AAR PULSE

FOR MARKETERS 2018

The Experts in
Client:Agency
Relationships

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aar

AAR did a great job; quickly understanding our business challenge, company culture and global creative needs helped identify a great group of agencies for initial discussions. They guided us through the process, acted as a terrific sounding board and ultimately helped us find the right agency partner. They have a deep understanding of the EU/UK agency marketplace and we're not sure we could have managed the process as efficiently and effectively without AAR's involvement. 5-Bubble rating for AAR!

TripAdvisor

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Foreword

When I asked my colleague and editorial director of Pulse, Katrina Law, what she thought the main themes of this year's edition were, she replied, "Optimism, Agility, Transformation, and Disruption".

AS SOMEONE WHO HAS WORKED IN THE INDUSTRY FOR 30 YEARS, IT'S CLEAR THAT EVERYTHING HAS CHANGED.

She's right; these are the main themes. But this list of just four terms immediately put me in mind of the constantly growing list that our industry is discussing or concerned about. CX, AI, AR, gamification, value exchange, machine learning, optimised agency models, performance marketing, storytelling, marketing transformation, customer centric marketing… the list goes on. These should not be dismissed as simply the latest buzzwords capturing our industry's attention. We all know they are more important than that. As someone who has worked in the industry for 30 years, it's clear that everything has changed.

However, my fundamental concern for the industry is where do creative ideas sit in all this? Are they integral to every discussion about these themes or are they somehow secondary to the data, the architecture of the approach, or the method of delivery?

While there has never been a greater number of channels via which the industry can be creative and more efficiency with which consumers can be targeted, the speed in which these creative ideas need to be delivered and, in turn, generate brand success, coupled with the continuous squeeze on budgets that marketers and their creative partners are grappling with can, unsurprisingly, serve to drive creativity lower down the pecking order of priority.

The need to insightfully exploit mountains of data, and the focus on measuring everything we do because technology allows us to do so, also increases the breadth and degree of scrutiny from C-suite, Finance, Purchasing and other non-marketing centres of the marketing function and its agency partners.

It's hard to be creatively brave in these circumstances, when the key dynamic is about how well we can target our customers rather than how they feel about the creative ideas that we serve them with. And yet, as Dave Kolbusz of Droga5 said pithily in Campaign earlier this year – we're at our best when we're a bit dangerous.

I have no specific axe to grind here, simply an already well-trodden observation coupled with a perspective from our work at AAR. Interestingly, when we are consulting to clients helping them to navigate the complex agency marketplace, which is gifted with an extensive over-supply of quality agencies in every communications discipline, these are the two things that are invariably most important to their decision-making:

First, the people: the team they are going to be working with. Do they like and trust the team, and do the team like and trust each other. Secondly, it's the ability of the agency to think and

execute creatively: whether that's in the development of media recommendations, or a TV campaign, a social, content or innovation strategy, a branding and identity project, a PR campaign, or overhauling a brand's approach to CRM. The desire to work with good people to produce great output and brand magic of all kinds – and maybe be a bit dangerous in the process - is still alive and well, and that can only be a good thing.

On another note entirely, I was delighted to see the ASA has announced that it will be consulting on a new rule to ban harmful gender stereotyping in early 2018. There is likely to be a new rule and guidance within the Code of Advertising Practice on the depiction of gender stereotyping. Dated stereotypes reinforcing harmful beliefs that boys are smarter than girls, certain jobs are best for men and others are best for women, characterisations of boys as strong and brave and girls as princesses, and other outmoded concepts can lead to the restriction of choice, aspirations and opportunities for children, young people and even adults, significantly affecting their life decisions.

As the current President of WACL (Women in Advertising and Communications London) it was especially pleasing to read this, given WACL's recent decision to adopt the acceleration of gender equality in marketing and communications as its objective and organising thought. It feels like there is real momentum in our industry to achieve gender equality and in its wake, I very much hope, the genuine diversity that we all agree has been too long in coming.

I do hope that you will enjoy reading the articles and perspectives from my AAR colleagues in this edition of Pulse. If you have any feedback (good or not so good) or thoughts that you would like to share, please do contact me but, in the meantime, I wish you a happy, successful and prosperous 2018.

Kerry Glazer, CEO, AAR
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IT FEELS LIKE THERE IS REAL MOMENTUM IN OUR INDUSTRY TO ACHIEVE GENDER EQUALITY.

AAR was excellent in guiding us through a process unfamiliar to ourselves, and made what could be a difficult undertaking very easy. They are professional, very knowledgeable, and did a fantastic job understanding the complexities of our structure and obligations as a company. The output and recommendations from their work have been easy for us to take away to strengthen our relationship with our creative agency.
BACS

AAR research

New business market 2017

by Martin Jones

FOR MANY AGENCIES, IT WAS THE BUSIEST QUARTER IN LIVING MEMORY IN TERMS OF PITCHING.

In terms of the new business market for agencies, 2017 was not even a game of two halves but one of four very distinct quarters for many.

Brand owners seemed to enter the year with a renewed confidence (or perhaps bravado) and the year started with a bang as reviews were called across all disciplines and sectors. Indeed, for many agencies, it was the busiest quarter in living memory in terms of pitching.

This momentum continued into the second quarter but, by the beginning of July, the market had gone quiet again in terms of new reviews being announced. There was much conjecture as to the reason for this phenomenon. We suspect that it was not down to one particular factor, but a combination. These included a busy first quarter, increased concerns over macro issues including Brexit, the result of the UK election, the implications of Donald Trump's "governance" of the largest economy in the world, combined with many brands being focused on internal rather than external issues.

However, as we approached the beginning of the summer break, confidence appeared to be reinvigorated, so that by the time the schools went back the new business market was again in full swing as marketers sought to make appointments before the year end.

This roller coaster of a year meant that by the end of 2017, the total number of completed new business reviews in the disciplines that are measurable showed a marginal increase of 0.5% versus 2016.

In terms of specific disciplines, the changes were as follows:

% DIFFERENCE 2017 VS 2016 BY DISCIPLINE

- Total +0.5%
- Advertising +9.2%
- CRM/direct marketing +9.0%
- Digital -15.5%
- Integrated +8.4%
- Media -22.0%

As can be seen from the table, the number of completed **advertising** reviews in 2017 increased by 9.2% compared to 2016.

While there was an increase in the overall number of advertising agency appointments, the most significant factor in 2017 was the lack of scale reviews compared with previous years.

In 2017, there were just seven brand owners with a media spend in excess of £20 million who called a review of their agency arrangements (Boots, Dixons Carphone, Dreams, Hilary's, KFC, Paddy Power and Vodafone) compared with eleven in 2016. From an agency perspective, however, equally significant was the fact that of the seven brands that reviewed, only four went to the open market while of the other three, Dixons Carphone moved to roster agency AMV without a pitch, and Boots and Vodafone only considered WPP owned agencies.

However, although the number of major UK spending brands reviewing was down, the advertising market was kept very busy with significant clients including Britvic, Cadbury, Carling, Costa, Debenhams, Domino's, Green Flag, Halfords, JD Williams and Lastminute.com changing agencies.

At the same time, a number of international brands called reviews which involved a lot of work and opportunities for many UK based agencies. Brands that went to market in 2017 seeking agencies for international or global accounts included AirBnb, BA (now part of IAG), Citroen, EA Sports, Ebay, Kia, Mondelez (Philadelphia) and P&G (Lenor).

Like the advertising sector, the volume of **CRM** appointments also showed a year on year increase in 2017, up by 9.0% compared with 2016. A few major companies made appointments (often after lengthy pitch processes), including the combined BT/EE account, Costa and IKEA, while CRM was included as part of WPP only reviews for Boots and Vodafone. As the year drew to a close, the result of the highly prestigious TV Licensing review was still in the balance.

While 2017 saw an 8.4% increase in the number of **integrated** appointments, the majority were relatively modest in terms of budget, with most of the major spending clients still preferring to appoint specialist agencies.

