



# Living the dream

Edmond Moutran (popularly known as Eddy in his circle), chairman and CEO of Memac Ogilvy, has built a communications behemoth in just 25 years, starting with just BHD5000 in his bank account. Here he shares with **Ritwika Chaudhuri** his experience, belief and philosophy, as well as glimpses of the journey to fame.

## Have you achieved what you wanted to achieve – to be the biggest and the best in the industry?

Yes, I have – if not the best, then amongst the best. In 2009, we have been awarded more than ever before.

During April in Dubai Lynx, we won five of 11 awards in interactive categories, and overall, we got 16 awards. This was the highest number of awards ever managed by a company in that forum. This achievement has a special significance for us because Dubai Lynx is run by professionals.

In fact, had it not been for the misconduct of certain agencies involving plagiarism, cheating and other unethical practices, we could have managed more awards.

Also, look at our performance at the GEMAS Effie MENA Awards 2009. We won more gold awards [three gold awards] than anybody else. We also won some bronze and silver and the coveted Grand Prix award. If awards are any indication of how good an agency is, we have achieved our goal of becoming the best.

The other indicator to assess is the way our clients react to us. They treat us

as consultants; as advisers. We are not treated just as suppliers by our clients across the region, but more as a serious partner.

## You are Lebanese. Why did you set up your first company in Bahrain?

I was the first Lebanese expatriate to work for the Gulf's advertising industry. So you are talking about not only a pioneer, but also the first pioneer. I came to Bahrain in 1972 on a short visit. On February 23, 1973, I became a resident of Bahrain. I still maintain my Bahrain residency.

## You set up Intermarkets in Bahrain in 1973 and subsequently set up Burson-Marsteller. Tell us a bit about that.

Yes, I started Intermarkets [Lebanon-based oldest advertising agency in the Middle East] in Bahrain in 1973. I subsequently established Intermarkets Saudi Arabia in 1976 and Intermarkets UAE in Dubai in 1978.

I started Burson-Marsteller Bahrain in 1979, and that was the first public relation company in this region. I was hired by

Bill Rylance when I was in New York, and for quite some time, I used to look after both the companies: Intermarkets and Burson-Marsteller. The year 1979 marks the beginning of managing 360 degrees in advertising, communication and PR.

When I left them in 1984 to start Memac, I had just US\$13,000 in my pocket and two very trusted people. The rest is history before you.

## Why did you leave both Intermarkets and Burson-Marsteller and what prompted you to set up Memac [Middle East Marketing and Communications]?

The decision of leaving was more due to lack of conviction. It had nothing to do with integrity, honesty and money. I wasn't convinced that the company [Intermarkets] was moving in the right direction. It was one of those strategic disagreements on how an agency should be run.

I took a big risk in starting Memac. I had no money and already had three children.

## How did you manage the initial capital?

All I had was BHD5000, so I borrowed

from a number of people to show that I had BHD50,000 in the bank for company formation purposes.

One of my competitors in the communication business gave me BHD16,000, to arrange my licences. He was a smart man, and it was the best insurance policy he could buy, as he knew that I am a man of integrity and will never attack him. I did not touch his clients for many years.

I had two young accountants with me: Andrew Fernandes and Bridgitte Smith. My first client was Gallaher International and we worked very hard from the beginning.

### How did you join with Ogilvy, and does it have any stake in Memac?

I was the link man between Intermarkets and Ogilvy during my years with Intermarkets from 1974 to 1984. I had the relationship going even when I was on my own.

In 1985, I literally bumped into senior Ogilvy officials in London. I went to have coffee with them and walked out with the agreement. Ogilvy did not have any equity in Memac at the beginning. In 1998, they bought 20 per cent of Memac and then in 2002 they bought another 20 per cent. I and my children own 55.5 per cent of the company today. Another 4.5 per cent is with key people in the company.

### What sort of challenges have you faced in keeping a business together with partners?

There have been challenges, but lots of fun, too. I have 11 offices covering 15 markets. We have partnerships with AMRB, CBA and also with Ogilvy. You cannot expect all the partners to think alike all the time. Each organisation has its objectives, style and manner of functioning. There can be disagreement. But is it worth fighting over every little disagreement? My approach is one of having fun, even in times of disagreement. It is good for business.

To give you an example, one of my international partners had a disagreement with me. So for six years, I let the business be run by them. When finally they realised that they could not run the business properly, they handed it back to

me. Disagreements are unimportant, but growing and having fun are.

### How do you see the future of media in the region?

We are living in a very difficult time. The future is bleak. It is difficult to predict what's going to happen in next two to three years. But these are also times for individuals in the industry to come together and face the challenge, sacrificing their personal interests. Unless they do it, the whole industry will face difficulties.

I have tried in my own way to bring the industry together in the past. A few years ago when we had difficulties with receivables, I spoke to other agencies and brought 11 CEOs facing the same problem in a forum. We got together twice. But then, one by one everyone left, saying that they found solutions to their problems. However, none ultimately solved the problem. If we had stuck together, a lot more would have been achieved.

Of course, media is in a big problem. The clients say they want transparency. But can they work without agencies? I think we need to all work and find solutions together in times of trouble.

