LIVING THE
BRAND

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LIVING THE BRAND

how to transform every member of
your organization into a brand champion

3rd edition

Nicholas Ind

Contents

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Introduction

Living the Brand is about how organizations empower and enthuse their employees. The core argument is that this is best achieved by articulating a sense of the organization that is credible and motivating both internally and externally. However, simply stating the organization's purpose and values by themselves is not enough. Organizations need to build meaning into the ideas so that employees can genuinely live the brand in their day-to-day lives. This is increasingly important if businesses and government and voluntary organizations want to make best use of the intellectual resources of all of their employees; to capture the most innovative ideas; to build strong and lasting relationships with customers; to use the enthusiasm and imagination of people.

The book is aimed at communication and marketing professionals and human resources personnel who are interested in the potential benefits of engaging the employees of an organization in the imaginative pursuit of a common cause. It demonstrates why this is important to individuals and organizations and how it can best be delivered. The idea of engaging employees may seem a simple one but it is hard to achieve in practice because it cannot be ordered and controlled. Rather it requires practitioners to work within the cultural framework of the organization; it involves the creation of a rational and emotional idea that enthuses employees and helps deliver organizational goals.

One of the keys to a book of this sort is to find good and interesting examples. Overall, I have tried to avoid the frequently cited organizations that appear in most business texts. Instead I have sought out organizations that I believe give some real insight into the problems of articulating and then delivering brands through people. To provide a flavour of the power of a company that seems to do this well, the book starts with a story about a

very distinctive organization – Patagonia – which believes that business should be used to further environmental causes. However, this alternative stance is not the rationale for its inclusion. Rather the example shows how values emerge out of a founder's beliefs and an organization's memory. When values are deep rooted – as they seem to be at Patagonia – they have the power of authenticity. They guide decision making from the fundamental (the policy on quality) to the incidental (organic food in the canteen) not because there is some command and control structure that dictates it but because people believe in the ideas behind the values.

Having used a specific example to illustrate the general concept, the book will look at the nature of branding and why people have become such important definers of the brand. Underlying this discussion is the sense that both individuals and organizations need values. It is essential to their wellbeing and their sense of worth.

The final part of the book looks at the best methods for articulating brand ideas and for embedding them into the organization. This section, in particular, will cite examples of best practice from around the world and provide readers with ideas and templates that they can adapt to their own organizations.

In this third edition of Living the Brand I have updated facts and figures and introduced some new examples that exemplify the core principles. Overall I have not changed the substance of the arguments since the first edition although some of my ideas and views have evolved. I have also retained the story of Patagonia as the first chapter in the book. This is essentially unchanged. I could have re-written it, but the story of my personal interaction with the company when I first encountered the people there retains its original power for me.

1 I'm genuinely feeling groovy

Meet Chip Bell: 11 times world freestyle Frisbee champion, occasional surfing instructor and receptionist for outdoor clothing company Patagonia. Based in Ventura, California, Patagonia is an organization with a very distinctive culture. Not only does it employ a world Frisbee champion to answer the phone and greet people – it also has a clear philosophy, born out of the organization's earliest days. This is a $267 million turnover company (2006), where the founder and chief executive conducts job interviews while surfing and employees are trained to abseil from building tops unfurling environmental protest banners. A company where workers leave their desks for the beach when the waves are over six feet and where the stores have been picketed by the Christian Action Council. It is a powerful brand that has a demonstrable commitment to quality, an idiosyncratic point of view, devoted customers and devoutly passionate employees. It has an influence, particularly in the United States, far larger than its size would suggest and serves as a model for how business can have a genuine and positive impact on the environment. Patagonia is a standard bearer for an 'employee centric approach' that stresses the value

of engaging people with the organization they work for and stimulating them to live the brand.

The story of Patagonia

Yvon Chouinard, a French Canadian who grew up in Burbank, California, founded the company that became Patagonia in 1958. As a young man he was a keen surfer and climber. He also taught himself to be a blacksmith. Using his forging skills, at the age of 18 he started out in business making climbing pitons for himself and then selling a few to friends. This was a job that required absolute precision. Produce a flawed piton and you endanger someone's life. It was not surprising that the young Chouinard had an early obsession with safety and quality. That obsession remained as the company's range of products grew. However, for Chouinard, the business retained a hobbyist culture, albeit a passionate one. The company's first mail order sheet in 1966 noted 'Don't expect speedy delivery in the months of May, June, July, August and September.' This was when Chouinard would close down the forge and go climbing. Winter deliveries could also be interrupted if the surfing was good. Despite this whimsical approach to business, his passionate beliefs helped to galvanize the company and by 1970 it had become the largest supplier of climbing hardware in the United States. This was when Chouinard had his first crisis of conscience. After climbing a peak in Yosemite, called El Capitan, Chouinard recognized the damage that climbers were doing. Pitons have to be hammered in and out of cracks, which disfigures the rockface. On well-trodden routes the environmental damage was clearly noticeable. Chouinard decided that he should set an example to others and he pulled out of the piton business and instead began offering aluminium chocks that could be wedged in by hand. These had long been used by British climbers but were virtually unknown in the United States. Chouinard became an evangelist for 'clean climbing'. The 1972 catalogue contained a 14-page essay on chocks by climber Doug Robinson, who noted, 'Clean is climbing the rock without changing it; a step closer to organic climbing for the natural man.'

   In the mid-1970s, the company moved out of climbing equipment and into outdoor clothing, but the personal philosophy of Chouinard remained a dominant influence. As with climbing gear, Chouinard's clothing was highly engineered and built to last and there was a distinctive commitment to environmentalism. There was also an ethical stance that encouraged putting principle before profit. This created a corporate culture that was and is against consumption for its own sake. The notion of in-built obsolescence would be anathema to Patagonia. The company actively encourages people to send their clothing in to be repaired when damaged – generally

for free – rather than encouraging replacement purchases. Of course, there is a contradiction here in that Patagonia does persuade people to buy its products in the first place and to experience the outdoors – both of which create environmental damage. Chouinard sometimes bemoans the overuse of the wilder areas of the world and the despoliation that occurs but the company tries to have a positive approach to the environment. For example, when Patagonia was concerned about wasting the scraps left over from the pattern cutting of garments, it created a range of children's clothes from the offcuts. The pieces were oddments so nothing matched, but customers liked the story behind the idea and the range was a success. Most organizations would have capitalized on this, but Patagonia capped its sales and refused to produce additional product to meet demand. Chris Van Dyke, Marketing Director at Patagonia, says:

> As a small company we have the leverage to move a large company, because we don't compromise. That creates an incredible power, grossly disproportionate to the revenues we generate. Yvon has always known that being a business model is a huge reason to grow. He's always said that if you do the right thing you'll make money and you also become more powerful.

The environmental cause

Just as Chouinard was an early proselytizer for clean climbing, Patagonia has always been an advocate for the environment and for persuading other businesses of the importance of environmentalism. This is a company that is not short of opinions and is quite happy about the divisive effect they can have. By having a clear point of view the company creates a closer bond with its customers and employees. There is a sense of active participation in an important cause that matters not just to Patagonia but has the potential to influence the way that people live. This is a campaigning company with a campaigner's zeal. Fostering this seems to be related to the nature of the company's business and the way in which it was founded. Climbing, like many of the outdoor sports with which Patagonia is connected, involves much waiting and then a burst of adrenalin-filled activity. Waiting for salmon to bite, waiting for weather to clear and waiting for the surf is when stories are told. Then, because of the blurring of the boundaries between Patagonia and its climbing, canoeing and surfing customers, the stories get retold in Patagonia shops; they get retold in Ventura where employees are passionate sports people; they get retold in advertising; and they get retold in the catalogue in the form of field reports. Here's Gretel Ehrlich, a canoeist, writing from the field:

> I am lying on a sled on the frozen strait just off Cornwallis Island in the Canadian High Arctic. The sun is out; it's always out in May. I'm at the camp of an American seal biologist, Brendan Kelly. We have just been through a three-day storm that almost blew us away. Our water-closet tent vanished first, our food cache is buried deep, our insulated tent is leaning hard though the wind has now calmed. All that is left is ice and light.[1]

This dialogue generated by the relationship with customers is interesting because it is something that happens naturally when companies are small and the managers of a business interact with their customers through their day-to-day work, but it is often hard to sustain as organizations grow. Managers become removed from the day-to-day realities of a business and as a consequence they lose the direct dialogue and the sense of identification. As Larry Keeley of the Chicago-based innovation consultancy Doblin Group says:

> What they're managing [executives] in their heads is an abstraction – something they remember from their one day out in the field in 1968. Or an abstract understanding of what they think they want a programme to achieve.

People within Patagonia maintain the dialogue naturally because their interests are their customers' – employees are both the producers of goods and active consumers. Stories flow into the company anecdotally or in writing and then flow back out. The stories are not designed to directly sell more products: they're much more to do with building a deep sense of identification with the soul of a sport – for the people 'who know the difference between winning and achieving grace'.
Creative Director Hal Arneson says:

> We have our songlines[2] – they're passed on and they're very seldom written down. They run through generations and they extend out into the customer base. We definitely include our customers as part of that tribal culture.

Patagonia is not afraid to involve its customers in what it does. One of the contradictions is that the output of the company is the production of expensive garments largely made from carbon-based, non-renewable petrochemicals, which take thousands of years to degrade. Rather than trying to rationalize this dilemma internally, the company raised the issue on the web and asked people what it should do. A cynical attempt to build support for an impossible situation or a genuine desire to involve its customers? The history of Patagonia would suggest the latter. However, whatever the motivation, the request generated a lot of comment and helped

the company to decide that the only solution was to build clothing of the highest quality while causing the least possible harm in doing so. The view was that the better the quality, the longer the garment would last. Instead of a one-year fashion purchase a product should have a 10-year-plus life at the end of which customers could return it so that the base layers could be recycled, generating significant savings in energy and CO_2 emissions compared to creating fibre from new material.

In 1996, nearly 40 years after Yvon Chouinard first started black-smithing, the company decided it should formally articulate its overall purpose and values. This wasn't about creating something new, but was about drawing out and defining the philosophy that had long steered people's behaviour. A cross-functional group of some 30 people talked about the company and its beliefs and came to the following definition.

> Our purpose (where we mean to take the company):
>
> *To use business to inspire and implement solutions to the environmental crisis.*
>
> Our core values (the characteristics that define the company):
>
> *Quality*: pursuit of ever-greater quality in everything we do.
>
> *Integrity*: relationships built on integrity and respect.
>
> *Environmentalism*: serve as a catalyst for personal and corporate action.
>
> *Not bound by convention*: our success – and much of the fun – lies in developing innovative ways to do things.

Typically for Patagonia the purpose and values were given context by writing a 28-page book called *Defining Quality*, which talks through the history of the company and recounts the seminal moments in its development. As suggested in the purpose statement, environmental concerns loom large in Patagonia's thinking. This is not a tool to create a point of distinctiveness, but something that is a genuine principle. For Patagonia, environmentalism has long been part of the lifeblood of the company and, given the nature of the company's products, something that Patagonia's people encounter in a very direct way. The benefit to Patagonia is not so much in the marketing of products, as Patagonia feels uncomfortable with the very idea. Chris Van Dyke, who joined Patagonia from Nike, says:

> When I joined, Yvon was very anti-marketing, but I presented marketing to him as a way of relationship building; a way of creating a friendship…the great thing is it's a culture that is so rich in stories.

The real value of environmentalism in an organizational sense is that it is the glue that binds the organization. It engages the people who work for the company and it is a clear aid to decision making, such that when both tactical and strategic decisions have to be made there is a clear reference point. People simply have to ask themselves: 'Are we being true to the brand?' The more precise the brand idea the easier it is to use it as a means of accountability. In particular, the greater the authenticity of the brand the easier it will be for the organization to be consistent, especially when confronting adversity. For example, the Patagonia catalogue is always printed on chlorine free and recycled paper. Yet when the paper for a summer catalogue arrived at the printer it was an unusable batch. There were only two possible alternatives available for such a large print run. One was a paper that passed the environmental standards that Patagonia set, but was poor for reproducing photographs. The other paper contained chlorine and was not recycled, but was a high-quality material that was very good for reproducing images. When the problem was discussed, everyone agreed that going for the inferior paper would lose sales but that the high-quality paper would undermine the integrity of the company. The choice to accept lost sales was apparently an easy one.

One might imagine that the environmental emphasis is constraining. It certainly cuts out certain activities but it also provides a focus for innovation. As the explicit purpose of Patagonia has permeated the whole business, so the company's commitment to environmentalism has been extended. The company now gives away 1 per cent of sales revenue to non-profit groups, mostly locally based environmental bodies; it has converted the company's cotton products to organic even though production costs went up 25 per cent and sales went down 20 per cent; it developed a polyester fleece made from recycled bottles, which has diverted 86 million bottles from landfill (2006); it trains people in non-violent civil disobedience and posts bail for those arrested; it provides employees with time off to work for an environmental group; and it works with its suppliers and other companies to reduce environmental impacts.

Chip is the brand

The clarity of the Patagonia brand would count for little if it remained the preserve of Yvon Chouinard and his senior managers. However, its real power is the way in which it seems to permeate the organization. In this sense Chip is an exemplar of the brand and all that it stands for. The choice to investigate Patagonia as a brand for this book was based largely on two initial interactions: purchasing and being impressed by the quality of the products and reading the organizational stories. Patagonia's distinctive

business model and its search for a principled approach make for intriguing reading. However, it was visiting Patagonia's offices in California that was most persuasive and, as a testament to word-of-mouth communication, it is a story I have since told anecdotally to individuals and in presentations. When I contacted the PR Director Lu Setnicka and asked how to get to the offices, she described the directions and then said go into the building and meet Chip. I thought it strange that I should be given the name of the receptionist. Chip was sitting in the entrance next to a noticeboard with a chalked 'welcome to Nicholas Ind', alongside the latest surfing report. Chip stood up, smiled, shook my hand, introduced himself and welcomed me to Patagonia. If I wanted a coffee or any refreshments he suggested I go and help myself in the staff canteen. Then, as I sat in reception, Chip answered the phone and greeted new visitors in the same way he had me, stopping to chat about the surfing and Patagonia, if he had time between calls. What struck me was that he was perfectly natural with everyone he met. If he could convey that attitude in all the phone calls he received every day and to the stream of visitors to the offices, Chip would be a vital component in Patagonia's image. Afterwards, when I thought of all the office receptions I've been into in the last 20 years, I couldn't recall anyone as positive as Chip. The question that intrigued me afterwards was: why? Sitting on reception must involve a high level of repetition. So to find the answer I spoke to Chip again and asked him whether he had been told to behave in a certain way. Were there rules or did he just do what he thought appropriate? This is Chip's reply:

I ride my bike to work every day, some of my children come to the childcare programme here. It seemed that when I arrived at work not only was I in a good mood, it was easy to work with our customers and our guests. It's an image that comes naturally – standing up, shaking hands, smiling. I'm genuinely feeling groovy. It's seamless for me to give customer service and interact with people and to give them a feeling that it is a different place; that it is a business where you can be yourself – caring and giving top-notch customer service. It's easy for me.

Every store whether you're in Atlanta or New York or Ventura or whether you call over the phone in Reno, the people at the other end are focused on customer service. It's a fun, outdoor company. It's easy for a retail sales associate to give customer service, because for the most part they just got back from a great trip and they did something exciting and they're able to convey not only the good times but the gear to wear, the products to use. They have first-hand experience of a lot of the sports.

I answer most of the calls, although I have wonderful back-up staff. The company is flexible if I want to go on a long vacation or just have a day off to be with my children.

I encompass every value of the company. We have speakers in to talk about the environment and you also see there's no compromise on quality. It's so neat to be involved with those things. It reinforces my integrity as an employee and as a person. We're not bound by convention.

I'm 11 times world Frisbee champion. I do surfing and I've developed a surf class so I teach surfing to employees and also private lessons. I'm responsible for putting the surf report up on the board – we have people all over Ventura County telling us what the surf is like.

My reactions come naturally from absorbing all of our values – environment, integrity, quality – all of that is relayed back out when I'm on the phone. When I'm on the phone, I want to know what the person at the other end is going to feel; what the picture is in their mind. It's the image they have of Patagonia that equals a strong brand.

The best bit is working with our customers and working with our vendors; being the image and the voice of Patagonia. I think my job is one of the most important in the company and I'm well respected within our community of employees. Everybody respects me. I feel special and I take my job seriously and I love every aspect of it.

In Patagonia

In 1968, when Yvon Chouinard should have been making pitons, he chose instead to drive a van with some climbing friends south from California through Central and South America to Patagonia. Chouinard fell in love with this elemental place and its fjords, glaciers and mountains; where the winds blow powerfully for six months of the year (the writer and aviator Antoine de Saint-Exupéry found his plane flew backwards instead of forwards in Patagonia). It is also isolated and inspiring: '…travellers from Darwin onwards noted how this bleakness seized the imagination.' When, a few years later, Chouinard moved into outdoor clothing, he named the new company after the region. It was an apt metaphor for Chouinard's company. Not only did it represent, in a practical sense, the type of location where Patagonia's clothing was designed to be functionally effective, it also stood for the imagination that is at the heart of the Patagonia brand. Commentators often talk about brands as experiences – and Patagonia is certainly that – but this brand is more profoundly about imagination. Read *Patagonia's Notes from the Field* – a collection of customer and employee stories from the Patagonia catalogue – and you are transported to high peaks, frozen waters and running rivers. You imagine yourself riding a wave, climbing a rock face, or wandering through a

desert. Although there is an element of New Ageism in some of Patagonia's ideas, they undoubtedly capture the imagination. The brand, from Chip to the advertising to the products, encourages dreams. For employees too, there is the opportunity to dream; to imagine different ways of doing things. Partly this is to do with the blurring of the boundaries between the outside of the organization and the inside – a small but apposite example of this is the way I was invited by Chip to help myself to food and drink in the staff canteen. The employees of the company are also the consumers of the environmental vision, the company's products and its advertising. An employee can be the same person outside of the organization and inside. This enables the creative department to develop marketing communications that derive from the imagination of both customers and employees. This union is the central tenet in the authenticity of Patagonia. As Hal Arneson says:

> Most of the people here are risk athletes. They're outdoor people working in an indoor environment that allows them to work here because it respects that about them. People are passionate about their sports and they bring that into the workplace. People spend time here agonizing over whether what they do has meaning.

The freedom to use imagination might be seen by many organizations as a licence for organizational anarchy. The value of tapping into the collective imagination and ideas of an organization could be outweighed by the difficulty of maintaining focus. This is where articulating and embedding the organization's purpose and values creates real benefits. Employees can be 'unbound by convention' if there is clarity about what the idea means. Take, for example, the idea of quality. This is an overused word in value statements, but Patagonia's view of quality is 'specific and opinionated' and based on:

- fulfilling a functional need (otherwise the product shouldn't exist);
- paring a product down to its essence;
- tested performance;
- durability;
- environmental responsibility.

The importance of specificity is that quality moves from being a vague idea to something that has a real impact on organizational decision making. It means that the materials used are effective, the design is driven by the function of the product and the testing procedures are robust, if not extreme. One can see the hand of Yvon Chouinard in this thinking and echoes from the early days of piton making, which is perhaps why cus-

tomers and employees not only trust Patagonia but are powerful advocates of the brand.

Summary

Yvon Chouinard would be described by some as an idealist – in the derogatory sense of the word. However, Chouinard's idealism, which seems shared in large measure by the employees and loyal customers of Patagonia, has created a brand that has sincerity and authenticity. The company does not try to appeal to everyone and the potential for identification that this nurtures helps to create a strong bond. For risk athletes and environmentalists it provides the opportunity to find meaning through work, which is perhaps part of the reason why the company has been listed in Fortune's 100 best companies to work for in the United States and enjoys a low employee turnover rate of 4.5 per cent per annum. Others might argue that the Patagonia model is only sustainable for a private company. Certainly, sports companies such as Quiksilver and Nike in their early days exhibited many of the same Robin Hood, anti-establishment characteristics of Patagonia – something they found harder to sustain as they grew and became publicly quoted companies with a new set of audiences. Now that Patagonia has made a clear commitment to growth, the task will be to maintain its principles as it gets larger. Will compromises have to be made? Will Patagonia be able to keep its close relationship with customers when its circle of friends widens? We should hope that Patagonia manages these potential contradictions. We need mavericks who question the way things are done; who wear their principles on their sleeves; who truly fulfil employees' working lives.

The story of Patagonia is the opening chapter in this book because it demonstrates many of the themes that will be explored in subsequent chapters. Specifically, it suggests:

- employees flourish in organizations where they identify with the brand;
- organizations flourish when the brand has relevance and creates meaning;
- purpose and values are not created – they exist; the issue is how well they are articulated and embedded;
- brand clarity creates freedom;
- brands come to life when the boundaries between the internal and external blur;
- stories and myths are important for sustaining brands;
- living the brand requires imagination.

Notes

1 Gallagher, Nora (ed) (1999) *Patagonia – Notes from the Field,* Chronicle Books, San Francisco, p 63.
2 A songline is an Aboriginal concept that was popularized by the writer Bruce Chatwin in his book *The Songlines*. It is an inner guide, which forms the basis of an Aborigine's spiritual life. An outsider cannot understand its truth.

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2 Living brands

Following on from the specific example of Patagonia, this chapter will investigate the nature of branding and the important role that employees play in brand formation. Although the primary emphasis here will be on businesses, voluntary organizations and governmental organizations can also be seen as brands – although they sometimes feel uncomfortable with the word, associated as it is with consumerism.

The primary function of brands is to reduce our anxiety in making choices. The very fact we are anxious indicates that we have freedom to choose. The more we sense we know about a product, the less anxiety we feel. When we know less about a product, then our uncertainty rises. This axiom is demonstrated by the correlation that exists between familiarity and favourability. We would tend to trust an established car brand such as BMW or Mercedes, more than a car brand we have never heard of. The more we think we know, the more comfortable we are. However, this is not a purely rational process where we can quantify the specific benefits. Much of the time we are making guesses based on imperfect information and on a range of rational and emotional factors. For example, choosing to donate money to WWF rather than Amnesty International or Save the Children is a mixture of the emotional, the rational and the comparative. In this instance we will identify with the cause, as we understand it, believe in the benefits our money can deliver and make a mental comparison of the relative impact of the different organizations. We will not conduct a cost benefit analysis, which leads to the 'right' decision. Rather, we rely on the brand idea as a proxy. The organization – through its reported activities, communications and employee behaviour – provides us with an approximation of the organizational reality. Then, if the signals we receive are proven by experience, our anxiety is reduced in subsequent interactions and we may

come to trust the brand and even become advocates for it. The only danger with reducing anxiety and taking the risk out of the things we do and buy is that we can become bored.[1] As we become ever more confident as consumers – a fact long observed by the Henley Centre for Forecasting – we sometimes yearn for adventure and for novelty; for actively experiencing anxiety. This willingness, which varies from individual to individual, leads to a consequent reduction in consumer loyalty. People are more willing to experiment with different products and with different channels of delivery. To meet this need the brand needs to balance continuity of experience with innovation – to provide unpredictability within a framework of predictable values. Think back for a moment to the constant innovation of Patagonia. There are always new products in the range, but they always conform to the organization's ideas of integrity, environmentalism and quality. Values are the defining guide.

Defining brands

In the marketing arena, there are almost as many definitions of branding as there are books on the subject. I do not intend to add to the confusion. The definition I have found to work best comes from advertising planner Paul Feldwick, who says 'At its simplest, a brand is a recognisable and trustworthy badge of origin and also a promise of performance.'[2]

Feldwick goes on to point out that brands also transform experiences and provide a means of differentiation. Many of the ideas about branding, however, Feldwick's included, are derived largely from manufactured goods, whereas increasingly we work in and consume services rather than products. In most Western economies services have long dominated, such that in France 73 per cent of the economy is service based and even in Germany – the largest export economy in the world – it is 68 per cent (2004). Equally in the UK, it is retailers rather than manufacturers that predominate. Tesco, for example, has a 30 per cent plus market share (2005) of supermarket retailing, profits of £2 billion and accounts for £1 in every £8 spent in shops. In services the behaviour of employees is the prime determinant of value creation. As Thomson and Hecker argue, the willingness of employees to engage with customers 'has a significant impact on customer loyalty more so than many traditional marketing tools'[3] and it is brand aligned individuals that are particularly effective in generating service innovations. Even in product-based businesses it is increasingly the service element that creates the point of difference. This suggests that while Feldwick's definition holds up, the implications extend beyond it.

A badge of origin

Organizations spend large sums of money generating names, developing visual identities and designing packaging, all of which can be a valuable means of signifying what to expect from an organization. We buy the Nike Swoosh as opposed to the adidas Triple Stripe, or vice versa, because we have an idea of what to expect, derived from advertising, from the styling and from endorsements. We have a mental picture of the brand and what it might say about us. Nonetheless, we should not mistake the sign for the substance. The swoosh sets up the expectation, but if the product fails to deliver, we will begin to change our perceptions of the badge of origin. A similar situation occurs with a service-based brand or a corporate brand, where there are multiple audiences. The British Airways badge of origin comprising primarily the name, the ribbon and the Nelson's flag tailfins encourages us to believe in the company as a professional and truly global brand. However, the trust in that badge can easily be undermined by encounters with cabin or ground crew. Consequently brands are not easy to manage.

Companies often communicate their brand messages through a variety of conduits. Just think of a brand you know well and consider how you form your opinion of it. The process is multifaceted. It is about the interactions with people, what you read in the press, the ease of use and content on the website, the style of the advertising, the quality of the product and the efficiency of the after-sales service. The company may try to control all of these outputs, but it is only the visual presentation that is truly policeable. Content is not. Even in the tightest structures you cannot create an Orwellian world where every employee thinks and talks in the same way. Nor would it be desirable to do so. The power of a brand lies in giving employees the freedom to use their imaginations within the constraints set by the organization's values. So the badge is just a badge. If the design of the badge is good then it can help an organization stand out from its competitors and indicate its provenance. But the badge is not the brand. In fact the truism is that the brand exists in the minds of stakeholders – they, rather than the company, determine the nature of the brand relationship. The inference is that although the company intends to communicate an idea of brand through its signs and symbols, there is no guarantee that consumers and other audiences will read them in the intended way.[4] People cannot help using their different personal and cultural experiences to decipher what they see.

A promise of performance

A promise is implicit in a brand. From the combination of corporate messages and experience we believe that we will receive a certain experience from a brand. The Patagonia name on a garment promises me quality and

environmental responsibility. It also has a transformational quality, as observed in the last chapter, in that it captures my imagination and conjures up pictures of skiing or climbing. It also makes me feel more professional and adventurous because I associate the product with the experienced sports people I see wearing the clothes, the knowledgeable staff in the stores and the images in the catalogue. Whether the promise of performance is delivered or not defines my evolving relationship with the brand. If each interaction – whether it is through products or people or communications – confirms my idea about the brand, then the relationship gets stronger. This is why there needs to be a tonal consistency to the brand; that the experiences I have support each other. This does not suggest that each interaction carries the same weight. A media commentary in a respected journal might have a greater, or at least different, influence than an advertisement. A leaked document might have a greater legitimacy than the annual report. What we are seeking to establish is the authenticity of the brand. Can it be trusted? Insights gained from objective third parties or from unguarded comments undesigned for general consumption can enable us to see behind the brand façade; to discover the truth. This is a journey of deconstruction. As consumers, or indeed citizens, we have become more cynical and less trusting. Generally we don't believe what politicians tell us, nor do we have much faith in the press or business. In a consumer context this lack of faith has spawned organizations that survey products and services and provide us with more objective evaluations of brands. Similarly, there are large numbers of web communities and blogs that provide forums for discussing the truth about brands. If you want to buy a new product you can read reviews, do research, discuss user experiences and publish your own views. This makes it harder for companies to hide their failings. When consumers start seeing inconsistency, they start questioning. For example, if the Patagonia receptionist had been rude and aggressive, I might have started to question the brand; to wonder whether the company is well managed and takes care of its staff.

There seems little point in spending large sums promoting an idealized picture through advertising, if the brand itself cannot deliver. This seemingly simple premise is ignored with surprising regularity. Managers still believe that advertising and promotions are the most important marketing activity and that internal brand-building is the least important,[5] even though brand strength is largely determined by experience of products and services. This point is exemplified by the investment of airlines in creating and implementing new visual identities and then undermining the expenditure by failing to invest sufficiently in customer service. This is in spite of the fact that empirical studies have shown that the interaction with personnel, and cabin crew in particular, is a prime determinant of customer satisfaction.

Rather than adopting narrow measures of performance, it is important to evaluate the overall strength of the brand. This suggests that the organization has to understand not only such marketing communication indicators as awareness and consideration, but also the likely long-term loyalty of buyers. In Figure 2.1, brand strength can seem quite powerful merely on the basis of communication. People get to hear about a brand through advertising and PR, and awareness and consideration indicators score highly. However, it is the repeat purchase action of buyers over time that is truly important. This is largely defined by experience – by the design of the product, by the interaction with employees and the quality of service. These are cross-organizational measures that require the integration of such areas as marketing, human resources, research and development, and operations, and importantly they require a widespread understanding of the organizational ideology. If however a key part of the offer such as logistics fails, people will not return. In this instance brand strength will decline. Alternatively, if buyers enjoy the purchase experience they will return. Even if the brand occasionally fails, we can be forgiving especially if most of the experiences we have are positive. But sometimes the one experience we have is very bad and we then infer the general from the particular. As the writer Iris Murdoch notes:

> We see parts of things, we intuit whole things. We seem to know a great deal on the basis of very little…we fear plurality, diffusion, senseless accident, chaos, we want to transform what we cannot dominate or understand into something reassuring and familiar.[6]

A point of difference

When we choose to buy a product or a service, both positive and negative reasoning influences us. The degree of consideration given will depend on the complexity and the size of the purchase but the factors will tend to be similar. The first (though not necessarily dominant) factor is functionality. 'Does the product do what I need it to do?' The second is 'Does it appeal to me emotionally? Does the product tap into my needs and desires and sense of self?' The third is differentiation. 'What is the context for this product and how is it different from the other products that I could substitute for it?' In a sense, 'What is it not?' Strong brands tend to be opinionated. They clearly stand for something and provide a positive reason for choice. Many brands do not have this clarity. Partly this is because genuine product innovation has become more difficult. A technical innovation, unless it has the protection of patents, is often easily replicable, while stylistic innovation tends to bring plagiarists in its wake. Services are even easier to copy. For example, a new financial product is easily replicable. The only problem is
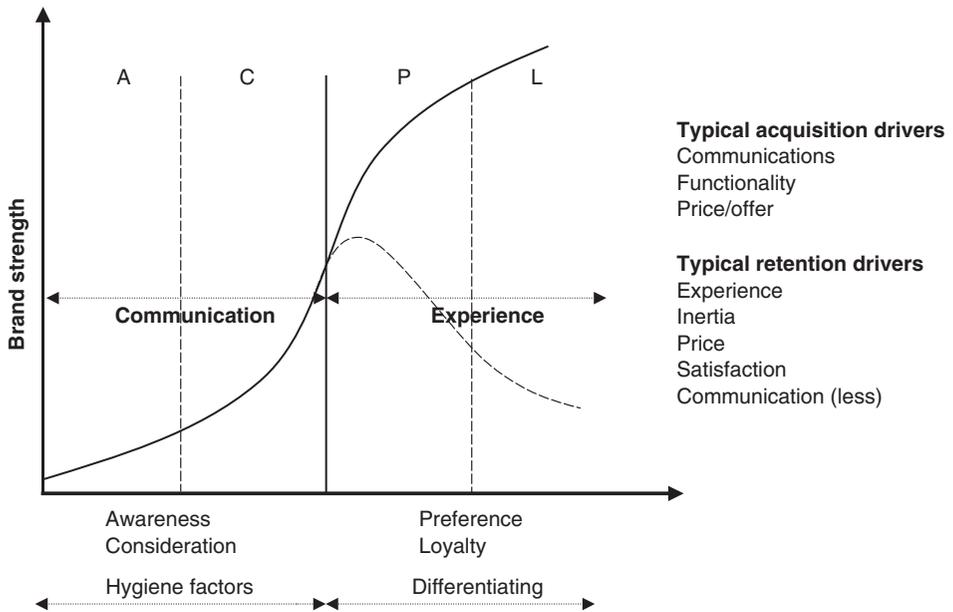
Figure 2.1 Brand strength model

the time lag required structuring the product and developing the necessary promotional material. In the internet world each market has multiple competitors that offer broadly similar services. Just key 'pets' into a search engine and see how many sites come up, all offering broadly similar concepts. If the choice of site is to be anything other than serendipity, then there needs to be a relevant point of difference.

As the designer Peter Saville says, 'the best brands are constantly morphing packages'.[7] Brands need to keep giving people new reasons to choose them. Innovation of itself is not enough. Innovation has to focus on delivering functional and emotional benefits to consumers. The brand is thus a combination of interactions that collectively differentiate it. As Stephen King in *Developing New Brands* says: 'A product is something that is made in a factory; a brand is something that is bought, by a customer. A product can be copied by a competitor; a brand is unique.'[8]

Corporate brands

Branding is more complex at the corporate level. The organization not only has to manage its relationship with consumers – it has to take into account all the other stakeholders such as investors, media, government, suppliers, buyers and employees. Each of these will have a different expectation and

understanding of the brand. Investors will be interested in strategy and performance whereas customers will be interested in price and product quality. Each audience will be working to deconstruct the organization but they will often be searching for different things. What unites them is a common interest in 'seeing backstage' – seeing the people behind the brand. This opening up to the world can be a daunting prospect for businesses. In the past there was security in erecting barriers between the organization and its stakeholders. This has become far harder to sustain. Partly this is because, if organizations are to gain competitive advantage, they need to interact with and learn from their stakeholders. Ideas need to be shared and knowledge needs to be acquired. As *The Cluetrain Manifesto* says 'Not only do your customers want to talk with real people inside your organisation, but your employees are desperate to talk with real customers. They want to tell them the truth.'[9]

Partly it is because the near universal access to the web makes the barriers themselves permeable. 'Challenge is in the air because the digital world removes the emperor's clothes. It makes Bill Clinton transparent, GE transparent, the UN transparent. And you, too, are transparent.'[10]

The organization therefore needs to structure its brand to meet this transparency. It cannot make claims without substantive evidence and it cannot engage in wishful thinking about its status in or influence upon people's lives. Figure 2.2 conveys two key concepts in this regard: the image that consumers have of a brand cannot be controlled in any absolute sense – several different elements impact on consumer perceptions – and many of the impacts are outside of the organization's structure.

Consumers interested in buying a specific computer brand, for example, will perhaps be influenced by advertising, press reviews, interaction with employees, their overall perceptions of computer manufacturers, other owners of this computer (virtual and actual word of mouth), software manufacturers and retailers. The computer manufacturer may make an excellent product, but the actions of partners, retailers and other manufacturers could all have negative impacts. As services and products are increasingly delivered by networked organizations, there is potential for others to either add to the perception of the value of the brand or to detract from it. As with employees, partners and other brand participants need to be engaged with the idea of the brand in a genuine way. Often there are simply too many people involved in the formation of the brand image for anything but authenticity to be valid. Clarity can only be achieved if the brand idea is credible and comprehensible. As a result we may start to see a more authentic, less exaggerated language entering the realm of brandspeak.

Another corollary of this brand transparency is that although stakeholders seek different information there are increased possibilities for overlap. Information on the web that is aimed at shareholders will be accessible to employees, and consumer information can readily be scrutinized in unforeseen ways by an investor.

People

There is a tendency to talk about brands in an abstract way. They are seen as things that have value. Coca-Cola is worth $67.0 billion, Microsoft $59.9 billion, IBM $56.2 billion, GE $48.9 billion and Intel $32.3 billion.[11] However, brands are created and consumed by people. The managers of a business formulate strategies, communications people write briefs and help develop advertising and design programmes, sales people build relationships with customers, industrial designers create new products and receptionists greet people. Consumers are not target markets devoid of any persona; they are individuals, some of whom act in similar ways when encountering a brand. The relationship between employees and consumers is therefore at the heart of the brand experience. Just as in any successful relationship, the employee/consumer relationship needs honesty, openness and a unity of interest. Where the unity is intuitive, with employees and consumers sharing the same passions, it is particularly powerful.

In traditional marketing and advertising thinking, communications people would talk about owning the relationship with consumers. This is fundamentally flawed. The prime mover in the relationship is the consumer, not the marketing department or the advertising agency. Even within the organization, the relationship with the consumer is one that the whole enterprise must embrace, otherwise it does not have a relationship; it has one-way communication, much of which is probably ill-targeted and consequently wasted.

The failure of much marketing is its seller-centricity. It is wedded to the needs of the company, not the desires of consumers. The result is the urge to insert 'buy-me' messages into the consumer's mind. But unlike Alice in Wonderland, who believed the 'drink me' message, increasingly consumers are not swallowing this imperative. Alan Mitchell, author of the book *Right Side Up*, says, 'the source of marketing ineffectiveness and waste, therefore, lies in its seller-centric preoccupations. Marketers say the acid test of good value is find out what your customer wants and needs and give it to them. When it comes to marketing communications, this is the one thing marketers do not do. Marketers seem to believe that the only people who do not need to practice what marketing preaches is … themselves.'[12]

For the organization to move to a stance where the consumer is the focus of its attention does not require archery target charts with the word 'consumer' in the middle. It necessitates an orientation where everyone thinks and acts like the consumer. This humanistic approach seems to have been lost in the often militaristic jargon of business and the abstraction that stems from ever-larger organizations.

However, there are important opportunities for change. Some organizations build cells that are never allowed to grow too large. Richard Branson
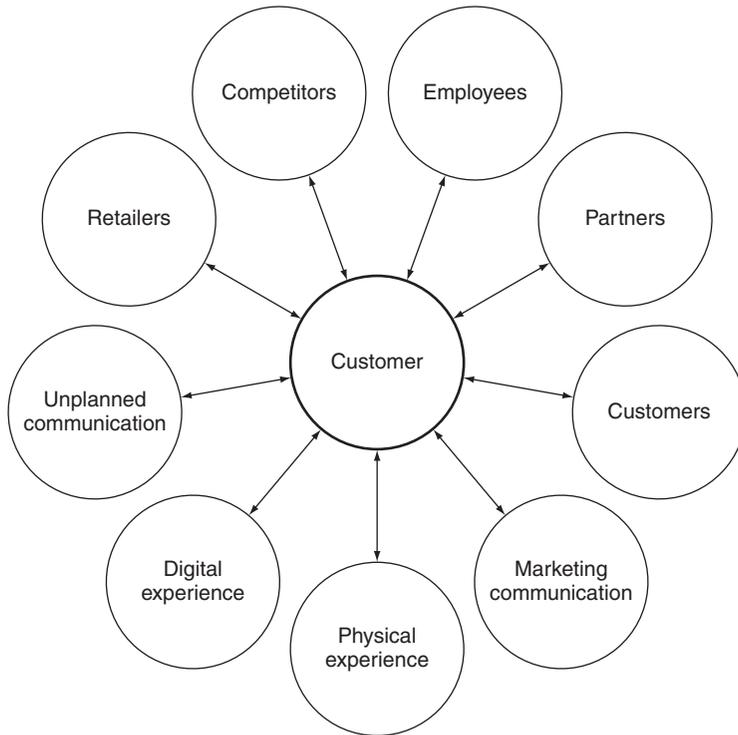
Figure 2.2   Networked brands

argues that when companies are successful, their first instinct is to do more of the same and pursue growth as an end in itself. However, this instinct is not always correct because the change in size impacts on the 'firm's prime asset, its people'. To maintain the enthusiasm and commitment of people and to retain the entrepreneurial spirit of the company, Virgin has consistently broken its businesses down into small, people focused units. This small scale keeps the business focused on customers; they don't become abstractions. Equally, some organizations have worked to break down the boundaries that exist between the inside and the outside. Patagonia has worked to achieve an entrainment[13] with customers by encouraging employees to take part in the sports they serve and by employing sports and environmentally oriented people. Similarly the online encyclopaedia Wikipedia uses the knowledge and commitment of enthusiasts to build its resource. Entries are submitted by individuals, argued over, questioned and corrected by subsequent contributors. There is no central body controlling content (although sometimes calm and reflection will be urged on contributors when a subject generates too much heat) and everything grows organically.

