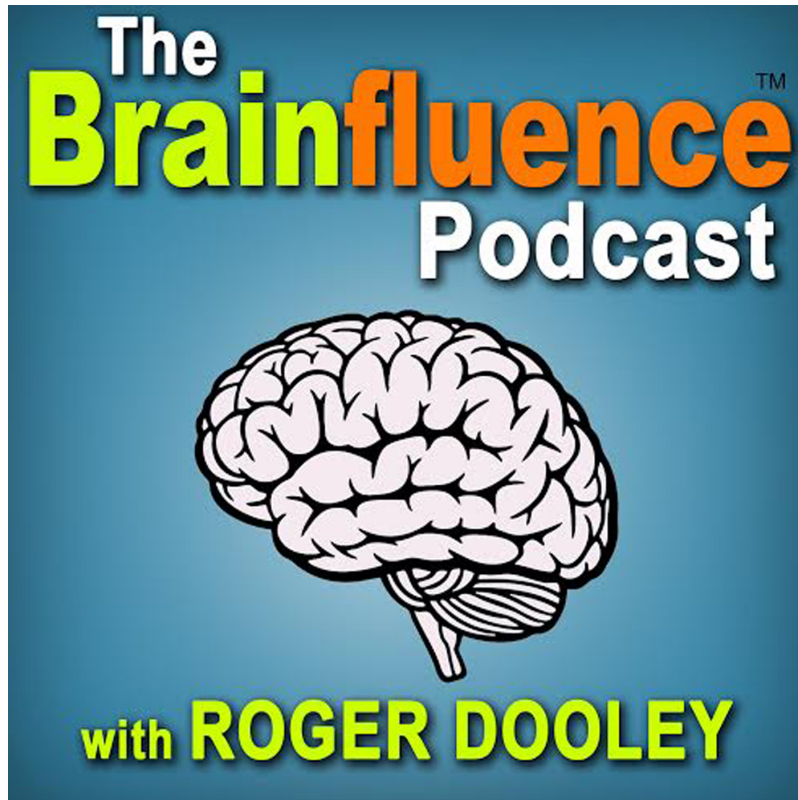


Branding Secrets of The World's Greatest Companies



Full Episode Transcript

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Roger Dooley

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Welcome to the Brainfluence Podcast with Roger Dooley, author, speaker and educator on neuromarketing and the psychology of persuasion. Every week, we talk with thought leaders that will help you improve your influence with factual evidence and concrete research. Introducing your host, Roger Dooley.

Roger Dooley: Welcome to the Brainfluence Broadcast. I'm Roger Dooley. We have a returning guest this week. Denise Lee Yohn is an expert on brand leadership, a speaker, and a consultant and a writer whose work appears in Fast Company, Entrepreneur, Knowledge at Wharton, and even occasionally, Neuro marketing.

Denise is the author of the bestselling book, What Great Brands Do-The Seven Brand Building Principles that Separate the Best from the Rest. And Denise has plenty of hands on experience. She's served as lead strategist at advertising agencies for Burger King and headed up Sony Electronics Inc.'s first ever brand office.

Her consulting clients have included Target, Oakley, and Dunkin Donuts. Denise's new book is Fusion-How Integrating Brand and Culture Powers the World's Greatest Companies.

Welcome back Denise.

Denise Lee Yohn: Hi, Roger, thank you so much for having me on your show again.

Roger Dooley: So, Denise, your bio says you danced with a professional ballet company and flew a helicopter, what's up with that?

Denise Lee Yohn: So the dancing was when I was a child from age four to thirteen. I danced with the St. Louis Ballet Company and I wanted to be a professional ballet dancer

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and my dad said you will not make a lot of money doing that, so that's why I stopped. I still consider myself a dancer at heart.

Flying the helicopter is actually on the other end. I've always wanted to fly a helicopter. A couple of years ago my husband bought me a hour lesson, loved it so I figured that's gonna be on my bucket list, maybe when I retire that'll be something I learn how to do.

Roger Dooley: Very good, that's something good to aspire to. Good to have a plan and, who know, maybe you might be able to put those skills to good use.

Denise Lee Yohn: Right.

