

The Project Ecology of Advertising: Tasks, Talents and Teams

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GRABHER G. (2002) The project ecology of advertising: tasks, talents and teams, *Reg. Studies* **36**, 245–262. In economic geographic analysis, the ‘firm’ usually is assumed, at least implicitly, as a coherent and unitary economic actor. More recently, however, the integrity of the firm as the basic analytical unit has been undercut by organizational practices which are built instead around ‘projects’. By taking up this theoretical challenge, this paper ventures an empirical investigation in which the project features as the central unit of economic action. However, rather than assuming a substitution of the firm by temporary projects, the paper seeks to explore interdependencies between projects and firms as well as other more traditional ‘permanent forms’ of organization. Against the empirical background of the London advertising industry, the paper delves into the interrelation between projects on the one hand and, on the other, the agencies, personal ties, localities and corporate networks which provide essential sources for project-based organizing. By consecutively embedding projects into these different organizational and social layers, the paper unfolds a space of collaborative practices for which the term *project ecology* will be proposed.

Project organization Project networks Organization ecology Advertising industry London

GRABHER G. (2002) L’écologie de projet dans la publicité: travaux, talents et équipes, *Reg. Studies* **36**, 245–262. D’habitude dans l’analyse économique-géographique, on suppose, du moins implicitement, que ‘l’entreprise’ constitue un agent économique cohérent et unitaire. Toujours est-il que, plus récemment, l’intégrité de l’entreprise comme outil de base analytique a été sapée par des pratiques organisationnelles fondées plutôt sur la notion de ‘projets’. En relevant ce défi théorique, cet article cherche à fournir un examen empirique dans lequel le projet existe comme l’unité centrale des mesures économiques prises. Cependant, au lieu de supposer la substitution des projets temporaires à l’entreprise, l’article cherche à examiner les interdépendances entre des projets et des entreprises aussi bien que des ‘formes permanentes’ d’organisation plus traditionnelles. Sur le fond empirique de la publicité à Londres, l’article examine la corrélation entre, d’un côté, les projets et, de l’autre côté, les agences, les liens personnels, les endroits et les réseaux d’entreprise qui constituent des sources essentielles d’organisation fondée sur la notion de projets. En ancrant consécutivement des projets dans ces différentes couches organisationnelles et sociales, l’article dévoile un espace de pratiques en collaboration appelé *l’écologie de projet*.

Organisation de projet Réseaux de projet
Écologie d’organisation Publicité Londres

GRABHER G. (2002) Die Projektökologie der Werbeindustrie: Tätigkeiten, Talente und Teams, *Reg. Studies* **36**, 245–262. In (wirtschafts-)geographischen Untersuchungen wird das ‘Unternehmen’ in der Regel, zumindest implizit, als kohärenter und einheitlicher ökonomischer Akteur begriffen. Diese analytische Integrität des Unternehmens als Grundeinheit wissenschaftlicher Untersuchung wird in jüngerer Zeit allerdings durch organisatorische Praktiken in Frage gestellt, deren zentraler Bezugspunkt nicht das Unternehmen sondern das ‘Projekt’ darstellt. Anstatt allerdings von einer Substitution des ‘permanenten’ Unternehmens durch ‘temporäre’ Projekte auszugehen, interessiert sich dieses Papier vor allem für die Interdependenzen zwischen Projekten und Unternehmen sowie anderen permanenten Organisationsformen. Vor dem empirischen Hintergrund der Londoner Werbeindustrie analysiert dieses Papier die organisationalen und sozialen Beziehungen zwischen Projekten einerseits, den Unternehmen, persönlichen Netzwerken, dem lokalen Milieu und den übergeordneten Unternehmensverflechtungen andererseits. In dem Projekte aufeinander abfolgend in diese unterschiedlichen Kontexte eingebettet werden, umreißt dieses Papier die Konturen des organisationalen und physischen Raumes, in dem sich die temporäre Kooperation in Projekten entfaltet. In Abgrenzung von mehr etablierten wirtschaftsgeographischen Begriffen wie Industrial District, innovatives Milieu oder regionales Innovationssystem wird für diesen Raum temporärer Projektkooperation der Begriff *Projektökologie* vorgeschlagen.

Projektorganisation Projektnetzwerke
Organisationsökologie Werbeindustrie London

THE END OF THE FIRM (YET AGAIN)?

Despite a 'new spirit of capitalism' (BOLTANSKI and CHIAPELLO, 1999) that is argued to sweep aside classical Weberian categories of hierarchy with an all-pervasive imperative of flexibility, the notion of the 'firm' appears to have remained remarkably resilient (NOOTEBOOM, 1999). At least in economic geography, the firm still seems to be universally invoked as an 'atomic crystallisation of commercial endeavour' (see TAYLOR, 2000, p. 1). Universalized as a 'stylized fact', the firm mostly remains unproblematized as a basic site on which both macro- and micro-economic forces meet and are played out (MASKELL, 2001, p. 329; TAYLOR and ASHEIM, 2001; see also PRATT, 2002, forthcoming). Regardless if the firm is treated or, more often, implicitly assumed as the notorious 'black box' in which inputs are transformed into outputs, transaction costs are minimized or learning processes are optimized, it appears as the elementary unit of collective commercial agency. Resonating with classical accounts in economics and business studies (see COASE, 1994, p. 5), the firm, in short, remains unproblematized as a unitary and coherent actor (MASKELL, 2001; TAYLOR and ASHEIM, 2001).

The practice of project-based organizing however, is hardly reconcilable with this firm-centred approach towards empirical investigation and theoretical reasoning. No longer confined to a few quintessentially 'one-off' project industries like construction, engineering or film production (LUNDIN and MIDLER, 1998; EKSTEDT *et al.*, 1999; THEMISTOCLEUS and WEARNE, 2000), project organizing decisively undercuts the integrity of the firm as the basic analytical building block. Organizational boundaries of projects operating within or across different firms, in fact, are often more decisive as boundaries of the respective firms (GANN and SALTER, 2000, p. 957). In many project-based businesses, project teams are only loosely tied to the central management of their 'homebase', are based off-site and closely collaborate with a wide range of other firms. More generally, 'profits are generated by project groups that tend to operate at the boundaries of the firm' (*ibid.*, emphasis added).

AIMS AND APPROACH

The aim of this paper, in conceptual terms, is to venture an empirical investigation into organizational practices that builds on the project as the basic analytical category. The proposed approach, however, is not intended to lend empirical support to an increasing and, eventually, complete replacement of the firm or other more traditional 'permanent forms' of organization by temporary projects. Rather than relations of

substitution, it seeks to explore interdependencies between projects and the firms as well as the personal relations, localities and corporate networks on and around which projects are built (LUNDIN and MIDLER, 1998; EKSTEDT *et al.*, 1999; GANN and SALTER, 2000; GRABHER, 2001b; 2002). In other words, the paper aims not to side with those who diagnose a complete liquefaction of organizational structures and an entire dissolution of networks tied together by reputation, loyalty or trust (see SENNETT, 1998). Rather it is interested in elucidating how these ties are dissolved on one organizational and spatial level just to be reconfigured on another level in order to mobilize basic ingredients for the practice of episodic project collaboration.

The interdependencies between projects and the particular firms, personal relations, localities and corporate networks from which these projects draw essential sources unfolds an organizational and physical space for which I will propose the term *project ecology*. The notion of project ecology is not introduced to compete with more established 'territorial innovation models' (LAGENDIJK, 2001), varyingly discussed as industrial districts (BECATTINI, 1990; BRUSCO, 1990), innovative milieux (CAMAGNI, 1991; MAILLAT, 1991), clusters (PORTER, 1990; ENRIGHT, 1998), learning regions (FLORIDA, 1995; MORGAN, 1997) or regional innovation systems (COOKE, 1992; BRACZYK *et al.*, 1998). Although theoretically close to these economic geographic notions, the term project ecology is intended to delineate a qualitatively different form of social organization altogether.

