



By Richard D. Czerniawski

MY EXPERIENCE WORKING WITH A TOP 10 CEO OF ALL TIME

Last week I wrote a DISPATCHES article, "The Values and Practices of One of the Top Ten CEOs of All Time." I profiled James E. Burke, the late Chairman and CEO of Johnson & Johnson, an authentic leader.

This Marketing Matters article shares my direct experience with Jim Burke when I was a young Product Director at J&J. The year was 1977 when I had the privilege of pitching Mr. Burke and Mr. Clare (Dave Clare, the president) on acquiring the REACH Toothbrush—which was in a controlled store test of 20 stores in both Chicago and Milwaukee—from DuPont. Present were my Group Product Director, Director of Brand Management, and General Manager.

My management made it clear that I was responsible for making the pitch and directing all the action (which was heady stuff). The GM asked where I would want each of them to sit. I directed them around a rectangular boardroom table, leaving two spots for Jim and Dave—as they liked to refer to them. (My managers agreed, marveled at how crafty I was, and urged me on.)

When the two senior-most managers in the corporation entered the room, they ignored my direction and sat where they wanted. (Hmmm, not quite off to the start I envisioned. Might this spell “trouble?”)

Following the GM's opening statement, I launched into my thoroughly prepared and rehearsed presentation. However, I was repeatedly interrupted with rapid-fire staccato questions by Jim (mostly) and Dave (at this point, they feel more like “Mr. Burke” and “Mr. Clare” or Butch Cassidy and the Sundance Kid—two notorious gunslingers from the Hole in the Wall Gang).

The questions were not just questions. They were challenges. *“How will consumers translate the product features into superior oral care? How will the consumer experience a difference with this toothbrush? How do you explain results from a blind, concept-free, in-home use test that showed consumers preferred Oral-B to REACH, 60% to 40%?”* I answered all of their questions with the confidence and conviction of a zealous young marketer.

Sensing the acquisition slipping from our grasp, my GM commented that “we believe so strongly in this acquisition that we’re willing to finance it by cutting marketing support funds from our other brands.” (Aha, our trump card! That should seal it.)

However, Mr. Clare (or was it Mr. Burke—they were a tag-team) stated he was not satisfied with our division's profits. So he would take the monies the GM was offering to use for the REACH acquisition and its marketing and deal with the acquisition as a separate matter. (Now, who are the crafty ones?)

Mr. Burke followed, making a somewhat derogatory comment about the toothbrush category. At that point, the meeting reached a feverish pitch. (He had a feisty, direct personality and style.) He explained that the company had experience in the toothbrush market many years earlier (Tek Toothbrushes) and had pulled out because of aggressive competitive price discounting and the resultant inability to make a sufficient or, for that matter, any profit to sustain the business.

At the time of my pitch, toothbrushes were selling 8 – 10 for \$1.00. (Yes, that's correct!) We would sell REACH Toothbrush to consumers for \$1.19, the same price as Oral-B, the professionally marketed and recommended toothbrush.

My heart sank with the prospects of losing the acquisition and the opportunity to redefine the category and help consumers better fight cavities.

As the meeting was breaking-up, Jim (not “Mr. Burke”) walked over to me and put his arm around my shoulders. He congratulated me on my presentation(?) and told me he thought I had a “hell of a product” here. He stated that he had always had problems with his gums and started using REACH when we sent samples to him some months earlier.

Jim explained that his dentist asked him what he was doing for his gums during a recent dental check-up. Was Jim flossing? His gums looked very healthy. Jim replied that the only difference was using the REACH Toothbrushes we sent to him. (Jim conducted personal marketing research. He was a marketer.)

I returned to my office following the meeting, waiting to hear the verdict and ponder where my career was headed. I wasn't feeling optimistic about the prospects. I questioned myself. What could and should I have done differently to bring the acquisition to fruition?

About one hour later, my Director of Product Management came into my office and shared that we had received approval to acquire the rights for the REACH Toothbrush. He reported that Mr. Burke told our GM that it was on the conviction of, and his confidence in, the Product Director (humble me) that he was going to “allow our division to make its own mistakes!”

One final note about Jim Burke: the first 3-months (sell-in) shipments fell well below forecast. The Company Group Chairman (CGC) at the time (of which our division was a part) walked unbeknownst to any of us across the street to Jim's office to tell him that he wanted to pull the plug on marketing the REACH Toothbrush.

Jim inquired if we had yet received Nielsen data on actual sales movement to consumers. The CGC replied that we had not. Jim told him to wait until we received Nielsen information.

When the Nielsen information came in, it revealed that the REACH Toothbrush was the number-1 selling toothbrush in the US, despite double-digit out-of-stocks at retail. The initial shortfall in sales was due to our sales forces' practice of selling it to the retail trade like J&J Band-Aid Brand Adhesive Bandages, by the dozens, as opposed to grosses.

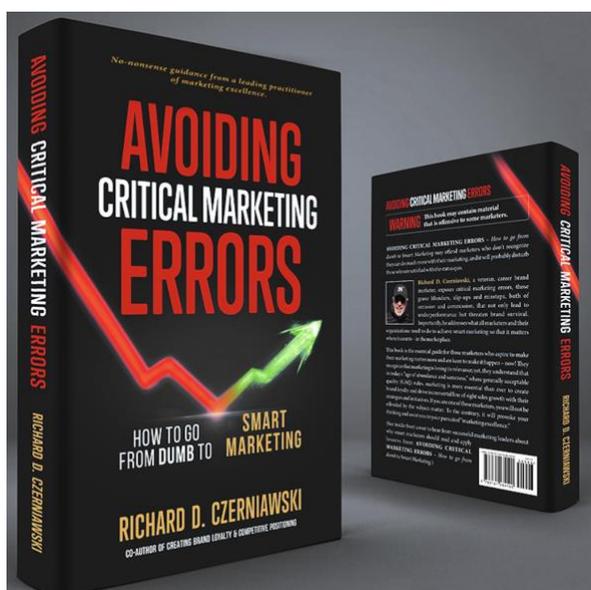
W remedied the problem with a display contest designed to drive product to retail. The salesforce changed its practice, and REACH Toothbrush sales skyrocketed to strain manufacturing capacity, payout its acquisition and marketing costs, and return a profit in its first year of marketing.

Here's an early version of The Inventor commercial for REACH Toothbrush:
https://www.reddit.com/r/vintageads/comments/qz7k8l/1977_johnson_johnson_reach_toothbrush_to_help/ I doubt there are few who remember it as it aired 45-years ago. Yet it drove consumer demand.

Jim Burke was a very wise marketer and leader indeed. I was privileged to have this experience and learn from him.

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Peace and best wishes in making your marketing matter even more,

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