities, accounts for 68.5% of global GDP. Mr Chang and his colleagues reckon that a reduction in China's air pollution index by just 10 points could boost worker output in China by at least 15 billion yuan ($2.2 billion) per year. The damaging effects of particulate matter on productivity may also be larger in more cognitively demanding professions suggesting the benefits of reduced air pollution could be greater still.

The implications extend far beyond China; damaging pollution occurs even in major Western cities. In 2014 air pollution in Los Angeles exceeded the 100 mark on 90 days, by an average of 21 points. If air pollution had been lowered to 100 on all these days, service-sector output could have been $374m higher, reckon the authors. Cleaner air would allow both bosses and workers to breathe easier.

How lightning
strikes can improve storm forecasts

Humans have always been frightened and fascinated by lightning. This month, NASA is scheduled to launch a new satellite that will provide the first nonstop, high-tech eye on lightning over the North American section of the planet.

University of Washington researchers have been tracking global lightning from the ground for more than a decade. Lightning is not only about public safety -- lightning strike data have recently been introduced into weather prediction, and a new UW study shows ways to apply them in storm forecasts.

"When you see lots of lightning you know where the convection, or heat-driven upward motion, is the strongest, and that's where the storm is the most intense," said co-author Robert Holzworth, a UW professor of Earth and space sciences. "Almost all lightning occurs in clouds that have ice, and where there's a strong updraft."

The recent paper, published in the American Meteorological Society's Journal of Atmospheric and Oceanic Technology, presents a new way to transform lightning strikes into weather-relevant information. The U.S. National Weather Service has begun to use lightning in its most sophisticated forecasts. This method, however, is more general and could be used in a wide variety of forecasting systems, anywhere in the world.

The authors tested their method on two cases: the summer 2012 derecho thunderstorm system that swept across the U.S., and a 2013 tornado that killed several people in the Midwest. "Using lightning data to modify the air moisture was enough to dramatically improve the short-term forecast for a strong rain, wind and storm event," said first author Ken Dixon, a former UW graduate student who now works for The Weather Company. His simple method might also improve medium-range forecasts, for more than a few days out, in parts of the world that have little or no ground-level observations.

The study used data from the UW-based WorldWide Lightning Location Network, which has a global record of lightning strikes going back to 2004. Director Holzworth is a plasma physicist who is interested in what happens in the outer edges of the atmosphere. But the network also sells its data to commercial and government agencies, and works with scientists at the UW and elsewhere.

A few years ago Holzworth joined forces with colleagues in the UW Department of Atmospheric Sciences to use lightning to improve forecasts for convective storms, the big storms that produce thunderstorms and tornadoes.

Apart from ground stations, weather forecasts are heavily dependent on weather satellites for information to start or "initialize" the numerical weather prediction models that are the foundation of modern weather prediction.

What's missing is accurate, real-time information about air moisture content, temperature and wind speed in places where there are no ground stations.

"We have less skill for thunderstorms than for almost any other meteorological phenomenon," said co-author Cliff Mass, a UW professor of atmospheric sciences. "This paper shows the promise of lightning information. The results show that lightning data has potential to improve high-resolution forecasts of thunderstorms and convection."

The new method could be helpful in forecasting storms over the ocean, where no ground instruments exist. Better knowledge of lightning-heavy tropical ocean storms could improve weather forecasts far from the equator, Mass said, since many global weather systems originate in the tropics.

The study was funded by NASA and the National Oceanic and Atmospheric Administration. Greg Hakim, a UW professor of atmospheric sciences, is the other co-author. The Worldwide Lightning Location Network began in 2003 with 25 detection sites. It now includes some 80 host sites at universities or government institutions around the world, from Finland to Antarctica.

The latest thinking on how lightning occurs is that ice particles within clouds separate into lighter and heavier pieces, and this creates charged regions within the cloud. If strong updrafts of wind make that altitude separation big enough, an electric current flows to cancel out the difference in charge.

A bolt of lightning creates an electromagnetic pulse that can travel a quarter way around the planet in a fraction of a second. Each lightning network site hosts an 8- to 12-foot antenna that registers frequencies in the 10 kilohertz band, and sends that information to a sound card on an Internet-connected laptop. When at least five stations record a pulse, computers at the UW register a lightning strike, and then triangulate the arrival times at different stations to pinpoint the location.

The network's online map shows lightning strikes for the most recent 30 minutes in Google Earth. An alternate display shows the last 40 minutes of lightning in different parts of the world on top of NASA cloud maps, which are updated from satellites every 30 minutes. The program is the longest-running real-time global lightning location network, and it is operated by the research community as a global collaboration.

Lightning already kills hundreds of people every year. That threat may be growing -- a recent study projected that lightning will become more frequent with climate change.

