



FROM C-SUITE TO THE FRONT LINES:

ALIGNING YOUR ORGANIZATION WITH YOUR
BRAND TO DRIVE PROFITABLE GROWTH

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“ BRAND IS A GENERAL MANAGEMENT FUNCTION—A CASE OF ALIGNING BOARDS OF DIRECTORS WITH EXECUTIVE TEAMS, EMPLOYEES, AND ULTIMATELY CONSUMERS.” ”

On October 31, 2012, LEVEL5 Strategy Group (Canada's recognized expert in branded business strategy) and Spencer Stuart - one of the world's leading executive search consulting firms - co-hosted their first joint Leaders Forum, gathering together a panel of top business leaders to discuss brand alignment across organizations, from C-suite and Board to the front lines. The panel included:

- John Wright, President and Managing Director, Canadian Management Centre,
- Pamela Griffith-Jones, Chief Marketing and Commercial Officer at Greater Toronto Airports Authority,
- Erin Craven-Patrick, Marketing Excellence Leader, 3M Canada Company, and
- Paul Schiffner, General Manager/Director, Weight Watchers Canada.

The event was moderated by Ken Wong, LEVEL5's Vice President of Knowledge Development and the Distinguished Professor of Marketing at Queen's University. Attendees included a diverse array of Presidents, CEOs, and CMOs from national and global B2B and B2C brands.

Throughout the discussion, the major recurring theme that came up was the importance of holistic brand thinking – in other words, how you apply your brand to the management of an organization, not just the marketing of it. The panel and attendees explored what that means in the context of today's complex brand and business landscape; what capabilities are required for a unified and integrated approach to brand management, and, critically, how you extend your brand's reach to every level of your organization, from C-suite and Board to front-line employees.

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THE NEW BRAND MANAGEMENT CHALLENGE: GROWTH

There’s an important strategy shift occurring in boardrooms and executive offices across the country - and arguably in the global business community at large. Executives who have been immersed in finding ways to survive the downturn by cutting costs are now becoming increasingly focused on how to grow their business. But growth no longer results from the same strategies that have worked in the past. As one attendee pointed out, “many of us started...twenty or thirty years ago, and it’s much more complex today. It’s a totally different world.”

Successful growth strategies today are a multifaceted endeavour. It depends on a cohesive and relevant brand strategy that’s nimble enough to respond to rapidly changing and diverse markets, yet stable enough to provide a core foundation that all departments and functions can use to prioritize and guide decisions. Executives with a keen understanding of brand management and marketing (where brand has traditionally resided) are perhaps best poised to navigate the new landscape. In one executive’s view, “a CEO without a marketing background is dangerous.”

Brand management is one of the most important strategic drivers of growth and value creation. But the task is constantly evolving. It’s an area that requires accurate, up-to-date assessments of how your company is perceived in the marketplace. And, perhaps more importantly, the willingness and good judgment not only to change and develop, but also to find ways to connect and stay relevant as you grow and as new challenges constantly arise.

“ WE SPEND 80% OF OUR TIME WORRYING ABOUT THE DIRECT CONSUMER INTERACTION, AND FAR LESS TIME WORRYING ABOUT ADVERTISING. ”

STRATEGY WHITEBOARD: COMMON CHALLENGES FACING BRANDED BUSINESS

1. Your company's employees are far outnumbered by affiliates (such as franchisees and other stakeholders external to the home office) who actively contribute to your organization's overall customer experience.
2. Your company is known for its products, but the brand message needs to tell a wider, more relevant story in order to stand out and fully leverage its competitive advantage; it needs to define the branded business, talk about its "why", and identify the needs it meets and benefits it offers in order to define the customer experience.
3. Negative consumer feedback and misinformation about your company have the potential to go viral via social media. Once viral, the impact can extend beyond marketing to influence employee attitudes and investor and government relations.
4. Your company's brand message that was successful in the past might be failing to resonate now due to changes in technology, shifts in buyer preference and social attitudes, and consumer lifestyles.
5. Your organization thinks that "brand" is a marketing thing and doesn't really apply to those outside of the marketing and communications department.

