Brand + Strategy:

Insights that drive success

by: Trever Cartwright
Coraggio Group

Few would argue that a company's brand and strategy are important — but would they be as insistent that the two are inextricably linked? Actually inseparable?

Not long ago, one of my business partners and I were working with a large public company based in Northern California. We were hired to help bring greater clarity to the company brand and, as part of the engagement, design and implement a process for culturalizing brand-based behaviors throughout their 17,000-person system.

Midway through our engagement we met with the company's nine-person executive team. The purpose of the meeting was to share the general outcomes of a cultural assessment we had completed which included a broad cross section of their worldwide management team located in Europe, Asia-Pacific and the Americas.

As the assessment process unfolded, we found that while most managers we interviewed had a clear understanding of the brand values, not one had a clear understanding of the company's corporate strategy. In our world, this is like driving 90 MPH down the freeway with the windows blacked out, no steering wheel and no brakes. It's dangerous, to say the least. When managers don't know where they are going or how they are going to get there, their company is effectively out of control.

Needless to say, the implications for our client were concerning. We knew we had to share this observation with the executives and get their perspective on the issue.

When we shared our findings with the top brass of our client company and illustrated the disconnect between their brand and corporate strategy, they reacted unfavorably. They minimized the finding characterizing it as unimportant and unrelated to the brand initiative on which they were focused at the time. They felt that brand clarity was all company decision makers needed in order to feel fully connected to the company and, therefore, perform at a their optimum.

Over a series of sessions, we illustrated for them that there were more pieces to the clarity puzzle and that the picture wouldn't be complete without fully integrating both brand and strategy.

Below is a series of questions we walked them through to help them to reframe the critical importance of a more integrated perspective:

1. When you take your quarterly analyst calls, what is your answer to the question: What is your corporate strategy?
2. What do your policies, structure of service and daily activities map to?
3. What do you own that your competitors cannot successfully replicate with minimal investment?
4. How are you organized internally to defend your position in the marketplace?
5. How does your management team distinguish a trade off from an opportunity in your decision making process?

Figure 1

They realized they were missing the critical link to sustainable success and that connecting brand and strategy then aligning the culture to them was the missing link.

Absolute clarity and disciplined focus around a company's brand and strategy are what forms its protective shield. They are what create and maintain distance between "you" and your competitors.

We find that many organizations are in the same boat, regardless of size, industry type or number of years in business.

More often than not, brand work is done in isolation from corporate strategy work and led by teams that are siloed and myopic. Any chance of brand and strategy complementing one another is accidental at

best. The result, typically, is a pattern of "re-branding" initiatives and endless attempts at strategic planning propped up by assurances that "this time we're really going to execute" (the plan). These familiar scenarios plant the seeds of employee cynicism and undermine cultural resilience.

What follows is a discussion of Coraggio's insight gleaned from years of working with complex organizations and challenging leaders who have successfully made the connection between clarity of brand and corporate strategy and their link to a healthy organizational culture and sustainable business growth.

Insight #1: ***Without a brand and strategy mandate, there is no context for action.***

The most effective integrated brand and strategy work is grounded by a core set of mandates that give direction and context to the entire organization on what it must accomplish. We call them the non-negotiables. Typically they are set at the highest level of organizational leadership — for example the board of directors or the executive leadership team.

Mandates are broad and are not designed to be specifically measurable per sey. This makes them different from, but no less important, than business objectives which are always both time bound and measurable. Without mandates to set broad direction, business objectives are random and lack context.

While companies may refer to mandates by different names, we have found that the most successful companies — the most disciplined and strategically focused companies have some version of mandates that basically point to the same intent. That is to put clear and specific parameters in place to inform actions, behaviors and decision making.

Two examples of a mandate that would give broad brand and strategy direction to an organization might be written as follows:

- *Our brand and strategy will not be compromised.*
- *All decisions made by employees must support our brand and corporate strategy.*

What message do these mandates send? In these examples, the company has provided clear parameters

For context, let's take look at a full set of mandates to better understand how they work:

All decisions made by employees must serve to build equity in the brand and further strengthen our defendable position in the marketplace.

