

What's in it

Employees may be an agency's number-one asset, but priorities can change when profits are at stake. As **Tanya Lewis** finds, smart agencies are not scaling back their employee programs. Instead, they are making associates feel well cared for as they make the investments needed to reclaim momentum

Healthcare marketing is challenging in the best of times. Even well before the economy collapsed, industry changes had already begun to ratchet up the test even more: merger and acquisition (M&A) activity and layoffs (on client and agency sides) as well as the impending patent cliff, the erosion of traditional sales force models, and the exponential proliferation of digital communication. Most agency leaders agree that talent is the lifeblood of their business. And while nurturing talent has always been important, ensuring a robust, healthy agency culture is absolutely critical in times like these.

Larry Star, CEO of Omnicom shop Harrison & Star (H&S), says he's never let short-term thinking dictate decisions. He feels fortunate that Omnicom is committed to investing in employee development and has never mandated cutbacks.

"Maintaining employee programs has been a priority forever," says Star. "I've always believed the culture is what differentiates agencies. Events and training are vitally important to creating an environment where people feel good about coming to work and see themselves staying. It might make sense in the short term to cut programs and boost profit, but you know it's going to have an impact. If you allow your environment to degrade, word gets out and it's that much more difficult when you need to bring people on."

Investing in employee programs is also a top priority for senior leaders of Interpublic Group's ICC.

"There's an intrinsic value in [recognizing and appreciating employees]," explains VP, human resources director Christina Curry. "It helps keep them engaged, focused and productive. When the economy isn't doing well or clients are cutting back, you can't give big bonuses. Programming can make up for cuts in monetary rewards."

Brands shouldn't scale back during tough times, and neither should their agencies, insists Bob Finkel, principal and chief creative officer for Kane & Finkel (K&F).

"Consistency is key to maintaining a good agency environment,"



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for ME?

he says. “That’s also how a good brand behaves. For us, it’s about keeping attitudes and outlooks positive all year long.”

In fact, for the last two years, K&F has ranked in the San Francisco Business Times’ top 10 best places to work in the Bay area—a ranking determined from anonymous employee surveys about topics such as workplace culture, trust and satisfaction.

Finkel’s K&F counterpart—principal and MD John Kane—adds that cultivating a culture in which employees feel invested is a bedrock of the agency. “Part of what drew Bob and I together was our vision about... what constitutes a good work environment,” Kane says.

“[We had observed that] the more the people in an agency took responsibility for the culture, the better it was. Once the people got really into the company they were working for, it grew on itself rather than management dictating it. We wanted to replicate that. We’ve done it by hiring people... who understand a positive work environment can enhance quality of work and experience.”

Maintaining culture is especially challenging amidst consolidation, a popular phenomenon among clients the last two years and now also their agencies. On June 24, WPP shops CommonHealth and Ogilvy Healthworld merged and are now known as Ogilvy CommonHealth Worldwide. EVP and chief talent officer Susan DiDonato, a 25-year CommonHealth veteran, explains that the merger essentially doubled employees, which now total 1,100 in 64 offices

that span 33 countries.

Sensitivity to and respect for Ogilvy Healthworld’s culture is of utmost importance to DiDonato

and other senior leaders. “We’re assessing resources, talent and training,” she says, “[and] looking for similarities and where philosophies and cultures dovetail. [Collectively], we have a tremendous amount of talent. Ogilvy has a rich and robust talent program, and Ogilvy Healthworld is a part of that. We’re trying to get to know employees—their hopes, dreams, aspirations and needs. By year’s end we’ll have recommendations for programs for the married agency to carry. We want [everyone] to feel comfortable.”

Keeping the internal culture strong can pay off in other ways. Ogilvy CommonHealth Worldwide is currently seeking interactive and managed market talent. DiDonato says learning opportunities and work/life balance are bigger priorities than money for most candidates—a “big shift” compared to 10 years ago.

Recruiting tools

Most agency leaders agree that it’s still hard to find good talent. HealthEd is an exception. Agency president and CEO Roy Broadfoot thinks he’s not having trouble because the agency operates in such a niche space. Though he does note that digital and creative directors are hardest to come by. K&F has about six openings across creative and client services. “We’re getting more resumes,” notes Kane. “I don’t know if the talent is there, but there are more people—particularly in account services.”

Last year, DiDonato noticed a big shift: “I was looking at very senior people who would take a job anywhere for any amount of money—sometimes for the insurance only,” she says. “It was desperation I’ve never seen before. It’s better this year. There’s still a lot of available talent but not on last year’s scale. We’re always looking for people, and generally for people who have a job. Our senior people continually network and look to bring in the next wave of talent.”

ICC’s Curry agrees that finding top talent is challenging, but she adds it’s been easier since a full time in-house recruiter joined the agency in 2008. More than 40 positions were filled this year, and about 10 are still open. She looks for “passive candidates,” and has had “tremendous” success approaching talent through Facebook and LinkedIn connections.

