

ISO Technical Committee 289

Global Standards for Brand Evaluation and Valuation

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MASB Executive Director

February 2020
New York



Marketing Accountability Standards Board
of the Marketing Accountability Foundation

The Issue

**Lack of regular reporting on brand value
and strength of customer franchise
disadvantages the entire marketing sphere and
fails to acknowledge the material effect
they have on the
overall value of any enterprise**

Marketing is Disadvantaged

- **Marketing faces a constant threat of cuts because a reporting deficit undermines recognition of the brand as an asset**
- **Other corporate disciplines have standards demonstrating their contributions:**
 - **Finance – IASB International Financial Reporting Standards**
 - **Operations – ISO 9001 Family of Quality Measurement Standards**
 - **IT – ISO/IEC 20000 Information Technology, ISO/IEC 27000 Information/Network Security**
 - **HR - ISO 30400 Human Resource Management Family of Standards**
- **These standards provide credibility and tend to help ‘lock in’ resources for measurement/maintenance of important assets**

Accounting Practices Have Not Kept Pace

“One of the growing controversies in financial reporting in 2016 was over public companies’ use of non-GAAP reporting to describe their business performance to investors. For example, **88 percent of S&P 500 companies disclose non-GAAP measures in earnings releases...**

Are these companies — deliberately or otherwise — sending us a signal about ways to improve GAAP?”

- Russell G. Golden, FASB Chairman

Source: Why the FASB Cares about Non-GAAP Performance Measures

Accounting Practices Have Not Kept Pace

“Key performance indicators, or KPIs, are operating and other statistical metrics that cover both financial and non-financial reporting information.

However, they are not defined by an authoritative standard setter.

Some, such as with certain revenue metrics, may be based on GAAP information.

Others that provide non-financial information—such as number of stores, number of employees, and number of subscribers or advertisers—are not based on GAAP.”

- Russell G. Golden, FASB Chairman

ISO - Global Authoritative Standard Setter



International Organization for Standardization

- **Founded in 1947, ISO's scope covers any and all possible standardization subjects not addressed by IEC or ITU**
- **The ISO is a non-government organization and network of the national standards institutes of countries, one member per country, with the ISO Central Secretariat located in Geneva, Switzerland**
- **ISO has 164 member countries. The ISO member organization from each country is the organization that best represents that country's national standards system. In many cases, especially with developing countries, the ISO member is a government agency**

ISO Technical Committee 289 (TC289)

Scope:

Standardization in the field of brand evaluation

TC289 Brand Evaluation

Brand evaluation refers to the measurement of the value of a brand using relevant indicators that assess the impact of the brand on customers/users.

Brand evaluation includes both non-monetary and monetary considerations.

ISO Technical Committee 289 Brand Evaluation Participants

Secretariat

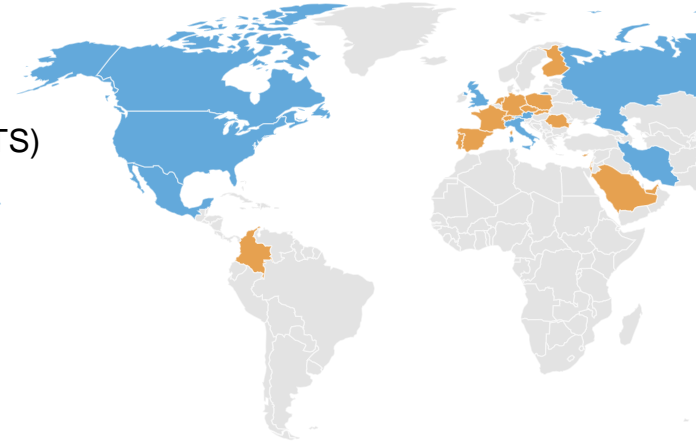
- China (SAC)

Participating Countries (10)

