

# The IBM Brand System: An interview with Kevin Bishop

*Interviewed and edited by Angus Jenkinson*

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*Kevin Bishop*

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*Angus Jenkinson*

## Abstract

*This interview describes IBM innovations in management of its 'brand system', which integrates brand with organisational culture through the notion of character within a coherent, holistic approach: the organisation as a unique system of systems, embedding the principles of how the company organises into the fabric of the company, defines 'organising ideas', or agendas, and places them 'at the top of the integration pyramid'. The brand system and agenda contextualise IBM's approach within the present and emerging individualistic, empowered and highly-networked world.*

## Keywords

*IBM, brand system, brand management, innovation, organising idea, holistic integration, individuation*

## INTRODUCTION

After decades as one of the world's leading enterprises, IBM suffered a shocking financial collapse in the early 1990s, triggering questions about its identity, purpose, strategy, even survival as a coherent entity.<sup>1</sup> Since then, it has achieved unprecedented recovery to become the world's number two brand. In late 2011, Berkshire Hathaway, the Warren Buffett vehicle, invested over US\$10bn in IBM's stock, the first time he had invested in the technology space. IBM's offerings reach out to numerous sectors, including health, transport, energy and environmental infrastructure, as well as traditional busi-

nesses from the very large to the relatively small, throughout the diverse cultures of the world it serves.

This paper consists of an edited conversation between Kevin Bishop, who has worldwide responsibility for the IBM Brand System and IBMer Enablement, and Angus Jenkinson. Bishop and Jenkinson have collaborated periodically over a number of years in a variety of relationships.

Bishop's role reflects an innovative IBM belief in the nature of brand and indeed enterprise management, and what is needed in the contemporary world of large enterprises and highly connected complex social communities. During 2011, he was responsible for the worldwide IBM centennial celebrations, which contributed to a significant revaluation of IBM's stock and brand value since 2010. His responsibilities (at the time of the

interview) involve not simply classical brand management but a leading role in alignment across a massively dispersed organisation of more than half a million 'IBMers' (433,000 employees and significantly in excess of 100,000 associates, in the form of contractors and agency partners) in 173 countries worldwide, as well as a wider community of certified business partners and alumni, forming a total community of about a million people. IBM also works in many different cultures, with customers varying from the small to very large in diverse sectors.

IBM's recovery from the nadir of the early 1990s can be summarised in four stages, during which it improved financial results, gained confidence, found new strategic direction and re-established its place at the top table of the world's leading companies:

- (1) initial consolidation, financial stability, the ending of many almost sacrosanct practices, including lifetime employment;
- (2) the search for a new strategic organising idea, culminating in the *e-Business* agenda (1996–2001) on which IBM spent more than US\$5bn (in marketing communications alone);<sup>1</sup>
- (3) a second period of strategic development after the dot-com collapse, increasing its focus on business services (including the acquisition of PwC Consulting) and software, and internally by the development of a highly sophisticated business management system (the Globally Integrated Enterprise) geared to delivering reliable financial performance (earnings per share) — *On Demand* was the main strategic agenda;
- (4) development of the *Smarter Planet* agenda, responding to the potential for a more instrumented, intercon-

nected and intelligent approach to managing the world's systems and systems of systems (like cities).

The themes of the interview focus on IBM's approach to enterprise management and the brand system as a single coherent set of practical philosophies and covers:

- *IBM's approach to brand system management, reflected in Bishop's role.* IBM considers that organisations have 'character', which is deeper than mere brand personality. Bishop's role involves 'the intentional management of brand and culture'. IBM aims towards 'greatness' and asks what it means to be 'a great company, and therefore a great brand'.
- *Internal and external aspects of the brand.* IBM avoids superficial concepts of brand and is uninterested in equipping people with messaging so they can say the right thing. Instead, the focus is on how people behave and what they actually do to make a difference.
- *IBM's approach to brand architecture* — the relationship between a single corporate brand and the various value propositions provided to clients. IBM has a sophisticated and elaborated approach to the architecture of its identity, signposting paths of value for clients.
- *The role of the organising idea, or agenda, as the central principle of strategic integration with implications across the whole organisation.*
- *The enterprise as a system of systems, an organic system, and the role of the brand system as part of this.*
- *The development of the individual* is seen as the most significant of contemporary social features.
- *The importance of sensing the future;* as an example, there is an emerging new role for marketers.

