

Great Brands Start Inside

Sam Palmisano was a twenty-nine-year IBM veteran when he took the reins of the beleaguered company as CEO in 2002. He had started as a salesman at IBM in 1973, but in the intervening years the IBM brand had lost its cachet and become seen as increasingly irrelevant.¹ The entire company nearly imploded during the 1990s, when almost half of IBM's 400,000 employees lost their jobs. "If you lived through this, as I did," Palmisano told *Harvard Business Review* in 2004, "it was easy to see how the company's values had become part of the problem."² The prized beliefs put forward by IBM's iconic founder—which included "respect for the individual" and "the pursuit of excellence"—had settled into a managerial culture of entitlement and arrogance. Palmisano determined to put the company on a new path by resetting IBM's stagnant, insular culture.

Palmisano's choice to change culture was hardly a typical move, especially at a company the size of IBM. The more common and attractive route for leaders in Palmisano's position is to overhaul the company's communication strategies—advertising, marketing, and promotions—and put a new fresh face on the

company and its products. It's always easier to change what you say about your company than it is to actually change your company. Giving your image and message a public makeover is also the fastest way to get the attention of investors and customers alike. Conventional wisdom suggests that would have been the logical place for Palmisano to start rebuilding the IBM brand.

But what Palmisano recognized, as certain other visionary CEOs have, is that if you don't develop greatness among your employees, your employees are unlikely to deliver greatness to your customers. Clever advertising and a freshened-up logo will prove to be pointless exercises if cultural problems within the company prevent the company from delivering on its new promises. One of the fundamental ways an organization resets and strengthens its brand is through strengthening its culture. More than any other influence, company culture shapes the distinctive way employees behave as they turn the brand promise into breakthrough customer experiences.

Unless and until your culture is expressed clearly through your customer experience, you have nothing worth communicating. Your brand can't just be a promise; it must be a promise delivered. So your starting point is cultivating a strong internal corporate culture that aligns and integrates with your brand. Then you need to rally all your external stakeholders around those common cultural values. And finally you need to use your culture to optimize the company's operations and engage everyone who touches the brand in delivering a focused, unique customer experience. What follows is an outline of this three-step process and the tools and approaches that help great brands accomplish each step. When you can't see any daylight between what you believe, what you practice, what you offer, and what you say about yourself, you are doing what great brands do.

Putting Internal Brand Culture First

Modifying IBM's culture was particularly critical for Palmisano in 2002 because IBM's industry and market position were both undergoing significant change. The company had once been a computer hardware powerhouse, with software and business services playing second fiddle in its operations. By the time Palmisano took the CEO's chair, the two roles were reversed. The service side of IBM now produced the bulk of revenues and profits.³ Palmisano had to lead the organization to meet the requirements of this new business model and he had to set expectations inside and outside the company for how his people would work—and ultimately succeed—within it.

As Palmisano noted, “When your business is primarily based on knowledge, [then] people—rather than products—become your brand. Just as our products have had to be consistent with the IBM brand promise, now more than ever, so do our people.”⁴ With more than 300,000 employees in 170 countries, Palmisano estimated that 40 percent of his workforce did not report daily to an IBM site—they either worked at client sites, from home, or were mobile.⁵ Working from such far-flung locations with such low levels of direct supervision, employees would need what Palmisano called “a globally consistent set of values.” He also knew that IBM's business scope would continue to change. “Managers come and go,” he observed. “The business portfolio changes, so the only thing that endures is our culture.”⁶

In July 2003, Palmisano used IBM's vast intranet communication network and collaboration software to initiate what he called a “ValuesJam.” For seventy-two hours, employees all around the world were asked to riff on certain values themes that IBM executives had identified in a series of surveys and focus groups beforehand. The goal was to align every employee's daily

focus with the values underlying the IBM brand. In Palmisano's words, "we needed to affirm IBM's reason for being, what sets the company apart."⁷

As with a musical jam session, the result was a discordant mix of inspiration and noise. The negativity and cynicism of some comments made them jarring to read, and at least one member of Palmisano's executive team wanted to cut the Jam short after eight hours. But Palmisano was determined to follow through on the promise of an unfiltered, uncensored seventy-two-hour exchange of ideas, because the process would ultimately help legitimize the end result. In the words of one IBMer who helped run the Jam, "If a bunch of execs go off in a closed room someplace, smoke a bunch of cigars and then emerge with some claim that this is what our values would be, it's going to be meaningless." He added, "After all, Enron had a set of values."⁸

By the time the Jam had ended, fifty thousand IBM employees had logged in to read the debates, and ten thousand of them had left messages.⁹ Palmisano took home a three-foot-high stack of documents that represented a cross-section of more than one million messages. IBM analysts used classification software to crunch all the postings and a small team was commissioned to work with the themes that emerged. The outcome of the process was three new interpretations of IBM's founding beliefs:¹⁰

- ◆ Dedication to every client's success.
- ◆ Innovation that matters—for our company and the world.
- ◆ Trust and personal responsibility in all relationships.

