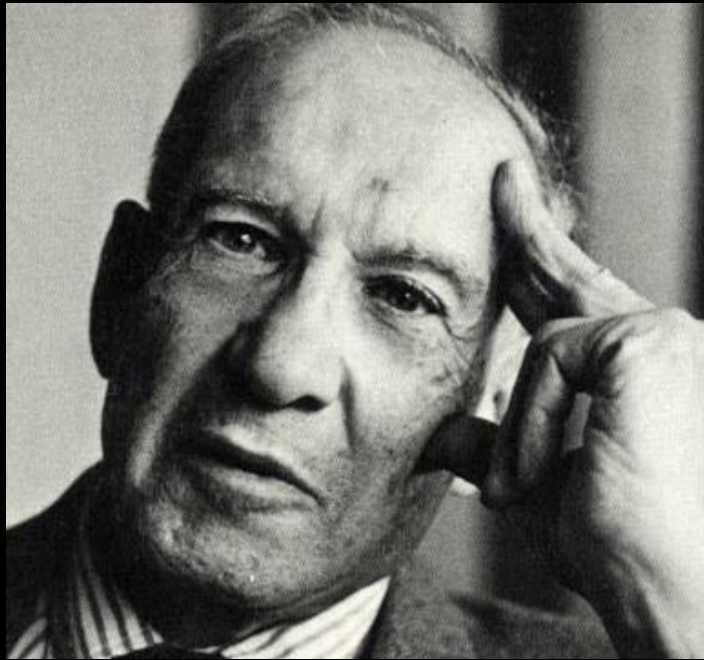


November 13th, 2014

6TH
GLOBAL
**DRUCKER
FORUM
2014**

Dov Seidman



“There is a difference between doing the next thing right and doing the next right thing.”



GROUPON™



seventeen



Bank of America.



