

# The Future of Agency Rosters

19 July 2018



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# Introductions...



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International**



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**WFA**



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# CMO Forum

WFA World Federation of Advertisers  
Observatory International

## The Future of Agency Rosters

Peer research



Picture: CMO Forum on 21 June in Cannes

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# Clients want change!

**3 out of 4 clients\***  
are currently reviewing the  
**structure/capabilities**  
of their agency roster



Q: Are you currently reviewing your agency roster in terms of structure or capabilities? \*74%  
Source: WFA's survey on the future of agency rosters. Base: 50 clients. Date: September 2017.

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# New agency models are popping up...

## **P&G to Bring Ad Holding Company Rivals Together to Form New Creative Agency**

Consumer-products giant aims to reduce costs and form more nimble teams to bolster ad creativity in the digital age

## **Unilever brings holding group creative teams together for new agency model trial**

Unilever is trialling a new agency model which will see creative agency talent within a holding group integrated into a single team.



Lucinda Peniston-Baines

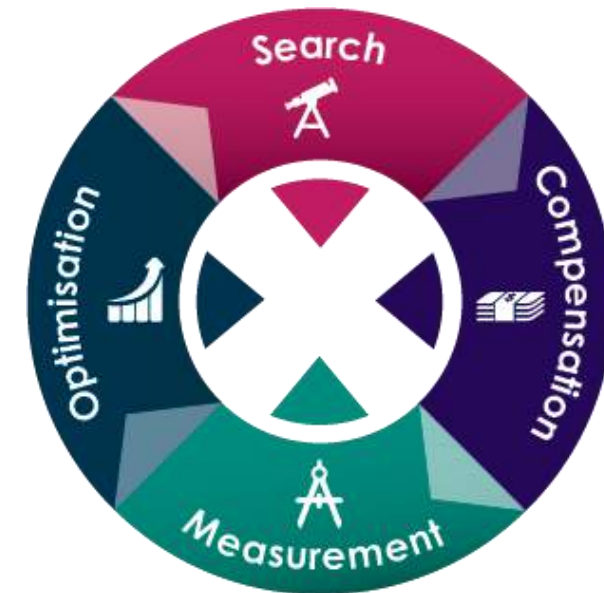
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Dedicated to helping companies  
**maximise their marketing and  
communications resources**



## Overview

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11 offices

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10 countries

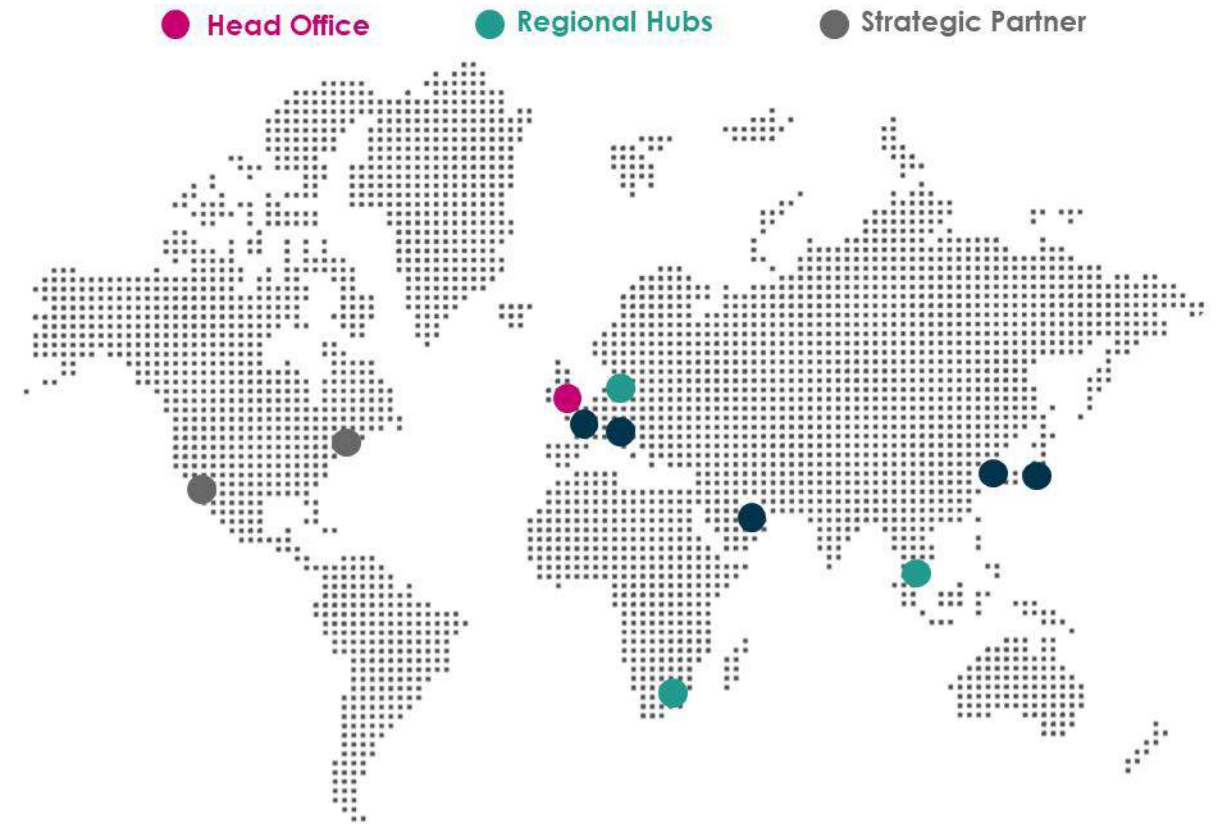
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32 consultants

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12 nationalities

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## Digital transformation is driving major shifts for Marketing Organisations

1

More **centralised structures** & processes to **go to market faster** and more efficiently

