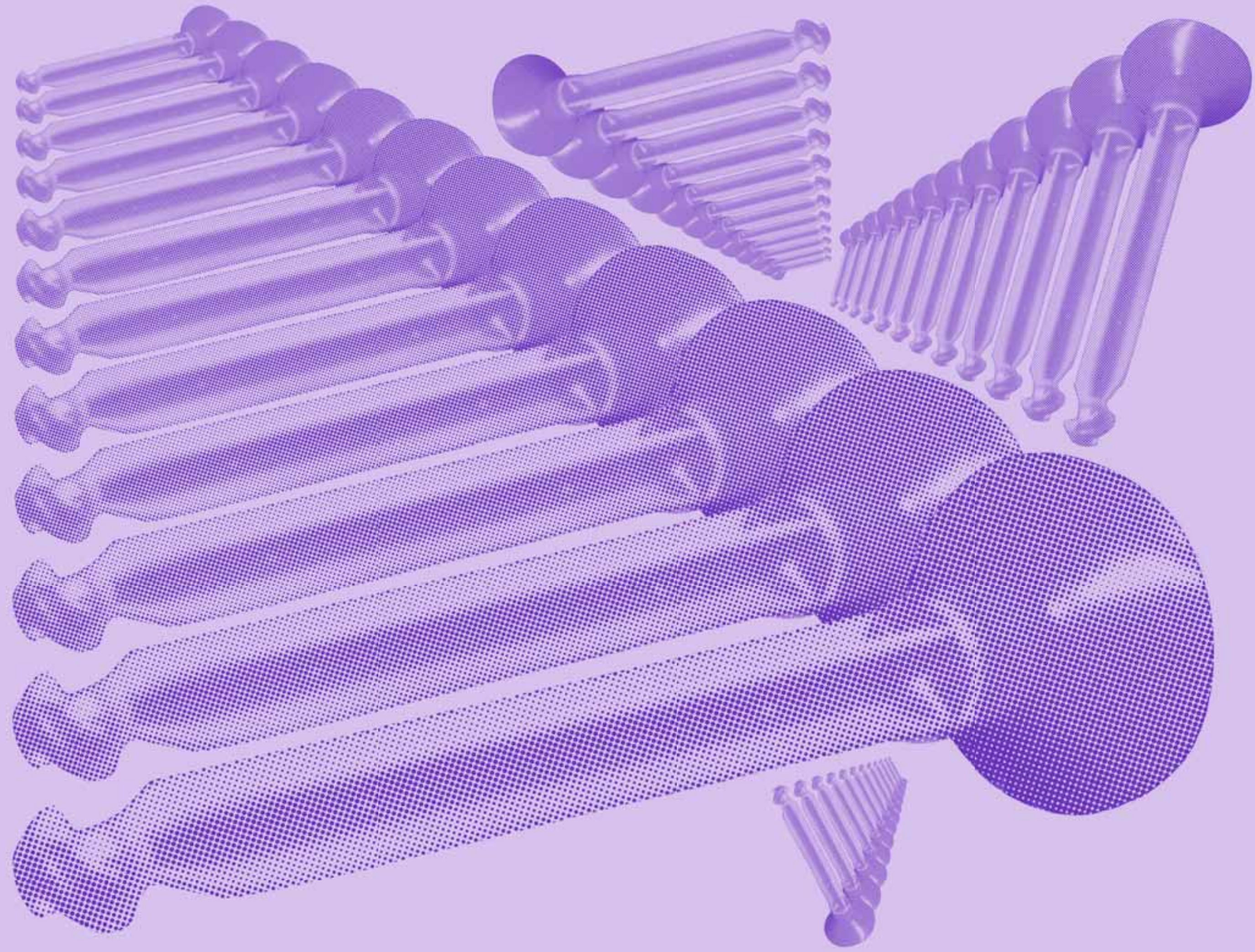


READY, FIRE, AIM!

THE UNCONVENTIONAL CULTURE OF RISDALL ADVERTISING

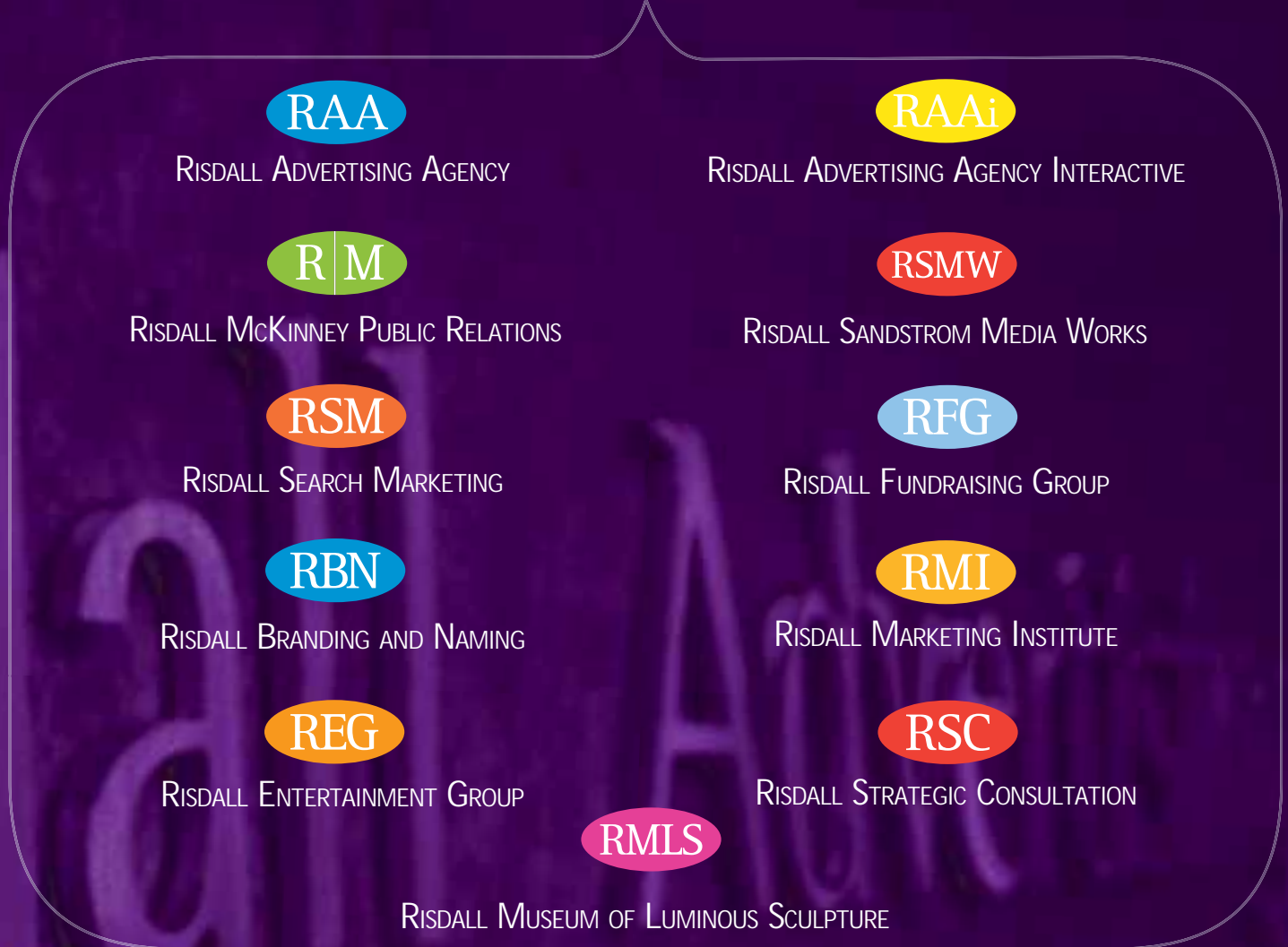


READY, FIRE, AIM!





RISDALL MARKETING GROUP, LLC.



THE YEAR 2007 MARKS OUR 35TH ANNIVERSARY.
 IN AN INDUSTRY WHERE LONGEVITY IS
 OFTEN MEASURED IN MONTHS, WE ARE
 WELL INTO OUR FOURTH DECADE OF PROVIDING
 CLIENTS WITH PROFITABLE IDEAS.
 WE ARE NOW MINNESOTA'S SIXTH OLDEST
 ADVERTISING AGENCY OUT OF MORE THAN
 SEVEN HUNDRED, AND THE LARGEST INDEPENDENT
 AD AGENCY IN THE TWIN CITIES.
 WE HAVE CREATED AN
 INSANELY LARGE BODY OF GREAT WORK
 FOR OUR CLIENTS.
 2007 ALSO MARKS A MAJOR RE-ORGANIZATION
 OF OUR AGENCY STRUCTURE IN OUR CLIENT'S FAVOR.
 IT SHOULD BE ANOTHER MAJOR BREAKTHROUGH
 FOR US AND OUR CLIENTS,
 EMPOWERING BOTH OF US TO DO EVEN BETTER WORK!

