

WFA Webinar More effective agency management

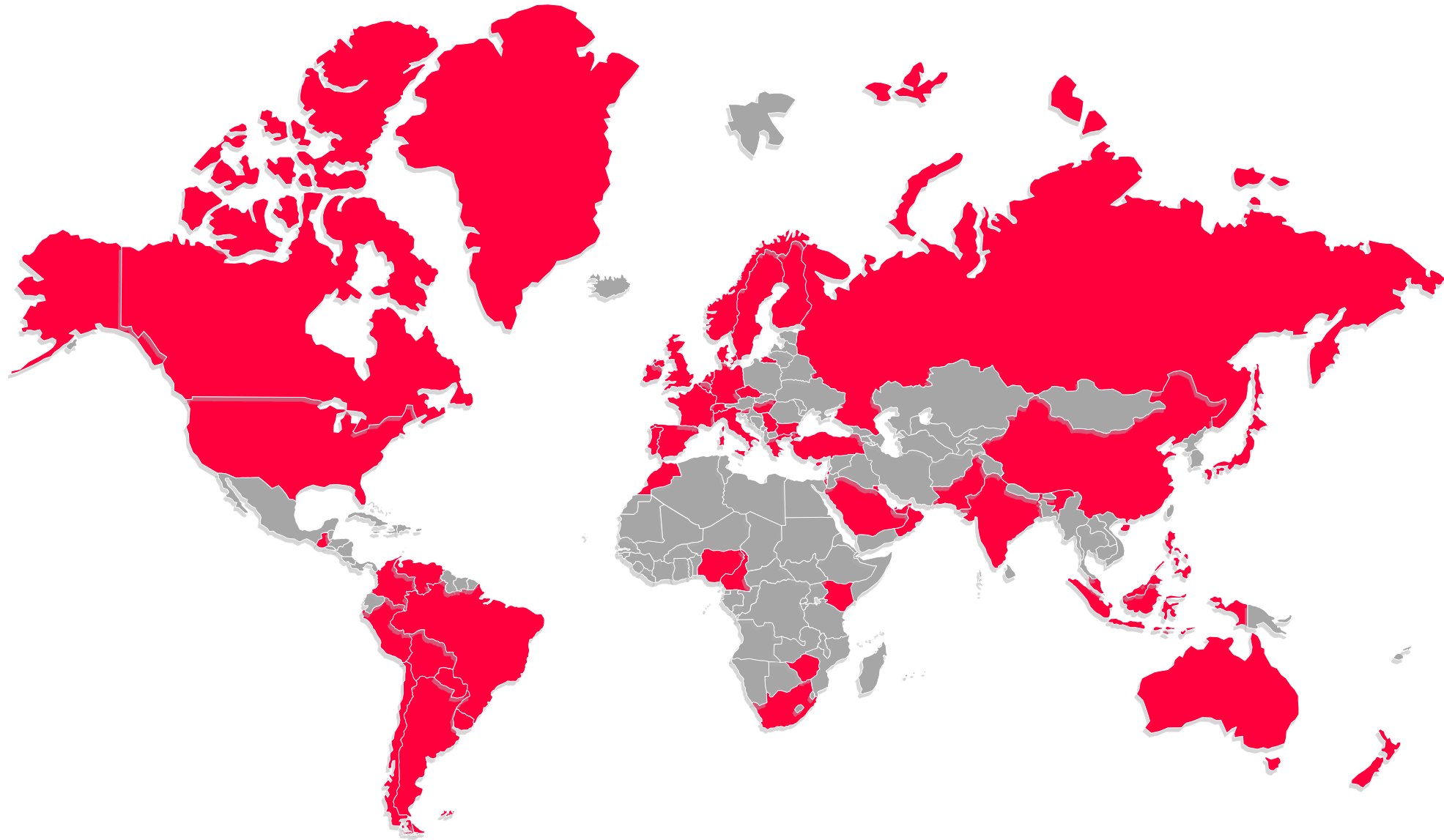


Feel free to ask questions!

The screenshot displays a Zoom meeting interface. At the top, a black bar contains the text "You are viewing Monica Robles' screen" and a "View Options" dropdown. The main content area features a red background with the WFA logo (World Federation of Advertisers) in the top left. Large white text on the left reads "Your web begin sho". A white Q&A window is centered, titled "Q&A", with a "Welcome" message: "Feel free to ask the host and panelists questions". Below this is a text input field "Type your question here...", a "Send anonymously" checkbox, and "Cancel" and "Send" buttons. A large yellow arrow points from the bottom of the Q&A window to the "Q&A" icon in the bottom toolbar. To the right of the Q&A window is a large, stylized compass graphic with a red face and white needle. The bottom toolbar includes "Audio Settings", "Chat", "Raise Hand", "Q&A", and "Leave Meeting".

WFA is the global network for marketers.





A unique network of National Advertiser Associations in 60 countries.

You will hear today from...



Stuart Pocock

Owner & Managing Partner
The Observatory International



Julia Kraft

Global Marketing Services Manager
World Federation of Advertisers

55%
of clients

*say existing agency
models are not fit for
purpose*

Source: WFA's survey on the future of agency rosters.
Base: 50 client-side marketers. Date: September 2017.

