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“Our personal and business worlds have changed; *Empowered* is the blueprint for digital immigrants and natives to successfully participate.”

**Stephen Gillett, Chief Information Officer, GM Digital Ventures, Starbucks Coffee Company**

## **EMPOWERED:**

**Unleash Your Employees, Energize Your Customers, and Transform Your Business**

by Josh Bernoff and Ted Schadler

Customers have more power than ever, thanks to groundswell technologies that give them unprecedented amounts of information and connections. Case in point: Dave Carroll’s infamous “United Breaks Guitars” YouTube video. Customers can easily make their complaints public and viral, and in a world that moves at the speed of Twitter, corporations can no longer run an organization from the top down. The solutions are going to come from the people in marketing, in sales, and support. Your job as a manager is no longer to run things. Your job is to support and empower those creative people to develop solutions that can serve customers at the speed of the groundswell.

In **EMPOWERED: Unleash Your Employees, Energize Your Customers, and Transform Your Business** (Harvard Business Review Press; hardcover; September 14, 2010), top Forrester executives Josh Bernoff and Ted Schadler explain that in order to thrive in today’s connected world, companies must empower their *employees* to solve empowered *customers’* problems, using the same technological tools that customers are using to sound their attack. Bernoff co-authored the 2008 bestseller *Groundswell*, which offered strategies for connecting with customers in a world transformed by social technologies. The book was a blockbuster, featured everywhere from CNBC to the *Financial Times*, and was hailed as “one of the most comprehensive and useful primers on the sudden surge in social media” (*Advertising Age*). **EMPOWERED** picks up where *Groundswell* left off, addressing the new management challenges that have arisen as companies engage with their customers in the groundswell.

In the new groundswell—called the Empowered Revolution—customer solutions will not come from management, but from employees on the ground. Bernoff and Schadler have aptly named these employees HEROes: Highly Empowered and Resourceful Operatives. They're behind customer service initiatives like Best Buy's celebrated Twelpforce, and Comcast's game-changing Digital Care Team. HEROes are already armed with technologies—in fact, 37 percent of US information workers use do-it-yourself technology to get work done. They're also engaged and ready to innovate, but they need support and structure from their organizations

This grass-roots approach turns the traditional organizational hierarchy on its head and requires companies to transform the way they operate. Fueled by original data from Forrester Research, **EMPOWERED** addresses two facets of this management challenge: understanding what HEROes actually do; and setting up management and IT structures to create and sustain a HERO-powered business. The book offers a number of tools, including:

- 25 case studies of innovative companies and leaders who have enacted HERO-based programs—like John Bernier and Ben Hedrington at Best Buy, who built an army of 2,500 tweeting employees to reach out to customers online
- The **Effort-Value Evaluation**, which helps managers and HEROes assess whether a project is worth pursuing (available at <http://www.forrester.com/empowered/tools.html>)
- The four-step **IDEA process** for turning customer service into a marketing tool: **I**dentify the mass influencers; **D**eliver groundswell customer service; **E**mpower your customers with mobile information; and **A**mplify your fans (see attached)
- The **HERO Compact**: an agreement between the HEROes, management, and IT that defines each group's role and how they will work together to serve customers (see attached)
- A **HERO Index** for determining whether your company is ready to support HEROes
- Strategies and systems for managing HEROes, supporting their innovation, helping them collaborate, and keeping them safe
- Ways your IT department can become the trusted partner for your company's employee- and business-led technology innovation

**EMPOWERED** offers managers a blueprint for encouraging innovation, containing chaos, and building a HERO-powered company.

“The shift towards empowered consumers affects every business now, whether you're selling washing machines, electronics, business services, banking, or entertainment,” say Bernoff and Schadler. “You can build a strategy around empowering employees to solve customers' problems—set policy, train them, and harness their creativity as a strategic force to power your company. In today's environment, it can make or break you.”

For marketing, IT, and tech industry leaders wondering how to get creative solutions out of their teams, **EMPOWERED** offers the hard data, real-world examples, and practical tools that will free your employees, serve your customers, and transform your business.

**EMPOWERED:**

**Unleash Your Employees, Energize Your Customers, and Transform Your Business**

**Authors: Josh Bernoff and Ted Schadler**

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<http://www.forrester.com/empowered/>

## About the Authors

**JOSH BERNOFF** is senior vice president of idea development at Forrester Research and is responsible for identifying, developing, and promoting some of the company's most influential and forward-looking ideas.

Josh is the co-author of the *BusinessWeek* bestselling book *Groundswell: Winning in a World Transformed by Social Technologies* (Harvard Business Press, 2008), a comprehensive analysis of corporate strategy for dealing with social technologies. *Groundswell* has won critical acclaim: Abbey Klaasen of *Advertising Age* picked it as the best book ever written on marketing and media, and Amazon's editors put it in the top 10 business books of the year.

In 2008, the Society for New Communications Research picked Josh and his *Groundswell* co-author, Charlene Li, as “visionaries of the year.”

Josh joined Forrester in 1995. In 1996, he created the Technographics segmentation, a classification of consumers according to how they approach technology. Forrester has used this segmentation as the basis of its consumer research offering, also called Technographics, since 1997. Josh is also known for 10 years of analysis of the television industry.