Roger Dooley: Denise, I really liked your new book. It seems like the concept of brand has gone through an evolution. It used to be something that your advertising people created, people sit around, maybe over mannan style, you know with some cigarettes and a tumbler of whiskey and come up with, what's the brand gonna be? Then pushed out their advertising.

But then, that's certainly changed over the years with social media in particular, creating a lot more transparency so that the brand somewhat has to match up to what it's promising in its advertising. Their products and their services really have to deliver somewhat on that. Brand is still kinda an external thing. Now, in this book you're saying that brand and corporate culture are inextricably linked, right?

Denise Lee Yohn: Absolutely. So the title of the book is, Fusion-How Integrating Brand and Culture Powers the World's Greatest Companies. I talk about brand and culture like

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two atomic nuclei, that when you fuse them together you create incredible power. Nuclear fusion is what powers the sun and brand culture fusion is what powers the world's greatest companies.

Roger Dooley: You get push back about brand and culture being kind of fuzzy concepts? Somehow I can imagine some CEO saying their corporate culture is that people get paid well for showing up and doing their jobs. Or others might say, well we've got a fun culture here, we've got bean bag chairs and fuse ball tables and local craft beer on tap. So, again, vulture in particular seems kind of nebulous. What is it anyway by your definition?

Denise Lee Yohn: Yeah, so definitely I think that ... I say that they are ... Brand and culture are probably two of the most misunderstood and misvalued assets that a company can have. Certainly, there's a lot of confusion or misconceptions about those. Culture, I define it in the most simplest terms as the way we do things around here. The more official definition is something like, it's the attitudes and behaviors that guide the people who work in an organization.

To your point, there are ... I think people either ... I talk to business people around the world about this and they either think that culture just happens and so you just don't have to do anything about it, or they think, 'Well, if I just have fun perks and like bean bag chairs and if I throw parties and have some good benefits, then I'll have a good culture.'

Neither one of those is true. What I've discovered is that your culture really has to be cultivated in a certain direction. It needs to be unique and it needs to be operationalized. I always say culture is not soft stuff. It's

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hard in that it produces hard results and it takes hard work to really cultivate it.

Roger Dooley: How does purpose fit into the picture. You make a big point of that in the book.

Denise Lee Yohn: Yeah. So what I've found is that companies these days ... I think most companies, most business leaders know that they should have a purpose. Simon Sinek's starts with why's has been a very popular as far as angles, ideals, platform ... So people kind of get this idea that we should have a why. But I think that most people then default to like a mission statement and usually like a corporate mission statement says something about creating shareholder value, and maybe cost effective innovation, or I mean a very ... Describing what the company does and how it creates value.

Then at the same time, these companies usually some sort of purpose or essence or brand identity that speaks to more of the emotional bond or emotional value that they create for customers and these two things, mission statement and brand essence are sometimes totally unrelated and even in fact, in conflict with each other.

So I recommend that you think about having an overarching purpose. One purpose that guides everything you do. Not only how you operate your company internally but then also the role you want to play in the world outside your company. That way, a few benefits. One is you don't have this disconnect or this gap between what you're trying to do as a business and what you're trying to do as a brand. Secondly, when you think about your purpose and those terms, you end up elevating your purpose. So it's not just about making money. Or it's not just about producing widgets.

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It's about making a dent in the universe like Steve Jobs says. I think that gives more meaning and more emotional connection to everyone who's involved with your brand. Customers, employees, and all other stake holders.

Roger Dooley: You really are making this more complicated. When I was in business school the purpose of a business was to make money and increase shareholder value and you know, there might be some lip service to the community and to employees and whatnot, but really what I hear you saying, Denise is that to bring both the brand and the way people work in the company in alignment, there should be some kind of higher purpose beyond making money. If you can tie those things together then you'll be there.

Think of a company or two and give me an example of that.

Denise Lee Yohn: So one of the companies I write about in the book is Air BnB, you know the housing and hospitality company that got started where you can just rent a room from someone and has grown into more of a broader travel, hospitality platform. Their core idea, their purpose is all about belonging. As a guest, or customer as we would call it, they wanted you to feel like you can belong anywhere. This idea that when you go travel and you go to new places you fit in and you belong. And you're comfortable and this is like kind of a new home for you.

