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Rebranding of People Management Forum

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- Spine -

Acknowledgements

This case study is a termination of my master degree and my first work experience in a real company. It is a set of ideas that were influenced by important aspects and people in my life.

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Abstract

Rebranding has become an essential topic for many organizations through the world. Thanks to the changing environment, various organizations need to adapt their image to nowadays globalized world. In case of Eastern European countries many issues with cooperation among employers and their staff has arose after 1990. Thus, human resources management has become critical for success of any organization.

This case study is focused on both topics mentioned above. It sketches out the situation in the Czech Republic and describes the current status of a unique organization concentrated on human resources management in the Czech context. It is targeted to master students of marketing with a strong interest in the situation on international markets.

In the case, there are presented all key facts about the Czech Republic and the organization. Students are exposed to a decision which way the organization should be headed to in the future.

Literature review contributes to a general understanding of the Czech culture and economic situation; moreover it underlines the key concepts of rebranding, marketing and non-profit organizations. Additional research is required for students.

The resolution of the case study is giving students an insight to a small foreign country with different historical background and sketches out functioning of a small not solely profit oriented organization.

Key words: rebranding, human resources management, non-profit organization, brand positioning, brand extension

JEL Classification System: M31 (Marketing), M54 (Labour Management)

Resumo

O Rebrandeamento tornou-se um tema essencial para muitas organizações do mundo. Graças a mudanças de ambiente, várias organizações, necessitam de adaptar a sua imagem para o mundo globalizado de hoje em dia. No caso dos países da Europa de Leste alguns problemas com a cooperação entre entidades empregadoras e funcionários aumentaram após o ano de 1990. Assim, a gestão de recursos humanos tornou-se fundamental para o sucesso de qualquer organização

Este estudo centra-se em dois temas mencionados anteriormente. Apresentando a situação da República Checa e descrevendo o atual estado de uma organização única concentrada em gestão de recursos humanos no contexto Checo. Está direcionado aos estudantes do mestrado de marketing com um forte interesse na situação dos mercados internacionais.

Neste caso, são apresentados todos os factos importantes sobre a República Checa e a organização. Os alunos são expostos a uma decisão sobre como deverá a organização ser dirigida no futuro.

A revisão da literatura contribui para uma compreensão geral da cultura Checa e da sua situação económica e além disso, destaca os principais conceitos de rebrandeamento, marketing e organizações sem fins lucrativos. Contudo será requerida alguma investigação adicional pelos alunos.

A resolução do caso de estudo pretende dar aos alunos uma visão de um pequeno país estrangeiro com fundo histórico e apresenta o funcionamento de uma pequena organização sem fins lucrativos.

Palavras-chave: rebrandeamento, gestão de recursos humanos, organização sem fins lucrativos, posicionamento de marca, extensão de marca

JEL Classification System: M31 (Marketing), M54 (Labour Management)

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1 Case

9pm 20th January 2013, in an office located in Lublaňská 36, Prague, Czech Republic

Mgr. Zita Lara, MBA. is sitting in her office, with only the lamp and the computer are giving insufficient light to the empty office room. Everyone is already at home, but Zita, the Managing Director of People Management Forum, is not able to turn her thoughts off and go home.

More than one year after rebranding from Česká společnost pro rozvoj lidských zdrojů (Czech association for human resources development) to People Management Forum, she is facing a challenge in terms of where the organisation will be headed in the future.

In 2011, the rebranding caused a huge change by which the organisation moved in relatively different direction compared to where it was headed as Česká společnost pro rozvoj lidských zdrojů. Although the outcomes of the rebranding process were quite positive, nowadays, the organisation can't stay in the same place and wait for another success to come. The amount of paying members is declining (Appendix 1), the number of subscribers of their magazine "HR forum" is decreasing (Appendix 2) and the organisation lost the image of a non-profit organisation that helps finding alternative job opportunities for socially excluded people.

On the other hand, Zita is well aware of the fact that her colleagues and she have managed to establish the firm's image of being an expert and a provider of know-how in the topic of HR, and a partner in networking with the others. Those are very strong aspects, which Zita and her colleagues need to build on in their future.

The main challenge stays in question: "Which exact way to choose in further proceedings after such a huge change that the rebranding caused?". While at the same time, considering the goals which are to satisfy the current customers, attract new ones and make profit, while following the core brand idea triangle: national conferences, expert magazine and development program.

1.1 Situation in the Czech Republic

Twenty years ago, the Czech Republic as one of the former communist countries has been engaged in the privatization and restructuring of the large state enterprises and the country had to deal with the issues of overstaffing and non-productive social assets.¹ Commercialization and rapid privatization of state-owned assets have mainly aimed to change the structure and process of corporate governance, primarily avoiding status quo-oriented managers and instead adopting more of market economic-behaviour. During the early transition period, senior managers remained usually the same, but were forced to reduce company's workforce, increase productive efficiency and slim down the social expenditures.

Since 1989, the critical factor standing for either success or failure of a company has been the managers' role. In 1990s, managers were mostly orientated on the "Western" style of management, which is more distant from local social communities. Moreover, lots of western firms picked Czech Republic as a location for their local headquarters when entering the Central and Eastern European market (Czech Republic has one of the most advanced economies in this region – data are shown in the Appendix 3). To avoid the problems of unproductivity and growing distance from the management, which is close to Czech specific nature (notorious pessimism, scepticism, Švejk-like sense of humour and need for entertainment)², many successful companies have started to focusing more on their human resources management and development.

Thus, many orgs focusing on HR management, which provide knowledge and new trends in the HR field, have arisen. Magazines such as "HR forum" provide the traditional platform for gaining new knowledge and trends while facing the competition from the biggest publishing house Economia's magazines "HR Management" and "Moderní Řízení" (Modern Management). A platform for networking of professionals is providing various organisations and clubs such as Klub personalistů (Club of Personalists), Czech Management Association and People Management Forum nowadays, it is a very popular way of sharing and gaining knowledge. Experts, professionals and em-

¹ Ed Clark & Anna Soulsby (1998); Organization-Community Embeddedness: The Social Impact of Enterprise Restructuring in the Post-Communist Czech Republic; *Human Relations*, Vol. 51, No. 1., pp. 25-50

² Elena S. Millan & Banwari Mittal (2010); Advertising's New Audiences: Consumer Response in the New Free Market Economies of Central and Eastern Europe – The Case of the Czech Republic; *Journal of Advertising*, Vol. 39, No 3, pp. 81-98

ployers can meet, share their information and new trends among themselves, and thus contribute to the HR community. The HR community, as any other else also seeks the external knowledge, and that's the reason why conferences, meetings, trainings and educational sessions with external experts are so popular. The most reliable conferences are held by TOP Vision, Motiv P and People Management Forum. When considering further education, people in the Czech Republic still trust the most the public universities, which offer several programs focused on the HR topic. Especially the traditional institutions such as the Charles University, the University of Economics in Prague or the Masaryk University are providing the education for free (they only charge for the long-distance studies in average around 40 000,- CZK). On the other hand, managers and top management often don't have the time for another degree to study, which is why the public courses are getting more and more popular. Agencies such as MotivP or Top vision provide their seminars for 6 000 CZK,- in average. With the rising popularity of HR focus, the number of HR students has also risen; those became a target of talent seeking companies such as Deloitte and Grafton Recruitment.

In this complex world of HR, People Management Forum found a way how to succeed on such a competitive market by providing the most complex portfolio of services.

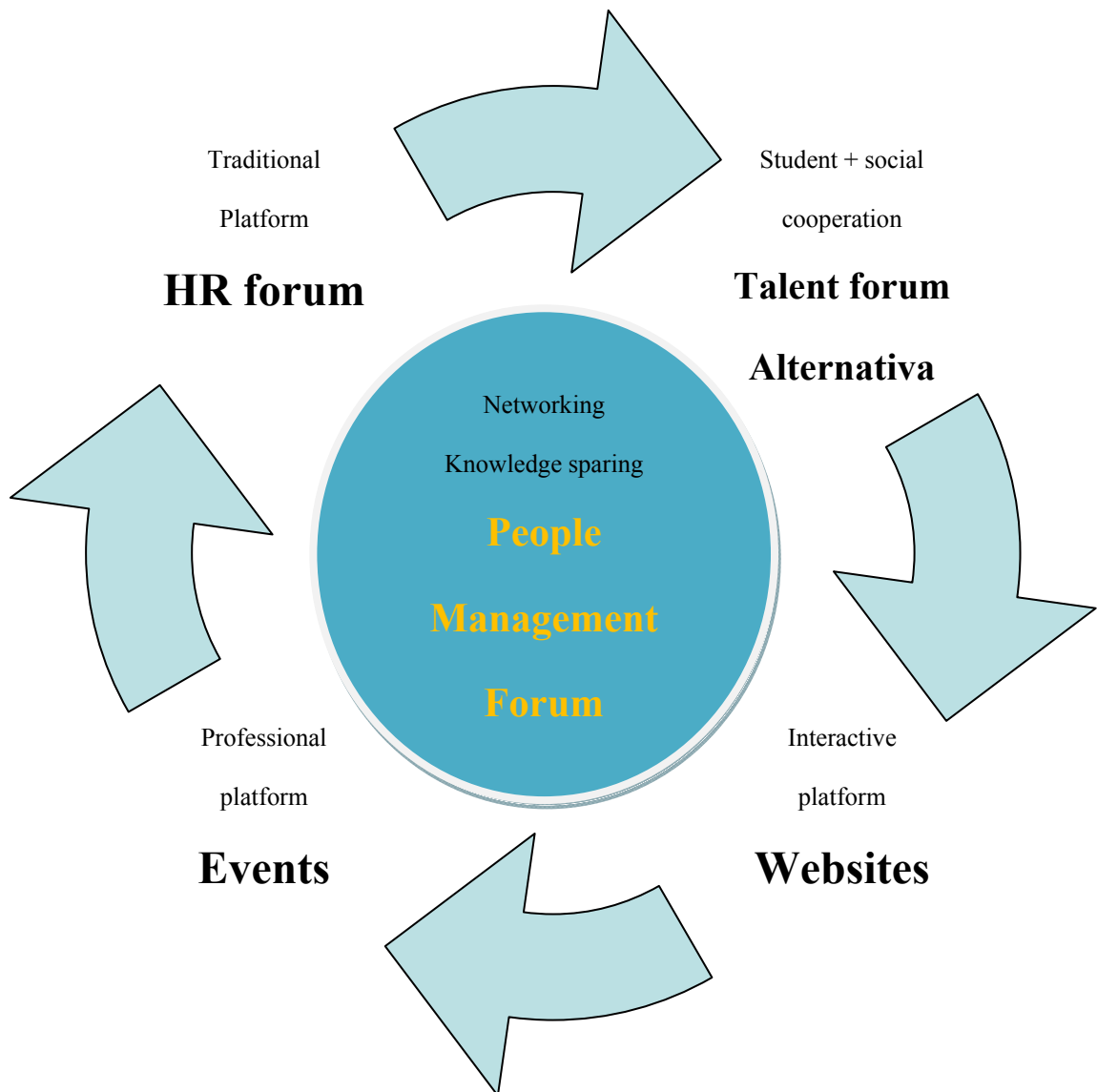
1.2 ČSRLZ – People Management Forum³

Česká společnost pro rozvoj lidských zdrojů, nowadays People Management Forum (further just PMF) is an association of individual established in 1993. It connects everyone who is interested in personal, team and organizational development. PMF is a member-based organisation, which has members among the biggest companies and also among the most important HR companies in the Czech Republic. In the beginning of 2013, the number of members reached 209. The organisation itself is a member of international associations, such as EAPM (European Association for People Management) or WFPMA (World Federation of People Management Associations) by which it guarantees the interconnection with the globalized world.

³ Monika Tormová (2011); *Komunikační strategie České společnosti pro rozvoj lidských zdrojů (Communications Strategy of the Czech Association for the Development of Human Resources)*; The University of Economics in Prague – Bachelor thesis

The aim of the organisation is to provide knowledge and new trends in management of human resources. The principal brand idea originally was originally represented by four core concepts: traditional platform for sharing knowledge, professional and interactive platform, and cooperation with students and socially excluded people. People Management Forum is professional, innovative and people-oriented organisation, thus it became a trustful provider of networking platform consisted of HR experts, managers and students. Those groups of people can exchange information, know-how and their experiences in the interactive platforms such as websites, magazine, conferences, events, etc. The result of such cooperation is high quality know-how for the whole system.

Chart 3 – Activities of People Management Forum



PMF is also the only partner of a limited company HR forum, s.r.o., which was established in 2003 as a publisher of the “HR forum” magazine, one of the top 5 magazines focusing on the HR topic. The magazine “HR forum” represents one of the platforms of PMF for sharing knowledge and experience among organization’s members, subscribers of the “HR forum” and HR students and professors.

To the activities of PMF also belong organizing events, conferences, exchange meetings, inspirations, express forums and many other meetings (the complete list of activities in the Appendix 4) that provide opportunities to discuss the actual topics concerning HR. One of the most significant activities is the competition awarding the best HR project among those firms whose main area of business is not HR, HREA – Excellence Award®⁸.

The non-profit activities of ČSRLZ involve the cooperation with students, universities and companies on an interactive platform Talent Forum (www.talentforum.cz), and mediation of alternative job positions for the social groups in need in the Czech Republic, such as single mothers, students, disabled people, etc. Both activities were realized with the financial and non-financial support from the members. Nevertheless, the portfolio of non-profit activities has been altered after the rebranding, which caused a stronger focus on students.

PMF doesn’t have a single main target group, because it provides a variety of services to a broad spectrum of interested people. Moreover, the target groups of former ČSRLZ and PMF are slightly different. What remained the same are the most important target groups, members of the organization such as HR specialists, HR managers, etc. from whom the Board of Directors is voted. The second target group consists of the students and absolvents of andragogy and human resources management, and the last but not least were the applicants for the alternative job positions, who are not a target group for PMF anymore. According to those target groups, several types of memberships have been prepared (see the Appendix 5) to serve everyone’s specific needs.

1.3 Rebranding

People Management Forum used to be named Česká společnost pro rozvoj lidských zdrojů (Czech Association for Development of Human Resources), until May 2011, when the rebranding was officially announced and the organization started using a new name, logo, and offering and communicating new mission. Although, some of the new visuals were integrated in the organization's communication during the first quartile of 2011, total change has been applied from May 2011.

The process of rebranding followed the structure mentioned by Bill Merrilees and Dale Miller⁴. Firstly, the organization looked inside itself and re-defined its core values and vision and put that aside with the external environment of the company, characterised by growing globalisation and “westernization” of the Czech Republic, more sophisticated needs of the market and arising trend of considering employees not just as human resources, but as *people*.⁵ This revitalisation of the vision revitalisation, which was constructed by employees and the Board of Directors, defined the brand idea which will represent a triangle concept consisted of national conferences, expert magazine and development program. Moreover, the analysis of the environment⁶ defined the need to become more international and open to new trends.

As the second step, the organization's Board of Directors together with the professional designer and an agent of a marketing agency built a bridge between the old image of ČSRLZ and the requirements of the current market during several brainstorming sessions. A few brand images rose from that process, including different names and logos.

Picture 1 - Proposed logos and names



⁴ Bill Merrilees & Dale Miller (2008); Principles of corporate rebranding; *European Journal of Marketing*, Vol. 42, No. 5/6, pp. 537-552

⁵ Thomas Mark (1997); *Mastering people management build a successful team*; London Personnel Publications

⁶ Datamar (2011); *Test názvu, test sloganu (Name Test, Slogan Test)*; People Management Forum - Research

In those grounds, there was a market research routed, which defined the needs of the current and potential members. One part focused on proposed logos tested among the various members of the organization, including HR managers and students, the second part was aimed to find out how the members and potential members perceive ČSRLZ, what are the main strengths and weaknesses of the organization, what name would be possibly the most suitable and if the slogan proposed is suitable. The possible names among proposed ones were chosen People Management Institut, People Management Association, Czech Society for People Management and People Management Forum. All the logos were considered as good, but the best results were performed by the fourth and third one.⁷ The slogan: “Inspiration for Future”, proposed by the Board of Directors, was perceived as clear and visionary.⁸

All those data and the vision that the Board of Directors proposed were basic elements for designing a new brand. People Management Forum was chosen from all the possible names, because of its length (shouldn't be too long) and because the word “forum” evokes networking. Logo and name should match together and moreover, enable many applications within promotional materials, on websites and on business cards, the logo that is representing the new image was chosen together with the colourful alternation for more important materials.

Picture 2 - Chosen logo and name



While implementing the brand, the first step aimed at the employees and members. All of those stakeholders were introduced to the new brand and vision and engaged in the process of rebranding of the organization. During the first quartile of 2011, all the brand elements were slowly and slightly changed into the new image, the change has been communicated to all members and to the public during the launch of the new brand PMF. The brand was introduced to the market in May 2011. The change of the brand was communicated to all the stakeholders by the company's new websites, by direct

⁷ Datamar (2011); *Test Loga (Logo Test)*; People Management Forum - Research

⁸ Datamar (2011); *Test názvu, test sloganu (Name Test, Slogan Test)*; People Management Forum - Research

mail to all members and by the press release in the regional and national media. According to the character of the organisation, no outdoors or TV commercials were chosen to promote the rebranding.

1.3.1 Rebranding goals⁹

The new ideas and trends in a Czech society forced the organization to switch from the human resources management to people management concept that emphasises ~~more~~ the cooperation among people. The main aim focused on modernization and globalization of the organization and the possibility to cover all the spectrum of its activities by terms “forum”. The former focus of the organization directed mostly at HR managers. The new brand connects the HR managers with the management of the company and students. The first and the most significant project of this trend is a conference HR&Business Forum organized by PMF every May.

As mentioned before, the new term “forum” represents the shield for all former and new activities that are nowadays presented as one image and visuals, to name all activities:

- People Management Forum – leading organization, providing know-how and networking
- HR Forum – magazine and online portal for information sharing
- Talent Forum – online portal for cooperation among students, universities and companies
- HR&Business Forum – connecting business departments with HR
- Diversita/Alternativa – platform for sharing knowledge about diversity of employees has nowadays lower significance.

