

# The House That Ogilvy Built

by Kenneth Roman

4/29/09

a strategy+business exclusive

# The House That Ogilvy Built

The legendary advertising innovator David Ogilvy created an enduring organization using culture, integrity, and charm.

by **Kenneth Roman**

**N**otwithstanding his reputation as a creative genius, it may well be that the best ad David Ogilvy ever wrote was not included in his classic work from the 1950s and '60s — “The Man in the Hathaway Shirt” with his black eyepatch, or the famous campaigns for Schweppes, Rolls-Royce, or Puerto Rico — but a “house” advertisement for his own company. Titled “How to Run an Advertising Agency,” it propounded leadership principles that apply to almost any business. People were still requesting reprints 10 years after it ran.

Ogilvy, who died in 1999 at the age of 88, was very much on the scene in 1963 when I joined Ogilvy, Benson & Mather, then a midsized agency with a large reputation. Over the next 26 years, I witnessed how he articulated and inculcated principles of management on which the culture of a major international communications firm could be built. After 1989, when I left the firm as chairman and chief executive officer and went on to serve as a consultant and board director with other companies, I saw how well

many of those principles worked in other businesses.

But it wasn't just what David Ogilvy said that made his principles special; it was also how he said it. Ogilvy communicated his principles in speeches and memos, then went beyond words, using quirky flourishes — like the Russian matryoshka dolls that directors found at their seats at one board meeting. Opening the nesting dolls, each smaller than the one before, every director found the same message typed on a piece of paper inside the tiniest doll: “If you hire people who are smaller than you are, we shall become a company of dwarfs. If you hire people who are bigger than you are, we shall become a company of giants.”

“Hire big people, people who are better than you,” Ogilvy demanded. “Pay them more than yourself if necessary.” Russian dolls became part of the culture.

So did Ogilvy's penchant for eccentric terminology. Region directors were “barons.” Group creative directors were “syndicate heads.” Bright stars with management potential were “crown princes,” whose careers should be developed. At the other end of the spectrum were



“barnacles,” those who were not contributing or were past their prime and had to be scraped off to keep the ship moving. They were often scraped by others, not by Ogilvy, who was admittedly better at principle than practice on occasion. (When one such barnacle was named to the board at Ogilvy’s insistence, a director commented, “When the music stops, we add chairs.”)

Ogilvy was more consistent in recruiting — for instance, in his directive to seek out highflyers. “Hot creative people don’t come around looking for jobs; they have to be rooted out like truffles by trained pigs. Do our trained pigs do any rooting? I don’t think so.”

### Creating a First-class Business

More than anything else, the glue that held together the organization as it grew around the world was training. Ogilvy used the metaphor

discipline — new employees, midlevel staff, heads of offices, creative, media, and so on. After the entry level, training was positioned as a privilege rather than a duty. One had to get a good evaluation to be admitted. Those preparing to run an office took the Advanced Management Training program, featuring a 197-page manual, *The Ogilvy & Mather Business Book*.

Ogilvy personally attended every training program he could without flying, since he was terrified of planes and much preferred trains, even on trips of extraordinary length. He toyed with the idea of starting a school of advertising at the postgraduate level and proposed paying the tuition of employees who took courses in advertising at schools like Harvard. He believed there was an almost perfect correlation between the number of books a copywriter read and the quality of

### Kenneth Roman

(ken.roman@verizon.net) worked directly with David Ogilvy at Ogilvy & Mather between 1963 and 1989, beginning as an account executive and eventually becoming chairman and CEO. He is the coauthor of *How to Advertise* (with Jane Maas; St. Martin’s, 2003); and *Writing That Works: How to Communicate Effectively in Business* (with Joel Raphaelson; Collins, 2000), both in their third editions. He lives in New York City.

This article is adapted and excerpted from *The King of Madison Avenue: David Ogilvy and the Making of Modern Advertising*. Copyright © 2009 by Kenneth Roman and reprinted by permission of Palgrave Macmillan, a division of Macmillan Publishers Ltd. All rights reserved.

## Ogilvy used the metaphor of a teaching hospital: “We do two things: look after clients and teach people advertising.”

of a teaching hospital. “Great hospitals do two things,” he said. “They look after patients, and they teach young doctors. Ogilvy & Mather does two things: We look after clients, and we teach young advertising people. Ogilvy & Mather is the teaching hospital of the advertising world. And as such, it is to be respected above all other agencies.”

Ogilvy used training to indoctrinate everyone in what he believed about how to create advertising and treat people. There were training programs for every level and every

that writer’s work. When one writer said that he had not read any books on advertising, but preferred to rely on intuition, Ogilvy wondered, “If you were to have your gallbladder removed tonight, would you choose a surgeon who had never read a book on anatomy, but preferred to rely on intuition?”