Most people would agree that these are good values for any workplace to have. Who would argue otherwise? But IBM imbued these values with much more importance. Palmisano called them "IBM's mission as an enterprise."¹¹ The values were intended to distill what IBM uniquely offers and delivers. As a

result, IBM employees understood that these values describe what makes the IBM brand distinctive and valuable. Every company would like to have a strong workplace culture supported by inspiring values. With great brands, however, the culture and the values don't play supporting roles in business operations—culture and values *are* the brand, and they're used to inform business decisions and employee actions.

Making Culture Matter

The conversation about corporate culture that has recently flooded the pages of business books and journals has emphasized the need for a clear purpose and values. But true cultural change at your company hasn't occurred until all your employees, whether top leaders or field workers, are using your values to inform their daily behavior—with customers and with each other.

Culture building can't be simply *invertising*—internal communications efforts that treat employees as passive audiences who are expected to buy what the leadership or marketing team is selling. Feeling good about the organization and having a positive outlook on its future are important, but they're not likely to prompt changes in employees' design and delivery of customer experiences. Great brands use culture building to *educate*—to help employees understand what a brand is and why it's important. They use it to *define*—to explain what the brand stands for and how it is differentiating. They use it to *activate*—to help people understand their own impact on brand perceptions and therefore what is expected of them.

The challenge then becomes what I often call the “head + heart + hands and feet” problem. For your employees to understand, embrace, and deliver your brand, they need to know its values in their heads, feel inspired by them in their hearts, and then put them into action with their hands and feet. Processes such as IBM's ValuesJam and any number of other culture-building efforts are meant to engage heads and hearts. But values won't make a

difference unless they stimulate changes in behavior—hands and feet.

Operationalizing your brand through company culture requires a focus on design, empowerment, and impact. You want to design the organization and its business model so it delivers on the brand values and attributes. You want to empower your people with the tools and resources to infuse the brand into their day-to-day decisions and behaviors. Finally, you want to make such a positive impact on your employees' lives and their careers that they support your brand's message and mission because they know their own destinies and your brand's destiny are intertwined. One mark of a great brand is that even former employees remain proud to say they helped make the brand great.

Enduring pride is just one of many benefits companies realize when they use their brands and their brand messages to increase employee engagement, rather than resorting to generic corporate initiatives. A brand is the strongest engagement tool a business has precisely because of its power to connect. Employees who are engaged with the brand:

- ◆ Connect to customers more effectively because they understand the value the company produces and delivers to them.
- ◆ Connect to each other more fully because they are united by a common objective and common set of values.
- ◆ Ultimately, connect to the brand's higher purpose and find that their work holds more meaning and importance to them because they see their own roles in the broader mission of the organization.

Brand engagement is in short supply these days. The Gallup organization asked more than three thousand randomly selected workers to assess their agreement with the statement "I know what my company stands for and what makes our brand(s) different

from our competitors.” Just 41 percent of employees strongly agreed with this statement, while 24 percent either disagreed or were equivocal. These results suggest that “too many companies are failing to help their workers understand what makes their company different and better than the rest,” the report concludes.¹² And if your employees don’t understand that, how can they help your brand achieve greatness?

◆ **Tool: Using a Brand Toolbox to Ensure Brand Alignment**

Method Products is a company that had started out with a freewheeling seat-of-the-pants culture driven by the purpose of crashing the multibillion-dollar household cleaner and detergent industry. But as co-founders Eric Ryan and Adam Lowry explained in their book, *The Method Method*, rapid growth posed a problem of how to preserve the company’s magic without drowning it in workplace procedures and protocols.¹³

Ryan and Lowry raised the question with people at a handful of companies they admire, including Apple, Google, Pixar, Nike, and Starbucks. Three recommendations emerged from those discussions: Hire people whose personalities fit the existing culture, offer instruction in the culture from the start of their employment, and give all employees lots of feedback on what the company’s values and culture really mean.¹⁴

