

SMALL BUSINESS

Big Firms Mentor Start-Ups on Their Image

Programs Connect Entrepreneurs With Marketers, Ad Agencies for Help on How to Sell Their Brand; Companies Benefit Too

In a world where image is key, start-ups often find themselves playing catch up.

Marketing advice for start-ups is now available through relatively new "incubator" programs, like the Branderly, a Cin-

By Emily Glazer in Cincinnati and Suzanne Vranica in New York

cinnati-based program that pairs tech start-up founders with mentors from big marketers like Procter & Gamble Co. as well as major branding agencies.

Rob McDonald, the 28-year-old son of P&G's chief executive, teamed up with a Twitter employee and a former P&G brand manager to create the Branderly.

"We know we won't be Silicon Valley, but we can leverage branding, design and consumer marketing" talent in Cincinnati, Mr. McDonald said.

RentShare, a Web service that helps roommates easily split shared household expenses like rent, was able to overhaul its logo with the help of a global branding and design firm, when it took part in the Branderly program last summer.

The founders of RentShare moved from Brooklyn, N.Y., to Cincinnati for a few months for the incubator program, where they were paired with Landor Associates, which has worked with P&G, Diageo PLC and Kraft Foods Inc.

"Our old logo and branding almost felt like RentShare was a company made by ex-bank executives," said co-founder Chris Toppino. "We wanted to be seen as the movement of the next generation—that played into the mock ups for what our tone and voice would be."

Landor, which worked pro bono, said the task was worth \$50,000.

The Branderly provides \$20,000 in seed funding and takes a 6% equity stake in the start-ups it helps.

Marketing guidance for start-ups is growing, with a range of new programs promising to pro-



Rob McDonald, left, is a co-founder of the Branderly, an 'incubator' program that pairs start-ups, like the Roadtrippers shown right, with major companies for marketing advice.



vide start-ups with better access to traditional ad agencies and major marketers. This comes at a time when traditional advertising and marketing executives are under pressure to keep up with the changing media landscape.

Advertising conglomerates such as WPP PLC have taken stakes in tech start-ups, while Interpublic Group of Cos. Inc. and Publicis Groupe SA have experimented with their own incubator programs. Mediabrands, a media buying unit of Interpublic, recently installed a 5,000-square-foot media lab at its office in New York, which houses demos of new products being developed by tech start-ups, for instance, to give its clients a look at the emerging technologies.

"It is nearly impossible for marketers to keep track of all things coming out in the emerging media space let alone find utility in them," said Matt Seiler, chief executive of Mediabrands.

Traditional marketers and ad agencies are increasingly interested in tapping into new thinking, like start-ups, in order to figure out what the next wave of change will bring and how best to help marketers figure out which technologies they should be paying attention to.

"We look at it as the bedrock of innovation," said Trevor Guthrie, a director OMD, the media buying arm of ad giant Omnicom Group Inc. Together with client General Electric Co., it is currently recruiting start-

ups for a 10-week incubator.

As many as 10 early-stage companies can get space in OMD's office, as well as a \$4,000 stipend for the summer. The founders also get educational programs about marketing; access to its clients that include some of the biggest marketers in the country such as PepsiCo Inc.; and the chance to win a \$10,000 prize. OMD doesn't take a stake in the start-ups.

Mediabrands gets a six-month exclusive on a start-up's technology, in return for giving the technology company the chance to show off its product to companies like Coca-Cola Co., for instance. It doesn't take stakes in the companies it helps.

Of course, factors such as access to capital are far more crit-

ical to an entrepreneur's success than any fancy logo or slogan. Marketing and branding is "one piece of the puzzle, though it's not everything a business needs," said Tracy Kitts, acting chief executive of National Business Incubation Association, a network of incubators.

Yet some tech entrepreneurs are oblivious to the importance of branding. They "would tell people about the technology rather than focusing on what problem the technology solved," Mr. Kitts said.

The Portland Incubator Experiment, which began as a co-working space sponsored by ad agency Wieden+Kennedy, plans to spruce up its branding focus for the next class of start-ups in summer 2012, said Rick Turcocy, the general manager. The

incubator, known as PIE, has six to eight start-ups per class, gives \$18,000 in seed funding and takes a 6% equity stake. Employees at big-name companies like Google Inc. and Coca-Cola Co. also serve as mentors, in addition to Wieden+Kennedy, the force behind the Nike and Old Spice advertising campaigns.

"Most start-ups think of marketing as 'Hey, we'll have a great URL, a funny new name and a logo and hope that word-of-mouth takes off,'" said Bob Gilbreath, who leads marketing strategy for venture capitalist group CincyTech. "The best way to do it, the basics of marketing, is understanding what the target audience need really is...doing research, talking to possible customers."