No. 80, August 2013 ISSN 1869-8360

MANDAT
CONSULTING GROUP

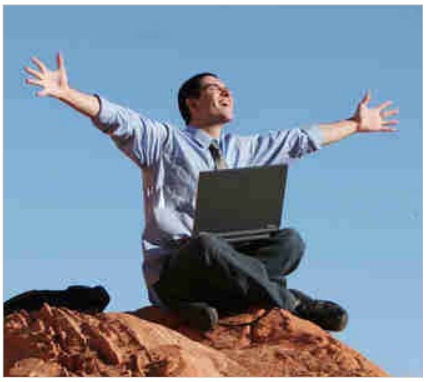
MANDAT GROWTHLETTER®

Growth Focus: Brand

CEO-Tip
of the Month

by Guido Quelle

The CEO as Brand



Discussions about brands are a bit like those about growth: Talk is cheap, but expertise is hard to come by. This problem becomes even more evident when it comes to the topic of “people as brands,” where the tips and tricks provided by interested non-experts sometimes produce odd results. By way of example, “self-marketing” is an increasingly fashionable buzzword, but the unfortunate results of how it is practiced speak volumes.

Before we look into the subject of “the CEO as brand,” let’s establish a few basics: Brands with a positive image are associated with qualities like absolute reliability, a high degree of consistency, promises that are kept, high quality, high appeal and attraction—to name just a few. At the same time, leadership—a CEO’s core duty—is connected to exemplary behavior and a number of the qualities just mentioned. If you are a regular reader of our articles and papers on the subject of growth, you’ll know I believe that leaders—and especially CEOs—are role models whether they want to be or not. Regardless of whether their conduct seems admirable or not from the outside, they will become role models for others.

If we want to talk about growth – and brands are nothing more than a means of promoting growth—we need to recognize that it’s helpful if the CEO—and not just the CEO, but every member of the Senior Management—is to some extent a “brand” of their own. At the same time, these “personal brands” have to be compatible with the corporate context in which these individuals are active. A CEO who is noted for being a hard but fair restructuring specialist will have a hard time in a visionary, consensus-based environment, a fact that is difficult to convey to shareholders and the public, let alone to employees.

Further, we have seen time and again that the press not only reports on companies as faceless entities, but are pleased as punch when there’s something “juicy” to tell about a person who is responsible for a company or division and who represents a certain “direction.” So where do you stand personally? What are the basic points that characterize you? And how do those points fit in the context of your company? What makes you stand out from the crowd? These questions need to be asked and answered if your goal is to establish the CEO (or further members of the Senior Management) as a brand. Note that we’re not talking about setting up something artificial, but instead communicating the established facts in a more pointed way, about refining and accentuating them. Above all, it’s not about stroking someone’s ego—which tends to be disadvantageous for companies – but about creating a spearhead for external and internal communications, one that fits both the company’s marketing image and its canon of values.

Primarily, what is needed is a good degree of self-awareness: knowing who you truly are. In this context, it is both desirable and right for individuals to shape and thereby change the company, provided the company’s interests never have to take a back seat to personal ones. After all, the CEO is his or her company’s greatest servant.

Strategy & Leadership

by Guido Quelle

Brands as Growth Motors—You'll Find the Fuel in Your Own Company

According to Millward Brown Optimor®, at the time this article was written the Apple® brand was currently estimated to be worth over 185 billion US $—and note that we're not talking about the actual company, but only the brand. That makes Apple® the most valuable brand in the world, coming in far ahead of google® (ca. 114 billion US- $) and worth more than twice as much as Coca Cola® (78.4 billion US $). Mastercard®? A well-known brand to be sure, and with a value of nearly 28 billion dollars surely no lightweight, but compared to Apple® or google® it's second or even third rate.

