

THE RACE OF THE BEST AND THE BRIGHTEST

How Agencies and Marketers are Tackling the Talent Crisis

COMPETITION

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Large-agency CEOs also maintain that they're holding their own. "There are a few agencies in the world that people really want to go to, and we're in that group," says Rich Silverstein, co-chairman of Goodby, Silverstein & Partners, San Francisco. "But the very small pool of good talent seems to have a lot of choices of where they can go, and a lot of agencies are competing for them."

Heads of lesser known, midsize and small agencies, meanwhile, don't try to sugarcoat the fact that they're experiencing the brunt of the talent crunch. "We can't compete financially for startup salaries with a lot of other industries," says Beau Fraser, managing director of Gate Worldwide, an Ogilvy agency in New York. "So the best and brightest are going where it's cool—like finance or consulting—and if they're creative people, there are so many outlets that create content now, including Hollywood, music and the web."

ACTION

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So what are marketing executives doing about easing the talent shortage and its effects? Several things:

1. Boosting pay and perks. Salaries are growing by as much as 25% to 30% for professionals with strong resumes in interactive media, by some estimates. This summer, the Atlanta office of Avenue A/Razorfish also raised its employee-referral bonus to \$4,500 for a two-week "contest" period, compared with the previous \$1,500. Small agencies should get creative. Philippe Becker Design, San Francisco, for example, has a ski cabin at Lake Tahoe available for agency staff.

2. Improving the culture. "If you have a rich culture," Mr. Boschetto says, "the recruiting issue won't be as intense." So, for example, MPG is emphasizing to potential recruits the fact that its parent, Havas, has been winning awards for the company's operational "green" orientation.

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3. Enhancing talent development. Marketing careerists now expect stretch assignments, such as international rotations, earlier. Meanwhile, experienced managers and strategic thinkers want "active guidance through their careers," Mr. Boschetto says. So DraftFCB emphasizes staff development and succession planning by requiring certain managers to identify their top 10 people and the potential challenges in retaining them.

4. Going beyond the hot skill set. Marketing executives can short-change themselves if they focus too narrowly on what's listed on a resume. Cammie Dunaway, CMO of Yahoo, says she looks "for marketers who have lots of intellectual curiosity and are excited by learning and experimentation, and not just by relying on the set of tools they learned in school." At the same time, nowadays many in the industry are guilty of looking past those with traditional-media experience just because they can't pepper their credentials with a lot of dot-com references. "Agencies are too fearful of taking a seasoned person, someone who gets it, because they might not know how to do interactive," says Leslie Kay, president of Kay & Black, a New York marketing-recruiting firm.

5. Identifying talent outside the industry. Networking by current employees is Goodby's single best source of new recruits, Mr. Silverstein says. But marketers must look even harder outside their industry as well, Ms. Kay says.

6. Building up marketing education. More agencies, including Avenue A/Razorfish, are getting actively involved with local college and university marketing programs, offering more internships and making more on-campus appearances. Yahoo even employs a handful of marketing interns from local high schools, akin to an old-fashioned co-op Program. "Managing them requires some new skills for our leadership team," Ms. Dunaway says. "They'll ask you if it's OK to go to lunch now."

7. Making agency careers more rewarding. More careerists now simply fail to see agencies as great places to work. One reason for that, says Capital One's Mr. McDonald, is that "many clients have taken things inhouse and asked agencies only to implement." But Mr. Boschetto laid more blame at agencies' feet. "There used to be mystique, excitement and dynamism in this industry," he says. "Today, people look at it as more transactional and short-lived. We will fare better in attracting strategic talent when we credibly position ourselves as an industry that generates and implements creative ideas that are best for building business."