More **omni-channel** management of the **customer journey**

2

3

More **data-driven marketing** with direct ownership of data

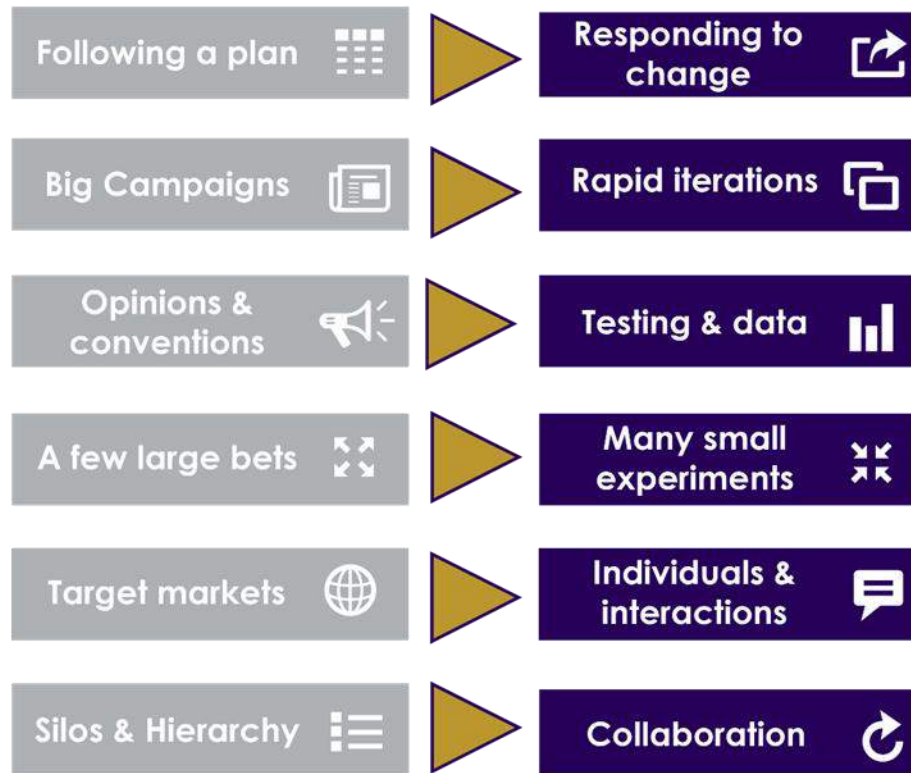
More agile and measurable **dynamic content/creative** development and delivery

4

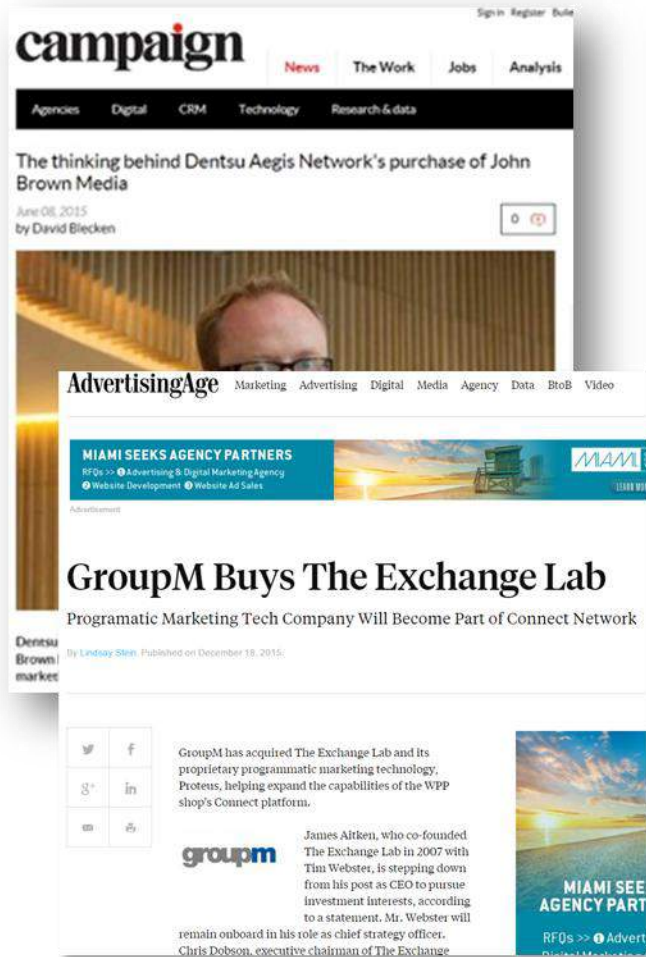
5

Governance of a single-minded **Digital strategy**

## Agencies are juggling resource to answer clients' needs and maintain profitability - made more complex with 'agile' expectations



# They are responding to clients' needs by acquiring skills, at scale



**campaign** News The Work Jobs Analysis

Agencies Digital CRM Technology Research & data

The thinking behind Dentsu Aegis Network's purchase of John Brown Media

June 08, 2015  
by David Blecken

**AdvertisingAge** Marketing Advertising Digital Media Agency Data BoB Video

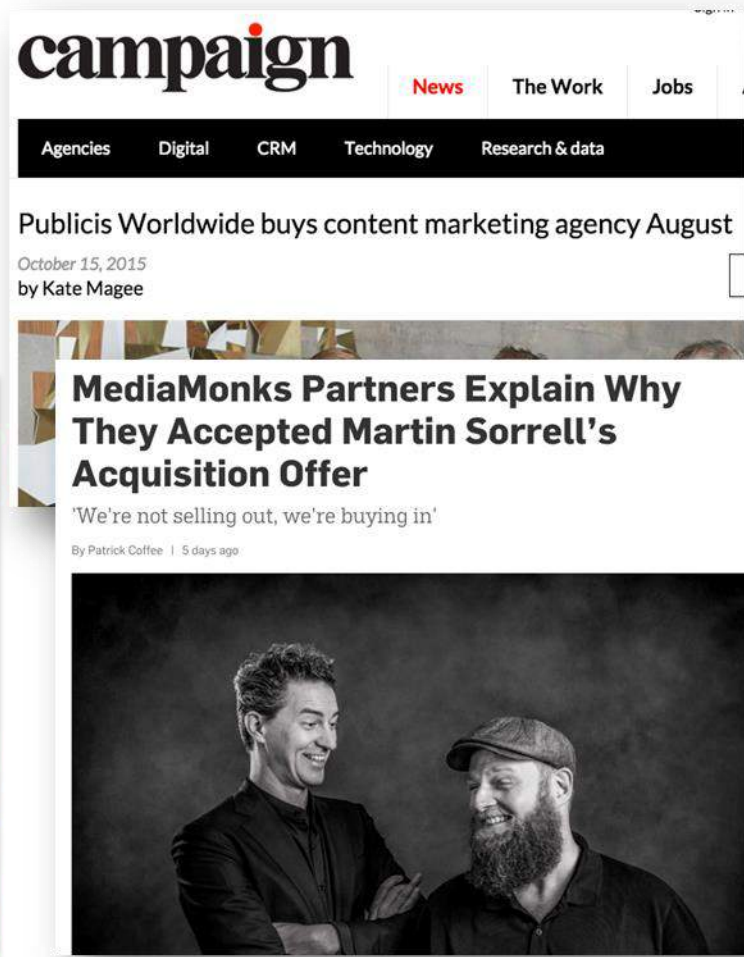
MIAMI SEEKS AGENCY PARTNERS

GroupM Buys The Exchange Lab  
Programmatic Marketing Tech Company Will Become Part of Connect Network

By Lindsay Stern | Published on December 18, 2015.

GroupM has acquired The Exchange Lab and its proprietary programmatic marketing technology, Proteus, helping expand the capabilities of the WPP shop's Connect platform.

