

LIPPINCOTT

Managing Image in a Dynamic Corporate Environment

By Ken Roberts

Introduction

Managing image today ranks among the most critical and complex tasks facing senior executives. In an age of industry consolidation, deregulation, mergers, acquisitions and spin-offs, when the business focus of many corporate brands seems to shift almost overnight, the challenges of image management are growing exponentially.

Global brands and international markets compound the challenge, forcing image managers to direct their efforts across

Simply put, your identity is who you really are—and your image is how much of that reality people understand.

the daunting boundaries of language and culture. Then there is the increasing involvement of individuals in the equity markets, creating a burgeoning audience for whom the reputation of a company is of paramount concern. And finally, many emerging growth industries are demanding skilled professional employees at an unprecedented rate. A company's reputation will also have a major impact on this growing army of potential corporate recruits.

How then can a company create and maintain a corporate reputation that effectively addresses these key audiences, simultaneously supporting the marketing of its products and services, enhancing the value of company stock and strengthening the sense of corporate culture among its employees?

In reality, this is one of the most difficult and complex business challenges facing management today. And understanding how an organization can best address the challenge begins with an understanding of two key terms: "image" and "identity."

Defining Corporate Identity and Image

Simply put, your identity is who you really are—and your image is how much of that reality people understand. Perfect alignment of these two elements is the only certain way to ensure your company is developing the reputation it seeks. In a

Identity goes to the heart of how a company creates value in the marketplace and in the financial markets.

nutshell, that is the very essence of image management.

Now let's get more detailed. What constitutes a company's identity? Identity includes the organization's purpose, its vision, its strategy and its business objectives. It encompasses its products and services, and the way its people behave—the shared values of the organization and its employees. Identity goes to the heart of how a company creates value in the marketplace and in the financial markets.

A corporate image, on the other hand, is the sum of all associations and impressions which the company's various audiences have with the corporate brand. It is how the identity is

perceived. By and large, these impressions and associations are shaped by forces which the company can, to a greater or lesser degree, control: all of the communications vehicles listed below—as well as its target audiences' direct experience with the company, its products and its services. The latter may include the tone and manner of its employees, its pricing structure, the quality of its customer service, the publicity it receives from the media, its social responsiveness and its activities in the community.

Exhibit 1: Origins of brand image.



Effective management of the corporate image is essentially the only way to ensure that your organization is building the reputation it wants. Effective image and reputation management is both a creative and highly disciplined process requiring the implementation of a well-defined approach. We call this approach the three Cs: Clarity, Cohesiveness and Control.

The three "Cs"—Clarity, Cohesiveness and Control

Clarity is characterized by a precise business strategy, shared core values and image goals, and a well-defined market position.

At the heart of the corporate image management effort is a positioning statement. The positioning statement precedes most

Effective management of the corporate image is essentially the only way to ensure that your organization is building the reputation it wants.

other image management activities. It provides the underlying platform for all corporate brand communications by addressing three critical issues.

First, a positioning statement provides a definition that states how the company defines its business and how the company defines its competitive set, who it is, and what it does. Second, a positioning statement provides differentiation. It explains what makes the company or brand special. Third, the positioning defines the benefits that the company delivers to the customer. The positioning statement will identify the core image attributes that brand should always project.

Cohesiveness is the part of the process through which a company ensures that a brand's positioning and core attributes are experienced and communicated in a consistent manner. This means that every aspect of the company's product and service offerings, business practices, employee behavior and communications practices are in perfect alignment each other.

Cohesiveness is at the very heart of brand management. It helps make sure that a brand never confuses a customer about what it is and what it stands for. Cohesiveness ensures that a brand always says the same thing about itself and always performs in a manner that is consistent with what it has said.

The third "C"—Control—addresses the process and systems through which the corporate brand is managed—appropriate centralization, monitoring and adjustment.

Critical to a successful reputation is that all factors which contribute to the corporate image align or otherwise "make sense" when subconsciously brought together to form the big picture of the corporate brand.

My company, Lippincott, regularly addresses the wide-ranging challenges involved with corporate brand management. Each of the case studies presented here demonstrates how we combined rigorous business discipline with creativity to address specific reputation management issues.

Deloitte & Touche Consulting Group: creating a distinct positioning for a global professional services firm

During the 1990s, as competition intensified in the professional services arena, successful firms began to opt for increasingly sophisticated marketplace strategies. Taking a cue from consumer product companies, accounting, financial service and management consulting firms began implementing major communications campaigns to increase visibility in the marketplace and raise the competitive stakes for their industry rivals.

Deloitte & Touche



In such a climate, senior management at Deloitte & Touche asked us to assess the positioning and corporate branding efforts for its expanding management consulting practice. Our team focused on the difficulties arising from its shared brand equity with the firm's tax and audit practice. The prestige associated with the Deloitte & Touche name would serve the consulting practice well, but it might also perpetuate existing misperceptions.

