

Local brand strategy is the weakest link

'Think global, act local' has become a key marketing concept. But what happens when thinking global obliterates all autonomous action at local level? Loic Plantevin, Lionel Delaporte and Kate Parker explore why local brand strategic planning is becoming increasingly critical

No-one doubts the potential rewards from implementing the marketing maxim, 'think global, act local'. The problem lies in actually bringing about the increased alignment between global and local strategies that reinforces branding consistency while also allowing for the particular circumstances of the local market environment.

It is, of course, a corporate function to decide the long-term strategic direction for the company. Nevertheless, this does not mean strategic planning is a purely corporate privilege. Affiliates also need to address these issues when undertaking their annual strategic planning exercises.

It is not surprising that local affiliates are so much more focused on tactics and execution than strategic thinking given their short-term sales and profitability objectives which are reinforced by annual incentive schemes. However, the consequences of not implementing a robust strategic planning process at local level can seriously limit the long-term potential of a product or portfolio. Issues that might arise include:

- The process becoming limited to the completion of financial templates, often originating from the corporate organisation, that restrains the creativity and innovation of local teams.
- A lack of trade-off mechanisms to allocate resources across products means the full potential of the portfolio is less likely to be realised.
- Not anticipating key events in a product's life, which can thwart the organisation's responsiveness to changes in the internal or external environment.
- Misalignment between affiliate needs and product strategies can occur, leading to organisational and functional issues.
- The lack of a clear and coherent strategy

can mean tactical planning is inconsistent, which can also limit product maximisation.

In order to optimise brand planning at the affiliate level, three fundamental questions need to be addressed: What is the main objective of strategic planning within the affiliate? Can it continue as it has in the past? How can optimum alignment across all internal stakeholders be achieved?

A local brand strategic planning process aims to deliver answers to these questions by providing robust methodologies through which local affiliates can align their strategies with corporate goals, while also playing to their local strengths.

Brand strategic planning

Strategic planning can be defined as the ability to analyse current issues, problems and events from a perspective that takes into account the environment and the organisation's place within that environment. It asks if the long-term strategic directions can sustain the best long-term sales and profitability growth. And it aims to deliver a clear and shared definition of a brand's overall challenges, priorities and goals for the next five years; a straightforward brand vision and roadmap to reach these goals, balancing global strategy with local market characteristics; a detailed tactical plan aligned with the selected strategy; and a clear financial perspective of the product.

In order to achieve these goals, three things must be in place. These are:

- Cross-functional teams that bring all the affiliate's relevant resources and expertise around the brand.
- A proven process that separates strategic thinking from tactical development.
- Robust methodologies providing homogeneous and logical support allowing brand teams to focus on the content of the strategy rather than the structure.

Most major pharma companies want to enhance the quality of their strategic thinking at affiliate level. The first thing they must do is clarify who is responsible for developing brand strategy, usually the local product manager, supported by key internal experts on an ad-hoc basis as required.

Drawing on expert support in developing product strategy is a sound philosophy but a cross-functional team should also be established from the outset, incorporating the following characteristics:

- The optimal composition would include people from marketing (product group manager and/or product manager), the sales force (district manager), medical, regulatory, market research and finance.
- Clear assignment of the team leader empowered by the management committee.
- Well-communicated roles and responsibilities of the different team members validated by the functional managers.

Cross-functional teams bring benefits beyond improving the quality of the strategic thinking. They also strengthen the internal buy-in to a product strategy, help communicate it to the key internal stakeholders, and improve its implementation. Establishing such teams allows product managers to drive the process, as is their traditional role, but the work of establishing a product strategy becomes truly cross-functional, increasing the transparency of the process, and clarifying what is expected of everyone involved.

If the first issue is to ask who is in charge, the second is to establish what the current local brand strategic planning process looks like. Though companies differ widely in their methodologies, three common issues can generally be identified. These are that the process lacks structure and communication is generally poor; that the strategic and tactical development are usually mixed up and/or not fully aligned; and there is no 'ambition setting' at the beginning of the process, which allows the management committee to drive the scope and strategy of the portfolio in alignment with corporate directives.

To address these issues, a procedure can be developed that involves two separate but integrated processes carried out sequentially:

- A product strategic plan, dealing with mid- to long-term challenges and strategies on a three- to five-year timescale.
- A product operational plan, dealing with tactics on a one-year timescale.

The development of each of these plans comprises three major activities: situation assessment; group seminars focusing on

either strategic or tactical planning; consolidation and trade-off of the identified strategy or tactics. By-products of this process include:

- Clear definition of what needs to be done and when, as well as the input required to conduct activities.
- Optimisation of the time spent by the internal resources.
- Each key stakeholder is focused on their expected contribution at each phase.

Robust methodologies

A third area to be addressed in this procedure is how to drive strategic thinking in the brand planning process. In general, local affiliates are expected to deliver according to templates provided by the corporate organisation. However, often these templates have been set up to address corporate expectations regarding the local brand plan, rather than the objectives set at a local level. In addition, the final brand plan can highlight some interesting weaknesses.

For example, in our experience approximately 80% of the document focuses on the market description, with only 20% on the product strategy. Ideally, that situation should be reversed. There is also usually limited rationale to assess and select possible strategic options. Finally, heterogeneous plan formats limit the opportunity to benchmark and compare product strategies on robust criteria, and to allocate resources accordingly.

Thus, to develop a brand planning process that aligns corporate and affiliate thinking, it is crucial to have two clearly defined but integrated methodologies for both the strategic and the tactical plan. The strategic will encompass the standard situation assessment, strategy development and financial issues but also cover more innovative modules such as scenario planning, ambition setting and the evaluation of strategic options.



Illustration by Rob Willocks

Local branding strategies must connect with the global message to have any real effect.

The tactical plan will develop focused actions to be taken up to a year into the future to help achieve the ambitions outlined in the strategic plan, with appropriate resources and responsibilities assigned.


Each of these plans use tools to support forecast modelling, strategic option valuation and portfolio resource allocation. In addition, effective use of these methodologies facilitates systematic, challenging and innovative thinking and helps consolidate the brand plan.

When affiliate organisations implement the brand strategic planning process, it generates significant benefits, including:

- Increased business performance. It has been shown that an optimal strategic planning process allows an affiliate to increase its performance over the five subsequent years by at least 15%.
- Facilitation of the budget approval process, saving time and ensuring

smoother corporate approval at the budget review.

- Development of product strategy and tactic advocates within the affiliate.
- Enhanced affiliate awareness of the corporate strategy at country manager, marketing vice-president and product manager levels.

In short, it is our belief that if brand planning is established as a fundamental activity within the affiliate organisation, and appropriate resources are allocated to this end, then this function could significantly enhance affiliate performance. 

•Loic Plantevin and Lionel Delaporte are managers, based in London and Paris, at international strategy and organisation consulting firm, ISO Healthcare Consulting. Kate Parker is a senior consultant based in London, UK.

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