

Successful Start-ups Launch with a Brand

By David Liss

Looking back at the über-entrepreneurial late 90s, it's easy to wonder why some start-ups thrived while others burnt out. Interestingly, the reason some brands fail is the same reason that other brands succeed. Successful brands did the things that unsuccessful ones forgot or would not do. So what are those "things" that unsuccessful companies forgot?

Like any good coach would say, "You've got to start with the fundamentals." Successful companies do just that; they start with the end in mind. They have a comprehensive strategy that permeates through every fiber of the corporate being from the moment the company is born. Many start-up companies fail because they simply do not know what a brand is.

"One of the biggest misperceptions that companies have is that branding begins when the firm has money and can hire an expert. The most successful companies consider branding from the moment the business is just a kernel of an initial idea. When Joe Smith says he is starting a company and his buddies ask what business he is starting, this is where the concept and the establishment of a brand should begin: in his answer," explains Ed Gyurko, founder of Brand Illumination, a New York-based industry analyst and investor relations consulting firm.

Successful companies begin by addressing the important questions that prove there is a need for their product or service, a market exists to buy it, and that they have the capacity to meet the needs of this market. Successful businesses have proven to a market that they can help customers solve specific business problems. They've also proven that there is a distinction between the need and existence of a market.

"There is no brand until a company has made a connection and demonstrated a value to a specific target market. Successful companies are in business to provide value to the marketplace and not just to make money," says John W. Bramblett, Principal with Bustin & Company, a Dallas-based business development firm.

What do we mean by need and market? Maybe all my friends and I need to go to Pluto and each of us wants to buy a spaceship from you to get us there. Do we have US\$ 30 billion a piece to buy one? If you then built a fleet of spaceships (work with me), because of this "demonstrated market need," I'll have some of what you're drinking.

By not establishing need from market a company can't build a successful brand. This point is driven home by Gary Thompson, executive vice president of Schwartz Communications, based in Massachusetts, "Failing dot-com companies had no business plans that worked. They were living on borrowed time with other people's money. There were too many people doing too many things for no clear reason or market."

Scott Davis, Managing Partner of Prophet, a Chicago-based brand consulting company says, "Start-ups are a jumbling of things. Your brand is about your reason for existing in the marketplace; it is the value of the product or service that you offer to consumers. Your brand is about how your company interacts with the customer." He also adds, "A brand is the essence of

who you are as a company.”

Aside from clearly understanding need from market, start-ups can also mistake naming a company with branding a company. “The name of the company should be the foundation of the brand. The name sets the stage. It is your absolute first impression as a company. As a rule names must be serious, yet be interesting and engaging,” said Burt Alper, Principal and Founder of Catchword, a New York-based naming and branding firm.

Alper explains that companies often make big mistakes when they use the wrong name for their business category. Financial services companies want to sound reliable and trustworthy, not edgy and wild. On the other hand, wild sounding names would be okay for a business that manufactures athletic apparel. In creating a name, businesses must cater to the specific needs, styles and preferences of their targeted business audience. “Dot-com companies thought they had carte blanche to name a company anything they wanted. Those companies got bit in the butt,” added Alper.

There are even more complex issues faced by start-ups that are establishing a global brand. “When launching a global brand, many companies fail or drastically underestimate the effort required to make sure their brand is globally embraced or relevant to target markets throughout the world. Brands are rooted in culture. Effective brands consider cultural differences. This is where brands either take root or die, region-by-region, society by society,” says Rob Frankel author of *Revenge of Brand X*. He adds, “It’s New York versus Mexico City. Something from the Northeastern United States and its culture and values, may not play well in Mexico. There are different values that resonate in each country.”

Start-ups must also focus on marketing in order to succeed. Marketing must support corporate values externally to current and prospective markets in all their actions and programs. When actions are taken that bring the company in a direction apart from their brand strategy and when inconsistent messaging is given to the public, companies weaken their brand. Human Resources must do the same internally to support and build the attributes of the brand with all employees.

A brand is not a commodity that successful companies can buy. A successful brand is a highly valued asset that the best companies build – for themselves, for their customers and the markets that they serve. The most successful companies began the process of building their brand long before they first opened their doors to do business. These organizations define their vision and their mission along the lines of a defined brand strategy.

Oh yes, and these same companies also have some pretty cool looking logos, a nice slogan, maybe a great jingle and the kind of a mascot that brings tears of joy to the eyes of children throughout the world.

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