



Reading the Early Signs of Trouble

How to detect the early signs of inefficiencies in client/agency relationships.
And what to do about it...before it's too late.

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We are good. We are really good, at reading traffic signs. This is not a new skill. The earliest form of road signs were milestones, giving distance or direction. The Romans were known to erect stone columns throughout their entire empire, so you always knew how far you were from Rome. Sadly, our ability to read traffic or road signs quickly fades when dealing with less obvious, but equally critical, signs in our everyday environment. It has never been truer than in the advertising industry, and the critical client/agency relationships that enable great work.

When dealing with agencies, too many brand advertisers are relying on archaic operational processes and management systems to extract value from these partnerships. They are

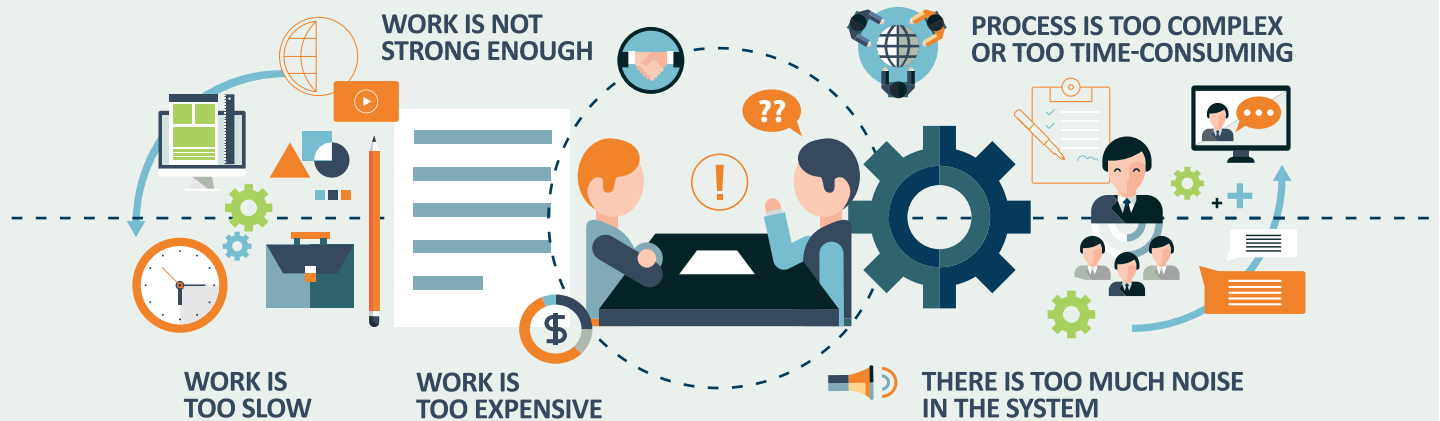
missing the following early, yet critical, signs of trouble. Here is how to spot them and what to do about it:

- Work is not strong enough
- Work is too slow
- Work is too expensive
- Process is too complex or too time-consuming
- There is too much noise in the system

Work is not strong enough

That's an obvious sign. The work produced in partnership with the agency falls short of meeting its objectives. It's not strong enough to accomplish what it aimed at, and everyone scratches

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their heads as to why. It's time to re-evaluate the role both parties played in contributing to this suboptimal marketing output. Agencies may ask themselves: is the guidance provided in scopes and briefs clear enough? Are marketing objectives realistic and prioritized? Are the right client teams involved in the process? Is the client willing to think outside of the box? Clients may ask themselves: is the agency asking the right questions? Are they listening to the input well enough? Are they challenging us in a healthy, productive way? Are they bringing insight or the right expertise to the team to take on the challenge? If any of these questions come up, it's a sign that having a formal process to capture 360 feedback becomes essential to surface these concerns early on, so they can be addressed head-on. Additionally, agency or marketer training may provide the teams the support they need to work better together, so they can create better work.