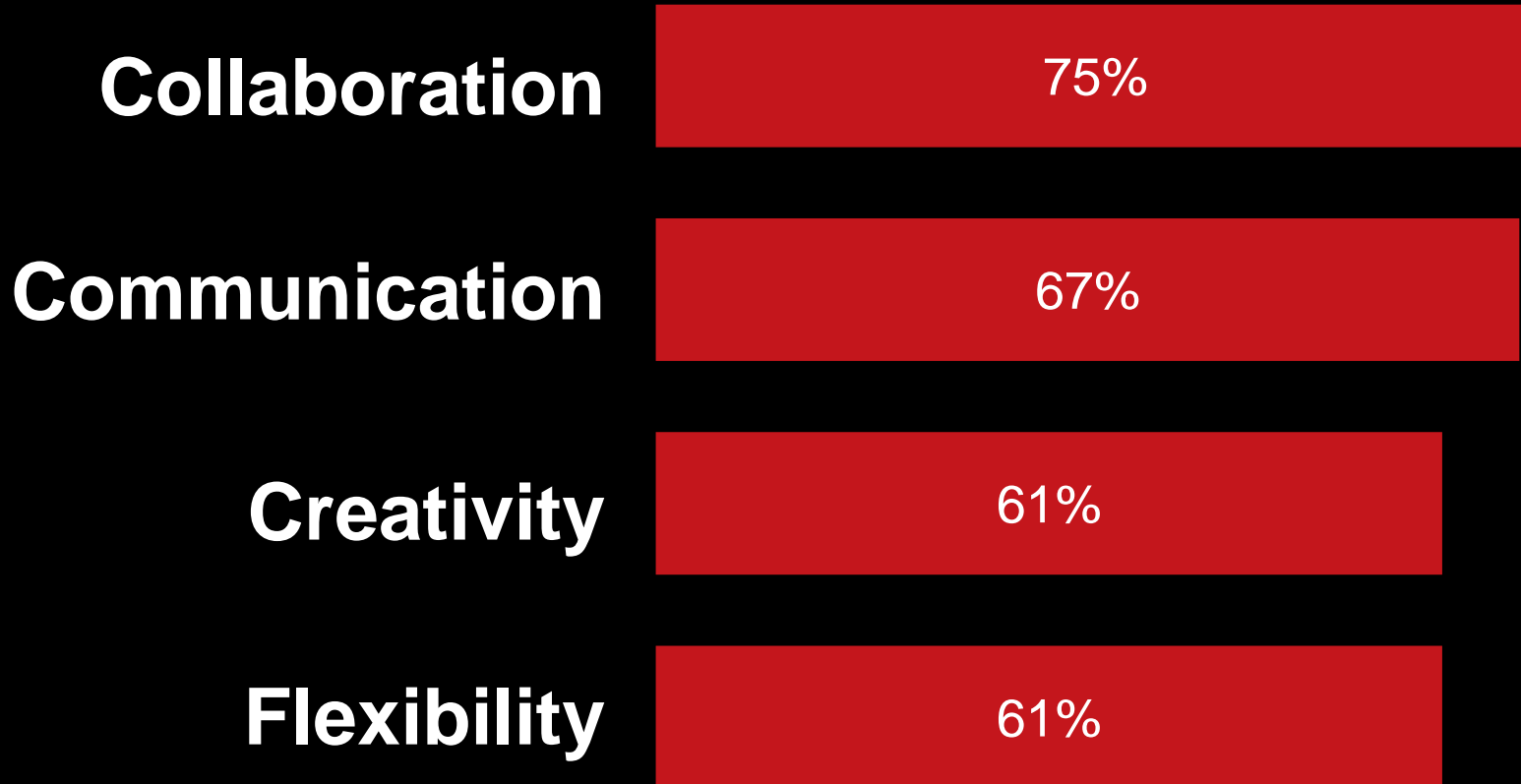
PEPSICO





ERA OF BEHAVIOR

Top Behaviors that CEOs want





INDUSTRIAL



KNOWLEDGE



HUMAN



Human energy



The human element



The human network



Designed for humans



Human flourishing



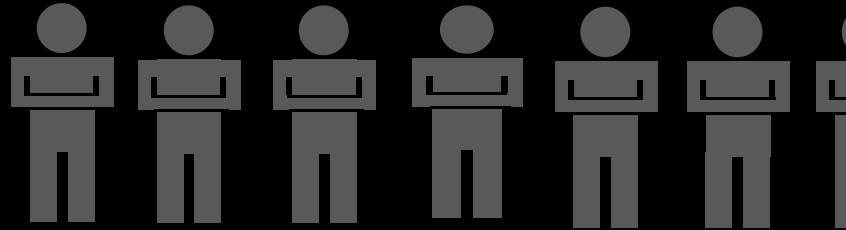
We speak human

Employee Engagement

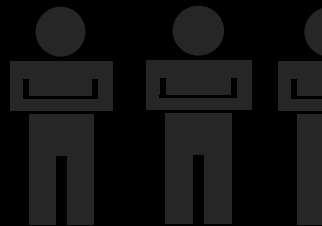
Engaged
13%



Disengaged
63%



Actively disengaged
24%



Consumer Loyalty

25%
not loyal at all

50%
sort of loyal

25%
very loyal

67%

switched because of
poor customer service

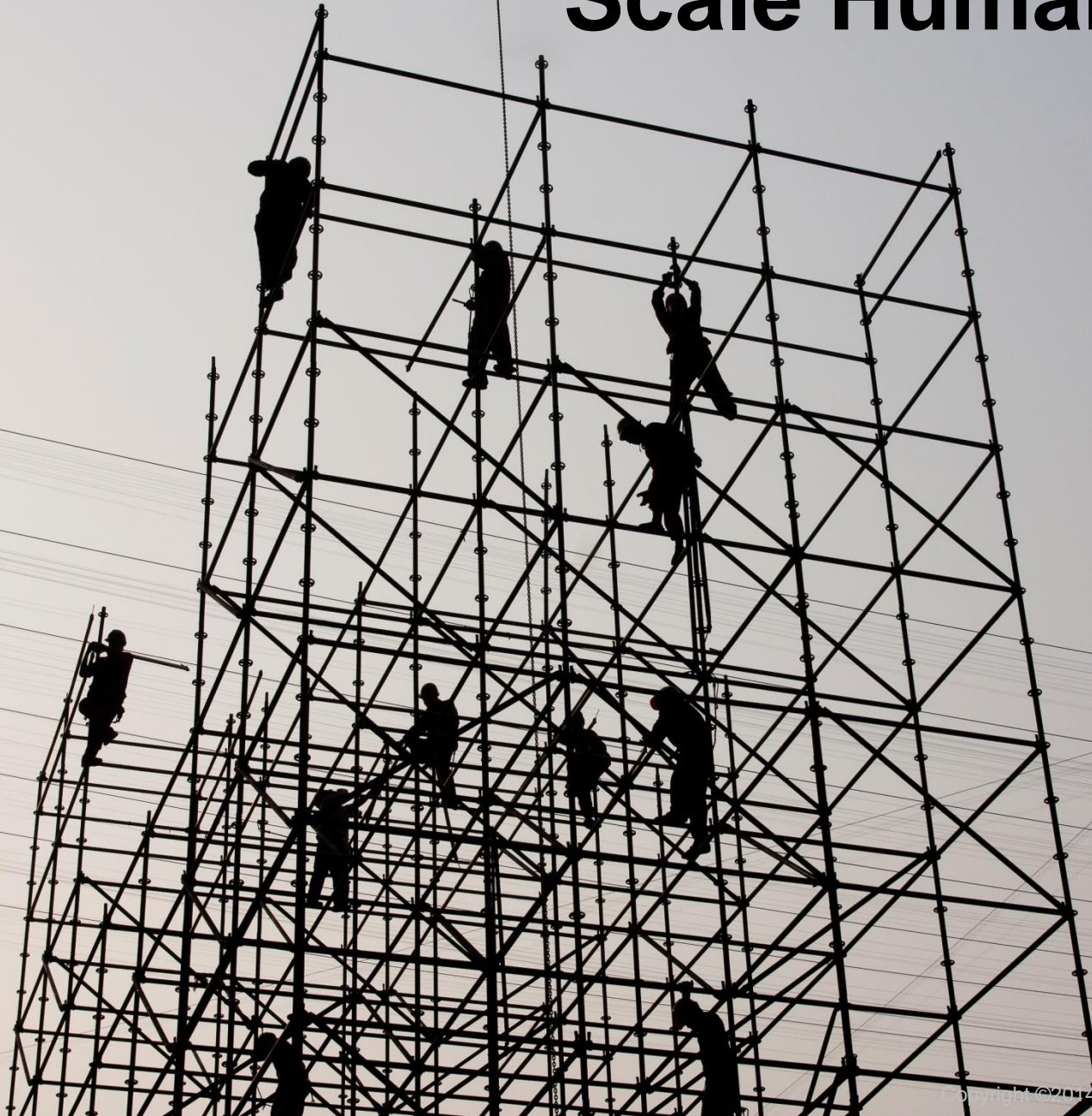
54%

have raised their
expectations

65%

cite “broken promises”
as main source of
frustration

Scale Humanity



“When we operate according to these principles, stockholders *should* make a fair return.”

Our Credo

We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be of high quality. We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers' orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employees, the men and women who work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill their family responsibilities. Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens — support good works and charities and bear our fair share of taxes. We must encourage civic improvements and better health and education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative programs developed and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.

Johnson & Johnson

Measuring “how much”

GDP

revenue

profit

market-share

debt

resource

page views

followers

Measuring *how* we do business

36,000 employees, 2M observations



HOW indices

Trust

Values

Mission

Freedom

Resiliency

Inspiration

Speaking Up

Collaboration

HUMAN

- Connect & Collaborate
- Values
- Inspiration
- Significance

RULES-BASED

- Command & Control
- Carrots & Sticks
- Rules
- Success

AUTOCRATIC

- Rigid Hierarchy
- Dictatorial
- Coercion

AUTOCRATIC

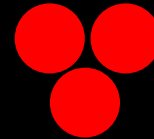
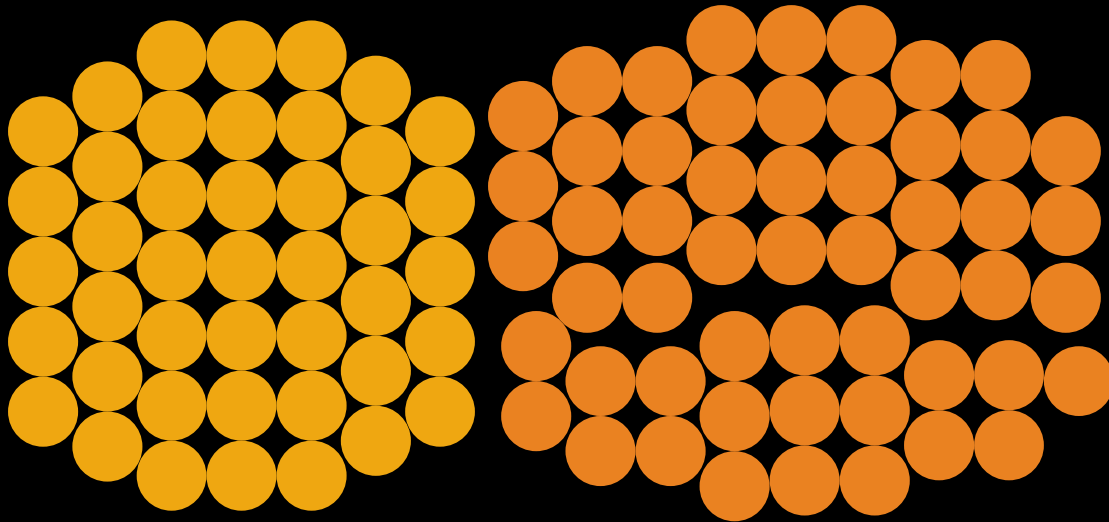
RULES-BASED

