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Identity

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1996

This is Tony Spaeth's seventh annual report on new identities. It's all about the CEO's special responsibility for designing the company.

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Tony Spaeth is a Rye, New York-based identity consultant. In addition to Footstar noted in this article, his 1995 and 1996 clients for corporate and brand positioning counsel include Sony Corporation, The Limited, Malden Mills, Orbital Sciences, Eastman Chemical and Dow Jones. The new Dow Jones identity (by Belk Mignogna Associates and CEO Peter Kann), launched January 2 in The Wall Street Journal masthead, will be a candidate for the “1997” article.

Prior to establishing an independent practice, Spaeth was a consulting principal of the identity firm Anspach Grossman Portugal and directed its naming activities. He is a graduate of Princeton and received his Masters in Business Administration from Harvard.

New Faces

Some corporate leaders are forced by events to commission a new corporate identity. Others choose to do so. Are there differences in their experiences that we can learn from?

The last two years have been filled with corporate churning, with split-ups and spin-offs once again outpacing mergers. “Trifurcation” came into fashion. (As you can imagine, the news that companies like ITT, AT&T, Melville, and D+B would split into three parts generated a feeding frenzy from identity firms.) In such cases there’s no choice: Newly separated companies need at minimum a new logo, probably a new name, always a new “positioning.”

But as I screened new corporate identities to find cases of particular strategic impact and/or creative excellence, I was most intrigued by those who *chose* to undertake the cost and trauma of identity change. Of the 15 stories that follow, the first 10 are event-driven (seven spin-offs, three mergers), and the last five are self-initiated—usually by a CEO to effect corporate change.

Several of the new corporate identities are strikingly original, as CEOs and designers alike thought outside the box.

Spin-offs

All things considered, this is the best execution among the out-of-the-box solutions. **360° Communications Co.** (it reads

Changing your corporate identity—
should you wait until you *have* to do it?

Some recent changes provide
intriguing answers.

“three-sixty”) was formerly Sprint Cellular Co., a regional service provider. (The spin-off was an artifact of government rule-making.) The identity challenge: Create an instant presence, a strong container for brand equity, looking as big as the telecom giants it competes with, yet fresher.

The name and apple-green logo do just that. Says CEO Dennis Foster (who was the driving force in identity planning): “Our new look delivers instant recall—from the name to design to color. It’s bold. It’s powerful. It’s portable to new products, and it’s unlike other identities in our industry, which are either acronyms or tech-speak.” Foster was well-advised by consultants Siegel & Gale; still, it takes guts to name your new baby with a number.



Lucent Technologies Inc., surely, is another out-of-the-box solution; it earns the 1996 red badge of courage. Imagine that you are about to launch a \$22 billion offering, the biggest IPO in history. Your name has been AT&T (the Bell Labs and manufacturing pieces, once

Western Electric). Would you have the guts to pick a poetic name out of the dictionary—and a new symbol so casual and informal as to be unlike any corporate mark seen before? Subject, perhaps, to ridicule?

It wasn't even an issue. The management team of Henry Schacht and Richard McGinn are to be credited for the "clean break" identity strategy, a deliberate celebration of freedom and self-determination. Even before design work began (Landor Associates were the consultants and designers), management

consensus favored a "human" solution so strongly as to direct "hand-drawn" designs. In the decision room,

more-conventional, hard-edged alternatives were presented, but the red brush-stroke "ring of innovation" was already seen as a home run.

A cynical colleague of mine thinks Lucent proves "if you have enough money, you can make anything work." In fact, Lucent proves that its brilliant corporate-launch advertising—and it *is* brilliant—works even better over a signature that sticks in the mind. It may take us a few weeks more to learn what Lucent is, but it won't take years.

To help us out, Lucent has provided two modifiers, an identity tag and a theme line. Unfortunately, they are a little confusing: "Bell Labs Innovations" and "We make the

Lucent Technologies
Bell Labs innovations



things that make communications work" are competitive positionings, research vs. manufacturing. The effect may be to perpetuate the old Bell Labs/Western Electric cultural split, when integration is called for.

