

## ***Corporate Image Management: A Marketing Discipline for the 21<sup>st</sup> Century***

### **Chapter Three: Corporate Image Management as a Catalyst for Change**

A predominant management theme since the early 1980s has been the introduction of new leadership from outside whenever massive internal change is required. The new leadership puts its plans together, takes the company through an exciting period of positive change and the bottom line results are applauded by the investment community. Unfortunately, most of these changes are of the swift and immediate kind, such as cost containment and trimming of staff ranks. While financially sound and prudent, the company is no longer what it used to be. And while the new leadership team is committed and shares a common vision, neither the public nor the staff are knowledgeable about the new values of the new organisation.

As a result, internal disenchantment sets in. The younger and brighter staff, those whom the new leaders had counted on to strengthen the middle management ranks, start to leave. Dissatisfied comments are heard regarding wages, benefits and of not “being informed of the company’s activities.” There may some staff that management would like to leave, but who stay, recognizing the security of their employment. On the other hand, the more desirable staff may leave because they do not have a clear picture of what the future holds for them.

The new leaders are so busy tearing down the old structures that they fail to design and communicate what they are building. The public doesn’t see the company in its new light, so they depart to competitive offerings. The staff doesn’t know or understand what is going on, and the most capable — who are also the most mobile — depart for other opportunities.

Changing the old ways may be necessary for short-term financial survival. At the same time, however, it is critical to create the value systems and corporate culture that will enable and promote long-term growth and survival. Otherwise, it's like putting the corporate patient on a life support system for a short time, only to allow it to die a slower, more agonizing death later.

The corporate image management process is significant for senior executives desiring to infuse change within their organisations. The revitalization of a well-established organisation and its products or services is inherently more complex than a traditional corporate identity graphics program. The creation or modification of a deeply seeded corporate culture — especially where long-term employee loyalty and long-term corporate employment are no longer in vogue — is even more difficult and even less graphically definable.

The solution to both lies within the marketing and management discipline of corporate image management.

### **Leveraging Corporate Image Management**

Is there a better way to effect change within an organisation? Is there a better way to create and inculcate a new corporate image within an organisation?

A change in an organisation's corporate identity, whether a large-scale revamp or an updated modification of an existing look, provides an opportunity for the entire organisation to "rally around" the new identity. It should be based upon agreed corporate culture and values. By leveraging the corporate image management process, the entire organisation becomes focused on collectively implementing management's desired changes and strategies for future growth, within the framework and structure of a new or revised corporate culture.

An innovating, growing, changing organisation needs a work force at all levels that has not become so stuck in the rhythm of routine jobs that it cannot easily adapt to a new drumbeat. For positive change to be a way of life, rather an occasional shock, both the crew and the captains have to be engaged in effecting and managing change. And, while still performing the day-to-day tasks that keep the business running, both groups have to ensure that the external identity and internal image of the organisation remain in harmony.

A new corporate identity provides all critical parties — staff as well as management and associated business partners — a sense of belonging to the new corporate identity system. This system embodies the appearance and feel of the new image and the new identity is supported by the foundation stones of the vision statement, mission statement, corporate quality statement, image marketing objectives, corporate philosophy, corporate values and key points from the organisation's strategic plan.

### **Active Involvement and Understanding**

No staff member, employee or manager can be expected to act independently or with initiative on behalf of the company without knowing and understanding the corporate vision, mission, philosophy and strategic direction. To ensure the desired results, the corporate image management process includes the involvement of all levels of staff within the planning, analytical, implementation and monitoring stages. This helps to win acceptance and commitment from the very people who will be responsible for implementing the new corporate identity and who will be held accountable for believing in and performing within the new Corporate Image.

This methodology is particularly useful when companies have diverse business activities that span multiple markets or multiple customer audiences, as witnessed during a project with in a financial services company in Malaysia. This company had a relatively new CEO engaged in massive change throughout the organisation. In fact, this change was

taking place so rapidly that each of the business units and most of the staff could not keep pace. At a two-day off-site meeting to discuss the corporate and individual business unit vision and mission statements, it quickly became clear that the CEO's top-down vision thinking had not won acceptance or understanding at lower levels.

