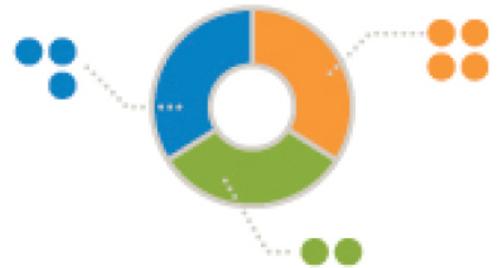


HR: The Inside Brand Manager





Human Resources: The Inside Brand Manager

By Karl D. Speak

Human resources executives have a new leadership role in developing brand loyalty with customers. The brand on the outside (with customers) is only as strong as the brand on the inside (of the organization). This is the new mantra of the most marketing-savvy executives. The foundation for this new belief is based on two pillars: sustainable growth requires customers that admire the company's products and value system, and employees are the first important link in the brand-building effort.

These “new-school” business leaders are all proclaiming the virtues of building their brands from the inside-out. In fact, some of these avante garde CEO's are proclaiming that if a strong brand exists on the inside of the organization, the outside brand with customers will take care of itself! Many human resources executives are now being enlisted to become an important member of the organization's marketing team. Management gurus are talking about the human resources executive as the “chief inside marketing officer” or “inside brand manager.”

“Why Brand, Why Now?”

Let's start out on the same page about brand. Brand is not a logo, slogan, advertising campaign, or a product name. Brand is a relationship – a very special relationship with special qualities. Strong brands are trusted, admired, and rewarded with loyalty. Products can be strong brands. Companies can be **strong** brands. People can be strong brands.

For businesses, brand management is the discipline of creating, managing, and fostering customer relationships. It is not advertising and logos.



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It is not a marketing strategy that requires large marketing budgets. It is not just for packaged goods. Brand management is the creation of a special customer relationship that is based upon an organization's unique strengths. It doesn't matter what you sell, what you do, or who you are. It doesn't matter how big or small or young or old your organization is. It doesn't matter if you sell products for a profit or offer services as a non-profit. Brand is not a specialty management discipline. What does matter is that every company relies on strong customer relationships and their reputation to grow faster than their competitors. And brands are relationships.

Companies with strong brands win more often than their competitors. Brand's popularity has reached mass-market status as a business management topic. The status of brand is not likely to fade away for some time, if ever. There are two reasons for this staying power: one is cultural and the other is based on proven business rationale. We can thank the proliferation of the MBA degree over the past twenty years for the popularity of brand in the business culture. It's cool to work for a company that has a strong brand, either consumer or industrial.

This "MBA cool factor" does have a strong and proven business rationale. Brands are real and so are the benefits businesses derive from having a strong brand. Managing a brand has become the new discipline for managing and growing customer relationships. This new approach to customer relationships is firmly rooted in common sense.

After all, the additional transactions that result in growth can be generated far more efficiently from existing relationships than from the non-existent-at-the-moment variety. On-going relationships have equity and value. Being the brand of choice has far-reaching advantages and built-in potential. Consumers often become so loyal to a brand – they come

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to value their relationship with an organization so much – that they're willing to pay a premium price for it. Knowingly.

Although brand management is not a new topic, two things make it different today and going forward. Companies of all types and sizes are embracing brand – it's not a niche strategy, and the experts have discovered that building brands is no longer solely a marketing activity. The human resources executive is now being asked to become a partner in the brand-building process. Remember, the brand on the outside is only as strong as the brand on the inside.

Connecting the Outside and the Inside Brand

organization. Brand enthusiasts throughout the organization become the strongest advocates for upholding the brand's values, thereby extending the power of the organization's brand stewardship efforts. An organization that is engaged and passionate about its brand creates brand-building resources made more potent through its collective power. Managing the inside brand is the result of infusing the organization with a rich understanding of the brand's values and encouraging behaviors that are consistent with the brand's values.

An interesting way to understand the role of managing the inside brand in the overall brand management effort is by doing a little brand arithmetic. I'll start by defining some terms.

WV = Working Values

CBV = Core Brand Values

PBV = Preferred Brand Values

Working values describes the cultural values in an organization that ultimately govern its behaviors. In simple terms, working values provide a context for the way in which employees treat each other.



Core brand values are the values that customers, and other people outside the organization, associate with the brand. In essence, core brand values are the basis for a brand's equity.

Preferred brand values are the values that customers would say are the most important attributes for a brand to have in a given category. In a nutshell, the preferred (customer). The preferred brand values describe the position of the most valuable brand in a given category.

