

ADWEEK

22nd Annual Agency Report Cards

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TOP 100 NATIONAL AGENCIES

From the Editor



It wasn't as good as 2003, the Year of Recovery, but last year the growth rate among the 33 nationally ranked agencies came close. For 2004, the group collectively recorded an average revenue growth of 7.7 percent, down from 8.6 percent the prior year but still strong enough that an agency needed to post a high-single-digit increase just to be in the C grade range for Numbers. That's a far cry from 2002, where just holding steady would have gotten you a C. Or 2001, when a historic industry recession translated into an average 3.5 percent revenue decline and meant that shops got a B for not dropping that far.

As always, we tried to keep a consistent apples-to-apples comparison, grading on a curve that takes several factors into consideration rather than only pure percentage increases or decreases. Financial grades also reflect revenue-to-staff ratios, a key indicator of how efficiently an agency is run, and organic growth from existing clients. And size does matter. The smallest agency in our national rankings counts \$53 million in revenue, while the largest boasts \$545 million. That's quite a range, and naturally we consider the size of those shops when reviewing their overall percentage gains.

Unlike the national results, the average revenue gain among the 20 regional shops jumped significantly in 2004, to 10.7 percent, from 7.9 percent in 2003. Even with other factors taken into consideration (revenue-to-staff, etc.), that meant shops had to have a pretty healthy year to rise above a C grade.

To reflect the changing nature of the industry, last year we added a global highlights section to the national cards to give a sense of how the agencies—most of which are now part of global holding companies that act increasingly like operating parents—did overseas. This year, we added revenue and billings from marketing services such as interactive and direct marketing, as well as multicultural units, if they report in to the traditional shop.

Last year, we noted that the industry still has a way to go to complete recovery. Clearly, that journey continues.

—Alison Fahey

NUMBERS

Some 2004 revenue results were provided by the agencies; most were not. We also gathered information from our own reporting, syndicated data and other sources. Revenue represents the actual top-line income of each agency; billings, a somewhat more nebulous number, were prorated to credit an agency for client spending while the agency worked for that client. (An agency that won \$100 million at midyear would show a gain of \$50 million.) Staff counts are as of year-end 2004. Agencies were ranked on three criteria: revenue growth, revenue per employee and the conversion of billings to revenue. Then a composite rank was calculated, weighting revenue growth the most, staff efficiency somewhat less and the billings conversion least. Letter grades correspond to the composite ranks. Client spending estimates are based on TNS Media Intelligence data.

CREATIVE

Consideration is given to quality, range of products worked on, clarity of message, production values and consistency of execution. Each shop submitted seven TV spots and seven print ads that appeared during 2004.

MANAGEMENT

Grades reflect how well executives handled client and management issues, agency developments, finances, merger and acquisition activity, and other strategic matters.

REGIONAL HIGHLIGHTS

For national agencies, we break out significant activity in regional offices.

GLOBAL HIGHLIGHTS

For global shops, we outline key events in offices around the world.

THE FINAL GRADE

The average of numbers, creative and management.

NATIONAL 2004 AGENCY REPORT CARDS

ARNOLD

NUMBERS

B

Billings, revenue rose 17% to \$2.6 billion and \$227 million. Key additions were Vonage (\$75 million), Goodyear (\$60 million), Gillette and Tyson (\$50 million each), Pfizer Relpax (\$30 million), additional GlaxoSmithKline anti-smoking work (\$25 million), Delta Faucet (\$15 million), Timberland (\$10-12 million) and Bob's Stores (\$7 million). Vonage in late October and Gillette in November, didn't really kick in during '04. Several major clients boosted spending, including Fidelity Investments (up 35% to \$110 million), Ocean Spray (up 37% to \$35 million) and The Hartford (up 84% to \$30 million). American Legacy trimmed spending 20% to \$55 million, while Glaxo cut its outlay 7% to \$60 million. Leaving the roster were Coors (\$15 million) and the Washington Post (\$5 million). No other major losses.

CREATIVE

B+

Once again, agency produced mature, stylish work for broad range of clients. A Volkswagen spot makes good use of SFX and music to follow a persistent leaf clinging tenaciously to grille, windscreen, radio antenna and door handle, playfully illustrating that with the Passat, you'll get "the ride of your life." Another winner: "Shards O' Glass" for American Legacy, which uses lollipops embedded with sharp glass (advising how to avoid injury while consuming them) as metaphor for cigarettes. Biggest misfire: Overwrought Celebrity Cruises spot showing ship's arrival as quasi-religious moment for locals is a bit condescending in suggesting they're so anxious for the Yankee Dollar. Dull Citizen's Bank spot employs overused good-deeds-are-contagious theme to stress customer service. Print is top notch, with standout effort for Legacy (scalpel emblazoned with tagline "Truth" cuts sutures binding a mouth).

MANAGEMENT

B+

CEO Ed Eskandarian, CCO Ron Lawner, president Fran Kelly deserve kudos for guiding Havas-owned Arnold to its best revenue growth in past few years. Retaining one of its largest clients, Fidelity, seemed to energize agency for new business to come. Despite middling pitch ratio (13 for 23), several key pitches went well (Vonage, Tyson, Delta Faucet). Kelly split time between Boston and N.Y. after September departure of N.Y. president Mary Baglivo for Saatchi.

REGIONAL HIGHLIGHTS

With its global network of 25 outposts dismantled in '04 as part of Havas retrenchment, Arnold was recast as a large creative resource with four full-service offices in the U.S. Boston won most of the new business; N.Y. added Pfizer and Glaxo; St. Louis won about \$5 million combined (Houlihan's and Klipsch Audio); McLean, Va., office in August was runner-up to sibling McKinney + Silver for \$25 million Rare Hospitality account. New-business veteran Rob Moorman left N.Y. in April; most of his duties were absorbed by former Wolf Group COO Ned Russell.

COMMENTS

The 59-year-old shop's fate is tied to holding company parent Havas, which, despite a return to profitability in '04, faces uncertain future—continued wrangling between CEO Alain de Pouzilac and shareholder Vincent Bolloré, who holds 22% of company's stock. Another key concern: VW's \$400 million North America account (agency's largest client, contributing 7%, or \$17 million, of total revenue); sibling MPG in January lost VW media duties to MediaCom; Arnold, concerned that creative could also move, has vowed to do whatever it takes to hang on to the business.

B+

BBDO

NUMBERS

B-

Billings up 10% to \$3.6 billion; revenue up 9% to \$540 million. Won DirecTV (\$115 million) without review, Calif. Lottery (\$100 million), Braun (\$75 million), GSK Avandia (\$30 million), Schering-Plough Nasonex (\$30 million), LaSalle Bank (\$20 million). Lost Diet Pepsi (\$35 million), Long John Silver's (\$15 million). Good revenue to staff ratio lifts grade.

CREATIVE

A-

PepsiCo TV is agency's best. Aquafina spot offers healthy twist on binge drinking with pub "Drink!" sing-along. Starkly stylish "Spy vs. spy" Mountain Dew spots give fresh life to classic *Mad* strip. FedEx Kinko's spot in which a man asks to ship to "la la land" and "funky town" highlights attractive shipping rates with humor. Visa spot visually engages as v/o asks how to get to Olympics, while Michael Phelps, doing laps from Athens to N.Y., provides the answer: "Practice." Snickers energy message is appropriately frenetic but long-winded in "Kevin," who eats bar and haphazardly becomes president. Jeep Liberty spot about absentminded space lab engineer relies too much on v/o to make product points. In print, M&M's maintains playful brand personality. Wrigley's Orbit White (lampshade on woman's head) and DirecTV (thumb with six-pack abs) hard to decipher. Diet Pepsi print says more with less (safety pin holds too-large label on bottle).

MANAGEMENT

B

In February, then-N.A. CEO Andrew Robertson, 44, continued efforts to reshape shop—smoothly in January, by naming John Osborn, 38, president, CEO of New York (succeeding Bill Katz, 50, who left); then clumsily in June, when just days after taking over for Allen Rosenshine, 66, as worldwide CEO, he ousted 34-year agency vet Ted Sann, 59, as chief creative. Change showed who's boss and signaled move away from TV-centric creative to one that can embrace multiple solutions. But ouster of Sann caught PepsiCo by surprise, costing shop 40-year run on Diet Pepsi. By September, David Lubars, 45, the creative force behind Fallon's BMW Films, arrived to replace Sann. Individual offices got into 22 reviews, but converted only five accounts.

REGIONAL HIGHLIGHTS

Wrigley and Hormel continue to dominate offices in Chicago and Minneapolis, despite landing Starbucks Liqueur and Famous Dave's, respectively. Robertson continued to implement his vision, promoting CCO Denny Haley to Minneapolis president after Bob Thacker's February exit, following late '03 Buffets Inc. loss. Joe Garcia succeeded the retired Mike Vogel as Detroit president in January. Helayne Spivak returned to advertising after several years, landing at BBDO Chicago in June as cd. Gary Topolewski lured from Chemistri to BBDO Detroit as co-CCO in June. Atlanta welcomed Troy Ruhanan in December in new position of managing director, N.A., on Cingular (growing from AT&T merger) in December.

GLOBAL HIGHLIGHTS

Network came up short as lead in Omnicom's HSBC pitch and pulled out of Samsung. Greater successes in individual markets: Clemenger BBDO in Sydney landed Mitsubishi (\$40 million); London, Düsseldorf added Gillette's Braun; Japan, China picked up Bayer.

COMMENTS

Three years after arriving, Robertson makes bold move to re-invent agency by heralding changing of the guard. Until March '05 Mitsubishi win, Lubars' influence mostly felt in staff changes, as he seeks to take shop beyond TV. Before year's end, look for Robertson to hire exec to oversee N.A., a position he once held.

B

BERLIN CAMERON/RED CELL

NUMBERS

A- Billings, revenue up 25% to \$810 million and \$75 million. Won Samsung (\$100 million in the U.S.), Coke C2 (\$40 million), Newell Rubbermaid (\$15-20 million), Safeway (\$10 million). Organic growth from Coke, Boost Mobile, Pfizer's Zyrtec (\$115 million total). Lost Dasani (\$20 million).

CREATIVE

B+ Coke Classic ads refreshingly bolder, edgier than earlier work for brand, as seen in spot where surfer girl tries to catch guy's eye, first upstaging him on waves, then using his belt buckle to open a Coke bottle, and in high-energy "Endless Summer" spot narrated by teen who lists crew's aimless adventures—getting fired from summer jobs, sneaking into pools, using cute girl's backyard trampoline. Rolling Stones' classic "You Can't Always Get What You Want" injects C2 launch spot with energy, broad appeal. Boost's "Where you at?" effort is unabashedly urban, as aspiring rappers use phone network to compose song from disparate, colorful locations in beautifully paced, edited work. Humorously paradoxical ad features elderly white couple using Boost to tell friends, "We's 'bout to get buckwild, you know?" The Glenlivet print ads capture imagination with vignettes about "single malt that started it all" printed on enlarged label. Silk Soy Milk's "Rise and shine" campaign makes heavy-handed link between product and confidence in spot with office worker ogling, planning future with new male executive and in print ad of pajama-clad woman cupping cereal bowl and planning her day.

MANAGEMENT

A- Chairman Andy Berlin, CEO Ewen Cameron, president Bill Grogan, new-business director Avi Dan and creative directors Jason Peterson and Izzy DeBellis kept new business, current clients steady (most notably Coke, which awarded agency more flagship business despite May departure of chief client ally Steve Heyer) while also pitching global business (HSBC, Samsung) with WPP sibling JWT.

REGIONAL HIGHLIGHTS

Under co-presidents Brad Harrington and Mike Doherty and cd Guy Seese, Seattle's Cole & Weber/Red Cell produced 11-week branded TV show in city-magazine format for Rainier Beer. Won Borba (\$1 million). Lost Da Vinci Gourmet (\$2 million), Murad (\$1 million). Addition of senior art directors Scott Bailey and Craig Erickson, copywriter Dan Lien and media planner Geoff Brousseau brought staff to 80.

GLOBAL HIGHLIGHTS

Absorbed more than 30 former Bates offices into Red Cell network in Europe and Scandinavia, bringing office count to 56. Laurence Mellman named to new post of Red Cell COO from parent WPP in January. Amanda Walsh joined in April as CEO of Red Cell Europe, three months after exit of network co-CEO Lee Daley, leaving Berlin as sole worldwide CEO of Red Cell. Various offices (Italy, London, Paris, Singapore) partnered with JWT to land Samsung.

COMMENTS

Agency has become WPP's go-to creative resource in global pitches to help out larger siblings. But Berlin Cameron's size makes it co-dependent as well. Coke, which accounts for about 40% of revenue, still dominates. Efforts to diversify fell short in late '04 when 7-year-old agency failed in Subaru review. Disappointing pitch performance continued into this year with Revlon, Intel and Jaguar. Red Cell, formed in 2002, is still building network infrastructure, but WPP's fondness for holding-company pitches may make point moot.

A-

LEO BURNETT

FINANCIAL

D Billings up 4% to \$3.5 billion; revenue flat at \$315 million. Won \$85 million in new business, including Petsmart (\$40 million), Western Union, Pam, Simmons (\$15 million each). Added \$130 million in more assignments from core clients Philip Morris, Allstate, Procter & Gamble, Kellogg's, McDonalds. Midyear losses of late-year spenders such as Toys R Us (May, \$40 million), Gateway (August, \$20 million) cut gains. Also gone were last vestiges of LB Works businesses: Earth-Link (\$20 million), Lexmark (\$10 million), StorageTek (\$3 million). Revenue growth ranks 30th of 33 agencies. Respectable revenue-to-staff ratio prevents failing grade.

CREATIVE

B+ Under chief creative officer Cheryl Berman, reel remains diverse and well-crafted but lacks inspiration of A-level work. Director of music Ira Antellis proving his worth with strong soundtrack choices, from Altoids' plunking horror-movie theme to Allstate's anthemic Olympic tones (nicely deflated when weightlifter drops weights through floors into parking garage) to Cinderella's "So This Is Love" on dog date for Disney. Hallmark story of single father who saved Mother's Day cards from daughter is touching yet not maudlin or cheap. U.S. Army spot (kids tell parents about character-building aspects of military) offers smart message for tough recruiting times. Chef Boyardee spot (can follows girl home from store) charms as journey gets sillier. Shop finds interesting ways to add dimension to outdoor, from cut-out center for Disney Tower of Terror to posts painted as straws for McDonald's extra-thick milk shakes. Kellogg's yellow-pages wrap saying, "Lose this book," makes weight loss tangible, much better than TV bikini-clad woman-on-beach pitch.

MANAGEMENT

C Historically insular agency broke with tradition, hiring outsiders to fill top posts. First on board at the 70-year-old shop: U.S. CEO and worldwide president Tom Bernardin (from Lowe) in February to be groomed as successor to Linda Wolf, 57, who stepped down in '05. Bernardin earned goodwill among 1,300-member staff by promising to respect culture and heritage. His first move in July unmoored creative-department structure, promoting Berman, 52, to oversee North America (was in charge of U.S.) and adding tier of group creatives with more authority over specific accounts. New planning director Graceann Bennett joined in July from Arnold as Rick Houghton-Larsen, 47, was named chief strategy officer. In December, agency announced return of Ford marketing head Rich Stoddart, 42 (former account director left in 1994 for Fallon), as president of U.S. operations. In November, agency cut 2% of staff (25 people) to bring costs in line with revenue, as in 2003. New-business pitch ratio was 5-of-7.

GLOBAL HIGHLIGHTS

Wolf appointed regional presidents Richard Pinder (Europe, Middle East, Africa), Michelle Kristula-Green (Asia-Pacific); promoted Kellogg's account head Clive Sirkin to group managing director, overseeing multinational business strategy and operations. Shop merged below-the-line businesses with Publicis Groupe sibling Frankel, creating Arc Worldwide, with Nick Brien from Starcom as CEO.

COMMENTS

Stoddart has his work cut out for him, leading the search for a new chief creative who can both turn heads and finesse insiders and clients. The choice could define his tenure. Management changes within U.S. Army gave shop a reprieve on \$200 million account (a top-5 revenue generator) through at least June '05, but long-term stability remains questionable.

C

NATIONAL 2004 AGENCY REPORT CARDS

CAMPBELL-EWALD

NUMBERS

D

Billings, revenue up 3% to \$2.2 billion and \$243 million. Won Alltel creative (\$100 million). Expanded Navy relationship to include U.S. Naval Reserve. Also direct projects with b-to-b work for Hon Office Furniture and Taubman shopping malls (less than \$1 million each). Lost Pier 1 creative (\$150 million) in June and Delta Faucet (\$15 million). Additional direct work for U.S. Postal Service, added commercial business for Carrier. Chevy spending, including dealers, up 12% to about \$1.1 billion. November Alltel win to impact in '05.

CREATIVE

B

Chevy's still the star. A spot about a young boy daydreaming to "Jumpin' Jack Flash" as he flies around in a Corvette—and winks at the class cutie—is not only exhilarating, it rings true. Cobalt intro positions car as playful colt with Corvette lineage; "Holy (soap!)" Super Bowl spot for SSR is edgy good fun. Kaiser Permanente TV and print sells a proactive health message tagged "Thrive" that uses clever media placement such as labels on bunches of broccoli in California supermarkets and commuter-train wraps of shiny blueberries. Understanding of "car guys" permeates AC/Delco TV, with dedicated gearhead using oil can for his coffee, drill to open his soda. Navy TV hits target with action sequence and Harley-esque copy: "Somewhere, some poor guy is buying a minivan." Print also appeals to boys and their toys with copy, "Studying rocket science is more fun when you actually have rockets."

MANAGEMENT

C

Biggest addition was in creative, when Brent Bouchez, 47 (TBWA\Chiat\Day, Ammirati & Puris, M&C Saatchi, Bozell and most recently with his own New York shop), joined in May as executive creative director for Chevy and took over the "American revolution" campaign. Move took some pressure off chief creative Bill Ludwig, 50, so he could concentrate on all-important across-the-board creative and improve new-business record (2004 marked second year in a row of sub-par growth). CEO Tony Hopp, 60, saw growth from below-the-line work; that team was bolstered by hire of e-commerce vet Ed Dilworth (Cisco.com, Egghead.com) as account director with responsibility for C-E Digital and Jeremy Morris as director of business development publishing. Beth Oliver was hired as director of strategic integrated marketing to oversee growth of entertainment marketing for Chevy (she had held a similar post at General Motors).

