Syncordance of Master-Class Interviews

Building a Global Brand Franchise Platform in Randstad Holding

How Randstad Holding transformed its local market leadership and marketing best practices into a premier global brand

Includes case study review of Capital ID Manager and its application of digital asset management, dynamic collateral production, and strategic sourcing modules

*Syncordance* represents a term in the Queen's English, and connotes the coming together of individuals who share great passions and the pursuit of satisfaction of one's curiosity. Technically, *syncordance* derives from the Greek: *syn-* means a coming together or a confluence such as synthesis or symposium; *cordance-* derives from the Greek word *card*, as in cardiac and accord.
THINK TANK FOR EARLY STAGE-MARKETS

GISTICS constitutes a think tank that speeds the adoption of new technology and disruptive innovations among enterprises and consumers. Founded in 1987, GISTICS Incorporated minimizes the risk of potential buyers through the following:

- Interviews with successful early adopters of new technologies
- Definition of the critical success patterns of successful early adopters
- Activity-based analyses of adoption benefits on supply chains, workflows, and user activities
- Visual explanations of how new technologies produce economic value
- Investment analyses that justify the purchase of new technological systems
- Project roadmaps that break down large-scale organizational changes into smaller two-week to two-month projects
- Practitioner portals that clarify the next steps in rapid deployment and payback
- Certified consultants that provide essential skills and resources

GISTICS drives the emergence of shared vocabularies, the adoption of effective problem-determination methods, and the development of unassailable investment analyses that justify purchases of new technologies or disruptive innovations.

GISTICS attracts early adopters and pacesetting solutioneers, demonstrating how they can use new technologies or disruptive innovations to make money by delivering new complex, integrated solutions to enterprise or consumer clients.

GISTICS develops breakthrough market-making strategies for vendors of new technologies or disruptive innovations, using industry thought leadership, executive white papers, Webcasts, specialized Web sites, and a global trust network of advanced project managers within large enterprises, independent consultants, and small master-class solution providers.

GISTICS helps end-use firms harness new technologies and disruptive innovations

**Value Creation Process**

**Major Launch:** Products, Campaigns, Partnerships, Business Models

**Concept Market**

- Offer—market development
- Demand creation
- Sales conversion
- Satisfaction fulfillment

**Primary Market**

- Strategic development
- Aftermarket

**Market-making Scenario 1**

T1: Market-making scenario 1

Necessary Conditions

- Rationalized market and definitive business case
- Differentiated value propositions
- Completed satisfaction-fulfillment methodologies
- Testimonials of early adopters
- Network of certified consulting solutioneers
- Thought-leadership Web destination

**Market-making Scenario 2**

T2: Market-making scenario 2

Cycle time gain

- Leadership positioning in the market
- Advantaged category definitions
- Growing perception as the dominant “gorilla”
- New “green field” markets and revenue streams
- Loyalty lock-ins of category-defining marquee accounts

GISTICS reduces the organizational and market barriers to the adoption of new technologies or disruptive innovations, publishing a variety of papers, presentations, and Web sites that explain how to realize the economic and social value of new technologies or disruptive innovations in a variety of organizations.
ABSTRACT
This paper explains how Randstad Holding used the deployment of an integrated marketing operations platform to achieve rapid annual earnings growth and a commanding position in the global market for flexible work, human resources services, professional placement, and payroll services.
EXECUTIVE SUMMARY
Randstad Holding constitutes a business services firm that provides flexible work, human resources services, recruitment and placement, and payroll services operating in 20 countries across Europe, Asia, and North America.

Through rapid and sustainable growth, Randstad now stands as the third largest temporary employment firm in the world, earning eight billion euros in 2006.

Randstad executives attribute 50 percent of the company’s 2006 revenue growth to an integrated marketing operations platform, Randstad ID. Based on the industry-leading Capital ID Manager, Randstad ID enabled the firm to open new brand offices with 11 times higher productivity through:

- **Sourcing** office fixtures and marketing resources
- **Propagating** systematized best practices for marketing and business development throughout its global network of retail service outlets
- **Systematizing** new service offerings for specialized niches and local growth opportunities

GISTICS describes the integration of Randstad ID into the core business processes of Randstad Holding as a **brand franchise platform**, calling attention to how Randstad executives successfully systematized the delivery of great business results throughout its global network of branch offices.

This paper details how Randstad Holding transformed its business model, achieving uncommon levels of growth, profitability, and brand leadership through the deployment of a transformational software application—Randstad ID and Randstad Interactive Collaboration Portal.

SOURCE OF MATERIAL
GISTICS compiled this syncordance from four interviews of Randstad executives and their consultants, one **public presentation**, and excerpts from an article in the **Journal of Digital Asset Management**. The editorial team at GISTICS extracted individual comments—what we call “speech acts”—mashing up these speech acts into a larger, more comprehensive narrative—what we call a Syncordance of Master-Class Interviews.

**Syncordance** represents a term in the Queen’s English, and connotes the coming together of individuals who share great passions and the pursuit of satisfaction of one’s curiosity. Technically, **syncordance** derives from the Greek: **syn-** means a coming together or a confluence such as synthesis or symposium; **cordance**- derives from the Greek word **card**, as in cardiac and accord.

ABOUT THIS PUBLICATION
This Syncordance consists of input from the following individuals:

- **Frans Cornelis, Chief Marketing Officer, Randstad Holding**, recorded on 10 July 2007 at the Henry Stewart Conference on Digital Asset Management and Marketing Operations Management—passages indicated with the initials FC
- **Frank Van Olst, Consultant, Nykamp Nyboer**, recorded on 25 May 2007—passages indicated with the initials FVO
- **Joost Schriever, Manager, International Marketing Operations, Randstad Holding**, recorded on 26 June 2007 at the Henry Stewart Conference on Digital Asset Management and Marketing Operations Management—passages indicated with the initials JS
- **Joost Schriever, Manager, International Marketing Operations, Randstad Holding**, excerpted from an article published in the Journal of DAM—passages indicated with the initials JS-A
- **Michael Moon, Editor-in-Chief, GISTICS**

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1 The term **brand franchise platform** connotes high levels of systematization of all core aspects of service design and delivery, emphasizing rapid expansion and near-flawless replication of defined best practices throughout a network of branch offices.
BACKGROUND

Business service firms, such as Randstad Holding, get things done more efficiently than their clients—such as the typical manufacturing or service firm that relies on ad hoc groups and informal processes for finding and hiring temporary or flexible workers, especially knowledge workers skilled in the practices of a particular industry or in the use of specialized information systems and tools. Randstad Holding uses established procedures and other process accelerators to:

- Deliver superior business results at lower costs to client organizations, providing the foundation for its success and growth among competing business service firms
- Bring an attractive value proposition to those buyers most likely to buy, using best practices for business development and persistent communication processes
- Facilitate buyers to consider a differentiated value proposition, leveraging Randstad’s core values, market leadership, strong client references, and perfected service-fulfillment methodology—all aspects of Randstad’s differentiated value proposition

PROGRESSIVE LEVELS OF PROCESS SYSTEMIZATION

Randstad Holding continues to drive process innovation, achieving growth, higher profit, and process quality control.

This white paper details many aspects of what we call the brand franchise prototyping process, using a unique and powerful blend of service innovation, organizational development, and automation to achieve consistent earnings growth and market leadership.
THREE-PHASE GROWTH MODEL

Randstad Holding continues to grow with a combination of new market entry, rapid rebranding of new acquisitions, organic growth, and service innovation. This paper explains how Randstad uses automation to drive this three-phase growth strategy.

Three-Phase Growth Model

With the deployment of an integrated marketing operations platform from Capital ID, Randstad became a brand franchise platform, incorporating four more success factors:

- **Propagation of marketing and service-fulfillment methodologies** through its global network of service branches, capturing a greater share of its markets, lowering expansion and marketing costs through centralized sourcing, and reinvesting cost savings in marketing communications
- **Systematization of new service-fulfillment methodologies** that enabled it to grow within existing markets and client accounts, expanding its service portfolio and ways for clients to engage Randstad
- **Rapid integration of newly acquired firms** to Randstad’s systematized marketing and service-fulfillment methodologies, supporting the already established and successful local operation to accelerate total company growth
- **Rapid delivery of services and integrated solutions** to new markets, exploiting the worldwide trend of deregulated labor markets

The consistent delivery of business results that meet or exceed clients’ criteria for quality and satisfaction and the persistent, integrated communication of a differentiated value proposition demonstrate a superior business model.

The figure above depicts a three-phase growth model of Randstad, calling attention to both complex marketing operations and the diversification of services offered.
DRIVING PRINCIPLES

Four core principles and an integrated growth model drive the marketing operations at Randstad Holding. This white paper examines how Randstad then added automation to support the companywide systemization of these four principles, creating what we call a brand franchise platform.

**Strong concepts** represent completed and productized service offerings, enabling rapid propagation throughout the firm’s expanding global operations. **Business concept owners** represent product managers using financial and operational information from field operations, as well as insights and innovations from semiannual international meetings, to refine and optimize service offerings.

**Best people** describes not only the recruitment and selection of the best-qualified and trained managers and frontline sales consultants, but also represents a commitment to continuous professional development and investment in training. To this end, Randstad conducts **bi-annual international meetings**—a brilliant and effective method for stimulating peer-to-peer coaching, for rapidly introducing new marketing tools and techniques, and for socializing best practices.

LOCAL GROUPS DRIVE INNOVATIONS AND SOCIALIZATION OF PROCESS IMPROVEMENTS

Randstad Holding uses a unique combination of organizational development practices and a digital services platform to prototype, socialize, and propagate best practices through its global operations.

Excellent execution represents the creation of systems and automation of core processes around strong concepts and best people, ensuring that frontline staff masters the details of delivering great service and business results to clients. To this end, the firm uses two technical systems, Randstad ID Manager and Randstad Interactive, to open new branch offices in three to five weeks—down from the three months it took before automating the procurement and provisioning of furniture, carpets, posters, computers, direct mail templates, stationery, and leave-behind gift items.
Randstad Interactive uses the Share Point 3.0 collaboration server from Microsoft, hosting forum discussions, blogs, wikis, and other forms of interaction that start or lead up to the semiannual international meetings. Note this key point: the communication, interaction, and collaboration among peer practitioners of a marketing operation stand out as one of the most effective, efficient, and fun ways of producing organizational alignment with strategic objectives, new techniques, and best practices. Both Randstad ID Manager and Randstad Interactive share the same technical infrastructure of .NET, making tight integration of the various Web services easy, inexpensive, and straightforward. Neat!

Superior brands result from strong concepts, best people, and excellent execution, creating familiarity and broad-based support within those communities served by Randstad. Strong brands not only reduce the cost of sales, but they also motivate sales consultants to maintain high levels of enthusiasm and follow-through on the details—absolute essentials for the delivery of personalized services.

The growth model of Randstad calls attention to a distinctive capability: the ability to rapidly expand local branch operations—in three to five weeks—without the loss of local-market knowledge, institutional know-how, and marketing best practices.