Apart from the brand modernization, the main goal was to evaluate the current projects and to find opportunities for sustainable growth. The strategic decisions that arose from the Board of Directors defined the way of future growth:

- Close cooperation among students, universities and companies on the Talent Forum project that should strengthen the cooperation with young people who are to

⁹ Pavel Kunert (2012); *Projekt rebrandingu neziskové organizace (The rebranding project of a nonprofit organisation)*; The University of Economics in Prague – Master thesis

be the future HR managers and thus to build relationships and to ensure the future company members.

- Cooperation with small and medium businesses that create backbone of Czech economy. Because there are a few big companies in Czech, thus the cooperation with smaller businesses should ensure sustainable growth of the organisation.
- Revitalisation of the magazine in terms of the content and image. After the rebranding, the magazine is available in both printed and online versions and the chief editor was replaced in order to add fresh air to the articles. Those steps should increase the number of subscribers and subscribers' satisfaction.¹⁰
- The Board of Directors didn't see any value added to their organisation in providing the portal with alternative job opportunities. It was poorly visited and people didn't get used to looking for a job there. Thus, this project has been closed and transformed to a project of sharing knowledge of how to deal with the diversity of employees in a company by conferences and professional seminars.

Those were project goals that the company wants to achieve; besides the organisation will follow the statistical and financial goals. The most significant financial goal is the income part of the budget; the organisation wants to achieve positive numbers in the budget, considering financing the administrative, profit and non-profit activities and to fulfil its mission. Another important indicator observed the number of members and subscribers of HR Forum and unique visitor of all websites.

1.3.2 Communication goals¹¹

The main communication goal was to introduce PMF as the follower of the Czech Association for Human Resources Development with an extra value added. That means to introduce the new brand to the stakeholders that already have an experience with the organisation and to communicate that the change means better and more modern organisation for them that worth to join (see the comparison of design of various materials before and after rebranding Appendix 9). Thus, PMF was presented as a main partner for

¹⁰ People Management Forum (2011); *Nové výzvy – Nová značka (New Challenges – New Brand)*; People Management Forum - Presentation

¹¹ People Management Forum (2011); *Komunikační strategie pro People Management Forum (Communication Strategy for People Management Forum)*; People Management Forum - Strategy

sharing experiences in a network of 250 members that basically doesn't have a direct competition in the Czech Republic with such a portfolio of services.

The last but not least news is the creation of an individual membership for HR experts and students (membership list in the Appendix 5). After the rebranding, many activities are targeted to students to provide them with the possibilities for internships (that is very underdeveloped in the Czech Republic), coaching and trainings in PMF's member organisations. It enables students to cooperate with managers of a particular company on their thesis within a competition National Award of Academic Thesis, to gain data and experiences and on the other side, provides research and fresh spirit to the companies engaged in this project.

1.4 Current situation

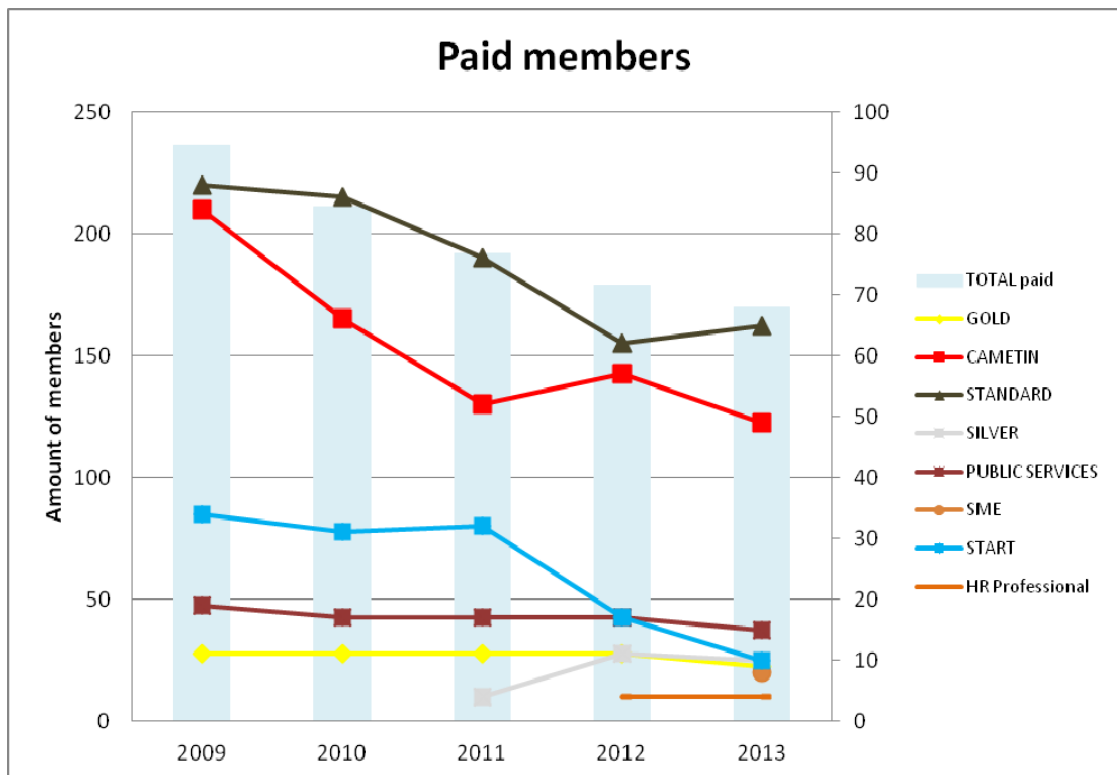
We can say that in one and a half year after the rebranding, the organisation is already known as People Management Forum, not as Česká společnost pro rozvoj lidských zdrojů. The members became familiar with the new logo and image. The goal in terms of associations with the new logo was that people should connect it with work with people; cooperation and interconnection, in average 69% of members asked in a questionnaire find those aspects the most suitable for the logo. In general, we can say that the main obstacle was overcome.

However, the majority of the members evaluate the rebranding in a positive way, almost 47% evaluate rebranding as very positive and 32% as positive, moreover 25% of members state that they are using all PMF services in general more than before the rebranding. In most of the cases, they increased their readings of the magazine (50% of respondents), they find both the content and the design good; and websites (42% of respondents). The members are mostly satisfied with PMF website (84% evaluate this website after the rebranding as very good or good), on the other hand, the biggest challenge stays in the publicity and strengthening the awareness of Talent Forum's website for students, because 47% of the members don't even know this website. The issue with students is not just considering the website, but the majority of students (47% of respondents) state that they don't know the services offered by PMF to students.

When the research about the success of the rebranding goes deeper, the data shows the organisation has to face more challenges. Although the total amount of members has

grown by 11% since 2011 (you can see the detailed graph of the membership development in the Appendix 6), the growth was caused mainly by the increase in free membership, because paid memberships decreased their numbers by 12% (caused mainly by decrease in Standard and Start memberships as you can see from the Chart 4). Moreover, there is a significant decrease in a company membership (15% versus 2011) caused by small and medium sized companies up to 2 500 employees (see chart from the Appendix 7). It caused the backbone of the whole organisation, Standard members, dropped from 38% to 30% share since 2011; on the other hand, the share of Student members raised from 3% to 19% (see charts from the Appendix 8).

Chart 4 – Development of a number of paid members

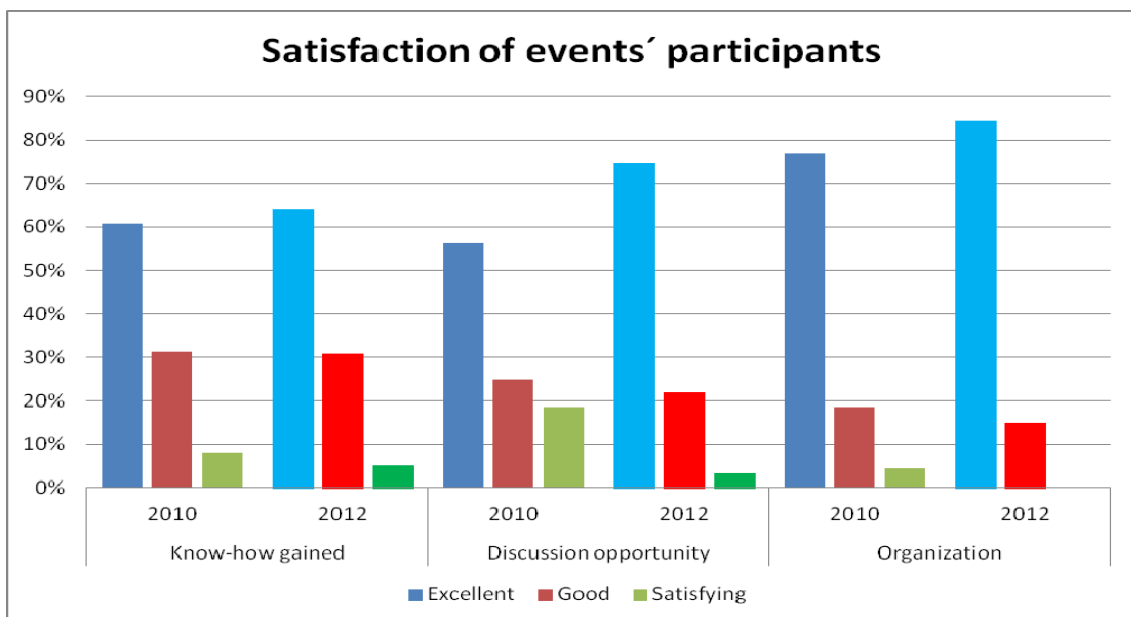


Source: Internal data from People Management Forum

The same situation is happening when we look at the number of subscribers of the magazine HR forum. Although the absolute number of subscribers grew by 12% in comparison to the year 2012, the growth was caused by increasing number of free PDF versions of the magazine that is given to members, especially students (you can see in the Appendix 2). We can observe the constant decline of printed magazine subscribers since 2010, when PDF magazine was launched.

When we look at the conferences and events, the current successful situation can be summed up by words of Zita Lara: “The events are fully booked in 2013, moreover we have to refuse candidates who applied late”. People Management Forum use various databases to ensure that the information about particular event goes just to the specific target group, which is interested in that topic. The structure of participants in events targeted to members (Exchange Meetings, Inspirations, Talent Forum, etc.) has changed in favour to members from 65% to 80% in 2013, which means that the majority of entries to the events are free of charge. Members are very satisfied with the choice of the topics for conferences and other events (78% like it a lot or like it). The only negative fact was found in the regional diversity of events organised, when almost 20% of respondents are not satisfied. On the other hand, it is important to mention that the satisfaction with events grew in every category observed (see Chart 9 below) from 2010 to 2012. People Management Forum was able to reach extraordinary results in all categories, but the best result was gained in “Organization” of events when 85% of participants commented that the organization of events was excellent. On one hand, it signifies that the organisation is being extremely successful in satisfying the needs of its most important stakeholders, the members. On the other hand, the income from events is constantly declining by cca 15%.

Chart 9 – Participants’ satisfaction from events (comparison of 2010 and 2012)



Source: Internal data from People Management Forum – research on events during the year 2010 and 2012

On the other hand, there is a progress in the involvement of members and other stakeholders in the National Award of Academic Thesis. If we take 5 areas into consideration, number of topics offered, companies involved, members of jury, universities involved and thesis completed, we can evaluate, there is a remarkable growth in each of them after the rebranding (see in the Appendix 10). The highest growth from 2010 to 2012 can be observed in the area of thesis completed (by 65%) and members of jury (by 79%), which shows us that this award is becoming more and more important and popular for both, students and professionals that are willing to participate in a project for HR students. This fact is a sign of quality and good intention of this project.

To sum it up, nowadays, the members see the biggest contribution from PMF in the inspiration (71% of respondents), information sharing and experiences, networking and providing know-how. This goes in line with the organisation's slogan: "Inspiration for future". From the services that PMF offers they use the most the magazine HR forum (75% of respondents), conferences, events and the informational service. We can say that PMF is perceived as a provider of HR know-how, inspiration and knowledge, which is enabled through the magazine, events and website (informational service). Although, the organisation is very well perceived among its members and other stakeholders, the indicators that contribute to the organisation's budget are decreasing. Thus PMF have to look for other ways to survive in the current competitive environment that is affected by the crisis.

According to the members asked in a questionnaire, they would see the future of PMF either in a focus on network strengthening, middle and small enterprises, certified education or informational service of new HR trends.

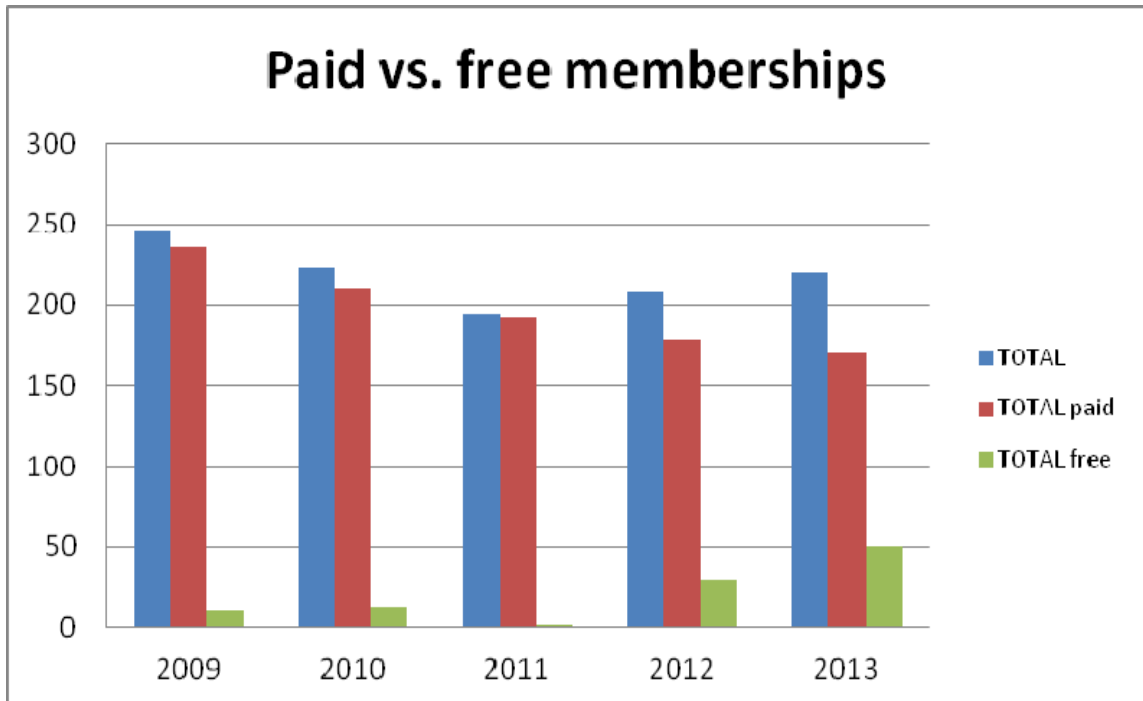
More than one year after the rebranding, PMF stays in front of a decision, which will result into either fail or success of the whole organisation. The question is which way to follow to ensure the current survival and the future prosperity.

1.5 Case study questions

- 1) Develop a STEP analysis based on the company's knowledge and the situation on the market in the Czech Republic.
- 2) Define Porter's five forces analysis based on the market and the organisation.
- 3) Develop a SWOT analysis and Key Issue for People Management Forum.
- 4) Define the segmentation and targeting in terms of members of the organisation.
- 5) Describe positioning of the organisation based on members' perception.
- 6) Based on the analysis above define two most promising areas of possible future focus of the organisation.
- 7) Choose one area from the question 6 and define a VMO strategy (Vision, Mission and Objectives) for it– refer business and marketing objectives.
- 8) Define marketing – mix for the area chosen in question 7.

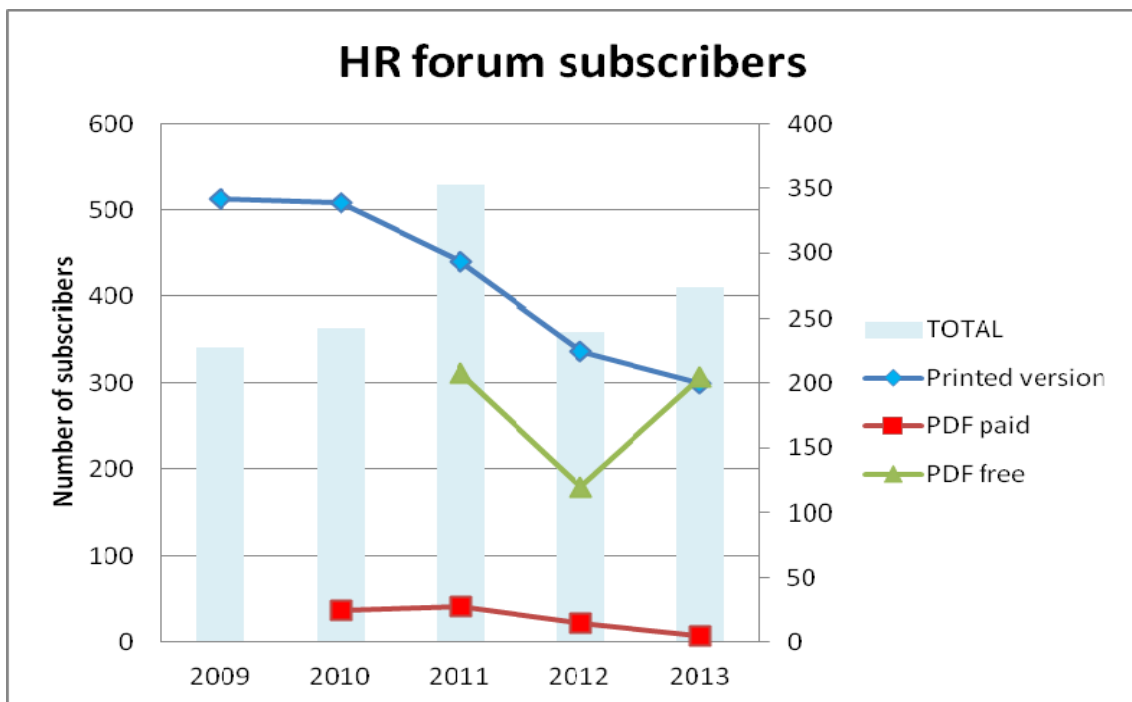
1.6 Appendixes

1) Chart 1 – The evolution of paid and free membership



Source: Internal data from People Management Forum

2) Chart 2 – The evolution of subscribers of the magazine HR forum



Source: Internal data from People Management Forum

3) Table 1 – The position of the Czech Republic in the Visegrád Group in % of GDP

