



Chris Grannell is a brand and marketing strategist. Originally from the UK where he advised a number of European firms, he now consults to a variety of sectors including services, technology, FMCG and media. He welcomes any feedback on this article.

Brand strategy for business.

When directors cry out for direction and guidance, the discipline of marketing – and the practice of brand strategy in particular – is presented with an enormous opportunity. **Chris Grannell** reports.

Last year, a McKinsey global survey of company directors unearthed some worrying statistics. Apparently directors have a limited understanding of current strategy and many felt they didn't know as much as they would like to about the market in which they operated (January 2005 'McKinsey Quarterly Survey of Corporate Directors', www.mckinseyquarterly.com).

The report notes that "more than a quarter of the directors have, at best, a limited understanding of the current strategy of their companies", and goes on to say that "more than half indicate that they have little or no understanding of the five to 10 key initiatives that their companies need in order to secure the long-term future".

Although by no means the whole answer, there is much that a deep and comprehensive brand strategy can do to help with solving these problems: it can clarify and add meaning to a business plan, and it should also form an important part of a compelling company vision.

Given that solving these issues requires a customer-centric viewpoint on both the business and its market, the discipline of marketing is uniquely well-placed to provide guidance. After all, a comprehensive brand strategy should ultimately be a plan to connect the business and its customers. But, as we all know from bitter experience, it infrequently lives up to this promise.

WHEN BRAND STRATEGIES DON'T WORK

Most companies have some kind of brand strategy – at the very least a sort of understanding about their desired positioning versus competitors. But that's often where brand stops – and usually the shortfall is to do with the ownership, completeness or application of this work.

The first pitfall occurs when brand strategy doesn't leave the marketing department, the staff of which are deemed not only its owners, but also its sole implementers. While the marketing function may 'own' the responsibility for having a brand strategy, it is critical that the whole management team must have a sense of ownership about the plan, and understand it as a company-wide responsibility.

By analogy, in the same way that profitability isn't just an exercise for the finance department, so brand isn't merely the responsibility of the marketing department. As has been pointed out many times before, brands are built through all aspects of customer experience, and consequently all business functions are inextricably involved in delivering the brand.

The second trap for the would-be brand strategy is when it turns out to be merely a communications or messaging framework by another name. Both of these are of great importance and should be significant consumers of marketing team resources, but a brand strategy should sit above communications or messages, which are tactics or tools to deliver the desired result.

MAKING YOUR BRAND STRATEGY WORK – CHECKLIST:

- ✦ maximise the breadth of insights – inform the brand strategy from right across the business
- ✦ clarify objectives and share them widely
- ✦ ensure that the strategy is comprehensive and addresses many attributes of the desired brand
- ✦ integrate brand strategy and other parts of business planning
- ✦ wrap the brand strategy into a vision for the organisation, and
- ✦ invest in delivery – resourcing, responsibility and rewards.

The third pitfall for brand strategy occurs when it has not been translated into individual behaviours or business actions. Worse still, the company may have multiple sets of unrelated 'values' within each functional discipline; for example; marketing values, cultural values, operational values, HR values etc. Here, once again, 'brand strategy' has become nothing more than a term for marketing's 'take' on the overall business strategy, alongside the interpretations of other departments and functions.

MAKING YOUR BRAND STRATEGY WORK

So what steps can be taken to ensure that brand strategy lives up to its full strategic potential?

An effective brand strategy cannot be built in isolation – a kind of wish list of the marketing director, or (worse still) the whim of an external ‘creative’ shop. If a brand strategy is to have broad impact, then it must draw on a similarly broad range of insights and inputs.

Wide consultation across all business functions (preferably backed by research rather than opinion) is critical if the resulting strategy is to resonate with the organisation as a whole. It would surely be madness to expect brand strategy to drive decisions and procedures across the wider business if the formation of this strategy has not been built on insights and information about the issues, demands, constraints and opportunities that feature within this wider picture.

Clarity in objectives is also an important underpinning. Why are we doing this? What do we expect a comprehensive brand strategy to deliver? Answers to questions like these, although seemingly obvious, should be well-communicated across the management team.

The brand strategy itself needs to be comprehensive if it is to provide value to all business functions. The days when a couple of pictures of smiling faces and some big words on a page were sufficient are over. At the very least, a statement of intent for the brand should include a set of values (actionable and, ideally, differentiating) and an understanding of the customer purpose that the business aims to serve. It should include the desired perceptual relationship to competitors measured by key attributes, and guidance on a suitable tonality or personality that will resonate with target audiences. It should seek to clarify goals and frame these in customer terms, and it should form a key component of a future vision for the business (more on this in a moment). Depending on the business model and marketplace, there are many other attributes that may also need to be considered within the strategy – such as brand architecture or portfolio mapping.

BRAND AND BROADER BUSINESS STRATEGY

If brand strategy is to help address the problems isolated at the start of this article, it must have a close relationship to overall business strategy and goals. But what is this relationship to be? Some commentators have contentiously



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suggested that brand strategy has primacy over all other aspects of business strategy, while other more conventional observers believe that an all-encompassing ‘business strategy’ comes first and that brand strategy is added on later.

