

# When consolidation comes with compromise



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ON THE SURFACE it makes sense. One throat to choke. Cost and work-stream efficiencies. Sister agencies working together “like one big happy family” against a unified cause.

But here’s the reality:

Consolidations come with compromise. They can cause infighting, turf wars, financial management challenges and systematic nightmares. The work doesn’t always get better across the board and, in many cases, the clients ultimately suffer.

It’s been done. It’s being done.

And anyone who has been part of it will tell you: it’s not about the client; it’s about the agency and who gets what. The focus can quickly get off the clients’ business and onto the agency’s bottom line.

The other concerning part about consolidations is that many agencies are doing a terrific job for clients. They’re deeply immersed in the busi-

ness and up the learning curve, driving the business. Suddenly, the business is extracted because they’re not “part of the family,” so it’s moved to a group that has

to ramp up. This can cause significant interruption and lead to a loss of brand velocity during critical periods.

In a world where ideas and approaches emerge at light speed, it makes more sense to go the other way; to consider a curating approach in which clients can pick and choose based on best-in-class expertise, as opposed to “one-stop-shopping.”

**Let clients pick and choose based on best-in-class expertise, as opposed to ‘one-stop shopping.’**

On a smaller scale, agencies have tried to sell “holistic” solutions to clients. But what have we learned? No one agency or network is great at everything.

And the best approach is to identify the individual agency brands and resources that can shake up the status quo and make things happen.

If you follow history and examine what has happened in the world of consumer packaged goods, you’ll notice that the big players like P&G, Kraft and Coca Cola are going in the opposite direction. They’ve “been there, done that,” and have come to realize that consolidation comes with compromise. They also realize we live in an age where they have more options, and they are willing to do the work to put the best players for the business on the field regardless of affiliation, network or independent. And they’re getting better results.

Something for pharma to think about?