

## Article

### **Madonna – Strategy on the Dance Floor**

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#### Abstract

This article explores the theme of strategy by examining the career of Madonna, the world's highest earning female entertainer, and one of the best-known women on the planet. The article identifies the impact that strategy can have on successful performance, both for individual managers and for organizations. As the Madonna example demonstrates, strategy is not about crafting a detailed plan to be implemented without adaptation or evolution, but about establishing an overall direction that incorporates five key elements – vision, customer and industry insight, leveraging competences and weaknesses, consistent implementation, and a drive towards continuous renewal.

## Introduction

The year 2005 saw Madonna Louise Veronica Ciccone Ritchie celebrate her 47<sup>th</sup> birthday and reach new heights in what few would question as an incredibly successful career. Her documentary titled *I'm Going To Tell You A Secret* was debuted, showcasing Madonna behind the scenes during her Re-Invention world tour, and in July she announced that she would be releasing her 10<sup>th</sup> studio album, *Confessions on a Dance Floor*. The first single, '*Hung Up*' went straight in at number one on the UK Singles Chart, marking her 11th chart-topping UK single. During the first week, '*Hung Up*' was the number one download on iTunes stores around the world, and in November Madonna opened the MTV European Music Awards with a stage performance of the track.

So how has Madonna been able to maintain her incredible success? The answer to this question lies in five key ingredients of successful strategy that are equally relevant to companies and individuals. These five dimensions have provided the foundation underpinning Madonna's stardom, and if diligently pursued can provide the ingredients for sustained company and career success.

### *Dimension 1 – Vision*

One of the most important drivers of Madonna's success has been her *vision to* become the world's foremost female performer. Between 1983 and 2005, ten studio albums, multiple world tours, and a dozen or so movie roles had established Madonna with an image and persona beyond any single field of entertainment: In delivering upon her vision she has also made a great deal of money: she is easily the world's top earning female entertainer, and has a net worth estimated at over €300 million. Madonna's vision to become a star has been clearly apparent, and her spectrum of personal and professional activities – stage performances, television appearances, albums, music videos, Hollywood films, books, and links to charity – all evidence a remarkable dedication to a single goal: the objective of becoming the world's foremost female performer.

Madonna has demonstrated a clear commitment to her super-stardom goal that has been pursued with single mindedness throughout her career. Her aspiration to be a performer started at High School, where she was a straight-A

student and excelled at sport, dance and drama. She continued her interest in dance during brief periods at colleges in Michigan and North Carolina, and in 1977 went to New York, studying with noted choreographer Alvin Ailey and taking modeling jobs. Two years later, Madonna moved to France to join a show featuring disco singer Patrick Hernandez. There she met musician Dan Gilroy and, back in New York, the pair formed club band The Breakfast Club. Madonna played drums and sang with the band before setting up pop group Emmy in 1980 with Detroit-born drummer and former boyfriend, Steve Bray. Together, Madonna and Bray created club tracks which led to a recording deal with Sire Records. With leading New York disc jockey Mark Kamins producing, she recorded "Everybody", a US club hit in 1982.

Firms that do not have a vision of where they want to go soon lose their way through dithering and lack of focus, while an individual who does not develop career plans or long-term goals can be similarly distracted. A major player in the global telecommunications industry has spent much of the past two years debating on whether it is a pure-play mobile operator or whether it should move into the world of converging fixed and mobile networks. This debate has absorbed management attention, delayed key decisions and sown uncertainty at the level of national operating companies. Meanwhile, fleet footed competitors have moved to steal the high-ground with analysts and investors by setting out bold plans for a future of convergence and focusing attention on their competitor's strategic inertia.