SUCCEEDING IN THE NEW MARKETPLACE: DEVELOPING A UNIFIED AND INTEGRATED APPROACH

When you treat your brand as your business system™, you create alignment within your entire organization to maximize the productivity of the business and deliver the most customer value at the lowest cost/price for the quality produced. That starts with clear thinking and ends with great customer experiences and the creation of competitive advantage. Whether you're working through internal changes, trailblazing new markets, or just beginning to develop a growth strategy, our panel of experts recommended four brand fundamentals that can contribute to your success.

“ Four brand fundamentals can contribute to your success:

1. Holistic and integrated brand thinking
2. Flexibility when tackling new channels and markets
3. Focusing on the total customer experience
4. Building a branded culture and celebrating success ”

1. Holistic and Integrated Brand Thinking

Brands exist within complex ecosystems. Multiple players and stakeholders contribute to the overall experience, participate in developing your brand strategy, and bring it to life across all touch points. Holistic brand thinking is about the evolution of your company as it shifts and changes in response to your market - a process that accelerates during phases of strong growth. Holistic and integrated brand management involves continuously reviewing your brand strategy and its application throughout the organization (not just marketing) and evaluating whether it accurately reflects your current vision, whether it's still relevant in the marketplace, and what its true value is to customers and your balance sheet.

2. Flexibility When Tackling New Digital Channels and New Markets

Marketing your brand and building relationships have always been important parts of doing business. With new digital channels and markets, this may involve challenging new terrain, but the objective remains the same. Every organization faces challenges to its brand at some point—whether it's in finding effective ways to reach customers over a new social media platform, targeting a different audience demographic, aligning its supply chain, or succeeding in international markets. Aligning your brand across a broad range of constantly moving parts within your organization requires managerial and strategic expertise, detailed research on your market and employees, and a built-in capacity and flexibility for incorporating your customers' perspective into your strategy and operations.

3. Focusing on the Total Customer Experience

If your branding efforts are focused only on the product and use the same communication strategies you've always used regardless of the digital world in which we live, you may be missing a key success factor for brand growth. Our panelists agreed that aligning your brand always comes down to the customer experience, and this applies even more so in our social age of Facebook, Twitter, and Google+ where information travels at mach speeds. As a result, your brand should inform and guide every front-line (and online) interaction, and not be limited to advertising campaigns and package copy. Observed one panelist, “we now spend 80% of our time worrying about the direct consumer interaction, and far less time worrying about advertising.”

4. Building a Branded Culture and Celebrating Successes

Aligning your brand and creating a complete customer experience may start at the top, but it's something everyone in your organization needs to contribute to. As one panelist described, “it's about making sure everyone knows what our values are and how to communicate them, and finding out whether they live and breathe our values.” Building a branded culture takes time, however, and all of our panelists underscored how important peer recognition is to the process. “If you can find a way to celebrate successes and what your employees are doing,” said one, “that energy will build on itself.”

“ Our panelists were quick to point out that achieving alignment across the top levels of an organization is crucial - and not always easy. ”

STRATEGY WHITEBOARD: QUESTIONS TO ASK

1. Does our brand flow through our entire organization and guide decisions and priorities?
2. Is our brand relevant and valuable to our customers? Do we have data to prove it?
3. How can we reinforce our brand across multiple media platforms and channels?
4. Are we equipped to refine our brand strategy to fit new markets and platforms?
5. Are our brand principles and values built into every customer's experience? How do we measure and evaluate?
6. How can we make better use of customer information to target our audiences and understand their core emotional and rational needs?
7. Are we measuring and monitoring results and perceptions and using data to create and support targeted strategies?
8. How do our employees convey our company's brand story and live our values? Do they have the right tools and training to do so?
9. What are our brand successes, and how can we celebrate them?
10. Is our brand execution/message consistent across all customer touch-points?

