Creativity Leaders

Success factors in Sweden’s leading creative agencies

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KTH Computer Science and Communication

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Abstract

Since the beginning of this century, the advertising industry has been going through major changes that have fragmented the market and the traditional advertising agencies’ dominant position is challenged by niched players like for example web, PR and strategic agencies. This thesis is a case study of the top five creative agencies in Sweden with the objective to identify the key success factors for creative agencies. The empirics of the study consists of in-depth interviews with the founders, CEOs or other senior partners and the results have been analyzed from the perspectives of the agencies’ internal and external practices, using a theoretical framework of organizational creativity and market strategy.

The conclusion is made up of four key success factors for creative firms, that are derived from a range of factors resulting from an analysis carried out on the levels of specific projects, agencies and the industry as a whole. The identified key factors for success are that creative agencies should: 1. Focus on the outcome of projects over short-term profitability 2. Consistently involve clients 3. Hold a strategic and result-oriented focus 4. Create a strong corporate culture that stimulates creativity.

Ledande Kreatörer

Sammanfattning

Sedan sekelskiftet så har reklambranschen genomgått stora förändringar som har fragmenterat marknaden och de traditionella reklambyråernas dominanta position är hotad av nichade spelare som web- PR- och strategibyråer. Detta examensarbete är en fallstudie av Sveriges fem högst rankade kreativa byråer med målet att identifiera framgångsfaktorer för kreativa byråer. Studiens empiri består av djupintervjuer med grundare, VDs och andra seniorpartners, och resultaten har analyserats från perspektiven av byråernas interna och externa aktiviteter, kreativitetsteori och marknadsstrategi.

Foreword

In the spring of 2006 I was working at the communication agency Treehouse in Stockholm, with the idea to combine my master thesis with something fruitful to my work at the agency. This gave birth to the idea to examine the leading creative agencies in Sweden, to see how founders and CEOs looked upon their situation in the past, present and future. After contacting the senior partners at these firms, I was gladly surprised by their willingness to meet, discuss, contribute and share their experiences. Apart from this study, the passionate attitude towards the work of these leaders of the advertising industry inspired me on a personal level to work in the creative industry. The inspiration lead to me starting work in a branding firm, which sent me on a mission to Dubai, which consequently has postponed the presentation of the master thesis until this date. However, the fact that I have spent time in various agencies, and in the cities of Stockholm, New York and Dubai while writing the thesis, has probably (hopefully anyway) served to broaden my perspective and made me able to view the case studies in a larger context.

First of all I would like to thank my supervisor Christopher Rosenqvist at Stockholm School of Economics, not only for clear insight and invaluable advice, but also for the flexibility with my situation during the course of this thesis. I would also like to thank Sara Leckner, responsible for master thesis’ at the Media Technology department, for the shown flexibility and support. Lastly, I would genuinely like to thank all interviewees for their time, hospitality and inspiring attitudes: Ulf Enander of SWE, Mikael Kärrlander of REGI, Gustav Martner of Daddy, Tom Nilson of Lundberg & Co, Stefan Rudels of Forsman & Bodenfors and Göran Åkestam of Åkestam Holst.

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1. Introduction

Since the beginning of this century, the advertising industry has been going through major changes. Creative agencies have generally been seen as the sole experts in their field and have benefited from high margins through their dominant position. However, with an increasingly fragmented media climate, production tools becoming cheaper and more available and a stronger focus on the returns on advertising investments, traditional advertising agencies are facing competition, both from upcoming niche agencies as well as from clients’ in-house marketing departments.

This thesis is a case study of Sweden’s leading creative agencies according to the yearly report “Agency of the Year” (REGI 2006). The project leader of the study, Mikael Kärrlander (2006), describes the industry as “polarized as nothing else” and states that “right now, a total transformation of the industry is taking place:

“[…] Everything mixes together, ad agencies are actually working with branding, which also for example management consultants do. Web- and event agencies work with advertising […] This melting together of activities and services means that the industry is opening up for strategic firms, who know the big questions and see the bigger picture” (Mikael Kärrlander 2006)

It can be argued that advertising agencies have made the term creativity their own, even though other niche or focused agencies may be at least as creative. Kärrlander’s (2006) opinion is that ad agencies need to radically change their focus from creativity to strategy to become successful. If, how, and to what extent this should be done, is one of the central questions in this paper.

1.1. Aim

The aim of this thesis is to point out a number of key factors that have been important for the success of the leading creative agencies in Sweden.

1.2. Purpose

Lots of books and articles have been published to describe the transformation of goods into services, traditional resources into intellectual capital and with human knowledge as the most valuable asset, in terms of the information revolution, the knowledge economy and intellectual capital. Relatively little has been published on the subject of creativity and organizational creativity. The result of this study can be of value not only to creative firms, but to all companies that are involved to some extent in the creation of ideas, and to research in innovation, creativity or other related fields.

1.3. Research Question

The main research question of this thesis is:

What are the key success factors for creative agencies?

The research area will be approached from different perspectives. The following general questions will serve to cover in different aspect of the main research question:

a) What are important internal factors for creative firms?
This perspective is an organizational view of the firm that includes leadership, corporate culture and partner structure.

b) **What are important external factors for creative firms?**

Like all companies, it is of extreme importance how a creative firm is portrayed externally and what image is communicated. The positioning, relation to clients and service offerings of the firms will be examined.

c) **How do creative firms relate to the concept of creativity?**

Creativity is a central concern for all parts of this thesis. The firms’ relation to the basic concept of creativity and the creative individual will be looked at, as well as issues like the motivation for creative work, organizational creativity, and the creative process.

d) **How do creative firms relate to the concept of strategy?**

The concept of strategy includes market strategy and brand strategy, and this question has two sides to it.

1. The offering of creative firms may include not only applied creativity, but also brand strategy and general strategic advice.

2. The market strategy of the firms themselves is looked at, to understand what has been done differently than competitors on the way to success.

1.4. Demarcations

To understand the success of companies in any industry, lots of factors may be studied and hundreds of research questions may be posed. Since this thesis is about creative firms, whose main areas of operation are creative and strategic services, these are the studied areas. Other areas like financial aspects, profitability, human resources, operational efficiency and other are not considered in this thesis, even though they may have great impact on the success of a firm. Moreover, the focus is not on operational and creative processes like brainstorming techniques etc., but more about the firms general approach and strategy.

1.5. Definitions

The central terminology is defined here and other terminology is explained in the glossary in the back.

1.5.1. **Creative Agency**

‘Creative agencies’ – or creative firms – are advertising agencies or niched firms like web or PR agencies or other firms that offer applied creative services, which is defined as: ‘highly intangible, high-risk professional services, whose core is applied creativity’ for further definition, see 3.1.1.

1.5.2. **Creativity**

As mentioned before and as will be discussed below, the term ‘creativity’ is difficult to define in a straight-forward, specific manner. Therefore the definition is a general one: The creation of ideas that are in some way original, and useful. For further definition, see 2.1.
1.5.3. **Strategy**

The term ‘strategy’ generally denotes either market strategy or brand strategy. The definition of strategy is: A process that aims to allow a company (either an agency or its client) to use its resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage. For further definition, see 3.2.
2. Background

This chapter serves to explain and give an in-depth background to the concept of creativity. It is important because of the centrality of the concept to this study, and because much confusion exists around the term creativity. Creativity is important both on an individual and a societal level. For an individual, creativity is relevant for example when solving problems at work, school and in the daily life. For society as a whole, creativity can lead to new scientific findings, new movements in art, new inventions, and other developments. (Sternberg and Lubart 1999)

2.1. Definition of Creativity

2.1.1. Prior Definitions of Creativity

Creativity is one of those words that seem to be everywhere, everyone has some conception of it and it is often used to describe another phenomenon, person, product or process. However, it is hard to find a definition of the concept that is not limited nor based on self-referential logic, for example that a creative product comes from a creative process (Styhre and Sundgren 2005). There have been several attempts to define the construct of creativity in literature. Despite the difficulties to define the construct of creativity, there is a consensus among researchers about two defining characteristics of creativity: Originality and usefulness (Mayer 1999) For example, Sternberg and Lubart (1999) define creativity as the ability to produce work that is both novel and appropriate.

2.1.2. Relationship between Creativity and Innovation

The research, discussions, definitions and conceptions of ‘creativity’ and ‘innovation’ are often overlapping. The distinction that is usually made between creativity and innovation, is that creativity is seen as generating novel and useful ideas, while innovation is the application of these ideas.

"Creativity is the bringing together of knowledge from different areas of experience to produce new and improved ideas [...] if creativity is the development of new ideas, innovation is the process of actually putting them into practice.” (West (1997) in Koulouvari (2002))

2.2. Creativity research

Most organizational creativity research is not carried out in organizations that fosters creativity to the same extent as the creative agencies in this thesis do, where creativity is the core of all operation and a prerequisite to exist in the business. Even though, pharmaceutical companies etc. also have to be creative to come up with new products, but the value of that product is not that itself is ‘creative’ or ‘original’, which is true for the products of creative firms.

2.2.1. The Lack of Creativity Research

Research on creativity has been done within a number of academic disciplines, including psychology, organizational behavior, education, history and sociology (Williams and Yang 1999). The most part of this research has been carried out as a branch of psychology. However, compared to the total amount of psychology research, institutions, courses, textbooks and scientific articles, relatively little work is done on creativity. Sternberg and Lubart (1999) suggest six major roadblocks that have caused the lack of creativity research:

1. The origins of the study of creativity is surrounded by mysticism and spirituality, which makes it difficult to grasp from a scientific point of view.
2. Several texts that take a pragmatic and commercial approach on creativity have been published and widely popularized. This gives the impression that studies in creativity generally lack basis in psychology theory.

3. Early work on creativity that was set apart from the mainstream of psychology, resulting in that the field of creativity sometimes being seen as peripheral to the central concerns of the field of psychology.

4. The definitions of the concept and criteria of creativity have often resulted as elusive or trivial.

5. Approaches that have seen creativity as an extraordinary effect of ordinary structures and processes, tends see separate studies of creativity unnecessary.

6. Approaches to creativity that only look at part of the phenomenon, e.g. the personality traits of creative persons, resulting in a narrow and limited view of creativity.

2.2.2. Traditional Organizational Research

Traditionally, models of organizational structure and behavior have been set up to respond to the uncertain environment of business in general. By implementing structures that emphasize rational thinking and decision making, controlled processes, regulations etc., organizations strive to reduce uncertainty and supplanting it with routine. Procedures and regulations are traditionally designed to maximize predictability and create order, roles are strictly defined according to specific functions to avoid overlap, maximize efficiency and make it easier to evaluate performance. In short, traditional views on organizations strive for control and see individual and organizational creativity as something negative.

2.3. Chapter Summary

The subject of creativity research is not a typical one for classical science and traditional research. The small amount of creativity research is not proportionate to the importance of the subject in private and professional daily life, organizations and society as a whole. The fact that people do talk about ‘creativity’ may also have diluted and distorted its meaning, which might partly have caused the lack of creativity research. However, researchers in the field of creativity seem to generally agree upon a basic definition of the concept: If something is creative, it is both original and useful.
3. Theory

The theoretical framework has been used to formulate the interviews and analyse the results. It is based upon the research fields of organizational creativity and market strategy, which correspond to the main areas of operation for creative agencies. Within the creativity framework, are theories of creative services, individual and organizational creativity and the creative process. Within strategy framework, are theories of competitive advantage and creating new market space.

3.1. Creativity

3.1.1. Creative Services

Hill and Johnson (2003) introduced the term ‘applied creative services’ as ‘highly intangible, high-risk professional services, whose core is applied creativity’. They suggest that applied creative services describes the offering of advertising agencies, architectural design, professional writing, web-page design, video production, photography and other creative and design-oriented industries. In this thesis, the applied creative services of creative firms are considered in a business-to-business context. However, the same classification could be made in a consumer service setting for example portrait photography or home styling.

3.1.1.1. Primary Characteristics

The primary characteristics of applied creative services and creative firms are the ones in Hill and Johnson’s (2003) definition.

**Highly Intangible**

The core output of a creative firm can be described as an idea or concept which is highly intangible. Even though the visible or audible materials that are used to display a creative idea are usually tangible, the unique selling proposition that an applied creative service is offering is the idea itself. Rossiter and Percy (1997, in Hill and Johnson 2003) give an informal definition of the creative idea in the creative service of advertising as “the choice of an interesting way to express the brand position in advertising format”. They also give a formal definition: “An attention-getting and catalytically relevant representation of the brand position, generated in a form detailed enough to be executed and tested, and amenable to multiple executions”.

**High Risk**

The study of Hill and Johnson (2003) shows that applied creative service is seen as the business-to-business service with the highest risk of all examined categories (multimedia, information technology, management consultation, legal services and accounting). There are several factors that contribute to the high-risk nature of applied creative services of creative firms. One is the difficulty to evaluate the end product. A web-page design, a video production, a product design, an advertising concept and other creative services are difficult to evaluate how well it meets the objectives set out by the buyer – especially how much the investment is worth in monetary terms. This evaluation is very difficult to make when the service is purchased, but even after the creative service has been implemented it is difficult to estimate its value. Since the value in a creative product is its novelty itself, it is impossible to predict the exact value of it since it has never been done before.
Perceived risk in categories of business-to-business professional services

| 1. Advertising creative services |
| 2. Multimedia services |
| 3. Information technology services |
| 4. Management consultation services |
| 5. Architectural design services |
| 6. Legal services |
| 7. Accounting services |

**Table 1:** Hill and Johnson (2003) prove that advertising is risky business. The main reason for the difficulty to predict the outcome, and therefore value of creative services, is that the value lies in coming up with something that is never done before.

