The Social CEO

*How does a CEO manage to effectively run a huge organization and still have time to tweet, blog and connect?*

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Good morning everyone. Thanks for having me here this morning.

**The 8 Percent**

In 2011, we heard a lot about numbers.

The 1 percent...

The 99 percent...

But who among you has heard of the 8 percent?

Anyone?

The 8 percent won’t come up on Google.

And depending on where we net out with PIPA (Protect IP Act), Wikipedia may not have an encyclopedic entry on it either.

So here it is.

The 8 percent are people like me.

My name is Peter Aceto.

I’m a CEO...and I tweet.
Now that I feel I just kicked off an Alcoholics Anonymous meeting, I want to share a story about the 8 percent and why we may be special.

In 2010 - Amber McArthur – television and net-casting personality – wrote an article about CEOs on Openforum.com, discussing the business leaders who are active online and concluded that less than 8% of CEOs are active in social media.

“To tweet or not to tweet,” she wrote.

“That’s the question facing many CEOs and C-level executives.”

In this list, she included names like Tony Hsieh (Zappos), Richard Branson (Virgin), Martha Stewart (Martha Stewart), Michael Arrington (Tech Crunch), and Tim O’Reilly (O’Reilly Media) – and ranked them based on her perception of how active they are online.

To my surprise I too was on the list and #5 as well.

Not bad, right?

Now I haven’t had the chance (or guts) to ask Amber whether she included me on this social high rollers list because I belong there or because Canadian content rules apply even to the internet.

I don’t even want to know the answer.

Nonetheless, the 8 percent movement was born.
The Revolution is here

To put it directly, I believe social media’s impact on business will one day be likened to the industrial revolution.

I’m not sure all of YOU would agree.

But the 8 percenters might.

I think that’s probably the thread that most succinctly links us together.

We all see a dramatic shift underway.

Some companies are being run differently today

And more importantly, they will have to be run differently tomorrow.

Don Tapscott the (author of Wikinomics) agrees that this shift is happening.

In Wikinomics, Tapscott writes:

“Millions of media buffs now use blogs, wikis, chat rooms, and personal broadcasting to add their voices to a vociferous stream of dialogue and debate. Employees drive performance by collaborating with peers across organizational boundaries, creating what we call a wiki workplace. Customers become “prosumers”... rather than simply consuming the end product.”

“This new of way of organizing will eventually displace the traditional corporate structures as the economy’s primary engine of wealth creation.”
Interesting.

Another guy who believes in the seismic shift social media is causing for businesses is someone named Gary Vaynerchuk.

*Anyone know who he is?*

He is an influential video-blogger and entrepreneur.

He has over 900,000 Twitter followers.

He believes businesses have changed as well, and that they are using social media because:

“It’s a long way from friends sharing information on what they are having for lunch. (Social media) is used extensively for brand building, for emergency communications, for selling things.”

This is the “so what” moment that everyone anticipates when coming to hear speeches from people like me on topics like this one.

Sales, businesses, customers – all of these things have been turned on their head from how businesses have been run since the 18th century.

I believe this is all because of one word – TRANSPARENCY.

The question I was invited here to answer this morning was “how I manage to run a large organization and still have time to tweet and blog and connect?”

Why has being online everyday made it into my everyday “to-do” list and not everyone else’s?
Why is tweeting important?

Why is chatting with my customers on Facebook meaningful for my bottom line?

And how – given all the responsibilities of running the largest direct bank in Canada along with some international responsibilities – do I manage to fit that into my day?

The balance of what I’m going to say here this morning will answer those questions.

If I had to answer that question succinctly, in a sentence or two, I would say this: I have no choice.

Yes….really….

The Arab Spring, legislative protests, the Occupy Movement – we’ve all heard these examples (ad nauseam) given as evidence for the effect social media has had on the world around us.

I think we all recognize this to be true.

It’s really not that surprising.

People are learning differently…

Acting differently...

And expect things to be done differently – much because of the democratization of the Internet.

