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Interview with Bartolomeo Rafael Bialas, Hania Krück, Dr. Ioseb "Soso" Gabelaia, Miguel Blanco

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Bartolomeo Rafael Bialas (Las Vegas, USA) is an international expert on brand management, strategic thinking, and consumer behavior. He has consulted for and worked with many business and government organizations, including MGM Grand Las Vegas, Wynn Las Vegas, The Rivers Casino in Pittsburgh, Goodwill Industries International, Aldec, White Square Gallery, ING Group, RDG Advertising, Keane Creative, Nevada Governor's Office Of Economic Development/International Trade and Diplomatic Protocol, Consulate General of the Republic of Poland in Los Angeles.

He has been a visiting professor at various universities around the world, including Belize, Guatemala, Poland, Latvia, Portugal, USA, Slovakia, Argentina, Hungary, UK, Croatia, Aruba. He has also lectured at the prestigious Craft Acting Studio co-founded by the actor and Emmy Award-Winner Brad Garrett. He is currently a visiting professor at Andzej Frycz Modrzewski Krakow University where he is teaching original content courses in Strategic Brand Management, Market Research, International Marketing, and Disruptive Business Models.

Hania Krück is a lawyer and notary graduated from Rafael Landívar University (Guatemala), with more than 14 years of experience in national and international intellectual property matters, with a specialization in Law & Digital Business from the

University of Salamanca (Spain). Director of Innova IP, the intellectual property division of the Guatemalan law firm A.D. Sosa & Soto. Visiting professor and speaker working for many organizations, including the World Intellectual Property Organization (WIPO). She has been rated and recognized internationally through the evaluations of the prestigious publications of The Legal 500 and Chambers and Partners.

Dr. Ioseb "Soso" Gabelaia is an assistant professor of Business Administration at the C.H. Sandage School of Business at Graceland University (USA). He is a marketing communication and management specialist with over 12 years of extensive experience. He is a Certified Six Sigma Master Black Belt (CSSMBB) and Master Scrum Accredited Certified (MSAC) committed to educating, coaching, and mentoring students/learners to achieve lifelong goals. He is a member of the American Marketing Association (AMA) and the European Marketing and Management Association (EUMMAS). Dr. Gabelaia holds a Doctor of Business Administration Degree with an emphasis in Marketing. Additionally pursuing a second doctoral degree in Education Leadership.

Dr. Gabelaia leads the Marketing and Management program at Graceland University. He is also involved in the development of the MBA program.

Miguel Blanco graduated in Business Administration from Rafael Landívar University (Guatemala), with a master's degree in Marketing Management and a master's degree in Local Development and Territorial Planning from the University of Valencia in Spain. He is currently pursuing a PhD degree in Social Economy at the University of Valencia. He has been a consultant on strategic planning, finance and family business management as well as a university professor and researcher.

Andrzej Chodyński, Dariusz Fatuła: Are businesspeople aware of the risks that can manifest themselves in areas other than the domestic/global economy? Is this awareness universally present? Would this awareness be affected by cultural factors?

Bartolomeo Rafael Bialas: It's easy to assume that every organization, every manager, every entrepreneur, every investor, and every management consultant wants to be aware of potential risks – and be prepared for the unexpected. Unfortunately, many businesspeople have persistent misconceptions about risk management. It's a common misconception that effective risk management significantly reduces risk factors that can lead to unmitigated market disasters. However – as Alla Valente, a senior analyst at Forrester Research said – "We don't manage risks so we can have no risk. We manage risks so we know which risks are worth taking, which ones will get us to our goal, which have enough of a payout to even take them." Therefore, businesspeople must be aware of potential risks to stay vigilant to new sources of danger and loss. There is no doubt that global risks are currently making many CEOs anxious and jittered. The businesspeople I work with understand that there is a growing spotlight on sustainability, environmental, social, and governance issues. In January 2023, the World Economic Forum published the Global Risk Report[1] in which it described the consequences of climate inaction, deterioration of societal cohesion, and nature loss as the most pressing and critical risks on a global scale over the next 10 years. Given the complexity of today's global risks, organizations looking to grow internationally are increasingly turning to cross-cultural strategy consultants to better understand the global business environment, better protect their operations and supply chains, and better tackle the unexpected business challenges. I always tell my clients and my MBA students that in risk management the key is to plan early. There is no question that there are several competencies that businesspeople can cultivate to create a high-performance corporate culture that can significantly contribute to the development of forward-thinking, future-fluent, and risk-ready organization.