"The jury's still out on any long-term changes until we have more data," Holzworth said. "But there is anecdotal evidence that we're seeing lightning strikes in places where people are not expecting it, which makes it more deadly."

On Nov. 19, NASA is scheduled to launch the new GOES-R satellite that will be the first geostationary satellite to include an instrument to continuously watch for lightning pulses. Holzworth will help calibrate the new instrument, which uses brightness to identify lightning, against network data. NASA also funded the recent research as one of the potential applications for lightning observations.

"GOES-R will offer more precise, complete lightning observations over North and South America, which will supplement our global data," Holzworth said. "This launch has been long anticipated in the lightning research community. It has the potential to improve our understanding of lightning, both as a hazard and as a forecasting tool."

companies' breakthroughs in stakeholder engagement

By: Laura Gitman & Sara Enright

16 companies' breakthroughs in stakeholder engagement

By: Laura Gitman & Sara Enright

Many pressures changing the landscape of sustainability are also influencing how companies engage their stakeholders. In response to mounting social, economic and environmental challenges and growing societal expectations that business should take a leadership role on sustainability issues, companies are finding themselves increasingly reliant on their stakeholders to help them identify and respond to the risks and horizon issues that may affect their businesses.

At the same time, the stakeholder universe — once limited to groups that most directly affect a company's operations — has expanded to a much wider set of individuals, connected through the power of technology and social media. In our increasingly transparent world, where a tweet can be as influential as an opinion in the boardroom, a company's strategy to engage with and learn from its stakeholders never has been more important, or more complex.

A continuum of approaches

On March 27, BSR convened a group of 16 member companies for a breakfast discussion on how companies can better manage their external and internal stakeholder relations through stakeholder engagement strategies.

The group confirmed the importance of developing a multi-pronged approach to engagement: Companies can optimize their reach by tailoring their strategies, methodologies and communications channels to the unique interests of each stakeholder group. Through stakeholder mapping, companies can identify their most important stakeholders and determine the level of engagement for each group.

Once companies have a clear understanding of what they wish to achieve, they can select their engagement approach, which BSR conceptualizes on a continuum, from simply monitoring stakeholder perspectives through platforms such as Twitter to actively collaborating through problem-solving workshops or partnerships.

At the event, we observed that new technologies help companies reach a wider set of stakeholders in new ways. Companies such as Marks & Spencer are experimenting with real-time, mobile survey tools to engage with line workers in their factories and those of their suppliers. The company surveyed more than 60,000 employees in five countries, offering the opportunity to provide anonymous feedback on working conditions. Through crowdsourcing platforms such as My Starbucks Idea, companies are also engaging the collective creativity of their customers and clients to conceptualize new products and enhancements to their services.

These new technologies are only pieces of a broader stakeholder engagement strategy: Success depends on whether the engagement approach is designed to achieve specific outcomes with a targeted set of stakeholders. The group agreed that tying a stakeholder engagement strategy to the company's most material issues is a foundational step toward more meaningful and impactful engagement.

Engagement along three axes

Finally, we examined BSR's view on how companies are evolving engagement with their most critical stakeholders along three axes, leading to new engagement models and breakthrough insights.

1. The purpose of stakeholder engagement

   Companies are exploring opportunities to go beyond consultation on performance by engaging stakeholders through collaboration on challenges of mutual concern.

2. The type of stakeholder

   Companies are moving beyond their direct stakeholders to include more diverse (and divergent) voices, such as marginalized populations, youth and the poor.

3. The level of engagement

By linking stakeholder engagement to corporate strategy, companies are committing to deeper engagement on material issues with their stakeholders, led in close partnership with executive teams across multiple corporate functions.

We believe that stakeholder input is critical for integrating sustainability within a company and that companies can only resolve complex global challenges through deeper stakeholder partnership. We are therefore launching a new collaborative initiative, the Future of Stakeholder Engagement, to help member companies learn how to transform their stakeholder engagement approaches toward more collaborative, inclusive and deep engagement that provides mutual value.

ceos must engage
all the stakeholders.

By: Venkat Ramaswamy & Kerimcan Ozcan

Any attempt to reform capitalism must first take stock of the structural shifts in value creation that we are witnessing in society today. Because of the web, social media, and advances in mobile and interactive communications and information technologies, the experiences of human beings are now at the heart of value creation. The fundamental distinction of an enterprise that starts with human experiences to create value is that it must, by definition, engage the individual in both defining and delivering value.

Platforms of engagement, based on human experiences, are the new loci of value creation and therefore the new engines of capitalism. Such experience-based engagement platforms — assemblages of people, interfaces, processes, and artifacts whose configurations evolve with value-generating experiences — are the key to unlocking the next sources of value in the system. Doing so can expand business-civic-social ecosystems in "win more, win more" ways for all stakeholders.