The other AT&T spin-off, **NCR Corp.**, is in hard-edged contrast to Lucent. NCR, of course, was only briefly "AT&T Global Information Systems," a.k.a. "AT&T GIS," a truly stupid name that NCR people couldn't wait to undo. For them the naming process was easier than for Lucent, but the result was not necessarily better. Apart from brevity, the strength of "NCR" is also its weakness—we already know what it means, and we are probably wrong.

But if "NCR" is to be the hero again, why is it not the focus of the new logo? Why distract our attention with a surrogate abstract



symbol: an infinity sign, or is it a piece of chain-link fence? At launch, NCR said the symbol would "cut through the clutter of typical corporate symbols and suggest the qualities of the new NCR—strength, responsiveness, innovation, dependability, partnership with its customers, and global reach." Heavy lifting indeed. Beyond this, NCR won't com-

The Six Universal Attributes Of a Great Mark

If we weren't in the room when the decisions were made, if we don't know what the CEO's intentions were, how can we say one logo is "better" than another?

As in ice skating, technical merit can be judged independently of communications content, and we can all see the skater fall. The first five things that distinguish great marks from ordinary ones are technical; the last one addresses content. Great marks are always:

1. Distinctive. The design idea need not be unique in the world, just distinctive enough so you can "own" it in your particular marketplace.

2. Practical. Can be printed small, in ink or pixels; works in black on white as well as in colors; works in reverse too, white on black. (Faces, human or animal, usually flunk this last test; the eyes turn white.)

3. Graphic. Communicates purely in visual terms, to the right brain hemisphere; doesn't depend on verbal, intellectual interpretation. (Example: Tenneco seriously considered and rejected a "10ECO" logo design. Clever, but it's not a mark, it's a pun.) If a wordmark, it can be recognized by form alone (you don't have to "read" Coca-Cola's logo more than

once or twice).

4. Simple in form. Contains only one graphic idea, one gimmick, one dingbat. Thus if there's a symbol, the accompanying name is plain and unadorned. And if it is a wordmark, one idea or device makes it special—like IBM's stripes. (The more unique the name, the simpler the graphics can be.)

5. One message. In content too, great designs try to express no more than one attribute (such as stature or speed or dynamism) and support a single aspect of positioning.

6. Appropriate. In the end, of course, the content's got to be right. An otherwise-great mark fails if the reputation, positioning, and personality expressed are at odds with management intentions. —T.S.

ment, because they are in court: The computer consultancy Gartner Group Inc. claims excessive similarity to its GG logo.



My guess: Provided with no strategic rationale, NCR gravitated to a symbol simply because as AT&T it had a symbol (affectionately known as the death star, also designed by Bass Yager Associates). The missed opportunity, still available, is to vest their pride and confidence in “NCR” itself.

Spin-off No. 4, another tough identity challenge: Replace the great 3M brand on those blank floppy disks. While you’re at it, change a money-losing \$2 billion division into a profitable, freestanding leader in data storage and imaging. Sound like pulling a rabbit out of a hat?

Imation Enterprise Corp. CEO William T. Monahan may indeed be wishing for a little magic. The design solution, the “hand of imagination” (from Interbrand Schechter, who came up with the name as well), was inspired by storyteller Arthur C. Clarke’s observation that advanced technology is getting harder to distinguish from magic. Another goal was to say, “We’re not 3M anymore.” In this it certainly succeeds.

Incidentally, Imation’s symbol is one of several, this year, influenced by a British-flavored preference for figurative symbols; another example is BT’s piper (see page 30). The American/European/Bauhaus modernists have generally favored more abstract symbols. As the design firms themselves globalize (like British-American Interbrand Schechter), we are likely to see more cross-pollination—and more faces, figures, hands.



The Earthgrains Co. is a lesson more in common sense than in courage. To focus on beer, Anheuser-Busch decided to reverse its 1982 acquisition of Campbell Taggart Inc., America’s No. 3 baker. The spin-off’s CEO Barry H. Beracha prepared for independence by rethinking identity strategy. He came to a widely important conclusion: “The days of the anonymous corporate enterprise are over.”

