



DRIVING GROWTH & PROFITABILITY THROUGH YOUR PEOPLE AND BRAND

LEVEL5 LEADERS FORUM SERIES
ISSUE 1, VOLUME 4

“ WHAT IS “BRAND” AND HOW CAN IT BE USED TO DRIVE PROFITABLE GROWTH? ”

“ In answer, we defined “brand” as: the value of a promise consistently kept. ”

In late 2011, LEVEL5 held its sixth Leaders Forum entitled "Driving Growth and Profitability Through Your People and Your Brand." Co-hosted with Fifth P, a customer experience agency specializing in the human interactions that drive customer and employee experiences, the event attracted executives from diverse sectors, including education, financial services, hospitality, and transportation, to discuss how they could better leverage one of their largest, yet most often overlooked assets - their people - to drive their business and their brand.

The day began by asking a question: what is “brand” and how can it be used to drive profitable growth?

In answer, we defined "brand" as: the value of a promise consistently kept.

It's a simple yet complex definition because there are many elements to it:

VALUE

Your brand has a tangible value that can be measured on your balance sheet and monitored through internal and external brand health and wealth metrics. This value and metrics can help management evaluate their activities on a regular basis to determine their effectiveness and return on investment.

PROMISE

Your brand represents a promise the organization is making to the market and to employees. Your brand promise is based upon the brand's core essence (it's brand DNA), the value it offers to the market and employees (the value propositions), and the competitive difference the brand communicates through its words and deeds (the brand position).

CONSISTENTLY KEPT

With a clear promise articulated and the goal of creating tangible value, the challenge then becomes consistently keeping that promise across all touch points of an organization. Given that an organization is simply a collection of people working toward a common goal (ideally based on a common understanding of its brand), the ability for an executive team to lead and manage this collection of people to deliver its promise to its customers and other key stakeholders is of key importance.

“ WHAT IS THE RELATIONSHIP BETWEEN YOUR BRAND, CUSTOMER EXPERIENCE AND EMPLOYEE EXPERIENCE? ”

With a common understanding of “brand” established, the rest of the day was spent discussing three critical questions:

- What is the relationship between your brand, customer experience and employee experience?
- How can an organization better integrate this relationship?
- What methods and metrics can be used to measure the human interactions and their growth and profitability contribution to your brand and business?

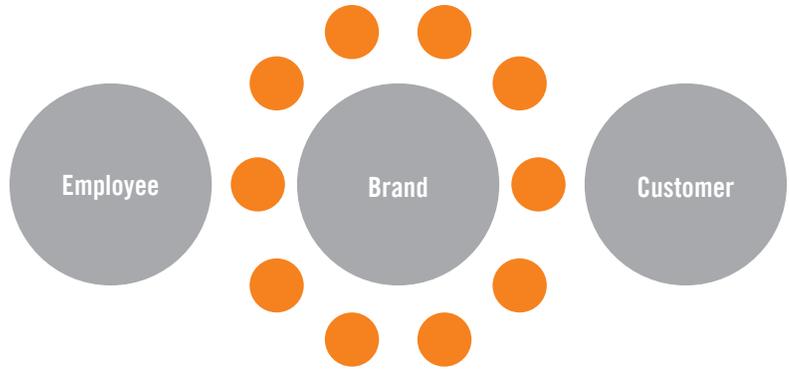
THE POWER OF THE 5TH P - PEOPLE

How important are your people to your organization's ability to grow?
Consider these stats:

- **90%** of people judge companies based on their, or someone else's, experience - only 10% judge based on marketing messages
- **82%** of customers stop doing business with a company because of a bad experience
- **79%** of customers tell others of a negative experience, of which a vast majority are due to rudeness of staff (73%) and unresolved issues (55%)

Source: Fifth P Solutions Inc.

In referring to a customer's experience, we must consider the human interactions of that organization driving that experience, and its alignment with the brand.