- ~ Risdall Advertising Agency, Ted Risdall, President
 - ~ Risdall Advertising Agency Interactive, Ted Risdall, President
 - ~ Risdall McKinney Public Relations, Rose McKinney, APR, President
 - ~ Risdall Fundraising Group, John Risdall, President
 - ~ Risdall Search Marketing, Jennifer Risdall, President
 - ~ Risdall Sandstrom Media Works, Jim Sandstrom, President
 - ~ Risdall Marketing Institute, Kevin Deshler, President
- In addition to four of the division presidents listed above, RMG board members include:
- ~ John Risdall – vice chairman, CEO and COO, RMG; chairman, RAA
 - ~ Ted Risdall – chairman, RMG
 - ~ Tom Wilson – president, RMG; executive vice president, chief connectivity officer, RAA
 - ~ Terri Lee – executive vice president, account supervisor, RAA
 - ~ Kevin O'Callaghan – president, creative, RAA
 - ~ Joel Koenigs – vice president, director of Web development, RAAi
 - ~ Tina Karelson – executive vice president / group creative director, RAA
 - ~ Rose McKinney
 - ~ Jennifer Risdall
 - ~ Jim Sandstrom

By its 35th year in business, the self-named “Little Agency That Could”—based in an obscure suburb of St. Paul, Minnesota—joined the top 100 ad agencies in the United States and ranked among the top one per cent in the world based on annual revenues. Close to 60 people served 300 clients, and yet, even some agency insiders had never heard of Risdall Advertising Agency (RAA). If they had, the descriptors they used were “maverick,” “out of the mainstream,” “un-glamorous,” “counter-culture.” This agency that counted among its locations a suburban strip mall and space shared with a hairdressing salon was a maverick.

And proud of it.

1972

2007

LOOKING BELOW THE SURFACE

But there was more under the surface at Risdall Advertising that earned the maverick moniker than looks or location. The agency’s founder, John Risdall, was operating with a business model markedly different from mainstream ad agencies anywhere in the U.S. He chose to focus on business-to-business advertising, a target market lacking the sex appeal and deep pockets of vaunted consumer accounts. He pursued young, start-up companies that often had more passion than profits. He resisted monthly retainers and built his client relationships based on one project at a time — successfully completed. Risdall believed the agency had to earn every new project, no matter how long the relationship. Each project would be forthcoming because Risdall Advertising produced profitable ideas for its clients, not ideas aimed at winning ad industry accolades.

Risdall hired creative and account people with an instinct for sales and rewarded them for new business they brought in. He sought out self-starters who were hardworking and resilient. He wanted authentic team players with modest egos. He insisted on people he could trust.

“I interviewed in Minneapolis with all the agencies and I saw this little place up in New Brighton. It was like a lot of small agencies I’d seen: suburban, very disorganized... but there was something there. Futuristic thinking. Entrepreneurial.”

—Kevin O’Callaghan, president-creative

“My mother had seen Risdall Advertising featured in the community newspaper. It was totally uncool. It wasn’t downtown. I remember thinking, those people don’t even look like advertising people.”

—Tina Karelson, evp, group creative director

“I always thought of Risdall Advertising as a sleepy, little place in a ho hum suburb. I discovered it’s a gem and its story hasn’t been told.”

—Jim Sandstrom, president of Risdall Sandstrom Media Works



FIRST IMPRESSIONS

When young account executives from Twin Cities agencies teamed up to tackle a fictional client problem as a learning experience, Michelle Nordberg represented Risdall Advertising Agency. “People said, ‘Risdall, I don’t know who that is...’ They meant, ‘Aren’t you some small-potatoes firm?’” Eventually, Nordberg said, when her team members learned about Risdall and visited the agency they were really impressed. In fact, they were envious of me. I had flexibility, good pay and benefits and the novices weren’t looking over their shoulders, competing with each other for the next project or promotion.” ¶ After nearly 20 years in the Twin Cities agency business, Kevin Deshler joined RAA in 2003. “I looked up the website and it said, “at Risdall, our goal is to #1 have fun, #2 make money, and #3 make money for our clients,” said Deshler, account supervisor and director of account services.

“I had worked for a small, consulting group whose mission statement had ten things on it like be good stewards of the clients’ budgets, and be strategic. The very last point was, ‘we’ll have fun’. In reality, that was the last thing we could do.” ¶ Tim Dillon, who has seen many agencies start, grow and falter – including his own – viewed Risdall as “family-based, free form and flat with no corporate structure” – the antithesis of a big, advertising machine. “The culture at Risdall seemed conducive to helping clients in better, smarter ways,” he said, when he joined the agency in 2001. “It’s not about how much money we can spend, it’s about how do we create the right results.” ¶ With 30 years in the business, Doug Kline has a healthy network of colleagues, but only about 20 percent of them know the Risdall agency. “It may be

the size of our clients (small to medium-sized) and the nature of our clients (business-to-business), but equally important, the employee turn rate is lower than I’ve ever seen,” he says. “When you have fewer people coming and going, there are fewer people sniping about your agency in that subculture of telephone and e-mail gossip. That sets us apart from the larger agencies that seem to trade people and functions easily.” ¶ “I’d rather have the Risdall name known within the small to mid-sized, locally based, locally run entrepreneurial organizations,” says Kline, who joined RAA in 2003 as Director of Public Relations. “That’s where our ‘sweet spot’ is.” ¶ Joel Koenigs, a computer interactive ace who worked at Digital Café when it was acquired by Campbell Mithun Esty, was gun shy after he left Digital and became a free agent. He considered joining RAA Interactive in 2001:

“I was hesitant to go out there again, but it was obvious to me that Risdall was run like a business, rather than run like one arm of a business that really doesn’t care about you,” Koenigs, director of web development, said. “I knew there would be stability at Risdall...and loyalty. I’d just given six years of my life to a place that morphed on me three times. I thought, ‘I’ve shown my loyalty, now I think I should do it at a place that gives loyalty back to me.’”



INTEGRATED FROM THE GET-GO

From the start, John Risdall created a full-service, fully integrated agency that could do whatever the client wanted and needed: advertising, marketing, public relations, sales promotion, direct mail and special events. You name it, they did it. And the whole staff worked as a team to help produce it.

Perhaps most counter-culture of all, RAA had a flat organizational chart before flat was fashionable in business. In fact, the agency had no organizational chart, no job descriptions, no names on office doors, and scarcely any titles (that came later as the staff numbers grew). No one had a secretary, either.

"Risdall Advertising's emphasis on being an organization that's lean and free of hierarchy is unique. In my experience, agencies are too top heavy with lots of expensive chiefs involved in an account. If I were a client, I'd be saying, 'What the hell?'"

—Tom Wilson, ad agency veteran who joined RAA in 2006

Anyone that Risdall hired joined a team of peers, whether they were seasoned professionals or newcomers to the business. That team was highly interdependent and accountable to each other. Prima donas and solo acts were sure to wither in the environment.

Skeptical peers from traditional agencies thought they knew better.

"If you need six suits to come over for a marathon meeting, call any of these top 10 local ad agencies."

—Headline from RAA institutional ad featuring phone numbers of its top ten competitors



"They need their hierarchies and they need their belts and suspenders. They need all the baloney. Some clients do, too."



John Risdall

THE ADVERTISING STORE

ENTREPRENEUR
 MAY 1997 PAUL PIERCE PAGES 8 • A CEO'S GUIDE TO MAKING SMALL BUSINESS WORK

Ready to Hatch Risdall Advertising comes early to the interactive ad revolution with ground-floor business-to-business challenges: arranging venture capital for incubators

ADVERTISING STORE

Ready to Hatch
 A 10-year veteran of the advertising industry, John Risdall knows how to hatch for new business. After all, he has three decades of experience, and he's been successful for 10 years, since 1987 at least. But these days, he has a new idea: to hatch for other people.

In that case, you're hearing to the point: Risdall's been expanding his agency's reach to new clients, opening three new offices in New York, New Jersey, and Florida. He's also looking for new clients, and he's been successful in that regard. He's been successful in that regard. He's been successful in that regard.

THE ADVERTISING STORE
 The great idea behind the advertising store is to provide a one-stop shop for all your advertising needs. It's a place where you can find everything you need in one place. It's a place where you can find everything you need in one place.

EXECUTIVE SUMMARY
 Risdall Advertising is a full-service advertising agency that has been successful for 10 years. It has a strong track record and a solid reputation in the industry. It is looking for new clients and new opportunities to grow its business.

ON-THE-JOB TRAINING

Risdall developed his own business model by observing others. While attending the University of Minnesota in the 1960s hoping to become a physician, he worked full time as a copywriter for Harold C. Walker Advertising, a business-to-business agency. On the side, he served ice cream part time at the family Baskin Robbins store. Later, Risdall joined Autographics Corporation and became an account supervisor specializing in promotions for the firm's package goods and consumer clients, including Pillsbury, Sara Lee Foods and Kraft. He was also a copywriter and account executive for Blanchard & Associates, another Twin Cities agency.

Nearly seven years with Harold Walker taught Risdall much about agency operations. Good and bad. John, the eldest of four brothers, had also learned from his father that running a business took perseverance, focus, discipline and nerve. Long hours were the norm. The quality of relationships were the ultimate determinant of long-term success or failure. But even John's own father, Newell, a successful entrepreneur, was dubious about his son's endeavor.



The agency business is really about three things: first and foremost, it's about ideas. Next, it's about people who make those ideas possible. Finally, it's about the culture. This is the fuel that the agency business runs on."

