

Commercial Lifeblood

Placing the corporate brand at the heart of the business strategy

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Following some initial inertia, many pharmaceutical organizations have adapted their commercial model to address long-term changes in the business environment. Yet, despite ongoing internal transformations, relatively little has progressed in the way the industry manages its corporate reputation and image externally.

If companies are going to all the trouble of rebuilding themselves, why aren't they communicating their efforts to the world in the same coherent, compelling, and sustainable way that they would any significant new product brand introduction?

Pharma needs to make a commitment to managing corporate image and reputation. Rather than making empty promises of trust and confidence, claims should be backed by meaningful change designed to positively impact the experiences of, and overall value for, partners, customers and end-patients.

The goal is to leverage the goodwill generated by a business' operations and products to build public support and credibility for the organizations. Commercial transformation can be used to tell a relevant, differentiating and credible story about the company – a new start, a bright future.

A strong brand can help communicate the promise of a new business approach along with the benefits that a target audience can relate to on an emotional level.

Leveraging the brand

The corporate brand is ideally suited to the task of conveying – in a meaningful way – the under-appreciated intangibles that drive an organization's reputation to its customers, ie its approach, creativity, expertise, staff, values, social commitment, and performance. It also has an important role to play internally in attracting and inspiring employees and business partners. When leveraged effectively over time, the corporate brand can help create trust-based relationships with a broad set of stakeholders that would otherwise be inaccessible to the narrowly defined scope of product brands. This is a useful tool for dispelling negative perceptions about pharma.

Economic impact

Brands influence the choices that customers, employees and investors make, which is critical to commercial success and the creation of shareholder value. Strong customer relationships are the lifeblood of brand equity and have the potential to become valuable business assets.

In other industries, organizations such as BP and BASF have successfully developed their corporate brands with powerful effect, actively influencing and enhancing their reputation and image, and building stronger relationships with customers at corporate and industry levels.

While pharma companies have dabbled with short-term corporate ad campaigns, eg Merck & Co spent \$20 million on launching the first corporate ad campaign in its history in 2005 following the withdrawal of Vioxx, these efforts are rarely sustained in the long run.

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Plotting the course

For many pharma companies the reality of building a corporate brand is daunting, particularly if the brand has been ideal for years in relative neglect, or if it has suffered from an ill-defined (or non-existent) brand strategy, sporadic (and fragmented) execution and an overall lack of active brand management. There are three questions organizations should consider when wanting to sharpen and simplify the development of their strategy, execution and organization down the line:

1. What role does the corporate brand play in the brand model:

To leverage the corporate brand, pharma must question its existing model. This will clarify the role corporate brands could play in meeting the company's broader business strategy objectives, through well-defined brand architecture.

Traditionally the industry's dominant approach has been the "house of brands" model, in which product brands take priority (single-mindedly) and are dominantly featured to target audiences, while the corporate brand receives limited or no attention. Not surprisingly, an unintentional side-effect of this model has been neglect and under-leveraging of the corporate brand.

Many pharma marketers refuse to see beyond "house of brands" approach due to the associated collateral risk and liability that comes with actively linking the corporate brand to products, particularly in a risk-prone category like ethical pharmaceuticals, which is a recall or warning away from making headline news. This has prohibited many marketers from exploring other brand architecture approaches.

At a minimum, organizations should consider the benefits of linking their corporate brands to customer services and support programmes as an alternative component of the overall value offering. Pfizer has demonstrated how services and support can be effectively branded at an enterprise level through a growing ecosystem of branded platforms eg Pfizer for Professionals, Pfizer Helpful Answers, Pfizer Health Solutions, and Pfizer global Health programmes. This has differentiated the company and developed its brand personality.

The emergence of franchise branding for a portfolio of product brands at a category or therapeutic area level has provided a powerful opportunity to increase the relevance of the corporate brand in communicating its commitment to a specific space and in bridging the gap between corporate and product voices. This opportunity is even more timely given the emphasis many companies have placed on reorganizing their marketing, sales and medical/scientific functions around strategic category, therapeutic, or portfolio areas. Genentech has been a highly visible pioneer in building its Genentech bio-oncology franchise, reinforcing to providers, patients, and payers the hope its innovative scientific expertise is bringing to cancer patients. The brand architecture has enabled the success of Genentech's oncology product brands to drive the equity of the franchise brand in this category. As well as provide a halo effect to its corporate reputation. At each level of its brand system (across its pipeline portfolio, support services, only programmes, and CRM) the organization is telling a relevant differentiated story to its respective audiences.

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2. What role does corporate brand strategy play in your business strategy?

Historically, many pharmaceutical companies limited their corporate brands to identity aids (names and logos) for awareness and recognition purposes. Little attempt was made to integrate the core brand strategy with the management of the business itself. By contrast, other sectors such as packaged goods, B2B, retail and services have long recognized the value of putting their brand at the center of corporate strategy.

The financial services sector has also seen an evolution in its thinking about positioning their brands at the centre of corporate strategy. The priority for companies in this sector is to engage and inspire staff and other audiences (such as investors) through their brands. They have attempted to inculcate their 'brand values' into employees' working approaches and integrate the values into their business processes and corporate policies.

The general insurance group Royal & SunAlliance, for instance, underwent a dynamic business transformation to sharpen its business focus and service offering following a run of poor results in the 1990's. By 2006 with a new CEO at the helm, the company had made an impressive recovery, posting strong growth and business results. Nonetheless, the reputation of the company's brand significantly lagged behind its new commercial reality. Through a dynamic new RSA brand launched earlier this year, the organization has focused on translating its new business strategy to customers. With the new brand at the core of its business strategy, the company leveraged its commitment to being responsive and delivery-focused to drive all facets of its planning, strategic decision-making and operational execution.