Apple under the leadership of Steve Jobs offers a metaphor for the future role of the CEO as a co-creative engagement orchestrator. It has simultaneously expanded value creation for all its stakeholders — including its customers, employees, partners, suppliers, and investors — at a time when enterprises are scrambling to find new ways to grow. It has accomplished this through a strategic architecture of experience-based engagement platforms that span the whole enterprise from its physical and online stores, to its products and services (iTunes, and more recently, iCloud), to its SDK engagement platform that not only opens up its applications-development process to all but also strives to make it easy to design and test applications across different devices.

Starbucks CEO Howard Schultz has turbocharged its remarkable turnaround since 2008 not only by redesigning its product-service offerings through experience-based engagement platforms but also by gaining insights and ideas through effective dialogue with stakeholders (through its onlineMyStarbucksIdea platform). Inclusive engagement is central to orchestrating co-creative engagement, involving stakeholders in the process of gaining insights and designing solutions together.

Effective participation of individuals requires meaningful engagement and is a function of the design of the environment in which the participation takes place. This, in turn, requires transparency, especially identifying situations that are in the self-interest of both enterprises and stakeholders alike. Spanish bank Caja Navarra's CEO, Enrique Goñi, has embraced transparency as a core principle in building its experience-based engagement platforms, believing that the time had come to change the rules as people demand transparency, participation, and responsibility.

It closed out the 2010 fiscal year with €11.97 billion in retail managed resources, of which €8.43 billion were within the balance sheet, rising 7% versus the average of 0.5% for Spain's financial sector.

Creating value together also means creative engagement that harnesses the collective intelligence of people. There are many examples of crowdsourcing, open innovation, and new business models that tap into the creativity of people from anywhere in the world today. Local Motors CEO Jay Rogers has not only built engagement platforms that enable crowdsourcing of automotive design while creating personalized experiences of building your own car, but its business model also enables creation of more local jobs.

Even established businesses can tap into creative stakeholder engagement to drive new value creation. CEO Jørgen Vig Knudstorp of the LEGO Group has spearheaded platforms such as LEGO Mindstorms NXT and LEGO Games, which combine traditional physical experiences with new digital experiences in novel ways, while also tapping into external entrepreneurial creativity.

Access to knowledge, expertise, skills, and tools is key to creative engagement. It not only enhances value in use but also enables stakeholders to modify and extend value. Finally, the engagement of people ought to be transformative, ultimately leading to positive change in the system. That means motivating and enabling reciprocal learning from interactions and plowing back insights to make the platform continuously better, in a reflexive manner.

CEO Dr. João Polanczyk of Hospital Moinhos de Ventos (Brazil) has done just that by innovating new wellness services and enhancing the quality of experiences together with patients and their families, nurses, physicians, corporate clients, and insurance organizations. It has resulted in positive cash flows, occupancy of over 90%, and higher levels of customer and employee satisfaction in 2010. By comparison, it had a negative cash flow and and occupancy rate of only 60% in 2006..

CEOs of the future must be orchestrators of co-creative engagement everywhere in the ecosystem in which the enterprise participates. It implies leveraging network and stakeholder resources (as opposed to just allocating resources) and accessing competencies in the ecosystem to support a strategic architecture of platforms. Senior executives must also pay attention to both the technical and social architecture of these platforms.

On the technical side, the platforms must be reconfigurable, scalable, linkable, and generative. On the social side, it must support a participatory culture in the organization that enables "silo-breaking" engagement inside the organization with appropriately designed incentives (designed together with people), which encourages collaborative decision-making, and execution and re-formulation of strategies that expand ecosystems.

As co-creative engagement orchestrators, CEOs can lead the way to evolve capitalistic systems into a more holistic process of wealth creation that has built into it the expansion of well-being and human potential.

A Career in engineering is right on the money

By: Matt Stalker

A career in
engineering is right on the money

Research shows that graduate engineers enjoy some of the healthiest starting salaries and international opportunities

By: Matt Stalker

Soaring tuition fees have made many people think twice about higher education. A careers discussion in 2013 is likely to be unrecognisable from a generation ago. One of the key questions asked now is: "Is it worth it?"

A recent UK survey by consumer watchdog Which? and the Higher Education Policy Institute (Hepi) heightened the debate about value for money, suggesting student expectations of higher education have risen as tuition fees have increased. Of the 17,000 students polled across the UK, 29% of first-year students said their courses were not good value for money, compared to 16% last time the study was carried out in 2006, when fees were just more than £1,000 a year.

Course selection a generation ago may have been weighted more towards academic and social experience for students. But future job prospects and earning potential are now making the decision much more mercenary.

