

# [Charlotte beers at ogilvy and mather worldwide – assignment](https://assignbuster.com/charlotte-beers-at-ogilvy-mather-worldwide-assignment/)

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Charlotte Beers at Ogilvy & Mather Worldwide (A) By Charlotte Beers at Ogilvy & Mather Worldwide (A) Document purpose: suggestions to increase acceptance of Ogilvy & Mather’s new Vison on employees below senior executive management. Problem definition December 1993: Charlotte Beers assesses the progresses made by the company after she became CEO: she realizes that clients love the Brand Stewardship concept, but most employees, below executive levels, have not embraced the newly created Vision.

The problem I will focus in this document is the following: the majority of employees did not embrace the new Vision. I will analyze why this is a key problem, why it is happening and I will propose steps to accomplish more acceptance. Analysis Brief Background Major events have shaped the history of the company in the recent years: first the hostile takeover, 1989, then the loss of key accounts and credibility in the business. Many key senior employees have left in the 2 years following the takeover. The company Vision has been: “ just keep doing the same thing, just better”, but the world around has been changing.

The marketing business has clearly become more global in nature, with “ mergers to form mega-agencies and the concept of transporting brands around the world”, and customers are demanding for “ more service at lower costs”. Re-creation Technically the type of organizational change Beers has to face as new CEO of the company is called re-creation: it’s a change introduced in response to an immediate demand, in this case the loss of customers and image. The research indicates that fewer than one in ten re-creations succeed [Leadership for Organizational Change].

Vision and Values Crafting Beers has accomplished a great step already: the definition of Vision and Values. It is interesting to analyze the process that she used, and why it worked. She: •Gathered the persons in the company that were more inspired by a creative tension. •Educated them on the main problems, the “ current reality” of the company. •Stimulated a constructive exchange of opinions and experiences among the same executives in the attempt to come up with a “ common” set of ideas to be incorporated in the Vision statement.

By educating on the “ current reality” and by inspiring the Vision of the brand (her idea since from her start at O&M), Charlotte is setting the creative tension necessary to resurrect the company, and she is beginning this from the top and key persons. Now she has to reach the lower level employees: the challenge is similar, but she cannot leverage anymore on the very powerful mechanism of getting people involved in the creation phase, the “ building of shared vision” concept.

The reason is that lower level employees cannot participate in the creation of the company’s Vision; they have to accept it and implement it. Inspirational Leadership Charlotte Beers is an inspiring type of leader: she doesn’t necessarily know the solution to the problems, but she stimulates the company to find it. Instead of talking profits, Beers preached “ passion”, the essence, she said, of resurrecting O&M. She said: “ Consensus is a poor substitute of leadership”. Her key point is to get people from having an impersonal attitude to the business, into an involved one.

I think she has to leverage on this ability, this gift that she has, to reach the lower level employees in the same effective way she inspired the senior executive team. Detailed Problem Diagnosis I will analyze now in more detail why the vast majority of O&M employees have not embraced yet the new Vision. There are 3 main points related to this problem: 1. Poor understanding of the Brand Stewardship: most employees below senior level lack of experience on how to use the concept of Brand Stewardship.

O’Dea: “ Only a minority of the population truly understands and embraces the Brand Stewardship concept”. Employees thus have to be educated on the concept. 2. Human resistance to the Brand Stewardship: some employees are contrary to the concept, because they see it as “ an indictment of what they have been doing”. They perceive the embracement of the new Vision as admitting that previous practices were wrong [Org Change Strategies and Tactics]. Employees may need support and facilitation. 3. •Lack of interest in the Brand Stewardship: employees feel that the new Vision is a loss of time for them. If it helps to get new business, that’s great, but why are you in my office talking about this? I have a dead line to meet and I don’t see what this has to do with creating advertising”. The importance of the Brand Stewardship has to be communicated to employees. Why is the problem of acceptance of the Vision among low-level employees a key one? The image of the company is a lot dependent on how everyone will interpret and implement the message of the Statement of Vision and Values. Clients now view O&M people as “ uninvolved, distant, and reserved”.

