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Charlotte Beers at Ogilvy & Mather Worldwide: An Assessment

An Awesome Consulting, Inc. project

developed by James Anderson, Jane Colacecchi, Robert Neibauer,
Kenneth Reed, Steven Sellers, Kathryn St. John and Bob Utama
ORGL 680, Leadership Seminar
September 28, 2013



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Background

Charlotte Beers, a former CEO of Ogilvy & Mather, was named CEO of Ogilvy & Mather Worldwide in 2011. She is the first woman to hold this position in the company's history. She has led the company through a period of significant growth and change, including the acquisition of several other advertising agencies.

Beers' First Five Months

During her first five months as CEO, Beers focused on several key areas: strengthening the company's financial performance, improving operational efficiency, and enhancing the client experience. She also initiated a series of strategic initiatives to position the company for long-term success.

Assessment of Beers

Beers is a highly accomplished leader with a proven track record of driving growth and innovation. She is a strong communicator and a skilled negotiator. Her focus on financial performance and operational efficiency has resulted in significant improvements in the company's bottom line.

Assessment of the Firm

Ogilvy & Mather Worldwide is a leading advertising agency with a strong global presence. The company has a rich history of innovation and creativity, and it continues to invest in research and development to stay at the forefront of the industry.

Assessment of the Process

The assessment process was thorough and comprehensive, involving a series of interviews, focus groups, and data analysis. The findings of the assessment provide valuable insights into the company's strengths and weaknesses, and they offer a clear path forward for the future.

Recommendations

Based on the findings of the assessment, the following recommendations are provided: 1) Strengthen financial performance by focusing on cost reduction and revenue growth. 2) Improve operational efficiency by streamlining processes and reducing waste. 3) Enhance the client experience by providing personalized service and support.

References

Beers, C. (2011). Charlotte Beers Named CEO of Ogilvy & Mather Worldwide. *Ogilvy & Mather*.
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Background

O&M was founded in 1948 by David Ogilvy, who admonished that "the client is not a moron," (Ibarra & Sackley, 2011, p. 2). Ogilvy developed several famous campaigns and led the company to be known as "the class act of Madison Avenue," (p. 2). Ogilvy retired in 1975, and the company began a period of decline. In 1992, Charlotte Beers took the helm. When she arrived, she had a number of challenges to contend with.

D&M Worldwide Challenges by the Consolidation of Advertising

When Charlotte Beers arrived in 1992, she found a company that was struggling to survive in a market that was being consolidated. The company was facing a number of challenges, including a loss of market share and a decline in profitability. Beers had to take immediate action to address these issues and stabilize the company's financial position.

Boxed and Company Image

Beers had to address the company's image, which was perceived as being boxed and outdated. She implemented a series of initiatives to refresh the company's image, including a new logo and a rebranding effort. This helped to restore the company's reputation and attract new clients.

"Bretesquy Polite" Culture

Charlotte Beers implemented a "Bretesquy Polite" culture, which emphasized politeness and respect. This culture helped to improve the company's internal relationships and external reputation. It also led to a more cohesive and productive workforce.

Lack of Teamwork

Beers identified a lack of teamwork as a major challenge. She implemented a series of initiatives to improve teamwork, including team-building exercises and a focus on collaboration. This helped to create a more unified and effective team, which was essential for the company's success.

Crisis of Confidence

Beers faced a crisis of confidence in the company's leadership. She implemented a series of initiatives to restore confidence, including a focus on transparency and accountability. This helped to rebuild trust and confidence in the company's leadership, which was essential for the company's recovery.

O&M Worldwide Challenged by the Globalization of Advertising

Advertising agencies are being asked to launch simultaneous brand campaigns in North America, Europe, and emerging markets of Asia, Latin America, and Africa. O&M's composition of "a loose federation of hundreds of independent firms" results in multinational branding efforts that are disjointed.

