Market Leader

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In praise of interior decorators (or at least some of them)

Jeremy Bullmore

I don't know much about interior decorators and have never directly employed one. But it seems to me, at least from observation, that they belong to one of two categories. There are those that work from the outside in; and there are those that work from the inside out.

Those in the first category, as you'd expect, start with the outside world of design. They've made it their business to know everything there is to know about the latest fabrics, furniture, lighting, colours, textures and sophisticated sound systems. With exceptional skill, they make a hundred different selections from this bewildering menu of alternatives and turn them into a single, coherent, artistic creation. It's state-of-the-art stuff, the ultimate in contemporary chic, and the client is usually delighted.

By contrast, those who work from the inside out, start with the client. They study the client, listen to the client, observe what the client has chosen to live with before. With immense sensitivity and diligence, they acquire an instinctive feel for the client. Only then do they go outside; do they consciously turn to the wide world of design – and make their selections not just to live in harmony with one another but to reflect and project their client's singular tastes and character. They know that their client is one of a kind; so if their design is to be a perfect complement, then it, too, must be one of a kind. It may or may not be the ultimate in fashionable chic; but when it's right, the client is not only delighted but also wholly comfortable: still the same person but even more so.

Interior decorators who work from the outside in may win more awards; and will certainly win more commissions from international hotel chains and service apartments. But those who work from the inside out do the more difficult job, the more admirable job and the more selfless job. When visitors first see their work, they don't exclaim, 'Oh my, Priscilla, you must give me the name of your designer!' They say, 'Oh, wow, Priscilla – what a wonderful room!' It is the client whose reputation is first to benefit; and only then, vicariously, that of the designer.

If my amateur analysis is even halfway right, all this, of course, has a great many lessons for brands.

BRANDING: INSIDE AND OUT

A product without a distinctive identity, a face, a style, an attitude to life remains just that: a product. If a brand is to become successful, and remain successful, its appeal must be unique. It must of course work, it must do what it promises to do – because a brand's function is its first and most critical statement to the world. But beyond that, it needs clothes – and someone has to choose them. So brands, too, have need of skilled designers; exterior designers, as it were. These are often the advertising agencies, design companies and brand identity consultants that are called upon for expert advice. And the best exterior designers, like their interior equivalents, work not from the outside in but from the inside out.

From the largest industrial company to the smallest bar of confectionery, all brands have incipient characters. Some may be weak, ill-defined and inconsistent; these are the struggling brands, over-dependent on price and promotion. The strong brands, the profitable brands, the brands that can weather troubled times to survive and prosper again; these are the brands that consistently deliver what the customer wants and that have the proudest, most appealing personalities. Brands, too, can have a kind of charisma. The best brand owners know all this and so do their best advisers. When choosing a wardrobe for a brand, they don't simply pluck that season's fashions from the rail: they start from the inside. They study the brand and the brand's competitors; they study those who use the brand and those who used to use the brand and those who never have. They observe very carefully indeed – with all their senses – and with immense sensitivity and diligence, they acquire an instinctive feeling for the brand's personality.

Only then do they go outside; do they consciously turn to the wide world of words and ideas and images and music and colour – and make their selections not just to live in harmony with one another but to reflect and project that brand's specific strengths and character. They know that their brand is one of a kind; so, if their design is to be a perfect fit for that brand, then it, too, must be one of a kind.

All of this, of course, in different words and different ways, has been said many times before. It's hard to disagree with such an analysis – common-sense and personal observation both support it. The hard bit comes when trying to do something about it.

Because the uncomfortable fact remains that the identification, creation and maintenance of brand personality – even in these metric-conscious times – is ultimately dependent on the disciplined imagination and insights of talented individuals. You can't tap in 25 calibrated brand characteristics, in rank order of salience, and print out a full-colour, three-dimensional portrait of a brand's persona.

Founders of successful companies tend to have an almost infallible instinct for what is appropriate for their company: from the decor of their offices, through key product characteristics down to the sign in the visitors' car park. There's a picture in their heads against which

any suggestion can instantly be checked: true to brand – or not true to brand. It's a facility analogous to perfect pitch. And because they're the founders, people will quite properly defer to their judgements; not for them those fruitless attempts to quantify feeling.

STARBUCKS: COFFEE WITH CHARACTER

In February 2007, a remarkable memo appeared on the website starbucksgossip.com. It's been confirmed as authentic and was the text of a message sent by the founder and chairman of Starbucks Corp., Howard Schultz, to his top executives. He wrote: 'Over the past ten years, in order to achieve the growth, development, and scale necessary to go from less than 1,000 stores to 13,000 stores and beyond, we have had to make a series of decisions that, in retrospect, have lead to the watering down of the Starbucks experience.'

Originally, Starbucks had all its baristas pull espresso shots by hand. Then, in the interests of consistency and speed of service, they switched to automatic espresso machines. And in doing so, wrote Mr Schultz, 'We overlooked the fact that we would remove much of the romance and theater'.

Again in the interests of efficiency, they adopted flavour-locked packaging: no longer did they scoop fresh beans from bins and grind them in front of customers. Wrote Mr Shultz: 'We achieved fresh roasted bagged coffee, but at what cost? The loss of aroma – perhaps the most powerful non-verbal signal we had in our stores.'

With hindsight, he said, the outcome of these and many other well-intentioned changes was, 'stores that no longer have the soul of the past.'

'Romance'… 'theater'… 'soul': these are words that seldom appear in respectable, rigorous marketing documents. They sound flaky, subjective, immeasurable.

The decisions that led to the loss of romance, theatre and soul at Starbucks were undoubtedly based on serious analysis. Economies of time and cost would have been scrupulously identified and numbers would have been attached. The bottom line would have been mentioned more than once. Had any underling, or outside adviser, voiced instinctive apprehension – and maybe even murmured about the potential loss of romance, theatre or soul – they would have been challenging hard fact with subjective, baseless sentiment. No chance. It took the courageous Mr Schultz, founder and chairman, to concede the error; and even then, since the company had continued to grow and prosper, he was probably relying more on his instinctive sense of rightness than on any new data.

It wasn't, of course, a mistake for Starbucks to calculate the benefits it could enjoy by switching to automated espresso delivery. But it was a one-dimensional, outside-in analysis – and should have been checked against an inside-out understanding of the brand: its culture, its personality, its soul – all those dodgy, flaky words that we flinch from using in case we're thought to be impractical romantics.

Unfortunately, when conceiving, describing and recommending a desired brand character, such words have to be used. They will always seem feeble and inadequate; they will always be easy targets for the sceptical. The wise client will forgive their use because they're striving to do the impossible: to make mere words evoke a rich complexity of fact and feeling that can in the end be fully appreciated only when it's been fully realised. The rewards for such trust can be priceless.

But, still, of course, the client must beware. There is always a place for healthy scepticism. Such trust must be earned.

Brand designers who work from the outside in – who are content to apply the all-purpose fashionable with a blithe disregard for the singular brand – do their trade and their clients no service at all. Like interior decorators, the only ones to deserve real respect are those who work from the inside out: who have a feel for each brand as informed and as instinctive as that of Howard Schultz for the remarkable company he gave birth to.

Are you a diagonal thinker?

Hamish Pringle
Institute of Practitioners in Advertising

What do many of the most successful people in Adland have in common?

The IPA, working with John Gage and Sarah MacPherson of management consultancy AgencyPeople, is two years into a research study designed to identify what features are shared by people (from all disciplines) that make it to the top in the advertising business; we call it the Diagonal Thinking project.

If the Diagonal Thinking hypothesis can be proved, and the results to date suggest it can, the IPA hopes to use the insights to build better working relationships between clients and agencies, attract creative talent from a more diverse range of social, educational and ethnic backgrounds, and nurture this talent more effectively once recruited.

WHAT IS DIAGONAL THINKING?

The Diagonal Thinking study, supported by Creative & Cultural Skills, has its origins in the observation of the background and behaviour of some of the most creative people in the agency side of the marketing community. These people were observed to have a number of characteristics, which are sometimes thought to be contradictory, but taken together produce a potent and successful mix that is especially apposite to working in an agency.

In Edward de Bono's 1967 book *The Use of Lateral Thinking*, he described his four principles of lateral thinking as the recognition of dominant polarising ideas, the search for different ways of looking at things, a relaxation of the rigid control of vertical thinking, and the use of chance. He also declared that once an approach is chosen it should then be 'pursued with the full vigour of vertical thinking'. De Bono therefore enshrined the division between 'lateral' and 'vertical' thinking, which has remained largely unchallenged ever since.

Indeed other writers, such as Daniel Goleman with his notion of 'emotional' as opposed to 'practical' intelligence, and the plethora of work on the 'left' versus the 'right' brain, have all continued to reinforce this dichotomy.

A THIRD WAY THAT COMBINES DIFFERENT THINKING STYLES

Our hypothesis is that there is a third way in which the top brains in commercial creativity work, namely 'diagonal' thinking. These people tend to show great attention to detail, but have a broad range of interests; they can be highly logical but link ideas hitherto seen as remote from each other; they want to do work that is creative, but want it to have a practical impact too.

A pilot study of five industry 'greats', drawn from among those unanimously perceived to have made an outstanding success of their career in the creative, account planning, media planning, media buying, and account management disciplines, supported this hypothesis.

So how might you spot that you are a diagonal thinker? Such people combine linear thinking with lateral thinking, as well as some key behavioural attributes. These include the strength of character to stand by your convictions; a love of change; a disinclination to follow rules set by others and a tendency to take decisions based on feelings as well as logic.

So what are the components of Diagonal Thinking and how are they measured?

1. Linear (or Vertical) Thinking

Linear thinking is defined as the ability to reason analytically and logically, to read or hear some factual information and draw the right conclusions.

In the IPA research it has been measured by asking participants to complete a critical reasoning questionnaire that's widely used across industries. They produce their 80 answers by reading passages of information on everyday occurrences and answering questions such as: 'Can this statement be inferred from the previous passage?', 'What can be deduced from this statement?' and 'What is the strength of this particular argument?' You probably have high linear thinking skills if:

- you are quicker to see the answer to problems than most of your colleagues

- you have high academic attainment in maths, physics, chemistry or engineering science

- you find yourself finishing sentences that others are speaking.

2. Lateral Thinking

By contrast, lateral thinking is about creating new ideas and making links between ideas that were not previously connected. In the research, lateral thinking is measured using another widely accepted test in which participants are given eight scenarios or problems and asked to think of as many answers or ideas as they can in four minutes per scenario.

Lateral thinking skills are evaluated against three aspects of creativity: fluency, (the number of relevant ideas produced) originality and dimensionality (the range and number of different types of ideas produced).

In summary, you probably have high lateral thinking skills if:

- you can see far more solutions to problems than most of your counterparts

- you produce different types of solutions, not variants of the same thing

- you find colleagues narrow and restrictive at times

- you work in a more haphazard, iterative way.

3. Behaviour Styles

As for the observed behaviours of high performers, these are measured through the completion of a normative personality questionnaire.

Participants are asked to respond 'true' or 'false' to 170 or so questions around their behavioural style, such as 'I wonder whether people who seem well disposed towards me are in fact hostile in my absence' and 'I value people who express their feelings freely.'

You might exhibit behaviours that support creativity if you agree with the following statements:

- you stand up for your ideas even when doing so is uncomfortable at times

- you enjoy change and feel irritable following tried and tested routes

- you find it hard to follow rules imposed by others

- you take decisions based on how you would feel about the proposed course of action.

HOW CAN THESE TOOLS BE USED?

The test could help brand owners to select agency partners with similar or complementary creative styles.

In established relationships, client and agency teams could compare their creative working styles to aid mutual understanding, address areas of conflict and build on more productive and enjoyable working styles.

Recruitment activities could be refined to attract more diagonal thinkers, from more diverse social, ethnic and educational backgrounds.

Once this talent has joined the agency or client side of the industry, the insights gained from profiling could be used to help develop skills further, and gaps in employees' thinking styles could be identified. It is increasingly believed that attributes once thought of as fixed, such as critical reasoning, are capable of development.

Finally, the behaviours associated with creative thinking can be enhanced by increasing awareness and explaining how to display little-used behaviours more often.

It's interesting to note that a piece of research conducted completely independently of this project by Marilyn Baxter has come to very similar conclusions on what makes for success in agencies. Her report, *Magic and Logic*, establishes that creativity and rationality are not mutually exclusive but coincident in the very best practitioners, whether they are agency, client or procurement professionals. (See Andrew Melsom's review in *Market Leader*, Winter 2006.)

ARE YOU A DIAGONAL THINKER?

As well as sharing some insights from the research programme, the IPA and AgencyPeople are offering the chance for three marketing directors, drawn from the membership of the Marketing Society, to measure their thinking and behavioural style against the unique Diagonal Thinking assessment method to see whether the best marketers are as creative as their agency counterparts.

The first three marketing directors drawn from the names of all those who make contact via marketing@diagonalthinking.co.uk will be offered the opportunity to take the assessment, at the IPA and AgencyPeople's expense. Everyone else who responds will be invited to attend the

launch of 'Diagonal Thinking' when the project has been completed.

Royal Mail sees a bright future for direct marketing

Alex Batchelor
Royal Mail

JUDIE LANNON: Let's start by talking about direct mail generally. How do you feel it is faring compared to other media in these more competitive and innovative times?

ALEX BATCHELOR: One of the realities of all media today is that relevance is ultimately the only thing that matters. Either people want to listen to a radio programme, watch a TV programme, read a newspaper, open the letters that come through their letterbox, or they don't. Attention is much harder to get these days.

And one of the ways to get attention is to vary the stimulus because the most common response to a constant stimulus over time is simply to ignore it. The traditional advertising approach is based on repetition but that becomes counter-productive. People stop listening or reading and the only way to get over that hurdle is to take a more creative approach. It's true in all communications that you're constantly looking for ways in which you can re-engage and get people to re-think your brand.

The financial sector tends to always send out the same stuff in vast quantities. Yet, there are exceptions – first direct is a major exception.

Here is a bank that found a way of talking to its customer base that is very personal compared to the way most banks talk to their customers. And first direct needed to use technology to do it. Obviously, as a telephone bank it has no physical branches so needed a very good handle on who its customers were and what they were interested in, to engage in a personal way.

For example, first direct was one of the first banks to introduce a notice at the end of the tax year that would tell you what you needed to put in your tax form, in terms of the interest you'd generated and so forth. It was copied by other banks because it was such an obviously good example of a way of being genuinely useful.

Although first direct was launched on television it is a very good case study of direct marketing playing a very important part in the subsequent years.

In more recent times Capital One is a great example of the reverse – a brand launched with direct mail that now also uses TV to build additional reach and relevance. Direct mail remains a great and complementary media for all marketing tasks.

JL: The two advantages that direct marketing have are the ability to target and the ability to customise messages. How well do you think these advantages are being exploited?

AB: One of the most important things we do is to encourage companies to target more effectively. Some of the large direct mailers send more things to more people simply because they haven't thought hard enough about how to target and segment their market for greater efficiency. So, clearly, the response rates are pretty low.

But it's one of the most important aspects of our educational programme and I take that responsibility seriously. If we don't help direct mailers use the medium more efficiently and effectively, two things will happen.

On the one hand, conspicuous inefficiency will encourage the end consumers of the product, i.e. the recipients, to think that direct mail isn't relevant, and complaints about junk mail will continue, with people throwing more and more of it out. That's potentially a big long-term problem.

Or, on the other hand, it will encourage my advertisers, the big businesses that are paying me to send their material, to think they could spend their money on something else. There are a lot of alternatives these days and everyone is trying to get best value from their media spend. So clearly we have to try to minimise that.

JL: It seems to me that customising messages has to be done very well or not at all. Tone of voice seems difficult to get right. For example, I've been bombarded by Virgin Media talking to me like an 18 year old – 'Dear Judie', 'Love' so-and-so.

AB: You raise a couple of points. I think the level of formality in business and in life generally has declined markedly and it's not always easy to judge an appropriate tone of voice, particularly with an older audience.

You never want to patronise your audience and you certainly don't want to talk to them in ways that are inappropriate, but the vernacular of advertising is conditioned basically by young people. It's probably true that as the average age of the population gets older, the average age of the advertising business gets younger. And that's a challenge to copywriters.

This age discrepancy is extremely important because one of the most interesting things, which has been well documented, is that people over the age of 55 have a great deal of wealth and this group is too often ignored in marketing plans and media schedules.

But more important for us is that this age group is staggeringly responsive to mail. They like reading, and they like mail. One of the most bizarre things about direct marketing is how little these facts are used.

JL: With so many new media available, innovation is critical. What innovative uses of direct mail have you seen?