Academic references relate the comments to a wider context; they are not statements of IBM sources of inspiration. The IBM ideas and practices discussed here have been evolved from many internal and external sources to form their own unique blend.

### ROLE AND RESPONSIBILITY: IBM'S 'CHARACTER'

*AJ: IBM is now the world's second most valuable brand,\* but I don't believe that is where IBM sees it ending.*

**KB:** That is true. Our aspiration remains to be a great company, through the actions that we actually take, and the value that we create in the world, which means restlessly moving towards what would be considered greatness in the future, adding value at different levels in every market and segment we serve.\*\*

*AJ: And in contributing to that, I believe your role reflects an IBM innovation in brand management.*

**KB:** My role reflects our idea that organisations have character,<sup>2</sup> just as people and nations have character, and you need to be clear what the nature of your organisation is.<sup>†</sup> The word 'character', enables exploration of the nature of your organisation at many different levels. What drives your organisation? What do you value? How does your organisation think about challenges? When you show up in the world, how

do you engage as an organisation, and what aspects of personality are typical of people in your organisation? Despite tremendous individual divergences, what traits are common?

The notion that an organisation has character is, we believe, important in a transparent world, where there are highly social and networked interactions between clients and prospects, employees, suppliers, partners, the many different types of investor.<sup>3</sup> In a highly networked world, you can know a lot about your client, investor and employee bases, but they also know an enormous amount about you as an organisation. Therefore, our view is that organisations need to be clear on their character, and then manage that in a holistic way, which we call, 'the intentional management of brand and culture'.<sup>4</sup>

The idea of 'brand' generally suggests external notions of reputation, built up over time, through repeated action. Culture is a more internal notion about 'the way we do things around here',<sup>5</sup> but they both should be managed intentionally and as a single whole, consciously reflecting whether your traits are the desired traits, intentionally engaging with interventions to make your best behaviours normal.<sup>6,7</sup> For this to work, the inside and outside must be fairly seamless, especially in the very connected social world we have today. If you are in any way in denial of that, you will be found out.

\* Since the interview, Interbrand reported new figures in its 'Best Global Brands 2012' report. This shows a successful increase of 8 per cent in the value of the IBM brand, but it drops to third place thanks to an extraordinary 129 per cent increase in the Apple brand value, increasing its assessed equity from US\$33.5bn to US\$76.6bn.

\*\* Although this remark is not directly considered further, it creates context for the rest of the interview. IBM's internal Brand System communications emphasise their ambition and brand strategy: 'To be a great company, and therefore a great brand'. Factors within their definition include: 'A company that operates by a higher standard than just what is required by law or regulation. This is built on a belief that businesses have an obligation to be trusted based on their actual character.' And: 'A company that is in service of the success of others'.

† Thomas Watson Jr., IBM's second CEO, (1963): 'The only sacred cow in an organization should be its basic philosophy of doing business.'

So that's what my role is about: the intentional management of our brand and corporate culture, across a massively dispersed organisation, serving many clients. We choose to think about that as a system: we adopt a systemic point of view, which in IBM we call the IBM Brand System; and that's what I lead.

### THE BRAND INTERNALLY AND EXTERNALLY

*AJ: Earlier, you referred to what some would call internal and external branding. How do you respond to that terminology?*

**KB:** I'm okay with the idea of *external* branding, provided brand is considered as the sum of things you do, and is not confused with brand identity, the kind of logos and marks you use. That's an important but very narrow topic, whereas, the full notion of brand externally is about all the things you do in the world, the way you actually perform in your relationships with people — and I say deliberately with people — not just your clients, but the communities in which your people live and work, and their relationships with professional bodies, social associations and so forth.