74%
of clients

*are currently reviewing
the
structure/capabilities
of their agency roster*

More effective agency management Survey results

5th of September, 2019

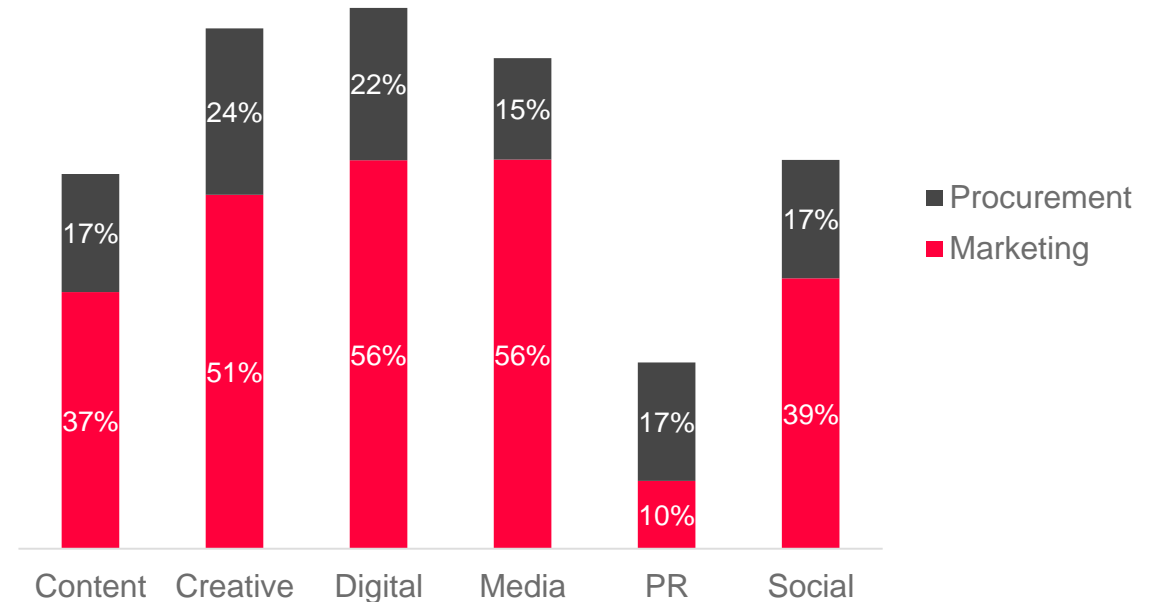


Background

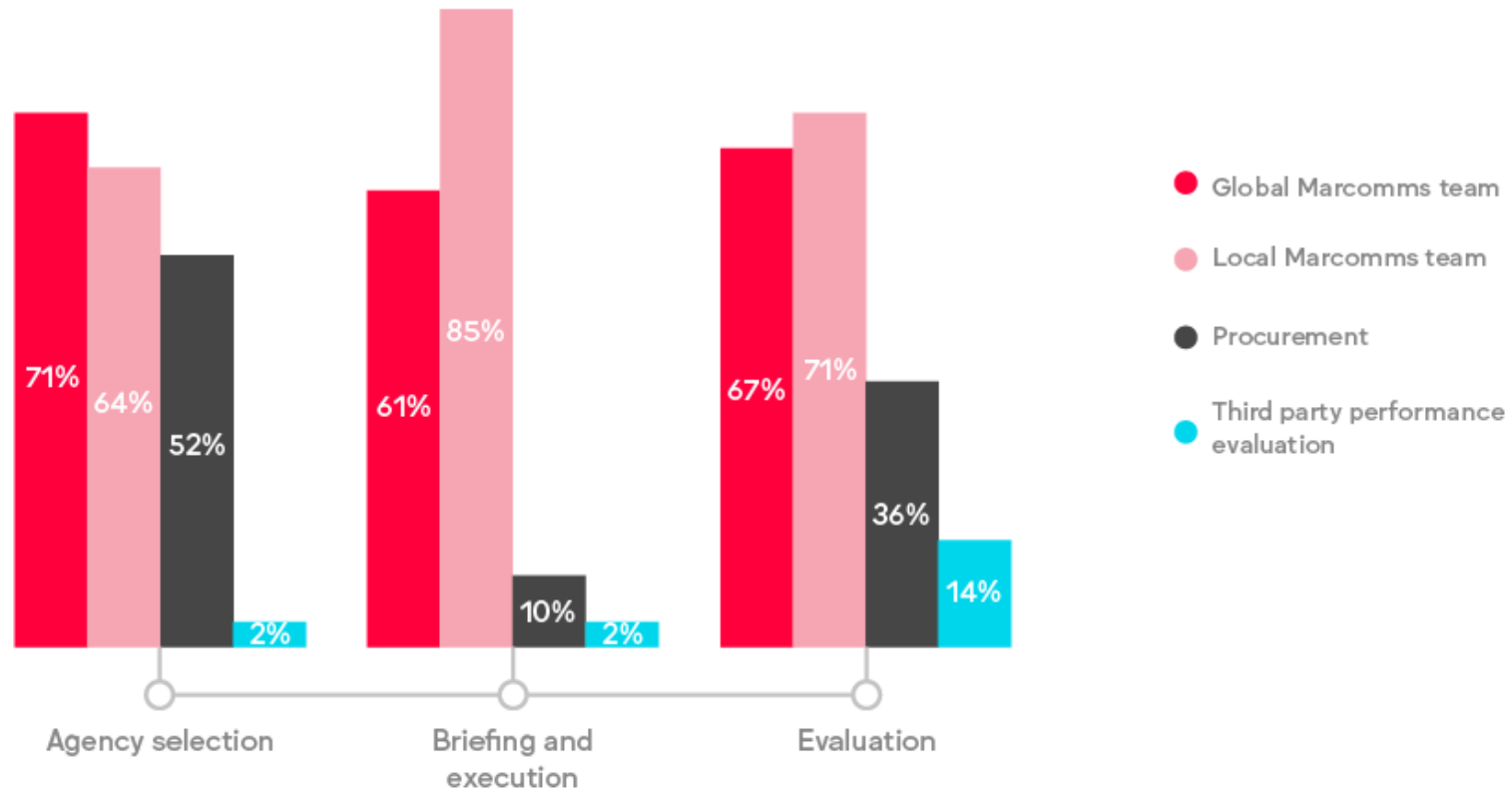
- Contains results of an online survey conducted in Q1 2019 with The Observatory International
- All respondents were in an agency management leadership role, with 68% having a global remit.
- 35 multinational companies took part, representing just under US\$50billion in global advertising spend.
- Respondent base:



Q. Please indicate what type of principal agencies you are currently responsible for managing



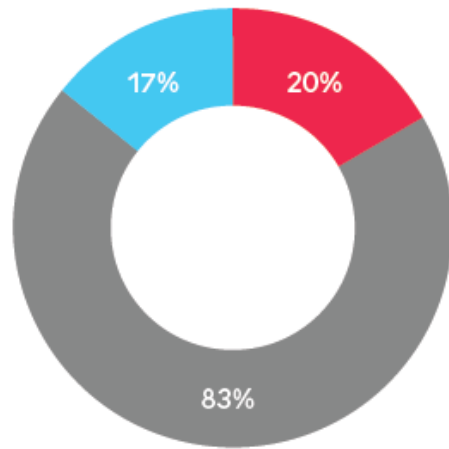
Who owns agency management?



Source: WFA Effective Agency Management Survey 2019; Base = 42 (35 companies); Date = January 2019

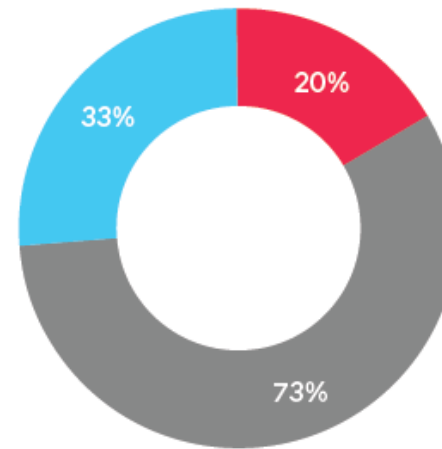
Marketing and procurement collaboration is critical

MARKETERS



- Totally responsible
- Work together with Procurement
- Undertaken by Procurement once budgets have been set by Marketing

PROCUREMENT



- Totally responsible
- Work together with Marketing
- Undertaken by Procurement once budgets have been set by Marketing

Key Observations

- ✦ Whilst many claim to work closely together, the reality is that we see few companies where Marketing and Procurement operate in total harmony.
- ✦ We cannot stress enough the need to ensure close working and alignment between marketing and procurement.
- ✦ Set clear guardrails for roles and responsibilities.
- ✦ And strict governance guidelines.
- ✦ You may also want to include legal in any new negotiation process.

Enduring Client-agency relationships are a key factor in producing great work...

