

EURO RSCG

Euro RSCG has turned its back on the uncertainty of 2005 thanks to the performance of its chief executive and new-business-winning machine

There can be few executive hirings that have changed the fate of a network so quickly and completely as David Jones' (bottom left).

Barely a year into his post as the Euro RSCG chief executive, Jones has transformed the network from a collection of offices unified merely by an increasingly unfashionable name into a fearsome new-business-winning machine that genuinely feels as if it has had a transplant of DNA, not just a shot of adrenalin.

Even a year ago, serious questions were being asked about the future of the network. Euro's parent company Havas was under siege from Vincent Bolloré (bottom, second right) and speculation was rife that the network would be broken up and sold off as part of an asset-stripping programme.

A year on and the reality couldn't be more different. Bolloré has pledged his intention to stick with Havas and Euro RSCG, and the turnaround is close to complete. He installed a new head of Havas, Fernando Rodés Vila (bottom right), in March 2006.

If the closing months of 2005, with their twin swoops for the US advertising accounts of Jaguar and the share trader Charles Schwab, were Jones' and Euro's statement of intent, 2006 was the delivery.

This year, Euro has added well over \$2 billion in billings. Nowhere is its new-business machine better illustrated than in the Reckitt Benckiser global win, worth a cool \$1.5 billion worldwide. Received wisdom and Reckitt's statement of intent pointed to the account being split between two out of Euro, McCann Erickson and JWT. McCann's forced departure at the insistence of SC Johnson, a long-standing FCB client which didn't want to share a holding company with a rival, led everyone to expect an even (ish) split between Euro and JWT.

Details of what went on behind the scenes are, as they say, sketchy. Jones ran the Reckitt account at Euro in London before moving to New York, so was as close to the business as a network chief executive can be. Following the pitch, he and his UK group chairman, Kate Robertson, worked on an audacious business plan to wrest the entire business from JWT. It worked.

Reckitt is by no means the exception. The £128 million Alcatel Lucent business was snapped up by Euro RSCG New York in October after a competitive pitch; BETC Euro RSCG led the pan-European pitch that won the €40 million Orange business-to-business account; Sanofi Aventis, the newly merged pharmaceutical giant, has also fallen for the Euro route. Its estimated billings of \$1 billion seals the knot on Euro's win.

Of course, this presents both Jones and Euro with a challenge – bedding this new business down and turning it into effective,

creative work is far easier said than done, and has hamstrung stronger networks than Euro. That's not to say the work is weak – there are strong campaigns from Jaguar in the US, for Peugeot Citroën in Europe and Carrefour, Danone and Canal+ from BETC in Paris. But Jones needs significantly more creative firepower, and knows there are a number of offices which need a talent booster.

Euro RSCG has made starts in this direction. Jeff Kling, the Euro RSCG New York creative director, was a very counter-cultural hiring when he joined last year from Wieden & Kennedy Portland. He is joined this year by Pat Stern in New York and Eddie Wong in China, where the network is diverting considerable resources.

Chris Pinnington (bottom, second left), the Euro RSCG Worldwide UK chief executive, was promoted to the newly created position of chief operating officer of the Euro RSCG Worldwide network, and Euro RSCG this year ended the question mark that has hung over the management of the London office since the departure of the UK chairman, Ben Langdon, in September 2005. The hiring of Mark Cadman and Russ Lidstone from JWT has brought much-needed stability to an office which has to be a market leader if Jones is to turn the network into the one he envisages.

BBDO It is a measure of BBDO's growing maturity as a global player that it should seem strange to see it as a runner-up.

It wasn't always so. Time was when running BBDO was akin to herding cats. The network's policy was always to acquire highly creative agencies (BBDO is the world's most-awarded network for the fourth time in eight years) and to run them on a long leash.

As a result, the BBDO of yesteryear looked

more like a collection of like-minded entrepreneurs than a network that shared a common culture or was truly bonded.

It would be hard to level that criticism today. Clients such as PepsiCo and Gillette are its cement, and it is making significant inroads into Gillette's Procter & Gamble parent.

