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ARTICLE MARKETING

What Does Your Corporate Brand Stand For?

It's harder to create a strong identity for an entire company than for a product. This tool kit can help you get there.

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marketing



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Idea in Brief

THE PROBLEM

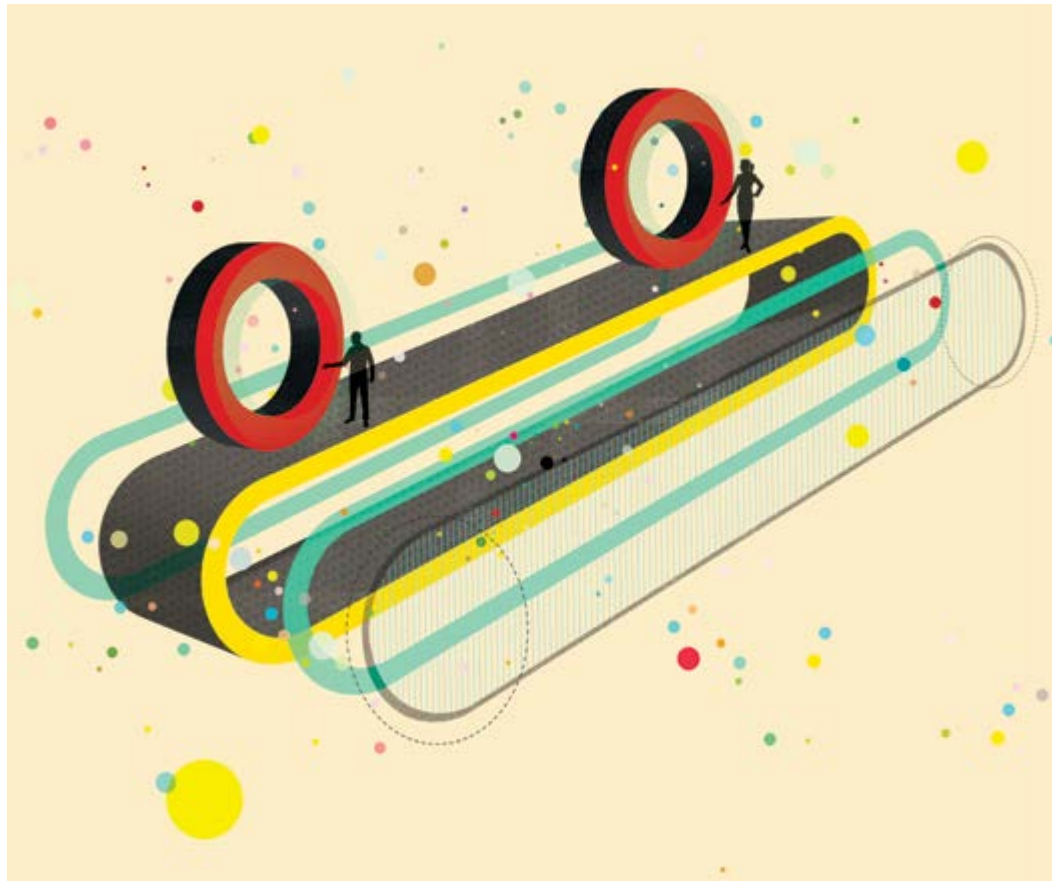
A clear corporate brand identity provides direction and purpose, enhances the standing of products, aids in recruiting and retention, and helps protect a firm's reputation in times of trouble. But many companies struggle to define their brands.

THE TOOL

The corporate brand identity matrix can address that problem by guiding executive teams through a structured set of questions that examine aspects of identity related to the organization's mission, culture, competences, values, and other defining characteristics.

THE APPLICATION

Companies in a range of industries have used the matrix to clarify the relationship between parent and daughter brands; support business development; evaluate targets for acquisition; and reposition their brand image.



Companies are extremely good at defining their product brands. Customers, employees, and other stakeholders know exactly what an iPhone is and means. But organizations are often less sure-footed when it comes to the corporate brand. What does the parent company's name really stand for, and how is it perceived and leveraged in the marketplace and within the company itself?

