

YOUR COMPANY Name of Arond Mocco

Company Name
Company Message

REPRINTED FROM ORGANIC PROCESSING MAGAZINE, NOVEMBE DECEMBER 2010, WITH PERMISSION OF THE PUBLISHERS.

© 2010 BY THE TARGET GROUP • www.organicprocessing.com

# Iconic Entrepreneurship: Building a Brand (and Movement)

**Values** 

Fair Trade 100%

Sweat Shop 09

Organic

That Lasts

## By Gillian Christie

"An iconic brand has relevance way beyond its product category—beyond tangible benefits, beyond emotional benefits, beyond lifestyle. It permeates, creates and represents popular culture in a deeply imbedded way like Nike, Harley-Davidson, Coca-Cola and Apple. An iconic brand inspires an irrational level of loyalty from its core consumers—thus it withstands decades of changes in technology, competition and

lifestyles—and it forestalls the pressures of commoditization or obsolescence. Iconic brands of the future will create transformational value that's sustainable for all stakeholders."

—Udaiyan Jatar, founder and CEO, Blue Earth Network.

Being iconic is not just about being popular or well known. It is about connecting at a core level with consumers, becoming part of their lives—including everything from product choices to how they demonstrate their loyalty to the brand and its values, such as wearing your company name on a t-shirt.

Today, organic itself has become iconic in many ways. The collaborative action of the entire organic industry has propelled organic into the mainstream with media personalities and celebrities touting the benefits of organics, from the annual "A list" gathering at the Environmental Media Awards highlighting dynamic organic gardening programs in local schools to Meryl Streep exclaiming that "the produce manager is more important to my children's health than the pediatrician."

Values
Organic 100%
Fair Trade 100%
GMO 0%

For more and more of the mainstream—from educators and parents to the next generation of consumers—organic has become a way of life, ethos and value structure that they identify with and seek to embody. In fact, according to the *Organic Trade Association's 2010 Organic Industry Survey*, mass market retailers in 2009 sold 54 percent of organic food, an increase of more than 10 percent in just one year!

Mainstream corporations are even acknowledging the importance of the organic movement. Franck Riboud, Chairman and CEO of Groupe Danone told a

reporter from the Wall Street Journal after closing their deal with Stonyfield Farm that "Stonyfield is much more than just a balance sheet—Stonyfield represents an ethic and it's an ethic that we at Groupe Danone have to adopt if we're going to be successful in the twenty-first century."

The values, vision and strength of the organic industry have catapulted it

from dream to mainstream, but how can this mainstream momentum and consumer loyalty be leveraged to take organic enterprises to iconic status? Are there secrets we can learn from major brands like Coca-Cola, Apple, Nike, Starbucks and many others that have achieved iconic status in the conventional realm?

Understanding the genesis of iconic brands and movements and using these insights to create transformational impact in business and society is the specialty of Udaiyan Jatar, a twenty-two year veteran of innovation and business development who has launched dozens of products globally for companies such as Procter & Gamble and Coca-Cola. Most recently, as global vice-president at Coca-Cola, he headed up the development of Far Coast, a premium, sustainable coffee and tea brand. It is one of the first Fortune 100 coffee products to have 100 percent of its blends certified either by Fair Trade or Rainforest Alliance and is carbon neutral.

Drawing upon these experiences, as well as over a decade of applied research, Jatar's Blue Earth Network has developed a process for iconic branding based upon what he calls "The Six Disciplines of Iconic Entrepreneurship." This article will highlight these disciplines as well as offer tips and strategies for developing powerful marketing programs with the least amount of resources based on "Organic Marketing Technologies," an approach developed by Christie Communications.

### The Epiphanies: The Humble Beginnings of Iconic Brands

When Jatar first began researching Iconic Entrepreneurship (a term he coined) in 1999, he noticed a few things that were intriguing. First, each of the brands that we're so familiar with—Harley-Davidson, Gatorade, Nike, Red Bull, Starbucks, Apple, Coke—were started by a small entrepreneur. Not one of these truly iconic brands was started by a large company!