Another problem concerns the role culture plays in influencing people's risk assessment. Despite its critical importance, culture keeps being overlooked when thinking about risk management in business. Culture plays a profound role in business, management, and decision making. Culture influences people's risk assessment because it influences their subjective interpretation of what a risk, danger, or a hazard is and how they should respond to it. Culture also influences the local norms and risk tolerance levels. For example, what is considered too risky? Miami-Dade County for instance has a very high natural disaster risk score of 68%. As far as I remember, over the past 20 years, most of the disasters that transpired in that county were related to hurricane incidents. Simply put, people who live in Miami-Dade County are willing to endure a considerably high level of risk compared to people who live in other parts of the US. Numerous anthropologists and social psychologists have recognized that managers' thought patterns, actions – or inaction – are linked to culture. Cultural values and norms influence the willingness and readiness to accept, change, or discard risk assessment procedures. Although the influence of cultural factors is being debated in many academic fields, in business and strategic management there is still a strong focus on financial issues. I would contend that many businesspeople I work with lack cultural sensitivity and their ethnocentrism hinders them from learning about other cultures and potential sources of risk.

Hania Krück: From the legal perspective, it is my experience that businesspeople are transitioning into being more aware of risks, but there is still a long way to go. The corporate compliance programs produce guidelines, processes, and different forms of control that generate stable practices over time related to many areas of business such

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[1] *Global Risks Report 2023*, WHO, 11 January 2023, https://www.weforum.org/publications/global-risks-report-2023/ [accessed: 12.12.2023].

as taxes, labor, advertising, consumer protection, intellectual property, among others. The different mandatory, or voluntary, compliance programs have helped managers to become more aware of risks and take appropriate measures to reduce them, seeking continuous and sustainable improvement.

Cultural factors affect the awareness and consciousness of every individual, since some of the risks may be related – to a greater or lesser extent – to the local circumstances, regulations, and/or customs, beliefs, superstitions, prejudices, and convictions. In addition, in countries where the compliance culture dominates due to mandatory regulations, managers are more involved and aware of the risks. On the other hand, in countries in which integrating compliance programs to the business is relatively new, managers may not be fully aware of all the variety of risks, but it is my experience that managers – or businesspeople in general – who know their markets well, are very aware of the major risks – other than the domestic/global economy – that play important role in their industries.

Ioseb "Soso" Gabelaia: According to World Bank chronicles, economic activity in developed and emerging markets and developing economies (EMDEs) has shrunk since COVID-19 as domestic demand and supply, trade, and finance have been disturbed. Hence, businesspeople need to recognize market conditions' exposure, vulnerability, and volatility before or while developing resilience strategies. Therefore, we must refrain from conversations about price indexes, monetary policies, unemployment rates, exchange rates, interest rates, agriculture exports, and the availability of raw materials. Besides, risks related to the social, environmental, legal, political, and technological environment require businesspeople to be aware and to stay consistent with it. For example, climate change is a global phenomenon impacting local/global economies. Therefore, the physical risk which impacts economies varies based on region. Furthermore, remembering the impact COVID-19 had and continues to have on local and global economies. Moreover, technological advancements provide new threats to businesses.

As a professional applying the Six Sigma philosophy in various industries and practicing design thinking, businesspeople are aware of those risks; however, not about universal awareness. It varies due to the size of the business and its operations. Moreover, cultural factors should have a massive role in different geographic regions; we have different cultures, such as individualistic vs. collectivist. Therefore, decisions are made differently, especially in a post-pandemic environment.

Miguel Blanco: Today's entrepreneurs are perfectly aware of the different factors that affect their businesses. Another issue is, of course, how prepared they are to face and overcome them. The risk factors in the last two decades have multiplied, both due to the global connection of the markets, and due to the technological factors that change so rapidly. The best-prepared businessmen have had to migrate to the data and trend analysis tools, which help them anticipate transcendental changes in the industry within which they operate. Numerous professional associations and chambers of commerce have been supporting – of course, to a certain extent – small and medium-sized entrepreneurs to have access to this type of market analysis through technological tools.

A. Chodyński, D. Fatuła: Do businesspeople consider the value of strategic alliances in order to stave off risk factors – other than economic – that can emerge precipitously and threaten the existence of their organizations?
B.R. Bialas: It's important to know that in recent years, strategic alliances have experienced rampant growth. This is due mostly to factors like new technology, desire to expand, and the increasing importance of innovative business models and ecosystems. Strategic alliances are multidimensional phenomena, typically involving intricate interactions between partners. Essentially, strategic alliances are defined as two or more organizations working together to accomplish a mutually beneficial objective. It's important to note that each participating firm preserves its autonomy and independence in a strategic alliance. Strategic alliances play a central role in strategic management. Organizations may use alliance strategies to enter into a new market, expand their customer base, experiment with new technology, grow business, or obtain a competitive advantage. Strategic alliances can also significantly contribute to economies of scale and increased market share.