—Rich Stoddart, U.S. President, Leo Burnett Advertising



FEARLESS AT 27

Risdall was 27, a husband and father of two small boys when he opened Dorsch Risdall Advertising on July 1, 1972, in the basement of his split-level rambler at 1561 15th Street N.W. in New Brighton. Ralph Dorsch had been his colleague at Harold C. Walker.

In 1972, the price of oil was climbing. Half the country opposed the Vietnam War. President Nixon was about to self-destruct. America was in a deep, grinding recession. It was absolutely the wrong time to start a business. Fortunately, Risdall's wife had a steady job as an accounting clerk at a local lumber yard.

"I'd been making \$625 a month at Autographics," Risdall said. "I had no savings. I just jumped off the cliff." Risdall was refinishing the 900-square-foot basement that was still studs and concrete blocks when he opened for business. The agency's first office barely accommodated three desks and as many file cabinets.

Through relationships and luck, the young agency landed accounts with Holes-Webway, a manufacturer of cardboard boxes in St. Cloud; Lindig Manufacturing, makers of lawn and garden equipment (run by Risdall's former high school classmate); Smith System, his father's school equipment manufacturing company; Smith's sister company, Smith Foundry; and a promotions company run by another former classmate, John Isaksen. Ralph Dorsch delivered an account with behemoth 3M.

In every relationship, the agency's goal was to understand the client's business. In-depth. Only then would they develop creative ways to put their client's name in front of potential customers. "Our idea was to get the business right first," said Risdall, "get the marketing right second, and then get the advertising right. If we could do that, we were successful. That was our model. At first, it wasn't even conscious. It was simply logical." Logical, yes, but not the advertising industry norm.

*"I was afraid of nothing.
I was fearless at 27.
Starting a business requires
that kind of idiocy."*

—John Risdall

"My two younger brothers were into racing snowmobiles. It was a good thing because one of the first accounts we pitched was MotoSki Snowmobiles of Canada. Those racing clown brothers of mine gave me a whole pile of resources and insight into the snowmobile business. We actually got the danged account; all the marketing in six states, TV commercials and newspaper advertising."

—John Risdall

"Brilliant execution without brilliant strategy is irrelevant, but brilliant strategy without brilliant execution is invisible. If you get both parts of this equation right, you have a chance to improve the return on the investment of your marketing dollars."

—Pat Fallon & Fred Senn in *Juicing the Orange*, 2006.



Tom Wilson

"In our discovery phase, we define the client's problem and we identify everything that needs to be done. We choose our tools very carefully and we have the talent to execute flawlessly. The incentive for all of us at Risdall is to be able to deliver a solution to our clients."



**SMITH SYSTEM
MANUFACTURING COMPANY**
P.O. Box 43515 • St. Paul, Minnesota 55164
Telephone (612) 636-3560





1972

“GUDY” MAKES THREE

While Judy Becker sweated out her husband’s likely transfer from Korea to Vietnam at the height of the Vietnam war, she became Dorsch Risdall’s first employee in 1972. With no experience in accounting, she worried through invoicing, bill paying and balance sheets. Because of her work with Holden Printing, Becker naturally gravitated to designing and creating ads, flyers, brochures and catalogues for the agency’s clients. She had a souped-up typewriter with a variety of fonts for advertising headlines and copy blocks. Letraset press-on letters were the height of sophistication. If there was no photo to illustrate an ad, Becker drew an illustration free-hand.

As Judy Becker worked, two-year-old Ted Risdall hung out in the basement, playing with spare envelopes from promotional mailings and helping his friend “Gudy.” On the weekends, Ted got another taste of small business when he joined his father making customer rounds – a tradition his grandfather, Newell Risdall, also practiced.

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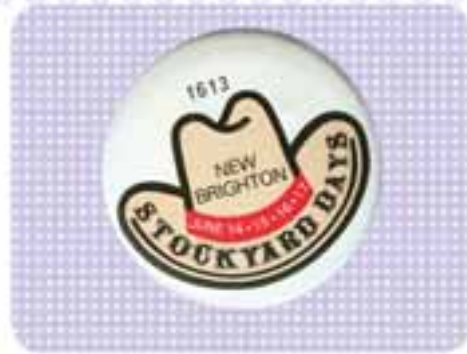


*Judy
Becker,
art director*

“Those early years were a struggle because the agency worked with smaller companies, but John had a vision and he stuck to it. He hired people like me and gave us free rein. He had confidence in us, even though some assignments were totally new.”



{1981 newspaper photo of Polly LeVin, Judy Becker, Anita Gorman and John Risdall}

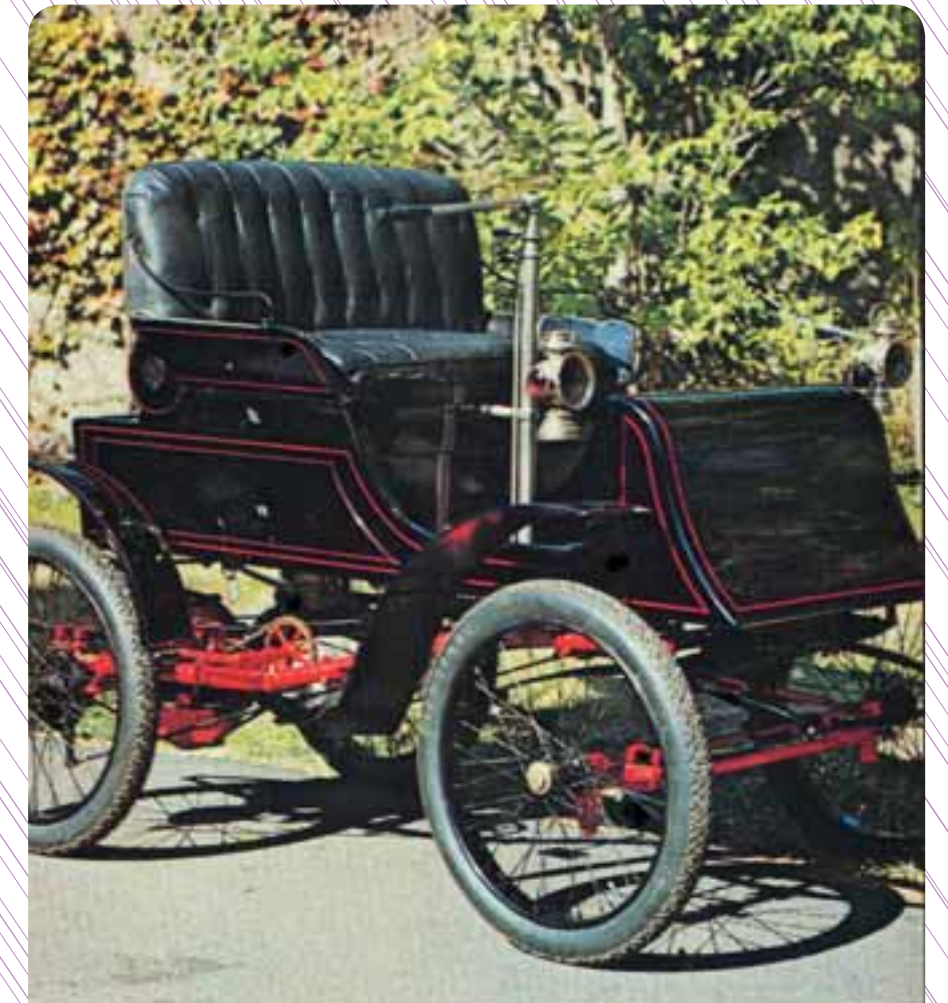


SCENTS OF PERM AND PIZZA

Within a year of founding the agency, Dorsch Risdall moved to 1977 West County Road B2 in nearby Roseville. One year later in 1974, the agency had enough retained earnings to buy its own building at 1901 North Lexington Avenue, sharing space and hair perm fumes with a neighboring salon. About this time, Ralph Dorsch left the business. He and Risdall divided the agency's assets.

By 1977, John Risdall & Associates made its third move to 1433 Silver Lake Road, on a strip mall shared with a Tom Thumb, pizza parlor and coffee house. Risdall was back in New Brighton to stay – his home and location of his high school, Mounds View, Class of 1963. For years afterward, the Risdall agency would take on countless pro bono projects on behalf of the City of New Brighton, the school district and many local civic organizations. Risdall also served as President of the New Brighton Chamber of Commerce, started a local Rotary club and launched an annual antique car run patterned after the British classic.

To anyone in his industry who advised Risdall that New Brighton was the backwater of business, he just smiled and shrugged, “Downtown. Big deal. I guess we’re just too dopey to know better.”



Geared for Success.

JRA

JOHN RISDALL ADVERTISING



1974-1977

NO PRETENSE; LOTS OF EFFICIENCY

1980

Len Mitsch, whose career in advertising started in 1971, has the long view of Risdall's unique business model; "John figured out years ago what he could do without. We don't have secretaries and support people. We don't have an office manager or a mail room guy. We don't have traffic people, production and media people. These are all things that most other agencies have that we don't," Mitsch, who joined Risdall in 1999 as group creative director, said. "We don't have the bureaucracy and the layers. John was smart about reducing overhead where it made sense. We don't need a lot of gofers. There's a lack of pretension here and a whole lot of efficiency."