REGIONAL HIGHLIGHTS

Santa Monica, Calif., office added five staffers (bringing total to 48) to handle increased Chevy dealer work. The outpost also handled much of Kaiser Permanente account due to HMO's Western-states orientation. But as the agency's lone full-service regional office (there are 12 regional service offices; all but five service just Chevy), it was invisible on the new-business front.

COMMENTS

Alltel win was a great way to end the year, but it was a rare bright spot in what has been an uneventful couple of years for new business. With a strong reel, ubiquitous visibility through Chevrolet and good case studies like Kaiser Permanente, Hopp & Co. should have leverage to create additional—and large—opportunities.

C

CAMPBELL-MITHUN

NUMBERS

D

Billings, revenue flat at \$1.1 billion and \$110 million. Added handful of tiny accounts, including media for Allianz and Minnesota Department of Transportation, strategic projects for Slim-Fast, full-service work for H&R Block division Option One mortgage (combined \$5 million). More growth came from General Mills, H&R Block (up 30% to \$95 million), Burger King (\$15 million kids media). Lost Schwan's (\$25 million), National Pork Board (\$10 million), Musciland (\$5-10 million). No wins. Ranks 29th of 33 shops in revenue growth, but decent revenue-to-staff ratio prevents failing grade.

CREATIVE

C+

Shop does a nice job trying to lend flair to mundane products, like faux sexy voiceover (which turns out to be a husband at a breakfast table) in Cinnamon Toast Crunch spot and head-only view of neighbor using Toro riding mower. Agency deserves props for smart celebrity casting, enlisting Jackie Chan to dispatch bad guys with help of Hefty bag and bringing H&R Block spokesman Willie Nelson back for a second year (though his talking doll offering tax advice suffers from muddled sound mix). Animated spot of Chex Mix forming primitive tribe is visually arresting but has no link to sweet-and-salty product. Still, TV is significantly better than print, which is mostly hampered by poor art direction. Case in point: orange-and-green color scheme for skiing-themed Nature Valley granola bar ad. Verizon Wireless print ad makes no clear connection between an outdoor concert and cell-phone use. Image of Chex cereal at end of stethoscope for heart-healthy message is pedestrian. Print for Andersen Windows, however, offers nicely composed still-lives to illustrate how windows can give rooms unique personalities.

MANAGEMENT

D+

With senior ranks depleted (business development director Rich Rosengren left in May; planning director Dick Lynch and chairman Bill Dunlap left in '03), CEO Les Mouser, 52, and parent IPG brought in Jack Rooney, 47 (a vet of Ogilvy & Mather and Miller Brewing), as president. Among his tasks: re-energize new business and find a creative leader who can respect conservative client base while inspiring troops (deputy creative officers George Halvorson and Rick Gibson and N.Y.-based ecd Jim Bosha filled in). But Minneapolis shop made short list in only three reviews and came up short in all of them (Western Union, EchoStar and Moen, worth a combined \$70 million). Keeping agency in black was expertise in areas like youth marketing (rejuvenated KidCom unit, now called Boing, which brought in Slim-Fast project), package design (formed BrandOptix under former Pedersen Gest exec Peter Boosalis to keep some Schwan's work) and media.

REGIONAL HIGHLIGHTS

After arranged marriage, former Bozell Chicago office continued to disintegrate. Under account management svp Mark Williams, media/client services svp Mary Krueger, ecd Mike Powell (after late '03 departure of general manager Tom Hayden), office lost longtime National Pork Board account and fell short in pitch for Illinois Lottery (\$25 million). San Diego presence dissolved when CEO Gary Meads, CCO Tony Durkett closed deal to buy practice in January. Irvine, Calif., office kept Verizon Wireless regional, added Option One.

COMMENTS

Outsider Rooney, now CEO, may be boost to get shop out of prolonged funk. He led January '05 win of \$20 million Hartford Insurance, recruited Burnett vice chairman Jonathan Hoffman, 42, to end overlong search for a top creative—both steps in the right direction.

C-

NATIONAL 2004 AGENCY REPORT CARDS

CRISPIN PORTER + BOGUSKY

NUMBERS

B+

Billings, revenue up 90% to \$485 million and \$54 million. Won Burger King (\$300 million), Earthlink (\$35 million), Gateway (\$30 million), *Maxim* (\$1 million) and Victoria's Secret/Pink Line (billings undisclosed). Lost IKEA (\$40 million) and Sirius Satellite Radio (\$30 million). Spending was up for Borders (114% to \$20 million). No. 1 in revenue growth but percentage gain comes off smallest base of all 33 nationally ranked agencies.

CREATIVE

A-

Nobody does it quite like CP+B. The work is almost always surprising, and the MDC-shop continues finding innovative ways to best present its ideas using myriad media choices. To promote BK's Black Angus beef burgers, CP+B created the Dr. Angus Diet, complete with a hardcover book and Web site. And it introduced "The King" in a unusual spot showing a man waking up to find the raspy-voiced, plastic-headed character in bed with him. Molson's work was just as unexpected, using inventive media solutions to give men tips on how to meet women, and the shop bought the back cover of Playboy for the Mini Cooper with a wrap that, once removed, takes the car's top off with it and reveals the new convertible ("Let's take it off. Let's take it all off.") For the Truth anti-smoking "connect" campaign, the agency used a string to link two single-page ads across consecutive pages of magazine content. The shop is not afraid to take chances, and the work is clever and attention-getting.

MANAGEMENT

A-

Partners Chuck Porter (chairman), Jeff Hicks (president), Jeff Steinhour (account services director) and Alex Bogusky (vice chairman and ecd) continued to build the shop's senior management with five new hires to handle the shop's phenomenal growth. Steve Erich joined in April as group account head for Burger King, from head of account services at Vitro Robertson. Danielle Whalen rejoined the shop in April as management supervisor on BK. Bryant King joined in October as group media director from Cramer-Krasselt, where he had been media director. Colin Drummond joined in April as group planning director from Mullen, where he had been a vice president and lead planner for that shop's Nextel account. Carah Von Funk joined in April with official title "loose cannon" and acts as a link between media and creative.

REGIONAL HIGHLIGHTS

After three years, CP+B shut down all but media offering in its Venice, California, office, which had been trying to build up since-departed regional IKEA business and FX project, among others.

COMMENTS

It was a phenomenal year for CP+B, a tribute to its innovative creative work. Shop won its largest account, Burger King, without a review and produced a pop culture phenomenon with its "Subservient Chicken" Web site for the client—emphasizing the "have it your way" brand promise with a guy in a chicken suit who follows users' commands. Campaign generated millions of hits and a forest's worth of free PR. CP+B will likely continue to raise the bar for other agencies by finding new ways to deliver each client's message to the right audience. MDC, which bought a 49 percent stake in the 40-year-old shop in 2001, is certainly getting its money's worth.

A-

DDB

NUMBERS

C+

Billings, revenue up 8% to \$3.4 billion and \$509 million. Picked up Capital One (\$170 million), Subaru (\$165 million), Novartis (\$100 million) and Diet Pepsi (\$30 million). Organic growth from Ameriquest (up 71% to \$125 million), Philips Electronics (up 38% to \$155 million), State Farm (up 24% to \$230 million) and Anheuser-Busch (up 12% to \$365 million). Lost Alltel (\$100 million). Full impact of October Subaru win (\$165 million) and late December Capital One win (\$170 million) not reflected in '04 figures.

CREATIVE

B+

Agency uses comedy to great effect, particularly with extensions of lauded "Real Men of Genius" campaign for Bud Light, including ode to "Mr. Giant Taco Salad Inventor" and new one with self-centered football star Leon trying to steal spotlight from sportscaster Joe Buck. Creates popular brand icon for Office Max, Rubberband Man: a wild-haired, skinny guy handing out supplies to the tune of Spinners classic. Animated Christmas spot with Rubberband Man in askew Santa hat borrows from classic stop-motion holiday specials with precision, style. McDonald's funny "I'm lovin' it" spot zeros in on food's impregnable scent with husband who becomes excited after wife's shirt has been in the dryer with food wrapper. Philips print combines strong visual, copy to make case for HeartStart home defibrillator, with shot of ambulance stuck in traffic, headline "After cardiac arrest, you need help within 5 minutes. The ambulance usually takes 9."

MANAGEMENT

B+

Worldwide CEO Ken Kaess, North American head Dick Rogers and chief U.S. creative Bob Scarpelli saw once-struggling New York office take off and Chicago flagship trade off Alltel loss with December addition of Capital One. In first full year as head of New York, Lee Garfinkel parlayed past relationships with Pepsi and Subaru into much needed new business and found a partner, with the addition of Gap global marketing chief Peter Hempel as evp/managing director in April. Omnicom shop's U.S. network improved on 03's pitch ratio (5 of 18), pursuing a lot of business large and small and scoring a 70% success rate last year (23 of 33).

REGIONAL HIGHLIGHTS

U.S. version of DDB's Canadian boutique Downtown Partners opened in Chicago. Ray Gillette, 56, president of DDB Chicago, transferred to run new office, which notched \$60 million Walgreens win in June. Dana Anderson, 50, left FCB to join as president and CEO of Chicago office in April. Los Angeles picked up \$5 million Southern California Edison business.

GLOBAL HIGHLIGHTS

Adweek's Global Agency of the Year for second straight year, DDB added \$1 billion in billings worldwide and keeping 97% of existing business. Germany added \$80 million VW Fox account and under leadership of Toni Kroger and former Springer & Jacoby creative star Amir Kassaei, Berlin office revitalized moribund creative rep. Patrick Faure promoted to co-managing director in Paris, which won \$30 million Audi A3 Sportback account. Ex-Lowe U.S. CEO Paul Hammersley took over as chairman, CEO in London, recruited David Hackworthy from TBWA/Chiat/Day in New York to oversee planning.

COMMENTS

2005 began with retirement of N.Y. president, CEO Bob Kuperman, 63. In early March, DDB came up short in \$300 million Intel global review. A week later, Scarpelli's leadership acknowledged when he was promoted to new post of worldwide chief creative officer.

B

NATIONAL 2004 AGENCY REPORT CARDS

DEUTSCH

NUMBERS

B+

Billings, revenue up 11% to \$3.1 billion and \$345 million. Won Old Navy (\$180 million), Pier 1 Imports (\$60 million), CiCi's Pizza (\$15 million), Coors Aspen Edge (\$10), Mitsubishi direct and interactive (\$35 million), Monster direct (\$20 million), Novartis (undisclosed brands, billings), Intel/Microsoft (\$5 million). Increased spending from Novartis, Cadbury Adams and Expedia (\$135 million combined). Lost DirecTV (\$115 million), Mitsubishi media buying (\$200 million), Bank of America (\$170 account), Snapple (\$10 million).

CREATIVE

B

Slight slip. Mitsubishi Galant's accident avoidance test vs. Toyota Camry visually chaotic, as "Ballroom Blitz" blares throughout, and ultimately unconvincing since both cars avoid objects tossed from trucks ahead of them. In-cinema Revlon spot, sans dialogue, with Halle Berry, Eva Mendes, Jaime King, Julianne Moore going about daily routines while trailed by lone photographer, is languorously moody, uninteresting two minutes. Old Navy's colorfully dressed, peppy singers serenade women at diner about shopping early for holidays in spot that tries hard for campy cheer and succeeds. Monster spot showing start of day for potential employee and interviewer highlights endearing parallels as their habits mirror one another and match is later made. Coors Light Q&A spot that cuts between pool-hall guy and Pete Coors, walking in a snow-covered mountain setting as he regales with info about brewers, neither entertains nor informs. Revlon print uses same four actresses to clearer effect with headline, "Every woman has a story. It's not how you tell it, it's how you live it." Smiling kid with missing front teeth makes happy case in print for Jr. Tylenol meltaways.

MANAGEMENT

B

IPG shop continued strong new-business track record winning eight out of eight pitches and posting eighth year in a row of double-digit revenue gains. But the tight-knit team did let three clients get away. COO Linda Sawyer and managing partners—Cheryl Greene, Val DiFebo, Kathy Delaney, Mike Sheldon and Eric Hirshberg—did more heavy lifting as CEO Donny Deutsch's CNBC TV show expanded to five days a week, demanding more of his time and attention. Shop attempted to further diversify offerings with November launch of two new divisions: Yellow Fin Premedia (graphics) and Media Bridge Entertainment (product placement).

REGIONAL HIGHLIGHTS

Decade-old Deutsch L.A. office took the biggest hits in 2004 with DirecTV and Mitsubishi media (handled from N.Y. and L.A.). Although Sheldon and Hirshberg landed Old Navy and Pier 1, wins were little consolation for earlier stings. Brenda Ross succeeded Kristin Bloomquist as director of client services in L.A.

COMMENTS

Known for an enviable retention rate of staffers and clients, Deutsch's foundation showed cracks last year with the loss of DirecTV, Bank of America and Mitsubishi media. Defections continued into early '05, with departure of Revlon (\$125 million), Mitsubishi creative (\$200 million) and Coors Light (shared with sibling Foote Cone & Belding). Look for Donny Deutsch, 47, to re-engage, especially in new business and client retention efforts. However, Deutsch's succession plan, or lack thereof, will become an issue if TV career comes to dominate.

B

DONER

NUMBERS

C

Billings, revenue up 15% to \$1.5 billion and \$141 million. Wins included Circuit City creative (\$150 million), Hotels.com (\$55 million), Sirius Satellite Radio (\$30 million), Lexmark (\$25 million), Public Storage (\$10 million), Quaker State (\$25 million). Lost Arby's (\$15 million). Organic growth contributed about \$10 million. Worst revenue/staff ratio of 33 nationally ranked shops.

CREATIVE

C+

Improvement under CCO John DeCerchio, as a few real-life scenarios and quirky characters enliven reel. In UPS Store spot, mother is forced to deliver on promise of dogs for her children when they manage to behave during the surprisingly short time it takes her to ship package. Progressive insurance spot employs over-used office cubicle scenario, but satisfaction of putting the screws to insurer with lousy customer response (man leaves tape recorder on his end) is cleverly conveyed. Serta sheep saga continues to comedic effect; in this case a traitor in their midst, who enjoys a good night's sleep until herd gets hold of him. And what can you say about Six Flags' Mr. Six? He's annoying but fun—totally curious. Setup for his shtick is nice in spot about a father and daughter trying to schedule time together. In print, underwear made of pink insulation ("cottony soft") for Owens Corning is off-putting. La-Z-Boy's "born and raised in Funkytown" may not be dad's recliner, but is still ugly. Graphic Kibbles 'n Bits ad showing dog bowl with a spot on the floor wiped clean from the dog's tail is simple, smart and well executed.

MANAGEMENT

B-

CEO Alan Kalter oversees experienced leadership team that has become wisely selective in new business quests, this year winning eight of nine pitches (falling short for Heinz Frozen Foods). Second straight year of double-digit revenue growth. Lost chief media officer Fred Sattler when he left for Omnicom Group's PHD in Detroit in October, replaced by Shane Ankeney, formerly evp, executive media director. Longtime General Motors and Detroit agency exec Luana Floccuzio joined in December as director of brand integration. Ken Banks, who held top marketing posts at Petsmart and Eckerd Drug Stores, joins in August to run Circuit City.

REGIONAL HIGHLIGHTS

Newport Beach, Calif., outpost, a client service office without full creative complement, won Mazda Mexico (with assist from Southfield, Mich., headquarters) and handled account.

GLOBAL HIGHLIGHTS

Lexmark was a global account win (\$5-8 million additional work in Europe). Lone overseas office in London, Doner Cardwell Hawkins, lost \$15 million European Six Flags business when it was sold by U.S. parent; launched new campaign for Nikon digital camera.

COMMENTS

Doner's independent status, coupled with reputation for hard-working advertising, sets it apart. Shop was once relentless pursuer of anything that came loose, but Kalter and Co. have attempted to be more selective by turning down half of its invites in '04 and limiting efforts to targeted categories or accounts with strong creative potential. Pitch ratio suggests it's working.

C+

EURO RSCG

NUMBERS

D+

Billings, revenue up 2% to \$3.6 billion and \$523 million. (Numbers adjusted from 2003 to include Havas interactive units folded into New York-based Euro 4D, formed in April '04). Added Advair (\$100 million), Claritin (\$90 million), Nicotinell (\$50 million), Dos Equis beer (\$10 million) and Wasa Crispbread (\$2 million). Organic growth from Ambien (up 60% to \$65 million), Volvo dealers (up 79% to \$85 million) and Valtrex (up 46% to \$110 million). Lost Red Lobster (\$100 million), Walgreens (\$60 million), Stouffer's Red Box (\$30 million) and New Balance (\$15 million).

CREATIVE

C+

At times lackluster, with spots that stick to tried-and-true approaches. Examples include "Black Dress" ad for Woolite that shows a woman evaluating herself in an evening dress as voiceover talks about how it symbolizes moments in her life, and a New Balance spot with street ballers going hard to the hoop. Volvo S40 spot with animated car as part of a videogame is a novel way to demonstrate speed but offers nothing more to connect to real world. Intel Centrino ad brings back Blue Man Group to demonstrate freedom of wireless as one sits in a deck chair tied to a balloon and floats above the other two, who struggle to climb ropes. Funny, accessible French's mustard spot effectively communicates taste benefit with close-up of a Grey Poupon worker exhorting French's, then asking worriedly if his face will be hidden or else he'll be in "serious sh...t" (bleeped out). Only after he asks the question is his face pixilated.

MANAGEMENT

C-

In the U.S., CEO and chief creative officer Ron Berger saw three of his hand-picked "next generation" walk out the door—New York president John Berg in May; ecd Kevin Roddy in August; and evp, chief strategy officer Marian Salzman in October. In September, worldwide CEO Jim Heekin brought in David Jones, 37, from Euro London as chief operating officer in New York. Jones began replenishing ranks in January '05, hiring Andrew Bennett, 33, from IPG's FutureBrands as evp and chief strategy officer, and elevating Euro creative director Jeff Kling, 38, to ecd.

REGIONAL HIGHLIGHTS

Chicago lost nearly \$200 million in business, as well as CEO Gary Epstein, president Dennis Glennon and chief creative officer Jim Schmidt. Former Young & Rubicam exec Ron Bess came aboard in May as president and CEO to rebuild; in June, ex-LB Works chief creative officer Steffan Posteaer joined as chairman and chief creative officer. Black Rocket Euro RSCG in San Francisco was virtually gone by year's end, as co-founder John Yost departed in October and Steve Stone left to form Heat in February '05.