HUMAN

43%

54%

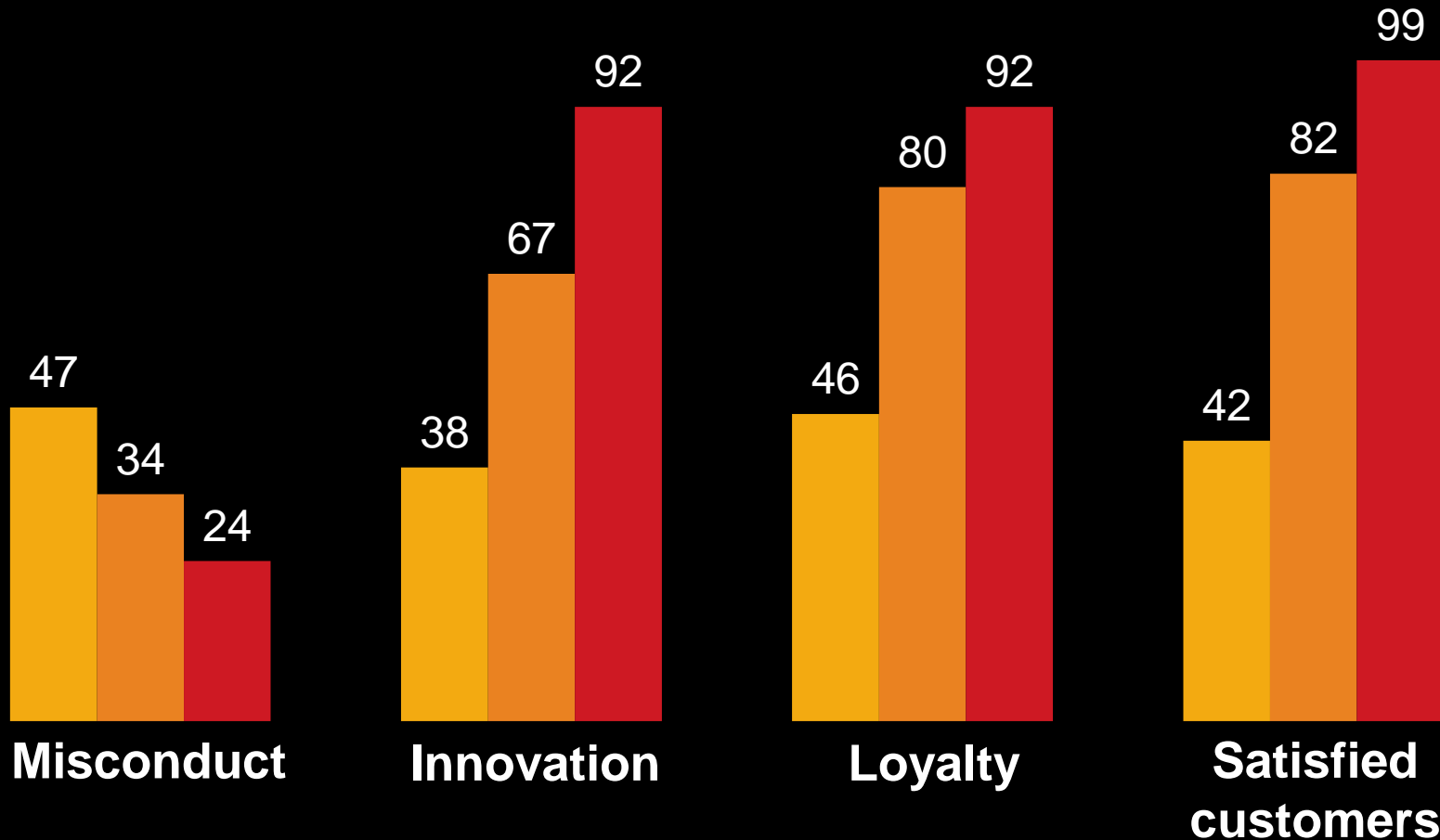
3%



AUTOCRATIC

RULES-BASED

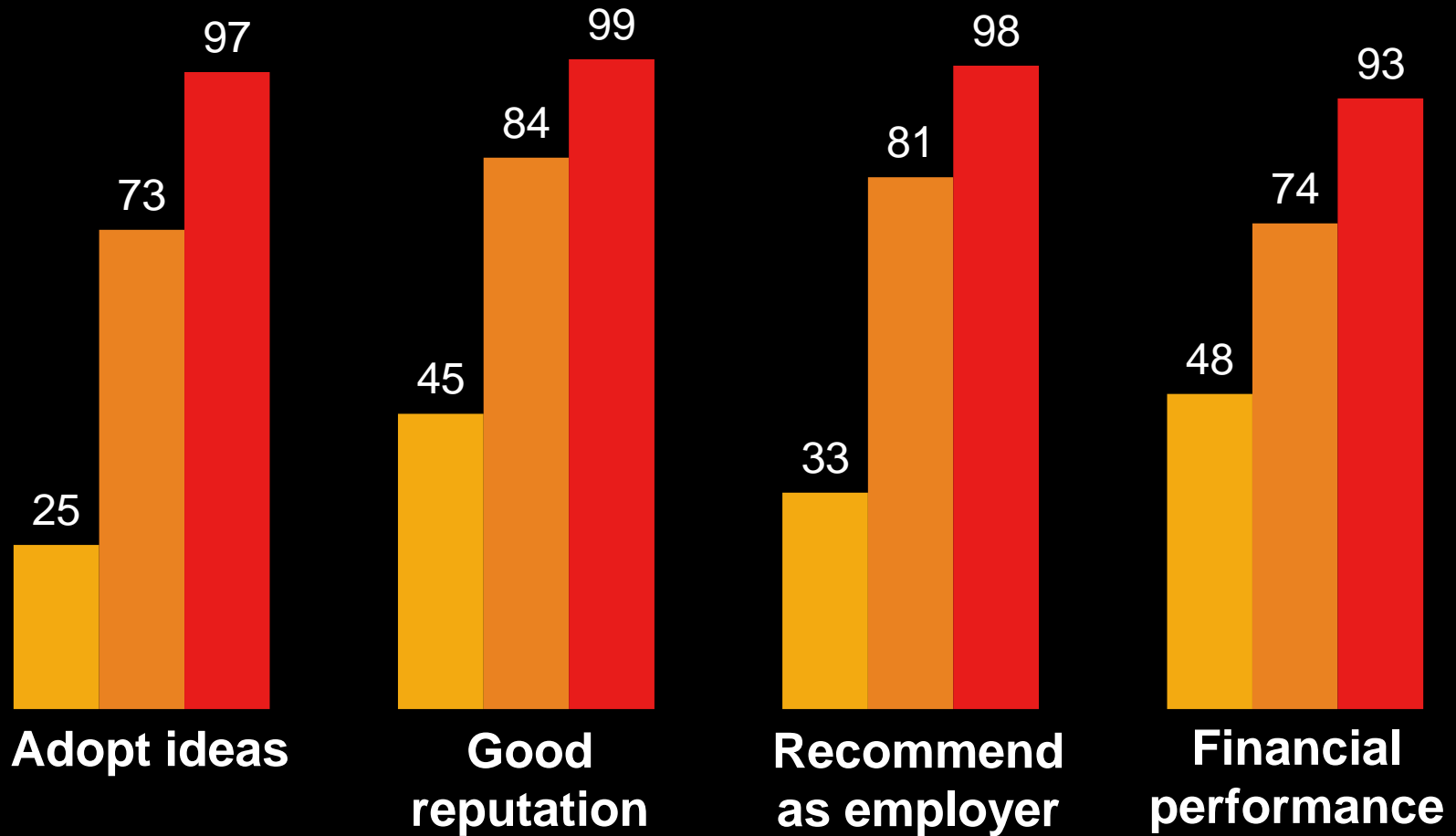
HUMAN



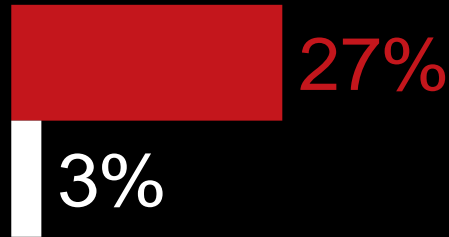
AUTOCRATIC

RULES-BASED

HUMAN

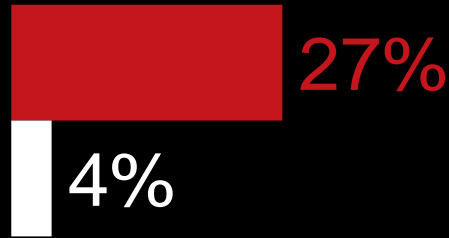