Similarly, managers who are unsure of what they want to achieve in their careers frequently miss opportunities that present themselves and send a poor signal to subordinates, colleagues and superiors. The author recently had a conversation with a French middle manager who was frustrated by slow progression in his career. When asked about what he actually wanted to achieve, the manager was only able to answer in terms of level of hierarchy within the organization, expected number of subordinates and projected salary. The assumption was that the organization should deliver opportunities for the manager, and not the other way around. But in a world of collapsing hierarchies and the end of promotion based on tenure, managers must take a role in actively shaping their careers and delivering value for their organizations. The two are not mutually exclusive.

### *Dimension 2 –Deep Understanding Customers and Industry*

It is clear that Madonna's success has been underpinned through her deep and insightful appreciation of customers and understanding of the music industry. Madonna's performance at the First Annual MTV Video Music Awards in 1984 at the age of 26 is considered to be the first stroke of genius in a career that would see many more. She took the stage to sing 'Like A Virgin' wearing a combination bustier and wedding gown. During the performance, she rolled around on the floor, revealing lacy stockings and garters, and made a number of sexually suggestive moves. The performance was shocking to a mid-1980s audience, but only served to increase her popularity with her main target group, teenage fans. Showing her ability to tap into youth sub-culture, Madonna's bleached blonde hair with brown roots, sexy lace gloves, lingerie on the outside and "Boy Toy" belt buckle defined teen-pop fashion of the era.

Beyond an ability to understand the needs and tastes of current customers, Madonna has also shown an ability to tap into evolving trends. While 'focus groups' have been used to help sell everything from washing powder to political parties, Madonna has been one of the world's first artists to bring this approach to the music industry. Showing her ability to interpret the needs of the market, in mid 2005 Madonna partnered with DJ and producer Stuart Price, 28, to test songs in clubs from Liverpool to Ibiza. The tunes, with Madonna's distinctive vocals removed, were played and the reactions of the crowds were filmed and used to determine the final track listing of *Confessions on a Dancefloor*. According to Price: "Whenever I was DJ-ing I'd take dub or instrumental versions out with me and test them at the club that night," he said. "I had my camera with me and the next day I'd tell Madonna, "This is what a thousand people in Liverpool look like dancing to our song." He added, "You can work on a song for 12 hours but I guarantee you'll know within just 10 seconds of putting it on at a club whether it works or not."<sup>1</sup>

Madonna has also shown expertise in understanding and forming the music industry. She has the ability to shape her image in the media, and has been recognised as a skilled self-publicist - a critical ingredient for success in an industry that sees new competitors entering on an almost daily basis. Understanding that the music industry is heavily influenced by very few big players like MTV and the big record labels she teamed up with MTV very early in her career. Her first album sold only moderately at first, but thanks to heavy rotation on MTV, Madonna gained nationwide exposure

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<sup>1</sup> Staff Writer, 'Madonna on the dance floor', The Sunday Telegraph, 29 August 2005.

and the album peaked at number eight on the Billboard chart, and went platinum five times. It ultimately sold close to 10 million copies worldwide. MTV aggressively marketed Madonna's image as a playful and sexy combination of punk and pop culture, and she soon became closely allied with the network.

Her use of sex as a marketing tool brought her fame and notoriety in the early 1990s, when she became one of the world's first mass-market performers to manipulate the juxtaposition of sexual and religious themes. The music video for her chart-topping song '*Like a Prayer*' featured many Catholic symbols, and was denounced by the Vatican for its "blasphemous" mixture of sexual themes and Catholic symbolism. In 2003 Madonna again stirred controversy at MTV when she kissed her 'brides', Britney Spears and Christina Aguilera, on stage during the the MTV Video Music Awards. But despite these events, Madonna has shown a deep understanding of the politics of the music industry, and has proven to be skilled at walking the line between the shocking and sacrificing her career. She has worked particularly hard to maintain positive and mutually beneficial relations with major music companies such as MTV, and has avoided the fate of artists such as Sinead O'Connor who's political activism saw her shunned from the major distribution channels needed to link to fans.