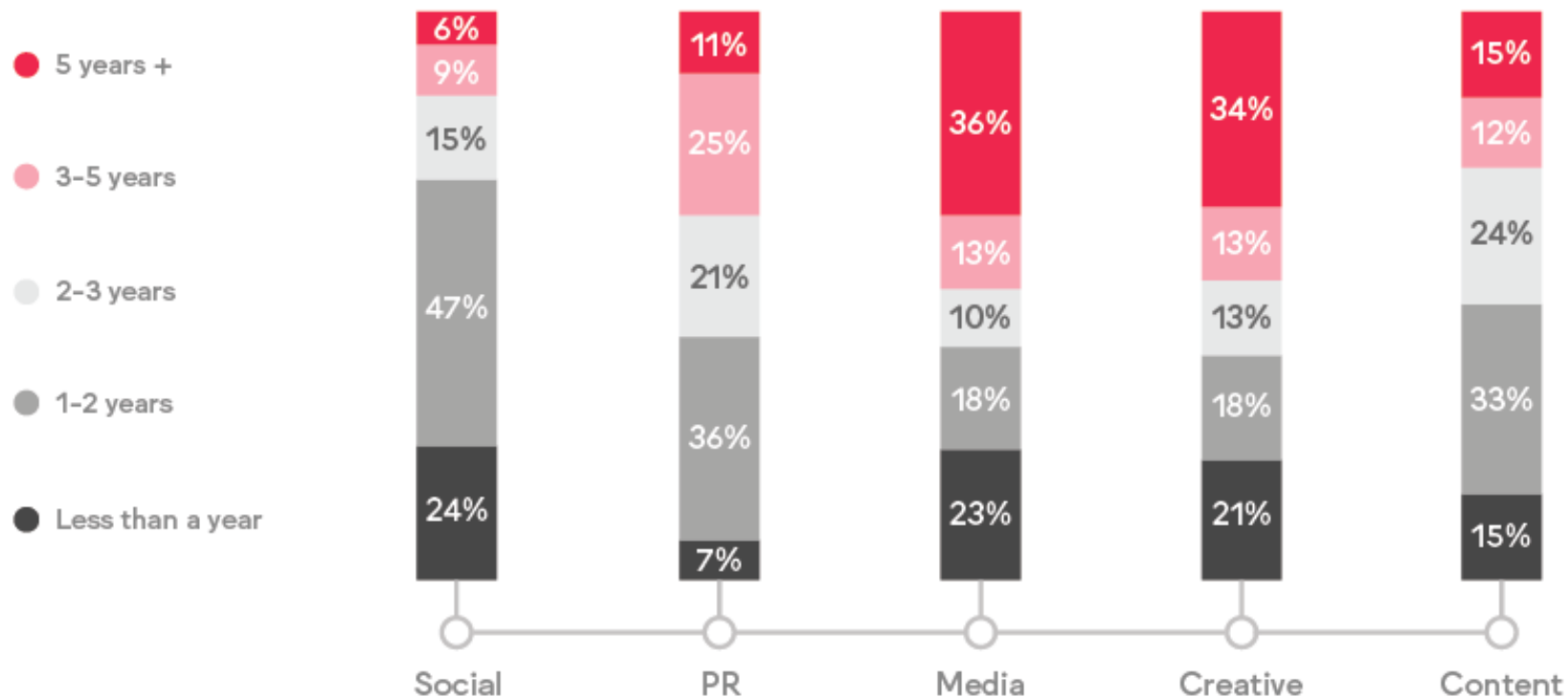
Q: Which of the following do you think helps produce great work?



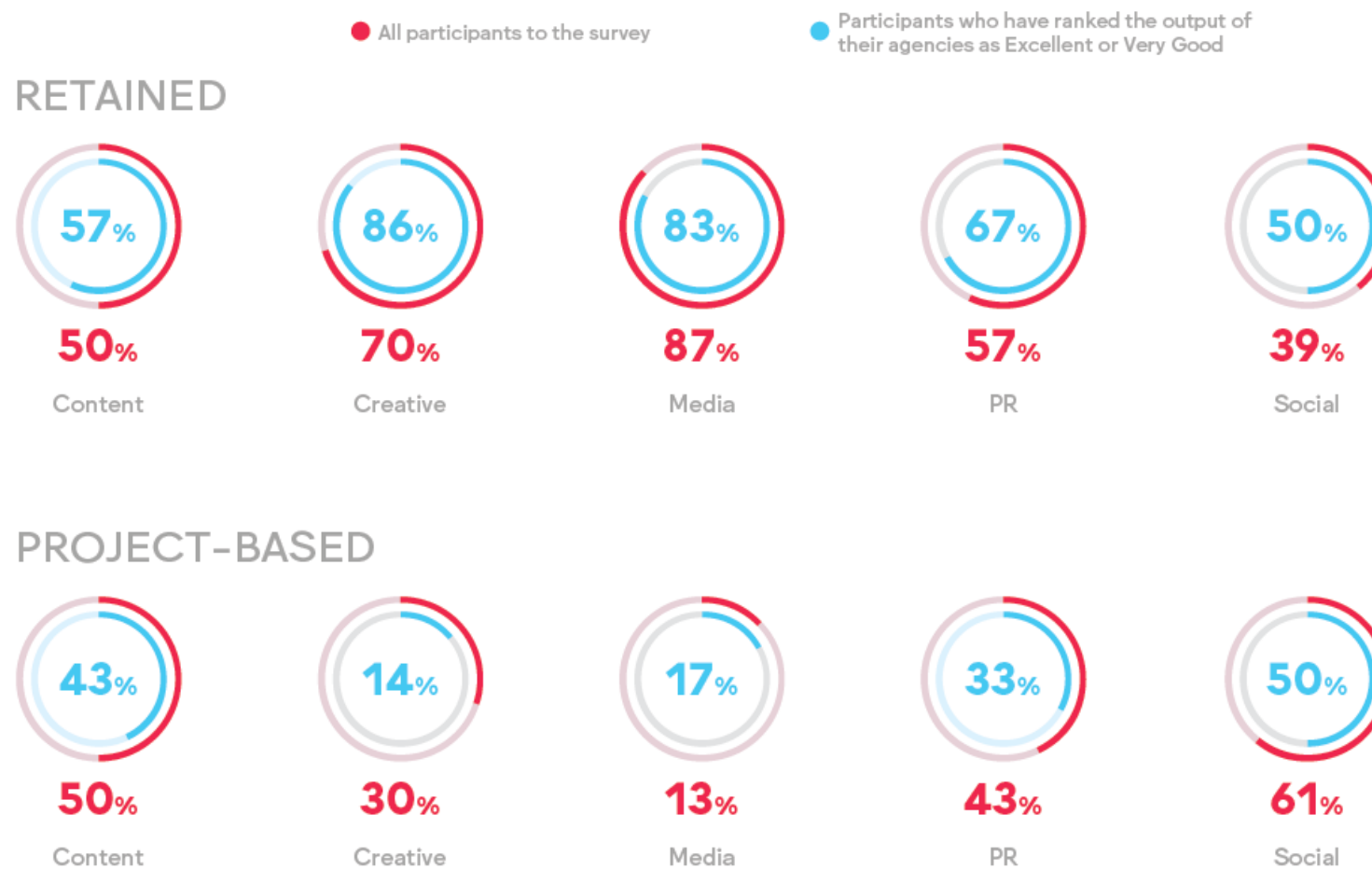
→ 65% believe a long-term relationship with their agency is either important, very important or essential in producing great work.

Media and creative have some of the most enduring relationships

Q: How long, on average, has your organisation worked with the current agencies on your roster?



Most agency types ranked higher in their output when retained



Key Observations

- ✦ There's a trend to greater degrees of project-based activity.
- ✦ It may feel like a more flexible approach.
- ✦ But there are watch-outs.
- ✦ You will lose continuity and institutional knowledge on the business.
- ✦ It will prove to be more expensive on a LfL scope basis.
- ✦ You may need a hybrid operating model to guarantee a successful approach.