A subsequent company-wide process defined Method’s values as a “Methodology” of caring, collaboration, and innovation, topped off by two values that really distinguish the Method brand: “Keep Method weird” and “What would MacGyver do?” To help with the “head + heart + hands and feet” challenge, the company each year prints up a fresh deck of playing card-style flash cards that illustrate how the various values translate into explicit brand-building behavior—the card defining MacGyver-style resourcefulness reads “not accepting no for an answer” and “looking

under rocks” for what others have missed.¹⁵ Each deck of cards is bound by a key ring, so it’s easy to share and can be hung on an employee’s desk for easy reference.¹⁶

Without hands-on tools like the deck of flash cards, you run the risk of having employees who may truly believe in the values behind their brand but can’t see the relevance of those values to themselves and their jobs. I frequently work with clients to build what I call a “Brand Toolbox” of content and decision guides to drive the approaches and behaviors needed to operationalize their brand values. The Brand Toolbox—developed over a period of months and published and distributed in a wide variety of ways including workbooks and downloadable PDFs, depending on the company communications style and infrastructure—informs managers and employees by communicating what the brand platform is and by providing principles to guide brand execution. It also inspires people with images, stories, and quotes. It gets them excited about the brand and motivates them to change their behavior in support of it. At its best, the Brand Toolbox instructs—it helps people make decisions and take actions that are “on brand” by including explicit instructions and clear-cut tools.

The contents of a Brand Toolbox depend on the specific needs of the company but usually a Brand Toolbox contains

- ◆ An explanation of your brand strategy along with background and rationale so that everyone can understand why you’re doing what you’re doing, and definitions of key terms so everyone grasps the meaning behind the words
- ◆ Principles and guidelines for delivering brand values and attributes at key touchpoints between your brand and the outside world
- ◆ Sample applications for how the brand should be expressed and delivered

- ◆ Guides that walk people through important decisions, along with outlines that map processes so that people learn how to do things on brand like select a co-marketing partner and screen a new product

What a Brand Toolbox is *not* is a brand standards manual or style guide—though you also need those documents that show how logos, fonts, and other elements of brand expression should be used. A style guide is important, but it's only that—it's about style. The Brand Toolbox is about substance. It's not about what you express; it's about how you execute. A well-designed Brand Toolbox that is properly used can unleash the power of your brand throughout your organization. The end result is one clear, consistent, common understanding of your brand among everyone who works on it.

Brand Toolboxes in Action

An insurance company I worked with included in its toolbox a “word bank” of key terms and phrases that helped convey the brand beyond the specific wording used in its strategic brand platform. For example, one of the company's core values is “passion that delivers results.” The word bank suggested the use of similar positive terms such as inspired, effective, dedicated, overcomes obstacles, growth, success, visionary, leadership, wow!, energized, enlightened, tenacity, diligence, determination, commitment, persistence, resolve. This simple glossary of suggested terms helped everyone in the company develop a common language while representing the brand. Everyone—from receptionists to salespeople to service reps and right on up to the C-suite—could help ensure that the outside world would hear these positive values represented consistently and accurately in association with the company brand.

A major e-retailer used its Brand Toolbox to help web designers understand that the brand's chief cultural values were service and expertise, not low prices. The document included a diagram that showed how the competitive landscape was crowded with low-cost challengers and identified the ways in which the company differentiated itself by truly adding value for customers. The resulting web page designs emphasized reviews, testimonials, comparison tools, product videos, and “you also might like” suggestions—all the functionality to help customers arrive at the perfect purchase, which embodied the brand's essence.

Even though your marketplace may change quickly, you want your culture and values to remain steady over time. A Brand Toolbox can help your company adapt to new opportunities by providing reinterpretations of its brand to fit the circumstances. When an upscale fitness retailer had to adjust to a larger market filled with less committed, less experienced customers, we knew that employees would have difficulty understanding these new customers and embracing how critical they were to the future of the company. So in the company's Brand Toolbox, a collection of downloadable documents and worksheets, we developed a set of compelling customer profiles with images, descriptions, and quotes to represent these new target customers that the brand now needed to appeal to.

In addition to outlining the standard demographic and category usage data for these customers, we painted pictures of their lifestyles and attitudes. One target segment included young people who liked to play in casual sports leagues and to work out with friends at the gym. We explained that these new customers wanted athletic gear that could be used for enhancing their fun in a wide variety of activities—very different from the current customers, who were mostly older and interested only in specialized equipment that would improve their running performance. We showed pictures of the new breed of customers and included

vignettes about them in a video demonstrating their desire for a lot of help and guidance from retail salespeople—again, very different from the sophisticated amateur athletes who had been shopping there for many years. We used the toolbox to inspire all employees about the new opportunities the new customers represented and to teach them how to adjust their decision making in product design, retail layout, customer service policies, promotions, and all the other functions of the company.

