

Spearheading a Stronger Brand:

A Strategic Approach to Brand Governance

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brand value™

Interbrand



Spearheading a Stronger Brand: A Strategic Approach to Brand Governance

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Executive Summary

Brands are critical business assets that, if managed well, drive customer choice, price premium, loyalty, and advocacy. Building strong brands in a rapidly changing world requires that CMOs and brand managers alike continuously evolve their understanding of how to optimize their brand's economic value and ROI. Thoughtful Brand Governance and a comprehensive approach to brand operations are key to driving impact and identifying efficiencies in the way resources, technologies, and processes are utilized to execute the brand strategy.

Interbrand has conducted an extensive research study to better understand the best practices in Brand Governance and learn what makes a brand successful from the inside out. Interestingly, our findings align with the perspectives of other CMOs that are battling extreme complexity within a more diverse and saturated market. In fact, 80% of CMOs anticipate higher levels of complexity, but only 50% feel prepared to address it.¹

Our work with many globally recognized brands has proven that a more strategic approach to Brand Governance focuses an organization's structure, culture, and collaborative efforts; strengthens its visual, verbal, and strategic identities; and improves its ability to support and grow its brand by effectively managing it day in and day out.

Industry Landscape

The constant battle for both customer attention and sales complicates traditional

marketing strategies, often rendering them less effective. Regardless of the industry, changes in media and technology have created a landscape in flux; customers engage and interact with brands in varied and unanticipated ways, creating a parallel set of unforeseen demands on the organization. Most organizations recognize that better alignment should be a high priority.² Therefore, the need for a strategic plan, organization-wide cooperation, and staff engagement has grown exponentially.

There is a large gap in the industry when it comes to understanding how best to govern brand. Through our global Brand

Brand Governance fosters greater value through organizational alignment. This is especially true of mature and disciplined brand management organizations.

Governance study, conversations with brand leaders and practitioners, and our years of industry experience, it's clear that many organizations recognize that their strategies, structures, and systems are not ideal for supporting a fit, agile brand. In the face of new and emerging brand challenges, it is essential for these organizations to find ways to adapt to the changing landscape and harness the untapped potential of their brands to generate value. As more businesses look to stay nimble and find solutions that will help them manage their brands more effectively and efficiently,

many are realizing that a comprehensive operational plan for managing their brand can offer the answers they've been looking for. Aware of the positive impact good governance can have on a business, organizations are increasingly investing significant amounts of time and money into developing the kind of framework that makes the best governance possible.

Brand Governance Demystified

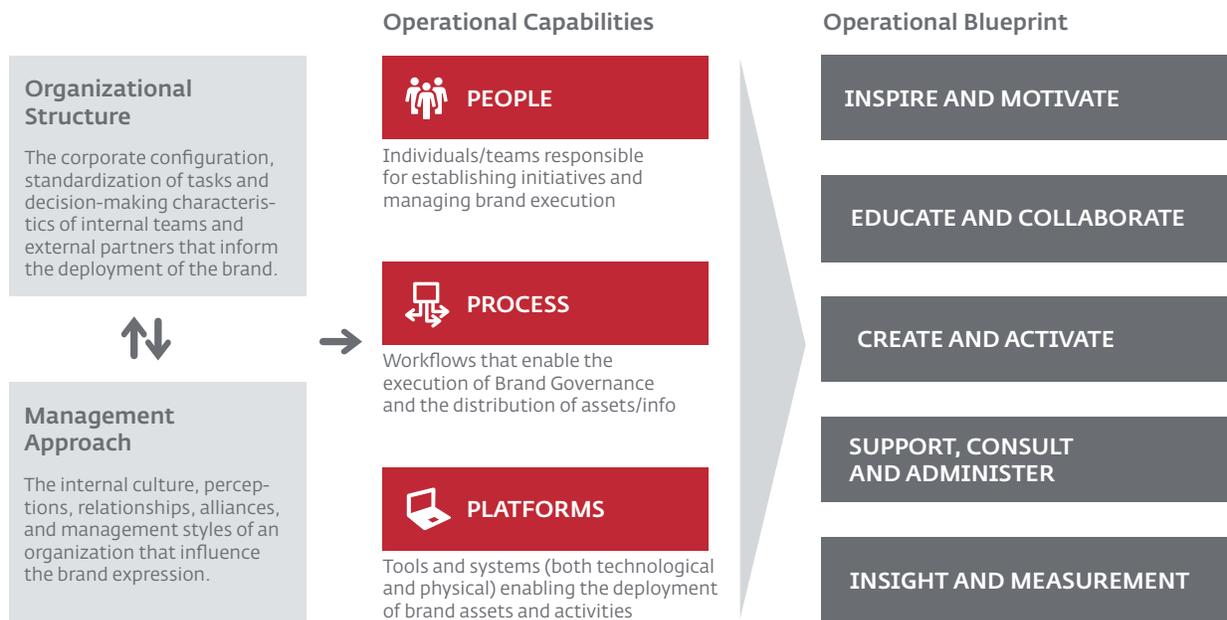
Brand Governance fosters greater value through organizational alignment. This is especially true of mature and disciplined brand management organizations. However, the idea of reconfiguring and instituting internal strategies and structures seems daunting and out of reach for many organizations. For this reason, a phased approach to evolving governance tactics—any activity, tool, and/or process implemented to accomplish Brand Governance objectives—can allow small incremental steps toward operationalizing an organization's brand. Ultimately, phasing in more precise tactics will promote the remodeling of systems, processes, and resources into a multi-faceted operational plan. This will enable a clearly defined governance strategy, strong lines of communication, and clarity throughout the organization as to the role of brand in realizing the organization's overall business strategy.