James Aitken, who co-founded The Exchange Lab in 2007 with Tim Webster, is stepping down from his post as CEO to pursue investment interests, according to a statement. Mr. Webster will remain on board in his role as chief strategy officer. Chris Dobson, executive chairman of The Exchange



**campaign** News The Work Jobs

Agencies Digital CRM Technology Research & data


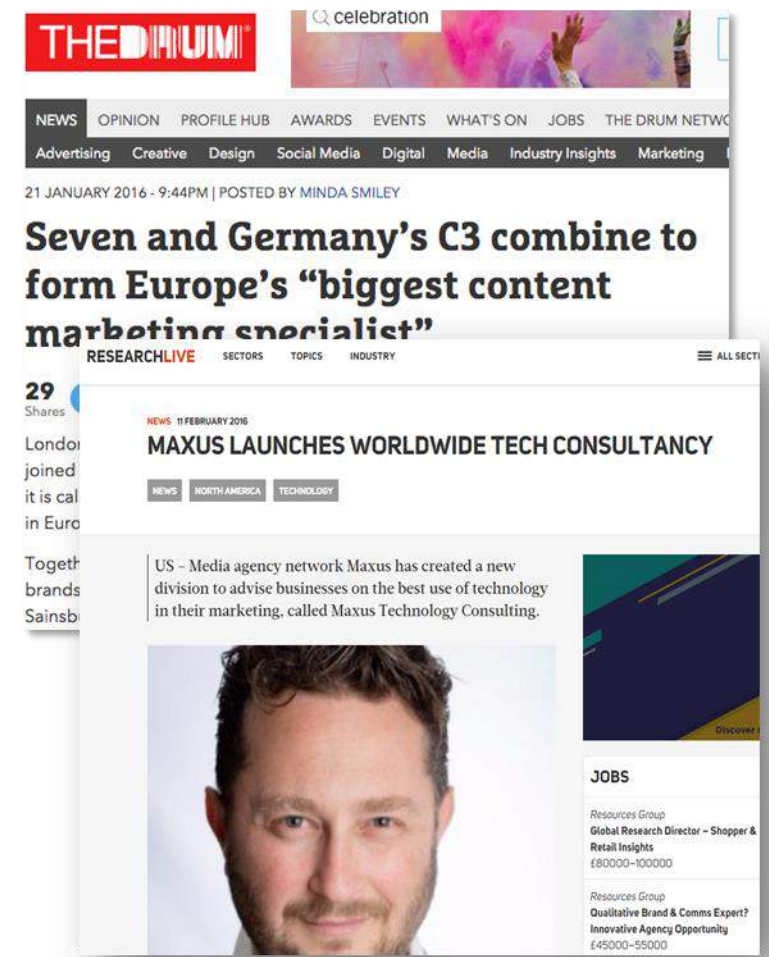
Publicis Worldwide buys content marketing agency August

October 15, 2015  
by Kate Magee

**MediaMonks Partners Explain Why They Accepted Martin Sorrell's Acquisition Offer**

'We're not selling out, we're buying in'

By Patrick Coffee | 5 days ago

**THE DRUM** celebration

NEWS OPINION PROFILE HUB AWARDS EVENTS WHAT'S ON JOBS THE DRUM NETWORK

Advertising Creative Design Social Media Digital Media Industry Insights Marketing

21 JANUARY 2016 - 9:44PM | POSTED BY MINDA SMILEY

**Seven and Germany's C3 combine to form Europe's "biggest content marketing specialist"**

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London joined it is called in Europe


Together brands Sainsbury's

NEWS 11 FEBRUARY 2016

**MAXUS LAUNCHES WORLDWIDE TECH CONSULTANCY**

NEWS NORTH AMERICA TECHNOLOGY

US - Media agency network Maxus has created a new division to advise businesses on the best use of technology in their marketing, called Maxus Technology Consulting.



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Resources Group  
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## Whilst facing off a broader competitive set

CMO TODAY

# IBM Pours \$100 Million Into Ad Consulting

By SUZANNE VRANICA

0 COMMENTS

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# Accenture Buys London Creative Agency Karmarama

By Emma Hall. Published on November 29, 2016.



Sid McGrath, Nik Studzinski, Jon Wilkins, Ben Bilboul Credit: Karmarama

Consulting giant Accenture has made another big play into the agency space with the acquisition of London shop **Karmarama**, whose clients include Unilever, Honda, Deutsche Bank, and BBC Music.

Karmarama is the third largest U.K. independent agency by billings, according to Nielsen, and the largest in terms of staff numbers – currently around 250.

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## Deloitte Acquires Acclaimed San Francisco Creative Shop Heat Move highlights a new era of a

Gianata

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### Marketing World

Industry watchers predict the trend will only accelerate

By David Gianatasio | March 12, 2017



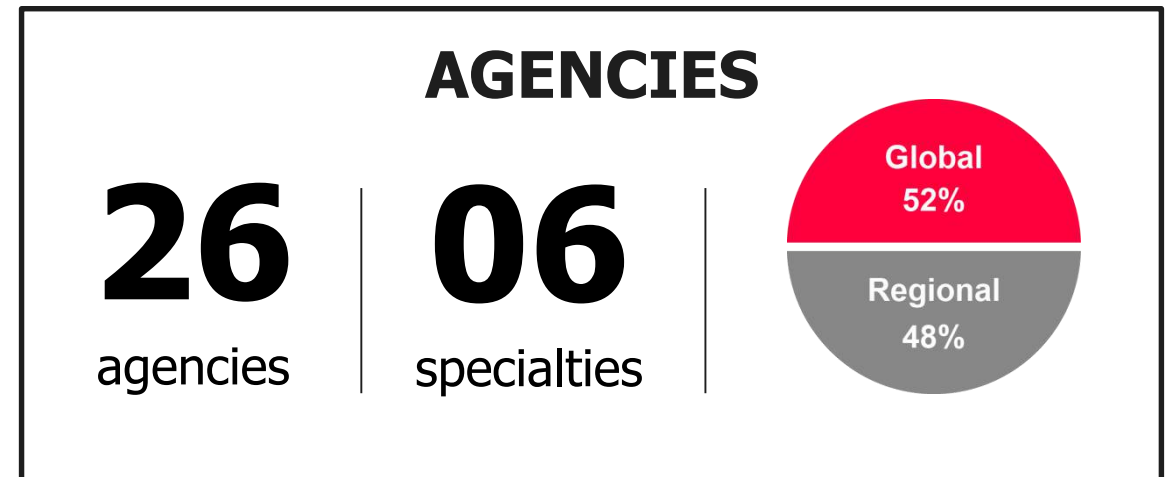
Accenture, Deloitte, IBM, KPMG, McKinsey and PricewaterhouseCoopers are among the most aggressive players.