What is interesting is that strategic alliances have evolved over the years. In the 1990s, competition and cooperation were mutually exclusive. Today, competition and cooperation – or so-called co-opetition – have become the staple of business practices. For example, Apple simultaneously competes and cooperates with Samsung, Ford competes and cooperates with GM, DHL competes and cooperates with UPS, and Google is competing and cooperating with Yahoo. Depending on the business reality one must face, one can opt for the expansion of the global sourcing activities. This can be done on either an intra- or an interfirm basis. More and more organizations rely on a wide variety of collaborative efforts to anticipate and adapt to the future more effectively. The fact is that organizations around the world are currently learning how to better leverage strategic alliances as important and effective vehicles for exploring new technologies, honing their unique skills and core competencies, and staving off risks and challenges. The problem with strategic alliances is that many managers tend to perpetuate a dangerous belief that strategic alliances can lead to short-term cost advantages. Quite the opposite, in fact, is true: strategic alliance strategy can become the source of sustainable competitive advantage. Strategic alliances can significantly contribute to the creation of a unique business ecosystem of strategic partnerships that can, in turn, lead to maximization of competitive advantages of all partners involved. For example, in 2014 Uber teamed up with Spotify to create car music playlist partnership. Another successful partnership was forged between Red Bull and GoPro in 2016. This strategic alliance is deeply rooted in the DNA of these two brands: the sense of adventure and spontaneousness. As a result, Red Bull and GoPro can share the resources, promote content, increase their influence, and foray into the new markets. In 2014 BMW rolled out the i8. The i8 was the crème de la crème of all BMW vehicles. In order to effectively promote this technological marvel, BMW teamed up with Louis Vuitton. The basic rationale behind this partnership was – once again – deeply rooted in the same shared values of creativity, aesthetics, and perfectionism. Both organizations decided to test – and push – the envelope on what technology and style can do in culture.

There is no doubt that strategic alliances allow partners to learn and acquire from each other the skills, knowledge, design, products, technologies, and customers that are not otherwise available to them, and – even more importantly – to their rivals.

I can't stress enough how important it is for participating partners to clearly understand and articulate the range of the risks inherent in the strategic alliance. There is an old Chinese proverb that perfectly captures the dark side of strategic alliances: "One bed, different dreams." In order to fully leverage the enormous potential of strategic alliances, they must be managed by managers who "dream the same dreams". Organizations combining resources in unique ways by leveraging strategic partnerships may develop a competitive advantage over rivaling organizations that are unable or unwilling to do so.

H. Krück: Strategic alliances are determining factors to face a wide variety of business challenges, such as growth, expansion, transformation, sustainability, access to financial capital, synergies, competitiveness, and, also, staving off risk factors.

As far as I remember, there was an article published in 2016 written by Antonio de Oliveira, Felipe Mendes Borini, Roberto Carlos Bernardes, and Mauro de Oliveira[2], who asserted that strategic alliances are not only useful to large companies, but also to small and medium sized companies, since they provide opportunities to learn new capabilities related, for example, to technology, or to reduce costs and risks associated with innovation.

Strategic alliances can be used by partners that have different levels of power, for example between a well-established company and a small-sized company. Therefore, it is important to note that strategic alliances *per se* may also represent business risk, depending on the position in the alliance. That is why, in order to manage the risk, strategic alliances also require planification, clarity on the expected results, performance standards, and from the legal standpoint, clear and written conditions among parties.

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2 A.B. de Oliveira Junior, F.M. Borini, R.C. Bernardes, M.J. de Oliveira, 'Impact of Entrepreneurial Orientation on Strategic Alliances and the Role of Top Management', *Revista de Administração de Empresas*, 2016, vol. 56, no. 3, pp. 315–329, https://www.scielo.br/j/rae/a/5GvymdWTWZN7sFD5Gck7shD/?format=pdf&lang=en [accessed: 12.12.2023].

I. Gabelaia: Short statement – strategic alliance is a must-do in today's volatile business and economic environment. Businesspeople need help to sustain their local or global operations due to scarcity of raw materials, complicated supply chain operations, etc. I have experienced seeing business benefit and strengthen their presence and operations through strategic alliances. However, I also have seen businesses file for bankruptcy.