To start with, not one of the six business units referred to the corporate vision, mission or goals in their own planning documents. Secondly, referred to the business plans or products of the other five operating units, even though four of them shared customers or distribution channels with at least one of the other sister units. This was an organisation heading off in six independent directions, piloted by a CEO who was on a flight path of his own. It was little wonder that the front-line operational and marketing staff below felt clueless about their company. It was also little wonder that an internal research study showed that employees felt more closely identified with their own unit (each of which had its own legal name) than they did with the parent company.

In the end, the corporate image management process for this company did not result in a name change (although one was created, but never implemented because the CEO departed before the name announcement). It served however to bring about a refined vision and mission for the company, with a set of key corporate values, revised and linked vision and mission statements for each of the business units, the development of a corporate image strategy plan, and a set of strategic marketing objectives.

### **Change Process**

What happens after the vision is created, the mission set, and the values put into place? How does senior management go about aligning the employees, business partners, shareholders, customers and others with the business strategy? The easy answer is communications. The difficult answer requires a systematic process that augments the involvement of all appropriate parties.

Critical to the success of change management is a project structure built around a steering committee. This team comprises the top manager from each business unit and support department, along with other key individuals, as determined by the nature of the business. Part of the commitment to success requires that the steering committee has the active and constant participation of senior-level managers from each unit. This is not a task force to which junior level staff can be assigned to attend the meetings and report back the discussions and action items to the senior manager. That would be a recipe for failure.

The steering committee will guide and direct the project consultants (usually an outside resource). It will also be responsible for evaluating the feasibility of the ideas and approaches taken throughout the various phases of the project. When possible, representatives of the steering committee should work with the consultants in implementing each phase.

Project teams, comprising lower-level representatives from cross-sections of each business unit (e.g. Human Resources, Finance, Administration, Manufacturing, Marketing, Operations, Technology), will be formed to collect and interpret both internal and external data. These project teams are critical in providing insights into current issues and concerns buried within the individual business units and work groups. They will also help to identify culturally sensitive issues (those that impact on the current corporate culture or on sociological norms). The four key objectives for forming project teams are to:

- involve all levels and areas of the organisation and gain their inputs,
- establish a two-way communication link and network with all work groups, departments, and business units within the organisation,
- provide an on-going methodology and process for continual feedback and evaluation of the corporate change effort, and

- gain early acceptance and commitment to the idea of change and to the new programs that evolve from this process.

By using cross-divisional and cross-company participation in this process, the units are brought closer together and develop a greater understanding of what each unit contributes to the overall whole. In the process of discussing the company's strategy, the core competencies, strengths, and interests of each unit are identified, discussed, evaluated, understood and accepted by all the other parties. Like pieces in a puzzle, each element is analyzed, shaped and put into place. In some instances, these inputs from the project teams result in modifications of the organisational vision or mission. In many cases, this process results in some restructuring of responsibilities, duties or processes, changes that are more readily accepted because they are initiated by the people who will be directly affected.

In almost all cases, this process allows the employees to identify and list what they feel are the core values and attributes of the organisation. Because the project teams invest many hours in identifying, discussing, modifying, shaping and agreeing to these core values, management receives a unified set of values and attributes. These values are not only believed and shared by the rank and file, but also have the commitment, understanding and individual internalization by the organisation's body public.

### **Implementation of Change**

Now that everyone has a better feeling and idea of the role they and their unit plays in the future direction of the organisation, the related elements of implementation need to be put into place. Part of the communication process is to ensure that everyone understands that all jobs and activities in the organisation are interconnected and that everyone is contributing directly or indirectly to a measurable corporate goal.

Complete and open communication, with accessible information for all, is essential to keep the process moving forward along the desired path. If information is kept to a

select few, then the rest of the organisation is like a marooned boat, strategically structured and sound, but waiting for the rising tide to get it moving.

I advocate sharing of the corporate vision, mission, values and objectives with as many parties as possible without jeopardizing the competitive and strategic advantages that they provide. Examples include managers, staff, employees, business partners, outsourcing partners, suppliers, union management and leaders, key customers and others. Written documents and manuals that provide supporting rationales and data for the new corporate elements and direction need to be developed and distributed freely within the organisation. These provide the background material needed by those not involved in the deliberations of the project teams and steering committee for ascertaining the logic, justification and meaning behind the new programs and new directions.

