

Do
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brandwell

Do brand architecture well

Your brand architecture can maximise the return on your brand investment – it's vital that you do it well.

What do we mean by 'brand architecture'? Simply, the way a company's brands are organised.

Why is it important? Brand architecture can articulate the corporate strategy succinctly; direct a company's investment into the right products or services; and it can therefore help ensure that the company maximises its return on its brand and marketing.

Why should you care? Brand architecture is one of the most effective ways of helping people understand a business. And if you're not understood, you're undervalued.





Architecture options

There are really only three options for brand architecture. None is 'better' than the others, and a business can move from one to another if it chooses. However, there is definitely a 'right' and a 'wrong' choice for any business, at any time of its life. It all depends on that business's ambitions, strategy and reputation.

Monolithic

meaning: the same name is used everywhere across the business, and at all levels

suggesting: tight internal relationships, common standards and values across the business, a strong and visible 'centre'

pros: simplicity, strength of recognition, single focus for expenditure

cons: inflexibility, 'one bad apple' effect on organisation

favoured by: professional services, financial services, engineering, manufacturing

Endorsed

meaning: sub-brands are tied back to a parent brand through either a visual or verbal link

suggesting: some synergy between parent and sub-brand, looser internal relationships, greater focus on specific product/service

pros: combines parent and sub-brands' strengths, greater flexibility

cons: relationships need monitoring, possible 'brand' proliferation

favoured by: cars, white/brown goods, travel/leisure

Portfolio

meaning: free-standing brands, with little or no link to a parent brand

suggesting: focus on specific product/service, weak internal relationships, wide range of standards and values

pros: flexibility, fluidity of support according to product/service strengths

cons: loss of potential synergies, cost of supporting individual brands

favoured by: fmcg

Architecture and strategic challenges

When we say “brand architecture can articulate the corporate strategy”, we mean it. In all the key strategic challenges, discussions and decisions that leaders typically face, there is usually a brand architecture dimension or contribution:



M&A

What do you do when two monoliths combine? If it's a genuine merger, you can take the 'combination' route (think Glaxo SmithKline, or any number of professional services firms) or take the opportunity to create a new name (think Novartis). But that's only the top level name. And if it's really more the 'A' than the 'M', there are other naming combinations available. One option that often creates the best of all worlds is to use one or more of the legacy names at another level, such as a product or service. (One client took one of the former names for the new Innovation Centre, while another used a legacy name for its new Training & Development commitment and award scheme.)

Innovation

Speak of the devil. Often, businesses that have adopted the Monolith model find themselves hamstrung when faced with the need for radical innovation. Law firms, for example, who now contend with the disaggregation of services, the impact that has on the type of work they must compete for, and the fees they can charge. Their traditions say 'monolith' but what will happen to that carefully-guarded premium brand if it's suddenly associated with the commoditised, processised volume output? Should that be preserved, while a new name takes over at the cheap end?

