



THE HISTORY FACTORY

*Heritage Management
and the Art of Leadership*



Heritage Management and the Art of Leadership

THOUGH PERVASIVE AND SUCCESSFUL, HERITAGE MANAGEMENT currently hides behind an obscuring range of names and disciplines. In this white paper, we draw attention to the prevalence of Heritage Management and make a case for its broader and more intentional use.

Strong leaders combine history, theater, and strategy in their attempts to create the future. Whether or not they call it that, Heritage Management is an essential tool for 21st century leadership. But before we define Heritage Management, the more pressing question is: why does it matter?

THE WAGES OF HERITAGE

There isn't any consensus on how to describe heritage, let alone how to measure its value. That doesn't, however, make it any less real. Nothing makes this conundrum clearer than the U.S. battle over saving its domestic auto industry.

Fortune asked Alex Taylor III, who has covered the auto industry for three decades, to write about why he thought the U.S. "big three" were struggling. Taylor's diagnosis sets strategy, technology, and competitor issues aside to focus on heritage, starting with his subhead: "By clinging to the attributes that made it an icon, General Motors drove itself to ruin." "They prefer stability over conflict, continuity over disorder, and GM's way over anybody else's," he writes.

Throughout history, leaders faced crisis, risk, and opportunity by recalling foundational stories from their unique and powerful heritages to remind us of shared values and aspirations.

They asked us to pull together but also to embrace sacrifice and even hardship.

They showed us how, if we help each other, we rise together.



“They believe that hard work will overcome adversity, and that tomorrow will be better than today—despite four decades of evidence to the contrary.”

If you ask GM's CEO why GM isn't more like Toyota, Taylor claims he'd say, “We're playing our own game—taking advantage of our own unique *heritage* and strengths.” [Emphasis added]

If you ask Jeffrey Liker why GM isn't more like Toyota, you get a more fulsome answer—several books and a career's worth. Earlier in 2008, he sat down with *Strategy + Business*, Booz & Company's popular quarterly management journal, for its “Summer Edition Thought Leader Interview.” That subhead read: “The lean process expert explains why it's so hard to emulate Toyota.”

Liker, too, focuses on heritage—in this case, Toyota's. He observes, “A Western ‘expert’ is capable of believing that if you get enough people in a room with some knowledge of the Toyota production system and they just use their imaginations, they're going to come up with something better than what Toyota has designed and refined over six decades. But that just isn't accurate. The Toyota way is ingrained in its people's attitudes; they are not just trained but habituated to tackle problems through observation and experimentation. They know how to grasp the current situation, come up with a vision, and plot a step-by-step course to that

vision, recognizing the need for adjustment along the way. The Toyota system, in other words, is a mind-set rooted in practicality and realism.”

Heritage matters because it shapes how companies do and don't respond to the challenges they face. The auto industry provides two pointed examples. Despite all appearances that their heritage works against them, U.S. manufacturers still follow its dictates. By contrast, Toyota, in significant measure because of intense efforts to shape a heritage that supports its manufacturing strategy, now has become the world's leading automaker.

DEFINITION

Heritage Management is how leaders recognize and use the collective memory of organizations—the stories told, the words used, and their commonly understood meanings—to help implement strategies and tactics that shape the future.

History is a comprehensive record of what happened, how it happened, and who was involved. While history theoretically includes everything, heritage selects. It is what we choose to remember, what we tell and what we reinforce. Some of heritage is visible and conscious, such as rituals and traditions, founding stories, and oft-cited examples of innovation and success. Other



heritage is below the surface, such as values and basic assumptions—the long-forgotten reasons we always do it this way.

As processes, procedures, and tools achieve or appear to achieve success, they gather meaning and can take on iconic status. Powerful leaders are also often enshrined in an organization's collective memory, and with them, their personal beliefs and methods. Products—and their advertising and marketing campaigns—can help define generations and become part of the broader lifestyle and cultural fabric of their times.

...in an organization the hardware (strategy and structure) is inert without the software (beliefs and behavior).

—Larry Bossidy and Ram Charan

Heritage is double-edged

All of these iconic elements of heritage can create brands that motivate consumers and employees, making selling and getting work done easier. Strong leaders, sometimes instinctively and often consciously, use heritage to pursue their strategies; their words, stories, processes,

and events trigger collective memories—both real and mythic.

