



THE DICKS + NANTON CELEBRITY BRANDING AGENCY

The Power and Purpose of a CEO Brand

By JW Dicks & Nick Nanton

The Chrysler Corporation was losing millions and on the verge of going out of business for good. The year was 1978, not 2008, but the situation was similar for the car company; it would require a government bailout to keep it going in both instances.

The new CEO, who had recently been fired from the Ford Motor Company after a clash with Henry Ford II, despite helping the company to a \$2 billion dollar profit, was determined to turn things around. With the government money in hand, he slashed budgets and began to work on the design of revolutionary new vehicles, including the first Minivan and the “K” car.

The more pressing problem was public confidence in Chrysler had plummeted after a series of massive car recalls. Restoring the confidence was key to Chrysler’s ongoing viability because without confidence in the cars and the company’s reliability, no one was going to buy them.

Knowing what he had to do, the new CEO, Lee Iacocca, took to the networks in a massive TV campaign. In commercial after commercial, Iacocca stared straight into the camera and said, “If you can find a better car – buy it.”

Iacocca may not have known it at the time, but he was launching one of the first modern CEO branding successes. In the words of the online magazine, “Slate,” “The resurrection of Chrysler turned Iacocca into the symbol of a resurgent U.S. capitalism... He appeared on the cover of Time magazine, he bandied about the idea of running for president, and his autobiography became one of the best-selling books of the decade.

Iacocca’s ascent signaled a dramatic change in American culture. Prior to him, the popular image of the CEO had been of a buttoned-down organization man, pampered and well paid, but essentially bland and characterless... Within just a few years, that had all changed.”¹

Yes, it had. Business leaders such as Iacocca, Donald Trump, Michael Eisner, Jack Welch and other high-profile CEOs have, in the decades since that momentous turning point, dominated the airwaves and the best-seller lists, demonstrating the public’s continuing fascination with our corporate CEOs and their success stories.

Branding and Going TBeyond “The Everydayhe Everyday CEO”

While it’s true that most CEOs don’t have the budget that the Fortune 500 level CEOs have, andor certainly not at the level of an Iacocca or a Trump, it’s worth noting that Richard Branson, the legendary CEO of the Virgin business empire, began by selling record albums out of his car trunk.

¹ James Surowiecki, “Blame Iacocca,” Slate, July 24, 2002

By focusing with a laser-like intensity on the branding of both himself and his company, he built Virgin into a multi-billion dollar business and himself into a business superstar.

Branson's branding success was the exception rather than the rule when he began his business in the 1970's. Today, the reverse is true. As branding expert Dan Schwabel writes, "These days, branding your company isn't enough. The world wants to hear what you have to say. If you aren't building your own brand, your company will suffer."²

Most heads of businesses, however, are content to be perceived as "Everyday CEOs." They attend to their management duties without much concern for their own public perception, so long as it isn't negative. That viewpoint, however, tends to keep both the CEO and his or her business out of the public eye, missing an important growth opportunity.

While it can be tricky to build both the personal and the company brands simultaneously, without one overwhelming the other, it can also be incredibly worthwhile. The objective must always be to use CEO branding to create equal added value for both the business head and the business itself, with each feeding the other to give both higher market awareness and greater public confidence. That objective has been made a great deal easier by the explosion of social media and online content – and when "Everyday CEOs" use those tools to the fullest extent, they can turn themselves and their businesses into authentic and powerful phenomena.

One prime example of a business headn Everyday CEO pioneering the use of these internet tools to go beyond the "Everyday CEO" category is Gary Vaynerchuk. Vaynerchuk started his career by working in his parents' New Jersey liquor store, Shoppers' Discount Liquor. By training himself as a teenager in the intricacies of wine-tasting, he quickly became a reliable expert – and brought in more customers who came in for his knowledge as well as what he had to sell.

When he inherited the store from his parents, he rebranded it as "Wine Library," and, in 2006, began to market his expertise beyond the store's New Jersey community to the whole world, through a video wine blog entitled WineLibraryTV. He promoted the video blog relentlessly through Twitter and Facebook – and, simultaneously, he also began selling wine from his website.

