

SoulBranding by Elsie Maio

Branding For The New, Balanced Corporate Agenda

Enron's death knell has quickly crescendoed to exuberant cries for reform. The socially responsible business community seems almost ready for it, crafting standards, codes and metrics for reporting, and redefining systems and processes to align corporate behaviors with agendas more evenly balanced between social and financial results. And equally open about the work yet to be addressed. To that point, standards and codes are only as effective as the spirit in which they are embraced. Enron and GAAP demonstrated that fully enough.

Values are home turf to the brand. In our view, the next high-leverage tool in this rebalancing process is corporate brand management. Of all the levers at management's disposal, brand is the one professional tool permeable enough to allow for continuous stakeholder co-creation, flexible enough to hold the intent behind the various statements of mission and ethics, and expansive enough to embrace the deepest human values. When corporate behavior aligns with the higher social values profitably, we call that "SoulBrandingSM".

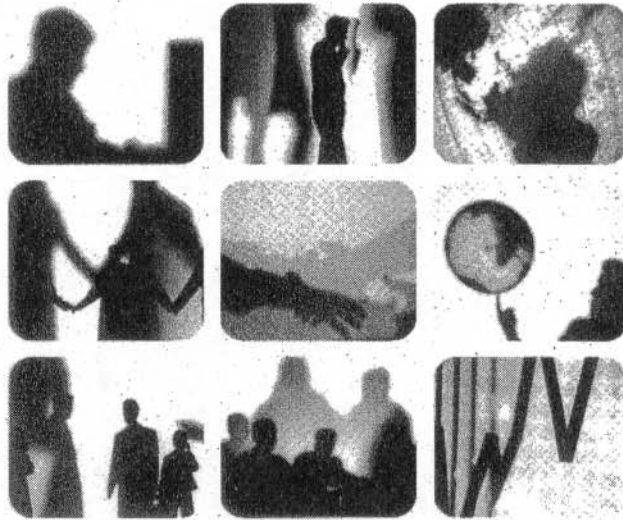
For socially responsible investors, understanding the role of the brand will further inform responsible investment choices.

Brand as a Mirror of Deepest Corporate Values

Today's socially responsible stakeholders are astute observers and vocal participants. Any signals of corporate commitment to a social agenda will be carefully scrutinized for authenticity, and they will be read either as an expedient, one-off ploy, an isolated cause-related marketing campaign, or as perhaps one data point in a gestalt of genuine corporate character. Contradictions beg the question of integrity.

In this way brand positioning provides a mirror for the company to examine what it and its stakeholders truly value and what drives its performance. On the other hand, when the company fails to acknowledge how its actions relate to its values it loses on two counts. First, it runs the risk of betraying trust and its own inner compass. Second, it misses the opportunity to inspire breakthrough leadership in its sector and among its people.

These risks and opportunities are as relevant to the small socially responsible entrepreneur as to the multinational seeking to realign its balance between social and economic drivers.



Brand as a tool for socially responsible management and investing

To begin, the brand can be a helpful tool in three ways.

1. *A brand promise is a stake in the ground, one you can measure.* In healthy democratic discourse, companies (and individuals) are held accountable for what they promise. Their brand represents that promise.

The power of the brand as an accountability tool derives from several facts: First it is a measurable corporate asset.

Therefore pressure shows on

the balance sheet and in the stock price (Witness Nike's continuing depression, which started with expose's and boycotts resulting from its labor practices in developing countries). Second, brand is a highly prized corporate asset, worth more than half the market value of many major corporations. Therefore, any potential damage to the brand reputation will likely gain the attention of top management and incline it toward quick remedy.

2. *Brands signal corporate intention: Begin to recognize the SoulBrandsSM.*

Remember the blind man and the elephant's trunk? You might think you had a grip on a boa constrictor without the larger view. The corporate brand is the larger view, the gestalt. It puts the parts of the corporation into perspective. Its energetic halo sheds light on corporate behaviors, putting them into the context of the values the company holds dearest.

In this way, the brand can convey a sense of where the corporation intends to go, what motivates it, and whether it has the courage to lead. Some indicators of authenticity and effective brand leverage to look for:

- Does management leverage its stated commitment to higher values by integrating them into the company's everyday expression and decision processes?
- Does the affect of the brand mirror these values, thereby inspiring stakeholders' behaviors and setting new standards?

