Brand DNA – The most important thing you will ever do for your business.

WHAT’S IN A BRAND?
The idea of “Brand” is at the heart of all strategic and marketing communications. In our discussions with executives, we have found varying opinions and depths of understanding of the brand concept. Given the wide disparities in brand thinking, we wrote this White Paper to describe our notion of the concept by highlighting examples of our previous work and discuss some of the practical implications.

Like human DNA, every company’s brand has its own code or “DNA.” Unlike humans, however, your company gets to choose what kind of DNA it should have, and can even change it. As an executive, coding your brand DNA, otherwise known as your Brand Identity, may be the most important thing you ever do.

Nearly all our clients are marketing either business-to-business (B2B) products or solutions, and sometimes their investment opportunity. Interestingly, when we introduced the concept of brand to oil and gas executives, they weren’t initially convinced they had a brand to manage. Oilfield services leaders often believed their “brand” was reliant on long-term relationships with E&P companies, which would carry them through industry downcycles.

Although they acknowledged the value of consumer brands, oil and gas people did not immediately recognize the advantage of having a positive brand image among employees, recruits, partners and investors. Over time, however, these perceptions have changed.

That brings up an interesting revelation. In practice, a well-managed B2B brand can actually be more valuable than a consumer brand. Since many companies with B2B solutions don’t actively manage their brands, those who do stand out. If your company does not manage its Brand Identity, then your competition (who does) is setting the rules.

“IF YOU AREN’T ACTIVELY MANAGING YOUR BRAND, CHANCES ARE YOUR COMPETITION IS DOING IT FOR YOU. “

– JAMES CONSTAS
PRESIDENT. PRISM GROUP
and establishing perceptions in the market that you will have to face. They are defining your reputation before you even have a chance to make your pitch.

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BRAND VALUE IN INDUSTRIAL MARKETS
We can all agree that branding has value in consumer markets, but what about industrial markets? In the Harvard Business Review, James R. Gregory and Donald E. Sexton published a study, Hidden Wealth in B2B Brands, covering 450 companies in 47 industries over 16 years. They found that brand equity – their measure of brand value – accounted for up to 7% of stock performance for industrial companies. Given the size of many oil and gas and other industrial companies, executives who fail to manage their brands could be leaving millions on the table for shareholders and the owners of privately-held firms!

The value of brand goes beyond the numbers. Qualitative benefits of a strong B2B brand include greater ability to attract and retain the best people, be the preferred choice of the best suppliers or service companies and in general, be the company everyone wants to do business with and work for.

BRAND SCIENCE
Creating and managing a great B2B brand isn’t an esoteric exercise one practices hanging from gravity boots, attempting to plug-in to the zeitgeist (yes, we said zeitgeist). Nor is it the purview of Madison Avenue Mad Men who gain their inspiration over three martini lunches. In our experience, creating a brand is a very logical process.

Creating a Brand Identity is really a disciplined, organized way of thinking about your company, its offerings, your culture and how you communicate to the market. Dare we say, there is a certain science to developing your Brand Identity. We believe there are five elements to every Brand Identity, and if they are developed, nurtured and executed with consistency, they can make the difference between having a great year, and one that you would rather forget.
We believe it is crucial for an organization to actively evaluate and manage the five elements its **Brand Identity**: Brand Story, Brand Promise, Brand Personality, Brand Position and Brand Association, to ensure the market clearly understands why they should buy from you.

**KEEP YOUR (BRAND) PROMISE**

Your **Brand Promise** is the one thing that you do for your customers every day. It is why they buy your offering, and hopefully keep buying it. When you wake up in the morning, your Brand Promise is what drives you to do great things, because your customers and clients are counting on you to fulfill your promise to them.

This passion, this “why” extends into every market, even oilfield services and energy tech.

A good example of a clear Brand Promise comes from PetroDE a venture-backed energy tech company in Broomfield, Colorado.

PetroDE promises to deliver “**Insights at the Speed of Thought.**” Their proprietary algorithms for processing huge amounts of geospatial oil and gas data over the Cloud can give a business development team an answer in an hour, instead of the prevailing week or two. That’s the difference between entering a play at a low-risk, or experiencing the “Winner’s Curse” of paying too much.