GLOBAL HIGHLIGHTS

Heekin, former CEO of McCann Erickson WorldGroup, was reunited with Ben Langdon, former head of McCann in London, when Langdon was named chairman in the U.K. in March. Euro RSCG 4D rolled up 118 agencies in 42 countries, forming world's largest direct and digital network.

COMMENTS

Clouding Euro's future is instability at Havas—it remains to be seen if holding company, which failed in its bid for Grey Global Group and is beset by boardroom infighting, can survive in its current form. Euro keeps on surprising with big wins, including Jaguar's \$100 million global creative review last month, but loss of Intel in January will sting after June, when Euro hands it over to McCann.

C-

FALLON

NUMBERS

C-

Billings, revenue flat at \$660 million and \$99 million. Wins included Magazine Publishers of America (\$40 million over 3 years), media duties for Starz (\$30 million), year-long project relationship for ConAgra's snack division. Lost Subway (\$300 million), Timberland (\$10 million), International trucks (\$2 million), EDS (\$5 million). Additional project work from Amazon, Best Buy, Liz Claiborne (Mexx division). Additional business from Archipelago, Dyson, Bahamas, United (Ted subsidiary) and Citi (spending up 60% to nearly \$100 million) prevented decline in revenue. Sixth-best revenue/staff ratio raises grade.

CREATIVE

A-

Strong storytelling rules; nod to cinematic influences (such as Pythonesque "mountain bike" rider for Citi Rewards) that never feel cheaply done. United's animated "Interview" runs emotional gamut in 60 seconds to sell brand, when competition is selling price. PBS's villagers putting flames in buckets for reverse fire brigade to save library simply charming. Witty copywriting in Citi identity-theft spot keeps swapped-personality idea fresh, despite familiar punchline. Exaggerated humor of Survivor singing personalized "Eye of the Tiger" for Starbucks Doubleshot heightened by worker drone Glen's overconfident looks. Print benefits from strong art direction, whether it's *Time's* red bordering Burka-clad women or small detail of woman looking suspiciously at elephant among cars for Archipelago's exchange trading. Rare misstep is stereotypical sage rabbi in Virgin Mobile print.

MANAGEMENT

B-

High senior management turnover: COO Eric Block, 47, left in February; five-year CMO and 11-year agency vet Mark Goldstein, 57, departed for Lowe N.Y. in May; ecd David Lubars, 45, headed to BBDO N.Y. in August. Founder/chairman Pat Fallon, 59, and deep-benched agency weathered departures by promoting CFO David Dabill, 45, to COO in March and 15-year-Fallonite (and head of interactive) Rob Buchner, 42, to CMO. In October, TBWA London deputy cd Paul Silburn, 44, was named ecd of the 60-person department. Agency refocused on core ad practice, bringing retail and promotion practices ("Fallon Intersect") back into main agency; spinning off Duffy Worldwide to independence in February (after 20-year partnership) and moving roughly \$50 million in broadcast buying to Publicis Groupe sibling StarLink in November.

REGIONAL HIGHLIGHTS

N.Y. office, under Anne Bologna and ecd Ari Merkin, reached finals in two high-profile reviews but devoted most of its energy to absorbing three new clients won in '03 and producing for them. Merkin, in first full year as creative chief, hired a No. 2 in March: Wayne Best from Kirshenbaum Bond + Partners (in January '05, he was promoted to cd). Planning director Maria McHugh left in November for Young & Rubicam and was not replaced by year's end.

GLOBAL HIGHLIGHTS

Fallon in September promoted London managing partner Michael Wall, 38, to president of international operations, overseeing London, Hong Kong, São Paulo, Singapore, Tokyo. (New title, taking duties of John Gerzema, who left in May.) Most growth was local, but Nestlé Purina and Citi added work in Tokyo and São Paulo, respectively.

COMMENTS

Filling positions quickly with insiders and outsiders, agency has minimized distractions. With new partners in place, Fallon himself seems rejuvenated and ready to take on the world. Again.

B-

Continued on page 39

NATIONAL 2004 AGENCY REPORT CARDS

Continued from page 37

FOOTE CONE & BELDING

NUMBERS

C+

Billings up 10% to \$4.1 billion; revenue rose 12% to \$392 million. Won ONDCP (\$130 million), Nautilus (\$70 million), Abbott Labs Diabetes Care (\$30 million), Washington State Tourism (\$10 million), *The New York Times* (\$10 million), Jamaica Tourism (\$5 million). Lost Circuit City broadcast creative (\$150 million), Samsung (\$100 million in U.S.), Kawasaki (\$20 million). Gain boosted by organic growth from S.C. Johnson, Kraft and Yum! Brands (\$350 million combined).

CREATIVE

C+

IRS e-File spot in which obsessive-compulsive neatnik nearly collapses when he spills coffee on tax return perfectly balances set-up, payoff. Partnership for a Drug-Free America spot emphasizes parental intervention with mesmerizing *Memento* approach: Played in reverse, teen girl passes out at party, vomits in bathroom, drinks too much and, clean and sober, leaves for school as mom stops her to talk. Mrs. Paul's pitches its fish sticks by asking "uncomfortable around fish?" with surreal, attention-grabbing spot that shows oversized fish, mouth agape, inexplicably sitting on swing while mother and daughter stand frozen, staring. Raid spot with creepily cute animated critters seems dated, predictable as unforgiving spray can delivers destruction. Ad with young execs using dance moves to show Samsung camera phone's ease feels generic, doesn't convince. Kraft A1 spot's setup drags as couple appears to spat, deflating payoff (guy at table is stranger who can't resist A1-drenched steak). Print improved from '03, marked by simple, tasteful art direction.

MANAGEMENT

C+

With '02 revenue down 25% and '03 revenue flat, worldwide CEO Brendan Ryan, 62, made significant strides, posting 12% gains in '04 as agency won six of nine pitches. In April, Ryan and COO Gene Bartley, 58, brought Lynne Seid in as N.Y. president from BBDO N.Y. and heads up new business with CCO Chris Becker, who added N.Y. chairman title the same month. Ryan and Bartley took steps to bolster direct/interactive offering at FCBI with June hiring of ecd Mach Arom from Ogilvy Interactive, who was key in ONDCP win. In December, Hyo Yeon was added as FCBI managing director.

REGIONAL HIGHLIGHTS

Worldwide cd Jonathan Harries, Bartley hired Erich Funke from BBDO Chicago as ecd in Irvine. He arrived in November to replace Bill Cimino, who went to DDB Chicago in May. Dana Anderson left Chicago as CEO in May for same title at DDB Chicago; Harries took Chicago CEO title; account directors Mark Pacchini, Mark Modesto named Chicago co-presidents. Harries added group cds Guy Bommarito (freelancer), Matt Horton (Burnett) in September. FCBI Chicago in May failed to defend \$150 million Circuit City account.

GLOBAL HIGHLIGHTS

Europe added GM Chevrolet, Unilever Best Foods, Weight Watchers. Offices in France, Spain, Singapore garnered agency of the year kudos locally. Lost Olympus in Europe, Hang Seng Bank in Hong Kong; biggest blow was global Samsung loss in September. Harry Reid, 59, retired as president/CEO of FCB International, not to be replaced. Regional lieutenants Scott Hollingsworth, Ben Barnes split oversight of overseas operations. Hollingsworth assumed control of Europe, Latin America, Middle East; Barnes took over Africa, Asia Pacific.

COMMENTS

Ryan finished another year without identifying successor, but by January '05 convinced Grey N.A. CEO Steve Blamer, his original choice who turned him down once before, to sign up. FCBI rank-and-file are looking forward to his June arrival, given his successful stint at Grey, even though he's untested in an agency top spot.

C+

GSD&M

NUMBERS

C-

Billings, revenue rose 10% to \$1.5 billion and \$110 million. Added Discovery Channel (\$1 million). Lost Charles Schwab (\$15 million) and Kinko's (\$6 million) following its acquisition by FedEx. December '03 win of Frito-Lay's Tostitos (\$30 million) and organic growth credited for overall revenue gain, including spending increases by SBC (up 4% to \$450 million), DreamWorks (up 103% to \$250 million), Wal-Mart (up 10% to \$200 million) and United Healthcare (up 318% to \$45 million). Revenue/staff ratio pulls down grade.

CREATIVE

B

Weaker than in past years, but shop proves it still can create broad array of likeable brand personalities, including mischievous humor of Southwest Airlines, familial conservatism of Wal-Mart and retail competitiveness of SBC. Southwest's "Want to get away?" campaign keeps getting laughs with spot in which a man thinks he's helping a woman locked out of her car by breaking a side window with a boulder, only to have the real owner appear. Customer-testimonial spot for Wal-Mart is straightforward and works well to lift the discount retailer's image among value-conscious women. U.S. Air Force ad tells dramatic tale of a girl fascinated by an approaching tornado—it then cuts to a scene of her as an adult Air Force officer, making weather observations as she floats weightlessly in a space station. Brinker's Macaroni Grill commercial is a restaurant cliché of eating and grinning. Point of a busy, too-long spot for AARP called "Clones" (it takes a group to get things done) is difficult to digest. Quality of print work varies: Ad featuring jockey bathing in Kohler sink as his horse watches through a window is painterly but somewhat unsettling; ditto for AARP ad that shows elderly woman putting on makeup outlined with a chalk mark as if she's dead.

MANAGEMENT

C

Although they enjoyed a third consecutive year of double-digit revenue growth, president Roy Spence, executive media director Judy Trabulsi and CEO Stephen Gurasich were thwarted in their efforts to get the Omnicom agency back into the automotive category, striking out for Subaru's \$165 million account and then, after a five-month review, watching Kia keep its \$260 million business with davidandgoliath. Eight-year planning vet Haley Rushing was named svp/chief planning director and now oversees 26 account planners. Spence reduced creative groups from six to three to become more flexible in shifting resources as needed, and created a "bullpen" of creatives that could be assigned with fewer territorial barriers. Media department picked up \$150 million in billings from existing clients DreamWorks, SBC and MasterCard and added some 20 staffers to handle new assignments. Agency developed an interactive unit and strengthened planning and buying sides of its online media group to handle a 90% increase in Internet spending (to \$40 million) across all clients in 2004.

COMMENTS

Pitching three times and winning the account that counts least is not a winning formula. GSD&M needs to regain momentum and re-establish its creative credentials.

C+

GOODBY, SILVERSTEIN & PARTNERS

NUMBERS

C

Billings, revenue up 7% to \$940 million and \$80 million. Won Subway (\$300 million), Banana Republic (\$25 million), Häagen-Dazs (\$20 million). Existing client spending: Emerald Nuts up to \$15 million, Hewlett-Packard Enterprise up to \$50 million, Elizabeth Arden Perfume up to \$14 million, Bud Light up to \$15 million. Lost AT&T Wireless (\$125 million), Goodyear (\$30 million) and Foster Farms (\$10 million).

CREATIVE

A-

Stays sharp with smart, inventive solutions. From print and outdoor to TV, work for HP is outstanding, particularly the inviting "Picture Book" ads that turn live action into still photos to demonstrate ease of digital products' use. Saturn produces no blockbuster hits, but "door music" is resonant, playful way to demonstrate "no dent" doors. eBay goes from comedy in prior "Do it eBay" song-and-dance numbers to philosophical "The power of all of us." Best in series is "Toy Boat" spot, about finding lost treasures. eBay print is as sentimental and touching as TV, with one showing a little girl holding the string of a battered, wooden toy dog on wheels. Copy reads: "How else could something you loved back then return to become something she loves now?" Häagen-Dazs spots use gorgeous cinematography to convey new brand image of purity. Bud Light's "Rejected ads" online series continues to amuse, with one clip showing cartoon drawings of men in thongs as an ad "for the ladies." Emerald Nuts' 15-second spots, with offbeat takes on the brand's letters, such as egomaniacal Normans and extreme nurses, succumb to silliness with great success. Adobe print is interesting and eye-catching as it blends reality (people going about day-to-day business) with surreal (skyscrapers of paper, people carrying filing cabinets, cubicles shaped like a maze). "Got milk?" print with bones in the shape of a question mark quickly communicates health message.

MANAGEMENT

B

Loss of AT&T Wireless, due to Cingular merger, had major impact on Omnicom shop's financial fortunes (biggest win in '03, largest loss in '04). Still, co-chairmen Jeff Goodby and Rich Silverstein's agency notched 15th straight year of 20% operating profit. Biggest new business win came without a pitch: Subway, which shop had pursued but came in second to Fallon in a 2003 review. Key personnel goal—to replace planning director Chris Chalk, who departed in July—went unmet; search continues. San Francisco shop's creative rep continued to draw (and draw back) executives: cd John Matejczyk returned in October from Fallon, where he led Citibank's "Identity Theft" campaign, to work on HP; from Chemistri in Troy, Mich., came Cadillac creative head Rob Palmer, 37, who joined in March as acd, replacing Harry Cociolo, 41, who left in January.

COMMENTS

Goodby's distinguished creative pedigree is self-perpetuating, as the agency has capitalized with a slew of new hires in 2005. It will expect great things from Mike Maguire and its four up-and-coming teams with considerable Super Bowl experience. One challenge looming is HP. The "Picture Book" campaign was among the most lauded of 2004 (including *Adweek's* Campaign of the Year honors), yet its future was cast into doubt last month when CEO Carly Fiorina, a champion of the work, was replaced with NCR CEO Mark Hurd. Bad news hit this month when eBay moved its \$80 million to Omnicom sibling BBDO without a review.

B

GREY

NUMBERS

C+

Billings, revenue up 7% to \$3.7 billion, \$545 million. Won Nokia (\$75 million), Tanqueray (\$1 million), Progressive Drive Insurance (\$10 million), Rayovac (\$30 million), National Service Industries/Well-Point (\$35 million). Lost Masterfoods (Twix, Starburst, Cookies & Pedigree, \$90 million combined), Slim-Fast (\$40 million). Second-best revenue/staff ratio lifts grade.

CREATIVE

B-

Pringles Fiery Hot chips spot artful (operatic music heightens drama of sweaty, grimacing faces in close-up). Intense build, gratifying payoff deepens pitch for N.Y. Sports and Convention Center (v/o touts cuisine, sports as insistent drumbeat punctuates chef's sushi preparation, then Jets player suddenly appears and kicks plate from his hands). Concept transfers well to print: "World-class restaurants at the NYSCC. Oh, and the Jets will play here too" copy with visual of brown, football-shaped sushi platter. Screams last too long in otherwise appealing Dairy Queen Brownie Batter Blizzard spot (man with speech impediment recalls licking icing from unplugged blender). Hard-boiled detective, allergy-suffering bombshell fail to entice in noirish Flonase spot. Self-important customer for Progressive's Drive Insurance provides chuckles when ordinary things like automatic doors make him feel special. Captain Morgan print of magician coaxing surprised woman's head from top hat is just bizarre. Diet Coke with Lime print is mouthwatering with can sliced to show inner fruit.

MANAGEMENT

C+

After ruling roost since 1971, chairman/CEO Ed Meyer, 78, spent first half of '04 looking to sell. His plan was reported in the press in June, blindsiding N.A. CEO Steve Blamer, who had just hired ex-Grey London buddy Tim Mellors, 57, as creative partner after four-year search. In September, Chris Shumaker, 44, joined as first Grey N.A. new business head from The Martin Agency and streamlined formerly hand-to-mouth process by deepening agency-consultant bond and prospect research. In September, Grey accepted WPP's offer; Meyer's take is upwards of \$450 million. Soon after, WPP chief Martin Sorrell voiced little public support for Blamer, then Meyer's heir apparent, prompting Blamer to rekindle talks with FCB.

REGIONAL HIGHLIGHTS

Atlanta added World of Coke museum in February; then Georgia Aquarium and Georgia-Pacific branding assignment in May, the same month Steve Centrillo became COO (he is also managing partner of darkGrey village). In June, Scott Elser joined as svp, account services on BellSouth. Los Angeles lost Mars' Pedigree global to TBWA\Chiat\Day. In April, San Francisco co-managing partner Casey Jones left for McCann San Francisco and Microsoft, leaving Betsy Sperry as sole managing director.

GLOBAL HIGHLIGHTS

Under Carolyn Carter, London-based since 2000, Grey EMEA held steady; she is considered only insider (albeit long shot) for top Grey Worldwide slot. London CEO Garry Lace left in March; ecd David Alberts added chairman duties. In October, Grey Singapore opened.

COMMENTS

Blamer, 49, left for FCB's top job in January '05; but with Sorrell holding him to his contract, he's on the beach until June. In March '05, when the \$1.5 billion deal closed, Meyer's 34-year autocracy ended; Grey became second WPP shop with leadership vacuum (with Y&R). Meyer remains Grey Global chairman, CEO through '06; he and Sorrell now looking to install a CEO for Grey Worldwide.

C+

NATIONAL 2004 AGENCY REPORT CARDS

HILL, HOLLIDAY, CONNORS, COSMOPULOS

NUMBERS

D+

Billings, revenue rose 3% to \$1 billion and \$150 million. (Numbers were restated to reflect agency's absorption of Erwin-Penland.) Added Hood Carb Countdown media (\$30 million); Baskin-Robbins media (\$10 million); Ace Ltd. and American Red Cross (\$2-3 million each); and Cleveland Clinic of Florida (\$1 million). CVS boosted spending 22% (to \$85 million), and Tyco upped 650% (to \$15 million). Lost Beringer Wine Estates (\$10 million). FleetBoston lowered spending by 40% (to under \$25 million) before merging with Bank of America and leaving. Lojack halved spending (to \$3.5 million).

CREATIVE

C

Inconsistent. Best TV spot by far features Red Sox ace Curt Schilling enjoying Dunkin' Donuts treats while honing his regional accent. Casting and dialogue ("I'll play wicked haahd when I go to the paahrk") are solid, spot is genuinely amusing, and it took on a whole new dimension after Schilling overcame a foot injury to pitch the Sox to long-elusive World Series title. A mundane commercial introducing rechargeable Dunkin' Card shows dozens of cards flashing rapid-fire across screen; though colorful, it's nothing special. Elsewhere, Budweiser's Clydesdales play football in the snow, but cowboy's comment of "great speed [but] no hands" after a fumbled pass offers an underwhelming ending to what could have been a fun spot. Tyco TV uses images of babies and firefighters to position its products as a "Vital part of your world." Effort (with footage from around the globe) plays like a watered-down retread of GE's "We bring good things to life." These ads seem to surface whenever former Tyco execs' misdeeds make it into the press, casting entire corporate rehab enterprise in worst possible light.