Ensure sustainable growth for the company.

Attract, hire, develop and retain the right talent.

Expand the geographic footprint of the company.

Develop a culture of innovation.

Figure 2

to the organization as to what is important in terms of performance and where to focus time and energy.

With clearly articulated and consistently communicated mandates, everyone in the organization should have no confusion on what the priorities of the company are. Specific to the brand and strategy mandate, leaders and employees have a clear line of sight between the decisions they make each day and how they connect to the bigger picture.

For a company's brand and corporate strategy to be seen as a cohesive priority, they must be positioned as part of the enterprise wide set of mandates. The most successful companies today have similar mandates — Nike, Starbucks, Southwest Airlines. Employees in these organizations have a crystal clear relationship with their brand and strategic positioning. As a result, the efficiencies gained are consistent and sustainable. Each has a culture of focus and accountability.

Insight #2: ***Consistent reinforcement of the mandate.***

Employees are smart. And they are demanding. They have high expectations of their leaders and they want to know how their work connects to the big picture.

Brand and strategy discipline are often trumpeted by the executive team but when pressed and push comes to shove the resolve to reinforce them is predictably fickle at best. We often encounter clients

who say their version of, “Yes, we know this doesn’t support the brand and it doesn’t keep us on strategy, but we don’t have time to do it right. The street wants results now.”

The ironic twist in this common “we don’t have time to do it right” scenario is that it is typically the employees who are screaming this the loudest. All it takes is a few observable instances where the executive team behaves in a way that counters the stated brand and strategy mandate and employees learn that the mandate isn’t the priority it was touted as being.

Discipline is a learned behavior. Developing a consistent approach to reinforcing the importance of the integrated brand and strategy mandate is an important element in teaching discipline as a cultural competency.

We believe that the best and most healthy companies have a certain mastery of discipline. It runs through everything they do both internally and externally. And, like everything else, it starts at the top and cascades through the culture over time until one day “discipline” truly becomes part of “who we are” as an organization.

A deep organizational understanding of how to make brand- and strategy-based decisions does not happen through osmosis or assumption. It develops over time and as a result of leadership making it a clear and consistent priority.

Insight #3: ***Leaders sometimes drive hard and then drive off.***

Executive leadership typically operates months ahead of their organizations. They have already thrashed through the vision, the mandates, the key decisions, the how’s and the why’s.

When they emerge from their sequestered planning sessions the assumption that the rest of the organization understands what they understand seems to dictate interactions. The result of such assumptions results in an under current of cynicism and eventual apathy that permeates the ranks.

This is a common scenario that plays out in many

Snap Shot on Cynicism:

Following six weeks of brand and strategic clarity work the five-person executive team emerged with a new sense of focus and direction. Each executive was eager to announce to his or her business units the exciting new direction of the company — a direction that would surely have most people changing the way they worked — at least the way they had been working since the last clarity initiative the executive team had undertaken just 15 months prior.

Employees were still working through the kinks that resulted from the previous executive work and many were still working to assimilate to the new strategy and the long list of operational implications that came with it. If you were to ask the majority of employees they would tell you that they were either confused or frustrated because they didn’t fully understand why the company needed to make changes in the first place. What they did understand was that the way they worked was disrupted and things felt uncomfortable. While some employees had become cynical they still tried to make sense out of everything — they cared. Other employees had moved well beyond cynicism and had become apathetic — they didn’t care.

When each executive went before his or her functional area to announce the new changes, they noticed that people weren’t embracing the new direction with enthusiasm. Instead, they asked tough questions and poked holes in the logic. The resistance was palpable.

Each executive had a similar experience with their respective teams. And each felt the same sense of frustration and impatience as a result. Why couldn’t people just get on board with us? The collective reaction among the executive team was to retreat into isolation and start making changes without engaging employees along the way. It was just easier that way.

