

Building a Brand; Managing a Reputation

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What's my brand?



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Costs of competing in a Marathon...

New running shoes: \$120

Heart monitor: \$100

Entry fees: \$ 85

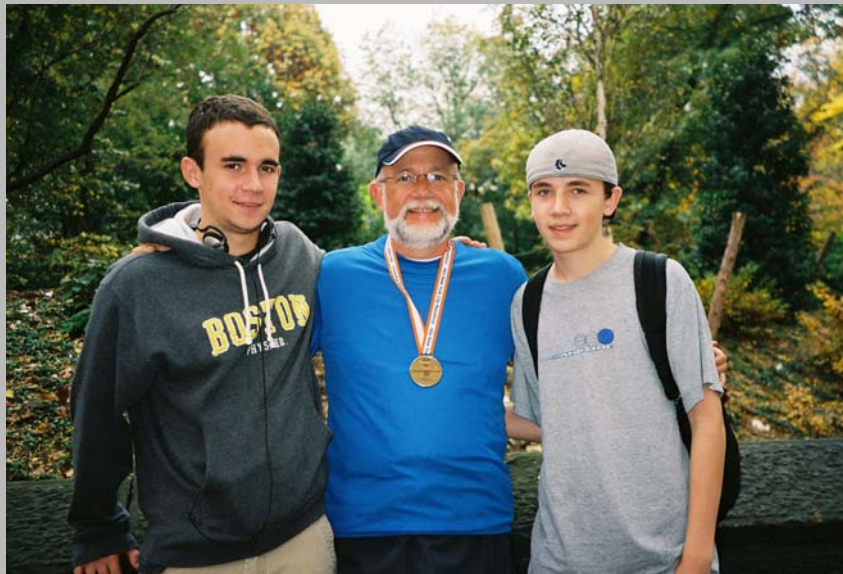
Costs of competing in a Marathon...

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Heart monitor: \$100

Entry fees: \$ 85

Doing something neither of your teenaged sons can do:
Priceless!!!!



The Page Principles: A foundation for reputation management and building a brand



ARTHUR W. PAGE SOCIETY
FOUNDED 1983

Tell the truth.

Prove it with action.

Listen to the customer.

Manage for tomorrow.

Realize a company's true character is expressed by its people.

Conduct public relations as if the whole company depends on it.

Remain calm, patient and good-humored.

The starting point...

Tell the truth

Does your brand match your reputation?

Brand is **personality**.

Brand is what a company
wants you to think and feel
when you hear its name.

Brand is **communications**.

Brand is **something you build**.

Brand is a **promise**.

Reputation is **character**.

Reputation is **what you really**
do **think and feel** when you
hear a company name.

Reputation is **behavior**.

Reputation is **something you**
earn.

Reputation is keeping **the**
promise.

Source: Paul Holmes, Publisher, The Holmes Report

Does reputation matter?

Ask Bernie Ebbers, former CEO of Worldcom.

Ask Dennis Kozlowski, former CEO of Tyco.

Ask Ken Lay, former CEO of Enron.

Ask Dick Grasso, former CEO of the New York Stock Exchange.

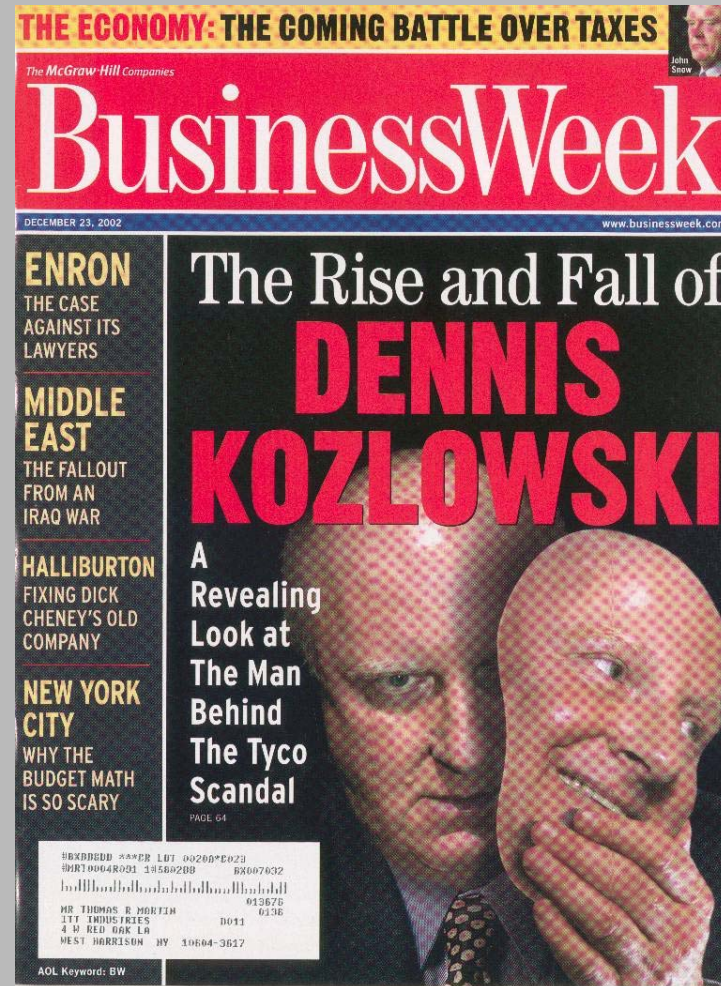
Then, ask your own CEO, CFO, or General Counsel.



