

Strategy & Branding Insights



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November, 2010

What is Branding?

- “The art of marketing is largely the art of brand building.”
 - Philip Kotler, Marketing guru

What is Branding?

A brand is a shortcut to a decision:

- Who do you think of for banking services?
 - Bank One? Harris? Citibank?
- What are your favorite restaurants?
- Who do you think of for tax help?
 - H&R Block
 - Your brother in law the accountant?
- A strong brand makes your organization part of an “evoked set.”

What is Branding?

- A brand is a promise.
- “State Farm is there.”



What is Branding?

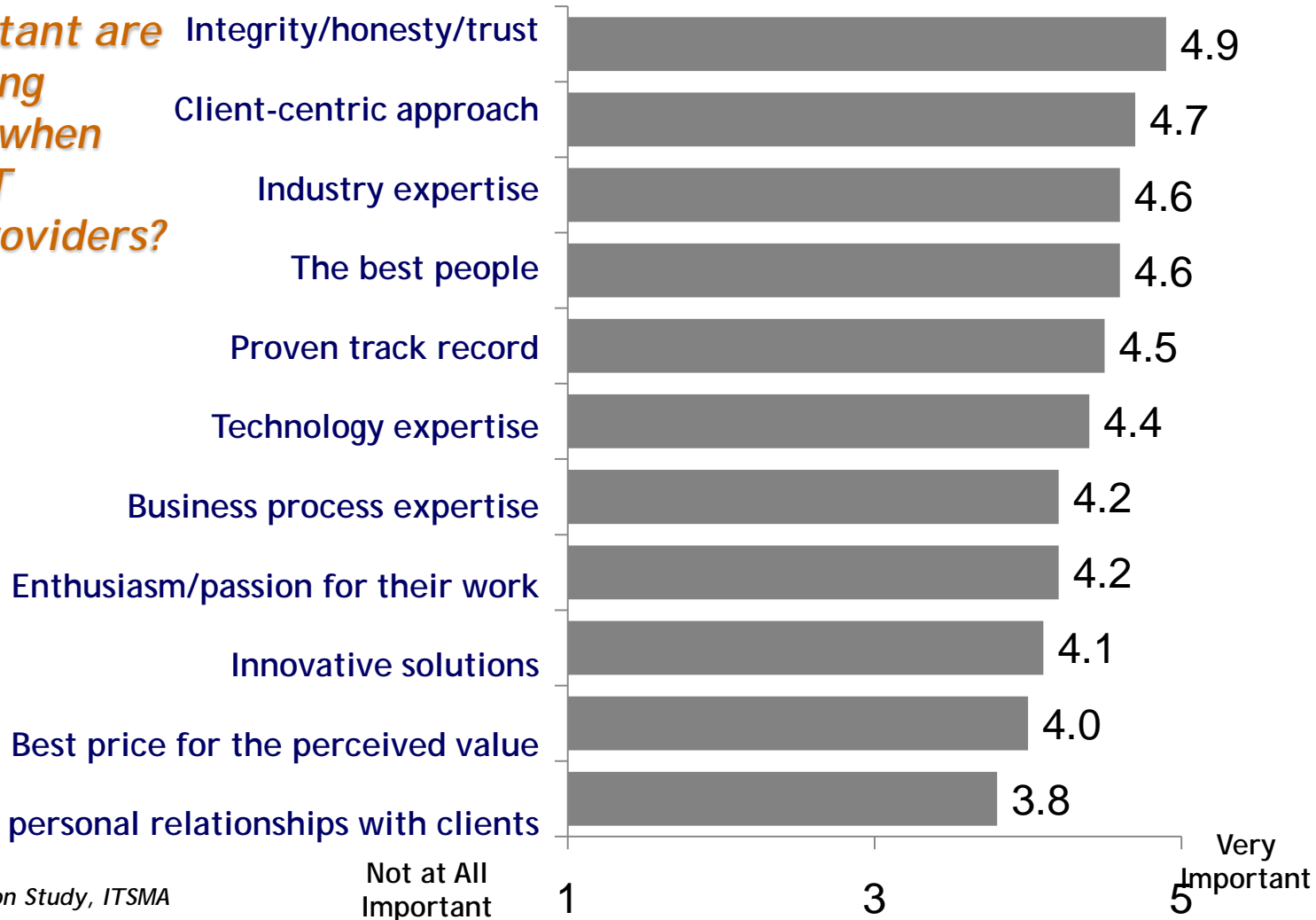
- The elements of a brand are:
 - Brand name
 - Associations (e.g. Golden arches, kids, value meal – who could this be?)
 - Associations may come from:
 - Attributes (e.g. quality, service, type of people)
 - Benefits (e.g. cost savings, process improvement)
 - Company values (e.g. clients first, employee satisfaction)
 - Personality (e.g. stable, progressive)
 - Clients (e.g. size, location, industry type, market leaders)