**Centrality of Creativity**

The study of Hill and Johnson (2003) shows that applied creative services has – not surprisingly - the highest perceived importance of creativity of all examined business-to-business service categories. Even though other services require some extent of creativity, it is not as central as in applied creative services, where it serves as the core benefit. This creativity is not employed for its own sake, but rather to serve another – usually commercial – purpose.

| 1. Advertising creative services |
| 2. Multimedia services |
| 3. Architectural design services |
| 4. Management consultation services |
| 5. Information technology services |
| 6. Legal services |
| 7. Accounting services |

**Table 2:** Maybe not surprising, but still important to prove, Hill and Johnson (2003) find that creativity is more important for advertising creative services than other business-to-business services

**3.1.1.2. Complementary Characteristics**

The complementary characteristics for applied creative services and creative firms can be connected to the primary ones. However, they are too significant for the nature of creative firms not to give them a separate space.

**High Credence**

The attribute of high credence is connected to the high-risk attribute defined by Hill & Johnson (2003). When a buyer of an applied creative service makes the decision of which firm to choose, this is done by:
a) Evaluating the success of the firm’s past creative services
b) Judging the firm’s industry reputation
c) Be directly convinced by the firm that they are competent enough to meet the objectives of the requested creative service.

**High Customization**

The services of a creative firm, are highly customized for the customer, since the value of a creative product is that it is original, following the definition of creativity (Mayer 1999). A consequence of this is that a great deal of judgement is carried out by the service provider, which in turn means that a creative service buyer needs to put a lot of trust in the creative firm.

**High Involvement**

An applied creative service will directly affect, define or shape the brand of the client organization, and the result is therefore of high importance. Given the high credence characteristic of an applied creative service provider, the creative firm is also likely to get highly involved in the result. This high involvement takes form not only in the purchasing decision, but even more in the complex interactive process between the creative firm and the client organization when working out the creative product (Hill & Johnson 2003).

### 3.1.2. Individual Creativity

Several models exist within psychology and organizational theory that describe individual’s skills, intelligence, creativity and other performance. In 1988, Teresa M. Amabile presented a study on organizational creativity and innovation that is frequently referred to in contexts of individual and organizational creativity. It is concluded that the most important aspect to take into consideration for organizations to maximize creativity and innovation, is the understanding of individuals’ creativity. Amabile’s study investigates what factors have a positive vs. negative effect on individual’s creativity, and the result is three major components that are necessary for individual creativity:

![Amabile's model of individual creativity](image)

**Fig 1**: Amabile’s model of individual creativity (1988). When the model was presented, the most revolutionary insight was that motivation was seen as such an integral part of creative ability.
1. Domain Skills

This includes factual knowledge, technical skills and special talent in the domain in question. This makes up an individual’s complete set of response possibilities, the larger the set, the more alternatives to choose from. For example, a creator needs to know the handicraft of design to be able to produce graphic form, and a project manager needs to be knowledgeable about markets, consumer behavior etc.

2. Creativity Skills

This is the ‘something extra’ of creative performance. If an individual is skilled in the domain, this might ensure that a task is carried out technically well. However, if lacking creative skills, the end result might never be more than just a completed task, which is not enough to for example create effective advertisement. Creative skills include the ability to take on new perspectives on problems, application of a heuristic approach to generate new ideas and the ability to temporarily put aside certain stubborn parts of a problem to focus on other aspects.

3. Intrinsic Motivation

This is the component that has been the least considered of the three as related to organizational creativity before Amabile (1988), however, it might be the most important. An individual’s intrinsic motivation towards a task includes two parts. Firstly, the person’s natural inclination to activities of that sort. Secondly, the individual’s perception of his or her reasons to undertake the task, which depends largely on external social and environmental factors. This second part is the easiest part of individual’s creativity to affect, as explained below.

3.1.3. Stimulating Organizational Creativity

To increase organizational creativity, the most important aspect is to focus on increasing individual’s creativity. To do this, one of the three domain skills, creative thinking skills or intrinsic motivation must be increased. Of these three, motivation is the easiest one to affect - in other words, the one that needs the least amount of time/money to boost. (Amabile 1998).

A good illustration of this is that people in advertising, often talk of their industry as the ‘funniest industry in the world’, the corporate culture in ad agencies is that work is fun and employees are passionate about what they do (Alvesson and Köping 1993). The fun, relaxed atmosphere is creating an environment that boosts individual’s intrinsic motivation.

Amabile (1998) brings forward six main managerial practices that affect the three aspects of individual creativity, to stimulate organizational creativity:

1. Challenge

One of the basic measures a manager can take to motivate employees to take on a problem is to simply match their knowledge with an appropriate task to complete. In other words, to create the ‘right’ challenge for them.

2. Freedom

Freedom is one of the fundamental factors that increase creativity. Giving freedom to individuals heighten their intrinsic motivation and sense of ownership. This does not mean that managers should give as little information as possible to creatives, on the other hand it might make the creative process easier to present the strategic goals and some contextual information. To give freedom to individuals allows them to choose how to use – and therefore maximize – their creative ability and expertise.

3. Resources
The most important resources for managers to consider to allow for creativity is time and money. Just like the practice of creating the 'right' challenge, allowing the right amount of time for a creative project is also about creating a fit. If allowing too little time, the creative team might not have enough time for the brainstorming, research, and trial-and-error activities that creative work requires. However, if time is limited in the right way, this pressure can create a sense of challenge that may boost the creative output.

4. Work-Group Features

The starting point for group creativity is diversity. When people with different expertise and creative thinking styles work together, ideas often combine and combust in new and useful ways. However, the team needs to have three more features: First, the members need to share excitement over the team’s goal. Second, members must show a willingness to help team mates through difficult periods and setbacks. Third, every member must recognize the unique knowledge and perspective that other members bring to the table. These factors enhance intrinsic motivation, creative thinking skills and expertise.

5. Supervisory Encouragement

This is probably the easiest and least resource-demanding way for managers to enhance intrinsic motivation and consequently creativity. In lots of organizations, however, managers on the other hand discourage creativity and new ideas because they think that a "boss" should have a critical view of things. The manager also needs to understand that the outcome of creative work is novel ideas, and that the value of these ideas cannot be guaranteed before they are tested commercially. Therefore new ideas need to be encouraged before they are executed.

6. Organizational Support

On the highest level, it is important that the organizational leaders and top management incorporate creative support in the organizational structure. For example, all three components of creativity can be enhanced by collaboration tools and information sharing in the organization. A positive atmosphere and a sense that co-employees enjoy their work will also boost motivation.

3.1.4. The Creative Process

In Hill and Johnson’s (2003) study of advertising agencies and architectural design services they state that: “The similarities in terms of the sequential process that clearly forms a major part of the performance of this service, are in fact quite striking”.

Amabile (1988) suggests a five-step process of creativity that works well to describe the process of applied creative services. Each stage in the process is related to one or several components of the individual creativity.

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1 In an applied services context – which this paper is concerned with – time is closely related to money because of the consultancy nature of creative agencies.
Stage 1: Task Presentation

The initial stage of the creative process begins with a presentation of the task. In a creative firm this would be referred to a brief, typically including background information and the goal of the project. Task motivation has important influence at this stage - if an individual is motivated, it is often enough to start the creative process.

Stage 2: Preparation

Before starting to generate possible actual solutions to the posed problem, individuals may carry out research in the domain to increase knowledge and understanding of the specific task. Previous experience in the domain will also be of great help to start generate relevant ideas. If an individual is experienced and skilled enough in the domain, this might lead to almost instantaneously progressing to the third stage.

Stage 3: Idea Generation

In the stage of idea generation, both creativity skills and intrinsic motivation play important roles. At this stage the main aim is to come up with novel ideas, which is the essence of creativity skills. If an individual is intrinsically motivated, it might add to the willingness to take risks with this particular task and to notice aspects that might not be obviously relevant to attain a solution.

Stage 4: Idea Validation

In the fourth stage, skills in the task domain are used to evaluate the idea(s) generated in the previous stage. The generated ideas are analysed and tested against the task presentation and the research and preparation carried out in the second stage. The definition of a creative product or idea is that it is original and useful – stage 3 comes up with novel ideas and stage 4 makes sure they are useful too.

Fig 2: Amabile’s model of the creative process for individual or small-group creativity (1988). The components of individual creativity are at the top, integrated into the 5-stage process.
Stage 5: Outcome assessment

After having tested the generated ideas against the original brief, one knows if the outcome is a) a success, in which case the process ends b) a failure, which means that there is no point in going on with this task at all c) in the right direction but not a good enough solution, in which case further work should be done and the process iterates from stage 1.

3.2. Strategy

3.2.1. Competitive Strategy

The concept of competitive strategy was initially presented by Porter (1985) as a model for companies to find a unique position in the marketplace. He introduced the framework of generic strategies to represent the three alternative positions in an industry: cost leadership, differentiation and focus:

1. Cost leadership is the positioning of a company that turns to the more price-sensitive segment of a market and delivers value through low-priced products.

2. The generic strategy of differentiation is when a company’s product is differentiated from competitors’ products in a way that creates higher value for the consumer. This value can be delivered by for example offering unique product features, a high-end brand image or by product accessibility.

3. The focus positioning can be either cost-based or differentiation-based, the point is that a focus-based company serves a specific customer group.

The generic strategies are still useful today to characterize strategic positions at its simplest and broadest level. However, Porter (1996) has further developed the framework and presents an activity-based approach to strategy. Competitive strategy is about being different than one’s competitors and activities are the basic units of competitive advantage. Every activity should be in line with the company’s overall strategy. A basic idea is that operational efficiency (OE) is not strategy. OE can be improved by methods that all have its share of recent management literature: Total Quality Management, benchmarking, time-based competition, outsourcing, reengineering, change management etc. Competing by improving OE is not enough to become an industry leader. In activity terms, OE competition is performing similar activities better than competitors, which leads to competitive convergence and results in zero-sum competition. To avoid this and attain a strategic positioning, a company needs to either perform different activities than rivals, or perform similar activities in a different way.

3.2.2. Creating New Market Space

Kim and Mauborgne (1999) suggest that if focusing too much on your competitors, you will limit yourself and end up competing head-to-head with small increments of improvements in quality or cost. Creating new market space requires a different pattern of strategic thinking to look outside of the accepted boundaries that define competition. For example, a company can look beyond the purchaser at a client firm and look at other influencers or end users of a product if other than the purchaser. Another way to create new market space is to offer complementary services around the core product to differentiate from competitors.

As a tool to look outside the standard boundaries of a market to create new market space and differentiate from competitors, Kim and Mauborgne present the value curve. The value curve is a graphic depiction of the way a company or an industry configures its offering to its clients. It is drawn by plotting the performance of the offering relative to other alternatives along the key success factors that define competition in the industry.
Fig 3: Kim and Mauborgne’s value curve (1999) is a straight-forward but powerful tool for companies in any industry to get an overview over the present competitive landscape, that can be used to realize where there is room for new market space to be created.

3.3. Chapter Summary

The term ’creativity’, and consequently ’applied creative services’, is seen as problematic to define in traditional research. By breaking down the concept of creative services into its characteristics of high intangibility, high risk, centrality of creativity, high credence, high customization and high involvement, the framework of applied creative services can be incorporated and applied into the analysis of the studied creative agencies.

The key operation of creative agencies is the creative process, and its different stages are directly affected by the different components of individual creativity: domain skills, creativity skills and intrinsic motivation. The key to stimulating organizational creativity, is to stimulate individual’s creativity, for which the easiest component to affect is an individual’s motivation, which can be done through the managerial practices of challenge, freedom, resources, workgroup features, supervisory encouragement and organizational support.

Competitive strategy is a widely accepted model that presents three generic strategies to find a unique position in an industry: cost leadership, differentiation and focus, where the latter can be either cost- or differentiation-based. A more developed model bases competitive advantage on the specific activities carried out by companies within an industry, and states that operational efficiency is not enough to become an industry leader. Another tool to look beyond the standard boundaries to create new market space for oneself in a market is the value curve.
4. Method

In any research project, it is not only the end result that matter, but the method to come to those results may be at least as important. The method will partly dictate the nature, format and inclination of the result and consequently the conclusion. However, if bearing the method of a research project in mind, this gives a context for the conclusion that should increase the clarity and understanding thereof.

4.1. Validity and Reliability

4.1.1. Validity

To achieve valid results, the key is to keep the aim, purpose and research question(s) of the study in mind throughout all phases of the project. The first step for maximizing validity in this thesis has been to specifically define key terms like creative agency, leading agencies and success factors, to be able to compare with this throughout the rest of the study. Next step has been to formulate a valid theoretical framework, given the research question and definitions, that best help answer the main question ‘What are the key success factors for creative agencies?’ and the supporting questions. The interviewees have been selected on the basis that they are thought to be the individuals that can provide the most relevant – and valid – input to help to answer these questions within the limitations of the project. The interview guide has been designed to correspond to the aim, purpose and research question(s), as well as the guidance and questions given during the course of the interview.

4.1.2. Reliability

The reliability of a study is a result of how accurately and objectively each part of it is carried out. Reliability is important to take into consideration in the empiric stage, which for this study consists of interviews. The reliability for this thesis could be increased for example by increasing the number of interviews carried out, to reduce the possibility of getting similar results because of chance, rather than it being a true similarity for successful firms. Another measure to increase reliability of results, would be to let a number of different people carry out the interviews. This would reduce the bias and subjectivity of a single researcher who might pose questions, and interpret answers, in a way that unconsciously inclines results one way or the other. The same reasoning goes for the interpretation of the attained results, and reliability is always a bigger issue in a qualitative study than an quantitative one. To maximize reliability, time and/or budget needs to be increased, and because of the limitations of this project the above measures have been unable to carry out. This will be further discussed under chapter 8. Discussion.

