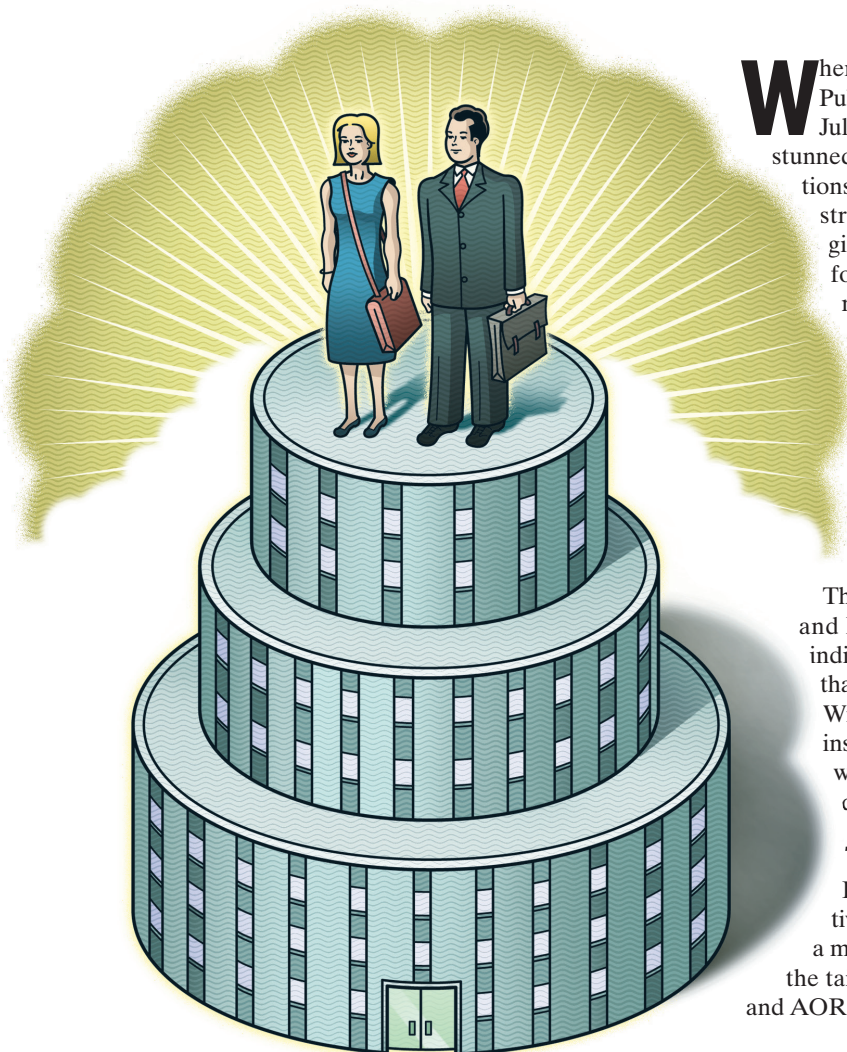


The Newlywed Game

Getting two unique agency cultures to click is no simple task. **Larry Dobrow** examines four healthcare-agency unions and finds that marital bliss is possible



When holding company monoliths Omnicom Group and Publicis Groupe announced their intention to be wed last July, the reaction from most corners of the ad world was stunned disbelief. Half the pundits praised the two organizations for the boldness of their gambit and the breadth of strategic offerings to which, at least in theory, it would give rise. The other half ripped the two organizations for the ruthlessness of the move and the creation of redundancies—again, in theory—that would result in a small country’s worth of lost jobs.

But once the dust cleared, the questions evolved to address the practical aspects of such a colossal unification (an approximate count puts 29,724 organizations under the merged entity’s roof). How do you get so many disparate personalities and workplace cultures to click? And how do you get change-averse staffers, regardless of where they exist on the corporate food pyramid, to buy into the new reality?

These questions aren’t just being asked by Omnicom and Publicis employees. The healthcare agency world, indie and network-owned members alike, has seen more than its share of mergers and acquisitions in recent years. With more rumored for the months ahead, it could be instructive to look at the ones that clicked—the ones in which issues related to cultural integration were resolved quickly and smartly. Here are four success stories.

The “You-Complete-Me”

It’s inaccurate to describe the merger of former inVentiv Health siblings GSW Worldwide and Blue Diesel as a marriage of equals. Prior to their decision to merge at the tail end of 2012, GSW had more employees, locations and AOR assignments. But while the firm had a fully stocked

ILLUSTRATION: 2013 © PETER AND MARIA HOEY

digital arsenal, it was relatively short on digital project experience and was constantly on the lookout for what GSW president Joe Daley calls “magnificent, scary-talented technologists” to further bolster the intellectual might of its iQ innovation lab.

