

Honors to the Bold

Of last year's crop of new corporate logos and identities, the most successful go on the offensive.

By Tony Spaeth

The corporate posture that prevailed in 2002 was "hunker down!" To most corporate leaders, it seemed a good time to keep a low profile. Corporate-image advertising fell, and leading identity firms confirm a sharp drop in client spending on image design, which might be held (correctly or not) to be nonessential.

All the more honor, then, to leaders who bucked the trend and used a high-profile identity change to bring new life and meaning to their companies. Kudos, too, to those leaders who when forced to change, by merger or separation, chose to do so with strategically and creatively bold execution.

The examples that follow are 14 points on a boldness-and-excellence spectrum. The first eight cases come from leaders taking action to refresh, reposition, and recharge a long-established (and in some cases counterproductive) company image. Next, we'll look at four mergers and two spin-outs, noting the range of branding and naming strategies that they employed.

First honors go to Cargill CEO Warren Staley, who is determined to turn his giant food-commodities company (\$50 billion in revenue, with 90,000 employees in 57 countries) into nothing less than the global leader in nourishing people. That calls for an enormous change of employee (and executive) behavior—a change of corpo-

rate culture. "We are undertaking a fundamental change in our approach to doing business," says Staley. "Our efforts today center on creating distinctive value for our customers—from helping farm customers market their products to helping manage food customers' supply-chain logistics and risks. We are more customer-focused, performance-oriented, and innovative

TONY SPAETH, a Rye, N.Y.-based corporate identity consultant, reports here each year on noteworthy identity programs. Additional reviews and reflections can be seen at www.identityworks.com.

in all of our business relationships.”

Need to change the culture? Change the logo! (The old “oil drop” symbol was a classic, though, and I will miss it). A Minneapolis graphic-design firm, Franke+Fiorella, provided a brilliant solution, converting half of the old symbol into a leaf, expressing nutrition. Because the symbol and new wordmark are now a single visual element, it’s easier to maintain the consistency and impact of the corporate brand presence; in practice, the old Cargill symbol and wordmark tended sometimes to wander apart.

Like Cargill’s Staley, CEO George Harad of Boise Cascade sought to transform and renew his company, from a static commodity-

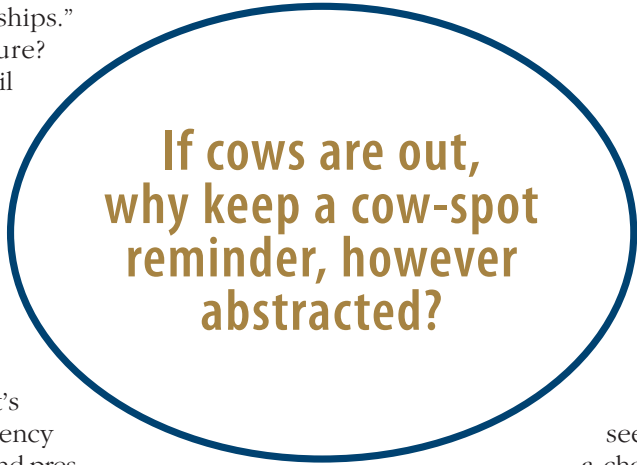
like posture to a more dynamic, service-intensive culture. To emphasize the new image of “Boise,” the company dropped the “Cascade” name. The tree symbol, too, had to go; though appealing, it said “forest products.” Harad prefers for people to think of a three-category company, whose defining units are the



BOISE

renamed Boise Building Solutions, Boise Paper Solutions, and Boise Office Solutions. The identity firm Siegelgale advised and designed a classically simple wordmark to anchor this new image.

My first reaction to Gateway’s new “stylized cow spot” was, “What can they have been thinking?” Gateway’s 1998 cow-spot-
ted box symbol, still fresh and sassy,



**If cows are out,
why keep a cow-spot
reminder, however
abstracted?**

remains the hands-down computer-category winner for “friendly.” But Gateway has convinced me that as a driver of purchase consideration, “friendly” loses out to technology and design leadership, where cow spots become a liability. Founder and CEO Ted Waitt sees Gateway as a design innovator on a par with Apple and Sony. While still cherishing farmland values, he decided, “It’s time to take the next step,” which would require de-prairie-tizing the Gateway brand.

