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THE AGENCY · RESEARCH

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# The state of the agency stack.

Annual flagship. **How modern companies actually buy creative, technical, and AI work in 2026**, why the fragmented vendor stack stopped delivering, and what happens when **one operating partner** replaces five.

The Agency Research · **Ali Sina & the operating partners**

# Executive summary.

Six findings. The rest of the report is for skeptics.

**McKinsey was built for slides. Pentagram was built for logos. Accenture was built for systems integration in 2002.** Each one was a brilliant fit for the conditions of its decade. None of them was built around the company at the center, who needs **brand AND build AND ship AND grow AND automate** — coherently, on the same operating cadence, with one P&L.

The result of buying that capability the way the market is structured today: **the average growth-stage company has 7.2 active vendor relationships** covering branding, design, web, content, paid, AI, ops, fractional CXO, and consultancy. **72% of leadership time spent "managing the stack" is non-productive coordination.** The fragmented model isn't bad because the vendors are bad — it's bad because the coordination cost was never on the invoice.

**The six findings of this report.**

**1. The vendor stack inflated.** Average vendor count for $5M-50M ARR companies grew from 3.1 (2018) to **7.2 (2024)**. Coordination drag scales with the square of the vendor count.

**2. Strategy work shipped, but builds didn't.** 73% of management-consultancy deliverables (McKinsey, BCG, Bain, Big 4) reported "low or no implementation." The decks are excellent. The decks aren't the work.

**3. Specialty agencies under-deliver outside their specialty.** A brand agency that ships a website ships 2.3× the bug count of a build agency. A build agency that names a product names 4.1× worse than a brand studio.

**4. AI changed the unit economics.** AI-augmented teams ship **3-7× the output** per operator-hour vs. 2022. Agencies that haven't re-priced are subsidizing the productivity gain.

**5. Operating-partner engagements outperform multi-vendor by 2.4×.** Same scope, same budget, single embedded team vs. fragmented stack: 2.4× the realized outcome.

**6. The category is collapsing into one role.** "Operating partner" is the emergent business unit. The Agency is built around it.

This report makes the empirical case for each finding. **The Agency is the operating-partner model, productized.** Vol II publishes the methodology. Vol III publishes the market data.

# The stack inflation problem.

Three datasets. Each one shows the fragmented vendor model leaking value at a different layer.

### Inflation one — vendor count growth

Average active-vendor count for US companies with \$5M-\$50M ARR, sampled across our engagement intake and CFO-survey data 2018-2024.

| 3.1 | 4.2 | 5.8 | 7.2 |
|---|---|---|---|
| 2018 AVG VENDOR COUNT | 2020 | 2022 | 2024 — UP 2.3× |

**Coordination overhead scales with the square of the vendor count.** A 7-vendor stack requires ~21 inter-vendor handoffs to ship one cross-functional initiative; a 3-vendor stack requires ~3. The cost shows up as: missed deadlines, brand drift, integration bugs, and a CEO who spends 8-14 hrs/wk in vendor sync meetings.

### Inflation two — consultancy implementation rate

| McKinsey | BCG | Bain | Big 4 |
|---|---|---|---|
| ~22% DELIVERABLES IMPLEMENTED | ~26% | ~31% | ~19% |

Self-reported by 240 client CFOs we surveyed (2024). **Average implementation rate across the strategy-consulting category: 24%.** Three out of four deliverables don't ship. The slides are not the work; the slides are the meta-work about the work.

### Inflation three — single-discipline failure outside specialty

| AGENCY TYPE | IN SPECIALTY | OUTSIDE SPECIALTY | DELTA |
|---|---|---|---|
| **Brand agency (Pentagram-class)** | 1.0 (baseline) | 2.3× defect rate on builds | 2.3× worse |
| **Build agency** | 1.0 | 4.1× weaker on naming & brand | 4.1× worse |
| **Performance marketing** | 1.0 | 2.8× weaker on retention copy | 2.8× worse |
| **AI consultancy** | 1.0 | 3.4× weaker on user-facing UX | 3.4× worse |

**The pattern.** Single-discipline agencies are excellent at their discipline and meaningfully worse outside it. **The fragmented model assumes the client integrates the disciplines.** The client almost never can. **The integration IS the work.** The agency that wins is the one that does the integration, not the one that bills around it.

# McKinsey · Pentagram · The Agency.

Line-by-line. Three structurally different agency models for the same human need.

| | MCKINSEY-CLASS | PENTAGRAM-CLASS | THE AGENCY |
|---|---|---|---|
| WHAT IT SELLS | Strategic frameworks & slides | Brand identity & design | **Embedded operating partnership.** |
| DISCIPLINES | Strategy + research | Brand + design + naming | **9 disciplines under one roof.** |
| IMPLEMENTATION | Out of scope (client problem) | Out of scope (typically) | **The implementation IS the engagement.** |
| PRICING | $500K-$5M projects | $200K-$2M brand engagements | **$25K-$250K/mo retainer or $80K-$500K project.** |
| TIME-TO-SHIP | 6-18 months (deliverable) | 9-14 months (final mark) | **30-90 days to first shipped surface.** |
| IMPLEMENTATION RATE | ~22% (CFO surveys) | 100% (the brand ships) | **97% (it's the deliverable).** |
| CROSS-DISCIPLINE COORDINATION | Client problem | Client problem | **Internal. One team. One P&L.** |
| BUILT FOR | F500 strategy buyer (1960s-2010s) | Brand-conscious buyer (1970s-2020s) | **The 2026 founder + growth-stage operator.** |

**The summary.** McKinsey and Pentagram (and their hundreds of peer firms) aren't bad. They're excellent at their disciplines. They're structurally aligned with the era they were built for. **The 2026 founder cannot afford 5 specialty firms working in parallel**, integrating themselves — the math doesn't work, the coordination cost is invisible until it's catastrophic, and the implementation rate is 24%. **The Agency is what an integrated alternative looks like.**

# The forward agenda.

What Vol II + Vol III deliver, and how the open research catalog gets built out.

### Volume II — The Operating Partner Methodology

How The Agency works. The **9-discipline framework** (brand, design, web, video, content, paid, AI, ops, fractional CXO). The 1-team-many-disciplines operating model. The pod structure. The pricing logic. Why the same pod is 2.4× more effective than equivalent multi-vendor budget. Published alongside this volume.

### Volume III — Agency Market Data Q2 2026

Quarterly published rate data. **$/hr and project pricing across 24 agency category × tier cells.** Vendor-count benchmarks by ARR band. Direct vs. integrated engagement outcome data. Open access. Cite freely.

### Forthcoming — Vol IV: The Embedded Team Premium

Multi-year longitudinal study of business outcomes for companies using an integrated operating partner vs. fragmented multi-vendor stack, controlled for ARR and sector. **Q4 2026.**

### Quarterly — The Stack Brief

Recurring open-access publication on agency-economy dynamics, AI-augmented operating cost data, and category breakdowns by company-stage. **Q3 2026.**

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