

HISTORY MATTERS:

THE ROLE OF HISTORY IN CORPORATE BRAND STRATEGY

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ABSTRACT

This article explores the way that an organization – the sportswear brand, adidas - used its history to define and deliver its corporate brand strategy. It shows how adidas, having rejected its history at one stage, rediscovered and used the philosophy and ideas of its founder to provide direction for the future, legitimate strategic choices and enrich the corporate brand. Through analysis of material evidence and interviews with senior and long serving employees, we conceptualize the way adidas developed a systematic approach to the use of history in corporate brand strategy making by creating the means to uncover, remember, curate, and then embed it.

Combining the lessons of the adidas case with evidence from other cases, where history was used to re-focus and re-vitalise corporate brands, we deliver key recommendations for managers. These recommendations include the need to institutionalize the use of history, the way organizational outsiders can add value, and the importance of authenticity in building internal commitment.

Keywords: History, corporate brand, strategy, brand identity, case study

1. IS HISTORY RELEVANT TO CORPORATE BRANDS?

Managers are constantly looking forward to identify the emerging needs of consumers, anticipate the actions of their competitors, and innovate new products and services. However, this focus on the future can also lead managers to forget or even reject a brand's history (Casey and Oliveira, 2012). Some corporate brands, such as adidas, Lego, Carlsberg, Burberry, and Apple, have gone through periods in which they diluted their identities by forgetting, or even deliberately rejecting, their rich histories. Interestingly, these periods have some common elements such as the loss of strategic focus, the pursuit of multiple brand extensions, unstructured innovations and diminished employee engagement. Ultimately, all these brands suffered crises. However, each of these organizations subsequently realised they had a unique and valuable history that could be used to re-focus and re-vitalize the company and its corporate brand.

To better understand the role of history in corporate brand strategy we conducted a detailed retrospective case study of the sportswear brand adidas that has two main goals. First, to show how history can be used to define a new corporate brand strategy when the brand identity is diluted and there is a lack of strategic focus. Second, to advance our knowledge about how history can be institutionalized to consistently inspire and legitimate the corporate brand strategy. We selected adidas, because it is a corporate brand with a long and rich history that in the late 1980s suffered a significant crisis. This spurred managers to look back towards the brand's history and to use it to inspire a new corporate brand strategy. Since that time the company has developed mechanisms to remember and enrich its history and institutionalized its consistent use in corporate brand strategy making.

To research the adidas case and ensure triangulation, data collection was combined with multiple data sources during a four-year period (2013-2017). We also made observations

at various adidas events and locations, including the adidas Global Brand Conference, and conducted 15 in-depth interviews with long-serving current and former employees who played key roles in the historical moments analysed. As we looked at adidas's use of history over a 30 year period, we were able to look at the ongoing management of history. Previous studies have not taken a long-term perspective and this has led to a gap in the understanding of how history can be used, not only at a point in time, but for systematic strategic decision making as an organization evolves.

By analysing the adidas material, we have developed a framework that suggests how other corporate brands can use their histories. The framework entails: (1) how managers can uncover history to inspire a new corporate brand strategy; (2) which processes and tools can be used to remember history; (3) how to curate history to make it relevant for corporate brand strategy making; and (4) how to embed history not only in the different brand expressions, but also in the corporate culture. In concluding, we specify three actionable recommendations as to how managers can effectively use history for corporate brand strategy making.

2. THE HISTORICAL TURN IN MANAGEMENT

Even if a central facet of strategy is its future orientation, history played a key role in the development of the field of strategic management. Edith Penrose, in her major work 'The Theory of the Growth of the Firm' (Penrose, 1959) draws on the history of companies for insight into the processes of firm growth. Similarly, Alfred Chandler (1962), Pettigrew (1985) and Whipp and Clark (1986) made the historical context of businesses the focus of their work. However, as noted by Pettigrew (1985), most management research is dominantly cross-sectional and ahistorical, while other scholars have noted that the role of history in management and strategy has been neglected for too long (e.g.; Kieser,

1996). Interestingly, in recent years, management research has developed again a growing interest in the role of history, creating what has been labelled ‘the historical turn’ (e.g. Kieser, 1994; Clark and Rowlinson, 2004; Bucheli and Wadhvani, 2014).