In this respect, careers in engineering catch the eye. In the US, the National Association of Colleges and Employers (NACE) publish data three times a year on college graduate starting salaries. Engineering dominates the list, taking seven of the top ten spots in NACE's April survey: petroleum engineers earned the most with an average starting salary of $93,500 (£61,271); second were computer engineers with $71,700 (£46,985); chemical engineering graduates – with a healthy starting salary of $67,600 (£44,298) – came in third.

In the UK, comprehensive starting salary statistics for graduates are not so easy to come by, but engineering graduates can enjoy similar pay packets. Data published in 2010 indicated UK graduate starting salaries for dentistry and medicine were ranked first and second at £29,805 and £28,913. Chemical engineering was ranked fourth with three more engineering disciplines placed in the top ten.

The Institution of Chemical Engineers' (IChemE) own annual salary survey, published in July 2012, indicated graduates typically could expect to earn £27,861 in their first year. These high rewards are helping to drive demand: record numbers of students are enrolling on UK courses.

Engineering also has another advantage. It's a profession that recruits from a global talent pool and those eye-watering starting salaries on offer in the US are attainable by UK graduates. Many employers in the chemical processing industries – such as pharmaceuticals, nuclear, food, oil, gas etc – are huge, multinational companies. Many are based in the US but they have operations all over the world and recruit all over the world.

Salary and career progression for chemical engineers also remains lucrative. IChemE data from 2012 indicates that the median salary for chemical engineers is £53,000 a year – an increase of 33% over the past decade. Chartered chemical engineers typically can expect to earn £70,000 a year, with sectors like petrochemicals offering substantially higher rewards.

Rebounding from career setbacks

By: Mitchell Lee Marks, Philip Mirvis & Ron Ashkenas

How well do you rebound from career setbacks? Take this self-assessmentto find out.

Brian was a rising star at his company. He advanced through several senior management roles and was soon tapped to head a business unit, reporting directly to the CEO. But after about two years in the job, despite his stellar financial results, his boss suddenly dismissed him. Brian was told that the company was trying to be a more open, engaged, global enterprise and that his aggressive leadership style didn't reflect those values.

Like most ambitious managers who suffer career setbacks, Brian went through a period of shock, denial, and self-doubt. After all, he'd never previously failed in a position. He had trouble accepting the reality that he wasn't as good as he'd thought he was. He also felt upset and angry that his boss hadn't given him a chance to prove himself. Eventually, however, he recognized that he couldn't reverse the decision and chose to focus on moving forward. None of the people working for him had objected to his dismissal, so he was particularly keen to figure out how to foster loyalty in future employees.

Within a few months, a large industrial parts company impressed with Brian's undisputed ability to meet financial targets recruited him to lead a division. The job was a step down from his previous role, but he decided to take it so that he could experiment with different ways of working and leading, learning to better control his emotions and rally his team around him. It paid off: Less than three years later, yet another company—this time, a Fortune 500 manufacturer—hired him to be its CEO. During his seven-year tenure in that job, he doubled the firm's revenue and created a culture that balanced innovation with a disciplined focus on productivity and performance.

Of course, not everyone can go from being out of a job to running a large company. But in more than 30 years of research and consulting work with executive clients, we've found that one lesson from Brian's story applies pretty universally: Even a dramatic career failure can become a springboard to success if you respond in the right way. To execute a turnaround like Brian's, you focus on a few key tasks: Determine why you lost, identify new paths, and seize the right opportunity when it's within your reach.

Figure Out Why You Lost

We've interviewed hundreds of executives who have been fired, laid off, or passed over for promotion (as a result of mergers, restructurings, competition for top jobs, or personal failings). Often, we find them working through the classic stages of loss defined by psychiatrist Elisabeth Kübler-Ross: They start with shock and denial about the events and move on to anger at the company or the boss, bargaining over their fate, and then a protracted period of licking their wounds and asking themselves whether they can ever regain the respect of their peers and team. Many of them never make it to the "acceptance" stage.

That's partly because, as social psychologists have found in decades' worth of studies, high achievers usually take too much credit for their successes and assign too much external blame for their failures. It's a type of attribution bias that protects self-esteem but also prevents learning and growth. People focus on situational factors or company politics instead of examining their own role in the problem.

Some ask others for candid feedback, but most turn to sympathetic friends, family members, and colleagues who reinforce their self-image ("You deserved that job") and feed their sense of injustice ("You have every right to be angry"). This prevents them from considering their own culpability and breaking free of the destructive behavior that derailed them in the first place. It may also lead them to ratchet back their current efforts and future expectations in the workplace.

Those who rebound from career losses take a decidedly different approach. Instead of getting stuck in grief or blame, they actively explore how they contributed to what went wrong, evaluate whether they sized up the situation correctly and reacted appropriately, and consider what they would do differently if given the chance. They also gather feedback from a wide variety of people (including superiors, peers, and subordinates), making it clear that they want honest feedback, not consolation.