In the agency's formative years, that efficiency meant that Risdall could start small with young companies, many of whom called other businesses their customers. "Companies with smaller ad budgets were welcome," Mitsch said. "Those accounts didn't require a huge agency review that takes a lot of time, money and effort. John's focus on business-to-business accounts has carried this agency through tough economic times when others with big consumer accounts saw their budgets sink like stones."

"Our clients range in size from small retailers and manufacturers spending a few hundred dollars on advertising to large manufacturers spending several hundred thousand dollars. The smallest account we would take on would be for a \$2.50 photostat."

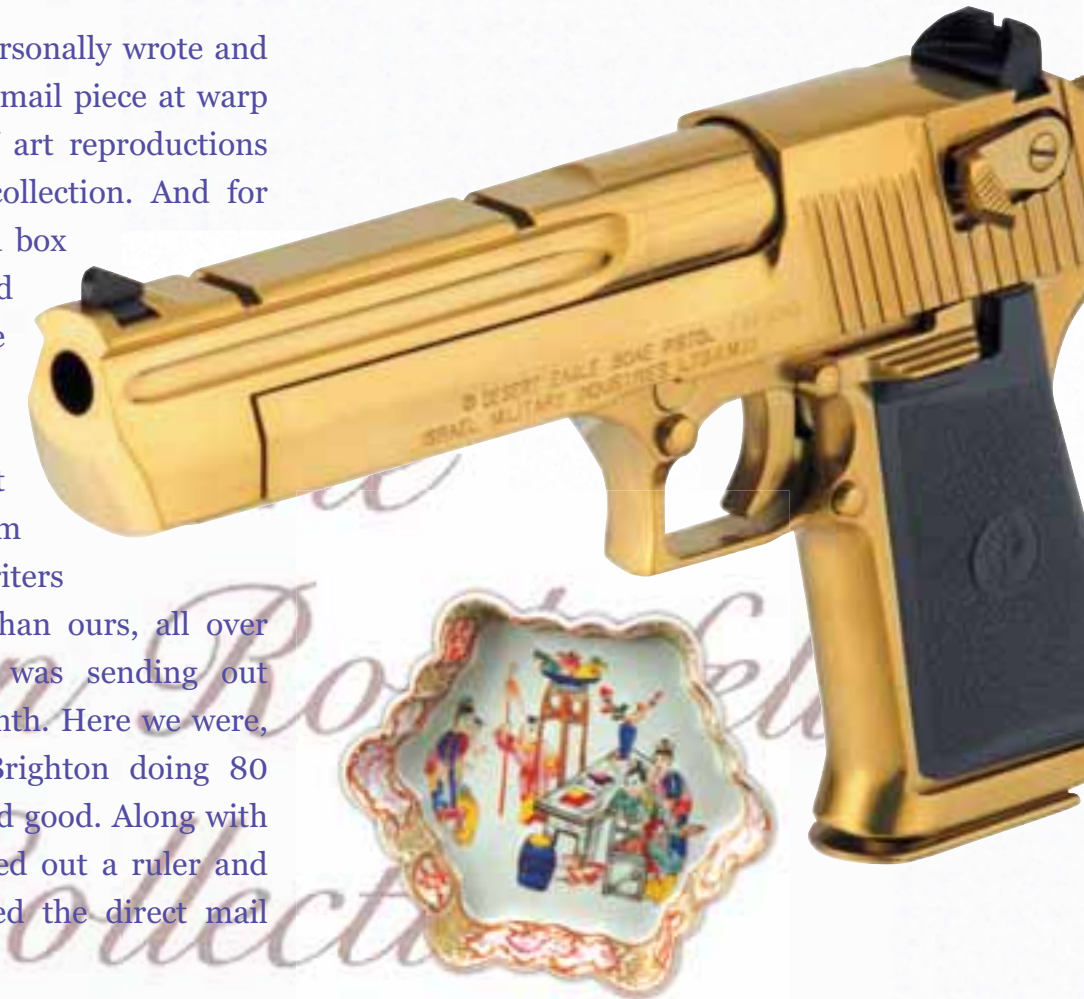
—John Risdall & Associates brochure, circa 1977

One of those young clients was Magnum Research, a company with no product, no budget and no customers in 1980. The founders were John's friends and high school classmates John and Jim Skildum. When the company introduced its .50-caliber Desert Eagle pistol that quickly found its way into Hollywood blockbusters including *The Matrix* and *Austin Powers*, and into the hands of movie stars (among them California's Governor), the Risdall agency handled the company's public relations, advertising, marketing and product placement. During the 1980s, Magnum was among only a few companies successfully capitalizing on "branded entertainment" in movies and television.

John Risdall became a major investor in the company and, ultimately, its CEO and President when his high school buddies asked him to step up. He took flak from people— and some clients — who opposed guns and their manufacturers. "We've had death threats at Magnum," Risdall told journalist Bob Geiger. "Now we have bullet-proof glass." To clients who questioned his judgement in aligning his agency with a gun manufacturer, Risdall addressed it head on: "I typically call up the client's CEO and say, 'If this is a majority sentiment, then we shouldn't be your agency,'" Risdall told Geiger.

If Magnum Research was controversial, Risdall's work for Nelson Rockefeller was a tribute to sheer

grit and productivity. John personally wrote and produced every ad and direct mail piece at warp speed to promote the sale of art reproductions from Rockefeller's personal collection. And for Holes-Webway, the cardboard box manufacturer, Risdall cranked out the creative: "We had one month where we produced 17 out of 22 promotional pieces for 22 different product offerings," he said. "The firm we worked with had copywriters from agencies much bigger than ours, all over the country. Holes-Webway was sending out millions of mailings every month. Here we were, this dinky agency in New Brighton doing 80 percent of the work." Fast. And good. Along with writing the copy, Risdall pulled out a ruler and an Exacto knife and produced the direct mail pieces personally.



"I heard John lecture at St. Thomas and thought, 'Here's a guy with a real vision. He has a better and more efficient business model that allows him to do things that other agencies can't.' Here was somebody who had taken the time to think things through, rather than blindly adopting the old agency paradigm."



*John Lutter,
creative director*

REVELING IN REFERRALS

Through the early 1980s, a few more people joined John Risdall & Associates including art director Deb Fisher. The agency acquired its first Macintosh computer in 1984 in an attempt to stay current with the fledgling electronic age. But the Macintosh just sat in a corner. It would be a decade before the agency became a pioneer in tapping the power of the Internet.

By 1985, when the agency had grown to six employees and billings of \$3.6 million, it moved around the corner in New Brighton to Stony Lake Office Park at 2475 15th Street N.W. and took a new name, John Risdall Advertising (JRA). The agency was in the enviable position of having most of its new clients referred to the agency by other customers. "New accounts are coming in constantly," John Risdall told the local newspaper. "They're mostly people who have talked to our current accounts."

When asked how busy his agency was, Risdall said, "There was a day or two after the Fourth of July and a couple around Christmas when we weren't busy. Otherwise, we work around the clock." New clients were attracted to the agency, in part, because of its homespun approach. This was no flashy, downtown enterprise. It was approachable. And easy on the budget.

The people at Risdall spoke plain English, not "ad-speak": "Our job is to cost-effectively communicate our customer's message about his product or service," Risdall told a trade

magazine. "There might be 20 ways to do that and our job is to decide which one is best." "If they get it right," Risdall said, "the client comes out ahead... or they just don't come back."

The efficiency of having most everything they needed at one location was also an obvious cost and time-saver. The agency had installed computer typesetting in 1984 – an upgrade that cut typesetting hours in half – and a darkroom to process and print ads for reproduction in all media.

Through the 1980s, JRA was building a large and stable client base cutting across a wide range of industries, even though the first half of that decade was socked with another deep economic recession. Risdall's focus on business-to-business clients proved to be nearly recession-proof. In part, he reasoned, because this kind of advertising was a more rational process than consumer advertising. "Our customers are intelligent and educated about their products and about their choice of an agency," Risdall said. "The knowledge, research and energy they put into selecting a partner has to work. They can't afford to make a mistake."



"We have always done everything. We did score sheets for a bowling alley, cardboard pocket protectors as a promotional item for a client, press releases, direct mail. A fashion show. A neon and cast iron sculpture competition for Smith Foundry. We've always been an integrated agency."

—Tina Karelson, evp, group creative director



Two people are standing around a drafting table. One says, "Gosh, Harvey, this is awful! I don't know if anybody can save this advertising – direct mail – sales promotion flyer – catalog – or whatever it is you've got here." The other guy answers: "We've got only one chance, Bob! We'd better call John Risdall and Associates right away! Why I've heard they write copy, do layouts and art, typeset the copy, shoot photostats and dig things up all right in their office – and that means they can do it real quick, too!" —JRA Promotional Brochure, 1981



JOHN RISDALL & ASSOCIATES
1561 15TH STREET N.W.
NEW BRIGHTON MN 55112

PRAGMATIC CHOICES

The first thing JRA did for a new client was develop a strategic list of tactical ways to create new sales among current and prospective customers. It might even mean an expanded product line. “Then we examined all the different ways their company could communicate with those customers – space advertising in magazines, direct mail, telemarketing campaigns, trade shows – and we costed them out,” said Risdall.