# All change with agency rosters

Webinar  
July 19 2018



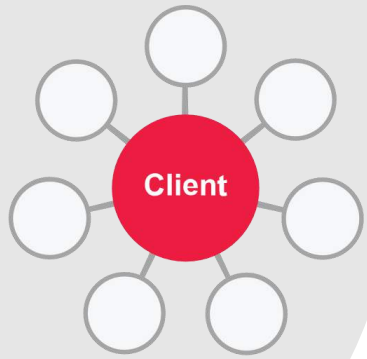
# Respondent base



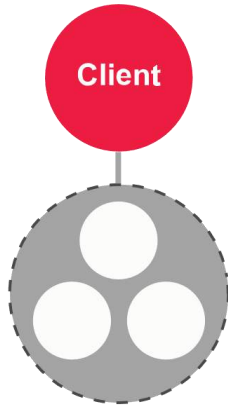
Note: Whilst results are not statistically relevant, they are indicative of the thoughts and actions of global multinationals and agencies.  
Source: WFA's survey on the future of agency rosters. Base: 50 clients/ 26 agencies. Date: September 2017.

# The model of today

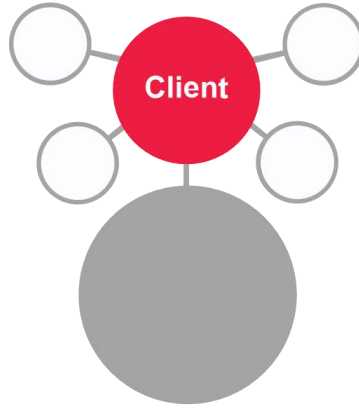
## Multitude of agency roster models



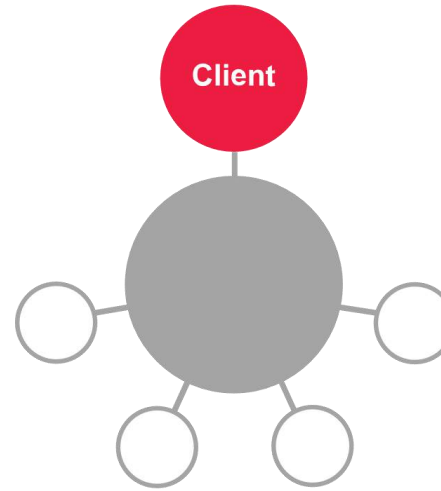
Multiple agencies managed individually by marketing



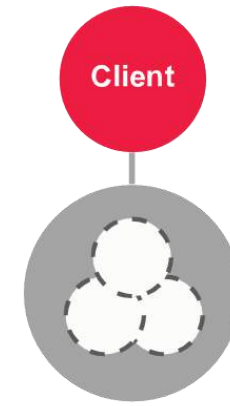
Network agency with specialisms from same holding company



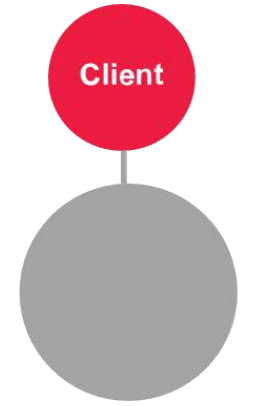
Integrated lead agency with some specialists



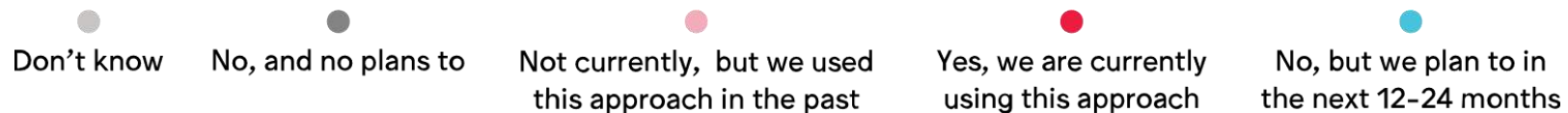
Multiple agencies managed by lead agency



Holding company team solution

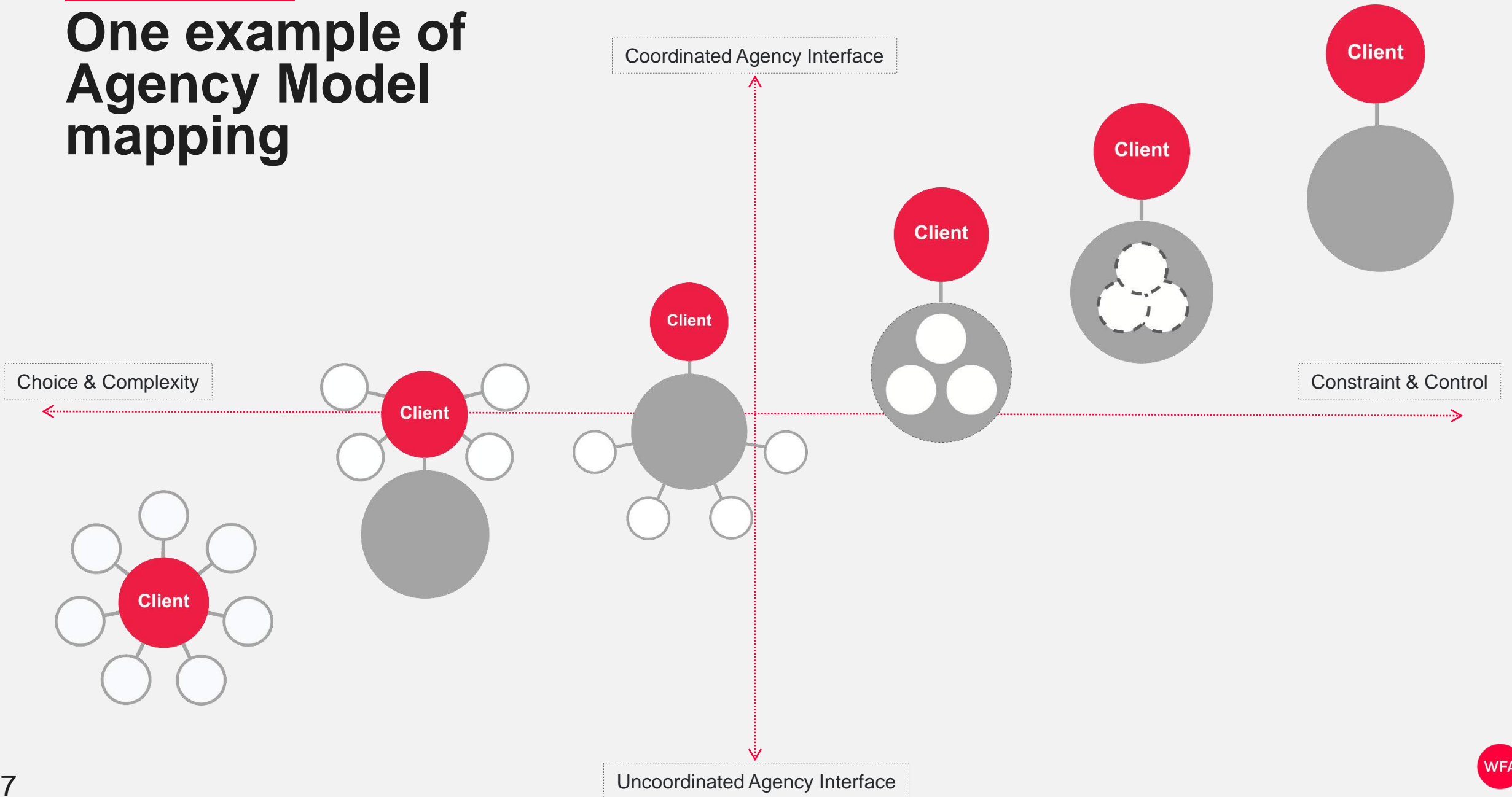


Integrated agency / Full service agency



Source: WFA's survey on the future of agency rosters. Base: 50 clients/ 26 agencies. Date: September 2017.

