



## Rehab: An Advertising Love Story

With a body as old as J. Walter Thompson's, sometimes it pays to have a little work done.

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When the phone rang one fall night in 2004, Rosemarie Ryan knew she was about to get dumped. She hadn't heard from him all week, and this was the call she had feared. "I thought, 'I'm just going to keep talking,'" the auburn-haired Brit recalls, with her signature rapid-fire energy. "So I just kept talking for a half an hour and didn't stop."

It would have been fair enough for Ty Montague to turn Ryan down. Then co-creative director of Wieden+Kennedy New York, he was at the height of his career, a household name in boutique ad agencies for his visionary Sega "Beta-7" campaign, which had blown the doors off every previous one built for the Web. In fact, he had already set plans in motion to leave Wieden to start his own shop. Now here was Ryan, offering him a place as cocaptain of what was being derisively referred to as the aircraft carrier of Madison Avenue.

Ryan, now 43, had rationalized the risk herself a year earlier, abandoning her post as president of Kirshenbaum Bond + Partners, an agency she considered family, to take the same (though higher-stakes) role at J. Walter Thompson's New York office. That night, she deployed her most effective weapons--brutal honesty, realism, and laughter--to get Montague to the same place. "Rose started talking, and I don't know what happened," he says now, running his hand through his overgrown brown hair and thinking back to that Sunday night a year and a half ago. When he picked up the phone he had every intention of "breaking up," of setting out on his own. By the time he hung up, he was J. Walter Thompson's newest employee. "I think she hypnotized me," he says. He admits a grin, she a proud smirk. Their soft blue eyes meet.

Ryan's charms played no small part in Montague's conversion. But then, it's not in his nature to shrink from a challenge, even a hopeless one. (His now wife, Dany Lennon, was 29, married, and pregnant when he arrived in New York in 1984 as a 21-year-old New Mexican in cowboy boots; he waited seven years--until she was divorced--to tell her he loved her. "When he sets his sights on something," says Lennon, "his patience is extraordinary.") Besides, what Montague, now 43, wanted more than anything was to shake up the entire industry, to lead marketers to an experimental new frontier. As much as he wanted his own cozy gig, he knew the only way to really upend the business was from within a huge company with huge clients. And with U.S. billings topping \$3 billion and clients such as Unilever, Kraft Foods, and Pfizer, you couldn't find a bigger stage than the aircraft carrier.

Bigger, or more dilapidated. At a time of industrywide identity crisis, the oldest and one of the largest agencies in the country--the pioneer of the full-service-agency concept, brand-sponsored shows (soap operas), and account planning--was foundering. In 2002 and 2003, J. Walter Thompson's flagship operation in New York had competed in 20 new business pitches without a single win. It had lost cornerstone accounts such as Kellogg's; others (Merrill Lynch, for one) were hemorrhaging. Year-over-year revenue growth was stalled at 5%, and employee morale was at an all-time low. Until Ryan arrived, the New York office hadn't even had a president since 2001, when Bob Jeffrey was promoted to president, North America (he's now global chair and CEO).

"It was a big network agency that was slowly dying," says Andrew Jaffe, a former *Adweek* editor who now runs a management consultancy for the ad industry. (J. Walter Thompson's parent "network" is WPP.) "Eventually, these huge agencies get so weak and calcified that the brand has to be shut down, employees laid off, and, if the clients can be saved, the holding company moves them to another agency in their network."

**On February 28, 2005**, Ryan and Montague (now her copresident as well as chief creative officer) summoned the 600-odd employees of the New York office to inform them that J. Walter Thompson was being set afire, to rise again as JWT. The silos, the hierarchy, the funk of inertia--all were to be replaced with fast, flat, and fun. The aircraft carrier would become "a billion-dollar startup," they said, with creativity at its core. Worldwide, the agency's 300-plus offices celebrated the shift as only advertising types could: In Mexico, they marked the rebirth with circus clowns and elephants; in Egypt, the staff symbolically planted the "seeds" of "passion, commitment, creativity" in the earth; London observed a minute's silence for founder Commodore Thompson, who built the agency from scratch 142 years ago.

But the next day, when the bells stopped ringing and Jeffrey's PR machine had ceased its grinding, there was nothing left to do back in New York but the deep gut-level rethinking and dirty spadework. It must have been a hell of a hangover.

It was certainly a rude awakening for Hildie Neuman, the 50-year-old global business director on JWT's Kimberly-Clark business. Superficially at least, there's nothing "JWT" about Neuman: With a hairdo that's somewhere between a news anchor's and a flight attendant's, and a taste for cherry-red sweater pants and white pantyhose, she's "J. Walter Thompson" all the way. She talks about her brands, such as Kleenex, as if they're her babies. When asked to describe how people felt when Ryan and Montague came on board, she demurs, "Remember, I work in my own little world."

