



# The HERO Compact

Empowering Your  
Employees to Compete  
in Today's Economy

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# Individuals have more power than ever.

Managers can see this as a threat, or as an opportunity.

Think about it. Any of your customers could trash your reputation at any moment. They could post a video about a bad experience with you that attracts 8 million views, which is what Dave Carroll did after United Airlines baggage handlers broke his guitar. They could tell a million people to never buy your product, which is what Heather Armstrong did when, surrounded by soiled diapers, her frustration at Maytag's inability to fix her new clothes washer boiled over.

For managers, the only defense is to empower your own employees to solve those customers' problems. This doesn't just mean letting them use Twitter at work. It means giving them access to and letting them use the full range of easily accessible technologies—social, mobile, video, and Web services—to build their own solutions. Mobile applications? Check. Online social communities? Yup. New ways of collaborating? Uh-huh. You can't match up with customers in the age of the empowered with your tired, old top-down ways of managing. Instead, you'll have to release your employees and then manage the results of their creativity.

This is much harder than it looks. So we'll share some of what we've learned from people who've done it, and from our research on empowered customers and employees around the world.

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## Know How Big a Problem You're Trying to Solve

We have a name for employees who are using technology creatively to serve customers. We call them HEROes—highly empowered and resourceful operatives. If you're a HERO—or if you manage one—you need to know what you're in for. If you're making a Facebook page, your PR people will want in on it. If you're using “cloud computing” services like Google App Engine, your information technology department may insist on getting involved. Being a HERO is never easy, but it is worth it.

There's a checklist of things you should do before getting started with one of these projects. For example, identify whether and how IT might need to become involved, how long the project will take, how much it could cost, and who would need to approve it—including legal, regulatory, accounting, or PR staff. Then assess the value you're creating in terms of new revenues, better service, savings in time or money, improvements in word of mouth or marketing reach, and anything else you can think of. Put simply, if the value exceeds the effort, go forward. If not, think twice. You'll need this rigorous assessment as you convince your management that your HERO project is worth it. (We've created an online tool <http://www.forrester.com/empoweredtool> you can use to help assess your project's effort and value. It emails the results to you so you can show your boss how clever and worthwhile your project is.)

Take Molly Mattessich, who created an online community called Africa Rural Connect for the National Peace Corps Association, connecting former and current Peace Corps volunteers to African farmers to generate new ideas. Molly is a Web expert, not a technologist, but working over a few months she got 12,000 people from 180 countries to participate. Clearly, the value here exceeds the effort, but like all HEROes, she needed to get past challenges like hiring outside developers and gathering the necessary budget.

## Change the Way You Do Service

Problem's like United's and Maytag's exist because, now, customer service is marketing. Rather, it always has been; It has just become more apparent in our hyperconnected world. Every customer can talk, and customers often have a reach that rivals anything your paid advertising can deliver. Forrester Research analysis shows that people make over 500 billion impressions on one another regarding products and services each year. These impressions are highly concentrated: 16% of the online population are "mass influencers," accounting for 80% of these impressions. Annoy one of these people and you'll regret it. Delight them and you'll benefit from the word-of-mouth (this is called "earned media", as opposed to "paid media").

As a result, smart companies have now changed the way they do service. They treat customers as if their opinions could spread, and they seek out those opinions online and respond to them.

At Comcast, for example, there's a team of ten people whose only job is to seek out people who are complaining online and help them. If you tweet a complaint to "@comcastcares", or blog about poor service from a cable installer, or whine about your bill in a discussion forum, Comcast's digital care team will find you and help you. As Frank Eliason, the guy who started up the team, told us: "We reach out at that point [when people are complaining online]. That's less time for them to fester and be angry." Comcast has put a lot of effort into improving its service. Now they're putting some of that effort into heading off problems before they turn into bad word-of-mouth.

At Rentvillas.com, a company that rents vacation houses and apartments in Europe, they make sure you fill out a review when you come back, then bug you again to get you to put that review on travel sites people share. That's an awful lot of effort to reach someone who probably won't rent again for two or three years. But as the company's founder Suzanne Pidduck knows, those reviews, positive or negative, make all the difference in others finding the site credible and renting.

## Get IT, Managers, and Individual Contributors Working Together

The HEROes we found—people using technology to solve customer and business problems—don't have it easy in most companies. Why? Because companies are still set up to do things the old-fashioned way, where IT runs technology projects. Unfortunately, customers are moving too fast for IT, even as IT budgets are shrinking. And yet, the technology employees want to use is often well within their grasp. We just need a new model.

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We call that new model the HERO Compact. In the HERO Compact, everyone makes a promise. HEROes (employees innovating with technology) promise to build things that serve customers, not just mess around with tech for tech's sake. They also need to live within the rules set up by management and IT to keep them safe and manage risk.

