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Identity

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1998

“Powerbrands” is Tony Spaeth’s ninth annual report on noteworthy identity programs, written to honor CEOs and designers alike. His own work (mentioned in this article) includes the Celera Genomics and Commonfund programs.

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Tony Spaeth is an internationally recognized expert in the use of identity as a tool in marketing and management. As an independent identity consultant, he specializes in corporate positioning, diagnosis of corporate and brand identity needs, clarification of strategic vision through identity, and nomenclature systems and name development. 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.

Tony teams with graphic designers and agencies to provide total identity services. In addition to the Celera Genomics and Commonfund programs in this article, recent clients include Dow Jones with Belk Mignogna Associates, Flowserve Corporation with Jack Summerford, and Orbital Sciences and Inrange Technologies with Nat Connacher.

This “1998” article, as well as “1997” and “1995/1996,” can be viewed or downloaded at www.identityworks.com.

Powerbrands

How should corporate leaders attempt to resolve complex naming, branding, and design issues under the secrecy and time pressures of The Deal? This question has special pertinence in light of the mergers and mega-mergers that dominated 1998. These mergers produced some of the year's boldest new corporate identities—"powerbrands" like Ameren, Cendant, and UBS. But there were some "alsobrands," such as Citigroup and MCI WorldCom, which didn't quite come off, perhaps because they were produced too hastily.

Haste seldom leads to good identity work. This is especially true in so-called mergers of equals, when corporate leaders walk on eggs around the tough identity issues (which are also core leadership issues). How, for instance, should Exxon's Lee R. Raymond and Mobil's Lucio A. Noto proceed? Should "Exxon Mobil" be developed as a unified global powerbrand, or should it simply be a placeholder logo while real thought is given to creating a clear identity platform? In my experience, it takes a good six months to articulate a clear identity platform, achieve management consensus, design a visual system, and plan the launch—and add at least six months more if the name is on the table too. If the stories that follow tell us anything, it is that if a corporate name is to become a powerbrand, it needs cooking time—as well as qualified chefs.

This year, at age 9, joint venture GEC Alsthom was deemed to have achieved critical mass in size and profits and was taken public by its 50/50 owners, Britain's General Electric Co. (no relation to America's GE) and France's Alcatel Alsthom. (The name Alsthom, in turn, can be traced back 70 years to a 1928 combi-

Great visual symbols require great leadership—and time.

nation of *Alsacienne* and *Thomson*.) Paris-based **Alstom** is a Ecu 14 billion competitor of GE and ABB in power generation, high-speed trains, and the like.

Chairman and CEO Pierre Bilger was determined to create a freestanding and globalized identity, a new brand strong enough to replace



all other inherited and acquired names. The Paris agency CB'A executed nicely. Dropping the *h*, as well as GEC, helps make it new, and the "O" symbol (reminiscent of Nortel's 1995 O-globe) evokes the driving motion common to generators and railroad wheels.

Energy deregulation, a continuing story, empowers the creation of identities like **Ameren**, which combines Missouri's Union Electric with CIPSCO (Central Illinois Public Service Co.—an acronym we can happily forget). CEO Chuck Mueller is confident that the

TONY SPAETH, a Rye, N.Y., corporate identity consultant, reports here each year on noteworthy identity programs. Between articles, his research can be seen at www.identity-works.com.

internally generated “fresh new industry name” will secure a leadership position “among the best American energy companies.”

The logo combines a straightforward Ameren wordmark with the circular “sun over heartland” symbol. Credit St. Louis designer Kiku Obata & Co. with this ingeniously simple powermark.

Will **Bank of America** work? Will legendary leader Hugh “Mr.” McColl be able to forge a cohesive union out of previously competitive cultures? We’ll see.



Does the new identity help make it work? On balance, I think yes. The flag-field symbol itself is brilliant, evoking (like Ameren) the agricultural heartland one sees on the long flight from Charlotte to San Francisco. The design credit goes to Enterprise IG. But the name choice, and resulting need for a symbol, is questionable. Technically, Nations-Bank is the stronger of the two derivative names (it’s a unique three-syllable word that could function as a wordmark, needing no symbol). At six syllables, Bank of America won’t become the “real” name, because it’s just over my five-syllable tolerance limit—in my experience, names with six or more syllables are almost always truncated or initialized by users. So “Bank of America” will be shortened: Like its predecessor, it will be called BA, BofA, or—if it’s lucky—“BankAmerica.”