MANAGEMENT

C-

Chairman Jack Connors and CEO Mike Sheehan had two major positions to fill in '04. Uncertainty reigned much of the year in creative department as agency sought successor to ecd Marty Donohue, who remained until December, when Kevin Moehlenkamp, 41, came aboard (Even though he was hired in July, from McCann Erickson's San Francisco office, he couldn't move until he finished with Microsoft commitments back at McCann). Sheehan also attempted to improve dismal new-business record (a mounting concern for past three years) by bringing in Ann Billock, in June from Roth Associates. She was Hill, Holliday's first CMO; by January 2005, she was gone. Though not entirely responsible for continued slump, she did little to reverse shop's particular curse. Pitch performance remained abysmal. IPG shop came up empty in reviews worth approximately \$660 million in combined billings for clients such as JP Morgan Chase, Subaru, Charles Schwab, Hotels.com, Saab Direct, Bob's Stores and Florida Citrus Commission.

REGIONAL HIGHLIGHTS

In January '04, agency consummated year-long courtship of 125-person Greenville, S.C.-based Erwin-Penland, buying shop mainly to add regional Verizon Wireless business. E-P then went entire year without netting significant new business. San Francisco office completed move from full-service outpost to media-buying operation. N.Y. office continued to struggle as it failed to win any significant new business.

COMMENTS

Pressure is on Moehlenkamp (best known for Microsoft's "Butterfly" ads) to revive mediocre creative. Ups and downs already in '05 with loss of Marshalls' \$35 million creative account and win of combined \$25 million from trio of new accounts: E-Loan, Aer Lingus and Firehouse Subs.

C-

JWT

NUMBERS

C-

Billings up 6% to \$3.6 billion; revenue up 4% to \$534 million. Led WPP's HSBC win (\$50 million U.S.; \$600 million globally); landed strategic, account mgt. duties on Berlin Cameron/Red Cell's Samsung win (\$100 million in U.S.). Won Jenny Craig (\$45 million), Merck's RotaTeq and Zoster (\$40 million total), Bristol-Myers Squibb's Abilify and Bufferin (\$30 million total), Nestlé's Stouffer's red box (\$20 million), Welch Foods (\$20 million), Unilever's Vaseline (\$20 million). Lost Diageo's Smirnoff Ice and Tanqueray (\$50 million total), Western Union (\$20 million), 20th Century Fox (\$20 million), Pacific Gas & Elec. (\$15 million), Bandai (\$15 million). Strong revenue/staff ratio brings up grade.

CREATIVE

B-

Diamond Trading Co. is best work. Poignant moments, strong cinematography drive TV spot in which man re-proposes to wife in European square as her parents look on. Holiday print ads smartly choose humor ("4 days till Christmas. Which, coincidentally, could also be your life expectancy") over guilt to cajole men. *Field of Dreams* vibe, gimmicky undercut Ford Mustang spot with Steve McQueen racing '05 model. Family's over-the-top reaction to Listerine marks product as scary before pitch for less intense flavor. Smirnoff Ice spot with 20-ish guy gazing at street party from hotel balcony conveys "Get out" message via colorful slow-motion photography. Trident print showing white teeth of nighttime Peeping Tom in mirror as woman undresses feels creepy, not edgy. Funny characters ("Mr. Cliché"), recommended use (beat the 3 p.m. slump) revive Lipton Cup-a-Soup.

MANAGEMENT

B-

Worldwide CEO Bob Jeffrey delivered in global pitches (HSBC, Samsung), but his 3-year-old creative transformation was still a work in progress. In March, Saatchi's Craig Davis joined London as CCO for Europe, Middle East, Africa. In New York, revolving door to creative department kept turning with November hire of Wieden's Ty Montague as chief creative officer and co-president, effective in January. In effort to signal creatives are as important as suits, Jeffrey handed Montague a share of Rosemarie Ryan's president's title (11 months after she arrived). He became third creative chief in two years, after Eric Steinhauer/Nat Whitten team, Mike Campbell.

REGIONAL HIGHLIGHTS

S.F. and L.A. stumbled, losing PG&E, Fox, Bandai. In May, Jeffrey bundled offices as JWT West, naming L.A.'s Brad Fornaciari president and Publicis & Hal Riney's Mike Mazza ecd. In June, Chicago filled ecd slot with ex-D'Arcy ecd Graham Woodall after Rick Kemp left. Atlanta hired Mullen's Jim Caponigro in January as senior account director on FEMA. In August, Houston got a new exec. mgmt. director and Shell account director in Scott Adkins, ex-GM in Denver.

GLOBAL HIGHLIGHTS

Ex-Saatchi Asia Pacific, Africa CEO Patrick Pitcher joined in July as regional chairman for India and Southeast Asia. Jeffrey and new worldwide president Michael Mädel installed new CEOs in Italy (Pietro Dotti) and India (Colyn Harris) and new creative chiefs in Brazil (Atila Francucci) and Hamburg, Germany (Torsten Rieken).

COMMENTS

At January '05 corporate powwow, Jeffrey talked earnestly of need to transform the culture of this account man's network. But genuine efforts to change sometimes get lost in the rhetorical (he wants agency to become a "creative organism that is inspired by the visceral") and the symbolic (shortens name from J. Walter Thompson to JWT).

C+

THE KAPLAN THALER GROUP

NUMBERS

B+
Billings, revenue up 25% to \$527 million and \$60 million. Won US Bank (\$10 million), Foxwoods Resort Casino (\$10 million), Eight O'Clock Coffee (\$5 million), AstraZeneca project (undisclosed). Revenue jump largely due to increased spending from existing clients such as Pfizer (Zolof, Celebrex), Cendant (Century 21), Aflac, Panasonic (personal care) combined for a total of \$115 million. No losses. Impressive percentage gain comes off of third smallest revenue base.

CREATIVE

C+
Overall, humor is slightly less corny than in years past. Swiffer spot stars host of sitcom housekeepers, including "Benson" and *Brady Bunch*'s "Alice," who find time to relax at a resort because they use the product, but belabored visuals make spot too crowded. Also clumsy is an Aflac spot in which duck struggles to keep up with synchronized swimmers. Aspiring teen pop singer Jaydn Maria provides relief from years of ridiculous "organic" moaning in Herbal Essences spot with music video-style spot introducing her song, "Rock You Senseless." Folded sweat socks falling from male stripper's underwear in Foxwoods spot provides funny visual as v/o warns, "When playing stud, don't get caught bluffing." Enterprising kid shines up cookware for yard sale in story-driven Dawn spot that adds cheer to dull category. Animation does same for Celebrex spot, but newly-revealed side effects (possible heart attacks) make the tagline, "Joint pain relief. No more, no less," rather unfortunate. In print, Dawn's "Lift grease fast. Get dawn and get done," with bottle adorned to resemble vacuum cleaner, is a no-nonsense message. Continental Airlines' "We don't want to talk to you either" may seem like a good argument for online booking, but surly customer service implication diminishes "Work hard. Fly right" positioning.

MANAGEMENT

B
For fifth straight year, shop managed double-digit revenue growth, and for third straight year didn't lose a single account. Under CEO Linda Kaplan Thaler and general manager, CMO Robin Koval, it won 4 of 5 pitches, chipping away at smaller accounts such as Foxwoods and heritage brand Eight O'Clock coffee, beating Arnold, BBH and Wieden + Kennedy New York for the former, and Margeotes Fertitta + Partners and DDB New York for the latter. Shop showed agility with breakthrough branded-entertainment projects: Herbal Essences/WB TV sitcom, music tie-in; and Aflac duck's *Lemony Snicket* cameo. Kevin Sweeney joined as CFO from parent Publicis Groupe, replacing Ann Garreaud in February. New business chief Greg Davis jumped ship in July to Hill, Holliday and was replaced in September by Mitch Caplan from Merkle + Partners. In October, Kaplan Thaler started new unit called KTG Buzz to get client brands talked about through viral efforts, tapping Erin Johnson from MDC's Kirshenbaum Bond + Partners as director. In July, Katie Bury from Bulldog in New York named group account director for Herbal Essences Global, a new position.

COMMENTS

Got off to quick start in '05 with Revlon and Trojan wins (worth \$140 million combined), proving its mettle against the likes of Berlin Cameron/Red Cell, Deutsch and Cliff Freeman and Partners. Absorbed in Publicis Groupe's acquisition of Bcom3 in 2002, the 7-year-old shop's standing within the French empire and reputation among its peers continue to improve.

B

LOWE

NUMBERS

F
Billings, revenue down 5% to \$1.5 billion and \$206 million. Won Unilever's Degree (\$25 million), Darden Restaurant's Smokey Bones (\$5-10 million). Added duties on Macy's (regional assignment went national, adding \$60 million), Johnson & Johnson (\$25 million for Softlotion), Milk PEP/Milk DMI (\$5 million in regional media). Lost Verizon Wireless (\$300 million), global HSBC (\$25 million in U.S.), Unilever's All (\$20 million), The New York Times (\$10 million) and Weight Watchers media duties (\$45 million). Resigned Cablevision's Voom amid review; failed to live up to \$20 million budget.

CREATIVE

B
GMC Trucks' spot, opening with truck pieces landing unceremoniously in field, cleverly circles back to engineer crumpling and tossing out bad ideas on paper, reinforcing "professional grade" positioning. Macy's spot uses holiday "signs" ("Comfort & Joy," "Hope") to gently connect with straight-forward v/o: "Because everyone has a gift to give." "Got Milk" spot depicting kids effortlessly hammering bell at a carnival whimsically asserts, "Milk helps make it happen." Upside-down footage in Saab spot emphasizing "clinginess" to road is new twist, but dizzying. Snuggle spot's high-fashion motif with model writhing on beach takes too long to connect with teddy-bear mascot, whose "Hey lady, it's just a fabric softener" seems out of character. Mass Mutual print uses eye-catching picture of letters from alphabet soup predicting market activity to reinforce the tagline: "You can't predict. You can prepare."

MANAGEMENT

C-
Another disappointing year for this troubled child of IPG. Worldwide CEO Jerry Judge, after three years of lackluster growth and client losses, finally ran out of time. In November, IPG replaced him with Ogilvy & Mather worldwide chief strategy officer Tony Wright, 43, who got his first shot at running an agency. IPG gave Wright the support of Ed Powers, 46, operations chief at its Constituency Management Group, who took new post of worldwide COO. The N.Y. management team also changed—for the third time in as many years—when U.S. CEO Tom Bernardin left in February to run Burnett, amid a review of his Verizon Wireless account. Goldsmith, as U.S. chairman, immediately promoted director of client services Susan Cantor, 36, to N.Y. president. The move was embraced internally, after a series of outsiders at top. The work was consistent and new team reached the finals of five reviews, failing to win Weight Watchers, Delta Air Lines and Vonage.

GLOBAL HIGHLIGHTS

In first full year under CEO/CCO Matthew Bull, London office was stung by string of losses, including Braun, Unilever's Flora and Surf, Diet Coke and the lion's share of HSBC. (Instability carried over to '05, prompting Wright in January to install former Grey London CEO Garry Lace as CEO and shift Bull to worldwide CCO.) Solid year for Sweden, which expanded bond with global client Electrolux and won Vattenfall. Buenos Aires chairman Fernando Vega Olmos in June took on added role as worldwide cd on global client Unilever.

COMMENTS

Wright has the support of IPG CEO Michael Roth, but must show signs of turnaround this year. His February '05 recasting in London and last week's move to replace Goldsmith with Mark Wnek shows he's no shrinking violet. Point of urgency: Securing key global client Unilever, which is reviewing \$250 million in detergent business, the bulk of which Lowe handles.

C-

THE MARTIN AGENCY

NUMBERS

C+

Billings, revenue up 10% to \$422 million and \$64 million. Won projects for AOL (\$50 million), Miller Brewing (\$75 million), Spike TV (undisclosed). Won and lost Chase (\$20 million). Lost Quiznos (\$25 million), Radisson Seven Seas (\$5 million). Spending increases by Geico (56% to \$310 million) and UPS (8% to \$165 million) offset cuts by Sara Lee/Hanes (-37% to \$35 million) and Olympus (-54% to \$20 million).

CREATIVE

B

Good range, from funny to sentimental to controversial. Geico has become agency's signature account, with humorous TV that moves beyond iconic gecko—including political-correctness spoof featuring offended cavemen and perfect parody of reality TV shows that has viewers believing newlyweds will live in a tiny house. Ads are funnier but less brand-defining than the lizard. Miller Genuine Draft spot with guy caught "cheating" on a six-pack of Bud with a six-pack of MGD continues campaign's humor. Work for John F. Kennedy Library and Museum, both broadcast and print, evokes sentimentality of Camelot era with archival photography, original scratchy recordings of Kennedy's speeches—truly touching. Spot for Nascar that combines old footage of sport's early stars with recent clips of current drivers captures racing's rich heritage. Olympus spot pitching Verve as a fashion accessory is full of slick, colorful, high-energy images, but feels dated and familiar. Idea is stronger in vivid multiple-page gatefold that works camera into fabric design. UPS print equating synchronized deliveries with synchronized companies is underwhelming.

MANAGEMENT

B

IPG shop made improvements in structure and personnel. President and creative director Mike Hughes revamped growing creative department to keep it unencumbered by bureaucracy. Eliminated group creative director posts and set up pairs of creative directors assigned to teams of five to seven staffers. Among the new hires: Danny Robinson, co-founder, president and creative director at Vigilante in New York, who joined in October and brought along Vigilante's head of planning, Alain Sylvain. The combination added urban-marketing skills. Andy Azula left McCann Erickson in San Francisco, where he was an associate ged on Microsoft, to join Martin during the summer, boosting shop's tech know-how. Project work for Miller earned it coveted status as a roster shop.

REGIONAL HIGHLIGHTS

Martin's sports and event marketing division, MVP Group, opened two new offices in Arizona (Tucson, Phoenix) and added staff in New York and at headquarters in Richmond, Va. Martin Interactive hired three media planners in New York, including John Feyrer, who joined as president of MVP Sales. He was vp of advertising and sponsorship sales at Madison Square Garden. Ten-year-old New York office continued to provide interactive services to most of shop's major clients.

COMMENTS

Martin continues to focus on its creative work, which remains solid. With its new creative structure, added staff and continuity of upper management—Hughes and CEO John Adams have more than 50 years between them—shop should stay among the creative leaders outside New York.

B-

McCANN ERICKSON

NUMBERS

C+

Billings up 11% to \$4.1 billion; revenue up 10% to \$440 million. Won Verizon Wireless (\$400 million), Pfizer's Viagra (\$100 million), Staples (\$60 million), Hotwire.com (\$50 million), Charter Communications (\$20 million), Zicam Brands (\$15 million), J.P. Morgan's Brown|Co (\$10 million), *USA Today* (\$10 million), Hitachi (\$5-10 million). Lost Capital One (\$170 million), Rubbermaid Paper Mate (\$15 million), Vaseline (\$15 million), Lucent (\$2 million). Current clients including Microsoft, Nestlé, Johnson & Johnson, Cendant and Avaya cut spending by total of \$340 million.

CREATIVE

B+

Flexibility of Microsoft, MasterCard work continues to impress. Spot for the former cheers "Sophie," aspiring hat designer in Paris. Latter uses Homer Simpson to show how to get errands done and have more family time, which is "Priceless"—except Homer is drinking at Moe's. Verizon Wireless spot about college grad's first job and sophomore calls from jobless friends comically promotes "in" plan. Buick gives LaCrosse cool style with Tiger Woods eluding paparazzi to Aero-smith's "Dream On." Microsoft Office Mac print successfully taps into Apple's free-spirit positioning, showing exec in Hawaiian shirt while doll of himself in suit sits on desk; copy prods, "Get in touch with your inner suit." Rolling Rock Green Light has fun with low carbs in print that shows minimal exertion needed to order another. Kohl's woman in five poses/outfits is washed out, gives brand low-rent feel.

MANAGEMENT

C+

McCann WorldGroup CEO John Dooner spent most of '04 assessing IPG's wobbly media offering; oversaw large wins, landing 9 of 12 pitches. In March, N.A. regional director Eric Keshin shifted Michael McLaren off Microsoft to run global accounts (including \$300 million Intel in March '05). Martha Pease joined in September to run worldwide L'Oréal, replacing Carol Smith (now on J&J). N.Y. managing director Brett Gosper left after 10 months for TBWA Group N.Y.; shop's inability to hold him long enough to groom for greater role, or so far replace him, reflect challenges in flagship. After 11 years of improving work, N.Y. chairman, CCO Nina DiSesa, 58, passed torch to nine-year McCann vet Joyce King-Thomas, 48, in October; transition embraced by rank and file. DiSesa to stay as chairman through '05.

REGIONAL HIGHLIGHTS

Deepened Microsoft team: S.F. added Casey Jones from Grey as chief strategy officer in March, Iwan Thomis as planning director in June, John McNeil from Ogilvy as co-chief creative officer in November, replacing Kevin Moehlenkamp, who went to Hill, Holliday. In L.A., Karen Bloore replaced Alfa Tate O'Neil as managing director of Universal McCann group in November.

GLOBAL HIGHLIGHTS

Worldwide cd Jonathan Cranin implemented Road to Fame program—giving all creative work a rating from 1 to 10—in all 175 overseas offices in February. Europe saw multinational wins for Beck's, InterSport, GSK, Barilla. TAG young-adult unit opened Tokyo office in June. Luca Lindner joined in August from Leo Burnett EMEA to run Mexico, deputy director of Latin America, new titles.

COMMENTS

In two years since returning from IPG, Dooner has shown he can keep shop operating at highest level (e.g., March '05 Intel win), but his involvement with holding-company issues (such as media offering) could become distraction from stewardship of McCann WorldGroup, which needs to get accounting ship in order.

B-

NATIONAL 2004 AGENCY REPORT CARDS

MERKLEY + PARTNERS

NUMBERS

B-

Billings, revenue up 12% to \$728 million and \$73 million (2003 figures restated to incorporate interactive, direct business). Won Arby's (\$40 million), Ferraro Rocher (\$25 million), Glenfiddich (\$10-15 million), Panasonic Toughbook laptops (\$1 million), and project duties on New York Post evolved into lead agency status (\$3-5 million). Bumped from Novartis roster in October agency consolidation, losing \$80 million Elidel and two yet-to-be-launched brands: Enablex and Prexige. Late-year Novartis revenue loss not felt until '05.