Most Brand Toolboxes are created and distributed in video and electronic documents, but some companies build websites and mobile applications to increase access and integrate interactive elements. When I was at Sony, we used a section of our web-based Brand Toolbox as a virtual bulletin board for employee discussions about the brand. We even held contests in which people submitted examples of ways they had operationalized the Sony brand in their work. Everyone who submitted an example was entered into a drawing with prizes that included a TV and a camcorder. Entries streamed in from all areas and levels of the company and some were really thoughtfully written stories, offering everyone a unique bonding experience of learning from each other's examples.

This was a case in which the medium *was* the message. The contest made it clear that the brand and the culture were things that everyone contributed to. We didn't want the only voices of brand alignment and engagement to be those of top executives. Culture building that comes across as too top-down can frustrate and alienate longtime veterans of the organization, denying the company the benefits of their wisdom and experience.

So many people had been at Sony for their entire careers. There was a lot of institutional pride and years of successes that we knew would serve as rich fodder for brand understanding. One longtime customer service representative wrote about her contribution to Sony's differentiation: "To my customers, I am Sony.

With the number of new players in this industry, quality customer service will be valued now more than ever. Letting the customer know you care and are truly interested in resolving their issue is demonstrating Sony is like no other.” A person in the online demand generation group explained how he operationalized the brand values of innovativeness and imagination: “By not being satisfied with the way we have managed our programs in the past, or by the way our competitors conduct their online advertising, I can push the envelope and develop advertising units that showcase our products’ unique features and applications.” Another employee offered a helpful perspective on innovation, saying that it includes “innovative solutions to problems (such as creative solutions to supply chain issues) by being flexible and ready to change. Innovation is more than just in the way we design our products; it is a way of thinking.” These and the many other submissions we received advanced the thinking and practice of brand building throughout the organization far more powerfully and convincingly than any executive edict would have.

◆ **Tool: Increasing Brand Understanding Through Brand Engagement Sessions**

Creating a Brand Toolbox is an important first step in fostering a strong brand culture, but the managers of great brands know that simply producing brand content and tools is not enough. They stage Brand Engagement Sessions featuring hands-on exercises and immersive experiences to ensure that brand understanding is followed with appropriate actions and decision making by their staff.

Brand Engagement Sessions should be held at all levels of the company, in all departments, across all functions. If yours is a large, complex, or multinational corporation, it makes sense to stage sessions with large divisions or groups and incorporate small breakout groups. For smaller, less distributed organizations, a

series of department-by-department sessions may be more effective. Your first Brand Engagement Session is best conducted with your executive committee. By having your top leaders devote the time to really dig into the brand strategy and understand its implications, you ensure decision-making alignment at the highest levels of your organization and you set the stage for an effective rollout of Brand Engagement Sessions throughout the company.

Typically these sessions include a dynamic presentation of the brand platform followed by facilitated discussions, games, and interactive exercises. For example, when Starbucks rolled out its latest brand refresh, it staged a series of “brand days” for all its managers. It rented a warehouse and created a walk-through experience of the brand that followed the journey of coffee beans from the moment they are picked to the last stage of roasting. The smell and taste created an inspiring, visceral experience. Not only did the session present the brand in a tangible way but it explained the business case behind the changes.¹⁷

The right tone and agenda of your Brand Engagement Sessions depend upon your company culture overall and the specific group you’re working with. For a high-energy creative session, you might plan a photo scavenger hunt in which groups photograph examples of brand touchpoints and take pictures of themselves demonstrating the brand attributes and values. Then each group assembles a collage of the photos with captions and headlines to explain the brand principles and presents it to other groups. A more content-driven approach might feature customer listening booths—phone-booth-like stations where people listen to recorded interviews with customers about their experiences with the brand. After employees visit the booths, you can ask them to share their reactions and ideas for how to improve the brand experience. One client of mine even ran a game show in which teams competed to answer questions about the brand platform, target customers, and company priorities.

The idea is to get employees excited about working on the brand and to help them identify decisions and behaviors aligned with the brand's message. By going beyond routine employee communications with interactive group experiences, you help connect people, brand purpose, and values in fun and memorable ways.

