

The Review

INSIGHTS, IDEAS & INFORMATION

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White Maple is a strategy consulting firm. We aim to deliver results for clients that produce lasting improvements to performance through facilitating alignment between strategy, the market and brand, and the organisation's people, structure and processes.



We focus on working with service organisations. Principal sectors include:

- Commercial (business-to-business)
- Government
- Member organisations and charities
- Professional services

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Inside out and Bottom up: another perspective on building brand equity

BY BOB EMPSON

Brand building too often focuses only on traditional promotional activities. This article argues that a strong internal brand is a strategic issue that can be a source of lasting competitive advantage. Guidance is given regarding issues and techniques that should be considered for building your brand inside out and bottom up.

Too often the implementation of brand strategy and brand building (see a definition of brand in the side bar on the next page) is only looked at from the perspective of the use of externally oriented communication activities (such as advertising, design and public relations). However, such activities are only the tip of what has been called the brand iceberg.



This article focuses on building the brand inside out and bottom up: harnessing the power of your people to build the brand. The goal is employees who are committed to your brand, who are proud of it and who live and promote the brand in every contact with customers, with other external stakeholders and with each other. This concept will be important to all brands but it is particularly relevant to corporate branding and to organisations that have a significant service element in their market offerings.

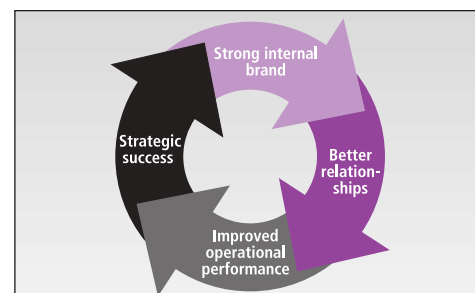
BRAND LOYALTY

A key element of brand strength is loyalty to the brand. Research has shown that an organisation's people are critical to generating brand loyalty. Customers are looking for exceptional service that is flexible to meet their personal needs. Staff need to be trusted and have the authority to take the initiative and to put things right when customers experience problems: effective service recovery is an opportunity not only to gain customer loyalty but also to demonstrate your brand's values and differentiate it from competitors (see Issue 1 of The Review on our website for an article on service

recovery). To succeed in doing this, your people must not only know what your brand is about but also have pride in it. A strong internal brand will not only guide and motivate staff to provide excellent service; it will also assist in retaining and attracting people with the qualities and competences that your brand demands.

BUILDING A STRONG INTERNAL BRAND

The ideal is to create a self-reinforcing cycle whereby a strong internal brand stimulates improvements in relationships within the organisation, with customers and with other external stakeholders. Improved relationships will in turn enhance operational performance, and this will have a positive impact on the achievement on the overall business strategy, including gaining lasting competitive advantage.



Issues to consider and techniques to use for building a strong internal brand include:

Board understanding and commitment. It is crucial that the Board recognises the strategic importance and value of internal brand building and of the role each of its members has in supporting the brand. The Board should understand how the concept of brand building, and initiatives to develop it, fit with its strategic agenda and with operational issues and other initiatives (e.g. such as Investors in People). It is absolutely essential that every member of the Board fulfils a leadership role by visibly living the values and behaviours that the organisation's brand is promising.

"THERE'S MORE TO BRAND THAN MEETS THE EYE..."

WHAT IS A BRAND?

Branding is understood in many different ways. People often focus on a narrow definition of brand and address it only in terms of logos, names and visual quality of promotional tools. A broader and more strategic perspective defines brand as "awareness and perceptions in the minds of customers and other stakeholders that are distinctive relative to competitors." A brand can relate to an organisation, a product or service, or even places and people. Key points about this definition are that it: a) explicitly encompasses the need to develop the brand amongst audiences wider than just customers (these audiences may include, for example, staff, potential staff, suppliers, partners, investors, regulators, other professionals and, of course, potential customers); and b) requires that brands are positioned in ways that are different and distinctive from competitors (too often, for example, organisations in any one sector use key messages about themselves that are almost identical to the majority of others in the sector). A strong brand will also need to create perceptions that are relevant and important to the target audiences.



Analysis and measurement. Having an appreciation of the state of the internal brand is essential. Some key questions include:

- what do our people think that the brand stands for?
- how do internal perceptions fit with the organisation's intended brand identity?
- are they proud of the brand and do they care about it?