CREATIVE

B

Mercedes TV featuring montage of owners around the world and framed portraits of drivers nicely conveys emotional attachment to brand, with help from orchestral music and a melancholy acoustic ballad. Urbane Brock Savage character in Glenfiddich print ad makes the scotch whiskey feel hip, aspirational via juxtaposition with a 20-something couple and the quote, "Did I coin the phrase, 'Do you come here often?' Yes. Does it work? You bet—as long as you're me." Forced connection between images of impatient people and telecom with an impatient streak ruins spot for SBC, despite distinctive voiceover from Tommy Lee Jones. Smith Barney spot featuring 50ish father sending son off to college breaks syrupy, feel-good mold of investment ads but goes too far, becoming a hummer when grim-faced dad lectures about how hard it is to put four kids through Ivy League schools. Spot for New York Post sports supplement, in which multi-generational family talks sports at the dinner table, connects with memorable characters, including a crusty grandpa who barks, "Ice Capades is not a sport, you freak!"

MANAGEMENT

B

In January, managing partner Alex Gellert shortened Omnicom agency's moniker and rejiggered titles to reflect current leadership. The names of departed co-founders Jane Newman and Steve Harty came off the door; Gellert became CEO; Andy Hirsch and Randy Saitta each added title of chairman; director of strategic planning Douglas Atkin became chief strategy officer. Parry Merkley, who had stepped back during past two years, shifted to chairman emeritus. The one-office shop converted on four out of eight pitches, striking out in reviews for Starbucks, Viagra, Dos Equis and Novartis. In November, Gellert promoted Cynthia Davis, group account director on Mercedes, to director of client services, a new post overseeing about 50 staffers across advertising, interactive and healthcare marketing. Davis continued to manage Mercedes, the shop's marquee account. Also in November, long-time CFO Mike Byrne resigned to take a bigger job: CFO of the New York office of McCann Erickson, effective Jan. 1. Gellert moved quickly to compensate for the Novartis loss, laying off 11 staffers in early December.

COMMENTS

Shop breaks into *Adweek's* national ranks with categories to fill (telecom, beer) and a strong track record on Lipitor (Pfizer's best-selling drug) that should open doors on pharma front. Good news, bad news in early '05, with agency in January adding \$30 million in Mercedes collateral business from Omnicom sibling The Designory in Los Angeles, and in February losing corporate image duties on SBC Communications (revenue of \$3-5 million) to two other roster shops. Big year for Mercedes, with the client launching three models; Gellert & Co. is under increasing pressure to drive sales.

B

MULLEN

NUMBERS

C

Billings, revenue rose 8% to \$775 million and \$117 million. Won two \$50 million accounts: Cablevision's Voom and media buying and planning for Brown & Williamson Tobacco in a consolidation. Won media chores on Match.com (\$10 million). Other adds: Grain Foods Foundation, SunSetter Products, Eastern Bank, each in \$5 million range. Wachovia upped spending 4% to \$140 million; Eddie Bauer grew 60% to \$20 million. Losses: Gladiator GarageWorks and Pennsylvania Tourism (\$5 million combined).

CREATIVE

B

Mullen's penchant for visual comedy and spot-on casting makes for entertaining reel. Funniest spot asks how Sealy's dapper salesmen stay awake amid so many comfortable mattresses. Cut to back room, where staff slugs coffee (and raw grounds). Rapid-fire editing, touches like salesman's "hot-hot" hand-waving overcome slim premise. Humorous XM Satellite spot (trash band interrupts its own performance to break into ad for mortgage loans) drives home message that music is best heard commercial-free. Wachovia TV comparing secure retirement to fitted sheet (guy keeps trying to get sheet to stay put, sheet slips loose and entangles him) is novel approach but unconvincing. LendingTree ad is amusing and on-target (man constantly haunted by lackluster credit score until LendingTree comes to rescue). Print is less effective. The Four Seasons boasts vivid colors, winning photo compositions, especially ad showing recumbent vacationers, palms, rippling blue water. Sims fishing gear print has strong copy ("I know this river more intimately than I knew my wife," claims burly fisherman), but visuals are murky. Stop & Shop ads with red dots as flower petals and green blobs as trees are unappealing.

MANAGEMENT

B

IPG shop's already above-average creative product improved when CEO Joe Grimaldi, CCO Edward Boches and exp of business development Melissa Lea brought in svp/group cds Tim Cawley (on XM and Eddie Bauer) and Jim Amadeo (on LendingTree) from Y&R and Clarke Goward. In each case, the work was better than previous year. (Ted Jendryski and John Wolfarth also promoted to svps/group cds; Cawley and Amadeo form veteran second-tier behind Boches.) In May, Scott Karambis hired as director of brand planning from Grey, New York. His input was key on '04's major new-business wins, most notably Voom.

REGIONAL HIGHLIGHTS

R.J. Reynolds Tobacco consolidated media planning and buying chores at Winston-Salem, N.C., office, which now handles about \$150 million in RJR billings. In August, Wenham, Mass., headquarters and Detroit office teamed up to win \$2 million Conversion Van Marketing Association, trade organization funded by General Motors. Detroit office now servicing GM business exclusively.

COMMENTS

Mullen built up considerable momentum in '04 with multiple new business wins and few losses. But with the questionable status of Voom (some at Cablevision wish to sell off the underperforming brand), agency needs to keep the pace going by winning another significant piece of business. That would help showcase its considerable, though underrated and unrecognized creative talents.

B-

OGILVY & MATHER

NUMBERS

B-

Billings, revenue up 10% to \$2 billion and \$300 million. Added Time Warner Cable (\$50 million), Slim-Fast (\$40 million), Boeing (\$30 million), Delta Air Lines (\$25 million), Foster's Lager (\$15 million), Papermate (\$3 million). Organic growth from Sprite (up 30% to \$50 million), L'Oreal (up 24% to \$40 million), Kimberly-Clark (up 12% to \$130 million). Lost Advair (\$100 million), Claritin (\$90 million).

CREATIVE

B+

American Express work excels. One memorable spot: Ellen DeGeneres dancing through her day, culminating with studio dance party, is a good example of how "My life, my card" campaign captures personalities of its celebrity endorsers. Miller Lite's referee spots (in one, referee throws "ineligible beer" penalty flag at a guy for having "a disproportionately hot girlfriend") are funny, penetrating enough to spur rival Anheuser-Busch's own referee series. DHL spot emphasizes that there's a formidable alternative in the delivery game: FedEx and UPS trucks are stuck on either side of the tracks as a train hauling long line of DHL trucks roars past. A red-on-yellow, all-copy print ad also makes a compelling case for DHL with a twist on the UPS line, "Yellow. It's the new brown." Motorola translates frenetic, Euro-hip TV spots to print with less effectiveness, using multiple time-lapse images of dancing girl under "Mix O5Moto" headline.

MANAGEMENT

B-

WPP shop's tainted tenure on ONDCP ended in September, when FCB won \$130 million government anti-drug business. But shop was still dogged by ONDCP-related woes: indictments of former execs Thomas Early, Shona Seifert in July, start of trial in December. Worldwide chief strategy officer Tony Wright, 43, who left in September to take Lowe worldwide CEO position, was replaced in November by joint planning director Colin Mitchell, 36. Under New York president Bill Gray, co-creative leaders Chris Wall and David Apicella, shop won 8 out of 13 pitches.

REGIONAL HIGHLIGHTS

Chicago successfully defended \$300 million global BP business in May. Patrick Collins, late of M&C Saatchi, joined in December as client service director on BP. L.A. office president Rick Roth, 50, returned to New York, named CEO of 141 Worldwide in December, after uneventful pitch year in California. CCO Dan Burrier, 45, and Heather MacPherson, 43, head of client services for Cisco global account, were tapped as L.A. co-managing directors to replace Roth.

GLOBAL HIGHLIGHTS

Network expanded footprint in growing markets and categories, increased global creative profile and grew business under vice chairman Steve Hayden and worldwide CEO Shelly Lazarus. Bought Fujian Effort Advertising in China and Propaganda in Russia. Ogilvy Healthcare merged with Healthworld to create 45-office network in 39 countries. Increased value of \$1.5 billion IBM account by 25% with consolidation of global CRM and direct marketing.

COMMENTS

Well-run shop does consistently good work for some of world's biggest brands. New challenges expected in '05 however: Lauded IBM global account leader Matt Ross was plucked by McCann to run Microsoft worldwide; shop is defending \$55 million AmEx Financial Services business, which launched review in March in anticipation of unit's spin-off later this year. Seifert and Early sentencing in May means more potential guilt by association. Lazarus' contract is up at the end of '05, and she has yet to renew.

B

PUBLICIS USA

NUMBERS

A-

Billings, revenue up 20% to \$2.3 billion and \$260 million, based on restated figures to reflect absorption of Bromley Communications, the \$365 million Hispanic agency formed by the union of Publicis Groupe's Bromley and Publicis Sanchez & Levitan. Won Zurich Financial Services (\$100 million) and Sanofi-Aventis (\$100 million). Organic growth from client Procter & Gamble (up 10% to \$350 million), T-Mobile (up 21% to \$320 million) and GlaxoSmithKline (up 177% to \$65 million). Lost \$15 million T-Mobile Hispanic business.

CREATIVE

B

TV work continues to improve under worldwide chief creative officer David Droga. "1-800-TBS Funny" campaign is star of the reel, especially spot with a cook calling hotline to ask whether a customer sitting on a buffalo wing is funny. At TBS funny central, a deadpan helper makes comic inquiries—"Is it fried or saucy, sir?" "Left buttock or right?"—as her computer analyzes the data and determines it's "pretty funny." Since the restaurant is in Buffalo, it's upgraded to "pretty darn funny." Heineken ad with guy saying "I love you" to girlfriend who has fallen asleep on his arm charmingly makes the point that the brew is worth saying the three words most men would rather not say. In spots with Catherine Zeta-Jones, T-Mobile's users continue to encounter silly problems—in one, three slackers' moving car is wedged under a truck, but they refuse to call for help due to roaming charges—but her spokesperson role is getting tired. Print shows improvement with frozen-room scene for Stolichnaya, but dramatic RCA ad depicting cliff-side crash scene is perplexing.

MANAGEMENT

B

For second year in a row, Droga and worldwide CEO Susan Gianinno parlayed absorption of a Publicis Groupe sibling (D'Arcy in '03, Bromley last year), good client retention and strong organic growth into double-digit revenue gains. Big gap was filled when Gianinno's 14-month search for a New York CEO culminated in June with hire of BBDO's global FedEx account leader, Gil Duff, freeing Gianinno up to concentrate on U.S. network. Droga staffed up his department—in New York he elevated Duncan Marshall and Howard Willmott both to evp/ecd, joining similarly titled David Corr.

REGIONAL HIGHLIGHTS

Seattle successfully defended \$10 million Washington State Lottery after government-mandated review, and added Todd Grant, co-creator of Goodby's famous Budweiser lizards, as svp/creative director. Dallas won \$40 million Nestlé Hot Pockets and awaits decision of client Sara Lee on whether to split up the company, which may add or subtract business in '05.

GLOBAL HIGHLIGHTS

Launched Publicis Thailand. Restructured operations in Germany (five offices) and installed former Springer & Jacoby leader Manfred Schuller as CEO. Completed union of Medicus, Klemtner, Nelson and Saatchi & Saatchi Healthcare into Publicis Healthcare Group. Created roving global creative duo: Ted Royer, former acd at Wieden + Kennedy, and Ken Ratcliffe, former writer for Jimmy Kimmel. Their first stop was a three-month stint at Publicis Mojo in Sydney, where Royer served as interim ecd.

COMMENTS

With personnel in place and siblings absorbed, Droga and Gianinno pursued new business in earnest in '04, ending with 6-for-7 pitch ratio. Made Mitsubishi finals but lost to BBDO. Off to good start this January with victory in EchoStar's \$100 million review.

B+

NATIONAL 2004 AGENCY REPORT CARDS

PUBLICIS & HAL RINEY

NUMBERS

D

Billings, revenue flat at \$800 million and \$73 million based on restated 2003 numbers. Won Beringer Vineyards (\$4 million). Sprint increased work, adding local consumer and business solutions divisions. Resigned The North Face (\$2 million).

CREATIVE

B

Sprint remains agency's calling card. Among the best: "Wake Up," a spot for Sprint PCS Vision video phone showing an intimate 15-second film that director Spike Lee made for his wife using the product as he tries to wake up their oversleeping son. Campaign for Fair & Flexible plan shows how absurd most other calling plans are with spots featuring children trying to guess their "macaroni minutes" or playtime like cell-phone minutes. The campy "Business is beautiful" campaign takes an over-the-top idea and executes it well with a cheesy sing-a-long, outdated clothing and exaggerated dancing. HP spot of a man taking his wireless computer through morphing locations (café, home, laundromat, airplane) is somewhat interesting to watch, but lengthy spot gets bogged down in too many product details and price points. 24 Hour Fitness spot conveys idea that customer comfort comes first when young female trainer switches exercises after her leg-spreading hip-abductor demo makes middle-aged man uneasy. First print work for Beringer, with mock directions to Napa Valley from all over the country that include a detour to a wine store, thereby completing the trip without actually having to go to Napa, is clever. Jamba Juice print work successfully takes smoothies to a spiritual level with intricate Asian-inspired artwork.

MANAGEMENT

C-

Publicis Groupe shop still faces the same two challenges it has since the 2002 retirement of founder Hal Riney and loss of Saturn the same year—finding an inspirational leader and a signature account. In 2004, agency failed in two more car reviews, Mitsubishi and Kia, bringing its record in automotive pitches to zero for four since Saturn left. President and ecd Kirk Souder, 42, co-founder of Ground Zero, was brought in with much fanfare in April 2003 but left in December to be a counseling psychologist, with his year-and-a-half reign at Riney garnering mixed reviews: Staff was enthused by his presence, but it didn't translate into either new business or improvement in numbers. Souder's successor as leader of the shop was Karen Francis, 42, CEO of Ford Motor's consumer connect division, who joined in November as chairman and CEO. Francis became the third CEO appointed by the 28-year-old shop in five years. (Former CEO Scott Marshall left in late 2003.) Rather than hire a new ecd to replace Souder, Jae Goodman, 34, and Goodby alum Jon Soto, 43, hired in May, took the role together.

COMMENTS

Shop can't seem to shake its three-year car fixation, now even more apparent with a former automotive marketing exec at the helm. Is Francis the leader the shop has been looking for? The former Ford marketing exec will have to bring in significant new business and boost morale if the flagging shop is to rekindle the fire of its glory days with Hal Riney at the helm. And already this year a big, new question mark looms: What will happen to Sprint's \$550 million account as the client looks to acquire Nextel.

C

THE RICHARDS GROUP

NUMBERS

B+

Billings up 18% to \$1 billion, revenue up 17% to \$134 million. Added Red Lobster (\$100 million), Comcast Digital Phone Service (\$20 million), Greyhound Lines (\$17 million), Wawa Convenience Stores (\$10 million), National Pork Board (\$10 million), Nortel Networks (\$5 million), Kiwi Shoe Polish (\$4 million), Bahama Breeze (\$4 million), Halliburton (\$2 million), MADD Victim Services (\$1 million), Rules-Based Medicine (\$1 million). Biggest client Hyundai boosted ad spend 60% to \$350 million. Lost Nokia (\$35 million), Bernhardt Furniture (\$2 million).

CREATIVE

B-

Agency produced solid work, with some chuckles but few surprises. Managed to continue success of Corona Beer series with artistic ship-in-the-bottle theme (yacht on blue sea appears to sail into bottle in sunbather's hand). Amusing Wawa Convenience Stores spot shows attractive woman sitting on park bench eating wrap sandwich as jungle gym behind her fills with adults a la *The Birds*. When she tosses small piece, crowd swarms to feed. An Olympics spot for Home Depot, featuring employee Olympic athletes, is gently emotive but standard competition fare. In humorous Comcast ad, couple no longer needs various "stress relief" solutions to catch their favorite shows (such as face full of acupuncture needles while driving) because they have DVR. Cincinnati Children's Hospital spot tackles scary subject of brain tumor through child's eyes without being Pollyannish. Humor in "Change your underwear, change your life" Fruit of the Loom motivational parody falls flat. So does brand's juxtaposition of pink underwear with candy in print to prompt women to "gobble them up." Chick-fil-A outdoor simulating chicken's graffiti-defacement of peaches billboard reinforces cheeky brand personality.

MANAGEMENT

B+

Stan Richards, 73, continues to insist he will never retire, but the 29-year-old shop's future nonetheless rests with his designated successors, principals Glenn Dady, 52, Gary Gibson, 51, and Mike Malone, 52 (like everyone else at shop, they lack more specific titles in effort to foster egalitarianism). Each of independent agency's 14 principals is able to go after new business and staff business as needed, leading to entrepreneurial spirit, larger roster than most agencies its size—49 accounts—and a tendency to pitch more than most national agencies. Though rather unselective, the Dallas-based agency is pleased with its 11 wins out of 20 pitches in '04—roughly the same ratio as last year. Richards' approach to running an agency seems to foster stability and loyalty, with no change at all in top management in the last two years.

COMMENTS

Richards surpassed the \$1 billion in billings milestone with its 2004 harvest. Major creative challenges for the coming year include image makeovers for Halliburton, CompUSA and Greyhound Lines. Peripatetic new business approach got off to a good start in 2005, as shop won 3 of 4 pitches, including CompUSA's \$25 million account.

B

SAATCHI & SAATCHI

NUMBERS

F

Billings up 3% to \$3.2 billion; revenue down 3% to \$215 million. Won \$150 million in global Novartis OTC business (Voltaren, Otrivin, Theraflu, Triaminic; \$75 million in U.S.), \$100 million-plus in Procter & Gamble line extensions (for Pampers, Folgers, Olay, Crest), Air Tahiti Nui (\$15 million), \$10 million in General Mills line extensions (for Yoplait, Lucky Charms), Ritz-Carlton (\$10 million), Lego's Duplo and Clickits (\$5-10 million). No losses, but late '03 exit of Johnson & Johnson hurt revenue. December '04 Novartis win won't kick in until '05.