In an increasingly competitive and global world, customer and industry understanding is also a necessity for companies and managers. Poor attention to industry dynamics and evolving customer needs can result in companies being side-stepped by their rivals, and for individual managers losing their ability to perform. Witness one time great companies such as Compaq and DEC whose internal focus and lack of industry and customer insight propelled them from market leadership to industry has-beens. Or think of managers that have been locked into mental models of past success, and unable to interpret the implications of competitor moves or evolving customer needs. High performers with a past history of success have seen their careers take a nose dive.

### ***Dimension 3 – Leveraging competences and addressing weaknesses***

Another important element in Madonna's success has been the ability to acknowledge her own competencies and weaknesses. Looking at her impressive career it becomes obvious that one of her most outstanding competencies is her

ability to bring people with various talents together with herself as the hub. Through the use of her extensive network of support personnel, including musicians, technologists, producers, dancers, and designers she is able to address her weaknesses and even compensate for them.

Very early on in her career Madonna realized that not her dancing abilities nor her voice were strong enough on their own. She started to team up. One of her first and probably most important and successful alliances started in 1982. She flew to Los Angeles to convince Michael Jackson's manager, Freddie De Mann, to help her launch her music career. De Mann did just that, and eventually dropped Jackson altogether. In 1983 her self-titled first album, *Madonna*, was released, and its hit single, 'Holiday' was Madonna's first top 20 hit single in several countries. Other hits on *Madonna* included 'Borderline'; and 'Lucky Star.' The album was produced with contributions from John 'Jellybean' Benitez, with whom Madonna had also had a brief romance.

Madonna's debut as an actor followed her marriage to Hollywood actor Sean Penn, and a brief relationship with Warren Beatty. Her book 'Sex' was undertaken with the support of famous friends within the industry, and one of the world's best known fashion photographers WHO?. In December 2000 at the age of 42, Madonna married film director Guy Ritchie. In June 2001, she appeared in *Star*, a short commercial film directed for BMW by Ritchie, and then began working on *Swept Away*.

Skills gaps can also be a critical barrier to the success of firms and individuals, so both need to understand areas of strength and weakness and how to develop capabilities through development activities, partnerships, networks or alliances. Companies can be guilty of failing to develop capabilities by managing obsessively for today due to short-term share price pressure, rather than developing or acquiring the skills (either internally or externally) needed for long-term success. One German company with whom the author has worked has spent the past five years engaging in a form of corporate liposuction to cut costs and consolidate operations. Financial performance has improved impressively, but this improved short-term performance masks a hollowing out of the organization's capabilities to drive top-line growth. Similarly, many of us know managers who have been unable to progress in an organization due to poor networking

skills, or have had an inability to develop beyond functional specialist to general manager and have seen their careers come to a screeching and frequently traumatic halt.

#### **Dimension 4 – Consistent Implementation**

Madonna's has also been able to stay on top through an impressive ability to implement her strategy and measures. Perhaps most impressive is the fact that Madonna is not the product of any music company – her success has been very much the outcome of her hard work and ability to get the job done. Despite the increasing dominance of the global media sector by multinational firms such as Warner Brothers, Sony, Bertelsmann, and Vivendi Universal, Madonna has maintained her independence while expanding her influence.

Most of Madonna's entertainment interests have been owned and operated by her own companies. She is the owner of Boy Toy Inc. (publishing), Siren films, and Slutco Inc. (video), and in 1992 formed the recording and management company Maverick Inc., a joint venture with Warner Brothers Records. Her Maverick deal guaranteed her a base salary of \$8 million a year plus a share of the profits generated by other Maverick artists. Despite the radio success of 'Justify My Love' in 1990, the sexual content of both the song's lyrics and video saw the song embargoed by network executives at MTV. In response, Madonna's record company decided to sell the video as the world's first ever "video single". The video sold over 400,000 copies, and the CD single went on to sell over one million. In late 2005, her entire catalog became available for the first time on iTunes after direct and tough negotiations with Apple.

