A measure of influence

Author and social media expert Philip Sheldrake explains what influence means in today's complex communication world

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Everyone talks about influence, but what does it really mean to organizations, and more specifically, to the practice of marketing and PR? Philip Sheldrake has built a career around the answers to these questions. The managing partner of Euler Partners, a U.K.-based social business consultancy, Sheldrake is a chartered engineer, the author of *The Business of Influence: Reframing Marketing and PR for the Digital Age,* a main board director of Intellect, and special adviser to AMEC (the International Association for Measurement and Evaluation of Communication) on the measurement of social media and to the Demos Centre for the Analysis of Social Media. He also leads the measurement and evaluation group at the Chartered Institute of Public Relations. He spoke recently with *CW* Senior Editor Jessica Burnette-Lemon.

Jessica Burnette-Lemon: In business circles, *influence* has become quite a buzzword. How do you define it, in terms of how it relates to business?
Philip Sheldrake: You have been influenced when you do something you wouldn't otherwise have done, or think something you wouldn't otherwise have thought. There's influence in everything an organization does, and sometimes in

what it doesn't do, and yet despite this we often apportion responsibility for influence to marketing and PR departments.

Influence works both ways, of course. No organization is an island, so it has to work hard at both influencing and ensuring it is systematically influenced back. Readers familiar with the excellence model of public relations will recognize this symmetry. In fact, in my book I go so far as to talk about the six influence flows:
1. Our organization's influence with stakeholders
2. Our stakeholders' influence with each other with respect to us
3. Our stakeholders' influence with our organization
4. Our competitors' influence with stakeholders
5. Stakeholders' influence with each other with respect to our competitors
6. Stakeholders' influence with our competitors

JBL: What are some ways that you can measure influence, and how can that information be used?
PS: First, let's talk about the elephant in the room—[influence-scoring services like] Klout, et al. Having defined influence above, allow me to assert what I think influence is not. Influence is not some quantity invented by a PR firm, ana-

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lytics provider, or measurement and evaluation company that rolls up a number of indices and measures into some relatively arbitrary compound formula that makes any appreciation of the underlying approach, variables and mathematics completely opaque to the end user, thereby radically attenuating any little use it may have been but in such a way that it can be branded nicely and sold as "unique."

The thoughts above come from my first public critique of Klout-like services in early 2010, and

I'm pleased to see more and more pundits at least advising caution. Right now, we have no scalable facility to ascertain or infer who or what caused someone to change their mind or behavior, so how then can we pretend to score an individual's likelihood to exert that influence, and as if they did so with apparent Newtonian simplicity? We've barely even attempted to correlate proxies for influence, assuming that universal correlates even exist.

For anyone quoting Google ZMOT [Zero Moment of Truth, referring to influencing buying behavior online] back at me, remember that as useful as Google's suite of services may be, many decisions aren't the result of the last 30 days, nor the result of entirely digital actions. Perhaps you feel you've selected your new TV after a couple of weeks of research, or who to vote for based on recent campaign activity and corresponding press commentary, or where to go on holiday based on recent conversations with friends, but all these decisions are impacted by years of influences building up in sedimentary fashion in your mind, consciously and subconsciously.

We're at a very early stage in this revolution, equivalent to contemplating the steam engine at the beginnings of the Industrial Revolution.

With some of these so-called influence scores, @name's score goes up with every mention. So tweets such as "@name is talking crap" and "RT @name My #socialROI presentation is now online << and my response: http://eulr.co/PDVArm"— where the response undermines @name's point of view—are accretive to @name's "influence score." Well, I guess they are inspiring others to react!

Some pundits are starting to replace the inappropriate use of the word *influence* in this respect with *social capital*. I prefer to call it what it is to avoid further confusion: propensity to have your stuff shared or referenced, and positively.

Now, I'm a scientist at heart. I'm numerate and technically savvy, and my consultancy is named after a mathematician who helped found network science, so I'm massively enthusiastic for the potential here. Companies like Klout are engaged in some interesting network science, but many are, unfortunately, mis-selling their capabilities. In my opinion, complexity and network science will continue to unearth insights of important commercial and societal value, and I advocate keeping abreast of cutting-edge analytics and associated technolo-

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gies. While we continue to build a mature understanding of how influence goes around, comes around, the best way to exert useful influence remains to deliver great products and services so that your customers evangelize your brand to friends and family, and to be a well-run organization so that your employees and partners evangelize working with you, and to live up to shareholder promises so they stick with you.

Social media lend radical transparency, and we've moved from a dominant, 20th-century axiom that perception is reality to the situation where reality is perception. If you want to be perceived as a great company, a great employer, with great products, and as a great custodian of the planet, then the only way to be perceived as such is to be as much. It's hard work, it's complex, but that's influence.

JBL: What are some of the skills that communication professionals will need to be able to track influence effectively and use that information to help their organizations? How can they become "influence professionals"?
PS: A professional understands the tools they wield. A professional engineer understands the equations employed by her software in stress engineering a bridge. A lawyer understands the legislative framework in which they draft contracts. A doctor understands the scientific basis of the electrocardiogram. A communication professional understands the algorithms employed by their social analytics software of choice, and its empirical basis.

Professionals do not wield black boxes, a descriptor for tools and services where the vendor refuses to reveal its inner workings. Professionals do not wield tools absent scientific evidence of efficacy.