As it turns out, a firm with just those strengths happened to be housed under the inVentiv umbrella. Blue Diesel, long renowned for its digital and entrepreneurial chops, proved a perfect fit. Once the two companies started discussions about formally coming together, the process proceeded quickly and, as these things go, painlessly.

“You’re not going to have a real merger unless both parties realize they’re going to go to a third place where neither party has gone before,” says GSW chief creativity officer Bruce Rooke. “GSW was ready to go someplace new and Blue Diesel augmented the ability to do that.”

Daley and Rooke believe that the post-merger cultural reorientation posed only a minimal challenge owing to several steps the soon-to-be-unified companies took in advance. First and most importantly, they made it clear that the move was “a strategic act,” according to Daley, rather than one designed to create efficiencies (read: save cash). The two firms were similar enough in terms of vision and philosophy that selling skeptics on the merger wasn’t an uphill battle.

“Once you’ve met someone eye-to-eye and had a beer with him or her, you’ll work together much better.”

— Jim Weiss, W2O Group

As for those skeptics, GSW tried to ease their concerns by sketching out an honest portrait of how the merged company would operate. That, Daley believes, is where many post-merger/acquisition integrations go off the rails. “You have to acknowledge that it’s a little scary,” he says. “Change creates anxiety, period. The absence of information is a catalyst to create even more anxiety.”

It helped that a brand succession plan had been put into place by GSW and Blue Diesel execs before the formal agreement. While the merged company was known as “GSW Fueled by Blue Diesel” for its first eight months or so, it was agreed that ultimately the company would be called GSW. “The new brand [which debuted in September] was co-created by Blue Diesel and GSW together. It wasn’t done unilaterally,” says Rooke. “If we had tried to make everybody happy—if we’d kept all elements of everybody’s culture and everybody’s title and everything else—we would have wound up nowhere. Reducing confusion is a huge part of making the cultural transition easier.”

It’s not possible to please everybody, of course, and so it’s with something that sounds close to resignation that Daley and Rooke acknowledge that merger/acquisition scenarios nearly always birth their share of personnel-related headaches. In this instance, corporate DNA had more than a little to do with it: years ago, Blue Diesel had been birthed from GSW. “Some of those ex-GSW employees were not ready to experience *déjà vu*,” Daley shrugs. “You’re always going to have X percent of exodus. That comes with the territory.”

Adds Rooke: “Don’t try to save everybody. At the end of the day, you’ll find that the people who really believe in the new vision will stay. The people who leave? You probably would have ended up trying to placate them all day.”

How staff worked through corporate change

When agency executives discuss merger/acquisition activity, they do so from a position of knowledge: they know (or at least claim to know) how the two entities will come together as one, what personnel adjustments will be necessitated and who will work where. But for the other people directly affected by the deal—the staffers from both sides who, in the wake of a merger or acquisition announcement, are sentenced to the purgatory of waiting to see whether their jobs will still exist, or if they’ll have to armwrestle a similarly situated professional peer for a particular set of responsibilities—such corporate endeavors prompt far more anxiety.

At the same time, change often breeds opportunity. So it’s



Dan Gilkison

instructive to check in with two agency soldiers—Dan Gilkison, group director, operations at W2O Digital, and Angela Cua, associate creative director at GSW—to see how they rolled with the corporate changes that recently came their way.

Gilkison says he was “essentially the COO” at VM Foundry, one of the firms snapped up by W2O during the last year. As such, he had some idea that an acquisition might be in the works—which isn’t to say that he was entirely prepared

for the change to come.

Gilkison didn’t wait around to see what would happen. “I worked quickly to determine the reporting structure and who would be my direct manager,” he says, recommending that others in a similar position adopt a comparable approach. “Knowing early on who I was to be coordinating with day-to-day made the transition easier.”

He adds that, nine months after the fact, W2O’s purchase of VM Foundry remains “a work in progress”—and that for any staffer hoping to pursue post-merger or -acquisition opportunities, no deal should ever be considered 100% closed. “‘Evolve or die’ is one way to look at it philosophically.”

Cua agrees that change isn’t an overnight process, or even one



Angela Cua

that automatically plays out over a set period of time. When her firm, Blue Diesel, announced plans to merge with fellow inVentiv Health agency GSW Worldwide, she put aside her anxiety and tried to focus on the positives.

“I knew with a larger organization there would be many opportunities for career growth as well as more talent and diverse personalities to meet and partner with,” she recalls. “The accounts would be larger and budgets and resources would be greater.”

Unlike Gilkison, however, Cua reports that there were some bumps in the road. “Things really did change,” she acknowledges. “The blend of two working styles didn’t come to fruition.” As a result, she stresses that anyone caught up in a rocky transition keep an open mind, even if the post-merger or -acquisition situation doesn’t immediately conform to expectations.