| Country | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--|--------------------------|--------------|--------------|--------------|--------------|--------------|
| EU-27 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 |
| <i>Euro area 17 (BE, DE, IE, GR, EE, ES, FR, IT, LU, NL, AT, PT, SI, FI, CY, MT, SK)¹</i> | 102,0 | 101,4 | 103,2 | 105,8 | 104,5 | 104,4 |
| Denmark | 137,1 | 136,1 | 137,4 | 139,7 | 136,3 | 137,3 |
| Sweden | 120,5 | 118,3 | 116,7 | 111,5 | 123,4 | 128,8 |
| Finland | 116,7 | 115,8 | 117,4 | 120,0 | 120,1 | 122,1 |
| Ireland | 120,9 | 118,0 | 121,7 | 118,5 | 110,7 | 108,9 |
| Luxembourg | 112,3 | 113,9 | 115,9 | 120,5 | 120,6 | 120,6 |
| France | 110,9 | 110,0 | 112,8 | 114,4 | 112,8 | 112,7 |
| UK | 112,9 | 116,1 | 104,5 | 97,8 | 101,0 | 101,8 |
| Belgium | 108,4 | 109,2 | 111,7 | 114,0 | 112,2 | 112,8 |
| Netherlands | 106,6 | 105,6 | 107,7 | 111,8 | 110,4 | 109,7 |
| Austria | 105,2 | 106,8 | 109,0 | 112,1 | 109,7 | 110,2 |
| Germany | 102,9 | 102,3 | 103,8 | 107,5 | 105,3 | 104,6 |
| Italy | 102,4 | 100,6 | 100,9 | 103,5 | 103,8 | 103,6 |
| Spain | 90,3 | 89,7 | 92,1 | 94,2 | 93,6 | 93,4 |
| Cyprus | 88,6 | 88,0 | 87,6 | 88,8 | 88,8 | 89,0 |
| Greece | 85,9 | 88,5 | 89,7 | 92,7 | 92,6 | 92,9 |
| Portugal | 81,3 | 81,3 | 83,0 | 84,1 | 82,6 | 82,4 |
| Slovenia | 74,7 | 77,5 | 81,1 | 85,6 | 84,7 | 83,9 |
| Malta | 69,0 | 69,9 | 71,7 | 72,7 | 72,1 | 72,8 |
| Estonia | 63,9 | 68,3 | 70,2 | 69,7 | 69,1 | 70,4 |
| Czech Rep. | 60,8 | 61,8 | 73,1 | 69,8 | 73,1 | 73,6 |
| Hungary | 59,7 | 64,3 | 65,8 | 59,5 | 60,8 | 60,7 |
| Latvia | 57,5 | 66,6 | 71,9 | 68,2 | 65,4 | 66,9 |
| Poland | 58,1 | 60,0 | 67,6 | 57,2 | 60,2 | 59,3 |
| Slovakia | 55,2 | 59,9 | 65,7 | 67,9 | 67,9 | 69,1 |
| Lithuania | 54,1 | 57,4 | 62,9 | 61,9 | 59,7 | 61,4 |
| Romania | 49,9 | 55,8 | 55,5 | 49,6 | 50,8 | 52,0 |
| Bulgaria | 38,1 | 40,1 | 42,7 | 44,7 | 44,7 | 45,2 |
| | GDP (EU-27 = 100) | | | | | |

1 - Euro area (EA11-2000, EA12-2006, EA13-2007, EA15-2008, EA16-2009; EA17- 2010)

Source: EUROSTAT, New Cronos Database; PPP domain: 13.12.2012.

4) Table 2 – List of People Management Forum activities

| Events | | |
|------------------------------------|--|-------------------------------|
| Type of Event | Characteristics | Member fee/ Non-member fee |
| Conference | Prestigious event where the top experts can share their knowledge on the conference and workshops | 5 500,- Kč/ 7 500,- Kč |
| Exchange Meeting | Meetings in a host company where the participants get the insight to a particular company | Free/1 490,-Kč |
| HR Managers' and Managers' Meeting | Bonus event, which is an appreciation of the respect and loyalty to PMF | Free/ On invitation only |
| HR&Business Forum | Event for top management with a focus on a particular topic | 2 990,-/3 990,- Kč |
| HR Inspiration | Workshops for increasing knowledge of a particular topic | Free/990,- Kč |
| Talent Forum | Platform where students, university representatives and employers can meet and share their knowledge | Free/990,- Kč |
| HR Summer School | Two day event for all who want to increase their knowledge in basic HR principles | 7 500,-Kč/ 5 500,- Kč |
| Diversity | Event with a topic focused on a diversity of employees in a company | Free/1 990,- Kč |

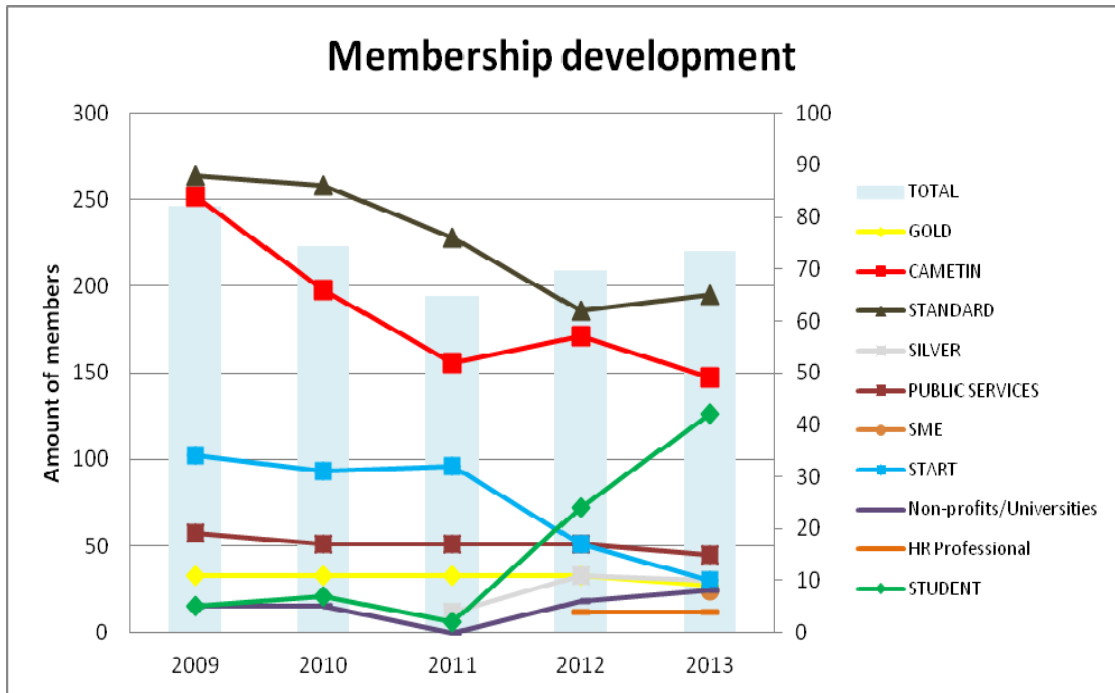
Source: <http://www.peoplemanagementforum.cz/cs/akce/>

5) Table 3 – List of membership types

| Company Membership | | |
|------------------------------|---|----------------------------|
| Type of Membership | Characteristics | Yearly Contribution |
| <i>Gold</i> | For big companies with the focus on strategic people management | 45 000,- Kč |
| <i>Silver</i> | For big and middle companies with active interest in HR | 22 000,- Kč |
| <i>Cametin</i> | For companies doing business in HR | 18 000,- Kč |
| <i>Standard</i> | For middle sized companies with an interest in HR | 13 000,- Kč |
| <i>SME</i> | For small and middle sized companies up to 250 employees | 8 000,- Kč |
| <i>Public Services</i> | For public services | 6 000,- Kč |
| <i>Start</i> | For newcomers during the first year | 8 000,- Kč |
| Individual membership | | |
| Type of Membership | Characteristics | Yearly Contribution |
| <i>HR professional</i> | For all HR enthusiasts | 4 000,- Kč |
| <i>Student</i> | For students with the interest in HR | free |
| <i>University</i> | For representatives of universities | free |

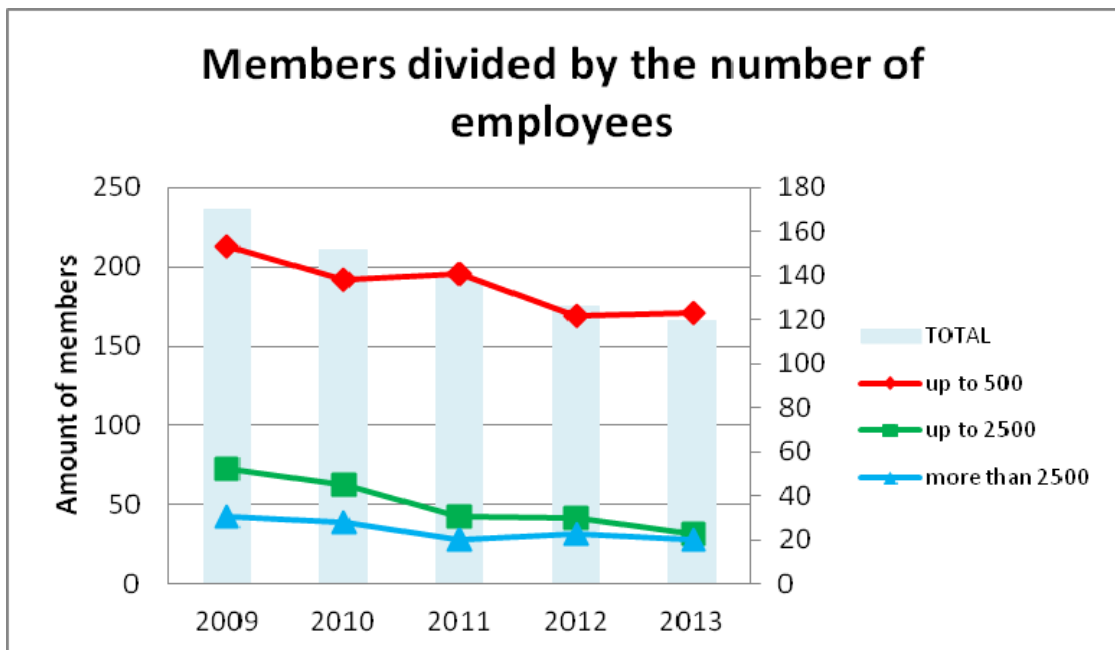
Source: <http://www.peoplemanagementforum.cz/cs/clenstvi/typy/>

6) Chart 5 – Development of membership over time



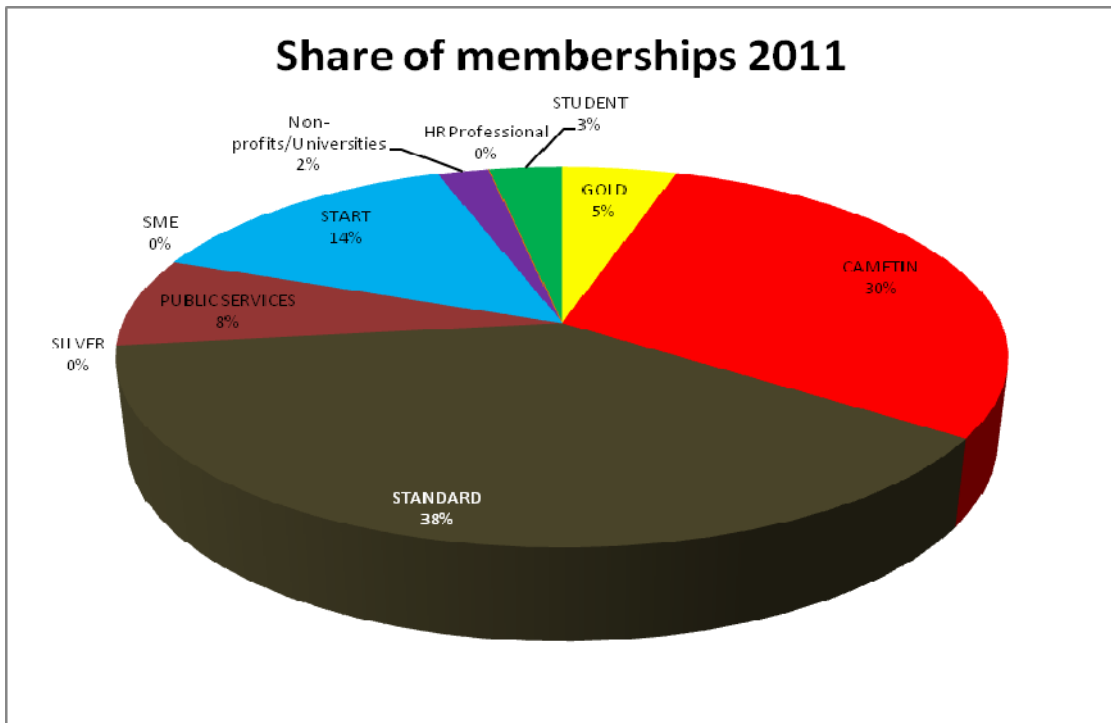
Source: Internal data from People Management Forum

7) Chart 6 – Development of company membership over time defined by size of the company



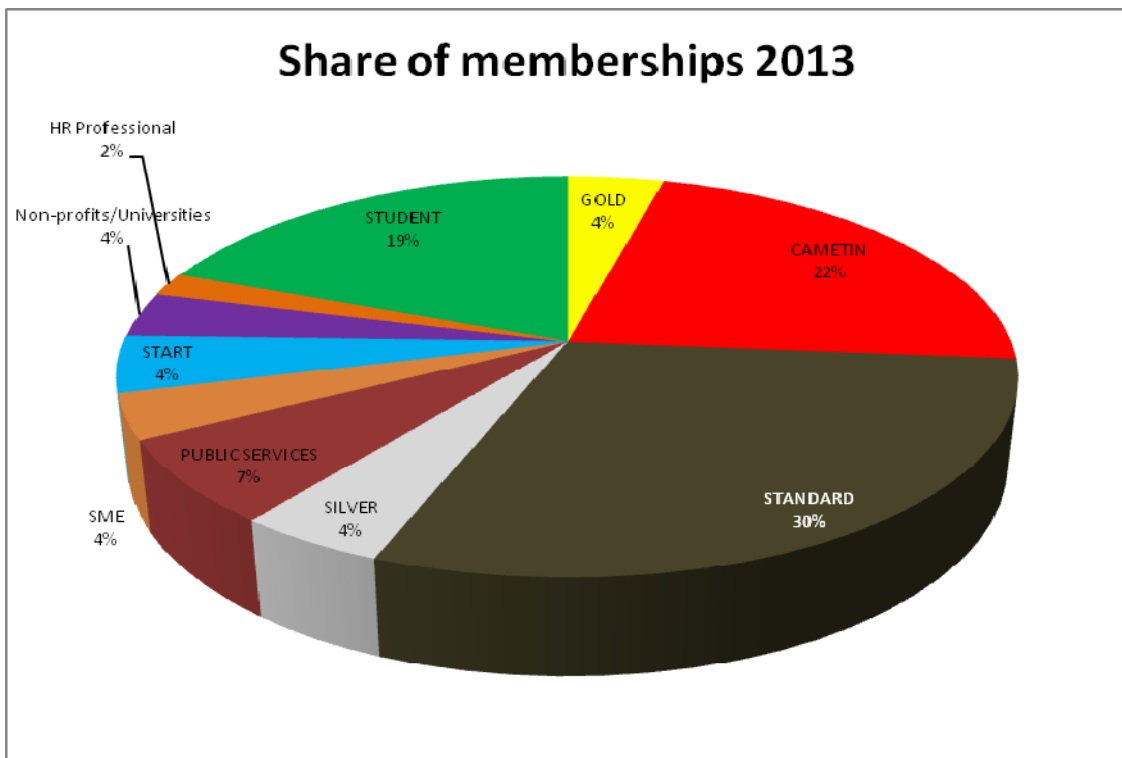
Source: Internal data from People Management Forum

8) Chart 7 – Share of each type of membership in 2011



Source: Internal data from People Management Forum

Chart 8 - Share of each type of membership in 2013



Source: Internal data from People Management Forum

9) Pictures 10 - Visuals comparing the old and new image of the organisation

- Logo before and after rebranding



- HR forum before rebranding



- HR forum after rebranding

HR forum 6/2012

ODBORNÝ MĚSÍČNÍK PRO VŠECHNY, KTERÍ CHTĚJÍ DOBRĚ VĚST DRUHÉ I SAMI SEBE

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Manpower

TÉMA MĚSÍCE
Umíme pěstovat kulturu výkonnosti?

FORUM
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KNOW HOW
Služební cesty zaměstnanců z ciziny

Manažerkou roku
EVA SYKOVÁ: jsem díky odvaze

- Organisation's website before rebranding

| | | | | | | | | |
|--------------------------------|-----------------------|--------------------------|----------------------------|----------------------|---------------------------------|------------------------------------|---------------------------------|-------------------------|
| ÚVODNÍ STRÁNKA | O NÁS | ČLENSTVÍ | AKCE ČSRLZ | HREA | SPOLUPRÁCE S VŠ | ROVNÉ PŘÍLEŽITOSTI | VAŠE PREZENTACE | KONTAKT |
|--------------------------------|-----------------------|--------------------------|----------------------------|----------------------|---------------------------------|------------------------------------|---------------------------------|-------------------------|

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[Česká společnost pro rozvoj lidských zdrojů \(ČSRLZ\)](#) je profesní nezisková organizace – sdružení právnických osob – založená roku 1993.

Jsme řádným členem Evropské asociace personálního řízení (EAPM) a Světové federace asociace personálního řízení (WFPMA) a mezi naše členy patří téměř 300 organizací.


