

## Let's get digital: the threat of management consultancies

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At the risk of sounding foreboding during the time of goodwill, agencies across the board had better watch out in the New Year. An unlikely threat has been gathering momentum over the course of 2015 and is now in a position to offer up the kind of competition that agencies have never experienced before.

The evolution of management consultancies has seen a shift towards [advertising](#), and especially [programmatic](#) – which is an area traditionally occupied by [media agencies](#) and **advertising** technology providers. This is mainly due to **brands'** desire to have greater ownership over their own data, as well as accountability from their media spend that directly correlates to their desired business outcomes.

It was only a matter of time before management consultants realised they were missing a trick and decided to upskill so they could provide the kind of service required to address these issues, taking a piece of the agency pie in the process. This is not only limited to media agencies as [creative agencies](#) have also seen consultancies buy up **design** firms and start hiring the kind of creative professionals they traditionally wouldn't have taken a second glance at. Creative agencies may well still have the edge because of their culture and heritage, but [digital agencies](#) in particular walk a line because their work is a crossover between data and **design**, which puts them in a more precarious position.

The question we have to ask is whether the traditional agency model is robust enough to withstand this threat, or whether we need to rethink our models and adapt accordingly. Consultancies have seen success largely due to their level of involvement in all aspects of their client's world. The **digital** transformation that businesses are looking to undergo is essential to their growth in the evolving marketplace and doesn't affect just one aspect of the company, like **advertising**. Instead, it resonates across the entire organisation. The fact that a management consultant is embedded within the company means that they have an advantage when it comes to stealing agency business – so long as they can bring on the right talent to deliver on these new promises.

We all need to adopt this ethos that sits at the heart of consultancies: an understanding that in a people-based business, whatever allows an organisation to communicate and work together more effectively and with greater speed is the key to growth. It is what has ensured the speed

that consultancies have recognised that a deeper understanding of programmatic **advertising** is good for their clients, and as such, good for them. In response, agencies will need to broaden their horizons and adopt similar tactics, which means immersing ourselves in our client's businesses, and bringing new skills and talent on board to meet their needs.

**Digital** transformation is a journey, not a destination. We will see many new and exciting developments open up to organisations over the course of the next year, providing great opportunities for agencies and consultancies alike. The most important thing is to keep learning and evolving. As data, media and creativity becomes increasingly blurred and the pace of change accelerates, intuition and adaptability will be the deciding factors in 2016.

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