But beware the caveat. Organizations may continue to follow their heritage when time, new technologies, and new competitors require change. A former pathway to success will not always remain so, and a proud heritage may someday become an obstacle to progress.

Nomenclature Variations

In our view, there is no longer any debate about the significance of Heritage Management, only a confusing profusion of ways to talk about it.

Two leading management authorities—Larry Bossidy, renowned former CEO of Allied Signal and Honeywell, and Ram Charan, a legendary consultant to senior management personnel—collaborated on the highly praised 2002 book, *Execution: The Discipline of Getting Things Done*.

Bossidy and Charan argue that leaders seeking change are right to focus on the so-called “soft” stuff—beliefs and behavior—because they are “at least as important as hard stuff . . . if not more so.” They explain that “in an organization the hardware (strategy and structure) is inert without the software (beliefs and behavior).”



However, they also critique efforts aimed first or solely at culture change. “Most efforts at cultural change fail because they are not linked to improving the business’s outcomes,” they write. “To change a business’s culture, you need a set of processes—social operating mechanisms—that will change the beliefs and behavior of people in ways that are directly linked to bottom-line results.” “Beliefs and behavior”? That’s simply another way of describing heritage.

Defining leadership

Psychologist Howard Gardner is a MacArthur Prize-winning academic who has made his life’s work studying how humans think and work, particularly geniuses and leaders.

In one of his books, *Leading Minds*, Gardner looks at the use of heritage by leaders. “In recent years, social scientists have come to appreciate what political, religious, and military figures have long known; that stories (narratives, myths, or fables) constitute a uniquely powerful currency in human relationships,” he writes. “And I suggest, further, that it is stories . . . of identity—narratives that help individuals think about and feel who they are, where they come from, and where they are headed—that constitute the single most powerful weapon in the leader’s . . . arsenal.”

Studies from the last two decades consistently reveal significant positive associations between heritage and stock performance. Among those

most esteemed for efforts at measuring the effect of heritage are John Kotter and James Heskett, who wrote *Corporate Culture and Performance* (1992). They emphasize the role of leadership in ways that echo Bossidy, Charan, and Gardner: “In the cases of successful change that we have studied, we have always found one or two unusually capable leaders on top. These individuals had track records for producing dramatic results.”

THE IMPORTANCE OF BEING GENUINE

A tagline from the 1970s achieved iconic status by asking a question that challenges the sometimes thin line between reality and appearances: “Is it live or is it Memorex?” Successful leaders who know they need emotional as well as rational levers to pursue their strategies often turn to heritage. The danger: Heritage Management can degrade into a tactical (“Maybe *this* will work”) use of rituals, symbols, and stories that is manipulative rather than genuine. While their presentation may be theatrical, strong leaders eschew manipulation. As Bossidy and Charan say, “Only authenticity builds trust, because sooner or later people spot the fakers.”

Today’s frequent references to authenticity are an inevitable response to what we might



call “aspiration fatigue.” Many organizational mission, vision, and value statements—as well as advertising claims and counterclaims—ring hollow. Popular culture also has demonstrated that you cannot “create” authenticity. “Reality TV” shows, while popular, are not usually confused with reality.

A March 2008 *Harvard Business Review* article asks, “Authenticity: Is It Real or Is It Marketing?” The title refers to a decision to revitalize a brand by building on its past. In one of the responses, The History Factory’s founder and CEO, Bruce Weindruch, discusses the shortcomings of focusing on perceptions of the past rather than “inherent attributes that make the brand ‘authentic.’ I typically recommend that marketers . . . invite a group of company engineers down to the archives to spend a couple of hours exploring old engineering drawings, ads, and product photographs. Here they can identify exactly how things have changed.”

Weindruch observes that connections with the past identify not only sources of authenticity, but also can be “part of repenting and reforming process when they’ve strayed from their original vision.”

Start with the Future and Work Back

In his *Harvard Business Review* comment, Weindruch observes, “The annals of business history are filled with companies . . . whose ‘authenticity’ didn’t save them from the bruising realities of the rough-and-tumble global marketplace.” As Bossidy and Charan make clear, Heritage Management is a means, not an end. Execution and results are key, whether the organization is a global corporation or a regional non-profit.