ACHIEVING ALIGNMENT: MANAGING YOUR INTERNAL STAKEHOLDERS - AND CHANGING MINDS

Aligning your entire organization with your brand involves large overarching projects like building a branded corporate culture, but it also involves sound decision-making around a myriad of day-to-day business matters. Our panelists offered a number of practical suggestions from their experience about how to achieve brand alignment and consistency at the C-suite and Board level, across and throughout the entire organization, and beyond to both affiliates and customers.

Our panelists were quick to point out that achieving alignment across the top levels of an organization is crucial - and not always easy. Ideally, brand direction will come from the top.

“I take full responsibility as the President for creating a total customer experience,” one participant said, “and also for changing the culture of the company to be more attuned to what we're trying to do.” But even when that's the case, our panelists agreed that the goal is to extend alignment outwards from there, starting with the President's direct reports and the Board.

“ YOU HAVE TO SPEAK IN LANGUAGE THE BOARD UNDERSTANDS - THAT MEANS TALKING ABOUT GROWTH, ROI, EBITDA, AND EPS. ”

It's not uncommon, for example, to encounter Board members who don't fully understand or embrace the benefits of this approach to brand management. That's when you need to be both persuasive and informative. One panelist circulated copies of a book on brand management as a primer and first step in getting her Board to understand her brand management goals. Similarly, another panelist regularly meets with Board members one-on-one to discuss brand issues, and brings them helpful articles to read about how leading organizations use their brand to drive competitive advantage and profitable growth.

It's also vital to ensure that you provide data to reinforce and sell your strategies internally to your Board and senior executives. As one panelist put it, "you have to speak in their language," and this means talking about brand and its related investments in terms of contribution to overall growth, ROI, EBITDA, and/or EPS. Another panelist pointed out that as long as the customer experience is always a priority, and you can back up your reasoning with data, you can (usually) get your executives and Board onside. From his point of view, it's all about showing that you're trying to contribute to core business goals. Confidence – and hard work – helps too. "One of the strongest cards you can play is overwhelming competence," the panelist said. "Show that you absolutely know your business cold and you've left nothing open for criticism."

Several of our panelists noted that their companies have worked with the same Boards for a long time. This can be beneficial in some ways, and challenging in others. If Board members have seen brand strategy succeed in other international markets the company operates in, they may be more likely to see the value of using similar strategies domestically. Ideally, you'll have tangible results and metrics to show them, which will make it easier to support continued investment in your brand. If, on the other hand, you've had poor results in the past due to missteps, that's when the risk increases and executives in your C-suite and/or Board of Directors suddenly get their own ideas and head off in different directions. "You have to figure out how to reign them back in and keep focus," a panelist said. "We get them very involved in the business and strategy to make sure no one decides they want to take a left turn. A slight shift is usually what we want." Brand strategy - without facts and reliable execution to support it – can too easily shift to personal opinion and hearsay at a Brand level!

“ Undergoing a rebranding exercise or reinvigorating the corporate culture may take time, energy, and commitment, but they can achieve strong results. ”

Similarly, getting agreement on overall direction and strategy from the outset can help streamline the subsequent approval process as initiatives can be related back to the strategy they originally supported. This makes it easier to focus on what the target market expects and wants, instead of getting caught up in debates about tactics and Board members' subjective viewpoints, like what kind of car should be in the background of the ad.

Reminding Board and C-suite members about the realities of the customer experience can also be very persuasive. As one panelist said, “You have to get Board members seeing through the eyes of the customer, and the only way to do that is to get them out of the boardroom and into the environment.”

They'll appreciate a thank-you, as well. Always keep in mind that your Board members are working hard, just like your employees, and will be as responsive as everyone else to praise and recognition for their contributions.

