

Executive Summary March 2021

The Recovery Report

Branding in a recession:
How your brand can drive your business success, in recession and recovery.

Introduction

In a time of economic uncertainty, now is the time to cutback and consolidate – isn’t it? Well, research suggests the opposite is often more effective¹. Those businesses that take a step forward in a recession are typically more successful than those that just try to stand still.

Brand is fundamental to the success of this strategy. So I’ve written The Recovery Report to explain how. I want to help the leaders of small and medium sized businesses understand how your brand can drive your business success, through the recession and into the recovery that will follow.

This report isn’t about rebranding. I’m not talking about how to change your brand – just how to change the way you use it. The Recovery Report focuses on the importance of making connections. It highlights the connection between your brand and your business success. But it also explores the wealth of other connections that are part of that process.

As a business gets bigger, it often becomes more complex. Each function – operations, HR, marketing, sales and finance – becomes more demanding, on time and expertise. So in this document I want to explain how each is connected. I want to illustrate how your brand can support each function, adding value that will contribute to your success.

As the UK economy recovers from the deepest recession on record, it seems like the ideal time to do this. Covid-19 has had a catastrophic impact on the UK economy, shrinking it by 9.9% in 2020. Small and medium sized businesses generate 31% of the UK’s turnover and employ 28% of the workforce². But 42% saw turnover fall last year and 31% reduced the number of staff³.

In this report I explain how your brand can drive your business success, particularly during a recession. I have attempted to gather facts and figures, supported by some examples. My aim is to provide insight and offer recommendations. I hope The Recovery Report will help you to make better decisions about how to navigate a successful course out of the recession and into the recovery.

The full report will be published in the Spring. Until then, I hope you find this Executive Summary useful.

Jonathan Alder
Managing Director, **Alder and Alder**
March 2021

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Foreword

By Robert Camp, consultant and Director of Strategic Innovation

With all that leaders are having to deal with in these strange and uncertain times where does brand fit in? For me, during a period of uncertainty, brand is even more important and should be a key part of a firm's growth strategy going forward.

In 2011 I became Managing Partner of **Stephens Scown**, a law firm in the South West of England. During my 8½ years in that role we doubled our turnover (to in excess of £20m), we doubled the size of the team (to over 300) and we increased our profit significantly. What was most satisfying for me, looking back at that period, is not **what** we did, but **how** we did it.

We were successful because we built a brand. We built a brand that gave **Stephens Scown** a competitive advantage. Our brand created a culture that encouraged our team to be more successful, which had a direct benefit for our clients.

In the current climate, customers are looking for businesses that understand what they've been going through. They want companies that are looking at how to give something back to the community, not just how to make a profit. So, don't be shy in shouting about your business with stories which resonate with the current mood of your customers.

It's also important to remember that your brand isn't just about speaking to your customers. It's also setting the culture that motivates your team, and attracts future team members. These people are the future of your business. Your success depends on them.

As business leaders face an unprecedented period of change and uncertainty, I think you should look for every opportunity to drive your business success. To do this, I would suggest you spend less time talking about '**what you do**' and more time talking about '**how you do it**'.

Robert is the founder of Robert Camp Consulting, where he works with business leaders to give them the space to focus on what really matters, bringing an innovative, yet independent approach and ideas, to their business, working to develop strategies and plans to drive growth.

Prior to this, Robert was Managing Partner of Stephens Scown, from 2011 to 2019. Robert's vision for the firm was to create a different kind of law firm. Tasked with setting and delivering the strategy, Robert succeeded in transforming the business, doubling its profits and turning it into one of the most innovative law firms in the Country. Robert's infectious enthusiasm and clear vision culminated in the firm being recognised in The Sunday Times Best Companies to Work For list and the introduction of the ground-breaking employee ownership scheme.

What is brand?

Your brand is the experience that people have of your business. Good or bad. This customer experience is influenced by every interaction people have with your company, however large or small.

What is significant about Covid-19 is that the enforced isolation and restriction on movement has removed many of the familiar points of contact. Customer behaviour has changed. The majority of B2B decision makers now prefer a digital sales process⁴. As consumers stayed at home, online retail spending in the UK reached a record 32% in May 2020⁵.

In times of uncertainty people are looking for something they can trust. That's where your brand gives you an opportunity to maintain that relationship, and create an experience for your customers that is more attractive and relevant.