Many businesspeople struggle to create or accept strategic alliances due to their complexity. And with complexity, I mean the pros and cons of cooperation. For example, on one side, this partnership might be strategic or political to create a competitive advantage. On the other hand, it might be costly, or/and uneven power distribution where in alliance, one has more power and would create a disadvantage, miscommunication, etc. However, to fight all risk factors such as the social, environmental, legal, political, and technological, and be sustainable a strategic alliance is a must-do.

M. Blanco: Strategic alliances have always played a fundamental role in business success, whether they are used to reach international markets, grow businesses, or face competition in the local market. Entrepreneurs are aware of the importance of creating strategic alliances to add value to their business models. They understand that strategic alliances should be viewed as a key management tool for survival and future success.

A. Chodyński, D. Fatuła: Is there a need among managers to monitor their client's knowledge about the risk factors other than economic?

B.R. Bialas: Let's start with the functions of management. At the most fundamental level, management concerns five functions: planning, organizing, staffing, leading, and controlling. After strategies are formulated and plans are established, management's primary task is to ensure that these strategies and plans are executed and/or altered. This is the critical control function of management. Risk is part of any business and access to the right information is of paramount importance. Effective controlling is entirely dependent on the quality of information. In this brave new noisy and digital world, one truth holds true: Information overload reduces managers' capacity to function effectively, which, in turn, can lead to poor decisions. In other words, managers need the ability to access accurate information, make sound decisions, and compare their actual business processes with the intended ones, and validate that everything is in order at any given time. This, of course, requires continuous and – ideally – automated data discovery in order to buttress up-to-date flow mapping. Moreover, today organizations must focus on data verification. In a nutshell, data verification involves performing a check of the current data to ensure that it is accurate, consistent, and reflects its intended purpose.

In this context, monitoring and ascertaining a client's knowledge becomes a prerequisite to fostering a full understanding of the business ecosystem. Let's be honest:

Knowledge is power, and understanding your client's knowledge, concerns, fears, and strategic outlook will give your organization a competitive edge. Moreover, understanding how your organization fits into your client's overall strategic objectives is absolutely necessary for its success. This is especially important in the B2B segment. If organizations don't know their role in client relationships, they run the risk of underperforming. However, with the constant deluge of unverified information, it has become hard to keep track of all the ways in which organizations can get to know their clients better. Nevertheless, every organization must learn everything there is to learn about their clients' knowledge, strategies, concerns, and challenges. By understanding your clients' knowledge, your chances of losing a client dwindle, and you will be better equipped to face mutual challenges and risks.

H. Krück: Businesses seek to satisfy their client's needs with products or services. Therefore, managers need to know and understand everything about their clients, including the client's knowledge about risk factors. Acknowledging and understanding the clients' knowledge allows managers to implement, maintain, or adjust business strategies.

In addition, clients' loyalty is fundamentally a result of trusting the business. Being aware of what the client considers as risk factors allows the company to inform and implement measures to reduce or eliminate the risk factors and make sure the client feels safe.

As a lawyer, it is my experience that my clients' knowledge about risk factors, other than economic, is mostly – and unfortunately – limited. It is also true that 'risk factors' is a very generic label. The truth is that different types of risk are related to many different aspects of the business, including jurisdiction, so it is very difficult to have absolute control over them. Therefore, it is very common that managers focus on just a few risk areas. However, sometimes the risk factors they consciously – or unconsciously – neglect to monitor can represent a considerable legal and financial liability, or they could be underestimating the value of some categories of assets: intangible assets illustrate this perfectly well.

I have had various experiences with global corporations underestimating the risk of a not well-planned marketing campaign, or a marketing campaign launched without legal clearance. In one of the cases, third parties considered themselves affected by a marketing campaign, and in the other case, the marketing campaign was already launched, and it did not fulfill the local requirements for the type of products they advertised. In both cases, it had a tremendous – and adverse – financial impact, and the marketing campaigns had to be removed. Both situations could have been prevented, but the businesses ended up wasting money, time, and effort.

In addition, as an intellectual property lawyer, I have also had experience with companies that lack understanding on this matter, which has many consequences as: investing time and resources in trademarks that cannot be registered or used, the need to change the trademark name and image after being launched, lack of information security which results in disclosed trade secrets, data privacy breach, unfair competition, among many others.

In consequence, the lack of legal knowledge adversely affects the performance of the business, and inevitably increases the business risks.

