

AAR PULSE 2016/17

A REVIEW OF THE LAST YEAR AND A LOOK
FORWARD TO THE NEXT TWELVE MONTHS

The Experts in
Client:Agency
Relationships

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WE SET OURSELVES THE OBJECTIVE OF RUNNING THE BEST PITCH ANYONE HAD EVER BEEN INVOLVED IN, ENSURING WE TREATED ALL THE AGENCIES FAIRLY AND WITH INTEGRITY ALONG THE WAY. I CAN'T STRESS ENOUGH HOW HELPFUL IT WAS TO HAVE THE EXPERIENCED AND INSIGHTFUL SUPPORT OF AAR AT EVERY STEP OF THE WAY. THEIR KNOWLEDGE OF THE AGENCIES AND THEIR ABILITY TO CHALLENGE US ON EXACTLY WHAT WE WERE LOOKING FOR CERTAINLY HELPED US NAVIGATE WHAT CAN BE A COMPLICATED AND DAUNTING PITCH PROCESS.

SAINSBURY'S

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Foreword

An optimistic hello to you

I use the term 'optimistic' as, with all the uncertainty that envelopes us in our pre-Brexit post-Trump world, an antidote to the lack of confidence that uncertainty causes must surely be holding our optimistic nerve. If we succumb to the institutional pessimism of talking everything down, I fear that recession, or indeed a modern-day Depression, may become a self-fulfilling prophecy.



IT IS EVIDENT THAT AGENCIES ARE CONTINUING TO BE CAREFULLY SELECTIVE ABOUT WHAT THEY WILL, OR WON'T, COMMIT TO PITCHING FOR.

In challenging times, it's useful to have knowledge and data that gives you an additional layer of perspective, and opportunities for your teams to hone their professional skills in order to be as match fit as possible for the months ahead.

In this annual report for our subscribing agencies, the 12th edition in the series, alongside a review of what we have been up to at AAR over the last twelve months, we have included content that gives you some new and unique data and research not available elsewhere, insight and perspective on a couple of core issues of the day, and a heads-up on the core, senior management and business development seminar programme in 2017. I hope this package of information will make interesting reading for you; if you have any questions about the benchmarking data, research findings, or seminar programmes, please don't hesitate to get in touch.

Looking back over the last 12 months, it is evident that agencies are continuing to be carefully selective about what they

will, or won't, commit to pitching for. The general rule of thumb in the past was that agencies needed new business opportunities from clients to tick two of the following three criteria: people: is this a marketing team that we can work well with; money: is the money OK for what they want us to do; and, work: will we get the opportunity to do good work, before they'd elect to go for it.

Nowadays, despite the reality of fewer new business opportunities being available in the marketplace, agencies want to tick all three boxes when devoting the necessary time and resource to a full-on pitch process. In fact, you want to tick a fourth box too: the availability of resource to enable you to manage the requirements of the pitch properly.

By the same token, there is a growing demand in the minds of clients that agencies should supply all three facets of the 'faster, cheaper, better' service delivery wheel, despite received wisdom saying that only two of the spokes of the wheel are possible at any one time. Marketers are increasingly asking



agencies to demonstrate their ability to deliver all three in both their incumbent relationships and within the pitch process. Whilst I understand the drive for more for less – and at speed – in the face of budget constraints and competitive challengers, our research amongst senior marketers tells us that two thirds of them think “an agency that consistently delivers good thinking” is the most important ingredient of a long-lasting relationship.

If clients value excellent strategic skills, knowing that these don't, generally, come cheap and that they can probably expect to pay a premium for the best, there needs to be a flexible approach as to what parts of the agencies' service can, in reality, come cheaper. Because it can't be everything.

As I'm always interested to know if you agree or disagree, please don't hesitate to email me on kglazer@aargroup.co.uk.

In the meantime, I wish you a prosperous and successful year ahead.

Kerry Glazer, CEO, AAR
kglazer@aargroup.co.uk

THERE IS A GROWING DEMAND IN THE MINDS OF CLIENTS THAT AGENCIES SHOULD SUPPLY ALL THREE FACETS OF THE 'FASTER, CHEAPER, BETTER' SERVICE DELIVERY WHEEL.





WE HAVE WORKED WITH AAR
ON A NUMBER OF ASSIGNMENTS
SINCE CTM LAUNCHED. THEY ARE
VERY MUCH A TRUSTED ADVISOR
WHEN IT COMES TO ALL THINGS
TO DO WITH AGENCIES AND
COMMS.

COMPARETHEMARKET.COM

AAR in 2016

A review of the last 12 months

By Martin Jones



2016 WAS THE YEAR OF THE RETAIL PITCH AND WE WERE FORTUNATE ENOUGH TO GET THE CHANCE TO WORK WITH A NUMBER OF THESE.

As the fireworks from AAR's 40th Anniversary party faded into the memory, and everyone returned from a well earned Christmas break, none of us could have predicted the seismic events that would occur as we ushered in 2016. Trump, Brexit, David Bowie, Prince and Leicester City would have us gasping in disbelief, although back at AAR Towers it felt like business as usual.

Our year began by finishing off creative pitches which had started in December for the charity Barnardo's, retailer Dunelm and financial services brand ClearScore.

It wasn't long, however, before new briefs started to appear and the Business Directors were out and about managing creative pitches for Co-op, Freeview and Premier Inns, as well as a digital review for Booking.com.

In April, an audience of clients and agencies were treated to a presentation by Brandon Keenen from Buzzfeed at The Regent Street Cinema, featuring celebrities and cats and, in some cases, celebrity cats. We will be hosting more of these events in 2017, so keep an eye out for your invitation.

As many agencies will be more than aware, 2016 was the year of the retail pitch and we were fortunate enough to get the chance to work with a number of these. In addition to the Dunelm and Co-op reviews, which both started in December 2015, we also provided support to Sainsbury's on their creative pitch, B&M on their creative and media pitches and Lidl and IKEA on PR reviews.

While retail reviews grabbed the headlines, we observed another group of clients who were keen to get their first or next agency on board, namely dot com brands. In 2016, many of these 21st century companies embarked

upon reviews and we handled pitches for Audible (media), Hotels.com and London & Partners (Dot London), Ocado, uSwitch, Wealthify and Zoopla (all creative).

THE THIRD SECTOR

We also saw a plethora of charities looking to appoint new agencies, including Battersea Dogs Home, NABS, MQ, Alzheimer's Society and Stonewall; a trend which will no doubt continue as the third sector competes for everyone's share of wallet.

The year also saw a rise in the number of clients looking for help in appointing strategic agencies or brand consultancies, keeping Tony Spong particularly busy as he worked on briefs with MacMillan Cancer Support, DHL, Comparethemarket and JTI.

Behind the scenes, Vicky Gillan was helping a number of clients with their training needs as well as working with both clients and agencies on jointly reviewing their performances in order to ensure that niggles didn't turn into serious issues, and keeping them out of the "divorce courts"!

RELAUNCHES

Back on the review front, we had our fair share of financial services reviews in 2016, including Nationwide (media) and Royal London (design) and also provided agencies with the chance to work on a number of relaunches including The

National Army Museum and Mission Foods, and we look forward to seeing the results of these appointments in 2017.

While the majority of the reviews handled by AAR in 2016 were for domestic clients, we did have to get our passports out occasionally to assist clients looking to make international or global appointments. Consequently, air miles were racked up working with Heineken and dmgmedia on global media reviews and Booking.com, Suntory (Schweppes), Pernod Ricard (The Glenlivet) and Trainline, all of whom made creative appointments.

"Which five singers or groups have won most Brit Awards"* was one of many questions featured in June's annual AAR Quiz hosted and (purely coincidentally) won by Proximity, which saw a record 35 ultra competitive agency teams vying for the trophy.

THOUGHT FOR FOOD

In addition to working on a number of briefs for charities, in July we rolled our corporate sleeves up and helped out for a day sorting surplus food that had been supplied by supermarkets so that it could be redistributed to those in need.

As summer turned to autumn, Paul finally took his well earned 10th Anniversary sabbatical (although it was eight years late). Paul and his family spent a month touring round the States and returned to 26 Market Place suitably refreshed, just in time for the annual frenzy of clients wanting to make an appointment before the end of the year.

their itineraries, look at agency and LinkedIn profiles as well as make notes. So, the next time that you see a new business client looking at their phone in a Chemistry Meeting, they aren't being rude, they are just working out where they have met you before.

As the year drew to a close, a number of agency new business teams were able to have a more relaxing Christmas with pitches being completed before year end including Sainsbury's Tu and Home, HCA Hospitals and JD Williams, all of whom made appointments of creative partners for the new year and beyond.

CRYSTAL BALL GAZING

As we said a not so fond farewell to 2016, there is a feeling of optimism at 26 Market Place about the year ahead as we kicked off reviews for a number of clients including eBay (creative), Smart Energy (content), Countrywide, BrightHouse (both media), Audible UK (PR) and RSPCA (fundraising) all of whom will be completing appointments in the New Year.

What we will be reporting on in twelve months time can clearly no longer be predicted with any degree of certainty, although we remain positive about the outlook on new business following a flat year versus 2015. The only thing that we (probably) can predict with any authority is that there will be more surprises in 2017 and that it is unlikely that Leicester will be picking up the Premiership trophy again! ■

* If you are wondering, the answers were Robbie Williams, Coldplay, Adele, Take That and Annie Lennox!



AAR WAS APPOINTED BY ONE OF OUR BIGGEST CLIENTS TO EVALUATE THE WAY WE WERE WORKING TOGETHER TO DRIVE BOTH EFFICIENCY AND EFFECTIVENESS. IT WAS A CHALLENGING EXERCISE THAT REQUIRED THEM TO ENGAGE WITH MULTIPLE STAKEHOLDERS AND BE ABLE TO DELIVER SOME UNCOMFORTABLE TRUTHS ON BOTH SIDES. THEY MANAGED THIS WITH BOTH DIPLOMACY AND OBJECTIVITY AND DELIVERED A PRACTICAL YET STRETCHING ACTION PLAN AS PART OF THEIR ANALYSIS. A YEAR LATER, THE CLIENT'S WORKING PRACTICES HAVE IMPROVED AND THE AGENCY'S OUTPUT AND RELATIONSHIP IS MORE VALUED THAN EVER.

PROXIMITY



SPRING: AAR THOUGHT LEADERSHIP

Breakfast with BuzzFeed

By Robin Charney

How we learned the secret to BuzzFeed's content planning success.

"Nobody wants a tweet from their toilet paper" is a guiding mantra at BuzzFeed, and one which Partnership Director, Brandon Keenen, believes even the biggest brands in the world would do well to learn and put in to practice.

The key, he told the audience at an AAR event in April, is to remember that human beings love to engage with and share content, and they'll do so with yours as long as you identify their niche interests and appeal to one of the three pillars of content sharing; identity, emotion and information.

"If you want people to truly engage with your content, you've got to think about niches," says Keenen. "If you had a room full of people you might think finding the thing most of them had in common would be the way to go, but it's not. If you want to get shared, show them something about being left-handed. That will get the left-handers sharing but it will also get right-handed people sharing the content with their left-handed friends. It's these niches that

will get your content shared."

So, a highly targeted audience is the best starting point. Then, when it comes to the actual content, BuzzFeed's experience is there are three sweet spots that content needs to cover.

IDENTITY

Identity is a very good starting point and accounts for why the most shared content generally points to something that people can associate with very closely. It may be 10 Things Only Middle Aged Dog Owners Will Understand or 10 Things Only Girls Having Their Eyebrows Shaped Understand. Whatever it is, if people can identify themselves with the content, they will share it to say something about themselves. If people see it and associate it with someone else, that also means they will share it.

EMOTION

Emotion is another good area to explore, because people like to share feel-good content. In fact, Keenen reveals that after every major disaster or terrorist

strike, emotional feel-good content spikes in popularity because people want to help one another feel better about the world.

INFORMATION

Information is the third string to the content marketer's bow. This can be as simple as a recipe somebody will want to make and share with friends or an opinion they hold.

"If you can pick your audience and hopefully get a niche within that audience, you just then need something that speaks to identify, emotion or information that will make people truly engage with it," he says.

So, the BuzzFeed way is to not make the product or service the subject of content but to instead attract a niche audience with content that speaks to their identity, is emotional or is packed with useful information. That way, people will take notice and, more crucially, share your content and build up an audience that is massive, yet still based around a niche. ■



SUMMER: AAR CHARITY DAY Food heroes

The team at AAR selected FareShare as our 2016 Charity of the Year and as part of our commitment to the cause, the fourteen of us spent a day volunteering at their Deptford depot.

Donning hi-vis jackets and steel capped boots, our job was sorting jars, cans and store cupboard staples that had been donated by Tesco shoppers nationwide during the Neighbourhood Food Collection weekend in June.

It was a physically demanding task made more intense by the heat of the day but we didn't give up. Every request we made to the fork lift truck drivers for another pallet of goods was immensely

satisfying and we were pleased to learn we cleared 10 pallets in total.

FareShare will distribute the cans, along with fresh and in-date surplus meat, fish, fruit and vegetables from the food industry, to charities and community groups who will transform it into nutritious meals for vulnerable people.

A very worthwhile day for a deserving cause. ■



SUMMER: AAR NETWORK EVENT

AAR's annual quiz night

After two great years kindly hosted by Lbi in the Truman Building, we upped sticks and moved the annual AAR Quiz Night to the brand new 'Omnicom Towers' in June as we were all keen to have a good old nose around!

The 7th floor space, as the photos testify, proved ideal for the 35 teams who entered this year's event and our thanks to Proximity and the facilities team for making everything run so smoothly.

Tony Spong, our regular Quiz Master, dazzled us in his red sparkly jacket yet again and oversaw the 5 fiendishly clever rounds of questions set by the wonderful mind of Martin Jones. These included such cryptic titles as 'Winners', 'Natural World', 'Cities', 'Fives' and 'Last'.

Fortified by beer, wine and pizzas, we enjoyed another titanic tussle and, as teams played their Jokers, the lead changed on a regular basis.

So, as we entered the last round, there were still several teams in with a shot at the title. Last year's winners, TMW Unlimited, made a more than credible defence of their title by coming eighth, just 8 points behind the winners, Proximity on 75 points, who were closely followed by Cogent Elliot on 73 and

Kitcatt Nohr on 70.

Immediate shouts of 'fix' and 'favouritism' were quickly banished following a thorough count back by our dedicated team of markers revealing the smart tactics of playing your Joker on the last round. How true that is we will never know, of course!

The results table is over page to inspire you to spend the next 6 months choosing your team for 2017! ▶



Ranking	Team Name	Final score
1	Proximity London	75
2	Cogent Elliott	73
3	Kitcatt Nohr	70
4	Zone	69
5	AMV BBDO	68
=6	Atomic London	67
=6	MRM Meteorite	67
=6	TMW Unlimited	67
7	TH_NK	66
8	adam&eveDDB	65
9	Leo Burnett	63
10	BD Network Group	62
11	MullenLowe London	60
=12	Critical Mass	59
=12	Starcom and Mediavest UK	59
=13	The Gate	58
=13	LIDA	58
=13	Text 100	58
=14	The Minimart	57
=14	Partners Andrews Aldridge	57
=14	AIS Group Ltd.	57
=14	TBWA London	57
=15	Wunderman	56
=15	Above + Beyond	56
=16	Creature of London	55
=16	Leagas Delaney London	55
=17	DigitasLbi	54
=17	The Brooklyn Brothers	54
18	JWT	53
=19	Friday	50
=19	Grey London	50
20	Isobel	49
=21	iris	46
=21	McCann London	46
22	AnalogFolk	44



Winning team Proximity London, from left to right: Liz Duval, Gemma Champ, Joel Girling, John Treacy, Dave Ringer, Nick Moffat (Tony Spong in the red jacket!)

AUTUMN: AAR CLIENT ROUNDTABLE DINNER

The B-word in modern business

By Mark Earls, award-winning author and consultant @HERDmeister

When I was first given a department to manage, my then boss gave a simple piece of advice. Don't imagine, he pressed, when someone comes into your office and closes the door behind themselves for a "quick word" that you're in for a touching but private tribute to your leadership. What matters to you is probably not what matters to your team; what's in your head is probably not in theirs; the words you use probably mean something other than what they understand. Hence the old adage that what really matters in communication is what is heard, not what is said; the listener and not the speaker.

I was struck by this thought recently, when at a dinner hosted by the AAR, I asked a group of CMOs from some of the brightest dot.com businesses "what do you think when someone from your agency or your team starts talking 'brand' or 'branding'?" The reply was pretty rapid and unanimous: "expensive", "not going to drive acquisition", "embarrassing in front of my CFO". Not good news if you're a brand-believer or someone who resorts to brand as marketing top trumps.

This was in strong contrast to what I'd heard the previous week at the IPA EffFes: then, Les Binet and Peter Field's excellent analysis of the IPA Effectiveness database celebrated effective communications campaigns of a "brand", as opposed to "activation" nature. In that company, brand clearly is a good thing - it represents a bigger effect not least because effect lasts over a longer time period.

Equally, at the 4A's Stratfest in New York a few weeks prior to that, many senior US agency planners were beginning to articulate their fear that brand (what they were interested in and the locus of their skills and experience) was fast becoming less important to clients (darn marketers who wouldn't listen to their wisdom). Instead, the faithless were

turning to "growth hacking" and the like rather than brand strategy. Maybe, mused one wit, brand is more venison than beef: for high days and holidays, perhaps not for marketing every day.

UNHELPFUL ASSOCIATIONS

Back at the AAR dinner, we quickly landed on an explanation. It's not that brand is bad per se, it's just that the word tends to suggest unhelpful associations to listeners in these fast-moving, highly (often to be honest over-) measured businesses. Of course, these top marketers also wanted the kind of longer term fame, preference and pricing advantages that the brand-folk promise (when they talk straight) - in the company of other marketers they, too, might feel comfortable with the word. But in mixed company it's the word, brand, that's getting the conversation into trouble.

Part of the issue is that many decision-makers such as founders and investors for these new world marketers will themselves not have much appreciation of the way in which marketing can help. They have often started businesses and managed to grow sales or users rapidly using whatever means comes to hand. When you've bootstrapped the business, "brand" seems like additional cost to be viewed skeptically. ▶



IN MIXED COMPANY IT'S THE WORD, BRAND, THAT'S GETTING THE CONVERSATION INTO TROUBLE.



WHAT REALLY MATTERS
IN COMMUNICATION IS
WHAT IS HEARD, NOT
WHAT IS SAID.

Decision makers like this may also have a very specific financial time horizon to consider: they may be looking to achieve a certain volume of users or scale of revenue in order to gain the next round of funding in 18 months. B-talk often sounds disconnected from these financial realities.

The culture in many newer businesses is also often very engineering and numbers led. And engineering tends to see anything that's not engineering as "flower-arranging" of one sort or another. Nobody wants to be seen by their colleagues as a flower-arranger (unless, I suppose, you happen to be a florist).

Equally, it may be that the brand-fans are seeing every problem as brand-shaped. Sometimes what's needed is reputation and long-term building, sometimes the emphasis is more immediate sales or user acquisition, but very often for these kinds of businesses, solutions will involve identifying some rather unglamorous marketing fixes i.e. how can we improve the call-centre experience for customers? Maybe Big Ol' "branding" isn't the answer that's needed.

**SO WHAT ARE WE TO DO?
GIVE UP ON THE B-WORD?
IN SHORT, NO, JUST DON'T
USE IT SO MUCH. NOT
NEARLY AS MUCH AS YOU
DO, RIGHT NOW.**

- Link every marketing proposal and activity to a business issue - something that matters to those at the top of the business
- Be sensitive to the financial frame and time-horizon (especially with start-up or Founder owned businesses)
- Be really clear about the difference between short-term and longer-term effects and how they contribute differently to performance
- Don't confuse ROI with profit: the first is an efficiency measure, the latter what investors are really after
- Don't forget it's not what you say or how beautifully you paint things, it's what your clients and colleagues see and hear that matters. ■



AUTUMN: ADFORUM SUMMIT 2016

15 meetings, three days, one city

By Paul Phillips

Early October marked my annual visit to New York, part of the AdForum Global Summit at which pitch intermediaries and consultants from around the world meet with agencies, consultancies, trade bodies and media owners to get a perspective on the hot topics from across the pond.

2. The most successful agencies are choosing the battlegrounds and their weapons of choice.

If I were to group the different type of companies with which we met, it looks like this:

- 1 media owner - Google
- 1 trade body – The Association of National Advertisers (America's version of ISBA)
- 2 management consultants – Accenture Interactive and IBM Interactive Experience
- 4 advertising agencies – VCCP, VSA, The Martin Agency and Mother
- 2 content companies – The Foundry and iCrossing
- 1 digital experience agency – Critical Mass
- 1 new media agency network – Hearts & Science
- 1 digital media agency – AI Media Group
- 1 experiential agency - Iris and R/GA!

So what was the takeout from all these meetings and what impact does this have on the agency landscape and how brands engage with agencies, now and in the future?

1. The marketplace is more crowded and confusing for brands than ever before.

'What type of agency are you?' is a 20th century question that applies less and less to a 21st century world and the above categorisation is a good example of this. Moreover, it misses the point!

The history of agency cooperation, collaboration, inter-dependency, multi-disciplinary and horizontality has resulted in a melting pot of expertise and specialism to the point where to describe VCCP (one of the 15 meetings) as an advertising agency, on the one hand does a disservice to the breadth of their capabilities, but on the other is a short-cut to identifying and positioning them in the agency eco-system. And, of course, the same could be said of many other advertising agencies.

So how an agency is described is less important than what it does and how good it is.

For those of us old enough to remember original Milk Tray man and Oxo family (is advertising going the way of Hollywood, where remakes are trying to be more successful than the original?) it's fair to say that, back in the day, the overlap in capabilities and expertise between different types of agencies was negligible – ad agencies made ads, DM agencies produced direct mail packs and PR agencies managed Fleet Street and The City.

Today (and for some time now) agencies have developed a range of expertise in their desire to generate more revenue from organic as well as new business opportunities.

But the best of these agencies don't try to sell all of their expertise all of the time. They shine a spotlight on some of what they do, believing that this will be more persuasive than promoting a shopping list of capabilities, and it usually is.

This can be an expertise or an attitude. Critical Mass describe themselves as a digital experience design agency, highlighting a clear functional expertise, with the associated brand and consumer benefits; whereas Iris has long promoted itself as an agency that builds ▶



Participation Brands, highlighting an outcome rather than an input.

One is not right and the other wrong, they are just different approaches that will appeal to different quarters of the market.

3. The most successful brands need to pick their agency partners and stick with them.

With numerous operating models by which brands can engage their agencies (AOR, project based, in sourcing, outsourcing, crowd sourcing to name but a few) and so many agencies from which to choose, there is neither the time, resource nor inclination for brand owners to keep adding to their agency supply chain.

Choosing a very small number of trusted

advisers (people, not companies) and sticking with them over the long-term, has proven to deliver better marketing communications which in turn deliver better business results.

This does not negate the need to use specialists (if that specialism isn't provided by one of your trusted advisers), but adding more and more agencies to a roster is rarely, if ever, the best answer.

A continuous cycle of pitching is detrimental to a brand's health and performance. But that's not news to anyone, is it?

4. The management consultants are coming. No they're not. They are already here, and thriving!

This year for the first time we met with

the two leading digital agencies that have come from the consultancy world, Accenture and IBM.

While noticeably different in style to each other and to the agency world that is our more recognised centre of gravity, they are clearly thriving working with brand organisations to deliver marketing and communications solutions that are being financed from budgets that used to be the agencies sole domain.

So is this just another competitor to deal with? I don't think that's the case, given the other business relationships their wider organisations already have across their client community's C-suite. We are all aware it extends way beyond brand, covering commerce and e-commerce, technology, transformation, platform, data, logistics and much more.

Communications agencies have yet to find a way to combat this threat to their livelihoods, because it's only going to get more acute.

5. It's media, but not as I remember it.

Before joining AAR, I grew up in media departments, media dependents and finally media independents, but I'm no media expert. Some say I never was!

This was reinforced when meeting with AI Media, an agency that's operating at the point where technology, data and media cross and then hearing from Omnicom's latest offering, Hearts & Science, which this year alone has nabbed AT&T and P&G's media in North America, each worth gazillions of dollars.

Both offered a perspective on what future facing media agencies can do for brands (and should be looked at alongside Blackwood Seven) as they are disrupting the model of what a media agency looks like.

If ever there was a time when brand owners need to understand their media better, now is that time.

Ignorance is neither a good enough excuse from brand management or acceptable from procurement.

6. This year's bandwagon (as if you didn't know already) is content. Content is definitely king!

We've had cooperation, collaboration, horizontalisation, decoupling, big data, big ideas, apps, technology and the

quest for the single customer journey.

But, without doubt, this year's #1 challenge for marketers with whom we've been working is what they do about content.

Outsource or in-house or both? And to whom should they turn externally?

