

*"...to be successful, you need to live within the influence ecosystem and that requires a change of mindset. Fortunately, Philip Sheldrake will show you how."*

David Meerman Scott, bestselling author  
of *The New Rules of Marketing & PR*



# The Business of Influence

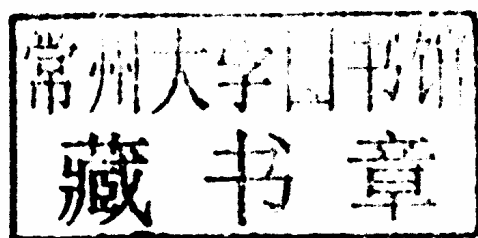
Reframing Marketing and  
PR for the Digital Age

Philip Sheldrake

# THE BUSINESS OF INFLUENCE

REFRAMING MARKETING AND PR

FOR THE DIGITAL AGE



PHILIP SHELDRAKE

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## FOREWORD

**T**his book will make practitioners in marketing, PR, advertising, communications, and any professional with the word digital in his title uncertain about the future of his discipline. Philip Sheldrake makes the case that the traditional boundaries of these professions must morph into a more holistic expertise, which he calls the influence professional. And while such professionals must retain their creative right-brain talents, they must become far more skilled in left-brained analytical competencies.

The convergence of markets, media, and technology raises the bar further. New business models, the proliferation of social media, the relative power shift from producers to consumers, and the overwhelming amount of structured and unstructured data make managing our businesses more challenging than ever. It seems that we increasingly know more and more about less and less. Change is constant, and accelerating.

What to do? The author proposes a creative, structured approach to the business of influence, which is to say, business itself. He identifies the interactions between stakeholders – businesses, employees, customers, competitors – and maps the primary influence flows among them. He provides a practical framework for seeing, and acting on, the drivers of value creation. He proposes an Influence Scorecard that integrates strategy, objectives, and processes in an actionable influence framework. The scorecard provides structure, focus, and a common language – across organizational boundaries – that drives desired behaviors and outcomes. It puts influence at the center of the strategy.

Strategy is how an organization intends to create value for its stakeholders consistent with its mission. Strategy is a process, and like any process, it must be managed and its efficacy measured. And while strategy is important, it's the execution that counts. In a world where 7 out of 10 organizations fail to execute their strategies, it is not surprising that execution – that is, fulfilling the promise of creating value for stakeholders – is the number one issue that keeps executives up at night. The Kaplan Norton Balanced Scorecard has become the dominant framework successful organizations use to execute their strategies.

The author's Influence Scorecard builds on the Kaplan Norton approach, in which success is based on universal management principles: aligning around the critical few things that matter, identifying cause-and-effect relationships that result in desired outcomes, setting measures and targets to drive behaviors, choosing initiatives that close performance gaps, and managing strategy as a process. The Influence Scorecard shares these principles with the Balanced Scorecard, and applies them to the emergent, cross-disciplinary domain of influence.

Readers will find helpful the author's syntheses of recent research and writing in the art and science of influence – including insights into social media and Web 3.0 developments, chapter summaries, and a glossary. Whether the emerging profession of the Chief Influence Officer leads the nexus of influence as the author suggests, or another C level executive, influence – like strategy itself – is a team sport. Influence is everyone's responsibility. This book will help you understand your contribution to that reality.

**Robert L. Howie, Jr.**

Managing Director, CMO, Palladium Group, Inc.  
 Director, Kaplan Norton Balanced Scorecard Hall of Fame  
 for Executing Strategy  
 Boston, Massachusetts  
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# INTRODUCTION

**A**re you in the business of influence?

You have been influenced when you think in a way you wouldn't otherwise have thought, or when you do something you wouldn't otherwise have done.

So, are you influencing? And are you being influenced?

If you're in the business of marketing, advertising, public relations, internal communications, public affairs, customer service, customer relationship management, social media, copywriting and content, SEO, branding, branded apps and widgets, brand journalism, Web design, graphic design, direct marketing, packaging, merchandising, promotion, publicity, events, sponsorship, sales and sales promotion, marketing and market research, product and service design and development, then you're in the business of influence.

In fact, if you're in business, indeed any type of organization, then you're in the business of influence.

This book contends that the business of influence is broken. At least that's how the popular press might report it. If you want to consider it through the lens of more cerebral media, you'd say that the current strategic approach to influence and the structure, processes and evaluation of influence are not fit for purpose. If the business of influence were to suddenly occur to us right now, relieving us for one hypothetical moment of the historic baggage of past political, economic, social and technological forces, traditions, language and happenstance, we'd suggest something quite different. It would take much greater advantage of the capabilities of the latest information technology and be far better aligned to its *raison d'être* courtesy of recent insights into business strategy.