Project ecologies represent a *heterarchic* form of social organization (HEDLUND, 1986; HEDLUND and ROLANDER, 1990; GRABHER, 2001a) that, despite dense patterns of interaction, is less systemic and less coherent than the more established territorial innovation models. The success stories of the territorial innovation models are narratives of *long term* relations that benefit interactive learning and accelerate the spread of 'best practice'. Temporary collaboration in project ecologies, in contrast, preserves the identities of a diverse spectrum of practices and organizational forms. Rather than being built on organizational coherence, project ecologies are driven by rivalry.

In empirical terms, the paper is aimed at exploring the different organizational and social layers that constitute the project ecology of the London advertising industry and its centre of gravity, Soho. Although film production probably represents *the* emblematic project-based media industry (see, for example, JONES, 1996; HARTMANN *et al.*, 1998; DEFILLIPPI and ARTHUR, 1998; SYDOW and STABER, 2002, this issue), a study of the London advertising business offers insights from an industry that pioneered momentous innovations in project organization. Through a new breed of creative agencies, Soho had challenged the hegemony of the so-called 'first wave' advertising associated with the

style and practices of the large US agencies (LASH and URRY, 1994, pp. 138–142; LESLIE, 1997a, pp. 1,022–23; GRABHER, 2001a).

The paper ventures into the project ecology of the London advertising industry by, first, probing into the internal diversity of advertising agencies and the composition of project teams. Unfolding the spectrum of professional profiles involved in projects, it demonstrates how different professional logics translate into different sub-teams with distinct professional ethos. Second, the paper will demonstrate how collaborative relations between these sub-teams and their external partners, through the practice of recurrent co-operation, evolve into stable personal ties. Particularly in the realm of creative production, these bonds of mutual loyalties, adding the third layer to the project ecology, are rooted in the particular locality of the ‘ad village’. Fourth, the paper will demonstrate that projects in the advertising industry are embedded increasingly in the corporate networks of global communication groups. These networks derive their competitiveness from the ability to manage diverse portfolios of projects that respond to client demands with regard to their professional composition and geographical reach.

Methodologically, the paper is based on 68 semi-structured interviews with advertising agencies and collaborating film and post-production companies which, on average lasted two hours and were conducted between Spring 1998 and Summer 2000 in central London. An important source of information for mapping and understanding the physical space of the project ecology were the files of the security and reception desks of the interviewed agencies which were essential in detecting temporal and spatial patterns of face-to-face interaction with external collaborators and clients. Information was supplemented by a variety of secondary sources including interviews with representatives of the Institute of Practitioners in Advertising (IPG) and the Account Planning Group (APG) and data from industry reports, trade press, business reports and press releases.

ADVERTISING AS PROJECT BUSINESS

Basic definitions of projects also capture the essence of organizing production in advertising by stressing, first, the temporal limitation of collaboration and, second, the diversity of skills involved in accomplishing a complex task (for the *locus classicus*, see GOODMAN and GOODMAN, 1976, p. 494). As to the first condition, the production of advertising either is organized, literally, around an individual and rather short-term project like producing a TV commercial or around an account. Accounts, more generally, cover responsibility

for the development of a particular brand or the marketing for specific products (BRIERLEY, 1995; WELLS *et al.*, 1998).

The longer time perspective of an account, however, does not translate into a continuous production process. Typically, the actual production process is decomposed into a series of single projects which, though strategically and aesthetically related to an overall campaign, hardly can be pre-specified with regard to the time of actual realization, contents and volume. The almost complete ‘projectification’ of accounts reflects the time pressures that come to a head in two constellations. First, it is rather established practice that extraordinarily attractive rates for media space and time are offered at very short notice. Second, and this mirrors the reflexive approach of ‘second wave’ advertising, campaigns are more and more designed to react to political, cultural or sport events or, increasingly, the campaigns for competing products (RAINEY, 1998, p. 10). To the extent that the impact and, in fact, the efficacy of such a reactive campaign is dependent on the immediacy of the reaction, realization of projects virtually *ad hoc* becomes imperative. In this sense, the longer time frame of accounts only provides for limited temporal buffers in a production process which, actually, appears rather close to a ‘permanent state of emergency’ (THRIFT, 2000).

Even though the temporal configuration of projects in the London advertising industry hardly deviates significantly from average periods of collaboration in other European countries and the US (see, for example, GHOSH and TAYLOR, 1999, p. 140), London differs qualitatively with regard to the diversity of professional profiles involved. Whereas the production process in its ‘first wave’ Madison-Avenue style version was driven by the – antagonistic – collaboration of creatives and account managers, ‘second wave’ agencies invented an organizational practice which confronts this classical dyad with a third profile – the account planner (COOPER, 1998; STAVELEY, 1999).

Although account planning has also caught on in the US and continental Europe, particularly in the small agency sector, it still seems more firmly established in British advertising (RAINEY, 1998, p. 1; FRANK, 1999; O’MALLEY, 1999; STAVELEY, 1999; see also KLOSS, 2001). In British agencies, account planning has not only been regarded as an indispensable input in the process of developing campaigns but also has been established as a distinctive professional profile.¹ By abstracting from managerial and technical overhead and support functions in a somewhat unscrupulous way, a stylized version of the production process hence is a collaborative effort between account management, account planning and creatives. In the London agencies interviewed, they are split up in the relation of 2:1:1 on average and form what is called in the trade ‘account teams’ (see STAVELEY 1999, p. 38).

PROJECTS IN AGENCIES

Diversity

The prime function of *account management* is to liaise with the client from the preparatory pre-project stages to the completion of the project (WELLS *et al.*, 1998, p. 125; QUINN, 1999). In fact, as trade jargon goes, the account manager *is* the client in the agency (*ibid.*, p. 30). However, although he (and mostly it is 'he' in this professional context) ideally is guided by the client's intentions, preferences, procedures and criteria, he also represents the professional ethos of his account team in the agency, particularly the standards and styles of the creatives (EWING *et al.*, 2001, p. 171). In this janus-faced role of speaking as client to his team in the agency and representing their standards *vis-à-vis* the client, the account manager basically wants the job 'to be done', to 'get along smoothly'. The account manager's world is ideally organized around the coordinates of briefs, deadlines, budgets, brand share; in short, he incorporates the *business logic* of advertising.

As much as account management, above all, represents the client perspective in the agency, *account planning* brings the consumer into the production process (COOPER, 1998; STAVELEY, 1999, p. 30). More specifically, ideas for campaigns or ways of talking about the product are tested out with a carefully selected group of individuals, the so-called 'focus groups' (see GOSS, 1996). Through tools like focus groups, planners aim at delving into consumer identities and places of everyday consumption. The ethos of account planning is to survey 'ways of using' and to articulate what practices of consumption mean to those engaged in them (LESLIE, 1999, p. 1,447). Again indicating the predominant gender in this profession, the planner refers to 'her' task profile almost universally as '*the discipline*' and this academic connotation is not unintended. The particular jargon of planners is interspersed with ethnographic and anthropological terminology, analogies and derivatives and resonates with the idiomatic of cultural studies when consumption is understood as 'ritual' or demographic groups are described as 'tribes' (see, for example, FRANK, 1999). British planning in particular is more firmly rooted in ethnographic qualitative approaches than in quantitative research tools and methods like geodemographic-information systems.² To the extent that research methods and criteria provide legitimization for the task, account planning incorporates the *scientific logic* of advertising.

Probably the quintessential occupational role that moulds the image of the entire industry is that of the *creatives* which in agencies is split into the professional profiles of the copy writer and of the art director (WELLS *et al.*, 1998, pp. 391–395). The copy writer develops the claim of the campaign, the visual appearance of which is designed by the art director (SELLERS, 1999). Instead of concerns for effectiveness in serving clients and authenticity in representing consumers, the

professional role and work ethos of creatives is rather indirectly tied to the business and scientific logics of the industry (BULLMORE, 1999, p. 58). In most of the interviewed agencies this relative distanciation is even manifested in the architectural set-up. Creatives are assigned dedicated space in separate floors or parts of the building whereas planners and managers are spatially interspersed with each other, some of them even in dedicated 'project rooms'.