I. Gabelaia: What a great question. We usually monitor our competition and see how they perform in the face of complex market conditions. Nevertheless, looking at clients is another approach that is a must-do. As we all know, business has moved from product-based to customer-based approaches. Businesses now practice data-based, evidence-based, and just-in-time data to make smart and measurable decisions. Measuring a client's knowledge is massive in this context, as managers can learn much from them. Using facts, data, and metrics will enable us to align them with strategic organizational objectives or initiatives.

Clients can provide and suggest current societal, political, or technological trends. Consequently, managers need to measure this information using various tools such as Power BI, tableau, etc. Today, monitoring data is massive, and if managers apply this to operations and develop strategies based on that, it will be phenomenal.

M. Blanco: Monitoring the knowledge of customers is essential, especially monitoring their tastes and preferences. In addition to knowing the customer's opinion in reference to our products and services, this allows us to know the satisfaction of our customers in order to make what we offer more competitive in the market. This real-time monitoring is of great importance to adapt the organization's strategies and anticipate the competition.

A. Chodyński, D. Fatuła: Do managers take action (for example, marketing campaigns) in order to deter the emergence of a crisis other than economic?

B.R. Bialas: In recent years, there has been a shift in consumption habits as consumers become savvier and more belief-driven. Building a strong brand requires more than manufacturing a great product or service. Building a strong brand – one characterized by longevity – requires focusing on values. Today's consumers want to know what your brand stands for, what your brand values and believes in. Today's consumers are less budget-conscious and more socially-conscious. This means that they are actively searching for brands that inspire by changing the world. According to the 2018 Edelman Earned Brand report[3], 1 in 2 people are belief-driven. This means that they select, switch, avoid or boycott a brand based on its stand on social issues. 67% of consumers buy a brand because of its position on a controversial issue. This belief-driven mindset spans generations and income levels. More and more

[3] *Brands Take a Stand*, Edelman Earned Brand Global Report, October 2018, https://www.edelman.com/sites/g/files/aatuss191/files/2018-10/2018_Edelman_Earned_Brand_Global_Report.pdf [accessed: 12.12.2023].

consumers believe that brands can be a powerful force for social and environmental change. 46% of consumers believe that brands have better ideas for solving a country's problems than government. 53% of consumers believe that brands can do more to solve social and environmental problems than government. Every organization must select, cultivate, articulate, and promote ideals and values that resonate emotionally and intellectually with consumers. Unfortunately, the vast majority of brands have trouble doing this well – if they do it at all. According to the 2019 Axios/Harris poll[4], consumers want and support brands that promise a better future. Global brands that are perceived as monolithic corporate goliaths, ignoring social and environmental issues, will find themselves facing rivalry from purpose-driven brands that embrace strong values and ideals, and are involved in social and political issues.

In 2022 the world experienced an unprecedented number of disasters, both natural and humanitarian: hurricanes, floods, wildfires, wars. More and more organizations are talking about purpose-driven management. A purpose that transcends profit. Organizations that want to ensure financial security for their shareholders, cost efficiency, and healthy profits must focus on providing positive contribution to the community, finding effective and feasible solutions to social and ecological problems, and investing the company's profits in ecologically and socially sustainable ways. Given the plethora of challenges our societies face, it makes perfect sense that brands increasingly look beyond profit. Brands that roll out social good campaigns send a powerful message to consumers. These brands take a strong stance on political, social, and ecological issues. They are not shying away from controversial issues, such as racism, immigration, gerrymandering. For example, Sarah Kauss founded S'well company in 2010 with the mission to rid the world of plastic water bottles. She understands that it is an audacious goal, but this goal constitutes the very backbone of this organization, one that many consumers identify with.

The days of a company's only responsibility being to initiate a transaction, sell a product, and make a profit are long gone. Brands whose DNA is deeply rooted in social causes are entering the mainstream. They are growing exponentially and increasingly represent a greater share of the market. When it comes to building a loyal customer base, being viewed as a brand that really cares about the common good is quickly becoming indispensable.

H. Krück: Marketing campaigns are one of the communication channels with consumers and it is one of the tools to build a bond with consumer. As it was reflected in a paper published in 2020 in the *Journal of Brand Strategy*, by Bridgitte Kiprop and Leila Samii[5], the more a corporation express its position on any polarizing social issue,

4 *The Axios Harris Poll 100 reputation rankings*, March 6, 2019, https://www.axios.com/2019/03/06/axios-harris-poll-corporate-reputations [accessed: 12.12.2023].

