Personalized Employee Gifting for Engagement with Brian Gallagher

Announcer: You're listening to HR Mixtape, your podcast with the perfect mix of practical advice, thought-provoking interviews, and stories that just hit different so that work doesn't have to feel, well, like work. Now, your host, Shari Simpson.

Shari Simpson: Joining me today is Brian Gallagher, the vice president of his family business, Milestones, and EngageLink, a SaaS platform that uses AI to enhance employee gifting. He is an accomplished entrepreneur with a background in accounting and data analytics, holds master's degrees from Virginia Tech and Villanova University. He is also a bestselling author, national speaker on AI's impact, and a teacher at Belmont Abbey College. Brian, thank you so much for jumping on the podcast with me today.

Brian Gallagher: Thanks for having me, Cher. I really appreciate it. Good to be here.

Shari Simpson: So we had an opportunity to meet at a recent event that Sherm had put on around AI and HI. And we were just kind of chatting before we went live here how great it is that we actually made that connection because so many times you go to an event and you have like a one-time best friend for the event and then you never hear from them again. So love being able to actually continue our relationship and You know, what's interesting, and the reason I really wanted you to have have you on the podcast is there's all this talk right now around creating great employee experiences, making sure that our employees are engaged, you know, terms that we're hearing now around like beyond quiet quitting, right? I heard the other day around care washing, basically, like kind of faking mental health stuff. So, you know, our employees are way more savvy in what we're doing in our in our organizations, and rewards and recognition should definitely be a huge part of that. So let's start with just maybe sharing a little bit about yourself and your organization. And then we can dive into some of the questions I have around gifting and recognition for employees.

Brian Gallagher: Yeah, it sounds great. And again, thanks for having me. I'm Brian Gallagher. I'm the vice president of Milestones and Milestones is a family owned business. So I work with my brothers and that provides, I mean, we could have a reality TV show if we wanted, but we've been providing unique life event gifts to HR departments across the country for about 25 years now. And our little niche, our little unique niche that we have done and found tremendous success with, um, is, uh, around major life events. Like I said, one of the most common ones is when an employee loses a loved one. And, uh, if, you know, if you're an HR, you have definitely felt that when Dane from accounting comes in and lost her mom. or a sibling or God forbid, a child. It's a loss of something that happens and we really are like the most human in those times. So what we have done is we've created a unique

life event keepsake gift. We sold three quarters of a million of these, actually. And we have many Walmarts and many Fortune 500 companies that do this program instead of funeral flowers. So in terms of employee recognition, what we have found to be the most impactful is recognizing them in their most human moments with gifts that have the most impact. That engagement comes, that sense of belonging comes, and they stay. So we've seen that time and time again over the decades with our clients. We don't just do just sympathy gifts. We also do celebratory gifts, like when an employee is expecting a baby. We have something called small wonders, which It's a baby keepsake with a baby journal to celebrate the coming of the baby. And we have retirement chests and other things. We custom make these ourselves. They're lasting, unique keepsakes, marking and recognizing the most important events in an employee's life. And we've found that that really, really intensifies that belonging to the company and has the maximum impact. And they're lasting. You know, gift baskets are here today and gone tomorrow. Flowers wilt and everyone does it. So it's a unique thing. And we've built out a little niche in the H.R. world in this in this way. We do a lot more than that now as we've evolved over the decades. But that's kind of our bread and butter. So we take a little bit of a different approach to employee recognition than a lot of the other people out there.

Shari Simpson: You know, you brought up a good point about receiving gifts that don't last and or receiving gifts in containers that you're like, what am I going to do with this thing, this basket or this box? Or, you know, I think I've seen a recent trend of like looks like miniature, you know, wooden boxes that have interesting stuff in it. But like the idea around having something more personalized, as you've worked with HR departments, have you seen a shift from, you know, those cash bonuses or the gift cards to something more personalized like what your organization does?

Brian Gallagher: Oh, absolutely. Yeah, we're doing we're doing very well, because I believe the changing demographic, you know, there's been lots of studies on millennials at the workplace needing purpose and belonging. But I think it's beyond just like generations, I our entire life is customized and personalized to our interests. I mean, whether it's our Instagram feed, or our Netflix catalog, or whatever, it's all personalized. And Then you get into an environment like an office, and there's this kind of team environment. And so the question is, how do you balance that where you have collaboration and teamwork, yet you also are recognizing that individual in a very personal, custom way. Our clients have said, we surveyed them, they said that we've increased their retention by 11%, which is pretty darn good. It could be better, obviously, and we're always trying to improve. But I think that this really, really does speak to that evolution in the employee recognition space of the need for customization, not just customization with a company logo. That serves many purposes, obviously, and we do that. We do branded goods and whatnot, but custom to the

individual with what they're going through at that time, whether it be something to celebrate or something to provide comfort during. And just recognizing something individual in that person's life is kind of a personalization component to the gift itself. Yeah, everyone has a sales goal. And when people hit sales goals, they should get something right. But everyone has a sales goal. But Jane and accounting is the one going through this specific thing in their life. And by recognizing that you're recognizing their individualism, their individuality. And so yes, I we've definitely seen that shift. in the HR world, in the engagement space, in the recognition space. And I don't think that's going to stop. Because if you look around, everything's more personalized. And with AI, we talked over AI a lot out in California. It's only going to get more personalized. So yeah, it's an exciting time.