Randstad Holding's growth model provides a great example of how this all comes together. Randstad drives organic growth within markets where it has established beachhead operations. The lower right side of the figure depicts a branch propagation model, calling attention to a critical success factor for rapid and profitable growth of service operations: one successful branch office spawns a copy of itself. This accomplishes four things. First, it ensures that the hard-earned knowledge in local markets stays local. Second, a three- to five-week cycle time to open a new branch enables the firm to rapidly expand in hot markets. Third, each new office can start operating at more or less full speed within a day or two of opening—the benefit of strong concepts, best people, excellent execution, and superior brands. Finally, if someone in a new office encounters a problem or needs extra help, she simply makes a local call to her colleagues in her previous branch and gets help without hassle or questions. Brilliant human engineering!
ORGANIZATIONAL CONTEXT

Nature of the Firm
JS: Randstad specializes in flexible work, professional recruitment, human resources, and payroll solutions, using an approach based on matching people’s demand for challenging and well-paid employment with the need of organizations for employees of the right caliber. Founded in 1960, the Randstad Group has grown to become the third largest temporary employment organization in the world and is the market leader in the Netherlands, Belgium, Germany, Poland, and the southeastern United States. Altogether, it has 2,600 offices in 20 countries, with its latest openings in China, India, and Japan. Randstad had a turnover of 8 billion in 2006 and is listed on the Euronext Amsterdam stock exchange. For more information, see randstad.com.

Services Mean People
JS: Randstad really is a people-driven business. Our values are “to know, to serve and to trust” our business clients and our candidates [flexworkers]. We aim to create the best match between client and flexworker. We are in the top three in our field.

Creative, Adaptable Frontline Service Staff
JS: As a service organization, we need frontline service staff that think on their feet and make decisions. We have good processes, but we are not a process company. In terms of both operating structure and mentality, we are a decentralized company that believes the people in our country organizations know what’s best in their market.
MARKET DISRUPTIONS

New CEO, Trouble Ensued
JS: We have been guided by the founding father of Randstad, Mr. Goldschmeding, for 38 years. He founded Randstad in 1960 and left after 38 years with firm. Then we hired a new CEO; it was our first time to have an external guy at the top of our organization. He came from ING Bank of Netherlands and stayed with Randstad for five years. It really did not work out; he never understood the company. At that time, we made enormous investments in the Internet that turned out to be way too soon.

40 More Brands in the Mix
JS: The new CEO also heavily invested in all kinds of alliances that also proved wrong. We even acquired a large U.S. firm for $1.6 billion—a holding company called Strategic Comprise of 40 individual companies. We bought Strategic just before it went public. In the end, we did not buy one company, but a whole conglomeration of all these 40 or so brands.

Crisis Calls for Turnaround Strategy
JS: Now we’re talking about the end of 1999—just as the Internet dotcom hype died. As a result, the value of our company fell dramatically; our share price decreased 40 percent!

CEO 2.0 Gets Back to Core Success
JS: Then we appointed a new CEO, an old Randstad guy with at least 15 years of operational experience. The board decided to try to reorganize around the core success of our company. We have always been successful, with an annual growth over the years of 15 to 20 percent.

Replicating Good Success
JS: The board recognized at that time that the overall basis of our success had been the people, the execution, and the value of the brand—at least in the Netherlands. Consequently, the board decided that we had to duplicate our success in the Netherlands and build an innovative brand. So our current success was born out of crisis.

International Opportunities and Competition Forced New Brand Strategy
JS: At the same time, we also saw the many opportunities in Germany, Spain, and Italy. That really helped in our decision to align an internationalized Randstad brand and made branding a companywide strategic priority. At the same time, world competition heated up: Adia and Ecco merged, remaking themselves as Adecco as a brand name. Manpower, already very influential, made acquisitions. There was a lot going on in our market. It was easy to make a choice: we had to build this brand, Randstad.

Emergence Through Emergency
MM: So you had this already successful company with a good history of profit and growth that had fallen upon some hard times. Then you looked out into the markets and saw other competitors beginning to pursue a brand strategy?

Growth and Acquisitions
JS-A: In the past, Randstad employed a single brand positioning. But this disappeared in the 1990s when the company strategy changed from one of organic growth and “green field” startups to more rapid expansion through acquisitions. As a result, our previously cohesive organization became a collection of largely stand-alone businesses, each with its own culture, brand positioning, and approach to the market. Each stand-alone business operated under the Randstad name, but in reality we no longer acted as one brand. Although this provides certain advantages in local markets, the expense of supporting local-for-local communications outweighed any real local market advantages. Also, local communication does not address the needs of our international clients who experienced a different Randstad in every country.

Breakthrough Brand Strategy
JS: It all started with our new CEO. In his first year, it must have been 2000, he recognized the value of the brand. We also recognized that at the moment our brand was in bad shape. So he allocated close to 2.5 to 3 million guilders ($1.5 million) and we asked BBDO to conduct a comprehensive brand survey—internally and externally—talking to our people, business clients in various markets, and flexworkers in all the markets. This survey took almost a year and resulted in our new communications strategy, our vision of the brand.
Good To Know You
JS: Actually, BBDO gave us one sentence as a starting point: In the language of our markets, “Randstad goes deeper to bring you further.” That was the essence of their analysis of how markets talk about us. Then it all came down to the essence: “Good to know you.” It worked really well because our clients perceive that we really have a deeper understanding of our flexworkers and where they make a good fit with a business. Our surveys validated that Randstad has a better insight into the job profile, the department, the colleagues, the boss, and the location—all of those things.

Simplification
MM: So you made it easy for your market to internalize it, making your value proposition much simpler and almost a visceral summation. For optimizing the word-of-mouth transmission of a value proposition, simplification provides the key.

Partner-Developed House Style Guide
JS: Initially, Randstad wanted BBDO to help create a global architecture for the brand, with the idea that BBDO might play a role in expressing the brand on a local level. However fairly early in the process, Randstad dismissed BBDO, primarily because BBDO wanted too much money.

Dutch House Style Guide
JS: So we worked with a house style guide agency—Studio Dunbar in Rotterdam—to develop an international look and feel for transmitting that message and a brand identity at the local levels. Because of the origin of the company, our house style guide was originally published in Dutch. We distributed it to the countries in binders. In the second phase, we created excerpts from the brand book in French, English, and German—incomplete, partial excerpts of the house brand style guide.

Brand Not a Priority at First
JS: At this stage, we shared no recognition of the word “brand.” We were more interested in building an organization. Later, we changed to building a brand, becoming a new mindset. Initially, a lot of our marketing choices emphasized operational issues, getting things to offices and moving people around.

Technical Infrastructure Recommended
JS: Also at that point, we start talking to Nykamp Nyboer. We recognized that Randstad had a good vision, the message “Good to know you,” a brand book, and finally the house style guide. We also recognized that we needed a way of making all that more accessible in all our countries. Nykamp Nyboer suggested a system from Capital ID called ID Manager. We liked it because it provided exactly the kind of technical infrastructure that we needed.

All Together, It Did Not Make Sense
JS: We then conducted a workshop for three days with all our international marketing people. We reviewed all of our collateral, in-store materials, and advertising. We all saw that it did not make any sense.

Big Mess, Spread Everywhere
FC: This is what we had four years ago: You couldn’t even figure out what our logo was supposed to look like. If you were new, you couldn’t find it. Basic stuff we could not do. What a mess. So we set a room—we now call it the brand room—where we put stuff from all the departments, business units, and countries together. We did not have to explain the lack of brand integrity. You could see it.

Building a Marketing Community
JS: This workshop was also the first time that brought together all members of our marketing community. It was the start of building our marketing community. We had all these new proposed formats in place and a framework to develop a vision of how we should talk to markets. We took all this input back to our design agency, Studio Dunbar, and started to make collateral with the new look and feel. We started with sketches and then we all went back to the marketing community and discussed it until there was a consensus of how to move on.
Emotional Investments Pay Huge Dividends

JS: Because it posed a major change, we recognized that we had to get the full buy-in of our marketing staff. Previously, if you were a marketing director in Germany, you alone decided on the look and feel for your brand. With the new brand, Randstad asserted a new way, but realized that getting the marketing staff's input up front would speed the change process.

The Randstad Way of Getting Things Done

JS: We also wanted the input of these international marketing people for another reason: They have the local knowledge. Our motives were a mix of true interest in their input, but at the same time we recognized that it's a way to get things done.

Executive Leadership

JS: This period of time involved a combination of hugging and hitting. For example, the second time we had all the marketing people in one room, we invited our CEO. To this room of 20 people, we announced "Ladies and gentlemen, we have wonderful news. The board has decided on the theme that is the heart and soul of the branding concept and the words are 'Good to know you.'" After that announcement our CEO said, "I'm not so interested to hear how you feel about it. But I would love to discuss with you how you are going to make this work in your markets." We wanted to focus on input, but the process is also focused on buy-in. At certain moments in the process, it's a clear decision.

CHANGE AGENTS

Standardization of Core Processes

JS-A: In 2002, we decided we needed to replace our “every country does its own thing” approach to communication with a single, unified brand strategy. Such a change would involve introducing one brand positioning and an accompanying communication concept for all the countries we operate in. This represented a major change.

Getting It Right, The First Time

FC: We applied an MRM system and did all the right things you’d expect: one brand, one voice, uniform publishing forms. And we did all this on the cheap, or at least most of it. Once we learned how to use a systems-based approach to managing our marketing resources, we just began doing it.

SOLUTIONS RESEARCH

MM: Let me start our discussion here with the introduction of strategy maps. I plan to use these maps to explain how Randstad changed its business model with strategic investments in information capital and used its internal innovation and solutioneering processes to harness a complex technical platform.

Strategy Maps

MM: Strategy maps depict the emphasis or interplay of three basic strategies: productivity, growth, and brand strategies—a good board-level identification of key strategic objectives and the need for cross-organizational coordination to achieve those objectives.

Two Faces of Productivity

MM: PRODUCTIVITY STRATEGIES prioritize increasing utilization rates of existing corporate assets, or reducing operating cost structures. Increasing asset utilization generally means producing more units of work with existing infrastructure, factories, and systems. Generally, this means eliminating redundant work, defects, and reworks, as well as automating activities with desktop tools and automation scripts, workflows with centralized calendars and project management capabilities, and procurement or new operational launches with centralized online sourcing and store-opening procedures, respectively. Improving cost structures may entail using fewer people to get things done, spending less money on creative agencies and graphic design, or buying things at lower prices. In an integrated framework, productivity gains self-fund other growth strategies.
Increased Revenues
GROWTH STRATEGIES emphasize increasing revenues. That could entail selling more to existing customers of what you now offer or finding new customers for what you now offer. Increasing revenues could also mean developing new things to sell to existing customers. Finally, increasing revenues could result from selling new things to new customers, expanding the diversity of existing markets, or, with greater opportunities and risks, creating new “green field” markets where you have little or no competition.

STRATEGY MAP
Strategy maps depict all sixteen intangible assets of a Balanced Scorecard, calling attention to how all levels of an organization must contribute to the holistic execution of strategy.

Increased Shareholder Value
- Productivity Strategy: Improve Cost Structure, Increase Asset Utilization
- Growth Strategy: Build Revenue from New Products and Customers, Build Revenue from Existing Products and Customers
- Brand Strategy: Build Reputation

Customer
- Price, Quality, Selection, Availability, Functionality, Personalized Interaction, Partnership, Brand

Internal
- Customer Management Process: Selection, Acquisition, Retention, Growth
- Regulatory and Social Process: Environment, Safety and Health, Employment, Community

People and Culture
- Organizational Capital: Leadership, Teamwork, Culture
- Human Capital: Skills, Knowledge, Values
- Information Capital: Systems, Databases, Networks

Strong Reputations
BRAND STRATEGIES emphasize increasing goodwill and shareholder wealth, creating a more positive reputation as an institutional citizen and being publicly acknowledged as source of greater social capital through literacy, sustainability, and other social programs.
THEORY OF THE BRAND
Clarity, Consistency, and Credibility
MM: Creating a global brand not only requires realignment of the brand voice to support its expression across pan-regional markets, but it also requires more structured, systematized processes—to ensure consistent quality as well as cost-consistency.