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- ▶ 06.04.2011 [Shromáždění členů již 19. 4. 2011](#)
- ▶ 28.03.2011 [TZ nejlepší personální projekty HREA](#)
- ▶ 23.03.2011 [ZAPŮJTE SE do průzkumu EAPM/BCG "Creating People Advantage"](#)
- ▶ 19.03.2011 [Konference Šance rodině i zaměstnání 14. 4. 2011](#)

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Aktuální akce ČSRLZ

- ▶ 10.05.2011 [Nástroje řízení firemní kultury a sdílení hodnot se zaměstnanci - Praha \(Kulatý stůl\)](#)
- ▶ 05.05.2011 [Nástroje řízení firemní kultury a sdílení hodnot se zaměstnanci - Ostrava \(Kulatý stůl\)](#)
- ▶ 04.05.2011 [Vedení multikulturních týmů - IBM \(Exchange Meeting\)](#)
- ▶ 03.05.2011 [Nástroje řízení firemní kultury a sdílení hodnot se zaměstnanci - Hradec Králové \(Kulatý stůl\)](#)
- ▶ 21.04.2011 [Nástroje řízení firemní kultury a sdílení hodnot se zaměstnanci - Brno \(Kulatý stůl\)](#)
- ▶ 20.04.2011 [Hodnocení zaměstnanců živě! - Walmart \(Exchange Meeting\)](#)



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HR FORUM

HR forum
 Klára Kollárová:
 Téma: Leadership

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KNIHA

HR forum
 Klára Kollárová:
 Kniha: Marketing

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- Invitation for an HR Managers' and Managers' Meeting before rebranding

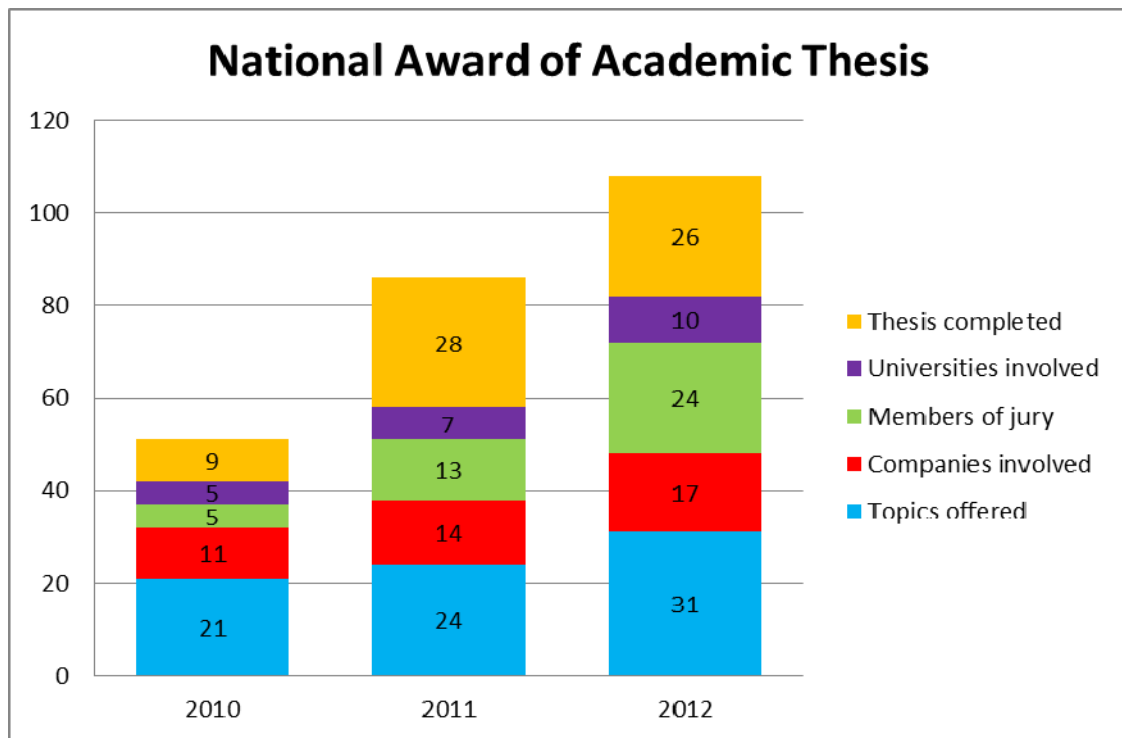
| | |
|---|---|
|  | <p>2010 Česká společnost pro rozvoj lidských zdrojů</p> <p>Vás zve na Setkání personalistů a manažerů</p> <p>29. ledna</p> |
| <p>„HR NA ŠIKMÉ PLOŠE ANEB POUČME SE Z VLASTNÍCH OMYLŮ“</p> <p>Kdy: 29. ledna 2010 od 18.00 hodin do 22.30 hodin Kde: Kalštejnský palác, Malostranské náměstí 37/23, Praha 1 – Malá Strana</p> | |
| <p>V pořadí již třetí nehraděná setkání manažerů, personalistů a všech, kteří mají zájem o práci s lidmi, zprostředkuje účastníkům nevědní zážitek, setkání se zajímavými osobnostmi, nové inspirace, diskuzi s kolegy a možnost navázání nových kontaktů.</p> | |
| <p>Program</p> <p>18.00 – 18.15 18.15 – 19.00 19.00 – 19.15 19.15 – 19.40 19.40 – 21.00 21.00 – 22.30</p> | <p>Přivítání hostů</p> <p>Moderované setkání s vojenským kaplanem působícím na vojenských misích v zahraničí, panem Pavlem Rumlem</p> <p><i>Pavel Ruml působí jako vojenský kaplan Ústřední vojenské nemocnice Praha. Zúčastnil se několika misí: v roce 2000 u SFOR v Bosně a Hercegovině, na přelomu let 2002-2003 mise Enduring Freedom v Kuvajtu a Iráku, v roce 2007 v Tunisku. Naposledy byl v první polovině roku 2009 se 14. kontingentem AČR členem mise v silách KFOR v Kosovu. V minulosti byl vojenským kaplanem 4. brigády rychlého nasazení Havlíčkův Brod a Velitelství společených sil Olomouc.</i></p> <p>Aktivity České společnosti pro rozvoj lidských zdrojů v roce 2010</p> <p>Přestávka, pozvání na přípitek</p> <p>HR manažeři představí humornou formou návody, jak uspět v oboru lidských zdrojů aneb „Neučte se z vlastních chyb“.</p> <p>Jana Riebová, členka představenstva ČSRLZ: <i>Jak úspěšně vést conference calls?</i> Richard Dobeš, člen představenstva ČSRLZ: <i>Jak efektivně prezentovat a zaujmout své klienty?</i> Jaroslava Tomšová, Studio JV: <i>Jak se vhodně a elegantně obléknout?</i> Jonathan Appleton, vedoucí PwC Business Academy, PricewaterhouseCoopers ČR: <i>Styly řízení</i></p> <p>Ochutnávka vína, taneční program, losování, raut. K tanci a poslechu zpívá Jana Musilová, herečka Městského divadla Brno, dabérka (propůjčila hlas agentce Scullyové ze seriálu Akta X a mnoha dalším), zpěvačka a moderátorka.</p> |
| <p>     </p> | |

- Invitation for an HR Managers' and Managers' Meeting after rebranding



Source: Internal material from People Management Forum

10) Chart Evolution of National Award of Academic Thesis



Source: Internal data from People Management Forum

2 Pedagogical Note

2.1 Case Study Target

This case study targets master's students of marketing with a strong interest in the situation on international markets. The students should be attending marketing courses with a strong focus on branding and non-profit organisations. Students will develop the main concepts of strategic marketing, branding and non-profit segment in a foreign country.

The case study is focused on a future competitiveness of an organisation after its re-branding.

2.2 Educational Objectives

The case study was developed for marketing students to improve their knowledge in following areas:

- To increase an international insight of master students.
- To provide an insight into one of the post-communist countries.
- To learn how to use a set of strategic marketing tools to complete an analysis of an organisation in a foreign country.
- To connect the important concepts in branding – vision of a company, positioning, marketing mix and the consumer behaviour.
- To mediate a studying material for those who are interested in a non-profit organisations.
- To provide an insight on how an organisation can combine its profit and non-profit activities.
- To practise how to loop up resources about a subject operating in a foreign country.
- To evolve analytical skills and creativity while completing a strategy of a company.
- To improve students' presentation and writing skills.

2.3 Case Study's Framework

The case study is based on qualitative as well as on quantitative variables. The solution of the case study will be an organisational analysis using the results of a qualitative and quantitative research and key marketing tools.

The quantitative analysis refers to a collection of data to understand:

- The situation of the company in terms of an internal point of view – quantity of members and subscribers;
- The situation on the market in terms of number of students in HR field, number of companies potential to be members of People Management Forum;
- The behaviour of members and event attendants to contribute to the segmentation, positioning and rebranding analysis.

The quantitative analysis will respond to main questions:

- What is the members' perception of the new image of the organisation;
- How should the organisation position itself towards the competition;
- Which way should the organisation go in the future in terms of positioning and marketing mix.

Moreover, students will use particular marketing and strategic tools in order to link the quantitative and qualitative outcomes with the strategic part of the case study and thus to perform a high quality analysis and suggestions for the future direction of the organisation.

Suggested tools are the following:

- **PEST Analysis:** A political, economic, social and technical analysis of an external environment of an organisation. It should provide us with the answers to 3 critical questions: (i) Which factors influence the organisation; (ii) What are the possible effects of those factors; (iii) What factors are the most important for the organisation in the near future.
- **Porter's Five Forces:** A key tool for the industry analysis and business strategy. It describes the competitive environment where the organisation operates. The level of competitiveness in a particular sector is based on the present suppliers,

competitors and consumers but also on the threat of potential newcomers and substitutes of products or services.

- **SWOT Analysis and Key Issues:** SWOT analysis is an analysis of Strengths, Weaknesses, Opportunities and Threats that the organisation has to face to. Moreover, Key Issues Analysis combines the most important aspects from all four parts of SWOT and implies the possible solutions for chosen key issues.
- **STP (Segmentation, Targeting, Positioning):** Before deciding on the marketing mix and VMO strategy, the company should analyse what are the possible groups of consumers that are possible to attack, then the key segment that the organisation aims to address and finally, the positioning that the company plans to represent in the market among its competitors.
- **VMO Strategy (Vision, Mission, Objectives):** The VMO strategy defines a way of organisational “thinking”. It starts with a visionary aspect that the organisation has to follow. Based on the vision, the organisation states more realistic target in its mission and finally sets the strategic objectives that we can divide into two types, business and marketing objectives.
- **Principles of Marketing Mix:** It is a sum of four key marketing tools that the organisation uses to achieve its objectives. It consists of the product, price, placement and promotion.

2.4 Research design

As mentioned in the chapter above, the research completed was a combination of quantitative and qualitative research. Qualitative methods were used when analysing the organisation’s performance in terms of the number of members, subscribers, and people involved in the National Award of Academic Thesis and participants on events. Those factors are analysing the performance of the company from the internal point of view. The data shows how much financial resources are generated from the services the organisation provides and if the trend of the growing number of members, subscribers and participants on events goes hand in hand with growing financial resources of the organisation.

When analysing the presentational materials of the organisation (website design, advertising and informational materials), documentary analysis has been used to get an insight into the organisation's "soul". When comparing the materials before and after the rebranding, the most significant differences were observed.

Among qualitative methods, in depth semi-structured interviews with all the employees and Executive Manager were used. The purpose of the qualitative research was to get an insight into satisfaction and future prospect perceived from the inside of the organisation.

The questionnaires are a separate part. Three types of questionnaires were distributed. One type was distributed to the members and other to students to analyse their satisfaction after the rebranding and their perspective of the future focus of the organisation. These questionnaires were basically identical, except for two questions that were altered according to the specific needs of the members and students. The questionnaires ~~were~~ consisted of 13 questions, 9 closed questions and 4 open questions. The research involves the answers from 51% of members and 91% of all students engaged in the organisation.

The third type of the questionnaire was distributed among the participants of the various events. The main goal was to analyse how the satisfaction about events changed after the rebranding. Template for this questionnaire was chosen according to a template from the past years, to facilitate the comparison between years 2010 and 2012. The questionnaires are consisted of 13 questions, 9 closed and 4 open questions. I distributed those questionnaires on 4 events during the year 2012 (2 on Exchange meetings, 1 on Conference and one on Inspiration) and compared them with 4 similar events from the year 2010. In average, 70% of all questionnaires distributed on those events were completed.

2.5 Action Plan

| Session | Objectives | Methods and tools | Timing |
|-------------------------------|---|---|-------------------------|
| Session 1 | Get to know the first perception about the situation in post-communistic countries, especially the Czech Republic | Initial discussion about the knowledge and personal experience about the economic and social situation between the lecturer and students (inspiration in <i>Question 1</i> below) | 30 min |
| | Raise the interest about the economic and cultural situation in post-communistic countries | General insight into the topic given by a lecturer based on the literature review below | 20 min |
| | Provide an overview about present situation in the Czech Republic with a particular focus on non-profit sector | Brief lecture about the actual situation in the Czech Republic based on the source from the case and the literature review | 20 min |
| | Present an overview of the case study | Distribution of the case study (not the questions) to students and provide them with a brief summary | 15 min |
| | Divide students into groups and demand them to prepare deeper insight about the Czech Republic | Create groups of ideally four students with different cultural background and demand each group to be prepared for presenting one of particular topics mentioned in <i>Question 2</i> below | 10 min |
| Homework | Create deeper insight of the situation in the Czech Republic | Group case: Complete the knowledge about the situation in the Czech Republic and particular topics there (according to the topic given in the Session 1) | 60 min |
| | Create general understanding about the main aspect of the case | Group case: Case study reading and comprehension | 50 min |
| Session 2 | Share the knowledge each group gained from the research | Group case: Short oral presentation of the main aspects summarizing the question given in Session 1 | 5 min/group |
| | Discuss about overall concepts from the thesis: non-profits, re-branding, business in a post communistic country and connection between for and non-profits | Discussion about the current trends in branding in the Czech Republic and comparison to the current trends in Portugal (<i>Question 3</i>) | 20 min |
| | | Discussion about non-profit organisations and the connection between non- and for -profits (<i>Question 4</i>) | 20 min |
| | | Spontaneous discussion about the the differences among the situation in post-communistic countries, Portugal and other countries (if other nationalities are present) - <i>Question 5</i> | 20 min |
| | Share the expectation about the case study resolution with students | Distribution of the case study questions and briefing students about the presentation's length (10 minutes), the report's length (maximum 20 pages) and the time line (submission and presentations in 2 weeks) | 10 min |
| Homework | Completing the presentation slides and the report | Case study analysis | 50 min |
| | | Additional research for missing information | 90 min |
| | | Defining the key marketing and strategic tools | 20 min |
| | | Completing the presentation and the report | 60 min |
| Session 3 | Administration of the submission and presentations | Delivery of the reports and group presentations to the professor | 5 min |
| | | Select 3 group to present the case study resolutions | 5 min |
| | Presentation organisation | Group presentation | 15 min/group |
| | | Students evaluate the presentation and discuss about the resolutions presented | 10 min/after each group |
| | | Professor sums up the solution and the quality of the presentation | 2 min/group |
| Out of Class - 3 weeks | Evaluation of the written documents and presentations by the professor | Rate the presentation using metrics (positive and negative points) for verbal and non-verbal communication, content and the ability to defend the results presented in a discussion | 60 min |
| | | Rate the report using metrics (positive and negative points) for grammar and content of the report | 180 min |
| Next Session | Presentation of final results | Present the final results to students and discuss with them the comments occurred | 30 min |

2.6 Action Plan Questions

Question 1

Have you ever been to any European post-communistic country? If yes, what was your personal experience with the economic situation and cultural background?

Question 2 – topics for group research at home

- The end of the Cold War in European countries (dates and specific occasions if any). Specifically the situation in the Czech Republic.
- Post-revolution development in the Czech Republic in comparison to other post-communistic countries.
- The key actual economic indicators in the Czech Republic (GDP, inflation, unemployment rate, average salary and birth rate).
- The present situation in the Czech Republic in European context (comparison to other EU countries and to the Visegrád countries in terms of the basic economic indicators).
- The situation of FDI in the Czech market and the number of companies bigger than 100 employees operating on the Czech market.
- The cultural background of the post-communistic countries in general compared to the culture of the western European countries.
- Specific areas of culture and personal characteristics in the Czech Republic compared to other post-communistic countries.
- The biggest non-profit organisations in the Czech Republic and their focus.

Question 3

Define the core branding concepts and try to imply the differences between Portuguese and Czech mentality and economic situation to avoid troubles possibly caused by different perceptions.

Question 4

What are the main differences between for- and non-profit organisations? How could these two subjects possibly connect and cooperate?

Question 5

Share your personal experience to express the differences between your home country and the Czech Republic in terms of the economy, politics, mentality, culture, business and non-profit organisations.

2.7 Literature Review

2.7.1 Re-branding

Re-branding can be expressed as a strategic decision about changing name, targeting, positioning or the communication that spreads new benefits of the re-branded organisation; basically it is a shift from an initial brand to a new one.¹² The main reasons for re-branding are mergers and acquisitions (53%) and the image related problems (17,5%) and are driven by internal and external forces such as changes in the ownership structure, corporate strategy, competitive position or external environment.

2.7.2 Brands¹³

The literature studied defines two types of brands; corporate brand and product brand. The product brand is targeted to its potential customers and promotes the values and benefits of a single product. Unlikely, the corporate brand is more complex and symbolic, because it is targeted to many stakeholders of an organization and all groups of stakeholders have different expectations. Those groups of stakeholders involve customers, employees, shareholders, suppliers, etc.; all these groups interact with each other and thus influence their associations towards the brand. Corporate brand can be seen as a bond of many factors such as identity of employees, cultural symbols, consumer-self identities, etc.; thus the corporate brand management needs to be managed in more professional and central level and to have an interdisciplinary nature that needs a synergy among several areas, especially among marketing, human resources and strategy of branding. The main aim of corporate brand managers is to decrease the gap between espoused corporate brand and the brand image that stakeholders perceive. Corporate brands' three main elements are basically its vision, culture and image. Those three

¹² Aidan Daly & Deirdre Moloney (2004); Managing Corporate Rebranding; *Irish Marketing Review*, Vol. 17, No. ½, pp. 30-36

¹³ Aidan Daly & Deirdre Moloney (2004); Managing Corporate Rebranding; *Irish Marketing Review*, Vol. 17, No. ½, pp. 30-36

elements are part of a brand's culture and structure that together create an essence of a corporate brand.

