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# THE TOTALITY FACTOR

DAWN HUDSON'S HOLISTIC OUTLOOK AND TENACITY  
HAVE CARRIED HER TO PEPSI-COLA'S PRESIDENCY

By Thom Forbes

Steve Reinemund, then the head of Frito-Lay, was driving to a meeting in the early '90s when his office patched through an urgent call from Dawn Hudson. A managing partner at DDB Needham, Hudson was working on the first-ever national campaign for Rold Gold. She had seen a prototype of the new, Healthy-Choice-green packaging for the pretzels, which was the vanguard product in a "better-for-you" initiative that Reinemund was pushing. Hudson had pleaded with Frito-Lay's brand team that it was wrong to walk away from the equity of the package's traditional blue, yellow and gold colors, but it had dismissed her.

"They said, 'You're an agency person, forget it,'" Hudson recalls. "So I called Steve."

Reinemund listened to her argument. It was important, she said, to communicate a health-and-wellness message of the low-fat snack. But, she insisted, it was just as important to do it in a way that didn't "lose the fun" of the brand. In other words, while you're pursuing the soccer moms, don't forget about the guys in bars drinking beer.

"She felt very passionate about what we needed to do and she was clearly right," recalls Reinemund, who is now chairman/CEO of PepsiCo. The brand team was overruled. The

green-packaging concept disappeared. In its place, advertising that could appeal to both men and women—a humorous campaign featuring "Pretzel Boy" Jason Alexander—quickly pushed Rold Gold from a 12% to 30% market share.

"It was very lucky for me, I have to be honest with you, because things make an impression, and sometimes they're small things," Hudson says. "So [Reinemund] had this impression—right or wrong—that I was tenacious, that I had a marketing point of view beyond an advertising point of view, and that I felt passionately about things."

He's not the only one with that impression.

"Dawn gets it," says DDB Worldwide Chairman Keith Reinhard, whittling down into one perfect tagline a long list of attributes and benefits that one hears from Hudson's colleagues and friends. "She was way ahead of the curve in terms of what everybody is now talking about—the need for thinking about a brand in its totality."

Hudson left DDB in 1996 to become managing director of D'Arcy Masius Benton & Bowles in New York, from which Reinemund recruited her six months later to head up Frito-Lay's sales and marketing. She became senior vice president-

