

## Case Study

# Brown-Forman



Brown-Forman Corporation produces and markets many of the most well-known and best-loved wines and spirits in the world.

## The Big Picture

### The client

The Australian arm of global liquor giant, Brown-Forman Beverages Worldwide, a division of Brown-Forman Corporation.

Brown-Forman Corporation is one of the largest American-owned wine and spirits companies. Through Brown-Forman Beverages Worldwide, Brown-Forman produces and markets many of the most well-known and best-loved wines and spirits in the world.

Brown-Forman Corporation was founded in 1870 in Louisville, Kentucky, USA. In 2005 Brown-Forman achieved sales of \$US 2.7 billion, of which \$US 2.1 billion was accounted for by wines and spirits.

In Australia, Brown-Forman markets five principle spirits and liqueurs. The best known, with its roots firmly in Lynchburg, Tennessee, is '**Jack Daniels Tennessee Whiskey**'. Brown-Forman also markets a 'super-premium small batch bourbon', called '**Woodford Reserve**' ("... the new standard by which other bourbons are now judged"), manufactured in Versailles, Kentucky.

The three other main brands which make up Brown-Forman's eclectic Australian offering are the well known '**Southern Comfort**' (made to the same 'secret recipe' since 1874 and the company's second biggest seller, locally), '**Finlandia**' vodka, and '**Tuaca**' liqueur.

The General Manager of Brown-Forman in Australia (with responsibilities for the Asia Pacific region) is Michael McShane. Before he took over the top job in the region, in early 2005, Mr McShane was the company's Asia-Pacific financial controller and accountant.

### The challenge for Brown-Forman

To develop new and better ways to come up with and implement 'killer' marketing and promotional ideas.

Brown-Forman has enjoyed considerable marketing successes with its major brands in Australia and New Zealand. The company, however, continues to search for new and better ways to identify and develop more cost-effective marketing communication strategies.

What Michael McShane and his predecessor, Carmen D'Ascendis, wanted from the Brown-Forman team—with all its knowledge of and experience in a highly competitive market—was to come up with not just good ideas but "killer ideas".

That is why Brown-Forman commissioned Herrmann International Asia and, in particular, its CEO and founder, Michael Morgan, to help its marketing team find the keys to unlock new ideas to penetrate and further develop its markets in Australia and New Zealand

### Background

In 2004, Brown-Forman was already using a process to generate new marketing ideas; a process it calls 'ideation'. Ideation is not a pretty word. But, pretty or not, the hybrid of 'ideas' and 'creation' has been employed successfully by Brown-Forman team members for the past four years to identify and develop new ways to sell more product.

Both in the US and globally, Brown-Forman boasts a long history and a strong tradition of premium liquor development and marketing. Outwardly, it is a conservative company. However, in Australia at least, Brown-Forman takes a highly creative, albeit somewhat radical approach to brand marketing, positioning, and promotion.

Brown-Forman does not follow the traditional approach to agency briefing ("This is what we've

got to sell. This is what we want to achieve. Please come back with your ideas on how to help us make that happen.”). Rather, the company prefers to generate and test its brand positioning, promotional concepts and marketing strategies ‘in-house’ before commissioning its agencies to implement its chosen strategies.

To unearth the concepts and develop the strategies, Brown-Forman employs ‘ideation’.

Once a year all members of the Brown-Forman team — brand managers, sales reps, senior managers, distributor account managers, agency team members, and even market researchers — sit down (or stand up or lie down or hang around) together to identify and develop their own marketing and promotion ideas.

According to Michael McShane, the process starts with an in-depth review of how the company and its brands have performed over the previous twelve months. This review is coupled with an analysis of the overall economic climate as well as current and past consumer behaviours towards its brands.

They then ask themselves, “What strategies could we adopt to address the challenges emerging from our environmental analysis?”

“This,” according to McShane, “gives us a framework for our ‘ideation phase’, where we settle on the big ideas for each brand — which may or may not necessarily reflect the strategies we started out with — and ‘ideate’ ways to execute those strategies.