Increasing the time spent with agencies correlates to successful output

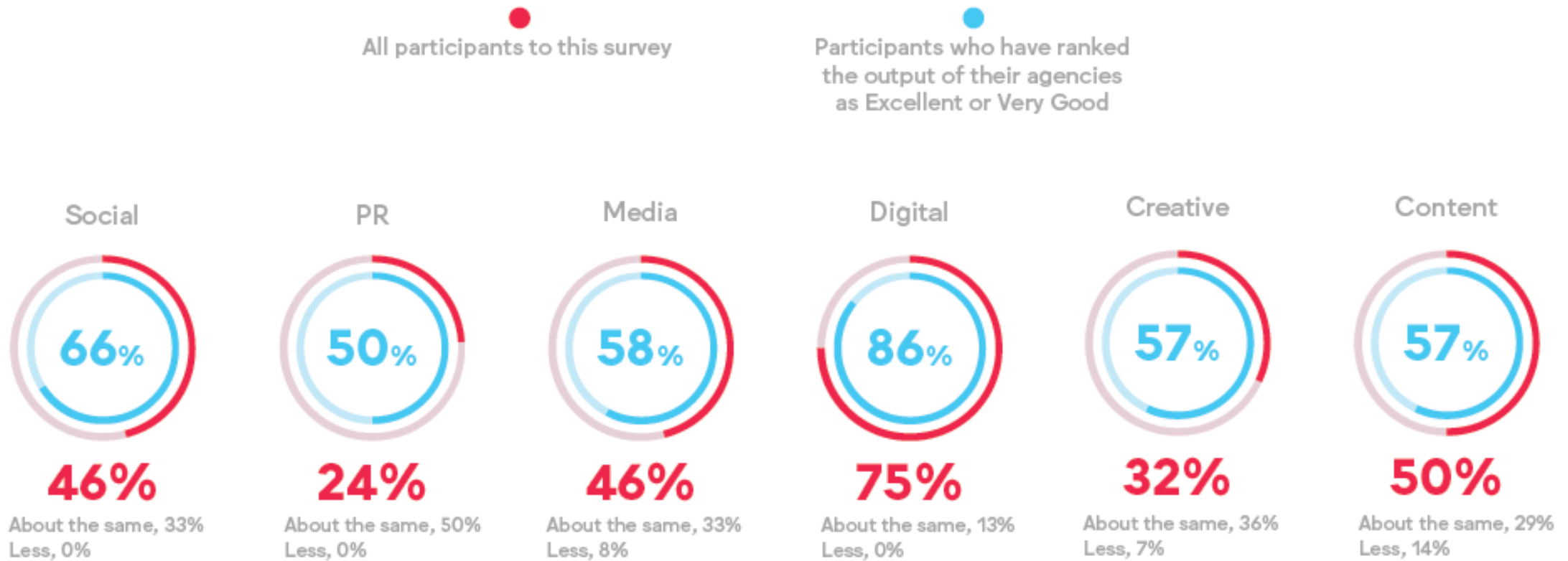
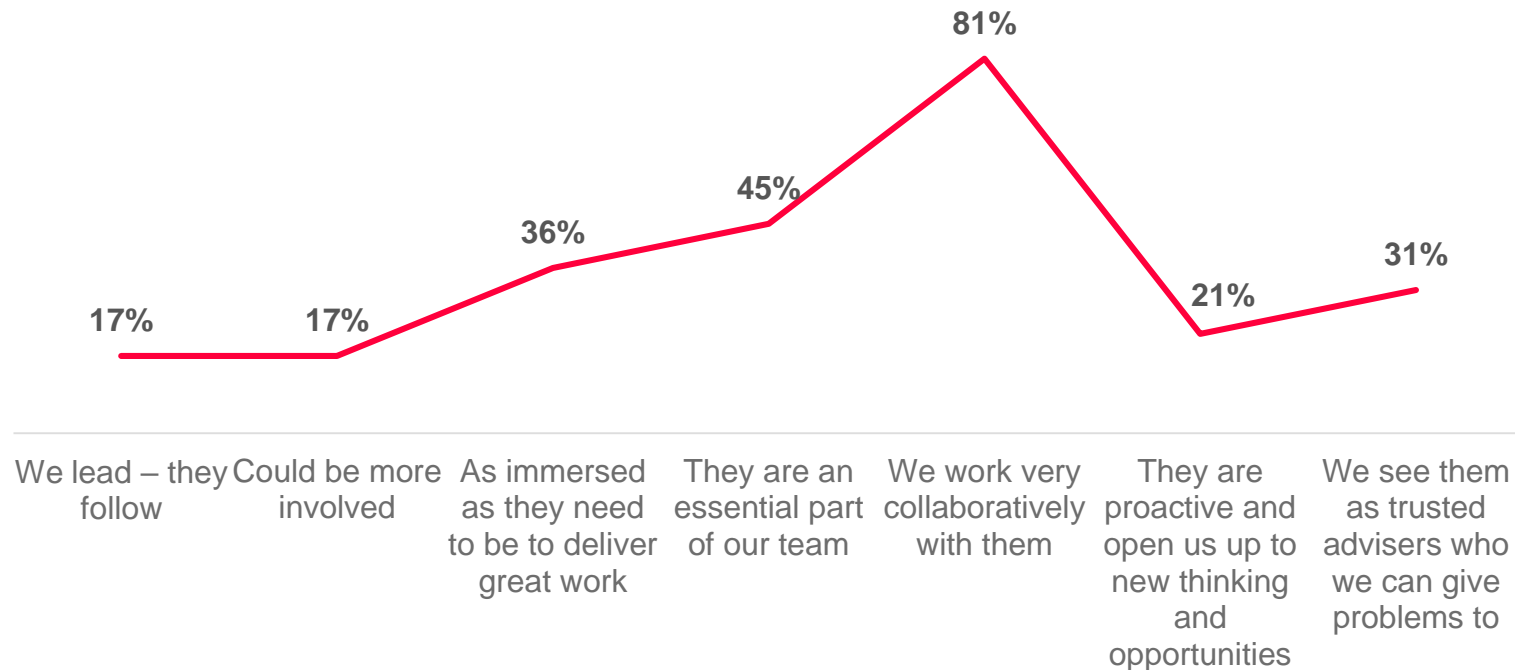


Fig: Participants who have spent **more** time with their agencies in the past 12 months than in previous years
Source: WFA Effective Agency Management Survey 2019; Base = 42 (35 companies); Date = January 2019

Clients perceive the relationship with their agencies as collaborative

Q: How would you describe your relationship with your agencies in general? (tick as many as apply)

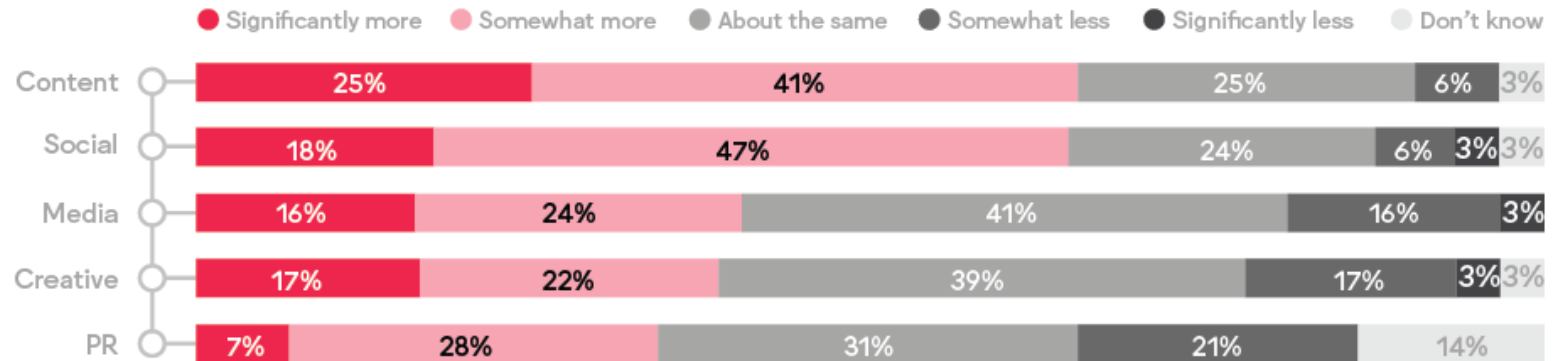


Key Observations

- ✦ Involve your agencies. Don't simply pay lip service to the relationship.
- ✦ Work collaboratively rather than leaving them to their own devices
- ✦ Treat your agencies as partners and fully involve them with your business, its ambitions and it's need to help you achieve these.