We need such a rethink. Not for academic purposes. Not for ‘wouldn’t it be nice if’ daydreaming. But for real, practical application to improve operational effectiveness and efficiency and to delight more stakeholders more often and more profitably.

We need such a rethink because information technology has revolutionized communications, massively and irrevocably. The authors of the *Cluetrain Manifesto* asserted back in 1999 that the Internet allows markets to revert to the days when a market was defined by people gathering and talking among themselves about buyer and seller reputation, product quality and prices. This was lost for a while as the scale of organizations and markets outstripped the facility for consumers to coalesce. But the consumers’ conversation and participation are now well and truly re-ignited, and the mechanics, the variables and parameters of the ebb and flow of influence within each and every market have been transformed.

Moreover, we’re only a fraction of the way through this information technology revolution. Things are about to get faster.

This book explains where we’ve come from and where we’re heading. It identifies the changes that organizations and individual practitioners must pursue to remain relevant and delight those stakeholders more often and more profitably, and provides a roadmap from here to there.

This book is about your organization, your profession and your career. As with all changes to the competitive landscape, the earliest adopters and adapters will secure competitive advantage for their organization and for themselves, while the laggards will suffer competitive disadvantage. And quickly.

## **The questions this book seeks to answer**

In rethinking the modern processes of influence, we address four big questions:

1. Following the rise of social media, how can we make sense of the noise in our marketplace to help us to achieve our objectives and beat our competitors?



2. How should the influence processes permeate the organization more systematically and measurably, accruing its practitioners more authority and accountability in the boardroom?
3. What big trends must everyone in the business of influence get to grips with?
4. Who does this stuff? What traits and skills are demanded of the modern practitioner?

Let's take a very brief look at each question:

*Q1. Following the rise of social media, how can we make sense of the noise in our marketplace to help us to achieve our objectives and beat our competitors?*

Social media has ascended so quickly that today only a minority media remain without a social component. The Six Influence Flows™ provides a new model for the ways in which the motivating and deterring influence factors go around and come around, addressing every stakeholder – a model that can then inform your organization's structural and cultural design.

We review the current state of integrated marketing communications and the latest and imminent innovations in social Web analytics. We introduce the ethics of analytics, and make the argument that you should invest as much resource into being influenced as you dedicate to influencing others – after all, improving your sensitivity to your stakeholders' thoughts and feelings can only improve your abilities to address their needs and concerns, and live up to their desires and aspirations more diligently. It stands to reason.

*Q2. How should the influence processes permeate the organization more systematically and measurably, accruing its practitioners more authority and accountability in the boardroom?*

I introduce the Influence Scorecard™. Named in homage to the Balanced Scorecard approach to business performance management, it's a management approach rather than a yardstick per se. It helps an organization to identify which influence processes it wishes to differentiate to its competitive advantage (its influence strategy) and helps to translate influence (marketing, PR, customer service, etc.) objectives into operational objectives, plans and action, potentially demanding new or revised structures and processes.

We discuss what constitutes best practice in measurement and evaluation, and the nature of complexity and chaos in your marketplace. We differentiate between influencer-centric and influence-centric measurement. We show how the Influence Scorecard guides the selection of measurement criteria and the ways in which these measurements can be made and presented for incorporation into business performance management (BPM) approaches such as the Balanced Scorecard.

The Influence Scorecard informs the mechanism for learning from these measures and adjusting influence tactics and strategy accordingly. Importantly, it finally puts to rest the seemingly unending debate about return on investment in the context of marketing and PR type activities.

*Q3. What big trends must everyone in the business of influence get to grips with?*

We're in fast-moving times, but the candidates for 'big trends' stand out clearly. First, there's the mobile phone, and smartphones more specifically. And this takes us quickly on to all the other things we're all interacting with today and tomorrow – the so-called Internet of Things.

This segues neatly into the fresh imperatives of privacy and data ownership, before we take a leap a little further into the future with the advent of buyer marketing. We complete the big trends with an introduction to the semantic Web (a.k.a. Web 3.0).

*Q4. Who does this stuff? What traits and skills are demanded of the modern practitioner?*

I introduce the Chief Influence Officer and the influence professional.

The influence professional represents the convergence of the historically siloed disciplines that exert influence on stakeholders and need to be influenced by stakeholders – PR, marketing, customer service, HR, operations, etc.