They come and they go.....



May 28, 2001



December 23, 2002

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What's your cover story?



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What a difference three and a half years make!

<u>Market Caps</u>	<u>Sept. 2000</u>	<u>May 2004</u>
AOL/Time Warner:	\$129 Bill.	\$83 Bill.
Priceline.com:	\$4.2 Bill.	\$875 Mill.
Yahoo:	\$61 Bill.	\$48 Bill.
ITT Industries	\$2.9 Bill.	\$7.6 Bill.

Actions speak louder than words...

Prove it with action.

Contrast Brand and Reputation

United Airlines: Fly the friendly skies

McDonalds: We love to see you smile.

Boeing: Forever new frontiers.

Microsoft: Where in the world do you want to go?

Ford: Quality is Job 1

The Catholic Church: A place of trust

Martha Stewart: It's a Good Thing

The U.S. Military: Liberators

United Airlines: Better use those frequent flier miles soon

McDonalds: We love to see you gain weight.

Boeing: Forever new conflicts of interest.

Microsoft: You have no choice.

Ford: Safety is someone else's job

The Catholic Church: The ultimate cover-up

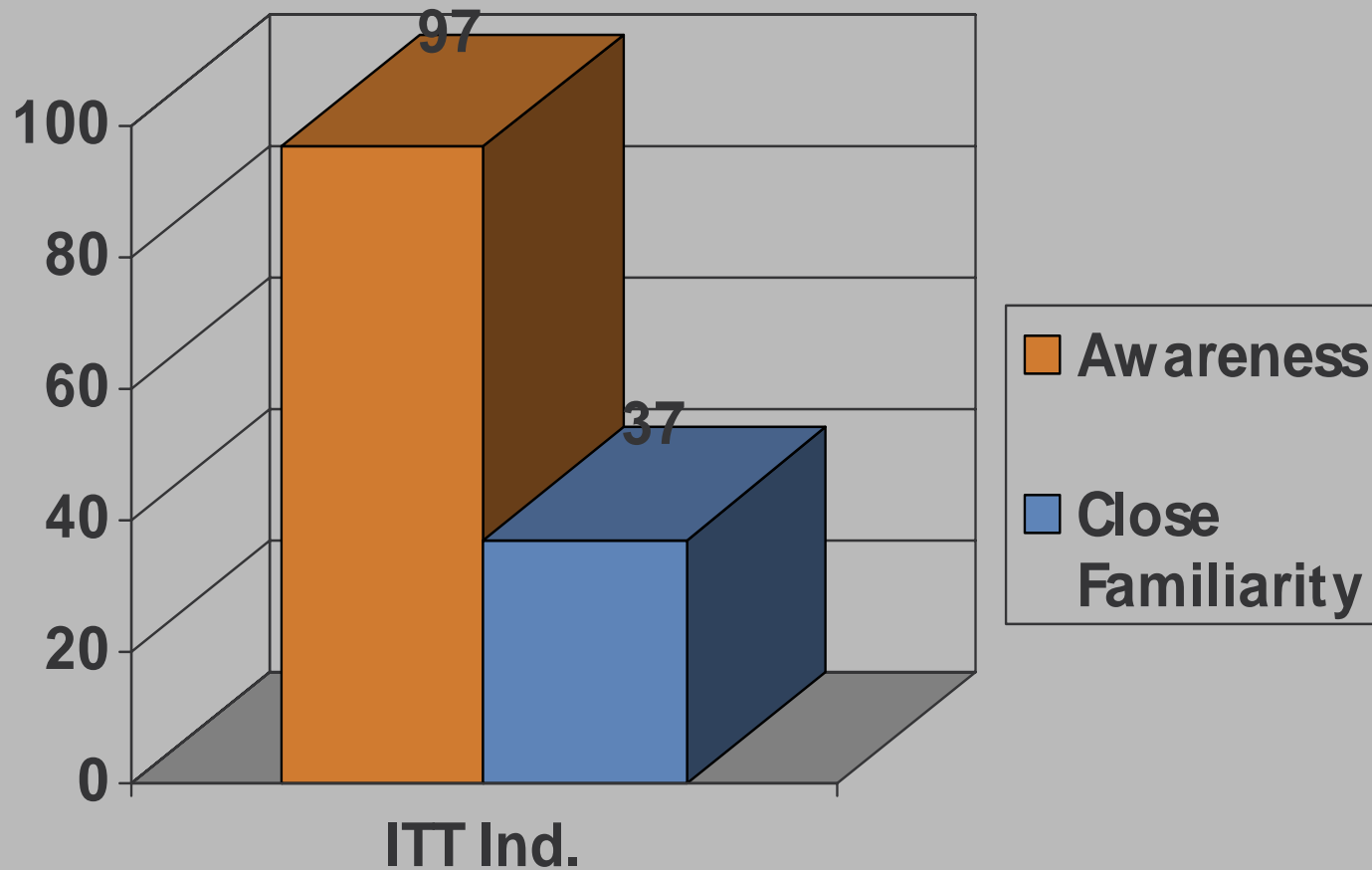
Martha Stewart: It's a short sentence.