Not for long. Early in her tenure, Ryan told Neuman that she wanted to start seeing her work before it was presented to clients. "She was like, 'Why, don't you trust me?'" Ryan remembers, "and I said, 'Yeah, don't you trust me?'" Neuman told Ryan not to get involved in her business; Ryan, whose presence is much larger than her petite frame, responded that she was going to start inviting herself to Neuman's meetings. Eventually, Ryan says, Neuman got pretty exasperated: "She was like, 'Rose and Ty--who are these people?'"

For Montague and Ryan, Neuman was a vexing symbol. "There's a group of people whose arms are folded, and they're leaning back and waiting to see," Montague says. "Either you lean forward or you get out," adds Ryan, admitting that for JWT, inertia is still the biggest threat.

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Encouraging her staff to lean forward had been Ryan's first order of business in the months before Montague's arrival. To propagate her message, she identified younger folks in second-in-command positions who she thought would be eager for change. What she found was that these "rising stars" were not only unclear about JWT's creative voice and vision but most of them "had never met each other before." She was horrified. After a 19-year career at agencies where open space, flat structures, shouting matches, and collaboration were the only acceptable ways of working, she realized she had a much deeper problem. The Hildie Neumans of the organization were more connected with their clients' cultures than with JWT's. In fact, there was no JWT culture.

When Montague arrived nine months later, he and Ryan set about drawing staffers out of their caves. They promptly kicked off a multimillion-dollar work-space renovation, stripping everyone but Jeffrey and the payroll department of their private offices. Today, half the space has been refitted, a neo-dotcom playground

replete with pop-art Scandinavian furniture and tents plastered with lines from *Catcher in the Rye*.

More important, though, Ryan and Montague began infusing the place with some new blood. About 35% of the staff has since left or been let go; Montague cleaned out the creative department, too--to the tune of about 50%--and brought in eclectic talent from smaller shops to "help create new muscle memory" for copywriters and art directors. He also began overhauling the creative standards themselves: In an agency that had survived for years on standard broadcast and print ads, he demanded that his teams come up with much bigger ideas, ones that could replicate and mutate across traditional and nontraditional media. Every employee--whether on the creative or business side--was given a portfolio to defend at the end of the year, meaning everyone would now be held to account for the success or failure of the product. Montague instituted a new, brutally candid 1-to-10 rating scale for creative work: A 10 was "World Beating: It is an entirely new idea that is... being talked about worldwide"; a 1 meant the work was "Damaging... worse than a waste of time.... You'd be better off staying at home." He told the New York office that none of its work rated higher than a 5.

Ryan and Montague also needed to build a system for working together. They knew the potential for miscommunication and even outright combat between them could become their most serious internal threat. So they spent two days in a room putting their philosophies, strengths, weaknesses, and fears on the table. They set up a daily half-hour meeting, regardless of whether they were in the office ("It's sacred," says Ryan). They also did their own version of war gaming and discovered that, despite their opposing styles of decision making--Montague is a ponderer, Ryan is anything but--they landed on the same solution every time.

One of the early fruits of the process came from, of all places, Hildie Neuman's client, Kimberly-Clark. In May 2005, Neuman introduced KC's new president of North American Family Care, Mark Scott, to her new bosses. Montague related his philosophy of advertising as postmodern storytelling--how good campaigns shatter a narrative into a million pieces, then scatter the fragments across TV, print, the Web, the street, anywhere. "I must say, the lightbulb went off for me," says Scott. "I said, 'I'd like one of those, please!' " For Scott, that meant restructuring his marketing department and directing all of his agencies to work with JWT. "There was a little bit of angst," he concedes. "But if we want to be great, part of that is taking some risk and trying new things." And Neuman? She's JWT at last: "If you think you can survive by standing still, you're crazy," she says. "Standing still is going backward."

"For me," grins Ryan, "Hildie is my biggest victory."

**A year ago**, Toby Barlow was astonished to find himself sitting alongside former U.S. Poet Laureate Billy Collins. The 40-year-old JWT executive creative director had always admired Collins's work ("literary jujitsu," he calls it), and he had Montague to thank, indirectly at least, for connecting him with the man himself.