I think that the travel experience that they aim to provide for their guests. At the same time they believe in belonging as a concept internally within their organization. In fact, I had interviewed for my book, the former head of employee experience Mark Levy, and he talked about, you know, we can't promote this idea of belonging outside

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to our customers if our employees don't feel a sense of belonging inside.

That alone, that idea that your employees can't deliver, or you as a brand can't deliver what your employees don't experience themselves, I think is really key, because there's a need for brand authenticity. There's a need for a customer experience that's on brand and so by ensuring that all of their employees feel like they belong in Air BnB, they're better able to deliver that to their customers. So the way that they help their employees feel like they belong, starts actually in the beginning of the employment process during recruiting.

They do interviews where they are interviewing people specifically for alignment with the company's core values. They do that in part to make sure that the person has a fit with the core values, but they also do that to make sure that the person knows that Air BnB cares about their values and wants them to feel comfortable living out and embracing their values in the work place. It starts there, their onboarding process is all about belonging and their office design is intended to make people very comfortable and at home.

Because they have this one idea, people don't have to ... They're not working at Cross Purposes, they're not like, "Oh, we need to make a lot of money," but then, "Oh, no, we need to do something that makes people feel comfortable." It's like no, these are one in the same. The way that we make money is by helping people feel comfortable and like they belong.

I think that's just a beautiful example of how brand culture fusion can make a company successful because Air BnB has just grown phenomenally and is just doing very well.

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Roger Dooley: You mentioned customer experience, I think that one thing that would help a lot of companies is if their employees and even their executives went through the standard customer experience because, every now and then I see that there's real disconnect between what a company is promising in it's marketing and what they say they're delivering. I'm sure if you read their mission statement it would be something very positive and so on, but the actual customer experience is lacking.

I think that if you bring those things together, then where there's a disconnect they can be aligned.

Denise Lee Yohn: Absolutely, Roger. You are so right. Again, I think it just helps your employees understand your customers more and understand what it takes to serve your customers.

For example, Air BnB, actually they require their employees when they travel on business to stay in Air BnB locations and then they also give their employees a travel allowance on their personal travel, they will use Air BnB sites as well. What that does is it creates this awareness, like we just talked about, what is this experience really like and what do we need to do to make it better and exactly what we want it to be?

I think it also creates this powerful bond between employees and customers because there is no us, them ... You know, we're on the inside, we're in the know and you, customer, are gonna take what we give you. There's more of a connection, a meaningful connection that both customers and employees really want today.

Roger Dooley: Even the ... I'm thinking of airlines as a typical situation, where if you ask and an elite traveler or probably an

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executive at an airline how air travel is, they'll say it's not too bad. I don't think airline travel is all that bad. I'm sure there's delays, and bad weather, and security lines occasionally, but you know, if you have high enough status, you can bypass 90% of the aggravation. You're on the plane first, there's always a space for your bag, you may be in first class or in business class and basically, it's maybe a little inconvenient, but not too bad.

I think if airline executives had to travel either domestically or internationally in basic economy or the equivalent, they may might come, boy, that's a really different about what the customer experience is for probably the majority of their customers.

Denise Lee Yohn: Yeah, absolutely. Do it after you've been on the road for four days traveling all over the place. You've been in an all day meeting. You're schlepping your luggage through the airport. You're running to your gate. All of that, I think creates empathy and that I think is a real key element of any customer experience design. You really need to, not just kind of know what a customer wants and needs, but I think to actually feel that. To empathize with your customer, then you truly can create a great customer experience for them.

Roger Dooley: One thing I found kinda amusing. I know you didn't invent this, but you talked about the random corporate serial killer game as one way of defining purpose. I thought that was cute. Why don't you explain what that is.

Denise Lee Yohn: Yeah, so I'm a big fan of Jim Collins and his first book with Jerry Porras, they talk a lot about identifying your purpose as the core ideal that you build your business around and that you stay committed to throughout.

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They have several exercises that will help you discover or, uncover I should say, your purpose, and one of them is this random corporate serial killer exercise where they say ... You do a working session with your executives and you tell them, imagine that tomorrow someone offers to buy your company and in doing so they will guarantee good employment for all your employees and they're not going to ruin your name in any way by purchasing the company, but they are going to completely shut it down.