The U.S. Military: Dominators

Can you hear me now?

Listen to the customer.

Familiarity with ITT Industries



Issues we have addressed through branding campaign:

Brand Confusion: Our publics were not sure of what we did.

Brand Reputation: Our reputation didn't match our products, actions and performance.

Brand Unity: We had multiple product brands and value centers that weren't perceived as part of a greater whole.

“Successful diversified brands pursue three strategies: they find and constantly reinforce the ‘golden thread’ that knits together their diverse businesses; they invest in building high-credibility personalities; and they systematically leverage their brands.”

-The McKinsey Quarterly

We found our voice, our “Golden Thread.”



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When we launched our brand, our engineers and their stories were the heroes.



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We have spent time focusing on the brand relationship with our business units.

The Corporate Brand:

Global presence

Financial clout

Management talent

R&D support

Visibility across industry
sectors

The Product Brands:

Specific market expertise

Distribution channels

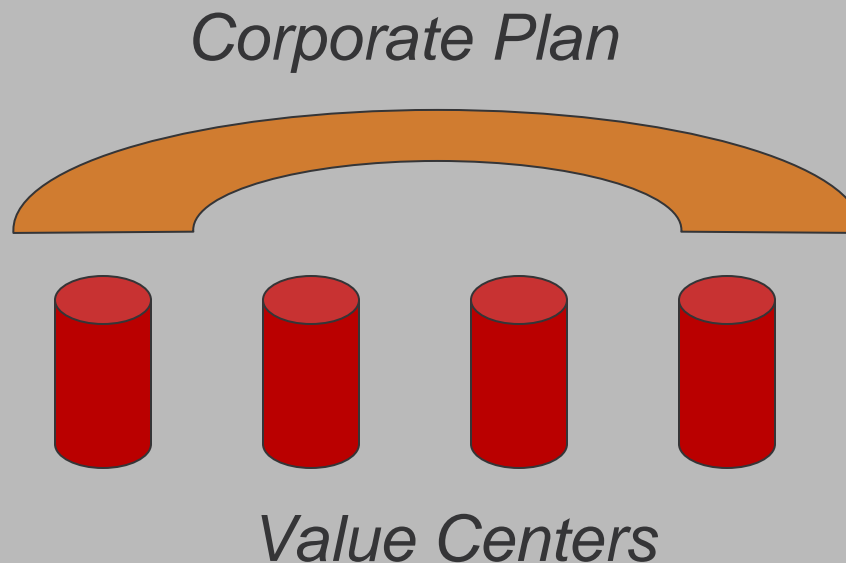
Brand loyalty

Customer satisfaction

It takes both!

Corporate Advertising Strategy

Our communications plan supports the ITT Industries brand and provides direct benefits to our value centers.



Our brand strategy: Focus on the customer

Greater visibility of the corporate brand with customers

- Demonstrate true breadth in fluid industry
- Be perceived as a bigger brand in defense industry
- Reach customers at key trade events
 - National Space Symposium
 - Aquatech
 - WEFTEC
 - Association of the United States Army

Pre/post research at Aquatech & WEFTEC to measure results

“One Strong Company, Many Strong Brands”

- Global competitive pressures raise the imperative to present a strong, unified global corporate profile
- Building a more unified brand doesn't mean sacrificing product brand strengths.
- A strong global brand can help us recruit the very best talent for the organization.
- A sense that we are all working for the same company can help promote movement of talent throughout the organization.
- In developing markets like China, the need for a strong global is even more imperative.
- We recognize the need for more clarity and simplicity in corporate brand guidelines.