Josh's research, analysis, and opinions appear frequently in publications like the *New York Times* and the *Wall Street Journal*. He writes a column for *Marketing News*, a publication of the American Marketing Association, and blogs for Forrester and *Advertising Age*. Josh has keynoted major conferences on television, music, marketing, and technology in Barcelona, Cannes, Chicago, London, New York, Rome, Tokyo, and Sao Paolo.

**TED SCHADLER** is vice president and principal analyst at Forrester Research. His work in over 13 years at Forrester has consistently focused on disruptive technologies and how senior decision-makers should harness them. Ted uses quantitative studies and business analysis to identify and answer the technology questions of executives in business and consumer markets.

Since Ted joined Forrester in 1997, he has had a wide and varied career as an analyst, research director, innovator, and business manager. Ted has been instrumental in analyzing the impact of Internet 1.0, open source software, Web services, digital media, broadband, cloud computing, smartphones, and collaboration. In 2000, Ted launched and managed Forrester TechRankings, the precursor to the Forrester Wave methodology.

In 2009, Ted created Forrester's Workforce Technographics methodology, the industry's first benchmark analysis of how people use technology at work. This quantitative approach to understanding workforce technology has led to many of the ideas in *Empowered*.

Ted has appeared as a technology expert on ABC, CBC, CNBC, NBC, and PBS, and his research and analyses have been cited in *BusinessWeek*, *The Economist*, the *New York Times*, and the *Wall Street Journal*. Ted has keynoted at business technology and marketing conferences worldwide.

Ted's background includes five years as a professional rock-and-roll musician for the Maryland-based band Crash Davenport, and 10 years as chief technology officer for a company building healthcare applications. He has degrees from Swarthmore College, the University of Maryland College Park, and MIT Sloan School of Business.

## What Others are Saying about EMPOWERED

"*Empowered* delivers powerful insight into one of the most untapped opportunities for major marketers—engaging the army of employees and brand fans that put personal faces on corporate giants. As *Groundswell* did before it, *Empowered* serves up practical and tactical advice for making it happen, placing it in the all-too-rare category of business books that don't just tell you what to do but also offer a framework for how to do it."

**Abbey Klaassen, Executive Editor, *Advertising Age***

"For years, business books have been extolling marketers to empower customers with digital tools. *Empowered* is even more relevant given today's realities: it gives us the tools to align our marketing strategy with the expectations of our already-empowered customers."

**Georges-Edouard Dias, SVP Digital Business, L'Oréal**

"Organizations in the twenty-first century must engage and energize employees in order to establish sustainable differentiation and drive results. In this timely book, Bernoff and Schadler provide practical thinking based on dozens of case studies, providing insights on how best to unleash the creative forces within your company."

**Dr. Shaygan Kheradpir, EVP & CIO, Verizon**

# Two Key Concepts from EMPOWERED

## The Four-step IDEA Process

Customers vocalize their opinions about products and services through groundswell technologies—Twitter, Facebook, blogs and product reviews—and they can spread either positive or negative messages. In **EMPOWERED**, Bernoff and Schadler tell companies to consider these customers a marketing channel rather than a customer service cost center and outline a four-step strategy—called IDEA—for connecting with them.

1. **IDENTIFY** the mass influencers.

Concentrate on the people most likely to spread messages about your company.

2. **DELIVER** groundswell customer service.

Reach out through groundswell channels—Twitter, blogs, YouTube, Facebook, for example—and serve these vocal and influential customers.

3. **EMPOWER** your customers with information, especially mobile information.

Keep people happy by surrounding them with the information they need, through mobile technologies like text messaging, mobile sites, and smartphone apps.

4. **AMPLIFY** your fans.

Find the people who love you, and boost the impact they have on their peers. This section includes a five-step method for amplifying word of mouth.

## The HERO Compact

In a HERO-powered business, empowered employees are a continuous force for innovation in service of customers. But it takes three groups working together to make this customer-focused innovation possible: IT, managers, and the HEROes themselves. This new agreement is called the HERO Compact, and it defines the new roles for each player.

- **IT** is responsible for supporting HEROes with technology innovation, giving leaders the tools to manage risk, and scaling up successful solutions.
- **Managers** are responsible for making customer-focused innovation a priority, establishing the governance structures to support HEROes, and working with IT to manage the business risk of technology.
- **HEROes** are responsible for knowing what customers need, experimenting with technologies that solve customer problems, and operating within the safety principles established by IT and managers.

Adapted from **Empowered** by Josh Bernoff and Ted Schadler, Harvard Business Review Press, September 2010, Hardcover.

## An Interview with Josh Bernoff and Ted Schadler, authors of **EMPOWERED**

**Q Q: Josh – you co-authored the bestseller *Groundswell*, which showed organizations how to succeed in a world transformed by social technologies. What developments have you observed in the business world in the two years since *Groundswell* was published? And how does EMPOWERED address the new challenges that have arisen since then?**

**A:** Two changes have happened. First, since we wrote *Groundswell*, the world has become far more social, and mobile technologies have brought those social connections a lot more immediacy. This increases the pressure that customers put on the companies that serve them. The second change is that more people, everywhere in companies, are using technology to create all kinds of solutions to serve those empowered customers. These are sales, customer service, and IT people, not just the marketing people we focused on in *Groundswell*. The new challenge is how to manage and keep secure all these employees creating technology-based solutions for customers.