From the literature studied we can apply similar properties from the corporate brand to organizational, service, retailer and non-profit brands. I will focus further on a non-profit brand especially member-owned (non-for-profit) organizations.¹⁴

2.7.3 Rebranding principles

Rebranding can be defined as a change between initially formulated brand and a new formulation of it; basically it is a change in the brand vision when all its units need to adhere to consistent policy by moving from one mind-set to another. Before starting the rebranding process, the managers should define how and to what extent the brand should be changed, to justify the brand revision by examining all the benefits and costs connected with rebranding, to structure the program of rebranding, alert all stakeholders to the new brand, don't underestimate the importance of qualitative and quantitative research and finally engage employees as one of the most important stakeholders. The themes for the research are numerous, but the most essential is to understand consumer's existing and anticipated needs. While implementation of the rebranding, the managers have to pay attention to the internal rebranding issues to ensure commitment of relevant stakeholders. Concerning external rebranding, the advertising and marketing mix are critical.

According to the literature¹⁵ there are six basic principles of the rebranding process, first three focus on the brand revision, the fourth one on an internal rebranding and the last two on an implementation of rebranding.

1. Revitalising vision – the aim is to design proper abstract terms, vision, which balances the core ideology of the brand and is relevant to contemporary conditions in a market place, it should focus on future company's sustainability;
2. Building bridge – keeping the core brand ideas as a bridge between the old and new image to help the new brand to become more acceptable, basically it should be done as a transfer of meaning from one time to another;

¹⁴ Nathalie Katrina Laidler-Kylander (2007); *Brand Equity in International Nonprofit Organisations: A System Dynamics Approach*; Faculty of the Fletcher School – Doctoral thesis

¹⁵ Bill Merrilees & Dale Miller (2008); Principles of corporate rebranding; *European Journal of Marketing*, Vol. 42, No. 5/6, pp. 537-552

3. Defining needs – the company needs to be proactive and to define the needs of a new market segment or market, which will come with rebranding process to better satisfy the needs of the customers;
4. Internal branding – the managers need to be sure that all stakeholders, especially employees understand the brand and thus live the brand on a daily basis or at least support the brand by affection;
5. Implementation – has to be methodical and integrated, the essential is a notion of the need of alignment between each brand elements and the brand concept in details;
6. Communicating the brand – to all stakeholders in a proper way, most effectively by non-mass media, which helps to establish stronger brand position and customer involvement, the best way of communication is two-way dialogue or even three-way communication that includes staff as well.

2.7.4 Rebranding pitfalls

Nowadays, many managers face a challenge of a good rebranding process. According to the data, there are many failures among rebranding activities. To avoid such situation, companies, organisations and their managers should be aware of pitfalls that can occur. According to the literature reviewed, I have defined four important pitfalls.¹⁶

1. Disconnecting with the core – the new brand can't be distant too much from the initial brand idea, because its customers have some existing associations with the brand that have to be consistent with the new image in order to prevent diluting of the existing key segment. Thus every rebranding carries reputation risk and loss of values that the legacy brand signifies.¹⁷ Managers have to deal with and count on different expectations from different groups of stakeholders. The best way in which to prevent failures is to get the staff on board first.
2. Stakeholder myopia – the organisation or company has to prepare all stakeholders to the new brand by communicating a clear assessment of the desired change within and out of the organisation. The stakeholders have to be prepared to live the new brand and thus to be less vulnerable to negative publicity.

¹⁶ Manto Gotsi & Constantine Andriopoulos (2007); Understanding the pitfalls in the corporate rebranding process; *Corporate Communications: And International Journal*, Vol. 12, No. 4, pp. 341-355

¹⁷ Laurent Muzellec & Mary Lambkin (2005); Corporate rebranding: destroying, transferring or creating brand equity?; *European Journal of Marketing*, Vol. 40, No. 7/8, pp. 803-824

3. Emphasis on labels, not meanings – sometimes managers are focusing too much on developing logos, labels, etc., instead of creating the overall and stable meaning of the whole new brand. By omitting this, there is no clear guideline for the new meaning and thus employees can unintentionally change the meaning to their own perceived one.
4. One company – one voice – this pitfall is a challenge of multiple identities of a brand among stakeholders. Managers have to deal with different groups of stakeholders that have different expectations and try to manage those multiple identities of their brand in a consistent way.

In general, re-branding is very complex, multilevel and multidisciplinary process that has to be managed in a professional way. To ensure that, all decisions and actions should be based in previous research.

2.7.5 Types of rebranding

As Daly and Moloney mentioned in their article¹⁸, there are four main types of rebranding:

- *Interim*: Is usually used when managing takes over the rebranding, it acknowledges the brand equity of a legacy brand and facilitates the transition into the emergent brand.
- *Prefix*: When two or more brands merge together, the new brand is expressed as a prefix that later involves into a sole brand without the legacy brands.
- *Substitution*: Is a clean and sharp strategy when a new brand immediately substitutes the legacy brand. It prevents confusion and resentment, but on the other hand the companies have to manage the risk of an emotional attachment to the legacy brand.
- *Brand Amalgamation*: This strategy is used when two strong brands merge together and the name of a new brand emerges from names of the legacy brands.

Many other scientists present other types of re-branding. The second most suitable of them describes differentiation between revolutionary and evolutionary rebranding strategy. The revolutionary rebranding performs major changes that redefine a company;

¹⁸ Aidan Daly & Deirdre Moloney (2004); Managing Corporate Rebranding; *Irish Marketing Review*, Vol. 17, No. ½, pp. 30-36

usually the most common is the change of a name. On the other hand, evolutionary rebranding involves minor changes in positioning and aesthetics that are difficult to perceive by outsiders.¹⁹

2.7.6 Rebranding of member owned organisation²⁰

The difference between a corporate organisation and a member owned organisation, which is usually based on non-for-profit concept, is in the relationship between the clientele and the organisation. Unlike the for-profit organisations the relationship between the clientele and the non-profit organisation is on voluntary basis and the benefits of this relationship are mainly socially grounded. For these organisations maintaining the long-lasting relationships with their members and retaining new ones is essential. Especially in nowadays crisis, the participation rates of the existing members are getting lower, thus the organisations need to attract new members. They have to be generally focused on membership growth and high commitment and membership value for their members. High commitment of members can be created by higher satisfaction of members and thus higher identification, retention and commitment. To better serve new needs of existing and potential clients, member-owned organisations need to be proactive and innovative by launching and refreshing their brand identity according to circumstances.

The best way of managing marketing and rebranding in this kind of organisation is by relationship marketing. Because the member owned organisation has to deal with large number of individuals, basically co-owners ~~that~~ make contributions to the organisation through commitment and involvement, it has to manage its relationships mainly by establishing collective bonds and behaviours through interests shared among members. By engaging its members, the organisation can make social impact on the public targeted.

A strong brand is the most important intangible asset in all organisations. The main aspects of such brand are brand personality, brand relationships and brand co-creation; all of those aspects have to be managed in a consistent way.²¹ Branding of such brand

¹⁹ Laurent Muzellec & Mary Lambkin (2005); Corporate rebranding: destroying, transferring or creating brand equity?; *European Journal of Marketing*, Vol. 40, No. 7/8, pp. 803-824

²⁰ Carolin Plewa, Vinh Lu & Roberta Veale (2010); The impact of rebranding on club member relationships; *Asia Pacific Journal of Marketing and Logistics*, Vol. 23, No. 2, pp. 222-242

²¹ Bill Merrilees & Dale Miller (2008); Principles of corporate rebranding; *European Journal of Marketing*, Vol. 42, No. 5/6, pp. 537-552

should be concerning cultivation of customer relationships and segmentation in order to apply multiple strategies and thanks to them to profit from all relationships.

Concerning rebranding itself, the most critical for member owned organisation is the rebranding awareness and understanding the reasoning behind rebranding and its benefits. Because those organisations are basically run by members' donations and fees, the awareness is key and further involvement plays essential role for successful rebranding. In this type of organisation while applying management oriented involvement, rebranding can be seen as an investment and can enhance members' involvement, commitment and increase the level of their participation, satisfaction and loyalty. Unlikely any for-profit organisation, the benefits of member owned organisation rebranding are rarely economically oriented but usually socially oriented.

Member owned organisation rebranding process can provide highly positive internal benefits that can lead to positive external outcomes when well managed. It can enhance members' perception about an organisation, satisfaction with that and finally also commitment to it. For rebranding of a member owned organisation to be successful the managers should be aware of five important concepts:

1. Awareness of rebranding – is key in members' perception and satisfaction with the organisation's management and the organisation itself.
2. Attitude towards rebranding – has to be predicted and studied according to previous qualitative and quantitative research and further shaped and nurtured in order to build as good relationship with members as possible.
3. Value – perceived by members consists of perception about benefits associated with their membership, usefulness of their membership to them and finally of the ability to utilise the services offered by the organisation.
4. Satisfaction – is evolving from the positive attitudes toward an organisation and value perceived by members. The satisfaction of members involves satisfaction with quality of services and communication of the organisation and its responsiveness. High satisfaction is a key aspect in building commitment and loyalty.
5. Commitment – is described by the degree of members' psychological attachment to the organisation, it has to be maintained and enhanced as much as possible. To enhance commitment and later on loyalty to an organisation, the management has to get the members closer to the organisation, clearly communicate all

changes done and provide credible and positive reasoning for rebranding to keep the members updated.

For any member owned organisation is the main goal to attract new members and enhance commitment and loyalty of the existing ones. In order to reach desired results, managers should be aware of the concepts mentioned above and first to engage the existing members, encourage their advocacy and positive word-of-mouth and by this to attract the new ones.

I. Non-profit organisations

Non-profit organisations differ from for-profit ones in many aspects, but the most obvious is their purpose of existence. Unlike for-profit organisations, non-profit's focus is not on making profit but on making a difference (while making reasonable profit), they are basically selling their mission, ideas and services.²² One of other dissimilarities is the tangibility of non-profits, which is much lower than in for-profit companies. Further it is relied on voluntary work, legal status and social character and thus can be highly influenced by the culture that they operate in. Finally their objectives are not financially based but mission based.²³

Nowadays, non-profits are adopting many business principles such as market orientation, because they have to strive for raising funds. The non-profits are raising funds from broad public, thus they have to deal with many different audiences, such as members, private donors, sponsors and governments. The funds are raised in three forms:

1. Fees – for – service – membership based where the organisation provides a service to its members;
2. Grants – from governments, international organisations;
3. Grants from individuals and corporations – in a form of donations.²⁴

According to each country, there are four types of non-profit organisations' fund structures. The structure was developed thanks to historical conditions, regional laws, culture and many aspects such as government social welfare spending, sector size or social forces dependent on that. The types are:

²² Evangelia K. Blery, Efsthathia Katseli & Nertilda Tsara (2010); Marketing for a non-profit organization; *Int Rev Public Nonprofit Mark*, Vol. 7, pp. 57-68

²³ Cynthia G. Wagner (2008); The Economic Value of Nonprofit Organizations; *The Futurist*

²⁴ Marek Šedivý & Olga Medlíková (2009); *Úspěšná nezisková organizace*; Praha: Grada Publishing, a.s., ISBN 0-80247207-2-0

1. Liberal model – with low government spending and big size of non-profit sector, which was caused by historical reasons and enabled to develop philanthropic activities;
2. Social democratic model – with high government spending and constrained opportunities for non-profit organisations;
3. Corporatist model – where public and governmental services go hand in hand;
4. Statist model – where the government holds the upper hand in social policies.

The existence of the multiple structures of fundraising activities and stakeholders is based on the multiple constituency theory which is explained by the presence of multiple monetary and non-monetary exchange relationships with many groups. Theoretically, the organisation should deal with each of the markets separately, which is impossible, so the organisation focuses on one group they deem to be the most important. When managing a for-profit organisation, the focus is on customers because they enable the company to run. Nevertheless, when dealing with non-profit organisation the decision is more complex, because the main focus on the financial donors that enable the company to run could damage the mission and decline the social focus. The question stays to what extent the organisation should focus on the financial donors and on its clients. Different degrees of market orientation toward different constituencies can be developed, but before a value of each group should be found. This multiple market orientation claims that each constituency has a significant and positive relationship impact on organisation's performance, but influence different performance dimensions. Although the market orientation contributes to organisation's mission and sustainability, there are many non-profits that have lack of resources to fully apply this strategy, thus they have to apply research among all groups and prioritize the most critical one.²⁵

The last important aspect when managing non-profit organisation is its performance, which is evaluated by financial and non-financial indicators. Among the non-financial indicators belong according to Herman 1990 the following aspects:

1. Client satisfaction – how the company can adapt to stakeholders' expectations, fulfil and manipulate them;

²⁵ Paulette Padanyi (2004); Market Orientation in the Nonprofit Sector: Taking Multiple Constituencies into Consideration; *Journal of Marketing Theory and Practice*, Vol. 12, No. 2, pp. 43-58

2. Resource acquisition – in nowadays competitive world it indicates how the organisation is able to acquire its key non-profit objectives, raise funds and attract the qualified employees;
3. Reputation among sector peers – decision makers', clients', who operate in the sector or indirectly interact with that, perception and opinion about the organisation.

II. Marketing in a non-profit organization

Marketing in non-profit organizations, that are mission driven and whose objectives are not financial, is usually undervalued because of many reasons, such as lack of financial resources, management unawareness of marketing and threat that marketing will be considered as evil and not consistent with the social mission²⁶. This behaviour could arise into big difficulties, because the non-profit organization should have customer based brand equity and thus enhance the brand choice, probability and willingness to pay a premium price, to donate or volunteer and to manage relationships between their multiple stakeholders, such as donors, volunteers, public, etc. and to make them see the value in interactions with the organization.²⁷ According to those facts mentioned in the literature, branding is crucial and the best solution to attract volunteers and donors and engage them with the organization.

III. Collaboration of for-profit and non-profit organisation²⁸

The collaboration of for-profit and non-profit organisations could serve as a practical instrument of business community involvement and by that for-profit organisation can make more impact on a desired community and attract its interest. Moreover cooperating with a non-profit partner can be seen as helping the community and thus increase reputation and sales of the for-profit company. On the other side, the non-profit organisations can acquire more resources to be used, be more publicly visible and thus increase its fundraising successfulness. Generally, cooperation of those types of organisa-

²⁶ Evangelia K. Blery, Efstathia Katseli & Nertilda Tsara (2010); Marketing for a non-profit organization; *Int Rev Public Nonprofit Mark*, Vol. 7, pp. 57-68

²⁷ James B. Faircloth (2005); Factors Influencing Nonprofit Resource Provider Support Decisions: Applying the Brand Equity Concept to Nonprofits; *Journal of Marketing Theory and Practice*, Vol. 13, No. 3, pp. 1-15

²⁸ Richard Steckel, Robin Simons, Jeffrey Simons & Norman Tanen (1999); Making Money While Making a Difference: How to Profit with a Nonprofit Partner; *High Tide Press*, Homewood, ISBN 0-9653744-9-1

tions can be triple win for the company, for its employees and for the overall environment.

To achieve all the benefits from the cooperation, organisations can apply cause related marketing, which will ensure mutual benefits especially in short term period. Cause related marketing applies a strategic alliance philosophy when both of the subjects have to fit together in public's eyes and get all employees on board. This should ensure more profit for the for-profit organisation by an employee volunteering and more publicity. When the for-profit organisation is long-term oriented it should apply relationship marketing and other instruments such as sponsorship, strategic philanthropy and donations.²⁹ Strategic thinking is essential specifically in the long-term philosophy; the organisations should encourage creation of competitive community and its involvement with the organisation. Competitive community involvement with the organisation can facilitate lobbying and even influence public policies. And when serving this type of healthy community the organisation can profit from highly productive employees and even increase sales.

There are four stages of cooperation between for-profit and non-profit organisation:

1. Philanthropic – when the for-profit organisation gives and the non-profit plays the role of a receiver without possibility to offer anything in exchange;
2. Transactional – enables mutual exchange of activities;
3. Strategic alliance – when many projects are involved between both, for-profit and non-profit organisation;
4. Partnership – the organisations have common vision of the future of their communities and connected missions.

Partnership is the most advanced cooperation between those organisations, it is the most complex type of interconnection and requires high level of management involvement, but on the other hand brings most benefits in business community involvement, especially in terms of human resources. Among those benefits are creativity and trust development, better social interactions within teams, higher morale and psychical health of the employees, employee volunteering, developing new skills and attraction of new talents.

²⁹ Patricia Doyle Corner 7 Marcus Ho (2010); How Opportunities Develop in Social Entrepreneurship, *Entrepreneurship: Theory & Practice*, pp. 635-659

IV. Non-profit organisations in the Czech Republic³⁰

The Czech Republic belongs to the transformational countries that experienced huge changes in economic, social, political and cultural area during the last 25 years. After the Velvet Revolution in 1989, the country had to transform its economy from central planned to market oriented. Czech Republic had to face the socio-economic transition, which is a shift from a strict authoritarian, central planned hierarchy to an economy which in some way assembles the liberal, decentralized, market competitive principles of the capitalist states.³¹ The most significant changes were in the economic area that included trade liberalisation, market based pricing, convertible currency and privatisation of enterprises that had to deal with overstaffing and non-productive social assets³². Because of those changes, everything had to be altered to the new system, including marketing. Among the for-profit organisations, there was a boom of marketing activities, but despite that it is still undervalued. Marketing functions were perceived just as advertising and research. Marketing is practised just with a transactional approach that involves brand creation and advertising but omits relationship. Thus marketing is not customer centred, which causes lower consumer satisfaction. The literature offers possibilities for improvement the situation, such as intensification of local cultural and socio-political context and mainly re-education, re-skilling or even replacement of senior managers to enable fresh spirit to be in charge of companies.

Non-profit sector is called the third sector that serves as an intermediate between for-profit and public sector. Before the Velvet Revolution there existed no private nor public sector, individuals were unable to express their religion, political preferences and also to devote their energy to philanthropy, volunteering or social issues, on the other hand the country performed strong structural and social links and the economic interdependence of a community and an enterprise, which are also principles of non-profit organizations. The roots of the non-profit sector are dated to the 19th century, but its development was interrupted after the Second World War by communistic regime and had to be totally renewed after 1989. The beginning was really difficult for non-profits be-

³⁰ Martin Bulla & David Starr-Glass (2006); Marketing and non-profit organizations in the Czech Republic; *European Journal of Marketing*, Vol. 40, No. ½, pp. 130-144

³¹ Ed Clark & Anna Soulsby (1998); Organization-Community Embeddedness: The Social Impact of Enterprise Restructuring in the Post-Communist Czech Republic; *Human Relations*, Vol. 51, No. 1., pp. 25-50

³² Ed Clark & Anna Soulsby (1998); Organization-Community Embeddedness: The Social Impact of Enterprise Restructuring in the Post-Communist Czech Republic; *Human Relations*, Vol. 51, No. 1., pp. 25-50

cause many organisations served just as shells to cover financial and tax manipulations. Moreover, lack of trust and personal self-confidence, mutual suspicion, cynicism and lack of trust in civil society built in the population during the communism and a typical Czech nature full of notorious pessimism, scepticism, Švejk-like sense of humour, risk aversion and strive for entertainment was a significant issue too³³. The most common type of successful non-profit organisation was social entrepreneurship based on social engagement and work together for common purposes.