Individual business unit implementation programs should be developed with input and guidance from the project teams and, if appropriate, the steering committee. The goal is to ensure uniformity and effectiveness, along with an across-the-board feedback mechanism.

In many instances, formal training and train-the-trainer sessions will be required in order to assemble a group of internal coaches and practitioners that help to develop and shape the desired corporate culture. Top management, through their involvement in the steering committee, should actively follow the work of the change implementers and support these efforts with sufficient financial and human resources to ensure uniform implementation and absolute acceptance.

### **A Catalyst For Change**

A good example of the corporate image management process as a catalyst for change occurred when Singapore's Commercial and Industrial Security Corporation (CISCO)

engaged an image management company to modernize its logo, and perhaps its name, to improve its commercial activities.

CISCO is a statutory board organisation in Singapore with both national security and commercial operations. It is a component of Singapore's Ministry of Home Affairs and its key role is serving as the country's national auxiliary police force. In addition, CISCO provides a wide range of commercial security services to commercial, industrial and government enterprises in Singapore and an increasing number of Southeast Asian markets.

Because of its dual role as both a non-profit, official auxiliary police body and a revenue-generating corporate entity, CISCO has long had a split personality, both internally and externally. In addition, its limited resources have traditionally been split between those pushing to upgrade the auxiliary police force and those wanting to increase revenue and profits from the commercial operations.

In its role as the auxiliary police force, CISCO has no competitors. CISCO was founded for the purpose of providing supplementary security services in Singapore, particularly to government entities and businesses with high risks (i.e. banks, gold and jewelry shops, manufacturing facilities). CISCO is the only entity outside the other official police forces in Singapore that is allowed to provide armed protection services.

In the commercial world, however, CISCO has several competitors, particularly in the areas of security consultancy, security management services, computer security, computer recovery, security training and the provision of security storage facilities. Naturally, as a government-linked organisation, CISCO has certain advantages within Singapore in obtaining contracts and business within the commercial and industrial sectors. Unlike its armed protection services, it does not have a monopoly in this area, which means that it must bring a more customer-focused and marketing-aware attitude to this part of the business.

In 1992, the Board of CISCO determined that future growth for CISCO would come mostly from its commercial activities. Also, in line with strategic Singapore government thinking, its commercial activities were identified potentially for future privatization (but the auxiliary police force functions would always remain within the Ministry of Home Affairs). At that time, less than 24% of CISCO's Group turnover of approximately S\$70 million came from commercial activities.

Environmental factors that affected this decision included the realization that the auxiliary police functions were highly labor intensive and required a fairly unskilled (but trainable) work force. However, Singapore's ever tightening labor supply, combined with a reducing pool of unskilled labor resources, would have a negative impact on CISCO's ability to grow this portion of its business mix. In addition, new technology was coming on stream that could reduce the need for armed security services and thus would open up CISCO's fairly closed domestic markets to the threat of substitute competition.

This was not a clear-cut decision by the board, which (like the company itself) was divided in thought between giving priority to auxiliary police or to commercial activities. The board comprised a mixture of political appointees with long backgrounds in the public service sector and people with commercial enterprise experience. Significantly, the General Manager and CEO of CISCO, Mr. Chan Boon Kiong, was not a member of the board. Instead, he reported directly to the Chairman of the board.

### **CISCO's Corporate Image**

One of the major problems facing CISCO in the early 1990s in implementing a growth strategy based on developing its commercial activities was the weak image of CISCO in the commercial marketplace. CISCO was seen to be less customer friendly, more bureaucratic, less flexibly and more expensive than many of its commercial competitors. This perception was based on customer inputs, management observations, and a

quantitative field research study conducted amongst customers and prospects. Hence, the board directed senior management to change and improve the corporate image of CISCO while simultaneously developing plans to rapidly grow its commercial operation's revenues and profits.