It’s a rather amazing phenomenon.
We are witnessing a period of change not seen before in human history.

I believe we are at the confluence of two revolutions - a social revolution and a technology revolution.

And the impact of this change is being felt by businesses globally.

Expectations on businesses have changed.

Expectations of leadership have changed.

Sean Parker – the co-founder of Napster (and several other internet based businesses) and former president of Facebook – went on record with his belief that the outcome of the 2012 US Presidential election race will be determined by social media.

People are demanding transparency like never before....

They want to discuss what they like, PlayStation games, the iPhone versus Android, the companies they support, the ones they resent....and they all want to be part of that conversation.

This is a shift some have referred to as social business.

It hinges on the idea that businesses and their leaders will have no choice but to act more openly and transparently from this day forward.

How a company talks with employees...

Its customers...

Its community...
Its Regulators and Government

And with technology and the expectation that things happen in “real time” how and what we communicate all need to be rethought.

If customers feel they’re not getting the full picture or stories are inconsistent they will be online calling you on it.

The only solution is transparency and to get there - we all need to look closely at our businesses and be able to tear down the walls and let the world look inside...

... as if the world was reading our emails...and sitting in on all of our meetings.

And to allow this to happen, you’ll need to be proud of and stand behind what they’ll see.

How you spend your money...

Your views on employees...

The environment...

How you reconcile the profitability of your business with the value and service that your customers receive with...

... your compensation.

This is the future. This is social business.

So, if you believe what I know to be true then you will begin to understand why I make time to tweet and blog and connect.
Imagine the more simple leadership challenge of understanding what your employees think – what’s going on at the water cooler or the chit chat over a cigarette (no closer than 18 feet from the entrance).

What a wonderful and powerful tool for a CEO to know what her / his employees are thinking, don’t you think?

Think about it.

Is compensation fair?

Are you working people too hard?

Hey, why are you marketing a home equity line of credit when we are teaching people to save their money?

Like ING DIRECT just did.

Any leader would want to know what their employees are thinking and would likely consider what if anything can be done about it – remembering sometimes the only issue is whether you communicated well enough in the first place.

With social media, you have a choice to passively listen to what Canadians think about you and your business, your products, and the service they get when doing business with you.

Or you can choose to be a part of the conversation and help inform, educate and teach people about what you do and what your objectives are...

... what your company stands for and how your business simplifies their lives or changes it in a positive way.
And better yet, if you can engage customers and prospective customers in meaningful dialogue about their lives, challenges, interests and concerns...

... you can build a community of trust, loyalty, and possibly in time, ambassadors for your brand.

Survey after survey shows that information, followed by some form of positive engagement, generally leads to a positive action.

Almost 9 in 10 people claim that a favourable review or conversation they have about a product or service confirms their decision to go through with a purchase. – 90%

An example –

In the middle of 2011, a story was written about ING DIRECT in the popular personal finance blog, *Moneyville*, hosted by the Toronto Star.

It was titled, “I saved $755 by switching my bank,” and discussed why most people never leave their bank.

Even if it’s costing them money.

Does anyone know why people tend not to leave their banks, even if they are being charged more than $300 dollars a year in bank fees just to have a basic transactional account?

This is, by the way, the average amount Canadians pay.

I’ll tell you why.

It’s a hassle – or that is what they perceive.
People rarely do it unless it’s absolutely necessary.

This person on *Moneyville*, however, goes on to write about the fact that she actually opened an account with ING DIRECT because of the online engagement she’d had with us.

She was motivated to use our products because she liked the way we’d engaged her – openly and transparently – on our social properties.

These are many of the reasons why I fit social media into my 9am to 5pm (or 6am to 10pm).

It makes a difference in the lives of Canadians, and our business.

**The Future is social**

Of course there are many predictions for what businesses will look like in the years ahead.

Scott Thompson – the president of PayPal, which now has 100 million active accounts – believes that by 2015, the traditional wallet will become a thing of the past.