Beers needs a way to reach all employees as effectively as she has done with the few key people: challenging them to be more creative, to toss aside the old rules and really embrace the new Vision. Recommendations 1. Reaching people in person: Charlotte has to increase her direct contact with the people: she has to take opportunities to visit key locations, give speeches directly to the employees; she is the one that has the big charisma to inspire them all. “ Anyone who heard it firsthand from Charlotte bought in”. She could do a round trip in the four headquarters and give conference calls to the major offices in those countries.

The message has to come by her; she can make use of information technology to reach people so much spread in the world, but it’s key that everyone hears her voice. 2. Modify the Reward System: people are more likely to understand the importance of something if that affects directly their pocket or their professional fulfillment. Since one of the big parts of the Vision statement is the TEAM BRAND concept (“ We work with the clients, as brand teams”, exhibit 4), the reward system should be modified to compensate also the success of the particular brand team.

The reward right now is going to the local offices for individual work (“ The agency had always accorded the greatest prestige and the biggest bonuses to the presidents of local offices”), which seems to be contradictory if you relate it to the new Vision. 3. Information program: In order to increase the awareness of the importance of the Brand Stewardship for the company, Charlotte should start a mundane behavior program, which involves sending of signals through everyday actions (lunches and small meetings, offsite meetings …), and an information program through the company (badges with the Vision, posters in all the offices …).

Summary Charlotte needs to solve the problem of increasing the acceptance of the new Vision among all employees. The proposed action items to reach this objective are: 1. Modifying the reward system with payouts and recognitions tied with the team brand performance. 2. Introduce information program and mundane behavior events related to new Vision. 3. Spread in person the new Vision worldwide, with a trip to the headquarters of each country and with IT tools. Make Charlotte’s voice heard to every employee. CHARLOTTE BEERS AT OGILVY & MATHER WORLDWIDE (A) Case Discussion Questions: 1.

What were the major problems that Ogilvy and Mather was facing when Charlotte Beers became CEO? 2. What were her biggest challenges? What was her “ taking charge” strategy? How effective was she? How would you evaluate Beer’s first few months? 3. (GP) What is the new vision of Ogilvy and Mather that is developed under Charlotte Beer’s stewardship? Is the vision clear, feasible, and motivational? 4. (GP) Particularly with respect to creating a vision, how would you evaluate the dynamics and consequences in the meetings in Vienna, Chewton Glen and Doral Arrowhead in moving the change effort forward? . What are the key challenges facing Beers at the end of the case? Develop an action plan for her. 6. How would you evaluate Beers as a leader? What are her strengths and weaknesses? What would it be like working for her? Case: Charlotte Beers at Ogilvy and Mather Worldwide (A) Questions: 1. Why was Ogilvy and Mather (O & M) having problems when Beers took over? (i. e. Why did the organization need to change? ) 2. What was Beers trying to accomplish as CEO of O & M? 3. What were the biggest challenges that she faced?

What was her change strategy? How would you assess her vision? 4. What is your assessment of the process Beers and her team went through to create this vision? 5. What are the key challenges facing Beers at the end of the case? 6. What would you recommend she do next? 7. What are the key lessons from this case with respect to managing change? Charlotte Beers At Ogilvy And Mather Worldwide Charlotte Beers at Ogilvy and Mather Worldwide (A) 1. What is Beers trying to accomplish as CEO of Ogilvy and Mather Worldwide? She wanted to activate assets that they already had (Vast network of offices worldwide, its creative talent, and its distinguished list of multinational clients. ) – Manage the complexity of the emotional as well as the logical relationship between consumer and a product (Client and Brand Focused) – Creation of Brand Stewardship (Brand Audits) – Creation of an overarching vision and mission statement that will move the company (To be the agency most valued by those who most value brands) 2. What is your evaluation/assessment of the process Beers and her team went through to create the Vision and Values Statement? Created “ Stretch” Goals to weed out the employees that work themselves into new configurations – Picked a multi-discipline group that had the same desire to move forward – Depersonalize conflicts – Create passionate arguments 1. Unfreezing a fragmented Ogilvy & Mather out of the Ice Age. Charlotte Beers tries to turn around Ogilvy by implementing a strategy based on differentiation. However, Ogilvy’s organisation and culture are obstacles to this process. She has therefore to unfreeze the situation first to allow change to be implemented through a communal culture and a collaborative organisation.

