

Omnicom Group

The holding company breakthrough: Omnicom at 20 years

Omnicom Group



CONGRATULATIONS ON 20 YEARS OF SUCCESS



Omnicom

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TheAdAgeGroup
CUSTOM PROGRAMS

Suzanne Hermalyn
Director, business
development

Karen Egolf
Director-editor,
special projects

Richard K. Skews
Associate editor

Scott Donaton
Julie Liesse
Nancy Giges
Karen Raugust
Christine Bunish
Section writers

Jeanine Dunn
Art director

Gregory Cohane
Showcase designer

Vickie Daniel
Production manager



Custom Publishing Council

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Omnicom Group President-CEO John Wren

By Julie Liesse • Photograph by Nigel Parry

AT TWENTY

They called it the **BIG BANG**—the 1986 merger of three of the largest advertising agencies in the U.S., BBDO, Doyle Dane Bernbach and Needham Harper Worldwide. Not wanting an alphabet soup sort of name for an event that changed advertising, the founders instead chose a moniker completely unrelated to any of the three agencies: **OMNICOM.**

THE NEW OMNICOM GROUP caught the imagination of the marketing world not only because of its size—within weeks, its \$5 billion in combined billings was topped by a different megadeal—but because it brought together some of the most iconoclastic names in the business, each with a portfolio of historic advertising. These unlikely partners banded together in large part to protect themselves from what they considered a worse fate: losing their creative independence and identity in the merger-and-acquisition frenzy of the mid-1980s.

As it celebrates its 20th birthday, Omnicom remains true to its founders' intent. It is a haven for entrepreneurs and, because of an ongoing and passionate commitment to the work, it is home to some of the best advertising in the world.

"I would like to think that Omnicom has been about excellent execution," says Chairman Bruce Crawford, under whose tenure as CEO, Omnicom began not just to survive but to thrive. "Our commitments have been to those things that produce success: primarily, a devotion to the creative product and a real caring for the people who work for our companies."

That formula has produced these measures of success: Omnicom is the largest marketing organization in the world, with 2005 worldwide revenue up 7.5% to \$10.5 billion from 5,000 clients. Slightly more than half of that revenue comes from the U.S., where Omnicom is far and away the largest marketing organization.

BY MOST MEASURES, Omnicom leads the marketing business and its peers among agency holding companies:

- Consistent growth? Its compound annual revenue growth rate is 15% over the past 15 years.
- Growth in emerging marketing areas? It's the biggest player in nontraditional marketing, from sales promotion, healthcare marketing and public relations to newer disciplines such as interactive marketing. More than half of Omnicom's revenue now comes from these areas.
- A shockproof client listing? Its client portfolio is diversified across companies and industries; its largest worldwide client represents less than 4% of revenue.
- Creative awards? For more than a decade, Omnicom agencies as a group have trumped their holding company competitors at the annual Cannes festival, while the company's three global agency networks—BBDO, DDB and TBWA Worldwide—have taken turns receiving the trade press' awards for their creativity and growth.

Wall Street lauds Omnicom's management team for a track record of efficient and consistent financial performance, limited management turnover, and savvy and remarkably painless acquisitions.

For 20 years Omnicom's management has been dedicated to growth, but not merely for growth's sake. Mr. Crawford and his successor, current President-CEO John Wren, eschewed adding other giant advertising networks, passing up Grey Advertising, FCB and Deutsch, to name a few. Instead, its philosophy has been to grow its existing businesses, and to find smaller, more strategic acquisitions that meet specific client needs—1,500 smaller acquisitions, to be precise.

"Ninety percent of our acquisitions historically have been done to support the individual strategies of our agencies," says Mr. Wren, who is approaching the 10-year mark at the helm. "That's why we were always doing the little ones that nobody focused on—never the big hit-one-out-of-the-park."

AS MR. CRAWFORD SAYS, "We tried to grow the company both organically and sensibly through acquisitions, without necessarily the big acquisition. We never wanted to acquire for the sake of being big. You make mistakes when you do that."

It's not that Omnicom's size doesn't matter at all. Says Mr. Wren, "Size matters in things like media buying. Geography matters in terms of servicing the world's leading companies. But we've never placed any importance on size for size's sake."

Analysts regularly laud Omnicom's impressive track record of organic growth, reflecting its agencies' ability to land new accounts and to grow existing accounts, frequently by enlisting the services of other Omnicom agencies.

Although traditional advertising remains its most public face, the company was one of the first to anticipate the move of client dollars into other marketing areas. The company set up its Diversified Agency Services unit back in 1986, and has added a host of companies under that umbrella. These specialists frequently team up to serve a client's needs; DAS' No. 1 client has more than 30 individual Omnicom agencies working on its business. DAS helps to "bring together a strategically aligned group of agencies to think about a brand in a new way," says Tom Harrison, DAS president-CEO.

But all of its corporate success, Omnicom executives insist, begins with its people, more than 60,000 of them. Mr. Wren calls it "people, product—then profit."

"Omnicom's guiding principle has never been the pursuit of size," says Andrew Robertson, chairman-CEO of BBDO. "It's been the pursuit of talent who can do better work, win clients and grow the business. Bruce [Crawford] and then John [Wren] always have said their goal was to find the best people and get out of their way."

MR. CRAWFORD PUTS IT THIS WAY: "The Omnicom approach is a federalist approach. It isn't a dictatorship. It treats people as adults—wise, outstanding in their own fields. But you have to have the talent to begin with; then you can empower these people to do the right thing."

Omnicom seeks the best talent. A 3-year-old program, for instance, goes to campuses to recruit MBA candidates from leading business schools to build up the company's intellectual capital. It develops and nurtures that capital through the industry's most ambitious education initiatives, led by the 11-year-old Omnicom University.

To date, about 1,000 senior managers have gone through the program, building their problem-solving skills while networking and learning to "speak the same language," says Tom Watson, the retired vice chairman who is dean of Omnicom University. "We felt this kind of training and education would be a way to carve out a competitive advantage for Omnicom, a way to attract the best people. It was a way to show them what to expect from us, how we would help develop their careers.

"More than that, Omnicom University has created a unifying theme for the holding company and built a relationship between the people who attend."

Omnicom is deeply committed to its education initiatives. "Even in the tougher financial times, we have put the time, and energy and dollars against the talent and learning," says Karen Zahorsky, DAS president of development. "Support of that has never stopped."

Omnicom's ability to retain its top talent also reflects a corporate culture that pushes decisions and responsibility down to the individual companies. Entrepreneurism remains Omnicom's continuing core value.

"I still think of ourselves as a \$10.5 billion corner grocery store," Mr. Watson says. "Our approach is that we want to be as big as we can but run it as small as we can."

Lee Clow, chairman-chief creative officer, TBWA Worldwide, concurs. "Omnicom allows the creative companies it holds to remain entrepreneurial, brave and passionate. As a creative person you feel that Omnicom believes that

(CONTINUED ON P6)

Omnicom

► Some of the biggest names in advertising were present in 1986 when BBDO, Doyle Dane Bernbach and Needham Harper Worldwide came together.



“Omnicom’s guiding principle has never been the pursuit of size. It’s been the pursuit of talent who can do better work, win clients and grow the business.”

(CONTINUED FROM P5) we’re in the business of ideas. And that companies with the best people doing the best work is the way to guarantee growth and profits.”

Tom Harrison is the poster boy for Omnicom’s entrepreneurial culture. He ran his own healthcare marketing and communications group, Harrison & Star, that was acquired by Omnicom in 1992. Today Mr. Harrison’s DAS group encompasses 170 entrepreneurial companies in disciplines from public relations to entertainment marketing to brand identity. One of his roles is bringing other entrepreneurs into the fold.

“At some point before we close a deal with a new company, I tell the managers that there’s only one thing we will ask from you,” Mr. Harrison says. “Their eyes get big; they don’t know what’s coming next. Then I tell them that what we want them to do is to do exactly what they did before the acquisition. It speaks volumes about the entrepreneurial nature of this company.”

THE RESULT OF HAVING and keeping the right people is that not only does Omnicom lead the industry in size, it also continues to lead the industry creatively. The company can boast some of the most lauded creative names among U.S. advertising brands, including Goodby, Silverstein & Partners, GSD&M and Martin/Williams.

“I think it makes a difference that the place was founded by people who had come from a very strong creative tradition,” says Jeff Goodby, who became part of the Omnicom family 16 years ago. “Their commitment has attracted more good agencies. I look across the fence at other holding companies, and I thank God that we are with this place.”

When he decided it was time to sell, John Graham did his research and ultimately chose to sell his Fleishman-Hillard pub-

lic relations firm to Omnicom in 1997. “When I talk to other CEOs in the PR industry, they are always curious about how well we work within Omnicom,” he says. “I tell them it’s the basic DNA of the people who run Omnicom. They acquire good companies and don’t want to get in and mess them up.”

This lead in creativity goes beyond the regional and even national levels. Global agencies BBDO and DDB, both with younger leadership at the helm, are at the top of their game—as Omnicom co-founder Allen Rosenshine might say, hot shops in spite of their size.

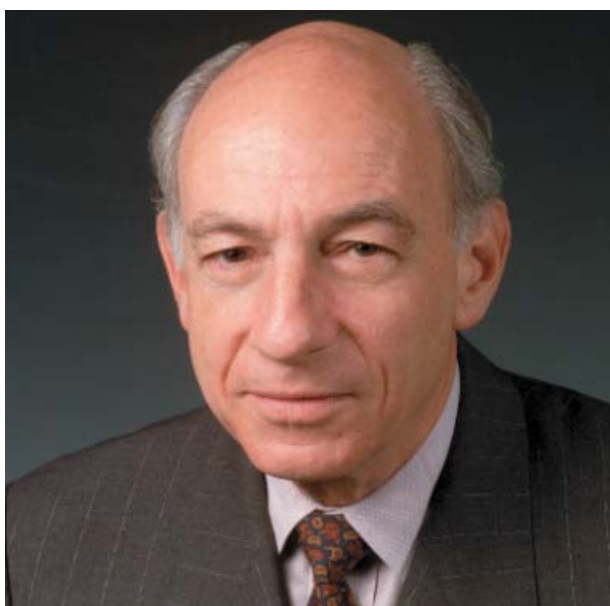
“When you think about how Omnicom was started, Allen Rosenshine and Keith Reinhard’s goal was to take that core value of creativity and expand it around the world,” says Bob Scarpelli, the creative chief recently named chairman of DDB. “What’s inspiring is that today, John Wren wants us to have the most creative companies in any media—not just advertising.”

Those media, and the accompanying creative challenges, are changing every year—from multicultural marketing to interactive media. Says Bruce Redditt, exec VP, “The most exciting question is, ‘Where do we go from here?’ How do we further position ourselves for the rapid take-up of digital broadband, next-gen wireless and continued media unbundling? Given the impact these trends have on our pop-culture-driven clients, our agencies simply must be properly equipped.”

GIVEN OMNICOM’S TRACK RECORD, it seems safe to bet it will be on top of whatever the new wave of media brings. “It’s impossible to predict the future,” says David Lubars, chairman-chief creative officer for BBDO North America. “But what I’ll say is that when you have the wealth of talent we have, those uncharted jungles will be cut by Omnicom agencies.”



Bruce Crawford



Allen Rosenshine

Talent

Agency heads: Collaborate, compete

By Julie Liesse

As the head of an Omnicom agency, Andrew Robertson has the best of both worlds.

“When you are in this group, you have the responsibility, accountability and freedom of running your own company,” he says, “but also you have the experience of a whole network of friends to draw on—people with expertise and learning that you couldn’t possibly have on your own.”

But for the CEO of BBDO, as well as his peers across the Omnicom network, it’s a balancing act. Those who run Omnicom agencies must not only do what all agency heads do—manage both business and talent—but also constantly balance their independence vs. the assets available through the network. So does one collaborate or compete?

“I think the general philosophy is that you collaborate when it makes sense and compete when it doesn’t. But it’s all about what is best for the client,” says Tom Watson, retired vice chairman.

“I view the people at BBDO as both competitors and colleagues,” says Chuck Brymer, president-CEO of DDB Worldwide. “There is a bond that holds us together, but we each have our own business to run and the need to make them succeed.”

The holding company, though small, is designed to help. “We are here in the background, trying to pull together what our agencies need to help their clients,” says Omnicom Exec VP Bruce Redditt. “The agencies are our showcase; it’s what the clients are here for. But we at the holding company are here to deal with questions like: Who do we have in the system who can do this? Or, what is our perspective on a certain topic—who are our subject matter experts? We pull together the teams that we need to deliver for our clients.”

At Omnicom’s largest unit, Diversified Agency Services, Karen Zahorsky has spent 10 years answering those questions. “They hired me to leverage the resources and assets across DAS,” says Ms. Zahorsky, president of development. “How can we take advantage of that diversity and talent in our network and use it to the advantage of all our companies and clients? It’s all about reinforcing a collaborative and value-driven network.”

It’s not unusual for a client to work with 18 or 20 different DAS units; the No. 1 DAS client has more than 30 Omnicom agencies working on its business.

“One of the most important things that Omnicom does is that they invest heavily in educating and developing our top talent and facilitating the relationships between them. This focus alone has helped create what we all refer to as a ‘holding company of talent’—talent who talk to each other, respect each other and actively help each other to succeed,” says Jean-Marie Dru, CEO of TBWA Worldwide.

The holding company management also is there to help in sticky situations. “If one of the networks is having problems with a client, management is very good about trying to introduce them to other options in the Omnicom family,” says Bob Scarpelli, chairman-chief creative officer at DDB Worldwide.

Similarly, if a good employee needs to move to another position, the network will help him find another place somewhere in the Omnicom orbit. “We’d rather see great people stay in the Omnicom network than to see them go somewhere else,” Mr. Scarpelli says.

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Omnicom

Q&A

With John Wren

John Wren is perhaps best known for what he doesn't do: meddle. Omnicom's success during his nearly 10 years as president and CEO is often credited in large part to that hands-off management style. The conventional wisdom is that his companies are among the most creative and best performers in the industry precisely because of the autonomy he grants those who run them—so long as they perform.

Maintaining that creative prowess is even more of a feat given Omnicom's size—it is the world's largest agency holding company, a status it achieved under Mr. Wren's leadership.

