

May 2018 @ CTM

THE DIRECTOR SPEAKS - The Long Arm of Market Reputation



Mark Zuckerberg spoke before congress earlier this month about Facebook data practices and the Cambridge Analytica situation. Technically, Facebook did nothing illegal in that it was adhering to its data policy by facilitating social networking and using the wealth of data it collected to advertise to its users; the terms and conditions of this relationship are documented in their privacy policy among other places. In this situation, a Cambridge professor petitioned Facebook for access to some of its data for academic research (limited non-commercial use) – a use of the data that is allowed by Facebook's policy. Despite this agreement, the professor then sold the data to Cambridge Analytica under a different data policy who used the data, without Facebook's oversight, to fabricate and direct fake-news targeted to influence the outcome of the 2016 presidential elections (as well as elections in other countries). So while there may be some larger legal issues associated with this story, Facebook's direct actions appear to be legal while other players in this story may not have such clean hands under the Facebook policy. The primary issue for Facebook is that Facebook has a limited ability to validate and enforce whether their partners are following the Facebook partnership guidelines properly and they have almost no visibility to what the partners of a partner might do with Facebook-derived data. The lesson that needs to be

learned here is that a company with a good reputation can be besmirched by the actions of their partners. In our world, where ecosystems are increasingly becoming more complicated, a part of the partnership strategy has to focus on the data privacy/security policies of the partner company to make sure that such data partners will operate, use, and support an ethical standard that transcends the organization bounds of any individual company. This event serves to highlight why a company's data policies need to provide a means of validation if that policy is intended to protect the integrity of a company and its customers.

UPCOMING EVENTS

- **May 4, 2018.** [ISSA-LA Information Security Summit](#), University City Hilton, Universal City CA
- **May 7-9, 2018.** [Accelerating the Innovation Economy in SmartCities](#), Santa Clara Convention Center, Santa Clara CA
- **May 7-11, 2018.** [Advanced Management Program \(AMP\)](#), is a unique program designed to give your high potential employees the skills they need to anticipate, prepare, and communicate in an increasingly dynamic and technology-driven world. The content will focus on market factors that have and continue to disrupt the market and the workplace. More details can be found in the [course brochure](#). Registration is open and can be found [here](#).
- **May 14-17, 2018.** [Internet of Things World](#), Santa Clara Convention Center, Santa Clara CA
- **May 16-17, 2018.** [Future Technologies for a Better Government](#), Cal Expo, Sacramento CA
- **June 20-22, 2018.** [Global Tech Jam](#), Portland OR
- **August 18, 2018.** [Big Data Day LA 2018](#), University of Southern California., Los Angeles, CA
- **Sept 12-14, 2018.** [Mobile World Congress Americas](#), Los Angeles, CA
- **Nov 2-18, 2018.** [Innovate LA 2018](#), held throughout the Los Angeles area.
- **Nov 5-9, 2018.** CTMs Fall 2018 [Advanced Management Program \(AMP\)](#), gives your high potential employees the skills they need to anticipate, prepare, and communicate in an increasingly dynamic and technology-driven world. More details can be found in the [course brochure](#). Registration is open and can be found [here](#).

If you have an event that you would like us to include in our newsletter, please send an email to ctm@marshall.usc.edu

IN CONVERSATION WITH OLIVER BELL, CEO of Oliver Bell, Inc



Oliver Bell is CEO of a consulting company that focuses on workplace climate assessment, issue resolution, action planning, and leadership development and training. More specifically, they work with senior leadership teams to create a proactive work environment maximizing team effectiveness in a climate characterized by open communication, proactive change management, leading a diverse and inclusive workforce, and focused execution.

1) Companies are beginning to consider the 'character' of their employees to be as important as their work experience. Part of the reason for this is that it is almost impossible to predict the challenges employees will face in the future. Do you agree that this is an important trend or is this just a blip on the radar screen?

The rising trend is a critically important issue for most businesses. Our 'character' guides and protects us in time of calm and in time of crisis. Character helps us focus and avoid roaming the path of the lost, out of touch, and unformed.

