Taking your Brand Global
Don’t let Global Strategy happen to you!

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Driving People and Businesses to Maximize their True Potential
First things, first

I tell my students that they will be the generation that maximizes the benefits of three significant and accelerating trends—

• Globalization
• Teamwork and connectedness
• Diversity
Mark Cross

- Opportunity can knock anytime and anywhere
- Very few people have the global thing figured out
- Businesses need people with global perspective
- Importance of differentiation
- The US is not a growth market in many categories
- Emerging markets present both opportunity and challenge
- Global scale can be a differentiator
- Emerging markets: action orientation, but take a long-term view
- Income statement and balance sheet matter
- Strategy is where to play, how to win
- All employees need to be global

Kimberly-Clark
1979-2003

Johnson Diversey
2003 - 2006

MeadWestvaco
2006 - 2013

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All companies need to think profitable growth
Ram Charan Says

Must have:

• Strategic Plan
• Operating Plan
• People Plan

Very loose summary of *Execution* R. Charan/L. Bossidy

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Mark Cross on Strategy

The most important thing I ever learned on strategy—

Strategy is Where to play, and How to win

M&A alone Is not Strategy

Driving People and Businesses to Maximize their True Potential
Where to play?

• Participation choices
  – Products
  – Markets
  – Geographies
  – Customers
How to win?

• How do we differentiate?
• Business model—
  – What do we do and who do we do it for?
  – How do we make money?
  – Includes horizontal and vertical integration?
• Positioning of products, services, businesses, corporation
• Generic strategies—increase differentiation vs. lower costs
Strategy from Galt Consulting

1. **Clear definition of “winning” and “measure of success”**
   - Superior shareholder returns relative to peers over time is the ultimate definition of winning
   - Shareholder value and returns are driven by future cash flows and economic profit growth

2. **A granular understanding of the sources and drivers of economic profit growth and shareholder value contribution**
   - Economic profit (EP) and shareholder value are highly concentrated in every market and business
   - Delivering superior shareholder returns requires a granular understanding of where EP pools exist and what is driving market profit pool growth and the company’s share of those profit pools

3. **An explicit value improvement agenda (and agenda management process)**
   - In most corporations, actions taken on 5 to 10 strategic issues will determine whether the company outperforms or underperforms its peers—HVAS Agenda

4. **Differentiated business models and differentially allocate resources**
   - Economically differentiated strategies and differential allocation of resources are required to gain a disproportionate share of market profits
   - Disproportionate share of market profits creates a sustainable reinvestment advantage
   - Reinvestment advantage creates enduring competitive advantage

5. **Value-based management decision standards, processes and capabilities**
   - Better information -- on the sources and drivers of company, competitor and customer value
   - More disciplined management decision process -- namely, how strategies are developed, resources allocated and performance monitored and managed
   - Improved management mindset and capabilities -- the ability to think and act like owners

*Source: Beliefs, Behaviors, & Results*  S. Gillis, L. Mergy, J. Shalleck
The “Great Flatteners” from The World is Flat

1. 11/9/89 – The Fall of Communism and Rise of Capitalism
2. Netscape – Internet browsing and email propels the internet
3. Work Flow Software – connectivity and shared work
4. Open-Sourcing – collaboration through shared often free basic software
5. Outsourcing – send work to the most qualified and cheapest labor
6. Offshoring – moving manufacturing, as well as making more goods for sale outside the U.S.
7. Supply-Chaining – the Wal-Mart model of efficiency
8. Insourcing – new service combinations and business opportunities leveraging existing expertise (i.e. UPS)
9. In-forming – Google, search and access to information
10. Technological advances – computer processing to wireless communications

Source: The World is Flat  T. Friedman
# Strategy in Global Context

## Differences Between Domestic and International Strategy

<table>
<thead>
<tr>
<th>Factors</th>
<th>Domestic Conditions</th>
<th>Global Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture</td>
<td>Homogeneous</td>
<td>Heterogeneous</td>
</tr>
<tr>
<td>Currency</td>
<td>Uniform</td>
<td>Different currencies and exchange rates</td>
</tr>
<tr>
<td>Economy</td>
<td>Stable and uniform</td>
<td>May be variable and unpredictable</td>
</tr>
<tr>
<td>Government</td>
<td>Stable</td>
<td>May be unstable</td>
</tr>
<tr>
<td>Labor</td>
<td>Skilled workers available</td>
<td>Skilled workers may be hard to find</td>
</tr>
<tr>
<td>Language</td>
<td>Generally a single language</td>
<td>Different languages and dialects</td>
</tr>
<tr>
<td>Marketing</td>
<td>Many media, few restrictions</td>
<td>May be fewer media and more restrictions</td>
</tr>
<tr>
<td>Transport</td>
<td>Several competitive modes</td>
<td>May be inadequate</td>
</tr>
</tbody>
</table>

*Source: World Bank*
What is Marketing?