Simultaneously gregarious and imposing, Mr. Wren, 54, wins fierce loyalty from those who report to him. Although he didn't begin his career in advertising, he has now spent 22 years in the business, rising from a management role at Needham Harper Worldwide to CEO of Omnicom's Diversified Agency Services group by 1990. He grew DAS into Omnicom's largest operating unit, assembling companies across a vast array of marketing disciplines. As a reward, he was tapped in January 1997 to succeed Bruce Crawford as Omnicom's third CEO (Allen Rosenshine was the first). Outside of the business, he has been lauded for his philanthropic activities, particularly in healthcare for the underprivileged.

Mr. Wren is an outspoken proponent of the shift away from an advertising-centric model and toward a more integrated, discipline-neutral (read: client-focused) offering. He recently sat down in his New York office with *Advertising Age* Associate Publisher Scott Donaton to discuss his view of the changes in the marketplace, his succession plans and the challenges of continuing to grow a diversified global operation while staying true to its founding principles. An edited transcript of that interview follows.

ADVERTISING AGE Anniversaries are very symbolic, tied to the roots of a the company and its founding. How can you use this one as an opportunity to point the way forward to where Omnicom is going based on where it's been?

JOHN WREN You have to go back to the principles the company was founded on: creativity and servicing clients with appropriate breakthrough [solutions]—not bleeding edge but appropriate. There was a tremendous respect for the product, tremendous respect for the people and a real belief that if you got those first two things right, you'd be profitable.

You go forward 20 years, there have been three leaders at the holding company level, and they're all still engaged in the business in one way or another. We've never lost any of those values, even though we've grown from whatever it is, \$500 [million] or \$600 million in revenue to \$11 billion-plus this year. And peer examination of the quality of the work has consistently recognized our group throughout the period.

So to have been able to face all of the challenges and to never abandon those values [is a great accomplishment]. From an Omnicom perspective, Omnicom certainly has moved forward. It's made investments, it's done a lot of different things, but it's been guarded in making certain that the people who join the group—or companies that we've acquired—philosophically buy the philosophy of people, product and then profit.

AD AGE What about the evolution of the company was unplanned for, or was surprising about the way in which the company evolved?

MR. WREN The wonderful part about being in over 100 countries with over 1,500 units is there's constant change. There's nothing static about the environment. And, yes, we empower people as part of our philosophy. We try to push as much control and autonomy down to the major subsidiaries that we have, and they're able to adjust.

What we do at Omnicom is to observe the trends; research what we think is going to get sticky, what we think is appropriate for the clients. There's also a philosophy when it comes to allocation of capital that there's a real need to not just do more of what you are doing, but to use capital in a very conservative and responsible way. To have the confidence to make investments, and the ones that don't work stop getting funded and the ones that do work get expanded.

There's been a whole shift in this period of time in terms of the business itself in that I think in 1993, 76% or 77% of the business was just pure general media advertising. Today it's 43%.

Our philosophy has been to get behind real quality assets and then let growth take care of itself. So we haven't done large acquisitions, we've done very small acquisitions that shared our quality standards and all the rest. Because the marketplace has changed, that's why you see this shift in where our revenue is, and I don't think that's the end of the story, I think that's the beginning of the story.

Up until now, compared to others, we were underweight in Asia. We've made moves in the last year and a half and, if our growth in those markets reaches the same levels as our growth in Western markets, there's a tremendous amount still out there for us to enjoy. And we get better at that every single day.

TV, as you well know, is going to change completely. What's interesting is the recession that hit the industry for a good part of the last couple of years didn't stop the development of technology. You're starting to see every day more and more testing and verification as to the quality of that technology and how you can reach consumers and get your message across in really interesting ways. If you take a look at the population, and demographics and what those kids who become consumers are most interested in, their idea of what's creative and what's interesting, and their attention span and the way they absorb information is completely different than the other big bubble in the demographic sphere, which is the baby boomers. Baby boomers are interested in the same new media and new devices, they're just using them as tools. They haven't fully integrated them into their personalities.

And what's most interesting about all that is nothing has replaced or displaced anything else. It's maybe affected the



Photograph by Nigel Parry

“The wonderful part about being in over 100 countries with over 1,500 units is there's a constant change. There's nothing static about the environment. And, yes, we empower people as part of our philosophy.”

growth rates of various mediums, but so far the biggest challenges have been faced in print and, specifically, in newspapers.

AD AGE From my perspective, the key to everything that's going on right now is the consumer empowerment that digital technology has allowed and how that impacts marketing communications. How much of that is shaping the types of companies that are growing within DAS [Omnicom's Diversified Advertising Services unit] or the way the big global networks are changing their offerings?

MR. WREN It's shaping it completely. Maybe 33% of our revenue comes from what people see on reels, and that's global. The percentage within the U.S. is probably closer to 16% of our revenue. And arguably, I'd say we have the best quality of people doing that type of work. I see different things in different parts of the world. I see IPTV. I see people being able to self-select not only from the TiVo's of the world but being able to self-select by ordering what they want to watch on their iPods, if their eyes are good enough, or on their PC screens.

The value of brands is greater today, and it will have to be greater in the future because all this choice, all this self-selection will make it much more difficult for anybody to establish a brand unless the product is differentiated and innovative. The whole landscape is changing, and changing pretty rapidly.

You look at MySpace and FaceBook—there are a lot of unanswered questions surrounding the use of those technologies. And they're going to present increasing challenges for the marketplace when it comes to privacy issues. So as that generation becomes less invincible, gets older, there are going to be greater and greater cries for privacy, which will defeat them a little bit and will hamper some of the growth of (CONTINUED ON P10)



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Photograph by Nigel Parry

“The holding company was set up as just that, a holding company, to interface and to raise capital, to support the growth of our brands.

“We’ve evolved in that we’ve found that we can make greater contributions. All the agencies within Omnicom did craft training and development of their staffs, but they never really had the ability to cross-pollinate and to take development to the next level.

“The holding company, certainly in the 20-year period, has evolved considerably in really making education one of our founding principles, and something that people can’t tinker with and can’t walk away from.”

(CONTINUED FROM P8) the communities that get developed. But they have a foundation and they exist today.

Things are just leapfrogging, so you have to stay on top of everything. You look in markets like Korea, Lithuania, and how fast they’re developing because they’re not protecting hard-wired technologies; but they’re leapfrogging, and it’s really interesting.

We’re learning, quite frankly, in a lot of different markets. It was a lot easier 15 or 20 years ago when you’d look at this business and most of what was going to be breakthrough was being generated either out of the U.S. or London, sometimes Paris. You didn’t have to look very hard, it just kind of smacked you in the face. Now we are really a global society.

AD AGE There was a sense over the last couple of years, with all this disintermediation, that agencies might have lesser of a role. But it does seem that now that people are very bewildered about how to move forward, it could indicate an opportunity for companies like yours.

MR. WREN With the size, the dimension, the diversity, the geographic spread, as long as our inquisitiveness stays a part of the philosophy of how we invest our money and how we address our business, we will have the ability to adapt. The more complex the market, the more we’re needed. In the case of Omnicom, we have 5,000 clients, and there’s a lot of learning that comes from those 5,000 clients. We’ve been able to advance and evolve, and we’re just going to continue.

AD AGE In the past you’ve downplayed the role of the holding company as a brand. What is your definition today of the holding company’s role and how has it evolved?

MR. WREN It’s evolved. I still believe, as does everyone here, that the brands that are servicing our clients should be the most prominent names people remember. That’s where the work gets done. Those are the people clients call when they have business issues.

The holding company was set up as just that, a holding company, to interface and to raise capital, to support the growth of our brands. We’ve evolved in that we’ve found that we can make greater contributions. All the agencies within Omnicom did craft training and development of their staffs, but they never really had the ability to cross-pollinate and to take the development to the next level.

The holding company, certainly in the 20-year period, has evolved considerably in really making education one of our founding principles, and something that people can’t tinker with and can’t walk away from. And there’s a lot of cross-education that goes with that, both geographically as well as disciplinewise. So that’s where we add value.

We also add value in exploring and developing new technologies that someday might be more mainstream—making the investments and taking the risks, and deciding whether or not expanded investment and use of capital should go into those areas.

We play a very important role in succession and management development in each of our groups. I guess in addition to being the portfolio manager that we were 20 years ago, we’ve moved quite a bit forward in terms of human resource development and new product development. But those are only to make the brands better. That’s what we always intended to have happen, for those brands to stand for something, to have principles, and for Omnicom to safeguard the process of how you become part of the family.

AD AGE Over the last decade in the U.S., we’ve seen the rise of media and the separation of planning and buying from creative. Is this a permanent shift or a swinging pendulum?

MR. WREN The good news is it’s an area that’s still developing. Media is critical to the way we plan to express ideas and reach audiences for clients. In the unbundling of media and that whole trend, Omnicom never took possession of those units. They’ve always remained owned by the agency groups. And that was very intentional, because we wanted to enhance their collab-

oration and coordination. We didn’t want to set up silos, which would not enhance their development.

AD AGE So there’s no right or wrong balance?

MR. WREN No, we’re a client service organization. What you have to do when you’re running a group like this is you have to be able to provide opportunities for the best and the brightest to expand their careers, but you don’t have to have rigid silos that in a very soft, unintended way cause companies to compete with each other and lose sight of who they’re servicing.

That’s why we’ve been evolving the agency groups into mini-holding companies. And the pace of that is really being defined by clients as much as it’s being defined by a belief I have that because of the vast resources we have within DAS, we have the ability to establish those entities.

AD AGE How has all this change affected the types of people you hire or how you retrain employees?

MR. WREN We hire cultural anthropologists and others from different backgrounds. This is also the 12th year of Omnicom University, and there are numerous benefits associated with that. We look at the ability to train people, their openness in terms of cross-fertilization, their retention rate if they go through this program. And we test all of our principles through this education process.

The other thing which is really not known or recognized too much is that when you get to many of the DAS companies, and many of the agency companies outside of the U.S., they tend to be more generalists and less concerned about just doing great TV advertising.

I think it’s the size of this marketplace that you have companies defined to be advertising agencies or direct response companies, but it’s only a part of the world. And you go to the U.K., France, Italy, Beijing, the same creative director who is going to make a commercial and go talk to the most popular young vocal artist for a big promotion is also working on the outdoor.

Once you get away from the bigness and you get into smaller marketplaces where they have to look across the whole spectrum of medium for their clients, can you develop and educate people? Yes, absolutely.

When you compare the resumes of the people we have leading the companies, you also see a distinction between us and the way that some of our competitors have developed in terms of the types of personalities, the experiences that made them successful. I’m never getting the same advice on a broad topic because all these people come from it completely differently. We’re very eclectic.

And when I get them together and solicit their opinions, they all approach it differently. It’s an unspoken, huge strength of the companies that make up Omnicom.

AD AGE How is the mini-holding company strategy working so far in terms of aligning the agency networks with more integrated elements?

MR. WREN It’s working very well, and since it is client-driven we haven’t had any failures. Everybody is playing well and becoming more familiar with each other, and taking more collaborative ownership of the entire spectrum. But nothing happens in a year or a year and a half. We’ve gotten past the hurdles of whether people can or will play together. It’s going to take another year and a half until I’m going to want to point to 27 case studies and say, “Look at that.” That was part of the expectation going into it. The wonderful thing about companies like this is that people ultimately do what’s in their own self-interest.

AD AGE What disciplines do you see the most growth potential in, and where would you like to strengthen your position?

MR. WREN Staying apace with technology and change, and being able to efficiently help clients allocate the way they spend their money to reach audiences is (CONTINUED ON P12)

Celebrating Omnicom's 20 years of excellence.



Omnicom

(CONTINUED FROM P10) the constant daily challenge. We have companies that just blow me away in terms of what I see.

AD AGE Give an example.

MR. WREN Mobile marketing. IPTV. There's just so many of them, and we have very good representation [in those areas]. There's not a lot of dollars being spent behind some of these things yet, but that will change. And when it does, we want to have a great deal of knowledge and ability.

Geographically, in Asia we are growing rapidly; but we still have a lot of work to do. It's not just emerging markets. I'm not abandoning New York for Kiev. We're developing everywhere we should. I point to China and India as being two of the places, probably the only two, where anybody really ran ahead of us. But when you look at total market spending, I think we have in place everything we need, although it changes every day. In China and India, it takes a special effort for us, and we're making that special effort.

AD AGE What is your acquisition strategy?

MR. WREN We have about 30 different business platforms. Each [Omnicom company CEO] spends the summer doing strategy. They look at their people, their products, and decide what new products they need to develop and how they are going to develop those products. Are they going to develop them internally or are there areas where we can go out and acquire? Then we take a look at what they're saying and we investigate it. We take their suggestions and decide whether or not it should be developed in that particular company or if it should be developed as a separate reporting unit at first and then integrated back.

"Geographically, in Asia, we are growing rapidly; but we still have a lot of work to do. I'm not abandoning New York for Kiev. We're developing everywhere we should...."

"But when you look at total market spending, I think we have in place everything we need, although it changes every day. In China and India, it takes a special effort for us, and we're making that special effort."

AD AGE Will there be any more large-scale consolidation?

MR. WREN There's probably a good chance that four becomes three at some point.

At the moment, [Martin] Sorrell is a little bit heavier in advertising [at WPP Group] than he was prior to [acquiring] Grey, so he can't do what I'm doing with each of the groups. But

he's still very powerful and will always be powerful as long as he's head of the company.

But you then look at the changes in advertising and you look at the pie for Interpublic. It's too heavily based upon advertising. And there's not enough real quality stuff out there for them to go out and buy for them to catch up. Maurice [Lévy] has done a magnificent job for [Publicis Groupe's] size.

The only acquisition that I didn't do that I wish I had done would be Saatchi.

AD AGE Legacy is always a tricky word, but what would you like ultimately to have as your legacy as CEO of Omnicom? What would you like Omnicom to stand for 20 years from now?

MR. WREN I would like Omnicom to be the leading marketing communications company 20 years from now, never having lost those founding principles. My legacy is really to have been a catalyst to allow that to occur. Because I think on my watch the company has gone from a midsize company to a large company, and it will get larger over the next 20 years. It's harder when you're a large company to hold on to and preserve those values, and I think I've been able to do that.

What I do believe is when the king is dead, long live the king, because there will be a new one. And when you really come to grips with that, you don't worry about succession; you start to embrace it. You worry about it from a different perspective; you don't worry about it from your own personal-legacy perspective.