A clear, unified corporate identity can be critical to competitive strategy, as firms like Apple, Philips, and Unilever understand. It serves as a north star, providing direction and purpose. It can also enhance the image of individual products, help firms recruit and retain employees, and provide protection against reputational damage in times of trouble. Many firms, however, struggle to articulate and communicate their brand.

Consider the €35 billion Volvo Group, which sells a broad portfolio of trucks, buses, construction equipment, and marine and industrial engines. After its new CEO decentralized the organization, turning its truck brands (Volvo Trucks, Mack Trucks, Renault Trucks, and UD Trucks) into separate units in 2016, questions about the parent company's identity became pressing. Because that identity wasn't well defined, people in the group were uncertain about how they should strategically support the "daughter" brands, and people in the new brand units had trouble understanding how the group's mission, values, and capabilities extended to them—and even how to describe their brands' relationships with the Volvo Group in marketing and investor communications.

But using a process we'll detail in this article, Volvo was able to clarify its corporate identity and the roles and functions of its daughter brands. That alignment resulted in greater corporate commitment to the brands, sharper positioning in the marketplace, a stronger sense of belonging to the group, and more-coherent marketing and communications.

The approach we used to help Volvo achieve this turnaround is the product of 10 years of research and engagement with hundreds of senior executives in organizations around the world and across several sectors, including manufacturing, financial services, and nonprofits. At its core is a tool called the *corporate brand identity matrix*. As we'll show, many companies have adapted this tool to their particular circumstances and used it to successfully define a corporate identity, align its elements, and harness its strengths.

INTRODUCING THE MATRIX

The framework we've developed guides an executive team through a structured set of questions about the company. Each question focuses on one element of the organization's identity. There are nine elements in total, and in our matrix

Express Yourself

A visual identity—such as IBM's iconic logo—is often considered the essence of a corporate brand's expression, but to us this is a narrow interpretation. The expression of a brand also includes attitude or tone of voice (think of Geico's gecko), a flagship product (such as Omega's Seamaster watch), taglines (Nike's "Just Do It"), and even signature audio clips (MGM's trademarked lion's roar). All these varied forms of brand expression must harmonize.

The CEO of an international shipping corporation we know has compared a corporate brand to a work of music, emphasizing

that its "melody" must be recognizable in all internal and external communications. His favorite song, "My Way," he explained to us, had been performed by Frank Sinatra, the French star Claude François, Elvis Presley, Pavarotti, and even the punk rocker Sid Vicious, and though their voices, styles, and audiences all differed, the melody remained the same. "In our company," the CEO said, "we too have different voices and communicate through multiple channels, telling the world about our brand and what it stands for. The key is for everyone to follow the same melody."

we array them in three layers: internally oriented elements on the bottom; externally focused elements on top; and those that are both internal and external in the middle. Let's look at each layer in turn.

Internal elements. Forming the foundation of a corporate brand identity are the firm's mission and vision (which engage and inspire its people), culture (which reveals their work ethic and attitudes), and competences (its distinctive capabilities). These things are rooted in the organization's values and operational realities. Consider Johnson & Johnson's credo, which is carved in stone at the entrance of the company's headquarters and is a constant reminder of what J&J's top priorities are (or should be). It describes J&J's ethos of putting the needs of patients (and their caregivers) first; how it will serve them, by providing high quality at reasonable cost; and a work environment that will be based on dignity, safety, and fairness.

External elements. At the top of the matrix you'll find elements related to how the company wants to be perceived by customers and other external stakeholders: its value



IN THEORY

The Corporate Brand Identity Matrix

A corporation's identity is made up of nine interrelated components. By examining each one and how it relates to the others, an organization can build a stronger brand.

EXTERNAL/INTERNAL/INTERNAL	EXTERNAL	VALUE PROPOSITION <i>What are our key offerings, and how do we want them to appeal to customers and other stakeholders?</i>	RELATIONSHIPS <i>What should be the nature of our relationships with key customers and other stakeholders?</i>	POSITION <i>What is our intended position in the market and in the hearts and minds of key customers and other stakeholders?</i>
	EXTERNAL/INTERNAL	EXPRESSION <i>What is distinctive about the way we communicate and express ourselves and makes it possible to recognize us at a distance?</i>	BRAND CORE <i>What do we promise, and what are the core values that sum up what our brand stands for?</i>	PERSONALITY <i>What combination of human characteristics or qualities forms our corporate character?</i>
	INTERNAL	MISSION AND VISION <i>What engages us (mission)? What is our direction and inspiration (vision)?</i>	CULTURE <i>What are our attitudes, and how do we work and behave?</i>	COMPETENCES <i>What are we particularly good at, and what makes us better than the competition?</i>

proposition, outside relationships, and positioning. Nike, for instance, wants to be known for helping customers achieve their personal best, a goal that shapes its product offerings and is captured in its marketing tagline, “Just Do It.”