Diversification

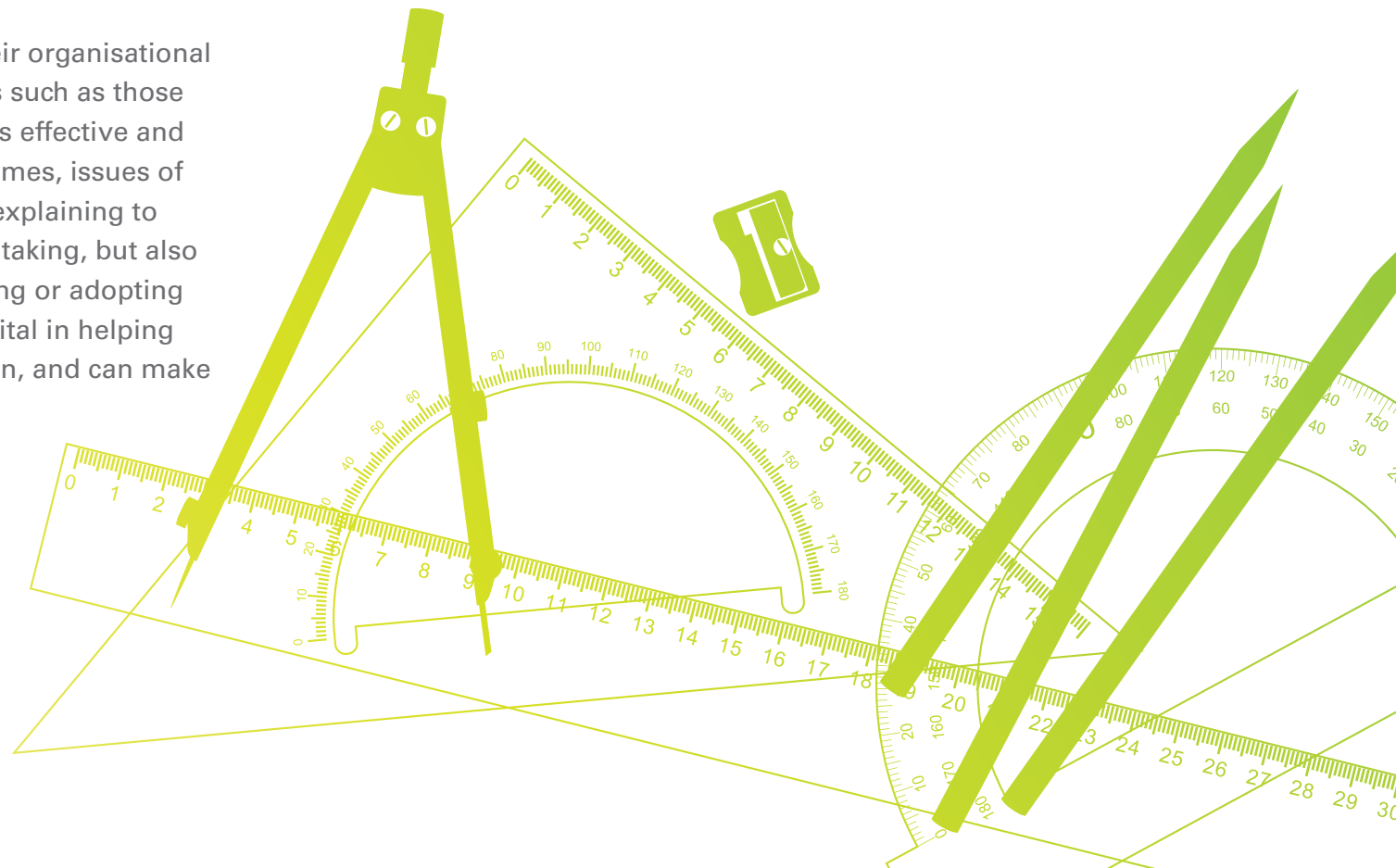
This is, of course, linked to innovation and to M&A, but it can be a question in its own right. If a business that is known in one business sector, or segment, or geography, looks to grow into another, what will be the likely impact of and on its name? Can the same brand stretch, or will it snap? Can an unknown monolith take over a local operation and keep everyone's commitment?

Re-organisation

All businesses must constantly review their organisational structures, irrespective of 'big ticket' ideas such as those discussed above, to ensure they are still as effective and efficient as they should be. And at those times, issues of brand architecture are critical in not only explaining to stakeholders the direction the business is taking, but also in securing people's commitment. Retaining or adopting names for where they will be working is vital in helping people to understand the new organisation, and can make the process of change much smoother.

Financial review

How many do you need? How many can you feed? The questions apply to brands, every bit as much to operations, factories, people and any other aspect of business. Using fewer brands, or changing the architecture to reflect a sharper, more focused business, makes a lot of economic sense. Not only for a tidy-up of the present and past, but also for an indication of where the business is going to focus on the future.



Knowing which is the right answer

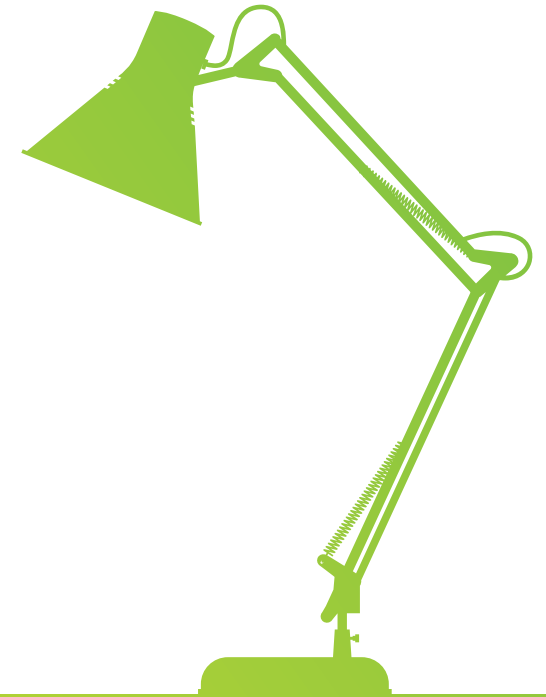
As we said before, no one brand architecture is 'better' than any other, but one will be right for your business. It all comes down to being clear on your corporate strategy, and making sure that the brand architecture expresses that.

Analysis

You need a clear understanding of where your business stands, but more crucially of its future challenges and context. What shape do you need to be in, for you to achieve your objectives?

Insights

Talk to key stakeholders – internal and external – to understand more of the day to day issues to address, and to begin the consensus-building you'll need.



Options

Explore the range of structures that will best support your business drive, and refine to the right one for you


Commitment

Engage with your people and key external stakeholders, so they understand and commit to your decision. And show your leadership team's commitment to this new structure at all times.

Next?

If any of these issues sound familiar, or potentially so, we'd love to discuss them with you.

Please contact keith.wells@brandwell.uk.com and we'll arrange a time.

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