“We tried to figure which choice was going to give them the best return on investment. We might give them a menu of half a million dollars’ worth of ideas to spend money on – but something that cost 10 grand might generate all the additional sales needed for the year. We’ve had that happen time and again.”

Clinch-On, a manufacturer of galvanized steel cornerbead molding in commercial and residential construction, was one of those new clients. They’d been in business for 30 years and never advertised. A new management team gave JRA a \$15,000 budget. By helping the company write a business and a marketing plan, they identified a telemarketing program that got Clinch-On into nearly 30 markets across the U.S. By the end of the year, the program increased Clinch-On’s customer list by 25 percent and also upped its sales by 25 percent. “Their total budget didn’t exceed \$15,000,” Risdall said, “and they added millions of dollars in sales.”

No bull and lots of inquiry. From the start, JRA didn’t take a merely tactical approach to its work. The agency went deeper into the company’s business plan, its goals and strategies. In most cases, the agency worked directly with the CEO who founded the business or the management team entrusted to run it. These people “lived” the big picture and that is exactly what JRA wanted in order to do its best work.

“I’ve had the privilege of going into a client’s business and discovering, in depth, what those people do. For every one of them, the chief thing we give back is disruption.”

—Ted Risdall, president

“Disruption” happens in the initial new client meeting at Risdall, followed by their trademark brainstorming session that brings key leaders from the company together to focus on a business problem or opportunity. These are business strategy sessions focused on products, customers, competitive advantage and business practices. Only then does marketing and advertising tactical thinking come into play. “Our first job is to get the specifics, the context,” says Ted Risdall. “In many cases, our job is to help our client define where the pain is and then envision where the organization needs to go. It is in this session that the company’s sales and marketing people get to interact in a creative session with their own

“We promoted ourselves in the most unusual places, like a rodeo gate where the animal stands before he’s released into the ring. The ad I wrote was simple: ‘Advertising without the Bull: John Risdall Advertising.’”



Tina Karelson,
EVP, Group Creative Director

leadership. Brainstorming is a great way to get good discussion going around common goals and a common vision. It helps build the team, and we help take them on the journey.”

“Proactive service offers the greatest potential for you to differentiate yourself from the competition and win business. You need to give your prospects and your clients a defined process where things do not fall through the cracks.”

—Randy Schwantz, How To Get Your Competition Fired (Without Saying Anything Bad About Them)

But it is not an endless journey. Risdall’s clients – largely business owners – simply do not have the patience (or often the financial wherewithal) to engage in “analysis paralysis” induced by endless meetings and in-depth research. Risdall’s clients want pragmatic, actionable plans that are affordable. That has led to a “ready, fire, aim” bias at the agency. “Some people would say that’s risky,” says Kevin O’Callaghan, president-creative, “but I disagree. Advertising for any kind of messaging

you do whether it’s traditional or interactive—is highly intuitive. It is much more art than science. John hires people who are comfortable with ready, fire, aim. Advertising should be quick. Quick to create and quick to do. If it doesn’t work, go on to the next idea.”

“We tend to attract start-up companies because of our innovation and our ability to be an idea incubator. That attracts people with an entrepreneurial instinct to our staff, too.”

—Kevin Deshler

“When I look back at the history of the agency’s development, I realize that John didn’t get wrapped up in what everybody else was doing in the industry. He did what he thought was right. He was willing to pursue niches that other agencies wouldn’t fill.”

—Rose McKinney, Risdall McKinney Public Relations



Ted Risdall,
President

“Other agencies simply don’t have the width or breadth in business that we have here. Our clients are amazed at what we can bring to the table.”



Agency Mantra

Every day is a party.

Every meal is a feast.

Doing genius work is fun.

And if it's not, you're not doing it right.

GOOD TO GROW

By 1987, while other Twin Cities advertising agencies were bouncing in and out of the headlines, Risdall Advertising – celebrating 15 years in business – was quietly doing what it did best. Their annual billings, with only 11 employees obviously hard at work, rose to \$7.4 MILLION. That sum put Risdall in the top 25 agencies in the Twin Cities. Just one year later, the agency topped \$10 MILLION in billings for the first time in its history, joining the area’s top 20 agencies. “In my 25 years in the business,” John Risdall told an industry publication in 1988, “well over 1,000 agencies have come and gone in the Twin Cities. That’s 40 to 50 a year that aren’t around when a customer comes back for more help.”

Among the agency’s roster of more than 80 clients in the late 1980s were long-time clients Smith System and Magnum Research, plus newcomers underscoring the agency’s eclectic nature: Pet Food Warehouse; Boyer Building Corp.; Columbia Heights Credit Union; Euler Solutions, a computer consulting firm; the Senior Options Expo; the Humane Society of Ramsey County; St. Paul Brass and Aluminum, and Tiny Press, a St. Paul publisher.

A small paragraph in the Minneapolis Star Tribune, authored by industry expert Bob Geiger, hinted at a pioneering new direction in the 1990s for that not-so-little agency in New Brighton: “After a lengthy search to bolster its growing interactive marketing staff, the agency has hired Lon Koenig and given him the New Age title of ‘Vice President of Interactive Magic.’” Stay tuned, folks.

“A recent article in Adweek reported on the agency of the future. Heck, we already have that here.”



John Risdall

PROGRESS



JOHN RIDDALL and Associates client relations staff is, from left, Tina Karstson, Lynn Gunnarson, John Risdall, Nick Robbins and Greta Warden



The creative staff at John Risdall and Associates Advertising Agency include Ann Fisher and Debbie Fisher, both seated, and Bill Unumb, Judy Becker and Sandie Holmgren, standing.

Risdall breaks into top 25

While other Twin Cities advertising agencies are bouncing in and out of the headlines, John Risdall and Associates is quietly doing what they do best.

“In 1987, we grew from \$5.3 million in billings to \$7.3 million,” said John Risdall, president of the New Brighton-based advertising agency. “We exceeded our projections (for growth) by half a million dollars despite our biggest advertiser cutting back.”

John Risdall and Associates offered “Santa Paws,” photos of customers’ pets with Santa Claus. The event was a hit.

John Risdall and Associates serviced more than 80 accounts in 1987, including companies as diverse as Smith System computer and office furniture and Waldoch Industries of Forest Lake, which specializes in van and recreational vehicle conversions.

“You see so much bad advertising — where people are just wasting their money,” said Risdall. “We can prevent that. As experienced advertising professionals, the agency can take the



WHO SUCCEEDS AT RAA?

You've heard it before. This agency is not for everyone. Though Risdall Advertising Agency has a much lower turnover rate than others in the business, those who leave (and others never attracted to it) don't fit the culture. ¶ "We all have to be entrepreneurs," says Frank Grubbs, director of interactive management and planning. "The people who are successful here define what they do best and sell those skills internally to their co-workers. The ones who don't are either loners, who think they don't need anyone, or followers who need spoon-feeding. ¶ "You can only stay on the bench so long around RAA and if you're not billable, you're baggage for everyone else," Grubbs says. "People here have to take lots of initiative." ¶ That's what attracted Rose McKinney, an experienced public relations professional, to RAA. The agency created Risdall McKinney Public Relations in 2006 with McKinney leading. "John emphasizes the idea that we're accountable to our clients and we're accountable to ourselves," says McKinney. "I was attracted to the idea that I could

build a PR entity here at RAA that could thrive -- one that wasn't going to be subservient to another division or discipline." McKinney spent years in agencies where careers were orchestrated and by-the-book. "The Risdall culture allows people to decide what role they want to play and the intensity they want to put out. That's amazing and, for our industry, very unusual. People asked me why I wanted to make the move to Risdall. I say, it's very difficult to start any agency from scratch today. Here, I get to be an entrepreneur and I have an investor, the resources, the people, the space and the clients to succeed." On Rose's birthday, John Risdall gave her a card with an inscription that captures that philosophy: "He said, 'I want this to be the best year for you'," she recalls, "and you get to decide what that best year is going to be." ¶ Lara Wyckoff, a designer with a specialty in interactive, says she can use her "whole brain" at the agency. "I'm the creative director on a client that makes infusion pumps for medication management," she says. "I have the freedom to do

a little bit of everything: create print materials, design a website, oversee this new brand. In another agency setting, some of these assignments would probably be siphoned off to other people. Here at Risdall, I get to use my whole brain. That, to me, is truly exciting." ¶ New to the industry, Michelle Nordberg immediately saw the importance of teamwork at RAA, even with jobs that seemed menial: "We're part of a big team. You can't be upset by work that seems beneath you. Too many interns I've worked with don't realize how important their small part is." ¶ People who need structure don't last, Nordberg says: "No one is watching over you and giving you goals. You set your own and declare them. Mine is to increase sales that I'm bringing into the company each year. We have to take charge on our own. None of us are order-takers." ¶ "There's no pecking order in this place. It's a very flat organization and that's good if you're a young person who wants to grow in the business. You get responsibility quickly at Risdall." Jim

Sandstrom ¶ "If you need structure, need to be told what your goal is or how great you're doing, it's not here," says Doug Kline, who recently left RAA. "If you're someone who has initiative and an entrepreneurial bent, if you're a self-starter and you can see a piece of business you want and go get it, if you can assemble a team and get the job done, you thrive here." ¶ Kline says he was attracted to RAA for its flexibility. "The flexibility is stunning," he says. "If you want to get more involved in a certain industry or a client team, you can do it here. People are never pigeon-holed. In most agencies, you have a box and your box fits within a pyramid and you don't reach outside that box. If you do, someone gets upset. At this agency, there aren't any of those barriers." ¶ Coming to RAA from a different culture, Kline says he "had to do a little deprogramming myself. I had to change the way I'd learned to work." ¶ Lara Wyckoff joined RAA after a dozen years in advertising art direction and interactive media.