CONSOLIDATED ACCOUNTS

In contrast, however, the Government's integrated agency framework offered significant opportunities for agencies to win consolidated accounts including HMRC and the Department of Transport; a trend which is certain to continue into 2018.

Looking forward, as agencies increase the number of disciplines that they can credibly deliver to their clients, it will be interesting to monitor whether this will lead to an increase in the number of major integrated reviews.

In 2017, digital pitches (of any description) were down by 15.5% over 2016, although the types of digital briefs has definitely changed, with clients looking to appoint specialist agencies for digital strategy and innovation rather than communications.

Finally, following a number of years of pitch activity and consolidation, the number of media agency appointments in 2017 was down 22% compared to 2016.

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 Barclays, BT, Carpetright, Freeview, Ladbrokes Coral and (after much toing and froing) Sainsbury's.

UK media agencies were also heavily involved in a number of major global/international reviews including Akzo Nobel, Carlsberg P&G and PSA.

It is difficult to predict how the new business market will look in 2018, but as we enter the New Year, we remain cautiously optimistic that volume levels will remain similar to 2017, although the size and type of review may well change. ■

REVIEWS BY INDUSTRY

In 2017, retail clients were the most likely to call a review, followed by those operating in the motoring and charity sectors. It is perhaps unsurprising that there is a direct correlation between the "competitiveness" of a sector and the number of new appointments, as brands strive to identify ways in which they can make significant or even marginal differences to their performance.

In volume terms, the top ten industries that made appointments (in any communications discipline) in 2017 were:

Rank	Industry
1	Retail
2	Motoring
3	Charities
4	Alcoholic drinks
5	Travel
6	Financial
7	Food
8	Government
9	Telecommunications
10	Sports

Source: AARnewbizmoves.co.uk

AAR understood our requirements for the media agency that we wanted to appoint very well and made it possible for us to make the right decision in this pitch. We have learned a lot and AAR really made it possible for us to find our way in this media agency landscape. We are very happy with the process and the end result. Due to the process, the outcome is well received by many important stakeholders.
Heineken

Highlights and headlines: 2017 in focus

Snapchat: it's not your kids' social media platform

by Robin Charney

There are a lot of misconceptions about Snapchat: that it's for kids; that the majority of users are female; even that it's a social network. In fact, as Claire Valoti, general manager UK of parent company Snap Inc, told our audience of brands and agencies at an AAR breakfast event earlier this year, a large portion of the UK's 10m daily active users are parents, that the gender split is pretty equal, and actually – it's a camera company. Yes, that's right. A camera company!

Snapchat's ethos is to give people a creative toolkit to talk to their friends using images and video. That's why the app opens with the camera, to put people in the mindset of creation rather than consumption. It's a very different perspective to other platforms to which Snapchat is often compared. And it stems from Snapchat's recognition of three fundamental human behaviours.

HUMAN BEHAVIOURS

Shapchat is about being creative and playful, and about storytelling. The things that we did when we were growing up but now take for granted. Snapchat is based on tapping into these behaviours.

The second reason is Snapchat was built for the smartphone, an era defined by communication rather than data processing, where visuals are replacing text, and where your primary computing device is in your pocket 24/7.

And Snapchat is about being spontaneous and in the moment. There's no pressure to create perfect images, because the content changes after 24 hours.

EMPHASIS ON CREATIVITY

The result is an emphasis on creativity that extends to advertisers. Snapchat is challenging the possibilities around creativity on mobile which translates to a new approach to advertising on the medium, linked to the fact that people now have higher expectations for advertising and the value it delivers.

Advertising on Snapchat is not seen as "the tax" users pay in order to enjoy great content, rather it's seen as integral to the story. Sponsored Lenses (Snapchat's term for the moving overlays on Snaps) often prove more popular than those natively available, and are often seen as being cooler, too.

Examples of brands using Sponsored Lenses include: John Lewis's "Buster The Boxer" Lens; Burberry's use of Snapchat's Discover channel; and Lenses for movies like *Suicide Squad* and *X-Men: Apocalypse*.

Snap Inc's latest venture, 'Spectacles' – sunglasses with a built in video camera, which launched in Autumn 2016 but are still only available in the US – allow the wearer to film Snaps which are then sent by Bluetooth or WIFI to your phone so you can post them to Stories on Snapchat or save to Memories. It's the evolution of Snapchat's "camera company" positioning. It's quite amazing how your perspective changes when you're shooting video hands-free.

If I wasn't a hard core Snapchat user before the presentation, I am now. I can really see how it's a game changer for brands looking for a different kind of creative platform and a super-engaged audience with people spending on average of 25 to 30 minutes on Snapchat every day. It will be fascinating to watch as the platform grows in the UK and engages with even more brands in 2018. ■

Authenticity, diversification and optimism at AdForum NY

by Paul Phillips

Five days spent in meetings with agencies from across the spectrum, starting at breakfast and ending with dinner, criss-crossing Manhattan and Brooklyn, listening to agencies' sales pitches that ranged from subtle, understated and persuasive to blunt, jargon-filled and unconvincing may not seem like fun. I rather enjoyed it.

The last week in April marked the latest AdForum Worldwide Summit in New York. Consultants from around the globe spent a week being infused (or indoctrinated) with the latest from Madison Avenue and DUMBO (Down Under the Manhattan Bridge Overpass – think Shoreditch only bigger).

The agencies we met can be split into two groups. The first are heritage agencies originally offering single discipline expertise: Ogilvy, BBDO, JWT, McCann, Wunderman, Publicis, DDB and Doner. The second group can best be categorised as 21st century agencies born in, and created for, a connected, participatory, mobile, experience-driven world: Brooklyn Brothers, Spring Studios, Virtue, Big Spaceship, Anomaly, 72 & Sunny, Tongal, MPC, G7 Entertainment and R/GA.

Every agency did a pretty good job of sharing their latest point of view on the world (with a couple of notable exceptions), together with the best examples of their recent work. Reflecting on the week, there were three themes that emerged for me.

EVERY AGENCY DID A PRETTY GOOD JOB OF SHARING THEIR LATEST POINT OF VIEW ON THE WORLD.

THE BEST HERITAGE AGENCIES ARE FIGHTING BACK AND APPEAR TO HAVE WORKED OUT WHO THEY ARE, WHAT THEIR EXPERTISE IS AND WHERE THEY CAN ADD VALUE TO THEIR CLIENTS' BUSINESS.

1 The heritage agencies are fighting back – and winning

Far from being squeezed in the middle ground between the management consultants and the newer breed of agencies (some of whom can be a little too quick to diss all heritage network offerings), the best heritage agencies are fighting back and appear to have worked out who they are, what their expertise is and where they can add value to their clients' business.

Ogilvy's work for Glade, BBDO's work for Pedigree and McCann's work for Sodimac Homecenter in Peru are all excellent examples of creative thinking being applied to a business challenge.

The solutions are not all 30 second TV advertising, but they do all use the power of insight and creativity to help solve business challenges. And we saw many more across the week.

So my point about agencies sticking to their knitting might seem a little obvious, but for too long agencies whose origins are in the Madmen era have been distracted by what the new agency kids on the block are saying and trying to compete on their agenda. Instead these heritage agencies should be recognising and celebrating the authenticity of who they are and what they have to offer.

For me, Ogilvy is probably the best example of a heritage agency that knows itself. This was clearly evidenced when we met them in New York and is equally recognisable at Sea Containers in London.

THERE WAS A UNIVERSAL SENSE OF OPTIMISM AND BELIEF THAT ALL OF THEIR COMPANIES HAD A CONTRIBUTION TO MAKE.

2 The new(er) agencies are not tied to the delivery of communications solutions as their only playbook

Integration, collaboration and horizontalisation are all recognised descriptors of an agency way of working that has essentially extended from a single communications skill to a multiple offer across different areas of comms expertise. Essentially the strategy has been to take a bigger slice of the marketing pie.

What has become noticeable, and distinctly different among several of the 21st century agencies, is the range of diversified services that spread beyond the agency's core marketing communications skills, and are in no way dependent on them.