The arguments for why history matters to management and strategy are various. First, it enriches the understanding of organizations as located in time “by reconstructing the human acts which created them in the course of history” (Kieser, 1994, 619). Second, it inspires future strategy and corporate brand identity by drawing on those historical elements and resources that are relevant to current concerns (Schultz and Hernes, 2013; Ravasi and Schultz, 2006; Suddaby et al., 2010). Third, history can make the case for change, motivate people to overcome challenges, and help them enact strategies (e.g. Brunninge, 2009; Seaman and Smith, 2013; Kaplan and Orlikowski, 2013; Balmer and Burghausen, 2015). Not least, history can promote authenticity and legitimate strategy by bringing out the unique and distinctive attributes that encourage employee and stakeholder identification (e.g. Howard-Grenville et al. 2013; Hatch and Schultz, 2017).

3. FORGETTING AND REMEMBERING

Brands tend to go through cycles in which they use and then ‘non-use’ their history (Brunninge 2009). Non-use can derive from at least three different causes. First, managers may deny the brand’s history when there are some past episodes that could lead to reputational damage, such as associations with non-democratic regimes or past misbehaviors. Second, history may be rejected, when senior managers consciously decide not to leverage on it strategically. This can happen when a new management team takes over or in mergers and acquisitions. Third, history may also be forgotten. This is an unconscious process that happens when there is too much focus on the present and the future, that leads to a lack of awareness of the value of history.

However, even when the value of history is recognized, organizations still forget (e.g. Nissley and Casey, 2002; Anteby and Mölnar, 2012). Organizations must ignore much and select and archive that which is seen to be important (Brunninge 2009). This process is not always neutral and sometimes leads to manipulative reconstructions of the brand's history (Schwarzkopf, 2013). Nevertheless, when there is a genuine deliberate remembering process this can also create a sense of authenticity. Howard-Grenville and her co-authors (2013) show this in their study of a small town in Oregon which used the authenticity of past symbols to regain its position as the leading "Track Town" in the USA, while in their study of Carlsberg Group, Hatch and Schultz (2017) show that authenticity was a key driver in the effective rediscovery and use of history.

4. THE ROLE OF HISTORY IN STRATEGY MAKING

The ongoing process of remembering and forgetting implies that history is continuously re-interpreted and that future strategies are inextricably linked to interpretations of the past and the present. Some researchers suggest that this can create path dependency – a cage that inhibits strategic choice by limiting the range of options (Ericson 2006, Brunninge 2009). Yet, while previous choices can clearly influence and limit managerial vision, the use of history can also liberate and give new direction through a shift towards path creation (Garud and Karnøe (2001). Here, corporate brands use their history as a fundamental strategic resource to set direction for the future, especially when the identity behind the brand has become diluted and strategic focus lost (Ravasi and Schultz, 2006; Cooper et al., 2015; Schultz and Hernes, 2013). Strategy making "thus involves constructing and reconstructing strategic narratives that reimagine the past and present in ways that allow the organization to explore multiple possible futures" (Kaplan and Orlikowski, 2014, p. 24). Indeed, strategy making is the result of the coming together of

a variety of perspectives that in Kaplan and Orlikowski's model stresses the "re-", rethinking the past, reconsidering the present and reimagining the future

For example, a study by Ravasi and Schultz (2006) of Bang & Olufsen points at three key critical events where the company's executives consulted the history of the organization and drew on historical cultural practices and key symbols to reinvent itself and survive successfully. During each event managers made use of historical resources both in *making sense* of what the organizational identity was about and, later, in *giving sense* to its renewed strategy.