BRAND FUNCTION
A great deal of confusion about brand arises from confusing the motivations of buyers and sellers. Firms create great brands by focusing on how best to satisfy the motivations of buyers.

Walls of Fame and Shame
MM: In other firms with rooms considerably larger than the one I saw at your Randstad headquarters, we had clients put up both a Wall of Shame and a Wall of Fame. We organized the Wall of Shame into a number of categories, including off-brand design and images, off-message headlines and copy, off-color reproductions due to digital printing without color management profiles, off-typography and misuse of font families, and so on. In one training situation, we took everything down and put it all into one big pile; then we asked a new team of marketing managers to reassemble the two walls, forcing them to identity and classify the Holistic Business Needs

Provisioning, Not Supplying
FVO: With respect to rebranding Randstad, one challenge is local market tastes and requirements. The United States has certain rules for showing different ethnic groups in ads, so you obviously have to emphasize and adapt to that. However, the aim remained constant: Build strong elements that could be reused so you don’t have to hire creatives all the time for your work for local markets.

TRANSFORMATION ROADMAP
Unify the Voice of the Brand
FVO: Randstad called it international alignment and standardization. It emphasizes core processes and workflows in their primary business that can be replicated, that can be reused, and that can be optimized—all a very logical way of doing things in the Randstad world.
BRAND GOVERNANCE

Brand Strategy

FC: In our company, we believe that a solid business and strong concepts, people, and execution make a superior brand. We consider brands very important.

MM: I have found most brands defy simple explanation. I use a model that I initially found when I worked with Nokia. I’ve since then developed it a little bit.

COMPLEX SYSTEM NEEDED TO SIMPLIFY COMPLEXITY OF BRANDS

All brands tell stories about the buying and using experience of customers, calling attention to the voice, value, presentation, and tonality that comprise the brand.

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<tr>
<th>CONCRETE ELEMENTS</th>
<th>VALUE PROPOSITION</th>
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<tr>
<td>1. User interface and industrial design</td>
<td>1. Buying logic</td>
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<tr>
<td>2. Brand story with facets and props</td>
<td>2. Key differentiator(s)</td>
</tr>
<tr>
<td>3. Product or service fulfillment networks</td>
<td>3. Physical anchor(s)</td>
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<tr>
<td>4. People: Frontline staff or trusted intermediaries</td>
<td>4. Social currency(ies)</td>
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<tr>
<th>PRESENTATION</th>
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<td>3. Intended Position</td>
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<th>FEELING</th>
<th>VOICE</th>
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<td>4. Toneality</td>
<td>1. Brand voice</td>
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<tr>
<td>1. Motives “Why”</td>
<td>1. Brand name</td>
</tr>
<tr>
<td>2. Alignment “What”</td>
<td>2. Icon or wordmark</td>
</tr>
<tr>
<td>3. Collaboration process “How”</td>
<td>3. Unique selling proposition or slogan</td>
</tr>
<tr>
<td>4. Tribal word-of-mouth context “Who”</td>
<td>4. Distinguishing said-satisfaction or word-of-mouth simplification</td>
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MM: Using this model, most firms start with an “intended position”—something that Joost described as “Randstad goes deeper to bring you further.” I once heard Steve Jobs in the early days of Apple describe this as the distillation of what 5 million Apple customers love about their Apple into a single poignant phrase.
Brand Voice Simplification

MM: Then the work of defining the BRAND VOICE begins with associating the name of the firm—Randstad—with a distinctive logo or wordmark and a slogan, such as “Good to know you.” Some companies drive their brand voice further, simplifying a unique selling proposition for easier word-of-mouth referral. Federal Express simplified its name to FedEx and let customers use FedEx as a verb: “Hey, would you FedEx this to London?” That’s important if you intend to brand a performance or methodology. However, in the case of Randstad, it strikes me that you have branded an emotional state and a positive affirmation—which really gets to the essence of what your customers love about doing business with Randstad.

Corporate Cultures Create Brands

FC: Superior brands come from a consistent corporate culture. You cannot make the culture by sending out communication materials. No amount of marketing communication will make people believe what isn’t real or true from their direct experience with the company. Getting it right means that what we call strong concepts have come alive in the company. For example, if you say you’re customer friendly, but all your people want to do is play with computers, then you’re not customer friendly—no matter how many mailers, newsletters, or brochures you send out.

Value Propositions

MM: Most great brands have physical anchors. But this really arises from three principles of your value proposition: strong concept, best people and excellent execution.

Social Currencies

MM: Social currencies comprise heartfelt things people pass among themselves. What are the things that act as social currencies? In some cases, you’ve done all of these little premium gifts—coffee mugs, pens, mouse pads—that your sales staff always leaves behind. Those are some of the currencies of the Randstad brand—they’re shared.

Local Brand, Global Scale

JS: For most of our clients, we are really a local business. Our local manager becomes part of neighboring community and local society. We maintain this local image with the local account service personnel who speak the local language. They also run into clients if they shop on the weekend or meet them at sports clubs. While it’s all based on the fact that we are very local, we’re nonetheless a big international operation.

Presentation

MM: Randstad has local brand offices—essentially retail stores—with a great color schema, signage, posters, and collateral that present a rich portfolio of ordinary people who nonetheless look great. Beyond the mere branch office, the service fulfillment network defines the brand—how you actually get things done for clients: your organizational processes and your frontline staff or trusted intermediaries. That’s the presentation piece of this brand model.

Tonality

MM: You know, I keep looking at these pictures and saying, “Gee, this reminds me of a GAP commercial.” That begins to get at what we call the tonality of the brand. But tonality goes into how I feel about Randstad as a stakeholder in a larger societal context. In a practical sense, Randstad helps people, my countrymen, find jobs that they might not find as quickly—if at all. There’s a larger purpose that you outlined as “To serve society.” Right?

The “Why” Matters a Lot

JS: Yes. We actually create jobs. Last year in Germany, the government found that Ranstad created more jobs than any other firm because we made flexible work possible. Flexible work added new employment, new jobs to the German economy. Thus, we do more than just provide a service.
The “What” of How
MM: Another aspect of a brand’s tonality comes from the “how” of what you do. To large extent, the “how” of your process entails an extensive collaboration. You described this as really getting to know the flexworker, what this person brings to business, then determining what the business client really needs, and then syncing up what the flexworker has with the needs of the employer and team.

JS. Exactly. We totally understand the process and that’s why it is always, always, always done with the human being in mind. That’s why we have the best people. We are in favor of automation as much as possible. But the matching part is unthinkable as just being the mechanical process of matching database records. Our success is all based on nuances and the smell of a job or the smell of a candidate. That’s how we match.

Focus on Integrated Marketing and Communications
FC: We have an integrated marketing and communications function. In every company, within the management team, you will find a person who is responsible for internal corporate communications, as well as investor relations and marketing communications. In some cases, this person will also execute all the labor market communications.

Simplified Summary
MM: I have often used this model [below] to summarize integrated marketing communications, bearing in mind that this model does not address service or product development, or sales and post-sale service and support. Generally the most difficult part of IMC entails the third principle: it requires people, processes, and technology.

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<tr>
<th>PRINCIPLES OF INTEGRATED MARKETING AND COMMUNICATION</th>
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<tr>
<td>A simple, powerful, and credible idea executed across appropriate communication channels with clarity and consistency.</td>
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<td>An attractive, coherent, and multichannel brand voice expression preengineered for automated publishing and messaging workflows.</td>
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<td>Synchronized communications, interactions, and collaborations with customers, trade partners, and frontline sales and service operations.</td>
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<td>Meaningful and consistent measurement of program efficiency, effectiveness, and secondary effects on business operations.</td>
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Lots of Legwork
FC: We cut out a lot of legwork—traffic managers, production assistance, and project managers—typical of large operating companies that staff their own traffic and production departments because their agency charged a lot more for the same work. Now, we use templates and publishing wizards. We just say to a vendor, “Here’s the PDF; go publish it.” We realized internal headcount savings greater than 20 percent—that’s a lot of legwork!
PLATEFORM REQUIREMENTS

Digital Asset Management
JS-A: Randstad introduced digital asset management in 2002 as part of a larger initiative to automate our marketing operations. We started small and kept adding to the core system with one goal in mind: to make it into the must-have tool that our marketing staff needs to use to do their marketing work. This approach—treating DAM as the backbone of a new operational process—means that today, not only can we store and retrieve digital information, but we can also use it to create a whole range of marketing assets.

EVOLUTION OF DIGITAL ASSET MANAGEMENT
Randstad built its marketing operations and brand franchise platform over several years, deploying a progression of small-scale systems, socializing these systems to their local operations, and building success momentum.

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<td>• Online procurement of items for new branch offices</td>
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<td>• Interactive ad and collateral builder</td>
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<td>• Online ad placement</td>
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FUNDING MODEL

Central Funds To Start, Local Funds to Complete
FVO: We came into the project in 2002. At that time, Randstad Headquarters funded the deployment of ID Manager. However, all of the countries subsequently contributed to funding ID Manager—always in proportion to their overall marketing budget. Country-specific modifications are paid for out of their own budgets.

Big Markets Support Smaller Markets
FVO: We also found that in the international marketing meetings, a couple of the big countries function as parents for the countries with smaller markets. Randstad headquarters also held these larger countries responsible for defending the needs of these smaller countries.

Case of Obvious Benefits
FVO: I am sure Randstad developed a good business case, but the benefits were so obvious to predict. Everybody can agree that it makes sense to centralize the sourcing of photography. If you compare historical costs before the system implementation to the actual cost of the system, you can see that it was a good financial decision.

One Good Case Followed Another
FVO: I recall being involved in giving input about the in-store and out-of-store signage and refurbishing that obviously had nothing to do with the initial system itself. Afterwards, it turned out that savings did occur with a central sourcing system. The centralized repository for the brand identity and photos realized savings that justified the purchase, returning the investment in the first year. That return alerted us to look for new projects to take on—what to automate next that would bring additional savings.

Looking for Big Fish to Catch
FVO: Centralized sourcing of signage was one of the early projects; it involved a huge amount of savings for Randstad and its massive rebranding effort. You’re always looking to net the big fish. One of these was the refurbishment of shops.

TECHNOLOGY AND SOLUTION PROVIDERS

Fit to Business
FVO: The project manager also served as the functional coach; he came to know the international marketing manager and the layer of workers serving under him. The project manager identified common goals among the various layers. From this foundation, the project manager identified the need for tools, one of them being the ID Manager. Then we got local teams involved in the deployment of this tool, starting with specifications. There we all learned about company standards and practices. There can be no one rule for everybody. For example, some countries require legal boilerplate in ads; in other countries, we needed to add a client logo. So we involved these people and they became our point of contact for operational discussions on functionality. They became the ambassadors within the country.

Consulting Specialists Take Charge
FVO: If you were to think that you could drop this platform into place, right from the top, without customization, the chances for successful adoption would be nil. In Germany, where I would have expected people to do what they were told, it turned out to be the opposite. The situation benefited from our support, but all countries are not the same.

Transition Accelerator
FVO: As a consultancy, we help other companies in the transition and implementation of new brands or the improvement of an existing brand. That involves changing all the identity carriers—signs, stationery, and mailers—from an obsolete brand to a new and improved brand.
Consulting Specialists Sped Transition
Within our company, we have specialists in print or digital, which is my specialty. We also have colleagues who are experts in signage and in technology. We helped Randstad to create initial versions of items that could then be sourced—in the beginning, with technical specifications for different elements. In particular, I helped with the signage and the refurbishment of outlets—specifically the signage elements and all the hardware within a retail outlet. For example, we put the tools in place to create a poster, or whatever type of collateral. Later, we could then centralize the procurement of the printing services.