That is why the usefulness of managing heritage starts with the future. Weindruch again: “A company needs to know where it’s going before it can claim the authenticity of where it came from. Its success in this regard hinges on involving customers and employees alike in a vision for the company’s future.” In “Retrospective Happens,” the fourth quarter 2008 edition of *It’s History*, The History Factory newsletter, Weindruch concludes, “The real value of your history is in knowing it and using it as a resource that supports your character and informs your path ahead.”

For organization leaders, the pursuit of the future involves integrating and managing three visions (see graphic on next page).

Three Visions of Leaders

HERITAGE

Who we are. How we think and do. How to move us.

STRATEGY

What we need to do and how we will do it.

FUTURE

Where we need to be, when, and why.

For strategy, it seems obvious that you start with the future. That made sense even to Alice, when the Cheshire Cat suggested that it didn't matter which road she took if she didn't know where she was going.

Heritage also depends on your vision of the future. Bruce Weindruch explains that the roots of heritage are in the history of success. People are smart. They remember and repeat in words, stories, and actions the characteristics that make them successful. Organizations get into trouble when they stop learning and adapting. That's when heritage can become an obstacle. In pursuit of the future, leaders use their heritage as a launching pad in one of two ways: either,

“here's how we've succeeded in the past,” or, “here's specifically how we need to change, because what worked for us in the past won't or isn't working now.”

Somewhat ironically, well-known leaders are among the most ardent students of history and heritage, a field that many consider passive and backward-looking. Two institutions known for producing great leaders—Harvard and West Point—both concentrate heavily on case studies and history. They do so because those most interested in making history realize the importance of learning from history and the significance of managing heritage in leadership.

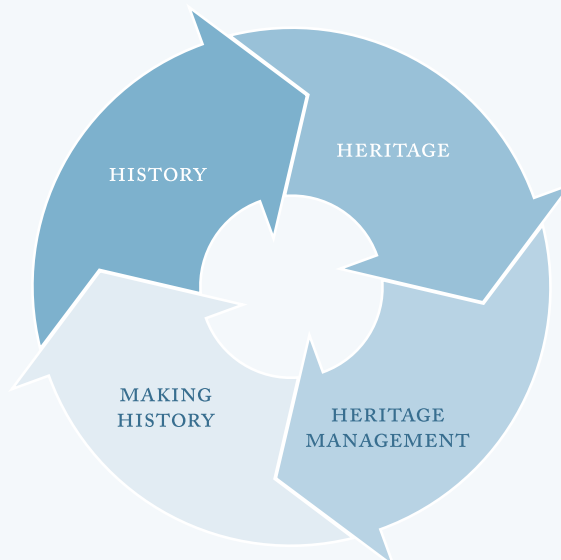
Leadership and Heritage

HISTORY

Comprehensive record of leaders, actions, inactions, decisions, events, and results

MAKING HISTORY

With a firm sense of both history and heritage, strong leaders attempt to make history and intentionally select heritage to carry forward



HERITAGE

What organizations consciously and unconsciously carry forward: belief and behaviors, and their underpinning stories

HERITAGE MANAGEMENT

Using heritage to help manage priority objectives, starting with the future and working back

The artifice of timelines and how history often is taught as a chronological series of people and events encourages us to mistakenly see history as linear. More powerfully and accurately, we might instead think of it as a complex web of repeating,

intersecting, and interdependent patterns. Out of respect for this complexity, strong leaders turn to history and heritage, recognizing how tough it is to accurately see the present and tougher still to truly make history.

The Complexity of Heritage

Managing heritage and making history would be much easier if governments, corporations, non-profits, and professionals operated in isolation. Instead, they must operate in a bewildering

environment of intersecting history and heritage. Perhaps the two biggest categories of complexity are context and time.

Context: intra-organizational

Specific professions and functions may have their own strong heritage that provides a



competing or modifying framework for thought and action. A prominent example is information technology (IT) professionals. It has been suggested that IT professionals may identify more with other IT professionals than with others in their own organizations. Similarly, physicians interacting with hospitals or health organizations, even as employees, are products of a separate and powerful heritage that creates an independent identity.