Brand engagement sessions also help address one point that is crucial to the brand-as-business model. In most organizations, it is a commonly held belief that brand building is solely the job of the marketing department. That's not the common understanding, however, behind great brands. One of the most important virtues of brand building *through* cultural change is that it impresses upon all employees that they each bear responsibility for interpreting and reinforcing the brand through their roles and in their daily decision making. That's the reason why every employee should participate in a Brand Engagement Session. Depending on your resources and other priorities, it may take up to a year to do a complete brand engagement rollout—and you may need to integrate the rollout into existing meetings and other programs. But the goal should be for everyone in the organization to share a common understanding of what the brand stands for and what constitutes the brand's defining values and attributes.

At Sony, where the image and perceived value of our brand had been so firmly shaped by strong national advertising, almost everyone assumed that brand building was marketing's exclusive domain. So we had to make a series of particularly strong and concerted efforts to communicate the exact opposite, that the Sony brand was everyone's business.

At a national sales meeting one year, we held a special "Being Sony" Brand Engagement Session for our salespeople, to help them understand their role in interpreting and reinforcing the brand. We sat people at tables in groups of six to eight and gave each group an electronic polling device. Then we conducted a

quiz made up of questions about brands in general and the Sony brand specifically: What is the estimated financial value of the Sony brand? What is the definition of a “brand”? Which touch-points have been proven to impact brand perceptions the most? For each question, the small groups had to debate and decide on an answer before entering it into the device. Results were displayed on a big screen along with the correct answer.

Salespeople are competitors by nature, so it wasn’t long before a giddy competitive spirit developed in the room, and a huge cheer went up for the winning group. I knew we had accomplished our objective when, afterwards, one participant came up to me and said, “I never really understood what you meant by ‘the Sony brand’ until today.”

Equipping and Empowering Your Employees

Brand Engagement Sessions can be used to equip groups or departments with the specific knowledge or experiences they need to operationalize the brand, or to engage them in working sessions to identify the strategies and programs they need to develop and implement to align their priorities with the brand. For a technology solutions company, we gathered the top 250 leaders for a “brand day” to align and engage them with the company’s new brand platform. The day’s agenda included a session titled “Models of Success,” in which people worked in cross-functional teams to research several companies we wanted to learn brand-building best practices from. Each group was asked to note what the model company wanted its brand to stand for and what the company did to bring those values and attributes to life. Participants discovered insights about specific practices, policies, and programs, and identified the ideas they thought might be applicable to their company. As each group reported out the highlights of their discussion, it was clear participants had been inspired and challenged by these Models of Success.

Then, in what we called “Breakthrough Sessions,” we gathered the participants by business unit and asked the functional groups to work together to identify how they could align their divisions’ work and culture with the brand. We gave them specific questions to consider, and the resulting discussions were rich and rousing. We also challenged the leaders to each commit to one thing they would start doing to align with the brand and one thing they would stop doing, since we wanted everyone to leave that day with at least two tangible steps they could implement right away. These exercises laid the foundation for the participants to go back and run Brand Engagement Sessions with employees in their departments, and ultimately to spearhead brand-building strategies and programs throughout the organization.

When everyone in the organization is truly engaged with the brand, people naturally involve themselves in the development and delivery of brand value. From executive committee members to frontline employees, they can see themselves as “brand operators” who develop, maintain, and activate the brand across all of their activities. This serves as a point of pride and offers them a reason for increased commitment to the organization.

Evidence that your culture building is succeeding can be found in employee surveys designed to measure how well employees say they understand the brand strategy, how they rate the importance of the brand to the organization’s success and to their own personal engagement with the company, and how much they claim to be applying the brand values and strategy in their daily decision making. Although these are self-reported measures, employees usually answer these questions honestly and accurately if the surveys are administered anonymously.

Participation metrics are another indicator of your progress. Track how many and which groups and levels of employees are participating in brand programs like contests and downloading and using resources like brand tools. You can also measure and

monitor brand culture building by having the company's executive committee and other leaders conduct regular organizational assessments. They should assess the organization as a whole and discrete divisions or departments on how well their strategies and programs align with the brand and on the degree to which they integrate brand understanding into processes and use brand values in priority setting and ongoing decision making.

Extend Your Brand-Building Culture Externally

Internal alignment and integration is only one piece of the puzzle. Many other groups and people impact the brand experiences you deliver, so great brands also rally all external stakeholder groups around common cultural values that create unique, sustainable brand identities.

As I've said, if you were to conceive of your brand as a source of light, you'd want that light to shine as clearly and brightly as possible to show the outside world all the value the brand offers. Now think of all your stakeholders. The businesses your company works with to develop, make, distribute, and sell your product or service are powerful lenses through which your brand light is transmitted.