5 B. Kiprop, L. Samii, 'Cause-related marketing in a polarised global marketplace', *Journal of Brand Strategy*, 2020, vol. 9, no. 3, pp. 271–283, https://hstalks.com/article/5999/cause-related-marketing-in-a-polarised-global-mark/ [accessed: 12.12.2023].

the greater the psychological bond they can create with consumers and employees. However, not all the issues a company takes a stand on are polarizing topics, but the causes brands embrace express their espoused values and ideals. This can significantly contribute to brand loyalty.

Therefore, marketing campaigns are used to deliver messages to consumers, that may deter the emergence of a crisis. However, it is challenging to create a marketing campaign that is deemed congruent in terms of the delivered message to consumers and the values of the company. Otherwise, the lack of coherence may lead to increased risk for the business and erosion of brand loyalty.

I. Gabelaia: Businesses are trying to create awareness about the social, environmental, legal, political, and technological challenges which are constantly emerging. Of course, the economic crisis is one part of the puzzle, but today we have political, social, and technological challenges that are becoming stronger. For example, new conflicts and wars in various parts of the world impact people, raw material distribution, etc. Moreover, the growing population creates more social issues, adding to existing issues.

Furthermore, technology provides many opportunities but, at the same time, limits businesses and people. Transparency and corporate social responsibility are some elements to show people that businesses are taking action, but do they really? I have to bring the concept of a triple bottom line 'people – planet – profit.' No matter what we try to do, it still leads and results in direct or indirect profits.

Lastly, as managers, we need to take action and show clients or the general public that a crisis exists and that we are far away from solving it. Marketing campaigns are good, but they must be more effective!

M. Blanco: At the present time, companies must be prepared to handle the crisis, whether due to economic factors external to the organization, as well as issues within the organization and its operation. Marketing will always be an ideal tool to adequately manage crises, since it allows managing the information provided by the company for its external and internal environment (employees, customers, suppliers, competition, etc.). Marketing campaigns have diversified to a great extent and have become sophisticated by integrating technological tools, not only to communicate ideas and messages, but also in the form, colors and experiences that can inspire and galvanize consumers.

A. Chodyński, D. Fatuła: To what extent are marketing messages reflecting the potential threats (other than economic) businesses might face in the foreseeable future?

B.R. Bialas: It is undeniable that increasing public concern over social and environmental issues has forced many organizations to affiliate their brands with a range of popular social, political, and environmental causes. This strategy is commonly referred to as cause-related marketing, or CRM. There is no doubt that the most important – and visible – aspect of CRM is advertising. CRM is primarily used for creating positive change and driving brand loyalty. Organizations that have learned how to cultivate social impact have experienced unprecedented growth, enriched and up-leveled their brands, and aligned them with socially conscious marketing campaigns. Despite the soaring popularity of CRM, this deceptively simple strategy is still not well understood by many managers I work with. Before the organization rolls out a CRM campaign, managers must clearly articulate the overarching idea that will later become the bedrock of the CRM strategy. What is it, exactly, that you want to achieve? This idea must spell out the cause that aligns with your brand's DNA, values, strategic intent, identity, and positioning. This first step is of paramount importance because it will help you build credibility and a clear and consistent thread that will run throughout all your marketing campaigns. This idea must also resonate with your customers and stakeholders. Emotional contagion can explain – at least to a certain extent – the effectiveness of CRM. It is a well-recognized neuroscientific fact that people tend to think with their hearts. Emotional arousal can lead to the activations of such feelings as pleasure, guilt, anger, happiness. By simply looking at the cause-related advertisement, people can feel sympathy. This, in turn, can lead to the formation of positive attitudes towards the brand behind the CRM campaign. Managers must learn how to educate their clients/customers about the real impact their support/brand loyalty makes. They also need to learn how to magnify causes they support and cultivate. And – finally – they need to learn how to elevate their brands by showing that their organizations are fully committed to the causes and are unwaveringly mission-driven. For example, in 2016, ice-cream brand Ben & Jerry's rolled out a new flavor to actively promote democracy. They called this flavor 'Empower Mint'. The entire CRM campaign – brilliantly called 'Democracy is in Your Hands' – focused on educating consumers about gerrymandering and other barriers placed in low-income and ethnic communities to prevent them from voting. The campaign proclaims that 'Voting Gives Everyone a Taste of Empowerment'. But for Ben & Jerry's this slogan – 'Democracy is in Your Hands' – is not just another fancy marketing gimmick aimed at increasing profitability. The brand actively publishes articles about gerrymandering and voter suppression, and by doing so, sends a powerful and emotionally evocative message that resonates with socially conscious individuals.