Alliances, mergers, and acquisitions also create complex mixtures of heritage. These clashes have undermined otherwise strategic deals that looked good on paper. Lax integration efforts that don't sufficiently account for the clashes and alienation squander the substantial financial and human investments that lie at the heart of these deals. In contrast, a McKinsey & Company study found that M&A teams with a "deeper knowledge of the culture, people, and capabilities of the [acquiring] company" contributed to greater M&A ROI.¹

Organizations don't need deals, however, to provoke heritage clashes. Departments and divisions, particularly when they are not co-located, may develop strong, separate heritages. Implementing collaboration, or even just sharing best practices or common resources, can then become troublesome. These differences can be fundamental. Within insurance companies, for example, property, liability, life, and health insurance require different approaches to

actuarial science, underwriting, claims, and sales, and often operate in different regulatory and political environments.

Context: external

Organizations are part of industries or regions or professions or cultural niches, and many other, broader categories. Their heritages intersect and overlap. For instance, external influencers—most critically, customers and consumers—have their own competing and modifying frameworks. Regina Lee Blaszczyk's award-winning history book, *Imagining Consumers*, studies how successful companies build competitive advantage by deciphering consumer demand better than competitors.

Time

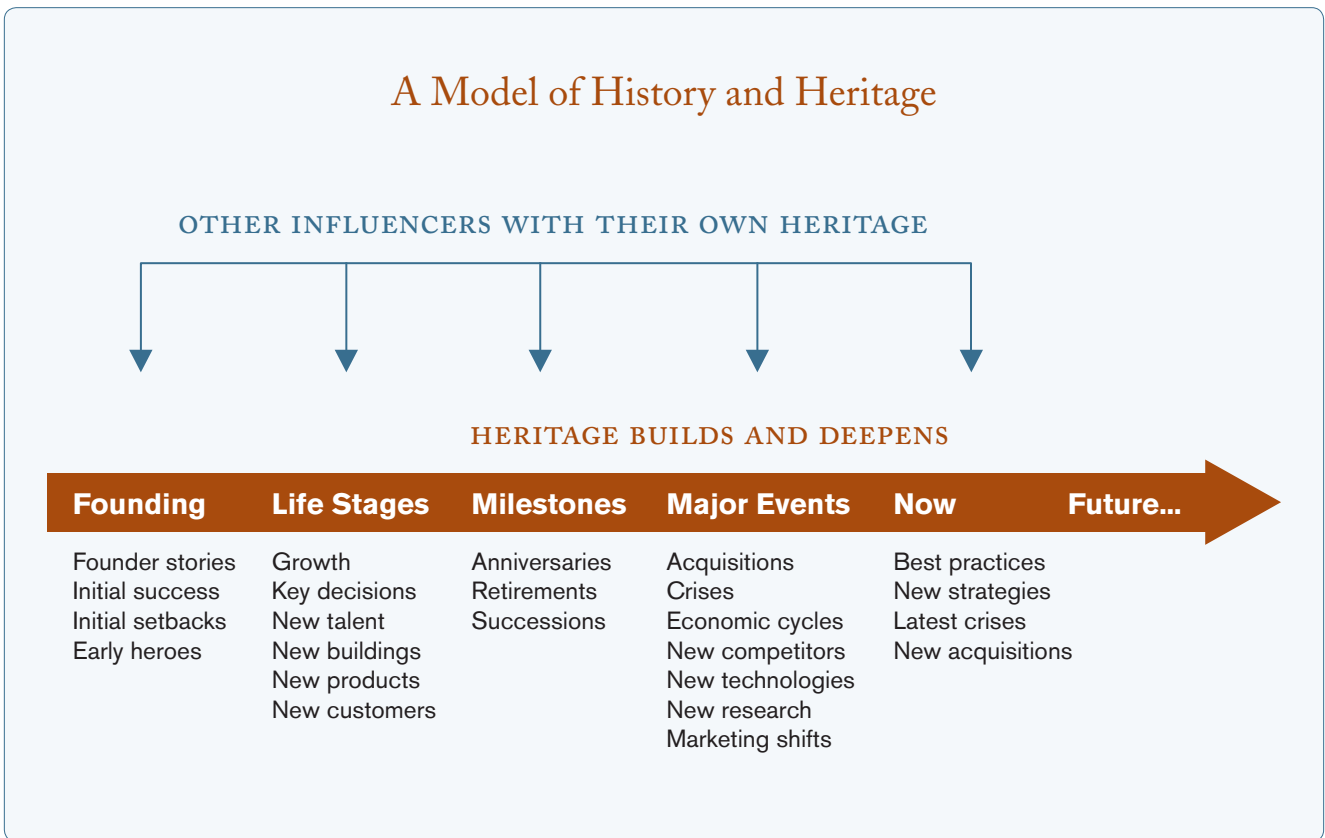
Educational institutions often teach history in ways that encourage it to be seen as little more than "old stuff." That "stuff before my time" mindset creates a tendency to overlook history—and heritage-in-the-making. Many companies that do develop archives don't pay enough attention to collecting recent and current materials. "After a major event, a new product failure, a wild business breakthrough, a downsizing crisis, or a merger, many companies seem to stumble on in ways that miss the lessons of the past. Mistakes get repeated, while smart decisions do not," writes Art Kleiner, now editor of Booz & Company's practical journal, *Strategy + Business*, and George Roth.²