Summary

Brands should be both a source of differentiation and a promise of performance. The presentation of the brand is an element in the way customers see a brand, but it is not the brand itself. Rather, a brand is something that exists in people's minds. The company may seek to influence that mental image but success can be only relative. Planned and unplanned communications are received all the time and consequently the brand is a loose collation of fact and myth.

The best way to develop a brand that has a high degree of relevance and consistency is to ensure that the employees of an organization understand and believe in the values of the organization. These cannot be invented – they have to come from the essence of the organization and lived sincerely if they are to meet the deconstructivist gaze of consumers and other audiences. Living brands have to be built on solid ground but they also have to be capable of evolution and change.

Notes

1   Read Anne Tyler's book *The Accidental Tourist* (Vintage, 1995) for an example of a risk-free life. The central character writes travel guides for Americans who would rather not travel. The purpose of the guides is to insulate people against risk. For example, he advises travellers always to have a good book with them so that they don't have to talk to the person next to them on the plane. Similarly, the restaurants he recommends in Paris are all American.
2   Feldwick, P (1991) Defining a brand, in *Understanding Brands*, ed D Cowley, Kogan Page, London, p 21.
3   Thomson, K and Hecker, LA (2000) The business value of buy-in: how staff understanding and commitment impact on brand and business performance, in R Varey and B Lewin (eds) *Internal Marketing: Directions for management*, Routledge, London.
4   The American pragmatist philosopher CS Peirce has argued that one combination of signs has to be interpreted by another set. Thus when we see a logo or brand name, we use a set of linguistic ideas, such as caring, reputable, exciting. Not only is there no guarantee that the next person will use the same linguistic ideas, but also there is no certainty that they would mean the same things by them, even if they did use the same ideas.
5   Research by Research International in the UK and US among 1,000 employees and managers. 'Marketing in the spotlight: what people really think of marketing', The Economist Marketing Directors' Summit, March 2004.
6   Murdoch, Iris (1992) *Metaphysics as a Guide to Morals*, Penguin, Harmondsworth.
7   Interview at Belgrade design and branding week, 20 May 2006.

8 King, Stephen (1984) *Developing New Brands*, JWT, London, p iii.
9 Levine, Rick *et al* (1999) *The Cluetrain Manifesto*, Perseus Books, Cambridge, MA, p 94.
10 Ridderstråle, Jonas and Nordstrom, Kjell (2000) *Funky Business*, ft.com, London p 46.
11 Interbrand brand valuations, 2006.
12 Mitchell, Alan (2001) *Right Side Up: Building brands in the age of the organized consumer*, HarperCollins Business, London.
13 Entrainment is the process whereby two connected oscillating systems, having similar periods, fall into synchrony. The system with the greater frequency slows down, and the other accelerates. Christiaan Huygens, a notable physicist, coined the term after he noticed, in 1666, that two pendulum clocks had moved into the same swinging rhythm, and subsequent experiments duplicated this process. The accepted explanation for this is that small amounts of energy are transferred between the two systems when they are out of phase in such a way as to produce negative feedback. As they become more in phase, the amounts of energy gradually reduce to zero. In the realm of physics, entrainment appears to be related to resonance (from www.wikipedia.org). In a brand-building context, entrainment means achieving a synchronicity between the organization and its customers.

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3 Why people need vision and values

'There is now, more than ever, some need for Utopia, in the sense that men need – as they have always needed – some vision of their potential, some manner of fusing passion with intelligence.'

So wrote Daniel Bell in *The End of Ideology*. He was proclaiming that the central rivalry between the political left and right was over. Bell's view was that, even if political ideas were dead, people need an outlet for their passions and their intellect. One outlet can, and indeed should be, the world of work. Brands can come to life if organizations engage with people's deeper needs and if they help to fill the vacuum that has emerged within the lives of many. However, to achieve this, business leaders need to understand what motivates employees to join a business, what makes them stay and what encourages them to identify with organizational goals. Armed with this understanding, organizations can build people-centred businesses where the full intellectual capacity of individuals is used. Rather than employees who are represented in body but not spirit, you can create 'brand evangelists': people who believe and will preach for the organization.

Why we go to work

As Abraham Maslow pointed out in his famous hierarchy of needs (see Figure 3.1), we work because we have basic needs of safety and security. For

anyone who has spent time unemployed or has felt uncertain about their position within an organization, there is a real fear of not being able to afford the necessities of life: clothing oneself properly, eating well enough and caring for one's family.

These basic needs are formidable drivers, but they do not of themselves encourage people to identify with organizations or create what Bartlett and Ghosal refer to as 'the extraordinary effort and sustained commitment required to deliver consistently superior performance'.[1] However, the safety-and-security view of life and indeed work prevailed for the first half of the 20th century and it led to ideas of scientific management: that people were cogs in the production process and could be ordered and managed. Not surprisingly, this helped to create uncertainty and adversarial relationships between management and workers. Management would try to extract the maximum production for the least payment and workers and their unions would try to negotiate the maximum payment for their efforts. There was little sense of a commonly pursued agenda.

Maslow, with his belief in humanistic psychology, recognized that, although people do have basic needs, they also have social needs, and needs for esteem and self-actualization. He believed that each person's task is to be the best person they can. Not everyone can become an astronaut or US President or head of a multinational organization, but they can make the most of their individual potential. As Sartre argues, 'No one can be alive without creating himself, that is going beyond what others made of him.'[2]
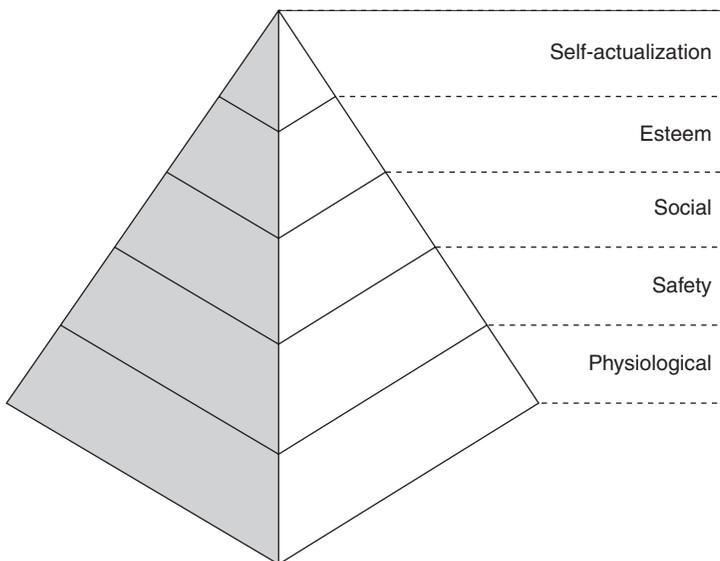

Self-actualization

Esteem

Social

Safety

Physiological

Figure 3.1   Maslow's hierarchy of needs

Most people do want to build relationships; they do want to be recognized by others for their worth and they do want a sense of fulfilment.

Self-actualization

> A musician must make music, an artist must paint, a poet must write, if he is to be ultimately at peace with himself. What a man can be, he must be. This need we may call self actualisation…It refers to man's desire for self-fulfilment, namely to the tendency for him to become actually in what he is potentially: to become everything that one is capable of becoming.[3]

Of course the reality of the world is that not everyone does achieve their potential. Some people underachieve. Yet Maslow would argue that they do not do so willingly. Even when people fail, they still have the desire to achieve – to 'experience higher values'. This can be seen in those charities that work with disadvantaged youth. In the UK, with its problems of youth unemployment, teenage pregnancies, drug abuse and crime, there is a periodic hand wringing about the underachievement of Britain's teenagers. However, one of the charities – Fairbridge – which works with the most difficult cases, has a workforce of which 30 per cent are these supposed no-hope teenagers. Fairbridge employs them not as an act of charity but because these are people who are best able to relate to other young people. Others go on to employment and higher education. Yet when these teenagers first arrive at Fairbridge they are sometimes third-generation unemployed, unable to read and write properly and incapable of communication. How is this transformation achieved? First, the organization is non-judgmental – anyone is welcome. Second, it provides a supportive environment and mentoring. Third, it encourages people to set their own objectives in life – and to then take a series of small steps to achieve them. Lastly, it celebrates their successes. What Fairbridge gives these disadvantaged teenagers is confidence and the motivation to succeed in what they choose to do. The teenagers do the rest. It is an example of the innate desire of people for fulfilment.

The other key inhibiting factor in our ability to achieve self-actualization is a failure of imagination. Being a musician, a poet or an artist requires imagination, creativity and innovation. Work in a corporate environment has traditionally discouraged these attributes. Creativity is seen as the realm of the marketing department and innovation is the responsibility of management. Encouraging people to express their creativity in whatever they do runs contrary to the idea of order and normality. This was something that worried Maslow. He asked 'Why do people not create?' The reason is that neither management nor society

encourages it. Gordon MacKenzie, who worked at Hallmark Cards for 30 years as a creative director, recounts a story that aptly demonstrates this. One of his activities was to go into schools and teach children about creativity – to foster the sort of 'disruption' he created in the institutional environment at Hallmark. When he arrived at a school, he would always tell the children that he was an artist and he would then observe the beautiful pictures the children had produced. He'd say that the pictures made him realize there must be lots of artists in the schoolroom. He'd ask 'How many artists are there in the room? Would you please raise your hands?'

The response was always the same:

> First grade: En mass [sic] the children leapt from their chairs, arms waving wildly, eager hands trying to reach the ceiling. Every child was an artist.
> Second grade: About half the kids raised their hands, shoulder high, no higher. The raised hands were still.
> Third grade: At best, 10 kids out of 30 would raise a hand. Tentatively. Self-consciously.
> And so on through the grades. The higher the grade, the fewer children raised their hands. By the time I reached sixth grade, no more than one or two did so and then only ever so-slightly – guardedly – their eyes glancing from side to side uneasily, betraying their fear of being identified by the group as a closet artist…The point now is:

> Every school I visited was participating in the suppression of creative genius.

MacKenzie's point is that creativity is about challenging norms and finding new and original ways of doing things and that society suppresses this in the cause of sustainability and the protection of the status quo.[4] It's the same reason why the Ancient Greeks found Socrates' questioning of their ideas so uncomfortable and why he was sentenced to death for corrupting the minds of the young. And why Galileo's astronomical discoveries, which undermined the Biblical interpretation, led him to be tried by the Inquisition. Of course societies, like Imperial Spain – and business – which eschew creativity and suppress new ideas, tend to stagnate.

Despite these barriers to achieving self-actualization, Maslow's ideas about this need are powerful. When we move from the question 'Why do we work?' to 'Why do we choose to work where we do?' the fulfilment need becomes more dominant. If we have the choice, we will opt to work for organizations and environments that provide the opportunity to nurture our imagination and creativity; which extend our idea of what we are as individuals. The negation of this choice causes us to feel dissatisfied with ourselves and, at the extreme, causes us psychological damage. At some

point most of us have worked in what might be called dead-end jobs or roles where our opportunity to create new ideas was strictly limited. It makes us feel dispirited and trapped because we sense that we are not achieving our potential and that perhaps we could do so in another organization. This is what Heidegger calls inauthenticity: when we allow others to direct our lives rather than taking responsibility for what we are. In Maslow's view enlightened managers not only provide a safe, secure and social environment, but they also fulfil employees' 'metaneeds for truth and beauty and goodness and justice and perfection and law'.[5]

This thinking ties in with that of Frederick Herzberg,[6] who observed that there are two sets of human needs: the built-in drive to avoid pain and the ability to experience psychological growth. The factors that contribute to job satisfaction are primarily to do with the latter, and consist of achievement, recognition, the work itself, responsibility, and growth or advancement. The factors that contribute to dissatisfaction are primarily the former hygiene elements, which can be categorized as interpersonal relationships, supervision, company policy, working conditions, salary, status and security. To achieve self-actualization, employees need to have their work enriched by motivational elements, such as removing controls (while retaining accountability), granting additional authority and providing direct feedback. To try to achieve actualization through hygiene factors is to misunderstand people's relationship to their jobs. As evidence, Herzberg cites a study of stockholder correspondents of a large corporation where the indices of employee performance and motivation were low. There was a perceived lack of challenge at work. To counteract this, a job enrichment programme was started in one unit. Performance was then tracked over six months against a control unit. Although the job enrichment unit started behind the control unit and continued to decline relative to it for the first couple of months, after the six-month period the job enrichment unit was outperforming the control by a considerable margin. Also, the enriched people showed an increased liking for their jobs, had better attendance and enjoyed a much higher rate of promotion.

Organizations through their systems, values, training and rules try to suppress creativity, yet the implication of the need for self-actualization is that they need their Socrateses and their Galileos. For that to happen they have to create environments where freedom of expression is encouraged and creative genius stimulated. The managerial fear here is that anarchy may ensue, but to encourage innovation rules must be questioned and occasionally violated. If they are not, stasis ensues and people feel unfulfilled. There has to be sufficient freedom for people to contribute and to help define the organization. This is a spur to action: to accept the individual responsibility to help build something worthwhile. As Peter Koestenbaum says, 'our institutions are transformed the moment we decide they are ours to create'.[7]

Social

'I need we to be fully I.'[8]

One of the reasons people go to work is because of the opportunity to socialize. The question is 'Why do people feel this need?' Although there are misanthropists, the evolution of humans suggests there is a causal link between brain size and socialization. From the early hominids to current humans there was a threefold increase in brain/body proportion. The evolution in brain size is associated with the requirements of participating in a complex, group-based social life. The study of personhood also gives us a clue as to our capacity to trust each other – and also to be disappointed by the betrayal of trust. One of the attributes of humans that separates us from other animals is our ability to recognize in others feelings that we ourselves have. We can identify with others because we can relate past and future events. If we see someone suffering the pain of bereavement we can recall our own similar experiences. When, for example, there is a flood or a famine and a charity asks us for money, we give because we can empathize with the individuals we see and we can imagine ourselves in a similar position. We can say, 'Wouldn't it be terrible if we lost our home or didn't have anything to eat?' Only humans have this capacity – what is known as 'a representational theory of mind'. Chimpanzees can represent mental ideas based on actual objects, here and now, but it is only humans who can represent non-existent objects and link the past and future.[9] Armed with this power to identify our own experiences in others and with the need to work in groups, we can come to trust some of those around us. Yet when that trust is broken we become embittered because it is a direct attack on our own identity.

Despite this need for socialization, society as a whole seems not to encourage it. In *Bowling Alone*[10] (the title comes from the phenomenon of people bowling alone while watching giant television screens; it is a direct contrast with the once very social aspect of bowling as epitomized in countless Hollywood films set in the 1950s and 1960s) the social commentator Robert Putnam argues that there is growing social isolation in the United States. He goes on to argue that people socialize less with each other in the home and that there is a growing isolation within communities.

The impact of the denial of social involvement, or what Putnam would call social capital, tends to prove its need. Even though Americans have more wealth than ever before they also have the highest incidence of clinical depression and mental illness. Several research studies show that individuals who fail to build social networks are unhealthier, unhappier and more prone to committing crimes. In the United States, close to 25 million people now live alone and that figure is expected to rise.[11] Putnam calls for the United States to take note of this and to work towards building

stronger communities through education and by encouraging organizations to take measures to alleviate some of the causes of bowling alone. Equally, research into actual and virtual communities argues that there needs to be a commitment to six general principles, if communities are to be sustainable:

- *effort*: obligation, participation, responsibility, collaboration, consequence;
- *purpose*: focus, influence, shared activity, progress, shared vision;
- *identity*: character, bounded, coherent, authentic, shared history, emergent;
- *organic*: decentralized, richness, co-constructed, interdependent, balanced;
- *adaptive*: flexible, scalable, responsive, resilient, feedback;
- *freedom*: rights, access, choice, empowering, fit.[12]

In spite of Putnam's persuasive arguments about the lack of community in society there is some evidence of countervailing forces. Even though people in the United States are perhaps less engaged than ever, the human need for community drives people to seek meaning elsewhere. For example, in the United Kingdom 42 per cent of the population has worked formally for a voluntary organization in the last year (2003). Internationally the number of non-governmental organizations (NGOs) has grown from 6,000 in 1990 to 40,000 in 2002 and membership of such high-profile NGOs as the World Wide Fund for Nature (World Wildlife Fund in the United States) increased from 570,000 in 1985 to nearly 5 million in 2006. As *The Economist* says: 'Over the past decade, NGOs and their memberships have grown hugely…Democratisation and technological progress have revolutionised the way citizens can unite to express their disquiet.'[13]

As well as NGOs, some businesses have also recognized the virtue of creating environments that nurture social engagement. The motivations for this vary. For some it is the recognition of the benefits of contented and connected people. For others it's the corollary of people working longer hours[14] and the blurring of the boundaries of life and work. To this end companies provide everything from Bible classes to basketball clubs to employee service centres. The effect is to extend the relationships people have with their employers from purely work-based into more complete social contracts. In one sense there is nothing new in this. Victorian paternalistic employers in Britain, such as the confectioner Cadbury and the retailer Whiteley's, provided housing, education, welfare and sports facilities. However, the motivations now seem different. Much of what companies offer now seems to be as a substitute for the absence of socialization outside of work. The increasing specialization

of work and the language associated with any specific area of expertise also makes it easier for many to enjoy the company of like-minded souls, rather than venture into environments where people's backgrounds might be very different. In many ways, socialization at work is a good thing. It is why, despite increased opportunities for virtual working, many still choose to spend at least part of their working week in an office environment. However, there are negatives. Business magazines devote considerable attention to the problems of life/work balance such as overdependence and excessive expectations at work. At the extreme, if individuals devote their work time and their social time to the organization, what happens when the relationship ends? Whether the reason is termination of contract, acquisition by another company or retirement, the result is not only the loss of financial certainty but the complete cessation of a social and economic context; the reduction of all the attributes in Maslow's hierarchy. Many people see their life at work as an important determinant of meaning. It is what we spend most of our lives doing. It defines us as individuals. For some it specifies our social worth. It is a socializing environment. Yet if we are to lead some semblance of a balanced life, it should not be all consuming. We should have other networks and other interests.

Esteem

Maslow relates the concept of esteem to dignity. In the context in which he was writing, in the 1950s and 1960s, and given his stance against authoritarian management ideas, this terminology is not surprising. The need for dignity is universally understood even if it is not universally applied. Certainly the pervasive command and control approach that was prevalent often encouraged managers to ride roughshod over human sensibilities. Management was not in the business of nurturing the dignity or esteem of its employees; rather it was concerned with maximizing productivity. Much of the industrial strife that occurred in Europe in the 1960s and 1970s can be linked to the failure to recognize the need for esteem. British industrial relations were blighted for a generation because of the seeming intransigence of unions who were obsessed with demarcation of roles and the relativity of pay. The unions' desire to maintain the dignity of their members ran counter to the beliefs of management, which was desperate for greater flexibility and productivity from the workforce. With their entrenched views, each side denied the dignity of the other. Although Arthur Scargill, the one-time leader of the National Union of Mineworkers (NUM), was vilified by the Thatcher government for his demands on pay, his continual refrain concerned his members' aspirations – in other words their needs as humans.

To recognize the importance of dignity to each of us as individuals just recall for a second an occasion when that dignity was denied: when you were called to account in front of others for a failure or when you were not given respect or when someone gloated when they bested you. Denial of our own dignity makes us angry. When it happens to others in our presence we can feel embarrassed and uncomfortable. In a work context, dignity is derived from the very fact of employment and from the nature of the employer/employee relationship. The fact of employment is important, because without it we have less opportunity to achieve the respect of others. The process of doing something valuable and of contributing something worthwhile motivates individuals and is the reason why purpose and value statements need to tap into this. The plaudits of peers, especially in areas such as software development, is a powerful motivating force. It is not uncommon for developers to use emotive, hyperbolic language in describing colleagues who have created innovative software. In particular, Linus Torvalds, who developed Linux and then made it freely available, is a revered hero in the information technology world.

The nature of the employment relationship is important, specifically to self-esteem. As Maslow pointed out, the esteem of others is important for wellbeing, but we also need to feel comfortable with ourselves. A relationship that suggests the individual is an important part of the organization, whose ideas and individuality is cherished, is more likely to feel a sense of self-esteem, than someone whose daily activities are prescribed by the organizational hierarchy. Self-esteem is derived from the notion of being trusted by others and believing that we have the opportunity to express ourselves. It helps to receive plaudits, but ultimately we need to believe in our own choices.

Identification

Identification is concerned with people aligning their personal values with those of the organization. This must be an adaptive process, as the match can never be perfect. Indeed research by voluntary organization VSO, among 1,000 adults, found that one in four people thought their values were different to their employers.[15] However, individuals find that some organizations better match their view of themselves and seem to provide better opportunities for self-actualization than others. Of course, choosing one organization in preference to another is judgmental for both sides. At the beginning, the organization and the individual will, through interviewing and testing, try to determine the likely match of values. Is this person right for the organization? Is the organization right for me? As well as the formal selection process, the individual will also be

swayed by the image of the organization. For example, if one professes to be a person with liberal ideas, how would this equate with joining the armed services? It might be the case that the armed services would welcome people with a liberal perspective, but if the organization's image is illiberal then the individual would probably not apply. One's perception of self can be extended by joining an organization where the match requires some adaptation, but to undertake a *volte face* would entail a fundamental questioning of personal values. At some times, this is a level of anxiety that people feel they want, but generally customs officers (with the exception of Henri Rousseau) do not become artists and musicians do not become investment bankers.

Although Maslow was a believer in the importance of aligning the goals of the individual with those of the company, he was also moved to say, 'What is not worth doing is not worth doing well.' His view was that people will always prefer meaningful work to meaningless work, but that sometimes meaningful work is harder to find. If the work lacks meaning for the individual then it is not worth doing other than for safety and physiological needs. Of course, where one finds meaning will vary for the individual. 'A fundamental rule of management is that you can't change people's character. Each of us has a unique profile of motivational drivers, values and biases and we have different ideas about what is reasonable.'[16] A person who has a deep-seated belief in environmental causes may decide to join Greenpeace whereas a person who enjoys intellectual challenge may opt for an academic career. However, what of individuals who through a lack of academic qualifications or skills find themselves in repetitive or unchallenging jobs with little in the way of alternatives? If Maslow is right, there will still be an unmet need for identification. This will lead the individual to try to create that identification or they will seek it outside of a work environment.

Although most of us have come across or worked for organizations where there is little opportunity for fulfilment, some businesses have become adept at building identification. One excellent example of this is the Pike Place Fish Market in Seattle. Probably working on a fish stall from daybreak is not everyone's idea of fun but Pike Place has made a name for itself locally and internationally. It is even used as an example of how to deliver customer service in corporate training. The success of Pike Place is predicated on delivering exceptional service. The fish sellers do this by building a rapport with their customers. They come out into the hall area and talk to customers, they tell jokes and they hurl the fish from one side of the counter to the other. The sellers enjoy themselves and they share that sense of fun with passers-by. Here are some other examples:

- Unipart is a car parts supplier. Many of the people who work for the organization do what might be called mundane jobs. However, the

company has a belief in extending the skills of all its people. It has an in-house university, which has a central resource unit and locations on the shop floor, so that employees can study and participate in resolving work problems in innovative ways.

- Trailfinders is a travel agency with offices in the UK and overseas. It provides exceptional customer service in a cut-throat business. The workplace environment has a strong sales culture. Calls waiting to be dealt with, time on the phone and sales converted are all monitored and publicized. You might imagine this would lead to employees who are only concerned with getting a sale as fast as they can, yet try the service and see the response. The company makes a difference by employing well-travelled people who love travel and everything to do with it. They tend to be well qualified and they're paid above the industry norms. The difference shows.[17]

- Virgin Atlantic has been written about with such frequency that it is almost a cliché. It stands out from most of its competitors, because its employees so clearly believe in its fun, value for money and customer orientation. Virgin's purpose is about 'creating memorable moments for our customers'. Research by NOP on the Virgin brand shows that 83 per cent of people in the UK think that Virgin is friendly, 75 per cent say it is high quality, 68 per cent fun and 66 per cent innovative.

The implication of these examples is that any business has the potential to create meaning for its employees, to provide them with the opportunity for identification, if it stops to think about the core needs that we all have. This is why there is often such a strong identification in the voluntary sector. Having worked with a number of charities, such as VSO, WWF, Greenpeace and UNICEF, what is observable is the passion individuals bring to organizational identification. The voluntary sector is relatively poorly paid but it scores well against the higher needs of esteem and self-actualization. This can make it difficult to focus employees' beliefs as they pursue their own interpretation of the organizational cause but it also has the potential to create extremely powerful brands.

The hierarchy of needs does not have the same strength for all of us. For a voluntary sector employee the need for identification is probably stronger than for others. Others will find that their needs change over time. For example, people sometimes discover the need to identify with a religion at times of personal crisis. Or the need to identify with an organization may diminish as someone fulfils a hitherto unmet desire to be an artist or a writer. Equally sometimes we might join an organization and feel the unity of personal and organizational goals, yet find some time later that everything has changed for the worse. Probably both sides have changed. This is a dynamic relationship with both sides seeking a fusion of identification. When the relationship (or what is known as the psycho-

logical contract that defines reciprocal obligations[18]) between organization and employee evolves symbiotically, there is the potential for individuals to move from identification (the perception of oneness with or belongingness to) to internalization (the incorporation into selfhood of the values and attitudes of the group). We only tend to identify and internalize the organizational values if what they represent matters enough and if we feel we are active participants in the development of the organization. The implications of this are that the individual needs to have a good understanding of self and that the organization needs to deliver authentically on its values.

Summary

Identification, then, is the fusion of self and organization, thereby helping to address one's 'existential needs for meaning, belonging, and even immortality'.[19]

Maslow's hierarchy of needs is an apt metaphor for why individuals need purpose and values at work. It demonstrates that individuals do not only seek the basic needs in life but also have what might be termed higher, spiritual needs. The US project, Meaning at Work, identifies the crucial factors in people's working lives as sense of purpose, oneness, ownership, fit and relationship building. For these higher needs to be met organizations have to change the way they think about individuals. It is not a case of cajoling or even commanding certain behaviours. If Maslow is right about the innateness of the needs then individuals are already seeking identification and esteem and self-actualization. The role of management is to clearly state what it believes in and to provide a framework in which individuals can flourish. The former will help to ensure that the organization and the potential employee are the right match for each other – that identification is not only possible but likely. The latter is about trusting the individual. These in themselves are not new ideas. Maslow started publishing in the 1930s, although it was only in the 1950s that he really started to concentrate on the individual in organizations, whereas Douglas McGregor's well-known *The Human Side of Enterprise*, which juxtaposed authoritarian and collaborative managerial attitudes, appeared in 1960. What seems surprising is that their ideas about people's desires to learn and develop are still not met in large part by organizations. The benefits for organizations that do so are the subject of the next chapter.

Notes

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17 In an interview with *Management Today* (August 1999), Mike Gooley, founder of Trailfinders, says that his best decision was 'putting customers at the heart of the Trailfinders culture'. Talking about the company's employees he says: 'They work in a call-centre environment, but they aren't call-centre people. We give them respect and that flows through into the service they give to customers.'
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4 Why organizations need purpose and values

'Many large organisations have the knack of taking in enthusiastic, committed and hopeful people and turning them, unwittingly and over time, into hostile, cynical and hopeless people.'[1]

While the previous chapter explored the importance of purpose and values for individuals, this chapter will analyse why organizations need to engage employees with their overall purpose. This is vital if organizations are to use the full intellectual capital at their disposal. Often commentators write about organizations as abstract constructs and talk about value creation in terms of financial measures. What this ignores is that organizations are collections of people joined together in pursuit of a common cause and it is people who create value. In top-down, command-and-control organizations the abstract view often prevails and human resources professionals still bemoan the difficulties of persuading senior managers as to the importance of nurturing people. Largely this is because executives see the creation of intellectual capital as their preserve. They generate the ideas and create knowledge and then impart their wisdom to others to implement. Even when these organizations have employee suggestion schemes, quality circles and other forms of employee involvement, passing judgement on the input and refining ideas is seen as a top-level activity. This separation of the thinking from the doing survives because it is familiar and unthreatening. It relies on a militaristic model – which even the military now see as outdated –

that stresses hierarchy and the power of status. Overall it does not require the wide dissemination of purpose and values, because management has control. There has been a long corporate love affair with this model. Companies have recruited strategy departments and planners, separated them out from the rest of the organization and then developed plans based around any number of consultancy models. For those of an intellectual disposition this removal from organizational reality has been rather enjoyable. It is planning without the encumbrance of people. There are plenty of examples of the failure of this method. One of the most insightful demonstrations of the limitations of planning – outside Soviet five-year plans – is the scheme that led to the First World War. It should be a salutary lesson for any would-be planner.

The plans for the German invasion of France, which heralded the First World War, had been in existence for some 20 years before its actual outbreak. Yet from the moment of their conception they were fundamentally flawed. As AJP Taylor says, 'Politically the plans for mobilisation were made in the void. They aimed at the best technical result without allowing for either the political conditions from which war might spring or the political consequences that might follow from any particular plan. There was little consultation between military planners and civilian statesmen…War had become a theoretical operation conducted for its own sake.'[2] The architect of the plan was Count von Schlieffen – a professor of strategy. He constructed a plan that would enable Germany to encircle Paris within six weeks. As a good planner should, he assessed the strength of the German armies relative to others; he created highly detailed plans and considered 'in his remorselessly academic way' the remotest contingencies. Yet the Germans never came close to Paris and were still fighting four years after the start of the war. Von Schlieffen made several fundamental oversights. He took no account of inexperienced troops, did not consider the impact of invading Belgian neutrality, overlooked the possibility of Great Britain entering the war and ignored the option that France would react with sufficient speed to halt the incursion. Despite this, others never questioned von Schlieffen's plan during its 20-year gestation because it became an article of faith within the German High Command.

The overwhelming reason for the failure of von Schlieffen's plan was that no attention was paid to the human element. The plan was an abstraction and didn't take into account Napoleon's dictum: it's the man in the plan that counts. Planning disasters are rarely intellectual power failures. In more recent times the group of people that advised Kennedy and then Johnson on Vietnam – Robert McNamara, Dean Rusk, McGeorge Bundy, Walt Rostow and Maxwell Taylor – were reputedly possessed of powerful intellects. In their fiercely academic way they analysed and advised. Yet when McNamara came to write his memoir and looked back at the record of meetings he was surprised at how little they knew of Vietnam and how

often they failed to review key assumptions. As with von Schlieffen, the view that a war in Vietnam could be won became the prevailing ethos. Military men and politicians who suggested otherwise received short shrift. Daniel Ellsberg, who advised McNamara and subsequently released the Pentagon papers which showed the extent of government and military delusion, describes the prevailing philosophy as 'do what's good for your boss, the man who hired you; put that above what you think is best for your country, above giving the president or the secretary of defense your best advice if that would embarrass your boss'.[3]

A new model

Once we move away from abstract thinking we come to the realization that organizations build value through intellectual capital. It is the collective power of individuals in an organization that provides and sustains competitive advantage. As we saw in the previous chapter, it is becoming increasingly untenable to manage a business based solely on safety and physiological needs. Nor is it viable for management to maintain the hold they once had on organizational knowledge. The prevalence of information technology (IT) in organizations means that knowledge is everywhere. Thus, business has to engage the higher Maslowian needs. When people are engaged with the organization's purpose – and not just senior managers – then they generate new ways of working, share knowledge, stimulate innovation and help build brands. It enables organizations to adapt to changing circumstances, develop plans that are founded in organizational reality and deliver bottom-line value. This is why some companies are able to generate such high turnovers and valuations when they have little in the way of physical assets. As an example, take Qualcomm, the inventor of the mobile phone technology CDMA. Qualcomm's value is in its intellectual capital. In 2005, it generated revenues of $6 billion and supported a supply chain of wireless communication businesses valued at $202 billion. Yet its value lies not in production – it contracts out chipset manufacturing – but rather in its army of researchers and the 5,700 patents and patent applications it holds on CDMA and related technologies. Its technology licensing division generates pre-tax profits of 90 per cent. Michael Fitzgerald writes that the strategy is to 'solidify the company's position as a high margin provider of intellectual property to the rest of the wireless industry'.[4] It is the unique combination of values, management capabilities, patents, employee knowledge, methodologies and customer relationships that defines the power of the Qualcomm brand.

According to research by the Swedish insurance and financial services company Skandia, intellectual capital is the combination of human capital

and structural capital. These two forms of capital can be defined as follows:

> Human Capital: the combined knowledge, skills, innovativeness, and ability of the company's individual employees to meet the task at hand. It also includes the company's values, culture and philosophy. Human capital cannot be owned by the company.

> Structural Capital: the hardware, software, databases, organizational structure, patents, trademarks, and everything else of organizational capability that supports those employees' productivity – in a word, everything left at the office when the employees go home. Structural capital also includes customer capital, the relationships developed with key customers. Unlike human capital, structural capital can be owned and thereby traded.[5]

Think of the ideas associated with building a brand through people and they can all be found in this definition:

- the collective knowledge and skill of employees;
- the organization's purpose and values;
- the relationships with customers;
- the commitment to innovation.

The organization's focus should be on encouraging all employees to maximize intellectual capital. This is not about managing but coaching. It is not about control but participation. It is not about being didactic but is about a dialogue. This is about living the brand. As Edvinsson and Malone state in their book *Intellectual Capital*:

> Intellectual Capital will come to dominate the way we value our institutions because it alone captures the dynamics of organizational sustainability and value creation. It alone recognizes that a modern enterprise changes so fast that all it has left to depend on is the talents and dedication of its people and the quality of the tools they use.[6]

The connection that intellectual capital makes overt is that customers can only build relationships with a business through the ideas and actions of employees. Customers do want to be understood, do want expectations met and do want to be treated as individuals. This is not achievable with a purely system-based approach that defines behaviour. Rather it requires employee identification with the organization and an understanding of the personal implications, or meaning, of the vision and values. This enables the employee to work within the constraints defined by the values, but towards the needs of the customer (see Figure 4.1). The outputs of this connection are enhanced employee commitment and improved performance.

As evidence for the benefits of this, a global study, published in September 2002 by ISR,[7] showed that between 1999 and 2001 those organizations that had highly committed employees outperformed low commitment organizations in terms of percentage change in operating margin by more than 5 percentage points. Similarly, Rucci, Kirn and Quinn[8] use causal pathway modelling to show the connections at Sears between 'a compelling place to work', 'a compelling place to shop' and 'a compelling place to invest'. The link they make (through Total Performance Indicators) is that in a cited 12-month period, a 4 per cent improvement in employee satisfaction leads to a 4 per cent increase in customer satisfaction, which equals, according to the predictive model, $200 million in additional revenues. The writers argue that the model says, 'it is our managers and employees, who, at the moment of truth in front of the customer, have achieved this prodigious feat of value creation'. Another study by Patterson *et al*[9] found that 12 per cent of the variation between companies in their profitability can be explained by variations in the job satisfaction of their employees, while 13 per cent can be attributed to organizational commitment.

Thus, intellectual capital is at the heart of brand valuation and demonstrates the overwhelming need to focus on employing the most appropriate people and then nurturing their talents. This can only be achieved by creating a shared sense of purpose and values that generate real commitment. Thinking back to the previous chapter, the purpose is not likely to be about profit per se, but rather about enabling people to engage with an idea that is motivating and influential and one in which they play an active role.

Customers want	Focus on needs
	Individual treatment
	Branded experience

Employees need to deliver	Consistent and innovative service
	Distinctively and 'on brand'

Employees need to be	Committed
	Brand believers
	Empowered

Company gets	Improved performance
	Focus to innovation
	Stronger brand

Figure 4.1   Giving customers what they want

Empowerment

Key to this model of organizations is the idea of empowerment. The word itself is overused in management thinking, but it is a vital process if the IQ of an organization is to include all its members, rather than just its management. The problems with empowerment are:

- Managers often intellectually agree with the principle of giving power to individuals, but overlook the fact that this also means the diminution of their own power. For example, if a manager historically has had sole authority to set strategy for their business unit and then agrees to empower employees so that they too can have a say, this inevitably means a reduction in the power of the manager. The French philosopher Michel Foucault, who was an interested observer of the nature of power, recognized that relations of power dominate personal and organizational relations and that a gain in power by one group can only be at the expense of another. He argues that power is not something that people possess, but rather they exercise power through individuals and networks: 'power passes through individuals'.[10] Thus managers need to recognize that empowerment contains an implicit reduction of individual influence for the benefit of the collective good. Empowerment does not diminish the importance of leadership. Lars Nittve, the Director of the Museum of Modern Art (Moderna Museet) in Stockholm says: 'You work with proper delegation. Not say that you delegate and then look over the shoulder and then take things back as soon as you get a bit worried. You do proper delegation which means more staff have a fuller responsibility for what they do and the consequences of what they do… Some of it is structural and a big part of it is a matter of style. And I think it is believing in people and taking less control.'
- The empowerment of employees can be paternalistic. Managers recognize the value of empowerment and then go through a process of consultation that is a parody of it: listening without really learning; talking without really trusting. The reality is that IT has already empowered individuals to a significant degree. If knowledge truly is power, the circulation of knowledge through intranets, extranets and direct interaction with people inside and outside the organization already enables many individuals to know as much as, if not more than, managers. In many organizations the company intranet is not only a noticeboard for information – it is a place where free and frank views about the organization are exchanged. It is neither desirable nor possible for management to control this process.
- As speed becomes more important in business decision making, there is a feeling that it is quicker for managers to make a decision and for

employees to implement it. This might have some plausibility in a smaller organization, but in a larger organization managers are too often divorced from operations to be the first to pick up on problems or opportunities. It is far more likely to be a customer-facing employee who notices a trend than a manager who has to rely on feedback from others or on market research. If employees are properly empowered they will react to their experience and then share it with others. At the operational level, an example of this is Xerox photocopier engineers. At the official level there is a handbook that instructs the engineers how to deal with problems. This explicit knowledge is useful to a certain extent, but in a study of what engineers actually do, it is the informal networking that is more powerful. Engineers learn about problems related to specific machines as they work and through talking to customers. This knowledge then becomes embedded through the casual day-to-day conversations that take place when the engineers meet for coffee or in the office. Sensibly, Xerox have recognized the reality of how the engineers work and have built a knowledge system, called Eureka, that seeks to encourage the sharing of ideas: '…executives who want to identify and foster best practices must pay very close attention to the practices as they occur in reality rather than as they are represented in documentation or process designs. Otherwise, they will miss the tacit knowledge produced in improvisation, shared through story-telling, and embedded in the communities that form around those activities.'[11]

The argument against empowerment is that it has connotations of 1960s liberalism: a free-for-all where no one has responsibility and anarchy is just around the corner. However, empowerment in a corporate context can overcome this danger if people are engaged by the organization's values. This provides the range within which people can be free. Rather than seeing liberalism as a dangerous force, it should be seen as a means of questioning and stimulating change. This is far more likely to be achieved by committed individuals with little investment in the status quo than stock-optioned top management who, as Gary Hamel has pointed out, 'can be expected to prefer low-risk strategies for pumping up the share price'.

The benefits of empowering employees

Frequently companies start on the process of encouraging employees to live the brand and then as change becomes uncomfortable they look for evidence of the likely benefits. Over the last 20 years several studies have provided substantive evidence. Probably most notable was a study led by David Lewin, which covered 495 organizations and used statistical techniques to

identify the causal relationships between human resource practices and bottom-line performance. The study concluded that:

- Companies that share profits and gains with employees have significantly better financial performance than those that do not.
- Companies that share information broadly and have broad programmes of employee involvement (the researchers define involvement as areas of intellectual participation) perform significantly better than companies that are run autocratically.
- Flexible work design (flexible hours, rotation and job enlargement) is significantly related to financial success.
- Training and development have a positive effect on business financial performance.
- Two-thirds of the bottom-line impact was due to the combined effect of group economic participation, intellectual participation, flexible job design, and training and development.[12]

Supporting Lewin's views are the range of studies cited by Jeffrey Pfeffer in his book *The Human Equation*. Pfeffer provides evidence from analyses of the automobile industry, steel, apparel, semiconductors, oil refining and services. Each of the examples is powerfully argued but, as an indicator, the example below relates to steel minimills. In this analysis 30 minimills in the United States were studied. The mills were grouped according to how they were managed. One group was categorized as 'control led'. Here the focus was on reducing labour costs, enforcing compliance with procedures and rewarding people based on measurable output. The other management style was categorized as 'commitment'. Here we see higher Maslowian attitudes prevailing where there is a considered attempt to align individual and corporate goals and a focus on developing committed employees who can be trusted to carry out tasks. From Table 4.1 it can be seen that commitment systems pay better, use more skilled staff, encourage people to work in teams, are more decentralized and provide more training.

