



Internal Brand Building: Leveraging an Innovative Collaboration Between Marketing and HR



An Article by Karl D. Speak



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This article describes an important new innovation in building stronger customer relationships. The innovation is called internal brand building and it is based upon a new collaboration between marketing and human resources. This proven innovation can produce a sustainable, high performing customer-centric culture for all types and sizes of organizations.

Conventional wisdom has it that brand building is a niche competency contained within the marketing silo. There is an innovation in brand building now taking place that integrates the relationship-building competencies of the marketing and HR functions.

The name for this new business process is internal brand building. Internal brand building produces high-performance customers (customers that produce above average revenue, better profit margins, or purchase a broader portfolio of products) and substantially higher levels of employee engagement. When employees are highly

engaged around the things that make the biggest difference for customers, the result is a strong brand. Engaged employees create engaged customers. Internal brand building is an innovation that connects employees with customers.

The innovation is based upon marketing and HR working together, using a shared process to coordinate the relationship building inside the organization with employees and the relationship building outside the organization with customers. I am talking about an innovation that can have a direct impact on improving the value customers receive and as a result will have a positive impact on the organization's financial results.



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One of the most important responsibilities of a marketing executive is managing the relationship between a company and its customers. An important leadership role of the marketing executive is to create a customer-centric discipline for the organization. The focus of the marketing leader is to cajole, inspire and otherwise encourage employees to keep the best interests of the customer front and center of everything the organization does. By necessity the marketing executive approaches each leadership challenge with an outside-in perspective.

HR executives are accountable for the relationship the company has with its employees. The HR function is perceived to be much more effective when employees are aligned and focus their efforts on delivering value to customers. HR's perspective naturally is inside-out of the organization.

Creating symmetry between these two perspectives will enable organizations to more effectively build a stronger brand. Marketing and HR working together can increase the number of high-performing customers, a key performance indicator of every industry leader.

I'm not a human resource professional and frankly until the last five years I have had very little interaction with the human resource profession. As a brand consultant, I have spent the better part of 25 years working with clients to develop stronger marketplace relationships. I became an accidental tourist in the human resource profession. My experience with HR executives came about as a part of the steep learning curve designing and implementing internal brand-building programs. My first hand experience observing successful internal brand building has convinced me of the power of marketing and HR working together.

Before we can understand how this coordinated effort between marketing and HR can work, we need to understand their individual perspectives on relationship building.

We all know the tried and true metaphor of the iceberg that reminds us of the importance of the things that are below the surface to get a deeper understanding of the whole situation. Using an iceberg to represent this new perspective on corporate brand-building will provide a useful metaphor to understand the relationship between marketing and HR. Marketing's efforts to attract new customers and increase the performance of existing customers can be represented by the part of the iceberg that is readily seen by the public. HR's efforts to develop a connection between employees and the company are represented by that part of the iceberg below the surface.

Marketing's Perspective of the Iceberg

Marketing has the responsibility for managing the relationship between the organization and its marketplace, this in essence

boils down to guiding the organization to focus its "brand of doing business" on the needs of its targeted customers. By the same token, marketing also has the responsibility for making sure the organization gets credit from its customers for consistently delivering that unique value.

From its traditional perspective, marketing has approached brand building as delivering appealing messages that use a strategic marketing communications mix targeted at a defined audience. The goal was to create a cognitive and emotional connection with its targeted market. When successful these activities create



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a distinctive perception of a brand, enabling it to stand out in a sea of competitors. Extending the metaphor of the iceberg, traditional brand building is focused on the part of the iceberg above the surface.

Unfortunately, the purview of many marketing executives has been stuck constrained to brand building that's through the effective use of marketing communications. While this restricted perspective can begin to build a brand, it lacks the level of influence that produces the necessary leverage to build a strong brand that is sustainable in its ability to engage customers and attract new customers more effectively than competitors. The part of brand building that has the most leverage lies below the surface, so to speak, with the majority

of employees who together have the most sustainable impact on the value delivered to customers.

Things are changing in the marketing profession and many marketing executives are embracing a broader, more realistic perspective on brand building. There is an emerging perspective among innovative marketing executives that it takes a dual approach to build a strong brand. The traditional brand-building activities must be supported by a brand-building effort on the inside — internal brand building.

