

Client/Brand Conflicts: Setting Up the Firewalls

With clients and brands, can't we all just get along? The answer is a definite maybe. It depends who you ask. Here's our story.

Over the past six years, as we've worked to diversify our organization from an "agency" to a network of companies that includes three agencies, it's proven challenging to keep the client world satisfied. As with many things in business, we found ourselves in a unique situation. We were one agency with 20 years of history and reputation behind us who had been invited to pitch a division of a global client that was not competitive to any current client we had. We did, and we won, but with stipulations.

Client: "The good news is you won. You won hands down. Bad news is we need you to take the food and the beverage portion of our business."

We said no. We will not resign our long-time beverage client partner.

They said, "Don't say no. Think about how you can make this work."

That was Friday afternoon. Now, to quote a colleague, "This is a high-brow problem to have." So, we did what we've always done: We got creative about how to solve the problem. It's what we do for our clients every day. Over the weekend, we agreed it was time to split, like a cell. Divide up the talent, open a new office, create a new agency and take advantage of the good fortune our hard work, reputation and history in the industry had afforded us. So, on Monday we called our client, explained the situation and they said, "Go for it, we trust you, we always have. Just make sure your firewalls are real and secure."

This was the beginning of what is now a six-entity network of agencies and support companies. This includes four locations, six P&Ls, dedicated leadership within each affiliate company and one dedicated network staff responsible for all the "overhead" work needed to keep the business moving and growing. We are proud to report we support more than 40 clients almost exclusively in our specialized category, with 10 hard brand/company conflicts existing without issue inside our network.

While this all may sound easy, it is only if you have your proposition nailed down and your firewalls real.

Here's how we explain it:

Think of us like one of the big holding companies. We're just like an Omnicom or Publicis in that we have separate agencies working in the same categories, but operating as completely separate entities. Whether you have 100 or 10,000 employees and three agencies or 300 agencies located in eight countries or within eight miles of each other, it is really no different.

One thing we've learned is that regardless of the product category, the incumbent brand is usually a bit more apprehensive than the "new" client when it comes to living inside the network with a

competitor in another location. The other thing we've noticed is that the large, publicly traded global brands seem to have less of a problem with competing company brands living inside the network than do the private or single-brand companies.

Can we all just get along? Yes:

If you are real about your firewalls.

If you honor the intent of that and don't allow associates to jump agencies to work on competitive brands.

If and only if you are willing to think differently about how to handle "conflict."

We are becoming more "virtual" every day. Small, start-up space is very accessible and relatively inexpensive. The real value of it, as we see it, is the ability to create opportunity for your stars to go out on their own, start their own agency and live under the support of the veteran "mother brand" that taught them what they know. Not a bad growth model.

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