Sometimes all it takes to find the best answer is clear thinking and straightforward execution. President Heather L. Ruth of Public Securities Association (which represents securities firms and banks that deal in debt securities) knew she had an identity problem, one only partly alleviated by the stopgap addition of the description “the bond market trade association” to the PSA initials. Consul-

tant Chermayeff & Geismar said, “Why not just name it what it is?” and designed a sturdy, interest-compounding growth logo for **The Bond Market Association**.

Of course, it will now be called “BMA,” and that’s fine—so long as BMA stays among friends as a legitimate nickname, never a logo.

There should be a sign on the **Citigroup** logo saying “Work in Progress.” In the April 1998 announcement of this surprise megamerger, “Citigroup” was rendered in the bold, italic font of the great Citibank logo designed by Gene Grossman in 1972, and the powerful “compass rose” symbol was simply replaced with the Travelers umbrella. This placeholder, design-by-executives corporate brandmark created a graphic personality clash between the authoritative, global, and institutional “Citi” powerbrand and Travelers’ more playful umbrella, still essentially the mark of a rainy-day-insurance category brand.

Subsequently, the Citigroup letterforms have been redesigned to reduce this dissonance: They now appear softer, less aggressive, and cozier, even down to the lower-case “c.” Citigroup’s identity managers say this is more contemporary and appealing to younger audiences, and that in any case it is intended for a low-profile holding company and definitely not a corporate powerbrand.

The merger, however, doesn’t make a lot of sense if it is predicated on autonomously led Travelers and Citibank institutions operating under a passive holding vehicle. Where then are the synergies, vested vision, and the ultimate holders of responsibility? It is probably more realistic to admit that no one has yet articulated the leadership intention. Its logo, I am confident, will end up looking quite different from the current incarnation.

The announcement was big news: “Scientist’s Plan: Map All DNA Within 3 Years,” was the *New York Times* headline last May. “A pioneer in genetic sequencing and a private company [J. Craig Venter and Perkin-Elmer Corp.] are joining forces with the aim of deciphering the entire DNA, or genome, of humans within three years, far faster and cheaper than the Federal Government is planning.”

Celera Genomics Corp. was positioned, designed, and christened just 13 weeks later, with a name inspired by “celerity,” or swiftness. (“Era of the cell” is a nice subliminal secondary meaning.) The logo, chosen by Venter for its lively human spirit, combines a simple, confident wordmark with a snippet of the double helix. I was the namer on the project; Nat Connacher handled the design.

It’s hard to imagine a rougher first year. The \$28 billion (market cap) “merger of

equals” that produced **Cendant** found massive fraud in predecessor CUC International. Yet under surviving CEO Henry R. Silverman, Cendant remains a profitable, data-driven consumer direct marketer and the owner of such brands as Avis, Ramada, and Coldwell Banker. And it is now itself a potential corporate powerbrand.

I have to believe that the inherent gravity of the new Cendant identity, its sense of importance and stability, has actually helped Silverman weather the storm. It could just as easily have been called “CUC/HFS” or the like. Silverman was well served in strategy, naming, and design by consultants Lippincott & Margulies. “Ascendant” makes a great naming premise. We can read the “C” mark design, which evokes the formation and momentum of many components, as a hard disk—appropriate symbolism for this technology-intensive marketer.

Take a look at the **Commonfund** logo. Simple, isn’t it? This is the new name and landmark of the dynamic nonprofit created in 1971 by McGeorge Bundy’s Ford Foundation, to bring professionalism to the endowments of American schools and colleges. Today, Commonfund manages in excess of \$19 billion for more than 1,350 member schools, representing the world’s largest pool of educational endowment and operating funds.

Last year they were “The Common Fund,” with some bricks for a symbol. The difference is more than cosmetic; the new identity, directed by CEO Bob Bovinette, represents a renewal of energy and focus, a commitment to strengthening the economic basis of excellence in American education. Greenwich, Conn.-based agency ClarionBrand Marketing deserves full credit (I assisted on the project).

It’s been a big year for really big mergers. **Diageo** resulted from the combination of the United Kingdom’s Guinness and Grand Metropolitan to form a consumer-products giant with brands like Burger King, Green Giant, Smirnoff, Pillsbury, J&B, and on and on.

The \$37 billion merger was first announced under the colossally boring, backward-looking name “GMG Brands.” Then consultant Wolff Olins got busy, creating Diageo. (Dia is more or less “day” and Geo is “world,” thus “every day, everywhere.” But meanings like this, useful at launch, are ultimately irrelevant.)

Diageo is probably the most ridiculed new name of the decade. The British press can be brutal, but as usual some of the cheapest shots came from other name consultants (it’s so easy!)—“sounds like a perfume,” for example, and “didn’t he used to play for the Yankees?”

