

**A's** | The Future of Work

**THE IMPACT OF CHANGING AGENCY  
MODELS ON CULTURE AND CREATIVITY**

## The Future of Work: The Impact of Changing Agency Models on Culture and Creativity

The ingenuity and resourcefulness of the advertising industry over the last year has been remarkable. Despite the rapid onset of a global pandemic, agencies and brands were able to pivot their operations, refine and reinvent channels, create new collaboration models, and find ways to create and produce marketing that enabled the economy to survive and, in some cases, even thrive. But, what has been the impact on the culture of agencies and how have these new models impacted their ability to create? This second article in The 4A's Future of Work series will reflect on how agencies have maintained and evolved their cultures, developed new approaches to inspire belonging and community, all while delivering business driving solutions to their clients.

*"Like everybody else we've had to be as agile and nimble as possible. Fortunately, I think we have succeeded in many ways without just trying to triage through. We see this as a moment of opportunity where new technologies and new ways of working can actually enhance what we do in a very positive and productive way. We've had a good year and I think that's because we have adapted as effectively as we could have to the dynamics of the situation."*  
- Jason Xenopoulos, CEO New York, Chief Creative Officer, North America, VMLY&R

Peter Drucker, viewed by many as the father of modern business management, reportedly said that "culture eats strategy for breakfast." The point is the culture of your business has a greater impact on success than the actual strategy of your firm. This concept may be even more true for marketing services organizations. How they think, what they value and, most importantly, how they work may be the most essential ingredient of a firm's fortunes. Why do certain agencies win accounts, win awards and attract world class talent so consistently? They do it through a culture that attracts talent, attracts clients and attracts success. In fact, according to an Indeed survey, 46% of job seekers who considered a job but did not apply to it said they ultimately chose not to apply because they didn't feel it would be a good culture fit.

There are many definitions of workplace culture. One global firm defined culture as "the mix of your organization's leadership, values, traditions, beliefs, interactions, behaviors and attitudes that contribute to the emotional and relational environment of your workplace" and that enables achievement. Another agency CEO clarified that "it's not the work we do, but how we do it."



So, how do you maintain a culture when you cannot meet together every day? When you cannot share the same space or have the benefit of the “casual collisions” with teammates that create workplace energy, belonging and, in some cases, inspire creative ideas. Over the past year, agencies have had to learn to improvise, innovate and adapt. Agencies have leveraged the best parts of their culture that existed before and worked to find ways to virtualize those elements of their culture, while also bringing new focus and dimension to their culture-building efforts.

At least one agency leader began writing emails to his entire staff each day that shared both personal reflections, inspiration, and candid updates on agency progress, setbacks and goals.

Others converted happy hours to virtual happy hours and mental health check-ins. Book clubs, baking classes, meditation sessions, training and socially-distanced meetups have sprung up or have been adapted to ensure that culture remains and even deepens.

*“There are a lot of people out there that think ‘work from home’ is going to be the standard and that an office isn’t needed anymore because the future can be totally virtual. I have a contrarian viewpoint. I think the reason things have worked so well for companies like Tombras is because we had such a strong culture already and that culture was developed physically in the office. Because we had such a strong culture and knew each other really well from traveling to new business pitches and shoots, to being in the trenches of the War Room solving client problems together, our culture had elasticity. I don’t know that it would be possible to build a culture from scratch with a remote workforce had you not had those experiences.” - Dooley Tombras, President, Tombras Group*

## What Do Agency Teams Want in Their Return to The Office: The New Requirements of Culture

David Ogilvy famously said, “The assets go up and down in our elevator everyday.” Agencies that forget the value of talented employees will not long survive. So, as vaccinations broaden, markets begin to open up for business and people return to offices more broadly and permanently, organizations need to be sure they leverage all that they’ve learned over this last year of changes and challenges to be certain they build back their agencies, teams and the industry better and stronger.

