Greg Lotko:	Hey folks, welcome back to the main scoop. We're here for episode seven, and we're going to be talking about how compliance and sustainability impact brand value and technology. Now, we know there's a lot of things that make brands valuable. We've got Rebecca Levesque as our guest today, but I'm going to start off by talking a little bit with Dan. Dan, what's your perspective? What are the things that make brands valuable?
Daniel Newman:	Well, Greg, it's always great to be back. Brands gain value from a lot of different things. There's very structural things that create value in brands. The financials and the metrics and the customer counts, and the value of the services they deliver. And then there's more ephemeral things that make brands valuable. It's the way brands make people feel. We all know that those reference brands that we all like to call out, a lot of times we're like, well, why is product day better than B?" And people are like, "I don't know, I'd just like to use it. Or why am I stuck using one type of mobile device versus another? Because my kids only believe in one type of text messaging. Or why do you buy coffee at that particular shop versus another that actually does hand drink versus this other place that I'm pretty sure serves it out of a microwave? But in the end, the brand is created because of the way it makes us feel. And then of course, the way it makes us feel drives greater customer investment. Customers spend more money, then they can pour more money back into it. But it can be the tech, it can be the product, it can be the service. But in the end, it's going to be those two things, Greg. It's the structure of the business, and then of course, it's that soccer side of brands that people love that are in people's hearts, always perform.
Greg Lotko	Well, I think about it. And of course, it's the value that it brings and how you feel about it, how you think about it, but there's that other element about the expectation, the consistency that... You think about when you go out to a restaurant, why do you go back? You go back because you liked the food, or you liked the service. And the things that kill a brand is if they don't live up to the expectation that they've already set, right? If you go back to that restaurant and all of a sudden, the service wanes or the food's not as good, maybe they changed out the chef or they couldn't get the ingredients. I think that's why we attract ourselves to brands. It's that consistency, that repeatability, that either meeting or raising the expectations and the experience every time.
Daniel Newman:	And by the way, Greg, just as a note, consistency can mark a scalability that allow businesses to become big. I mentioned certain burger joints, incredible consistency. No matter where you eat the fries, anywhere in the world, they taste the same.
Greg Lotko	Yep.

Daniel Newman	But it doesn't always act as a mark of quality, and we know that. So, obviously putting together both consistency and quality is probably the ultimate outcome. And I can think of a very small number of brands that have incredible market cap because they've found a way to do those two things in the eyes of the customer. So, Greg, that brings a whole nother question. We're in a massive shift from one generation to the next. We've got younger group entering the workforce, we've got social, we've got digital, we've got new mechanisms for reaching and engaging with customers. How does this shift the way we conduct business and the way we think about creating a brand and creating value for our brands into the future?
Greg Lotko	Yeah, I think it's also about the greater awareness in the world and access to information. It used to be that we'd focus on the product or how we interacted or just the result, but there's this raised awareness of what's going on in the world and an urgency and to want to understand how people are conducting their business, how they're interacting with people in the world, with governments in the world, how they're interacting with the environment and what that means for long-term sustainability.
Daniel Newman:	Yeah, I think you make a lot of great points there. Having children... And by the way, I have them spanned over almost what, 20 years now, my oldest being 21 and my youngest being six. And even just seeing the difference from how they're going to be interacting with technology, how they're building relationships with brands, I mean it's going to continue to change, and it's going to become incredibly important that we make sure, across a plethora of different digital platforms, that we understand our customer, we understand our constituency, and we understand how to make them meaningfully want to do business with us, or else the lifespan of companies, and we've seen the Fortune 500 change over years, that lifespan will continue to get shorter and shorter for what are the most influential companies. And I'll make a call right here, Greg, before we bring in our guest. At some point in the next 10 years, there will be an absolute giant that will fall because of the way disruption will come in and take a company that we would think is invaluable and that will become unvaluable.
Greg Lotko	Let's bring Rebecca Levesque in. She's from 21st Century Software. You've kind of heard what we've been talking about.
Rebecca Levesque:	Yeah.
Greg Lotko:	We'll open it up to you to comment on that if you'd like to start that one.