Examples of such diversification are Anomaly's interest in HMBLT a (legal in California) range of cannabis-based medicines, and 72 & Sunny's creation of a waterproof onesie called a Raynsie, which they manufacture and market directly, prices starting at $299.

This diversification is not the exclusive domain of the newer agencies, as we learnt from Wunderman. Its business growth is most rapid in its marketing technology and automation consultancy.

Perhaps the most advanced playbook can be seen from R/GA. It has five revenue streams: Ventures, which is an accelerator and investments business; Business Transformation, offering consulting and brand development; Studios, which offer design and production; an IP division offering software licensing and partnerships; not forgetting R/GA the agency, offering products, services and communications solutions. R/GA never fail to impress.

3 There's a genuine sense of self-confidence among agencies, a sentiment that has been noticeably absent on recent visits

As someone whose theatre of operations is dominated by the world of new business, I'm used to agency optimism as the default demeanour, at least among the new business fraternity. But I detected a more authentic self-confidence among all agencies with which we met. And remember this was less than six months after the election of Donald Trump.

In general, agencies and holding companies have been on the back foot over the last few years. There's been a continuous wave of anti-agency sentiment; some possibly justified and some certainly self-inflicted. We've all heard about de-coupling, the spotlight of procurement, the rise of the management consultants, the displacement of agencies as a brand's trusted advisor, the lack of diversity and tangible actions to address this, the obsession with measurement at the cost of outcomes, the rise of in-housing what was once the preserve of agency services and, most recently, the lack of transparency in media.

If you take a moment to think about it, you could be forgiven for wondering why anyone would want to get into this business.

But listening to BBDO Worldwide CEO Andrew Robertson, DDB North America CEO Wendy Clark, McCann Worldgroup CEO Harris Diamond, Ogilvy CEO John Seifert, R/GA Global CSO Barry Wacksman, Anomaly Founding Partner Carl Johnson, Wunderman Global CEO Mark Read and Publicis Communications CEO Arthur Sadoun, there was a universal sense of optimism and belief that all of their companies had a contribution to make, the value of which is being recognised by their clients. There's a genuinely-held belief that the opportunities for our collective industry far outweigh the threats to it.

It's this sense of optimism – balanced with a recognition that it's not going to be easy and we're owed nothing – that makes our industry a magical one in which I'm lucky enough to participate. ■

Is your brand fit for the future?

by Robin Charney

The best way to prepare for your company's future is to actively shape it, and marketers have a key role to play in that. AAR's Business Director Robin Charney reports back from our recent breakfast event with Tracey Follows of The Future Laboratory.

> THE ABILITY TO INNOVATE IS OBVIOUSLY KEY NOT ONLY TO BEING READY FOR THE FUTURE, BUT TO SHAPING IT.

WHAT MAKES A BRAND FIT TO FACE THE FUTURE?

That was the question discussed by The Future Laboratory's Chief Strategy and Innovation Officer Tracey Follows at AAR's recent breakfast event. She was talking about the organisation's newly-published Future Fit Index, which ranks the top 100 most future-fit brands in the UK today.

The Index emerged from thinking about how consumers have seen the destructive impact of short-termism from brands and businesses and are increasingly demanding long-term thinking.

It was created by measuring brands against six critical behaviour patterns: agility, brand stretch, conscious business, innovation, thriving employees, and long-term planning.

Some of these behaviours fall within marketing already, but what was particularly interesting was how many are being brought into the more forward-thinking marketer's purview. For example, the importance of having engaged employees who represent the brand's values at every touchpoint is only now being seen as important to marketers. I read recently of a CMO who described their HR director as "my new best friend."

Tracey went through each of the behaviours in turn, explaining why they were chosen and giving examples of the brands and businesses that had scored best in each category, as well as some that hadn't.

Agility was chosen, she said, because it's important to be able to adapt quickly when you see an opportunity. The top companies in the category were What'sApp, Facebook and Instagram, with Nike and Adidas the notable non-tech businesses.

Tracey highlighted Adidas' Speed Factory initiative to put manufacturing into stores as an example of agility in the supply chain, and she also mentioned Dyson's investment of £15m in its Institute of Technology, which aims to train 6,000 engineers by 2020.

Brand stretch is all about having a purpose that is engaging to current customers and future high-spenders. Google topped the rankings here, by virtue of being everywhere, from online advertising to autonomous cars and We Wear Culture, a site that "tells the stories behind what we wear".

Conscious business, Tracey explained, involves taking responsibility for the consequences of your behaviour in the world by behaving ethically. She singled out Unilever for its Sustainable Living Plan, which she said demonstrates that if you align the focus of the business with sustainability, it will show up in your results. In the case of Unilever, the brands in the Sustainable Living Plan – such as Ben & Jerry's – are growing more than 50% faster than the rest of the business.

CONSCIOUS BUSINESS

Fashion too, and even fast fashion, has cottoned on to the importance of conscious business, with examples like the H&M Foundation, with its mission to drive long-lasting positive change and improve living conditions by investing in people, communities and innovative ideas, and Clevercare by Stella McCartney, which aims to remind people to think of the environment when caring for the clothes.

The flipside of this, she suggested, are tech brands like Facebook and Apple, where a lack of transparency suggests to consumers that they have something to hide, and leads to mistrust.

Tracey defined innovation as "learning what will be desirable in the future, and funding its production". The ability to innovate is obviously key not only to being ready for the future, but to shaping it. The automotive industry scored most highly here, with a compelling example being Jaguar Land-Rover. The company is doubling the size of its UK R&D centre to develop new power systems, for example, but it's also thinking about neighbouring sectors, investing £19.5m in ride-sharing company Lyft.

Unsurprisingly, John Lewis was the outstanding business in the Thriving Employees category, with its unique organisational structure. But Tracey also highlighted Virgin, which scored highly by offering flexible working, unlimited leave and employee health initiatives.

The final category, long-term planning, is also about imagining your preferred future and knowing how to make it a reality. Tracey mentioned Coca-Cola as a brand that does long-term planning very well, citing the way it's preparing for the threats posed by changing attitudes about sugar and health, and supporting that with full environmental disclosure.

The number one spot in the Future Fit Index was claimed by Nike, which scored well across all six behaviours. Tracey described it as "environmentally conscious, in good shape financially, with women on the board, high internal engagement and the ability to think about the future and the products and services it's going to create for future consumers."

Tracey closed with three pieces of advice for people wanting to be better prepared for the future themselves:

1 **Work for an agile company, one that's able to respond to changing customer demand and the emergence of new technologies and competitors.**

2 **Bin your company's five-year plan. Instead, develop a 25 year vision that you use to guide initiatives across a six to 12 month timescale.**

3 **Talk about your preferred future. Brands and businesses that do that, she said, are more likely to be able to make it happen.**

I'm very much looking forward to next year's Future Fit Index to see who has moved up (or down) and to see what lessons we can learn from it all. ■

Agile Business

by Neil Perkin

The word 'agile' is rapidly becoming the term-du-jour in many large organisations as they wrestle with the challenges brought by digital transformation.

WHO IN THE ORGANISATION LEADS THE CHARGE IN CREATING NEW VALUE AND DRIVING TRANSFORMATION?

The need for greater organisational agility is as wide as it is deep. It reaches across the organisation in the same way that customer experience and digital capability and thinking cut horizontally across functional silos and divisions. Just about all the CMOs that attended a recent dinner hosted by the AAR are working at businesses in midst of scaled transformation programmes, yet a common theme that emerged from the discussion was just how nuanced our understanding and application of agile thinking and principles needs to be.

A number present were in retail, some right in the midst of significant transformation, others at the start of their journeys. Although key areas of retail businesses are already perhaps more naturally responsive than businesses in other sectors, there was common feedback that even in this sector the challenges that come with becoming more agile as a large organisation are no less real.