The Gateway logo is credited to Arnell Group, a New York-based “brand ideation and experience marketing company” that had been engaged by Gateway for retail-store and product-design ideas. The symbol is meant to be a “hipper” cow spot, “branded with a computer ‘stand-by’ symbol, laid on its side to form an iconic ‘g.’” While the strategy is bold, this design execution is somewhat tentative.

If cows are out, why keep a cow-spot reminder, however abstracted?



For years, PepsiCo managers talked among themselves about their dated, weak, and ugly corporate logo. But no one acted to change it, on the grounds that the corporate logo was of little importance: “Consumers don’t eat a PepsiCo” and “Worldwide, there are only two signs with ‘PepsiCo’ on them.”

Still, the logo diminished all corporate communications and seemed particularly out of step for a champion of modern art and architecture. (A flag-waving red-white-and-blue globe might also send signals unappreciated outside the United States.)

Taking over from Roger Enrico, new CEO Steven Reinemund saw an opportunity to quietly signal a “new PepsiCo,” modernized but with no radical change. Task accomplished. Lantor Associates designed an admirably simple presence, one whose five-color globe symbol is intended to evoke diversity in general and PepsiCo’s family of brands in particular.

How does an advertising agency handle its own identity change? For BBDO, there had been no real change since 1928, when the George Batten Co. merged with Messrs. Barton, Durstine, and Osborn, so not surprisingly, “We felt the current BBDO logo was a bit staid and stale,” says BBDO Worldwide CEO and chairman Allen Rosenshine. “The new design was created to reflect our position as a growing, leading creative communications company and to set us apart from our competition.” In that, at least, he was successful; few logos are vertically stacked (which generally makes them challenging to apply and, in some applications, forces

them to be pretty small.) Avoiding the shoemaker's-children problem, Rosenshine had the good sense to turn to a design firm, the BBDO subsidiary Nolin Branding & Design in Montreal, for this

BBDO

bold if challenging solution.

**B
B
D
O**

Seagate Technology is, and seeks to remain, the world leader in hard-disk drives, so there's no repositioning goal; this is an instance of refreshing and renewing the brand to sustain its position. Says CEO Steve Luczo: "Over the past few years, Seagate has undergone significant transformation to keep pace with changing market dynamics. Just as our company has evolved, our brand has evolved. The new brand identity will act as a visual signal to all our constituents that Seagate has changed."

Seagate calls its new sea-green symbol "The Wave," but I suspect most of us will see it first as a picture of a disk. This clever double play was designed by

identity firm Landor Associates. (Isn't it interesting how *old*, in contrast, the former Seagate logo suddenly looks?)



The Marriage Dilemma

Turning now to mergers and acquisitions, we find examples this year of four possible naming strategies available to the surviving entity: combine the names, chop them up to make a new name, start fresh by creating a name, or adopt the acquired name. (The fifth strategy, *do nothing*, is illustrated by PepsiCo, which acquired and quietly absorbed Quaker Oats in 2001.)

For decades, American Home Products was a great frustration to identity consultants.

Apparently from the school of "It doesn't much matter," president and CEO James Mulva was ready to go with an internally designed Conoco-Phillips combination, until someone on his board suggested that some professional input might be warranted. Consultants Addison (SF) then had only two weeks to design a better solution. There was no time (or assignment) for second-guessing the name and brand architecture.

To quote hands-on CEO Mulva: "Because there were so many letters in the name, the logo had to have a simple, conservative design. In choosing the colors, we wanted to show a company that was financially strong and long-lasting. We also wanted a design element in the logo that represented upward movement and progress. That element—called the 'Mark'—represents a mark of excellence and symbolizes the company's commitment to continuously reach higher levels of performance and innovation." I must confess, however, that to me it suggests a flying memo.

The customary rationale for this naming strategy is, "Two good

names make one great name." But often the combination proves to be a placeholder; in due course, truncation takes place, or it is replaced with a truly new name.

The second strategy, rarely seen, is to create something altogether new from pieces of the heritage names. This is elegantly illustrated by "Arcelor," which is derived from ARbed, aCeraLia, and usinOR. Luxembourg's Arbed, Spain's Aceralia, and France's Usinor combined in 2002 to form the world's biggest steel manufacturer. Chairmen

Joseph Kinsch and Francis Mer were assisted in naming by the Benelux office of naming consultants Nomen. For design, CEO Guy Dollé turned to Corporate Factory, a Paris-based communications agency, for a somewhat strange heart-like symbol that is meant to evoke a planetary alignment of three entities.

