



## DELIVERING YOUR COMPANY'S VISION

### The Unmistakable Power of Brand on Performance & Profitability

By Rick Balsiger ■ August, 2011

One of our many responsibilities as business leaders is the creation of a clear and distinct vision for our company. Equally important though, is our responsibility for leading the *delivery* of that vision. Few things will have greater impact than leveraging the power of "brand".

The unmistakable power of brand not only greatly influences our ability to deliver our vision but there is a direct linkage between our brand's strength and achieving optimal performance and profitability.

To truly appreciate its power and impact, we need to take step back and understand: *Why* we should look at brand differently; *what* critical focus areas need to be considered when thinking about brand; and then *how*, we can deliver our vision by harnessing the true power of brand.

First, a few words about the "why", to put this into some context.

Let's face it: most companies today remain in some stage of crisis. And while it all can be difficult and very unsettling, crisis also can and should be the catalyst for positive change. Crisis not only invites change but it gives us permission to change. For some, it might mean a change to our business model or strategic direction. To others, change may be as fundamental as evaluating new and different approaches to certain areas of our business or as simple as finding new points of difference and demonstrating to our customers in new ways why we should even matter to them.

More than ever though, it's times like these that demand we clearly understand *who we are* as a company; determine *who we need to become*; and then decide *how we're going to get there*.

## □ CHANGING OUR OPTICS

Peter Drucker once said that "The greatest danger in times of turbulence is not the turbulence; it's to act with yesterday's logic." But moving away from "yesterday's logic" means we have to also change our optics if we're to successfully navigate through this very challenging and different world we're living in.

It's essential we begin viewing our world through a different lens, looking beyond the traditional paradigms. This becomes increasingly important because while it's not business as usual for us, it's not business as usual for our customers either. Greater creativity, innovation and openness in our thinking is needed now, more than ever. And this new thinking applies to every aspect of our business, regardless of size or industry. It's important not only if we're to thrive in the future, but survive today.

Now, if we take a step back and look at our world through the traditional lens, we see things like "branding" as the responsibility of Marketing and our advertising agencies; organizational design and the management of human capital is HR; Manufacturing builds things; Sales sells things; and Finance collects, counts and manages the money. But that's through the traditional lens.

In today's volatile and complex environment, it's imperative that we strengthen the bridge between all functions within the organization if we're to maximize performance and profitability. And it begins with looking at the idea of "brand" very differently.

Unfortunately, it's not enough to say, this is who we are or who we want to be and then have the Marketing folks crank out a marketing plan. The business landscape today and tomorrow will not allow it. To succeed, especially today, we certainly have to articulate a solid brand position that reflects our company's vision—one that is relevant, compelling and meaningful to our customers and the marketplace. But that's just the starting point. We then have to make certain we have the necessary pieces in place that will enable us to actually *be* who we say we want to be.

This is true whether we're a consumer company or B2B because what separates extraordinary brands and companies from the ordinary is their ability to deliver.

Simply put: *Brand Vision + Brand Integration + Brand Delivery = Brand Success (and Business Success)*

Only through successful brand delivery are we able to achieve true success. While crucial, it's not simply who we say we are; it's what we do. This requires us to look at the entire concept of brand from a very different perspective. So where do we start?

First off, let's assume for purposes of this discussion, we have a desirable and competitive product. Let's also assume that we acknowledge the need to change and we have a true commitment to real and meaningful change. There are four critical focus areas or imperatives that must be accounted for:

1. **People**
2. **Brand & Culture**
3. **Brand Integration & Delivery**
4. **Metrics**

But before we look at each one individually, let's take a quick look at the whole concept of Brand for a minute—what is brand and as important, what isn't it?

## □ THE CONCEPT OF BRAND

Unfortunately, "brand" is a concept that is often misunderstood by far too many people in far too many companies.

For the marketing purists, branding is that fundamental building block that all marketing is created from. To the non-marketer, it's often times quickly dismissed as just some peculiar, esoteric advertising theory—just a bunch of marketing babble.

For many, brand is the tag line in their advertising campaign or the sign on their building or the logo on their letterhead. And while those are important, they're only tactical extensions of our brand—symbols of our brand.