Secondly, all of these entrepreneurs that created iconic concepts and products came from outside the industry that they ended up leading. So, they didn't have the industry expertise, nor did they have a lot of money because they were, after all, small entrepreneurs. Coca-Cola was started by pharmacist Dr. John Pemberton. Gatorade was created by college professor Dr. Robert Cade. Google was founded by students Sergey Brin and Larry Page. Phil Knight was an accountant before inventing an athletic shoe using a

"How can organics' mainstream momentum and consumer loyalty be leveraged to take organic enterprises to iconic status? Are there secrets we can learn from major brands like Coca-Cola, Apple, Nike, Starbucks and many others that have achieved iconic status in the conventional realm?"

waffle iron resulting in a company called Nike. The list goes on.

Jatar wondered how these small entrepreneurs were able to discover these huge unmet consumer needs and develop "disruptive" innovations—a term used to describe a solution (a product or service) that literally disrupts and displaces the status quo.

He wondered how these brands grew for decades with high profit margins right under the noses of gigantic corporations? Why didn't the big guys find these opportunities or develop these solutions? And why couldn't the big market leaders in those segments fight off these small start-ups?

"The secret that was hidden in plain sight was that these up-and-coming brands, mostly serendipitously, did six things exactly the opposite of the established management doctrine followed by most large companies and regular entrepreneurs," says Jatar.

"This isn't just limited to innovation or marketing, but spans the spectrum from the founders' vision to where they first distributed their brands, their communication strategies, how they developed their infrastructure brick by brick, etc. I spent the last 10 years marrying the best of big company discipline and science with iconic creativity to create this replicable model for driving transformational and durable growth."

### The Iconic Entrepreneurship Framework: The Six Disciplines

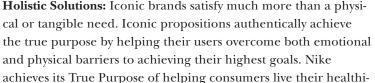


**Iconic Entrepreneurs:** Fanatical dedication to the brand's mission or "true purpose," which manifests itself authentically in how the organization does everything. Often, when the founder dies or retires, or an organization gets so big that the founder can't control everything, organizations lose their competitive advantage. Avoiding this

requires a decision-enabling system that tracks iconic metrics across all six disciplines, and enables everyone in the organization to make effective decisions. This is especially important for businesses that wish to scale nationally or globally.



**True Purpose:** A great "true purpose" inspires and motivates all stakeholders. Apple's is to challenge the status quo and make it easy for people to express their individuality and creativity. The challenge is to find a purpose that is meaningful to the brand owner that also has the potential to create a cult following among the brand's users.



est and best lives by simultaneously overcoming emotional barriers ("Just Do It") and physical barriers (product innovation to overcome heat, sweat, jarring etc). The key is to design a product based on a true purpose as opposed to building a product and then trying to figure out its purpose. The latter method leads to incremental innovation; the former leads to transformative solutions.



**Highest Truth:** These brands communicated in a very counterintuitive way. None of them focused on "selling" their product on physical attributes (like "faster processing speeds" or "better taste" in the case of Apple or Coke, respectively). They succeeded by communicating their highest truth. Nike's "Just Do It" is infinitely more powerful than

if it focused its communication on its product advantage, "comfort" or "better soles" etc. This counterintuitive strategy seems to play a massive role in preventing the commoditization of iconic brands. After all, a physical advantage can be easily surpassed, an emotional bond, while harder to create, is intangible, so it's also harder to break.



**Iconic Freeway:** This is another critical foundation for preventing commoditization. One of the most counterintuitive of the six disciplines, this requires brands to *avoid* mass distribution during their incubation phase. This avoids: (a) head-to-head competition with bigger brands, (b) delisting pressure due to low velocities from pow-

erful retailers, (c) margin pressure from copycats. But the benefits go far beyond avoiding these pitfalls. Stronger and deeper user relationships get formed away from crowds of competitors. This is a disruptive route to the traditional model of distribution and expansion. Red Bull gained a cult following by going through nightclubs, rather than through convenience stores where Coca-Cola or Pepsico would have stomped them out.