In most sectors there is usually little difference between what rival companies are offering. Supermarkets are a good example. Tesco is the UK market leader, with 27% market share. Aldi has 8%, but this has grown by 5% in the past 8 years. In that same period Tesco's has dropped by almost 4%. Aldi have successfully created a competitive advantage. Not by revolutionising 'what' they do (sell groceries), but by focusing on 'how' they do it. They offer a better experience to customers.

Your brand experience is built around recognising – and balancing – these two elements: what you do, and how you do it. “How” you do things in your business is usually determined by your purpose and your values. Together, these two elements should determine how you behave. “What” you do for your customers – the products or services you provide – is more closely connected to the physical interaction customers have with your business.

Where many businesses struggle is achieving a balance between the two, so the brand experience lacks consistency, which damages trust. A recession can make it even harder to achieve that balance.

Your brand has the potential to drive your business success – even in a recession – by bringing consistency, to every aspect of your business. With this clarity, your brand can help you to understand which products and services to offer your customers, identify the right people to join your company, select the most effective marketing message, create a compelling customer proposition and increase your profit margin.

But to harness this potential you need to make a plan – you need to create a brand strategy.



What is brand strategy?

Your brand strategy will help you to achieve your business goals more efficiently and effectively. It will bring focus to your business, so you can identify what activity is most important and make the best use of your resources. In a recession, this is more important than ever.

The value of your brand strategy is that it aligns your brand – your customers' experience of your business – with your business strategy. This is why your brand can drive your business success. But to do this effectively, you need clarity about what strategy you are pursuing for your business. The Ansoff Matrix provides a simple tool for categorising your business strategy.

- **Market penetration**

This is a business strategy where you focus on selling your existing products to existing customers.

- **Market development**

This is a business strategy where you sell your existing products to new customers.

- **Product development**

This is a business strategy where you sell new products to existing customers.

- **Diversification**

This is a business strategy where you sell new products to new customers.

When you have identified the most suitable business strategy, you can create the brand strategy you need to support it. To be effective, your brand strategy needs to address three dimensions of your business.

The business dimension

This is all about understanding your business and what you want to achieve. To do this you need to ask “What?”. What are the products or services you sell? What are your goals? What do you need to do to achieve them? By answering those questions, you can build a more effective brand strategy.

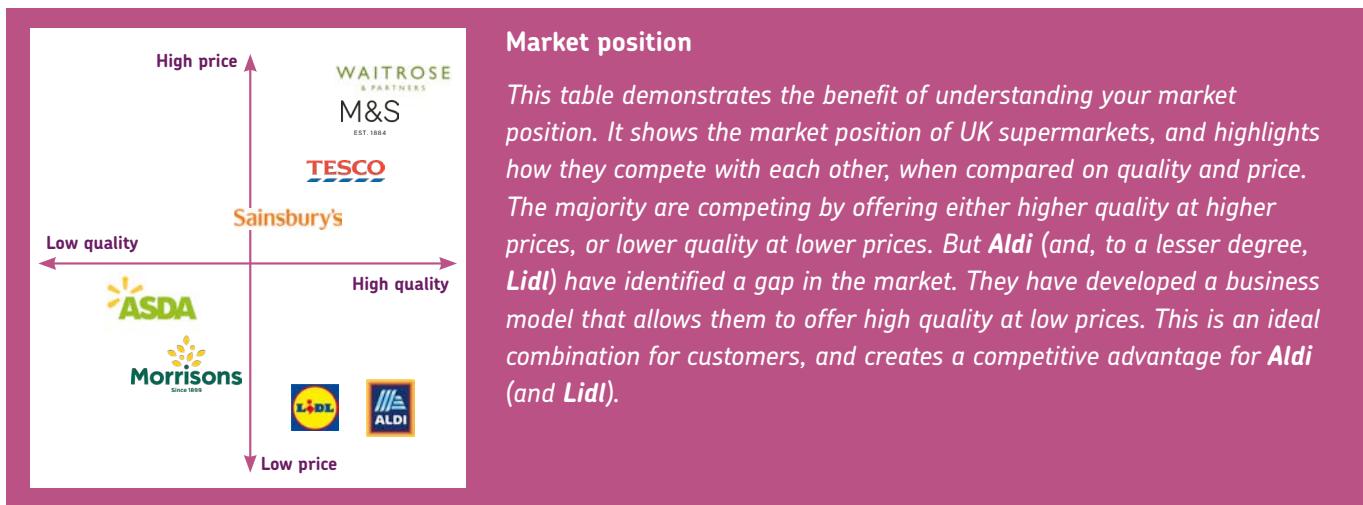
The internal dimension

This is all about understanding the personality of your business. To do this you need to ask two questions. The first is “Why?”. Why do you do what you do? (This is your “purpose”.) The second question is “How?”. How do you do what you do? (These are your “values”.) The answers to these questions will help you to develop a brand strategy that is built around your strengths.