CREATIVE

B

Toyota spot features hilarious videotaped revenge by woman who has her boyfriend's "precious" Tacoma pushed off a cliff, unconventionally demonstrating truck's durability when it lands upright with little damage. Olay spot slyly sells with mind reader guessing woman's age is 29 (not the real 36), and the woman replying, "Wow, he's good!" Old Spice spot with boss talking to empty desk scores laughs when guy pops up to compliment of "You smell really good," but ad becomes flagrant when woman appears buttoning her blouse. Cheerios conveys emotion in spot with nervous parents and newly adopted children breaking the ice by forming a smiley face from O's. International Olympic Committee spot tries to breathe new life into vintage clips of athletes with soaring music and tenor Andrea Bocelli, but "Heart is the strongest muscle" line feels saccharine. P&G's Luvs print exaggerates "seriously absorbent" claim with diaper-shaped seascape.

MANAGEMENT

D+

It took four years, but Kevin Roberts, worldwide CEO of the Publicis Groupe shop, finally restored a traditional management structure in N.Y. In September, Roberts ditched his leadership-by-committee approach, tapping Arnold N.Y. president Mary Baglivo, 46, as CEO, effective Oct. 1. Simultaneously, worldwide cd Bob Isherwood imported London office ecd Tony Granger, 44, to replace Tod Seisser as CCO. In Baglivo, Roberts found a leader with P&G roots; Granger's past award-show success played to Isherwood's desire to raise N.Y.'s creative profile. The moves came after co-CEOs Scott Gilbert and Mike Burns failed to distinguish themselves. Gilbert left quietly in July, and Burns, worldwide account director on General Mills, became the odd man out, setting in motion his eventual exit in early '05. Big wins came too late to make up for December '03 exit of bedrock client J&J.

REGIONAL HIGHLIGHTS

In August, L.A. cd and key Toyota creative Harvey Marco rose to ecd, and office president Rich Anderman reoriented the shop around strategic planning, adding two media directors (Doner's Jason Jordhamo and Mediaedge:cia's Jim Lorden) and brand integration director Bruce McDermott from Wunderman.

GLOBAL HIGHLIGHTS

Granger's shift to N.Y. triggered changes in London. Former Red Cell co-CEO Lee Daley joined as chairman, CEO in October, replacing Kevin Dundas, worldwide strategy director as of Jan. 1. Kate Stanners, co-founder of Boy Meets Girl, was named ecd in November.

COMMENTS

2005 began with an embarrassment as Burns, a 25-year agency vet, split Feb. 11, followed three days later by 17 of his General Mills colleagues, creating expectation that business would follow and prompting shop to sue Burns. Rival IPG hired so-called Saatchi 17, but no General Mills business shifted—yet. Roberts must continue to cast carefully in filling positions (new cd Ann Hayden from Y&R seems a good fit) and prove Big G means as much to him as P&G.

D+

TBWA\CHIAT\DAY

NUMBERS

A

Billings up 29% to \$1.8 billion; revenue up 15% to \$250 million. Playa del Rey, Calif., office led the way, winning Pedigree (\$125 million), Sara Lee's Ball Park, Jimmy Dean (\$50 million), Pepsi assignments (\$40 million), Anheuser-Busch (\$25 million), Limited Too (\$15 million), MapQuest (\$15 million). Tequila arm contributed Starz/Encore (\$10 million), Ask Jeeves (\$2 million). N.Y. added four Mars brands (\$90 million). San Francisco kicked in Fox Sports Net (\$20 million), Pay by Touch (\$10 million). Nissan upped factory spending 7% to \$1.1 billion; Apple spent 7% more to \$113 million. No losses.

CREATIVE

A-

Adidas spot showing Laila Ali boxing her father, Muhammad Ali, poignantly emphasizes "Impossible is nothing." Apple's iPod silhouettes continue to rock with U2 tie-in. Expert pacing brings out the laughs in office dance-party spot for Nextel. Striking Nissan spot paints dark picture of suburbia, lightened by "gorgeous," "fast" Altima. Pedigree offers fresh spin on pet food with close-ups of dogs' noses sniffing in anticipation. Quirky "Hear the rainbow" Skittles spot with rainbow showering candy on office worker is a delight. Nissan Z print wittily connects sports car to sports fans with tournament bracket that pits "coulda-woulda-shoulda" against "did." Jimmy Dean outdoor encourages new meal times ("If you like brunch, you'll love brinner") with clean, appetizing picture of croissant sandwich.

MANAGEMENT

A-

Omnicom shop named *Adweek* U.S. Agency of the Year mainly on performance in West under president Robert LePlae, creative guru Lee Clow. Playa del Rey won two-thirds of \$400 million in new business in '04, getting on coveted Anheuser-Busch and Pepsi rosters, to go along with top-notch creative. In August, worldwide CEO Jean-Marie Dru lured McCann's Brett Gosper, 44, to be president of TBWA N.Y. Group. President of the Americas Tom Carroll, 49, was named vice chairman worldwide, freeing him from day-to-day operations to focus on key global clients Absolut and Adidas.

REGIONAL HIGHLIGHTS

In L.A., ex-Wieden cd Joe Shands started hitting his stride on Nissan. Also Tor Myhren, lead cd on Infiniti, left in December to head up Cadillac and Pontiac at Leo Burnett; ecd Rob Schwartz still seeking replacement. After being a project shop, S.F. won lead status on Fox Sports. New York failed to convert in any of eight pitches, but its creative on Skittles and others, led by new ecd Gerry Graf, raised office profile. Complicating matters was impending trial of N.Y. president Shona Seifert over ONDCP billing while at Ogilvy & Mather.

GLOBAL HIGHLIGHTS

In April, TBWA created the post of president of global clients for ex-Saatchi vice chairman Tim Love. Transplant of South Africa's John Hunt to New York in '03 as worldwide cd ultimately didn't take, as Hunt headed home in September. Also, worldwide CEO Jean-Marie Dru moved back to Paris in September after three years in New York. Playa del Rey put together "S.W.A.T. team" and flew to Berlin to help win Siemens global corporate image in December. Added five new Masterfoods brands without a pitch—sign of a happy global client.

COMMENTS

It's always harder to stay on top than to get there, and addressing the new-business imbalance between left and right coasts will be key goal in '05—and N.Y. started the year by coming up short in January's Dish Network review. Hanging on to N.Y.'s top revenue-generator Nextel, being acquired by Sprint, is another challenge.

A-

NATIONAL 2004 AGENCY REPORT CARDS

TM ADVERTISING

NUMBERS

C-

Billings, revenue up 9% to \$500 million and \$60 million. Added Verizon SuperPages.com (\$2 million), Spyder (\$1 million), online work for Venetian Resort-Hotel-Casino (\$1 million), Mariloff Diamonds and Duffs International (\$1 million combined). Major clients boosted spending a combined 22% to \$308 million including Subaru (\$165 million), American Airlines (\$60 million), Nationwide Insurance (\$50 million), ExxonMobil (\$33 million). Lost largest client, Subaru, in October. Subaru exit and Texas Instruments' \$10 million loss in January will be felt in '05.

CREATIVE

C+

Work improves with new campaigns for its top clients. American Airlines TV emphasizes "We know why you fly" in charming but implausible scenes of clairvoyant-like customer service. Nationwide TV stresses smarter savings with laughs to show how "Life comes at you fast": in one, parents place their baby in an infant seat in the backseat of a car; when they turn around to check on him, he's fully grown. In another, by the time an athletic Adonis dives into a pool and swims to an attractive woman on the deck, he's bald and paunchy. Print for National, with rows of duplicated pictures except for the last one, doesn't capture time lapse as humorously. National Football League spot is irritating, with players mindlessly repeating phrase, "I just want to hit somebody." Texas Tourism spot is backed by strong soundtrack and elegant graphic treatment, but relies on a clichéd theme: "It's like a whole other country." Print for same client features less compelling images.

MANAGEMENT

C

In his first full year as chairman and chief creative officer, Jim Ferguson, 51, sought to transform the IPG agency from a solid but risk-averse shop to one that could "surprise" clients with its creative. In the process, TM broke three straight years of declining revenue, though the loss of Subaru after 10 years bodes ill for 2005. Ferguson cites award-winning Nationwide and American Airlines work as evidence of progress. Acknowledging his own deficiencies as a "numbers guy," Ferguson deferred to president David Lyon, 45, on day-to-day operations. To recruit badly needed new business, Ferguson hired Tom Hansen, 48, in October as chief marketing officer. The former Leo Burnett (where the two met) and Square One exec will target the coveted beer, automotive and fast-food categories. Hal Dantzer, who worked with Ferguson on DDB's celebrated Tabasco "Mosquito" spot in 1997, joined in June as director of broadcast production. Opened alternative ad unit called Link to attract unorthodox clients such as skiwear maker Spyder of Boulder, Colo., which tries to appeal to a young, anti-ad demographic. Shop's wins were paltry (it defended \$15 million Texas Tourism account). With Subaru still on board through 2004, no layoffs occurred; execs say there are still no plans for staff reductions as execs from lost accounts shift to other projects.

COMMENTS

Although it didn't win, TM's inclusion in finals of \$200 million Mitsubishi review indicates the shop, proven regionally, is still being considered for big national accounts. But Subaru blow was a brutal one. The outspoken Ferguson sees creative success as the key to a comeback.

C

WIEDEN + KENNEDY

NUMBERS

B-

Billings, revenue up 21% to \$546 million and \$53 million. Account wins included Sharp Electronics (\$35 million), Starbucks (\$20 million), Electronic Arts titles (\$10 million), Sharp Aquos (\$200 million, U.S.). ESPN upped spend 43% to \$50 million. Lost AOL assignment (\$50 million), Foster's Henry Weinhard's (under \$50,000). Fourth-best revenue gain but second-smallest base of 33 nationally ranked shops. Poor revenue-to-staff ratio (29 of 33) brings down grade.

CREATIVE

A-

Nike's "What If" spot, in which athletes are stars in other sports—Andre Agassi as baseball player, Randy Johnson as bowler—is an engrossing alternate sport universe in which "Just do it" inspiration and athleticism always win. Tongue-in-cheek Miller spots continue to entertain, finding new material in low-carb diet craze, as High Life Man tells viewers the beer will balance out bowls of taters and stuffing; and that cheating the lie of a golf ball is downright unmanly. ESPN's sandlot kids, improvising sports anywhere and with anything they can, relate to everyone who has ever played outdoors. Captivating PowerAde spot shows basketball superstar LeBron James draining a succession of fantasy 80-footers at practice. Nike spot of Italian woman in her Shox shoes being chased by a village of men seeking her hand stylishly conveys idea of independence to appeal to women. Nike print pops, with black snake gatefold suggesting texture of Jordan Jumpman XIX, revealed within; shot of enthroned LeBron surrounded by lions is agonizingly egomaniacal—and probably hangs in every dorm in America.

MANAGEMENT

B+

CCO Dan Wieden and COO Dave Luhr tripled revenue, billings percentage growth over prior year; independent network reached \$1 billion in worldwide billings. Tokyo office head/ecd John Jay returned to Portland in November. New emphasis on strategic planning represented by arrival of planning director Sudeep Gohill (from Bartle Bogle Hegarty, Tokyo, in November 2003). Goodby Silverstein & Partners' Steve Luker was hired in January as creative director to handle Electronic Arts. AOL was big disappointment when Portland office's "American Chopper" campaign fizzled, agency lost business.

REGIONAL HIGHLIGHTS

New York saw a smooth transition in creative leadership when Ty Montague, 41, left in November and agency veteran Kevin Proudfoot, 32, moved up from ad to co-cd with Todd Waterbury, 37. Portland started school for wanna-be creatives (W+K "12") led by Jelly Helm. Students' first work, for a get-out-the-vote organization called November 2, ran nationally.

GLOBAL HIGHLIGHTS

Offices in Amsterdam, London, Tokyo collectively saw billings rise 14% to \$480 million. Launched office in Shanghai in January '04, but government regulation prevented it from doing any business until January '05. After Jay returned to Portland, leadership in Tokyo went to co-cds Hiroshi Yonemura, Sumiko Sato. London picked up Welsh Tourist Board, Associated New Media, and added 24% in billings to \$100 million.

COMMENTS

Momentum carried into '05, as 23-year-old agency went from roster shop to lead agency on Electronic Arts' estimated \$150 million global business in February. Still, N.Y. needs to be more competitive; office failed to make final round in only really big account it pitched in '04—Schwab.

B+

YOUNG & RUBICAM

NUMBERS

D- Billings, revenue flat at \$3.6 billion and \$338 million. Won Toys "R" Us (\$120 million), Weight Watchers (\$45 million), Callaway Golf (\$40 million), Abbott Laboratories' Humira (\$20 million), Berlex's female healthcare drugs (\$15 million) and Indevis (\$10 million), Foster Farms (\$7 million); added \$20 million in corporate image duties on ChevronTexaco. Lost Burger King (\$300 million), Computer Associates (\$100 million). AT&T exited consumer marketing. December losses of CA, AT&T to hit in '05.

CREATIVE

C+ A few bright spots in TV. Trojan horse in AT&T networking spot successfully uses humor to show company understands business frustrations ("Uh, hi, can I just borrow your network a sec?"). AT&T print with shadow of Rodin's "Thinking Man" across from 50-something man is cluttered with questions, jargon. V8 spot with shirtless guy genuflecting while sipping juice delivers chuckle when female waves at his roommate instead. 7Up Plus and Toys "R" Us TV are mildly amusing but formulaic (Regis Philbin childish whines; suburban dad grabs toys). Accenture print uninspired, given Tiger Woods' overexposure as pitchman.

MANAGEMENT

D+ In sophomore year as worldwide CEO, ex-Kraft exec Ann Fudge appeared preoccupied with process. While restructuring N.A. operations and stressing Lean Six Sigma management, she missed signs of client unrest, particularly with Burger King and CA—both of which left. In January, Fudge embraced shop's heritage of integration by repositioning it under Y&R Brands, her moniker for group housing Wunderman, Landor Associates, etc. But steadier siblings such as Wunderman felt slighted when Fudge used big umbrella to take credit for global wins such as Microsoft. In July, Fudge established single P&L across N.A. and turned office CEOs into managing partners. Former TBWA\Chiat\Day exec Mary Maroun assumed that role in N.Y., replacing worldwide cd Michael Patti, who shed office CEO/chairman titles in favor of vice chairman worldwide. Fudge created "catalyst team" to pitch business, with chief growth officer John Morris, chief digital officer David Yakir and three newcomers: Nissan's Jon Cropper, creative content and channel strategist; M&C Saatchi's Matt Eastwood, ecd; Fallon's John Gerzema, chief insights officer.

REGIONAL HIGHLIGHTS

San Francisco added clients (Foster Farms), helped save 7Up. In Irvine, Calif., CEO David Murphy tapped consultant Angela Pih to steer Sony Electronics in May, then dismissed her in December; also, Murphy hired FCB San Francisco's Michael Prieve as new ecd in December, three months after John Doyle left. Ford's Jaguar launched review in November.

GLOBAL HIGHLIGHTS

Key wins included \$80 million MTN in Johannesburg, South Africa, and \$30 million FreeMove in London, each of which spans Europe, Middle East and Africa. In October, London joint-CEOs M.T. Rainey and Jim Kelly handed reins to managing director James Murphy (who became CEO) and ecd Mark Roalfe (who added chairman title), setting stage for Rainey and Kelly exits in '05.

COMMENTS

With losses spilling into '05 (fired off Sony's \$150 million account, lost Jaguar, both in February), Fudge has worn out her welcome. Two weeks ago, the agency said she will be replaced as CEO; WPP boss Martin Sorrell seeking replacement to fix once-venerable brand.

D+

GRADES BY HOLDING COMPANY

OMNICOM

TBWA\Chiat\Day	A-
BBDO	B
DDB	B
Goodby, Silverstein & Partners	B
Merkley + Partners	B
GSD&M	C+

IPG

Deutsch	B
The Martin Agency	B-
McCann Erickson	B-
Mullen	B-
Foote Cone & Belding	C+
Campbell-Ewald	C
TM Advertising	C
Campbell Mithun	C-
Hill, Holliday, Connors, Cosmopolos	C-
Lowe	C-

WPP

Berlin Cameron/Red Cell	A-
Ogilvy & Mather	B
JWT	C+
Young & Rubicam	D+

PUBLICIS

Publicis USA	B+
The Kaplan Thaler Group	B
Fallon	B-
Leo Burnett	C
Publicis & Hal Riney	C
Saatchi & Saatchi	D+

HAVAS

Arnold	B+
Euro RSCG	C-

MDC

Crispin Porter + Bogusky	A-
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REGIONAL 2004 AGENCY REPORT CARDS

BARKLEY EVERGREEN & PARTNERS

NUMBERS

C-

Billings up 14% to \$424 million; revenue up 10% to \$40 million. Added Original Juan Specialty Foods and Kansas City Convention and Visitors Bureau (\$4 million total). Losses included Missouri Lottery and Sears Portrait Studio; both went in-house (\$10 million total). Hikes from Sonic Drive-Ins (up \$15 million) and Blue Bunny ice cream.

CREATIVE

B

Subtle and simple. Highlight remains Sonic's spot of two drive-in guys whose improvised dialogue is engaging while still about food. Payless spots with women plucking fleece from clouds and painting boots on legs are jauntily scored and take brand beyond value. Lottery work with Japanese businessmen wallows in stereotypes. Jamaican Style sauce print ("Pain is good") is quirky, but too inconsistent to establish upstart.

MANAGEMENT

C

CEO Brian Brooker shored up key areas. Food account vet (Denny's, Publicis) Steve McGehee hired to run Sonic. Joe Sciarra shifted from subsidiary Three Wide to lead new business. Planning director Knox Duncan wooed former Wieden colleague Jim Elms to direct media.

COMMENTS

Brooker oversees second year of growth, but loss of \$60 million Payless creative in January '05 will hit team hard.

C+

BERNSTEIN-REIN

NUMBERS

D+

Billings up 12% to \$506 million; revenue up 9% to \$54 million. Picked up Ruby Tuesday's (\$5-10 million) and b2b work for Bayer Animal Health. Renewed spending by TracFone and additional work for Wal-Mart. Brand Relationship Group added Capital One direct project. Quit Carstar (\$3 million).