Work is too slow

Here is another obvious sign of trouble. It takes way too long for the work to be produced. There might be many contributing factors, some of them justified (e.g., getting the right approvals internally), others may not (e.g., too many approvers involved, or too many agencies without a clear role). In this ever-changing marketing environment, speed is of the essence. And it's only accelerating. Excessively heavy processes might prevent the work from flowing smoothly from strategy to execution. The most common roadblock to speedy execution is poorly designed processes that do not take into consideration the nuances of each activity type. For example, a tactical assignment, with a relatively small budget, might be handled with the same level of rigor as a large strategic initiative supported by a large budget allocation. If the issue of speed comes up, it's a sign that current ways of working and the underlying operational campaign processes need to be audited. The various stakeholder roles and responsibilities (including the roles played by the various agencies) need to be

clarified, timelines ensured, and decision rights adequately set to meet the needs of each activity type.

Work is too expensive

If you are in a marketing leadership role, chances are that you've never heard that the work is too expensive. Well, I am clearly joking. These days, everyone seems to be complaining about excessive costs in a budget environment where marketers and their agencies are expected to do far more with far less. Thankfully, agencies are taking a more active role in driving cost efficiencies, partnering with clients on looking for more efficient ways to produce work. However, some agencies occasionally find themselves the victims of severe cost cutting initiatives, anywhere from company-wide zero-based budgeting efforts to constant renegotiations or deliverable-based pricing. It doesn't have to be that way. In a responsible partnership, both parties look for ways to collaborate with mutual satisfaction so the relationship flourishes over time. If the discussion about retainers or costs per FTE or deliverable becomes excessive and frankly distracting, then it is a sign that there is misalignment in expectations. If not handled early on, it might even get to the point where it becomes counterproductive. A careful review of the agency compensation agreement combined with better cost reporting and analysis can provide the necessary foundation for a better and more cost-effective work relationship.

Process is too complex or too time-consuming

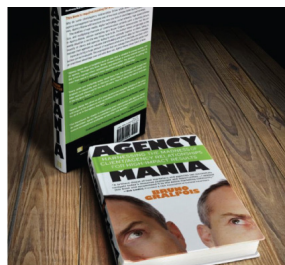
One of the most common area of process inefficiency is scope management. The process by which a brand advertiser seeks internal alignment and locks on detailed scopes is often far too complex and time-consuming. Many find themselves well inside their fiscal calendar before they reach agreement with their agencies on how to deliver against the defined scopes. It puts them at a disadvantage when negotiating with their agencies.

By negotiating, I mean finding the right balance of work and resources required to execute successfully against the brand objectives. If the scopes are still too loose, keep changing but don't get updated, or the process ends up consuming far too much time and resources, it's a sign that a more automated process is needed. The use of automated scope management and client input brief systems ensures a simplified, time-effective process between client and agency teams with the right reconciliations to monitor progress and conduct analysis to inform future plans. The advertising discipline is increasingly demanding and complicated to navigate. But there is no room for unmanaged complexity and labor-intensive processes in successful client/agency partnerships.

There is too much noise in the system

If you ever worked for a large organization, you will be able to relate to this. Spend time by the water cooler and you will hear about organizational issues, concerns, and fears. In the context of client/agency relationships, you will hear what agencies or agency personnel appear to be doing well, those who are struggling, and everything in between. When noise starts bubbling up to the management chain, it's a combination of anecdotal stories with fact-based information that get mixed up like a French cassoulet. It's hard to tell what's real and actionable. Decisions, sometimes bad ones, can be made when the noise becomes too great. This is another sign that a more robust process is needed to facilitate regular meetings like QBRs or annual and semi-annual reviews. It allows for the noise to be adequately filtered and handled through the chain of command. It may not make these water cooler discussions obsolete, but it will channel that energy more wisely and productively.

The ability to simplify, streamline, and automate the many aspects of the client/agency relationship, and its various forms of interactions, is essential to ensure a more effective use of these valuable resources, both internally (marketing teams) and externally (roster of agencies). They are eagerly looking to use these solutions to reduce waste, inefficiencies, and other common roadblocks that slow them down and make collaboration harder than it has to be. So, make sure you are on the lookout for these early signs of trouble and don't wait until they become of seismic dimension, or it might be too late to course-correct and have the desired impact. Do you believe in coincidences? If you do, perhaps this article might be that early sign you were looking for.



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Bruno Galpois is the co-founder of Agency Mania Solutions, a premier service and technology firm specialized in helping companies realize the transformational value of managed partnerships. Bruno is the author of best-seller "Agency Mania" and the former chair of the Association of National Advertisers (ANA) Client/Agency Committee and a faculty member of the ANA School of Marketing.

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