For others, the notion of "brand" ends up being relegated to a brand or mission statement, heavy with the latest buzzwords, hung reverently on the lobby wall where few people read it and probably even fewer understand what it really means.

The problem with this misunderstanding is that if we only view brand from this limited, narrow perspective—a tag-line, a logo, a mission statement or just the platform for our marketing—at best, our brand becomes shallow and really meaningless. It's superficial and lacks any substance or credibility at all—internally or externally.

So, what is brand?

Here's the truth: a genuine and authentic brand is in fact, the foundation for the *entire company*. At its core, a brand reflects the very heart, soul and personality of the company—everything the company stands for; everything it says; and everything it does.

Our brand is a reflection of our company's vision and values; of who we say we are or want to be as a company; of what we stand for and what's truly important to us. It's really the sum of the parts.

Brand must not only define who we are and why we should matter but our brand must literally become the directional compass for the entire organization. In practice, brand becomes the very culture of the company.

But brand is important for another reason as well. One of the unique characteristics of a brand and a brand's image is that it exists whether we define it or not. The fact is, if we don't clearly define our brand, in its absence, our customers and even our own employees will define it for us. And their perception of our brand will become their brand reality based on their impressions, assumptions and experience with our brand.

And for most, their perceptions will be influenced more by what we do, than by what we say. Both customers and employees will ultimately judge the credibility and legitimacy of our brand more by our actions, than by the carefully crafted words in a brand or mission statement. The truth is: our brand's reality will ultimately be defined by others, whether we're a consumer brand or B2B, and it will be based largely on what we *do* as a company.

## □ THE IMPORTANCE OF BRAND

When we think of highly successful and iconic consumer brands like Southwest Airlines, Apple, Nordstrom or Starbucks, we quickly realize that these brands don't happen by accident, coincidence or luck. And despite their extremely diverse products and industries, they actually have tremendous commonality.

Each operates in intensely competitive industries; each has incredible brand strength; and they have all achieved a high degree of business success. They are each built on a strong foundation of innovative product; compelling branding; relevant and meaningful communication; and consistent brand and product delivery.

Each has an acute understanding of who they are; what they stand for; what brand image they want to convey; and how they want to deliver their brand and product that will ensure they pay off the promises they have made. What separates them from the ordinary is that their brand vision and brand values are integrated into everything they do organizationally, operationally, and culturally.

To succeed, “brand” must be first understood (by us); and then supported by a genuine and sincere commitment in principle and practice on the part of every member of the leadership team within the organization. Whether from IT, Marketing, HR, Manufacturing or Finance, each leader must have a vested interest in and accountability for both the development of the company’s brand as well as its delivery.

And while it’s crucial that the brand development process and the ultimate brand creation be led by the marketing pros, without the active involvement and shared responsibility by every member of the leadership team, it will only become a costly, extremely frustrating and time-consuming exercise. In short, it will fail. And achieving optimal business success is simply impossible with brand failure.

Brand must be seen as the foundation for the entire company. Its impact on performance, profitability and our company’s overall success is clear and unmistakable.

With some background on the “why”, let’s look at the “what”—the four imperatives for achieving true brand success.

### *Imperative #1 - People*

This is the first imperative simply because absolutely nothing happens without people. People drive everything. Only people create, innovate, motivate and help us solve our most difficult and challenging problems. Only people lead companies and brands.

One of the key principles in Jim Collins’s book “Good to Great” is first who, then what. He found that in great companies, they first got the right people on the bus, the wrong people off the bus and the right people in the right seats—and then figured out where to drive it. Clearly, the ability of the “drivers” will have an enormous impact on the quality of the ride. Starting with the executive leadership team, inventorying and assessing our people is essential in order to determine if in fact, we have the right people are on the bus and they’re in the right seats.

The reality is that as the business climate changes, so could the objectives and needs of a company. Because the game plan may need to change, conditions could also dictate that the responsibilities and focus of certain key positions also may need to change—even the requirements of those positions. Often times, the strengths, skill sets, leadership style or even overall business philosophy of an incumbent may no longer be compatible with the kind of company it now needs to become.