Convincing their colleagues on the senior management team of the importance of internal brand building is a new challenge for even the seasoned marketing executive. The case for internal brand building is

compelling indeed. However, only a minority of marketing executives has had experience with internal brand building. Therefore, many marketing executives lack the personal testament to convince their peers of the benefits of internal brand building. As with all innovations, implementing internal brand building has a certain level of career risk. On top of all of that, only a few internal brand-building programs have the robustness and established track record to ease the risk-averse marketing executive.

Even if senior management teams are open to the new perspective on brand building, marketing executives lag in their experience and level of organizational development competencies required to create change within the organization.

So marketing executives are frustrated on two levels. On an immediate basis marketing executives see how their organizations are losing out on the opportunity to effectively build a stronger corporate brand. On another level, marketing executives measure their legacy by building a brand equity that supports the organization's growth well into the future. Implementing an internal brand-building program is the key to engage employees to perpetuate the brand with customers.

Marketing needs a new approach to brand building to achieve their goals and increase their contributions to the organization's success. This needed innovation will come from a new brand-building process and collaboration with a new brand-building partner. For marketing executives to become effective leaders in the future they must have an understanding of employee engagement. HR is the

partner that knows employee engagement and at the same time is looking for a way to collaborate with marketing.

HR's Perspective of the Iceberg

High-performing HR executives understand the positive impact an aligned culture has on business performance. The challenge has been to create a direct link between an aligned culture and business performance. The culture of an organization is represented by the part of the iceberg that lies under the surface. Being associated with the segment of the iceberg that is under the water has



its own irony. The part of the iceberg that can have the most impact goes unnoticed by senior management teams in so many organizations. Unfortunately, too many human resource executives have faced an unnecessary uphill battle to act on the opportunity they so clearly perceive.

Truth be known, HR executives have demonstrated an understanding of the connection between culture and business performance for quite some time. This important connection is at the root of the evolution of HR from an administrative function to the strategic use of human capital to drive business performance. HR executives are very aware of the importance of aligning and engaging employees' behaviors to deliver value to customers. In some ways, HR executives have been waiting at the station for the marketing train to arrive.

The most credible, innovative HR leaders have been strong activists aligning their organization's human capital strategy with its business strategy and needs of the marketplace. As a result, these outstanding HR executives have earned a viable and respected place at the senior management table. A new set of HR competencies is required to earn this admired place with the leadership team.

The results of the 2007 Human Resource Competency Study (HRCS) reflect HR professionals' understanding that a new set of competencies determines professional excellence. The researchers conducting the HRCS concluded there are six core competencies that high-performing HR leaders embody. There are three of these competencies highlighted in the study that directly address internal brand building.

Being a proficient **culture and change steward** is fundamental for connecting employees with the uniqueness of the culture that creates a distinctive brand. The competency described as **strategy architect** is focused on activities that enable employees to connect with customers. Of course this is foundational to internal brand building. Being a competent **business ally** requires the HR executive to have a first hand and active knowledge of competition and customers. Understanding brand will provide the human resource professional a perspective on how an organization is distinctive from competitors and relevant to customers.

Employee engagement, the competency at the core of internal brand building, was cited in a recent study by the Aberdeen Group ("The 2009 Human Resource Executive's Agenda") as a Key Performance Indicator of

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Human Resources to make an impact on business performance. To that end, the so-called “best-in-class” HR departments made employee engagement a strategic priority in their human capital strategies. The results were impressive as these best-in-class organizations reported an average increase of 25% in employee engagement, five times higher than the industry average. Employee engagement will be perceived as a valuable human capital strategy when it is targeted and designed to impact important organizational objectives.

Collaborating with senior leaders to act on important business strategies has been a challenge for many HR executives. There are varying reasons for the lack of collaboration. In some instances, HR executives have taken the lead, attempting to connect HR strategies with market requirements. Unfortunately, their marketing colleagues have not always been able to make specific connections between marketing strategies and human capital strategies. Internal brand building is a customer-centered employee engagement framework which provides a direct line between HR and market-based strategies.

Brand, on a limited basis, has been embraced by parts of the HR profession over the last 10 years. HR’s brand dialect has been called employer brand. The so-called “war for talent” was the driving force for creation of the employer brand concept. In its first iteration HR professionals embraced employer brand as a framework to use modern marketing techniques to improve their recruitment activities. For some organizations employer brand has evolved into a concept used to describe and perpetuate the unique aspects of an organization’s culture. This latter approach is a step in the

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right direction for employer brand. Internal brand building takes employer brand and extends the uniqueness of the culture to ensure it creates distinctive value for a customer.

