[PEOPLE IN BUSINESS]

Investor's money is where his fund is

By Jonathan Stempel
Reuters

NEW YORK >> Few investors would plow 100 percent of their money into a single junk bond mutual fund. But Sandy Rufenacht does just that — into the fund he runs.

"A cook should eat his or her own cooking," said the 37-year-old manager of the Janus High-Yield fund. "As a portfolio manager, I have to eat my own."

Janus is best known for growth stock funds, but since creating High-Yield in 1995, Rufenacht has preached caution.

The $750 million fund, with a below-average 0.96 percent expense ratio, has been a top performer in a tough sector. Through Jan. 31, it returned 2.91 percent annually over five years, beating 96 percent of its peers, according to **Morningstar Inc.** It has never lost money in a calendar year.

Rufenacht built this performance record by looking for companies that pay off debt, have solid management and generate cash now, not later. Large holdings include **Venetian Casino Resort LLC** and homebuilder **MDC Holdings Inc.**

The fund is split almost evenly between double- and single-"B" rated bonds. Turnover is high, often 300 percent a year. Rufenacht likes bonds that issuers can "call" away and which trade near the call price. As long as the issuer avoids default, he'll earn his coupon.

"I want investors who can be happy with 7 to 10 percent annual returns," he said. A 9.5 percent return would be competitive with stocks, but "with a lower risk profile."

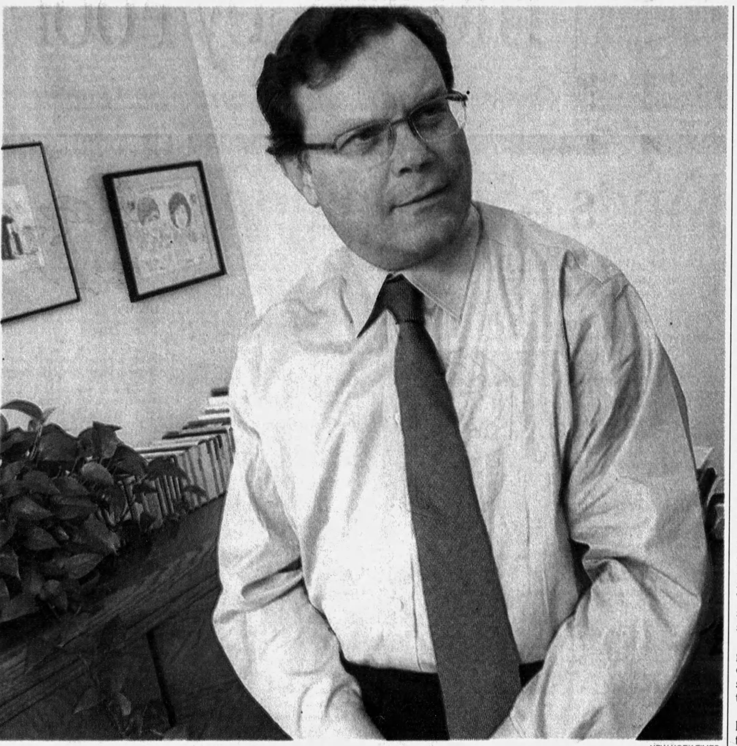
His Denver office is a three-hour drive — but a world away — from Imperial, Neb., population 2,000, where he grew up. A high school quarterback, he also worked at his father's Ford dealership.

"My dad's philosophy was if you could figure out the car business, you could figure out the world economy," he said.

Rufenacht's dream job, though, was to work for the FBI.

"It always fascinated me that I could, as an agent, figure things out," he said. "The whole world is nothing but a puzzle, and you have to figure out how to put it together."

Finance, he decided, was the safer way to go. "I don't have to worry about getting shot as an analyst," he said.



NEW YORK TIMES

WPP chief executive Sir Martin Sorrell is known more for dealmaking and micromanaging than creative advertising.

Volatile Sorrell gains in ad world

Known more as a dealmaker, he has pulled off some coups

By Erin White and Suzanne Vranica
Wall Street Journal

Witty and charming one day, brash and hot-tempered the next, Sir Martin Sorrell, chief executive of British ad company **WPP Group Plc**, has long been considered the bad boy of the advertising world. A deal maker rather than creative adman, he is known for being aggressive and is willing to launch a hostile takeover or take legal action. About a year ago, WPP surprised the industry by filing a legal action in London's High Court to prevent a favored executive from joining a rival. (The case was ultimately settled.) Grilling executives at all hours on their business is all part of a day's work for the CEO of WPP since 1986.

Sorrell, 58 years old, concedes he is hands-on. "If you mean by micromanaging, attention to detail, I would regard it as being more a compliment than an insult," he says.

These days, Sorrell's "attention to detail" serves him well. One of his rivals, John J. Dooner Jr., was demoted as CEO of **Interpublic Group of Cos.**, in part, analysts say, because he never appeared to have full control of his company's sprawling marketing empire. Another competitor, **Omnicom Group Inc.**, has been criticized for its big debt load and use of aggressive financing methods. WPP, by contrast, hasn't been swamped by accounting problems, and investors say Sorrell's hands-on management style means there are few unpleasant surprises.