MANOEUVRABILITY

Real organisational agility is as much about manoeuvrability as it is about speed. The ability to respond quickly to changing contexts and to course correct rather than follow entrenched processes and thinking that may bring incremental gain but can often mitigate against the rapid creation of new value. Digital transformation is less about a transition from point A to point B, and more about evolving to a wholly different type of organisation that is characterised by responsiveness and continuous experimentation. Yet this adaptability and iteration also needs to be informed by a compelling and directional vision.

One of the key challenges that came up in the discussion around this need for greater experimentation focused on the challenge of creating space within the day-to-day. Retailers are more naturally aligned to the culture of testing, but the difficulties in creating a culture of experimentation are as tangible as they are in any business sector. The constant focus on short-term targets, in particular, can be a very real barrier to nurturing and exploring early stage ideas.

The discussion turned to focus on ways to create this space, and questions around who in the organisation leads the charge in creating new value and driving transformation. Should it be the innovation lab? The digital team? Customer-facing teams like marketing? Or the responsibility of everyone?

REAL ORGANISATIONAL AGILITY IS AS MUCH ABOUT MANOEUVRABILITY AS IT IS ABOUT SPEED.

There were several different approaches represented by the businesses around the table but the common thread throughout was the importance of an appreciation of the different tasks in the innovation process and in aligning people in the organisation to what they are naturally good at.

PIONEERS

This need is echoed in the concept, originated by Simon Wardley, of Pioneers, Settlers and Town Planners, which brings to life the allocation of resource and talent around these key archetypes. Says Simon:

'Pioneers are brilliant people. They are able to explore never before discovered concepts, the uncharted land. They show you wonder but they fail a lot. Half the time the thing doesn't work properly. You wouldn't trust what they build. They create 'crazy' ideas. Their type of innovation is what we call core research. They make future success possible.

Settlers are brilliant people. They can turn the half baked thing into something useful for a larger audience. They build trust. They build understanding. They make the possible future actually happen. They turn the prototype into a product, make it manufacturable, listen to customers and turn it profitable.

Town Planners are brilliant people. They are able to take something and industrialise it, taking advantage of economies of scale. This requires immense skill. You trust what they build. They find ways to make things faster, better, smaller, more efficient, more economic and good enough. They build the services that pioneers build upon.

The application of this model will likely look different for every organisation but the way in which it is applied is key. Different processes and methodologies will be appropriate for the different jobs at hand. The point about organisational agility is not saying that agile as a process should be applied right across a company but more that the principles, thinking and cultural attributes that surround agile ways of working need to be more widespread as part of a fundamental re-orientation of the business (the difference between doing agile and being agile).

One of the attendees at the dinner noted that the 'Pioneers' can often be seen as the sexy, interesting part of the organisation which is not subject to the same rules and restrictions as the rest of the business. Approaches like this should therefore be inclusive, and done in a way that recognises the different contributions of different types of people or areas of the business.

The challenge with digital transformation, as we heard from those that attended the dinner, is that there is no one way of doing it. In that sense, the process of change and transformation is itself agile. ■

Neil Perkin is Founder of Only Dead Fish and Author of Building the Agile Business.

Here be dragons – a view from AdForum Paris

by Robin Charney

Thirteen agencies and consultancies over three days. Big and small. Independents and networks. Local and global. A great spread to give me a sense of what the marketplace has to offer. That was my experience of AdForum Paris. And yet, all I could think about was dragons.

Dragons. Why dragons? Here be dragons is an expression meaning dangerous or unexplored territories, in imitation of a medieval practice of putting illustrations of dragons, sea monsters and other mythological creatures on uncharted areas of maps.

And in Paris I was thinking about dragons. They were everywhere. The independents talked about the network dragons. The networks talked about the consultant dragons. Everyone talked about GAFA (Google, Apple, Facebook and Amazon) and, to be fair, those are some big, dangerous dragons. My mind was awash with dragons. Agencies were clearly focused on their own problems and not those of the people who pay them.

Unlike my colleague Paul Phillips who attended AdForum in NYC earlier this year *see page 13*, I didn't hear the optimism that the US-based agencies had conveyed. Maybe the Americans were just being American? In Paris I spoke to a range of industry leaders sharing their points of view. These are the folks with years of experience and knowledge, and with their fingers on the pulse. And what I heard was fear and an obsession with what was going on in the adland village. It was fear of disruption.

Given the year our industry has had, I get it. However, there comes a time to pull your finger out, sort out your dragon-defeating strategy and get on with your battle plan. No matter which dragons you're fighting.

SHOW YOUR BATTLE PLAN

A room full of international new business consultants is a good place to show your battle plan. I appreciate that agencies don't like to admit they're in need of change but, in these turbulent times, if you're not talking about how you are dealing with disruption that raises alarm bells for me.

AdForum Paris presented a huge opportunity to share their game plans and get us excited. Agencies are well placed to know how to deal with disruption as they are no doubt talking about it with their clients all the time. They know (or should know) what's on the minds of marketers. But where were the client insights? Only one agency, BETC, had a client speak on their behalf. Agencies are in the perfect place to show off their knowledge of how clients are changing and adapting to disruption. Surely some of that knowledge can be applied to agency businesses as well?

There were, thankfully, a few notable exceptions. Some agencies did share their dragon-defeating plans with us. You & Mr Jones' model of investing in companies like Pinterest, AI platforms and data companies like 55 is fascinating. TBWA\ stood out as a network tackling dragons head on. They didn't have anyone over 35 presenting. To me this showed guts and an understanding of where the industry needs to be moving.

For an industry great at selling optimism and hope, full of talented and clever people, I'm counting on agencies to be more forthright about their battle plans because we need all the foot soldiers we can get if we're going to conquer new lands. And I believe we can. ■

AAR perspectives

Performance related pay is not an incentive

by Paul Phillips

PRP is much in the news at the moment as it's a way of agencies saying they'll put skin in the game. But all the agencies I know and work with are trying to do their best for their clients already. The presence of a PRP scheme doesn't make them try any harder.

That's not to say there isn't a role for PRP in how agencies are remunerated. Many agencies welcome it as a validation of their performance. But I've seen too many schemes that are either overly complex or look to reward agencies for the work they're already being paid to do through the annual fee.

For PRP schemes to work well for brand owners and agencies, I think there are three issues that need to be identified:

■ Measurement – both parties need to agree what's going to be measured, whether that's sales, market share, awareness, pre-disposition to the brand, share price or some other meaningful metric.

■ Attribution – make sure that whatever metrics are being used, they can be directly attributed to the agency's contribution. This can be really hard for an agency trying to separate its contribution from that of others, and of the brand marketer (for example increased distribution, more gondola ends or BOGOFs). Econometrics can help with this. To put this in context, was more ice cream sold because of the advertising, or because the sun came out?

■ The right baseline – you need to set a reference point for performance, but don't do it straight away. Often PRP schemes are proposed at the start of a new relationship; we see a lot of agencies using the mechanic in pitch remuneration proposals. But more often than not one of the reasons the pitch has been called is to address a perceived lack of delivery by the incumbent agency, so using that under-performing agency as the benchmark isn't exactly setting a stretching target.

WAITING 6-12 MONTHS WILL ENABLE THE BRAND AND ITS NEW AGENCY PARTNER TO ESTABLISH WAYS OF WORKING AND AGREE RELEVANT KPIS.

Instead, waiting 6-12 months will enable the brand and its new agency partner to establish ways of working and agree relevant KPIs. From these they can establish a baseline performance for the agency and set realistic stretch targets against it.

In addition, no-one likes an open-ended financial agreement. So an agency's remuneration needs to be capped in order for their client to get their budgets signed off. PRP schemes that aren't capped generally aren't bought – at least I've never heard of one that has been.

PRP schemes are often used to make a competitive bid more attractive to a prospective client and/or as a mechanic to claw back margin to a desired level closer to the agency's own profit targets. Nothing wrong with either of these, but anecdotally many marketers and agencies have said they'd be more than happy with an agreed annual fee and no PRP element. It's a lot simpler to set up and execute, and there are more pressing challenges facing both sides than trying to work out what the agency's bonus payment could be. ■

What goes around comes around

by Tony Spong

History teaches us that many things are cyclical, with some cycles operating faster than others.

