

TBWA



DYNAMIC TRIO:
Lee Clow, Jean-Marie Dru and Tom Carroll.
Photographed in the New York office on Dec. 12, 2006.

Network pulls together to post impressive growth, produce stellar creative

BY ANDREW McMAINS
PHOTOGRAPH BY RUDY ARCHULETA

TBWA Worldwide vice chairman Tom Carroll took the call from Bob Gamgort, president of Masterfoods USA, a relatively new but fast-growing global

client of TBWA. Gamgort had a problem with the advertising of Snickers—then at BBDO—and wanted fresh ideas from TBWA and another roster shop, Nitro. “I just remember them calling up and saying, ‘This is why we have multiple agencies.’” Carroll says of the January 2006 exchange.

In early March, the New York office of TBWA/Chiat/Day presented two campaigns during a three-hour pitch. The provocative work included an outdoor idea that injected funny, made-up words such as “Substantialicious” into the framework of Snickers’ iconic

red and blue logo, but not the brand name itself. Above all, Gamgort remembers a “manifesto” from executive creative director Gerry Graf, whose roots with the brand traced back to his years at BBDO. Graf said early in the pitch that Snickers defined the chocolate category and needed to act like it. “Because you’re Snickers, goddamnit!” he exclaimed.

“I remember how it stood out,” says Gamgort of Graf’s bold verbal stake in the ground. Nine days later, Masterfoods shifted the estimated \$40 million U.S. account to TBWA/C/D, whose network already handled lead duties on

brands such as Pedigree, Starburst, Skittles, Uncle Ben’s and Combos. TBWA, whose first Mars/Masterfoods assignment arrived in May 2002, now handles 27 brands around the world that have a collective media weight roughly equal to that of the brands handled by BBDO, a roster shop since 1995. That’s pretty impressive for an agency with scant packaged goods experience when it joined the roster less than five years ago.

The Snickers win epitomized a year in which nearly half of the Omnicom Group agency’s worldwide growth came from existing clients. Two years after it “realized” it was a global network, TBWA hit its stride with multinational clients, gaining new brand and market duties from McDonald’s, Nissan, Beiersdorf, Michelin, Henkel and Standard Chartered Bank, among others. TBWA now handles 19 clients in at least 15 countries—up from 17 such clients in 2005 and nearly triple 2001’s total of seven, according to worldwide chief marketing officer Laurie Coots.

Last year the shop also joined Motorola’s global roster, won global creative duties on Luxottica’s Ray-Ban and more than doubled its business from U.S. client Sara Lee. All told, worldwide revenue grew 7 percent to an estimated \$1.25 billion on a billings gain of about \$800 million.

The growth was impressive, and creatively, as in years past, it just doesn’t get any better than TBWA under chief creative officer Lee Clow, 63. Reel highlights include the Playa del Rey, Calif., office’s buzz-worthy Mac vs. PC campaign, a witty dialogue-driven series that sharply contrasts a Gen Y hipster with a nerdy, bespectacled PC user. A surreally funny Skittles spot from the New York office depicts a 20-something man at a job interview who wills his cascading, troll-like beard like an appendage to pick up a piece of the candy and affectionately pop it into the interviewer’s mouth.

The Paris office used long-form animation to tell the story of a gay man’s lifetime of failed but disease-free relationships, for the government-led AIDES consortium, and TBWA/Auckland, with 180 in Amsterdam, turned a soccer player’s foot on an Adidas billboard into a launching point for a giant, two-passenger ball that, via bungee cords, sprung World Cup fans hundreds of feet into the air. “We have creative energy coming from a lot of different places,” says worldwide CEO Jean-Marie Dru. At Cannes, Paris earned its fourth-straight Agency of the Year honor, with nine Lions, and the network won 37 Lions, tying for second overall, after two straight years as the most-awarded network.

In recognition of its enviable work, solid growth and blossoming into a formidable network after years of fits and starts, *Adweek* has selected TBWA as its Global Agency of the Year. “Two years ago, we finally realized we were a global network,” says Carroll, at year’s end. “This year, we were really flexing our muscles.”

Says Omnicom CEO John Wren, “They

finally pulled [the network] together. They streamlined the reporting lines, and they put people into jobs who are very capable but also interested in collaborating [with the other offices]. It all really came together in ’06 for TBWA.”

Yes, TBWA has come a long way from its slash-connected past. Historically, the agency—born of the 1995 merger of TBWA and Chiat/Day—operated more like a federation than a classic network, with its 258 offices chasing predominantly local accounts and clinging to the names and autonomy they enjoyed before being acquired by Omnicom. Many shops entered the fold with great creative reputations, and their entrepreneurial leaders remained fiercely independent and generally disinterested in sharing resources—or business.