In fact, recent research suggests that consumers know “brands” can be fictions, that a true brand is the maker’s mark, and increasingly understand the “maker” as whoever makes the defining quality/price decisions. And they (we) know this is not some brand manager; it is the corporate parent. (In a recent Harris Poll, consumers named General Motors and Procter & Gamble

as America’s fourth- and fifth-highest-quality *brands!*)

To create a more expressive and valuable “maker’s mark,” Beracha’s advisers (Anspach Grossman Enterprise—formerly Anspach Grossman Portugal) selected one of his regional bread brands, with appropriate redesign, for elevation to the corporate brand level. Good thinking, nicely executed.



Covance Inc. will never be a household word; as a drug-development service company, it markets to only the pharmaceuticals industry. For this purpose the name is just about perfect; in two legally available syllables, it says, “We work hand in hand with customers to create progress.”

Note the use of two modifiers: an identity tag, “The Development Services Company,” conveys positioning information, while the theme line “Shaping Solutions” sets up marketing communications.



CEO Christopher Kuebler directed consultants Addison, Seefeld & Brew in creating this spin-off, formerly Corning Pharmaceutical Services Inc.

In another spin-off—from retail giant Melville Corp. (itself paring down to become CVS) came two shoe businesses: the Footaction chain plus the contract operator of Kmart’s shoe departments, combined in a new parent. Identity challenge: How to position and thus name the new parent?

Answer, led by CEO J.M. Robinson: boldly, pre-emptively. The combined businesses make a world player, operating more than 3,000 retail units. Why not position it for global leadership from day one, accepting the challenge of a name that has to be earned every day? The author advised; with Robinson’s help, Nat Connacher designed a confident, straightforward wordmark. No little feet-pictures, no star icons were needed or wanted; the name, **Footstar Inc.**, itself is rightly the focus.



Mergers

With one notable exception, the gutsy Unisys model is out of fashion for merger identities. (Unisys, you may recall, was Mike Blumenthal’s shock therapy to unite the competitive Sperry and Burroughs cultures.) CEOs nowadays are more likely to take the knee-jerk path, agreeing simply to combine names. Sometimes this makes sense; sometimes it doesn’t.

Lockheed Martin Corp. is one combination that makes sense. CEOs Norman R. Augustine and Daniel M. Tellep are said to have agreed on three issues in the first three minutes of deal discussion—a merger-of-equals structure, the management, and the name. At four syllables it's short enough (the practical limit is five), and it preserves two great brands.

The challenge then, to consultants Anspach Grossman Enterprise: Position it and design a unifying “new start” logo. The positioning, “America’s leader in the application of advanced technology to solve the



world’s most difficult problems,” is a bit over-arching. But Gene Grossman’s design is brilliantly dynamic and a force for convergence; note how two vectors form the star.

For another “merger of equals,” the same naming strategy results in a seven-syllable clunker, a mix of taxonomies analogous to “Aerospace & Lockheed.” Neither name alone is strong enough for a new global leader, yet together they are worse: **Pharmacia & Upjohn Inc.**

Upjohn



Pharmacia & Upjohn

Stockholm-based Pharmacia and Kalamazoo, Mich.-based Upjohn chose neutral ground, London, for the new company’s headquarters and for similar reasons considered only British identity designers. The result (by Newell & Sorrell) is indeed very British both in being figurative and narrative (meaning it is not simply visual but requires verbal explanation); the hand, bird, and star are meant to signal “humanity, hope, and inspiration.” Others might see charity, hope, and faith, or even a Trinity. At small size, the symbol is a blot but, blown up big, appears to be a photograph of an actual flat rock, the shapes outlined in confetti. And to be even more different, the rock is purple.

This, too, is thinking outside the box—way out, with a Stone Age feel closer to faith than science.

The exception to the A + B = “A+B” naming trend is, of course, **Concert PLC**, a name chosen in preference to “BT+MCI” or the like. When Iain Vallance and Bert Roberts Jr. finally did the deal last October, “Concert”



was already in hand, preregistered and ready to announce. It had been created some two years earlier (by Interbrand Schechter) for the two companies’ initial joint venture.

The name itself is excellent. Concert is appropriate for a coherent team of diverse voices, yet so real and simple, recognizable in many languages. I have seen it on the short list in a score of naming assignments, and its availability always surprised me.

