THE ROAD TO CONVERGENCE

EVOLVING TALKING DOG

GRADY COLLEGE OF JOURNALISM & MASS COMMUNICATIONS
“A colleague has said, ‘If you don’t like change, you’re going to like irrelevance a lot less.’ Burning platforms make a big difference. You have to create an understanding of how challenging the situation really is.”

– Tony Weisman, CMO, Dunkin’ Donuts

“The degree to which academic institutions start to create models – what is the function going to look like in the years ahead? How will the function be organized? What roles and skills will be needed? What measurements will be needed in the new profession? This would be of great value to the profession. I don’t see enough of that coming out of the academy.”

– Jon Iwata, Former CMO and CCO, IBM Corp.
Our world is changing faster than at any time in history. Marketing and communications leaders tell us the speed at which change is moving is unique and differentiating as compared to past decades. “We had a leadership meeting six years ago,” said Steve Behm, President, Edelman, Southeast Region, “and we talked about a ‘culture of change’ for the year ahead. We had to think differently about how we did our business. We’ve adapted that over the years, knowing we’re in an ongoing state of change that we have to embrace.”

What has been most striking to Behm, however, is the realization that leaders cannot identify a destination point that they’re evolving toward. Today, they see through the glass darkly.

By 2020, we’re told more than 21 billion information devices will be installed globally. Changes coming out of Silicon Valley are fundamentally transforming our institutional, social, political and cultural norms and practices. Airbnb, Twitter, Facebook, Google, Instagram, Uber, Apple and countless other new technologies have put the world at our fingertips and help us coordinate activities at previously unimaginable speeds and scale. Myriad on-demand platforms are enabling new levels of convenience and flexibility; at the same time, they’re undermining well-established notions of work and employment.

The only certainty in life is that change will remain the watchword.

How does change translate across organizations today?

Inside companies, as information streams across channels, there’s a greater demand among corporate leaders and their boards of directors for monitoring macro issues globally and understanding how these learnings may affect a business or its strategies. Employees are bombarded with a multitude of misinformation and messaging. Consumers are constantly surrounded by news, and whether real or fake, it’s all the same – it just keeps coming, 24-7, 365. Every day, communicators know something new may hit the radar screen and suddenly take their organization off track.
"I think there is such an assault on everybody’s senses," said Jane Ostrander, Vice President, Global Communications, of Lake Forest, Ill. - based Tenneco, Inc. "There’s so much information out there, and so many mediums - social media and everything. I find business people who are not in communications throwing out, ‘Communications! We have to communicate more!’ Or ‘Where’s our marketing!’ I was at our executive team offsite last week and we were trying to identify the key things we would work on. I was laughing and said, 'OK, people, it’s not all about communications!'"

“You can never take your foot off the gas,” said Jon Harris, Chief Communications Officer at Chicago-headquartered ConAgra Brands. Where corporate and agency marketing and communications leaders once had the luxury of looking out over weeks or even months to measure and prove the value of their function, C-Suite executives today are demanding real, immediate results.

Where are we going? What does it mean for academic leaders, students and professionals?

Tom Friedman, The New York Times agenda-setting columnist, has put into perspective the new world order in demanding times. “Today,” he writes, “average is officially over. Being average won’t earn you what it used to. It can’t when so many more employers have so much more [above average] cheap foreign labor, cheap robotics, cheap software, cheap automation, and cheap genius. Therefore, everyone needs to find their extra – their unique value contribution that makes them stand out.”

Creating a world-class, student-led agency at the Grady College of Journalism and Mass Communication at the University of Georgia is all about finding and applying the extra.
Scope of Work

In 2017, the Grady College established a goal to create a truly distinctive, integrated student agency in its Department of Advertising and Public Relations. To ensure the long-range success of the new firm, a number of steps are being taken that will help refine the agency model, build ownership and commitment among key audiences, and create a strong foundation that will attract donors, prospective clients, faculty and top students.
This study will help put into greater perspective how the world is changing for advertising, marketing and public relations leaders, and actions the Grady College can take to adapt these learnings in advancing its integrated student agency.

