



# Human Resources: The Inside Brand Manager

By Karl D. Speak

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**Human resources executives have a new leadership role in developing brand loyalty with customers.** The brand on the *outside* (with customers) is only as strong as the brand on the *inside* (of the organization). This is the new mantra of the most marketing-savvy executives. The foundation for this new belief is based on two pillars: sustainable growth requires customers that admire the company's products and value system, and employees are the first important link in the brand-building effort.

These "new-school" business leaders are all proclaiming the virtues of building their brands from the inside-out. In fact, some of these avante garde CEO's are proclaiming that if a strong brand exists on the inside of the organization, the outside brand with customers will take care of itself! Many human resources executives are now being enlisted to become an important member of the organization's marketing team. Management gurus are talking about the human resources executive as the "chief inside marketing officer" or "inside brand manager."

## Why Brand, Why Now?

Let's start out on the same page about brand. Brand is not a logo, slogan, advertising campaign, or a product name. Brand is a relationship – a very special relationship with special qualities. Strong brands are trusted, admired, and rewarded with loyalty. Products can be strong brands. Companies can be strong brands. People can be strong brands.

For businesses, brand management is the discipline of creating, managing, and fostering customer relationships. It is not advertising and logos. It is not a marketing strategy that requires large marketing budgets. It is not just for packaged goods. Brand management is the creation of a

special customer relationship that is based upon an organization's unique strengths. It doesn't matter what you sell, what you do, or who you are. It doesn't matter how big or small or young or old your organization is. It doesn't matter if you sell products for a profit or offer services as a non-profit. Brand is not a specialty management discipline. What does matter is that every company relies on strong customer relationships and their reputation to grow faster than their competitors. And brands are relationships.

Companies with strong brands win more often than their competitors. Brand's popularity has reached mass-market status as a business management topic. The status of brand is not likely to fade away for some time, if ever. There are two reasons for this staying power: one is cultural and the other is based on proven business rationale. We can thank the proliferation of the MBA degree over the past twenty years for the popularity of brand in the business culture. It's cool to work for a company that has a strong brand, either consumer or industrial.

This "MBA cool factor" does have a strong and proven business rationale. Brands are real and so are the benefits businesses derive from having a strong brand. Managing a brand has become the new discipline for managing and growing customer



relationships. This new approach to customer relationships is firmly rooted in common sense.

After all, the additional transactions that result in growth can be generated far more efficiently from existing relationships than from the non-existent-at-the-moment variety. On-going relationships have equity and value. Being the brand of choice has far-reaching advantages and built-in potential. Consumers often become so loyal to a brand – they come to value their relationship with an organization so much – that they're willing to pay a premium price for it. Knowingly.

Although brand management is not a new topic, two things make it different today and going forward. Companies of all types and sizes are embracing brand – it's not a niche strategy, and the experts have discovered that building brands is no longer solely a marketing activity. The human resources executive is now being asked to become a partner in the brand-building process. Remember, the brand on the outside is only as strong as the brand on the inside.

### **Connecting the Outside and the Inside Brand**

Brand management viewed in its newer, broader context boils down to two organizational competencies. One is effective brand management by the marketing communications and marketing management departments, also referred to as *keeping the brand*. Think of this as managing the outside brand. The other is a company focus on aligning and motivating the organization to embrace a set of beliefs that support the values of the brand. This is known as *managing the inside*

*brand*. It demands commitment and a diligent effort from the whole organization.

Managing the inside brand takes brand management beyond its traditional realm of corporate identity, product design, and communicating a singular, poignant brand voice. Simply stated, managing the inside brand engages the entire organization in the brand-building process. It's about adding a new dimension to brand building – creating brand loyalty inside the organization. Brand enthusiasts throughout the organization become the strongest advocates for upholding the brand's values, thereby extending the power of the organization's brand stewardship efforts. An organization that is engaged and passionate about its

brand creates brand-building resources made more potent through its collective power. Managing the inside brand is the result of infusing the organization with a rich understanding of the brand's values and encouraging behaviors that are consistent with the brand's values.

An interesting way to understand the role of managing the inside brand in the overall brand management effort is by doing a little brand arithmetic. I'll start by defining some terms.

WV = Working Values

CBV = Core Brand Values

PBV = Preferred Brand Values

*Working values* describes the cultural values in an organization that ultimately govern its behaviors. In simple terms, working values provide a context for the way in which employees treat each other. A

*The brand on the outside is only as strong as the brand on the inside.*



culture that values open, honest communication will foster relationships between employees that are based on sharing information and valuing other people's opinions.

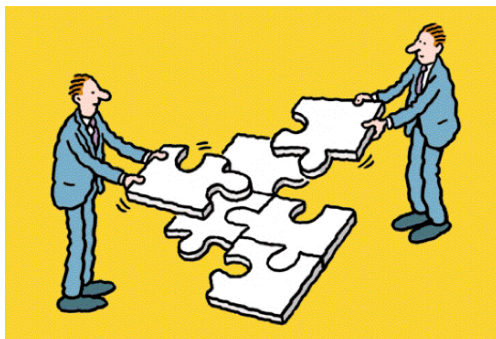
*Core brand values* are the values that customers, and other people outside the organization, associate with the brand. In essence, core brand values are the basis for a brand's equity.