Before trying to measure the state of the brand, obtain in depth qualitative feedback. Senior executives should get this directly themselves by listening to and talking with their staff; it is better that they hear what people have to say directly so that they can witness the emotions behind what people are saying. Parallel with this direct listening, more formal qualitative research exercises can be initiated using, for example, small groups or one-to-one interviews. There are also methodologies available for surfacing the values that underlie the organisation and its brand; strong brands normally have values that are clearly defined and understood throughout the organisation. Quantitative measurement, using staff surveys, of the state and strength of the internal brand will normally require the creation of a customised evaluation framework.

Involvement. Involve your staff in developing the brand strategy in terms of the values that underpin the brand and how customers will experience these. Such involvement will help them to develop their understanding and ownership of the brand, not to mention their commitment to it. Staff should also have opportunities to talk about how they are going to support the brand; this might involve group discussions but such conversations should also occur on a one-to-one basis with line managers.

Open communication. There need to be effective two way communications with staff; internal communications activities should be listening as well as informing. Communications should be clear and uncomplicated; the language used should be appropriate to the audiences. A variety of mechanisms should be developed; in addition to broadcast media (e.g. newsletters; videos; notices), more interactive media are essential, such as: "town hall" meetings with senior executives; structured face-to-face "cascades" involving line managers in all business units; and use of intranets as a medium for sharing of ideas and for stimulating discussion in ways that some people may find more comfortable than face-to-face situations.

Recruitment. The organisation needs to attract and recruit people who have the personal attributes and skills that are consistent with the brand. Recruitment advertisements that promote the brand and explain its promise for both staff and customers are an obvious idea. Candidates' experience of the recruitment process should, of course, leave them with positive impressions of the organisation's brand values (whether they are offered a job or not); the entire process needs to be aligned with the brand, including web sites, application forms, written communication, interviews and interviewers, and tests.

Training. Competence frameworks should include dimensions with brand-related behaviours and skills. Training and development needs should be evaluated against these. Induction programmes should not only have content related to the brand but should also use processes that will aid transfer of relevant knowledge and experiences. For example, shadowing of managers gives new recruits an opportunity for the organisation's leaders to display and teach the brand's values on-the-job. Other techniques might include, for example, inviting staff to attend management meetings (and even Board meetings). A creative technique used by the CEO of a major oil company was to invite members of staff to travel with him on his visits to sites around the country; this gave him powerful opportunities both to teach and to listen and learn.

Retention of brand-builders. Having recruited them and trained them, retention of the brand-builders is the next issue. Managers need to understand what drives loyalty and motivation. Leadership and team-building skills throughout the organisation will be critical.

Reward systems. Reward systems need to recognise behaviours that help build the brand. The criteria and methods for making financial awards for performance must be clear, fair and relevant to the brand values and desired behaviours. Non-financial rewards (such as public recognition of achievements) can be very powerful, and often more appropriate, tools for recognising achievements and for promoting the brand's values.

Functional integration. It is vital that, in particular, marketing and HR functions work effectively together. In some organisations (usually professional service firms) the two functions have been merged to enable them to take a fully integrated approach to the issues of people management, marketing and brand building. Silo thinking along the lines that marketing is about customers and HR is about people must be avoided.

Internal brand building is not a new concept; many businesses have intuitively developed strong internal brands to support the creation of market brand equity. However, I believe that more organisations could gain lasting competitive advantage through taking a strategic, structured and integrated approach to inside out development of the brand. Although this must be led and initiated by the Board, a bottom up dynamic, whereby staff at all levels are proud of their brand and take personal initiatives to live it and strengthen it, is the ultimate goal.

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METRICS: what you focus on drives where you go

BY JEREMY DOUSE

Metrics are things that we measure. And what we measure will drive the behaviours of our people and where the organisation goes. This article reflects on the benefits of having the right metrics, some typical mistakes and the challenges of deciding what to measure. Some examples of good practice are offered and a regular "metrics health check" is suggested.

There is creeping scepticism about the value of measuring organisational objectives. This may be because, often, much time, effort and money have been wasted developing systems and processes to produce information which measures the wrong things or which produce data which is meaningless or not understood.

BENEFITS

The benefits of getting your metrics right can often be dramatic. A well considered set of metrics can, for example:

- focus management and staff on the important business issues;
- communicate strategy to staff and other stakeholders;
- help to monitor performance and to identify early potential problems and opportunities;
- balance attention of the organisation across customers, employees and investors;
- free up management time that might be wasted managing the wrong things and trying to understand what is going on in the organisation;
- maintain a balance between long and short term organisational success.



