



# **Beyond Stewardship to Brand Infusion**

By Karl D. Speak

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### **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 Beyond Marketing Thought, the company he founded in 1984.

Karl has implemented his contemporary approach to brand management with a wide range of corporate clients, including Allina Health System, UnitedHealthcare, 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, Sony, and Target Stores.

Karl recently co-authored a book entitled *Be Your Own Brand*, which is currently available in bookstores nationwide. 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. *Be Your Own Brand* 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®**

Brand Tool Box® is an information resource from Beyond Marketing Thought, providing individuals and organizations with understandable, real-world brand management information and tools to help improve their brand management competency.

In addition to publishing articles and books on brand management topics, we have a full line of professional development courses for marketing, marketing communications, and design professionals and training courses for individuals at all levels of an organization, including executives, sales forces, and marketing teams.



## Beyond Stewardship to Brand Infusion

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**You've got to steward your brand if you want it to survive and flourish, say the brand-building enthusiasts—but it's not easy.** Brand stewardship—the leadership of and accountability for the long-term well being of the organization's brand equities—isn't a particularly easy sell to pragmatic business professionals. Many of these upwardly mobile executives have found ways to pump up their success ratio by selling more, cutting better deals and moving faster. After all, the rewards for brand transactions are often greater than for fostering long-term brand relationships?

But things are changing. Consider these real world comments from senior executives I've counseled about building a stronger brand management competency in their organizations.

*"We have created a few strong brands, but now we have to learn to manage them. We have great relationships with our trade customers and have become principal suppliers to them, but we don't have the mindset and discipline to build our consumer brands."* – President, category-leading food company

*"As an industry-leading retailer, we've proven our ability to be great merchandise managers and great advertisers, and we've finally earned the right to build our own brands. We need to teach everyone in our organization about brand management. The time has come to take advantage of the loyalty we have created with our customers."* – Senior Vice President, leading retail chain

*"Our brands are only as strong as their weakest link. Everyone in our firm has to*

*understand and become committed to delivering on our brand promise. Without a consistent, superior client experience, our clients will view us as a commodity."* – General Partner, internationally known law firm

These outstanding executives are not exceptions; they are managers who are in synch with today's business challenges and opportunities. So-called "old economy" companies, represented by the executives above, are reacting to the "new economy" paradigm. An important part of the new economy business model is intimate customer relationships and preemptive marketplace position. The challenge is to ramp up fast. Marketplace position and intimate relationships with customers are being valued above profitability, at least in the short term. For evidence, look at the much-touted market valuations of any respected dot.com company. Reading articles about an Amazon.com or Starbucks in the popular business press leaves the reader with little doubt of the role intimate customer relationships play in the new economy business model.

That's why building stronger brands is more important now than ever. The arrival of the "information age" and its role in building an empowered, passionate consumer culture has made building branded relationships the new business "best practice." It's no longer a cure in search of a disease.

But brand stewardship as it was first conceived is not enough anymore. Building brands by following corporate communications policies, generating volume shipments, and creating brand awareness is not good enough in today's competitive world. It's time to move beyond brand stewardship as a literal interpretation of a brand's promise, toward a distinctive brand experience that is a product of an organization that is deeply committed to its brand's promise.

Brand stewardship viewed in this broader, holistic sense boils down to two organizational competencies. One is effective brand management by the marketing communications and marketing management departments: This is referred to as *keeping the 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 *living the brand*. It demands commitment and diligent effort from the whole organization.

Living the brand takes brand stewardship beyond its traditional realm of corporate identity, product design, and communicating a singular, poignant brand voice. Simply stated, living the 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. Living the 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.

### **Brand Math**

An interesting way to understand the role of living the 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 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. 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 a postulate based upon intuition and observation that refers to the notion that 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: For a brand to be most preferred in a category, its associations or attributes must equal or closely resemble the attributes determined by the marketplace to be the most preferred.