Steps Within Real-Time Workflows
FVO: In refurbishing an existing store by using the system, we created a good workflow. It starts with a Randstad project manager visiting their online store—what we call a Web Shop. The system helps them identify the right materials for a particular refurbishing project. Our sourcing partner in Istanbul, Turkey, then assembles the ordered items and sends all of the materials to where they are needed. During this time, you can reopen your order and check its status, giving feedback as needed to the supplier. We designed and implemented that workflow within ID Manager.

Complex Workflows, Too
FVO: One of the nice features of the system is that it enables you to create even a very complex workflow. For example, the generation of advertisements is a very complex process, involving reuse functionality and the sending of alerts. The rejection of an ad gives a prompt to the user, who can open the ad, make corrections, and send it back.

User Logic Differs from Developer Logic
FVO: You have to have start with some experience in what a user considers logical. What is logical for a technical guy is not logical for a user. As workflow consultants, we first listen to users, and then to technicians. My experience so far is that if you haven’t thought it through first before you implement it, very strange things happen.

User Interfaces ARE the Application
FVO: In creating the solutions, we also employ user interface designers. We involved them in adding an extra layer of user friendliness, and we came up with a design that looks clear, friendly, and not like an ERP system—a look that invites them to use it.

Scenario-Based Design
MM: A scenario-based design says that basically there are one or two things the user wants to do in any given context, and then, through an iterative process, the interface designer basically eliminates, or de-emphasizes, all those things that are not essential to accomplishing those one or two tasks of that particular scenario.

Good User Feedback
FVO: That’s exactly what we do. We strive to cut out what is not essential and favor usability. We keep in mind at every stage a very clear picture of what the user would like to accomplish at each step of the process. We often work with preview, or WYSIWYG [what you see is what you get], so you really have the feeling of being king of what you’re doing—that you can influence the results of a complex process. This all comes from good user feedback so you can make needed alterations.

Mastery of the Brand
FVO: And although we lock users into brand guidelines, it doesn’t feel that way. The users feel that they are creating their own posters. That really defines scenario-based thinking: user interfaces that make you feel like a king.

Whiteboard Modeling Reveals Unnecessary Nonsense
MM: So the first thing you did was ask yourselves, “How do we create a poster?” and whiteboarded out the process. You know, in many cases a detailed visual depiction of the process reveals many nonsensical, illogical efficiencies. This lets you say, “Given that you do that step, would it make sense if you executed it differently—eliminating these needless steps and obvious breaks in logic?” With those whiteboarded improvements, you now have a normalized workflow that, with validation from real users, you know you can then implement in terms of the business logic of your system.

FVO: Sometimes if you’re implementing several variations of one scenario, it gets a little more complex than you just described. But in many cases, it works exactly in that way.
Interaction Designers Always Improve Usability

FVO: Once we’ve created our functional user design, following the workflow, we can sometimes improve it even more by giving it to an interaction designer to review. Why? Because most consultants over-identify with their clients, seeing the problem from the client’s perspective. But if we have an interaction designer review the workflow and user cases at that point in the development, we can always find ways of improving the workflows. The interaction designer always looks at the problem from a different angle. In this way, we end up with a user interface that is easy to understand. We’re trying to avoid the necessity of creating a manual, so it should not only be easy to use, but a good solution should also make immediate sense and require little or no user training. And that is where I see an Apple iPod as a model of good usability.

Full-Screen Approach

FVO: At this point in the process, we have user interface design mocked up in a drawing program, such as Photoshop or Visio, so they're not usable. We have come to the stage where we need to manage the expectations from the user. We go into the creation of technical screens. This full-screen approach is necessary for new projects. Some screens you can copy and modify to create similar screens because for the same type of task you get the same type of tools, grouped in the same way. So you will find the pull-down menu for the selection of the logo always in the same place.

SOLUTION DESIGN

Five-Year Rebrand Plan

FVO: Initially, we focused on central sourcing of new signage and in-store materials needed to open a new retail operation or rebrand an existing operation. They gave us a timeframe of approximately five years to upgrade all the Randstad outlets to the new branding standards.

Shift to More Local, Self-Published Artwork

FVO: We used the ID Manager repository to store raw materials—photographs or reusable assets (logos, grids, QuarkXpress files, etc.)—to introduce the new brand standards. This deemphasized the role of creative agencies within the various countries. It meant that agencies didn’t have to create everything for their local Randstad clients. This also meant that at a certain level, you needed a different staff at your regional marketing operation—people who knew how to use self-publishing tools and templates.

Aggregated Purchasing Power

FVO: The ID Manager platform made it possible to centralize sourcing. All the outlets now source most things from Turkey [where Randstad centralized sourcing for EMEA] or the United States. Promotional merchandise, premiums, and gifts for employers—all these things reside in one of these two locations, available 24/7.

Polish Rebranding Strategy

FVO: Randstad started in Poland with their own small operation. But then they saw who the key players were in the market and acquired one. Using ID Manager, Randstad was able to quickly rebrand all the storefronts, getting all the needed elements delivered in a matter of three or so weeks instead of a couple of months as it was done before. The local Randstad team translated copy into Polish, shot a few new images where needed, and reapplied the new logo and identity standards. Poland really showed that many of the primary elements could be taken from the brand portal and quickly rebranded for a new acquisition.

Workflow Routes

MM: The underlying idea is to start a global brand architecture, align all core digital assets to that global brand architecture, set up uniform publishing templates and workflows, allow local adaptations within the global brand architecture, provide a centralized repository of the photographs and marketing copy, automate local self-production of ads and brochures, decrease or eliminate the need for local creative agencies, and go to market as fast as you can.
Staff Skill Base Upgrades Too
FVO: Exactly. And expect two effects. First, Randstad offices in different countries will have different staffing needs, reflecting local differences in field marketing and promotion techniques. We also saw a reduction in the head count of marketing people. Second, small country markets, such as Portugal, can use very high production value materials that they couldn’t afford using their own budget that are produced and paid for in larger country marketing offices. Thus, the local Portuguese marketing looks many times larger and more professional than if they produced everything themselves.

Innovation at the Edges
JS: We had a general manager in Germany who thought we were spending too much on production for advertising—layout, art production, etc. So he asked his media agency to build an automated system for him, making it possible to build ads and mailers without going to outside designers and agencies. I became aware of this and felt concerned. We already have two brand looks, and this company was potentially making a third. We went to the general manager and said, “OK guys, it’s wonderful that you designed this system. We think it’s smart to develop, but let us develop the system with ID Manager. We will make it our international standard.”

Multichannel Publishing
FVO: It’s now a dedicated system; it doesn’t use any of these templates. It’s all XML style sheets based on the .net platform of ID Manager. In the generation phase of the workflow, you may decide what format in which to produce the ad—.EPS, .pdf or .html, or xml for Web pages—a real multichannel publishing system.

Ad-Building System Pays For Itself, Again and Again
JS: The good news goes beyond a one-time savings and getting more out of our marketing spend. I think the total investment in developing this system was maybe a 125,000 euros. We earn that back again and again, year after— the amount that we would have spent on the media agency. Then we made an adaptation of that ad-building system in Belgium for an investment of 25,000 euros. Once you have the system, it’s copy and paste. You have to make some adaptations to specific markets, but it fits our principle of copy and paste and everybody’s happy.

Centralized Creative Saved 30 Percent in Cost for the First Year
JS: In the past, each of the Randstad country offices had its own advertising agency—22 of them. They each talked, met, and invoiced a Randstad client. Now we have only one ad agency and one design firm. They create material and put it into ID Manager, making the materials available to everybody. This produced an enormous gain in efficiency and savings—in the first year a savings of 30 percent.

Productivity of One Key Worker
FVO: The ID Manager platform supports all the field-marketing professionals at Randstad, as well as those who have the responsibility for the Internet. Using ID Manager, any Randstad marketing professional can create his or her own ads, Web job posting, newsletters, and direct mail pieces. The system fits the local Randstad worker who wants to place available flexworkers like a glove. The process starts with a placement order from a local business or HR department of a large firm. One local Randstad sales consultant simply checks the master database, and if he or she does not have suitable candidates, he or she then starts the process of developing a list of qualified candidates. Using ID Manager, this process may post an ad to the Web or to a newspaper or magazine. That system holds a lot of information—what type of ad you’re placing, for what office, in what media, and with what data; it also tells you what the ad costs, thus helping with the companywide budgeting process.

Automated Syndication with Job Forums
FVO: The local Randstad worker can produce his or her own online ads and push them to online job boards like Monster or StepStone. When job candidates click on those ads, the Web system will redirect the candidate to a job forum on Monster or StepStone and ID Manager traps that event and fires off an email to a local branch or headquarters, depending on the situation. Randstad has its own job boards too, and feeds that data to its own Website system where you can search for jobs as if you were looking at Monster.com. ID Manager provides all the metadata required to syndicate all the job information into various job boards.
Catalytic Digital Assets

MM: Most business operations have a small set of catalytic digital assets—completed units of work that distill the added value of the firm. For many ad agencies, the ad spot constitutes a catalytic or defining digital asset; it represents a tangible form that clients pay the agency to produce. For Starbucks, the catalytic asset constitutes the perfect serving of an espresso or cappuccino. In all cases, brand owners systematize every aspect of the creation and use of their catalytic digital assets. I suspect that one of the catalytic or defining assets for Randstad entails the formal description of a job and a flexworker profile. In essence, a core digital asset of Randstad consists of a large, growing library of job definitions and marketing copy by which to attract suitable candidates that allows a Randstad worker to quickly publish a job request to online job boards and create suitable print ads—classified ads for newspapers or direct mail pieces.

One Meaning of “Good to know you”

FVO: That’s almost correct. The repository lets you build up this kind information that may inspire you in creating your ad or job request. But we’re reluctant to become limited to a database of fixed and ready job descriptions; that’s just not our selling proposition: “Good to know you.” The Randstad employee should be able to focus on one job requirement, using examples of how other colleagues did their own versions of it throughout the country for a particular client.

Historical Data Helps Define Media Selection

FVO: ID Manager lets you examine detailed effectiveness data throughout the company—media selection and the type of ad or direct mail used. Because we measure everything, including your past results in your local markets, historical effectiveness data helps you define your media selection with greater precision. ID Manager measures what comes back from the online job boards. We can see how many responses you get from a particular placement or activity.

Semi-Customized Ads

MM: If you can produce a good ad with layout tools, using some standard body copy and customizing it to a particular department or client, then you gain a couple of benefits. First of all, you enjoy a shorter time to market for these ads. Second, if you produce many of them, it cuts lots of cost—what you would normally pay an agency to create the ads. Third, it gives the ads a level of quality and consistency across all your markets, especially your smaller growth markets.

Strategic Use of Small Regional Newspapers

FVO: Surprisingly, Randstad uses a large volume of newspaper ads. I’m not sure whether the differences between blue-collar and white-collar workers explain that. In Germany, we maintain a very extensive media-placement database, covering not only the big newspapers, but also the smaller regional ones, that includes pricing information for placing an ad as well as the technical specifications required to insert an ad. So if you are looking for a forklift driver in a small regional area, you also put your ad in that small regional paper because all the media data is available, aimed at the specific media type and targeted to the local market. You can transmit the ad as a PDF file to the publisher with no mistakes or formatting errors. Randstad has implemented this on a per-country basis, licensing or paying traditional media agencies to publish their valuable data into ID Manager. Randstad then signs a nondisclosure agreement and has the responsibility for maintaining this data on a local level.

