



## The CEO Challenge for December 2009

# Have the Courage to Create a Brand!

Branding is a tricky subject to discuss with small to mid-size companies. It's a concept that's more easily associated with consumer products, packaged goods, or the Fortune 500. Branding books use examples like Starbucks, Apple or Dell – examples that don't resonate with midsize service companies, B2B companies, or industrial product companies.

Many of these types of businesses think of a brand as their logo, the look & feel of their web site, or their slogan. Unfortunately, a brand is none of those things. Instead, we define a brand as the combination of what you sell, how you sell it, and to whom. The result is an experience that develops your customers' trust, and it can create substantial value because the right customers will be willing to pay a premium for that experience. That experience is based on trust and belief that you will be who you say you are every single time and in all circumstances. Not most of the time. Not just with certain people. All the time, everywhere.

## A BRAND IS NARROW

The very essence of branding is being very clear about who you are and what specific customer segment you best serve. Thus, done correctly, branding is discomfoting for a small to mid-size company because it requires a courageous and counter-intuitive choice to limit your market. After all, when you're very specific about your target customers, you leave out other customers that don't perfectly fit your target. For a small company fighting for survival, decisions don't get much tougher than that.

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The monthly CEO Challenge is published by The Revenue Game, a revenue consultancy that helps clients generate predictable, profitable growth. To get in touch with us directly, please contact Jane Adamson, CEO, at (866) 356-8979 or [janeadamson@therevenuegame.com](mailto:janeadamson@therevenuegame.com).

Why should you limit your market and develop a brand? Because the dangers of NOT branding the company carefully, of NOT choosing, are lethal.

## **NO BRAND? YOU'RE NO DIFFERENT.**

First, the act of NOT choosing very specifically who you are, what market you'll serve, and how you'll serve that market, is in itself a choice. It's the choice to be like everyone else, to be anonymous, to hide in the chorus of companies and hope that your voice will be heard amongst all the others.

In an age where your customers can choose from a huge swell of service providers from around the globe, choosing anonymity is a dangerous decision indeed. If you don't answer the question of "why me," a competitor surely will. Very simply, branding gives customers a reason to buy from you without you having to plead, prod, and cajole a sale.

## **A BRAND IS A CLEAR PROMISE**

A good brand says, "You can trust that I will meet your expectations because I've clearly told you what those expectations are." If a company hasn't developed a clear brand, then it's difficult to be clear about the promises it makes to customers.

If a company knows, internally, what it promises to customers, then the entire structure of the organization (including compensation plans, values, reward systems, resource allocation and so forth) can be clearly established to ensure that the company delivers on those promises. Without brand clarity, it's easy for internal systems to become misaligned, inevitably leading to customer disappointment and overall mediocrity.

For example, online shoe retailer Zappos.com promises no hassle returns, and they successfully deliver on that promise. I returned a pair of shoes last week, and there was absolutely no hassle — no questioning of my return decision, no cost to me, easy instructions, and friendly service. Their business processes are set up to ensure no hassle returns and their employees are enthusiastic about returns. In other words, their organization is aligned to deliver on a clear brand promise.

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## BRANDING DRIVES MARKETING EFFICIENCY

A good brand is extremely specific about the profile of ideal customers. Without that specificity, marketing efforts are diluted because they need to appeal to a broad audience. Next, expensive sales time is wasted as sales reps talk with prospects who really aren't a good fit for the company.

Is your company facing this problem? Check your revenue generation metrics. Are you attracting the right number of prospects for your investments? Are you closing a high percentage of the prospects you do attract? If either numbers isn't where you'd like it to be, there's a good chance that your organization isn't completely clear about your customer profile and you are, unfortunately, wasting money.

## BRANDING DRIVES WORD OF MOUTH AND REFERRALS

There is one true indicator of a good brand: word of mouth. Strong brands are so reliable and rare that people talk about them. This fact is true even in service industries, industrial companies, small businesses, B2B product companies and the like. Regardless of size or industry, a well-branded company enjoys a tremendous advantage in the marketplace because word of mouth and referrals are the best possible form of marketing.