The external dimension

This is all about understanding two audiences that have an enormous influence on your success: Your customers and your competitors. To do this we need to ask “Who?” Who are your customers? Who are your competitors? The answers to these questions will allow you to create a more efficient brand strategy.

The current recession has had an impact each of these dimensions, for many businesses. How, when and where companies deliver their products and services has been transformed. As a result, the brand experience for some customers has changed significantly. In this situation, understanding how to use your brand strategy – and the elements within it – becomes even more important.



One of the key elements of your brand strategy is your market position. Your market position is an indication of how you compare to your rivals, when assessed against specific criteria. Clarity around the position you want to take allows you to be more efficient and more effective. In a recession, where customer needs and competitors strengths are changing, it is even more important to understand your market position.

A recession also places more emphasis on your brand proposition. Your brand proposition is the sharp end of your brand strategy. It's a compelling statement of the benefit you deliver to your customers. Your success can rest on the strength of your proposition.

To deliver your proposition to your customers, you need to translate your brand strategy into a programme of marketing activity. This is the role of brand management. Brand management is the active review, analysis and development of every aspect of your brand experience, to make it as effective as possible.

Developing a brand strategy will bring the structure you need to maintain a consistent brand experience for your customers. To do this, you will need to understand how it can influence each aspect of your business. In the pages that follow, we do this. With this insight, you will be able to make the best use of your resources.

But your brand strategy will also provide a framework that will give you the flexibility you need to adapt to the challenges, and opportunities, you will face. This recession is a stark example of this. Your brand strategy provides a series of reference points to help you respond in the most efficient and effective way.

How it works

*In this section of **The Recovery Report**, we describe how your brand can drive your business success, by looking at five key areas of your business:*

- *Operations*
- *Human resources*
- *Marketing*
- *Sales*
- *Finance*

Operations

Your products and services are the cornerstone of your brand experience. It doesn't matter how good the other aspects of your brand experience are if your products or services fail to meet your customers' expectations. So understanding how your brand strategy should influence your products and services is important for your success.

The product or service that you sell is fundamental to the success of your business – it's what your customers are paying for. Part of your brand strategy is establishing your market position – how you compare to your rivals. This allows you to identify which characteristics of your products and services are most significant to the brand experience you deliver to your customers.

In a recession this is even more important, because you need to be able to adapt. You will need to adapt your products and services, so that you can adjust your market position, to meet the changing demands of your customers.

To understand the potential impact on the brand experience, we have looked at the five key factors that are part of your operational activity. These factors are considered functional benefits: the basic requirements your products and services will need to meet, before customers will even consider buying them. Your proposition – your point of difference – will determine which of these are most important to your business, and therefore which you focus on.

Quality

By understanding what level of quality is needed to maintain your market position, you can make the most efficient use of your resources. Quality can be reflected in many different ways, depending on your industry. For a manufacturing business, quality could be determined by your raw materials. In a professional services business, it might be the experience of your team. Understanding how customer attitudes to quality have changed during this recession is vital in developing your strategy.

Price

Getting pricing right can be fundamental to your business's success. So understanding how your brand can support your pricing strategy and your market position is vital. Price can define your market position. It brings with it assumptions about the other factors associated with your products or services, particularly quality. In a recession customer attitudes to price can become more sensitive, so you need to respond appropriately.



of UK consumers are worse off than 2019⁷, so they may be more sensitive to price.

Availability

For any business, it is important to understand how availability of your products or services will effect the brand experience of your customers. Availability is fundamental to your market position. If achieving scale is a priority for your business, you will need to maximise availability. But for other businesses, understanding how to use limited availability to your advantage is the priority. The impact of Covid-19 has compromised availability for many businesses. Understanding how it has effected your brand experience is vital.

Accessibility

For some companies, accessibility – how easy it is for customers to have access to your products or services – is the foundation of their success. And fundamental to their market position. Understanding what level of access is expected by your customers is an important aspect of the brand experience. In this recession, understanding how limited access impacts the brand experience of your customers is crucial.