In a cyclical industry, keeping your Brand Promise is critical, particularly when the cycle turns down. No oilfield services company was able to escape the effects of the 2014-2017 downturn. Service companies experienced declining revenue, declining earnings, declining margins, and even a declining customer base, as E&P companies dramatically slashed capital budgets, or gone out of business altogether.

In one case, one of the largest private oilfield services companies in the world went from generating annual EBITDA of $100 million to negative profitability within the short span of nine months. To compound this market problem, senior members of management were removed for misconduct, which caused many of their customers to “flee the brand.” Many E&P customers no longer wanted to be associated with a company that had gone from being a consistent partner one
plagued by internal “palace intrigue,” making it a potential risk to their reputation or performance (we discuss Brand Association in more detail later in this paper). Failure to keep your Brand Promise can result in devastating circumstances, however, this Company under new management has the opportunity to re-brand itself not only to the market, but also to employees, recruits and investors.

WHEN YOU FULFILL YOUR BRAND PROMISE, YOU FULFILL THE CONTRACT WITH YOUR CUSTOMERS AND THEY RETAIN YOU FOR MORE WORK.

BRAND POSITION

Most of our work is done with companies in highly competitive markets where there isn’t much of a perceived difference between one company and another. Your **Brand Position** is the space in the market you have established and want to be known for. Companies can compete on price, innovation, productivity increases, quality, value, total cost of development and more. Effective marketers are those who know where their company sits in the competitive landscape and proactively communicates that to the market.

Pearl Energy Investments, a Dallas-based private equity firm, has an effective positioning statement in **“Let our experience work for you.”** Let’s unpack that phrase. Pearl Energy Investments is telling their target middle to lower-end market that they have an experienced team, and that they want to “work for you,” not just add another logo to their portfolio company page. They want to be actively involved in helping the management teams they back be successful.

Another good Brand Position statement is **“Engineered to Extremes”** by Denver-based Focus Tools. Focus Tools makes MWD equipment that can withstand 200 degrees centigrade, making it more reliable and accurate in high-temperature, high-pressure downhole environments. This is a clear differentiator.

It doesn’t take many words to establish your Brand Position, but it does require disciplined thought and experience with the process. Otherwise, it is very tempting to confuse your Brand Position with your Brand Promise. Do that, and you will confuse the market. Do it right, and your target market will beat a path to your door.

“PEOPLE DON’T BUY WHAT YOU DO, THEY BUY WHY YOU DO IT.”

- SIMON SINEK
BRAND STORY

In our opinion, the Brand Story is the most overlooked part of Brand Identity, and offers huge untapped potential to create an emotional connection with buyers. Especially in B2B markets.

Too many companies tell their story as a timeline, a sterile chronology of events they believe are important from an internal perspective. Some might even try to spice it up by including the biographies of their founders. While factual and analytical, we consider this the same old story and not a Brand Story.

Your Brand Story tells people why you got into the business in the first place, and what drives your passion for continuing to fulfill your Brand Promise. A Brand Story, if done right, develops an emotional connection with the market, your buyers and your employees.

Simon Sinek gave a Ted Talk, How Great Leaders Inspire Action, that as of this writing has garnered over 31 million views. That’s huge. In his presentation, Sinek described his Golden Circle conceptual model of marketing. We will leave the details to Sinek, but the premise of his talk is that people don’t buy from you because of what you do, they buy from you because of why you do it.

For example, Apple makes computers, but that’s not why they do it. As Sinek noted, a standard marketing message from Apple would have said something like “We make great computers. They are beautifully designed, simple to use and user friendly. Want to buy one?” That’s how most marketing is done, and it is unmemorable, unexciting and sounds just like everyone else.

Here’s how Apple actually communicates, starting from the why: “Everything we do, we believe in challenging the status quo. We believe in thinking differently. The way we challenge the status quo is by making our products beautifully designed, simple to use and user friendly. We just happen to make great computers. Want to buy one?”

In our opinion, Sinek’s thesis is an update on the proven marketing adage that people buy on emotion, and justify on the facts. Facts alone won’t earn you market share, but a strong offering with a well-articulated
“why” as expressed through your Brand Story can. It works because it is how our brains work, as consumers, buyers and investors.