Rebecca Levesque:	Oh, I would love to. It's so important. And I can't agree more. I mean if you think about it, the younger generation, there's so much more concern about sustainability, and if we don't address that within our world that we live in. It's an important piece. Some of the data centers, they say that the data centers in the world can use up the emissions of 26 million homes. So, that is something that the younger generation knows. They know those numbers, they know those stats, and they're very concerned about that. And they'll do business. They'll really make financial and buying decisions based upon the ethos of a company, not always what their product is, not always do they like the product. In fact, they'll stay away from a product they like if it doesn't fit what they feel is part of their own personal moral compass, which is around, a lot of times sustainability right now, because they're very worried about what their future will be. So, it's a very important subject.
Greg Lotko:	You used the term kind of around their moral compass. It's about how folks feel companies should be interacting responsibly in the world, and then the consumers interacting with them will reward the appropriate behavior and they'll stay away from products if they don't see them being responsible corporate citizens.
Rebecca Levesque:	No, that's exactly right. And it's part of what they've become. It's part of who they are. And I think that's really important for us to take into consideration. And then we talked earlier about, and you brought up the point that because companies need to be aware of how they're dealing with their teams internally. How are they promoting their own organizational team members? How are they working within their organizations? How are they seen by the world at large? Visual is so important. The internet has made everyone subject to scrutiny you. Your world can change with one good or bad [inaudible 00:07:05]. And so much of what we do is based upon very finite pieces and finite pieces of what companies may or may not do that's right. You talk about resiliency, one bad event. You talk about compliance, not making sure you're compliant to the nth degree that you should. If you can't prove you've done everything you could, if something happens, people are going to call you accountable for it. So, it's really important that we really think differently about the pieces that we used to think were either insurance or nice to haves. They've become more, you need to be doing that.

Daniel Newman:	So, let me ask you a question. You kind of weighed in a little bit and you mentioned sustainability. The whole theme of this show, we're talking compliance, sustainability, the business impact here. The last couple years have been really interesting though, Rebecca. On a macro level, the technology industry absolutely swelled. It boomed over the last couple of years. And things like ESG, sustainability, DEI, compliance investments, and kind of trying to be better companies, you talked about moral companies, it all came to the surface. Companies were spending big; they were putting out new ESG and sustainability reports every year. They were making that part of their marketing story. They were selling it as part of their hiring story. And now, we're in kind of a slowing period, possible recessionary period, and suddenly you hear things. I just read an article in; I think [inaudible 00:08:30] yesterday about DEI programs being cut. Suddenly, you hear less about sustainability. What's your take? Posturing versus progress? I mean, is this something that's going to sustain, or is this only something companies are going to do when the tailwinds are behind them and it's easy?
Rebecca Levesque:	We're going to have to see that. If you think about... The EU is putting some teeth behind it. They're trying. The EU is always very good about regulating things, right? So, they've regulated some resiliency right now with [inaudible 00:08:58]. They've put some regulation in place for sustainability. So, if those teeth come to bear, then yes, and then they'll push it forward. If you think about it... I was reading something. I forget where it was. It could have been Forbes. It was 85% of organizations speak to having something that they are driving from a sustainability. But then the percentage, I think it was within the twenties, thirties, was companies that actually had real plans or were really doing it. So, there is a difference between the conversation and the reality. And so, we're going to have to see whether or not. It's generally driven by regulations and have-tos. It's generally not done when economic times are down, if it's just a nice-to. They're not going to always consider it. So, it's going to have to really either come out of their pocketbooks of the consumer, or they're going to be forced to through regulations. It's going to be one or the other, in my opinion.
Greg Lotko	And Dan, actions speak louder than words. I agree with you. Whether it be around sustainability, ESG, DEI, a lot of companies were talking about it, and it was an imperative to have a statement about it, a position. It's the actions that matter. And you can see those that, whether it be supporting their employees and how they're interacting with them, making opportunities available, what they're doing in the marketplace broader than just their own customer set, their own employees, or their own customers, those are the things that I think will stick.
Daniel Newman:	And if I could add though, I think this is a moment for IT and technology, because measurability and accountability have to come with data.
Greg Lotko	Right.

