



# Wasted!

## The New Marketing Battlefield: Reducing Waste.

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Waste is not just a dirty word, no pun intended. It's a source of great anxiety for those who encounter it, no matter what it is or where it originates from. A recent Forbes article featured the world's largest ocean cleanup project, a system designed to clean up the estimated 1.8 trillion pieces of trash floating in the Central North Pacific Ocean. We shouldn't tolerate waste in our environment. Neither should we allow it in our businesses. Yet, every year, billions of advertising dollars are wasted due to poor corporate hygiene, sub-optimized client/agency relationships, and the lack of sound practices to drive much-needed efficiencies.

Even the largest CPG brand advertisers - Procter & Gamble and Unilever - are weeding out ineffective spend. P&G is reportedly planning to cut \$2 billion in spend across fees, production, and ineffective digital advertising over a period of five years. Unilever also pledged to drive £2 billion in savings from production cost reductions and a smaller number of agencies. Other advertisers are following in their footsteps. Yet, finding areas of inefficiency can be challenging, and no advertiser wants to randomly cut spend that fuels company growth.

As it relates to multifaceted client/agency relationships, we learned from conducting countless 360-degree performance evaluations what causes the most common sources of waste, along with a few key symptoms to watch for:

**1. Excessive number of rebriefs:** quality planning is essential to provide clear guidance. Yet, advertisers don't always take enough time to articulate their objectives and document their requirements. Constant change of direction may lead to excessive briefings. Conversely, agencies can be too eager to please and do not always challenge clients enough, allowing for costly confusion and uncertainties to prevail.

**2. Excessive number of execution rounds:** when briefing is loose and guidance unclear, the work product suffers. When clients struggle on how to provide constructive feedback, it leaves the door open for countless revisions. Similarly, if the agency fails to adroitly address the client objectives, or is unable to act upon the client feedback and therefore produces poor quality work, additional rounds are needed to get to a strong quality product. However, it's done at a higher cost than would be deemed necessary.

**3. High resource requirements:** advertisers may inadvertently set higher budgets than required or fail to accurately assess the acceptability of agency proposals (retainer, deliverables, or projects) leading to excessive allocation of agency resources. Agencies do not always accurately estimate what resources they will need to service a client, like assigning too many senior – read “expensive” – resources. They may assign too large a team or may feel justified in adding buffers in their proposal, contributing to higher costs.

# MOST COMMON CAUSES OF WASTE

Symptoms	Advertiser	Mutual / Shared	Agency
01 Excessive # of rebriefs	Lack of clear guidance, constant change of direction	Lack of process rigor	Lack of push back, complacency
02 Excessive # of execution rounds	Poor quality briefing, poor feedback		Unclear expectations
03 High resource requirements	Inability to right size budgets or evaluate agency proposals	Limited transparency	
04 Wrong talent	Inability to assess and assign work to qualified partner		Lack of oversight
05 Excessive production costs	Lack of production policies	Lack of oversight	
06 Low productivity output	Staff vs. deliverable based compensation, slow approval		

**4. Wrong talent:** another common inefficiency is a client’s inability to assess the skillsets required to carry out a project, assigning an agency without the proper experience or competencies. If the agency takes on the work nevertheless, it will add costs, as it takes more time and effort than would otherwise be needed, or they may need to subcontract the work to a more qualified partner.

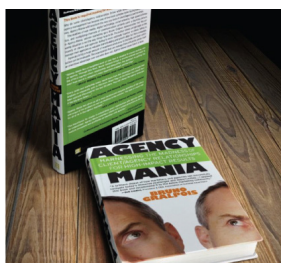
**5. Excessive production costs:** advertisers that do not articulate with precision their production guidelines and policies create an environment that favors flexibility but may also fail to follow best practices and other sound cost management techniques. Similarly, the agency may not follow client guidelines such as triple bidding, resulting in additional, unnecessary costs.

**6. Low productivity output:** advertisers that favor a staffing-first approach to compensation may put greater emphasis on resource planning and allocations and focus less on outputs. Furthermore, if they do not adhere to strong approval standards, it may take longer than planned, delay work, and add on agency expenses. Similarly, agencies may lack strong operational practices, leading to excessive staffing burn. This is

often the result of having too many resources in client meetings or using too many hours to conduct the work.

As we contemplate the various ways advertisers and agencies are individually accountable to these inefficiencies, it’s easy to see that many of these symptoms are from shared responsibilities. Lack of process rigor, unclear expectations, limited transparency, and lack of oversight on both sides can create substantial waste. Once each party acknowledges the role they play in this equation, we can make substantive progress, prioritizing the effective use of resources and collaborating more effectively to reduce marketing waste.

The world’s largest ocean cleanup project mentioned earlier is going after a garbage patch so large, covering 1.6 million square kilometers, you can see it from space. Marketing waste may not be so obvious to the eye, but it’s equally large in scale with an industry well over one trillion dollars in spend. Don’t waste your time and effort when those are already in such limited supply. Waste is the next battle battleground for real and sustained marketing efficiency. Let’s make the Wild Wild Waste a thing of the past.



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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.

Our clients’ continued accomplishments result from cutting-edge practices in the area of client/agency performance evaluations. See how stronger relationships contribute to better marketing.

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