Elements that bridge internal and external aspects.

These include the organization’s personality, its distinctive ways of communicating, and its “brand core”—what it stands for and the enduring values that underlie its promise to customers. The brand core, at the center of the matrix, is the essence of the company’s identity. Patagonia’s is summed up in its promise to provide the highest-quality products and to support and inspire environmental stewardship. Audi captures its brand core with the phrase “*Vorsprung durch technik*” (“Progress through technology”). 3M describes its core simply: “Science. Applied to life.”

When a corporate identity is coherent, each of the other elements will inform and echo the brand core, resonating with the company’s values and what the brand stands for. The brand core, in turn, will shape the other eight elements.

MAPPING THE ELEMENTS

The exercise that follows can reveal whether your corporate brand identity is well integrated and, if it isn’t, show where problems and opportunities lie and help you address them. While this process can be tackled by an individual, it’s most useful when undertaken by an executive team.

Starting with any one of the nine elements, formulate answers to the related questions in the matrix. For example, if you begin with mission and vision, you’ll answer the questions “What engages us?” and “What is our direction and inspiration?” Answer in short phrases, not paragraphs, as Starbucks does when describing its mission: “To inspire and nurture the human spirit—one person, one cup, and one neighborhood at a time.” Answer the questions in every box, in any order, without thinking (yet) about how they relate.

When we conduct matrix workshops, we advise participants to follow these five guidelines:

- 1. Be concise.** Think of the short phrases you use in your answers as headings, under which you will later write more-detailed descriptions fleshing out the brand’s identity and story.
- 2. Be straightforward.** Avoid jargon and keep your responses uncomplicated. Less is more. IKEA describes its relationships as “Hello!”—reflecting in a single word a down-to-earth attitude in line with its core values.
- 3. Seek what is characteristic.** Capture words or concepts that resonate within your organization—that you’d agree signal “This is us.” A real estate company answered the personality question this way: “We are not sitting on a high horse.” A newly opened hotel in Oslo described its customer relationships like this: “We treat rock stars as guests; we treat guests as rock stars.”

IN PRACTICE

The Nobel Prize Matrix

Nobel Prizes are awarded by four independent institutions—each of which has its own identity—but are managed by the Nobel Foundation. These organizations have a common ground: a brand core of rewarding work that has conferred “the greatest benefit to humankind.”



4. Stay authentic. Some elements of your identity may already be firmly rooted in your organization. Be careful to be honest in your expression of them. Some elements may be aspirational, calling for adaptation within the company if they are to ring true.

5. Seek what is timeless. A corporate brand's identity should be lasting—like this signature expression of one watchmaker: “You never actually own a Patek Philippe. You merely look after it for the next generation.” Forward looking but rooted in the past, it has stood the test of time.

Every company's matrix will be different, but to get a sense of what a final one looks like, consider the matrix above from field research we did with the Nobel organization. The prizewinners are chosen by four independent institutions: the Royal Swedish Academy of Sciences, the Norwegian Nobel Committee, the Karolinska Institutet, and the Swedish Academy. Each is responsible for a different award, and each has its own identity and strategy. But the Nobel Foundation manages the prize funds and has a principal responsibility for safeguarding the standing and reputation of the Nobel Prizes. Our research and analysis helped define the common ground among these entities: the goal of rewarding people who have conferred “the greatest benefit to mankind” (recently retranslated to “human-kind”), a phrase from Alfred Nobel's will. That eventually became the brand core and helped clarify the Nobel Prizes' organizational identity.

