

# Covid-19 Impact – A Survey of UK Agencies

How Covid has impacted the agency world  
– and what it's doing to fight back



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# Introduction

If anyone had asked you, as a senior agency leader, what your outlook was for 2020 just a few short weeks ago there is little doubt that your response would be bullish.

Things were going well with marketing and advertising spend hitting record levels and companies talking up record numbers on an almost daily basis.

Then the world came to an abrupt stop.

The pandemic outbreak was a Black Swan event in the truest sense; an issue that came from nowhere and destroyed value at record pace.

And it has hit digital, creative, marketing and advertising agencies hard.

As a key supplier to those businesses we saw, first-hand, how the immediate pull back on spend immediately impacted businesses that had been killing it just a few short weeks ago.

It has been a painful period for all, and so we've spent the last few weeks working on ways in which we can help the people running those businesses.

That process starts right here with the publication of our Big Agency Covid Survey results; a document designed to share a collective view of the impact being felt – and the tactics and technology being used to solve the challenge.

With teams now working from home and clients worried for their futures there are a lot of unanswered questions and very little experience to call upon to answer them.

Data then is our friend and in the next few pages you'll discover how your peers are reacting to the coronavirus challenge; and how it's inspiring rapid, creative and inspiring innovation.

Following the survey results we share thoughts from friends of Deazy on implementing the recommendations and building team resilience.

And to support the survey results we have lots more planned to try and help as many as we can in this hour of collective need.

Read on...

**Gus and Andy. Deazy co-founders.**

## Methodology statement

This survey has been speedily created to share critical peer-led knowledge to as many within the industry as possible, while it really matters.

To do that we sent out a survey in early April asking senior agency leaders, founders and managers to share their own experiences of the Covid fallout and how they have pivoted to cope.

You answered that call too, with more than 200 responses from agencies big and small, covering a true cross section of sectors, services and markets.

Those results were then quickly analysed, and the findings shared below.



# So, what did it uncover?

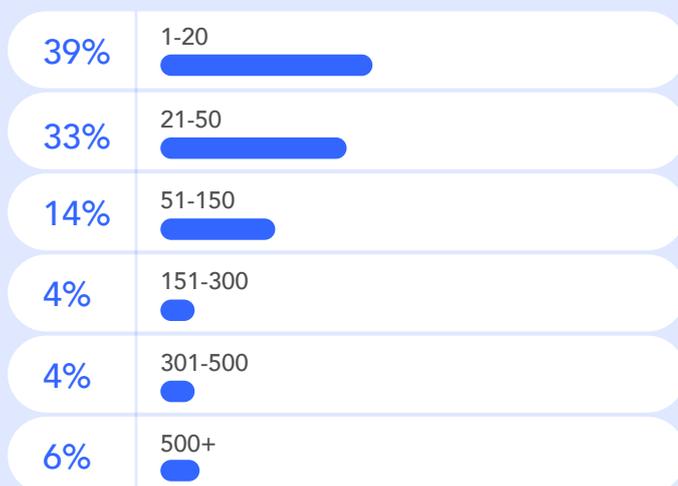
Let's run through the main takeaways from the data you provided...

## 1. Smaller agencies were, understandably, better prepared than larger ones.

You can see here that the data was collected from a vast cross section of business sizes.

And it is clear that smaller agencies were, on average, more prepared for things like home working and in providing access to critical documents out of the office.

### Roughly how many staff does your agency employ?



Overall however, the industry is ahead of many others in remote working terms, with 73% of those questioned telling us that they found it relatively easy to move to home working (scoring 0 – 3). This picture looks slightly less positive when we look at agencies with more than 150 people. In that set 53% told us they found the process hassle free.



### How easy did you find moving to remote?



Interestingly almost 20% found the process to be hard, proving how far many agencies had already come in embracing flexible working.

When we asked you about how prepared your systems were for such a move 61% of you told us you were more than ready, with 22% not there. The correlation with the former question is striking here and tells us a lot about what percentage of agencies had already prepared for remote operation.

Larger agencies found it harder to find positives however with the remote way of working. Fewer responded to this question than they did within smaller agencies and those that did picked less (2 on average, compared to 5 for those in agencies under 50 people).

Again, this plays to the point that it is harder to organise larger numbers of people quickly.



## 2. There were lots of positives from remote working.

Overall, however, there were lots of good news stories coming out of the experience, with senior agency people saying that they were able to cultivate a more powerful feeling of freedom and trust amongst their staff.