TYPICAL MISTAKES

The obvious mistakes include:

- the wrong things are measured (with the result that the business focuses on inappropriate priorities);
- there are too many metrics (this can send confusing signals about what you are trying to accomplish);
- there are too few metrics;
- the focus is purely on historic/recent financial statistics (its like driving forwards using only your rear-view mirrors!);

- metrics relate to activities rather than the impacts or results of the activities;
- people don't understand the metrics;
- the metrics are miscalculated (oh yes!);
- information is produced late and/or in confusing formats;
- management and/or staff do not "buy-in" to the metrics.

Larger organisations tend to develop numerous metrics that are in-built into corporate systems or become habits; the strategy changes but the information systems and culture are too inflexible to adapt. On the other hand, smaller organisations tend to emphasise short term measures (particularly financial ones) and will often neglect strategic measures like customer satisfaction and product or service quality.

DECIDING WHAT TO MEASURE

Choosing the metrics that will be used across and through the organisation can be difficult. So often, a few initial ideas develop into an extensive wish list. The starting point when deciding what to measure is your business strategy. There needs to be clarity about both the indicators of success and also the factors that will drive performance.

Metrics should not simply be imposed top down. Whilst Boards and senior management need to give some direction, dialogue and engagement with staff will help to ensure that they understand and are committed to achieving the targets.

SOME GOOD PRACTICE

I am cautious about being too prescriptive about what a good set of metrics looks like: every organisation is different and because the very process of discovery of what matters to the organisation and how it should be measured, is itself important. Nonetheless, here are a few ideas for good practice:

- no more than 6 key metrics for each manager;
- all the measures should be clearly linked to elements of the business strategy;
- metrics are benchmarked against sector performance (rather than, for example, just selecting metrics based on your organisation's historic performance or dreams);
- having metrics which cover past, present and future performance (e.g. order book or the contract "pipeline");

- training managers and staff on metrics and on the management information that they receive.

A balanced set of metrics across the organisation may cover, for example:

- financial performance;
- brand strength;
- supplier performance;
- product/service quality;
- marketing and sales effectiveness;
- customer satisfaction and loyalty;
- process/operational performance;
- employee satisfaction;
- safety and environmental issues.

A "METRICS HEALTH CHECK"

A "metrics health check" should ideally be undertaken at least once a year. This may be integrated with a strategy review and with the cycles of your budgeting process and of your team/personal performance management system.

Some elements of a simple metrics health check can include:

- mapping metrics against the organisation's strategic priorities;
- identifying all the regular management data received by managers and staff and then asking them what they actually use and understand;
- reviewing the sources of data for continued accuracy;
- checking systems used to produce metrics (most spreadsheet models have accidental errors designed into them; a study a few years ago found that over 90% had such errors!);
- co-operating with other organisations (not necessarily in the same sector) to see what they measure.

Metrics and management information are rarely seen as the most glamorous aspect of strategy, leadership and management. However, the very process of reviewing and exploring what the organisation should measure can be a powerful driver to adapting the culture to fit the organisation's strategy and environment. In the end the old adage applies: people manage what is measured. Your metrics will drive where your organisation goes.

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WEB SITES

In this issue we focus on web sites providing quotations. A good quotation can bring to life a speech, report, article or presentation. If we publish a set of web sites suggested by you, we will donate £50 to a charity of your choice.

Quotez

www.quotations.co.uk

An award winning site. Excellent layout and design: clean and simple. Offers an online service if you want to find out more about a quote. Claims some 13,500 quotations on 500 subjects from 2,000 people. Has a good humour section (e.g. funny newspaper headlines).

OVERALL RATING 

The Quotations Page

www.quotationspage.com

This site claims a searchable database of over 15,000 quotations. It offers indexes by subject and author (nearly 2,200 of these). It also has good links to other quotations sites.

OVERALL RATING 

Food for Thought

www.junkfoodforthought.com

Over 26,000 quotations. A useful innovation is the provision of brief biographical information on most people who are quoted. The site's design is rather basic.

OVERALL RATING 

ThinkExist.com

www.thinkexist.com

Includes a quotes search engine and a free daily quotation service. You can browse thousands of quotes sorted by author and topic.

