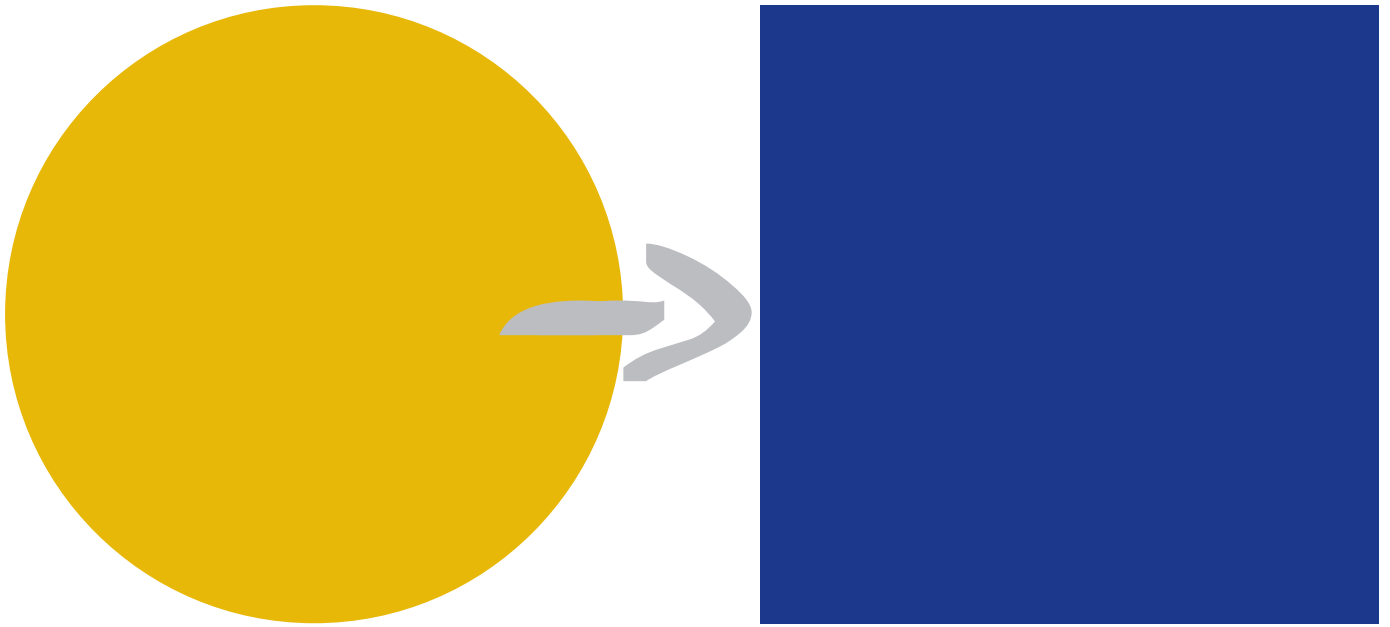


BRAND EV



EVOLUTION

Signaling dramatic change—
or keeping change under wraps.

By Tony Spaeth

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SOME CORPORATE BRANDS EVOLVE.

Others sicken – of neglect, or inertia, or fear of change – decline, and can ultimately die. And when an identity begins to sicken, its effect can be systemic, like gangrene. The symptoms are conflicted managers, confused customers, and demoralized employees. An identity review is called for.

Obviously, rebrandings are almost never the whole cure. There are substantive medicines too – restructurings, reorganizations, even new leaders – and more often than not, the rebranding event merely plays catch-up, expressing such substantive changes in hope that public image (and market valuation) will keep pace with them.

But sometimes, the rebranding itself, both the process and the event, can be the engine that stimulates substantive change – even structural changes such as acquisitions. And it is not always clear which is the cart and which the horse. Sometimes, it's not only, "We've outgrown our brand" but, "What else can we change to make our new brand sing?"

