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Opening Speech for NBC Neebo Leadership Meeting 2014

It's great to see all of you! Thank you so much for being here and dedicating this time to finding ways we all can be better leaders.

I've been catching up with many of you in the hallways, during breakfast, and yesterday. I love hearing stories about all the great things happening in your stores and home office teams. What an excellent opportunity this is for those in the field and those in the office to collaborate.

All the good things you are doing on your own teams are rippling throughout this company, connecting all of us and our capabilities, and making the most of our potential. You can just feel the energy radiating. We truly have come a long way since we met for the first time in 2010. And it's no accident that we are making progress.

Think about some of the topics we've covered in these annual meetings. I think you'll see we have had a deliberate strategy to build something great.

- We began at our first leadership meeting talking about the danger of our guest services becoming outdated. TODAY we are exploring some of the industry's most **CUTTING EDGE** guest services.
- In one meeting, we talked about the circle of execution. It gave us a better understanding of how things get done in our company. TODAY, our circle of execution is much tighter and more efficient.
- YOUR leadership role in execution is critical, so we've spent a great deal of time in these meetings focused on you—and your leadership skills. We talked about leading from the inside out, for example, about building leadership competencies, and about leadership success factors. TODAY we have *[describe progress related to ongoing leadership issues—mastermind groups, training, opened lines of communication, etc.]*
- Due to all that hard work on leadership, last year we came to the meeting in Las Vegas as evolved leaders. We needed only one more thing to complete our transformation: commitment. For that reason, the theme of last year's meeting was "Going All In." TODAY, we SEE your commitment and we feel it ourselves as your leadership team.

We are no longer looking back. We are looking ahead and becoming continually more connected to our goals.

You might be asking yourself why we've done all of this. Why all the education on leadership? How did we choose these topics? Maybe it seems random. But it's not. There is a method to our madness!

I can see it because of my unique vantage point as president. I get to see everything going on in the company to some extent. Not to the extent my mom could see everything when I was growing up. She

said it was because she had eyes in the back of her head! No, I'm not that good. But I do have the privilege of seeing the big picture, and I think it's amazing how things are coming together.

All of our past discussions have been carefully formulated to bring us to this point. We are not only much farther ahead—but we have a great future to look forward to.

On the other hand, as you know, we can't rest. The market could EASILY could leave us behind if we hesitate. Our competitors aren't resting and EASILY could pass us up if we don't prevent it. So we need to keep our eye on that future we want so badly.

At this year's meeting, we are going to do just that. We are taking a giant step forward to build on our progress. We are going to lift the veil on some of our ongoing behind-the-scenes efforts, so you can see what's coming and get as excited about it as we are. And we are going to get you ready to think of your roles as NBC Neebo leaders in new ways. In ways that will help us multiply our successes.

In general, we've identified two primary paths we want to follow to help us excel from this point forward. They provide a foundation for everything we do from this point forward.

The first path consists of continually using our mission, vision and why to guide us. Here they are to refresh your memory. *(Put mission, vision and why on screen, but don't have Steve read them unless you think it's necessary.)*

A presentation by the leadership team will show you how to turn these philosophical statements into practical advantages. We'll do it by adding six strategic values you can use as guides to help you and your teams make smart decisions every day. It is those decisions and the ripple effect they have all across the company that will keep us going in the right direction.

The second path to excellence for NBC Neebo is expanding our products and services. We've determined we need to do this in ways that are driven by technology, because that's the reality of our industry. Nate and Bill will cover some of those new products in their presentation this afternoon.

Above all, we have to have a laser focus on our customers and the services that will help them most. So we continue to monitor sales and customer behaviors. I'd like to share a few of the highlights with you.

First, 39% percent of students get their books EXCLUSIVELY online, partly because 38% of them believe prices are lower online.

On the other hand, 40% of those who shopped exclusively online ALSO visited a college store. AND their preference for buying online has leveled out over the last three years. Our research tells us the leveling out is because students find better choices in brick and mortar stores.

All of this bodes well for our stores, as long as we don't ignore the online part and as long as we use technology to bring our services up to speed.

Here's another important fact. Rental usage is continuing to increase both in units and dollar share. So you'll see us continue to emphasize rentals. In fact, Neebo rental units as a percent of total units leads the industry.

So, where do we go from here? That's where the expanded products and services come in. We've invested more than eight million dollars in technology over the past year-and-a-half to move our company into enterprise solutions and managed services.

These investments position us as the CLEAR leader in college retail technology! We've successfully released more than 25 new products. We've launched a brand new training center. We've beefed up security. All while experiencing net customer growth across all platforms. Compare that with where we were when we started this in 2010. THAT is something to celebrate, don't you think? Congratulations to US!!! *[round of applause; celebrate!]*

Our goal for 2014 is to capitalize on this growth—to continually look for new ways to “Enable service through technology.” We will even be revamping our relationships with campus contacts to fit this exciting new view of ourselves. There are a lot of great things coming—both today at this year's leadership meeting and in the years to come. And YOU are all a part of it.

I challenge you to embrace our new direction and think carefully about where you and your team fit into this big picture. I don't have eyes in the back of my head like my mom did, but I AM going to continue watching all of these amazing things happening — and I hope you'll be watching, too.

Thank you very much, and I'll see you later in the hallways!