## Can do better

In mid 2004, Carmen D’Ascendis figured that, while Brown-Forman was on the right track, “... we could really benefit if we could get ourselves not just thinking outside the square but thinking way outside our comfort zones.” While team members were coming up with good ideas, they were not ‘killer ideas’.

Michael McShane takes up the story. “Most of our ideas were only one step removed from what we were currently involved in, because, like most people, we tend to think on a continuum,” he said.

“That is why we turned to Herrmann International Asia’s Michael Morgan to show us how to break that

continuum. Indeed, his brief was to help us take at least two or three steps beyond our current comfort zones and outside our normal fields of behaviour.”

## The brief

To help make Brown-Forman’s ideation even more effective.

## The solution

Brown-Forman’s relationship with Herrmann International Asia started in early 2004, after Carmen D’Ascendis, in his never ending search for ‘something new’, figured it would be a good idea to have Brown-Forman team members’ thinking preferences profiled using Herrmann International Asia’s patented ‘Herrmann Brain Dominance Instrument’ (HBDI®). His idea was to use the profiling to drive tighter team integration, introduce greater team balance and promote increased creativity.

Michael Morgan agreed, but also suggested holding a follow-up workshop—ideally the next scheduled brand strategy meeting—to stimulate the company’s ‘creative juice flow’. D’Ascendis’s response? “Let’s do it!”

### ◆ Profiling

Unsurprisingly, according to Michael Morgan, the perpetually effervescent D’Ascendis produced a profile which was ‘off the scale yellow’ (highly creative, explorative, and challenging). Michael

McShane, who puts paid to the notion that finance managers are boring numerophiles, turned in a balance of ‘blue-green’ (financial type) characteristics (logical, analytical, fact based, procedural, organised, sequential) offset by a healthy ‘yellow-red’ balance (creativity, innovativeness and people skills).

The rest of the team turned in a relatively broad spectrum of profiles. However, there was, on average, an overall bias towards the right brain creative ‘yellow’ and personal ‘red’ sectors.

And, while it doesn’t show up as a ‘measurable attribute’ on the HBDI® profile, the other standout feature of the Brown-Forman team was (and still is) its energy. “Highly energised’ people can be



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a bit of a handful to manage, at times. But, they are also easier and a lot more fun to work with,” Michael Morgan said.

## ◆ Ideation Mk I: Lighting the fuse

Team energy was very much to the fore during Michael Morgan’s first ideation session in July, 2004 at Herrmann International Asia’s ‘Thinking Room’ at Pymble, north of Sydney.

The focus of the session, which lasted over one and a half days, was Brown-Forman’s flagship product in Australia, Jack Daniels.

“After a day and a half, they had scribbled on hundreds of post-it notes, reams of butcher’s paper, and produced more ideas than we thought they would ever know what to do with,” Morgan recalled.

“But, buried in there, amongst it all, was a gem.

“Nobody realised it, there and then, but, over the next few weeks, that gem, polished and honed, became the ‘Jack Daniels Experience’.

“Michael McShane takes up the story. “None of us who were there will forget what happened,” he said. “After Michael Morgan had warmed us up ... physically and mentally ... we started into our environmental analysis ... the challenges we face with the brand.

“This led us to tossing around a finding from one of our ‘consumer insights’ which showed that:

- ◆ much of our consumer base lives outside metropolitan areas ... in the bush;
- ◆ these people don’t know about or understand where or what Jack Daniels’ ‘premiumness’ comes from ... its heritage; and
- ◆ mostly, they don’t travel all that widely.

“With Michael pushing us forward, we figured we needed strategies to help us get in touch with our consumers who live outside the metropolitan areas. This was the seed we planted at the start of the ideation.

“So then we turned around and started playing with Mike’s techniques and saying, ‘OK, how do we do that?’ And then, out it all came.”

“We figured, ‘If we can’t get them all to Lynchburg, why not bring Lynchburg to them?’

“From this, we created the ‘Jack Daniels Experience’ ... a travelling road show.”