Management's job—both line managers and senior management—is to create an environment that supports technology innovation wherever it starts. To do that, managers must also help assess the risks that come from these technology projects, risks like security holes or legal liability.

IT's new job is no longer to run the projects. Instead, they need to consult with and support HEROes with their ideas. They also need to help management understand the risks, and to provide infrastructure support so HEROes have the tools they need.

At Aflac, for example, the CIO Gerald Shields went way beyond the usual CIO job. He convinced senior executives to see the power of social technologies. He convened a session in which we met with managers from across the company and worked with them on ideas for using those technologies with customers. And he supported those innovators as they came up with a plan. Now Aflac has communities for both its independent sales teams and the benefits administrators that work most closely with its products. IT consulted on the platform they used, but doesn't run the communities. Gerald is a catalyst, and innovative new ways to reach out to customers and partners came out of what he did.

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## Unleash Your Employees To Use Do-It-Yourself Technology

We surveyed over 4,000 people in the US who work with smartphones or computers in their jobs. We asked them two questions:

1. Do you feel empowered to solve your own problems and challenges at work?”
2. Do you have access to technology resources—Web sites like LinkedIn or downloadable tools like the Google Toolbar that aren’t authorized by your company—and do you regularly use at least two of them?

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This survey revealed that only 20% of information workers both feel empowered and act resourceful. And this proportion varies greatly. In technology products and services companies, it’s 37%. In government, it’s only 16%. Among marketing and non-retail sales employees, 35% both feel empowered and act resourceful. Among customer service staff, it’s way less.

From our conversations with companies that want to encourage innovation, these numbers are important. You need to boost the number of people who feel empowered and act resourceful if you want to have HEROes and make them effective. This requires a change in management attitudes. At Best Buy, CMO Barry Judge talks about promoting “half-baked” ideas—his Twitter response force (“Twelpforce”) came out of this kind of tolerance for new thinking. At Intuit, founder Scott Cook told us “We have a high tolerance for experiments. One of the biggest things I have learned in business is the importance of fast, cheap experiments and high velocity.”

The other lesson is that technology can't be locked up where people can't get at it. Our surveys show that one in three information workers already set up their own technologies—using sites that aren't sanctioned, downloading applications onto a machine at work, or using their own smartphone for work purposes. Employees know what Facebook is, and they can use iPhones and BlackBerry devices to get to sites like that even if IT blocks them. If you want creative employees, you can't lock up their tools. Instead, train them on safe and unsafe use of those tools. Help create policies and training so employees know what activities are and aren't safe.

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## Build New Ways to Collaborate and Innovate

Finally, you need to recognize that innovative employees don't work alone. They need ways to work together rapidly and without friction—at the speed of empowered customers. That's where internal systems come in. In fact, one of the most important new jobs for IT people is to get those systems working well.

For example, at BBVA, a large multinational bank based in Spain, executives collaborate on an internal blogosphere called Blogsfera. Traffic and posts on the site continue to rise, and workers use it to learn from each other—searches lead to information, which leads to the knowledgeable people who posted it. They also use it for collaborating and getting everyone's input on strategy (for example, on a project to determine if BBVA should back a new mobile initiative).

In this world of hyperconnected, mobile-empowered customers, you'd better find ways to support innovation from all of your employees.

Deloitte Australia—the Australian affiliate of the large accounting firm—is involved in not just accounting, but Web development and management consulting as well. Expertise needed by one person could be anywhere in the heads of the company's thousands of employees. So Pete Williams, the CEO of the organization's digital division, turned to Yammer. Yammer works like Twitter, but it's internal—only other members of the company can see your comments.

Yammer speeded up innovation at the company. For example, one person sent out a Yammer posting about a need to create a benchmarking tool for clients to measure occupational health and safety. According to Pete, “That idea came in and, by the time I got to look through the comments on it, the people who can build it had already hooked up with the people whose idea it was.” Yammer-fueled collaboration got the product ready and into the market in six weeks.

If you want your company to run like these, you’re going to have to make some changes. You’ll need to start small, creating or supporting projects that have a high chance of success, even if only to prove that innovation from the ground up is possible. You’ll have to support some HEROes with unusual ideas, and some of them will fail.

And you’ll have to get used to the idea that technology solutions can start with ordinary employees anywhere in a company. In this world of hyperconnected, mobile-empowered customers, you’d better find ways to support innovation from all of your employees. Your customers are racing out ahead of you and telling all the world about your triumphs and your flaws. **Empowering your employees to solve their problems is the only coping strategy that can keep you competitive.** 📖



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