The central professional criterion for creatives, to quote the most common attribute in trade parlance, is the 'freshness' of the idea of a campaign (WELLS *et al.*, 1998, p. 381) and, reflecting the genuine British approach, its irony, self-deprecation and wit. The professional ethos of creatives, moreover, is not only to produce advertising 'that works ... but to produce work you're not ashamed of in front of other [creatives]' (CR23).³ In the world of creatives, rephrased in BOLTANSKI and THEVENOT's, 1999, terms, 'justificatory principles' rule which are only loosely tied to the instrumental logics of the business. Although it is not 'art' that creative teams are nor should be doing, as they are continuously reminded of by the account manager and the account planner, it should comply with the conventions, standards and styles of the community of the creatives (see BULLMORE, 1999, p. 52). To the extent this community overlaps with the art world, creatives incorporate the *artistic logic* of advertising.

Rivalry

The higher intra-organizational diversity and more complex division of labour within British 'second wave' agencies provide a broader and richer interface for processes of mutual learning and afford deeper processes of mutual (self) understanding than in 'first wave' advertising. Yet, a perspective that narrows down diversity to a sort of organizational catalyst of benevolent mutual educational efforts, and seed of personal and collective growth, only insufficiently captures the very point of the creative process which is rife with conflict. To the extent that the ongoing confrontation of the business, scientific and artistic logics and their respective work ethos and styles in the course of the project pose creative challenges, it also, and almost inevitably, provides causes for power struggles and rivalry. However, rather than conceptually disposing of rivalry as a sort of unintended side-effect, they are treated here as an essential ingredient of project-based collaboration.

The most notorious sources of rivalry⁴ are located in the contested terrain between the realm of the creatives and the account planners, between the artistic and scientific logics (SHELBOURNE and BASKIN, 1998; see also MILLER, 1997; FRANK, 1999). Creatives are anxious to defend their work as expressions of authentic 'emotional' creation against the 'rationalistic' imperial-

ism of the account planners who extract emotions out of consumer perceptions of creative ideas. For creatives, account planning represents a continuous assault of 'testing down every single idea' (CR11) of their genuine creation, a permanent restriction of their imagination and inspiration by those 'who lack passion for advertising' (cited in SHELBOURNE and BASKIN, 1998, p. 78).

For those literally on the other side (of the building, the floor, the table), the planners, this rivalry and cultural tension, despite the occasionally belligerent tone and terminology, is as necessary as it is predictable:

The researcher is probably the most objective person. They have no real allegiances. Is it a battle? Yes! The creative person is like an artist: 'how dare anyone judge their wonderful work?'. (cited in LESLIE, 1999, p. 1451)

A most effective organizational device to limit rivalry between the artistic and scientific logics or, perhaps more to the point, distinct creeds⁵ are the deadlines of projects. That is the point in time when dispute has to be settled, polyphony has to be filtered into a single voice:

I always say to our clients: don't worry, it looks like a mess ... there is enough rigidity in this process. Don't do any more in because chaos and anarchy ... we think we need it. Moving around, being crazy, bringing in fresh perspectives ... that's all fine, because we know we've got to deliver on time. There are deadlines, we have to be on TV, on poster, ... the event has to open. (MD14)

Deadlines of projects, on the one hand, rather than a discrete point in time, define a temporary organizational arena in which the limited duration of the collaboration in the project preserves the identity of different logics (LINDKVIST *et al.*, 1998, p. 948). In this sense, they meet an organizational imperative according to which creatives, account managers and account planners, despite intense collaboration 'should remain strangers to some extent' (MD9). Temporary limitation prevents any single perspective from becoming corrupted by a hegemonic view. In other words, deadlines provide antidotes against lock-ins into particular cognitive or aesthetic patterns. On the other hand, the limited duration of projects contains the rivalry between the different logics from gaining the organizational and social momentum that culminates in disintegration and collaborative paralysis. By temporally limiting the centrifugal drift of the different logics, deadlines, perhaps, define the narrow edge between creative and uncreative conflict (see also GIRARD and STARK, 2002, forthcoming).

Instead of (implicitly) assuming the firm as a unitary actor in making and breaking collaborative arrangements, this portrait of the account team has already demonstrated the diversity and rivalry of project teams *within* firms. In the subsequent chapter, we will explore how extended personal networks, governed by different

professional logics, expand beyond the boundaries of individual firms. These networks form the basic social infrastructure of project-based organizing by providing access to pools of talent and sources of information, legitimization and reputation.

PROJECTS IN PERSONAL RELATIONS

The comparatively high diversity of professional profiles involved in British agencies corresponds not only with a respective degree of internal differentiation of the project along the lines of professional culture, ethos, role and status. Concurrently, this implies that projects are embedded in and exposed to a broader range of environments each of which offering different resources and representing different 'communities of practice' (WENGER, 1998) and justificatory principles. In fact, ties and loyalties of creatives, account managers and account planners with their respective communities and project partners appear at least as binding as current agency affiliations: 'We are loyal to the people rather than the company' (MD12), goes the business canon, that was reiterated continually by interviewees with only slight semantic variations.

CLIENT NETWORKS

Contracts

Usually, accounts are based on two to three year contracts with provisions for renewal on an annual basis. Yet, the notion of the contract implies a degree of formality, binding force and egalitarian status of contracting partners which hardly squares with the practice of the advertising business (DURDEN *et al.*, 1997; GHOSH and TAYLOR, 1999). Although the major function of contractual arrangements in regulating client-agency relationships seems not confined to mere symbolic value, it nevertheless appears of limited substance:

By and large it's a bit like marriages. Having a contract really only provides the mechanism of how to deal to get divorced, how to get paid ... but you gonna have them because if something goes wrong you need to be able to say: hold on, you gonna pay me for 6 months. That's the only reason you have them. (MD1)

In particular, the perceived asymmetry of the binding force of contracts seems to blur the agencies' prospects of at least medium term predictability of their client relations since 'most clients can fire their agency at the drop of their hat' (AM13). Clients are also obviously successful in reiterating this structural asymmetry in ongoing relationships through a whole repertoire of behavioural patterns (OGILVY, 1971, p. 37). In consequence, quoting the emblematic summary of relations with clients, 'it's a strange combination of sort of long term, but also has no security to it'. (AP2)

Translation

The long term dimension in these relations, usually, is anchored in the ties between marketing manager on the client side and account manager on the agency side (Fig. 1). The relative robustness of these personal ties *vis-à-vis* the rather fragile contractual agreements is revealed in the common practice of account managers who take along 'their' client when they leave an agency. Consequently, as an internationally comparative review concludes, 'probably more accounts are lost through personnel changes than through any other reason' (GHOSH and TAYLOR, 1999, p. 144; WACKMAN *et al.*, 1996/1997). Conversely, marketing managers tend to stick to their established relation with an account manager in case they change their company. The relation between marketing and account manager also provides a channel through which most inter-industry job exchanges take place, that is marketing directors taking on positions in the account management of the agency and vice versa (HATTEMER, 1997, p. 44).

The strength of these mutual loyalties is rooted in the practice of account management that is only insufficiently captured in the text book notions of 'representation' and 'implementation' of the client's interest. This conception abstracts from the 'communicative thickness' of the relationship between account manager and marketing manager which essentially involves ongoing processes of clarification, modification, re-specification and deflection of the client's intentions, unintentionally as well as intentionally. Rather than a process of implementation, this relationship engages in an ongoing process of 'translation' in the sense of LATOUR, 1986, p. 267, according to which 'the spread in time and space of anything – claims, orders, artefacts, goods – is in the hands of

people; each of these people may act in many different ways, letting the token drop, or modifying it, or deflecting it, or betraying it, or adding to it, or appropriating it.'

