BY SCOTT DAVIS

FIXING BRAND BLOAT: PUT FOCUS ON CONSUMER-CENTRIC PORTFOLIO STRATEGY

Businesses today are staggering from the weight of their brand portfolios, and there's no one easy way to lessen the burden.

It takes a commitment from the corporation's upper reaches to take a fresh look at the family of brands to ensure they're all working in tandem to drive enterprise-wide business value.

It takes the ability to make—and live with—the tough and often politically charged decisions regarding which brands should be supported and which should be phased out.

Finally, it takes clarity in thinking through your portfolio from a customer, sales-rep and marketing perspective to ensure your approach is positioning you best to "win" with each.

Few would argue that brand proliferation is endemic when 75% of the Fortune 1,000 manage at least 100 brands. In the pharmaceutical industry alone, the number of brands has grown by about 80%; in white goods and travel and leisure, they have grown by 60%.

ILLUSTRATION BY TOBY MORISON

But few companies have a fix on the cure. IBM deserves kudos for designing a specific process and framework for individual brand and portfolio decisions and management. It removes emotion from the equation by clearly stating its rules of the branding road. Procter & Gamble has applied similar thought in identifying key brands to bolster while paring 1,000 non-performers from its portfolio.

Most, however, continue to struggle: Unilever appears to have focused solely on rationalization, rather than an overarching brand-portfolio strategy supported by underlying systems and processes to guide the decision-making process. And after five years of trying, it has failed to capture marked gains.

One step in the right direction is naming a dedicated brand portfolio manager, which the chief marketing officer could include among many other responsibilities.

In an ideal world, this executive would be charged with developing rules of engagement for organizational decisions on brand and more: with managing and monitoring the entire portfolio's performance (including profit/financial contributions of individual brands). With creating an enhanced understanding of aggregate spending on branding and marketing efforts/initiatives. And because of this unique perspective, this person could offer knowledgeable insights to guide resource allocation decisions.

Of course, "ideal" is the operative word.

In businesses where profit-and-loss oversight doesn't necessarily reside in marketing, it's problematic, generally coming down to who has the influence over brand investments. Executive Brand Councils, such as Visa's or Cargill's, have popped up in many organizations to handle some of these tougher, more emotionally charged issues.

At others—Emerson and Tyco—corporate marketing has helped lead the charge in organizing their portfolio of brands to bring more clarity, organization and, at times, synergy, to the collective set of product and service offerings.

Companies need to think through three things: the strategy they're trying to achieve with their portfolios; the best way to organize their portfolios to maximize the strategy's success; and finally, the processes needed to make this work. These are mission-critical for getting the portfolio question right.

Today's environment has created an overabundance of brands, messages and delivery channels, and brand portfolios that fail at driving business performance. Until someone is charged with "minding the store," individual brand management will remain as brand fiefdoms and brand proliferation will continue to drag the business down. Focus and efficiency will be minimized, while customer and sales rep frustration will be maximized. ■

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Scott Davis
is a senior partner of Prophet (prophet.com), a consultancy specializing in the integration of brand, business and marketing strategies. Davis has written several best-selling books on brand topics.

Contact:
sdavis@prophet.com