How The Richards Group Can Keep the Business Going Amid Its Moment of Crisis

In early 2016, Campbell Ewald became embroiled in controversy after a white staffer at the agency's San Antonio office sent an email in October 2015 inviting colleagues to participate in what was termed "Ghetto Day."

The racist internal communication caught up to the agency with CEO Jim Palmer being terminated, handing the leadership reins to then-agency-president Kevin Wertz. In the aftermath, three clients—USAA (a major client in the San Antonio office), Edward Jones and Henry Ford Health Centers—abandoned the Detroit-based IPG shop.

Campbell Ewald's story has shades of the current situation facing The Richards Group after its founder, Stan Richards, exited the agency under a cloud of controversy over remarks he made during a Motel 6 creative pitch.

Though The Richards Group situation is perhaps more acute and expansive—with the agency losing several long-standing clients—past lessons could inform what an agency can do to manage a crisis of this scale, especially related to business development.

According to Wertz, the agency has not shied away from the history of what happened in 2015, found ways to learn from it and has moved in a positive direction. Internally, Campbell Ewald worked to build more diversity and inclusion, backing it up with authenticity and transparency.

“It was about rebuilding trust with leadership,” Wertz said. “What people needed to see was that we were committed to actually making the changes people wanted. It wasn’t just talking about things or putting up posters. It was setting real, measurable goals for our workforce, tracking and sharing transparently. We told people, ‘Don’t just trust us, watch us.’”

The goal of the agency is to reflect the population of the United States. Based on the publicly available data, there appears to be positive momentum with the more deliberate and intentional approach outlined on Campbell Ewald’s website. From 2015 to 2020, for example, the agency notes that people of color in senior leadership improved from 3% to 18%, mid-level managers grew from 19% to 24%, and female senior leadership is at almost 50%.

Kari Shimmel, Campbell Ewald’s chief strategy officer, noted that high levels of transparency trickled down, critically, to the agency’s clients. Shimmel pointed out that the agency was asked about the incident by clients in its immediate aftermath. However, it also proactively mentions the difficult time when talking to prospective clients to underscore its commitment to change.

“People say that crisis is an opportunity and a catalyst,” Shimmel said. “For us, this wasn’t simply about making this another agency value or something that we talk about, but literally something that’s ingrained in who we are as an agency, and who we want to be.”

What it might take to get back in the game

Cambell Ewald’s experience could provide some kind of blueprint for The Richards Group, but the fact is that developing business for the agency may take herculean efforts. According to agency business development consultant Peter Levitan, the first step is to look inward.

“A part of business development that many agencies don’t understand or spend time and energy working on is growing existing accounts,” said Levitan. “In the case of The Richards Group, they have to save as many accounts as they can, and be totally upfront in dealing with the problem. There are sharks in the waters circling the accounts, so the pressure is on holding what remains.”

One East Coast-based independent agency’s chief client officer agrees with Levitan’s sentiment, noting that in the “craziness of 2020—with the pandemic and election—everybody needs to be very conscious of their own business,” as well as looking inward to address team morale and whether or not the agency is doing the right things that will then enable confidence when going outward.

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Pages: 1 2

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