

M&C Saatchi Abel gets thumbs up from Moray MacLennan

[M&C Saatchi Abel](#) is buzzing. The agency, which launched in early 2010 with no clients signed in front but a powerful management team, has grown to more than 63 staffers working with 29 client organisations. It just won the account for Geely - the Chinese auto manufacturer that also owns Volvo. The agency recently took another floor in the block in Cape Town where it is headquartered.

 By [Herman Manson: @marklives](#) 11 Aug 2011

M&CSAATCHI ABEL

The management team is also energised by the presence of [Moray MacLennan](#), worldwide chief executive of M&C Saatchi, in South Africa on a two-day stint to check in on progress.

"I'm clearly pleased"

"I'm clearly pleased," says MacLennan, with regards to the results of the investment his network made in launching its Cape Town and Johannesburg offices. The UK-based group has and continues to invest tens of millions of rand in growing its South African business.

So far, the SA agency's financials match those set out by the revenue and profit plan co-founder and chief executive partner [Mike Abel](#) drew up before the shop opened, says MacLennan.

Abel is on record as saying he expects the agency to break even by the end of 2011. It would give the agency's critics pause for thought - the broader industry was widely dismissive of M&C Saatchi Abel's attempt at entering the market, believing its initial top-heavy structure would prove too much in a tough economic climate.

Key to the rest of Africa

London-based MacLennan says his group agreed with Abel's vision of investing in talent from the get go in a bid to grow the business into a major player in the local market. But his strategy looks beyond SA to the broader African market. For M&C Saatchi, SA serves as a key to the rest of the continent - MacLennan notes that more and more clients in the telco and FMCG fields are moving to invest in the continent and their ad networks are following suit.

MacLennan doesn't rule out physical offices in Western or Eastern Africa but says a business case for the has yet to be made. He would, however, look at local affiliates with a view on consolidation a couple of years down the line.

For the moment, he is looking at establishing a presence in the Scandinavian market, probably based in Stockholm, because of its high-calibre talent base. He is also looking at emerging markets such as Mexico, Indonesia and Argentina, but insists his network would need a sound geographic reason for setting up a physical presence in any of these.

Tapping into local executive talent

M&C Saatchi prefers investing in owner-managed businesses and tapping into local executive talent rather than establishing wholly owned offices. MacLennan says good talent can succeed in a bad market but the opposite doesn't hold true.

The entrepreneurial spirit that built M&C Saatchi is being replicated in the network's offices around the world through this ownership structure, and it means management and shareholder aims are better aligned than most other scenarios. They will rarely over- or under-invest in a business, which is good for cost management.

In some markets, M&C Saatchi will take a short cut - the network recently opened in Russia through a 50/50 joint venture with EMCG, one of Russia's leading independent agencies - if MacLennan believes a start-up faces too many hurdles at launch. It also created scale for its Sao Paulo office by acquiring a rival agency (growth was fine but MacLennan felt it should be speeded up). The network is eyeing Rio as another possible office.

Spirit is entrepreneurial

MacLennan says M&C Saatchi isn't interested in buying talent; instead he wants talent to be attracted to his business, and his way of doing business, and to build long-term careers at M&C Saatchi that stretches over decades, rather than years. The network attracts people because it doesn't feel like working in a civil service - the spirit is entrepreneurial - and the people are like, and like, one another.

All this breeds a uniquely different culture.

On MacLennan's side, it means a lighter hand on the tiller, owner-managed means real responsibility for local managers, and means London can't force a jelly mould on local offices. The leaders of each of the network's 26 offices report to MacLennan (the network also has a regional CEO for Asia in Chris Jaques).

MacLennan doesn't believe in building up big central corporate overheads - he views it as unnecessary and believes it slows down decision-making. The network prides itself on short reporting lines and the ability to speedily implement decisions. Twice a year, all the office heads meet up to exchange views and news - the November meeting is scheduled for Cape Town. The two days they spend together MacLennan describes as a key management tool.

Sense of humour

When MacLennan finds new partners to start local offices with, he looks for passion, drive and determination, intelligence and a sense of humour. According to him, start-ups are difficult things to run and to be successful entrepreneurs need resilience and a fire in their belly.

MacLennan says the global economy has been tough for such a lengthy period of time it feels as if it has become the new normal. In the network's favour is its size, which allows it to buck some of the difficulties networks with huge numbers of offices now struggle with. MacLennan expects the market to remain tough over the next 18 months.

Recently appointed president of EAPA (the European Association of Communications Agencies), MacLennan is an advocate for creativity as an engine of economic growth for Europe (and obviously believes in its power to grow economies elsewhere as well). MacLennan says Europe is fast talking itself

into being yesterday's news when this is not really the case. It needs to look at how it's marketing itself before talk becomes reality.

Vote of confidence

The creative economy can contribute to both economic and social vibrancy and improves the way people view their environment. It's a lesson Cape Town, with its hat in the ring for [World Design Capital](#) status, should take to heart.

In the meantime the city, and M&C Saatchi Abel, can expect MacLennan to make a "disproportionate number of visits" in the foreseeable future. It's a vote of confidence in the local office's business credentials and in the city that gives it its creative juices.

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