Included in this work are the following:

In-depth Interviews with Grady College faculty in Advertising and Public Relations and students who directed the student agency, Talking Dog, in 2017-18 to capture thoughts and input on issues related to advertising, marketing and public relations; programs they lead; and the work of the student agency. Interviews were conducted with

- Dr. Jennifer Barnhart, Senior Lecturer, Advertising; The Grady College of Journalism and Mass Communication, University of Georgia.
- Kim Landrum, Lecturer, Public Relations; The Grady College of Journalism and Mass Communication, University of Georgia.
- Kristen Smith, Senior Lecturer, Public Relations; The Grady College of Journalism and Mass Communication, University of Georgia.
- Dr. Karen Whitehall King, Jim Kennedy New Media Professor; The Grady College of Journalism and Mass Communication, University of Georgia.
- Dr. Kirsten Strausbaugh-Hutchinson, Senior Lecturer, Advertising; The Grady College of Journalism and Mass Communication, University of Georgia.
- Reilly MeGee, Student and Co-Director, Talking Dog; The Grady College of Journalism and Mass Communication, University of Georgia.
- Victoria Zacari, Student and Co-Director, Talking Dog; The Grady College of Journalism and Mass Communication, University of Georgia.

In-depth interviews with faculty advisors associated with select college and university student agencies to gain insight on how their programs operate, where they’ve enjoyed success and experienced setbacks, how clients compensate the agencies, how students are credited for their work, how they staff their teams, how they train their students, and how they win clients and build programs and innovative services. Interviews were conducted with

- Anthony D’Angelo, Professor of Practice & Director, Communications Management, The S.I. Newhouse School of Public Communications, Syracuse University, Syracuse, N.Y.
- Michael Meath, Assistant Teaching Professor – Public Relations, The S.I. Newhouse School of Public Communications, Syracuse University, Syracuse, N.Y.
In-depth interviews with senior executives who lead integrated agencies regarding their perspectives on how the new convergent model is evolving; strengths and deficiencies in how they serve clients today; how staffing models and team dynamics are changing to meet new client demands; and what their teams need to be effective. Interviews were conducted with

- Sir Alan Parker, Chairman, Brunswick Group, London, United Kingdom.
- Bob Pearson, Vice Chair & Chief Innovation Officer, W2O Group, Austin, Texas.
- Steve Behm, President, Southeast Region, Edelman Worldwide, Atlanta, Ga.

In-depth interviews with Chief Communications Officers (CCOs) who serve as trustees of the Institute for Public Relations and members of the Arthur W. Page Society, regarding their views on what they need from their agencies; how these needs drive their selection and retention of agency partners; and their views on the effects of convergence on their internal teams. Interviews were conducted with

- Tony Cervone, Senior Vice President, Global Communications, General Motors, Detroit, Mich.
- Jon Harris, Senior Vice President & Chief Communications Officer, ConAgra Foods, Chicago, Ill.
- Joanne Bischmann, Vice President, Communications, Harley-Davidson, Milwaukee, Wisc.
- Bob Jimenez, Senior Vice President, Corporate Communications & Administrative Services, Cox Enterprises, Atlanta, Ga.
- Jane Ostrander, Vice President, Global Communications, Tenneco Inc., Lake Forest, Ill.

In-depth interviews with select Chief Marketing Officers (CMOs) regarding their views on how convergence is evolving in marketing services and communications; what they need from their teams and agencies; and how these needs affect their organizations, their teams and drive their selection and retention of agency partners. Interviews were conducted with

- Jon Iwata, (Retired) Chief Brand Officer and Senior Vice President, IBM Corp., Armonk, N.Y.
• Tony Weisman, Chief Marketing Officer, Dunkin’ Donuts North America, Canton, Mass.

The insights of these thought leaders have been distilled into Seven Truths about challenges facing the advertising and public relations professions. The Seven Truths about the forces driving change in our industries are outlined on the following pages and serve as a North Star guiding UGA’s Talking Dog Agency into the future.
The Seven Truths
Truth 1: Average is officially dead

Bob Pearson is known for driving “pragmatic disruption” in the world of social marketing. He’s widely recognized as a digital marketer, investor and communicator who has served global organizations like Dell, Novartis and W2O Group, the latter an integrated firm where he’s Vice Chair & Chief Innovation Officer. Pearson is authoring a new manifesto for W2O Group’s 600 employees on the agency of the future – one that will be divergent, data-driven and bold.