“We are a human organization”

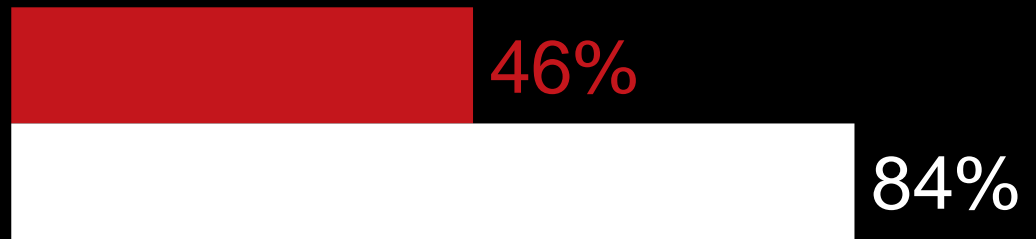


CEO Average

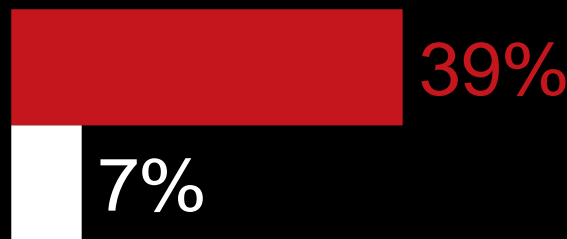
“We inspire our people”



“We use coercion”



“We reward values-based behavior”



