

# EXCLUSIVE: Why Accenture plans to acquire King James Group

By  Evan-Lee Courie

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This week news broke that [Accenture has entered into an agreement to acquire King James Group](#), a highly awarded creative agency with expertise in brand strategy, creativity and digital marketing services.



Haydn Townsend, Accenture Interactive's managing director for South Africa; Alistair King, founder and chief creative officer and James Barty, founding partner and chief executive of King James Group.

We get the inside scoop from Haydn Townsend, Accenture Interactive's managing director for South Africa; Alistair King, founder and chief creative officer and James Barty, founding partner and chief executive of King James Group.

"The conclusion of the deal remains subject to Competition approval, so we are not quite celebrating yet. But we are thrilled about our decision and are hopeful that we can start a new King James chapter in the new year. It's been a very emotional few weeks for James (Barty) and I and many of our staff - 24 years of independence is quite a hard habit to break, but we are certainly chomping to get into our new roles and challenges. It's also reassuring to have the absolute support and enthusiasm of our staff and clients at this stage in the process," says Alistair King when asked what it feels like after the announcement was made public this week.

Haydn Townsend adds, "We are elated that we have come this far and are excited about the future. We have to mark, however, that the deal is still subject to regulatory approval by the Competition Commission. It took us 18 months from our first chat to this moment and whilst as mentioned we are not there yet, we are buzzing with excitement about the potential future ahead."



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**How did this come about?**

Says Townsend, "We have been building out a strategy for growth and one of the key pillars of this strategy is to augment our small communication practice within Accenture Interactive Africa.

There are two ways to do this – we either build or buy. We thoroughly explored those options and whilst we have a big head start in Service Design and Technology, in communication we deemed the gap too huge to close organically.

The logical next step would be to acquire and I have been a huge admirer of both the company King James and the two founders (Alistair and James) – and that is borne out by the huge accolades they pull individually and as a company. So I sheepishly reached out to Alistair on a WhatsApp 18 months ago and as they say, the rest is history."

King adds "It's quite common industry knowledge that, despite our passionate peddling of the Independent narrative, we have entertained a few suitors over the past 24 years. The timing, and often the suitor, has never felt right for us. I think the industry just assumed we were committed to remaining independent, so Hayden Townsend's initial approach was fairly cautious and speculative. I suspect he was surprised when we said 'Sure, let's chat.' The truth is we have long admired Accenture Interactive's business model and have always felt that we would fit right in. The right time, the right suitor."

The key reason to acquire a predominantly digital marketing agency, according to Townsend, is that "King James was as compelling as they are is that they are much more than an agency, but a well-oiled and combined communication practice. This is what we were looking for to be able to build out an end-end solution for clients when combined with our existing offering."

### **The why**

When asked the reason behind the agreement to be acquired, King responded, "If I look back at our 24-year journey, we've been evolving constantly and consistently as brand communication has shifted. We started out as a traditional agency and then slowly added Design, PR, Digital, Social and retail capabilities along the way. The next logical step for us is what Accenture can bring. We very much admire their business model and the way in which they have been embracing the creative ethos of the agencies they have acquired. King James is ready for its next big challenge and James and I are thrilled to give our people a shot at the big leagues."

"Whilst we will continue to deliver our existing business individually, it's really when we combine the King James offer with Accenture Interactive, then with strategy & consulting, technology & operations that the magic will happen. It will transform us both and make us more compelling than we ever could be on our own," comments Townsend.

"We actually consider ourselves to be a channel-neutral creative brand agency. Our clients stretch across traditional, digital, social and PR channels and every combination thereof. Accenture's digital and business solution capabilities perfectly complements our creative skills rather than duplicates it," adds King

### **Alignment of the two companies**

"As this is a merger of complementary skills we line up adjacent to each other – each enhancing the others skill sets and expertise in a powerful way. Naturally, King James will in time migrate to Accenture Interactives internal systems and processes resulting in a seamless offering.

King James Group has constantly over its 24-year journey challenged itself to adapt and change to meet the ever-changing landscape of marketing communications. This restless spirit is alive in our DNA, and this joining with Accenture is the next

natural step in our evolution," says James Barty, founding partner and chief executive of King James Group.



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Townsend adds, "The goal is always to fully integrate a company while preserving its unique characteristics that led Accenture to acquire it in the first place. At the heart of Accenture's approach is the focus on making the journey of the acquired workforce into Accenture as positive an experience as possible to successfully retain and attract talent. We will maintain the King James brand and designated as 'Part of Accenture Interactive' into the near future but will operate as one go-to-market proposition for clients under Accenture Interactive."

### What will this mean for Accenture and King James Group?

King says, "As we have been saying to our clients, nothing will change and everything will change. We will continue to operate as we always have with the people we've always had. Only now we will be able to apply Accenture's capabilities to our existing clients, and our particular style of creative problem solving to theirs. We're fully expecting this to take us to the next level.

We are also thrilled at the prospect that we will get to spearhead Accenture Interactive's creative presence in Africa, and look forward to working alongside the many talented global agencies they have in their group. South Africa's creative talent is admired around the world and as we're exceptionally proud that King James is the brand they've invited into their fold."

### Business objectives and strategy

Townsend says, "Accenture's acquisition strategy is focused on scaling where we see big market opportunities; adding skills and capabilities in the New; and deepening our industry and functional expertise. Accenture targets acquisitions in very specific, high-growth areas of its business. These acquisitions are designed to accelerate Accenture's access to unique capabilities, and then the firm build organically on top of them."

Once acquired, "The King James brand and business will continue to operate and function as it does now. However, we now have access to the incredible technology skills and innovation inside Accenture Interactive, which creates endless opportunities for our creativity to be expressed in a myriad of new ways," adds Barty.

### Management restructuring on the cards?

For now, it is business as usual for Accenture and King James Group, which remain separate entities. Once the deal is given regulatory approvals, Accenture will focus on communicating the value proposition of the combined Accenture Interactive and King James Group's team to their clients. Clients will continue to receive the level of service they have come to expect from the team. Accenture Interactive and King James Group will also leverage opportunities to collaborate across both brands to drive business growth.

So, for now, the management and leadership of both entities remain as is.

### Prospects of employment

"Accenture Interactive aims to continue to develop and grow both organisations' combined clients and capabilities, in which King James Group's talent and expertise will be a part of. The breadth, depth, scale and stability of business will offer King James Group's employees opportunities to grow and expand their skills and develop their careers on a broader platform. We also see a huge opportunity to drive job-creation as we synergistically grow," says Townsend.

Barty says, "The ultimate goal of our merger is synergistic growth, through partnering with clients in the complementary skills we will jointly now offer. This will undoubtedly create employment opportunities."

## The future

"It has been a rigorous and thorough process of due diligence and getting to know one another. Important in this was the reassurance that creativity resides at the core of their business strategy. Also, alignment of our values and ethos with those of Accenture, and we are pleased that we are kindred spirits in many ways. Their human-centric approach resonates with us, and points to a successful partnership ahead," comments Barty.



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Concludes Townsend, "The agreement to acquire King James Group was the result of rigorous due diligence, culture matching, astute negotiation and careful strategic planning over a period of more than a year to the benefit of the future integrated offering to the client base of both businesses. The transaction is still subject to regulatory approval by the Competition Commission."

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