

# **Reshaping the image of an industry- The Intrum Justitia Case**

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## **MANAGEMENT DECISIONS**

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The authors prepared this case solely as a basis for class discussion and not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. Although based on real events and despite occasional references to actual companies, this case is fictitious and any resemblance to actual persons or entities is coincidental.

## What did actually happen?

Their first step was to do a big survey internally and externally. During the Brand Insight Survey, employees, some debtors and a lot of clients were asked about (a) how they thought about Intrum Justitia's role in the society, (b) how they thought about Intrum Justitia's culture and values, (c) how they thought about ambitions for the future; what would they like to see from Intrum Justitia within the next five years, (d) what they could do to make this change happen and (e) how they thought about turning the people of Intrum Justitia into problem-solving? The insights were processed by cross-functional and cross-border teams on different levels. The core values are derived from what people found significant for Intrum Justitia in the Brand Insight Survey. The statements were turned into values that will most benefit Intrum Justitia, their clients and their client's customer. 'Fair', 'fair pay', 'partner', 'ethical', 'respect', 'customer care' and 'debtor care' are for example values which people stated, which is distilled into the value: "understanding people". Different business scenarios were discussed in line with the brand promise to ensure that the brand and the business were fully supporting each other. The brand promise was defined by the purpose, vision and the core values (see **Exhibit 1**).

"We are a catalyst for a sound economy" - the brand purpose of Intrum Justitia has become to facilitate business and help create sound economies by making trade simple, safe and fair. They defined their mission as "to help ensure that payments flow as they should in society - to engender a sound business climate". Trade is a good thing, it is a key to prosperity. Today, most trades are carried out using money. The purpose of Intrum Justitia is to make that trade simple, safe and fair. In this sense, they make it easier for money to change hands, and reduces the risk that the buyer will not pay. This way trade is more likely to take place, which is better for society, companies and individuals. The *sound* relates to helping both sides of the deal and promoting long-term value-creating relationships between parties. Intrum Justitia's purpose is not to only collect debt, but also to provide other financial solutions that stimulate trade and facilitate business.

Their vision is to fully transform the company into a true people-focused company providing high value-added credit management and financial services. Intrum Justitia believed that people are part of the key issues and the solution to advance the state of the company and the industry.

### The core values

The first core value was defined as 'understanding people'. The people of Intrum Justitia should use their heart and by understanding people find ways to create value for all. All those involved should feel like winners. Employees should try to focus on the minds of other people and turn a challenge into a winning situation for all; "We are winners when all people involved in a trade feel like winners."

The second core value is 'seeking insight to feed innovation', which means that the company should collect and make use of their knowledge and turn that into new innovations. Intrum Justitia has turned into a learning organization which uses curiosity to seek for information and shares best practices with colleagues to help create valuable solutions.

'Committing to challenge' is the third core value. This core value represents dedication and guts when facing tough situations and still remain calm, friendly and proactive. It represents looking forward to challenges, knowing that it will be rewarding to succeed in something demanding. There is a need for courage, commitment and endurance in finding valuable solutions for our clients and client's customers.

The fourth core value states 'making a difference', which reflects the responsibility for the clients, owners and society. The industry that Intrum Justitia operated in has been undeveloped for a long time with destructive lose/lose-situations. Now, Intrum Justitia turns these into win/win situation and is aiming to become the first-choice partner for business and trade. Becoming a leader in the facilitating role, will create value for the society at large.

In order to become the *true* CMS market leader, Intrum Justitia decided that there was a need to stay focused on the brand promise route. The reputation of Intrum Justitia was seen as a result of their culture. Jean-Luc Ferraton noted: "It is not about what you say you are, but how you act and appear every day that builds the reputation of the brand." Therefore, Intrum Justitia started their strategic journey with the brand, which they defined as "the motor of change". This included a one brand strategy, a common look and feel, understanding it internally, verbal expression, understanding it externally, full service offering delivery, training to walk the talk, clear differentiation, loyal clients and celebration! All their activities are supposed to load the brand positively, with the same values in all markets and across the entire group.

This decision included their next step which was differentiation through color. As you can see in **Exhibit 2**, many financial firms are dedicated to blue. As this color is associated with the old 'bad image' of Intrum Justitia and the industry, they decided to differentiate themselves from the others and go for green and used the brand as a motor of change.

The new corporate brand had two major objectives: (1) to guide and engage the internal forces (and thereby increase performance) and (2) to express the corporate brand externally in order to attract key stakeholders and increase sales. The brand promise was implemented in all offices and a new visual identity was created to express the new Intrum Justitia. All companies got a brand promise kit for communication of all countries including games, posters, etc. Now everyone have the same business cards, wherever they were. Also, all companies got a brand manual with local explanation about the outcome of the Brand Insight Survey and the explanation of the defined core values. The head office had everything prepared, so all countries were aligned at the same time, with the same messages and material. Every employee had to sign for the core values as everybody was aimed to live up to

the core values. Everything Intrum Justitia does or says affects the brand, therefore Intrum Justitia ensured that their brand was integrated with all daily business (e.g. how to answer the phone, deal with a client or a client's customer, etc.).

Next to this, Intrum Justitia organized workshops to find out what it meant for the people who work for Intrum Justitia to have a community challenge. Additionally, a leadership program was set up in order to gather all managers and educate them about academic knowledge of brand management and the transfer to leadership. During this program Intrum Justitia constantly repeated how important it is to build one unified group with a meaningful corporate culture based on its core values. These sessions made the view of the own business change internally. Leaders and employees believed in the company and saw Intrum Justitia turn into a 'good company'. Accordingly, new colleagues had to do a fine-tuned survey to see if they fit and understand the corporate brand.