You worry about preservation of values. I was handed a great company from a great leader, and I don't think I've disappointed in what he believed I was going to do with it. I would like to feel that someday I might be able to do the same thing. That's the biggest challenge, especially in today's environment. **O**

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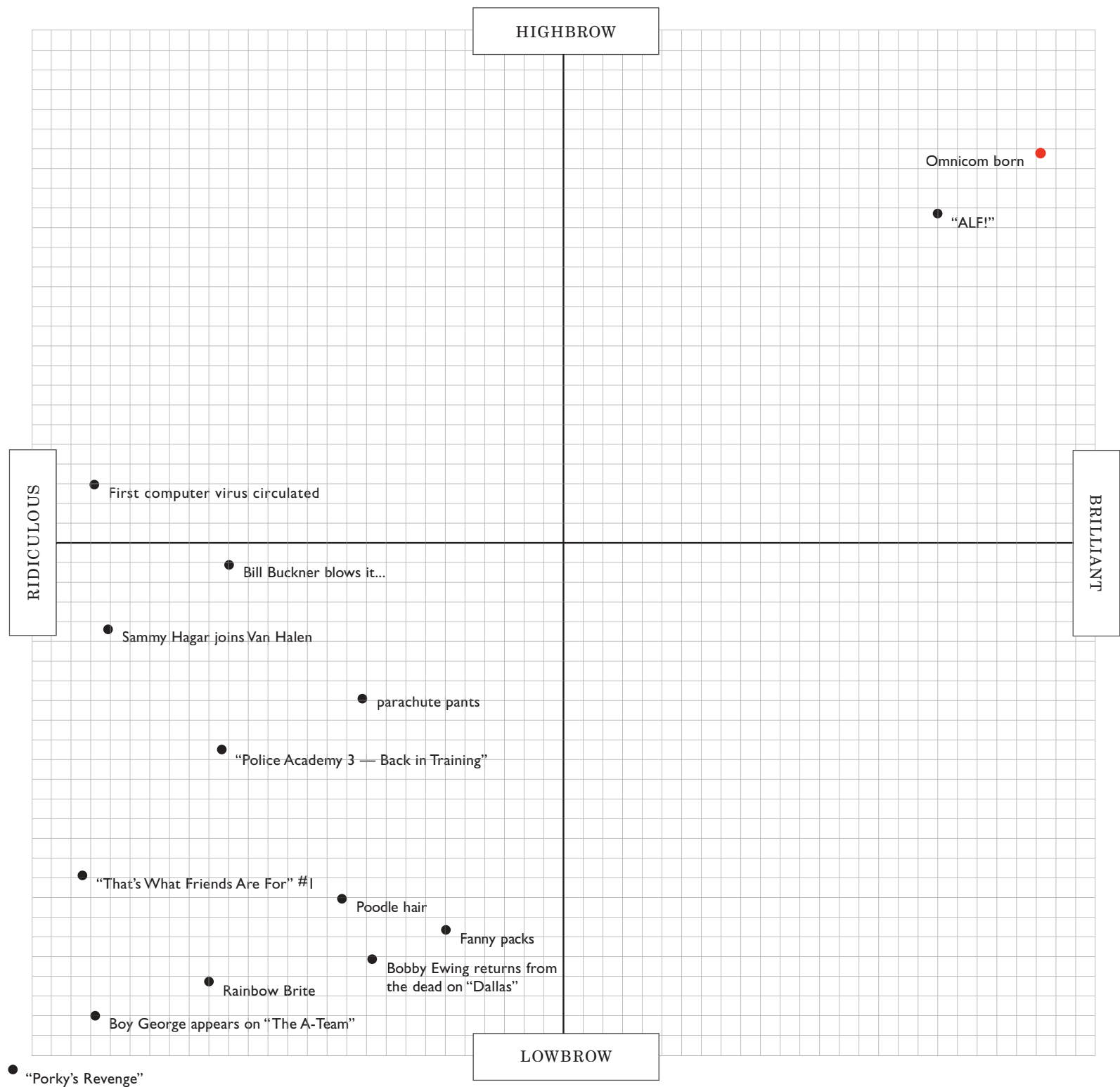


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Education

Advanced training programs give management the skills to advance—and further incentive to stay

By Karen Raugust

One of the principles guiding all Omnicom Group companies is the “service-profit chain”—the idea that if employees are engaged and well-managed, positive financial and creative results follow. Toward that end, Omnicom has established—with strong support from the top of the organization—an in-house education strategy to attract, retain and motivate talent.

Initiatives in this corporatewide education strategy include Omnicom University and its Senior Management Program, an invitation-only global leadership development course; the Omnicom Group MBA Residency Program; and the Business Learning Program, a skills-based initiative for junior, middle and senior management.

“It’s all about the people,” says Tom Watson, the recently retired Omnicom Group vice chairman who founded Omnicom Univer-

sity. “We want to advance the values of the company: talent, entrepreneurship, creativity.” As dean of Omnicom University, Mr. Watson runs the program with Associate Dean Brian Emsell and Program Director Sharon Gordon.

THE SENIOR MANAGEMENT PROGRAM WAS CREATED in 1995 by Mr. Watson and then-Harvard Business School Professor Len Schlesinger, now vice chairman-chief operating officer of Limited Brands, who continues to teach a weekend course at Omnicom University. More than 100 senior executives per year are invited to attend the program, which is taught at the Babson Executive Conference Center at Babson College in Wellesley, Mass.

Managers make a two-year commitment, including an undergraduate session and a graduate course a year later; some come back again for the postgraduate level. All told, 250 to 400 senior managers are enrolled in one of these levels each year.

Each program runs for six intensive, 10-hour days. Course content is focused largely on cases, which are created from real situations in Omnicom Group companies. Writers create new cases for the program each year, and the protagonists often sit in on the discussions.

While the core teaching concept in SMP is the service-profit chain, courses focus on topics of current relevance to managers, such as building and managing a global network or entrepreneurship. Cases are similarly diverse; a recent one focused on personal leadership.

“With all the e-mails, BlackBerrys and planes, in the hurley-burley of 21st-century life, there’s a lot of reactive management that’s going on,” says Nancy F. Koehn, Harvard Business School professor and the current faculty chairwoman of Omnicom University. “We wanted to deal with the issue of how do you break from all that if you need to pause to strategize and think? The students really saw themselves and the trade-offs they were making. We always want to do thought-provoking, life-affecting teaching, and this was one of the most powerful cases in the curriculum this year.”

Martin Brooks, CEO of Agency Republic in London, who has attended Omnicom University five times and was introduced to the service-profit chain there for the first time in 1999, says, “[Omnicom University] has been a hugely important part of my professional life.” When Mr. Brooks launched Agency Republic five years ago, the business was set up specifically on the philosophy of the service-profit chain.

Mr. Brooks applauds the high caliber of the SMP professors. “Listening to Len Schlesinger talk about his work for two hours—sort of ‘Len Unplugged’—is really inspiring,” he says. “I always come back full of energy and vitality and very implementable ideas. It’s very practical, SMP is.”

Between the first (undergraduate) and second (graduate) summers, students must create and implement a “strategic change initiative” for their businesses; these are discussed during the graduate course and often become the basis for fresh cases. “You’re compelled to make some real commitment on how to implement what you’ve learned, and to go back in a year’s time to report on the results,” says William Eccleshare, who went through SMP in July after recently joining Omnicom as chairman-CEO of BBDO Europe.

“I’ve never seen anything of the standard that this program offers,” Mr. Eccleshare says. “It’s an intense immersion into Omnicom’s culture that I found very helpful. You find yourself stopping and thinking, and mentally referring back to cases that you’ve studied. You have an awareness of parallels with your daily life.”

THE SMP ALSO GIVES SENIOR MANAGERS A CHANCE to form deep relationships with other leaders of Omnicom companies large and small, from all regions and marketing disciplines. Classes are diverse, with chief financial officers, heads of strategy and chief creative officers sharing the same room. That leads to collaborations later; Mr. Eccleshare says that in the first two months after he returned from Babson, he had a half-dozen fruitful meetings with people from other Omnicom companies whom he never would have met outside of Omnicom University.

Mr. Watson believes that, after 12 years and 1,000 leaders going through the program, Omnicom University has promoted positive change throughout the Omnicom network, as the values learned in the courses are passed on to employees and as managers capitalize on connections made there. “It fosters a common culture and helps create cultural change over time,” Mr. Watson says.

Omnicom University also helps boost morale. “It builds a tremendous sense of loyalty and commitment to the company, no question,” Mr. Eccleshare says.

“It gives the impression that talent is respected,” says Bruce Nelson, the new Omnicom vice chairman, (CONTINUED ON P16)



Photographs by Sharon K. Gordon

▲ As part of Omnicom University, Tom Watson and Nancy Koehn teach recent management sessions in Vevey, Switzerland.



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Development by DAS

In addition to the Business Learning Program, Karen Zahorsky, president of development for DAS, oversees several other professional and talent development initiatives, all open to Omnicom companies. "We see what we do as a support, conduit and catalyst for growth within the network," Ms. Zahorsky says.

Communities of practice are one technique used. These are group meetings that bring together people with similar responsibilities from all reaches of Omnicom. For example, North American CEOs, presidents and managing directors are invited and encouraged to attend meetings a few times a year—about 60 to 100 attend each session—to discuss leadership and other issues.

"WE WANT OUR COMPANIES TO BE as aware as possible of the resources around the network, and we want to build a level of trust among the CEOs," Ms. Zahorsky says. "Big companies have resources that smaller companies can tap into, and smaller companies have an entrepreneurial spirit that the big companies can tap into."

Other communities of practice are in place for new business development directors; these focus on networking and lead to many cooperative initiatives among companies. Executives who have face-to-face client responsibilities also meet to discuss non-proprietary trends and issues of interest to all.

Another DAS initiative is the Partnership Program, a semiannual road show managed by



▲ Karen Zahorsky, DAS

DAS Exec VP Bob Norsworthy in which a group of companies—65 have participated so far—travel to attend one-hour meetings at Omnicom operations around the country. The objective is to educate executives about the capabilities within Omnicom and to encourage business-building. As Ms. Zahorsky says, "We want people to be smarter and to get them thinking more holistically about the company and its resources."

—Karen Raugust



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(CONTINUED FROM P14) who recently attended SMP. He points out that Omnicom University reduces turnover—participants have half the defection rate of nonparticipants—and allows employees to grow, which enhances job satisfaction as well as improving their level of achievement.

Ms. Koehn has evidence that students recognize and appreciate the program's value, noting that a significant percentage have called their experience "transformational" in evaluations. "Omnicom is trying to develop its people well, with astounding integrity and openness," she adds.

ANOTHER PROGRAM, THE MBA RESIDENCY PROGRAM, was launched in 2003, after Omnicom CFO Randy Weisenburger recognized that business graduates could add value to the company. He questioned why people with MBAs had so little interest in getting into advertising and, conversely, why there was a lack of respect for MBAs within the advertising community.

Omnicom began to recruit from the top business schools, offering a paid two-year residency that allows recent grads, each of whom is assigned a management-level mentor from Omnicom, to rotate through six different companies, gaining a holistic overview of the advertising and marketing services industry.

To date, 28 residents have gone through the program, which is co-managed by Mr. Watson and Mr. Nelson. Most work at agencies in the New York area, but residencies also have taken place in the U.K., China and other parts of the U.S. Some accept jobs in Omnicom Group companies at the end of the program, but there is no guarantee of placement.

"There aren't that many opportunities for MBAs to get into advertising, branding and marketing services," says Oscar Yuan, a former resident and now senior consultant at Interbrand. "The industry's not super-friendly toward MBAs, which I think is a bit of a tragedy since MBAs have a lot to contribute."

"I've learned a lot, that's for sure," says Brenda Hazell, a current resident. "I've gotten a chance to see the whole landscape, which is something most of my colleagues haven't had. I've had the opportunity to touch on so many different industries, and types of consumers and brands." Ms. Hazell is thinking of going into planning, something she hadn't known much about prior to the residency.

OMNICOM'S DIVERSIFIED AGENCY SERVICES DIVISION oversees several professional development programs, headed up by Karen Zahorsky, president of development. Notable among these is the Business Learning Program, formerly called DAS University, which has been open to all Omnicom companies for the last few years. While Omnicom University's SMP is a leadership program for top management, BLP focuses on teaching practical skills to managers at all levels.

More than 3,200 Omnicom employees in North America have taken more than 260 half-day and daylong BLP courses since 1997; there are similar programs in other regions. About 25 classes are offered per year, ranging from writing skills to negotiation. Promoted in print and online course catalogs and through senior executives, the fee-based classes take place in cities throughout the U.S. and consist of a maximum of 25 students from various companies and disciplines.

"We focus on practical skills that will encourage a change in the way they do their jobs the next day," Ms. Zahorsky says, "as well as on building ongoing relationships, familiarity and trust."

As with Omnicom University, course content is tailored specifically to the needs of companies within the network.

