



In 2010, IBM asked us to provide a comprehensive review of the global scalability of the IBM Brand System and the planned approach to engage 400,000+ IBMers around the world.



At the start of this project, IBM was the world's #2 brand.

For the company that dominated the world for decades, that was just not good enough.

IBM's WW VP of Brand System and Workforce Enablement, Kevin Bishop, asked us to provide a comprehensive review of the global scalability of the IBM Brand System and the approach currently being taken to engage 400,000+ IBMers around the world. The goal was to develop a systematic multi-year roadmap to recovering IBM eminence.

# The IBM Brand System.

Angus Jenkinson. Thinking Partner.

# Background

IBM was 100 years old in 2011. 20 years before it had suffered the deep shock of massive losses. Since then, IBM had achieved the unparalleled task of renewing global greatness, but not yet to its own satisfaction. That made the 5 years from 2011-2015 a key moment.

We were asked to provide a close study of IBM's five-year brand system plans, making recommendations for actions and approaches that would make the difference that makes a difference.

We were asked to look at scale on multiple dimensions – geographic, complexity, social variety, time, and of course sheer size. (IBM is one of the largest companies in the world and arguably the biggest single business professional firm.)

“An organic system, which is what a company is...”

Sam Palmisano, CEO, IBM, 2002-2011.

## Approach

Our project began with our thorough deep study approach – three months of close observation of how IBM works.

We studied hundreds of documents, visited factories, service centres, research labs, talked to senior customers and to IBMers, including WW VPs in New York to software architects in Europe, global account managers, 3rd generation US factory workers and new recruits in India.

We were looking for patterns and integrating themes, some of which went back many decades. In this approach to patterns, we were taking a contemporary scientific view of the formation of organisation culture - and brand, going beyond the artificial constraints many systems theorists self-create.

*IBM Logo 1924-1946.*



*IBM Logo 2010.*



# Patterns beyond complexity

Complicated is only complicated until you look with a new eye.

We can work with organisations of any size because ‘big and complicated’ (like IBM) is a consequence of how you look. Most managerial and systems approaches use a mechanical way of modelling the world using Cartesian causality that fails to capture reality. IBM’s insight about organic systems points to a new direction: the new science of ‘complex adaptive systems’. The trick is not to treat the complex system like it was complicated or mechanistic!

In a ‘complex world’ there is no ‘root cause’, and anyway the answers to such questions rarely take you where you want to be. It is much more important to be clear about where you want to get to. This is one reason why so-called wicked problems become difficult to solve, not in themselves but as an outcolume of the habitual way of seeing them.

But complex systems have patterns and patterns are resources. From the pattern of the genome arises the incredible diversity of the organic system, with cell, organ and organism. To talk about impossible complexity to predict makes no sense when you know every new cell in an organism will have the same DNA.

A pattern is an expression or outcome of constraint. A pattern means that there is a set of conditions that give rise to the pattern. While they are operating, no other pattern is possible. Flex or change something and a new pattern will emerge.

Patterns were what we were looking for at IBM. The patterns that form the brand as a systemic ecology are the leverage for change and retuning.

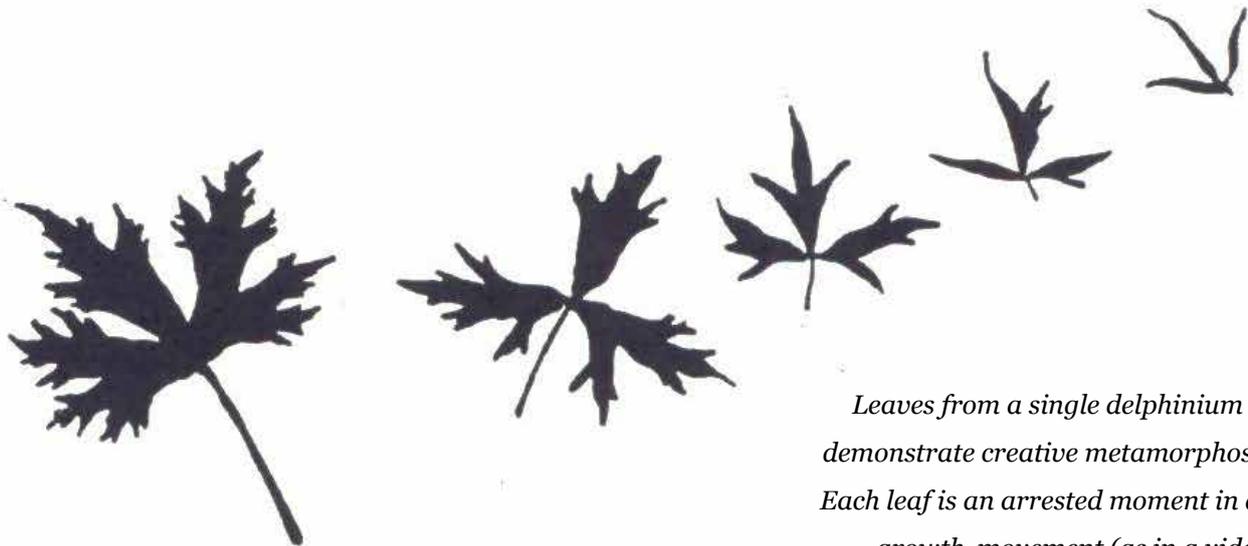
“Angus and the team helped us to explore scale and diversity in multiple dimensions, enabling us to understand systemic patterns that ripple across the organisation and the type of actions that need to be taken to establish a new type and level of eminence in the 21st century”.

