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Technological, Methodological, Economic & Business Changes Impacting MR

A Day in the Life of a New MR Agency CEO

In the last couple of years, Harris Interactive SVP Merrill Dubrow had no doubt he was fit to be President & CEO of a market research company and neither did the industry, which began pushing such offers his way back in 2003. With his hands-on experience running divisions, Dubrow wanted to quench his thirst for a CEO opportunity. When approached by Omnicom (New York, NY) in '04 to take over M/A/R/C Research (Irving, TX), Dubrow admits having had an immediate good feeling. "M/A/R/C was one of the 'It' companies not many years ago," he told *Research Business Report*. "Its remarkably gifted researchers had always been known for great work."

A man wholly devoted to his wife, two kids and parents, the 42-year-old Dubrow did his due diligence on M/A/R/C Research and its parent company, Omnicom. It was apparent that M/A/R/C presented a great challenge, but Dubrow was confident, after mentoring by industry stalwarts (Sandy Schwartz, Larry Gullede and the late John Boni). "And my dad always told me when an opportunity presents itself, you need to recognize it and do something about it. I decided to apply his advice at M/A/R/C," he related.

He perceived Omnicom's portfolio of 300 companies, mostly leading advertising, marketing services, specialty communications, interactive/digital media and media buying services, as potentially strong complements and supplements to M/A/R/C Research. For instance, Omnicom's advertising agencies (which include three of the top 10) spent in excess of \$50 million on research in the past year. M/A/R/C Research easily fits within the "Top 50" U.S. MR companies and has plenty of room to grow, but its revenues can't touch Omnicom's top generators.

Dubrow went to work in the Dallas suburb on November 8. Any Board of Directors expects leadership, management, idea generation and coolness under fire from its CEO; Dubrow exhibits all of those, along with intensity, effervescence and business and street smarts. Several holdovers from M/A/R/C's previous management acknowledge employees have yearned for direction and leadership. Of course, Dubrow must also produce big-time results.

In December, Dubrow invited *RBR* Editor & Publisher Bob Lederer to follow him around on the job, a sort of "day-in-the-life" of the head of an MR business. We jumped at the chance to watch him implement his highly effective personal tools in his first CEO foray. Having on many occasions experienced firsthand Dubrow's ceaseless energy, spirit and business intuition, we were

anxious to see him press these on M/A/R/C Research, whose top-flight reputation remains intact, but in need of some operational and personnel revamping. Lederer spent time in Dallas January 3-4.

When *RBR* arrived at M/A/R/C Research headquarters on the first business day of 2005, Dubrow, EVP/CMO Karen Ahlgrim and SVP-Market Sciences Randy Wahl were immersed in a compensation planning discussion. At issue was who to incent and the proper incentive mix for sales and project execution personnel

(based on individual and corporate results), plus the elements (meetings, bids, projects, etc.) best serving as metrics for such incentives. Dubrow compared his past experiences with standards in place at M/A/R/C. It was agreed to present options before the company's Operating Committee later in the week.

At lunch, Dubrow related his belief that M/A/R/C Research, which is celebrating its 40th anniversary this year, is a sleeping giant that needs to expand its product and service offerings. "Currently we do business in a sector that represents less than \$1 billion of the \$7 billion

spent annually on U.S. marketing research," he told *RBR*. Based on comments from clients, M/A/R/C's Assessor new product development and optimization tool is a more than formidable competitor to ACNielsen BASES, the industry standard. But Assessor and M/A/R/C's MarketLink Brand & Customer

Development models alone are insufficient weapons in a world of multidimensional MR tool/technique competitors. "One top priority has to be more offerings," noted Dubrow. Pinpointing new capabilities is a formidable task and to *RBR* it seems the acquisition route will be necessary to build M/A/R/C's business foundation.

A mid-afternoon Operating Committee session dealt with varied concerns. Dubrow didn't drive this meeting, but he advanced a new corporate tone. Previously, M/A/R/C's senior management were reluctant to speak out, so Dubrow asked penetrating questions to elicit opinions, stir debate and demonstrate real interest in the participants' views. Dubrow brought attendees up to speed on his pet project: inducing the sales force's use of Salesforce.com. Alice Butler, who is responsible for execution of M/A/R/C projects, listened intently as regional sales operations and results were presented by SVPs Amy Barrentine (Central Division GM), Susan Hurry (West Division GM) and Diane Stevio (another GM, via phone from Greensboro, NC).