She came from large agencies with, she says, “hierarchical structures and lots of limits on people.” She found Risdall’s lack of structure refreshing: “These other agencies had their infrastructures in place for a long time and the structures weren’t working anymore,” she says. “RAA had deconstructed that notion. It impressed me immediately. The Risdalls aren’t afraid of change or of trying something new.” ¶ “People here have a real passion for doing what’s really in the best interests of our clients,” says Kevin Deshler, director of account services. “They also have an opportunity to build their dreams here.” ¶ While the description is often used in organizations, this agency truly feels like a family, staffers say. Each person is counted and accountable, says Deshler: “Each of us has the sense that we’re playing a part in the family. We all have skills we can contribute to making this enterprise a lasting success. ¶ “There’s a lot of freedom to do what you need to do. And what goes with freedom is also responsibility. Everyone here understands that.” ¶

“A person might walk in from down the street, see our sign and say, ‘We need a new logo. Can you guys help us?’” says Heather O’Dea Grudt, v.p. account supervisor. “Any other downtown agency would just laugh at that spontaneous request. But we don’t have that high and mighty attitude. We work with the little guys and the big guys and every guy in between. That means we have lots of variety. Someone my age at another agency wouldn’t get close to clients. I’d be stuck in a corner cube paging through magazines looking for competitive advertising and plugging that information into spreadsheets.” ¶ Judy Becker, art director, was someone who had more variety than she thought she could handle back in 1972 when she became the agency’s first employee: “People who succeed here are those who understand what they have to do and they don’t need to be told twice,” she says. “They’re mature enough to know what’s needed and willing to ask for help. They’re people who take care of themselves and they really care about other people. It helps,” she adds, “to have a sense

of humor.” ¶ Tina Karelson, evp, group creative director, remembers being a new employee when the agency staff of eight shared lunch and a food fight broke out. “It was between John Risdall and Deb Fisher, our art director,” she says, “and I thought, ‘Well, what the hell.’ It was pretty funny.” ¶ On other occasions, Risdall cued up a recording of a commercial airplane taking off and played it at max volume. “One person actually hid under his desk because he thought the plane was going to crash into our building,” Karelson recalls. ¶ And there was the time Risdall pretended to staple a Post-It note to his forehead in the middle of a meeting. “John is very playful,” Karelson deadpans. “He keeps us on our toes.” ¶ If the jokes don’t keep people alert, the sugar will. Anyone visiting the offices of Risdall Advertising Agency will find candy. Jars of it. Everywhere. Refilled with care by the CEO himself. ¶ “The place is driven by a whole bunch of individuals who are free to choose,” says Terri Lee, s.v.p. account supervisor. “John gives us

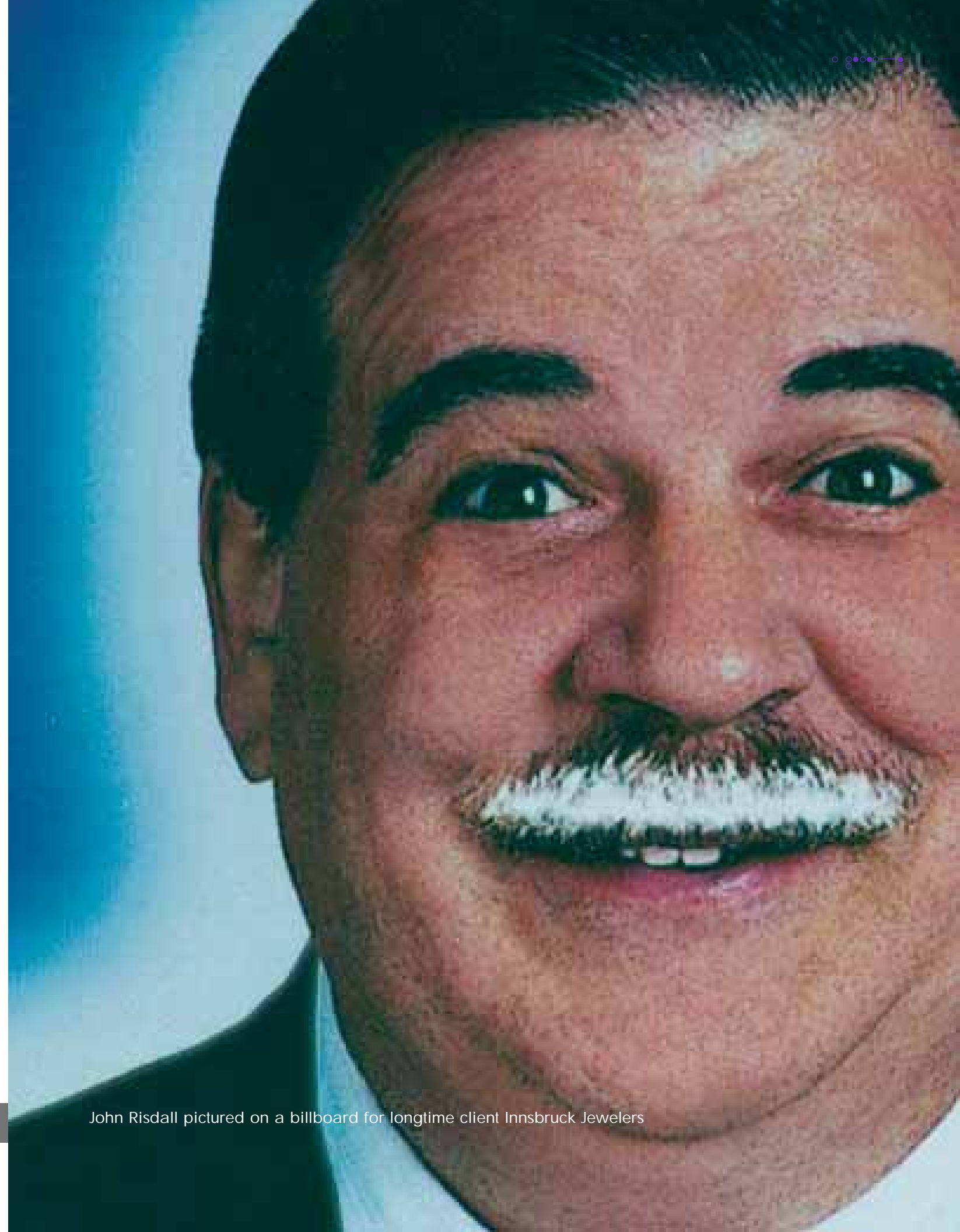
the building, the resources and the rules – loosely defined. We choose how we’re going to go about our days. We choose how we’ll conduct ourselves in relationships. We choose our own set of checks and balances. I think that empowers each of us to do the best job we can.” ¶ “At RAA, that means being responsive,” says Lee: “There aren’t 12 days to create an ad. It’s usually two,” she says. “We’re working for profitability and efficiency. We’re saving our clients time and we’re making the agency more profitable. By working with people at the top of the companies we serve, we can also work faster because the decision-making time is shorter.” ¶ And when business is slow, RAA people are edgy, says Lee. “We’re agitated. We’re jumpy. We like working at top speed. And if we’re not, we’re asking each other, ‘Have you got something? What’s coming up? Tell me your plans...’” ¶ “We’re empowered to make a difference here. John’s whole gig is empowerment. In one word, that’s our agency.”

THE RIGHT SIZE IS **BIGGER**

In the pit of another national recession when terms like “downsizing” and “rightsizing” peppered business conversation, Risdall Advertising Agency nearly tripled its staff and multiplied its annual revenues by almost five times, compared to five years earlier. By 1990, the agency had 17 employees (six in 1985) and billings of \$14.2 MILLION (\$3.6 MILLION in 1985). In that year alone, it added 20 new accounts.

In each succeeding five years, the agency would double again. And again. Meanwhile, the fatality rate among advertising agencies continued apace. Two major agencies simply closed their doors in 1990, another liquidated, and five reduced their staffs by 45 people. Some of the agency failures were directly attributed to poor business decisions and ineffective management. Some people who launched agencies were naive and ill-prepared. In other cases, the agencies were run by scam artists who got what they deserved.

John Risdall pictured on a billboard for longtime client Innsbruck Jewelers



BABES IN CYBERSPACE

By the new decade, Risdall copywriters fully committed to writing their copy on Macintosh computers. There may have been some clandestine legal pad drafts, but no one offered evidence. The agency leaped into the electronic age and looked for ways to capitalize on promises of the limitless “information highway.”

“We stored information on computer disks before they were commonplace,” says John Risdall, “and we were pioneers in producing CD-ROMs. We converted to digital print production in 1992 and – when the occasional keyline showed up for revisions – thankfully, we had two people who still knew what to do. When Page Maker was introduced in the mid-1980s, we used it to design newsletters for our clients. Ted Risdall managed to find a beta copy of Mosaic and that was enough to create our first web page for Smith System. About six months later, Mosaic changed its name to Netscape.

