

or years but launched its own accelerator
o Global in December to take its
nt beyond cash and into culture. It has
ted in seven firms for which it provides
p, from digital music to mobile marketing
and its marketing teams get involved.
rld of start-ups is important to us because
hey are the creative entrepreneurs of
easier to work with them by partnering
ng them inside big corporations. You
benefits of their agility, risk taking and
y have everything and nothing to lose,”
ld *AdNews*.

rk at how marketing has changed
ube, Facebook and Twitter. It's really
that we work early with those start-ups.
n. We get in first and they get a ripple
they can scale up.”
Muru-D is now halfway through its
e of nine tech firms, each of which has a
mentor within Telstra to drive two-way
knowledge and expertise.
arker, who joined Telstra to run the
at the start of the year, has form. She
r launched and ran the Wayra accelerator
n Europe and says while the tech is
, a larger part of the role Muru-D plays
is in future-proofing the business and
he way it operates. But she concedes
esn't happen overnight in firms the size

s the risk-averse nature of the Australian
s held up brands' involvement in start-
both Parker and Bough agree there is no
of untapped tech talent here. There are
y barriers that make it more difficult to
man in other markets, though. The tax
, interest free loans and debt financing
places like the UK, US and Israel hotbeds
aren't available here.

Brands and agencies as angels

fewer angel investors in this market
invest between \$1 million and \$5 million
up so there's a role for brands and
o play. Without that financial support
generation of innovative talent upping
setting up shop elsewhere. In the long
means a shrinking pool of creativity,
eural and tech talent to drive Australian
and creative marketing and advertising.
a more efficient way for corporates
novation. Ploughing \$2 million into
g something internally only to see it fail
boards to bear, but doling out \$200,000
with start-ups can get there quicker and if it
he financial risk is mitigated.

Agencies are getting in on the scene too although
there are differing opinions as to what the best
approach is. M&C Saatchi has launched a tech
incubator, OMD is working with Pollenizer on
a number of initiatives, and Clemenger BBDO
Sydney has held a three-day digital bootcamp, one
part of which was a panel hosted by three start-up
founders designed to get the agency thinking in
the start-up mindset.

In partnership with tech players including Google
and Facebook, GroupM launched its mLab venture
last year, a week-long “technological feast”. Danny
Bass, chief investment and intelligence officer at
GroupM, is hoping to work more closely with start-
ups next time around. Bass says it is an area that
media agencies have to be moving towards.

“Any media agency that is just offering media
buying isn't doing enough,” he says. “We must be
providing a pipeline of new innovation to clients
and we can act as a conduit for start-ups to navigate

**Start-up culture is becoming more
mainstream here, and we'll see
more of the culture permeate
[big business] but the difference
is desperation. You're forced to
develop these ideas and try to see
it out. You're forced to knock on the
door of your neighbour and beg
them to try it just to get feedback.
You'll never have that sort of
desperation moment if you have a
six-digit frickin' corporate salary**

Bosco Tan, Pocketbook.com.au

the corporate world. When you look at the state
of the media landscape you absolutely have to get
involved to keep that tech talent here. \$100,000 to
a big corporate or agency network might not be that
much but to a start-up it makes a huge impact so
from a philanthropic point of view we have to use
our means to nurture that.”

Telstra's Parker hopes the advances the telco and
other corporates like Mondelez, Coke and Unilever
have made will encourage others. “Large-scale
corporates have confessed they don't have the skills
to do nimble, fast processes. It's innate to start-ups.
It's too early to talk about commercial success but
if we can collaborate, everyone wins. Ultimately at
this stage it's about encouraging digital talent to stay
here. We get to learn by osmosis and we can bring
that knowledge and talent [into business].” ●

M&C Saatchi starts tech incubator for big brands

Commonwealth Bank, Optus, Pizza
Hut, CommSec and Google are all trialling a
tech innovation pilot M&C Saatchi launched
earlier this year in which six young tech
students from Europe were set up in a
house in Sydney's beachside suburb of
Manly and tasked to dream up commercial
stuff.

The elaborate internship program was
the brainchild of M&C Saatchi's CEO Jaimes
Leggett, acutely aware that his ad agency's
ability to create business solutions for
clients must get beyond advertising as its
primary capability.

Leggett is under non-disclosure
agreements for the projects which have
already come out of M&C's Spark program
but the “tech kids”, he says, along with
the creation of The Lab inside M&C's head
office where they work during the day, have
had a “profound effect” on the M&C Saatchi
mindset and output.

One program in particular, which M&C
Saatchi has progressed to joint-venture
funding stage after seed capital from one of
its clients to build a prototype, will launch
as a commercial product in 12 months.
M&C Saatchi will unveil the project at the
Cannes Festival of Creativity in June.

“Clients come to us to solve business
problems and historically advertising has
been the link to solve those problems,”
says Leggett. “But if you look at the creative
resource in an agency like ours you start
realising the creative firepower can and
needs to do more than just produce
advertising. The industry has been talking
about commercial creativity for some time,
it's just that we're making a significant
investment in it. We should be joint-
venturing with clients. It's not about paying
the agency a fee, although there will still be
some of that in the future. But some will be
co-creation and co-ownership.”

The biggest challenge, says Leggett, is
the need to shift “linear skill sets” like
copywriters and art directors into broader
capabilities.

“The fact is kids today are coming out
of university and digital and advertising
courses with incredibly blended skills - far
broader than when my generation was
graduating,” he says. “All of them can
write, art direct, shoot, and edit films, code
software and build hardware. They can
project manage and facilitate.

“It's a brilliantly empowering thing but
a head-fuck for agencies. Where do you
put them in your business and how do you
charge clients?”

Leggett sees the Spark program as an
extended “hackathon”. M&C has already
hired four of the six Euro interns as full-
time employees and the next six-month
Spark program will double to 12 people.
Interestingly, M&C Saatchi struggled to
get local interns out of tech courses in the
first round but says now that the program
has flesh, courtesy of students coming out
of Hyper Island programs across Europe,
local institutions are buying in.

Paul McIntyre

hi's tech interns, pulled from
ve by the beach for six months,
g start-up pilots for big brands