Fewer meetings also meant that productivity increased (that was the perception at least). The challenge, however, is that it is difficult to measure productivity at this point and a lack of tools built specifically for this is only going to serve to make this more difficult.

### What positives have you seen through the remote working setup?



### 3. But it's not all plain sailing

There are challenges too of course with the biggest being the feeling of disconnection. It's well known that 'good communication solves all problems' and while video platforms (more on those later) provide a level of support it is clear that senior agency people feel they are no replacement for face-to-face comms.

Interestingly 'reduced efficiency' raises its head here too and of those questioned about this, every single one of you told us this is perceived rather than a measured problem and is more related to a 'feeling of not being as effective'. This is a classic response to a typical change management challenge and may become less of an issue as people adjust to their new ways of working.

#### And what have the challenges been?



It will also highlight those that struggle with work ethic and focus, however, over time it will increase the requirement for training around this subject area.



## 4. Which brings us to communication tools...

There is little argument amongst agency heads that communication is the key to delivering through this challenge; both in terms of existing work and also around supporting clients with their own challenges and requirements to pause work etc.

As with many things in the 2020s software is the answer and there are a handful of very clear winners from what you have told us.

Leading the field in solution provision is Slack – a comms tool that 70% of you told us you now use daily to track delivery and to try and keep the team together.

Interestingly the use of WhatsApp as a business tool has emerged. When we delved in deeper with two senior managers, both from larger agencies, they told us that it was being used more out of necessity than choice, to get around delays in installing Slack and other tools on computers.

Most surprising of all is how far down the pecking order Skype has fallen. Once the ONLY choice for desktop comms and video, it is now only used by 13% of you!

### Which chat technology are you using most to communicate daily?

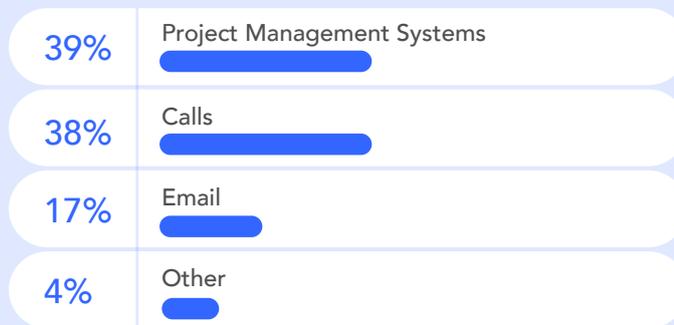


## 5. How are you tracking work delivery?

Google is another big winner (surprise surprise) of the work-from-home move, coming out top pick when it comes to remote project management.

It's suite of cloud tools under the Google Drive offering wins hands down, with Sheets even used ahead of ready-made project management platforms such as Trello, Monday and Asana.

### How are you monitoring progress?



## 6. Video (saved) the agency stars

If you've been a Zoom shareholder for the past six months you will hardly be believing your luck. While no one could have predicted the global lockdown, the resulting uptake of its service has pushed the company's stock price up by a mind-bending 240%. Not bad for a 25-week return!

And while not all of those accounts will turn into fee-paying customers, or will stick around forever, there is little doubt that attitudes and behaviours will be forever changed by this process.

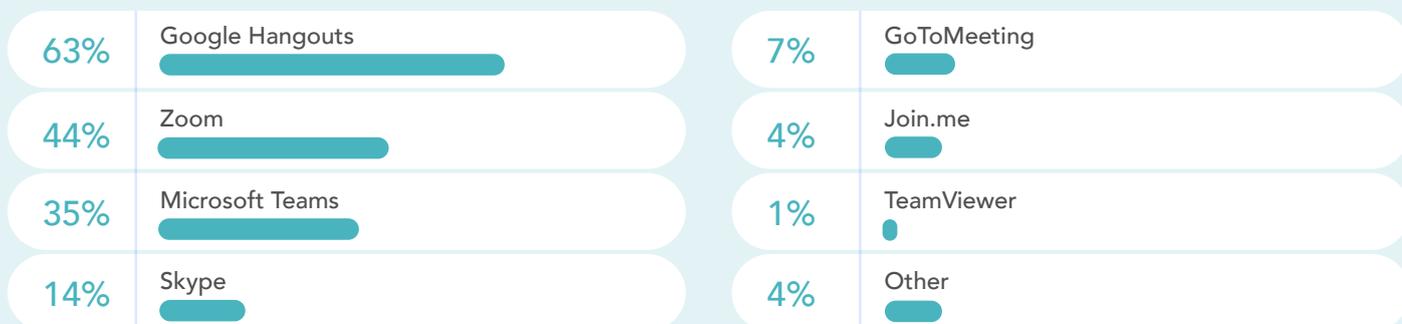
Video conference does work well for agencies and you've been telling us just how great it really is in your droves - with almost 100% of those that responded admitting to using at least one platform weekly.

