

Contact:



Michael Gottsacker
Russell Herder
612/230-6357
michael.gottsacker@russellherder.com

Russell Herder Becomes a Benefit Corporation

Commitment to Greater Good is the Latest Innovation in Agency's 33-year Record

MINNEAPOLIS – January 6, 2017 – At the start of a new year and its 33rd year in business, Russell Herder (RH) has announced a significant change. The long-standing company has become a Benefit Corporation – one of the few in Minnesota and the nation to do so. The move is the advertising agency's latest step to further innovation and raise industry standards for social good.

“Establishing Russell Herder as a Benefit Corporation provides us a more meaningful way to measure our performance, not just through profits, but by how well we serve others – our employees, our clients and our community,” says Tom Wilson, RH president. “Transitioning to this status was a logical, natural extension of who we are and what we do.”

“Organizations hire us for our expertise, but they also want to know what we stand for. Good clients place a high value on companies that manifest a social purpose alongside economic drivers. Our clients are good people who not only run successful businesses or organizations, they adhere to high standards and believe in doing what’s right for those they serve,” said Carol Russell, CEO of RH. “Companies that truly care about the impact they make can bolster their commitment by choosing partners committed to giving back. Essentially, it allows them to gain high-quality work while extending their reach.”

Among other commitments, for instance, RH matches the equivalent of at least 50 percent of the agency’s annual profit in pro bono professional services to select nonprofits.

RH is one of the few agencies across the U.S. to take the legal steps necessary to become a Benefit Corporation. Benefit Corporations are still relatively new and an unfamiliar option, however, even to the attorneys and accountants who help set them up. Currently, companies in 30 states and the District of Columbia can file as a Benefit Corporation.

– more –

RUSSELL HERDER BECOMES A BENEFIT CORPORATION

January 6, 2017/ add one

While a company with C- or S-corporation status is required to act solely to maximize profit for its shareholders, a Benefit Corporation's legally defined goals include acting to make a positive impact on society and on the corporation's employees, the environment and causes the company cares about.

Changing to such a legal status doesn't give a company tax benefits – rather, it is a commitment to serving the community and greater good. Pioneers such as Patagonia and Aveda are examples of familiar brand names whose management embraced the concept early on.

Becoming a Benefit Corporation involves more than completing an application. By law, it requires a company to identify its purpose in an annual report, to fulfill that purpose and to be fully transparent about how it did so.

Purpose can be a powerful motivator in recruitment, as evidenced in a Deloitte survey that found 77 percent of Millennials say their company's mission was part of the reason they chose to work there. In a competitive marketplace, being recognized as a Benefit Corporation can deliver a differentiating, positive message to employees and prospective employees.

"Today's employees have a strong desire to align personal and corporate values. They want more than work-life balance. They are looking for work-life integration, which means applying their talents to truly make a difference," said Brian Herder, an RH owner and executive creative director. "We attract the highly skilled talent we do by offering our team the opportunity to make meaningful contributions to a better world simply by doing their jobs."

Wilson adds, "Agencies have massive talent and resources. We can all benefit by giving back – and by pursuing a higher standard of purpose, accountability and transparency. Being committed to both doing well and doing good is a win-win."