Over time, employees began leaving the company one by one and then in teams. People could no longer make the connection between their role and where it fit into the bigger picture.

Figure 3

organizations — much to the dismay of executive leaders.

Employees in client companies often share with us how their leadership team is so far ahead of (us) — they drive hard and then drive off leaving everyone behind to figure things out on their own.

Where brand and strategic clarity are concerned, leaders can never underestimate the importance of not short cutting the roll-out process to employees. After all, they are the ones who are the stewards of the brand and strategy — the people who are making decisions every day each of which must serve both brand and strategy. Taking the time to do a quality job of educating all employees on the logic (the what and the why) and the benefits of repositioning the brand or choosing one strategic direction over another is imperative.

We agree that too often leaders drive hard and then drive off. The important lesson here is that leaders should drive hard. However, in the process of driving hard no employees can be left behind. The executive team may be ready to move forward, but nothing can happen if the organization isn't ready to move forward with them. Recognizing this will go far in minimizing cynicism and maximizing inspiration. And where there is inspiration there is performance.

If you want to build a strong brand and a distance creating corporate strategy — don't rush your people. Engage them. Mind the culture.

Insight #3: ***Measures of success must be transparent.***

Success is seductive. When we achieve it — it's easy to delude ourselves into believing that "I've arrived". However in reality, we have all experienced that success can be fleeting. A moment in time.

The same holds true for successful companies.

Companies can exist for years despite not having disciplined brand and strategic focus. They can grow revenues and eek out higher quarterly profits for a period of time. But they can't really thrive. Sustainable success is a measure of the whole system: human, financial, operational and competitive.

It's easy for leaders to take an "if it's not broken don't fix it" approach to running their business. Especially with Wall Street or an overbearing board of directors pressing for aggressive revenue growth. Companies without brand and strategy clarity and discipline exhaust themselves chasing an obscure path rather than becoming the vibrant, market relevant contenders they tout themselves as being.

Truly thriving companies — the ones that are able to stand the test of time — know exactly where their brand is in the mind of their consumers and they have a firm grasp of how to sustain their competitive advantage. How?

They identify what is important and relevant to measure and make sure the entire organization understands why those measures are important and relevant. Then they develop a method of keeping employees continuously updated on progress. And when changes to brand position or competitive strategy are necessary, course corrective action is taken with decisive agility — and the organization (the employees) responds with nimble enthusiasm.

Transparency in the process of creating and implementing organizational performance measures is critical. Transparency, when included as part of the guiding principles of leadership, ensures that an organization's culture does not become compliant. In other words, when people take action simply because they are told to, yet they don't have any real sense for why the actions they are taking are important, they do so only out of compliance. Compliant cultures do not generate sustainable success. Compliant cultures breed functional illiteracy. Engaged cultures, on the other hand, are able to think critically, make changes as necessary and continue to push forward despite periods of ambiguity. The beacons that allow them to do all this with relentless consistency is their deep understanding of the company's brand and its corporate strategy and how the two integrate as one.

With this in mind, we believe that all measures of organizational success should be anchored by the core tenets of the brand and corporate strategy.

Below are a few questions that demonstrate this thinking:

1. How do our current initiatives serve our brand and corporate strategy?

2. How do the primary activities that drive our business units help or hinder our brand and corporate strategy?

3. Do we believe that our earnings are reflective of the intent of our brand and corporate strategy?

4. Are all of our new hires a solid reflection of the talent and skill sets required to build greater — equity in our brand and further strengthen our corporate strategy?

5. Are who we are and what we do in true alignment?

Not all executives embrace the idea of the inextricable link between brand and strategy. Those who do, we believe, have a decided market advantage. Think Herb Kelleher, Steve Jobs or Michael Dell for example. Each is very different in his approach, yet very common in terms of how he values the connection between brand and strategy.

Your company's brand and corporate strategy are the Alpha and the Omega — all decisions are in service to them, all results are byproducts of them, all future success depends on them and the health of the company culture is anchored in them.

With this kind of clarity, it's hard not to believe that anything is possible.

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