Now we get to test our memory of 6<sup>th</sup>-grade algebra.

$$(1) WV = ~~CBV~~$$

$$(2) ~~CBV~~ = PBV$$

$$(3) WV = PBV$$

By relating the first two equations, we see that the core brand values cancel out, leaving us with the "proof" that at the root of brand management is a culture whose values support the values associated with the most valuable brand. The organizational development requirement in brand building is an axiom of the brand management discipline. Brand building is everybody's job!

### **Embracing Brand Stewardship**

Obviously organizations don't start out as consummate, avid brand stewards. It takes time, learning, and commitment. Most important, an organization has to see tangible proof that a commitment to brand management has enhanced its ability to compete; that it ultimately contributes in a meaningful way to business results. Success is a critical element in maintaining an enduring commitment to brand stewardship. Executives bank on what's worked, and they will continue to do so, unless given a reason to change.

In a sales-driven organization, sales resources get priority; in the technology-driven company, engineering resources get special emphasis. Although brands aren't the most important asset of any company, they can make meaningful

## *Building and deserving enduring customer loyalty represents a major responsibility for organizations and their leaders.*

contributions to the successful business model. To be revered, brands have to be acknowledged by senior management. Executives manage what is measured. Therefore, it is critical that measurements, both quantitative and qualitative, be established, monitored, and reported as a part of an established planning process. The notion of brand valuation or contribution is fraught with ambiguities and obstacles that make this task difficult, though not impossible. As an organization moves down the path of involving brand management in its business practices, it will be important to reinforce the contributions made by the brand as a way to encourage brand stewardship commitment.

It has been my experience that organizations go through three phases as they evolve into this broader, holistic commitment to brand stewardship. Following is an overview description of each phase.

### Phase One: Infancy

#### *Description*

- “Brand management” is perceived as “logo management.”
- The corporate communications department is assumed to be the organization’s brand manager.
- The organization has earned some brand equity or preference based upon exploiting another competency, such as strong trade relationships, first-in product advantage, or a long-

standing position in the category or industry.

- Significant changes are occurring or have occurred in the marketplace; for example, consolidation of trade customers or end-user customers, new technologies, or new competitors have created a need to bolster the firm’s market position.
- Executives within the organization have become aware of brand management as a possible “best practice” that needs to be explored.
- Merger and acquisition activity has raised the awareness of the need to manage brand identities. This may be as part of the process of creating a new corporate identity or the effort required in consolidating two brand portfolios.
- The organization has realized it has too many product brand identities resulting in trade channel confusion, excessive brand support costs, or the need to reduce its overall marketing and sales costs.

#### *Brand Management Tools*

- Some sort of corporate identity or brand guidelines manual (however, its guidelines are focused on graphic standards and are likely to be outdated).
- Confusing or no common language about brand management.

- Little or no definition of each brand's characteristics and promise.
- Marketing personnel and marketing communicators with little formal training in the brand management discipline.

#### *Actions to Move to Next Level*

- Formal executive training in brand management and its importance as a business practice.
- Formal brand management training of marketing and communications staff.
- Preparation of "brand impact statement" It is a document that emphasizes brand equity as a tool that increases the efficiency of marketing and sales efforts, boosts relationships with trade customers, lays the ground work for stronger pricing policies, the importance of organizational alignment around a single brand promise, using brand as a mechanism to create a customer-centric organization; it's not a document that focuses on the justification for increasing the advertising budget.

#### Phase Two: Adolescence

##### *Description*

- A formal initiative has been started or recently completed to improve upon the organization's brand management competency.

- A new brand standards manual has been created to support a new brand identity system.

- Brand management has become a part of the marketing management and marketing communications language and planning process.

- A formal announcement has been made within the organization about the importance of managing brands.

- The characteristics and values of each primary brand have been defined.

- Brand management responsibility is now shared with marketing management.

- Executive team members include brand references in communications.

- Executive team members reinforce the organization's focus on and commitment to building brands as a core part of their strategic direction and competitive advantage.

- The organization has made a commitment to a quantitative brand assessment research study providing the management team with benchmark understanding of their targeted consumers.

##### *Brand Management Tools*

- A formal brand strategy, developed and approved by senior management.