For example, if you believe Henry VIII was our first Brexiteer, then it's taken more than 500 years for the idea to come around again – perhaps partly explaining our ongoing fascination with the Tudors and Henry's decision to separate from the wider European enterprise at the time.

On the other hand, it's taken nearly 40 years for beards and craft beer to come back into fashion to the degree they are today. Which puts Tottenham's achievement of finishing above Arsenal for the first time in 22 years somewhat into perspective!

The benefit of knowing how past cycles unfolded can prove helpful when trying to make sense of and adapt to the present. Interestingly, in marketing, one particular cycle has caught our attention here at AAR.

We are seeing a significant number of businesses going to market to develop or refresh their brand strategy. For some, branding – at its most basic – is the oldest of marketing's professions. So is there something in the past that can help put today's activity into context? What might the drivers be and what's the best way to capitalise on them? Here are a few we've thought of.

INDUSTRIAL REVOLUTIONS SPAWN START-UPS

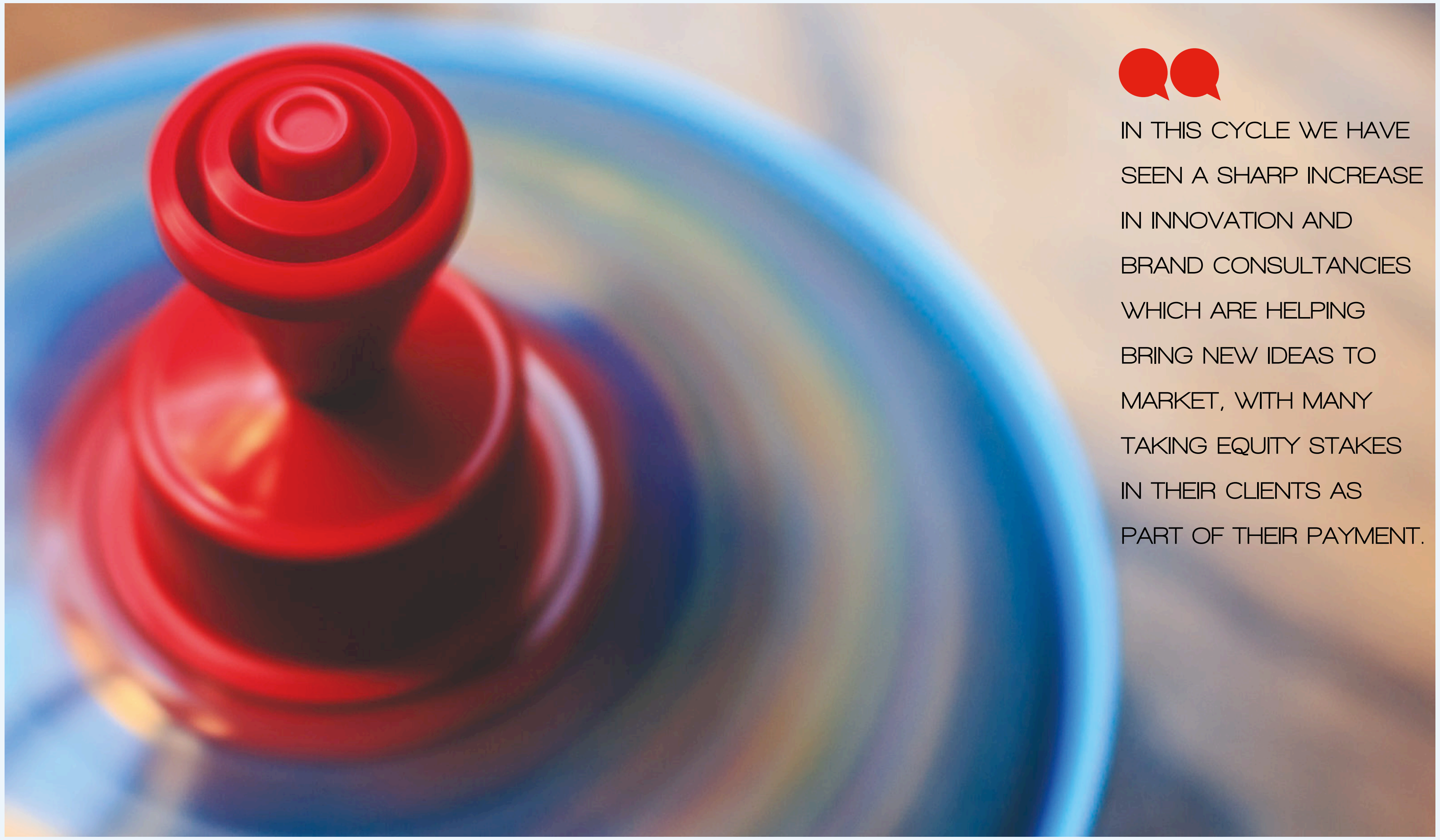
At a macro-economic level, we are seeing the digital revolution give birth to many new ideas right across the industrial spectrum; from the creation of e-commerce as a channel to market to the AI applications emerging to help cope with the masses of data now being produced.

Charles Babbage, the English inventor and mathematician born in 1791, was tasked with poring over mathematical tables in search of errors. Such tables were commonly used in fields like astronomy, banking and engineering and, since they were generated by hand, often contained mistakes. Babbage longed for a calculator of his own. He ultimately would design several. So you see the same problem several hundred years apart!

START-UPS DON'T HAVE MUCH MONEY

These new products and services need at least a name and a logo – the very basics of branding. The problem they have, of course, is they don't have much money as they haven't made it yet. So they call on their mates to help, and not one of the established agencies. This is an important lesson from every cycle. ▸

THE BENEFIT OF KNOWING HOW PAST CYCLES UNFOLDED CAN PROVE HELPFUL WHEN TRYING TO MAKE SENSE OF AND ADAPT TO THE PRESENT.



> IN THIS CYCLE WE HAVE SEEN A SHARP INCREASE IN INNOVATION AND BRAND CONSULTANCIES WHICH ARE HELPING BRING NEW IDEAS TO MARKET, WITH MANY TAKING EQUITY STAKES IN THEIR CLIENTS AS PART OF THEIR PAYMENT.

Design Studio was founded just months after Airbnb and did the rebrand work for the accommodation booking giant just a few years later. This is the classic start of a new cycle where new start-up businesses get support from new start-up agencies, as both want to disrupt their own market. Think how many agencies in the early days focused on the word 'digital' to signify, as clearly as possible, they were part of the new cycle rather than the old.

Back in the 80's, when the UK had finally shaken off the deep recessions of the 70's, there was a frenzy of new product development, and many NPD agencies emerged specialising in that very specific task. Sound familiar? In this cycle we have seen a sharp increase in innovation and brand consultancies which are helping bring new ideas to market, with many taking equity stakes in their clients as part of their payment.

ADAPT OR DIE

In contrast, many of today's established brands and agencies which grew big off the back of the last cycle now find themselves trying to adapt to the new demands in the market. If they don't do it fast enough, they will allow their fledgling competitors to gain a foothold. Amazon's advance has been virtually unstoppable, and you don't want to get cornered in a pub by a black cab driver when you've just booked an Uber home!

So as we go through another cycle of disruption it's no surprise that we hear the words 'transformation' and 're-structuring' an awful lot. Even here we don't just see the big consultancy firms helping businesses transition from an old model to a new one, as they did in the 1980's. The new innovation and brand consultancies mentioned above are working with the disrupted as much as the disrupters, because they are better at connecting business strategy to brand strategy.

Meanwhile the big players are addressing this weakness; witness Accenture buying up agencies of late.

It is far easier to say than do, but the most successful businesses are those that have repeatedly adapted to each cycle, emerging stronger and fitter each time.

