

Tony Spaeth

Identity

6 Kirby Lane North

Rye, New York 10580

Phone 914 967 6018

Fax 914 967 6493

1992

Tales of Identity, 1992 edition. How business leaders are using identity tools to kick-start cultures, expand horizons, forge stronger teams and fire up marketing.

Reprinted with permission of

**ACROSS
THE BOARD**

The Conference Board magazine

March 1993

COMMENTARY

By Tony Spaeth

Logomania

One expert's call on what corporate America did last year in the hope of achieving Personality.

It's no longer enough for your product to have a brand identity; for the '90s, it's imperative that it also have a corporate identity.

That's one of the upshots of the 1992 Yankelovich Monitor, the influential study tracking American values and attitudes that is released by Yankelovich Partners, a market research and public-opinion survey firm. The Monitor sees a sea change in consumer behavior, which includes a search for the company presence behind the brand identity. "There has been so much marketing in the past 45 years that many of the tangible differences between products have been taken down to such a level that they don't motivate consumers anymore," says Watts Wacker, managing partner at Yankelovich Partners.

These days, Wacker says, "The important difference is the personality of the company." In other words, competitive advantage goes to companies that not only are well-managed, but make this clear in their identity.

Last year's identity changes were marked by bold moves to shape a coherent corporate presence that will resonate in both domestic and global markets and endure through the '90s and beyond.

THE BEST IDENTITY change of 1992 may have been the transformation of Dell Computer Corp. from an innovative clonemaker at the margins of its industry to a bold contender for indus-

TONY SPAETH reports each year on identity work of particular strategic or creative interest. He also consults on identity matters from Rye, N.Y.

DELL try leadership. The old identifier was appropriate for a startup: The description "computer corporation" reduced the need for expository advertising, and a trusty Roman typeface helped suggest stability. But today the old logo looks stodgy, small-time, and inappropriate for a successful, exciting company. Its presence on products detracted from their appeal.

The new logo corrects these problems and then some; the skewed "E" brilliantly asserts Dell's confident pride in its maverick, breaking-the-mold culture. "The design helped us reposition the company," says John Ozmun, Dell's marketing director. "Dell had outgrown its old logo. The new one reinforces the sharper, more assertive marketing posture of a financially stable company."



HIGH MARKS FOR courage go also to CEO Earnie Deavenport of Eastman Chemical Co., a division of Eastman



Eastman Chemical Company

Kodak Co. Not many CEOs would dare walk away from one of the world's best-known logos. But Deavenport's vision is to grow his \$3.5 billion unit into the "world's preferred chemical company." As the consultant on the project, my conclusion was that, given this vision, the Kodak "K" was more a hindrance than a help. Be-



The Chemistry of New Ideas

cause its power is that of a brand mark, rather than an institutional identity, the "K" inevitably and wrongly communicates Eastman's chemical competence as a byproduct of photography.

The solution was to create a visually powerful, freestanding "Eastman" to represent this vision, permitting the Kodak "K" to fade to an endorsement role. Chemistry students will recognize the Erlenmeyer flasks in the "A"s of the logo, which was developed by Clarion Marketing and Communications.

The company's press release announcing the change quoted Deavenport: "Our new logo is a clear signal that we intend to be recognized as a major company in the global marketplace." A private remark was more memorable: "It's time to get off the porch and hunt with the big dogs."

GLOBALIZATION WAS A driving motive behind several other 1992 identity changes, including those of NEC Corp., Itochu Corp., and the merger-created Fortis Inc.

In an unusual exercise in long-range planning, NEC management asked a committee of 100 employees, all in

their 20s, for their ideas on how the company could prepare itself for the

21st century. The ensuing report included the recommendation to update the company's visual identity. The simpler typeface of the new NEC logo, designed by Landor Associates in Japan, is intended to symbolize 21st-century technology. It is also better-suited to the global

market, since the old logo looked distinctly Asian to Western eyes. (Surprisingly, the old letterforms were not Asian in origin: They were a straight lift from the logo of NEC's former American partner, Western Electric.)