The pre-existing logo, however, might best be seen as a placeholder. It was not designed to function as this new global telecom-service brand, and to me it does not seem up to the task (the swoosh, for example, is neither distinctive nor fully resolved). In fact, it is astonishing that Vallance and Roberts (both of whom recently fathered new corporate identities and ought to respect the process better) would take their Cinderella to the palace still in her pumpkin. The Concert identity cannot take final shape until its leaders’ visions for it are better understood.

Strategic Initiatives

Identity change is an executive power tool . . . perhaps the CEO’s single most effective tool for achieving corporate change. Here are five recent demonstrations.



Late in 1993, McGraw-Hill Inc. was experiencing identity pains and began the search for a doctor, which in due course led to Lippincott & Margulies. Diagnosis: The corporate logo persists in communicating “textbook” because that’s where most of us saw it as we grew; for a corporation now vastly broader, a multimedia player in diverse



The McGraw-Hill Companies

global markets, the textbook image is a drag and, increasingly, an operating handicap. CEO Joe Dionne and COO Harold McGraw co-managed the detailed, year-long identity-planning process and established three goals: 1. Reposition the corporation as “high-tech, dynamic, global”; 2. Retain the “principled” component of its heritage; 3. Convey its “brand-rich” diversity.

The corporate presence is now communi-

cated by the full formal name **The McGraw-Hill Companies**, embellished by a monogram, an MCG “globe.” (The old logo was retained—but only as a brand mark within the publishing segment.)

The signature is said to meet the goals thusly: 1. The “globemark” does the Space Age stuff, 2. “Companies” conveys brand diversity, and 3. the McGraw-Hill name in an italic serif type covers the heritage base.

The McGraw-Hill Cos. has invested thinking, time, and money in identity change in the belief that it will increase corporate coherence, add value to the brands, help the businesses grow faster, attract better employees and partners, and improve understanding and appreciation among investors. They are right, of course. But I would be happier if they still let us call it “McGraw-Hill.” (Guess what—we’re going to, anyway.)

Northern Telecom Ltd. had every reason to change its name, which suggests it is a regional telephone-operating company (as in Bell Atlantic Corp.). CEO Jean C. Monty was determined to reposition the manufacturer (historically Canada’s equivalent of Western Electric) as “the preferred global resource for designing, building, and integrating information, entertainment, and

communications networks.”

Nortel, already the nickname, was the obvious name choice, and Siegel & Gale designed a distinctive and appropriate logo. It is one of very few wordmarks that successfully contain a symbol. Minolta, too, contains an “O-globe”; I think Nortel’s globe is better, both as a letterform and a freestanding symbol.



NORTEL
NORTHERN TELECOM

Despite the fine name and logo and superb launch planning, Monty pulled back from the brink to insist, “This is not a new name, just a new logo.” As in many name changes, the issue was, “Do we ‘transition,’ prolonging the agony, or bite the bullet?”; and market research will generally favor the recognized, the conservative answer: Go for the agony. Today the words “Northern Telecom” are still glued to the bottom of the Nortel logo, substantially diluting its effectiveness, and in identity terms Nortel remains half-pregnant.

NOVELL



Novell

Novell

Symbol? Or Wordmark?

Of these 15 new marks, nine are essentially “wordmarks,” while six feature graphic symbols (Lucent, NCR, Imation, Pharmacia & Upjohn, McGraw-Hill, and LG; I count Nortel as a wordmark, but its “O” can also function as a freestanding symbol).

Which logo strategy is best? When should a CEO choose a wordmark, when a symbol? In general, consider a symbol only when:

- Your name is too generic, too long, doesn’t translate well globally, or is hopelessly deficient in personality.
- You need an emblem on the product, as on a car hood—or a sneaker.

- You need to link subsidiaries to the parent and can’t easily use the name. (The Bell symbol served this function for the old AT&T and its operating companies.)
- You have (or can afford) ample media, to teach us what the symbol means.

Choose a wordmark when:

- Your name is reasonably distinctive but not (yet) a household word.
- You want to associate products or subsidiaries with the parent more clearly and directly than a symbol permits.
- Communication funds are limited and should be focused on name recognition.