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This alignment, or lack thereof, often starts at the highest levels with the definition of the organization's internal values and its external position in the market. These are often, at best, inconsistent and at worst contrary to the customer experience the organization is trying to create - the values either provide little guidance to employees on how to create a desired customer experience that reflects the essence of the brand OR provide direction that leads to the wrong actions and thus the wrong outcomes.

The brand, then, can be seen as the bridge between the employees' experience and the desired customer experience. When clearly articulated, and based on the right vision, mission and values, the brand helps employees understand how to prioritize, make decisions and take action to create a customer experience that will forward the organization's goals.

Consider an oft-cited example, Disney, and specifically Disney World. The essence of their brand centres around "magic" - magic is the bridge between their brand and what customers see, feel, and hear. But, it is also very evident in every touchpoint with Disney employees, from recruitment through their entire employee experience journey at Disney. An example that is closer to home is WestJet and the notion of "Owners" that permeates their brand. Arguably a customer's interaction with WestJet has the sense of dealing with people who think and interact like owners. Again, the brand becomes the bridge between the customer's experience and the employee's experience.

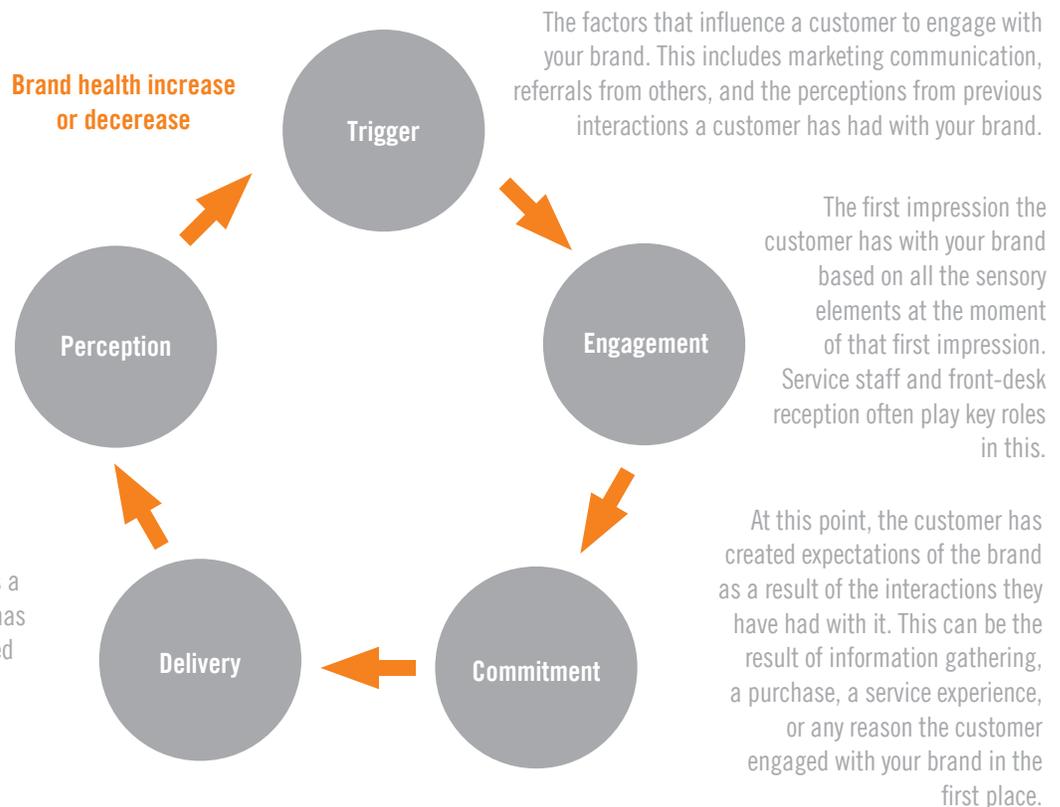
THE RELATIONSHIP BETWEEN THE BRAND AND CUSTOMER EXPERIENCE

Understanding how a customer's experience is created and managed is complicated, but generally speaking, it can be simplified when considered through the five stages of a customer journey:

THE CUSTOMER JOURNEY

This is the final stage where a customer has developed a feeling about the brand as a result of their experience and journey they've had with it. If a customer has a higher perception than at the initial "Trigger" stage, then that will lead to higher levels of satisfaction, loyalty, referral and advocacy – and on the contrary, lower levels if their perception is less.