Dru chafed when asked in 2002 about the perception that his offices competed more than they collaborated. Back then, one year into his reign as CEO, he argued that TBWA was more “effective and efficient” than more-established peers. Recently, however, Dru acknowledged that the question was valid. “We were more of a mosaic of companies,” says the reserved 59-year-old Frenchman. “It’s funny. Nobody is questioning that anymore.”

What changed? The growth in multinational business and addition of new global clients such as Mars and Adidas (in late 2001)



RISING STARS:
Regional chiefs Robert LePlae, Perry Valkenburg and Keith Smith.

forced the nascent network to grow up. Such clients require the coordination of multiple offices and disciplines, and TBWA responded by giving worldwide account directors more power to manage resources across regions and by expanding its offering beyond traditional advertising. In 2006, for example, Omnicom retail marketing unit The Integer Group became part of TBWA’s group, a year after Omnicom interactive shop Agency.com entered the fold. Both units are now overseen by Jeremy Pagden, the worldwide president and CEO of Tequila—the network’s customer relationship marketing arm—who last year assumed the new post of president of marketing services.

By giving worldwide account directors more clout—back in 2002—Dru made it clear that client needs came first. At the same time, he recognized that local offices should be rewarded for their contributions to global accounts. As such, the flow of revenue and resources to local offices increases as their scope of work expands.

In addition, the dozen global account chiefs have developed long-range business plans that address everything from how to grow the client’s business and improve the quality of work to how to integrate other marketing services. Those plans, like others created by local leaders for their offices, lay the foundation for building institutional knowledge on the accounts, which, in turn, can spark the development of best practices, says Coots.

Some global client relationships have required TBWA to partner with outside agencies, such as Hakuhodo in Tokyo, on Nissan, and 180, on Adidas. And, in each case, the partnership has thrived and gotten closer, with Omnicom taking a majority stake in 180 in November, and Hakuhodo in February merg-

AT A GLANCE

BILLINGS

Up 9 percent globally to \$9.8 billion (est.)

REVENUE

Up 7 percent to \$1.25 billion (est.)

ACCOUNTS WON/MEDIA BUDGET*

Global billings gain of \$800 million, from Nissan (pan-European sponsorship, dealer duties); Masterfoods (more brands in seven countries); Sara Lee (Sara Lee, Hillshire Farm in U.S.); McDonald’s (new tasks in eight countries); Ray-Ban (global); Motorola (Middle East, North Africa); LeapFrog (U.S.); Michelin (South Africa, Japan, India); Henkel (Der General, Perwoll, Somat across Europe); Beiersdorf (more brands in Canada, Germany, China).

PITCH RATIO

117 of 203 (58%)

ACCOUNTS LOST/MEDIA BUDGET

McCain (\$30 million, U.K.); Ask.com (\$25 million, U.S.); American Century (\$15 million, U.S.); Woolworth’s (\$10 million, S. Africa); LG Electronics (\$5 million, S. Korea).

HIGHLIGHTS

- Carroll rises to president, in line to succeed Dru.
- Paris wins fourth-straight Agency of the Year at Cannes, and network ties for second overall.
- Tokyo and Nissan partner Hakuhodo merge.

Sources: *Adweek*, agency reports, TNS Media Intelligence

*About half of new business came from existing clients.

Redux Pictures

ing with TBWA's Tokyo office to create TBWA\Hakuhodo. For six years, the two shops serviced Nissan under a joint venture known as Hakuhodo\G1. The merged agency is 60 percent owned by Hakuhodo, 40 percent owned by TBWA and employs some 300 staffers who also work on Adidas, Mars and Häagen-Dazs.

Another key to unifying TBWA has been the development of Dru's strategic practice of "disruption," which challenges clients to defy conventions. Each year, agency offices host hundreds of "disruption days" for existing and prospective clients to examine marketing strategies on specific brands to make sure they're fresh. Not only has disruption become an effective global marketing tool, but it also has given the network's 9,700 staffers a common focus and language to express it.

"Philosophically, it's a state of mind," says Carisa Bianchi, president of the L.A. office. "It carries with it very high ambition" and presents "opportunities to create new market space" for brands and get them to "behave in new ways." Adds Gamgort: "Cutting to the chase—that is the benefit of disruption."

TBWA's maturation as a network has enabled the top guns to tackle big-picture issues like succession plans and reinserting media planning into the development of client work.