I am willing to put in a great deal of effort beyond what is normally expected in order to help my company be successful

how

My company has a very good reputation among its customers

how

My company invests in the communities in which it operates

how

I try to inspire others in my company through my comments and actions

how

My company has very satisfied customers

how

If I have my way, I will be working for my organization 12 months from now

how

My company takes its responsibilities to the community very seriously

how

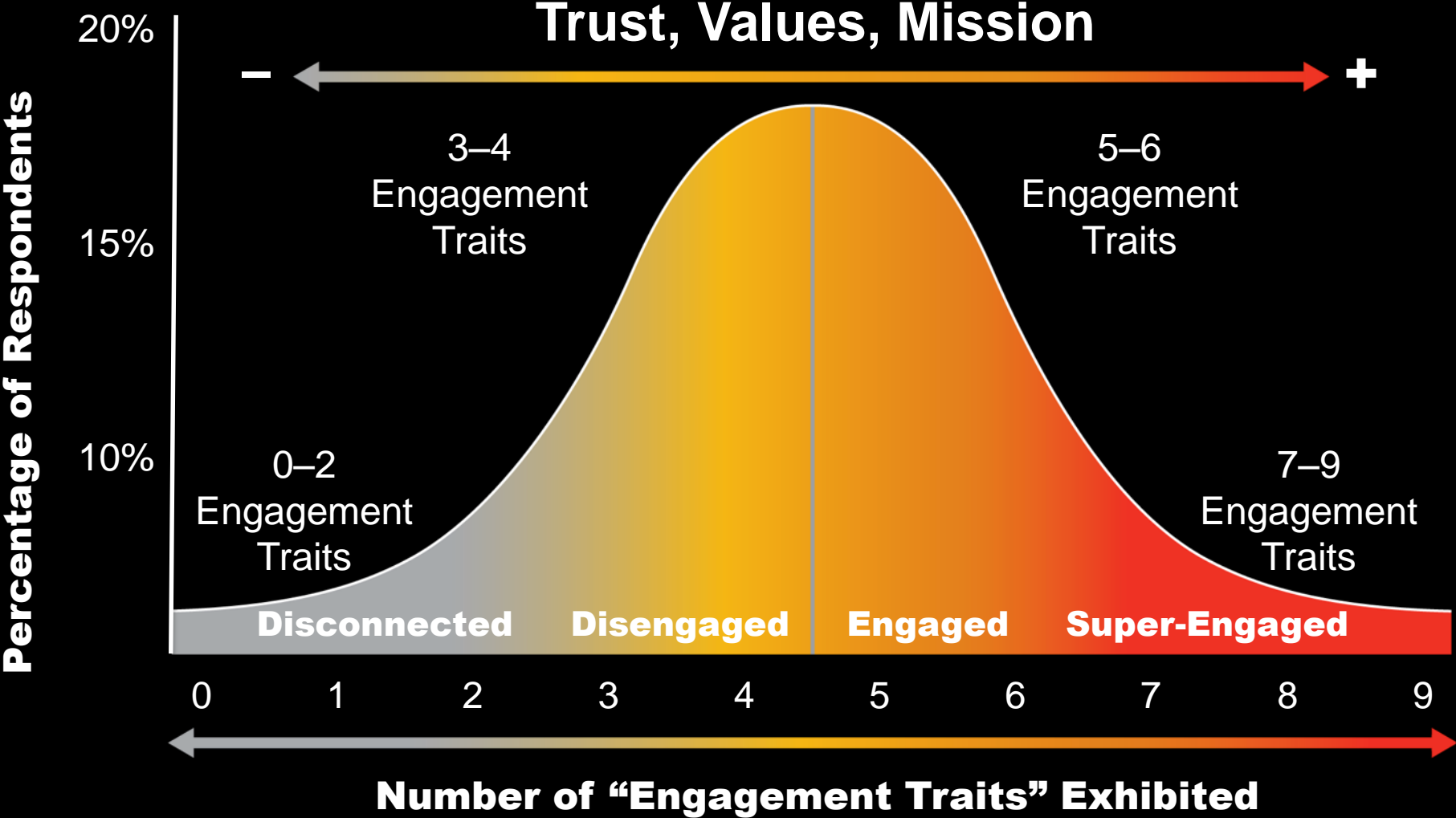
I am willing to recommend my company to a friend as a place to work