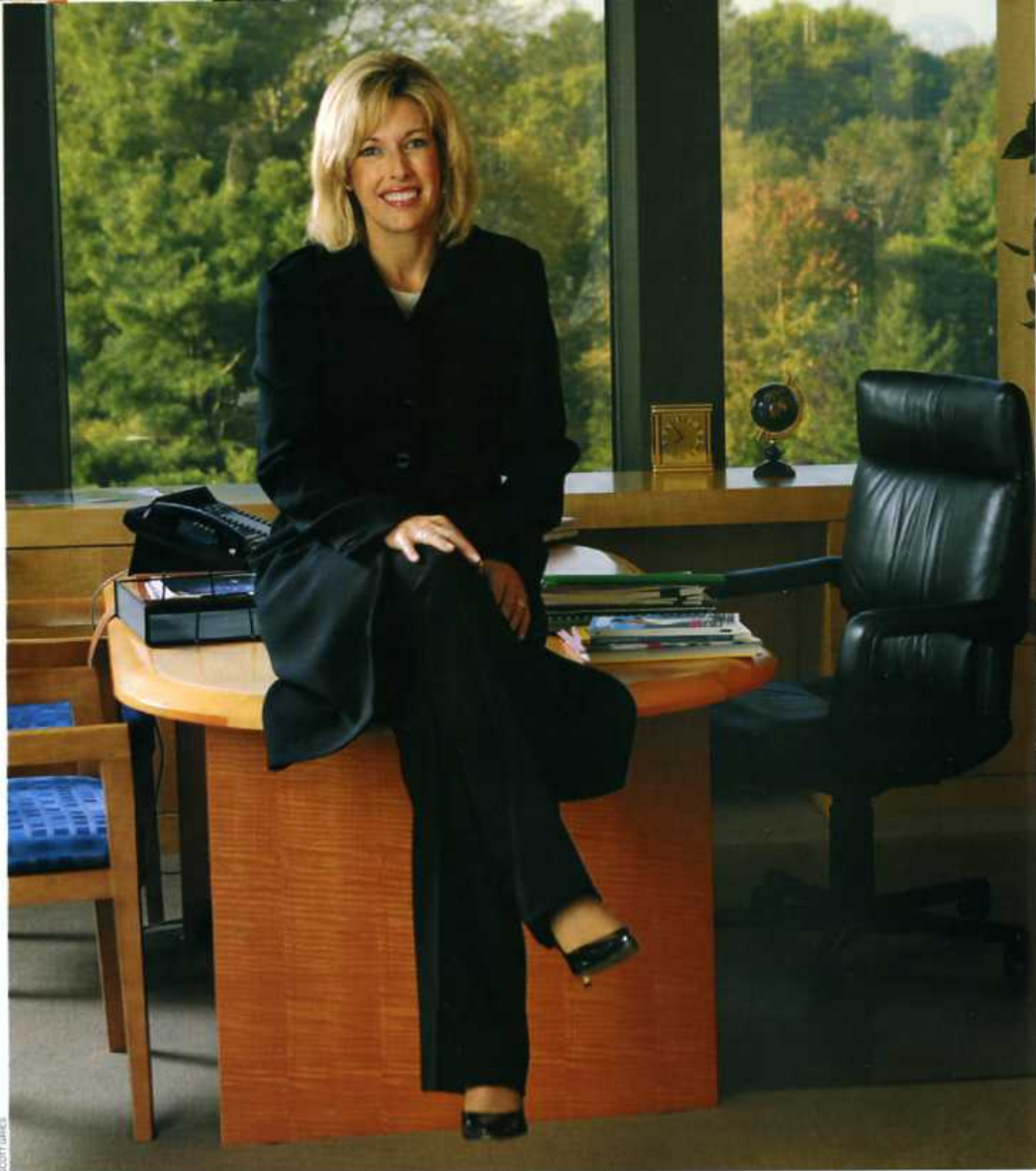
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**I look at things 360 degrees, so that when I hear of an issue, I understand it in its entirety, and understand what needs to be done."**

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SCOTT GIBBS

**Dawn Hudson**  
**October 8th, 2004**

Colleagues say she's achieved the perfect career-family balance.

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marketing and strategy at Pepsi-Cola North America in 1998, where her achievements included the "Joy of Cola" campaign and the introductions of Mountain Dew Code Red and Pepsi Twist. Since her appointment as president of PCNA in June 2002, Hudson, 46, has been a dyed-in-the-wool marketer wearing general-management responsibilities. She oversees all aspects of the \$4-billion refreshment-beverage unit of PepsiCo in

the U.S. and Canada, including marketing, sales, strategic direction, and performance as well as bottler and food-service relationships.

If the Pepsi logo unwittingly suggests the Taoist principles of yin and yang—the opposing elements of nature that are ideally balanced—colleagues attest that Hudson is a harmonious blend of career-minded and family-centered; strategic thinker and innovator; hard worker and sports enthusiast; big idea and bottom line; charismatic personality and





a marketing perspective.”

The kind of 21st century marketing that's an integral part of Hudson's—not to mention PepsiCo's—mind-set includes expanding the urban market, opening up alternative media channels, paying close attention to bottler relations, and listening to a diverse customer base. Although Pepsi has been a new-product juggernaut in recent years—19 launches since 2001—Hudson has kept her eye on growing the mainstay products, warning against what she calls the “leaky-bucket” phenomenon.

“When you provide too much space to innovation and not enough to the base,” she says, “you spring a leak and lose critical volume on your core brands.”

Hudson's current focus is turning PepsiCo's three disparate food-service operations into a food-and-beverage powerhouse. Integrating the well-established Frito-Lay routes with Pepsi's fountain business and the less-developed Quaker food-service business is not merely a strategic challenge. It also means getting out and making it work operationally. She says she feels “like a kid in a candy store,” tackling tasks in an entirely new area and fashioning food and beverage programs for customers. Building a “differentiator for us vs. our competitor in Atlanta” is also a large part of the appeal. Competition drives Hudson, an accomplished tennis player, golfer, skier, runner and hiker.