“Be your own judge based on your own interactions. Despite the changes that were occurring, I was very encouraged and optimistic when I was immersed in projects that involved both organizations,” she says.

Cua adds that lapses in communication can hamstring any merger or acquisition, especially for individuals primed to pounce on the opportunities that become evident. She puts the burden, at least in part, on management: “If there is no connection to the new organization, feelings of doubt and uncertainty grow...Frequent status reports and information eases everyone into the unknown.”



Employees pose at a GSW event designed to foster workplace culture. The agency merged with Blue Diesel in 2012 in part to bolster its in-house innovation lab, iQ

The “Get-It-Right-The-Next-Time”

Four years ago, back when it was known as WeissComm, the independently owned healthcare agency network W2O Group made its biggest acquisition to date: It snapped up design and advertising shop ODA. The purchase transformed what was primarily a PR operation into something far more involved. And to hear W2O Group chairman and CEO Jim Weiss tell it, the post-acquisition integration process was “kind of a disaster.”

Weiss points the finger at himself. “I never really did the cultural due diligence,” he admits. “We were aligned on values and mission, which is a big part of something like that. But we’d never had a creative division. When you put creative folks together with account people, you’re going to have some friction.”

He took pains not to repeat the same mistake during a recent acquisition mini-binge, which saw W2O Group add digital shop VM Foundry, data consultancy Ravel and analytics experts Mettle Consulting. In addition to the usual exchange of financial information, Weiss stressed the need to do a comparable level of cultural investigation.

“The first time out [with ODA], we didn’t answer the big ‘whys’ that so many people had: Why are we doing this? Why are you smashing us all together?” he recalls. This time around, then, W2O approached its targets romantic-courtship-style. “Take Ravel—we dated a little first. We did a few projects together. We got to know each other well enough to be dangerous.”

This didn’t remove all worry from Weiss’ mind, but it made him as confident about the cultural fit as he’s capable of being. “The moving in together and getting married, that’s the hard part,” he continues. “But working together, you get an idea—‘I can get along with them, I know they’re smart, I know they’re great at what they do.’”

Weiss admits that his key piece of advice for companies pursuing a merger or acquisition isn’t workable for jumbo-sized concerns. But for everyone else, he stresses that pre-consummation face time does more to iron out potential culture-related wrinkles than anything else.

“We do off-sites as often as we can and we encourage everyone to make trips to experience each other in person,” Weiss notes. “Once you’ve met someone eye-to-eye and had a beer with him or her, you’ll work together much better—in person, on the phone,

through email, wherever.”

Looking back at both the ODA acquisition and the more recent ones, Weiss adds that the integration process never truly ends. Why? Because the industry itself isn’t exactly known for standing still, it would follow that entities that operate within it need to make sure that their particular culture doesn’t grow stale.

“Every year, we try to refresh the why-we’re-all-here part of the equation,” he says. “It’s such a fluid economy and business. That’s why I went to the W2O moniker—it reminded me of water. You have to stay somewhat liquid, culturally and otherwise, to keep succeeding in an ever-changing environment.”

The “Add-A-Needed-Capability”

Of all the big healthcare agency conglomerates, Draftfcb Healthcare might have the most specific corporate culture. So it’s no surprise when, asked about the cultural reorientation that came in the wake of Draftfcb Healthcare’s acquisition of technologists extraordinaire Hudson Global, CEO and president Dana Maiman can barely suppress a snort.

“Reorientation? There wasn’t any reorientation,” she says. “I’m not building a new culture, because what we have here works exceedingly well. Maybe that’s where people get into trouble—where they push too hard in that direction, push too hard to create a cultural fit.”

That was Maiman’s major takeaway from the Hudson purchase, which was motivated by Draftfcb’s desire to add the innovation and entrepreneurial bent for which Hudson had become renowned: Unless there’s a valid, profound hole or need, would-be acquirers or mergers shouldn’t bother.

“Too many people pursue these deals for the sole purpose of incremental revenue—‘Oh, our revenue is shrinking!’ That’s the last reason anyone should do something like this, because it’s hard enough fitting together the pieces even when there is a common need and a shared vision and set of values,” she argues.

Maiman similarly believes that would-be corporate brides and grooms shouldn’t leave too much to chance. While she acknowledges that “to a certain extent, you gotta go with your gut,” she proposes an extended getting-to-know-you period before rings are exchanged.