National Space Symposium 3/29 - 4/1

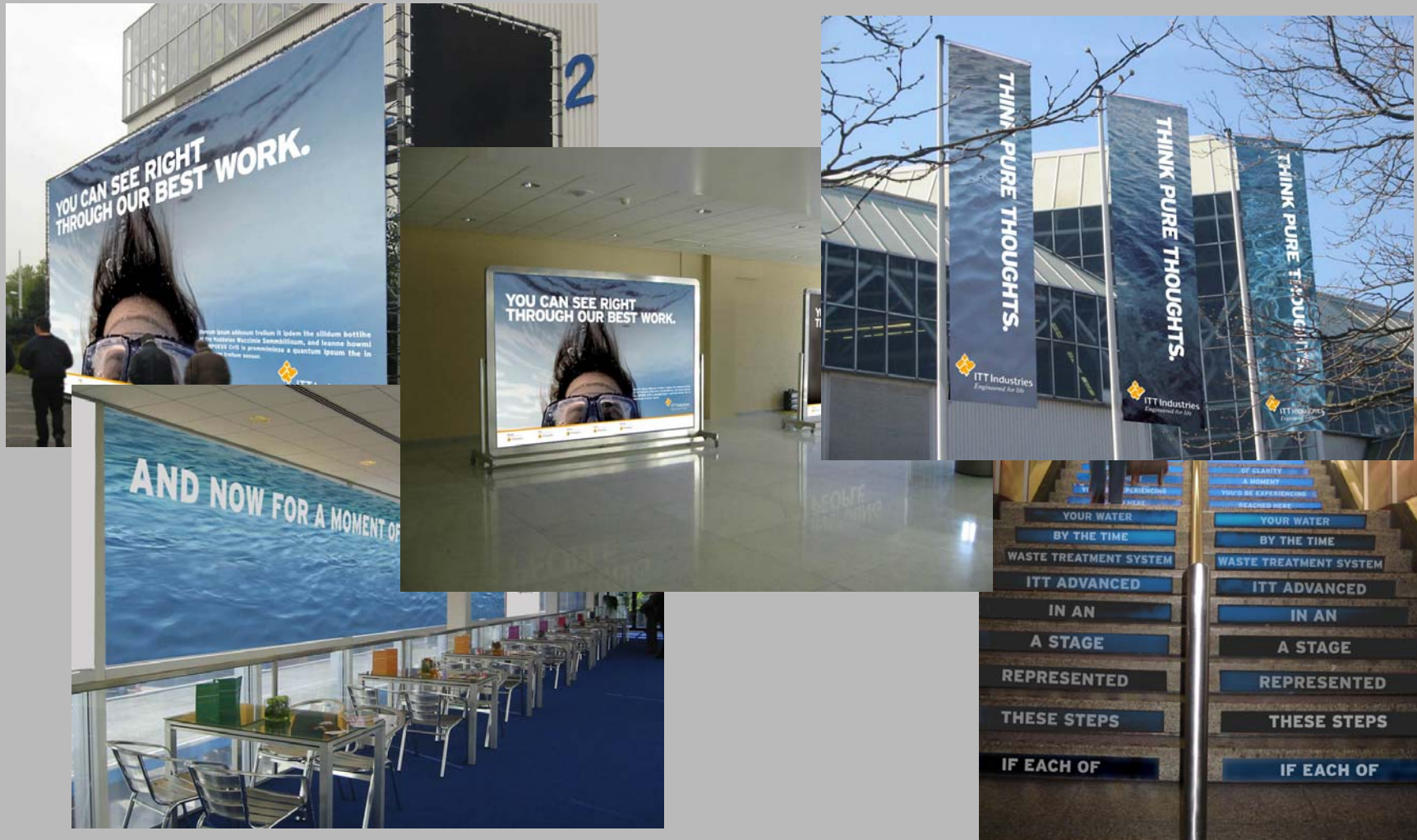


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Aquatech 9/28 - 10/1



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Prominent signs established ITT's presence