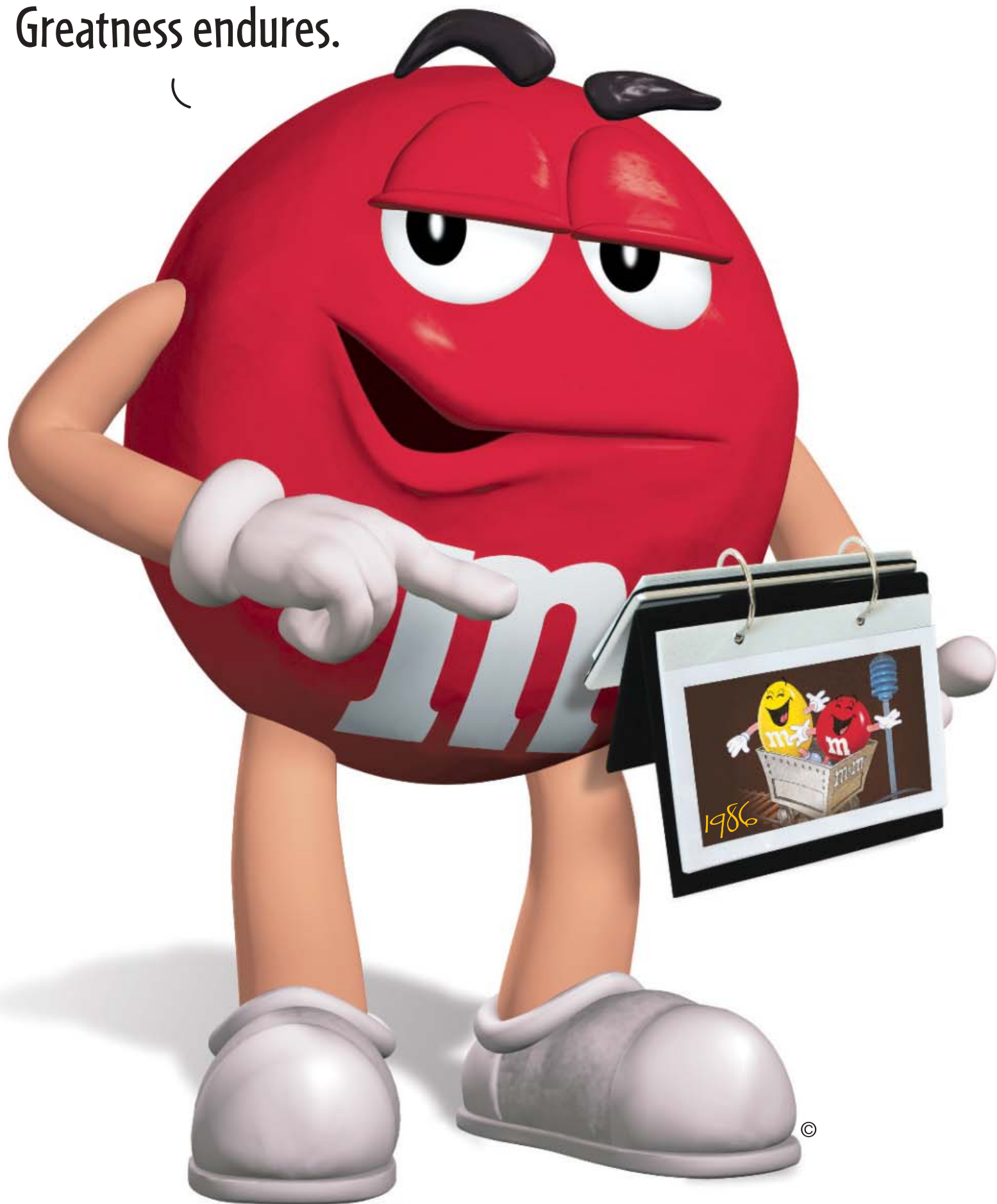
Mr. Nelson points out that companies throughout the Omnicom network are known for their consistent results, both in financial performance and creativity. In large part, he credits professional development programs such as Omnicom University, the MBA Residency Program and the Business Learning Program. "It isn't accidental," he says. "Cultural factors are at play to ensure this consistency. It's a holistic approach to the management of talent, and there's a long-term, corporatewide commitment through these different programs." ○



▲ Harvard Business School Professor Jim Heskett leads a recent Omnicom University session.

Photograph by Sharon K. Gordon

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Omnicom

Entrepreneurs

Why top executives stay at Omnicom after it acquires their companies

By Julie Liesse

Sharon Love remembers when Omnicom Group first approached her company, The Promotion Network, about a possible acquisition.

TPN was “the best little promotion agency no one had ever heard of,” Ms. Love says. Founder Roger Winter, the independent-minded sole owner, liked the business and the culture of his 19-year-old company, and had no interest in selling. But realizing he would soon be retiring, Mr. Winter invited Ms. Love, then TPN president, into a discussion with Omnicom.

“[They said], ‘The only time you’ll hear from us is if you stop doing what you are doing.’ I was skeptical. Why would Omnicom make this big investment and not want to lord it over us? And if we were rolled in to become some subset of something else, we’d lose the things we were proud of—the people and the culture....”

“There is something courageous about that on Omnicom’s part—the courage and smarts to leave it alone. And it works.”



▲Among the executives who have joined Omnicom through acquisition—and then remained with the company—are (above) John Graham, Fleishman-Hillard; Sharon Love, TPN; and Mike Hoffman, Changing Our World.

“We were so impressed by the people who came to visit us,” says Ms. Love, now TPN’s CEO. “They were warm, smart, like-minded people we couldn’t resist. We were really surprised by that. And after we did our due diligence and came to the conclusion that it would be a good thing to be part of Omnicom, we still wondered if it was too good to be true.”

Today, she says, “What Omnicom sold us five years ago is what they delivered.”

The ability not only to attract entrepreneurs but also to keep

them happy, is a hallmark of Omnicom’s success over the past 20 years. It’s a company founded by entrepreneurs and passed down to a second generation fiercely dedicated to perpetuating that culture.

Omnicom’s entrepreneurial time line stretches from Tom Harrison to Peter Mead, from Jeff Goodby to Fleishman-Hillard’s John Graham, from Sharon Love to Alejandro Ruelas of hot shop LatinWorks—now 49%-owned by Omnicom after being courted by a pack of potential suitors.

“I assured Alejandro that this was a good place to be,” says Mr. Goodby, whose agency inadvertently became part of Omnicom.



When it acquired London-based BMP in 1989, Omnicom also acquired the agency’s minority stake in Mr. Goodby’s San Francisco shop.

“At some point after that, [Omnicom Chairman] Bruce Crawford came to visit us and told us that he didn’t want just part of an agency. And he wasn’t sure he wanted an agency based in San Francisco,” Mr. Goodby says. “For our part, we were skeptical of becoming part of this big holding company. But the more we got to know Bruce, we found him very smart and very helpful.

Eventually we thought it seemed to be a good deal.”

Omnicom acquired the rest of Goodby, Silverstein & Partners in 1992.

Fourteen years later, Mr. Goodby says, it was a “terrific deal, and it’s been a terrific relationship. We are incredibly respected and valued by Omnicom. I didn’t know what would happen when Bruce left, but it’s been just as good with [President-CEO] John [Wren.] I don’t think that Bruce or John has ever told me to do anything. They have given me little pieces of advice.”

He adds, laughing, “On a few occasions when we were going to pitch accounts that might be very problematic for other agencies in the network, John takes us out to dinner and says, ‘I really don’t want you to pitch that piece of business.’ And we end up saying, ‘Yeah, maybe you are right.’”

WHILE SOME HAVE JOINED WITH INITIAL reservations, other entrepreneurs have sought the resources of the Omnicom network. Mike Hoffman founded Changing Our World with about 40 investors. After three years, he had grown his philanthropic consultancy to the point, he says, “where we couldn’t take it any further. To take it to the next level, we needed the right partner.”

Someone at Mr. Hoffman’s company knew executives at Agency.com, which had just become part of Omnicom. “They told us to go see Tom Watson [then vice chairman of Omnicom],” Mr. Hoffman says. “We loved the people and we did the deal.”

Since then, he says, “We have taken advantage of every program Omnicom offers. We have tripled in size over the past three years, and 50% of our business has come through the Omnicom connection. What they have done for us is amazing.”

Mr. Watson, for instance, introduced Mr. Hoffman to a BBDO team that was working with the United Nations World Food Program. Changing Our World became part of a 10-agency team, led by BBDO, that completed a project for the U.N. program. Today, that program is one of Mr. Hoffman’s largest clients.

Better yet, Mr. Hoffman has retained his independence. “When we were signing the papers, Tom told us, ‘You are going to run the show. We let our entrepreneurs be entrepreneurs.’ I am at a point in my career where I don’t want a lot of people telling me what to do. At Omnicom, if you set high goals and achieve them, you are left alone to run your own business.”

For Ms. Love’s part, she says she remembers Omnicom executives saying during the acquisition discussions, “‘The only time you’ll hear from us is if you stop doing what you are doing.’ I was skeptical. Why would Omnicom make this big investment and not want to lord it over us? And if we were rolled in to become some subset of something else, we’d lose the things we were proud of—the people and the culture of our company.”

TPN didn’t get rolled into anything else, but maintains its independence. “There is something courageous about that on Omnicom’s part—the courage and smarts to leave it alone,” Ms. Love says. “And it works.”

JOHN GRAHAM HAD RUN FLEISHMAN-HILLARD for 20 years, but realized a decade ago that it was time to become part of a larger network.

“I personally talked to all the big agency holding companies and companies outside the communications business as well,” he says. “We decided to sell not for the highest price but because Omnicom was a company which would let us continue to operate in the way we’d been successful.”

Fleishman, an anchor of Omnicom’s public relations group, has grown from 24 offices in 1997 to 84 offices around the world, while sales have quadrupled during that time. “I have told our staff repeatedly that the one of the best business decisions I’ve ever made was to sell to Omnicom,” says Mr. Graham.

“Omnicom’s approach works because of the personalities of the people who run the company,” he says. “From John Wren on down, the approach is to get companies that are run by entrepreneurs, let them continue to be good companies and give them additional tools to succeed.”

Or as TPN’s Ms. Love puts it, “As a smaller agency, to be bolstered by the support of Omnicom and still be encouraged to do what you do is the best of all possible worlds.”

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Media

Led by OMD and PHD, media companies expand agency reach

By Nancy Giges

The 1996 formation of OMD, Omnicom Group's major media company, gave the company the world's largest media specialist brand. But it wasn't an "overnight construction project," as Daryl Simm, chairman-CEO of Omnicom Media Group, likes to say. "It took a few years to put together and was a careful, step-by-step process designed to consolidate the media functions of the advertising agencies while respecting client needs and relationships," he says.

That careful process and a big emphasis on research are key reasons OMD is the creative leader it is today, as evidenced by both its growth and industry accolades, Mr. Simm says. As a result of the process, OMD maintained the people and the creative culture of its parent company's traditional ad agencies—BBDO, DDB and TBWA—and brought that influence to the media agency. This not only laid the cornerstone for how OMD operates today, he adds, but also set the stage for all OMG companies for the future.

OMG CONSISTS OF TWO ESTABLISHED full-service media companies, OMD Worldwide and PHD Network; a startup called Prometheus; and several specialist companies, such as Novus Print Media Network, which integrates print into media strategies, and Icon International, an asset barter company.

"A core part of what we do within our group is protect and promote the values of each client service company, and then focus on growing them organically," Mr. Simm says. "The stability that brings and the talent it attracts has been a significant benefit to our clients."

The same careful process is being drawn on again as PHD, OMG's other major media unit, expands globally to more than 30 offices by the end of this year.

PHD's roots as one of the early pioneering stand-alone media agencies in the U.K. have been "extended by linking it with other stand-alone media agencies," Mr. Simm says. "This has created a network that is united around a unique and consistent set of client service values."

Steve Grubbs, CEO, PHD North America, says the network differentiates itself by focusing on communications strategy. "The founders of PHD looked at the world differently. While other European media services companies were building out their buying teams and selling clients on the benefits of clout, PHD concentrated on developing a superior strategic planning capability," he says. "We approach our clients as business partners, looking for business solutions first, and most of those solutions come through as media solutions."

Mr. Grubbs says this different way of looking at the world has been attractive to small and midsize creative boutique agencies.

Even with PHD's expansion plans, OMG realized it needed more media-agency capacity to serve its clients' requirements, and so last year it created Prometheus. The agency started in Chicago with a few clients, and has since opened an office in New York.

Mr. Simm emphasizes that OMG has made acquisitions in areas that provide new benefits to existing clients. "Our focus in making acquisitions isn't about getting bigger; instead, we want to provide innovative new service offerings to our clients like search engine marketing and direct media. As the media world has become more complex, our clients are responding to entirely new media capabilities that move their businesses ahead."

Innovative companies, such as Singer Direct, which offers insert media services, and the asset barter company Icon, bring a level of service outside normal media and planning-buying operations, Mr. Simm says. Other acquisitions include Resolution Media, a search engine marketing company; Outdoor Media Group; Full Circle Entertainment; and the Novus Print Media Network. All are strategic fits, bringing new services and value to clients.

The key factor in OMG's success, Mr. Simm says, is the continuity and strength of its management team. "Every member of our team has essentially been on board since day one. This teamwork positively impacts all aspects of client service and contributes to the awards and growth that we enjoy."

Joe Uva, president-CEO of OMD Worldwide, says research has contributed significantly to the media agency's success. "We decided a couple of years ago when the media landscape started to change rapidly that we were going to focus on research, and we made a huge investment in our research capabilities globally."

OMD not only expanded the number of syndicated services it uses but also invested in proprietary research. It goes beyond media research to include marketing research, the understanding of consumer behavior and how to use information and data sets to model likely outcomes and market mixes for advertisers.

"Our focus in making acquisitions isn't about getting bigger; instead, we want to provide innovative new service offerings to our clients, like search engine marketing and direct media."

"As the media world has become more complex, our clients are responding to entirely new media capabilities that move their businesses ahead."



▲ From left to right: Daryl Simm, chairman-CEO, Omnicom Media Group; Joe Uva, president-CEO, OMD Worldwide; and Steve Grubbs, CEO, PHD North America.

Says Mr. Uva, "We put a premium on understanding consumer behavior that allows us to develop rich insight into consumers and markets, and to use those insights to create bigger, more powerful ideas. If we get the first two things right, we know we're going to deliver superior business results to clients. Those go beyond just traditional media measurement metrics and talk to influencing consumer behavior, best customer identification and market segmentation, increased sales, customers for life—everything we do to provide our clients competitive advantage."

AS PART OF GAINING A BETTER UNDERSTANDING of consumers and markets, OMD has signed agreements with media owners to conduct various studies. One of the biggest is with Yahoo!, which recently released a fourth OMD Yahoo! Global Study. Called "It's a Family Affair," the study delves into how the Internet and digital technologies have influenced and changed

the way families communicate and interact with each other, and identifies resulting behavioral changes.

In another recently formed partnership, OMD and PHD have committed to purchase TiVo's new second-by-second advertising and audience measurement research on DVR viewing, and the two organizations plan to develop an exclusive engagement study that incorporates TiVo's DVR behavioral data.

ONE MAJOR INITIATIVE IS OMD NEXT, a research program created for emerging media that has attracted 14 of the agencies' biggest clients, including FedEx Corp., McDonald's Corp., J.C. Penney Co. and Visa. The companies have committed to invest in a fund that will give them both generic and proprietary research on technological developments in such media as DVRs, video-on-demand, satellite radio and mobile phones. "We are trying to gain insight into what's different today for a consumer than yesterday, and what it's likely to be in the future," says Mr. Uva. Started in the U.S., OMD Next is being looked at for expansion into key international markets.