Brand evolution, both corrective and preemptive, is a common theme in this year's review of noteworthy corporate-identity change (my sixteenth for this magazine). Here are ten more institutional rebrandings. It is fun to see in them the interplay of change in substance and change in expression – which was the horse and which the cart?

It's interesting, too, to imagine what the growth or decline curves of Brand Before might have been, were there no Brand After.

■
In January 2008, Xerox launched a startling mutation of its brand, adding a new and very different red-ball symbol. The fact of the change was probably more important than the nature of the change. To explain this, Xerox brand officer Richard Wergan specifically cites evolution: "Our business had evolved; our brand, a \$6 billion asset, had not."

To be sure, there were tactical considerations as well; Wergan adds, "Our visual system, although well designed, was designed for print media; customers now access us via the Internet. We needed a brand we could protect and leverage in the digital environment, the key to the future of Xerox."

But the core issue was, "Xerox equals merely copiers." For forty-six years, Xerox had struggled with its name's overpowering association with *copy machine*. Previous rebranding efforts failed utterly to broaden the meaning of the name – such as a 1994 effort, "The Document Company" and (you'll remember) a big red X, with one arm in pixels. Nothing worked. Almost by default, Xerox then reverted to the simpler corporate posture of its classic logo, the 1961 Lippincott logo shown below left (as redesigned by Chermayeff & Geismar in 1968). The "copier" problem remained, and the company finally hired identity consultancy Interbrand.

This time, rebranding was not rushed. Interviews, planning, design, and deliberation took a full two years, with CEO Anne Mulcahy "engaged and supportive."

In the end, the new mark-with-a-symbol was chosen "to disrupt the mental model," in hopes of finding a more emotional connection with employees and customers. The symbol itself, a monogram X now disguised as a ball, was rounded in part to enhance its "button" utility. Its crossed lines (called "the connectors") provide the basis for wavy-lines graphics that dominate a new visual system, which also features "one of the broadest color palettes of any Fortune 500 company."

In addition to the design changes, Xerox reshuffled its units, their names, and the signature system. But there is no new corporate tag line as yet: "The Document Company" is neither formally retired nor felt to be broad enough for the evolving Xerox.





■ **EdisonLearning, too**, is a brand mutation with a two-year gestation. On June 30, after a full-scale strategic and operational transformation, Edison simultaneously announced a new logo, a new name, and the game-changing acquisition of a software company.

The “Edison Project” was formed seventeen years ago by a visionary leader, Chris Whittle, and became “Edison Schools” with the conviction that a profit-driven company could create and operate better schools, in challenging urban communities, than could public school districts. The company quickly went public and set out to open one thousand schools (the current count is just under one hundred). Edison had some early successes but ultimately crashed, and was taken private in 2003 – thus preserving valuable learning about managing for better education.

Edison’s new investors brought in Terry Stecz, a marketing executive from Wyeth, to reinvent the company. Stecz reset the vision toward transformation of education and accelerated learning for all children, regardless of the process or medium. And in 2007, he decided that the “Edison Schools” label would inhibit this vision. BrandLogic won the rebranding assignment. As planning proceeded, management tweaked the timetable to accommodate and incorporate the acquisition of Provost Systems, a pioneering education-software company. Thus a substantive change, in the form of an acquisition, became in a real sense another branding tool.

The name change, from Edison Schools to EdisonLearning, clearly changes the game – from running schools, places for learning, to learning itself, the end benefit. It’s one word (sort of), in an effort to make us more quickly rethink and relearn the “Edison” reputation. (See “Constructed Names,” page 63.)

Given the name decision and its complexity (which invited a two-part, two-tone wordmark), BrandLogic was virtually forced to seek a symbol-based solution, and gave us a nice monogram, like the encouraging “e” our teacher might have marked for “Excellent!” From near death, new life, thanks to brand evolution.

■ **This is a common story:** the company you never heard of because it saw no need to be known and was perfectly happy flying under the radar. Devon Energy had a logo, to be sure, probably because its first

annual report looked better with one. (It featured nice letterforms but was more appropriate for a bar of soap than an oil-and-gas development company.)

