

Episode 209 | Jeff Rosenblum

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And now taking care of business, your hosts Craig Moen and Shye Gilad.

[00:09] Craig: Welcome to Business Owners Radio episode 209. Today, Shye and I are talking with the author of the brand new book *Exponential: Transforming Your Brand by Empowering Instead of Interrupting*. Jeff Rosenblum is the cofounder of Questus, a digital advertising agency that has worked with many of the world's most influential brands, including American Express, Apple, Capital One, Disney, the NFL, and dozens more. Jeff has lectured at top universities around the world, created the documentary *The Naked Brand*, and authored the book *Friction*. Good morning, Jeff, welcome to Business Owners Radio.

[00:49] Jeff: Good morning. Thanks for having me.

[00:50] Craig: It's great to have you here. And this is exciting stuff, you know, your new book *Exponential* has gathered a lot of praise by a number of top CEOs and a number of C-level brand managers in the industry. Having written one book already being *Friction*, what caused you to invest volumes of time and energy to write this book?

[01:11] Jeff: Yeah. That's a great question. I wish I could say that it was for altruistic reasons, meaning one of the things that we've discovered is that corporations are probably the most powerful force on the entire planet. If you look at the 100 largest entities around the globe, about half of them are corporations. So Walmart, for example, is bigger than Norway. If you look at just the brand value, the value associated with the logo of Amazon or Google, they're both worth about \$600-\$700 billion, just those logos, which is more than the GDP of Greece. And what we've realized is that if corporations move away from obfuscation and duplicity, and start focusing on making the world a better place, on improving people's lives, one small step at a time, they can make a real difference to this planet. And obviously, I think that's really fascinating. But that's not why I wrote the book, I wrote the book because my job, how I build a team, how I provide for my family is about helping companies grow their brands and sell products. And what I've learned is when they move away from simply relying upon interruptions in the form of TV ads and banner ads and print mail and junk mail and spam, and they focus on empowering people, on improving people's lives, one small step at a time, that's how those brands grow exponentially. That's how those brands dominate the competition. So as much as I would love to say, "Hey, this is my platform to help make the world a better place," that's almost like a secondary benefit. The primary benefit is I'm an advertising guy and I've learned that we're asking advertising to do too much. TV, print banner ads, they are still really important and really powerful. But if you want to

grow exponentially and you want to dominate the competition, you have to focus in on empowering your target audience.

[03:17] Craig: Have to say this book is amazing, and that it says to listeners, you know, this could be a deep dive book. The introduction alone sets you up for a nonstop binge reading session, I found. The index, it's rare that I see a decent book out today with a really good index in the back that really aligns page per page of actual real content, real background references. It's a really leading brand and brand leading leaders book that really needs to be on people's shelves. I was very impressed. So I thank you for your efforts. It's impressive. This brand's item not long ago and still going on today, people are, as brand leaders or not, coming out and telling you about themselves, just really slamming how great their product or service is. But I like what you're saying from the standpoint of the perspective of the customer. What do they want? What they're interested in. How you're serving them. Can you dive a little deeper into that?

[04:18] Jeff: Yeah. First of all, thank you for the compliment. I appreciate it. In regards to the index, I have to give full credit to my colleague, Nicole Scott, who's been an amazing partner along the way and helping develop the content, conduct research, help with the index, and market the book. So thank you, Nicole, I do appreciate all of it. In regard to your question, **the magic formula is really focusing in on empowerment over interruptions. And what we mean by empowerment is creating content in tools that improve people's lives one small step at a time, and perhaps even more importantly, giving people the tools so they can help improve their own lives.** So, the really famous example out there that everybody gloms onto is Patagonia. And instead of saying, we have great jackets and we have great shirts and sweaters and pants, and eventually, they get to that part of the conversation, but they focus first on how do we defend the environment. They actually took over their entire website with a big picture of a beautiful jacket and it said, "Don't buy this jacket," which is the craziest concept ever, particularly because they did it on Black Friday, the day after Thanksgiving, the number one shopping day of the year, a day when brands sell more in one day than they do in months combined. The point is they spend a lot of their dollars developing content as much as full-blown documentaries to help defend the environment and educate people that when they buy a lot of clothing, they create a lot of manufacturing byproducts, they create a lot of garbage in their own jackets, and maybe we should just buy less stuff.