“We’re educating our people to use analytics and new account management strategies as opposed to old models,” he said. “If you’re coming to clients with data-driven, fresh thinking, you’re a real competitor. If you’re coming in with old models – in that case, if a client wants them, take them. We don’t want to have anything to do with them. That is the separation that is occurring in our business.”

For Dunkin’ Donuts’ North America Chief Marketing Officer Tony Weisman, if you’re average, you’re dead.

“When you’re satisfied with a 20-percent acceptance rate, just remember that five years ago nobody at GM’s board meeting was talking about Uber or Lyft.,” said Weisman. “Things happen fast and come out of nowhere fast. Walmart feel asleep while Amazon stalked them. They’ve rallied but were moments away from death.”

To drive change, Weisman has marshaled his team and C-Suite leaders to experience the shifting landscape by sending them out into the world of franchisees, customers and thought leaders who shape and influence technology, culture, society and politics.

Dr. Kirsten Strausbaugh-Hutchinson is a Senior Lecturer in Advertising at Grady College. For several years she worked for the The Walt Disney Company and has watched Madison Avenue and its storied advertising brands bundle and unbundle their services as they undergo a metamorphosis to address client demands – and in hopes of eclipsing their competitors. “I’ve watched McCann own every floor at 666 Third Avenue. Every floor is full and then – boom, it’s emptied back out. The words [today] are ‘nimble, scrappy.’ Everybody is back out because they want to be reactive and the big agencies are not. They’re all bogged down with layers and process and that costs clients’ money. They’re all the same.” “All the same” means being average – and average is officially dead.
Truth 2: Speed of disruption is unique, differentiating

Nowhere is business disruption more pervasive than China, where Jabil, Inc., of St. Petersburg, Fla., one of the world’s most technologically advanced manufacturing companies, sees competitors wax and wane in Asia-Pacific locations like Shanghai, Huangpu, Tianjin and Taipei, Taiwan. “Some weeks, we have two new market entrants,” said one of Jabil’s country managers. “The next week, a competitor goes out of business. Things move fast. It’s hard to keep score.”

Often, it’s about responding boldly before it’s too late. As Netflix CEO Reed Hastings has said, “Companies rarely die from moving too fast, and they frequently die from moving too slowly.”

What does speed really mean today?

The speed of disruption has changed the way we think about deadlines. “It’s devalued the process we use,” said Grady College’s Kim Landrum, a Lecturer in Public Relations. “Clients think it’s so much faster and I can do this so much more quickly. But that doesn’t change design and messaging, look and feel. It still takes time.” And by the time we’ve educated our clients, Landrum said, the technology will morph and change again.

The speed of disruption also has changed the way consumers access information. Edelman’s Behm said the speed at which information is changing between mobile and different platforms, the ability to go peer-to-peer direct as well as brand-to-consumer direct, is “incredibly disruptive to the traditional architecture of the agency world and our approach to the marketplace.”

Tony D’Angelo, Professor of Practice & Director, Communications Management, The S.I. Newhouse School of Public Communications, Syracuse University, Syracuse, N.Y., commissioned research in 2017 to identify actions Syracuse must take to equip graduate students for an executive position. “This firm came back to me and said, ‘We’ve studied a lot of professional disciplines in a lot of fields. We’re not sure we’ve ever assessed one that is changing faster than your field.’”

And convergence in our profession was at the center of their findings.
Truth 3: Corporate and agency models are broken

While serving as Chief Brand Officer at IBM, Jon Iwata remembers one of his weekly conversations with Sir Martin Sorrell, founder and former CEO of WPP, the world’s largest advertising and marketing company. The day of reckoning had arrived for the big holding companies with semi-independent brands, and Sorrell was hammering home the point that client organizations no longer value being tethered to a family of disparate and disconnected agencies. The old model is broken, and integration is the only way forward, Sorrell asserted. Within days, he pulled the trigger on the merger of two of WPP’s biggest PR brands, Burson-Marsteller and Cohn & Wolfe.