The online community reacted as positively as Vaynerchuk's store customers did to his unorthodox wine reviews; soon Wine Library grew its yearly revenues from 4 million to 60 million.³ Not only that, but Vaynerchuk also made himself into an incredibly successful self-help and business advice guru, making seven figures just from his speaking engagements and book deals. As The New York

² Dan Schwabel, "How to Brand Yourself: An Introduction," Entrepreneur Magazine, November 2, 2010

³ Eric Asimov, "Pop! Goes the Critic," The New York Times, September 8, 2009

Times put it, “The numbers have made Mr. Vaynerchuk not only a wine industry phenomenon, but a social media superstar who’s being held up as a role model for using the tools of e-commerce to succeed in any business...his persona is as much about marketing as it is about wine.”⁴

Another CEO branding success story is Arianna Huffington, who was a minor conservative pundit in the mid-1990’s, most known for aggressively piloting her Republican husband’s political campaigns. She slowly reinvented herself as a liberal, beginning her transition by telling Fox News in 2000, “The old distinctions of right and left, Democrat, Republican, are pretty obsolete.”⁵

In 2005, she saw the opportunity to create the progressive answer to the popular online right-wing website, “The Drudge Report,” a collection of news headlines from various sources interpreted through a conservative viewpoint. With the debut of “The Huffington Post,” a more tech-savvy, robust and user-friendly version of Drudge, she created and built an incredible brand both for herself and her new creation that culminated in a 315 million dollar sale to AOL.⁶

That purchase by a mainstream company will inevitably push The Huffington Post to a more mainstream political position – necessitating yet another personal brand reinvention by its founder. Huffington said to the PBS Newshour in the wake of the sale, “It’s time for all of us in journalism to move beyond left and right”⁷ - virtually identical words to those she spoke to Fox News during her last transition.

Both Vaynerchuk and Huffington went beyond their Everyday CEO statuses to lift their small business ventures to multimillion dollar heights – by combining an aggressive CEO brand with an innovative business model. Their stories demonstrate that any CEO, even one that only runs a local liquor store, can take the steps that will positively brand him or herself in the eyes of the public and the business community, and, at the same time, create incredible added value for his or her company.

By positioning the CEO as a company’s ultimate product and sales point, the entire business benefits in a myriad of ways.

More Than Just an Ego Trip: The Added Value of CEO Branding

Some suggest that the branding efforts of business gurus like Huffington and Vaynerchuk are just about their own ego trips. The truth of the matter is that both proved that CEO branding is good business. When done right, it can not only be incredibly important to the company’s image, it can

⁴ Ibid

⁵ Dana Milbank, “Arianna Huffington’s Political Transformation,” *The Washington Post*, February 9, 2011

⁶ Emily Steel and Russell Adams, “AOL Makes an Expensive Bet with Huffington Post Deal,” *The Wall Street Journal*, February 8, 2011

⁷ Op. Cit, Milband

also prove very healthy for its bottom line.

And research suggests that it's also very necessary. According to a recent study, the CEO's reputation is responsible for a full 50% of the public's perception of a company⁸ Of those surveyed, the CEO's image is pivotal as to whether:

- 95% will decide to invest in a company
- 93% would recommend a company as a good ally or merger prospect
- 92% would feel confident in a company when the share price dips or stalls
- 88% would recommend the company as a good place to work
- 94% will believe in a company which is under media scrutiny

“Consumers now care more than ever about the authenticity of the corporate brand, and CEO reputation is a critical ingredient. Similar to any wealth-creating asset, CEO reputation needs to be invested in, earned, and leveraged over the long term to reap enduring benefits.” commented Leslie Gaines-Ross, chief knowledge and research officer at Burson-Marsteller and author of “CEO Capital: A Guide to Building CEO Reputation and Company Success.”⁸⁹

According to David Larcker, a professor formerly at The Wharton School at the University of Pennsylvania, and now at Stanford University, a 10 percent positive change in a CEO's reputation results in a 24 percent increase in the company's market capitalization¹⁰

No responsible company can ignore the implications of that statement, no matter what its size. That's why every CEO has a responsibility to create and manage a positive brand. As Fortune Magazine puts it, “Despite the size and complexity of modern corporations, the person in charge still sets the tone, defines the style, becomes the company's public face.”¹¹

Not only that, the financial benefits of a successful CEO brand, as detailed earlier, are something that any dedicated executive should feel an obligation to pursue. “With ...'s more high-profile than ever...making a “brand” of the person at the top of a company can be as important as hitting the firm's quarterly numbers,” according to Portfolio.com¹²

