

# ADWEEK



## Thanks to a Single P&L, This Small Agency Collective Simplifies Client Relationships

**Acceleration Community of Companies is an alternative to legacy holding companies**

ACC has a structure that encourages the different agencies under its umbrella to work together. Acceleration Community of Companies

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Agency holding companies have been restructuring in recent years, leaning into single P&L models that allow the groups to more easily staff accounts with talent from various agency brands to create

bespoke brands that serve a particular client's needs. But steeped in a history of competition, large holding companies aren't for all clients or talent.

That's what Michael Nyman bet on when he founded Acceleration Community of Companies (ACC) in 2018. Nyman previously sold entertainment marketing agency Bragman Nyman Cafarelli (BNC) to IPG and led its merger with PMK. After departing as CEO of IPG's combined PMK\*BNC, he decided to build his own agency holding group with a unique business model.

Nyman founded ACC as numerous changes in the industry became more prominent. With the rise of direct-to-consumer marketing, some brands sought deep specialty knowledge that legacy holding companies couldn't swiftly provide. Soon, the holding companies began scooping up specialty agencies. In 2019, Media.Monks purchased influencer marketing agency IMA and later Taco Bell's cultural agency Cashmere. Recently, WPP acquired the ecommerce company Cloud Commerce Group. Around the same time that they needed more specialty expertise, clients were also eager to simplify marketing with a single partner that could provide a "one-size-fits-all" solution to numerous challenges, and they began consolidating the agencies on their rosters. This, among other things, put pressure on the large holding companies to create more flexible service models and eliminate competition between sister agencies.

"I felt that there was an opportunity to create a new model," said Nyman. "I just felt like relative to the advertising and marketing industry, there's life spans and cycles and it's built on norms; when the norms change, the models need to change."

Three specialty brands make up the group, but operate under a single P&L. They include the creative agency MKG, the design and fabrication shop Pink Sparrow and the marketing performance agency Stripe Theory, which also specializes in reputation and crisis management. The community's smaller size makes it an attractive

agency partner for up-and-coming growth focused brands that need highly-specialized agencies. ACC brands itself as a “doing company” instead of a holding company. With its emphasis on enabling project-based work across many specialties, it leans into that messaging.

## **Working together from the beginning**

When Nyman founded ACC, he immediately structured it as a community with a singular vision, and the structural design included embedding advisory services at the top that could pair clients with the right agency brands for their needs to prevent over investment. Most of the prominent holding companies now to go to market in some variation of this model, but it wasn't always this way, and the holding companies have a competitive heritage.

ACC, which in its current iteration is roughly four years old, is an example of what the future of the agency model could look like if agency groups acquire companies and immediately integrate them into a system that encourages them to work together, often on the same accounts. Instead of evolving to meet the needs to a changing industry, Nyman founded ACC to operate non-competitively from the onset. Martin Sorrell's new agency holding company Media.Monks has also done this with a focus on scaling digital media expertise. “We are assembling one best in class of each discipline,” said ACC chief operating officer Patrick Lafferty, adding the model encourages collaboration and discourages pitting agencies against each other.

Craig Kronenberger, CEO of Stripe Theory, said that multiple legacy holding companies considered acquiring his agency, but he opted instead to **sell to ACC in 2020**. “We felt like we were going to be sitting on the bench,” he said. “We felt like we were another acquisition, and we didn't see the integration and we struggled trying to see the value.” Kronenberger also wanted to have influence on how the parent company grew, something that might be challenging at a holding company with deeply established processes.

ACC's model requires that some agencies support each other on a one-off basis. In one instance, MKG enlisted Stipe Theory's help with developing an automated dashboard. "I can look at [my P&L] and think If I'm believing in the betterment of all of us versus just me, I will reap the benefits of it financially," said Kronenberger. "If other agencies see that you're investing as a good partner, they'll do the same."

## **Advisory services at the center**

Like many agency networks, the group has a center that provides resources to all agency brands. One element of this is helping the agencies grow and develop, and another is an advisory group, a team of senior integrated marketers who advise and work with clients. They do this in a "solution-neutral, agnostic way to help them put together the right combination of resources," said Lafferty. The advisory matches clients with services from its agency brands, and also recommends partners that aren't owned by the community, or brand new resources that the agency brings in for the client.

The advisory group has its own portfolio of clients, said Monica Chun, ACC's president of advisory and chief client officer. It functions as a resource for the agencies to help them expand their business in areas beyond their core expertise, and also offers consultative services to clients extending to entertainment partnerships, talent procurement, omnichannel marketing and more.

Chun said the agency is built to deliver what clients want: more for less, adding ACC can "create this bespoke team, work at an accelerated pace and be able to scale up or down as needed so it feels like one seamless, integrated team." The model is designed so that clients don't feel like they're forced to buy services they don't need.

## Project-based collaboration

The ability to scale service up or down depending on need has become valuable during the pandemic as marketing budgets are often in flux and a long term, crystallized scope of work is less tenable in 2022. The group's organizational structure makes it possible for each agency to service a client as needed, with no competition between agency brands. The group achieves this by hiring only one specialized agency for each marketing need. This is different from holding companies that still have a rosters of agencies across media, creative and more.

The structure incentivizes ACC agencies to work together. Target, a long-standing MKG client, came to the agency to launch a new sweet treat for its

Favorite Day brand. The community put together an experiential, contactless campaign built by Pink Sparrow that encouraged consumers to dance in front of a vending machine in exchange for a treat.

ACC was the agency of record for the publicly traded cannabis company Canopy Growth Corporation, but the business was able to leverage advisory services at ACC's center to engage more agencies and launch Martha Stewart's CBD brand. The advisory matched the cannabis company with MKG and Stripe Theory. Stripe Theory worked on audience analysis, influencer marketing and media buying for the project while MKG handled the creative.

"It was a very complimentary example of everyone working together, and we pulled that together in a very short period of time," said Chun. The Martha Stewart work won several awards and increased the company's sales by 800% a week after the campaign launched.

"What I loved about ACC is how curated we're able to make our campaigns based on the capability they have as an organization," said

Brenna Eller, vice president, communications at Canopy Growth.  
“Monica [Chun] is my trusted point person, whether its PR, marketing, social media or what not, I’m able to know she’s going to pull together the right team based on the agencies in that wheelhouse.” The single P&L model enhances the client experience, Eller said, because she works with one billing partner.

“That makes my life so much easier, particularly working across a multitude of agencies,” she said.

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