Paul Charles & Associates

Formalized Enterprise Engagement

Table of Contents

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Part I. Expertise and Capabilities

Summary
Working with *The Engagement Agency* we can help organizations achieve specific financial, marketing, and management goals by engaging people to focus on the actions most likely to yield the desired results. The agency's founders have a lengthy track record of providing programs and solutions, not just rewards, and embrace the latest research-based framework and technology to engage people to achieve specific results in a measurable way.

Specifically, organizations use our services to:
- Increase sales or revenues, customer engagement, and referrals.
- Engage channel partners to provide more commitment to their products and services.
- Recruit and engage volunteers for not-for-profits.
- Engage employees to achieve organizational goals; consistently support "the brand", work productively; focus on quality and safety, enhance wellness and more.
- Achieve almost any goal that involves people—customers, distribution partners, employees, vendors/suppliers, communities.

Our Approach & Your First Steps toward Enterprise Engagement
The Engagement Agency's approach is based on extensive research and best practices confirming that engaging people to achieve results requires more than traditional carrots. Our founders have extensive experience in all aspects of Engagement implementation and research. All of the research upon which our methodologies are based indicates that organizations will get the best results when they systematically:

- Develop realistic, achievable, and measurable goals and objectives.
- Effectively assess the people and the playing field to identify opportunities and obstacles to success.
- Create a formal Engagement business plan outlining the desired outcomes, behaviors that lead to outcomes, key program components, roles and responsibilities, timeline, and return on investment, etc.
- Implement the appropriate integrated communication plan, including an Engagement web portal for the program when appropriate.
- Make sure people have the knowledge or skills needed to succeed.
- Foster an atmosphere of collaboration, innovation, and fun.
- Reward and recognize so that people feel supported in their efforts.
- Measure return on investment.

The Engagement Agency's methodology and technology framework is based on a formal Engagement framework and implementation plan developed with input from over 100 practitioners by an independent organization known as the Enterprise Engagement Alliance. This formal framework and implementation process is designed to take the warm and fuzzy out of Engagement to help organizations achieve short- and long-term goals.

The Middle 60%--Your Extra Edge
Many organizations design incentive, loyalty, and recognition programs that reward the top performers who are naturally inclined to perform anyway. Our framework is specifically designed to additionally address the middle-60% of audiences by focusing them on improving their own individual performance.

You can pick and choose the services you need:

1. Program Design and Training

2. Engagement Portal and Rewards Platforms

3. Program Implementation and Administration

> "You can leverage our resources to develop in-house expertise, opt for unbundled support or select a complete turnkey solution..." *(See page 8...)*

Each of these services is covered below. Please see Appendix I for a link to specific resources related to Engagement and rewards.

What Makes this Approach Unique?
Engagement focuses on all of the elements that connect actions to results; traditional incentive, loyalty, and recognition companies tend to focus on carrots.

Like with Advertising or any other business process, Engagement strategies yield the best results when based on a formal business plan that addresses all of the key behavior drivers along with return-on-investment measures. In the case of engaging people to achieve goals, this includes:

- An accurate assessment of the people and playing field; i.e. what specific actions can people take that will help the organization achieve the desired goal?
- What does the audience need to know, understand, and feel to achieve those goals?
- How can we use communication or training and tests to properly inform and assess knowledge levels?
- How can we encourage people to feel involved and promote "task value" by creating an environment of collaboration and innovation?
- How can we create a buzz, foster a positive atmosphere, and draw attention to success in a way distinct from compensation?
- How can we measure results in terms of bottom line benefits?

We utilize a highly time-efficient process for assessing the playing field based on your organization's policies, procedures, and already available tools to identify the best ways to achieve your goals given every known controllable or non-controllable factor. Traditional incentive, loyalty, and recognition programs put the emphasis on carrots and rewards; we put the emphasis on addressing all of the factors that can connect engagement with your desired results and providing a technology platform that makes it easy to do so.