AB: Some companies have been innovative in ways that are genuinely fresh. There's a very good case study from Audi where it sent out a DVD, which was an innovative way of using material it already had.

Normally luxury car marques spend millions of pounds on television, carefully selecting all their spots to maximise their audience. And, of course, the films themselves are usually very expensive. But in the making of these commercials they are left with tons of footage that they couldn't possibly cram into a 30- or 60-second TV spot.

So it took some of this beautiful footage to make a much longer DVD showing how well the Audi is engineered, specific product features and so forth to send to each individual on its mailing list.

Furthermore, it contained practical details that served as a call to action such as a map of where people's local dealer is. So each DVD could be personally addressed and all the recipient was required to do was put the disk into a computer, and up comes a menu with a choice of which parts of the driving experience he or she is interested in.

JL: That's a good example of direct mail working together with television. How common is this?

AB: A lot of the work we've been doing with direct mail in the last few years has been focusing on it as complementary to other media, not competitive. It works astonishingly well as a complementary medium.

For example, an obvious problem businesses have with internet marketing is how to get people to go to their website. So putting the two together has been very effective for lots of our customers. Also, thinkbox's research demonstrates that TV plus direct marketing can be very effective.

JL: As a media owner, you are not in the position of actually designing your clients' campaigns, so how do you work with them?

AB: I think we have very good partnerships with many of our larger clients. We have a whole department of media consultants whose job it is to help customers get the most out of their direct mail. It is a very important focus for the business going forwards and we are investing quite a lot of resources in growing the use of mail as an advertising medium.

For example, most media are increasingly fragmented and actually just getting to an audience is harder and harder. But I can promise you there is very little fragmentation of the doorstep. We still have access to 100% of homes and we go there six days a week. So whether it's frequency or reach that is the issue, we can achieve both better than any other medium.

JL: What other things are you doing to help clients use the medium more effectively?

AB: One of the challenges that I'm working on now is to see how much more we can get out of the medium by thinking harder about the data clients have on their customers. They often have an enormous amount but don't always use it very imaginatively. We help them with new types of segmentation and ideas on how to make messages appropriate to different segments.

Also, we can help them be operationally more efficient, for instance by using suppression files – software that tells you if someone has moved or died. Recently we were able to tell a very successful company who thought it knew everything there was to know about mailing that it could have saved £50,000 on a single mailing by using a suppression file properly.

JL: We've talked about innovation in how your clients execute their campaigns, but what about innovation in how you present yourself as a medium? What is your story?

AB: The Royal Mail has debated how to do this very extensively. How do we represent mail as a medium? How do we make it easy for them to buy, how do we change ourselves as a business to be easier to deal with?

Inevitably in a monopoly environment you don't think about your clients as hard as you do when you're in a competitive environment, which we most definitely are now. We want to identify the things that differentiate us and that will be critical to our success in the longer term.

JL: So, specifically, what are some of the things you are doing?

AB: It's hard to change our product portfolio because we're quite tightly regulated. We have a very complex portfolio with a raft of things like discounts and payments in addition to a lot of products. It's very hard to add new ones, and it's even harder to take some of the old ones away. So radically re-shaping our portfolio isn't something we can do as quickly or easily as it could be done in a consumer goods

company.

But what we can do is change how we present our portfolio to our customers. So effectively we started clustering things in different ways and trying to write in very simple English what it is that we offer and how customers can take advantage of it.

In the past we've tended to present our services listed A to Z in what was essentially producer language – our language – rather than looking at what we offer from our customers' standpoint. So we've taken all of our products and looked at them in terms of what problems they solve, and grouped them in ways that are much easier to navigate and for customers to find what they need or want.

JL: How has all this activity affected your staff, making these changes?

AB: Very interesting. Although I'm thrilled that customers have noticed, what's almost more satisfying is how many people internally have suddenly got a much tighter grasp of what our portfolio actually includes and what its purpose is. It means that the sales force now knows how to sell it better simply because we just wrote about it in a different kind of way.

I'm intrigued how creativity is not always blinding insights that come to you in a flash of light. Actually, sometimes an improvement comes in more boring, repetitive tasks just because you look at them in a different way once you've asked yourself what you're trying to achieve.

For example, we have one woman in our team who wouldn't necessarily think of herself as a creative genius but she has done a brilliant project where we have reduced our account set-up time for new customers from 30 days to five and in fact, have got to the point where we're setting up 80% of accounts in two or three days. It came because she was encouraged to look at it in a different way and stop to think why it was like it was. And she realised that it could be done in a better, much more efficient way.

In a business this size you can only imagine the scope of a project like that and how many people are involved. Yet there was this person who applied genuine creativity to make an important change.

JL: You touch on an important issue. How do you build, or at least encourage, a culture where people feel they can participate and make a difference?

AB: Decentralising decision making is one way. You probably know the story of Sainsbury's and Tesco and their trolleys. Sainsbury's made the decision about what kinds of trolleys the store should have centrally. Whereas, at Tesco, the decision was made by a combination of the store manager and the guy who went to pick them up from the car park.

The Tesco model is considerably more effective because the guy going back to the car park knows much more about which trolleys are being used because that's what he does all day.

So at the Royal Mail we need to have more of that kind of responsiveness built in our systems because that's where a lot of your best innovations come from. You can't always translate those perfectly across a big complex business but it's that touch-and-feel approach that I think a lot of the best ideas really come from.

JL: There have been some high profile losses lately, so how do you see the future?

AB: We're going through a defining period for the Royal Mail. We have to prove ourselves worthy of retaining our customers' business because, if we don't, the economic consequence of that will be that we have fewer postmen and postwomen and less revenue. The only way you could make the books balance is by a more savage kind of cost-cutting environment.

I clearly am not signing up as a leader of this business for that kind of future. I want us, like all businesses, to find ways to grow, to find ways in which we can serve businesses better by doing things other than just looking after their mail.

For example, increasingly, some of these businesses would like warehousing services; they would like people to be able to pick and fulfil their order; they would like data on whether those orders have been delivered successfully and even to manage customer services in our call centres.

So, you know, we need to be growing the scope and nature of what it is we do for a UK plc because the reality is that the Royal Mail is an engine of growth for the UK economy and has been for 350 years.

The rate of change and the desire for change in the Royal Mail is probably greater than it has been for a long time. And I think that's true of all our employees as well. I think they now realise that no one does you any favours in a competitive market. You have to look after yourself, and getting ourselves in good competitive shape is what we're doing now.

True crime, toolkits and the Big Ideal

Rory Sutherland
OgilvyOne London and Ogilvy Group UK

John Shaw
Ogilvy UK and EMEA

What do a homicide investigation and an ad campaign have in common? Rory Sutherland explains

Buried almost unnoticed in the cultural treasury brought to these shores by the beneficence of Murdoch *père et fils* lies a great number of 24-hour factual and educational channels – among them several entirely dedicated to the subject of True Life Crime. Of these I can particularly commend *Crime & Investigation, Serial Killers' Biography Network and Discovery Stabbings +1.*

While not watching southern sheriffs shouting at the underclass or hearing how on-23rd-November-1987-Wayleen-Dodds-24-year-old-Topeka-housewife-waved-at-her-neighbour-as-she-left-her-home-for-the-very-last-time, I also enjoy something from *A&E* called *The First 48*.

In fact I like it so much I am now trying to persuade the entire Ogilvy organisation to reshape its processes and workings to better reflect those of the Dade County PD. Preferably all the way down to diet and dress code.

WHAT IS THE FIRST 48?

Let me first explain the premise behind *The First 48*. The '48' refers to the vital first 48 hours after a murder is detected. Vital because the actions in this comparatively brief period have a considerable bearing on the entire course of a murder investigation and on its chances of success. Indeed it is said that, for homicide detectives,

'Their chance of solving a case is cut in half if they don't get a lead in *The First 48*™. Each passing hour gives suspects more time to flee, witnesses more time to forget what they saw, and crucial evidence more time to be lost forever' (www.aetv.com/the_first_48).

For this reason, the first 48 hours of any investigation are a time of frenetic activity. Manpower levels are high, information is regularly shared and all avenues are explored.

And I mean *all* avenues. These people are cops, so they naturally don't use outlandish terminology such as 'integration', 'user-generated content' or 'solution neutral', yet what they do is a model of what we might call 360-degree thinking. There are no assumptions made as to where a lead may first come from: instead countless possibilities are pursued rapidly and *in parallel*. No one assumes that, say, forensics need precede house-to-house enquiries, or that you don't need to interview witnesses until you have uncovered any DNA.

You seek a lead or a breakthrough (we might call it an insight) wherever it might present itself. It's as simple as that. But instead of purely attempting to do this through a drawn-out process of laborious sequential logic, the detective process starts with a sense of urgency and foment.

News of the crime in question is circulated to a wide group of people in various police specialisms. But the search for leads is not confined to professionals: clever use is made of the media, informants and indeed the public at large – enormously increasing the effective manpower of the organisation.

In these first 48 hours, the approach is essentially open-source. Whereas judgement and decision-making remains tightly centralised (it is a myth of the open-source movement that it is highly democratic – it isn't) the whole purpose of the exercise is to encourage contributions from anywhere within or outside the force by widely sharing details of the investigation. (The Portuguese system seems to be a notable exception here).

To use a phrase coined by my colleague Robyn Putter, what this process acknowledges is that fermentation must come before distillation.

THE VALUE OF THE FIRST 48

It is interesting that the police proceed this way. Not being known for over-intellectualisation, those featured in the programme will often be

unfamiliar with the tenets of *The Wisdom of Crowds* or Malcolm's Gladwell's *Blink*. Fewer still will know the scientific value of what Einstein called 'First Insight'. Yet in a way what they do suggests an instinctive understanding of all three: the fact that rapid, subconscious reactions to a problem have a value; that collective knowledge is often worth consulting; that how you define a problem at the outset has more bearing on your outcome than everything else.

Above all it acknowledges that a problem shared is a problem … well twice as likely to be solved. It accepts that there is a time and a place where collaboration and shared intent are worth more than focus.

Yet the wonder is not that they do this; it is why *we* don't. In fact the first 48 hours after a brief being received are probably spent doing nothing more useful than trekking to the finance department to open a job number. And all the while time – and possibilities – are ticking away.

With the single dubious exception of brainstorming, the creative process adopted by agencies has never really embraced the *many-people-and-fast* approach to generating first insights, preferring the model of *few-people-and-slow.*

Few-people-and-slow may be the right approach for developing and crafting creative executions. But is it really the best way to develop an exciting new perspective on a brief? Especially as the new perspective could come from almost any direction: from an insight into the product, from the media (bought or invented), the target audience definition, the consumer, the mode of usage, the brand imagery, the category conventions, the packaging, the channel, the point-of-purchase, the customer journey, the online experience. Actually, I really do mean anywhere.

As someone working for a very large agency, this few-people-and-slow approach has always irked me a little, if only for reasons of competitive advantage. What is the point of employing 1,200 people with expertise across multiple disciplines if the average brief gets exposed to only five of them? What advantage do you thereby offer over an agency of 30 people? Or five?

Well, I can think of several reasons why agencies have not attempted to adopt this practice. Some more disinterested than others.

WHY AGENCIES DO NOT WORK LIKE POLICE FORCES

System Addiction

Payment by the hour has placed an onus on agencies to justify their every moment's work – requiring us to maintain the wholly inaccurate pretence that all creative activity is the product of a clearly defined, self-contained linear process, infinitely replicable and free of risk and uncertainty. It's bollocks, of course, but it seems to shut the procurement people up.

Outdated Practices

Most agency processes were devised for the old media age, when media were scarce and expensive. Back in 1993, when your options were confined to perhaps four media, and where the division between media money and content money was immovable and unambiguous, there was little opportunity for challenging the status quo. Worryingly, a lot of what is regarded as axiomatic and unarguable in advertising is no better than a vestige (like the human appendix) from a previous media age. The obsession with brevity, the belief in only one idea for a brand, the notion that any communication can only ever convey one thing: these are not eternal verities but simply convenient guidelines for the TV and poster age.

Frankly, once your overall approach has been decided, a large part of the creative process does depend on small numbers of people intensely focused on producing a superb product (just as the later, evidence-gathering stages of police work are the preserve of specialists reporting to a small central team). But it is wrong to conflate the kind of structure that can produce a great press ad with the kind that produces a great early breakthrough.

Failure to Involve the Whole Team

Then there is a traditional failure to understand the complicated relations between the executional and the strategic: not realising that the process of creation is iterative, and consists not so much of a single breakthrough but of a series of them. This misconception gives rise to the assumption that no junior or executional specialists have value at the outset, only grand strategists. Yet, as any detective will tell you (remember Sherlock Holmes' 'I am glad of all details, whether they seem to you to be relevant or not') it is wrong to separate minor from major. Fred West, Peter Sutcliffe, John Christie, Son of Sam and Ted Bundy all were caught by beat police performing routine duties.

Failure to Place Value in the Whole Team

We're also beset by a freemasonic, *in camera* approach to the brand; the self-regarding idea that only a few initiates of sensationally high intelligence and vast brand experience can possibly contribute worthwhile ideas. Indeed the very DNA of most brands is enshrined in mysterious cabalistic symbols such as Brand Onions, incomprehensible to anyone outside the marketing fraternity and to most within it.

WHAT HAS CHANGED IN THE INDUSTRY AND WHY WE NEED TO ADAPT

The Media Sphere

The greatest change of all has come in the media sphere. Within ten years, the available means by which we can reach consumers have gone from scarce and expensive to abundant and even free. How you define audiences, whether you place a higher value on reach or voluntary engagement, whether you target people or moments is now all open to debate. Progressing from brief to 30-second spot as though on tramlines no longer holds. There is not only the opportunity to do things creatively but also to do creative things.

Top-down No Longer Applies

What this change in the media ecosystem has meant is that our business simply needs to become more collaborative and open: the top-down approach no longer applies. Instead what counts is your ability to co-opt different groups in support of your brand objectives. And the people you engage in this endeavour now include not only different disciplines but actually people outside the secret society of marketing: anyone from customer-facing staff to consumers themselves – even (lawdy!) the CEO. In an interactive world, brand building often results from a collaborative joint venture between the brand's owners and its users.

Mass Collaboration is Now Easy

The same new technology that has transformed our media world also provides an economical answer to the problem of mass collaboration: with blogging, wikis, twittering and other collaborative tools there is no longer a requirement for everyone to be in the same room simultaneously; indeed there is no requirement for the people to be on the same time-zone, continent or even payroll. The advantage of this approach is that whereas the problem may be shared with 1,000 people, only those with useful contributions need raise their voices.

Reframing – Why the First 48?

It is only by acting very fast that you have the opportunity to reframe a problem. We have proved this repeatedly in experimenting with this methodology on live briefs. Go back to a client organisation with a radical suggestion after 48 hours and you add value – try the same thing after three weeks and you add confusion.

Diagonal Thinking

This upfront approach re-engages media thinking with creative thinking – on a proper equal footing. And in parallel rather than in series. The two are entirely interdependent. And it also recognises the partnership of rationality and imagination – without that usual moment in a brief where logic grudgingly hands the baton to magic. This is what (to cite Hamish Pringle in this issue's Viewpoint) diagonal thinking is all about.

Discipline neutrality

The same approach also fosters discipline neutrality. Within the first 48 lies that window of opportunity for approaching a brief from a media-neutral standpoint – before it has become defined by the language of one discipline or another – or where lazy assumptions about the target audience have skewed everything towards one medium. This helps create fertile combinations of different disciplines: essential if you want to create the kind of multi-dimensional, textured brands people actually want to engage with.

MAKING IT HAPPEN: THE BIG IDEAL

Easy said. But what is needed to make this happen? Obviously an understanding that client briefs and issues are shared rapidly but widely at the very beginning of any process. A small, dedicated team – typically a planning partner, creative partner and business partner who, along with the client, decide direction (decision-making – as opposed to opinion-seeking – should never be a mass activity). Finally, you need an 'open-source' brief for your brand, something that combines both clarity and purpose. And this is what leads us to 'The Big Ideal'. Something to supplant 'The Idea' as the orchestrating component that gives a brand its consistency and direction.

Hence no more the language of Onions or Brand Essences, but instead a clear appeal to some sense of duty or higher motivation – the kind of thing that encourages people to cooperate with you – to help you with your enquiries. This is, after all, the reason why the police can still call on volunteers and public and media support in a way that traffic wardens can't.

We call this a Big Ideal, and it differs from a big idea in one crucial way – it is generous, open and encouraging of collaboration.

It is analogous to the single clear objective that allows a disparate group of policemen to work together effectively – a brief that shares its source code.

