

# Partnerships are critical for success in Africa's PR industry - Arcay



By [Walter Wafula](#)

3 Jul 2012

Global public relations and communications firm, Burson-Marsteller recently acquired a controlling stake in Johannesburg-based Arcay Communications. Founder and chairman of Arcay Burson-Marsteller, Robyn de Villiers speaks about the partnership and succeeding in Africa's PR industry.



## ■ *Tell us about Arcay Communications*

Robyn de Villiers: Arcay Communications was started 23 years ago in South Africa as a public relations and communications agency. About 20 years ago, we had an opportunity to work for a South African client who was expanding business operations across Africa. This gave me an idea to have partners in Africa so that if we have other clients who wanted to do business in Africa, we would be able to help them.

I started Arcay Communications Africa 20 years ago after we did work for that client (MultiChoice Africa). The initial work we did for them was the launch of DStv. We first launched in South Africa and then we did it across Africa with the help of four different PR agencies in Africa. When we did the launch of DStv, we also helped them to launch in Zimbabwe, Ghana, Nigeria and Kenya.

After that, we established four partnerships so that we could help other clients. Arcay Burson-Marsteller Communications is now an affiliate network with 37 partners serving 54 markets across Africa.

## ■ *How did you manage to make Arcay Communications such an attractive buy for Burson-Marsteller?*

de Villiers: It's Africa that was the attraction. We have always had partnerships with companies within the Wire and Plastic Products (WPP) Group. The important thing is, I was looking for a partner on the public affairs side so, I approached Burson-Marsteller's public affairs people in Washington to see if they could work with somebody in Africa.

It was fortunate that they were looking for someone to partner with in Africa, not only in public affairs, but across the whole spectrum of services that we both offer on the communications front. So, they asked us if we would be interested in being the exclusive affiliate for Africa.

We could offer them two things; our range of services and footprint. They were looking for a partner in Africa and they didn't think they would find a partner that had 37 agencies on the ground with good local people to service 54 markets. I know for sure that they were excited when they saw the extent of our footprint. So, it was just a great fit.

**▀ How is your partnership so far?**

de Villiers: It's great. We have been the exclusive affiliate for five years and right from the beginning they did say that they wanted to be more than just an affiliate at some point.

After three years, they approached me and asked if I would consider selling some of the shares to them. Since we had been good partners already, I believed that we fit very well in the Burson-Marsteller values and style of doing things so, I felt very at home to be part of them. I sold 51% of my shareholding in the company to them.

In South Africa, due to the black empowerment legislation we need to have black shareholder equity level at 26%, so we had to keep that to stay in line with the requirements. Now, Burson-Marsteller owns 51%, my staff own 26% and I own 20%.

**▀ How much did Burson-Marsteller pay for your stake?**

de Villiers: That's confidential information. Burson-Marsteller is 100% owned by WPP, which is listed on two big stock exchanges (London Stock Exchange and NASDAQ) and they don't have to disclose the size of the transactions.

**▀ What gains have you made since Burson-Marsteller became a major shareholder in Arcay Communications?**

de Villiers: I don't think it's about what gains we have made since we did the transaction. We have made a lot of gains since we became affiliates to Burson-Marsteller. They have a global network of very good people who have great expertise to share. We have had business from them. Part of the reason they wanted us was to look after their clients and the reason we wanted them was to get the business. Then, we have had fantastic training opportunities for a number of people.

Part of my staff have already benefited from going for WPP and Burson-Marsteller training. We have also had two senior executives from Burson-Marsteller come to South Africa to train my staff. So, there are lots of things that have been beneficial.

**▀ What benefits have your clients attained as a result?**

de Villiers: From our partnership over the last five years, I have been able to bring very senior people from Burson-Marsteller to my clients to help them with work they are doing. This is because of access to the expertise I was talking about.

**▀ Increasingly, we see more South African companies and agencies penetrate East Africa, why has it taken them so long?**

de Villiers: There's a very good reason why global and local advertising and PR agencies are looking at Africa. Africa has become the flavour of the moment. Most of the world's economies are doing badly and the African economy is one of the few that are doing better from an economic growth point of view.

Africa has an enormous number of consumers and as it improves from a political and economic stability view, and as more people get educated, the market of consumers grows. So, anyone with a product or service to sell would be stupid to

overlook a continent that has 1 billion people who can buy products and services. So for very good reasons, Africa has become the focus of the world's attention. Agencies have been very fast asleep and it has taken them a long time to work out that Africa is going to become very good.

What makes Arcay Burson-Marsteller very different is we have 20 years of experience of working in Africa and others are only coming up lately because people are asking them about it. The benefit we bring to our clients is experience, we know how it works and we are not just learning how it works in Africa.

### **■ *What lessons have you learnt from serving markets outside South Africa?***

de Villiers: The most important lesson is that Africa is different from one country to the next. You have to make sure that you have good local people who are well connected, educated and have got local knowledge.

You can't duplicate work from one country to the next. You would be advising a client incorrectly if you made a strategy and it's exactly the same in every country. It wouldn't work. You need local knowledge and insight to be able to do a good job.

### **■ *How can indigenous agencies position themselves to compete favourably against global players who are setting up in Africa?***

de Villiers: I think that's difficult in a way. Often what happens is that global advertising or PR agencies open their offices on the back of requests from their clients. That means that when they come to the market, they already have existing clients. That makes it difficult for the local players because they may not have the opportunity to get those clients.

So, the local agencies have the benefit of being the local people with the local knowledge and expertise. If they can partner with global agencies then that would be good because they have the local knowledge that they need for local insight. They also have to be aware of the global standards that they need because global clients expect the same level of standards.

### **■ *Lastly, what is the best growth strategy for agencies that would like to do business outside Africa?***

de Villiers: From a PR point of view, the global leading brands in PR are very well known in America and Europe because they have been around for many years. I think it would be difficult for South African or African, South American brands to suddenly jump into that club and do very well except if you have local clients who are going in the other direction.

Even then, they would probably feel more comfortable working with brands that have been in the market for a long time. So, a partnership is the right way to do it. I have always believed in partnership and all my Africa strategy is based on partnerships.

## **ABOUT WALTER WAFULA**

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