how

Good ideas are readily adopted by my company

how

Drivers of Engagement



Financial Performance

Innovation

Risk-taking

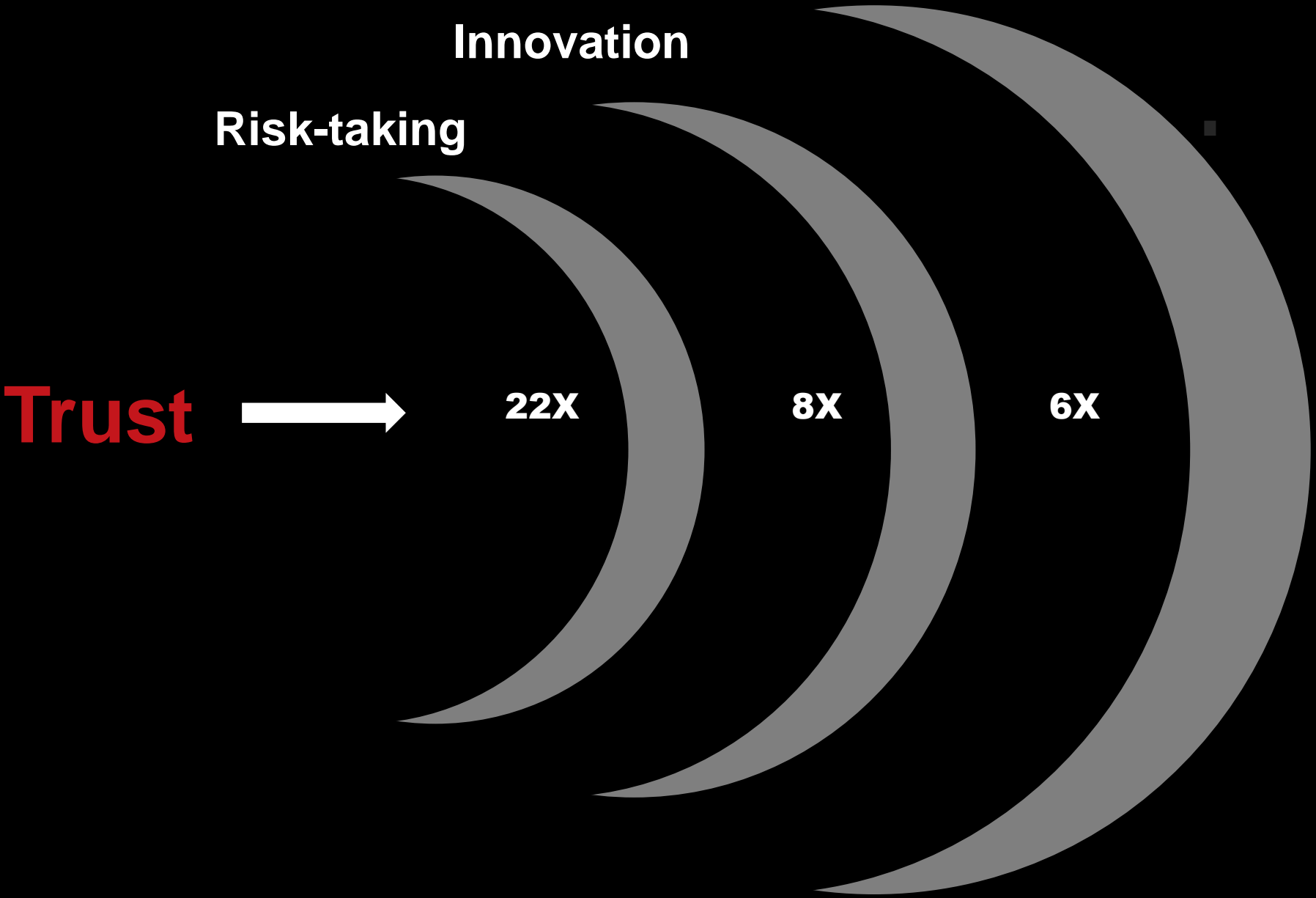
Trust



22X

8X

6X



Stakeholders	‘Freedom From’	‘Freedom To’
Employees	Micromanagement Retaliation	Adopt good ideas Challenge authority
Customers	Complicated contracts Take-it-or-leave-it attitude	Align purchases with principles Flexibly fulfill needs
Supply Chain Partners	Strict oversight Little flexibility	Voice concerns Share common values
Community	Opaque information One-way conversations	Participate in decision-making Invest in local economy

LOW FREEDOM

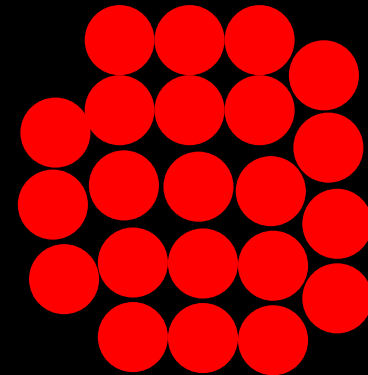
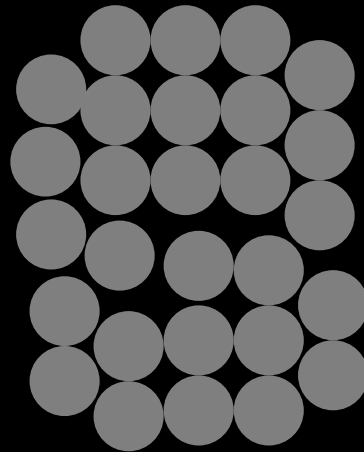
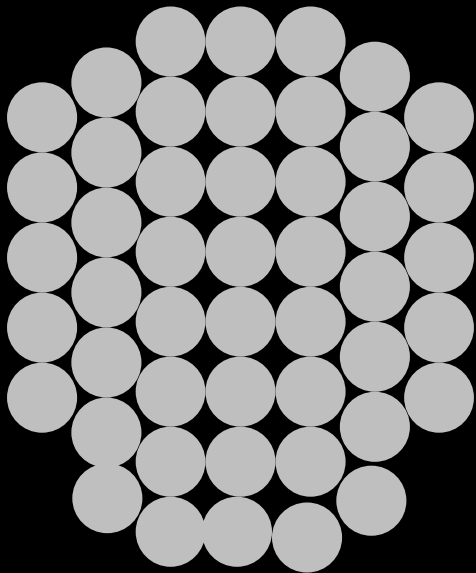
MEDIUM FREEDOM