THE BIG IDEAL: JUST ANOTHER TOOL? John Shaw continues …

I don't have much time for 'tools' in general. Like most planners with a few years under their belts, I've seen enough of them to last me a lifetime. After a while, they begin to blur together. This is partly because so many of them begin with the word 'Brand'. The Brand Onion mentioned by Rory is the root vegetable of them all, but I've now seen Brand Pretty-Much-Every-things from Trees and Boxes to Temples and Stars. Almost every globally recognisable shape, particularly if it has religious overtones, seems destined for tooldom.

THE TROUBLE WITH BRAND TOOLS

This unease stems from two factors derived from that crucial zone where strategy meets creative. First, I've always found it hard to have conversations with top creative directors based around what the tool says. They don't seem to like being dictated to by a tree – brand or otherwise. Of course you could always use the tool in secret, and allow its findings to inform regular conversation, but in the modern collaborative all-round-the-same-table creative environment, this is increasingly hard (and a bit phoney anyway).

Second, I have a suspicion that there is a poor correlation between tool use and quality of creative output, or even (scandalously) a negative correlation. Even if the individual tools have merit, there are some cultural factors at play that make it rare to find heavy tooling at the heart of the greatest creative case studies. It's often easier to invent new tools than it is to make the many tough decisions inherent in doing the best work.

So why introduce yet another tool, the Big Ideal? Well, first, because there are exceptions, of course. It would be wrong, not to say questionable in career terms, to write off all the tools in my own agency's 360-Degree Brand Stewardship, and there are definitely some other good examples of where tools, used appropriately, not only have considerable strategic impact but are actually usable at the creative

coalface.

But the real reason why we have become very excited about the Big Ideal is that it just seemed to make sense, to be fresh, and to be helpful with the type of big brand marketing and communication problems we face now. Plus, it passed the test of 'stickiness' – people seemed to want to hear about it, to interact with it, and to try it for themselves … which is not the case with all agency tools.

As Rory has indicated, there are some issues where the focus on one pivotal idea is too obsessional. It's not that it's unimportant, it's just that other things are important too, both 'downstream' in execution, and 'upstream'. It was actually in a discussion on the need to have better ideas that I first heard the phrase 'Big Ideal' mentioned in a marketing context, by Robyn Putter the creative guru of WPP and Ogilvy.

He pointed out that great brands, with track records of doing great campaigns, seemed to be founded not just on ideas, but on *ideals*.

An ideal is 'a conception of something in its perfection', which we interpreted as a sort of desired worldview that was inherent in the brand, either explicitly or implicitly. Most of the brands we really admired seemed to have some kind of worldview like this at their core, underpinning great marketing communications and creative ideas.

These worldviews felt like they were true to the brand's 'best self', and often touched on a cultural trend, truth or tension. They appealed more to aspirations than to anxieties; and they targeted a collective interest, not just an individual benefit.

FINAL THOUGHTS

In practice the Big Ideal has been very helpful. It does seem to answer Rory's desire for a way of working that encourages collaboration. From PR to retail activation, we hope to work with specialists who have good ideas of their own. So imagine how demotivating it is, and indeed wasteful, to give them assignments that ask them to 'execute' an idea in PR or 'take it down' into activation – often accompanied by rigid executional guidelines that may or may not be appropriate for that particular discipline. 'We'd rather work with a Big Ideal' is a common refrain.

The ultimate test, of course, is the work that is based on Big Ideals, and for that you'll have to watch this space, but if the enthusiasm of various types of creative people is any guide, it will have more beneficial impact than most agency tools.

Finally, a health warning. The Big Ideal is not the answer to life, death and the universe. It needs to be accompanied by many other things. It doesn't take away the need for good judgement or great talent throughout the unpredictable path of bringing great work to fruition. It's not a panacea, only a tool. But – to return to the analogy of late-night TV, we do think it just might be a chainsaw among choppers.

THE BIG IDEAL IN PRACTICE

To explore this, we developed a short form of words that could potentially encapsulate a brand's 'Big Ideal' – a simple sentence-completion exercise: 'Brand xxx believes the world would be a better place if …'.

We liked this form of words because it was fairly simple (I could imagine using it with a creative director without any glazing of the eyes), but at the same time allowed for some texture and richness to be conveyed. Simple, but not simplistic. Here are some examples, for illustration purposes only (no trade secrets).

Coca-Cola has optimism at the core of its brand, and a renewed focus on that in recent years, originally in Latin America and subsequently globally, has helped the brand to find a powerful voice again. Perhaps Coke's Big Ideal might be something like: 'Coca-Cola believes the world would be a better place if we saw the glass as half full, not half empty'.

There also seems to be a Big Ideal implicit in adidas's 'Impossible Is Nothing' campaign and mantra. Something like 'adidas believes the world would be a better place if people ignored the notion of failure'.

Dove's Campaign for Real Beauty has been a huge success. It too seems based on an underpinning Big Ideal along the lines of 'Dove believes the world would be a better place if women were allowed to feel good about themselves.'

Persil/Omo seems to be possessed of something similar at its core – that the world would be a better place if children were allowed to play in it.

Enamoured of this construct as we were, one of the early questions was how noble the ideals needed to be. The answer seemed to be that the concept would quickly become dull and undifferentiated if all Big Ideals were about world peace. Some great brands appeared to have Ideals that, while not exactly noble, were nevertheless Big.

Miller High Life successfully reversed its apparently terminal decline through a strong apparent belief that the world (or at least the US) would be a better place if men could be men again. The brand's communications were not exactly politically correct, but they benefited from a strong worldview that tapped into a cultural tension about the decline of manhood in America.

And Lynx (or Axe) has been fabulously successful on the clear belief that the world would be a better place if men could have sex very, very easily. This is a pretty Big Ideal when you're a zitty 14 year old.

From this we concluded that it could still be useful to think about Big Ideals even when a brand was not inherently 'noble', and that although Big Ideals should be widely interesting, that was not the same as appealing to absolutely everyone.

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Creative businesses: managed for efficiency or managed for ideas?

Gordon Torr
Wiley

By demonstrating how perilously close we've come to the complete commoditisation of creativity in the marketing and communications industries, the producers of the BBC's immensely popular *The Apprentice* have inadvertently done us all a whopping great favour.

Sir Alan Sugar, the millionaire electronics genius, plays the bloodthirsty Emperor Nero and a dozen or so jumped-up MBAs and eager Media Studies graduates play the gladiators. It's the Coliseum in suits.

While we don't actually get to see exposed viscera flopping into the dust of the arena, the thrill is surely no less exhilarating. The apprentices, who are obliged to fulfil various marketing tasks at the behest of Sugar and his sadistic hench-creatures in the corner office, spend most of the programme tearing strips off their colleagues, stabbing them in the back, or biting and scratching their way to the top of the pile. Their reward, which serves a fitting trope for the way we measure success in the current business environment, is not being fired. The individual who successfully evades Sugar's merciless finger of doom until the end of the series is the winner, the last gladiator standing.

LESSONS FROM 'SRALAN'

*The Apprentic*e is instructive for a number of reasons. For ambitious young guns hoping to scale the glass mountain of corporate achievement it is a vivid lesson in the virtues of hypocrisy, selfishness and sycophancy. The caricature of the ruthless boss who will publicly abuse and humiliate his employees for taking their eyes off the sharp chance – played to chilling perfection by the loveable boss of Amstrad – is a salutary reminder that there is no place for human frailty in the shining halls of greed.

While for those of us who cling to the belief that there is yet some shred of redemption to be had out there, some accomplishment that isn't valued only in pounds and pence, something beyond the sunset and the baths of all the western stars, that is worth doing for its own glorious sake, some triumph of the imagination or act of creative courage that will stand proud and firm and monumental long after (or even just a few days after) they've covered the bloodstains with fresh sawdust – for inveterate romantics like us the message of *The Apprentice* is writ large and clear: you're about to be deskilled.

THE MANY FACETS OF DESKILLING

Deskilling sounds more like something Gordon Ramsay would do to a trout rather than a central tenet of the management theory that has defined the way we've done business for the better part of a century. If you don't hear it bandied around in the pub all that often it's because most of the fierce debate surrounding deskilling takes place in obscure sociology journals and neo-Marxist chat rooms.

But it's been around in one guise or another ever since it inspired the apocryphal General Ned Ludd to take a ten-pound hammer to a stocking frame in Nottingham in 1782. In those days it was a lot easier to tell when it was happening to you. You'd come to work in the morning and find a spinning jenny where your workbench used to be.

As mechanisation rolled out from one industry to the next even the workers came to embrace it – those, at least, who were re-employed to mind the machines. And it sure beat cotton picking by hand. Efficiency improved, productivity increased and economies boomed. Marx himself was unequivocally in favour of mechanisation, heralding it as 'the end of slavery'. By the time the first Model-T trundled off Henry Ford's production line the Luddites had been rebranded as anyone who didn't like progress, especially in the form of new technology.

All of this seems remote and dusty now. The world has moved on, and the relevance of it all to the current generation of knowledge workers armed with iMacs, iPods and brave new iDentities seems scarcely credible. Machines have liberated us from the drudgery of repetitive manual labour, and information technology continues to enable and empower our quest for mastery of the higher-order pursuits in which each of us is now engaged. So it's increasingly difficult to imagine the circumstances that would be required to provoke a mass of disaffected office workers to stream down Madison Avenue and throw their laptops into a flaming pyre of printers, photocopiers and computer peripherals in the middle of Times Square.

PRODUCTIVITY THEORY AND ITS DISCONTENTS

Considering how many of us now work for corporations that are wealthier than most countries, it's surprising how little attention we pay to the way they are organised and managed. If we were half as passionate about human resource theory as we are about ideas like democracy and human rights, the commuters on the train to Waterloo might not look quite as miserable as they do. Unfortunately, most of

the literature on productivity is about as exciting as the taxonomy of lichen, which goes some way to explaining why it has failed to ignite the popular imagination.

The problem is that, while we weren't looking, the spirit that animated the rapid and entirely welcome mechanisation of industry, commerce and agriculture in the 20th century had transmogrified into a wholly more subtle variety of strategies designed to maximise worker efficiency and minimise cost, not all of which transplanted with equal success from the factory floor to Dilbert's cubicle. Deskilling was one of those exceptions.

The Principles of Scientific Management

Undoubtedly the most famous of the early productivity theorists was Frederick W. Taylor, whose formulation of 'scientific management' led to the notorious time-and-motion studies parodied with such ruthless aplomb by Charlie Chaplin in *Modern Times*. Taylor is an easy target for armchair critics of the system that gave them such comfy armchairs. They forget that it was Taylor who recommended to factory bosses that workers would be more productive if they were forced to take an occasional ten-minute rest, a practice that became institutionalised as the beloved British tea break.

Based on the idea that there was 'One Best Way' to get any job done, scientific management sought to break all tasks into their individual components, separating those that could be 'routinised' from those that required an element of human judgement. The benefits were immediate. The routine processes could be reallocated to cheaper, unskilled workers, while the discretionary aspects of the task could be moved upwards to management, affording them more control over the outcomes.

New Management Theories and Deskilling

In the case of someone riveting metal plates into the tailfin of a passenger jet it makes eminent good sense to limit the realm of his or her creative expression. And if you have any experience in the assembly of flat-pack furniture you'll know only too well that any deviation from the precise instructions of the superior intelligence who designed them, now matter how cryptic they may appear, will lead directly and inevitably to irredeemable disaster. Do not try to second-guess a Swede.

Deskilling is exactly this – a deliberate and systematic removal of the 'craft' from the 'craftsman'. It's the divorce of the mental from the manual, the apartheid of conception and execution.

We may bemoan the resulting fact that help isn't what it used to be, that plumbers cost as much per hour as brain surgeons, and that no one at the hardware megastore knows the difference between a cheese knife and a hacksaw. We can curse the telesales calls from automatons who can't answer anything that isn't on the script in front of them, the help menus that don't help, and the customer services departments that don't have the discretion to serve their customers. But by driving down manufacturing costs and standardising rote operations, deskilling has brought us an endless array of material blessings, from cheaper, safer travel to better, safer drugs, from healthier, tastier food to cheaper, faster communications.

Stalin's fulsome praise for the principles of scientific management, which he used as the basis of several Five Year Plans, had the odd effect of undermining the popularity of Taylorism in the west. Others, took up where Taylor left off. Borrowing from the exciting advances taking place in psychology they advocated a kinder, more worker-centric management style. The latter half of the 20th century saw an explosion of new theories of productivity, and a seismic rise in the fame and fortunes of the new management gurus.

We've now got systems theories, contingency theories and chaos theories, and leadership theories and follower theories, and more consultants and experts than there are problems worth solving. The Japanese theorists learned from the Americans and the Americans learned from the Japanese. Then the Japanese learned what the Americans had learned from the Japanese and went one better. But as much as they changed the language, fiddled with the mechanics and reinvented the principles, the one thing they never tampered with was deskilling.

WELCOME TO THE 'CREATIVE CLASS': 21ST-CENTURY KNOWLEDGE WORKERS

While all this was going on, and with the eyes of the management consultants still firmly fixed on the manufacturing end of the Fortune 500, another more radical change was taking place in the equally exciting field of demographics. It took Richard Florida to point out that most of us were no longer engaged in manufacturing or agriculture but had moved on, like the management consultants themselves, to become knowledge workers, or what he described as the new 'creative class'. And this is where it gets interesting.

What happens when you apply deskilling to people working in the creative industries? Which parts of their jobs can be routinised, and which can be reallocated to management?

It's easy enough to track how technology has put the traditional typesetters and typographers out of business. It's self-evident that drum machines will have obliged many drummers to take up the wedding circuit as a means of survival. These things are inevitable, and only the most reactionary Luddite would argue otherwise. But things get hazier as you move up the creative ladder towards those people who have traditionally been paid for having ideas. These aren't just the copywriters and art directors that populate ad agency creative departments, they're also the marketing men and women whose success depends on the application of their wits.

Deskilling and Creativity

According to the traditional deskilling model, thinkers should be sent upstairs and the doers should remain on the factory floor. But in the creative industries the doers *are* the thinkers.

There is yet another complicating factor. Deskilling, as we have seen, is aimed at increasing management control by shifting discretionary tasks up the management hierarchy. It is in the nature of commercial bureaucracies, no matter how flatly they are structured, and no matter how much lip service is paid to the interdependencies of a management matrix, that the amount of discretion you have is directly proportional to the depth of the embossing on your business card. Creative tasks are always, inevitably, and by definition, entirely

discretionary. Their outcomes are indeterminate, and they are naturally antipathetic to any kind of control.

This is the paradox of managing creativity, the very nub of the peculiar conflict between managing for *efficiency* and managing for *ideas*.

As the battle intensifies throughout all the creative sectors, from the music business to film, television and the arts, the collateral damage becomes increasingly apparent, most notably in the paucity of original thinking that disgraces the entire spectrum of popular culture. Where there are exceptions we can trace their genesis to an exceptional cadre of individuals with the courage of their convictions and with the money or the enterprise to pay for them. These are the patrons of the new age, the 21st-century Medicis unfettered by, or indifferent to, corporate constraint.

And right at the centre of the storm lie the marketing and advertising businesses, caught up in the white heat of having to produce something memorable and magical, not just some time this year or sometime this month, but by tomorrow morning, at eight o'clock. Until they learn to sort it out the hard way, which also happens (somewhat unfortunately) to be the right way, there is only one obvious escape route. Switch on *The Apprentice*.

DESKILLING HITS MARKETING AND ADVERTISING

Justifiably or not, most people in marketing and advertising like to think of themselves as creative in one way or another. Florida has no doubt that they belong in the creative class rather than in the service sector, even if convention suggests the contrary. It's a crucial distinction.

Making something is very different from serving something – the former is about the quality of the product, the latter about the quality of the delivery. And making something well requires craftsmanship, in this case the crafting of ideas, an endeavour highly resistant to deskilling. Much to the chagrin of the technocrats it is still impossible, in creative-sector businesses, to separate the craft from the man, or the woman. The unstoppable march of increased productivity has run headlong into the unswerving stubbornness of creative pride. Something had to give.

The agencies blinked first. Conveniently forgetting that their best ideas had always transcended the medium in which they were conceived, they took up the righteous sword of media neutrality and began to hack the full-service offering to pieces. Cheered on by jubilant procurement managers, they lopped off their media arms, accidentally lobotomising themselves in the process.

Their clients smelled blood and were quick to scavenge for themselves the best of the agencies' strategic and media planning brains. Desperate to stop the haemorrhaging, all but the most creatively dedicated of the agencies scuttled for the shelter of the service model, selling layouts by the yard and ideas by minute. And, taking their lead, all but the most imaginative of the marketers became buyers of services, a skill that could be routinised and allocated to the lowest ranks of brand management.

