

Response Q&A

Listen Up Español Creates Internal Loyalty With External Charity

By Thomas Haire (thaire@questex.com)

Listen Up Español (LUE) is a leading Spanish-language call center focused solely the U.S. Hispanic market, based in Portland, Maine, with more than 800 Spanish-speaking agents also operating out of an office in Hermosillo, Mexico. During the past year, the company has been in the midst of a charitable campaign to build a new school in Nicaragua — and has created a powerful emotional connection with its staffers in the process.

Recently, *Response* caught up with Craig Handley, CEO and owner of the company, to discuss the idea behind the effort and how it is progressing.



Q: What prompted LUE's recent charitable drives?

A: At Listen Up Español, we have always been driven with a desire to give back. It's one of our seven core values. But any successful businessperson — or flight attendant — will tell you that you need to put the oxygen mask on yourself first before helping others. In other words: take care of your own needs before trying to help others.

Another of our seven core values is that "everything is possible." Four years from now, we hope to have given away over a million dollars to charity. Knowing that everything is possible, we took this challenge to heart and began our charity initiative at the start of 2012.

Q: How did you promote this drive among your employees?

A: To ensure that we follow through with our goals, we participated in a study with Forrester research where we could test the

concept of improving performance through charitable giving. We provided monetary incentives to a group of agents and found that increasing cash flow increased performance by almost 20 percent. We then gave the same amount of money to charity and that accounted for an almost 17-percent increase in performance. The results of this study demonstrated that cash had a greater effect on the direct results. We also tracked the indirect results using employee satisfaction surveys and found that indirect variables — like the temperature in the office, the lighting, and the cleanliness of the bathrooms — improved success considerably.

More than 80 percent of our agent population participated in two surveys: one before the charity incentive was applied and one after. The numbers demonstrate the key increases between the first and second surveys:

- "I feel that I work for a great company": 9.5-percent increase

- "I feel this company's values aligned with my personal values": 5.3-percent increase
- "The mission or purpose of my company makes me feel my job is important": 4.8-percent increase
- "There is a strong feeling of teamwork and cooperation in this company": 5.1-percent increase
- "My fellow employees are committed to doing quality work": 6.3-percent increase

Q: What happened when you partnered with buildOn, an international nonprofit organization that runs youth service after-school programs in U.S. high schools, and builds schools in developing countries?

A: We decided to partner with buildOn, and we raised more than \$100,000 in 6 months. We are on track to do more than \$300,000 in 2013. Like the Forrester project, buildOn's mission aligned with our core values of "going beyond ourselves" and "growing brain cells." We set up a fundraising model with the call center where, at the end of each call, the agents were asked to read a script offering a free trial magazine subscription through Synapse with a \$1 donation to buildOn. The goal of this effort was to build a school in Nicaragua to serve children and women without access to education. Eight employees and our president, Tony Ricciardi, went to Nicaragua to help build the school.

We benefited from an increase in magazine subscription sales and experienced a positive cultural shift as a result of this partnership. The campaigns with the buildOn script had a 20-percent higher conversion

rate, week over week, compared to the campaigns without the buildOn script. We took an employee satisfaction survey to see how team members were impacted by the program. On a scale of one to five (five meaning "Agree Strongly"), 50 percent of our employees marked a five in response to "I enjoy my job most of the time," and 43 percent marked a five in response to "I feel I work for a great company."

This was significant feedback, because while not all employees were able to join the team in Nicaragua, they all played an important role in the program's success. We believe that these results are, in part, because of the role of our culture manager in educating the team on buildOn through trivia games and a



The members of the LUE team, including Tony Ricciardi, company president (far right), are all smiles in Nicaragua.

fundraising thermometer, as well as a 20-minute documentary produced by an employee of our production department during the trip to Nicaragua that was shown at the company Christmas party.

Q: Can other companies in the space benefit from a similar program?

A: Here's how you can apply it in your business: if you are marketing a product, consider how you can include charitable giving into your campaign. If you are a call center, do exactly as we did. If you're a fulfillment center, ask the customer if you can apply part of their refund to a charitable organization when issuing credits. They've already spent the money; it will be easy for them to say yes.

The bottom line: charitable giving improves performance, helps generate income, gives back to the world making every day more fulfilling and more fun, creates happiness, and promotes positive karma. It's what we call "Delivering Awesomeness."

Oreck Founder Blames VCs for Company's Failings

By Doug McPherson

NASHVILLE, Tenn. — Oreck Corp., the vacuums and cleaning products company, filed for Chapter 11 bankruptcy protection in May. However, the company's founder, David Oreck, is unhappy with the situation and blames venture capitalists for the mess.

Oreck told the *Medford (Ore.) Mail Tribune* that those who acquired the company had different ideas than he did about running it. "I didn't believe in doing business with the big-box Wal-Marts of the world," Oreck said to the newspaper. "I was oriented for the consumer ... and it worked extremely well. They felt their big-box approach was the way to go. They were amazingly ignorant of the methods I used."

Oreck said he couldn't understand why investors would buy a successful company and then go in a direction contrary to the one that provided sound financial returns for decades and hundreds of jobs to Americans.

"What they paid for was very successful and liquid," Oreck said. "Quite frankly, they were mostly concerned with getting their money back out as quickly as possible. My idea was to build something going into the future and succeed me. There are a number of these groups where they buy things and turn it around, make a buck and take a walk. That's fine, and that's their business, but that's not my idea of running a business."

Oreck has seen his former company enter bankruptcy twice since selling it. Private equity firm GSC Group took Oreck into bankruptcy in 2010. Controlling shareholder Black Diamond Commercial Finance sought court protection



David Oreck, who founded his eponymous vacuum and cleaning products company 50 years ago, is not happy with the efforts of financiers who have operated the company in recent years.

for Oreck earlier this month. Both companies had courted big-box retailers to the detriment of their own stores, the founder said.

"Maybe I'm naïve, but if someone pays a good bit for a successful company that has a good track record and is profitable and relatively free of any debt, why would they do things differently? If you thought you had a better plan, why not just go into business for yourself?" Oreck posited.

Oreck has said he thinks bankruptcy is one way to clean the decks of poorly run companies. "Unfortunately, vendors go along doing business with the company and lose money to the extent the company owes them," he said. "In most cases, people get a pretty good indication of whether they should stop selling to, or issuing credit to, that company."

Oreck recently published his autobiography called "From Dust to Diamonds." In it he shares his dislike of venture capitalists. Oreck said the timing of the book's release is a coincidence.

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Eight members of the LUE team traveled to Nicaragua to take part in the actual construction of the school the company was supporting through its partnership with buildOn.