

Panel session: “The Future of the Independent Agency”

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The multinationals have great models, but in the holding companies they still differentiate a lot between PR, advertising and online agencies. And in PR, they are pretty much selling consultants by the hour.

As an independent you can do things differently: we are the entrepreneurs, we are the best in knowing the local market, we have unique cultures, offer different services, are free to invest our earnings in new offerings as well as to be more flexible and closer to the clients' needs. And we are free to choose our business model.

In our company and our international network PROI, we work for clients such as Coca-Cola, Philip Morris, Fidelity and Pfizer. Isn't it strange? They are choosing to work with independents.

What we all face: PR is becoming a commodity. Press releases are not “hot stuff”. Traditional PR will be dead within the next 3 years, at least in mature markets.

How can we be successful with our model? And offer new prospects for growth? The new PR, as Paul Holmes mentions, is not just related to press work.

Differentiate. Try to position yourself as unique and sexy for clients. Specialist agencies are a good solution for small companies: in Healthcare, IT, Financial Comms or Social Media. Those agencies have profitability of anywhere from 20% to over 50%!

As a larger agency with over 300 employees in Germany, we have specialised in those areas within our company, using a matrix structure with competencies throughout our offices. We opened up a journalist department that dedicates itself exclusively to content. And we are competing with the ad agencies for integrated campaigns. We created a model we call the “Federation of Ideas” and developed 6 agencies under one roof: from management consultancy to PR, design and advertising companies. We also bought two businesses: the television arm of Daimler AG, now called fischerAppelt TV Media, and Fork Unstable Media, a digital company.

The most challenging of these was the TV operation. Our PR peers thought we were crazy for buying it. Four years later, it is the market leader in Germany in the combined market of internet, social media and moving pictures and employs 100 people. But it required heavy investment in digital technology – within a multinational agency network, we would never have been able to obtain the funds. Even so, the ROI is tremendous.

But why are we at fischerAppelt messing up our brand and not relying on a single name? Because the best ad guys, designers, digital natives and programmers won't even think about working for a PR agency. And clients won't believe our brand is competent across all the

disciplines.

The latest development to our business model is the introduction of integrated teams, where PR guys, advertising and online experts work together to develop campaigns. That, we believe, is the future, but we will have to have a digital share of 50% in order to make it work.