For the small brand team or single brand manager who is trying to forge the Brand Governance path, the work starts with gaining buy-in and assigning responsibility. Conducting internal conversations with thought leaders, subject matter experts,

¹"From Stretched to Strengthened: Insights from the Global Chief Marketing Officer Study", IBM, 11 October 2011, 14

²"The Evolved CMO: A Joint Research Project by Forrester Research and Heidrick & Struggles", Forrester, 2012, 1

FIGURE 1: BRAND OPERATIONS FRAMEWORK



and critical departments will help to gather insights and align key players. Ideally, technology will also play a key role in both planning how to govern brand as well as the ultimate solutions that are implemented. "Technology ranks as the #1 area in which (CMOs) see the greatest opportunity to improve."³ While this consideration is universal, it's also particularly critical when it comes to governing brand.

A Best Practice Framework

1. Diagnose the Opportunity

When it comes to effectively managing brand through defining a Brand Operations Framework (see Figure 1), the best place to start is a thorough diagnostic and audit of the organization's structure and management approach. The challenges each organization faces include those that are both common to other businesses in their industry and those that are unique to their own cultural ecosystem. For this reason, we strive to understand the principles that inform the deployment of the brand as well as the ways internal cultural perceptions and management styles

affect the external brand expression. By studying internal perceptions and behaviors, examining underlying principles related to brand deployment, and also examining historical attempts at Brand Governance, we can identify distinguishing aspects of the organization that can be modified or leveraged to help the most effective governance system and operational plan to become deeply rooted and grow.

A Case in Point: The Cost of Poor Brand Governance Practices

Working with a very siloed, large international development organization, we set out to help them quantify the cost of inefficient and ineffective organizational structure and decision-making practices. This globally expansive satellite organization had a lack of clarity around brand and more importantly, a lack of trust in the decision-makers responsible for driving the brand forward. First, this called for the creation of a business case for change. The outcome was a compelling rationale for why a major investment in brand was warranted, and also a clear picture of potential savings and value in leading this effort with the introduction of strong Brand Governance tactics. With overwhelming

internal support based on the results of this pilot study, a phased approach for implementing governance changes was created, requiring a more authoritative strategy at the onset to ensure adoption. The recommended plan had room to organically grow and evolve throughout the network, reducing the need to adhere to the more stringent approach used initially, as the practices become ingrained within the organization over time. Together, we identified 20% in potential efficiencies in marketing expenditures and costs, resulting largely from organizational restructuring and the retooling of decision-making processes.

2. Make Sure the Strategic Model Is a Cultural Fit

The perceptions, relationships, alliances, and politics of an organization are all differentiators that influence the shape and form of a final Brand Operations Framework. A brand management approach should be the product of an organization's structure and culture. Covering a spectrum of styles ranging from engaging, collaborative, and proactive management to more rigid mandates and compliance, the pervasive style and dominant influences of the

³"The Evolved CMO: A Joint Research Project by Forrester Research and Heidrick & Struggles", Forrester, 2012, 1

internal culture fundamentally impact the best governance tactics and practices for that particular organization.

We have seen how crucial it is to engage with employees early on in the governance process. When employees are aware of general structural or tactical changes from the beginning, it not only builds trust and increases overall interest, it also allows an organization to gather valuable insights. Typically, the involvement of employees makes it easier to identify specific challenges posed by the tools and processes currently in place for managing brand. In terms of how to drive engagement, tactics such as Brand Ambassador Programs, road shows, and training all help to inspire and motivate employees and external partners to become more acquainted and connected with the brand.