HAVE YOU EVER heard of C. Itoh & Co. Ltd. or seen its "CI" logo? Neither had I. Yet the general trading company,



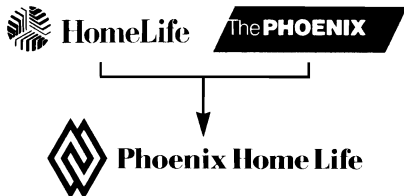
C. ITOH & CO.

which is now re-named Itochu, is the world's largest public corporation, with annual revenues of \$157 billion. The new identity, designed by The PAOS Group, signals a determination to burst upon the world scene as a visibly assertive presence. The imaginative and striking new logo is perhaps Japanese in its rising-sun symbolism (or is that the earth's horizon?), but it is universally effective as a graphic device. The ad announcing the name change reads, "Remember the name, Itochu. In the 21st century it will be on everyone's lips."



MERGERS PRESENT AN abundance of identity considerations. What will you call the new company? Should you keep the old identifiers, scrap them for a fresh start, or combine new and old? These questions are critical because an identity strategy has the potential to make or break the merger. The new identity can lose or keep customers, confuse or enthuse investors, and alienate or inspire employees. With the Phoenix Home Life Mutual Insurance Co. and Fortis Inc. mergers last year, we saw contrasting identity strategies in the same industry.

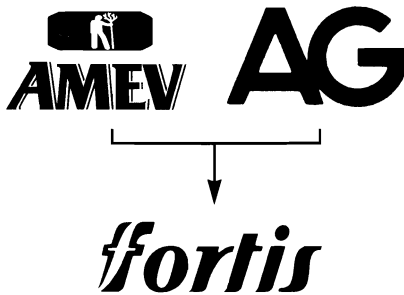
In the Phoenix Home Life strategy, $A + B = AB$. The combination of Phoenix Mutual Life Insurance Co. and Home Life Insurance Co. was in-



tended to increase financial strength and critical mass. The new abstract symbol, by the identity firm Kass Uehling Inc., suggests the ideas of a merger and unity through the interlocking diamonds. However, "merger of equals" is not communicated with this strategy, if indeed that was intended: Someone's name had to come first. In this instance, the problem is compounded by the nature of the names. The word "Home" will probably be short-lived, since the company doesn't actually sell homeowners' insurance. Of course, it isn't in Phoenix, either.

An identity strategy has the potential to make or break the merger.

THE FORTIS MERGER illustrates the $A + B = C$ approach to identity. In this case of a new corporate identity, Groupe AG (Belgium's largest insurance company) plus NV Amev (the third-largest in the Netherlands) equals Fortis, the first full transnational merger in European insurance. The consultant and designer on the project was



Wolff Olins of the United Kingdom.

While the old names will continue to be used where valuable, the Fortis logo is cleverly crafted to help unify two corporate cultures (to insiders, the two "f" shapes evoke the Belgian franc and Dutch florin), and to set aside their individual image limitations. Virtually overnight, the company established itself as a credible contender on a European—indeed a global—scale. (Fortis is actively acquiring businesses in the United States.)

Incidentally, rarely does an obviously superior name like "Fortis" prove to be globally available. In this instance, naming costs reportedly included \$4 million to Fortis Corp., a U.S. medical-cost consultant. For a vision-building, leadership-positioning identity, that's peanuts.

BUT THE GOLD medal for vision and courage in the merger department during 1992 goes to CEO Hugh McColl for a historic first: the creation of a new corporate identity in anticipation of an

as-yet-undetermined merger.

McColl had built NCNB Corp. into a regional banking powerhouse, but was determined to contend for national leadership. Much as he loved the existing name, McColl realized that NCNB,



NationsBank®

would not travel well, and commissioned a new battle flag. The preemptive new name, NationsBank, was developed by Siegel & Gale, legally cleared, and the blue and red logo designed well before its unveiling in the NCNB and C&S/Sovran Corp. merger announcement in July 1991.

SOMETIMES DESIGN SOLUTIONS themselves help stimulate broader vision and motivate bolder implementation than originally planned. This happened last year in the case of Anspach Grossman Portugal Inc.'s (AGP) work for Minneapolis-based Supervalu Inc., the largest U.S. wholesale food distributor. Supervalu supplies company-owned and independent supermarkets operating under a variety of brand names, including some affiliates that use the Supervalu name itself.