Draftfcb Healthcare purchased tech firm Hudson Global to add capabilities, as well as its innovation and entrepreneurial bent. Here, staff pose post-acquisition



A shot taken at a merger event involving W2O Group, which went on a mini-binge recently, snapping up digital shop VM Foundry, data consultancy Ravel and analytics expert Mettle

“Call it courtship or call it a few dates — when we were actively considering [the acquisition of Hudson], what I was really asking myself was, ‘Would this be a good cultural fit? Could I see the Hudson people being a part of the Draftfcb family?’” she recalls. To get a better feel for the situation, Draftfcb paid very close attention as it worked with Hudson on a handful of new business opportunities. “Maybe they were on their best behavior, but in that context we saw who they were and obviously we liked what we saw.”

A final no-no: forcing change where none is needed. In the healthcare business as in any other, there’s an impulse to do something, as if inaction is a sign of weakness or indifference. Maiman finds this thinking patently ridiculous, which is why she imposed few our-way-or-the-highway conditions on Hudson’s people.

“People get afraid and anxious when they don’t have enough information, or when you leave too much open to interpretation.”

— Dana Maiman, Draftfcb Healthcare

“I didn’t try to change who they were. I liked who they were! That’s why I was buying them,” she quips. “Certainly we provided more rigor, because they were going from being independent to being part of a huge network, but I respected the individuality. I wasn’t looking for a Stepford agency.” Besides, Maiman adds, “You can’t change peoples’ personalities; they’re fully formed.”

Maiman made sure Draftfcb’s respect was communicated to the incoming Hudson staffers. “In a single word, here’s what you do: overcommunicate,” she continues, noting that a full communications plan, complete with specifics about who would say what to whom and when, was sketched out prior to the completion of the deal.

“People get afraid and anxious when they don’t have enough information, or when you leave too much open to interpretation,” Maiman says. “So we said right up front: Yes, Hudson will stay in its old office. The best way to put people at ease is to give them that information, which puts the focus back on the work and the professional opportunities.”

The “Merger-Of-Equals”

Looking back on the merger that united similarly sized inVentiv Health firms Palio and Ignite Health, Palio + Ignite president Mike Myers performs a little quick math. “When you put two organizations together, whether via merger or acquisition, you always hope and believe that 1 + 1 will equal 3,” he says. “But sometimes 1 + 1 equals 1.5. We didn’t want to be that 1.5.”

In his mind, there was little chance of such a fate befalling Palio and Ignite. For one thing, given that Ignite had been operating without a president or otherwise titled formal leader, the possibility of a power struggle over the top executive spot was slim. Also, analysis of both firms’ client rosters revealed exactly zero potential conflicts, which surprised pretty much every individual involved.

Myers nonetheless decided that he wasn’t going to leave anything to chance. He approached the post-merger cultural integration as if he were dealing with two parts that didn’t quite match up, rather than two that fit snugly together.

“Both companies, arguably, needed something to be better prepared to deal with the healthcare landscape and client needs,” he explained. “That said, there was synergy from day one. What Ignite needed Palio had, and vice versa.”

To sell the merger to the people most affected by it—you know, the 200 or so employees spread out over three different locations—Myers and his leadership team focused on opportunity. “We stressed that we’d be able to give people different career pathways if they wanted them. Saratoga Springs [Palio’s longtime home base] is terrific, but some people might want a taste of Manhattan [site of an Ignite outpost],” he says. “The selling point was that there would be an expanded playing field for the whole organization.”

Myers also acknowledges the proverbial elephant in the room: a profound difference in mindset among today’s workers compared with their peers of yesteryear. “It’s the classic, ‘What’s in it for me?’ thing, which I totally understand,” he continues. “Given what’s happened in our industry during the last five to seven years, there’s a lot of suspicion of corporate communications in general. People don’t immediately say, ‘I buy into this.’ It’s more, ‘Okay, what does this move mean for me?’ You can’t not address that.”

Acquiring or merged companies must also learn not to get hung up on the small annoyances—a skill, Myers says, that is harder than it sounds. He goes so far as to use his own marriage (a happy and successful 16-year one, it should be noted up front) as an example.

“When you’re getting to know someone, you date and in some cases you live together. But ultimately when you get married, you start finding out some things you didn’t know before you did,” he explains. “Me, I push the toothpaste from the wrong spot, which is hopefully nothing my wife’s going to divorce me over. But that’s the thing: in a relationship, whether personal or professional, you work through the quirks and quips because you have a higher goal, which is to stay together and succeed.”

A final must-address: the possibility that no matter what an acquiring or merging company does to ensure a smooth cultural transition, it might be completely wrong. That’s why Myers—along with Daley, Rooke, Weiss and Maiman—stresses that anyone who has any say in such matters should do what he or she thinks is right, rather than what may be most popular among the troops.

“If you don’t do what’s right, you’re going to have to undo it eventually,” Myers shrugs. “In situations like this, you better be prepared to be wrong and be prepared to change your mind when you are.” ■