The McDonald's turnaround case study is one great example and Argos would be another, more recent, one. Meanwhile Blockbuster, Woolworths and BHS are now case studies for all the wrong reasons.

WHEN CULTURES COLLIDE

One of the strategies that established businesses deploy at such times is simply to buy the young upstarts. Innocent was bought by Coca-Cola, and more recently Camden Ales was sold to Anheuser-Busch InBev. Omnicom bought Adam & Eve; Publicis bought Fallon in the last cycle and Digitas, LBi and Sapient in this. But that's only half the battle. Cultural integration takes a surprisingly long time and can be a massive distraction from the fundamental need to adapt.

These transformations, mergers and acquisitions are also another driver creating demand in the brand strategy and design world as the 'new me' needs to be communicated to internal and external audiences. Today, the briefs are about brand architecture; experiences across touchpoints; behaviours and tools over rules. Design is often a much smaller part of the mix and the corporate brand team are now expected to be inspiring 'MasterChefs' rather than the 'brand police' of yesterday.

WHEN YOU NEED MORE THAN JUST A LOGO

When you have a new product or a killer app, that's often enough to drive the initial phase of business growth; you simply believe your idea is unique until you bump into some competition.

However, distribution is much easier and faster these days, and so bumping into competition happens much faster, too. It took Morrison's nearly 40 years to open its first shop in the South of England, having steadily expanded from its Bradford birthplace, and it now spends tens of millions of pounds on advertising. Before the big four started treading on each other's toes, the media spend was somewhat more modest.

Contrast that with Expedia and Booking.com, which were founded in 1996 in the US and the Netherlands respectively. Both are pretty much global, and spend billions of dollars on advertising each year. There are thousands of supermarket brands around the world, as most have not ventured far from their domestic markets, whereas there are just a handful of travel booking sites globally. How brands develop and grow is changing – fast. Competition with businesses in a given sector certainly drives up marketing spend if you believe share of voice is directly related to share of wallet.

The difference for today's businesses is that developing their brand needs to start much sooner in their thinking so they are ready for the competition when it arrives, because it will arrive fast. In the past, because distribution was much slower, you had more time to understand how the consumer felt about your product, how it might be positioned relative to the competition. The job of the agency was then to capture that 'essence' and attach it to the product so that you didn't have to spend quite so much money on marketing.

So, with our thanks to Simon Sinek for making things simple to understand, there is much voice being given to 'Why, How and What' structures right now. Both disruptors and disrupted are going deep inside their organisations to connect – or re-connect – with who they are and why they exist in order to build a more sustainable brand narrative.

This next phase of the cycle is the one we see as the weak link in the approach of many of the new disrupters, one that gives established businesses – which have been down this path before – the chance to cement their place in the consumer's mind. But if the disrupter does manage to find that killer utility they can then dominate a category pretty quickly, which is why some established businesses can have the rug pulled from under them.

However, those are the headline acts and there is plenty of activity in all categories to make this one of the most fascinating turns of the cycle we've ever seen. ■

It's not just a matter of life and death.....

by Martin Jones

After 34 years in the football wilderness, in August, my team Brighton played their first game in the Premier League.

This momentous occasion led me to reflect on the huge similarities between the worlds of football and agencies.

No doubt there are many that I will have missed, but here are a few to kick off with (see what I did there!):

■ The importance of teams – Whether it is in a Chemistry Meeting or playing the league leaders, the team will pretty much always win out over a group of individuals.

■ Supreme optimism – You may have lost five games/pitches in a row but NEXT time, you are definitely going to win!

■ The lack of BAME representatives running agencies/teams – Our manager Chris Hughton (he of the Blue and White Army fame) is the only black manager in the Premiership, and one of only three in the four divisions of English football.

■ The constant movement of talent between both agencies and football clubs – "One-man clubs" are a rarity in both worlds, whilst both Campaign and the tabloids are full of pictures of new signings holding up the literal or proverbial shirt.

■ Everyone knows when the pitch presentation is and the transfer window closes – but both are invariably characterised by a mad last few hours (or indeed minutes) of trying to get everything over the line!

So, if there are many similarities, what can the agency world learn from the football industry? Whilst I suspect there are many things, here are just a few starters:

CARETAKER MANAGERS

When a team loses its Manager unexpectedly, the sensible ones put in a Caretaker Manager for a period of months whilst they make a more considered, long term appointment.

Faced with the need to find a new CEO, many agencies feel the need to make an instant appointment – often the Planner – rather than take their time by appointing an interim Manager whilst a full search takes place.

YELLOW CARDS

When a client calls a pitch, we ask them whether the news will be a surprise to the incumbent agency. Invariably the response will be: "well it shouldn't be, we've given them enough warnings". Unfortunately the message doesn't always appear to have been heard so maybe we could introduce a formal Yellow Card warning that the client can give the agency to let them know that they are in danger of announcing a review.

VALUING ITSELF

When Sky and BT approach the Premier League for negotiations on TV rights, I don't suspect that they will be told "well, you may be looking for £2 billion, but we could probably do it for £1.5".

Our industry is full of stories of agencies undercutting each other and "doing work for free". Surely the time has come to take a leaf out of the world of soccer and start collectively valuing ourselves. ■

Managing Partner, AAR and excited Brighton fan

> WHETHER IT IS IN A CHEMISTRY MEETING OR PLAYING THE LEAGUE LEADERS, THE TEAM WILL PRETTY MUCH ALWAYS WIN OUT OVER A GROUP OF INDIVIDUALS.

And finally a couple of suggestions which sadly are unlikely to see the light of day, but wouldn't it be great if.....

■ Having spent years training and nurturing their talent, agencies were able to charge a transfer fee if one of their players was poached by a competitor.

■ There was a closed season when clients weren't allowed to review. No serious games are played during the summer period and there is always talk of a Christmas break. Adopting the same practices in the agency world wouldn't be a bad idea.

Pies in the skies? Ten years ago, if you'd told me that Brighton would be playing in the Premier League, I would have said that was an impossibility, so you just never know!

Across the great divide:

What 20th century brands and 21st century businesses can learn from each other

by Paul Phillips

Over the last 18 months, we at AAR have seen several 21st century digital businesses looking to appoint agencies to create effective brand-building communication, often with a key requirement being brand TV advertising.

At the same time, we've been working with a number of 20th century bricks and mortar brands on similar briefs, namely for agency support that will deliver digitally-centric content that's platform-agnostic, media-neutral and socially engaging.

The 21st century businesses we've spoken to are all very successful. They're not confined to a particular sector, ranging across travel, finance, online retail, aggregation and online marketplaces. They appear to offer the holy trinity of wider choice, cheaper prices and faster delivery and, if the commentators are to be believed, are fast becoming the future of retail/ financial services/travel agency services/ fast food (you get the idea).

To date they've done a fantastic job of optimising themselves, but now continued reliance on optimisation is struggling to deliver cost-effective returns at the rate of growth such activity has achieved in the past.

High on these businesses' wish-list is the desire to build a brand, one that has meaning and purpose beyond prompted awareness. They look to brands created in the 20th century and recognise the contribution that such brand-building has delivered to these companies' long-term business performance. Indeed the best brands are recognised as assets on the balance sheet by some companies.

Meanwhile, each of the very successful 20th century businesses we've advised has had non-traditional advertising solutions as a central element of the brief, and has shied away from any of the heritage advertising agencies that have expanded their offer beyond their core skills.

Instead they have been drawn to specialist agencies that are most often either owner-managed or have been bought by a holding company but still operate with an apparent degree of autonomy and independence.

THE BEST BRANDS ARE RECOGNISED AS ASSETS ON THE BALANCE SHEET BY SOME COMPANIES.

In the first instance, these are often project-based arrangements, but the more successful agencies have developed these projects into Agency of Record relationships with their clients, taking an increasing share of the overall marketing budget at the expense of other agencies.

So what's to be learnt from this? Here are three observations worth bearing in mind:

1. Investment in brand advertising and optimising marketing performance are both necessary to deliver business success. One is not achieved at the expense of the other; the trick is getting the balance right between the two.

