



INSTITUT FÜR MARKENTECHNIK
GENEVA

Brand Constitution

Establishing rules for all brand-related activities

International business consultancy for
strategic and operational brand management

No clear guidelines for managing the brand on a day-to-day basis

What's right, what's wrong ?

Despite the fact that management has mapped out the corporate strategy, pointless discussions continue throughout the company. The only way to put a stop to them is to have clearly defined rules that apply to all activities that impact the brand. However, the problem is that there is no instrument that spells out clearly and in writing what each employee and each department may and may not do in those areas that are relevant for the brand.

Commitment – however well-intentioned – is not always good for the brand

Creativity and employee initiative are desirable – unless of course they depart from the brand's success pattern. When an employee's performance is mainly driven by personal career goals, results quickly become counterproductive. For human resource management, the challenge is to establish a set of guidelines that can maintain the required dynamics and at the same time ensure a high level of discipline. From the outset, each employee needs to know that there are certain absolute brand rules, and that they must perform their job within the framework defined by those rules.

Actions for which nobody has an explanation

Typically, top management rarely takes a close interest in the way in which marketing and advertising actually implement the strategies that have been adopted. However, when they do so, they often find that the people involved are unable to give reasoned explanations for what they have done and why they have done it. There are seemingly no rules to guide them and on which they can rely. And even when such rules do exist, they are not usually specific to the particular brand.

Brands develop differently in each market

When a brand is launched in a new country, established practices are often forgotten. As a result, the same brand may appear quite differently in each market. Since the country management usually focuses on its own market rather than the brand, huge discrepancies develop – not only in terms of price and advertising, but also of distribution and ultimately positioning. Generally speaking, companies do not have a rulebook to help management ensure that the development of new markets takes place in as uniform a manner as possible.

What should be done ?

There is a widely held view that traditional CD manuals and corporate guidelines provide all the practical rules needed to manage a brand. However, given the enormous pressure of day-to-day business, these kinds of definitions do not offer enough guidance and support. They are either too focused on design aspects, or they are expressed in terms that are too general. The Institut für Markentechnik has therefore

developed a method with a different approach – the *Brand Constitution*. It is based on the principle that the brand's force, no matter how it is formulated, has to be translated into a set of binding rules that apply to each area of the company and which specify what tasks must be accomplished for the greater good of the brand. Clients of the Institute have gone as far as to make the *Brand Constitution* an integral part of their employment contracts.

The Brand Constitution safeguards the company's greatest asset

The brand constitutes a company's most valuable asset. Every day it is affected by countless actions and decisions in the company – whether in manufacturing, logistics, training, marketing or sales. The best way to protect the brand is for each department and each employee to know what to do and what not to do. The principle that management and decision-making must be based on objective criteria – which no one would ever question in other areas of activity, such as investments – must apply to brands, too.

The *Brand Constitution* can help achieve this. It lays down a number of ground rules which help management safeguard and leverage the competitive forces of the brand that have been built up over the years. The *Brand Constitution* is not a substitute for corporate leadership; rather, the term “constitution” signals the importance of the brand, and makes it clear that any interference in its success pattern can only be accepted if it is the result of a systematic decision-making process. This protects the brand system against opportunistic behavior, and provides it with the stability and consistency it needs.

Many paragraphs perhaps, but no straightjacket

The *Brand Constitution* breaks down the complexity of the brand, thereby making it manageable and controllable. It does so by highlighting and regulating those areas within the company that have an impact, either positive or negative, on the state of the brand. However, it is not intended to be a rigid structure. The *Brand Constitution* can contain anything between 100 to 130 paragraphs – depending on how much needs to be managed. These are defined in such a way that they fulfill the brand's need to operate within given standards, but provide room for dynamic development, too. These guidelines for brand management have not been dreamed up in some kind of ivory tower; they are the result of detailed work by the Institute in close cooperation with the company. So the final document that is given to the company is not something that has been forced upon it against its will.

In a series of self-explanatory steps, each employee is given guidance regarding the activities which are really useful for their area of responsibility and for the brand. If each employee takes the crucial paragraphs to heart, the brand will succeed in holding its course.

Management is closely involved in the approval process

The Institut für Markentechnik develops a draft version of the rules in Geneva. It is based on a detailed knowledge of the brand system in question and the various elements that compose it. It replicates the organizational structure of the company; this is why the rules relate directly to specific corporate units. In a Markentechnik work-

shop, the draft is fine-tuned with the help of corporate management. Participants are asked to engage in a detailed discussion of all paragraphs of the *Brand Constitution*. Subsequently, the Institute draws up a final version which must then be put into practice in the company.

The *Brand Constitution* is a highly effective management tool:

- Each rule in the *Brand Constitution* has practical relevance and is formulated clearly. Compliance with the rules can be verified, since these are aspects that are non-negotiable.
- Workflow processes are simplified and streamlined.
- Each employee can be required to comply with the relevant paragraphs concerning the proper handling of the brand.
- This ensures that everybody actually contributes to the competitive power and profitability of the company.
- Creativity and employee initiative will be directed to where they are the most useful for the brand.
- The *Brand Constitution* can be implemented on an international scale, thereby ensuring that no country damages the brand by doing things its own way.

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