WALK THE PATHS

After the team has tackled the questions for all nine elements, examine whether the answers fit logically together, reinforcing one another. You'll want to gauge how clearly they align along the matrix's diagonal, vertical, and horizontal axes, which all pass through the brand core at the center. Each axis illuminates a different kind of organizational capability: The diagonal one that begins in the bottom left corner highlights capabilities related to strategy; the diagonal one that begins in the top left corner, competition; the horizontal one, communications; and the vertical one, interaction. If your corporate brand identity is clear, the elements on each axis will harmonize. The stronger the connections along each axis are, the more “stable” the matrix is. One of your team's goals should be to maximize stability.

One way to gauge the strength of connections is to use the answers to the questions in a short presentation describing your corporate brand identity. The notes you've jotted down are, in effect, a rough outline of a script. (For an exercise that helps you craft one, see the sidebar “Does Your Matrix Measure Up?”) Ask yourself, Does that outline hang together?

In rare cases a team emerges from the analysis with a perfectly aligned and stable matrix, integrated along and across all four axes. But more often it finds gaps and inconsistencies among the elements of identity. The next job, then, is to examine the weak links and explore how to strengthen them.



For example, if your competences don't support your promise and value proposition on the competition axis, what capabilities do you need to develop? If on the interaction axis your organizational culture doesn't mesh with your corporate values in ways that reinforce external relationships, can HR be helpful in understanding the source of the problem? Creating a fully stable matrix is an ongoing and iterative process. Ultimately, the leadership team needs to converge on a shared narrative about the corporate brand identity, so the stories the company tells will be unified and consistent throughout the organization and beyond.

APPLYING THE MATRIX

Companies have used the matrix to address a range of identity issues, such as clarifying “mother and daughter” brand relationships, retooling the corporate brand to support new businesses, and improving the company's overall image.

Strengthening the parent brand's identity. The Finnish industrial group Cargotec, which is in the cargo-handling business, has three well-known international daughter brands: Hiab (the market leader in on-road solutions), Kalmar (the leader in port and terminal products and services), and MacGregor (the leader in the marine segment). A decade ago the mother brand was eclipsed by these high-profile daughters. To address this, management decided to pursue a “one company” approach, centered on the corporate brand, integrating its service networks and bundling the daughters' logistics solutions for individual customers.

Cargotec's CEO led the initiative to bolster and elevate the corporate brand and align it with its daughters' cultures, values, and promises. First, the firm held 11 workshops in which a team of 110 managers used the matrix to articulate the individual elements of the three daughter brands' identities. Then everyone gathered in a plenary session to develop an aggregated framework for the corporate brand identity.

To confirm the legitimacy of the new identity and get buy-in, Cargotec involved employees, sending out an internal survey (completed by more than 3,000 workers) that tested the validity of the proposed elements of the redefined corporate brand. Did they fit with the vision of aligned corporate and daughter brand identities? The new frameworks from the workshops were shared with everyone on the corporate

intranet, soliciting input. An external survey of customers and other stakeholders provided additional input and led to further adjustments to the proposed Cargotec identity.

At the end of the process, Cargotec and its daughter brands had agreed on a shared brand core: the stated promise “Smarter cargo flow for a better everyday” and the values “global presence—local service,” “working together,” and “sustainable performance.” One result of the strategic and rebranding initiatives is that major international customers, such as Maersk Line, are now offered Cargotec-branded solutions integrated with products from the daughters. The company has also strengthened its focus on the corporate brand in its marketing and communications—for instance, by developing a new logo and visual language.