But that language ['internal branding'] does not hold internally. Lots of companies talk about things like 'building brand ambassadors'.<sup>8</sup> And that's not what we're interested in. We're not interested in any notion of equipping people with messaging so they can tell the right story. We're interested in people's character, and the way they behave consistently over time, and whether they are part of our community. We ask: do IBM people as a community behave according to 'how we do things around here'?<sup>9</sup>

*AJ: The notion of intentional management, and ensuring that IBM is not falling short, suggests developing commitments and building the trust that IBMers will keep them.*

**KB:** There is something quite deliberate around building trust. We are very conscious, when we've done our best work in any field, of what kind of character traits were part of the IBM team that enabled them to be successful. We constantly look at the world around us and ask if those character traits are still required. So, for example, is trust still essential? We then seek to propagate, promulgate, promote and engage people on the characteristics from the past that seem to remain incredibly valuable for the future. And trust is one that has always been important in business, and seems to be ever more important when you deal with complex systems [which are characteristic of living entities]. In inculcating such qualities, we draw on many exemplars in order to make the result our own.

### BRAND ARCHITECTURE

*AJ: I believe IBM talks about being one brand, not many.*

**KB:** Yes. There's always an ebb and flow here, but we very consciously look at brand architectures [KB referenced various models including P&G, Virgin and UBS]. We have a very deliberate architecture. There are times when it's appropriate to put some branding around a product, as when we sold our ThinkPad laptops. Also, while we spend US\$6b a year on research and development internally, we also spend something like US\$6b acquiring companies, some quite well-known brands at the product level. Lotus was one such, but recently, i2, Cognos and SPSS have been added. So we don't kill those instantly. We make very conscious decisions about where some emphasis around a product or category is important.

At the moment we're very engaged in the category of Smarter Commerce: how we work with organisations knowing and building a system of engagement for each

customer as an individual, based around their needs, through the whole of the supply chain. So sometimes we'll brand a category.

But those things always come and go. They ebb and flow. We're in a technology business. Every technology will be superseded by another one. So we don't build our brands around those individual things that ebb and flow. We manage them carefully to make deliberate choices about that, but we append our brands around the common idea set, which is enduring for the long term, and applicable to all of these, whether they're categories, products or individual capabilities, like our research labs. They're brand assets you can use, but they're in support of a single, holistic idea, around the IBM company: what our purpose is, who we serve, how we're experienced, how we're differentiated.\*

*AJ: So that sounds like you have an architecture of offerings, which you carefully name so that people can navigate their way; but you see them as signposts to what you do.*

**KB:** Yes, and it's beyond offerings. It's 'offerings', 'capabilities' and 'categories'. Offerings are individual products, a power server, a piece of software. Capabilities include 'analytics capabilities for big data', 'transformation capabilities for small businesses'. Finally, there are big work categories including Smarter Commerce, Smarter Cities, Smarter Risk Management. All of that architecture is in service of the IBM Master Brand.

I like the way you put that, you know, it's a way of helping to navigate where IBM's emphasis is placed at any point in time.

*AJ: The categories are presumably a way of systematically packaging together, collecting, a range of different capabilities and offerings and*

*structuring this by thinking through what that category would actually need and value.*

**KB:** I like what you just said about thinking through what that category would need. There is a flip in the way we approach it. Offerings and capabilities are the kind of things we have. Categories are more problems in the world worth solving.

*AJ: That's interesting!*

**KB:** Categories are more spaces where there is opportunity where we believe we have real value to add, something to say, not just something to sell, where we actually understand this category of problem, and believe we can add value in solving it.

