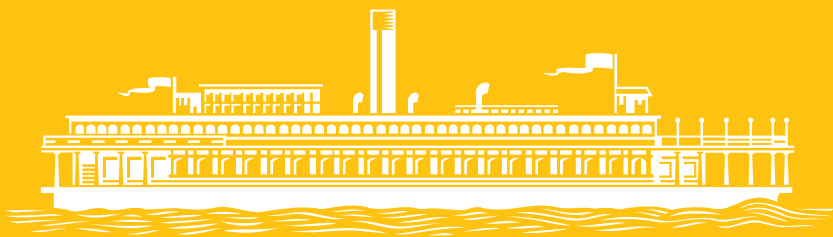


Branding spinoffs takes
more than a superficial spin

by Allen Adamson

adage.com

September 2007



Landor

Branding spinoffs takes more than a superficial spin

Define your new corporate brand to lay the foundation for effective branding

2

Spinoffs
Allen Adamson
adage.com
September 2007

Allen Adamson is managing director for the New York office of Landor Associates. He is also the author of *BrandSimple: How the Best Brands Keep It Simple and Succeed*.

©2007 Landor Associates. All rights reserved.

This article was first published on adage.com (25 September 2007).

The *New York Times* has a column in its business section called “Back of the Envelope.” It includes quick bits of financial information about recent IPOs, mergers and acquisitions, news of buyouts, and the names of those doing the buying.

Seems to me that in recent months, the backs of many envelopes have been well scribbled on, regarding companies’ spinning off companies. The number of organizations launching new entities, giving them a life of their own, appears to be growing exponentially.

An assortment of new ways to monetize assets has fueled this activity, including the infusion of private-equity funding. This, along with the pressure to strategically rebalance corporate portfolios in a rapidly changing global marketplace, would logically explain much of the action.

These various corporate “newbies” cross several categories, from banking to technology to consumer goods. But no matter how different one may be from another, all of these spinoffs have one thing in common: the proviso to go to market as a wholly new company and as a new

brand. An exciting opportunity, yet one filled with more than a few challenges.

Based on my experience, those responsible for tackling this brand opportunity are not (in most cases) focused on the first question they should be asking: “What should we stand for and promise in order to successfully compete and win?” Rather, the focal point is placed on a tactical branding question: “What do we call ourselves?”

Far too often, in the last-minute frenzy of the deal, during final negotiations with investment bankers and CFOs, amid tables piled with proformas and due diligence, an 11th-hour, under-cloak-of-secrecy call goes out to the marketing team:

“We need a name! How fast can you get us something that is short, easy to pronounce, a real word, and one that can be used globally?”

Or:

“Our bankers think names that start with ‘G’ sound powerful and, by the way, we’re sending names generated by McKinsey and by the lawyers, none of which are legally available to us.”

Before any branding work takes place, naming included, the first step for any spinoff organization should be self-discovery and definition

Kidding aside (although I'm not known for kidding), those in the brand business know that branding a corporate spinoff is not about spinning a new name. It has little to do with labels. Little, in fact, to do with anything projected on the outside and almost everything to do with what's on the inside.

What it should be about is explicitly defining a new way to go to market and finding a compelling and relevant idea upon which to build—a basis for differentiation. More often than not, this involves uncovering and unlocking something that has always been true of the organization—a high-quality core value, a way of doing business, a competency or strength that the company has been too modest to leverage. A spinoff is the perfect time to take the bushel off that light.

Before any branding work takes place, naming included, the first step for any spinoff organization should be self-discovery and definition—finding, deciding, and articulating “the promise” to deliver, and defining how the company should be perceived in the marketplace. This is the essence of brand strategy and positioning.

While companies in spinoff mode may be aware of this, far too often the results appear to have been assembled by a team of business strategists working 24/7, using what I often refer to as the “Stock Ingredients for Standard Corporate Stew.”

Words and phrases like “customer-centric,” “innovative,” “cutting-edge solutions,” and “quality products delivered in a reliable, cost-effective manner” are among the most popular. A quick trip to any competitive website will reveal similar combinations of corporate-strategy speak.

These are not ideas, nor should they be thought of as terribly useful strategic fodder.

So given that you spinoff folks are, indeed, in a frenzy, I'd like to offer up a few basic tips for spinning off your brand in the right direction:

1. Push for CEO involvement from the get-go

If there's ever a time to manage top-down, this is it. It is only at the highest level of the organization that you will get at the fundamental issues required to clearly define a new corporate brand and provide the foundation for effective branding (the name and the rest of the tools you'll use to tell your new story).

The CEO typically drives the new strategic direction—what the new brand will stand for and how it should be positioned against the competition—or at least, he or she should.

More important, the CEO usually sets the tone for the personality and culture of the new organization. Will it be as a fast-moving, make-it-happen

company, or a considered conservative organization? Questions such as these often trump the rational product story in many corporate branding scenarios.

2. Get a core team organized

It's essential that a good cross-section of the organization be represented in the up-front brand work. This does not mean everyone.

Assign a cross-functional team of folks from marketing, sales, manufacturing, product development and, most important, from human resources. HR—being the “people” people—is the most powerful internal brand touchpoint for most companies.

Brand building is about getting the entire organization to deliver a differentiated experience in the market. If you can't deliver a consistent experience across all points of consumer or customer interaction, your branding will be hard-pressed to succeed.

3. Simplify your core brand positioning

You need to boil down your positioning objective to a crisp, clear phrase—a “handle” people inside the organization can understand, mentally latch onto, and remember.

It's only by capturing your new brand idea in a simple way that the organization will understand what it's about and what makes it different, and begin thinking about how to deliver it.

This isn't the time (actually, it's never the time) for a ten-page brand strategy document. Keep it simple.

4. Move quickly

If you don't immediately define your brand, someone else will (read: your competitors), and you probably won't be happy with what they have to say.

I've seen too many new companies miss their window of opportunity just as the deal closes to tell the market what's new and different about them. While you have the spotlight, get out there and shine.

Don't give short shrift to the time needed to get everyone's buy-in. Once you've got the brand idea nailed down, there will be lots of tactical branding to do, which takes time in and of itself. To reduce cost and increase upside, start early. Delay carries a price.

Branding a corporate spinoff requires more than a superficial spin if success is on your to-do list. And while all of the above is a bit more information than will fit on the back of any envelope, it should help you get your wheels—and not your head—spinning. ■

www.landor.com

Beijing
Chicago
Cincinnati
Dubai
Geneva
Hamburg
Hong Kong
Istanbul
Jakarta
London
Madrid
Melbourne
Mexico City
Milan
Mumbai
New York
Oslo
Paris
San Francisco
Seoul
Shanghai
Singapore
Sydney
Tokyo

Landor