This isn’t to suggest that the person currently in the chair is a bad person or a poor performer, just that the rules and conditions of the new game may necessitate the need for a new or different player.

New talent requirements may have to be established to ensure that there is a clear understanding of what our optimal leaders must look like in terms of functional discipline expertise, leadership traits, organizational environment experience and even personality. This is important whether promoting from within or hiring from outside the organization. Talent requirements should also be defined based on the needs of the company that it wants to become, not the company it is today.

Once the correct leaders are in place, each leader must perform the same assessment and evaluation for their key people as well. As a recent WSJ article pointed out correctly, “As long as there are one or more major positions or functions in a company that are not filled with or run by great people, it will be a drag on the effectiveness of everybody else. Truly great companies are possible only if their entire teams are great.”

We also know that without question, this process can be difficult and arduous, but it’s crucial. It requires discipline, commitment and a significant investment of time and attention.

The “people” piece is also so important because our brand has to be led, managed and represented by like-minded people—people who understand it; embrace it; and can be taught how to become true ambassadors for the values our brand stands for—in fact what the entire company stands for. We simply can’t risk having those in the organization who don’t get it, can’t get it or won’t embrace it.

The fact is that every person in an organization is the face of the brand and the company, to someone, somewhere. The brand chain is only as strong as its weakest link.

Great companies recognize that it is only with and through the right people that they are able to build meaningful brands, develop innovative products, efficiently produce them, find new and inventive ways to market them and create exciting experiences for their customers. It's people who create and lead companies and it's people who create and lead brands.

But this inventorying and assessment of key people is important for another reason as well: making sure the right people stay on the bus. Many have predicted that the next major challenge for companies looming on the horizon is that of employee retention—and more specifically, the need to retain the right people.

There have been several recent surveys of executives from ExecuNet & Finnegan Mackenzie, the WSJ and others with some rather astonishing findings. Depending on the specific survey, the data reveal that anywhere from 52% to 85% of those executives surveyed—Director level to C-level—indicated they were either actively exploring new opportunities or would be open to exploring new opportunities. The results suggest that best-case, 1 in every 2 of our executives could be potential flight risks.

While the causes are understandable—compensation stagnation, lack of growth opportunity or just plain burn-out—it unfortunately, doesn't change the reality.

Clearly, the costs of losing and having to replace key talent are huge and are even greater if they happen to be someone we want to stay on the bus. While estimates of the financial costs range from \$150,000 to over \$350,000 per person (depending on position, company, etc.), the operational costs could be even greater causing considerable distraction and disruption to our organization, our business and our brand.

The "who" is Imperative #1 since it's our people that have the responsibility and accountability for creating, directing and driving the "what" and "where".

### *Imperative #2 – Brand & Culture*

The second imperative is "Brand & Culture". And they're together because they are so tightly connected. As we begin changing our optics, Brand & Culture must also be viewed through a different lens.

Arguably, one of Albert Einstein's best quotes was: "Strive not to be a success but to be of value". His words couldn't be more appropriate in this context. After all, if viewed properly, success is actually a result; it's an outcome. It suggests that the real focus for any brand or company should be to create value for their customers (and employees, for that matter) and if that value is achieved, then success will result.

And while any relevant, meaningful and sustaining brand must establish value, there is "content-value" and "commodity-value", usually driven by basic price of entry kinds of things—the minimum that most other brands and products offer.

A "content-value" brand, however, extends well beyond "commodity"—offering exciting products, exceptional brand and product delivery and creating great experiences for their customers. Content-value offers that something extra; above and beyond; maybe the unexpected.

For us, it begins with defining who we are; what we stand for; what value we offer our customers; the problems we can solve for them; and then being able to deliver. At the end of the day, brand success and ultimately business success is about the promises we make in our words and the promises we keep through our actions.

"Content-value" also distinguishes the extraordinary brand from the ordinary brand.

But for a brand to become truly meaningful and successful, though, the values of the company must drive the values of the brand, which in turn must literally become the culture of the company. Our culture becomes that directional compass for the entire enterprise, guiding everything that everyone does, every day.