COMMUNICATING ACROSS YOUR WHOLE ORGANIZATION

As our panelists pointed out, your brand represents your company's promise. As a result, effective brand management requires holistic, integrated, and consistent development and support at the highest levels. From there the strategy must then filter out to every level of the organization and beyond. As one executive described it, “our real focus is to radiate out from the core.” Enlisting your marketing team to act as that core will be a definite boost to this process. “Your marketers need swagger to understand they're the authors of the strategy,” another panelist said, “while feeling confident that all employees own the strategy”.

At key points there may be value in undergoing a rebranding exercise, or in renewing and reinvigorating the internal corporate culture around your brand. As several of our panelists reminded the attendees, while these are certainly processes that take time, energy, and commitment at every level, they can achieve strong results. Employees who believe in your values will want to be an active part of the brand strategy. “Most of the people who work on our front line want to give back,” one panelist said. “That's a big part of why they do it,” and a big reason why their customers return again and again.

There are, of course, many different approaches to building a corporate culture. After doing some internal research that showed only a small proportion of employees felt knowledgeable about her company's brand messaging, one panelist began a storytelling initiative to encourage employees to communicate the message in their own words and using their own experiences.

“Emphasizing the organization's purpose and its 'bigger picture' role shows affiliate employees how they're contributing in their community in a way that makes them feel proud.”

Another panelist involved everyone in his company in a strategic brand mapping exercise that resulted in the creation of what he described as “a new lexicon inside the organization.” By introducing the idea of “brand goggles” as a means of looking at everything with the brand in mind, his employees now have an easy way to apply the company’s strategy to every decision. “It’s given them an instant way to look at our business [through the lens of the brand] and keep raising the bar,” he said.

And as you raise that bar, remember to make celebrating success part of the culture you’re building and the brand story you’re telling. “We brought everyone together for a coffee-and-donut thank you, and the front line workers were really proud,” one panelist related. “Recognition makes such a difference.”

EXTENDING YOUR BRAND'S REACH BEYOND YOUR ORGANIZATION

Stakeholders and affiliates (e.g. franchisees) often play a key role in a customer’s experience, which is why our panelists all agreed on the value of involving them in brand development activities. One panelist explained that this became a significant focus for his company. “We enrolled affiliate employees into our program, we used testimonials, and we made ourselves visible,” he said. “Whatever it took to win hearts and minds.”

Another panelist aligns affiliates with her brand strategy by emphasizing the organization’s purpose and its “bigger picture” role, something that shows affiliate employees how they’re contributing in their community in a way that makes them feel proud. And that pride shines through in each and every daily interaction. “My acid test for success is whether someone who is part of the overall team will pick up a piece of garbage they see in a hallway,” she says. “If they do that, I know they feel a sense of connection.”

The overall goal of involving affiliates in brand development is to ensure a positive customer experience. But how do you know your efforts are helping you achieve your objectives? Our panelists spoke in detail about how they measure and monitor results and perceptions. While your company or organization will need a monitoring process tailored to its unique needs, the panelists provided examples of tools their companies are currently using to monitor their brand’s reputation:

- Annual studies of usage, attitudes, and awareness,
- Brand health indices, incorporating feedback from all audiences and affiliates,
- Brand asset valuations (also known as brand equity metrics),
- Formal collection and analysis of both online and face-to-face consumer feedback,
- Active monitoring of feedback via social media,
- Listening to call centre conversations for anecdotal feedback, and
- Opt-in consumer panels or advisory groups.

“ WHATEVER DATA YOU COLLECT AND ANALYZE, USE IT TO YOUR STRATEGIC ADVANTAGE BY FINDING BETTER WAYS TO CONNECT WITH YOUR AUDIENCES AND BY ENHANCING THE CUSTOMER EXPERIENCE BOTH OFFLINE AND ONLINE. ”

“ Growing your business across new digital channels is a trial and error process of figuring out not only when to step in, but also how to interact with consumers in ways they respond to positively. ”

Companies and organizations are also looking closely at both demographic and psychographic data. Your company may appeal to a broad spectrum of consumers, for example, but have low relevance for the under-35 demographic. If that's a desirable target for your company, collecting data about how that audience wants to interact with you, what devices they want to use to interact with you, and what they feel is missing from their customer experience will help you adjust your strategies to better reach them. As one panelist pointed out, looking at psychographics (i.e., studies of attitudes and lifestyles) and values is at least as important as looking at demographics. People in your target customer segment, for instance, may well have more in common with others of a similar psychographic profile, regardless of their age, than they do with those in the same demographic; they may be more likely to be iPhone, tablet, and e-reader users than BlackBerry users, and they may also have very different service needs and expectations.