Diageo Group CEO John McGrath took the heat bravely—earning my 1998 Badge of Cour-

age for Naming. Diageo is in fact a brilliant name: short, globally effective, and entirely distinctive, with a sense of warmth and sheer fun that is highly appropriate to the company’s products and businesses. Note how simple and confident the logo is; with a name as unique as this, little graphic embellishment is required. Lilies do not need to be gilded.



And **Dynegy** CEO Chuck Watson earns the 1998 Logo Innovation award. A year ago, this Houston-based energy company was NGC Corp. (originally Natural Gas Clearinghouse), with \$13 billion in revenues, ranked 107 in the *Fortune* 500, and overdue for visibility.

Dynegy is a huge leap from NGC’s alphabetic obscurity. The name itself, coined from “dynamic energy,” is not earthshaking, but neat and functional. The innovation, a design option included by Enterprise designer Will Ayres that Watson and his team immediately zeroed in on, is the use of an ancient Chinese “tangram” puzzle as a corporate symbol. The figures it spawns run, skate, and “do handstands in the service of Dynegy’s customers.” This identity strategy attempts to seat imagination as the distinguishing core competence.

It is possible to be too creative. Every year there are a couple of new marks I can characterize only as head-scratchers, and the new **Fortis** logo is one of them. Fortis itself was launched in 1991, a construct of Dutch and Belgian financial companies, with a strong name and a simple but effective wordmark. It is still ruled by two chairmen, one from each partner company—a possible handicap when

it comes to resolving a clearer vision.

The chairmen's identity task force called for a stronger consumer-focused, full-spectrum financial-services brand. Consultants at Landor Associates responded with a symbol derived, ostensibly, from an aerial photograph of a European town; the full-page launch ad (run in *The Wall Street Journal* on April 1, appropriately) shows an actual photo from the perspective of a skydiver, identified as "our logo designer." Fortis explains the logo with reference to "community," the relevance of which is not immediately obvious to me. The only connection I can see is that the town in the photograph (but not the logo) was ringed by fortifications. I scratch my head.

The new **Hilton** logo is the functionally designed (by Enterprise) but arguably tenuous brandmark of a "marketing alliance" of two independent corporations—tenuous, but preferable to the global conflict of Hilton brands that it replaces.

The story: In 1967, Barron Hilton persuaded his father Conrad to sell the Hilton International division to TWA (it's now owned by Ladbroke Group), including overseas rights to the name—thus creating two Hilton brands in one increasingly global marketplace. Each struggled for its own identity, the upmarket

ees who in turn deliver the Hilton brand experience, its meaning will remain uncertain.

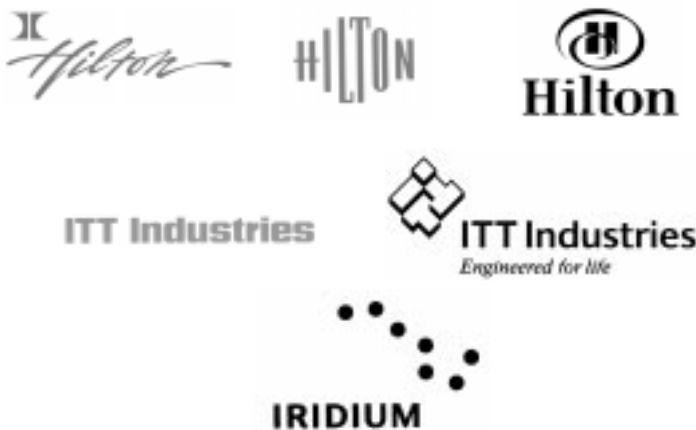
The following is a tale of patience and fortitude on the part of **ITT Industries** CEO Travis Engen. Three years ago, you may recall, three ITTs were created (another inherently unstable shared brand) by Rand Araskog's trifurcation of the remnants of Harold S. Geneen's fabled conglomerate. Last year, I noted the jettisoning of its ITT brand baggage by one of them, The Hartford, while Araskog hung on at ITT Corp. and Engen waited it out at ITT Industries. With the subsequent absorption of ITT Corp. into Starwood, and Araskog's retirement, ITT Industries is the sole ITT-branded survivor.

Back in July 1995, Engen knew that in contrast to hotels, entertainment, or insurance, the industrial-technologies division was the natural heir of the ITT corporate brand reputation. But he chose patience over confrontation: Mine will be a stealth strategy, he told me then—I will hold out quietly as ITT Industries until either I make an identity-changing acquisition or they give it up.