From the research of non-profits in the Czech Republic, there was found strong interest in marketing which is compatible with the mission of the organisation, but on the other hand limited appreciation of marketing from other departments. The main functions of marketing are limited to fundraising, public relations, promotion and media. Marketing managers have no possibility to influence price or design of the product and are usually promoting just the existence of the organisation and not its specific nature. Marketing managers are usually unaware of the outcomes of their result-oriented campaigns in terms of connection of financial and marketing goals. The last pitfall found among the organisations was the perception that the organisation is too general, thus doesn't need to segment its stakeholders or attract them by the nature of their activities.

However, there are many successful non-profit organisations that managed to promote their mission and raise awareness and interest. Although they are performing well nowadays, they have to keep looking forward and face many challenges in this sector, such as still changing legal, financial, social, political and economic environments.³⁴ The managers have to be updated, informed and more innovative to be able to apply relevant marketing processes and be successful in nowadays market.

³³ Elena S. Millan & Banwari Mittal (2010); Advertising's New Audiences: Consumer Response in the New Free Market Economies of Central and Eastern Europe – The Case of the Czech Republic; *Journal of Advertising*, Vol. 39, No 3, pp. 81-98

³⁴ Petr Havlan & Michal Radvan (2008); Legal regulation of non-profit subjects in the Czech Republic; *International Journal of Law and Management*, Vol. 50, No. 4, pp. 153-157

3 Case Study Proposed Resolution

3.1 PEST Analysis

- **Political environment**

The Czech Republic is a democratic country that is a member of the European Union, but not a member of European Monetary Union, the country has still its own currency, the Czech Crown.

The country has a special law and incentive system for new investors³⁵, which attracts big international companies and corporations that are really demanding in terms of quality of their employees. Thus, employers have to face the challenge how to manage their human resources in the best way to be competitive on the market.

In the Czech Republic, there is a complicated system of visa applications³⁶, which causes usually troubles for non-European foreigners to work in there. The law states that when applying for a visa, the application should be processed until 90 days (if complicated until 180 days), but the reality can be even worse and people are waiting for the visa more than half a year.³⁷ Thus, the number of skilled foreign workers has been rising just recently and employers have to learn how to deal with the multicultural staff.

The political situation in the last years is quite unstable with a lot of bribery scandals, which causes negative mood overall the whole population. This situation could be a problem also in the working place, because people in general are losing their motivation and the mood of the population can threaten the pleasant environment in the working place as well.

Moreover the value added tax changed from 20% (10% decreased VAT) to 21% (15% decreased VAT) since the year 2011, which causes higher expenses for companies and all population as well.

³⁵ Czech Invest; <http://www.czechinvest.org/en/search?q=incentive> (2013)

³⁶Ministry of foreign affairs; http://www.mzv.cz/jnp/en/information_for_alien/short_stay_visa/general_information.html (2010)

³⁷Migrace online; <http://www.migraceonline.cz/cz/e-knihovna/mongolove-sni-cesky-sen-dlouhe-cekani-na-vizum-jez-neznamena-vyhru> (2008)

- **Economic environment**

The Czech Republic as a part of the European Union and an extremely open economy is facing the impacts of the economic crisis with that all Europe has to deal. Gross domestic product fell by 1,2% from 2011 to 2012³⁸. The unemployment rate grew from 6,5% to 7,2% from the last quarter of 2011 to the last quarter of 2012.³⁹ On the other hand the monthly average salary grew from 26 607,- CZK (cca 1 064€) to 27 170,- CZK (1 086€) from 2011 to 2012. This growth has to be cut by the rise of consumer price by 2,8%, which means that the real average salary grew by 0,9%.⁴⁰ If Prague was extracted from the rest of the country, there would be a decrease of an average monthly salary as well, moreover the height of the salary would be just 22 517,- CZK (without Prague).⁴¹

Those economic factors are proving that the economic situation in the Czech Republic is not positive. The unemployment is rising and GDP is declining, moreover the real growth of the average salary is not high and majority of the highly paid job positions are situated in Prague. That causes the decrease of the average salary by 4 653,- CZK (186€) when Prague is not included in the metrics.

All those factors mean a challenge for HR management, because employers need to save money in this economic situation and they can't afford to increase salary to their employees. Thus employers have to find other ways how to make their employees satisfied and how to keep reliable employees in the organisation.

- **Sociocultural environment**

Present social situation in the Czech Republic has resulted from communistic regime, current political situation and natural character of the Czech population. The Czechs are perceived as very friendly people who have their own sense of humour, which is called Švejk-like sense of humour (according to a main character from a famous novel from Jaroslav Hašek: The Good Soldier Švejk). The Czechs are famous for their so called "beer culture", which is connected with their need for entertainment. On the other hand during many years of repeating

³⁸ Czech Statistical Office; <http://www.czso.cz/csu/csu.nsf/informace/chdp031113.doc> (2013)

³⁹ Czech Statistical Office; <http://www.czso.cz/csu/csu.nsf/kalendar/2012-zam> (2013)

⁴⁰ Czech Statistical Office; <http://www.czso.cz/csu/csu.nsf/informace/cpmz031113.doc> (2013)

⁴¹ Czech Statistical Office; http://www.czso.cz/xl/redakce.nsf/i/120903_mzdy (2013)

subordination to various countries (Austria, Germany, Russia), Czech people developed in their character an inclination to notorious pessimism and scepticism.

The characteristics mentioned above are deeply rooted in the Czech nature, but there are more features of the Czech culture, that were developed during 40 years of communism. Because of the regime when no one could express their opinion and everyone had to be careful about what is he/she saying or doing, Czech people, in general, lack trust to others and moreover even trust to them. Although, the Czechs are perceived as very good workers with good skills and good education, they perceive themselves rather negatively. Thanks to the communistic regime and current political situation they don't trust in civil society built.

After the Velvet Revolution in 1989, people were mutually suspicious, cynic and a bit xenophobe, but those features are beginning to vanish in the last years.

All those aspects have to be taken into account when dealing with human resources as an employer or when managing any organisation, both profit and non-profit one.

- **Technological environment**

The technological progress is galloping ahead. Nowadays majority of people are using smart phones, computers, tablets, interactive tables, projectors. Employers have to go with this trend and provide their employees with a technological support and if needed also with a specific course how to cope with the technology.

Thanks to the technological progress, still less and less people are needed in a production process. With the rise of the service sector, more skilled people dealing with technology are needed.

In companies, various programs to facilitate everyday workflow are developed and the employees have to deal with several internet and computer programs.

Thanks to the internet connection, a lot of work can be done by the employee outside the workplace on the computer that brings a challenge, how to ensure the rules for out of office work.

All those aspects are among the main triggers why human resources management is more and more popular and important.

3.2 Porter's Five Forces

3.2.1 Competitors

When considering PMF as a provider of such a wide portfolio of services that PMF is providing, there is no direct competitor with that complex focus on providing complete service to such a broad portfolio of customers.

There are competitors in particular segments of services that can be divided into five areas that are specifically focused on HR topic: magazines, networks, conferences and events' providers, education institutions and talent seekers. All of them could be summed up as providers of know-how in different ways. Each group will be analysed separately.

- **Magazines**

The biggest publisher of economic and B2B periodicals is a publishing house *Economia* that was established in 1990. *Economia* is publishing two magazines focused on HR topic, particularly HR management and *Moderní řízení* (Modern management), both of them are monthly magazine. They are trustful and provide the latest HR information.

Smaller competitors are either online magazines, such as *Personalista.com*, or magazines with a focus on people, their needs, problems and how to deal with themselves or with others, but not specifically on HR topic in a company. The main competitors that could be involved in this category are magazines *Moje Psychologie* (My Psychology from publishing house *Mladá fronta*) and *Psychologie dnes* (Psychology Today from publishing house *Portál*).

- **Networks**

Platforms of networking professionals are getting more and more important in each segment of our lives. People are gathering to create new contacts for business or free time and moreover, sharing knowledge and experience from praxis

is crucial in the current situation. Moreover it is for free which is in the present crisis very important.

The biggest competitors to PMF are networks focused on HR topic. One of them is Klub personalistů (Club of personalists) that has been one of the charter members of former Česká společnost pro rozvoj lidských zdrojů (present PMF). It is a member of EAPM, as well as PMF, but in comparison to PMF this organisation is purely focused on gathering people and providing them a space for networking. They are communicating mainly through various magazines or through specialists.

Another organisation whose business is based on networking is the Czech Management Association. This organisation is focused more on the whole management topic rather than just on human resources. Their services are clubs for members, the Manager of the Year Award and finally the informational service. This organisation belongs to PMF partners.

- **Conferences and events**

All professionals are seeking not just for networking with each other, but they strive for gaining knowledge from external experts as well. The opportunity to meet such people is providing various meetings, conferences and events. Except PMF, there are three more organisations organising those types of events: the agency Top Vision, agency MotivP and finally all events guaranteed by a well-known and acclaimed professional PhDr. František Hroník. The first two agencies provide except the conferences and other events also consulting and professional lectures.

- **Education**

The main and most reliable source of further education is still universities, especially state run institutions, that are credible and after finishing a degree, there is provided a certificate which is valid all over the country, in some cases even internationally.

The most important faculties where people can study HR topic are the Faculty of Arts (the field: Adult Education and Personnel Management) in the Charles University, the Faculty of Management in the University of Economics in Pra-

gue and the Faculty of Social Studies in Masaryk University in Brno. Those three are the top state run universities with the focus on the topic of human resources. The most popular private university is the University of Jana Amose Komenského with field of study the Management Studies. Those universities provide internationally recognized master and bachelor degrees for human resources management.

There are several agencies and organisations providing paid lectures and seminars for those who want to enlarge their knowledge in more practical way. Usually those seminars are for professionals with a degree in human resources and those lectures help them to solve particular problems or issues that they need to focus on. The most important agencies are those already mentioned as organisers of conferences and events: agencies MotivP and Top Vision.

- **Talent seekers**

With the rising perspective of HR topic there are companies seeking for fresh talents. Usually they choose the top students from prestige universities and provide them with lectures and further internship opportunities. The biggest ones are Deloitte and Grafton Recruitment.

→ It can be concluded that the market is **highly competitive** in terms of separate areas, but in total PMF has **no direct competitor** with such a broad portfolio of services.

3.2.2 Potential competitors

Although the initial financial investment is low, there is necessary to build trust and high credibility among the whole community contained of HR professionals, agencies, universities, etc. It is essential to attract and engage well known and famous personalities that are relevant for the community to represent the newcomer and to give him enough credibility.

Another important issue is that such an interconnected community, that is highly dependent on networking among its members, is really hard to enter and to build trust. There are number of stable and well-known organizations and agencies that are popular among their members and have a good reputation. In such a geographically small market such as the Czech market is really difficult to succeed in such a saturated market.

→ There is **low threat** of newcomers to the market.

3.2.3 Suppliers

Suppliers, current or potential, play an important role in an organization's success or failure. The quality and reputation of suppliers is much interconnected with the organization's overall image. In this case, we can divide suppliers of PMF into two categories: know-how suppliers and other suppliers.

- **Know-how suppliers**

Suppliers of know-how in PMF's case are predominantly its members, the board of directors, advisors and ambassadors. Those are, except the internal employees, helping to create content on websites, in the magazine, during conferences, etc. and play an important role in the image of the whole company. If suppliers of know-how were unreliable and had bad reputation, the same would appear in the organization's image. Thus there is a high dependence on the know-how suppliers and high requirement for their quality. Moreover those experts are highly trusted, thus the forward integration is possible and they can set their own organization focused on HR.

- **Other suppliers**

All the other but know-how suppliers play the important role for the organization's functioning, but not for the image. Those suppliers, such as the accounting, printing, graphic services or advertising agencies are not so crucial for PMF, moreover there is strong competition between those types of suppliers that they are not able to dictate the rules of the cooperation with PMF.

→ There is a high standard for **know-how suppliers** thus the relevant suppliers have **high bargaining power**. **Other suppliers** have **low opportunities** for negotiation.

3.2.4 Substitutes

There exists no direct substitute of such a broad portfolio of services as PMF is providing to its stakeholders. To make it easier, services are divided into three subcategories: know-how, networking and education.

- **Know-how substitutes**

Substitutes of know-how and actual trends except of those mentioned above (magazine, and conferences) could be books with HR Management topic, one to one meetings with experts, TV channels with HR focus, radio broadcasting,

online library or interactive website with the latest news and best practices. Nowadays, people need something interactive and smart that can be tailored to their needs, so the highest threat is from the website or one to one meetings.

- **Networking**

Except of personal networking, there could be a possibility of online networking with hidden identities where people could share their particular experiences and problems from work without the threat of being ashamed or scared that their subordinates will penalize them for sharing such internal issues.

- **Education**

Except of university education with a degree and professional seminars ended with a certificate, there could be an opportunity for online education or a complex set of educational program for HR professionals ended with certificate. Those possibilities would solve either the problem of no time and no will spending time out of home (online education) or the gap in education that occurs between the university and single seminars.

→ There is a **medium threat of substitutes** in **know-how** and **education** and **low threat** in **networking**.

3.2.5 Customers

Customers in such a highly professional sector are rather loyal to their brand that they believe in. Moreover PMF is a member based organization who is organizing events and meetings for its members, thus there is a strong interconnection among members and PMF, moreover among members themselves. Changing the brand or the organization would mean to change the whole network that customers are involved in. On the other hand the organization has to satisfy customers' needs and as a provider of know how to be all the time a step ahead not to lose its customers and image in long term perspective.

→ There exists a **medium power** of customers.

3.3 SWOT Analysis and Key Issue of PMF

| Strengths | Weaknesses |
|--|--|
| + Image as an HR know-how provider | - Declining financial figures |
| + Tradition on the market | - Decreasing number of paying members |
| + Broad portfolio of services | - Decreasing number of subscribers |
| + More than 200 members | - Declining popularity of print magazine (in favour of pdf version) |
| + Experts engaged in PMF | - Losing customers that were engaged in the social aspect of ČSRLZ (before re-branding) |
| + High standard of events and conferences | - Declining number of non-members on events |
| + Popularity of HR forum magazine | |
| + Members are more engaged in the events | |
| + Prague centred | |
| + Students are engaged in PMF | |
| Opportunities | Threats |
| + Rising popularity of HR management | - Economic crisis |
| + Loyalty customers in the segment | - Political instability |
| + Czechs need for entertainment | - Cost saving policy in companies |
| + Rising number of TNC ⁴² | - General lack of trust among Czechs |
| + No competition in such a complex portfolio | - High competition in separate areas (magazine, networking, events, education, talent seekers) |
| + Need for further education | - High bargaining power of know-how suppliers |
| + High average salary in Prague | |
| + Demand for interactive information online | |

⁴² Transnational Corporation

| Key Issue | |
|---|--|
| <p>SO</p> <p>Use the image as the HR know-how provider and the need for online and interactive communication and establish a special portal (interactive library) that would provide HR know-how and best practices for various target groups.</p> | <p>WO</p> <p>Minimise the declining financial figures with an additional type of business. With the need for education the ideal solution would be to set up its own educational institution with financial fee for that.</p> |
| <p>ST</p> <p>Use the popularity of PMF among students and engage them more into the organisation to prevent later migration to a competitor. Thus eliminate competition in separate areas in the future.</p> | <p>WT</p> <p>Engage big companies in the social aspects (employing disabled person to get tax discount) thus to gain back socially oriented members and big companies as well.</p> |

3.4 Segmentation and Targeting of PMF

- **Geographic segmentation**

People who are engaged in PMF activities are from the Czech Republic or Slovakia. Majority of them come from bigger cities, where big companies, public services and factories are centred, most of them are from Prague.

- **Demographic segmentation**

Those are predominantly women between the age of 23 and 55 years old. Most of them have superior education, usually in HR or management area and earn above average salary.

- **Psychographic segmentation**

Well educated people, who are very social and care about others. They appreciate quality time spent with people they care about. They like to meet people and share with them their experiences and knowledge face to face. They put a high importance to the image that they have in the community that they belong to.

Thus they prefer high quality brand products, but not necessarily luxurious. They are more interested in cultural and social aspect of life than in technology and science.

- **Behaviouristic segmentation**

Customers are using such services for business, work or educational occasions. They are very loyal to the network they join and they use the services on a regular basis, with the frequency that depends on the type of service (magazine once per month, website, once per week, conferences couple of times per year, etc.). When they buy a specific type of such service, their purchase is usually interest or functional driven; they seek either new information or a benefit to their work. According to this, they benefit prevalingly the opportunity to gain new information about a specific topic or issue, on the other hand they value that they can belong to a certain community and network of people, where they can make contacts for their personal or professional life. They can be influenced mostly by PR, word of mouth or personal recommendation.