Brands create attraction, and they do so in two dimensions: on a rational level, through reliability, consistently high quality, innovations and other aspects; and on an emotional level, through criteria like desirability, status and image. Taken together, these two dimensions create attraction and intensify the desire to belong to a group; those who purchase the brand's goods or services want to "belong." For a moment, or for as long as they use the product or service, certain aspects of the brand including the emotional promise it makes are transferred to the consumer. None of us actually needs an iPhone, a Porsche, a Lange wristwatch or a Rolf Benz sofa. An old Siemens cell phone, a used Seat, the free quartz watch that came with our newspaper subscription and an IKEA couch would do the trick, too. But actual practical value won't help us here; brands don't just have to do with value.

We're talking about attraction and not pressure, a time-honored principle of growth: pulling and not pushing. Investing energy in order to generate attraction and not pressure is the motor for the success of strong brands. Wondering what makes that motor run? The fuel can be found in your own company. While we can't cover here all of the aspects we work out with our clients to strengthen brands—regardless of whether product/service brands or corporate brands—, three main aspects are certainly worthy of mention, because they're not exactly obvious and tend to be overlooked by classic "brand consultants," assuming they are aware of them:

Brands are not there for their own sake

One thing classic brand consulting often overlooks is that the point is not to refine or reinforce a brand, as the brand is only a means to an end. So why do we need to strengthen brands? That's right, to generate growth. As such, we consider the establishment of brands to be a basis for growth. Companies can still grow without the help of a classic brand, but having a strong brand—or several brands—can make the task much easier. In this context, we always recommend viewing the company itself as a brand and not just the brands that belong to it, because ultimately companies are brands whether they like it or not, just as leaders are role models like it or not. A single-brand company like Apple, which doesn't think in terms of divisions or business units, will of course have an ea-

sier time with this approach than e.g. Intersnack, better known through its brands Chio® and funny-frisch®. Nevertheless: The key here is that the establishment and reinforcement of brands has to have a concrete purpose, namely creating attraction that promotes growth.

Employees, language and conduct have to fit the brand

A fashion label looking to position itself as fast, stylish and trendy would be well advised to hire employees who themselves are fast, stylish and trendy—assuming they also fit in other regards. If a university graduate feels their education is "finished" after college, they won't be happy in that type of company. Someone who thinks the constant changes in fashion are nonsense will also have a very hard time of it (just think of the "Andrea" character in "The Devil Wears Prada"). The employees of a company represent a brand and the company, be it directly, in the form of sales, or indirectly, in the manufacture of products. After all, how can a company position itself in a way that its employees do not reflect? That's why getting the right type of employees on board is also a key aspect of brand consulting. Language, too, should fit the company. A brand that promotes itself as extremely serious and professional shouldn't toss about trendy buzzwords, abbreviations like OMG and emoticons, because they clash with its image. Mercedes-Benz is a prime example of using language to reinforce corporate branding. In its advertising spots and brochures, in every statement: It's chock full of benefits, elegantly, positively and skillfully presented. Nothing is left to chance, and the brand is made stronger by the language used. Granted, in some showrooms and garages Mercedes-Benz is a far cry from its motto of "the best or nothing," but there's always room for improvement.

Often overlooked: B2B

It's with a bit of satisfaction that I increasingly see articles on brand formation in B2B companies, which have traditionally distanced themselves from the discourse on brands (a huge mistake). For years now I have been telling various professional associations that they would be well advised to familiarize their member companies with the topic of "brand formation," as otherwise they would be overtaken by other companies who already did precisely that. Even if "branding" isn't of immediate appeal to plant equipment providers, technical equipment distributor or woodworking firm, here, too, it should be emphasized that brands above all have an emotional component. I've seen this in my own company; if you'll excuse a brief digression: We at Mandat claim to be among the leading thinkers in terms of growth. Our clients can research that claim and recognize a benefit:

Working together with us means being ahead of the rest. We have over 20 years of experience in more than 350 projects, which gives them a further advantage: security. And we are emotionally committed; we care whether our projects with clients actually succeed or not. Granted, it's hard to advertise with these points, because who would every claim they used outdated know-how, were utterly lacking in experience and didn't really care if their clients succeeded? But we consistently convey these qualities in our conduct, and our clients enthusiastically report that working with us not only yields results, but is also a pleasure. This fact, together with our value statement "we help companies to grow profitably" helps to set us apart. Who says there's no emotional component to B2B?