Shari Simpson: Being that your organization focuses on employees' milestones, what data have you gathered around recognizing or receiving gifts and its proximity in timing to the event? Like you'd mentioned the baby gifts earlier, you know, are you seeing that people are sending those out in advance? Are they sending them out after the birth? I mean, that's just one example, but is there any correlation to, you know, impact of the gift and when it's received that you've seen?

Brian Gallagher: It's very important. Timing is everything. Warren Buffett would say so, too. I'm not as good of an investor, but timing is everything. Like, let's take the the memorial side when they're grieving and going through everything. Their world is crazy. And when you hit them at the right time with that, with that gift, it's unique. It's different. It means the world. because they're highly open right now, and they need that comfort. Now, on the other side, so we actually provide those, we drop ship oftentimes the funeral homes and everything on the memorial side. On the baby side, we typically will send it, it's typically prior, and what they'll do is they'll have a baby shower, like a company baby shower, and then employees will stuff the keepsake box with diapers or booties or blankets or whatever. And then it's an event all about them leading up to the birth. So it's a, it's a celebratory time. But obviously, if you give somebody, for instance, that sympathy gift two months after their mom had passed away, well, it might actually just like bring up the stuff to the surface again, and not and have a negative effect. So timing is everything. And, you know, life events happen. So I think in HR, should definitely strive to, and we've seen that some companies of ours do this better than others, but have that open dialogue about, hey, what is going on? Are you submitting forms for bereavement leave or whatever it might be? Making sure that you have those channels and pathways open to hear about what's going on, whether it's their kid's high school graduation, or maybe they're getting married or whatever it might be. I mean, Yeah, we got to make sure we're collecting that data so that we can have that impact with the gift at the right time. That's very, very important for engagement.

Shari Simpson: You talked about branding earlier. And I find this fascinating because I think every employee does appreciate gifts and recognition. And granted, some people love cash. Some people love the gift cards. Everybody has their own way of wanting to be recognized. Some people don't want things. They want to be able to give back to the community. So that kind of being a statistic or a stat that we know, I have heard chatter around, yeah, I don't need another branded mug. I don't need another branded T-shirt because I feel like I'm just a walking advertisement for my organization. What have you seen? Have you seen a shift in branded versus unbranded? Or has it stayed the same? Or maybe you have some thoughts on what organizations should be doing there if branded is still the way to go.

Brian Gallagher: Well, it's interesting because this gets to the personalization. concept. Everyone wants something kind of different. Some people might want the cash. Some people want to donate. Some people are absolutely fine getting that Yeti with the company logo because they love Yetis, you know. What we have actually also developed is a completely new thing that I think it's not out there yet. And this is what I originally spoke with you about at that AI summit. But we essentially created a software It's called EngageLink, and it's just coming out now, where we take survey data based on interest. For me, I'm a Star Wars nerd. I like running, and I got five kids, and I like playing with them. I like camping, those kinds of things. Well, what I want for my birthday or for Christmas or the holidays or for my promotion might be different than someone else, right? And we really identify by our interest often. And so what we've done is we have this, we have AI, ChatGT4, connecting to different marketplaces, Amazon, Walmart.com, and then giving gift recommendations in line with the company's budget based on the interest survey data. So if my birthday comes up, my manager's going to get a $20 gift because that's our budget for Star Wars camping and all this kind of stuff. So this is another kind of An area of recognition that's unlocking because of the technology that we have, and this is what I was talking about a little bit earlier, is how AI unlocks further personalization and further customization. Because, honestly, everyone wants something different, and they want to be recognized different. HR has to be agile and be able to say, okay, well, this person wants to be recognize this way, they want the cash, or they want the donation to this charity, or this person wants the Star Wars shirt, or the camping gear, or the branded Yeti, whatever it might be. So, yeah, that's how I'd answer that question. I mean, just think about it. When you ask for something for Christmas, or you have a Secret Santa in the office, everyone wants something different. And that's because everyone has different interests. So HR's ability to recognize that, will only make that employee feel more like an individual and less like a number.

Shari Simpson: way to think about onboarding your employees. And I'm going to connect the dots here. You know, when I think about our managers, you know, sometimes there are managers who were really intuitive about creating that kind of connection with their employees, they know, hey, Brian's got five kids, he's a runner, he loves camping, you know, they kind of intuitively know those things, because they've mentally collected that information from you. Not all people are wired like that. Not all people remember details like that. So if you're like, hey, how do I, you know, start to think about this in my organization and help my managers have the tools they need. This is a great onboarding new hire survey that you can launch and gather just some very simple data that your employee feels comfortable sharing about their hobbies and things that they like and things that are important to them. And granted, not every employee might give as detailed information, but it's a great place to start and tap into, because then you have some language that you can put into your AI prompt and a tool that you're going to use to help, you know, surface up some of that. So I really like, you know, talking about that and that recommendation. As you've worked with organizations over the years, How have they thought about things like the ROI of employee gift giving and what metrics are they watching to make sure that, Hey, that $20 I spent. Yeah, it was nice for Brian, but also there's a strategy behind it. And it's not just, I have X numbers budgeted for gifts this year.

