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Challenges to brand-building

As you begin the journey to make your brand strategy a reality, you'll face any number of challenges along the way. Five in particular tend to cause the most problems for those building brands in healthcare, from lack of understanding and buy-in to new-program burnout.

A fundamental lack of understanding of brand

We've hit this point throughout the book, but it bears repeating yet again. The vast majority of your organization will have little or no understanding of brand, which poses a huge challenge to brand-building success. It starts with your leadership—a brand strategy is simply wishful thinking if your CEO or administrator isn't on board. Though you shouldn't expect other organizational leaders to necessarily understand branding—from the COO to the CFO to the CIO—the more you have to work to bring them up to speed, the longer and more painful it will be to make your brand strategy effective.

Once you enter the organization at large, all bets are off. Branding will be completely foreign to most, and those that do know of branding will most likely have the wrong idea of it. Although it's hard to educate someone who has no background in a particular concept, it's even harder to re-educate someone who has a misunderstanding of that concept.

As you move through your brand-building efforts, keep an eye out for the misconceptions and myths outlined in Chapters 4 and 5. Prepare talking points that help to clarify each, and generate a bibliography of resources that others can access for more information on branding. As new employees enter the organization, you'll find the education process to be a constant challenge.

Branding often loses out to hard capital expenditures

One result of the misunderstanding of branding in healthcare is how it's treated financially. A senior marketing executive at a midsize health system once relayed his struggles in funding his branding and service-related initiatives. Because the cost of these various initiatives—which included an identity redesign, a Customer Relationship Management initiative, and other projects—was significant, the budgeting process called for them to be reviewed by the organization's "capital committee." The capital committee was charged with reviewing all budget requests for the coming fiscal year above a certain expense level. All such requests were put on a list, and the committee debated the items and prioritized them by need. A line was drawn on the list representing the cut-off point: All requests above the line were approved and anything below was declined. At the end of this process, all of

the marketing executive's initiatives were below the line. In fact, not a single request above the line related to branding, the patient experience, service, or research. The items that were approved were hard capital costs, such as equipment, facility improvements, and more.

It's not difficult to imagine scenes such as this playing out in hospitals and health systems across the country. Part of the reason soft costs such as branding and experience innovation are still not valued is that businesses as a whole are slow to value these soft assets. *BusinessWeek's* chief economist, Michael Mandel, floats the premise that the U.S. economy is stronger than most experts believe because the measurements used to gauge the economy are rooted in outdated, manufacturing-oriented thinking. Mandel posits that the government's decades-old system of number collection and crunching captures investments in equipment, buildings, and software, but for the most part misses the growing portion of U.S. gross domestic product (GDP) that is generating the cool, game-changing ideas.

In his argument, Mandel estimates that annually, more than \$1 trillion in investments in innovation, product design, brand-building, employee training, or research is not counted in estimates of the GDP. This would represent nearly 8% of the 2006 GDP. Why is the economy measured in such a way that would miss these elements? Mandel gives two key reasons for this misguided thinking. First, the basis for measuring today's economy was created in the 1930s and 1940s, in large part as a reaction to the Great Depression and World War II. Leaders of the Industrial Age wanted to know how the United States was progressing through these events, and measurements were created

that counted machines and buildings, but not education or branding. Despite the changes in our economy to a knowledge-based industry, nothing has really changed.

Second, as we'll discuss in the next chapter, soft investments are notoriously hard to measure. How does one capture the true value of brand-building, or training, or innovation research, when the tangible benefits are so difficult to identify? Of course, just because they're hard to quantify doesn't mean these investments don't have value, but it makes it difficult to include them in measuring the economy.

All of this brings us back to our example of the frustrated marketing executive who found all of his projects below the cut-off line. Think of the reasons just explained for this old-school measurement of our economy and then apply them to the brand manager's job in healthcare of proving the value of branding. The organization's method for measuring value is based on hard investments, not soft costs. It's difficult, if not impossible, to measure the ROI of something such as a new corporate identity. Your leaders are often hard-wired to value CT scanners and new hospital wings, not something that's soft and squishy like branding.