IBM Brand System VP

*Source: Sensitive Chaos, Theodore Schwenk.*

# Observing patterns, designing change

Our observational methodology draws on a medley of phenomenological techniques, reaching back to Goethe, who developed qualitative science and homology. Goethe studied the metamorphosis between the whole and the part, e.g. these leaves from a single delphinium. He ‘saw’ from the pattern that there must be an as yet unrecognised bone in the human jaw.



*Leaves from a single delphinium demonstrate creative metamorphosis. Each leaf is an arrested moment in a growth movement (as in a video).*

Goethe’s ideas and those of others like William Bateson and Weber influenced many strands of systems thinking. Bateson talked about “the pattern that connects”. Every brand manager knows how in some fundamental way, the customer ‘knows the brand’ in a single rich experience. Ethos, competence, the business model expressed in a moment of truth! Employees know it too.

## The ripple of a big idea.

e-business. Smarter Planet. Cognitive Business.

### Big ideas.

Organising ideas shape the enterprise, forming the heart of its patterns.

An idea is big when it changes or maintains a pattern across a large group of people. And IBM is big on ideas and understands patterns well.

They spent \$5 billion between 1997-2001 on their strategic thought, e-business. It shaped the enterprise at all levels of order. At the time of the project, IBM’s agenda was Smarter Planet and it was probably even bigger – a brilliant decade long design idea that governs direction across the enterprise. Today it is Cognitive Business. They are betting that Watson and the technology it expresses will usher a new era in computing. Each of these was an organizing idea.

# Disruption: A word shapes the future.

*The disruption that BBDO's legendary copywriter Koenig achieves, when he made quality inspector Kroner (and thereby VW) the hero of this outrageous ad, is rooted in patterns.*

US customers were used to cars that failed. Kroner was the creative head responsible for launching this strange bug-like car, the VW Beetle, which looked quite unlike standard American patterns. As part of his research he went to visit the factory in Germany where the cars were being made. He found safety engineers inspecting the cars and refusing to allow them out of the factory if they failed to meet the quality standards. He was struck by the strangeness of this behaviour. This was not the way American carmakers behaved. Americans were used to lemons, cars that were not entirely reliable (to say the least). They left customers to discover the failures.

*Failing the car before it failed signalled an entirely different way of doing business.*