*Company Values → Brand Values → Company Culture → Enables Brand Delivery*

Being able to successfully transform our brand vision and mission into a company culture, is what enables us to effectively deliver on the brand promises we make. And that's why personalizing the brand is absolutely essential.

Brand & Culture leadership must start at the top. It's the responsibility of leadership to ensure that every single person in the organization understands what the brand stands for and what delivering the brand means to each person in the organization. Everyone must clearly understand: how they contribute to the brand; how they impact the delivery of the brand—directly or indirectly—and what their brand delivery role and responsibility is. Any confusion or lack of understanding can lead to not only employee dissatisfaction but poor performance and ultimately, a breakdown in our ability to deliver.

Each person must understand the mission, their role and what's expected of them. And that requires a real brand and cultural immersion process that is consistent and constant. It has to be reinforced regularly because unfortunately, vision leaks. We all get so wrapped up in the day-to-day that it's very easy to lose sight of the vision and the mission. Every thirty days or so our vision begins to leak and begins to evaporate. And before we know it, we've regressed back to business as usual.

Eliminating "vision leak" requires consistent, on-going training and development and communication that helps employees not only understand what they need to do and what's expected of them, but why and how. It's our job as leaders to help them connect all of the dots. It's a continuous process with no finish line and requires a sincere investment in our people.

As the company and brand culture cascade down through the different levels within the organization, an on-going review of people must continue to take place—both formally and informally. It's constantly making certain that the right people are still on the bus, the wrong people off the bus and the right people in the right chairs.

Ann Rhoades, the former Chief People Officer at JetBlue and Southwest Airlines believes that "companies must build their values directly into their business plan". And that means everything.

While every company has a brand and a culture, the real questions are: Is it what we want it to be or need it to be? And did we define it or is it being defined for us?

Once the "people" piece has been addressed and the brand and cultural foundation and framework have been established, we can talk about Brand Integration & Delivery, the third imperative.

### *Imperative #3 – Brand Integration & Delivery*

Brand integration & Delivery are also closely linked since effective brand integration is another enabler of successful brand delivery.

As suggested earlier, strong brand-centric companies understand that branding is not simply a marketing concept or a marketing function; it's not some program or corporate initiative with an expiration date. They view brand as a way of life. Brand to their company, is what air is to breathing.

These companies also recognize that beyond brand vision and product, the organizational structure is the vehicle that drives the brand and the engine that powers it, is its people. It's being the brand they want it to be. And that's only possible if branding is integrated throughout every facet of the enterprise—operationally, organizationally, strategically, tactically and culturally. Brand must also be integrated vertically and horizontally as well as internally and externally.

Effective integration is in essence linking our vision, our words and our actions. It's building or strengthening those bridges between all functions and activities. Effective brand integration is essential for effective delivery because delivery is the name of the game. And the harsh reality is that if a company is unable or unwilling to make the commitment to doing everything possible to effectively deliver their brand, then the best advice is: save the time, effort and money in trying to create one in the first place. It simply won't matter what kind of brand we want to create if we are unwilling or unable to deliver it.

Truly "being the brand" begins with the fundamental understanding that brand is indeed, a way of life. Because while our brand vision may describe what we want to be, brand reality is truly the result of what we do. It's what we deliver. Even if we're comfortable with our current brand position, brand integration is absolutely vital if we're to maximize performance and profitability.

Again, as we look at the concept of brand from this different perspective, the organizational structure itself has to be evaluated, designed or refined with the same high degree of vision and creativity as we devote to marketing or product development. The organizational structure and in fact, every operational system and process must be carefully examined to determine if it is consistent with and supportive of our values and culture. Both organizational structure and operational processes significantly effect on our ability to deliver on the brand promises we make. They will either become enablers or inhibitors.

But with right people on the bus and the right cultural framework in place, it becomes exceedingly less difficult to accomplish since now, everyone on the team is driven not just by a vision but a true mission.

