

## AN EXECUTIVE VIEW OF SOLICITING HIGH-VALUE STAKEHOLDERS' FEEDBACK

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**Abstract:** This white paper highlights the unique challenges to accessing high-value stakeholders' feedback and provides a model for successfully transforming their feedback into a competitive advantage.

*"Understanding the attitude and behaviors of high-value stakeholders is a key success factor for organizations."*

## THE GROWTH OF METRICS-DRIVEN DECISION-MAKING

The growing importance of metrics and analysis in corporate decision-making has created an increased need to gather relevant data across all stakeholder groups. Monitoring key metrics across stakeholders allows a company to compare and contrast degrees of company health – and to identify where valuable resources should be directed.

The ability to extend metrics across different attributes and stakeholders and develop meaningful, significant results from these activities can be a significant competitive advantage for an organization. While some metrics will be unique to each company, others will be applicable to all:

- Metrics that currently have traction among a firm's management;
- Metrics that a firm uses to measure success, or are tied to strategic objectives;
- Metrics that are tied to a firm's core values or brand identity;
- Metrics that are required by regulators or for licensing;
- Metrics that a firm has identified through advanced analysis as being drivers of desired outcomes; and,
- Metrics that have been identified through external or industry sources as being drivers of desired outcomes.

What is driving this high prioritization of metrics? At many companies, CEOs are beginning to hold executives with traditionally hard-to-track programs (e.g., HR, marketing) to the same amount of accountability demanded of other executives.<sup>1</sup> For others, the driving force is a desire to have programs that are clearly tied to strategic business objectives. And for many, the push for metrics is driven by a need to allocate valuable human resources as efficiently and effectively as possible. Metrics force a level of effectiveness and accountability that can help a company ensure that it is meeting objectives on many fronts. Regardless of the reason, the desire to embrace metrics and accountability in an organization can have tremendously positive results for a company's health, and is a practice that is rapidly becoming standard at top organizations.

## THE ROLE OF HIGH-VALUE STAKEHOLDERS

Reaching the appropriate stakeholders is critical to accessing actionable, relevant data. Today's organizations need to have a 360-degree view of their company that takes into account all stakeholder groups to fully understand and quantify their brand, reputation and impact. These stakeholders might include:

- Customer chain – includes previous, current and future customers, as well as the succession of

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<sup>1</sup> Knowledge at Wharton - *Marketers Turn to Metrics to Measure the Impact of Their Initiatives*, 2002

people they come into contact with regarding a company.

- Talent chain – includes previous, current and future employees, as well as those with whom they interact.
- Public opinion – includes the thoughts of the general populace and subgroups regarding a company's goods, services, social actions, etc.
- Influencers – includes industry heads, local and national leaders, celebrities, etc.
- Investors – includes individual as well as institutional investors.
- Vendors – includes all those who affect the development, manufacturing, distribution, sales and service of a company's products or services.
- Regulators – includes those at the local, state, national and international levels who can affect changes in legislation that can alter the business environment for a company.
- Media – includes local, state, national and global participants involved in developing and distributing news and entertainment.

Each of these stakeholders can affect a company's overall health, either on their own or collectively. However, within each of these stakeholder groups, there exists a sub-segment whose opinions are of tremendous importance, yet their access is extremely limited. These high-value stakeholders are decidedly sought after on many fronts, with a multitude of demands on their time and, very often, a financial situation that is unaffected by normal requests for feedback. This category often

includes senior executives (CEOs, CFOs, COOs etc.), doctors, lawyers, public officials, and other persons in strong positions of leadership and/or wealth. Time has tremendous value for these respondents, and yet it is often these exact individuals who can provide the most compelling insights for a company. Their significant experience and leading positions make understanding the attitude and behaviors of these populations a key success factor for many organizations.

Often, these individuals are leaders, either of their organization or in their communities, and can typically provide not only their personal perspective but also a pulse for an entire group of individuals. These high-value respondents are frequently early adopters of key products, services or trends, and accessing their feedback can prove invaluable along the entire value chain. And of course, these individuals are typically possessors of a disparate percentage of wealth, power and influence.