But the interesting thing is a lot of people see that case study in they think it's a green story. And what I've learned is, people don't wake up in the morning wanting brands to hug the trees and save the manatees. That's great for Patagonia, God bless them. There are a few other companies that are also doing great things for the environment. But every company doesn't need to do that. There's an authentic place that every company has in the lives of its customers. That's why we even start businesses. That's

why we develop products. So the example that I absolutely love is the Fender guitar. Fender came under massive pressure because a lot of people started shifting away from traditional instruments and using computers to write music. It's incredible what you can do with a computer, not just in regard to recording, but actually writing music, playing music. It makes the guitar slightly less appealing. So what they did is they created a platform called Fender Play. And what Fender Play does is it enables people to get world-class one-to-one music lessons, whether you're a beginner, intermediate, or advanced, whether you play acoustic, electric, or bass guitar. And what it does is it helps you get over the hurdle, it empowers you to be a better guitar player. Now you're empowered. But what's amazing about it is through the entire process, they're never like, hey, buy a Fender guitar. If you play on a Fender, you're going to be a better guitar player. That would reek of inauthenticity. It would really be -- for every action, there's a reaction that would turn people off. But you see the Fender brand throughout the entire experience. You see these world-class instructors using Fender products. You log on through Fender. You track it on Fender social. You're giving your data knowingly and willingly over to Fender. So what they're actually doing is they're building content that empowers the audience and ultimately grows the category. They don't care if you wind up buying a Gibson, but you are in fact more likely to buy a Fender because you're within that Fender ecosystem.

Now here's what's crazy about it is it starts as a marketing platform but it's actually turned into a major revenue channel for them. Because you can get some of that content for free, but ultimately, you get monthly subscriptions. So I use it, I pay happily every single month. I tell my friends about it. I've recommended it to friends. And I bought Fender guitars because I feel stronger about the Fender brand.

[08:29] Craig: It's amazing the power of that. Shye and I are guitar people and so we've seen this, the feeling that you get is far greater than anything they make. And so this whole change going on out there, one of the quotes you have in the book that I picked up on is "Brands stand naked in front of their customers. They are now defined by their behavior, not their message." Wow, this is so succinct and that really plays into everyday news today, whether it be products or services, or even politics and countries imagery, if you will. My question is how many businesses really understand that?

[09:11] Jeff: I think everything in life sits on a bell curve, right. The bell curve is something we grew up with. The whole quote-unquote, "were graded on the curve." So on one end, you've got these, like, let's say it's sports. On one end, you've got this world-class incredible athlete, a guy like Tom Brady. And on the other end, you've got the last pick in kickball every day. It's shaped like a bell because in the middle it's really large, where most of any entity lives. So if you think about corporations as an example, most are somewhere in the middle. We do well, we survive. We make it a few years and eventually we go out of business. The key in everything is how do we shift to the right in

that bell curve, whether we're trying to take our target audience and shift them to the right and improve their lives, or per your point, Craig, how do we focus in on those brands that are really at the end of the bell curve, let's say the Tom Brady of corporations? And I think those companies all get it. They all understand the importance of empowerment. They all understand that yes, we can use traditional advertising tools. Yes, they are a powerful tool for moving brands forward. But **if you want to grow exponentially, if you want to dominate the competition, if you want to have a great brand, if you literally want to build millions if not billions in brand equity, you need to focus in on empowerment.** And I think the data proves that those companies that are growing at that rate, get it completely.

[10:40] Shye: Jeff, let's go a little deeper into this term empowerment. How does this relate to the business owner trying to grow their company? And what do you see that people are often missing in their interactions?