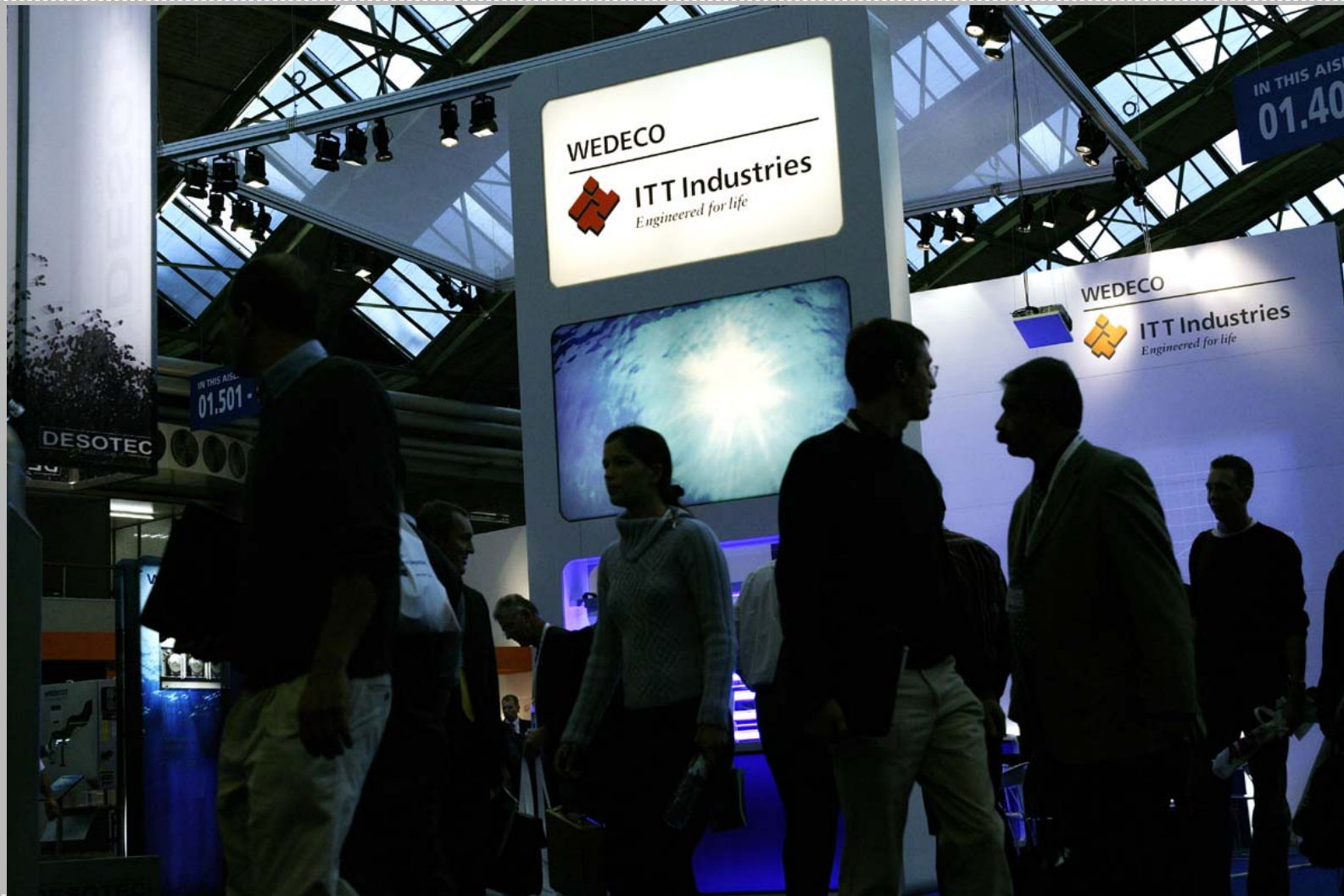


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Co-branding provides global strength, combined with unique product attributes



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Results: Corporate image enhanced at trade events

WEFTEC

- 79% recall of ITT participation (2nd among key competition)
- Market leader perception rose from 11% (pre) to 26% (post)
- Key financial analysts hosted at event experienced ITT dominant presence

Aquatech

- 47% recall of ITT participation (2nd of key competition)
- Pre/post familiarity from 37% to 43%

AUSA

- 78% familiarity (higher than Rockwell, Harris, DRS & BAE)
- 58% visited or planned to visit ITT booth
- 28% recall of advertising at event

All events:

- Enthusiastic employee response
- Enhancing corporate brand in 2005 events

Brand strength rose by 60 percent from 1997-2002

- Brand strength: Differentiation score multiplied by the relevance score.
- Based on survey of 750 business managers regarding the brand health of 2,500 U.S. products and companies, conducted on a quarterly basis.
- ITT Industries brand strength scores
 - 1997: .50
 - 2002: .80
- Relevance score declined, offset by strong growth in differentiation score.