Brian, for example, had to engage in frank, somewhat painful conversations with his boss, several direct reports, and a few trusted colleagues to discover that he had developed a career-limiting reputation for being difficult and not always in control of his emotions.

Also consider Stan, a senior partner at a boutique professional services firm considering global expansion. A vocal proponent of the growth plan, he had hoped to lead the company's new London office. When another partner was selected instead, Stan was outraged. He stewed for a few weeks but then resolved to take a more productive tack. He set up one-on-one meetings with members of the firm's executive committee. At the start of each session, he explained that he wasn't trying to reverse the decision; he just wanted to understand why it had been made. He took care not to sound bitter or to bad-mouth the process or the people involved. He maintained a positive, confident tone, and he expressed a willingness to learn from his missteps.

As a result, the executive committee members gave him consistent, useful comments: They regarded his aggressiveness as an asset in the United States but worried that it would get in the way of securing new clients and running an office in the UK. His initial reaction was defensive. ("No one minded my aggressiveness when it landed key contracts," he thought.) But he kept those feelings in check—and quickly came around to appreciating the candor. "It wasn't that they were asking me to change," Stan reflected, "but they made clear to me that my style got in the way of this opportunity."

Identify New Paths

The next step is to objectively weight the potential for turning your loss into a win, whether that's a different role in your organization, a move to a new company, or a shift to a different industry or career.

Reframing losses as opportunities involves hard thinking about who you are and what you want. Research shows that escapism is a common reaction to career derailment—people may take trips to get away from their troubles, immerse themselves in busywork, drink or eat excessively, or avoid discussing their thoughts and plans with family and friends. While these behaviors can give you mental space to sort things out, they rarely lead to a productive transition. It's more effective to engage in a focused exploration of all the options available.

Reframing losses as opportunities involves hard thinking about who you are and what you want.

New opportunities don't usually present themselves right away, of course, and it can be hard to spot them through the fog of anger and disappointment in the early days after a setback. Studies by change management expert William Bridges highlight the tension people feel when they're torn between hanging onto their current identities and expectations and letting go. Leaders we've counseled describe entering a "twilight zone": The status quo has been fatally disrupted, but it's not clear yet what success will look like in the future.

That's why it's useful to take time to test out some ideas for what to do next. One option is to speak with a career counselor or engage in therapy, both to clarify goals and to work on personal development. Another is to take a temporary leave from your job to go back to school or test-drive a career interest at a start-up or a nonprofit. Pausing a bit can allow you to find new meaning in your setback.

Recall how Brian reacted when he was fired from his unit-head job: He began to consider lower-level positions that would give him room to tinker with his leadership style. Or look at Paula, whom we met while studying the resiliency of online advertising executives involved in restructurings. When her high-tech company's new CEO launched a corporate makeover, Paula felt relatively safe because the European business unit she led had met or exceeded its targets for 11 straight quarters, and she had been promoted three times in five years. But then she discovered that her position would be eliminated.

At first Paula blamed everything from company politics to her boss's failure to protect her and her team. Then, three months after the announcement, her last day arrived. She had no plans and didn't want to make any right away. Instead she spent time examining her life and her career. She reached out to friends and business associates—"not to network" (her words) but to gain perspective and advice in thinking through her goals. She reflected on each conversation, made notes, and eventually developed what she dubbed "four themes for my next job": She wanted to bring new products to market (rather than relaunching U.S. offerings in other regions), to interact more directly with clients, to work for a company with a unique value proposition, and to have colleagues she liked and trusted. Paula then tailored her job search to achieve those goals.

Seize the Right Opportunity

After you identify possible next steps, it's time to pick one. Admittedly, this can be a little frightening, especially if you're venturing into unknown career territory. Reimagining your professional identity is one thing; bringing it to life is another. Remember, though, that you haven't left your skills and experience behind with your last job, and you'll also bring with you the lessons learned from the setback. You may also have productively revised your definition of success.

Research we've conducted, along with career specialist Douglas (Tim) Hall,shows that needs and priorities can change dramatically over time—as children are born or grow up and move out, after a divorce or a parent's death, when early dreams fade in midlife and new ones emerge, and when perspectives and skills become outdated and new growth challenges beckon. So choosing the right opportunity has a lot to do with the moment when you happen to be looking.

Paula's story is a case in point. Her list of "must haves" led her to interview for and accept a more senior position, as VP of international sales, at a smaller firm in the same industry. The job was located in the European city where she already lived and wanted to stay.