My perspective on HR through my connection to internal brand building has enabled me to gain some insights into why some organizations have had false starts with programs that attempt to connect culture with business performance. My experience suggests that many HR executives have been disabled from using their vision and passion to connect culture with driving customer performance because:

1. Marketing (and in some organizations this is extended to include sales) has traditionally “owned” the customer and marketplace. Traditionally, the marketing department has acted as a silo and has perceived no reason to reach out to its HR peers. This lack of collaboration has limited the possible contributions by HR professionals to add value

in building stronger customer relationships.

2. HR have limited knowledge of the customer. This limited knowledge inhibits the HR executive from developing viable human capital strategies that are linked to customer performance.

3. In some organizations HR has been locked out of the customer conversation because it is perceived to lack the “marketing chops” due to inexperience in marketing or sales. In some cases this attitude has tainted their perceived role at the senior management table. This has limited their role in conversations relating to customer relationships and marketing strategies.

4. There is a lack of a proven process that links HR initiatives with marketing objectives. Internal brand building is the customer-centric employee engagement innovation that bridges that gap.

5. Finding a credible cause-effect link between employee engagement programs and

measurable customer performance improvement has created a hurdle to gaining acceptance by the senior management team to implement such a program. Brand is becoming much more accepted in the minds of senior management as an important lever in marketing and sales productivity. In addition, innovative leaders believe one of their roles is to help employees understand the company's connection with its customers. The organization's brand is becoming a very effective leadership tool to describe the value-added relationship with its customers that will result in competitive advantage. As a result, internal brand building is a process that will add more credibility to the notion that employee engagement and business performance have an important cause/effect relationship.

6. HR has been given a limited, in some cases cursory, role in corporate brand initiatives. After 25 years of developing corporate brand programs it is clear to me that without HR's involvement, any corporate brand program becomes just another short-lived campaign. More importantly, this lack of

collaboration limits the potential for HR to use its creativity and competencies to expand the corporate brand initiative into a program that engages employees in a more meaningful, sustainable way.

So, much like their marketing executive colleagues, HR executives are frustrated. The irony is that the frustrations experienced by HR and marketing executives are connected. In fact, the only way to realistically reduce the frustrations in a way that benefits the organization is to understand that the issues and solutions are inseparable. Just like the iceberg, the top gets its respect from the power of what lies beneath the surface and the bottom gets its recognition from the top. Marketing represents the top of the iceberg, which interacts with the outside world and HR represents the bulk of the mass that can have the most impact on the customer. Together the iceberg is a force to be reckoned with.

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Internal Brand Building – A Primer

To be fair, internal brand building is not a commonly understood concept among many marketing professionals. It is even less likely that internal brand building is understood in the HR community. This brief primer on internal brand building is presented for contextual purposes. For those with a deeper interest in internal brand building, I have written a more thorough article on the topic that is available upon request. (For the interested readers, a case study on internal brand building can be found at www.brandtoolbox.com/articles.php then click on *Brand Inside Meets Brand Outside*.)

Internal brand building is an emerging business practice that currently resides in either the marketing department or in some cases in partnership with the employee communications function. Today the primary application of internal brand building is in support of announcing a new corporate identity. In a strict minority of cases the context of internal brand building has been expanded as a customer–centric employee engagement program.

The primary objective of internal brand building is to use the context of corporate brand to connect employees with delivering value to customers.

Innovative leadership teams view corporate brand as the embodiment of the distinctive qualities that enable it to outperform competitors. The corporate brand is shorthand language for the company’s distinctive way of doing business. In this case, internal brand building is understood to be a valuable organizational development initiative to connect employees with the leadership team’s vision for delivering distinctive value to customers.

More and more marketing professionals are espousing the importance of internal brand building. Analogous to the overall notion of brand

Internal brand building connects employees with the leadership team’s vision for delivering distinctive value to customers.

Personal brand creates a credible learning bridge for a general audience of employees.

itself, internal brand building is understood by most marketing professionals in a cursory fashion. The definition of internal brand building for many marketers dissolves into an internal communications campaign. When instituted as an internal communications program, employees view it as just another internal campaign, waiting for the din to dissipate so they can get back to the work at-hand.

In its more robust form, internal brand building is an innovative marketing-led organizational development program designed to create an organic, lasting connection between employees and customers. In this form internal brand building may have nothing to do with the introduction of a new corporate identity. In the instance where a new corporate identity is coincident, the new identity can be used as a symbol of the internal brand-building program.

