

# DOES SIZE MATTER?

IN THE LAST OF WILLIAM AND SANGEETA LEACH'S FOUR-PART SERIES ON THE AGENCY OF THE FUTURE, THEY ASK THE AGE-OLD QUESTION "DOES SIZE MATTER?" THE ANSWER MIGHT SURPRISE YOU.

Anthropological studies would have us believe the maximum size for an agency of the future is around 150 employees. This is close to Dunbar's Number (147.8 to be precise) the "cognitive limit to the number of individuals with whom any one person can maintain stable relationships".

However, the agency world has evolved somewhat from this "village" principle and we don't think it is necessary for one person to maintain a relationship across an entire agency for it to be successful.

Dunbar also pointed out that even a "community size of 150 will not be a mean for a community unless it is highly incentivised to remain together", and "would require as much as 42% of the total time budget to be devoted to social grooming".

In our analysis of ideas shaping the agency of the future we did actually form a hypothesis that there may be an ideal size – a size that ensured the creative juices flowed, clients were serviced by senior people and the agency's staff was fully "engaged" in the business.

But during our "pressure testing" visits to some of the leading agencies in the world, we were pleasantly surprised to find agencies thriving with fewer than 30 people and with over 500 people. For example, this year's Titanium Cannes winner, R/GA, has about 520 employees in New York alone – and it is a vibrant, creative agency second to none.

The fact of the matter is size is driven by culture, and culture is influenced by clarity of purpose. And this is what Dunbar was getting at when he talked of social grooming and incentivisation. Social grooming is another expression for developing culture and incentivisation – giving people a bloody good reason to stay together.

If you can get a bunch of people united by a common purpose, and having fun together, there's pretty much no limit to the scale of their achievement. Of course, it's fair to say, to a great extent, size is also influenced heavily by the calibre of people we are able to attract. But the talent drought simply wasn't present in the agencies we visited overseas.

That's because many of them are able to attract the best people because they challenge perceptions, they offer an alternative to the norm and the opportunity to be a change agent in our industry.

One example of this would be Anomaly in New York, which offers its employees the opportunity to work on new inventions as well as communications, forbids the use of timesheets (how liberating is that?)



After "pressure testing" the theory, William and Sangeeta Leach concluded size doesn't matter for the agency of the future.

and engages its senior partners through equity participation.

Anomaly also promises its clients that they will have the partners working on the business. So, when they reached a size (in their case at about 70 people) where this was becoming impossible, they recruited a new team of partners, who recruited a new team of people and they opened "Another Anomaly", just down the road. The offices are united by culture and clarity of purpose but can compete with each other for business – and the partners of each give the focus they promise to clients.

Another way agencies are dealing with size is through collaboration – alliances and partnerships allow an agency to "outsource" elements of their work enabling them to grow in revenue and influence, while maintaining size, culture and focus.

Neither clarity of purpose nor culture are easily arrived at or sustained. Both require serious commitment from the leadership of the organisation. Returning to Dunbar's "social grooming", the bigger the organisation, the greater the need for the development of a strong culture and the more time required to be devoted to it.

Social grooming, or building a great culture, comes from both informal and formal efforts. Because of the people our industry attracts, "fun" is a key component of most agency cultures. So famous parties, informal gatherings and social interaction are often part of the best performing agencies. But so are more formal approaches, such as regular all-staff meetings, training and review processes. Additionally, many of the best performing agencies around the globe talk of a strong sense of family.

The greater the sense of ownership or ability to influence direction, the stronger the culture.

The goal, ultimately, is the empowerment of your people. The greater the sense of ownership or ability to influence direction, the stronger the culture, and when this is linked to inspirational leadership and clarity of purpose, a winning formula is found.

A strong signal that members of staff have embraced the company is when they accept "global" responsibility, not just "my bit".

Another powerful tool for developing culture is "process" – uniting people and process to achieve the aims of the business. CHI & Partners in the UK has been amazingly successful with its "4 circles" process, even going so far as to dedicate a floor of the agency to physically resemble its model.

Sustaining a great culture also takes significant effort. An agency needs a consistent spirit consistently expressed. It needs to fish in different ponds to find the people most appropriate for the culture and it needs to weed out (or allow to fall out) those not positively contributing to the agency's development.

Ultimately, the agency of the future will be the agency that recognises itself as a brand. It will have a strong, differentiated proposition, supported by unique processes and employ "engaged" people united by a very clear focus.

Its size will be determined by its culture and output, it will be independently minded and engagement neutral and will inspire its clients rather than be a servant to them.

Sounds like a reason for optimism to us. <

William and Sangeeta Leach are directors of The Leach Partnership.

## AGREE OR DISAGREE?

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