## Flexibility and Control

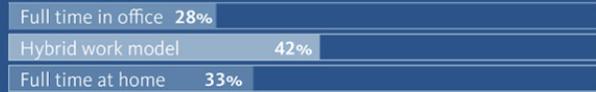
If it is the quality of teams that enable the creativity and accountability agencies bring to clients, they need to ensure they come back to work understanding what teams truly want. Creating cultures that are attractive to the best and brightest in the marketplace will fortify the essential role agencies play in driving commerce and economic growth.

*“It was a pivotal moment for us when the first survey came back after we asked our employees how they were feeling about working from home. The feedback was so positive. I was shocked because I thought our team would be craving getting back together. They are missing some things about the office, like the fun of being together, but they really value the flexibility, the lifestyle and the connection that they have in their own communities. So, the ‘Aha! moment’ when we think about moving forward is how do we find a solution that’s going to bring out the best of both worlds?” - Beth Johnson, Founder, CEO, RP3 Agency*

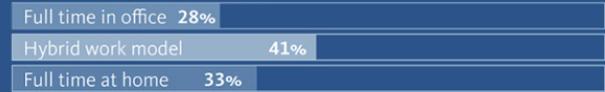
### THOSE ALREADY IN A HYBRID WORK MODEL REPORT POSITIVE BENEFITS TO CREATIVITY, PROBLEM SOLVING, AND TEAM RELATIONSHIPS.

WORKING IN THIS WAY HAS HAD A POSITIVE IMPACT ON MY...

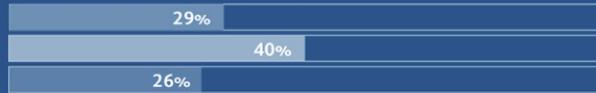
#### MY PERSONAL CREATIVITY



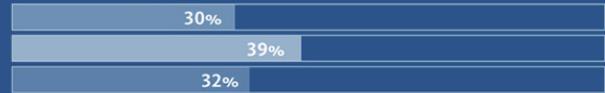
#### MY ABILITY TO SOLVE PROBLEMS



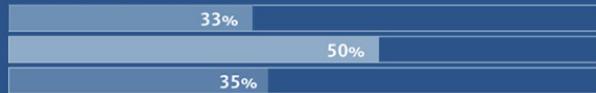
#### MY RELATIONSHIPS WITH COLLEAGUES



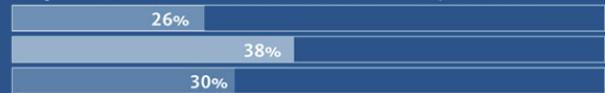
#### TEAM PRODUCTIVITY



#### MY ABILITY TO MANAGE MY TEAM



#### MY QUALITY OF COMMUNICATIONS WITH TEAM MEMBERS/COLLEAGUES



0% 80% 0% 80%

Percent who agree with each statement.

Source: Gensler U.S. Workplace Survey | Summer/Fall 2020

Gensler RESEARCH INSTITUTE © 2020

There is ample data on what employees want today and most agencies have smartly polled their teams throughout the pandemic. Many studies confirm the majority of employees in professional service roles and agencies seek greater control and flexibility in how and where they work, with the largest share seeming to favor a “hybrid” model that allows them to choose where and when they can be most productive against their various responsibilities. A common model being discussed by many agency leaders is a 3:2 operating model with three days working in the office and two working in remote locations.

The challenge that most agencies and networks are working through now is how to implement a more flexible model that provides teams with that newfound control and flexibility, while ensuring that collaboration, productivity and creativity continue to grow to meet the goals of their businesses and that of their clients.

*“All this talent that we’ve convinced - or we tried to convince - for the last several decades that they have to be in the office to do their job, or that they have to live in New York City to do their job, you’re not going to be able to look them in the face and tell them that anymore. And there are certainly people that want to go back to working in the office and live in major markets. But, it’s not a one-size-fits-all solution, which is why I keep talking about a hybrid workforce being the future. And so I hope that agencies start to recognize that they have options around talent. Many organizations are going to allow people to work remotely long-term. I’m hoping that’s something that we carry forward in terms of thinking differently about remote work as a form of inclusion, and as remote work as a form of being able to tap into the most brilliant minds in the world.” - Stephanie Nadi Olson, Founder and CEO, We Are Rosie*

### **More Diversity, More Equity**

Another essential requirement of employers is to build more diverse teams where more voices can be heard and more equity is provided to all staff, managers and leaders. The pandemic was not the only seismic event to impact the future. There has been a global reawakening to the racial and social injustices that plagues our country, sparked by the killing of George Floyd and the recent attacks on Asian Americans.