Your PR agency, your media agency's content specialist division, a specialist content agency or a publisher backed content creation company such as The Foundry (from Time Inc.) or iCrossing (from Hearst). Then again there's always your ad agency!

The fact is that everyone is raising their hand to the 'Do you do content?' question asked of them by their clients. And they do!

Picking up on the theme of my third point, brands need to decide what's right for them, make their choice of content partner and give it time to work.

So, after 15 meetings across three days and far too many calories consumed (you can't have a meeting in New York without food!), I came away inspired from seeing some of what the best of our industry has to offer and enthused by how they are rising to the challenge of helping their clients' brand and businesses succeed now and in the future.

Yes, our business is changing, but it's changing for the good of the brands for which it works, which must ultimately be good for the communications industry. ■



SO HOW AN AGENCY IS DESCRIBED IS LESS IMPORTANT THAN WHAT IT DOES AND HOW GOOD IT IS.



TRAINING IS REALLY IMPORTANT TO ARGOS AND SO WE TURNED TO AAR TO DEVELOP A STRONG MARKETING PROGRAMME FOR US. THEY BUILT BESPOKE, RELEVANT MODULES THAT OUR COLLEAGUES ACROSS THE MARKETING DEPARTMENT REALLY GOT THE MOST OUT OF AND DELIVERED THEM WITH A KNOWLEDGE, PASSION AND ENERGY THAT WAS EXEMPLARY. THE TRAINING WAS INCREDIBLY WELL RECEIVED, WITH FANTASTIC SCORES ACROSS THE PIECE.

ARGOS

AAR
research

New business market 2016

By Martin Jones

THE CLIENT COMMUNITY HAS ONLY TENDED TO REVIEW THEIR AGENCIES WHEN THEY ARE FEELING CONFIDENT ABOUT THE ECONOMY.

Like the stock market, the new business market relies very heavily on certainty and the confidence that comes with it. Changing agencies can often be time consuming and, with no absolute guarantees, the client community has only tended to review their agencies when they are feeling confident about the economy on both a national and global basis.

The recessionary years caused severe damage to the new business market as clients stuck with what they had, rather than put their heads above the parapet and call a review.

However, as we entered a post recessionary world, the number of pitches began to steadily increase with both 2014 and 2015 showing year on year increases.

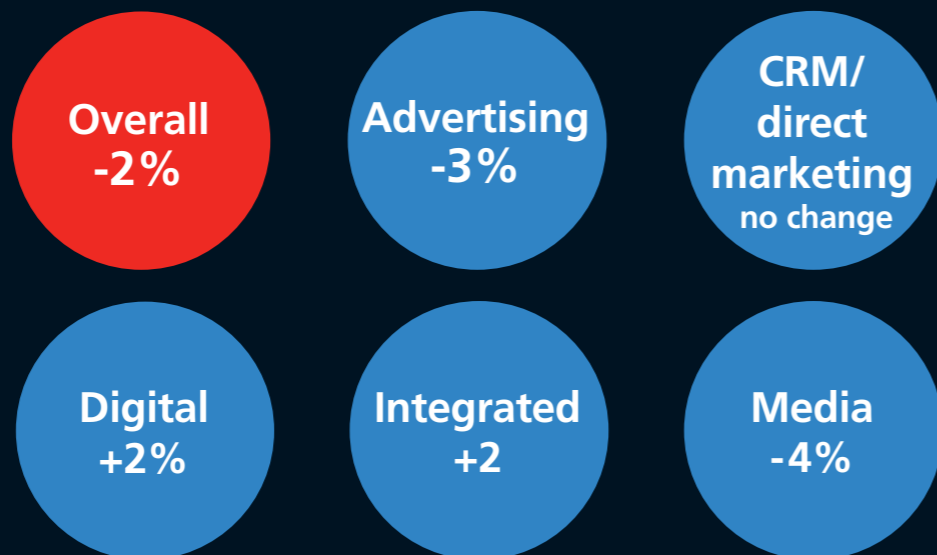
Surely that would continue in 2016 with a renewed confidence in the economy and so it seemed half way through the year. However, as summer turned into autumn and predicted results in various referenda and elections failed to materialise, the doubts started to set in and the

number of reviews began to slow as clients felt the need to reconsider their positions and "wait to see what would happen".

To date, the world has not ended and, as the year drew to a close, more reviews were announced so that by year end, the new business market was largely flat year on year, with advertising appointments down marginally when compared with 2015.

In 2016, the total number of completed new business reviews in the disciplines that are measurable showed a decrease of 2%. In terms of specific disciplines, the changes were as follows:

% DIFFERENCE 2016 VS 2015 BY DISCIPLINE



As can be seen from the figures, the number of completed advertising reviews in 2016 was down by 2% compared to 2015.

While many of these were low level in terms of spend, by the end of the year, eleven clients with UK media advertising budgets over £20 million had reviewed their accounts, compared with twelve in 2015. Over half of these clients were supermarkets with appointments or reappointments being made by Aldi, Asda, Co-op, Marks & Spencer and Morrisons. Other major clients reviewing included Confused.com, Dreams and Transport for London who all held open pitches, while the recently merged Paddy Power Betfair consolidated their account into one lucky agency.

While the number of advertising reviews showed a year on year decrease, the volume of CRM appointments held steady with a similar number of reviews taking place in 2016 compared to 2015. A few major companies made appointments often after lengthy pitch processes including Etihad, the Royal Mail and Scottish Power, although results were still awaited on a few more including easyJet, Vauxhall and the consolidated BT/EE account.

The year also saw significant consolidations with some companies moving their specialist direct marketing or CRM accounts into more integrated agency models or, in some cases, in-house. These included RBS, Plusnet and Virgin Atlantic; a trend which is likely to continue in 2017.

While 2016 saw a two per cent increase in the number of integrated appointments, the majority were relatively modest in terms of budget. However, as the year drew to a close, there were two significant appointments with Canon replacing six specialist agencies with one integrated agency and Toyota consolidating all of their brands into one agency. As agencies increase the number of disciplines that they can credibly deliver to their clients, this is a move that is likely to increase in the next twelve months and beyond.

Digital reviews (of any description) were up marginally when compared to the previous twelve months with a small increase of 2% over 2015, with briefs ranging from digital communications to digital transformation, and design and build to UX, for companies including Avios, Booking.com, Heineken, Mondelez and Unilever.

As in 2015, appointed agencies for digital briefs fell into two types: specialist digital agencies and creative agencies who were winning additional work from existing clients.

Finally, having witnessed a plethora of pitches in 2015, 2016 tended to be a year of consolidation for many agencies (and clients) with the number of media agency appointments down four per cent year on year.

However, new business teams in media agencies couldn't take it too easy, with pitches being called by a number of significant UK client companies including Asda, BMW, British Gas, Nationwide, Transport for London and TSB. At the same time, two recently merged companies (BT/EE and Paddy Power Betfair) took the opportunity to consolidate their separate accounts into one jointly appointed agency. ■

REVIEWS BY INDUSTRY

In 2016, retail clients were the most likely to call a review, followed by those operating in the food sector. In volume terms, the top ten industries that made appointments (in any communications discipline) were:

Rank	Industry
1	Retail
2	Food
3	Financial
4	Travel
5	Charities
6	Alcoholic Drinks
7	Motoring
8	Cosmetics and toiletries
9	Entertainment
10	Government

Source: AARnewbizmoves.co.uk

Agency hourly rates data 2016 – headlines and highlights

By Paul Phillips

Advertising agencies buck the market by increasing their charge out rates unlike agencies from other disciplines

Mean rate card rates for advertising agencies have shown a 7% increase since the agency marketplace was last surveyed in 2014/15. Of the sectors surveyed, advertising agencies were

the only sector to increase their rates. Indeed the highest charge out rates for advertising agencies have increased by 17% but this has been tempered by a reduction of 5% at the low end.

Larger agencies (by headcount) have higher rate cards costs

Advertising agencies with over 150 employees have a mean rate card charge 11% higher than the all advertising agency market. The comparable figure for large multi-discipline agencies vs the total multi-discipline market is a premium of 6%.

Multi discipline and PR agencies have reduced their mean overall rate card rates

Unlike advertising agencies, average charge out rates for multi discipline agencies have reduced by 5%, with a marked reduction of 9% at the high end compared to an 11% increase at the low end. The reduction of 13% in mean rate card rates for PR agencies is more significant.

We think this has been driven by the realignment of PR agency rates that benefitted from accelerated growth on the back of the social media explosion and demand by brands for expertise in this space, of which PR agencies were major beneficiaries.

Since then, market forces have brought PR agency rate card rates back in line with 2014 levels.

Eight out of ten agencies charge Overhead Recovery Rates at 100% or less

The majority of agencies are charging ORR at less than 100% with less than one in five charging over 100%. This year is the first time that we have reported on ORR but we note from previous survey data collected that this marks a continued shift away from agencies charging their ORR at over 100%.

Performance related payment schemes don't deliver the additional income they were set up to

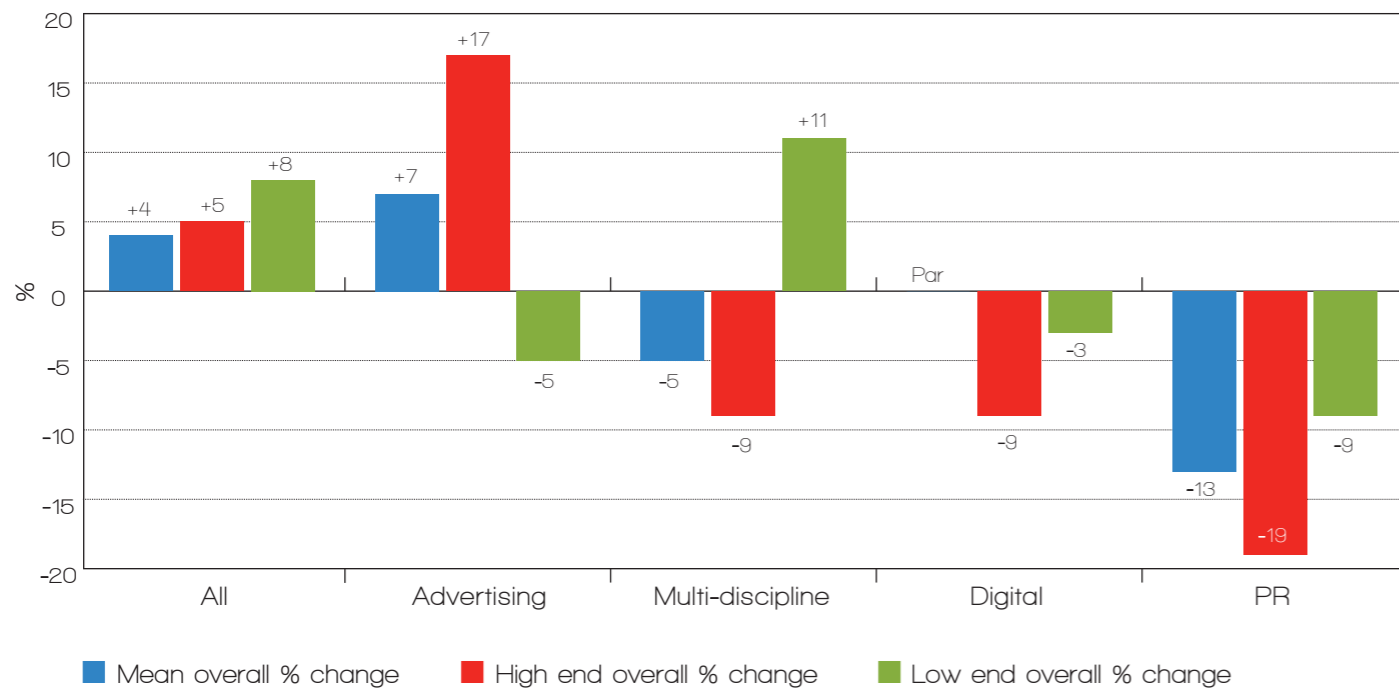
Our research indicates that where a PRP scheme is in place, the scheme only delivers additional revenue in less than 25% of cases and often not at all. We have observed that, over time, agencies have been forgoing margin in order to retain current business or secure new business and using the PRP scheme to get back to somewhere close to profitability and a meaningful margin.

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Benchmarking data 2016 v 2014 observations

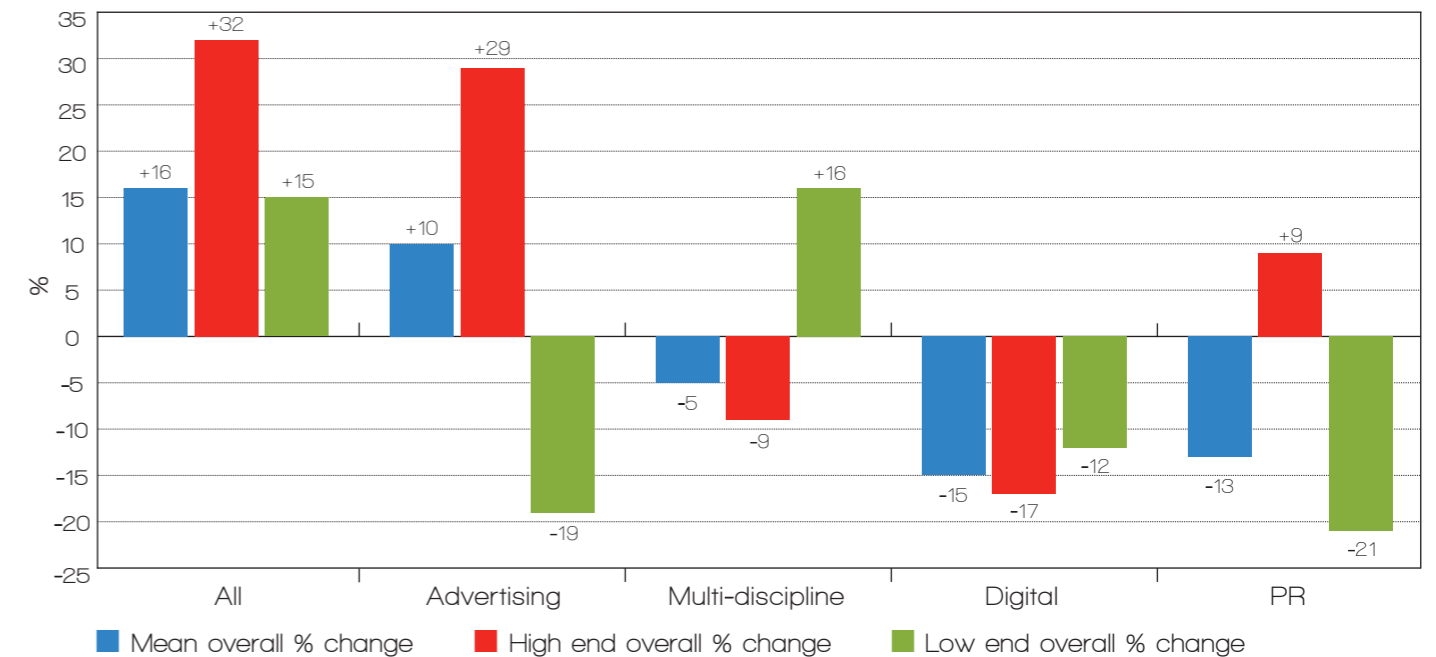
OVERALL SUMMARY – ALL AGENCIES, ALL DISCIPLINES



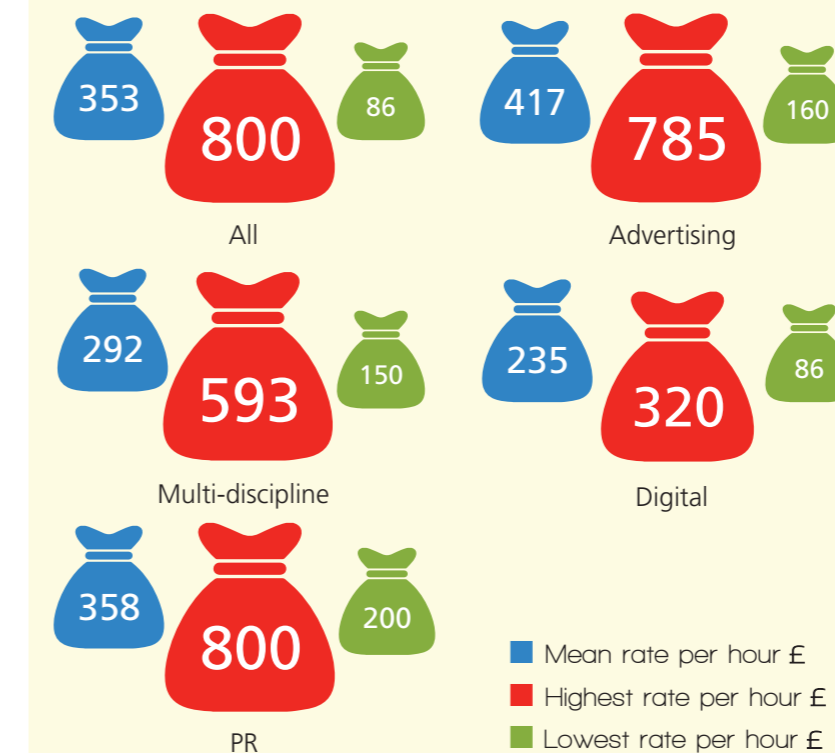
- Mean rate-card rates have increased by 4% since 2014 as agencies try to claw back some value and margin. But there are details in the figures that show the differences between different agency types.
- There's a clear distinction between the overall positive increases in hourly rates for advertising agencies and the general decrease in rates for those of other disciplines.
- Overall, only advertising agencies have increased their high end rates (+17% 2016 v 2014). This has been balanced by a reduction in advertising agency rates at the low end of the spectrum (-5%).
- The net overall impact is a 7% marginal increase in mean hourly rates for advertising agencies.
- By comparison all other disciplines have shown between single and double digit reductions in their agency rate-card rates, ranging from -5% to -13%.
- For multi-disciplined and digital agencies, this continues the downward pressure on hourly rates highlighted the last time this survey was undertaken in 2014.
- However for PR agencies, the mean drop of 13% brings hourly rates back to below 2014 levels. We interpret this movement to be driven by the realignment of PR agency rates following their accelerated growth on the back of the social media explosion, of which these agencies were a major beneficiary.
- Despite only advertising agencies showing an increase, the higher day rates charged by advertising agencies compared to those of other disciplines has driven the overall increase in mean rates by 4%.

2016 v 2014 Service department % variance and example hourly rate

ALL AGENCY PRINCIPALS AND SENIOR MANAGEMENT

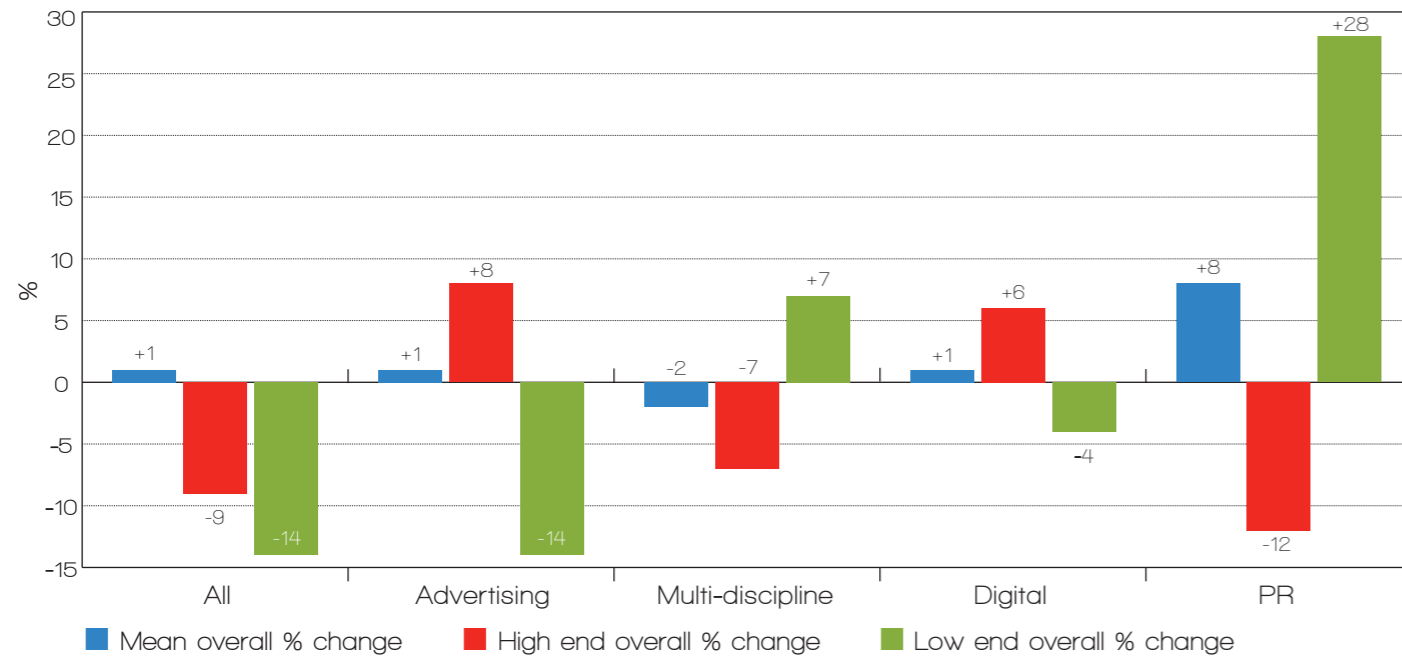


CEO 2016 HOURLY RATES

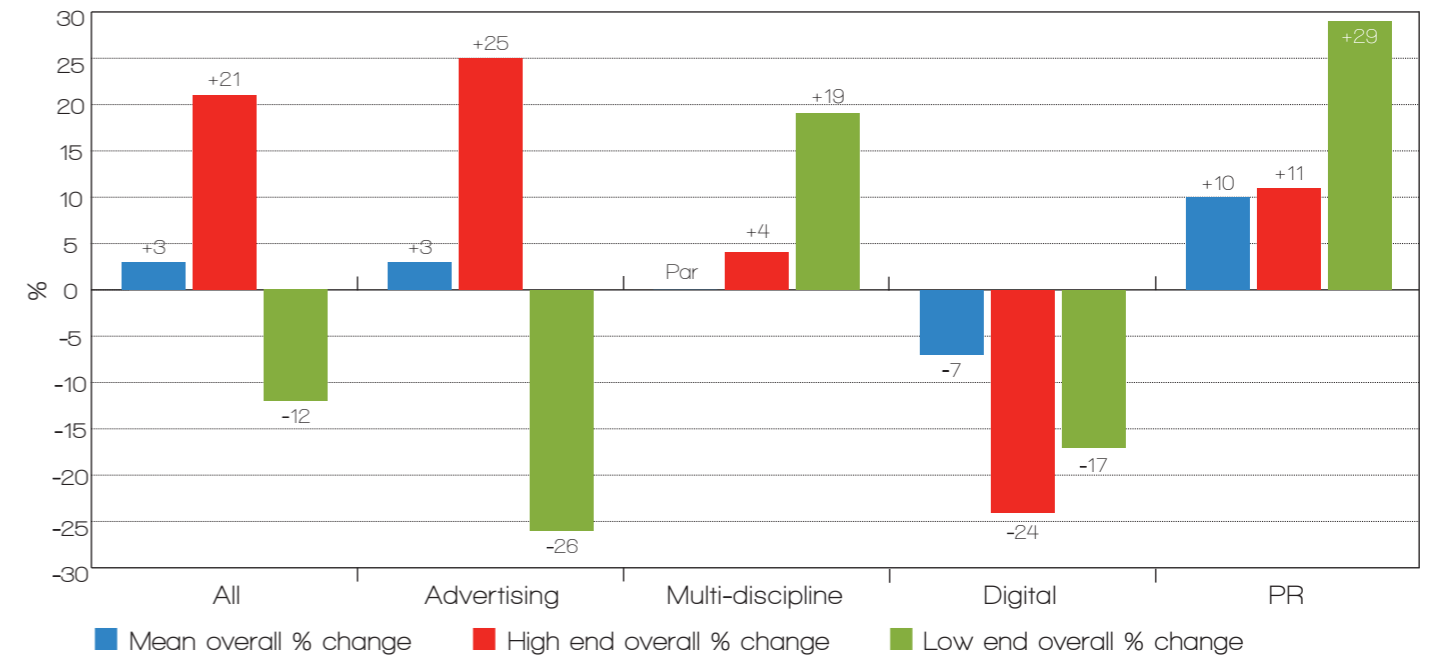


- A key take out from the survey is that advertising agencies are looking to realise the full value of their most senior talent, hence increases in hourly rates for principals and senior management.
- As the advertising agencies charge out their senior management at significantly more than all other disciplines, this has an impact on the All Agency changes, that show a positive increase despite the fact that most of their mean, high end and low end rates have shown a decrease when compared to the 2014 survey.
- However it's worth noting that advertising agencies will often waive their charges for senior management (recouping the cost though their overhead recovery rate), at least in the first year of a new working relationship.
- The decline in principal and senior charge out rates amongst the other disciplines suggests the pressure on margins and requirement to be cost competitive remains undiminished.