But success, exponential growth, and a ton of acquisitions make “under the radar” an untenable branding strategy. Devon is now one of the world’s leading independent energy companies, and an important presence both in its Oklahoma City community and in policy and finance communities. Its employees and its leaders want it better known, respected for their achievements and for Devon’s new importance. In 2005, the company brought aboard designer Tim Langenberg to build a creative department and prepare for rebranding.

Landor won the assignment and provided a straightforward wordmark-based solution that capitalizes on the simple, distinctive Devon name, adding a three-bar graphic device for visual impact and (by evoking geological strata) conceptual relevance.

Obviously, the new brand reflected past changes; it also empowered future change. Importantly, the time had also come to unify some twenty-seven acquired brands (and cultures) into one, a goal expressed internally in the slogan “27 to 1.” Said Langenberg, “Employees joining Devon through mergers and acquisitions at times found it hard to relate to the Devon brand. We needed something much stronger, so we could say, ‘Here’s everyone’s logo.’”

■ **This dramatic rebranding** effects Thomson’s acquisition of Reuters, expressing it more as the creation of a new company than as merely a merger of equals. CEO Tom Glocer made it personal: “I write to share my excitement over the formation today of Thomson Reuters. Birthdays are generally joyous occasions, so I hope you will permit me this celebration. Rare is the offspring who enters the world as the leading source of intelligent information for businesses and professionals and traces his family history to 1851. . . . We hope you will see many positive changes from Thomson Reuters, starting with our new brand.”

Rebranding started in September 2007, with the engagement of Interbrand for a classic brand research, positioning, and design process. Since Thomson grew from Canada-based family roots to acquire the more historic (and distinctive) Reuters brand, the name decision was to be expected.



Given the name, Interbrand designer Chris Campbell tells us, “we knew early on that a symbol would be required, at the highest level, to link together the various businesses. Increasingly they are Web-based, where a mark can stand out more clearly. And a symbol would help to establish their presence and identity as a brand new company. So a symbol was necessary, we felt, both for brand architecture and to build recognition.

“The idea of the spiral, made of dots, leverages the equity of the Reuters dots. Conceptually, each of the dots represents a point of data, so the story is that Thomson Reuters organizes the data to give it shape and meaning. Even at rest, the shape has a feeling of being alive and in motion, and supports the notion that ‘intelligent information is alive.’” As for color, “we agreed early on that we would not be another blue brand (like Thomson and Reuters, both linked to their legacy as twentieth-century companies), so we took orange, a more optimistic part of the Reuters identity, to express our future.”

In keeping with its message – the birth of the first information giant of the twenty-first century – the launch event was extremely aggressive. Six digital screens around Times Square carried a coordinated countdown to reveal the new brand at noon on April 17, when the symbol TRI was simultaneously first traded on the New York, Toronto, and London exchanges. There were two-page or even three-page spreads in major papers, followed by an impressively sustained advertising campaign. The Day One event, itself budgeted at \$1.5 million, was carried to employees worldwide via closed-circuit broadcast.

■ **Having acquired ICI** (Imperial Chemical Industries PLC), Netherlands-based AkzoNobel has become the world’s largest paints and coatings company. It celebrated this achievement not by adding “ICI” to its name (for which we are grateful) but by refreshing its existing brand.

For this assignment, management returned, with admirable loyalty, to Wally Olins (now of a firm called Saffron), whose 1988 Wolff Olins team had designed Akzo’s reaching man, known in the company as Bruce. “Even without ICI,” Wally Olins told me, “the company had wanted to bring Bruce up to date. In twenty years there’d been enormous growth; the ICI acquisition, the latest of many, simply added urgency. A related issue was the proliferation of powerful sub-brands, and the wish for rebalancing via a more powerful corporate presence.”

To confirm this in CEO-speak, “This is the new AkzoNobel,” says CEO Hans Wijers. “We are one company, with a powerful new global

brand” featuring “a subtle name change [to one word], a revitalizing powerful logo, and new brand architecture.”