"For me, the really important thing about being global is that we have to be good in every region and in every country," Andrew Robertson, the BBDO worldwide chief executive, says. "We have to be good in all disciplines and be good at new business as well as developing local and international clients. And you have to do all those things while doing good work."

Without doubt, BBDO ticks most of these boxes. If the volume of new business won this year is less than Euro RSCG's, its pitch conversion rate was higher than in 2005, culminating in a large chunk of Sony business which contributed towards \$1 billion-plus worth of new assignments for the year. Meanwhile, revenue and profits have hit record levels.

At the same time, there are some interesting indications that BBDO is now a network as much in deed as in thought. Chris Thomas, the newly appointed Asia chairman, has made an energetic start on exploiting the region's growth potential, while the network looks to leverage its strengths in Latin America to exploit the huge US Hispanic market.

Equally significant is the move to harness the network's collective knowledge via a website database of 150 case studies. Suddenly, herding cats does not look so difficult after all.

Wieden & Kennedy Wieden & Kennedy also ran close. Although the independent network cannot compete with Euro RSCG and BBDO in terms of size or revenue, it wins without question in terms of creative standards. The spread of awards across the network is as impressive as the work itself. The Honda work proved W&K's spark was still there and provided more of the mould-breaking advertising the industry expects from the agency. "Impossible dream" swept the board, winning the Grand Prix at the British Television Advertising Awards and the Clios, as well a gold award at Creative Circle and Cannes. Its Nike "St Wayne" work took the Best Individual Poster, plus a gold award at the Campaign Poster Awards. The agency also developed impressive work for Coca-Cola.

Although its new-business performance is no match for Euro RSCG's billions, in the past 12 months, W&K has won a handful of prestigious and creative accounts. *The Guardian*, FilmFour, Lurpak, Cravendale, Orange and Carlsberg all rolled through its Hanbury Street doors, and the agency's worldwide billings grew from \$1.1 billion to £1.4 billion. *Recent winners: BBDO (2005); Bartle Bogle Hegarty (2004)*

HIGHLIGHTS OF 2006

January Mark Cadman and Russ Lidstone quit JWT and join Euro RSCG London as the chief executive and chief strategic officer, respectively.

February Chris Pinnington, the Euro RSCG Worldwide UK chief executive, is promoted to the newly created position of chief operating officer of the Euro RSCG Worldwide network.

March Euro RSCG Worldwide wins the Orange business-to-business account.

July Wins the \$1.5 billion global Reckitt Benckiser business.

August Wins the \$50 million Latin American LG account.

September The newly merged Alcatel Lucent business awards its global advertising account to Euro RSCG.

November Euro RSCG increases its share of the Sanofi Aventis business, the third-largest pharmaceutical company in the world.



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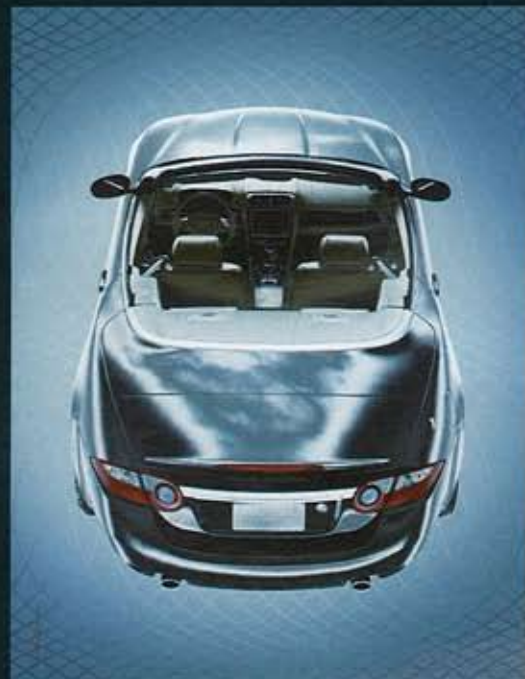
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