OMD is also active in two other areas, sports marketing and entertainment marketing areas. In the entertainment area, OMD is working with clients to help shape their entertainment marketing strategies, such as providing opportunities for product and message integration. On the sports side, Mr. Uva

describes OMD's client offering as something different. "We are helping clients understand when they buy sponsorships or big sports marketing programs what is the value of the media and how does that get integrated into overall media planning and buying."

In partnership with ESPN and TNS Sports, OMD has created the OMD-ESPN Sports Vitality Index to better understand which sports are losing and gaining popularity in order to advise clients on various opportunities.

While PHD expands around the world, it also is investing to grow organically. One of its biggest success stories in the past two years is the development of PHDiQ, which focuses on emerging technologies, Mr. Grubbs says. Two years ago when it was started, there were three people and one account. Today there are 35 people, 24 accounts and more than \$100 million spent in online executions.

This rapid growth has helped make online a part of the planning process within all of the company's traditional planning groups. "We've begun embedding online media specialists into our existing client planning teams as that medium becomes increasingly important to our client marketing efforts," Mr. Grubbs says. ○



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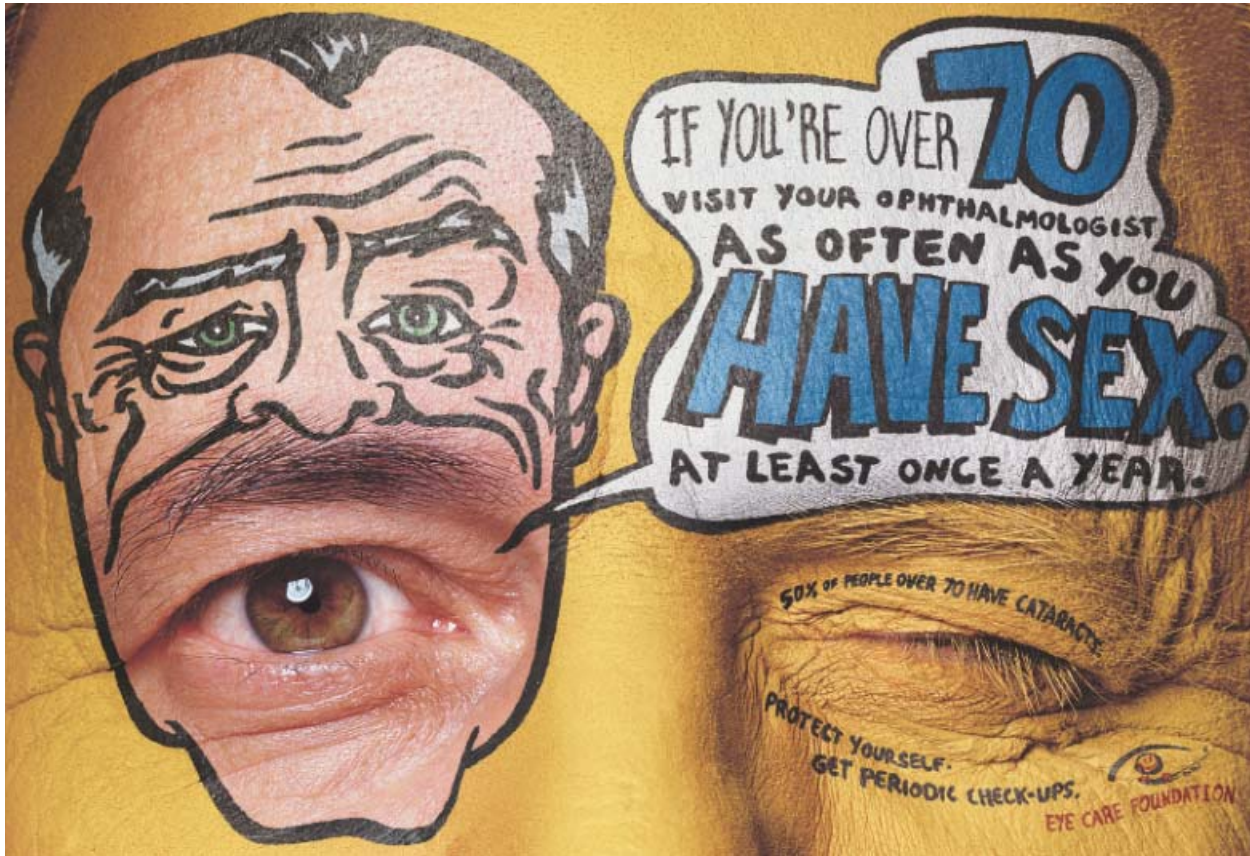
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Omnicom

International

Emerging markets draw focus as Omnicom continues its global expansion



▲ Omnicom's work in Latin America includes Almap BBDO's print campaign for Fundação Eye Care in Brazil.

By Nancy Giges

When Omnicom Group was created in 1986, its agency brands had already established a strong presence abroad. Since then, with the power of the group behind them, the agencies have expanded far beyond their original presence, from Europe to Africa, Latin America to Asia.

Today, Omnicom Group operates in more than 100 countries, with almost half the holding company's revenue coming from outside the U.S.

But as far as the ad agency and media brands have traveled, they are still looking at significant growth potential as they continue to expand globally, especially in emerging markets. A major focus for Omnicom now is Asia, particularly the high-profile markets of China and India.

"It's not something Omnicom has suddenly woken up to," says Michael Birkin, Omnicom Group vice chairman and chairman-CEO of Omnicom Asia Pacific, who moved to the region 15 months ago when Omnicom decided to put a holding company presence in Asia to sort through and prioritize opportunities. "We've had very good people in the region for a long time."

Mr. Birkin, who has offices in Shanghai and Tokyo, adds, "John [Wren, Omnicom president-CEO] recognized that there are a lot of client opportunities in Asia, and in terms of investments ... we needed to make sure that we had speedy approval processes. The idea of setting up a holding company presence there was to facilitate that process."

He says when he moved to the region he "found a lot of very strong work and very strong people," something he has been building on. If there was anything lacking, it was Omnicom's willingness to publicize its presence and activities in the region, he says. Even other Omnicom companies weren't attuned to what their sibling companies offered.

"Omnicom is the global leader, and we are a leader in Asia, but John [Wren] has not given me the brief to be the biggest in six months. He has said we need to be the best and [that's] on a global basis...."

"Although clients are all structured differently...fundamentally they all need the services and we have to make sure we are the best provider."

"We were a little bit 'tunnel-visioned' in each group. They were just looking at their own businesses, and we hadn't been networking across our group as effectively as we might have done," Mr. Birkin says. "I've been able to help in broadening our information flow. This enables us to put our best people forward for winning and servicing business in a way that was not quite as coordinated as before. That's been a major change."

During this period, the agencies also hired senior people and made some strategic acquisitions to "provide the best-in-class services for our clients. It's not revolutionary; we've just been a little more active."

For example, the company acquired two companies specializing in field marketing in China and India, countries that Mr. Birkin calls "markets of the 21st century." In China, Unisono

Fieldmarketing International provides field marketing and merchandising services for multinational and local clients covering more than 25 cities. In India, Gotocustomer Services India provides specialized services in field marketing, retail marketing and promotional events across the country, and has as clients major multinationals, including Intel Corp., Microsoft Corp. and PepsiCo.

He says the battle for these two markets is not going to be won or lost for many years. "We are at relatively early stages of the fast-growth periods for these markets. What the industry is doing is developing relationships with people in each market to set the platforms to be able to harness that growth opportunity. We are the same as our competitors in that regard. Our fundamental strategy in each market will be the same. We are there to build our brand names. We are growing significantly in both markets right now."

Across regions, there have also been some big client wins, which Mr. Birkin attributes to the efforts of the past 15 months. Among these are Procter & Gamble Co.'s Gillette business and Fonterra Brands, a New Zealand-based marketer of dairy products that consolidated its \$100 million-plus business for the entire Australasia region with a single agency partner. Mr. Birkin says it was the largest piece of regional business up for grabs in Australasia this year.

"Both [of these wins] have been as a result of a highly energized process with a broad range of services and offerings that would have been more challenging for us two years ago. We are now in a position where we can provide the breadth and depth of services that rival anybody in Asia," he says. "We would have perhaps struggled to win pieces of business like that a couple of years ago. We are in a different spot now."

As for the future, "my aim is to provide the best-in-class services for our clients across the region. The creativity and the quality of our work for clients is the be-all and end-all for me," he adds. "It's not size. Omnicom is the global leader, and we are a leader in Asia, but John [Wren] has not given me a brief to be the biggest in six months. He has said that we need to be the best and [that's] on a global basis."

"That means we have to make sure we offer the full range of our services, whether in the advertising and media services space, whether in public relations, whether CRM or other specialty services just like we do in North America, Europe and Latin America. Although clients are all structured differently and maybe buy the services a little bit different each time, fundamentally they all need the services, and we have to make sure we are the best provider."

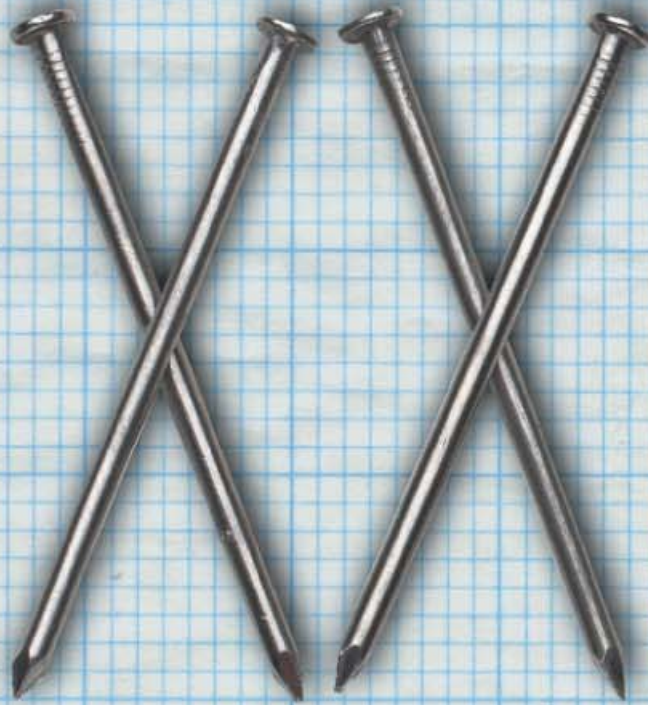
WHILE MUCH OF THE FOCUS IS ON ASIA, in Europe and Latin America, Omnicom is working to strengthen its already well-known agency brands while boosting awareness for those newer to the international marketplace.

For example, BBDO and DDB have long histories and high recognition in many international markets. With roots in Paris, TBWA also has been well established internationally for a number of years. So the company has been focusing on promoting areas outside its creative agencies, such as its media agencies, to bring them up to the high-recognition level of the creative agencies. Some of this is happening quickly.

Joe Uva, president-CEO of OMD Worldwide, points out the wide reach of OMD, now an established brand in 80 countries at just 10 years old. "[OMD occupies] more Top 5 positions in rankings on a country-by-country basis than any other media network in the world," he says.

In Latin America, OMD has risen to the No. 2 network from No. 7 in just four years. Omnicom was the last of the major holding companies to separate its media departments from the creative agencies to form OMD there. Says Mr. Uva, "When Mauricio Sabogal, now CEO of OMG Latin America, came to OMD in 2002, there was nothing in Latin America. He has turned it into a powerhouse in the region with a tremendous amount of client success, both with local clients and international ones."

In the region, the media agency now handles more than 600 accounts in 19 countries, including more than a dozen international accounts—such as Beiersdorf, Clorox Co., ExxonMobil, McDonald's Corp., Nokia and PepsiCo. (CONTINUED ON P26)



HAPPY 20th, OMNICON.



Omnicom

Multicultural

Specialized agencies extend their expertise to cut across all cultures

By Christine Bunish

Omnicom Group's DAS is a global enterprise of leading marketing services and specialty communication companies—it's also the division where most of Omnicom's multicultural assets can be found.

"It's a growing category," says Carmen Baez, president of DAS Latin America, who oversees companies in the region and develops the multicultural space for DAS. "Hispanic is on fire, but [African-American agency] Footsteps is doubling its size this year. We just acquired a minority interest in LatinWorks in July; we hadn't acquired any interest in a multicultural agency in years prior to that. Some pundits say we've been kind of slow, but we've been very selective. We pick the best-in-class and look for good chemistry."

As part of its multicultural assets, DAS has acquired interest in full-service agencies, such as Dieste Harmel, LatinWorks and Cultura, and grown agencies from within, such as FH Hispania, the Hispanic division of Fleishman-Hillard, and En Vivo, the promotion and events company within Cultura. Whatever the business model, "multicultural expertise is all over our companies now," Ms. Baez says.

Agencies need to be able "to cut across all cultures" today, she adds. "Transculturalism is here now. It behooves even more mass-market agencies to develop the skills and capacity to resonate and relate to the ever-changing consumer," while agencies founded to serve particular ethnic or racial groups are expanding their reach to encompass the multicultural marketplace.

"Great work is crossing over," Ms. Baez says. "Dieste is by nature a Hispanic agency, but some of its creative for Anheuser-Busch has been placed in mass media. While LatinWorks is the Hispanic agency for U.S. Cellular, they continue to take on more and more general-market business for

that client. Alcone Marketing, a general-market promotion agency within DAS, is proving incredibly strong in multicultural promotion. Its 'Copa Tecate' program, for [client Cerveceria Cuauhtemoc Moctezuma's] Tecate beer, is now the largest amateur soccer tournament in the country."

Partnered efforts from experts in consumer promotions, sports marketing and event management have turned the "Copa Tecate" program into a fully integrated marketing initiative that has drawn 45,000 players across 22 U.S. markets, 2 million spectators on a grassroots level, and a double-digit increase in Tecate volume sales.

"Multiculturalism is more than a fad, it's a cultural revolution," says Manny Flores, CEO, and, with Alejandro Ruelas, one of the managing partners of LatinWorks in Austin, Texas. The 8-year-old agency has been fueled by the accelerated growth of the Hispanic population in the U.S., now 43 million strong with some \$760 billion in purchasing power. But the founders, former Anheuser-Busch executives, are also general-market savvy.

