

Maximizing the value of a business means optimizing Intellectual Property such as your brand.

Everyone knows that the value of a business is at least the value of Fixed (property, machinery, buildings) and Current Assets (cash and receivables). Often the value of Intellectual Property is neglected. Patents have value and can be additive. Brands are in a different category altogether. They can greatly increase the value of a business (up to 70% of a consumer business' value, and 30% even in a B2B business). However, it is even possible for a troubled brand to reduce the value of a business. After all, a brand is the same as a reputation. Companies need to recognize that they should intentionally manage the brand or reputation as carefully as they manage other assets if they really want to maximize the value of their businesses. Doing this requires a great deal of skill. It is not just a matter of PR or advertising. A brand is established at each and every point of touch. Cutting corners in this is as dangerous as it is in developing a product. The seven key rules of maximizing brand value are:

1. You must have a business strategy and vision. This has to be grounded in the target customer or consumer wants and needs.
2. Recognize that your brand is dependent on everything you do, from product and pricing to distribution and advertising.
3. Everyone who works for the company is a brand spokes-person and must be accurate and consistent when they talk to friends, neighbors, and the media.
4. Building a brand is the responsibility of the CEO, but he or she has to get expert help to do so unless he or she is an experienced marketer.
5. Building a brand also requires investment as much as product or organization. Press releases are necessary, but they do not build a brand. You need a number of activities working together to effectively build a brand.
6. Whom you associate with impacts your brand. Your partners, your friends all affect the way in which you are seen. Pick them carefully to build your reputation.

7. Your communications must be consistent with your product, pricing and other activities. If it is not, you will be seen as a liar, your reputation will be damaged, and your value will drop.

Building a brand starts at the beginning. Just as a product should start with an unmet need, the construction of a brand has to start at the same time. While it is tempting to think that you can wait until you have a product and some customers, by then the brand is already starting to be established. Start defining what you want your brand to stand for when you start developing your product. It may have an influence on product definition. For example, if you want your brand to stand for value or ease of use – then the product must live up to this. While many think of a brand as a name, a logo or a color, those are merely some of the execution elements and follow on from the brand definition. Base the brand definition on the meeting point between your idea and what you can do and what your target customer wants and needs.

Doing this is not an optional extra, but it will increase the value of the business. It will also increase its longevity. Having a strong brand identity provides some insulation, at least for a while, against competitive actions and technology changes. So if a competitor, for example, cuts price, or introduces a superior product, existence of a strong brand will allow your business to slow them down as customers will be more reluctant to move away from your product.