In October, Carroll, a veteran account man who inspires loyalty in colleagues and clients alike, rose to president worldwide, putting him next in line to succeed Dru. The promotion came after Carroll, 51, spent two years in the less-defined role of vice chairman. He made the most of it, continuing to be a key contact for Adidas, Absolut and Masterfoods. "He lives and breathes and understands our passions, so he's one of the logical guys to take that kind of role," Clow says of Carroll's new position.

And in a time when all agencies are trying to bring media planning closer to creative, Clow opened a Media Arts Lab for Apple in L.A. that brings media planning to the forefront of developing client marketing strategies. Media planners from Omnicom sister shop OMD now work in tandem with account planners, account leaders and creatives from TBWA. The pilot project is expected to extend to Asia this year and become a model for servicing clients in an era of abundant media options.

The next generation of leaders also is assuming greater responsibility based on past success. Asia-Pacific chairman Keith Smith, 57, in October became president international with a focus on markets outside of the Americas, and Central and Eastern Europe president Perry Valkenburg, 44, this year will likely take on a larger role, covering all of Europe.

Smith, a U.K. native who keeps offices in Hong Kong and Paris, and Valkenburg, a Dutchman who's based in Hamburg, Germany, represent entrepreneurs who sold their respective agencies and graduated to progressively bigger jobs. "If you went around the world and

looked at agencies that we've acquired, you'd find it's a very high proportion of people who, when their earnouts have finished, have stayed with TBWA," says Smith, who in the Asia-Pacific region oversees about 1,800 staffers at 35 offices that generated about \$250 million in revenue last year, a 20 percent gain. "And it is to do with obviously being incredibly proud of what we do. But also to do with the fact that you do have this element of empowerment and ... when you're acquired by TBWA, it doesn't feel that you've been taken over by Big Broth-

'Two years ago, we finally realized we were a global network. This year, we were really flexing our muscles.'

—TOM CARROLL

er. It feels that you've joined a train that's going in a really good direction. And that you can actually add value to what's happening."

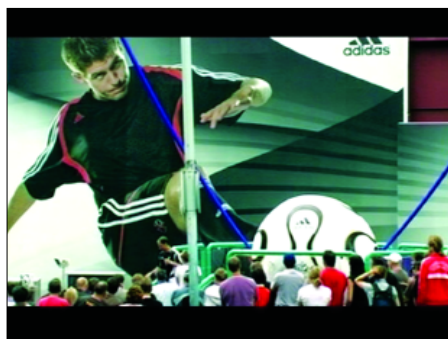
Among the issues confronting the regional and global chiefs this year are three years of leadership exits in London—the only market where revenue declined last year—and now, the prospect of New York losing its largest client: Sprint Nextel, which last week launched a review of creative duties on its U.S. account. Sprint, for which TBWA\CD handles consumer-targeted ads, generates an estimated \$30 million in revenue to the office. At press time, Sprint was drawing up an agency

list and had left the door open for TBWA\CD and business-to-business incumbent Publicis & Hal Riney in San Francisco to participate.

New York's Sprint cloud does not negate the emergence of Graf and his creative department, however, particularly Masterfoods group creative directors Scott Vitrone and Ian Reichenthal. Historically, the office's reel has paled in comparison to L.A.'s. But Graf, 40, in his third full year, produced a string of memorable campaigns that Clow, the network's godfather of creativity, has embraced.

The first Snickers work came out of the pitch: the agency swapped the brand name out of the candy bar's distinct logo with humorous faux words celebrating the product attributes, such as "peanutopolis," "hungerectomy" and "nougatocity." A laugh-out-loud locker room gag for Sprint stood out during the Super Bowl. In the spot, a man hurls his phone, not once but twice, to demonstrate its "crime deterrent" feature. And the office convinced Masterfoods to fund a TV campaign for Combos on the strength of just a plain funny idea: "What your mom would feed you if your mom were a man." The resulting campaign featured a John Goodman-built man in a brown wig who, in one spot, disturbed from a nap, remedies his teenage son's fever with a bag of pizza-flavored Combos because "you're just hungry."

Graf has "got the environment and the energy of a small, 'Go for it, let's be really creative' agency, as opposed to a spot on a map part of a giant network," says Clow. "We're encouraging that all over the network." ■



THE WORK: A series of Apple spots playfully personifies the Mac and PC, with witty banter between the two; surreal Skittles ad brings comedy to job interview with candy-popping beard; an Adidas billboard sprung soccer fans in a giant ball on bungee cords; and a long-format animation follows a gay man's sexual history for AIDES consortium.