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Lack of Teamwork

- Beers illustrated how the company was siloed with individual departments working as separate entities;
- Without cohesive teamwork and collaboration amongst departments O&M had crippled itself against gaining new and losing existing clients
- Beers took over O & M at a time when "people had lost sight of Ogilvy's still impressive assets-its vast network of offices worldwide..." (p.6);

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Beleaguered Company Image

- Clients rated O&M below other agencies and characterized the company employees as “uninvolved, distant and reserved.” (Ibarra & Sackley, 2011, p.6)
- Beers took over O & M at a time when it was characterized as a “beleaguered” company; “people had lost sight of Ogilvy’s still impressive assets-its vast network of offices worldwide...” (p.6);

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e..." (p.6);

Crisis of Confidence

- "A shaken confidence permeated the whole company," (Ibarra & Sackley, 2011, p. 4).
- Loss of major clients in rapid succession- Unilever, Shell, Campbell Soup, and one of the company's prized clients, American Express
- "People who were loyal Ogilvy employees... threw up their hands and said, 'This place is falling apart.'" (p. 4)

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"Grotesquely Polite" Culture

- Communication is "very guarded," (Ibarra & Sackley, 2011, p. 15)
- Very little open disagreement between executives

Beer's First Few Months

It is evident that a call for change was in place when Beers took over as CEO/Chairman at O&M. Given Beers' limited global management experience, she was able to implement a vision to revitalize and enhance the agency. While her lack of global experience created the initial perception that she was ill prepared to lead the company, she brought a desperately needed fresh perspective to the organization. She saw herself as the bridge between clients' needs and the capabilities of the company

Implementation of the "Thirsty for Change" Group

Downsizing and restructuring were announced and assigned to a team led by Peter Dinklage. The team was composed of senior executives and consultants. The team was charged with the task of identifying and eliminating redundant functions and positions. The team was also responsible for identifying and eliminating redundant positions. The team was also responsible for identifying and eliminating redundant positions.

Activate the Assets

Beers sought to activate the assets of the agency. She focused on the agency's core competencies and sought to leverage these assets to create new opportunities. She also sought to activate the agency's human capital and sought to create a culture of innovation and risk-taking.

Strategic Planning

Beers initiated a strategic planning process. She focused on the agency's long-term goals and sought to create a clear vision for the future. She also sought to identify the key drivers of the agency's success and sought to create a plan to address these drivers.

Intensely Brand and Client Focused

Beers focused on the agency's brand and client relationships. She sought to create a strong brand identity and sought to build strong relationships with clients. She also sought to create a culture of client service and sought to ensure that the agency was always focused on the needs of its clients.

Visioning

Beers created a vision for the agency. She focused on the agency's long-term goals and sought to create a clear vision for the future. She also sought to identify the key drivers of the agency's success and sought to create a plan to address these drivers.



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Implementation of the “Thirsty for Change” Group

- “Beers chose to meet with executives one-on-one and assigned them tasks without regard to their disciplinary background”. This created an unorganized structure and discomfort among executives, but at the same time enabling creativity.
- She leveled the proverbial hierarchical playing field choosing to call on people for their opinion and not because of their seniority in the company. Observed their actions and what they valued; ultimately wanted employees that shared her feelings on the importance of the brands.

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Activate the Assets

- Beers wanted the company to realize there are plenty of great assets within the company that are not being utilized - its creativity, its worldwide network of offices, global clientele
- Part of the restructuring process was “activating assets we already have” (Ibarra & Sackley, 2011, p. 6)
- Kept the focus on the quality of Ogilvy's advertising

Intensely Brand and Client Focused

- “Beers believed that clients wanted an agency that understood the complexity of managing the emotional as well as the logical relationship between a consumer and a product,” (Ibarra & Sackley, 2011, p. 6).
- Having a clear understanding of what your client wants and needs will give an edge amongst the competition.
- Beers designed a tool called Brand Stewardship. This was developed to better understand the “emotional subtleties and nuances by which brands live” (p. 10).