"We understand the reality of the general market and the Hispanic market. The convergence of the two makes us a truly good partner to work with," Mr. Flores says.

LatinWorks was launched in response to the partners feeling that the state of existing Hispanic advertising was rooted in stereotypes and lacked strategic expertise, an unfortunate

trademark of the traditional Hispanic ad agency. By working in collaboration with clients and general-market shops, the partners felt they could deliver better results.

"We're guided by four basic principles," says Mr. Flores. "Practice strategic discipline, putting the consumer before the strategy and using our insights to drive the planning process; embrace synergy because the Hispanic and general market are becoming increasingly linked and the best results are achieved by focusing on our similarities; get to know consumers by getting out into the marketplace; and understand it's all about the future—not about reinforcing past stereotypes."

These guiding principles led LatinWorks to \$52 million in billings last year from clients Anheuser-Busch, U.S. Cellular, ESPN and ConAgra Foods. The agency made two significant wins in the last quarter: Domino's Pizza and NetSpend Corp. "We're poised for more growth," Mr. Flores says. "The future depends on what you do today, and partnering with Omnicom is the right thing to do. The future holds great things for all of us."

IN NEW YORK, FOOTSTEPS IS in its seventh year "and continuing to grow nicely," says managing partner Alvin Gay. He and President Verdia Johnson founded the full-service agency, which offers clients strategic planning and research, advertising, events, community outreach, media planning and buying, PR and online marketing. Its healthcare division, Footsteps Healthcare, was launched in 2001 to address the health disparities among multicultural consumers by providing direct-to-consumer communications and medical marketing.

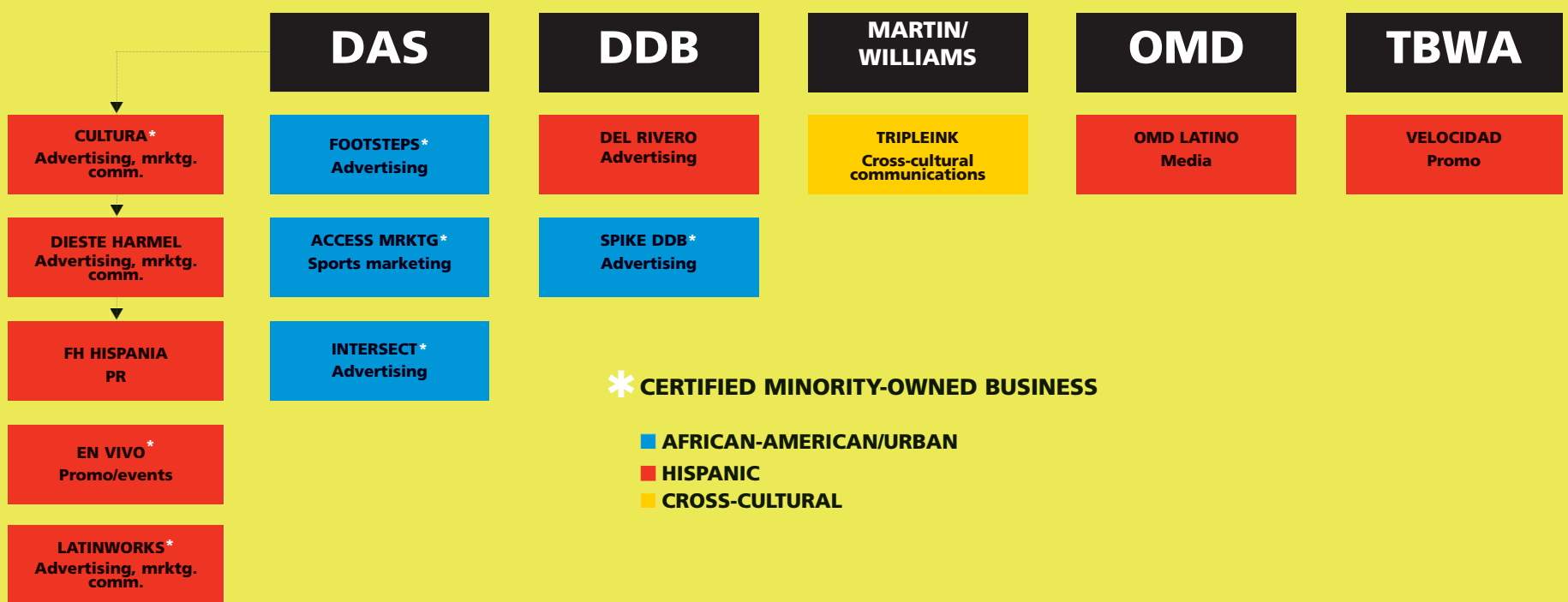
Footsteps' basic expertise is targeting the African-American and "urban mind-set" consumer markets. Through its strategic agency partnerships, it offers clients a multicultural business model that also targets the Hispanic and Asian consumer markets. In this business model, "everything goes through us and we integrate with our strategic agency partners" at DAS, Ms. Johnson says.

Approximately half of Footsteps' business targets the African-American consumer market and (CONTINUED ON P26)

"Multicultural expertise is all over our companies....Transculturalism is here now.

"It behooves even more mass-market agencies to develop the skills and capacity to resonate and relate to the ever-changing consumer....Great work is crossing over."

OMNICOM'S MULTICULTURAL RESOURCES





WE'D BUY YOU A BUD

but you're not old enough yet.

Happy 20th birthday, Omnicom. From all of us at DDB and Tribal DDB Worldwide.

Omnicom

Multicultural (CONTINUED FROM P24)

includes clients such as Lowe's Home Improvement Warehouse and GlaxoSmithKline Consumer Division. The other half targets the multicultural consumer market and includes clients such as Mercedes-Benz USA and ExxonMobil.

Regardless of the consumer market, segmentation plays a big role in communications for their clients, says Ms. Johnson. "Segmenting the market [such as the affluent consumer for Mercedes-Benz], and then intimately understanding and communicating the role that the brand plays in their lives, builds market share and a loyal relationship between the brand and the consumer segment."

EACH SEGMENT WITHIN THE MULTICULTURAL marketplace is on a different track, she notes. "Immigration continues to fuel the Hispanic and Asian marketing efforts in this country as it provides a bridge between the customs, values and lifestyle in their countries of origin vs. America. The African-American market is a more mature consumer market that is driven by the cultural nuances that come from their values as well as background, experiences and traditions in America. It's a matter of clients maximizing their brand potential within various segments, all of which present tremendous growth opportunities."

Ms. Johnson says she believes "the multicultural market will continue to influence the general market in terms of language, foods, lifestyle and trends in various areas. As our executive creative director, Alvin is always on the cutting edge of what's happening and knows how to make it appeal to and resonate with multicultural consumers—and influence the Caucasian market as well."

Footsteps' motto is "Good is the enemy of excellence." "We're relentless to that end," Mr. Gay says. "That means strategic planning is at the heart of everything we do. Out of that come powerful positioning statements and insightful creative briefs, allowing us to develop excellent concepts that emotionally resonate with the intended target yet cross over and have universal appeal at the same time. I feel that we do that better than anyone."

NOT UNDER THE DAS UMBRELLA BUT STILL A PART OF the Omnicom Group is Del Rivero Messianu DDB. The agency opened in Miami in 1984, joined with DDB a year later, parted ways, then came back in 2001 in an equity partnership.

The agency specializes in the U.S. Hispanic and Latin American markets from a regional perspective. "We have all kinds of clients with different scopes," says CEO Eduardo Del Rivero. "Royal Caribbean is a national advertiser that's more upscale and more geographically targeted. McDonald's reaches out to all possible subgroups in every corner of the nation. One of our Big Mac campaigns cut across Spanish, English and African-American markets. Anheuser-Busch and State Farm are mass-media advertisers."

Other Del Rivero Messianu clients include Perdue chicken for regional advertising; some Johnson & Johnson brands, including its Clean & Clear teen product; and Mott's Inc.'s Clamato, whose market is close to 80% Hispanic.

Mr. Del Rivero has seen advertisers turn from viewing Hispanic advertising "as an optional thing" to making it part of their marketing plans. "You can't ignore one-quarter of your market," he says. "Advertisers realize they don't have to create additional budget to reach Hispanics; they just have to put it in the mix."

He says he likes the independence of being part of what DDB



◀ Carmen Baez, president of DAS Latin America, also develops the multicultural space for DAS.

refers to as "a federation. We're part of the group, but not tied to a lot of operational stuff. DDB can refer clients to us, and we can access some of their educational resources for our staff. We use the services of Porter Novelli every time we have a PR need. We have Tribal DDB people working within our company on interactive projects, and we tap into DDB's LA office when we need direct response and database management. We also work with OMD Latino for media."

The multicultural advertising perspective "that wants to lump together everyone under one title" isn't a very effective approach, Mr. Del Rivero says. "It implies that Hispanics think similarly to African-Americans and Asian-Americans. It's a one-size-fits-all mentality." Instead, he advocates that companies offer "multiculturally sensitive services that cater to different groups, treating each entity as a market and finding ways to resolve their needs."

No matter which approach agencies take, the time is coming when "marketing to Americans won't be defined by any boundaries of language or race but by a truly multicultural mind-set," says LatinWorks' Mr. Flores. ○

International (CONTINUED FROM P22)

Some 48% of the clients work just with OMD, while the rest it shares with Omnicom creative agencies.

Mr. Sabogal is also playing a key role in the international expansion of Omnicom Media Group's other media company, PHD Network, which he says is expected to be launched in six countries—Argentina, Chile, Colombia, Costa Rica, El Salvador and Mexico—before the end of the year and to expand rapidly to the other important markets in the region next year.

There are special challenges in Latin America, he says. The region is difficult to coordinate because of its geographic size and because it covers 20 different markets with different characteristics. "Some are very developed, some very undeveloped, and we need to offer the same level of services to international clients in all of them. We have to invest in countries that don't have research, training and tools," he says.

Another challenge is that size is important here when it comes to negotiating power because in many countries, media properties are concentrated in one or two large companies, Mr. Sabogal adds.

Meeting those challenges head-on and with success, is evidenced not only by industry awards but also by new business, he says. "We won 120 clients across the region last year. That means our product is well-accepted by advertisers."

IN LATIN AMERICA, AS IN OTHER REGIONS, Omnicom has also been increasing its nonmedia advertising business, which is organized under Diversified Agency Services, or DAS, and consists of more than 175 companies in 72 countries. Globally, these services account for more than half of Omnicom's revenue, surpassing the 43.8% of revenue coming from the media advertising segment. The biggest of these are customer relationship management, at 34.5% of Omnicom's total revenue, and public relations, at 10%.

The overall philosophy and goals sound strikingly similar to those of Omnicom in other regions. "Our objective is to be the most influential—not necessarily the biggest," says Carmen Baez, president, DAS Latin America. "For us, it's to be No. 1 in reputation and thought leadership."

In the 10 or 12 years DAS has existed in Latin America, the agencies have racked up a long list of awards and risen to leadership in many markets. Rapp Collins, for example, started 10 years ago from scratch, Ms. Baez says, and today ranks No. 1 in five of the seven markets in which it operates. "If you look at our client list, you'll see all the blue chips, the who's who, the category killers."

But she is aware that leadership can be fleeting. "Being No. 1 is tough because you are always challenged to keep that leadership position," she says.

RETAINING LEADERSHIP IS ALSO THE BIG challenge in Europe, where Omnicom agencies hold a number of top rankings. After the U.S., Europe is the company's largest stronghold, generating 31% of Omnicom revenue. Peter Mead, chairman of Omnicom Europe and a founder of U.K.-based Abbott Mead Vickers, which was purchased by BBDO, admires the way the holding company has put together strong international networks in Europe relatively quickly. And in a familiar refrain, he says it's not only a question of size in Europe, but of quality.

So what's next? "Much more of the same," he says, "and extending the offering." Mr. Mead says that DAS was very quickly exported from the U.S. into Europe and has grown enormously in direct marketing and sales promotion. Omnicom also was a very early adopter in the digital area and has strong players across the region, he says.

As in other regions, Omnicom agencies have emerged as major players in Europe through a mix of organic growth and some strategic acquisitions. "I feel we are in a better place in Europe than most people," he says, adding, "But you would expect me to say that anyway."

Still, he knows that staying on top isn't easy. "It's a challenge to do more of the same and keep the quality level up," Mr. Mead says. "We've been a market leader in the U.K. and Germany for the best part of Omnicom's 20 years. That brings enormous advantages in that you get considered on most lists, but it also brings a view that you can't allow people to say you're old and stuffy when the advertising marketplace changes as fast as it does." ○



▲ International work includes DDB's "Monopoly Live" effort in the U.K. and TBWAJapan's "Vertical Football" for adidas.

CONGRATULATIONS, OMNICOM!

On 20 years of great work.

Tradition suggests fine china, platinum or emeralds for a 20th anniversary.

But we'd have trouble deciding who, exactly, should receive it. So happy anniversary to all of Omnicom, and a warm thanks to all the folks at your DDB family of agencies who have become family to us.

LIKE A GOOD NEIGHBOR



STATE FARM IS THERE.®

Providing Insurance and Financial Services

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Omnicom

Clients

Marketers discuss their Omnicom relationships

Interviews by Christine Bunish



FEDEX

LAURIE TUCKER
SENIOR VP-CORPORATE
MARKETING

BBDO has been FedEx's agency since 1989, an eternity in today's client-agency world. We've also worked with OMD for the last 17 years and with Ketchum for the last 12. Just this year we began relationships with Atmosphere BBDO and OMD Digital for the

online space. BBDO has been the key agency for us through our relaunch as FedEx early in our relationship and the start-up of FedEx Ground in 2000 and FedEx Kinko's in summer 2003.

BBDO is well known for creating our Super Bowl ads. One of them, "Stick," was just awarded an Emmy and a Bronze Lion at Cannes. "Stick" got more than 1.5 million downloads on fedex.com. The agency pushed us to aftermarket it and we got a lot of lift—there was quite a buzz around it.

We won a Gold Lion in 2002 when BBDO introduced the "Relax. It's FedEx" campaign; we still use the tagline. BBDO totally gets it from a FedEx standpoint. We want our ads to speak to the small-business person, someone who will say, "That's me, I've been there," and BBDO pulls that off well.