THE FUTURE IN A DESKILLED WORLD?

For this, after all, is the real lesson of *The Apprentice*. Underpaid and underskilled, Sir Alan Sugar's acolytes are living proof that you no longer need expensive, well-trained craftspeople to get the job done. Motivated by money, power and status, and inspired to unbecoming displays of ruthless individualism by their fear of being fired, they will do whatever it takes to satisfy the unpredictable whims of their masters. Unlike craftspeople, they are in abundant supply and instantly replaceable. Such discretion as they are allowed is applied to second-guessing strategies for survival, outmanoeuvring the other members of their teams, and taking only those risks that they can credibly blame on others in the event of failure.

The winner will sit at the right hand of the emperor. Or she will be given her very own Coliseum. And since the only lesson she has learned on the way to the top is that expediency trumps skill every time, this is the criterion she will use to decide the fate of the unfortunate young hopefuls thrown into the arena before her. In this way deskilling makes apprentices of us all.

The end of 'think global, act local': big ideas are global

William Charnock
JWT, New York

As the world gets smaller, agencies get bigger. The unfortunate truth is that as clients rush to consolidate and agencies restructure to serve them, creativity seems to get lost in the reshuffle. In these negotiations much effort is focused on the financials of the deal. Our industry needs to put as much focus on creativity as we put into the spreadsheet calculations.

THE IMPORTANCE OF A DISTRIBUTION NETWORK

Global agencies know a network is valuable in securing these global relationships. There are just some things you can't do globally without a well-functioning global network. A network is essential for distributing creative ideas to every corner of the world. It functions to manage local clients, and to translate and adapt the creative work to be as relevant and meaningful as possible in each individual market.

LOWERED CREATIVE EXPECTATIONS

Given the complexities of global creativity and the number of people involved in the creative process, it is not surprising that most agencies shift their creative expectations on global accounts (by global accounts we mean accounts for which there is a single global agency relationship). There is no doubt that every agency wants to do the best work possible. However, the expectations of what is possible are often significantly lower than for smaller local clients.

It is time to change these expectations. The biggest global clients should be doing our best and most creative work.

An agency's creative reputation depends on this. There is no agency in the world with a strong creative reputation that is not delivering great creative to its biggest clients.

GLOBAL CREATIVITY IS …

… for Most of us, a Process

Speaking from a planning perspective, the typical approach is for the 'global planning team' to set up global research. They execute planning in exactly the same way they handle local clients, except on a global scale.

The global team sets out to understand every market and every aspect of the problem in a very limited time … market audits, focus groups, market segmentation, customer segmentation, consumer tracking, brand tracking, competitive reports, competitor segmentation. The planners sit endlessly in darkened research facilities listening to translated consumer commentary on what works and does not work from a consumer perspective. Planners pore over PowerPoint presentations trying to understand the competition so they can identify what works and what does not work from a competitive perspective. The goal: to identify what can and cannot work globally.

We Create a Culture of can't

The output of our process is invariably negative, a list of global considerations only the global team is aware of and can solve.

The victims of this process are the central creative teams who are fed a list of impossible demands: 'No humour, it will not be understood in Germany'; 'No use of language'; 'It will not translate'; 'No use of sports'; 'No reference to numbers, as they have religious meaning'; 'Colours too have secret meanings'; 'Hand signals are out, as are animals' and definitely no sex.

Anything people feel passionate about is deemed out of bounds for global creativity.

AN IMAGINATION NETWORK

The global output of our industry reinforces the perception that the clients who spend the most on advertising (and invest the most in our industry) end up with the worst of our output. In contrast, the smallest accounts with the smallest budgets seem to get our best work. This makes no sense. With so many different minds focused on the problems of a large global brand within such a large global network, we should be achieving higher levels of creativity, not lower.

I do not believe it is the quality of the minds on the problems, or a crisis of creativity within the big networks, or a problem of bad clients. The problem is a broken process that allows us to get wrapped up in our own politics and lose sight of the ultimate goal: the best work possible for our best and biggest clients.

In 2005 we saw more global brands winning awards at Cannes than we have seen in recent years, but not one of them was for a campaign created globally. Global agency networks win as many, if not more, awards as small, local boutique agencies. The creativity is there.

As a discipline, planning has to ask itself some hard questions: 'Are we inspiring and facilitating innovation and risk-taking? Or are we obsessed with briefs and a strategic process that is pushing global brands to safe, lowest-common-denominator advertising?'

'CENTRE OF EXCELLENCE' OR 'NETWORK EXCELLENCE'?

The End of 'Think Global, Act Local'

For over a decade this has been the mantra of global advertising. It may have been the right idea for its time, when globalisation was about exportation and distribution. However, as we enter an era where instant global communications are the norm, it seems to be the biggest waste of everyone's time.

Thinking globally justifies central teams responsible for the 'big picture' (see Figure 1). These teams identify a set of communication goals that only centrally created creative could address. These goals are often totally detached from the specific needs of individual markets and the sharp edges that fuel creativity.

Acting locally, on the other hand, justifies agencies using their local counterparts as unthinking executers of global ideas. 'Acting locally' means not questioning the global guidelines, not thinking creatively and not thinking about the specifics of your particular market.

Local Creativity is Global Creativity

The internet and global communications have eroded the boundaries between local and global to the point where everything we create exists on a global stage. Whether we like it or not, advertising agencies are no longer in charge of what gets distributed to where the consumer is. Good ideas get distributed. Bad ideas get left behind. Global ideas are no longer the ones designated global by a global team; they are the ideas that have broad appeal and touch a nerve with consumers in many parts of the world. Global ideas are simply the best ideas in the world that rise to the top and get circulated and distributed by the people who consume them. Global ideas are local ideas with world class potential.

BIG IDEAS ARE GLOBAL IDEAS

The Best, Most Creative Ideas are Global

It's a simple premise but one that the advertising industry seems slow to embrace. Other industries, like the entertainment industry, clearly understand that some ideas, if simple and innovative enough, have global potential – regardless of whether they were intended for a global audience.

While shows like *Miss World, The Eurovision Song Contest* or the game show *It's a Knockout* are executed in many countries, they are not the blockbuster global successes that the entertainment industry searches for. The big global successes like *Sex and the City, Who Wants to be a Millionaire, Survivor* or *Big Brother* are created with a specific local audience in mind. The global appeal is only apparent when and if the idea is exported to other markets. In all of these instances the best global ideas are local ideas that tap into a cultural phenomenon that transcends the format.

The Example of Carrie and Co.

I can just imagine what would happen if the advertising industry had created *Sex and the City*. It would never have seen the light of day outside the US market.

The British and the French would have said it was too American. The Italians would say the fashions were wrong for their market. The Japanese would say that the stories were too sexual and the show would need to be re-shot with Asian characters (resulting in a soap opera much like all the others in the market already). The global brief would have been about the similarities of modern women on a global scale and the resulting show would have been a contemporary reinvention of *Miss World* or a documentary with an enormous travel budget.

THE CREATIVE EDGE

Creativity Happens where Risk is the Norm

If you look at where all the best ideas in advertising are created, it tends to be in places where taking risks is acceptable. Where budgets are small and under the radar. Where not too many people want to be involved. Where the agency or client has nothing to lose. Where the environment or culture is forced to deal with risk on a daily basis.

This is not the domain of the global advertising account. With global accounts there is a lot at stake and a lot of people are involved to ensure no mistakes are made (lowering the risk tolerance). To make matters worse, they are usually set up in the global headquarters, a rarefied world distanced from market specifics but close to other global managers and, of course, senior management (see Figure 2).

Find the Best Ideas in the World or Create Better Locally

Another fact about new and innovative creative ideas is that they tend to be created with a very specific problem in mind, on a very specific brand and, more often than not, with a very specific cultural reference point. With so much market-specific and cultural knowledge around the edges of an agency network, it seems foolhardy to spend a lot of time and money transferring it to the centres. Surely a better model is to use all the market-specific knowledge in markets to your advantage. Encourage creativity at the edges of the network and make the centre responsible for managing that process.

Every idea, no matter how small, has to be 'world class' and has potential to become a global idea. If you do not believe that the global work is the best idea in the world, then it is your responsibility to create better locally.

Central Distribution, Network Creation

Such a model changes how global teams work. The global team has less responsibility for original creation. The central team is responsible for identifying, modifying and distributing 'the best ideas in the world'.

GLOBAL APPRECIATION REPLACES GLOBAL CREATION

Cultural Understanding Replaces Consumer Interrogation

As the global planning team, we have the advantage that we do not have to start everything from scratch. We start from reviewing everything that has been created around the world. Take time to see what ideas exist for the brand, especially in the places that have been under the radar. Rather than travel the world to sit in darkened focus group facilities, we have to get out and connect with our network partners in each market to find out what they have done, what their competition has done, understand their market and their culture, and facilitate them creating more, not less.

Redistributing some of the central research and creative budget to the edges can have a profound effect because it gives the local team something to play with and some sense of shared responsibility. You will be amazed how a little goes a long way in these markets and they come back with some interesting stuff when given the chance (and remember, they have to decide what to do with this money – you have to cede control).

Idea Modification and Success Replication

The creativity that lives in the centre is a different type of creativity.

First, I feel all global planners should have local market responsibilities so that they have somewhere to test out their own original ideas. However, their global role should be one of 'idea thief' and 'modifier'. As 'idea thief', the planner takes the best, most successful ideas and tries to identify why the idea worked so well locally and what it would take to replicate that successfully in different markets or cultures. As 'modifier', the global planner takes local ideas and adds their own interpretation or execution of it, often merging or combining ideas from different markets that touch on a similar territory.

Consumer research, rather than a starting point, should be limited to much later in the game, when there are real ideas on the table for consideration. After all, consumers never come up with great new ideas, but are sometimes able to tell you when you've found one.

WORLD CLASS AND WORLD BEATING

In the new global media environment all ideas live on a global stage and the best rise to the top. In this environment, global ideas need to live up to a higher set of standards, and the competition for our consumer's time is much, much stronger. Our organisational structure and planning process have to live with this and work with it, not spend their time trying to stifle it.

We need every creative mind in the network focused on this, not just a small team in the centre. To build such a creative network we need to encourage creativity in the places where creativity is most likely to occur and distribute the best of them as widely as possible.

Planning can and should be a catalyst to creating this type of network.

Look for World Class and Make it World Beating

We should do away with the 'global' classification for creative work and simply think of everything created for a global brand as having global potential. We should empower and provide resources to every market to create world-class communications for all our global accounts, especially in markets where risk and creativity are most prevalent.

The role of the central planning team should not start from scratch but take these 'world class' ideas and work out how they can be made 'world beating'. This is a process that requires a great deal of collaboration and open-mindedness to new ideas. It will also demand strong cultural understanding of different markets and an expertise in modifying ideas to have broad cultural relevance.

NOTES & EXHIBITS

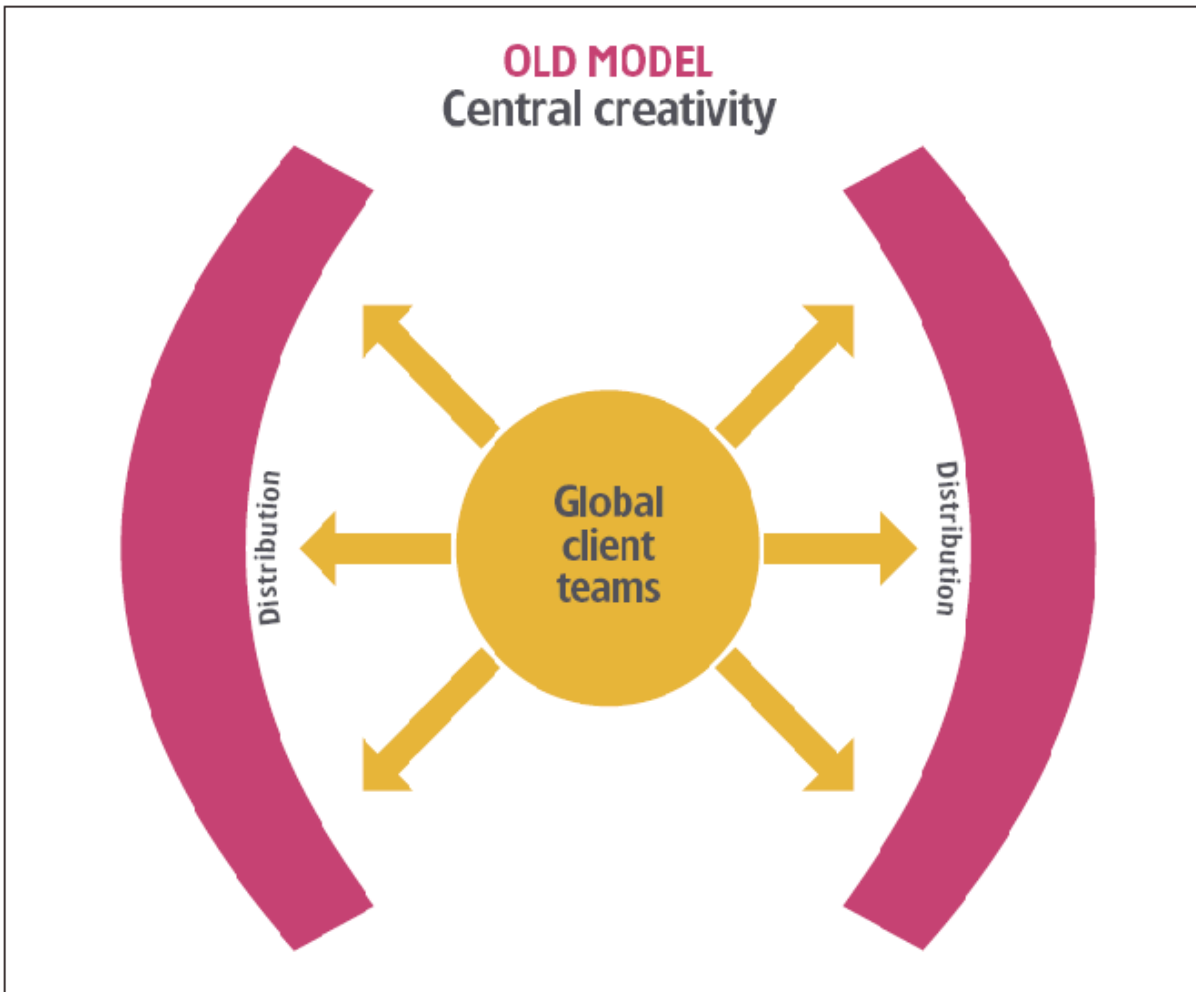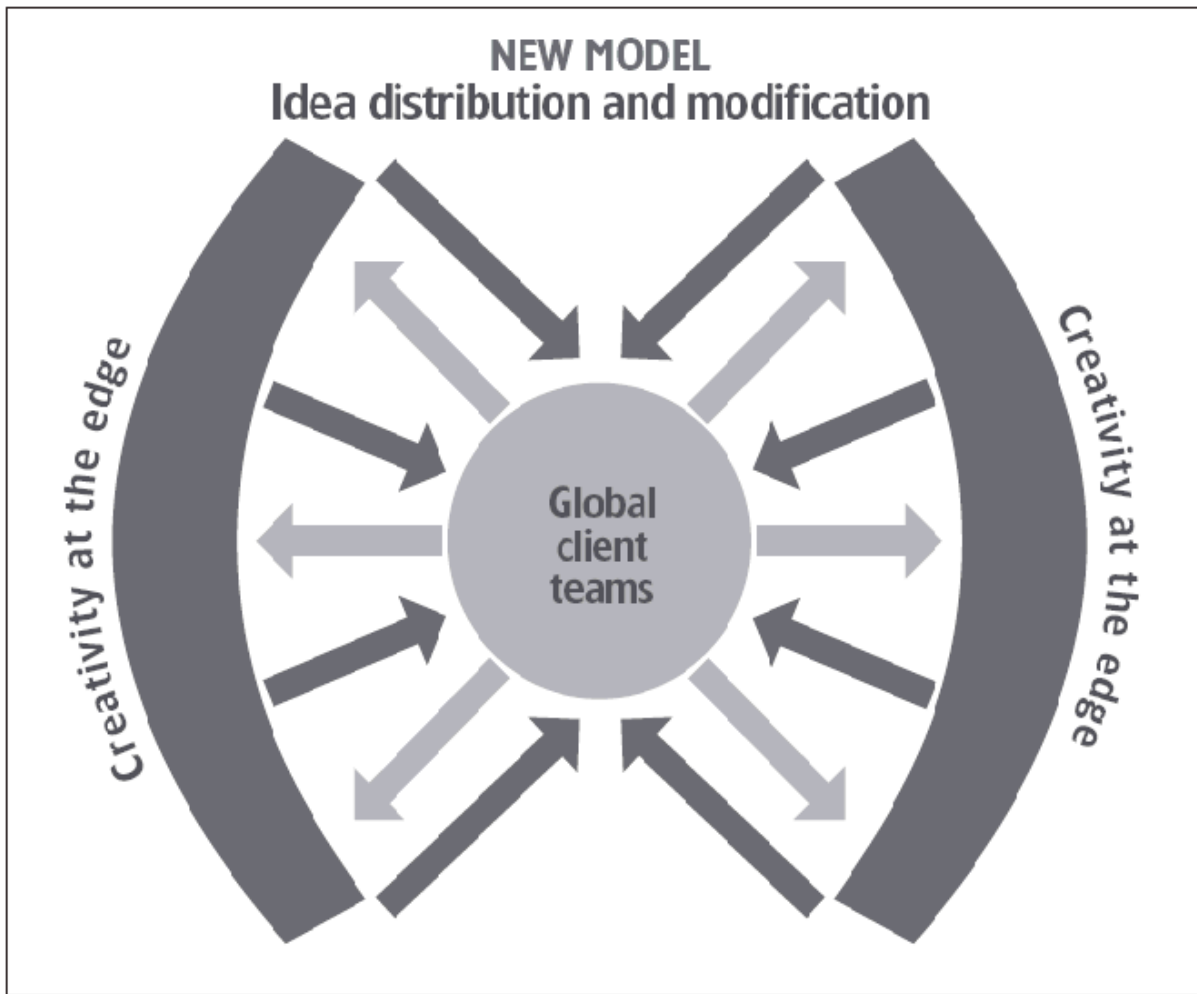**FIGURE 1: THE OLD MODEL FEATURING CENTRAL CREATIVITY FOR GLOBAL ACCOUNTS**