According to Mr. William Carlson, the senior consultant on the project, "the consultants immediately determined that CISCO suffered from a negative market image, one which was derived solely from its auxiliary police force activities." Conducting further market and internal research, the consultants concluded that:

- CISCO was perceived exclusively in the market as the provider of armed guards in banks and goldsmith shops,
- the majority of people within CISCO, including middle managers, had little or no idea what functions or services were provided by CISCO outside their own operating areas,
- the commercial activities of CISCO were structured around departments that had grown in a haphazard fashion, resulting in overlaps of services being provided and duplication of internal resources,
- there was no centralized marketing function within the company,
- CISCO was perceived as a very low-tech company,
- staff took little pride in being associated with CISCO,

- the organisation faced numerous difficulties in recruiting technical and marketing staff due to the poor image of the company,
- the organisation had a “statutory board” mentality throughout the company, even in areas which operated solely in the commercial sector, and
- in the public’s mind, only the Public Utilities Board had a lower image than CISCO compared with other government-linked commercial enterprises. CISCO was far down the totem pole from the likes of Telecoms, Jurong Town Corporation, Keppel, Sembawang, Singapore Airlines and even the Port of Singapore Authority.

According to Mr. Carlson, “rather than focus on creating a new image, one that was unlikely to be supported by the internal workings of the organisation, we recommended that CISCO senior management consider a major restructuring of the organisation into strategic business units (SBUs), which would allow each SBU to build specific expertise in its product and customer areas and to establish a deeper understanding of underlying customer needs.”

The board was at first reluctant to even consider the structural change recommendations. In addition, although Mr. Chan was the first civilian CEO of CISCO, he came to the organisation with 18 years of government administrative service in the Ministry of Labour and the Ministry of Home Affairs. Despite a long career in the public sector, Mr. Chan readily understood and supported the need for quick, massive organisational change.

Fortunately, for both CISCO and the consultants, a new chairman was appointed at this time, one who came from the commercial world. The new Chairman, Mr. Sim Cheok Lim, was the marketing director of Shell Eastern Petroleum (Private) Ltd. and had extensive marketing and management experience in the region. He had been a board member since 1987 and had been one of the stronger advocates for the commercial growth strategy.

Mr. Sim also realized that CISCO would have to become a marketing-driven organisation if it were to achieve the long-term goals of the commercial growth strategy. And while many board members and senior managers in CISCO felt that change could not occur quickly within CISCO, Mr. Sim was not discouraged. What others thought as impossible, Mr. Sim saw not only as achievable, but also mandatory if he was to lead CISCO to commercial glory.

Following up on the previous external research, the consultants conducted extensive internal research on CISCO's image with employees, their friends and family members and analyzed the organisation's internal working procedures, issues and policies. Some of the key findings, as related to the issue of change, were:

- the human resource department was perceived by employees, management and the consultants as generally weak,
- this department was the most resistant to change as it collectively felt that any organisational change would dump massive amount of new work and procedures on the department,

- there was no central department to lead the proposed change, and
- new operating procedures and company policies would need to be developed to cater for any new organisational changes

Because of the lack of a central body or department to act as the change leader, CISCO created a series of task forces. These task forces were to investigate each of the key areas related to the proposed changes (e.g. policies, hiring criteria, internal communications, SBU structure). They were populated by representatives from across the company, including staff from the auxiliary police force departments, the commercial enterprise sections and the support staff areas. Each task force selected its own leader and structure and a senior consultant from the consultancy was assigned to be the lead facilitator of each group.

### **The New CISCO**

The newly created CISCO organisational structure was designed to support its dual role as the national auxiliary police and as a commercially driven company. In doing so, the new structure was divided into statutory board functions, support departments and subsidiaries. The six new SBUs were created to handle both statutory functions and commercial operations.

The internal structure of CISCO now emphasized performance management of specific customer product and service areas, rather than internal processing. With this new

structure CISCO is better positioned to gain greater market intelligence and to understand customer needs — the two criteria that had been identified as necessary for the company to continually upgrade its product and service offering.

As more products and services are transferred to the commercial SBUs, eventually only the CISCO Auxiliary Police and CISCO Security Consultancy operations would remain as statutory functions. These two operations were viewed as extremely sensitive and critical to the support of the country's security. The other SBUs were defined by product lines and type of customer and were grouped under three key areas: Security Services, Security Systems and Security Facilities.