“The logo,” he adds, “was already a very strong and distinctive asset, but it has been made more relevant for the twenty-first century and now has a greater sense of power and energy.”

To see how Wijers made sure this rebranding would have the full, fast impact that he intended, see “The Launch Event” on page 65.

■ **Imagine that you lead** a strong, proud collaboration of virtually autonomous firms in eighty countries, branded with a visual mark that no one much liked (and accordingly, a mark that was weak in its bonding impact). While still a second-tier player, you aspire to be a “bold, clear, and positive leader in chosen markets and within the global accounting profession.” But your visual identity simply is not that of a leader. To evolve as an institution, you must evolve as a brand.

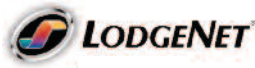
Call Pentagram! (Actually, the assignment was highly competitive – Pentagram was but one name on a very long list of consultants, short-listed to five, and won the assignment with its pitch.)

This rebranding was driven almost entirely by strategic imperatives, in part a response to the image hits taken by the accounting profession in the wake of Enron, WorldCom, etc. According to Jon Geldart, who managed the rebranding, in 2002 worldwide CEO David McDonnell laid out a vision for the future. Some helpful tweaks were made, but not the “big jump forward” he really intended. In 2005 and 2006, a new review of global strategy led the board to conclude that “we need to create a more cohesive global organization.” There are many ways and tools to make this happen; one of them, perhaps the strongest, is the brand.

McDonnell indeed recognized the potential impact of a rebranding, and in late 2005 Geldart had joined the team (as global director of marketing communications) in part to set this in motion. At launch, McDonnell put it this way: “A brand is one of the most powerful tools that an organization can use to communicate accountability and leadership wherever it does business. We have created this new brand to support our global business strategy of demonstrating real leadership within our profession and becoming a more cohesive global organization.”

Why the symbol? Why this soft one, and why purple? Designer Angus Hyland says, “They hated their existing mark so much they started to favor losing it altogether, not replacing it; but I persuaded them that in order to engineer a more cohesive global organization, it would be better to replace it with something that was more mean-





ingful, that you could actually attach some equity, some emotion to. Difficult to do that in a logotype alone. You need a mark, I think, not just a wordmark. And we wanted a more professional service image, more fluid, less blue-chip and corporate. Gradients made it more fluid, worked well in the electronic world, and gave it a dynamism it would not have had as a solid mark.

“Purple? As much as anything, it was to differentiate them in their world, where blue is by far the most conventional. We moved one notch down the color scale toward red. Purple gives them more ownership. The [Möbius] form in blue would look much more ordinary; in purple it gives you a lovely mix, from lilac to deep purple.”

And how was it received? Geldart says that “to use a very English phrase, the new identity has been received ‘worryingly well.’ To my own surprise, nobody has said they don’t like it. Even though I push, I’m not getting any negativity. Our people seem to be up for change.” Not surprising when ultimately, survival is at stake.

If you’ve ever watched a movie in a hotel room, you’ve probably experienced LodgeNet Entertainment, which provides media access in more than 1.9 million rooms worldwide. So far, so good . . . until guests began using the Internet more than film-based “in-room entertainment” (much of it X-rated). If LodgeNet failed to adapt, to become the source of expanded solutions, it was doomed.

The 2007 acquisition of OnCommand, formerly its biggest competitor, triggered the brand review, backed by dissatisfaction with the old logo (and its shiny, cheap symbol that pointed back to the medium of film). But strategic repositioning was the far more important impetus, both to broaden the product offering and to expand from its hotels base to promising markets in education and healthcare facilities.

Rethinking and redesign of the brand, aided by consultants Group 1066 and designer Jerry Kuyper, led to the formal name change from LodgeNet Entertainment to LodgeNet Interactive – and to replacing the filmstrip icon with a “spark of innovation” symbol that represents the “digital pipeline” that LodgeNet provides. As CEO Scott Petersen puts it, “our new name and logo represents our transformation from the leading provider of video on demand, to the leading provider of interactive media and con-

nectivity solutions for the industries we serve.” Clearly, this rebranding is an adaptation to environmental change.