Moreover, such processes do not simply represent a uni-directional flow of information and instruction from client to agency but rather a permanent shift of directions during ongoing dialogue (see, for example, QUINN, 1999, p. 33). The reversal of this flow becomes most explicitly revealed when account managers refer to their function in terms of, literally, 'educating clients' (MD7; MD19; MD21). Account managers see their 'educational' role at a basic level in defining standards of a division of labour rooted in mutual respect for professional competencies. On a more advanced level, they refer to 'educating clients' in terms of developing communicative codes and strategies for and with marketing managers. These rhetorical devices are aimed at responding to the ambivalencies and often conflicting interests between the various factions within the client's management. And yet they should allow the dyad of account manager and marketing manager to maintain enough organizational space for the evolution of what they regard as their project (see also LUNDIN and SÖDERHOLM, 1995).

The elaboration of the communicative dynamics of this relation, of course, is not intended to obscure the basic fact that, in the very first place, clients are the ones who are selecting agencies. However, once accounts are placed with an agency, the relation with the client increasingly evolves into performing projects *with* clients rather than of realizing projects *for* clients (see GIRARD and STARK, 2002, forthcoming). Ongoing exchange and collaboration strengthens and enriches the bonds between account management and

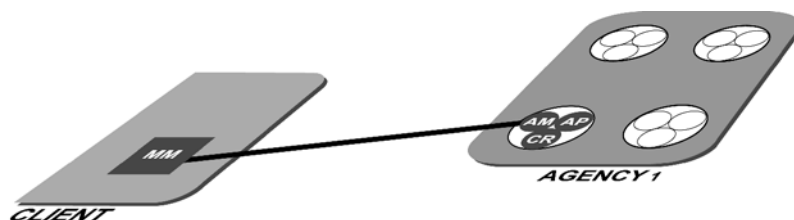


Fig. 1. Projects in personal networks: the client relation

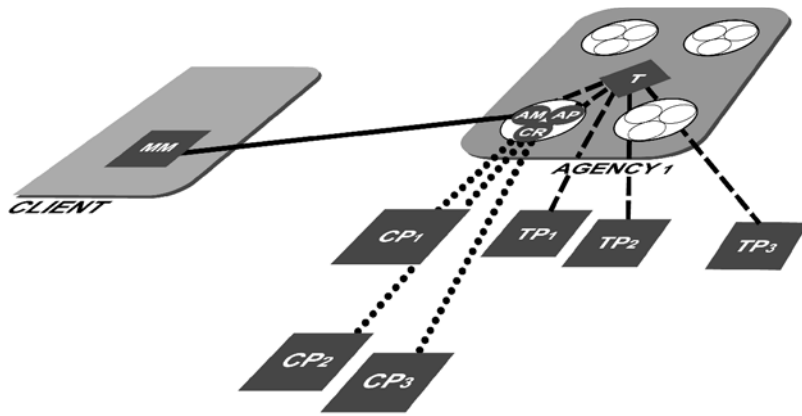


Fig. 2. Projects in personal networks: the creative and technical relations

marketing management in particular. To the extent that mutual loyalties are deepened, the ties between account and marketing management endure the relationship between agency and client firm. Under the surface of rather short term cycles of pitches and switches from the ‘account won’ to the ‘account lost’ side of the balance sheet of client–agency relations, a more long term infrastructure of personal ties and networks based on mutual loyalties evolves. Albeit hardly visible, it has strong impacts on the surface of client–agency relations.

CREATIVE NETWORKS

Human capital/social capital

A similar network logic of strong mutual loyalties lies underneath the likewise short term and temporary project-based collaboration between in-house creative teams and external collaborators (see also HEYDEBRAND, 1998, p. 66). These short cyclical project constellations are, on the one hand, a further organizational mirror image of the reflexive approach of ‘second wave’ advertising in which campaigns increasingly are designed to react to actual events and, on the other, of the time pressures imposed by the short term offers of media time and space. In both instances, simultaneous inputs from a broad range of professionals and specialized services have to be co-ordinated by the project team on a short notice, virtually *ad hoc* basis. In a similar way, ties between account manager and market-

ing manager shape relations between agency and clients, personal networks of the creatives provide a basic social infrastructure for the relations of the agency with external project partners (Fig. 2).

The backbone, as it were, of creative networks extends from a personal relationship that ties together the creatives *within* the agency. Despite the artistic connotations of the label and the associations with *individual* inspiration, imagination and creative expression, the dyad of art directors and copywriters evolves into lasting partnerships. In fact, their careers are rather the career of a particular partnership than of separate individuals. Creatives are granted entrance to the business mostly upon the condition that they already have teamed up with their creative complement and change agencies as teams that, if at all, separate after they acquired a certain level of individual creative reputation (BRIERLEY, 1995).

The reputation of creatives is above all built on scoring simultaneously on the somewhat paradoxical accounts of producing ‘fresh’ ideas, and doing so in a consistent manner. However, the ethos of creatives also incorporates the professionalism of the execution of the idea for the campaign. That is the ability to develop modes of realization which are, in aesthetics and dramaturgy, fine-tuned to the systemic features and limitations of the various media such as TV commercials, poster campaigns or banner adverts on websites (SELLERS, 1999). Quality of the execution, however, is less an attribute of the *personal* mastery of

graphic crafts but reflects skills and knowledge in selecting, to use another most common attribute in the business jargon, most 'talented' project partners from an excessively fragmented and specialized pool of professional specialists (*ibid.*, p. 62). In general, it is rather this particular 'know who' and to a lesser extent the 'know how' that tends to sediment into tacit knowledge (see GANN and SALTER, 2000).

This selection procedure is shaped by past experience and affected by the 'shadow of potential future collaboration' and, over time, tends to fill a pool of preferred project partners, each of which represents a particular specialization.⁶ Hence, patterns of collaboration with outside project partners (the term 'suppliers' seems less appropriate in this particular context), to a large extent, reflect preferences of the in-house creative team for certain directors each of which 'has its distinct flair' (CR23) or certain photographers renowned for their particular style in narrowly understood sub-genres like people, food, cars and the like (WELLS *et al.*, 1998, pp. 392–93). 'In terms of creative teams, they work with directors that they like and feel comfortable with, and the TV producers here work with production companies that they like and feel comfortable with' (AM3). And an art director confirms that 'you work more often with the same people because everybody has favourites, you get on with them ... they can stretch you, and you can stretch them' (CR7).

This practice is considered to be of particular importance 'when there are large sums of money and lots of stress and strain at stake' (AP3). Whereas directors⁷ and photographers, (freelance) graphic designers, typographers, illustrators and package designers form central nodes in the personal networks of the creatives, their preferences for particular printers at the craft-intensive, high-quality end of the spectrum is also reflected, though less clearly, in the patterns of recurrent collaboration (AM1; AP15).

Improvisation

The governance of relations in the creative realm of advertising projects resembles practices in jazz improvisation, a 'prototype organization' designed to maximize innovation (see BARRETT, 1998, pp. 607–16; WEICK, 1998; HATCH, 1999; for a more detailed discussion of improvisation in advertising, see GRABHER 2001a, pp. 367–69). Improvisation, essentially, implies a deliberate interruption of habit patterns and resistance to the temptation to become locked in to routines of past success, thereby squelching experimentation. Resistance to this temptation is critical in an industry, in which reputation of the creative personnel is rather built on a degree of unpredictability than on idiosyncratic trademarks or, even less, particular (aesthetic) house styles (see also ALVESSON, 1994, p. 557).

One of the most widespread practices in jazz is 'taking turns', that is swapping back and forth the roles of soloing and supporting other soloists thereby rotating 'leadership' within the band. In advertising projects, in particular the collaboration between the creatives and the film director is characterized by a similar migration of control and shifting between the roles of giving the project direction and being directed by other project partners.

Like jazz bands, rather typically, vary their composition of instruments and players from time to time just to reappear in their original line-up, teams in the creative realm of advertising production regroup from project to project but reappear recurrently as a reconfiguration around a relatively stable set of core relationships. This variance in composition reflects, on the one hand, obvious particularities of a specific project such as the demand for a different skill set for poster, radio or TV commercials. On the other hand, composition of project teams is deliberately altered by the creative teams, reflecting the core imperative of their professional ethos; as an art director explains: 'you work with your favourites ... but you also try new people, because of new ideas, new approaches ... you look for freshness' (CR7). The deliberate alteration of teams, in other words, aims at balancing the dual requirements of enhancing 'learning by switching' (DORNISCH, 2002, this issue) and, yet, securing predictably with regard to the reliability of a project team in the face of tight deadlines. Through this practice of episodic reactivation and deliberate variation of project teams, a network evolves which is built around a few stable personal ties and which, over time, generates a pool of potential collaborators containing about two to three specialists for each profession.

