

Extreme Makeover

Entrepreneurs have shied away from rebranding their companies. But as competition rises and costs fall, that's starting to change.

By Aja Carmichael

AFTER 10 YEARS in business, Katie Adams knew her physical-therapy practice needed a makeover.

For one thing, her brochures and business cards were no longer drawing consistent referrals from medical offices. At the same time, she had a chance to expand her Needham, Mass., practice to a second location. So she wanted a new image that would draw in clients—and show that she was running a chain instead of a single office.

In 2004, she turned to **Schwadesign**, a rebranding firm in Pawtucket, R.I. The firm decided Ms. Adams's business had to come across as more professional and established. The first step: changing the name from Katie Adams Neuro Muscular Therapy to 360 Neuro Muscular Therapy. Then came a new logo. The original emblem showed a dancer on one knee, with the company name in whimsical calligraphy. The revised design showed the new name in crisp fonts over a rosette insignia.

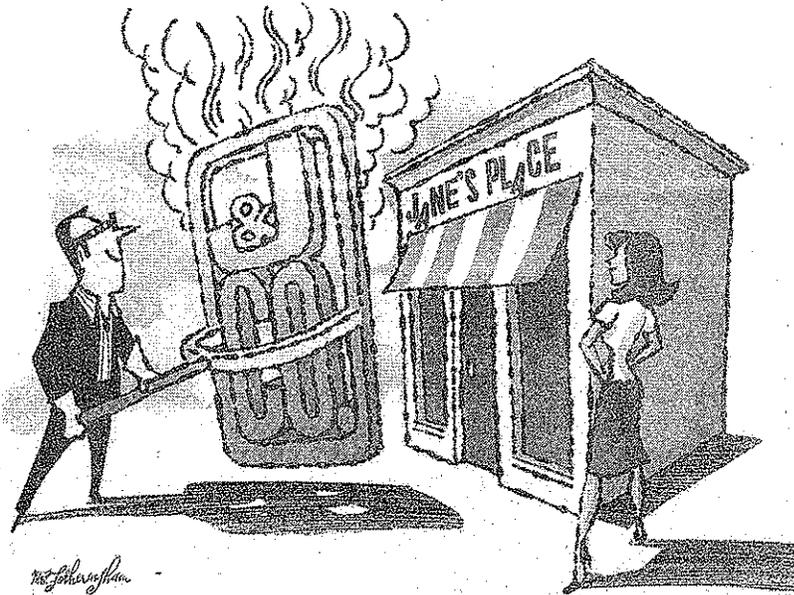
The results were dramatic. Sales more than doubled to \$157,000 in 2005 and are on track to reach \$270,000 this year.

Entrepreneurs have long been wary of rebranding. Changing a company's image—by coming up with a new name and logo, for instance, or modifying the product line and marketing—was seen as a project for big corporations. Now that's beginning to change, as the boom in e-commerce and a ferocious global market put competitive pressure on small companies. Many entrepreneurs are realizing that rebranding can help them get out of a rut and compete more effectively.

In many cases, small businesses decide on a product line, an image and a marketing plan and stick with them even if their client base changes rapidly or their sales begin to falter. Rebranding forces entrepreneurs to take a hard look at their strategies and see what's working and what's not—and that can help them take their business to the next level.

When it comes to managing their brands, entrepreneurs "are learning more from larger corporations," says

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Anaezi Modu, founder of ReBrand, an online forum studying international rebranding efforts.

Change Is Good

The National Small Business Association reports 54% of small to midsize companies are searching for new advertising and marketing strategies within the next 12 months. The big question for those businesses is whether to go it alone or get professional help.

For most small businesses, rebranding is a very low-key effort. Entrepreneurs generally remake their company's marketing materials from their home computer, using software such as Adobe Illustrator and Corel PhotoPaint. At most, they'll hire a calligrapher to work up a logo.

But a growing number of entrepreneurs are finding that they want something more sophisticated—so they're turning to a new breed of small rebranding firms like Schwadesign. These companies use free-lancers and efficient new technologies to offer rebranding services at prices affordable to more small firms—everything from designing a new logo, business card and stationery to coming up with product packaging and advertising.

The prices vary considerably depending on the job and the client. For Ms. Adams's job, the three-month consultation cost \$10,000 and included new brochures, signs and business cards.

Many entrepreneurs are grateful for professional help. "I don't think I would have felt as confident in what I was trying to do if I had just had a little

tiny flier made up on my home printer," Ms. Adams says.

Jack and Jason Dennis were also enthusiastic about their rebranding project. In 2005, the brothers opened a second outlet of their retail music store, **Earshot**, in downtown Greenville, S.C. The first store, in the city's suburbs, mostly attracted a younger crowd. For the downtown store, the brothers wanted to appeal to business professionals who worked in the area, without

alienating the younger core customers.

The Dennis brothers hired local design firm **Brains on Fire**, which came up with a bright, colorful interior for the store—in contrast to the darker, edgier atmosphere in the suburban outlet. The new store's ads, meanwhile, featured city residents of all ages.

In its first year, sales were impressive—but the cost of retail space soared. The brothers ended up closing the downtown location. Still, they don't think the \$80,000 they spent on the rebranding was a waste. "The rebrand was great for what the theme of the store was," says Jack Dennis. "Our business needed that level of professionalism to get it right the first time. We plan to use the same concept in the future."

'A Huge Step'

Still, many design firms find that some small businesses aren't receptive to a major rebranding. Kate Durkin, art director and account manager at **Bamboo Design** in Minneapolis, has dealt with a number of clients who couldn't cope with the process of overhauling their company's image—everything from coming up with new logos to keeping the company's founding concepts intact in the face of new ideas from the designers.

"Rebranding is a huge step for a lot of companies," says Ms. Durkin. "It

sounds like a great idea in the beginning, but once companies put things into place it becomes a lot bigger than anyone could have imagine."

Entrepreneurs also worry that a radical new image could lose them customers. Then there's the price tag. Rebranding, entrepreneurs fear, will mean a big investment with no guarantee of increased revenue.

Some design firms overcome clients' squeamishness by offering different levels of service. Mack Burnett, owner of **Powerful Impact**, a consulting and marketing company in Great Neck, N.Y., offers a three-tier sales package that lets customers complete a rebranding project in phases. With the basic offering, the firm creates items such as a logo, business card and stationery. The next step up is brochures and other marketing materials, as well as product packaging. For the top-level package, the firm puts together all aspects of the brand from scratch, including a Web site and product packaging. Mr. Burnett declines to give specific prices, saying they vary by client.

"The multiple levels allow clients to try us on for size before they decide to commit to us," he says. "It gives us an opportunity to prove our value over time."

Ms. Adams has discovered the value of pacing in her own rebranding project. She waited to see the results of the initial effort before plunging into a second project with Schwadesign—an overhaul that involved remaking her Web site and developing packaging for products she offers, such as a therapy ball and massage tool.

"Rebranding my company was totally worth it," says Ms. Adams. "The process gave our company more of an identity, and it's become something of substance. When I hear my staff say 'Hello, 360,' it's so exciting." ■