

# STRATEGIC THINKER

 *The corporate and academic stand on communication*

## THE BIG PICTURE

*Thought leadership is more than a buzzword: here's how companies give shape to it.*

*By Mignon van Halderen and Kym Kettler-Paddock*



A rapidly growing number of companies claim to be thought leaders. Over the past six months, thought leadership sections have mushroomed on corporate websites. These sections focus on the knowledge and expertise of the organisation. However, these two factors alone do not turn a company into a thought leader and are only pieces (albeit important) of the puzzle.

Thought leader companies are capable of breaking through conventional thought patterns in the market and thereby offering refreshing insights to customers and other relevant stakeholders. Thought leaders are recognised leaders within their own sectors thanks to their novel point of view on issues that really matter to customers.

One case in point is IBM, widely considered a thought leader. Through its 'system perspective', IBM allows its customers to take a fresh look at the issues they are grappling with (such as energy efficiency, water management, traffic congestion). For

example, IBM rejects the traditional way of viewing traffic problems in cities. It argues that society must stop focusing exclusively on smaller parts of the bigger problems: building a new bridge, broadening a road, putting up traffic signs, assigning rush-hour lanes. Instead, we need to concentrate on the relationships within the whole system and all related systems: the supply chains, the environment, the private sector: how

*“Thought leadership is a new way by which companies can stand out from the crowd.”*

people live and work. IBM gives shape to its perspective by offering effective solutions to customers that help them to improve their businesses or lives. As such, IBM is able to position itself as a reliable thought leader and expert that understands the world of its customers.

That said, thought leadership is not similar to innovation. Innovation is the process that translates an idea or invention into a product or service that customers are prepared to pay for. Innovation disrupts the status quo in product use, but does not necessarily entail novel thinking that goes beyond the product itself. The truth is that many companies have innovative ideas. That’s what business is about, after all: providing good services and products to meet customers’ needs. However, in an era in which society is facing truly daunting societal, economic and environmental issues, good product ideas are no longer enough to impress customers. They are on the lookout for refreshing viewpoints that break away from old thinking. IBM, for instance, did not just come

up with a good idea on how to reduce energy consumption in homes and offices. Importantly, the company gave us a novel and thought-provoking perspective on the whole subject.

**WHY PURSUE THOUGHT LEADERSHIP?** Thought leadership is a new way by which companies can stand out from the crowd in a world where consumers are eager to find something that goes beyond just the product or service. Increasingly, customers are in search for novel perspectives and insights into issues that matter to them. Companies like IBM and Philips tap into these needs by providing refreshing viewpoints (related to their expertise) on these complex issues. Likewise, in the face of ever-increasing longevity and soaring healthcare costs, the healthcare sector is always on the lookout for new care solutions. Mindful of the need for new insights and solutions, Philips provides novel perspectives on the issues and offers related expertise. Consumers are also increasingly attracted by brands that challenge the status quo on themes that touch their daily lives. The personal care brand Dove has tapped into women’s sentiments on the unrealistic standards of beauty they are held up to and seeks to overturn society’s narrow definition of beauty.

All in all, in an era in which people are keen to hear refreshing viewpoints that overturn conventional ways of thinking and behaviour, thought leadership gives companies a unique opportunity to substantially raise their profiles and remain on the cutting edge of developments in the market and society.

The decision to provide thought leadership is a strategic choice, but not one exclusively made by the company’s corporate communication department. It is a positioning strategy that needs to be underpinned by the company’s whole corporate strategy, expertise and capabilities. The following five steps provide guidance for thought leadership strategies.

**STEP 1: DIAGNOSING THE POTENTIAL FOR THOUGHT LEADERSHIP** Before companies consider adopting a thought leadership strategy, it is important to examine to what extent the company has potential for developing thought leadership. Four questions are of pivotal importance: a) what are the key market or societal trends in the near or longer-term future?; b) do we have an important novel point of view on these trends that has not (yet) been adopted by our competitors; c) does the novel point of view fit in with our identity, knowledge and expertise; and d) can we show real commitment and allocate



sufficient resources to implement this novel point of view as part of our strategy? These questions need to be answered to reach a go/no go decision on pursuing thought leadership.

### **STEP 2: FORMULATING AND ARTICULATING THE NOVEL POINT OF VIEW**

The novel point of view forms the core of a thought leadership strategy and therefore needs to be formulated and articulated with great care. Dove did a great job by carrying out research in 10 countries into women's perception of their physical appearance. Research showed that only two per cent of females find themselves attractive and that the other 98 per cent had issues about their appearance. On top of that, 68 per cent believed that the media create unrealistic standards of beauty. A viral video also showed how to turn an average-looking woman into a photo model with the help of makeup and technical tricks. The clip struck a chord with many women and stirred up debate about the rather narrow definition of physical beauty. The film clip ended with, "No wonder our perception of beauty is distorted."

