

A Force for Good

An Interview with Rochelle B. Lazarus,
Chairman, Ogilvy & Mather Worldwide

EDITORS' NOTE For more than three decades, Shelly Lazarus has been with Ogilvy in positions of increasing responsibility, starting as General Manager for Ogilvy & Mather Direct (now known as OgilvyOne Worldwide) in the United States, President of Ogilvy & Mather Advertising in New York, President of Ogilvy North America, and COO and President of Ogilvy & Mather Worldwide. She was named CEO in 1996, and became Chairman in 1997, a title



Rochelle B. Lazarus

that she retains after having relinquished the CEO title in 2008. Lazarus also serves on the boards of General Electric; Merck & Co., Inc.; NewYork-Presbyterian Hospital; the American Museum of Natural History; the Committee to Encourage Corporate Philanthropy; the World Wildlife Fund; and Columbia Business School. She is also a member of Advertising Women of New York; The Committee of 200; the Council on Foreign Relations; The Business Council; Women's Forum, Inc.; and the Deloitte & Touche Council on the Advancement of Women. Shelly Lazarus received an undergraduate degree from Smith College and an M.B.A. from Columbia University.

COMPANY BRIEF Founded by advertising pioneer David Ogilvy, New York-based Ogilvy & Mather Worldwide (www.ogilvy.com) is one of the largest marketing communications networks in the world, with more than 450 offices in 120 countries, specializing in advertising, relationship and interactive marketing, public relations, sales promotion, and related services. The agency services Fortune Global 500 companies, including American Express, BP, Cisco, Coca-Cola, DuPont, Ford, GlaxoSmithKline, IBM, Kimberly-Clark, Kodak, Kraft, Mattel, Morgan Stanley, Motorola, Nestlé, SAP, Unilever, and Yum! Brands, Inc. Ogilvy & Mather Worldwide is a subsidiary of WPP Group plc (NASDAQ: WPPGY).

Are you surprised at how deep this economic crisis has been, and are we on the right track towards recovery?

One of the biggest issues we face as a society and a business community is we have lost the trust of the public. The public looks to business to lead, to play an essential role in

everybody's long term wellbeing, and to provide meaningful work to people. So the contract has been broken and there is little faith that business has any motives for being other than to make a profit. This is the greatest tragedy of all, because business is a force for good and an essential part of the rebuilding after the economic crisis.

In terms of economics, things are feeling better but they aren't better yet – that's going to take quite awhile. There is a large portion of the population, at least in the United States, that

believes that their own unemployment is something to be very worried about, and if they get laid off, there aren't any other jobs. So when you're in that mindset, you're not going to go out and buy a refrigerator or a sweater. Given that we are a consumer-led economy, that does not bode well, at least for the short- and medium-term.

During these challenging times, how critical is communicating with employees to help them understand where the company is going and to build back some of that confidence?

It's absolutely crucial. On an individual company basis, you cannot communicate too much about the state of the business and the strategic plan; there is a desperate need for transparency. When an organization is not growing as quickly and as well as one predicted, and there is a sense that there is going to have be a reduction in workforce, even the most valued employees think they're going to be fired. Everybody gets anxious. There is now this level of anxiety in the public at large because it's clear how many people are going to be laid off, but it's not clear where they're going to work again. So we're desperate for that communication and to know where the jobs will be coming from.

Even though you don't often hear about it, there are many great examples throughout the corporate world of integrity and honesty. Why doesn't that message get across?

Once the public has decided that something is good or bad, it's very hard to get another message through, because as soon as they hear "business," their mind goes to, "I know those guys, they fly corporate jets when they're taking government money," and all that. There hasn't been a steady consistent message about

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why one should continue to believe in business. What IBM is doing with Smarter Planet or GE is doing with Healthymagination are signs of consistent communication that reminds people that business is a force for good. So there are individual companies that have mounted an effort to put the case forward, and if you had growing numbers of individual companies that were reminding people of the role business plays in a better future, that would eventually aggregate to something positive that people would believe about business. But there's not enough messaging like that out there.

You've had an opportunity to work with many entrepreneurial companies that have grown into today's leading enterprises. Is entrepreneurship and innovation still key to U.S. leadership?

Absolutely. The reason one can be hopeful in general is that this country has always had people with new ideas, vision, and drive to make it happen. There is so much opportunity to make the world better; I don't think it's naïve to believe that if you just let the entrepreneurs loose and provide them with capital, they will create the great enterprises.

I also applaud the large companies who, no matter what they cut in times like these, don't cut R&D. You really have to be disciplined because it's tempting to cut it for a year or two, but you lose the whole culture of creation if you cut it too deeply, and then it's really hard to get back.

The media and communications industry has gone through a clear evolution. Where do you see it going, and will we be defining media in a completely different way?

People's media habits have changed, and the younger generations specifically have various outlets to tap into. But I've never seen new media that wiped out old. There's a diminution in the amount of time you might spend with "old media," but people's portfolios are going

to be more varied, and you're almost going to need personal media plans to figure out how to reach people.

There are certain real shifts. I don't know if our children will actually hold a piece of paper to read the news. But we should be indifferent to where people choose to get their news, because if our kids want to read it on screen, there still needs to be excellent reporting, great writing, and a page that invites the eye in and helps the user navigate. The skills that went into presenting the news on a

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printed page would seem to be the same, and the trust that newspaper brands have built seem to be easily transferred onto a screen. We have to get to a point where it's the content that's crucial, and where we become indifferent to how any individual user wants to access it. So if I want to watch television on my computer, I don't know why the providers of content should care. But we've got to get to a business model that reflects that, and that's the issue. So overall, I can see clearly where it's going. It's the business model that has to

be fixed, because when users consume media on a screen, it doesn't generate the kind of revenue and profit that the more traditional ways of accessing media have traditionally generated.

Although budgets are challenged, this is still a critical time to be developing and promoting brands. As a corporate leader, how do you make sure you're still pushing forward and conveying that message?

That's the challenge of being a leader in these times. The ones who are strong see that if they're playing for the long term, it would be worth their while to continue to support the brand through the difficult times. I had a client who said to me about a year ago, "I've played this game before; I could retreat now and then have to spend twice as much when the economy comes back, or I can spend through it and steal market share." Experience is a great teacher. People who've been through it before know that there is great competitive advantage to continue to spend behind the brand when others might be retreating. In fact, at times when the consuming public feels more strapped financially, brands matter more than ever. If you're going to pay more money, you want to be sure that it's for a brand you know and trust and that you're paying a premium for quality.

Having led Ogilvy for many years, is it challenging to step back and be less engaged?

I thought it was time to pass on the running of the company, which has actually freed me to spend all my time with clients at a time when clients need more counsel and support than in the good times. So it's been a blessing.

Those who know you say you will never really slow down. Can you ever imagine that time?

Sure, you have to. I don't know what it's going to look like five years from now, but life has to have chapters. ●