ITT Industries: 1997 to 2002

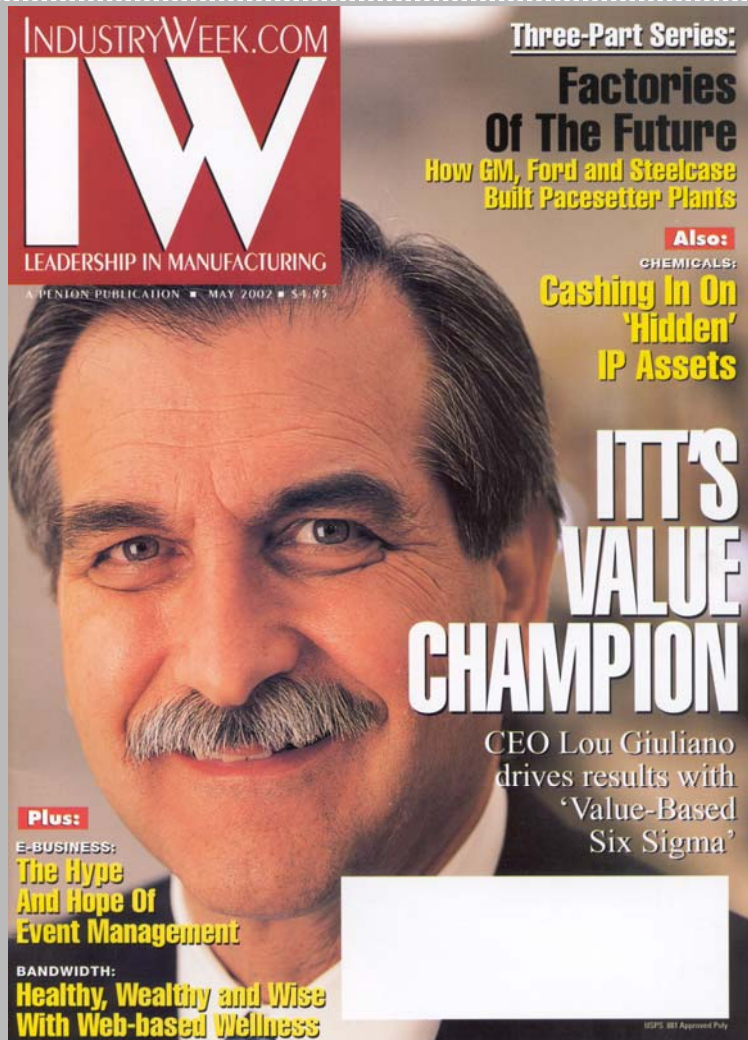
Differentiation

Authentic +64%
Distinctive +55%
Original +54%
Unique +35%
Best Brand +12%

Relevance

Easy to do business with +32%
Worth More +25%
Helpful +13%
High Performance +10%
High Quality +6%
Up to Date +4%
Reliable +1%
Socially Responsible +1%
Good Value -4%

Industry Week article said it best...



“Call me old-fashioned or out of touch, but I’m tired of the over-hyped stories about unproven management fads and failed business strategies. I welcome the return to the classics that the story of ITT represents—the return to the real and nitty-gritty world of the manufacturing fundamentals of value creation and operations management.”

-Patricia Panchak
Editor in Chief
Industry Week

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The best time to plant an oak tree is 20 years ago.

Manage for tomorrow.

Issues management: A key role for corporate communications

- It starts with a clear vision for reputation management
- Healthy ongoing relationships with key partners and stakeholders
 - Executive Management
 - Employees
 - Customers
 - Investors
 - Media
 - Regulators
- Reputation impact considered in all critical decisions
- Communication is integral part of the management and governance process, rather than an afterthought