In a study of the Lego Group carried out over a period of eight years, Schultz and Hernes (2013) found that top management used history as a key resource within the strategic processes of reconstruction to tackle two major crises. The study shows how history is evoked through different memory forms (textual, oral and material memory forms) and demonstrates that the further managers look back, the further they are able to look into a possible future. This study also investigates how history can be conceived and managed to rejuvenate multiple identity expressions for the future.

Within the branding field, Cooper et al. (2015) look at the revitalization of a brand in crisis through the rediscovery and strategic use of heritage. In this empirical work Cooper et al. (2015) study two corporate brands (Burberry and Tiffany) where, after a prosperous foundational period, they go through a period of profound brand crisis, which they address by recovering and enhancing their corporate history.

Even though the different studies outlined show the strategic role of history, most do not take a long-term perspective and focus on short term crises only. This creates a gap in the understanding of how history affects managers' strategic choices as history evolves and employees change. If history is to avoid the trap of path dependence and instead deliver path creation, we need to focus on its ongoing use. To address this, in our study of adidas,

we look at how managers draw on history at a key moment of crisis during 1989-1990 and then how they use history over nearly 30 years to inspire the corporate brand strategy, create products and services, communicate the corporate brand, engage employees and execute plans. By interviewing many long-serving employees, we show how the practice of using history develops and how it helps to define the context in which crucial strategic decisions are made. Additionally, the above studies have an internal focus, whereas we discuss the role of various stakeholders, which foreshadows the importance of outsiders in a future-oriented use of history.

5. HOW ADIDAS REJECTED AND THEN UNCOVERED ITS HISTORY

The history of adidas is rooted in one man: Adi Dassler. Dassler started the company that became adidas with his brother, Rudolf in 1924. From the early days, the Gebrüder Dassler Schuhfabrik reflected Adi Dassler's interests in sport such as athletics, football and tennis. Dassler's approach to business was simple - he observed athletes, talked to them about their needs and then experimented with novel ways of solving problems through new forms and materials. As part of his approach Dassler had long collected used athletic shoes. His motivation wasn't about preserving history but rather more pragmatically, to learn from worn products and product returns.

In spite of the success of the business during the 1930s, after the Second World War the brothers fell out with each other. They decided to split the existing business and Rudolf set up Puma and Adi, adidas. Over the next forty years, adidas came to dominate the sports shoes and clothing market. Even though the company grew into a global concern, it always remained a reflection of Adi Dassler and his focus on athletes and industrialized craftsmanship – the ability to transfer his craft based skill of designing shoes into large

volume production. In 1978, Adi Dassler died, leaving behind a billion dollar company that had 4000 employees and was four times the size of his brother's company, Puma.

However, in spite of the company's dominant position and the power of the brand, the management that took over rejected the company's history and Adi's philosophy. Instead, they tried to be more forward looking by pursuing a multitude of brand extensions, many of them outside of their core sports heritage. Businesses were acquired and there was an expansion into leisurewear and even camping equipment. As the brand's history now seemed unimportant, Adi Dassler's extensive shoe collection was thrown into cardboard storage boxes, while some was given away to employees and museums. His copious notebooks containing more than 50 years of ideas and sketches, were put into storage. The brand identity became progressively diluted, employees were confused about the company's direction, design and product quality deteriorated, margins suffered and the corporate brand strategy became unclear.

Eventually there was a financial crisis and in 1990 the Dassler family sold the business. How then, over time, did adidas regain its competitive position? Interestingly, it took two outsiders and insights derived from the company's rich history to create a new strategy.