Then you ask your executives, so what would be missing, and would you still sell it to this person? That, I think, helps people think beyond the profit motivation that is underlying all business and should underline all business, to really think about what difference am I really trying to make in this world? What would be missing if I didn't exist and is that idea important in the world, is it creating substantive value in the world, such that if it no longer exists, I would feel badly about that, I would not want that to happen?

It's funny cuz I was just having a conversation with another colleague and he was saying that there are plenty of businesses out there that are successful from a financial stand point, but they have crappy cultures and he asked me, "What do you think about that?"

I said, "You know, yeah, there probably are lots of people who really don't care how they run their organizations and they really just care about making money and if they can sustain that, great. But I'm a little bit skeptical and I wonder if over time that'll catch up to them, they will realize how important it is to have an overarching purpose, to have core values, to engage your employees

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in meaningfully and to create a real difference in the world."

Roger Dooley: It might change from time to time, because I'm reminded of the GM, General Motors has had its ups and downs over the years. Now they're actually, the actually seem to be prospering right now. They certainly went through a bad period in the 70s where their cars were bad, their quality was terrible, and the designs were not inspiring and just really sort of a low point, and at the time I think the CEO is quoted as saying, "Our business isn't making cars, it's making money."

I think what you're describing right there is exactly that. Because they weren't focused on that purpose and the value they were delivering, that their customers wanted, they ended up nearly crashing the company.

Denise Lee Yohn: Right. Absolutely. I write about two car companies in my book. I write about Ford and the turn around that Allen Mulally led through after the great recession and then I contrast that to what happened at Volkswagen. I think its pretty ... With the whole emission scandal and everything. I think it's pretty clear that at some point, the folks at Volkswagen really were only motivated by money and by getting these cars approved past the emissions test so they could sell them and they weren't really thinking about, is this sustainable.

So two things, actually. They weren't thinking, is this sustainable?

Three things. One, is this the right thing to do? Two, is this sustainable, are we gonna get caught at some point. Three, is this really in line with what we say that we care about?

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Volkswagen, at least in the US, has been known as this populous brand or whatever, but they were part of the 1960's revolution. The VW vans and lots of fun and kind of counter cultural, definitely a real emotional bond with US consumers. But then here they were totally pulling the wool over everyone's eyes. It's a dangerous place to be in if profit is all you care about.

Roger Dooley: Unfortunately, in working particularly with larger companies and have shareholders and have to report to them every quarter, I really do see that short term orientation taking over. Not entirely, but when perhaps there's some sort of a shortfall happening, one market is down, suddenly all the things that were in the mission statement and in the five year strategic plan and everything else that are really important for the company, they'll just take back seat to making sure that this quarter turns out the way the shareholders are expecting.

That's certainly one reason for Amazon's success. They aren't watching the stock price or the investor's expectations of profits. They're basically focused on the customer. They keep growing and growing and actually that's turned out to be pretty good for shareholders so far.

Denise Lee Yohn: I think kudos to Jeff Bazos for from the beginning saying, this is what we are focused on and if you agree with it, great come along for a great ride. If don't, then this is not the company for you. His first letter to his shareholders, he said "The way that we will be measured," or "The way that you should measure our performance is over the long term and whether we are succeeding in our mission to become earth's most customer centric company."

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It takes a strong leader to do that. That's probably the point that I would maybe want to make here is that brand culture fusion is a leadership responsibility. At the top levels of an organization you need to understand that this is the way that you are going to power your company, the way you're going to establish a sustainable competitive vantage. The way you're going to actually ensure you have a sustainable business.

Even if you are not at that level of the company, I think even mid-level managers play a role in ensuring that the employee experience and the customer experience are integrated in the line so that this brand and this culture are integrated in the line.

Roger Dooley: I think there's probably a modeling effect that goes all the way from the top down to the bottom levels where you can put things in memos or even chisel them in a mission statement on the wall, but if people see that the CEO or their division manager or even a manager one level up isn't focused on that, they're focused on this month's numbers or whatever, that really carries all the way down.

