

The Volunteer Outreach

Why volunteer-based business retention and expansion programs yield less than stellar buy-in and participation from the CEO community.

By Laith Wardi
ExecutivePulse, Inc.

Volunteer outreach – as opposed to outreach by economic development professionals – is used in many business retention and expansion programs throughout the United States and Canada. Proponents of this practice often cite cost and staff containment as two benefits of this approach to business retention.

While volunteers do come cheap and supplement limited staff, these benefits are outweighed by a number of serious drawbacks inherent to this methodology.

In any town, city or state in the nation, the single, largest asset we have is our industrial base—those businesses that create real wealth and jobs. These are the entities that make or break us. They disproportionately contribute to our tax base, allowing us to enjoy a wide array of municipal services and general quality of life. They provide the good paying jobs that allow us to purchase homes, automobiles and support our children. They support retail and service businesses through the discretionary income that we, as employees, derive from our salaries. The people running these businesses are the true risk takers—the entrepreneurs that, when successful, provide a dividend for all citizens.

Why then, would we entrust the well being of our CEOs to people who know little or nothing about the business of retaining business? Simply put, there is nothing worse than using volunteers as the basis for outreach in a business retention and expansion program.

Doctors, Lawyers, Indian Chiefs – all invaluable to their respective constituencies – are all equally detrimental to an effective, results-oriented retention and expansion program. Yet, across the United States and in Canada, hundreds of well meaning communities regularly enlist these types of people to interface with their wealth and job creating businesses.



Regardless of what type of rationale is being ascribed to this practice, it is, in the final analysis, economic development malpractice.

Many of us have had occasion to travel abroad. Part of our due diligence before the trip is finding out about the customs, values and culture of the destination country. We do this out of respect for “the locals.” Example—in many Pacific Rim countries it is considered rude to receive a business card and promptly put it into your pocket during a meeting. People from these countries expect the recipient of the card to display it in front of them during the entire meeting.

In an economic development scenario, “the locals” are the private-sector CEOs that are the target of our retention and expansion program. Their customs, values and culture are vastly different than ours as public-sector economic developers that are, ostensibly, in business to serve them. How do we bridge the gap? Not by expecting the CEOs to change their way of doing business. We must adapt to their customs, values and culture.

Most volunteer outreach campaigns are spearheaded through a local chamber of commerce or academic institution. Business Retention and Expansion International (BREI) is a case in point. Through local universities and colleges, BREI directs dozens of volunteer-based retention programs in the United States and Canada. In the majority of cases, these programs offer no compelling reason for the CEO to participate in the initiative.

Let’s dissect the methodology to see why.

Volunteers are dispatched to “visit” the CEO community without a basic understanding of the customer retention process—its goals and objectives. They are unfamiliar with economic development policies and programs. They lack the interpersonal and sales skills necessary to get in the door with CEOs and, more importantly, elicit critical knowledge and intelligence about the company. Volunteers do not function as a dependable, single point of contact for the CEO as they come in and out of the retention initiative. And, volunteers are not schooled in the basic tenants of customer service. In aggregate, these factors contribute to the dismal CEO participation rates of volunteer-based business retention and expansion programs. The unwitting CEO that agrees to participate in this type of corporate outreach must certainly ask, “where is the value-added?”

However, the most troubling aspect to the volunteer outreach is that it conveys loud and clear that we, as economic development professionals, have no desire to understand or adapt to the CEO community—their customs, values or culture. In short, we have no respect for the way they do business.



Think about it—CEOs are accustomed to dealing with paid professionals who can provide no-nonsense bottom line answers and results in an expeditious manner. After all, how many suppliers or vendors to an industrial business dispatch “volunteers” to sell raw materials or supplies? What Fortune 500 Company that uses volunteers to sell anything? This type of flagrant, inwardly focused disregard for the private-sector culture will not score any points with a CEO. Successful salespersons, vendors, engineers, architects, lawyers, bankers and utility personnel—all interact with the CEO on terms they can and do understand. That is precisely why they are successful.

The CEO community is not inclined (and can ill-afford) to spend working hours on meaningless, non-professional interactions. After all, they are in business to satisfy their customers—making sales, increasing market share and net profitability. “Touchy-feely” or academic retention programs are foreign to the CEO community, as they do not resemble any part of their profit-making culture.

Today’s CEOs are running businesses in an ever-increasing competitive global economy—replete with shrinking profit margins, low-cost competition from developing nations, labor issues, deadlines, etc.

How is a volunteer going to help the CEO alleviate these market factors while allowing them to reach mission-critical objectives?

How is a “touchy-feely” golf outing or social dinner going to impact their bottom line?

How is a university study sitting on someone’s desk going to impact a company’s profit margin?

They won’t.

About the Author

Laith Wardi CEcD is a founder and principal in ExecutivePulse, Inc., a consulting firm specializing in business retention. Laith is a long-time BR&E practitioner, having conducted hundreds of BR&E visits with business owners of large and small firms, manufacturing and non-manufacturing firms, and firms located in urban and rural areas in Northwest Pennsylvania. He works with clients throughout the United States and Canada; he provides business retention training for the professional certification program sponsored by the International Economic Development Council (IEDC).

This article originally appeared in the January 2001 issue of *The Retention Monthly*.

It is used with the permission of ExecutivePulse, Inc.

www.executivepulse.com



© ExecutivePulse, Inc. All Rights Reserved.