A Bit Lazy Sometimes

FVO: It makes good sense that Randstad sales consultants themselves write the job descriptions for needed placements. We created a database of prefilled job descriptions. However, most people are a bit lazy sometimes; they can copy and paste predefined text, using it more or less as is. Or they use it to create their own customized job descriptions. In any case, there is no control mechanism behind this process for publishing an ad. And to be honest, I think we make more mistakes now, using these predefined job descriptions, than before. We have over 1,500 people writing their own text. They make their own mistakes. But that’s how we learn.
Cornerstone of Trust

FVO: Sometimes a simple thing like the slogan “Good to know you” helps us a lot when thinking of technical solutions for Randstad. “Good to know you” defines one of the cornerstone of the Randstad brand: they trust you. That counts a lot in making good systems that people will use and like to use.

Putting in the Right Processes Creates Trust

MM: I think that the emphasis on developing good systems that people will use comes from a deeper belief that comes from putting the right processes in place—from the knowing or strong belief that one’s mistakes typically consist of deviations from a known and systematized process that works.

Peer-Level Social Networks Ensure Success

MM: All this automation comes down to making a handful of people really productive—your frontline consultants who really make their local markets. You have disintermediated the actors between the market-making consultant and their markets. They don’t have to rely on advertising agencies or graphic design firms; they can do it all themselves. They might not work well with high design-value creative work, but the tradeoff of creativity means getting market-making ads and promotions to market in minutes or hours rather than days or weeks. Disintermediation of designers and agencies also delivers another added value: faster, more direct, and meaningful feedback about the messaging and how it works. More than just faster speed to market, faster time to market-based insights—results or nonresults—and the faster time to apply those insights produce better, more effective marketing. Cycle time improvement combined with disintermediation accelerates knowledge maturity. It speeds the emergence of mastery and best practices. When you combine knowledge maturity with your semiannual marketing manager meetings, you reinforce overall mastery of the market-making process. All this comes down to your deep understanding and application of the social aspect of peer-level networks—the support foundation that basically makes this type of automation so successful. Good work!
**BRAND-FRANCHISE PROTOYPING**

**Making Change a Game Worth Playing**

MM: I find it an extraordinary thing—something I have not seen a lot in other companies—semiannual meetings for entire your marketing staff. While you may not have set out with this as the intentional design, it speaks to a deeper fundamental principle of adult learning. The research shows, again and again, that whenever adults have to learn a new language or a new skill, they learn best in small, peer-led groups where they immerse themselves in an intense social interaction, usually around a set of common objects, to produce an agreed-upon result. Randstad has incorporated this way of peer-led learning, and in the process, put into place a powerful system for speeding innovation and best-practice sharing.

**Academy of Best Practices**

MM: Everyone in your academy of best practices gets to see each other work. If anyone has a breakthrough strategy in any part of the organization, it soon gets propagated through the social network of your academy. Your technical systems support this in happening. These systems help articulate and codify new practices and insights; the academy socializes these new practices and speeds the transformation of these practices into procedural knowledge—a shared and measured way of doing something across the Randstad franchise. The thing that spurs the uptake, gets the juice behind it, comes from the social interaction among peers. I imagine that many of the country-level peers engage in some friendly competition—who can come up with the next breakthrough.

**20-20 Hindsight Roadmap**

JS: In hindsight, we look smarter than perhaps we were. Nonetheless, we had a strategy, we had a brand book, and we had a house style. So that was all in place. Now we had to start making stuff. So what I did was call my colleagues around the world to find out what they needed. In France they needed advertising, in Belgium a road show, in Holland they needed some outsourcing vendors.

**Collecting New Stuff**

JS: Until that point, we made all the stuff upon request for the individual units or countries. All of this stuff was put in ID Manager as a first example, a concept of an application in a specific situation. And that’s what we put in ID Manager. We have chapters between PDFs where you can have a look at the finalized stuff and then the working files. That has been a growing organic process; I never made a list of all the stuff we shot and put in there. It just continues to grow organically.

**Brand Toolbox**

FVO: This is fundamental to Randstad’s process and brand. The brand toolbox has instruction files, which are HTML text, and images explaining how to use each element of the brand—signage, branded gifts, advertisements, etc.

**Brand Architecture**

JS: Within most of our layout designs, we have interdependencies with formats in the sizing of logos and images. The underlying design grid of the Randstad brand rests on mathematical rules that predict how things should look when you resize them. Most technical brand guides don’t have this mathematical basis. As a result, people make things up all over the place. That kind of defeats the whole purpose of having a brand standard.

**Science Underlies Brand Architectures**

JS: If you don’t have a mathematical basis for managing the transformation of brand elements with precision, you end up with a shelf full of designs; you invent a new design every time. That results in a big time and cost outlays.

**Flexible with a Framework**

JS: We intended to get the message through to our clients, so our brand design could not conflict with the norms of southern Europe, for example. And the colors had to work internationally in consistent way.
Workflows Automated One at a Time
JS-A: ID Manager uses the idea of centrally created assets and supporting every one of our marketers in his or her work—but not constantly looking over their shoulder and telling them what to do. The wizards, templates, online store, image library, and house style elements give our marketers a level of control and range of choice in how they execute a marketing or promotional concept.

Variations Within the Brand Framework
JS-A: Basically, each marketer decides how a brochure, poster, vacancy ad, or other marketing tool will look—within the framework of the overall brand framework and marketing concept. Now, if you place all of our marketing materials side by side, you will see minor differences; our marketing materials in the U.S. tend to use brighter, more vibrant colors than say Belgium. But you will also see a living, breathing Randstad brand that at once strikes you as distinct and recognizable, while at the same time you will see a Randstad brand in tune with local conditions and traditions.

First, Get Rid of the Agencies!
JS-A: ID Manager enables our marketing managers to do everything that outside agencies used to do and at considerably lower costs and without typical time delays—everything from analyzing and scheduling which media to target and getting a cost estimate, to generating and inserting the ad into the newspaper or magazine’s publishing calendar. ID Manager helps us eliminate the need to call the ad agency to make a new ad, lay it out, proof it, and so on. And we now have no need to use a media-buying agency or ad agency. While that’s bad news for the media and ad agencies, it cuts huge costs from our operating budgets.

Local Offices Now Print Their Own Materials
JS-A: We now use ID Manager for printing on demand within the local branches, producing typical everyday marketing things such as window posters, job-vacancy cards, and the like. However, we have seen even bigger opportunities to change the way we work. Our success with DAM helped us to build the Randstad brand and to grow our businesses. In no small part, treating DAM as a way of operating rather than just as an IT solution really simplified the process.

Proof on City Streets
JS-A: Today, Randstad operates as one brand. Yes, we have local market variations and interpretations, as there should be. But we clearly speak with one voice. Less than a year after we implemented “Good to know you” [Randstad’s brand slogan or unique selling proposition], one step into our brand room or a walk down a major city’s boulevard confirmed that we had begun to speak with one voice in a clear, consistent, and credible fashion.

Paths of Least Effort Taken More Often
JS-A: While some of our marketers decided to develop their own marketing materials—their choice where and how to spend their marketing funds—the vast majority of our marketers gladly chose to modify companywide materials, seeing it as an opportunity to concentrate their time, effort, and funds on strategic activities: contacting prospects, mailing promotions, and writing more effective copy for Web postings and ads.
**REPUTATION MANAGEMENT**

FC: The reputation model [see figure, Brand Franchise Model for a Large Service Enterprise] explains how we do our marketing at Randstad. We derived this from the breakthrough work of the Reputation Management Institute; the model summarizes a number of empirical studies of how people think about a service company in general, and lately, how a range of stakeholders sees a publicly listed firm in service industries. We’ve averaged data from two years ago, but it’s real data nonetheless.

**Marketing and Communications Drives Corporate Reputation**

FC: This reputation model shows that MARKETS contribute 58 percent of what most people think and feel about a service firm. This results from marketing communications efforts—advertising—the actual delivery of your service, and word-of-mouth referrals among you clients and prospects—businesses that hire your flexworkers and the flexworkers themselves.

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**BRAND FRANCHISE MODEL FOR A LARGE SERVICE ENTERPRISE**

The Reputation Management Institute developed this model from research of fifty-plus service organizations and established empirical links between investments and marketing and realized economic gains to the service firm.

### Correlation of Investments in Corporate Reputation Management

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Percentage of MARKETS Contributions to Overall Reputation</th>
<th>INVESTMENTS</th>
<th>REINFORCEMENT</th>
<th>SATISFACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>MARKETS</td>
<td>58%</td>
<td>Effective media mix and multichannel communications</td>
<td>Breakthrough brand positioning projected over the long term</td>
<td>Franchise autonomy, socialized best practices, and systems-based fulfillment</td>
</tr>
<tr>
<td>OPERATIONS</td>
<td>10%</td>
<td>Targeted sponsoring, labor market communications, and corporate affairs</td>
<td>Breakthrough brand positioning projected over the long term</td>
<td>Optimized recruitment and selection, meaningful work, and paths of personal advancement</td>
</tr>
<tr>
<td>INVESTORS</td>
<td>14%</td>
<td>Strategic press and analyst relations, annual and quarterly reports, and differentiated business model</td>
<td>Breakthrough brand positioning projected over the long term</td>
<td>Consistent earnings growth, effective barriers to market entry by competitors, and positive shareholder returns</td>
</tr>
<tr>
<td>PUBLIC</td>
<td>12%</td>
<td>Issue activism, defense of shareholder wealth, lobbying, and strategic press relations</td>
<td>Breakthrough brand positioning projected over the long term</td>
<td>New or enhanced social capital, additions to tax base, and institutional citizenship (sustainability, literacy)</td>
</tr>
<tr>
<td>UNEXPLAINED</td>
<td>6%</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
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**Internal Operations Also Help Corporate Reputations**

FC: OPERATIONS—what staff and managers think of you as a company for which to work—contribute about 10 percent of a service enterprise's reputation. Interestingly, the great bulk of our staff represents young people, often in one of the first real professional jobs in their careers.
REPUTATION MODEL FOR A LARGE SERVICE ENTERPRISE

This model emphasizes the importance of delivering satisfactions to four stakeholder groups, communicating the right message and reinforcing a brand voice with consistent execution.

<table>
<thead>
<tr>
<th>STAKEHOLDERS</th>
<th>INVESTMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>MARKETS</td>
<td>Communications with sufficient spending</td>
</tr>
<tr>
<td>OPERATIONS</td>
<td>Effective media mix and multichannel communications</td>
</tr>
<tr>
<td>INVESTORS</td>
<td>Strategic press and analyst relations, annual and quarterly reports, and differentiated business model</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>MESSAGE</th>
<th>Right image and voice with consistent execution</th>
</tr>
</thead>
<tbody>
<tr>
<td>REINFORCEMENT</td>
<td>Breakthrough brand positioning projected over the long term</td>
</tr>
<tr>
<td>SATISFACTION</td>
<td>Franchise autonomy, socialized best practices, and systems-based fulfillment</td>
</tr>
</tbody>
</table>

Greater Certainty at Upper Layers of the Model

FC: If we used regression analysis, this model would say that the corporate reputation of this service firm is a function of 58 percent from the MARKETS, 10 percent from labor market communications, including what your employees say about you [which turns out to be much more important than you would think], 14 percent from your company's performance in the stock exchange, and 12 percent from political and social programs. We know the Organizational Contributions to Corporate Reputation from the top half of the model may range between 18 to 26 percent in a given case; it’s roughly that. Toward the bottom half of the model—INVESTORS and PUBLIC—I cannot guarantee the Organizational Contributions to Corporate Reputation, intended effects there may soften or become too diffuse to statistically track.

