

In search of the agency model of the future

 By [John Little](#)

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From the get go, one thing we can be certain of is that, like today, we will have multiple agency models going forward – some of which will not be agency-driven.

Like any other good business, the agency model of the future will be driven by customer needs. Yes, agencies generally will have to become more customer-centric. For ‘customer’, read ‘marketer’.



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Based on The Observatory International's assignments for marketers over the last few years, those needs will include delivering simplification, collaboration, integration, 24/7 content generation, data insight, cost management and, thankfully for today's agencies, great creative ideas.

But those needs will differ from one marketer to the next and agency models will need to be flexible, if not bespoke.

So what does The Observatory International's 'crystal ball' predict the future models may look like?

Well, the landscape is in a state of flux as we write, and there are a number of 'work in progress' models on show. From these, we have selected eight that we believe are likely to endure or develop as contenders going forward. Some are already fairly well entrenched, but others are yet to emerge.

Sort of in that order:

1. **Lead agency:** A continuation of the current lead agency model, but with more responsibility devolved to the lead agency to coordinate, simplify, integrate and manage budget (similar to the P&G BAL model).
2. **Holding company bespoke:** A bespoke agency (e.g. Omnicom's 'We Are Unlimited' for McDonald's), 'hand-picked' from the resources of the group, covering all/most disciplines/channels, but, importantly, that "partner onsite with employees from Google, Facebook, *The New York Times*' content studio etc."
3. **In-house:** A growing number of US marketers, in particular, have developed in-house facilities, which are extending their remit into social media, digital content and beyond. Notable examples include Sprint, Intel and Lego – albeit still partnering with agencies on occasion.
4. **Back to the future:** The major networks will re-aggregate specialist units/disciplines (e.g. digital) into a single, multi-disciplinary 'one-stop-shop', with a single P&L. Publicis at the back end of 2016 and Ogilvy (in the US), this past January, announced plans to do just that.
5. **New wave:** Consumer-centric agencies, started from scratch, which embrace the 'whole enchilada' (data, tech, ideation, platforms and distribution, etc).
6. **Core team:** A lean/agile agency made up, for example, of a business person, data analyst, insights strategist, media strategist, creative director and project manager. They do 'strategy' and possibly 'the big idea', but outsource and manage implementation. A US example would be Redscout.
7. **The consortium:** A 'fit for purpose' consortium of 'equal' players (consulting, tech, studio, publisher, and agency etc) coming together for a specific project or client.
8. **Consultancy-led:** A version of the lead agency model in which a consultancy, such as Deloitte, leads (handling data, tech infrastructure, and strategy etc) and coordinates the other partners (some of whom may be sister companies). Accenture, Deloitte and IBM spent over \$2 billion in 2016 alone acquiring agencies. We suspect it won't be long in coming.

With this array of possibilities, and there will be more, it is clear that there will not be a 'one size fits all' solution to seize upon. Each situation will require an in-depth 'needs analysis', preferably conducted by a firm such as ours that has accumulated a wealth of experience in this sphere.

This process will lead to a bespoke model for the marketing structure and needs of the client in question.

ABOUT JOHN LITTLE

John Little is regional managing partner, Middle East and Africa at The Observatory International. Between 1981 and 2009 he held the positions of MD of Ogilvy Jhb, Group MD of Leo Burnett, MD of Ogilvy Africa and CEO of GroupM, Africa. He served on the board of the Association of Advertising Agencies for 16 years. He chaired that body, as well as the Marketing Industry Trust and the Advertising Standards Authority. Little launched The Observatory International in SA in 2009.

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