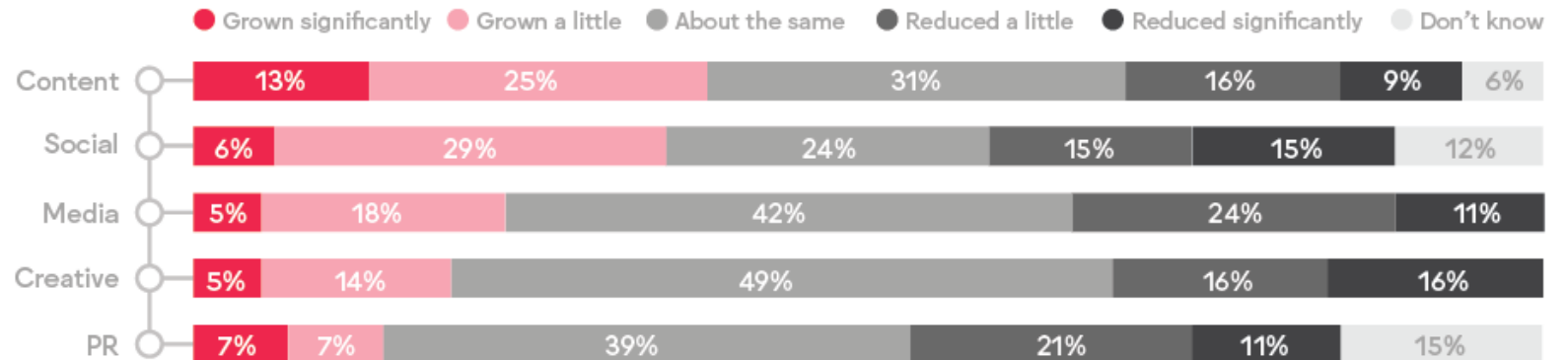
Scope of work is on the increase...

Q: On average, how much has your scope of work changed compared with the previous 12 months?



...while budgets are stable or in decline

Q: On average, how much has your budget changed compared with the previous 12 months?

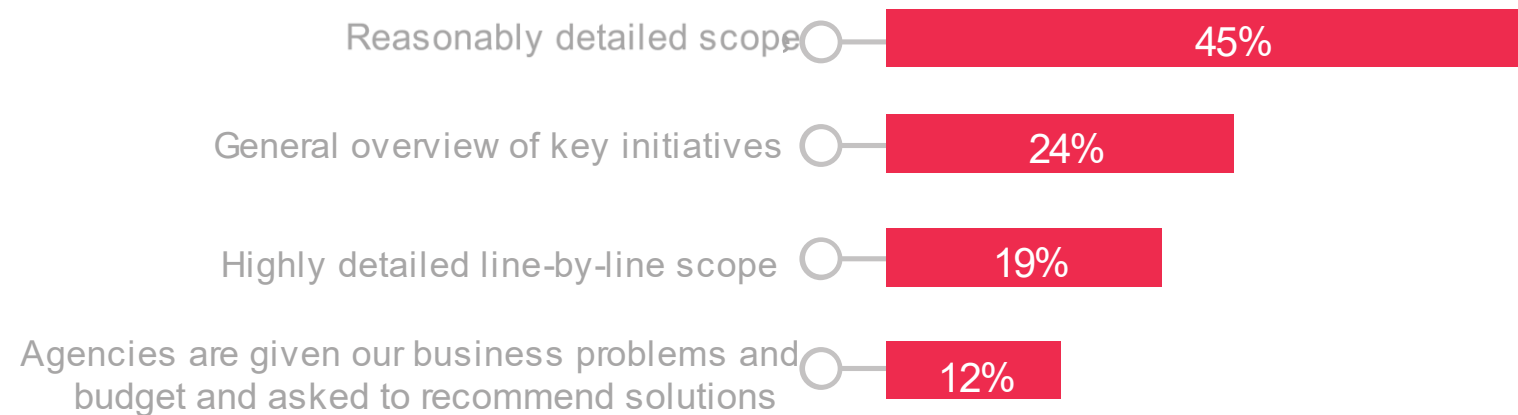


Key Observations

- ✦ There is a clear desire for Companies to want more for less.
- ✦ But you need to be realistic.
- ✦ Think Value rather than Cost.
- ✦ Agencies will have to re-structure to lower cost people to deliver.
- ✦ Meaning poorer thinking and creative.
- ✦ And probably longer time.

Scope of work is ill defined

Q: How do you approach the scope of work information supplied to your agencies?

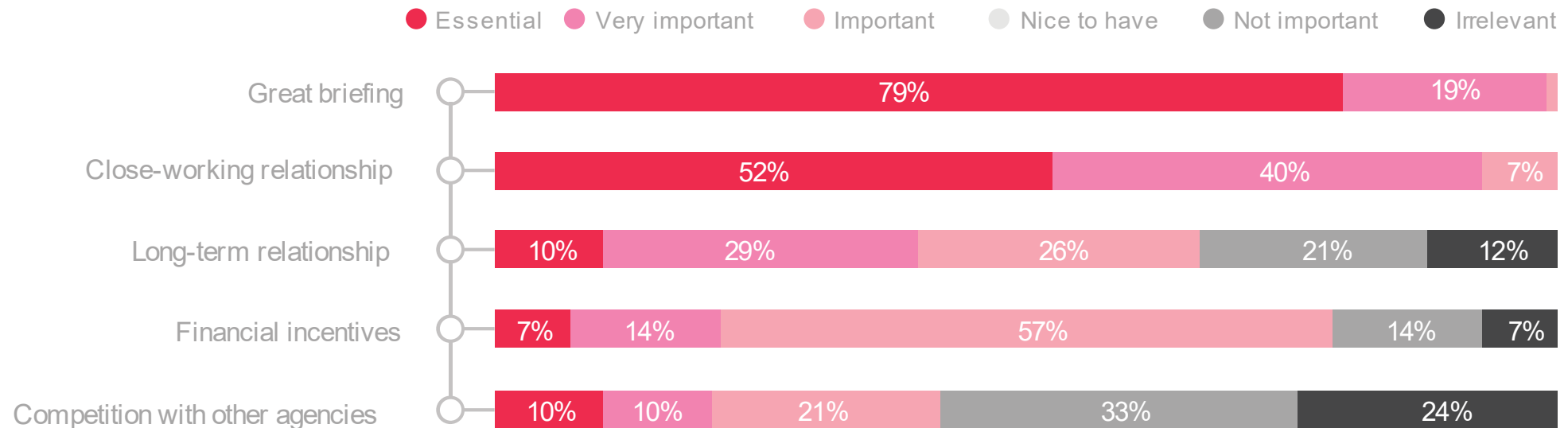


Key Observations

- ✳ #1 issue in tensions with Agencies.
- ✳ And a consistent problem.
- ✳ Marketers poor and giving real depth of scope.
- ✳ But procurement locking agency into fees based on mis-information.
- ✳ And the money runs out.....
- ✳ You need to be rigorous with Scope definition.
- ✳ Or have an operating model that can cope.

