



# TIME

themichelliexperience

## Insights

**October 2013**

### **Greetings From The Michelli Experience!**

#### **Soulful Business - A Customer Magnet**



According to the 2013 survey of the International Ice Cream Association (IICA), "vanilla" continues to be the most popular ice cream flavor. While vanilla's popularity holds strong in the frozen treat department, vanilla leadership is not a great formula for overall business success today. In my recently released book, [Leading the Starbucks Way](#), I argue that far too many business leaders seek vanilla-like neutrality when it comes to social causes or engagement in social action. As a result of this posture, their companies are perceived as "soulless" and ultimately less attractive to consumers.

By contrast to "vanilla companies," Starbucks leadership tackles social problems head on and in the process has catapulted the brand to record-breaking sales numbers. As an example of this social engagement, senior leaders at Starbucks took out full-page ads in national magazines during the last election cycle encouraging other business leaders and customers to forgo contributing to political campaigns and instead divert that money into Starbucks [Create Jobs for USA](#) program. Those funds were then used to help small businesses grow and hire. While some shareholders viewed this social involvement as potentially bad for business (given that some customers might churn in response to the vocal nature of the brand), leaders at Starbucks spoke out in keeping with core values concerning the treatment of people and community. More importantly they championed a leadership solution that allowed the brand to engage with customers to "do good" while governmental leadership was lacking.

Starbucks non-partisan social leadership approach also serves the longterm interest of shareholders since a lack of jobs in the broader economy makes it difficult for people to pay \$4 for a latte. So here are some questions for you... Are you a vanilla brand? Where do you or can you take a stand such that customers can make an authentic and soulful connection with you? Will your areas of social involvement create interactivity with your customers and serve the longterm interests of your



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