Such history-in-the-making, high-visibility, high-consequence events can be critical Heritage Management opportunities because they increase receptivity to changing or reinforcing heritage. Major failures or successes give organizations a chance to evaluate “how we do things around here.” If nothing else, when these events are fresh-in-mind, that’s the time

to develop what Kleiner and Roth call “learning histories”—case studies written with the depth and immediacy necessary to encourage and enable broader adoption of best practices.

Here’s what a model of history and heritage that incorporates context and time looks like:



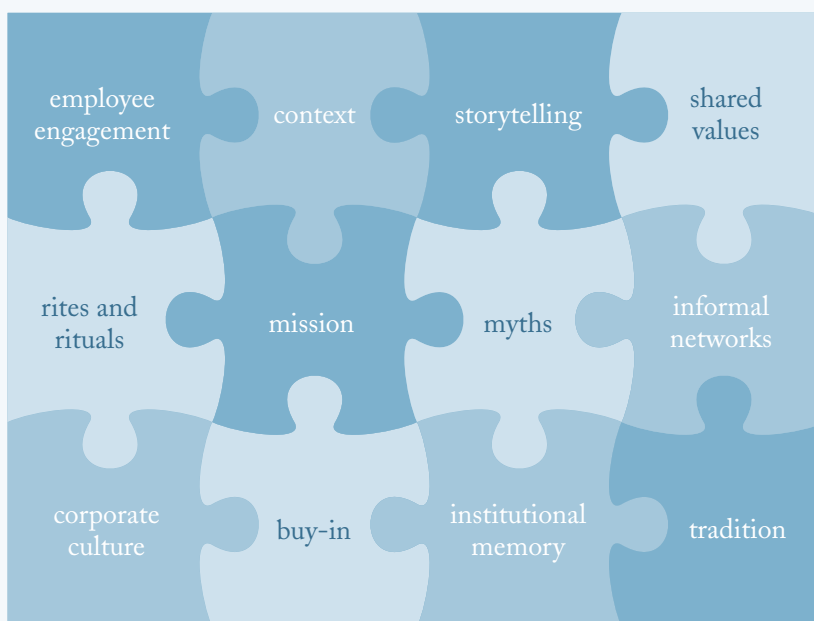


THE COMPLEXITY OF MANAGING HERITAGE

Just who is supposed to manage heritage and make history? Thoughtful studies of history reveal that leadership is anything but obvious. Leadership texts caution against mixing titles and actual leadership, and explore differences between managing and leading. Those designated for leadership don't always fulfill their roles, and individuals at all levels assume leadership roles as circumstances allow and require.

Right now, most organizations lack a “chief” for or a function called Heritage Management. Instead, it might be the responsibility of the executive suite, a division manager preparing for a product launch, corporate communications, advertising, human resources, archives, or even facilities management. They might use words like corporate culture, employee engagement, buy-in, context, mission, shared values, tradition, institutional memory, informal networks, rites and rituals, myths, storytelling, and more. Each function likely calls its piece of the big puzzle of Heritage Management something different.