*During Covid-19, access to customers has been a challenge. Like many businesses, **Signature Brewery**, switched sales online, delivering directly to customers. But rather than simply delivering beer, they give customers a Pub In A Box. In addition to the beer, there are snacks, glassware, a Spotify playlist, a music quiz and a beer mat (because “it wouldn’t be a pub without one”). **Signature Brewery** aren’t just delivering beer. They’re delivering an experience.*

Choice

The internet has changed perceptions of choice, for consumer and business customers. It is easy to give customers options, without needing to invest in stock or infrastructure. Sometimes customers want you to be the curator of choice, but in other circumstances the customer wants to be in control. It's important to consider how choice could, or should, influence your market position.

In a recession choice can become more important. That could be choice of price, payment options, quality or quantity. What's important is to understand how choice might influence your brand experience, and adapt accordingly.

Your products and services, and establishing the right market position for them, creates the foundation of your success. Understanding how you can combine these five factors will help you to find that market position.

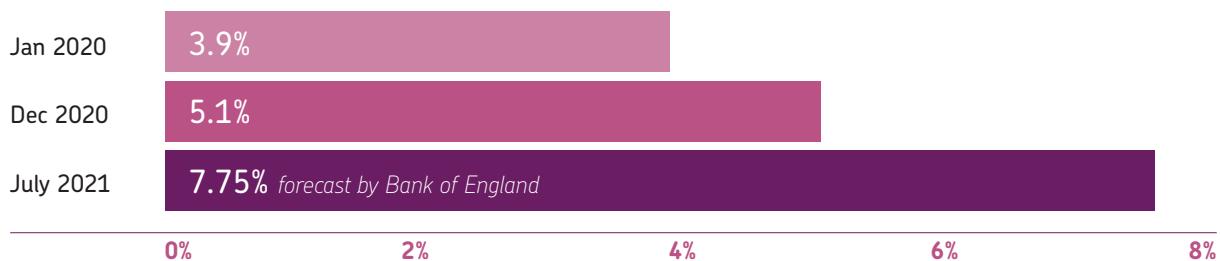
In this recession it's important to know how to adapt – whether that is to shifting customer priorities or evolving market limitations. Understanding how to influence your customers' brand experience, will help you to remain relevant. It will allow you to deliver the products and services your customers need, whether they need them to be better, cheaper or more easily accessible.

Human Resources

Your brand will help you to recruit and retain the people you need to drive the success of your business. Finding the “right” people for your business will have a significant influence on your ability to achieve your business goals. 75% of CEOs say that a skilled, educated and adaptable workforce should be a priority for business⁸.

But Covid-19 has created a challenging environment for recruiting, retaining and managing your team. In August 2020 the UK economy plunged into the deepest recession on record. Recruitment dropped, unemployment rose (to 5.1% in December)⁹, and 24% of UK workers were still working from home¹⁰.

UK unemployment rate



In an uncertain environment, your brand can bring consistency. It is just as important in attracting (and retaining) the right staff, as it is attracting (and retaining) the right customers. In an HR environment the purpose and values that define your brand have a significant influence on your company culture.

Company culture can be defined as a set of shared values, goals, attitudes and practices that characterise an organisation. Every company has a “culture” – it’s created as soon as a business expands beyond a single person. Company culture is defined by the equipment staff work with, the internal processes you have in place, how much people are paid and way staff speak to each other.

One of the hurdles for companies during the Covid-19 pandemic, has been maintaining the company culture with a workforce that is sitting at home in their bedroom, kitchen or dining room. The natural flow of information through the office is lost. Communication within companies has been replaced with a new structure built around virtual team meetings, **Zoom** calls and **Whatsapp** chat groups.

Understanding how to create the “right” culture to build the “right” team, is essential for driving business success. There are three situations that need to be considered: redundancy, retention and recruitment.

Redundancy

In a recession redundancy is inevitable. Even the most successful strategies for tackling a recession require cost cutting activity and redundancies. Research from a previous recession identified redundancies as the most effective response¹¹. But it is important to pursue a well-considered approach. Poor decisions can leave long-term problems. Research has identified that “*a crucial test of a company’s culture is how it treats its employees in bad times. When good times return, employees will remember.*”¹¹

Retention

Creating an environment – a culture – to retain the best people, is fundamental to long-term business success. In recent years that became more challenging, as competition for the best people increased. But the recession has changed that. 64% of employees working in SMEs were afraid of losing their job in the near future, in April 2020¹². However, employers shouldn’t be complacent. 68% of US employees admitted they would consider leaving their job, because of the poor treatment they received during Covid-19¹³. Businesses that want to retain their staff need to understand the factors that contribute to company culture and influence the employee experience.