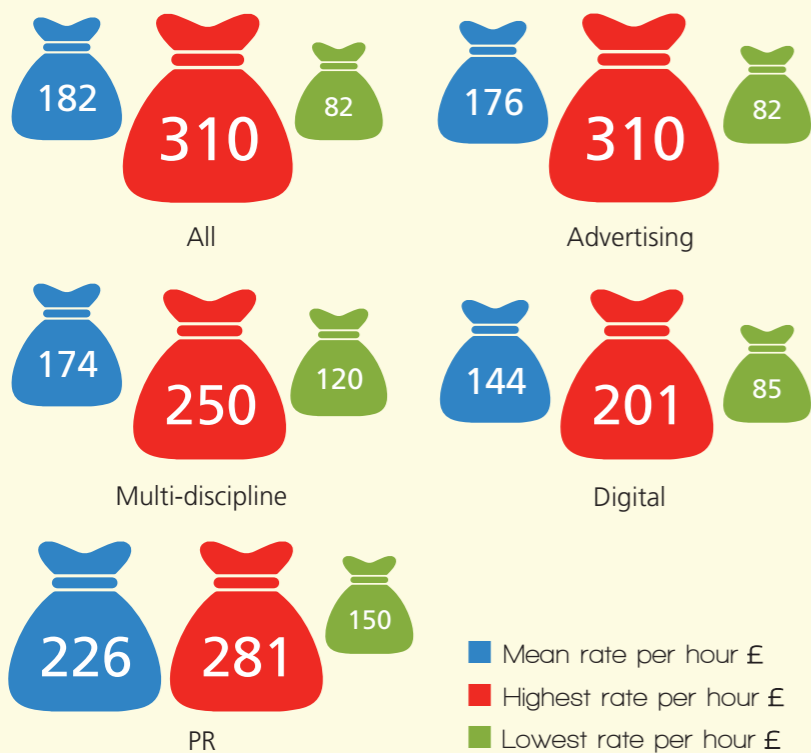
ALL BOARD LEVEL CLIENT SERVICE AND ACCOUNT HANDLING



ALL CREATIVE TALENT

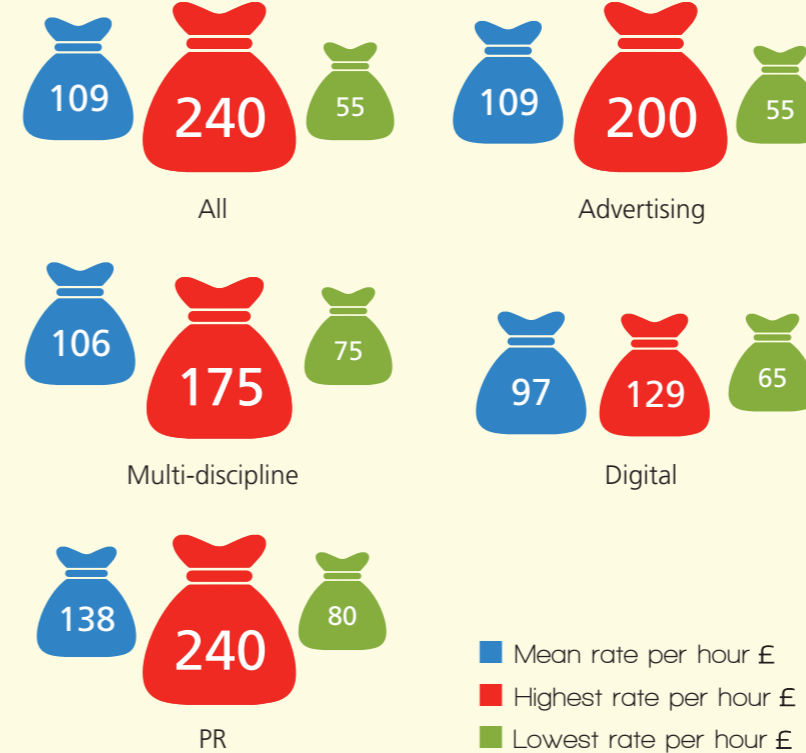


BOARD LEVEL CLIENT SERVICE AND ACCOUNT HANDLING 2016 HOURLY RATES



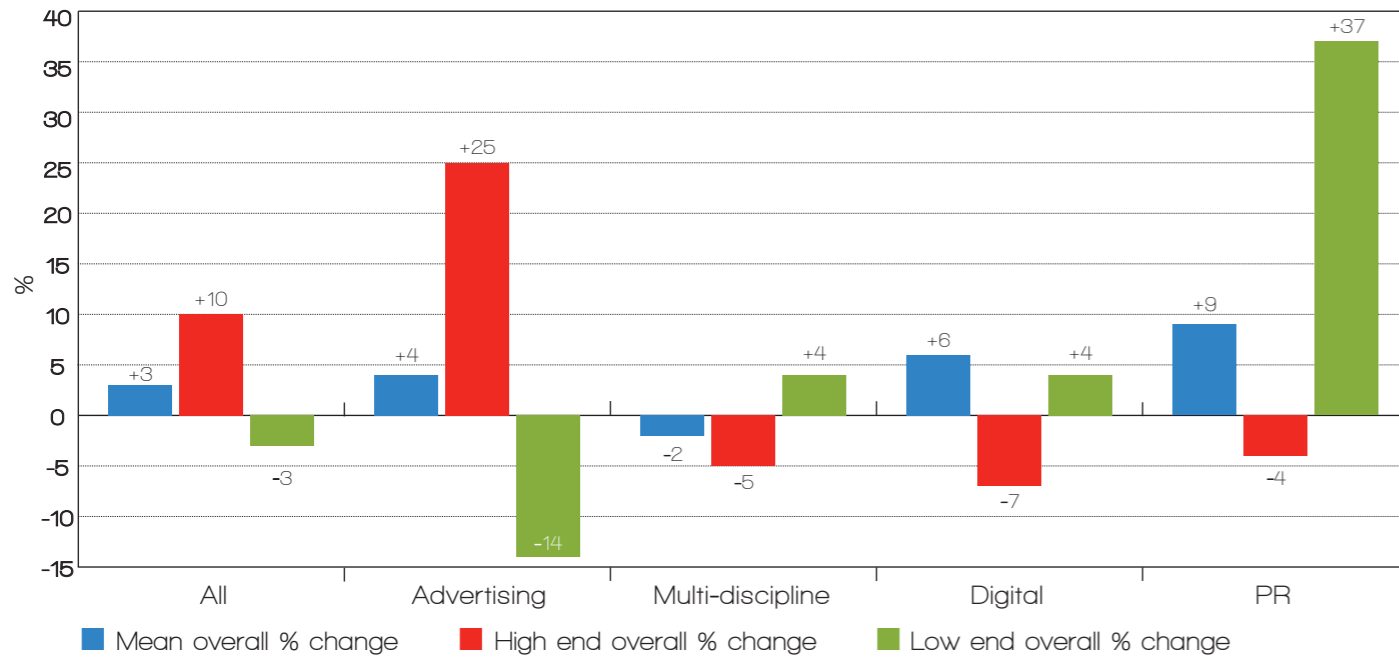
- At the all industry level there were negligible changes to what all agencies are charging for board level client service and account handling, with a mean increase of just 1%.
- When comparing all the disciplines PR agencies charge the highest mean hourly rate for board level client service and account handling, but the PR sector has reduced its highest rates by -12% and balanced this with an increase in its lowest rates by +28%.

MID-RANGE CREATIVE TALENT 2016 HOURLY RATES

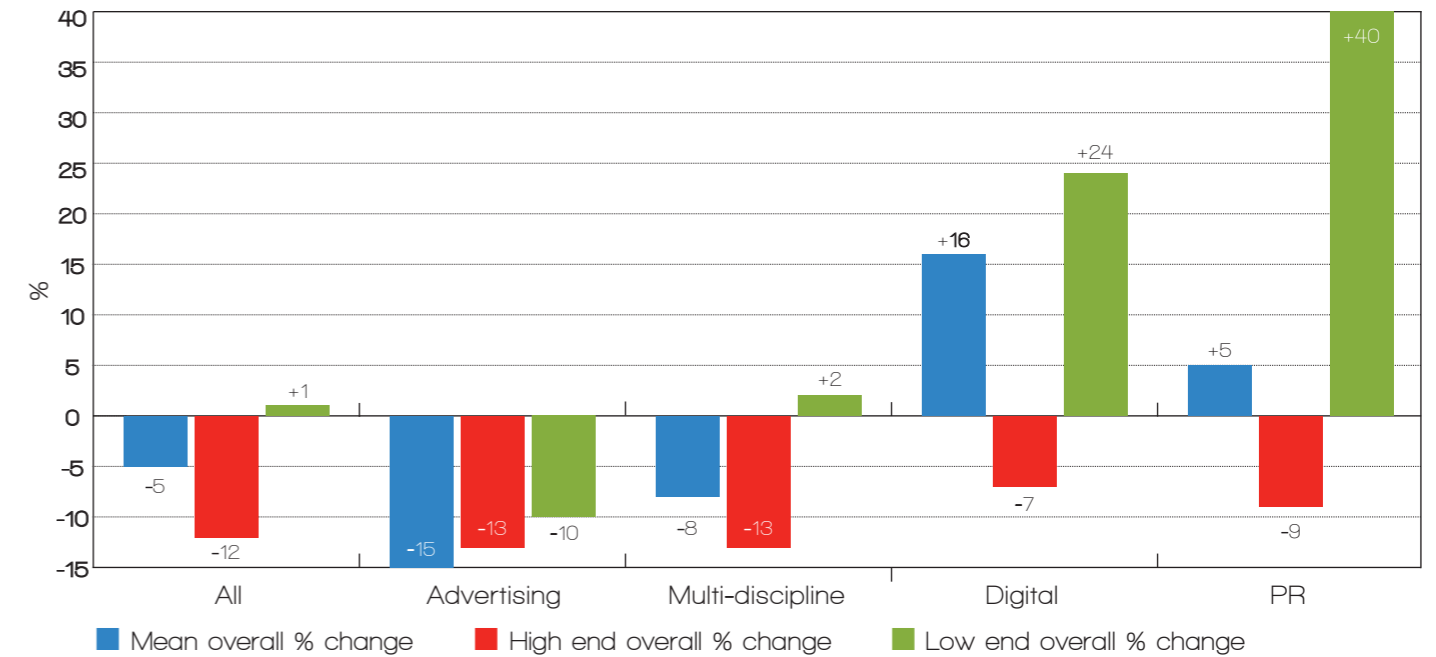


- Comparisons between all agency changes in creative talent reveals a mixed bag. Mean rates for advertising and PR agencies are up by 3% and 10% respectively, whereas digital agencies have reduced their mean rates for creative talent by 7%.
- At the top end, advertising agencies show a 25% increase in hourly rates charged, but this is counter-balanced by a similar reduction, -26% at the low end.
- Hourly rates for creative talent in PR and multi-discipline agencies have increased across the spectrum.
- It's only digital agencies that have shown a universal reduction in creative talent hourly rates charged since our last survey in 2014.

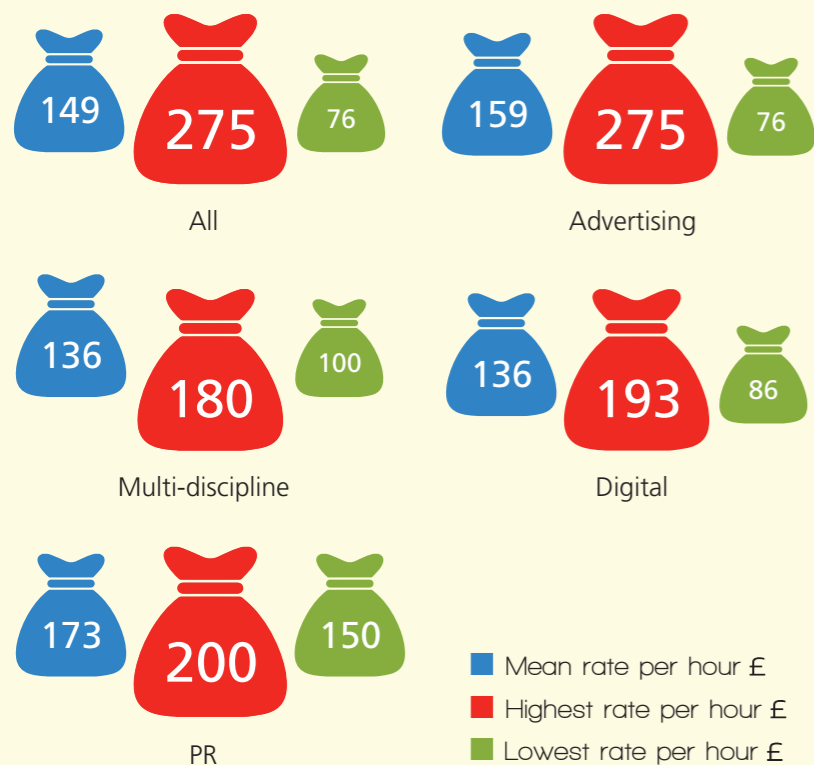
PLANNING



CONTENT

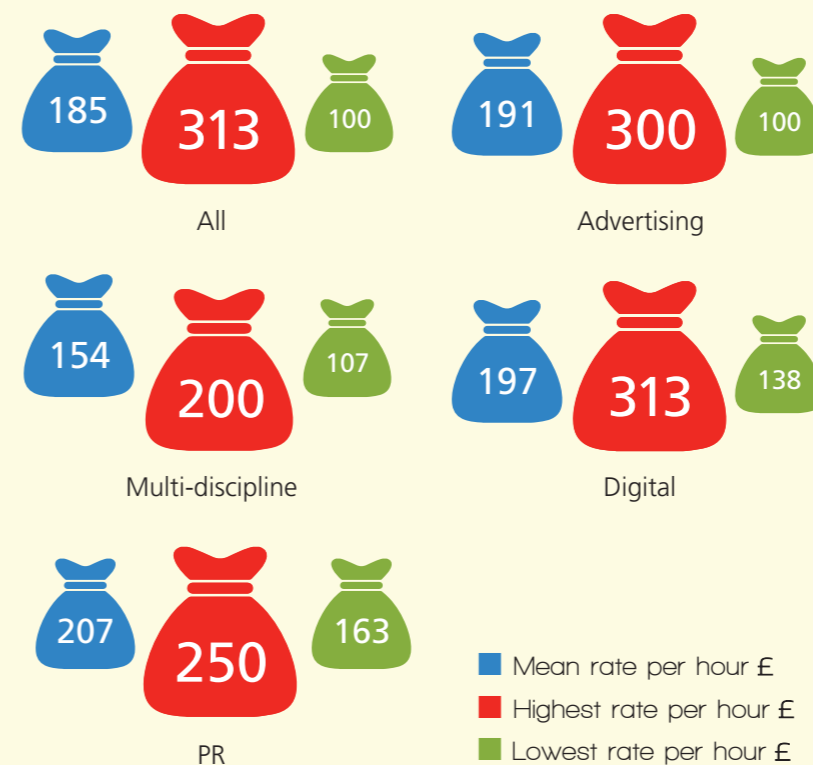


SENIOR PLANNING TALENT 2016 HOURLY RATES



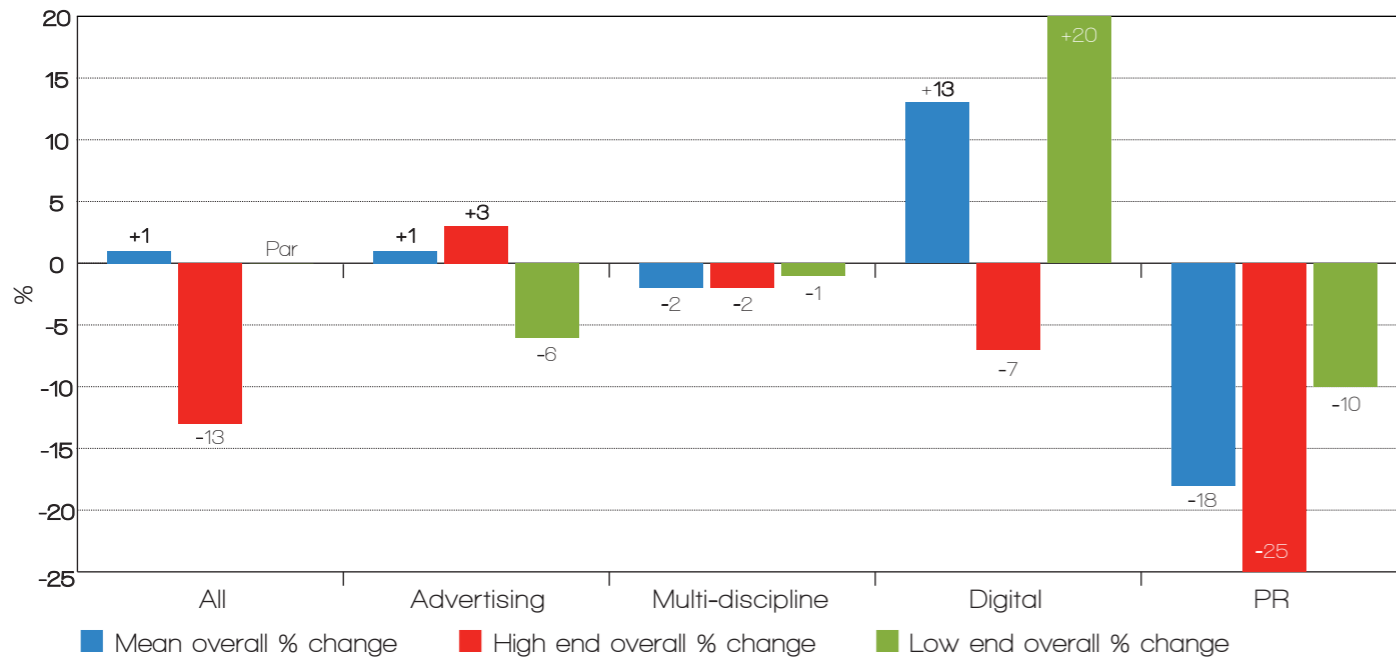
- Planning and strategy are areas of expertise that brand owners value highly, a fact recognised by agencies. This is reflected in the overall mean increase in hourly rates charged across all but one of the agency disciplines measured.
- Advertising agencies have been more bullish with a 25% increase at the top end, which is counter-balanced by a 14% reduction for charge out rates at the low end.
- With reductions in the mean and top end charges, the multi-discipline agencies appear to have slightly recalibrated their planning charge-out rates downwards, no doubt to meet the ever present challenge of delivering greater efficiencies.

HEAD OF CONTENT DEPARTMENT 2016 HOURLY RATES

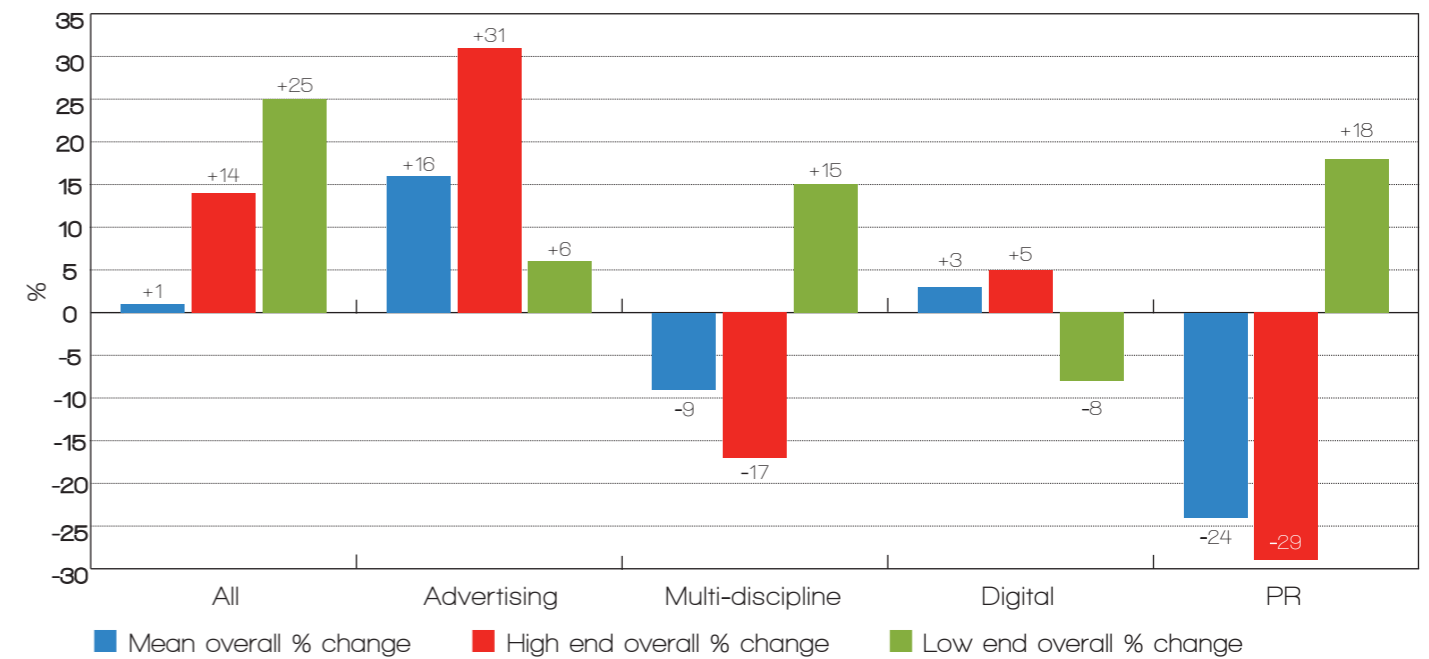


- As content has become an area of significant focus and increased investment for brands, so agency rates have, in general, become more competitive and cost-effective.
- A notable change is amongst advertising agencies where there was an across the board reduction in their rates for content, undoubtedly driven by competition from other sectors for these budgets, as well as the overall demand by brands for greater cost efficiencies. ▶