Gartner – the IT research and analytics firm – *thinks that “information-smart businesses will increase IT spending per head by 60 percent by 2015.”*

Being a social business....

One where all employees and their leadership will need to be social and will utilize social media in one form or another is what I think the future will hold for most businesses.
I’ll give you an example of one of the ways being a social business has helped us recently.

Remember Gary Vaynerchuk?

I quoted him earlier.

“(Social media) is used extensively for brand building, for emergency communications, for selling things...”

When ING DIRECT launched our THRiVE chequing account (fee free, full service transactional account that pays interest) – we did product development in part as you would expect.

Asked customers what they thought and wanted, invented some of our own unique and orange features, etc.

We took our product to our entire employee base and allowed them to use it and invited them to provide thoughts, comments, feedback on how the product could be better for their everyday lives.

Features, rates, functionality, signup process, navigation, simplicity, look and feel, etc.

We made many modifications and then offered the product to over 10,000 customers who had already volunteered to be the first users.

They too provided thousands of bits of information for us to improve the account, how it works, features, etc.

After implementing many of these ideas we offered it to all Canadians who seem to absolutely love it – we’ve opened nearly 100,000 accounts in just over one year and this has become our second largest source of new customers to the business.
Canadians helped us build the product and have actively helped us sell it as well.

This is one example of how being a social business can be very helpful to your commercial objectives.

ING DIRECT’s business has always been built on a platform of values including transparency, honesty, providing great value and great service.

Our foundation of values and aspiration of complete transparency has allowed ING DIRECT to be a social and culture-driven organization that has enjoyed some success.

In our 15 year history ING DIRECT has been recognized for:

Being one of Canada’s top employers;

Having a Top 10 most admired corporate culture;

Being the 6th largest mortgage originator in Canada...

The 7th largest holder of deposits...

And the 4th largest holder of TFSAs...

Because of our culture and wonderful, passionate employees we are in a position to drive forward with our social strategy.
Our approach will help us remain aligned with our customers and Canadians in general ... allowing us to bring an element of transparency to our business that will be tough to copy.

Our daily interactions, whether in our cafés, on the phone, online or mobile - building a loyal, trusted community of ambassadors that talks about financial wellbeing openly and honestly with Canadians – will have a big impact on our business success.

It will make people interested and willing to explore and broaden their horizons.

Make them want to ask questions about money and fees....
Make them want to pay off debt and simplify their personal finances.
Social media can have a huge impact on this thinking.

As a leader of our business I too must help each of our more than 1,000 employees drive our business forward and help them help us be a more social business.

The proliferation of technology available to consumers today will help us get there.

We use technology to simplify things for Canadians and we believe that because of the rapidly changing attitudes of Canadians and the technology revolution we are in the midst of, that the need for Canadians to visit a branch to do their basic banking can be eliminated.
Since the beginning of time, people have always gathered to discuss important things in their lives.

Food, cars, cameras, good and bad experiences, figuring out how to get a mortgage, etc

They gathered at the kitchen table...

Their place of worship...

The community centre...

Or the hockey rink, cricket or soccer pitch ...

People have always relied on the opinions of their peers – people that are like them – to help them make decisions.

How people work and make decisions is not new, however, technology and social networks has allowed this type of sharing to happen faster, with a broader group of people and outside of traditional boundaries.

How social your business needs to be and leaders need to be is up to you. You certainly have my opinion on the matter.

February 3\textsuperscript{rd} will mark the third anniversary of my Twitter account and the start of my fourth year as a busy social media community member...
The steps it takes to become a social organization are surprising.

We at ING DIRECT are undergoing this shift as an organization.

The main reason why I am on Twitter, Facebook and LinkedIn every day is because I want to stay connected.

I want a “seat at the dinner table” when people are talking about their finances.

I want to be there and weigh in on the discussions and questions.

Leaders find time to do strategic things, important things and this is something I have decided is both.

I want to thank all of you for coming here to DX3 and the conference organizers for having me here. Thank you.

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