Ogilvy’s constant goal was to make the business more professional and create an enduring institution. To further the image of professionalism, Ogilvy referred to his executives as “partners.” On the

advice of his banker grandfather, he adopted J.P. Morgan's phrases — "Only first-class business, and that in a first-class way" and "gentlemen with brains" — as guiding principles for his agency.

### Ogilvy on Leadership

Although Ogilvy disarmingly dismissed himself as a bad manager and brought in top executives to help run the agency, he was a remarkably instinctive leader. The "principles of management" that he wrote out for Ogilvy & Mather staff in 1968 apply more broadly than to advertising agencies.

- **On minimizing office politics:** "Sack incurable politicians. Crusade against paper warfare."

- **On morale:** "When people aren't having any fun, they seldom produce good advertising. Get rid of sad dogs who spread gloom."

- **On professional standards:** "Top men must not tolerate sloppy plans or mediocre creative work."

Ogilvy's foreword for a recruiting brochure spelled out the high standards and humane attitude that he expected of his people. "We are looking for gentlemen with ideas in their heads and fire in their bellies," he wrote. "If you join Ogilvy & Mather, we shall teach you everything we know about advertising. We shall pay you well, and do our damndest to make you succeed. If you show promise, we shall load responsibility on you — fast. Life in our agency can be very exciting. You will never be bored. It's tough, but it's fun."

### Setting an Example

Soon after I joined the agency in 1963, I was called to the phone one evening while dining with friends. "I'm at the engraver's looking at

proofs of the coupon ad," said the copy supervisor. "You know where the two color pages come together? They're too far apart — there's too much white space in the gutter. We can shave each plate one-eighth of an inch and bring them closer. It will cost \$300." I agreed the fix made sense but pointed out that this was not the main campaign, only a coupon ad, and this was just a test

on windowsills), customs (writing the word *percent* rather than using the % sign), and courtesy (answer your own phone). Also, "Paper clips are dangerous. When they are used to fasten papers together, they frequently pick up papers that don't belong. Staples or bulldog clips are much safer and more efficient."

Ogilvy built the culture as much by personal example as by

## Ogilvy expected clarity and honesty in the agency's advertising — and in memos, status reports, and plans.

market. The change could be made later. "And the client has already approved it," I added.

The reproof was swift. "David says [pause] it's never too late to *improve* an ad — even after the client has approved it."

"Spend the 300 bucks," I agreed. I had never experienced such standards.

Ogilvy didn't use the phrase "corporate culture" until years later, but that's what he was nurturing. Dazzled as a youth by the red color scheme of his rich aunt's chic household, Ogilvy adopted the color for the agency, first in his own office and then throughout the office halls. "It felt like the House of Lords after the dingy precincts of other agencies I'd inhabited," says a former copywriter.

Red-carpeted offices around the world were visible evidence of the culture. Other cultural standards were captured in a welcome booklet for new employees. There were sections on tidiness (nothing should be placed on the tops of file cabinets or

philosophy. In 1959, *Play of the Week*, an icon of civilization on television, was at risk of being canceled. Broadcast on Channel 13, New York's public television station, the show offered high-quality theater week after week — including works by such writers as Eugene O'Neill, John Steinbeck, and Jean-Paul Sartre, with top talent. But the ratings were low, and sponsors were dropping out.

Ogilvy was looking for a television opportunity for his client Standard Oil Company of New Jersey (then known in the industry as "Jersey," and later to be renamed Exxon). The company was headed by Monroe (Mike) Rathbone, who had become a friend. They worked well together. Now they had a chance to do a good thing together. Rathbone wanted to sponsor a television program that would reflect "Jersey's" own high standards and prestige (it was the second-biggest industrial company in the world) and was not about to share the stage with TV spots for yogurts, bras, and

denture cleansers. Ogilvy agreed and told the sponsors at Channel 13 he thought he could find a single company to underwrite the whole program — but *only* the whole program.

People at the agency and at Channel 13 went to work to persuade the few remaining underwriters to swap their spots for another program or simply cancel, so the show could go on. Company after company and agency after agency responded favorably — with one exception. Representatives of the agency Lennen & Newell Inc., which had bought one or two spots for the Lorillard Tobacco Company, balked at the request, arguing that they had made a good buy, their sole responsibility was to their client, and they would hold Channel 13 to its contract.

Ogilvy stepped in, calling a Lennen & Newell executive he knew. He went through the history of the project and made every argument he could think of, including an appeal to public spirit: It was “in the national interest” that *Play of the Week* should survive. The executive said he could not interfere and hung up. The program appeared to be doomed. Ogilvy sat for a moment, then picked up the phone and got the Lennen & Newell man back on the line.

“Go to your chairman immediately. Tell him that our agency will pay Lennen & Newell all the commission that will accrue [to Ogilvy & Mather] from *Play of the Week* sponsorship over the next two years. I will wait for your answer.”