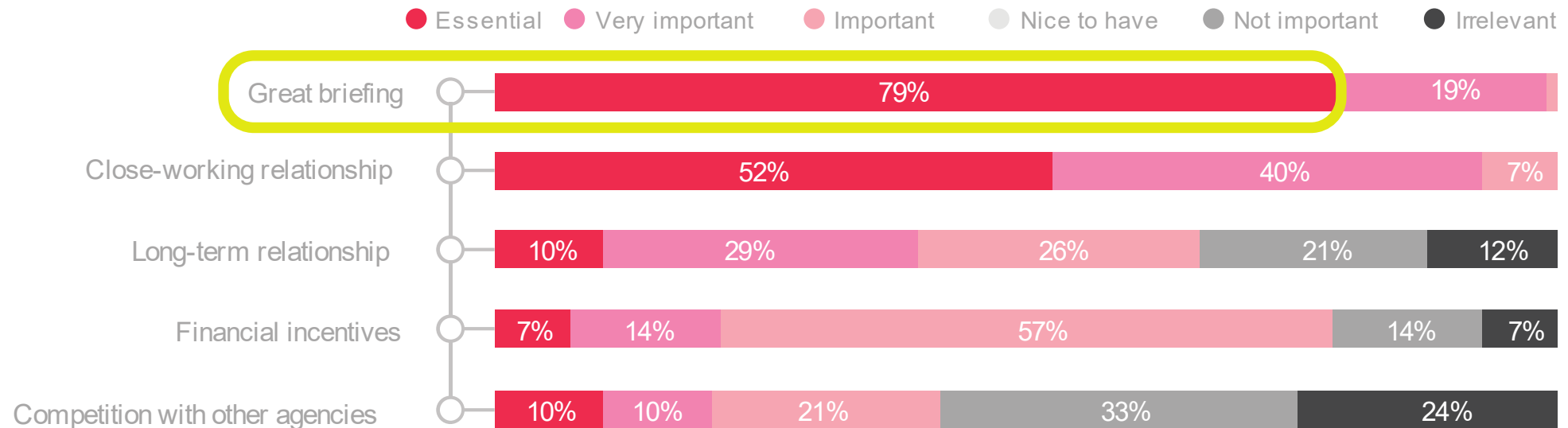
Great briefing viewed as essential to help produce great work

Q: Which of the following do you think helps produce great work?



Great briefing viewed as essential to help produce great work

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Pop quiz

What % of WFA members feel their organisation is excellent at briefing?

- 6%
- 14%
- 0%



Pop quiz

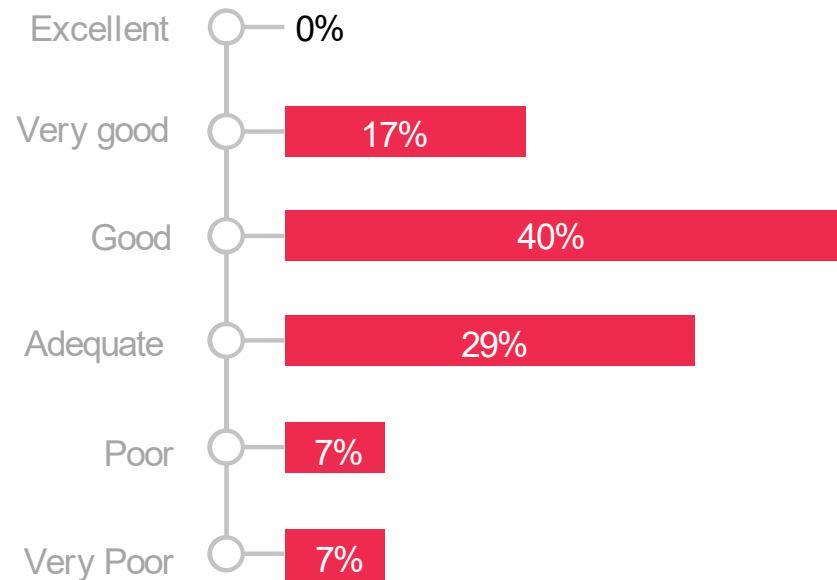
What % of WFA members feel their organisation is excellent at briefing?

- 6%
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A lack of great briefing remains a significant issue

Q: How good are you, as an organisation, at briefing your agencies?



“

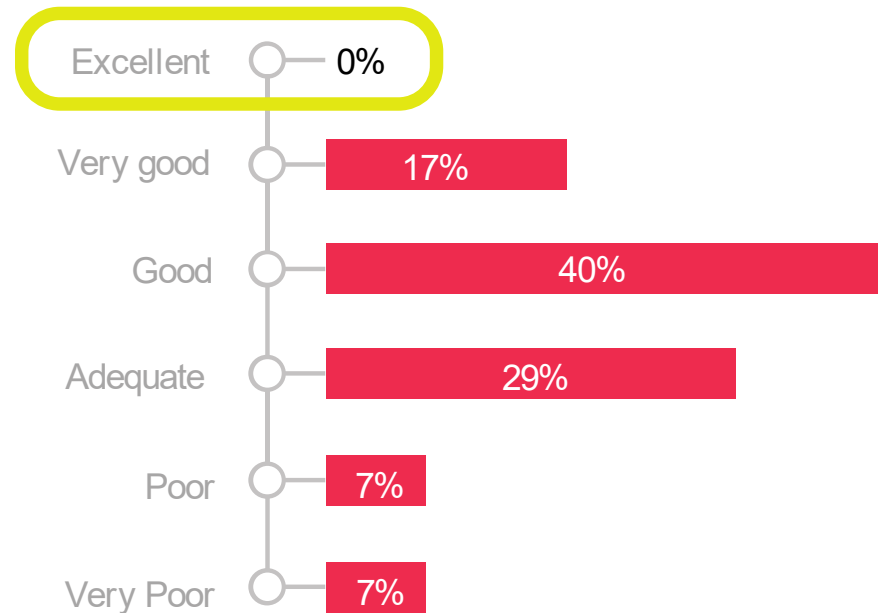
We are very poor at briefing our agencies which has been identified as an important area to fix moving forward.