*“To have something that devastating, like the killing of George Floyd, happen in your backyard is a lot to process. Because we have a diverse work population, we really wanted to make sure that our people felt comfortable addressing the issue at hand and that they understood that they had the support of leadership to take time to process and help our community heal. I’m incredibly proud that we have a culture that allows people to feel*

*comfortable and feel vulnerable to share what they were going through. There were a lot of tears. There were a lot of moments that people shared things that you would never have imagined your colleague would have expressed. It took an obviously horrific moment for that to happen.” - Christine Fruechte, CEO, Colle McVoy*

Agencies have acknowledged the long-term industry issues of diversity, equity and inclusion and have made bold commitments to action and results. Teams want change and transparency and will hold leadership accountable. So, agencies will need to take actions to build a culture that is as diverse as the American communities to which they market. There are many dimensions to solving the disparity, but agencies need to demonstrate change through tangible ways across recruiting, team development and training, salary parity, opportunity for growth and looking at new ways to ensure teams are more diverse.

*“When it comes to DEI, most people think about it as something led by HR. Although I happen to be an HR person that is also passionate about DEI, what I also share with people is that this is not my job as an HR lead. DEI is the responsibility of all in the organization, and certainly of all people leaders.” - Julianna Akuamoah, Chief Talent Officer, Arnold + Havas Media Boston*

## Opportunity and Development

The third big requirement of teams is that agencies provide challenges, new learning opportunities and growth. Employees seek to develop skills that prepare them for a changing marketing industry. They expect to be given equal opportunity for advancement and they seek the training and skills to realize their potential as creative professionals. Despite the reduction in staffing in the industry over the past year, the greatest challenge as an industry is to win the talent war. Agencies need to compete within the advertising and marketing communications industry and against other industries seeking the same bright, talented people. If organizations don't actively pursue a bright and diverse talent pool, enable and inspire them with training and development and ensure they have strong prospects and growth, they will continue to bleed some of the best to other industries, clients and media companies that will grow ever more dominant.

## The Impact of New Agency Models on Creativity

Agencies have certainly prevailed over the last year as they innovated and improvised their way to create compelling, strong and emotional work. But, almost universally, agency leaders believe that the work is not as good as they are capable of creating. As Cannes Lions confirmed that it will be a virtual event in 2021, the industry will begin to assess if the work was compelling and innovative enough. However, most importantly, all should celebrate how the industry has pivoted and prevailed to keep the economy from collapse.

*"I'm hoping that there's a creative renaissance from this. The result of being pent up and feeling like you had to be careful about what you were saying and how you were saying it is going to lead to this creative expression that we haven't seen in years. A creative renaissance. And I am not just talking about advertising. I am talking about music, literature, and the arts. There will be this sense of liberation that will look like the beginning of a creative golden age." - Tom O'Keefe, CEO, OKRP*

*"I think we're more entering an age of enlightenment than a creative renaissance and I think that if we're going to be successful we need to harken back to what happened back in the age of enlightenment and challenge a lot of the norms and status quo." - John Gallegos, CEO, United Collective*

But, there is an opportunity to leverage what has been learned in the last year to create stronger marketing ideas. Consumers have changed, some argue for good. The way people consume media has changed. The channels where goods and services are bought have also changed. And, consumers' expectations about their total experience with brands has created new requirements and amazing new opportunities for agencies to add value to their client's brands.