These differences in themselves make interesting reading but it is the fact that a commitment strategy significantly impacts on performance that emphasizes the real value. Minimills that use commitment-oriented management required 34 per cent fewer labour hours to produce a ton of steel and showed a 65 per cent better scrap rate.[13]

Finally a study conducted in the UK into empowerment by the manufacturing consultancy practice Bourton Group, also demonstrates the value to business of empowerment. Bourton collected information on 100 UK manufacturing companies including the degree to which they employed empowerment principles. The companies were examined over a four-year period against:

- sales revenue growth;
- return on sales improvement;
- return on capital employed improvement;
- increase in profit per employee.

For each measure, Bourton took the companies in the upper quartile for performance and found significant gains, but most notable was that 'there were significantly more empowered businesses within this upper quartile compared to businesses with a more traditional approach'. The analysis also demonstrated that the more highly empowered firms 'are more than twice as likely to show improvements on critical financial indicators than the below average firms over a four year period'. Figure 4.2 compares the upper quartile performance of empowered versus traditional companies and supports Bourton's view that 'empowering your employees can make good profitable sense'.[14]

These studies by Lewin and Bourton, and others, demonstrate that empowered companies tend to be strong performers. They prove that Maslow and McGregor were right to argue that organizations should adopt an 'employee-centric' approach to management. The question is whether this emphasis is viable for all types of organizations. No doubt traditionally run companies would claim that empowerment is not always effective and that the costs of empowerment can outweigh the benefits. This argument is most often put forward either by companies that have charismatic managers who want to lead their organizations to victory or by companies with well-defined systems that believe that it is the controlled continuity of performance that achieves results.

As a counterpoint to the former view, look at the innovation that is generated by Sir Richard Branson's Virgin Group. This organization is sometimes

Table 4.1   Control and commitment

Management practice	Control	Commitment	Percentage difference
Wages	$18.07	$21.52	19.1
Skill (maintenance and craft workers as percentage of all employees)	14.0	19.0	35.7
Percentage in teams or small problem-solving groups	36.6	52.4	43.1
Decentralization (1 = very little to 6 = very much)	2.42	3.04	25.6
General training	1.92	3.35	74.5

Source: Arthur, Jeffrey B (1995) Effects of human resource systems on manufacturing performance and turnover, *Academy of Management Journal*, **37**, p 676

Empowering your people makes good business sense

Sales revenue growth	Up 67%
ROS improvement	Up 10%
ROCE improvement	Up 25%
Increase in profit per employee	Up £10k+

% within upper quartile over four-year period

□ Traditional companies
■ Empowered companies
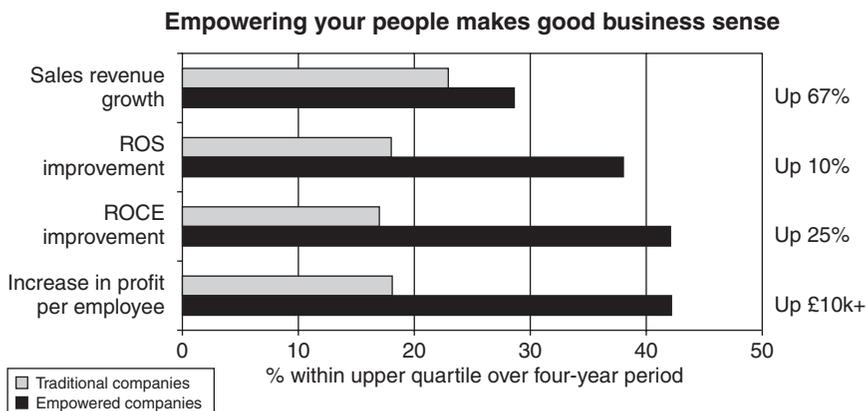
Figure 4.2 The power of empowerment

criticized for the breadth of businesses it operates in, which include every-thing from trains to planes, financial services to cosmetics, wine to soft drinks. However, there is a unity to the business in that all the manifesta-tions of the Virgin brand have a youthful, customer-focused, kick-ass quality. Is this business more than the charismatic Branson? Branson cer-tainly sets the tone and has a very high public profile, but the surprise is that much of the innovation within Virgin is a direct result of empowerment. The company has a motto, which is 'screw it, let's do it'. As a consequence there is a vibrant internal market for ideas within Virgin. Rather than employees huddling together secretly to plot new businesses, draw up plans and seek external funding, they know that if they have a good business idea they will always get a hearing internally.

The other argument against empowerment is applied by organizations that have well-developed operating systems. The rationale is there is no need for empowerment because the way of doing things is already pre-scribed. The benefit of a strong systems-led approach is the potential conti-nuity of experience: the McDonald's ethos, where the consumer experience is largely consistent everywhere you encounter the brand. However, empowerment does not necessarily supplant a systematic approach. Even in empowered organizations there are clear methodolo-gies. Empowerment allows employees to use their judgement to adjust the system to meet the needs of consumers. There is nothing more frustrating as a consumer than to be told you cannot do or have something because of adherence by employees to a rule book and perhaps nothing more welcome than an employee who can deliver exceptional service because he or she can step outside the framework.

An oft-cited example of the latter is the US department store retailer Nordstrom. The company has a very strong reputation for service and it

proclaims to its staff that the guiding principle of the business is 'to deliver outstanding customer service'. It spends little on formal training of its sales personnel and does not provide employees with a rule book on how to behave, except in ironic form: it has a card which states that at Nordstrom there is only one rule and that is to use good judgment in all situations. This means that if you visit a Nordstrom store and the product you want is unavailable, the sales staff will not simply dismiss you – they will check stock availability, ring around other stores and even get the item for you if the next branch is nearby. This is what Jan Carlzon, one-time head of SAS, called 'moments of truth'. He recognized that it is the details of interaction that determine customer perceptions of an organization.[15] The sum of the moments defines whether we feel positive or negative about an experience. When people go out of their way to deliver exceptional service it makes us feel special as individuals. This cannot be achieved by telling employees to do things as it is impossible to legislate for every eventuality. It can only happen when people believe in the organization's brand. In reality, a rulebook is no longer viable outside of bureaucracies. Increasingly, consumers expect high levels of service and customization by right. If you don't deliver what people want they will go elsewhere. The shift in power from the company to the consumer is fact. Companies like Dell were created around the idea of build to order. When people have contact with a company either by the web or face to face they want a dialogue. The websites that work least well are those that deny consumer pre-eminence. Didactic sites often lead you into frustration because they deny choice and lead you down dead end paths.

Just as consumers have dominance, so do clients in business to business relationships. Whereas sales-led organizations focus on generating systems that enable operational efficiency, research consistently shows that clients want adaptability. Their circumstances are always unique and they want computers, software, people, raw materials and finance that meet their needs – not a lowest common denominator, one-size-fits-all, service. This requires employees who can listen to customers and have the freedom to create appropriate solutions. This surprisingly simple premise seems however to be ignored by a large number of companies, which, while ironically claiming flexibility and adaptability in their corporate principles, fail to deliver.

The value of ideology

Logic says that high wage-earning, geographically remote and socially democratic Sweden should not be the source of international clothing and retail brands. Yet there is a thriving production line, including Gant, Peak Performance, IKEA, Ordning & Reda, Filippa K and of course H&M. The last is the retail brand that started the process in 1947. Hennes, as it was then

called (the Swedish for hers), reflected the ideas of Erling Persson, a salesman from Västerås in Sweden, of offering fashionable but low-priced goods: a simple concept, but one that has always guided the company. H&M grew steadily but unspectacularly over the next decades. Its first foray internationally was to Norway in the mid-1960s, and it only moved into menswear in 1968 by virtue of acquiring a hunting store in Stockholm called Mauritz Widforss. Real expansion came with Persson's son, Stefan, who steered the company through most of the 1980s and 1990s. By 2006, H&M had 1,345 stores in 24 countries with 60,000 employees.

The power of the H&M brand lies in its ideology. Most companies have defined visions and values and a purpose statement. However, the reality is that for many there is little meaning in the ideas. In H&M the values of the business mean something, not only to management, but also to the people who work on the shop floor. The values are:

- common sense;
- initiative;
- faith in individuals;
- cost awareness;
- teamwork;
- constant innovation.

The values derive clearly from the early principles of the business and the beliefs of the founder. They have the force of authenticity. They have not been created by an external consultancy or crafted by the marketing department. They come from a clear Swedish heritage that stresses consultation, solving problems together in teams and a belief in the equality of individuals, and from the direct needs of a fast moving, cost focused business. But the real test of the values is their importance in the way the company conducts business. Senior managers and branch managers use the values to guide decisions. The headquarters in Stockholm is simple and plain, there is little hierarchy, and managers do not use titles on their business cards. There is extensive training and all new hirings undertake a three-week induction programme, but there are no strict rules on how people should behave: values not manuals are the guide. There is a genuine belief in empowerment, and the observation that left alone, people will use their common sense to solve problems. As Jörgen Andersson, Marketing Director of H&M, notes:

> We recruit on the basis of the values and we explain them to people. We use them in orientation, in personal development and in our daily work. The values are used all the time. For example, cost consciousness runs through the company. If we have an argument over a decision we go back to the values. But it is important to remember that the values work in combination.

> There's no point in being very cost conscious if you don't apply common sense. We give people a lot of freedom. We're not run by manuals that limit what you can do. But you have to give people something to guide their decisions by. That's the role of the values; they're something that people can hold on to.

As one might expect from a Swedish-owned business there is also a real sense of the right way to do business. Corporate social responsibility for H&M is not a marketing tool, but something that defines actions, not only for itself, but also for all of its 900 suppliers. The company has a code of conduct that its suppliers must adhere to, which covers issues such as child labour, health and safety, free trade unions and the right to strike. Nor will the company sell what it describes as war-inspired garments – camouflage patterns – or sexually provocative styles to children under 13, or allow animal testing on cosmetic products. The company is also a signatory to the UN Global Compact on human rights, working conditions and environmental issues, a movement to encourage multinationals to act more responsibly. However, this is not an altruistic company. It does not pay its workers above the market norm, and very few employees own shares in the business. What it does have is a focus on customers and a set of ideals that resonate not only with them, but also with its employees. H&M as a brand has a transformational quality. It encourages employees to do what is right, and provides them with the belief, through storytelling and communications, that each of them can make a difference: 'There is a very strong feeling in the business for a socially responsible position. The company has lots of young people in it and it particularly matters to them. We believe in it very much. When we talk quality to a consumer – it's not only the garment, it's how we've produced it as well and the conditions it was made in.'[16] The possibilities for the individual are defined by example. For just as the corporate H&M demonstrates that it can make a difference in the world by tackling major issues such as child labour, so the individual employees are encouraged to use the values to realize their own potential. It makes for an energized working environment.[17]

As with Patagonia, one of the keys to success at H&M is the blurring of the boundaries between the internal and external. This is part of the courage to be open and to say the same things to employees and to clients. That's much easier to achieve if what you have to say is genuine and credible. H&M proves that a core ideology can give meaning to people's working lives, and enhances performance. If one took away the clarity that underpins the ideology, the company would not have been able to accelerate and grow rapidly in new markets such as the United States, where it opened in 2000 and by 2006 had 114 stores. It is the combination of empowerment of individuals, many of whom have had long careers within the company, and the strength of purpose that

allows for well-focused devolution to locations around the world. Of course, H&M has been in one business area all its corporate life, so the question might be posed as to whether ideology can transcend changes of corporate direction. That depends on the ideology, but as an example of a company that has managed multiple transitions, take the Finnish brand Nokia and the changes it has encountered since its founding in 1865. Nokia takes its name from a lumber mill on the banks of the Nokia River in Finland. Over 130 years Nokia moved from trees and into diapers, rubber products, power transmission and telephone cables. Finally it moved into electronics and telecommunications, but it was not clear that areas such as mobile phones had a great potential in the company. Following the break-up of the USSR and the consequent free fall of the Finnish economy, Nokia debated selling its mobile division, except that no one seemed interested in buying it. Yet by 2006, Nokia had a 35 per cent market share of the mobile phone market (Gartner), easily outpacing Motorola and Samsung. By market capitalization it was also the second largest company in Europe and in terms of its brand valuation, it is rated sixth in the world. The ideology that holds the company together is built around the concept of the Nokia Way (see Figure 4.3).

Part of the process of sustaining the Nokia Way is an annual programme of analysis and presentations, using the values as a starting point, in which employees all over the world participate. This leads to the ongoing development of the strategic vision, so that the company is always at the forefront of developments, without losing the essence of the brand.

In their influential book *Built to Last*,[18] James Collins and Jerry Porras identified 18 visionary and long-established companies (pre-1950) and compared them with 18 merely good organizations. Their conclusion was:

> Throughout the history of most of the visionary companies we saw a core ideology that transcended purely economic considerations. And – this is the key point – they have had core ideology to a greater degree than the comparison companies in our study.

Collins and Porras believed that it was the combination of a deeply rooted purpose, such as Hewlett Packard's 'to make technical contributions for the advancement and welfare of humanity', or 3M's 'to solve unsolved problems innovatively', and the commitment to progress that enabled the visionary companies to stay ahead. The comparison companies often had ideologies as well, but as the quote above suggests it is the sincerity of the ideology and the commitment to it that differentiates the visionary company. This quasi-religious environment ensures that the purpose and values are deeply ingrained. They're all-pervasive and they dominate thinking. Ideology defines the organization's direction and provides a credo with which employees can engage. As Lou Gerstner, the ex-CEO of

The Nokia Way

Nokia is proud of its historical and current commitment to being a company based upon principles and values. A few fundamental and inter-related values and principles unite the company across its locations and form the basis of Nokia's distinctive culture as well as its business success. These values and principles will continue to provide the foundation for our long-term success also in the future.

Nokia Values

The Nokia Values are a statement of how Nokia should operate and a cornerstone of the company's corporate culture. They are the standards of behavior expected of all Nokia employees. The values form a common bond and language as well as a shared philosophy for working together.

Nokia's values are Customer Satisfaction, Respect for the Individual, Achievement and Continuous Learning. Customer satisfaction is the basis of all Nokia's operations. Respect for the Individual means that Nokia believes in the individual, whether she or he is an employee, a business partner or a customer. It also means open and candid communication, fairness, mutual trust and acceptance of diversity. Achieving results requires that every Nokia employee is working according to a strategy and well-defined goals. Everyone in the company must know the goals of the company as well as those set for him or her. To be a leader in the telecommunications industry takes innovation, courage and a constant willingness to learn. Continuous learning means that everyone is entitled to look for ways to improve their performance.

Nokia wants to create an environment where employees, customers and suppliers and other cooperation partners feel the empowerment to develop and improve their relations through a common exchange and development of ideas.

Figure 4.3 The Nokia Way

IBM writes, 'If you want to out-execute your competitors, you must communicate clear strategies, reinforce those values in everything the company does, and allow people the freedom to act, trusting they will execute consistent with the values… It calls for a commitment from employees that goes way beyond the normal company–employee relationship.'[19]

The danger with ideologies is that they become too restrictive and prevent organizations from seeing opportunities. Xerox was a prime example of this. It was exceptionally good at invention and poor at innovation. Its Palo Alto Research Center spawned inventive concepts but the company failed to capitalize on them. Ideas such as double click technology have been commercialized elsewhere by Apple and Microsoft. Why did Xerox miss out? Largely because of its horizons – the company saw itself as a copier company and therefore ignored inventions that would have taken it into printers and computers. It is a variation on the von Schlieffen syndrome that shuts out alternatives and opportunities.

The balancing act is to articulate an ideology that has sufficient latitude to enable an organization to cope with change but has sufficient rigour to enable focus. This point is substantiated by a widely used cultural model developed by Denison. The model recognizes the dynamic contradictions at the heart of management such as the need for both stability *and* flexibility,

for an internal *and* external focus, and for top-down mission *and* bottom-up involvement. In a paper on the subject, Denison and Mishra[20] argue that managers need to be willing to try to manage both stability traits (mission and consistency) and flexibility traits (involvement and adaptability) – something that successful organizations do without relying on simple trade-offs. The implication of this need for consistency and flexibility is to recognize that brands, while having a substantive core, are subject to constant evolution as the nature of the brand idea is explored by decision making. This kind of thought connects with the distinction the writer and semiotician, Umberto Eco, draws between dictionary and encyclopaedic knowledge.[21] In the case of the former, the understanding of an idea is constrained by its dictionary definition. In the case of the latter, experience among a community counts for more than linguistics and the encyclopaedic knowledge of an idea becomes fuller through exploration and usage. This indicates the dynamic role of the brand idea. It sets out boundaries, but allows for exploration within those boundaries. As Red Godfrey, Vice President, Product, at fashion brand Mexx says, 'brands need discipline to achieve consistency, but also adaptability. That sets the big brands apart. Their DNA doesn't change but the expression does. You need to know where the grey areas are, and when the time is right, explore them'.

Attracting and retaining people

By some estimates, on average 85 per cent of a company's market capitalization is determined by its intangible assets. This suggests that the key competitive battleground is attracting, retaining and developing the right employees. Indeed one of the core observations in Jim Collins' follow-up book to *Built to Last*, called *Good to Great*[22] (a study of 11 great companies in the United States), is that a fundamental requirement of great companies is a focus on having the right people in place. These are cultures where hard workers are self-motivated and thrive, while the rest tend to leave. An example of a business that is particularly strong at attracting and engaging such motivated workers is the Icehotel in Jukkasjärvi, 200 km north of the Arctic Circle in Sweden. The business idea behind this brand is both bizarre and exciting. Jukkasjärvi is a remote *Sami* (Lapp) village with 700 inhabitants. For much of the year it is extremely cold and dark – come December, there are only a few hours of dull grey light each day. Yet Yngve Bergqvist and his wife Kerstin Nilsson tried to build a tourism business, mostly during the spring and summer, offering fishing, rafting and dog sledding tours. The transformation from modest business to international success was when the husband and wife team stopped thinking about winter as a barrier and saw it as an asset instead. The first project was the

construction of a 60 square metre art gallery made from ice. Visitors were enchanted by the experience, and some spent the night there in sleeping bags on reindeer skins. From this serendipitous beginning, the idea of a complete hotel made out of ice was developed. Now the construction uses 30,000 tonnes of snow and 4,000 tonnes of ice to create a 5,000 square metre space which lasts from mid-December through to the end of April. In the winter season of 2004/2005, there were 14,000 guests. In addition to the rooms, there is a cinema, Absolut Icebar, art exhibition and a conse-crated church.

While the novelty of staying in a hotel made of ice is perhaps sufficient attraction for some, the hotel's reputation is also built on providing a high quality of service. Guests come from all over the world and arrive with high expectations. Meeting their requirements is a challenge in such a remote place, and needs 160 people who both do traditional hotel jobs, and have roles that are atypical. Probably not many hotels have 30 artists to build and develop a hotel experience, and probably not many have hotel guides whose job is to tell stories and to explain how to use the hotel. However, in spite of the geography and the cold, the hotel is able to attract a good standard of employees, mainly through networks built up over time and by the excitement people have at the concept. For just as cus-tomers are intrigued by the idea, so are potential employees. For the owners the key is attracting employees who have the right attitude towards customers. Kerstin Nilsson says:

> I think attitude is the most important. We meet everyone who wants to work here. We interview them personally and we explain to them about the hotel and how it is to work in such a cold climate. We listen to them very carefully: what their opinion is about taking care of people; how they would solve dif-ferent problems. We also tell them very clearly what expectations we have. We don't want it to be a surprise when they start.

Employees receive training in the unique environment of the hotel. This is especially important for the Icehotel Guides, who undergo a three-week pro-gramme covering attitude, storytelling and effective listening. The employees are encouraged to remember that each guest is an individual and that they all have to be treated as such. Although there is guidance, there is a real belief in empowerment. As Kerstin Nilsson says, 'We can't create rules to always say this or that. People have to have the right feeling and they have to listen.' And she stresses that from a management perspective the same approach to guests has to be applied to employees. Management has to listen well and tailor its coaching: 'You have to take care of the individual and to give him what he needs. It's not the same for everybody.' The active feedback system is vital in a hotel that changes every season – nothing is ever the same

from the building itself to the art to the guests – so new ideas and problems are part of the nature of such a business. The value of this is that guests and employees are thrilled by the experience, most frequently mentioning the quality of employees and the service delivery. For employees the real appeal is being involved with such a unique idea. The fact that the brand is on the edge attracts people who are willing to do more than the ordinary.

The idiosyncrasy of the Icehotel creates an interest in it, over and above that which it merits in terms of its size. Yet other companies, in perhaps less surprising business areas, also manage to develop an aura that attracts individuals.

One of the key inhibitors to growth for Aker, a Norwegian technology and industry conglomerate, is the dearth of engineers. This is not just about the challenge of attracting qualified engineers, but also that not enough people are studying engineering at university. In a company with 50,000 employees and which added 5,000 new employees in 2006 alone, the need for a pipeline of potential recruits is clear. The challenge the company has taken on is how to make engineering in general and Aker in particular seem appealing. Compared to alternative career paths such as consulting, software development and finance, engineering seems to lack excitement. In the past, while Aker had a positive reputation as an employer, it wasn't first choice often enough. The solution that emerged was to heighten the profile of the company and the industries in which it operates through an emotional appeal, based on the organizational values and tradition that conveyed an inspirational image of engineering and demonstrated the company's 150-plus years' industrial heritage. Eschewing the obvious routes, in 2005 Aker developed a three-minute film for television, based around the idea of an engineering ballet called 'nøtteknekkeren' (the nutcracker). The impact was significant, not least because of the format, but also because it is clear that the core message relates to the values – something that employees seek in employer branding but companies tend to fail to communicate adequately.[23] In 2006, Aker was voted the third most admired company in Norway.

While having a strong external image is important for recruitment it is also an important element in retention of people. The way people think an organization is seen by others is important for their self-esteem. It's always better if people say 'wow!' when you explain whom you work for, than if they look sympathetic and say 'who?' Our awareness of how we seem in the consciousness of others colours and transforms our lives. One of the most interesting studies on the impact of external image on internal identity was that of the New York Port Authority.[24] The Port Authority had to confront the problem of homelessness within New York because of the use of the Authority locations by the homeless. The reactions of the Authority were driven by criticism of their handling of the issue and the way in which individuals who worked for the Authority saw their sense of self diminished as a result of their association with the organization. The identity and image

of the Authority defined their responses and led to an evolving interpretation of the problem:

- Phase 1 – homelessness is a police security issue.
- Phase 2 – homelessness is a corporate issue but the Port Authority is not in the social service business.
- Phase 3 – homelessness is a business problem and needs moral solutions.
- Phase 4 – homelessness is an issue of regional image and no one else will solve it.
- Phase 5 – homelessness is linked to other regional problems; homelessness in transportation facilities are unique and need advocates.

As the case writers Jane Dutton and Janet Dukerich say:

> An organization's image matters greatly to its members because it represents members' best guesses at what characteristics others are likely to ascribe to them because of their organizational affiliation.25

When the Port Authority employees saw their sense of professionalism and public service ethic criticized in the media they became very angry. This indicates that the willingness of employees to be identified with an organization will vary depending on how they believe the organization is seen by others and suggests the importance of linking together internal and external communications. Employees are more inclined to stay with an organization if it promotes rather than undermines their esteem. Generally this is beneficial to the brand. The longer people stay with an organization, the better they come to understand the culture and the systems and the better able they are to build a bond of trust with customers and partners. Thus retention strengthens the brand and enhances intellectual capital. Of course, retention figures will vary depending on location and industry type. Urban areas where people have plenty of opportunities to choose from and sales environments tend to encourage higher staff turnover rates, but good companies can often buck the trends. As noted, Patagonia has a voluntary turnover rate of just 4.5 per cent per year and the much-lauded Southwest Airlines 7 per cent.

However, voluntary turnover should not be an absolute guide to the power of the brand. Sometimes organizations seem to have relatively high staff turnover rates, yet are good at the long-term retention of a core of people. This might indicate that selection and early training procedures are at fault. Too many brand rejecters suggests the alignment between individual and corporate values and aspirations is poor. Even the US retailer Nordstrom, which is consistently praised for the quality

of its service and as a place for work, has a high staff turnover rate. Yet 3,000 of Nordstrom's staff (just fewer than 10 per cent of the total) have been in place for 10 years and 34 out of the 36 corporate officers came from the stock room or the sales floor. It shows that Nordstrom's distinctive brand, with its obsessive belief in empowerment, is alienating for many but deeply appealing for some. The long servers are the real brand champions – the storytellers who spread the idea of the brand to colleagues and customers.[26] Although the majority of employees are not true brand champions, the goal should be to influence and convert the waverers (see Figure 4.4).

Champions are vital in countering the transient employees and also the non-standard workers (part-time, independent contractors, temporary and self-employed) who represent 24.8 per cent of the jobs in the United States. The degree of commitment of the latter group tends to vary considerably and depends on their motivation for what is known as contingent

Brand Champions
Storytellers who spread the brand idea

Brand Agnostics
Interested but not committed

Brand Cynics
Not involved with the brand idea

Brand Saboteurs
Working actively against the brand idea
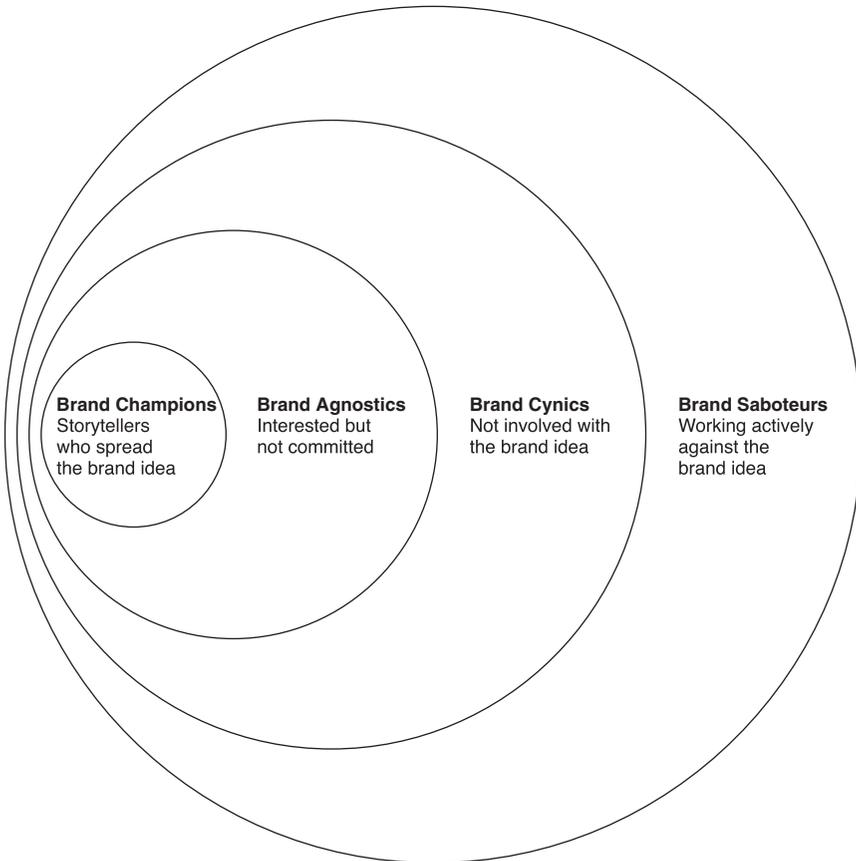
Figure 4.4 The power of brand champions

work. When individuals see contingent work as a route to full-time employment they can be just as committed as full-time workers, but many individuals choose it because it reduces their commitment and they can then spend more time with family or pursuing other interests. Sometimes contingent work is all that the organization offers an individual. For the organization there are benefits: first, contingent workers are often paid less and do not often receive the same benefit packages as full-time workers (however, legislation may change this); second, it provides flexibility so that companies can more easily increase and reduce their workforces as market conditions dictate and avoid the negative publicity of layoffs.

The suggestion here is not that organizations should abandon flexible work practices but that they should commit to trying to engage all their employees, whatever the nature of their employment contract, with the organization's purpose. This will probably always be easier to achieve with full-time employees who have consciously chosen the organization, but it is a too-often repeated claim by contractors and temporaries that they feel like second-class citizens, excluded from the mainstream of the organization. An inclusive approach, which stresses the importance of the organizational values, is preferable because it encourages individuals to be brand communicators. It is worthwhile to remember contingent workers are probably more powerful word-of-mouth advocates or saboteurs than full-time staff, by virtue of the number of organizations with which they come into contact.

Certainty and uncertainty

Brands are founded on the principle of certainty – the idea that the product you buy this week will be the same as the previous week. This idea also carries through to service brands, although this is often hard to achieve. It is simply not possible to order people to behave in an entirely predictable way. This situation is exacerbated by the increasing scale and internationalization of businesses. As organizations grow they become increasingly fragmented. Departments start to acquire their own identities and countries bring their own cultural prejudices to a business. Consequently the experience of visiting Disneyland in France is not the same as visiting Disney in the United States. While harmonization is, to a degree, possible it is not always desirable – service expectations are not consistent and the tone of delivery of a message that might be appropriate in the United States may not be so in Europe. More than this, we do not always want consistency. While we might be shocked if every time we bought a tin of beans it tasted different, in other markets we do want unpredictability. Predictability can be boring. If we regularly go to an art gallery such as Tate Modern in London or the Metropolitan Museum of Art in New York, we

would soon be bored if there was no variety. Equally, if we buy books at Amazon and there is absolute consistency in the presentation and offer, we are not tempted to venture into areas that we might otherwise ignore. Eventually we brand switch in search of something different; a new experience. As individuals we want the reassurance of the familiar *and* the adventure of the unknown. The Icehotel also searches for that element of surprise. Although the essence of the experience is the same, each year the hotel architecture changes, as does the ice art, and there are sometimes surprising, or even startling, innovations such as the launch in 2002 of an ice version of the Shakespearean Globe Theatre, playing *Hamlet* in Sami. The element of surprise, therefore, is a key component of the experience. The writer Marcel Proust was a particular devotee of newspapers and would read them assiduously, not so much because he wished to be well informed but because they surprised and spurred his imagination. Proust enjoyed the idea of taking the banal and the commonplace and creating imaginary worlds, even to the extent that he was a reader of railway timetables.

Imaginative individuals in organizations create brands that provide new experiences, by innovating within the guidelines defined by purpose and values. A powerful example of this has been the evolution of Apple from a computer company to something broader.[27] While Apple's empowering ideal of changing the way people work, learn, think and communicate has remained consistent, in 2001 Steve Jobs used a metaphor that has guided the company's recent development. Against a backdrop of a significant decline in the Apple share price and negative comment on the future of the computer industry, Jobs used his speech at MacWorld in January that year to announce that the PC was entering a new golden age and that Apple was going to be the digital hub for the digital lifestyle. To substantiate this claim, Jobs announced new computers and integrated hardware for recording CDs and DVDs and, most closely associated with the new vision, the launch of new iTunes and iDVD products. However, the metaphor is not just about a one-off event. It guided product development prior to the launch and has been used to sustain it (both internally and externally) as the framework for innovation – in May 2001 the metaphor was used to contextualize Apple's move into retail and in October the launch of the iPod. *Fortune* magazine (12 November 2001) noted:

> Why in the world would Apple want to jump from the frying pan of the virtually profitless PC industry into the roaring fire of the hypercompetitive consumer electronics business? After all, just a few days before Apple's splashy introduction of the iPod, Intel announced that it would close down its own disappointing consumer electronics division, which made, among other things, portable MP3 players, digital still cameras, kiddie videocameras, and a much ballyhooed digital microscope. For starters, the iPod fits

right into Jobs' so-called Digital Hub strategy for the Macintosh. In the past 18 months Apple has introduced several free 'digital lifestyle' software applications that let Macintosh computers hook up to various genres of consumer electronics products so that users can play around with the digital content they create. … In the next few months Apple will probably release another application for managing digital photos.

As the product innovations keep coming, the metaphor is still vibrant. In Boston Consulting Group's annual survey of the world's most innovative companies, Apple was the clear number one in all regions for the third consecutive year (2007).

Surprise is an essential part of the brand. Equally, Nike is always innovating. Like Apple, it incorporates surprise into the brand, but it too innovates based on a core premise. Nike has a belief in sporting excellence and iconoclasm. This is unified within the idea of 'irreverence justified'. This was originally a headline written for an advertisement but it has come to represent the spirit of Nike: the notion that Nike's irreverent, challenging approach is justified by its focus on quality. This is how Nelson Farris, Nike's chief storyteller, describes the idea:

Irreverence came from looking at the sports establishment and saying it hasn't changed. If we're going to make inroads we have to challenge. Everything was based on supporting the cause of the athlete. If the athletes were going to fight the system to make it better we'd support that. We supported changes in running and basketball. Irreverence was there from day one, because we had nothing, so we had to fight our way. We reinvented the entire process of thinking about and delivering sporting goods. We looked at the business differently. So the irreverence was we didn't know what we were doing; we thought it could all be done better; we fought for the rights and causes of athletes and we supported it in our ads. We used to run ads, attacking the IOC, because they wouldn't let women run in longer distance races. They were so out of touch. We were not afraid to prod the system.

Apple and Nike are powerful brands because they provide both certainty and uncertainty. The individuals within these companies that create new ideas are able to use the focus of the organizational ideology as a starting point. This sets the context for innovation. There is an appealing symmetry in the challenging and people focused design of the first Macintosh and the iPod. Similarly, there is an appealing continuity between the way Bill Bowerman, one of the founders of Nike, created the company's first signature shoe – the waffle-soled running trainer – in the early 1970s and the designer who created the Goatek shoe in 1999. The waffle shoe acquired its name because when Bowerman was trying to create a shoe with better traction, he found

himself sitting at home at the kitchen table in front of a waffle iron. Looking at the pattern of the iron he saw the shape of square running spikes. Fast forward 30 years and a Nike designer was trying to think through the challenge of creating a running shoe that would provide excellent traction for people with flat feet. The inspiration was watching mountain goats and wondering how they managed to maintain their grip on such difficult terrain. The Goatek replicates the shape of a goat's foot and uses sticky rubber, so that it doesn't slip. The Goatek is an irreverent idea, but it is clearly within the cultural context of innovation within Nike.

The barriers

The weight of evidence detailed in the previous sections would make one think that building a clear purpose and values and then sustaining them through appropriate mechanisms would be a requirement for all businesses. Increasingly organizations write down their values. In a study by Booz Allen Hamilton/Aspen Institute of senior executives in 365 companies around the world (2004), they found that 89 per cent had written values statements and nearly three-quarters 'believe that both executives and employees are under significant pressure to demonstrate strong corporate values'. As we will see in the chapters that follow, some organizations make a distinction between corporate and brand values, whereas some use one set of values to guide the organization. Whatever the structuring of the values, the important issue is whether they impact not only on senior managers but also employees; whether they influence day-to-day operations and the interaction of employees with each other and in helping to build value for customers. Interestingly, the Booz Allen study observes that organizations do not tend to connect values to business performance and that most companies do not measure the return on values, but that top performers consciously connect values and operations. These findings are echoed by a 2005 study of Sweden's 500 largest companies[28] that shows that organizations with the highest brand orientation index (BOI), where branding is the hub of operations (Leaders), are characterized by an ability to combine both an internal and external focus. However, as well as the 'Leaders', there are also organizations categorized as 'Educators', which see the brand as purely an internal culture carrier; externally oriented 'Salesmen' that see brand as a sales tool, and 'Sceptics' that see it as a logotype (see Figure 4.5).

While Leaders represent 34 per cent of the organizations, Sceptics form 30 per cent of the total. This study demonstrates the link between brand orientation and profitability, with the group of Leaders in terms of orientation showing operating profits almost double the lowest brand orientation group (see Figure 4.6): 'the most important outcome of this study is that we
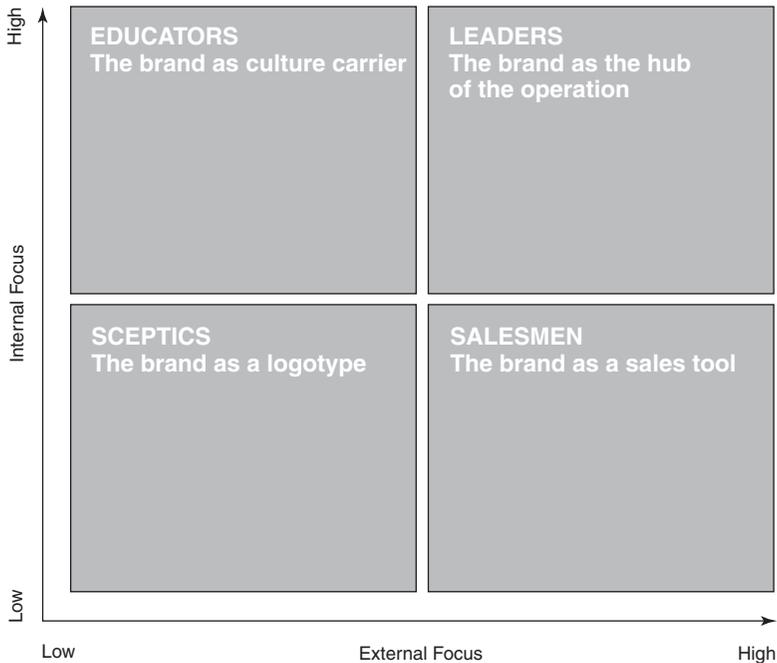
Figure 4.5 Organization types

have been able to establish a clear link between brand orientation and profitability: the more brand-oriented a company is, the more profitable it is'.

While we should laud those organizations that have a Leader attitude, we should also be concerned by the majority of organizations that seem to have a limited view of brand building. Other research has shown that brand vision and values are often rooted among some managers but can fail to permeate the rest of the organization. A study by tompeterscompany! in the US (2002) found that 70 per cent of employees did not support their company's branding initiatives and that 90 per cent did not understand how to represent the brand effectively. Similarly, a study by TEMO (2002) among Swedish companies found that 31 per cent of employees did not believe in their employers' vision and values. One of the reasons for the failure to engage employees can perhaps be attributed to the external orientation of managers and especially marketing managers. A 2004 study by Research International[29] found that managers, in stressing external brand building, can perceive internal brand alignment as unimportant.

Intellectually, leaders often seem to recognize the benefit of building an organizational purpose to which everyone can relate, yet it seems obvious from the research that many struggle to deliver it. Although organizational structures and cultures can get in the way, the fundamental barrier is more to do with attitude. Leaders have to believe that vision and values can make
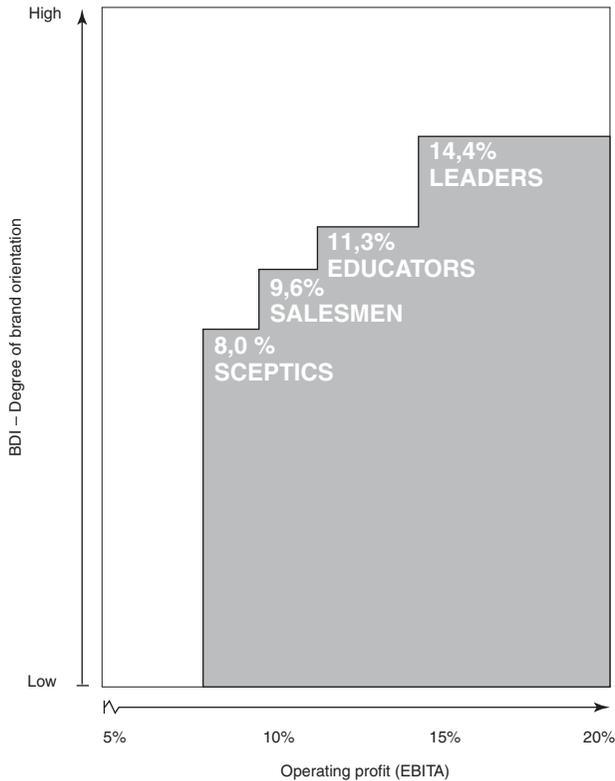
Figure 4.6 Effect of organization type on profitability

a difference if they acquire real meaning. They have to move beyond words into action and to engage employees at an emotional level. Too many organizations go through the process of articulating and talking about values without making them relevant to people. There is little benefit to the nicely framed and well-written brand statement if it remains something that people decorate their walls with rather than live in their day-to-day lives. As Warren Bennis says:

> What effective leaders are going to have to do is create not just a vision, but a vision with meaning…The vision has to be shared. And the only way that it can be shared is for it to have meaning for the people who are involved in it.[30]

Summary

Taken together, these last two chapters show that employees want to engage with a clearly articulated and deeply motivating sense of purpose and that employers can gain real benefits by understanding and meeting those

needs. For this to happen, the process of managing people has to move from abstraction to a focus on a humanistic method that stresses genuine empowerment. Some organizations have already made this journey, but others find it difficult to make the transition. As organizations grow, the difficulties increase. It is far easier for managers of a small organization to understand and empathize with employees. People are closer and the relationship is more personalized. Take an organization of 100,000 people and management can never know the individuals. This encourages employers to move boxes around organizational charts, to re-engineer and restructure without fully addressing the human consequences. This leads to those public and employee relations disasters that can befall large organizations – where sitting on the outside you wonder, how could they have been so insensitive and stupid?