ICC also recruits at schools, including Howard University in Washington, DC, which Curry notes is part of an initiative to build relationships with schools with diverse populations. Some Howard University students joined ICC’s paid internship program this summer.

Star has had great success recruiting people with advanced life-science degrees who love science but don’t want to live in a lab. “Our business is sort of a rare species in the ad world,” explains Star. “You





Top: Showing off carving skills at a HealthEd pumpkin-cutting party. **Middle:** Kane & Finkel's "pooch policy," which lets employees bring dogs to work, is in keeping with the agency's familial culture and is one of its most popular programs. **Above:** Participants in Harrison & Star's 2009 Caring Hands Operation Backpack pose with luggage

either love healthcare or you laugh at it. Not many people seek this out as a career path, so we're constantly searching for people who are interested in the field."

H&S has 20 to 30 openings, and Star is seeing resumes from "a lot more" college students with various types of degrees. He's also "beating bushes" at other agencies looking for people who are seeking better opportunities.

"Most people are still very much interested in talking to us," he says. "Our reputation is good. Whenever you search to fill a position you see and meet a lot of people who...have experience, but they don't 'wow' you. Sometimes people are tempted to hire a warm body. You have to find the best out there because at the end of the day that's what we're selling."

Retention tools

HealthEd's Broadfoot says employee programs are "essential to preserving and building" the culture at his agency, which saw revenue increase 34% last year, driving headcount to 130 with about 35 positions still open. A stakeholder program, in which Broadfoot gifts shares in the company to each employee annually, started in late 2007 and is the agency's largest employee program.

"I put a significant amount of my shares in a bucket," explains Broadfoot. "Over 15 years, I'll distribute them annually to every person in the agency. Some people say I'm crazy to give away large chunks of equity of my business. I'd rather have a small portion of a large pie than a big piece of a small pie."

He adds that having so many partners looking out for the business is "an amazing retention tool" and that when employees get large amounts of stock, "they're reluctant to jump ship."

Training programs are also key to retention for many agencies. HealthEd has invested heavily in various programs, including intensive one-on-one leadership training led by external experts. Internally run programs include "Clear By Design," which teaches health literacy principles and how to design effective educational materials (it's also offered for a fee to clients).

Similarly, senior H&S employees attend Omnicom University classes, which are taught by Harvard Business School professors. H&S also has its own university-like training program with core curriculum based on job level and function. One of the more unique classes focuses on the agency's four key values: collaboration, creativity, commitment and code of ethics.

"You can plaster [values] on a wall but they just become wallpaper after a while," explains Star. "Whenever there's a major screw-up at the agency we take a Harvard Business School case-study approach to what went wrong from the perspective of all the values. Senior staff members present it and facilitate a discussion. It's an interesting way to engage people to think about how to incorporate our values into the decisions and challenges they face every day."

H&S has also developed monthly group mentoring circles where employees counsel each other on both business and personal issues, such as when an employee feels a lack of attention to career path.

"The group acts as a sounding board," explains Star. "People get exposed to the experience of individuals with a wide range of tenure and from different functional areas. It's a tremendous resource. We've had cases where people were ready to quit. The group helped them formulate a plan of action...that solved their problem."

Speaking of succession planning, this year H&S is making a "sig-

Agency Acculturation

As clients look to delve deeper into overseas markets, agencies must ensure associates appreciate cultural differences across regions. From employee exchanges to the hiring of those with ex-US experience, here's a roundup of how and where agencies are cultivating global talent

Harrison & Star

Market: China

Strategy: Enhance relationship with Omnicom sister companies in China and other global markets

Tactics: A H&S group account supervisor began a nine-month stint working in the Shanghai office of Omnicom shop Consultech in August, following a rotation H&S hosted for one of Consultech's managing directors. "She will be immersed in Consultech's accounts, and we'll be building stronger bridges between agencies," says H&S CEO Larry Star. Regarding important markets, Star adds, "It's not just China; it's everywhere. Most US-based pharma clients were very US-centric in the past. Global perspective is critically important. If we don't have a broader perspective, we're not going to be able to bring value to clients [in terms of] market understanding and consumer insights."

Kane & Finkel

Markets: UK, Germany, France, Spain, Italy

Strategy: Achieve measured growth in Europe

Tactics: K&F opened a London office this summer—headed by David Knechtel, management supervisor—and will employ local talent, though there will be "cross-pollination" between the US and London offices. "Rather than imposing a US-centric approach, our culture, processes and disciplines are going to be shared and implemented," says John Kane, K&F principal and managing director. Kane adds, "We've done some work in India. Given salaries and fees, it's not feasible for long-term work with an American-based company. In those markets, it would have to be something we grew from those areas."