Purposeful Route to Market: By virtue of not having existing infrastructure, these entrepreneurs had to create their

own route to market and thus developed the infrastructure that best met their brands' purpose and the needs of their Iconic Freeway. Red Bull's nightclub distribution and marketing set-up is still, decades later, the envy of Coke and Pepsi. Large corporations kill a lot of innovative products by forcing them through existing sales and distribution channels that were designed for scale not incubation. Disciplines four and five need to be executed in tandemyou can rarely use a new route-to-market to go to existing channels, because your existing distributors will complain. You can also rarely use existing distributors to go to new channelsthey don't have the economic flexibility. Overcoming these barriers is possible, but it requires a high degree of creativity and negotiating skills to create win-win strategies. Large companies find this discipline the hardest to execute, primarily because of internal pressure to avoid upsetting the apple cart. Unfortunately, if you don't do what's required to disrupt a category, somebody else will.

# Thinking Like An Iconic Entrepreneur

When it comes to applying the six disciplines and creating resilient brands, especially in the natural and organic category, Jatar insists that small visionary companies may have a distinct advantage over established monolithic corporations.

"Typically, large corporations are weighed down by deeply ingrained organizational processes and hierarchies," he explains. "The standard processes that are used and considered to be management doctrine at mono-

lithic corporations are not leading to solving the world's financial, social, or environmental issues. Albert Einstein once said, 'You can't solve problems by thinking the same way as you did when you created them.' In other words, doing something repeatedly and expecting a different outcome is the definition of insanity. Creating an iconic brand requires one to break out of the usual way of doing things."

This is where organic companies have the advantage—they were founded on doing things differently than the rest and have the freedom to try things that big corporations can't do without going through a lot of red tape. Guayaki, an organic tea company recently acknowledged by the Clinton Global Initiative for its

innovative market-driven rainforest restoration business model, attributes its growth to the fact that the company has been driven by a small seed group of five founders, or what they call "semillas." "The semillas are still all 100 percent committed to Guayaki. There are very few businesses to my knowledge with a five member founding team that have

"The organic industry is at a crossroads.

The "fast followers" have started to enter this space in large numbers... pioneers need to make sure they differentiate themselves on a more durable platform than just having been the first to embrace organic."

endured the challenging years of growth with no venture capital or commitment to an exit," says David Karr, co-founder of Guayaki. "The semillas group provided the platform for a passionate community as well as set the tone for the importance of the 'mission over the individual."

This type of mission-driven approach is what separates the iconic entrepreneur from a regular entrepreneur. "Executives and organizations truly dedicated to building transformative businesses shift their focus from trying to maximize transactions with buyers in the short term to building long-term relationships" says Jatar. "It shifts the focus from trying to make a quick buck to building a legacy."

### **Transcending Competition**

A legacy is built around not only how great your product is, but also how people relate to that product. In all the product launches we have been involved with over the past two decades, it was found that even new products that were strong in terms of product differentiation and that survived the first two or three years of launch would get copied. Then their product advantage would start to disappear and some would fall into the vicious cycle of discounting and promotions. However, as Jatar noted, brands like Harley-Davidson, Nike, Apple and Coca-Cola have managed to continue to grow and maintain their leadership and margin structures in spite of copycats. These brands managed to trivialize copycats by meeting needs beyond category benefits and in doing so became a part of popular culture.

Jatar found that product advantage had very little to do with becoming iconic. In fact, he says, some of the competitors of many iconic brands arguably had better products. For example, Pepsi has spent millions of dollars touting the fact that they beat Coca-Cola in blind product testing. That still didn't make Pepsi a bigger brand than Coke.

The biggest challenge for the organic industry is that many companies base their marketing around using "organic" as a product advantage. "The organic inthe source of the organic ingredient, you are always going to be competing with someone else that can also claim to be 100 percent organic at some point. The big difference and advantage that organic pioneers have is that they are authentic." The key, he says, is to translate that authenticity into a holistic solution (second Iconic Entrepreneurship Discipline) that helps their brand to transcend the organic category.

dustry is at a crossroads," says Jatar. "Its

growth has brought it within striking

distance of the mainstream market.