Recruitment

Bringing the right people into your business is essential for future success. Steve Jobs said: “*Go after the cream of the cream. A small team of A+ players can run circles around a giant team of B and C players.*” A recession usually presents an employer with more choice, and a record 314,000 workers entered the UK job market between July and September 2020¹⁴. But the recruitment situation is not that simple, or bleak. There was a 36% increase in jobs in the tech sector between June and August (the second highest rise, behind healthcare)¹⁵.

To recruit the right people, you need to offer the right culture. To do this effectively, many companies develop some form of “employee proposition” – a statement of the benefits they will offer to their staff. This is an opportunity to differentiate your business from your rivals.



of employees would consider leaving their job, due to their treatment during Covid-19¹³.

In a competitive environment your company culture will help you to recruit and retain the “right” people for your business. Your brand values – the guiding principles that influence your behaviour – provide the beating heart of your culture.

In this recession your culture becomes even more important. It creates a framework for your response to the challenge of managing your team through the turmoil. Whether that is leading some employees through a redundancy process or creating a safe, secure environment for your staff as they work from home. Your company culture, and the brand behind it, will provide the continuity you need to drive your business through the recession and into the recovery beyond.

Marketing

Your brand strategy will make your marketing more effective and efficient. It will provide the insight you need to focus your activity where it will have the greatest impact. In that way you can make the best use of your resources, and enjoy a better return on your investment of time and money.

Your marketing drives awareness and interest in your products and services, encouraging potential customers to buy from you. In a competitive market it's essential, to help your business stand out and reach new customers.

But in a recession marketing budgets are often the first to be cut. 64% of UK businesses had reduced their spending by March¹⁶. But analysis of previous recessions – gathered over the past hundred years – indicates that reducing marketing activity has a negative impact, in the long-term¹⁷. Companies that continue to spend on marketing come out of the downturn in a stronger position. Their increase in sales and market share is consistently stronger than competitors who cut spending.

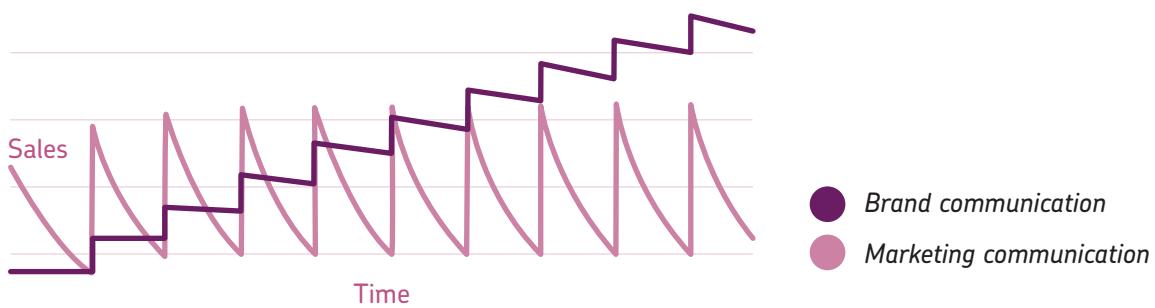
Marketing is the act of bringing your brand strategy to life and putting your proposition in front of your target market. There are lots of ways you can do this, in print, in person and onscreen. Your brand identity – your logo, colour palette, typeface, imagery, language and design style – provides the tool kit.

There are two aspects to your marketing you need to consider: Long-term activity (Brand communication) and short-term activity (Marketing communication). These two areas play a complimentary role.

How brand communication and marketing communication work over different timescales

Brand communication: Its role is to raise awareness of your company and establish long-term, on-going communication with your customers. The impact on sales is slower, but it will drive long-term growth for your business.

Marketing communication: Its role is to generate sales. It is often described as “sales activation”. The success of sales activity is relatively easy to measure, because it is immediate and direct, but has a shorter duration.



Source: Les Binet and Peter Field, Media in Focus, IPA

Your brand strategy provides a framework for your marketing activity. By identifying the challenges and opportunities you will face, you can select the most effective combination of activity, to achieve your business objectives.

Market penetration

Brand can be particularly valuable, by creating a point of difference, where one doesn't appear to exist. This is where brand communication – long-term activity to influence customer perceptions – is valuable.

Market development

Your brand provides the platform for growth. It transfers the positive associations of your products or services, to a new group of customers, through a combination of long-term and short-term marketing activity.

Product development

This is built on the success of your brand communication, but it's the role of your marketing activity to translate that relationship into sales of your new products or services to existing customers.

Diversification

Your brand communication will build a relationship with your new customers, based on your brand values. In parallel with this, you will need your marketing communication to drive sales.