The Big Puzzle of Heritage Management





It is quite likely that anyone senior in communication, branding, human resources, strategy implementation, or transformation projects has thought long and hard about Heritage Management, no matter what they've called it. (See the case studies at the end of this paper for more insight into diverse interpretations of Heritage Management.)

Enterprise-wide perspective

During the 20th century, corporations (and other organizations) added layers of complexity in order to manage their increased size and interdependencies, especially globalization. This complexity creates *enterprise-wide* challenges that keep chief executives awake at night. This complexity has elevated familiar specialties to enterprise-wide challenges. In recent years, these have included risk, privacy, diversity, reputation, human capital, and the 500-pound gorilla: technology. Heritage Management, always needed, has become one of these enterprise-wide challenges.

These challenges create confusion for three reasons:

1. These are “distributed challenges.” Even if you appoint a “chief” to help the CEO, success in managing the challenge depends on engaging managers and employees throughout the organization.
2. As different disciplines address these challenges, they create different language and frameworks for managing different aspects of the challenges.
3. While everyone knows the cost when there is a big blow-up, consensus measures for day-to-day dashboards for these challenges are elusive. For instance, the segment of those who deny the business benefits of diversity gets smaller and smaller as globalization intensifies, but no one agrees on how much diversity, defined how, achieved through what processes, and at what pace.

Learning how to quell this confusion requires new approaches to organizational leadership. That includes developing a stronger sense of the history and heritage of modern organizations, which increases understanding of the heritage of complexity itself.

Enterprise-Wide Challenges

DISTRIBUTED

DIFFERENT LANGUAGE
AND FRAMEWORKS

KNOWN COST\$;
UNKNOWN BENEFIT\$



Managing Heritage

A too-narrow mind-set around history and heritage means that too many organizations miss significant opportunities. Organizations face a barrage of challenges for which there are no standard—and certainly no simple—responses. The right balance point in many dichotomies varies over time. Some of the most familiar balancing acts:

- Continuity and Change
- Present and Future
- Short-Term and Long-Term
- Success and Change

Leaders turn to history for insight into understanding context:

- What about previous situations is similar and dissimilar to my organization's current situation?
- What have previous leaders done? What worked well? What lessons were learned?
- What about recent events has changed the situation to make it harder, or easier to anticipate what must be done and what might happen?

Leaders turn to Heritage Management to respond to opportunities and risks:

- How are your constituents likely interpreting what's happening?
- How might other audiences interpret what has been or will be happening?
- What aspects of heritage are likely to be enablers? Obstacles?
- How do you most effectively communicate what is happening, what needs to be done, and how? What stories from the organization's history or heritage might help?

Balancing Acts

CONTINUITY AND CHANGE

PRESENT AND FUTURE

SHORT-TERM AND
LONG-TERM

SUCCESS AND CHANGE



A great example of managing heritage comes from research into successful post-merger integrations. It seems that the most effective integration managers aren't the outside consultants who parachute in to help. Instead, it's experienced insiders who achieve the greatest returns—not the M&A experts, but

those who understand the informal networks of the acquirer and how things actually get done throughout the organization. This is just one of many organizational situations and needs that benefits from learning history and managing heritage. Some examples:

Opportunities for Managing Heritage

SITUATION-DRIVEN

- Executive transition (retirement, new CEO or division head, leadership crisis)
- Renovation or relocation
- Merger or acquisition
- Global expansion (building a global heritage)
- Milestone achieved (organizational, product, or other anniversary)
- Adversity (catastrophe, business cycle)
- Baby boomer retirements (what critical, informal knowledge needs to be captured and shared?)
- Best practices (what is being done well—by you or others—that needs to be adopted more widely?)
- Critical moments (what does the organization need to remember about innovations, successes, failures, major decisions, new technologies, product launches?)

NEED-DRIVEN

- Destabilizing external event (new technology, loss of customer, accounting change, new competitor, new law or regulation)
- Strategic initiative
- Rapid growth (balancing change and continuity)
- Re-branding campaign (image, reputation, graphics, advertising, slogans, products)
- Promoting innovation (what has worked or what hasn't, and what lessons should be shared and learned?)
- Crisis response (what has happened before and what was done well, poorly?)
- Ethics (how have we or other organizations achieved greater ethical resolve?)
- Due diligence (what might the finance, legal, and HR experts miss?)