Character allows us to answer the question, "Who are we when no one's looking?" If you look at industry – we often find that "...companies hire for talent, but they fire for character." From the boardroom to the shop floor there is an emerging realization that things must be done better. Thirty years ago (a career ago), companies could make mistakes, and it would take the rest of the world awhile to find out. In the current age of social media and instant communications, a company's success or failure can become a global phenomenon within 15 minutes of an event happening. This means all parties – boards, C-suites, operational and support teams – must be on their "A" game at all times for aiming for success or risk damage to their reputation and prestige adversely impacting public trust and confidence in their organization.

2) If companies want employees with strong character skills, is this an inherent ability or is this something that employees can develop other job skills?

It is a blend. Most people grow up being taught some form of character via their family, church, school, or other organization or group with whom they are affiliated. In addition to that exposure - we believe the fundamentals of character, what others expect of you, what is acceptable and what is unacceptable in your operating environment can be taught, trained, discussed, and practiced. The challenge is that upon entering the world of work, there are few active, effective delivery methods to ensure ongoing development of a strong character. The good news is there is an emergence of providers leading discussions on and about character, ethics, and compliance. Some of these new companies operate in a reactive or compliance mode as problem solvers for companies who have demonstrated a character or ethical breach and need to fix them. The other portion of these new character-focused companies is moving to the proactive, developmental side of the character issue developing integrated training programs to help organizations focus on character and engage in strategies to help people think through their actions and their impact before implementation – a virtual character firewall. This later approach is where companies like ours are currently focused.

3) One could argue that a company's culture is defined as the composite sum of their employee's character. What do you think about this?

We like that statement. We have a slight variation that constructively expands on that thought ... "Character is to the individual what culture is to the organization." When we ask Chief Executive Officers, Chief Operating Officers, General Counsels, Chief Human Resources Officers, or Chief Ethics Officers (more companies should consider this position as a stand-alone, direct report the board) what keeps them up at night; inevitably, their answers describe a negative situation which will have as part of its root cause a failure of leadership or individual character. This failure whether contributing to poor culture like the leadership failure at Wells Fargo or customer facing failures like the recent death of the pet on United Airlines relate back to people not fully thinking through situations so they can do the right thing... for the right reason... at the right time.

4) Oliver, you deal with corporate boards and the C-Suite of companies seeking to nurture and grow their company's culture. Corporate culture is notoriously hard to shape; can you tell us how you go about such a process?

You have to do more than talk about culture, you have to live it. We are rolling out a new, multi-faceted program we call the "Character Initiative"™. It is an integrated strategy of assessment, learning, discussion, and testing to help individuals grow in understanding and character and to help organizations be true to and enhance their cultures. The program includes:

1. Individual and workgroup climate assessments focused on how employees react to ideological organizations
2. Training based on our eight pillars of characters content from Your Best Destiny and as well as character development training conducted at West Point and Annapolis
3. Our interactive leadership discussion series where organizational leadership co-facilitate character development sessions with our consultants
4. Situational judgment scenarios developed in conjunction with a leading information technology media company performing cutting-edge services in leadership.

Some of this training and interaction can be done online, however, we view character, leadership, and ethics as high touch activities that are best delivered with a strong in-person component. Leaders must convey the importance of these activities to those that work for them. People in the organization need to see first-hand the leadership emphasis on the issues in thought, word and deed. This is how we intend to contribute to the success of organizations in this space.

THINKING AMP: The Evolving Technoscape



The spring 2018 AMP kicks off on May 7th, and the 2018 program promises to be a strong. With the expanding number of issues and options in front of today's managers and leaders, this program continues to grow in importance. Leaders who will successfully take their company through the next decade need to be sufficiently versed in the timely and relevant topics of the day including: digital transformation, cybersecurity/trust, the IoT ecosystem, data-driven decision making, business strategy in the evolving digital corporation, executive storytelling, the forces of globalization, and more. It is not that they need to become technology guru's but need to know enough to understand the business implications of these trends and to help their company evolve in the face of such changes.