In 2019, as part of a product development strategy, Greggs introduced a vegan sausage roll. It could have been seen as a risky move, for a business best known for meat-in-pastry products. But the decision was built on their relationship with their existing customers. 20,000 had signed a petition asking for one. A well executed marketing campaign (given an unanticipated boost by Piers Morgan's criticism on Twitter) raised awareness and drove interest. The vegan sausage roll quickly became a bestseller, driving a 58% rise in profits for Greggs, and boosting overall sales by almost 15%¹⁸.

Your marketing brings your brand strategy to life and puts your proposition in front of your target market. In a crowded environment, you need to be able to stand out, whether that is in print, in person or onscreen.

Generating long-term awareness and relevance with your customers, through your brand communication will provide a foundation, but you will need to combine it with marketing communication to drive short-term sales.

In this recession, when opportunities are limited, this approach becomes even more important. You will need to be flexible, adjusting your activity to accommodate changing needs, expectations and resources. Your willingness – and ability – to invest in your marketing will drive your success. Not just during the recession, but through the recovery that follows.

Sales

Your brand makes it easier for you to sell. Whether you sell a product or a service; sell online or off the shelf; sell to businesses or consumers; sell high value or high volume, your brand can make your sales process more efficient and more effective.

Sales is the culmination of the business process – the point where your business generates income. For many companies, your business objective will be dependent on sales. So in many ways, the ultimate test of your brand is its ability to generate sales. But your sales process doesn't exist in isolation. A successful sales process is built on a foundation that combines all the elements of your business. Your brand strategy is that foundation. It will provide the framework for you to develop your sales strategy.

Covid-19 has changed how people buy. Perhaps not surprisingly, in an environment where movement and access has been restricted, digital sales activity is now twice as important to business buyers. And they like to be in control of the buying process. 60% prefer the ability to research, evaluate and order independently, online⁴. Consumers are also embracing the convenience of ecommerce. Online sales in the UK reached a record 32% of the total retail sales in May⁵.

There are many different ways to sell – different models, tactics, channels, strategies, methodologies. But however you approach sales, there are three stages to the process to navigate. In this section we take a look at each, to understand how your brand can influence them.



of B2B buyers prefer ordering online⁴.

Awareness

You won't make any sales if your target audience don't know that your company, your products and your services, exist. You need to raise awareness of what you have to offer. This is the point where the line between sales and marketing blurs.

Your brand strategy provides the framework, so you can use your resources more efficiently, focusing your activity where it will have the greatest impact.

A recession brings change. The businesses that adapt to change most effectively are usually the ones that are most successful. Covid-19 has restricted movement and access for many business, driving them online. In an environment where priorities are changing, it's important to maintain awareness of your products and services. But it's also important to remain relevant.



Brompton manufacture folding bicycles at their factory in London. As demand for cycling surged during Covid-19 **Brompton** launched a subscription service, to give new customers a more convenient way to "own" a bike. Subscribers can sign up to a 12 month contract or a rolling monthly contract. Insurance, repairs and twice-yearly servicing are included. As a result of Covid-19, **Brompton** have adapted their offer to meet changing customer expectations. **Brompton** have created a new service, to make them relevant to people who want the convenience of riding a bike, without the hassle or expense of owning one.

Relevance

It's not enough for your products and services to be available to customers. They also need to be relevant. To sell to a customer, you need to demonstrate to customers that you can solve a problem or fulfil a need. This is the role of your brand proposition. It's a statement of the benefit you deliver to your customers. It's an opportunity to explain why you are relevant.

In a recession the need to be relevant is even greater. In an environment dominated by change, the needs and expectations of customers are shifting. Your customers – both businesses and consumers – are adapting to new ways of working and new ways of living. It's important to consider how products and services are relevant to the new situation your customers find themselves in.

Preference

The final step in the sales process is to create a preference, in the mind of your customers, for your products or services. You need to give them a reason to chose you, rather than a competitor. This is why your brand, and it's ability to influence what people think and what people do, is so powerful.

Your ability to influence how customers behave, is determined by the quality of your brand experience. The functional benefits of your products and services are the foundation of the brand experience for your customers. But sometimes they need to be combined with emotional benefits, to create a preference and give you a competitive advantage.

Your proposition provides a cutting edge to your sales activity, helping to create a preference for your products and services. In a recession, as customer needs and expectations change, this will be crucial.

Effective sales activity is the foundation of your business success, but every element of your business contributes to that success. Your ability to raise awareness, establish relevance and create a preference for your products and services is a key aspect of your brand experience. Your sales activity converts the brand experience into income.