2. 20th century brands have a lot to learn from 21st century businesses, and the reverse is equally true, certainly when it comes to brand building and advertising. Of course all successful businesses share similar traits, whether they are bricks and mortar, on-line only or mixed economy. Type 'traits of successful business' into the Google taskbar then pick from 111,000 news items or 2.48 million total results should you need reminding what it takes to run a successful business.

3. Darwin's theory of evolution, that it's those with the capacity to adapt that stand the best chance of survival, would appear to be equally appropriate to business, brands and marketing as it was to the original subject matter about which the observation was made.

A lofty thought on which to end perhaps, but no less relevant for being so. ■

AAR best practice

Firing your agency? Here's how to do it properly

by Paul Phillips

It isn't easy parting company with an agency, particularly one with which you have worked successfully for a number of years. Professional and personal relationships have developed and there were, hopefully, good times and good results.

In fact I'd encourage every CMO to think about the reasons for considering this course of action, and explore whether the issues can be resolved before making the decision to part company. After all, the agency was once sufficiently impressive to be appointed.

Could you consider giving the agency a "yellow card", allowing them a period to sort things out before taking the decision to pitch? Alternatively, if you haven't reviewed your agency for some time and your procurement team want the reassurance that they are still the right agency for you, we often find ourselves helping clients benchmark their current relationship across their working practices and commercial arrangements in order to avoid what can be a time-consuming pitch process.

However, if you've given your incumbent every chance and still think it's time to change, you should check the terms of your contract. Once that's done, here's some guidance on how to fire your agency in the right way.

1 If possible, do it face to face. If you can't, set up a time to talk rather than calling on the hoof. This is a conversation that requires privacy, so make sure the person to whom you're talking is not sitting in an open-plan office.

2 At the start tell them that it's a bad news conversation you're about to have, so they are prepared. If the decision is justified, the best agency heads may have an inkling and the news shouldn't really come as a surprise.

3 Be honest. You should be clear about why you've decided to end the relationship. Be sure to have some evidence and examples of where the agency has fallen short. It's got to be more than a feeling that it's time for a change.

4 Be clear about your decision, and that you have already given them every opportunity to prove themselves. Be prepared for the agency to ask for the chance to improve, but if your mind is made up it's better not to give false hope.

5 If you have decided that you do not want to continue working with the agency, whatever the circumstances, you should not invite them to re-pitch for the business. It's a waste of their time and resource (as well as yours), it gives false hope and it isn't polite.

6 Part on professional terms. Tell them you want to be a good leaver and treat the agency properly. There may be outstanding work that the agency needs to complete prior to the newly-appointed agency starting work and getting fully up to speed. This may mean that you are paying for the services of two agencies for a short time. This is preferable than having your outgoing agency down tools at a time when your incoming agency is not yet ready to take on all you need them to.

7 Give them time to tell people internally, and agree not to go public until all internal communications have taken place.

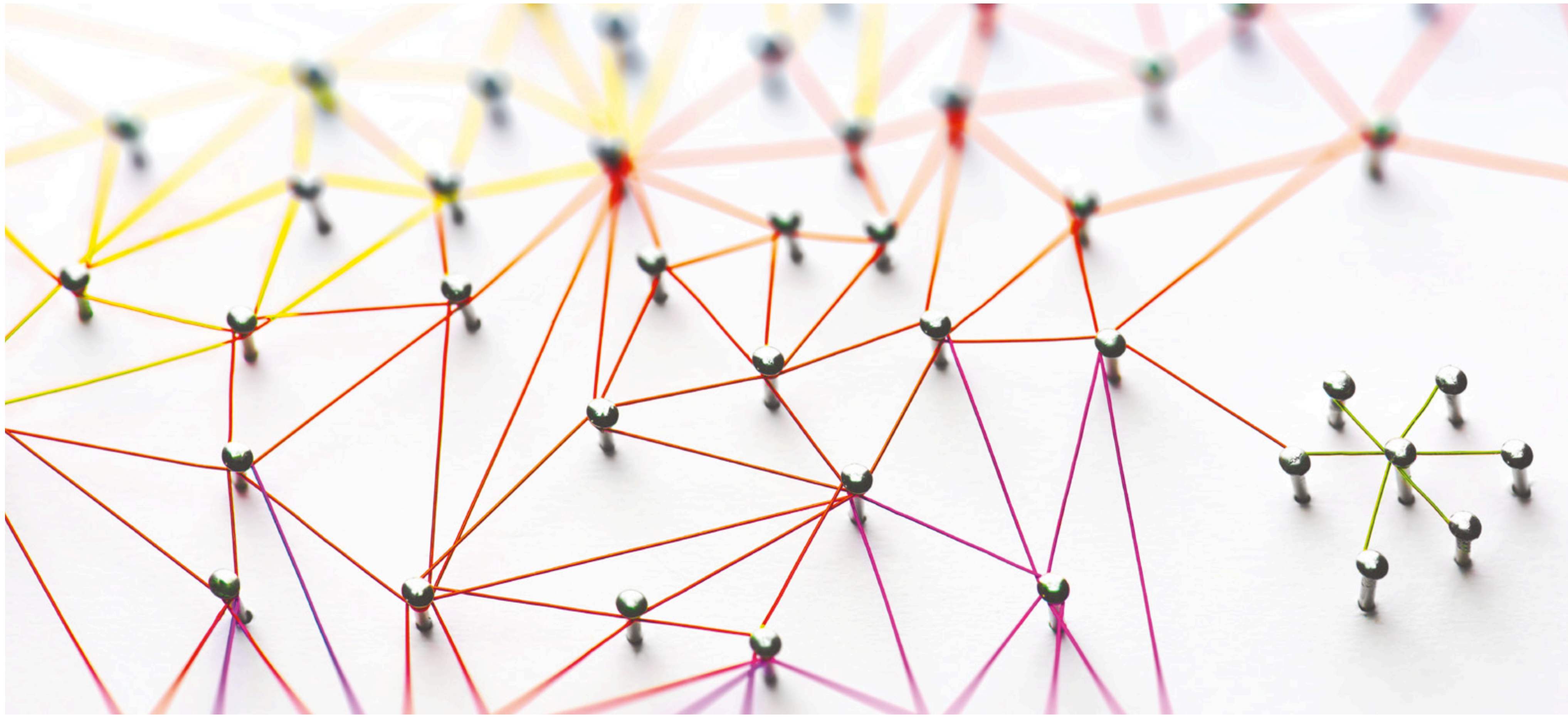
8 Agree a joint statement for the trade press in which you can thank them publicly for all they have done.

9 Ask what, if anything, the outgoing agency would want from you to help ensure it's a professional parting.

10 Follow everything up in writing, including giving formal notice.

I hope there's little need for you to refer to this too often, but if you do, hopefully there's some guidance that will be useful in what is a difficult task. ■

> I'D ENCOURAGE EVERY CMO TO THINK ABOUT THE REASONS AND EXPLORE WHETHER THE ISSUES CAN BE RESOLVED BEFORE MAKING THE DECISION TO PART COMPANY.



Client/Agency relationships: is all feedback useful?

by Vicky Gillan

It's always best to get all feedback on the table and address it, isn't it? Actually, sometimes I'd say it's not.

- Not if the feedback is drip-fed back to the agency, with no clear view of priorities or decisions made.
- Not if the feedback changes from stakeholder to stakeholder or, worse still, if subjective views appear to be prioritised with no reference to the agreed brief.
- Not if gleaning feedback takes much longer than planned, and a competitive opportunity is lost.
- Not if the feedback is too executional and granular too early in the process.

The potential impact of the above is missed deadlines, the need to redo work, over-spending, frustration, a reduction in trust and potentially a great idea being dismissed too quickly.

For me, three things make the difference in delivering really useful feedback:

- It must be client-owned and agreed internally before being shared with the agency.
- It must be articulated in the context of the agreed client brief.
- It must clearly articulate the problem with the current direction, so it can be solved by the agency.