# One example of Agency Model mapping



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# Do you agree with the following statement? (1/2)

Existing agency models are not fit for purpose

Clients (agree)



55%

Agencies (agree)



54%

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# Do you agree with the following statement? (2/2)

I can imagine a world without agencies

Clients (agree)

13%

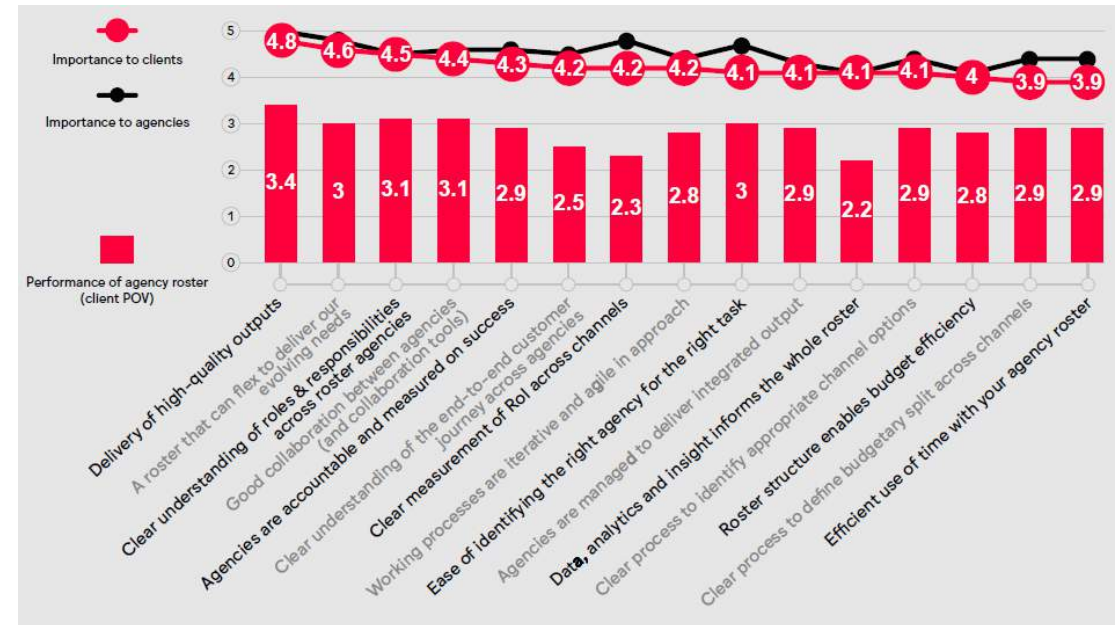
Agencies (agree)

17%

# Notable gaps to bridge: the client POV

The three biggest gaps are:

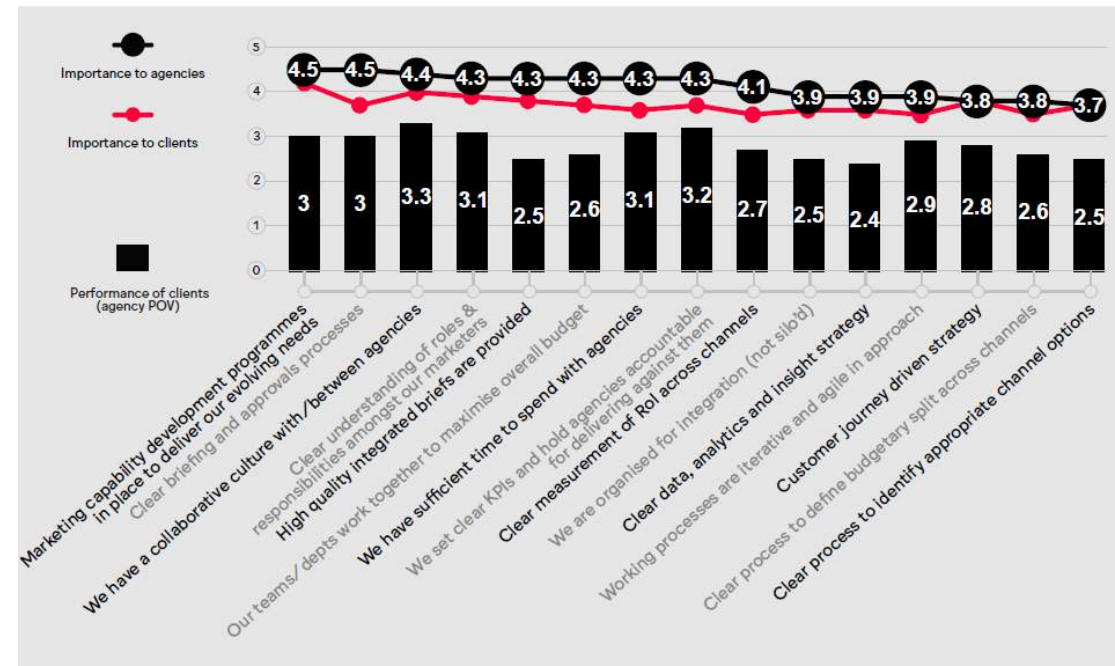
- (1) Clear measurement of ROI across channels (1.9)
- (2) Data, analytics, and insights inform the whole roster (1.9)
- (3) Clear understanding of the end-to-end customer journey across agencies (1.7)