Products vs. Services Branding

Products	Services
See, feel, touch, hear, taste	Experience, perception, results
Trial, promotion, referrals	Peer referrals
Product and relationships	Skills and relationships
Things	People

What Clients Want From Services

How important are the following attributes when selecting IT services providers?



Source: FCG Brand Position Study, ITSMA

Buying Factors for Professional Services

Importance of Professional Services Firms' Attributes



Note: The attributes are measured on a five-point scale in which 1=not at all important and 5=very important

Brand Perception

- Your brand is the sum total of many touch points you have with all constituents

The Heart of a Brand

- In a service business, the heart of the brand and ultimate determinant of brand stature is *your people*.
- *Marketing can help, but you must live your brand.*
- Market your brand inside-out.

Branding Exercise

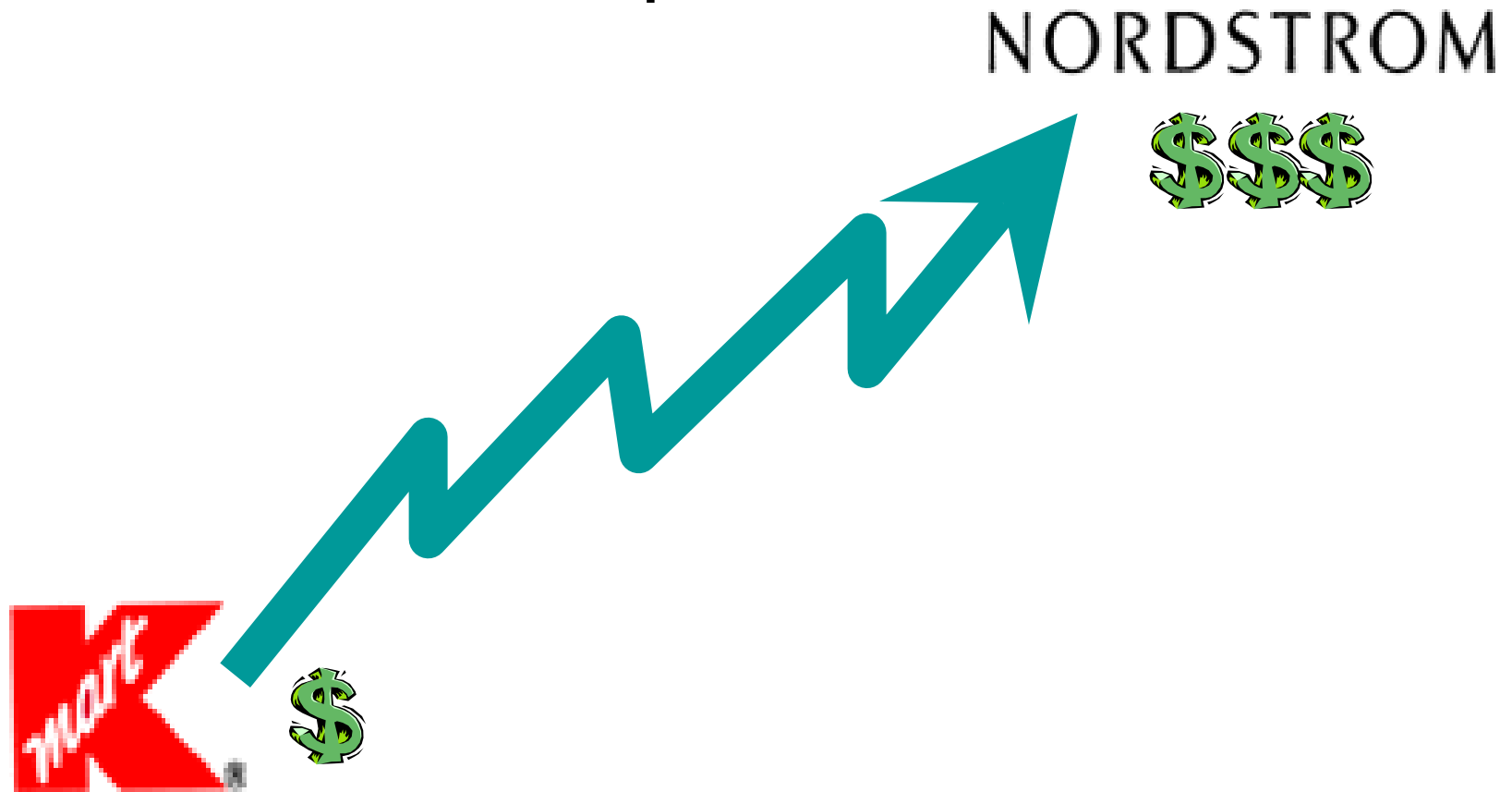
- Answer these questions about your brand:
 - On a scale of 1-10 (10=high), how well known is your company name?
 - What associations with your brand come to mind?
 - Is it where you want it to be?