“Ted was still working on his MBA in grad school and he had access to the latest information. He was our pioneer in interactive.” By 1993, the agency launched its interactive unit, ahead of every ad agency in the Twin Cities.

“I was the ‘techno-gopher’. I was still working on my MBA and I came back for the summer and worked on a couple CD-ROM projects. We looked at how we might convert some of our clients’ print catalogues to an electronic format.”

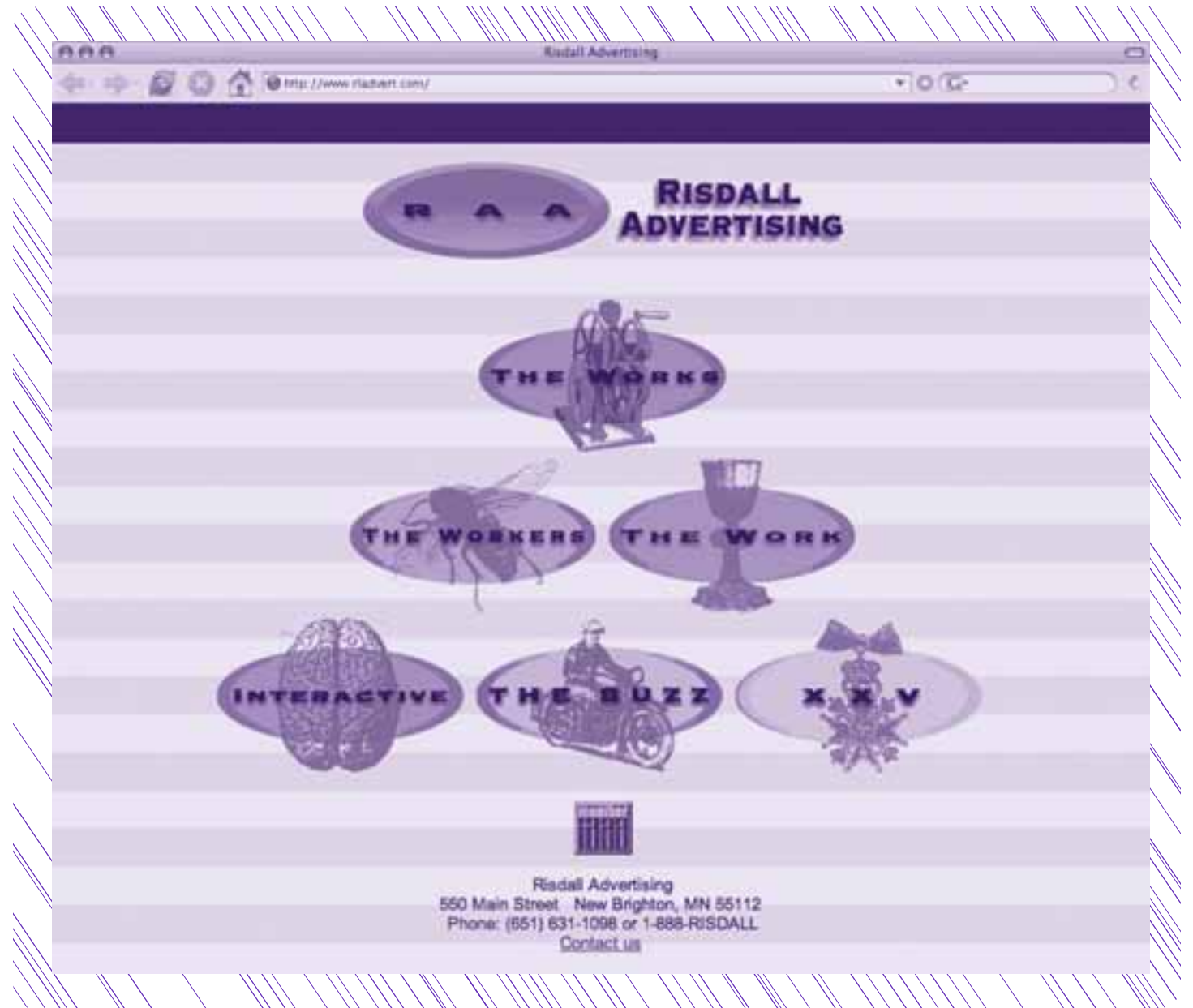
—Ted Risdall

“Any client we put up on the Web was the first company in their industry on the Internet,” says John Risdall. “We were there in what was called ‘prehistoric times.’ We had to write every stick of computer code ourselves. There was nothing in a box. Nothing called Front Page or Web Page. There were no search engines, just five-inch wide directories of webpage addresses.”

“I found some of the smarter people in town to help us, including some who were working on Gopher Net, the precursor to the Internet, and the Minnesota Educational Computer Consortium. Through them, we got the first copy of Mosaic.”

—Ted Risdall

While some agencies wrote the Internet off as a fad, Risdall’s clients saw the value of having their own web pages designed. Because the nation’s educational community was wired long before most industries, Smith System, the manufacturer of school equipment, was eager to have a web presence. “The first year Smith had its website up, they got orders from every Big Ten university, including their largest single order in history totaling \$274,000 from a Canadian buyer who found the company on the Internet,” says John Risdall.



*Ted Risdall,
President*

“Nobody even knew what a website was in 1993. By 1994, we were rolling out simple sites for our clients. Because of our work with CD-ROMs, we knew how to compress graphics. We innately knew how to design for a Web platform. That meant we could do a good job of design before anybody else even knew what web design was.”



Attendees of the 2006 Search Engine Strategies (SES) show, in San Jose, were surprised when talking to Jennifer Risdall. "We have been doing search optimization and marketing since 1997 and have been attending SES shows since 1998. At the time that we started in search marketing it was unheard of for an ad agency to be there, but now there are sessions which entirely address integration of search marketing into the agency space."



The agency focused on creating commercial Web pages and other interactive products for its clients, like CD-ROM and interactive kiosks. Not only did the agency write and design for the Internet, it handled all steps of implementation, unlike most of its competitors. They also helped launch new, online businesses such as cranespharmacy.com. That company went from a concept to becoming the best on-line pharmacy model in the industry with clients including United Health Care. And because the agency naturally sought-out entrepreneurial ventures, it invested in some on-line, start-up ventures, including Vertical.net, an enterprise that grew from zero to \$4 billion.

By 1996, revenues generated by RAA's Interactive business were substantial and a small army of designers, program managers, computer coders and programmers had joined the agency's staff. The challenge, of course, was to integrate the geeks with the account and creative people from the traditional marketing, advertising and PR disciplines. Perhaps with an eye on making the newcomers feel fully welcome, the agency hosted a Tech Weenie Roast at its Stony Lake Office Park headquarters in May, 1996. RAA celebrated its interactive success

with sausages and accordion music on the sidewalk (while other tenants eyed them nervously).

It wasn't until around 1999, that other Twin Cities advertising agencies had incorporated web departments into their operations. A handful of local interactive firms had also sprung up, including Digital Cafe. Others like Zentropy, Organic and Razor Fish were national players. By that time, RAA had more than 600 client websites to its credit and a budding creative alliance with AT&T's Internet program.

"When it comes to marketing on the Internet, John Risdall gets it. In fact, his agency was one of the first on the local scene to help clients see the Internet's potential. They have helped hundreds of companies make the most of cyber space...while making money."

—Carolyn Clarke, Format magazine, 2000



Lara Wyckoff,
Group Creative Director

"RAA was probably the first agency in town to truly embrace interactive. At other agencies, interactive doesn't have the respect it deserves internally. At Risdall, people have a strong belief in its power."

“Brilliant creativity will bring disproportionate results, it is an economic multiplier. Creativity is the best tool we have, in whichever medium we apply it.”

— David Lubars, chief creative officer of BBDO

1998⁺
2001



“Somebody's got to do the smart stuff.
That's what we continue to do for our clients.
Nobody's got better ideas (than us).”
—John Risdall, in 1995



“NIX TO BUNK DESKS”

While RAA’s Baud boys beefed up agency revenues with their Interactive expertise, the creative and account people of RAA’s more traditional business scored big. By 1998, the agency had 120 clients and not one accounted for more than 10 percent of the company’s overall revenue. This gave RAA stability and staying power. “When did we lose 10 to 20 percent of our business?” Risdall answered Citibusiness magazine in 1998. “In 25 years of business, it’s never happened.” Though the company was considered a pioneer in the flashy world of Interactive, the majority of its revenues came from clients in long-standing categories: manufacturers, industrial, the service sector and high-tech. The range of client names seemed to defy categorization: Oak Grove Dairy, NEI Electronics, Uni-Hydro Ironworkers, U.S. Filter Company, Microfloc Water Systems, CleanSoils, Ringer Lawn and Garden Products, Featherlite Exhibits, Home Force Employment Agency, the Minnesota Grocers Association, Recovery Engineering, the Bureau of Engraving and – thanks to that long relationship with Magnum Research – classic pistols from the Czech Republic.

By 2001, Risdall Advertising’s neighbors at Stony Lake Office Center said goodbye to the burgeoning agency. Too big to fit its surroundings (and unwilling to resort to bunk desks), the agency found new digs and moved into 38,900 square feet at 550 Main Street, New Brighton.