5.1 Uncovering History

In 1987, with the company looking for a buyer, and uncertain as to which strategic direction to go in, then CEO René Jäggi appointed a leading global consultancy firm to conduct a review of the business. The consultancy worked with adidas for two years and recommended relocating production to the Far East. This move caused enormous upheaval, leading to the systems collapsing in 1989. At that point, the CEO realized that to survive adidas needed a strategic turnaround. This led Jäggi to invite two ex-Nike managers, Peter Moore and Rob Strasser to visit adidas's head office and provide advice. Peter Moore remembers that as part of that first visit he and Rob Strasser were shown

round a small museum for employees and guests, that told the history of the company and featured some artifacts such as Adi's workbench and one of his hand-built machines. Moore says, "it only took about five minutes in the museum before I realised that these people had nothing but a gold mine in their hands, and that they really had no idea what they had." Moore and Strasser could see what adidas managers could not: the value of a brand with a rich history underpinned by the inspirational story of the company's founder and his way of working. Unencumbered by the constraints of the adidas organization, Moore and Strasser started to think how they could leverage adidas's history and the founder's philosophy to inspire a new corporate brand strategy that could revamp its competitive positioning and steer the company forward. They assumed that there would be plenty of relevant material to use. However, as Moore recalls, "when we went there we were convinced that there must be something that this man wrote down. But nobody knew what it was, and nobody remembered anything."

They learned what they could from employees who had worked with Dassler and as they uncovered the adidas history and the philosophy of Adi Dassler, they reconstructed the brand identity and used it to inspire a new corporate brand strategy. Moore and Strasser reminded managers that the adidas' identity was rooted in Dassler's commitment to enhancing athletic performance through innovation. This inspired a new vision to rebuild the company by focusing on its core product categories and embracing a renewal of Adi Dassler's innovative spirit and his obsession with meeting the needs of athletes.

The first concept they developed was called Equipment and drew directly on the brand's history. Indeed, Moore notes the concept name was chosen because "you don't have a piece of equipment to have fun with, you have a piece of equipment to do something with". To get this point across Moore and Strasser set strict guidelines for the design of Equipment products that gave emphasis to its performance attributes. Moore says, "the

idea of Equipment was that it was a model that you could build the whole company around...the model was to go back to what Dassler had tried to do all his life, which was to make the best products for the athlete to compete in.” Senior Design Director, Jacques Chassaing, who joined adidas in 1981 adds, “It was back to the roots, but connecting it to the values of the brand, and the values of Adi Dassler.”

Second, as Equipment was a mid-term project, the new management team needed a short-term one that could fund the company’s attempt at a strategic turnaround. With this in mind, Moore and Strasser looked again at adidas’s history and rediscovered some of Dassler’s iconic shoe designs. The designs were no longer at the forefront of athletic performance but some were still popular and they had a classic look they thought would appeal to the growing market for sporty streetwear. Moore and Strasser selected five models including the Stan Smith and the Superstar (which are still in existence and both best sellers), and then to emphasize the shoes were inspired by history, called the range, Originals. While keeping the character of the shoes they modernised the quality, comfort and fit. In a 250 word memo to the board, Moore and Strasser noted, “adidas Equipment will be complemented by adidas Originals. These were the leading sports shoes of their time. They were the adidas Equipment of the 60’s and 70’s, just as adidas Equipment today will generate the originals of the year 2000.” In the words of Moore: “we had noticed that kids were still buying and wearing some of the old adidas shoes. So, why not make that a business and make that profitable, and let it fund the whole turnaround. That was the whole concept of Originals.” Originals had such a strong appeal that it rapidly expanded from shoes into shirts, bags, and other accessories, to become a major part of adidas’s business.

The idea of the Equipment range, with its focus on solving the needs of athletes and providing quality and performance, came from re-interpreting Adi Dassler’s philosophy,

while the Originals range was based on re-working a selection of iconic shoes, that could be updated while authentically preserving their historical character. Both examples show how history can be a resource in envisioning a different future. Moore and Strasser's appreciation of the company's history, and the fact that Equipment and Originals built on it, legitimized the new corporate brand strategy and facilitated its implementation. Bernd Wahler who later led Marketing and also the Innovation team recalls the experience, "As funny as it sounds, I remember the goosebumps I had when they [Moore and Strasser] for the first time made me and many others really, really proud of where we work, and understand what a great brand it is."

