

What are your hidden assets?



By DAN MACK

Your company's ideas may be as valuable as your products.

Many of today's most relevant and distinct brands, such as Oakley sunglasses, Under Armour, Axe, Aveeno, Apple, Method, Stonyfield yogurt and Whole Foods, have one thing in common: Each of these brands may not be the largest in its category, but it is the best at creating emotional connections with its core consumer. They are brands that are well positioned in the consumer's mind and supported by an array of corporate assets — many of them intangible. What is their secret?

Each of these brands has created a compelling consumer relationship and has earned the loyalty of millions of raving fans. These organizations understand on an instinctual level how to communicate with their customers on both an emotional and functional level. They have found a way to capture the heart of the consumer and have forged deep, trusting relationships with the consumer. Their invisible equity is a huge asset that differentiates them from competition — and it's personal.

These leading brands provide unique hidden assets to both the retailer and consumer, while setting the tone and the rules of engagement within the category. Whole Foods, in particular, is definitely reflecting the cultural shifts already occurring in our society, and it is clearly one of the driving forces transforming our views of healthy and sustainable business practices.

One factor that makes Whole Foods unique is the symbiotic relationship between its employees, customers and vendors. Company chairman John Mackey understands the societal power of aligning with the

emerging green movement while creating a deep bond with his employees and customers. Whole Foods has managed to accomplish this while understanding on a very intimate level how to drive profitability.

Whole Foods is a retailer with many tangible assets, but its most valuable asset is invisible and intangible — the passion and zeal of its employees. The typical Whole Foods team member understands the mission and embodies the essence of the company's core values. It is an asset that is very apparent to the company's consumers, and creates great value.

On a broader level, the more unique assets a company offers, the deeper the commitment and personal connection the consumer has to that company's brands. Many companies discount, disregard or are blinded to the many unique assets hiding within their own corporate cupboards. They have assets, but they have been lost amid the daily challenges of managing a business. The winners take the time to unpack their cupboards and unleash any asset that enables growth and strengthens consumer loyalty.

We have found that there are four primary areas where corporate assets often are hidden: Knowledge, product, connectors and experience.

- **Knowledge.** This includes all the intellectual properties, research, business models, international know-how or unique insights harbored within all divisions of an organization. This is the most undervalued and underappreciated intangible asset within most organizations. If you are the only one with unique knowledge in an emerging new business, you possess a valuable asset.

- **Product.** That is, the ability to customize your product in a way that provides an opportunity for real differentiation within your top retail partners. This includes custom promotional programs, exclusive of-

ferings, store brand ideas, innovations brought over from another country or innovations that address unmet consumer needs, while offering the retailer an opportunity to build loyalty with its core consumer.

- **Connectors.** This includes the ability to introduce valuable influencers to your consumers or retail partners. Companies that harness this, directing leading influencers, social networks or third-party specialists to their retail partners, increase the value of their bundle. These connectors enable companies to build their brand and their sphere of influence within the industry. It is a strong intangible that can be more valuable than your brand.

- **Experiences.** These are the unique in-store marketing ideas, merchandising systems, interactive educational kiosks, marketing alliances or in-store advertising programs that enhance consumer loyalty, shopping experience and your company's value in the eyes of the retailer and the consumer. Experiential retailing is here to stay, and manufacturers that bring forward assets in this area will increase their value.

In a retail world now marked by consumers who are less loyal than ever before, companies must bring more than product to their top retail partners. Best-in-class operators offer a diverse set of corporate assets, elevating their brand, differentiating their company and filling unmet consumer needs while aligning with the retailer's broader strategic agenda. It is a tall order, but these are the new rules of engagement.

What unique hidden asset may be stored away in your corporate cupboard?

Dan Mack is EVP strategic sales at The Swanson Group and managing director of Mack Elevation Forum. You can contact him at (630) 607-2774 or learn more at TheSwansonGroup.com or MackElevationForum.com