Although Deloitte & Touche's Management Consulting practice had the superior talent and capabilities needed to compete with other top-tier consulting firms, the link to Deloitte & Touche's highly regarded Tax and Audit practice limited Management Consulting's ability to project a distinct image. As one managing director pointed out to us, "reputation is a huge factor in management consulting. Client companies make important decisions when they select a consultant. If they don't know you, or confuse you with somebody else, you're at a great disadvantage." The image attributes the Deloitte & Touche consulting practice wanted to communicate—innovative strategic competency, comprehensive capabilities and close partnering with clients—were distinct from those most strongly associated with the tax and audit practice. The consulting practice was eager to project the professional expertise, experience and prestige that defined the Deloitte and Touche name, but unless a distinction was established, the consulting business could not begin to achieve its full potential on a worldwide scale.

Based on extensive global research, we first developed a positioning statement that portrays the consulting practice as a "hands-on" group that stays on the job and gets things done: "At Deloitte & Touche Consulting Group, we partner with clients to create change that produces results—results that show on our clients' top and bottom lines."

Six supporting business principles were also developed. These addressed key client concerns ranging from innovative strategic thinking and partnering, to the quality and passion of Deloitte & Touche consultants, analytical rigor and a global record of client satisfaction.

Next, our team turned to the consulting practice's name. The equity inherent in the existing name was weighed against the benefits of a new name, which would project key distinguishing characteristics. Market research and a cost/benefit analysis for the new name implementation indicated that sharing the positive attributes of the Deloitte & Touche name, while clearly differentiating management consulting from the tax and audit practice, would be the most effective strategy. Further analysis led to the selection of a "distinct but related" name: Deloitte & Touche Consulting Group—which would be shortened over time to Deloitte Consulting.

Moving to the implementation stage, it was critical to project both the differentiating and equity sharing attributes connoted in the new name through a comprehensive program involving every aspect of the firm's long-term internal and external communications program. First, our design team developed a unifying brand identity that conveys the worldwide stature of the Deloitte & Touche Consulting Group, yet asserts a distinctiveness from the Deloitte & Touche family of services.


Finally, if the new positioning, name and visual system were to make a strategic impact, every aspect of the consulting firm's marketing, advertising, public relations and internal communications had to be imbued with the new identity—a palpable assertion of the partners' distinctive world class approach to management consulting. Our consulting team oversaw this implementation process, ensuring that no medium was overlooked and no opportunity for communication omitted.

The positioning, identity and visual system are now an integral part of the consulting practice's culture and communications, have significantly impacted perceptions of the practice in the marketplace and have given real impetus to the practice's global strategy. With its "distinct but related" identity, the Consulting Group effectively leverages the brand equity of Deloitte and Touche, while supporting the development of a distinct reputation that helped it achieve its own immediate and long-term business and marketing goals.

In the Deloitte and Touche case study, the primary target audience for the new identity/image program was clients and prospective employees. A second case study involves similar issues of image differentiation. However, the target audience includes the investment community and current employees, as well as customers.

The McGraw-Hill Companies: aligning image with reality to strengthen corporate performance

When companies expand beyond traditional businesses, corporate image in the financial community can sometimes lag behind reality. Diversified growth can also dilute a sense of corporate culture among employees.

 Misperceptions like these were affecting the ability of McGraw-Hill, Inc. to fully realize its potential. By the early 1990s the company was growing into a leading, technologically sophisticated global information enterprise serving markets in many areas, among them, finance, business, education and consumer. The financial community, however, still looked upon McGraw-Hill as a domestic print publisher, limiting the appeal of the company's stock to the investing public.

Moreover, many customers knew McGraw-Hill only for the particular product or service used—be it a textbook, Business Week, Standard & Poor's, F.W. Dodge and so on. Although McGraw-Hill was engaging in a broad range of business

When companies expand beyond traditional businesses, corporate image in the financial community can sometimes lag behind reality (McGraw-Hill).

activities, the investment community perceived it as a narrowly focused organization. To align the company's reputation with reality, the strengths of the organization as a whole needed to be communicated.

To that end, the company undertook a program whose initiatives included: broadening the image of the parent from domestic print publisher to a global information content provider; communicating that the parent owns a variety of successful brands; demonstrating a clear relationship of the parent to its brands while allowing the brands to function distinctly in their marketplaces; and generating appreciation among internal audiences about the benefits of their association with the parent.

Among the more visible changes of the corporate image and identity program were a name modification to The McGraw-Hill Companies and the development of a new logo and a global symbol. The symbol was derived from the company's initials to connote advanced technological communications capabilities.

More importantly, a visual system for all corporate communications and a nomenclature system that establishes the relationship of each business to the parent were also instituted.