You have also told us that the hardest aspect of operating remotely is the pitch process, not surprisingly. These are still taking place, normally over Zoom, in some cases with cameras on but sometimes also with the client insisting on cameras off for long periods of time whilst the agency pitches. One unexpected positive here is that agencies are able to speak within their teams via Whatsapp threads, which they wouldn't normally be able to, and pick up any points that need adjusting position in real time.

And while there are certainly no surprises in your choice of platform, you can see the most popular ones below.

Interestingly too, a quarter of you had to start using them since the outbreak began, with 'only' 76% admitting to having been using video as a key comms channel beforehand.

### Which video technology are using most to stay in touch?

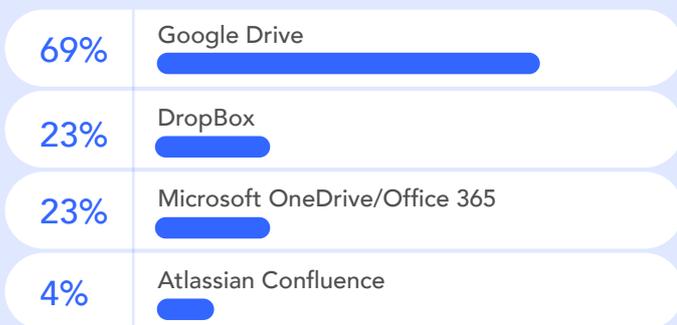


## 7. Three companies 'own' Cloud working.

As well as solving the communications challenge another 'big one' standing in the way of effective remote working has been access to key documents.

Thankfully most agencies now seem to be well prepared for such protocols with 70% of you utilising Google Drive to do that in what must be the biggest thumbs up yet for the service.

### Collaborative software



Dropbox and Microsoft OneDrive (for larger agencies) are in joint second place before the competition pretty much disappears again. The choices are stark, it seems!



## 8. Meetings, meeting meetings...

Mention the word to anyone in any kind of senior position at an agency and they will tell you they spend 'half their lives in meetings'. The question is, what effect has remote working had on that fact, and the resulting productivity question behind it?

While on initial inspection the answer may seem obvious the truth is somewhat more complex. While you may expect the number of meetings to have dropped considerably while working from home, the challenge,

initially at least, has been the need to communicate more in order to create a feeling of 'connection'.

The split, therefore, is roughly 50/50 in terms of those finding they are having less meets and those battling with having to facilitate more. Our guess is that we will see the 'mores' reducing considerably in the weeks ahead as fewer ways of working questions come up.

Have you or your team had more or less meetings whilst working remote?

51%

More meetings

49%

Less meetings

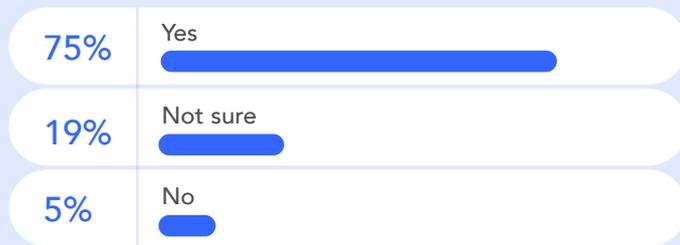
## 9. Remote working is here for the long term

Perhaps one of the most telling signs of all is the response you gave when asked if the remote working principle would continue post Covid. In a sign of what might come an astonishing 75% of those asked admitted to wanting to extend the option to employees in the future. Only 5% said no, they wouldn't entertain it.

This data point was so interesting that we decided to dig a little deeper and look at the proportion of staff that could end up working from home at any one time.

Incredibly, almost 20% admitted that they may consider fully remote operations as this 'trial run had proven so successful.'

