

# KANSAS CITY BUSINESS JOURNAL

## ENTREPRENEUR

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# Build a brand with brawn

BRANDING EXPERT: THREE KEYS TO DEVELOP, BENEFIT FROM A SINGULAR FOCUS

**F**ried chicken. Facial tissues. Greeting cards. These unrelated goods share one thing in common – a company that owns a concept in your mind.

Greeting cards, for example, are synonymous with Hallmark Cards Inc. And that ownership starts with creating a powerful brand position.

“You need to think about your brand position as your business strategy. Those two things should never separate. They should always be congruent,” said Grant Gooding, founder and CEO of Lenexa-based brand positioning firm Proof Positioning.

The Kansas City native hails from the M&A world, where he worked in a variety of roles, from certified expert appraiser to CEO of a small brokerage firm. After seeing hundreds of deals, Gooding noticed a common theme.

“There is a correlation between how much a company does and the multiple that company sold for,” he said. “That means the more you do, the less you’re worth. The more variables you bring up in a sale, the higher the probability that the deal gets killed. ... I wanted to help companies narrow their scope and stand for one thing in the mind of the market.”

So Gooding founded Proof Positioning. Here are his three tips for building a powerful brand position:

### Do what your competition doesn't

“When you have a unique brand position, your mere existence inside of the market paints your competitors as being incompetent in the area that you occupy. Don't concentrate on what your competition is doing; concentrate on what your competition isn't doing ... because that's generally where the oil is.”

Take Starbucks. It didn't reinvent coffee, but it did create a new experience. Before Starbucks, you could drink coffee at home, a diner or a restaurant.

“They just said, ‘Hey, what if we created a cool place (to drink coffee)?’ That's it. Sometimes it's as simple as that.”



ANDREW GRUMKE

*Grant Gooding, who formerly worked in mergers and acquisitions, says he found that the more disparate a company's products, the less that company was worth, suggesting to him the importance of standing for “one thing in the mind of the market.”*

### Narrow your scope

When a company becomes too diversified, it dilutes the brand and can stunt growth, he said. Think of the CPA who offers tax returns, strategic planning, financial advisory and other services.

“You can't own all of those things in the mind,” he said.

The strategic acquisitions that make national headlines share a common thread: the acquired companies excel at one thing, he said. An example is Waze Inc., a social mapping service Google Inc. acquired in 2013.

“They did one thing, and they did it incredibly well, and they sold for a ton of money. ... You need to narrow your scope to the point that you stand only for one thing. ... If you do that, it's easy because then you're not afraid of competitors.”

### Stay disciplined

“Staying disciplined to your brand position is the hardest thing you can do as a company,” he said.

It can be tempting to add product lines to generate additional revenue or cut back on certain aspects to save money. But it can be detrimental to a company, like the now defunct Circuit City, which eliminated its product experts and replaced them with cheaper labor.

“They eliminated their competitive advantage. The experts on the floor were the reason that people liked shopping at Circuit City. That started the spiral of one of the biggest collapses. They didn't know why they mattered, why they were successful. That's the danger – if you don't know who you are, anything can happen. If you know who you are, your decisions tend to not backfire.”

– Leslie Collins