OMD has done a tremendous job ensuring that we stay on the leading edge and placing our advertising where our targeted customers are even as viewing habits have changed.

As our PR agency, Ketchum has helped us build our overall brand reputation leading to FedEx being named No. 2 in the U.S. on *Fortune's* Most Admired Company list for 2006 and No. 4 around the globe.

We just began our relationship with Atmosphere BBDO in April, and they're already doing tremendous work. As BBDO develops creative, Atmosphere takes that creative online in very unique ways, leading customers to a call to action.

Omnicom agencies work in a completely integrated fashion as partners within the company. FedEx gets added value by taking advantage of all these channels. They make our advertising work harder in today's media-filled world.

It's been my pleasure to work with some of the best and brightest in the industry at Omnicom. John Osborn [president-CEO, New York] is very involved in developing our annual brief as we decide what and how to communicate. Eric Silver [exec VP-executive creative director] is our tremendously talented head creative; we believe he has his best people working on our business.

Andrew Robertson [president-CEO, North America and Worldwide] works tirelessly across the globe for BBDO's clients. And David Lubars [chairman-chief creative officer] is a legend among creatives. He gets the new world order and the power of the big idea.

At OMD, Joe Uva [CEO of OMD Worldwide] and Page Thompson [CEO of OMD North America] really get involved in our business. They help us learn about emerging media and how to leverage them for our advertising message.

FedEx is a very strong people company. That's the way Fred Smith founded us and the way we are today. We're known for our value, reliability and relationships, and that's what Omnicom is all about.

Omnicom has grown up with us. They've taken the time to learn the complexities of our business, our role in world markets. We feel very well positioned in our business and in their business. ○



GE

JUDY HU
GLOBAL EXECUTIVE
DIRECTOR-ADVERTISING
AND BRANDING

GE's relationship with Omnicom goes back 86 years, when BBDO became the agency for our lighting business in 1920. Today BBDO and OMD are our corporate agencies of record globally. It's a testa-

ment to the quality of their work that the partnership continues to expand after so many decades.

For 20 years, BBDO created memorable ads for our "We Bring Good Things to Life" campaign. In 2002, we asked them to change direction, incorporate our new CEO's messaging and contemporize GE's image. This challenge required that the agency look at our business in a different way and really reinvent itself. In January 2003, we launched "Imagination at Work" and rolled out the campaign globally.

Since then, we've run work from BBDO New York, BBDO's European network, BBDO Shanghai and BBDO São Paulo. None of us cares where the work comes from. We test it globally, and the best work wins.

In May 2005, BBDO and OMD helped us come up with our "Ecomagination" campaign, which expresses our corporate commitment to the environment. We like to say "green is green": You can be environmentally friendly and still make a profit. BBDO coined the word "ecomagination," which has become an ownable property for us. On an average day, there are 100,000 search results for "ecomagination" on both Yahoo! and Google. People from more than 100 countries visit our ecomagination Web site. That speaks to the power of the idea.

Recently, BBDO and OMD worked together to create a message so compelling and entertaining that DVR users wouldn't zap past it but instead would actually seek it out. GE's "One Second Theater" harkens back to "GE Theater," which appeared on early television.

We have inserted a series of still frames into our ads before the logo sequence, which appears as a flurry if you watch them in real time. But when you play them back on a DVR, new content is revealed. According to TiVo, the average time spent with "One-Second Theater" broke TiVo Showcase records. The average viewer spent two-and-a-half more time with the ad than the actual length of the ad.

I have easy access to everyone at BBDO, all the way to the top, with involved, dedicated leadership from John Osborn, Andrew Robertson and David Lubars. They are there 24/7 for us.

Don Schneider has been our creative director since the "Imagination at Work" launch and is my partner on a daily basis. He combines a gut feel for strategy and a deep understanding of our complex businesses with creative brilliance.

The Brand Initiatives Group, led by Brett Shevack, has generated promotional, business-building and marketing ideas for businesses including aircraft engines, healthcare and GE Money, Americas. They're charged with thinking beyond television.

At OMD, Toni Racioppo manages our account globally. Her stellar team does rigorous data crunching and analysis of each media proposal that comes to us. They've driven cross-platform integration and continually come up with new ways to reach our audience.

Even though BBDO and OMD are among the largest agencies in the world, it always feels as if you're working with a small boutique that's just won your business. ○



McDONALD'S CORP.

MARY DILLON
CHIEF MARKETING
OFFICER

From the beginning, McDonald's Corp.'s business model depended on the success of enduring relationships with our partners. Today, we're doing business in 118 countries, and Omnicom agencies such as DDB, TBWA,

OMD, GMR, IMS and many others are providing us with breakthrough ideas that transcend traditional media boundaries.

Three years ago, the brand was energized by a little-known unit of DDB named Heye & Partners, located on the outskirts of Munich. The Heye team answered our call for a truly global communications idea that has come to define the modernity of our brand. "I'm Lovin' It" was the brainchild of Heye and has been brought to life around the world by our partners at Omnicom and our other agency networks.

We've come to expect creativity from our agency partners: creative strategies, concepts and ideas. When we looked to take "I'm Lovin' It" to a new level, our Omnicom agency partners took a leadership role and provided McDonald's with relevant and exciting ideas.

We charge Omnicom agencies with being the voice of our customer. We expect them to have a deep understanding of our brand and our customers. They continually surprise us with inventive ideas and have shown a dedication and a passion for our brand that's rare.

GMR, another Omnicom agency we work with, does grassroots and nontraditional programs as well as local market activations for us, like last year's Destiny Fulfilled and Lovin' It tour with Destiny's Child. In the U.S., GMR came up with McDonald's Road Trip Live, where two young adults in an RV took to the road to meet and talk to people about our brand, new products and offer samples.

We've engaged consumers in areas they have a passion about. Road Trip Live has visited the National AVP Beach Volleyball Tournament, Nascar events, movie premieres for "Pirates of the Caribbean 2" and many other events to create a lot of buzz for our brand.

Keith Reinhart [chairman of DDB Worldwide] has been associated with our brand for more than 30 years, has been a brand champion of McDonald's and is passionate about our business. It's amazing the depth and breadth of insight he's brought to us. John Wren [Omnicom Group president-CEO] has been a great partner, and Bob Scarpelli [chairman-chief creative officer of DDB Worldwide] and Dick Rogers [president, DDB North America] have led the DDB and McDonald's relationship. Jean-Marie Dru [CEO] at TBWA has been a terrific strategic thought partner, as has Joe Uva [CEO of OMD Worldwide]. And Janet Riccio [exec VP at Omnicom] has helped us take advantage of the best resources within their network.

What Omnicom brings to the table is the ability to tap into strong creative and strategic resources around the world. Our local markets are able to take advantage of tools, thinking and technology across borders that they might not otherwise have.

Omnicom continues to be a leading-edge, strategic agency, driving consumer insights and changing trends. Through our global OMD relationship, we've been able to take advantage of research tools and technology on both new and traditional media opportunities. ○

C D E
F G H I J K
L M N O P
Q R S U
V X Y Z

Congratulations, Omnicom. And thank you for the 20 years of leadership
that have helped make us who we are today. Love, You-know-who.

Showcase

From print and TV creative to PR and events, Omnicom agencies boast a wide range of creative talent. Here are some examples:



◀ BBDO

M&M's

Since 1995, BBDO has been infusing the M&M's "spokescandies" with distinct personalities that have elevated them to pop culture icons. Most recently, Yellow lent his star power to help promote limited-edition M&M's white chocolate candies and the brand's tie-in with "Pirates of the Caribbean: Dead Man's Chest."

THE BEANSTALK GROUP ▶

STANLEY WORKS

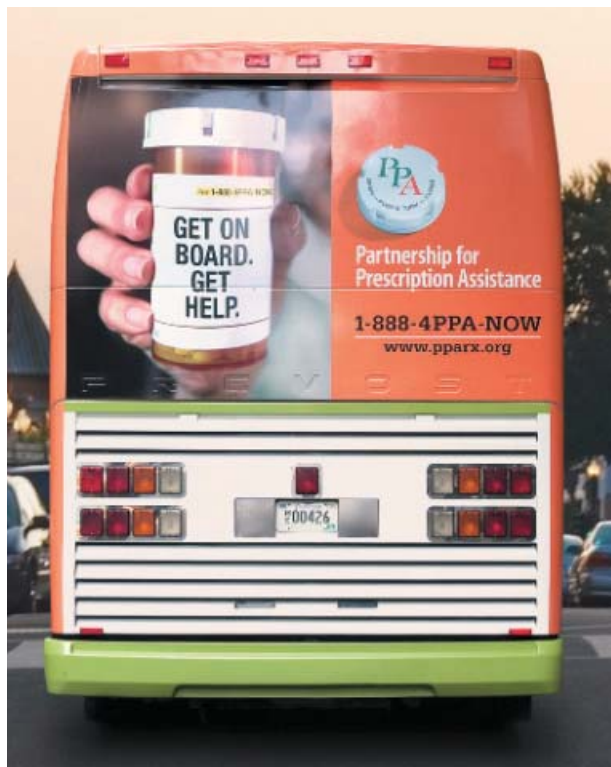
The Stanley Works licensing program is the most comprehensive and successful in the hardware industry, with more than 20 licensees in the U.S. and abroad. The combination of top-quality product design and innovative marketing support has allowed Stanley licensed products to garner more than 100 million brand impressions since the program started in 1999.



CLINE DAVIS & MANN ▶

PhRMA & PARTNERSHIP FOR PRESCRIPTION ASSISTANCE

Besides building some of the biggest brands in healthcare history (such as Viagra and Lipitor), Cline Davis & Mann has worked to make access to medicine a reality for every American. For trade group PhRMA, CDM created Partnership for Prescription Assistance, now well known through its spokesman, Montel Williams, and the "Help Is Here Express" national bus tour.



CORBETT ▼

ALCON ACRYSOFT TORIC

Corbett Worldwide Healthcare Communications developed a campaign for Alcon's AcrySof Toric intraocular lens based on a compelling customer insight on the unmet need for precision. This campaign was executed in a unique and memorable way that is creating significant interest in this new brand.



TBWA ▶

iPOD

With the launch of iPod and the iTunes Music Store, Apple revolutionized the music industry. Now Apple is continuing to innovate how people experience music and video content by inventing new ways for them to buy and take it with them everywhere they go. Apple's computer business is growing at its fastest pace ever, driven by the revamping of its entire line to powerful Intel-based machines that come standard with all the best software for work and fun. For over two decades, TBWA has created communications to evangelize Apple's breakthrough products globally.



ELEMENT 79 ▼

GATORADE

Since the "Is It in You?" campaign debuted in 1998, sales have tripled, from \$1 billion to more than \$3 billion annually. Growth continues to accelerate, averaging double-digit growth for each of the past five years.





◀ SPIKE DDB

PEPSI
SpikeDDB developed a print campaign for Brand Pepsi that shows the brand as the center of urban creativity in an abstract, compelling way. In developing the campaign, SpikeDDB commissioned several influential urban artists grounded in the urban lifestyle to bring to life visually the "Irrepressible inspiration" that is Brand Pepsi. The work deeply inserts Pepsi into the lifestyle and world of the target in an authentic and exciting way that resulted in increased preference for the brand by the target.

▶ WOLFF OLINS

(RED)
A revolutionary organization conceptualized by Bono, (RED) is a collaboration of brands, people and ideas that have united to help eliminate AIDS in Africa. The primary objective was to create a compelling brand to identify the (RED) organization and to co-brand (RED) products and promotions. Launched at the World Economic Forum in January 2006, (RED) has captured the attention of consumers and business leaders worldwide.



▶ ARNELL GROUP

DKNY
This DKNY outdoor mural, painted at the launch of the brand, still stands today at Houston and Broadway, the gateway to SoHo. To acquire the rights to the space on the landmark building, Arnell collaborated with art historians and fine art restorers to create a special paint that reflected the building's age and condition. Today, the SoHo mural put up 17 years ago has become an authentic backdrop and symbol of the city, fulfilling the original promise of the DKNY brand—becoming a genuine New York icon.



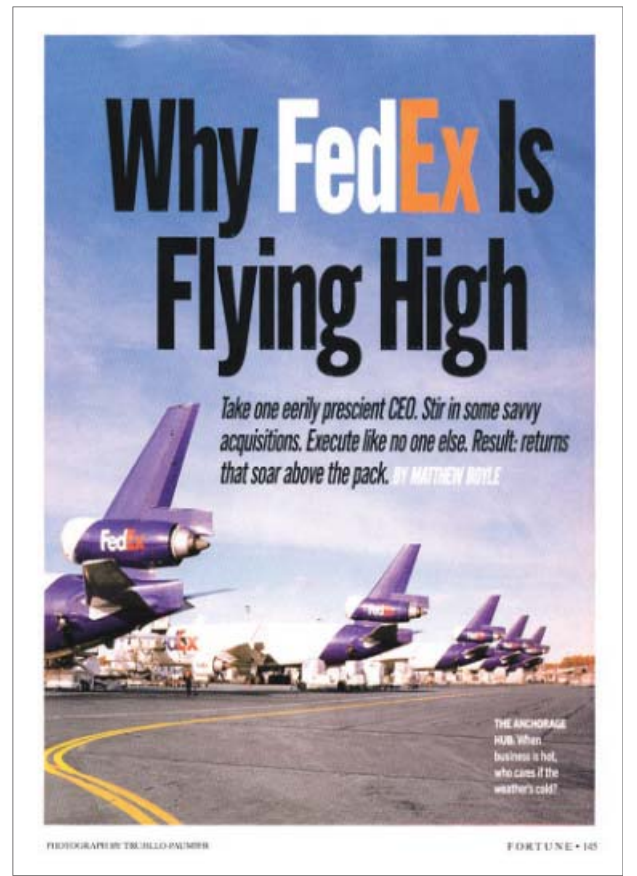
GOODBY, SILVERSTEIN & PARTNERS

CALIFORNIA MILK PROCESSOR BOARD
In 1993, the California Milk Processor Board set out to make milk more top of mind while countering a decline in consumption. "Got Milk?" was based on focus groups that showed people got angry when they didn't have milk. Thus the "Deprivation" campaign was born. Over the next 12 years, the "Got milk?" tagline invaded the culture, with tracking studies showing consistently high awareness at 95%.