WFA member

”

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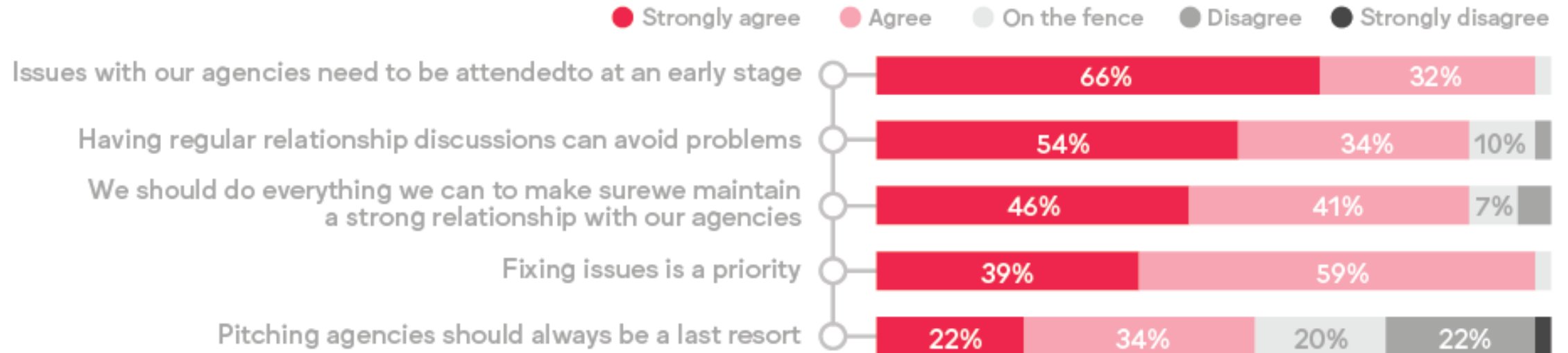
WFA member

”

Key Observations

- ✳ #1 issue in disappointment and concern over Agency performance.
- ✳ #1 frustration from Agencies.
- ✳ Poor briefing leads to poor outputs – and issues over costs.
- ✳ A consistent problem which has caused tensions for years.
- ✳ You need to make sure you are working to a consistent briefing (and evaluation) process.
- ✳ That your people are trained to write briefs and apply consistent standards.
- ✳ And that the Agencies are clear on that process and expectations.

Tackling problems early is seen to be important for majority...



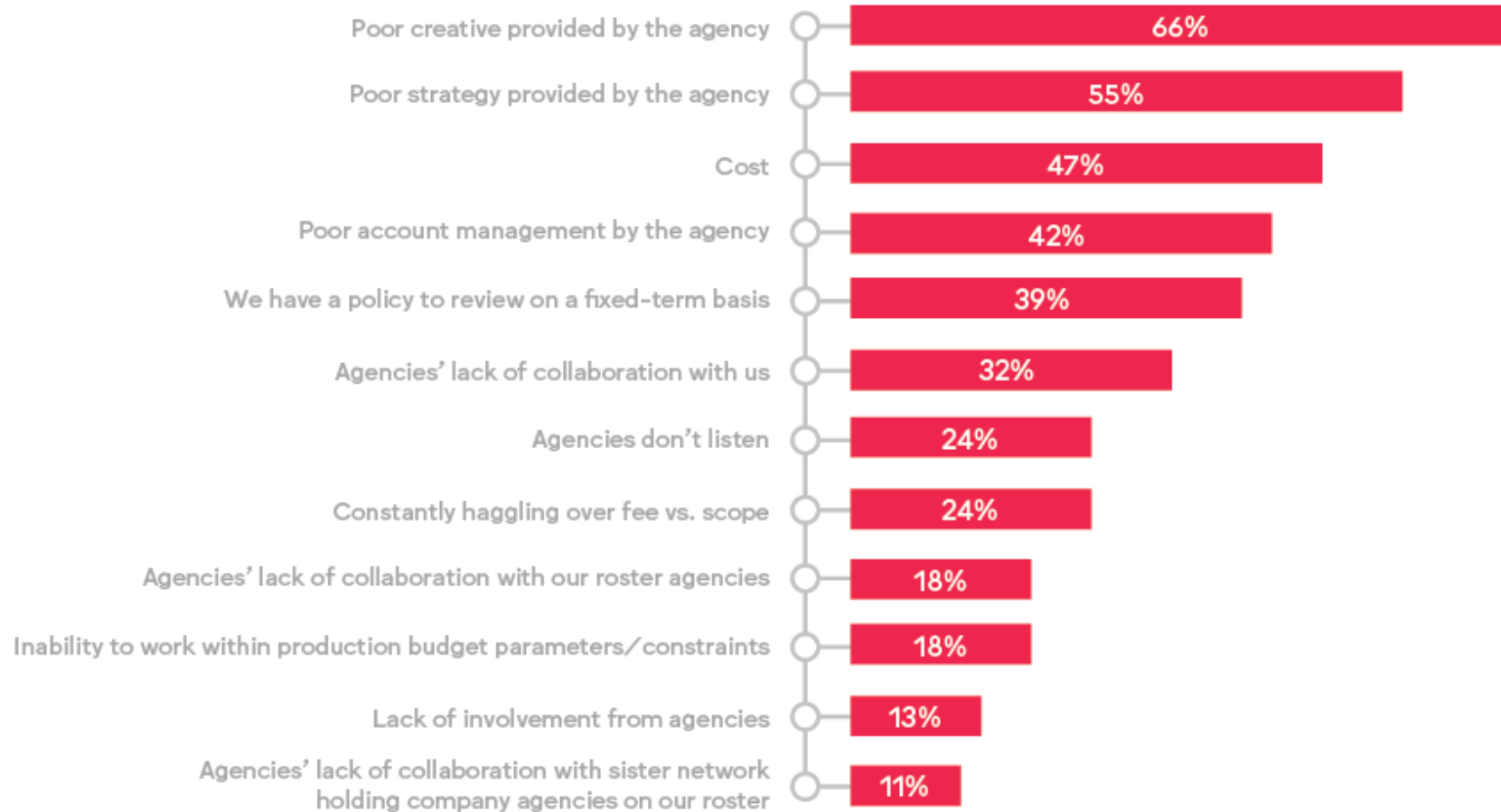
...however, most clients will look straight to the agency when issues occur

Q: An agency has failed to deliver on a specific task two or three times and you are running out of time. What do you do?