When this program began, back in 1985, it was much longer than it is now (months, in fact!) and comprised a series of standalone courses that, while all good, weren't particularly interlinked. Originally, the telco community as a large niche struggling through its own digital transformation and competitive awakening. Over time, other industries, such as the entertainment industry, began to undergo a similar but different metamorphosis of their own.

Today, things have changed and now virtually every company in every industry is undergoing some sort of market/technology transformation. As a result, the AMP audience is no longer telco-centric; in fact, a typical class of AMP participants pulls from a wide swath of industry and interest. And even our understanding of a competitive market is beginning to change in the sense that traditional competition, that is, homogeneous competition among two or more rivals, is a thing of the past. Today we focus on the non-traditional side of the competitive landscape because we have no choice. For example, a telco or an IT player today that ignores the Amazons and Googles of the world is already in trouble—I don't care how good their products, services or marketing strategies are. Alternatively, an entertainment company that does not understand the importance of autonomous vehicles or IOT customer data may fail to maintain brand relevance over time.

AMP is a very different program than it was back then, and it's even more different today. Our focus is and always be on making our participant companies more aware of the changing technoscape, to make them more aware in how to communicate the challenges and options in front of them, and, in short, be more relevant and flexible than they have ever been. Join us—it's going to be a good week.

THE I³ CORNER:

The founding members of the I3 consortium are working together to create an operational framework that will allow the consortium to build the tools needed to enable an open data marketplace to like IOT data producers to link with IOT data consumers in a way that is open, participatory, managed. Such a next generate view of an IOT-centric network serves to change the nature of the relationship between IOT device owners and IOT applications (and data brokers) by creating a trusted environment which is a prerequisite for accelerated IOT market development. At the April 4th I3 founders

meeting, the governance committee reached a preliminary agreement on the membership and intellectual property policies. We are currently in the process of documenting those principles and reviewing the proposal in committee; our goal is to have a full set of operational policies in place by the June time frame. The technical committees met concurrently and is working to define a series of proof-of-concept projects that can be integrated to tangibly demonstrate the economic and user value of leveraging IOT data and stepping toward a networked philosophy (as differentiated from a siloed construct). While there is much work still to be done, the target is to create a viable demonstrator before the end of 2018 and to release the first opensource release in 2019.

READER CONTRIBUTIONS - The Fan Multiplier Effect by Claudio Ludovisi



Mr. Ludovisi is a strategy and marketing executive with 20+ years of experience in senior roles at Disney ABC Television Group, NBC Universal, IMAX, Amgen, Warner Bros, IMAX, Booz Allen & Hamilton, and Saatchi & Saatchi.

Can you imagine if you had a free workforce out there, actively helping you grow your business? What would that be worth? Meet your fans. These are the people who believe in you and love what you do so much that they are willing to recommend you to others.

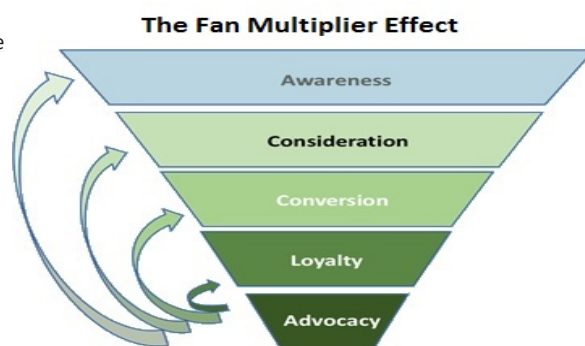
If you are in sports, show business or fashion, you are probably used to thinking about your customers as "fans", but if you are in consumer products, medical devices or the plumbing business may not be used to thinking about your customers this way. Yet, every time you exceed your customers' expectations, earn their trust or simply inspire them in some way, you are creating fan and real potential for positive Word of Mouth (WOM); this is also known as "earned media". (Hint: not paid!).