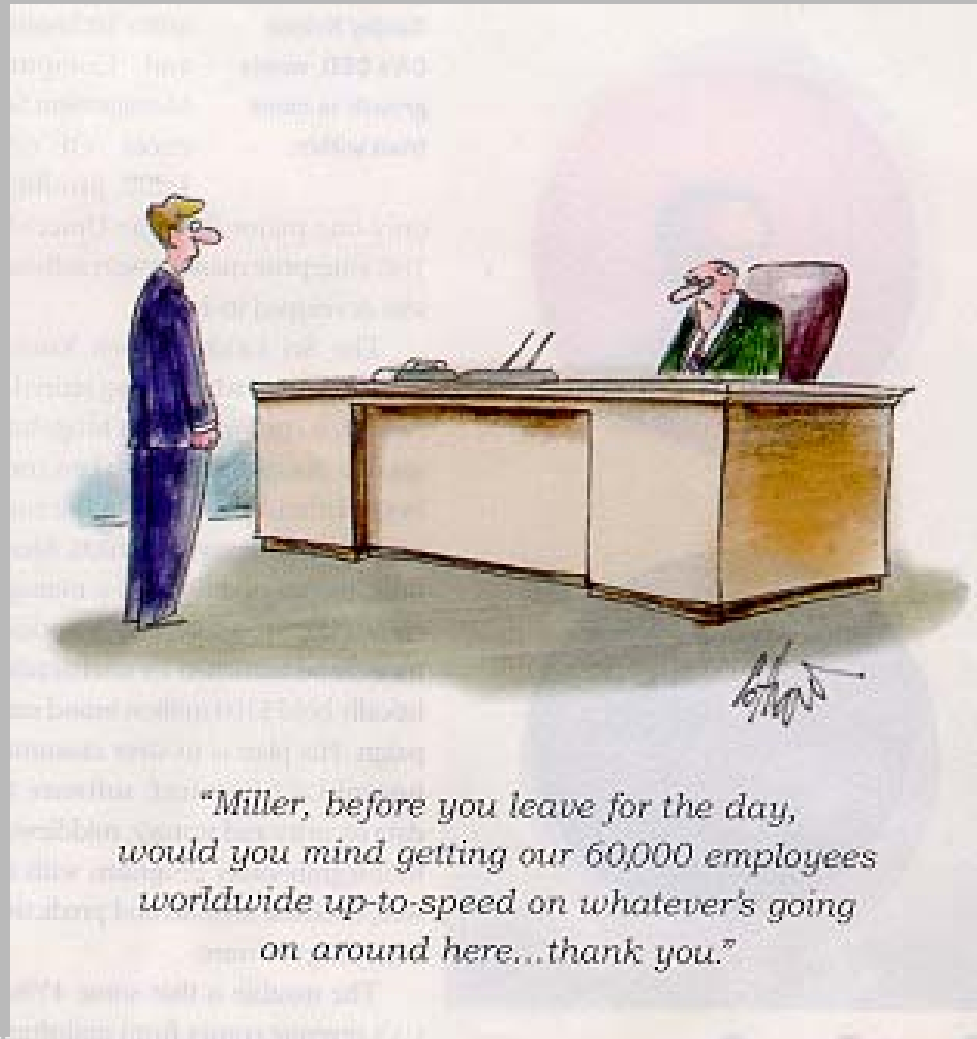
Common Themes in Reputation Crises

- It's not the mistake, it's the cover up
 - Enron/Anderson: Shredding 100,000 jobs
 - Nixon: A two-bit burglary; a priceless recording session
 - Martha Stewart: For \$50,000 gain, a \$1.0 billion loss
 - NYSE/Grasso: A generous Comp committee, but no paper for recording the minutes

Employees: The forgotten audience.

Realize a company's true character is expressed by its people.

Employee communications should not be an afterthought.



Where do you fit in?

Conduct public relations as if the whole company depends on it.

Corporate Relations Vision

To enable ITT Industries to achieve premier multi-industry status by enhancing:

- Our corporate reputation through informed decision making.*
- The value of our corporate and product brands.*
- The pride and contribution of our employees through timely, effective communication practices.*
- Our influence on public policy decisions that have an impact on our company.*
- The quality of life in our communities.*

Corporate Communications: A Central Role

- Secure your place at the table
- When it's your turn to speak, be prepared
 - Know the language
 - Know the issues
 - Empathize with your colleagues
- Offer both strategies and tactics
- Be the window in as well as the window out
- Demonstrate the behaviors you are advocating
 - Composure, humility, sincerity

How can we make a difference?

- How much is a proud workforce worth?
- What is the value of more loyal customers?
- Do people invest more in companies they believe in?
- Are we motivated by products, or by stories well-told?
- When you make purchases, are you buying functions alone, or functions+brand?

Clear, consistent communications can make a difference!

Last but not least...