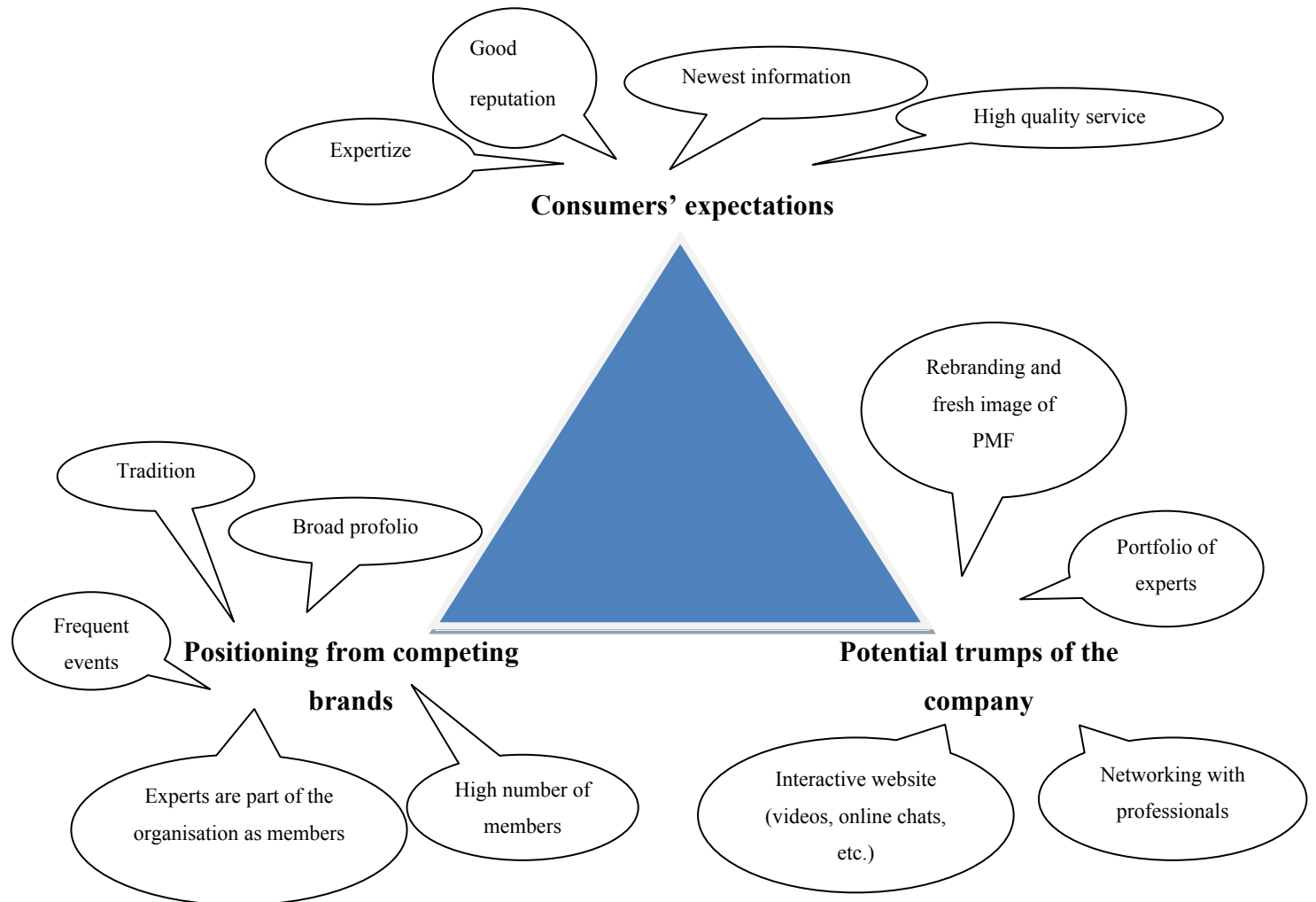
→ The general target group of PMF can be characterized as women (the age depends of the type of service they seek for), professionals in HR or management area with university education and higher income. Their work is their hobby and they always strive for the newest information from the HR and management field. They want to be perceived well from other (in terms of professionalism) thus they seek for further education, high quality products and services. They are very social people and like to meet face to face with other colleagues from management or HR and share experiences with each other. PMF states for them the provider of a high quality network, the newest information about trends and inspiration and best practices in HR.

3.5 Positioning of PMF

The organisation's position on the market is perceived as a provider of HR know-how, inspiration and best practices. PMF has a long tradition, that begun straight after the Velvet Revolution. After the rebranding, PMF is not only reliable and traditional partner that can be trusted, but also a modern organisation focused on the newest HR and management trends and on technological applications as well. They are able to be an inspi-

ration for others and provide the opportunity to belong to a community of HR experts and professionals.

Golden Triangle of Positioning



3.6 Future Focus of PMF – two possible areas

According to the analysis made above, I would define two key opportunities that PMF could use for its future growth.

- **Special interactive website**

One possible way of expanding the business without damaging the positioning and focus on the same target group as stated before, PMF could establish a new online portal that would serve as an interactive library with the HR and man-

agement content. All the information would be exposed to the members or to visitors who pay a special fee, but would provide highly professional resources for different areas and issues that would represent the newest trends in HR and management. Moreover, visitors could discuss about the topic or article straight below the text and thus share the experiences and discuss with other on an interactive online platform.

- **Educational institution**

According to the declining financial figures, PMF has to find another source of income. The organisation is well perceived from its members as a provider of know-how and inspiration in HR, thus a logical opportunity to grow the business is to set its new educational institution. The institution would fill the gap between the university education and particular seminars. It would provide a set of courses that all together would guarantee a complex education that ends with a certificate. All courses would be held by well-known professionals from practice.

3.7 VMO Strategy of Selected Area

From two promising areas mentioned in the question number 6, I propose educational institution as a future way that should PMF take. According to the case study, the declining financial figures are a serious problem that needs to be fixed first for the organisation to survive to the future. There is a gap on the market between university degree and certified seminars, where PMF can use the opportunity. Moreover, members and participants of events perceive PMF as a provider of know-how and inspiration with a great choice of experts on particular events. All those factors predestine PMF to succeed in settling its own certified educational institution.

To sum it up, the educational institution is a perfect match to the core brand idea triangle: national conferences, expert magazine and development program, when educational institution represents the third part, development program.

VMO strategy describes the long term vision that is aspirational, mission that is transformed vision in the mid-term perspective and a set of strategic objectives that represent the key goals consistent with vision and mission that need to be achieved in short term.

- **Vision**

To provide prestigious and respected certified education in human resources management and development for HR professionals, managers and directors.

- **Mission**

To help individuals and organisations evolve their potential. The main goal is to strengthen the importance of HR professionals for the performance of a company.

- **Strategic objectives**

Business objectives:

- Strengthen its position as an HR know how provider with a complex portfolio of services;
- Ensure the financial stability of the organisation with a perspective of future growth;
- Through the complexity and expertise in services offered, to develop an overall marketing strategy that would attract the headquarters of central business units in Czech and Slovakia of transnational corporations to use the whole portfolio of PMF services.

Marketing objectives:

- To create a new brand of an educational institution that is perceived as an expert and know-how provider in HR and thus to strengthen the whole PMF brand as an elite HR know-how provider with the most complex portfolio of services in the Czech Republic.
- The most important image factors of the new brand are:
 - Expert and professional education;
 - Exceptional quality of services;
 - Prestige, reputation.

3.8 Marketing Mix



- **Product**

The service represents a modern concept of professional education in the area of human resources development and management provided from PMF. The name and the logo should be in line with the whole strategy of the organisation. As mentioned in the case, one of the possible names after rebranding was People Management Institute, which means that the word “institute” is very well perceived from all the stakeholders. Thus the name of the new educational institution will be: *PMF Institut*, with a logo that combines all the elements of the logo of PMF.

PMF Institut combines the best from practice with the theory and methods of modern management known from the academic theories. It will be targeted to HR professionals, managers and directors as well as to all HR enthusiasts. The education will be consisted of three modules; HR Professional, HR Manager, HR Strategist, each of them ended with a certificate and a diploma after absolving all three modules. The absolvents will gain well recognized education from an organisation that is perceived as a provider of know-how and inspiration in HR field.

Three modules will be connected to each other, from the easiest one to the most professional. Each of them will last ten months and will be consisted of ten two-day lectures per year and one day for certification. All the lectures have to be attended personally. The lectures will be run in a format of workshops, team work or classic seminars.

The first module: HR Professional is targeted to those who have the basic general knowledge about HR methods or processes or to HR specialists who have deep understanding about one particular area, but who want to get deeper insight to the HR topic in general. The participants are required to have at least 3 years of experience with HR, but they don't have to pass any exam to enter the course.

The second module: HR Manager is for those who are already HR professionals with a complex overview over the interconnection of their work with the business of a company. After absolving this module, students will be able to connect their work with the business processes and will gain skills for dealing with the top management. The candidates (except the absolvents of HR Professional) need to pass an oral interview and they are expected to know all the HR processes and techniques.

The third module: HR Strategist will attend HR managers with wide experience in HR management who want to strengthen their position in the top management of the company and manage the employees with the long term perspective. The applicants have to pass a written test and an oral interview to be accepted to this expert module. After absolving all there modules, participants will receive a diploma that is recognized all over the country.

Lectors will be selected among the top experts and professionals from the board of directors of PMF or from the members. For the HR Strategist module, external experts will be hired to provide the best education possible. The seminars will be placed in representative premises of conference hotels mainly in Prague.

- **Price**

The price has to stay in line with the whole mission to provide prestigious and respected education for professionals. Thus, the price needs to stand out of the competitors' prices; on the other hand the current situation on the market, which is affected by crisis, needs to be taken into account.

Competitors could be perceived as universities and private organisations providing HR education. Public universities provide education for free for a certain period and after they charge in average 40 000,- CZK per year. Fee at private universities per year is in average 50 000,- CZK. The private organisations provid-

ing various seminars and lectures charge in average 6 000,- CZK per two-day lecture.

Thus the price of the PMF Institut will be set for 60 000,- CZK per module (per 10 months), when the module is purchased separately. There will be discount 15% when attending 2 modules and 25% when attending all three modules.

By the price in such height, PMF Institut will help to keep the overall perception as a premium provider of education in the same time with affordable not un-reachable prices.

- **Placement**

Respecting the local dispersion of the target group of PMF, lectures as well as the background office will be located in Prague. Only when organising workshops that last longer than one day, PMF Institute can locate it outside of Prague to ensure suitable environment, where participants can focus on their workshop and moreover during the evening program they can create contacts and share experiences with other participants. Thus, networking would be strengthened as members of PMF want.

The background office will stay in the same place as PMF office already is to place all PMF services under one ground. The lectures will be placed in prestigious conference hotels in Prague, such as Dorint Hotel or Plaza Alta Hotel. Hotel premises will be chosen for ensuring the accommodation for outside of Prague participants. For outside of Prague workshops will be selected resorts with conference premises surrounded by nature to ensure the calm environment, such as Hotel Zvánovice.

The education will not be available as online to keep the prestigious appeal and support the networking particle of the lectures.

- **Promotion**

PMF Institut will focus its promotion of the educational services by the selected and focused tools, such as print, PR, events, etc. No TV and banners will be used for promotion to keep the expert and prestigious image of the brand.

PR campaign will be the starter of the whole campaign to create rumour and word of mouth about the whole topic of HR education and to make the target

group interested in further education in HR. PR campaign will be run in magazines focused on HR topic as well as online on HR or management portals.

The online campaign will be consisted of behavioural banners, various educational videos with the link to the website of the institution, newsletters from PMF to its members and subscribers of newsletter, Facebook communication and advertising on PMF's websites.

Print advertising will be used only in selected magazines focused on HR or management topic such as their own magazine HR forum and the competitors' magazines HR Management or Modern Management. The advertising campaign will follow the PR campaign online and again in type of magazines mentioned above.

The HR community in the Czech Republic is very small and connected, those people like to network, and thus PMF will use its ambassadors who are well recognised experts in HR to promote the new educational institution among the whole community.

Moreover, PMF is organising various events during the whole year. PMF Institut will be promoted on those events by leaflets and by the speakers as well.

4 Conclusion

The research and the whole thesis has been constructed in order to evaluate rebranding of a non-profit organisation in the Czech Republic, to outline the future focus of the company and finally to provide material for practical case study for master students of marketing with an international focus.

Summarizing the main findings based on the research, the internship in PMF and constant consulting sessions with the Executive Manager of PMF, rebranding realized in the year 2011 can be evaluated as successful in terms of awareness and perception of the rebranding. Members, who are the crucial target group of PMF, have become familiar with new logo, name and image. Majority of respondents' perception of services, images and websites of PMF improved after the rebranding. The only issue that has to be fixed in terms of members' satisfaction is students' awareness of services provided to them.

Analysing the organisation as a whole, the issue of decreasing financial resources has arisen. Based on members' needs, core brand idea triangle, overall image and the situation on the Czech market, establishing a new educational institution has been chosen to secure future growth and stability of PMF. Based on the organisation and market analysis, this service provided will be positioned as premium, with premium price and selective communication targeting the specific target group.

The thesis is providing not only an analysis and strategy of the future focus of the organisation, but also studying material for master students and back up material for professors. Students will develop their skills in connecting particular quantitative and qualitative outcomes with a strategic part by using marketing and analytical tools and thus to perform a high quality analysis and suggestions for the future direction of the organisation.

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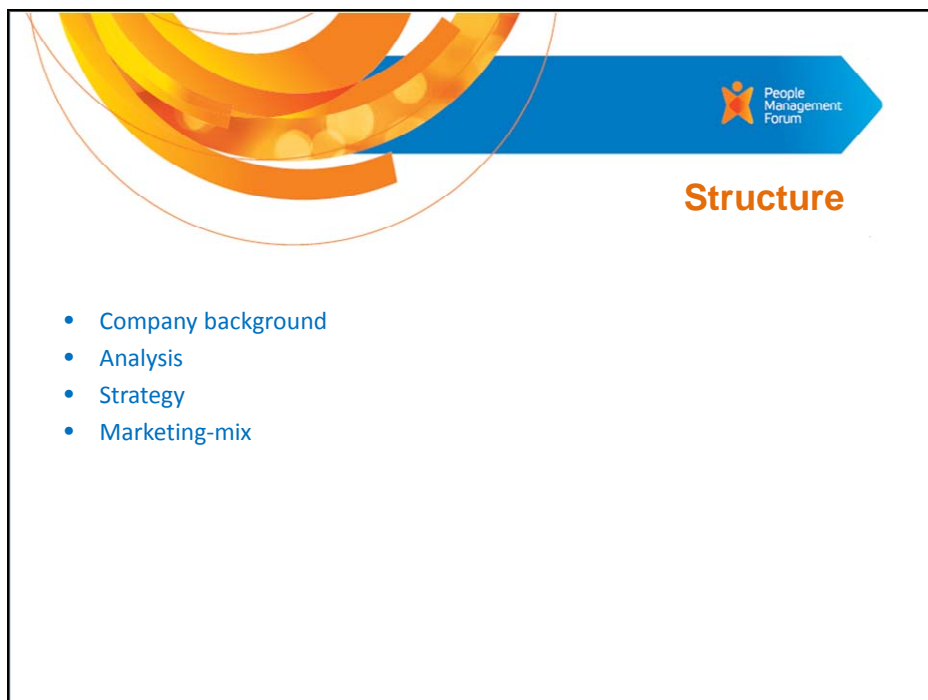
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Attachements – Resolution Slides





Company background

- Former Česká společnost pro rozvoj lidských zdrojů
- Established in 1993
- Company operating in the Czech Republic
- Member based organisation with focus on HR management and development
- Member of international associations



PEST







PEST Analysis  People Management Forum

Political Environment

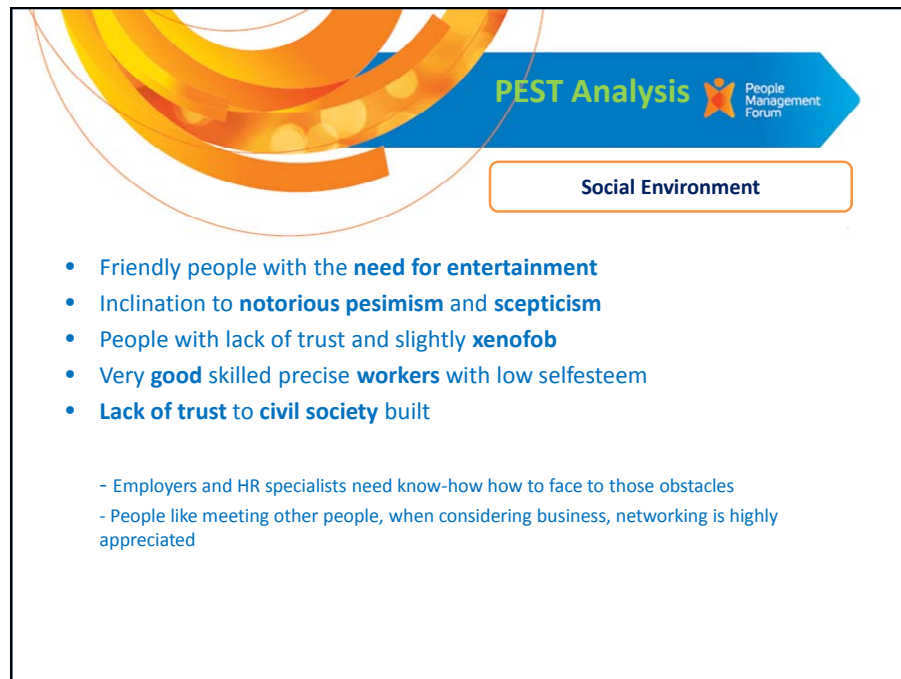
- Czech Republic is a **member of the European Union** with its own currency
- Special **system of incentives** for foreign investors
 - Many transnational companies have its headquarters for the Central and Eastern Europe in Czech
- **Complicated visa applications** for foreigners from the third countries
 - Not many foreigners in Czech companies causes Czech people to be in average more xenophobic than other western countries
- **Instable political situation**
 - Causes negative mood overall the whole population
- **Increase in VAT** from 20% to 21% (decreased from 10% to 15%)
 - Companies have to face higher expenses



PEST Analysis  People Management Forum

Economic Environment

- **GDP decreased** by 1,2% from 2011 to 2012
- **Unemployment rate grew** from 6,5% to 7,2% from 2011 to 2012
- The average salary is 27 170,- CZK (extrapolating Prague 22 517,- CZK)
- Real **average salary grew** by 0,9% from 2011 to 2012
- Real **average salary** when **extracting Prague decreased** by 4 653,- CZK
 - Companies are affected by crisis and need to save money
 - Employers are not able to rise salary to their employees
 - Employers need to find other ways than money to make their employees loyal and satisfied
 - The highest potential for any kind of additional services is in Prague



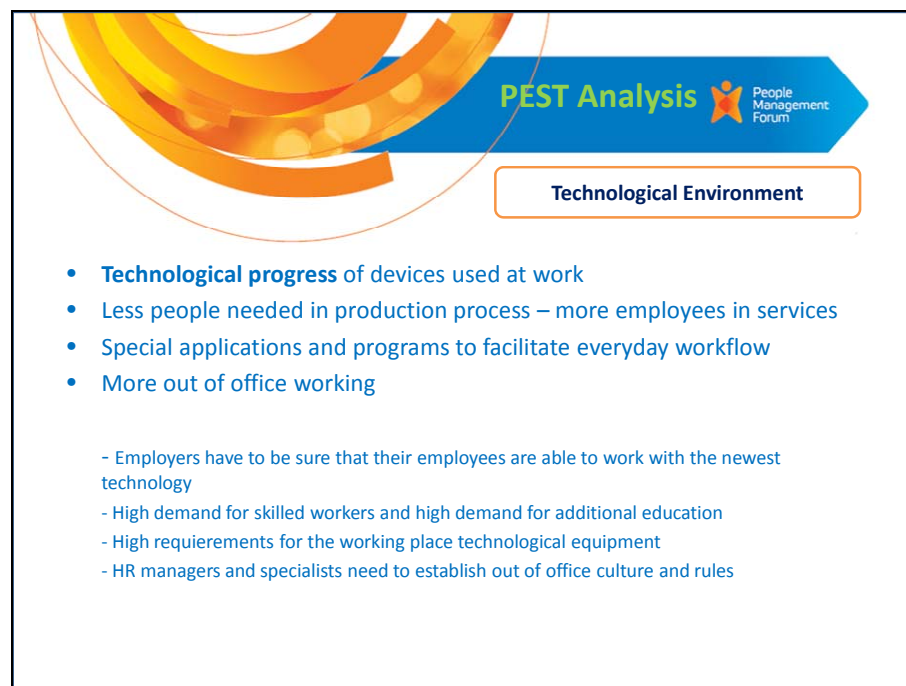
The slide features a decorative graphic of overlapping orange and yellow circles in the top left corner. A blue arrow-shaped banner in the top right contains the text 'PEST Analysis' in yellow, followed by the People Management Forum logo (an orange star) and the text 'People Management Forum' in white. Below the banner, a white box with an orange border contains the title 'Social Environment'. The main content area contains a bulleted list of characteristics and two sub-points.