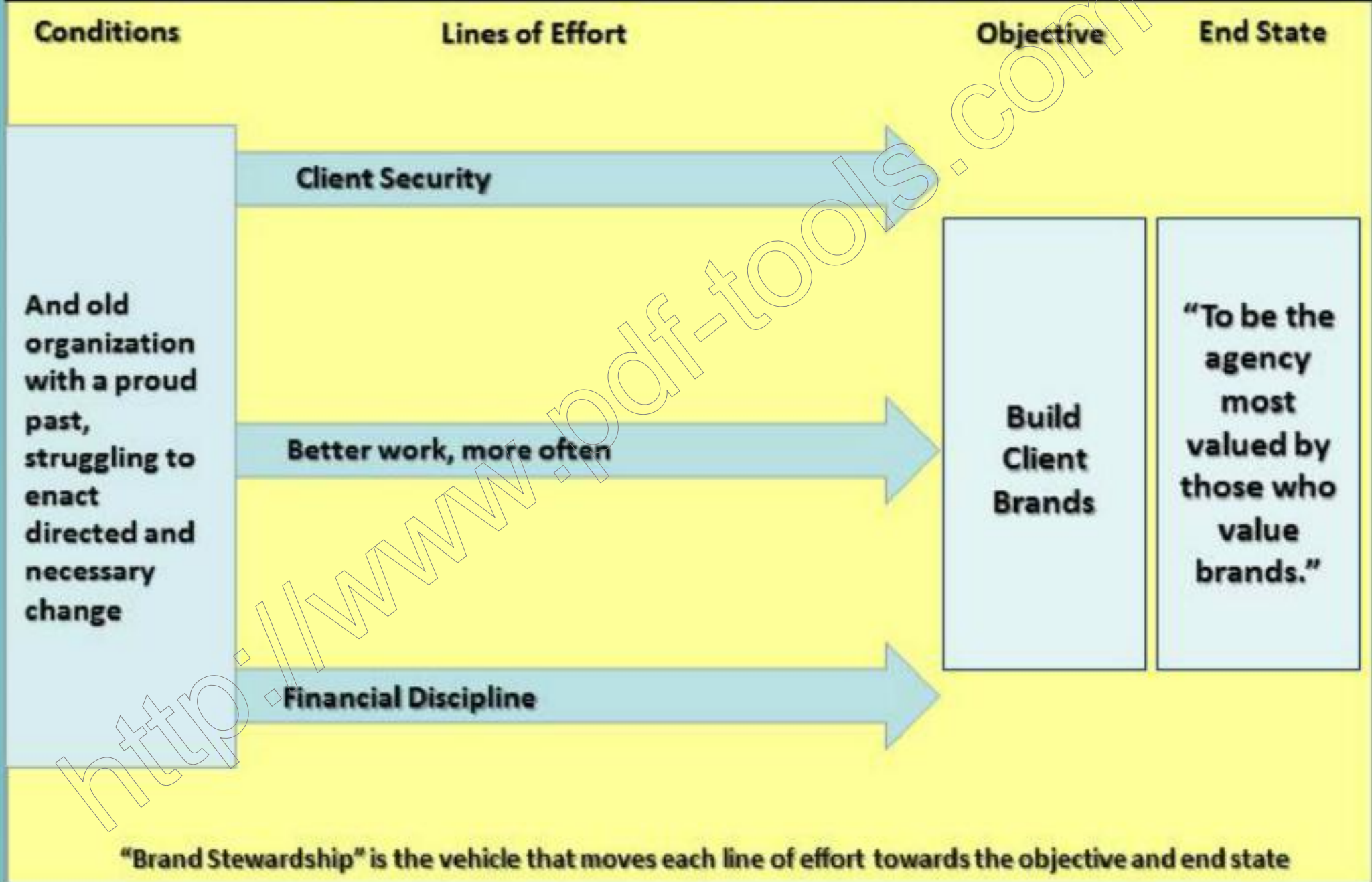
Strategic Planning

- Brought Thirsty for Change group together for strategic planning - she "put a diversity of talents in a climate of disruption." (Ibarra & Sackley, 2011, p. 7)
- Group developed 22 strategies, Beers reduced to 3
 1. Client Security
 2. Better Work, More Often
 3. Financial Discipline
- Developed Worldwide Client Services (WCS), which would "tap the best brains from anywhere in the world for each account," (p. 10)
 - Rolled out before financial arrangements between WCS and local offices developed

Visioning

- Larger group of company executives and Board Members adjourned to develop the vision statement
- After three "ghastly," "painful," and "dreadful" days (Ibarra & Sackley, 2011, p. 11), they crafted the new vision under firm guidance from Beers:
"To be the agency most valued by those who most value brands"

Ogilvy & Mather Worldwide Objectives: the Beers approach



Assessment of Beers

Beer's tenure as CEO/Chairman in the initial phases was turbulent for the agency. Within a narrow scope, she was very decisive in what she wanted to accomplish and was able to prioritize what's most important to the organization. Furthermore, Beers promoted collaboration and employees were held accountable in executing the agency's vision. However, she was ineffective in communicating the business case to all levels of the organizational structure and assumed everyone was on board.