Walmart, a.k.a. Wal-Mart, is now a rare instance of half-pregnant rebranding. To start with, how should we spell it? If we’re talking about stores in the United States, it’s now Walmart. Stores elsewhere, and the parent corporation, are still Wal-Mart.

Some 136 million Americans shop at a Walmart every week – two and a half times as many as attend a church service. It is the world’s largest public corporation, with 2007 revenues of \$379 billion, fourteen times the revenues of IKEA – and only a little less than the GDP of Sweden. So when Wal-Mart rebrands, you’d think the event would be newsworthy.

Evidently CEO H. Lee Scott didn’t think so. On June 28, 2008, *The Wall Street Journal* broke the story, illustrated with a store sign drawing that had been submitted for town approval in an Alabama community. Wal-Mart leaders had “no comment” for the *Journal’s* reporter. Two days later, a terse news release said merely, “For the past two years, a customer focused transformation has been taking

Constructed Names

It’s worth noting that four of these rebrandings involve two-part names, separated by punctuation and/or capitalization: AkzoNobel, LodgeNet, EdisonLearning, and Wal-Mart. When is this naming tactic a good idea, and when not so good?

Recognize, first, that mid-word capitalization asks people to collaborate in breaking the rules, and some outsiders (including news editors) regard this as an imposition. But even *The New York Times* will usually honor it, though it does violate the paper’s style rules.

Whether it is an acceptable branding solution (if never ideal) largely depends on whether the construction creates a natural-sounding new word or a forced, artificial one. AkzoNobel works—it’s four short, easily pronounced syllables, and the capital N is further justified by universal awareness that Nobel is a proper name. LodgeNet is short, inoffensive, and preferable to Lodgenet primarily because “lodge” is one of those oddly spelled English words that is harder to perceive unless it has some separation. Walmart, however, now makes more sense as a straightforward one-word name; it long ago outlived the utility of Wal-Mart in reinforcing the “genius founder/leader” story evoked by the *Wal*, an allusion to the deceased Sam Walton.

“EdisonLearning,” however, feels forced and unlikely ever to earn one-word acceptance; the two-color logo design acknowledges this. It is easy enough to speak, and it is within the five-syllable limit of a viable name (if barely so), but people will resent typing it all out (including the cap L interruption); inevitably, in context we will call it simply Edison, the effective designator. —T.S.

place in Walmart's U.S. business. Walmart's U.S. locations will update store logos as part of an ongoing *evolution* [my emphasis] of its overall brand – customers have already seen this in refreshed store signage and recent print advertisements and TV commercials. But what really matters is what happens out there in the stores. This update to the logo is simply a reflection of the refresh taking place inside our stores and our renewed sense of purpose.” When I inquired, a Wal-Mart communications officer merely confirmed that the identity firm Lippincott designed the new logo. (Lippincott itself was authorized only to acknowledge its involvement.)

So as of now, the corporate brand is one thing while (in the United States) the retail brand is quite another – a split and unstable personality. One might question whether Scott and his team have thought through the implications of its half-pregnant global rebranding, or (even) how to talk about this to critical constituencies. At the very least, Scott has blown the uniquely powerful one-time communications opportunity of a proud, well-staged launch.

Talk about survivors: Bell Canada is, I believe, the last of the Bells. Ma Bell, and the Babies, all are gone now, so Bell Canada can now be simply Bell. Its continuing survival, however, is very much at risk unless it can significantly change the “traditional telephone company” image that its swirly-head logo (although itself only fourteen years old) conveys.

In fact, a lot of change is in play here, including a private-equity takeover (by the Ontario Teachers Pension Plan) and the June ascendency of CEO George Cope, a leader hired in 2005 to turn this ship around. (Cope had earned his stars at Bell competitor Telus and earlier, wireless startup Clearnet.) The problem: new technologies, new competition, and rapidly declining market share.