Clearly, gaining access to these persons can be a significant win for many companies. However, traditional means of accessing the public are not viable for this segment of the population; an innovative approach is required to successfully connect with high-value stakeholders.

## CHALLENGES WITH EXISTING ACCESS MODELS

Survey research response rates are declining, with conventional methods of telemarketing and direct mail campaigning becoming headaches for the vast majority of the high-value segment of society. Accessing these hard-to-reach stakeholders via computer is becoming increasingly difficult as well, with spam and the threat of computer viruses contributing to the practice of deleting or filtering e-mail from most unknown recipients.

Not only is accessing stakeholders becoming an increasing challenge, but the rise of metric-driven decision-making has led to an increased demand for market research, and the resulting proliferation of surveys has greatly diminished stakeholders' desire to participate. In addition to growing requests for panel participation or other venues, the ease and relative low cost of executing online research via e-mail or pop-up surveys has resulted in an overwhelming number of survey opportunities, diluting the overall effect and essentially teaching these stakeholders to ignore the bulk of these contacts. The existing survey modalities will not succeed in reaching the high-value populations, and a new, fresh approach for these exchanges is necessary.

## CHALLENGES UNIQUE TO THE HIGH-VALUE STAKEHOLDER POPULATION

In addition to the technical difficulties of gaining access to this valuable segment of the market, the stakeholders

themselves present some unique hurdles to companies trying to access their feedback. One of the biggest challenges for companies is properly aligning participation incentives with the value of these industrious stakeholders' time. Traditional incentives are often "token," leading to an uneven exchange between a company and a valued stakeholder. For a senior executive or other sought-after respondent, individuals looking for financial incentive often require payment equivalent to what their time is worth. If a lawyer bills out at \$500 an hour, \$250 should be paid for a 30-minute interview.

Alternatively, a relevant gift (e.g., an industry-focused book or even airline miles) can be offered, and charity-based incentives have proven effective on occasion as well. Companies should also consider providing copies of an executive summary report to their participating stakeholders, which allows contributors to see both the impact of their feedback as well as the viewpoints of their colleagues. Regardless of the option chosen, incentives need to fit the value of the stakeholder's time. Failure to align incentives properly will result in low motivation to take part in the survey.

A second issue to overcome in dealing with the high-value segment is a general lack of interest in the survey topic(s). Most organizations will have one chance at best to engage with these difficult-to-reach stakeholders, and wasting that opportunity on an irrelevant or uninteresting survey topic would be a shame. Ensuring that the subject matter is directly

pertinent to the list of target stakeholders is very important. Similarly, researchers should understand the topic adequately enough to design an interview for these experts. Companies must be mindful of their audience, particularly when accessing this type of stakeholder. These high-value candidates are often at the top of their particular field of expertise, and an approach that fails to bear this fact in mind will not meet with the success it otherwise could.

Finally, this particular segment of the population often has an attitude of disdain toward the idea of surveys. “I don't do surveys,” is not uncommon feedback from the high-value population, and a company must replace the traditional transaction-based survey model with a relationship-building effort that seeks to overcome the negative stigma this group has about surveys.

## REACHING THE HIGH-VALUE STAKEHOLDERS

### Outreach

In attempting to access high-value stakeholders, a company's outreach approach is critical. Companies should focus on relationship building with their key stakeholders, viewing any contact with these stakeholders as an outreach activity. Whether in person, via computer or via phone, interactions should be interactive, avoiding traditional market research thinking and the vocabulary that depersonalizes it. Personal phone calls and thank you letters are standard elements for establishing and maintaining these important relationships.

