

A photograph of a man with curly hair and a beard, wearing a maroon jacket and headphones, smiling in a recording studio. He is standing in front of a desk with two computer monitors displaying audio waveforms. The image is overlaid with large, semi-transparent blue geometric shapes.

# From scale to agility – rethinking the agency model

Kreston Reeves Brighton creative community roundtable:  
▼ 26 February 2026

# From scale to agility – rethinking the agency model

*This paper is written for founders, managing directors and senior leaders of creative and marketing agencies navigating growth, talent and technology change.*

The creative agency model is once again evolving, with clients increasingly seeking deep specialisation. Crucially, size and geography are no longer defining factors for long term success.

Accountants and business advisers Kreston Reeves hosted a roundtable in Brighton on 26 February for 16 creative agency chiefs, funders and advisers to discuss the opportunities and challenges facing creative businesses on the south coast.

From the seemingly unstoppable rise of AI to a changing talent landscape, changing client demands to funding opportunities, this white paper captures the discussion of participants and the challenges and opportunities they face.

## Kreston Reeves insight

Creative agencies are navigating a period of structural change rather than a single market shock. Shifts in technology, talent and funding are interconnected, and decisions made in one area often have unintended consequences elsewhere.

From our work with creative, media and technology businesses, the agencies that perform best are those that step back, assess their operating model holistically and make deliberate choices aligned to long-term strategy rather than short-term pressure.

▼ We are grateful to the following participants for their contributions.

- Dom Bailey, Baxter & Bailey
- Matt Baldwin, Coast Communications
- Rahul Misra, Creative UK
- Marc Newall, Creative UK
- Estelle Dingley, Department for Business and Trade
- Carl Clark, Digital Khaos
- Debbie Venn, DMH Stallard
- Jen Melbert, Growth Animals
- Hayley Cleaver, Kreston Reeves
- Jane Richardson, Kreston Reeves
- Jamie Servante, Kreston Reeves
- Jo Sutherland, Magenta Associates
- Simon Griffiths, Natwest
- SJ Dowman, Posse London
- Claire Blyth, Red Setter Agency
- Milly Stone, WhiteSpace

Kreston Reeves hold regular roundtable discussions for the creative, media and technology sectors. If you would like to join a future discussion do get in touch.



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# AI - reshaping of creative agencies

**Artificial intelligence (AI) is a thread that is on every agency agenda and ran through almost every part of Kreston Reeves' roundtable discussion.**

The consensus was clear: AI is one of the defining moments for agency futures. It is reshaping workflows, client expectations and the very definition of agency value.

Agencies are, unsurprisingly, already leaning into AI. Many are embedding AI tools into research, content development, data analysis and internal productivity. Some are developing AI-led training and advisory services for clients, helping them build internal capability. Others see AI as an accelerant, improving efficiency and freeing up time for higher-value thinking. Wherever agencies stand, it is opening new revenue streams.

## **Yet beneath the optimism lies a tension.**

Clients too are experimenting with AI and starting with the work that might have once landed on an agency desk. Several agency leads have seen clients generating brand design, drafting copy and building content in-house.

The novelty of AI, and perhaps costs pressures, are leaving businesses to ask whether they can "do it themselves". "It is," one participant said, "a massive opportunity for agencies... but also a massive opportunity for clients to do some really bad marketing," pointing to AI-generated brand assets.

That shift is forcing agencies to articulate, more clearly than ever, where their real value lies.

"If you're just doing the stuff, you're at risk," said one PR agency boss. Participants agreed that AI is very good at generating outputs, but cannot replace judgement, context, strategic thinking or the craft that experienced creatives bring. It is, observed Kreston Reeves, the same across all professional services sectors.

Participants also agreed that agencies must reposition themselves as strategic partners - not just suppliers. "You've got to challenge clients," said one participant. "That's when they start to see you as a partner, not a doer."