Why Does Brand Matter?

- “New research suggests that brand equity drives a firm’s stock price as much as return on investment.”
 - The Brand Consultancy
- Use Yahoo example vs. other search engines
 - effectiveness of searches, yet Yahoo more popular. Show stock prices of search engine companies.
- Brand image impacts a firm’s ability to acquire and retain clients and top talent.

Why Does Brand Matter?

- Brand can drive price!



Brand Name

Which of these names do you recognize?

- ADP
- DMM
- ETI
- IBM
- APP
- FCG
- FedEx
- ABC
- BCW
- EDS
- McKinsey
- Deloitte
- Lexus
- ADC
- Apple
- PWC
- GM
- E&Y

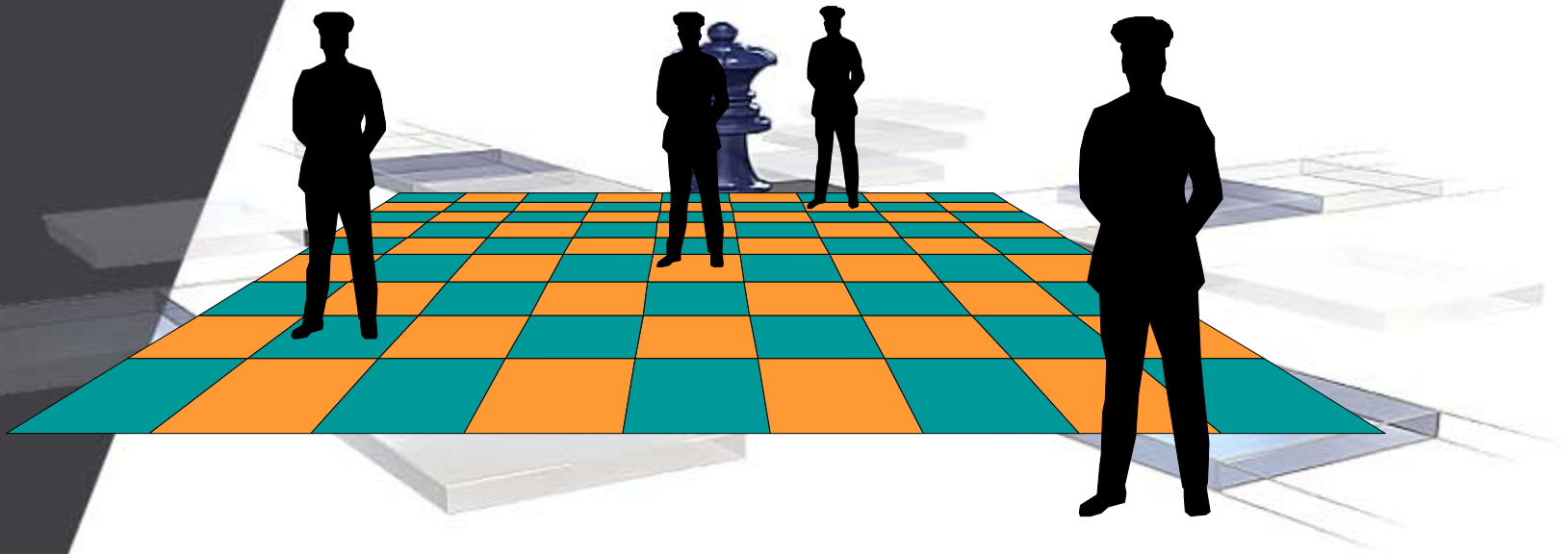
Brand Name

- Brand names should be memorable
- The best brand names are:
 - Distinctive and unique, not generic
 - Sensory
 - Professional
 - Creative, outstanding
 - Brief (no more than four syllables)
 - Not acronyms