*(At a cost of over one million dollars, the ‘Jack Daniels Experience’ roadshow first went live in January 2006 and, in McShane’s terms, it has become “a real winner.” (see ‘Results’ later) The Jack Daniels Experience is a self contained, interactive, walk-through, see, hear, touch and feel’ display depicting Jack Daniels’ history and how the product is made, from go to woe, all housed within a massive B-double semi-trailer. “Our display is not just unique as a promotional concept but because it really delivers a highly personal experience, with a focus on the people who make and who are our product,” McShane said. “Indeed, it is the touching and the feeling which most help people gain an understanding of our product and the history behind it.” “But our ideas would not have exploded to this point without Michael Morgan lighting our fuses.*

## ◆ **Ideation Mk II: outside the square ... out of the box**

Soon after it was over, Michael Morgan suspected his first ideation session with Brown-Forman may have been his last and that Herrmann International Asia’s involvement with the liquor giant had probably been a ‘one-off’.

“We were happy with what we’d done. And they seemed very happy with how it all went.

But after it was all over, it appeared to be all over. They disappeared from our radar, and we thought we had from their's."

"We never really found out what happened to all the ideas from that first workshop, until around April, 2005, when Carmen D'Ascendis called to ask us to facilitate their ideation for all their major brands, not just Jack Daniels."

"And he told us that, on the basis of what we had done for them and helped them achieve nine months earlier, they had committed a massive budget to the 'Jack Daniels Experience'. We were quite blown away by the response and mightily impressed by their progress. We also understood why they had been 'off the air' all that time. They had simply been flat out putting into practice what had all started in our office."

"This time, though, rather than use (and destroy) our office, Carmen said they had found themselves an 'away from it all' venue on the harbour."

"The ambience was perfect. It was time to make it happen," Michael Morgan said.

So why did Brown-Forman decide to take an even bigger step this time around?

"Simply because the Herrmann International Asia approach to idea generation works," Michael McShane said.

"It works because it takes us out of ourselves and our comfort zones and away from how we normally see our brands." "The techniques that Mike uses take us further than one step removed from our brands."

"For instance, with Jack Daniels, we got our people questioning, 'Are we competing just in the whisky (bourbon) market? Because if we are, it's a small market. Or are we competing in the dark spirits market, which introduces products like rums, brandies and scotch whiskies?"

"Or are we competing in the drinks market? Which really opens it up, but can become scary if people don't get the right encouragement and support."

"With our ideation, we want to get our people out of their default safe boxes and get them and their ideas out there."

"Mike knows that people, by nature, are comfortable inside the box and that they like boundaries."

"But Mike has that special knack of getting people outside their boxes and beyond their boundaries, without getting lost and, importantly, coming up with the goods," he said.

## How it all works

Since 1996, Herrmann International Asia has built its reputation on developing and teaching better thinking based around the widely acclaimed 'HBDI®' and has copyrighted its unique recipe for corporate creativity and productivity called 'Whole Brain® Thinking'.

Herrmann International Asia's approach to 'ideation facilitation' draws heavily on both concepts and goes well beyond what many companies refer to as 'brainstorming'.

"Ninety percent of the ideas that come out of our ideation are whacky, out of left field. Already, however, after just two goes at this, in mid 2004 and now again in 2005, we have found, among those whacky ideas, some genuine nuggets and a few real gems," Michael McShane said.

Over the course of a day or so, each brand is put through the ideation hoops in a series of carefully developed and closely managed steps.

The steps, according to Morgan, are hardly if at all obvious to the participants who quickly get caught up in the spirit of a sometimes zany and wacky but, at all times, highly stimulating exercise. Importantly, however, they are an extension of Herrmann

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International Asia’s Whole Brain® approach, which helps people understand their own and others’ thinking preferences and, therefore, to work together better and more creatively.

“For Brown-Forman, we had to address some very very clear needs and generate ideas around some very specific business issues,” Morgan said.

“We had to help them define and, if necessary, redefine their objectives in more creative ways and then take them through a process of idea generation, verification and prioritisation.”