A case in point: In 1995, Novell

wanted to be a more powerful umbrella brand over its various software names. Consultants Frankfurt Balkind designed a striking new N symbol, appropriately expressive of a focal “enterprise networking” concept, accompanied by an elegant low-key wordmark.

In 1996, the “dots” were banished from marketing communications, to better focus on the branding essential—the Novell name. Rationale: “We don’t have time for trinkets that serve no functional need.”

Bottom line: Wordmark or symbol, make sure your identity consultant provides a strategic application-based rationale—not just a pretty face. —T.S.

The full-page ad in *Business Week* was a teaser: “Meet the Face”; next page, “Meet the Face of the Future Today!”; finally, “Meet LG, the new name for the Lucky-Goldstar Group.” When I first saw it I was struck by the sudden friendly humor of this previously distant *chaebol*.

When Landor Associates went to Seoul for the initial client briefing, chairman Cha-Kyung Koo had essentially made the decision to change to initials—for much the same reason Mike Blumenthal had chosen Unisys instead of Sperry Burroughs. The assignment was to design a logo that would help quell the stubbornly competitive Lucky and Goldstar cultures, uniting them under a corporate brand they could be proud of. Koo was also envious of the Samsung logo change and of the global presence Samsung achieved with it; **LG Group**, too, wanted respect for its place among the world’s top 20 corporations.

As the “face” idea emerged in the design process, the client’s enthusiasm surprised Landor’s designers. To Western eyes, its whimsy is at odds with notions of global stature. To the Koreans, however, it seemed to embody a deeply felt value, the commitment to a human component in corporate culture central to their identity.

(Perhaps, in addition, the facemark has resonance as an ideogram, like a kanji character.)

The now-familiar “D+B” was nicely designed—in 1977—to express the idea of a big, strong parent, with stature and reliability. Twenty years is a generous life expectancy for a logo—as well as for the underlying corporate idea.

“Today in business, whole industries shift. Companies break apart, then quickly assume new forms in oceans of perpetual change.” **The Dun & Bradstreet Corp.** introduced its new corporate identity with this thought, an appropriate mantra for 1996.

In 1997, Dun & Bradstreet is still a parent (Moody’s, Reuben H. Donnelley) but something of an empty-nester. Having spun off Cognizant Corp. and A.C. Nielsen, CEO Volney Taylor saw the need to signal the change, to replace the image of the prior company with one “smaller, nimbler, faster.” He directed Landor’s redesign of the D+B mark to express his vision of a reinvented, more sharply focused yet more flexible company. The new logo neatly does this; “Is it better design?” is beside the point. (But I can’t help feeling Citicorp should ask for a royalty.)



LG Group



A badly overextended conglomerate in 1991, **Tenneco Inc.** fixed the fundamentals through heroic cost management and divestitures. In 1994 CEO Dana G. Mead took over from the late Mike Walsh, determined that a stronger Tenneco would be “the first so-called ‘conglomerate’ truly managed as a macro-operating company, in which all divisions share the same goals, values, business logic, and basic approaches.”

(This is an aspect of vision especially actionable to identity designers, because it speaks to corporate composition, the communicated relationship of parts to the whole.)

As soon as the financial crisis was passed, Mead turned attention to intensive planning for a new identity, assisted by Lippincott & Margulies. The desired positioning: “a world-class industrial growth company.” The result: “We now have a modern, strong, forward-looking logo,” Mead said. “We look like a world-class company, and we look like one company, not unrelated businesses.”

You will seldom see so clear an expression of the CEO’s unique ownership of a company’s identity: “I’m determined to make sure that it is supported at the executive level and that it is not diluted over time. As new acquisitions are made, new products developed, and new markets entered, the corporate-brand structure must be consistently supported, and my role is to see that this happens.”

Mead is immediate past chairman of the National Association of Manufacturers, a former White House fellow and West Point professor, and a decorated combat veteran. Chief identity officer is not a job for pussycats. It is a command function.

So in the end, does it matter whether identity change is self-initiated, or in response to an event? I think not; in both situations the CEO is exercising the prerogative, and the obligation, to design the company. What matters is that the CEO accepts this “design” responsibility, gets qualified help, respects it, and participates hands-on at critical points in the process. ■