But in this recession why, when and how people buy has changed. As a result, it's necessary to understand the needs and expectations of your customers. With that insight you can adapt your approach, so that what you are selling remains relevant.

Finance

Your brand can bring a tangible financial benefit to your business. It can increase your income, increase your profit and increase your company value, if you use it well.

Your brand strategy exists to support your business strategy. It can help you achieve the goals you have set for your business. Some of these goals may be financial, like increasing turnover or improving your profit margin. Other goals may require having cash available, so you can invest in recruiting new staff or launching new products. At a certain point your goal may be to attract investment, or a potential buyer. In this situation the ability to measure – and demonstrate – the value of your business is vital. For any business owner, the power of your brand to deliver a financial benefit is a valuable asset.

But it's an asset that is often overlooked. The reason for this is that brand, and its financial potential, is often misunderstood. It is often considered a "soft" benefit – something with little tangible value. This is because the benefit can be hard to measure. But just because something is hard to measure, doesn't mean it's not having an impact. In this section we take a look at the three ways that your brand can have a financial impact on your business.



Harnessing the potential of the internet has allowed a generation of companies to find more efficient ways of doing business, challenging traditional models. The restrictions of Covid-19 have forced many companies to adopt, or expand, a digital business model. For some this has been a necessity, to maintain income.

*The secret behind the success of many digital businesses – like **Uber**, **Airbnb** or **Deliveroo** – is harnessing efficiency and reducing “friction” in transactions. This efficiency can be translated into profit. **Amazon** have achieved this. In 2020, **Amazon's** income increased by 37% and profits tripled¹⁹. For many businesses impacted by Covid-19, maximising the profit of their reduced income is essential for survival.*

Increase your income

By bringing consistency and coherence to your marketing and sales activity, your brand can increase your income. There are three ways you can do this: by selling higher volume, by selling higher value, or by selling at a higher margin.

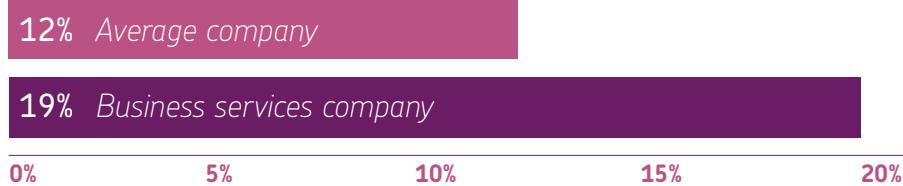
Which option you pursue will be determined by your wider business strategy, and reflected in your brand strategy. Companies that adopt a “value” or “budget” market position will, typically, be focused on selling at high volume, because the value of their products or services will be lower. Companies with a “premium” market position will probably be selling at a higher margin, but the volume of sales will be much lower.

Increase your profit

The objective of every business is to make a profit. Your brand can help you to do that more efficiently and more effectively, if you understand how to use it. Again, your brand strategy and your market position is key to determining how to do this.

One way to increase your profit is finding the most efficient way to do business. This will involve using the minimum time, effort and resources needed to deliver your products or services. This approach places the emphasis on the operational aspects of your business, things like price and availability. The ability to offer lower prices and faster delivery will often be an indicator of a business that is focused on efficiency.

Average profit margin in UK²⁰



Increase your value

Your brand can increase the value of your business. This may not be relevant for many businesses, but for any company considering a sale, looking for investors or hoping to secure funding, the value of your business can be very important.

One of the elements used to measure business value are intangible assets. Your intangible assets are non-physical elements of your business - things which can't be picked up or held. They include goodwill, customer data, intellectual property (trademarks, copyright and patents) and your brand.

Your brand identity - because of the associations it carries with it - can have financial value. If your company, and the products and services you deliver, have a good reputation, your brand identity - as a symbol of that reputation - will carry a financial value. Protecting your brand identity through trademarks and copyright will increase its value to your business. It also creates the opportunity to sell a trademark, at a later date.

In this recession, understanding how your brand can bring a financial benefit to your business is even more important. Being able to identify the opportunities that exist for you to grow your income, drive your profits and increase your value, could be the difference between success and failure.

Recognising how these opportunities may have changed for your business, in an uncertain and unpredictable environment, is fundamental for long-term financial success.

Leadership

To use your brand to drive your business success, you don't need to understand **how** to do it. You just need to understand the **potential** for brand to drive your business success. That's why leadership is so important.