If your company doesn't have a strong brand, your competitors have a major opportunity to beat you to the punch and gain an enormous advantage.

## ACTION PLAN TO CREATE A STRONG BRAND

### 1. Focus on the customer problem you're trying to solve.

As Marty Neumeier says in his excellent book *The Brand Gap*, "A brand is not what you say it is; it's what they say it is." Therefore, you need to start with the real needs of your customers – and those needs typically have nothing to do with your product. Ultimately, your customers need to generate revenue and profit, and your solution has to help them get there. Customers also have needs such as mitigating risk, convenience, personal image within the company, political agendas, technical limitations, and much more.

Be VERY SPECIFIC concerning what problems your customers actually have and how your solution can solve those problems. Become a specialist your customers can trust, not a generalist for everyone.

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## 2. Create a detailed profile of your perfect customer.

Companies often say they have a target customer profile, but it's typically so general that it's ineffective. Dig much deeper than top tier characteristics such as company size, geography, job title or industry. The goal is to help the prospect feel like you are talking specifically to him/her. Help your marketing and sales department understand the problems your customers face as well as characteristics like how they make decisions, what's important to them, what they struggle with, with whom they interact, and how they like to do business.

When the profile is complete, the marketing and sales teams can then identify how best to reach the target group and how to recognize a "good" target customer. A great brand will attract certain types of people. Do not bend to the temptation of responding to prospects that do not fit the profile. Let go. Trying to appeal to different groups will dilute and ultimately crush the brand.

## 3. Decide, as a company, on your promises.

A promise is a much stronger word than "value proposition." Value proposition sounds casual and murky and spineless. A promise is real. People are careful about making promises and breaking them is a serious cultural violation. Your brand promises should take on the same solemn quality.

For instance, if a local nursery promises to help customers make informed buying decisions, everything about that company should be set up to deliver on that promise. HR would hire only cashiers with backgrounds in gardening and the different types of shrubs, trees and plants. Training classes would be held on a regular basis so the staff could keep up to date with local planting techniques and watering requirements. Employees would be well versed on all inventoried items. Specialists would be available for detailed questions. The company may even conduct gardening classes for its customers.

A brand promise is a solemn vow. Are you keeping yours? How do you know?

## 4. Avoid corporate speak.

Great brands speak directly to their client groups in language that they understand and believe. Corporate fluff such as "we're dedicated to your success," "we have a full range of products to meet all your needs," and "we're better, faster, cheaper" have lost all meaning and credibility. Tell your prospective clients exactly how you solve their problems. Then walk, talk, and demonstrate your dedication to that brand.

A local Scottsdale remodeling contractor I know requires all his subs to clean up a home every evening. He bases his remodeling recommendations on how a family lives their daily lives, and he spends time perfecting every detail of the project even though it may never be noticed. In a city among the hardest hit by the housing crisis, this contractor stays booked, and he enjoys strong word of mouth. He has created an authentic, powerful brand.

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The buzzword “transparency” is another way of telling companies to be authentic. In this world of instant messaging and the internet, companies cannot get by for too long without authenticity because the market will unmask the reality and spread the word.

## CONCLUSION

Why don't more small to mid-size companies spend more time on creating an identifiable brand? The answer is that, like most good things, it's hard to do and takes enormous corporate discipline and strength of character. Every company has heard the internal plea “we can't be that specific, then we'll lose all these other opportunities.” The counter-intuitive pull is tough. Yet when you choose not to create a brand, you're choosing to be the same as everyone else.

Remember: Your goal is to consistently communicate WHAT you do, for WHOM, and HOW you do it. Make a solemn promise and keep it every time. That's a powerful brand that can differentiate your company in a difficult, crowded market.

**What do you think?**  
**Please share your thoughts and experiences with us here!**

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