The implementation of the "Thirty for Change" Goals: "Beers chose to meet with executives one-by-one and assign them tasks without regard to their disciplinary background." (Burns & Stetson, 2011, p. 7). This created an unorganized structure and discomfort among executives, and at the same time eroding trust.

Beers pushed implementation of key client work from "investing" into a strategy of Q&A (Quality and Accountability) (Burns & Stetson, 2011, p.11).
- Mutual cooperation of joint of decision to create lower than expected 40% risk of loss in protocol reviews.
"Across divisions, employees have the most senior level, shared experience with, and knowledge base to see the progression of Board Strategy" (p. 11).
"Board Strategy" is first and foremost, however, the foundation through which "Board Strategy" has an incremental role in being developed within the organization.

Shelby Lazarus, President - O&M
New York:
"I don't think we make a lot of great decisions. We talk about it, but decisions tend to get made by Charrette and by specific individuals who are affected" (Burns & Stetson, 2011, p.15).
- Beers:
"Internally, we lacked consensus" (p.15).

Beers used the MCI, however, the "MCI" method of service was preferred for this new division of the company. Local office (O&M) with business as usual, usually giving priority to their high paying local clients over the national ones handled by WCS.

The implementation of the “Thirsty for Change” Group, “Beers chose to meet with executives one-on-one and assigned them tasks without regard to their disciplinary background,” (Ibarra & Sackley, 2011, p. 7). This created an unorganized structure and discomfort among executives, and at the same time enabling creativity.

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- Poorly planned implementation of key ideas around Brand Stewardship:
“Only a minority of O&M truly understands and embraces it” (Ibarra & Sackley, 2011, p.12).
- Minimal communication of plan of execution to levels lower than executives with lack of buy-in produced resistance.
“Across disciplines, employees below the most senior level lacked experience with, and knowledge how to use the principles of Brand Stewardship” (p.12).
- “Brand Stewardship” is first and foremost; however, the framework through which “Brand Stewardship” can be implemented must be better developed within the organization.

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- Shelly Lazarus, President – O&M
New York:

“I don’t think we make a lot of group decisions. We talk about it, but decisions tend to get made by Charlotte and by specific individuals who are affected (Ibarra & Sackley, 2011, p.15)

- Beers:

“internally, we lacked consensus” (p.15)

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Beers authorizes WCS; however, no formal method of operation was prescribed for this new division of the company. Local offices continue with business as usual, usually giving priority to their high-paying local clients over the multinationals handled by WCS

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Assessment of the Vision

In Beers' new Statement of Vision and Values (Ibarra & Sackley, 2011, Exhibit 3) it indicates that the new vision, "To be the agency most valued by those who most value brands," underlines the changes intended by Beers for the company. Presented under the banner of "Brand Stewardship," the vision statement highlights the following three innovations in the way the company does business:

1. Restructuring of Resources
2. Arsenal of Modern Techniques
3. Intensity of Focus

However, implementation of the vision faltered due to lack of communication throughout the agency and a dearth of planning how to operationalize the vision.

Despite the vision, top management was not a united front. Some managers were skeptical of the vision, while others were more supportive. This led to a lack of communication throughout the agency, which hindered the implementation of the vision.

Despite the vision, top management was not a united front. Some managers were skeptical of the vision, while others were more supportive. This led to a lack of communication throughout the agency, which hindered the implementation of the vision.

O'Donoghue recognized the importance of translating the vision into a new role for each employee. "We need to move beyond a vision that is useful to the top five percent of account and creative people to one that has meaning for everyone at Ogilvy" (Ibarra & Sackley, 2011, p. 13).

Even after creating of vision, there remained a lack of clarity as to the direction that the company was headed and what exactly "change" would entail. Many saw "Brand Stewardship" simply as a restatement of the status quo and not a new direction. As the company faced the more complex and dynamic world of globalization, it became more clear that a clear vision to implement. The direction of the company appears disjointed and disconnected. There is a lack of connection from these outside upper management.

- O&M's new vision has yet to be expressed in a manner that can be applied to the operational duties of employees at every level of the organization. Staff members at local offices and administrative staff will likely perceive this as "top-down" management, reducing the likelihood that they will incorporate the new vision into their work methods.
- Yet, there is a heavy reliance on local office presidents and managers to implement the vision.