Importance of Investor Confidence

FC: You know that the moment word gets out that there is a serious problem moneywise or that the banks are lowering your investment rating, share prices begin to fall. Then the newspapers write that your share price fell, often citing a negative report from an analyst at Bear Stearns or an institutional investor. The next thing, the whole world hears about it. This kicks off a flurry of secondary articles in local media. Then business clients or flexworkers begin to have doubts about doing business with us.

Contribution of Clear Messages and Sufficient Spending to Corporate Reputation

FC: Now it’s all very nice to know what determines success in each of these layers of the total cake—the reputation model. The Reputation Management Institute compiled some 40 studies, about 30 of them on American firms, published in an article called “How Advertising Really Works.” Their data says that a clear message and sufficient spending contribute only about 25 percent of a service firm’s reputation—that’s from marketing and communications.
Communicating with the Same Voice, All the Time

FC: Evidence of a firm’s stability of its public image contributes another 25 percent—year after year of communicating with the same voice, all the time. The same voice, the same kind of models, the same kind of logo, and if you can smell it, the same smell.

Reputation Model for a Large Service Enterprise

Reinforcement investments, the middle column depicted below, suggests that automation and codified best practices will make larger contributions to the reinforcement investments. Of course, systemization and codified best practices for the delivery of service fulfillment will reap the largest benefits, assuming a unified brand architecture that one has in place.

Two Groups to Serve

FC: Our market consists of two groups. One comprises the general public as job candidates. The other group comprises the decision-makers for staffing decisions—businesses that pay us as clients. Our clients rarely come to our offices; only registered flexworkers and potential candidates come into our offices seeking a position.

Four Stakeholders in One

Over the course of a career with Randstad—even in the course of just a couple of years—an individual can relate to Randstad in any of four ways. One, you can apply for a temporary, flexwork, or permanent job, and Randstad places you in a suitable work environment. Two, you can buy Randstad stock, and you’ll read the papers with particular attention to what is written about Randstad. Third, you, a close friend, or a relative may take a job with Randstad; now you have a vital concern and interest in all things related to the company. Fourth, you may have a social or political concern affected, or potentially affected, by the actions of Randstad and its employees; now you’re tracking what’s going on elsewhere in the company.

Formula of Satisfaction

FC: The last column [see figure, Brand Franchise Model for a Large Service Enterprise] labeled SATISFACTION is performance minus expectation. Whatever you promise, you’ve got to deliver. If you promise and don’t deliver, you will only teach people not to believe what you say the next time.
Brand’s Core Promise
FC: Some brands, like a coffee brand in Europe with 250 years of satisfying consumers, the satisfaction dimension of the brand may represent 70 percent of your total corporate reputation. If this coffee brand makes a major communications mistake, people will say, “Well, over 250 years, it’s still a good product. Their advertising may really stink these days, but that will last for a little while longer.” But the moment there is a quality problem with the coffee, like with the Perrier water with benzene contaminations, that type of breach kills your reputation. Immediately. So a good reputation can protect you, but not against those breaches of the brand’s core promise.

Delivering the Right Image and Voice with Consistent Execution
FC: Take a good look at the items in each cell of the model. Each cell contains a unique set of actions, often coming from different parts of the organization and representing different ways of delivering on a brand’s promise. Only the central column—right image and voice with consistent execution—remains the same across all stakeholder groups. Only the right image and voice with consistent execution links it all together. It’s the only thing. Everything else is different. So if you want the 60, 20 and 20 percentages to add up to a full 100 percent of Organizational Contributions to Corporate Reputation, the bit in the middle has got to be the same. That’s how marketing resource management (MRM) and digital asset management (DAM) come into play—they help in the consistent expression of the right image and voice.

Corporate Reputation Investment Model Clarifies Investment Priorities
FC: This model shows how we prioritize our marketing investments. Our investments in the top layer (MARKETS) average 80 percent or so of our annual budget. However, the return on investment of the other three layers (OPERATIONS, INVESTORS, and PUBLIC) is very high. You only need a couple of people with desks and maybe a PR agency. That’s all. No television advertising, no direct mail, no call centers. You must do these three because it’s easy money returned.

Marketing Dashboards
FC: With the other collateral, if you do them twice as well, the 10 percent doesn’t become a 20 percent contribution to the corporate reputation. There is a limit to what you can do there; doing it right will give you what this model says. Doing it badly will give you 6 percent instead of the 10 percent. We’ve measured that. It’s actually easier than I thought to use this model to make a marketing dashboard. Share price, surveys, we’ve got those. Actual governmental regulations! We simply measure progress using a kind of traffic-light system—green, yellow, and red—on the list of issues for which PR people want to lobby, and each is different by country.

German Market Gets Green Light
FC: Two years ago, we had a major green light: Germany deregulated its labor market, enabling firms to do temporary staffing. That was very important to us. Germany is a bigger country than France. Everyone in Germany had fixed contracts; if you wanted to fire somebody, you had to give him typically two to three years’ salary as severance pay. So a German company didn’t expand until its executives were really sure that they could use the people.

MEASUREMENT OF SUCCESS
Calculating Brand Asset Values
FC: Today we calculate the value of our brand by ourselves, using a stable computer-based model that came from Joseph Fromm of the Reputation Management Institute. We figured out how it works, so now we’re just buying the fieldwork. It’s 48 image characteristics that present the entire psychological map with enough coverage to see if our image flies well or not. It’s a lot of work to do that.

Lower Total Cost of Marketing
FC: The total cost of our entire marketing operations, including expenses for consultancies, expert advice, correction, traffic, and market research, fell from 20 percent of our marketing budget to 11 percent, largely because of the ID Manager system.
Reinvesting Efficiency Gains in More Marketing

FC: We have some countries that spent 40 percent of their budgets with agencies, consultants, and advice. Forty percent of their total marketing budget! I mean, they’re down to 12 or 13 now. Using our MRM system to help out these costs has almost doubled their net-realized marketing effort. Overall, we first reduced our overhead in production of marketing materials from 21 percent to 11 percent. We channeled those savings into more media placements, more direct mail, more everything.

Time-to-Value Model

The figure below depicts the importance of reducing cycle times for both innovation and marketing with a particular emphasis on the convergence of innovation and marketing with major launches of new products, campaigns, trade partnerships, and business models.

Measurement System Protects CEO From Grabbing Cost Savings

FC: Basically, [the CEO’s] measurement system depends on mine. He can only see the Titanic sinking. We simply reallocated our budgeted funds; we stayed within our budgets. After a year, he realized just how we did that. But then he did not complain: Sales went up like crazy!

A Challenge in Funding Investments in Marketing Infrastructure

FC: Not only did we increase efficiency and spend those savings in more marketing, but the financial people who participated in our quarterly budget reviews also began to complain that our people in marketing did not spend all of their marketing budgets. Basically, the financial people said, “You need to hit overall revenue targets. You need to grow our top-line revenues. Your marketing managers need to spend all of their budgets.” They worried that if the general manager makes his bonus this month or this quarter by squeezing the marketing budget, that manager won’t have good results the next quarter or the quarter after that one. Because we hadn’t spent all of our money, they thought we had a problem. So I explained it this way: I’m investing. And yes, it is a little less precise than some of the investments they’re used to analyzing. But give or take 20 percent, I said that I could predict the return.
Fiscal Control Driven by Hard-Data Analysis
FC: Finance still thinks I’m an expense, but they’d rather give me the money than IT. For some reason, I am actually in charge now of the Web development, not IT. Research on the role of financial transparency within a marketing environment shows that people who have that transparency get twice as much budget compared to marketers who cannot show financial transparency.

MASTER OF MARKETING OPERATIONS
Special Kitty for Common Good Projects
FC: We have a very small marketing group at corporate headquarters comprised mostly of a senior team. But this small group can really help individual country teams. The senior team has a small central kitty from which they fund special projects. Out of the hundred plus million euros, only about one million euros go in the central kitty. We do it by putting small “taxes” on the marketing budgets of countries or business units. We make sure it’s very transparent; everybody knows. Together, the staff and senior marketing people decide in what they will invest, applying the rule “Only for the common good.” An example is video materials that everybody needs to use—expensive stuff.

ACADEMY OF PRACTITIONERS
Marketing Kitchen and Head Chef
FC: We use a kind of parliament system to plan and teach. We have real meetings. You can’t do the things we do so well using only telephone meetings; it just doesn’t work. We all come together twice a year for the international marketing managers’ meeting. Each of the country marketing managers must meet each other face to face. In these meetings, they are quite frank about whether they got what they wanted or not from headquarters. The CEO stays out of those meetings. This helps make it a fairly free kind of exchange. I think of these meeting as our kitchen and I’m the head cook. There’s not much politics involved.

Organic Innovations, Measured and Reviewed by Peers
FC: Sometimes people phone me before and tell me, “I’m going to go against the marketing system. Will you forgive me?” Normally I say, “You, of all people, there’s got to be a real reason. Can you explain to me why you want that?” Then they point out something that’s wrong or missing, and I say, “Well, as long as you don’t become a formal dissent and contagious to everybody else, I would like to fund the measurement of your change, and together let’s decide whether it’s worth something and whether it helps you or not.” That’s a challenge. Sometimes I say, “If you’re really sure, I’ll even help pay for measuring the result of this.” As a result, here’s typically what happens. If it’s better and represented well at the next marketing managers’ meeting, we may find a better way for the system to meet this new need.

Often Alone, Marketers Love the Company of Peers
FC: This type of discussion dispels a common belief that marketing people naturally work [I believe a word is missing here, but I cannot figure out from the paragraph what it should be] other people of the organization. I have found the opposite to be true. I have found that in all organizations, the marketing people are lonely, surrounded by production, sales, and financial people. There are only a few marketing people; the rest of the organization doesn’t understand them. Normally when you bring marketing people together and talk about their business, they love it. They really want to belong to a club of like-minded people. So this is why you have to bring them together.

Open-Source Insights and Best-Practices Sharing
FC: Do you want to know the real fun in working at Randstad in Portugal in marketing and having a mini-budget? Twice a year, you go to the international marketing managers’ meeting, stay at a nice place that would normally be real luxury, interact with 35 colleagues, and see what ideas and strategies you can steal. Everything is free for everyone to steal from everybody else—that’s the rule. You can’t come back to others and say, “Oh, you used my idea. Now you’ve got to pay for part of my development cost.” If you developed it for yourself,
it’s got to be free for the others. The result is that you have fun and get to talk to people you would never talk to.

Special Experts Meet Too
FC: For the people who do not qualify to join the top group at the international marketing managers’ meeting, we still give them a role in one of our expert groups. For example, one of our marketers does not head up a country’s marketing, but she is the chief of the direct marketing expert group.

Brand Franchise Building
MM: Frans, this approach does three things that, when combined, help create an extraordinary culture of marketing. One, it socializes the brand voice of Randstad, helping everyone understand how it works across different contexts and marketing opportunities. Two, it gives people peer-level interactions and a real experience of growing professionally. Three, it constantly aligns and realigns the marketing process with strategy and new technical systems. You’ve transformed a training expense into performance support—real marketing work gets done. You’ve made marketing into a professional, peer-reviewed practice. You’ve put the social network and learning piece into a pan-regional marketing operation, enabling what I call a brand franchise platform.

Not Knowledge Management
FC: And we don’t want to call this approach knowledge management. The best way to kill a project is to call it knowledge management, but that’s really what it is, cleverly disguised, to avoid the bad PR around knowledge management.

Managing Knowledge Workers, Not Knowledge
MM: Peter Drucker once famously remarked, “I do not know how to define knowledge as a thing, much less how to manage it. But I do believe in managing knowledge workers!” You and your team practice marketing. You’ve created a wonderful game that everyone seems to really like playing—where a lot of people can play a lot of different roles, but they are all part of an orchestrated effort.