*"I think it is a bit one-note to say that there's one way for people to be creative based on my personal experience. For others, it is very much about the idea of a writers room approach – being together in the room with sticky notes and whiteboards and feeding ideas off each other. At Deutsch LA, we have many personalities and many approaches to getting creative thinking going, and we don't want to shoehorn anyone into any one model. Yes, we have people that are living outside of LA and have for some time. That's not a new thing for us in this pandemic. We've always wanted to be as flexible as we believe the business can be and support people working in different places if we can." - Kim Getty, CEO, Deutsch LA*

We've been working harder than ever, but the potential of coming together again to collaborate, challenge and create is full of potential. New operating models and new dimensions of our agency cultures will create new opportunities. A greatly changing cookie-free digital landscape will also usher in innovation and change.

As we realize our vision of a more diverse workforce, we will begin to see new ideas and approaches spring up. All of this points to potential and promise. Now is the chance to make agencies more valuable than ever. It's an opportunity for agencies to make the most of it.

## Cultural Continuity Checklist

While hybrid operating models that include the availability of remote work can make building and maintaining culture challenging, being intentional in policy-making, community-building and creating collaboration models can lead to empowered and engaged employees and powerful creative ideas.

### First Step: Listen

- **Poll your teams.** Many agencies have increased the cadence and depth of polling their teams during the pandemic through pulse and in-depth surveys. This powerful "listening" tool leads to empowerment and more constructive policy-making.
- **Actively discuss and debate the options with your leadership team.** They will provide a broader perspective and practical questions and challenges to the table.
- **Speak with your clients.** Many agency leaders have experienced deepened client relationships over the pandemic through candid and constructive conversations about needs, expectations and perspectives about how to get the most from their agency partner through new ways of working.
- **Engage with peers and the agency community.** The 4A's brings leaders of the agency community together through councils, committees, forums and other dialogs to share ideas, vet approaches and develop best practices.

Seek to understand team priorities and expectations in a post-pandemic environment and marry those with the priorities of the organization.

## Produce a “First Draft” Remote Work Policy

- ❑ **Craft a transparent policy** that is as clear as possible with a recognition that continuous refinement and improvement is the expectation. No agency has the definitive policy and every agency must consider their unique culture, clients and processes. While not every agency plans to allow remote work permanently, most are keeping an open mind to the potential to enable this flexibility and control for their teams.
- ❑ **Begin with a philosophy.** Have a clear viewpoint about how you plan to approach the return to office and new remote and work-from-home policies.
- ❑ **Share a client perspective where possible.** Do your clients require in-person meetings and at what cadence? Can it be scheduled/standardized? Sharing the outcome of those candid client conversations can reinforce the foundation of the policy with staff. Naturally, different clients will have different requirements. Avoid having different policies by client.
- ❑ **Define activities and tasks that are better together.** Consider which activities, meetings and collaborations are expected to be managed in person (where practical).
- ❑ **Define your definition of “hybrid.”** If you plan a hybrid work model, what is the agency approach in terms of days in and days remote? Is your 3:2 policy three days in and two remote? Which days can be remote? Is this across the agency or by team/client? Seek to ensure you don’t create silos by department or client/brand. Pursue a policy that encourages casual collisions, cross-team dialog and sharing across departments.
- ❑ **Define terms about remote work.** There is a significant difference in enabling commutable remote work versus long-distance, permanent remote workers. Many agency staff and leaders have moved to long-distance locations during the pandemic as we have all worked remotely. Can this continue or do you expect to “recall” those workers as some agencies have planned to do?
- ❑ **Remote hiring and work plans can enhance DE&I.** Recognize that long distance remote work is one enabling strategy to realize agency DE&I goals. During the pandemic agencies have hired more diverse staff and leaders often outside of their metro area. These approaches can allow diverse employees to live in markets where they are comfortable while allowing them to pursue their true career ambitions wherever that opportunity exists.
- ❑ **Plan and budget for collaboration/culture building.** Guidance from leaders with deep experience in virtual work environments is to earmark a budget to bring the fuller team together for regular culture and planning sessions. For agency and client-driven purposes.
- ❑ **Consider defining in-office schedules for remote workers.** Agencies with existing policies about hiring remote workers have policies that require regular office time as frequently as monthly or quarterly.