A.G. Lafley, CEO of Procter & Gamble from 2000 until his retirement in 2010, respected this

⁸PR Week/Burson-Marsteller CEO Survey, 2004

⁹ Interview with Steven Van Yoder, “Becoming a Brand,” American Executive, July, 2006

¹⁰ Leslie Gaines-Ross, “CEO Reputation: A Key Factor in Shareholder Value,” Corporate Reputation Review, Volume 3, No. 4

¹¹ Rasmussen Poll, February 2009

¹² Adam Piore, “A Brand Called CEO,” Portfolio.com, April 3, 2008

obligation. When he was abruptly promoted to CEO after a sharp drop in share price, he set about radically changing the corporate culture. In 2009, his article for the Harvard Business Review, “What Only the CEO Can Do,” articulated his vision of business leadership.

“Conventional wisdom suggests that the CEO is primarily a coach and a utility infielder, dropping in to solve problems where they crop up,” he wrote. “In fact, however, the CEO has a very specific job that only he or she can do: Link the external world with the internal organization.”¹³

That vision enabled P&G to double its sales during the decade he was in the company’s top job. He was named CEO of the Year in 2006 by “Chief Executive Magazine,” and his best-selling book, “The Game Changer” was named one of the 10 best Business books of 2008 by “Business Week.”

A.G. Lafley does not have a name that is on the tip of everyone’s tongue. However, he is a prime example of successful CEO branding that resulted in significant and visible achievement both for the company and for the CEO in question.

CEO Branding Strategies

How should today’s CEO manage his or her brand in such a way that benefits both the company and their own personal image? An analysis of the most effective CEO techniques as well as expert opinion from top business leaders suggests the following five broad-based categories that any CEO should use as a foundation:

- **CANDOR**

Every year, Rittenhouse Rankings, a New York-based investor relations advisory firm, performs a CEO Candor Survey, reviewing CEO shareholder letters from Fortune 500 companies for their truthfulness and directness. In 2009, that survey revealed that only 41 percent achieved a reasonable level of candor. In 2003, that percentage was 74 percent.

This sudden decline in genuineness ties in with the ever-increasing negative perception of CEOs, and may actually play a part in a company’s performance. According to L. J. Rittenhouse, the president of Rittenhouse Rankings, “Candid, informative, and authentic communication is linked to superior performance. Our surveys show that over the past seven years, the average share prices of quartile companies top-ranked in candor have outperformed the average of low-ranked quartile companies. In 2009, this performance gap measured 48 percent, the highest level since 2002.”¹⁴

¹³ A.G. Lafley, “What Only the CEO Can Do,” *Harvard Business Review*, May 2009

¹⁴ Rittenhouse Rankings CEO Candor Survey Confirms Only 16 Percent of CEOs Offer Balanced Outlook Disclosure,” June 3, 2009

Demonstrating credibility, calm and a positive demeanor even in the face of bad news is the basis for a CEO being seen as trustworthy and motivated by the public, as well as the business community and the other company executives and employees. It also helps the company deal realistically with issues in a pro-active way.

- **COMMUNICATION**

One of JetBlue Airways CEO Dave Barger's biggest pieces of advice for CEOs is "Communicate three times more than seems necessary."¹⁵ Creating a "conversation" with the outside world as well as inside the corporation is a key element of that advice – and having a regular online blog and social media presence is the leading way today's CEO can communicate effectively and regularly, as well as promote their brand.

According to social media expert Joel Postman, "Companies with CEO bloggers are very well respected in the blogosphere. Having a CEO blogger positions the company as progressive and genuinely interested in the voice of the marketplace and can contribute to a perception of the CEO as someone who is truly engaged and willing to speak directly to influencers."¹⁶

Another breakthrough branding method is to write a business book articulating the CEO's business philosophy. Many leading CEOs, often with the help of ghostwriters, have found best-selling success through this method. A book, like no other branding method, establishes the expertise of the author and allows the CEO to communicate who they are and what they're about in a long-lasting, prestigious and powerful manner.

General Electric's former CEO and legendary business guru Jack Welch, for example, has published six best-selling business books that have contributed mightily to his brand. It's also worth noting that every single CEO that has been mentioned in this white paper has also penned at least one best-seller.