By this time, the customer has a sense of how well your brand has delivered on what they expected as a result of their interaction and has decided how closely their expectations were met, unmet, or exceeded.



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Every point in this continuum impacts the customer experience, yet only **engagement**, **commitment** and **delivery** can be actively managed to create alignment with the brand since each is directly influenced by human interactions. As already mentioned, when employees are aligned to the essence of the brand, their interactions with customers throughout the customer journey are more aligned with the essence of the brand as well, thus contributing to a better customer experience and a more consistent delivery of the brand promise.

A visit to a Four Seasons Hotel is a classic example. Their brand promise is inculcated from the first impression you have when you first encounter someone on their property [engagement], the interaction you have setting your expectations [commitment], and when and how they deliver on their service commitment to you [delivery]. And, what is more impressive, this seemingly effortless demonstration of their brand promise coming to life occurs whether you interact with the primary customer-facing people of Four Seasons, or those who do not often interact with guests.

TO DO:

To better manage those elements under your control, start by asking the following questions in the context of your brand's promise:

- What are all the points of engagement your customer could have with your brand and where do interactions with people play a vital role? What impression does each touchpoint make on the customer? Is it consistent with the brand?
- At each point of engagement, what is the brand committing to? Are those commitments aligned with the overall brand strategy?
- Is the organization able to deliver on the commitments made at each point? Are your people practices aligned with the essence the brand is trying to deliver at every stage of the customer's journey? Is the delivery consistent with the commitment made?

“ Given that human interactions are vital to delivering a superior customer experience, it is both logical and essential that employee experience be as reflective of the brand as customer experience. ”

THE RELATIONSHIP BETWEEN THE BRAND AND EMPLOYEE EXPERIENCE

As discussed, it's critical for any organization to ensure that the messages and actions viewed in the market are completely aligned with what's going on inside the company - as Coca Cola says, "our inside needs to match our outside".

Many organizations' employee engagement practices are centered on traditional human resource factors such as work / life balance, flexible work time, formal feedback and review practices, recognition and reward programs, etc. Employee experience is complementary, yet different, to this in that it adds a "brand lens" to how employee practices are defined and implemented within an organization. Given that human interactions are vital to delivering a superior customer experience, it is both logical and essential that employee experience be as reflective of the brand as customer experience.

TO DO:

As a first step to assess the alignment between your organization's internal and external position, consider the following statements and rate them using the scale below:

- A. Our employees can verbalize our brand value proposition consistently, regardless of their department or level
 - B. Our employees can describe how each of our corporate values connects with our brand
 - C. Our customer-facing employees use our brand to determine how they interact with customer
 - D. Our non-customer facing employees use our brand when making decisions that will ultimately impact our customers
 - E. The attributes that define our brand are directly integrated into our employee performance management ratings and discussions
1. Not at all
 2. Occasionally but only coincidentally
 3. Occasionally but deliberately
 4. Often and deliberately
 5. Consistently

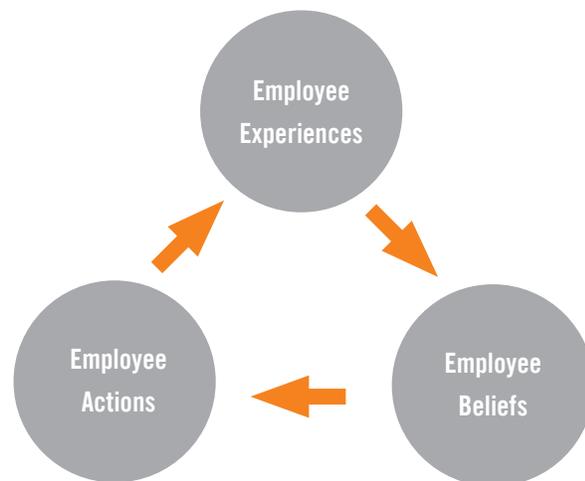
If you're rating your organization a 1, 2 or 3 on any of the above statements, at best you're leaving money on the table through inefficiency, poor communication and misalignment in each of your departments and functions – at worst your organization may be set up to fail and your revenues, profits and growth potential may be in jeopardy, if they're not already.