Evidence of a crisis are numerous: Major accounts have been lost (Amex); Revenues and earnings are in decline; Agencies services are increasingly commodities; Staff morale is low; O&M culture is fragmented. It is low on both sociability and solidarity as defined by Goffee and Jones. Individual offices are run independently (low solidarity) and the historical congeniality (“ gentlemen with brains”) has been reversed: a customer reported to Beers his direct witness … Showed first 120 words of 1108 Size (words) … Charlotte Beers at Ogilvy and Mather

It did not take Charlotte Beers long to find another job, many agencies were calling on her for her now well known talents. Reportedly Saatchi and Saatchi Co. , among others came calling long before she was ready to leave Tatham RSCG, however the most appealing offer came from Ogilvy and Mather. Beers met on several occasions with David Ogilvy in France, who later wrote that “ Charlotte and I talked for seven hours and found nothing to disagree about. ” It was during this time that Beers became known as the “ most powerful woman in advertising”.

Her most successful coup came in 1994 when she landed the biggest new assignment in advertising history with the International Business Machines Corp. (IBM) account, with estimated billings of $500 million. Bringing in IBM had it’s drawbacks, as a result O & M lost three other major high tech accounts, AT&T, Compaq Computer Corps, and Microsoft Corp.. Beers did not see these as major setbacks, and felt that the IBM account was worth it. “ Every office of Ogilvy will be held to doing more interesting and demanding assignments, it will make us a better etwork, and it will force us to do large-scale and complex work as well as everyday tactical ads. ” Aside from the IMB account, Ogilvy was landing other large clients such as Kentucky Fried Chicken, with an estimated $80 million in billings. Beers was also becoming known for her ability to create a good balance in stimulating existing client relationships, by helping to win back blue-chip clients like Shell and Chesebrough-Ponds USA Co. At the “ core” of Beers strategy at Ogilvy is “ brand stewardship”, which is described as the art of creating, building and energizing profitable brands.

Under Beers the agencies job became to “ keep its resources squarely focused on the brand, covering all aspects of the brand and consumer relationships. ” Which means that the agency must take “ emotional ownership” of the brand according to Beers, with its sights set on nourishing the relationship between the producer and the user. Beers created a “ brand audit” used to understand the relationship between the brand and the consumer. The audit asked such questions as “ how does the brand make you feel about yourself? While at Tatham, Beers believed that no single talent would be the solution, “ the idea is to make the sum larger than the parts, ” she said, it was at Tatham that she began to focus on the importance of the brand as opposed to company management. It was at Ogilvy that Beers was able to further her ideas about brands and the concept of brand stewardship. In 1996 after four years at the helm, Beers relinquished her responsibilities to Shelly Lazarus, a long-time Ogilvy executive who had worked closely with Beers to land the IBM account.

At 61 Charlotte Beers was retiring to live in Florida with her toy poodle. Beers brought the company out of a slump, to regain its power and become the sixth largest agency with company billings of 7. 6 billion dollars. Clients such as American Express, Kodak, Ford and Unilever were all attained under Beers. Shelly Lazarus is quoted as saying that Beers helped to pave the way for her leadership. Beers and Lazarus have both said they believed that the Ogilvy succession was an important step for women even though there are more women in top agencies positions than ever before.

Ms. Lazarus said, “ A magazine editor once said to me: ‘ You can’t write about this subject too much because each time young women read about it they get more optimistic about their own futures. ‘” Just two years after her retirement from Ogilvy and Mather and Charlotte Beers was seduced back into the business. In 1999 J. Walter Thompson, the 135 year old advertising agency presented Beers with an offer that she could not refuse. Now, not only referred to as the most powerful woman in advertising, Beers was one of the most powerful women in the entire business world.

