

Peter Wengryn tells Liz French how his company supplements state-of-the-art technology with a talented work force to give clients exactly what they want.

VMS

The Human Factor





Ask any CEO the secret to his company's success, and technology is likely near the top of the list. But ask Peter Wengryn the same thing, and he'll tell you that technology can't do it all. The president and CEO of VMS, an advertising and news media monitoring and analysis company, says that a high-tech, high-touch approach is the best way to satisfy demanding *Fortune* 1000 clients.

"No one else in the industry provides the human touch. Nearly 400 employees filter out the results of our state-of-the-art search technology so that we can give our clients only what they need. We've built our business on that single value," said Wengryn. And the payoff has been tremendous. This year, the company's margins top 25%, and sales numbers are growing in double digits.

VMS started out in 1981 with two locations and virtually no clients. Today, it has more than 1,000 employees in 18 locations across the US and is the strongest player in all three of its business segments. Its news monitoring division trolls all 210 TV markets in the US, along with print, radio, and Internet news, for information about its clients, its clients' competition, and its clients' clients.

"It's important for companies to know what is being said so they can respond accordingly," said Wengryn, adding that although VMS offers a

holistic view, its main focus is on broadcast media content as it is the most influential to the everyday consumer.

VMS's second arm is advertising competitive intelligence. Clients have access to a library of more than 3 million TV commercials going back to 1960, print advertising going back to 1894, and radio and Internet ads. By viewing what others are up to, clients can take the offensive and create new opportunities.

The third division of VMS concentrates on not only providing news and advertising content, but also qualitative and quantitative information that allows clients to track ROI on their PR and advertising budgets. VMS's clients, most of which are on the *Fortune* 1000 list, cover a broad range of industries, and many of them spend close to \$1 billion on PR and advertising. "CEOs are demanding accountability for that money. We are the only company that aggregates PR and advertising content to show clients how it affects business outcomes," said Wengryn, adding that the professional services division is the company's fastest growing segment.

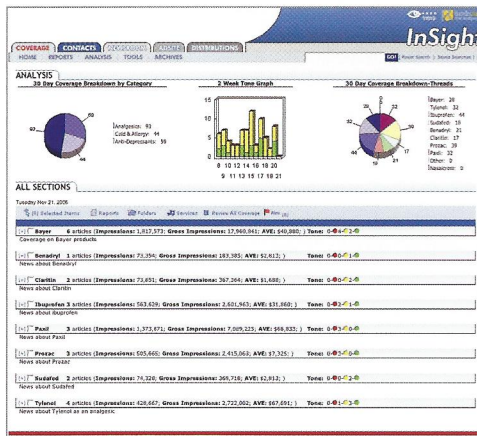
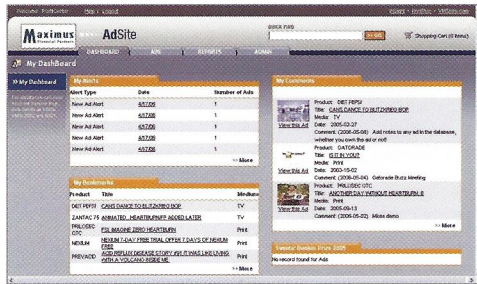
VMS takes the human touch a step further with a 24/7 customer service hotline for all three businesses. "Many times, our customer service people get calls in the middle of the night, and we always deliver because our sole purpose is to service the client."

Intelligent information

To present clients with the most accurate data, VMS has formed a strong relationship with Nielsen Media Research, the world leader in television ratings. With Nielsen at its side, the company can not only show clients relevant news broadcasts and advertisements, but also provide them with data as to how many people see them.

VMS recently launched a competitive intelligence solution leveraging content and data from Nielsen that indicates how many times a particular advertisement has aired and how much money was spent on that campaign. "A company is going to react differently to an ad that was run 100 times compared to one that was run 1,000 times and a campaign that cost \$100,000 instead of \$1 million. We are providing clients with this critical information so they can respond more intelligently than in the past," said Wengryn.

This tool is also useful to clients who want to make sure they are getting the most bang for their buck on an ad campaign. Clients will often call on VMS to make sure their ad agency is doing what they promised. "If they spent a



half billion dollars on a campaign and we guaranteed their ads would run 2,000 times in 10 markets, we can verify that."

The company also has a strategic relationship with BurrellesLuce, the preeminent print





monitoring company in the US that tracks more than 18,000 publications. VMS's reseller agreement with BurrellsLuce means VMS can deliver the most comprehensive print and broadcast media monitoring coverage in the world.

Last year, VMS launched a digital capture network, replacing its numerous VCR stations across the country. The network captures news broadcasts and TV advertisements in a digital format, allowing clients to receive better quality video clips more quickly than in the past when clips were edited from VCR tapes.

According to Wengryn, the most significant project for VMS is integrated media intelligence (IMI), a unified Web-based platform on which clients can view news and advertising data. Although the company already provides this information separately, no one in the industry can demonstrate how news and advertising activity work together to affect the bottom line. "Spending 20% more on advertising could lead to a 10% increase on positive PR, which will result in a 3% increase in sales. That kind of ROI information is invaluable," he said.

"This endeavor is going to revolutionize the marketplace. We can do this because we have the loyalty of 10,000 clients and the expertise to deliver these solutions," said Wengryn.

IMI will enable clients to analyze the entire media budget, paid and unpaid, and view advertisements and editorial coverage. They will be able to look at their own spending as well as that of their competition. Wengryn gave an example of how this information can guide clients in the right direction: if a company increased its advertising spend by 50% this year, but its competitors are spending 80% more, it will probably experience a sales decrease.

Wengryn said that although VMS uses a combination of proprietary and customized, best-of-breed technology, it isn't enough. VMS consultants approach clients with open minds and open ears to learn exactly what they need, and although technology produces viable search results, the human factor weighs heavily. "We provide our clients with the added value of having people view the information and filter it even further than the technology can. A lot of content is floating around in the media, and companies pay us to provide only the results that will have the most impact." ■