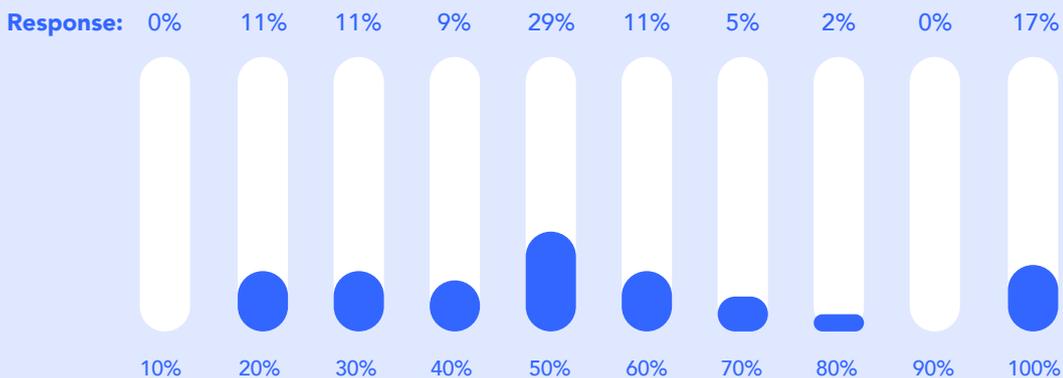
Would you consider increasing the opportunity for staff to work remotely when office use is available again?



What this means for rush hour, commercial and office property and internet service provision no one knows for now, but it looks as if the lockdown is creating game-changing structural changes in how we work and live.

That, however, was not where the bulk of you felt it practical to sit. The overwhelming number felt that something in the 20% - 60% band would be most practical given the perceived need for face-to-face time and governance.

If you are open to the possibility, what % of staff do you see working remotely in the future?



## 10. Budgets are being squeezed & omnichannel agencies are best placed to lessen the impact

As with any downturn, perceived or otherwise, marketing and advertising is one of the first places companies look to turn off the spending tap. This can, and usually does, have a significant impact on agency revenues and your responses suggest this has certainly been the case this time with the overall hit in the 10% - 30% range, on average.

The same picture is not true of all service areas of course, and so we asked you which channels had seen the greatest impact overall.

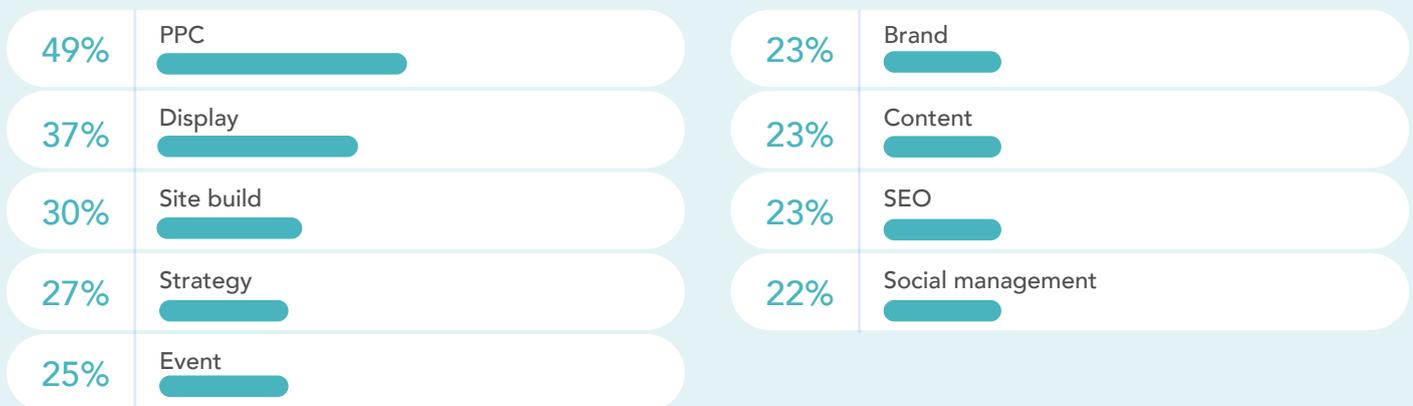
Unsurprisingly paid channels have been the worst affected with PPC and Display topping your list of those that have been switched off.