The search to fill staff openings in Marketing Science, an additional MR executive and several other positions were updated.



M/A/R/C Research CEO Merrill



Hurry and Dubrow touched on progress on the compensation/bonus front. He then focused the meeting on project pricing and was delighted to hear 2004 work had been won with minute discounting. Ahlgrim reminded everyone that all travel planning must be handled through an Omnicom-designated agency as a cost control measure. Some of the final elements on the agenda were tabled in favor of a Dubrow-led “team-building”



M/A/R/C execs participate in Dubrow's team-building exercise

exercise (picture below), which also revealed to the committee a fun-loving side of their CEO.

Lederer played the role of judge as the six executives on hand and two on the phone were split into two teams. On each team, one member was seated and a second person stood alongside holding a 12-oz. drinking glass above the head of the seated individual. The third teammate, also standing, was blindfolded and handed a water-filled flask. The blindfolded executive had to listen intently to instructions from the teammate holding the glass and pour the water into the glass as far to the top as possible without spilling a drop. Team #1 poured within one-quarter inch of the top, but was outpoured by team #2. Dubrow encouraged a brief discussion about the intent of this exercise: promoting teamwork, creating trust, improving communication, achieving a goal and more. “They’re all components of a successful team. Failing in these areas can cost us in 2005,” he cautioned.

The next morning, Dubrow staged his first of several scheduled Salesforce.com training sessions. Statistics from his past teams at previous jobs demonstrated its power. His example correlated Salesforce.com’s increased use as an elevator of RFP and project sales, underscoring its productivity and business effectiveness potential. During a free-wheeling tutorial, Dubrow invited the 10 participants to ask questions about information entry, editing and Salesforce.com’s value. He explained that it will add organization and clarity to M/A/R/C Research and each individual salesperson. It should also bring reporting uniformity and a simple process that produces and tracks RFPs, plus maintains up-to-the-minute business potential (rating each project’s likelihood of occurring).

An Operating Committee gathering followed, featuring a review of the previous day’s Dubrow/Ahlgrim/Wahl compensation meeting for the benefit of Stevio, Hurry, Barrentine and VP-Finance Patricia Wakim and an opportunity for them to comment.

Dubrow has the extraordinary gift of being able to build close and caring personal relationships with the business people who

will ultimately determine his success or failure. Those who have worked for him prior to M/A/R/C are exuberant about their relationships with him, centered around respect, trust, creativity, personal warmth, leadership and training. He’s not seen as their boss, but as a mentor looking out for the interests of the company and the individuals.

One longtime client of Dubrow’s, Roger Green of Green & Associates, sees him as a “connector,” a description straight from Malcolm Gladwell’s book, “The Tipping Point.” A connector is an individual who is curious about everyone he/she meets and who has a passion for people. “Merrill wears his passion on his sleeve,” remarked Green. “He’s fearless about asking anybody any question, has a very healthy ego and he isn’t threatened by people who are smarter or more creative. He listens selflessly, empowers the people around him and believes in ‘win-win.’ People sometimes can’t understand how genuine Merrill is and they don’t understand he measures himself by what he creates, not by how he is treated.”

Dubrow’s business savvy and perceptiveness face an interesting challenge as he works to identify, expand and refine M/A/R/C Research’s client toolkit in an ever more complex marketplace. Omnicom’s decision to import a CEO--and a green one at that--puts Dubrow’s considerable charm to the test with his inherited organization. “This year will be the hardest and most demanding year of my life,” he concedes.

The average M/A/R/C employee’s 14 years with the company is a source of strength, but these long-loyal individuals must show an ability and willingness to evolve and grow. While he evaluates M/A/R/C’s talented staff, Dubrow is coaxing them to freely express their feelings for the first time in years, to be heard and to precipitate and engage in major changes that will transpire at M/A/R/C under its new leader. An internal employee survey 60 days after Dubrow’s arrival gave him very high marks for frequency of communication, his monthly reports, communicating his vision for M/A/R/C, commitment to training and teamwork, and openness to feedback and new ideas. Now, let’s watch for results. **RBR**

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