Examples

	YES	NO
Distinctive	Towers Perrin	Benefits Consultants, Inc.
Sensory	Razorfish	Management & Technology Consultants
Professional	Ernst & Young	FCG Doghouse
Outstanding, Creative	MindShop	Personal Management Consultants
Brief	Dechert	Fried, Frank, Harris, Shriver & Jacobson
No Acronyms	Deloitte	CSC

Strategy and Marketing Planning



Strategy and Marketing Planning

- Business strategy framework
- Brand Development
- Market research
- Marketing vs. business planning

Strategy Positioning

- There are three broad value disciplines for any firm*:
 1. Product leader
 2. Operationally efficient
 3. Customer intimate
- Treacy and Wiersema believe a business should follow these rules:
 1. Become best at ONE of the three value disciplines
 2. Achieve an adequate performance in the others
 3. Focus on improving one's superior position
 4. Keep becoming more adequate in the others given competitors are raising the bar

Choose Your Brand Positioning

- Beyond a broad positioning, a services firm should select a specific brand positioning to distinguish itself.
- Ideally, select ONE key attribute or association. A brand usually cannot accommodate more than one.
- Examples:
 - Apple – creative, fun
 - BMW – driving performance
 - IBM – safe, reliable
 - First Consulting Group – healthcare IT experts
 - Blue Cross Blue Shield – stable, reliable health insurance

Choose A Specific Brand Positioning

- Attributes (size, experience)
- Benefits (guaranteed client satisfaction, on-time/budget, quantifiable results expected)
- Use/application (best legal services for litigation in employee suits)
- User positioning (best management consulting for the banking industry)
- Competitor (Avis – we're no. 2, we try harder)
- Category (McKinsey means strategy consulting)
- Quality/price (Harvard and Stanford - high quality, high price)

Choose a Value Positioning

- More for more (Mercedes, Mont Blanc, McKinsey)
- More for the same (Lexus vs. Mercedes)
- The same for less (Boutique services firms vs. Bigs)
- Less for much less (Southwest Airlines)
- More for less (Wal-Mart, Sportmart, Toys 'R' Us)

Planning Outputs

- *Vision (5-10 year view)* – what business will we be in - growth, client make-up, people, environment?
- *Strategy (2-3 years)* – addresses key planning issues listed above.
- *Tactical plan (6-12 months)* – P&L, staffing, client and relationship building

Top Ten Planning Questions for Professional Services Firms

1. What are our *growth paths*? Rate and method?
 - New services
 - New clients
 - New geographies
 - Acquisition
2. Who are our *target customers* – now and future? By client type and geography? Share of client or market?
3. What *trends* will affect us and our clients?
4. How do we *position ourselves*, e.g. what is our brand strategy and basis of competition? Our core competency?
5. *Relationship building/sales approach*. Do we have the right model? How do we strengthen it? What are the best channels to sell our services?

Top Ten Planning Questions for Professional Services Firms (cont.)

6. What is the optimum *organization model*?
7. How do we improve our *recruiting, retention, and professional development*? Are we investing the right amount?
8. *What is our leadership model*? What are the roles of firm leaders and how do we organize to grow from \$X to \$Y in revenue? How are we growing leaders?
9. What is our strategy for *knowledge development and dissemination*?
10. *Financial management*. How can we improve margins?
 - Service value/pricing
 - Reduce G&A
 - Delivery efficiency

Market Research

- Market trends – mega trends that will affect our business – demographic, financial, regulatory, technology, competitive, political.
- Market Demand Analysis – what are they buying now and in future? Budget trends?
- Sales Effectiveness – how good is our sales force? Our sales pitch? Our offerings? How can we improve them?
- Brand perception – what do key constituents think of us? Our key competitors?
- Customer Satisfaction – how are we doing with customers?
- Competition – what moves are they making? How are we faring against them? New entrants?