4.2. Case study

4.2.1. Methodology

The case study method is generally a way of doing social science research, other ways include experiments, surveys, multiple histories and analysis of archival information. The case study is a common research strategy for organizational and management studies (Yin 1994). Rather than using large samples and following a rigid protocol to examine a limited number of variables, the case study method involves an in-depth, longitudinal examination of a single instance or event: A case. As a result, the researcher may gain a sharpened understanding of why the instance
happened as it did, and what might become important to look at more extensively in future research. According to Yin (1994), the preferred strategy when “how” or “why” questions are being posed is case studies. This method of research is also particularly useful when the investigator has little control over events, and when the focus is on a contemporary phenomenon within some real-life context. These criteria fit well into the research questions of this report which is why the case study approach has been chosen as research method.

4.2.2. Selection of Cases

To select the most relevant cases to be studied, the report “Agency of the Year”\(^2\) from the research institute REGI (2006) has been used (See Appendix A). The annual report is Sweden’s major study of the advertising and communication consultancy industry. Firms are ranked in categories like ‘advertising agency of the year’, ‘event agency of the year’, ‘strategic agency of the year’ and so forth. Since this thesis is focusing on creative firms where creativity is the most important factor (El-Murad and West 2003, 2004 & REGI 2006), the category “creatives of the year” is the most relevant one. This point can be further supported by looking on the overall ranking of these five agencies, where the agencies are found in positions 2, 4, 5 and 6 in the category “advertising agency of the year”, position 2 in the category “web agency of the year” and position 1 in “agency of the year” (See Appendix B).

The study is based on surveys from all clients, where they give their agencies points in a number of categories and disciplines. In the category ‘creatives of the year’, the agencies were judged on the following parameters:

1. **Creativity – color, form & graphics.** This is a classic perception of creativity, and corresponds to the role of an art director

2. **Creativity – project management.** This is the creativity in relating the advertising idea and strategy to what’s best for the client’s business, and corresponds to the role of a project manager.

3. **Creativity – Ability to express oneself in words.** This is the ability to communicate an advertising idea in words, and corresponds to the role of a copywriter.

The three parameters corresponds to the roles of a typical team at a creative firm.

4.2.3. Cases

The ranking ‘creatives of the year’ that was published by REGI showed the top five creative firms in Sweden. These firms are:

<table>
<thead>
<tr>
<th>Ranking of Sweden’s most creative agencies</th>
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<tbody>
<tr>
<td>1. Forsman &amp; Bodenfors</td>
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<tr>
<td>2. SWE</td>
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<tr>
<td>3. Lundberg &amp; Co</td>
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<tr>
<td>4. Åkestam Holst</td>
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<tr>
<td>5. Daddy</td>
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</tbody>
</table>

\(^2\) “Årets Bästa Byrå” in Swedish
Table 3: In the report “Agency of the Year” (REGI 2006), the category “Creatives of the year” ranks Sweden’s most creative agencies. All of these agencies are in the top 6 of the overall rating, which says something about the importance of creativity for advertising services.

The information about agency income and the number of employees below comes directly from the interviewees and not from an official, neutral source. Therefore these values are not guaranteed to be correct but should rather be seen as an approximation.

4.2.3.1. Forsman & Bodenfors
Profile: Forsman & Bodenfors is considered to be the industry leader and is one of Sweden’s biggest advertising agencies when it comes to number of employees, turnover, and client brands. They have been around for over 20 years which is a long time in advertising, but despite their ‘old-timer’ history they are the most awarded web agency in Europe. Many of their clients are Swedish industry leaders.

Clients: Arla, Volvo, Abba, Libero, Tele 2 / Comviq, Systembolaget, SVT, Swedish Radio, Statoil, IKEA, Apoteket, Ving, Nikon and more.

Founded: 1986
Headquarter: Kyrkogatan 48, Gothenburg.
Number of employees: 22 in Sthlm office, ca 120 total
Agency Income 2005: 125 Million SEK
A.I. per employee 2005: 1.0 M

4.2.3.2. SWE
Profile: SWE Communication is a traditional advertising agency that holds a strong strategic focus and believes in a stronger leadership than the usual creative agency. Even though they have been relatively late with integrating web in their media mix, they have been successful partly thanks to close client relations and a strong focus on results. Most of their clients are from the service sector.

Clients: Toyota, Eurocard, SAS, Expressen, On Off, Folksam, Vasakronan and more

Founded: 1997
Headquarter: Sergels Torg 12, Stockholm
Number of employees: 24-25
Agency Income: 34-35 Million SEK
A.I. per employee: 1.4 M

4.2.3.3. Lundberg & Co
Profile: Lundberg & Co is a small agency positioned at a distance from the usual Stockholm agencies – both geographically and philosophically. The founding copywriter Tommy Lundberg is seen as a key to their success, however, every employee makes a big difference in such a small agency. Almost half of all employees are partners. Clients include major trade organizations, as well as leading business-to-consumer and business-to-business brands.

Client: Sia Glass, Danske Bank, Exportrådet, Turtle Wax, Företagarna, OMX
Headquarter: Gävle, 80 minutes from Stockholm, office located in the central station.
Founded: 1993
Number of employees: 13
Agency Income 2005: 11 Million SEK
A.I. per employee 2005: 1.1 M (with 10 employees)

4.2.3.4. Åkestam Holst
Profile: Åkestam Holst is consistently ranked as one of Sweden’s absolute top agencies. They are an agency that really want to stress their integrative approach and are known for taking on small local accounts, as well as handling global accounts like Puma Football.
Clients: AstraZeneca, ATG, Loka, NEC, Puma, Posten, SBAB, Pause, Beckers, Viking Line, Alvedon and more
Headquarter: Kungsgatan 5, Stockholm
Founded: 1998
Number of employed: Ca 48 (66-67 with spin off firms)
Agency Income 2005: 61 Million SEK
A.I. per employee 2005: 1.3 M

4.2.3.5. Daddy
Profile: Daddy is a web agency and youngest of the studied agencies, both in age, attitude and media focus. They are among Europe’s most awarded web firms and have a strong technology/web drive through the whole organization, from management to floor. A majority of clients are consumer goods brands, which are generally suitable for on-line campaign sites.
Clients: Heinz, Volkswagen, Red Bull, Telia, Doritos, Carlsberg, Scania, Absolut, IKEA and more
Headquarter: Vallgatan 36 in Gothenburg.
Founded: 2000
Employed: 18
Agency Income 2005: 11
Income per employee 2005: 0.6 M

4.2.3.6. Location
All offices of the creative firms are located in the very center of the city they reside in. The three Stockholm offices are located within a radius of 300 m from each other, the Gothenburg offices within 200 m and Lundberg & Co in Gävle is located inside the central station in Gävle.
4.3. Qualitative Research

4.3.1. Qualitative and Quantitative Research

Qualitative research is one of the two major approaches to research methodology in social sciences and other fields, such as management and organization studies. Qualitative studies involve acquiring an in-depth understanding of the studied field, and unlike quantitative studies, it relies on reasons behind various aspects of behaviour. One can generally say that a qualitative approach investigates questions of the type why and how, and quantitative research what, where and when. Consequently, a qualitative approach needs smaller but more focused and relevant samples (or cases), rather than the larger set of random samples needed in quantitative research. Since this thesis is concerned with an in-depth study of why and how leading agencies have become successful, a qualitative approach is preferable.

4.3.2. Interview Methodology

The objective with this paper is to find the key factors that has lead to the success of the studied firms. It is a rather broad question, and to come to a conclusion one could also take a very broad approach and look into all the companies’ major operations, management, financial figures, competence, reputation, human resources, discussions and more. However, studying all of these areas is neither feasible within this thesis nor a very efficient approach. In this paper, the decision has been taken to focus on the individuals that are the most knowledgable about the firms’ history and how they operate today: The founders, alternatively a CEO or another senior partner.

The chosen qualitative method to maximize valuable input to answer the main research question, is the semi-structured interview (Cohen, Manion and Morrissom 2000). All interviews have been following the same interview guide (See Appendix C). However, the course of each interview has been flexible and allowed the interviewees to go into discussions about themes that they for example think have been particularly important for the firm’s success.

As stated, It was preferrable to interview one of the founders of each firm. If that has not been not possible to arrange, an active partner working as CEO or other top management has been

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3 Even though the main research question of this paper is "what are the key success factors for creative agencies", the real aim is to investigate how and why these agencies have become successful.
interviewed. To get a background of the industry as a whole and the REGI study, the project manager of the REGI study in particular, Mikael Kärrlander, was interviewed.

4.3.3. Interviews

4.3.3.1. Research company: REGI
Interviewee: Mikael Kärrlander, Project Manager of the REGI study
Date: 24 April 2006
Location: Telephone interview.

4.3.3.2. Advertising agency: Forsman & Bodenfors
Interviewee: Stefan Rudels, Head of Stockholm office and senior project manager.
Date: 26 April 2006
Location: Forsman & Bodenfors Stockholm office.

4.3.3.3. Advertising agency: SWE
Interviewee: Ulf Enander, co-founder and CEO.
Date: 8 May 2006
Location: SWE office in Stockholm.

4.3.3.4. Advertising agency: Lundberg & Co
Interviewee: Tom Nilson, creative director and CEO. With Lundberg & Co since 2002, CEO since 2004.
In Advertising since quitting school (‘gymnasium’) and have been with numerous agencies since, in Sweden and abroad.
Date: 25 April 2006
Location: Lundberg & Co head office in Gävle.

4.3.3.5. Advertising agency: Åkestam Holst
Interviewee: Göran Åkestam, co-founder, CEO and main partner, copywriter since 1975, still works as copywriter with clients.
Date: 27 April 2006
Location: Åkestam Holst office, Stockholm.

4.3.3.6. Web agency: Daddy
Interviewee: Gustav Martner, co-founder and creative partner.
Date: 5 May 2006
Location: Telephone interview.
4.4. Chapter Summary

A research question of the broad sort as "what are the key success factors for creative agencies?" justifies the choice to go for a qualitative approach. The chosen research methodology is a case study of Sweden’s leading creative agencies, selected on the base of the category 'creatives of the year' in REGI’s study "Agency of the Year". To maximize input from the agencies, in-depth, semi-structured interviews have been conducted with the founders, alternatively the CEO or another senior partner.
5. Results

In this chapter, the results from the interviews are presented, not in a chronological order of the interviews, but rather categorized into themes relating to the problem formulation of the thesis. The themes have often been brought up by the interviewees themselves when explaining or describing some other subject. Only the quotes that best illustrate the particular theme have been recited.

5.1. Internal Factors

5.1.1. Leadership

5.1.1.1. The role of the Project Manager

There are two main domains that the Project Manager should be strong in:

1. **Strategy/Marketing.** The PM should be able to understand the client’s market and work as a market advisor, do research about the client’s market situation, have an overall picture of the campaign and the world around it.

   "The dream picture of a PM is a heavy strategist that can take the marketing manager or CEO in the hand, lead them through the process and make them feel secure." (Åkestam Holst)

2. **Creativity.** The PM should be able to be ‘in’ the creative process, come with suggestions for creative solutions, research what has been done, and work in the creative team together with an Art Director and a Copywriter.

   "... on the other hand there are also PMs that lie towards the creative side and have a passion for that, and you have a sliding scale between these two" (Åkestam Holst)

   "For everyone at the company, good ideas are a turn-on, even Project Managers and Production Leaders etc., which is important." (Lundberg & co)

The balance between the two are summarized by Stefan Rudels:

"He should be both ‘in’ and ‘out’ of the creative process. If he’s in too much, he may lose the overall picture and the consistency with the strategic goals of the campaign."

(Forsman & Bodenfors)

5.1.1.2. Agency Leadership

*The agency is managed by creators.* All creative firms in this study are totally or partially run by creators in top management. This has both external and internal effect, and shapes the whole organization and its culture with a creative focus.

"Titles like CEO and that kind of stuff is very uninteresting for us." (Forsman & Bodenfors)

"An ad agency is defined very much by its top management, and if the top management has a strong creative focus, that gives the co-workers that come in support, help, and pushes everyone in the right direction, then these individuals will perform better creatively." (Daddy)

"I am a creator and CEO […] which sends signals internally and externally" (Åkestam Holst)

5.1.1.3. Partner Structure

The partner structure of creative firms is probably discussed more than in other industries, and two distinguished characteristics apply to the studied firms:
1. **Widely distributed and democratic ownership.** ‘What people say’ in the ad industry, is that a successful agency should have a widely distributed ownership. All partners at all firms are active in the daily work as CEO, Creative Director, Copywriters, Art Directors or Project Managers. The firm SWE disagreed on this, however their ownership is almost as democratic as the others as will be seen under analysis.

“We have a backbone of 23 partners that own this company with equal shares. Extremely important to us […] All partners are active in the daily practical work.” (Forsman & Bodenfors)

“I have the largest share, which is 25%, the other partners are project managers, copys and ADs. In our agreement, it is written down that a majority may any day kick me out if they don’t think I’m doing a good job.”

(Åkestam Holst)

“We are six partners with equal shares. This is important, no one is more important than the other and the owners are mainly creators, which also is important since we have a creative focus”

(Lundberg & co)

“We do not think – as apart from for example Forsman & Bodenfors that have 30-40 something partners – that an agency needs to have a widely distributed ownership. […] However, employees might need to take part of what they accomplish with bonuses or alike.”

(SWE)

2. **Private and local ownership.** One interesting thing is that none of the firms in the creativity category on the REGI toplist are internationally held. Criticism was expressed both towards international and public ownership for two reasons: a) This type of control limits creativity of the firm since too creative ideas would be seen as too risky. b) Sometimes irrational decisions are the best ones to take, but this cannot be justified if the firm is internationally or publicly held.