CREATIVE

B-

In ecd Arlo Oviatt's second full year, clear strategies replaced mystifying creative. Best is NetZero TV, from cutting AOL parody (woman interrupts board meeting) to hapless Candidate Zero (with Al Gore-esque beard and Howard Dean-scream). Wal-Mart's *Star Wars* DVD promo (Chewbacca and Darth Vader in slice-of-life moments) inspired given assignment. Retooled "Hello Mudda, Hello Faddah" lyrics for Advantage flea protection charming, if unoriginal.

MANAGEMENT

C+

CEO Bob Bernstein and son Steve, COO, spent two years putting team in place, now letting them run to good effect. Under Rich Gabe, Brand Relationship Group attracted nontraditional business; Oviatt improved creative. Carstar was first client loss in three years.

COMMENTS

Time to bring in a dedicated new business exec to give Steve Bernstein a hand in going after traditional ad accounts.

C

BARTLE BOGLE HEGARTY

NUMBERS

C

Billings, revenue up 10% to \$374 million, \$32 million. Added \$50 million from Diageo (Smirnoff Ice, Baileys), SUV safety (\$30 million), Unilever's All (\$20 million), Gold Toe Brands (\$5 million), buzz marketing on Unilever's Dove (\$1 million). Lost ING Direct (\$30 million), Match.com (\$20 million), Mentos (\$20 million).

CREATIVE

A-

Levi's spot with guy making up with girl just to get his jeans back hits target with wink. Alluring Axe spot with women sniffing metal objects (bucket, frying pan) pays off when guy tosses empty can of spray into recycling bin. Animation makes All spot set in laundromat stand out, but degenerates when woman finds fat guy's thong in laundry.

MANAGEMENT

B

Global chairman John Hegarty recasted at top, replacing ecd Kevin McKeon with Euro RSCG's Kevin Roddy in August, importing London co-managing director Gwyn Jones as CEO in October. Former president Cindy Gallop shifted to broader role of U.S. chairman and chief marketing officer.

COMMENTS

Jones is charged with building N.Y. into biggest BBH office by 2009. Roddy, a former account handler with strong creative pedigree (ex-Falton, Cliff Freeman), should help. February '05 EDS win a good start.

B

CARMICHAEL LYNCH

NUMBERS

B-

Billings up 21% to \$378 million; revenue up 19% to \$50 million. Wins included Peterbilt trucks (\$2 million), Jack Links snacks (\$10 million), Rosetta Stone (\$10 million), Grow Boating (\$10 million); also media for Korbel, MasterBrand and NWA Online. Increased business from Porsche Dealer Group. No losses.

CREATIVE

A-

Minimal copy speaks volumes in print. Rapala print with scientific fish chart labeling all specimens as "suckers" produces a wry smile, as does Harley-Davidson play of customizing to fit boxer- or brief-wearers. Understated TV also effective, with Rapala spot (men reciting prayer to fish gods) and Gibson spot (*Diner*-esque dad/daughter quiz) the standouts. Child visiting Porsche dealership 20 years early a nice story, but spot is slow-moving.

MANAGEMENT

A-

Chairman Jack Supple and president John Colasanti lured Peter McHugh back to Twin Cities from 180 in Amsterdam as chief creative officer in October. Combined interactive and relationship marketing into one unit under interactive head Melody Lentsch.

COMMENTS

Typically stable shop upped ante with recruit of McHugh; needs to apply his international and big-agency experience to new business.

B+

CRAMER-KRASSETT

NUMBERS

C-

Billings, revenue up 6% to \$559 million and \$84 million. Wins included H.J. Heinz Frozen Foods (\$15 million), Cellular South (\$12 million), La Quinta (\$10 million). Added media for GNC (\$40 million). New York deal added BASF (\$8 million), Steve Madden (\$2 million), Comcast Spotlight (\$4 million). Lost Winn-Dixie (\$20 million), Moen (\$10 million), LaSalle Bank (\$20 million).

CREATIVE

B

Corona campaign unchanged but still surprising (girl squirting lime at guy eyeing beach babe; bottle undressing for nude beach). Hyatt spot uses fashion imagery to sex up hotel. Cell South (two stuffy thespians re-create teenaged conversations) and AirTran (business travelers dine and dash to save) use humor well, but no one's going to bust a gut.

MANAGEMENT

B-

CEO Peter Krivkovich took a step toward succession (and sharing authority) by naming four associate general managers in Chicago and Milwaukee. Biggest move was adding long-anticipated New York outpost with hire of Dean Stefanides and Larry Hampel.

COMMENTS

Good news is getting invited to big pitches; bad news is leaving a lot on the table (Kia, Red Lobster, Subaru alone represent \$400 million-plus). September addition of N.Y. office should help in 2005.

C+

DAILEY & ASSOCIATES

NUMBERS

B

Billings up 4% to \$605 million; revenue up 23% to \$80 million. Added 21st Century Insurance creative (\$25 million), L.A. Dodgers (\$3 million). New assignments from Best Western online (\$6 million), increased spending by Safeway. Lost Public Storage (\$12 million), Callaway Golf (\$20 million). Numbers restated to include former Suissa Miller, merged into Dailey at end of 2003.

CREATIVE

B-

No big boost from Suissa Miller add, but latest work for 21st Century, Safeway moves in right direction. Innovative outdoor for Safeway sandwiches (flip panels of workers climbing to sandwich poster atop building). 21st Century TV grabs attention (frantic scenes from *The French Connection*) with obvious yet funny insurance pitch. Legoland in-park poster (man and mini Lego guy at urinals) funny but wrong for target.

MANAGEMENT

B

Kudos on apparently painless Suissa Miller deal, given possible culture clash. President Brian Morris took CEO title as chairman Cliff Einstein cut back. Vice chair David Suissa didn't stay long, leaving in October.

COMMENTS

Einstein's presence on board placates key clients SoCal Ford and Safeway (added work despite '03 addition of Berlin Cameron/Red Cell to roster), helps transition to Morris.

B

DAVIDANDGOLIATH

NUMBERS

A-

Billings, revenue up 15% to \$400 million and \$40 million. Retained Kia (\$270 million) after grueling review. Added L.A. Gear (\$3 million), Las Vegas' Palm Hotel & Casino (\$2 million), Dillard's creative project (\$1-2 million). Additional work for Bacardi (\$10-15 million). Lost Papa Murphy's (\$15 million). Best revenue/staff ratio.

CREATIVE

B-

Kia is reel's best, with Woodstock-esque "Kiafest" TV and print series, though drug and cultish references a tad risky. Bacardi rum TV (man in fly costume) amusing but overwhelms product. Same with Universal Studios Orlando TV (dark-suited, desk-bound CEO), in which pay-off line, "Take back your vacation," is lost. Outback Steakhouse spot eschews ho-hum Aussie theme for wicked vignette—kids blackmail Dad for dessert after they catch him spilling ashes of family cat.

MANAGEMENT

B-

Kia save was huge; account represents 80% of revenue. Defense kept president, COO Skip Sullivan and chairman, chief creative officer David Angelo from other initiatives, but they did keep things together during five-month review.

COMMENTS

With Kia defense behind it, shop needs to provide a little TLC to other clients and work on diversifying roster to lessen automaker's weight.

B

EISNER COMMUNICATIONS

NUMBERS

C

Billings, revenue up 10% to \$327 million and \$33 million. Added The Freedom Point (\$30 million), Johns Hopkins Medicine (\$4 million) and Polk Audio (\$2 million). Lost print for Star Systems (\$5 million) but retained Internet work.

CREATIVE

C

Sometimes uninspired ideas improved by sharp art direction, crisp writing. Lenox print's black-and-white photography evokes emotional family ties, but same effect for Johns Hopkins Medicine marred by confusing what-if-they-lived-longer message about dead stars (Ingrid Bergman, Ella Fitzgerald). Stunt of having eggs thrown at CSX billboard to promote rail-crossing safety is silly and doesn't convey point. US Airways TV uses clever scenarios to emphasize low fares (typical hustles by slippery fortune teller and fast-talking pool player are believed, but info they offer on low fares is not).

MANAGEMENT

B-

CEO Steve Eisner and ecd Stephen Etzine increased senior creative talent with several new hires, including acd interactive Jeremy Clarke (ex-Saatchi) and acd interactive Guy Sealey in April.

COMMENTS

Despite talent additions, creative remains uneven. But reel hints that shop is trying to break from its staid past.

C+

REGIONAL 2004 AGENCY REPORT CARDS

ELEMENT 79 PARTNERS

NUMBERS

A

Billings, revenue up 33% to \$567 million and \$55 million. Added Hoover (\$20 million), Hillshire Farm (\$20 million), Capital One, Yum! Brands' Long John Silver's and A&W (\$40 million), Leap Wireless's Cricket brand (\$20 million), Pepsi health and wellness assignment. No losses. Best regional revenue gain.

CREATIVE

B

Propel spots morphing water drops into athletes neatly connect brand with Gatorade. Gatorade's "Mia" tribute verges on maudlin ("We love you Mia!") but saved by tight editing; "Sport is sport" well-written—"It's 90 feet to first no matter where home is." Quaker oatmeal bar's striking blue and red print ad, copy instantly affirm brand ownership of all things oatmeal. Hackneyed mane-waving for Alberto VO5.

MANAGEMENT

B

CEO Brian Williams picked up Capital One and Hillshire Farm by staying in contact after pitch losses. Former Leo Burnett, Callaway exec John Buehler enlisted in August as group account director on Gatorade, allowing John Fraser to assume wider strategic role. CCO Dennis Ryan's team keeps Tropicana following creative shootout.

COMMENTS

First card for three-year shop, which has grown nicely beyond Quaker and shed one-trick-pony label. Needs creative consistency across board.

B+

GOTHAM

NUMBERS

C-

Billings up 3% to \$618 million; revenue down 2% to \$72 million. Added \$10 million in collateral, brochure duties on Bank of America. Won Medco Health Solutions (\$5 million), FreshDirect (\$3 million), Digene's HPV Test (\$2 million), United Church of Christ (\$1 million). AT&T Wireless retail left in December after acquisition by Cingular Wireless. Wins not enough to offset \$3-5 million revenue hole from 2003 AOL loss. Second best revenue/staff ratio.

CREATIVE

C

Priceline.com TV (with William Shatner, Leonard Nimoy) amusingly spells out ways to use site. Heavy copy, overdose of signature-red deadens BofA print. FreshDirect print shines with puns ("Buy thyme. Save a mint"). Church of Christ spot depicting minorities turned away from church provocative on inclusiveness message, but bit self-righteous.

MANAGEMENT

C+

Co-chairman/CEO Stone Roberts' unexpected exit in May (for CEO's job at Carlson & Partners) stunned troops, but seasoned team averted fallout. IPG's Gunnar Wilmot named chairman; co-chair/CEO Larry Dunst stayed CEO; president Shari Baron added COO to title.

COMMENTS

Wilmot's task: build direct, interactive and pharmaceutical capabilities at this IPG shop. Must make up \$3-4 million from AT&T Wireless loss.

C

GLOBALHUE

NUMBERS

C+

Billings, revenue up 14% to \$400 million and \$40 million. Added State Farm direct (with IPG's Draft), Bermuda Tourism (African American, Hispanic), L.A. Dodgers (Hispanic, Asian); total wins \$12-15 million. Upped spending by DaimlerChrysler. No losses.

CREATIVE

C+

Improved structure gives each silo (African American, Hispanic, Asian) dedicated creative directors and more autonomy. Colorful Jeep print/TV has graffiti artist conveying message of self-expression. Verizon Wireless guy translates nicely to Spanish; catchy music makes it unique to target but well-tied to general effort. Chrysler 300C print/TV is generic. Moldy movie-trailer look for Dodge Magnum.

MANAGEMENT

C+

In second full year since expanding into Hispanic/Asian target marketing, CEO Don Coleman organized shop's multicultural offerings, named three exp/director client services: Allen Pugh (African American), Elcid Choi (Asian), Chris Campos (Hispanic).

COMMENTS

African American/Hispanic/Asian conglomerate has taken some time to sort itself out, but restructuring is a positive step toward clarification of the three-legged GlobalHue brand.

C+

KIRSHENBAUM BOND + PARTNERS

NUMBERS

B-

Billings up 27% to \$540 million; revenue up 16% to \$50 million. Added Edward Jones, Mohegan Sun creative (both \$25 million), Moet (\$20 million), Equal (\$15 million). Media Kitchen added WWE (\$8 million), Children's Place (\$15 million). Interactive Dotglu added Hartz and Kao projects. Resigned Meow Mix (\$15 million); only loss.

CREATIVE

B

Reel lacks energy of last year's Target work. TV for Liberty Mutual, Edward Jones injects humor into stodgy categories. Wyndham spot's bossa nova soundtrack and poolside hunk-gazing give travel destination personality. Timex print advising "Don't get lost" pairs maze with compass watch for a clean, simple message.

MANAGEMENT

B+

Strong turnaround for Jon Bond and Richard Kirshenbaum, who achieved goal of 20% operating margin. Smaller, streamlined pitch teams produce 9-of-15 score. No investment from MDC's purchase of 60% stake. Nigel Carr ousted as managing director of struggling S.F. office. Co-ecd Logan Wilmont left for Boymeetsgirl in London. Vice chair Rob Feakins takes over as sole No. 2 creative.

COMMENTS

Solid year for new business, but car account (fell short for Subaru, Kia) remains holy grail.

B

MARC

NUMBERS

F

Billings down 10% to \$368 million; revenue down 9% to \$40 million. Won General Growth Properties, Moen (both \$10 million), Columbus Circle (\$2 million). Lost Palace Entertainment (\$10 million), Chicago Tribune (\$6 million), Mellon Financial (\$5 million), Kissimmee/St. Cloud CVB (\$7 million). Biggest revenue decline. Poor revenue/staff.

CREATIVE

C

Nice special effects in Sennheiser audio spot (fetus enjoys music through earphones on mother's tummy). Pennsylvania Lottery groundhog fake-looking but cute. Large cake in Rite-Aid diabetes spot sends strange message. Rally's "You gotta eat" effort in fourth year but still un-hummable; spot of cop pulling over couple, then eating burger is odd tale of bribery. True Value holiday spot generic.

MANAGEMENT

C+

Chairman Tony Bucci named Michele Fabrizi CEO over all five offices (she previously ran Pittsburgh HQ); network moved to single P&L. Norb Sieber new Miami COO. Staff cut by 28%.

COMMENTS

Revenue flat or down for past three years amid exec shifts made in effort to get outposts on the same page. Fabrizi isn't afraid to make moves in that direction (single P&L's a good one), but the arrow's got to start pointing the other way soon.

D+

MARTIN/WILLIAMS

NUMBERS

C-

Billings, revenue up 4% to \$367 million and \$53 million. Lost E*Trade (\$90 million) in July and Staples broadcast creative (\$60 million) in June. Resigned Polaris (\$10 million) in March. Winning ICI Paints (\$3-5 million), client spending up 10% total (particularly Syngenta, Lincoln Financial) helped mitigate losses.

CREATIVE

B-

Print, TV for Cargill neatly explain how large company can customize solutions, from keeping food fresh for college cafeterias to helping chocolate marketers with low-sugar products. Outrageous new neighbors (motorcycles, bad art) fun way to tout E*Trade mortgage service. Victory motorcycles work highlights chrome in print and sound in TV, but hardly improves brand's also-ran image.

MANAGEMENT

C+

Two years of gains erased in six-week period by E*Trade and Staples losses. President Steve Collins and chief marketing officer Mike Gray quickly (and wisely) cut 30 from staff (12%), dumped some high salaries in process and maintained revenue growth.

COMMENTS

Collins, Gray and chief creative officer Tom Moudry have shown fortitude in face of setbacks, making moves to mitigate losses, getting back on new-business horse and scoring \$60 million Payless in early '05.

C+

MARGEOTES|FERTITTA + PARTNERS

NUMBERS

C

Billings, revenue flat at \$395 million, \$59 million. Added Lugz (\$5 million), Radisson Seven Seas (\$7-10 million). Lost U.S., global Bombay Sapphire, Bacardi new product development in June (\$35 million). Spending up for Godiva, SunCom. Third best revenue/staff.

CREATIVE

C+

Art direction strong, but good-looking ads can be weak on message. Luscious Godiva print repositions chocolatier from romantic standby to upscale fashion statement. Wireless technology time-warp spot for SunCom well-directed with decade-specific details, but seems more for cell phones than service provider. Bombay Sapphire print and TV are visually captivating, but marginalize distinctive blue bottle.

MANAGEMENT

C+

Co-ecd Fritz Westenberger, art director Jolie DeFeis took flagship Bombay Sapphire to their own shop in June. Joseph Tolton's multicultural unit, Blur, kept Bacardi's B&B cognac, added others. Fell short on Revlon (\$125 million), HomeGoods (\$10 million), Eight O'Clock Coffee (\$15 million). CEO George Fertitta hired ex-Euro RSCG N.Y. managing director Michael Kantrow as president in January '05.

COMMENTS

Fertitta wants to lure \$50 million-plus accounts. Will Kantrow's experience in big-ticket categories (he managed Intel) be enough?

C+

RPA

NUMBERS

C-

Billings up 10% to \$955 million; revenue up 7% to \$99 million. No wins, but Honda spending up (13%). Closed Chicago office in December, costing \$10-15 million (Calphalon, H2O Plus, Graco) in billings.

CREATIVE

B+

Shift to less parochial humor improves Honda TV, especially in Westminster dog show parody (CRV receives Best in Show to enthusiastic announcer banter). In stylistic follow to last year's people/cars spot, A+B=C equations (paint colors, parental genes) yield "perfect mix" of fuel efficiency/power for hybrid lineup. Haunting Acura spot (invisible MDX traversing the wild, leaving only its tracks) sells getaway fantasy. Blue Cross TV turns uninsured car crash into video game, but youth appeal weakened by dated graphics.

MANAGEMENT

B-

Gerry Rubin and Larry Postaer formalized shift from mom-and-pop operation. Formed management committees; drew in senior execs for advice on everything (from new business initiatives to landscaping).

COMMENTS

Being selective in pitches didn't help much in '04 as 21st Century and Schwab were both unsuccessful. But focus on main car clients, which yielded improvements in Honda work and propelled Acura brand, makes sense going forward.