Ogilvy CommonHealth Worldwide

Markets: BRIC; N-11; Europe; Latin America

Strategy: Continue to increase employees' worldview

Tactics: Employee rotations occur regularly between UK and Paris offices. A New York employee is currently in Germany, and a London employee is currently in New York. "No one can care about what's happening in the US only," says Beth Paulino, SVP, director, corporate communications/PR. "Clients are asking for a wide view." She adds, "US and western markets are driving the bulk of the marketplace, but the global market will change over the next century. We see the BRIC countries as the fastest growing, and we're looking to increase our presence there. We have a strong presence in domestic and western European markets, and we're growing in Asian and Latin American markets. WPP is balancing offerings with a third in North America, a third in Europe and a third in emerging markets."



Above (left and right): Volunteer activities are an agency mainstay. Here, two HealthEd employees come to the aid of victims of the Haiti earthquake in a program they initiated and the agency sponsored. The pair also assisted with the repair of a local orphanage

nificant" investment in developing a management training program. It kicks off in the fall, when 10 parameters of management performance will be benchmarked through a confidential, anonymous survey. Findings will inform development of the training program.

Management training workshops are offered annually at ICC, as well. Curry notes that ethics and anti-harassment training are mandatory. Numerous classes are also available through Interpublic Group's IPG University.

At K&F, training programs are offered through K&F University and lunch-and-learns, both of which give employees opportunity to increase proficiency in their own areas of expertise and to learn about different functions. Employees lead most classes. Finkel notes that teams often get "compartmentalized" and that team case study presentations help everyone learn from each other.

"Teams that may be having challenges can build off successes of other teams," says Finkel. "For example, we're doing our first iPhone and iPad app. As we share that, employees can see how they can do it for other clients. It becomes a catalyst."

Ogilvy CommonHealth's DiDonato says the agency promotes interdisciplinary understanding via its CommonHealth University. Classes and lunch-and-learns cover topics such as writing, presenting and individual coaching. In general, the agency has cut back on external experts in favor of employee-led training. However, a new



Harrison & Star fields a number of runners in the JPMorgan Chase Corporate Challenge, in which associates exercise their competitive instincts for a good cause. Here the H&S team poses for a photo

WHAT'S IN IT FOR ME?



Top: Guests relax at a cocktail/pool party hosted by HealthEd CEO Roy Broadfoot at his home. Middle (l-r): The K&F team white water rafting down Northern California's Russian River, and an Ogilvy CommonHealth Worldwide employee taking a pie in the face. K&F staff in San Francisco's Golden Gate Park during its summer Olympics picnic. Bottom: ICC associates prepare for a table tennis match

program called "Creative Palooza" was added this year in which creative directors brought in thought leaders from their particular areas of expertise to instruct employees.

CommonHealth's talent share program is also very popular. If one area of business slows, employees are transferred to another area of business instead of being let go. In addition to saving jobs, DiDonato says it's also a great recruiting tool. Historically, CommonHealth has recognized employees in a number of ways, including an annual anniversary program in which a tree is planted for each year of service for every employee.

By the same token, ICC's "Annual Above and Beyond Award" provides peer recognition, and the agency also gives "Anniversary Awards" that include monetary gifts for 10, 15, 20 and 25 years of service. ICC has also decorated its reception area and conference rooms with employees' photography.

K&F recognizes employees in some whimsical ways, including a monthly MVP award, which recently included gag gifts of personal grooming products for staffers who had worked around the clock. "We try to promote an atmosphere of levity," notes Finkel. "Our creative director got an award for most valuable hair. No one is [exempt]."

The partners have also made it a priority to throw going-away parties for people who resign. They feel it sends a good message all around. "It's a transition for everyone when someone who's part of our family leaves," says Kane. "I hear people say it was hard to make the decision [to leave] because of the environment. The going-away party is part of the transition for the entire agency."

K&F's "pooch policy" is in keeping with the familial culture, and it's one of the agency's most popular programs.

"We've always allowed employees to bring their dogs to work," says Finkel. "We consider them family. For some people, the dog is like their kid. They'd have to leave them home otherwise and that makes them anxious when they have to work late. And when people are stressed, they love to pet the dogs. The only downside is you occasionally have to step over a squeaky toy."

The wellness program is another popular concept at agencies. HealthEd launched its "Pulse" program last year. For the kickoff, employees were given pedometers, and HealthEd donated 10 cents for every step taken during a two-week period to the Arthritis Foundation. Weight Watchers subsidies and recipe exchanges are other facets of the program, which Broadfoot says will continue to expand.

On the recreation front, HealthEd is quite active, with annual events including a cocktail/pool party that Broadfoot hosts at his house and a pumpkin carving party. Every summer, H&S treats its employees to a sail around Manhattan that includes onboard dinner and dancing.

And for its 25th anniversary celebration this summer, ICC took its employees on a similar cruise, with dinner and a talent show. ICC's Curry says exclusively using employees to develop, plan and coordinate all events has increased cost effectiveness and camaraderie.

Meanwhile, volunteer activities, ever the agency mainstay, are becoming more employee initiated. For example, HealthEd sponsored two employees who wanted to go to Haiti to help repair an orphanage. Other examples include ICC supporting organizations such as The Food Allergy Initiative, The Goryeb Children's Hospital and New Jersey food banks. ■