Orchestration

Collaborative patterns with providers of more technical inputs such as printing at less demanding quality levels, lithography, sound or photo editing, are characterized by a comparatively small scope for genuine creative inputs. At first glance at least, they appear structured in a similar fashion around two or three core specialists (Fig. 2). Despite this apparent similarity in the geometry of relations, however, the relations in the creative and technical realms are governed by distinct logics. Whereas collaboration with creative professionals involves turbulence, ambiguity and a 'redistribution of improvisation rights' (WEICK, 1998, p. 549), relations with technical specialists resemble the hierarchical synchronization of an orchestra (see also HATCH, 1999). The task of orchestration, which connotes pre-scripted scores and a single conductor as leader, is performed by specialist departments of agencies, called 'production' or 'traffic' (WELLS *et al.*, 1998, pp. 130–32). They, rather than the creatives, decide about entry,

timing and resumption of relations in the technical realm of the production on the basis of criteria like *ad hoc* availability, speed of delivery and cost. Rather than a stable or universal priority ranking, these criteria constitute a triangle in which priorities shift from project to project.

The personal networks and mutual loyalties between professionals within the agency on the one hand, professionals in the client organization and the pool of creative and technical specialists outside the agency, on the other, constitute more than 'boundary-spanning' relations. These networks dissolve organizational boundaries and, in fact, 'dovetail' organizations for the limited duration of the project. After we probed into the social depth of these personal relations, we now turn to the spatial extension of these personal relations and, thus, to the spatiality of project organization more generally.

PROJECTS IN LOCALITIES

Pool

The more relations are driven by availability and speed of delivery, the more project networks gravitate towards local concentrations of specialists, professionals and

service firms. Phrased differently, the more project cycles are short term and unforeseeable, the more important becomes co-location of project partners (see also SASSEN, 1995; SCOTT, 1997, 1999; HUTTON, 2000).⁸ However, although time is a major centripetal force in the agglomeration of agencies and their collaborators, the deterministic tone that echoes through much of the current literature on territorial innovation models does not appear entirely appropriate. In the words of a managing director: 'The creatives like the fact that [the creative services] are at their doorstep. That makes life feel easier for them and more manageable . . . speed is important and the concentration here helps to deal with that. But I'd rather say this concentration is convenient, not necessary for us' (MD10). Spatial proximity in collaborative relations and degree of specialization seem inversely related in the trade. Whereas networks in the technical and the lower end of the creative realm are spatially more limited, ties with specialized directors or photographers reach out to international creative centres like New York or Los Angeles (Fig. 3; see also NACHUM and KEEBLE, 1999, pp. 22–25).

In London, however, the entire spectrum of activities associated with advertising activities ranging from printing, lithography, graphic design, photography and

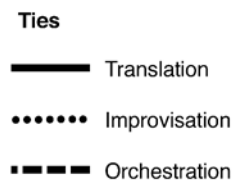
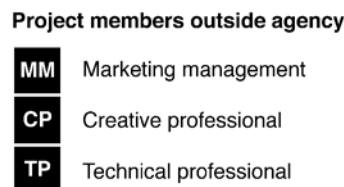
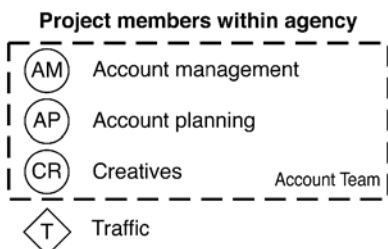
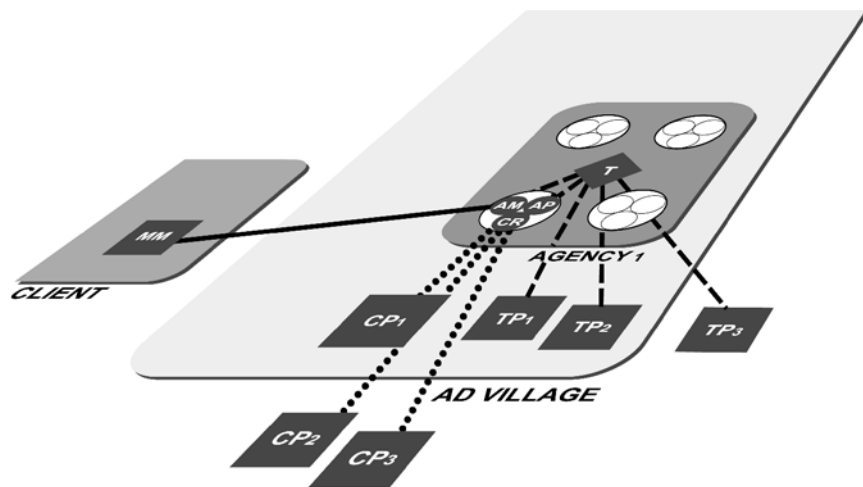


Fig. 3. Projects in the ad village

music to film direction, production and post-production is concentrated in a tiny district of roughly one square mile and the directly adjacent areas.⁹ Soho, the centre of gravity of what is colloquially labelled 'adland' or 'ad village', offers a pool of creative talent and potential project partners whose richness and depth is unmatched in Europe and probably only surpassed by New York (LLEWELYN-DAVIS *et al.*, 1996; NACHUM and KEEBLE, 1999, pp. 21–24; 2000, p. 11; MILLER *et al.*, 2001, p. 65). Already the centre of the UK's cultural and media activities since the turn of the twentieth century (SUMMERS, 1989; TAMES, 1994) Soho, since the 1980s, has provided a particularly fertile hotbed for top directors and photographers as for agencies some of which have consistently been ranked among the world's top in terms of creativity (*Advertising Age*, 24 May 2001; *Campaign*, 26 July 2001).

Pace

Rather than equating the concentration in the ad village simply with reduced costs of interaction, however, Soho is associated with a certain pace of action and a certain attitude towards work practices that are driven by extraordinary time pressures. An agency owner-manager illustrates: 'People have a completely different attitude. Here, when we are busy, there is an atmosphere, there is an urgency about it ... and people will work to get the job done' (MD7). And a film director answers the question, what he would miss most by moving out of Soho: 'The pace ... there is a certain pace here, things move incredibly fast' (CR29). Apparently, particular place-bound conventions (STORPER, 1997) with regard to the organization of, and attitude towards, work are seen as essential preconditions for a cyclical project-based production process (see also EKINSMYTH, 2002, this issue). In addition, quintessentially cosmopolitan features like the '24-hour and 7 days a week' availability of key services facilitate this type of cyclical work regimes.

Noise

Practitioners who are located, literally, *in* the pool are not only experiencing a certain pace but are also exposed to 'noise'. That is, they are not 'scanning' or 'monitoring' their environment in search of a specific piece of information about projects or potential project partners in a deliberate and strategic fashion, at least not as a distinct business activity. Rather they are surrounded by a concoction of rumours, impressions, recommendations, trade folklore, strategic misinformation (see also NACHUM and KEEBLE, 1999, p. 31). The point, in fact, is not the richness and diversity of the 'noise' as such. Rather, co-location facilitates the emergence of 'interpretive communities' which filter and transform noise into patterns of signals (BROWN and DUGUID, 1996). Phrased differently, rather than

by the mere availability of information, project clusters are tied together by processes of negotiating meaning.