OLD MODEL
Central creativity

Distribution

Global client teams

Distribution

FIGURE 2: THE NEW MODEL FEATURING A SHARING OF CREATIVE IDEAS

NEW MODEL
Idea distribution and modification

Creativity at the edge

Global client teams

Creativity at the edge

Creative thinking and the joy of process

Linda Caller
Thought Agents

THE BALANCE BETWEEN ART VS TECHNIQUE

> 'Over the years, Jeffries has either outlasted, sued, or crushed any competitor in the field of pick-up to make his school, Speed Seduction, the dominant model for getting a woman's lips to touch a man's – that is, until Mystery came along and started teaching workshops.'

> Neil Strauss (2005), *The Game*

The Game is an exposé of an international community of pick-up artists who refined their talents for seduction by following a set of procedures. Is it 100% true? Who knows, but they estimate that 90% of success with women can be put down to technique and process. Strauss infiltrates the community and learns Jeffries' NLP techniques and a man named Mystery's process, claimed to be built on reverse engineering of human behaviour. We can debate the morals of this community, but it did apparently create a global workshop business training the method of being a successful PUA (pick-up artist)!

What is our response to the idea that seduction is not an art of finesse, emotion and magic, but just a process that can be learned and actioned?

- *Relief?* 'Finally, I know how to do it!'

- *Curiosity?* 'I'll give it a try – it might work!'

- *Anger?* 'Don't spill the secrets!'

- *Scepticism?* 'It's not as simple as that!'

- *Disappointment?* 'Where's the magic gone in life!'

- *Scorn?* 'People are making money by doing this!'

And so on. It seems to me that we have a similar love–hate relationship with the use of process for enhancing creative thinking in planning brands and their communications. We are constantly dealing with an underlying conflict regarding how best to generate ideas, assess and apply them.

The proposition here is that more and better process, applied with intelligence, sensitivity and discretion can lead to better ideas more often, with easier buy-in and more effective implementation.

In this article, the terms 'creativity' and 'creative' are used in their broad sense to apply to everyone working in the business of producing and executing ideas for commercial purposes – not just the conventional creative team of copywriter and art director.

BEYOND MAGIC

> 'Scientific understanding of creativity is far from complete, but one lesson already seems plain: originality is not a gift doled out sparingly by the gods. We can call it up from within, through training and encouragement.'

> *Scientific American MIND*, May 2005

We can identify five broad approaches to creativity.

1. Divine Inspiration

Creativity comes from God, and we are empty vessels waiting to be filled so we can make the creative leap, as noted in *Jamming: the art and discipline of corporate creativity,* by John Kao, 'Traditionally, creativity has been viewed as a happy accident, no more manageable than running around with a bottle trying to capture lightning.'

2. Personality Traits and Natural Abilities

Creativity is more likely to occur when traits are configured in a particular way within the individual. Various tests have been developed to measure creativity through psycho-metrics, personality and cognitive-affective behaviour by Paul Torrance, Michael Kirton, Teresa Amabile and others.

3. State of Mind

Internal factors such as energy level, mood and the ability to focus influence the ability to create. Different states are better for different activities.

4. Socio-dynamic Context

External social and environmental factors surrounding the individuals can enable or inhibit their creativity. These include physical space, noise, light, company culture and politics.

5. Tools and Techniques

The use of processes to encourage idea generation and assessment. Some are enablers to manage the approaches above; others are specific exercises and activities to improve creative problem solving.

All of these approaches are important and simultaneous; it is not a matter of one being better than another. The question is, how often do we actively select and apply them in the way we work? In the way we develop people and work in teams? Do we create the best possible chances to find the best solutions and then properly implement them? How might we do it better?

BRAND PLANNING: STRATEGY AS THE FIRST CREATIVE ACT

As Chris Anderson put it in his recent book *The Long Tail*, 'The era of one-size-fits-all is ending, and in place is something new, a market of multitudes.' Consequently, we need to reach multiple audiences across a range of channels, with messages that are as tightly targeted as possible.

To get the best chance of success and synergy, to build positive relationships with as many consumers as possible, it is more important than ever to be absolutely sure about where we are taking the brand. Developing, disseminating and implementing an agreed brand structure is crucial. And it is an art, a creative act, as we've acknowledged for over 30 years:

> 'Devising the right strategy is in its own way as creative a process as devising an ad.'

> Alan Hedges (1974), *Testing to Destruction*

But in this industry it isn't always the case.

How far do we:

- actively recognise that strategy as a creative act?

- consciously apply appropriate processes of creative thinking to devise the brand future?

- help everyone in the organisation to understand and buy into the brand model?

- successfully implement the brand throughout the organisation?

If you answer 'always' then read no further. But if you answer 'sometimes', 'with some people', 'not as well as we might' (or even 'never'!), then a review of the processes currently used to develop brand strategy may be helpful.

A TIMELESS MODEL FOR DEVELOPING IDEAS

In 1926 Graham Wallas published his model on the phases of development of ideas: preparation, incubation, illumination and verification. When I first discovered this model, it was a mystery to me why I hadn't been told about it on my first day in advertising. We should be educating our people in how to develop ideas.

There are a lot of people in our business who are using up enormous amounts of their expensive time and energy trying to generate ideas drawing solely on their own internal resources and instinct. Because we hire educated and intelligent people, we tend to get away with it, but at what cost? Are we really helping to bring out the creativity in everyone in order to solve problems more effectively?

Jaspar Shelbourne and Merry Baskin do a great job of putting the Wallas model into everyday language (in *How to Plan Advertising*, 1997):

- 'Gather your information; "feed your head" digest what you have gathered; look from different angles

- Drop the subject

- Out of nowhere, the idea will appear

- Take the idea out into the cold grey dawn of reality and re-examine it.'

But as they say, there is a fat chance that this process is dutifully and regularly applied in the recommended manner.

In 1965 JWT's James Webb Young's *A Technique for Producing Ideas* was first published – so has also been around a while. He too supports the value of process in finding creative ideas, as Bill Bernbach says in the Foreword:

'The quality of the ideas you get cannot be guaranteed, and James Webb Young would, I am sure, be the first one to tell you this. That quality would be the result of all the forces in your life that have played on you, including your genes. But you will be making the most of those forces and all your natural equipment if you follow the procedures he outlines so simply and lucidly.'

In these days of time and resource constraint, a backbone of solid process that then allows personality, talent, experience and the occasional act of God to work their creativity is self-evidently more efficient.

Preparation: Loading up the Brain

'Preparation' is often abused for fear of losing time, yet this short-cutting inhibits the part of the process that can feed the identification of better solutions. How I lament the demise of the brand book when every team member had the current metrics of the market readily to-hand to set the scene as they commence the thinking journey.

Some young marketing executives recently said to me that they knew they ought to read more magazines and watch more TV programmes favoured by their target audience, but they could not do this in the workplace. They had tried, but felt too guilty when other people saw them doing this as they would think that they weren't working.

Peer pressure inhibiting a vital element of preparation – what else is being cut out and why? If the canvas of preparation is too narrow in the first place, it will restrict the options of possibility that might be generated. The point is that this can be actively managed with checklists, guidance, permission and encouragement.

Inadequate preparation can also lead to the wild goose chase. In the rush to make, or be seen to be making, progress, the team set off in their search for the creative solution without properly identifying and understanding the problem that needs to be solved.

There are tried and tested processes for setting up, interrogating and clarifying the problem statement. Without the processes in place, this will not necessarily happen; a waste of time and energy – and utterly demotivating when you find out you are working on the wrong brief.

Incubation: Let's Sleep on it

Incubation is also abused in our business, both in terms of idea generation and idea assessment. We brief a team and then ask 'What are your immediate ideas?' Sure, there will be some; after all, our business is ideas and the people we hire will have both natural ability and experience to quickly respond.

But time is needed for the assimilation of information, the connection of thoughts, letting the unconscious take over and explore possibilities. Sometimes, in being forced to produce ideas too soon, the creative process will be shut down early and the best ideas will never emerge. When people say 'I'm not ready to talk yet', this is often what they mean. We have had knowledge on how the brain works for decades, yet we don't always apply that understanding.

Doing something completely different for a while having 'loaded' the issue into the mind is productive. That's why advertising agencies have always had games tables, but there seem to be less around these days. Whenever I see that the snooker, table tennis or table football machine has been removed ('This is an office, we want people to be working') I suggest it is put straight back in again: aid incubation, and free the inner child of creativity.

Illumination: The Eureka Moment

Ideas rarely arrive exactly on time, especially the best ones – sometimes we despair that they will ever arrive at all, so we must be ready for them when they flash into our conscious mind.

Some years ago I spent a week on a 'thinking expedition' with Rolf Smith, founder of the first US Air Force Innovation Center. Feeling like boy scouts, we filled the pockets of our regulation, rather smart denim waistcoats with blue slips of paper, about the size of Post-it notes, on which we were told to write down all our observations and ideas on the daily task, without judgement, as they occurred to us. The next morning, having incubated, we reviewed the blue slips, looking for possibilities for solving the problem. The best ones seemed to leap off the table after a night's sleep. At the end of the programme, one guy raised his hand and asked where he could buy the blue slips. It was powerful stuff; fine process.

One of the most valuable business gifts I have received was from a Guinness sales director in Malaysia. It is a biro that incorporates a torch in the point, for writing in the dark. What better tool for the moment of illumination, which so often occurs in the middle of the night! And no, we often don't remember it in the morning …

Verification: Doing the Right thing

Now we give full form to the new idea to make sure it works. We judge it and ensure it is fit for purpose, using both intuition and rational assessment. First we might present ideas to each other.

Presenters vary in their ability to get their ideas over, but the greater 'noise factor' is in the process of receiving and responding to the story. Not only do the ideas need to be understood and evaluated against a host of business and effectiveness criteria, but the 'client' will also be managing his or her response through complex filters – for example, fit with corporate culture, the likely implications of being seen to support such an idea, and their own vested interest. Is the process being managed with this in mind?

Sometimes an illumination isn't one after all. We are under great pressure to identify insights these days – 'insight' seems to be a word that has taken on a life of its own. It can be that what we thought was an insight, when examined properly in the verification phase is a valid learning, but not really worthy of the 'I-word'. On what basis do we agree in advance how we will assess if there is an insight or not? I am reminded of the famous quotation:

> 'At the heart of an effective creative philosophy is the belief that nothing is so powerful as an insight into human nature, what compulsions drive a man, what instincts dominate his actions, even though his language so often camouflages what really motivates him. For if you know these things about [a] man you can touch him at the core of his being.'

> Bill Bernbach (1980), AAAA

How many times have you sat in a meeting as ideas are presented to you and everyone sits there watching, waiting for a response? It is simply not possible to receive ideas, process them, realise our response and then verbalise it to others in a moment.

Again, we need to incubate, and it can take great presence of mind to create that opportunity – unless the process has already been established. (I don't count making the most junior person on the team respond first as good process!) We wonder why immediate responses seem inane, critical and disrespectful of all the work that went into creating them, with comments at the level of 'I don't think I like the blue dress.'

It is very difficult when the receiver's head feels like it is spinning with possibilities – good or bad – to say something meaningful and useful. We must actively manage the process and help by agreeing evaluation criteria in advance and taking breaks so the brain can do its work.

CONCLUSION

Creative thinking, like seduction, is an art. We do not seek to create working robots who simply follow the rules, but there needs to be a backbone of known procedures and processes. They are the 'how' helping us to deliver the 'what'; creating the conditions to facilitate and encourage ideas. Then it is quite possible that there'll be more strokes of magic and captured lightning.

MORE EFFICIENT TEAMWORK

Divergent vs Convergent Thinking

Divergent thinking is about quantity; it is the generation of lots of ideas, crucially, without judgement. Convergent thinking is about making sense of the mess of ideas from the divergent phase (Osborn 1979). Screeners should be developed and agreed prior to evaluation; the ideas taken forward must be consistent with the overall objectives, without killing ideas just because they are early seeds of possibility.

If everyone is clear that the agenda is divergence, there is a greater likelihood that the team will listen to each other's ideas and build on them to elicit all possibilities. Then, together, they can move on to convergence: assess, judge and decide. A wealth of tools now exist to aid both phases of thinking – we can utilise processes that are much more effective than simply telling people to 'think outside the box' or 'make your recommendations now'.

Understand your Team's Skills

Introverts can often have a tough time getting their ideas heard in our business, which tends to be dominated by extroverts. The extroverts get more and more energised working in meetings and the introverts just want to get some peace and quiet to think! Do you know the composition of your team? Are you using processes to help both introverts and extroverts contribute to their best potential in both divergent and convergent phases? Or is resource being wasted?

Don't be Limited by the 'Brand Model'

The existence of a brand model as the modus operandi in an organisation can lead to short-cutting as people try to avoid divergent thinking and the proper exploration of possibilities. It can seem far quicker to just fill in the boxes. 'Phew, I've filled it all in; now I can get on with my real work of briefing the sales promotion'. It's similar to the PowerPoint syndrome, which can massively limit thinking:

> 'Whenever I see people in my own office struggling on their PCs over a pitch, I always notice the same thing – they're trying to write the pitch straight onto PowerPoint slides. It's a bit like trying to paint a picture and get it framed at the same time.'

> Roger Mavity & Stephen Bayley (2007), *Life's a Pitch (Book One)*

THE 'GALLERY' TECHNIQUE

I learned a lot from Rena Bartos, ex-JWT New York planner and researcher, about understanding the changing role of women. But she also gave me a great tool, which I use regularly when teams get stuck: the Gallery Technique. We had lunch near Waterloo one day, and my state of mind could best be described as chaotic, with two new business pitches, a heavy regular workload and questions coming from seemingly everyone who knew me. 'If I were you, Linda,' she said, 'I'd spend the afternoon at the Hayward.' With some scepticism, I went for an hour, and it was my table football. Soon I was back in the office in a positive, energised state, issues incubated and ready to rapidly handle all problems. What will you say if your people want to use the Gallery Technique tomorrow?

A DOZEN DOS AND DON'TS

- Do ensure your problem/challenge is appropriately defined

- Do actively separate divergent and convergent thinking sessions

- Do have clear evaluation criteria agreed before assessing candidate ideas

- Do understand the personalities of team members and create an environment for all to contribute at their best

- Do have a toolbox of techniques to help if needed

- Do write down ideas as they occur

- Do train people on how to think effectively

- Do respect the importance of time for incubation in idea generation

- Don't expect the perfectly considered response moments after presenting new ideas

- Don't expect to find new ideas when everyone is tired or stressed

- Don't just fill in the boxes of a brand model without a full process of exploring possibilities

- Don't look disparagingly at colleagues who are trying out target audience activities

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Responsible marketing from the inside out

Leslie Pascaud
Added Value

Our employees are our greatest asset.' Most CEOs, especially in the service sector, have said this at one time or another. If this is the case, how can companies ensure both quality of staff and loyalty?