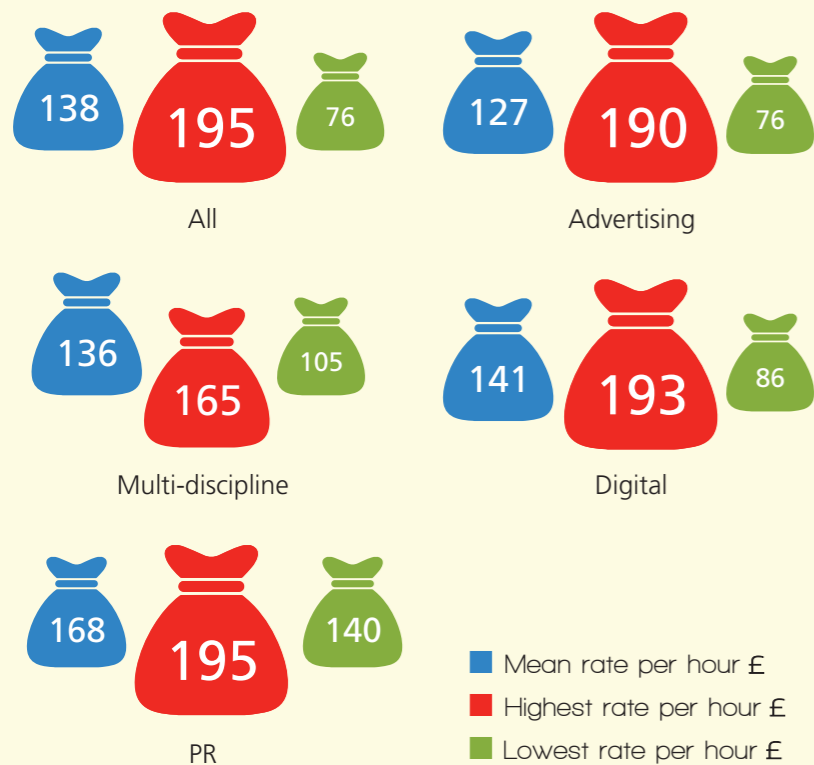
DATA SERVICES, BUSINESS ANALYTICS AND ECONOMETRICS



PRODUCTION AND CREATIVE SERVICES: TRAFFIC AND PROJECT MANAGEMENT

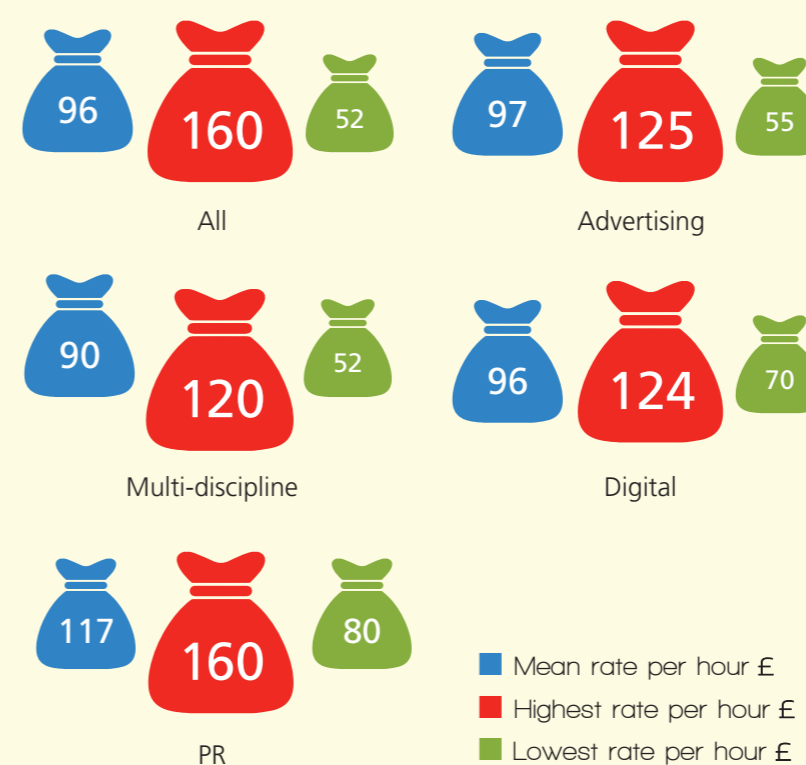


SENIOR DATA SERVICES, BUSINESS ANALYTICS AND ECONOMETRICS 2016 HOURLY RATES



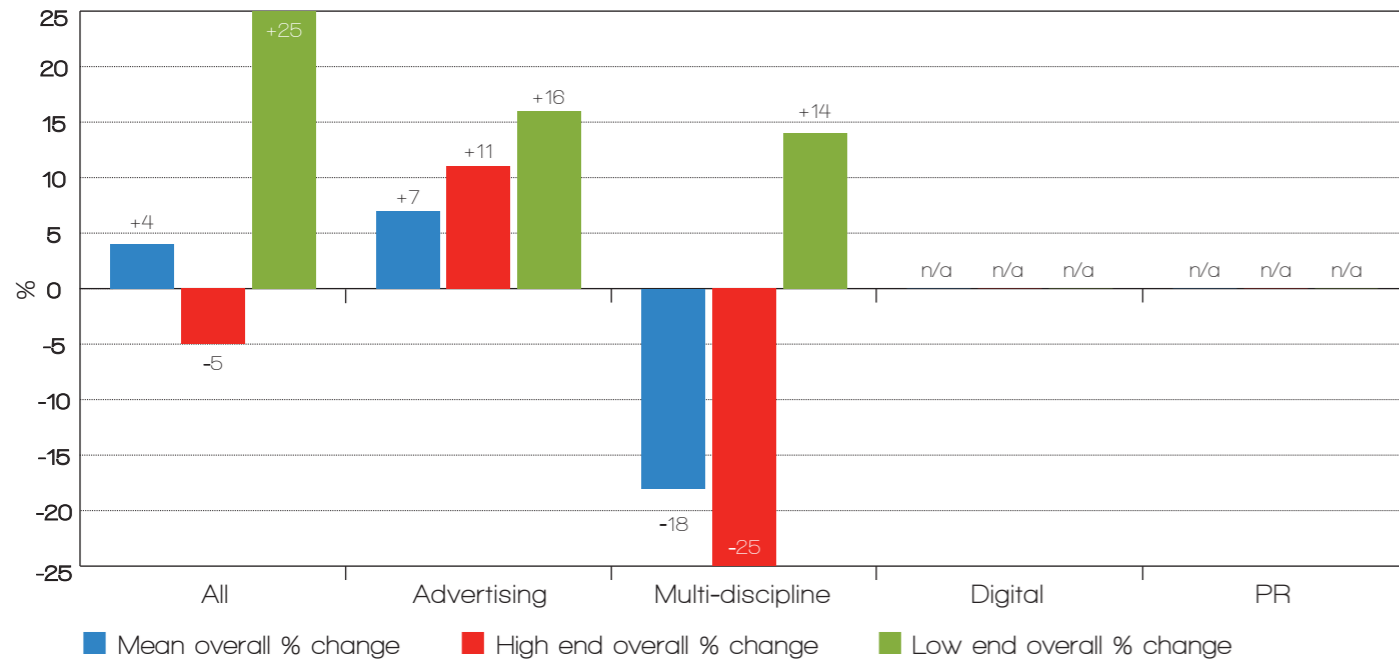
- Notable movement in this category is the reduction in hourly rates across the board for PR agencies. We put this down to the category looking to redress their charges for these services that, in 2014, were significantly greater than the market average.
- The example rates shown for senior talent indicates that different agency types are now relatively closely aligned to each other.

MID-LEVEL TRAFFIC AND PROJECT MANAGEMENT 2016 HOURLY RATES

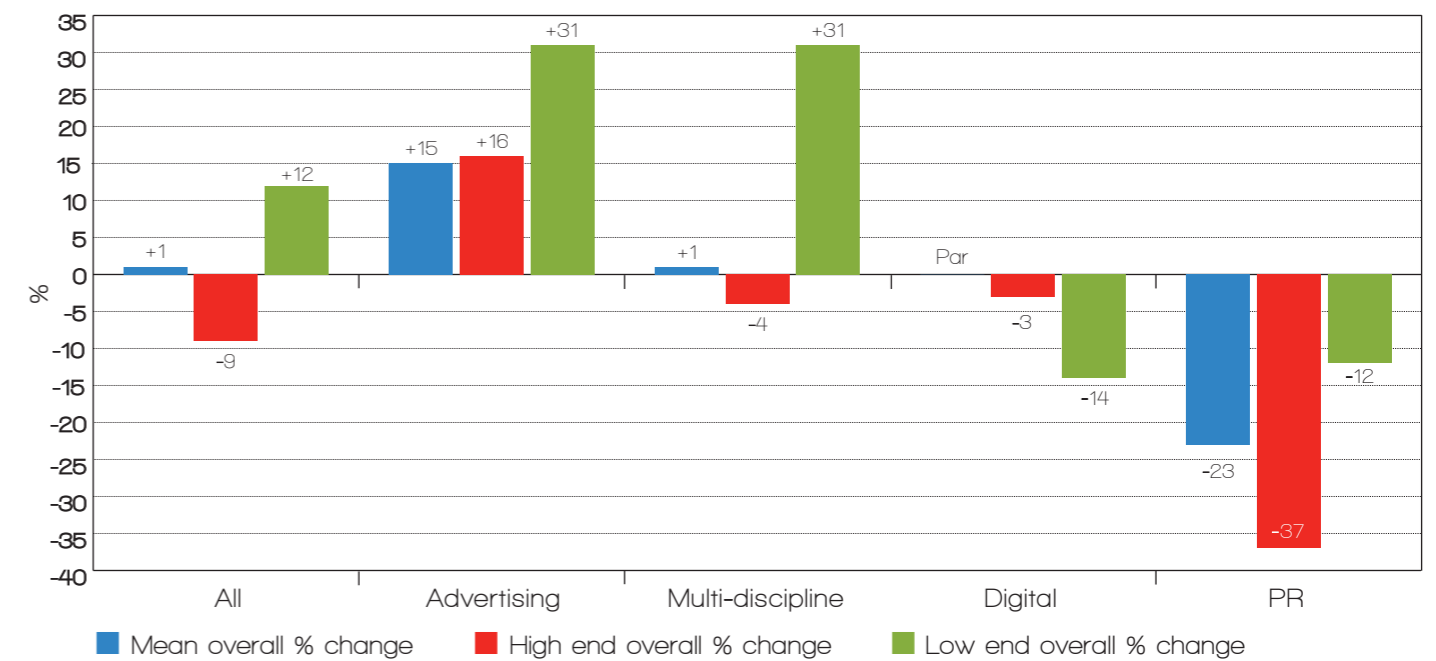


- A mixed picture for Traffic and Project Management with advertising agencies showing significant increases across the board, in contrast to multi-discipline and PR agencies both of which have reduced their mean and high end charges significantly.
- When looking at the actual rates for mid-level Traffic and Project Management, rates for advertising, multi-discipline and digital agencies are all closely aligned. The notable exception is PR agencies that have noticeably higher charge out rates.

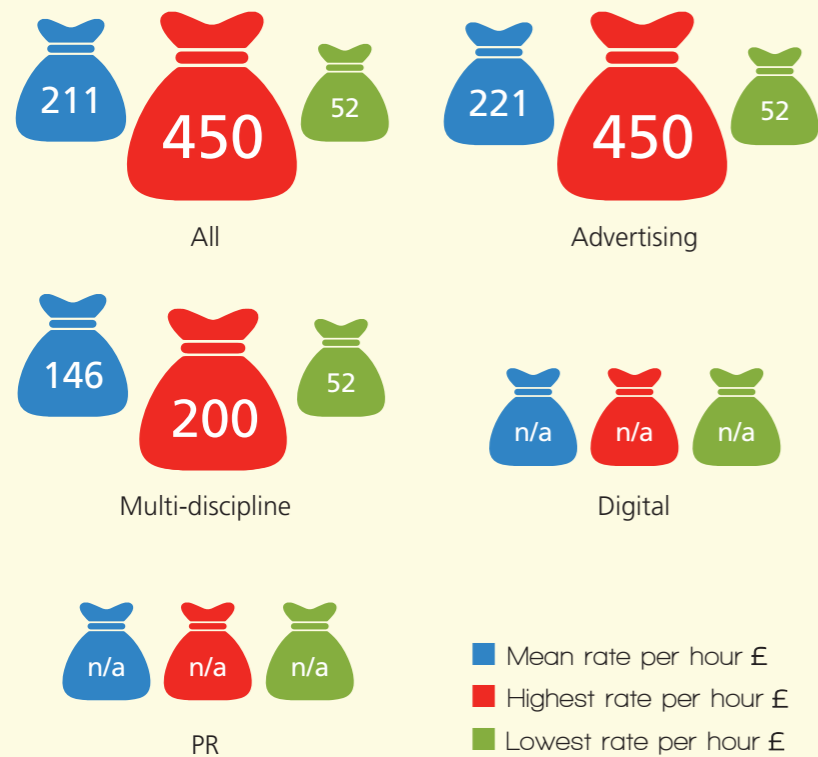
PRODUCTION AND CREATIVE SERVICES: TV



TECHNOLOGY FRONT END

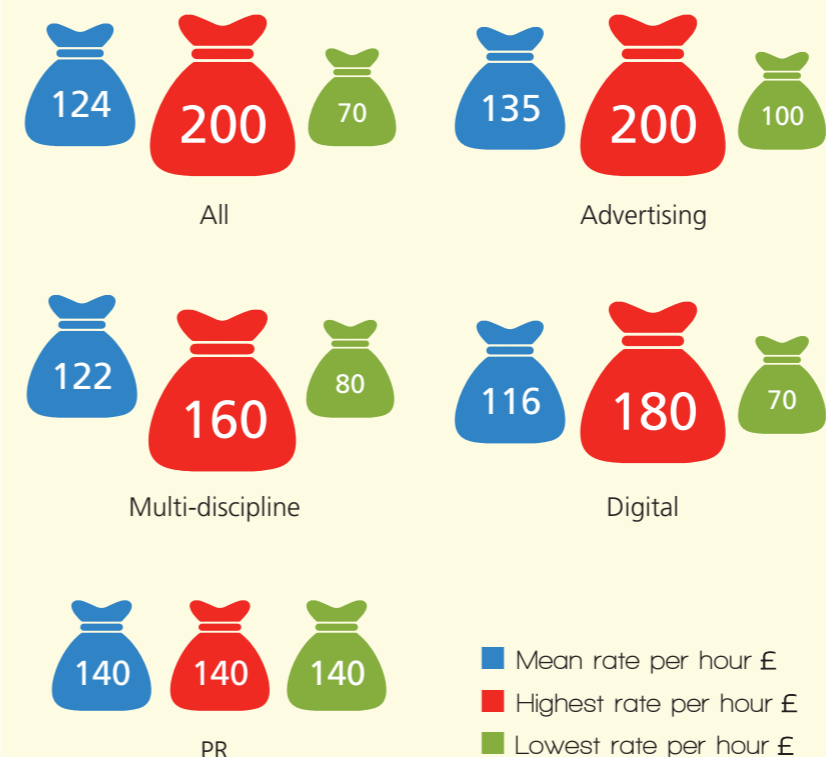


HEAD OF TV DEPARTMENT 2016 HOURLY RATES



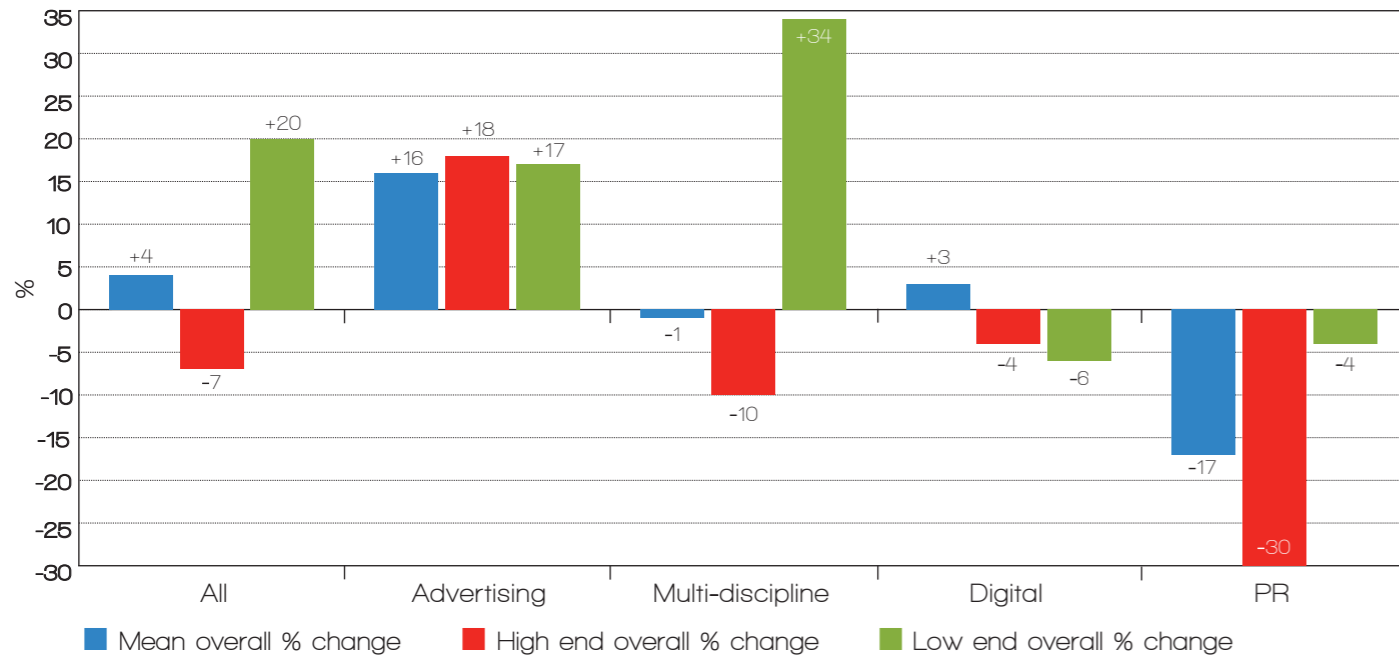
- In house TV production remains the domain of advertising and multi-discipline agencies (insufficient information was recorded from Digital and PR agencies).
- This specialist expertise commands close to the highest hourly rates charged by agencies across all service departments.
- Advertising agencies have increased their rates across the board whereas multi discipline agencies have reduced their mean (-18%) and high-end rates (-25%), the only evidence of an increase is at the low end (+14%).

SENIOR FRONT END TECHNOLOGY 2016 HOURLY RATES

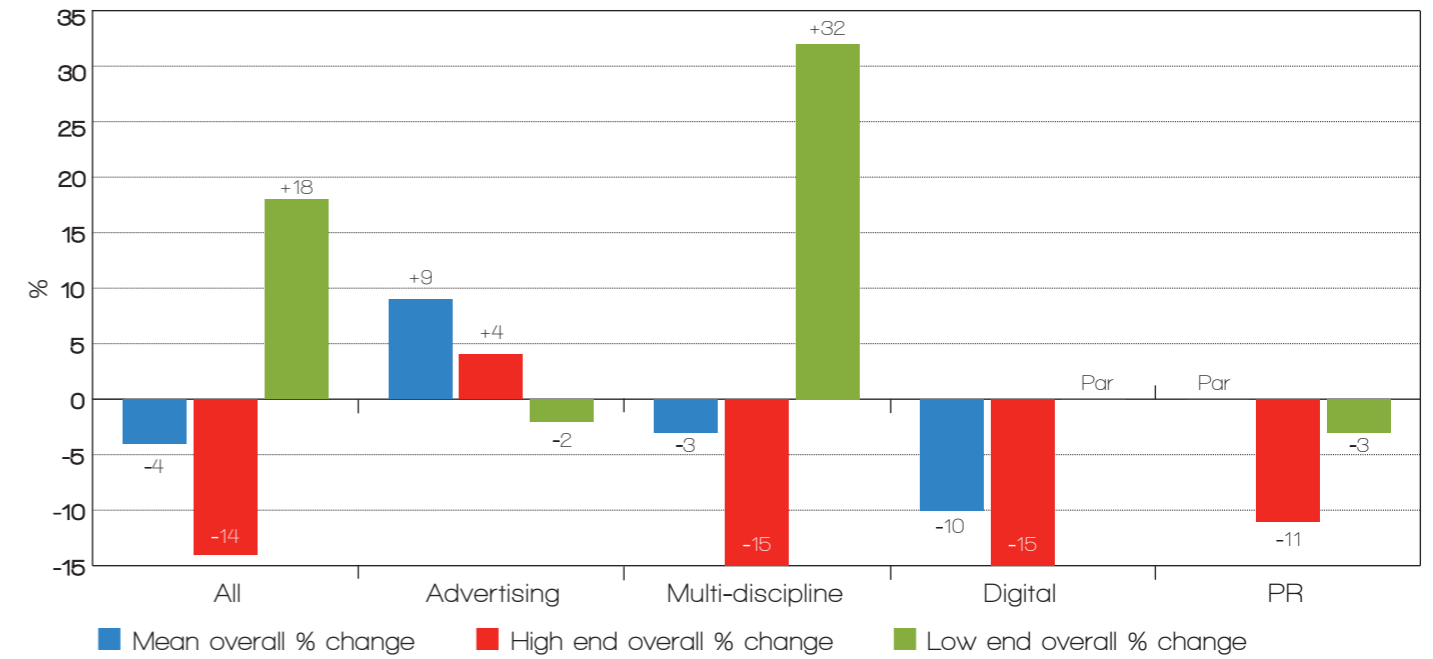


- Advertising agencies have increased their charge-out rates for Front End Technologists whereas by comparison PR agencies have significantly reduced theirs, perhaps reflecting that this is not a core agency skill.
- It also worth noting that advertising agencies charge the highest hourly rates for a senior front end technologist which may be due to this sector's overall higher cost base.

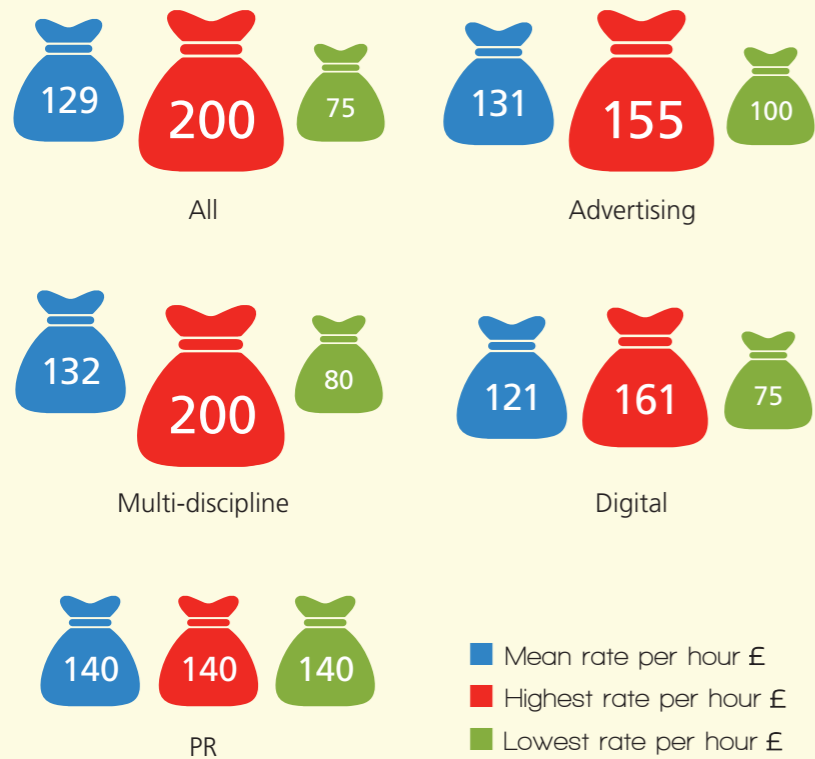
TECHNOLOGY INFORMATION ARCHITECTURE



SOCIAL MEDIA COMMUNITY MANAGEMENT AND MODERATION

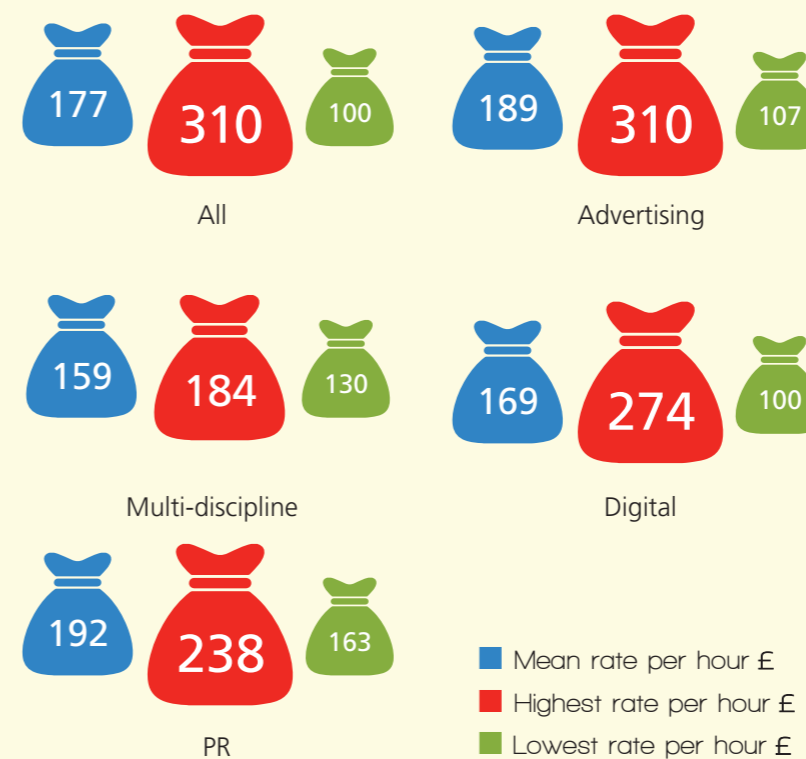


SENIOR INFORMATION ARCHITECTURE 2016 HOURLY RATES



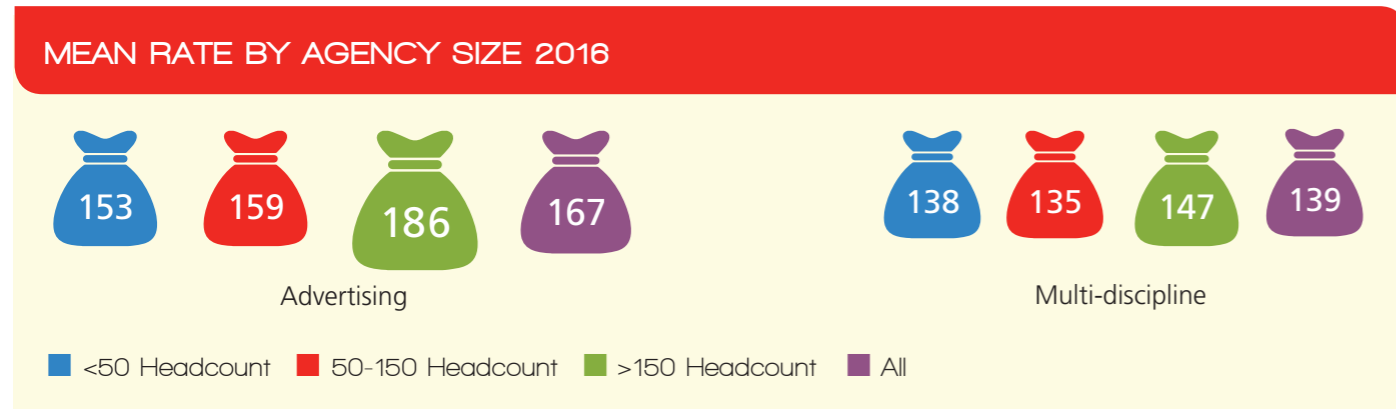
- The overall message is that agencies are charging more for their IA technology talent compared to when the survey was last undertaken two years ago. The exception being PR agencies, which, as with other services and disciplines have reduced their hourly rates.
- Across the different agency types, mean rates are broadly similar.