From its 1880 founding (with Alexander Graham Bell roots) until deregulation in 1997, Bell enjoyed monopoly status. Aggressive competitors (notably Rogers) then took some business, but the wheels didn't fall off until 2005-06, when Bell Canada lost more than 400,000 local lines to cable companies, Internet telecom, and accelerated growth in wireless.

To survive and prosper, Bell would need to hold its landline base while profitably growing its TV, wireless, and Internet businesses. This in turn would require a renewal of confidence among customers and employees alike. With restructuring and refinancing almost in place, a rebranding was needed to create an event that would close

the circuit. CEO Cope could then say, “The new Bell brand underlines that we are moving forward as a company and as a service provider, with new services, a new strategy, and a new goal. It's a straightforward and customer-focused brand that directly supports the Bell team's goal: to be recognized by customers as Canada's leading communications company.”

The change to the logo itself (designed by Identica, a unit within Cossette Communications) is a relatively small piece of the clean and sweeping redesign of Bell's communications by a “dream team” of Canadian agencies.

I thought it'd be fun to conclude with a brand you have probably never seen, and this is a uniquely twenty-first-century branding story: the wholesale reinvention of a government-owned bureaucracy, formerly Communist, to gear it up to compete with some of the world's sharpest marketers.

Formerly “Casa de Economii si Consemnatiuni” (essentially “House of Savings”), CEC is the oldest surviving Romanian bank. Under Communism (1948-89), it remained the only bank available to the ordinary Romanian. But after the fall of Nicolae Ceaucescu, the newly democratic Romania opened its doors to international banks, subjecting CEC to such competitors as ABN Amro, ING, Société Générale, and Citi. As you can imagine, CEC, which had been managed by a succession of politicians under eleven presidents, undercapitalized and with the heritage – and the back office – of a bureaucratic monopoly, lost market share hugely. But in 2006, the government, having failed to sell CEC, felt obliged to rebuild on its still-considerable assets: 1,400 retail locations, a virtual rural monopoly, loyal employees, and a household name. To quote Prime Minister Călin Popescu-Tăriceanu in June 2008, “We need a bank to meet the needs in rural areas and small towns where the big commercial banks are not present, and a bank where clients who do not have very big incomes feel they are welcomed.”

On the strength of its commitments to substantive change and financial support, the government was able to recruit a private-sector leader, Radu Grațian Ghețea (CEO of Alpha Bank and president of the Romanian Bankers Association) to revive the CEC brand. In June 2007, Ghețea confirmed the appointment of Brandient, one of Romania's top identity firms, to help make this happen.

“Our first breakthrough was to convince them to slightly alter their name to add Bank,” says Brandient managing partner Aneta



The Launch Event

Suppose that as a leader, you have taken the trouble to rebrand—for important leadership purposes, perhaps even for long-term survival. Will it work? Will people see it your way, or will they think you are throwing sand in their eyes? That often depends on the skill and, especially, the confidence with which you launch the new brand.

Fact is, people love to see new logos. There is a window of attention (“Gee, that’s new”) and curiosity (“What is it supposed to mean?”), usually favorably predisposed (“I see; that makes sense”). If you use that window to its full extent, you can instantly achieve unbelievable change. If you ignore it, you not only have wasted a one-time opportunity—you may have lost control of your rebranding message, or even risked its utter failure.

Here’s how one CEO, Hans Wijer of AkzoNobel, assured the success of his (not uncontroversial) rebranding. (This is based on research by colleague Dick Bondy, for a pending study on rebranding launch strategies.)

PREPARATION: Planning took a full six months. Priority audience: managers and employees, both from the newly acquired ICI and from the heritage company; customers, investors, and others were secondary. Key message: This is a new company, new in its global unity and in its refocused energy.