Daniel Newman:	So, when you look at these different net zero announcements... And hey Greg, the Newman family's going to be net zero by 2070. So, I just gave you a 48-year commitment that I'm going to be net zero. Imagine if your company said, "Well, we're going to be X revenue by 2040," but you don't actually give guidance or even report your numbers for the next 18 years. People will be like whatever, that's not real.
Greg Lotko:	And I also like that your kind of looking at this very holistically. I think another thing by the way that's going to come to bear... And maybe this was part of the World Economic Forum conversations that were going on over the last few weeks. We've talked about sustainability. We talked about compliance. Another area that I think is going to be so important for IT in the coming years is going to be security, cybersecurity. And this is where the type of technology, the kind of modernization approaches we take are going to be uber critical, because we all know that... And by the way, cybersecurity does not care about the macroeconomic conditions. Sure, your modernization strategies may have to be slowed, but what's the risk of getting that wrong, and what's the risk... By the way right now, I mean, we've seen the way the CHIPS act moved forward. It was a national security thing. It wasn't resiliency, which brings me a good question here for you, Rebecca. How does this pivot to that, CIOs, and the enterprises? So, we've kind of looked at the macro of how it's overall in the economy, but CIOs, are they prepared for sustainability? Are they prepared to deal with compliance? Are they handling cybersecurity and the risk?
Rebecca Levesque:	And what's truly important is we also have to recognize, because we are core across all industries, everybody uses technology to some level to run their business. And because of what they're calling now, these shortfalls in employment opportunities, there's 3.4 million people shortfalls for cyber resiliency. That's just one area that I happen to have a number on. So, if we have shortfall in the ability and people to fill the areas that we need, then we have to really be considering what is our business going to do in order to draw the quality of people in that we need in order for us to be able to sustain our businesses. So, sustainability is not only sustainability in the truest sense. Sustainability is really important as organizations because we need to sustain ourselves with employees that are willing to work in our industries. And so many times, I hear within our platform, will legacy. I'm sorry, everyone's legacy practically at this point, right? So, it's across everyone. And in order for us to really have an active role in making sure the future of all of that's happening in all industries is really key on us as software, as IT in general to be able to say, "Hey, we're in the forefront of pushing these agendas and making sure that we're doing the right things."
Daniel Newman:	Sure.

Dr. Howard Rubin:	If I could go back to school again, I would study behavioral economics. Because you're getting back to behavioral economics and all the wild things that go on in markets. So, science ends at a point, then behavioral economics. I'm sorry for interrupting, Greg.
Greg Lotko:	That's good.
Dr. Howard Rubin:	Yeah.
Greg Lotko:	We're on the same thought. I think it's the psychology of markets, and it's this psychology of technology. It's all about people being involved. Those who approach it and are thinking about balance and thinking about use and really evaluating what they have in front of them, are probably destined to make better decisions... Or at least longer enduring systems. Those that get distracted by the bright shiny object, or the overwhelming consensus at the time, they go in a different direction. And hey, look, if it ends up being right on that hot tip and they know when to get out, or they know when to stick or reinvest across balance, they end up better. So, it's about balance, it's about balancing your investment. But also balancing your operation and your organization. So, it's been a great conversation. Fabulous having you here, Dr. Rubin. And Dan, as always, a pleasure. Hope folks join us for the next time. We had a great time. This has been the Main Scoop.
Daniel Newman:	See y'all later. Hit that subscribe button.