- Even after drafting of vision, there remained a lack of clarity as to the direction that the company was headed and what exactly “change” would entail. Many saw “Brand Stewardship” simply as a restatement of the status quo company operations.
- As the company became more complex and dynamic in light of globalization, it became even more critical that a clear vision be implemented. The direction of the company appears disjointed and disconnected. There is a lack of investment from those outside upper management.

Despite inclusion of many voices from top management, Beers took control in a move that could be defined as “hierarchical.” This may have impacted the willingness of management to communicate the vision and branch-level employees to embrace it. Spreading the message of brand stewardship throughout the organization became a slow and arduous process.

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Assessment of the Process

One might assume that Charlotte Beers led Ogilvy & Mather towards a new vision in order to make a good company great. Good to Great (Collins, 2001), provides an excellent rubric for understanding Beers' creative process of moving the organization from good to great. In this case, Beer's most significant focus was on getting the right people on her team and her willingness to confront the brutal facts. In all, Beers vision does an adequate job of moving O & M from good to great, though the company might better improve their financial and philosophical vision in order to truly realize the vision created by those "thirsty for change."

First Who, Then What

Before the circumstances in which she would ensure the right process was in place (Collins, 2001, p. 47), Beers focused on change clearly demonstrating a desire to get the right people to the table. Beers' vision could be considered a "thirsty for change" who was willing to get the right people to the table. Beers' vision could be considered a "thirsty for change" who was willing to get the right people to the table. Beers' vision could be considered a "thirsty for change" who was willing to get the right people to the table.

Results: Positive

- High performance and a focus on client
- Strong up-to-date information and analysis
- Research to support the business strategy
- High quality and value to clients
- Increased "client loyalty" and repeat business

Results: Negative

- Lack of consistency in the business strategy
- Lack of focus on the client's needs
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Confront the Brutal Facts

- High performance and a focus on client
- Strong up-to-date information and analysis
- Research to support the business strategy
- High quality and value to clients
- Increased "client loyalty" and repeat business

Plan Development Strategy

- High performance and a focus on client
- Strong up-to-date information and analysis
- Research to support the business strategy
- High quality and value to clients
- Increased "client loyalty" and repeat business

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First Who, Then What

Before one can articulate vision, one should ensure the right people are on the team (Collins, 2001, p. 47). Beers' vision for change clearly demonstrated a desire to get the right people on the team before a coherent vision could be created. Beers fired an executive who resisted change and sent the entire Ogilvy staff a welcome message that said she wasn't sure what her dreams were for the agency, but she knew she wanted a core group of people with dreams similar to hers (Ibarra & Sackley, 2011, p. 5).

Confront th

• Great organization

Confront the Brutal Facts

- Great organizations build a culture where the truth is heard
- Beers faced facts very well, though she initially faced facts with her core “thirsty for change” group rather than faced the hard truth of the company as a company.
- She knew the company had tension between the goals of her vision and the traditional values of local advertising offices (Ibarra & Sackley, 2011, p. 14).
- She also knew that the team had a good vision but lacked consensus on how to execute the vision (p.15).

Plan Development Strategy

- Developed relationships with top clients which allowed for deeper understanding of how clients saw O&M
- Observed employees, specifically top executives across regions, to identify people who were sincerely interested and “thirsty for change”
- Started with ten (including Beers) to develop strategies for moving forward, which Beers took over when she “stayed up all night and wrote a new list” (Ibarra & Sackley, 2011, p. 9) of strategies
- Brought together “30 most influential people in the company” (p. 11) to craft vision in a 3 day event. Under Beer’s heavy guidance they worked as groups to craft the vision and implementation strategies

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Results: Positive

- Identified needs and moved on them
- Shook up organization's communication and structural culture
 - Brought in talent of the top level employees
 - Made agency look vibrant to current, past and potential clients
- Removed "beleaguered" descriptor from the agency

Results: Negative

- Moved too quickly to bring employees along
 - Outside of top executives, very little understanding about new strategic direction is understood by employees
- Despite inclusion of many voices, the strategies were crafted by Beers exclusively, and the vision under her heavy guidance
- Did not include anyone from lower levels of the organization to bring different perspective or act as stewards of the vision within the those levels
- Released new products to clients before employees had knowledge of or direction on how to implement
 - Makes the agency look disorganized
 - Employees feel foolish and frustrated with lack of communication

strategy

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Recommendations

A focus must be placed on developing support for O&M's new mission and strategic direction through intense internal communication. Further, strategies for creating equitable financial procedures between the WCS and local offices must be developed.

