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End of an Era: Omnicom's Arnell Group to Close

Two Years After Peter Arnell's Ex Sara Took Helm, She Moves On

By: [Rupal Parekh](#) Published: [March 18, 2013](#)

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For all the brand reinventions that [Arnell Group](#) has done in its nearly three decades in business, the one it couldn't stage was the return of itself. The once popular branding shop named after its founder, Peter Arnell, is closing its doors.



Sara Arnell

The closure comes nearly two years after one of the oddest succession moves that Madison Avenue has ever seen: in 2011 Sara Arnell took over as CEO, somewhat reluctantly, as her now-ex-husband, Peter, left amidst a lawsuit with Omnicom.

"I was surprised -- like a lot of people in the industry were -- that [Omnicom] asked me to do it," Ms. Arnell recalled this week in an interview. "But in a funny way, who else would take it over? I thought about it a lot before I said yes ... I did it for me and the people who wanted to do it with me, the people who I worked with that wanted to see what we could do."

She immediately made a slight tweak. "The agency was known as Arnell at that point ... [but] we changed to Arnell Group," she said. "It seemed like a small move but it was very symbolic."




Peter Arnell

It symbolized an agency composed of a group of people rather than just one person. In the shop's prior life, it was all about Peter -- and his celebrity relationships, which included Celine Dion, Frank Gehry, Gwyneth Paltrow, Tommy Mottola and Donald Trump. His knack for influencing the influencers made him an island within the Omnicom Group family; unlike many agencies that claim autonomy despite massive corporate ownership, he really had it.

Mr. Arnell has in his career earned comparisons to brilliant-yet-mercurial personalities such as Harvey Weinstein and P.T. Barnum and his presence was simultaneously credited with his shop's successes and pitfalls. One criticism was that his thinking was too esoteric and design-sense so dreamlike -- to the point that it lacked the practicality that marketers pride themselves on.

Consider the Tropicana fiasco: his [dramatic redesign of the orange juice container](#) prompted a 20% drop in sales in a matter of weeks and caused the product to be pulled from shelves in less than two months. And then there was the [bizarre](#)



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Those were the sorts of things that, for better or worse, made Arnell the man famous. But Arnell the shop in recent years became a very different thing. After taking over, Ms. Arnell refocused it on its branding roots and spent time working on smaller business, sometimes even for free. It the opposite of Peter's quest for showy, high profile flourishes.

Rebuilding proved difficult.

Said Ms. Arnell: "In the first year we made a lot of progress. We were operating efficiently. We merged [print and broadcast production] with Merkley & Partners. We got the agency on a really good path."

Assignments included some rebranding work for Pizza Hut's delivery business and corporate-identity projects for CFASS, a division of Christie's, and the Trevor Project, which provides suicide prevention services to young gay and bisexual teens. It also did pro bono work for organizations including the New York fire department.

In the second year, things got tougher. Toward the end of last year the agency saw departure of Belvedere Vodka, which spends about \$15 million in measured media. It went to sibling agency [BBDO](#) after a review. Around that time, the Twitter feed and Facebook page for Arnell Group went dormant. It was as if there wasn't the manpower, or a need, to continue marketing the shop's services.

Since the fall, about 30 staffers who were there have left and, as Ms. Arnell puts it, "are all in the process of landing." When Ad Age visited a week ago, there were just two people at the agency. Its remaining agency-of-record client is utility ConEdison, which is being transitioned to a new shop. There is a "wrap-up team" that's finishing project work that is outstanding.

When [Ad Age in 2011 asked Ms. Arnell](#) how long she expected to have to pull off this turnaround, she presciently said: about two years. In an interview this week, she said there was no pressure from Omnicom to close up shop, and the holding company was letting her decide how long she wanted to try to keep it running. When asked to comment, Omnicom Group said Ms. Arnell should tell the tale herself, since the decision to shutter was hers. She ultimately just didn't want to do it anymore.

"This is a very personal decision for me. ... My life changed, as you can imagine," she said. "It became obvious as we were righting the ship that I could take my 25-plus years of experience and learning and knowledge and apply it elsewhere. But [Omnicom has] been absolutely supportive, 100%, since I took over."

She never predicted she'd become an ad agency CEO -- all of it happening rather accidentally. A magazine maven, Ms. Arnell met her former husband while working at Tina Brown's Vanity Fair. She left her post as an associate editor and started freelancing for the Arnell the agency on the Donna Karan account, one of the shop's more celebrated clients. She joined full time in 1988, around the same time she married Peter.

But for a person with a geology background who describes herself as a "writer at heart," it was an unexpected career move, one that ended with her deciding adland was no longer the right place for her. Ms. Arnell finds herself with a new path in front of her, about to be an empty-nester as the last of her three kids prepares to go off to college. She is vowing to go back to her original love, writing.

"I am going to write a book on culture and communications and marketing," said Ms. Arnell. "That's what I'll be doing next. I'm meeting with several publishers."

Ms. Arnell steered clear of making any comments about her ex-husband, who is on the opposite track. Mr. Arnell, whom various industry executives say has since remarried in a lavish wedding ceremony, seems to be toying with getting back into advertising. He couldn't be reached for comment for this story, but as Ad Age recently reported, he's [been doing creative work for GNC](#) -- a former Arnell Group client.



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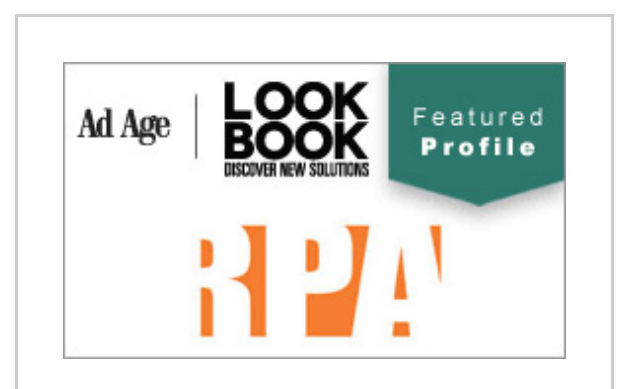
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Many people will say many things... the Arnell Group & its legacy as Arnell/Bickford Associates and the work they did for Donna Karan/DKNY, was stellar. RIP Arnell Group

You sure inspired me.. hat-tip!

Best,
William
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