B-

REGIONAL 2004 AGENCY REPORT CARDS

R&R PARTNERS

NUMBERS

C-

Billings, revenue up 9% to \$181 million and \$27 million. Numbers yet to reflect addition of Brown & Co. and political consultant Peter Ernaut (added \$45 million in billings, effective January '05). Added Cox Communications in Phoenix, Blue Cross Blue Shield of Arizona, Cold Stone Creamery, Nevada mine cleanup (total \$5-7 million). Resigned Moab (Utah) Area Travel Council, California Overnight (both under \$1 million). Increased spending by clients including Las Vegas CVB, Mandalay Resort Group (total organic growth \$15 million).

CREATIVE

C+

Highlight: LVCVB slice-of-life "Vegas Stories" spots are minimalist tales (one simply shows four women riding in limo down Vegas strip). LVCVB print is simple, direct (bottle of pills on neutral background, with text "bachelorpartywadofsingles syndrome" and "only in Vegas").

MANAGEMENT

B-

CEO Billy Vassiliadis added crosstown Brown & Partners for category expertise (particularly hospitality, government) to pursue clients beyond his desert hub. Addition of well-connected Reno, Nev., consultant Peter Ernaut expanded efforts in politics, government.

COMMENTS

Merger moves shop up as a regional player. Must quickly seize opportunity presented by attention on Vegas campaign.

C+

WESTWAYNE

NUMBERS

D+

Billings, revenue up 7% to \$477 million, \$49 million. Added Buffalo Wild Wings Grill & Bar (\$15 million), Triumph Motorcycles, N.A. (\$10 million), Southeast Toyota Distributors interactive (\$3 million), Emory Healthcare (\$2 million). No losses.

CREATIVE

C+

Improved. Fresh ideas for Publix stand out in crowded category: print showing seafood price-sticks in ocean; TV capturing emotion of holiday gathering. Print for Pediatric Cancer Foundation grabs with arresting copy ("Did you ever dream of just growing up?"). High-fiving salesman for SE Toyota unoriginal but no less funny, while good casting of no-nonsense cookie salesgirl also provokes laughs. Russell Athletic print marred by uninspired art direction, clichéd copy ("No one talks about realizing their half-potential").

MANAGEMENT

C+

CEO Jeff Johnson invested in creative, added about 20 to the department. Former Cliff Freeman exec Karen Evans joined in January as chief strategic officer; former Saatchi New York new biz exec Kim Hunt hired in August as director of business development.

COMMENTS

After dismal 2002 (rev. down 15%), Johnson records second year of gain; his efforts to raise creative profile are again on the mark.

C

TEAM ONE

NUMBERS

C-

Billings flat at \$455 million; revenue up 6% to \$58 million. Lone pitch produced Ritz-Carlton win (\$10 million). Added Lexus business in Europe. Lexus factory spending down. No losses.

CREATIVE

B-

Few new products; some Lexus work spins last year's wheels. Innovative spot that directly takes on competitors shows German exec telling the board bad news to a mournful cello track. Demo of auto features can be confusing; moving headlights help driver stop for deer—especially important when we see trailing fawn. Lexus being driven backward between trucks (using rear camera) cool if ridiculously over-the-top. Lexus print (model ensconced in shipping peanuts) makes safety message sexy. Sixties movie-poster look for Movielink ("Where all women wear spandex and know Kung Fu") an eye-catching debut.

MANAGEMENT

B-

CEO Brian Sheehan and ecd Chris Graves extended luxury focus, won Lexus Europe against Dentsu's BLD and Ritz-Carlton over Y&R. Wins led to service offices in Brussels and Chevy Chase, Md. Mark Miller replaced Julie Liss as director of strategic planning in July.

COMMENTS

Work for Movielink stretched aim to rank-and-file, but new business record shows shop hasn't changed its perception as luxury specialist.

C+

ZIMMERMAN & PARTNERS

NUMBERS

B

Billings and revenue up 20% to \$1.2 billion and \$177 million. Added Office Depot (\$125 million from circulars, regional work), Musicland (\$60 million, circulars, gift cards), Vitamin Shoppe (\$20 million), Wicke's Furniture (\$35 million). Nissan dealers' spending up. Poor staff/revenue ratio hurt grade.

CREATIVE

C+

Improved. Colorful MediaPlay spots engage aging target with phrases like "Everything you loved from the '70s. Everything legal, that is." Florida Panthers print a hit with shattered glass and copy, "It's played with a puck but requires more balls than any other sport," but TV (in-line skating babe checks another) just dumb. Nissan, Wicke's, Papa John's spots formulaic: quick cuts of product, people enjoying it, music.

MANAGEMENT

B

To deal with growth, CEO Jordan Zimmerman bolstered ranks with chief strategic officer Cliff Courtney (ex-GSD&M), vp media services Fred Zuckerman (ex-AutoNation), cd (one of several) Stuart Dornfield (ex-president Gold Coast Advertising).

COMMENTS

Growth continues with complementary hires to manage. Zimmerman sets high goals—\$2 billion in billings in '06. But willingness to do the heavy lifting of sales (circulars, gift programs) may just get it done.

B-

2004 AGENCY BENCHMARKS

NATIONAL

Agency	Staff	Revenue per staffer in thousands†	Billings per staffer in thousands	Revenue/billings
DDB	2,625	\$194	\$1,288	15.1%
BBDO	2,500	216	1,450	14.9%
Euro RSCG	2,250	232	1,600	14.5%
McCann Erickson	2,200	200	1,873	10.7%
JWT	1,897	281	1,898	14.8%
Foote Cone & Belding	1,781	220	2,274	9.7%
Young & Rubicam	1,650	205	2,152	9.5%
Ogilvy & Mather	1,409	213	1,412	15.1%
Saatchi & Saatchi	1,400	154	2,250	6.8%
Leo Burnett	1,360	232	2,574	9%
Campbell-Ewald	1,315	185	1,703	10.8%
Publicis	1,050	248	2,190	11.3%
Deutsch	1,036	333	2,944	11.3%
Doner	962	147	1,587	9.3%
Grey Advertising	950	574	3,842	14.9%
Arnold	800	284	3,250	8.7%
Lowe	800	258	1,925	13.4%
TBWA\Chiat\Day	784	319	2,296	13.9%
Hill, Holliday, Connors, Cosmopolus	680	221	1,471	15.0%
GSD&M	650	169	2,369	7.1%
Mullen	589	199	1,316	15.1%
Richards Group	575	233	1,739	13.4%
Campbell Mithun	495	222	2,244	9.9%
TM Advertising	350	171	1,429	12.0%
The Martin Agency	340	188	1,241	15.2%
Fallon	326	304	2,043	14.9%
Wieden + Kennedy	306	173	1,784	9.7%
Goodby, Silverstein & Partners	300	267	3,133	8.5%
Merkley + Partners	284	257	2,563	10.0%
Crispin Porter + Bogusky	267	202	1,816	11.1%
Publicis & Hal Riney	262	279	3,053	9.1%
Kaplan Thaler Group	140	429	3,764	11.4%
Berlin Cameron/Red Cell	110	682	7,364	9.3%
National averages	983	\$257	\$2,298	11.7%

REGIONAL

Agency	Staff	Revenue per staffer in thousands†	Billings per staffer in thousands	Revenue/billings
Zimmerman & Partners	1010	\$176	\$1,213	14.5%
RPA	510	195	1,873	10.4%
Cramer-Krasselt	459	183	1,217	15.0%
Dailey & Associates	425	188	1,424	13.2%
Bernstein-Rein	323	168	1,566	10.7%
Barkley Evergreen & Partners	301	131	1,408	9.3%
Carmichael Lynch	270	189	1,400	13.5%
WestWayne	264	186	1,805	10.3%
Team One Advertising	255	227	1,882	12.1%
MARC	254	159	1,447	11.0%
Kirshenbaum Bond + Partners	241	207	2,241	9.3%
R&R Partners	217	125	835	15.0%
Martin/Williams	200	265	1,835	14.4%
Gotham	180	397	3,433	11.6%
GlobalHue	165	242	2,424	10.0%
Margeotes Fertitta + Partners	150	393	2,633	14.9%
Element 79	144	382	3,938	9.7%
Eisner & Associates	142	230	2,303	10.0%
Bartle Bogle Hegarty	135	237	2,770	8.6%
Davidandgoliath	80	501	5,013	10.0%
Regional averages	286	\$239	\$2,133	11.8%

HOLDING COMPANIES

	Headquarters	'04 revenue in thousands	% change	
1	Omnicom Group	New York	\$9,747,200	13.1
2	WPP Group	London	8,243,000	12.6
3	Interpublic Group of Companies	New York	6,200,000*	5.8
4	Publicis Groupe	Paris	4,930,000	-1.0
5	Dentsu	Tokyo	3,050,000*	10.9
6	Havas	Paris	1,910,000	-9.0
7	Hakuhodo DY Holdings	Tokyo	1,320,000*	10.0

†Staff figures used in calculations are for full-time employees at year-end 2004. *Estimated.

2004 AGENCY REPORT CARDS

TOP 100 AGENCIES

Agency	Headquarters	2004 revenue in thousands	% change from '03	2004 billings in thousands	% change from '03	
1	Grey (WPP)	New York	\$545,000 *	6.9	\$3,650,000 *	7.4
2	BBDO (OMC)	New York	540,000*	9.1	3,625,000*	9.8
3	JWT (WPP)	New York	534,000*	4.1	3,600,000*	5.9
4	Euro RSCG (Havas)	New York	523,000*	2.1	3,600,000*	2
5	DDB (OMC)	New York	509,000*	8.3	3,380,000*	8.3
6	McCann Erickson (IPG)	New York	440,000*	10.0	4,120,000*	10.5
7	Foote Cone & Belding (IPG)	New York	392,000*	12.0	4,050,000*	9.5
8	Deutsch (IPG)	New York	345,000*	10.6	3,050,000*	10.9
9	Young & Rubicam (WPP)	New York	338,000*	0	3,550,000*	0
10	Leo Burnett Co. (Publicis)	Chicago	315,000*	0	3,500,000*	4.2
11	Ogilvy & Mather (WPP)	New York	300,000*	10.3	1,990,000*	9.9
12	Publicis	New York	260,000*	19.8	2,300,000*	19.8
13	TBWA\Chiat\Day (OMC)	New York	250,000*	15.4	1,800,000*	28.6
14	Campbell-Ewald (IPG)	Warren, Mich.	243,000*	3.4	2,240,000*	3
15	Arnold (Havas)	Boston	227,000*	17.0	2,600,000*	16.6
16	Saatchi & Saatchi (Publicis)	New York	215,000*	-2.7	3,150,000*	3.3
17	Lowe (IPG)	New York	206,000*	-5.1	1,540,000*	-4.9
18	Zimmerman & Partners (OMC)	Fort Lauderdale, Fla.	177,000*	19.6	1,225,000*	19.5
19	Hill, Holliday, Connors, Cosmopolos (IPG)	Boston	150,000*	2.7	1,000,000*	2.6
20	Doner	Southfield, Mich.	141,300	15.3	1,527,000	15.2
21	The Richards Group	Dallas	134,000	17.0	1,000,000	17.6
22	Mullen (IPG)	Wenham, Mass.	117,000*	8.3	775,000*	7.6
23	GSD&M (OMC)	Austin, Texas	110,000*	10.0	1,540,000*	10
24	Campbell Mithun (IPG)	Minneapolis	110,000*	0	1,111,000*	0.1
25	RPA	Santa Monica, Calif.	99,300	7.2	955,000	9.6
26	Fallon (Publicis)	Minneapolis	99,000*	0.6	660,000*	0
27	TracyLocke (OMC)	Dallas	90,000*	9.8	900,000*	9.8
28	Cramer-Krasselt	Chicago	83,784	5.9	558,559	5.8
29	Goodby, Silverstein & Partners (OMC)	San Francisco	80,000*	6.7	940,000*	7.4
30	Dailey & Associates (IPG)	West Hollywood, Calif.	80,000*	23.1	605,000*	4.3
31	Berlin Cameron/Red Cell (WPP)	New York	75,000*	25.0	810,000*	24.6
32	Publicis & Hal Riney	San Francisco	73,000*	0	800,000*	0
33	Merkley + Partners (OMC)	New York	73,000*	11.6	728,000*	12
34	Gotham (IPG)	New York	71,500*	-2.1	618,000*	3.3
35	Doremus & Company (OMC)	New York	67,000*	4.7	382,000*	4.7
36	The Martin Agency (IPG)	Richmond, Va.	64,000	10.3	422,000*	9.9
37	Kaplan Thaler Group (Publicis)	New York	60,000*	25.0	527,000*	24.6
38	TM Advertising (IPG)	Irving, Texas	60,000*	9.1	500,000*	8.7
39	Margeotes Fertitta + Partners (MDC)	New York	59,000*	0	395,000*	0
40	Team One (Publicis)	El Segundo, Calif.	58,000*	5.5	455,000*	6
41	Element 79 (OMC)	Chicago	55,000*	32.9	567,000*	33.4
42	Bernstein-Rein	Kansas City, Mo.	54,258	9.1	505,724	12.1
43	Crispin Porter + Bogusky (MDC)	Miami	54,000*	89.5	485,000*	90.2
44	Wieden + Kennedy	Portland, Ore.	53,000*	20.5	546,100*	21.4
45	Martin/Williams (OMC)	Minneapolis	53,000*	4.3	367,000*	4
46	Kirshenbaum Bond + Partners (MDC)	New York	50,000	16.3	540,000	26.8
47	Carmichael Lynch (IPG)	Minneapolis	50,000*	19.0	378,000*	20.8
48	WestWayne	Atlanta	49,000	6.5	476,500*	7
49	MARC	Pittsburgh	40,309	-9.4	367,652	-9.7
50	Davidandgoliath	Los Angeles	40,100*	14.6	401,000	14.6

Financials are for U.S. operations. Growth rates reflect 2004 results restated for mergers and acquisitions. *Estimated.

Agency	Headquarters	2004 revenue in thousands	% change from '03	2004 billings in thousands	% change from '03	
51	GlobalHue (IPG)	Southfield, Mich.	\$40,000*	14.3	\$400,000*	14.3
52	Barkley Evergreen & Partners	Kansas City, Mo.	39,456	10.2	423,895	14.3
53	Eisner & Associates	Baltimore	32,600	9.8	327,000	10.2
54	Noble Communications	Springfield, Mo.	32,305	-0.7	241,011	5.5
55	Bartle Bogle Hegarty (Publicis)	New York	32,000*	10.3	374,000*	10
56	Burrell Communications Group (Publicis)	Chicago	29,400*	5.0	216,000*	5.4
57	Carol H. Williams	Oakland, Calif.	28,700	85.2	240,000	84.6
58	Bravo Group (WPP)	New York	28,600*	2.1	275,000*	1.9
59	Dieste Harmel & Partners (OMC)	Dallas	28,500*	19.7	246,000*	19.4
60	Avrett, Free & Ginsberg (IPG)	New York	28,000*	4.9	283,000*	4.8
61	R&R Partners	Las Vegas	27,180	9.3	181,203	9.3
62	UniWorld (WPP)	New York	27,000*	5.1	273,000*	5
63	BVK	Milwaukee	27,000*	-5.3	182,000*	-5.2
64	Mars Advertising	Southfield, Mich.	26,018	0.7	171,000*	0.6
65	Modernista	Boston	26,000*	44.4	173,000*	44.2
66	Fogarty Klein Monroe	Houston	25,470	4.0	255,241	9.5
67	Chicago Creative Partnership	Chicago	25,000	25.0	156,000	24.8
68	McKinney + Silver (Havas)	Durham, N.C.	24,000*	10.3	255,000*	9.9
69	Eric Mower & Associates	Syracuse, N.Y.	23,371	24.5	155,883	24.5
70	Colle + McVoy (MDC)	Minneapolis	23,000	13.9	156,000	13
71	Fitzgerald + Co. (IPG)	Atlanta	23,000*	6.0	153,000*	6.3
72	Ten United	Pittsburgh	22,500	14.9	197,000	4.2
73	Square One	Dallas	22,300*	15.5	275,924	15.7
74	Cole & Weber/Red Cell (WPP)	Seattle	22,000*	7.3	151,000*	7.1
75	Kupper Parker Communications	St. Louis	21,650	-0.9	172,540	0.7
76	Moroch Partners (Publicis)	Dallas	21,500*	4.9	163,000*	5.2
77	DavisElen	Los Angeles	21,015	3.6	207,827	5.8
78	Fahlgren	Columbus, Ohio	20,100	12.8	177,300	3.7
79	McCarthy Mambro Bertino	Boston	20,000*	48.1	200,000	48.1
80	Pedone & Partners	New York	19,500	5.0	124,700	5
81	Mendelsohn/Zien (Hakuhodo)	Los Angeles	19,500*	-8.9	195,000*	-8.9
82	Allen & Gerritsen	Watertown, Mass.	19,200*	0.8	137,000*	0.7
83	Tierney (IPG)	Philadelphia	18,500*	7.6	185,000*	7.6
84	Ackerman McQueen	Dallas	18,400*	-33.2	200,000*	-32.5
85	McGarrybowen	New York	18,000	63.6	500,000	108.3
86	Zubi Advertising	Coral Gables, Fla.	18,000	9.8	160,000	8.8
87	Northlich	Cincinnati	18,000	-5.3	120,060	-5.3
88	Periscope	Minneapolis	17,660	22.3	151,365	22.6
89	Della Femina, Rothschild, Jeary and Partners (OMC)	New York	17,600*	6.7	176,000*	4.8
90	RDW	Providence, R.I.	17,500	24.1	140,000	23.9
91	Laughlin/Constable	Milwaukee	17,300	1.2	154,000	2
92	Sedgwick Rd (IPG)	Seattle	17,000*	10.4	165,000*	10
93	Bader Rutter & Associates	Brookfield, Wis.	16,893	5.0	112,637	4.9
94	Lopez Negrete	Houston	16,500	36.4	110,000	36.3
95	Trahan, Burden & Charles	Baltimore	16,500	4.4	141,260	0.5
96	Rhea & Kaiser	Naperville, Ill.	16,386	17.8	109,000	17.5
97	T3	Austin, Texas	15,290	16.6	124,661	8.1
98	Marketing Support	Chicago	15,165	-1.3	107,138	-0.4
99	Creative Alliance	Louisville, Ky.	15,135	-4.8	105,105	-4.3
100	The Sawtooth Group	Woodbridge, N.J.	14,700	4.7	139,970*	5

Financials are for U.S. operations. Growth rates reflect 2004 results restated for mergers and acquisitions. *Estimated.