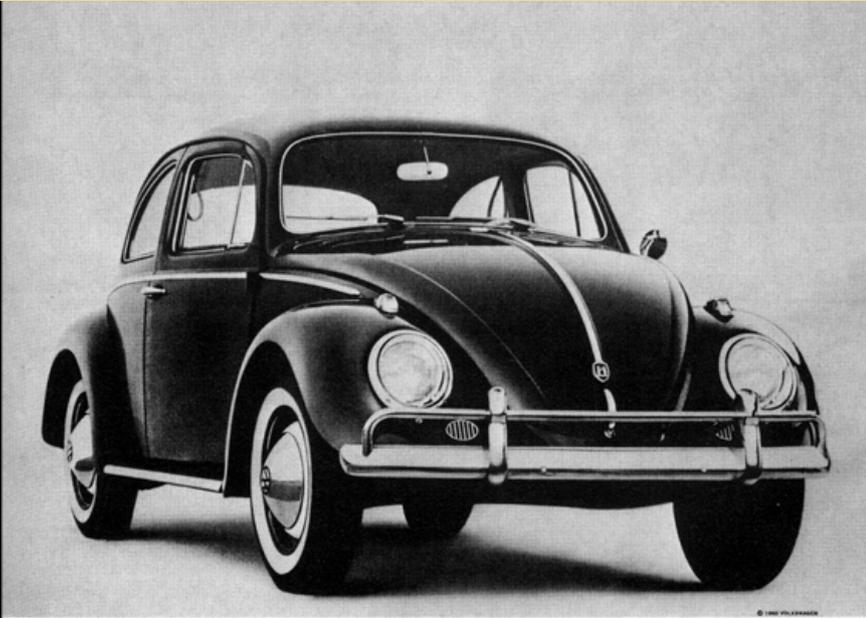
Koenig needed to find a way to communicate simply, humanly and powerfully the radical difference between the entire American system and what VW was offering. His solution was brilliant.

His ad described how a factory worker was not only allowed to fail a car but *expected* to because it did not meet standards. US consumers, used to being powerless at work, saw it and loved it.

His ad also brought VW's brand system alive. VW operated a completely different business model. They made money through quality. Reliability. They could afford that because they developed a capability for quality, a talent the American manufacturing system lacked. VW's vision was different. They expected to grow market share when customers appreciated the quality and stayed with them as loyal customers. Thus VW's offerings were different value propositions with different brand meanings. VW's work culture and ethos was different. and so were their measures of suc-

cess. A car coming out of the factory less than satisfactory was a vital control signal to return it to be fixed. (It is profoundly ironic given the deep ethical and practical problems VW have recently revealed.) The brand system, or we might call it brand ecology, means this interrelated mix of aspects of organisational identity.

Virtuoso is a powerful tool for capturing and expressing this multi-dimension identity.



**Lemon.**

This Volkswagen missed the boat. The chrome strip on the glove compartment is blished and must be replaced. Chances are you wouldn't have noticed it; Inspector Kurt Kroner did.

There are 3,389 men at our Wolfsburg factory with only one job: to inspect Volkswagens at each stage of production. (3000 Volkswagens are produced daily; there are more inspectors than cars.)

Every shock absorber is tested (spot checking won't do), every windshield is scanned. VWs have been rejected for surface scratches barely visible to the eye.

Final inspection is really something! VW inspectors run each car off the line onto the Funktionsprüfstand (car test stand), tote up 189 check points, gun ahead to the automatic brake stand, and say "no" to one VW out of fifty.

This preoccupation with detail means the VW lasts longer and requires less maintenance, by and large, than other cars. (It also means a used VW depreciates less than any other car.)

We pluck the lemons; you get the plums.



*Lemon. It means, no good. Bad.*

*Like many American cars of the time. Who ever thought of an ad that called the product a lemon?*

# Game-changing recommendations

Our job was to help IBM see interventions that could shift IBM in the desired direction.

Based on our thorough examination of the worldwide state of play, we produced an integrated set of recommendations and insights for improvement focused on integrating the brand system, performance management, communications, actions specifically for India, and more.

Together they resulted in what was described by Kevin Bishop as “a potentially game changing set of initiatives and new approaches, including: the adoption of action-talking and talking-action and a focus on future design rather than gap closing.”

“...a potentially game changing set of initiatives and new approaches.”

Kevin Bishop, IBM’s WW VP of Brand System and Workforce Enablement.

Bishop went on to say:

“Angus and the team helped us to explore scale and diversity in multiple dimensions, enabling us to understand systemic patterns that ripple across the organisation and the type of actions that need to be taken to establish a new type and level of eminence in the 21st century”.