“It is interesting, really, that the international networks do not succeed, incredibly interesting. Is it actually impossible to run a qualitative agency that is internationally held?” (SWE)

“In the recession around 2001 […] we were - just like many others - over-staffed during that period. It was rough for us but we choosed not to dismiss any employees at all. If we would have been owned internationally, I’m sure that the directives would have been to fire people […] I think that this was something that tied our team together and was very important for our culture”

(Åkestam Holst)

*Note: When clicking the eject-button on the homepage of Lundberg & Co, one ends up on the homepage of the Swedish Ogilvy office, Tom Nilson’s comment:*

“Ogilvy is the opposite of us – big agency, international network and not so creative in our eyes – that’s why you end up there if you don’t want to stay with us and click eject.” (Lundberg & co)

<table>
<thead>
<tr>
<th><strong>Partner Structure of the Creative Firms</strong></th>
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<tbody>
<tr>
<td>Forsman &amp; Bodenfors</td>
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<tr>
<td>SWE</td>
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<tr>
<td>Åkestam Holst</td>
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<tr>
<td>Daddy</td>
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<tr>
<td>Lundberg &amp; Co</td>
</tr>
</tbody>
</table>

*Table 4: The partner structure may seem to differ between agencies, but when looking at the number of partners to number of employees ratio they are quite similar – see more under analysis*

4 www.lundberg-co.se
5.1.2. Corporate Culture

The firms’ management prioritize to create a strong, democratic corporate culture. The importance of having ‘the right’ culture at the creative firm is pointed out by all agencies. For example, a strong team spirit is prioritized over short term profit. Individuals have to be moulded into the right culture to benefit the collective in the best way, and the culture has to have the right role-models and promote creativity to get the most out of individuals. Awards should not be showed off too much, instead one should look forward to create new good work. Individuals should not take pride in getting their own ideas through, but instead help each other and give feedback and support. Two firms talked about the recession, and that it was important for the solidarity at the firm that they did not fire any staff but instead collectively cut wages for a period.

The advertising industry is seen as very individual-focused and it was stated that individuals’ talent and hard work play a very big role. However, individuals skills and creativity can only come out in the right culture.

“… yes there are creative individuals - but one has to give them the right conditions. And this is often the big problem, in my view. For example, before Daddy was founded, Björn [another founder] and I worked together at another agency. And we produced nothing but crap. […] But now we are among the most awarded web creators in Sweden and are in a good position at the European top. The reason for this is not that we drank a miracle potion on new years eve 2000, it has got to do with that we gave ourselves a new platform to work on. […]” (Daddy)

“In the recession around 2001 […] we were - just like many others - over-staffed during that period. It was rough for us but we chose not to dismiss any employees at all […] we made a deal with all employees that everyone would lower their wages by 10-15%, while all partners cut their wages by half during six months. I think that this was something that tied our team together and was very important for our culture.” (Åkestam Holst)

“Nothing leaves the house before it has been put out on the floor and everyone in the office have had the opportunity to give feedback, comments and suggestions. The collective is extremely important to us. […] Individuals get pep from other individuals when they see each other’s work. There is no internal competition, only internal peppeing” (Forsman & Bodenfors)

5.2. External Factors

External factors include the first points of contact that clients and markets have with the firm, like branding, PR, the offering of the firm, pricing and the way clients are attained. It also includes client relations.

5.2.1. The Positioning of the Firm

All firms have a unique market position. Following the general theory of competitive strategy, it is expected that successful companies hold a unique position in the market. And even though this theory was not made for these type of firms, they all have a more or less unique differentiating position.

“We are really really good at digital marketing. But to be really good at digital marketing, you have to be really good at regular marketing […] Ad agencies respect our knowledge, but we are experts at the digital. If we are only expert at the digital, and do not show confidence when it comes to basic advertising discussions, we would probably not be able to be the complementary resource that we are” (Daddy)

“We say that we are ‘80 minutes from Stockholm, light-years from Stureplan’, we have another perspective on things from our location […] Because of our location we are underdogs. If we open up other offices in another country, we would probably not locate the office in the capital but a bit outside of the capital. […] Other bigger agencies may recommend us if they get a request from a client that would better suit a smaller agency” (Lundberg & co)
"We are traditionally strong at positioning work and brand communication, combined with a strong focus on results. We win a lot of awards based on results. […] I also think that we are positioned as a high-quality choice […] We have just happened to be working with a lot with services and capital goods, not so much fast moving so far.”  
(SWE)

"We are good at working totally channel-integrated and idea-driven […] Known and recognized for being able to take on smaller assignments”  
(Åkestam Holst)

5.2.2. The Offering of the Firm

The creative firms generally offer services in two main categories:

1. **Creative Services.** This includes the creation of new and innovative ideas or concepts of how to market the client firm. Could also be referred to as creativity or market communication

2. **Strategy.** All the firms clearly point out that they also offer services that include market and strategy knowledge. This kind of work may include formulating a communications strategy, building a brand platform or understanding the client’s business. It is required to carry out before the creative work can begin. Sometimes this work has been done when the client comes to the firm, either by the client firm or another consultancy.

“Communication is always the end product of our offering. Various amounts of work with analysis, strategy, brand platform etc. needs to be carried out first”  
(Lundberg & co)

“Our offering is both communication strategy and creativity. What is visible from outside, is the creativity […] Behind this there is quite some solid strategy.”  
(SWE)

5.2.3. Selection of Clients and Projects

The major aspects that are considered before the firms decide if they want to work with a new client are:

1. **Moral aspects.** Is this a product that the firm can stand behind?

2. **Match.** Do the assignment and the client suit the firm?

3. **Fun.** Will this be fun to work with?

Time is also mentioned as a factor by one firm, while no firm mentioned money as a motivator.

A general rule that all firms follow is that creative firms can only work with one brand in every industry. This is an agreement within the advertising industry that exists to avoid internal competition between client firms and because creative firms work with clients’ business secrets.

5.2.4. Pricing Model

*Longer contracts are preferred over hourly fees.* The starting point for consultant work is to charge by the hour, since what is sold is essentially time. However, the creative firms prefer to work with other pricing models if possible, to reduce administration and give a calmer platform for work. Also, if pricing projects by estimating hours, the result is often to work more hours than estimated.

“Price depends on many factors, like: How big is the total media budget? How much did the client pay their former agency? How complex is the mission? How many markets is this for? We compare with other similar assignments […] Some place in the back we have an hourly fee, but that is absolutely not the main thing.”  
(Forsman & Bodenfors)

“Customers appreciate that we are very easy to deal with, there is no hassle with economy, counting number of hours”  
(Forsman & Bodenfors)
"In the worst case we might have to put twice as much time into a project than approximated, with no extra pay.” (Lundberg & co)

"Now we have a few clients with set yearly fees. Otherwise it is often per campaign or per quarter. It used to be that the agencies made money in percent of the clients total media spending. For example, if you had 10% of a 50 million budget, we know we’ll get 5 million and I could staff for that. So that I could continually plan for x number of persons that can work with this. This gave another calm, which might have been good.” (SWE)

5.2.5. Client Relations

Important with long-term client relationships. This is not a question that has been directly posed, but several interviewees have pointed out the importance of long customer relationships in other contexts. It is mentioned that client organizations sometimes make the mistakes of being too fond of getting things done too fast, which might result in that the best solution is not found.

"Employees stay very long here, which has a positive effect on the team but also on relations in the bigger perspective. Relationships to clients for example. [...] We are a team and not a collection of individuals, which make clients feel secure.” (Lundberg & co)

"[...] Working this way makes customers want to continue work with us, and long customer relations makes everything easier.” (Lundberg & co)

"[...] we present a concept that should be able to live for a number of years. [...] We usually present it in stages, first you show the first year’s idea, then the second year and then what will happen year three.” (SWE)

"[If working long-term with clients] you might learn more about the competition arena, what resources are demanded to obtain effect, the positioning might be more and more clear. Because of the feedback from the client, we learn more and more. And with almost all clients, we start to really get on the track year two and year three, not year one.” (SWE)

5.3. Creativity

5.3.1. Views on the term ‘Creativity’

No common definition for the construct of creativity was given. It was said that creativity is a complex and over-used term and that it has to do with coming up with something new. The interviewees had sometimes difficulties to define creativity and often their reasoning lead into talking about some other, more concrete matter.

"We never speak in terms of creativity here, we speak in terms of good or bad advertisement.” (Forsman & Bodenfors)

"Creativity is a very fuzzy word” (Daddy)

"All people are creative in one way or another” (Forsman & Bodenfors)

"The basic idea is to sell or build a brand to create buying incentives. And it has shown that since there are always competition, creativity is important to position oneself and do something that competitors are unable to do. To create a sellable difference [...]” (Daddy)

"Creativity could be said to be about breaking borders [...] A lot of what we do is good because of the actual handicraft and skills, which could not be called creative in the strict sense” (Daddy)

"[Creativity is the] ability to transform ideas that companies have, into something bigger than what they are when expressed as an idea, taking them down to an exciting reality for the consumers [...] Sometimes the result is just illustrated strategies, but sometimes a creator has lifted the commercial idea to something bigger and it becomes just – Wow!” (SWE)

"What we do, is to - through creativity – find new ways to accomplish the same thing, namely make money for our clients” (Daddy)
5.3.2. The Relationship between Creativity and Freedom

A controlled environment is seen to have a negative effect on creativity. The firms were not asked directly about creativity’s relationship to freedom/control, but they made some comments on the subject. The most common was that it is problematic for creativity – and therefore success – to be owned internationally, both for the firm and the client. The result of this harder control is a reduced propensity of more creative solutions.

“When choosing a client, it is important that they are not too firmly controlled, for example internationally” (Åkestam Holst)

5.3.3. The Creative Individual

The subject of the creative individual arose several times in general discussions, and interviewees were also asked specifically to comment on what makes an individual outstandingly creative. A number of things were mentioned by majority of firms:

1. *Passion, motivation and talent is essential for successful creators.* Talent, motivation and experience are all important abilities of the creative individual, however, motivation and talent might be enough for a newcomer to break through – if the firm recognizes his/her ability and puts him/her on the right assignments. The creative individual was described as a sensitive individual, in the sense that one cannot criticise his/her work straight out, but has to sit down and reason. One has to give constructive criticism, otherwise his/hers creativity will be ‘killed’.

“I believe very much in passion, I believe in these people’s way of understanding things. […] I could never present a brief in 40 Powerpoint images [to a creator]. That’s absolutely the most effective way to take the passion away. Nothing grows out of that […] You can kill an individual in two minutes, who only sees obstacles, problems and never breaks through with an idea again. When criticizing, you have to do this constructively” (SWE)

“Motivation and talent is enough for many newcomers in advertisement to break through early, even though they lack experience. However, in those cases, their agency have recognized their ability and put them on the right jobs” (Åkestam Holst)

2. *Creativity often conflicts with the business objectives of creative firms.* It was said that it may not be obvious for all creators that the end product of their work need to have a strong business focus, this can sometimes be problematic, but maybe there’s a point with it, since they would be more limited otherwise.

“For PMs that often have a business background, this is quite obvious. But when creators come here it might not be that obvious, and maybe it shouldn’t be. They are more seeking to think in creative ways, reformulate an idea to a visual solution, creative solution. They might not think money and profit, anyway, they have to learn to live with it and understand that we have to take away ideas that are not on the right track, no matter how good they are creatively.” (SWE)

5.3.4. The Creative Process

5.3.4.1. Task Presentation and the Project Team

*Project teams should be made up of diverse individuals.* The aspect that most firms mentioned as important in putting the project team together was that it’s preferable to form a diverse team in terms of age, gender, skills, experiences and thinking styles. Also it was mentioned that the creative firms try to put people in a team based on how well they match the project and consideration may be taken to who thinks a project seems fun to work with. In all firms the core of every team is one art director, one copywriter and one project manager, no firm said they worked with set teams, while three said that they mixed teams all the time.

“We believe in diversity when it comes to age and gender” (SWE)
"My experience is that the best results come out of AD/copy teams when they are not too alike. For example, one person may produce lots of ideas and the other person is better at evaluating these ideas."  
(Åkestam Holst)

### 5.3.4.2. Preparation

In the stage preparing for idea generation, the ad agencies sit down and discuss the client’s situation in a larger perspective. There are two important parts of the preparing work that needs to be carried out:

2. **Get a good understanding of the client’s business, situation and market.** The agency tries to understand the client’s business, its market situation, and define the problems that should be solved with advertising.

   "[we] look at the client company’s business and try to understand it. We present a number of hypotheses to the client: ‘May the case be that…?’ ‘is it possible that…?’ to discuss the client’s situation”  
   (Forsman & Bodenfors)

   “Often there is a brief, but there are a lot of information unwritten and written between the lines. We need to interpret their understanding of the problem, and that’s where we contribute a dimension with our market knowledge”  
   (SWE)

3. **Set up clear goals for the project.** It is important to set up clear goals for a campaign, what the client wants to attain and why.

   "An unsuccessful project is often the result of an unclear goal description”  
   (Daddy)

   "First we ask clients lots of questions: Why do you want to advertise? What are your goals? […] You need to define the right problems in the right way, which will in turn start the creative process […] Questions lead to problems, that lead to answers”  
   (Lundberg & co)

### 5.3.4.3. Idea Generation

**Idea generation is highly dependent on the involved individuals’ creative ability.** The creative process, the phase where the actual idea generation takes place, was described as sensible, difficult, complex and that people have different ways of going through it. The success of this stage is very dependent on the individual’s creativity.

"
[...] because it is a difficult process. You can kill an individual in two minutes”  
   (SWE)

"The Creative Process is a very complex process that is difficult to understand. Not even brain researchers have understood how that works.”  
   (Åkestam Holst)

"People work very differently in the creative process, some can fill rooms with different sketches, ideas and concepts while others carry out that process in the mind and writes down one sentence on a piece of paper and that’s it.”  
   (Åkestam Holst)

### 5.3.4.4. How Clients are involved

**Clients should be involved to a large extent throughout the creative process.** The creative firms want to work very close to clients and strive to involve them in the creative process, rather than making a big uncovering the last day. This is done through brand workshops, regular feedback on sketches and ideas, a continuous dialogue and an overall open process. Several reasons for involving clients were presented:

1. To create communication that truly springs from the client brand
2. To make sure the project team is on the right track for economic reasons
3. To make them understand the complex nature and unpredictability of the creative process.
4. The rapid change in today’s business climate can make an idea that was relevant yesterday into one that is relevant today.
“From the day this agency was founded, the dialogue with the client has been our most important instrument” (SWE)

“It’s very important to work together with the client firm, especially given the rapid changes in today’s business climate” (Lundberg & co)

5.3.4.5. Presentation

Some firms make an effort to make final presentations spectacular, especially for new clients. On the final presentations of the campaign idea, both a strategic background and a communication concept is presented. If it’s a new client, the creative firms are making a bigger effort for the final presentation to make things feel a bit more special, than for ‘old’ clients. The web agency Daddy says that they often send presentations via e-mail and have telephone conferences to save time. They also state that after having become too comfortable with not doing big presentations, the client relation might eventually become bored and the client looks for a new agency.

