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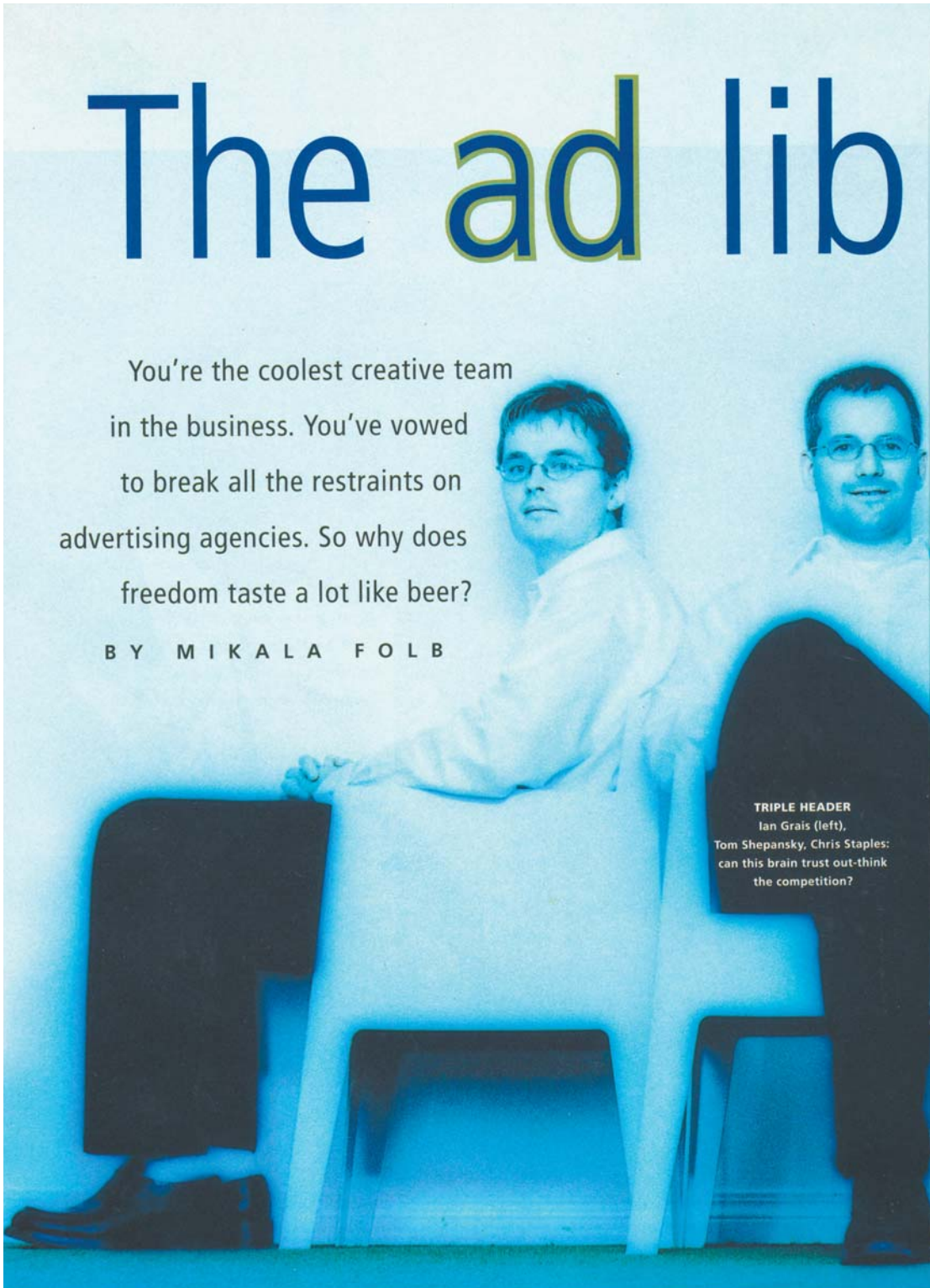
# The ad lib

You're the coolest creative team  
in the business. You've vowed  
to break all the restraints on  
advertising agencies. So why does  
freedom taste a lot like beer?

BY MIKALA FOLB

**TRIPLE HEADER**

Ian Grais (left),  
Tom Shepansky, Chris Staples:  
can this brain trust out-think  
the competition?



# movement

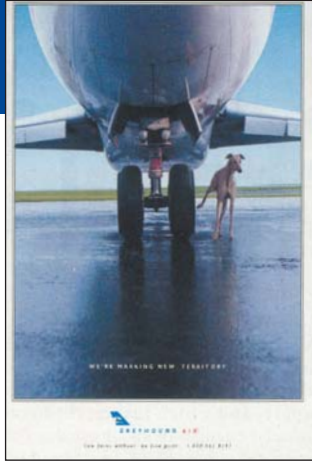
**You'd think the guys** at Vancouver's newest ad agency, Rethink Communications Inc., would have better things to do with their time than guzzle beer. After all, their agency is only a month old, and they've got to start proving their worth. But for Chris Staples, Tom Shepansky and Ian Grais, beer is only part of their new business. Only, they're not trying to hock somebody else's brew; they want to market their own. Coming in spring 2000: Rethink Beer, made by Tree Brewing Co.—bold and manly suds conceived by a bold and manly ad team of 30-somethings who defected last month from Canada's hottest advertising shop, Vancouver-based Palmer Jarvis DDB (PJDDB).

It's bizarre to suggest that marketers and consumers would even be interested in the idea of a little ad agency in Vancouver having its own brand name and product line. And given that it's the sort of outrageous notion that's bound to get the new shop some attention, you have to wonder. Yet for the award-

winning trio, it's only one of several original ideas that are sure to set them apart—and which just might herald broader changes in an advertising environment where clients are already demanding that ad agencies' payments be more closely geared to the success of their work in the marketplace. In this case, Rethink's taken the idea a step further, trying to turn its creative into concrete products. "Why are we making everyone else rich?" asks Staples.