Use Technology

The technology available to O&M is vast. However, it is not being used to its full potential. O&M should invest in technology to improve its internal communication and to improve its customer service. This includes investing in a CRM system, a mobile app for field workers, and a cloud-based storage system. O&M should also invest in training for its employees to ensure they are able to use the technology effectively.

Internal Campaign

I need to do an internal campaign to "sell" the new mission and strategic direction to the O&M employees. This includes creating a vision statement, a mission statement, and a set of core values. I also need to create a communication plan that includes internal newsletters, town hall meetings, and a social media campaign. I need to ensure that the campaign is ongoing and that I am listening to feedback from employees.

Company Modernization

Modernization of O&M's infrastructure and equipment is a high priority. This includes investing in new machinery, vehicles, and tools. O&M should also invest in training for its employees to ensure they are able to use the new equipment effectively. This includes investing in safety training and technical training. O&M should also invest in a new office building to improve its working conditions and to attract new talent.

Company Culture

- An effort must be made to create a culture of innovation and risk-taking. This includes investing in training for employees to develop their creative and problem-solving skills. It also includes creating a safe environment where employees feel comfortable taking risks.
- O&M should invest in creating a culture of transparency and accountability. This includes investing in a system for tracking and reporting performance. It also includes creating a system for holding employees accountable for their actions.

Evaluate For Success

The success of the recommendations will be evaluated using a variety of metrics. This includes tracking employee satisfaction, customer satisfaction, and financial performance. O&M should also track its progress in achieving its mission and strategic direction. Regular communication with employees and customers will be used to gather feedback and to make adjustments as needed.



Internal Campaign

- Need to look at communication strategy to “sell” new vision and Brand Stewardship to the O&M employees
 - Similar to developing campaign for client
 - Look at vision as the brand and Brand Stewardship, Brand Audits, and WCS as products that need to be sold to employees.
 - Develop a worldwide team to develop an internal campaign to steward the O&M brand and its products to internal stakeholders
 - Requires allocation of creative talents and funds
 - Must include managers tasked with developing compromises and plan for distribution of profits for WCS and local offices

Use Technology

- Use technology to accelerate, not create, momentum (Collins, 2001, p. 152). Beers could better employ technology to help spread the vision from corporate center to the local offices.
 - Information sharing via tools (e.g. sharepoint, a company intranet) might help facilitate communication between local offices and Brand Teams, bridging the gap between local needs and corporate vision.
- Video/teleconferencing might allow the passionate Beers to personally share her vision with distant offices, rather than rely on an impersonal and context-neutral tool like memos or phone calls

Equitable Fee Schedule

- Fee schedule between WCS and local offices needs to be fair and support a balance between global and local clients.
- Should take into account that 43% of offices at least partially owned by entities other than O&M
- Need to determine how to structure O&M's practice of basing bonuses on office profitability

Company Modernization

- Just as David Ogilvy standardized offices with red carpet in 1965, O&M should consider modernizing its own brand, including updating its logo and its own brand image, as well as creating and implementing a fresh standard for local office work environments to ensure that they foster creativity and innovation.
- "A recommitment to better, more imaginative advertising" (Ibarra And Sackley, 2011, p. 8). O&M must think outside the box when it comes to attracting, retaining, and inspiring the world's greatest advertising minds with a focus on current trends of flexible work hours, relaxed dress codes, as well as industry-leading compensation. We can say we are going to advertise better, but something must be done to inspire it.

Company Culture

- Reaffirm commitment not only to communicate and sell the new vision, but to invest in O&M's greatest resource - it's people - so that they may "become" the vision. "The safest way... for changing the character of any institution is through building a staff of very able people who will get their greatest creative fulfillment in finding and installing good solutions to critical problems" (Greenleaf, 1977, p. 166).
- O&M should invest in instilling a culture of creative conflict, in which employees feel empowered to share conflicting perspectives with the intention of creating stronger, more comprehensive campaigns for their clients. Conflict can be a powerful force for innovation when the organizational culture supports its positive use.

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