“We’re doing quite some preparations for final presentations. Especially if it’s a new customer, it should feel a bit like christmas day.” (Lundberg & co)

“The first big campaign we do for a client, we present the idea physically. However, for clients that we have had for several years, we tend to send presentations via e-mail and have a telephone conference to win time” (Daddy)

5.3.4.6. Outcome and Reason for Failure

No common reason for failing projects was given, except that it can be caused by a lot of things.

“Failure may be the result of 1001 reasons, for example the message that the client wants to communicate may just not be sharp enough” (Forsman & Bodenfors)

“An unsuccessful project is often the result of an unclear goal description” (Daddy)

Can unsuccessful projects be because of too little time/money?

“I don’t think so. Honestly, we always put down the time we need, whether we are paid for it or not. Sometimes we solve the problem quicker than estimated, so it evens out. Time is not the problem.” (SWE)

5.3.5. The Motivation for Creative Work

Passion and fun are more important factors than money to create good creative work. Most of the firms talk about their work and creativity in terms of passion and fun. They say that there has to be passion in order to create good advertisment. Most of the firms also state that it has to be fun to work and money is never mentioned as a motivator to work. See more on this below under 5.4.6.

“Everyone here know about successful international campaigns and are so dedicated and passionate about creativity. It’s our employees daily – and nightly – life, the hunt for the big, strong advertising ideas.” (Åkestam Holst)

“Sometimes I think that we get better people into the advertising profession in an economic recession, then they really come here for the right reason – because they are passionate for this job […] Successful agencies have a lot of people that are in the business for the right reasons.” (Åkestam Holst)

“Staffan Forsman at 60 years of age is still one of Sweden’s best Art Directors and is still working because he enjoys it. He could of course retire, but continues because he thinks this is so incredibly fun.” (Forsman & Bodenfors)

Money has never been the main interest of the F&B partners. It is not enough - and it has been tried by international networks - to come with a bag of money to try to buy F&B. If you cannot explain to all of us how we would get a more fun and pleasurable job, nothing would happen. And so far, no one has been able to explain this to us.” (Forsman & Bodenfors)
5.4. Strategy

This section takes up factors that were explicitly stated by interviewees to have differentiated the agency from competition. It could either be through a general competitive advantage (Porter 1985), or specific activities that were performed differently than competitors, alternatively that the agency performed different activities than competitors (Porter 1996). Every sub-heading in this section is a differentiator mentioned by the firm itself, either following a direct question or that came up in another context.

5.4.1. A Strong Corporate Culture

All firms mentioned the importance of corporate culture. There has to be the ‘right’ culture at the firm to make creators reach their full potential. A feeling of togetherness and willingness to help co-workers is important. To get the most out of every individual, everyone should help each other instead of competing with each other. It was also said that a culturally important thing that tied the firm’s team together was that instead of firing staff during the recession, the wages were collectively lowered for a period, the partners cut a larger share of their wages than employees.

“\[We have a number of extremely talented people here, who all have been acknowledged for what they do. Therefore there are no big egos here, which means that people are not eager to get their own ideas through, but rather listens to other people to produce what’s best for the consumer.\]”

(Forsman & Bodenfors)

5.4.2. A Firm’s Clients Match the Firm itself

Most of the firms mentioned the importance of a good match between the client company and the agency. The importance of match on a personal level was also pointed out. It was said that if you want to run a successful agency, one has to ignore to take in clients because of money and instead engage in clients that suit the creative firm well.

“\[It is important to] engage in the clients that we think would suit us well. Usually, companies take in clients because they generate money, this has to be ignored if you want to run a good agency.”

(SWE)

“\[When putting teams together\] we try to match the client’s personalities to create a good person chemistry”

(Åkestam Holst)

5.4.3. The Importance of Skilled Individuals

All the interviewed creative firms stressed the importance of skilled individuals for a creative firm, which was brought up as a key factor for success for most of them. This was expressed in a number of ways:

1. All firms talk about individual talent as a factor for success.

“\[The founders have been extremely good at recruiting the right people and moulding them into the right culture.\]”

(Forsman & Bodenfors)

“\[We have a number of extremely talented people here, who all have been acknowledged for what they do. Therefore there are no big egos here, which means that people are not eager to get their own ideas through, but rather listens to other people to produce what’s best for the consumer.\]”

(Forsman & Bodenfors)

“\[The combination of our culture of dedication to always try to find the best solution with the amount of talent in this house [...]\]”

(Forsman & Bodenfors)

“\[Take a banner for example, there are many firms that produce a banner that is not so much fun, while we manage to squeeze an interactive experience into the banner that other’s don’t succeed in doing because we have sharper creators and programmers\]”

(Daddy)
"The founders have been extremely good at recruiting the right people and moulding them into the right culture.” (Forsman & Bodenfors)

"It’s very difficult to say why some agencies succeed and others don’t. It might be so simple that what it is all about is talent and hard work.” (Åkestam Holst)

"It is a very individual-focused industry” (SWE)

2. **Successful firms should collect on talanted individuals, instead of only hiring when there is a vacancy.**

"We collect on skilled individuals, actually. […] we bring them in even if we don’t really have the need for more staff. When you feel a skilled person that you think fits into the culture, you should recruit, collect this kind of people, make sure they enjoy their situation” (SWE)

3. **It’s important for firms to take good care of employees, since they are not easily replaced**

"[…] we said that we will treat our employees very good, with extra pension, health care etc. to give us a peaceful working environment. Also, our employees can decide for themselves if they want to work 50%, 75%, 100%, everyone takes their own responsibility, they can take time off for child care how long time they want, we send home the dads one month before they actually become, and lots of other things like this that help create energy. Energy is important, one has to understand what gives energy and what takes energy.” (SWE)

5.4.4. **The Firm creates Advertisement that is Brand-Relevant and has Market Effect**

All firms state that an important factor for success is their market knowledge and their ability to create advertisement that truly stems from the client brand. For one of the firms, the real breakthrough was when a planning department was started up. Moreover, there is a strong focus on results for created advertisements at most of the firms.

1. **Focus on results.**

"Clients like us because we are enormously commercial. We are genuinely interested in the clients business.” (Forsman & Bodenfors)

"Advertisement and creativity serves one single purpose on this agency: To be commercially viable. Otherwise we have no right to exist.” (SWE)

"When I first started here and met Creative Director Filip Nilsson, the only thing he was interested in regarding previous campaigns I have been working with was ‘did it work?’” (Forsman & Bodenfors)

2. **Brand-relevant advertisement.**

"A lot of the advertisement out there is of the nature that the brand or product could be substituted for any brand or product. It looks like the ad comes from an ad agency and not from the brand itself. I think we at Lundberg & Co are simply looking under more stones than a lot of other agencies, to find an idea that is truly relevant for the brand.” (Lundberg & co)

"If an ad idea stems from the brand itself, it gets more appreciation internally, lives longer and has more effect. Working this way makes customers want to continue work with us, and long customer relations makes everything easier.” (Lundberg & co)

3. **The importance of market knowledge:**

"We need to interpret their understanding of the problem, and that’s where we contribute a dimension with our market knowledge” (SWE)

"We decided to start up a planning department, and after that came our real breakthrough. After this point we have actually won this discipline, and are regarded as the best when it comes to marketing knowledge.” (Åkestam Holst)
5.4.5. The Firm has a Wide Perspective on Competition and Markets

*More important to focus on the client than on competition.* Most of the firms say it’s important not to stare oneself blind on nearby competitors and Swedish awards. Instead they are inspired by campaigns from all over the world and aim to be one of the best agencies internationally. The positioning (both physical and strategic) of the firm Lundberg & Co even based upon this reasoning. Their motto is that they are “80 minutes from Stockholm, light-years from Stureplan” and say that this is one of their most important strengths, that they do not look at competition as other firms which might be the risk of Stockholm agencies.

“We have a global perspective [...] we’re looking as much on for example Brazilian advertisement as on Swedish.”

(Forsman & Bodenfors)

“We have another perspective on things from our location. We do not look at competition as much as other agencies, which can often be a common critique from customers. We do not focus on competitions etc. to beat other agencies, which might be the risk for Stockholm-based agencies.”

(Lundberg & co)

“We have formulated an internal motto which is “advertisment in world class”, which is quite important to us. It means for example that we aim to be among the best agencies in international competitions instead of staring us blind on the Guldfägget award”

(Åkestam Holst)

5.4.6. The Firm is dedicated to Produce Good Work for the Client

A key factor for success, mentioned by all firms in one way or other, is to be intrinsically motivated to create good work for the client. It is said to be extremely important to focus on the client’s business and not look too much on one’s own business. Money must not be the main motivator, See more under 5.3.5. Motivation for Creative Work.

1. *Intrinsic motivation to create good advertisement*

“We do not primarily work for money, but we are intrinsically motivated by communicative quality”

(Forsman & Bodenfors)

“It is important to be able to throw away ideas that are not good enough. You have to work until the idea is good enough, it is not the scheduled day for presentation that sets the actual day the idea is presented, it is when you have something good to show. You have to have the courage to postpone a presentation and say that ‘sorry we haven’t solved it, we need more time’, don’t present crap. Incredibly important.”

(SWE)

“We’re dedicated to the absolute quality of advertisement. We never take the easy way, if there is a possibility that there might be another way can be better”

(Forsman & Bodenfors)

“How much time we put into a campaign is totally based on deadlines, no overtime pay, which may mean work on weekends, nights [...].”

(Lundberg & co)

2. *Focus on the client’s business, not one’s own business*

“The goal of the whole game is to make money. With this I don’t mean that we should make money, but our clients should make money.”

(Daddy)

“Ad agencies should deliver value for the client company, and one needs to be very focused on what is delivered and not think so damn much about one’s own business.”

(Åkestam Holst)

“Usually, companies take in clients because they generate money, this has to be ignored if you want to run a good agency.”

(SWE)

“Ad agencies that really think – even if they would never admit it – more on the bottom line in their own business than being passionate about advertising work and creating unique communication are out on dangerous ground”

(Åkestam Holst)

5 upscale central area in Stockholm where most ad agencies are located
5.4.7. The Firm is a Niche Player

All the web agency’s activities are carried out in line with their overall niche positioning. The web agency is working in a niche and is also differentiating itself from other ad agencies through their expertise in their niche. Most of the firm’s activities are carried out differently and in line with the strong media focus, that shapes the whole organization. The corporate culture is described as ‘nerdy’ and technology focused (see below), time saving is a heavy argument for many decisions and efficient ways of doing things is seen as important. The interviewee, who is one of the founders comes from a programmer background.

“Since we are so media focused, we always have to be at the frontier of the development of that media.”

(Daddy)

5.5. General comments on Creativity, Strategy and the Industry

5.5.1. Changes in the Advertising Industry

Strategic work is carried out closer to the client company. The media and marketing landscapes are becoming more and more complex with digitalization of media, tribalization of consumers and general fragmentisation of markets. The effect of the increased complexity is that firms need to work closer to the client companies, or alternatively, the client companies may bring home the strategic work to their in-house marketing department. All firms recognize the importance to work close to the client companies.

“The big thing is that the client companies bring home creativity to their own marketing departments. […] the communication situation is so complex, that it is unreasonable for a company to think that they can outsource all of their branding activities to one agency that is sitting with ten accounts. That would be insane if you have a big company […] The result of this is a much more safe communication, since the person that is controlling it in-house is too much into the company to dare to break conventions and rules, they have so much to lose doing that.”

(Daddy)

“It’s very important to work closely together with the client firm, especially given the rapid changes in today’s business climate. […] There is a clear difference in lead-times now and when I started working in advertising 20 years ago”

(Lundberg & co)

5.5.2. Advertising Agencies and Strategic Competence

Strategic knowledge is a very important success factor for creative firms. All interviewed firms name their marketing knowledge as a very important factor for success. The firms think they are at least as good as strategic agencies when it comes to analyzing the clients market situation. However, there is a consensus that strategic knowledge is only half the story, the client brand also has to be communicated to the right market in a way that creates meaning for the end customer.

“One should always pose businesslike questions, and go in to business discussions with passion, which we do. At the same one needs to remember to pinch one’s arm to remember that we are not management consultants. The project leaders here could sit in business discussions all day long, but we have to be careful. We are communicators.”

(Forsman & Bodenfors)

“We, and the other top agencies, are damn good at understanding the clients market, their situation and competition. I have been working with a lot of strategy agencies, marketing consultants etc. and I don’t think do any better than us on that point. We are a bit more pragmatic but we’re just as good at it after having worked with a lot of different companies in lots of different industries”

(Åkestam Holst)

“Advertising agencies have been too wimpy to stand up for ourselves when it comes to the strategic thinking. However, Ad Agencies are needed to communicate brands, you can talk
diagrams, boxes and strategy for years and nothing will happen. It is first when the strategy is communicated and people are touched by it, things start to move.”

(Lundberg & co)

5.5.3. The Use of Marketing Terminology to Rationalize Creative Ideas

The use of marketing terminology is important to communicate the value of an idea to the client. On the question on their relationship to strategy, two of the firms say that they use terms of strategy and marketing to explain and rationalize their creative ideas, since this is the language that the client understands. It is said about the future and the changing media landscape that ad agencies need to become better at pedagogically explaining their ideas with the use of a more business-like language.