It was recognised that AI too presents leadership challenges. Agency owners must experiment and innovate without destabilising their teams. Upskilling staff in AI literacy, embedding ethical thinking, and maintaining clarity of vision are becoming essential.

"You don't want to confuse the team," said one agency leader. "But you can't stand still either."

Ultimately, the agencies that will thrive are those that integrate AI intelligently. It is a tool to enhance strategic value, not to replace it. For clients, the right agency partner will help navigate AI's complexity, not simply automate their marketing.

## **Kreston Reeves insight**

AI is changing how work is delivered but it does not change where value is created. As automation increases, agencies must be clear on what clients are paying for - strategic thinking, judgement, experience and outcomes rather than time spent.

This shift has implications for pricing models, margins, intellectual property and even tax considerations such as R&D. Agencies that proactively adapt their commercial and financial frameworks will be better placed to benefit from AI, rather than seeing efficiency gains eroded by fee pressure.

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# Talent strategies: Building the right team

## If AI is reshaping what agencies do, talent strategy is reshaping how they do it.

One of the most significant changes to emerge from the roundtable was the shift away from traditional “full service” agency structures towards leaner, more agile operating models.

Smaller permanent teams are increasingly complemented by trusted networks of freelancers, partner agencies and specialist collaborators.

For many agencies, Covid acted as a catalyst with remote working proving viable. Geographic constraints softened and overheads came under scrutiny. The result has been a move towards flexibility and depth of expertise, rather than scale for scale’s sake.

“I used to think growth meant how big can I make the team,” said one creative agency leader. “Now it’s about the service we deliver.” Another added: “We realised we were charging freelance rates but carrying full-time overheads.”

This does not mean talent has become less important - far from it. Securing top-tier talent remains difficult, particularly outside London. Brighton’s creative community is vibrant, but competition for senior capability is intense. Many creative agencies keep a London footprint to ease that challenge

### Counterculture

Hybrid models have introduced new cultural challenges. How do you build cohesion across a blended workforce? How do

you maintain creative energy when teams are dispersed, or collaborating with other specialist agencies?

“I really miss that buzz, with designers chatting across desks,” said one creative agency leader who made the move from London to Brighton a decade ago, “but I’m not going to force people back.” Regular “in-office” days and off-site strategy days are common.

Agencies continue to invest in culture as a differentiator. B Corp accreditation, employee ownership trusts and purpose-driven positioning are all cited as ways of attracting and retaining talent while strengthening long-term alignment. There is good reason to do so, as the expectations of what the workplace should offer is changing in the next generation of talent.



## *The expectations of what the workplace should offer is changing in the next generation of talent.*

### Generalist or specialist

Whilst clients are increasingly turning to specialist agencies to deliver targeted support, the question of whether an agency should niche into industry sectors or remain cross-sector was asked.

Agencies around the table fell into two broad camps: those with deep sector specialism and those working across a wide range of sectors.

Some advocate those clear sector specialisations accelerate growth, whilst others worry that over-specialisation limits opportunity or increases vulnerability if a sector contracts.

Where agency leaders agreed, however, is that “good strategy is deciding what not to do.”

What is clear is that agencies are becoming more intentional. Growth is no longer measured simply in headcount. Sustainable profitability, reputation and the ability to assemble the right team for the right brief are now the stronger markers of success.

For clients, this means the best agencies may look smaller but they bring deeper expertise and a genuine partnership approach. The days of judging capability by office size or staff numbers are fast fading. Agility, not scale, is becoming the competitive advantage.

### Kreston Reeves insight

Leaner teams and flexible talent networks can significantly improve agility and cost control, but they also introduce new financial and operational risks. Over-reliance on freelancers, unclear role accountability and inconsistent utilisation can undermine profitability if not actively managed.

We increasingly see successful agencies using detailed forecasting and scenario modelling to understand the true cost of different talent structures and to ensure growth is sustainable, not just scalable.