While the ownership of adidas changed three times during the 1990s, the company's strategic use of history enabled it to survive and thrive. The focus on athletic performance enabled the company to re-build its core business and the continuous development of Originals made it 'cool again.' From near bankruptcy in 1989, sales reached €5.3 billion in 1999 and the company recorded a pre-tax profit of €398 million.

5.2 Remembering History

Following Moore and Strasser's uncovering of the value of the company's history as a way to revitalize adidas, management began to appreciate the importance of remembering the brand's history by creating the mechanisms to record the lessons of the past. In the early 2000s, adidas started to rebuild its archive, buying back selected shoes and clothes from collectors and asking for donations. Additionally, the thousands of pages of Dassler's notes and memos were found and a selection published as a resource and inspiration for employees. Statues and photos of Adi Dassler were displayed in the headquarters and in regional offices and a 600 page official history book for employees was published.

In 2004 adidas created a History Management Department. The first task of History Management was to re-build and manage the corporate archive (documents, annual reports, and relevant strategic internal presentations) and the brand archive (selected products and the stories behind them, films and communication campaigns). The archives not only contain shoes that went into production, but concepts and prototypes that were never made. The archive is both a physical space within adidas' head office – which now contains 90,000 items and over 10,000 images – and an online resource. The volume of material is a challenge in that not everything can be archived, so history managers identify items from the past that are seen to be significant. Additionally managers have the ongoing task of selecting current items to be archived. As History Manager, Martin Gebhardt explains “it’s very much about engaging in a dialogue with our colleagues from the respective business units, say basketball or football and saying, ‘What do you think are your 10% to 20% of relevant products that you think should be archived?’ So, we’re engaging in a dialogue with them. We’re offering our support to say, how can we decide on what should be kept and what should not be kept”. The dialogue is led by a team of Collection Managers, who work with business units using the History Management collection criteria. As an example of this, adidas is keen to record the process and document the outputs of the design and production of the Yeezy collection, developed in collaboration with Kanye West. However, the designers and managers need to make a judgement as to what to save and share with the archive.

5.3 Curating History

History can passively record past events and ideas, but at adidas, the use of history has been transformed by active curation – whereby history managers are directly involved in new projects and ensuring the lessons of history are relevant to the contemporary context and to a new generation of consumers. James Carnes, VP of Global Brand Strategy at

adidas notes, “You have to lead as brand. There is a danger if you rely too much on history. You’re working in a different context. You have to use insights from the past in the right way. We use history as a reference point but it doesn't hinder us going forward.”

Since the 1990s strategic turnaround, adidas has institutionalized the use of history in corporate brand strategy by giving History Managers the role of curators. For instance, when new ranges, products or campaigns are planned, History Managers search and select artifacts and the stories behind them as a source of inspiration. As concepts evolve, History Management provides new sources. This puts history into context, makes it relevant and connects it to potential relationships between different eras.

As an illustration, the adidas NMD range launched in 2015 combines elements from three classic shoes from the mid 1980s: the Micropacer, the Rising Star and the Boston Super. Martin Gehardt of History Management says, “...elements from those shoes were taken and a new product was created out of that based on the heritage, based on those products. And this is a great example of how we connect the past, present and future. It’s not only about redoing this one model but that’s where we really see the huge value of an archive, to basically act as a reference for design materials and technology and then translate that to today.”

5.4 Embedding History

For adidas, the curated use of history is a key source of competitive advantage. Consequently, to leverage strategically on it, adidas needs to embed the history into its practices both in terms of external brand expressions, such as products and communications, that help forge the brand image and also in the internal corporate culture that supports the corporate brand strategy.