Great brand culture building extends beyond employees to external stakeholders because everyone who has a stake in your success has the opportunity to reflect and focus your brand message to the rest of the world. Your brand can be used to align and unify all these disparate efforts by explaining this is who we are, this is what we believe, and this is the value we deliver to customers. In fact, your brand forms the basis of your relationships with your stakeholders by defining the unique way you do business—your culture and the way you organize, recruit, train, motivate, manage, direct, negotiate with, and communicate with

and about them. This is the ultimate functional benefit of the brand-as-business management approach. When everything your stakeholders do is driven by your brand, your stakeholders will help direct your brand's light to the outside world with laser-like brilliance.

A report by the *Gallup Business Journal* cautions against underestimating the power of brand alignment among those stakeholders who don't directly deliver products or services to your customers. They may be working behind the scenes but they are still key to your organization's ability to deliver on its brand promise. They must understand the core elements of your organization's brand identity and promise. They must also feel empowered to deliver them.¹⁸

Aligning Stakeholders

To these ends, brand initiatives should be undertaken to optimize all your stakeholders' roles and maximize the return on your investment in the brand. IKEA has done an exceptional job of extending its brand values to its thousands of global suppliers through something it calls "The IKEA Way" or "IWAY," which sets out a clear list of standards for everything from environmental practices to employee working conditions. What's important to note for our purposes is that the IWAY is not used by IKEA merely to burnish its reputation for being friendly to environmental and human rights efforts (although that is a likely side-benefit). For IKEA, the main purpose of IWAY is to extend its culture and maintain brand consistency, because environmental stewardship and good working conditions are values that help IKEA define its brand.¹⁹

What IKEA recognizes is that its business really is an ecosystem of many groups and companies, and its relationships with these other entities actually do form a set of vital partnerships in operationalizing the IKEA brand.

The list of partners in this sense includes vendors, strategic alliances, distribution channels, service providers, franchisees, affiliates, investors—even bankers have become brand stakeholders in the current credit-constrained business environment. Whether these partnerships are ongoing or one-time, amicable or adversarial, exclusive or not, these groups work with, on, and for the brand. As with employees, they can either build your brand or weaken it.

If these partners don't embrace your brand and align with your culture, your brand can be compromised. Just think how shoddy materials or shipment delays can ruin the experience a customer has with your brand. The increasingly common recalls of toys and tainted food have shown how seriously a brand can be damaged when a company's business partners fail to adhere to its standards. The actions of a shady sales rep or an incompetent service provider may yield less critical consequences, but they nonetheless reflect on your brand.

It's easy to take some stakeholder groups for granted. You can't assume that your advertising, media, and marketing agencies "get" your brand—nor should you limit their involvement with your brand by treating them simply as service providers or creative resources. They are brand stakeholders whose brand engagement needs to be actively nurtured and cultivated. If they don't understand and embrace the core values and culture of the brand, they're likely to pursue creativity over integrity, resulting in expensive efforts that interpret the brand inappropriately. If they are not familiar with how you are designing your brand experiences and engaging employees and partners to operationalize the brand, their campaigns may set up expectations that can't be met. That's why all agencies need to share one common understanding of the brand platform, and they must be aligned with you on what is on brand and what is not.

Other stakeholders who are often overlooked are your board members and key investors. By definition, these critical groups are profoundly invested in the success of your company, and if you find ways to engage them and enroll them in your brand culture, they can be among your company's greatest drivers of value creation. When you take the time to ensure they share your values, they will approve capital expenditures, hiring decisions, and M&As that advance your brand objectives. When they are engaged as ambassadors for your brand, they can bring credibility and drive positive coverage of your brand in the media.

Adapting Brand Tools for Stakeholders

For these and other stakeholder groups, you want to adapt the cultural engagement approaches you use with employees. Versions of the Brand Toolbox should be developed for the different stakeholder groups, with the content tailored to the appropriate level of detail. For example, your initial Brand Toolbox for employees might include customer profiles, while the version for your company's staffing service provider might emphasize employee profiles, outlining the character traits and personal values that successful employees share. A Brand Toolbox for your channel partners should include a deep dive into sales and marketing featuring customer acquisition strategies, sales playbooks, and pricing guidelines. For your advertising agency and marketing firms, you'll want to include detailed communications guidelines and examples, whereas these would not be necessary to share with your technology solutions provider.