A robust internal brand-building program that produces measurable increases in employee engagement must conform to organizational development standards that are designed to produce sustainable change in an organization. A general schematic of an internal brand-building program that meets the aforementioned organizational development standards contains the following components:

Brand Platform Development

At the foundation of every successful internal brand-building process is a clear, pragmatic definition of a corporate brand platform. Most importantly, a brand platform must be simply stated and easily understood by employees.

Internal Brand Immersion

At the base of this organizational development framework is a set of training workshops that immerse leaders and employees with a relevant knowledge of brand and engage

Human resources can become marketing's brand-building secret weapon.

their understanding of the organization's brand and each person's role in the internal brand-building process. There are two ways to use training to engage employees in the topic of brand.

Be careful not to fall into the trap of presenting brand as a marketing lesson, i.e., brand-lite for non-marketers. This training design has proved very ineffective for a general audience of employees for a whole host of reasons.

I have had a great deal of experience using an instructional design that presents the concepts of brand on a personal level. The focus is to draw a direct analogy of personal relationship building to brand. Understanding brand on a personal level has broad appeal and applicability to almost all individuals, making learning about brand more appealing. This personal brand context creates a reliable learning bridge that establishes the importance and relevance of brand as a business relationship-building concept.

Post-Immersion Reinforcement

Following the training is an integrated set of activities, such as post-training assessment, team coaching activities, and re-designed internal communications programs focused on reinforcing the key training concepts and targeted behaviors.

Refine Key HR Systems and Measurement

The purpose of these activities is to modify key HR systems, such as reward and recognition programs, recruitment and onboarding programs and performance measurement systems. In addition, internal and external measurement programs are initiated to provide feedback on the program.

The nature of robust internal brand-building systems that truly create and sustain customer-centric employee engagement require the type of behavior-change competency that is embedded in the HR profession. This is another reason why brand building is a team approach involving HR and led by marketing.

It is Time for Brand Building to Become a Team Effort

After 25 years consulting to some of the most successful organizations around the world, I know that at the core of every strong corporate brand and every successful organization is a culture that is engaged and passionate about the way it uses its distinctive qualities to make a difference for its customers. I also believe that the most effective way of creating a sustainable, high-performing customer-centric culture is by marketing and HR to team up and implement an internal brand-building program.

My perspective on brand building started to change some time ago as I became aware of the importance of internal brand building. Working with innovative human resource professionals to tap the power of internal brand building has provided me new insights into brand building that I never would have discovered by remaining sequestered in the marketing world. These new insights and integrated approach have cemented my belief of the critical importance of embracing a collaborative model to building a strong corporate brand.

Who would ever have thought that HR would become marketing's secret brand-building weapon to attract and grow high-performing customers? By the same token, who would have imagined that marketing could provide the insight to create engaged employees passionate about making a difference for customers? It's time that the two relationship-building experts inside an organization collaborate to create a strong corporate brand that engages customers and employees.

HR and marketing working together - now that's organizational innovation! What are you waiting for?

About Karl D. Speak

Karl D. Speak is a global expert known for his pragmatic and unconventional approach to using brand as a leadership platform for gaining customer loyalty and employee engagement. Karl's innovative work on personal brand and internal brand building has been implemented in companies in 23 countries. His best selling book, *Be Your Own Brand*, is translated into 11 different languages and has sold over 80,000 copies.

Through Brand Tool Box, Karl has implemented his contemporary approach to brand management and internal brand building with a wide range of corporate clients. Clients such as BASF, Cargill, Cabela's, Honeywell, Target Corporation, American Express, EDMC, Federal Express, ING, IBM, US Bank, BMW, Mosaic, AT&T, Motorola, Securian, Skandia, Syngenta, Walgreens, The Scotts Company, The Wall Street Journal, 3M, Toro and SONY have benefited from Karl's consulting and internal brand-building programs.

Karl holds a Masters Degree in Economics from the University of Minnesota. Karl teaches in the MBA programs at University of Minnesota, University of St. Thomas, and has been guest lecturer at University of Westminster in London, Capella University, ESADE University in Madrid, among others.

About Brand Tool Box, Ltd.

Brand Tool Box, Ltd. is the global leader in developing and implementing internal brand-building programs. It is a unique professional services organization melding world-class brand expertise and organizational development best practices creating engaged employees that consistently deliver what's most important to customers.



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