A Case in Point: Activating Brand Ambassadors Globally, to Deliver Locally

A major global manufacturing company that is expanding rapidly in emerging markets deploys Brand Ambassadors to unite the organization. The program creates opportunities to educate and collaborate across teams, business areas, and regions on the strategic vision of the organization: "The Language of the Land". The Brand Ambassador Program is especially important due to the size and global scale of the organization. The program keeps all employees involved in the conversation and ensures that the brand is experienced powerfully around the world through a strategic lens. This approach to brand management promotes the global story of the organization's heritage, while providing tools and training to help brand users localize materials within the context of their individual global markets.

3. Identify Short-term Wins, Long-term Opportunities

The people, processes, and platforms currently employed to manage brand within an organization are considered operational capabilities and are central to the Brand Operations Framework (see Figure 1). These capabilities can be the building blocks for each and every governance tactic, and help to prioritize immediate, easy-to-implement changes versus longer-term

An example of how we bring the Brand Operations Framework to life:

At a leading multinational corporation for document and business process management, the internal brand team has implemented a required approval process ultimately tied to a Brand Review Number (BRN). On a monthly basis, they assign approximately 300 BRNs to project briefs and materials approved as on-brand. This designation is required for a piece of brand communication to move forward for print or online posting. It is the responsibility of both the print procurement and interactive teams to make sure this critical part of the process is satisfied before a piece goes public. In this way, there's an internal insurance policy in place that ensures anything seen "in-market" will ultimately be on-brand. Furthermore, the BRNs allow for a database of tracked work—always at the ready for future reference.

- **Structure:** Centralized
- **Approach:** Mandated and compliant culture
- **Brand Governance objective:** Support, consult, and administer
- **Tactic:** Enforcing mandates by aligning brand approval requirements to existing processes
- **People:** Internal brand team approvers
- **Processes:** Approval and BRN assignment processes
- **Platforms:** Online system for submissions, BRN assignment, and automated email responses for status updates

opportunities requiring more investment. Organizations often have teams, tools, and workflow capabilities that can be better leveraged to support the governance of their brand—it's often just a matter of redefining roles and responsibilities to ensure they are operating with maximum efficacy and aligned purpose.

These efforts are best articulated in an Operations Blueprint. Once an organization has defined its Brand Governance strategy (the appropriate mix of people and skill along with the optimal platforms and supporting processes) it needs to be operationalized. As with any methodology, the implementation and realization depend upon these objectives to bring them to life. In other words, does your brand and brand team...

Inspire and Motivate
Educate and Collaborate
Create and Activate
Support, Consult, and Administer
Insight and Measurement

The Operations Blueprint is both a framework that maps the strategic, creative, and management tactics that best fit an organization's needs, and an actionable plan for implementing, activating, and sustaining them to drive greater internal clarity, external presence, and demand.

A brand management approach should be the product of an organization's structure and culture.

Including all relevant and necessary tools, the Operations Blueprint outlines each objective with the proper tactics and their corresponding teams, tools, and workflows necessary to support it.

Among the most effective means of successfully accomplishing the realization process is through the creation of a stewardship and observation function. These tactics allow for centralized communications and create a hub for

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the brand. Beyond aiding and promoting the use of on-brand materials, providing training and brand portal administration, stewardship teams (people) use their primary tool—a brand trafficking and approval system (platforms)—to aggregate data and metrics. Such metrics help organizations continually evolve their brand by making the needed adjustments to their Brand Governance tactics (process). Making sure brand users are provided with the support and consultation they need helps to correct issues before they become systemic and creates opportunities for gathering insights and measuring growth. Evidence of success through positive net results allows upper management to see potential in an otherwise vague exercise.

A Case in Point: Building the Business Case for Brand Governance

A leading telecommunications company captured significant savings and brand impact by using the Operations Blueprint when introducing new processes and platforms within the organization. They created an expansive stewardship team comprised of employees with focus areas ranging from verbal to design to monitor brand usage both internally and externally, offering consultation where the brand is being used improperly. Additionally, their training ecosystem takes more than just the numerous teams and agencies they are training into consideration. Rather, the system takes level of employment, prior knowledge, and understanding of branding and the corporate brand into account as well. The ecosystem ensures that employees are trained in the way they'll learn best, and offers video, in-person, on-demand, and interactive training and guidelines for all levels.

The Benefits of Brand Governance

Measurement is key in identifying and prioritizing how to tackle a more strategic approach to Brand Governance and the creation of a Brand Operations Framework.