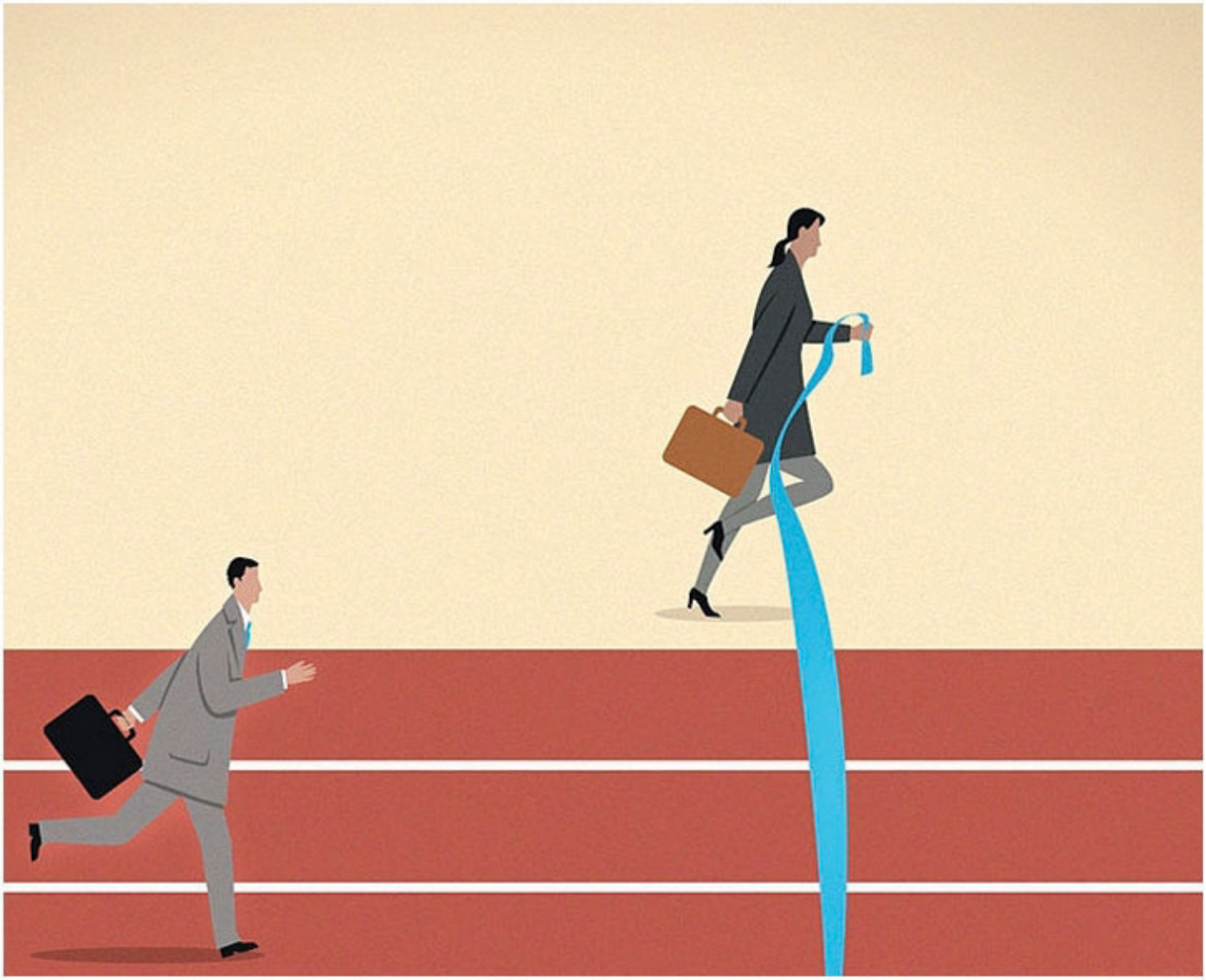
Brian, by contrast, took a significant step down, but he took advantage of the opportunity to learn to become a better manager. He developed an understanding of the triggers that had caused him to behave unproductively in the past and devised coping strategies. For example, instead of immediately pouncing on subordinates for performance "misses," he learned to have off-line discussions with the relevant managers. After some practice, the measured approach began to feel more natural to him.

Bruce, a senior IT manager at a New York bank that went through a merger, is another example. He kept his job in the deal's aftermath but was devastated to lose out in his bid to become the chief technology officer of the merged company. He stayed on through the integration, but after a year of rethinking his personal and career goals—and considering a variety of jobs—he moved with his family to Austin, Texas, and joined a small technology firm that became wildly successful. Just as important, he also found time to coach his two children's soccer teams and pursue his passion for music as a guitarist for a local band.

Like Paula and Brian, Bruce did serious discovery work after his setback—and then acted with conviction. He moved to a new city, industry, and job that would allow him to recover and thrive.

For executives who decide to stay with their employers, the biggest change may be in mind-set or psychological commitment. That's what happened with Stan at the professional services firm: Having gained a clearer sense of how his colleagues viewed him, he embraced his role as rainmaker, better appreciating the income, status, and perks that came with it. He also found a new source of satisfaction and accomplishment: mentoring the next generation of talent on how to win new business.