Hanging out

Agglomeration of potential project collaborators provides for favourable preconditions for 'hanging out' in local communities of practice. These communities of practice serve as a sort of informal training ground for disseminating knowledge that goes far beyond technical competencies of the trade. It also includes language and dress codes and, more generally, the codes of conduct and 'habitus' (BORDIEU, 1977) of the particular community of practice: 'It's almost like an ideas village ... like a university, without the academic side to it ... people want to work here because they know they gonna be rubbing shoulders with top directors' (CR19). From this viewpoint, learning is not just about acquiring knowledge; rather it is about becoming an *insider* (BROWN and DUGUID, 1996, pp. 68–70). In other words, aside from explicit expert knowledge, peripheral participants are acquiring the embodied ability to behave as community members. In short, they are *enculturated*. For example, participants learn to tell and appreciate community-appropriate stories and, in doing so, discover the narrative-based resources. To acquire a repertoire of appropriate stories and, even more importantly, to know what are appropriate occasions for telling them, is then part of what it means to become member of a community of practice (*ibid.*, p. 69).

In this sense, projects, at their peripheries, provide sites for training and for gaining access and, at their core, they provide the organizational context for gaining reputation. In a business context in which careers are much more driven by reputation and skills than by formally certificated degrees (BRIERLEY, 1995), this role of projects is critical. The more creativity-based skills, in particular, are developed further through 'learning-by-watching' in the periods of 'enforced idleness' that alternate with periods of 'frenetic activity' in the course of a project (DEFILLIPPI and ARTHUR, 1998, p. 131). These periods of idleness are quite often used by senior project members to demonstrate specific routines to neophyte members. A film producer puts this in concrete terms: 'I started as a runner ... making coffee, doing the photo-copying and things like that ... there was always something going on, you could always try to be part of something different' (CR30).

Permeability

The consistent demand for fresh perspectives and novel approaches opens the door, at least a stretch, for people without a specialist professional training background. As a consequence of the low *formal* barriers to entry and the comparatively low segmentation of the labour market in the ad village, the spectrum of career patterns

and biographical paths is extraordinarily broad and diverse.

Closely related to this labour market structure is the permeability of the border between trivial culture and 'high art' which appears to be unusually high in London. In other words, migration of people, organizational and aesthetic concepts between these worlds is not suppressed by rigid cultural attributions. That is, doing work in one of these worlds does not disqualify a person to work in the other, quite often to the contrary. This in particular holds true for the relation between advertising and film production (LASH and URRY, 1994, pp. 138–42).

Advertising, in fact, provides a training site which is crucial for the success of British film making which, in turn, benefits the quality of TV commercials since '[s]hooting commercials gives you a real ability to work with telling images that work very effectively on screen' (a film expert, cited in LASH and URRY, 1994, p. 138). The relative ease of migration between different communities of practice and genres facilitates exchange and catalyses novel combinations of established routines and perceptions. The practice of project-based collaboration in Soho, thus, maximizes recombinatory options between a diverse range of skill sets, biographical backgrounds and cultural orientations. And yet, the limited duration of collaboration prevents identities from becoming blurred and indifferent; in other words, it preserves those tensions in the project that ignite processes of deeper mutual (self) understanding and reflection.

Rivalry

In a more general sense, these very processes of recombination in projects catalyse the evolution of new organizational mutations and thereby further increase the potential for recombinatory options. Phrased differently, rather than narrowing down locality to the *existing* pattern of inter-organizational linkages, it is seen here as an ecology of *potential* recombinations whose evolution is driven by rivalry (GRABHER, 2001a, pp. 364–65).

Rivalry, in this sense, does not refer to the more obvious project team versus project team, agency versus agency competition. Rather, rivalry comes to the fore in the contested terrain of boundaries between professions, project teams, organizations and, in fact, in the understanding of the sub-sectors of the trade. Reflecting on a recent shift in boundaries in Soho, account planning has not only been introduced, modified, adopted or, to a much lesser extent, rejected outright in agency-specific ways as a new employment profile within agencies (RAINEY, 1998). Moreover, account planners in London have started organizationally independent account planning agencies and loosely associated networks that offer their services to advertising agencies. The former head of planning with one

of Soho's leading creative agencies, for example, set up Red Spider in 1994, a 'virtual planning resource' with account planners located in different countries who are tied together in project-specific configurations through the internet (AP19; COOPER, 1998). In this way, shifting boundaries between profession, project and agency fuels a sustained engagement that tolerates different ways to organize, interpret and evaluate the same business activity. Phrased differently, the increasing organizational diversity in the ad village broadens the scope for new entrepreneurial activities (see also ALDRICH, 1999, pp. 81–82).

Rather than understanding the ad village in terms of the classical dramaturgy of invention/diffusion/adoption of the one 'best way', ongoing rivalry between different ownership forms and organizational practices produces a multiplicity and simultaneity of best practices. The traditional set of independent owner agencies on the one hand and agencies which are partially or wholly owned by one of the global groups on the other, is complemented by two other forms. First, the London ecology also hosts agencies which are part of rather loose federations of agencies without any cross-ownership or unilateral ownership links. A case in point is AMIN (Advertising Marketing International Network) which consists of some 50 independently owned agencies based mainly in North America and in Europe which collaborate on a project basis. In addition, personal ties of reputation and mutual loyalties are strengthened through informal exchanges within these federations during periods in which relationships would otherwise remain 'dormant', since no concrete project collaboration is being performed.

Second, in 1995 the world's first employee-owned agency, St Luke's, was founded in London. Core elements of St Luke's co-operative ownership constitution are converted into management style; organizational practices are translated into physical structures. With the introduction of the practice of 'hot desking', personalized office space has been abolished in favour of 'project rooms' dedicated to project teams that work on particular accounts (LAW, 1998, p. 140). St Luke's also has been set up deliberately outside the centre of the ad village in order to avoid, as the founders proclaim, the insider and gossip circles of what is regarded as the Soho media establishment that orbits around a few creative gurus (*ibid.*, p. 221).¹⁰ In other words, they maintain they operate outside of what economic geographers usually celebrate as the Marshallian 'the secrets are in the air' atmosphere.

Although St Luke's does not have the status of a 'model', its commercial and creative success turned the philosophy of the 'Agency of the Year 1997' into a serious 'what can we learn from' issue. In this way, the 'angry young agency' which sweeps aside conventions and established practices of the ad village, ironically, plays an important role for Soho, if not by intention. By turning the viewfinder to, from ad village's point

of view, unknown corporate territories and unorthodox business practices, the agency pioneered new forms of client-centred project organization. More generally, the sustained rivalry between various ownership and organizational forms enriches the pool for potential new recombinations of projects across the contested boundaries of projects, agencies and the ad village.

PROJECTS IN CORPORATE NETWORKS

The configuration of advertising teams and project networks in the case of St Luke's is rather strongly centred in the organizational realm of the particular agency and the ad village. However, the organizational space of projects, more generally speaking, is rarely confined to personal relations and firms in a specific locality. By adding a further organizational layer, projects increasingly are embedded in the context of international and global corporate networks. Despite this geographical expansion of the organizational context of projects, *personal* relations and loyalties keep playing a key role in assembling and maintaining project teams.

In the advertising business, international corporate networks literally are coined 'networks'. These networks in turn, at an even accelerating pace, are integrated into global 'groups'. Eight of the UK top 10 networks are, more or less directly, controlled by one of the three largest global groups – Interpublic, Omnicom and WPP. These three major groups each generate revenues of over \$6 billion (WELLS *et al.*, 1998, pp. 111–14) and report growing market shares, accounting for some 40% of the world top 100 advertising organizations' gross income (*Campaign*, 23 March 2001).

'Adland's global mantra: global consolidation' (*Campaign*, 23 March 2001) and the notoriously posed question 'who's next?' (*Advertising Age*, 29 May 2001) depict concentration processes that seem to be driven by the imperatives of changing client demands (*Interpublic, Omnicom, WPP Annual Report*, 1999, 2000; see also LESLIE, 1995, pp. 421–23). The dynamics of this consolidation process reshapes the contexts of project-based practices and, in conceptual terms, also redefines the interrelations between temporary and permanent organizations.¹¹

Geographical reach

Whereas geographical reach is a most obvious asset of groups – Interpublic, Omnicom and WPP operate in more than 100 countries each (*Advertising Age*, 11 April 2001) – its impacts on the project-based practices are less unequivocal. In a more general sense, extended networks increase responsiveness to the variety of clients' internationalization strategies and preferences with regard to particular services for particular brands. Truly global advertising in the straightforward sense of

marketing the same product through the same campaign worldwide still seems rather limited to a few products in the category 'fast moving consumer goods' like toiletries, for instance. For WPP, for example, business in this sense just defined accounts for hardly 15% of overall advertising income (*Fast Company*, 3 September 1999).