I often hear concerns about sharing too much with external players, for fear of confidential information landing in the wrong hands. The truth is, in this day and age, there's really very little that others can't find out about you anyway. On the other hand, there's much to be gained by being open, transparent, and specific about your brand with outside stakeholders. That's why you

should consider publishing and distributing brand tools as widely as possible. The rewards far exceed whatever risks are involved.

For these same reasons, Brand Engagement Sessions should be held with different groups of stakeholders and the content, format, and style should be tailored to each group. For example, I've found that suppliers often benefit from seeing "day in the life" videos of customers that show how they live and how they interact with the brand. Suppliers tend to operate at such a far remove from actual customers that they especially enjoy and learn from seeing how their work affects and benefits real people. Any way of giving suppliers a sense and feel of how customers respond to and value your brand can help them understand your culture and inspire them to contribute to it.

The engagement session for your advertising agencies might include a brainstorming session on how to bring the brand to life in creative programs. For other business partners, adapting a brand quiz about "how well do you know our brand?" might be a fun way to inform and inspire them about what your brand and its culture is really about. For your board of directors, perhaps you'd want to give a high-level presentation on the brand and then bring in an expert to facilitate a discussion about how the board can nurture and protect the brand, since an outsider can provide the neutrality that may be needed to engage external and internal board members in a discussion on a level playing field.

All these tools and activities help draw together everyone who works for or with your company in a common cultural bond, and with a common goal to create customer experiences that build your brand image and brand equity.

Culture Drives the Business

A vital, vibrant culture unifies, aligns, focuses, motivates, and propels all your company's stakeholders forward, but you still

can't tell whether the culture change has truly taken root until the customers can feel it. With great brands, company culture and customer experience are inextricably linked.

It doesn't make sense for a company to develop purpose or values statements to inspire and engage employees if those statements aren't aligned and integrated with how the company inspires and engages its customers. A vibrant workplace culture is not enough.

Please don't misunderstand me. I am a huge believer in the importance of purpose, values, principles, and beliefs to organizations. But without the alignment and integration of culture and customer experience, at best you end up with employees who are well-meaning but don't produce the right results. At worst, you confuse employees as well as customers—and cause both groups to question your integrity.

Returning to the case of IBM, Sam Palmisano noted that the ValuesJam process had convinced everyone that there was plenty of agreement on the values behind the IBM brand. The debate then moved to the question of whether the organization could actually live up to those ideals in its interactions with customers. Palmisano first instructed all fifteen of his direct reports to start identifying gaps between the company's practices and its values. In very short order, they discovered all sorts of routine IBM procedures that obstructed IBM's value of "dedication to every client's success." For instance, managers complained that the need to get formal approval for even minor expenses often prevented them from solving customer problems quickly. After a pilot program proved the efficacy of giving frontline managers \$5,000 of "discretionary walk around money," the program was expanded to all twenty-two thousand IBM frontline managers. Palmisano called it "a \$100 million bet on trust." The program, he said, also helped prove to everyone "that we live by our values."²⁰

The ability to execute on that kind of alignment of values is what distinguishes a great brand's culture from the rest. If you're like most business leaders, and you struggle with the gap between your brand strategy and how that strategy gets executed, you need to accept that company culture may be the weak link. Without strong cultural alignment, it's very easy for hardworking and talented people to work at cross-purposes and produce mediocre results because they all have different opinions about what's on brand and what's not. With disputes of that kind, the customer always loses. Delivering brilliant customer experiences depends upon having your employees' workplace values aligned with each other and with your brand.

Converting Culture into Customer Experience

For the brand culture to reach customers on a reliable basis, companies need to devote time, attention, and resources toward training and retaining a loyal base of frontline employees and managers. At the Wegmans grocery chain in the U.S. Northeast, cashiers are not permitted to interact directly with customers until they've gone through forty hours of training. Employees in special departments like meat and fish undergo ongoing training in their specialties. The chain sends store workers on trips around the country and even overseas to see firsthand where the food they are selling comes from and how it's produced.²¹

Company president Danny Wegman once told *Fast Company* magazine that these and other cultural measures are how Wegmans manages to stand up to Wal-Mart and other price-cutting competitors. The culture of Wegmans, he said, is "telepathic levels of customer service." Wegmans' cadres of loyal, well-trained, and knowledgeable store workers are "something our competitors don't have and our customers couldn't get anywhere else. . . . Anything that requires knowledge and service gives us a reason to be." Employees are happy to stand in the aisles and share with

customers their expertise about meats and cheeses, for instance, because many have been flown at company expense to see these foods produced in Colorado, Argentina, Wisconsin, Italy, and France.²²

