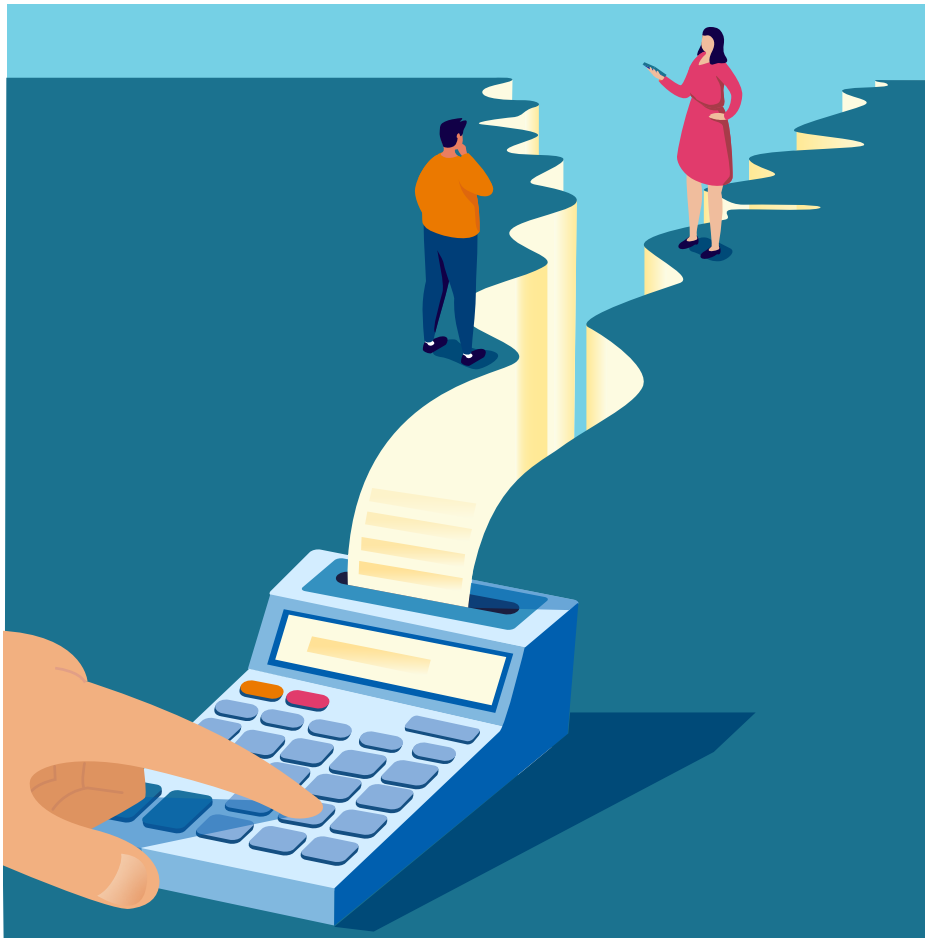


It Was Never Just About the Fee

New WFA research widens the lens beyond how agencies are paid to examine the full commercial cycle.

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For as long as I've been in this business, the conversation about client-agency economics has started and ended in the same place: the fee. "How much should we pay? On what basis? Against what rates, what margin or multipliers, what overhead?" Entire procurement careers have been built on getting that number right—and many agency relationships have been quietly worn down in the process.

The results, contrary to popular belief, find that the strongest drivers of agency performance have little to do with money. Here's what brands should do about it.

That focus has not gone unnoticed. Since 2018, the World Federation of Advertisers (WFA) has tracked a persistent perception—shared by roughly a third of brands—that too much attention may be placed on remuneration, at the expense of the client-agency relationship itself and its many critical moving parts.

So this year, in close partnership with the WFA, Agency Mania Solutions deliberately widened the lens. Rather than looking only at how agencies are paid, our new global study, *How Brands Define, Scope and Reward Agency Work*, explores the full commercial cycle—from briefing and scoping, to ways of working and performance, to value, remuneration, and, ultimately, payment. We surveyed about 70 multinational companies across six industry sectors, most of them managing more than $250 million in annual marketing investment.

The message is remarkably clear. Remuneration matters, but it is only one part of a much broader value exchange—and not the part that most determines whether the work is any good or whether the partnership will thrive.

