

Small is beautiful?

IS IT TRUE THAT NEW AGENCY MODELS ARE LURING CLIENTS AWAY FROM BIG AGENCIES, AND WHAT DO ELEPHANTS HAVE TO DO WITH IT?



It's easy to look at what happened in the past fortnight as evidence that small agencies are the new black . . . again.

CGU got the ball rolling last week when it dumped MJW Hakuodo in favour of Melbourne boutique agency Oxygene, with just 16 staff. The client, CGU marketing manager Alan Keyes, said he felt a small agency was better equipped to handle the brand's needs.

This week, the relatively new alliance of Match Integration – headed by John Preston with a total staff of three – and researcher Sean Adam's brand strategy

among clients with big agencies. "It's happening a lot. It's not just about small agencies; clients are looking for new ways to work. Marketers are looking for more flexibility."

That's why companies like Naked, bellamyhayden and Host have built such a strong client base – and profile – for themselves.

Sounds like there's something in the air? There are lots of people out there, however, who will argue this is cyclical – and Woolley is one of them.

You see, clients go to big agencies for the total service. Problem is they often find they don't get the best in every area, so they farm out the online work to a digital specialist or a project or two to an experiential agency, and soon the reason they went to the big agency no longer exists.

Managing a raft of smaller agencies requires a lot more work on the part of the client, though, and Woolley is now busy helping marketers restructure their agreements with their various agencies in an attempt to encourage them to work together better.

Will these clients give up eventually and go back to a single, one-stop shop?

"Who's to say in three or four years' time we don't see people consolidating back to a single agency?" asks Woolley.

And we know new ways of doing things don't suit everyone. Adams acknowledges that the vast majority of clients will stick with traditional agency models, their decision based on the need for stability, structure and scale. That's not even taking into account big brands tied up in global agency alignments.

Havas chairman Tom Moulton puts it a little differently: "The old saying in this business that elephants fuck elephants is still largely true."

So, don't panic yet. ★

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business of The Seed, snapped up the \$4 million Scotts Australia account from Omnicom heavy-hitters DDB and media agency OMD. The win was the second for the "virtual" agency in three months, joining the \$8 million Rams Home Loans account.

Match and The Seed describe themselves as a strategic hub, and work in the model pioneered by Host – they handle strategy and call in creative partners depending on a client's needs. Preston and Adams teamed up in this way because they spotted a demand from clients for new ways of working.

"There is a bit of a current of change," Adams said. "You hear that all around and it's nice to see that backed up by some account wins."

Darren Woolley, who runs pitch consultancy P3, said he's noticed "some disenchantment"