“What the client wants today is more integration,” Iwata said. “The model of agencies in a holding company brings massive redundancies and no economies of scale or efficiencies. On the profit side it’s killing those guys. They never actually integrated anything and don’t share anything. Back offices aren’t shared. Technologies are seldom shared. Clients are seldom shared. The economic structure can’t sustain that.”

General Motors spends billions of dollars annually with partner agencies on communications and marketing services. In GM’s offices in Detroit and suburban Birmingham, Mich., teams from the Chevrolet brand are working with WeberShandwick, The Commonwealth Agency and McCann Worldgroup to understand what outcomes can be realized from the integrated agency model. Tony Cervone is Senior Vice President, Global Communications, at GM, and he’s helped drive the process.

“[GM’s agency partners] always sat in the same building. They just never talked to each other,” Cervone said. While the agency partners once claimed they were interacting and having conversations about shared work, Cervone believes they weren’t engaging for strategic business purposes; only as a box-ticking exercise to satisfy their senior leaders.

That’s all changed as the new model for integration has taken hold. Today, the agencies are working together more closely – and with greater effectiveness. “We have all of the Chevrolet social, marketing, advertising and communications under one roof, and the support is also under one roof,” Cervone said. “To be candid, that’s largely the result of the internal team driving that model, asking the right questions, getting to the right conversations and leading the right ways.”
Over the past three decades, corporate restructuring has had a profound effect on internal teams and their agency partners. Restructuring efforts have led increasing numbers of companies like Cox Enterprises in Atlanta to bring their advertising, ad buying, marketing, public relations, digital and social media, creative and even research needs inside as they build in-house agencies staffed by integrated teams. “Our old model wasn’t producing the results we wanted,” said Bob Jimenez, Senior Vice President, Corporate Communications & Administrative Services at Cox. “We’re making a big bet that this is how organizations will want to reach their intended audiences through this integrated platform.”

Rarely today are major account reviews conducted without the involvement of procurement teams that force more strident guidelines, policies and financial terms upon winning agencies. “Procurement has made a huge difference in the way [agency teams] operate,” said Dr. Karen Whitehall King, Jim Kennedy New Media Professor at Grady College. “Agencies are getting squeezed and squeezed,” forcing many to tighten budgets, freeze compensation levels and hold firm or reduce starting salaries, which King said ultimately affects the diversity of their workforce. “And there are no training programs now,” said King. “Your internship is your training program.”

What do clients want from their agency partners today? And are they getting it? For companies at a critical juncture in the change process, they want partners who can drive a relevant, incisive point of view that will help navigate the here-and-now.

Michael Meath is a former agency executive who is now Assistant Teaching Professor – Public Relations at Syracuse University’s Newhouse School. He also advises Hill Comms, Syracuse’s student agency. Meath believes agency professionals are “scratching their heads trying to figure out what clients want.”

“Clients don't want big agencies of record any more. They want prescriptive [support]: Help us with this area where your expertise is.” And while the pendulum has swung from specialization back to the age of the generalist, Meath said agencies must know where they excel. “The faster they can say we’re not expert at one thing, but we can help on something more specific,” he said, “the more trusted they’re going to become.”

Reilly MeGee is a UGA graduate and a past Co-Director of Talking Dog. As she worked through internships in the advertising field, she learned that “people are becoming less specialized and you have to be good at so many things. You have to translate your vision to so many different mediums; innovate with brand new things. Being specialized would actually hurt you today.”

And agency professionals today are trending younger, said Grady College’s Barnhart. “People are very young. It’s very much a youth market. It didn’t used to be a youth market. You’re not going to be able to stay in agencies forever.
Since things evolve, and you move and it’s quick and it’s facilitated by technology, you age out of it. You age out or price out.”

Finally, Conagra’s Harris, a veteran CCO who has served in Consumer Packaged Goods (CPG) companies for many years, worries about the diminished role of the corporate communications function as CMOs take on greater oversight for all marketing services and communications. “We’re playing in a much different sand box,” Harris quipped.