**Q: Empowering your employees to create innovative customer solutions sounds great. But how can managers assess which of their employees' projects are worth pursuing?**

**A:** Our book includes a tool that employees or their managers can use to assess their projects by answering two basic questions: 1) how much value can we create? 2) how much effort is involved? We help people identify both the roadblocks they may face as well as the benefits and make sure they match up in such a way that a project is worth doing. We've got an online version of the tool at <http://www.forrester.com/empoweredtool>.

**Q: Which technologies are most important in the trend toward empowered customers? Which technologies empower employees?**

**A:** Social technologies are still important, but mobile and video technologies are interacting with them in a way that really amps up the customer power. When it comes to employees, mobile technologies like iPhone apps, video technologies like YouTube, and social technologies like customer communities are making it relatively cheap for people in the organization to innovate. And with cloud services like Google App Engine or Amazon EC2, tech-savvy employees can now build interactive solutions without even needing a server – they can just rent the resources they need with a credit card. Over time, new technologies will arrive, first as consumer tools, and soon after as enabling technologies that employees can use as well.

**Q: Becoming a HERO-powered organization is appealing, but it must be challenging to run your business this way. What can managers do to encourage innovative HEROes, while simultaneously containing the chaos?**

**A:** There are a lot of things you can do to encourage HEROes. The first step is to unlock the tools they need, from Google Docs to LinkedIn to Facebook, so they can actually use the technology they need to understand and solve customer problems. It's not enough to say you want innovation – you need to build in systems that find those sparks of innovation and fan them into actual projects. You need to develop a culture that tolerates small failures. And it sure helps if you find the innovators and recognize them publicly in front of the rest of the company.

As far as managing the chaos, we recommend getting people involved in similar projects connected across

departments – a governance structure called a council. Councils can help people turn ideas into best practices. And companies need to train their staff on how not to violate regulations or get into legal trouble. But in general, the competitive danger of squashing innovation is a lot worse than the manageable risks that people innovating with technology can cause.

**Q: How will IT departments have to adjust in order to support a HERO-powered organization?**

**A:** Fear of or real experience with technology projects gone astray has made IT skittish when it comes to new business-led projects. The result is that IT has, in some cases, earned itself a reputation for shutting down technologies before projects even get going. The biggest change for IT is realizing that all of these employee-led and business-led projects are actually improving the company by using technology to solve the problems of empowered customers. Rather than shut things down, IT groups need to get better at asking, “What are you trying to accomplish?” and “How can we help?”

The biggest adjustment has to do with managing risk. Risk needs to become a business cost to be assessed rather than an IT concern to avoid. To accomplish this risk-management shift, firms need to craft a new agreement between employees, business managers, and IT, where all three groups agree to manage risk, focus on customers, and work in concert rather than at cross-purposes.

IT will need to go further than that, though, to build the new security architecture, identify key technology platforms that empower employees, implement innovation and social collaboration programs, and be a technology advisor to employees and managers.

**Q: Your case study of Best Buy’s Twelpforce is a perfect example of a HERO-powered customer service solution. What’s the biggest takeaway for managers? For IT leaders?**

**A:** Best Buy’s Twelpforce is a great example of what happens when an organization is run the way *Empowered* describes – a tech whiz in the Web group named Ben Hedrington created the technology for it, a marketer named John Bernier rolled it out, and 2,500 front-line employees have participated. It helps Best Buy appear to be a high-service organization without adding much in the way of costs. The lesson for managers is this: tolerate and encourage innovation, even if the results aren’t “completely baked,” as Best Buy CMO Barry Judge puts it. And IT can learn from this, too – a bunch of people, none of whom were in IT, built this solution. These are the kind of projects IT has to encourage but not own. IT people should ask themselves, how could I make Twelpforce-type projects happen at my company?

**Q: Building these customer-focused solutions involves three groups: HEROes, IT, and management. How can the three work together in a systematic and collaborative way?**

**A:** Each of the three groups has a responsibility. The HEROes must innovate, but promise to use technology to serve customers and observe the rules management and IT set up. Management has to encourage HERO activity, but assess risk and understand when people are getting in over their heads. And IT has to help management with those risks, and provide support to the HEROes without owning what’s created. If they all work together, the results can transform the speed at which companies run.

**Q: How can a company determine whether they're ready to support HEROes? And if you find your company is only at the beginning of the journey, what can individuals do to make a difference?**

**A:** As we describe in *Empowered*, you need to find out if your employees feel empowered to solve problems and if they're actually using technologies unsanctioned by the IT department. You could survey them or look at the benchmarks we have by industry in the book. To get more HERO activity, you'll have to move further on both scales. Here's where management recognizing and highlighting HERO projects makes the difference, because it sends the message that the company is supportive of technology innovation outside of IT.