PEST Analysis People Management Forum

Social Environment

- Friendly people with the **need for entertainment**
- Inclination to **notorious pesimism** and **scepticism**
- People with lack of trust and slightly **xenofob**
- Very **good** skilled precise **workers** with low selfesteem
- **Lack of trust** to **civil society** built

- Employers and HR specialists need know-how how to face to those obstacles
- People like meeting other people, when considering business, networking is highly appreciated



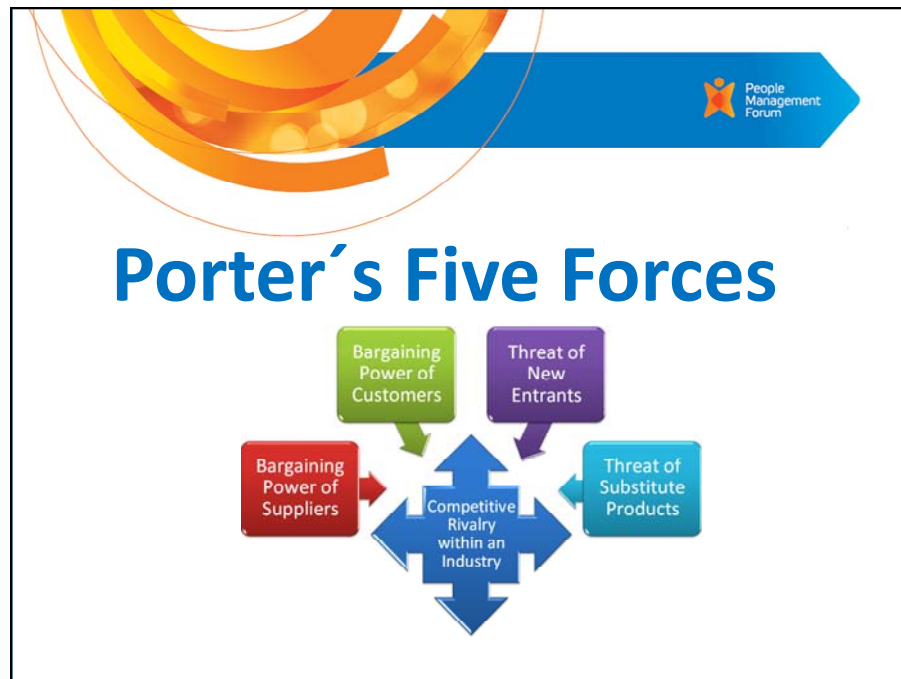
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PEST Analysis People Management Forum

Technological Environment

- **Technological progress** of devices used at work
- Less people needed in production process – more employees in services
- Special applications and programs to facilitate everyday workflow
- More out of office working

- Employers have to be sure that their employees are able to work with the newest technology
- High demand for skilled workers and high demand for additional education
- High requirements for the working place technological equipment
- HR managers and specialists need to establish out of office culture and rules

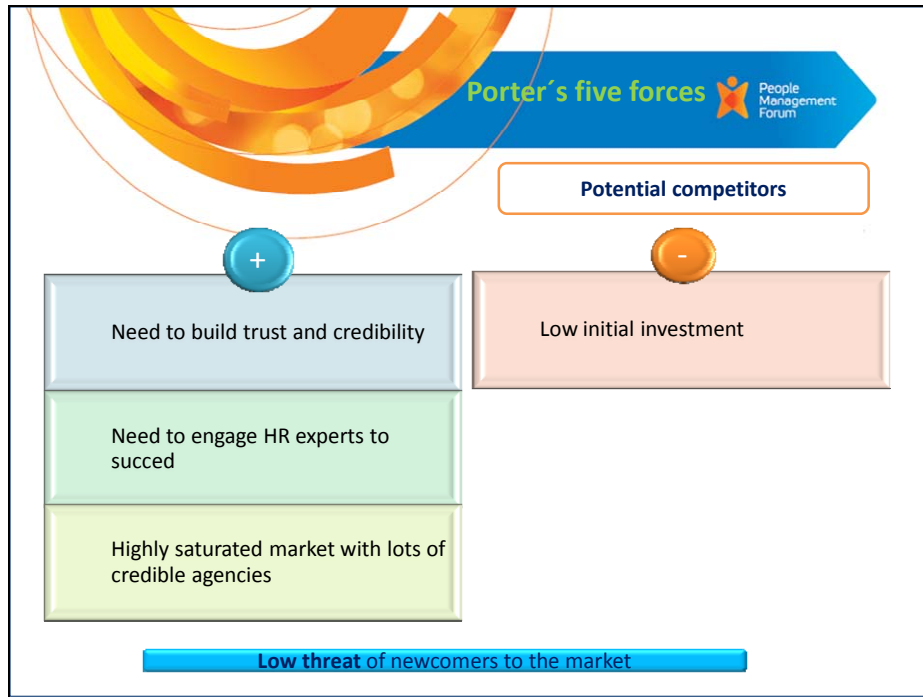


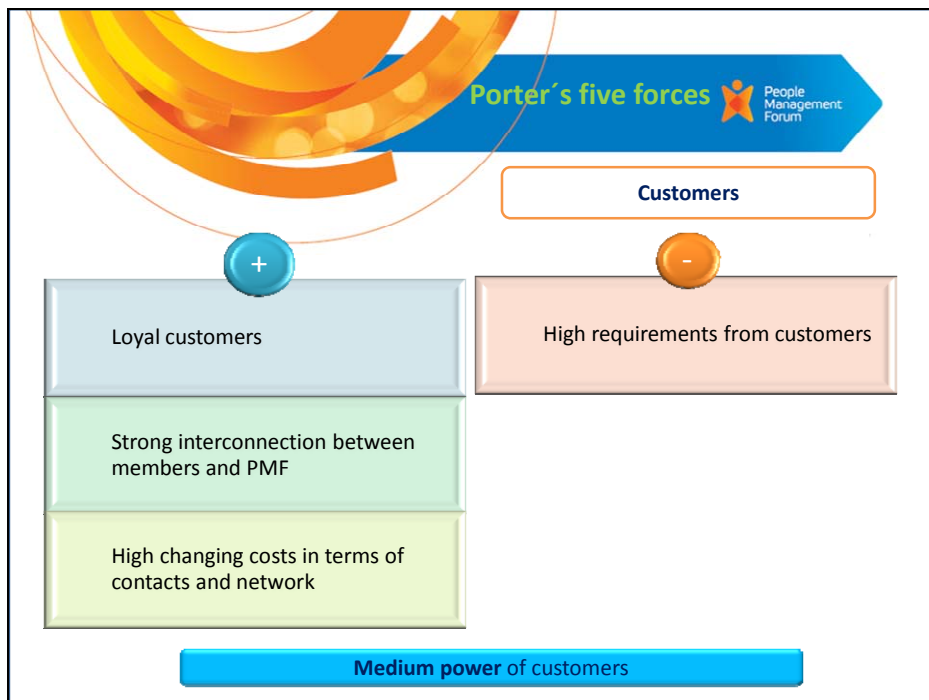
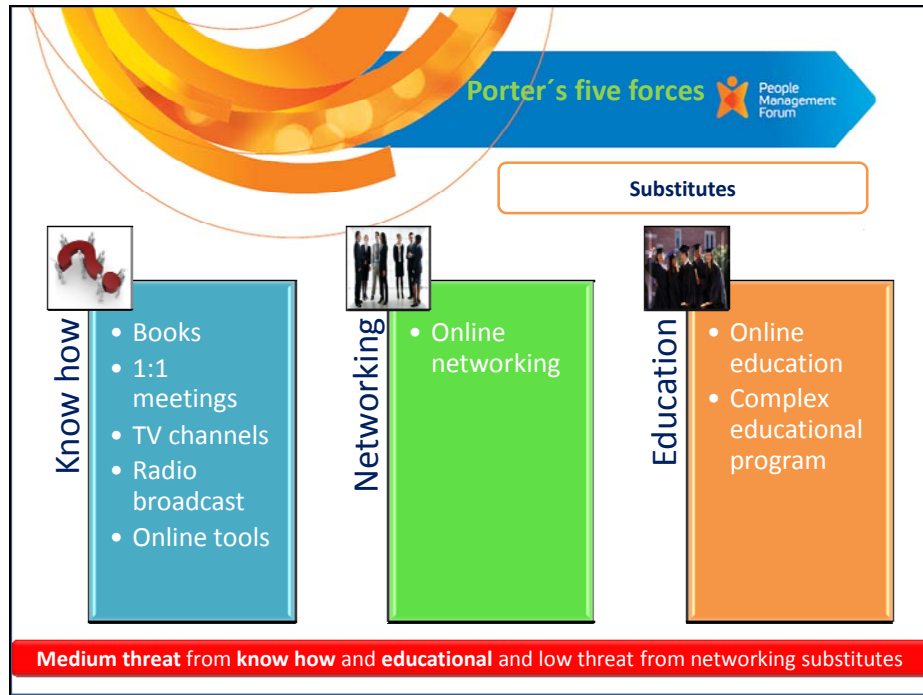
Porter's five forces 

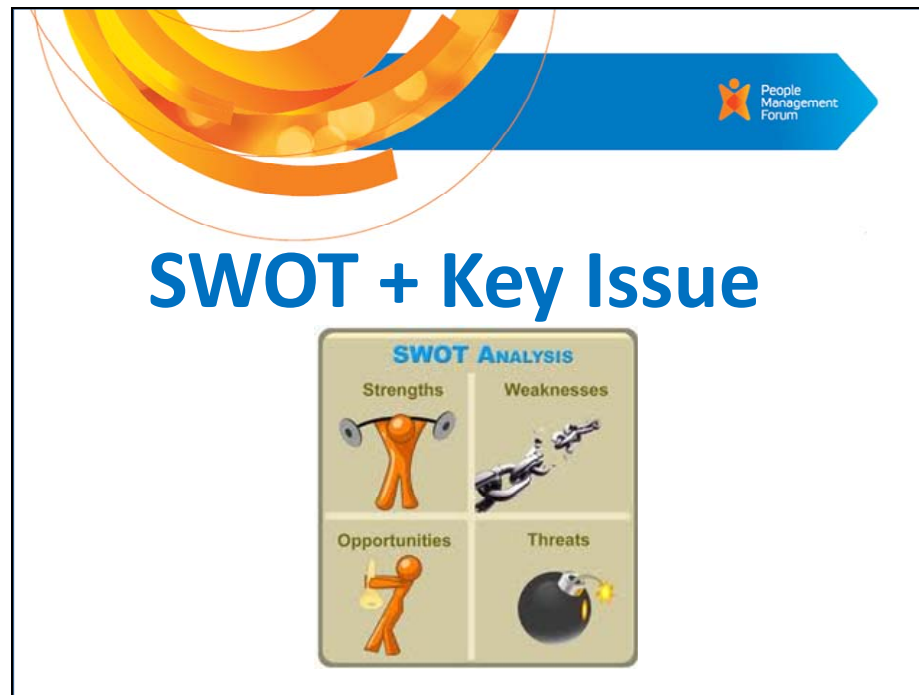
Competitors

| | |
|---|--|
|  | Magazines •HR focus: Publishing house Economia - HR management, Moderní řízení •Other: Moje Psychologie, Psychologie dnes |
|  | Networks •HR focus: Klub personalistů •Other: Czech Management Association |
|  | Conferences and events •Agency: Top Vision, MotivP •Professional: PhDr. František Hroník |
|  | Education •Universities: Charles University, The University of Economics in Prague, Masaryk University •Paid seminars: MotivP, Top Vision |
|  | Talent seekers •Deloitte •Grafton Recruitment |

High threat from competitors in separate areas, but no competitor in the whole portfolio





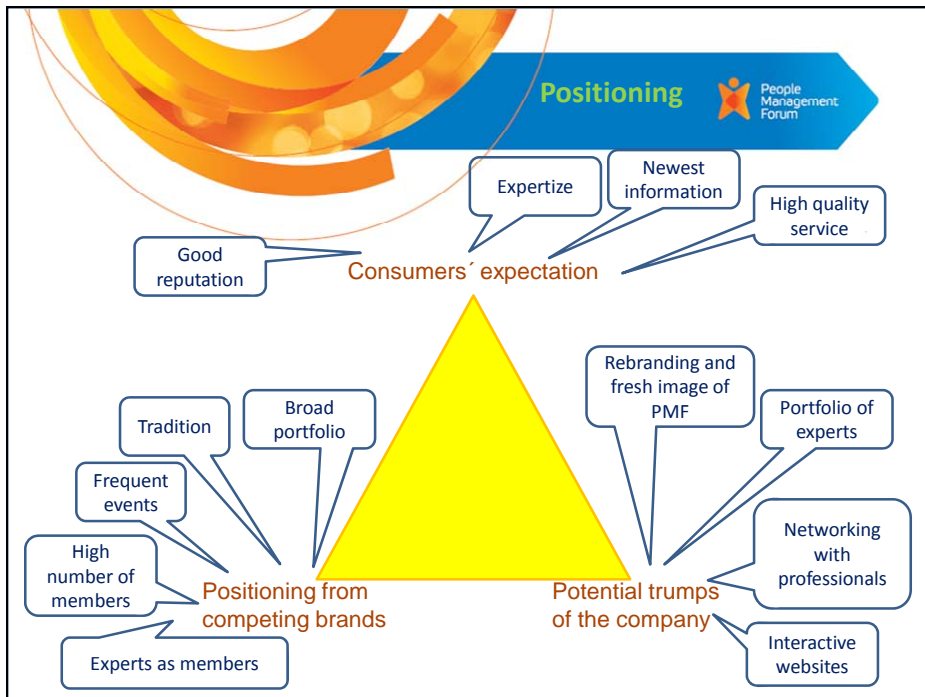


| SWOT Analysis | |
|--|---|
| <p>Strengths</p> <ul style="list-style-type: none"> + Image as an HR know how provider + Traditional organisation + Broad portfolio of services + More than 200 members + Experts engaged in PMF + High standard of events + Popularity of HR forum + Members engagement in events + Prague centred + Students engagement | <p>Weaknesses</p> <ul style="list-style-type: none"> -Declining financial figures - Decreasing number of paying members - Decreasing number of subscribers - Declining popularity of pring magazine - Lost customers engaged in social aspects - Declining number of non-members on events |
| <p>Opportunities</p> <ul style="list-style-type: none"> + Rising popularity of HR management + Loyal customers in the segment + Czechs need for entertainment + Rising number of TNC + No competitor with such a broad portfolio + Need for further education + High average salary in Prague + Demand for interactive information online | <p>Threats</p> <ul style="list-style-type: none"> -Economic crisis -Political instability - Cost saving policy in companies - Lack of trust -Strong competition in separate areas - High bargaining power of know-how suppliers |



Segmentation

| | |
|--|---|
| <p>Geographic</p> <ul style="list-style-type: none"> • People from the Czech Republic and Slovakia • From bigger cities | <p>Demographic</p> <ul style="list-style-type: none"> • Mainly women between 23 and 55 years old • Superior education • Above average salary |
| <p>Psychographic</p> <ul style="list-style-type: none"> • Well educated • Social people • Appreciate quality time with friends • Like meeting people • Image in the community is important to them • Like high quality products • Interested in cultural and social life | <p>Behavioristic</p> <ul style="list-style-type: none"> • Using the services for business, work, education • Loyal to the network • Use the service/product on regular basis • Purchase is interest or functional driven • Like to educate themselves • Like to belong to a community • Influenced by PR, WoM |






Future 

1) Special interactive website

- New online library with a HR, psychology and management focus
- Information exposed to members
- Highly professional information
- Newest trends
- Online discussions among visitors

2) Educational institution

- Set of courses and lectures
- All courses together guarantee complex education in HR management
- Ends with a certificate
- Run by well known professionals



Education 

Reasoning

- Declining financial figures
- PMF perceived as know how and inspiration provider
- Complement to the core brand idea triangle:
 - National conferences
 - Expert magazine
 - Development program
- Fills the gap between university education and single seminars



VMO strategy People Management Forum

- **Vision**
To provide prestigious and respected certified education in HR management for HR professionals, managers and directors.
- **Mission**
To help individuals and organisations evolve their potential. The main goal is to Strengthen the importance of HR professionals for the performance of a company
- **Objectives**
 - Business objectives**
 - Strengthen its position
 - Ensure financial stability
 - Through overall marketing strategy attract more customers and gain a competitive advantage over competitors
 - Marketing objectives**
 - Create well known trustful educational institution
 - Strengthen PMF brand as a provider of know how and inspiration
 - *Image factors*: professional education, high quality services, prestige and reputation



People Management Forum

Marketing mix