On the other hand, if folks at Amazon see that Jeff and the other executives and managers are all focused relentlessly on the customers, then they say, okay, this is for real.

Denise, you mentioned, you kinda took this to the brand side of things from the culture side of things. Are there different kinds of brands, like brand personalities?

Denise Lee Yohn: Yeah, I've been working on brands for 25 plus years. I started when I was two. I have discovered that if you boil it down, there are really only nine types of brands out there. When I say brand type, I'm not talking about

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brand archetype. Which I think communications and marketing folks might be familiar with. There you've got the hero brand and the joker brand, innocent brand, etc.

I'm talking about types based on the ways brands position themselves. So there's a service brand, there's an innovative brand, there's a performance brand, there's a luxury brand. There are nine types of brands and what you need to do to achieve brand culture fusion is to determine which organizational values fit with your brand type. If you want to be or you an innovative brand, then your culture needs to be innovative, also. You need to embrace risk taking. You need to embrace failure. Maybe you need to have a process for fast prototyping or customer collaboration. There are things that you do internally in your culture that fit with your external brand type.

Then, what you then need to do is make it unique. In terms of performance brands, I would say American Express and FedEx are both performance brands in the sense that they're known for their reliability, and precision of execution, and dependability, and inside the organizations, they're also high performing. At the same time, An Ex and FedEx couldn't be more different in terms of what they do, how they do it, their kind of business scope etc.

Within your brand type there's plenty of opportunity and really need for you to be unique. It's the type of brand that I think helps orient you to what type of culture you need to cultivate.

Roger Dooley: Isn't there some overlap, though? Talking about FedEx and American Express as performance brands, but if I look at Amazon, I think in the book you called them an

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Innovation brand, but boy they really nail the performance aspect too and I think that, that might even be greater contributor to loyalty.

Denise Lee Yohn: Yes, there is definitely overlap. I think where companies get in trouble, though, is where they try to be all different kinds of types of brands. I really recommend you identify your lead brand type. Then certainly there will be other types that are supportive. At the same time, there's a baseline for all brands. For example, all brands need to ... All brands, all businesses need to have some element of performance in their culture, within their identity, otherwise they're not really a sustainable business.

It's really, where do you excel, where do you focus? Where do you develop your core competency and where do you align your culture to?

Roger Dooley: That's fair enough. As you say, I think you can't simply focus on one of those even if you are a luxury brand, they still have to execute well and sell on.

Denise Lee Yohn: Yes, and service is definitely an element of luxury as well.

Roger Dooley: Denise, let's assume a company's leadership is pretty clear on their culture and their brand or what they want them to be. How do you start moving them in the right direction and at the same time bring them together? Assuming it's not, all is not perfect at the moment.

Denise Lee Yohn: At the same time I think even those that are excelling know that they always need to up their game and get better all the time. There's always opportunity.

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First is assuming responsibility as a leader for either achieving or maintaining brand culture fusion. I think that we started off this conversation talking about brand and culture and them kind of being fuzzy concepts and maybe it's partly because of that or what, but usually CEO's will delegate culture to HR and they'll delegate brand to Marketing and then they think okay, checklist, I'm done.

The fact is, if the top leaders of the organization don't assume responsibility for this, it won't be operationalized throughout the company. Assuming leadership responsibility is the fundamental foundational step.

Then in the book I outline five strategies. The first is to organize and operate on brand. You want your organizational design, your structure, your roles hierarchy, and your operational processes to cultivate your desired culture and that desired culture is therefore aligned and integrated with your brand.

Some people will think, 'Well, what does culture have to do with operations?' In the example of, if you wanna become an innovative brand and you need to embrace rapid prototyping, you better have an RND process that incorporates that. There's definitely work that needs to be done in organizing and operating on brand.

Then, the next step is to design culture changing employee experiences. As we were talking about, employees will only deliver to customers what they experience themselves, so you need to design your employee experiences carefully as you design your customer experience.

Also, to your point, connect the two together. So taking the same amount of detail and discipline you take to

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customer experience to employee experience. Then you want to, what I call sweat the small stuff. Look at your rituals and artifacts and policies and procedures. These are small details of organizational life that can make a big difference.