Engagement Expertise

As a co-creator of the Enterprise Engagement: The Textbook for the Enterprise Engagement Alliance, The Engagement Agency draws from a research-based curriculum that provides a clear framework and implementation process for achieving results through people. This process makes it relatively quick and easy to identify the best parameters for a successful campaign. We can provide instruction on this process so that your organization can have employees certified to do this for your organization going forward. Our senior planners are certified in Engagement implementation.

Program Design and Implementation

We are ideally suited to provide a complete turnkey solution for the implementation of your Engagement programs, or unbundled solutions as needed. Our in-house project management group works with your team to create a formal business and implementation plan with timelines, roles and responsibilities, budgets, and return on investment.

As part of our design process, we can teach your team on how to create programs going forward, and even provide them with a certification based on passing an online test.

Based on your needs:

- Our in-house program development team is available at any time to help address current issues or design new programs.
- Our technology solution involves a fully integrated Engagement portal technology along with a catalog of in-stock items that can be carefully crafted by selecting from over 2 million items, physical and digital appropriate for every program and objective.
- Our communications group can provide any type of written, audio/video, and digital content, as needed, including survey and test questions.
- We can create and implement collaboration or innovation strategies that keep people energized.
- We can implement peer-to-peer recognition programs to promote teamwork.

Project management: We assign a senior and support project manager as needed to manage every element of the program the client seeks to outsource, from implementation of the entire plan or some portion of it in coordination with your internal team.

Audience data: We start by understanding the best data exchange procedures in the security environment you require. We can adapt to almost any known constraints. We can work with API or other electronic data exchanges or CSV uploads or other data entry methods.

Customer service: While The Engagement Agency's catalog system minimizes out-of-stock or other issues that create customer service issues, we believe that engagement includes providing your people with the best possible service. We continually monitor the system to make sure deliveries got out on time and respond immediately to any issues.

Web tools: Our Web tools are highly configurable to support the strategy, design, and tactics required for this or multiple programs. Our Engagement portal technology can support multiple programs with multiple people participating in multiple programs. Most notably, the platform is highly customizable so that you are not locked into some prescribed one-size-fits-all approach. We can manage all elements of the portal on your behalf, including ongoing communications, or authorized administrators can launch and manage programs. Each program need only use the tools appropriate to its objectives and audience.

Program design: As previously noted The Engagement Agency employs a formal approach to help you rapidly develop the most effective program design based on what's happening in the marketplace and your organization.

No matter what your objective and challenge, we can help you rapidly identify the human and other issues your program will have to address. Our technology platform is designed so that you can rapidly deploy sprint or SPIF programs to achieve specific short-term objectives, reinforced with effective, timely communication and learning opportunities as needed.

Implementation: Using a written Engagement business plan, The Engagement Agency's account management team implements the program according to the prescribed timeline, roles and responsibilities, and approvals.

Brainstorming: The Engagement Agency's team can work informally with your team leaders to strategize or employ a formal fact-finding process known as the nominal group technique to rapidly gather invaluable information from the front-lines in a way that helps build teamwork.

Benchmarking: The Engagement Agency's technology is built on a framework that enables you to compare various aspects of results, actions, and levels of engagement across the organization and programs, as well as over time. All of The Engagement Agency's methodologies are based on the latest industry best practices as it relates to program design.

Return on investment: The Engagement Agency employs an industry standard known as the Master Measurement Model to translate performance gains into a measurable return for the organization. We can help you establish a platform that enables you to see the behavioral value to your organization of points distributed, so you can track ROI on a real-time basis.

Engagement Portal Technology

The Engagement Agency employs a unique technology platform known as the Engagement Portal that does for Engagement what Oracle and SAP do for enterprise management and Salesforce.com and *SugarCRM* do for customer relationship management: organize all of the key elements required for Engagement on to a single, highly customizable and flexible platform.

That said, the EA can also work with technology already in place if that is preferable.

Most recognition and incentive technologies focus mostly on rewards or "social media." The Engagement Portal is strategically designed to integrate all of the elements necessary to translate Engagement into business results:

- Assessment—a survey tool to continually track Engagement levels of targeted audiences.
- Communication—news, profiles, how-to articles, user-generated content, including both web content and e-newsletters.
- Learning—tests.
- Collaboration and Innovation—easy ways for people to share content and ideas to contribute to success.
- Rewards to get attention and create a buzz, promote positive feelings, etc.
- Recognition to help people feel appreciated and supported.
- Return on Investment measurement to determine the value of success to the organization in dollar-denominated terms when possible.