Thus the next chapters look at how organizations can both articulate and give meaning to their brands. To move away from the abstract to the concrete.

Notes

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16 Jörgen Andersson (2003) Interview with author.
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5 Defining the brand

The previous chapters have outlined the importance of employees living the brand in their day-to-day roles. This and subsequent chapters will look at how organizations can define, embed, manage and evaluate their brands over time. Each of these stages is important if a brand is to engage all the employees in an organization. A brand can only truly come to life if it enters the collective psyche of the organization and thus becomes intuitive to people. The employees of a strong brand, such as Patagonia, do not need to consult the brand definition every time they have to make a decision. They tend to know what is right for them. This factor contains an important truth for the brand-definition process. If the words used to define a brand are not authentic to the organization they will never become intuitive. Intuition can only occur when the brand is an accurate reflection of what people believe. Thus defining a brand is a search for truth.

A search for truth

All organizations have a purpose, a vision and a set of values. Just think of the simplest start-up: two people, an office, telephones and computers. Why does this start-up exist? Perhaps it is a wireless company that is going to provide tracking devices for vehicles. Car companies would insert the tracker into the engine compartment and then if the car is stolen its position can be tracked via any hand-held device or computer. So the *purpose* of the company is to help provide car owners with greater peace of mind.

The *vision* is a sense of the future in which any object of value from computers to cargoes can be tracked at minimal cost. The values might be built around such ideas as honesty, innovation, partnership and professionalism. These *values* are what our two would-be entrepreneurs believe to be important for them to succeed. They know that they have to think innovatively and to develop innovative products that keep them ahead of competitors. They recognize that they will have to act as partners to the car companies and perhaps insurers to build acceptance for their idea. They want to stress that they will always act professionally and they believe that the way to build a business is to be honest about their knowledge and capabilities. Perhaps if they have grand ambitions to be a billion dollar company in their first two years, they will think through their purpose and vision and values at the very beginning and write them down, but if they're like most start-ups they won't. It simply won't be a priority.

Entrepreneurs look at a business environment and see a gap or an opportunity to do something different. They then structure a business concept based around their perception of what the market wants, their skills and knowledge and the underlying beliefs they have about a way of being. We can equate these ideas and beliefs to the purpose, mission and values, but the entrepreneur will probably not define them until later on. It took Patagonia 30 years to move from a generalized understanding of what the brand was about to a more formalized definition.

Generally, the driver for defining values is organizational growth. While a founder or founders can influence a small to medium sized organization personally, a growth in numbers and/or locations makes it ever more difficult to sustain that influence. The ideas of the founder become less pronounced and subsets of vision and values start to emerge within other parts of the organization. This tends to lead to a lack of consistency in the presentation of the organization and consequently a lack of continuity of experience for customers. Poor clarity in the external image is frequently a catalyst for embarking on a branding programme. This inconsistency is often exacerbated if the founder leaves or the company merges with others. The brand idea can be the glue that holds the parts together. This does not create a world of rulebooks but rather a common set of ideas that can steer attitudes and behaviour. The assumptions and values that guided the founders and their decisions can, if they are credible and well articulated, become the assumptions and values of employees. In the longer term the brand idea is something that should develop an independent existence. Senior executives should be able to influence the brand, but its essence should transcend the coming and going of people.

The underlying question here is, does the organization need to formally articulate its values? For example, the highly successful UK-based travel agency Trailfinders, which was started in 1970 in London by Mike Gooley, an ex-SAS soldier, has never articulated its values, yet certain

ideas based on customer service are pervasive in the organization. Similarly the sports clothing company, Quiksilver, which was started in Australia in 1972 by two surfers making surfing shorts, has resisted a formalized statement of its brand, though the idea of the brand permeates everything the organization does. Its people have a strong intuitive sense of the brand because of long-time employees who have grown up with the company, and the close connection between those employees and the sports they serve. As street skater and Quiksilver creative director Natas Kaupas says, 'A lot within Quiksilver happens by intuition. That's because it's a bunch of surfers – people who are unstructured, but very natural. As surfers, they have to adapt to nature and the waves.'[1] If the values are truly felt and lived, without them being written down, then employees can quite effectively live the brand. But without the reference point of a statement, the danger of subversion is always higher. Imagine if Shakespeare's actor friends had not gathered his plays into the First Folio after his death.[2] We would have to rely on an oral tradition for the content. Over time different interpretations and the vagaries of memory would have led to alternative presentations. No one would now be able to define the ideas and the meaning of the works. This variability might be quite exciting, but the written text is of itself not constraining. The power of Shakespeare is that the underlying ideas allow for wide interpretation without losing the central vision. The director Akira Kurosawa can reinterpret *King Lear* in the tradition of the Samurai in *Ran*, while Sir Ian McKellen can present *Richard III* in a 1930s Fascist context and Baz Luhrmann can show the star-cross'd lovers Romeo and Juliet in an MTV style, Hong Kong action movie set in the present day USA. The Shakespearean vision stimulates the imagination and encourages adaptation. This is because the aspectuality of truth (its lack of singularity), which is rather a 20th-century idea, is fundamental to the 16th-century Shakespearean work.

In a business context this means that the founder's vision will be true for the founder but will be subject to different interpretations by others over time. It will never be possible to produce a set of ideas or words that have the same meaning and resonance for everyone. Indeed part of the vitality of a good brand definition is that it does more than maintain existing behaviour. It should inspire people to discover new ways of doing things. Patagonia's commitment to quality and environmentalism, Nike's passion for sporting excellence and SAS Airlines' belief in Scandinavianness and friendly informality do not restrict innovation. These brand ideas provide the focus for people to imagine how to deliver them in new ways. These companies, and others, need their Kurosawas and their Luhrmanns; people who want to extend and experiment with the meaning of the brand, while still maintaining its essence. Luhrmann may provide a completely new presentation for *Romeo and Juliet*, but he

does not change the core idea of the power of love and the hubris of the lovers' families.

The danger in writing down the meaning of the brand and articulating the vision and values is that people can believe the job is done. The brand is there for all to see. Yet writing down a set of words does not create meaning. As the Shakespearean analogy suggests, the layers of meaning appear through repetition and exploration. Yet many organizations never move beyond pinning words up on a wall or sending round a booklet that lists the words that are meant to define the brand.

The definition process: why simplicity and participation matter

The world of branding is awash with models. Is this because of the aspectuality of truth? Perhaps, but there are two fundamental problems with most of the models. First, they tend to be overly complex, both in terms of structure and language. The real value of a model ought to be in the simplification of a complicated idea. Second, a model should be usable. For a professional marketing audience this doesn't necessarily equate to simplification, but in an organizational context a fundamental aspect is that, whatever their role in the organization, employees should be able to understand and use the brand – otherwise how can they live it?

Two anecdotes make this point. First, a major UK insurance company that had undergone the process of articulating its brand produced a thick ring-bound folder on the brand that even the corporate communications director confessed to not understanding. Second, a global charity that employed the services of an advertising agency to define its brand found itself confronted with a vast array of words to describe the various facets of the brand: 12 brand profile words, six brand personality traits and several paragraphs on the mission and vision. This was despite the fact that one of the current national definitions of the brand was found to be ignored by staff because it was too complex.

Simplicity is fundamental to successful adoption of a brand idea. As further evidence, both Orange and SAS reformulated their brands because they became too complex. Orange originally had five brand values, but then eight behavioural values were added to support them. Following its acquisition by France Telecom, Orange reviewed its values and identified the things it needed to be, but was confronted by the problem that employees were already confused by the role of the different values. Similarly when SAS relaunched its brand it defined four brand values, but then added another set of values for each of the four key business activities. The end

result was that employees became unsure of how to use the brand. Now the company has opted for a simpler approach. Linda Fredheim-Björk, Director of Group Brand and Image at SAS, says:

> After a couple of years we found we had too many words in our brand definition. If product development was using simplicity, caring and freedom of choice then they weren't contradictory, but it was more words. Now we've reviewed it and we've said there are a couple of words and that's for everything. Even though this definition was very good we found it was too much. Employees would say, are we this or are we that?

Rather than focusing overtly on a model it is more valuable to concentrate on the process of brand definition. If the ultimate goal is to gain organization-wide commitment to the idea, then this should be the primary focus. In a start-up organization, it will probably be the founders that sit down and discuss the purpose of the organization. The simple objective here ought to be to create something that is appropriate for the organization and helps it to meet its long-term goals. In well-established businesses, which need to formulate their brands for the first time or perhaps review an existing definition, the goal should be to construct a methodology that is participative. This runs counter to the approach adopted by many in both the public and private sector. In many instances, brand ideas – the vision and values – are generated by senior managers, often with a communication and marketing background. A working group is put together, market research may be commissioned, consultants employed, workshops conducted and the words crafted by a writer. However well constructed, this is still a top-down exercise. It is the recommended process of some writers who view the internal marketing of a brand idea as essentially a communication task. The failing here is twofold. First, if genuine commitment is to be achieved among employees, the brand idea has to touch the core of why people work for the organization. It is not something that can necessarily be crafted, rather it is something that has to be discovered. Second, the views of managers may not be an accurate reflection of the organization. As Cees van Riel states:

> This method measures in the first instance the picture that the managers have of their company, which is not necessarily the same as the view of the company held by other employees or members of target groups.[3]

Having attempted to help organizations define and embed both top-down and participative brand ideas, I can vouch for the latter as the more effective method. The problem with the former is that it relies on management to sell the idea of the brand to employees. This is both time-consuming and

costly. It is a not uncommon experience to discover companies that have undertaken well-structured, well-researched programmes that lack resonance or meaning with employees. The tendency then is to resort to developing a range of tools to persuade employees of the benefits of the brand. The give-away here is a language that treats employees as an object to do things to. Far more persuasive is an approach that focuses on participation, and that works with developing the culture of the organization. Tools become the means to enable learning. The goal should be to engage employees as much as possible on a journey of self-discovery, both for themselves as individuals and as members of a system. There should be dialogue and discussion.

When Baxter International defined its values the company adopted a bottom-up process that involved employees from all parts of the organization in discussing and defining a set of values that were authentic and usable. The benefit of this participative approach was that it led to a very rapid buy-in from employees. Research found that over 90 per cent of employees knew and understood the values. Gretchen Winter, VP of Business Practices at Baxter, says, 'The values were not a new thing. They reflected what people already believed. As a result they resonate with people. They are real; true.'

As further evidence of the benefits of a participative approach and the importance of process, take the example of Greenpeace International's approach to defining what it calls its 'identity'.

The process determines the result: a participative approach to building the Greenpeace identity

During 2006, Greenpeace International (the coordinating body for the 40 Greenpeace offices around the world) began the process of confronting a problem that was challenging the organization's relevance and positioning. Since its foundation some 35 years earlier, Greenpeace had built its reputation within the environmental and peace arenas by its willingness to confront governments and organizations in a direct and impactful way. Indeed, from the very beginning, Greenpeace's founders recognized that dramatic gestures generated media coverage. This helped propel the organization from a small protest group into an international organization with a powerful reputation and 3 million members. However, over time, media interest in dramatic gestures began to wane and membership in Europe and the US was either static or in decline. Although Greenpeace adheres to the principle of non-violence, research among individuals and the media showed that the nature of actions and also the language of Greenpeace had built an image of a violent, aggressive organization. To address these issues, Greenpeace developed a new positioning, based on the concept of the 'empowering hero'. This did not mean the end of attention-grabbing actions designed to highlight

important issues, but rather the addition of the principle of helping individuals to participate more widely in Greenpeace actions and to become closer to the organization.

To build a cohesive approach around the new positioning, there was a clear requirement to develop a unifying vision and values. The specific challenge here was the diversity of perspectives. Greenpeace's federal structure and culture meant that all 40 offices and the international office would have to agree the vision and values. A previous articulation process had taken several years and resulted in a politically correct and sermonizing definition, which no one was entirely happy with. In this instance a highly participative process with several important attributes was designed:

- the process had the endorsement of the senior management team;
- there was a clear timescale;
- the external research was used as a source of inspiration;
- the programme of workshops was based on a core process, but it was also adapted to circumstances and cultures;
- workshop participants were from different departments within the organization;
- it was made clear from the outset that all ideas would be listened to, but that the accountability would be to a vision and values definition that supported the organizational strategy.

The template against which the vision and values were defined was based on the need both to reinforce what was important for the organization currently and what would drive the organization forward. The tension between the current reality and an aspirational future was key to a successful definition. The workshop programme was undertaken during 2006 in Amsterdam, Hamburg, Bangkok, Barcelona and Buenos Aires. In each case the location was used as a hub, so that for example in Buenos Aires there were representatives from Argentina, Brazil and Mexico. The format was varied at each location as new ideas and approaches were explored and input from previous workshops affected thinking. For instance, in Amsterdam the participants created mood boards using visual stimuli. The interesting aspect of the boards was the strong sense of narrative that emerged. These mood boards were then presented in the subsequent workshops, and in Hamburg a storytelling exercise was conducted to draw out ideas on specific narratives. This process required a willingness to allow the vision and values to emerge. However, less this sounds like a soft process, it should be emphasized that some of the workshops were highly confrontational. This is a natural part of the Greenpeace culture and people made challenges both on process and content. At the end of the cross-disciplinary workshops, a further session was held with the communication directors of Greenpeace, both to provide feedback and to generate new input.

The identity statement, which was formalized under the heading 'Inspiring Action', was then presented to the Senior Management Team and the 40 Executive Directors (heads of each of the national offices). Owing to the high levels of participation and involvement in the process and the strength and the appropriateness of the ideas, there was a strong endorsement for the definition. The content and imagery were also then put into research in Asia, Europe and the US (16 qualitative groups). Both the content and the presentation of the ideas were seen to be appealing and managed to generate the right degree of tension between the current reality and the future positioning.

The Greenpeace case demonstrates:

- the value of encouraging high levels of participation in defining a vision and values;
- the importance of determining a culturally appropriate process;
- the contribution of an emergent, adaptive process;
- the importance of political nous in generating support and commitment.

Francesca Polini, Communications Director at Greenpeace International, says:

> The rolling workshops, international meetings and brainstorming sessions enabled the project to develop momentum. Initial ideas were refined, developed or discarded at each stage of the process. Participants at each workshop were invited to build on the outcomes of the previous ones, or to suggest alternatives. As a result many people came to question received wisdom and assumptions surrounding the Greenpeace identity. This questioning frequently led to 'creative tension' – a critical but positive atmosphere which encouraged people to redefine our brand without feeling they were abandoning our core values.

The 'B' word

Before launching into a brand definition process there is a practical choice to be made: whether to call the output a brand. The word 'brand' has many different interpretations. The most obvious associations for people unconnected with branding are the brands they see in supermarkets and the clothing brands they buy in shops. Brand is also applied in increasingly diverse ways. Governments, politicians, newspapers and pop stars are

referred to as 'brands'. The media and design consultancies also refer to logos as 'brands'. There is an overwhelming tendency to think of the visual representation of a product or service as the brand. This encourages some to think of brands as something superficial that is specifically the remit of the marketing or communications department. However, as has been argued in this and other books, brands only properly exist in the minds of consumers and represent the totality of experience. Thus the brand is as much about internal understanding as external communications. The logo is only the tip of the iceberg. The result of this confusion about branding is that the announcement of a branding programme can be met by a sea of employee cynicism and the assumption that a logo change is imminent or a new advertising campaign is about to be launched. How should this problem be tackled? Some organizations decide that the 'brand' word should be avoided and that it is better to talk about the organizational mission, vision and values. This tends to lead to verbal gymnastics in an attempt to describe the thing that is being defined, but nonetheless it can be more comfortable for employees. In particular, talking about brands can be uncomfortable in non-profit or governmental organizations. There is a view that brands are the province of the commercial world and do not sit comfortably with the idea of what a government department or charity exists to do. The alternative to avoiding the brand word is to embrace it and then first to educate employees as to its meaning and then to reinforce its value through consistent communication. The use of branding terminology helps to remind the organization that its *raison d'être* is to deliver value to buyers and other stakeholders.

An integrated approach

Although complex models should be avoided when talking to employees, it is valuable for the instigators of the brand programme to understand how the brand idea relates to the overall formulation of identity and image. Over the years much work has been done on this by a number of writers. One construct is by Maria Chiara Riondino. She took models developed by such writers as Kennedy, Abratt and Stuart and then researched their ideas with a number of organizations. Her evolution of their ideas is shown in Figure 5.1.

The model demonstrates several important facets of how branding works:

- The identity of an organization is formed by its personality, culture, philosophy, values and mission. This is the core of what an organization is.
- The identity is transmitted outwards by the 'brand idea', which is the articulation of the unique attributes that make the organization what it
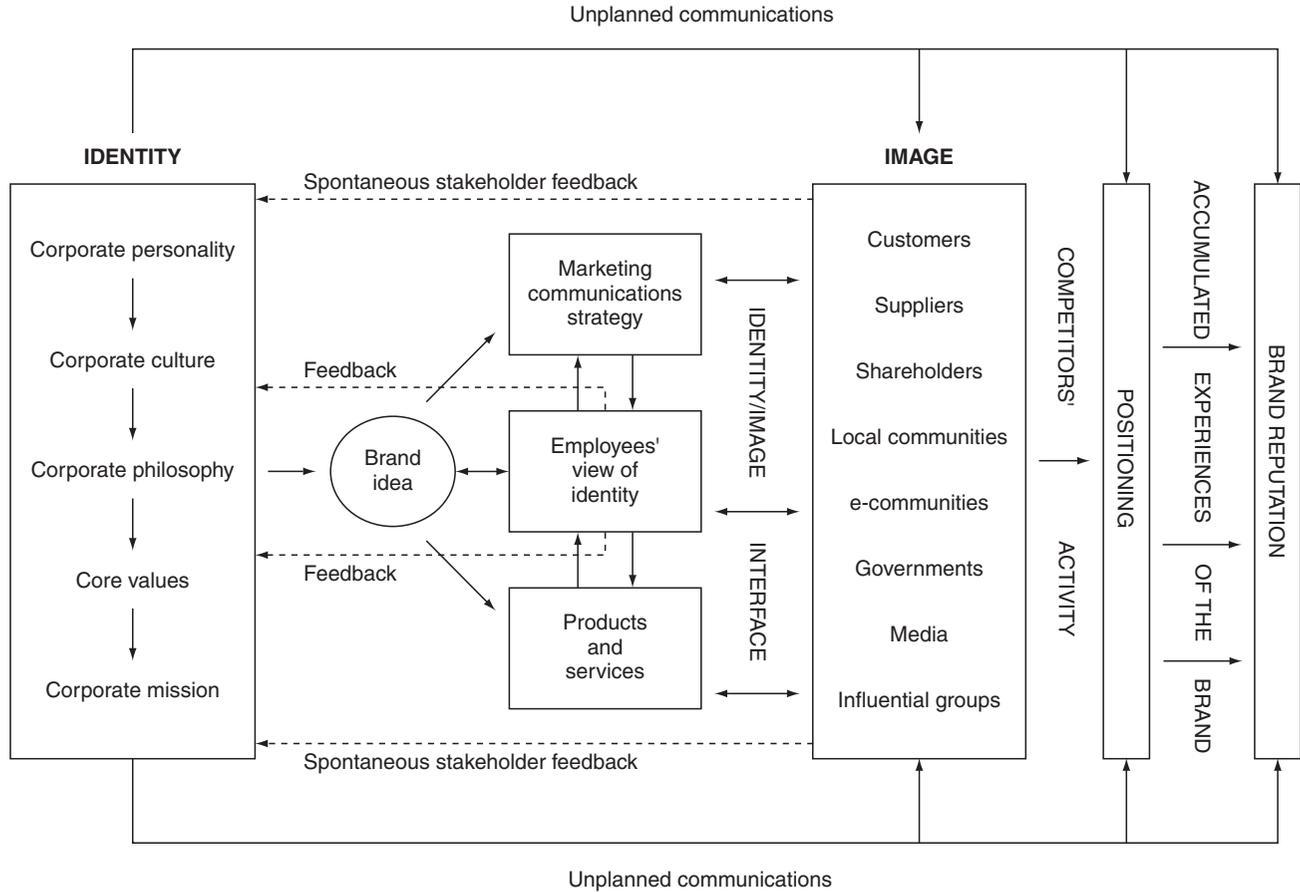
Figure 5.1 The brand model

is. The formulation of the 'brand idea' can take different forms, as examples in this book will show, but the important aspect is its truth; that it is defined by the identity.

- The 'brand idea' is itself communicated through three key mechanisms: the nature of marketing communications, employees' interpretations of the identity and the nature of the products and services. Although only one of these three boxes specifically mentions employees, the point to note is that products, services and marketing communications are created by and delivered by employees. This hints at the importance of integrating all aspects of the organization's systems and processes so that there is a unity in the way the brand is presented.

- The three boxes all interrelate, which stresses the overarching role of employees and also indicates the importance of internally marketing, external marketing communications. Employees will not be able to support advertising or public relations messages if they do not understand them.

- As well as the planned communications of the organization, unplanned communications are also transmitted. These 'moments of truth' are again determined by the identity and employees' understanding of the brand idea.

- The goal is to create an appropriate and effective image among a variety of stakeholders, which over time creates a reputation for the organization.

- There is ongoing feedback to the organization. The image and reputation impacts on the identity and the way that employees see themselves. As Hatch and Schultz note: '…insofar as organizational members encounter organizational images as part of their lives both inside and outside the organization, it is likely there will be feedback from image to identity.'[4]

- The interface between identity and image is seamless, partly because of the web. The two-way flows indicate that the barriers that used to exist between the organization and its audiences have broken down and that there is more direct interaction. With the advent of more effective CRM systems, people within the organization know more about customers than ever before and as a result can deliver more personalized communications and products. Equally, extranets enable more effective communities of interest with professional audiences, such as buyers and suppliers.

Although we tend to read the chart from left to right, the number of leftward flowing arrows suggests the growing importance of pull factors. Organizations still spend large amounts of money on pushing out messages but the growing sophistication of software enables the various audiences to

pull the information and products and services they need from the organi-
zation.

The model sets the scene for the necessary research methodology,
because it puts the focus on people and the need for a clearly defined
brand idea that engages employees and creates the right sort of image with
the relevant audiences.

Conducting research

Using the Riondino model we should recognize that the starting point for
articulating the brand is to understand the organization's identity. This is
the role of research. The brand research should be as broadly based as
possible. There are two reasons for this. First, it is important that the
brand works for everyone in the organization. In a professional services
firm the brand not only needs to work for the consultants but also the
support staff. In an international organization, the brand needs to work
for all countries, not just the head office. If the research base is narrow
the danger is that the needs of some groups will be ignored. In turn they
will ignore the brand, believing it has no relevance for them. Second, the
research can also be educative and build consensus. The process itself is
cathartic. It gives people the time and the opportunity to analyse the
organization and how they feel about it. This is especially important for
the cynics and the potential saboteurs.[5] Every organization will have
these people: the ones that have seen these initiatives before and are
convinced they will not work or believe that branding is irrelevant to the
organization. Rather than ignoring these people it is better to engage
them. Nicholson argues that you cannot motivate these problem people.
They have to find their own motivations. The task for management is to
create the circumstances in which motivation can thrive. By creating the
opportunity for dialogue, it sets up the possibility that people can find
engagement with the ideas generated by the research process. It should
also be noted that these individuals can have enormous symbolic value if
they make the journey from cynic to champion.[6]

The research itself should encompass three elements:

- desk research;
- employee research;
- external research.

Desk research

Companies, especially those with long histories, contain a wealth of information that provide clues as to their ideas and values. Sometimes there are even books or documented histories about the organization. Before embarking on original research it is always valuable to review what already exists. This has the benefit of providing insights into how the organization behaves at key moments and hints at the assumptions that guide the organization and that can be questioned during subsequent interviews. As well as the documentation it is also valuable to observe the architecture of buildings, the layout of offices, the descriptors of the organization, the language people use, the organizational structures, the methodologies in use and the tone and style of communications material. These are what the writer Edgar Schein calls the artefacts and creations of the organization, which are the expressions of the values and the basic assumptions. It is not always possible to decipher these artefacts just by looking at them and one has to be cautious about their truth. Just because an organization employs an open-plan office layout we cannot be sure it believes in organizational egalitarianism. It simply may be a functional solution or a desired idea rather than true. If, however, the organization eschews individual titles, provides exactly the same square footage for everyone whatever their position, has one common eating area, provides share options for everyone and has an open-plan office, there may be more substance to the view. It is the same when we go to other people's houses for the first time. We begin to form a picture from the individual elements and then as we see the totality of the home we form a judgement as to the value set of the individual. This may or may not be supported by the reality of experience. We might find that the person is trying to convey an idea of themselves as an aesthete, but find out that they have no real knowledge of aesthetics. We then see the dissonance. Equally with an organization: one might review the approach to advertising and come away with a picture of innovation, only to discover the opposite.

Thus the desk research phase should be cumulative and should help to pose questions rather than supply answers. For example, if it uncovers in the company newsletter that there is considerable emphasis given to the success of the sales team and that the bonus scheme favours these people, the immediate conclusion ought not to be that this is a sales-focused organization. Rather it should lead to a questioning in the primary research that asks whether this is indeed the case and, if so, why.

Employee research

Employee research can involve both quantitative and qualitative methods. The objective is to try to uncover the organizational values – the things that matter most to people and steer decision making. The difficulty is that values are not always obvious. Office conversations rarely focus on the values. People do not stand at the coffee machine debating whether the most important value is 'challenging' or 'integrity'. However, they do discuss stories, events and actions that express the values. They do debate how the chief executive reacted to criticisms from the environmental lobby. They may even talk about some past event that expresses the organization's beliefs. An example of this is an advertising agency I once worked for. This organization's biggest client was a major tea brand. The agency was renowned in its time for developing highly distinctive and memorable advertising for such clients as Zanussi, Homepride Flour, Access and L'Oreal. Following much research the agency presented an animated television campaign. The client was unmoved and rejected the work completely. The client disliked the animation and the character designed to represent the brand. The agency faced a dilemma. It believed it had created an effective and long-term idea for the brand and yet the client wouldn't agree to it. The agency re-presented the idea, but the client was insistent and told the agency to start again. The agency response was to resign the account. This decision entered the agency's folklore. It said to every employee that creativity and integrity mattered. It also said implicitly that if you got into a confrontation with a client and your thinking was seen to be right then you would be fully supported. That one decision to resign the agency's largest client represented for everyone in the agency one of the reasons why they worked there.

Research methods: internal

As values can be subtle, it does suggest that overall the most appropriate form of research is qualitative. The open-ended nature of the research enables the analyst to probe in depth the cultural background of the organization and to unearth the assumptions that underpin the values. Although there is no one right way to conduct this research, an approach that has proven to be effective is *one-to-one interviews with senior managers* to determine their perceptions of the organization, beliefs about its culture, the defining events in its history, its role in the world and its future position. The objective is to understand the historical context, the current situation and future intentions. The historical context can be particularly illuminating as organizations can sometimes find themselves slaves of the past because the dead weight of tradition can seem to stifle change. Alternatively, organizations

change direction and seem keen to escape their past. This can prove hard for organizations with well-entrenched images as it may take years to move people's perceptions. However, the very act of change and the emphasis on escaping the past can be instructive as to the values for the future. The number of one-to-one interviews will vary, but it should include the 'difficult' people and the key executives of the organization.

Discussion groups with staff are also valuable. They can uncover employee understanding of the organization. The composition of the groups depends on the organization's culture. If the culture encourages the free flow of ideas, then people from different levels of the organization can be mixed together. If it is more hierarchical, then greater attention needs to be paid to getting people of a similar level. The rationale of this is simply that people may be worried about saying what they really think in the company of senior people. Whereas it may be difficult to mix people of different status, it is valuable to mix people from different backgrounds. This helps to generate a more complete idea of the organization and its purpose.

Generally the group discussions can be longer than consumer groups. This seems to work because whereas consumer interest often wanes after one hour, employees almost invariably seize upon the chance to have their say. Therefore, these groups can comfortably extend to an hour-and-a-half to two hours. Working to a discussion guide, the following broad topics can be covered:

- Understanding of the organization's purpose and direction: how well people can articulate what the organization exists to do and whether there is clarity about the future.
- Resources and tools to implement direction: even when people know where they are meant to be heading they do not always feel they have the resources or the skills to get them there. Thus, this tests the current validity of the vision and values and the propensity of people to fulfil them in the future.
- Resource and skills gaps: these relate to the dissonance that may exist between where the organization wants to be and where people feel they are now.
- Organizational values overall and variances by area: as well as ascertaining what people believe the current values to be for the organization – ideally supported by stories to show the values in action – different departments may have different values. The research needs to check whether the business unit or area values support the overall values or undermine them.
- Use of the values in people's day-to-day jobs: emphasizing values only makes sense if people can see how to use the values in their everyday work. For example, is it clear to the receptionist or the finance

department how they can be innovative, professional, inspired and challenging (or whatever the values may be)?

- Current barriers to the effective understanding of values: there are often internal barriers to understanding the values, such as the failure of management to communicate them.
- Quality of internal communication: the effectiveness of internal communication is a strong indicator of the values, because values only really come to life when they are communicated. The moderator should probe upward, downward and horizontal mechanisms.
- Perception of current image and impact of image on employees: how employees perceive the external image of the organization is important for their own self-esteem and the strength of the bond they feel for the organization. It also pinpoints a potential barrier in that a negative external image may inhibit interest in the values.
- The ideal image: no holds barred – how people would like to be seen by the outside world and what it takes to get there and to stay there.

The group should not just be encouraged to be descriptive. At each key point the moderator should be asking 'Why do you think that?' and probe for examples. To provoke a response, stimulus material can also be introduced in the form of literature, advertising and films. At the end of the discussion the group can also be asked to do something involving participation. Two suggestions are mood boards and scenarios. Both are designed to encourage people to think more laterally about the issues they have been discussing. For mood boards, the group should be supplied with an eclectic mix of photographs and words and asked to put together a collage of the brand. For example, when this exercise was conducted with the Worldwide Fund for Nature/World Wildlife Fund (WWF) the interesting aspect of the collages was the limited emphasis given to animals and the greater emphasis on pollution, people and the environment. The insight into the brand is that although animal imagery is used extensively in fund raising, the people who work for WWF recognize that it is impossible to ring fence endangered species and that you have to deal with the larger human and environmental context in which they live. The other method is creating scenarios: asking people to create a verbal and visual storyline about the brand. The value of this is that it encourages people to think about how consumers and other audiences interact with the brand in their day-to-day lives.

Laddering

An alternative methodology to that described above is to use laddering techniques. If one could analyse all the actions of individuals within an organization, it would be possible to decode the underlying ideas.

However, this is difficult in practical terms. Instead, through interviews with employees one can uncover the underlying ideas that cause the actions. Work in the Netherlands by Van Rekom[7] in the area helps to indicate the degree to which people identify with the organization's cause, their degree of empowerment – their willingness to go beyond the rulebook and their ability to relate their role to the rest of the organization. The laddering methodology starts with the following four questions:

- What is your job?
- What exactly do you do?
- Why do you do it in this way?
- Why is that important?

The interviewer can then repeat the process by asking about the specifics of a particular task and then again probing the underlying rationale for the action. Thus if we asked retail assistants what they do when they receive a complaint from a customer, they might say 'I have to find a supervisor who will either deal with the problem or give me the authority to deal with it.' We might then ask, 'Why do you do that?' The reply might be: 'Well, company rules are very specific. We're not allowed to deal with complaints directly.' The final question would then be: 'Why is that important?' The response then might be: 'We've been told that dealing with customer complaints is very important, so the company wants to keep a record. We involve supervisors, because we think it makes the customer feel their complaint is being taken seriously.' At each stage in the process the interviewer should encourage the respondent to confirm the interpretation of the statement, by saying 'so what you mean is…' or 'the picture you create is…'. This ensures that the full meaning of a statement is uncovered. This complaints process is far removed from the empowering world of Nordstrom, but if the findings of this interview are replicated with others we might judge that:

- complaints are taken seriously;
- the company is customer focused;
- the company tracks its performance;
- communications are instructional, but people know what is expected of them;
- the company does not empower its employees in this area.

Thus, from focusing on the actions of individuals we gain a picture of the values as understood by employees. Van Rekom also recommends that the findings of the interviews be integrated into a quantitative phase of research, which can test whether the findings of the laddering are replicated throughout the organization. The final picture that emerges from

this process is an understanding of the organization's purpose and values and the purpose and values of individual groups or teams. This internal picture can also be compared to the external image that customers and other audiences have of the organization. One of the benefits of conducting this quantitative analysis prior to a brand programme is that it sets up a benchmark against which future progress can be measured.

External research

Vision and values are driven primarily by a sense of what the organization believes to be true. Consequently the process is about creating internal understanding. However, without the input of external research there is a danger of creating a brand idea that has great power internally, but is irrelevant when expressed externally through written or personal communications. To guard against this and to ensure that the brand will have resonance with others, the organization needs to acquire insight into how others see it. The complexity here is that there may be a great variety of audiences: government, media, advisors, suppliers, buyers, industry commentators, local communities. Although one can prioritize the audiences that are most important, potentially each audience needs to be covered. The method for reaching these audiences can vary. It can involve questionnaires, telephone interviews or face-to-face interviews. The research should aim to uncover:

- people's relationship with the organization: how they first came into contact with it and how they have interacted with it over time;
- quality of relationship: overall has the experience been positive or negative – stories to substantiate claims;
- belief about organizational direction: where they believe the organization is placing its emphasis now and in the future;
- strength of values: what beliefs seem to emanate from the organization and how consistently and clearly these are communicated;
- mindspace: how important the organization is to them – how they see the organization relative to others;
- industry discriminators: what is important within their business area – how well does the organization perform against those discriminators;
- communication: frequency and quality;
- the future: the dynamics they believe will be important in the future and how well the organization is positioned to take advantage of changes.

Using the research

Making sense of the research is concerned with picking out the key strands that emerge from the content. However, this should not be the sole responsibility of a consultant or researcher. If the use of the research is to be genuinely participative it should be shared with as wide an audience as possible. This is sometimes difficult for organizations to accept. Market research is traditionally seen as something that managers commission and use. However, empowerment, as observed earlier, means the diminution of a manager's power and its take-up by others. This is not beneficial because being democratic feels good but rather because the greater the breadth and depth of engagement, the greater the likelihood of subsequent commitment to the output. Deciding on the best way of sharing will be in part defined by the culture of the organization and will need to balance what is desirable and what is practicable.

At this stage it is too unwieldy to engage everyone in the creative process of articulating the brand. The best solution is to ask people to volunteer to form a creative group that will define the brand. This group can be anything from 5 to 20 people. The goal is to construct a group that is representative of the organization. Therefore, all the different departments and functions should have an individual involved with the development of the brand.

Although the group can choose its own working methodology it needs some points of accountability. How should the brand be defined? In the past I have given people examples of other good brands and suggested the group chooses whichever structure feels most appropriate. In other instances I have suggested a structure. There are several different ways of constructing a brand and no doubt each organization would argue for the validity of its own framework. Organizations talk variously about credo, DNA, purpose, vision, values, beliefs, principles, philosophy, attributes and characteristics. For example, here are four variants — the BBC, Virgin, Ferrari and Greenpeace International — that use very different terminology. The choice of the organizations shows that in spite of diversity of size and area of operation they are all aiming for something similar: an encapsulation of what makes them unique and relevant to their stakeholders. The statements also demonstrate a tension between what the organization is (or has been) and what it desires to become — this can be seen quite clearly in the Ferrari definition, where the values are produced as paired opposites. Tension is fundamental to a successful brand definition because it creates the discovery of new ways of thinking and behaving. It ensures that the brand is dynamic. As Mikhail Bakhtin argues in *Speech Genres,*[8] 'Our thought itself…is born and shaped in the process of interaction and struggle with others' thought.'

BBC

Our purpose

To enrich people's lives with programmes and services that inform, educate and entertain.

Our vision

To be the most creative organization in the world.

Our values

> Trust is the foundation of the BBC: we are independent, impartial and honest.
> Audiences are at the heart of everything we do.
> We take pride in delivering quality and value for money.
> Creativity is the lifeblood of our organization.
> We respect each other and celebrate our diversity so that everyone can give their best.
> We are one BBC: great things happen when we work together.

Virgin

Our role is to be the consumer champion, and we do this by delivering to our brand values, which are:

Value for money

Simple, honest and transparent pricing — not necessarily the cheapest on the market.

Good quality

High standards, attention to detail, being honest and delivering on promises.

Innovation

Challenging convention with big and little product/service ideas; innovative, modern and stylish design.

Brilliant customer service

Friendly, human and relaxed; professional but uncorporate.

Competitively challenging

Sticking two fingers up to the establishment and fighting the big boys — usually with a bit of humour.

Fun

Every company in the world takes itself seriously so we think it's important that we provide the public and our customers with a bit of entertainment.

V12[9] — Ferrari

Ethics and productivity

- We are conscious of being part of a unique Company that is known and respected the world over and thus we are committed to representing it to the best of our ability in all of our relations with discretion, honesty, consistency and correctness.
- Ferrari people plan, create and enhance investments in resources, structures and technology to benefit the Company, its partners and all of its collaborators. Because only an active Company can progress.

Tradition and innovation

- We are aware that we represent a Company in which tradition and innovation are continually melded to keep alive the legend of prestige brands renowned and loved the world over.
- Our wealth of skills and specifically our ability to marry the search for increasingly advanced technological solutions with a tradition based on artisan 'human-sized' skills are the result of our history, all of our histories.

Individual and team

- The terms Individual and Team go hand in hand in the Group because in Ferrari the value of the Individual always takes priority: in our commitment to continual improvement, in the opportunities we have to express our own qualities, in our attention to interpersonal relationships within the company, in our ability to work as a Team to achieve goals small and large each day.
- We are a Team in which collaboration and creativity provide stimulus for each other and in which our suggestions inspire new ideas and feeds our desire to improve ourselves.

Passion and sporting challenge

- For us 'passion' means putting our 'heart' into our work. This passion takes concrete form in our attention to detail, a continual striving for excellence *(quality)* and in our *determination* to achieve the goals we've set ourselves. A passion of which our clients are very much aware thanks to the *exclusivity and prestige of our cars*.
- Just like passion, 'sporting spirit' is part of our character. This is the *determination* to do better today what we did well yesterday. A willingness to be in the game at all times, to see each new day as a challenge, large or small, and as an opportunity to get the best of that challenge.

Excellence and speed

- Ferrari people pursue excellence in thought, planning, acting and doing without ever feeling the desire to rest on their laurels regardless of the results achieved.
- Ferrari people search out quality solutions in both their management and technical activities to guarantee clients, in-house and external, excellence in terms of service and products.
- We want our thinking and our actions to be quick and focused.

Local roots and internationalism

- We in Ferrari have never had any problem in melding our highly specific roots with the vocations of an internationally recognised and renowned company. Our strong links to our local area have characterised our history, helped develop our heritage of professionalism and consolidated important relationships with our partners.
- But within our own community we also meet, come into contact with and

welcome people of different nationalities with individual and professional characteristics different from our own. These offer us new experiences, stimuli and ideas that enrich us and help us grow still further.

Greenpeace International

Our purpose

Greenpeace is an independent global campaigning organization that acts to change attitudes and behaviour, to protect and conserve the environment and to promote peace by:

- investigating, exposing and confronting environmental abuse;
- challenging the political and economic power of those who can effect change;
- driving environmentally responsible and socially just solutions that offer hope for this and future generations;
- inspiring people to take responsibility for the planet.