Later, there was real concern among his advisers that confusion, dilution, and ancient taints (remember Dita Beard?) may have irreversibly damaged the ITT brand. New names and logos were considered. But Engen held fast, and providence assisted in the form of Starwood. Given a clear track, advisers Landor Associates and Doremus Advertising predicated a new "ITT" on the core competence of *engineering*, the valuable element common to ITT Industries' diverse businesses. (Engen's advertised title is now "aeronautical engineer, chairman, and CEO.") And Landor designed the "engineered blocks" symbol that so appropriately shifts the connections our minds will make to the ITT brand.

Uncharacteristically, engineer-managers like ITT's Travis Engen can be credited for some of the more creative and exciting new corporate brands. **Iridium** LLC is another example. The largest privately funded startup in history, it was envisioned and named in 1987 by engineers at Motorola. Why "iridium"? They planned to put 77 telecommunications satellites into orbit around earth (though it was later reduced to 66)—and guess what element has 77 electrons orbiting its nucleus. But their real breakthrough was in understanding that a great name needs no obvious literal meaning. Smaller minds might still be trying to get a "Cellstar" or "GlobeCom" through legal clearance.

A second leap of creativity is the new logo based on Ursa Major, the Big Dipper. How easy it would have been for engineer-CEO Edward F. Staiano to settle for another orbit-swoosh



International trying an art deco-style monogram (by Landor, 1990) while Stephen Bollenback's Hilton Hotels added a friendlier scripted signature (also by Landor, 1992) to its 1940s H-mark. Recognizing a certain overlap, the still-independent companies began pooling reservations, marketing, and some operations functions in 1997.

Why is it tenuous? It's rarely a good idea to share a brand, or continue investing in a brand you don't fully control. It's said that "a brand is a promise," but brands are more like people—the real power of a brand lies in the competence and commitment of the people making the promise. So until it's clear whose management values and vision direct the employ-

cliché (as did Hughes Electronics). He acceded instead to the counsel of 31-year-old marketing VP John Windolph, and the design recommendation of Landor Associates—for whom 1998 was an especially prolific year. The Big Dipper promises Iridium’s reliable presence, with a symbol that a bushman would see the same way you and I do. Simply brilliant.

New media, especially the Internet, continue to force old media companies to rethink their previously low-profile corporate brands. In 1997 Dow Jones came out of the closet as a brand; 1998’s best example is **Knight Ridder**.

Retained to design a network for Knight Ridder’s 33 community-newspaper Websites called “Knight-Ridder Real Cities,” agency Frankfurt Balkind had to address a vacuum; there was no real parent brand, no “maker’s mark” behind the newspapers. CEO Tony Ridder also recognized the need for a corporate powerbrand: “Readers will turn to us more readily, and advertisers will buy us more confidently, if they know we stand for something significant nationally as well as locally.”

The logo wins Year’s Best Wordmark for the skillful use of prompt-marks to reposition Knight Ridder in the electronic era. (Yes, the hyphen was dropped too). But the identity decision more telling than the logo, intended to in-silicate the corporate culture, was the headquarters move from Miami to San Jose.

MCI WorldCom’s new brand comes across as a temporary fix designed by amateurs, and in a sense it is. Having shelled out \$37 billion for MCI, WorldCom president and CEO Bernard J. Ebbers must have decided to save a little money on identity consultants.

The name decision was made by CEOs Ebbers and Gerald H. Taylor of MCI (who has since resigned), with the reasoning that both brands’ equities could be retained. Interbrand Newell & Sorrell, which so effectively redesigned MCI’s logo only two years ago, was consulted but not retained for design. Instead, advertising agency Messner Vetere Berger McNamee Schmetterer Euro RSCG (I’m not kidding!) got the design assignment and retrofitted Interbrand’s work in ways it was not designed for.

The possibly unintended message created by swiveling and extending MCI’s “starburst” over the WorldCom adjunct is that MCI has acquired WorldCom, which, in motion to the right, may be trying to escape. The star, however, now moves leftward. By so clearly combining two still-distinct brands, this logo will always point to their separate past rather than their unified future. Draining both brands of their equity, it is the opposite of a powerbrand.

A year ago, I wondered how **Monsanto** chairman and CEO Robert B. Shapiro, having

spun off Monsanto’s chemicals business as “Solutia,” would approach the costly task of changing the perception of Monsanto from a chemical to a life-sciences brand. Understandably, like Araskog and ITT, Shapiro wanted to hang onto the powerbrand clout but lose the semantic pollution. Back then I said, “We await the new Monsanto logo that will address this challenge.”



And here it is, a good first step in our re-education, with the addition of a vine symbol designed by Enterprise. The locked-up tag line Food-Health-Hope makes sure we get the life-affirming message. And strategically the use of a symbol, because it stands apart from the name, facilitates a possible later name change.