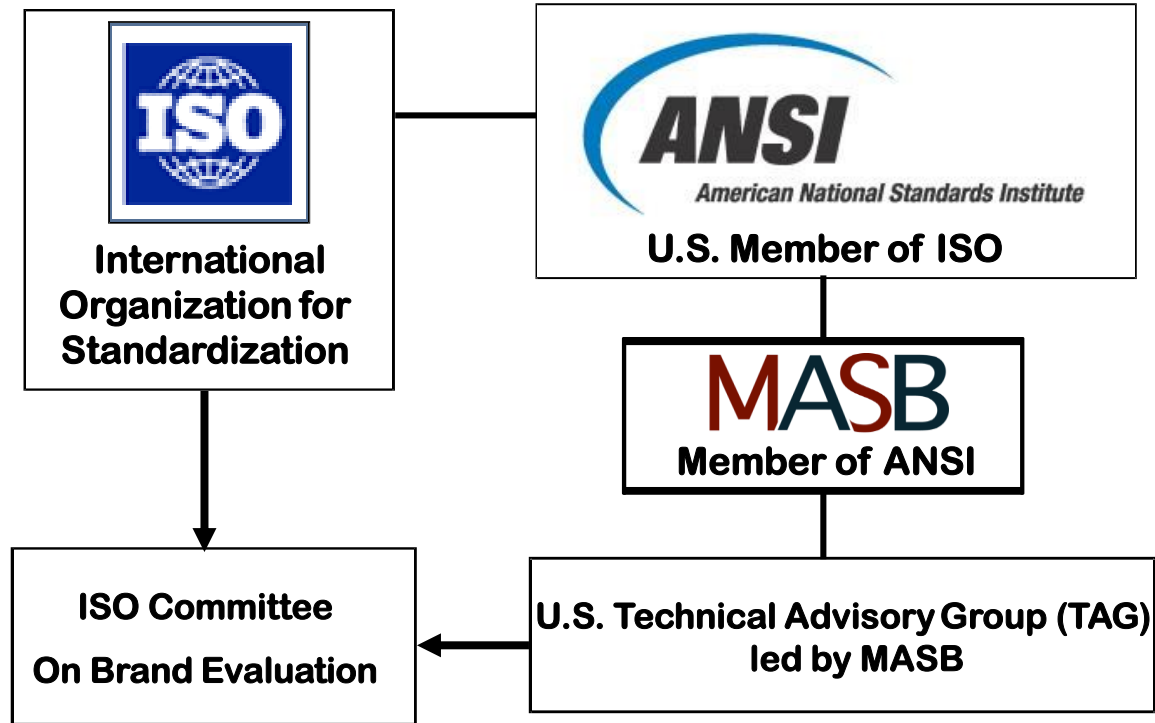
- Austria (ASI)
- Barbados (BNSI)
- Canada (SCC)
- China (SAC)
- Iran, Islamic Republic of
- Italy (UNI)
- Mexico (DGN)
- Russian Federation (GOST R)
- United Kingdom (BSI)
- **United States (ANSI/MASB)**

Observing Countries (26)

- Bahrain (BSMD)
- Colombia (ICONTEC)
- Cyprus (CYS)
- Czech Republic (UNMZ)
- Finland (SFS)
- France (AFNOR)
- Germany
- India (BIS)
- Israel (SII)
- Japan (JISC)
- Korea, Republic of (KATS)
- Malaysia (DSM)
- Malta (MCCAA)
- Netherlands (NEN)
- New Zealand (SNZ)
- Poland (PKN)
- Portugal (IPQ)
- Romania
- Saudi Arabia (SASO)
- Singapore (SPRING SG)
- Slovakia (SOSMT)
- Spain (AENOR)
- Sri Lanka (SLSI)
- Switzerland (SNV)
- Thailand (TISI)
- United Arab Emirates (ESMA)



Summary of Organizational Relationships



Milestones

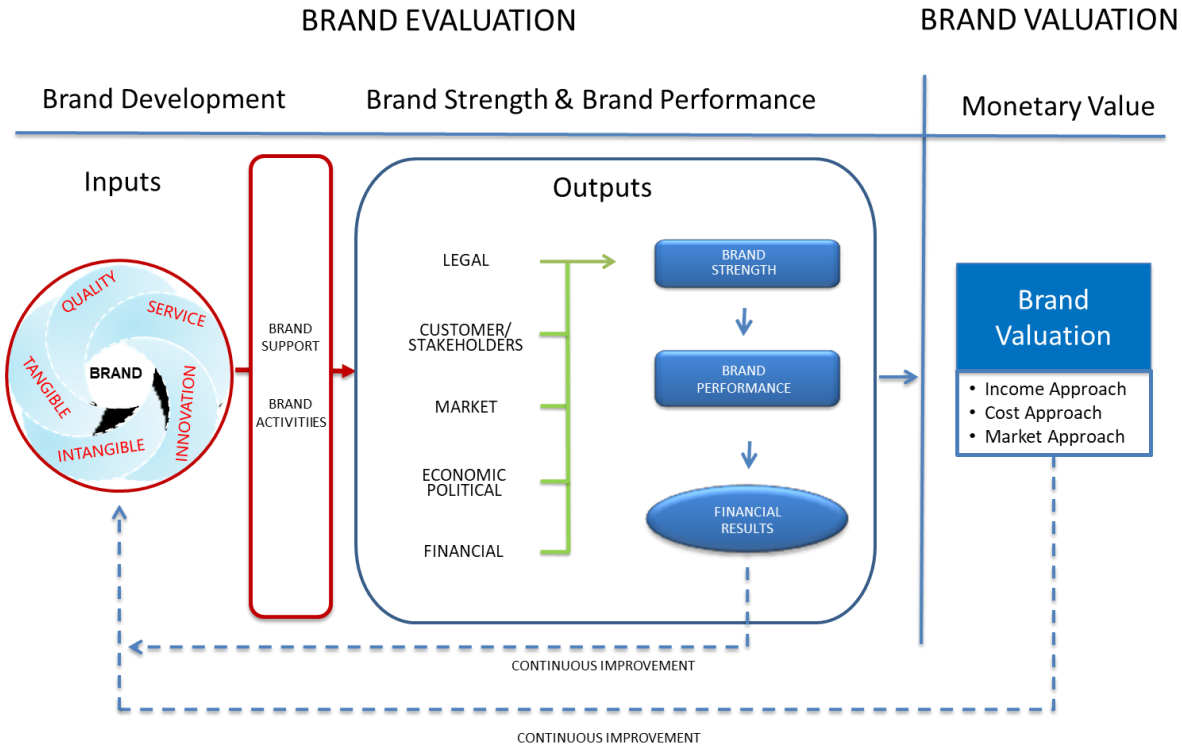
- **May 2016:** MASB chosen to represent U.S.
- **Apr 2018:** Unanimous approval of ISO 20671 draft standard
- **Nov 2018:** Review of ISO 10668 (brand valuation standard)
- **Mar 2019:** ISO 20671 released globally
- **May 2019:** Briefing for U.S. stakeholders
- **Jun 2019:** U.S. hosts plenary meeting
- **Now:** ISO 24051 *Guidance for Annual Brand Evaluation* further defines the guardrails for implementation of ISO 20671 reporting