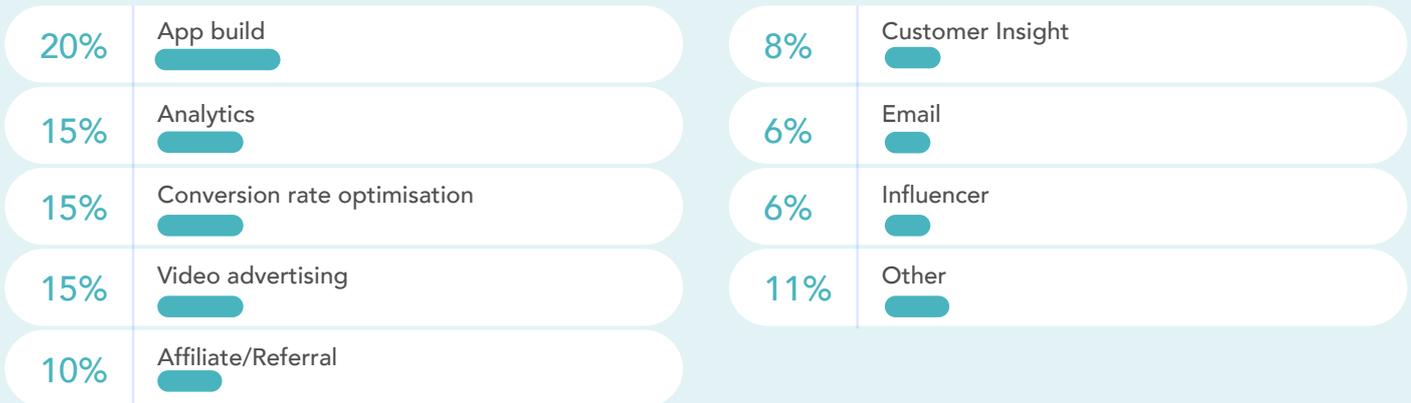
Interestingly some businesses are even putting on hold longer term projects such as site builds - possibly because they represent big ticket purchases.

Strategically such a move makes little sense, of course, as some would argue that such disruptive and time-consuming projects are best carried out while the business is impacted, and teams have the time and capacity to complete them, in turn investing in a future growth opportunity.

Event impact is also unsurprising given the current social distancing rules, but it is also clear that some businesses have had to cut deeply; whether that is out of absolute necessity or non-strategic panic, is another matter entirely.

Have your clients spent less or directed budget away from any of the following services?