The strategic journey from blue to green was defined as the following (see **Exhibit 3**). This transformation required employees to understand and deliver according to the new strategy and promise that clients understand, experience and demand the new possibilities.

The ultimate goal of Intrum Justitia was defined as 'The Intrum Way': "Intrum Justitia should focus on becoming the largest credit management company in Europe, offering risk reduction and financial services built on debt collection foundation."

Intrum Justitia used the "Golden Circle" to express their success of the change (see **Exhibit 4**). The Golden Circle starts with the core: the brand promise. According Intrum Justitia a change should start internally and answer the 'Why are we doing this?'-question. The answer to this question should be integrated in the company's culture to succeed. The next layer answers the 'How are we doing this?'-question which is translated in structure, e.g. "The Intrum Way" and leadership principles. The last layer of the golden circle represents the 'What are we going to do?'-question and refers to actions, e.g. code of conduct and local business plan.

Externally, Intrum Justitia launched a new campaign in 2008 with the slogans "Boosting Europe" and "a Better Business for All". This campaign included the communication package that Intrum Justitia from now on is operating as one brand, one unified company. During this campaign they promoted that the company will contribute to improve the future of Europe. They focused on their ability to create jobs and to improve the economy. Credit management is a key factor in boosting Europe's economy and solving the unemployment.

However, by 2015 Europe had been loaded with a different meaning. Intrum Justitia defined their mission, position, core values, target groups, brand personality and brand promise (see **Exhibit 5**) and decided to use these as a new communication concept. They turned 'Boosting Europe' into 'Boosting You' and 'Boosting Your Business'. This campaign focused on the fact that people should do things which they are good at. A few slogans of this campaign are: 'We think a barista should spend his days making coffee', 'Tomas wants to talk to his client about fast internet

connections, not slow payments' and 'You might think Luc is in the credit management business, but actually, he is in the job creation business'. This campaign showed that if people do what they are good at, and Intrum Justitia does what they are good at, it is a better solution for everyone.

Today, Intrum Justitia is the European market leader in an attractive growth market with a proven integrated business model serving the full credit management value chain. They are delivering consistent, strong financial returns and have a broad base of clients, sources and countries. They define their sustainable competitive advantages as:

- Industry-leading Data Management
- Strong, Embedded Brand
- Local Market Leadership
- Extensive Geographical Footprint
- Large Client Base ~ 75.000 clients

As they succeeded the previous "Intrum Way", they now redefined it into "Our strategy towards realizing our vision" based on a solid platform consisting of our core values, operating principles, and our integrated business model"

**Exhibit 1** Brand purpose, vision, and core values

Purpose	To be a catalyst for a sound economy
Vision	To fully transform our company into a true people focused company providing high value added credit management and financial services
Core values	<ul style="list-style-type: none"> <li>▪ Understanding people</li> <li>▪ Committing to challenge</li> <li>▪ Seeking insight to feed innovation</li> <li>▪ Making a difference</li> </ul>

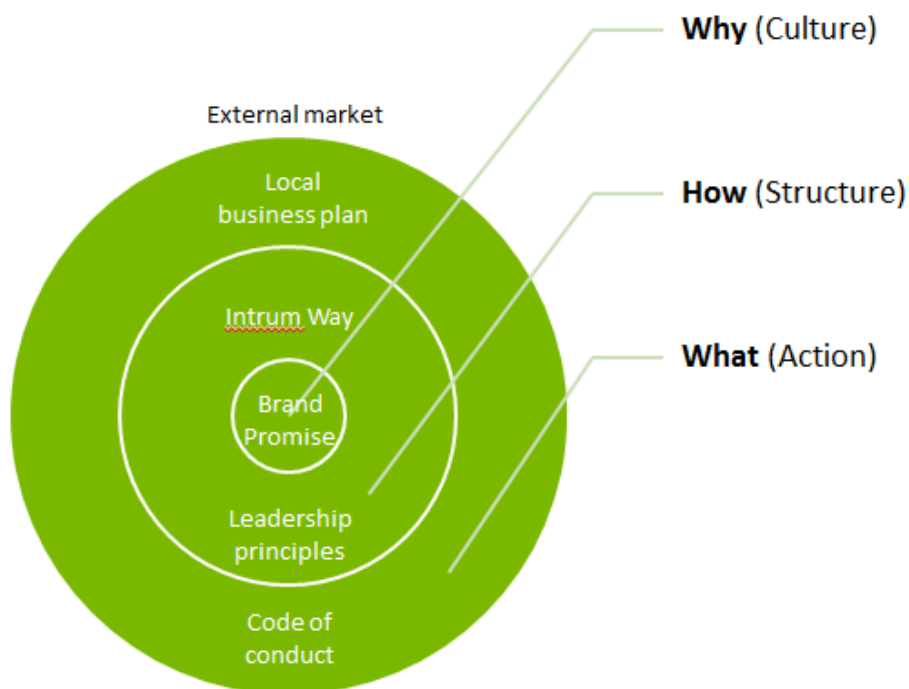
**Exhibit 2** Brand logos and colors



**Exhibit 3** The strategic journey of Intrum Justitia



**Exhibit 4** The Intrum Justitia Golden Circle



**Exhibit 5** Mission, Position, Core Values, Target Groups, Brand Personality and Brand Promise into the Communication Concept

Mission	Catalyst for a sound economy
Position	The Pan-European market leader
Core Values	Understanding people, making a difference, committing to challenge, seeking insight to feed innovation
Target Groups	Large companies, SME's, clients customers, Employees, Society
Brand Personality	Responsive, Accessible, Advisors, Experts, Responsible, Friendly, Credible
Brand Promise	Better business for all