Since he arrived, Montague, a college dropout who spent his earlier years fixing Italian sports cars, preached about the importance of creating art for art's sake. Not only does "pure" art breed other forms of creative thinking, he said, but in a cluttered landscape of indifferent consumers, it has become essential to see advertising itself as a form of entertainment. Barlow, a five-year JWT employee who works on Kleenex and HSBC, ran with the idea. And now, with Collins one seat away, Montague's wisdom began to reveal itself. Barlow persuaded Collins to let him set some of his poems to animation, with the writer himself reading the work. A few weeks later, at a dinner, Barlow mentioned the project to someone from the Sundance Channel, who was interested in using the short films to fill the 10-minute gaps in Sundance's programming. Back at JWT, a producer connected Barlow with eight animators willing to do the project on the cheap, given the subject and the potential for national exposure. The whole thing began to feel like fate.

Last September, Barlow surprised Montague and Ryan with 11 artsy shorts that drew on visuals ranging from

Japanese art to smoke rings. "A lot of times, agencies shut you down," says Barlow, amped up by the memory. "They're like, 'We just want you to work on the prescribed problem.' But it's really only by going out and being as creative as you can be, and showing that to the people you work with, that inspiration and cross-pollination start happening."

That's just what happened with Barlow's side art project. Montague and Ryan were thrilled by the shorts and screened them at the agency's monthly "town hall" meeting. Around the same time, JWT began brainstorming for a new business pitch: JetBlue.

Montague and Ryan had to win the JetBlue account. When Ryan had come on board, she began turning around the agency's horrific string of lost pitches (J. Walter Thompson had never made it past round one in 2003) by getting her team to the final rounds for hot accounts such as Old Navy, Staples, and Verizon Wireless. Nevertheless, she and Montague still hadn't landed a juicy win. JetBlue represented only \$25 million in billings, but the low-fare airline fit perfectly with everything JWT needed to become: a culture-rich underdog that tapped creativity and irreverence for its competitive edge. But as the only old-school Madison Avenue agency in the mix--competing against some of the most creative boutiques, including Taxi and Amalgamated--its chances were slim.

JWT wanted to amplify the voices of JetBlue's fanatical customers, but straight testimonials felt too derivative. Robert Rasmussen and Andrew Ault, two JWT creative directors, were grappling with how to transform the concept into something unique when they suddenly remembered Barlow's animated spots. "We thought, 'That's kind of nice,' " says Ault. "You take this little story and you give it to an animator and they turn it into something marvelous." For the pitch, the team scoured Craigslist and Epinions for real customer feedback (they even used found footage of JetBlue CEO David Neeleman), then cast JWT staffers to record the spots. Finally, they matched up each story with a different animator, just as Collins's poems had been.

They would be pulling off something almost unheard of in a new-business pitch: presenting finished work to a potential client. Still, Montague, who's known for merciless self-criticism, had a moment of despair. "I went back to our office and just sat by myself. Rose came in, and I remember saying to her, 'This is going to be a total unmitigated disaster,' " says Montague, who gets piercingly quiet when he's upset. "I was worried he was going to jump out the window," Ryan adds. But with some of the toughest months in their professional lives under their belts, they had learned to talk each other off the ledge: "Here's the thing," said Ryan, who considers Montague her business soul mate. "If [the pitch team] can't get up to do it, we'll just get up and do it for them."

"We expected a big agency to walk in the door, and instead, we found a group of people we immediately connected with," says Andrea Spiegel, JetBlue's vice president of sales and marketing. What's more, she says, her team fell in love with JWT's work. There was the stealth campaign to plant giant snack bins and leather-covered benches in cities where the airline was starting up service. There was the video booth at Rockefeller Center to collect testimonials from the airline's fans, and the silly postcards for passengers to mail in their JetBlue moments. "Testimonials can be so clichéd," Spiegel says, "but they made it fresh and forward-thinking." It also didn't hurt when JetBlue learned that the eight animated spots--which are now running nationwide--would cost less than a single, 30-second ad. Not only did JetBlue award JWT its business, it green-lighted almost all of the work the team presented.

"That has never happened in my career," says Ryan. Montague, clearly still thrilled, concurs: "Literally, it's a first," he says. "It's unprecedented."

**Because of the sheer** size and conservatism of JWT's client roster, Montague and Ryan's strategy so far has been to instigate change for those who most need it, or at least are most open to it. "If we try to fix everything at once, we'll die of exhaustion," says Montague. So where even dull TV and print spots are doing just fine, they're leaving well enough alone. But sometimes the desire for something new comes from the least likely

source, catching even Montague and Ryan off guard.

Last summer, Esther Lem, a VP at Unilever, was assigned to take over Sunsilk, a major shampoo brand that will launch in the United States next month. She was coming off Unilever's successful Axe deodorant launch, which got tremendous applause in 2001 for work she had done with creative shop BBH. When she found out she'd be working with JWT, which had been gearing up for this \$100 million launch for two years, she implored her boss: "Do we have to keep this agency?"