HEAD OF DEPARTMENT SOCIAL MEDIA COMMUNITY MANAGEMENT AND MODERATION 2016 HOURLY RATES

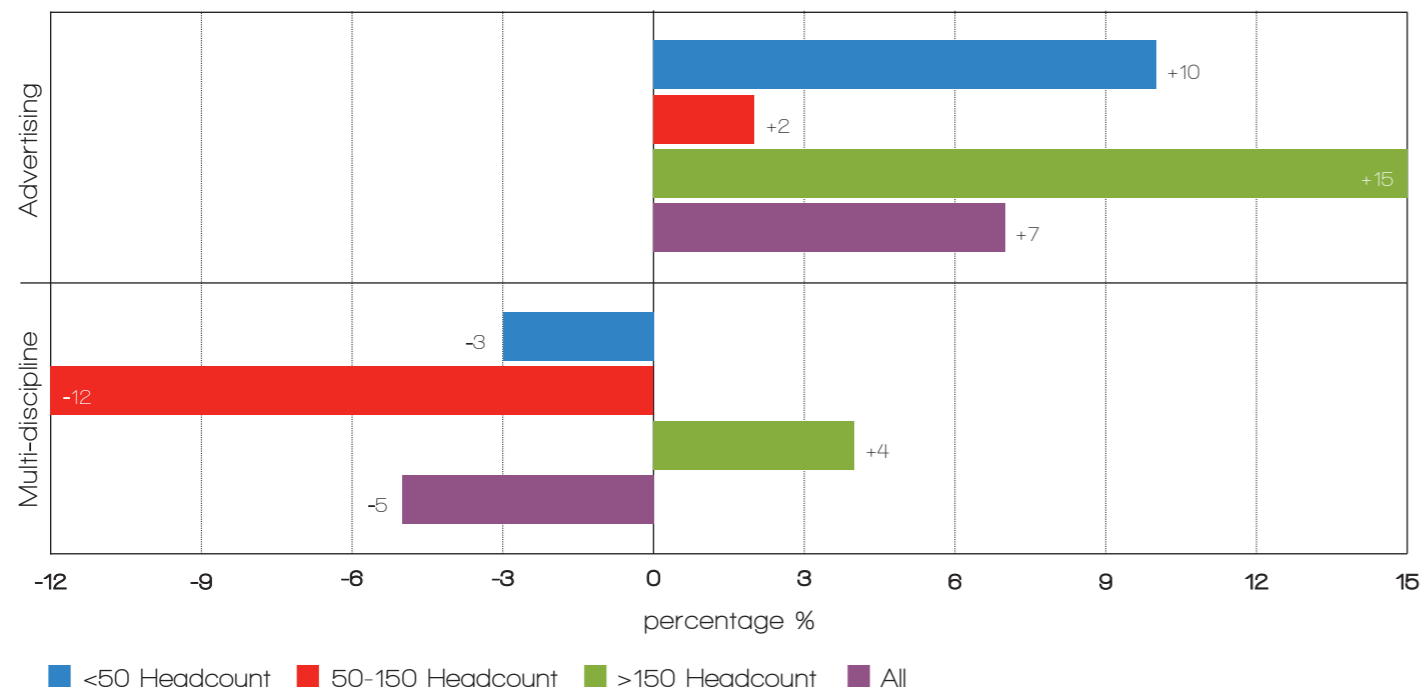


- Changes to overall rates for social media, community management and moderation are most significant at the low end (+18% overall and +32% amongst multi-discipline agencies).
- By contrast the biggest fall in hourly rates is amongst high end staff in the multi-discipline, digital and PR sectors.

Summary of mean rates by agency size for 2016 and 2014 variance

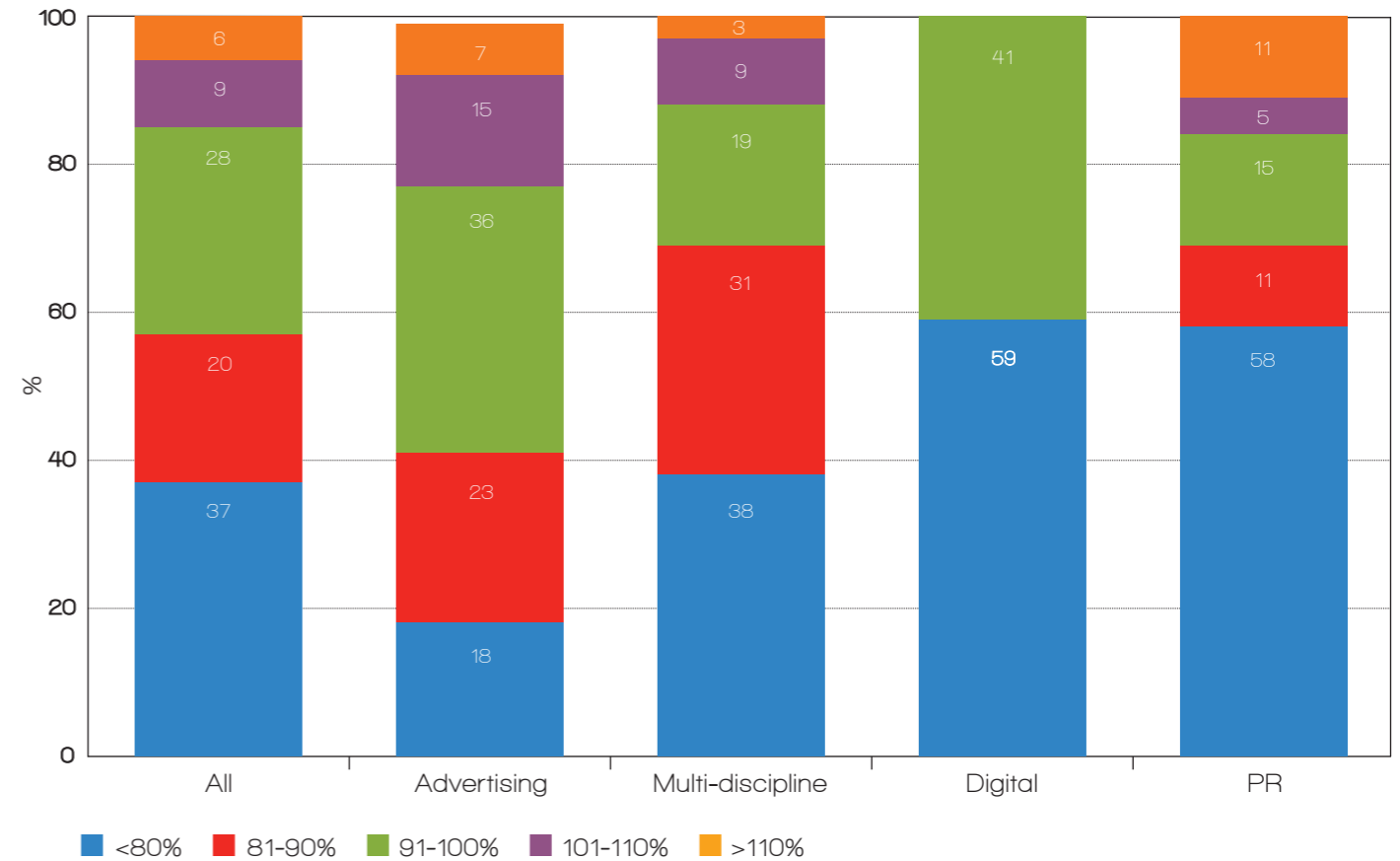


MEAN RATE BY AGENCY SIZE, VARIANCE 2016 V 2014



Figures for PR and Digital agencies not included as sample sizes not robust

ALL AGENCIES OVERHEAD RECOVERY RATE



- The majority of agencies have Overhead Recovery Rates that are less than 100% and almost two thirds of PR and Digital agencies charge less than 80%.
- Only 15% of all agencies charge their ORR at more than 100%, with 11% of PR agencies and 7% of advertising agencies charging more than 110%.

Performance related pay

By Vicky Gillan

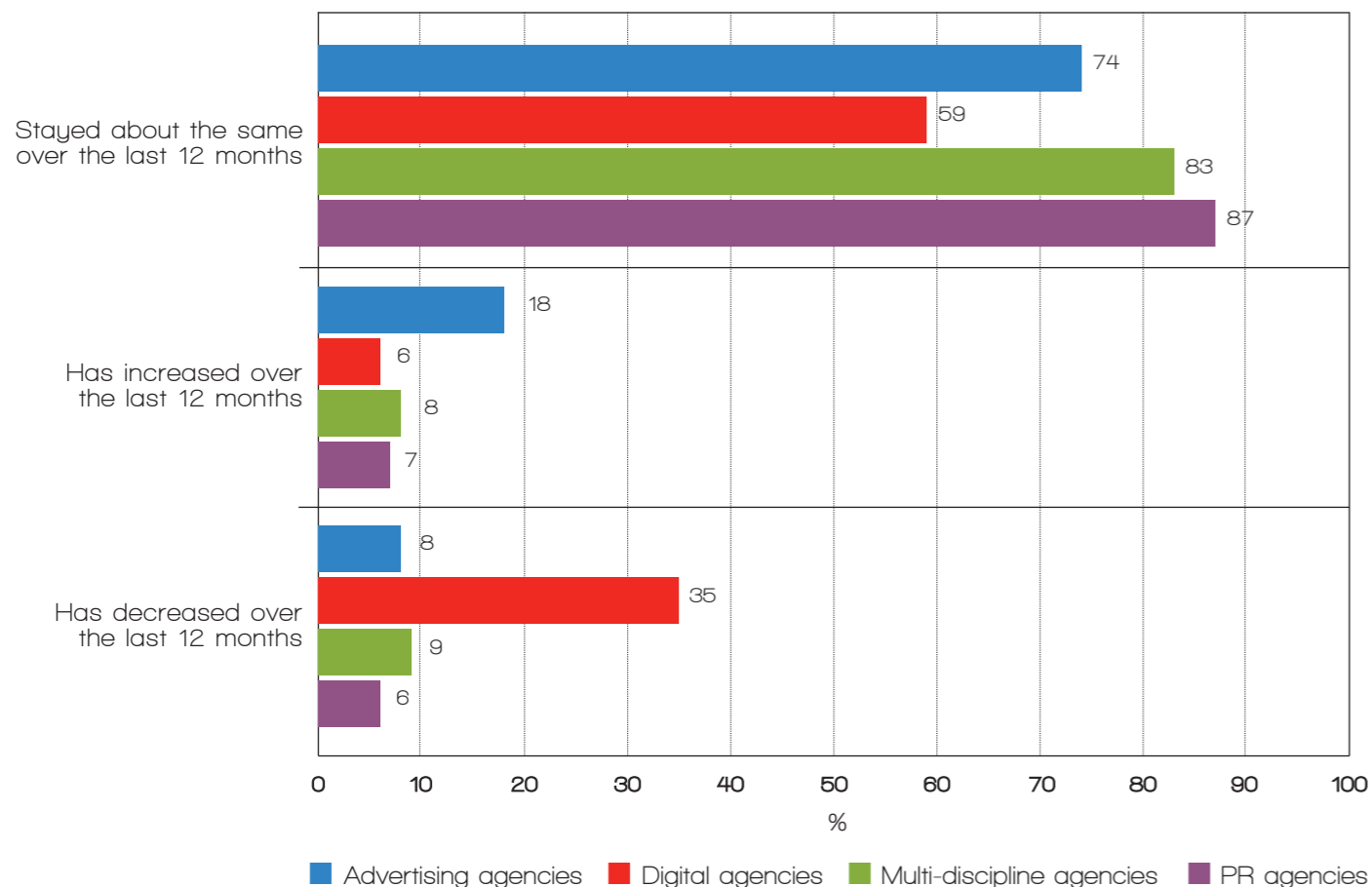
■ Our survey found that advertising agencies, closely followed by multi-discipline agencies, are most likely to have an element of Performance Related Pay (PRP) within their remuneration arrangements.

■ Only 23% of advertising agencies and 38% of multi-discipline agencies said they had clients without a PRP agreement in place. The opposite is true for digital and PR agencies,

who reported they didn't have commercial agreements with an element of PRP in place for 71% and 67% of their clients respectively.

■ When considering trends over the last 12 months, our survey found that advertising agencies have seen the biggest increase in the number of commercial arrangements that do include an element of PRP, with digital agencies seeing the largest decrease.

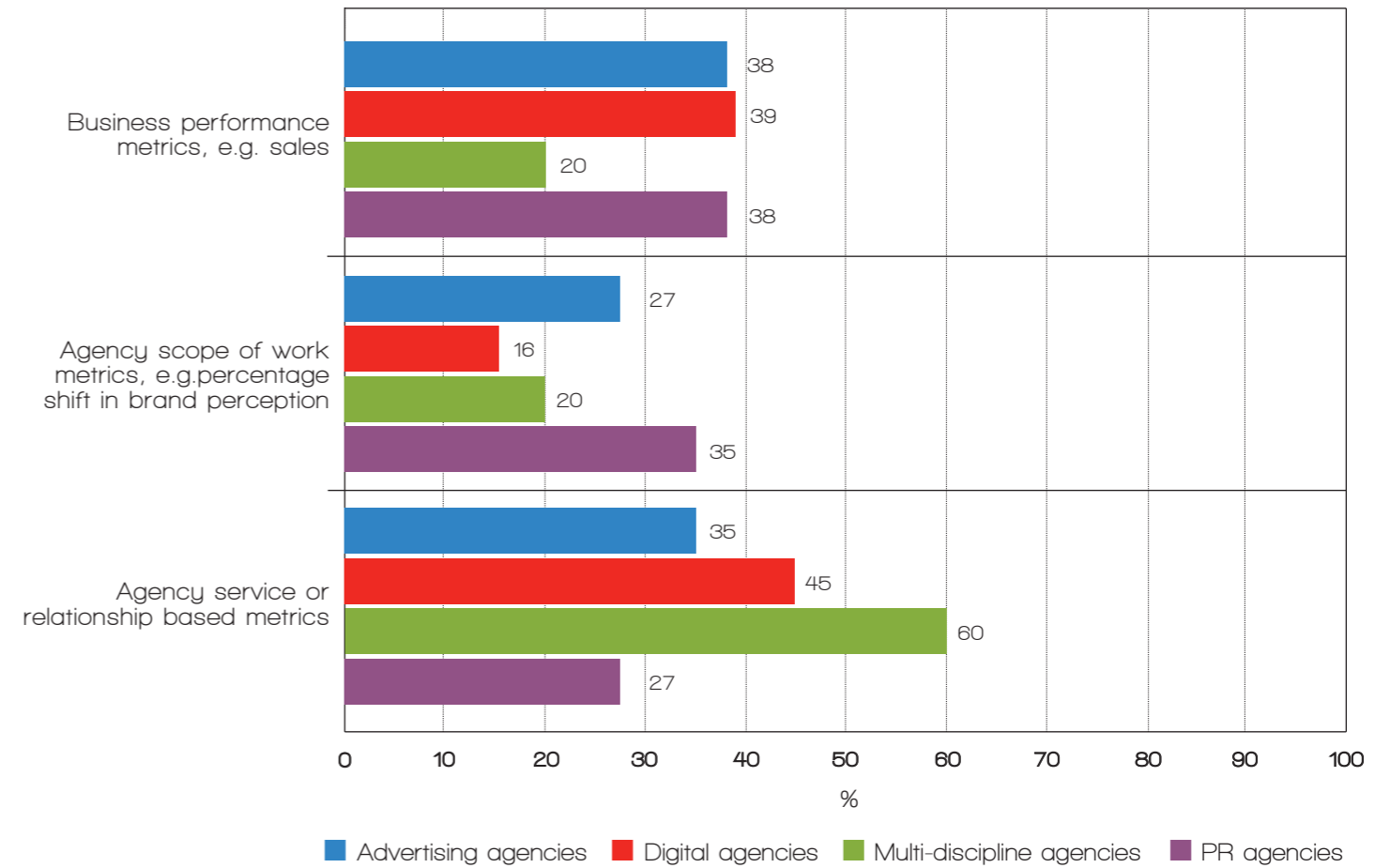
IN TERMS OF THE NUMBER OF COMMERCIAL ARRANGEMENTS THAT INCLUDE AN ELEMENT OF PERFORMANCE RELATED PAY (PRP) WOULD YOU SAY THAT:



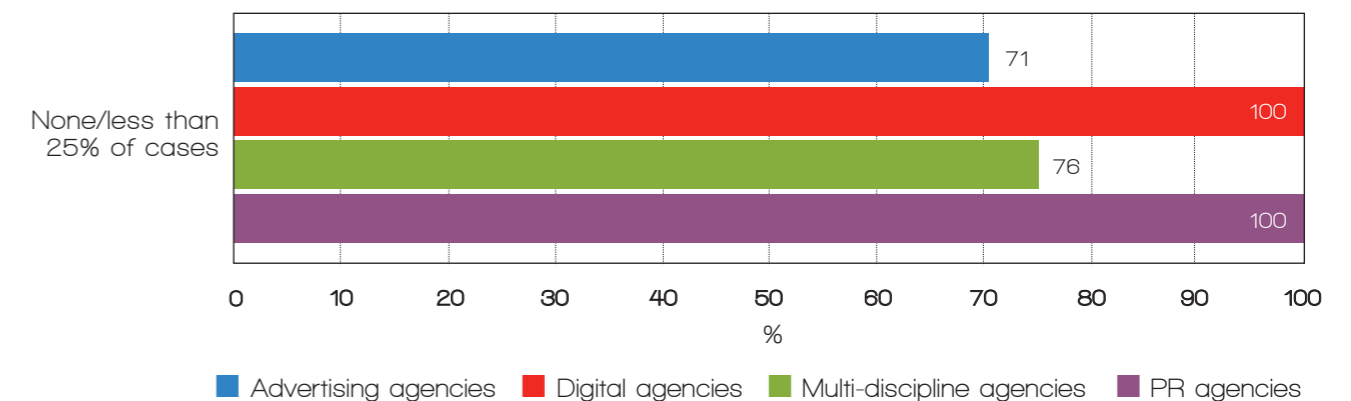
■ The opportunity to build in a PRP element has always had its complications and raised numerous debates about measurement, attribution and establishing what the right base and uplifts should be.

■ Of those agencies with an agreement in place, most are a mix of business performance, agency scope of work, agency service or relationship based metrics. Although, as you can see, the mix varies across the agency groups.

TYPICALLY, HOW ARE YOUR PRP AGREEMENTS SPLIT BY % FOR AGREEMENTS THE AGENCY HAS IN PLACE?



IN YOUR EXPERIENCE, WHAT % OF PRP AGREEMENTS HAVE DELIVERED ADDITIONAL INCOME TO THE AGENCY?



■ Most interesting is what percentage pay out. Our survey found that where a PRP agreement is in place, the scheme only delivered additional revenue in less than 25% of cases and often not at all.



AAR HAVE AN UNCANNY ABILITY TO SEE BEYOND THE BRIEF; THEY DELIVERED NOT ONLY THE CONSULTANCY WE WANTED BUT ALSO THE CONSULTANCY WE NEEDED. I WOULD HAVE NO HESITATION IN RECOMMENDING AAR FOR ALL CONSULTANCY PROJECTS THAT REQUIRE A HIGH CALIBRE OF PERCEPTION AND PERSPECTIVE. THEY WERE AN ABSOLUTE PLEASURE TO WORK WITH.

BBC

Senior client and agency leaders research 2016

By Kerry Glazer and Vicky Gillan



Increasing competition and the need to respond with more ideas and innovation are the key challenges currently facing marketers.

MARKETERS LOOK

TO AGENCIES FOR IDEAS

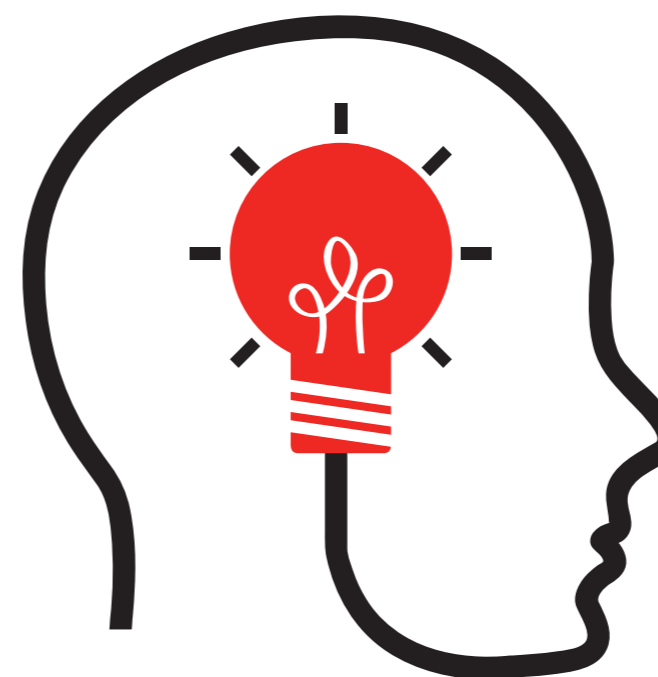
TO BEAT INCREASING

COMPETITION.

Every two years, AAR undertakes research among senior marketers and agency leaders to examine the issues and trends in our industry, focusing on key aspects of client/agency relationships. Our 2016 AAR Senior Client and Agency Leaders Research uncovered a wealth of insights, not least the changes to how both sides see the challenges they face.

The other key themes that we pulled out of this year's research were:

- What marketers and agencies want more of from each other
- What stops agencies getting work right first time
- How collaboration could be improved
- What factors cause tension between marketers and their agencies
- What the main reasons are for the breakdown of client/agency relationships
- How both sides see the pitch process
- Attitudes to procurement ▶



WHAT MARKETERS AND AGENCY HEADS WORRY ABOUT

In the two years since our last research, the list of the top ten challenges facing marketers has changed significantly. Increasing competition still tops the list, but the need for ideas and innovation has risen above the need to understand customer requirements and problems with budgets.

By contrast, agencies seem to be worrying less about competition than they were two years ago. Their current main concerns are recruitment and retention of staff, pressure on profit margins and rising operational costs, and the lack of new business. It's interesting to note that agencies' concerns are more inward-looking than those of marketers. Increasing competition, the number one worry for marketers, now only makes number ten on the agencies' list.

SENIOR CLIENT TOP 10 RESPONSE



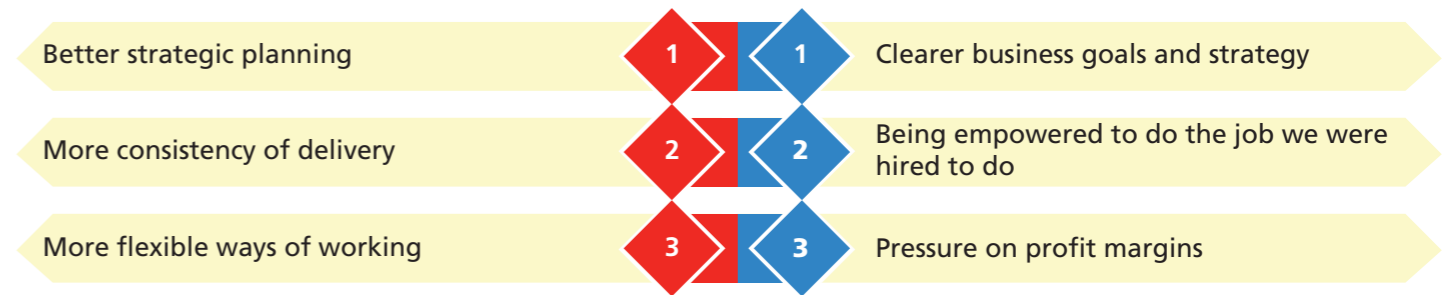
SENIOR AGENCY LEADERS TOP 10 RESPONSE



We also asked both marketers and agencies what was on their wish-lists; what one thing they'd like more of from the other side of the partnership. Strikingly, strategy came top of both lists. The biggest thing clients want from their agency - by a large margin - is better strategic planning. They also mentioned more consistency of delivery across their roster, more flexible ways of working and - echoing the response to the question about challenges - they wanted more innovation and ideas.

Meanwhile agencies said they wanted clearer business goals and strategy from their clients, clearer written briefs on projects, and to be empowered to do the job they were hired to do. They would also like their clients to be more open-minded about new ideas and recommendations, suggesting the question of innovation is more complex than it might at first appear.