“For each brand we have come up with scores of ideas out of which they, as a team, had to agree on five, selected for the impact they would have on the company and the resources and effort required to implement them.”

To the casual observer, the idea of people blowing up balloons and throwing balls at each other, may seem quite unstructured. But in fact, it is a highly structured and orchestrated process.

After team members are mentally and physically ‘warmed up’, they are taken through ideas and concepts with which they are familiar and comfortable, before being encouraged to turn these ideas on in their heads.

“Importantly, Mike lets them know it is OK to challenge, be challenged and also to be whacky,” Michael McShane said.

“And he shows us it’s OK and safe to be outside the box. In fact, he helps us get outside it. And, when we are hanging out there, he helps us trust ourselves and trust each other.”

“He understands the need to, on one hand, stretch them out, but on the other, to provide a support.”

McShane said one of Michael Morgan’s key strengths is that he is not dominating. He reads the room very well and keeps you on track by standing behind you and gently prodding and pushing, rather than goading.

“He takes you there, through the techniques. But it is the group that does the thinking and performs the ideation.”

#### ◆ **Four stages**

The ideal ideation session runs through four phases: ‘Initiating, Exploring, Defining, Acting’. Depending on what team members have previously been exposed to and the current ‘dynamics’ of the group, Michael Morgan selects from an impressive armoury of techniques to stimulate thinking and creativity. “With the same basic team structure working on different brands over the course of four or five days, it is important that we are not repetitive and that participants don’t get bored,” he said. Morgan’s basic philosophy, which he applies to the development of each program is, *“the human brain is absolutely useless in coming up with ideas, but is brilliant at making connections”*. “If someone has you sitting in a blank room and says, ‘Give me 20 ideas on how to decorate a birthday cake’, most would struggle to come up with five and none would be very breakthrough,” he said. “However, if I said, ‘Come up with 20 ideas on how to decorate a birthday cake, and here is a book of Ripley’s ‘Believe It Or Not’ stories that I want you to look through to get some ideas’, we would end up with the most amazing cake with all sorts of things jumping out of it. It is the same as saying to a group of people, as happens far too often in corporate life, ‘Go away and brainstorm for 20 minutes and come up with ideas on how to solve this problem’. Most people will attempt to obey the instruction. But, generally, they won’t come

up with stunning ideas.”

“That is why our idea generation techniques are designed to stimulate people to find different ways to define issues and challenges and then to come up with ideas by making connections.”“I’ve found that people are often not very creative because they rush into idea generation and end up solving the wrong problem.”“An example I use is, ‘Oh dear, the light bulb has gone out. But I can’t reach the light.’ However, if we looked at it another way (‘The light is too far away’), we are more likely to come up with ideas about how to make the light closer, for instance having it attached to an extendable chord like a Venetian blind so we can pull it down when we need to. In other words, by redefining the problem and then making connections we can become far more creative.”“In a business context, the challenge, ‘How can we increase sales?’ may well become, instead, ‘How can we help customers buy more?’”

As a means of helping the Brown-Forman team come up with more creative definitions of the problem, after the ‘initiating and exploring’ stages, Morgan employs a technique he calls, **‘Who? Do? What?’**.

“A lot of people find it difficult to come up with whacky ideas, especially if they are logical, rational and sequential. If they have a whacky thought, most people tend to edit it out. ‘You can’t have a purple cake’, they say, subconsciously.”

“If you want people to have whacky ideas, you must give them a process. And, such a process has to appear to be logical to get them out there. Our ‘Who? Do? What?’ is a very logical process which can help people generate hundreds of ideas.”

“An example could be: ‘How can we increase sales?’ The ‘Who’ is ‘we’, the ‘Do’ is ‘increase’ and the ‘What’ is ‘sales.’”

“If we just say, ‘Come up with lots of ideas on increasing sales’, the results will often be boring.”