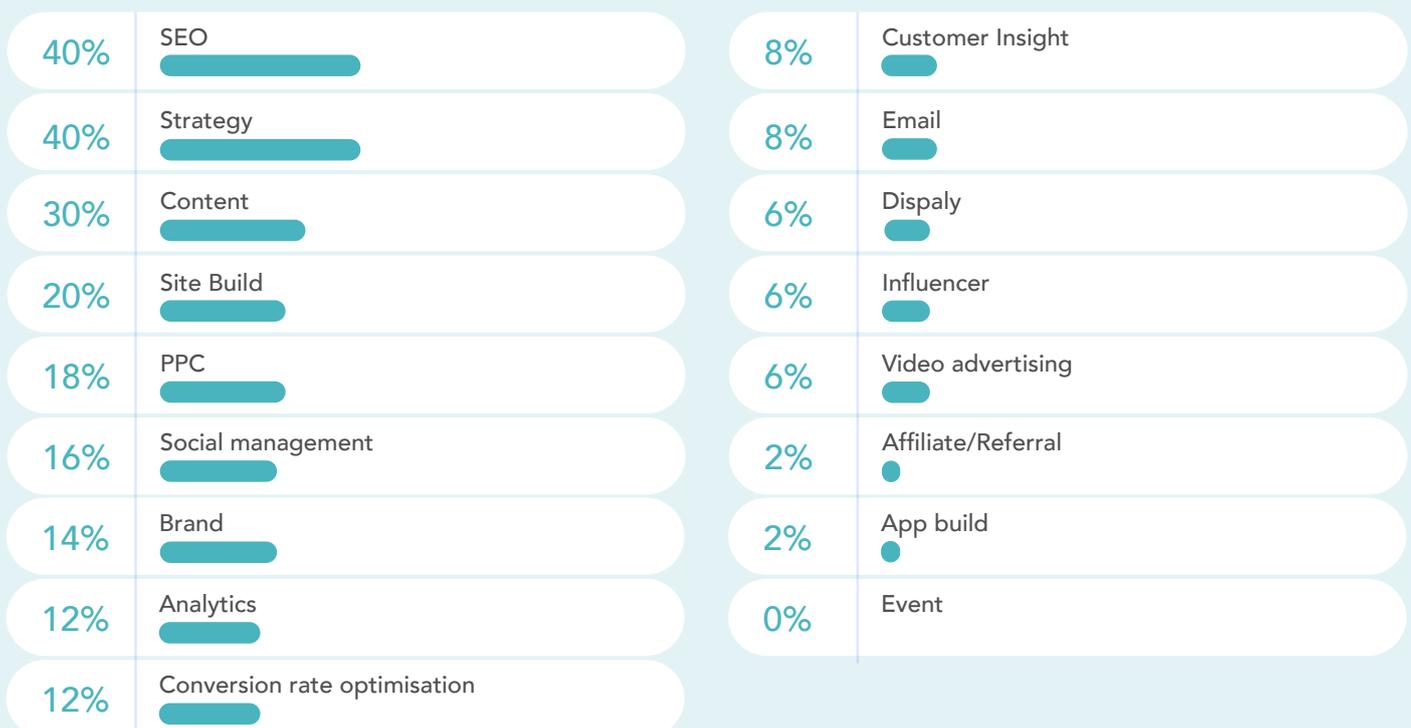




While some brands have seen it as a requirement to cut spend, others have turned concern into opportunity and are investing ahead of their competitors.

Numerous studies have proven how valuable this strategy can be during downturns as it is a rare opportunity to 'get ahead'. And the channels that's happening in most? See the list below.

Have your clients spent more or redirected budget in to any of the following services?

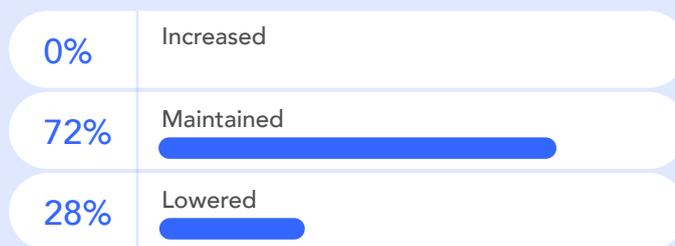


## 11. You're supporting your staff

One of the best things about agency land is its focus on its people as its most valuable asset. It may be a cliché to some but there are few industries where staff are treated better or have access to a greater set of benefits than this one and so when the proverbial hits the fan, it is heart-warming to see this continue.

Despite massive headwinds, with an average loss of revenue of 33% few have actually cut headcount at all. Of those surveyed only 22% admitted to using the furlough scheme or opted to make redundancies as a result of the downturn.

How has your headcount been affected to date through this disruption?

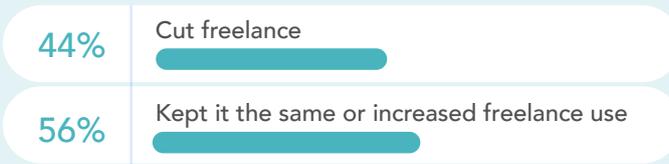


## 12. The benefits of flexible resourcing are clear to see

For senior agency bodies the flexibility that contractors, freelancers and flexsourcing partners offer is clear to see in times like these. They offer complete agility in resourcing and the opportunity to scale up and down according to the size and type of demand, without negatively impacting your cost base.

44% of you decided to scale down your use of freelancers with just over half sticking with the freelance bank they have in place - a timely reminder of the benefits that flexible resourcing can offer.

### Have you cut the number of freelancers you use?



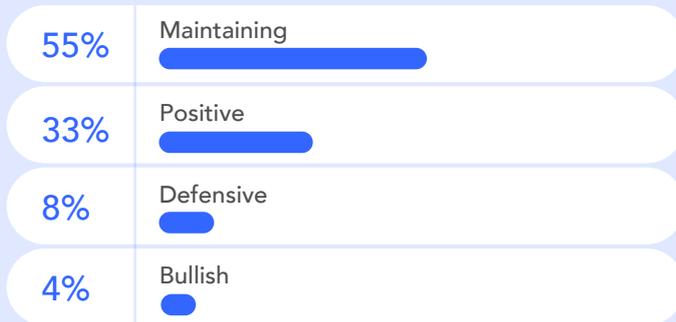
## 13. Overwhelmingly, however, you remain positive about the future.

But to finish on a high an overwhelming number of senior agency figures are still incredibly positive about the near-term future, with a massive 89% either looking for new opportunity or staying focused on building on existing client relationships.

Sure, few of you are ‘bullish’ on the current outlook, but more tellingly, only 8% are in defence mode.

And it’s this ‘glass-half full’ mentality that will ensure the industry we all love will only come out the other side of this challenging period stronger for the experience.

Which of the following best describes your outlook on the market?



## So, what does all this mean?

The results are in and you have spoken. In your hundreds. The question then is what can we learn from it? How can the findings help shape your own thinking around how you best navigate the initial crisis, and possible medium term economic 'scars'?