SENIOR CLIENTS WISH LIST AGENCY LEADERS WISH LIST

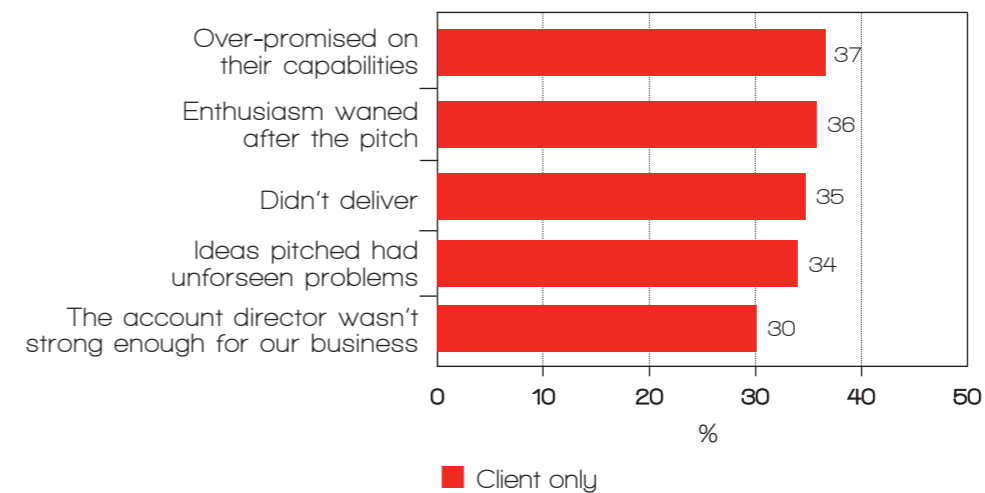


Another view of the problem emerged when 80% of clients either agreed or strongly agreed with the statement "Everyone is interested in emerging technologies, but few can explain how to implement the right ones into client solutions/businesses." Interestingly, 79% of agencies felt the same way.

BARRIERS TO GETTING IT RIGHT FIRST TIME

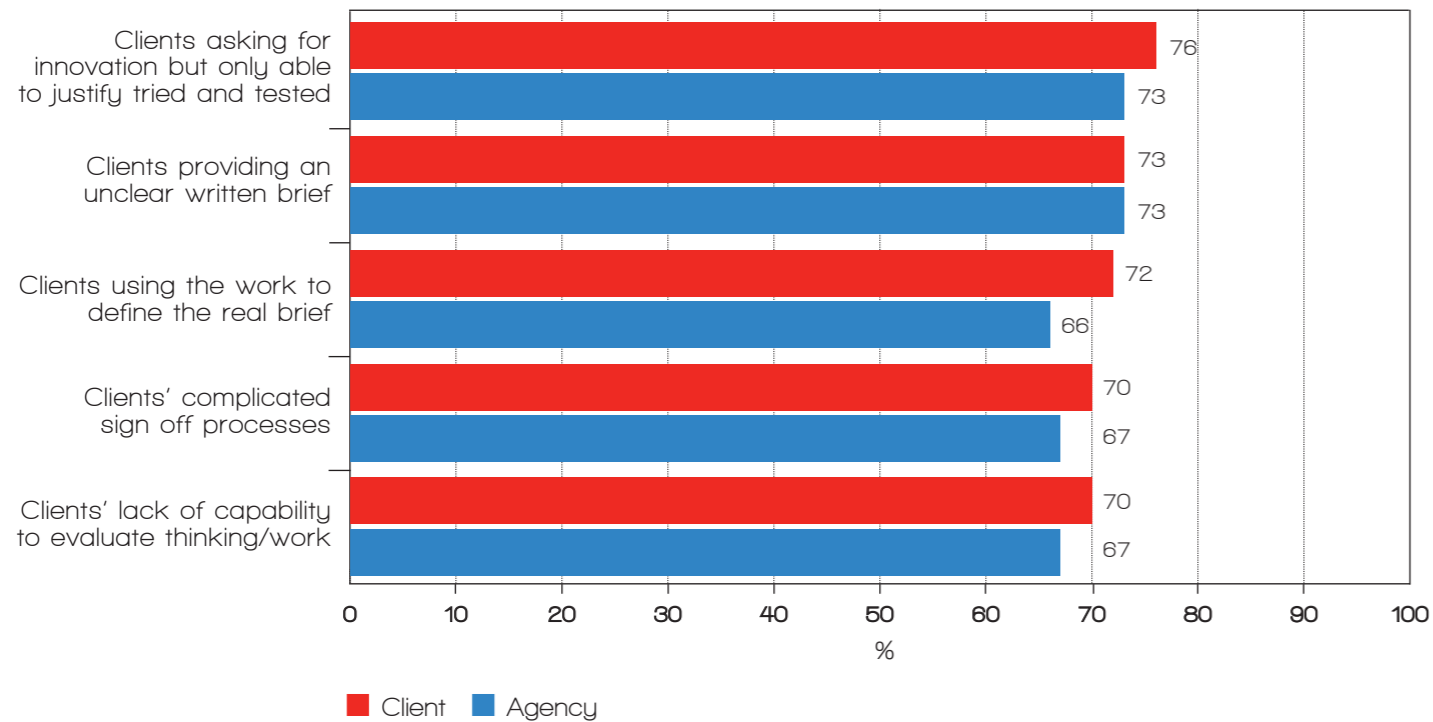
Issues on both the client and agency sides play a role when the work isn't "right first time", and many of these can be traced back to unfulfilled expectations or poor communications.

Two-thirds of clients reported they'd been disappointed by their agency post-pitch. The main reasons were the agency over-promised on their capabilities, their enthusiasm waned after the pitch, the ideas they pitched ran into unforeseeable problems, or they simply didn't deliver.



TWO-THIRDS OF CLIENTS REPORTED THEY'D BEEN DISAPPOINTED BY THEIR AGENCY POST-PITCH.

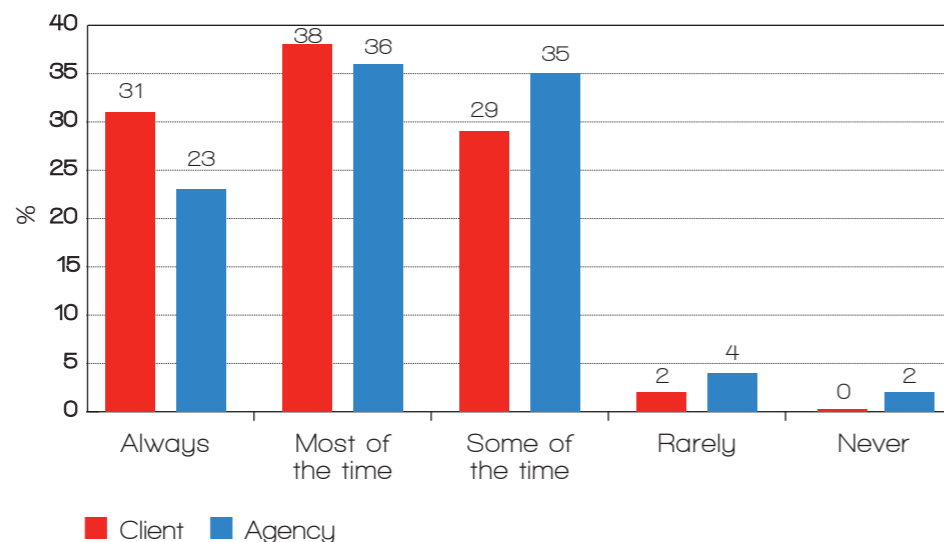
But there was also acknowledgement among marketers that their behaviour can create problems. Three-quarters of clients admitted that asking for innovation when they could only justify the tried and tested prevented the work being "right first time". And the briefing problem highlighted on the agencies' wish-list also cropped up here, with clients agreeing that providing an unclear written brief or using the work to define the real brief also made things difficult for agencies.



85% OF MARKETERS AND 77% OF AGENCIES AGREED THAT "COLLABORATION IS AT ITS BEST WHEN CLIENTS ACTIVELY TAKE RESPONSIBILITY TO SET AND MANAGE EXPECTATIONS."

One of the questions we introduced this year was what could be done to improve collaboration between clients and agencies. What came through very clearly was that both sides feel it's the client's job to take charge; 85% of marketers and 77% of agencies agreed that "collaboration is at its best when clients actively take responsibility to set and manage expectations internally and with their agencies."

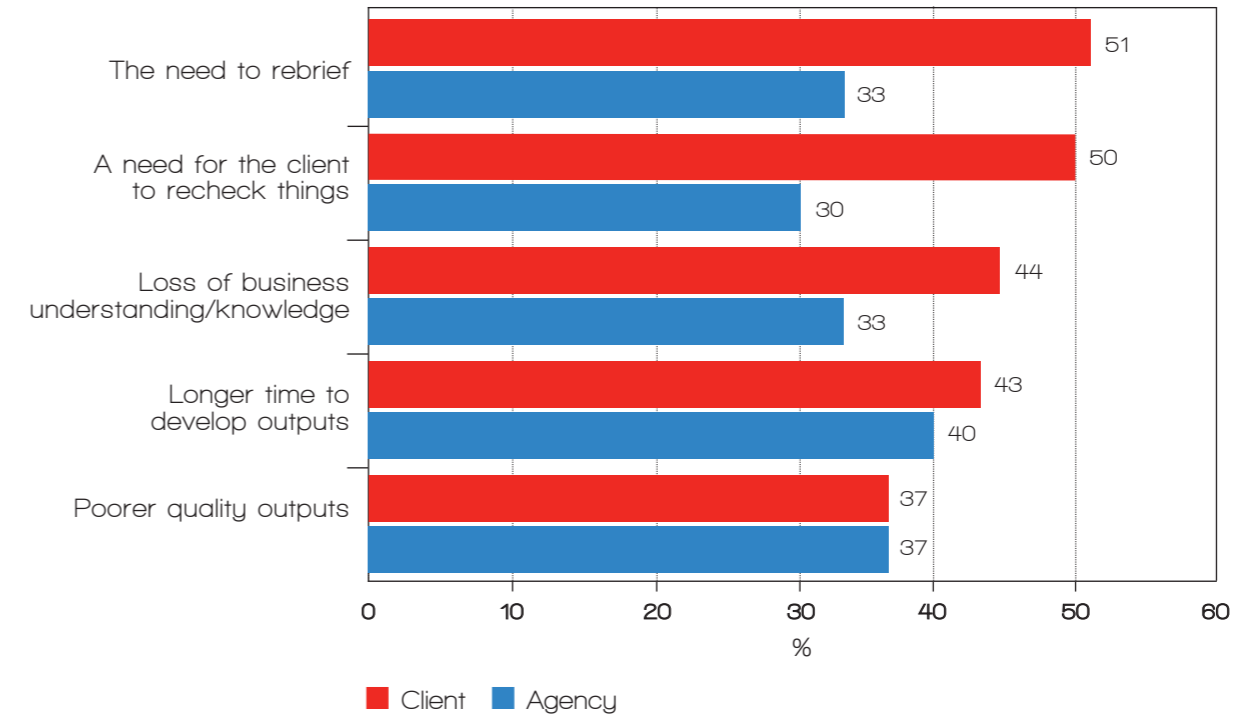
But when we followed this up by asking those who agreed how often it happens within their organisation, the results were slightly disappointing with only 31% of clients and 23% of agencies saying it always happens.



STABLE AGENCY TEAMS MATTER TO CLIENTS

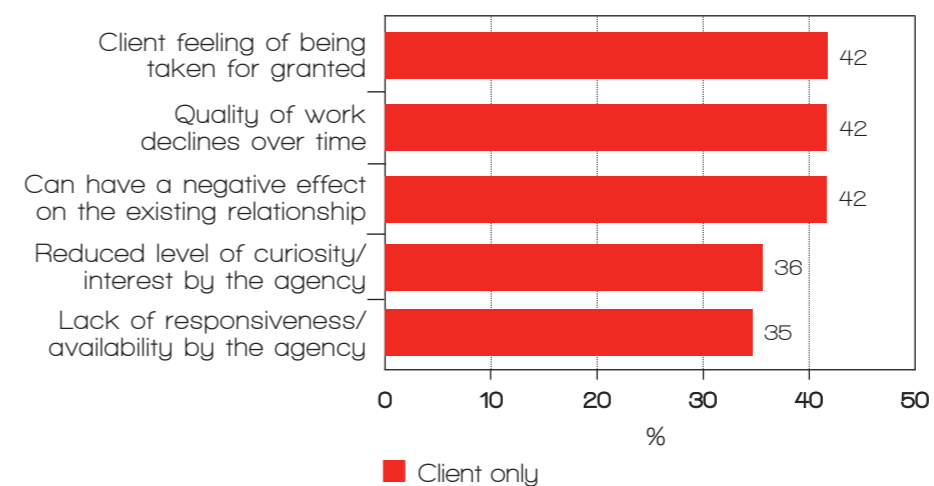
Another problem that both marketers and agencies agree prevents them working together more closely was agencies moving good people off clients' accounts at short notice. However, the small difference in attitudes - 66% of clients said this was a problem, compared to 61% of agencies - masked a bigger issue.

When we asked what the impact was of agencies moving good people, we found that clients were far more worried about the need to re-brief, the need for them to re-check things, and the loss of business understanding than agencies were.



DON'T TAKE ME FOR GRANTED

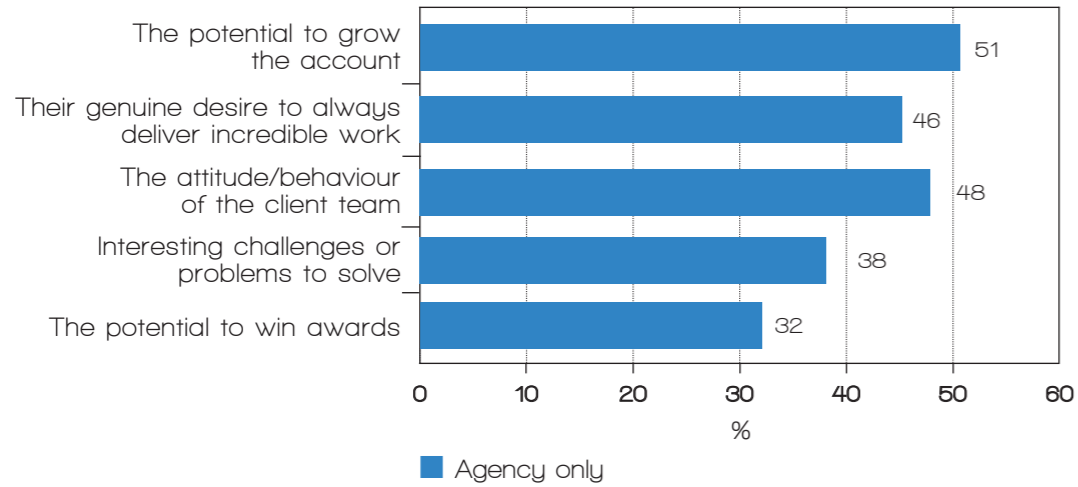
Clients' concerns about losing good people from their account also surfaced in their response to our question about improving the working relationship. 76% of marketers agreed that "agencies appear to value new business wins more than existing relationships", with 61% of agencies agreeing too. A third of marketers who saw this as a problem reported increased churn in the agency team, and a drop in both interest and responsiveness from the agency. Clients also felt taken for granted and saw a decline in the quality of the work, with a resulting negative impact on their relationship with the agency.



The flip side of this is what motivates agencies to go the extra mile for a client. According to half the agencies we spoke to, the main drivers are the desire to grow the account, and their desire to always deliver incredible work. The strength of the relationship with the client, manifested in the attitude and behaviour of the client team, was another key factor.

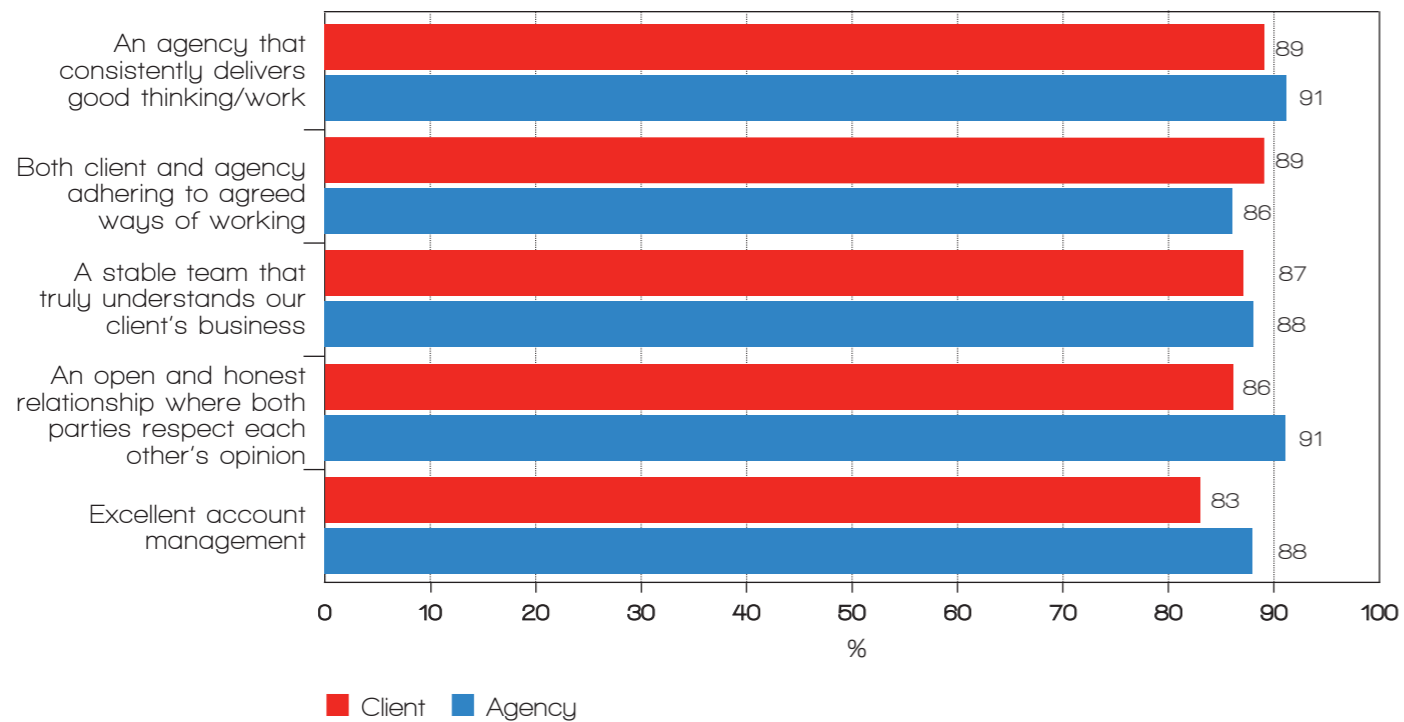


ATTITUDE AND BEHAVIOUR OF THE CLIENT TEAM A KEY DRIVER IN MOTIVATING AGENCIES.

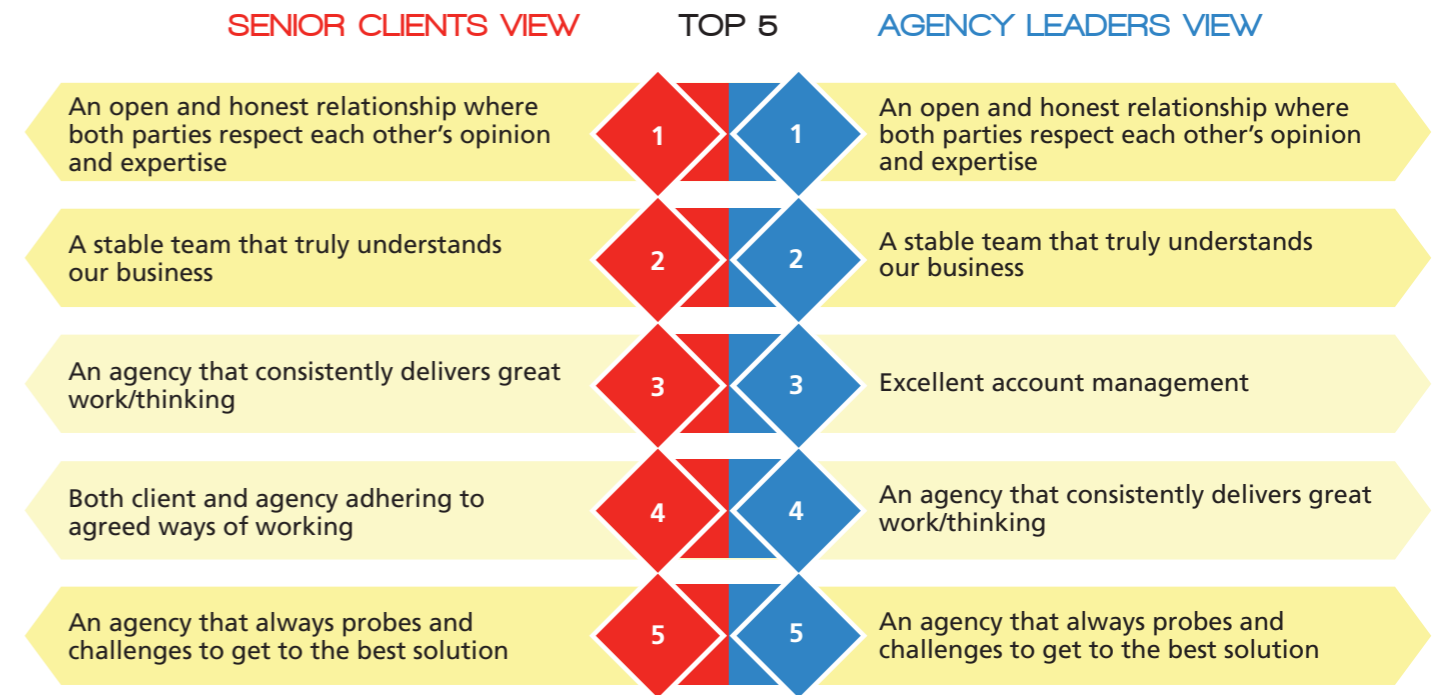


KEYS TO A GREAT RELATIONSHIP

So what makes a great client/agency relationship? We found general agreement between marketers and agencies here on a spread of reasons including the stability mentioned earlier: consistency, flexibility, openness and honesty and, of course, high-quality work.

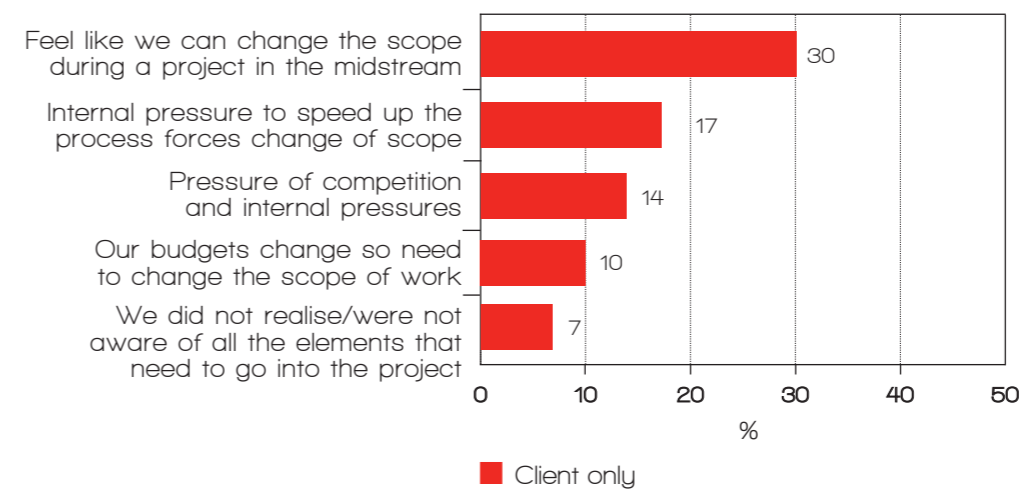


Looking slightly deeper, when we asked what the single most important factor was, we found that marketers and agencies mostly agreed on the top two answers. Opinion then divided on the third. For clients, it was an agency that consistently delivers good thinking and work, while for agencies it was excellent account management.



The problem of clients sticking to agreed working processes did crop up when we asked what could be done to help the working relationship. The fact that 62% of clients and 55% of agencies agreed this is getting worse highlighted a live issue, so we dug a little deeper.