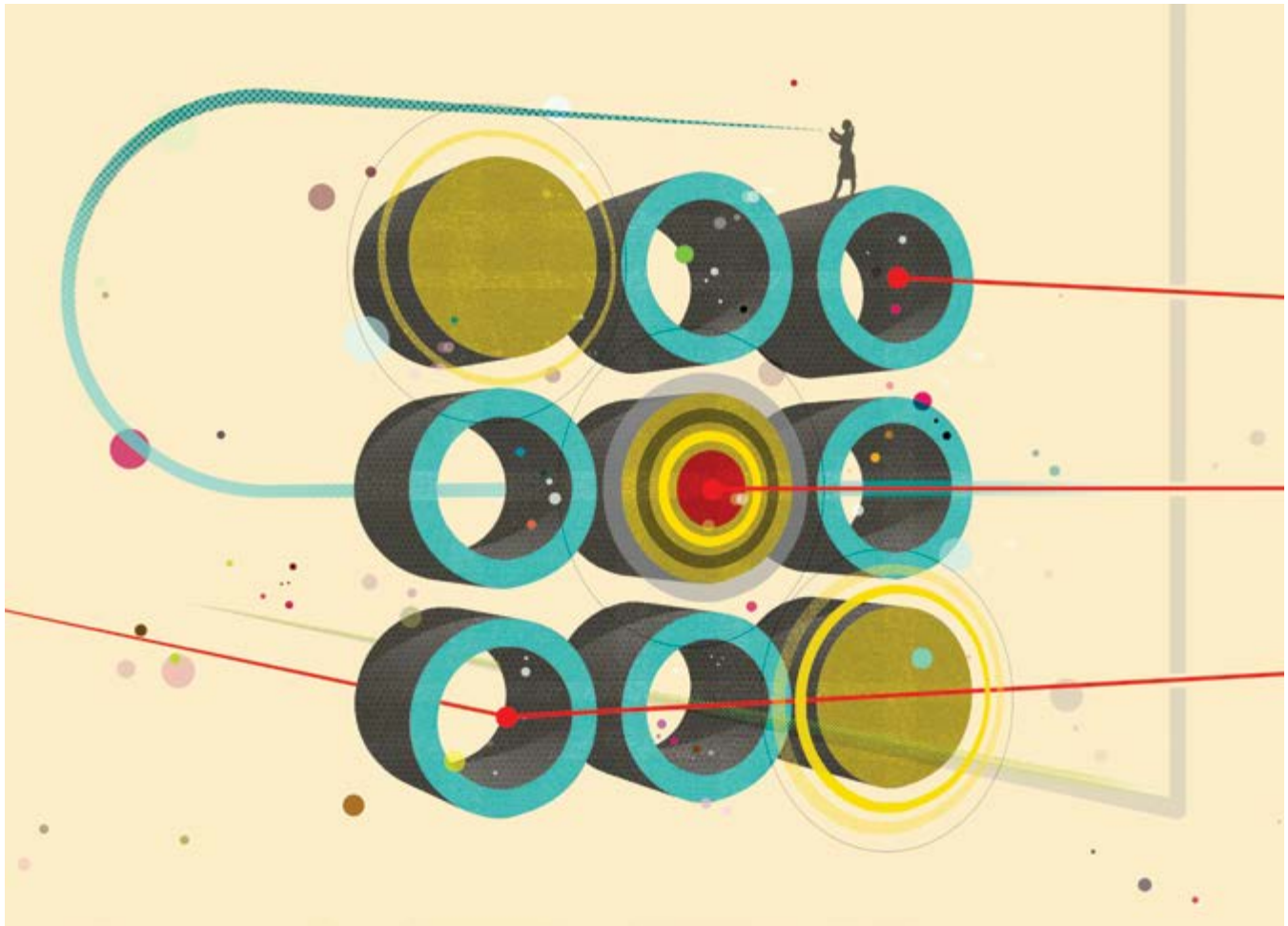
Supporting business development. Bona is a century-old company that has long specialized in products and services for installing and maintaining wood floors. Based in Sweden, it operates in more than 90 countries.

In recent years Bona expanded its offerings to include stone- and tile-cleaning products and developed a new system for renovating vinyl-type floors. These moves opened significant growth markets for the company but also raised a question about its positioning: How should a corporate brand that was known worldwide for wood-floor expertise change to accommodate the new businesses? On the surface the answer seemed simple: In its messaging Bona could just shift from its historical emphasis on wood floors to include other kinds of floors. But the executive team saw an opportunity to formally clarify the corporate brand identity, recommitting to its heritage while embracing a new positioning—inside and out.

Led by marketing executives from headquarters and America, the company conducted a series of workshops in both Europe and the United States that brought together managers from across functions and around the globe. The first task was to reach a common understanding of the company's current identity. Extensive discussion revealed a surprisingly broad variety of perspectives and answers to key questions in the matrix. But through further talks, consensus on those questions was eventually achieved, capturing Bona's corporate brand identity as it stood then.