You talked about role modeling before. One of the examples that I used is Mike Alman and JC Penney. He went to that company to try and turn it around. He started wearing himself and then requiring his executives to wear JC Penney clothes whenever they were in the stores. Because that sent a powerful signal to both customers and employees that hey, we have products that we are proud of.

In small rituals, small decisions, small policies that you make that can make real cultural shifts happen in your organization. Then the fourth strategy is to ignite your transformation. This is all about creating employee brand engagement. You don't just want employees who are engaged in general with their jobs, you want them engaged with your brand so that they will deliver on brand customer experiences.

That's what that strategies about.

The last strategy is about leveraging your culture to shape your brand. The first four strategies are about leveraging your brand to build your culture, but sometimes your culture is so influential, it's so healthy, it's so salient that you should really make that part of your brand identity and let people know what you are doing inside your organizations and that will serve as a differentiator for what you are known for outside.

Those are the five strategies.

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Roger Dooley: Great. You snuck something in there, employee experience. Now, I'm sure that all of our listeners are familiar with UX user experience and CX customer experience, but so far EX or employee experience hasn't gotten quite the same buzzword status as the other two. I think that it's going to exist in the same way you have user experience whether or not your thinking about user experience. You will have an employee experience regardless.

Thinking about it in terms of that, this is an experience you can design and change and build stuff into. I think is a really important first step.

Denise Lee Yohn: It is. You start by looking at the employee journey the way you look at a customer journey. Starting from prospecting, and recruiting, and onboarding, training, all the way to the end of employment and then you use the same principles that you've used for customer experience design. So segmentation. Don't treat all your employees the same way. It's just as ridiculous that you wouldn't treat all your customers the same way.

Segment to identify meaningful groups of employees that have distinct needs and wants, and then you identify the specific interactions or stages of the journey that you want to focus on. Adopt a design model. Maybe it's saying, "We're going to talk about technology, environment, and cultural elements," so then you'd kind of say, okay these three things we're gonna design for this employee segment and this interaction and then you actually design it just the way you would do a customer experience design. Then you go back through and make sure that the journey is seamless and that it is supporting your desired culture.

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Roger Dooley: One last question. A lot of the examples in your book are really big companies, big brands, and you can kind of understand how an Apple or a FedEx can have an overall corporate purpose and a distinct culture and so on, but most companies are much smaller with just a few employees. At the same time I would guess that trying to change branding culture in a big organization is really difficult like turning a battleship. I'm sure that at least some of our listeners are from smaller organizations, maybe a lot smaller, how should they think about this process of fusing these two elements?

Denise Lee Yohn: To your point, I think they actually might have an advantage in that their culture is not as unwieldy as maybe a large one is. I do, I really worked hard in this book to ensure that I included case studies and examples from a range of businesses so not just consumer companies like the Amazons of the world, but business to business, companies large and small, start ups, small businesses, even non-profit, faith based organizations. I really to show how this works in a range of organizations because it really does. This isn't the exclusive pervue of larger companies.

I think, it's the same steps, it's the same process. It's really about making this a priority and saying, "Even though we're small, or even though we don't touch customers directly, even though we are a non-profit, we still believe that we need to have an over arching purpose and core values and then we need to operationalize our culture to support those.

Roger Dooley: Great, well, let me remind our audience that today we're speaking with Denise Lee Yohn, brand building expert and author of the new book, Fusion-How Integrating

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Brand and Culture Powers the World's Greatest Companies. Denise, how can listeners find you?

Denise Lee Yohn: Please go to my website deniseleeyohn.com and there you will be able to access all sorts of great information and tools for fusion. You'll be able to download the first chapter for free as well as access a lot of the tools and materials that I reference in the book. You will be able to receive updates on the companies that I write about in the book and then you also have links to where you can purchase it from Amazon and other book sellers.

Roger Dooley: Great, well we will link there and to any other resources we talked about on the show notes page at rogerdooley.com/podcast. There will be a text version of our conversation there too. Denise, thanks for being on the show, I think your book will really get people who read it thinking.

Denise Lee Yohn: Thank you so much, Roger, this has been great.

Thank you for joining me for this episode of the Brainfluence Podcast. To continue the discussion and to find your own path to brainy success, please visit us at RogerDooley.com.