Influence professionals understand every option at their disposal to influence and be influenced, and are trained in selecting the right mix of the right approaches at the right time, marking possibly the most distinct departure from the traditional marketing processes manifest to date.

Incumbents know the state of all Six Influence Flows with all key stakeholders at any point in time, and evangelize and embed the Influence Scorecard approach. They are sensitized to their organizations' environments

and their organizations' responses to them in a way that makes many CMOs, for example, look as if they work in little bubbles today.

## The business context

The marketing and PR professions remain relatively unscientific. They are almost the last business disciplines to be transformed by information and communication technologies, and are now going through the same technology-fuelled convulsions that accounting, manufacturing, logistics and retail, for example, underwent in previous decades.

The structure, processes and too frequently blinkered specialism of its practitioners hold back most marketing and PR teams from recognizing that their objectives, activity and associated measurement and evaluation, must work in orchestrated harmony with other disciplines to deliver specific business outcomes. It is still too common, for example, to hear a practitioner or senior manager say that PR and customer service are two separate functions, or fail to gel marketing and PR with product development. If that's not frustrating enough, even getting marketing and PR to work together beautifully can be difficult.

This disorder is increasingly recognized as such, particularly as newer digital aspects bring new types of personality into marketing and PR roles (which is how I, a Chartered Engineer, came to be in this position). The more adaptable practitioners and informed management are beginning to look for new ways to define and synchronize these essential functions and interweave them more closely into the human and informational fabric of an organization.

And not a moment too soon.

The information and communication technology industry's relentless progression is accelerating. All kinds of organizations continue to embrace technology to create new revenue opportunities, improve productivity and communicate with stakeholders. Consumers continue their aggressive adoption of information and communication technology powered products and services, with the inevitable continued evolution of their individual and collective behaviours.

Web 2.0 rocked marketing and PR, but so-called Web 3.0 is already in the ascendancy. If Web 2.0 is about social participation and (user generated) content, Web 3.0 – more precisely known as the semantic Web – entails the Web understanding the meaning of this participation and content. Wikipedia is undergoing a semantic Web transformation right now, an initiative known as dbpedia. The BBC and the UK Government are already there with the [bbc.co.uk](http://bbc.co.uk) and [data.gov.uk](http://data.gov.uk) websites respectively, as is Tesco with some of its websites. Tests show that Google has already tweaked its PageRank algorithm (which determines the search results returned in response to a search query) to boost the rankings of semantically marked-up content over equivalent non-semantic content,<sup>1</sup> constituting one serious reason by itself for marketers to understand what's going on here.

What about the Internet of Things, the term describing the connection of devices to the Internet beyond the typical computer and smartphone? In 2008 Fiat introduced the facility for drivers of some of its vehicles to collect data about their driving style, upload it to the Web and share that information with the company. Nike and Apple joined forces that same year to facilitate the collection, analysis and social sharing of personal performance data in running and other sports. Samsung and others now make Internet TVs capable of collecting data about viewing habits that can be directed into a recommendation engine. Walmart widened the focus of its RFID<sup>2</sup> (digital tags often attached to pallets, boxes and products) rollout from its distribution centres to its stores back in 2007, and Tesco has employed RFID since 2003.

This technological, commercial and cultural revolution is playing out today, yet many organizations still use the structure they have used for many years for their sales, operations, customer service, marketing and PR teams, and external agency, the same marketing strategies (except for the addition of Facebook and Twitter 'strategies'), and the same marketing processes and soft integration with the wider organizations.

The most dynamic and successful organizations are beginning to explore different ways of working, making the status quo simply untenable for all organizations and marketing professionals in the medium term.

## Influenceprofessional.com

Better a book go unread than fail to influence the reader – then the author has wasted the reader's time too.

We have been influenced when we think in a way we wouldn't otherwise have thought, or when we do something we wouldn't otherwise have done. In seeking then to nourish that thinking and focus that action, this book is accompanied by a website at [www.influenceprofessional.com](http://www.influenceprofessional.com). It aspires to be a community-driven website that aims to:

- provide a discussion forum pivoting around the opinions and assertions presented in this book and associated perspectives and thought leadership from other sources;
- cultivate agreement on what skills the influence professional must have, and what might be nice-to-haves, with links to books, blogs, training collateral, events and other resources;
- give aspiring influence professionals the opportunity to ask questions of experts and each other, and share their experiences.

I do hope you have the time and energy to join in. I very much look forward to meeting you, learning what you think about this book and learning from your experiences and insights.

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