"Intuition is always one step ahead of intelligence. This can mean that you intuitively may find a solution, that you afterwards understand how brilliant it is. You then have to ‘post-rationalize’ this solution to be able to communicate it to your client. Often the strategy of an idea comes after the idea itself, and this is something you don’t tell clients, but this is the way things work.”

(Lundberg & co)

"We do no longer only compete with other ad agencies but with PR, communication and branding agencies that do similar things for the same client money. We need to become better at pedagogically explaining to clients how we deliver value.”

(Åkestam Holst)

“We need to explain our ideas in rational and strategic terms to make them understandable to our customers.”

(Lundberg & co)

5.5.4. Competition from Niche Agencies

As might be expected, none of the firms express that they are threatened by new types of players in their industry, such as PR, strategic, web, event or other communication agencies. It is mentioned that advertising agencies need to become better at explain to clients how they deliver value, and the fact that ad agencies have in-house creators is mentioned by most firms as an important advantage for them.

1. Other niched agencies are seen as complements rather than competitors

“Yes the advertisement industry has been is changing and is changing. All companies need to have some PR activity, the brand image needs to be communicated etc. However, what it all comes down to for a client company, is that they like the persons they work with and that these persons understand the client company.”

(Lundberg & co)

“We don’t compete with these agencies, we cooperate with them to produce the best possible result for the client company. We never speak about competition here.”

(Forsman & Bodenfors)

2. Ad agencies need to become better at explaining to clients how they deliver value

“We do no longer only compete with other ad agencies but with PR-, communication-, and brand agencies that do similar things for the same client money. What we need to be better at is to pedagogically explain to clients how we deliver value.”

(Åkestam Holst)

3. Having in-house creators is a competitive advantage for ad agencies

“I think that our strength is that we have the creators, the craftsmen who finish the ideas, because it depends on how the ideas finally reach out, whether the consumers will like or dislike the product. And we should always have that competence. […] We see that our strength is the integration between strategy and performance. […]”

(SWE)

“A big competitive advantage compared to the others is that we are do-ers, which differentiates us radically. Sometimes we are asked to cooperate with PR-agencies or media agencies and I’m really critical towards that, because usually not much is happening from their end. Media agencies, for example, have different business models, they make their money on volumes, while
Results

we make our money – not on print or TV or other media – but on creativity, which has to be understood. I’m not worried at all for the future of the ad industry.”

(Åkestam Holst)

5.6. Chapter Summary

The major areas of operation for the studied agencies are strategy and creativity. This is reflected internally by the employees’ core competence, the firm’s leadership, and partners as well as throughout the creative process. Externally, both strategy and creativity make up the explicit offering towards clients. Moreover, the studied firms strive to involve clients throughout most operations and to work on a long-term basis in several ways. The agencies do not have a clear conception of the term creativity, however, all firms talk about the importance of recruiting and taking care of creatively talented individuals. Moreover, all firms talk about how important a passion for creative work is throughout the organization. As a success factor, the focus on strategy, results, and client brands are all mentioned more than creativity, which might be assumed anyway. Several firms stressed the importance of not staring oneself blind on competition and instead focus on the client’s business, market and situation.

On a macro level of the advertising industry, there is an overall trend that client companies move market strategic and communicative activities closer to the in-house marketing department, partly because of an increasingly complex media climate. There is also an agreement among the interviewees over the increasing importance of strategic and marketing knowledge, to explain and justify creative ideas to clients. However, it is stated that creative agencies hold an edge over strategic agencies through their in-house createurs, which enable the firms to integrate strategy and creativity.
6. Analysis

In this section the results that are most relevant to answer the main research question are analyzed from the perspective of the theoretical framework. Because of the semi-structured nature of the interviews, the answers from the interviewees have been of a broad nature, some relate to ways of working with specific projects, perhaps the most answers relate to the overall running of the firm and some answers hold a macro perspective on the industry as a whole. This section has therefore been divided between these levels: Project, firm and industry.

6.1.1. Project level

6.1.1.1. The Creative Process

The project process of the creative firms can be closely mapped to Amabile’s (1988) general creative process. This is how the creative process is carried out in most of the studied agencies:

![Amabile's creative process applied to the special case of the creative agencies.](image)

*Fig 5: Amabile’s creative process applied to the special case of the creative agencies.*

**Stage 1a: Task Presentation**

In preparation for a project, clear goals should be set up. In this way, the expectations and limitations are made clear to the client, moreover, by setting up clear goals the ‘right’ challenge (Amabile 1998) is created for the team members.

**Stage 1b: Composing the Team**

It’s important to create a good match between team members and project/client as well as taking into consideration who would think the particular project will be fun to work with. From Amabile’s model of the creative process, we know that intrinsic motivation (Amabile 1988) is important to get things going from the initial stage.
The project manager should be strong in both creative thinking skills and strategic knowledge. Having a project manager that understands the creative process increases organizational support (Amabile 1998) for createurs, which leads to a more productive working environment.

It’s preferable to put together a team that is diverse, supported by Amabile’s (1998) work-group features for stimulating creativity. This should be done by composing teams consisting of project managers, art directors and copywriters, but also by mixing individuals with varying experiences, skills, age, gender and thinking styles.

Stage 2. Preparation

This stage requires skills in the domain (Amabile 1988), and the client can contribute to a large part of the required knowledge. The project team needs to get a deep understanding of the client’s business, market and situation to be able to generate relevant ideas.

Stage 3. Idea Generation

This stage has been described as very person-dependent and difficult, even impossible, to map out a formula for. It is largely the result of recruitment of talented individuals with the right creative thinking skills (Amabile 1988) and the long-term work to create a working environment that motivates these individuals.

Stage 4. Idea Validation

In this stage the generated ideas are validated against the initial brief and the preparing work done in the initial stages. An outspoken practice in several agencies was to display the creative alsters where all agency employees could see them, comment and add their expertise and creative skills. This willingness to help each other relates to the managerial practice of work group features (Amabile 1998). Just like in stage 2, skills in the domain (Amabile 1988) are key to do a good job here, which is why it is very important to involve clients — after all they are the experts in their own field.

If the agency concludes that none of the generated ideas constitute a satisfactory solution, the process iterates from stage 2 again, otherwise it moves on to the last stage.

Stage 5. Presentation

When the creative firm is content with the communicative concept (or whatever the project is), it is presented in a more formal way than during earlier stages. Typically, the concept is made into a number of possible applications (for example how a print ad or a promotional event could look like). This is a way to reduce the intangible characteristic of creative services (Hill and Johnson 2003) that might make it difficult for client companies to see what they ‘get for the money’.

6.1.1.2. General Points

Clients should be involved throughout the whole creative and strategic process, which follows the high involvement (Hill and Johnson 2003) characteristic of creative services. A close relation to clients increases the client’s trust towards the agencies, which is important to tackle the high-customization characteristic of creative services which may be problematic (Hill and Johnson 2003)

6.1.2. Firm level

6.1.2.1. Value Curve of Firms

To get an overview of the studied agencies, and their performance in the different parameters that have been studied, Kim and Mauborgne’s value curve (1999) is useful tool. The curves in Fig 6 have been derived rather subjectively from the results, and the measurement of the relative levels should not be seen as perfect or objective. However, the figure serves the purpose of
giving a brief overview of the studied agencies, and to provide some context to their answers. The relative levels of web integration, strategic focus, creative focus and client relations can be said to be a measure of how much resources, internal focus and competence is put into these factors. Agency income per employee and distributed ownership are pure quantitative measures, based on provided facts.

![Graph showing the value curve applied on the leading agencies in the advertising industry.](image)

**Fig 6:** The value curve applied on the leading agencies in the advertising industry may give hints of what specific firm’s should become better at and whom they could benchmark against, and where they can create new market space to differentiate from competition.

### 6.1.2.2. General Points

*The top management of the firm should at least partly consist of createurs to increase creative organizational support* (Amabile 1998).

*Ownership should be local, private and widely distributed among active partners.* A public or international ownership reduces freedom, which has a negative effect on creativity (Amabile 1998), and active partners increase organizational support (Amabile 1998). Table 5 illustrates a quite striking similarity among the examined firms in the employees / partner ratio. Except for the outsider firm Lundberg & Co, the ratio is between 5.0 and 6.0, even though the number of employees varies between 18 and 120.
Vast efforts should be made to create a strong, democratic corporate culture that gives creators freedom and externally increases their intrinsic motivation (Amabile 1988). Examples from the studied firms show that they prioritize the firm’s culture over short-term profits.

The firm’s offering should consist of both creative and strategic services. The predominant perception of the creative agencies are that they are – not surprisingly – creative. Therefore the focus of the explicit offer should be on the firm’s strategic competence.

Throughout projects, the firm should focus on results and create advertisement in line with the client brand. Advertising services do not serve a purpose in themselves unless they have market effect, and by focusing on the end result the perceived high risk of advertising (Hill & Johnson 2003) is lowered. Moreover, clients may perceive the high customization characteristic of advertising (Hill & Johnson 2003) as overwhelming and uncontrollable, which is reduced by creating solutions in line with the client brand.

The firm should strive to keep an overall long-term perspective in the following ways:

a) Keep long relations to clients, to gain a deeper understanding of the client brand and, which makes it more costly for the client to switch to another firm.

b) Work on longer contracts instead of hourly fees, which gives a beneficial calm - both for the client and the agency.

c) The communication concepts that are created for clients should all be considered from a long-term perspective, as this benefits clients in the long run (see next point).

The firm should focus on the end-result of their services, rather than looking too much on short-term profitability like project budgets or counting of agreed hours. Because of the high credence nature of creative services (Hill and Johnson 2003), the major way that new clients are attained are by having successful reference cases. The logic is that even though a project may not even be profitable in itself, it may generate several new that may generate more money in the long run.

Even if creative agencies are not the typical type of company that needs to have a unique market positioning for success, it is clearly beneficial to focus on either a type of client brands (fast-moving consumer goods, services, prestige brands etc.), medium (web, above-the-line, below-the-line etc.) or other take another differentiating position (Porter 1985).

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6 This includes the partners themselves, since they all work actively on the firm.
6.1.3. Industry level

6.1.3.1. Advertising Agencies versus Strategic Agencies

The advertising industry is right now undergoing a radical change in the way that a lot of new players are entering the market that are specialized in different advertising-related disciplines with branding as the common denominator (Kärrlander 2006).

In the changing advertising industry, the winners will be the players that possess the strongest strategic competence. The classic advertising agencies need to realize that all players in the industry of creative services need to strengthen their strategic competence (Kärrlander 2006). Kärrlander suggests that the rapid changing climate opens up for “strategic specialists understand the big picture”. It is further suggested by him that creative firms are not the only ones with creative ability, for example strategic firms might be just as good at coming up with ideas of how to help the client communicate with its market.

The response of the leaders of the advertising industry interviewed in this thesis, is that advertising agencies hold a competitive edge with the in-house createurs that enables them to integrate strategic knowledge with creative skill.

Kim and Mauborgne (1999) suggest the value curve as a tool to overview and compare the key elements of companies’ offerings. A general comparison between the ad agencies and strategy firms based on the reasoning above generates the following value curve:

![Value curve of advertising agencies vs. strategy agencies](image)

*Fig 7: The Value curves of advertising agencies vs. strategy agencies clarify the competitive differences*

6.1.3.2. Levels of Scope

Different types of agencies work on different levels of scope in relation to brand strategy and relation to the client company. This is described by the Levels of Scope-model:
**Fig 8:** The Levels of scope model displays how different types of branding organizations relate to different levels of the market communication process. A campaign needs to go from top to bottom, and needs to travel from the client brand to implementation via some combination of branding organizations.

The Level of Scope model illustrates the scope at which different types of branding organizations work. Fig 8 displays the typical stretch of operations of the main types of organizations in the creative industry. For example a strategic agency holds a much wider perspective on markets and the client brand – a higher level of scope – than niched agencies (for example web agencies) do.

The firm at the lowest level of scope in this thesis is the web agency Daddy. A major key to their success is that they do not only know digital marketing, they are also extremely good at regular marketing. Everyone that works at Daddy have also worked at advertising agencies and know how they work. This is required for them to be able to discuss advertising both with advertising firms that they work with and clients.

On the next level of scope are advertising agencies, whose core activity is formulating brand- and strategy-relevant communicative concepts. As displayed in this study, the most creative agencies in the industry all have a strong focus on strategy and market knowledge.

On the level above advertising agencies we find strategic agencies. Their competitive advantage to players below them in the level of scopes hierarchy, is that they are better at analysing client brands and the market they work in.

It was suggested by several interviewees that a major change in the advertising industry right now, is that client companies bring home the coordination of their marketing activities. This suggests that there is a movement even up to the highest level of scope.

The general trend for the creative firms in this thesis, whether you are a sub-contracting web agency, an advertising agency or a strategic firm, is that an agency should have knowledge not only about the level you work in, but also about the level(s) above you in the 'levels of scope'-model. Relating to Fig 8, agencies should strive to aim for knowledge as high up as possible.
6.2. Chapter Summary

Amabile’s creative process (1988) maps closely to that of the creative agencies in this study, a major addition is that clients should be involved at stages that require expertise in the domain.

The practices of creative leadership, generally holding a long-term perspective and a focus on results and the client brand all contribute to reducing the problematic side of the characteristics of creative services. Amabile’s managerial practices for stimulating organizational creativity (1996) are consistently carried out and all firms hold a unique position to attain a competitive advantage (Porter 1985).

An overall comparison using the value curve between advertising agencies and strategic agencies, displays advertising agencies’ competitive advantage of having in-house creators versus strategic agencies’ strategic expertise. The Levels of Scope model is presented to describe the different levels of scope that various branding organization operate at. A general advice to agencies is that they should strive to stretch upwards in the model, to reach as close as possible to understanding the clients’ business, market and competitive landscape.