It makes sense that culture drives the way the Wegmans brand distinguishes itself. “When you think about employees first, the bottom line is better,” Kevin Stickle, Wegmans’ head of human resources, told one reporter. “We want our employees to extend the brand to our customers.”²³

While Wegmans’ spending on its employees and its brand culture may seem like an extravagance that few companies can afford, recall the survey research I referenced in the Introduction, telling how nearly two-thirds of chief marketing officers at major companies say that brand considerations do not influence decision making at those companies. That statistic suggests that billions of marketing and advertising dollars are squandered every year on the production and distribution of images and messages that do not square up with company culture and, in turn, customer experience. What is the resulting cost impact on customer loyalty lost to confusing and frustrating customers by sending them these mixed messages?

Mixed messages are a particularly serious problem in the fast food or quick-service restaurant industry, where consumer cynicism about advertising claims is widespread. Results from a survey research project I completed revealed that a full 48 percent of quick-serve customers see a big contrast between what they experience during visits to restaurants and what the advertising had promised. That’s a severe disconnect that’s liable to happen to any company that doesn’t prioritize cultural change and brand alignment.

Ultimately it is culture that drives a brand’s promise into operations, and then into customer experience. Again, IBM provides a case in point. One of the issues that emerged in the

ValuesJam was that IBM's complex system of internal pricing among its many units and divisions often made it slow or even impossible to give a prospective client a quotable price on an integrated, solution-oriented package of services.

Could these complex pricing problems have been cleared up without the ValuesJam? Palmisano was not so sure. "To be honest," he told *Harvard Business Review*, "we'd been debating the pricing issue at the executive level for a long time. But we hadn't done anything about it. The values initiative forced us to confront the issue and it gave us the impetus to make the change." ValuesJam and the resulting debates, he said, "were great inertia-busting vehicles."²⁴

Execute First; Communicate Later

If you're like most of the business leaders I've shared these ideas with, you may be nodding your head in agreement and thinking, "Of course, our brand is not what we say, it's what we do." It's easy to agree with this sentiment—it's much harder to actually make it true.

Yes, cultural change is difficult. But there are other difficulties on the horizon that might make cultural change not a choice but an imperative. Customer expectations today are on a constant upward trajectory. People are becoming more knowledgeable and discriminating about their spending decisions. They're swayed less and less by slick salespeople and cool promotions and are forming their brand preferences more and more around what they actually experience when they do business with you and your company.

Democratization of information plays a huge part in this process. Consumers rely not only on their own experiences but on the experiences of your other customers, through the endless array of consumer review websites, mobile applications, and social

media. If they buy from you, they in turn use these new tools to share their own opinions to influence others. In this environment, traditional sales and marketing tactics are becoming subordinate to customer experience, which is emerging as the most powerful form of marketing you can undertake.

Sam Palmisano's decision to work on IBM's culture first also signaled a choice to save communicating the brand message for later. Only after putting new services and solutions into place and ensuring that the culture was ready to support these fresh approaches did IBM move ahead with the launch of its "ON Demand" advertising campaign. By leaving marketing and advertising changes for last, IBM could use the campaign to express its cultural values of responsiveness, flexibility, and results without fear that customer experiences would undermine the credibility of the brand.

Author Jim Collins has cited Boeing's momentous decision to build the 707 airliner in the 1950s as an example of how big decisions should spring from a deep understanding and acceptance of the company's culture. Most companies start with the outside world and work on trying to adapt to it, Collins told an interviewer. "[But] greatness doesn't happen that way. It starts with an internal drive." In Boeing's case, Collins said, the company's core values included a spirit of adventure and an aspiration to greatness. The company was guided by its internal drivers. Only after cultivating its internal foundation, in the context of its unique culture, did Boeing take stock of how the outside world was changing (from military to civilian aviation, from propeller planes to jets), and how the company might contribute by doing what it does best—build a revolutionary jet airliner. "I believe that it is the internal imprint that drives all the action," Collins said. "Everybody harps about 'It's all about responding to the outside world.' But the great companies are internally driven, externally aware."²⁵ Great brands put culture first.

When you start brand building with brand communications, you're simply expressing your brand. But starting inside is about *executing* your brand. The rest of this book shows how great brands execute on their strong cultural foundations in every aspect of their businesses—from their high-level strategies to their detailed decision making. When you begin with reforming and recommitting to your company culture, your brand produces a direct and lasting impact on all areas of your business. This sets you on your way toward defining the emotions your brand embodies.