Strategy three, also quite rare, is the adoption of an acquired company's name by the acquirer. For decades, American Home Products was the biggest unknown company in America, and a great frustration to identity consultants:

William LaPorte, its legendary leader in the 1950s-70s, and successor John Stafford firmly denied the relevance of a corporate brand, and "AHP," comfortable as a self-described (but very hands-on) holding company, enjoyed the



quiet reputation of a “widows and orphans” stock.

But as early as the mid-1980s, the company’s food and saucepan businesses were gone, and AHP was becoming a pure-play drug company. To his credit, CEO Robert Essner realized that success as a freestanding pharmaceutical leader would require a stronger corporate

brand. The Wyeth

acquisition neatly solved his naming problem.

“We thought about a coined name but decided we already have good equity in a name we already have,”

he said. Landor Associates

designed the straight-type wordmark; when a name is as distinctive verbally as “Wyeth,” there is no functional need to add graphic distinctiveness.

Wyeth



The fourth naming strategy, to forget “equity” and focus on the future by creating a new name, is especially helpful when the merger partners have been competitors—even competitors as friendly as were Aid Association for Lutherans and the Lutheran Brotherhood. The new Thrivent Financial for Lutherans is a *Fortune* 500 company, managing \$57.7 billion.

A coined name, regardless of its strategic advantages, was not management’s first choice. As president and CEO Bruce Nicholson admits, “I’ve long wondered why all the new companies I read about seem to have made-up names. Now I know why, firsthand! In the difficult and intensive process of finding a new name for our merged organization, we found an outstanding one—but only after we discovered that more than 90 percent of the nouns in the English language are already taken, and the other

BearingPoint’s somewhat obscure reference is navigational; it means target or destination.

10 percent are virtually unusable. That’s why you and I read about companies named Lucent, Accenture, and Dynegy—and now Thrivent Financial for Lutherans.

“We’re now a major player in the financial-services

industry. Securing the rights to a name that we can protect from others is critically important.

Thrivent . . . is a name we can protect. ‘Lutheran Financial,’ for example, we cannot.” FutureBrand assisted Nicholson’s team and designed the evocative heart-ribbon symbol.

Spinning the Spinout

The drama of the big accounting firms’ consulting subsidiaries continues: Two years ago we were given “Accenture,” as Andersen Consulting was renamed in the nick of time to avoid the fallout of Arthur Andersen’s collapse. Last year, Deloitte Consulting told the world that it would become “Braxton,” conveniently adopting the name of a firm that Deloitte had acquired in

1984. Gloating a bit, chief marketing officer Brian Fugere said, “Let’s face it—the world is tired of coined, invented, and whimsical corporate names.” His CEO Doug McCracken piled on: “While our competitors are distancing themselves from their consulting roots, we are reaffirming our commitment to the profession.” As of this writing, the Braxton logo (designed by Interbrand) has not yet been revealed.

On the heels of the Braxton announcement, PwC Consulting briefly become “Monday,” a name I immediately predicted would fail—and fail it did, quietly buried after IBM acquired the entity. (I am convinced that many PwC partners voted to be acquired in good part to be spared their new Monday business cards.)

Evidently, KPMG Consulting CEO Rand Blazer had no old names like Braxton on his intellectual-property shelf and was therefore forced to go the “coined, invented, and whimsical” route. Eschewing identity consultants and graphic-design firms, he chose ad agency Arnold Worldwide to create as well as to launch the company’s new brand. BearingPoint was the best (available) of 550 names considered. Its somewhat obscure reference is navigational; it means *target or destination*. As Blazer explains, “We do what BearingPoint literally means: setting direction to achieve end results,” and this may be what Arnold’s converging-swooshes logo design is intended to suggest as well.



Thrivent Financial

KPMG Consulting
Communications & Content

BearingPoint
Formerly KPMG Consulting

Will the Real Branding Specialist Please Stand Up?

Boldness in strategy alone rings hollow if quality of execution does not keep pace. For bold execution, in naming and especially design, I rate Centerpulse at the top of this year's list.

Sulzer Medica was a collection of medical-device businesses that Sulzer, a giant Swiss machinery maker, spun out in July 2001 "in order to enable both companies a new beginning." Chairman Max Link recruited CEO Stephan Rietiker, who retained the experienced Swiss identity firm Interbrand Zintzmeyer & Lux to position, name (a new name being mandatory), and design this "new beginning." Rietiker decided to reconstitute "a network of company units" as six divisions, united under a strong brand, saying, "Consolidation under a single brand umbrella is a logical step toward still greater customer focus and organizational transparency. . . . We are now systematically clustering the know-how already at hand within the corporate network."