A professional recognizes that measurement is a powerful management approach. A professional recognizes that one metric rarely if ever suffices, but rather a diligently designed balanced suite of metrics is required.

An influence professional recognizes the gap between the ideal and the actual, and navigates the complexities of influence accordingly. They are highly numerate and technically savvy. They know what H.L. Mencken meant when he said, "For every complex problem there is an answer that is clear, simple and wrong."

JBL: Your book, *The Business of Influence,* includes an influence scorecard. Could you talk about how you developed this and how it should be used?
PS: The ways in which influence goes around, comes around are incredibly complex. In compiling research for my book, I found no empirical evidence supporting Malcolm Gladwell's hypothesis of a small number of influentials, as presented in his book, *The Tipping Point*, and plenty of evidence countering it. We are influenced more often by the 150 people nearest to us than the other seven billion-odd combined, but everyone has a different group of nearest and dearest.

Influencer-centric approaches (like Klout's) try to identify the individuals that exert the most influence in the context concerned—the so-called influentials. If we can influence them appropriately, they'll influence their network, and the job is done. It implies that the agency or team that wields such influence tools and approach is in fact a super-influencer, an influencer of the influentials. How nice!

I have developed a new metaphor since writing the book: city traffic. The influencer-centric approach tries to find out about traffic conditions by studying the individual car and individual traffic bottleneck. The first tells you nothing whatsoever about traffic conditions, and the latter ignores the potential emergence of future influence from other sources. Influence-centric practitioners (the approach I advocate) attempt to understand the flow of traffic throughout the entire city, the flow of influence throughout the entire system. They don't see a traffic jam and ask which car started it. It's a systems approach.

The Influence Scorecard can be considered as a subset or augmentation of the Balanced Scorecard, the dominant business performance management (BPM) framework among the Global 2000. Like the Balanced Scorecard, the Influence Scorecard is a management approach rather than a yardstick per se, and it contains all the influence-related objectives and metrics extracted from their functional silos.

The Influence Scorecard recognizes the complexity the so-called influence-scoring vendors pretend doesn't exist. If your organization is unique, with a unique position in a unique market, with a unique set of goals, unique strategies and associated tactics, is it too much to expect to

need a uniquely defined suite of metrics to direct and report performance?

Once a company's influence strategy is defined and influence objectives articulated—by each of the six influence flows and by the stakeholder—influence flows can be drawn explicitly in the enterprise strategy map, guiding the influence professional in translating the strategies into action.

JBL: What are some examples of companies that are tracking and harnessing the power of influence well?

PS: Those companies relying on Klout-like simplicity may conclude that they have improved business, and so are held up as exemplars. It is easier to conclude success when performance metrics are designed according to what information is immediately available, rather than via diligent BPM cascade. In other words, they are too often guilty of measuring what they can measure rather than what they should. The tools they've procured to do the job inform the metrics rather than the other way around.

We haven't yet scratched the surface of the potential of this Internet thing, and right now no company can construct a complete picture of how every individual stakeholder came to think what they think or do what they do. So success case studies remain few and far between. Hopefully that will change as practitioners increasingly address complexity and best-practice performance management head-on.

JBL: You've said that marketing and PR need to be reframed in the context of 21st-century technology and media. What do you mean by that, and how successful do you think the industry is in doing this right now?

PS: I'm a sucker for definitions, to make sure we're all singing off the same hymn sheet. Marketing is about people coming together to collaborate to produce stuff that others value and continue to value. They part with their cash. It's a value exchange, preferably for the long term. Public relations is the planned and sustained effort to influence opinion and behavior, and to be influenced similarly, in order to build mutual understanding and goodwill among all stakeholders. Both these disciplines are impacted massively by the radical transformation in media and associated information technologies of the past two decades.

With these transformative forces in mind, with the growing appreciation of complexity and systems thinking, we can begin to identify influence flowing through and beyond our organization. We can begin to think of an organization as not being defined by its payroll but rather as a collaborative network of individuals coalescing around a nexus of shared values and common purpose.

In my book, I posit that the ease and effectiveness with which we can manage and learn from influence flows is integral to the process by which customers, citizens and all stakeholders interact with organizations to broker mutually valuable, beneficial relationships. In plainer English, understanding influence flows is central to doing business—always has been, always will be, except now we can be better at it, more scientific, more joined up, more disciplined.

Reputation management does not actually mean managing reputation, and brand management does not actually mean managing a brand. They mean actively attending to the business of influencing and being influenced such that the resultant beliefs or opinions held about us and our products are conducive to our achieving organizational objectives.

Latterly, I've developed a definition of social business. Social business is about adapting ways in which an organization delivers its mission and pursues its vision by designing the organization around influence flows, connecting its people, partners, customers and other stakeholders, and data, information and knowledge in and all around it, more openly, productively and profitably with the application of social web, big data and related information technologies.

Marketing and PR professionals are well placed to become the influence professionals shaping the organization's response to this opportunity, at least those with ambidexterity of mind, both so-called left- and right-brained talent. Marketing and PR professionals are taking their first tentative steps in this direction. I do wonder though whether we'll find CIOs learning marketing and PR and influence faster than marketing and PR professionals master the inherent data and information and analytical demands. For now, it's a team effort. Perhaps it always will be. •

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