If anything like a tendency seems to evolve, it is an increasing organization of groups by client and less by geography. Agencies are increasingly handling one client worldwide instead of a set of clients in their particular region (LESLIE, 1995, p. 421). The allocation of accounts to a particular agency within a group is not necessarily driven by spatial proximity to the client (and his headquarter in particular) but rather reflects, once again, the vital role of personal networks. A managing director of an international network exemplifies this with their relation to a (non-Swedish) client: 'All our offices have problems with [client], except our Swedish office. So, when we have problems with [client], we pull the Swedish team in ... it's a matter of understanding ... they seem to get along' (MD17). In this sense, the geographical and organizational expansion of groups has not only broadened their market base. Moreover, it has deepened and widened the pool of the group from which to assemble and reconfigure client-focused project teams.

Brand diversity

In a striking similarity, the three major groups are built around three major advertising networks¹² all of which are performing projects and handling accounts for different clients or for different brands of the same client. As much as the groups aim to keep their own corporate profile as low as possible, as much they are reiterating the brand identities of their networks. Typically, these brand identities are constructed around particular 'philosophies' which, basically, reflect different priorities with regard to the business, scientific and artistic logics of advertising (see WELLS *et al.*, 1998, p. 119).

The resulting diversity of brands within the group allows a resolution of the conflict rule of 'exclusivity' according to which an agency is unable to serve the business of directly competing clients. By retaining the separate identity of agencies, the group can control a larger client base and can overcome the growth barrier posed by account conflicts (WEST, 1996, p. 134). In addition, the rather loose integration into groups, to some extent at least, secures the identity of individual agencies. It thus reduces the risk for agencies that have been taken over to lose key employees who would refuse to work for a 'Madison Avenue behemoth'. Due to the strong mutual loyalties of the project teams with clients, as already elaborated, the danger of losing clients with the departure of personnel is particularly high.

Disciplinary breadth

The structural similarity of the major groups, however, is not limited to their core business which rests on three advertising networks. In parallel moves, they diversified into non-advertising marketing and communication services which, in 2000, accounted for 55–58% of the three major's income (*Interpublic, Omnicom, WPP Annual Report*, 1999, 2000; *Economist*, 7 July 2001). While the groups traditionally have had public relations arms, they moved more recently, though with rather different priorities and organizational strategies, into market research, strategic marketing consulting, identity consulting, direct marketing, in-store marketing, health care marketing, design services, new media and other specialist services.

In broadening the portfolio of activities, they respond to clients' demand who increasingly ask not just for individual ('above-the-line') media campaigns but also accompanying ('below-the-line') marketing measures, ranging from direct marketing to services as diverse as the design of showrooms to sponsoring a classical concert. While this is true in general, clients follow rather different approaches regarding the integration of these services. Some clients prefer to deal with the various organizational units of the group directly or even buy specialist services from different groups, *à la carte* so to speak. For clients who prefer a single point of contact, groups must be able to offer a 'one-stop shop' service 'by providing a customized team of specialists from different group companies, with tight central management by an "integrator" of a diverse mix of disciplines from advertising to sponsorship to direct marketing' (*AMV.BBDO Business Report*, 1998, p. 19).

In order to match a broad spectrum of interface configurations with clients, groups have to meet the managerial challenge to create and sustain a client-focused project for a given period of time that cuts across the boundaries and identities of the involved teams, agencies and networks of the group. Although this type of client-driven project formation is the dominant form of intra-group networking, the groups recently launched several programmes that aim at enhancing learning across intra-group boundaries and across individual projects.

Cross-project learning

The practice of providing organizational spaces for summarizing and evaluating project experience and transferring it to related or derivative projects depicts further complementarities between the temporary project and the permanent group organization. Pure project-based organization, albeit offering arenas for 'learning-by-watching', lacks the formal structures and incentives for cross-project learning (EKSTEDT *et al.*, 1999, pp. 37–60). Since the 'learning silos' typically

built around functional departments are mostly absent, project-based organizing is exposed to the risk of 'learning closure' (HOBDDAY, 2000, p. 885); despite very good individual project performance, the high pressured work environment may leave little time and space for systematic formal training and staff development. The groups, at least at an apparently increasing degree, seem to become aware of these inherent risks of project-based organizing and appear to implement practices to counter them.

With a determination that appears exceptional relative to industry standards (GREIN and DUCOFFE, 1998, p. 313) WPP, for example, earmarks about 20% of operating profits (which amounted to roughly £500 million in 2000) for programmes that serve these cross-project learning purposes roughly defined (*Campaign Live*, 17 September 1998). First, the WPP Fellowship Programme fosters the development of cross-disciplinary skills which are essential in project-based work teams (*Fast Company*, 4 September 1999). Teams – representing two or more WPP companies – might be partnerships, alliances or simply individuals working across companies. Second, 'knowledge communities' for particular cross-project and cross-agency fields like interactive media, for example, share non-confidential insights and case-study evidence in various ways ranging from workshops to password-protected web sites (*WPP Group Navigator; WPP Annual Report*, 1999, 2000). Regardless of the actual efficacy of these initiatives, they at least indicate awareness of the risks of 'learning closure' inherent in project-based organizing.

SUMMARY AND CONCLUSION: PRODUCTION IN PROJECT ECOLOGIES

The aim of this paper was to venture an investigation in which the project, rather than the firm, features as the central unit of economic action. Instead of conceiving the firm as a coherent entity and unitary actor (see MASKELL, 2001; TAYLOR and ASHEIM, 2001), the paper delves into the internal diversity of agencies and the composition of project teams. Unfolding the spectrum of professional profiles, it demonstrates how the business, scientific and artistic logics translate into different sub-teams with distinct professional ethos. Collaborative relations between these sub-teams and their external partners and peers, through the practice of recurring co-operation, evolve into personal ties. Due to strong mutual loyalties, these personal ties solidify into a sort of social infrastructure which appears to offer a considerably higher degree of stability and continuity than affiliations of employees with agencies and similarly short-cyclical temporary agency-client relations.

Particularly in the creative realm in which the artistic ethos prevails, personal networks seem strongly, though not exclusively, rooted in a particular locality. In touch-

ing on economic geographic terrain more strictly speaking, the logic of co-location of project partners, however, can only insufficiently be disclosed from standard arguments that revolve around the transaction cost savings of spatial proximity (KRUGMAN, 1991, 1995; see also MARTIN, 1999; FELDMANN, 2000). Rather than equating the agglomeration of creative projects in Soho simply with reduced costs of transaction, it provides a vibrant site for 'hanging out', training and, thus, gaining access to networks at the peripheries of projects. The reputation built up in peripheral positions is the key to derivative projects and, potentially, to reaching the core of project networks. Through processes of negotiating meaning, these networks act as local interpretive communities which filter noise into signals.

The strength of local inter-personal ties in the creative realm, of course, does not imply that the influence of inter-organizational ties on international and global business relations is limited. On the contrary, projects in the advertising industry increasingly are embedded in the context of international networks and global communication groups which, in a more general sense, also exemplify the role of the permanent organizations in temporary project settings. Networks and groups above all link the projects with rapidly internationalizing and globalizing markets and, also largely

in response to changing client demands, broaden the disciplinary breadth of projects. Increasingly, groups also seem to become aware of the systemic limitations of project-based organizing by providing organizational arenas for cross-project learning.