What Actually Drives Agency Performance

When we asked brands what helps produce performing work, five factors ranked highly: great briefing (5.6 out of 6), respect and trust (5.2), high-quality feedback (5.1), clarity of roles across brand and agency teams (5.1), and close working relationships (4.9). These are the same priorities brands identified when we last conducted this research in 2022.

Financial incentives? Just 3.9—barely ahead of long-term relationships (3.8) and competition between agencies (3.7).

This does not make remuneration unimportant. It puts it in context. Instinctively, we know this. A commercial model cannot fix a poor brief, compensate for weak collaboration, or create trust where it is missing. Conversely, a strong partnership can be undermined by a commercial model that is unnecessarily complex, opaque, or disconnected from the value being created. As Nendra van Wielink-Mohamed, Global Media Lead, Operations & Transformation at Decathlon, puts it: *"Focusing too heavily on remuneration can come at the expense of the relationship itself. The foundations of great work remain strong capabilities, trust, collaboration and the soft skills that enable teams to work effectively together."*

Here's the irony. Briefing ranks as the single most important performance driver, yet it remains one of the most persistent agency pain points. On average, only 25% of brands say their standardized briefing framework is used consistently—just 13% in creative and production. And many still brief their agencies before budgets have been signed off. We know what matters most. We just don't institutionalize it.

Relationships Are Lasting Longer—and Getting Harder to Manage

There is encouraging data that we are moving toward more meaningful client-agency relationships. Partnerships take time to build. Relationships are lasting longer than they did in 2018, with average tenure increasing across creative, production, media, and paid social, where the growth has been particularly striking. Longevity is not rising in a straight line, however: creative and media averages have eased slightly since 2022.

Yet 38% of brands say agency relationship management has become more difficult over the past year—far more than say it has become easier.

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What Brands Should Do Now

If the fee is only one part of the value exchange, then managing agency value means managing the entire cycle. Here's where to start:

1. **Treat briefing and scoping as a commercial discipline, not a marketing formality.**
   The brief and the scope of work are the strongest levers on agency performance—and on agency cost. Embed a flexible but consistently used framework, train teams to use it, and secure budget sign-off before agencies invest senior talent. Every vague brief or scope of work is paid for twice: once in wasted agency time, and again in rework.

2. **Invest in the conditions for trust.**
   Chemistry, access, and candor don't show up in a rate card, but they show up in the work. They matter. As Claudia Berzoini, Global Procurement Leader, Marketing Category at IKEA, observes: *"No matter how structured a procurement process is, human connection remains the element that can unlock stronger collaboration."*

3. **Make feedback frequent, specific, and reciprocal.**
   High-quality feedback ranks among the top three performance drivers. Build a structured, two-way evaluation rhythm—and ask your agencies how easy you are to work with. Their answer is often the most useful data point you'll collect all year.

That does not necessarily mean relationships are getting worse. The numbers may reflect a more demanding environment: more stakeholders, more complex scopes, faster timelines, budget pressure, and greater expectations for data, technology, AI integration and transparency. Complexity is not the enemy. Unmanaged complexity is.

The value equation is equally revealing. While 89% of brands feel they get value for money from their agencies, only 48% believe they have full transparency into the factors driving agency costs and profitability. Brands may trust their partners, but they still want to verify.

That gap tells us something important. The opportunity is not simply to negotiate harder. It is to build greater mutual understanding of how value is created—what brands are buying, how pricing is constructed, which assumptions drive cost, and how scope changes affect fees. Transparency should create confidence, not surveillance. Excessive demands for open-book detail often signal a deeper lack of trust, and that is not a problem a spreadsheet can solve.

Paying for Value, Not Time

We can see the same evolution in remuneration itself. The prevalence of labor-based models has fallen dramatically, from 54% of brands in 2011 to 19% today, while fixed-fee/output models have risen from 20% to 33%, to become the most common model overall. Labor-plus-performance models have more than doubled over the same period and now account for more than one in five arrangements.

This is a significant shift: from paying primarily for time and resources toward paying for outputs, outcomes, and, ideally, value. And brands aren't finished—63% expect to increase their use of performance-based fees, and 46% their use of value-based models.

