

Does size really matter?



By Khuthalani Khumalo

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In recent weeks, I've had occasion to ponder on whether size really does matter. Is bigger really better; or is it all about the level of superiority that one enjoys, the bigger you are?

Those with bigger ones appear to strut around with a look that says, "Mine is bigger than yours. I know it. You know it. And I know you know it!" If yours is smaller, should you feel insecure about it – especially as you stand next to someone who has a bigger one? Or is that your selling point - the fact that you're likely to try harder to impress, because you know how small you are?

(I'll give you a moment to remove your mind from the gutter, before I explain the context from which I have been thinking about this).

As a small business owner, I am very aware of size. In the process of growing my business, potential clients are also wary of the size of my business, which non-verbally communicates that quality is somehow linked to the size of a business. This isn't isolated to clients alone – if you work in a large agency, you may have had a discussion like this at some stage:

Big Agency Person A: "Who are we pitching against?"

Big Agency Person B: "XYZ Agency".

Big Agency Person A: "Never heard of them – who are they?"

Big Agency Person B: "It's not a 'them' - it's just a 'one-man-band' who has a laptop and uses free Wi-Fi from McDonalds to put in a few hours of work a day."

Big Agency Person A: "Wow! How did they ever get onto the pitch list?"

While this conversation is going on, the only staff member at XYZ Agency is thinking: "I'm pitching against a Big Agency. If I'm lucky, they'll focus their first 20 slides on how big they are, and lose client's interest before they actually get to the meat of it."

In the event that the Big Agency wins, XYZ Agency will walk away, tail between their legs, thinking it's because of how big Big Agency is. If XYZ Agency wins, the Big Agency may think (but never say) that it's most likely linked to who XYZ Agency knows. In both scenarios, quality is not considered – it appears to be about size.

It may be said that I might be a tad sensitive about this - I'm even prepared to admit that I'm being sensational in this example. We cannot, however, run away from the discussion about size, particularly in the industry we work in.



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XYZ Agency may be small, however the owner of XYZ Agency is the senior talent who used to work for the Big Agency. By this I mean that you don't just wake up as senior - you must have earned the title over several years, and most small agency owners have spent a significant amount of time working for larger agencies. They managed the large budgets and the large clients. They supported and guided the large staff compliment. And when they leave a larger agency, they take all of that experience and intellectual property with them. They know the systems of larger agencies - and may even have created them.

So when they move on and start XYZ Agency, all this knowledge is put to good use in developing systems that are Simpler-Better-Faster (as Standard Bank used to say). Theoretically speaking, this means that XYZ Agency could manage the same multi-million rand accounts as the larger agency does. And this is often the motivating factor in senior talent leaving larger agencies to venture out on their own. The question to be asked is will XYZ Agency actually get the large accounts? Will the client feel confident in the commercial acumen of XYZ Agency? This leads me to my second point which relates to the operations of small agencies.

Even with small-business incubators, far too many small agencies don't prioritise the administrative services that offer critical business support to a new agency. As a start-up, keeping overheads low is important and lack of experience may lead to poor decision-making on what is critical to the business, in comparison to what could be a luxury for consideration further down the line. Many small agencies can't afford a full-time accountant who manages the businesses' funds appropriately, following the correct procedures related to CIPC, SARS, the Department of Labour, and engagement with clients' procurement departments, ensuring compliance guidelines are adhered to. This results in an extra set of responsibilities on the owner of XYZ Agency.

In addition to finding, servicing and retaining business, the particularly stressful processes of running the administration of the business can be crippling on one person, and is possibly where a lot of smaller agencies make costly mistakes, despite the best of intentions, and this can cast a shadow on their professionalism and integrity. These structures are important to all clients (big or small) – and the absence of such structures could be one of the reasons smaller agencies don't get awarded big jobs.

It's no secret that a lot of small agencies don't make it beyond the first 12 months of existence. When I started out, a friendly competitor told me that if I could push past project work, and start playing in the 'retainer space' that would determine my success. It could be said that big clients are prepared to support small agencies; but it's sometimes restricted to project work. This could be for a number of reasons, one of which I would imagine would be to minimize the risk of loss or embarrassment, should things go wrong. I'll be the first to acknowledge the importance of project work from big clients, as it helps to build the profile of a small agency. Though, it must be said that there is uncertainty in project work that makes it hard to plan, employ more talent, and increase the agency's asset-base. It's a double-edged sword, with as many

advantages as disadvantages.

My final point relates to growth. Granted, it is not all small agencies that want to grow to employ hundreds of people and not all freelancers want to own an empire that will eat into their work-life balance; but how is XYZ Agency going to grow, if large clients believe that bigger is better? In the same vein, how are large clients expected to gain confidence in small agencies, if we aren't prepared to up our game? The onus lies on us, the smaller agencies to demonstrate our knowledge, experience, and critical thinking skills, which are supported by well-managed business systems, in order to influence the big clients to appreciate that our size is 'an opportunity for growth' and not an inability to deliver.

From where I'm standing, size still matters. It possibly always will. The small want to grow and the big want to stay big. This is what free enterprise is all about.

The only place where size doesn't matter is where quality is concerned. Quality trumps size every time.

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