[10:52] Jeff: Yeah. That's a great question. I'm going to pivot it a little bit, because a lot of the book and a lot of my experience focuses in on the importance of empowering a target audience, not just interrupting them. But I'm also a relatively small business owner like much of your target audience, and a big part of the book and maybe the biggest part of my life and the experience that I've gained is about empowering your own team. We all hear about culture all the time. If you type culture or corporate culture into Google, you'll get literally millions of responses in like 0.75 seconds. I remember, when I was writing the book, I was sitting in a coffee shop, literally on the topic of culture, poking away on my keyboard. And there is literally right on top of me that famous quote by Peter Drucker, which is "Culture eats strategy for breakfast." And it was so part of pop culture that there's a sign next to it that said something like "Coffee spelled backwards eeffoc. I don't give eeffoc until I'd have my coffee. I don't know if I delivered that joke all that well.

[12:01] Shye: We get it.

[12:03] Jeff: Totally. The point is that culture has become so important to us but we don't really fully understand it as business owners. I didn't understand it. I started my business 23 years ago. And if you would ask me at any point, I would say culture is the most important part of our business. I think you would ask people, if I really demonstrated that in my actions, and I would think most people would say, yeah, he works really hard on culture. But I don't think I worked really effectively on culture. I think a lot of people misinterpret what culture is and they think it's about making a company fun. So we've done all those classic things. We've had the foosball table, we've had the ping pong table. When someone would grab me and be like, "Hey, man, culture is off a little bit." I'm like, "Alright, great, let's go do something about it." I would take the team and we would all go out. You know, this was a while ago when you used to get to do

stuff like this, but we'd go out and get super drunk. I remember a night at the Russian Samovar in midtown Manhattan, where we literally got blackout drunk. We had a great time. We're singing songs and everybody's having a blast. And the next day you wake up and everybody's hung over. My go to maneuvers, I get a bunch of egg McMuffins, which everybody loves in a hangover. And frankly, everybody's feeling great that day. And the next day they're feeling great. And the next day they're kind of feeling great. And a few days after that, it all wears off and someone knocks on your door and says we need to focus in on culture. And I was always like, wait a second, I thought we just went out to the Russian Samovar. I got more lunch. I've cranked up the music. This place is fun.

Culture is not about making a business fun. That's certainly nice but it's a window dressing. The foundation is about empowering people. It's about enabling people to do their best work. If you want a team that excels, that grows exponentially, that once again dominates the competition, you really need to focus in on empowering your internal team. If you hire the right people, what they care the most about in this world is doing great work. They take their career seriously. They want to make more money, they want to get promoted. They want to work with other A players. They want to put work out into the world that they're extraordinarily proud of. So really, what that means is how do we empower our employees? I'll drag it out a little bit more. What I've learned is, the key to that is what I call talent acquisition and talent collaboration. What that means is, first, talent acquisition, what kind of processes do you have to hire A players? Can you even define what an A player is? If you look at a report card, what's an A? It's a 95 on your report card, 95%. So what that means is you're looking for the top 5%, you're looking for the top 1 out of 20. Well, just knowing that actually provides a bit of a competitive advantage. I think a lot of people don't even define what they're looking for. But the real issue is, do you have very specific documented processes that you follow in that you optimize over time to make sure that you're finding those A players, not just A players in general but a players for your organization. You've got a culture, you've got a value system, you've got deliverables that are very unique to your business. Do you have a process to acquire the best possible team?

And then the second half of talent acquisition and talent collaboration is the collaboration component, meaning business has gotten much too complex to think that you can get by with people operating in a silo. Think about my industry, advertising. It used to be, hey, advertising is a great 32nd spot. So what do you really need? For the most part, you need a few really creative people, great designer, videographer, copywriter, maybe a strategist, that type of thing. But now advertising is about following the entire consumer journey. Think about that vendor example we just talked about. There's video, there's content, there's imagery, there's copywriting, there's tons and tons of technology, data, analytics, you name it. So what you need is collaboration. You need

to be able to break down those silos that exist within an organization. And just like talent acquisition, the real key to success is do you have processes? Have you built processes that facilitate and enable collaboration? And do you optimize those processes every single year as your business changes and as technology changes? And just circling back to summarize it again, **the whole key to success is not simply empowering your target audience, it's empowering your internal team.**

[16:31] Jeff: I really love the way that you're thinking about empowerment as it relates to an internal team as well as the customer, the two sides of that. Can you give us an example of some things you actively do within your own organization to make that happen?