The interdependencies between a particular project and the firms, personal relations, localities and corporate networks from which these projects mobilize essential sources unfold the organizational and physical space of a particular *project ecology* (Fig. 4). The admittedly rather preliminary notion of the project ecology is not proposed to compete with the more established 'territorial innovation models' (LAGENDIJK, 2001) of industrial districts (BECATTINI, 1990; BRUSCO, 1990), innovative milieux (CAMAGNI, 1991; MAILLAT, 1991), clusters (PORTER, 1990; ENRIGHT, 1998), learning regions (FLORIDA, 1995; MORGAN, 1997) or regional innovation systems (COOKE, 1992; BRACZYK *et al.*, 1998). Although sharing basic features with these more established economic geographic notions, the term project ecology is intended to delineate a qualitatively different form of social organization.

On the one hand, pure arm's-length market transactions play only an insignificant role in the social fabric of both project ecologies and territorial innovation models. Moreover, economic relations in project ecologies as well as in territorial innovation models

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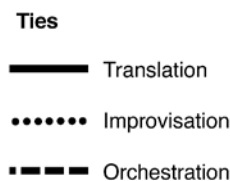
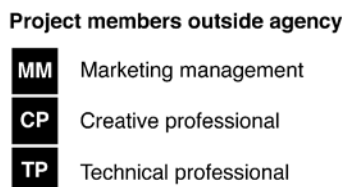
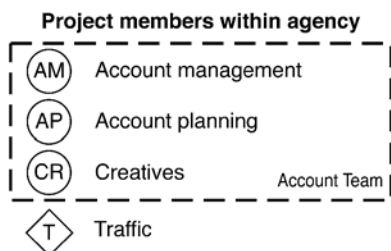
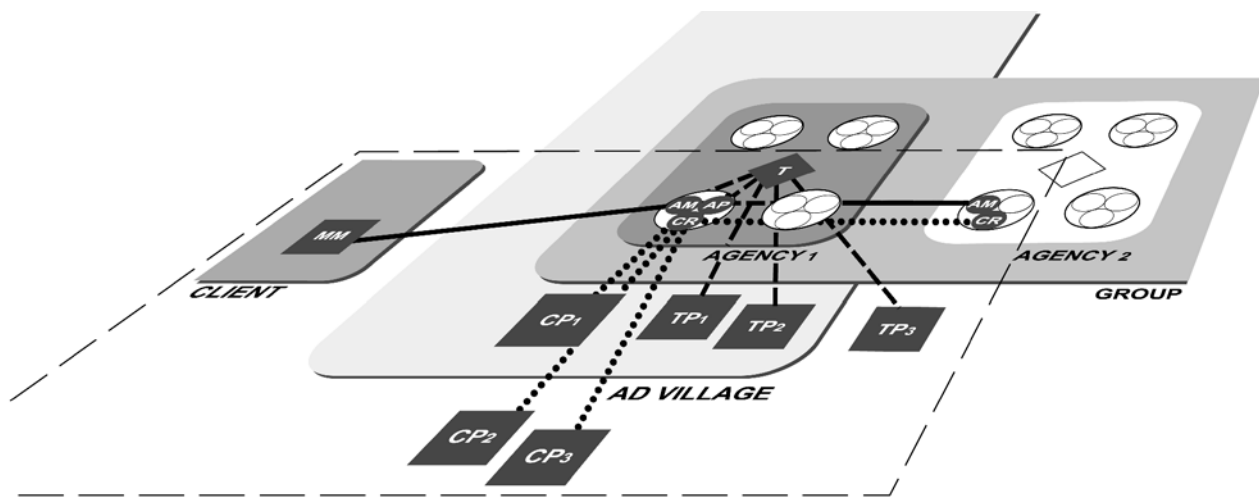


Fig. 4. The project ecology of advertising

appear not only passively *embedded* in social relations but rather seem actively *constructed* with and through them.

On the other hand, however, project ecologies represent a heterarchic form of social organization (HEDLUND, 1986; HEDLUND and ROLANDER, 1990; GRABHER, 2001a) that, despite dense patterns of interaction, is less systemic and less coherent than in territorial innovation models. In project ecologies, the temporary limitation of collaboration preserves the particular professional and organizational identities involved. Phrased differently, despite the practice of recurrent collaboration, the limited duration of projects prevents the perspectives of the various members and sub-teams from becoming corrupted by a hegemonic view. Rather than drifting towards cognitive homogeneity and organizational coherence, diversity within project ecologies is reinforced and further differentiated by rivalry.

The sustained rivalry between different ways to organize, interpret and evaluate the same business activity, in this view, enriches the pool of potentially new recombinations of projects. Somewhat in dissonance with the harmonizing tone echoing particularly through the current learning discourse (see also HUDSON, 1999), conflict and rivalry are not reduced to notorious causes of disturbance and interruption in anyhow high-pressured organizational settings. Instead, they are seen as an indispensable element of project-based creativity, innovation and organizational evolution.

Finally, the term project ecology is not proposed as a conceptual tool to identify specific, geographically fixed formations. In other words, project ecologies are not a *territorial* innovation model. Rather, project ecologies provide the organizational arena in which incongruent physical and organizational layers are 'stapled' for a limited period of time – just to be reconfigured anew in the context of subsequent projects.

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NOTES

1. According to estimates of the Account Planning Group, the volunteer professional association, about 500 account planners are working in the London advertising industry and about 200 UK trained planners are estimated to work abroad (RAINEY, 1998, p. 1).
2. This affinity towards qualitative research has also been attributed to the fact that '[t]he strong indigenous research industry in this country has helped to deflect

many of the (largely US-driven) more mechanistic, black box testing and evaluation techniques from gaining widespread credibility' (Sharp Stick, April 1997; see also STAVELEY, 1999, p. 39).

3. Quotations from agency interviews are marked according to the professional specialization of the interviewee broadly defined with MD (managing director), AM (account management), AP (account planning) and CR (creatives) followed by the consecutive number of the agency in the sample.
4. The notion of rivalry appears particularly appropriate for understanding these conflictual dynamics since rivalry represents a 'mixed game' in which opponents aim at exploiting the rival, rather than at annihilation. Yet, both share a vital interest in the reproduction of the organizational ecology of which they are part (see also GRABHER, 2001a, p. 357).
5. Affiliation to one of these creeds, of course, is not only revealed in conflicts over campaigns but also in other aspects of the business like the location of the agency, as a complaint of an account planner illustrates: 'I don't think it's important to be in Soho. It's just because creatives want to be in the centre ... because they are like small children, they want to go out and play with the other friends ... in terms of planning, being in [a location in Soho] is a complete waste of very much rent money' (AP9).
6. For equivalent practices in TV production, see for example, BLAIR, 2001; SYDOW and STABER, 2002, this issue; for new media, see CHRISTOPHERSON, 2002, forthcoming.
7. Directors in turn are closely tied to particular producers and their affiliated networks of freelances, providers of technical support for production and post-production (for the organizational and temporal configuration of these networks, see SYDOW and STABER, 2002, this issue).
8. Given the significantly lower interaction frequency, spatial proximity to customers is not imperative in locational considerations (see also NACHUM and KEEBLE, 2000, p. 25). On the contrary, representatives of client firms seem to prefer to have a 'fun day out' (CR12) in the context of a presentation of their advertising agency in Soho.
9. The area loosely referred to as Soho is defined by the following boundaries: Oxford Street to the north, Regent Street to the west, Charing Cross Road to the east and the south side of Leicester Square to the south (TAMES, 1994).
10. For a detailed study of the interrelation between the locational shifts away from Madison Avenue and the attempts to break away from established advertising practices, see LESLIE, 1997b.
11. The attribute 'permanent' seems, at first glance, hardly appropriate for understanding groups, whose continuous intra-organizational reconfiguration and transient external alliances and affiliations seem rather suggestive of 'temporary' organizing. However, the point here is not the actual duration of collaborative arrangements but rather the extent to which these relations, at least in principle, are temporarily limited *ex ante* or not.
12. Corporate pillars in the advertising business of Interpublic are McCann-Erickson, Lowe True North;

Omnicom is structured around BBDO Worldwide, DDB Needham Worldwide and TBWA Worldwide; WPP's core networks are J. Walter Thompson, Ogilvy

& Mather Worldwide and Young & Rubicam (*Interpublic, Omnicom, WPP Annual Reports, 2000; Financial Times, 21 February 2001*).

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