The solution to this dilemma is twofold. First, you must embark on the long path of re-educating your leadership in this area. Second, you must be patient and give your leaders time to rethink the old ways and begin to value branding for what it can truly bring to the organization.

The ADP syndrome

A friend of mine once told the story of his experience working with a health system to develop and communicate an organizational vision. During an open forum with directors and managers, he noticed one middle-aged man sitting with his arms crossed, clearly not buying into the message being delivered. After the session, the consultant asked the man what he was thinking about:

"ADP," the man said.

"What is ADP?" asked the consultant.

"ADP: another damn program," the man said. "I've outlasted other efforts like this, and I'll outlast this one too."

Here was an employee who was so burned out by corporate initiatives that he refused to even consider engaging with a new one.

Unfortunately, odds are that a segment of your internal audience suffers from ADP syndrome. Corporations have great intentions in developing initiatives, programs, and organizational philosophies, and we can all name the most recent and most common: mission, vision, strategic planning, Six Sigma, Lean Manufacturing, Lean Six, service standards, innovation, quality, safety. The list goes on and on, and now we're adding branding to the mix. With the quantity of initiatives and the way they are often mishandled, it's no wonder employees grow numb to the idea of change.

Of course, that doesn't mean your organization should stop trying to improve or to roll out new initiatives. But it does highlight the challenge of adding brand-building to the plate of already overwhelmed employees. They must know that the brand strategy is for real, why it's important, and that leadership supports it. They need to understand that their performance will be measured against brand values, and that branding will have a positive impact on what they care about most—their patients. Discipline, consistency, constant communication, continual feedback, and the celebration of successes all help employees to overcome ADP syndrome and begin to engage in brand-building.

What have you done for me lately?

Today, corporate cultures are often focused on immediate results, which often come at the expense of tomorrow's success. We all know the drill. Maybe it's cutting marketing expenses this quarter to make the numbers, which will have a negative impact on volumes the next quarter. Or perhaps new hires are postponed to lower expenses, leading to a drop in customer service levels. Whatever the strategy, sacrificing tomorrow's potential for today's gain can become a vicious cycle of always trying to play catch-up. The situation is worse for publicly held companies, which must meet the quarterly projections of industry analysts or see their stock prices take a hit.

Usually, the CEO or administrator feels the most pressure to improve today's situation, and understandably so. But more and more, marketing leaders also are feeling the pressure. In fact, research shows that of all the senior positions in a corporation, the chief marketing officer has the shortest shelf life, with an

average of only 26 months on the job. In healthcare, more and more is expected from these executives, and the misunderstanding of branding and marketing in general that is pervasive in healthcare only compounds the issue. This pressure to show results now can stop brand-building in its tracks. Branding is a long-term investment in the future success of an organization. As we've discussed, it can take years for true brand-building efforts to take hold. Because it's hard to show ROI on many branding initiatives, it makes it easier for executives to reject them.

When it comes to branding, this issue results from a combination of issue one, a lack of understanding, and issue three, a lack of seeing branding as a worthy investment. Addressing those issues will go a long way toward helping your organization accept the long-term investment that is branding.

Leadership turnover

Maybe the number-one reason brand strategies fail is lack of consistent leadership. As we just read, the position with the most turnover at the executive level is the CMO. Right behind that position is the CEO, whose average turnover is 44 months. These, of course, are the two most important positions in the organization when it comes to developing and leading a brand strategy. The loss of either one of these executives can doom brand-building efforts. Often, new hires want to make a fresh start or make their own mark on the organization, which drives them to change top strategies such as branding. Or perhaps they don't understand or value branding, or they feel it should be a lower priority for the organization.

What makes this challenge so daunting is that there is little you can do to prevent leadership turnover. Leaders change for all sorts of reasons, but in the end, it's the rare organization that is able to keep its two top branding leaders together for five or 10 years. Nevertheless, the value of branding is too great for organizations to abandon the strategy because of this challenge. The more inclusive the brand strategy development process, the more comprehensive the brand strategy launch, and the more embedded the brand-building efforts, the greater the likelihood that brand-building can continue should the CEO or top marketing executive move on.

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