7. Conclusion

As stated before, the scope of this study is broad and the main research question a general one. As a consequence, the variation of the attained of input, answers, discussions and results is significant. However, a number of persistent general trends have been found throughout all phases of the study, including all interviewed companies and all levels of analysis.

The overall research question of this thesis is:

**What are the key success factors for creative firms?**

The question has been addressed from the perspectives of the firms’ internal and external practices, creativity and strategy. However, the nature of results and analysis are that they frequently overlap several of these areas. Consequently, the conclusion is not limited to factors that strictly fit within a single one of these, even though each point can be traced more clearly to one or two of the perspectives.

The list could be made long to cover all important factors for creative agencies, as presented in the results and analysis chapters. However, to approach a general conclusion for the main question that can be significantly backed up by the case study, only factors and practices that have been explicitly stated by most firms, and that clearly constitutes an integral part of the success of the firms are taken up below:

1. **Hold a strategic and result-oriented focus.**

   The single most frequently identified success factor throughout the whole organization of creative agencies have been the strong focus on strategy and results. This includes all levels of operation, including the firm’s offering, client discussions, internal competence, presentation terminology, and more. This point is rather interesting, since the studied firms are Sweden’s highest ranked in terms of creativity. However, these agencies are all part of the absolute top in the overall ranking and the reason for this is two-fold: They excel in the disciplines of 1. Creativity and 2. Strategy. The reason that strategy is the explicit central success factor and not creativity, is simply that no one doubts that creative agencies are creative, which makes them rather want to tone down their creative ability to make room for expressing their strategic, marketing and branding competence.

2. **Create a strong corporate culture that stimulates creativity.**

   Creating a strong corporate culture that maximizes individual’s creative productivity, which in turn stimulates organizational creativity, has to be prioritized over short-term profits and shortcuts in personal handling. While domain skills has to be learned through experience, and creativity skills can be said to be mostly natural talent, the only component of individual’s creativity that can be affected in a short-term context is intrinsic motivation. The study shows that the practices of challenge, organizational support, freedom, and supervisory encouragement vastly increases motivation and subsequently creativity.

3. **Consistently involve clients.**

   The myth about the creative genius that locks himself in, to surprise the client with an unexpected solution in true Eureka-fashion is not true in the case of successful creative agencies. It is shown that it is beneficial both for agencies and clients to have a close dialogue and relationship. Benefits include that risk of going in the wrong direction is
minimized which saves time and the quality of solutions is higher the deeper the understanding for the client’s business. Moreover, close, long relations to clients creates a calm that stimulates creativity and makes it easy for both parties to continue to work together, which consequently locks in the client.

4. **Focus on the outcome of projects over short-term profitability.**

This may sound like an easy one, but with increasing competition, clients that need to justify every advertising expense and overall lower margins in the industry, it is difficult to keep a focus on the quality of work when internal budgets are exceeded. A clear key to success is to be driven by a motivation to create striking market communication, and let the cost of doing so come second. Business is generated in the advertising industry by building successful cases, the logic is that even though a project might not be profitable in itself, it might generate many new projects if successfully carried out.

The four above points cover in the vast majority of the foundation for success for the creative firms in this thesis. They are a strong concentrate of the underlying study, which does make them quite general. However, if further distilling the above points to make an attempt to answer the main research question in one sentence – with the slight risk to simplify a broad and complex question – we come to a conclusion like this:

“The key factors for success for creative firms are to combine a passion for the client’s business with strong strategic expertise and a love for creative work”
8. Discussion

This chapter places the conducted study and the conclusion in a larger context. The application of the conclusion is discussed for different kind of organizations, critique is given to identify sources of error and possibilities for biased results, and a number of suggestions for future research are given.

8.1. Application of Conclusion

As might be expected, the conclusion primarily applies to advertising and niche agencies that follow the definition of creative firms in this thesis. The conclusion can be seen as broad, maybe expected and not exactly shocking. However, if looking at the underlying results and analysis that has lead up to the conclusion, creative firms should be able to use this as general guidance or a check-list to compare to the firm’s present activities.

Moreover, the conclusion of this thesis may give client companies an increased understanding of how to get the most out of their investment in creative services – an investment that is likely to increase. The most hands-on advice to client companies is to realize the value of engaging in agencies’ processes and make them understand the home business, since clients are the experts of their own domain.

Lastly, in almost all organizations, creativity is a key benefit, which can lead to the solution of everyday problems in day-to-day operations, to the invention – or realization – of a generic competitive advantage for the company. The easiest practice to see short-term results might be the managerial practices to strengthen a corporate culture that stimulates creativity by motivating individuals.

8.2. Critique

Selection of Creative Firms

The agencies in this paper have been selected because they are Sweden’s most creative agencies according to the REGI (2006) study. The study is fully based on clients’ opinions, so the ‘most creative agencies’ does actually mean the agencies that are ‘percieved to be most creative by their clients’. It needs to be kept in mind that for example a firm like Lundberg & Co may have clients that do not have the same expectations on creativity as the clients of another agency that works with clients that carry out more creative work themselves. The judgement how ‘creative’ an agency is, is affected by the standards of creativity one is used to.

The Case Study

To be able to more specifically point out what sets the studied agencies apart from the average or even bottom agencies, a reference group might have served well. For example, this might have generated insight about whether the successful firms carry out different activities than mediocres, or if the carry out the same activities, only better. However, the decision to not have a reference group was taken because 1. The qualitative nature of this study complicates such a comparison, since there are no straight-forward factors to compare, as opposed to a typical quantitative study. It can be done, but the trade-off is bigger and the logic is that it makes sense to put more time into studying those successful cases in-depth. 2. There are practical obstacles in trying to arrange similar interviews with ‘less successful’ agencies, and to motivate for them why they have been chosen.

The Interviews
Since the interviewees have been either a founder, a CEO or another senior partner, they are probably fond of putting their own company in the best possible light. For example none of the firms talk about money as an incentive to produce good work or a reason to select new projects or clients. One would guess that money does matter the slightest, but because of cultural, image or interpersonal reasons, money was never mentioned as a motivator.

Since interviews were the only type of empirics carried out, only explicit factors were obtained. The study is based upon what the interviewees think are the answers to questions. However, there might be other factors that may be revealed if the operations of an agency would be quietly observed from ‘the inside’. A related source of error is that the interviewees may have suited their answers and opinions along with the specific interview situation. For example which school I’m from, what the purpose of the interview and the thesis is etc.

A consequence of a qualitative study that makes comparison more complex is that the questions asked are not covering everything but are rather discussions around themes. One effect of this is that one interviewee may have choose to talk about something that the others do not even mention, even though they actually have something relevant to say about it.

Along the course of the study, I learned more and more about the interview situation, how answers relate to the themes of the thesis, how to get the most relevant answers out of interviewees, but also about the research methodology itself. Because of this, the interviews towards the end were probably more fruitful than the initial ones, since I progressively learned to maximize relevant data output from the interview situation.

Some data loss has occurred because of the fact that I carried out the interviews in Swedish and have transcribed and analysed them in English. Another possible source of data loss and/or alteration is that the interviews with Daddy and REGI were carried out over telephone. This increases audio noise, which removes some detail, but what probably affects the interview more is that the interpersonal relationship is significantly different from conducting a face-to-face interview.

8.3. Suggested Future Research

As stated before, the research area of organizational creativity is a rather unexplored one, so it should be easy to find related subjects of future research that can build upon or relate to this thesis.

One quite interesting peripheral point that came up within the theme of how freedom and control affects creativity was the impact of international and public ownership versus local and private on creativity. It was stated that the nature of ownership of an agency profoundly affects an agency’s creative ability, which would be an interesting question to explore.

Another relating subject, would be to study how firms of different industries like event, strategy, web, advertising, PR etc. relate to the concepts of creativity and strategy, to find out how their approaches relate to each other.

The presented Levels of Scope model could be further investigated. For example, it may be used to find out the best way for a client company to go from the internal marketing department to implementation, perhaps in combination with another model. Another approach might be to investigate whether it can be used as a basic framework for market positioning within the industry of business-to-business marketing services.
Appendix A:
Description of the REGI ‘Agency of the Year’
2005 Study
(Swedish)
Årets Byrå – hetare än någonsin!


Årets Byrå presenteras i samarbete med Dagens Industri på Kulturhuset den 24:e januari 2006. Utmärkelser i ett antal kategorier delas ut på plats, evenemanget kommer även att sändas i DI TV. Mer utförlig information och reportage kommer att presenteras i tidningen dagen efter, samt på nätet.

Nya tider, nya partners, nya möjligheter.


Dagens Industri kommer framöver att bevaka branschen mer intensivt och det är med stor entusiasm vi samarbetar med Nordens största affärstidning i projektet.

"Sveriges ledande och mest initierade reklamreporter heter Pia Grahn Brikell" - sagt av branschkollega.

Delar av resultatet kommer att publiceras i tidningen med start den 25:e januari. Som tidigare år kommer Pia Grahn Brikell att spegla skeenden i branschen och fördänder som skett bland byråerna. Alla svar som lämnas av kunderna som deltar är som alltid strikt konfidentiella.

Observera att inga konsulter, byråer eller branschkollegor får utvärdera byråer som ingår i studien.

Årets Byrå är unikt.

Projektet har sedan Regi genomförde den första upplagan år 2000 vuxit kontinuerligt, både till omfång och dignitet. Branschen i sig är fortfarande relativt ung och det har under många år saknats relevanta måtverktyg och nyckeltal som kan fungera som styrinstrument för byrådeferna.

Projektet är per definition ett syndikerat upplägg – vilket i korthet innebär att Regis kunder (byråerna) får ta del av informationen till ett förmånligt pris. Informationen görs inte tillgänglig för kunder eller byråvalskonsulter – annat än i det generella material som publiceras.

Regis rapporter är mycket uppskattade – vilket våra kunder intygar i de årliga uppföljningarna som genomförts:

"Självklart är det lätt att vara positiv när man toppat listan två år i rad. Men faktum kvarstår; på Åkestam Holst har vi ända sedan Regis branschstudie startade använt oss av den i vår egen affärsutveckling. För första gången har det funnits konkreta begrepp för hur vi bedöms av våra uppdragsgivare och preciserade områden som vi också har kunnat förbättra oss inom och "benchmarka" mot våra konkurrenter. Det bidrog bl a till att vi startade en planningavdelning för tre år sedan."

Göran Åkestam, Åkestam Holst

Rapporter i olika utföranden samt utvärderingar, analys- och konsulttjänster finns tillgängliga från Regi, se separat presentation och informationsblad.

Hur genomförs projektet?

Kundundersökningen som genomförs är den mest centrala delen i projektet omfångsmässigt. En parallell studie fokuserar på pitch- och byråvalsfrågor, slutligen görs en genomgripande analys av branschen. Regi har fem års databaser att referera till, dessa kommer också att ligga till grund för en analys av tendenser och tendenser som kan komma att påverka branschen framöver.

Enkätarna genomförs huvudsakligen mellan oktober och december. Återkoppling och analyser av resultaten görs under början av januari. Den stora merparten av kundintervjunas genomförs per telefon, vilket säkerställer en mycket hög kvalitetsnivå. Resultaten och databasen hanteras endast av Regi.

Respondenterna garanteras alltid fullständig anonymitet. Kommentaren som lämnas är självfallet reserverade för de byråer som väljer att beställa en rapport av Regi.
30 grundkriterier utgör stommen i kundundersöknningen

Vi mäter hur nöjda kunderna är med sina byråer, och hur samarbetet fungerar. Branschstudien i sig består av ett stort antal aggererade kundundersökningar, vilket i sig är unikt. Endast kunder som under det senaste året har arbetat med respektive byrå kommer att utvärdera samarbetet enligt följande fyra huvudområden.

Byråns erbjudande – byråvalet.
- Hur är byrån positionerad på marknaden enligt kunden?
- Betraktas man som strateg eller producent – partner eller leverantör?
- Kan man tänka sig att utse byrån till huvudbyrå, och varför valde man byrån i fråga?
- År byrån erbjudande klart och tydligt?

Byråns prestation – kunskap.
Här bedöms byråns specialiserade kunskaper på en tiogradig skala enligt nedanstående kriterier. Om ett betyg får lägre än godkänt lämnas en motivering av kunden istället.
- Kreativitet – färg, form, grafik
- Kreativitet – projektledning
- Förmåga att uttrycka sig skriftligt
- Kunskap om kommunikation och mediekanaler
- Kunnande kring varumärkesfrågor
- Kunskap om kundens marknad
- Analytisk förmåga
- Strategisk kompetens

Byråns prestation – utförande.
Även här bedöms byrån på en tiogradig skala – eventuella låga betyg motiveras av kunderna.
- Proaktivitet
- Affärsnytta
- Förmåga att skapa impact
- Förmåga att förhålla för kundens räkning*
- Hur prisvärd är byråns tjänster?
- Byråns förmåga att samarbeta med andra byråer
- Leveranssäkerheten
- Administrativa rutiner

*endast mediebyråer

Byråns relation med kunden – före under och efter.

Ett antal avslutande frågor såsom i vilken grad byrån fått målsättningar att arbeta utifrån, samt om och hur utvärderingar skett. Kunden får även ge konkreta förslag på förbättringar, dessa är mycket värdefulla i byråns kommande arbete.

- Skulle man rekommendera byrån till en kollega eller bekant?
- Hur väl har byrån motsvarat kundens förväntningar?
- Har byrån fått kvantitativa och kvalitativa mål att arbeta utifrån?
- Har byrån uppnått de uppställda målen?
- Vad kan byrån förändra, förbättra eller utveckla?
- Har man funderat på att byta ut byrån?
- Vilka byråer skulle man bjuda in till en upphandling eller pitch?


Parallel studie om byråval, pitcher och upphandlingar.