## THE 'BRAND SYSTEM'

*AJ: I'm conscious that you are a trained engineer, now responsible for what IBM thinks of as a 'brand system' in the second biggest brand in the world. Can you say more about this innovation?*

**KB:** Well, a brand system is about how the things that you stand for, and the character by which you think and act, are embedded into the fabric of your organisation.

Only one part of this is the marketing communications function with its traditional brand identity and demand generation activities. Of course, you absolutely need to make sure that brand identity, purpose, who we serve, how we're experienced, how we're differentiated, is embedded into your *marketing communications and demand* system.

But you also need to make sure that those same concepts and ideas are embedded into your *people system*. Whom do you attract and recruit? How do you develop them? Whom do you choose to be

\* Iwata, J. (IBM CMO) (2011) 'But really, [Smarter Planet] wasn't designed to do those things. It proceeded from this notion of who we are and what we uniquely exist to do ... The goal is unity [and] the goal is not uniformity.' Speech at the US Association of National Advertisers (ANA), 2011.

managers or executives and how do you select them? And you also need to build some of the same ideas into your *delivery system*, your supply chain etc.

If, like us, you are a globally-integrated enterprise serving customers in many countries while drawing upon expertise and diversity of thought, culture and innovation around the world, then it is as true that what you stand for, your character, must be applied into your supply chain and human resources practices, just as strongly as it is deployed into your marketing and communications.

So the brand system is about the core principles on which the company is operated, and how we build a degree of consistency of character, not of process execution. It is not about task and having a rulebook; it's about a principles-based system of engagement that spans every aspect of the company.

And therefore, as a manufacturing engineer thinking about systems design, I learned principles that went beyond understanding the mechanics of the factory: the production process, use of statistical process control using facts and data to manage quality. I learned that if nobody wants your stuff you haven't got a factory. You actually need to connect to the external systems of desire and demand. And if your workforce doesn't show up, you don't have a factory that's running. So you also need to connect to the internal systems of labour, and how that works.

So when I think about systems, they are systems of people and processes, systems that involve man-made and natural things, and to engage those requires a combination of both principles-based

engagement and the scientific and engineering complexity of engagement. That is what I seek to do in IBM: embed the principles of how the company organises into the fabric of the company, far wider than just marketing and communications.

### IBM'S AGENDA: SMARTER PLANET AND THE CENTENNIAL

*AJ: Thank you. You have recently led IBM's centennial, in 2011, which was both a retrospective and a future-leading impulse. Reflecting on the centennial and the IBM agenda, Smarter Planet,<sup>10</sup> how does IBM think about its 'agendas', or organising ideas? What is their role in managing the organisation as part of the brand system? And how does Smarter Planet play into this?*

**KB:** Agendas are absolutely central to our work. When IBM has been at its best and now into the first year of its second century, we have not just had great products and technologies and captured demand, but we've actually created new markets. Not only did no such thing as a mainframe exist, no idea of computer science existed; so back in 1961 we worked hard to connect engineers and physicists, and worked with Columbia University in the USA to create the first ever Computer Science department. That is one of multiple examples through IBM's history where we have established a new market, and establishing a new market is all about establishing a new agenda.

When people want to buy things, they don't usually start with a product or service they need. They start with an agenda, with a problem that needs to be solved. So agendas are problems in the world

\* Prior to *Smarter Planet*, IBM had the *e-Business*, *e-Business on Demand* and *On Demand* agendas, or organising ideas. See Gerstner, ref. 1 above and Jenkinson, A. and Sain, B. (2004) 'IBM: e-Business as Integrated Marketing', Centre for Integrated Marketing ([www.cfm.co.uk](http://www.cfm.co.uk)).

people are putting time and effort into solving. Here in IBM we are concerned with things that scale. Which problems in the world have long-term importance? Which problems in the world are relevant in multiple countries, or multiple industries? IBM has been successful on a number of occasions by looking into the world we see ahead of us, and seeing patterns in the kinds of issue or problem that are emerging, then deciding to move our efforts and energies in support of that problem. And we do that around agendas and what we call strategic beliefs.