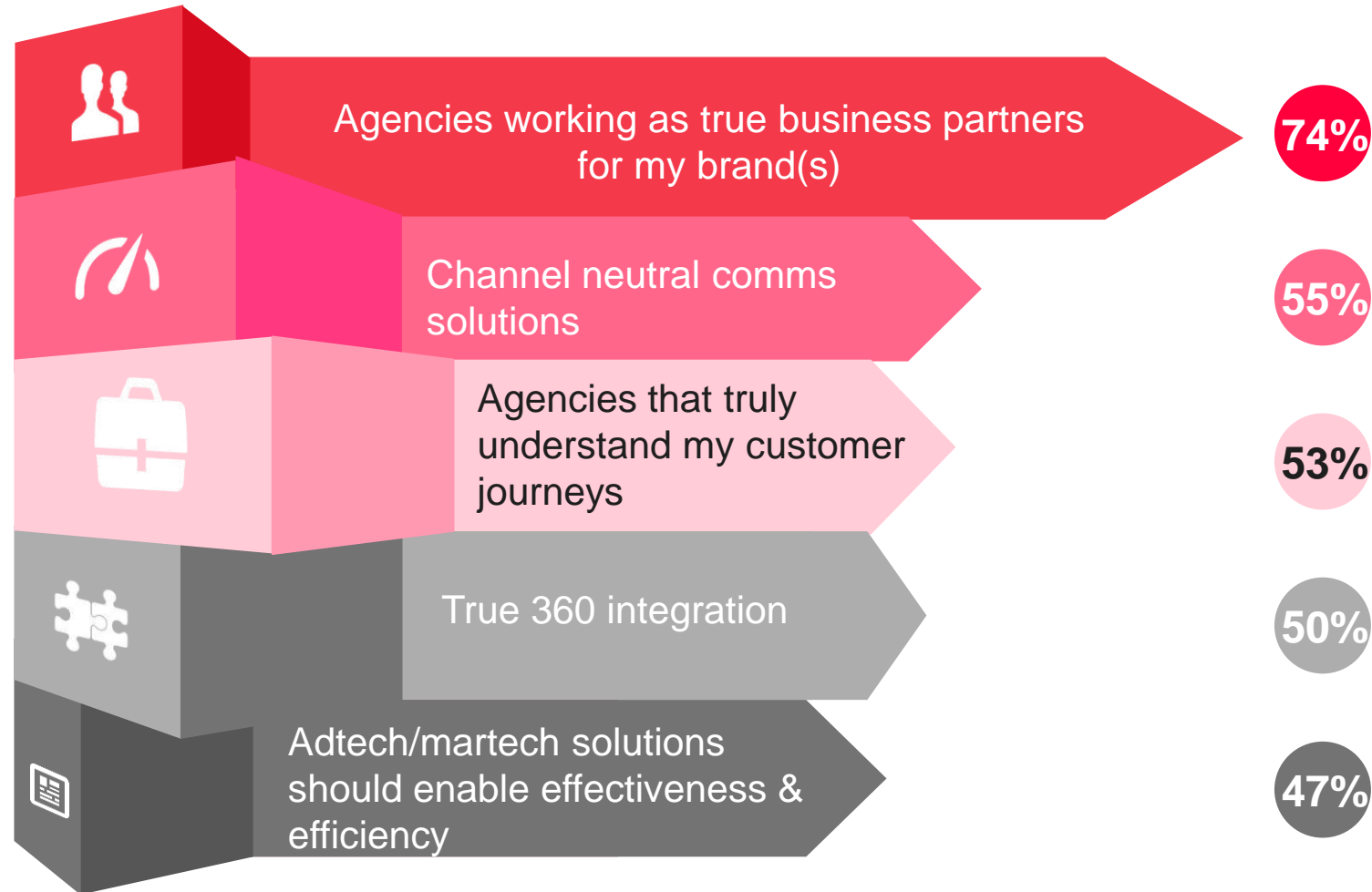
# Notable gaps to bridge: the Agency POV

The three biggest gaps are:

- (1) Briefs are well written and designed to deliver integration (1.8)
- (2) Clients are connected and work together to maximise budget (1.7)
- (3) Clients are well trained and of seniority required (1.5)

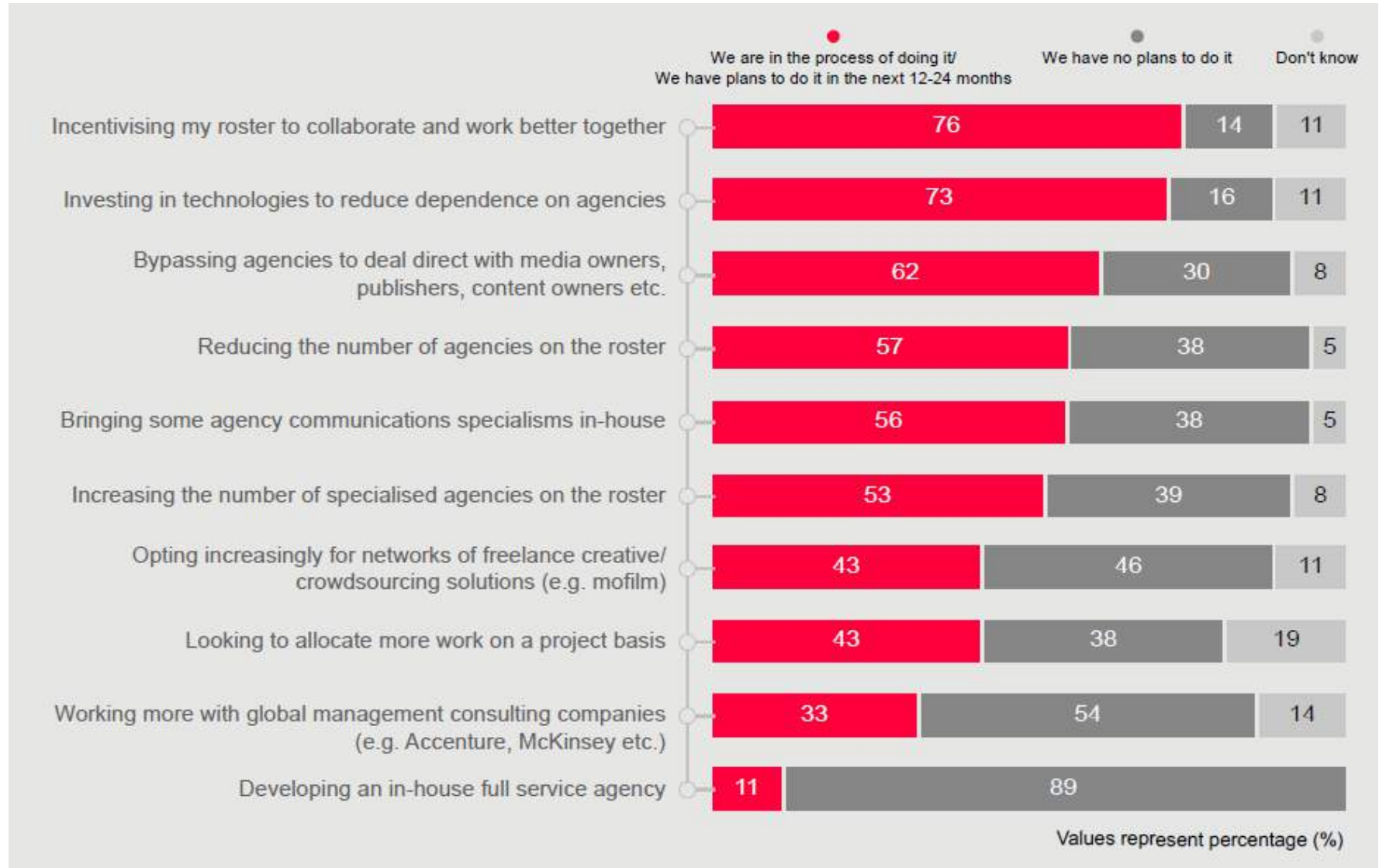


# Main characteristic of the agency of the future: *Agencies working as genuine partners*



Q: Thinking about the future, what are the TOP 5 key characteristics you would want to see in an agency roster of the future?  
Source: WFA's survey on the future of agency rosters. Base: 50 clients. Date: September 2017.