In reality, the answer is more subtle. Brand strategy is part of business strategy: it comes before some other components and after others but, significantly, it must have a symbiotic relationship to business goals. Like many other aspects of business strategy and planning, it should be built through iteration – a kind of parallel processing of interconnected issues, data and ideas (for a discussion of the interconnected nature of aspects of business strategy,

see *Confronting Reality: Doing What Matters to Get Things Right*, by Larry Bossidy and Ram Charan). This approach acknowledges the joined-up nature of such strategy – where the implications of making a change in one aspect of the plan will be felt elsewhere. For example, a financially-oriented decision to raise margins is likely to have implications for distribution, which may have a knock-on consequence for brand. On the other hand, a market-led decision to pursue an innovative positioning may imply that R&D budgets need to be increased, with a consequence for short-term profitability.

While brand strategy should drive many business decisions and procedures, it is

nevertheless antecedent to certain business and market fundamentals such as core competences, business typology and economic drivers, and various market forces. And if it doesn't support some customer purpose, it's likely to be a waste of time. The wannabe brand strategy that comes bumbling into the picture without stopping to take account of these considerations will almost certainly fail.



CREATING A VISION

Getting the relationship between brand and other aspects of business strategy right is critical if brand is to function as a guide for directors and managers – and indeed for other employees. A particular consequence of a good brand strategy is that it can give all staff something very clear to aim for. It's often said that the best way of explaining strategy is to paint an inspiring vision of a hypothetical future – 'if we do these things, by 2015 we will look like this...' Most of us do this from time to time – in business or in home life – when we talk about goals, missions, values or outcomes.

There is a school of thought that the only goal required in the workplace is the one corresponding to profit. But try telling that to someone on the shopfloor. Yes, to a limited extent, you can give most people incentive with talk of growth (particularly if they think their pay packet will grow accordingly), but the question 'how?' still remains.

Here, people are looking for more substance. And by providing the tools to flesh out a vision in customer terms (which most employees find easier to relate to than raw financials), a brand strategy can be an enormous help. In his book *Good to Great*, Jim Collins suggests that a vision is the amalgam of that which does change (today's goals) and that which does not (why and how we do things). For a summary,

visit: www.jimcollins.com). In my terminology, this means that a company vision comprises a combination of brand strategy together with business goals.

Managers or directors now have a framework from which to begin to recognise and prioritise tasks. With a little bit of guidance, they should be able to work back from this combined vision to identify the work streams necessary to deliver it.

THE PROOF IS IN THE EATING: INVEST IN DELIVERY

Finally, any strategy is useless unless it is implemented, and brand strategy is no exception. The best, most comprehensive brand strategy in the world can still fail if it remains undelivered. Unfortunately, as strategies go, those concerned with brand are some of the most difficult to implement because of the number of people who are critical to their successful delivery.

It's relatively easy to get staff excited about business direction with a few workshops and maybe a video or two. But companies frequently lose momentum with brand initiatives when they fail to plan for a delivery phase. Once again, the key to effectively engaging staff with the brand is to achieve a broad level of consultation earlier in the process. When people feel ownership of a strategy, they are much more likely to take the process of delivery more seriously.

But wide consultation is not sufficient for success. Brand delivery – through culture and operations – depends on ownership, commitment and responsibility. In practice, this

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means getting individuals and managers to commit to particular milestones, and then monitor progress towards them. Incentives – both financial and in the shape of other rewards – also have an important role to play.

The risk of not planning for brand delivery – or putting it off until later – is a grave one. If staff sense that 'brand' might simply be a fancy word for a few diagrams or a polite euphemism for executive away-days, then

cynicism sets in. And once that happens, it can be difficult to stop the rot – even with the best of intentions.

DOING YOURSELF A FAVOUR

There are many indirect rewards for the marketing department that takes the time and effort to develop a comprehensive brand strategy. Once a higher-level engagement with management has been established through the development of a strategic brand plan, the marketing team now has a platform on which to contribute to broader business discussion – and be heard. Once the marketing team is seen to have produced useful and pragmatic advice on such matters, then it has a good chance of becoming the place to which executives will turn to learn more about customer-related issues and opportunities.

And there is a lot that executives want to know. The McKinsey survey of company directors also noted that “70 percent of the directors want to know more about customers, competitors, suppliers, the likes and dislikes of consumers, market share, brand strength, levels of satisfaction with products, and so forth”.

Although research is obviously central to meeting this requirement for better insight, a comprehensive brand strategy once again has an important role to play. With a solid brand strategy behind them, those tasked with conducting research into these areas have a framework to turn data into valuable information. Without a full understanding of desired perceptions, positioning and needs met, much measurement remains abstract.

Returning one last time to the issues raised in the McKinsey study: marketing needs to step up to the challenge of providing direction and feedback – and brand strategy is a key ingredient in making this happen. Where brand plays its rightful role as a cornerstone of business strategy it will help ensure that executives better understand both the strategy of their business and their position in the marketplace. ■