And with the entry of consulting firms in the communications field, that sand box is becoming even smaller.
Imagine, for a moment, you’re leading an agency team into a big pitch. On most days, you prepare to compete against your brethren in public relations or advertising, but today is different. Very different: Your team is competing against a new division of a major newspaper whose declining revenues forced the company into brand journalism content generation.

Tony D’Angelo heard this tale from the agency leader who competed in that “bake-off,” and it caused him to stop and consider the implications of the new field of competitors in marketing services and communications.

“This makes some of our journalism professors’ heads want to explode, but that’s where the economics is driving these non-traditional firms,” he said. “How would you like to go into a pitch and you could be up against a major newspaper or a Hollywood producer? A lot of the walls are coming down, and I think it’s very exciting and very challenging at the same time.”

Grady College’s Strausbaugh-Hutchinson sees consultancies seizing what were historically agency roles. “PwC used to be thought of for accounting services and now they’re doing business consulting in our space,” she said. “Deloitte’s another one. They helped design Animal Kingdom in Disney. They think they’re leaving money on the table.”

What is perceived as a threat for some, however, may be an opportunity for others – particularly the next generation of men and women entering a brave new work world. “The good news for people entering the profession is, you can fight from a number of different angles,” said Weisman. “You can go to work at Facebook or Google. You could go straight to clients. Or you could go to a social media shop like VaynerMedia, where they write their own code and buy their own technology. Or IBM, Accenture or Deloitte. Or Hearts & Science, the most successful agency in the last five years because it’s run by data guys. The other choice is to be a pure play creative shop.”

In the end, however, Weisman said that regardless of whether you’re Deloitte or Accenture, the digital operation is still “the tail on the consulting dog.”

He believes agencies still win historically on culture and leading with creativity.
It was a momentous time in January 2018 when Alex Taylor, great-grandson of Cox Enterprises founder James Cox, was introduced as new CEO. In the days that followed, Taylor, 43, began moving on his new agenda, and Bob Jimenez was at the center of activity as Taylor sought guidance on a range of issues.

At Cox, as in other major companies, executive leaders often sit in a bubble; they don’t necessarily have the benefit of hearing all that is going on inside an organization or externally. Jimenez said his leaders expect the communications team to provide insights, lines-of-sight on what might occur, counsel when something erupts that no one is expecting, and to have an informed point of view on the possible implications an issue may have on the business, employees and customers.

“There’s a huge expectation that we not only provide them insights and intelligence from a whole host of sources, but that we also lay over that our expertise and our strategic thinking around this line-of-sight to give some information as to what might occur,” he said.

“Above all, they expect us to be accountable,” Jimenez said. Tony Weisman said the CMO’s biggest job is accountability. “You can’t go a day without a question from the CEO or the board saying, ‘Prove to me that it worked.’ We grew up in an industry where we could say, ‘Fifty percent of advertising doesn’t work... I just wish I knew which 50 percent!’ You can’t say that anymore. Today, that’s not good enough. You do know. If you don’t, your competitors have the answer.”

In Milwaukee, Joanne Bischmann, Vice President, Communications, Harley Davidson said that while her Harley-Davidson leadership team understands the myriad challenges that vex marketers and communicators in the new world order, they press for accountability nonetheless.

“They’re looking for the ‘silver bullet,’” she said. “That’s why it feels more like my marketing days than ever before. In marketing, it was, ‘What have you done for me lately? This doesn’t seem to be working, so let’s try something else.’ Marketing was always that. ‘So, if this isn’t working, what’s your next ad campaign or promotion? What are you going to do next? What have you got in the bag?’ There isn’t a silver bullet...”

Advertising and public relations people live in a world of words, images and ideas. C-Suite leaders live in a world of numbers, processes and performance indicators. More must be done to connect both worlds. And the key to accountability is using data analytics.
Modern marketing has become a “mash-up” between the CMO and the Chief Technology Officer (CTO): Those ascending the ranks through strict technology offerings tend to be data scientists, computer scientists, architects or engineers who don’t behave like marketers. On the flip side, CMOs are suddenly being asked to justify major capital expenditures for data management platforms, software and ad tech that boards of directors were unaccustomed to approving. “You’ve got this overlap,” said Weisman. “What’s the CTO’s role and what’s the CMO’s role?”

