The Mighty Fall of Mad Men

Jim Collins’ new book *How the Mighty Fall* addresses an important question: “Why some leading companies manage to ruin their competitive advantage?” To address this question, Collins describes a typical path to ignominy in five stages:

1) **Hubris Born of Success:** Leadership becomes arrogant as it considers success an entitlement
2) **Undisciplined Pursuit of More:** Reckless behavior of leadership sets the company at great risks
3) **Denial of Risk and Peril:** Failure of leadership to recognize and address risks
4) **Grasping for Salvation:** A sharp decline visible to the public as investors flee in all directions
5) **Capitulation to Irrelevance or Death:** Business declines or comes to a halt

Collins’ five stages is applicable to the near collapse of the Sterling Cooper Draper Pryce in the fourth season of *Mad Men*, a drama series created by Matthew Weiner and aired on the American Movie Channel. *Mad Men* follows life and work stories of ruthlessly competitive men and women in the advertising business. It also depicts the rapidly evolving business practices and social norms of the 1960s America. *Mad Men* has won multiple awards, including thirteen Emmys and four Golden Globes. It is the first basic-cable series to win the Emmy Award for the Outstanding Drama Series for the fourth year in a row.
To apply Collins’ five stages to Mad Men, let me introduce the company and its leaders and decision makers.

**Sterling Cooper Draper Pryce** (SCDP) is an advertising agency located in Madison Avenue, New York City. Initially Sterling Cooper, the company reorganized itself as SCDP by adding three new partners in 1963.

**Don Draper** (Jon Hamm) is a partner and the creative director at SCDP. He is the series’ leading persona as more storylines focus on him than other characters. As Dick Whitman, he stole the identity of his commanding officer, Donald Draper, who was killed in the Korean War. The fear of getting arrested for identity theft and military desertion hunts Don Draper throughout his life. As Don Draper makes the plays in the boardroom and bedroom, he struggles to stay a step ahead of the rapidly changing times and the young executives nipping at his heels.

**Roger Sterling Jr.** (John Slattery) is a partner at the SCDP; his father founded the original Sterling Cooper with Bertram Cooper. His main contribution to SCDP is the Lucky Strike account that he has inherited from his father. Lucky Strike is a tobacco company that generates sizable advertising revenues for SCDP. Roger Sterling has suffered multiple heart attacks, but continues to smoke regularly and drink heavily.

**Bertram Cooper** (Robert Morse) is a partner at the SCDP and a founding partner of the Sterling Cooper. Wearing a bowtie and no shows at work, he is the patriarch for his younger partners and staffers. Knowing Don Draper’s stolen identity, he blackmails Don Draper to sign a contract extension with the agency.

**Lane Pryce** (Jared Harris) is a partner at the SCDP who moved from London to New York with the mission of reducing the agency’s overhead costs and raising billings.

**Pete Campbell** (Vincent Kartheiser) is a partner and the account manager at SCDP. His father-in-law controls the advertising for Clearasil, a SCDP account. Pete Campbell salvages his career when his father-in-law helps him land the much larger Vicks account.

**Peggy Olson** (Elisabeth Moss) is a copywriter at the SCDP. She began at the Sterling Cooper in 1960 as Don Draper’s secretary. Don Draper promoted her to copywriter in recognition of her contributions to two successful campaigns. She makes drastic professional and personal choices to be at the same level with her male counterparts.

**1) Hubris Born of Success**
A World War II veteran, Roger Sterling damages SCDP’s chances to land Honda motorcycles account by insulting the Japanese executives about the war. Pete Campbell and Roger Sterling nearly come to blows after the incident. To win the Honda account, Don Draper tricks a rival agency to commit a costly blunder against Honda’s explicit instructions. SCDP wins the Honda account.
2) Undisciplined Pursuit of More
Roger Sterling and Lane Pryce order Pete Campbell to drop Clearasil to appease Pond's. Pete Campbell instead pressures his father-in-law into awarding SCDP the entire Vicks account. Don Draper wins a Clio Award for his Glo Coat floor wax commercial. Peggy Olson warns Don Draper for stealing a slogan from Danny Siegel, a job applicant, after drunkenly pitching Danny's tagline to win the Life cereal account.

3) Denial of Risk and Peril
Don Draper flubs a publicity opportunity that costs SCDP a major account, thus leaving Lucky Strike responsible for nearly 70 percent of the agency's revenue. Lucky Strike's Lee Garner Jr. humiliates Roger Sterling at the office Christmas party by forcing him to play Santa Clause. Don Draper has a drunken encounter with his secretary and Peggy Olson becomes involved in an intense sexual relationship. Roger Sterling gets the SCDP's office manager pregnant. Don Draper seduces Dr. Faye Miller, a consultant for a consumer research company. Dr. Faye Miller falls in love with Don Draper and helps him with his personal problems. Don Draper dumps Dr. Miller for his new secretary, Megan.

4) Grasping for Salvation
Government agents investigate Don Draper for the North American Aviation account because Megan submitted a request for security clearance with inaccuracies on it, not knowing Don Draper’s past. Experiencing panic attacks and fearing arrest for identity theft and military desertion, Don Draper demands Pete Campbell to drop the multi-million dollar government account. Pete Campbell reluctantly agrees, covering for Don Draper with the partners.

Lee Garner Jr. of Lucky Strike drops SCDP. Roger Sterling conceals the news from his partners and pretends not knowing even after they learn the truth. Don Draper excoriates Roger Sterling for ignoring his sole account. When Roger Sterling complains about Don Draper's tirade, Bertram Cooper replies, "Lee Garner Jr. never took you seriously because you never took yourself seriously."

Pete Campbell’s father-in-law advises him to abandon SCDP. More clients defect, including Glo Coat. A Heinz executive admires Don Draper's creativity, but says he is not certain that SCDP would survive. Philip Morris cancels a meeting because it sees SCDP’s struggle and desperation. Don Draper places a full-page anti-smoking ad in the New York Times to "change the conversation" about the agency. The partners get angry with Don Draper. Bertram Cooper quits the agency.

5) Capitulation to Irrelevance or Death
A bank credit line that Lane Pryce arranges requires collateral from the partners. Don Draper pays Pete Campbell's share to return the favor. Despite the cash infusion, SCDP dismisses the majority of its employees. The agency appears like a deserted island with a few employees and a handful of clients. Don Draper pitches ideas to launch an
advertising campaign targeting teenage smoking to the American Cancer Society. Peggy Olson signs Topaz Pantyhose, the SCDP's first new account since Lucky Strike's departure.

The long-delayed production of season five of Mad Men began on August 8, 2011 and is scheduled to air in March 2012. The upcoming season is likely to be a struggle for business redemption.

Sources:
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Mad Men, Wikipedia, The Free Encyclopedia
http://en.wikipedia.org/wiki/Mad_Men