Next these managers set out to develop an *aspirational* corporate brand identity, considering the firm's new products, technologies, and market opportunities—and in particular, new kinds of customers. The group modified the brand promise to “Bringing out the beauty in floors,” aligning it with the newly articulated mission: “Creating beautiful floors to bring happiness to people's lives.”

To bring the revamped identity to life inside the company, Bona held dialogues about it with employees, encouraging discussion, and created a welcome program for new staffers that emphasized the values in the revised matrix.



For its outside stakeholders it created new communication programs about lifestyle trends relevant to floor decoration and design, directed at consumers and at Bona's certified craftsmen partners; launched a website redesign; and set up a marketing program introducing its vinyl-floor renovation system. Translating a revised brand narrative into internal and external initiatives takes time, however; at Bona the process began 21 months ago and is still under way, with progress being benchmarked against the new aspirational matrix.

Changing the brand's image. The European company Intrum provides debt collection services to businesses and helps them with invoicing, receivables and debt management, and credit monitoring. By 2014 the company had grown rapidly through acquisitions, and management considered it essential to have a common view across the organization about what Intrum stood for. Its leadership was also concerned that the company had a negative image—and self-image—as a collection agency and wanted to give it a more positive identity as a provider of financial services. So over three years Intrum invited management teams from 24 countries to take

part in a program, held at the Stockholm School of Economics, that used our matrix to work out a new, improved identity that would enhance the group's performance. That initiative was led by the senior HR executive Jean-Luc Ferraton.

With input from 200 managers, Intrum's vague tagline ("Boosting Europe") was revised to "Leading the way to a sound economy," which underscored the company's brand promise. A core value challenged by managers as "fluff" was dropped. Intrum's mission was reformulated to be more positive. What does the company aspire to now? "To be trusted and respected by everyone who provides or receives credit. With solutions that generate growth while helping people become debt-free, we build value for individuals, companies and society." The managers' discussion of the new mission inspired Ferraton to comment, "I'm sure that none of us dreamt as kids of working in our line of business. But when I hear how you describe your job, our company, and what we actually do, I am proud to work here."

Intrum tracks the implementation of the new brand identity by measuring employee and customer satisfaction,



employee engagement, attitudes about leadership, and the adoption of the corporate brand's core values. Its internal and external surveys reveal an overall improvement of 15% on these measures over the past three years.

The Cargotec, Bona, and Intrum cases illustrate three ways the corporate brand identity matrix can be used. But these are by no means its only applications. The chairman of a private equity firm has used it to gauge the strategic value of candidates for acquisition and investment. The matrix helped the CEO of Falu Rödfärg, a traditional paint company founded in 1764, clarify his firm's brand identity and competitive position by highlighting its distinctive heritage and hard-to-copy craftsmanship. And Trelleborg, a polymer-technology maker, used the matrix to enhance its corporate identity so that acquired firms, which had initially rejected the parent brand name, actively embraced it.

SOMETIMES A SKETCH of a parent firm's identity can be done quickly—and even be helpful. But developing a comprehensive understanding of a corporate brand identity usually takes much longer, involving many sessions and leadership and teams throughout a global organization. The process can happen faster, though, if the company already has strong core values and other essential elements of identity.

Examining and refining your corporate brand is a true leadership task that requires far-reaching input and commitment, passion, and grit. The outcome—a sharpened brand, stronger relationships, and a unified organization—can provide a clear competitive edge. ☺ **HBR Reprint R1901E**