For the third time she was about to become the top leader at a giant agency. Chris Jones, J. Walter Thompson’s chairman since January of 1998 relinquished his duties in an unusual shifting and sharing of power. At 63, Beers joined the company with the goal to focus on the “ vitality of brands” sold by clients, acquisitions, new business and “ long-term strategic development, which in the advertising business is next year. ” Beers was emphatic that the company hire new talent, “ we must find the best people in the business; nothing happens with out that. ” At the time that Charlotte Beers accepted the position at J.

Walter Thompson it became widely publicized that she was hired to do “ client hand-holding”. Publications depicted her as the “ schmooze queen of Madison Avenue” who was there to put on her charms with chief executive responsible for ad dollars. Beers refuted the claims by saying how insulting the comments were, “ I can’t think of anything more disdainful of our clients, as if they need hand-holding. ” and “ nothing offends me more than to say I specialize in client dinners. ” In typical Beers fashion, branding was priority one, not “ schmoozing”. At Ogilvy and Mather the concept is brand stewardship, at J.

Walter Thompson it is “ total branding”. Beers had her work cut out for her once again, with JWT’s influence on the industry waning, facing pressures from start-ups and Internet agencies, specialized consulting firms and even their own clients who were increasingly orchestrating their won branding strategies, agencies like JWT were losing clients. Beers was being called upon to keep existing clients satisfied while bring the company into the new millennium with a new, inspirational mission. “ I am here as part of a true period of reinvention. ” A year after her return to advertising, J.

Walter Thompson was stunning the industry with its complete turn-around. The agency under the leadership of Beers had secured over $700 million in new US billings, with heavy-duty clients such as Qwest Communications, Elizabeth Arden Co. , Salon Selectives, Miller Genuine Draft and Shell Oil Co. Additionally the company seemed to be fairing better in the creative arena with a win at the Cannes Advertising Festival for a TV commercial for Kellogg’s Raisin Bran Crunch. Proving yet again that Charlotte Beers has the power to turn a company around. Charlotte Beers Philosophy

In an interview with the Fox New Network in 1999 Charlotte Beers discussed her return to from retirement with Neil Cavuto. She wanted to make it clear that the agency was not a “ broken agency” and she was there to prevent “ brand fragmentation”, brands are her thing. She went on to discuss the numerous Internet companies that were vying for their attention. “ Unless you’re full born as a brand you need the same set of skills we’ve always had. I think we’re indispensable. ” Beers’ beliefs about the importance of branding went back to her earliest beginnings in advertising but came to fruition at Ogilvy and Mather. The brand is the boss here, and even the client has to agree with us in the orientation. ” It is Beers belief that the terms product and brand should not be used interchangeable: products have physical attributes, such as styles, models, features and prices. The brand is made up of how consumers feel about the product, the personality they give it, and the trust and affection they feel for it. Beers is also famous for candidness and bold honesty. During a pitch to Jaguar while at O & M, Beers tossed her own car keys on the table, then rhapsodized about the relationship between an owner and her Jag.

This was considered a quintessential Charlotte Beers moment. The commercial went on to be made, the 1961 Etta James recording “ at last my love has come along, my lonely days are over… ” plays over the visual of a woman driving her Jag, one can not help but to think that the woman in the car is Beers herself. Beers is known for talking about passion over profits. For this she has been criticized, however the proof is in the enormous success that is Charlotte Beers. On Women and Business She is described by her longtime friend Martha Stewart as “ tenacious and beautifully evocative.

Definitely unusual. ” Charlotte Beers is no stranger to scrutiny. Beers at 64 is still considered one of the most powerful women in the US, featured last year as one of Fortune Magazine’s top seven women. Article after article discusses Beers “ femininity”, “ southern drawl”, “ her beguiling manner” and so on in conjunction with her accomplishments. It is not only that Charlotte Beers has gained enormous success as the CEO of three of the world’s top agencies, but rather that this was accomplished by a woman. Beers is very clear about her position of being a powerful female figure.