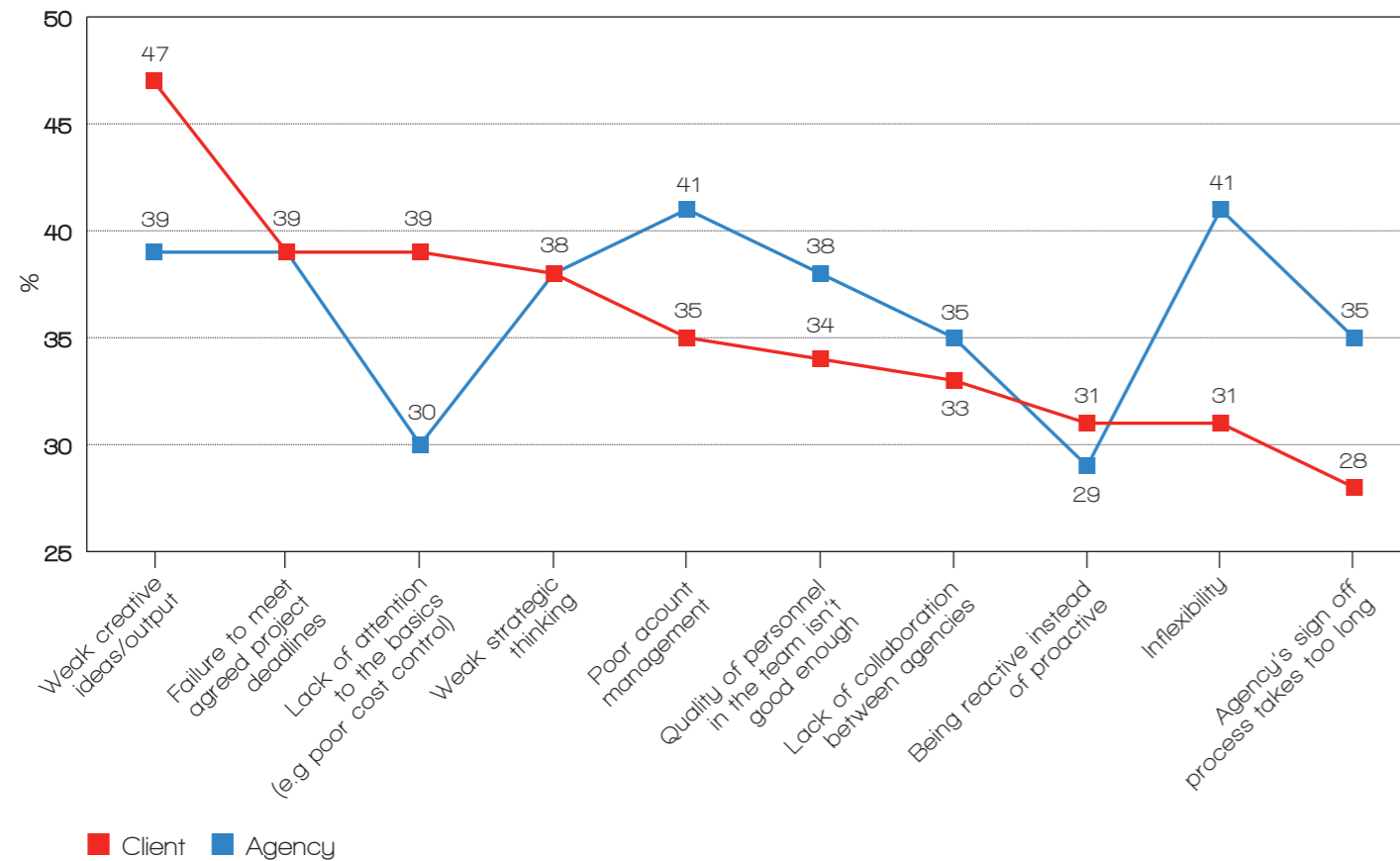
We asked clients why they were departing from agreed decision-making processes more often. The main reason, cited by a third of them, was simply that they felt they could. Others mentioned internal pressures to speed things up, or external pressures from competition or economic conditions.



62% OF CLIENTS AND 55% OF AGENCIES AGREED THAT STICKING TO AGREED WORKING PROCESSES IS GETTING WORSE.

RELATIONSHIP PROBLEMS

We also looked at client/agency relationships from the other direction; what makes them go wrong. We asked what undermines the relationship, and what the ultimate reasons for the breakdown of the relationship were.



We found that marketers were most bothered by weak ideas and output - which is in line with one of their main challenges being generating ideas and innovation. They were also troubled by weak strategic thinking, and by management issues such as missed deadlines, poor cost control, and poor account management.

Agencies, on the other hand, felt inflexibility and poor account management were the biggest problems, followed by weak creative ideas and strategic thinking, missed deadlines, offering poor value-for-money, and not having a strong enough team.

When we dug deeper, this issue of the "quality of the team" turned out to be the number one deal-breaker for clients, very closely followed by "just didn't deliver" and "failure to meet agreed deliverables/KPI's". Agencies broadly agreed but considered "just didn't deliver strategically" more significant than output. They also flagged scope change as being of more significance than clients.

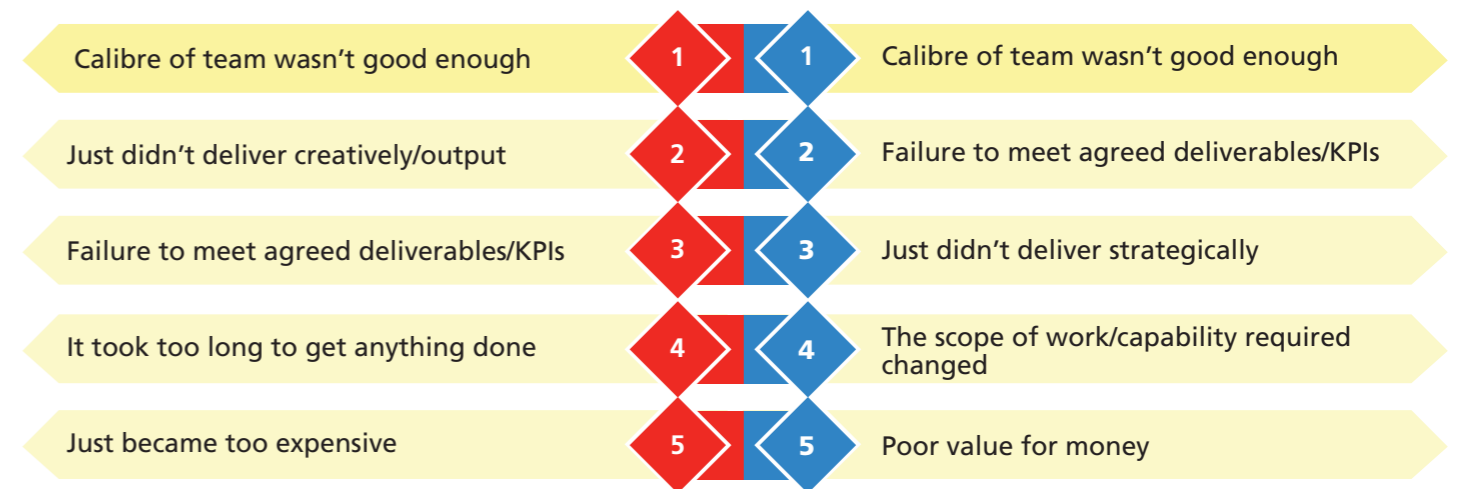


THE "QUALITY OF THE TEAM" IS THE NUMBER ONE DEAL-BREAKER FOR CLIENTS.

SENIOR CLIENTS VIEW

TOP 5

AGENCY LEADERS VIEW



THE TALKING CURE

Asking about areas of the working relationship that could be improved also highlighted a couple of further reasons why things go bad.

Three-quarters of clients and agencies agreed that conversations about issues, problems, and solutions don't happen as early as they should. The same proportion said those conversations don't happen as often as they should.

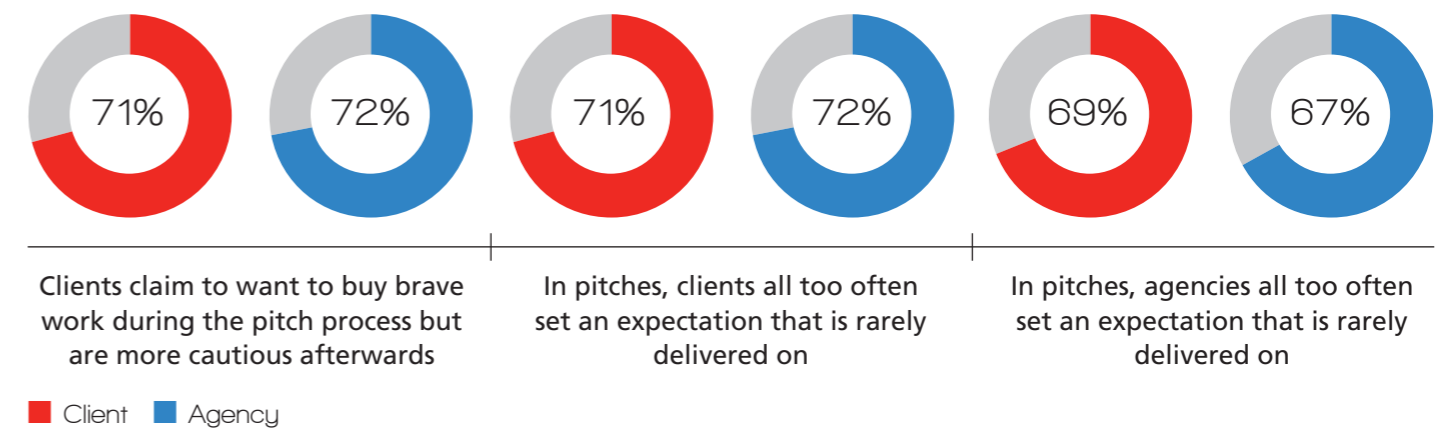
The fact that 75% of clients and 65% of agencies also agreed that excellent senior relationships can mask issues at junior/operational levels, offered a possible explanation for this; that senior management simply may not be aware of the problems gnawing at the client/agency relationship.



75% OF CLIENTS AND AGENCIES AGREED THAT CONVERSATIONS ABOUT ISSUES, PROBLEMS, AND SOLUTIONS DON'T HAPPEN AS EARLY AS THEY SHOULD.

GETTING IT RIGHT AT PITCH

Of course, one of the best ways to avoid problems later in a relationship is to start off in the right way, which for clients and agencies means at the pitch. According to our research, both clients and agencies are aware of the importance of setting realistic expectations - and they also acknowledge this doesn't always happen.



Interestingly, there is little disagreement that both sides could do better here. However, as noted earlier, both sides also agree that clients' bravery in pitches is often not matched by their behaviour afterwards for example sticking with agreed decision making processes.

PITCHING

Agencies compromise the pitch process in different ways. Half of our marketers reported agencies letting themselves down with poor presentations of ideas that were not properly thought through, while 44% mentioned poorly chosen pitch teams as a problem. We also heard about poor time management, and pitch teams that couldn't answer client questions, or didn't ask any questions of their own.



POST-PITCH DISAPPOINTMENT

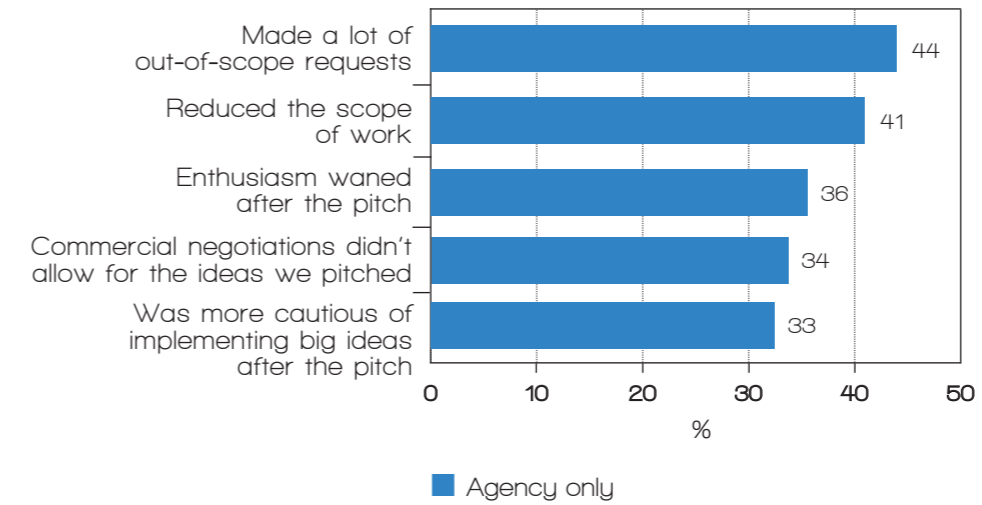
As noted earlier, two-thirds of marketers told us their agency had not lived up to expectations in the first six months after the pitch. Agencies over-promised on their capabilities, their enthusiasm waned, the ideas they pitched had unforeseeable problems, or they simply "didn't deliver".

Digging a little deeper into what "not delivering" meant, we found a combination of quality and financial issues. The top concern marketers reported was the agency's final output falling short of their expectations, followed by the agency's product differing from the client's expectations. Clients also cited higher prices for the agency's services, and the agency not delivering value for money.

CONSEQUENCES OF AGENCY NOT DELIVERING



We also asked agencies the same question as disappointments can be mutual. Lack of clarity about the scope of work, reduction in scope and budgets were the top answers. Interestingly, 26% of clients and 32% agencies commented about the senior team not being as involved as promised.



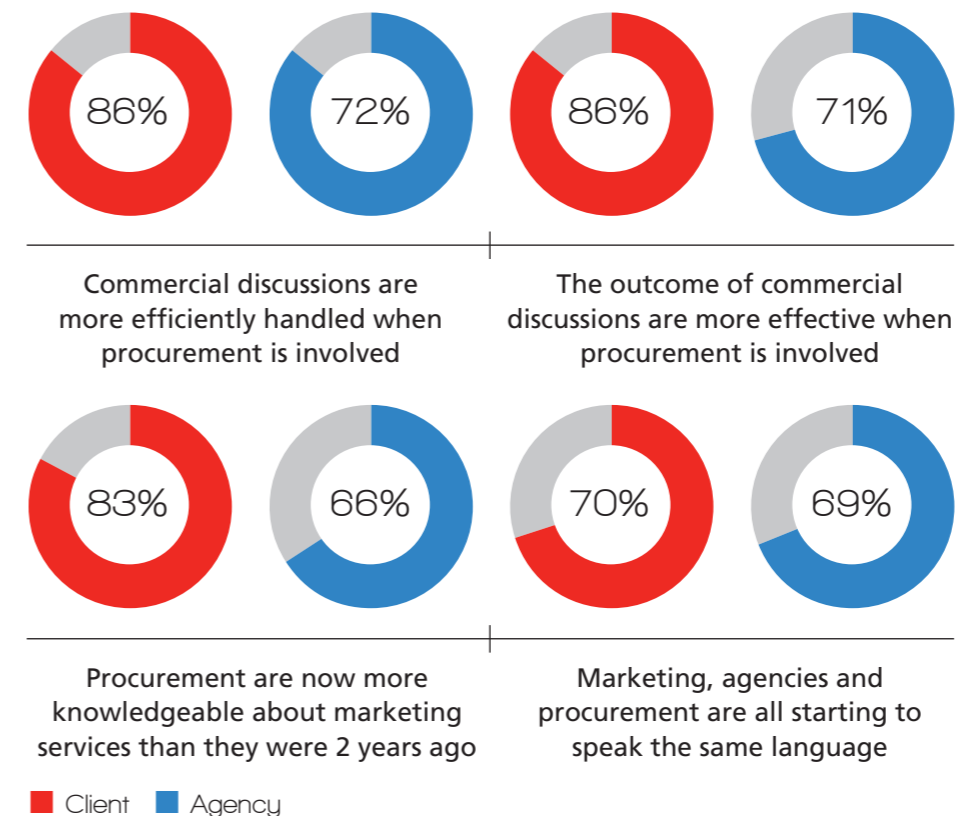
THE TOP CONCERN MARKETERS REPORTED WAS THE AGENCY'S FINAL OUTPUT FALLING SHORT OF THEIR EXPECTATIONS.

GREATER ACCEPTANCE OF PROCUREMENT

Of course, it was financial issues of this sort that led to the involvement of procurement departments in the pitch process, so we also asked about the perception of procurement's influence. We found some positive changes since our last survey, two years ago. Back then, 65% of clients and 63% of agencies agreed that marketing, agencies and procurement "just don't speak the same language"; this year 70% of clients and 69% of agencies feel the three are starting to do so.



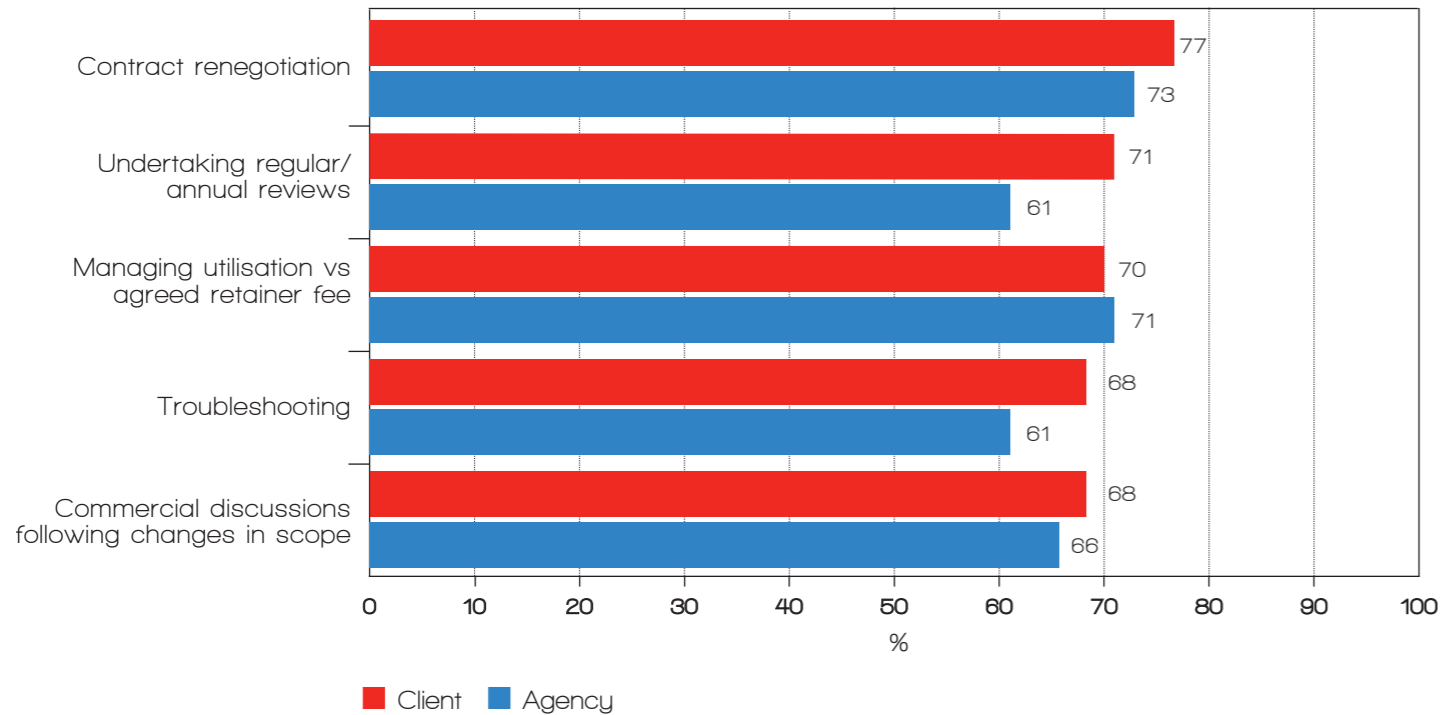
70% OF CLIENTS AND 69% OF AGENCIES AGREED THAT MARKETING, AGENCIES AND PROCUREMENT ARE ALL STARTING TO SPEAK THE SAME LANGUAGE NOW.



■ Client ■ Agency

What's more, the percentage of marketers agreeing that commercial discussions are handled more efficiently and deliver more effective outcomes when procurement is involved has jumped significantly from 72% in 2014 to 86% in 2016. For agencies though it's not quite so positive with the year on year score reducing from 78% in 2014 to 72%.

Perhaps this reflects our finding that procurement is now involved across far more touchpoints of the client/agency relationship, not just the pitch process.



WHAT NEXT
 We'll start our next Senior Client and Agency Leaders Research towards the end of next year. It'll be interesting to see how opinions change in the intervening period. ■

METHODOLOGY

Telephone and online interviews with over 200 senior industry figures were carried out by independent research company Coleman Parkes Associates in 2016.

On the client side the respondents' job titles were Chief Marketing Officer, Chief Technical Officer, VP of Marketing/Communications, Director Marketing/Communications, Head of Marketing, Head of Communications. They came from the financial services, telco/media/entertainment, energy, retail, transportation, automotive, hospitality and leisure, FMCG, and charity sectors.

Agency respondents' job titles were Chairman, CEO, COO, MD, President, Managing Partner, Vice President, Director and Group Head. They were drawn from integrated, advertising/creative, PR, media, digital, and direct/CRM agencies.

The research built on four previous AAR studies undertaken across the period 2008 to 2014, allowing us to identify and monitor industry trends.



AAR MANAGED OUR COMPLEX PITCH IN A HIGHLY EFFECTIVE AND PRODUCTIVE WAY. WE HAD MULTIPLE BRIEFS, CRITICAL ON AIR DEADLINES AND THE ADDED COMPLEXITY OF SHORT TERM MEDIA OPPORTUNITIES TO BE DELIVERED. THEY SMOOTHLY GUIDED US THROUGH THE PROCESS AND THANKS TO THEIR IN-DEPTH KNOWLEDGE AND EXPERTISE ENSURED WE ONLY SAW AGENCIES THAT WERE WELL ALIGNED TO US FROM THE START. IN THE END WE HAD ALMOST TOO MUCH RICH TALENT TO CHOOSE FROM.

ZOOPLA PROPERTY GROUP

The best of AAR Polls 2016

By Vicky Gillan and Katrina Law

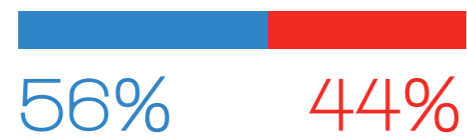
Over the last 12 months, we've been asking clients and agencies their views on various topics via a monthly website poll. Some were designed to gain a wider view on themes emerging from our 2016 Senior Client and Agency Leaders research, while others were linked to areas where we thought a mutual view was worth exploring.

The results certainly gave food for thought, given the continued focus on effectiveness and efficiency as we push into 2017. From our point of view, the results signalled that open and timely discussions, whether debating new business or driving value from long standing relationships, are critical. Unlocking assumptions, clearly articulating expectations and agreeing specific deliverables (including milestones), while not an easy process, always pays back.

JANUARY:

Two thirds of senior clients have been disappointed with their new agency in the first six months of working together. Do expectations of what can feasibly be delivered in that time frame need fuller discussion at pitch?

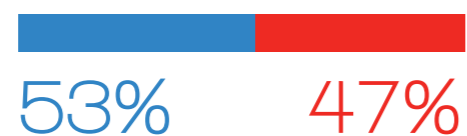
RESULTS



FEBRUARY:

Our recent opinion research showed that 80% of senior clients and 70% of agency leaders think the outcome of commercial discussions is more effective when procurement is involved. Do you agree?

RESULTS



MARCH:

Truly integrated marketing will always be limited whilst clients remain structured in silos. Do you agree?

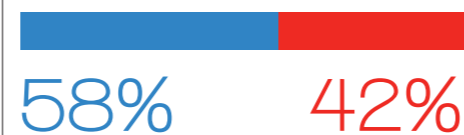
RESULTS



APRIL:

72% of agency leaders believe clients want to buy brave work during the pitch process but are more cautious afterwards. Is this your experience?

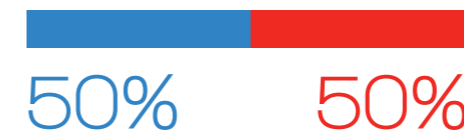
RESULTS



MAY:

Clients are challenging agencies to deliver faster, cheaper AND better. Is this now possible in today's always on world?

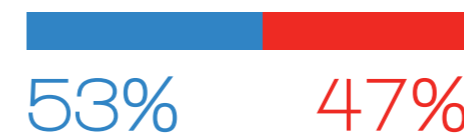
RESULTS



JUNE:

More than three quarters of the senior clients we talked to in our recent survey agreed that marketers ask for innovation but are only able to justify the tried and tested. Is this true in your experience?

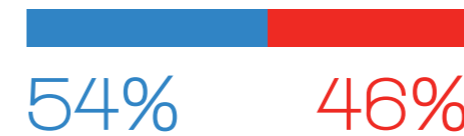
RESULTS



JULY:

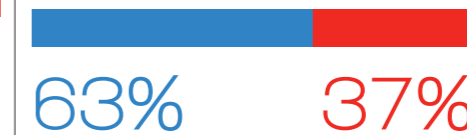
At the turn of the year, 90% of senior clients questioned in our opinion research planned to increase or maintain their marketing budgets for 2016. Given the Brexit decision, in your experience, is this still the case?

RESULTS



More than three quarters of the senior clients we spoke to in our recent survey said that agencies appear to value new business wins more than existing relationships. Do you agree?