H. Krück: It is an undeniable fact that more and more organizations are increasingly turning their attention to social responsibility. Some are focusing on women's rights; others are trying to tackle poverty. There are certainly considerable benefits associated with social responsibility. It has been recognized that social responsibility initiatives can significantly boost employee morale in the workplace and, as a consequence, improve productivity. According to one study conducted quite recently by Harvard Business School, almost 70% of employees in the US admitted that they wouldn't want to work for an organization whose values are either diluted or morally questionable. And almost 90% of employees who currently work for organizations with well-articulated set of purposes admitted that they feel loyal, inspired, and motivated. For example, a couple of years ago, the Coca-Cola Company fully embraced corporate social responsibility by introducing an ambitious program called 5x20. The major objective of this program was to employ five million women in developing countries by 2020.

Corporate social responsibility initiatives can significantly reflect the scope of potential threats that a company deems serious or dangerous. But corporate social responsibility is definitely more than just a smart business strategy. Businesses increasingly recognize that they can instigate change, and by doing this, they can contribute to the betterment of society.

I. Gabelaia: Today strong marketing content can move mountains; consequently, a strong message must be a massive part of any industry or region to underline potential threats. However, the message must not have to create panic. Messages must be through-through with distinct short-term and long-term goals.

Sometimes I feel like messages are "pluff" because they do not have continuity. We can see some of them throughout traditional or digital media, and that is it. Then, afterward, nobody talks about it. For example, we can discuss and campaign a lot about green marketing, however, my question will be is it really green marketing or greenwashing? It confuses people who care, and that's why many are not committed. This is why those campaigns must have a media plan on how to reach massive audiences.

M. Blanco: These threats can be understood as the complex and sophisticated apparatus that has been developed by the internet and the different technological and communication tools. Not only should the future potential of marketing messages be analyzed, but also what is currently experienced, since within the field of neuromarketing it is possible to understand the impact that messages are having on the consumer and the general public, either to sell a product or to shape public opinion, as it has been seen in some countries, which manage to influence a large part of the population to lead them on a defined path.

A. Chodyński, D. Fatuła: How are natural disasters affecting businesses and how are businesses protected from them?

B.R. Bialas: We are all acutely aware of the fact that the effects of natural disasters on businesses can be devastating. There is no doubt that in order to mitigate damage, organizations must be diligent, foresightful, prescient, and strategic. We must face up to grim reality: Climate change is quickly affecting all areas of life, including business. It is unfortunate that natural disasters are becoming a common occurrence within the United States and – according to many sources – are projected to rise. From earthquakes and droughts to hurricanes and floods, major weather and climate disasters have been occurring more frequently and with greater potency, creating a serious financial and operational risk to organizations around the world. According to the United Nations Office for Disaster Risk Reduction report of 2020[6] the 7,348 natural disastrous incidents that transpired around the world from 2000 to 2019 caused approximately US$2.97 trillion in losses to the global economy. In comparison, the previous 20-year period (1980–99) saw 4,212 reported disasters from natural hazards, with economic losses of US$1.63 trillion. Given the magnitude of these economic losses, it's easy to state that natural – and man-made – disasters have catastrophic effects on the local – and global – economy. We must also understand that there is a plethora of factors that trigger disasters: various natural forces caused by biological, hydrological, geophysical, climatological, and meteorological forces. But let's not forget human involvement: urbanization, over-farming, over-fishing, industrialization, population growth.

Let's be crystal clear about one thing: managers must learn how to achieve business resiliency to natural – and man-made – disasters. This learning process must begin with understanding and understanding begins by identifying one's commitment to disaster preparation.

H. Krück: Natural disasters evidently affect the continuity of business. However, after the pandemic crisis of 2020, companies established and executed many different measures, managerial and technological, which have been improving with time, in order to ensure business continuity. Now, those measures allow businesses to be more prepared to maintain business continuity in a reasonable way, since some natural disasters have consequences beyond human imagination.

Usually, well established businesses protect themselves from natural disasters through the proper safety measures and procedures, widely considered related to personnel, technological, industrial, financial, etc., as well as the business continuity plan. In addition, to the proper insurance coverages. This might not be the case for all the SMEs that could have an area of opportunity, due to the financial cost all these measures could represent.

From the legal standpoint, in addition to the insurance coverage, businesses protect themselves from natural disasters through agreements with strong clauses related to force majeure.