What we believe in

Non-violence

Core to our roots is the principle of peaceful action. We avoid violence even when our acts are seen as provocative.

Confrontation

We believe in creative confrontation. By challenging ideas and behaviour we believe we can move people and organizations.

Independence

Greenpeace is supported by individuals. By not accepting funds from political parties, governments or corporations, we maintain our independence.

The power of acting together

We believe in the power of the many. The future of the environment rests with the millions of people around the world who share our beliefs. Together we can tackle environmental problems and promote solutions.

Structuring the brand idea

If an organization sets out to define or redefine its current articulation, what structure should it adopt? My suggestion here would be to look at the Greenpeace International structure because it has been researched extensively both internally and externally. It also has the virtue of simplicity and an easily understandable language that was designed specifically for a diverse audience. It contains an overarching idea — Inspiring Action — that has a dual meaning (a description of the core organizational activity and also the idea that it inspires others), a purpose statement that describes what the organization is and what it does, and a set of beliefs that reinforce important traits and stretch the organization to deliver on its objectives. The elements that should be noted here are:

- The overarching idea is simple but precise and indicates two core themes. First, it suggests a point of differentiation. There are many organizations that report and lobby on environmental and peace issues, but Greenpeace *acts*. Second, in the past Greenpeace has tended to be too inward-looking. It recognizes that the future will not just be about the dramatic gesture but about engaging others to generate behavioural change.
- The purpose statement and beliefs combine both functional and emotional elements. For example, the opening line of the purpose statement contains a much argued over functional descriptor, yet as the statement develops, the language used becomes more emotional: exposing, confronting, challenging, driving, inspiring.
- The beliefs contain a clear tension designed to generate discovery: non-violence and confrontation; togetherness and independence.
- As observed earlier in Umberto Eco's description of encyclopaedic definitions, while there is some explanation here of the intended meaning of the beliefs, it is not designed to be prescriptive. Rather the intention is that Greenpeace's understanding of the words will evolve as they are used.

To summarize, a brand definition should be:

- memorable;
- true;
- all-encompassing;
- reinforcing;
- aspirational;
- differentiating.

Some of these words may sound contradictory and in themselves they are, but the key to success is that the totality of the brand definition meets these requirements:

- *Memorable*: one of the main failings of brand definitions is that they are overly complex. This is often a result of communications departments and brand consultancies working together to define a brand. As it is an area of particular interest to these individuals, they construct an idea that works for them. It is an exercise in intellectual insularity. However, pity the engineer who has to work out how to use the brand or the finance manager who has to decide which particular part of the brand description is relevant. Having worked with employees in using a brand, it is instructional to realize that it is only the obvious and memorable that really gets used. The rest is ignored. This also applies to the number of value words that the group defines. Employees will not use 12 or 15 words. They can understand and remember six words – although three or four is preferable.
- *True*: put people together in a group and there is a danger that they will begin to develop group think traits – where the unity of the group becomes the dominant ideal. This can lead to wishful thinking and long-winded phrases that emanate from conversations, such as 'What we're really about is…and… and…and.' All the time the group should be trying to focus on what is true for the organization.
- *All-encompassing*: the definition should work for all parts of the organization and all levels of the hierarchy.
- *Reinforcing*: this is related to the idea of truth. Most organizations have things that are fundamental to their success. The brand should make those success factors explicit. Thus, if creativity is the bedrock of the organization, the brand statement should emphasize this.
- *Aspirational*: although wishful thinking should not be encouraged, the brand idea should propel the organization forwards to meet its goals. There should be an element of aspiration; of stretching people; of creating organizational tension.
- *Differentiating*: this should happen naturally if the group adheres to the above principles. There is little point in differentiating the organization for the sake of it. Remember, these words and phrases are for internal consumption. They are not advertising slogans. The process of differentiation will happen as a result of commitment and sincerity. For example, the US retailer Nordstrom provides exceptional service to its customers, yet its brand definition words are those of a thousand other companies: service, quality, value, choice. It is the meaning these words have for Nordstrom that is particularly important. Indeed, Collins and Porras argue in *Built to Last*[10] that the content of core values doesn't matter. Any words will do. The important thing is to have the values and

to integrate them into the organization. I am not sure I fully subscribe to this view, as the truth of the values will determine their acceptance. Look at IBM, Nike, Patagonia or Virgin and you can see that the values clearly relate to the company's history and principles. However, I do agree with the idea that strength of commitment to the values is the deciding factor. As Kierkegaard wrote, 'in making a choice it is not so much a question of choosing the right, as of the energy, earnestness, the passion with which one chooses'.[11]

Words, words, words[12]

There can be no reference source for the best brand words, but it is possible to match and test the ideas generated against the guidelines above. This helps to ensure that the words are true to the organization. To ensure that the words also motivate people we need to be sure that they tap into people's higher needs. If they do not, it will become apparent during the embedding stage – some ideas will simply be overlooked. However, rather than uncovering the problem later on it is better to try to evaluate the words at the front end of the process. To define the motivational impact of the words we need a tool. In a broad sense one can use Maslow's hierarchy of needs to check that the words do link in with feelings of esteem and self-actualization. Yet there is another test, adapted from leadership training, which can help to determine the strength of the words.

The philosopher Peter Koestenbaum has identified that the best leaders operate in four dimensions: vision, reality, ethics and courage.[13] He argues that these four ways of thinking and acting define long-term success. As these dimensions are concerned with the way people behave, they work equally well with brands:

- Visionary brands have a clear and precise sense of the future and have the knowledge and sensitivity to adapt to the needs of customers and other audiences.
- Reality is related to the idea of truth in the definition guidelines in the previous section and balances out the visionary. For just as a brand must understand the future it also needs to understand its limitations.
- Ethics denotes the fact that a brand needs to be principled; it needs to provide meaning to people and to encourage them to work together. This is particularly important in organizations, which bring together people from different competencies to work as a team.
- Courage is concerned with advocating and standing for something; it is about the willingness to take risks, to persuade others, and to be accountable for decisions.

Often brands operate in only one or two of these dimensions but just as Koestenbaum would argue that leaders need to possess all four, so do brands. This is what makes a brand distinctive and gives it a point of view that will bond some to it and frighten away others. Bland brands that do not possess courage or vision will only attract people by default. Distinctive and courageous brands such as Virgin, Patagonia and Nike attract people who share their values. To see how this works, relate the idea back to individuals. We admire people such as Mahatma Gandhi and Nelson Mandela because they operate in these four dimensions. If Mandela lacked a sense of reality, we'd say he was a dreamer. If Gandhi had no real vision people would not have followed him. Equally, if we saw that Patagonia was an unethical brand, it would be a less attractive company to work for.

Indeed one of the powerful forces behind the growth in sustainable businesses and corporate social responsibility is the appeal that this has in attracting and retaining employees. Increasingly employees expect the brand to do the right thing. If it does, individuals can become powerful ambassadors for the ethical viewpoint of the company. This has much greater credibility with external stakeholders, who tend to regard the overt marketing of a sustainability positioning as just that – marketing.

Although Koestenbaum would argue for the presence of all four dimensions he would also advocate the primacy of courage. Courage is the hardest virtue to attain and maintain. It is always under threat because there are often easier choices that do not involve discomfort. It requires us to step out from what others do and confront the problem of free will. It requires us to choose. This is not a call to recklessness or indeed obstinacy. In a business context, it is about using knowledge to make the right decisions. It is Nike's decision to challenge the IOC, Greenpeace's to confront the GM industry, the Icehotel's imagination to use a natural resource and Patagonia's commitment to environmentalism. As Koestenbaum says: 'But no significant decision – personal or organizational – has ever been undertaken without being attended by an existential crisis or without a commitment to wade through anxiety, uncertainty and guilt.'[14]

If a brand's values are going to challenge both managers and employees they need to stimulate people to be courageous. It is a further argument for a participative approach. It is not possible to stimulate courage in the organization if people feel they are unable to take the difficult decisions and to act courageously. When people are free to choose and encouraged to make choices that support the brand then a sense of dynamism and power can emerge. Employees can begin to feel that they can change the world and fulfil their potential.

One example of this energy is the Peruvian bank Banco de Credito. For many years this bank had stood for traditional bankerly virtues: secure, solid and trustworthy. Yet as its competitive landscape changed, it found its

position undermined. It knew it had to evolve, but the challenge was to engage its employees with the process. To achieve the required shift in employee thought and behaviour, Augusto Medelius, the programme director, looked to its culture and concluded that its passion to remain a leader would be key to driving change. For example, to achieve the required shift in employee thought and behaviour, the bank looked to its culture and the insight from a seminal event. In advance of a visit by George W Bush, a group blew up a car bomb in front of the US Embassy. Both Banco Santander and Banco de Credito were damaged, yet while Santander remained closed for a week, Banco de Credito reopened the next day with all its employees present. It was a signal of employee pride and the desire of people to remain market leaders. To help engage the 7,000 employees with the new direction, the 'living the brand' programme contained four key elements: an acknowledgement of the history of the bank as a leader, a recognition of its leadership at risk, the introduction of a new positioning as the way to remain leaders, and the pride of driving the banking category (by delivering the positioning) to new heights in the marketplace. Such has been the success of the programme that customer perceptions have shifted in line with the new dimensions, and performance has improved relative to competitors. It's an interesting case of confronting reality with dynamism rather than the all too common situation of leadership complacency. Patricia Foster, who led the branding programme at the bank, says, 'There is sustained drive and energy to move forward, as, regardless of the pace of adoption of brand behaviours, we all acknowledge here that we want to remain a leader, and that our new brand is the path to achieve this.'

This sense of purpose is also at the root of Patagonia's drive as an organization. Just look at the purpose and values definition again and you can see the ambition it contains:

Our purpose (where we mean to take the company):
To use business to inspire and implement solutions to the environmental crisis.

Our core values (the characteristics that define the company):
Quality: Pursuit of ever-greater quality in everything we do.
Integrity: Relationships built on integrity and respect.
Environmentalism: Serve as a catalyst for personal and corporate action.
Not bound by convention: Our success – and much of the fun – lies in developing innovative ways to do things.

The problem with words

In articulating the brand idea the difficulty is producing words that meet the criteria set out above, motivate people, stir the imagination and have a reasonable constancy of meaning. Yet, as Wittgenstein observed, there is a problem with constancy of meaning. Our understanding of the words used to describe things or concepts varies over time and in tune with our own experience and cultural references. It is cubist in the sense that, as with painting, there can be many perspectives of the same thing. Rather than the certainty of classical painting, cubism suggests uncertainty and doubt: 'Solid apprehensible reality seems to give way to a world of shifting relationships.' It is for the viewer or reader to make their own judgements. Words can pose questions as well as suggest answers. Umberto Eco brings this to life with his story of Marco Polo.[15] When Marco Polo visited Java, he was confronted by a rhinoceros – an animal he had never seen before. Rather than thinking this might be a new species, he used his existing Frame of reference to categorize the animal. He concluded it must be a unicorn – which was the only animal he knew of with a single horn protruding from its head. In describing the encounter, his sense of disappointment that the sensual horse with horn was rather a low-slung, armour-plated beast, with a tongue made up of 'very long spines', is palpable. Thus to Polo and those that came into contact with him, the idea of a unicorn changed. Constancy is thus elusive. As Chomsky says: 'Terms are defined within a particular context and this context changes as people construct different empirical hypotheses. The terms then take on a different meaning.'[16]

There are two implications here. The first is the words used need to be precise and then carefully explained. One needs to employ a Socratic process of interrogation. If someone in the group working on the brand definition suggests that one of the key values is innovation, then:

- the members of the group should determine what the word 'innovation' really means for them;
- they should then ask, 'Are we always innovative in this way?'
- if the answer is 'yes', innovation could be a reinforcing word – but only if the group feels it is an important aspect of the organization. If the answer is 'no, not always', the instances of non-innovation need to be discussed. This will determine whether innovation is something the organization does in pockets, but not overall, or if the word is inappropriate. In the case of the latter, alternative words might be considered, such as 'creative', 'inventive' or 'ingenious', and the same process repeated. Often the right word appears through a process of negation – by defining what the organization is not or by relating it to competitors. People will say 'innovation is what company A is really good at and company B is very scientific and

inventive, but what we are is creative';
- once the words have been agreed by the group, both the individual and the collective meanings need to be checked against the six criteria words above and against Koestenbaum's dimensions.

The second implication is that the group needs to recognize that both the words and the contexts will change. Brand ideas are designed for the long term but they are not impervious to evolution. For example, Johnson & Johnson keeps its brand relevant by continuously researching the idea of credo with employees and then asking different groups within the company to challenge it every couple of years and to refine it, if necessary. Thus the essence of the credo remains valid, but the nuances of meaning have changed gradually since it was first penned in the 1920s. Similarly Volvo uses a set of informal guidelines to articulate its philosophy. The informality is seen as important because it allows the philosophy to evolve as conditions change.

What should come out of the brand group discussion is a set of words that are robust in the sense that the group has challenged itself to generate powerful ideas and a set of contexts. The words will set a specific direction. The contexts will provide the necessary indicators of meaning. The real difficulty with generating brand words is that the lexicon is relatively small. For this reason, such words as 'innovative', 'integrity' and 'professional' are often repeated.[17] Sometimes organizations feel that using these words demonstrates a lack of insight. Surely, they argue, our organization is fundamentally different from our competitors and yet we end up defining ourselves in the same way. The response to this is that the ideal should be the selection of words that are as specific as possible. If an organization can find words that clearly set it apart, so much the better. For example, Virgin's values are for the most part typical – quality, value for money, innovation and competitive challenge – but the one value that is surprising and suggests a point of difference is 'fun'. Equally, amidst Orange's corporate sounding values is the word 'refreshing'; the French food services company Sodexho Alliance has 'tendresse' (tenderness); and Renault has 'chaleureux' (warm).

However, rather than focusing overtly on distinctive words, the goal should be to uncover what is in the organization. Truth is more important than linguistic inventiveness. In any case, the point of difference will come through from the context. For example, many organizations use the word 'professional' in their brand definitions. Yet it will not mean exactly the same thing in a law firm and a government department. There will be some degree of constancy, such as always providing a prompt service, being thorough and delivering comprehensive documentation. Then there will be organization-specific inferences. For the law firm it might be connected to quality of research and for the government department it

might link to proactive advice to ministers. These ideas will be derived from an expectation of what is important to succeed as an organization and from the experience of past success. Thus the law firm might conclude that the reason it wins work is because it conveys a professional image. It might argue that part of acting professionally is being well informed through high-quality research. Thus for this company, professionalism might be defined as:

> Always being well informed and responding to client requests promptly and efficiently. Professionalism means we always document everything we do thoroughly. It means setting ourselves high standards and then challenging ourselves and each other to exceed them. It means focusing on our clients.

Thus 'professionalism' starts to mean something more specific. The definition does not say you must do this and mustn't do that, but rather it indicates the layers of intended meaning. Once the brand becomes embedded and ideas of how to use 'professional' are implemented throughout the organization the meaning will then acquire greater breadth and depth.

Checking the words

Once the initial brand definition has been agreed, there should be a final check on the words. The creative group should have been representative of the organization, but perhaps certain departments or overseas offices have not been fully involved in the process. This point has particularly significant connotations, because vision and value words can have different meanings across the world. The nature of business in different countries also creates different emphases. For example, research into the most important values for US and Swedish business people revealed that for Americans, 'honesty' is the most important value. Yet for the Swedish, the word did not even rate a mention. The litigiousness of the United States makes the notion of honesty a key issue but for Swedes the idea is implicit in business practice and, indeed, society. Thus you don't need to state honesty overtly because there is an assumption that people will do the right thing without being told to do so. These differences are highlighted by Charles Hampden-Turner and Fons Trompenaars,[18] who have researched the cultural differences between societies that are universalist (believe in rules, codes, laws and generalizations) and particularist (believe in exceptions, circumstances and relations). Countries such as Norway and Switzerland are particularly universalist and Russia is more particularist. The more universalist the culture, the greater the tendency to abide by rules and codes. For a nationally focused organization, these cultural variances are not important, but for any regional or

global organization these differences are vital. It indicates the importance of involving overseas offices in deciding on the words to be used and subsequently it suggests that the meaning of the words needs to include people's different cultural assumptions.

The most effective way to determine the validity of the chosen words is to share them with the organization. For example, when the charity VSO undertook its brand programme it used a cross-functional group to define the words and then it issued them electronically and in paper format to its employees who work in 60 different countries. To reiterate the importance of the process, the text presented the definition of the brand and the rationale behind it. It then detailed a clear timetable and the potential benefits of articulating the brand. It then posed three questions:

- Does this proposal capture the essence of VSO?
- Is this brand meaningful for me?
- What impact would this have on my work?

Some employees returned individual responses, while others got together in groups and discussed the implications of the words. They sought out nuances that the creative group had never considered and they made suggestions as to improving the phrases and words. The important thing was that, in deconstructing the brand idea, they began the process of uncovering its meaning for themselves. The responses were considerable but the brand group went through all of them and reconsidered the brand definition in the light of the different inputs. As a result, the brand and the meanings attributed to the words evolved. The text acquired subtleties that had not been there before. Once the words were agreed, the brand was presented to the trustees and the management group for approval.

An alternative to this approach is to create an e-mail forum or a chat room about the brand. The advantage of this approach is the ongoing interaction. For example, the first round of the forum might outline the suggested values and invite people to pass judgement in line with the three questions above. People not only have the opportunity to put forward their own ideas, but they can also pass comment on the thoughts of others. After a specified amount of time, which can be anything from a few hours to a few days, the moderator provides a summary and poses any further clarification questions. Following any final comments, the round is closed off and the second round commences. This might look at the functional, comparative and emotional statements. Again the process is repeated. Finally, the core idea is scrutinized. Once all the comments are received, the moderator provides a final report and asks everyone to confirm the accuracy of the input.

Summary

This chapter has been about the process of brand definition but it recognizes that definition can also be part of the process of embedding the brand. Some organizations and consultancies adopt a more top-down approach to definition, believing it to be something that communication experts should undertake and then disseminate. From experience I would disagree. The more participative the definition process, the greater the chance that people will feel like the brand is their own. This, in turn, helps generate understanding and commitment. If the communication department tries to impose an idea then the process of building support will be harder and the tendency to see the brand as something to do with logo creation, or marketing programmes, stronger. The difficulty for some organizations is that the process is time-consuming. However, the benefits of front end buy-in from employees outweighs the negatives. It is potentially more time-consuming to rush the front end and then have to work doubly hard at the embedding process.

Notes

1 Ind, N and Watt, C (2005) How brands determine organizational creativity, *Design Management Review*, Fall, pp 63–72.
2 Shakespeare's plays were originally published in two different texts – the Quarto and the First Folio. The Quarto comprised pirated editions of the plays that circulated in his lifetime (he died in 1616), while the First Folio was published in 1623 by his actor friends John Hemmings and Henry Condell. Since then various editors have selected from both texts. The 2007 *RSC Shakespeare: The Complete Works* (edited by Jonathan Bate and Eric Rasmussen) uses the First Folio exclusively. In so doing it changes the tenor and presentation of some of the plays that we are used to seeing that derive from the Quarto.
3 Van Riel, CBM (1995) *Principles of Corporate Communication*, Prentice-Hall, Englewood Cliffs, p 50.
4 Hatch, Mary Jo and Schultz, Majken (1997) Relations between organizational culture, identity and image, *European Journal of Marketing*, **31** (5/6), p 362.
5 Research by MORI indicates that one in five people in organizations in Britain can be classified as saboteurs.
6 Nicholson, Nigel (2003) How to motivate your problem people, *Harvard Business Review*, **81** (1) (Jan), p 57.
7 Van Rekom, J, paper presented at First Corporate Identity Symposium, Strathclyde University, 1994.
8 Bakhtin, M (2003) The problem of *Speech Genres*, originally published in 1953, cited in P Morris, ed, *The Bakhtin Reader: Selected writings of Bakhtin, Medvedev, Voloshinov*, Arnold, London.

9 Ferrari has 12 values that reflect the 12-cylinder engines in a V-shaped formation that have been used in Ferrari models since the first racing car in 1947 (125 S) and the first sports car in 1948 (166 Inter). The linking of the values to the engine both indicates a linkage to a key component of the company's heritage and aids memorability.

10 Collins, James C and Porras, Jerry I (1998) *Built to Last: Successful habits of visionary companies*, Random House Business Books, London.

11 Kierkegaard, Søren (1959) *Either/Or*, trans. Walter Lowrie, Vol 2, Doubleday, New York, p 171.

12 *Hamlet* – Hamlet to Polonius, Act II, Scene II.

13 See www.pib.net for further details.

14 Labarre, Polly, interview with Peter Koestenbaum, Fast Company, March 2000, p 230.

15 Eco, Umberto (1999) *Kant and the Platypus: Essays on language and cognition*, Secker & Warburg, London, pp 57–58.

16 Chomsky, Noam (1998) *On Language*, The New Press, New York, p 171.

17 ORC International (2000) research found that 38 per cent of global businesses have 'customer service/care/satisfaction' in their brand statements (49 per cent in the United States), while 25 per cent have 'quality' and 23 per cent 'innovation'.

18 Hampden-Turner, Charles and Trompenaars, Fons (2000) *Building Cross-Cultural Competence*, John Wiley & Sons, Chichester.

6 Bringing the brand to life

Many organizations have well-constructed brand statements. Some even have well-produced booklets or brochures about their brands. Few move beyond the presentation to deliver the substance. It seems it's easier to talk about the brand than to live it. Living the brand requires commitment and sincerity and that means it has to permeate the whole organization. Whoever the original brand owner is – whether it is the CEO, the board, the marketing department or human resources – they need to share the idea of the brand with the organization. While the originator should set a strong example and might steer the overall direction, employees need to feel it is their brand, that they can understand it in their own terms and contribute to its development. This requires some humility. The communications director might like everyone to know who was really behind the latest creation but there is greater benefit in getting other departments involved as quickly as possible and in communications moving to an influential, but not overtly dominant, role.

If the articulation process has been participative then the organization will already know about the brand and understand its potential value. However, if the organization already has a long-established brand definition and is now seeking to make it more effective then the methodology needs to be amended. Prior to the embedding, management will need to persuade the organization of the value of taking branding seriously – this will require presentations and discussion fora where the nature and impact of the brand can be explored.

One of the key process aspects here is not to over-emphasize communicating the values to employees. This is a necessary first step, but communicating the values will not of itself achieve engagement. Values need to be experienced. For most people, the word 'brand' will have connections to advertising and logos, and values will be seen as either 'fluffy' or irrelevant. Research chemists, engineers and bankers are typically in the fluffy group: they will not take too much interest in a management memo or a newsletter exhorting them, for example, to be more creative, professional and passionate. People who see their work as an expression of individualism, such as writers, academics and dramatists, are in the irrelevant group: they will ignore pronouncements on values as an attempt to impose a collective view and undermine their individuality. In fact, in one media company I experienced the collective and public ridiculing by journalists of a note from the chief executive on values. Values will only come to have meaning once they are experienced by individuals and they discover for themselves how the values are relevant to their day-to-day work. This requires people to work together in teams and identify actions that are accountable to the values. The final goal (see Figure 6.1) should be to engage people across the organization. Most organizations are beset by silos. There can be extreme situations where one part of the organization is deeply distrustful of other parts, or more superficial problems where business units simply fail to connect with each other. However, whatever the cause, synergies are ignored. To maximize intellectual capital, the connections between business units need to be made. This requires cross-organizational initiatives, such as workshops, networks, project groups and meetings. Gretchen Winter of Baxter says, 'The main benefit of our values is it gives us a common language and framework for 55,000 employees. We use the values to build the company.'

This chapter will outline a number of mechanisms and initiatives that can help to communicate, integrate and embed the values. However, it

Informational	Participative	Beyond politics

TIME

| Downward communication is a necessary first step | Upward flows begin to build participation | Cross-functional actions create synergies |
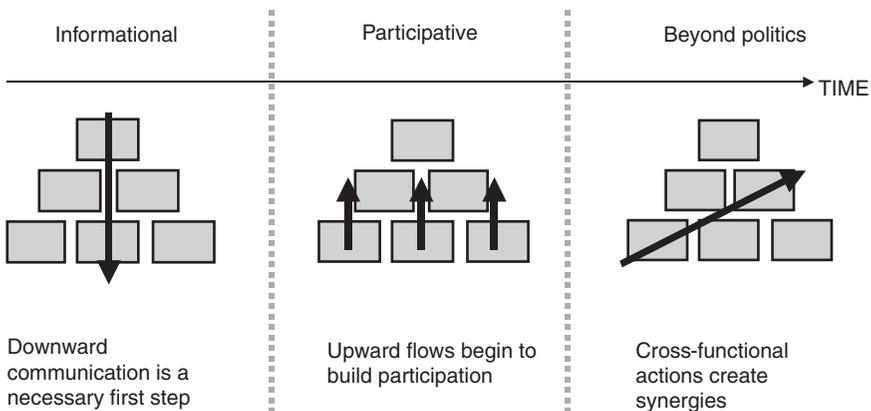
Figure 6.1 Overcoming silos: synergies at work (or not)

should be recognized that long-term success requires commitment. An event, a brand book, a brand simulator or a leadership forum by itself will achieve little. It is the ongoing and cumulative effect, with proper feedback, that is important.

Actions of management

A 'must have' for a successful brand-to-life programme is the active support of senior managers. This can be a stumbling block. Boards of directors are not always comprised of brand enthusiasts, and indeed there may be a reasonable number of cynics. For them the brand may have a business value, but engaging employees with the brand may appear time-consuming and ultimately of little real benefit. Yet this is a self-fulfilling prophecy. The brand will not realize its potential if it is not actively lived by employees, and employees will not live it if the signals from management suggest it is unimportant. It is vital therefore, in order for a programme to work, that there is at least a champion of the process at senior management level. That person and the brand-to-life promoters then need to work on persuading their colleagues of the benefits.

The key here is to demonstrate the impact on those things that matter most to the business. This is partly about experiencing organizational reality and partly about metrics. In the case of the former, many managers are removed from the difficulties of day-to-day work. Nowhere was this insight more obvious than in a BBC television series called *Back to the Floor*, where leaders of such organizations as Heathrow Airport, Burger King and Carnival Cruises were taken back to the daily problems of complaining customers and unreasonable bosses. In each case, the direct interaction with customers was a real revelation for the individual and a moment of catharsis for them. It aptly demonstrated the degree of remoteness of most senior people. Equally the turnaround of the New York Transit Police by William Bratton during the early 1990s demonstrated that people need to confront problems face to face. When he arrived at the Transit Police, there were more than 5,000 people living in the subway system, 170,000 people evaded the fare every day and New Yorkers considered it the most dangerous place in the city. Yet senior managers, who commuted to work and travelled round the city in cars provided for them, never met these problems. They relied on crime research (which showed that only a small percentage of serious crimes were committed on the subway) to reassure themselves that everything was running smoothly. To destroy this complacency, Bratton made all his officials commute by subway and use it to attend meetings. This experience helped convert people to the need to change.[1]

Second, whichever business metrics define organizational success, they need to be the measures that the brand delivers on. So if, for example, the most important metric in a retail business is profit per customer visit, the brand-to-life programme needs to concentrate on this. This suggests that the focus should be on how to engage employees with the idea of customer service, with a view to maximizing the spend of each customer. The implications for this might be changes in store layout, new training programmes, looking at store adjacencies, better customer research, new evaluation and reward programmes, and different product offers.

However, if management can be persuaded of the relevance of the brand, it helps to ensure the longevity of the process. Brand-to-life initiatives that seem to benefit employees in such areas as education, socialization and leisure are much written about in the press. Where they are indicators of a strongly held corporate philosophy they can be beneficial to the company in terms of productivity, but where they are interesting add-ons designed to make employees feel good, they are the first things to be cut in difficult times. When the added benefits that employees receive are clearly focused on the brand and the corporate objectives, they represent genuine value and have a far greater chance of survival.

Engaging managers with living the brand can perhaps best be achieved in the context of a workshop. It is valuable to bring people from different disciplines together, because of the argument that the brand will have an impact across the whole organization. In this environment the goal is to embed the brand vision and values into the decision making of the organization. This may require genuinely new initiatives, but often it is a case of reframing existing or planned actions. If the vision and values are a true reflection of the business, much of existing decision making will have been guided by existing principles. The task here is to reframe the decisions in the light of the brand; to use appropriate language to position the decisions for employees. In those nirvana moments for a consultant, sometimes the organization recognizes the value of the brand and integrates it into the real fabric of decision making. In the case of UNICEF in the UK, the brand has come to define an explicit management philosophy, to steer strategic planning for the organization as a whole and to help focus departmental strategies. For example, each departmental operational plan includes specific questions on how it will reflect the brand in its work and how it will use each value in its decision making. Anita Tiessen, Deputy Director, says, 'It is the linkage to other things in the organization that has helped give the brand relevance, especially our five-year strategic plan. On its own it might have felt like a branding exercise.' Some 18 months after launch, 83 per cent of employees understood what the strategic plan is trying to achieve and 89 per cent of employees agreed that they understood how to incorporate the brand into their work.

As a counterpoint to this, a friend of mine told me a story about a major UK retailer, where he was a member of the executive committee. This retailer felt it was important to have some clearly stated values to help guide the business, and therefore this was put on the committee agenda as a discussion topic. During the next meeting the values were debated and agreed, including 'open and honest'. The next agenda point was on company performance, and what could be done quickly and cheaply to improve things. My friend suggested that better space planning disciplines could have significant impact. Other members of the committee countered that the company was already good at this and had achieved a 90 per cent performance figure. As my friend says, 'I knew this wasn't the case – they had neither the technology processes nor the disciplines. Also, I had been converting stores and the standards had been poor; closer to 20 per cent. But several directors protested, even when they had no data to back up their arguments. Later I was told I had offended my colleagues – so much for open and honest.' As a postscript to this story, I then read an article about this retailer in a professional journal that touted its living-the-brand programme and all the tools it had used to build internal commitment.

The underlying point about engaging management is that authentic actions have to result. This sets the agenda and ensures that the brand relates to the organizational strategy, and sends an important signal to the rest of the business that brand matters. This, of course, then needs to be sustained over time. These early wins will be undermined if when the first crisis or dilemma that comes along results in a decision that does not integrate with the brand idea. That is the task of management: to drive the vision and values relentlessly into their own decision-making processes. Under the title of strategic clarity, Lou Gerstner observes that 'execution flows naturally and instinctively at great companies, not from procedures or rule books …superb execution is more about values and commitments'.[2]

Brand books, games and videos

The purpose of a brand book is to present the brand and its context. This should be an opportunity to reinforce the value of the brand, its relationship to other activities and strategies in the organization and the anticipated benefits. Both the look and the language of the book need to be carefully considered. It will often be the first clear presentation of what the brand stands for and as such it will send a signal to all employees. Unless the brand idea steers the design of the book the process can founder here. Thus if one of the brand values is inspiring, then the book itself should reflect that idea. Equally if straightforward is a value, the

presentation should not obfuscate – rather it should concentrate on delivering a clear message.

The text should also adopt an 'insider' tone. Although the copy should be well crafted, employing a copywriter has dangers. The document should be seen as a message from one employee to another: our brand, not a consultant's. Thus the language should be positive, supportive, engaging and persuasive, but it should not indulge in hyperbole. This is a fine line to tread and not easily achievable, but if you look at a selection of brand books you can see the difference between sincerity and superficiality. The sincere output does not overclaim; it suggests rather than sells. It should provide evidence for its ideas and show the context by providing narrative examples.

While defining what should be in the brand book, there are also some things that should not be included. This is a guide to attitudes and behaviour, not a rulebook. Therefore, there should be no instructions or diktats. Nor is it a visual identity manual or guide to communications. If the brand book is for everyone from technicians to receptionists then there is little point in providing detailed instructions on the use of the logo or typography. It also tends to encourage people to think again that brands are about logos, not about behaviour.

The final point about the book is that it should have the capacity to be updated. At its simplest this suggests the inclusion of some form of insert but if the book is to be published on the company intranet in the form of an online brand centre this may afford a more practical and effective mechanism. The updating element is partly connected to the opportunity to allow the words themselves to evolve but, more importantly, it provides the means of sharing best practice and keeping the brand in people's minds. Just as when a brand is communicated to external audiences it has to fight for mindshare, so it has to internally. As examples of effective brand usage arise from within the organization, whether they be from finance or operations or human resources, they should be posted and advertised on the intranet. Discussion groups can also be set up to enable people from all over the organization to join in debates about the brand and its usage. All of this can only be sustained if there is a genuine interest in the brand and employees can see that it has real and practical benefits.

As the updatability argument indicates, there are limitations with a printed format but it is something that people can keep and to which they can refer. It should be usable, rather than read once and then consigned to a filing cabinet. Nonetheless the book itself should not be the only means of communicating the brand. There are opportunities to create posters, promotional items and internal newsletters. UNICEF in London has even decorated its offices with 10 ft high images of children and outsized brand statements. There is also the option of games, videos and even plays. The benefit of these items is their potential for engagement.

Going beyond the UNICEF experience, organizations sometimes make aesthetic investments that aim to bring the sense of the brand to life through art, design and architecture. Certainly there has been a growth in recognition of the power of symbolism as a means of conveying a modern sensibility[3] and in communicating ideas about the brand, which is one of the factors behind the investments made in distinctive corporate architecture. Investing in art can also reflect an organization's values, although as with all aesthetic investments, there is the challenge of precision and also the issue of communication. To take precision first: a particular art choice might be able to represent a value that is important to an organization in a generalized way, but it is asking a lot of an artwork to somehow convey a brand. The Norwegian telecommunications company Telenor has invested some 70 million kroner (8.6 million euros) in contemporary art at its head office in Fornebu near Oslo. It includes major works by Jenny Holzer, Daniel Buren, Maria Misenberger and Douglas Gordon and it succeeds in a generalized way in conveying innovation and modernity to employees and other stakeholders, but the collected artworks do not (and probably cannot) convey the specifics of the brand values. Second, for the art and the brand to connect, however loosely, employees need to understand the meaning of the art. This is not so much an issue if the displayed work relies on a sensory appeal to communicate, but if the art is conceptual its meaning will need to be explained. As the artist Matias Faldbakken says:

> if you want people to get anything out of [contemporary] art, you have to set up the context. You have to give them a manual… Assessments of quality are external to the artwork; the same is true in for example literature, but a narrative fiction is a format much closer to popular entertainment, which also makes its deciphering more general.

While art, design and architecture tend to be long-term investments in encoding the brand, there are other more immediate options available in the form of brand-based games, performances and videos. Take games and the idea of play. Brand books can be instructive but they will tend to be a reminder or reference source – something we consult rather than engage with. In a game we have the potential for participation. In *The Republic*, Plato writes about the concept of serious play (which he contrasts with frivolous play), which is concerned with the idea of education and the preparation of the individual to contribute to society and to govern wisely. Using this Platonic concept, Roos, Victor and Statler, in a study of two interventions where Lego bricks were used as a strategy-making mechanism,[4] note that 'seriousness derives from *the truth of the matter under consideration*, and the "play" involves the movement of the dialectical method of questioning, thus serving as the foundation of the education'. They go on to observe that

as a result of analysing their Lego interventions, 'changing the *mode* of strategy-making from purely cognitive to an approach that integrates social and emotional modes of experience alongside the cognitive (like serious play) may contribute to the discovery of new insights'.

Also, with some games there is the opportunity for repetition, which takes us into a deeper level of understanding. The value of repetition, when it is of our choosing, is that it shapes our minds. We absorb the message. For example, take a card game, such as Bridge. It is a complex game, especially for the beginner, because of the protocols that surround the bidding process and the need for a good memory. You could read a book, entitled something like *How to Win at Bridge*, or you could play the game 20 times. If you do the latter you begin to understand how the game works, how your opponents think, how to gamble and how to win. You gain an insight into competitiveness, risk, creativity and probably disappointment. You learn by osmosis. Now take a brand idea and convert it into a game. It could be a quiz type game or a quest or a challenge. The important thing is that underlying the outward façade of the game are the vision and values. Employees learn about the values, not by being told them, but by experiencing them in an environment that gives the illusion of reality. Doing this online is a perfect environment because it can create virtual worlds that mimic the working environment.

Brand champions

Trying to create support for a brand idea from the centre is an almost impossible task. Many far-flung offices, especially if they have acquired some cynicism, will ignore or perhaps even ridicule attempts to impose an idea. There is also the common feeling that business units and branch offices have their own culture, which is independent of whatever the corporate head office might like to suggest. The task here is not to undermine that localized culture but to add another layer to it so that people can still feel an affinity with perhaps cherished and long-held beliefs, *and* engage with a larger corporate purpose. This requires local representation in every key functional and geographic area, in the form of committed individuals who are willing to proselytize on behalf of the brand; people who have the respect of colleagues and believe in the power of branding. The role of these brand champions is to:

- communicate the brand idea to colleagues;
- encourage involvement;
- make recommendations to the centre on brand issues;
- set and measure targets;

- share best practice.

One common question is, what type of person makes a good champion? Several attributes are important, but the most significant is enthusiasm, the belief that the brand can make a difference to the performance of the organization. Other attributes are:

- *Credibility within the organization.* Champions need not be senior people, but they do need to be individuals who have personal credibility, and they have to have the motivation and influence to get things done.
- *Initiative.* This is not a role where things are defined for individuals to implement. The brand champion has to be willing to generate ideas (with others) and see those ideas through to implementation.
- *Good at involving others.* The role is not a solo one. It is about encouraging participation – and then providing colleagues with feedback.
- *An understanding of branding and what it means.* This does not have to be in-depth knowledge, but more a recognition of the importance of branding to the organization.

There are also certain factors that can undermine the success of brand champions. These are:

- *Feedback.* Brand champions are the conduit for ideas. It will not always be possible to implement everything people suggest, but it is important that feedback is given on why some ideas are accepted and some are not.
- *Lack of support.* When champions takes on the role they are often venturing into unknown territory. It is important in this early phase to ensure they feel they are supported by the organization.
- *Management lack of interest.* Management are important signallers who can undermine the brand champions if they are not seen to support the brand.
- *Time.* Champions need time to develop the role and implement ideas.
- *Money.* Some ideas will save the company money, while others will require investment. Resources need to be put in place to fund valuable initiatives.

The brand champions are vital disseminators and standard bearers. This helps to counter the danger of a loss of impetus: an issue that can easily arise if the originator of the programme leaves or is transferred. For this reason, there should also be a brand champion at board level, so that senior managers appreciate that they too should set an example within their own departments.

Brand workshops

To generate active involvement with the brand and to create meaning, each team within the organization should undertake an initial brand workshop. In these workshops, to reinforce the point about consistency of communication, each team member should be asked to write a one-sentence description of what the core purpose of the organization is. If the organization engages in a complex activity it is often instructive to see how the variety of descriptions could easily confuse any potential recipient. VSO stressed this point in a sketch they produced for staff and which they subsequently transformed into a video. The video film shows a split screen with two individuals typing a letter to the same person. One is a fundraiser and the other a campaigner. Their messages are diametrically opposite. One is talking about needy people in Africa, whereas the other is writing about development education.

Once the initial one-liner exercise has been done, the facilitator should outline the purpose of the organization. This then leads naturally into a discussion about the brand and its meaning. The most useful thing to focus on at this point is the core idea and the values. These should guide the process. The workshop can be structured tightly or it can use brainstorming techniques. It can involve using images and words and the creation of scenarios – anything that helps people to imagine how the brand can unlock some of the things they do currently. At this first workshop, the goal should be to agree on a specific number of targets, based around current activities. The point of rooting this activity in the present is that it helps to generate rapid change and it focuses on things that are achievable. The number of targets also needs to be limited. Brainstorming can generate lots of good ideas but the subsequent weeding out should help to determine the real priorities. To avoid woolliness the wording of these recommendations should be as precise as possible, tightly linked to the brand idea and measurable. The last is important if the impact of the brand on activity is to be judged. I would also argue that the recommendations for each team be publicly displayed on the intranet and on noticeboards, so that people can see the aims of others and to spot overlaps and areas of potential cooperation.

The workshop should not, of course, be a one-off event but the beginning of a series of workshops that relate the brand to organizational goals. As people become more familiar with the brand and what it means, the workshops can evolve in two ways. They can start to become more focused on the future; on longer term initiatives that might change significantly the way a specific team works. Second, they can become more focused: looking, for example, at the way a press team writes press releases or the finance

team provides information to colleagues. The important thing is that the brand and what it stands for remain the guiding light.