Adidas has created a new product development process consistent with Dassler's core values. Reflecting on this, Al Van Noy, senior vice president of adidas Future says, "I look at this as a modern day Adi Dassler workshop, living in his spirit and with the vision that he had when he approached innovating for athletes." As an illustration of continuity there has been a focus on lightness, but within that frame there has been constant experimentation and innovation. In the 1954 soccer World Cup in Switzerland, which West Germany won wearing adidas, they enjoyed the advantage of light boots. Then traditional soccer boots weighed in around 500 grams (about twice that when wet), but Dassler observed that in a 90 minute game, on average, a player's foot was in contact with the ball for just 90 seconds. So he created soccer boots that were better for running in and that weighed only 350 grams. According to Steve Vincent, also a senior vice president of adidas Future, that idea still permeates thinking: "You know I think Adi Dassler was always about minimalism, just giving the athlete what he needed. And that inspired our adizero collections, where we've taken soccer shoes down to 99 grams, and basketball shoes down to under nine ounces."

Adidas also periodically leverages on its history in brand communications. In 1996, to coincide with the Olympic Games in Atlanta, during which 6000 athletes wore adidas products, it ran a campaign called 'We knew then. We know now.' The campaign featured athletes competing in the games, juxtaposed against their forebears, such as Jesse Owens (who won four gold medals in the 1936 Berlin Olympics in Dassler spikes). In the 2004 Olympics in Athens, adidas featured Mohammed Ali, drawing on the theme 'Impossible is nothing'. More recently adidas relaunched its Gazelle shoe (2016) under the theme of 'Remember the Future' featuring an image of model, Kate Moss wearing the shoes in 1993.

Adidas also embeds its rich and distinctive history and values in the corporate culture. This enables managers to take strategic decisions and foster new initiatives and projects that align with the curated history. For instance, adidas's traditional culture of insights generation based on Adi's philosophy of closely observing customers, talking with athletes, intensive product testing and a commitment to experimentation has been re-asserted. Eric Liedtke, long serving adidas employee and Chief Marketing Officer, argues that the 2015 strategy, 'Creating the New', connects with this dimension of the organizational culture by making the customer the explicit main focus of the brand strategy while empowering employees and partners. The open source approach that adidas has adopted in its quest to build relevant products means insights are not only generated by those inside the company, but through networks of 'creators', who are close to customers and their lifestyles. To enable this open corporate culture and this closeness, adidas has restructured around a flat organization based on nine consumer based units.

6. DISCUSSION

The adidas case demonstrates how history can be an extremely valuable resource in defining and implementing a corporate brand strategy. Our study shows how history has the potential to be useful as a strategy-formulation lens when it is long-lived (Balmer and Burghausen, 2015) and rich, meaning that there are a wide diversity and depth of memory forms available, such as stories and meaningful artifacts (Schultz and Hernes, 2013). However, our case study also highlights that it is essential to adapt the inputs from the past to the current context and to curate them to meet the needs and desires of today's consumers. History is only valuable when it is curated and made relevant for present and future purposes.

The case also shows how diluting a corporate brand's identity can have a profound impact on performance and the role history can play in inspiring and legitimizing a new

corporate brand strategy and engaging employees. Our findings, reflect the experience described in the studies of Carlsberg, LEGO, Burberry and Tiffany, where managers either explicitly rejected or progressively forgot a brand's history and suffered negative consequences, before rediscovering it and using it to define a new corporate brand strategy.

Furthermore, the adidas case shows that in addition to helping a corporate brand navigate difficult times, the well-managed and systematic use of history can steer it forward over the long-term. As Peter Moore observes there is a continuity between the 1990 and 2105 strategy, "What Liedtke and Gaudio [Global Creative Director] have done with the brand, which is more, or less an extension and expansion of the strategy Rob and I presented way back, really shows the power and durability of the adidas brand." Our study shows specifically how a systematic approach, as conceptualized in our four stage model (Figure 1), can enable the progressive institutionalization of history in corporate brand strategy making. The model suggests that managers should first uncover history and bring it from latency to focus. Second, managers should promote those organizational structures and processes that help history to be remembered. Third, managers should promote the curation of history in order to make it relevant for the current context. Finally, managers should embed history to support the future strategy.

