

The Red Consultancy



Multi-specialist best known for consumer branding work

Uneasy lies the head that wears the crown. The Red Consultancy has been the U.K.'s reigning consumer public relations leader for so long that usurpers are constantly predicting either abdication or overthrow: its sale to Incepta in 2001; the departure of founders Lesley Brend and David Fuller at the conclusion of their earn-out period; Incepta's acquisition, two years ago, by Lord Peter Chadlington's Huntsworth Group; the departure of staff at all levels to competitors. But under the leadership of managing director Mike Morgan and his executive leadership team, Red continues to grow (revenues were up 10 percent last year, crossing the £10 million threshold for the first time) and to rack up awards at an impressive pace, including two European SABRE Awards for its work with AA Insurance and Expedia.

One reason for the firm's continuing solid performance is the depth of senior management talent, led by CEO Mike Morgan and managing directors Andrew Baiden and Amanda Duncan. Seven longstanding directors—average tenure eight years—are still there, and the firm's three top execs have a combined 30 years of Red experience: Morgan has spent 15 years at Red working with clients including McDonald's, Xbox, Nokia, Safeway and Bass; and Baiden has eight years with Red,

while Duncan has been an employee since the firm's inception.

Clients have been equally loyal. Several blue-chip clients Red picked up during its first few years—including DIY retailer B&Q, Johnson & Johnson, McDonald's, Microsoft, and Nokia—are all still with the firm 10 years on, and many are now looking for Red to manage European and global campaigns. High-profile corporate wins in the past 12 months included the Department for Trade's "Think" campaign, and the Department of Works & Pensions—both examples of the firm's growing public sector portfolio; Electronic Arts; Glenfoldich; Motley Fool; Nokia; and Sony.

The firm's reputation for creativity is as important as the numbers, of course. Founded in 1994, Red earned recognition from PR Week as Best New Consultancy in 1996 and Consultancy of the Year 12 months later and was The Holmes Report's first-ever Consumer Consultancy of the Year in 2004. The firm differentiates itself by its ability to make news, create content, and tell stories. Big ideas can't just be eye-catching, they also have to be driven by an insight into the client, and the client's customer; they have to be truthful, authentic. The impact of all this creativity is measured through a system the firm calls Red Heat, which provides a quantitative and qualitative assessment of media coverage.

While best known for its consumer work, Red has been expanding into new areas too. Following the launch in 2006 of Red Inc., its corporate offer led by former Consolidated board director Paul Davies, and a new media joint venture (in partnership with Shiny Media, one of the U.K.'s leading blogging companies) called Shiny Red, there were several additional initiatives over the past 12 months: Redactive, a sponsorship unit covering the worlds of sport and entertainment and working with EA and Umbro and more recently RedHealth, a foray into the ethical healthcare arena led by Ruder Finn veterans Pat Pearson and Paul Gittins and serving clients such as Lilly and Wyeth. Red Inc., meanwhile, has added assignments for Abbey and John Lewis, while Shiny Red is working for Microsoft, Nokia, and Yell.com.

The firm's U.S. operation, launched in 2004, has grown slowly—and without

the fanfare that accompanied Red's first few years in the U.K.—and now includes offices in New York and San Francisco, a new general manager in New York in Jon Cunningham (an 11-year veteran of Red in London), and new business from the likes of McAfee and MSN. The business is now running at a rate of around \$2 million, and there's a serious possibility that Huntsworth will make an acquisition to add critical mass and accelerate growth.