Personal recommendations from people we trust have always been a powerful driver of purchase decisions. What's changed dramatically is technology, and its ability to put create that personal recommendation at scale. Connected devices, database management, video versioning, and other personalization tools, all of which allow you to build a direct, two-way, continuous relationship with your fans. They, in turn, can give you access to new customers or entire markets that you may not even have considered!

This is where both challenges and opportunities arise for businesses both small and large. It is clear that technology is evolving faster than the business process is able to absorb. This is because skill sets and organizational structures evolve more slowly than innovation. In fact, even the biggest and most sophisticated marketers are still relying disproportionately on a traditional (Paid) mass media model, paired with blatant "corporate" advertising messaging that is becoming less effective, especially with younger consumers.

The potential here goes well beyond improving marketing process. Raising your game in fan engagement involves the coordination of multiple touch points, not just ones controlled by the CMO. That kind of coordination is nothing short of transformation for the entire organization. It is a cross-functional endeavor which requires buy-in from the top and an infusion of purpose into the organization's culture. It can inspire everyone in the company who directly or indirectly to elevate the customer's experience. That's ultimately what converts a target prospect or a simple consumer into an enthusiastic and loyal fan who will help you grow your business.

For specific examples and expanded discussion fan engagement, please download the "white paper" with the following link <http://i3-iot.net/CTM/Fan-Engagement-White-Paper-CTM.pdf>. Please **contact Claudio Ludovisi directly at intentionpower@sbcglobal.net to continue the conversation.**



Key Fan Multiplier Questions

1. Is your fan database big enough to dial back on your paid media?
2. Are your social videos compelling enough that if you received one on your phone, you would stop what you are doing pass it on to your friends?
3. Are you measuring "net promoter score" consistently in your digital campaigns?
4. Is your content itself driving fan registrations and growing your database?
5. Are you relying mainly on Marketing or Social Media teams or do you have a cross-functional fan engagement task force in place?

READINGS FROM THE EDITOR'S DESK

- HRB makes the argument that large companies need to invest in research in order to innovate; a short-cut innovation strategy seldom works. [There's No Good Alternative to Investing in R&D](#)
- SnapChat, and presumably other short form video content, is developed and produced differently from other content vehicles; has to be considered as a very different form of entertainment. [How NBCU's specialized unit makes shows for Snapchat and beyond](#)
- Transportation tech continues to evolve but separately, transportation business models are also undergoing a metamorphosis as subscription and Airbnb-type business models are being applied to redefine our relationship with our cars. [Airbnb for Cars is Here. And the Rental Car Giants are not Happy.](#) and [BMW's Car Subscription Pilot Program Starts at \\$2999 per Month.](#) For a scenario driven view of the topic see [Forces of Change: The Future of Mobility.](#)
- Behavioral Tech, understanding how people interact with technology to change their lives and how they deal with obstacles associated with new tech adoption is a key success determinant. [The Human Side of Tech: Driving Behavioral Change](#)
- Retailers often take on additional debt as they seek to find ways to compete against their on-line competitors and it is often the additional debt that makes it difficult to compete with on-line competitors. [America's Retail Apocalypse is Really Just Beginning.](#)

- Verizon's 2018 Data Breach Investigations show that network threats continue to abound and grow increasingly creative and while constant vigilance thwarts many such attacks, it only takes one to get through and create havoc. [Tales of Dirty Deeds and Unscrupulous Activities](#).
- Successful technology development costs time and money; the key to success is a matter of leverage. Leverage can imply costs are leveraged over many products, over different markets, or different geographies but the underlying principal is based on leveraging fixed costs over a large base. [Inside NVIDIA Corp's Leveraged Business Model](#).
- Innovation labs serve as idea incubators but often fail to impact bottom line results; many such efforts fail to consider the importance of the business model and often there are no clear paths to industrialize the concepts that emerge from such venues. [The Myth of the Innovation Lab](#)
- Amazon's is entering the home security services business. It complements the service that places packages safely in the home and highlights devices like Ring and Blink. The fixed cost price model is a break from the X-as-a-service trend. [Amazon is now Selling Home Security Services, Including Installations and No Monthly Fee](#)
- Interactive Video has to be treated as a new media form that marketers are using to increase consumer engagement; it is interesting to consider how these different concepts can be applied to make our entertainment more engagement and increase fan engagement. [What is Interactive Video](#)

