

DEFINING THE GLOBAL BRAND PROTECTION PROGRAMME



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Protecting your brand in today's global marketplace is no longer a luxury; rather, it's a necessity for a corporation to ensure not only a level playing field in the stream of commerce but also to afford the ability to maximise market penetration and realise continued growth. Rodolfo Diaz explains.

Mature brand protection programmes are aligned with a company's business objectives and have a measurable impact on revenue growth. Regardless of the industry, mature programmes are defined by three overriding characteristics.

Ethics

A global strategy and infrastructure can only be successful when all programme activity is blanketed by an ethical creed. This overarching commitment to ensure all programme activity adheres to ethical and legal requirements is the baseline for all mature programmes. It is a commonality that clearly states that the programme and its participants, both internal and external to the corporation, must adhere to an outlined or prescribed set of company 'standards of conduct'. Since mature programmes are global in nature, they must be prepared to comply with all local laws within the countries where they operate.

Adherence to these ethical standards is non-negotiable and, as such, they should be clearly

defined and communicated both internally and externally. Great care should be taken to receive in writing not only an acknowledgment of understanding, but also a commitment by the programme participants to act within these standards at all times and to also immediately report any deviation from the standards if witnessed. Because these programmes engage governments at the judicial level, it's critical that the programme and its participants remain above reproach, always displaying the highest levels of integrity to promote trust and confidence during any judicial process.

Structure and alignment

With a 'moral' code in place, the programme's structure and global alignment become the second most important characteristic of a mature operation. The first element to be defined is the programme's global strategy. Defining this strategy and the ability to communicate it succinctly is the single most critical element in the programme, the cornerstone on which participants will build their respective roles

and functionalities within the corresponding infrastructure. The identified strategy must be aligned with the corporation's overall business objectives to ensure all programme activity provides recognisable and measurable value to the business. Though brand protection programmes have many elements, with multiple disciplines playing vital roles, the mature programme is first and foremost a business tool that can often provide a competitive advantage in the marketplace, particularly when its goals and objectives are aligned with the corporation's business units.

Recognisable and measurable value can only be defined in one manner that is significant for most corporations: increased market share and increased revenue. When this metric can quantifiably demonstrate that programme activity has maximised market penetration quarter over quarter or year over year, the programme value becomes undeniable. A measurable decline of illicit trade coupled with a rise in the company's market share and revenue growth reinforces the programme's strategy and direction.

Mature programmes clearly identify internal and external stakeholders and participants. Typically, internal participants include individuals from the following disciplines: marketing, corporate security, legal, packaging and product engineers, government affairs and media relations. Each plays a specific role and is often supported by external participants or partners who may include: investigative resources, outside counsel, product/packaging security solution providers as well as customs agencies and local law enforcement. Each programme participant must align its activities with the overall global strategy and though everyone's role is unique, all must fall under one central management scheme that affords the programme unity of command. All mature programmes have one individual that sets the tone and provides direction to the participants, ensuring global alignment and consistent messaging.

Operational and tactical implementation strategies

The third characteristic common to all mature brand protection programmes focuses on operational and tactical implementation of the global strategy. This implementation is best described by four distinct pillars: intelligence and enforcement, metrics, barriers to market entry, and training.

The intelligence/enforcement pillar is the most notable as it is often the aspect of the programme that receives the most media attention. Its focus is to remove illicit products from the marketplace to create space for the genuine product. The process is complex and requires the participation of professionals who have a 'real-world' understanding of the intelligence life cycle and how the flow of information within the marketplace can create opportunity.

A mature programme recognises that information can come from a myriad of sources: sales force, channel, customs records, market intelligence, consumers and confidential sources. Mature programmes utilise outside consultants and/or investigative resources to help manage the intelligence life cycle, but ultimately direction comes from the corporation and those stakeholders within the corporation that are best suited to drive the activity. Corporate security in conjunction with corporate legal provides direction to external resources that in turn collect information in the marketplace.

Metrics not only define success, but can also help assess the size problem. Budgets are generally contingent on the ability to measure the associated corporate impact. Though availability

of illicit product and number of reported incidents provide insight into the problem, business leaders find it anecdotal. However, if the same methodology for measuring genuine sales growth is used to measure counterfeit market share, business leaders will take note.

Mature programmes realise that the most reflective measure of success for any programme lies in increased market share and revenue. Though amount of seized product can be a good indicator of a programme's success and is worth tracking, unless the programme can translate that opportunity into increased sales, the company will derive little measurable benefit.

Product authentication solutions are important barriers to entry that have an impact on a counterfeiter's ability to enter a particular market. Technology associated with product design or packaging can be extremely useful in 'hardening the target' and raising the counterfeiter's cost of doing business. Design and construction of the external packaging that implement covert features can help external investigators authenticate the product, while overt features on security labels can assist channel partners, customs officials and consumers with the ability to authenticate products. The key with product/packaging security solutions is to impact the monetisation of illicit product at any consumer segment: home, SMB and enterprise, and at the point of purchase. Once any of these consumer segments purchases a counterfeit product, the balance shifts to the counterfeit and the damage has been done. Effective technology should be designed or integrated into the product or packaging to foil these transactions.

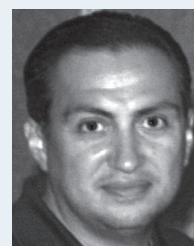
Mature programmes have a specific training curriculum for investigators, law enforcement, sales and the channel, as well outside counsel. All those mentioned are 'force multipliers' that can extend a programme's influence in the marketplace. Authentication tools should be imparted to external partners; however, varying degrees of information should be pushed out to each audience. Authentication tools are best layered to afford each audience a varying degree of understanding to safeguard the corporation's intellectual property.

Messaging should accompany these training tools that builds not only awareness of the problem but also affords the audience a medium by which it can report suspicious activity. This activity will fuel part of the collection process in the intelligence life cycle. The messaging should continually strive to maximise brand awareness and the corporation's commitment to protect consumer rights. Mature programmes don't

engage media directly, but rather afford local law enforcement the opportunity to champion successes. This is critical to strengthening ties to local prosecutors, customs agencies and the law enforcement community in general. The programme downplays its participation, pushing the judicial process out into the limelight.

Mature programmes affect their markets by operating with integrity, adhering to all applicable laws and regulations, as well as to the standards of conduct mandated by its organisation. They have a well-defined global strategy that can be communicated up, down and out in a concise and succinct manner. This strategy is supported by an appropriate infrastructure, bringing together multiple disciplines that execute this strategy using four pillars. These pillars create opportunity by removing illicit product from the market; establishing the size of the problem and defining a relevant and meaningful return on investment; providing market entry barriers to make it more difficult for counterfeiters to commercialise their illicit product; and training specific audiences to prevent the commercialisation of illicit product to report suspicious activity. ■

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