We've spent some time considering this for you, so you don't have to and below is a **11-point action plan**, from which you can take some inspiration:

**1. Working with your clients and building deeper, wider relationships is key at this moment in time.** Even if you are not working with them use the time to help, offering contract flexibility and strategic support around how best to manage their budgets to protect market share, whilst being as efficient as possible with cash. Do this and you'll come out the other side with a stronger relationship across more services with a greater level of trust on both sides.

**2. Innovate! As with any significant shift in consumer behaviour those that show agility and adaptability, and critically devote significant time to it will come out as winners in the medium to longer term.** It is clear that for the right ideas marketing budget is available – you just have to come up with them and think outside the box.



**3. Remote working should stay. Use this opportunity to perfect home working and refine it ready for a more permanent move.**

The benefits it offers staff outweigh its challenges and with an investment in the right technology will pay dividends around staff retention and productivity. It may even reduce your rent bill!

**4. Maintain your staff base through this time, utilise the Government's furlough scheme** and plug the gap with flexible resourcing as needed.

In order to navigate the short-term bumps - just as you are advising your own clients, now is NOT the time to cut back on ambition as the strongest will come out stronger.

**5. Use the opportunity to improve your longer-term resilience planning.**

It is easy to run an agency when times are good, but downturns allow you to look at the challenge from a different angle. Is the right thing to build up your fixed cost base, or keep it more fluid with smaller office space and more significant use of flexible resourcing?

**6. Remind your clients that forbearance wins;** businesses that maintain or increase marketing or advertising activity gain a lasting advantage over their competitors who decrease during the same period.

**7. Improve your ability to cross sell and upsell.** While a single channel specialism can be a powerful sales pitch in the good times, it also leaves you wide open to significant revenue losses in the bad. With a wider range of channel management to offer it is much easier to have a meaningful strategic conversation around how spend can be moved to better deliver the right outcomes at the right time.

**8. Take the time to review your IT and software backbone.** If you are not already on Cloud, then you should be. And if you haven't spent time investigating the best tech stack for remote working then get on it now. From the data it is clear that Slack is the favourite option for text-based comms and Hangouts or Zoom for video. Project management systems should then be chosen based on remote-first features such as cloud-based access and good task progress tracking. Consideration should also be given to tracking medium to longer term objectives and OKRs etc, although software to do this is still currently limited.

**9. Work hard on internal comms if you are a senior manager or leader.** It is clear that a feeling of 'disconnect' is the greatest challenge to those working from home – and good communication solves all problems! Of the successful agency leaders we spoke to a weekly 'all hands' meeting, irrespective of agency size, was a prerequisite and some had found success in ensuring that individual teams started the day with 15 min video 'huddles' to ensure everyone was OK and knew what the day's priorities were. Friday afternoon video quizzes had been 'going down a storm' according to one digital agency owner!



**10. Offer clients flexibility.** Those at risk of losing everything should be helped – for free if necessary – if they have been a good long-term partner. Remember that this bump is of no fault of their own and the extra revenue you can help them find could be the difference between life and death. Save them and you'll have a partner for life. For others think of creative ways of pushing spend into other channels, or later in the year to maintain overall contract value, while ensuring you show empathy and understanding to their internal challenges.

**11. Whatever happens, look at how you can create meeting efficiencies.** If the lockdown teaches us anything it is that most meetings are unnecessary. Utilise technology to change the way you communicate as a business on a more agile basis through slack/video etc to cut down on the time wasted moving between physical meets and instead use that to be more productive working on the things that matter – client work and innovation projects!



# How Deazy are helping agencies respond to COVID-19

**Deazy** have become a key 'Flex-sourcing' development partner to many agencies in the UK, and increasingly so through this COVID-19 crisis.

Here are three ways that we're supporting agencies right now:

- 1. Providing team extensions to both agencies and their clients** - we are able to provide developers flexibly, across tech stacks, from our nearshore teams. And since we carefully curate and vet them, our agencies have confidently placed them into their end clients on contracts to plug resource gaps.
- 2. High quality, cost effective development partners to deliver projects on demand** - our vetted teams cover a breadth of tech stacks and deliver high quality at low commercials. For our agency partners, this means they can kick off a diverse array of projects with confidence in days. With the agility to adapt to changing client requirements, they are well positioned for both client retention and growth in a challenging environment.

- 3. Build your agency on the Deazy platform to respond to briefs with confidence and unlimited delivery bandwidth** - using Deazy, our agency partners have stated how confident they now feel responding to briefs knowing they can scale up tech delivery as needed, whatever the platform, tech stack or timescales.