Sustainable marketing has a strong correlation with increased employee morale, retention and productivity. Take Avon. It provides a good example of the benefits of employee dedication to ethical practices, through its breast cancer initiatives. The company recognised years ago that support of this cause was a perfect fit for a business built on strong and direct relationships with women. Avon chose its cause-related marketing initiative carefully and committed itself to making a real contribution through support of research, prevention, early detection and education. That, together with overhauling its product line and rejuvenating its brand image contributed to a sales jump of 45% and stock rise of 165% over five years.

This ethical dimension in hiring is not to be underestimated. While there remain plenty of mercenary candidates out there who seek the highest salary at all costs, there is a growing movement towards the consideration of brand and company ethics in job searches. Keith Robinson, website director at totaljobs.com, explains it as 'A new breed of job seeker [who] is placing ethical issues above financial incentives when considering a job offer.'

Recruitment and retention are only two of a plethora of very good reasons to integrate responsible practices into company strategy. Others include:

- lower energy and resource costs driven by environmental initiatives

- business momentum and competitive edge resulting from an understanding of changing market dynamics

- increased consumer loyalty to and retention for brands and businesses that generate greater trust.

So how are companies addressing the need to transform their businesses to make them more responsible?

1 DEFINING AND COMMUNICATING A VISION

The straightest road to responsibility begins with a sincere commitment from the company leaders, expressed in the form of a vision or project for the organisation. This vision then permeates every area of the business and all the brands across the company's portfolio.

While in smaller companies the aura of the founder or leader can sometimes suffice to inspire employees, in larger organisations it is often necessary to develop a strong communications platform and to 'brand' the vision both internally and externally to drive employee motivation and ensure buy-in.

The efforts within the organisation to execute responsible or sustainable strategies are often considerable and require strong appropriation on the part of employees to keep them focused through the inevitable difficulties. Finding an impactful way to express the mission and making it synonymous with company values can go a long way to keeping teams on board.

Marks & Spencer

Stuart Rose's crusade to position Marks & Spencer at the cutting edge of responsibility is a clear example of this. He has given the company five years to tackle five major challenges: climate change, waste, sustainable raw materials, fair partnership and health. Sending out a message loud and clear to all employees and consumers that this is the way forward, he calls this his 'Plan A', (because there is no Plan B).

A clear call to action and one not without risk. But the undeniable fact is he has drawn a road map for where he believes the company should go, which helps all involved to focus their energies on how best to get there. And in the meantime, M&S's high road has given them first-mover advantage in the UK market among retailers.

3M

3M is another salient example of a brand's vision for sustainability. Its 'Pollution Prevention Pays' (3Ps) programme, put in place decades ago, is still having a powerful impact on the organisation. During 2006, over 350 employee-inspired 3P projects prevented the generation of more than 70 million pounds of pollution and saved nearly $53 million for the company.

This effort is increasingly being translated into consumer facing initiatives like that of the Safest Stripper™ – a non-toxic alternative to caustic paint and varnish removers. The more pleasant-to-use formula has helped to expand the market for paint strippers by attracting women and first-timers to furniture stripping. In addition, the possibility of using the low-fume product indoors allows for stripping during the winter months and has thus helped to extend product seasonality.

General Electric

And then, of course, there is the Ecomagination campaign from General Electric. GE identified the environmental areas best aligned with its corporate strategy and carved out a distinctive territory for its sustainable efforts. According to its website: 'Ecomagination puts into practice GE's belief that financial and environmental performance can work together to drive company growth, while taking on some of the world's biggest challenges.'

In an organisation the size of GE, being able to simplify this vision down to a word and a couple of lines of explanation has gone a long way to driving the mission forward. Thus, when communication can't be done by personal inspiration, the investment in finding the right verbal and visual expression for a sustainable strategy can be a very worthwhile one.

2 DESIGNING INCENTIVES AND METRICS TO ENSURE FOLLOW-THROUGH

Responsible practices within an organisation don't always come naturally. They are most successful when an incentive system is put in place to show employees that the company is serious about its commitment. The development of key performance indicators that reflect the strategy and measure adherence can help to shift behaviour and culture within an organisation towards sustainability.

Groupe Suez

Groupe Suez, an international industrial services group providing energy, waste management, water and other utilities worldwide, recently signed a charter linking remuneration of its managers to sustainability performance. Each unit identifies the areas where it will drive improvement (for example, the number of complaints linked to environmental issues generated by purification plants or the number of employee safety breaches) and specific key performance indicators (KPIs) are set. With the knowledge that their sustainable behaviour will figure prominently in the calculation of their bonus, you can be sure that this criterion moves quickly up the ladder of employee priorities.

Key Performance Indicators Differ by Industry

Of course, the KPIs will depend on the industry. Recent research conducted by Added Value in France and Germany has shown that consumers are able to distinguish between different industries when determining the most relevant issues for a brand or business with a fair degree of subtlety.

For example, one might imagine that consumers would put the same priority on issues for food manufacturers as for fast-food chains. But while health and food safety are ranked first for both, there is a clear divide thereafter, with genetically modified organisms (GMOs) considered the next most troubling issue for food manufacturers, while they feel that respectful treatment of workers should be the clear priority for fast-food chains.

The environment, pollution and recycling issues come in a strong third as a priority for both.

3 EDUCATING EMPLOYEES AND SUPPLY CHAIN PARTNERS

Setting the objectives and KPIs will not suffice if employees do not know how to meet them. Successful initiatives require educational programmes to ensure that employees understand the strategy and can learn from others' successes and failures. Training sessions within organisations and communications activities that allow for knowledge and experience sharing are invaluable to achieving employee engagement.

Green Mountain Coffee Roasters

Green Mountain Coffee Roasters, the gold standard for ethical coffee in the US, is an inspiring example of a company that drives growth through internal training on ethical practices.

The company's value system runs deep. Its most outward reflection is its Fair Trade business: just 5% of sales in 2003, it grew to 20% in 2005. Green Mountain's relationship with its growers can be described as anything but distant, as reflected in the use of the term 'community members' to describe them. This subtle inflexion symbolises the way in which the economic and ecological welfare of coffee growers is seen as an integral part of the company's future.

And to embed this relationship, 20% of employees are sent to Mexico or Central America to foster personal connections with farmer communities, enabling understanding of local issues and training farmers on how to improve their products to better meet consumer expectations. The business results are compelling: Green Mountain has grown just over 30% per year for the past two years.

4 DEVELOPING SUSTAINABLE INNOVATION PLATFORMS

There is no one right way to go about making a brand or business sustainable. As the challenges of sustainability evolve so must the responses. Therefore, it is essential to ensure that an innovation culture that allows for experimentation exists within the organisation.

Fortunately, sustainability represents an excellent springboard for innovation by providing new angles and fresh inspiration to rethink any areas of the business that are in need of an overhaul.

Interface

This was certainly the case for Interface, an American floor-covering manufacturer, when its president announced his objective of transforming his company into a sustainable one. He challenged a task force to use their ingenuity to achieve that objective. That they did, reinventing most of the company's products and processes, including new business models like the Evergreen Lease Program which rents rather than sells carpets.

The spark of brilliance was that customers could return the carpets at the end of the 'lease' to recycle them, reducing toxic waste while allowing the company to develop new product ranges with reduced primary material costs.

Toyota

Toyota is the classic example of how sustainable innovation can fuel the growth of an entire organisation. The company mantra, which it calls 'kaizen' (or continued improvement), implies a responsibility to plan for the long term.

Jim Lenz, one of Toyota's US executives, explains rhetorically: 'First of all, long term, is fuel going to get cheaper or more expensive? Is oil going to become more plentiful or less plentiful? Is the air going to become cleaner or more polluted? And so, do you do something proactive and innovative to be in tune with where society is going? Or do you hold on to where it has been and then don't let go to the bitter end?'

Where to Start

The challenge for many companies when wanting to innovate around sustainability issues is where to start. There are running debates about whether innovation should be kept within the organisation or outsourced. The answer is both.

Internal innovation has many benefits that make it a good source of new ideas; it is participative and helps make communication more fluid within the organisation, thus leveraging knowledge that frequently hasn't been tapped. In so doing, participative internal innovation can resolve many issues that are blocking effective progress on sustainability issues.

However, there is often a need to go beyond existing approaches to invent new ones. This challenges companies to take a broader view and a longer term perspective, which is typically discouraged within organisations too focused on quarterly business results. Innovation from the 'outside in' can provide freedom from some of these stifling corporate constraints.

By using more disruptive processes that encourage cross fertilisation from multiple sources, looking outside allows companies to consider possibilities that would not otherwise have been on their radar screens. As such they can create totally new capabilities and new business models.

Research Supports Looking Outside

A recent global IBM study among 750 CEOs underlines this point. This study compared companies with extensive innovation collaboration competencies versus inwardly focused companies. The former outperformed the latter both in terms of revenue growth and operating margin. So if companies are, as they proclaim, looking for big breakthrough ideas in sustainable innovation, they should seriously consider drawing inspiration from outside the organisation.

One of many fruitful places to look for new ideas is in the area of social entrepreneurship. Some forward-looking companies are seeding projects with those in the developing world who need new kinds of solutions. This has been the case for Hewlett Packard's e-inclusion initiative, whose strategy aims to close the global digital divide while, as its web-site states, 'providing an invaluable foundation of knowledge for the company and functioning as test beds for new products and solutions that may be leveraged to assist additional communities'.

Its community learning and technology centres help to provide access to technology and seed the entrepreneurial skills needed to grow local business, thus 'fertilising' a generation of future IT consumers.

Environmental Innovations

There are also a host of opportunities to innovate on the environmental front. Green is in vogue and our 'Branding for Good' research shows that consumers are not only changing their attitudes. They are modifying their behaviours to buy products that are recyclable, and limit pollution and carbon emissions.

But, as many companies have learned, there is a need to position these innovations in a way that focuses on the consumer benefit first and foremost, presenting the eco-friendly components as 'added touches'.

Whether talking about energy savings for the Philips Ecotone light bulb, yummy taste for Innocent smoothies or style for Stella McCartney's accessories, the intrinsic advantages need to come first, while the eco-friendly aspects should be integrated in a way that keeps consumers from feeling they are being preached to or deprived of pleasure.

5 EMBRACING CRITICS AND PARTNERING WITH NGOS

Remember the days when activists were businesses' worst enemies? Now smart companies are teaming up with non-governmental organisations (NGOs), consumer protection groups and other critics to look for win-win solutions to environmental and social issues. These

organisations have radically different cultures and competencies but, increasingly, seek some of the same social and/or environmental objectives. And as government and non-profits recognise the power of business to change the world, they now seek out these partnerships to push their ethical agendas.

- The WWF is at the cutting edge of these efforts, working with Lafarge to find innovative ways to rehabilitate and restore quarries while saving money; or with Carrefour to take the teak out of garden furniture. And it is not alone.

- Companies as mainstream as Procter & Gamble have asked ADEME, the French energy saving association to help them measure and certify their new detergents, which allow consumers to wash at lower temperatures and thus save energy.

- The US environmental defence fund is working with McDonald's to put pressure on chicken suppliers to slash the use of antibiotics in poultry, and Danone has partnered with the Grameen bank to launch a microfactory to produce dairy products in Bangladesh.

- In the UK, BP looked to Carbon Neutral, as well as others, to sit on an independent assessment panel to check the robustness of its offsetting projects funded from the Target Neutral campaign.

The key to these partnerships is clarity on objectives, transparency on boundaries and an ongoing agreement that the outcome will need to service both ethical and economic objectives. Interestingly, some of the companies that have most fully embraced these partnerships are those that were most criticised for their early behaviours and positions.

Among them are Nestlé, Nike and Shell, all of whom have understood the reputational costs associated with unethical practices and have worked hard to correct them.

However, in the case of Nike and Nestlé, there may still be missed opportunities to explicitly inform the general public of their policies, as our research shows that negative sentiments still linger in the minds of consumers. It seems like a shame to have these companies still positioned as the bad guys, when in fact they are sometimes best in class in terms of responsible practices.

6 ACQUIRING SUSTAINABLE BUSINESSES

The final road to responsibility is that of acquisition. This may seem counter-intuitive, yet a growing number of multinational companies have concluded that the most effective way to infuse their companies with responsibility is to import it and then leverage the new entity as a hothouse for ethical practices within the larger organisation. The exponential growth of some of these smaller ethical companies has helped to persuade their richer partners that they can do well by 'doing good'.

Cadbury's purchase of Green & Blacks, L'Oréal's acquisition of Body Shop and Danone's investment in Stonyfield Farm are all examples of this strategy. In each case, the purchase appears to have been a positive move for the most part. Green & Blacks, for example, has seen its sales increase by 40% in the past year, as it leverages the international expansion capacities of its parent company while maintaining its ethical principles. At the same time, Green & Black's gives the mass-market chocolate producer a foothold in the more gourmet confectionery segment and an understanding of how to run a successful organic business.

Looking Forward

Starting with an internal responsibility audit to get a clear sense of where the brand or company stands on environmental and social dimensions helps to map weaknesses and opportunities. Looking outward, these should then be benchmarked versus other brands or businesses in the same or similar industries, as it is obviously largely irrelevant to compare the environmental practices of a bank with those of a petroleum company!

This evaluation should then be compared to and contrasted with the sustainable priorities expressed by consumers, clients and other stake-holders (such as employees, critics and shareholders) who may have strong opinions about what the company or brand is and isn't doing right.

Here are some final tips.

- Don't try to force through a strategy based on moral principles if you cannot comfortably project an upside business potential, at least in the mid-term. If a brand's responsible strategy does not have the potential to be financially profitable, the brand can't be sustainable.

- Conviction is important, but for most sizeable companies, it isn't enough. Think carefully about where the savings and growth can come from and build it into your plan. Spend time developing the right KPIs to support your case.

- Strive for a focused and clearly differentiated strategy. Trying to be all things to all people is no more appropriate in sustainability than it is in marketing. The key is to develop an approach that fits your company's or brand's values, culture and competencies while acknowledging the need for constant progress over time.

- Build a community of believers within your organisation and among your stakeholders. Don't get discouraged. Keep in mind the words of Gary Hirschberg of Stonyfield Farm, which has become the largest organic yoghurt brand in the world with a clear strategy to improve public health, reduce environmental impact and increase farmer prosperity: 'My advice to other business leaders and entrepreneurs is never to underestimate the power of doing good. It's the most powerful force out there. What goes around does come around … Right action creates a stream of positive side effects, including tangible financial rewards.'

In the months and years to come responsibility will continue to serve as a growth catalyst, spurring new possibilities to help accelerate a virtuous cycle of positive benefits for companies, people and the planet.

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Measuring marketing communications: concentrate on outcomes, not outputs

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An agency colleague told us a story about meeting with the KFC franchise marketing board – a group that represented the restaurant owners and franchisees. As each restaurant contributed a percentage of sales to fund the advertising, the ad agency and the marketing director regularly met with this group to 'sell in' the advertising.

These meetings were often tense events for both the agency and the marketing director. Both parties were responsible for developing the marketing communication plans and advertising work. Hard-nosed store managers and retailers had little time for advertising executives from London, so when they met, their worlds collided.

When presenting the media plans, the agency executive defended his choice of TV schedules. He insisted that they would deliver the optimum level of coverage and frequency against the core target demographic while delivering a low cost per thousand. According to the agency's modelling of past advertising, this strategy would deliver the targeted awareness levels for the campaign.

One of the franchisees interrupted him to ask: 'Can you buy a spot in the middle of *Who Wants to Be a Millionaire?*'

Our agency colleague responded: 'I'm not sure if that particular programme stacks up on our modelling system.'

The franchisee pointed out: 'All I know is that whenever we put a spot in that programme more people come into the store. I sell more chicken and we make more money.'

The moral of the story? An over-reliance on soft metrics can obstruct the ultimate corporate goal of driving sales and profit. Some marketers find themselves focusing far too much on outputs as surrogates for marketing payback at the expense of keeping tabs on what's driving growth and profit.

WHAT'S THE DIFFERENCE BETWEEN AN OUTCOME AND AN OUTPUT?

Marketing and the Bottom Line (Ambler, 2004) points out that there is often a contradiction between what is measured and what it is considered important to measure. Ambler points to the example of NHS waiting lists in the UK: targets were met but actual waiting times increased and non-urgent patients were prioritised over more urgent cases.