“I'm an exercise nut; I love sports. People say, ‘How do you get home, have dinner with your family, put your youngest daughter to bed and go out and play tennis at 9:00 at night?’ Well, you just have to drag yourself,” she says. “If I didn't have exercise, I wouldn't be able to keep up the pace.”

She doesn't always win, of course, no matter how hard she tries. When Pepsi lost its account in 20,000 Subway franchises last year, her reaction was “Can't be. I'm going to change it,” even though others in the company were counseling that they just dust themselves off. Hudson enlisted Reinemund in an ultimately futile, month-long campaign to win back the business.

“That tenaciousness, of not giving up, I credit to my sports background and my family life experience,” Hudson says.

Hudson's father died of a heart attack when he was 54 and she was 23; five years later, her 15-year-old sister succumbed to congenital heart disease. Those two experiences forged a “personal fortitude” that Hudson has continually relied upon to bounce back from defeat, she says.

“To lose two people of your five-member family in a five-year time frame, you've got to look at the glass as half-full and keep pressing on.”

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## DAWN HUDSON'S MARKETING RESOURCES

“Learn” is a frequently used verb in Dawn Hudson's lexicon. She has learned more from adversity than from her triumphs, she says. She has learned about strategic marketing and creative thinking from the likes of DDB's Keith Reinhard; Tatham, Laird & Kudner's Charlotte Beers; and Pepsi's Roger Enrico and Alan Pottasch. She has been inspired by Gene Bartley, now Foote Cone & Belding, president-coo, who gave Hudson her first agency job; Bill Connell, a Procter & Gamble client who steered her to TL&K; and DDB creative Susan Gillette, a family/career balancing model.

Hudson's advice to marketers at all levels who want to continue to learn about their craft is to take the Association of National Advertisers' marketing training courses found online at [ana.net/training](http://ana.net/training). Admittedly, there are many alternatives, but the ANA offerings are “real world and practical,” she says, as well as “enriching and engaging.”

Among her favorite business and marketing books are David Aaker's *Building Strong Brands*; Michael Silverstein and Neil Fiske's *Trading Up* and Rick Kash's *The New Law of Supply and Demand*.

Tellingly, the Stephen Covey book she recommends is *The Seven Habits of Highly Effective Families*.

empathetic thinker; retentive and spontaneous.

“Pepsi is not your rote client, and I think they have a great appreciation for the kind of skill sets and thinking that a very good agency person would have developed,” says Pam Mikulec, who worked closely with Hudson at DDB in Chicago and remains a good friend. “I think they have a very great sensibility to creativity and intuitiveness.” Reinemund agrees: “Everything we do at Pepsi is marketing, and I think Dawn approaches life from





## BURWICK: SUCCESSFUL SUCCESSOR

Dawn Hudson is a tough act to follow but, by her own account, Dave Burwick has been the perfect man for the job. And what Hudson likes most about him, she says, is that "Dave is not Dawn."

Burwick, who joined Pepsi from Harvard Business School in 1989, has worked directly under Hudson for six years. "We're the same but we're also different," he says. "She's encouraged me to do things the way I do things."

One difference is the title. Hudson was senior VP-strategy and marketing. Burwick is senior VP-CMO. "The strategic-planning function was under her, so she was really a CMO-plus," Burwick says. "That strategy function now exists more with our CFO [Andre Hawaux] than it does with me."

Probably more than anyone else Burwick has been responsible for broadening Pepsi's marketing mix.

Hudson praises his ability to "vertically dimensionalize a program," such as the Pepsi iTunes 100 Million Song Giveaway that was launched with a Super Bowl ad last February.

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Hudson and her husband Bruce Beach, a stay-at-home dad who left a career in executive recruiting, have two daughters: Morgan, 14, and Kendall, 7. Her devotion to her children is legendary, from the pinch-hitting assistant in her office who marveled about her helping her daughter with homework to Earl Graves, founder of *Black Enterprise* and chairman of PepsiCo's African-American Advisory Board. Graves admires how seamlessly Hudson combines her business and personal life by bringing her entire family to the annual Pepsi Challenge ski weekend in Vail, Colo.