DIGITAL SUPPLY CHAINS:
STRATEGIC SOURCING OF A TURNKEY FRANCHISE OPERATION

Provisioning a New Storefront Operation
FC: Each new storefront needs about 50 big items and 200 small ones. We use ID Manager to buy and project manage most of the needed items from a strategic sourcing partner in Turkey. While we do not get our printed collateral from Turkey, the Turkish are nonetheless good printers. We get large poster boards from Turkey. The brochures and stationery are locally produced. Even in that case, the Germans get printed material from Polish printers. The print film cost is lower in Poland.

Digital Print Demanded
FC: Rather than consolidating our print volume with a few large multinational printers, we’re trying to get away from the printers altogether. We want to get our ID Manager system linked to digital HP printing systems. That should drive our print costs down even further. Quite often we make 3,000 copies of something and only use 300 copies. We print extra because it cost us so little.

Why Recycle in the First Place?
MM: In a large financial institution, our research found that 63 percent of all four-color page impressions ended up being thrown away or recycled for paper. They justified this with the opportunity cost of not having a brochure on hand. Even in the 2000 timeframe, this firm could justify digital print at the fully burdened cost of $2.12 per color printed page—essentially what they paid for traditional print with 37 percent utilization rates and the office space for a mid-town New York storage room.
Payback Across the Entire Operation
JS-A: In financial terms, we reduced our creative and design costs by 30 percent, reduced traffic and media-bureau costs by 20 percent, reduced the cost of distributing marketing materials by 100 percent, and reduced our printing costs by 25 percent. We estimate that moving to publishing on demand could reduce our media-buying costs by 30 percent.

Centralized Library of Templates
FC: We use the same [composition and publishing] templates in all of our marketing material. This means that the HR people or anyone who makes an internal communication effort uses the same memorandum template. I can make a Portuguese newsletter if I want to. Joost Schriever, our international marketing manager, made a Polish poster, and he does not speak Polish. You can see it in his office now.

Web Shop for Brand Merchandise
FC: If somebody in our Portuguese office needs 40 sweaters and caps with our corporate saying—“Good to know you”—printed or embroidered, we’ll fix that. Because we use “Good to know you” in all of our markets, we can centrally source what’s normally a 40-euro sweater for 13 euros. That saves us a lot per item, and our online Web Shop and Turkish sourcing partner double our speed to market.

Process Orchestration Moves Beyond Project Management
JS-A: We have aligned or introduced the Randstad brand in 20 countries. At headquarters, we simply provided the assets, tools, workflows, and process steps to our marketers who needed to get the job done. I firmly believe that in a decentralized organization like Randstad, we would never have come so far so quickly without employing DAM as the basis for a new way of working.

Integrated Marketing and Communications
FC: In 2007, we average eight to ten people per retail storefront office. Now you can’t put a brand-police agent next to them and force them to “live” the brand all the time or to make sure that they stick to the prescribed “house” style. Our [frontline staff] run their own business in their own market areas. Our integrated communications framework suggests but does not dictate; however, our integrated approach is generally the easiest and least expensive way of creating ads, Web postings, or newsletters.

Driving Growth Across Diverse Markets and Lines of Business
JS-A: ID Manager makes it easier for us to grow across very diverse market terrains. In Dutch and larger EU markets, we offer a very broad set of services, including outsourced business functions or HR management, within a particular industry. In less mature flexwork markets, such as Italy and Spain, we continue to grow our business organically. In other markets, we have acquired and rebranded a local service organization. In still other markets, we start from scratch. In our strategic development of flexwork markets, we have to both expand our street-level presence and win people over to the flexwork concept. We find that with ID Manager it takes far less time and far less money to convert an acquired company into a Randstad company. It just involves going to the online Web Shop and ordering the necessary fixtures and fittings. We no longer need to find local suppliers, our costs are lower and it’s far quicker. The only extra thing that we will probably need is local photography in the database. It also helps to be able to show people how their working environment will look. This saved us 48 percent in costs per store.

Even Works Offline
JS-A: Likewise, ID Manager makes it quicker and easier to create marketing collateral such as posters, brochures, job ad cards, and so on. And while it is true that being Web-based can be a drawback in parts of Asia where the Internet is unreliable, we found a way around this. For China, for instance, we have put a copy of ID Manager onto a laptop that is not connected to the Internet. It’s not ideal, but it works.

Zero to Operational Storefront in Three Weeks?
JS: I would say that the normal new office setup in Europe averages four to five weeks—from the moment we finalize a real estate contract to the moment we open the doors for walk-in business. What makes that possible? Two things: centralized ordering systems and an international sourcing partner. The result? Our cost of the furnishings went down by 48 percent or so.
12 Times Greater Productivity Opening New Stores
FC: It used to take three to four months to open a new store. A full-time project manager
could only run three or four concurrent store-opening projects. With ID Manager and
centralized sourcing, one full-time project manager can run 20 or so concurrent projects—
four times greater project management productivity—opening 12 new stores in the same time
period of previously opening three or four stores.

Asia Subcontractors 40 Percent Below the Turkish
JS: With our expanding operations in Asia, we recognized that our wonderful Turkish
furniture was too expensive to make and ship to our Asian offices. So we supplemented our
existing suppliers with a network of sub-suppliers in Asia, helping us open offices in Asia at a
price level that’s 40 percent below the Turkish prices—which were already 48 percent cheaper
than street prices from European suppliers.

Marketing Operations Supply Chain
MM: In effect, you now manage a marketing operations supply chain. It’s not just the
collateral, but it’s all aspects of it—furnishing, carpets, computers, signage, etc.

Board Kept Pushing for More
JS: To be honest, this is not how we started. We had just installed the first version of ID
Manager as a centralized system for our collateral and design-production elements when our
management board rebranded the entire company. They said, “Our new brand is wonderful.
But it’s not good enough. We have to look at our branch offices.” You know, this whole
purchasing operation just became a marketing activity. The marketing people now lead in
management of the purchasing activities.

Best of Both Worlds
MM: I find that fascinating. You took over a purchasing function, using the same kind of
cost-control rigor that a formal procurement group would use. But you imbued the purchasing
function with sensitivity to the brand that a typical purchasing agent would never bring to
the operation. He or she would beat on vendors for price. So it’s the best of both worlds.

MARKETING INNOVATION

Micro-Marketing Enabled
FC: Beyond standard or common practices, we have good success with what well call micro-
marketing, where our systems-based approach to marketing enables us to invest in one small
geographically limited market, thereby maximizing the effect of spending in a concentrated
area. This started in France, with the French marketing manager who had no money. I came
over and looked at the data; for a long time there had been no real growth.

Four MBAs and No Miracles
FC: It surprised me that not only did she have an MBA, but she also had three people working
for her with MBAs—four MBAs, do you know what a luxury that is? I wish I had that at my
own department. I said, “Aline and your four MBAs, why isn’t there a miracle happening
every now and then?” She thought this was highly unfair, and said something I should not
repeat. But we have a good relationship, actually. She said, “Well, I’ve been beating my
brains out for a year now. How, with my current budget, can I actually do something to get
out of the prison I’m in? We have large competitors; we are small; we have no money. How
are we going to fight competitors who can afford national TV at the wink of an eye?” She
could afford national TV for one week and that would be her entire annual budget. She said,
“If I squeeze everything, I can make a budget of maybe 50,000 euros.” And then she said
something very interesting, “What you can do with that? That’s only enough for maybe a
town like Grenoble, that’s all.” I did not respond, just kind of forgot about it.
Why Grenoble?

FC: Then over lunch I said to her, “By the way, why did you say Grenoble?” She said, “Because we have a good general manager there, and the area is rich. We have a couple of branches there, and if I have to pick one place, I pick that one. I feel good about it.” So I said, “Why don’t we go to the French general manager and say you’re going to do just that: Put all 50,000 euros into this one town.” It’s a small town, eighteen, nineteen thousand people. She did it, and guess what? She put all 50,000 into a four-week program in Grenoble. And in week four, she had 25 percent higher sales than in the same period last year. In cash terms and gross margins, she made back the entire investment in two months. So now we’re doing 32 of these programs.

How Micro-Campaigns Achieve a Critical Mass

FC: Micro-campaigns work only if you have low total development costs. In her case, she spent maybe 1,500 euros out of the total of 50,000 on print and broadcast ads and signage at bus stops. She stole the best ideas from all the different countries. We really encourage that and our systems-based approach and organizational culture make that very easy.

Constraints Evoke Breakthroughs

FC: I actually believe that if you’re a real marketer, if you can turn around those types of situations, that’s the test. Being in Proctor & Gamble, having a couple of million, and pushing harder on TV is nice; that’s what we did in Holland. But if you want to grow, you start with nothing, and then what do you do? So it’s obvious why we want the [marketing operations management] system now.

ID Manager Expresses the Randstad Brand

JS: Many of our sales consultants are female. The look and feel and sense of being current is important. When we started, we did not have a lot of time to design ID Manager. We just started with a basic design idea and made it applicable. But after three years, we realized that ID Manager looked a bit old-fashioned. As we started redesigning the interface, we recognized that ID Manager in itself stands as a metaphor of our visual identity. And we believe in managing by example. So our redesign of ID Manager forced us to show how the Randstad brand is supposed to work as an online application or service.

Launching Digital Brands

MM: We’ve seen other companies—a video game company, entertainment company, and a soft drink company—actually think of their DAM and MRM system as not another technical system but as part of their brand portfolio. They conceived of the system as another brand of their firm. They invoked all the cultural norms and processes for launching a new brand, only they launched an internal system to their marketing staff. And guess what? Marketing people love good marketing. They utterly delight in it. At Snapple, they actually launched a comprehensive Marketing Resource Center, giving it a quirky youth-market brand name. They came up with a complete brand concept—T-shirts, launch kit, press kit, and launch party—marketing the new system just as if they had launched a new soft drink. Now, as a service company, Randstad doesn’t really launch new product brands. To my mind, you have a more feminine approach—a community of practice that acknowledges problems, proposes solutions, and celebrates the sharing of best practices.

The Making of a Cultural Icon

JS: We have this wonderful example of internal branding. We had our 45th anniversary right in the middle of the whole implementation of the “Good to know you” brand launch. We organized enormous parties for all our staff in ten locations—Amsterdam, Atlanta, Berlin, etc.—occurring all at the same time. At the peak in the evening, we had a live satellite simulcast among all these locations. We had our CEO on big screens connected to 50,000 people. That was the top of “Good to know you.”
BEYOND THE BRAND-FRANCHISE prototype

Systems-Based Approach Fuels Rapid Expansion

FC: A little while ago, our company moved up to the third spot in the world for staffing and HR services. We have more than 2,700 offices and we’re opening two new offices, on average, per week. The rate of expansion takes a systems-based approach. For example when we bought the company in Poland, from the moment we said “Let’s rebrand it as Randstad” to the moment of having it executed at about 26 branches took us about three months. And if we have one single branch, we can rebrand them in three weeks. That’s because of the system.

Rapid Post-Merger Integrations

FC: In driving growth, we had a problem of a bad balance sheet. It’s different from the usual balance-sheet problem: We have no debt! Economists will tell you that you need lots of money to fuel growth and that borrowing money is more efficient than funding growth from internal operations and cash flow. But right now we are challenged with not having enough growth projects in which to invest. So we’re growing through acquisition, buying other companies. Rapid post-merger integration makes our systems-based integrated marketing and communications very important. First we need to rebrand the newly acquired business. Next, we need them to use our proven concepts, workflows, and tools, making these new firms grow even faster and earn higher profits than when they operated independently.