### So what is the need of the hour for companies like yours?

Cutting-edge diversification is the key word. There is huge diversification happening around. Memac has a number of different companies today. These used to be under one roof. Today, we have CBA Memac, Ogilvy One, Ogilvy Action and Mindshare as separate companies, all serving different needs. You will see more of that in the future. We have to be ahead of the game; understand what is happening in the industry and its requirements and be part of the diversification process and not fight it. Change is the name of the game.

### How many group companies do you have in total?

Today we are a fully integrated communication group, offering advertising, public relations, direct marketing, activation, planning and creative services to a large portfolio of

clients through 11 offices across MENA. Our network encompasses the Arab world, from Dubai to Morocco.

In 1985, we tied up with Ogilvy. Memac Ogilvy Advertising deals primarily with audio video commercials and print advertisements. And Ogilvy Interactive creates digital marketing and technology applications across all interactive channels for different brands.

In 2000, I started Mindshare with 50:50 partnerships with JWT. In 2001, we started Ogilvy One Middle East in partnership with Ogilvy One worldwide, a full service interactive online marketing offering. In 2002, Ogilvy Public Relations started, and in 2008, CBA Memac was born to provide design solutions. In the same year, Ogilvy Action, a dedicated BTL company was initiated to deal with brand activation.

*"We have plans to grow our business both horizontally and vertically. We have plans to open more offices. We have opened an office in Damascus in Syria, and next month we are opening an office in Abu Dhabi. A couple more offices are planned next year. Some of the new companies opened during 2008 will have more offices. I also have plans in terms of more disciplines; they will be in the obvious areas, but I do not want to talk about these now."*

### Do you have plans to launch any more new divisions or subsidiaries?

We have plans to grow our business both horizontally and vertically. We have plans to open more offices. We have opened an office in Damascus in Syria, and next month we are opening an office in Abu Dhabi. A couple more offices are planned next year. Some of the new companies opened during 2008 will have more offices. I also have plans in terms of more disciplines; they will be in the obvious areas, but I do not want to talk about these now.

**What's the group total turnover, including all the subsidiaries and group companies?**

I do not know. You know the reason I do not say numbers. Because others don't. I am willing to sit with auditors and reveal all my numbers. I am not afraid of transparency if the industry decides to do so. But I cannot give my numbers when others do not. I know one thing: we are one of the top three agencies in our area of operation. We are a big player and that's all that matters.

**You believe in working like a company, but behaving like a family. How true is this idea in practice?**

Very true, especially when unfortunate things happen; usually in a situation like now, when people need a lot more love than discipline. The company treats employees like family, especially during times of serious emotional and unpleasant emergencies. As a company, we are there with our employees with both compassion and financial support during their needs.

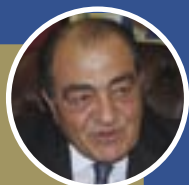
I really do not have enough time to share some of the incidents in this regard. But it is also important to note that a company can only open its arms to its employees to be part of the family. That does not necessarily mean that everybody will walk in to be a part of the family. Some would just work for a company; they could not care less. They would not want to be emotionally attached to the company; they do their duty as professionals. In short, it is a very reciprocal thing, the company-employee relationship.



**Your take on the following: entrepreneurship, initiating new ideas, building a successful enterprise, effective and proper communication, your company's philosophy and pursuing one's dream?**

**Entrepreneurship:**

It is something that you are born with. The problem starts when you are not born with those traits and you try to be an entrepreneur, but it is a crime if you are entrepreneurial person and yet don't try to be one. There is nothing called free luck. The harder you work, the luckier you are. You need to have dedication, passion, expertise and hard work to be successful. You do need to have expertise. You cannot succeed if you are not excellent in your work.



**Initiating new ideas:**

I am going to say something for the first time. I stopped gambling on December 11, 1991, at four in the morning; before that I was a regular gambler. But the gambling spirit remains in me. Instead of gambling on booker tables, casinos and horses, I started gambling in business. I take risks. You cannot sit on ideas and be successful with them; you have to try them. I have never failed, except once when I opened a shop to sell fabrics for a relative of mine.



**Pursuing one's dream:**

It depends on when you are dreaming, whether you are awake or asleep. I dream when I am awake. It is called charting the future and I usually achieve my dreams that I see when I am awake. I have seen in my dreams lots of things that have happened in my life. I dream sitting in my office and I start taking notes. After four-and-a-half years of starting my agency, I looked at my five-year plan written in 1984 and realised that I had the same number of offices, the same clients and the same revenue, and I realised that I missed my target by only US\$1000.



**Effective and proper communication:**

Read everything that is written and answer everything that you read. Communicate with your people before anybody else and don't let them know from outside what your company is doing. Don't let the clients know things about your company from the outside.



**Building a successful enterprise:**

Slowly, don't rush it. Each thing happens in its own time. Those who rush things, they might not make it. The perfect meal takes its own time to be cooked. So is in the business. Everything must take its normal time to grow naturally.



**Your company's philosophy:**

Simple. Work with integrity and honesty, and work for the client and the brand. And make sure that your client's business grows, because if your client's business is healthy, then yours will also be healthy.