"She's very accomplished in terms of the focus on what she needs to do in the business, what's important to the business, and the willingness to learn," Graves says. "The reason she's doing as well as she is with this [advisory] board is she listens. She listens and takes it seriously."

Hudson has been a point person in the execution of Reinemund's strategy to reach out to the urban market—an effort that Graves calls a cultural "sea change" at PepsiCo. The waters roiled in 2002 when Pepsi found itself pummeled on one side by Fox commentator Bill O'Reilly for its use of rapper Ludacris as a spokesman, and by Russell Simmons on the other when it decided to drop him.

"She was very much in the middle of that. She wasn't ducking," Graves said. "She said, 'Look, we made a mistake, let's go work it out.'" In the end, Pepsi agreed to fund African-American causes and Simmons dropped his call for a boycott.

Hudson commands attention in any boardroom she walks into, Reinhard says. "First, by her persona. Then by her intelligence and her very, very quick mind." Mikulec attributes Hudson's success with all of her constituencies to what she calls a "Tom Cruise factor." Like Cruise, she says, Hudson is intensely focused on excelling at any task she undertakes, but her drive does not put other people off because she is so warm and charming.

"Whether you're on the agency side or the client side, the work never ends, but she has a really good ability to step outside it and have a lot of fun in her life," Mikulec says.

Hudson gives wide latitude to Dave Burwick, who succeeded her in the PCNA top marketing job two years ago. She makes her presence felt at key points but "does not disempower," says Jeff Mordos, chief operating officer of long-time Pepsi agency BBDO. "Dawn understands that marketing is about inventing new things that are going to get people interested in buying your product, not extracting what has worked in the past and doing it again."

It's not that Hudson ignores brand verities, Mordos says, she just insists that executions be innovative, not hackneyed. Hudson has awed

Mordos since they were both junior account people at Compton in the early '80s and he watched her lead a pitch for a P&G perfume account that, by rights, she was much too young to be spearheading.

The details are murky in Hudson's mind, but the motivation and lessons are not. Hudson says that she always tells people that they are responsible for their own careers; if their work bores them, they should step up and make a suggestion.

"That was a case where I had a passion for a particular category and desire to try to go out and get some business," she says. "It's one of those things that, if you wait to get asked, you'll probably never get asked."

Alan Pottasch, a Pepsi creative consultant for 47 years, puts Hudson in the pantheon of the brand's great creative marketers that extends from Al Steele, who invigorated Pepsi marketing in the '50s, to Donald Kendall, who opened the Russian market, to Roger Enrico, who made the other guy blink.

"They were all chairmen. Dawn is not a chairman, but she has an element of that kind of flair that is so crucial to a product like ours," says Pottasch. "Her 'marketing-slash-advertising' ability ranks up there with those guys."

No one doubts that Hudson could handle the chairman's job some day. In fact, when asked what question they'd most like Dawn to answer, her colleagues most often wanted to know what Hudson thought she would be doing in five or 10 years. For the record, she's very happy right now—and expects to remain so as long as she stays stimulated.

"I certainly would like to continue in a general-management capacity," she says, "and I'd like to continue learning and being challenged ... Whatever it is, I will evaluate it more in terms of personal challenge."

Hudson would be the last person to tell you that she's flawless. "I wouldn't be a good marketer if I were a perfect person," she laughs. Her biggest problem, she feels, is that she tries to do too much. But that, Mikulec would tell you, is part of her DNA—she "came out of the womb driven" and has been three steps ahead of everyone else since then.

"I think the 'get-it' factor has to do with a shrewdness, a savvy-ness, a street-smartness about stuff," Mikulec says. "It doesn't just have to do with the business issues but the intangibles of running a business—the process, the approach, the people, the different constituencies you have to keep on board."

Hudson's own take on "getting it"?

"I think it means that I'm a fairly quick study, and that I size things up holistically. I look at them 360 degrees, so that when I hear of an issue, I understand the entirety of the issue, and I understand what needs to be done."

Got it. ■