Two examples help illustrate: Hewlett-Packard (HP) found a way to innovate that compassionately adds material value to the have-nots in the digital divide through its e-Inclusion program. A next step for HP would be to consciously integrate compassion and social commitment into its broader operations.

Next, Citibank boldly began to redefine the value of material wealth when it challenged the ultimate meaning of

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money with its "Think Richly" marketing campaign. They teasingly excise the notion of money from the term "rich." One prominent billboard announces, "The phrase, 'Time is Money' is an insult to time." In this campaign, living richly means living a more balanced life, with a healthy approach to money.

How have the corporate brands, Citicorp or Travelers picked up the halo of the presumed underlying values of respect, human dignity and holism? How has the Bank begun to translate the expectation of such respect, balance, and holism into its operations? Any observant stakeholders, especially employees and customers, would likely welcome that degree of integrity.

3. Brand-related practices indicate depth of values, commitment, and overall marketing effectiveness

Enron had a mission statement with all the right words, as well as the requisite statements of the environmental and social impacts of its operations. "Talk is cheap," as we say in Brooklyn. The name of the game is true integration of the higher values into the daily decision-making and operations of the company. Remember Johnson & Johnson and the Tylenol tampered-product scares? A quick reference to its core brand values made the emergency course of action clear: "remove the source of danger to our publics immediately: recall the products from the shelves."

Brand can accelerate that process of values-discovery and values-assimilation throughout the organization. These are "early days" in the application of this new management practice. Nonetheless, instructive pockets of excellence have emerged.

- The Body Shop has long set the standard for both civic-interest stakeholder relationships and for reporting the social and environmental impacts of its business. Its historic, if unarticulated, emphasis on a core brand value and justice, led to a purity of intention and a (mostly) impeccable trust with the NGO community, a crucial new set of stakeholders.
- Royal Dutch Shell has impressed us with its commitment to pushing the envelope in reporting, with the analytical excellence, professionalism and attention to detail that graces its "People, Planet and Profits" report. It anticipates necessary actions to credibly demonstrate its stated commitments to the highest human values. And it acknowledges the shortfalls.
- Nike has made a very courageous move. It has penetrated the inviolate identity space around its swoosh logo with another, encircling graphic element meant to symbolize the sustainability of certain products. In corporate identity terms, this is an extraordinarily drastic measure. So seriously does the company take its social responsibility, one might conclude, that it has married the sacred swoosh with a symbol of its conscience. It may also hint at the extraordinary cost of not getting one's social posture right the first time.
- MBDC, the acronym for McDonough Braungart Design Chemistry, is one of the more integrated values-based brand expressions. Enhancing life on earth is a core aspect of its mission and the brand gleefully and convincingly projects it. The degree to which that deepest compassion and love manifests throughout the organizational systems and structure would indicate the degree to which management is fully leveraging its soul-ful brand values to feed the entrepreneurial zest and aspirations of its stakeholders.
- NovoNordisk comes close to a "best practices" case, based both on reputation and public information. In spite of its relatively small size, NovoNordisk is touted by *Fortune* magazine as one of the 10 Great Companies in Europe, owing in large part to its integration of social responsibility and business operations. Highlights of their superior practices include board-level accountability for social, environmental and economic performance and thorough reporting and follow up systems. From a brand-leverage viewpoint, the NovoNordisk brand functions as a living system. The brand itself feels like

a portal to stakeholder aspirations, issues, and dialogue.

In closing, the key for organizations is to integrate such pockets of excellence into a system of decision-making that nourishes the higher values. Successful enterprises will explicitly put human and compassionate priorities on a par with economic priorities. And they will use their brands to both guide their actions and feed their higher, social values. They will be the SoulBrandsSM of tomorrow.

Note: Brands drive billions of dollars in stock price. For example, Interbrand Valuation last year pegged the Coca-Cola brand at 51 percent of the company's outstanding market value; the IBM brand accounted for 27 percent of its corporate value in the stock market; and 64 percent of BMW's market value was attributed to its brand.

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