The Role of Market Research

Market research supports the following functions:

- Business strategy
- Service offering development and management
- Acquisition segments/candidate firms
- Recruiting and retention
- Competitive threats and response
- Pricing
- Brand strategy and marketing

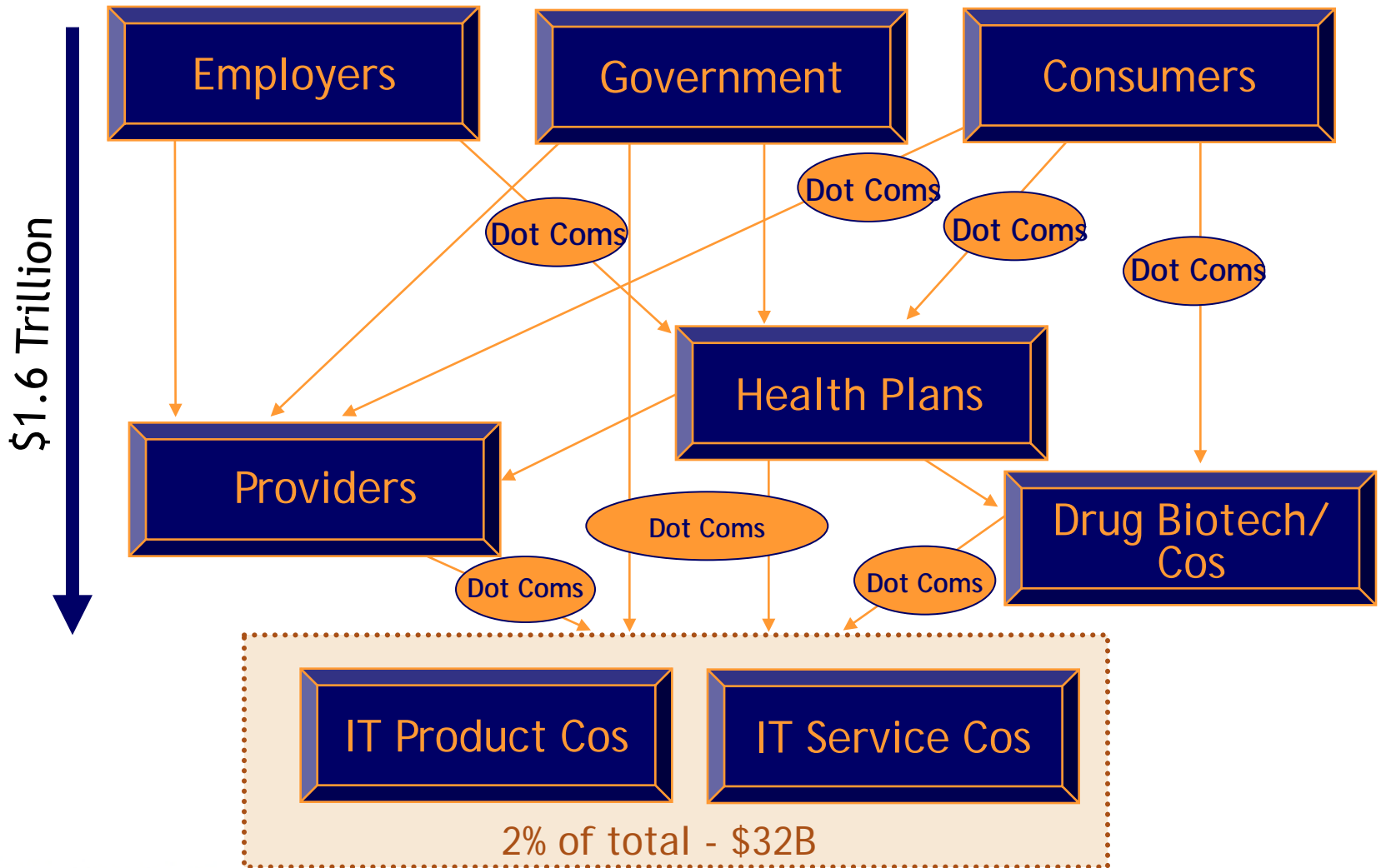
Market Research Methods

- Primary – market surveys, focus groups, client/prospect summits, competitors.
- Secondary - sales force/partners, new hires, industry analysts and other experts, published articles and research, alliance partners, investment analysts.
- In-house vs. contracted