Think back to the KFC marketer. An outcome of the fast-food restaurant's advertising in *Who Wants to Be a Millionaire?* was that it sold more chicken. An output was the media agency's carefully selected media plan based on coverage and frequency. Being too output-driven hinders marketers from developing an instinct for the right course of action that could lead to a better outcome – or, in other words, increased profits.

Obsessions with Output

The world is divided between people who see marketing as a cost and people who see it as an investment. Every marketer in the world will say that their budget isn't big enough, but they have got to know how much to spend; they can't just spend money and not know what's most effective. That's input/output marketing when all that really matters is the outcome.

One of the key foundations of marketing ROI is putting in place a structure with the right measures based on outcomes rather than outputs. In our view, awareness, coverage, cost per response and brand equity are outputs; they are not outcomes that marketing should target. They don't sustain financial scrutiny, and they aren't tied into delivering the ROI – or profit – expected from marketing investments.

Boards want to understand how marketing activities are directly increasing sales, improving profitability and enhancing shareholder value. Marketers trying to justify their investments using these metrics will find themselves confronted by the CFO and the very real prospect of having their budgets slashed when they fail to prove a link between the required input (investment) and the desired outcome (profit).

Outputs that Lead to Bad Decisions

Being overly focused on outputs can drive the wrong sort of marketing investment decisions. A particular objective can launch a marketer down a particularly narrow path before he or she has had a proper chance to assess all the possible options.

Many years ago, when a colleague was planning for a nappies brand, the client set an objective of maximising awareness. He believed that the solution was television with a solid mix of prime time because there was no other medium that could match TV's efficiency in terms of driving awareness against the broad target audience. Yet to engage with new parents or parents-to-be, particularly mothers, ads in baby magazines or outdoor sites near maternity hospitals seemed a no-brainer.

Somewhat surprisingly, this approach proved to be a remarkably difficult sell. But consider what proportion of the marketing budget was wasted in reaching people on prime-time television who may well have been in the right demographic (16–34-year-old women) but who were definitely not in the market to buy. This is a textbook example of how an output can steer a particular course of action at the expense of achieving the best outcome. Outputs are often used as the endgame rather than as various checkpoints on the path to profit. This is where we question brand image measurements

Too often they are used as an excuse to duck the issue of driving ROI. We're told that advertising the brand will create equity with the consumer, which will eventually lead to sales and long-term brand strength. Yet all too often, these assumptions are made with little or no evidence of a direct line of sight.

As a Coca-Cola executive once said in one of our meetings: 'That's nice, but we don't live in the land of eventually.'

But because marketing professionals tend to over-rely on these 'outputs', boards take these measures less seriously, meaning that it becomes much harder for them to get their budgets approved.

All in all, being focused on outputs can turn into a vicious circle where marketers talk only about the brand. Consequently, their results-focused colleagues stop listening to them, preferring to remain cynical about how marketing can improve business performance.

WHAT DO MARKETERS THINK ROI MEANS?

Marketers have responded by leaping on to the ROI bandwagon. In reality, this has been more superficial than beneficial. 'Defining ROI', a survey of US marketers conducted by Forrester Research and the Association of National Advertisers, showed that, when it came to defining what was meant by ROI, marketers tended to define it in terms of outputs rather than outcomes.

Over half, 57% defined ROI as changes in brand awareness, 40% said it related to lead generation and 30% of the marketers considered coverage and frequency of their advertising schedules were what they meant by ROI. Sales, effectiveness, response and efficiency risk become interchangeable terms with ROI when marketers attempt to justify their spending decisions.

This only does the marketing profession more harm than good when they're presenting to their boardroom colleagues. Metrics such as these simply don't hold up, particularly where the likes of Six Sigma disciplines are being applied.

Unhelpful metrics are often used because they are easier to measure or because sales are affected by other non-marketing communication factors such as distribution and pricing that will influence sales beyond marketing communications.

SETTING THE RIGHT METRICS

Brand awareness, brand equity, cost per acquisition and market share are common metrics used by marketers, which offer certain insights into brand performance, but which are limited in how they relate to *business* performance. Below, we assess the benefits and the drawbacks of each one.

The Illusion of Awareness

Having worked with huge global brands such as Coca-Cola, McDonald's, Sony and Nokia, we find that they spend very little time thinking about brand awareness. These brands have phenomenal ubiquity and, as a result, they are less interested in consumers being able to recall their brands. They spend more of their time wanting to understand the sales pull-through of their marketing communication.

According to a *Journal of Advertising Research* US validation study, of 1165 aired TV commercials in 16 different product categories, published in MSW Research's newsletter *Topline* in 2005, brand recall's contribution to brand sales is, on average, 25%, while persuasion's is 75%.

That's not to say that brand awareness has no value; it's relevant when launching a new brand, particularly if there is a genuine point of difference or a need to launch quickly.

Brand awareness can also play an important role in highly competitive or cluttered categories where there's little discernible differentiation between brands. But, in general, there is an over-assumption that awareness is the objective because there *is* often only nominal correlation between brand awareness and sales.

Brand Equity: What's it Really Worth?

Brand equity is often used as a measure for a brand campaign, but in fact it can't be used as a surrogate for sales because it offers no consistent or universal means to measure.

For instance, Interbrand's established Brand Valuation Model and the recent addition to the fray, the Millward Brown Optimor (MBO), adopt different formulae when defining 'brand equity'. MBO, in its list of Top 100 Global Brands – compiled from Millward Brown's BrandZ database – includes entries that Interbrand has never featured in its ranking, such as Wal-Mart and China Mobile. The lists also differ on the world's biggest brand, with Interbrand citing Coca-Cola and Millward Brown, Microsoft.

There are at least half a dozen different formulae for calculating brand equity. If the methodologies can't agree, it's understandable that boards answerable to shareholders can't take brand equity as a serious business metric.

The other factor to consider is that brand equity is boosted by several factors beyond marketing communication: sales staffs, call centres, the CEO's visibility (particularly relevant to companies like Virgin, Microsoft and Apple where the CEO is rarely out of the limelight), product performance, word of mouth and other uncontrollable touchpoints.

The Trouble with Cost Per Acquisition

This is a useful metric for gauging the relative efficiency of different marketing channels. However, it's worth being slightly wary of becoming too fixated on acquisition. Not only does this exclude the value offered by existing customers, but it also shifts the focus on to new customers as opposed to profitability.

For instance, the research company Experian estimates that it costs a credit card company at least £100 to take on a new customer. Bear in mind that this new credit card holder might be someone who pays off their balance on time and in full every month, and it's clear that he or she represents limited lifetime value to a credit card company.

Output-obsessed marketers often find themselves paying to acquire new customers as a means in itself rather than a means to an end. This makes acquisition a costly business with no guaranteed returns.

The Mirage of Market Share

Being market-leading doesn't necessarily mean that a company is the most profitable. For instance, General Motors sells more cars than any other car manufacturer, but its financials have been less than impressive over the last few years. According to an article entitled 'On a collision course', published on www.economist.com in April 2006, it lost $10.6 billion in 2005.

Targeting market share isn't wrong, but ROI is about growing profit and sometimes that involves rethinking how to do business. There has to be a strategic reason why marketing to maximise market share is commercially the right business decision.

Some Useful Metrics

Sergio Zyman, the consultant and former Coca-Cola marketing officer who helped to boost Coke's worldwide annual sales volume from nine billion to 15 billion cases, famously defined marketing success as 'selling more stuff to more people more often for more money more efficiently'.

The metrics that demonstrate levers that closely match these objectives are:

- intention to buy
- brand penetration (or trial)
- repeat volume
- loyalty
- retention rate
- price premium (relative price)
- customer profitability.

Each of these metrics can be tied to increased purchase, revenue or profitability. They also provide a basis to measure marketing communication performance and ability to target the communication at a specific objective.

TURNING METRICS INTO OBJECTIVES

Marketers can always find a good story – even with a poor marketing performance. Explanations typically include: 'the campaign didn't sell, but we got fantastic awareness' or 'the awareness figures were lower than expected, but we got good ratings on likeability of the ads'.

Marketers are often guilty of introducing metrics at the end of a campaign to help retro-fit results. Yet for metrics to work usefully, they need to be in place right at the start of the process They need to reflect the strategic expectations of marketing and have a strong sense of direction. Metrics need to be proactive rather than defensive.

TARGETING BY UNDERSTANDING HOW CONSUMERS BUY

When it came to planning its marketing communication campaign, Toyota's upmarket Lexus range focused its communication strategy

against a key stage of the customer journey (see the case study on page 55).

AN OUTCOME-LED APPROACH

The Lexus example clearly shows that focusing on appropriate outcomes can improve the return on your marketing investment. The following seven steps can help to achieve similar goals by implementing an outcome led approach.

1. *Build a Team*

   Unit stakeholders including finance, brand management, market research and senior management.

2. *Unify the ROI Agenda*

   ❍ Debate and agree a strategy.

   ❍ Set realistic and quantifiable objectives.

   ❍ Prioritise outcomes.

3. *Establish Metrics*

   ❍ Determine data sources and frequency of collection.

   ❍ Set targets based on established benchmarks and historical performance based on a specific time frame.

   ❍ Align budgets with targets.

4. *Initiate Marketing Communication Development*

   ❍ Brief agencies.

   ❍ Link communications objectives to agreed metrics.

5. *Establish the Marketing Dashboard*

   Align the dashboard with the cross-functional team so that it works across different departments.

6. *Deploy Data Strategically.*

   Once the campaign has launched, improve and optimise its performance based on data.

7. *Review the process.*

   Using these steps gives you flexibility and, because the team is made up from different business functions, it will make it easier to align your marketing with your stake-holders to justify the return on your marketing communications investments.

CASE STUDY: STELLA ARTOIS – REASSURINGLY EFFECTIVE

Focusing on outcomes rather than outputs means that you automatically avoid relying on ad and brand awareness. These are lesser metrics that in reality offer little substance when it comes to establishing how marketing activity relates to profit. In the *Journal of Advertising Research,* Heath and Nairn (2005) cite the example of Stella Artois lager, whose ad awareness for its press campaign was tracked by a competitor brand. It had notched up awareness of just four per cent, compared with 29 per cent for Castlemaine XXXX.

Yet its quality rating was 45 per cent. Heath and Nairn reflect: 'A rigorous analysis of all other factors indicated it could only have been the advertising which gave the brand its exceptionally high repute, thereby confirming that advertising can build strong values without necessarily performing well on memory-based evaluative measures.'

There have been countless studies that examine the variety of ways in which advertising works to influence behaviour. Yet consumers don't necessarily think of ads as having an impact on their behaviour, or don't necessarily like crediting them with having such an impact. This is particularly the case when consumers are placed in the artificial situation of being grilled by a market researcher about how much a particular ad has or hasn't influenced their purchasing behaviour.

CASE STUDY: LEXUS EUROPE – DRIVING SALES, NOT AWARENESS

Challenge

Lexus regards its competitive set as the larger-selling and more established European car marques of Audi, Mercedes and BMW. Yet it outperforms all three on its test drives to sales conversion. Lexus faced up to the reality that it was less likely to be placed on a consideration list versus better-established brands.

To attract potential customers, it had to focus on the driving experience and the value/luxury equation synonymous with its cars. Lexus needed to get people closer to its brand to generate test drives, which would then convert into sales across Europe. Instead of waiting for potential customers to find the Lexus, the campaign decided to put its target market in the vehicle. It needed to familiarise the target with the benefits that the Lexus had to offer as a contemporary luxury car.

Solution

This was to surround the target audience with Lexus cars while they were travelling on business and in key holiday destinations. This gave the target constant opportunities to feel the Lexus experience and to gain direct access to the brand via chauffeur-driven cars. To qualify, registration was required, giving Lexus an opportunity for data capture. As well as creating partnerships with traditional media outlets, ZenithOptimedia, Lexus's media agency, joined forces with six-star hotels, restaurants, ski resorts and airports across the French and Italian Rivieras and the Swiss Alps – the prime holiday spots for the 'upper liberals' – Europe's affluent 35–55-year-olds and the core target market.

Magazines and online featured a bespoke booklet that showcased summer activity featuring the SC430 sports coupé and the LS430 limousine on the French and Italian Rivieras, and the RX300 4WD and the SC430 sports coupé, which made their winter debut on the ski slopes. The booklet highlighted the Lexus chauffeur service that featured in the participating hotels and encouraged the more affluent targets to use it. Lexus models were also on display inside airports at those holiday destinations with test drives and chauffeur request cards on display. All activity was measurable from leads generated at airports, individuals who had utilised the chauffeur services at hotels and online requests for more information and test drives.

Results

The results surpassed expectations. Over 5800 quality leads for test drives were generated, representing over 10% of the annual lead quota. What's more, in keeping with Lexus experience prior to the campaign, leads generated achieved a much higher conversion rate compared with general test drives.

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What the Twitter fad tells us about humans and human behaviour

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I don't believe that I am any more easily led or faddish than the next fella, nor am I someone particularly interested in or excited about technology. But I've somehow found myself using a new kind of social media, Twitter (www.twitter.com) which is the talk (type/text?) of web-enabled geekdom everywhere this year.

Let's be honest, Twitter is not smart or clever: it is so low-tech that it is the equivalent of a space invaders game in a world dominated by 3D wonders like *Second Life* and *World of Warcraft*. It is curious then how popular it has become (in certain circles at least). That aside, what I find most interesting about Twitter is what it reveals about marketing in the modern era, through the unusual nature of its appeal, its lack of marketing and the means by which it grows and spreads. And, along the way, it challenges some big assumptions we have about consumers and consumer behaviour (and what marketing is all about).

First, let's get the basics clear: 'Twitter' is essentially a website where registered users plot a continuous simple record of what they're doing, how they're doing it *and* (and here's the important bit) hear what their friends, colleagues and acquaintances are up to. You can post and read twitters via a mobile phone and/or a PC, so it's possible to twitter wherever you are, 24 hours a day, if you really want to.

And it's certainly big news right now in digital circles (the SXSW and other techie events this year are obsessed with Twitter and its derivatives). Not that it's likely to last for ever: twittering is likely to pass (the way this community moves on to something else is in itself worthy of study …).

Twitters, like lines of real birdsong, are short and sweet. Posts are limited to just a few words (140 characters to be precise) and, at the risk of sounding pretentious, have something of the haiku about them. This also prevents the ranting that some bloggers indulge themselves in (if you don't want to hear from AngryJim then you just deselect him from your chosen friendship group).

Once you've used the service for a week or more, it's clear that the experience of being a twitterer appeals to something deep inside us: Twitter is curiously comforting, like being part of a flock of birds on neighbouring roosts, twittering away. It has a kind of soothing effect – like hearing the old boards of your house creak in a storm, or next door's dog barking at squirrels as it does every summer morning. And because you can select to hear the twitterings of only those you want to hear from, it has something of the extended family group about it.

TRUTH 1: A SOCIAL ANIMAL

The fact that Twitter is all based on a few lines of text expressing largely fatuous and mundane jottings makes the appeal of this social experience all the more clear: as the Nobel Prize-winning economist Thomas Schelling puts it, most human lives are spent responding to a context that consists of other individuals responding to a context that consists of other individuals responding to a context that consist of other individuals, etc, etc. This is the first truth that Twitter highlights for us: human beings are, first, last and always social animals (and not individuals living on their own).

TRUTH 2: WE LIKE TO TALK

While the low cost of twittering must have something to do with frequency of use (joining is free – but obviously you pay for SMS and internet use), I have found it remarkably addictive and so do most other users even if most of what we say is utter nonsense and only a couple of steps above gibberish.

We humans seem to have the most extraordinary desire to interact with others. If you've got teenage kids or a lovesick colleague, you may wonder what on earth they're texting to their friends/lover – where they could find enough stuff that's interesting enough to fill up other people's inboxes with.

This is Twitter's second truth: human beings talk to each other mostly to talk, hear and be heard, and not to transmit, receive or exchange information with each other.

TRUTH 3: FOLLOWING THE CROWD

Third, Twitter has grown without marketing: Ev Williams and Biz Stone, the inventors of Twitter just placed the product in the public domain and encouraged trial. Those of us who spend a lot of time online, blogging or researching or both, quickly pick up on what other folks are

up to and find ways to copy and/or join in (the online world is very much like a small town in which everyone knows or is at least vaguely aware of other people's business).

Each user (like me) heard folk talking about the Twitter thing, tracked it down, had a play and signed up (a series of individual acts, you might say, but very much influenced by the social context in which I find myself). This is the third truth: each of us does what we do because of other folk around us.

