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# Ties that bind: Purchasing Power

In today's uncertain economy, businesses are focusing more resources than ever before on identifying and leveraging their competitive advantage. Purchasing Power is doing so by supplementing its front-line employees' efforts with the talents and business savvy of a disparate group of executives.

The Atlanta-based company offers employees from client companies the opportunity to avoid ballooning credit card interest rates or other hidden fees by buying electronics and other name brand products through payroll deductions.

"We believe that striving for excellence, credibility, and values are vital to growing our business," says firm president **Ritt Carrano 98MBA**. "We're in a very competitive environment, and dealing with it means incorporating critical and strategic thinking in everything we do."

Unlike some firms that rarely if ever deal directly with their ultimate consumers, Purchasing Power representatives are in steady contact with the consumers they serve, putting the company's reputation on the line on a daily basis. Carrano says that means top management can't allow themselves to be insulated.

"The development and communication of our goals, strategies, and initiatives throughout the company is one of my top priorities and is critical to our continued growth and success," he explains. "To support this, we formed a strategic planning committee made up of key leaders from every department in the organization."

To help build alignment across the organization, Carrano follows up with departmentally structured, informational strategy meetings with every employee in which he shares updates and results and allows employees to ask questions, offer feedback, and float ideas.

Carrano says he also stays in touch with people in his industry and beyond.

"That involves developing and maintaining professional and personal networks in Atlanta," he says. "I've found that my involvement with Emory University-related mentoring and panel discussions helps to sharpen my edge."

Successful companies also need to be nimble, according to **Elizabeth Halkos 01MBA**, Purchasing Power's vice president of sales and marketing and a Goizueta alumni board member.

"To stay ahead, we're constantly prioritizing our decision-making process," she says. "The Purchasing Power team also carefully designs employee roles in ways that enable them to align with business objectives."

Her department has grown significantly over the past four years, expanding from four people to more than thirty. Keeping up with the changes means Halkos's department works with internal and external partners, including consultants.

"To motivate my team, I try to understand the specific needs of individuals and provide them with what they need," she says, "including a level of autonomy and decision making, and engaging them with interesting work that gets them excited to come to the office every day."

Halkos also measures their input and achievements with internal metrics to ensure that they're "driving to the results we are trying to achieve" in an efficient manner.

"If we are not performing, we need to evaluate the reasons behind the results," she says. "Then we either work to optimize them or we adapt and alter our strategy."

One of those strategies involves using social media channels to connect with brokers, employers, employees, and other parties. "Social media is a fantastic brand awareness building and lead generation channel," notes Halkos. "It can be a cost-effective yet productive approach for reaching a number of sales and marketing objectives."

**Edward Angstadt 04MBA**, a Purchasing Power brand manager, says the company has also begun to use social media "as a channel to push information out to our B2B audience," adding, "we plan to increase this activity in the years to come."

Over the past few years, Purchasing Power has been "investing more and more in the business-to-business, or B2B space, to build awareness and drive leads into the sales pipeline," Angstadt explains. "Aligning our marketing and sales departments has been a challenge, but it's critical to the success of our B2B lead management strategy."

To overcome some of the challenges, the company leverages strategic partnerships with solutions providers for its customer relationship management, lead scoring, and marketing automation platforms.

Success is measured by metrics such as return on investment, says **Rick Gore 02MBA**, Purchasing Power's financial analysis manager, "but ROI," he cautions, "is only one of many tools that a business leader should possess, and like all tools, is not appropriate for every situation."

While ROI is helpful when ranking competing priorities for clearly defined resources, "it is less useful for doing things like creating new products to meet changing market needs," he explains. "Instead, it's important for us to have executives who know when to deploy things like ROI and when to use something else. It's all part of our drive to success."

Gore also notes that Purchasing Power has benefited from the difficult economy.

"Our unique qualification model does not use credit checks, which lets us continue to serve customers even as other retail companies scale back their credit offerings," he says. "Our core product enables businesses to provide a valuable benefit to employees at no cost to them, a message that if anything has become even more appealing in tough times."

—Marty Daks

network

"Ties that Bind" is a recurring feature on companies that have built strong ties to Goizueta Business School.