[16:44] Jeff: Yeah, absolutely. Let me juxtapose it against maybe the most important moment in our history where we fell down, we ran ourselves into a little bit of a brick wall and have steadily in actually dramatically recovered in recent years. But this whole transparency point that you brought up earlier, we actually created a documentary called The Naked Brand. It really discussed the advertising revolution. I went to a major conference, I presented in front of hundreds of top executives in advertising. I basically told them, everything you guys have been doing for the last few decades of your career, everything you learned at some of the world's top institutions, educational institutions, corporation, it's all going to get revolutionized overnight. I thought, at the end that people might get pretty upset that I was telling them that everything they knew and did was no longer valid. But at the end, everybody stood up and gave me a standing ovation. They understood that advertising can be about a lot more than just interruptions and it can really be about making a difference in people's lives.

So we were super excited. We got some notoriety. We entered a contest for advertising agency of the year. We were a small agency. We didn't even fill out the forms correctly. We went up against some of the biggest agencies on the planet, public corporations with thousands of people, and we beat them. We won. We were agency of the year. It was incredible. The next year, we entered the competition and we were agency the year again. I was like, holy smokes. This is massive. Right after the documentary, this big meeting at the agency, and everybody circled around me. It was our annual meeting. I told the team, our goal is to be the best agency in the United States. I remember half the team was sitting there and their heads were nodding up and down. They're like, "Hell yes, man. We want to be the greatest agency in the United States. This is exactly what we want." But I also noticed that about half the agency was sort of looking at me bewildered. One person asked, "What does it mean to be the best agency in the United States?" My answer was, "I don't know. We'll know when we get there." And another person asked, "What is the timeline to meet this goal?" And I said, "We don't need a timeline." Once again, we'll know when we get there. So then I got off the little makeshift stage we had, and my business partner who is honestly and truly the brains of the outfit,

and he said, "Hey, man, you just gave a strategic planning presentation where you had no timeline, no measurable goals, and I'm not so sure you're going to get the results that you're hoping for." Well, his words were prescient, he was absolutely correct. But we rode the momentum. We won those two Agency of the Year awards that we mentioned. But what we didn't really understand was all of the culture issues that we talked about earlier.

So as soon as we won Agency of the Year a couple times, the phone was ringing off the hook. We didn't have a core positioning statement so we just started taking on all different projects that really didn't fit our value system. We started hiring like crazy because we were growing like crazy, but we didn't have a process for talent acquisition. So we started hiring people that maybe were great human beings and great marketers but weren't great for our organization. We didn't have processes for talent collaboration, so we weren't functioning as effectively as possible. Well, it didn't take long for us to rapidly fall on our face, start hemorrhaging money. We ran into a brick wall and my face was covered with blood and snot and tears. It was a pretty tough moment. What we realized is we needed to reset.

So to finally answer your question in terms of what we did about it is we started with our core mission. When you feel a little pain like that, it's a really powerful tool. Jordan and I sat down and said, "Look, man, neither of us are happy right now so why don't we focus in on what makes us happy, first and foremost? And then we could figure out what makes this business grow." And what we realized what makes us happiest when we're surrounded by positive and creative people who are doing their best work. If you're not positive and you're not creative, there's nothing I can do for you. I can't offset any damage that your mother did to your own disposition growing up. But what I can do is find people who are very naturally positive, very naturally creative, and I can build processes to bring them into the house. And then we can focus in on helping people do their best work. Talent collaboration, how do we give people the tools and the resources to work together to build up not just their intelligence but the synergies and their collective intelligence? So we really started by focusing in on a new mission statement.

