



Focus on the Future

Guest Predictions: Ed Wax

Guest Predictions is a regular feature in which we ask leaders in a number of professions questions that affect us all.

Ed has been Chairman Emeritus of Saatchi & Saatchi since the beginning of 1998. Prior to that he was Chairman and Chief Executive Officer, responsible for the worldwide operations of 161 offices in 91 countries. He has spent over 40 years in the advertising business including two overseas posts. He also was Executive Vice President of Wells, Rich, Greene. Throughout his career he worked closely with major clients including Toyota/Lexus, Procter & Gamble, Johnson & Johnson, Philip Morris, Ford Corporation, British Airways, Delta Airlines and American Motors/Jeep.

He earned his undergraduate degree in chemical engineering from Northeastern University and an MBA from the Wharton Graduate School of Business. Ed is a former Chairman of the American Association of Advertising Agencies and currently serves as Chairman of the 4 A's Foundation for Diversity. He has also been President of the Jury for the 1993 Cannes International Advertising Festival. He has also been a past director of Dollar Thrifty Automotive Group and Golf Trust of America.

Q: What changes in your professional environment in the past 3-5 years have you found to be the most beneficial?

A: The advent of the Internet has dramatically increased opportunities for advertisers to reach and engage with their target audiences in a more meaningful way. Because of the limitations of mass media with respect to cost of time/space, advertising used to be pretty much mono-dimensional. We tried to persuade consumers via high impact message delivery, but found it very difficult to achieve what I refer to as "depth of sale."

In many ways, the Internet has allowed us to return to the world of "one-on-one" selling in a more cost effective manner.

Q: What changes have been the most troubling to you?

A: Two things come to mind:
First is the area of compensation. Pressure on agencies to lower compensation seems to have gotten out-of-hand, exacerbated by the negative economy. At some point it has to come down to "you get what you pay for."

Great advertising requires great creative talent and sharp strategic thinking. Smart advertisers need to find ways to incentivize their agencies. This can only happen if they are willing to pay for it.

Secondly, I believe the creative quality of television commercials has declined dramatically. It seems that in an effort to engage the viewer, many commercials have crossed the line and emphasized entertaining at the sacrifice of distinctiveness. The best media buy in the world is useless if the viewer doesn't remember the product or service being advertised.

Q: How will globalization affect your professional area in the near term?

A: Globalization has been a primary factor leading to the creation of the worldwide advertising conglomerates such as Publicis and WPP among others.

At the outset, some theorized that advertisers might be able to deliver a clear, constant advertising message across borders and achieve incredible cost efficiencies. This has never fully come to fruition, given cultural and linguistic barriers.

However, a global approach does allow a single advertising agency to develop and ensure the highest quality approach across borders although it may not be the same message everywhere. A full understanding of the product/service globally and the ability to identify and understand consumers wants and needs on a global basis can result in optimum performance across the board.

Q: What significant challenges might be anticipated in your professional area in the next few years?

A: The negative effect of the economy on consumer spending and companies' bottom lines should continue to provide a challenging hurdle in the short term. Innovative marketing and cost effective use of the digital media should provide opportunities to overcome some of these challenges.

Q: What are the greatest challenges confronting young professionals in Western culture today?

A: "Business as usual" has gone the way of the dinosaur. Management will continue to face new and unexpected challenges economically, politically and culturally as the world market becomes smaller.

Businesses of all kinds need to embrace and master enterprise risk management. Long range thinking and planning must allow for sufficient flexibility to adjust and change direction in the face of unexpected challenges.

Cost cutting by itself without a willingness to overhaul and reorganize may satisfy short-term needs but not solve the deeper, core problem.

What worked yesterday may not suffice for the challenges of tomorrow and companies need to be leaner and less bureaucratic. The plight of the American auto industry gives testimony to the dangers of inflexibility and insensitivity to changing markets. Young professionals need to think more like entrepreneurs.