A valuable component of relationship interactions with these individuals is demonstrating respect for their positions and time. Initial contacts should be personalized, with correct names and background information already established. Companies must demonstrate that they have already taken the time to understand their stakeholders and the expertise they can provide. Surveys should be no longer than 10 minutes, with a target of around 5 minutes being ideal. Companies should also consider providing feedback to respondents, showing participants that their input and views have been heard. At every turn, precautions should be taken to ensure that participants feel their time is valued by the organization and their feedback is important to the future of the company.

### Branding

In addition to having a strategic outreach methodology, companies should consider branding their survey programs in a fashion that is relevant to their target stakeholders. Admittedly, an unbranded approach would be ideal to limit biases; however, experience has shown that establishing research partnerships with organizations that have a compelling brand and/or reputation to key individuals is more effective in accessing elusive high-value stakeholders. One such model revolves around developing a branded study with an identified sponsor that is relevant to the target population. For example, a research effort targeting influential business leaders may begin with a letter from a CEO requesting that the addressee complete the e-mail survey upon receipt. The company conducting

research is able to draw upon existing brand equity of an established, relevant organization to create a sense of trust and familiarity with its target respondents.

A similar idea is a sponsored study, whereby a university or think tank lends their name to the research effort.

This association again provides the target population with a sense of familiarity, and can actually increase the credibility of the entire effort. A company is able to align with the sponsor in all client communications, or even develop an advisory board rather than just sending out an online survey.

Finally, organizations may consider establishing partnerships with existing communities that have strong ties to their target stakeholders. For example, a research effort tied to the Harvard Medical School alumni association is much more likely to gain traction with those members than trying to access them directly. Professional associations (American Bar Association, ACLU, etc.) are strong candidates for partnership as well, particularly if the subject is topical and can benefit their organization in some fashion.

### **Networks and Panels**

Companies can also focus on building networks and panels via referrals from their existing high-value stakeholders. By using a chain of recommendations from individuals, companies can gain access to powerful, pre-screened networks. The referral process can create a sense of obligation to respond in individuals whose friends or colleagues have passed along their contact information. A similar methodology can be used

in accessing relevant existing online communities.

Tapping into an accessible group of people with a shared passion can yield powerful insights.

Another methodology involves the establishment of “elite” panels, in which individuals are tapped to be topical experts, and they in turn identify and/or invite relevant associates to join. In this model, council members assist in research endeavors as needed, but they also help build and grow the network. This can occur through referrals alone, or by helping increase credibility of the network itself by publishing topical research for other members, participating in online chats or blogs, and other methods of bringing value to network membership.

### **KEY SUCCESS FACTORS**

To ensure the best opportunity of effectively accessing high-value stakeholders, organizations should consider the following key success factors:

#### **1. Approach should focus on relationship building**

Conventional survey methods are transaction-based, but the high-value segment has limited motivation to participate in such exchanges. Relationships need to be developed and maintained, and interactions should be personalized and highly interactive.

#### **2. Show a clear respect for time**

In all communications with these challenging respondents, organizations must show a clear respect for time. From concise, direct

communications to well-designed surveys, to an appropriate show of appreciation for the time involved, surveyors should demonstrate that they understand and appreciate the effort involved for the respondents.

### **3. Consider a branded approach**

Partnering with an organization familiar to and respected by the target stakeholders lends an element of credibility to the research effort, and can provide additional incentive for potential targets to engage in the project.

### **4. Incentives should make sense for target populations**

The participation incentives offered should be of interest to the target stakeholders. Failure to align incentives properly will result in low motivation to take part in the survey.

### **5. Provide feedback to participants**

Ensuring that participants receive feedback after the research process demonstrates that their views have been of value to the project, and their precious time has been well spent.

Research + Data Insights and Cambia Information Group, LLC have teamed up to apply their stakeholder management and technology expertise to develop a consistent approach for accessing hard-to-reach stakeholders on behalf of organizations. Listening to and embracing stakeholder feedback to monitor ongoing

company health can provide significant advantage to an organization. As global competition continues to increase complexity for all organizations, guidance from this segment of the population will be invaluable in ensuring strategic agility and maximum performance.