[As one example], there's clearly an agenda to do with helping cities be more functional, because the facts are available for anybody to see. For the first time in human history, more than half the world's population lived in a city in 2010 and that proportion is estimated to keep growing to 70 per cent by 2030. The challenges were visible for everybody to see.\* What was less visible was the insight that, in those city systems, there are incredible amounts of information available for the first time, which can be captured and interconnected in thoughtful ways to enable more intelligent decisions about systems design and operations. We thought: 'Let's put our energy behind that family of problems. Let's align the company around this organising idea.' We then found a really nice label to put on it, Smarter Planet, and within that, Smarter Cities.

That became a great rallying cry, but it starts with the insight and the agenda for change needed in the world. Products and capabilities come from us, but categories come from the world.

*AJ: So, is the centennial just a celebratory moment or a strategic occasion?*

**KB:** What a celebration gives you is a reason to engage with everybody, and our choice was not simply to use it to celebrate past success, but as a time to engage everybody legitimately on the Smarter Planet agenda: this organising idea for the company. If there hadn't been a centennial, we'd have had to find some other mechanism to do that.

### **THE ORGANISING IDEA IS AT THE TOP OF THE INTEGRATION PYRAMID**

*AJ: [laughs]. A few years ago we worked together leading a research project into integrated marketing and media neutral planning with the Chartered Institute of Marketing [www.cim.co.uk]. You will recollect that the group of marketing leaders concluded that having an organising idea, such as e-Business or Smarter Planet, or the NSPCC's Full Stop, is a fundamental tool not only for a more integrated set of marketing activities and communications, but also for integrating the whole organisation. It sits at the top of the pyramid of integration. Is that more or less the way IBM is using it? After all, you have been spending billions of dollars on communicating Smarter Planet, not just externally but also in the development of your business model, the alignment of your operations, the training of your sales people, engineers, delivery units and so on, indeed, right down to the fundamental R&D.*

**KB:** That is an unequivocal yes. It's absolutely the top of the pyramid, this idea of an organising idea that brings together your marketing and communications in a very purposeful way.

And communication is only the tip of the iceberg, because in our case, it is indeed what brings together the research and investment and the product development agendas. So, when you consider

\* Bishop outlined a number of detailed examples of both the challenges and new data available during the conversation.

what we are researching, such as the natural language capability that Watson\* introduces, it lets you take on a whole new category of problem.

If you really want to engage with these systems because you have a strategic belief that these are issues the world is going to face . . . it drives the research and acquisition agendas beyond the first two eras of computing to build a new portfolio of capabilities. So, I totally, agree it remains top of the pyramid for marketing and communications, but it is also top of the pyramid around the development of your future offering and capability strategy.

In our case, it's very visible. It also feeds into our financial performance plan. We choose to have very full disclosure to our investors, laying out a financial roadmap of earnings per share for five years at a time, with the current one running until 2015. That's based on the growth that we will get from the Smarter Planet agenda, the underlying technologies of business analytics and cloud computing, together with our ability to deliver in the growth markets of the world as well as well-established markets — this is explicitly laid out in the financial roadmap and progress is reported on a quarterly basis.

Thinking of an organising idea just as a marketing communications tool only scratches the surface of just how important these truly engaging unified ideas about your organisation's purpose and intent can be and, in our case, are.

### HOW WE DO THINGS: AN HOLISTIC SYSTEM OF SYSTEMS

*AJ: So when IBM thinks in terms of its brand system, it thinks in terms of a coherent,*

*unique whole that embraces, informs, and is informed by, the unique characteristics of its technological capabilities, human culture, financial model, product design characteristics, the inherited brand equity or positioning that's been gained in the global marketplace, and so on? It's all of these different elements together working as a coherent whole, and as a unique, I don't know what metaphor you'd use — engine — for success?*

KB: It's absolutely all of those elements working as a whole. I think if you really dig inside our company, people recognise and understand the brand system; they recognise and understand the enterprise process framework, which is, as you know, the way by which we deliver things. They also understand the financial business model, and financial system. Those are three big elements. If you spoke to our CFO, Mark Loughridge, he would be as articulate about the finance system as I am on the brand system. If you spoke to our Chief Transformation Officer, Linda Stanford, she'd be as articulate about the enterprise and process model, but the point is that they all work together as a system of systems.