RESULTS



AUGUST:

The senior clients and agency leaders we spoke to in our recent survey were united in their view that proper, grown up conversations about issues, problems and solutions don't happen as early as they should between clients and agencies. Is this your experience too?

RESULTS



SEPTEMBER:

83% of senior marketers we recently surveyed told us that recruiting good people with the right skills and attitude is becoming harder. Do you agree with them?

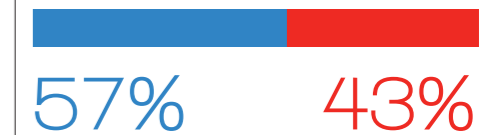
RESULTS



OCTOBER:

Can excellent relationships at a senior level between clients and agencies mask client dissatisfaction or issues at more junior levels? 75% of senior marketers think this is the case. Do you agree?

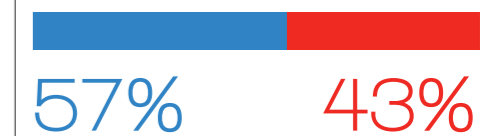
RESULTS



NOVEMBER:

Two thirds of the senior marketers that we surveyed in our latest research believe that replacing agency account management teams with project management teams is not in their best interests. Do you agree with them?

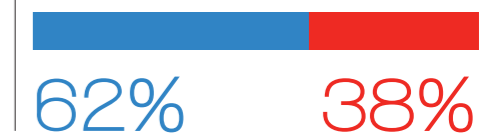
RESULTS



DECEMBER:

Our latest opinion research amongst 100 CMO's and 100 agency leaders showed them ranking "an agency that consistently delivers good thinking as the most important ingredient of a long-lasting relationship". Do you agree?

RESULTS



KEY:

■ YES ■ NO



OUR TRUSTEES DEMANDED A ROBUST PROCESS WHEN APPOINTING AN AGENCY TO HANDLE OUR BRAND ADVERTISING. AAR HANDLED EVERYTHING FROM INITIAL AGENCY SEARCH TO FINAL PRESENTATIONS. THE PROCESS WAS WELL ORGANISED AND STRESS FREE AND WE WERE ABLE TO APPOINT THE AGENCY WITH THE FULL BACKING OF BOTH OUR EXECUTIVE AND TRUSTEE BOARD.

ALZHEIMER'S SOCIETY

AAR

perspectives

A risk-free trip into the future of digital

By Robin Charney

How do marketers explore and keep pace with the onslaught of new channels, ways to reach consumers and marketing opportunities they are constantly being presented with? If you read the press, you need strategies for content, VR, IoT, customer experience and bots for starters this year alone!

But diving right in without exploring the market fully can be a costly mistake. To help navigate “the new”, I run quite a few of what I like to call Digital Safaris, where I take clients to meet up-and-coming agencies working in emerging areas or approaching marketing challenges in new ways.

Clients like the approach for a number of reasons. It gives them a perspective on agencies and channels they might lack knowledge of. It gives them time to think about how they might go about working with someone new. And it lets them do this without having to worry about getting 50 phone calls the following week from the agencies chasing work. It also gives agencies a

chance to meet clients and make a good impression, without the work of a full-on pitch. Since I spend half my time meeting new and interesting agencies/partners, there’s never any shortage of really interesting companies I can introduce marketers to.

There are a couple of reasons why we are seeing an increased demand for this sort of service. One is that what lead agencies do is becoming more varied. Larger, often lead, agencies are constantly adding new skills to the arsenal of services they can sell to clients. Of late that’s been content and social. While this is great for some clients, for others it can lead to confusion about where the agencies’ core competencies

lie. At the moment, if a client says they want “content” their creative, media, digital and PR agencies will all put up their hands enthusiastically. And to some extent they can all deliver against this requirement.

This can be problematic for the client if they really don’t know how to evaluate content or even what kind of content they may need. Cue call to AAR for a Digital Safari to visit the breadth of agencies occupying the new space, representing different takes on the area in question and presenting different points of view on what a typical brand may need.

Another reason we are seeing an uptick

is that forward-thinking clients are actually happy to take a couple of days out of the office to go and meet new and interesting agencies because they see this as time well spent keeping pace with the market and the ever-evolving agency space. They also see it as an opportunity to get a glimpse into what others are doing and to hear what best practice may be. All this means that when they come to shape the brief, they are better informed and able to move forward at pace.

On a typical Safari, as well as meeting new agencies, we also introduce clients to other types of businesses that might be potential partners. On a recent safari, for example, as well as content marketing agencies I also took the client to meet BuzzFeed. Start-ups are also high on my list of types of new partner for clients.

So what do clients look for when they don’t know what they’re looking for? It’s a hard brief! Will they know it when they find it? Hopefully after a couple of days spending time with some trailblazers, they may have a better idea of the shape of what they want and they can start to look at how to implement it.

One caveat though - it’s worth keeping in mind what the client isn’t trying to do. They are not necessarily looking to disrupt the relationships they already have and value. When it comes to something “new and interesting” it’s often about adding a relationship rather than replacing one. Many clients liken it to building a bench of worthy partners.

It often helps to think of this exercise in terms of the 70-20-10 marketing investment rule. I often take clients

through this model (invented by Coke) in order to help frame where the new thing can fit. It won’t be disrupting your business-as-usual marketing that keeps the lights on and sells the stuff you need to sell today (that’s 70% of the marketing budget/time). Instead it most definitely falls in the 20% or 10% segment of things you need to think about for the future. Depending on your company culture it may fall into your test-and-learn marketing or future planning. By framing these conversations within marketing areas that are longer-term investments with lower risk/budgets, it also helps de-risk the initiatives for those higher up.

Clients need to be able to safely explore new ways of reaching customers without disrupting what they already know works. A little Digital Safari is a great way to start. ■



IT GIVES THEM A PERSPECTIVE ON AGENCIES AND CHANNELS THEY MIGHT LACK KNOWLEDGE OF. IT GIVES THEM TIME TO THINK ABOUT HOW THEY MIGHT GO ABOUT WORKING WITH SOMEONE NEW.



The bots are coming

By Robin Charney



"What's your bot strategy?" is a question marketers are going to be asked a LOT this year. Agencies please take note.

THE OPPORTUNITY FOR BRANDS IS LOOKING TO BE QUITE IMMENSE.

To learn more about this quickly emerging trend, I popped along to a very interesting session run by the team at Lost Boys to learn more about bots - who's using them and what the opportunity is for brands. What they shared really got me thinking about the implications of the rise of the bots for brands.

SO WHAT IS A BOT?

A bot is software that is designed to automate the kinds of tasks you would usually do on your own, like making a dinner booking, making a purchase, adding an appointment to your calendar or fetching and displaying information. The increasingly common form of bots, chatbots, simulate conversation. They often live inside messaging apps — or are at least designed to look that way — and it should feel like you're chatting

back and forth as you would with a human.

The rise of the bots makes a lot of sense to me as a response to the ever increasing use of ad blockers and the need for brands to reach consumers in the most frictionless way possible. It's still very early days but there are already some forward thinking brands experimenting and being first in market.

SHINING A LIGHT INTO THE DARK SOCIAL

Accessing the bits of social that are private like messaging apps is a big challenge for brands. How do you connect with and engage consumers in a space that can't be targeted with ads or even analytics? Why should you even care about messaging apps?

Ask any digital marketer worth their salt and they'll tell you that Facebook is where 90% of the social budget is being spent. That's ok, isn't it? Well, for starters, there are more people using messaging apps daily than there are people using social platforms. So the eyeballs are in the messaging apps.

What's more, this communication is private (1:1) and not public (like your timeline). 2.5 billion people have at least one messaging app. Within a couple of years that will reach 3.6 billion people or half of the humans on our planet. Also, teenagers spend much more time in messaging apps than they do on social networks. Anyone still wondering why Facebook bought WhatsApp?

The opportunity for brands is looking to be quite immense.

It's a route into mobile for brands that's much easier to build than an app and much easier to maintain. Many many brands are still struggling with a native approach to mobile. Also, for now, no huge bot store ecosystem to navigate.

- It may finally be a way to do true 1:1 marketing and real personalisation. Think personal shopping, car configurators...
- It could take the load off customer service and community management departments, automating a lot of work
- It could give brands struggling with utility positioning instant cred.

THERE WILL ALSO BE PLENTY OF CHALLENGES...

Bot fraud – it will happen so brands will have to get out in front of this.

Bot fatigue – when everyone has one will we be tired of bots? Remember how every brand needed "an app strategy"

Bot devs – are there enough developers and agencies who can help deliver your bots?

Bot authenticity – will they feel human enough for us to want to interact with them? Will the tech keep up with our need for "human" authenticity?

BOTS CURRENTLY IN THE WILD

As with anything new there will be some epic fails and some brands that truly nail it. As some examples of early adopters doing it well, here's what's stood out for me so far:

- **Uber** bot in Facebook Messenger. Book a ride as you're finalising plans to meet up.
- **KLM** on Facebook Messenger where you can get your booking confirmation, check in notification and boarding pass.
- **Sephora** on Kik where users can ask for beauty advice and take a short quiz about their preferences in exchange for customised product suggestions and reviews.
- **Adidas** on WhatsApp building micro football communities.

So there you have it. A quick 101 on bots and why you should care. No doubt I'll be seeing agencies pitch me their "head of bot strategy" people soon and I will have brands asking me who makes great bots and whether they need to look into this area further. Watch this space. ■



A BOT IS SOFTWARE THAT IS DESIGNED TO AUTOMATE THE KINDS OF TASKS YOU WOULD USUALLY DO ON YOUR OWN, LIKE MAKING A DINNER BOOKING, MAKING A PURCHASE, ADDING AN APPOINTMENT TO YOUR CALENDAR OR FETCHING AND DISPLAYING INFORMATION.

'Free Account Management? Really?'

By Tony Spong and Vicky Gillan

Agency leaders have admitted to us that the account management function has become the one most squeezed. It's not only being sacrificed in terms of fees, but also suffering a distinct loss of status and relevance brought about by elements traditionally associated with the role being parcelled up and redistributed across other, newer functions. And, crucially, with no new focus added back in, to the point that we have the question being uttered above. But is that what clients really want?

We know that as clients and agencies grapple with an 'always on' world, it is becoming harder for clients to specify and then stick to a scope of work which, in turn, makes it difficult for agencies to shape a team around the client. It is, therefore, completely understandable that there has been an inevitable focus on agility and speed to market, which explains why there is so much focus on delivery and the growth of effective project management. Indeed, many agencies now have a Chief Operations Officer to head up the delivery side.

However, what clients don't want is the sense that their agency is always trying to sell them another capability without much thought about how to simplify things, understand the best combinations of channels and be that bit broader in their answers to a problem. If, as a client, I only have an hour and I now have three parts of the agency to meet, that leaves 20 minutes each so, in fact, the relationship will start to slide. Significantly, this is manifesting itself in more pitches being called for the reason "no one understands my business".

Imagine walking down your high street and popping into one restaurant for your starter and then going into another for your main course, a third for your dessert and a fourth for your coffee. For many clients it feels more and more like this and perhaps it's time we just had one kitchen, several menu options and one front of house team who know what's in season; what to recommend from the menu and how you like it and what wine goes best with what.

Clients articulate this 'front of house' team as one that has a greater commercial awareness of their business; someone that has their best interests at heart and can see what's coming down the road. Isn't this the account lead? And yet, in pitches, what do we see? The account handler doing the last 5 minutes armed with a Gantt chart and an organogram!

So, on the one hand, agencies have moved to deliver 'faster and cheaper' but, on the other hand, they have perhaps lost too much of the forward looking, entrepreneurial part of the role which equals the 'better'.

Agencies are beginning to respond to this challenge. They are creating core 'hubs' made up of lead planner, creative and account lead supported by inner rings and outer rings of capability that offer a potential solution to clients on how their account might work, giving access to specialists and project management to ensure seamless execution.

But, crucially, the function missing from the supporting 'rings' is account management. There is no communication or process that shows how this will all be glued together; no chart extolling the virtues and value of these commercially savvy people to the client – the ones who will question, challenge, create the business case, drive integration, spot commercial opportunities ... This is a real missed opportunity.

Discussing this issue with senior agency heads at a recent AAR event, we asked the question if the role was still needed, never mind given away for free, and the answer was a resounding 'yes'. So, as new models and structures evolve, we need to think hard about how we go about redefining and valuing this role to match the new (or, dare we say it, continued) client needs.

What could this 'new' version look like? An article spotted in Ad Age put it like this: ▶



WANTED...

Executive experienced in data, digital, social, search, media, creative, PR, events, shopper marketing, programmatic, mobile, print and outdoor. The ability to simultaneously and efficiently handle up to dozens of stakeholders (often with competing interests) a must.

Successful candidate is skilled in managing up, down and balancing a P&L. Old school thinkers need not apply.



PERHAPS IT'S TIME
WE JUST HAD ONE
KITCHEN, SEVERAL MENU
OPTIONS AND ONE
FRONT OF HOUSE TEAM
WHO KNOW WHAT'S
IN SEASON; WHAT TO
RECOMMEND FROM THE
MENU AND HOW YOU
LIKE IT AND WHAT WINE
GOES BEST WITH WHAT.

Sounds interesting? If you say 'yes', then we move onto the next set of issues that need resolving.

First, we are hearing more and more that there is a shortage of account people per se, never mind with the right skill set. As a result, more and more senior managers are being drafted in to be more hands on with clients. This is not a sustainable situation, of course, given the implications on client's expectations and fee run rate.

Secondly, people joining agencies first go through Project Management/Delivery type roles and those that love it, stay and those that don't seem to move, anecdotally, into planning. That's a problem when ultimately the skill set and behavioural need for the account management function is fundamentally different and needs its own training and mentoring path.

Thirdly, when it comes to promoting someone into an Account Director level role, the step change from seeking a bigger project to play with to building a relationship with a client and understanding the wider commercial agenda of that client seems to be too stretching. This then adds to the confused perception of what the account management function, role, remit and value is.

Finally, the workforce is fundamentally changing. Many people get to their late 20's and make the decision to go off travelling as the prospect of getting a mortgage fades into the distance. So just when you need the Senior Account Manager/Account Director talent pool to be at its 'largest', it's the opposite. This creates a big talent shortage just when it's needed the most.

In summary, we have a lack of people on the one hand but, more significantly, a pipeline of the wrong skill sets suggesting we need to put some structural changes in place, and fast. This must start right from day 1 of the agency recruiting for the account management function with a bespoke development and career path.

So, back to our 'Wanted' ad above. What skill sets is this new breed of

account handler going to need? Combining our experience and the insights from our senior agency event, we would advocate the following:

■ Entrepreneurship

Agencies must value the role more and investing in a new breed of entrepreneurs who, by growing their client's business, help grow the agency, too.

■ Leadership

It must be about leadership of a client's business and the ability to grab the client's business by the scruff of its neck, make clear recommendations, shape the agenda, simplify the issues, challenge appropriately to deliver what the client needs as well as wants.

■ Curiosity

Curious about the past, present and future with the gumption and knowledge of knowing where and when to dig further and when to bring in other experts.

■ Passion

Passionate about the client's business, about the plan, the agenda, about success and learnings.

■ Collaborative

Brilliantly organised, a natural networker, instinctively collaborative and an outstanding communicator to ensure that specialists within the agency, across the roster and working with the clients' team are used at the right time and in the right way.

What no one expects is for account management to be an 'expert' in everything.

Knowledgeable, absolutely.

Skilled at asking the right questions, totally.

Informed, always.

We appear to be at a cross roads. Agencies need to invest in and demonstrate the value account management delivers. Clients need to see the difference for them to start to highly value the function. We think it's worth the time and discussion. ■

AAR in 2017

Core and senior management seminar programmes

By Tony Spong

In 2017, we will be continuing our highly successful agency seminar programmes which focus on new business skills, building stronger client relationships and hot topics of the day.

We introduced quite a bit of new content in 2016 and these went down really well so the plan is to build on the great feedback and to continue to give you more of what you want as well as sticking with some all-time classics.

(Vicky Gillan and Tony Spong) and the growing need to help the talent pool manage their careers (Jenny Williams) and get set for the leadership roles they aspire too. (Emma Shelton-Smith and Carole Lowe).

Much of the training we and others provide is aimed at helping one business win business from another. So we felt it was time we switched things around and see how we could help incumbents retain business. Tim Smale delivered a very thought provoking seminar this year which caused quite a stir.

Reason enough to ask him back again with some new ideas based on your feedback.

Another successful new topic delivered by Chris West and Al Hussain was focused on writing skills and how to give your agency its own voice rather than sounding the same as everyone else. We did a quick review of how agencies talk about themselves and quickly established the top 6 most commonly used words. By the end of the session, delegates were able to re-write these with much more cut through.

- Full service
- Digital
- Solutions
- Passionate

- Vision
- Fully integrated

Finally, your feedback is invaluable to help us continually fine tune existing sessions, as well as inspire us to develop fresh content for you, so thank you to all those who took the time to provide it.

Full details of our 2017 programmes can be found opposite. We tend to open up bookings three weeks before each seminar, so if there are any on which you are particularly keen, keep your eyes peeled for an announcement.

Please remember that your AAR subscription entitles you to one place at each of the seminars, subject to availability. ■



EVERYTHING I EXPECTED AND MORE. HIGHLY RELEVANT AND WILL APPLY LEARNINGS IN MY JOB.

BBH



REALLY ENJOYABLE SESSION. MANY PRACTICAL TAKE OUTS FOR MY AGENCY. TOTAL MEDIA

We will also continue to champion our focus on improving client:agency relationships. As clients and agencies grapple with an always on, multi-touchpoint world, we are seeing existing agency models and ways of working coming under increasing pressure.

New agency models are emerging, heightened by a growing demand from clients to find an optimal solution to working with so many agencies. So not only do we look at organisational design (Lesley Donnelly) but also the changing role of Account Management

CORE SEMINAR PROGRAMME

25 January

Engaging presentations. Be received, be reacted to and be remembered
Tessa Morton
Tessa Morton Partnership

8 February

Managing the media
Nicky Fuller
Larkspur Consulting

15 March

Becoming a trusted advisor
Lizzie Palmer & Greg Keen
Second Circle

5 April

Building a pro-active relationship with procurement
Sarah Tucker (formally Billson)
Pencabe Associates Ltd

10 May

Finding your agency's voice
Chris West & Al Hussain
Verbal Identity

20 June

Defending a pitch as an incumbent
Tim Smale
Mindworks

11 October

Future-proofing your career
Jenny Williams
Jenny Williams Coaching

15 November

Secrets of new business
Martin Jones
AAR

SENIOR MANAGEMENT PROGRAMME

1 March

Delivering change in agencies
Lesley Donnelly
Neon Nelly

7 June

The C word - Collaboration
Dawn Sillett
Zoomly

27 September

Client:Agency Relationships
Vicky Gillan and Tony Spong
AAR

8 November

How to accelerate your next-generation leaders
Emma Shelton-Smith & Carole Lowe
Slipstream



All of the core and senior management sessions are recognised by both the Institute of Direct and Digital Marketing and the Institute of Practitioners in Advertising as contributing to the Continuous Professional Development Award Scheme.



Business development apprenticeship

By Martin Jones



Since 2012, we've been running our Business Development Apprenticeship courses and have now seen 185 new business people 'graduate'.

THE COURSE IS AIMED AT AGENCY PEOPLE WHO ARE ENTERING THE WORLD OF NEW BUSINESS FOR THE FIRST TIME.

In 2016, we ran three courses across February, June and September and will be holding a further three courses in 2017.

The course is aimed at agency people who are entering the world of new business for the first time. Over five consecutive weeks, delegates are taught the basics of new business, form competitive pitch teams, look at everything through the eyes of a potential client and participate in a Chemistry Meeting.

Apprentices are asked to come up with a name for their 'agency' team, as well as positioning. Names in 2016 included Pars, C-Cubed, The Bridge, Gaggle, Silver Bullet, Full Circle and Super Ratio.

The agency teams are taught about new business strategy, including how to take a more proactive approach than simply waiting for the phone to ring, through to how to complete an RFI and what to

do in a Chemistry Meeting, all backed up with stories and anecdotes from guest speakers.

The teams are asked to demonstrate how they would pitch for a prospective client – The National Trust – by completing an RFI and participating in a Chemistry Meeting.

When it came to participating in the Chemistry Meetings, all the factors that affect meetings in 'real life' – plentiful rehearsal, coming across as a team – influenced how successfully the teams performed. Considering that nobody in any of the teams had any experience of Chemistry Meetings, the standards were pleasingly high.

Each team is given feedback on their Chemistry Meeting, enabling them to see and hear what others have done, reminding them that new business is invariably a comparative process. ■

Congratulations to the Business Development Apprentices of 2016 who are now busy putting the theory into action!

- | | | |
|------------------------|-----------------------|--------------------|
| ■ Alice Walker | ■ Amber Faulkner | ■ Richard Simmonds |
| ■ Aliya Brijnath | ■ Becky Licorish | ■ Thomas Allen |
| ■ Ben Himpe | ■ Catherine Barrett | ■ Miriam Goode |
| ■ Ben Stokes | ■ Claudia Moselhi | ■ Bethany Reilly |
| ■ Emma Zeitlyn | ■ Ellie Firth | ■ Elle Smith |
| ■ Fraser Saville | ■ Francesca Salzano | ■ Laura Meehan |
| ■ Hugh James | ■ Helen Burke | ■ Rachel Mott |
| ■ Jess Gardiner | ■ Helen Fewings | ■ Rosie Walsh |
| ■ Kat McKinney | ■ Jack Harvard Taylor | ■ Alex Beiner |
| ■ Kate Donaldson | ■ James Sansom | ■ Louisa Cavell |
| ■ Millie Brady | ■ Jess Francis | ■ Millie Greenwood |
| ■ Paola De Marchi | ■ Lewis Wilks | ■ Charlotte Moore |
| ■ Sophie Church | ■ Myles Storey | ■ Julie Mechanic |
| ■ Stephanie Nicolaidis | ■ Nicole Vittori | |
| ■ Zelda Hughes | ■ Olivia Pearson | |

COURSE DATES FOR 2017

SPRING COURSE
28 February – 28 March

SUMMER COURSE
6 June – 4 July

AUTUMN COURSE
12 September – 10 October

Location: Central London TBC.

Maximum of 16 places available

If you have any colleagues who are new to new business and could benefit from a basic introduction to the world of business development, please contact Kit on KConnolly@aargroup.co.uk.





I WANT TO REITERATE HOW BRILLIANTLY AAR MANAGED THE PITCH – WE WERE CLEARLY INFORMED OF THE CLIENT'S AIMS AND EXPECTATIONS AT EVERY STEP OF THE PROCESS AND GIVEN ACTIONABLE FEEDBACK WHICH HELPED INFORM OUR FINAL PRESENTATION. WE COULD REALLY FEEL THE DIFFERENCE THE AAR MADE TO HELP BOTH GUIDE THE CLIENT AND AGENCY SO THE CLIENT GOT TO A SOLUTION.

LONDON

And finally...

Who we are

We are a marketing services consultancy that specialises in relationships between marketers and their communications agency partners.

We work with marketing teams to help them make the right decision whether they are choosing a new agency partner or restructuring their agency roster. We help our clients to ensure they have the right commercial terms in place for the services they receive from their agencies, and we'll support them in improving their team's capabilities in getting the best out of their agency partnerships.

We also work with agencies to help them be match fit for the competitive world of new business and pitching, and improve their capabilities and success in retaining their existing clients.

We believe in the importance of mutuality in successful business partnerships.

And we believe in being useful.

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■ **Vicky Gillan**
Managing Partner
vgillan@aargroup.co.uk



Alex Young



Ann-Marie Thompson



Kate Donaldson



Katrina Law



Kit Connolly



Kerry Glazer



Maria Farrell



Martin Jones



Michelle Eggelton



Paul Phillips



Robin Charney



Tony Spong



Vicky Gillan

THE ENTIRE AAR TEAM WAS A PLEASURE TO WORK WITH THROUGHOUT OUR PITCH PROCESS. THEIR KNOWLEDGE OF THE AGENCY WORLD WAS INVALUABLE AND MEANT WE WERE INTRODUCED TO POTENTIAL AGENCY PARTNERS THAT WE MAY NOT HAVE OTHERWISE CONSIDERED. FURTHERMORE, THEY HELPED ENSURE THAT A POTENTIALLY CUMBERSOME PROCESS WAS IN FACT STREAMLINED AND ENJOYABLE, ALLOWING US TO FOCUS ON ACHIEVING THE RIGHT OUTCOME. I COULD NOT RECOMMEND WORKING WITH THEM MORE.
BARNARDO'S

We like feedback!

We hope you have enjoyed reading this report and found it informative. If you have any questions about the content or want to give us feedback – positive or otherwise – then please contact:

Kerry on 020 7612 1200 or kglazer@aargroup.co.uk

The Experts in
Client:Agency
Relationships

aargroup.co.uk

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