The Engagement Portal is set up so that your organization can reward points for any results or behaviors that recipients can accumulate for redemption on your customized catalog—designed to reinforce your key messages every time someone returns to the site.

The portal platform can support as many programs/campaigns as you need for any audience.

Rewards

If a solution calls for rewards, The Engagement Agency's approach is based on the latest research on the role of non-cash rewards versus cash. According to the research (please see Appendix I), non-cash rewards work best when designed to:

- Make a clear distinction with cash compensation;
- Draw attention to the program and communications;
- Foster an atmosphere of fun;
- Make people feel part of a mission and team;
- Involve significant others;
- Create lasting impressions and memories;
- Reinforce key values and messages.

Today, the number one problem at many organizations is simply to get people to pay attention: effective reward programs do just that. The Engagement Agency's travel and merchandise solutions are designed to strategically build lasting bonds and relationships with the people most critical to your business in a way that is completely distinguished from compensation, commissions, and benefits policies.

Motivational Events and Travel—Based on your objectives, budget, and audience demographics, The Engagement Agency's planners focus on creating experiences, not trips. People return enriched, informed, re-energized, and with unforgettable memories of your organization and its mission. The Engagement Agency has experience crafting an infinite variety of meetings, experiences and events tailored to almost any imaginable communications, learning or reward objective, including both group and individual programs.

Merchandise Designed to Engage—Based on your audience and program, The Engagement Agency can create highly customized, carefully crafted catalogs of rewards selected from over 2 million products and digital items. Our offerings are available <u>now</u> so that people don't have to wait for weeks to receive their rewards. Our catalog approach provides a unique opportunity to further reinforce messages when people are most receptive—i.e., the moment they are shopping for their rewards. Your catalog can even include a simple assessment questionnaire to gather additional useful information at a time people are most happy to give it.

You have the option of further customizing and personalizing the reward packaging, including custom labels and personalized letter inserts, so that your rewards <u>stand out</u> from all of the boxes coming in from Amazon and other popular retailers.

We believe your reward strategy should be an opportunity to build an even closer relationship with your audience, rather than giving them cash equivalents that get quickly forgotten.

Because The Engagement Agency's catalogs are powered by direct feeds of inventory from the nation's leading wholesalers, our prices are based on transparent markups on wholesale pricing determined by whether or not you wish to fund our support services through 1) markups and/or 2) separate management fees. You get the advantages of a company that holds inventory without having to pay for it.

Part II: Program Design, Training, and Implementation Process

Overview
The most important element involved with achieving business goals through people is campaign design. The Engagement Agency uses the following process to develop a formal Engagement Business Plan that outlines the goals and objectives, strategies and tactics, roles and responsibilities, campaign time line, ongoing assessment process, return-on-investment measurement, and feedback process. The business plan includes:

Goals: What are the specific objectives and goals?

The Brand definition: What does the brand stand for to all of its constituencies? What are its implied promises? What is it's personality?

Audience: Who are the people who can help us achieve them? How will the data of participants and the organization be managed?

Assessment: What is the audience's understanding of the goals? How they can help contribute to them? How committed are they to success? What are the obstacles to goal achievement? What are the overlooked opportunities? We use both surveys (including your current survey system if you have one) and an information gathering meeting process known as the "nominal group technique" to systematically and objectively gather useful input from representatives of management and employees or customers or other audiences, depending on the program. (Each meeting takes no more than 2 ½ hours with a break and usually no more than two are required—one with management, the other with employees or customers.

Behaviors/actions: What are the behaviors or actions people can take that will contribute to the goal?

Performance measures: How will we measure results and the actions/behaviors that contributed to them? How can we determine the dollar value of that performance to the organization? How will we set up the program to determine return-on-investment?

Communication: What is an appropriate theme for the campaign? What are the appropriate communication tools to use for this organization? The company's web site? Print posters? Meetings? Mail? E-mail? Videos? Events? Promotional products? Or all of the above? This is determined by understanding the best way to reach your audience and by developing the appropriate integrated, multi-touch "drip marketing" approach in order to get attention over time.