According to IBM's recent CMO Study, "CMOs believe ROI on marketing spend will be the number-one method for determining the marketing function's success by 2015 and 50% of them feel unprepared to provide hard numbers."⁴ Beginning with a diagnostic that quantifies opportunities for greater ROI and areas for driving better efficiencies, and eventually implementing tactics that collect and measure metrics and statistics, organizations can chart a powerful path forward. Overall, the benefits include saving time, money, and elevating the impact of the brand through the organization's people, processes, and platforms.

Here are some specific examples that show the impact and influence of an optimized Brand Operations Framework:

- Saving time through a highly organized and streamlined online brand portal for assets, simplifying workflows and reducing the time required to locate materials on servers and stored by individuals
- Saving money by providing an automated template platform that allows brand users to easily create and customize internal, marketing, and advertising communications (rather than relying on expensive external agencies to redesign materials each time they need to be updated)
- Receiving significant returns on investment by deploying a robust brand-training curriculum that allows for faster understanding through user-specific content deployment

We have successfully seen the Operations Blueprint come to life through a number of tactics employed by organizations. For example:

- Restructuring and aligning core brand and marketing functions within the larger organization

- Creating brand councils or organizing committees to facilitate better internal communication and decision-making (in instances where structural changes were not viable)
- Assisting in defining key resources and associated skill sets within particular divisions or brand functions
- Developing highly engaging and dynamic educational content to promote higher levels of brand retention and understanding, and spark dialogue that provides new insights
- Highlighting best practices and encouraging community dialogue to inspire and promote an overall drive to achieve the highest brand standards
- Forming stewardship and observation teams and procedures to allow for the centralization of information and aid in the proliferation of on-brand materials
- Using a central information hub to support further brand dialogue and enable the tracking of metrics
- Building networks, both formal brand ambassador programs and informal social networks, to allow a streamlined brand team further reach into extended business/product teams
- Supporting brand expert exchange programs to help integrate brand strategy across regions and business units, introduce employees to different challenges and successes, and foster dialogues across brand boundaries
- Sharing all these accomplishments to promote internal excitement—a rallying around the brand—which can lead to new solutions to common pain points and encourage the leveraging of others' successes

⁴"From Stretched to Strengthened: Insights from the Global Chief Marketing Officer Study", IBM, 11 October 2011, 46

Making It Real

Your brand is an extension of your business strategy and should be managed and governed just like any other critical business asset. Organizations the world over safeguard their business through strong corporate governance practices, and yet many don't apply the same strategic rigor to protecting their brand. We have seen time and again how much is being left on the table—cost savings, organizational clarity, and optimal customer experiences—when there is no clear focus on the operations of managing brand.

Brand Governance defines the strategic and operational framework that ultimately promotes the efficient and consistent execution of brands. A successful Brand Operations Framework works in tandem with an organization's structure, management approach, and culture, appropriately deploying its people and supporting platforms and workflow processes to do right by the brand. In the end, a skillfully governed brand realizes true business value. ■

Brand Management Systems at Interbrand:

The Brand Management Systems group at Interbrand offers robust solutions to Brand Governance, Implementation, and Stewardship needs. Our suite of active brand management services allow clients to be more agile and responsive while at the same time more accountable and effective. With solutions such as organizational development of the marketing and brand functions; implementation planning in support of brand rollouts and evolutions; as well as customizing on-site teams to effectively serve as the first-line stewards of your brand; our approach is always focused on consistency, quality, understanding, and efficiency.

Our offerings include:

Brand Governance

- Defining optimized Brand Governance practices
- Providing strategic brand integration solutions

Implementation

- Creating guidelines, tools, and training solutions to support on-brand execution

Stewardship

- Implementing on-site programs that deploy resources to actively manage brand
- Tracking and metrics to support the most effective management of brand



Leah Brier

Leah is a Brand Operations Consultant at Interbrand New York. With a background in account management, client services, and creative strategy, Leah always tries to consider her work from both the client and consumer perspectives when developing Brand Governance practices and comprehensive structures.



Lauren Thebault

Lauren is Senior Manager of Brand Operations at Interbrand New York. She has a varied background including graphic design and print to advertising production, campaign management, workflow systems, and account management. Presently, she leverages this experience—along with her tenure at Interbrand—in creating Brand Governance and Implementation solutions for her clients.



Russell DeHaven

As the Executive Director of Implementation and Brand Management, Russell guides teams through the process of strategic planning, implementation, and the required management of complex programs. Having led the implementation of global corporate identities for the past 15 years, Russell is viewed as a leading expert in his field.



Christopher Koller

As a Director in the Brand Strategy department at Interbrand New York, Christopher believes that with any business asset, sound governing principles ensure the asset's value is both protected and leveraged. Having managed Interbrand's presence across the African continent, worked in Europe, lived in South Korea, and now the United States, Christopher brings a truly global perspective in issues of brand strategy and governance.