Poor creative and strategy are the key issues behind calling a pitch

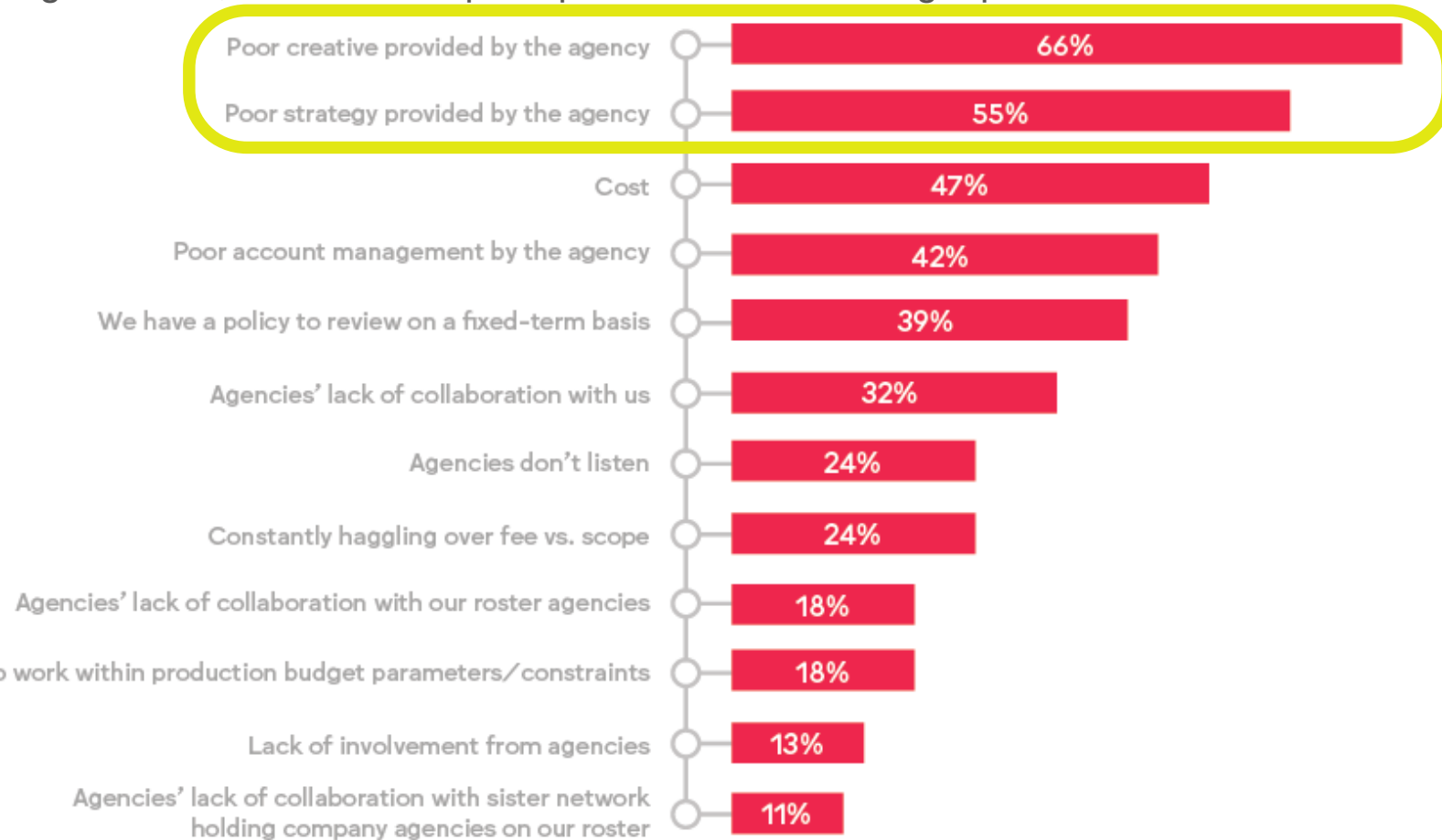
Q: In your organisation, what are the principal reasons for calling a pitch?



Source: WFA Effective Agency Management Survey 2019; Base = 42 (35 companies); Date = January 2019

Poor creative and strategy are the key issues behind calling a pitch

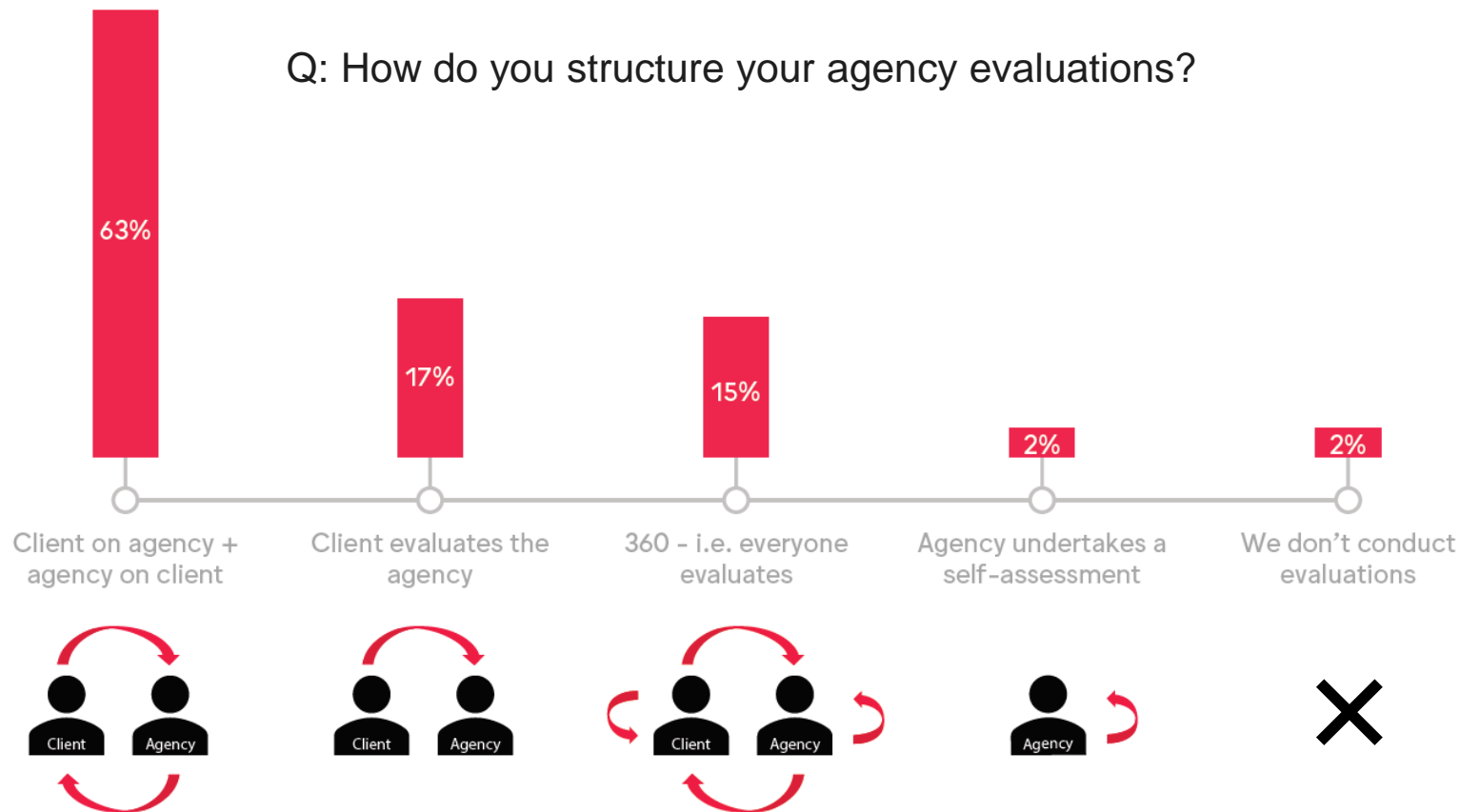
Q: In your organisation, what are the principal reasons for calling a pitch?



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Evaluations conducted by most

98% of respondents evaluate their agencies. Over 20% do not evaluate themselves



"I looked in the mirror and the enemy was me"
WFA Member

Key Observations

- ✦ Evaluation is crucial – but only if it's done properly.
- ✦ And it needs to be simple to do – especially if those completing are working with multiple Agencies.
- ✦ Needs to be a consistent approach across Agencies and Markets.
- ✦ Done sufficiently regularly.
- ✦ Can steer you towards the issues – and sort them before they deepen,
- ✦ Make sure you have clear action plans to sort issues,
- ✦ Needs to have a 'Champion' overseeing.

Key recommendations



Ensure close working between marketing and procurement



Ensure you have detailed scope



Be realistic about budgets



Communicate during negotiation



Ensure your people are capable of writing a great brief



Dedicate time and work collaboratively with your agencies



Get a consistent, regular, two-way evaluation process in place



Have a 'Champion' who oversees the agency relationships





Questions?

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