“However, if we use a butcher’s paper table headed up by ‘Who? Do? What?’, we can generate lateral thinking by getting the group to come up with all types of ‘whos’ (for instance, ‘we, customers, suppliers, teenagers, policemen, Bugs Bunny ... whoever comes to mind’).”

“Then we get them to fill down the ‘Do’ column, and they may come up with ‘increase, decrease, accelerate, explode, eradicate, eat, drink, and party.’”“And then the ‘Whats’ ... ‘sales, profits, turnover, carrots, fast cars, and so on.’”

“By getting them to randomly connect the items in the three columns, we get them to make a whole heap of whacky connections. And, out of those connections, ideas start to spring.”

At this stage, although they don’t realise it, all the predefined strategies and concepts they brought with them are up for grabs. During the defining phase of its most recent Jack Daniels ideation, Morgan got the group to identify all the things about the product it knew to be true. Then, he challenged them to think about and articulate what would happen, and what could be done “ ... if all those things were **untrue?**”

“In other words, even though it was quite confronting, we stretched them by getting them to question the things they would never question.”

“Within the process, I am working on many levels at the same time. I am getting them to question things, but I am also creating an environment which makes it a lot easier for them to get outside the box. All the silly stuff, the yo yos, the balls, the toys, the sweets, the harbour views, are all designed to relax and get outside that corporate world,” he said.

## Bottom line performance

“First, with Michael’s facilitation and, then, later, back with our teams, we said, ‘OK, if we take the

“without the support and input of Herrmann International Asia and Michael Morgan, the chances of coming up with such a gem, a killer idea, on their own, would have been remote.”

same philosophy with motor sport as we have done with music and with the Jack Daniels Experience, where could we go?”

“What we found was that V8 motor sport obviously fit very well.”

“Of course, during our ideation, we played around with a lot of other ideas. But, in the end, we figured it would be far more effective if we actually owned our own team, owned the name and, that way, owned a piece of our consumers’ lives.”

In early 2006, a deal was done with a racing team headed up by ace Holden driver, Steven Richards, and his partner, Paul Dumbrell.

By mid May, the Jack Daniels V8 Supercar team was running second in the national competition. Richards was running fourth in the drivers championship and Paul Dumbrell was on seventh position. June saw more wins under their belts and further progress up the all important ladders of achievement.

After ‘buying’ the team, the next challenge was to integrate the V8 Supercar involvement with the Jack Daniels Experience, which, as it turns out, was relatively easy.

From Round one, the Jack Daniels Experience has been appearing at each of the V8 Supercar rounds, neatly positioned next to the team’s merchandise sales area.

“During the first round, in Adelaide, we had over 10,000 people go through the Jack Daniels Experience. And at a subsequent meeting in New Zealand, we had nearly 7,000 people go through which is nearly 10 percent of the crowd. That’s pretty impressive,” said Michael McShane.”

“And, as of June, 2006, we were the number one merchandise seller at V8 Supercar meetings, outperforming the Holden Racing Team and Ford Performance Racing with our merchandise sales,” he said.

Recently, the CEO of V8 Supercars said he had never seen ‘Ford people’ (Ford fans) buying Holden merchandise before. But that is only because it is branded as Jack Daniels.

“With the whole V8 thing and the Experience, our whole Jack Daniels business is really solid, producing double digit growth,” reported Michael McShane.

“There is no doubt our investment in improving our ideation has paid off, handsomely.”

## SoCo

Southern Comfort is not just mature. It’s an ‘old’ brand.

Coming up with ideas about how to not just maintain its status but improve its performance seemed a daunting task for the Brown-Forman team ... until Michael Morgan helped them set the cat among the pigeons and all the balls up in the air.

The outcome of the Southern Comfort ideation was, essentially, to rebrand the product and give it a whole new persona.

At first, with such a tradition behind it, rebranding SC seemed heretical. But that is what the Morgan inspired ideation often is.

Suddenly, there was no comfort sitting around SC.

“During our ideation, with Michael’s help, we threw everything up in the air and took a completely fresh look at Southern Comfort,” Michael McShane said.