## Virtuoso® aids seeing the patterns.

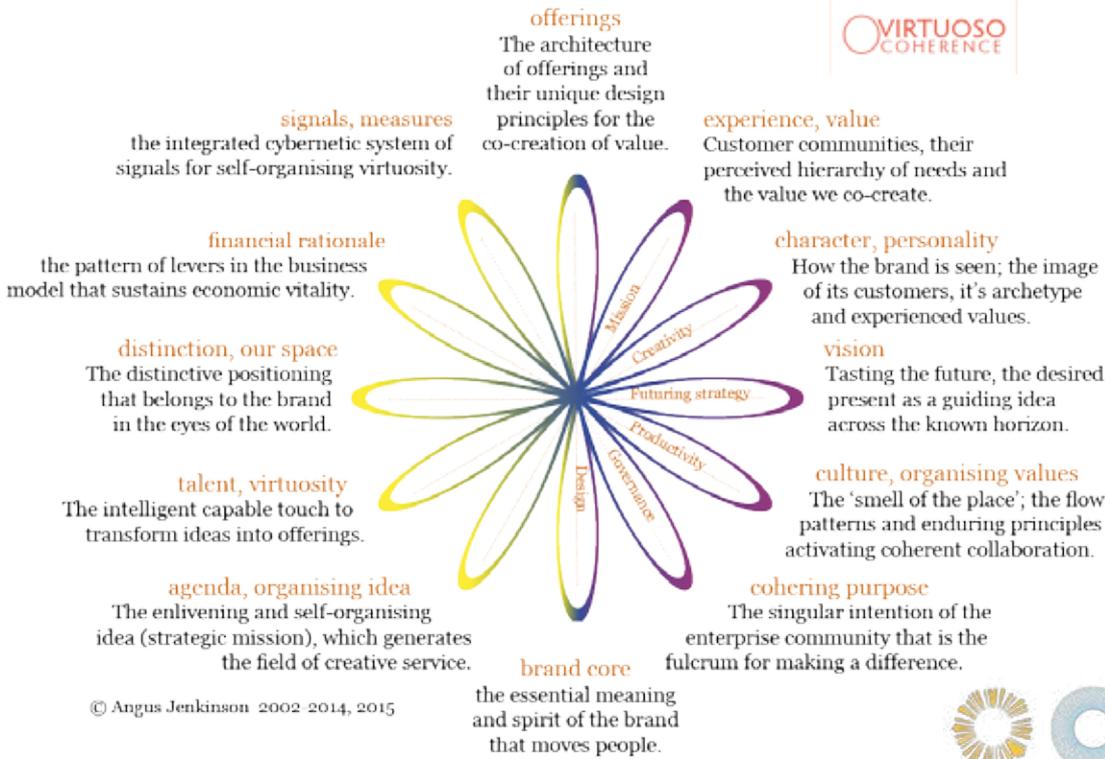
Kevin Bishop also commented on our proprietary methodology, Virtuoso, liking it because it provides a thoughtful and explicit bridge between tangible and intangible aspects of the brand system.

He believes it offers all that is needed to think through a richer understanding of the brand and make it coherent (see video on Thinking.partners).

Virtuoso identifies formative patterns, gestalts, principles, or values in organisational and social behaviour. Patterns are propagated by the cybernetic loops, law, the communication matrix, punctuations, company stories, talking actions.

It offers a robust means to see what is really essential and the operating principles that enable flow performance. ■





*Sometimes you just need a new way of seeing. And Thinking.*

*Virtuoso® provides an integrated, multi-dimensional view of the patterns that ripple across the organisation when it is in flow, people engaged.*

## About Thinking.

We are your Thinking Partner, meeting client requirements since 1991.

We work with the wholeness of enterprise identity, with the lightest of touches. Ease constraints so that your company flows—alive—at its best.

Thinking projects are supported by an exceptional IP co-created over a quarter of a century. Its coherent design offers complete performance.

Move fast. Connect enterprise decisions. Design rich value. Respond in time. Channel risk. Be joyful. Our powerful trust-building process dissolves problems and unlocks success across the enterprise.

One of our clients described the outcome of our process as “for the first time having everything on one page”. Another said that never before have all the key leadership groups become aligned.

Our approach to contracting is flexible: spanning the gamut from coaching to design, facilitation and operational fixed-length contracts. ■

## May we partner?

We welcome challenges, big or small. Invite us to brief you on our credentials. ■

| [Connect@Thinking.Partners](mailto:Connect@Thinking.Partners) | +44 2036374658 |

| [@GoingThinking](https://www.instagram.com/GoingThinking) | [Thinking.Partners](https://www.thinkingpartners.com) |

© Stepping Stones Consultancy Ltd and Thinking, 2011-15.

Thinking is a brand of Stepping Stones Consultancy Ltd. Virtuoso is a registered trademark of Stepping Stones Consultancy Ltd. Virtuoso is an identity system capability and toolset evolved from the open source and public domain kernel Stellar. See [Thinking.Partners](https://www.thinkingpartners.com) for further information.