TRUTH 4: ACTIONS SPEAK LOUDER THAN WORDS

Fourth, I've got to admit that, however much I'd like to tell you otherwise, there certainly wasn't a lot of thinking involved in becoming a twitterer: I just sensed something new going on for other folk active in my online social world. I dug around (in what other people had to say) and found the site. I'm not sure that I really thought that much about what or how or why. Or indeed that I could give you a good answer as to why I did what I did.

This is the fourth Twitter truth, one that most modern behavioural scientists would endorse: thinking is highly overrated in studies and accounts of consumer behaviour. As Andrew Ehrenberg has all too often told us, we tend to do things first and make sense of them only later.

TRUTH 5: PEOPLE LIKE PEOPLE

Finally, what Twitter reveals above all is that the brave new Digital Age (or whatever it is that your media agency is calling it this week) is not changing human beings fundamentally; quite the opposite, indeed. Today's new technological wonders – Twitter, MySpace and YouTube – are revealing human beings to be very different from the selfish individualists that our culture presumes: we are highly social herd animals who move mountains to be and to play together.

Indeed far from being part of a scary new world of bits and flips and RSS feeds and the rest of the arcana of new media thinking, what Twitter and the like are showing us is that modern marketing needs to unwrap the layers of obfuscation and abstraction that seem to have accumulated around what is a fairly sound thought: it needs to be about people (not 'consumers' or 'connectors' or other euphemisms).

And remember that people are interested first and foremost in other people (not in brands, ads or technology for their own sakes) and their behaviour is shaped by the same forces. We'd all do well to keep this little jewel of an insight front and centre.

Mark Earls' book Herd: how to change mass behaviour by harnessing our true nature *is published by John Wiley & Sons Ltd.*

Oatmeal, SmartShop and Tommy Hilfiger

Allyson Stewart-Allen
International Marketing Partners Ltd

'What do these three US retail brands share?' you ask? The answer is that all are looking at ways to improve your next retail experience.

BREAKFAST ON THE GO

First, Quaker Oats. Earlier this year, this PepsiCo-owned company decided that as UK consumers increasingly don't find time to eat breakfast at home, they'll find a way to have breakfast come to you … in the form of a vending machine. The company trialled its shiny new machines at that most British of institutions, the House of Commons, with plans for a wider roll-out later in the year. These machines dispatch hot cups of porridge at any time of day with the aim of repositioning this hearty food as a healthy energy boost that's better for you than a KitKat or a Yorkie. Clearly the business case is compelling: Britain has over 500,000 refreshment vending machines with an annual intake of £1,500,000,000 according to the Automatic Vending Association. Expect their next frontiers to be car parks and football stadia.

PERSONAL OFFERS AT YOUR FINGERTIPS

Next, your grocery shopping list can now be retrieved by a scan of your finger print, proving that biometric technology is not just relegated to the bureaucratic world of passport checks. New York-based company SmartShop is a cutting-edge payment and marketing system whose kiosks can print a list of targeted special offers in line with past purchases, or print your list uploaded online from home.

Invented by Gary Hawkins, the 47-year-old owner of an independent grocer where his SmartShop kiosk proudly sits, his store is the test bed for a technology that could change forever all of our supermarket visits. 'We want to move marketing from a mass to an individual basis, and provide value and convenience to the consumer in a way that benefits everyone,' said Mr Hawkins in a recent interview in the *Financial Times*. His kiosk tracks shoppers travelling as far as 30 miles away for his store-brand gourmet foods, in-store bakery and butcher. His store, claims Hawkins, was one of the first to launch a loyalty card, back in 1993 – before Tesco in the UK – taking a decade to build the database.

But he's not alone. Several hundred other American supermarkets have been installing similar biometric payment systems over the past 12 months, including Jewel-Osco. What's different about this retail technology is the speed with which a shopper can be given 20 promotional offers directly relevant to their purchasing patterns. According to Hawkins, vegetarians won't get the coupon for Black Angus beef, while those buying basmati rice might be offered one for a new Thai sauce. Unlike Tesco's Clubcard, the SmartShop system works on individual data records, rather than demographic groupings so can be effective without the need for a shopper's email address.

AMERICAN BRAND, LOCAL STYLE

Then there's the retail changes that Tommy Hilfiger has had to make in order to keep extracting revenues from design-savvy consumers in Western Europe. His shop in Dusseldorf sells designs that Americans would never associate with the traditional red-white-and-blue of the Hilfiger brand. Hilfiger Denim is one of 34 such stores in Europe specifically catering for European tastes, with grey walls and dark wood flooring, in stark contrast to the bright, white American stores.

The price points of this European merchandise are significantly higher than the ranges in the US, but so too is the quality as competition at the premium end is intensifying. 'We still view the US as an important region, but it may not be as important as Europe and Asia because of the growth opportunities there' according to a recent interview with Tommy Hilfiger. But to keep succeeding he will need to keep on top of his European consumers who prefer the designer salons of Paris and Milan to American designer fashions. 'Most American brands tend to take every strategy used in their home market – products, pricing, marketing – and apply it in the same way overseas', according to VF Corporation's Karl Heinz Salzburger, president of Europe, Middle East, Africa and Asia.

Though Hilfiger began its European expansion as long ago as 1997, it didn't get it quite right. Despite opening a flagship store in Bond Street in 1999 and selling to every department store that wanted his merchandise, the exclusivity soon disappeared while counterfeits and consumer confusion flourished from the volume of cheap knock-offs. Hilfiger soon learned to adapt to the European culture, chasing big department stores and small independent boutiques simultaneously. Most importantly, its European division transformed its marketing tactics, changing the American packaging for underwear (pictures of well-built hunky men in briefs and boxer shorts) in favour of a woman in bra and panties standing seductively behind a boxer shorts-sporting man in order to stand out. Hilfiger Europe also decided to make slimmer cuts for its jeans and trouser ranges to be more on-trend locally than continue pushing its baggy rap star jeans as sold in the States. It also shrunk the size of its logo on merchandise.

To localise yet further, the company has assembled a design team of nearly 40, based in Amsterdam, to better cater for local European tastes (leather jackets and cashmere sweaters for Italians, conservative shirts and woven-cotton sports shirts for German men) as well as adjusting its brand strategy by avoiding the use of the 'Tommy Jeans' brand in Europe since its 25 45 year-old customers are not entirely romanced by this range.

THE FUTURE OF RETAIL?

Despite the divergence of each of these American organisations, they all share the same goal: to transform our retail experiences for the better. Only time will tell if they have truly succeeded, but in the short term at least we can take comfort from knowing our British political leaders are being changed for the better with all-day instant access to a wholesome, hot breakfast.

New research identifies how star performers grow from within

Tara Macleod
Oliver Wyman

The Marketing Society defines marketing as 'the creation of customer-led demand, which is the only sustainable form of business growth' and puts marketing at the centre of this imperative. The study, summarised here, has clear implications for how marketers can help achieve this growth.

Much has been written about organic growth as a key to success. Less has been published about how to achieve it, and at Oliver Wyman we therefore undertook a study to:

- learn what organisational practices best support organic growth and what types of companies are employing them

- determine which practices can be tied to actual financial growth

- develop guidance for teams trying to grow from within, so that they can cost effectively focus their time, energy and creativity.

Oliver Wyman surveyed a total of 212 companies across the US and Europe – the largest investigation into organic growth to date. The sample included CEOs, CFOs and other members of the executive team, and our questions focused on a set of 35 practices that purport to create organic growth. In addition we also measured the extent to which companies were achieving growth goals on three key financial criteria: sales, earnings and cashflow.

This then enabled us to establish a final pool of 'growth champions', companies with apparently outstanding growth performance; performance that was also checked against long-term financial information.

THE GROWTH CHAMPIONS

Out of our 212 companies we eventually identified 23 'growth champions'. On average growth champions hit more than twice the growth rate of the other companies on the three financial dimensions and not only did they have tremendous revenue growth performance, they also accomplished it without compromising net operating income.

Furthermore, the market rewarded the publicly traded growth champions with improved financial performance leading directly to improved share price. Another important conclusion was that company size is irrelevant: the correlation between the deployment of key practices and annual revenues was close to zero.

THE BEST PRACTICES FOR GROWING FROM WITHIN

Having identified this group of high-growth companies, we then looked in more detail at the best practices for organic growth.

The total sample rated their company's deployment of 35 organic growth practices. The diagram below shows how the scores of our 'growth champions' compared with the rest, illustrating dramatically the areas that closely associated with successful organic growth.

THE GROWTH CHAMPIONS: WHAT THEY DO – AND WHAT THEY DON'T

The growth champions have clear and well-articulated profit models which are linked with strong metrics and feedback. They are very clear on their sources of growth and make effective trade-off decisions about where to invest for growth.

These businesses focus on a few things and this focus is reinforced by a commitment to superior execution at all levels. These practices are noticeably less present in the remaining 189 companies, who put effort into a variety of other practices.

It is also worth noting the practices the growth champions do not pursue.

- Very few of them focus on building radically new products or services. They stick to what they know.

- They do not support multiple business models simultaneously, preferring instead to operate a single clear business model. Just over half report that they foster innovation, but this is not significantly different from the non-growth champions (see Figure 1).

- Few of them have an internal venture capital process or share resources across the organisation to fund initiatives.

THE KEY ENABLERS OF HIGH GROWTH PRACTICES

We also identified a series of four enabling practices that support the high growth practices.

1. Growth champions build leaders to grow from within. They put considerable effort into building leadership capability that will focus on organic growth.

2. A significantly large number have fewer levels of management.

3. They engage in cross-cutting forums to drive innovation.

4. They have developed a culture of adaptability, and encourage employees to be adaptable and flexible to a changing environment.

THE KEY PRACTICES FOR ACHIEVING SALES, EARNINGS AND CASH GROWTH

We also used regression analysis to look at how the best organic growth practices correlate with the financial performance outcomes used to rate companies. The results show that sales growth is associated with disciplined execution and a culture of adaptability (see Figure 2).

Earnings growth is linked with good decision making and focus, while cash flow growth is strongly related to measurement and promoting excellence in execution.

These findings provide insights for organisations who are interested in launching internal efforts to grow particular financial outcomes. However, while different practices correlate more strongly with one outcome than another it is important to remember that the practices themselves are contingent on one another. Leaders who focus their companies on growth and who pay attention to the ten growth practices are likely to see the needle move on all three dimensions.

THE IMPLICATIONS FOR MARKETING

This study has some clear and dramatic implications for marketing, many of which have already been recognised in the Marketing Society *Manifesto for Marketing,* published in 2006.

For marketers to contribute more effectively they need to clearly understand the drivers of organic growth and learn how to help and support the wider organisation in terms of business delivery.

A core strand is the need for rigour in selecting innovations, in execution, profit and in measuring performance.

Marketing is well placed in terms of its unique abilities to distil and clarify communications, develop KPIs, analyse and substantiate trade-off decisions and produce simple measures of success.

In addition to its focus on creating customer-led demand, marketers should also be working out strategies to help build culture and engage the numerous constituencies, particularly consumer, employee and investors, to deliver business results.

IN SUMMARY

There are clear and distinctive practices that differentiate growing companies and that are mutually reinforcing. They transcend size, sector and history, but the growth is consistent year on year.

The practices are characterised by focus, simplicity and discipline, and dispel some misunderstandings about the importance of, for example, risk taking and radical innovation. Not only are they mutually reinforcing, but they also reflect a clear difference in priorities between growth champions and other businesses.

These conclusions represent not a threat but an opportunity for the new style of marketing espoused by the Marketing Society; a marketing that focuses on organic growth generated from an understanding of the profit drivers in the total business and is focused on rigorous execution, relevant innovation and strong metrics.

THE EXAMPLE OF PROCTER & GAMBLE

The $60 billion Procter & Gamble company, now the world's largest consumer goods company, is a good example of this. Its health, beauty care, household and food products are used an estimated two billion times a day by consumers around the world.

Its success in sustaining growth is based on continuous attention to detail, sound processes and conservative decision making. Disciplined leadership, disciplined execution and remaining faithful to the consumer are the keys to success. Among growth champions, the organisation arrangements are simple, with few management levels and strong metrics and feedback loops. P&G has reorganised from five divisions into three to simplify its operations and is quick to eliminate brands that aren't profitable and growing.

P&G is remarkably centralised and aligned towards a set of shared goals. Divisions don't head off on their own. Shared processes have a

lot to do with this, as does the fact that P&G executives are grown from within; they know each other and they understand the procedures that need to be followed.

While some companies would find this centralisation a barrier to creativity and innovation, P&G uses its structure to do just the opposite: force innovation where it is required and cut off unsuccessful investments early on before they drag the division or company down.

The cultures of execution and adaptability are mutually reinforcing: if the workforce is selected, developed and rewarded for its adaptability, executing new sources of growth is more likely to succeed. Similarly, if you understand your profit model and focus on a few key initiatives, this gives a solid basis for having strong measures and feedback loops.
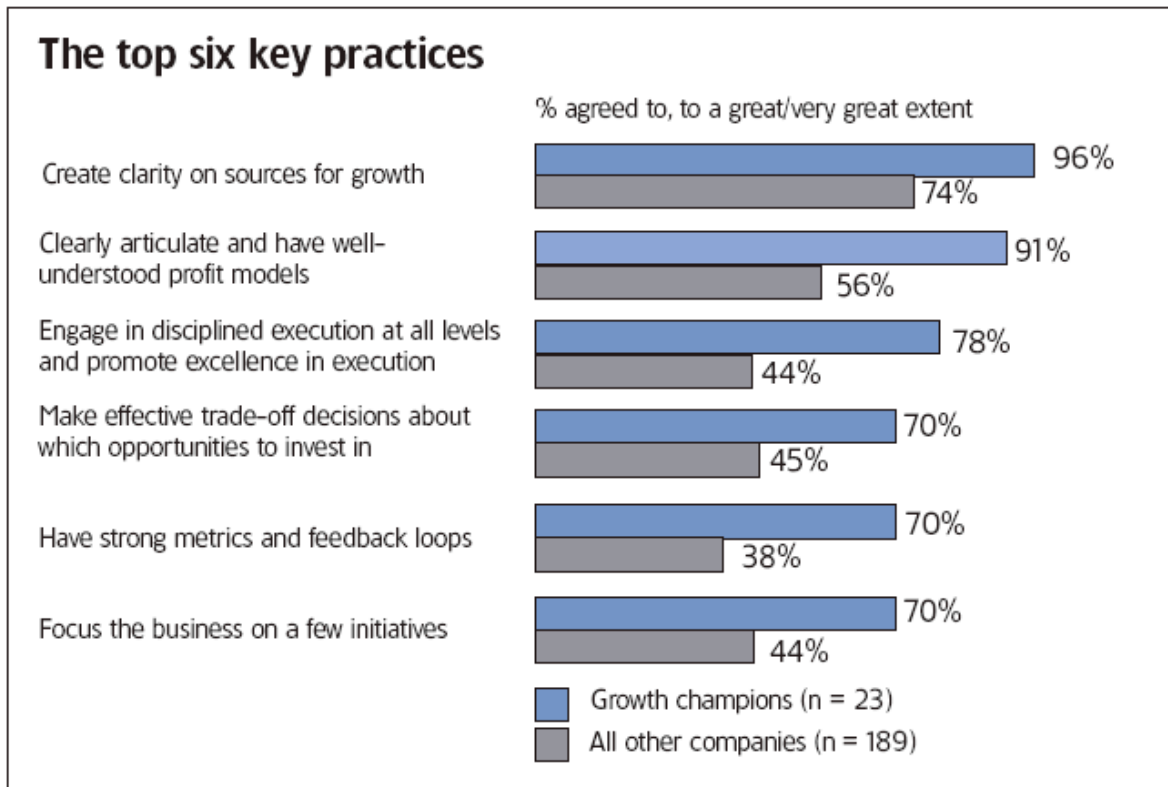

NOTES & EXHIBITS

FIGURE 1

The top six key practices

% agreed to, to a great/very great extent

Create clarity on sources for growth — 96% / 74%

Clearly articulate and have well-understood profit models — 91% / 56%

Engage in disciplined execution at all levels and promote excellence in execution — 78% / 44%

Make effective trade-off decisions about which opportunities to invest in — 70% / 45%

Have strong metrics and feedback loops — 70% / 38%

Focus the business on a few initiatives — 70% / 44%

Growth champions (n = 23)
All other companies (n = 189)

FIGURE 2

Practices that best support growth in sales	Practices that best support growth in earnings	Practices that best support growth in cashflow
Disciplined execution at all levels	Focus whole business on a few initiatives	Maintain strong metric/ feedback loops
Develop a culture in which people readily adapt to change	Make effective trade-off decisions about investment opportunities	Promote excellence in execution