

Staying power: Going a few more rounds as independents

 By [Mike Silver](#)

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A couple of months back I wrote [an article on independent agencies](#) and the temptation to cash in and get out...

Now, for those brave souls (the minority) that resisted the allure of joining one of the global (or local) gangs, I thought it would be worthwhile to explore what options are left to ensure they can still fight the good fight and, most importantly, keep winning!

Mergers

For those old WWF fans out there, you will recall the power of the tag team: Bret & Owen Hart, The Nasty Boys, The British Bulldogs etc. Even in Andre The Giant's case, strength in numbers was key when everyone else was already ganging up on you. Well, it's not dissimilar to what's going on in the agency world as we speak. Large agency groups offer muscle and scale that for most independents is impossible to compete with. You'll be familiar with that self-conscious moment where you can't boast more regional offices than KFC or, even worse, the dreaded 'we question your ability to cope with a client our size' conversation. However, this can all be alleviated through finding the right partners who have your back and bolster your presence in the market. Complementary philosophies and styles are obviously non-negotiables when two companies are merged into one. Fortunately, these are easier to find among independent minds.

Tip: The key to partnerships like this working is:

- A. Ensuring that 1+1 can indeed = 3 in terms of the opportunity at hand;
- B. Defining roles and responsibilities up front; and
- C. Your appetite for humble pie when it turns out you might be the minority part.



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Strategic partnerships

Similar to tag teams, but with less formality, this is more about arrangements where parties driven by self-interest share the realisation that in certain incidents taking more than a knife to a gunfight might be a good idea. Interestingly, if the requirement is there, this can happen with some of the global big boys, too. While some of them might want to be the mixed martial arts champion of everything creative in history, ever, the younger and more recently acquired agencies are often quick to welcome independents onto their turf, acknowledging those battles where a specialised sidekick is needed.

Tip: Don't be fooled by the compliments and high fives, money talks. Partnerships only work when all parties are incentivised to make it work. Also, define your processes. While you might fight back to back, you don't need to waste time on planning the perfect combined knockout punch that never happens.

BEE compliance

While The Loeries might look like a Bishops old boys' back-slapping reunion, don't be fooled by the industry's current paler shade. BEE changes are afoot and this will trickle down to all businesses eventually. While you might proudly boast about your Level 2 or 3 certificate, achieved partially through a convoluted share scheme that possibly includes your domestic worker's best friend's husband, you may be staring down the barrel of a Level 7 gun shortly. With new codes already in force, there is potentially a huge opportunity to punch above your current weight (or white!) Being globally owned, it's impossible that any of the multinationals can get to anything above 49% black ownership (most are actually 25% to 30% black-owned). It's likely that advertising work will be reserved in the future for businesses 51% black-owned and over (this is already the case with certain public sector entities).

Tip: Culture, values and passion are key here (not just colour!) While a tough ask, taking the time to find that fit while addressing other strategic challenges (e.g. geography) is critical.

Key appointments and diversification

What we like to refer to as the 'Ogilvy Model': If it doesn't exist, create it. Here, instead of forming new teams, look to individuals to grow *your own* camp. Don't underestimate the allure of the independent (and of course the often elusive carrot of profit share/equity). [Gorilla Creative Media](#)'s recent snatch of Adam Brandt from Gloo (or GloOgilvy or GloOgilvyWPP) was a huge statement from this fiercely independent maverick. Not only are they not afraid of The Man but they are also sleeping with (and marrying) their favourite daughter! Through doing so, they boost their own capabilities and gravitas in the industry.

It would be disingenuous to write an article on independents without recognising royalty. King James is a true role model to all independents out there. From what I hear, King and James say no to Sir Martin (WPP CEO) with almost as much regularity as our dear president does when asked if he will ever pay back the money. Their creation of their own *independent* agency group has been on trend and consistently recognises the evolving industry landscape with new disciplines (and people) invested in it to make it possible. Throughout, they have remained true to their passion and vision, never seeming to compromise on any sub-discipline. With so much muscle and varied skill, they are the true champions of the independent agency [Royal Rumble](#).

Note: Investing in great people is key. If you have any doubts about their ability to fight the good fight and transition from employee to business (part) owner, do nothing! Lastly, learn from the guys who came after you. Smaller agencies may provide opportunities for acquisition in your own capacity with little cash investment (e.g. Share swaps, swear equity or infrastructure).

So, there you have it, folks! One doesn't become an entrepreneur without stepping on a few toes. A diminutive former rugby teammate of mine used to remind me that 'a good general always picks his battlefields'. In SA's independent agency world, I would argue that an even better general picks his army first.

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