In addition, a new Group Marketing function was formed to coordinate security audits and the integration of services to customers whose complex security needs required the products or services of more than one CISCO SBU.

Most importantly, to fully integrate the changes of the new group structure, a set of core values was developed, to be shared and executed by all entities within the organisation. These core values were defined as: professionalism, reliability and integrity.

The development of these core values was critical to the successful implementation of the new organisation's structure. By getting management and staff to collectively determine and write their own core values, rather than dictating these from above, Chairman Sim was rewarded with a set of beliefs that were practiced by the organisation he headed, and that he could employ too.

Another valuable spin-off from the methodology employed by Mr. Sim is that his fellow board members, not previously known for their quick decisions, immediately approved and agreed to both the core values and the organisational structure designed by Mr. Chan and the CISCO task forces. This happened for two reasons:

- 1) the bottom-up approach and cross-company participation on the task forces made it hard for the board to argue with or disagree with the final recommendations, and
- 2) the active participation of the outside consultants in the entire process gave the board a sense of security that the recommendations were rooted in value judgments that had been examined from outside the confines of the internal organisation.

Through the process of change management, a new set of key performance indicators for all parts of the organisation were created. These aimed to provide meaningful and measurable parameters for guiding continual improvement in CISCO's performance and almost all are strongly customer-oriented (as opposed to the previously used internally focuses parameters).

Soon after the creation of the new SBU structure, CISCO embarked on an advertising and marketing communications campaign to explain the new CISCO to the Singapore market. The messages were designed to show that "the integration of high technology and highly trained personnel makes CISCO a unique security group." The author's

observations at the time were that this campaign had an immediate impact on changing people's impressions, feelings and knowledge about CISCO.

### **Reacting to Change**

For an organisation that was so steeped in bureaucratic processes, the CISCO employees readily adopted the new structure and procedures. One obvious reason to this is the participatory nature of the process used throughout the 16-month period when the structural change was being debated, discussed, planned and implemented. Another factor was that all task force members were given special recognition, treated to lunches by senior management or to dinners with the general manager, or rewarded in other ways. In addition, as each new SBU was formed, a lunch or tea "get together" was held for the staff (sometimes with their customers) so that everyone immediately felt to be part of the new team.

Two new newsletters — one for employees, the other for customers — were created to explain the new organisation structure, and to inform all employees of new policies, procedures and adjustments as they occurred. This helped to prevent "whispering campaigns" from disturbing the communications flow. The customer newsletter helped customers understand which SBU to call to handle their specific requests, queries or problems.

Resistance to change was kept to a minimum, as the senior management and board showed appropriate leadership skills and allowed CISCO staff “think for themselves,” and participate in the process from day one.

### **Lessons from the case study**

The methodology employed by CISCO’s senior management resulted in an organisation that had a clearer focus and which could better identify and meet commercial customer needs. During the process, the role of CISCO was redefined to that of “loss prevention,” which provided a much wider scope than its previous focus on “security.”

As a result of the new marketing-driven direction of the company, several business units, in particular those providing security training, consultancy and systems services, began to identify overseas business opportunities and to develop a presence for CISCO in neighboring markets in the region.

In an unfortunate example of impermanent change, the CISCO corporate image advertising campaign turned out to be a one-shot expenditure rather than a long-term investment. The original campaign ran in early 1995 over a period of four months, but little has been seen or heard from CISCO since. Without a continuous investment in an on-going, continuous corporate image campaign, the public attitude and perceptions of CISCO are more likely to revert closer to their previous levels than to be maintained at the desired image.

The CISCO experience clearly shows how the corporate image management process can be used by a board or a CEO as a catalyst for change. Whereas the original brief to the image consultants was to design a new public image for CISCO, what actually took place was a complete restructuring of the organisation, from top to bottom. With the SBUs aligned with key customer groups and named to facilitate customer understanding of their functions, CISCO became an organisation with a clearly defined purpose, direction, a written set of core values and an internal structure that could clearly support, rather than undermine, the new corporate image. The irony of this case is that, in the end, very little changed in terms of the visual aspect of the CISCO corporate image (the logo underwent very minor modifications and the expected name change never occurred).

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