The "fast followers" have started to enter this space in large numbers. The

pioneers need to make sure they dif-

been the first to embrace organic. Un-

less you have an absolute monopoly on

ferentiate themselves on a more durable platform than just having

### Value and Values

Iconic brands tend to be those that transcend competitive advantages and the product category itself and go well beyond tangible benefits to standing for values that their users respond to at a deeper level, inspiring brand integration into the fabric of their lives.

For Apple, the highest value is expressing individuality and that translates back very authentically into a product that is also designed to reflect those values. With Harley-Davidson, it's about a free life and the open road. The motorcycle, the technology, and all of the paraphernalia that goes with it authentically represent those values.

"Unfortunately, even companies that are lucky enough to own iconic brands can mistakenly attribute their success to their products, and when they veer away from the disciplines that made them iconic in the first place, the cracks appear, and even these great icons risk commoditization," says Jatar. "The relationship between authentic manifestation of these highest values and financial success is actually quite easy to see and measure."

This is something that rings especially true for Tripp Baird, founding principal of Partnership Capital Growth, an investment advisor focused on the healthy, active and sustainable living marketplace. Baird explained that it is critical for entrepreneurs to have "unwavering commitment to what we call 'Value and Values'—basically never sacrificing the core values/mission of the business regardless of the circumstances. We tend to say that value creation has to go hand in hand with the commitment to core values or it won't last."

Jatar notes that many brands may find a road to success without having a higher purpose, but that success may not last. Half of the companies that were in the Fortune 500 list in the 1970s don't exist today, he comments. "Just being big isn't really fun. It takes much more effort and costs more in resource and human terms to maintain profit margins and leadership." For example, P&G sold its Folgers brand because margin growth began to depend on cost and pricing and customer management, which ultimately meant dealing with retail customers who increasingly wield the power. "Iconic brands enjoy greater margins for longer with less effort, less resources and less risk, as crazy as that might seem," he says. "Think about Starbucks. How much did they spend on mass advertising in the first 10 to 15

years? Zero." What Starbucks did was build real relationships with their customers and communicate to them in a way that was meaningful and lasting, creating a sense of community that continues to go beyond a cup of coffee. From their innovative strategic partnerships with organizations like Barnes and Noble, pioneering retail models, to calling out customers by name, Starbucks is centered in building long-term relationships with customers.

# Taking the Iconic Freeway Versus the Typical Route to Market

When Jatar started studying the early histories of iconic brands, he was faced with the classic chicken and egg question: did the brand become compelling before it secured mass distribution or did distribution allow it to become a draw? Since most iconic brands were started by small entrepreneurs who did not have the muscle to achieve mass distribution, it was a consequence of, not the cause of, their iconic status. In fact, mass distribution too early in the life of a new brand is often the primary reason why many successful product launches don't result in becoming iconic brands. Once a brand has established a core loyal consumer base through "iconic availability," it can then more freely move into mass channels without being crushed by the onset of competition.

Non-iconic brands tend not to look for unique and special places to sell their

brands, and end up in generic and commodity channels mostly because they hope to make a quick buck, or fear the cost and effort of building new routes to market. Jatar feels it is important to keep in mind that the capability and infrastructure built around the "route to market" is what enables an iconic brand to reach its target consumer in a manner consistent with its true purpose. "Let your future core consumer meet your brand for the first time in a place where your brand's values shine brightest," he says. "You wouldn't take your prospective soul mate on a first date to a local convenience store, would you?"

Coke created the fountain-dispensing model to enable people to enjoy refreshment within an arm's reach of desire. Red Bull created a night-club distribution system to help "give people wings"



Celebrity Chef Cat Cora, inspires healthier living through her work with Michelle Obama's school Chefs Move! to Schools program, her show on the Oprah Winfrey Network, cookbooks, and more. She is launching a dynamic partnership with Gaea in 2011.

in that channel. Apple sells primarily through an iconic environment called the Apple Store. In the organic industry, companies like Straus Creamery created soft serve ice cream to work with food service venues that share the values of sustainability and can help tell the company's story.