Events

Events in themselves will not generate commitment to the brand – they can only help to embed it in support of some of the activities suggested above. The value of an event is that it can help to heighten interest in the brand and it provides the opportunity for the brand owner and champions to campaign on behalf of the brand. The most appropriate events are those that support subtly, by their nature, the idea of the brand. This is an opportunity for people to live the brand in a very active way. For example, if the brand is about discovery and challenge, then the event ought to incorporate activities that encourage this. It might involve a presentation on the topic and then a team-based project that involves people travelling around and uncovering new ideas and recording their interactions with people. The Dutch IT company Origin (now Atos Origin), which has defined its values as freedom, responsibility, integrity and orginality, organized scientifically oriented expeditions to the four corners of the globe. These expeditions, which generated large numbers of applicants from within the organization and also appeared on Dutch television, were structured around the values and deliberately designed to promote them through active participation.

Similarly, when SAS launched their new identity to staff, they brought people together to present the new visual identity and also to play a travel experience game involving multi-functional teams that was designed to embed the brand idea, enable people to understand each other's perspectives and to extend the idea of friendship through sharing and participating.

Human resources

Apart from the communications group within an organization the other key proponents of the brand should be the human resources team. The brand should permeate the recruitment, rewards, training and development process. Each of these elements is important individually, but most important is that they all point in the same direction. There is little value in creating a brand-led human resources system that encourages a certain trait if organizational rewards stimulate the opposite behaviour. This requires human resources personnel to think strategically; to relate their

initiatives to the brand idea. This is an ideal that HR managers would probably argue for, but the evidence suggests that the strategic orientation is often missing. Citing research from the Laborforce 2000 survey of 406 senior human resource executives, Jeffrey Pfeffer notes that 'one out of every four HR departments says that *none* of their company's business strategies are a major responsibility of their department'.[5]

The major barrier to developing more involving human resource practices is seen to be the cost of making changes. The problem for developing a more brand-focused human resources strategy is that there are implementation and ongoing costs in reworking recruitment procedures, developing new appraisal and reward systems and investing in electronic and actual learning material and support. To achieve the transition from tacticians to strategists, human resources professionals need to involve themselves with vision and values and their relationship to business goals. Measurements, while focusing on people, also need to have a strategic orientation. And HR professionals and marketers should see themselves as natural allies in helping to build the brand.

Recruitment

The brand process starts here with the very nature of recruitment advertising and literature. The people an organization employs and the degree to which their personal values match those of the brand are essential elements within the brand process. This, of course, is not a static process. People's values will change over time, as will the nature of the brand, and it is possible for them to get out of kilter. However, the better the match at the outset the greater the likelihood that the individual and the corporate values will adjust to meet each other's needs. Thus the nature of the brand needs to be clearly communicated through all recruitment messages. These interactions should be carefully structured so that an accurate picture of the values is conveyed.

This ought to be an opportunity to make a statement about the brand. Yet how many organizations do? The disconnection between human resources and marketing means that companies do not seize the opportunity. I have shown the following text at a large number of seminars and conferences and have challenged people as to whether their business does something similar. So far there have been no takers. Apply for a job with Nike and you will get a response that says the traditional 'Thank you for your application'. However, they add this powerful credo: 'Use your imagination. If you are sure about what you want to do, you're halfway there. There are no limits. Everyone at Nike has a dream. We use our life skills and professional talents to work towards it every day of our lives.' The

statement integrates with what we see of Nike from its other communications. So it feels credible, but importantly it is also inspirational. This sort of thing only happens, however, if the brand is deeply ingrained in the organization. The reality of most organizations is somewhat different. Either the opportunity for this 'moment of truth' is missed and/or there are large doses of dissonance.

Look at any business or current affairs publication and you will see a plethora of distinctive advertisements that convey imagery far removed from the organizational identity. Partly this seems to do with wishful thinking and partly with a desire to be different. An example of this was a research project I undertook for a client that was struggling to get the right sort of applicants. It became clear that the tone of the recruitment advertising was misplaced. It not only misrepresented the organization by making exaggerated claims but it was a turn-off to the would-be applicants. As a result the organization changed the tone of its language and also its choice of media.

Once the organization receives responses to its recruitment communication, the brand can also determine which people to interview. This is hard to achieve if one is relying on CVs, but an application form can be so structured as to help unearth the likely values match. To take an extreme example, if one wanted to work for Greenpeace, which adopts a confrontational stance on environmental action, then you probably have to identify quite closely with the organization's goals and its beliefs. This suggests that a Greenpeace application form should probe an individual's ideals and willingness to take direct action in support of them. Once organizations reach the interview stage many employ scoring mechanisms or structured interview guides. These, too, can incorporate aspects that help to ascertain the closeness of the match between individuals and the organization. The only concern in this process is that generating too many clones can be dangerous and produce groupthink. The Dutch IT company Pink Roccade found that it was so successful at recruiting like-minded individuals that it stopped questioning itself and the way it did things. It developed a comfortable collegiate atmosphere which people enjoyed but was ultimately detrimental to the brand. Now it consciously focuses on recruiting some mavericks – people who sit outside the recruitment norm of the organization.

Training

Once people are employed by the organization the training process should be so structured as to embed the values. This should start with the induction programme. Many organizations already do this. IBM has a three-day executive orientation programme built around the brand, while Disney

has a nine-day programme on absorbing the company culture. Nestlé ensures that part of every new employee's orientation focuses on branding, while Baxter uses its values and particularly its core theme of integrity in its new employee orientation programme. A growing number of businesses have corporate universities that include brand training, and some have specific brand schools. This is a real opportunity to help build under-standing about the brand and to align people to its principles. Outside of brainwashing, this indicates why people need a predisposition towards the brand in the first place. People can sometimes uncover suppressed aspects of their character on these occasions but it is likely that if they possess con-tradictory beliefs, the whole experience will be uncomfortable. The danger is that, in a desire to fit in, individuals will try to adapt their idea of self to the organizational norm. In the short term this may be achievable but it has the potential to create psychological damage. This is most notable in organ-izations that have highly explicit codes of behaviour, such as the Army, schools and religious institutions.

If the brand values are geared towards helping the organization achieve its overall objectives, the training process should focus on creating programmes that are defined by the values. For example, if creativity is a core value then people's creative abilities need to be nurtured. This is inevitably easier for some than others. People who have creative back-grounds step into the idea of creating collages or building scenarios or brainstorming new ideas easier than perhaps engineers. The key here is to try to focus the idea of creativity on what is relevant to people's back-grounds. If we think through the sort of creativity we want engineers to engage with, we can construct training accordingly. Perhaps we want engi-neers to question accepted ways of doing things and to seek inspiration from other business areas. We might construct a training programme that encourages people to adapt lessons learned from previous careers or hobbies to re-evaluate their established way of tackling issues. In their paper 'Building an innovation factory', Andrew Hargadon and Robert Sutton[6] cite how the product design consultancy IDEO encourages inno-vation. People are encouraged to use their backgrounds or interests, such as toys or cars, to create new ideas. Transferring knowledge from one area to another is a vital element and each office has 'tech boxes' in which inter-esting materials and products are stored. The curators of the 'tech boxes' keep the contents updated on the intranet so that people know where to look for specific inspiration.

To get people to realize their creativity you have to unleash them from the rational constraints of their everyday jobs. They have to think different, before they can act different. Gordon MacKenzie in his *Orbiting the Giant Hairball* provides an interesting example of this. He relates how he was asked to attend a regional sales meeting for Hallmark to inject some

creativity into the proceedings. Having suffered soporific overheads of sales charts, he began his session by dimming the lights, lighting candles and asking people to close their eyes. He then clashed two cymbals together and asked people to imagine a flower floating inside their heads. The flower then made a transcendental journey through everyone's body before being released. As people opened their eyes MacKenzie asked them to tell him everything they hated about sales meetings. They filled six pages on the flipchart. Then he asked them to create a sales meeting structure that would be effective:

> The group exploded. The shell of their corporate reserve split open and a breathtaking flood of pent-up, common-sense, know-how transformed their arid, grey conference room into a cauldron of creativity. Eagerness, enthusiasm, optimism filled the air. Everyone threw ideas on the table with joyous abandon.[7]

Although generating creative thought seems to have been achieved in this instance, the far harder task, of course, is sustaining it. Building commitment and encouraging change will always be easier with those aspects of the brand and its values that are well established within the organization. The more aspirational the value the harder it is to maintain. It will require ongoing training and a conscious attempt to develop the organization and its methods in the relevant way.

One of the key elements in developing managers' and employees' understanding of a brand vision and values is e-learning. E-learning uses interactive tools to facilitate both group and individual development. The benefits of it as a process are several. The standard of delivery is consistent, the costs tend to be less than formalized classroom-based learning, and it is adaptable to people's needs in that a course can be used as a total learning experience, a pre-training course, a live module or a refresher course. Yet there remain some limitations. First, while organizations are happy to make the brand the core element when the e-learning programme is specifically focused on the subject, the brand tends to disappear in programmes to do with other areas such as sales, corporate responsibility and operations. If we adhere to the view that the brand should involve everything the organization does, this seems to limit the principle of connectivity. Second, some programmes have suffered from low completion rates among employees. This seems hardly surprising when one looks at the lack of interactivity and overly didactic executions in some cases. E-learning needs to be both educative and engaging if it is to involve people and encourage repeat visits. The more involving programmes have clear links to online games in their use of video narrative, future-oriented themes, scoring and high interactivity.

Stig Robert Larsen, Managing Director of Transform Learning, argues that accountability is the key to generating value in e-learning

> because you can measure participation and behavioural change precisely, and immediately you can show the impact on customer satisfaction and loyalty. You can also focus in on how the online dilemmas are solved and put in place fast remedial action.

In other words, the re-creation of real-world scenarios in an online world enables both the organization and the individual to learn in a safe environment. The organization gets to determine employee understanding and spot areas of commitment and gaps in knowledge. It is then able to address specific issues and re-test if necessary. For the employee there is the opportunity for enhancing knowledge with rapid feedback in a non-threatening environment. This formula allows for what the writer Barry Atkins sees as the empowering and liberating effects of such management-style games as SimCity, where the individual is not a passive recipient, but is allowed 'the illusion of not only "human", but "godly" agency'.[8]

As a corporate example of an e-learning programme, take Telenor's 'The Visionary'. This programme is explicitly about developing individual understanding of Telenor's brand vision and values. It is a modular package that delivers both in terms of education and engagement. Its purpose is not just to inform employees about the values, but rather to see the applicability of the values; how they can permeate everyday decisions. The programme makes use of powerful video sequences that draw on film inspirations of future worlds, empowering choices to change behaviour and communication; scoring that demonstrates the impact of decisions on the brand and the customer, in game learning through customer interviews; a picture gallery where individuals can put up and vote on brand images; and a user blog that generates discussion and insight. The game itself is set in the future and features four individuals who are the guardians of the Telenor values. As challenges arise, the user selects the most relevant value guardian for the problem. To take one instance, a problem occurs when a Telenor television advertisement appears that demonstrates an outdated attitude towards women. The quest for the user is to consult the right guardian (in this case the one responsible for the value 'be respectful'), to find out what customers think (through some impromptu market research) and to uncover the manager responsible for the advertisement (in this scenario there is a brand saboteur at work). The user then has the opportunity to change the film and the voice-over so that it better matches the value (see Figure 6.2). In another of the modules, based around the value 'keeping promises', the challenge is based on an innovative tool that carries out instantaneous translations. The product is
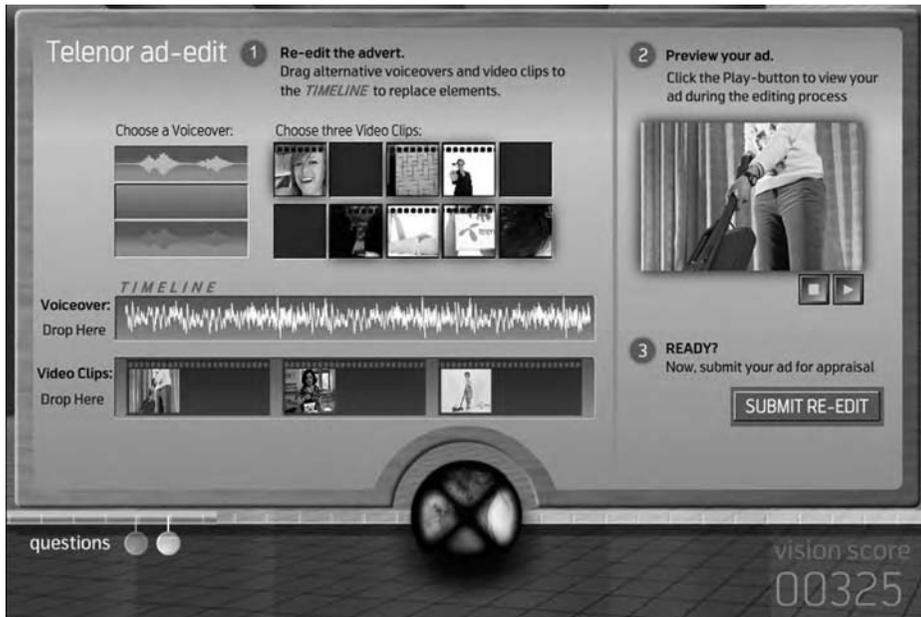
Figure 6.2 Telenor's 'The Visionary'

first tested at the signing of an international agreement between the US and Chinese presidents. However, the tool has not been properly tested and the translations, rather than demonstrating the usual platitudes of cooperation, generate abuse. The news coverage of this event severely damages Telenor's reputation. The module goes on to demonstrate the right way of developing new products. Not only does this wrong way/right way approach encourage the user to learn how to use a value in a specific instance, but it makes the more generalizable point that seemingly non-brand events have clear brand implications.

Overall, given the challenge of gaining organizational commitment to conduct comprehensive 'living the brand' processes that focus on generating real and sustainable brand-aligned change, e-learning offers a fast, educative opportunity for managers and employees to discover for themselves some of the meaning behind the brand. If the e-learning programme is well constructed it has the potential to change behaviour. However, we should also be aware that without proper follow-up the inspiration generated in the virtual world will not transfer to the real one.

Appraisals and rewards

The values should define the way appraisals are conducted. For example, values such as being collaborative, cooperative and unified indicate that

appraisals should evaluate people's capacity and willingness to work with colleagues. Values such as being inspired, challenging and questioning would suggest the importance of people's ability to confront the status quo and to always seek better ways of doing things. The appraisal process then leads into the nature of rewards. Unless human resources are actively involved in the development of the brand, there is always the risk that an intellectually well-structured articulation is undermined because people are rewarded if they behave in a non-brand way. If the appraisal and reward system in an organization is strongly biased towards rewarding individual business performance, this reduces the likelihood of people working collaboratively. This may be appropriate if the value is individualism, but not very conducive if it is partnership. Then it would be more effective to reward individual and team-based behaviour. At IDEO, where collaboration is seen as key to the innovation process, people are rewarded in part by the review each person gets from colleagues. In their book *Paying for Contribution*, Michael Armstrong and Duncan Brown note that organizations are increasingly moving away from a narrow view of performance-related pay to a more inclusive approach that encompasses an individual's competence and contribution and rewards individual, team and organizational performance. This is an encouraging sign, which suggests that there is an increased likelihood of the use of reward structures that can be aligned in support of values.

Internal communications

Internal communication is important in engaging employees in two respects. First, it can convey the benefits of the brand idea and encourage involvement. This requires the active dissemination of good practice and the sharing of results. Second, external communication campaigns (assuming they are true to the brand) should be marketed internally. The first point is important, because there is always a temptation to see brands as something ephemeral – the realm of the marketing department, not the whole organization. Therefore, all the mechanisms available to the organization – direct contact, intranet, briefings, research and internal publications – need to keep reiterating the importance of the brand to overall performance. This process is helped if research is used to evaluate the impact of the brand on organizational awareness, sales, profits, performance figures and rankings. Qualitative research and anecdotes also add to the brand mythology, especially if the stories are nurtured within the organization, but some parts of the organization are more likely to be persuaded by hard figures – especially those that relate to the bottom line.

The company intranet can be particularly valuable to the process of sustaining interest in the brand. The opportunity to build online communities enables the brand to become a focus for discussion, rather than something people just hear about.

When it comes to the internal marketing of external campaigns, the degree of commitment varies. At its best, companies treat employees as a key audience. They involve them in the research process and structure the campaign idea with employees consciously in mind. This helps to ensure that advertising or direct marketing campaigns can be easily supported by employees who not only understand the content but are, to a degree, involved in the message. This is particularly notable when the external campaign itself stretches employee behaviour towards meeting corporate goals. This is always a delicate balance: push it too far and people can feel disassociated from the idea. However, as was observed in the New York Port Authority case, the perceived external image of the organization among employees can be a significant determinant of attitudes and behaviour. It can generate a sense of pride or a renewed commitment to professionalism or innovation or whatever the central message of the campaign is. It can enhance people's sense of self-esteem and actualization. Of course, the opposite also applies. When there is negative press commentary about an organization, it may have an external impact on consumer behaviour or the desirability of working for a particular company, but it can also undermine employees' sense of esteem and confidence. Rather than their peers commending their choice of career, a potential sense of condemnation emerges. This can be particularly painful if the source of criticism runs counter to individual beliefs. For example, Nike has been criticized for the labour conditions in some of the factories that produce its products in the Far East. The impact of this was particularly profound on employees, many of whom had joined the company because it seemed to represent a different idea of business: an anti-establishment organization that was focused on sport, not on bottom lines – the Robin Hood of corporate United States. Yet the company seemed to be acting like a robber baron. Nelson Farris of Nike says:

> One of the biggest mistakes we made was to think we don't own the factories, so that's their problem. That's when we recognized we were more powerful than we realized and as a consequence, people expected more of us. Employees were embarrassed and disenchanted and confused. The media had sweatshops and child labour in every sentence. They thought we were covering up, which we weren't…Part of our culture is to do the right thing and we've been pretty good at it. But the fact we did not get in front of the child labour issue did cause us grief.

As the Nike example suggests, it is not possible to control communications. Positive and negative messages will appear. The task from a branding point of view is to ensure the active engagement of employees in the communication of positive messages and the accurate stating of the issues when the message is negative. There is a belief among many organizations that they do not get a fair hearing from the media. This is a particular claim of politicians, who seem to view the media as deliberately misrepresenting their ideas. Large businesses also often seem to feel similarly threatened. Mostly their response is to think they should improve their communications: spend more on advertising, develop better PR programmes, create a more effective website. Generally this is misplaced. Organizations tend to get a hard time from the media because they underperform: they fail to listen to customers, they don't support their employees, they don't act in a socially responsible way or they don't live up to their promises. This is Professor Stephen Greyser commenting on Exxon and the late 1980s ecological disaster of the oil spill in Alaska:

> In June 1994, headlines proclaimed, 'Jury finds Exxon acted recklessly in Valdez oil spill'. This was another chapter, five years after the start, of a story born in disaster in Alaska's Prince William Sound…nurtured in what I consider misconceived apologetic Exxon communications to soften the blow and refurbish its image…and still after five years punctuated by negative headlines! The problem? Not communications…but substance. It is Exxon's behaviour that is being judged by the public to have fallen short.[9]

Even when corporate behaviour is positive or an advertising campaign is designed to convey a particular message about the organization it can be difficult to garner support from employees. Most often this is because they have not been seriously considered as an audience to communicate with. Sometimes communication directors and their advertising agencies only show their campaigns after they have been created, as a way of informing employees. On other occasions even this is overlooked. There was a particularly noteworthy campaign in the United Kingdom, for retailer J Sainsbury, which featured a strident John Cleese conveying the idea that the staff were slow and stupid. It would be surprising if this had involved the active engagement of staff. In fact it created an uproar among the employees and the campaign was stopped and the advertising agency fired. It did few favours for anyone involved, including Cleese. The conclusion ought to be that employees should be treated as the equals of consumers in the development of external campaigns.

External communications

Most staff will probably not be involved in developing marketing communications but a number of people will have responsibilities for briefing and overseeing external messages. In smaller organizations this may be the province of a single individual but in larger organizations there can be literally hundreds of people producing brochures, leaflets, websites, public relations campaigns and advertising. While all these forms of communication need not be slavishly the same, they ought to reflect the overall organizational brand. In part this can be achieved through policing mechanisms but a more effective means is by working with these communicators so that they understand the implications for the brand in external communications. This can have a dual impact again. It undoubtedly has an effect on the attitudes of external audiences, but these communications are an important signalling device to other employees. If a new brand articulation has been agreed by the organization, high-profile external campaigns or visual identities will become more significant as indicators of organizational intent. This emphasizes the importance of building external messages that are consistent with internal ones. The unifying device for this should be the values. Liz Meagher of Baxter says, 'We have a balanced view of our values; they're shared by all our audiences. They go into the messages for external people in just the same way as the internal.'

As with the workshops for staff, discussed earlier in this chapter, there should also be specific workshops for communicators. These can afford to be more sophisticated and detailed, as these communication professionals will need to be able to address ongoing and potentially complicated brand issues and be able to brief and work effectively with external agencies. Using stimuli material to provoke debate, some or all of the following issues might be addressed:

- branding principles and terminology;
- the articulation of the organizational brand: extending from the internal vision and values into the external personality and positioning;
- the brand structure;
- implications for brand innovation and extension;
- approaches to co-branding and endorsing third-party activities;
- branding on the internet;
- briefing agencies and consultancies.

Vision, values, personality and positioning

Figure 6.3 shows the various aspects of a brand. In the internal sphere are the vision and values (or whatever the agreed terminology). These give a sense of the future and define the beliefs of the organization. They are connected to a way of thinking and behaving. However, although they are primarily internal, they impact on the way the organization presents itself externally.

They should form part of the briefing process for external communications and they should form part of the template against which identities and communications are judged. In addition to vision and values, the brand should also be defined in terms of its personality and positioning. The values indicate what people believe, but personality defines how the organization conveys itself. Obviously these two concepts should not be divorced from each other. Although it can be dangerous to use the analogy of individual personalities, it is useful to try to discuss the organization in
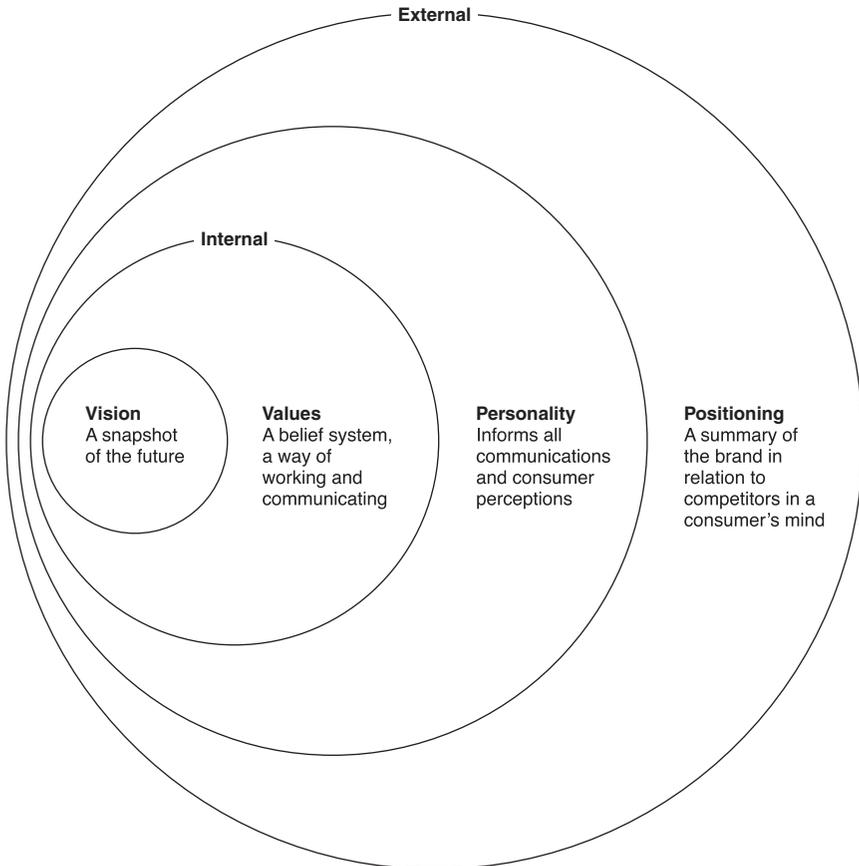
Figure 6.3 The onion

the same way we might talk about a person. Thus, for example, we might determine that the brand's personality is connected to ideas of friendliness, approachability, wit and ambition. The purpose of defining a positioning is that every brand has to compete for a consumer's mindspace and therefore it is valuable to position the brand relative to its key competitors from a consumer perspective.

Brand structure

This area can be enormously complicated but it involves trying to think through how to present the brand to external audiences. This involves determining how the organization's name is related to geographic areas, business units, sub-brands, product names and service or channel descriptors. At one extreme the Virgin model can be adopted where the Virgin brand name and logo is attached to all presentations of the brand. At the other end is the Procter & Gamble (P & G) model, where the company's products, such as Pampers, Ariel and Pringles, are not associated with the parent company. However, most companies are situated somewhere in between, linking some products more overtly to the parent name than others. The overall modular approach depends on the organizational goals. The value of the Virgin model is the economies of communication that are achieved and the inbuilt brand expectation with which consumers approach a new product launch. The advantage of the P & G system is that it is possible to segment audiences and therefore build category share without confusing the customer. The most common mistake in developing brand structures is to assume that they have to mirror organizational structures. They do not. Brand structures should be focused around how consumers or other audiences see the brand, not how management positions units on an organizational chart. Nor should people confuse brands with delivery channels or products. Sometimes organizations go to great lengths to create structures that convey the subtleties of what they do. Thus, as well as the parent brand, we also get a variety of geographic descriptors (Europe, Americas, Asia) and channel descriptors (.com, wireless, events, retail). This may be appropriate if they are simply descriptors, but sometimes these words are tagged onto the parent brand. This can be important to managers, but probably consumers just see the parent.

The degree to which products and brands are associated with the parent depends largely on the transference of value. The value the parent confers on its sub-brands and products and the flow backwards should help determine how to present the relationships within the organization. To help communicators address this problem of structure, a brand innovator's decision tree can be used. Figure 6.4 shows how someone can judge the branding approach for a new business concept within an overall group.

1
Does the core idea of the brand support the business concept?

No   Yes

A. Reject
Reject outright or re-develop the business concept to create a type of product/service which is suitable to be delivered by the brand.

2
Are the target customers already customers of the Group?

Yes   No

2.1
Are the target customers aware of the brand?

3
Would the brand positively influence their perception and interest in the intended product/service?

Yes   No

B. Reject
The brand (or endorsement) will not support the success of the proposed activity. The business concept may be better delivered by an alternative (or new) brand.

4
Are *all* the brand values supported by the proposed product/service?

C. Reject
Re-develop the product/service attributes and/or format to deliver on all brand values.

No   Yes — **4.1**
Does product/service have any *attributes* which would undermine any of the brand values (thereby endangering the integrity of the brand)?

No   Yes

D. Reject
Reject outright or re-develop the business to create product/service attributes which are on-brand – and if possible enhance the brand.

5
Does the business concept deliver new customer benefits (ie benefits which are not already delivered by an existing Group branded product (or product line)?

Yes   No

5.1
Which existing branded product line best supports the product for understanding by customers?

a. Main brand
b. Divisional brand i
c. Divisional brand ii
d. Product brand i

5.2
Develop a product name to be delivered by the best existing branded product line.

6
Does the proposed name (product title) suggest that the product/service attributes are 'on-brand' with the values?

No   Yes

E. Reject
Develop a product name which describes the product attributes as delivering 'on-brand' values.

The proposed product/service is 'on-brand'

Go to 7 on part ii of the tree

Figure 6.4 The brand innovator's decision tree: Part I

7
Will the product/
service spawn other
named versions?

Yes   No

8
Will the proposed
name function as a
prefix in support of
extensions?

No   Yes   **9**
Should the
personality of the
product be the same
or different than the
main brand?

F. Reject
Develop a new name
to support extensions.

Same   Different

9.1
List difference in characteristics

10
Which branded
product line best
supports the product
for ease of
understanding by
customers?

a.
b.
c.
d.
e. None

10.2
Product/service is a
new type of activity
for the brand. A new
branded product line
is required.

10.1
Ensure the product
name is
understandable when
described by the
branded product line
description.

Figure 6.4 The brand innovator's decision tree: Part II

Co-branding and endorsing

Often when brands are presented they are connected to other brands. This is becoming increasingly prevalent because of the networked nature of many businesses. However, simply putting two or more logos together is a simplistic way of conveying a relationship and often leaves consumers and others questioning the nature of the brand. Moreover, connecting two brands raises issues about what each adds to the other. If one brand is radical and challenging and the other conservative and unquestioning, we might wonder about the nature of the partnership. On the other hand if the brands have similar or complementary values then the partnership may have a synergistic effect. The argument for linkage again comes back to what each brand adds to the other. Employees also read these connections. If they feel that the co-brand bolsters their sense of esteem they are more likely to be positive than if it in some sense undermines their sense of worth or challenges their identity. For example, the employees of a highly creative company might feel deeply uncomfortable with an alliance with a systems-led company because they feel it would constrain their ability to be creative and also because it might undermine their standing with their peer groups. Similarly, there will be fears if the company decides to license its name to others. The loss of control over operational delivery has the potential to damage a brand, even when licensing makes business sense. To use the brand in this way there needs to be clarity as to the values and there also needs to be clear service-level agreements to which everyone adheres.

Extranets

As the boundaries between the inside and the outside of the organization blur, so the need for a clear understanding of the brand broadens. The increasing prevalence of networked organizations means many different organizations and people are involved in communicating the brand idea. This is particularly important in the automotive industry, where dealerships that are independently owned are prime determinants of brand image. Although the manufacturer can exert some influence in terms of standards of performance, it is far more powerful if the dealer understands the brand idea and is capable of delivering it effectively. This suggests that a brand education programme and training mechanisms need to be put in place. While personal interaction is an important component in this, building an extranet that can involve dealers in the development of the brand and the active sharing of good brand ideas can only enhance the development of the organization's image. With their direct interaction with customers, dealers are particularly well placed to input into this. An

extranet can also engage upstream suppliers whose component quality and service input will also determine the strength of the brand. This networked approach to the brand recognizes that while each individual component of the service or product delivery is independent, from the consumer perspective the brand is a unified entity. It will do the automotive manufacturer little good to blame a failing in the product to the gearbox manufacturer or the quality of servicing from the dealer.

Brand innovation

As markets change, competitors realign their offers and customers search for new experiences, so there is a requirement for organizations not only to adapt to new circumstances, but also sometimes to stimulate change. Amazon's customer interface, Patagonia's fleece made from recycled bottles, 3M's Post-it notes and Apple's introduction of Genius bars in their retail outlets all demonstrate the ability to think in new ways. However, we might question the role the brand plays in this process. If brand delivery is defined and communicated by the assumptions, perceptions and behaviour of employees it will be their interpretation of the brand ideology that determines the way ideas are developed. If the understanding of the brand is weak or diverse, innovation may do little for the brand relationship with customers. The goal should be that customers view a brand extension as an authentic expression of the brand, not least because the substantial literature on brand extension identifies the 'fit' between existing brand meanings and new offerings as a chief determinant of success.

The importance of authenticity indicates the value of the brand as a determinant of the boundaries of creativity. As IDEO President Tim Brown notes:

> It's becoming more and more clear that the behaviour of products is one of the biggest brand building things that companies have. And also the relationship between products and the brand is absolutely crucial. You have to get that connected loop to work really well...we are trying to make sure the innovation is brand driven and that innovation drives the brand too.

What Brown is highlighting is the idea that the brand has always had an implicit impact on setting innovation boundaries, but that as companies have begun to understand the value of their brands and have become self-conscious about them, it has become explicit. When teams are working on new ideas it indicates the importance of the brand as a guiding light and a source of accountability. As an example, when Volvo

developed its cross-over car, the Cross Country, it used the brand as an explicit input into the process, both in terms of defining a unifying brief that everyone could work to and as a reference point against which decisions could be made. The brief stimulated arguments, but it also settled them. When there was discussion about the cost of the interior of the car, it was the importance of this element to the consumer that determined the resolution. When a feature was suggested that would enable the driver to control the ground clearance manually, there was a safety argument against it and, because safety is core to the Volvo brand, the idea was rejected. This indicates the importance of grounding brand values so that they really influence decisions. With the Cross Country, attention was paid to thinking through the implications of the values. Sara Öhrvall, who was the concept manager on the project, believes this is a major problem in most companies because people don't know how to use the brand values when it comes to product or service development, leading to a gap between the philosophical-sounding brand values and the everyday, critical decisions in a project.

The brand should be the starting point for innovation and provide the benchmark against which decisions are evaluated. If the definition remains a static, unfulfilled statement, it cannot guide people's thinking. A well thought through brand provides boundaries that do not hinder creativity but instead inspires people and provides clarity and focus. A metaphor for this role of the brand is a framed canvas. The brand definition is the frame and it defines what Foucault calls 'the space of freedom'. People should be free to explore the meaning of the brand within this space. I have sometimes suggested paintings by the artist Howard Hodgkin as a metaphor because in some of his work he challenges the boundaries of the frame by extending the painting onto it. This signifies that while most of the time people should work within the framework on the canvas, it is sometimes valuable to challenge boundaries and to explore the space the brand occupies, for as Henrik Sjödin argues, 'if brands are to remain relevant, marketers and consumers need a certain degree of tolerance for deviants and inconsistencies. If purity becomes a fixation, brands could lose the vigour that companies and consumers require'.[10] This indicates the rationale for Google's policy of allowing its employees to spend up to 20 per cent of their time on their own ideas and projects – a process that has led to the creation of innovations that integrate with the overall Google brand, such as gmail and Google News.

Branding on the internet

The content and navigation of some websites indicates that companies can all too easily separate the brand experience on the web from other forms of

delivery. Generally the customer will not see it this way. The web is another form of communication. Thus the presentation on the web should be built around the organizational brand idea, while using the unique attributes of interactivity and community building that the web provides. To evaluate the quality of match between the physical and electronic brand it is possible to conduct a brand healthcheck. A healthcheck uses qualitative research to establish how customers and potential customers view a brand and its competitors. It involves the assessment of brand expectations based on the physical experience and the degree to which expectations are met or exceeded by the electronic experience. It is also possible to evaluate how well the attributes of the web are used. Each interviewee's on-screen moves are filmed, as are facial expressions. This provides a reference source that can pinpoint general issues, such as the positioning of the brand relative to others, and specific issues, such as failures in the navigation process.

The other aspect that communication professionals need to engage with is that, although it may be easy to agree to the principles of interaction and community building, databases and systems need to be sufficiently well developed to provide personalization and logistics support. The success of Amazon as an online retailer is in no small part due to the fact that it has developed software that is particularly effective in terms of human computer interaction. It allows customers to review books and rate book reviews, it publishes rankings based on purchasing data, it recommends titles and it facilitates links by analysing a customer's clickstream. These and other innovations moved *The Economist* to comment: 'Could it be that the most accurate way to describe the firm is as a software company, rather than a retailer?'[11] In contrast, the very public demise of Boo.com (the online sportswear retailer) was due to failings in software and logistics. Thus the external marketing of the company via the web cannot occur before the operational functions are effective.

As well as the functionality issues described above, there is also the issue that customers see the web as a proxy for the people behind the company. This is true for all non-human interactions, because we believe that decisions about these interactions reflect assumptions about customers. One example of this is Trailfinders. Ring up Trailfinders and you get the inevitable recorded message – in itself a source of irritation. However, whereas other companies simply inform you that you are in a queue and leave you to contemplate endlessly repetitive playings of Greensleeves, Trailfinders tell you your position in the queue, the speed with which enquiries are being dealt with and the estimated time until your call is answered. This is constantly updated – with reasonable accuracy – until your call is answered. Normally, even when you are number 15 in the queue, the answering time is no more than four minutes. A more frustrating example was a tour operator, which told me I was first in the queue,

but still took 25 minutes to answer the call. My reading of Trailfinders is that it is an organization that treats your custom seriously.

Thus, although the web may appear to be simply another means of delivery, it can and does convey ideas about the brand and the employees of the company. This aspect is heightened if the web is supported by chat rooms and blogs, where employees and customers come together to engage in conversation or if the web is linked to a call centre. Here the continuity of experience is vital: the web should not indicate one thing about the company and a call centre another. The tone of voice should be the same.

The primary benefit for organizations in this opening up of the brand to the outside world is that it can help differentiate it and can generate trust.

As with advertising, employees are an important audience of the organization's website. It is a signal to the outside world and therefore creates a focus for supportive behaviour. If the tone of the website conveys the notion that the organization is professional and passionate it will be a spur to employees to sustain the idea. Equally, if the website is staid and corporate, yet the organization is hip and cool, employees will tend to feel that the site is not relevant and they may even disparage it to others – 'we're not as dull as the website makes out'. The accuracy of the web mirror is important for self-esteem, but also given the prevalence with which organizations use their websites as a promotion for recruitment, it may do them a disservice externally. The website ought to be a clear reflection of the brand that works for both the knowledgeable visitor and the browser.

Summary

Brand programmes have little relevance if they simply define a set of words that everyone, apart perhaps from the marketing department, ignores. To move from words into meaning the brand needs to acquire substance; to affect the organization's performance. The fundamental requirement is to integrate the values into the culture, so that they become interdependent. The values should be derived from the culture, and they should help to nurture it through use on a daily basis as a guide to action. Without this cultural context, tools and initiatives will be of limited use – perhaps valuable in short-term transmutation, but lacking long-term organizational impact. This suggests that the most important aspect of embedding the values is their integration into day-to-day behaviour. Management needs to set a strong example by living the brand overtly. Decisions should be framed by the values and explained by reference to them. This will send an important signal to employees that values matter. With this backdrop, mechanisms such as brand books, online brand centres, simulators and promotional

items can be powerful. Without values, they will simply be mechanisms, without true relevance.

Continuing the theme of the previous chapter there is also a strong argument for making all of the suggested activities as participative as possible. The more top-down the approach the harder it is to build genuine commitment to the brand. The eventual goal should be to move the brand from the conscious to the intuitive so that people no longer have to think about the brand but simply know the right thing to do. This will not happen overnight, especially if the brand implies a significant change in attitude, but it should nonetheless be the aim.

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7 Sustaining the brand: stories and myths

Stories and myths about how the organization dealt with key competitors in the past, how it survived a downturn in the economy, how it developed a new and exciting product, how it dealt with a valued employee, and so on, not only spell out the basic mission and specific goals (and thereby reaffirm them) but also reaffirm the organization's picture of itself, its own theory of how to get things done and how to handle internal relationships.[1]

There is a need to sustain the brand over time. This requires something that personalizes the idea of the brand so that it attains a vitality that motivates employees and builds identification with the organization's cause. While hard facts, research and performance data are helpful signals of the success of the brand and can deepen commitment, there is real value in a more qualitative source of inspiration: storytelling. This is an activity that people and organizations engage in naturally. It does not need to be forced. However, it can be focused and harnessed so that the stories really help to build the brand idea. It can help to stir employees' imaginations about the organization they work for and it can act as a bonding agent, so that people from different competencies within the organization can share a common view of the world. Think for a moment of any religion and the power of its stories. In Christianity, biblical parables are the things that people remember and it is the interpretation of these that hold the faith together. Such is the power of these stories that historically the Church has tried to maintain control over the interpretation of meaning, dismissing

alternative ideas as blasphemy. This thought control is not viable within a corporate context, but the value of stories should not be underestimated. This becomes even more noticeable when organizations grow rapidly and/or geographically or when there is a rapid turnover of staff. In the past, in most organizations, there was sufficient stability for natural story-tellers to emerge and to create disciples. Now the degree of flux means that organizational amnesia can happen all too quickly. To help build continuity and to link the past with the present and the future, stories need to be captured and disseminated. Take for example the following story about the birth of a shoe company, Kenneth Cole Productions, as told by the company's founder. It not only highlights the corporate values of resource-fulness and innovation, it also links the past to the present, by providing inspiration for employees.

Twenty years ago, I wanted to open a shoe company with limited money. From experience I knew one had to get in quickly because so often new companies run out of cash flow before they get the chance to conduct busi-ness. I also knew it was easier to get credit from factories in Europe who needed the business than from American banks that didn't. So I lined up the factories, went to Europe, designed a collection of shoes, and returned to the States to sell them.

