

soap creative



The Creative Industries Innovation Centre (CIIC) produced this feature article for its website, Creativeinnovation.net.au, to showcase the experiences and knowledge of an innovative Australian creative company.

Soap began life as a games developer but has since evolved into a full-service digital agency.

In 2002, Ashley Ringrose and Rob Dennis quit their jobs at a digital agency to create online games for a living, and Soap was born.

Originally, Soap specialised solely in creating Flash games, but it didn't take its founders long to realise they could make a lot more money by expanding their services into website production, digital strategy and online marketing.

In 2004, Ringrose and Dennis were joined by a third business partner, Brad Eldridge in the same year that Soap won its first long-term client, 20th Century Fox in the United States.

It marked a turning point for Soap, whose client list now includes entertainment companies such as Activision, National Geographic Kids or Foxtel, and brands such as Lynx, Lipton and 3 mobile.

Today, Soap operates two offices in Sydney and Los Angeles. As a full-service digital agency, its biggest challenge is keeping abreast of new digital platforms and predicting which technologies will be short-lived, and which are here to stay.

What inspired you to launch Soap?

Ashley Ringrose (Technical Director): I was working with Rob Dennis at a digital agency in Sydney when we set up Soap to focus purely on making online Flash games. We didn't want to work with any corporate clients or make banner ads, and it really wasn't any more strategic than that. Of course, when we found out how much people pay you to do banners we said, 'Okay, we'll do banners too'.

At the time of launching Soap, Ash was only 22 and Rob was 27. Was age a barrier to entry?

Ash: It probably made it harder to get meetings with brand managers, so we cut our teeth by working for other agencies. Still, I think if the client's going to make a decision based on how old you look or what t-shirt you're wearing, then they're worrying about the wrong things.

What were your start-up costs?

Ash: We had \$20,000 saved up and our overheads were low. For companies with financial backing I think there are more risks – you have to hit the ground running, but you get there a lot faster. It's been 8 years since Soap started and I think we could've got there a lot faster if we had more capital, but our growth probably wouldn't have been as smooth.

Brad Eldridge (joint Creative Director): Or as fun. I think a big part of why we are still sane is that it's been fun. In the early years we had some great clients, like Mambo, who really

let us do what we wanted. We were savvy, we knew what we were doing to some degree, but there was less accountability, so you could be a lot more experimental. These days there is much more 'paperwork' and selling in of ideas, before you get stuck into the actual work.

In a sector where technology evolves so rapidly, how do you stay nimble?

Ash: It's not so much about being nimble as being efficient. A lot of the projects we worked on two years ago can't be reused because the coding has completely changed. Digital platforms like Facebook have created a lot of extra work for us. From an efficiency point of view, developing content [for new digital platforms] can be a nightmare.

Brad: It's about hiring great people who are adaptable and flexible and happy to change and stay educated.

Ash: And you have to be selective with new technologies. We didn't go out there and build a Second Life company or start a viral film division. We've always said to our clients, 'If you really think that's what you need, and we agree with you, we'll work on it.' The iPhone is probably the one thing we jumped on too late, but there are many platforms we didn't jump in on, which have already died out.

Soap has a distinct tone of voice. Has this helped to attract new business?

Brad: It's a real differentiator. We have business cards with superhero characters on them, which people seem to like. It means we can be natural in meetings, and it helps us attract like-minded clients who don't see our tone as unprofessional but as refreshing.

Ash: One of the reasons we chose the name 'Soap' was that we didn't want to be another 'Pixel B' or 'Graphic 45' or an agency that takes itself far too seriously.

Was there a point where Soap became more strategic?

Brad: 20th Century Fox was the first really big client we took on in 2004 and they were the first client to give us regular work and maintain a long-term client relationship, as opposed to doing project-work for other agencies.

We won Unilever as a client in 2007 by working on their Cornetto brand. Within a year or two we were working on all of their ice cream brands, except Paddle Pop. Now we're also working on Unilever's Lynx, Lipton, Bushells and Rexona brands.

Is there a secret to new client acquisition?

Brad: Soap has grown its client base organically through word of mouth. We've never employed a sales person; the partners oversee new business development.

Ash: I think we know when to fight and when to play nice. If you fight every bad client decision you'll end up just making them angry and an enemy. So we've played nice many times along the way. We also know when to admit we're wrong.. I think people respect that honesty.

Brad: In the early years we were a bit green with winning large clients. Looking back at our Powerpoint presentations, they were lengthy and had too much detail.

Ash: Unfortunately, it's not always how good your idea is – it's how well you can sell it. When Soap started out, we were not the best sales people. We're definitely getting a lot better at it now.

Brad: That's something that has changed a lot in the last year or two. It comes with experience from working with brand managers at a company like Unilever. We've learnt to strip our concepts back right back to the essence of the idea in order to sell them.

Soap has diversified its income to become a full-service digital agency – how is its revenue split today?

Ash: We still earn 20% of our revenue from online games, the rest comes from digital campaigns and brand strategies. Social media has been a big area of growth for us. We manage more than 15 Facebook groups for clients, and we now have two people looking after Social Media full-time, which was a role that didn't even exist a few years ago.

Why did you open an office in Los Angeles in 2008?