*AJ: Say more.*

KB: 'System of systems' is a very important phrase, because our brand system is about our culture, how we do things, and our reputation; our process system is very task and execution oriented; our finance system is clearly oriented around financial control, and a huge amount of regulatory conformance that's required of any company, and for a public company, truly engaging with your owners, your investors. And those systems do exist separate from each other, in that they're not all part of the brand system,

\* 'Watson' is IBM's supercomputer system that beat the best quiz champions on 'Jeopardy' in 2011, signalling a new step in machine ability to interpret human language and draw conclusions, with a variety of developing applications. Bishop outlined the significance of Watson and other new Smarter Planet technologies and capabilities for solving real world problems, eg in healthcare.

but there's huge overlap between them as a system of systems, just as a city is a system of systems.

The notion of system of systems is a very important concept in how people live their lives.

*AJ: Of course, however, talk of systems might give the wrong idea; after all, you make things like computers, which are systems, but computers and cars and the like are mechanical systems. Sam Palmisano is on record talking about a company as an organic system,\* which is very different from mechanical systems.*

KB: Yes, we happen to make computer systems, but that really isn't what I'm talking about. The notion of a company as an organic system is especially relevant to a company that is as large and diverse as ours: we are a collection of very diverse people with a collective interest in pursuing a common set of ideas. So it's organic in that it reflects people. It's very organic in that it ebbs and flows as we make choices to become more diverse, or more centralised; to become more long-term focused, or more short-term focused. It's a very dynamic organism driven by people, as I would suggest most organisations are.\*\*

*AJ: Yes. We have talked about the fact that you can't really think in terms of a simplistic Cartesian model when talking about the kind of complex emergent community that a large organisation is.*

KB: And especially in our company, where we trade significantly on our intellect, on our thoughts, our ideas, and our views that there are things that could be

solved better in the future. Both our choices for focus and the marshalling of a community of resources needed to try and solve and improve those kinds of systems. With the kinds of people that we attract, develop and engage, who have very strong opinions about things, it isn't a directed process. It's a collective process. Which is why culture is incredibly important.

*AJ: Culture?*

KB: Not simply process.

The significance of the individual

*AJ: Agreed. On the subject of people, since the beginning of 2012, you've had a new CEO, Ginni Rometty.† Has that meant any significant changes that impact your role?*

KB: Yes and no. Ginni was very clear that she's part of the continuity of leadership at IBM — I think we've now had nine Chief Executives in 101 years — and that there were a set of things that would not change. We remain committed to the 2015 financial roadmap and the Smarter Planet agenda. None of those commitments have changed because Ginni's taken up the helm.

But, there are a couple of important changes. When you explore this idea of strategic beliefs, it's not driven by Ginni, but by the world changing. However, with her as a new chief executive, people listen particularly attentively to her views on how the world is changing. One thing she espouses, as CEO and as an individual, which is maybe partly why she was chosen, is the notion of 'the individual'. In all kinds of walks of life, the individual is becoming incredibly important: the

\* Palmisano was CEO, IBM, 2001-11. 'An organic system, which is what a company is, needs to adapt. And we think values — that's what we call them today at IBM, but you can call them "beliefs" or "principles" or "precepts", or even "DNA" — are what enable you to do that. They let you change everything, from your products to your strategies to your business model, but remain true to your essence, your basic mission and identity'. In Palmisano, S., Hemp, P. and Stewart, T. A. (2004) 'Leading Change When Business Is Good: The HBR Interview', *Harvard Business Review*, 1st December.