For JWT, losing another Unilever account would have been an unsustainable blow. Not only was Unilever its oldest client--dating back to 1902--but in the past year, the company had already shifted roughly \$100 million in billings away from JWT Worldwide.

The New York team presented its work to Lem in nearly completed form. "It wasn't good enough," says Lem. "It was a very tough conversation, because they thought they were ready to launch." Lem, who had taken over from a previous client contact, wanted nontraditional work, something gutsy and impious to make competitors like Procter & Gamble and L'Oréal look outdated. And she wanted to be the first to crack an online viral campaign for women.

This was the unshackled permission JWT had been waiting for. Ryan and Montague switched up some members of the team and, over an intense eight-week span, redid the print and TV spots with a completely new voice and flavor. They also concocted eight viral ideas smutty enough to make Paris Hilton blush, from online video spoofs and Web sites to a video game (sorry, we can't give you any more dirt until the ads break next month). They flew to Chicago, plastered the walls with their ideas, and presented them to Lem. "Some of the ideas made my hands sweat, which is a very good thing," she remembers, noting that they're pursuing four of the viral campaigns. "The entire team did a 180. It feels like a whole new agency did the work."

JWT's entertainment division also contributed an idea that flipped product placement on its head. Lem explains that JWT purchased the U.S. rights to a European sex sitcom, then got actor Paul Reiser's production company to write Sunsilk-sponsored scripts. Once taping is complete, she says, TBS will run the two-and-a-half-minute micro-sitcoms between *Sex and the City* reruns starting in September. They'll also be distributed to mobile devices. "JWT is liberated to be creative," says Lem. "We're a boring, old packaged-goods company, so we rely on them for that."

These days, that sense of liberation courses through the halls of JWT--half of which are still covered in the old gray carpet. But there's mounting frustration as well that the outside world hasn't witnessed the transformation. At the beginning of 2006, *Advertising Age* said it was "still waiting for a big idea from Ty Montague, the hyped creative head." According to one search consultant who helps clients find new ad agencies, the general perception of the old aircraft carrier hasn't changed. "I think there has been a wonderful rhetoric about their intentions," she says, "but I don't see it happening."

The primary reason she hasn't seen it is that, apart from the JetBlue campaign, most of the work done under Montague won't appear until the second half of this year. "Nobody sees the plumbing. They only see the paint job," he concedes. Of course, an agency could be bubbling with experimental campaigns along the lines of Montague's "Beta-7"--a pseudo-Orwellian masterpiece that was huge on the Web--but no one would ever know it if clients keep running for safety. "I think they have a lot of clients who don't care about being leaders," says the search consultant. "They aren't even the fast followers."

Not everything can be blamed on the clients, though. At a recent weekly meeting of Montague's top creative team, the group turns on a TV to evaluate the latest reel of new commercials. There are a few hilarious Domino's ads, and a couple of okay Jenny Craig and Listerine spots. Then suddenly up pops some Ron Popeil knockoff looking straight into the camera as he wipes down a countertop: "Bam--and the dirt is gone!" he says, with a game-show host's smile. An uncomfortable silence settles around the table as people try to

decide whether this is a practical joke or whether the ad itself is a spoof and a punch line is on its way. "Did we really do this?" one of creatives finally blurts out. "I think so," Montague answers, looking equally confused. They rate it a 1.

"It's just a constant reminder of the size of this place," Montague says the next day, when asked what had run through his mind upon seeing the ad. "There are things that go on here that I still have no knowledge of or contact with."

Which probably accounts for JWT's agonizingly slow U-turn. According to *Adweek*, U.S. revenues in 2005 grew 10%, to \$587 million (WPP doesn't break down individual companies or offices). And while Montague and Ryan say that meets the mandate they've been given, the agency's total billings from clients grew by only 2%--despite adding other new business from L.L.Bean, Purell, and Merck. Compare that with BBDO, the other behemoth Madison Avenue shop that's on a mission to reinvent itself: Its U.S. billings are up 28%. And BBDO took home Agency of the Year in both industry trades, after reeling in a stunning 12 new clients in 2005.

David Lubars, BBDO's new creative head--often referred to as Montague's analogue--affects complete uninterest in the whole JWT saga. "Frankly," he says, "I don't know what they're doing over there. I'm too immersed in my own world."

Ryan is less discreet: "Would we like to be Agency of the Year? Of course," she says. "Did we deserve to be? No. Did they? Yes. Do we look forward to killing them? Absolutely."

And with her new man at her side, she might do just that.

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