CONCLUSION

Alonzo McDonald, now chairman and CEO of Avenir Group and previously president of Bendix Corporation, managing director at McKinsey, and special assistant to the president of the United States, suggests that most managers initially might not acknowledge the importance of history and heritage. In a 1986 *Harvard Business Review* discussion about “Why history matters to managers,” he said, “Now I’m sure that if you asked older managers whether they thought a lot about historical context, they would say no. But if you asked them about the first issue they raise when meeting with the CEO of a company they plan to acquire, they would say, ‘Well, I want to know about the company, about how you got to be where you are, about how things got to be the way they are.’”

Later in the interview, McDonald described how actually experiencing the effects of heritage influences managers. “As managers begin to be aware of the restraints or pressures within which they have to operate . . . they come to have some increased appreciation of all the forces that can affect what they can actually do.”

CASE STUDIES

Following are four case studies. They reveal both the practice and the rationale of Heritage Management, although that phrase never is used. Instead, the case studies represent several different management and academic disciplines working within a wide range of frameworks. Heritage Management would bring these disparate descriptors and frameworks together into one discipline.

Case Study 1

100 PERCENT MARINE

Michael Lyons of Richmond, California, describes his son, James, as 100 percent marine. “When he [James] puts on the uniform, it becomes part of his persona.” It would be hard to find an organization more storied than the U.S. Marine Corps. Out of its history has emerged a strong and enduring heritage that defines what is expected of and expected by anyone considering joining the Corps, anyone in the Corps, and those retired from the Corps who unite in believing that “Once a Marine, Always a Marine.”

The very familiarity of the Marine brand testifies to how aggressively, how fundamentally, and how decisively the Corps consciously manages



its heritage. While the Marines are part of the Navy, which is part of the broader category of Armed Services, the independent strength of the Marine brand is beyond question. The heritage of that brand makes a plus out of the valorous but gory history of the Marines, often the first force into full-scale combat under the most arduous circumstances.

Think of all the tools employed by the Marines (and to a lesser, but still impressive extent, all the Armed Services). They promote their heritage through training, storytelling, medals, advertising, and a range of books, movies, and television productions. They shape the heritage of specific military units, of specific functions such as fighter pilots, and of military service itself.

Case Study 2

MANAGING HERITAGE-LOSS RISK

Business literature often avoids terms like history and heritage because of the conceit that the tasks at hand are only about creating the future. In different ways, two recent *Harvard Business Review* articles underscore the shortsightedness of this point of view.

As baby boomers retire, some companies have begun to assess what this means for their

futures. Ironically, their discussions often are about the potential loss of their recent past. In a February 2008 article, “Managing Demographic Risk,” the authors describe the danger of not knowing what you already know: “Keep in mind that companies may face a shortfall not just of workers with needed skills but of employees with crucial experience and knowledge particularly specialized knowledge about the company and its practices.”³

This risk goes deeper. Workers don’t need to leave for companies to fail to benefit from what they know. The American Productivity & Quality Center (APQC) studies knowledge management. “You would think that these better practices would spread like wildfire to the entire organization,” APQC observes. “They don’t. . . . We believe most people have a natural desire to learn, to share what they know, and to make things better. This natural desire is thwarted by a variety of logistical, structural, and cultural hurdles and deterrents we erect in our organizations.”⁴

Experts stress that much of the heritage that companies fail to keep or share isn’t the kind you can put in manuals or databases. It’s passed informally from employee to employee. Strong leaders recognize the value of such a heritage, and develop programs to ensure the preservation and orderly transfer of unique knowledge.



Case Study 3

INNOVATION

Innovation is among today's hottest business issues, as most organizations (not just private sector businesses) seek a competitive advantage. Among its foremost strategists is Gary Hamel. In a 2007 *Fortune* article, "Break Free," based on his then-new book, *The Future of Management*, Hamel appears to twist and turn to avoid using the words history or heritage:

"What you need is a methodology for breakthrough management thinking. While innovation can never be entirely scripted, it is possible to increase the odds of a eureka moment by assembling the right ingredients—starting with a disciplined process of unearthing and challenging the long-standing management orthodoxies that constrain creative thinking."