Ash: Soap was already generating 25% of its work out of the United States, but Activision offered to put us on their permanent agency roster if we had a presence there. Within the space of about two months, AusTrade helped us establish our office and advised us on salaries and cultural differences in the US. They helped fund our flights over there for new business pitches, which was a big help.

Brad: We're a small fish in a big pond there, but you can get paid big sums of money for production work in L.A.

Case study

Cover image:
'Soaperhero' business
cards for all staff

This page:
A creative
brewing company -
self-promotional
beer labels



Is it hard running a business in two cities?

Ash: It is more difficult than we imagined. Especially when deadlines are looming and the client rings you at 3am looking for something. It helps that Matt Griswold, who runs our L.A. office, is American because he knows how the industry works and how to deal with clients over there. We Skype every day so there's no need to fly there very often.

Have you made any mistakes along the way?

Ash: It's unwise to start a business with friends without getting sound legal advice when you're putting it together. In hindsight, we would do that very differently.

Brad: It's obvious now we need to work on structuring the company. We have been very flat for a long time, which has its pros and cons. Everyone on the team feels like the partners are on the same level because we're very approachable. But as we've become busier, that's become a lot more difficult to manage.

Ash: The separation between friend, colleague and boss can be blurred. I've realized that it's hard to be everyone's friend AND tell people what to do.

You learn how to manage yourself more than anything. The partners are in managerial roles and production roles, so we have to know how to separate those roles to become more efficient."

How do you juggle responsibilities between the partners?

Ash: Juggling can be tough because managerial responsibilities are not as defined as the production ones. At the start, I was doing all the MYOB, invoicing, client meeting and development work, but from 2003 other staff played a big role in driving processes and documentation, giving me more freedom to do what I'm good at. And MYOB is not one of those things.

Brad: Traditionally Ash has been a Technical Director who is also very creative. Rob Dennis and I oversee the creative side of things as joint Creative Directors. We are not partners who say, 'Okay we're going to go and play golf all day'. We still attend client briefings and are across projects from go-to-whoa, and I think that's our quality control.

Do you have a five-year plan?

Brad: The next phase is about getting Soap's structure and processes right, and trying not to burn our culture in the process. We've always had an environment of respect, friendships and dedication at Soap, and we've managed to maintain it reasonably well as we've grown.

Ash: We'd like to develop our own Intellectual Property by developing software, applications or TV shows, which we can license or sell. As a digital agency, we can access online communities who might be interested in buying our software, which is a big advantage. For us, the biggest

challenge is finding the time to do it.

Brad: The US office will become self-sufficient over the next few months, which will free up some time and resources to dedicate to R&D in the Sydney office.

Your company has grown from 2 staff to 40+ in 8 years. How have you managed that growth?

Ash: We used to be afraid to see any of our staff leave and had a period of two years where no one did! Then you realize sometimes losing staff is just part of business and you usually end up hiring someone even better for the job."

We've had several people who've been here more than four years, so our staff retention is above average. Also we don't lose that many staff to Australian competitors – most head off to travel or change careers.

Brad: When we outgrew our space in Surry Hills, we committed to a commercial mortgage with a 30% deposit and a five-year term, which was very daunting. When we moved into our office in Ultimo in 2005, it was just a big rectangle with dirty blue carpet. We've since added two suites as to accommodate new staff.

What trends are driving the digital sector?

Ash: Media agencies are getting better at growing their share of client budgets. It means we have to be smarter, hungrier and in a sense play more hardball. It's no longer a done deal getting the budget just because you are a hotshop agency.

Brad: I think clients are starting to look for campaign ideas that live on multiple platforms for three or four years – campaigns that live well beyond the life of a single campaign. We are now selling in ideas that need to run for 12 months plus. This creates a much longer discussion about the continuity of the idea and how the client will pay for 12 months+ of maintenance and content.

Have you always been profitable?

Ash: Yes, although we kept it pretty frugal over time, and we always grew with organic growth – every hire was for a reason. And yes, occasionally the partners reduce their salaries to assist with cash flow. The GFC did affect us but it also helps curb the rising salary costs, which were not matching any rise in client fees.

What are you proudest of?

Ash: We've got one of the best teams in Australia, it blows me away to see some of the work our team creates.

Brad: We have built something that began very small, and is now something we can be proud of. Some days you do walk into the office and think, 'Wow, we made this'. It's exciting.

Ash: I'm also proud of the fact that we've done it without burning too many bridges. We've got rivalries with other agencies, but we've never screwed anyone over in the process.

AT A GLANCE

Name:	Soap
Website:	www.soap.com.au
Offices:	Sydney & Los Angeles
Sector:	Digital production
Launch:	2002
Directors:	Ashley Ringrose, Brad Eldridge, Robert Dennis
Total staff 2010:	36 in Sydney; 13 in Los Angeles
Products/services:	digital strategy and production, online marketing, animation, website development, online games and applications, social networking
Milestones:	Purchased an office in Ultimo in 2005; D&AD in Book 2006, Webby Award in 2007 and a Silver Cyber Lion in 2008; opened L.A. office in 2008.

Article by Barbara Messer

ABOUT CIIC

The CIIC supports the business of creative enterprise. It is an Australian Government initiative, part of the Enterprise Connect program and is supported by the University of Technology, Sydney.

FIND OUT MORE

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