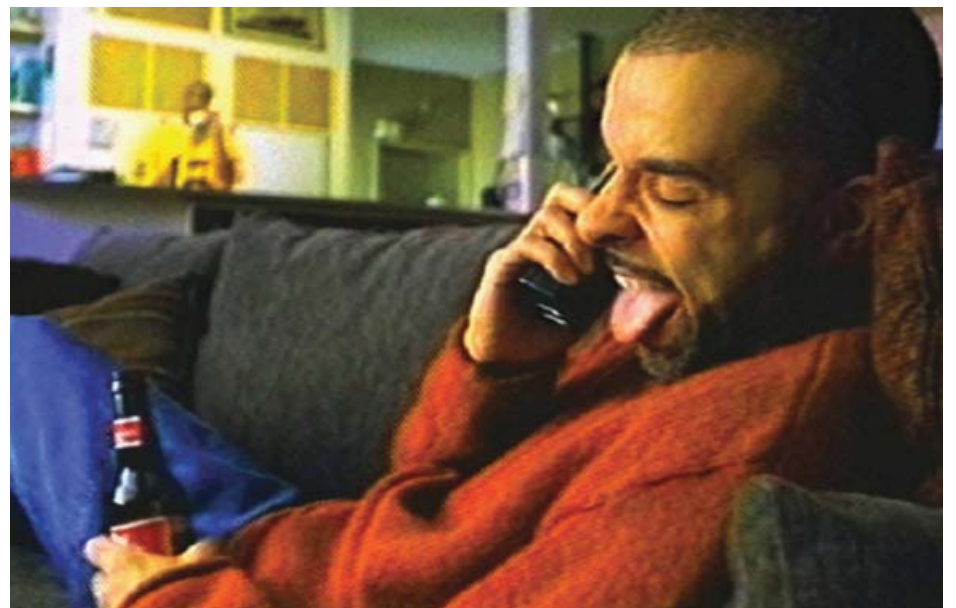
▶ KETCHUM

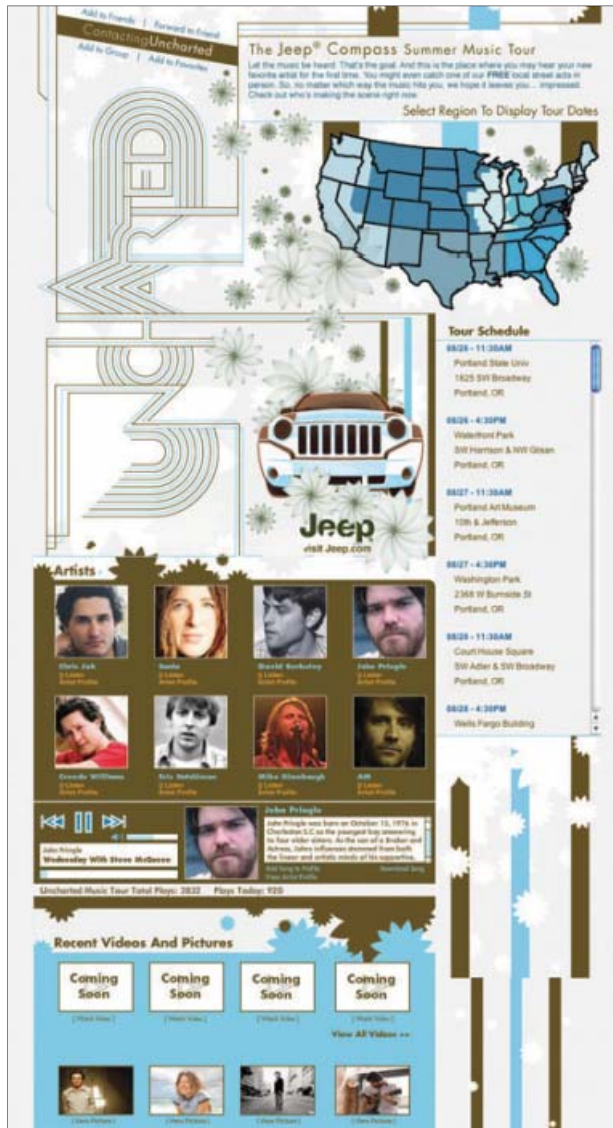
FEDEX
For more than a decade, FedEx and Ketchum have partnered to build, promote and protect FedEx's exceptional global reputation. Using a wide range of targeted workplace and marketplace communications programs, FedEx and Ketchum have worked together to advance the corporation's culture, image and global reputation, establishing FedEx as one of the world's most admired and respected companies.



▼ DDB

BUDWEISER
When an ad becomes a part of pop culture and slides into the vernacular, DDB calls it "Talk Value." The award-winning Budweiser "Whassup" campaign achieved that. "Whassup" became the world's favorite catchphrase and the "Whassup" guys, celebrities. The campaign also was one of the first to prove the power of viral with dozens of spoofs on the Internet and TV around the globe.

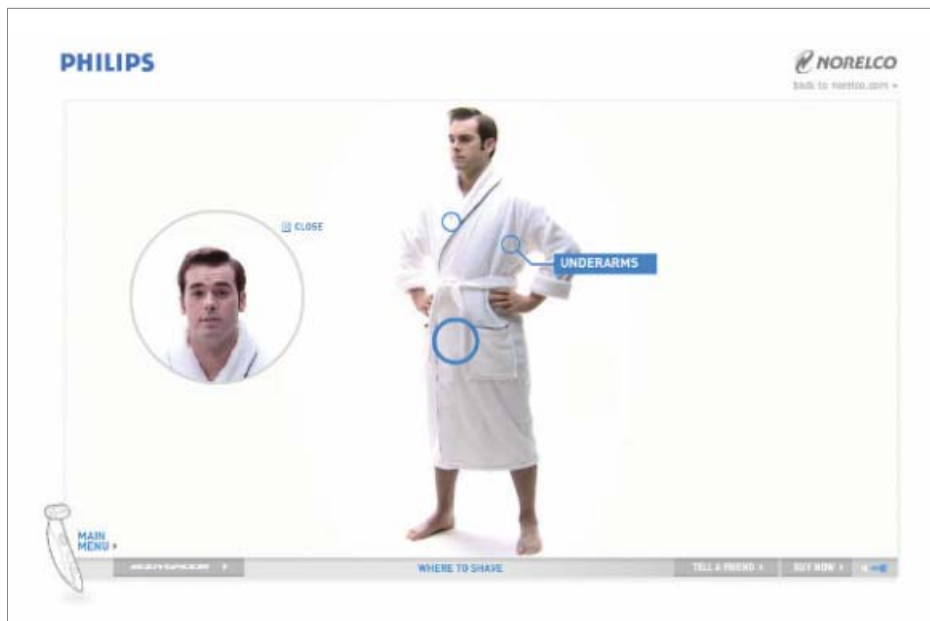




ORGANIC JEEP
 The Jeep Compass Uncharted MySpace page, created by Organic in partnership with Jeep, BBDO Detroit and PHD, was the information hub of a free 2006 summer concert tour of emerging artists all over the U.S.

MERKLEY +PARTNERS MERCEDES-BENZ
 To launch Mercedes' first-ever entry into the large SUV market, Merkley+Partners created an integrated campaign that positioned the Mercedes-Benz GL as the only full-size SUV with all the traditional Mercedes-Benz engineering. The campaign was launched with the theme "More Mercedes to Love."

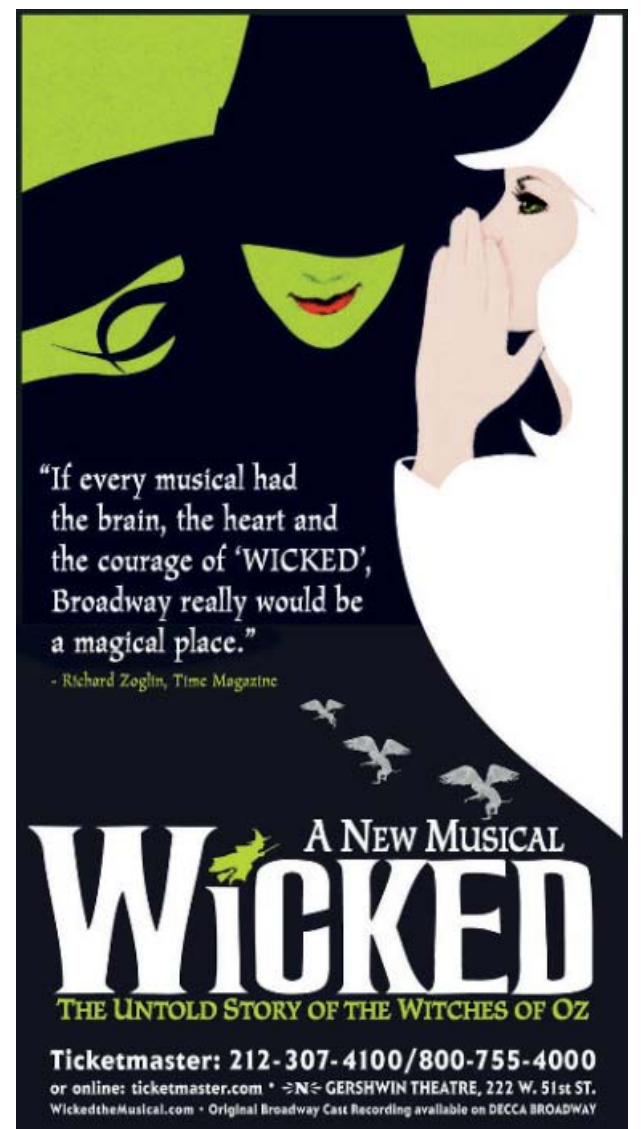
KALEIDOSCOPE HP
 Kaleidoscope's relationship with HP started in 1999 and has grown into a trusted partnership involving many different marketing disciplines—film, rich media, events, conferences, environmental design, etc. The 2003 Telecom booth (designed, executed and managed by Kaleidoscope) sought to demonstrate that as a technology leader, HP was the ideal partner for customers who were looking to assure their future success in the highly competitive telecommunications industry.



TRIBAL DDB PHILIPS NORELCO
 To promote Philips Norelco's Bodygroom, partners Tribal DDB NY and DDB NY teamed up to broach the sensitive topic of bodygrooming for men. Thus was born the online "Bodygroom Guy." In its first three weeks, the site received more than 900,000 visits, mention in more than 1,500 blogs and more than 13,000 links pointing to it. The campaign has received countless accolades, including a Cannes Gold Lion.

SERINO COYNE WICKED
 Serino Coyne's creative strategy for "Wicked" was to hit the right "Wizard of Oz" touchstones while taking the consumer in a totally new direction. From this came the image of the good witch whispering in the ear of the green witch, who in turn smiles slyly. Now that it is completing its third smash year as the No. 1 show on Broadway, "Wicked" is a cultural phenomenon and one of the most successful shows in Broadway history.

FLEISHMAN-HILLARD VISA USA
 Fleishman-Hillard helped Visa USA launch its 20th year of Olympic sponsorship with an elite athlete summit and media event in New York.



**Congratulations
and thank you
for 20 years
of great ideas
and service.
Your friends
at Pepsi.**



it's the cola™



◀ **GSD&M**

KOHLER
Kohler and its customers are passionate about artistic craftsmanship, sensuousness and expression, and the "As I See It" campaign exists to help ignite that passion. The "Pearls" ad demonstrates the uniqueness of Kohler's Wading Pool lavatories, which are constructed to be sleek in design and curvature.

INTERBRAND ▶

AT&T
Interbrand is currently the brand consultancy of record for AT&T and, among other brand management initiatives, developed the new identity for AT&T, shown here on one of thousands of applications.



◀ **IPSH!**

UNILEVER AXE
Unilever was seeking a way to engage its targeted young adult male consumer with the Axe brand. GMR Marketing developed an idea that plays on a bachelor's "little black book," offering men the chance to peruse 14 fictional female personas, each with her own ringtone. GMR partnered with ipsh!, the wireless consulting agency of The Marketing Arm network, to design the Web site, license the music and activate the mobile portion of the campaign.



▲ **RADIATE GROUP**

MCDONALD'S
Passport to Play is an elementary school program designed to inspire students to have fun getting active—in PE class, at recess and at home. The program offers children a hands-on exploration of the games kids play across the globe. In 2005, Passport to Play reached 7 million third-to-fifth-grade public school students in 31,000 schools.



▲ **DESIGN FORUM**

BEST BUY
Best Buy asked Design Forum for a strategic new store concept whose brand attributes would be fun and excitement. Flexible levels of execution ensure that all stores share consistent brand elements focusing on superior customer experience, product interaction and lifestyle advice.

◀ **CRITICAL MASS**

HYATT CORP.
Interactive agency Critical Mass supports longtime client Hyatt Corp. by launching Hyatt Pure, Hyatt's branded spa site, and Hyatt Place, Hyatt's new select service brand.



◀ **DIESTE HARMEL & PARTNERS**

CLOROX
The Clorox brand enjoys a 90-year disinfecting heritage with its general market consumers, but is a relatively new brand for most U.S. Hispanics. Hispanic moms were reminded that through a child's eyes, everyday objects and surfaces can be as appealing as candy while they explore their world. Clorox disinfecting products can help mom keep the home healthy for her children by killing the germs that can make children sick.

CONE INC. ▶

AMERICAN HEART ASSOCIATION
Since its launch in 2004, Go Red for Women has sparked a movement around women and heart disease, while also reinvigorating the American Heart Association brand. The campaign's success includes: enlisting more than 11,000 companies in the annual National Wear Red Day fund-raiser, garnering more than 4 billion media impressions and, most important, raising more than \$45 million.



**Whoever said you can't
be both big and creative
never met our 5,000 clients
and over 60,000 people.**

Actually, those are conservative numbers.
(Even though we're in advertising, not to mention all
kinds of marketing services, we try not to exaggerate.)

In any event, after 20 years of continuous
growth, and more creative awards by far than any
of our competitors, we think our people have proven
that great talent and hard work can take you well
beyond conventional wisdom.

For this, we thank each of our clients and
every one of the people serving them, past and
present, in our companies around the world.
We are very grateful.

And that's something we cannot overstate.

OmnicomGroup

Here's to 20 years of imaginative work.

GE is proud to work with the Omnicom Group and commends them on the past twenty years of success. Congratulations, and good luck on the next twenty.



imagination at work