[Insert figure 1 here]

Uncovering history allows managers to appreciate again the value of the past, and to then use it to inspire the reconstruction of the brand identity and the definition of a new vision. Moreover, following Hatch and Schultz's model for corporate brand strategy building (Hatch and Schultz, 2008), if history is at the core of the brand identity and inspires the new vision it also needs to be embedded both in the external brand

expressions, that help forge the brand image, and also in the internal corporate culture that supports the corporate brand strategy.

[Insert figure 2 here]

The adidas case exemplifies the model: not only are new product ranges and communication campaigns inspired by the brand's history, the corporate culture is also reinforced by it. Interestingly, Hatch and Schultz's model, like most of the classical corporate brand building models (e.g.; de Chernatony and Harris, 2001; Kapferrer, 2004), is static and does not consider the role of history. Aaker (2004), does mention the relevance of heritage, but doesn't explain how to actively use it. Instead, our case shows the value of the active use of history for corporate brand strategy making over time and the need to develop the mechanisms that allow the systematic institutionalization of history.

7. MANAGERIAL IMPLICATIONS

7.1 Institutionalizing the use of history

Our model shows how an organization can institutionalize the use of history in corporate brand strategy making. However, to do this, managers need to understand the importance of creating and promoting a team that champions this strategic initiative. If this team doesn't exist, the organization will probably forget (again) and history will fall into a new cycle of latency. The team should be seen as the custodians of the brand's history and its mission should be to cultivate a valuable, rich, genuine, unique and living history repository, capable of connecting the past, present and future of the brand. At adidas this is the task of the History Management department.

Nevertheless, this task cannot be realized by a single department. The brand's history is a living entity that needs to be constructed together to reflect the multiplicity of

organizational voices. Thus, managers need to support the development of internal processes that allow the rest of the organization to influence the work of the brand's history custodians. Managers also ought to encourage the active participation of the history custodianship team in key strategic projects and decision-making processes. This helps to ensure that the future corporate brand strategy leverages on the brand's history but also reinforces it. At adidas, processes ensure that History Managers work together with the rest of the organization to select current items to be archived. At the same time, the History Management department serves business strategy, innovation and marketing.

7.2 The role of the outsiders

The systematic approach that we propose cannot be undertaken solely by the internal team. Here it is important managers understand the role of outsiders in uncovering and curating history. First, managers should be aware that organizations can suffer from history myopia. This usually happens when managers and employees are under great pressure to address the business problems of the present and are constrained by the corporate culture. This creates blinders that prevent managers looking back to the value of the brand's history as a strategic resource for corporate brand strategy making. The only way to overcome this history myopia is to incorporate external perspectives that can see the hidden potential of the brand's history and help to uncover it – in the case of adidas the eyes were those of the two ex-Nike consultants.

Second outsiders can contribute to curating the brand's history. Making history relevant to the present while preserving its core and authenticity, is a very delicate balance and requires management teams that mix insiders and outsiders. The role of insiders should be that of brand custodians, while outsiders should push the brand identity forward and better connect it with current trends and the emerging generation of

consumers. This strategic partnership and the combination of the two perspectives helps to balance the focus brand's history and the brand's forward vision, without sacrificing either. This is evident in the partnerships Adidas has with external designers such as Yohji Yamamoto (Y3) and Stella McCartney. Adidas encourages its partners to uncover the essence of the Adidas brand, while at the same time pushing them to challenge it and take the brand further. Y3 twists the heritage of the Adidas brand and its design language further than Adidas itself does in sports style, while Stella McCartney extends the idea of Adidas sports performance products through distinctive cuts and materials.

In essence, the active use of history for corporate brand strategy making demands more co-creational approaches to brand management (e.g.; Ind et al., 2013; Iglesias et al., 2013).

7.3 Authenticity and strategy legitimation

History can not only be used to inspire corporate brand strategy, but also to legitimate it. Strategy legitimation is one of the key challenges managers need to face, because it drives organizational alignment. This is especially relevant when a brand is facing a deep crisis and managers are attempting to pursue a strategic turnaround that implies a major organizational change and demands high levels of employee commitment.