It's also essential that when we think about the responsibility for brand delivery, we extend the brand responsibility and brand integration process to our suppliers, vendors and other strategic partners. While sometimes overlooked, they too, are representatives of our brand. In fact, in many instances, they can actually be closest to a critical

customer touch-point. As a result, they can have a considerable impact on our brand and our company—positively or negatively.

As we all know, customers don't recognize nor do they really care about departments or divisions or whether they're talking with a company employee or a vendor's employee. To them, it's all the same. We know this simply because we are "them". Each of us is also a consumer and someone's customer for something.

For a bank, a faulty ATM machine that chews up our ATM card or is out of cash when we need it, doesn't reflect badly on the vendor who manages the ATM hardware. No one even knows who they are. It's a bad reflection on the bank. A terrible experience with an out-sourced customer service representative at the other end of an 800 number half way around the world doesn't harm the call center like it harms our brand and our company. In the eyes of the customer, they *are* our brand and company.

And the risk is this: everything we've worked so hard to create—regardless of the type of customer we have—all can be lost at a single touch-point, in a blink. And if we happen to lose a valued customer as a result, we may never know why. Worse still, that single bad experience will likely be magnified. In today's world of instant communication, one bad experience, regardless of who created it, is just an email, a tweet or a blog away from hundreds of other customers and potential customers.

Effective brand integration enables and helps ensure effective brand delivery. To succeed, integration requires that we look at everything throughout the company. Everything must be considered—hiring criteria, talent acquisition, new employee orientation, on-going employee development & engagement, compensation strategy, rewards & recognition, succession planning, employee retention, employee benefits, operational processes and even strategic partner selection.

How we deliver our brand will not only determine our brand's reality but it will ultimately determine the degree of overall our business success. Again, it's that cumulative effect of everything that everyone does, every day.

#### *Imperative #4 – Metrics*

It's been said that not everything that is measured counts and not everything that counts is measured. The simple truth is that with most organizations, what gets measured gets done.

That's why it's crucial that our metrics are aligned with our overall company values, our brand values and the culture we're creating. Establishing the right metrics helps make certain that we're focused on the right things that actually support the delivery of our brand. But the right metrics are important for another reason. Our metrics become tangible evidence of our true commitment to our values and what we deem most important as a company—the "what we do" vs. the "what we say".

There's an old adage that says: "Show me what you measure, and I'll tell you what's really important to you". The metrics we establish become a real litmus test because they will clearly demonstrate to everyone—internally and externally—whether our company is driven solely by traditional "success" factors (sales, market share, revenue, cost, profitability, earnings per share) or also by "value" factors (innovative product, people development, exceptional customer experience, etc.).

For example: are things like performance reviews, merit increases, bonuses, promotions and other rewards & recognition driven also by "value" factors or solely by "success" factors? Are "value" factors given equal billing in the overall metrics equation? Because while "what gets measured gets done", what gets rewarded, will usually get done first.

Obviously, there has to be a delicate balance. Sales and revenue and profitability are essential—no argument there. We can't live without them or survive without them. And the inference is not that we exclude metrics that measure success factors or those critical results. The question is: are we also measuring the essential activities and cultural behaviors that drive and affect the results. Again, is the organization, as Einstein suggests, striving to be a "success" or striving to be of "value" that if achieved, will result in success?

Cultural behaviors will likely differ from company-to-company. The key is to identify those personal behaviors, characteristics and qualities that best align with our cultural and brand values.

And while the operational metrics for specific divisions or departments may be unique to those individual groups—Finance vs. Manufacturing, or HR vs. Sales or Marketing—the "value" metrics must be consistent throughout the organization. Because even though the "what we do" may be unique department-to-department, the spirit of "how we do it" must be the same. It's living the brand and being the brand—everywhere, all of the time.

It's up to the leadership team to make certain that as an organization, everyone knows the mission; what their role and responsibility is, operationally and behaviorally; and how each person will be held accountable and rewarded.

Establishing the proper metrics is as important culturally as it is operationally because they will tell the entire organization loud and clear what is truly important to the company as well as the level of our sincerity.

While we may not determine the actual operational metrics for every group ourselves, we should, however, heavily influence the strategic and philosophical approach to our company's metrics, especially regarding the value metrics discussion. That leadership must also begin at the top because if the right things are not being measured, at any level in the organization, then there's a great likelihood the right things will not get done.