Whatever data you collect and analyze, use it to your strategic advantage by finding better ways to connect with your audiences and by enhancing the customer experience both offline and online. But be prepared for an adjustment. Being successful at applying your brand to new digital and social media platforms, for example, means you'll need to leverage the strengths of each platform, monitor what's happening there, and be able to respond in a timely way, which requires resources and dedication. As one panelist observed, growing your business across new digital channels is a trial and error process of figuring out not only when to step in, but also how to interact with consumers in ways they respond to positively.

This measure of flexibility and responsiveness is also important when you're extending your brand strategy to new markets. Global brands can thrive with the right balance of stability and adaptability. Said a panelist, "our global brand essence is solid, but we're given the freedom to interpret that for our country in a way that will be relevant to our market." Finding and maintaining this balance, of course, is not always easy. As another panelist pointed out, "our company doesn't mean the same thing in every country. In China our brand positioning didn't make sense, so we've completely rebuilt the brand there." The potential payoffs for this diligence, attention, and flexibility can be huge: success in new markets, in new customer relationships, and in profitable growth.

“ THE DRIVER BEHIND REAL-WORLD EFFORTS TO CREATE ALIGNMENT BETWEEN THE ORGANIZATION AND ITS BRAND, IS A COMMON GOAL: PROFITABLE GROWTH. ”

WORKING TOWARD A COMMON GOAL: PROFITABLE GROWTH

Implicit in the discussion between panelists and participants, and the driver behind real-world efforts to create alignment between the organization and its brand, is a common goal: profitable growth.

That is the ultimate purpose behind developing your brand and using it to manage your organization; to ensuring that everyone, from the Board and CEO to the front-line employee, lives and breathes its principles; to creating experiences for your customers that accurately reflect the brand; and to continually measuring and monitoring your activities. Without that end goal, any expenditures in people, time and other resources are costs with no ROI.

But, with the goal of using your brand to drive profitable growth, those costs transform into investments that yield tangible, financial results, and those are some of the best tools any organization has to support strong alignment within your organization.

ABOUT LEVEL5 STRATEGY GROUP

LEVEL5 Strategy Group is Canada's recognized expert in branded business strategy. For over a decade, it has committed to helping clients drive profitable growth through the power of their brand and worked with global business leaders like Harley Davidson, Live Nation, Canada Goose, PC Financial, Metrolinx, Fairmont Hotels, Canada Post, Manulife, Western University, Canadian Tire, Cox Communications, LCBO, Toronto Pearson Airport, and Second Cup to name a few.

For more information on how LEVEL5 can help you drive profitable growth for your organization, call David Kincaid, CEO and Managing Partner, at 416 361 3468 x 225, or send him an e-mail at dkincaid@level5strategy.com.

ABOUT SPENCER STUART

Spencer Stuart is one of the world's leading executive search firms. Privately held since 1956, Spencer Stuart applies its extensive knowledge of industries, functions and talent to advise select clients — ranging from major multinationals to emerging companies to not-for-profit organizations — and address their leadership requirements. Through 53 offices in 29 countries and a broad range of practice groups, Spencer Stuart consultants focus on senior-level executive search, board director appointments, succession planning and in-depth senior executive management assessments. We were the first global executive search firm to enter Canada in 1978, helping clients across the country achieve outstanding leadership solutions for their organizations from our offices in Toronto, Montreal, and Calgary.

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