However, even if history can be a very persuasive resource for corporate brand strategy legitimation, managers need to understand that they must use it authentically and avoid manipulative re-interpretations. History only legitimates strategy when it demonstrates the uniqueness of the organization to its stakeholders. Then, a 'moral authenticity' (as argued by Carroll and Wheaton, 2009) emerges that can provide managers with credibility, power and influence. Authenticity brings credibility when managers are capable of uncovering those core dimensions of the organization's history, that are

relevant for current purposes, through different memory forms and can provide evidences of its relevance and genuineness. At adidas, managers found Adi's notebooks, bought back his shoe collection and rebuilt some of his inventions and used this bundle of historical resources to give authenticity to the new strategy.

Authenticity can also provide managers with more power and influence and allow them to persuade people to join the coalition for change and achieve organizational alignment. To attain this, managers should aim to develop strategic narratives (Kaplan and Orlikowski, 2014) capable of conveying authenticity. Moore and Strasser did this when they drew on the philosophy of Adi Dassler to create Equipment. In fact, to make clear that they were renewing Dassler's commitments, when they presented the idea to managers they gave Dassler the honorary title of Equipment Manager of Athletes of the World. This conferred authenticity to the new corporate brand strategy and fostered a sense of pride and commitment to it.

In essence, the use of history and the authenticity it confers is a strategic resource that managers and other organizational actors can use to gain credibility, power and influence which are vital for successful strategy legitimation. From a longer term perspective, this highlights the ongoing role history can play in helping managers overcome the challenges associated with corporate governance.

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Figure 1: Institutionalizing history for corporate brand strategy making

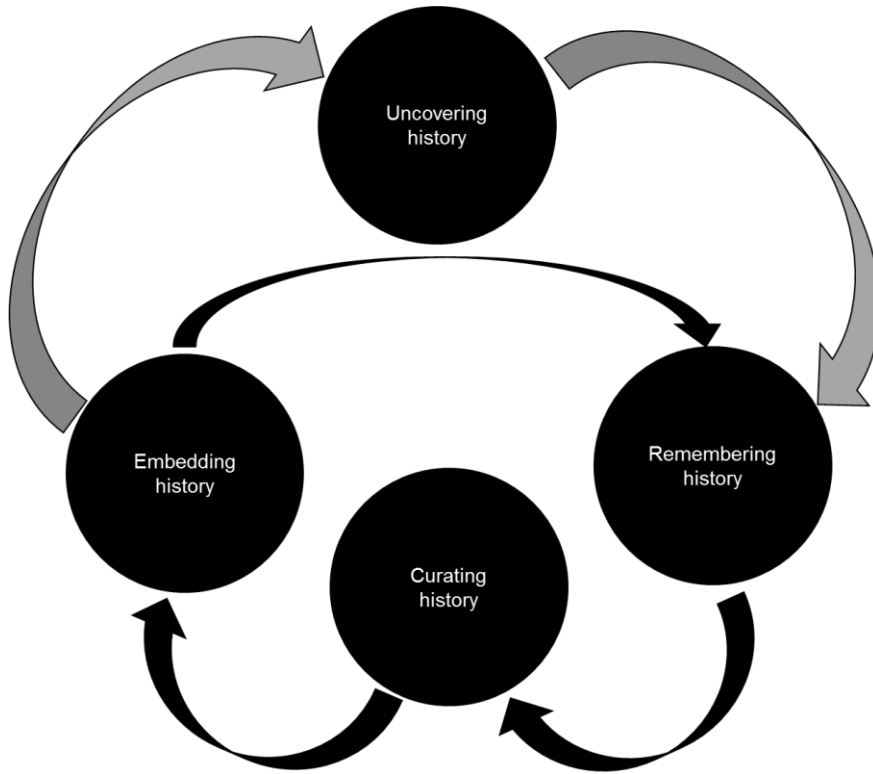


Figure 2: The role of history in corporate brand strategy

Adapted from Hatch and Schultz (2008)