WHAT'S IT LIKE TO BE AN RAA CLIENT?

When you become a Risdall Advertising Agency client, you can expect certain things: speed, ease, creativity, practical plans, good listeners, genuinely nice people. And what you see at the pitch meeting is who you get on the job. ¶ The people of RAA are proud of their responsive nature and creative speed. A representative of Michigan-based Amway called RAA asking for creative concepts for Quixtar, the company's online business. "The subsidiary was five years old and they wanted to look at re-branding," says Heather O'Dea Grudt, v.p. account supervisor. "The agencies they worked with hadn't produced what they needed and speed was important." ¶ Grudt assembled six of RAA's best art directors, the team brainstormed and produced six concepts in three days. The client took five. "We had people working together who were totally different in their ideas and approach," says Grudt. "Everyone participated in conference calls and e-mail communications with our client. It wasn't a case where I took the lead and the others were never seen or heard from." The results

exceeded Quixtar's expectations. ¶ "If you're looking for an agency that responds to your requests with speed and ease...and even anticipates your concerns before you voice them, go with Risdall." the Quixtar Gift & Incentive Program Team ¶ "We're good listeners and our learning curve is incredible," says Kevin O'Callaghan, president/creative. "Before joining RAA, I remember creating 72 completely different storyboards and scripts for one toothpaste commercial until the client got what they wanted. Here, we routinely hit our target in the first or second shot." ¶ "I've heard it time and time again," says Ted Risdall, President, RAA Interactive. "Our clients say we've become an extension of them. They tell us, 'You're so in tune with us, you're our out-sourced marketing department.' We're completing their thoughts and we're walking in step with them." ¶ "John Risdall Advertising continues to be successful because it offers clients solid program results measurable at the all-important bottom line. Advertisers want to see that bottom line. That's what we've been

able to do." John Risdall, quoted in Lillie News Progress, 1992. ¶ "We try to give our clients the best value that we can for their money," says Len Mitsch, an ad industry veteran. "We deal honestly with them. In addition, I know this happens in other agencies, but it never happens here; there is no client bashing. We have great respect for the people we work with – and for." ¶ "Number one, we're dedicated to doing what's in our client's best interests," says John Lutter. "We're not coming up with creative solutions that will simply win us recognition or industry awards. Some might argue that award-winning work serves the client better. But in my experience, it's often work that makes everybody feel uncomfortable: it's edgy and it may sacrifice what the client's brand really stands for." ¶ "We're responsive to the things our clients want," says Lutter. "We're available. We take care of them. That's a real strength of this agency." ¶ "RAA clients are loyal," says Joel Koenigs, director of web development, "because loyalty is part of the agency culture. "Companies like Smith System and

Premier Mounts have been with us for decades. We are intimate with their businesses. We dig deep and understand them." ¶ "We get our work done on time and on budget," Koenigs says. In an industry not known for this kind of precision, the cost and time-conscious quality of RAA is a major attraction for clients. "Because we're full-service, our clients don't need to go anywhere else," Koenigs says. "We do anything and everything. We even build advertising kiosk software." ¶ "Everybody likes to think they jump through hoops for their clients," says Pete Fabian, evp, group creative director. "What we give our clients that's unusual is total accessibility. Our clients can call any member directly. And they often do." ¶ "It's all about relationships," says Fabian. Open. Seamless. Easy on clients, their sensitivities and their budgets.

WIRED FOR A NEW CENTURY

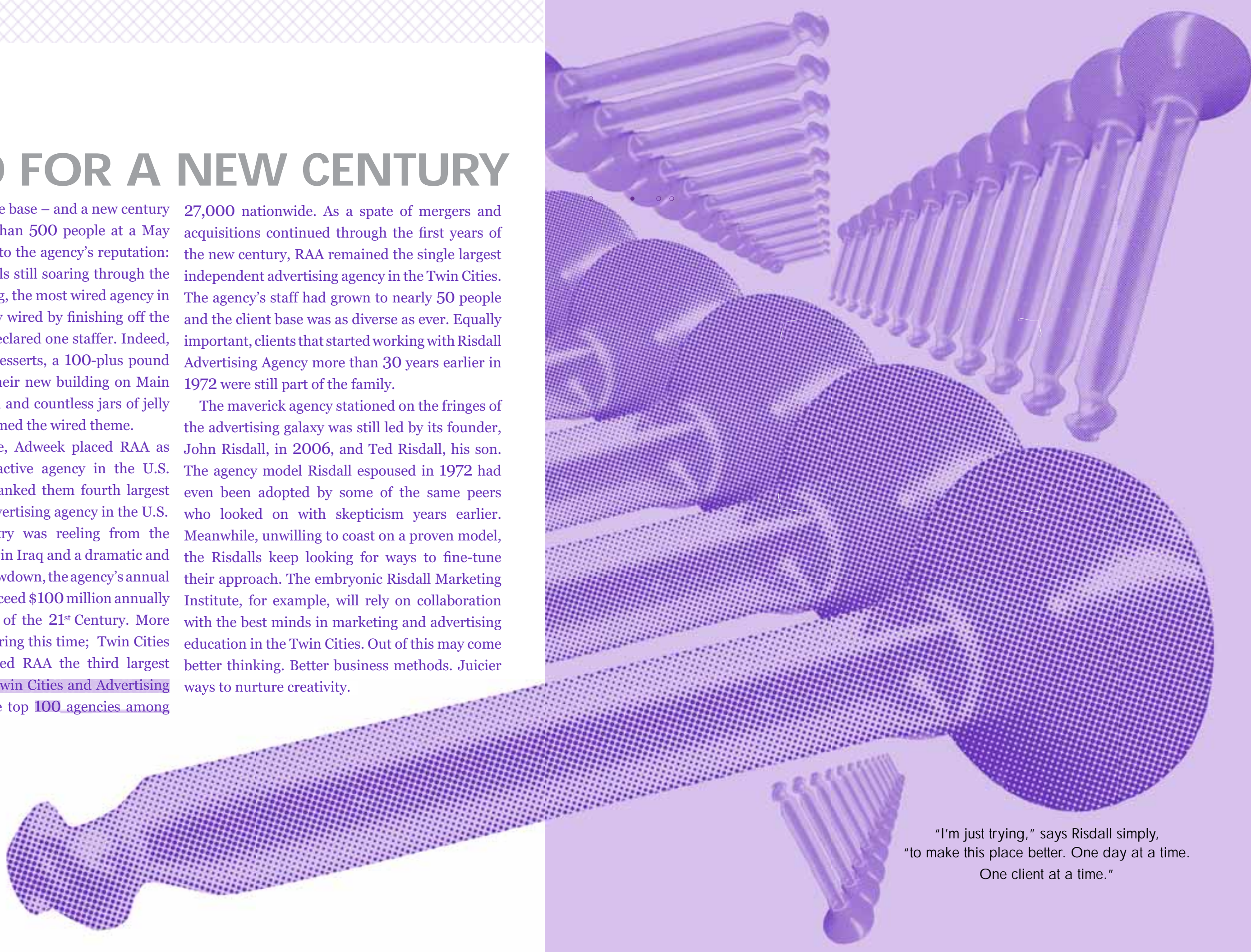
Celebrating a new home base – and a new century – RAA greeted more than 500 people at a May Day party appropriate to the agency’s reputation: “With blood sugar levels still soaring through the roof of our new building, the most wired agency in the world will now stay wired by finishing off the remaining desserts,” declared one staffer. Indeed, 21 different styles of desserts, a 100-plus pound cake in the shape of their new building on Main Street in New Brighton and countless jars of jelly beans for guests confirmed the wired theme.

In fact, by this time, Adweek placed RAA as the 23rd largest interactive agency in the U.S. and Advertising Age ranked them fourth largest business marketing advertising agency in the U.S.

Although the country was reeling from the effects of 9/11, the war in Iraq and a dramatic and sustained economic slowdown, the agency’s annual billings continued to exceed \$100 million annually for the first five years of the 21st Century. More kudos came to RAA during this time; Twin Cities Business Monthly called RAA the third largest web developer in the Twin Cities and Advertising Age placed RAA in the top 100 agencies among

27,000 nationwide. As a spate of mergers and acquisitions continued through the first years of the new century, RAA remained the single largest independent advertising agency in the Twin Cities. The agency’s staff had grown to nearly 50 people and the client base was as diverse as ever. Equally important, clients that started working with Risdall Advertising Agency more than 30 years earlier in 1972 were still part of the family.

The maverick agency stationed on the fringes of the advertising galaxy was still led by its founder, John Risdall, in 2006, and Ted Risdall, his son. The agency model Risdall espoused in 1972 had even been adopted by some of the same peers who looked on with skepticism years earlier. Meanwhile, unwilling to coast on a proven model, the Risdalls keep looking for ways to fine-tune their approach. The embryonic Risdall Marketing Institute, for example, will rely on collaboration with the best minds in marketing and advertising education in the Twin Cities. Out of this may come better thinking. Better business methods. Juicier ways to nurture creativity.



“I’m just trying,” says Risdall simply, “to make this place better. One day at a time. One client at a time.”



RISDALL MARKETING GROUP, LLC