## Next Steps:

### TECH RESOURCING:

To discuss your agency's development resourcing requirements and explore whether we can support you at Deazy, please reach out to us on [andy@deazy.co.uk](mailto:andy@deazy.co.uk) to arrange an initial call.



# Thoughts for Leaders to Bring Recommendations to Life from Friends of Deazy



**Temporal Consulting** is a consultancy specialising in collaborative leadership and cultural transformation. They have 30 years experience working with complex public / private sector organisations and supply chains such as Network Rail, Highways England and the M25.

Here are some of TC's observations regarding the recommendations:

"Transforming intention into reality is always a challenge for leaders and influencers in organisations, who may want to take the recommendations in this report.

The implication of the report is that business has changed and how people want to continue to do business may also have shifted, for example the way they meet; virtual rather than face to face. **Such shifts inevitably result in some challenges to how leaders relate and communicate with their teams.** The current Covid 19 context demands that they need to ensure that whilst maintaining team relationships and collaboration, **they also need to strengthen team resilience, innovation and agility.**

Remote working may allow the leader to feel connected to the team, however, others may feel increased disconnection from one another and the opportunities for spontaneity and creativity that emerge in conversation. The challenge for leaders is to actively and consistently invest in creating and maintaining conditions that support the quality of connection - upon which all creative and innovative responses depend."

Stay tuned for their upcoming Deazy article that will further elaborate on these reflections.

## Next Steps:

### CULTURAL TRANSFORMATION:

If you would like to explore the implications for Cultural transformation or development of collaborative leadership within your business please contact Temporal Consulting [gerry.hyde@temporalconsulting.co.uk](mailto:gerry.hyde@temporalconsulting.co.uk) and ask to have a chat with either Nicola Temporal or Simon Cavicchia.

# Thoughts for Agencies to Build Team Resilience from Friends of Deazy



**Rubica** are an organisational change consultancy working with organisations who are facing disruption and uncertainty. They are a valued Deazy partner and have recently published some thought leadership which should be helpful for agency leaders looking to build team resilience in a remote context amidst the current challenges.

They define team resilience as:

Our collective ability to continuously improve behaviours and processes which support our ability to successfully manage work at pace irrespective of change and pressure.

And position this as quite distinct from personal resilience, with team resilience a collective responsibility and founded on team behaviour and processes:

	Personal resilience	Team & Organisational Resilience
<b>Responsibility</b>	Individual	Collective
<b>Influence</b>	Learned experiences	Culture & team management
<b>Foundation</b>	Emotional intelligence	Team behaviours & processes
<b>Impact</b>	Adaption, Focus, Positivity (home, work) Personal growth	Engagement & commitment Productivity Discretionary effort Morale, Team development
<b>Fundamentals</b>	Focus, Energy Confidence & Optimism	Clarity, Support, Experimentation



At a practical level, they see team resilience developed through clarity, support and experimentation:

**Clarity:** Don't assume that leaders, managers or high performing teams are clear on where they need to pivot to right now. Even in normal conditions, high performing teams report that they struggle to adapt to changing priorities, so focus on building clarity with your teams.

**Support:** Camaraderie and getting along well are not enough for your team to thrive in a remote context. Managers need to proactively use tools to build transparency on how you are going to manage disruption and how you are going to manage the pressure.

**Experiment:** When we are in strain we are less open to new ideas and more likely to fall back on old approaches. So now is the time to remove strain from our team where possible to challenge assumptions on what we do and how we do our work.

## Next Steps:

### BUILDING TEAM RESILIENCE:

We will be producing a detailed follow up article with Rubica but to understand more about building team resilience amidst disruption and uncertainty, we would encourage you to email [hello@rubica.co.uk](mailto:hello@rubica.co.uk) and review the following webinar: <https://www.rubica.co.uk/webinars/recorded-event-boosting-team-resilience-virtually/>

# Thank you!

All that is left to say is a massive THANK YOU to every senior agency leader who took time out to share their experiences and learnings with us for this project. Our questions hit you at a tough time and that selflessness will not be forgotten. Hopefully the results and findings justify the toil and help you all in some small way navigate the crisis.

One thing we have learned throughout this process however is that the UK's agencies are in great hands and there is little doubt that endurance, that rarest of traits, is found in abundance across this fantastic industry of ours. Here's to a bright future!

If you have any questions about the survey, its findings, or want to talk to us about how we might support your flexible resourcing plans then don't hesitate to reach out to me at [andy@deazy.co.uk](mailto:andy@deazy.co.uk)



**Andy, Deazy Co-Founder**