- A brand management decision support system that contains identity guidelines, brand definitions, brand usage guidelines, brand management structure, and brand management responsibilities.
- A formal training program for marketing and marketing communications personnel.
- Marketing and communication staff with brand management experience.
- New brand management processes that include brand development in the formal planning process.
- Brand building as part of performance measurement.

#### *Actions to Move to Next Level*

- Implementing new brand strategy across all business operations.
- Changing the way new brands are created and managed.
- Formally changing marketing and sales processes to support new brand strategy.
- Replacing “sales math” with “brand math.”
- Despite the fact that they may jeopardize short-term sales prospects, making marketing and sales decisions that create a platform that supports future brand-building efforts.

### Phase Three: Maturity

#### *Description*

- Brand management has risen to the level of a “best practice” in the organization.
- The organization has a broad-based understanding of the brand’s value and importance to the organization’s success.
- Senior level managers take an active role in the brand’s well being.
- Everyone in the organization understands how his or her behavior can make a significant brand statement.
- Company “mythology” centers on stories that showcase the brand’s values.
- Care is taken to strike a balance between brand transactions and brand building in everyday business.
- Brand champions are celebrated.
- Business plans center around prolonging the life of a brand, knowing that all of the organization’s efforts are driven by enhancing the brand’s relationship with its consumers—“Ask not what the brand can do for the organization; ask what the organization can do for the brand.”
- Knowledge of the brand’s consumers’ preferences and the brand’s strengths

and weaknesses is shared and understood by the broader, cross-functional management team.

### *Brand Management Tools*

- An interactive brand management decision support system accessible to all employees, acting as a knowledge management system that includes corporate identity guidelines, brand use guidelines, on-line training, real time brand news tracking, brand champion stories, brand moments celebrations, and news about current brand promotion efforts.
- A formal brand-training program for marketing and communications professionals.
- A comprehensive “living the brand” training program for all employees.
- Reward and recognition programs that celebrate brand behaviors.
- The brand as a focus of orientation for new employees.
- A well-defined process and ability to efficiently conduct brand research.
- Hiring employees whose “personal brand” resonates with the organization’s or product’s brand values.
- Maintaining an ethnocentric connection to the brand’s constituents.
- Finding ways to expand the brand’s reach across related behaviors.
- Including the brand in the company’s or business unit’s organizational development efforts.

### *Actions to Maintain This Level*

- Maintaining a shared vision for the brand and its values that fosters commitment to the long-term growth of brand equity.
- Placing charismatic brand champions in key management positions.

Brand stewardship is not a *fait accompli*, an end point; it’s a discipline. In the words of Peter Senge in his seminal text *The Fifth Discipline*, “To practice a discipline is to be a lifelong learner. You never “arrive”; you spend your life mastering disciplines.”<sup>1</sup> Embracing brand stewardship is a huge effort, requiring leadership, passion, and belief in the brand and a set of cultural values that are strong and in tune with the needs of the marketplace.

### **Infusing Brand Stewardship**

As noted earlier, infusing brand stewardship into an organization can be boiled down to two fundamental competencies. There are the “mechanics” of brand management: graphic standards, the consistent application of corporate

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<sup>1</sup> Peter M. Senge, *The Fifth Discipline: The Art and Practice of the Learning Organization* (New York: Doubleday Books, 1990).

identity, brand-based marketing communications that send a consistent brand message, product design and development that strengthens and broadens a brand's reach and reinforces the brand's character, packaging with impact, inviting point-of-purchase design, and so on. These things are important, but they are covered in all manner of literature; I will spare you another opinion about the intricacies of the mechanics involved in *keeping the brand*; our focus here is on *living it*.

The essence of living the brand is empowering and encouraging individuals to act on behalf of the brand with vigor and passion. A brand needs champions. But here's a paradox: We know that consistency is the hallmark of all strong brands—after all, predictability is a major component of any brand's value—but if we dig deeper into the efforts that support strong brands, we find exceptional brand behaviors – say, Ritz Carlton concierge running out to buy a Burger King Whopper to satisfy a guest's craving, or a UPS driver on a rural route going out of his way to deliver needed medication to a homebound person. Consistent, relevant behavior is expected, but exceptions encourage brand consumers to stand up and take notice. This exceptional behavior doesn't happen through employees following policy or standard operating procedure—it happens because someone behaves instinctively and with conviction on behalf of the brand. Brand pride is akin to personal pride, and individuals spurred on by brand leaders find opportunities to make strong brand statements. An

organization that is steeped in its brand values and encourages participation creates an environment of self-actualization for engaged employees.