Frågan är högaktuell. Vi kommer att göra en djupdykning bland kunderna i syfte att ta reda på hur morgondagens byråval kommer att te sig, och hur konsulterna kan bli bättre på att presentera sitt erbjudande – men även ställa krav på sina kunder. Det fullständiga resultatet kommer att presenteras i de rapporter som finns tillgängliga från Regi.

Vad presenteras i media?

Dagens Industri är samarbetspartner i projektet. Valda delar av resultatet kommer att publiceras.

En referensgrupp om 125 byråer kommer att utgöra grunden för resultatredovisningen. Vi kommer att särredovisa de byråer som ingår i internationella nätverk.

"Vi använder Regis byrårapport som ett led i den interna kvalitetsarbetet."

Magnus Wistam, VD Grey
Sekretess

Regi tillämpar strikt sekretess avseende all information som rör våra kunder och den information som genereras, vilket gäller samtliga Regis medarbetare och konsulter utan begränsning i tiden. Uppgifterna som lämnas i samband med Regis branschstudie används endast för detta ändamål och hanteras enbart av Regi. Vi undertecknar självfallet ett sekretessavtal i det fall byrån önskar detta.

Fakta om Regi och Årets Byrå


Årets Byrå är nu inne på sin sjätte upplaga. Projektet finansieras och genomförs av Regi. Dagens Industri är officiell samarbetspartner.

Regi har sedan 1997 levererat över 500 rapporter, analyser och undersökningar till svenska och nordiska reklam- och kommunikationsbyråer samt börsbolag och organisationer. Uppdrag genomförs regelbundet på nordisk och internationell basis, många projekt genomförs med engelska som arbetsspråk.

Regi borgar för:

- Kontinuitet – vi har genomfört den årliga studien i sex års tid, och kommer att fortsätta med det.
- Integritet – alla uppgifter om kunder som samlas in behandlas med strikt sekretess och används endast i detta syfte.
- Seriositet – vi vill aktivt bidra till att lyfta branschen (i dess vida mening) och aktualisera viktiga frågor.
- Kvalitet – Undersökningen genomförs med hjälp av kvalitativa intervjuer per telefon.
- Resultaten som levereras till olika mediekanaler kommer aldrig att ”lämna ut” byråer som eventuellt har problem.
- Information som framkommer i undersökningen (med undantag för det som publiceras i media) kommer INTE att kunna köpas av kunder eller byråvalskonsulter. Det fördjupade materialet är reservst för branschens aktörer, vilket är en hörnsten i Regis affärsmodell som möjliggör den mest omfattande studien av sitt slag.

Ta gärna kontakt med mig om du har frågor om projektet:

Mikael Kärrlander
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REGI Research & Strategi
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Dagens Industri satsar på reklam & marknadsföring

Dagens Industri, Nordens ledande affärstidning, förstärker sin bevakning av reklam och marknadsföring. Satsningen är en del av en större offensiv på Dagens Industri, som blir synlig i början av nästa år. Som ett led i detta genomför Dagens Industri också en årlig byrårankning – Årets Byrå 2005 i samarbete med analysföretaget Regi.

"Våra läsare efterlyser en ökad rapportering inom området reklam och marknadsföring. De anser att dessa frågor är en naturlig del av näringslivet och därför ska vi också belysa det på ett tydligt sätt i vår tidning", säger Gunilla Hertzlitz, chefredaktör och ansvarig utgivare på Dagenms Industri.

Som en del i satsningen har Dagens Industri även inlett ett samarbete med analysföretaget Regi, som årligen genomför den största branschstudien i Sverige med fokus på marknadsförings- och kommunikationindustrin. Undersökningen utvisar slutligen vilka som är landets bästa byråer inom flera områden, däribland reklam, media, pr och internet.


"Vi genomför projektet för sjätte året i rad och den växer från år till år. Många av våra kunder har efterlyst att vår branschstudie borde synas i ett medie som är rikstäckande och som även annonsörerna läser", säger Mikael Kärrlander, projektledare på Regi.


Ansvarig redaktör för bevakningen av reklam & marknadsföring är Pia Grahn Brikell, med ett mångårigt förflutet på branschtidningen Resumé.


För mer information, kontakta:
Sören Sunmo, vice vd och marknadsdirektör, Dagens Industri, 08-736 50 00
Mikael Kärrlander, projektledare Regi, 08-545 612 85

"Vi använder rapporten som en riktig indikator på vilka områden vi kan bli bättre på"
Johan Fernö, VD ID Kommunikation

"Regis byråundersökning har givit oss kvalitativa nyckelvärden för vår organisation. Den belyser tydligt vad som är viktigt för våra kunder och pekar på förbättringsutrymmen i företaget. Vi kommer att jobba aktivt med Regis rapporter i framtiden."
Henrik Lindqvist, VD, Norma Communications
Appendix B:
Results of The REGI ‘Agency of the Year’ 2005 Study
(Swedish)
Kunderna har sagt sitt om sina kommunikationsbyråer. En fullsatt gala på Kulturhuset välkomnade Nick Baum från TBWA Paris och lyckliga vinnare av Årets Byrå i flertalet nya kategorier.


Årets Strateg
1 Rewir
2 Gullers Grupp
3 Hilanders
4 3XL
5 Essen

Årets Kreatörer
1 Forsman & Bodenfors
2 SWE
3 Lundberg & Co
4 Åkestam Holst
5 Daddy

Årets Affärsämän
1 Bildo & Co
2 Maxus
3 Trigger
4 Bizkit
5 Klirr

Årets reklambyrå
1 (2) Hilanders
2 (1) Åkestam Holst
3 (ny) Dowell/Stubbs
4 (5) Forsman & Bodenfors
5 (3) Lundberg & Co
6 (4) SWE
7 (16) Stendahls reklambyrå
8 (9) Fältman & Malmén
9 (28) Navigator
10 (40) Blomqvist
11 Volt
12 Vinter Reklambyrå
13 Clara
14 GOSS
15 Pyramid Communication
16 Inte Rio
17 Trimedia

Årets Byrå
Forsman & Bodenfors

Årets nättverksbyrå
1 (6) Ehrensträhle BBDO
2 (ny) Saatchi & Saatchi
3 (6) Lowe Brindfors
4 (2) Publicis Stockholm
5 ANR.BBDO
6 Stenströms Red Cell
7 Leo Burnett
8 Storåkers McCann
9 TANK/Y&R
10 Scholtz & Friends

Årets eventbyrå
1 (1) Bodén & Co
2 (3) PS Communication

Nytt för i år är att Årets Byrå utsetts, oavsett vilken huvuddisciplin byrån tillhör. Kundernas åsikter väger tyngst – vi har dels tagit hänsyn till det sammanlagda betyget som är resultatet av Kundindexstudien, samt vägt in särskilt viktiga parametrar som Kreativ höjd, Strategisk förmåga samt Affärsärslighet, baserat på resultatet av undersökningen. Även den parallella imagebaserade studien har räknats med.

Vi har också tittat på andra parametrar som tillväxt, kontinuitet och hur kundbilden ser ut (d v s nya och/eller tappade kunder samt internationala uppdrag). Utom det blivit "dött lopp" kan numera priserfalla av- och eller införändrad, så har dock inte varit fallet denna gång. Forsman & Bodenfors har legat mycket högt i undersökningen sedan den startade, och har under de två senaste åren av sina kunder fått det högsta betyget av alla byråer gällande kreativitet – vilket är det enskilt viktigaste kriteriet för en reklambyrå att vara bra på – då kunderna får säga sitt.

Årets Byrå - alla kategorier
Här följer listan på de byråer som placerar sig i topp av de 125 som ingår i referensgruppen:

Årets reklambyrå
Forsman & Bodenfors

Årets nättverksbyrå
Ehrensträhle BBDO
Saatchi & Saatchi
Lowe Brindfors
Publicis Stockholm
ANR.BBDO
Stenströms Red Cell
Leo Burnett
Storåkers McCann
TANK/Y&R
Scholtz & Friends

Årets eventbyrå
Bodén & Co
PS Communication
Årets mediebyrå
1 (6) Bizkit
2 (1) Maxus
3 (ny) Mindshare
4 (5) Starcom
5 (ny) Scream
6 Carat
7 Mediaedge:CIA
8 Outcom
9 OMD
10 MediaCom

Årets pr-byrå
1 (5) Gullers Grupp
2 (4) GCI-gruppen
3 (20) Kreab
3 (3) Prime PR
5 (2) Burson-Marsteller
6 Springtime
7 JKL
8 Citigate (Gramma)
9 JMW Kommunikation
10 Mix PR

Årets action marketing-byrå
1 (2) Klirr
2 (1) Trigger
3 (3) Bilbo & co
4 Locomotiv
5 SRC - Scandinavian Retail Center

Årets webbyrå
1 (3) Doberman
2 (2) Daddy
3 (1) Deasign

Årets DM/RM
1 (2) MRM
2 (1) DM Konsult
3 (10) 1.1.3
4 nxt sthlm direct marketing
5 Nerell More Wunderman

Årets Kund
En annan ny kategori har tillkommit i år. Byråcheferna har fått bedöma sina kunder. På ett flertal parametrar bland annat vem man skulle vilja rekrytera från kundsidan räknades ihop och det namn som överlägset nämndes mest var Lottie Knutsson, informationschef på Fritidsresor. Hon följes av Jörgen Andersson på H&M och Ingrid Jonasson Blank på ICA.

Mycket mer finns att berätta om projektet, kontakta gärna projektledare Mikael Kärrlander för mer information.

Mikael Kärrlander
Appendix C: Interview Guide

(Swedish)
Interview Guide (Swedish)

Bakgrund

Antal anställda? / Grundades? / Byråintäkt?

Process

1. Kund kommer in
   - hur har kunden hittat er? Hittar ni kunden?
2. Första möte / Förhandling
   - Hur går det till?
   - Hur ofta blir det affär och inte? Varför?
   - väljer ni vissa kunder? Hur?
3. Projektgrupp
   - Hur sätts team ihop?
   - Typ av uppdrag > individ?
4. Research, analys
5. KREATIV process - hur ser processen/metoden ut?
   - rutinarbete / utmaning?
   - Förutom mål och deadline, är kreatörerna styrda i hur de ska arbeta etc.? Hur/är/när?
   - Hur/när/hur ofta stämmer ni av lösningar mot ursprungliga krav/mål?
6. Presentation
   - Ni är ju bra på att presentera budskap, hur förbereder ni presenationer mot kunder? Paketerar?
   - Hur framställer ni er själva mot kunden?
7. Överlämning & Avslut
   - Vad är det som skiljer ett "lyckat" projekt mot ett "mindre lyckat"? Orsaker? Tid / pengar?

Frågor / Teman

- Varför tycker kunderna att ni är bland sveriges mest kreativa byråer inom färg & form / copy / PL
- Hur har ni skapat förutsättningar för kreativitet i organisationen? Atmosfär?
- Individer? (omedveten / medveten)
- Vad skiljer er från konkurrenter, kreativt och i stort? Aktiviteter / generellt
- Hur ser du på begreppet kreativitet?
- Hur ser du på framtiden för reklambyråer / strategiarbete / konkurrens
- KREATIVA individer
- Hur skapas kredibilitet mot (presumptiva) kunder.
- Motivation? Expertkunskap? Kreativa tankemetoder?
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
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<tbody>
<tr>
<td><strong>Above-the-line</strong></td>
<td>Above-the-line advertising is concerned with traditional media channels that typically are of a mass media nature, such as TV, radio and print.</td>
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<tr>
<td><strong>Art Director</strong></td>
<td>Creator with a graphic design background and usually works in pair with a copywriter.</td>
</tr>
<tr>
<td><strong>Agency</strong></td>
<td>The word ‘Agency’ is used interchangeably with ‘creative firm’, if not used together with another word like ’strategy agency’ or ’event agency’, when it has a more specific meaning.</td>
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<tr>
<td><strong>Agency Income</strong></td>
<td>In advertising agencies and similar firms, one talks about the ‘Agency Income’ instead of turnover. This is defined by the agency’s total income minus outsourced services. One says that a healthy agency should have 1 Million SEK income per employee.</td>
</tr>
<tr>
<td><strong>Applied Creative Services</strong></td>
<td>Describes the offering of creative and design oriented industries. Applied Creative Services are highly intangible, high-risk professional services, whose core is applied creativity.</td>
</tr>
<tr>
<td><strong>Below-the-line</strong></td>
<td>Above-the-line advertising is concerned with untraditional media channels that are often of an interactive and/or one-to-one nature, such as direct mail, viral marketing, mobile marketing, on-line interactive brand experiences.</td>
</tr>
<tr>
<td><strong>Creative Director</strong></td>
<td>The creative leader of an agency.</td>
</tr>
<tr>
<td><strong>Copywriter</strong></td>
<td>Creator that work with text and words. Often works in pair with an art director.</td>
</tr>
<tr>
<td><strong>Guldägget</strong></td>
<td>Guldägget (Eng: golden egg) is the major annual award for advertising creativity in Sweden, hosted by the Swedish Advertising Association.</td>
</tr>
<tr>
<td><strong>HQ</strong></td>
<td>Headquarters</td>
</tr>
<tr>
<td><strong>Pitch</strong></td>
<td>A pitch is the usual way that the services of established creative firms are bought. In a pitch, the client invites agencies to be a part of the competition. The client presents a brief of the problem/situation and the agencies come up with ideas of an advertising solution or concept. The client selects the idea they like the best, and that agency gets the job. Sometimes agencies are paid to take part of pitches and sometimes they are not.</td>
</tr>
<tr>
<td><strong>Project Manager</strong></td>
<td>Also referred to as account manager in the advertising industry. Typically has a business background and contributes with marketing knowledge to the art director / copywriter team.</td>
</tr>
</tbody>
</table>
References


REGI (2006) ’Årets Byrå’ study carried out by Research & Strategi (Regi) and Dagens Industri (DI). Project Manager: Mikael Kärrlander