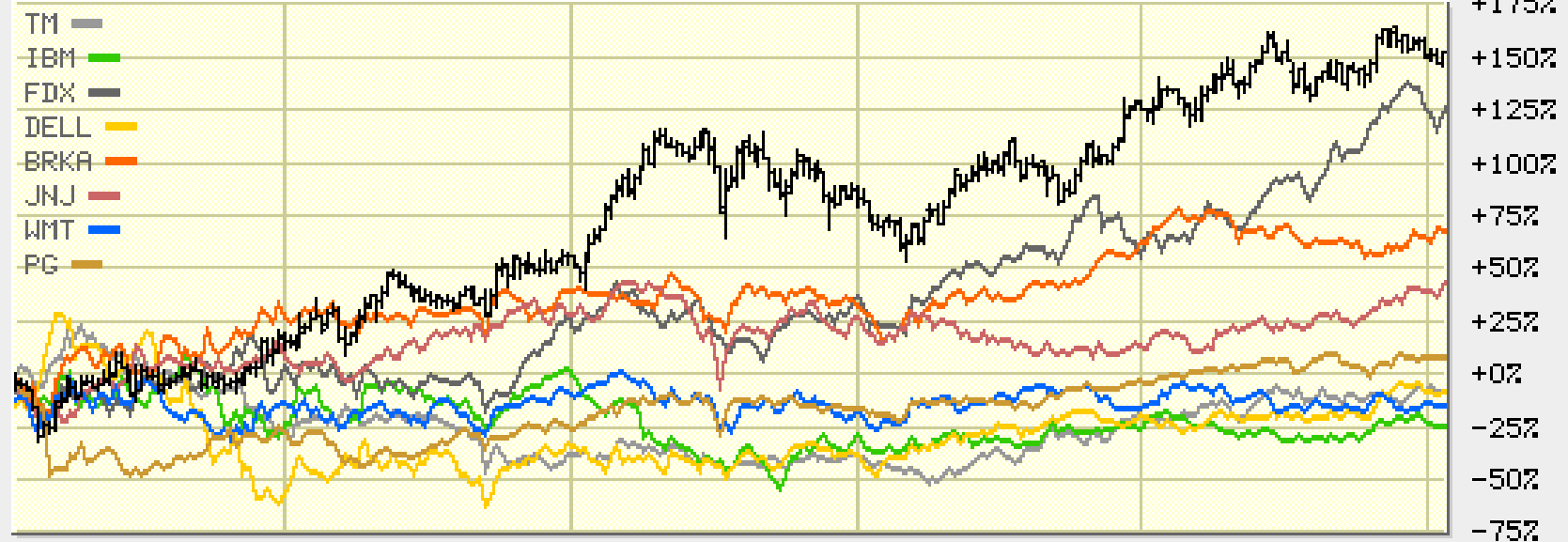
Remain calm, patient and
good-humored.

To err is human, to forgive divine

- Denny's: Overcoming systemic racism with a systematic commitment to change.
- Jimmy Carter: A below-average President, a successful former President.
- Alaska Airlines: Demonstrating compassion in the face of a tragedy.
- Martha Stewart: Just say you're sorry, serve your time, and we'll keep buying your sheets.
- Tyco International: Company in tatters to company on the move.

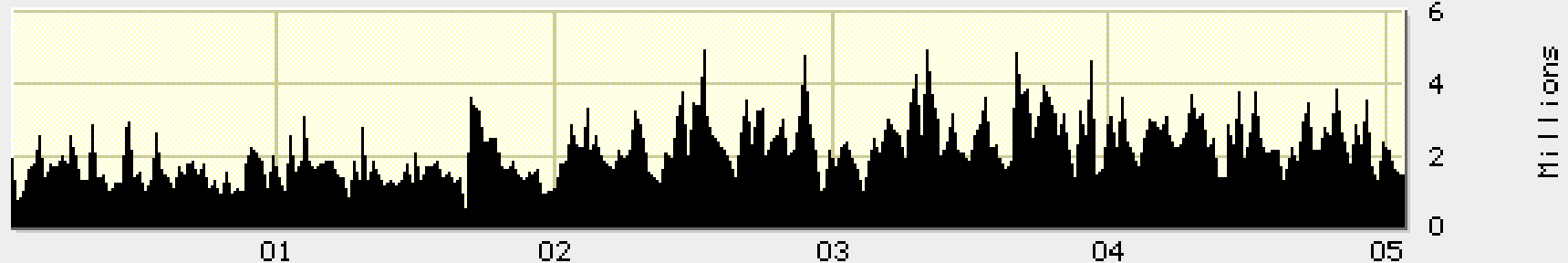
How do you measure “Most Admired”?

ITT Weekly —



Volume —

©BigCharts.com



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Finally: How are you adding value?

Self Exam:

- Am I the catalyst for improving internal communications in my organization or client?
- Am I acting as the brand steward for my business (or supporting the individual who serves in that role)?
- Am I seen as the “window in” for my company/client on issues and trends that affect the business?
- Am I willing to work with my organization’s/client’s leadership to help them become better listeners?
- Am I in the loop on key business initiatives?

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