When we created The Naked Brand documentary, we thought our mission was to lead the advertising revolution, which is totally cool and totally valid. But our new mission statement is a lot more, let's say, sober and pragmatic. But it's just that. It's to build a place where positive creative people can do their best work, and every word in that is well thought-out. Build, it's a verb, it's not a destination. We're always building. We're always working at it. We're never satisfied. Positive and creative people, the folks I mentioned, what are the processes that we have to acquire them, and then to do their best work. That's the job of leadership. Every time we stand up in front of a team, every time we make a decision, we need to figure out, are we making a decision that enables people to do their best work, which isn't always easy, right? We're a service business,

there's a fight for various resources. Sometimes you have clients with big budgets that probably aren't a great fit. Those are tough decisions that need to get made. But what we do when we're doing our best is every presentation that we have, that's the first slide of every internal presentation. We don't do it for the team, we do it for ourselves. We do it for our leadership team, to remind ourselves and hold ourselves accountable that that's what we're trying to do every single day.

[22:40] Craig: Jeff, that's some inspiring messaging going on and so relevant today when we've got hiring challenges and management challenges as far as getting our staff on board and keeping them together during this virus scenario. So those are leadership visions that I think really is inspiring for all small business owners and many takeaways there that we'd love to have from a audio clip we could have on our wall and translated. So appreciate that. Getting back for a second to this book, I'm dying to ask this question. In the book, you've got to the element of advertising revolution. With your experience and vast knowledge of industry and major players and major clients throughout the world, from a marketing and advertising standpoint, what is your view on what's playing out with brands such as Tesla, GM, and Ford?

[23:35] Jeff: Wow, that's a great question. And it really goes back to your earlier question, Craig, about do brands that dominate the competition, do they understand this? And when you think about that bell curve I described, Elon Musk and Tesla, they're all the way on the right hand side. They're the Tom Brady of corporations. You, me and half our listeners are probably kicking ourselves that we didn't buy that Tesla stock a few years ago. And if you did, congratulations, that's absolutely awesome. That is a company that's dominating the competition. I heard the other day, and this may be wrong, that GM was able to put out a total of 26 electric vehicles in the past quarter. I mean, that's just absolutely bad. That's the way the world is working. So what Tesla's done a really great job of is empowering their internal audience. We've all heard those stories about Elon Musk empowering his team, but sometimes he was sleeping on the floor of the factory when they needed to fix something. I heard the other day, and I don't know if this is accurate, but I did hear it the other day that every single piece of software in that business, how they run every single component to that business, and we all know there's hundreds and hundreds, if not thousands and thousands of software vendors out there optimized to do whatever you need. He builds it all. Tesla build it all because they're never satisfied with what they can buy off the shelf or customize off the shelf. He's always focused in on empowering people right down to the granularity of the software interfaces that people are using. You also see that he's looking to our very first point in this call, and how does he empower the target audience? So companies like GM, what do they do? They rely upon TV advertising and digital advertising. And there's nothing wrong with that, they certainly work. But that's like their big bailiwick. That's how they leverage the resources. They're a giant corporation and they can spend those

dollars that way, but it's way beyond the point of efficiency or effectiveness compared to what Tesla is doing. You don't see Tesla TV ads. They just save that money. You really don't even see a traditional distribution network. If you go into their retail locations it's nothing like any other car dealership around the planet. They're less focused in on that classic used car salesman bit and trying to close the deal, and they're much more about empowering people by giving people software and hardware and interfaces and demonstrations of those products, so that people can understand is Tesla right for you or not? And if not, so be it, we're not going to try to hit you with a hard clothes. So just by looking at how they spend their dollars differently, they're focusing in it on empowerment both internally and externally, and their reaping dramatic financial rewards.

[26:11] Shye: Jeff, you've worked with some incredible brands. I mean, speaking of Tesla, we know you've worked with Apple and Capital One, I mean, these are really innovative companies, to say the least, that have changed the landscape of their industries, and even the NFL and Disney. I'm curious, what have you learned from them that you've been able to incorporate to what you do well?