This symbol might have come in handy in that capacity had the American Home Products merger not blown apart—on reported grounds of management incompatibility. A related cause, I suggest, was identity indigestion. John Stafford’s AHP has always hidden its corporate brand, while Monsanto’s Shapiro now believes in visibility, a convert to the corporate-powerbrand concept. Not surprisingly, faced with this “software” conflict, the joint task group assigned to create the “Newco” identity crashed.

PricewaterhouseCoopers. The July 1 launch advertisement made light of it: “The biggest name in professional services is now, well, the biggest name in professional services.” It certainly is, and ToolongbyFar. The name definitely exceeds my five-syllable rule; so what will it be—will we drop Coopers, or go with PWC (the company’s Website has started implanting a PwC abbreviation) or maybe PCw, which the little monogram symbol at the end of the logo curiously seems to suggest?

One can appreciate the bouncing-letters tactic used quite ingeniously by Interbrand to deal with the name’s length. (Note that the wave effect is limited to the *Waterhouse* sec-

tion.) The design idiom, however, directs us more toward the 18th century than to a break-away future. I have to put this one into the headscratcher column.

When one partner in a merger has a distinctive freestanding symbol and the other a sufficiently distinctive name, perhaps the best of both identities can be combined. UBS, the new bank created from the merger of Swiss



Bank Corp. and Union Bank of Switzerland, shows how well this can work, when in skillful hands.

Chairman Alex Krauer and CEO Marcel Ospel were determined that their consolidation should immediately establish its presence as a global player in order to remain competitive. Interbrand responded with a visual system linking redesigned black keys to the bold red names of the parent UBS, or sub-brands like Warburg Dillon Read, UBS Brinson, and UBS Capital.

Incidentally, this UBS case illustrates three of the strategic functions of a freestanding symbol. First, the keys conveyed the Swiss Bank equity visually, so the name did not have to be dragged along as well. Second, they visually over-brand subsidiaries, like Warburg Dillon Reed, which can thus retain their own valued brand names, reducing the need for cumbersome verbal tags like “a UBS company.” Third, the symbol compensates for a functional but boring name; it would be difficult to design an equally effective yet still straightforward UBS wordmark.

The new HSBC logo is strategically identical to the UBS one in that it also uses an established symbol for continuity, subsidiary linkage, and to make its initials distinctive. So how is it that I can so like the latter and yet resent the former?

To begin with, the red “bowtie” symbol in

the HSBC logo, while perfectly functional and even abstractly beautiful, lacks the graphic elegance and emotional resonance of the black keys. It could represent anything, or anybody. Then there are the initials—all four of them. Are we supposed to know what they abbreviate, or just accept them as meaningless? Apparently the latter.

HSBC, it turns out, means Hongkong and Shanghai Banking Corp., established in 1865—that’s history galore that is now lost in the new logo. It is HSBC Holdings setting out, under CEO and new group chairman John Bond, to create a global powerbrand as HSBC Group. And the choice of “HSBC Group” has the earmarks of an executive naming process, something like, “We all know what HSBC is; doesn’t everybody?” No, we don’t, and this makes a weak start for a powerbrand.

Vivendi is an ideal closing for this year’s review, as it is an entirely positive yet instructive story. First the management perspective: To empower the global marketing of construction, telecommunications, power generation, and transportation-systems services as well as water-supply systems, “Compagnie Générale des Eaux” is not the brand one would choose. Group CEO Jean-Marie Messier set out to fix this problem and succeeded decisively, if not easily. The Paris-based name consultant aptly named Nomen produced the quite wonderful “Vivendi” solution—distinctive, memorable, non-limiting, universally functional, and bursting with a sense of happy liveliness. Finally, designer Catherine Chaillet expanded this sense with her tall, compact-yet-open wordmark, punctuated with a flock of check-mark “V” birds. You have almost certainly seen the colorful advertising, in which jigsaw pieces illustrate a child’s-eye view of an idyllic cityscape, that Messier is using aggressively to establish this new powerbrand.

What I find instructive is the sheer time, effort, and patience invested in the Vivendi naming process. Starting in February 1997, 5,500 candidate names were generated. Four hundred went into legal search in four successive rounds—meaning that the first three rounds failed to produce even one available solution. A full year later, international registration was attempted with all of 20 surviving candidate names.

Naming usually isn’t quite this difficult. As I noted earlier, “Celera” was generated and cleared in 13 weeks (in one round, from a master list of 800 candidates). But I am the first to admit we were lucky. The impending exhaustion of the global supply of functional, legally available possibilities means that clients must reach further outside their natural comfort zones—to which names like Diageo probably attest. ■