“Early in the session, we realised we needed to stop trying to be like any of the other brands or to try and reclaim the old Southern Comfort glory days.”

“So, with Michael’s support ... we were way out on a limb with this one ... we ended up drawing a line in the sand and reinventing ourselves with a new ‘brand’ ... which we called ‘SoCo.’”

The SoCo name itself was not entirely new. In the same way as many Australians abbreviate their own names or the names of products (Maccas, Steiney, VB, come to mind) Southern Comfort was shortened to SoCo quite early in the piece. But officially, it was still Southern Comfort.

What was new, was Brown-Forman’s backing and exploitation of the new name and opportunistic exploitation of the Aussie persona.

The rebranding of Southern Comfort into its new persona took almost a year to evolve from its initial ideation. But the time was well spent. To support the new brand, Brown-Forman developed a promotional concept which typified the new image and added another dimension, surprise, excitement, and above all, a new experience.

“One of the things we say about Southern Comfort, or any brand for that matter, is the need to tap into consumers’ need for ‘self discovery’. Brand allegiance cannot be forced on people. They need to learn and find out ... discover and experiment ... for themselves,” Michael McShane said.

So what did Brown-Forman come up with? An experiment: the SoCo Cargo Experiment.

The ‘experiment’ is based around vacant spaces contained within a simple 12 metre long shipping container.

Under the program, the container — the ‘experiment’ — all of a sudden appears (in places and areas

where there are likely to be significant numbers of young adults.

First impressions are, “Oh, look. There is a cargo container. I wonder what it’s doing here?”

Then, the cargo container opens up to reveal any one of a number of ‘experiences’. One time, it may be a flash looking bar (selling SoCo, of course). At the next location, it may be an art gallery. And later one, somewhere else, it becomes a music venue, complete with live bands.

“The SoCo Cargo Experiment may appear on the side of a road or near a circus or other outdoor event venue or whatever. And no one will know what it is,” McShane said.

“But, the thing is, over time, people will be saying what’s this SoCo thing? It’s all so very unexpected, which is part of the conditioning.”

It is still in the very early days for the SoCo Experiment. But excitement within Brown-Forman is very high.

It may all sound quite whacky. But, hey, it’s going to be a major attention grabber and Southern Comfort (the label won’t change) will, once again have a well defined and highly intriguing personality for a whole new group of consumers.

To support the push to recognise and stimulate demand for the SoCo name (“Two SoCos and cola, mate!”), Brown-Forman will also launch a range of complementary merchandise soon after mid year and a month or two later, a concerted advertising campaign picking up on the SoCo theme.

The upshot of all this is, Michael McShane is quite sure that without the support and input of Herrmann International Asia and Michael Morgan, the chances of coming up with such a gem, a killer idea, on their own, would have been remote.

What he believes soon will be remote are the days of languishing or, at best, static sales in a crowded, competitive market.

better results through better thinking

## Clients

The Herrmann International clients, for whom better thinking has become integral to their business culture, include:

**American Express**

**Bank of America**

**BB&T**

**Blue Cross Blue Shield**

**BMW**

**Boeing**

**Chevron**

**Cintas**

**Cisco**

**Coca-Cola**

**Columbia Business School**

**Disney University**

**DuPont**

**Gardian Life**

**GE**

**Global Lead**

**Harris Corporation**

**HBO**

**IBM**

**Johnson & Johnson**

**JP Morgan Chase**

**Kaiser Permanente**

**Limited Brands**

**Microsoft**

**Milliken & Company**

**MTV Networks**

**National Semiconductor**

**Nortel Networks**

**North Carolina Courts**

**Novartis**

**Perdue Pharma**

**Proctor and Gamble**

**Rogers Communications**

**St. John's University**

**Schering-Plough**

**Shell Oil**

**Target**

**Telus Mobility**

**The Clarion Group**

**Tommy Hilfiger**

**3M**

**University of Pretoria, S. Africa**

**US Navy**

**Vanderbilt University**

**Victoria's Secret**

**Wharton Business School**

**Weyerhaeuser Corporation**

**Xerox**



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