Brian Gallagher: Yeah. You hit the, the, the, the nail right on the head. I feel like gifting has just kind of been that like fluff line on everyone's budget. It's like, Oh, I got this much. So let's just go get some duffel bags or some umbrellas or whatever, you know, to spend it. Because if I don't spend it, I lose it, right? But there really is an ROI. And what's difficult about it is that it really, it really saves soft costs, the time of payroll to recruit and train and manage. I'm on my third interview today with candidates that I'm hiring and I'm like exhausted. And someone listening to this right now is like, you only got three? Okay, honey, I had 15 today. And anyone in that seat knows it is draining. It takes so much time. And your to do list is getting behind and behind and behind it. Oh, yeah, by the way, I hired three people, yay, two just quit. So I got to go hire two more, you know. So that soft cost is really hard to quantify for the CFOs and everything like that. But I do think that there has been a lot of studies that need to be even, you know, disseminated upwards. SHRM has done a number of them, and then other employee engagement companies, WorkHuman, Gallup, to name a few. But quantifying how much it costs to replace an employee, taking into account all that soft cost, You know, what we use as a rule of thumb is seven and a half months worth of a salary because term themselves said six to nine months. We said, okay, let's split it down the middle, seven and a half months. And what's the average pay for this type of person. So we go to the, the department of labor census data, and we can really show you the cost of what your turnover is, but people aren't putting that up on

whiteboards in offices to track as a KPI. It's just kind of this necessary evil that flows through every business. So it's really important that we have those conversations, that we track that. Our software does that as well, helping it put at the forefront of attention, because it is a major cost. And, you know, I have a finance background and a master's in data analytics, so I'm kind of a numbers nerd. The quickest way to improve a bottom line is cut expenses, not grow revenue. Cutting expenses is the best, but you don't have to fire people to do that. You can just save your time. Your time is valuable, not only to yourself, but to the company as well. So yeah, this KPI needs to be evangelized a little bit more, I think, the cost of turnover. I think there's been a lot of organizations that have helped with that. And yeah, it should not just be some line item, but it is a profit center. And I hope that the C-suite can begin considering it more and more like that, because we've seen it ourselves.

Shari Simpson: That's awesome. And such a great walkthrough of the types of metrics we can be looking at and making the connection to the rewards and recognition that we're doing in our organizations. You know, as we wrap up our conversation, I'd love to hear your predictions for the future. You've already talked about how you're deploying AI and using that. You know, if you could look ahead 10 years, 20 years, 50 years, how do you think rewards and recognition is going to change?

Brian Gallagher: Well, it's not going away. OK, there's only a certain few ways to show your care. You know, I think of the Gary Chapman's five love languages, but only some are appropriate in a workplace. Right. Words of affirmation, obviously, but gift giving gift giving is has always been the case. It is it is something completely natural to the human species to give gifts. I don't know if other species do it or not. I'd have to watch Animal Planet or the Nature Channel a little bit more to see. But it is so part and parcel. Imagine a Christmas without a gift. Or imagine a birthday without a gift. And it's something so normal to the human experience, it's not going away. But what will happen more and more and more will be further personalization. And you cannot get personal unless you have data. So the reason Netflix knows you want to watch Selling Sunset is because it knows you like watching Real Housewives of Beverly Hills and Million Dollar Listing and all the ones that add up to it, right? And we got to do a better job of collecting data on our employees so that we can better recognize them and make that positive feedback loop of data, transforming it into a gift and then transforming that into engagement so they stay. That's really, really important. When you were with me out in Silicon Valley, one of the guys at Microsoft was talking about where it's going in 5 to 10 to 15 years. We are now at the curve, the exponential curve of progress. These changes are different in kind, not just degree. I say unfortunately, but it's difficult. Unfortunately, we have to be on our toes more than ever. We have to be agile. quick to welcome progress and regulate it within our organizations. We

want to make sure we don't have bias AI. We want to make sure that data security is safe. But in all of that software, in all of those numbers, in all of that advancement, you can never lose sight of the human. Our podcast is called Humans Over Numbers because we want to make sure that people, the human being is exalted above the numbers. You have to build a human-centric workplace, and gift-giving is a darn good way to do that, I think. That's what I see for the future. A lot is going to change, but a lot won't. We're still going to want gifts, because they feel good to get. They always do, so long as they're the right one.

Shari Simpson: Totally agree, Brian. And I really appreciate you taking some time to sit down with me and talk rewards and recognition and learn a little bit more about your organization and your use of data and AI. I absolutely love that. It's so exciting to hear organizations that are really embracing it. So thanks for taking some time to chat with me.

Brian Gallagher: Thank you so much, Shari. It's a pleasure to meet you and see you again.

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