Jatar explains that the fear of not being the first to achieve mass distribution is unfounded. Apple's iPod was launched five years after the first digital music player. He says, "Being first to be ubiquitously available is not as important as to be the first to create a core loyal user group that's based on shared purpose and

authentic experience."

One company that is growing through shared values is Gaea, which makes Greek organic and natural olive oils and other traditional Greek specialty food products. The company first launched its "Green Rev'oil'ution" campaign featuring the first carbonneutral, organic olive oil through natural and gourmet channels using public relations and grassroots outreach. This included recipe challenges where customers could submit their own recipes using the company's products and win Gaea's signature cookbook. The campaign has expanded to launch through mainstream with celebrity chef Cat Cora, the first female Iron Chef and founder of Chefs for Humanity, who will use Gaea products to promote healthy Greek culture. Cora has authored several cookbooks and opened two restaurants.

Values-Based Communication. In addition to Jatar's "purposeful route to market" discipline, part of Christie Communications' Organic Marketing Technology is to ensure that each touch-point of your marketing is purpose-driven and in line with the values of your company.

Alter Eco, a manufacturer of fair trade, organic foods from around the world, offers several examples of values-driven marketing in action. From including a measurement tool on its labeling called the "AlterEcoMeter," which quantifies the environmental and social benefit of the product, to working to gain the attention of O, the Oprah Magazine to promote Fair Trade Month-each action is very meaningful and aligned with the company's values. Recently, Alter Eco was one of the social change companies chosen to partner with Sarah McLachlan's Lilith Fair festival's "i4c" campaign (acronym for "I foresee a better tomorrow").

Steaz organic, fair trade RTD teas

also has aligned its company with major mainstream events that have like values including Live Earth and the Sundance Film Festival. As part of Steaz "We CAN Make a Difference Campaign" celebrities signed cans of Steaz which were auc-

tioned off. The profits went to help build homes destroyed by the tsunami in Sri Lanka, where the company's tea is sourced.

Many companies that are well on their way to organic iconic status began by connecting with consumers via their shared values. For Gary Erickson, Co-CEO of Clif Bar, this has been centered on reaching their customers where they are and creating a strong, personal relationship with the brand. In a *Wall Street Journal* article he said, "We talk to people at sports events such as bike rides, marathons, decathlons or skiing where they need the product. And we tell people to tell their friends." And it has worked. From a brand that started as a dream on an arduous 175-mile bike ride in 1990, Clif Bar has continued to grow (with annual revenue of \$235



AlterEco sought out an alignment with "O The Oprah Magazine" to communicate its message about fair trade.

million) largely through word of mouth and a lot of roll-up-the-sleeves interaction with consumers.

PRE, a new health-driven prebiotic organic juice sports drink company also has found ways to connect to people with shared values—choosing yoga teachers, soccer moms, and athletes to be "ambassadors." Each ambassador receives free monthly promotional product to share with their community. As a purposeful route to market, they are also launching the product through schools by sponsoring booster clubs.

### The T-Shirt Test

So how do you know if you are on the path to becoming iconic? According to Jatar, a simple, unscientific test to determine if a brand has become iconic is whether a target consumer would be proud to wear their brand logo on unrelated products. For example, wearing a Coke logo on a t-shirt, or putting a Nike swoosh or "Just do it" sticker on your car. Of course there are many brands that are number one or number two in their category that do not transcend into the realm of being an iconic brand, he says. "One sure sign is when the product itself may be secondary to the image of the brand," Jatar adds.

An example of this in the organic industry is illustrated through Organic Valley's "Who's Your Farmer?" campaign and tour. To reconnect people with those who grow their food (the co-op's true purpose), Organic Valley is bringing young farmers to events across the country to talk about farming and pass out pins that say "Who's Your Farmer?" At the event, you can see people everywhere proudly displaying their pins from Organic Valley in support of the shared higher truth of the brand's message.