Woven into the image strategy of The McGraw-Hill Companies are three themes. "Brand rich" signals that The McGraw-Hill Companies is made up of a wide array of valuable brands. "Principled" underscores the company's tradition of intellectual leadership, plus the commitment of its people to high standards of conduct. "Technologically sophisticated, dynamic and global" characterizes a company that is poised for the information age with products and services that meet the world's changing needs.

An image-tracking system was put in place to help management gauge the company's annual progress in expanding the perception of The McGraw-Hill Companies. Less than a year and a half after the new identity and image program was put into place, more people were seeing the company as a developer of diverse information solutions -moving beyond the image of a textbook publisher. The company's senior vice president for corporate affairs reported that results of the image-tracking study showed that "the identity program and ad campaign are leaving an impact on our target audiences. Key constituents are beginning to see us as the global and diversified information provider that we are today."

Moreover, since the implementation of the new name and image program in early 1995, the company's stock price has more than doubled—a good indication that the investment community has also been influenced by the company's new message.

TELUS: master branding for a customer-focused reputation in a deregulating marketplace

In some cases it can be extremely difficult to transform an audience's perception of a company without transforming their direct experience of the company. Such undertakings can be difficult and complex; more often than not, they will involve a major shift in employee behavior. Here is a case study that demonstrates that while these projects may be challenging in the extreme, they can provide outstanding results.



In industries like electric utility and telecommunications, which are experiencing rapid privatization and deregulation, continued competitiveness requires major shifts across every dimension of a business. A clearly defined positioning and a well managed corporate image are the first important steps in communicating those changes to a company's audiences.

At TELUS, a holding company created when the Alberta provincial government privatized AGT (Alberta Government Telephone), the legacy of the company's government-ownership was seriously eroding its competitive position. The continued use of the AGT name connoted a slow-moving bureaucracy and the customer experience was by no means consistently positive.

As TELUS absorbed a major competitor, ED TEL (Edmonton Telephone), top-of-mind awareness for the TELUS name was only five percent. The holding company was largely invisible as it went to market under the AGT and ED TEL names with a myriad of sub-branded products and services.

Recognizing the importance of projecting a clear, customer-focused image, TELUS's Chief Executive Officer initiated a major evaluation of TELUS's identity structure and turned to us for assistance.

Our consulting team recommended a master brand strategy, using the TELUS name to

support the image of a company with a rich tradition of innovation, a breadth of competencies and a responsive, customer-friendly attitude. A detailed plan established guidelines for communicating a unified message about TELUS's strengths, culture, style and future direction to each key audience. TELUS's goal was to be seen as open, accessible, responsive, dynamic, trusted and uniquely Albertan, yet world class. However, change had to be more than cosmetic; it had to signal the launch of a newly energized, customer-centered enterprise.

To provide an improved customer experience, the entire company was involved in a series of service-driven initiatives. Employees at all operating entities underwent training to answer phones in a more friendly and responsive way, and the introduction of a new 24-hour repair service, as well as a highly competitive pricing strategy, were timed to support the launch of the TELUS master brand.

A cohesive visual presentation centered on the TELUS logotype would support the new positioning, but if the introduction were to be executed with major impact, employee involvement was essential. A massive implementation effort, facilitated by employee volunteers enabled the new TELUS identity to be incorporated—virtually overnight—on over 16,000 pay phones and on 2,000 vehicles. The identity was also incorporated throughout all corporate, marketing and internal communications, and in all print and television advertising.

Several publicity "coups" helped launch the new brand in dramatic fashion. Across the province, TELUS held "retirement ceremonies" to "retire existing brands with dignity and respect." And immediately prior to the brand launch, a repair person and truck, both bearing the new TELUS logo, appeared prominently in an episode of the popular TV show, "The X-Files." This surprise "guest" appearance energized employees and created enormous interest and awareness throughout the TELUS marketing area. TELUS's Chief Executive Officer received a wave of phone calls—some from competitors—marveling at the speed and effectiveness of the brand launch.

After only four weeks, tracking indicated that top-of-mind awareness had jumped to 52 percent. With the new positioning and image solidly in place, TELUS is now firmly aligned with its brand promise: "committed to providing Albertans with the communications services they need to live richer, more productive lives—competitive, flexible, customer-focused."

The essence of successful Image Management

What then are the key points to keep in mind when honing the corporate reputation to target specific audiences? First, management must define and research the message it wishes to present. Second, that message must be communicated with clarity and consistency through the corporate communications as well as all other channels, including the audience's direct experience of the company. Finally, as Helmut Maucher, chairman of Nestle, said in his book *Leadership in Action*, "It is imperative that the actual situation of a company, its products and its mode of operating, correspond to the information being disseminated." This is perhaps the most critical step. Simply put, "align the message with the experience."