- **CONSULTATION**

Former Pennsylvania governor Ed Rendell evidently didn't spend a whole lot of time running the state during the last few months of his term, judging by his multiple appearances on cable news shows as guest pundit. In terms of his brand, he was doing a smart thing; by making himself constantly available as an expert consultant, he was able to weigh in on a variety of issues and raise his national political profile.

¹⁵"The CEO Effect," ReputationRx.com

¹⁶Joel Postman, *Social Corp: Social Media Goes Corporate*, New Riders Press, 2008

24 hour news and business channels enable CEOs to do the same. While they shouldn't spend an inordinate time on the air dealing with non-company business, they can still expand their influence in the broader business community by appearing as an authority commenting on what's happening outside their office doors.

It's also a good investment for any CEO not accustomed to public speaking to get some professional training in how to communicate the most effectively; this can be just as important, if not more so, as the actual content that the CEO wants to convey.

Other outlets for this type of consultation are guest editorials/articles in business and trade publications, as well as high-level guest speaker appearances.

- **CONTRAST**

It's important for CEOs to set themselves and their companies apart from the pack. Successful branding involves differentiating yourself from your competition and creating identifiable ways that onlookers can easily grasp to create your own unique identity. It's sometimes helpful to actually give your business philosophy or corporate culture a label that people will recognize and remember.

This kind of contrast obviously means everything when a company is advertising its products or services, even when those products and services may be incredibly similar; Pepsi has to separate itself from Coke, McDonalds from Burger King, and so forth. The same mindset has to apply to the CEO brand.

Just as these products and services have a tagline or USP (Unique Selling Proposition) that's carried through all its advertising, the contrast inherent in a CEO brand should be reflected in every aspect of the CEO's communications, either written or in person.

- **CONTROL**

Controlling the brand and the message is crucial to keeping it consistent and powerful. If ghostwriters or publicity experts are employed to help a CEO communicate, it is up to the CEO to make sure everyone is on the same page with what's being put out to the world and the company.

At the same time, when immediate answers are required, it's also important not to be caught off-balance and lose control of the conversation. Think of the former BP head Tony Hayward's unfortunate remark, during the BP Oil Spill in 2010, that he wanted his life back. He may have already been heading towards the executive chopping block, but that statement surely hastened the journey and continues to haunt him to this day.

Summary

As we have seen, promoting a viable CEO Brand is an essential component to a company's continuing success, both inside the business and outside in the marketplace. In the words of David Pottruck, the former CEO of Charles Schwab, "Thousands of employees know me only by reputation, so in a real sense, my reputation is everything."¹⁷

Creating and maintaining that brand on an ongoing basis helps the company, as well as the CEO, maneuver its way through a competitive marketplace. The CEO is the person who everyone looks to as the face of the corporation. "I'm the airline's most visible employee, and its most powerful," Gordon Bethune, the former CEO of Continental Airlines, once said. "When something goes right—or wrong—the employees and the customers know exactly where to look for an explanation."¹⁸

This doesn't mean a CEO has to suddenly invent an outsized personality that he or she doesn't already possess; it does mean that an approach must be developed that works with the CEO's existing persona as well as extends the desired brand.

By using the building blocks of Candor, Communication, Consultation, Contrast and Control, the CEO Brand can construct an authentic image that will benefit both the executive and the company in the long run. Effectively managing the human face of corporate communication takes everything up to the next level.

¹⁷ James Bailey, "The CEO is the Brand," January 2010

¹⁸ "The CEO Effect," ReputationRx.com

**If you would like more information on building
or reinventing your CEO brand please contact**

Nick Nanton at 800-980-1626 or

Nick@CelebrityBrandingAgency.com

JW Dicks, Esq. & Nick Nanton, Esq. are best-selling authors that consult for businesses from Start-Up to \$4 Billion in annual revenue, on how to build their business through Personality Driven Marketing, Personal Brand Positioning, Guaranteed Media, and Mining Hidden Business Assets. They offer free articles, white papers, and case studies at their website. Jack and Nick have been featured in The New York Times, The Wall Street Journal, USA Today, Newsweek, Inc. Magazine, FastCompany.com, CNN.com and on NBC, CBS, ABC and FOX affiliates across the country.



JW Dicks, Esq. • Nick Nanton, Esq.