First and foremost, the viral video served as a smart branding campaign. Its success, however, was so amazing that Dove managed to strongly associate itself with the theme. One thing Dove did was to create the Self-Esteem Fund, aimed at boosting young women's sense of self-worth. Despite criticism that the brand's initiatives are hypocritical (for example, Dove was still selling creams claiming to reduce cellulite), Dove created a new platform for staying ahead of the pack and is regarded by its target groups as a brand that takes aim at society's deeply ingrained and warped ideas of female beauty. The Unilever brand has taken ownership of this refreshing perspective and has thus marked itself out from the competition.

### **STEP 3: SHARING KNOWLEDGE & EXPERTISE**

Thought leadership is a position earned by an organisation after gaining trust as an expert with respect to the novel point of view. One way of building up trust among customers and other interested parties is to openly share its knowledge and expertise. The more this information provides the insights and practical tips required by the target groups, the more the company shows that it truly understands the customers' world and is the thought leader in that world. IBM disseminates its knowledge and expertise and thus positions itself as reliable source of information relating to the company's perspective. IBM shares its know-how through CEO presentations, interviews, case studies, social media, YouTube clips, but also by means of the IBM Institute for Business Value, which brings together

50 consultants carrying out research within various economic sectors and scientific disciplines.

Initially, Dove did not possess a great deal of knowledge of young women's distorted view of feminine beauty. Therefore, Dove first had to invest time and effort in this subject by means of research and talks with their target group and experts. Gradually, the brand shared information with its target groups (teenagers, parents and teachers), in order to promote a more positive self-image among teenagers. For instance, its website contains informative and highly accessible manuals with tips on how mothers can help their daughters if they have got questions or insecurities about their appearance. Dove also writes reports, blogs and articles, and organises workshops for mothers and daughters with the aim of making teenagers more mentally resilient against society's pressures to conform to unrealistic standards of beauty.

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### **STEP 4: INITIATING NETWORK PLATFORMS**

One important way of developing thought leadership is to create a network platform for the thought leadership theme and to play a central role in this regard. To that end, companies invite leading experts or opinion leaders to exchange knowledge with them and come up with solutions to the important issues connected to the theme. These can be business analysts, policymakers, trend watchers, consumers or professors. By serving

## EXECUTIVE SUMMARY

### The five steps to thought leadership

- ➔ Diagnose the potential for a thought leadership theme within the company
- ➔ Formulate and articulate your novel point of view
- ➔ Share knowledge and expertise with customers
- ➔ Initiate network platforms surrounding the thought leadership theme
- ➔ Turn the new perspective into action, results and success

as a facilitator of such a network, the company will take centre stage in the network. As a result, it will not only have access to an extensive pool of knowledge and expertise, but will also be able to build up useful relationships leading to more business relationships and opportunities.

For example, the Philips Centre for Health & Wellbeing has set up knowledge-sharing platforms surrounding 'Active Aging' and 'Liveable Cities'. These think tanks consist of global experts and opinion leaders who come together four times a year to share their insights and identify solutions for meaningful change that can improve people's health and well-being. The think tank activities help the Centre to engage with key opinion leaders, to be seen as a leading voice in debates on the two themes, to reach new networks of business influencers and to lay the foundation for business development and partnerships.

**STEP 5: TURNING THE NEW PERSPECTIVE INTO ACTION**  
To build trust as an expert on the

novel perspective, companies must continue to work on improving their activities and performance. Projecting yourself as a thought leader without offering much substance is like putting out to sea in a river boat.

IBM's projects in major cities like Stockholm, London and Singapore are excellent examples of how a system perspective can be translated into real-world activities and achievements. For instance, in cooperation with the City of Stockholm, IBM built a dynamic traffic toll system in the Swedish capital. This has reduced traffic congestion by 20 per cent, travel times by 25 per cent and harmful emissions by 12 per cent.

Philips sees its thought leadership activities as a way to further thrive its innovation agenda. The think tank activities, for instance, enable the company to be in the middle of an eco-system of experts and opinion leaders and thus sense external developments quicker and better. This helps the company to further drive innovation and thus work toward better solutions and products to improve people's quality of life.

Thought leadership is a new way for a company to set itself apart from the rest of the field, in a world where demand for novel insights and knowledge is becoming ever greater. Organisations that only pursue thought leadership in a half-hearted and noncommittal way are wasting their time, money and other resources. Only those prepared to fully commit themselves to a thought leadership strategy as described here have the ability to respond to changing market needs and distinguish themselves from the competition. |



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