CTM RESOURCES

CTM has a long history of making topical and thoughtful information available to the CTM Board so they can better guide the evolution of CTM (and potentially internalize this information within their companies as well). That said, the CTM community includes many who are interested in topics related to how technology and business intersect so they can capitalize on nuanced opportunities brought about by these disruptive influences. In support of the larger CTM community, we are making a select set of interesting documents available for those interested.

- [Platforms, Real-Time & Partner Management, and Collaborative Innovation](#). CTM has developed a survey-driven database that characterizes companies are growing much faster than their competitors. This data allows identification of technology and practices that drive business breakthroughs. This report investigates five areas of interest; 1) how leaders use digital platforms to support internal communications programs, 2) how companies become real-time companies in the eyes of their customer, 3) how companies work with technical partners in a networked age, 4) how collaborative innovation can create new opportunities, and 5) how open innovation allows firms to outpace their competitors in an increasingly challenging market.
- [Privacy, Security, Analytics, Supply Chain & Teamwork in Modern Ecosystems](#). This research investigates how successful companies use technology and tech-centric processes to drive bottom line results. This research covers six specific areas of interest which include 1) how growth companies manage the tradeoffs between speed and accuracy, 2) how issues such as privacy, security, and trust are redefining customer relationships, 3) how different data analytic techniques drive different results, 4) how geographically distributed teams need to be managed differently over the life-cycle of the program, 5) how evolving supply chains undermine historical sources of competitive advantage while creating new opportunities for growth.
- [Future of Media Program: Evolving Revenue Models](#). The media industry is currently undergoing a radical transition that has been accelerated over the past three years. At play are deep changes in the way consumers view filmed entertainment and how the industry makes money. In this report, we look at the evolving business models for media monetization from advertising to subscription and transaction. We also study the impact of new and emerging business models on the economy of the media industry. Special attention is paid to Millennial consumers who are estimated to outnumber non-Millennials by 2030. This generation is likely to greatly impact the growth of new business models going forward.
- [Internet of Things \(IOT\) Model](#). CTM has developed an IOT modeling tool study changes in market demand based on price elasticity for more than 50 different IOT opportunities. The bandwidth from these applications was in order to better understand aggregate IOT traffic volumes and application cost parameters. The model allows identification of specific profit pools and cost drivers within the larger IOT market. Effectively, the modeling tools allow users to adjust the parameters that drive the IOT market so they are reflective of their private view of market evolution so that they can better evaluate their strategy and the impact of disruptors might have on a very dynamic market.

SUPPORT CTM

Please feel free to forward this email to your friends and colleagues who you believe would benefit from participation in the CTM community. For those of you who wish to be included in the CTM family of people who believe that technology is a tool and that business success is achieved by skilled wielding of the tools available to us, you can join the CTM family by registering [on our home page](#). A voluntary subscription would be appreciated for those that want to give back and help grow the CTM community. If you have suggestions, topics you want to see included in future newsletter updates, or other general inquiries, feel free to email us at ctm@marshall.usc.edu

For physical mail correspondence: USC-Marshall-CTM, 1149 S Hill Street, 9th floor, Los Angeles CA 90015

GOT A BUSINESS, TECHNOLOGY, STRATEGY ISSUE?

The CTM team is dedicated to working with its member companies to better understand the increasingly dynamic business world in which we live. We believe that companies must lead in order to prosper in a world where the threats and opportunities facing us are constantly evolving. Feel free to reach out to the CTM team via email at ctm@marshall.usc.edu if you would like to start a conversation.

ABOUT CTM

Founded in 1985, the Institute for Communication Technology Management (CTM) is the world's foremost institute at the intersection of technology and content and represents a powerful network of industry leaders involved in every facet of the digital media value chain. For more about CTM go to marshall.usc.edu/ctm.