OVERALL RATING 

Quoteland.com

www.quoteland.com

Provides quotations for all sorts of special occasions. Includes full text of a few famous speeches (e.g. Churchill). But perhaps the main purpose of the quotations service is to get you to buy gifts?

OVERALL RATING 

Book Reviews

Here are two books for the holiday “silly season”. The Seven-Day Weekend turns most management theory on its head; if all organisations followed successfully the principles and ideas that it describes, we might all be more productive and happier (well, you might be; we consultants would be on a 52-week holiday - unpaid!). The Luck Factor suggests that you cannot leave luck to luck alone: you can do something to improve your luck so that you are more likely to lead a happy and successful life. So, seven-day weekends and luck factors: silly or serious? You decide!

The Seven-Day Weekend

By Ricardo Semler

OK, try this for a management philosophy: “our goal is helping people to ... find equilibrium among love, liberty and work”; staff choose their own work time; workers must seek personal challenges and satisfaction before trying to meet the company's goals; no mission statement or company strategy; no job descriptions; no external or internal audits; hammocks for use during the day; and employees evaluate their managers and post the results for everyone to see. Whacky or what?

This book is not about idealistic and untested theories. Ricardo Semler's company Semco has applied these ideas (and more). Semco grew to \$165 million revenues and 3,000 staff in 2001. \$100,000 invested in the company 20 years ago would now be worth, it is claimed, more than \$5 million. Perhaps not so whacky?

An underlying theme is that the traditional weekend has ended because “we can work at home, be tracked on our cell phones at the beach...technology has made us accessible 24-hours a day, seven days a week.” So, Semler argues, encourage people to drop the idea of weekend and divide the seven days among company time, personal time and idleness. For example, why not go to the movies on a Monday afternoon if you spent Sunday evening answering emails? Another central theme is that by releasing people from the traditional management culture of control, the accepted boredom or aggravation of work can be replaced by “joy, inspiration and freedom.”

This fascinating book describes how Semler's philosophy has been applied at Semco. If you are tempted to work on holiday this summer, you might just want to put this book in your beach bag.

OVERALL RATING 

Century, 2003. £16.99

The Luck Factor

By Dr Richard Wiseman

“This book presents that most elusive of holy grails – a scientifically proven way to understand, control and increase your luck.” A mighty claim; but it does seem to be backed by credible research (although the fact that Wiseman is a successful magician, as well as a psychologist and academic, might create some uncertainty in your mind about this).

Wiseman has come up with four principles of luck:

- 1 Lucky people create, notice and act upon the chance opportunities in life. Some interesting insights are offered here about the relationship of personality traits to how lucky you are.
- 2 Lucky people make successful decisions by using their intuition and gut feelings.
- 3 Lucky people's expectations about the future help them fulfill their dreams and ambitions.
- 4 Lucky people are able to transform their bad luck into good fortune.

The Luck Factor helpfully includes lots of stories about how people have managed to increase their luck. And there are various exercises that you can use yourself (there is even a relevant “magic” trick that anyone can do!).

Wiseman concludes that the book illustrates the potential for “personal transformation” and says that it simply requires an understanding of the ideas in the book and “a genuine desire to incorporate the four luck principles and lead a luckier life...the future is in your hands.” Somehow it is probably not that easy. In order to change, many people need help, support and encouragement to create self-awareness and to learn new behaviours. Despite this, it has to be said, slightly reluctantly, that Wiseman's concepts do seem to have a ring of truth. Perhaps some of the concepts can also be applied to organisations? Another one for the beach bag.

OVERALL RATING 

Century, 2003. £9.99

WHITE MAPLE NEWS

HAPPY BIRTHDAY!

White Maple Consulting is celebrating its first year of trading. Since July 2002, White Maple has worked with 24 organisations. These have included: professional service firms (solicitors, property consultants and actuaries); government departments/agencies; trade associations and professional/technical institutions; housing associations; charities; and commercial enterprises. Projects have ranged in scale from one day to £100,000.



We would like to thank all our clients, partners, associates, suppliers and other friends for their support, advice and help. Thank you!

BACKCOPIES OF THE REVIEW

Backcopies of The Review are available on request. Due to popular demand, we have reprinted Issue 1 (November 2002) which included articles on service recovery and coaching. Issue 2 (March 2003) had articles on developing leaders and SWOT analysis. All issues of The Review are also available in pdf format on our website: please go to the resources section.