*Preferred brand values* are the values that customers would say are the most important attributes for a brand to have in a given category. In a nutshell, the preferred brand values describe what it takes to create a loyal customer. The preferred brand values describe the position of the most valuable brand in a given category.

Here we go - brand arithmetic.

- (1)  $WV = CBV$
- (2)  $CBV = PBV$
- (3)  $WV = PBV$

Equation 1 is based upon human relations common sense. The way in which people treat each other as fellow employees has a direct, inevitable impact on how customers will be treated. Said in a more colloquial fashion: You can't fake it for very long; true feelings will find their way to the surface.



Equation 2 is a brand management axiom. Simply stated: to create brand loyalty, the customer must perceive (believe) that the company (product) consistently delivers an experience that meets their expectations or standards of excellence in that category. Now we get to test our memory of 8<sup>th</sup>-grade algebra.

$$\begin{aligned} WV &= CBV \\ CBV &= PBV \\ WV &= PBV \end{aligned}$$

By mathematically relating the first two equations we find that consistent brand building requires that the culture of the organization must be aligned and support the most important customer requirements. The organizational development requirement in brand building is an axiom of the new brand building formula. Brand building is everybody's job! A brand on the inside that is not connected to the brand on the outside creates a big disconnect with the customer!

***Stepping Up to the Challenges of the Inside Brand Manager***

Don't be intimidated and don't be too quick to rush off to look for those old marketing textbooks. The initial interest in inside brand building started with human resources executives embracing the concept of *employer brand*. The focus of employer brand ran the gamut of developing more creative recruitment advertisements to a broader context of "branding" the employment experience to become an employer of choice to compete in the tight employment market associated with the recent economic rally.

Employee recruitment efforts require a certain level of representing the company's brand to acquire the



right talent for the organization. In fact, we know that companies with strong outside brands are much more productive in their recruitment efforts. At the same time, effective employee retention requires using the organization's inside brand to breed loyalty with employees. So certainly on an unconscious level, brand has been an integral part of the human resources management discipline to attract and retain employees.

For many organizations, the so-called inside brand management activities surrounding recruitment, retention, or cultural alignment programs exist at some level, but in most cases are hit or miss and are more likely not in-synch with a customer focus. A small number of companies have been successful, but more likely in an unconsciously competent manner.

Of course, there are a very small minority of organizations that manage an inside brand in

concert with their outside brand. A brand on the outside that is earnestly synchronized with the brand on the inside produces perpetual energy for the organization to grow at speeds much faster than their competitors.

Stepping up to the challenge of managing the inside brand requires a conscious effort based upon clearly defined processes and a set of "brand-management" skills. The efforts focused on connecting the outside brand with the inside brand will have the effect of more directly connecting the activities of the human resources team with the bottom line. Being perceived as providing more value to the organization means the human resources team will develop an even stronger brand for themselves.

### **About the Author**

**Karl D. Speak** is a consultant who delivers powerful insight and practical advice on brand management issues. At the foundation of his experience and knowledge are his activities connected with Brand Tool Box, Ltd., the company he founded in 1984.

Karl has implemented his contemporary approach to brand management with a wide range of corporate clients, such as Allina Health System, United Healthcare, Honeywell, Cargill, Marshall Fields, American Airlines, Federal Express, ING, Qwest, IBM, US Bancorp, Pillsbury Company, AT&T, Motorola, Skandia, The Scotts Company, Stanley Tool Works, *The Wall Street Journal*, 3M, Walgreens, Sony, and Target Stores.

Karl has co-authored a book titled *Be Your Own Brand*, which has been translated into nine languages. This book introduces personal branding and how “successful” people have learned to consistently act out their personal values to make a difference in relationships throughout their lives. This book provides practical advice and how-to’s for individuals to be more successful by being “more of who they are, not less.”

As an accomplished presenter, Karl speaks to many different types of audiences around the world. His energetic style and wide-reaching knowledge of brand management make him a favorite speaker with executive teams. Karl has trained hundreds of marketing professionals in the discipline of brand management in corporate training seminars, in addition to his teaching at University of Minnesota, College of St. Thomas and University of Westminster.

### **About Brand Tool Box, Ltd.**

Brand Tool Box is a publishing and training resource providing organizations and individuals with informational tools and training workshops to improve their brand management competency. For 20 years Brand Tool Box has provided brand management consulting services to some of the world’s most respected companies.

The purpose of Brand Tool Box is to provide executives and marketing professionals with practical brand management tools to address real-world brand management challenges.

Brand Tool Box has a comprehensive curriculum of brand management training workshops and internal brand-building programs. The training workshops include a very popular workshop for executive teams, professional development curriculum for marketers and workshops designed to build alignment between organizations and their employees.

Brand Tool Box’s innovative approach to its internal brand-building programs is being implemented in organizations around the world.



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