At the time, a shoe company had two options. You could get a room at the Hilton and become one of about 1,100 shoe companies selling their goods. This didn't provide the identity or image I felt necessary for a new company, and it cost a lot more money than I had to spend. The other way was to do what the big companies do and get a fancy showroom in Midtown Manhattan not far from the Hilton. More identity, much more money too.

I had an idea.

I called a friend in the trucking business and asked to borrow one of his trucks to park in Midtown Manhattan. He said sure, but good luck getting permission. I went to the Mayor's office, Koch at the time, and asked how one gets permission to park a 40 foot trailer truck in Midtown Manhattan. He said one doesn't. The only people the city gives parking permits to are production companies shooting full-length motion pictures and utility com-panies like Con Ed or AT&T. So that day I went to the stationery store and changed our company letterhead from Kenneth Cole, Inc. to Kenneth Cole Productions, Inc. and the next day I applied for a permit to shoot a full-length film entitled *The Birth of a Shoe Company*.

With 'Kenneth Cole Productions' painted on the side of the truck, we parked at 1370 6th Avenue, across from the New York Hilton, the day of the shoe show. We opened for business with a fully furnished 40 ft trailer, a director (sometimes there was film in the camera, sometimes there wasn't), models as actresses, and two of New York's finest, compliments of Mayor

Koch, as our doormen. We sold 40 thousand pairs of shoes in two and a
half days (the entire available production) and we were off and running.

To this day the company is still named Kenneth Cole Productions, Inc.
and serves as a reminder to the importance of resourcefulness and innova-
tive problem solving.

Why stories?

Connecting to the past

Sometimes we can look at an old school photograph and realize that we have
not only forgotten the names of most of our classmates, but that we cannot
even relate to the image of ourselves. Who is that person who looks out of the
photograph? What did they really think? The only way we can connect to
that past is by remembering events and recreating stories about our experi-
ences. Now think about the organization you work for. If it has any history,
the only way you can truly connect to its past is through the stories that have
probably entered corporate legend. The potential difficulty here is that if the
stories are simply descriptive of the past the personalities involved will have a
two-dimensional quality. It is only when we see the thinking and emotional
person in the story that we can make connections with our current lives. We
have to be able to identify with the protagonist. This is a story related by
Jörgen Andersson of H&M:

> Sometime during the seventies, Erling Persson, the founder of H&M, was at
> a new store opening in Sweden. Such was the success of the opening that
> large queues quickly built up and people were grumbling about the slow
> service. No one had anticipated such a volume of people and there weren't
> enough tills. Rather than moaning about a lack of planning, Persson
> emptied out his ever-present cigar box, took some change and started
> serving people.

As with the story from Kenneth Cole Productions, there is a clear link to
the key attributes of the H&M brand: common sense, initiative, faith in
individuals, cost-awareness and teamwork. The story also tells us that
status and titles have little meaning in the company, and that the real
purpose of the brand is to provide good service to customers. It also sug-
gests that failing is acceptable as long as people are committed to the
company and its purpose. Of course, to try to influence employee behav-
iour, H&M could put slogans up in its office and send out instructions to

people to showinitiative, but using the story is a far more persuasive way of inspiring people about the brand.

Articulating our own experiences

The very best stories seem to convey experiences we can relate to more powerfully than we could articulate the experience ourselves. If a story is well told or written we engage with it because we can identify our idea of self in the story. This relates to the experience of reading a story and the reflective attitude it encourages. We see ourselves in the characters and we begin to share their ideas but we are also transported into a deeper experience, because a strong story will bring to the fore thoughts that have been locked in the back of our mind and that we have never articulated. We can then become more aware of our surroundings and sensitive to associations we had never before recognized. As Proust says, 'in reality every reader is, while he is reading, the reader of his own self. The writer's work is merely a kind of optical instrument which he offers to the reader to enable him to discern what, without this book, he would perhaps never have experienced himself. And the recognition by the reader in his own self of what the book says is the proof of its veracity.'[2]

Yet, while Proust's view may be accurate, we should be aware that the context of corporate storytelling does not encourage the sort of Proustian meanderings we can find in *A la Recherche du Temps Perdu*. There should be no streams of consciousness, but rather a pared-down approach where all extraneous detail is banished. As Stephen Denning observes, corporate stories are not there to entertain or even be recognized as stories. They should have the feeling of a casual anecdote, where the voice of the narrator is diminished. The rationale for this is that corporate stories are about creating the opportunity for change. They illustrate the opportunity for employees to help define the future. For that to occur you 'have to leave a lot of imaginative space for the reader to fill in the blanks'.[3]

Inspiration

> Value, in literature as in life, has much to do with the idiosyncratic, with the excess by which meaning gets started.[4]

Scientists might argue that using a story to convey an idea is unscientific; that is promotes the happenstance above the rational. Yet the discoveries of science, even if apocryphal, are often retold through stories: Archimedes' eureka moment occurring in the bath, Newton's when an

apple lands on his head and Einstein imagining himself riding on a beam of light. These idiosyncratic moments demonstrate leaps of imagination that make the story interesting and also demonstrate to the reader how change can happen. This inspires us because we can foresee our human potential, if we but seize the opportunity. For most of us Einstein's discovery would not have the same resonance if we were presented with his mathematics. In fact the beauty of Einstein's thinking was that his ideas were often conveyed by simple stories. For a corporate story to be inspirational, there also has to be a challenge to overcome and there has to be a sense of excess; of Kenneth Cole forming a film company or of Erling Persson rolling up his sleeves at a till. Through stories we can admire a leader who confronts a dilemma, organizations that stick to their principles come what may or an employee who has the courage to tell management what it's doing wrong. We can make statements about these actions, but it is through the example of a story that we can begin to visualize the concepts and find things to emulate. When we are then confronted by similar situations we do not have to ask 'What is the guiding principle here?' We can use the story as a reference point. We might even ask, what would Erling or Kenneth have done? In the story-rich world of Patagonia, stories seem to come from everywhere: employees, customers, suppliers and sports people. However, it is the charismatic Yvon Chouinard who really defines the organization. In response to the question 'Where does Patagonia's opinionatedness come from?' Creative Director Hal Arneson says:

> Yvon. Ask me any of these things and I'll say Yvon to a certain degree. A lot of this is a direct reflection of the person that started the company. And that's not to say the company can't exist without him, but what he brought to this is that characteristic of leadership. He's not afraid at all to express his opinions. Part of my job early on was to try to understand that well enough to create documents to say what is it that guy has inside him that we can emulate. There's a certain amount of translation that goes on. You have to know when to take what he says literally and when to treat it as a parable.

Memorability

For those with an analytical mind, the power of anecdotes and stories can seem dangerously overrated. They would argue that the experience of an individual is no substitute for understanding how people think collectively. This is true. Stories do not replace the quantitative analysis of opinions and ideas, but they do have the power to stick in our minds. This is because they ask us to participate. Stories do not provide solutions but they do give us

insight. Statistical analysis may ask us to think about the implication of data but stories encourage us to use our imaginations and the ones that stimulate us the most become stored, ready for future reference. There are two reasons for this. First, to relate to information we need to be able to contextualize it. For example, if we learn, perhaps through the intranet, that our organization has made a commitment to promoting more innovative products, we might conclude 'that's an interesting development' and go on drinking our coffee. Alternatively the company might narrate an instance in which a committed individual had battled for years against the system to generate an entirely new idea that has proven to be highly successful. As a result the organizational structure has been changed, making it easier for everyone to innovate. Immediately we can relate to the experiences of the people involved and we can imagine what things might be like in future. Perhaps we can see that product idea we've been nurturing for years making an impact. The storyline has engaged us and as a result we remember its message. Second, narrative is how we 'rationalize the meaning of our lives as well as dedicate ourselves to long term goals'.[5] Consequently when we hear stories, we have the potential to remember them if they relate to our own personal narratives. Indeed a strong story can literally change our lives, if it causes us to reappraise the meaning of life or our goals.

A word of warning

While stories can be highly influential, there is a danger with them. They can be subject to different interpretations. While the organization might believe that a story epitomizes the brand values, employees might see other nuances or read the story in exactly the opposite way. The way that different people or groups can read the same narrative in different ways is brought to light by *Stories of Scottsboro* (Goodman, 1995). In this book, Goodman narrates an incident that occurred during the depression when nine black teenagers were seized from a train in Alabama and accused of the rape of two white women who were travelling as hoboes along with the blacks. There was no medical sign of rape yet the blacks were convicted and sentenced to death. The sentences were never carried out but there were a series of retrials. One of the strands that Goodman develops is that both the whites and blacks of Alabama defined coherent narratives from the perceived facts of the case to support their respective ideas of what happened. Neither side could imagine how the other could possibly hold a different view.[6] *Scottsboro* demonstrates that we approach stories from a particular cultural perspective and that we attach our own meaning to events. In a corporate context, the greater the degree of organizational identity the

more likely it is that people will read a story in a similar way; that they will uncover the same meaning. Papa, Auwal and Singhal in a study of the Grameen Bank in Bangladesh note that 'When members identify strongly with an organization, they only see decision options that are consistent with organizational values. They do not question these values because they have internalised them.'[7]

However, the larger the organization and the greater the diversity within it, the more likely there will be alternative readings of a story. Where there is lower organizational identification there will be higher variability in interpreting the meaning. This is not necessarily a bad thing. Academic institutions and non-governmental organizations in particular tend towards individualistic interpretations because they are used to questioning. However, in these organizations there is always a greater danger of individualism overtaking the sense of group. Part of the trade-off for joining a group – whether it is a business or a sports team or a faculty – is some subsuming of individualism in the pursuit of collective success.

Depending on the strength of organizational identification, there will be more or fewer opportunities for different interpretations of a story. This happens with any narrative form. Thus, the story of managerial confrontation with a union might look like strength to some and bluster to others. The greater the unity between individual and corporate values, the more the likelihood that the employee reading of the story will be the same as the organization intended. However, in organizations where there are contrary views, there are difficulties with the overt use of stories as a mechanism. There will be a tendency to see stories as something manipulative rather than expressions of identity. The inference is that in diverse organizations any story that seeks to bolster the organizational values needs to be carefully considered and read from different perspectives before wider dissemination.

Effective stories

The prime requirement of a story is that it should relate to organizational goals. There will always be stories circulating among employees and, as Van Riel says, 'Stories are vital to sense-making within organizations.' However, the stories will not necessarily be positive nor will they automatically sustain the key ideas of the organization. Although, as suggested, one can nurture stories, storytelling is a democratic process. Anyone can tell a story and if the story is good it will have the potential to gain wide acceptance. Stories are not controllable – there may be instances of corporate excess, for example, which become popular because they seem to define a go-getting, hedonistic atmosphere. It can be fun to revel in these stories but ultimately they may not be effective. Generally, the more authentic and widely shared

the values the greater the likelihood that stories will be supportive. In some voluntary organizations, where a cause can be strongly and widely supported, there is often a clear continuity in the storytelling.

Van Riel also argues that effective stories should have two key elements: credibility and novelty. Credibility relates to the authenticity of the story. Is it real? Is it central to what the organization does? Is it supported by other organizational messages? Novelty, as Van Riel describes it, relates to the potential for differentiation. How does the story demonstrate that this organization is different from others? The more distinctive the story, the more it defines the individuality of corporate members. It says we're not the same as others. I would also add another element to this idea of novelty. Stories can illustrate consistent themes – this is an outcome of consistent values. However, as employees change over time, they need new variants of stories and to see new nuances. An employee who has been with an organization for five years is not the same person as the one that joined straight from college. Work and life experience will have changed them. The old stories will perhaps become stronger for long-serving employees as they act as a bonding mechanism for those that remain and can recall the past. New stories will be read differently. If the organization's atmosphere is positive they will have potentially more power as they add new layers of meaning to the work experience. The alternative scenario is where the organization's members become more cynical over time and come to distrust stories.

The nature of stories can vary, but they reflect the structures that appeal to people in general. In fact research by Martin *et al*[8] shows the remarkable similarity in organizational stories. The struggle of the hero against the odds is powerful, because it shows the potential of people for self-actualization. It also stresses the importance of clear thinking and perseverance. Companies inevitably have their ups and downs and it is important that employees know that the organization has struggled through hard times in the past and successfully weathered the storms. In storytelling, whether it is in films, plays or novels, adversity is an important element, not only because it reminds us of our humanity and that success cannot be taken for granted, but also the experience is cathartic and makes the resolution all the more powerful. As Nietzsche suggests, we should not avoid difficult experiences, because they define what we are as individuals. A variant on the epic is the version of the romantic drama. Here the organization loses its direction because it is untrue to its beliefs but rediscovers itself through organizational learning. The appeal here is that the storyline reflects our desire for truth and the discomfort we feel when we disappoint ourselves. We can then degenerate further if we become self-pitying, but if we return to our true selves and learn the lessons of failing we end up as more rounded characters. As with all stories there needs to be forces of evil that threaten the purity of the organization or its epic journey. Homer's adventures of Odysseus needs Circe, Cyclops and the Sirens as a juxtaposition to

the actions of Odysseus. His confrontations enable him to grow in knowledge and stature. Equally Nike needed adidas, Apple needed IBM and Virgin needed British Airways. Each of these organizations defined themselves by what they were not, such that Apple, when it launched the Macintosh, created a 1984 world in which automotons sat in rapt silence in front of a giant television screen featuring Big Brother (at the time a proxy for IBM) until a runner appears and smashes the screen. The take out was that IBM was trying to control but Apple was going to empower people – computing for everyone.

Different types of stories

Stories come in different forms, yet their purpose is consistent – to get us to pay attention to certain ideas and messages. They encourage us to focus, much as a brand definition tries to get us to forget the extraneous and to concentrate on the core of what makes a brand distinctive. The ability to ignore much of what goes on around us is an important one. In the short story, *Funes, His Memory*, the writer Jorge Luis Borges demonstrates through the character Ireneo Funes the dystopian world that exists for someone who observes and remembers everything: 'the truth was Funes remembered not only every leaf of every tree in every patch of forest, but every time he had perceived or imagined that leaf'. In the strategically oriented stories we have looked at such as Kenneth Cole Productions and Apple's narrative built out of the metaphor 'a digital hub for a digital lifestyle', we can see that we are asked to focus on the cultural and operational strengths of the brand. The sort of detail that obsesses Funes is happily put to one side in the interest of clarity of communication.

As well as the strategic storylines, there are also storylines designed to promote specific aspects of the brand. While the strategic stories tend to be associated with founders and CEOs, the 'living the brand' stories can originate anywhere in the organization and can feature everyday heroes – instances of exceptional service, outstanding performance and the courage to do things differently. For example, Telenor uses this story to convey some of the specifics of its brand:

> Norway is sparsely populated – especially in the North where the Sami (Lapps) live. Extending mobile coverage there does not always make economic sense. However, there are other issues such as reputation and social responsibility that are important. In the Sami community of Hellemobotn a single phone box served 150 inhabitants. When the phone rang (there was an external bell) two boys had the job of answering it and then running from house to house or searching the woods to find the person. Telenor's

> Head of Coverage was invited to meet the community and when he saw their needs decided to prioritize them. The agreement for mobile coverage was signed with the President of the Sami government (Ting) in the phone box.

The story distinguishes Telenor from its competitors and it fits well with its brand, which is built on the vision of 'We're here to help' (the idea that Telenor helps customers get the best out of communications in their daily lives) and a set of values: make it easy, keep promises, be inspiring and be respectful.

Alongside the 'living the brand' stories, there are also the sorts of narrative that can be categorized as operational. There is an example in the section that follows of Nike using narrative as part of its briefing process to develop a new soccer jersey. Operational stories also build on the brand, but are designed to demonstrate a past success (that has implications for future behaviour), an altered present or an imagined future. For example, in designing a new service we could simply define the rational requirements, but we could also go beyond the rational and describe in a narrative the interaction between the brand and the customer. Similarly, if we are dealing with a new fashion product that will launch in a year or two, we can use trend spotting to help us create a picture of a future world and imagine our customer buying and wearing the product. Operational stories that deal with a past success sometimes blur with 'living the brand' stories. The subtle point of distinction is that such stories focus overtly on communicating the values, whereas operational success stories, while defined by and helping to sustain the values, are primarily of benefit in developing people's understanding of new ways of doing things in a brand-aligned way in the future. For example, Greenpeace conducted a campaign called 'Green my Apple', which was designed to persuade Apple to change its environmental stance. The campaign clearly aligned with specific Greenpeace values such as 'confrontational', 'independence' and 'the power of acting together' but also generated an awareness of the value of using an appropriate tone of voice in communication and empowering consumers to be environmental activists. Greenpeace could have hectored Apple to change or made a dramatic gesture, but instead it created a parody version of the Apple website that told Mac lovers that Apple was bottom of the league in terms of recycling policies and use of toxic chemicals. Greenpeace initiated the process, but all the work then was done by Apple users, who wrote to CEO Steve Jobs and created ads, banners, buttons, T-shirts, video spoofs and blogs. The story about the process is widely told within Greenpeace, both anecdotally and in presentations, and is one of the ways people are coming to appreciate a new, more participative approach to environmental activism.[9]

The final category of stories is those that build the brand to the customer. We see these narratives all the time in advertising, online and in media coverage. The stories are also sometimes carried through into packaging and labelling and, given the permeability of boundaries, reinforce the culture for employees. Two brands spring to mind here, because they overtly use a narrative approach to communicate the point of difference about their products at the point of sale. The first is the clothing brand Howies, which tells its story about its products in its labelling. For example:

> You live in your jeans. Sixteen hours a day. Yet most normal denim has so many chemical residues it's kinda scary. That's why we have introduced our organic denim. But a low impact jean like this still has to be plenty strong. That's why our denim weighs in at a heavy 12 ounces and is woven in a 3x1 construction, making it a nice comfortable all season weight, but very tough. It is woven using ring spun yarns that are dyed with a similar indigo to the colour of vintage American jeans and then eco-ball washed. Little things can add up.

The second is the smoothie brand Innocent, which uses its labels to convey both product detail and attitude:

> My mum's started buying our smoothies (and that's after five whole years, the skinflint). This means that I've got to behave and not say anything too rude or controversial. So mum they really are good for you. They are made with 100% pure fresh fruit. They contain loads of vitamin C (a day and a half's worth). They are as fat-free as an apple or banana, and that's because they are just fruit. Is that good enough for you mum? Right I'm off to smash some windows and have a fag.[10]

How these different story types circulate depends partly on need and partly on culture. Sometimes internal stories are re-told in public arenas such as books, newspapers and magazines. This enhances the strength of the stories, adding to their credibility or stature. Sometimes the stories become part of a programme of cultural reinforcement, so that narrative is used specifically to inspire people about the brand. The distributive tools here can include short films, the internet, publications, presentations and briefing packs. The goal should be to put the tools in place so that the stories assume a life of their own. If the photographs and text of a story are widely available to sales people, for example, there is a greater likelihood that the narrative will be used in sales presentations. Once a story is seen to work effectively, in the sense that it conveys an interesting and distinct image of the brand, it tends to generate its own momentum.

Storytelling at Nike

Nike is an organization that lives on stories. Like Patagonia, the nature of its origins in sport create a fertile breeding ground for swapping anecdotes with other like-minded, passionate people. In the early days of the organization this happened as a natural consequence of an organization that was created in the mould of a running team. Nike's founders, Bill Bowerman, who was a track coach at the University of Oregon, and Phil Knight, one of his runners, believed in the importance of commitment and teamwork and these ideas drove the company forward. This helped to create an organizational culture that was freewheeling, entrepreneurial, highly collaborative and very flat. Anybody could do anything because there was so much to do and nobody knew what to do. People would be selected on the basis of 'You show some tendencies for being a good manager, so why don't you go and run the footwear division?' Nike attracted people who loved sport – mostly they were runners or ex-runners – who really didn't want to work at a real job. Rather they wanted to work for a cause – and the cause was running.

Bill Bowerman taught the athletes that ran for him to be competitive and to learn to win. When it came to business he adopted the same spirit. At the time adidas was the most powerful sports company in the world. The Olympic teams and the athletes all wore adidas. Yet Bowerman and Knight understood sports and athletes and they wanted to win. Within 10 years Nike was a serious rival and in 15 it surpassed adidas. In part this was because adidas didn't understand the US jogging boom – it thought it was just a fad. In Germany runners would go to a track and run around it. In the United States, runners became joggers. In part it was because of the culture of Nike and the passion of its people.

Nelson Farris, Chief Storyteller at Nike and employee number 18, says:

> When you ran track for Bowerman, you did absolutely the best you could every time. When you push yourself constantly you recognize that if you don't do your single best for you, you also let the team down. From that, when I came to work at Nike, I sensed this team thing. It meant that if you made a commitment and you told your buddy you were going to do something, you wouldn't let a friend down. The teamwork was powerful. Phil Knight understood it and the first employees, who were ex-Bowerman athletes, understood it. They taught us by their actions: if a guy said he was going to do something, he would do it every time. You'd never hear excuses – people came through for each other – consistently. As a result we just started doing things. If people tried and failed, no problem, we'd just come at it again. That's a part of learning – failing like crazy. We were all terrified we were going to go broke, because we were such a small company. But we innovated and experimented. We'd listen to runners, go and try things out

and sometimes come back within 24 hours and let the runner use it. So through that listening, that instantaneous feedback, through taking risks and trying to invent product we were able to do things way different from anybody else.

Examples of this commitment and learning abound within the Nike store of tales. When the company started Bowerman would shave any excess leather off runners' shoes. He calculated that every ounce shaved off a miler's shoe equated to 200 fewer pounds carried in the race. Nike's first employee, Jeff Johnson, sold shoes by going to track meetings, talking to runners, understanding their needs and building them prototypes. Nike supported Steve Prefontaine, the US Olympic runner, in his attempts to make running a professional sport. Each of these stories demonstrates where Nike's soul is: in running and fitness. This idea of a cause was not formally articulated but people within the company talked about it. This worked when the company was small and people knew each other, but by the late 1970s, when the company moved from hundreds to thousands of people, it needed to be formalized. People who hadn't grown up with Bowerman and the sports-obsessed culture couldn't comprehend the idea of going for a 12-mile run before work nor the very distinct belief in team-work. As a result the company started to try to analyse its own culture and to define what it truly believed in. It started with a one-hour programme on the organization and its beliefs; by the mid-1980s it was a one-day pro-gramme and by the 1990s it was a three-day programme. The company also restructured. In becoming big it recognized that it had lost some of the intimacy it had when it was small. Consequently it created 300 mini-Nikes. All the different divisions had to be built into small units that would be completely focused and motivated while still remaining connected to the ultimate mission and the values.

Nike values

In the early 1990s Nike decided to formalize its values. It did a survey of its employees and then encouraged people to input their ideas on the expression of the values. The ideas came from the long servers, like Farris, and also the newcomers. The goal was to focus on as few words as possible. Originally 12 value words were shortlisted, but through debating the nuances of the words they shrunk to three: honest, competitive and teamwork. Behind each of the words are supporting ideas. For example, 'honest' means that people respect each other's opinions; if someone makes a mistake they accept responsibility and it means that Nike aims to make authentic athletic products for athletes. 'Competitive' means that Nike aims to win, to be the best, to be the most innovative and to be a risk taker. 'Teamwork' is recognizing that to make a

contribution to the collective you do your best individually; it is understanding that people need each other to be their most effective.

Once the company had its values agreed, it needed to embed them. Part of the process involves the mechanisms that have been mentioned in this book, but the idea of storytelling is elevated to a key component in sustaining the brand. Nelson Farris's role is to explain the evolution of the culture to employees and to underpin the values. This involves using stories, to capture the overall essence of the company. The stories can be from the distant or the recent past. Farris argues that the continuity of the brand means that the themes in the stories keep repeating themselves. Although it could be argued that there is a self-consciousness about the management of storytelling, Farris says the company has always told stories from Bill Bowerman and the waffle iron to the design of the Goatek:

> The company has been a storytelling company from day one – when we make something, somebody writes a draft and it's a one-page story. For example the one pager will say we're going to make a soccer shirt. The story behind this is in 1994 we signed the Brazilians to wear Nike soccer boots. When the Brazilians played the Americans, they swapped their jerseys at the end. A Brazilian player takes his old nylon jersey off and it's full of sweat and the American has this stuff called Dry Fit – a polyester woven material that whips all the moisture away. The Brazilians said to their coach, 'Why can't we have these?' So we worked on a new fabric. The one pager was the story of the Brazilians versus the Americans and the brief was to design a new fabrication that reduces the weight and increases the cooling properties. So literally we tell stories about everything we do. That's how we present to people.

Another area of storytelling for Nike is the tales of conflict within the organization. This comes through strongly in a biography of the company called *The Unauthorized Story of Nike and the Men who Played There*.[11] At one level this could be a criticism of Nike, but the company would argue that confrontation is good: you can argue and fight if you believe in the corporate cause and if you trust your colleagues. It also relies on a non-hierarchical structure, where people can express their opinions, whatever their position. Although this was true of the early days of the organization, as the company has grown the development of hierarchy can now get in the way. Part of the value of the early stories about confrontation is that the openness and passion show a different way of thinking – one where hierarchy is denied. Nelson Farris says:

> Conflict has always been part of Phil Knight's philosophy – and he believes if you really have passion and you really believe in what you're doing then you

put all the argument necessary to sell your idea. If you don't have passion you won't be able to stand up to someone else that has greater passion and motivation.

The right stories

Stories do not have to be absolutely true to be valid. Delve deep into the history of most organizations and you can find that the facts have been adapted to meet the needs of a more powerful story. Even when people are confronted with the real events they will try to argue for the corporate myth as truth. Rather than questioning the validity, it is better to accept the perception of truth. What is important is that the stories have to be true to the spirit of the organization and they therefore have to be based on the brand and what it stands for. For Nike, the concept of 'irreverence justified' promotes the brand as focusing on performance improvement and an in-your-face attitude; the combination of emotion and function. Consequently Nike stories perpetuate these ideas. Consumers may buy the products because they think the clothes and shoes are cool, but within Nike the storytelling is focused on the athlete as consumer and the attempts of the company to meet their needs. The stories can encompass failure, as this is the accepted by-product of innovation, but they should also demonstrate Odyssean perseverance.

Stories should also reflect the everyday interests of employees. In a technical environment, employees may want to talk about the engineering of a particular item, but in a consumer-oriented company most power comes through product usage and the stories associated with it. This suggests the importance of knowing your employee audience and being able to connect with them effectively. This is easier within organizations such as Nike, Patagonia and UNICEF, where the cause is clear to all. The harder task is within organizations where there is less clarity about the brand. The inference is that the brand needs to be defined and understood before using storytelling as a mechanism to encourage engagement. As Farris reminds us:

> When you are able to blend this [your work] with your life then you're just rich with stories. You don't go home and talk about the dual density of the running shoe, you talk about some athlete wearing your stuff and setting a world record.
>
> I think storytelling is an informal process of communicating that humans want to do, because that's what they do when they're around their friends and family. We create a storytelling environment – it's just the way we talk. You're trying to figure out a process to get adults to learn and to get adults to

change. The more you understand – and you understand more by listening to the stories – the easier it is to go 'aah: transition over'.

Summary

Storytelling is the way that communities share and preserve their heritage. Stories explain the nature of organizational life and sustain knowledge. It is through stories that a culture is built. Thus the mechanism of storytelling is the most powerful way to embed a brand in the organization. To some this might seem a self-conscious attempt at employee manipulation but it should not involve the creation of invented narratives. Rather it is about capturing the stories that best support the brand idea, testing them on selected individuals and groups and then nurturing them through retelling. Not all organizations will want to employ someone who has a remit to tell stories, but the telling of stories should be built into corporate education programmes and the skills of storytellers should be promoted through training and by providing the material to help the process. This will help to encourage attitudes and behaviour that are more in tune with the brand. This suggests an important facet of storytelling, for while stories relate past events, what they attempt to do is influence our future actions and to change the way we see ourselves and those around us.

By way of a checklist, stories should do the following:

- demonstrate the brand as a guiding principle;
- provide a link between the past and the future;
- be interesting as a story – element of adversity to overcome; heroic action; something that is important to the world;
- provide an element of surprise – if a story is already known, it is less likely to capture the imagination;
- relate to the business strategy;
- be told from an individual point of view;
- have a respected narrator;
- be factual, down to earth and avoid the path of corporate propaganda;
- demonstrate prowess in the dominant culture in the business (eg sales, software, logistics) allied to business success (show the ability to take good ideas to market);
- consider carefully the means of distribution: authenticity is key.

Notes

1 Schein, Edgar (1985) *Organizational Culture and Leadership*, Jossey-Bass, San Francisco, CA, p 80.
2 From de Botton, Alain (1998) *How Proust Can Change Your Life*, Picador, London.
3 Denning, Stephen (2001) *The Springboard: How storytelling ignites action in knowledge-era organizations*, Butterworth Heinemann, London, pp 180–82.
4 Bloom, Harold (2001) *How to Read and Why*, Fourth Estate, London, p 23.
5 Barresi, John (1999) On becoming a person, *Philosophical Psychology,* **12**, pp 79–98.
6 Cited in Barresi, John (1999) On becoming a person, *Philosophical Psychology,* **12**, pp 79–98.
7 Cited in Whetten, David and Godfrey, Paul (eds) (1998) *Identity in Organizations: Building theory through conversations*, Sage, London, p 264.
8 Martin, J, Feldman, M, Hatch, MJ and Sitkin, S (1983) The uniqueness paradox in organizational stories, *Administrative Science Quarterly*, **28**, pp 438–53.
9 On 2 May 2007, Jobs posted an open letter on Apple's website declaring that Apple was moving to rid its products of mercury, arsenic, polyvinyl chloride and brominated flame retardants by 2008 and that US stores will take back old iPods for disposal. Jobs claimed that by 2010 it would be recycling a larger percentage of products than Dell or HP.
10 Just to clarify two pieces of slang in this paragraph: a 'skinflint' is someone who is tight with their money and a 'fag', at least in British English, is a cigarette.
11 Strasser, JB and Becklund, Laurie (1991) *The Unauthorized Story of Nike and the Men who Played There*, Harcourt Brace Jovanovich, New York.

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8 Measuring success

To help confront the cynicism about the value of brands within organizations there needs to be systems of measurement that demonstrate the benefit of undertaking what can be expensive and time-consuming programmes. Indeed, if a brand is to achieve real status, there needs to be an ongoing commitment to sustaining and evaluating it over time.

One measuring process that enjoys both credibility and understanding at board level is brand valuation. Valuation overcomes at least some of the cynicism that can be found on boards towards brands, because it talks a language that is relevant to most board concerns. And as much of a company's market capitalization is in its intangible assets, the valuation of the brand goes to the heart of performance. Nonetheless the process has its critics. They argue, variously, that brand valuation is too narrow a measure because it focuses only on one audience; that it ignores more qualitative measures and that the obsession with numbers is dangerous; and that it relies overly on the analyst's assumptions. This is not the place for a detailed analysis of brand valuation methodology, but the following observations can be made:

- Brand valuation does focus on consumers, the argument being that the acquisition and retention of customers is key to a brand's success. If, as has been argued in this book, employees, local communities and shareholders benefit from interacting with the company, it is because of the relationship of the company to its customers.
- The obsession with numbers is dangerous because it can distort decision making. To counter this the brand valuation process ought to include qualitative elements, including interviews with key stakeholders. It also ought to ensure that the brand valuation process is clearly linked to the organization's business strategy.

- There is a requirement to make assumptions, but the degree of reliance largely depends on the quality of the organization's financial data and market research, and its willingness to fund primary research if required.

The common view of brand valuation is that it provides a brand value figure. But the real value lies not in the numbers themselves but in a clearer understanding of which segments of a brand are valuable and how they are valuable. It should be seen as a source of insight into the nature of the brand and its relationship to customers. However, it should not, by itself, be taken as some form of absolute truth about the brand, because as the writer Chris Macrae argues,[1] mathematical analysis has a number of responsibilities. It should:

- not overclaim a standard's precision beyond its original context of use;
- care about keeping assumptions in view;
- not use the mystique of mathematics to further vested interests.

While these caveats are accepted, one of the fundamental points about brand valuation (as shown in Figure 2.1) is that the methodology takes into account total company performance as it relates to customers, not just narrow measures of awareness or preference.

   In the context of living the brand, valuation can be both diagnostic and evaluative. Using valuation before embarking on a living-the-brand programme enables the organization to see the importance of such areas as customer service or relationship building to the value of the brand. This enables the organization to focus its efforts on enhancing those areas that are most important to creating value (which can be modelled from the valuation data). Equally, valuation can be used to determine the impact of a living-the-brand programme on the brand value, because it monitors the effects of employee behaviour on customers. An organization that truly lives the brand in a way that is focused on delivering business objectives should see the benefits in brand value growth. However, we should exercise a note of caution here: brand valuation should not be seen as a stand-alone exercise by which all decisions are guided. It is a highly valuable process, but one that needs to be tempered by an in-depth understanding of what it can and cannot do. Also in the context of living the brand, we need to understand in more detail the impact of various initiatives, and to ensure they relate to the overall strategy. One means of achieving this is to extend the brand valuation process into a balanced brand scorecard. This builds on the work of Kaplan and Norton, who introduced the idea of balanced scorecards in 1992:

Briefly summarized, balanced scorecards tell you the knowledge, skills and systems that your employees will need (their learning and growth) to innovate and build the right strategic capabilities and efficiencies (the internal processes) that deliver specific value to the market (the customers), which will eventually lead to higher shareholder value (the financials).[2]

Kaplan and Norton developed their scorecard into strategy maps as a means of visualizing the linkages between the four perspectives: financial, customers, internal processes, and learning and growth. The benefits of the strategy mapping process are that it shows employees how their jobs relate to overall business objectives, it demonstrates where the organization should focus its efforts, and it reminds the business of the importance of the interrelationships of the company's stakeholders. The balanced brand scorecard makes similar connections. The method is a supplementary process that has as its focus improving shareholder value, through the enhancement of the brand value. The brand's value will be defined by the brand's external reputation with customers, relative to competitors, which in turn relies upon the alignment of employee attitude and behaviour (see Figure 4.1 for the connections). The balanced brand scorecard is both a measurement process and a mapping device, because it enables objectives and strategies to be set for each of the different areas, and ensures that they all relate to each other. As an example, take the telecoms industry. In this business around 35 per cent of the value in a European telecoms provider is derived from branded elements. We know that reducing customer churn enhances brand value, as it is extremely expensive to acquire customers because of advertising costs and handset subsidies. The implication of this in terms of external reputation is that we must focus on the factors that discourage churn. The key issues here might be a focus on non-price-sensitive customers, the building of trust through easy to use payment plans and good quality of service, and the development of an appealing brand idea. Internally, this might suggest that the focus should be on recruiting people for the right brand attitude, empowering them to deliver excellent service, putting in place the right training processes for call centre support, and building decision making around the vision and values. It is the connectivity of these various elements that ensures that what happens at the individual employee level is connected to the improvement of the value of the brand.

The following sections of this chapter make more explicit the specifics that can be measured, particularly among employees. However, the unifying point about the balanced brand scorecard measuring process is that it ensures that measurement processes do not contradict each other. Indeed, it has the potential to help the whole organization focus on a common perspective.

Evaluating intellectual capital

A more precise measure of the impact of the brand on employees is to use the scales suggested by Intellectual Capital models. By building up trend data, the developing influence of the brand idea on people's behaviour can be ascertained. The following list of measures is a guide as to how measurement can be undertaken, but it should be recognized that cultural and industry differences may require adaptation. For example, the measurement of government, voluntary organization and business employees will be different because the values and the ultimate goals will vary. Using the Human Focus structure, developed originally for the Swedish financial services company Skandia, Edvinsson and Malone[3] suggest the following measures:

- leadership index (percentage);
- motivation index (percentage): both the leadership and motivation indexes are derived from an analysis of the factors that contribute most to the organization's success and profitability. In Skandia's case employee research analysed:
  - satisfied customers;
  - satisfied sales people;
  - motivated and competent staff;
  - quality assured and effective administrators;
- empowerment index (of 1,000): this was a result of research among employees to determine their sense of control over their work and covered:
  - motivation;
  - support within the organization;
  - awareness of quality demands;
  - responsibility versus authority to act;
  - competence;
- number of employees;
- employee turnover (percentage);
- average years of service with the company;
- number of managers;
- number of women managers;
- average age of employees;
- time in training – days/years;
- IT literacy of staff;
- number of full-time permanent employees;
- average age of full-time permanent employees;
- average years with company of full-time permanent employees;
- annual turnover of full-time permanent employees;

- per capita annual cost of training, communications and support pro-
  grammes for full-time permanent employees (£);
- full-time permanent employees who spend less than 50 per cent of
  work hours at a corporate facility;
- number of full-time temporary employees;
- per capita annual cost of training and support programmes for full-
  time temporary employees (£);
- number of part-time employees/non-full-time contractors;
- average duration of contract;
- percentage of company managers with advanced degrees
  – business (%);
  – advanced science and engineering (%);
  – advanced liberal arts (%).

The above measures try to evaluate the degree of commitment and motiva-
tion of a workforce, the organizational structure and the capacity to retain
and develop employees. These relate to the brand in that achieving identifi-
cation with the organizational vision and values should lead to increased
motivation and employee retention, whereas the structure of the workforce
and the commitment to its development reflect management priorities. The
benefit to the organization of retention of employees is that the longer people
stay with the organization the greater the value they produce. The consul-
tancy Bain & Company has developed a generic model of the economic ben-
efits of employee loyalty, which aptly demonstrates this:

- *Recruiting investment.* The cost and uncertainty of hiring people makes it
  more cost effective to retain current employees.
- *Training.* Training is required throughout a person's career, but the cost
  of training long-term employees is offset by the training and advice
  they impart to colleagues.
- *Efficiency.* Experience aids efficiency. 'As a general rule, employees who
  stay with the company because they're proud of the value they create
  for customers and pleased with the value they create for themselves are
  more motivated and work harder.'[4]
- *Customer selection.* Experienced sales people and marketers are better at
  seeking out the best customers.
- *Customer retention.* Customers build relationships with long-term
  employees: '…in banking, brokering and auto service, long-term
  employees create higher customer loyalty. Even in manufacturing,
  however, where employees rarely meet customers, long-term
  employees can produce better products, better value for the customers
  and better customer retention.'[5]
- *Customer referral.* Loyal employees can be a major source of customer
  referrals.

- *Employee referral.* Long-term employees often refer the best quality applicants.

The above again indicates why it is important in the recruitment process to ensure there is a good match of values between the individual and the organization and then over time to nurture the relationship between the two.

Despite the potential benefits of employee retention, one should be careful about praising retention for its own sake. This is not a mandate to retain uninterested people or saboteurs but it is a recommendation to ensure that as many people as possible understand and engage with the organizational brand. The limitation of the intellectual capital model as it stands is that the outputs are one step removed from the impact of the brand idea. Therefore, whereas identification may be a factor in achieving change, it might not be the only one. Motivation of employees might also be due to policies developed independent of the brand. To achieve the necessary link between the brand idea and the impact on people, we need to ascertain the effect of the values.

Evaluating brand commitment

To understand how employees see the brand and its relevance to their day-to-day working lives, ongoing research needs to be conducted. This will help to determine the strength and relevance of the brand and pinpoint any areas of weakness. The latter is especially important if the articulation of the brand is new or if the organization is undergoing significant change. For example, if one of the brand values lacks impact with employees and they find it difficult to use, the research will highlight the lack of awareness and usage. The organization can then decide whether the value is misplaced or, if it is seen to be important, whether more attention needs to be paid to encouraging engagement with it. Often, if the value is difficult to use, feedback will already have been obtained through the brand champions network and the brand workshops. The benefit of quantitative research among employees is that the scale of the problem can be seen.