Implementation is also key for organizations and the people within them – strategy is the easy part, but as any wise manager knows the devil is in the detail of getting the job done. Many companies spend months or years on elaborate strategies while failing to develop the structures, processes and mindset to implement. The electronics and technology giant Philips has been trying to reinvent its business for close to two decades. A string of CEO's at the Netherlands-based company have not lacked strategic intent, but implementation across the organization's notoriously political operating companies has proven an arduous task.

At the individual level, many managers are great at setting ambitious targets but lack the ability or motivation to follow through. The author recently facilitated a mid-range planning workshop for a consumer electronics company in which many of the key account managers focused more on reasons that they would not hit their targets than how they might actually achieve them. Rewards and incentives are offered up by companies, but with questionable results. As the late Sumantra Ghoshal's research with Heike Bruch showed, as few as ten percent of managers are truly purposeful in their work. These purposeful few make the "seemingly impossible happen" by bringing both focus and energy to the tasks before them. The remaining ninety percent of managers are either distracted, disengaged or procrastinating in their roles.<sup>2</sup>

### *Dimension 5 – Continuous Renewal*

The fourth element to Madonna's success has been her ability to renew her popularity again and again. Within a year of the commercial flop of her *American Life* album she embarked on her 'Re-Invention World Tour', during which she played fifty-six dates across the world. The tour became the world's highest-grossing tour of 2004, earning more than €100 million. And compare her abilities in re-invention to many 'one-hit-wonders' in the music industry, or to performers such as the Rolling Stones who have enjoyed long periods of success, but whose fan-base has aged or remained largely unchanged.

The frequent reinvention of Madonna's style and sound has reflected an acute awareness of changing styles, social norms and attitudes in a fast clock-speed industry. From her punk-pop look of the early 1980s, her ever growing fan base has witnessed multiple reincarnations. These have included her glam-rock look of the late 1980s, a Marilyn Monroe retro look, her soft-core porn image of the early 1990s (which included a documentary film, *In Bed with Madonna* and the release of her bestselling book *Sex* which showed Madonna as the centerpiece of photographs depicting various sexual fantasies), her high-fashion look of the mid 1990s, a spiritual image that accompanied motherhood in the late 1990s, and her disco look associated with the release of *Confessions on a Dance Floor*. Perhaps not surprisingly she is known as

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<sup>2</sup> Heike Bruch and Sumantra Ghoshal, *Beware the Busy Manager*, Harvard Business Review, 2002.

the 'queen of reinvention' within industry circles (see below for images of Madonna's evolving look over a period of more than two decades).

Some say that in the corporate world you cannot teach old dogs new tricks. But companies and individuals who are 'one-trick ponies' can expect market or career derailment unless they are able to renew and reinvent themselves. Witness the challenges faced by firms across history in industries such as chemical photography, printed encyclopaedias and department store retailing that have struggled to reinvent themselves in the face of industry disruption. Just a handful of firms, such as Finland's Nokia, have shown an uncanny ability to radically redefine their businesses to respond to evolving industry trends and customer tastes. Nokia started out as a manufacturer of paper in 1865, but has evolved its business through industries including rubber, electric cables, consumer electronics, personal computers, mobile phones and networking technologies. The company's most recent foray is into outsourced services, as it looks to manage the mobile networks of telecommunications companies in developed and developing markets.

In today's world of rapid change it is equally important for managers to be able to reinvent themselves. Ask yourself how many IT professionals in developed markets will still be in their roles in a decade from now as the IT services industry continues to pursue its headlong rush into outsourcing and off-shoring to low-cost countries such as India. A senior network architect at a top five US-based IT services firm known to the author has recently returned to part-time study to complete a graduate degree in psychology – she sees the writing on the wall, and is already preparing for a career transition. But within the IT group of a large European bank with whom the author has worked, scores of mid-level IT managers seem blissfully oblivious to the fate likely to befall them. The organization has just announced a new round of redundancies, and it is unlikely that those managers who leave the company will find similar positions in the European IT sector.