Learning: What type of training or information campaign will be necessary to ensure that people have the capability to do what's asked? Are tests appropriate? If so, how often? Is there a current training program on to which we can piggyback this effort?

Collaboration and innovation: How can we spark a great sense of involvement in buy-in by giving participants a chance to share ideas and suggestions?

Recognition: How can the program foster a great sense of support and meaning by enabling management to formally recognize employees or even for employees to recognize each other?

Rewards: What rewards are appropriate for the program goals, budget, audience, and organizational culture to help focus attention; promote a sense of fun and support, and involve significant others?

Measurement and feedback: Based on the performance measures above, as well as dollar value to the organization of achieving goals, what is the process for tracking and feeding back this information to the organization?

Implementation

The key to almost any Engagement effort is to have a central place—preferably on the Internet—for the audience to participate in all aspects of the campaign, including communications, learning, collaboration and innovation, recognition, rewards, and performance measurement. If your organization already has an Intranet platform for managing these elements, we can begin with that. If not, we provide a highly cost effective set of technologies known as the Engagement Portal and Universal Rewards Exchange to address all elements of Engagement required in your program. It can be integrated into your organization's Intranet sign-in.

The Engagement portal is built to manage all aspects of the program and collect and manage any data related to any program, customizable to your requirements. All data is exportable to third-party software for advanced analysis. The system can provide real-time reports on almost any activity related to the program, from participation in various web tools, to levels of emotional engagement.

The rewards catalog, if applicable, is populated by real-time feeds from leading wholesalers of your choice with the ability to select from literally millions of items to create the most carefully crafted and targeted catalogs. Our team continually monitors the system to make sure that all vendors are shipping on time; over 99% of all shipments go out in no more than three to five days, and backorders occur in well under 1% of all redemptions. We continually monitor vendor performance and can make changes at any time to insure compliance with service level agreements.

Program Management

While utilizing highly creative processes for program design, The Engagement Agency relies on the most buttoned-up processes and technology for program execution. By starting with a written business plan, timeline, budget, with deliverables and ROI, we stay on track and on time. Included in the plan are clear roles and responsibilities so that there is an accountability process for making sure the program is properly implemented and monitored. Depending on the length of the campaign, we suggest monthly or quarterly update meetings to assess progress and to consider adjustments as needed.

Next Steps…

If you would like to discuss this information as it more specifically-relates to your organization and circumstances, we would be pleased to schedule some time to review the best options for you. There is no cost associated with these initial conversations.

ENTERPRISE
ENGAGEMENT ALLIANCE
A roadmap to people-centric business

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Appendix I
Summary of Key Research Documents in Engagement

Overview of Engagement
*http://www.enterpriseengagement.org/direct/user/site/1/files/EEASupplierDirectory2012_Final
.pdf*
A white paper detailing the emerging field of Engagement and how it applies to the design of
traditional incentive, recognition, and loyalty program

Enterprise Engagement: The Textbook
A formal textbook on Enterprise Engagement co-authored by EA's senior consultant Bruce Bolger that
draws from 20 years of independent research and input from dozens of corporate practitioners,
engagement solution providers, and academics.

Economics of Engagement
*http://www.enterpriseengagement.org/articles/content/8288917/the-economics-of-
engagement/*
A white paper outlining the economic benefits of engagement

Incentives, Rewards, and Workplace Motivation
*http://theirf.org/research/content/6010783/mastering-measurement-the-critical-performance-
elements-of-incentive-design/*
One of the most comprehensive studies ever conducted on how to connect motivation to
business results.

Non-Cash Rewards Best Practices
http://www.enterpriseengagement.org/articles/content/8288907/finding-the-right-mix/
This chapter of a formal curriculum on Engagement is based on extensive research on use of
non-cash rewards.

Master Measurement Model
www.enterpriseengagement.org/direct/user/site/1/files/EEASupplierDirectory2012_Final.pdf
This white paper describes the methodology behind the measurement processes referenced in
this proposal.