Shifting perspective like this takes just as much energy as switching companies or jobs. If you're not able to dig into your current work with renewed gusto, as Stan did, you might decide to put more discretionary effort into family life, volunteering, or hobbies, recognizing that having a rich personal life can compensate for not being number one on your team or in your organization.We all know the importance of resilience and adaptability when it comes to career success. But these qualities don't come easily or naturally to everyone, which is why it's so useful to have clear steps to follow after a setback. The approach laid out here can help transform the anger and self-doubt associated with failure into excitement about new possibilities.



McDonald's

and the challenges of a modern supply chain

By: Steve New

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the challenges of a modern supply chain

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Recently, McDonald's, the world's iconic largest food service provider, has been (forgive the cliché) through the grinder. Poor performance has led to the departure of its CEO and plenty of critical attention in the business pages. Part of this story relates to the provenance, or origins, of its products: Chains that provide more upmarket "fast casual" dining such as Panera, Chipotle, and Shake Shack have brands that speak of freshness, health, and trustworthy sourcing.

In 2010, I wrote an HBR article predicting increased interest in supply-chain transparency: firms needed to develop strategies for knowing and explaining where stuff comes from. Since then the idea of product provenance has steadily crept up the corporate agenda and is now a compulsory issue for boards and governments. In the UK, for example, legislation is in progress that would build on the California Supply Chain Transparency Act, potentially applying to wider range of firms. Across Europe, the 2013 horsemeat scandal generated widespread panic about contaminated meat. In a wide range of industries — electronics, software, toys, aerospace — provenance is increasingly a critical concern.

McDonald's woes offers three lessons for others about supply-chain transparency.

Transparency needs a long game; reputational problems don't mend fast.

Few firms have faced such reputational challenges as McDonald's. In the 1990s, an ill-judged legal case, the McLibel trial, saw the corporation acting against a tiny environmental group in one of the longest civil cases in UK history, with terrible reputational consequences. The movies Super Size Me and Fast Food Nationcemented the view that the corporation was complicit in promoting bad health, bad environmental practice, and food that was just, well, disgusting.

Faced with these challenges, McDonald's has not been idle. It has taken on its critics and made substantial changes to both its practices and its communication. Indeed, in the UK, the official government review of the horsemeat scandal, the Elliot Review, singles out the McDonald's supply chain for praise. In the United States, a series of documentary-style promo films with celebrity presenter Grant Imahara have tried to give customers a clear and unvarnished account of sourcing and production processes. You may still not like the firm or its products, but you can't deny it has made serious efforts.

The trouble is bad reputations aren't lost that easily. A generation of cynical middle-class customers have already decided that McDonald's is a tarnished brand. Supply-chain transparency is that kind of challenge: It's rarely the top thing on consumers' minds, but it is an issue that sticks in the imagination. And when newer, less tarnished players like Chipotle arrive, consumers can tacitly exercise the prejudices and cross the street. The lesson for other firms: If you have problems in your supply chain, don't let the critics get there first.

Global operations need consistent global standards.

Despite the great strides that McDonald's has made in some markets, its progress and practices have not been uniform. Last year McDonalds — and other major food companies — were plunged into a food safety scandal in China. This is a case of your defense being as strong as your weakest point. Bad headlines about foreign operations tell consumers, "This company still can't be trusted." And such bad news doesn't just reduce the impact of your good work elsewhere; it means that its credibility is fundamentally undermined. So firms need to be cautioned: Supply-chain transparency initiatives are not a normal program to be rolled out region by region.

Sometimes transparency has paradoxical consequences.

Let's return to those videos with Grant Imahara. "Look," they declare, "it's real wholesome meat!" Imahara holds up great chunks of flesh from the conveyor as if to say, "Appetizing!" But even hard-core carnivores like me blanch queasily at this amount of dead animal. OK, you've convinced me there is no pink slime, but you've reminded me that this whole process is kind of horrific. That's one of the curses of transparency of provenance: I might now approve of your food-safety practices, but you've just reminded me of things that, deep down, I don't want to know. This is a paradox that firms in a wide range of industries will inevitably need to grapple with. (Question: What does an unethical shirt factory look like to a naïve consumer? Answer: Appalling. Question: What does an ethical shirt factory look like? Answer: In truth, still pretty appalling.)

It may be that McDonald's future lies in yet further reinvention of the brand. The Corner, one of its experiments, is a "McCafé" that looks and feels nothing like a McDonald's restaurant. But even then, the provenance agenda is not going away: The new CEO (who holds an honorary visiting position at Oxford's Saïd Business School, where I teach) will need to tough out the current problems and stick to the mission of ever-greater openness.