AI will accelerate that transition. If technology allows agencies to do more in less time, hours become an increasingly weak proxy for value. Yet the economics have not caught up. Half of brands report only minimal impact from AI, on agency fees, retainers, or scopes of work, and just 16% report a significant or very high effect. Meanwhile, roughly a quarter haven't discussed AI efficiencies with their agencies at all, and nearly as many have no visibility into how AI is being used on their business. At the same time, 82% agree that an agency's poor use of AI could lead them to reconsider keeping that agency on the roster. Agencies may not yet be paid differently because of AI—but those that fail to use it well may increasingly lose the opportunity to be paid at all.

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What Brands Should Do Now *continued*

4. **Clarify roles across the ecosystem.** With more agencies, more stakeholders, and more integration demands, ambiguity about who does what is a hidden cost. Define responsibilities for brand, procurement, and agency teams—and between agencies—before friction defines them for you.

5. **Close the transparency gap with understanding, not interrogation.** Agree on pricing principles upfront. Put a clear taxonomy in place, and document scope, talent and workload assumptions, and change-order triggers. Hold regular commercial reviews. The goal is a model clients can understand and agencies can sustain.

6. **Keep the commercial model simple—and aimed at value.** Match the model to the work, favoring outputs and outcomes over hours where deliverables can be defined. The best remuneration approaches are easy to understand, simple to administer, and reward both parties. Remuneration should provide confidence in the background, not become the relationship's main conversation.

7. **Put AI on the commercial agenda now.** Agree openly about how AI efficiencies will be measured and shared—through

The Last Mile: Payment

The commercial cycle doesn't end when the contract is signed. It ends when the agency gets paid, and this is where many relationships lose goodwill without anyone noticing. 79% of brands say agencies begin work at least some of the time before a purchase order is issued, a figure that has not materially improved since 2022. Nearly half of brands (49%) extended media agency payment terms in the past 18 months, up from 20% in 2022, and average terms have stretched from roughly 65 to 75 days in most agency categories.

Longer terms may help client cash flow (and make the CFO happy), but they are not automatically good commercial practice—particularly for smaller and specialist agencies funding talent, production, and third-party costs upfront. As Jennifer Pratt, Senior Director, Global Marketing Procurement at Suntory Global Spirits, notes: *"Operational discipline is part of relationship quality, not just admin. Marketing procurement has an important role to play in improving ways of working, removing friction and building stronger relationships with marketing stakeholders and agency teams."* Agencies should be flexible partners, not involuntary sources of working capital.

Becoming Better Partners

For years, our industry has behaved as if getting the fee right would take care of everything else—as if money were the central driver of performance. The data says otherwise. Brands that brief and scope brilliantly, build trust deliberately, give honest feedback (and are willing to receive it too), and pay fairly will get more from their agencies than those that simply negotiate harder—regardless of the compensation model they choose.

As Timothée Bompaire, Head of Strategic Partnerships, Global Marketing Excellence at Sanofi, puts it: *"Co-creation only works when all parties are willing to invest the time, commitment and openness required to make it successful."*

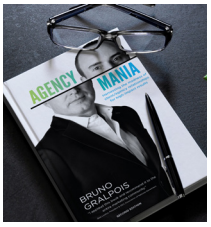
The opportunity is not simply to become a better client or a better agency. It is to become better partners. The future of agency value will not be determined by what one side asks of the other. It will be shaped by what both sides are prepared to build together. ■

What Brands Should Do Now *continued*

lower cost, faster delivery, higher quality, or reinvestment in strategic capability—so productivity gains create visible value rather than disappearing into an unexplained margin.

8. **Pay like a partner.** Issue POs before work begins, approve invoices promptly, and set payment terms that reflect agency size and financial exposure rather than a blanket policy. Fair payment is not merely an administrative obligation. It is evidence of a healthy partnership.

Source: WFA–Agency Mania Solutions research, "How Brands Define, Scope and Reward Agency Work," September 2026. Online survey conducted May 2026 of about 70 multinational companies across six industry sectors, compared with similar studies in 2011, 2014, 2018, and 2022.



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Bruno Gralpois 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 bestseller *Agency Mania* and the former chair of the Association of National Advertisers Client/Agency Committee and a faculty member of the ANA School of Marketing.

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