CREATING A PURPOSE-DRIVEN CULTURE

Effectively aligning your employees with your brand requires a culture that enables employees to explicitly understand what the brand means to them and their behaviour, thereby informing their day-to-day actions and ensuring they're aligned with the brand promise made in the market.

But culture is a broad, and often unwieldy, subject so it's often helpful to break the idea of culture into three key areas to better understand how it can be managed:

- The Experiences an employee has
- The Beliefs the employee will have as a result of their experiences
- The Actions the employee will take based on their own beliefs, shaped by their experiences as an employee.



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A purpose-driven culture is one that is focused on leveraging this self-reinforcing loop with the goal of helping employees relate to the brand, thereby creating consistency internally and externally.

The cycle begins with the experiences employees have, which then drive employees' beliefs that in turn drive their actions. But when trying to actively manage this process and alter the cycle so it's more aligned with the brand, you need to choose one aspect of the three that can be most efficiently and effectively changed. Of the three points on the cycle, developing and communicating a clear set of beliefs is the best place to start.



SOME OF TODAY'S LEADING BRANDS HAVE BEEN VERY SUCCESSFUL IN ARTICULATING THEIR PURPOSE AND TRANSLATING IT INTO A SINGULAR STATEMENT DEFINING THEIR PURPOSE- DRIVEN CULTURE. ”

The beliefs inherent in a purpose-driven culture need to reflect and express the brand's promise so that each employee understands how it impacts them; employees need to be able to relate to the beliefs as a means of defining themselves so they can act in accordance with them, creating the needed alignment with the market. To ensure that the purpose-driven culture is as effective and consistent as possible, the organization needs to ensure that the beliefs apply to, and are consistent across, each different employee experience point that exists over time throughout the entire employee experience journey, something discussed in more detail in the next section.

The message must also be easily understood by every employee and expressed in a way that can guide their behavior – anything complex or vague will only muddy the waters and create confusion, exactly the opposite of what's desired. Some of today's leading brands have been very successful in articulating their purpose and translating it into a singular statement defining their purpose-driven culture, such as:

- **WestJet:** Owner's care
- **Disney:** I create magic
- **Ritz-Carlton:** Ladies & gentlemen serving ladies & gentlemen

You can see how the statement for each brand, although simple and short, captures each brand's purpose and can be used to guide employee behavior at all levels.

Of course, these statements are only the beginning steps for creating a purpose-driven culture. The management teams at leading brands provide much more detail to their employees to ensure they completely understand how the brand's purpose relates to i) the beliefs of the organizations and ii) the actions employees should take (i.e. their behavior), all with the goal of creating employee experiences that are perfectly aligned with the brand.

CASE STUDY: CREATING A PURPOSE-DRIVEN CULTURE AT WE CARE HOME HEALTH SERVICES

We Care Home Health Services needed to find an engaging way to instill its brand purpose into its culture to drive employee behavior that would, ultimately, drive growth and profitability. As in-home health care providers, it was imperative for every employee, and especially for those providing the actual care, to provide the highest quality service possible, day in and day out, even to its most difficult customers – a heady challenge. The key insight they discovered was that by relating whatever they do to how they would serve their own loved ones, they were able to maintain a mindset that enabled them to provide the highest levels of service and care on an ongoing basis.

To support that mindset, every employee was given a frame to hold a picture of their own “loved one”, to help keep the principle top of mind. With “loved one” identified as the central purpose of their culture, an operating model was then designed to reinforce the purpose throughout the organization and ensure it drove all priorities, decisions and actions.

Source: Fifth P Solutions Inc.