I. Gabelaia: Indeed a vast question that impacts local and global businesses and economies. Well, how many natural disasters can we count on within the last three years, and can we put together how big of an impact they had on businesses but not only. For example, the environment! Nevertheless, let us look at the sneak peek on

[6] *The human cost of disasters: an overview of the last 20 years (2000–2019)*, Centre for Research on the Epidemiology of Disasters, United Nations Office for Disaster Risk Reduction, October 12, 2020, https://www.undrr.org/publication/human-cost-disasters-overview-last-20-years-2000-2019 [accessed: 12.12.2023].

what is considered a natural disaster, and we will realize its impact. For example, some elements include a call for international assistance, a hundred or more people affected, ten or more killed, or declaring a state of emergency.

Global Sustainable Development Goals are there to help to battle natural issues and push businesses to be more environmentally sustainable, but how much have we achieved? In my calculations, a little. Indeed, we are still learning and investing in it, but we still need to convince people to show the goodness and trustworthiness of these campaigns.

M. Blanco: Natural disasters have been understood as phenomena external to companies, but everything has changed in recent decades, since there are many experiences in which organizations have managed to add positive points with their consumers by collaborating, mitigating or supporting a project or action related to natural disasters. Latin America has always been affected by various natural disasters, since it presents a fragility in its geography and its infrastructure, but the majority of companies have come out ahead, operating in an environment of constant crisis makes organizations and their leaders evolve, the latter carry the responsibility to prepare and define better strategies for the future, both to overcome the crisis and to take advantage of the opportunities it presents.

A. Chodyński, D. Fatuła: Given the fact that organizations around the world are making far-reaching changes across their operational footprints, is there a growing demand for consulting firms and change management consulting services?

B.R. Bialas: The management consulting industry is expected to grow to \$973 billion dollars in 2024 at a compound annual growth rate of 9.2%. The management consulting industry consists of companies offering everything from providing advice and assistance on organizational planning, project management expertise, marketing strategies, human resource practices, designing new organizational structures, financial budgeting, administration policies, and production and logistics scheduling, business process improvement, market research, quality assurance, quality control. Global management consultants offer audit services and routinely advise on their clients' tax strategies. Many governments around the world are currently dependent on the services offered to them by the global consulting firms. There is a tremendous problem with consulting firms offering their services to governments. Consulting firms have absolutely no incentive to improve their clients' – in this case, governments' – performance. If they do, they will not get a future contract. With the increasing impact of technology on business, consulting firms are forced to quickly adapt and offer sophisticated and internationally-oriented data analytics services to help their clients stay ahead of the curve. Management consulting firms are becoming more popular, and this increasing popularity is attributed to the automation of consultancy processes and developments in data security. Clients are actively searching for consultants who can help them understand, formulate, and execute purpose-driven strategies. These strategies are becoming more and more important as they are aimed at fostering and boosting employee engagement and improving employee satisfaction.

H. Krück: As mentioned before, managers are aware of the fact that they cannot control all the aspects of the business. Therefore, they require advice and assistance on many different specialized matters. In consequence, there is a growing demand for consulting firms and change management consulting services. Moreover, globalization requires managers to consider many different jurisdictions, which makes it even more difficult to handle if they do not collaborate with the proper consultants.

As part of a legal consulting firm for the last 14 years, I have observed that there is an increasing trend to seek consulting services in a preventive way, or as a support in change management. More often, companies hire consulting services to execute due diligence, to establish or improve compliance programs in their companies, or even to adapt their implemented compliance programs in different countries and cultural realities. More and more, due to the complexity of globalization, specialized consultants are required to cover different priority areas of the business.

I. Gabelaia: Absolutely. The demand for consulting firms is enormous. I personally consult small and medium-sized companies on various marketing and business strategies. I advise building continuous and sustainable strategies that benefit organizations, the planet, and people. As I mentioned above, my practice's triple-bottom-line impact is massive. Many businesses are involved in upskilling their employees, whether in-person or hybrid modes. This is one way to train employees on their leadership qualities to be more sustainable and socially responsible.

M. Blanco: Most organizations do not adapt as quickly as they should to the changes that constantly occur in today's competitive markets. Consulting services are always necessary to support organizations to minimize their weaknesses, take advantage of their strengths, prepare for threats and achieve sustainable development through the opportunities that arise.

Change management is a process that never ends for organizations that want to remain competitive in the market, so consulting and support services must be present at all levels, both for management and for operational lines, understanding that resistance to change is something natural for human beings. Therefore, it is necessary to support the processes that are to be promoted and accompany the organization at all times so that its evolution is a constant that promotes its permanence over time.