Often her comments reflect the desire to disregard typical “ feminist” beliefs. Beers has been criticized by women who believe that she does not espouse the rhetoric that she is supposed to. “… women’s capacity to internalize, to gain insight, to evoke and understand feelings is where all the leverage is in marketing and advertising today. It’s not going to be in the rational, the linear. It’s going to be in the sense of what people mean versus what they say and the emotional context for their lives. ” In explaining why women are successful in advertising she says, “… omen are less hesitant, less ashamed, more interested in people’s feelings and we’ll pull that out of the marketing mix. ” Women she says add “ incredible spice and wisdom and intellect” to the advertising world. In a discussion with Martha Stewart and Darla Moore, she explains that it is important to cope with male and female differences of working, it gives a company its energy. “ I wouldn’t want an all-female company. ” “… A group of men and women in a room create much more energy and results faster because everything in advertising and client relationships is a debate. Beers knows that she is a strong woman and she feels that it is important for women to speak their mind. “ I hate the idea that women are more nurturing than men. That makes women nurse-mommy to the company. It’s a trap. ” Beers has found that women often set their own limits, they fall off early and do not realize what they are capable of. Women expect less money and often remain “ silent” about their needs at an organization. “ The meek may inherit the earth, but they’re not going to get raises. ” Beers can comes across as unsympathetic to women at times, subscribing to a “ tough-love” approach to feminism.

In many ways Beers epitomizes feminism, she is strong, forthright, successful and she says what she believes to be the truth. She believes that woman are every bit as capable as men (they are just different, with a different set of skill sets) and for that reason they should stop whining about what they can’t do. She is an icon for what a woman can achieve. Beers has learned how to get along in a “ man’s world” and she did it by ignoring conventional wisdom. Beers has cut her own path, she is a brilliant, ambitious, hard working person who has had a tremendous influence on the advertising world.

She is an inspiration to anyone who dares to achieve. Final Quotes: “ It sounds like nurse mommy is coming to run the company, and I don’t want the bravery and the natural leadership of women to be obscured by that kind of analysis. ” “ I think that I’m so driven because I bore easily, I’d work to be the best even if I was a waitress. I guess I’m from the try-harder school. ” References • J. Walter Thompson – Chairman – Interview, The Cavuto Business Report (Fox New Network) 9/6/99 • How women can get what they’re worth, Interview with Diane Sawyer, ABC Good Morning America, 6/30/99 Cocktails at Charlotte’s whit Martha and Darla, Fortune Magazine, 8/5/96 • J. Walter Thompson USA: Major about-face a stunner, Advertising Age, 1/31/00 • Brand-builder’s elegant task, Finical Times (London) 4/19/99 • Charlotte Beers; how world’s top woman ad executive hit the heights, Los Angeles Times, 5/4/92 • Ad Exec Charlotte Beers, Marilyn Much, Investor’s Daily, 12/1/94 • A shift in power for J. Walter Thompson as Madison Avenue’s Steel Magnolia climbs aboard, Stuart Elliot, The New York Times, 3/9/99 • Charlotte Beers Pushing Tatham Closer to the Top, William Meyers, The New York Times, 3/10/85 Mad Ave: A Star is Reborn, Ellen Neuborne, Business Week, 7/26/99 • Women, Sex and Power, Patricia Sellers, Fortune Magazine, 8/5/96 • Charlotte Beers Essential Guide, Financial Times London, 4/19/99 • From One Woman to Another, Ogilvy and Mather is Making History, Stuart Elliot, The New York Times, 9/9/96 • O & M’s Charismatic Chief Makes Her Global Mark, Campaign, 2/17/95 • Steward of the Big Boss Brand, Diane Summers, Financial Times London, 11/16/95 • Earning It: Life on the Bottom Rung: Top Executives Remember A Love for Brands, Stuart Elliot, The New York Times, 9/8/96