### **Lessons for companies and managers**

Few would argue that Madonna lacks the voice of Anastasia, the dancing ability of Janet Jackson, or the song writing talent of Justin Timberlake. While she is undoubtedly in excellent physical condition, few would regard her as beautiful

as Jennifer Lopez or Mariah Carey. Her various acting roles have rarely attracted anything but scathing criticism, and her 2003 album, *American Life* was panned by critics, who described it as an indication that she was "in need of a vacation" from the stress of her career. But despite apparent gaps in her capabilities and the occasional setback, she has been able to reincarnate her career time and time again through the delivery of the five key elements of successful strategy. These five elements are as equally important to companies and managers as they are to global pop-stars, and organizations and individuals who fail to take into account all of these dimensions risk being sidelined by more nimble and strategically oriented competitors or colleagues.

In 2006 Madonna is lending her voice to the big budget (approximately eighty million dollars) animated film *Arthur and the Minimoys*, and planning a world tour to promote *Confessions on a Dance Floor*. After two and a half decades at the top of her profession there is little indication that her career is slowing down. Companies and managers please take note.

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## Elements of Madonna's Success

1. **Vision.** Madonna has demonstrated a clear commitment to super-stardom goal that was pursued with single mindedness throughout her career. Other dimensions of her life have been either subordinated to or absorbed within her career goals. Rather than wait for industry trends, she has acted to shape the world around her.

2. **Deep understanding of consumers and the industry environment.** Madonna has developed her strategy through a deep and insightful appreciation of customers and the music industry. Critical to her continuing success has been a deep understanding of the ingredients for sustaining popular appeal. The frequent reinvention of her style and sound has reflected an acute awareness of changing styles, social norms and attitudes in a fast clock-speed industry.

3. **Leveraging competences and addressing weaknesses.** Madonna has been able to exploit her abilities to develop and project her image and to exploit emerging trends, while protecting areas of weakness. Her weaknesses have been more than compensated for by her use of an extensive network of support personnel, including musicians, technologists, producers, dancers, and designers. Her personal relationships have often been important in building her career.

4. **Consistent Implementation.** Without consistent implementation, even the best strategies are unlikely to succeed. Madonna has surrounded herself with individuals and organizations that have enabled her to deliver upon her vision. Through her various companies, such as Maverick, she built organizations that allowed effective marshaling of resources and capabilities, and quick responses to changes in the competitive environment.

5. **Continuous Renewal** A key ingredient of Madonna's success has been her ability to renew her popularity again and again. She is known as the 'queen of reinvention' within industry circles. Compare her abilities in re-invention to many 'one-hit-wonders' in the music industry, or to performers such as the Rolling Stones who have enjoyed long periods of success, but whose fan-base has aged or remained largely unchanged.

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Madonna Louise Veronica Ciccone Ritchie 1972 – 2006



1972



1983



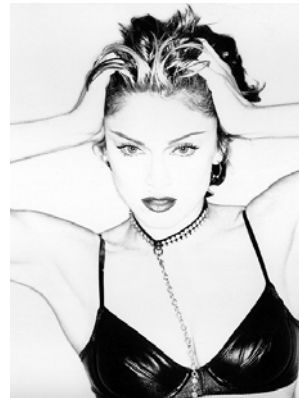
1987



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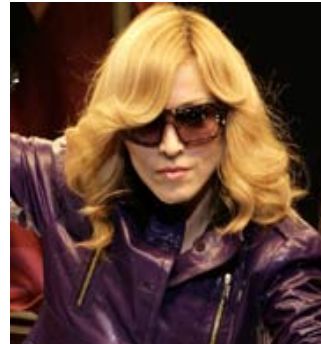
1999



2002



2003



2006