\*\* Ackerman (ref. 11 above) suggests that an organisation should be considered to be alive, unique, perennial (transcending time and place), value creating, relational, and that identity foreshadows potential.

† Formerly Senior Vice President and Group Executive for Sales, Marketing, and Strategy at IBM, Rometty became President and CEO in January 2012, and is the first woman to head IBM.

ability to know your customer as a person, know your customer in terms of their individual mix of behaviours and traits, and tribes and clubs.

We see organisations like Amazon, eBay, Travelocity and Kayak that are built on using all kinds of data sources to treat each of us as unique people. We think that's very important. We think as a result of that, a new type of . . . well, fill in your blank. A new type of mayor is emerging for cities, a new chief marketing officer is emerging for companies, a new type of doctor is emerging for hospitals, because data are allowing all kinds of people to know us as individuals, not segments, or broad categories, so the roles will change.

And we think there's a new type of computing emerging, based around language and the ability of computers to learn. Not computers to process data, nor to be programmed as in the past. There's now an era of cognitive computing emerging, where computers are able to learn, based on language, and we think that's going to be a huge change, opening a new category of problem to work on. Hence our leading-edge work on Watson and its application, not just to gameshows, but to medical diagnosis, risk management and other areas that touch our lives in meaningful ways. So as a new leader, Ginni is emphasising the world's shift.

*AJ: Thank you very much, Kevin. Finally, what do you see as the biggest change that you've seen over your life and career in IBM?*

KB: Oh, that's a really hard question.

I think when I reflect on what I've seen over my life, it's the empowerment of individuals.

When I think about how our daily life has changed [various examples were given], there's a huge empowerment of individuals around choices that we make, and I think

that reflects back into companies and work. There's significant empowerment in the way work works, and how we work. I think there's a relentless empowerment of individuals and their control that I've seen shift hugely in my lifetime, and that I see already starting in my children, with the way they think about opportunity, and the kind of life that they will build for themselves. If you're motivated, if you know yourself, that's tremendously empowering. It's also very scary if you are not clear what you want in the world.

*AJ: Kevin, I'm amazed. That's exactly what I would have picked.<sup>11</sup> A signature moment was when everybody in the family started having a different breakfast. I think the future is always talking to us. You have to be open to what's emerging, which is an important part of innovation, I think.*

KB: For sure!

## SUMMARY OF PARADIGMATIC LEARNING

- (1) Build your *brand* on things that do not come and go, ebb and flow. You need to be clear what the nature of your organisation is.
- (2) IBM takes an intrinsic and systemic rather than extrinsic and promotional approach to *brand inside* the organisation. It is not in favour of promoting brand ambassadors and internal branding. It seeks to have people whose way of being and working reflects the 'character of the company' and what it means to be 'a great company'. This is particularly pertinent in a transparent world, with highly social and networked interactions between the many kinds of stakeholders and the wider world.
- (3) IBM has a *brand architecture* of 'offerings', 'capabilities' and 'categories',

named so that people can navigate their way to what they need. Offerings are discrete products, while categories are problems in the world worth solving that IBM defines by its capacity to add unique value.

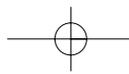
- (4) A *brand system* is about the core principles on which a company operates, forming a coherent, unique whole that embraces, informs and is informed by the unique characteristics of its technological capabilities, human culture, financial model, product design characteristics, inherited brand equity or positioning. It is not a rulebook; it is a principles-based system of engagement that spans every aspect of the company, building a consistency of character, rather than process execution.
- (5) *Organising ideas* are fundamental to aligning the company around an agenda for change that is needed in the world. They derive from insights about the core capability of the organisation to meet a need and act as a rallying cry. They are at the top of the integration pyramid, not just to bring together marketing and communications in a purposeful way, but also innovation, strategy and capability development.
- (6) Rather than using mechanistic, Cartesian models *an organisation* can be considered as a dynamic organic system, an organism driven by people; a complex emergent community that works as a collective, not directed, process.
- (7) The most significant human factor facing us collectively today is the empowerment of *the individual* and the potential for intelligent responses to individuals, not just segments. IBM also sees the need to respond to the environmental and human challenges of complex growing cities, scarce

resources and so on. This is the core of its agenda.