HIGH FREEDOM

51%

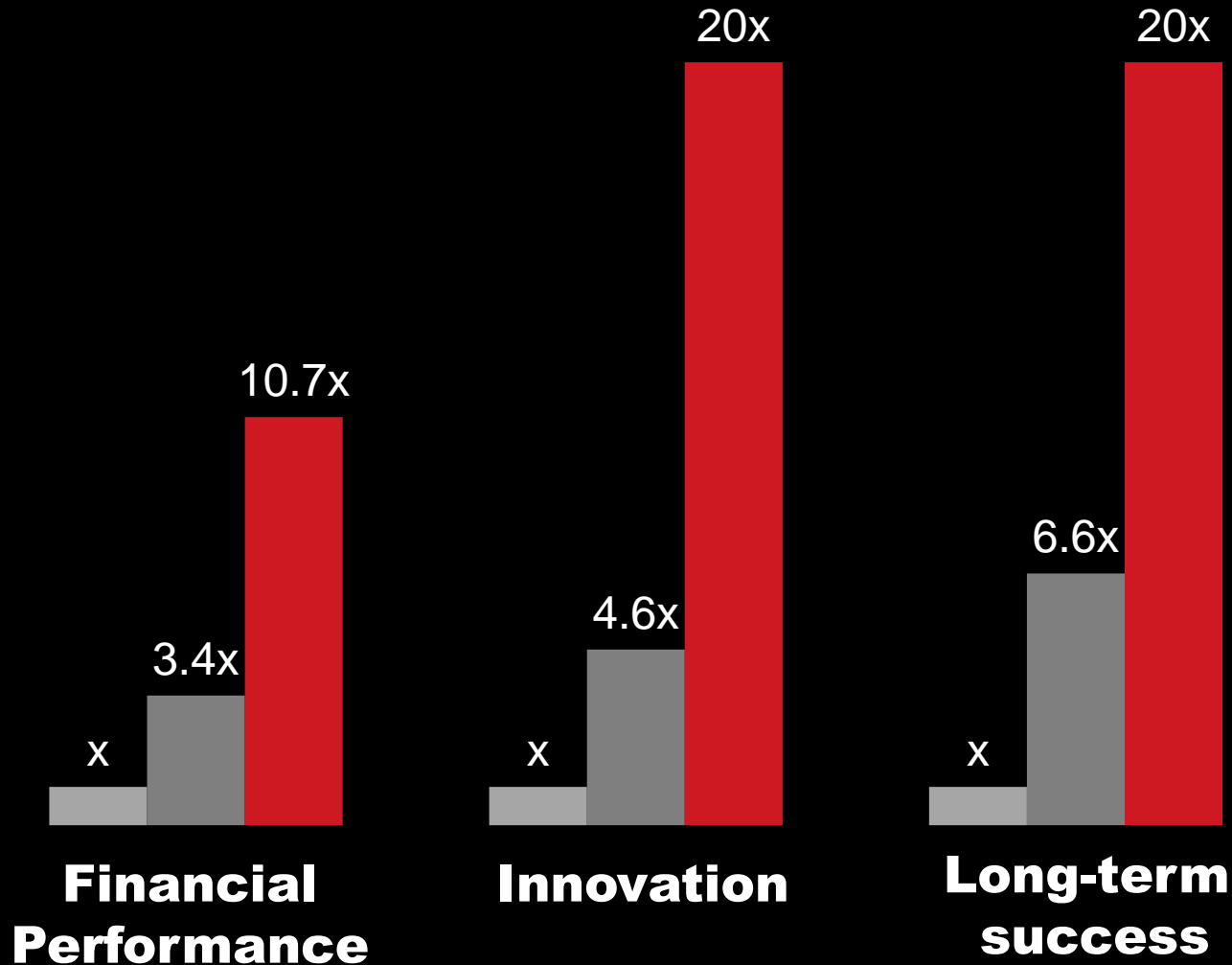
29%

21%



834 professionals and executives at U.S. companies with greater than 1,000 employees or more than US\$ 1.5 billion in revenue

Freedom From / Freedom To Boosts Business Performance



Sustainable Values	Situational Values
Integrity	Efficiency
Respect	Winning
Honesty	Achievement
Creativity	Discipline
Fairness	Aggressiveness
Passion	Conformity
Open-mindedness	Obedience
Humility	Assertiveness