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Hewlett-Packard has a famous Brand Story, of Bill Hewlett and David Packard making measurement instruments in their garage. That commitment to developing instruments that were accurate and reliable eventually grew their business out of the garage and into a global force.

David and Bill built a business on innovation, they wanted to help others do their jobs better and their first major customer was Walt Disney Studios. HP wisely includes this history as part of their Brand Story on their website and other marketing communications.

A meaningful and effective Brand Story tells the market about your values, your beliefs, why you are in business and why it is important to buy from you.

BRAND ASSOCIATION

Where do you hang out, where is your company seen, what are your interests and are you communicating in the channels that your market consumes information? What personalities exemplify your brand’s values or promise? For whatever reason, Brand Association is the brand element that clients find most difficult to wrap their heads around.

In a B2B world, think of what trade shows you go to, where your customers and clients operate, what activities they like. A consumer brand like Nationwide Insurance hired future Hall of Fame quarterback Peyton Manning to be their spokesman. Manning is affable, polite, funny and he’s a two-time Super Bowl Champion. Nationwide wants their brand to be associated with a winner, both on and off the field.

Where do your clients go? What do they like to do? What do they do for fun? The answers to these questions will clue you in to what kind of Brand Associations make sense for your company.

“YOU NOW HAVE TO DECIDE WHAT ‘IMAGE’ YOU WANT FOR YOUR BRAND. IMAGE MEANS PERSONALITY. PRODUCTS, LIKE PEOPLE, HAVE PERSONALITIES, AND THEY CAN MAKE OR BREAK THEM IN THE MARKETPLACE.”

– DAVID OGILVY
BRAND PERSONALITY

We saved the most visible for last, but not for any particular reason. Well, okay, we wanted to finish strong on the one brand element everyone seems to understand without much controversy. Your **Brand Personality** is your aesthetic – your logo, your color palette, writing style, word choice and overall look and feel of your visual communications, including your website, business cards, advertising, marketing collateral, etc.

To give your brand a “personality,” we typically think of human attributes. Is your company rugged, high-tech, blue-collar, competent, luxurious, rustic, urban, caring, professional, informal, collaborative, etc.? When choosing your Brand Personality, it is critical to develop one that fits your company culture and the people who are buying your offerings, and not to simply make one up. People will see through that very quickly.

YOUR BRAND PERSONALITY MUST BE AUTHENTIC TO YOUR CULTURE AND VALUES. DON’T RUN FROM YOUR PERSONALITY, EMBRACE IT – IT’S PART OF WHY PEOPLE BUY FROM YOU.

Here’s some free marketing advice. One of the first steps we take when helping a client define an authentic Brand Personality is to simply look around the office and observe how people dress. Are they wearing suits and ties, or dusty cowboy boots and jeans? Or, are the people most responsible for developing and delivering the Brand Promise wearing white lab coats and working with DNA sequencers? We have worked for many clients, and each organization has its own Brand Personality.

THE MOST IMPORTANT THING YOU WILL EVER DO

At the highest level, your Brand Identity is a synthesis of emotion and logic. Yeah we will say it – it’s a combination of heart and mind. **People want to buy from those who can deliver on their Brand Promise, who have a passionate Brand Story, who are confident in their Brand Position, and who share similar Brand Associations while having an appealing Brand Personality.**

Defining those elements makes for a powerful message platform and one that is above all honest. Buyers today are smart, and even if they don’t know everything about you, they are only a few clicks away from learning
everything that they think they need to know about you. Branding is about making sure what the market learns about your company is what you want them to learn.

So how do you know if you have a good Brand Identity? Unfortunately, nobody is going to tell you that your brand may need some help. Surely, not your competitors and as for your potential customers, well, you will never hear from them to begin with. We at Prism Group can help bridge the gap. Many of the examples in this White Paper are from our work with current and previous clients. Our proven Brand Audit process focuses on the most essential elements of your Brand Identity. We will objectively study your current Brand Position and Brand Promise, and provide you with an honest and detailed analysis of what works and what doesn’t.

Investing time to define your Brand Identity will help buyers learn quickly why they need to buy from you. Every company has a brand, isn’t it about time you started thinking more about yours? It might be the most important thing you ever do for your business.

YOU’VE GOT A GREAT STORY, NOW LET US HELP YOU TELL IT.

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