In addition, the company had a big coup a few weeks ago when Berlin Cameron/Red Cell, a WPP-owned boutique agency, snared one of the most prestigious positions on Madison Avenue to become **Coca-Cola Co.'s** Coke Classic U.S. ad agency of record. While Berlin Cameron won the account with some well-received commercials, the agency wouldn't have had a chance were it not for some assiduous courting by Sorrell of an old friend, Steven Heyer, Coke's president and chief operating officer.

When Sorrell learned that Coke had warned its smaller independent agencies it planned to consolidate most of its business with WPP or Interpublic, he set out to buy one of those smaller shops and acquired Berlin Cameron in December 2001. That agency was doing creative work for such Coke brands as Mello Yello and Dasani. Fourteen months later, Berlin Cameron landed the Coke Classic prize, after creating all but one of the U.S. ads for Coke's well-received new "real" campaign. The Coke executive who spearheaded the effort was none other than Mr. Heyer.

"The industry for years has hooted (Sorrell) down — ad guys would gripe that he didn't know anything about the advertising business," says Jack Trout, president of **Trout & Partners**, a marketing-strategy firm in Greenwich, Conn. "But they aren't hooting him down anymore."

The British-born Sorrell honed his skills in the early 1980s as a dealmaker at ad company Saatchi & Saatchi, now owned by **France's Publicis Groupe SA**, where he helped engineer the acquisition strategy that at one point made Saatchi the biggest ad company in the world. In 1986, Sorrell left Saatchi to build WPP, which at the time was a maker of wire shopping carts.

Within three years, Sorrell took WPP to the forefront of the ad and marketing world with audacious acquisitions, including the first hostile takeover of an ad agency — J. Walter Thompson. For an encore, he snapped up Ogilvy & Mather. Then, in the early 1990s, indigestion set in and WPP found itself close to bankruptcy. But the ad holding company recovered and eventually prospered. In 2000, WPP bought Young & Rubicam, to become owner of three of the most famous U.S. agencies.

Clients say they are comfortable with Sorrell's blunt manner. He has been a dire prognosticator of the ad climate — but also one of the most accurate.

"He tells it straight," says Geoffrey Frost, corporate vice president for global marketing and communications at **Motorola Inc.**, which works with a variety of WPP units, including Ogilvy & Mather and Hill and Knowlton. "He has always been the most brutally honest about the state of the business and the prospects of the business than any of his peers."

For all the grudging praise he now gets, there is an overhanging question of whether the conglomerate business model embraced by Sorrell and his rivals can thrive. Various nonadvertising businesses were intended to outperform the ad businesses in an industry downturn. However, that strategy hasn't always panned out. Critics also say the benefit to clients of one-stop shopping is overstated. During the past 12 months, WPP shares are down by nearly half on the London Stock Exchange and WPP American depositary shares have declined more than 40 percent in the Nasdaq Stock Market.

The problem faced by Interpublic and Omnicom "are seriously raising in people's minds issues about size and is size good in our industry," says Sorell, who maintains that, for the long term, marketing services will grow faster than traditional advertising.

"We're in over 100 countries, we're in pretty much every area of advertising and marketing services. The issue for us is continuously improving the quality of what we do," he says.

Techies try sharing education

By Jonathan B. Cox
Raleigh News & Observer

As James A. White noshed fresh fruit and gourmet treats at **Microsoft's** campus near Seattle last August, a friend was getting his pink slip back in North Carolina.

White learned in an e-mail message that his acquaintance was laid off from a startup where he wrote computer software code. The friend had talent, but White knew he could find work faster if he were versed in the latest technology.

"I thought, wouldn't it be nice if I could teach him all the stuff I'm learning," said White, 37, a software developer at **SAS Institute** in Cary, N.C., who was at Microsoft for training. Arming him with such knowledge "would provide ... an incredible job opportunity."

That notion, enhanced by cups of coffee and a few hours at a coffee shop morphed into a bigger idea. White decided to start a nonprofit agency, TechEngage, to help displaced software workers improve their skills.

It's a twist on the networking groups that have popped up at churches and on e-mail Listservs, mostly designed to help the unemployed get job leads.

The organization intends to hold a series of conferences to teach techies the latest Microsoft, SAS and Cisco products. It also hopes to arrange job fairs at the session.

Participants must pay a $95 registration fee, used to cover costs to set up TechEngage and run its Web site.

"Ideally what we're trying to do, and I think what differentiates us, is to give people an opportunity to jump-start their career by starting them off on a new track," said White, who is running TechEngage in his free time.

It also plans to help local charities by steering cash and volunteers to them. All attendees must donate $200 to the TechEngage foundation, which will help supply technical gear to nonprofits, or give 40 hours of time to help charities set up and improve systems.

The way White and the other nine people behind the organization see it, hundreds of people let go from companies such as **IBM** or **Nortel Networks** should be interested in the program.

Many are skilled in old or proprietary software and need to improve coding skills to compete:

"In today's ever-changing world, if you don't have the most recent tools and skills in your back pocket, your employability and marketability as a resource becomes pretty limited," said J. Warren Fuson, 56, executive director of TechEngage, who was laid off from Nortel in October.

White teamed up with Connie Marthinsen, a training coordinator at SAS, the world's biggest privately held software company, to get the conference going.

They persuaded SAS, Microsoft and training companies such as Global Knowledge to donate instructors and materials.

They classroom got space in North Carolina State, said Ellen Jane Baker, director of the school's MBA Career Resource Center, who will help with the conference.

"This is one of the few really good things to come out of the bleak job scene," Baker said. "It's one of the few bright spots."