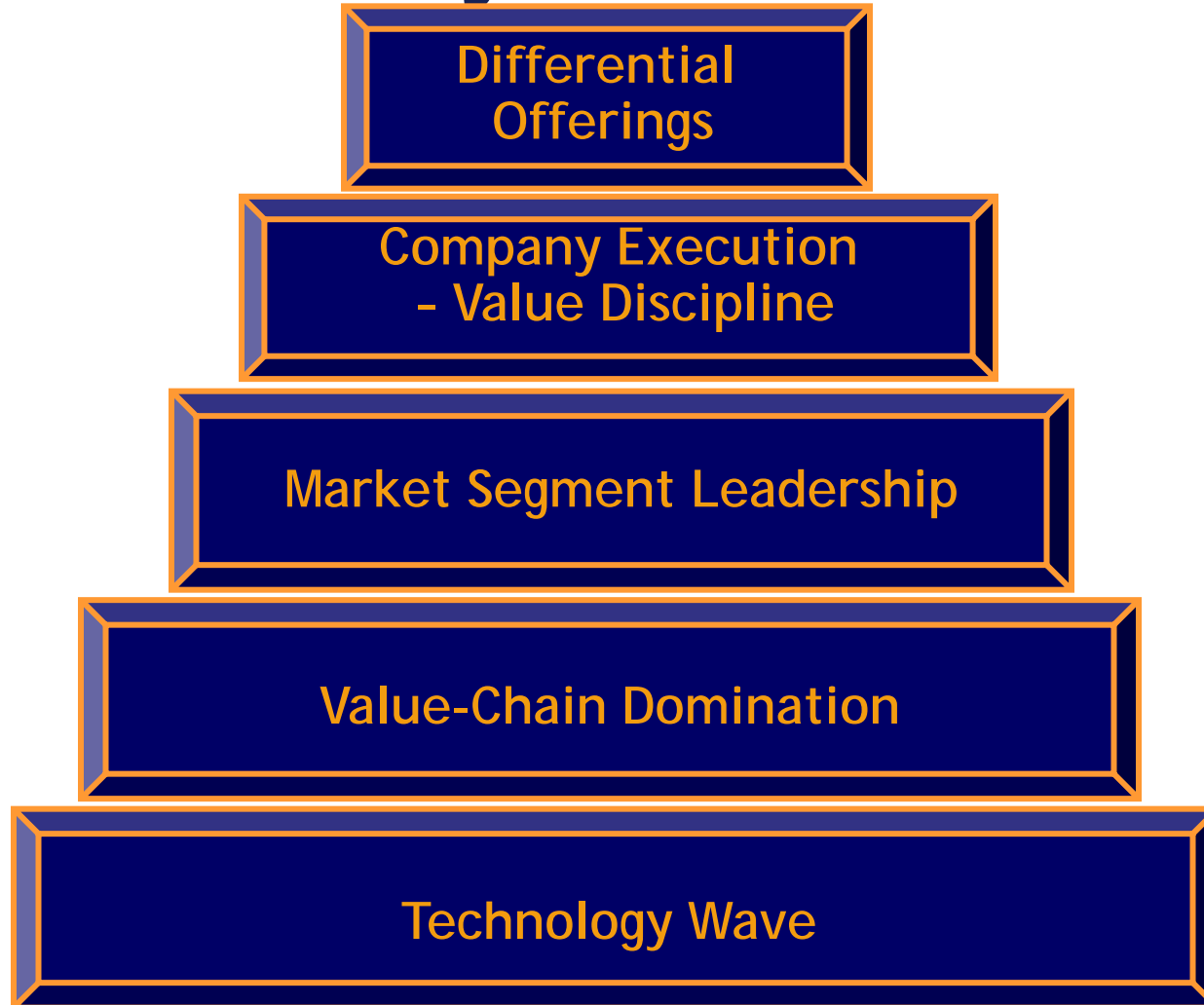
Environmental Assessment

- Market Trends analysis (our industry and clients' industry)
- SWOT – strengths, weaknesses, opportunities and threats
- Competitive analysis
- Key challenges/issues of the firm

Healthcare & Life Sciences Value Chain



Competitive Advantage Hierarchy



*Source: "Living on the Fault Line",
Geoffrey A. Moore*

Strategic Planning Process

Assess Current Situation

- SWOT
- Client/market trends
- Competition
- Market segment analysis
- Base on leadership views and research

Set Measurable Goals

- Financial
- Segments/ Practices
- People
- Brand
- Corporate and division

Define Strategies

- Growth
- Segments/ Practices
- People
- Value Proposition
- Brand/positioning
- Sales channels

Develop Tactical Plans

- 1 yr. detail financials
- 3-4 year targets
- Practice capabilities
- Strategic accounts
- Sales pipeline
- Organization
- Marketing support
- Hiring and retention
- Incentives/comp
- Corporate and division

THANK YOU!

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