In the even-more obscure language of academia, business historian Patrick Fridenson describes how long-standing management orthodoxies were an unintended consequence of the growing use of management tools. Such tools, he writes, "solidify practices, relations, structures. They are initially loaded with meaning and contribute to motivate executives and employees, but gradually lose some of their significance and hence the institutions have to be recalibrated."⁵

Economic geographer Erica Schoenberger writes that before managers engage in the kinds of action Hamel and others talk about to change organizations or implement strategy, they use an interpretive framework to process information. That might be thought of as a "heritage filter." Schoenberger links interpreting heritage with power. "Power is the struggle over the right to interpret and assign meanings to things;" Schoenberger suggests that managerial identity is crucial to strategy, for the framework of meaning and knowledge is congruent with the identity of the key decision makers. The danger firms face, therefore, is not resistance by subcultures but rather the opposite: a culture reduced to a single perspective or identity."⁶

None of this is new. For instance, in the early 1990s, just before Hamel's 1994 breakthrough book about breakthrough strategies, corporate culture was as hot as innovation is now. As mentioned earlier, John Kotter and James Heskett, who studied culture and business performance, described organizational culture as the evolution of shared values and behavior patterns (recall Bossidy and Charan's software). They documented, as Hamel observed, that strong cultures "can lead a firm into decline as well as into success. . . . Apparently, strong cultures can include dysfunctional elements as well as vigorous, functional ones."



Looking back today at Kotter and Heskett's list of stronger cultures with weak performance illustrates Hamel's point. That list included Citicorp, General Motors, K-Mart, and Sears, to name just four companies struggling to adjust to changing conditions.

Case Study 4

HERITAGE AND BRANDS

His Majesty King Carl XVI Gustav of Sweden told a group of researchers who were exploring the concept of monarchies as corporate brands, "My role is to represent Sweden and to be a symbol for my country; some people would use the modern word 'trademark.'"

That led those researchers—including Stephen Greyser, who spent eight years as executive director of the prestigious Marketing Science Institute—to explore heritage as part of corporate brand identity. They explicitly use the word "heritage," and distinguish it from history in describing two brand situations:

"By *brand heritage*, we mean a dimension of a brand's identity found in its track record, longevity, core values, use of symbols and particularly in an organizational belief that its history is important. A *heritage brand* is one with

a positioning and a value proposition based on its heritage."

The researchers contrast two watchmakers to illustrate the difference. Patek Philippe and Tag Heuer are both luxury brands with heritage. However, they classify Patek Philippe as a heritage brand "because it has chosen to emphasise its history as a key component of its brand identity and positioning."

The researchers direct attention to one of the most compelling distinctions between history and heritage: "A key difference between the perspectives of history and heritage in corporate branding contexts relates to the temporal dimension. An historical overview is necessarily grounded *in the past*. Corporate heritage brands embrace *three* timeframes: *the past, the present and the future*. . . . Heritage brands are distinct in that *they are about both history and history in the making*."

For more information, call The History Factory at (703) 631-0500 or visit us online at www.historyfactory.com.

¹ Robert N. Palter and Dev Srinivasan, "Habits of the busiest acquirers," *The McKinsey Quarterly*, July 2006.

² Art Kleiner and George Roth, "Learning Histories: A New Tool for Turning Organizational Experience Into Action," 3 June 1997, <http://ccs.mit.edu/LH/21cwp002.html> (accessed 26 January 2009).



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- ³ Rainer Strack, Jens Baier, and Anders Fahlander, "Managing Demographic Risk," *Harvard Business Review*, February, 2008.
- ⁴ C. Jackson Grayson and Carla O'Dell, "Identifying and Transferring Internal Best Practices," American Productivity & Quality Center, 2000.
- ⁵ Patrick Fridenson, "Business History and History," in *The Oxford Handbook of Business History*, ed. Geoffrey Jones and Jonathan Zeitlin (New York, NY: Oxford University Press, 2007).
- ⁶ Erica Schoenberger, quoted and summarized in Kenneth Lipartito, "Business Culture," in *The Oxford Handbook of Business History*, ed. Geoffrey Jones and Jonathan Zeitlin (New York, NY: Oxford University Press, 2007).

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