

# the highlights and lowlights of best buy turnaround plan

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**brand as business bit:** last week [Best Buy](#)'s new CEO [Hubert Joly](#) met with analysts and journalists to share his plan to turnaround the struggling electronics chain (you can check out a [debrief](#) of his presentation from Businessweek).

His plan features several **smart moves** — the **highlights**:

- **expanding Best Buy's private-label business**, which includes the Insignia and Rocketfish brands — Beefing up exclusive offerings is a strong competitive move for any retailer.
- **developing more services** — The chain's [Geek Squad](#) remains one of the company's strongest assets — more services is a powerful way to differentiate and increase perceived value.

But there were a few more **questionable points** — the **lowlights**:

- **making online and Internet sales the top priority** — There's no doubt the company has lagged in its online experience and it needs to improve. But it has such a large capital investment in its stores, and in-person shopping is still extremely valued by consumers, particularly in the electronics category. I would think more efforts to **transform the in-store experience** would serve to both differentiate the brand and produce a stronger return on capital.
- **not working on culture and brand** — Although Joly admitted, "*We need to reinvent our brand identity*," he didn't lay out any plans to address this central issue. He pointed to [IBM](#) as an inspiration, but a closer look reveals there's more to the IBM story than what Joly has taken away. Services may have been the "*what*" behind the turnaround at IBM, but brand values were the "*how*." The company recovered from its near death only after [Palmisano](#) led the organization through a process of articulating new interpretations of the brand values and then figuring out how to live up to them. Similarly, Joly needs to rally all of Best Buy's stakeholders around one common understanding of what the brand's defining values and attributes are — without those distinctive reasons for being, the value of Best Buy will remain elusive to those inside and outside the company.

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Denise Lee Yohn has been inspiring and teaching companies how to operationalize their brands to grow their businesses for over 20 years. World-class brands including Sony, Frito-Lay, Burger King, and Nautica have called on Denise, a brand-building expert, speaker, and writer.

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