- (8) There is *a new role* for the chief marketing officer, and marketing: orchestrating the brand system as an alignment architecture that contextualises the whole organisation; responding to the empowerment of individuals and of new data intelligence; and sensing the emerging future in the shifts of the present. This new way requires exchanged learning among the community of leading practitioners.

#### References and Notes

- (1) Gerstner Jr., L.V. (2002) 'Who Says the Elephant Can't Dance?' HarperCollins, London.
- (2) Selznick, P. (1957) 'Leadership in administration', Harper & Row, New York, NY. approaches organisational birth and development as character formation through the embodiment of values in an organisational structure of mission, programme of activity, selective recruitment and socialisation. See also Pettigrew, A.M. (1979) 'On Studying Organizational Cultures', *Administrative Science Quarterly*, Vol. 24, No. 4, pp. 570–581.
- (3) See De Chernatony's claim (1999) that classical models of brand management pay insufficient attention to staff as brand builders, with a consequent need to ensure alignment between their values and behaviours and the brand's espoused values. It concludes that an adaptive, strategically appropriate culture, consistently apparent throughout an organisation is likely to be associated with healthy brand performance. Corporate reality is an important aspect of branding. De Chernatony, L. (1999) 'Brand management through narrowing the gap between brand identity and brand reputation', *Journal of Marketing Management*, Vol. 15, No. 1–3, pp. 157–179.
- (4) Iwata, J. (2009) 'Toward a New Profession: Brand, Constituency and Eminence on the Global Commons', Institute for Public Relations Distinguished Lecture Series at the Yale Club in New York City, 11th April, available at: [http://www.instituteforpr.org/wp-content/uploads/JI\\_IPR\\_Lecture8.pdf](http://www.instituteforpr.org/wp-content/uploads/JI_IPR_Lecture8.pdf) (accessed 30th August, 2012). The IBM SVP for Marketing and Communication argues that there is a new profession with emergent new disciplines.
- (5) A classic definition of culture, see E.H. Schein (1968) quoted in Lemon, M. and Sahota, P. S.



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- (2004) 'Organizational culture as a knowledge repository for increased innovative capacity', *Technovation*, Vol. 24, No. 6, pp. 483–498.
- (6) Kapferer, J.N. (2003) 'The New Strategic Brand Management', Kogan Page, London, where the author described a brand as having a personality.
- (7) Aaker, J. (1997) 'Dimensions of brand personality', *Journal of Marketing Research*, Vol. 34, August, pp. 347–356, where the author argues that the personality traits of the people associated with the brand are transferred directly to the brand.
- (8) Burmann, C. and Zeplin, S. (2005) 'Building brand commitment: A behavioural approach to internal brand management', *The Journal of Brand Management*, Vol. 12, No. 4, pp. 279–300.
- (9) Pettigrew, ref. 3 above, discusses how the feelings and actions of the founder creates 'social tissue' that forms the system of publicly and collectively accepted meanings necessary to giving tasks meaning, indeed to determining what reality is all about. See also Ackerman, L. D. (2000) 'Identity Is Destiny; Leadership and the Roots of Value Creation', Berrett-Koehler Publishers, Inc, San Francisco, CA, where the author argues that leading organisations develop their innate potential by living according to their true identity, and proposes this as a new leadership model.
- (10) See: <http://www.ibm.com/smarterplanet/us/en/overview/ideas/index.html?lnk=ussph1.16>
- (11) Jenkinson, A. (1995) 'Valuing Your Customers, From Quality Information to Quality Relationships through Database Marketing', McGraw Hill, Maidenhead, pp. 21, 60–64.