“I’m fortunate that I come to the role with a light-level of knowledge of [data]. Everybody out there in the professional world is trying to do this,” he said. “IBM, Deloitte, Accenture are all buying digital agencies. You’ve got Adobe, Salesforce.com and Cognizant saying, ‘Look at these digital agencies we’ve bought!’ You’ve got RGA and others getting into coding.”

For marketers, Jon Iwata likens data to instrumentation. “It’s not trying to approximate results or findings. It’s not asking for peoples’ opinion. It’s capturing and understanding what’s happening – right now.”

Communicators historically have sought answers through focus groups, surveys and by asking for opinions. Today, with the rise of digital, marketers and communicators can actually understand, in real time, what people are saying, doing, looking for, what they like and dislike. “That’s phenomenally valuable data. It’s real-time data that we can act upon, and I don’t think we’re using enough of it to understand stakeholders,” Iwata said.

To understand consumer preferences, GM’s Tony Cervone said marketing services professionals must know “who that consumer is, how that consumer gets information, what that consumer’s predisposition is and what you’re trying to move it to. Where you’re trying to move it to is directly proportionate to their opinion of the brand.”

Steve Behm said real-time data has enabled the team at Edelman to move more nimbly, quickly and to adapt. “In the old advertising model, you do your monthly or quarterly buys and you’re set,” he said. “Now, we’re switching our buys on a minute-by-minute basis based on what we’re seeing in social. The ability to pivot quickly with messages that are targeted to consumers has increased the efficacy of our work.”
Truth 7: Convergence is the new ROI

The boundaries between traditional marketing and communications are disappearing. Companies like IBM, Conagra, Tenneco and Cox have undergone radical shifts in their business portfolios through mergers, acquisitions and spinoffs; or perhaps they’ve entered more complex markets, requiring new corporate positioning for reputation management. Senior executives realize they need a cohesive, disciplined approach for marketing and communications to effectively reach stakeholders through the explosion of media channels now available.

Ready or not, convergence is speeding ahead: CEOs are mandating it. The return on integration (ROI) is higher because real-time content and messages can be created in a consistent voice across all channels of communication. Resources and budgets can be better leveraged on more efficient programs and tactics. Better career paths will emerge for people seeking growth opportunities. And organizations can create more original content and drive brand journalism.

W2O Group’s Bob Pearson sees that CCO’s world quickly converging with that of the CMO. “The ad business has become more distinctive than what we do in public relations,” Pearson said. “We need to focus on audience architecture for our clients.

Everything today is driven around insights from data and defining who our audience is. And it’s all about real-time content and aligning messaging to effectively reach stakeholders with consistent messaging.”

What type of professional is needed in the convergent world? Sir Alan Parker is snaking his way up Park Avenue in Midtown Manhattan and contemplating the convergence of advertising, marketing and communications and the type of professionals who will succeed in the new world order:

Like choreographing a symphony, Parker believes we should carefully select men and women to drive convergence. “Where do you get a conductor from? Because if you choose first violin, you’re likely to get an orchestra that skews toward violin or strings. Literally, there isn’t space to be playing out of tune nowadays. If you’re in it, you’re in it. More and more companies are asking for that connectivity either in the advisory piece and/or the execution piece.”

What are the challenges to becoming convergent?

One challenge is turf wars in the C-Suite. The threat of collapsing the public relations function under marketing is real,
and it strikes fear and loathing among many. “For some reason,” said Michael Meath of Syracuse, “people in the public relations business are scared to death to be connected with anything other than being in the public relations business.”

Conagra’s Jon Harris is more direct: “Our industry is at the mercy of marketing. Actually, at some point I see brand communication moving over to marketing. Marketing has bigger budgets. The CMO and Chief Growth Officer (CGO) have more influence than we have.”

The biggest challenge to convergence, however, may come from the academy, where educators are digging in to protect the advertising and public relations disciplines and the silos they’ve created.

“I can’t tell you how many times – even with our own faculty – I get into this discussion and people are saying, ‘Well, that’s just advertising, and we have to define ourselves and stand up for our identity here.’ If our faculty have this attitude, we’re not going to be able to do anything with our students to help them view the world in a broader sense,” Meath said.