The RSA story highlights how important it is for senior leaders to align the brand intent (defined by an organization's positioning) with the business intent (defined by its overarching business strategy).

Senior executives should be asking themselves how the corporate brand strategy is linked to key internal decision-making, i.e. they should ensure the way business operates is attributable (and accountable) to the way the company manages the outside-in view of the organization.

3. What should the corporate brand be about?

Of course, linking brand to business strategy assumes that there is a strong, well-defined brand to leverage in the first place. While some pharma brands undoubtedly have a long heritage and strong recognition, most remain weakly defined, and lack clarity and consistency. This is compounded by the fact that most organizations are multinational companies with an array of business lines or subsidiaries, further diluting the brand and its equity across different market contexts. For most organizations, simply dusting off the existing brand strategy will not be enough to fuel breakthrough execution down the line and change the target audience's perceptions and beliefs.

Organizations should strengthen their brand by enhancing and clarifying its definition – from an outside-in perspective. Analytics can prove very helpful in diagnosing the current equities that should continue to play a part in the new brand strategy. This will complement efforts to get "ahead of the curve" by identifying new customer drivers and needs that the corporate brand should be positioned to uniquely satisfy in the future.

On the basis of these customer insights, the organization can build a clear brand position that will maintain relevance, drive differentiation and retain credibility. The positioning should represent a single-minded promise that is meaningful, emotional and aspirational to key target audiences. The brand can be further developed by clearly defining the values and personality that will be conveyed consistently across all touchpoints (including the marketing mix and field force) to internal and external audiences.

4. Who will own the brand internally?

The same principles that apply to an effective commercial transformation apply to effective management of the corporate brand asset: strategic focus; a structure to manage and support the strategy; processes that enable the entire commercial organization to execute properly and strong leadership.

In this regard, many pharmaceutical companies are ill equipped to manage their corporate brand effectively, despite their best intentions to build and leverage it. This is because effective brand management not only pays close attention to the visible aspects of the brand, but also to the hidden ones that link back to internal organizational processes and support systems. In this respect, the strong brand leadership and support that exist at a product level (think of the dozens of brand managers supporting blockbuster brands on a global and affiliate level) is lacking.

Establishing the right internal brand owner at the outset of any significant corporate branding effort is critical to ensuring the brand maintains business relevance and endurance for the long term. Whether this role is added to a corporate communications function or owned by a corporate brand management team, the remit is the same: responsibility for providing clear strategic direction in aligning all the company's deliverables, communications, operations and systems to the brand mission and values – and working to make all employees effective ambassadors for the brand.

Of course, empowering such a brand manager will require leadership support and commitment from the top. This means the CEO and top leadership team must develop and agree on the corporate brand strategy and positioning, as well as the business vision and strategy. When this is done, the brand becomes the embodiment of the company vision and direction, and the brand mission and values serve as the lens through which proposed change and improvements are filtered. The brand begins to symbolize who the company is and all that makes it different. This distinctiveness is reinforced in all the planning and activities that radiate along the company's reporting lines.

Keeping the end in mind

Despite all the doom and gloom in the industry at the moment, those who have piled their trade in pharma for years have never had more reason to be excited about its future. Transformational change is restructuring business priorities, practices and the performance of organizations on a scale that inspires real hope for meaningful transition.

A brand's ability to drive value for a company has refocused boardroom attention in many of the world's most powerful companies on leveraging and supporting corporate brands. This gives credence to the widely-held view that the corporate brand is a significant competitive asset for companies. There is no reason why pharma should not reap its benefits and:

- Communicate the company's single-minded value proposition to target audiences. The brand can manifest this value in a way that will help audiences understand what is different, compelling and credible about the company and its offering
- Create stronger, deeper and more trust-based relationships
- Attract and inspire employees, stakeholders, and business partners
- Connect the goodwill generated by new commercial models. The business approach can build direct public support and credibility for the organization through brand equity
- Enhance financial performance and value creation by using the corporate brand to influence key stakeholder perceptions and decision-making about the company's products (providers, patients and payers) all the way through to the broader business environment (regulators, policy-makers, and the general public).

Building and managing the corporate image and reputation must become a strategic priority, starting with the top leadership team.

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David Sun is Senior Director of Strategy for InterbrandHealth in Paris, and is responsible for leading the strategic consulting practice in Europe.

David has extensive experience working on a broad range of brand and marketing issues, including corporate and product positioning, new product development, portfolio management, brand architecture, and brand acquisition/integration. David also brings over seven years of healthcare industry experience, drawing upon both strategic consulting and pharmaceutical brand management expertise.

Prior to joining InterbrandHealth, David served in a marketing strategy and operations role at Pfizer, directly supporting the chief US marketing officer in the pharmaceuticals division, with an

emphasis on cross-portfolio brand planning and alignment. David also brings deep brand management experience, having led both DTC and B2B marketing on two of Pfizer's blockbuster brands.

David also co-founded Solara (CommonHealth/WPP) in 2002 and was responsible in helping to grow the consulting practice into a multi-million dollar business specialized in providing leading pharma and biotech clients with innovative marketing strategies in managed markets.

David graduated summa cum laude with a BA from Columbia College, Columbia University, majoring in Philosophy, Art History, and Visual Arts, as well as earning an MFA from School of the Arts, Columbia University. He has also studied on fellowship at Clare College, Cambridge University.

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