The change from the old Superman-style "S" to AGP's simpler, name-focused logo was originally part of a corporate, not retail, communications initiative.



The corporation sought to improve understanding of the company, especially in the financial community, by differentiating its wholesaling and retailing capacities. The retail brand was to stay as it was, but when retailers expressed strong interest

in the updated **SUPERVALU**

logo, management seized the opportunity to reposition the stores as well as the company. Supervalu quickly provided a new retail graphic package and used it as an impetus to upgrade the operating standards of the stores. Seldom has "mere" change of graphic design been so closely associated with the revitalization of a business.

IN IDENTITY CHANGES such as Merck & Co. Inc.'s, there's no new vision—

just better housekeeping. What more could Merck, voted the most admired U.S. company for six years running in

MERCK  **MERCK**

a *Fortune* magazine survey, require? A stronger, more uniform identity system, to replace what chairman P. Roy Vagelos had called a "fragmented and confusing" corporate presence. To anchor the company, Chermayeff & Geismar Inc. designed a new logo and abstract symbol (or is it two pills and a tablet?).

A BIGGER CHALLENGE in the health-care industry was to create the first national health-care chain in the \$8 billion chiropractic market. Propelled by cost-effectiveness data and its U.S. Supreme Court victory in an antitrust suit against the American Medical Association, chiropractic is attempting to

CliniCorp

turn from "alternative" to mainstream.

CliniCare

Spinal Health Centers

Leading the way is the ambitious CliniCorp Inc., which is using the proceeds from its first stock offering to bring individual chiropractic practices together in a chain called CliniCare Spinal Health Center, and add everything that branding implies: quality control, efficiency, promotion, and a strengthened bottom line. Consultants Downey Weeks & Toomey Inc. developed the dual identities for CliniCorp's corporate/wholesale operation, dubbed CliniCorp Managed Health Care, as well as CliniCare Spinal Health Center.

ON THE BRAND scene, the most noteworthy development in 1992 may have come from Chrysler Corp., whose



THE NEW DODGE

Dodge division has recognized that gutless, inconsistent, and otherwise ineffective identifiers might have something to do with consumers' reluctance to identify with Detroit's products.

**Sometimes design
solutions themselves**

help stimulate

broader vision.

With the slogan "We're changing everything," Dodge's recent advertisements feature a signature that includes a new, internally designed ram's-head shield, which will replace the Chrysler "pentastar" on all Dodge products. Although the new symbol seems unnecessarily fragmented, the design concept is strong. The managers of such insipid, erratic, and irrelevant graphic identifiers as Oldsmobile's, Buick's, and Pontiac's might take note.

A FINAL MEDAL for courage, elevated to chutzpah, goes to CEO Donald Bainton of Viatch Inc., who, in purchasing the Continental Can Co. name and logo (as redesigned in the '70s by

Viatch

Anspach Grossman Portugal), bought immediate name recognition and a great global identity for less

than an identity program alone might have cost. He acquired the venerable packaging-products manufacturer's name from its parent company, Peter Kiewit Sons' Inc., which has been gradually selling parts of the company since 1984. Bainton has shed the Viatch name to trade on Continental Can's still-strong corporate image and identity.



Continental Can

The acquisition has special significance for Bainton, however. Once the president of the Continental Can division of Continental Group, he resigned from the company in 1983, protesting the corporate decision to diversify out of packaging. Now the Continental Group is gone, and Bainton is free to try to rebuild a global packaging business under the old name. Revenge is assuredly sweet. ■

Tony Spaeth provides corporate and subcorporate identity analysis, development of identity plans and strategies, and naming and nomenclature systems... everything having to do with identities but design itself. He serves corporate clients in pre-design phases of identity programs and in follow-up problem solving and support.

In addition, Spaeth is often invited to team with graphic and identity design firms to help provide comprehensive identity services. His association with Clarion Communications to serve Eastman Chemical Company, as described in this article, illustrates a project-based collaboration of this kind.

Other clients he has recently served include American Express, New England Mutual Life, Pfizer, Raytheon and Southwestern Bell.

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

6 Kirby Lane North
Rye, New York 10580
Telephone 914 967 6018
Fax 914 967 6493