# Which of these options are you planning to implement?



# The right agency roster model will depend on your Marketing organisation

Business & Marketing objectives

Your Marketing Structure and Operating model

Maturity, skills and capabilities in-house

Communications Strategy and the disciplines and deliverables required (SoWs)

Ways of Working

Marketing technologies available

Budgets

## And requires consideration of the roster characteristics that most matter to your teams

Management simplicity



Management sophistication

Control



Flexibility

Agility



Rigour

Executional need



Strategic need

Premium service



Low cost

Integration



Specialisation

Commitment



Freedom

Automation



Bespoke creation

Transparency



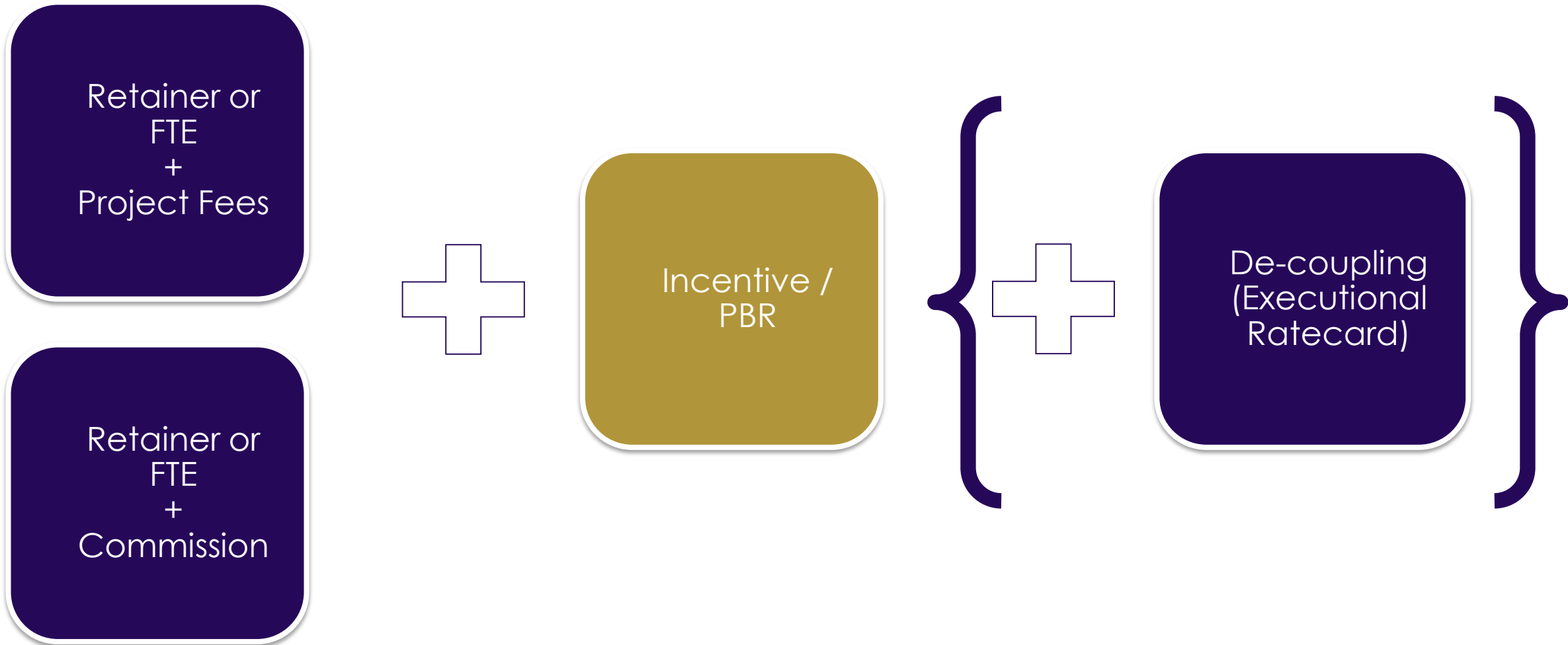
Simplicity

Leadership



Collaboration

## Approaches to PBR vary, but its inclusion is powerful



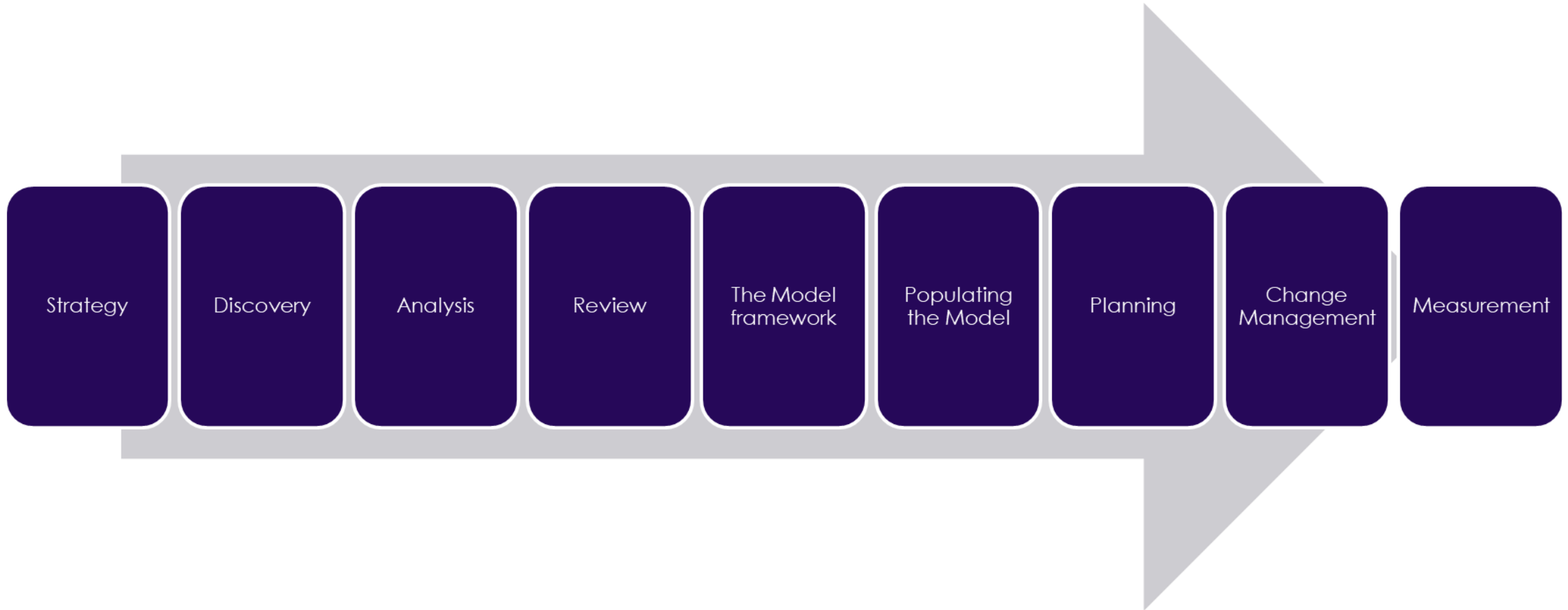
# Remuneration models vs Partnership Success Factors