On April 1, 2008, a teaser campaign was launched. Employees everywhere (and in the company’s eight languages) saw posters with the message “April 25, 8:00 PM. Be Curious!” and with scratch-off ink, revealing cryptic phrases. The same scratch-off idea, using digital ink, appeared on the company intranet. And sixty thousand postcards went to employees too; 25,000 of them were returned, for a prize drawing.

THE EVENT: Launch of the new brand was timed for day two of a previously scheduled Executive Leadership Conference, three weeks later, when 225 top managers from around the world would be together in Amsterdam. The afternoon was dedicated to discussion of the vision, values, and corporate culture underlying the new brand, with the company’s directors on stage to respond to questions.

At cocktail hour, the meeting moved across the street to Amsterdam’s sleek glass Passenger Terminal, overlooking a canal. The press attended too (they had been briefed earlier by CEO Hans Wijers, under embargo.) Amsterdam’s mayor welcomed all. Then, at 8 p.m., Wijers took the stage in front of a framed fabric scrim fifteen meters wide and ten high. A new corporate film was shown. At its conclusion, lights behind the scrim revealed a troupe of Cirque de Soleil acrobats who performed

to newly commissioned music and choreography; at the climax, the lights dimmed and the new AkzoNobel logo appeared, to thunderous applause. (At 8 p.m., the completely new AkzoNobel website went live as well.)

For a festive dinner, the meeting then moved to an adjacent hall whose walls had been papered with quotes from the brand-assessment interviews, as well as the new logo. (At their seats, top managers would find their new business cards.) Dancing followed, interrupted by one more surprise. At 11 p.m., a barge came into view through the glass walls, with an illuminated stage on which workers (the Cirque de Soleil acrobats again) hoisted a giant banner that again displayed the new logo, now with a background of fireworks.

FOLLOW-UP: The launch event was filmed and posted on the intranet site. Managers took home with them a memory stick with a brand launch presentation as well as the corporate film, for employee meetings. Another poster campaign promoted vision and values, and all sixty thousand employees received a gift bag with a brand book, a cap, a key card, and a note from CEO Wijers.

On May 6, ten days later, large ads in newspapers and business publications celebrated the integration of ICI into “the new AkzoNobel.” —T.S.

Bogdan, because “many perceived them as a savings house and not a bank.” Actually it’s a significant name change, legally replacing “Casa de Economii si Consemnatuni” with “CEC Bank SA.” (Note: Yes, CEC is an acronym — the Romanian word *cec* is pronounced and means *check*. Nice.)

Brandient’s designers used a number of graphic techniques to convey heritage, strength, and reliability, yet with warmth and approachability: a sturdy serif font, muted green and gold colors, a shield of authority, and an oak leaf, a mark of strength and financial responsibility used also by the Romanian military (in medals and insignia) and the nation’s proud rugby team. Overnight, the CEC brand image changed, from cartoon to historic national leader.

In terms of speed and breadth, the impact of a rebranding like this is very much a function of the launch event. (Accordingly, launch strategies and tactics are beginning to be seen as a new area of specialization in the branding community.) For CEC, Romania pulled out all the stops. Weeks in advance, while public secrecy was

preserved, more than twenty daylong “brand engagement” sessions were held throughout Romania for hundreds of top and middle managers, and for the bank’s labor union. On May 6, Prime Minister Popescu-Tăriceanu and his finance minister starred in a televised public launch ceremony from the bank’s Bucharest headquarters, with hundreds of guests from business, finance, and organized labor. A reception was held the following day for key customers and business partners, and on May 8, the new CEC Bank hosted a mammoth outdoor concert in Bucharest, followed by free events in other Romanian cities.

Without rebranding, was CEC Bank likely to decline, and ultimately fail? Or Bell Canada? Grant Thornton? Wal-Mart? Xerox? No one can say. But in all cases, it’s clear that real renewal, real employee enthusiasm for meaningful effort, would have been much harder to muster.

We can also say that a traditional rule of corporate identity — that the brand is sacred, never to be tampered with — can be a death trap. Quite clearly, brand inertia can be a barrier to life-giving mutations. ■