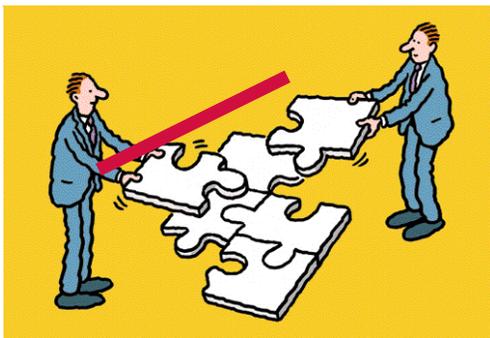
Here we go – brand arithmetic.

(1) $WV = CBV$

(2) $CBV = PBV$

(3) $WV = PBV$

Equation 1 is based upon human relations common sense. The way in which people treat each other as fellow employees has a direct, inevitable impact on how customers will be treated. Said in a more colloquial fashion: You can't fake it for very long; true feelings will find their way to the surface.



Equation 2 is a brand management axiom. Simply stated: to create brand loyalty, the customer must perceive (believe) that the company (product) consistently delivers an experience that meets their expectations or standards of excellence in that category. Now we get to test our memory of 8th-grade algebra.

!

~~$WV = CBV$~~

~~$CBV = PBV$~~

$WV = PBV$

By mathematically relating the first two equations we find that consistent brand building requires that the culture of the organization must be aligned and support the most important customer requirements. The organizational development requirement in brand building is an axiom of the new brand building formula. Brand building is everybody's job! A brand on the inside that is not connected to the brand on the outside creates a big disconnect with the customer!

Stepping Up to the Challenges of the Inside Brand Manager

Don't be intimidated and don't be too quick to rush off to look for those old marketing textbooks. The initial interest in inside brand building started with human resources executives embracing the concept of employer brand. The focus of employer brand ran the gamut of developing more creative recruitment advertisements to a broader context of "branding" the employment experience to become an employer of choice to compete in the tight employment market associated with the recent economic rally.

Employee recruitment efforts require a certain level of representing the company's brand to acquire the right talent for the organization. In fact, we know that companies with strong outside brands are much more productive in their recruitment efforts. At the same time, effective employee retention requires using the organization's inside brand to breed loyalty with employees. So certainly on an unconscious level, brand has been an integral part of the human resources management discipline to attract and retain employees.



For many organizations, the so-called inside brand management activities surrounding recruitment, retention, or cultural alignment programs exist at some level, but in most cases are hit or miss and are more likely not in-synch with a customer focus. A small number of companies have been successful, but more likely in an unconsciously competent manner.

Of course, there are a very small minority of organizations that manage an inside brand in concert with their outside brand. A brand on the outside that is earnestly synchronized with the brand on the inside produces perpetual energy for the organization to grow at speeds much faster than their competitors.

Stepping up to the challenge of managing the inside brand requires a conscious effort based upon clearly defined processes and a set of “brand-management” skills. The efforts focused on connecting the outside brand with the inside brand will have the effect of more directly connecting the activities of the human resources team with the bottom line. Being perceived as providing more value to the organization means the human resources team will develop an even stronger brand for themselves



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About Karl D. Speak

Karl D. Speak is a global expert known for his pragmatic and unconventional approach to using brand as a leadership platform for gaining customer loyalty and employee engagement. Karl's innovative work on personal brand and internal brand building has been implemented in companies in 23 countries. His best selling book, *Be Your Own Brand*, is translated into 10 different languages and has sold over 50,000 copies.

Through Brand Tool Box, Karl has implemented his contemporary approach to brand management and internal brand building with a wide range of corporate clients. Clients such as BASF, Cargill, Cabela's, Honeywell, Target Corporation, American Express, EDMC, Federal Express, ING, IBM, US Bank, BMW, Mosaic, AT&T, Motorola, Securian, Skandia, Syngenta, Walgreens, The Scotts Company, The Wall Street Journal, 3M, Toro and SONY have benefited from Karl's consulting and internal brand-building programs.

Karl holds a Masters Degree in Economics from the University of Minnesota. Karl teaches in the MBA programs at University of Minnesota, University of St. Thomas, and has been guest lecturer at University of Westminster in London, Capella University, ESADE University in Madrid, among others.

About Brand Tool Box, Ltd.

Brand Tool Box, Ltd. is the global leader in developing and implementing internal brand-building programs. It is a unique professional services organization melding world-class brand expertise and organizational development best practices creating engaged employees that consistently deliver what's most important to customers.



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