Critical Success Factors	Retainer	FTE	Project Fees	Commission	Value/Outcome
Empowerment	✓✓✓	✓✓	✓	✓✓	✓✓✓
Transparency	✓✓	✓✓✓	✓✓✓	✓	✓✓
Jt. Ownership	✓✓	✓✓✓	✓	✓	✓✓✓
Accountability	✓✓	✓✓✓	✓✓✓	✓	✓✓✓
Process Efficiency	✓✓	✓✓✓	✓✓✓	✓✓	✓✓
Shared Goals	✓✓✓	✓✓	✓	✓✓	✓✓✓
Appreciation	✓✓✓	✓✓	✓	✓	✓✓
Seamlessness	✓✓✓	✓✓✓	✓	✓	✓✓
Mutual Growth	✓✓	✓✓✓	✓	✓✓	✓✓
Learning Culture	✓✓✓	✓✓✓	✓	✓	✓✓✓

## Trends we are seeing in agency compensation & remuneration

- \* Greater oversight & scrutiny
  - C-Suite topic
- \* Simplification
  - growth in commission-based compensation
- \* Transparency
  - across both media and production
- \* Efficiency/Speed focus
  - agility incentives & bonuses
- \* Value or outcome-based
  - higher risk but potentially higher reward
- \* Decoupling
  - split between 'thinking/ideas' & 'doing/delivery'
- \* Project-based approach
  - rosters of agencies to call on
- \* Zero-based budgeting
  - cost-cutting or smart business?
- \* Licensing or Usage-based
  - IP/Equity/Joint Ventures
- \* Real-time/Always-On
  - multi-versioning & optimisation

## Key recommendations to identify an agency roster model that fits your organisation's needs



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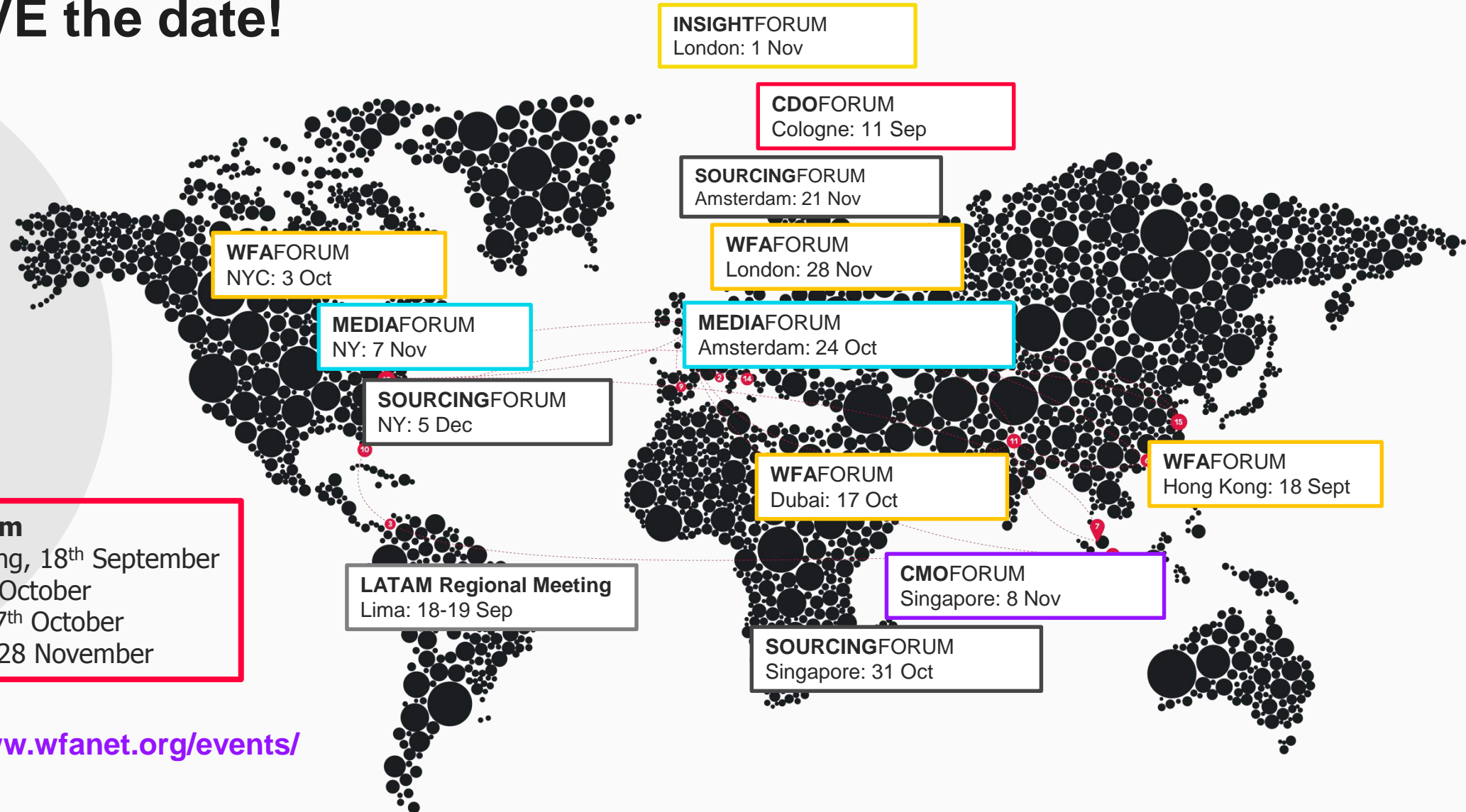
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# SAVE the date!



- WFA Forum**
- Hong Kong, 18<sup>th</sup> September
  - NYC, 3<sup>rd</sup> October
  - Dubai, 17<sup>th</sup> October
  - London, 28 November

<https://www.wfanet.org/events/>

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# Thank you



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