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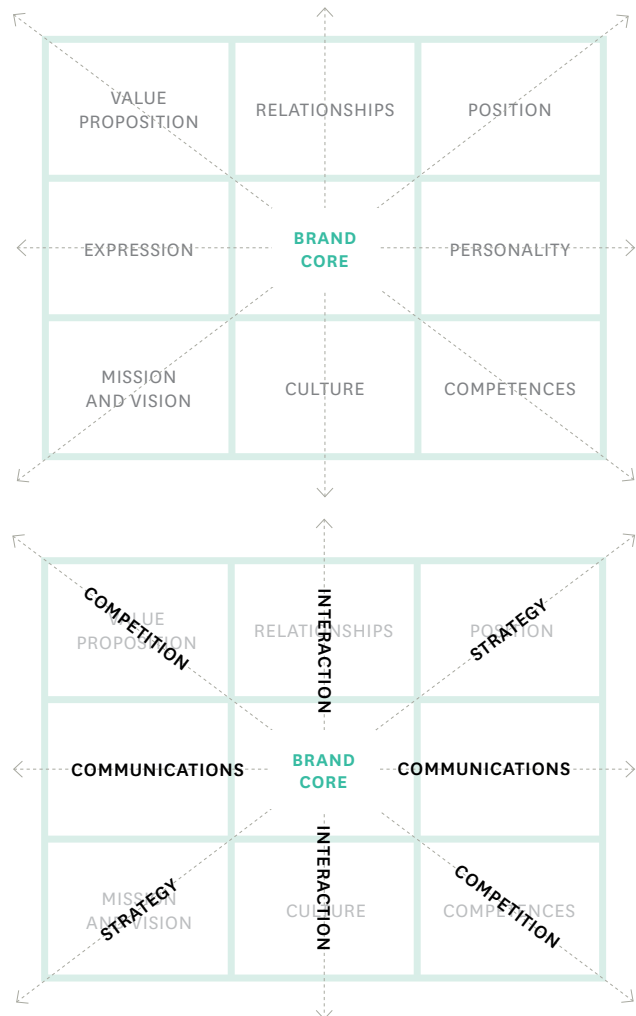
FURTHER READING

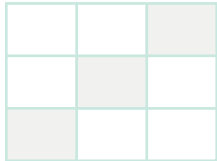
“The Corporate Brand Identity Matrix”
Mats Urde
Journal of Brand Management
August 2013

“The Corporate Brand Identity and Reputation Matrix—The Case of the Nobel Prize”
Mats Urde and Stephen A. Greyser
Journal of Brand Management
January 2016

Does Your Matrix Measure Up?

Use the following exercise to assess the coherence of your answers to the questions in the matrix. As you fill in the blanks, you'll create a narrative about your strategy, your competitive approach, and the basis and nature of your external interactions and communications. With all four paths of the matrix, you'll want to confirm that each element logically follows the one before it, regardless of which direction you're moving in. The clearer and more logical your narrative is, the more stable the matrix is, and the stronger your corporate brand identity.

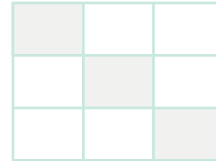




**THE FIRST DIAGONAL
PATH FOCUSES ON
STRATEGY:**

Our mission is _____
 Our vision is _____
 What we promise is _____
 Our core values are _____
 Our intended position in the market is _____

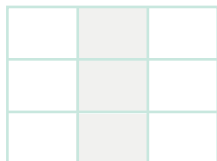
Do your mission and vision engage and inspire people in your organization and, ideally, beyond it? Do they translate into a promise that the organization will fulfill? Is that promise manifest in the company's positioning? Finally, does the logic also flow in the other direction: Does your positioning resonate with your promise and values, which align with the corporate mission and vision?



**THE SECOND DIAGONAL
PATH FOCUSES ON
COMPETITION:**

Our competences are _____
 What we promise is _____
 Our core values are _____
 Our value proposition is _____

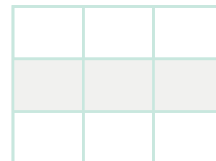
Do the items in the list above fit well together? Do your current competences allow you to keep your promise and provide a solid basis for competitive and appealing value propositions?



**THE VERTICAL
PATH FOCUSES ON
INTERACTION:**

Our culture is _____
 What we promise is _____
 Our core values are _____
 The kinds of relationships we strive for are _____

This section reveals how well your organizational values and culture resonate with and engage people inside and outside your company. Employees are your most important resource for ensuring the authenticity of the corporate brand. If they don't embrace these elements of your corporate identity, then your outside relationships, whether with customers, partners, or other stakeholders, will suffer.



**THE HORIZONTAL
PATH FOCUSES ON
COMMUNICATION:**

Our communication style is _____
 What we promise is _____
 Our core values are _____
 Our corporate personality traits are _____

The corporate personality or character underpins the company's brand core and is expressed in myriad ways, from product design and the architecture of the headquarters to the corporate logo and marketing taglines. Assess how well that personality comes through in all communications, both internal and external.