Rebrand Offsets Write-Downs of Goodwill

FC: If we have paid X amount for a company, [then as a publicly listed company] we must write off all the costs almost immediately, including the goodwill or its brand parts. However, if we approach this in steps, taking the brand piece [as a separate write-down], we make the balance sheet look better. For financial and bookkeeping reasons, we may take two years to rebrand a new acquisition and write down that cost of rebranding.

As Few Brands as Possible

FC: We do not believe in having 20 or 30 or 40 brands. We want to have as few brands as possible. Only in Holland do we have more brands because it’s a market share issue where our brands have market shares of 40 percent or so. That’s 25 percent with the main Randstad brand, 10 percent for our second brand, and 5 percent with our third brand. If your brand or retail operation becomes too vague because you’re trying to appeal to all different tastes, an aggressive and more focused specialist shop will get some of your business. We have only three brands in our most mature market, Holland, to avoid encouraging specialist or niche brand competitors to attack our singular master brand.

Measures of Market Share

FC: Our measurement of market share is still a little bit imprecise, but we try to measure our share every six months. Typically our share averages about 20 or 25 percent. In some markets it may be 40.

Market Share that Supports Launching a Second Brand?

FC: It differs by country. In some country markets, we need more than 15 percent of the temporary or flexwork market. In other country markets, we may need as much as 40 percent of the market.

Multi-Brand Approach in non-Dutch Markets?

FC: Actually, our second, generic brand delivers a different positioning. For example, Randstad is comparable to an IBM type of positioning—corporate, blue, and global. Our second brand in Holland, Tempo Team, is the fun brand. Their communication focuses on jokes, and it is not a segment.

Positioning Two Complementary Brands

FC: In Holland we know that if we were to make the positioning of Tempo Team and Randstad the same, we would fight over the same 28 percent of the market—which would effectively double our marketing costs. If you have to appeal to a mass audience, the cost to develop one brand costs the same, regardless of your business.
Making Headway in the Huge, Diverse U.S. Market
FC: In the U.S., the largest staffing firm has only a four percent market share. There are thousands of staffing companies. We are in our eleventh year in the U.S.; our market share is up to about three percent of the U.S. market. In the southeastern U.S., we’ve got about 10 to 15 percent of the temporary or flexwork market. In Atlanta, we have 26 percent; in Nashville and Memphis, we have above 10 percent of the market.

Expanding for Core Brand and Strength
FC: Generally, we establish our brand in established markets using our core strength and positioning as one of the world’s largest temporary, flexwork, and professional placement firms. Then we enter adjacent specialty markets such as payroll or HR services. Finally we enter a new or “green field” market—where we had no previous presence or the government policy just changed, opening a new market for everyone.

Organic Growth
FC: More than 70 percent of our growth is organic. Only 30 percent of our growth is through acquisitions. For this reason, we don’t really want to buy another big company; we haven’t got the management to turn it “blue” so to speak.

Relative Market Share of Capitalization
FC: In relative size, our primary competitor, Adecco, has 9.2 billion euros in revenues—two and a half times our size. However, Randstad captures about 70 percent of all profit in the market category. We are by far the most profitable of the large staffing companies. I think our share price reflects that fact. Better Marketing Drives Capitalization
FC: Annually, we invest about 115 million euros worldwide in marketing, yielding a nine times return on investment. Our marketing added about one billion euros to our market capitalization. We believe that our ability to better execute [street-level and corporate] marketing explains more than 10 percent, probably 20 percent, of the difference in relative market capitalization among our competitors.

MAKING THE FUTURE
Unknown Science of Service Innovation
MM: Services represent a very significant portion of the modern economy. According to a recent issue of Sloan Management Review, over 70 percent of employment in OECD companies come from the service sector. And yet service innovation remains a relatively unknown—really unexamined—aspect of modern economies. Most executives understand manufacturing, finance, and supply chains. But we really don’t have good empirical models for service innovation. I find this most interesting in light of service design and automation at Randstad.

RANDSTAD REVENUE SPLIT Q1 2007
Revenues deriving from mass-customized offerings entails a network of retail branch operations and the ability to rapidly clone individual retail operations as it approaches full capacity. Mass-customization emphasizes a systematized operations and best practices, enabling Randstad to “copy-and-paste” an already successful brand franchise.
Pioneering Service Design and Delivery

MM: Randstad really stands out as innovator of service design and delivery. And as we dug deeper into Randstad, I found that service innovation and automation-assisted delivery require a highly modular digital services framework—what you get from Capital ID Manager.

Modular Digital Services Framework

MM: Unlike discrete manufacturing that produces cars, packaged goods, and durables, most service firms consist of hundreds of idiosyncratic habits and context-specific policies. Often these habits and policies took years of organic, informal development to become fixtures of the service firm. This makes each service unique unto itself and makes it extraordinarily difficult to model and automate their workflows and processes.

Focus on Short-Term Projects

MM: Using the ID Manager and its micro-modular services frameworks, Randstad could just focus on short-term projects, getting good results and near-instant payback. Over the course of a three- to four-year period, your thinking really matured. Your processes got more stable and mature. All of a sudden, you started taking on what might initially have seemed as hopelessly complex, huge problems. Now they were just more mundane and bite sized.

GROWTH IN STAFFING MARKETS

Randstad continues to out-perform industry sector averages quarter-to-quarter for several years running.

Academy of Insights and Best Practices

MM: You first automated the propagation and delivery of the new Randstad brand. Using the semiannual international marketing meetings, you created a de facto academy of sharing insights and best practices. This forms the foundation of what we call a brand franchise. By franchise, I mean a highly systematized way or an increasingly systematized way of executing brand-marketing strategies.

Brand Franchise Platform Speeds Launches of New Services

MM: With progressive levels of systemization, you created a brand franchise platform—which doesn’t necessarily mean that you have franchisees out there paying you a license. You could. But that’s not your business model. Nonetheless, you so systematized the delivery of services, you now train people to the system. So a brand franchise platform represents the technical infrastructure by which then to express and manage that brand franchise. It also provides a technical system by which to launch new services very quickly.
**Interim Steps**

JS: After the execution of the brand platform, we began to integrate our platform to the daily processes of our frontline sales consultants. If we look at our German and Belgian operations, the placing of employment ads is critical to our business. Our new automated ad generation and placement system has become totally integrated in the daily work of consultants.

**THREE-PHASE GROWTH MODEL**

Randstad pursues a three-prong growth strategy, introducing basic, temporary flex-work opportunities in new markets, adding specialty services for particular industries or job functions, and offering turnkey outsourced HR solutions in mature markets.

**Recruitment Ads and Placement**

JS: In the past, if sales consultants had a new job posting, they would send an email to our local media agency that would build an ad and send it back for approval. With some changes

**REVENUE MODEL**

Integrated marketing communications and operational best practices enable Randstad to sustain a fourteen percent compound annual growth rate (CAGR), demonstrating a superior business model and higher share price performance.
and a final approval, the media agency would place the ad in a newspaper or magazine as well as post it to online portals such as Monster or StepStone. These portals also have their own way of accepting ads by email or from a media agency.

**Self-Service Ad Building and Placement**
JS: Now, with our ad building and placement system, any of our 1,500 sales consultants logs into ID Manager, makes an ad themselves, and tells the system to place the ad directly to an online portal or with a media buying agency.

**Organizational Process Maturity Integration**
JS We are bringing [service delivery] deeper into our organization, into the core of what we do. It has become more than just managing a brand or an activity. We have made our platform a part of the daily work processes—what we do, the recruitment of people. ID Manager is not about making the marketing people at headquarters happy. Nor is it about the company or board. In the end, ID Manager helps the average employee in an office somewhere in the world. Those are the people who are building our brand. If their service is lousy, then Randstad as a business suffers greatly. So everything that we do comes down to “How can we simplify and streamline the daily processes of a Randstad sales consultant? How can we inspire them? How can we make them proud?”

**Inspired Action at the Front Line**
JS: If we inspire them and if we help them in the best way possible, then we have excellent service. We inspire them to open the office at 8:30 and answer the phone. “Hello. Good
morning. This is Randstad. How may I help you?” They do that because they’re inspired, they like it, and they have help to support it. That’s the overall aim.

Institutional Citizens
MM: Let’s come back to the notion of institutional citizens. In many respects, I see Randstad moving to the final stages of brand franchise prototyping. I use the term institutional citizen to describe an already successful enterprise that has woven its organization and operations into the fabric of the local cultures and societies in which it operates. In this sense, Randstad has become more than just a great Dutch company. Many clients and citizens of Germany now consider you a good and steadfast “German” company, your clients in the UK consider Randstad a “British” firm. In all cases, institutional citizens create new social capital—new jobs, better jobs, more efficient business operations, healthier and more nimble economic sectors, and, of course, a larger tax base!
JS: Yes. The concept of institutional citizen is totally applicable to Randstad. In fact, it was a cornerstone in the founding our company—how we started this company. It’s all right in our founder’s mission and vision of our company.

Voluntary Services Overseas
JS: We support and sponsor an NGO that operates worldwide, placing Randstad workers as volunteers in interim governmental or international aid jobs in the Third World. Randstad maintains one of the largest databases of volunteers in the world. Just as we do for our commercial clients, we place skilled volunteers in 60 to 80 countries. We use our knowledge of recruiting, selecting, and placing the best people for the job. We also provide our infrastructure—our global network of offices through which we recruit new volunteers. It’s not only a nice way adding to the public good in the world, but it also helps introduces Randstad to new markets.

MM: That really gets to the idea of what I call an institutional citizen.
What differentiates GISTICS as a think tank for market-making?

FOR WHO NEED: Growth-oriented providers of new technologies or disruptive innovations

WHO ACCEPT: More effective ways to create sales in early-stage markets or disrupted segments within established markets

WHO KNOW: That new technologies or disruptive innovations confuse or frighten most potential buyers, leading to long sales cycles with low sales conversion rates

WHO WANT: That traditional marketing and business development practices constitute an ineffective way to find early adopters

GISTICS DEVELOPING: Provides the unique capabilities of a digital think tank for market-making,

DEFINING: The problem-determination methods for a buying organization

ATTRACTING: The prospective early adopters and solution providers of new technologies or disruptive innovations

USING: Rich media [live or prerecorded Webcast presentations or screencast demonstrations], social networks [user-generated content of blogs, discussions, podcasts, Webcasts, uploaded videos, etc.], and a robust digital platform.

CLIENTS Partnering with GISTICS, benefit from
• Breakthrough strategies for market making
• Thought-leadership white papers and Webcasts
• Executive insight portals and master-practitioner teleconferences
• Trusted introductions to key market makers: advanced project directors, IT project managers, independent consultants, and small solution providers

UNLIKE: Research firms such as Gartner, Forrester, or Frost & Sullivan who define the basic ideas of a new market category, develop shallow business cases for disruptive new technologies, and recommend the use of traditional marketing and business development practices

OR UNLIKE: High-tech marketing consultancies such as the Chasm Group who edit their client’s big-picture strategies, define strategic messaging frameworks, and recommend (but do not implement) go-to-market strategies consisting of one-off tactical programs and an ineffective mix of traditional and guerilla marketing practices

OR UNLIKE: Promotion and marketing-service firms who supplement the client’s business development with strategic messaging, Website makeovers, direct mail and newsletters, and other marketing communications activities

ONLY GISTICS: Maximizes sales for new technologies or disruptive innovations in early-stage markets or disrupted segments of established markets, using structured, scalable, and flexible programs to meet or exceed client criteria for value, satisfaction, and quality.