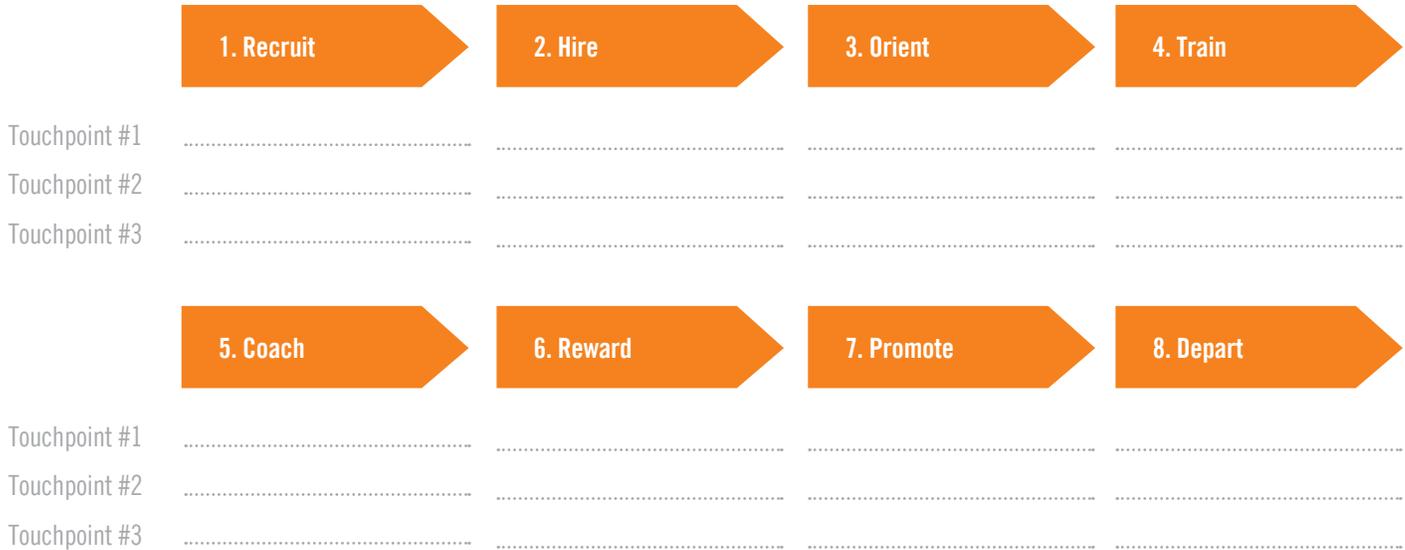
As We Care demonstrates, when creating a purpose-driven culture, it's helpful to closely tie the organization's values to its brand promise, described earlier as the expectation the organization creates in the mind of the customer about interacting with the brand.

One quick and easy way to start is to:

1. Write your brand promise
2. List your corporate values
3. Re-write, describe or re-create each value using language aligned with your brand promise

MAPPING EMPLOYEE BRAND TOUCHPOINTS

In order to successfully entrench a purpose-driven culture, it's critical for an organization's leaders to understand how the brand impacts each employee, and process mapping has proven to be effective. Creating an "Employee Experience Journey Map" (as the example below demonstrates) indicates all the touchpoints an employee has with the organization throughout their lifecycle and identifies the areas that must be managed in order for a purpose-driven culture to take hold.



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TO DO:

Create your own Employee Experience Journey Map and rate each touchpoint from two perspectives:

1. If you were to ask your employees, how would they rate each touchpoint?

- a. Pain point
- b. Mere satisfaction
- c. Point of absolute delight

2. To what extent do each of these touchpoints today reflect the essence of your brand?

- a. Absolutely
- b. Somewhat
- c. Not at all

MEASURING THE FINANCIAL COST/BENEFIT OF ALIGNING YOUR BRAND, CUSTOMER AND EMPLOYEE

Hopefully it's become clear, if it wasn't already, how important it is for your brand and employees to be aligned in order to attract and retain customers and drive growth and profitability. Having offered some first steps on how to assess and ensure each and every employee is living the brand, the final step is to create a measurement system that will identify the true financial benefits associated with this alignment (or costs associated with a lack thereof). Creating financial implications (that could be included on management's performance scorecard) crystallizes the importance of effectively managing employees and ensures the necessary alignment with the brand is created, managed, and strengthened, into the future.