## ▣ A BRAND DONE RIGHT: NORDSTROM

We highlighted a few examples of exceptional brands and companies earlier. But let's take a closer look at one of them for a moment: Nordstrom.

What makes Nordstrom such a great example is that their vision, brand and culture are about as simple and seamless as you can get. And the "Nordstrom Promise" is about as simple as it gets: "Offer the customer the best possible service, selection, quality and value".

There are those who would argue that other brands could offer that same promise. So, why is this "promise" so powerful for Nordstrom and what makes them such an extraordinary brand? They have succeeded in creating, articulating and delivering a clear and simple vision. In addition, their brand is fully integrated—strategically, tactically, operationally, organizationally and culturally. They genuinely live their brand.

Nordstrom has identified 12 Core Values that drive everything in the company, including every employee:

- 1 - We're family. 2 - Use good judgment. 3 - Be empowered. 4 - Setting goals matters.  
5 - It's your business. 6 - Healthy competition is good. 7 - Be honest. 8 - Be recognized.  
9 - Be a good neighbor. 10 - Be kind. 11 - Have fun. 12 - Our door is always open.**

Those thirty-four words clearly and simply communicate their vision, their mission and their expectations.

At Nordstrom, they strive to provide outstanding service every day, one customer at a time. They also reinforce the essence of their brand and culture even further and perhaps even more dramatically. The Inverted Pyramid they created is visual proof of their commitment to the customer both in terms of philosophy and structure.



It's not difficult to understand who the most important person in their hierarchy is. After the customer, they also recognize that their sales people must be next on the list of most important because they are closest to serving the customer. Salespeople are followed by buyers, merchandisers, department managers and store managers—those who support the salespeople and ultimately, the customer. At the very *bottom* of the pyramid, are the executive team and the Board of Directors.

Everyone in the Nordstrom organization understands the Inverted Pyramid. They truly believe that when you stop worrying about the money and concentrate on serving the customer, the money will follow.

The Nordstrom culture extends throughout the organization and at every level. When it comes to hiring, they prefer to "hire the smile and train the skill".

Their unconditional money-back guarantee was designed for the "98% of the customers who are honest". It's a frank acknowledgement and acceptance that they are willing to be taken advantage of, 2% of the time in order to properly serve the 98%. What a better way to demonstrate to everyone—customers and employees—their genuine commitment to the customer. They truly epitomize Einstein's idea of, "Strive not to be a success but to be of value".

And if Nordstrom can achieve this level of brand and business success within an \$8 billion company with over 50,000 employees, it's certainly achievable within smaller organizations.

Nordstrom truly lives the brand. And their vision, brand, culture and brand delivery have had an enormous impact on their company's performance and profitability. Not unlike Apple or Southwest or Starbucks, Nordstrom is clearly a brand done right and are proof-positive of the real power of "brand".

## ▣ WHERE DO WE GO FROM HERE?

Crisis can indeed inspire change. And while challenging days still lie ahead, as Peter Drucker said: "The best way to predict the future is to create it".

Creating that future will be different for each of us. It may be defining or re-defining who we are; determining who we want or need to become; and re-inventing how we will get there.

It will likely mean that everyone will need to change their optics and begin looking at the world through a different lens; maybe even shift a few paradigms.

In today's world, a brand must be viewed completely and holistically—strategically, tactically, operationally, organizationally and culturally. It demands leadership and a commitment in principle and action.

Realizing our brand's full potential means having all of the pieces in place all of the time—the right people, a genuine brand culture that is integrated throughout the entire organization and the proper metrics that ensures we get done what we want and need to get done. And while it may be the responsibility of the marketing experts to lead the development and creation of the brand, it's the responsibility of the entire organization to deliver it.

The question for us shouldn't be: can we afford to look at brand this new way. The question should be: can we afford *not* to. Achieving genuine brand value and optimum business success is the result of truly being the brand we desire the brand to be.

And the impact of brand on performance and profitability is unmistakable. It's what separates the extraordinary from the ordinary.



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