What is ISO 20671 – Brand Evaluation?

- **Meta-standard which sets the framework and set of principles for rigorous, regular brand evaluations (valuations)**
- **Covers all brand types**
- **Systemic review of marketing metrics, internal financials, environmental factors, and processes**
- **Referred to as marketing's 'Golden Ticket' – opens dialog with corporate leadership on the contribution of branding to enterprise value**
- **Global in reach – created through participation of national standard boards coordinated by ISO Technical Committee 289**
- **Works in parallel with ISO 10668 – Brand Valuation**

'Meta-Standard' Framework

ISO DIS:20671 BRAND EVALUATION FRAMEWORK



Brand Evaluation

Brand evaluation refers to the measurement of the value of a brand using relevant indicators that assess the impact of the brand on customers/users.

Brand evaluation includes both non-monetary and monetary considerations.

Brand Value Briefing – New York May 31

- Briefing on ISO 20671 Standard
 - Primarily focused on annual brand valuation requirement
- Seven major brands represented
 - Confidentiality offered
- Helps fulfill feedback responsibility to ANSI/ISO
 - We are official ANSI designee in this area
- **“Astonishing” learning**
 - None of the brands represented in the room currently attempt to value their brands
- Individual post meeting discussions on-going
- Consolidated feedback informed working group at Plenary

Next Plenary & World Brand Day or Week

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"Chinese Brands Day" set to nurture independently-owned brands

Xinhua | Updated: 2017-05-09 20:57



BEIJING -- The establishment of "Chinese Brands Day" will help independent brands, a senior official said Tuesday.

The State Council, China's cabinet, has approved a Chinese Brands Day, to be held on May 10 each year from this year. The first falls on Wednesday.

Influential brands are symbols of the overall competitiveness of companies and countries, and can help lead economic transition, according to Wang Dong, a senior official with the National Development and Reform Commission (NDRC), China's top economic planner.

Compared with developed countries, China is still short of globally influential brands but well equipped to accelerate brand development, Wang added.

Chinese Brands Day will publicize brands owned independently by Chinese companies, tell the stories of the brands and raise brand recognition, according to Wang.

MASB

- Next plenary meeting was to be held in China in May adjacent to “Chinese Brand Day”
- CBD now high-profile event where Chinese companies “tell the stories of” and “raise recognition” for their brands
- **Postponed Due to COVID-19**
- ISO TC289 considering sponsoring worldwide day or week to do same globally

Current: Implementation of 'Guidelines'

- **MASB/ANSI proposed a new working item**
- **Complements ISO 20671 framework**
- **Akin to MASB Brand Investment and Valuation principles, it will provide prescriptive guidelines for conducting the reviews**
 - **Complete Systems View of Marketing**
 - **Recommended main metrics**
 - **Types of brand valuation**
- **Creation of the guidelines is primary working group item and may initially be released by MASB/ANSI as a national standard**

BES Team Members

Team Leaders



Dave Stewart
LMU & TAG Chair



John Willard
TAG Vice-Chair

Team Heroes



Edgar Baum
Strata Insights



Bobby Calder
Northwestern



Brian Hamilton
DoubleCheck
Advertising

Staff



Frank Findley
MASB ED
Sponsor & TAG Admin



Tony Pace
MAF/MASB



Erich Decker-Hoppen
Communication

Thank-you!



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