Phillip Kotler on Marketing

“profitably filling consumer (or customer) needs”

Ted Levitt—

“Marketing Myopia suggests that businesses will do better in the end if they concentrate on meeting customers’ needs rather than on selling products”

Sergio Zyman—

“selling more stuff, to more people, more often, for more money, more efficiently”

Need to understand

– B2C
– B2B
– B2B2C
What do marketers do?

• Understand the Cs
  Context, Company, Competition, Consumer/Customer, Collaborators

• Develop and execute the Ps
  4Ps—Product, Price, Promotion, Place
  5Ps—plus Positioning (includes Branding)
  7Ps—plus Packaging, People
  More Ps—plus Physical Evidence, Process

• Don’t think marketing is just Twitter and FB
What is Branding?

“[A brand is]
• ....a promise”—S. Spanbauer
• ....the capitalization of the trust between the company and the consumer”—J. Burke (J&J)
• ....what your prospect thinks when he or she hears your brand name”—J. McLaughlin
• ....more than a word”—M. Cross

Can be tangible or emotional

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22 Immutable Laws of Marketing

• Leadership—it is better to be first than it is to be better
• Category—if you can’t be first in a category, set up a new category to be first in
• Perception—marketing is not a battle of products, it’s a battle of perceptions
• Focus—the most powerful concept in marketing is owning a word in the prospects mind

Source: 22 Immutable Laws of Marketing A Ries/J. Trout
Successful Businesses/Brands

“Own a word in the prospects mind”

... Al Ries  22 Immutable Laws of Marketing

This is positioning/This is focus

Driving People and Businesses to Maximize their True Potential
22 Immutable Laws of Branding

• A brand is more powerful when you focus it
• Own a word in the mind of the consumer (e.g. KLEENEX—tissue)
• Brands must me authentic
• Easiest way to destroy a brand is put its name on everything
• Generics don’t work (National, General...)
• For the most part a brand should know no borders
• Crossing borders can help build brands—German cars, French fragrances

Source: 22 Immutable Laws of Branding A Ries
What can a small company own?

• Iced tea—kettle brewed
• Service company—speed—the only company in Central VA that will solve your problem in 24 hours
• Toys—smarter kids
• Specialty chemicals—non-commodity—the only__

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Global Brands

Tend to—

• Have powerful international presence with a consistent image
• Hold a strong market position
• Be trans-cultural
• Feel at home everywhere
• Strong emotional link/feel

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Don’t let your global strategy happen to you

- European ping pong players
- Random phone calls/request
- Shipping excess capacity to anyone that will take it
- Network/talk to people that have done it
- Find good trustworthy partners
  - Be careful of exclusives
  - Pay for performance

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Thoughts on Global Strategy

• Remember, strategy is where to play and how to win
• Find your meaningful difference
• Be first at something
• Think global, act local—Think glocal. And remember the internet knows no borders.
• Watch for not invented here (both ways)
• Be clear on what is set, and what is negotiable (Brand bible)
What can we learn from Heineken?
Inevitable Tensions

• [Reaping benefits from globalization, including global branding, and marketing leads to two inevitable tensions— ]

Efficiency gains from standardization

VS.

Customers needs for you to seem local and relevant

Source: ACCA

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Avoid Pitfalls

• Translation errors (Nova, Pepsi Generation, Schweppes, etc.)
• Bad logos (Gerber, religious symbols, etc.)
• Cultural mis-steps (Packs of 4 in Japan, Camellia flowers in Brazil, sensitive subjects)
• International expansion has the opportunity to help or hurt your reputation

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Organization—How to hire the best

- P&G—people that can operate in a VUCA world
- Kevin Sheridan (author of *Building a Magnetic Culture*)—people that have failed and learned
- Zappos—set expectations early
- Emerging markets—employees are looking for experiences, career enhancement, etc.
Growth Market Key Learning

- Don’t study forever, take action, however, commit to long-term
- Various business models work. Nobody bats 1.000
- Some needs are different, some needs are the same. Customer and consumer insight is critical. Customization is often required. Emerging does not necessarily mean cheaper.
- Engage global partners. Learn from similar businesses. Get on the ground.
- Do a good job with 1 million, don’t worry about the billion
- Local leadership, local decision-making connected to HQ
- Scale matters, but don’t just chase revenue
- Government relations matter even more in growth markets
- Everyone has global responsibility

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Everybody is in Marketing

• Personal brand
• Positioning ideas
• Supporting sales
• Building the company

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What it takes to be successful--

• Show up
• Play the game/Do the work
• Listen/Network
• Differentiation/Make each day your masterpiece
• No fear

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