# Funding, risk and growth

The cost of capital has shifted dramatically in recent years. Marketing budgets are under scrutiny whilst, at the same time, private equity interest in the creative sector is rising.

Whereas growth might historically be driven organically, now agency leaders are asking 'Could we grow faster with deeper pockets?'

For some, external investment is attractive. Access to capital could fund greater levels of marketing, agency acquisitions, international expansion or the more rapid adoption of technology. It could accelerate plans that would otherwise take years.

Yet agency leaders are, perhaps understandably, cautious.

Several participants described approaches from private equity-backed groups, often accompanied by ambitious, and sometimes daunting, growth targets. "They were looking for 25% growth per quarter," said one agency leader - a prospect he described as "terrifyingly unrealistic".

The trade-off is clear. Investment can accelerate scale, but it can also introduce pressure, cultural strain and loss of autonomy.

Some agencies have instead chosen employee ownership structures to safeguard culture and independence. Others prefer organic growth, retaining profits and scaling sustainably.

"I like earning the money, having it in the bank, and using that to fund growth," one agency leader said. Others agreed, with consensus that funding must align with long-term vision.

## Exit strategies

Agencies seeking an eventual exit or acquisition can, however, benefit from structured investment and professionalised growth plans. They provide a clear, albeit an often challenging, pathway.

For those building reputation-led, sustainable businesses, external capital felt unnecessary, and distracting even. Whatever route, participants stressed the value of independent advice.

Due diligence should not begin when a deal is on the table. Stress-testing growth assumptions, modelling scenarios and understanding risk exposure are critical before decisions are made. "You've got to lift the bonnet before someone else does," explained one agency.

For clients of creative agencies, this debate matters too. Financial resilience, governance and clarity of vision directly affect service stability.

Agencies are, as they always have been, ambitious for their futures. They are, however, increasingly thoughtful and rarely chase growth at any cost. They are weighing autonomy against acceleration, stability against scale – and always with client interest as the guiding principle.

## Kreston Reeves insight

External investment can accelerate growth but it also raises expectations around performance, governance and reporting. Agencies considering funding or exit routes benefit from preparing early, stress-testing assumptions, understanding cashflow resilience and ensuring their financial information would stand up to scrutiny.

Equally, agencies choosing organic growth still need discipline. Strong financial visibility, clear decision-making frameworks and independent advice help founders retain control while building long-term value.

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# From insight to action

The discussions captured in this white paper reflect a sector in transition.

**Creative agencies are redefining how they operate, how they price their work and how they grow, often while balancing uncertainty around technology, talent and funding.**

What is clear is that there is no single “right” model. The agencies that are thriving are those making deliberate, informed choices about their future rather than reacting to short-term pressures.

At Kreston Reeves, we work closely with creative, media and technology businesses at every stage of their journey, from founder-led agencies refining their operating model, to established groups preparing for investment, succession or exit.

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***Growth is no longer measured simply in headcount. Sustainable profitability, reputation and the ability to assemble the right team for the right brief are now the stronger markers of success.***

## How we support creative agencies

Our role is not just to report on the numbers but to help agency leaders understand what those numbers are telling them and how to use that insight to make better decisions.

We regularly support agencies with:

- Reviewing operating and pricing models as services evolve
- Understanding the financial impact of AI adoption and automation
- Talent and workforce planning, including hybrid and freelance structures
- Cashflow forecasting and scenario planning
- Funding readiness, exit planning and shareholder strategy
- Governance, tax and long-term value creation

Find out more about us [here](#) and view our case studies from across the creative, media and technology sector, reflecting different approaches to agility, growth and value creation.

## Continue the conversation

If the themes in this paper resonate, we would welcome the opportunity to continue the discussion.

- Join a future Kreston Reeves creative roundtable
- Arrange a confidential conversation about your agency’s structure, growth plans or challenges
- Join our newsletter for further news and insights from across the creative, media and technology sector [here](#).



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