Whatever you do to strengthen your brand: Start on the inside. Take a look at what doesn't yet fit your brand and take the necessary measures. Some brands out there offer great quality, but no one has heard of them yet. Make sure your company isn't one of the best-kept secrets.

Profitable Growth—Release Internal Growth Brakes and Bring Your Company to the Next Level

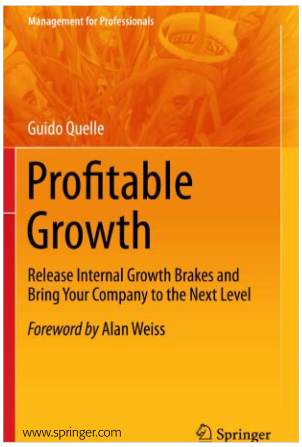
Almost every company wants to grow—at least officially. Shareholders are demanding further growth and no management team would deny that the growth of their company is one of the top issues they are working on every single day. However, there are barriers to growth, and these are not only external barriers. Most often it is not the economy, not the market and not the customer who just "hasn't got it." The main barriers can be discovered inside every company, because growth always comes from within. If the organization is not ready to grow, initiatives to increase market share, to enter new markets, and/or to increase profitability are destined to fail. This book systematically addresses the main internal barriers to growth and provides practical guidance not only for discovering these barriers, but to systematically overcoming them.

Content

- Innovations as Motors of Growth
- Is Your Organization Ready for Growth?
- Conceptual Expertise of Marketing
- The Growth-Driving Sales
- R&D as an Innovation Plattform
- How Strategic is Your Purchasing Department?
- The Role of Support Departments in the Growth Process
- Non-Profit Organizations
- The Most Effective Strategies for Blocking Growth
- The Motor of Growth

Author

Professor Dr. Guido Quelle, "The Growth Driver," is one of the rare people worldwide who focuses on creating profitable and sustainable growth as an entrepreneur, consultant, author and speaker for more than 20 years. His clients are active CEOs, general managers, senior executives, and entrepreneurs who are committed to consistent growth. With his consulting firm, Mandat GmbH of Dortmund, Germany, he successfully conducted more than 350 projects with 120+ renowned private and listed companies. More than 5,000 people were involved just in those projects that he himself managed. Prof. Quelle is always in demand when companies are seeking the support that will enable them to continue on a course of sustained profitable growth.



Get your personal copy at amazon.com:
[www.amazon.com/Profitable-Growth-Internal-Management-Professionals/dp/3642327869]()

- Springer 2012
- 184 Pages
- ISBN 978-3-6423-2786-5

"The nuance that distinguishes this book is the orientation that growth is measured, planned, and pursued in an orderly fashion, never growth for growth's sake. Guido wisely takes the reader through a strategic approach which leads to intelligent tactics, not a frenzied tactical charge that undermines strategy."

Alan Weiss, PhD, President Summit Consulting Group, Inc., Author Million Dollar Consulting and The Consulting Bible

Imprint

Dortmund:

Mandat
Managementberatung GmbH
Emil-Figge-Straße 80
44227 Dortmund
Germany
Phone: +49 231 9742-390
Fax: +49 231 9742-389
info@mandat.de
www.mandat.de

London:

Mandat Consulting Group
Level 17, Dashwood House
69 Old Broad Street
London EC2M 1QS
United Kingdom
Phone: +44 207 256 4257
info@mandat-group.com
www.mandat-group.com

New York:

Mandat Consulting Group
The Seagram Building
375 Park Avenue, Suite 2607
New York, NY 10152
United States of America
Phone: +1 212 634 7466
info@mandat-group.com
www.mandat-group.com

Managing Partner:
Prof. Dr. Guido Quelle

Commercial Register:
District Court of Dortmund HRB 8803

VAT NO.:
DE 124727551

Editor Mandat Growthletter®:

Prof. Dr. Guido Quelle
guido.quelle@mandat-group.com

Assistance Mandat Growthletter®:

Nadine Müller
nadine.mueller@mandat-group.com