It has been my experience that implementing a living-the-brand initiative is similar in many respects to other change initiatives. Simply stated, instigating change in an organization requires a launch event to raise the collective consciousness of the idea or concept, a training agenda to develop the needed baseline competencies, recognition and reward programs to reinforce desired behaviors, management actions that demonstrate organizational commitment, and finally, management leadership that displays the “walk behind the talk.”

Incorporating a brand-building discipline is an important learning initiative for an organization. It will be important to enlist the services and support of the human resources or organizational development staff to learn from previous change initiatives. Following are a few lessons learned from living-the-brand initiatives I have designed and implemented with different clients.

- Find a way to make the launch event memorable. Position it as the beginning of a commitment to a new discipline—not just another “program of the month.” Use analogies to other successful change initiatives. If possible, use upcoming major events, such as annual sales meetings, as venues. Be sure to highlight substantial changes to the way the

brand is being viewed by the organization to make the launch real. This should be the first time people in the organization see actual implementation of the brand strategy.

- Training is very important and not to be taken lightly. Commitment to a new discipline like brand management is much better received if individuals feel they have the skills to walk the talk. The training needs to start at the top level of management and cascade down to every level within the organization. The training sessions at all levels need to address issues such as: What is a brand? How are great brands built? What does our brand stand for? How do our brands relate to each other? What specific behaviors support our brand? Which behaviors make the most dramatic brand statements? The training has to be pragmatic, interesting, and relevant. Because virtually everyone in an organization is familiar with brands in their personal lives, the training can be interesting and informative. It must incorporate accepted instructional design and effectively treat the subject matter in a thoughtful and interesting manner, bringing home the point that consistent, pointed behaviors are at the root of brand building. It's the beliefs behind the logo that matter.
- Recognition and reward are two important parts of creating new behaviors. Use internal communication media to recognize people for outstanding brand behaviors. Create

recognition platforms like "divisional brand champion," and use them to highlight "brand moments." This is an opportunity for brand-adorned apparel. I have also found it to be very helpful to design useful, attractive office or personal accessories with a statement of the brand's core values.

- Promotions and achievements of brand champions need to be celebrated. People learn by observing. Who's getting promoted? Is she/he a brand champion? Did he or she "stand up for the brand"? These are the types of questions going through employees' minds as they see people getting promoted or rewarded in some outstanding way. Urge senior management to keep this in mind.
- Brand leadership is critical! Every great brand is led by a brand master. Think of Walt Disney, Richard Branson of the Virgin Companies, or Sam Walton of Wal-Mart. All these people provide(d) charismatic leadership for the brands and the organizations that support them. Senior management has to get out front and incorporate brand in their language and demonstrate brand behaviors in their actions. Most important, the senior executives have to share their vision for the brand, placing special emphasis on the relationship among the organization, its products, and its consumers. It's important for the executive to be the advocate for the brand consumer, holding the brand relationship in high esteem.

Creating and building momentum for brand stewardship is an awesome task. But it's no longer optional, and the rewards will be there for those organizations successfully taking on the challenge. The most successful of these will be the companies that not only steward their brands, but allow them to permeate the whole organization in a holistic way.

The ante has been bid up. Building brands requires a sharper focus and greater commitment by the organization. Building and deserving enduring customer loyalty represents a major responsibility for organizations and their leaders. Great brands set high expectations and deliver on their promises.



510 First Avenue North, Suite 605  
Minneapolis, MN 55403  
612.338.5009  
612.338.4714 *fax*  
[www.brandnetwork.com](http://www.brandnetwork.com)  
[info@brandnetwork.com](mailto:info@brandnetwork.com)