Within five minutes, the executive was back. “You’ve got a deal.”

Gone were protestations of representing client interests. Gone were arguments about the value of the spots. Gone was any semblance of

honor for the Lennen & Newell agency. But *Play of the Week* survived, its rescue front-page news in the *New York Times*. *Life* magazine said if there were a congressional medal for business, it should go to Standard Oil. The *New York Post* credited Ogilvy with the decisive role, saying his heroic save would “enshrine him in the hearts of the literate public at which he has often aimed his commercial arrows.” The tone was set at the top.

### A Writing Culture

“It did not escape our notice that everyone in the upper levels of Ogilvy knew how to write — and write very well,” said the head of an agency newly acquired by Ogilvy.

cross comments about his own writing: “Rubbish. Rot! Nonsense.” He would send his major documents around for comment, with a note: “Please improve.”

Ogilvy drafted with freshly sharpened pencils. Everything was scribbled out and rewritten and scribbled over again. He would go through a document and take out adjectives and adverbs, leaving only nouns and verbs, to make it clear — and readable. Short sentences, short paragraphs, no circumlocutions. Just as he expected the agency’s advertising to be clear and honest, Ogilvy expected clarity and honesty in memos, status reports, and plans. “The better you write, the higher you go at Ogilvy & Mather. People

**“Some people spend their entire working lives in our company. We do our damndest to make it a *happy* experience for them.”**

Discipline in writing was a mark of the culture. Ogilvy considered himself an advertising writer, nothing more. “If I were a really creative writer, like my cousin and great friend Rebecca West, I would probably prefer to seek fame as an author — instead of devoting my pen to the services of Rinso,” he said.

Being edited by Ogilvy was like being operated on by a great surgeon who could put his hand on the only tender organ in your body. You could *feel* him put his finger on the wrong word, the soft phrase, the incomplete thought. But he had no pride of authorship, and he could be quite self-critical. Someone found a personally annotated copy of one of his books in which he had written

who think well, write well. Woolly-minded people write woolly memos, woolly letters, and woolly speeches.”

Ogilvy took on culture formally in a dinner address to the agency’s directors and executives at Fishmongers’ Hall in London in 1985, saying he had just read a book on corporate culture and wondered if the agency had one. “Apparently, we have an exceptionally strong culture. *Indeed, it may be this, more than anything else, that differentiates us from our competitors.*” It starts with the working atmosphere, he said: “Some of our people spend their entire working lives in our company. We do our damndest to make it a *happy* experience for them.

“We treat our people like

human beings. We help them when they are in trouble — with their jobs, with illnesses, with alcoholism, and so on. We help our people make the best of their talents. We invest an awful lot of time and money in training — perhaps more than any of our competitors. Our system of management is singularly democratic. We don't like hierarchical bureaucracy or rigid pecking orders. We abhor ruthlessness.

“We like people with gentle manners. Our New York office goes so far as to give an annual award for what they call ‘professionalism combined with civility.’ We like people who are honest: honest in argument, honest with clients, honest with suppliers, and honest with the company. We admire people who work hard. Objectivity and thoroughness are admired. Superficiality is not admired. We despise and detest office politicians, toadies, bullies, and pompous asses.

“The way up the ladder is open to everybody. We are free from prejudice of any kind — religious prejudice, racial prejudice, or sexual prejudice. We detest nepotism and every other form of favoritism. In promoting people to top jobs, we are influenced as much by their character as by anything else.”

### **A Living Legacy**

David Ogilvy was, and to a large extent still is, the most famous advertising man in the world. He left a remarkable legacy, including a half-dozen campaigns, revolutionary at the time, that added an element of quality and taste to American advertising. But his legacy goes beyond the print ads and TV commercials he created.

Perhaps his most enduring contribution was the concept of brand

image, now mandatory in marketing discussions, and a concept that has reached beyond advertising even into politics. He made the practice of advertising more professional, including using consumer research to guide the development of advertising. His embrace of direct marketing, the spiritual parent of the Internet, was ahead of its time. He campaigned to reinforce the purpose of advertising — to sell a client's product, service, or idea rather than to seek awards and recognition for creative inventiveness. He was a consumerist before that concept had a name.

But his most visible legacy is Ogilvy & Mather Worldwide. Ogilvy was above all an institution builder. He devoted his career to building an international firm, embedding its values so deeply that, unlike many companies created by a charismatic founder, it prospered after he retired, survived a hostile takeover (it is now a subsidiary of WPP PLC), and remains highly respected today, with his name still on the door. ✦

*strategy+business* magazine  
is published by Booz & Company Inc.  
To subscribe, visit [www.strategy-business.com](http://www.strategy-business.com)  
or call 1-877-829-9108.