As a business leader you need to understand your role in this process. What that role is, will depend on your skills and your approach to leadership. It could be to inspire, to drive, to motivate, to manage, to champion, to facilitate, to empower, to encourage or, possibly, all of them. Whatever role you adopt, using your brand to drive your business success requires leadership.

In a recession this is even more important. The ability of a company to successfully navigate a course through a recession depends on how they are led. The priority for the majority of business leaders in a recession is to cut costs. But research into business performance during periods of recession – and the recovery that follows – has shown that the companies most likely to out perform their competitors are those that find the right balance of activity³. There needs to cost cutting, but there also needs to be investment. One of the key areas for investment is brand, to support the marketing and advertising needed to generate new business.

What's fundamental to making the best use of your brand is an awareness of what drives success, within your business. There are four key factors:

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- Awareness that business success is built on the ability to deliver a good product or service.
 - Awareness that good products are built around the customer and an awareness of what they need.
 - Awareness of what creates a great customer experience – and why that is important for success.
 - Awareness that you need a team with the right combination of skills and experience.
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Awareness of everything that will contribute to your brand, and its success, is crucial. But as a leader you will need more than just “awareness” of what needs to happen. You will also need the “will” to make it happen. You may choose to call it passion, or determination, or courage, or drive, or ambition. It doesn't matter which adjective you choose. But as a leader you will need the ability to translate your understanding of **how** brand can drive your business success, into activity that **will** drive business success.



Steve Jobs was undoubtedly an exceptionally skilful business leader. But even a company as large, complex and successful as Apple, was built on these simple principles.

Jobs recognised the importance of creating a great product. He understood the value of developing the product around the customer. He appreciated the benefit of an exceptional customer experience. And he embraced the power of building a team.

Your ambition may be more humble than Steve Jobs' vision for Apple. But you can build your success on the same simple foundation.

Conclusion

One thing that has defined the past 12 months is uncertainty. The scale and severity of the economic impact is unprecedented. After the initial shock, the UK economy rallied in the summer of 2020, only to slump again as the public health situation worsened. A third national lockdown in January 2021 stifled the recovery. In such a volatile environment it is hard to find stability. But I believe your brand can provide that stability, and there are six opportunities for business leaders to harness it:

- *Businesses that take a step forward in a recession are typically more successful, in the long run, than those that just try to stand still. Research from previous recessions proves this.*
- *Understanding how to adapt your products and services, to maintain the quality of your brand experience, is essential. You must remain relevant to the changing expectations of customers.*
- *In this recession your culture is even more important to your business, as you manage your team through the challenges of working from home, furlough, redundancy and recession.*
- *You will need to be flexible, adjusting your marketing activity to accommodate changing needs, expectations, channels and resources. But you need to remain active.*
- *Why, when and how people buy has changed in this recession. As a result, it's necessary to understand the needs and expectations of your customers, so that what you are selling remains relevant.*
- *Understanding how your brand can bring a financial benefit to your business is vital. Recognising how that may have changed, as a result of Covid-19, is fundamental for long-term financial success.*

The economic landscape has changed dramatically in the past 12 months, and the impact of these changes will be felt for years to come. In an uncertain and unstable business environment, your brand has the potential to bring stability and drive your business success. If you are able to harness that potential, it will give you the competitive advantage you need to navigate a more successful path through this recession and into the recovery that follows.

The Recovery Report – the full report – has been written to help you identify where these opportunities are in your business, and what you need to do to harness them. This Executive Summary introduces these opportunities. I hope you have found it useful.

About the author

I help ambitious organisations to make an impact, so they can launch new products, break into new markets and reach new customers.

In 2005 I founded Alder and Alder. Since then I have worked with a diverse range of business leaders across a wide range of business sectors. My clients have included solitary directors, small leadership teams and family businesses. Each of them wanted to achieve something new or something different. So I have developed brand strategies, created brand identities and delivered brand management to help them fulfill their ambitions.

Before starting my own company I worked in London for 16 years. I was a Creative Director for a several design agencies, where my clients included **AXA Insurance, Ernst & Young, Nomura, Ashridge Business School, The British Library, The Early Learning Centre, The National Trust, Sainsbury's and HSBC**.

My career has been quite diverse. But what I enjoy most, is making a difference. I find it really satisfying to help business leaders achieve something new. It's exciting to watch a company harness the power of their brand, and use it to drive their business success. Now, as SMEs face a challenging economic environment, I think this is more important than ever.

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At Alder and Alder we help organisations to make an impact. Whether you want to launch new products, break into new markets or simply reach more customers, we will build the brand you need to drive your business success.
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