[26:32] Jeff: **The companies that do their best focus is on culture. You can feel it right from the get go, right when you walk into an organization.** There's an example I talked about in the book where I showed up at a presentation, huge technology company. I walk in and I'm introducing myself to everyone. And finally, there's the biggest executive in the room, and I'm like, "Hey, I'm Jeff, nice to meet you." He's like, "Last name?" I'm like, "Excuse me?" He's like, "Last name?" I'm like, "Oh, I'm Jeff Rosenblum." And I'm like, that's weird, man. I'm a full-blown adult. I know how to introduce myself and you're yelling at me like I'm a kindergartener. And then we stand up and I'm like on the very first page of the presentation, and he's continuing to attack me. Like, I get it, man, if you don't like the presentation, that's fine. But if you're doing it on the very first slide, something's off with you and something's off with the culture. And I could see the look in everybody's face like "Help me! Help me!" like, "this is what we deal with every single day." And I was fairly young so I didn't walk out. In hindsight, I should have been like, "Dude, sorry, you're not for us. This is a waste of everybody's time. We're out of here. I don't need this in my life," which we did after the presentation but it would have been a lot more fun to do it during the presentation.

And there's another one fast forward, and I walk into a company, a client of ours, and I'm on the executive level. I'm looking for the bathroom. It's a big company, I can't find the bathroom. I turn to somebody I see, well-dressed, he's wearing a suit. I'm like, "Hey, can you point me towards the bathroom?" which most people, "Okay, just go down the hall and make a right." He's like, "Sure, let me show you where it is." And we walked together, walks me, I don't know, 100 yards down the hallway and we make a right, we make another right, walks me all the way to the doorway of the bathroom, make sure I

get in there as if I'm at the Ritz Carlton. And the company that had that latter behavior, treating me like it was hospitality, it was Windham. Windham is a client of ours, they have absolutely incredible culture. I think the people internally are extraordinarily kind. And if you look at their stock performance as a travel company during COVID, they've done exceedingly well. The former company that I mentioned that I got yelled at was EarthLink, which you guys may remember was one of the high flying greatest companies in the world. They were meant to be the next Google or whatever, and they're worth diddly squat nowadays. **I do believe that culture manifests itself in these little indicators, whether you're getting yelled at or when you're getting treated well, when you're looking for a bathroom. Those little things lead to profound results.** This isn't because I'm a genius or anything, it's just that I've been doing it for decades. I can walk into almost any corporation right now, inside of about three or four minutes, I can feel how well that stock performance is doing. You can just sense it in the little behaviors that you see out of people. **I think the lesson there is culture leads to performance, and culture is dictated by the totality of our small behaviors.**

[29:26] Craig: That's fantastic, Jeff. Again, we really appreciate you being on the show today and bringing some really fine insight and actionable items. We really appreciate that.

[29:36] Jeff: My pleasure.

[29:38] Craig: And I was curious, is there anything else you'd like to leave with our audience today?

[29:41] Jeff: You know, one of the things we're really excited about is 100% of the author profits from the book are going to be donated to charity. So it comes out January 18, has been published by McGraw Hill. You can find it on Amazon by searching Exponential by Jeff Rosenblum. Amazingly, there's another book being published now called Exponential so search for exponential by Jeff Rosenblum. If you enjoy it, please leave a review and hopefully that'll help us generate more donations to charity. If you want to learn more about the company, we're at Questus.com, Q-U-E-S-T-U-S.com. I'm on Instagram [@TheJeffRosenblum](https://www.instagram.com/TheJeffRosenblum) and Twitter [@JRQuestus](https://twitter.com/JRQuestus).

[30:22] Craig: Our guest today has been Jeff Rosenblum, author of the brand new book Exponential: Transforming Your Brand by Empowering Instead of Interrupting. You can learn more about Jeff as well as find links to his book and resources all on our website at businessownersradio.com.

Thank you for joining us on Business Owners Radio. We hope you enjoyed today's show. As always, you can read more about each episode along with links and offers in the show notes on our website, businessownersradio.com.

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