The healthcare

intelligence revolution: supply-chain management for healthcare

There's a supply chain revolution in healthcare. It's called the 'intelligence revolution.'

By: Peter B. Nichol

Intelligent supply chains will be a game-changer for healthcare. Big data analytics are transforming care delivery. The U.S. healthcare landscape is shifting and causing providers to revisit their care delivery models. Fee-for-value instead of fee-for-service, physician shortages, digitization of healthcare and shifts toward outpatient services are challenging conventional care models. Care providers must utilize data to create information and information to create intelligence, and then use new that intelligence to drive decisions.

- Manufacturing supply chain management covers the entire process from raw products, services and interactions through to the end customer.
- Healthcare supply chain management covers the entire process from raw products, services and interactions through to the end patient.

Moving the supply chain levers for health

Four primary levers must be effectively coordinated and integrated to improve organizational, operational performance: buy (purchasing), make (operations), move (logistics) and sell (marketing). When these functions are linked, supply chains work extremely well. When they aren't, this pattern encourages excessive outsourcing.

Linking the supply chain level is essential. This is the case whether we are talking about manufacturing supply chains or healthcare supply chains.

Manufacturing supply chains involve:

1. Buy: Purchasing, e.g. goods from suppliers (supplier).
2. Make: Operations, e.g. operational functions for the organization (manufacturer).
3. Move: Transporting, e.g. the logistics of shipping products to the right place (wholesaler).
4. Sell: Marketing, e.g. linking what customers need and want (retailer).

Healthcare supply chains involve:

1. Buy: Sourcing, contracting, e.g. optimize health networks (care contractors).
2. Make: Manufacturing equipment, e.g. CT Scanners, prosthetics and lab equipment (manufacturer).
3. Move: Hospitals provide care, e.g. nursing homes, urgent care centers and patient-centered medical homes (providers).
4. Sell: Insurer health plans, e.g. health benefit and plan offerings to members (insurers).

How do you know if your organization is building new strengths within your healthcare supply chains?

1. Has your organization created sufficient scale for care delivery?
2. Do you focus more on the outpatient (retail) than inpatient?
3. Are there direct-to-consumer and direct-to-patient products offered by your organization?
4. Do you look past episodic costs to end-to-end healthcare supply chain costs?
5. Is data standardization the norm, offering insightful, intelligent analytics on care delivery?
6. Have you clearly identified the top five partners in your healthcare supply chain?
7. Has the scope of products been expanded to improve logistics and lower the cost-to-serve?
8. Has your organization moved from a business-to-business model to business-to-consumer model for care delivery?
9. Is leadership educated about the financial differences between the inpatient cost-to-serve and the cost for remote monitoring, such as telehealth capabilities?

How do healthcare organizations achieve operational performance? The answer is we get creative and look to innovation in other industries.

Is your organization operating as healthcare supply chain?

There are three simple checks that determine if you're an organization that's running as a manufacturing supply chain: customer relationship management (CRM), supply chain management (SCM), and supplier relationship management (SRM).

Three different but similar questions offer insight into whether your organization is operating as a healthcare supply chain.

1. Does your organization have a patient relationship mangement (PRM) system focused on the downstream interactions between the provider and the patient? Focusing on: market, price, sell, call center and order management.

2. Is the organization running a healthcare supply chain management(HCSCM) program focused on internal processes and operations within the organization? Focusing on: strategic planning, demand planning, supply planning, fulfillment and remote care services.

3. Are processes and programs in place around payer relationship management (PE-RM) to focus on keeping the patients upstream and coordinating care? Focusing on: sourcing, negotiating, buy, design collaboration and supply collaboration.

Manufacturing for healthcare

There are many parallels between the advancements in supply chain management and healthcare management.

1. Microsegmentation: Consumerization
2. Point-of-sale: Point-of-care
3. Servitization: Person-centered primary care
4. Value-based supply chains: Value-based reimbursements
5. Reverse logistics: Patient readmissions
6. Manufacturer list price: “Chargemaster” or provider list price
7. Product volume discounts: Patient volume discounts
8. Design of products: Design of care
9. Cost-to-build: Cost-to-serve
10. Product commoditization: Population health
11. Removing intermediaries: Cost-out initiatives
12. Direct-to-consumer: Direct-to-patient

In my next two articles, I'll elaborate on each of these similarities and explain the correlations.

The next generation of care delivery

Are you interested in the next generation of supply chain management and big data analytics? Innovative companies are connecting purchasing, operations, logistics and marketing through blockchain technologies. This offers customers, suppliers and producers something they didn’t have. Truth, not just trust, in their supply chain. Healthcare delivery systems are taking notice.

Why invest in data analytics (DA)? DA is the first step toward a healthcare supply chain, and data is critical to understanding disease.