In "Centerpulse," the Interbrand consultants found an available and pleasing combination of two English words, appropriate to the industry while also suggesting the benefits of a central vision and leadership. . . . all things considered, a remarkable naming feat. The logo design uses a solid shape to strengthen the name, adding a circle for interest, distinctiveness, and any number of possible meanings, thus adding future communications flexibility.

Surprisingly, chairman Link, now (again) the CEO, was never sold on centralization. "Rietiker wanted most

of the power in Zurich, while I wanted to give it back to the units," he told analysts last July 16. It is ironic that Rietiker thus left the company just weeks after June 1,

when "Centerpulse" took effect as the name and logo. But as of this writing, his new masterbrand remains, and its expressive power and its logic in the marketplace will continue to promote corporate coherence. ♦

To whom should a CEO turn for identity advice and assistance? It is easier than ever to be led astray. "Branding" is arguably this decade's hottest buzzword, and to ride this trend design firms, consultants, and advertising agencies selling quite different kinds of services have all repositioned themselves as "branding specialists." For corporate assignments, who is best?

Most corporate-identity work today is done by one of three types of firm—graphic design, identity specialist, or advertising/marketing agency. Informed (biased?) by my own experience as an independent identity consultant who teams with graphic design firms, with 10 years' prior experience in identity firms and another decade in advertising agencies, I offer these guidelines.

Graphic-design firms can do outstanding identity work, as Franke+Fiorella's work for Cargill testifies. The late, great Paul Rand, who counseled IBM and Westinghouse, worked alone, preferably one-on-one with a CEO client. Graphic designers are likely to outsource naming, and to team with a consultant on more complex assignments. They are best used when the positioning issues are relatively simple—with no subcorporate branding and association issues, no other constituencies who want to be consulted, and a CEO who is already engaged and brings the designer clear and actionable strategic direction. At the very least, you can be sure that a well-trained graphic designer understands the directness and simplicity of a functionally effective logo.

Identity specialist firms like Siegelgale, Landor, Addison, FutureBrand, and Interbrand (to name only those cited in this article) are a good choice when the CEO may not yet be fully engaged, the desired positioning is not yet clear (or clearly supported with a management consensus), and there are complex organizational and relationship issues and subsidiary-brand equities—and as a result, a need for a comprehensive situation analysis, consensus-building, and planning phase.

Advertising agencies can do good branding work—planning, positioning, and promoting category brands, that is—but have rarely done good corporate-identity work and as a rule, in my opinion, should not be expected or asked to do so. My heartfelt analysis:

Agencies are about marketing and are totally—indeed, passionately—focused on immediate campaigns. They should be. But identities are more basic and must outlast campaigns, and are more concerned with leadership issues like destination-setting and employee motivation; today's marketing issues are generally of secondary importance. A good agency, doing its job, will always confuse identity with campaign and, therefore, put corporate marketing ahead of corporate essence.

Agencies seldom have qualified identity analysts and designers on staff. Even the largest agency can't generate enough corporate-identity programs, from its existing client roster, to support them. And a great agency art director may or may not be a good graphic designer; they are quite different jobs.

There is a good deal of technical knowledge involved in structuring corporate-brand architecture options, in building visual systems beyond the logo design, and in applying identities in media beyond print and broadcast; agencies must reinvent these wheels.

For agencies, a long-term relationship is the ideal. Design and identity firms, too, appreciate lasting relationships, but identity work, I suggest, is best viewed as episodic, and best done by service firms that consider themselves expendable. To best serve their clients, they must constantly prod, educate, and challenge, at continuing risk to the relationship. For this reason alone, thoughtful ad agencies have not sought to build an internal identity practice.

Missing from this list are the management-consulting firms, whom one would normally expect to compete for the corporate-leadership and positioning counsel that identity work requires. It's true that the long-established identity firm Lippincott & Margulies is now a member of Mercer Consulting Group (a Marsh & McLennan company). L&M has worked hard to cross-pollinate the management-consulting and identity-consulting cultures, in 2003 actually merging them and changing its name to Lippincott Mercer. To my regret, other consulting leaders have traditionally treated identity work as somehow beneath them, and there are no signals that firms like McKinsey & Co. are exploring corporate-identity practices. —T.S.

SULZERMEDICA

centerpulse