### Where the Rubber Meets the Road

Based on research, experience, epiphanies and insights—becoming an iconic

brand is not about how much money you have to start, whether you are first to mass market, or have millions to spend on flashy advertising. Rather, becoming iconic is about starting small, remaining true to your values and finding creative ways to market that really connect with your core consumer.

We see day in and day out that the dreams of small entrepreneurs fueled by their passion, innovation, and action continue to drive change, influencing trends, lifestyles and, ultimately, society. This has increasingly been influenced on a broader scale by those entrepreneurs and executives that understand how profitability relates to the values at the heart of their companies.

Nowhere is this more evident than in the organic industry. And therein lies the future.

**Gillian Christie** is the founder and CEO of Christie Communications (www.christiecomm.com). A pioneer in the field of helping ethical companies grow for more than 30 years as well as hosting a nationally syndicated green radio talk show, Gillian developed Organic Marketing Technology and has used this to successfully brand, launch, and market numerous products, companies and



technologies ranging from organic foods and beverages to nutraceuticals, and more. With teams of brand building, PR, and marketing experts across the country, a client roster that stretches from start-ups to global brands, Christie Communications is a company based in philosophy, driven by passion, and known by its results. You can reach her at gillian@christiecomm.com.

**Udaiyan Jatar** is CEO of Blue Earth Network (www.blueearthnetwork.com), a global firm that leverages its proprietary Iconic Entrepreneurship model and risk management tools to inspire and guide the creation of transformational growth for organizations across a wide variety of sectors ranging from start-ups to Fortune 100s, and social enterprises to nonprofits.

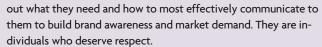
# **Marketing Organically**

Researched over twenty years, Organic Marketing Technology was developed to offer a science of how to most effectively reach target audiences, in the way they want to be reached, to create lasting relationships and increased impact while upholding and promoting the company's dreams and values. Here are a few tips and ways that this approach can be applied.

- **Understand who you are:** Define your dream, values, and purposes. Stay true to this when analyzing your growth strategies, distribution, investment opportunities, branding, and marketing.
- Live your values: Integrate your values and purpose into your communications, branding, collateral, and growth strategies. Communicate out of authenticity, respect, integrity, and vision. Do not dilute your message or sway who you are to fit what you think you must do to grow or in reaction to what your competitors are doing. This is like using genetically modified seeds to maximize yield.
- **Be consistent:** Understand that your brand is more than your logo. It is every interaction with your company, from

the person who answers your phones to your packaging, your website to your sales teams. Your values and character are the DNA of your company—weave this through every touch-point of your brand.

• Know and respect your audience: Take time to get to know your audience through grassroots outreach, one-on-one market research, and talking with customers, retailers, and brokers to find



- Market organically: Use a holistic approach that aims to avoid wasting resources and effort, such as defining the message, key media, and outreach channels precisely through consumer market research to prevent waste of materials as well as waste of the audiences' attention. Marketing is a philosophy as much as a technique or process. By using ethical practices in developing your messaging, your audiences are able to hear you and take action because your message is authentic and customized for them.
- **Don't inundate your audience:** Toxicity relates to mental pollution as much as environmental. Educate your target audiences through researched and substantiated information rather than barraging them with overwhelming data and scare tactics.
- Tailor your messaging: Organic Marketing is not a "one-size-fits-all" approach. Each message should be highly customized and designed with specific personal, logical and emotional profiles in mind. This goes for branding, packaging, and sales strategies as well as media outreach and advertising.
- **Listen:** Get feedback. Ask questions. Optimize processes to reduce waste, address inefficient systems, and ensure the best product and experience possible. People like to be heard and the human connection is even more important when people are overwhelmed with information coming at them from their cell phones, email, social media, iPods, and nearly every other surface that meets the eye.
- **Build your grassroots community:** Online, in person, and through effective public relations.
- **Persevere:** All success takes persistence, hard work, and maintaining the dream and values. Iconic brands are not born overnight, but are the result of longstanding trust in your dream, confidence, surpassed expectations, and at the end of the day, a sense of humor!