- **Consider sharing expenses of in-office time.** If staff wants to live long-distance (often in more affordable communities), they may need to share in the expense of that flexibility. Agency may pay flight/train expenses but not hotel or vice versa.
- **Invest in enabling productive remote work.** Consider earmarking budgets for tech and other home office stipends to enable your remote team to work productively and safely away from the office. A budget of \$500- \$1,000 per employee can go a long way to allow large monitors, proper desk chairs, extra power cords and office supplies.

### Intentional Approaches to Culture Building

There are various views of what builds a good culture and from where it springs. Some agency leaders believe culture is driven from the top. Others view that it springs up from staff in how they interact with each other, how happy and fulfilled they are. Still others view culture as the total sum of every interaction within the teams, how an agency works, how it interacts with partners and clients. All are true. But, to build and sustain a great culture that inspires and embraces bold creative ideas, it needs to be a purposeful, ongoing focus. And, it must evolve over time.

- **Focus on giving power and voice to everyone.** Equity isn't just about constantly and consistently recognizing and redistributing power. -- though it is an essential start. It's about empowering and inviting all voices to contribute to culture, policy and the work of an agency.
- **Focus on team wellness.** Healthy foods and activities like yoga and mindfulness training can have a material impact on productivity and performance. A centered mind and healthy body can yield impressive ideas.
- **Adapt and adopt your cultural programming.** Many agencies adapted happy hours to virtual happy hours. All-staffs accelerated and became virtual all-staffs. But, agencies adopted new ways of connecting, too, like cooking together virtually, book clubs and talent shows.
- **Foster dialog with leadership and staff.** One of the unique and powerful byproducts of the pandemic is more "face time" with agency leadership. More frequent all-staff and "check-in" meetings provide more access to leadership. The power of the "chat" features on Zoom, MS Teams, and Hangouts has empowered staff like never before to question leadership and hold them accountable. Embrace it and use this dialog to keep a pulse on staff while encouraging their ideas, innovations and contributions to culture.

## Leveraging the Power of The Office Space

While new models will impact agency culture, communities and processes, the unique energy of an agency office is different, powerful and incalculably valuable. As agencies return to offices on a regular basis, you can't undervalue the power of shared space and physical proximity.

- ❑ **Make your agency as safe as possible.** The widespread use of vaccines will help teams feel safer as employees cautiously return to the office. Some agencies who have opened their doors to those who prefer to work in the office, have changed floorplans, installed plexiglass and other barriers and defined social distancing and mask policies. These may prove to be only interim requirements but the remaining fear and expectation that employers must protect their employees will linger for some time.
- ❑ **Design and outfit space for its greatest purposes.** Many agencies view their space as "collaboration zones" and are creating more options and places to get together in pairs, groups and full teams. Leading architecture and interior design firms like Gensler advise more "flexible space and less defined space." Consider whether you still need a defined workspace for every team member every day.
- ❑ **Design and outfit with wellness in mind.** Some agencies, before the pandemic, were moving past coffee bars and open taps, to embrace meditation spaces, exercise spaces, healthy eating cafes and private prayer spaces. These changes signal inclusiveness and a desire to help teams be healthy and inspired to outperform.
- ❑ **Space isn't just for employees.** Redesign with clients, partners and fluid talent in mind. The entire ecosystem of your agency can join in the collaboration zone and contribute to a thriving culture and outstanding growth and outcomes.

## Final Note

No agency feels they have the final answer on the optimal post-pandemic model. Whether they plan to return to a fairly traditional model or a very progressive and experimental one. The post-pandemic environment has created opportunities for agencies to experiment and optimize culture to empower a healthy, productive and understood workforce to innovate like never before. The industry may be on the verge of a "creative renaissance" that flows from the pent-up, locked down and introspective time over the last year. Agencies are delivering value to clients like no time in recent memory. Build on those deeper relationships and new tools and models to create new value for clients, new growth for your agency and a magnetic culture that attracts world-class talent to your door.

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