With employees as the linchpin then, a good place to start is with a metric that measures their level of engagement and overall satisfaction with the organization - what Fifth P calls the "Human Interaction Promoter Score" (HIPS). This metric is a combination of three key areas - employee satisfaction, employee loyalty and employee engagement - and is a simple and quick way to assess the state of the people who: drive your organization forward, are responsible for bringing your brand to life, attract (or repel) customers, and ultimately contribute to the success or failure of your organization.

TO DO:

Send out a survey to all employees asking them to rate each statement below as "absolutely", "somewhat" or "not at all" - the answers will provide a clear picture of the overall state of your employees' satisfaction, loyalty and engagement levels and indicate whether your people are an enabler or barrier to growth:

- I would, without hesitation, highly recommend our organization to a friend seeking employment
- Given the opportunity, I tell others great things about working at my organization
- It would take a lot to get me to leave my organization
- I hardly ever think about leaving my organization to work somewhere else
- My organization inspires me to do my best work every day
- My organization motivates me to do more than is normally required to complete my work

“ RESEARCH SHOWS THAT HIGHLY ENGAGED EMPLOYEES ARE NINE TIMES LESS LIKELY TO LEAVE. ”

Your HIPS is not just a nice to know measurement – it suggests factors that can have real, tangible impact on your bottom line as it relates to the costs (or value-add) of employee turnover, productivity, and customer acquisition.

For example, consider the following:

COST SAVINGS FROM TURNOVER

- The average cost of voluntary turnover ranges from six to eighteen months of salary per employee
- Research shows that highly engaged employees are nine times less likely to leave

Question: what does a 25% reduction in employee voluntary turnover represent to your profitability?

IMPROVEMENT IN PRODUCTIVITY

- Engaged employees work 50% harder

Question: What's the productivity difference (and associated costs and benefits) of a workforce where only 5% are engaged vs. 30%?

CUSTOMER ACQUISITION

- The average person has 156 Facebook friends

Question: What's the opportunity (or opportunity cost) of having employees actively reach out to their friends and speaking positively (or negatively) of your brand?

Source: Fifth P Solutions Inc.

DRIVING GROWTH AND PROFITABILITY THROUGH YOUR PEOPLE AND BRAND – STARTING TODAY

By the end of the day, it had become evident that there are real benefits to having employees who are satisfied, loyal and engaged, who understand what their brand represents, and know how to live the brand's promise to create an organization that attracts new, and retains current, customers to drive growth and profitability – and real costs associated with the opposite.

Here are five things you can do today to start creating better alignment between your brand and your people in order to drive bottom line results:

TO DO:

- 1. Determine if your brand and its strategy is well-defined and understood by your workforce**
- 2. Evaluate your customer journey and ensure key touchpoints reflect the customer view, then refine them to also reflect your brand**
- 3. Evaluate your corporate values and refine them to reflect your brand and its purpose**
- 4. Evaluate the full employee journey and change key touchpoints to reflect your brand – from pre-hire to alumni**
- 5. Put hard metrics into your performance dashboard that correlate employee experience, brand health and wealth, customer experience and profit opportunity**

Above all, inspire your employees to engage their hearts and minds in your business and brand – it's one of the most effective ways to drive your organization's growth and profitability.

To learn more about how LEVEL5 can help you drive growth and profitability through your brand and your people give us a call at [416-361-3468 ext 236](tel:416-361-3468) or e-mail us at info@level5.ca.

You can read more about our perspective on brands and business @ level5strategy.com.

ABOUT FIFTH P

Fifth P is the Customer Experience Agency that designs, implements, and measures solutions that optimize the human interactions and lead to more sales, better service, and great experiences.

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