Tree's bought into the idea. Only three weeks after meeting with the team, the folks at the Kelowna, BC, brewery are already talking about launching in February or March. But naming a beer after an advertising agency? Isn't that a bit weird? Tree president Geoff Twyman doesn't think so, and he shouldn't. He got a hot agency that the industry is watching carefully working on a beer he probably would have launched anyway. "We have confidence in these guys. They're probably the top few people in their profession in Canada, and we're





A campaign for Richmond Savings doubled its business in five years; irreverent spots for Greyhound Air (left), Playland and others earned the agency stacks of awards

excited about doing something that could promote them and us at the same time."

Truth be told, it's Rethink's track record at PJDDB that is making all of this possible. A campaign for Richmond Savings (Humungous Bank") doubled the credit union's business and membership in five years; irreverent spots for Greyhound Air, Playland, Save-On-Foods and TV12 earned the agency countless national industry awards; and at this year's Cannes International Advertising Festival, PJDDB was the first Canadian agency in 17 years to take home a Gold Lion for TV.

The next six months should tell whether Staples, Shepansky and Grais are nuts or full of it. But if they're not crazy, and if any of these ideas take hold, the monkey-see, monkey-do business of advertising might have to pay Rethink some serious attention.

For now, it's the "Rethink Rebate" rather than the new beer that's captured most of the ad industry's attention. The idea is simple; if an ad campaign doesn't live up to the expectations that both client and agency have agreed on in the beginning, the boys at Rethink are prepared to come back to the client with a new idea at no charge.

One senior agency exec says the plan to credit underdelivery with time only highlights "what most client relationships are like in the real world anyway, which is that you keep working together to achieve objectives. It sounds far better for the agency to be given the opportunity to try something different than to be fired for underperformance. In many ways, they're giving themselves a soft landing if they don't meet their objectives." In other words, if the campaign tanks, what's Rethink going to do, offer up more of the same?

Still, the move means that Rethink is con-

fident enough to put its time and money where it's mouth is. For decades, agencies were paid through commission based fee structures. More recently, however, marketers have started paying bonuses or set fees for services, in addition to commissions. Compensation at agencies is a big issue; it even made headlines when packaged-goods giant Procter & Gamble announced a gutsy pay-for-performance plan this past September. Starting in July 2000, it will begin paying its agencies based on the sales of its products; if sales swing up, the agency is bonused; if they remain flat, it receives a standard fee.

"It says to clients that there's some accountability," says Staples. "There's a sense from a lot of clients that agencies aren't true partners in that they're not willing to share the risk and reward. And most of them aren't. The attitude at a lot agencies is 'Yeah, we'll do the ads, and if it works, that's great. And if it doesn't, well, sorry.'"

What it also says is that Rethink's going to have to be prepared to be much more picky about the clients it works with. But "if clients are coming to us because of the rebate, they're coming for the wrong reason," says Shepansky. "The biggest thing this says is that we believe in our ideas. It's not a whole lot more than that. At the end, we want success stories. We don't want to be giving away rebates, I can promise you that."

The rebate's not a bad idea, says Jim McKenzie, president of Toronto ad agency Leo Burnett Co. Ltd., but good luck setting guidelines. The whole notion of accountability presupposes that advertising plays the leading role in the success or failure of a product or service. But factors such as distribution, packaging and the product itself are all at issue, and McKenzie wonders how an agency can create a plan that takes this into account. And he adds; "even if you're going to give a significant amount of your time as a rethink, that can be difficult on a small operation. But I think it's bold, and most small operations, when they go out on their own, want to have a radical position so they can catch the client's eye. And this is certainly a hot button with clients."

Something is better than nothing at all, says Staples. Multinational agency networks (of which Palmer Jarvis is a part; it merged with DDB Needham in January 1998) aren't

prepared to take risks, and their clients can suffer. "They don't produce good work, their product is profit and they've forgotten what business they're in," says Staples. "Unless somebody starts to look at fundamental things such as accountability and the structure of agencies—where there are layers and layers of handlers that don't affect the product—clients might bypass agencies."

With the rebate, their past at PJDDB and even a sister agency in Copenhagen called Rethink Europe, the company has enough it would seem, to earn it some work. Already, it's signed on seven clients, including four software and Internet companies, and is busy toiling away at new campaigns. So why spend time fiddling with the secret ingredients of a new light beer?

According to Grais, it's all about becoming the Philippe Starck (a French architect and designer) of advertising. "Just as Beneteau sailboats hires Starck to design the interiors of its boats, and the Royalton and Paramount hire him to design their hotels, we want people to come to us. If Volkswagen wanted to talk to Rethink about a new type of electric vehicle, we would be very interested."

The business they're in, says Shepansky, is about generating ideas. If Richard Branson and his Virgin records empire can make Virgin cola, planes, trains and wedding stores, why can't Rethink? Well, for starters, Branson has a lot more money, and Virgin was already a substantial brand before it diversified. And here's another problem: Rethink might not be as original as it thinks it is. A marketing consultancy in Toronto, also called Rethink, has filed an application for a national trademark. And unless the two companies solve this amicably, the BC boys won't be able to use the name legally.

But there's always hope, and Grais is undeterred. "There's an environment out there with the Internet that says anyone can do anything. You have 21-year-olds who are multimillionaires because of a Web site they produced. Age means nothing, experience means nothing, money means nothing. It's all about who has a good idea can who can make it happen."

Good ideas are what the guys at Rethink have in spades, and they've obviously done a solid job of selling themselves. Now all they have to do is sell the world.