There are several methodologies that can be used to undertake the employee research, but probably self-completion questionnaires delivered either in print or electronic formats are most effective. As with other aspects of the brand the response to the questionnaire will in part be determined by the degree of importance that people attach to the brand idea itself. This is a further argument for adopting a participative approach to brand definition, because it is more likely to raise awareness of the brand and its importance to the organization. To encourage people to complete the form it

should be accompanied by a note from a champion, stressing the value of the brand and the benefit of employee feedback. This will be more credible to people if the organization has proven in the past that it both listens to and acts upon the knowledge it acquires from people. Alternatively, if the organization has failed to meet this commitment in the past, cynicism will be higher and response rates will be lower. This suggests a real difficulty in developing brands that employees can engage with in organizations where morale is low. If the anticipation of obtaining sufficient responses is in doubt the alternative of telephone interviews should be considered. In terms of the structure of the questionnaire, the following issues should be covered:

- *Profile of the respondent in terms of age, sex, geography, status, competence, length of tenure.* The value of profiling is that it helps to define whether responses vary due to such variables as the degree of organizational experience or the sort of job that people do.
- *The nature of the organizational purpose.* This can be either spontaneous or prompted, but it helps to define whether the core purpose statement has been transmitted effectively.
- *The key differentiator for the organization.* This relates back to the comparative element of the brand definition.
- *Describing the organization.* Using scalar measures that position opposing values enables the organization to see how well it is performing in the delivery of its values. For example, if the values are innovative, professional, working well as a team and challenging, the following polarities might be offered and people asked to score how well the organization performs in living them:

Anti-values	*Values*
Old-fashioned	Innovative
Amateurish	Professional
Individualistic	Working well as a team
Complacent	Challenging

Alongside the specified organizational values, other value words should be included, both to mask the focus on the chosen value words and to establish whether there are words or ideas that have been missed out of the brand definition that may be important, or if there are areas of underperformance. Figure 8.1 shows the measurement of brand values for the voluntary organization VSO.[6]

An alternative to posing questions with such bald polarities as 'are we a teamwork-based or individualistic organization?' is to look for the meaning behind the words. In this case a series of scalar measures under the banner 'teamwork' might be explored. Statements can then be posited about aspects of teamwork and individualism in such areas

Here are a number of pairs of opposite adjectives, either of which could describe VSO. The first pair is 'caring' and 'unconcerned'. On a scale of 1 to 5 where 'caring' is 1 and 'unconcerned' is 5, where would you place VSO?	%	%	%	%	%	
Caring	22	61	15	1	0	Unconcerned
Helps people to realise their potential*	20	52	23	1	1	Inhibits individuals' development
Open to learning*	15	54	26	3	0	Dogmatic
Patient	15	36	38	7	1	Impatient
Professional & Accountable*	11	58	24	5	0	Amateurish & Undisciplined
Passionate*	11	47	34	6	0	Lukewarm
Adaptable*	7	47	36	7	2	Rule-bound
Focuses on solutions	6	43	45	4	1	Dwells on problems
Keep their promises	6	47	44	2	0	Let people down
Cost effective*	2	20	47	24	3	Wasteful of resources
Innovative*	1	54	36	7	0	Old fashioned
Fast moving	1	12	62	21	1	Slow to respond

* Elements within the brand idea

Figure 8.1 VSO brand values

as the attitudes of management, the way problems are solved, the way different competencies work together, the manner of reward systems, the nature of horizontal communication processes and the way employees work with customers. This will give the researcher an insight into the saliency of teamwork and also the specific meaning of the term. In addition to exploring the brand values, the research should probe the following core issues:

- Understanding the relevance of the brand. The issue here is to determine people's awareness of the role of the brand. These should relate back to the original objectives of the branding programme, but might include:
  - consistency of communication;
  - clarity of communication;
  - building awareness among customers;
  - improving customer service;
  - improving operational standards;
  - increasing sales;
  - enhancing recruitment;
  - improving awareness among financial audiences.
- Views on how well the brand has been communicated. This asks people to pass judgment as to whether the methods – such as the brand book, internal publications and marketing, champions and workshops – have been effective.
- Suggestions on improving internal brand communications. It is important that the answers to this question are segmented in line with the nature of the response to the previous question. This helps to show whether the more negative respondents have the same views as the positive ones. If there is significant variation it may suggest that the message is not getting through to certain parts of the organization. The most common recommendation on improving brand communication is clarity and simplicity, which supports earlier assertions that the brand should be as simply defined as possible.
- The brand as a promise of performance. In an earlier chapter, Feldwick's definition of the brand as 'a promise of performance' was cited. The question here is to what extent does the brand succeed in this respect.
- Impact of the brand on day-to-day work. This question seeks to uncover the extent to which the brand has had an impact on people's day-to-day jobs generally and in what areas specifically: this helps to determine how the brand is changing the way people behave within the organization.
- Suggestions on areas of improvement related to the organizational values. This question asks employees to decide which values are delivered best and which need most work.
- Degree of internal integration. This asks people to decide the overall impact of the brand across the organization. This can be supplemented by a question that requires suggestions on areas for improvement. The most frequently cited problem here is the problem of abstraction – employees struggling to see how to use the brand specifically.
- Perception of external image. Much of the above is devoted to people's experience of the organization. However, it is also valuable to know

how people believe the organization is seen externally. This can be very influential within the organization, both in terms of people's self-esteem and in the impact it has on decision making. The questions in this section should relate to how employees believe they are seen by others (this can require several subquestions depending on the number and nature of external audiences, for example competitors, customers, the media, potential employees) and suggestions as to how the image can be improved.

Undertaking this research is an invaluable guide to the impact of the brand on employees and it helps to identify areas for improvement. However, there are two limitations. *First*, it cannot be a one-off exercise. Without benchmarks it is difficult to gauge the results. It is sometimes possible to conduct research prior to a brand articulation or communication programme, but the difficulty here is that prior to definition it can be difficult to get valid measures. It may be true that the brand idea should draw out concepts already within the organization, but people might not use the terminology that you want to validate later on. What the research can show is the clarity of the articulation and the relative value of the specific elements of the brand idea. Although one can use supplementary qualitative research to uncover employees' views, the real benefit of the research will be shown over time as trend data begin to build. *Second*, the research to this point is all concerned with employee impacts. The brand should have a primary influence on people's attitudes within the organization, but living the brand is not about being self-indulgent but rather about delivering benefits to customers and other audiences. Therefore the structure of the employee research should be replicated by external research.

The external perspective

The same methodologies used for employees can be used in the external research. In this instance the key external audiences need to be identified and questionnaires tailored accordingly. The goal here is to obtain an insight into the current perceptions of the organization in terms of the elements of the brand idea and to then check whether there is dissonance between the internal identity and the external image. To achieve this the 12 issues listed in the previous section need to be repeated. Additional to the internal issues, interviewees should be segmented in terms of the nature of their contact with the organization and the length of their relationship. The former point is valuable, because it helps to indicate the primary determinant of their views. Thus the image of the brand could be derived primarily from interaction with employees or

from advertising or from the products themselves. The latter point is especially important for organizations that have undergone recent change, as this is more likely to have been felt by people that have come into recent contact, than perhaps by people who have more distantly formed relationships. Research among novice and experienced consumers indicates that these audiences have different information requirements and that experienced consumers of services who have had recent positive experiences are more positive in their evaluations than novice consumers.[7]

Generally, one would anticipate that employees are more aware of the brand and its meaning than external audiences, who may only have a limited awareness of the brand and what it stands for. To provide points of comparison and to help position the organization with reference to others, the external research can also include research into the understanding of key competitors' brands.

The ROIT alternative

An additional methodology to the process outlined above is to use a test known as ROIT (Rotterdam Organizational Identification Test). The aim of this is to analyse the degree of organizational identification among employees. The test was originally developed at the Corporate Communications Centre at Erasmus University in Rotterdam and has been used extensively among Dutch and Belgian companies.[8] As one of the goals of articulating and embedding the brand idea is to enhance the match between the individual and the organization, ROIT is an appropriate model, not only as a means of evaluating the effects of a brand programme, but also as a means of diagnosis. Thus it can be included within the research methods cited in the process of brand articulation. Its advantage is that it can provide a pre-brand articulation measure of identification, which can then be used as a benchmark for checking future progress. The ROIT involves the administration of a 21-item organizational identification scale that concentrates on such areas as:

- perception of belongingness;
- congruency between organizational goals and personal aims;
- need for affiliation;
- perceived benefit of membership.

The actual test involves employees completing a questionnaire comprising 225 statements. Respondents have to detail on a one-to-five scale their degree of agreement with the statements. The statements fall into five

groups: employee communication, perceived organizational prestige, job satisfaction, goals and management style in implementation of goals, corporate culture. The ROIT enables organizations to see the degree to which people identify with the overall organizational brand or their specific team or business unit and the impact of the five areas above on organizational identification. One would hope to see movements in these measures as the brand idea becomes more explicit, but part of the value in the test is in identifying areas that need remedial work. The general finding from ROIT studies is that identification with the business unit will be higher than with the total organization. It has been argued that this occurs because business unit managers strive (as the organization itself does) to enlarge the distinctiveness of the group relative to others. To ascertain the real issues here, research by Onno Maathuis showed that managers identify with their business unit and the organization as a whole, but they identify more strongly with the business unit. However, this identification with the business unit does not impact on managers' use of the corporate brand.[9]

Another interesting finding of the research carried out using ROIT is that employee communication is a vital component in organizational identification. This posits that there are three factors in employee communication in terms of their impact on identification: the perceived quality of organizational messages; the perceived quality of the communication channels; the quality of the communication climate. However, of these communication climate appears to be the most important. Cees van Riel suggests that:

> how an organization communicates is more important than what is communicated. This stresses the importance of 'soft' aspects in communication like openness, honesty and participation in decision making, resulting in the necessity for managers to pay serious attention to communication climate, specifically their own role in improving the climate.[10]

Analysing the results

Once the results of the internal and external research are available we need to interpret the findings. Some of the issues that might emerge are:

- Employees and/or external audiences may suggest values that are not included within the original brand definition. This could indicate that there is an element of the original brand idea that has been overlooked

or poorly communicated. Action: review the brand definition to deter-
mine whether the suggested addition should be included. If the addi-
tional element is implicit within the brand idea, then bring it to the
fore.

- Certain aspects of the brand, such as one or more of the values, may
lack impact with people. Action: review the importance of the value or
term and ascertain whether it should be discarded or whether more
attention should be paid to its promotion.

- The brand has generally failed to penetrate people's minds. This sug-
gests a failure of process and/or communication. The brand could be
lacking in profile, because it has been imposed from above and
employees do not feel engaged with it. Alternatively, there could be a
failure to communicate the brand idea to people in a sufficiently pow-
erful way. Action: review the research to establish whether the ques-
tions on the relevance and communication of the brand provide insight
into the problem. Follow up with qualitative research to get additional
depth.

- The brand is well understood (or differently understood) by external
audiences relative to internal audiences. If it is better understood, this
suggests that the organization has been more effective in promoting
the brand in external communications and has probably paid insuffi-
cient attention to internal communication. For example, the Dutch
bank Rabobank conducts annual research into both its identity and
image and then compares the fit between the two. Generally the organ-
ization finds a good match, but as Karen Beuk, Director of
Communications, says: 'Customers think we are more innovative than
we think we are ourselves; on the other hand we think we're very
special, but the customers see us as similar to other banks. The crucial
measure is "do what you promise". Our customers think we do this
better than we do ourselves.' In Rabobank's case the defining break
seems to be between head office and branch employees. In the
branches, people have more customer contact and therefore have
more direct feedback. This tends to encourage a more positive attitude
and the bank sees a better match between customer and employee
views from this segment of the internal audience. In the case of
Rabobank, the recognized solution is to try to enhance communica-
tions and improve attitudes, specifically among head office staff.
Generally the action point here ought to be to improve internal under-
standing of the brand idea.

- The brand is well understood (or differently understood) by internal
audiences relative to external audiences. This is the opposite of the
above and indicates that although the brand has been effectively
embedded into the organization, insufficient attention has been paid to

externally communicating the idea. This factor may be due to a time-lag effect, such that employees and marketing communication material are sending out the right brand messages but old perceptions are still pervasive due to the infrequency of interaction with the organization. Action: review the way communications are managed, check the impact of communications against specific external segments and, if necessary, heighten the external communication of the brand.

- There is a good match. Although the overall match might be good, there are always some areas of dissonance. This means that employees can congratulate themselves on a job well done, but challenge themselves to improve in any areas where there are failings.

The brand report

The brand report should be an annual commitment. It should cover all the relevant aspects of the brand, its performance during the year and the goals for the year ahead. The purpose of this report is to keep the brand alive for everyone in the organization (my recommendation is to make this a public document that people within the organization and outside it can share), to stress the benefits of a powerful brand and to identify areas where the brand can be improved. To give the report stature, attention should be paid to both its content and design. The report itself should cover:

- An overview of the performance of the brand.
- The objectives set for the brand overall and by team.
- Examples of the brand in action; showing through storytelling how the brand idea has changed the attitudes and behaviour of individuals and teams. These stories should emerge from within the organization and ideally be written by the individual participants.
- Research statistics from the methods outlined above. Some of this information may be sensitive, but the organization should be as open as possible, especially with its employees. The research should be accompanied by a narrative that explains the implications of the research and the possible inferences that can be drawn. If any elements of the brand are to be amended the rationale for adaptation needs to be well argued – especially if there has been a long and intense process that generated the original definition.
- The impact of the brand on organizational performance. It is sometimes difficult to draw direct parallels with a living-the-brand programme and the direct impact on sales. However, as we saw earlier with Sears' use of causal pathway modelling, it is possible to correlate

employee attitudes with customer satisfaction and profitability. It is also possible to correlate specific performance metrics such as retention figures and motivation indices or recruitment data relating to the number and quality of applicants. Generally the report ought to be careful about saying 'as a direct result of articulating our brand we have seen a 20 per cent increase in sales or a 30 per cent rise in recruitment applications', but it should be entirely plausible to argue that 'the clearer articulation of our brand has helped to improve our awareness and we have seen a 30 per cent rise in applications with increasing numbers of people approaching the organization unsolicited'.

● Outlining the objectives for the year ahead. Prior to the publication of the report, the workshop process that generated the previous year's objectives should be iterated so that management and then each team make renewed commitments for the year ahead.

As well as publishing the document for everyone to see, the owners of the brand – whether it be communications or marketing or human resources – should provide a presentation along with a question and answer session on the brand performance and its organizational relevance. As Reichheld has argued, 'employees must know how much value they are creating'.[11]

Summary

There can often be cynicism within organizations about branding, yet the capacity to engage as many people with the idea of living the brand rests on overcoming that cynicism. Anecdotal evidence can be very persuasive, but there is a need to generate robust data that shows the pervasive impact a well-articulated brand idea can have on all parts of the organization. The suggestion here is to use a combination of internal and external research to validate the direct impact of the idea both on attitudes and on behaviour. Links can then be made to performance data in such areas as sales, recruitment, employee retention, customer retention, customer satisfaction and the overall value of the brand. This should not be a one-off exercise, but an ongoing commitment to monitoring performance. If the knowledge acquired from research is widely shared with employees through a brand report and presentations it can help to pinpoint areas for remedial work and generate renewed commitment to the brand idea. This feedback process stresses the importance of the brand and helps to keep it alive for people.

Notes

1 Macrae, Chris (2003) 'Brand, dynamic valuation and transparent governance of living systems' in *Beyond Branding*, ed Nicholas Ind, Kogan Page, London.
2 Kaplan, Robert S and Norton, David P (2000) Having trouble with your strategy? Then map it. *Harvard Business Review*, (September–October), pp 167–76.
3 Edvinsson, Leif and Malone, Michael (1997) *Intellectual Capital: The proven way to establish your company's real value by measuring its hidden brainpower*, Piatkus, London, pp 131–33 and 181–83.
4 Reichheld, Frederick (1996) *The Loyalty Effect*, Harvard Business School Press/Bain & Company Inc, Boston, MA, p 101.
5 Reichheld, Frederick (1996) *The Loyalty Effect*, Harvard Business School Press/Bain & Company Inc, Boston, MA, p 101.
6 The VSO brand statement cites as its core purpose tackling disadvantage by realizing people's potential and its values are professional, open to learning, passionate, innovative, adaptable, and cost effective. The research was undertaken one year after the brand definition. VSO has developed its values and now cites professional, collaborative, open to learning, passionate and empowering.
7 Soderlund, Magnus (2000) *Expert and Novice Customers: An examination of perceptions of attribute-level performance*, Stockholm School of Economics, Stockholm.
8 Van Riel, CBM (1995) *Principles of Corporate Communication*, Prentice-Hall, Englewood Cliffs, pp 60–63.
9 Maathuis, Onno (1999) Corporate branding, PhD thesis, Erasmus University, Rotterdam.
10 Van Riel, Cees (1999) *Ten Years of Research, 1988–1998, of the Corporate Communication Centre, Erasmus University, Rotterdam*, Published in the Special Issue on Communication Research in Belgium and the Netherlands, January 27.
11 Reichheld, Frederick (1996) *The Loyalty Effect*, Harvard Business School Press/Bain & Company Inc, Boston, MA, p 126.

9 Managing the brand

There is a seeming simplicity about the ideal of engaging employees with a brand. If we adopt the Maslowian view that individuals are predisposed to seek self-actualization, then all the organization has to do is construct a system that allows for identification and internalization. Yet predictably there are complexities. Unless the individual is joining a religious order that requires the denial of the self, there cannot be an exact match between personal and corporate aspirations. All that can be hoped for is an approximation. Moreover, given the dynamic nature of both individual and organization, there has to be the recognition that aspirations and identification can change. This is especially true if the identification with a team or business unit dominates the corporate or if there is a major structural change such as a merger or alliance. Then people may start to question or criticize their identification with the brand. The conclusion of this doubt may be that the individual leaves the organization in search of one that is a better match – something that Reichheld points out is damaging to the organization:

> The longer employees stay with the company, the more familiar they become with the business, the more they learn and the more valuable they can be… It is with employees that the customer builds a bond of trust and expectations and when those people leave the bond is broken.[1]

This problem of alignment of values is a managerial conundrum. Individual values can be moulded to a degree but they cannot be directed. An attempt to move in the direction of the latter creates uncomfortable feelings about manipulation, which we might associate with dictatorial

regimes rather than with a business. Although we would want to encourage identification with a corporate brand idea we do not want to deny individuality. Indeed the creativity of individuals should be nurtured. This raises issues of balance: what is a desirable balance between individuality and the group? What is the right level of individual identification? As the economist Ernst Schumacher wrote, 'we always need freedom and order'.[2]

Individuality

As we saw in the examples of Shakespearean interpretation, individuality is a powerful innovative force. It is the ability of certain people to see things in a different way – to imagine a different future – which creates new ways of doing things. To nurture this imagination in support of a brand there needs to be boundaries. Unbridled imagination can be interesting but it does not necessarily benefit the brand. Thus the organization needs to understand itself and to set the context for innovation. The problem here is ensuring that the organization is self-questioning and avoids the dangers of groupthink. Partly this is to do with ensuring that the brand idea itself is sufficiently inspirational and partly this is to do with management of the process. Enabling people to live the brand requires the organization to generate sufficient order through its processes and systems and sufficient latitude to encourage alternative ways of looking at things. The role of brand champions within the organization is key to this. It is the appointed champions who need to encourage people to look at what they do and to rework their activities in line with the brand. The organization, in turn, needs to make the commitment to help employees restructure what they do. This support should work at the corporate, team and individual levels – all of which should be steered by the brand idea.

An example of this is the Museum of Modern Art (Moderna Museet) in Stockholm. This organization sees itself as a meeting place of contradictory tendencies. It is a meeting place of art with its viewers, for modern and contemporary art, for accessibility and challenge. It has to get the balance right between these tendencies because a museum that pays too much attention to its public can end up playing it safe, while one that pays too much attention to the artist can end up excluding large sections of the public. The Director, Lars Nittve, argues that 'our aim must be to allow the visitor to feel "I am welcome here, this is my museum".' One of the ways that Moderna Museet has delivered on the idea of a meeting place has been through the renaming and role redefinition of hosts (värdar) who are responsible for protecting the art, being friendly and approachable, and explaining the artworks to visitors. The hosts, many of whom have art history backgrounds, are informally dressed and rotate their jobs. During a

day this means they will spend time on the reception desk, checking coats and talking about art in the galleries. While they are given briefings by the art curators, the hosts develop their own expertise through self-study and share their knowledge with each other. They are allowed to act as individuals in their way of working and, as the role has developed, it has become largely self-regulating. Rather than simply seeing a meeting place as an environment that contains artworks, the museum has challenged its own convictions. It decided to drop admission charges, leading to an increase from approximately 250,000 visitors a year to 680,000 in the first 10 months after free entry was introduced.

This faith in individualism, within the framework of the meeting place concept, enables people in Moderna Museet to explore new ways of organizing exhibitions and engaging publics. Nittve argues that this individualism is vital to creativity, but that it cannot exist without a culture of trust: 'You need to create a climate that is a safe place for ideas and where you can say stupid things, but you're not made to look stupid. It's about trying to create a non-blame culture'.

In communication terms individualism necessitates a two-way flow of information and ideas and active support for the principles of the brand idea. At the team level, the management task is to enable a dual identification – with both the team and the corporate. The team needs budgets and resources of its own. This enables it to pursue initiatives that emanate from within the team. There should also be sufficient latitude for the team to develop the skill base of its members. Finally, at the individual level there should be the opportunity for people to develop their own abilities and knowledge.

Another example of this is the Norwegian game developer Funcom, creator of the high-profile *Anarchy Online*. This company invests a lot of time in the development of a game: *Anarchy Online* took 40 people four years to develop. During development the essence of the game needs to be maintained while allowing a diverse group to express their sense of creativity. This is about setting the boundaries and then allowing the creativity to happen. As Games Director Gaute Godager says, 'We let people have as much creative freedom as they can prove they can deal with. But you hold on to some areas that you know are crucial, because you need a creative framework. Within the framework you allow a lot of freedom. That's what people enjoy… It can't be managed in detail by me all the time.' Funcom's culture is innovative, self-examining and strongly based around teams, but there is also a strong sense of discipline. Game development is an inexact craft and it is possible to keep on taking a game further and further.

When it comes to managing budgets there has to be accountability for the individual and the team. This is also stressed by Jim Collins in *Good to Great*,[3] when he observes that the great companies create strongly disciplined cultures. The important point to note is that when companies spend

money on developing the skill base of their employees there should be accountability to the brand idea and to the linkages defined in the balanced brand scorecard.

The suggested process in this book balances freedom and order. It has elements that apply to everyone in the organization but it has elements that focus on the individual. It recognizes that different organizations need (or feel comfortable with) different levels of corporate cohesion and that people have different levels of need to express their individualism. If the organization has been thorough in its recruitment process it will recruit people that match where it sits on the line between collectivist and individual, but there can be no absolutes. There are organizations and nationalities that tend towards individualist and those that tend towards collectivist, but in one direction lies anarchy and the other autarchy.[4] It means that the system for managing the brand needs to be sufficiently flexible to allow collectivists to work comfortably alongside individualists.

Identification

Identification is concerned with the capacity of individuals to identify with an organization and what it stands for. The importance of this for individuals is profound. As we saw in Chapter 3, it defines people's needs for socialization, esteem and self-actualization. Although it is tempting to root identification in time, like other aspects of the individual/corporate relationship it is forever changing. What is the implication for managers of this flux? It is to recognize that as well as the change within an individual over time, different people also need different levels of identification. Some people have a desire to belong to the organization they work for, whereas others have a more detached view and perhaps identify more strongly with a religious body or a social organization. Is there anything wrong with this? In one sense, no – we would probably argue that it is good to have a sense of perspective over the role of work in our lives. However, from the employer's point of view, generally the higher the identification the better as there is a greater potential to turn it into commitment. The difficulty is that identification cannot simply be willed into existence, nor can people be told to identify. Identification comes about when:

- the organization clearly stands for something that is distinctive;
- the organization possesses the emotional intelligence to relate effectively to people's needs;
- the organization communicates a clear message about its beliefs.

Distinctiveness is important because it enhances identification. Research into Christian and Judaic sects shows that the more distinctive the set of beliefs the stronger the emotional identification. The sects achieve this because the distinctiveness of the organization rubs off on the individual. By joining and staying with a clearly defined group, people are making a public statement about their own beliefs. Second, the ability of organizations to relate effectively to people's needs is often questionable, and this is perhaps why, in spite of the obvious benefits of enhancing identification, so many organizations have dispirited and disinterested employees. Research by Chip Heath at Stanford suggests that managers are not as good at understanding employee motivation as they think they are.[5] Managers tend to think that employees are motivated by extrinsic rewards such as pay, and less by intrinsics such as a desire to contribute to the organization. Heath's research shows this is misguided. Employees' overwhelming desire is to do important work. Third, there needs to be a consistent, clear and simple message about organizational ideology. People need to understand the cause they are joining and, ideally, they would like others to know the cause as well. Yet, although distinctiveness is good, there is a danger of extremes. People mostly want to join organizations that understand their deeper needs and contribute to some degree to the welfare of others.

The issue from a management perspective is whether identification can be managed to the right degree. Over-identification can smack of zealotry and be offputting to potential customers,[6] whereas under-identification can seem like lack of interest. Management can reduce the degree of involvement by restricting participation and focusing on systems and can increase it by stepping up the degree of participation. The difficulty here is making this work at the individual level. Although personal counselling and development plans can amend the construct of a participation system so that some have more chance to participate than others, it is difficult to radically alter the balance. As the earlier cited research shows, there are real benefits to more participative approaches and my recommendation is to err on the side of encouraging overidentification, but alongside this to also encourage a questioning attitude. The issue for employees is their options if they choose not to be active identifiers. One can argue that it is part of people's personal freedom to decide on their own level of engagement. However, there will tend to be pressures from employers to heighten identification if they perceive benefits from so doing. The key point is how this is achieved. Enthusiasm and persuasion are good, especially if the organization can demonstrate benefits to the individual of identification. Coercion is neither viable nor desirable.

Sitting alongside the virtues of identification with the overall corporate cause are the potential conflicts of identification with a team. Research shows that the immediate identification for most people is connected with a team or business unit rather than with the corporate. This is emphasized

when the degree of autonomy increases and reduced when integration with the corporate grows. The goal should always be to ensure that the identification with the team integrates with the identification with the corporate. However, it is a not infrequent experience to come across well-entrenched fiefdoms that brook no outside interference and actively work against corporate identification. This sense of separateness is difficult to overcome if there are strong cultural or strategic differences in the business structure. This may not be important in a conglomerate or in a loose organizational structure, where the corporate brand's main point of accountability is to shareholders. However, when a group should make best use of available synergies there can be considerable wastage of effort and resources if business units are working against each other.

To overcome the fiefdoms is difficult. They often have historical circumstance and folklore to sustain them. Nonetheless the attempt needs to be made to merge the interests of the corporate with the team. Vital to this process is the inclusion of the fiefdoms in the initial research programme as defined in this book. This provides the opportunity to understand different perspectives and to build consensus through the process. The actual brand articulation also needs to be inclusive so that it encompasses the needs of the component parts of the organization. There will certainly be no buy-in to the corporate cause if people can turn their backs on the brand and say 'Well it doesn't apply to my team.'

The final part of the process is the adaptability of the brand. The workshops and brand champions are mechanisms designed to enable the teams and business units to use the brand to further their own needs – not at the expense of the corporate or other teams, but in harmony with them. For anyone who has lived with long-term fiefdoms, all of this may sound like wishful thinking. It is certainly not an instantaneous process, but from experience I would argue that participation in the above is a genuinely cathartic process, which if sustained can help to bring the sense of the brand more to the fore.

Corporate trauma

Well-articulated and embedded brand ideas can survive corporate traumas. The most often cited example of this is when someone tampered with a pharmaceutical product called Tylenol, which led to fatalities. The brand owner, Johnson & Johnson, was in no way culpable, but it still reacted quickly and resolutely. It withdrew the product immediately, advertised the problem and offered a reward for the capture of the killer. The company was subsequently praised for its handling of the crisis but it claimed that its reactions were made easy by its credo, which defines the way the organization should

behave and outlines its responsibilities to society. It is in this sort of instance where a clear brand idea is a powerful touchstone for behaviour. Yet there are instances when the brand has to be modified. The most notable examples of this are when organizations are involved in mergers and acquisitions (M&As). The occasion of an M&A, as any merger psychologist or employee who has been through the process will tell you, is one of tremendous uncertainty. The reputation of acquisitions is not overly positive. In about two-thirds of cases the acquirer's stock price falls immediately after the deal is announced. A presage of worse to come:

> The market's routinely negative response to M&A announcements reflects investors' skepticism about the likelihood that the acquirer will be able both to maintain the original values of the businesses in question and to achieve the synergies required to justify the premium.[7]

Part of the problem is that organizations rarely seem to take the issue of culture into account. Bringing together different cultures and brands is inevitably fraught with problems. If two competitors with distinctive cultures come together, the employees of the respective companies may see the other as enemies or at least polar opposites in terms of belief and attitude.

To manage the brand identification issue in M&As requires both sensitivity and courage. After the announcement the anxiety of employees can lead to fear about jobs and security, but it also raises questions about how people's lives, post-acquisition, will be in terms of the higher Maslowian needs. Will there still be the opportunity for self-actualization? The danger is that employees will use the brand idea as a defence mechanism; that the strength of identification increases and becomes a shield to prevent integration. This is not so much a problem in a portfolio approach, but it can be destructive in an integrated organization. To create identification, both sides have to benefit. One company may benefit by acquiring a new skill base, and the other might acquire global reach. If the cultural compatibility is strong it may be possible to fashion a brand idea that is closely related to both organizations' previous existences. However, there may be value in undertaking a brand review programme as described in this book, which enables people to look again at the merged brand and to reach a new consensus on its meaning. If this is to be a genuine fusion, then the groups that come together to stimulate integration need to include members of both organizations and they need to be as objective as possible in formulating both a new way of working and a brand idea that is not the imposition of a set of values by one organization on the other, but a genuine statement of intent. To facilitate this environment is difficult because it is a time of suspicion and what is required is trust. This points to the importance of signalling by

management. On these occasions, employees will look at management signals with greater scrutiny; they will be trying to deconstruct memos and announcements to spot the real intent. Management therefore needs to be scrupulous in its statements, and above all consistent.

The point to recognize in this phase of trauma is that identification with the new merged brand is unlikely to be instantaneous. Like any relationship it will take time to develop. The important thing is to lay good foundations that can be sustained by experience.

Whose responsibility?

The complexities of brand management require that the person responsible for articulating and sustaining the brand should have a broad organizational view. If the brand is to be lived by all employees it cannot be the responsibility of someone with a narrow perspective. In most organizations the title of the person managing this process is chief executive or communications director. However, it could be the human resources or training director or indeed anyone at a senior level. This seniority is important because, perversely, in most organizations genuine participation is only possible if someone with a senior role encourages it. There is also enormous value in obtaining senior management buy-in if commitment and resources are to be maintained over time. Quite often this requires the perseverance of the commissioner of the programme, not only to sustaining the interest of employees but also the enthusiasm of managers.

One valuable mechanism for maintaining the saliency of brand values and the enthusiasm of managers is to appoint senior people with the specific remit of delivering on the values. These 'value managers' can then oversee the process of ensuring that the values are lived up to and that they permeate new thinking. For example, StepStone – a provider of talent management solutions – appointed four senior executives with responsibility for the brand values. Each value manager generates and supports his or her own value, but through regular meetings and discussions works to ensure that a specific value initiative is compatible with others and works towards the fulfilment of the overall brand promise.

The title of the individual may not be especially important but their knowledge and personality will be. The ideal manager has to be possessed of sufficient credibility and authority to obtain support and sufficient humility to involve and promote others. Some commentators are sceptical of the real value of empowerment. Certainly, empowerment has to have some degree of focus; it does require the duality of freedom and order if it is to succeed. This suggests that the manager needs to be capable of setting a direction and knowing when to take action to ensure effective resolution to issues. Deciding

on the brand idea cannot be a perennial talking shop; for example, it requires someone to set limits and to persuade others when decisions have been taken. Simultaneously the programme manager needs to suppress a desire to control. The process should be one of mentoring not imposition.

Summary

Managing the brand is a long-term process, which suggests that the brand idea needs to enter the systems of the organization rather than being the crusade of a lone individual. While the commitment and enthusiasm of certain people will be fundamental to the initial embedding there is no guarantee that those individuals will have the same jobs or responsibilities in the future. Thus the importance of brand workshops and champions in sustaining the brand and the responsibility of individuals to use the brand in their day-to-day work. The relative commitment of individuals will vary depending on their degree of identification with the brand. Overall the stronger the identification the better from the organizational viewpoint, but there are dangers of cultism attached to this. The downside of cults is that they tend to get too inwardly focused and they also lose the ability to question. In managing the brand it is important that questioning and an outward focus are maintained.

Notes

1 Reichheld, F (1993) Loyalty based management, *Harvard Business Review,* (March–April), p 63.
2 Schumacher, E (1974) *Small is Beautiful: A study of economics as if people mattered*, Sphere Books, London.
3 Collins, Jim (2001) *Good to Great*, Random House Business Books, London.
4 Research by Geert Hofstede into the work-related values and attitudes of 72,000 IBM employees in 40 countries indicates that values are culturally determined. Countries such as the United States, Netherlands and Britain are more individualist and Germany, Spain and Portugal are more collectivist.
5 Morse, Gardiner (2003) Why we misread motives. *Harvard Business Review*, **81** (1) (January), p 18.
6 Eric Hoffer's study of totalitarianism – *The True Believer: Thoughts on the nature of mass movements* (reissued 1989, Harper Perennial) – shows how certainty (one right way of doing things) leads to fanaticism.
7 Rappaport, Alfred and Sirowen, Mark (1999) Stock or cash? The trade-offs for buyers and sellers in mergers and acquisitions. Section entitled: Why the market is skeptical about acquisitions, *Harvard Business Review,* (November–December), p 149.

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10 Conclusion

The aim of this book has been to demonstrate the power of living brands and to suggest ways in which organizations can harness the potential enthusiasm and commitment of their employees to deliver them. In so doing I have made some assumptions. I have assumed that, given the opportunity, most people will want and try to find meaning in their working lives. I have assumed that people will want to work for organizations that have clearly defined and appealing brand ideas. I have assumed that most organizations will want to use the collective intellectual resources at their disposal. And I have assumed that at least some organizations will be willing to invest time and money in building the skills and knowledge of their people.

None of these seem dangerous assumptions. Yet there are organizations that will eschew these ideas, such as businesses with charismatic leaders or family-owned enterprises that set the organizational goals and the strategy and then pull the organization along with them. Or there are organizations that have clear and rigid standards that people adhere to and have proven to be successful over time. Some people may find the certainty attached to these role models appealing. There is none of the uncertainty one can associate with empowerment and often these businesses can move at real speed and take advantage of market opportunities. It would be wrong to deny the validity of these more systematic and top-down approaches.

Yet there are implicit constraints. People have changed and have become more demanding of their employment relationships. The pervasiveness of information technology in most organizations has broken down the control of knowledge and made information accessible to everyone. The nature of business has changed, so that access to intellect and creativity has become the key route to competitive advantage. As Dr John Warnock,

one of the founders of Adobe, says, success is 'when good ideas come from everywhere in the company'. Organizations are becoming larger and more global in their orientation. Collectively these factors make top-down management harder to sustain, particularly in an organization of any size. If one accepts the idea of a more participative approach to organizational management – and hopefully the arguments have been persuasive – then the fundamental task must be to engage people with what they spend their days doing. This suggests that brand ideas have to be capable of being:

- imaginative;
- authentic;
- courageous;
- empowering.

Imaginative

To create meaning in our working lives we need to believe in the value of what we do. For most people brand statements that stress ideas connected with cost or profitability will not be ultimately engaging. This does not deny the power of monetary reward but it does indicate that brand ideas have to make an emotional appeal to our larger goals as human beings. For this reason, the most significant brands have strongly emotive elements. They tap into our need to feel good about what we do, to build our self-esteem and our ideas of self-actualization. These 'big ideas' provide an arena within which employees can innovate. Rather than generating unfocused creativity, well-articulated ideas provide the boundaries of imagination. From a management perspective, this enables empowerment programmes to be instituted in the confidence that they will be in line with the brand idea. For example, Unipart says that organizational learning 'must be addressed within the context of the Group's mission and values to ensure acceptance, understanding and commitment from employees'. In other words, such is the relevance of the brand idea in this organization that employees will not accept or commit to new things unless they match their view of the brand.

Think back to the opening chapter of this book and the story of Patagonia. This brand touches the lives of the people that work for the organization with a set of values that stir their imaginations in suggesting they can create a better world. In so doing it builds a huge sense of commitment and enthusiasm. Chip Bell is a powerful metaphor for this because, as he suggests, there is a seamless link between his home and working life. He does not have to pretend to be one thing on the way to work and another when he gets there. The imaginative quality of the

Patagonia brand in turn touches its customers and partners and is cemented through the storytelling that pervades the brand. It is difficult to imagine someone developing a new product or service in Patagonia that is conventional, non-functional and environmentally damaging. People would not allow it to happen.

Of course, the power of such a brand can also be dangerous. It can mean people ignore opportunities. It can also mean we're more disappointed when the brand fails to perform. Brand ideas, because they are developed and delivered by people, will disappoint us. Those negative 'moments of truth' will occasionally surface, but the more consistent the brand is, the fewer the disappointments and the more forgiving we can be.

Authentic

Authenticity is a widely used word in business. However, authenticity relates to both words and actions. Authenticity of language is important because it signals to us as both employees and customers that we can trust what an organization says. In some ways this is the antithesis of traditional marketing, which has always tended to stress the positives, ignore the negatives and indulge in hyperbole. Occasionally brands have made a virtue of communicating that 'they tell it like it is' but the inference of this is that if you need to say it there is a lack of overall authenticity in the market. Self-consciously using down-to-earth language in a marketing context means that someone has made an explicit decision to take advantage of a market opportunity.

The need for real authenticity is driven by two factors. First, the internet has opened up a potential for dialogue, which means that consumers can share their experiences about brands and employees can more easily share their ideas with each other. There is no mediation in this conversation. People say what they really think. The introduction of inauthentic language, especially in the digital arena, suddenly looks very out of place. Second, companies are more exposed than ever before. Consumers want to see behind companies and to understand what they are really like. There is no hiding place. This connects to the other facet of authenticity – actions. Whatever the language used, employees and other audiences are too knowing to be fooled for long. A company initiative that claims a new way of thinking will soon founder if it is not supported by actions. Authenticity means saying what you do and doing what you say in a language and a manner that is credible.

Courageous

Brands have increasing difficulty in differentiating themselves. The only way they can create a realizable competitive advantage is by having a distinctive point of view. However, stepping outside the norms is highly risky. There is safety in being in the pack. Courage means confronting the anxiety that goes with difficult choices and then committing to the ideas that ensue. Look at the rankings of top brands and you will see organizations that have been consistently courageous. There have been some failures – courage has risk attached to it – but there is also a real sense of euphoria for businesses that have shown others a new way of thinking, from Nokia's adoption of design as a point of difference to IBM's reinvention of itself to Dell's systems for product customization.

To build a courageous brand, the brand idea itself has to contain a tension. If the values are simply reinforcing what the organization does well, there is little incentive for experimentation. However, if the values are stretching and pulling the organization, a sense of dynamism emerges. This is part of the value of Koestenbaum's model in that it contains seemingly opposed, centrifugal forces. It is the ability to countenance and live with the anxiety that makes for a strong brand.

Empowering

This is a key concept in the idea of brand articulation and implementation. As a principle, empowerment is important because it uses the full intellectual power of the organization to solve problems. An example of this is Unipart, where any employee can solve a challenge that faces them in the workplace by setting up a quality circle. Individuals can choose the people they feel appropriate to the success of the circle and can set their own agenda. Once the project is complete the findings are shared with others. At any one time, approximately a third of the company's workforce is involved in quality circles. Of course, the company could have initiated such programmes itself, but management recognizes that the employees closest to the day-to-day issues are best placed to resolve them.

When it comes to articulating the brand, I can only argue from personal experience and observation. Participative processes that fully engage people do not always produce the best phrased and presented brand definitions, but they do generate robust definitions that are true to the employees of an organization. They can then build a commitment that seems to be rare in processes that are top-down or too consultancy heavy. The same argument also goes for implementation.

Articulating a brand is only the beginning. Every brand worth its salt has a brand idea. Only a few seem capable of actually delivering the ideas. That requires commitment from management, the ongoing involvement of employees and continuous analysis, feedback and improvement. The real challenge here is to change a manager's mindset away from an approach that focuses on selling an idea to others in the organization to a more organic method, which, following the planting of a seed of an idea, grows through the involvement and enthusiasm of others. When this is achieved the idea of living the brand moves beyond being an initiative to an organizational way of life, and employees begin to be self-motivated.

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Index