So, what gets in the way and how can we overcome these challenges to make sure our feedback is always useful?

Have a look at your sign-off processes – are they fit for purpose for your work and trading landscape?

Are you over-using the baton sign-off approach and extending the relay race as a result? Do you have a one-size-fits-all approach, regardless of the scope and pace of work? Does your team frequently drip-feed feedback to the agency as deadlines loom for production? Does the quality and direction of feedback fundamentally change during the sign-off process or as work is shared?

If your answer to any of these questions is yes, you should consider whether your current approach is working for you, your brand ambition and your business challenges.

My advice is to choose an upcoming campaign, new content programme or even an NPD launch to start with a new approach. Begin with a blank sheet of paper and work out the key stages, editing out previous sign-off points or even adding in WIP sessions. Then – for each stage – set the real purpose of asking for feedback and what it triggers; work out what the crucial go/no decisions are; summarise what feedback is needed at each stage and, perhaps most usefully, what is not. Your agencies will be a huge source of information here, as they can readily share examples of what other clients and categories have cut out to drive efficiency.

You should end up with fewer stages, which should help ensure the person with ultimate sign-off is involved right from the start, having also signed off on the brief. If they can't be involved – for whatever reason – then it can't be a priority for them. In that case, their sign-off needs to be delegated to someone else right from the start. And stuck to.

Look at your list of people providing feedback – is it the world and his wife or is it lean and purposeful?

Most client teams have a sign-off framework in place stating who needs to be involved at key points. Often this is summarised in a RACI process chart:

RESPONSIBLE
The person responsible for managing the project/activity.

ACCOUNTABLE
The person with ultimate sign-off and budget responsibility.

CONSULTED
The people who should be consulted and their feedback acted upon from a technical perspective (e.g. Legal, Compliance, Brand).

INFORMED
The people or teams who need to be informed and have their views considered but not necessarily acted upon unless the person responsible agrees.

When used well, RACI charts can be incredibly useful in ensuring no cock-ups are made with any external facing work.

My advice is to review the RACI list regularly and keep it as lean as you can. This is especially necessary after internal re-structuring, and when new roles are created to drive client capability, as these changes invariably lead to more names being added to a RACI list.

Ultimately, however, what makes the biggest difference is ensuring all on the RACI list are aware of their individual remit and responsibility for providing specialist feedback. All specialisms must be respected and their feedback reflected, but where someone has

> ALL SPECIALISMS MUST BE RESPECTED AND THEIR FEEDBACK REFLECTED, BUT WHERE SOMEONE HAS A PERSONAL OPINION THERE NEEDS TO BE BRAVERY TO ACCEPT THE DIFFERENCE BETWEEN THAT AND USEFUL, VALID FEEDBACK.

THE BEST WORK ISN'T CREATED BY CONSENSUAL DECISION MAKING.

a personal opinion there needs to be bravery to accept the difference between that and useful, valid feedback.

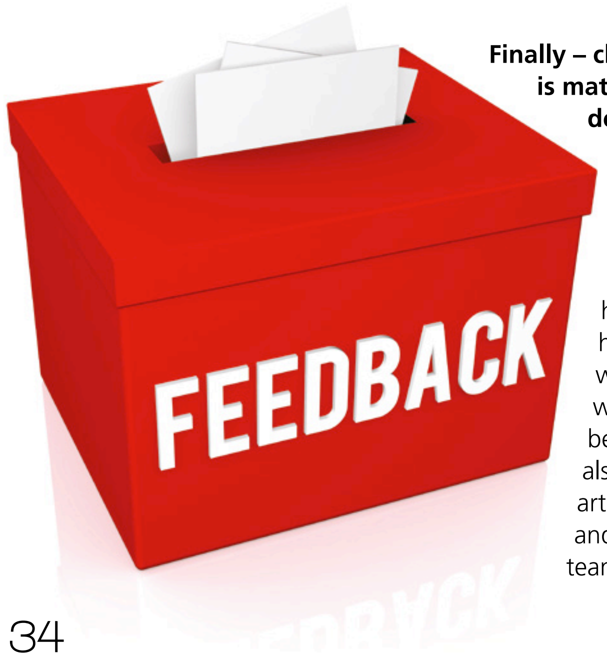
I remember from my own client days spending time with legal and having to be quite insistent on the difference between a legal no-no and an individual's point of view on the creative idea. Everything was listened to, but not everything was actioned, and my job as the marketing comms specialist was to explain the difference.

Look at the quality of your feedback to your agencies – is it a feedback log or a single client view?

The feedback log is often an attempt to ensure nothing is missed and always comes with good intent, but ultimately it transfers responsibility to the agency to sift through the comments and identify the priorities as well as managing any conflicts. A single client view enables these discussions to be managed and owned internally before the results are shared with the agency for discussion and action.

However, being able to discuss the merits of any feedback internally is entirely dependent on having an agreed written brief. And remember that the best work isn't created by consensual decision making so whoever is responsible for creating this single client view has to have the skills required to do so.

Finally – check the type of feedback is matched to the stage of development



If you are at the idea stage, then make sure the feedback is all about the idea; what kind of idea is it, how it relates to the brief, how consumers will react, whether it is something only we can do, how else it could be done etc. This approach also demands your agency fully articulates the idea at this stage, and doesn't drown the client teams in executional examples.

But, if you are in the development stages, then absolutely the feedback has to be focused on the execution and making sure all elements work together to bring the idea to life. Often this involves debating the idea to ensure optimal and seamless execution across the channels in scope.

Let me give you an example. At Christmas, an agency sent me a fantastic card. Around the traditional scene were 16 red arrows all sharing very specific feedback, ranging from "the robin is over weight – we need to promote a healthy lifestyle" to my personal favourite being: "Snow should be no more than 3 inches deep and can we warm it up by a few degrees?". This perfectly highlights the confusion anyone would face when given numerous comments slating the execution, when the summary in the bottom right-hand corner states the overall concept was well-liked.

DID YOU LIKE IT?

And it showed how critical it is to have the ability to look through the executional elements to the idea being presented at first concept stage. Some marketers are instinctively brilliant at this, but the opportunity to develop this skill with training and a day-to-day external perspective always helps.

My last piece of advice is, therefore, to consider how this skill is being developed within your team and culture. Formal training, shadowing, coaching and mentoring can all make a difference. So can discussing other brands' campaigns in team meetings, encouraging views on the work from the target audience's perspective, while avoiding the death trap of soliciting not-very-useful feedback by asking: "Did you like it?"

So, to answer my own question, I really think all feedback can be useful, provided it's delivered at the right time and in the right way. And if you're the marketing communications specialist, supporting your team and colleagues to make that happen will also pay back in the quality of the work. ■

17 ways to murder an idea

by Vicky Gillan

It may be hard to believe but before the internet was invented there was already a mechanism by which things could go viral. It was called the photocopier.

A particularly amusing newspaper clipping, joke or resignation letter would be photocopied and passed round the office, often remaining in circulation long after the originator had left the company. The list I'm sharing with you here is just such an item. It was handed to me by a former colleague, and I never knew where he got it from. In every meeting we went to afterwards, we'd secretly nod at each other when we spotted a stakeholder using an approach off the list to kill an idea they didn't want to progress.

I found that photocopy a little while ago, and the same list turned up in a couple of places when I searched for it online. It seems as relevant now as it did then; how many of these ways to murder an idea have you observed or heard recently? ▶

1. See it coming and quickly change the subject.
2. Ignore it. Dead silence intimidates all but the most enthusiastic.
3. Feign interest but do nothing about it. This at least prevents the originator from taking their idea elsewhere.
4. Scorn it. "You're joking, of course." Make sure to get your comment in before the idea is fully explained.
5. Laugh it off. "That's a good one, Joe. You must have been awake all night thinking that up."
6. Praise it to death. By the time you have expounded its merits for five minutes everyone else will hate it.
7. Mention that it has never been tried before. If the idea is genuinely original, this is certain to be true. Alternatively, say "If the idea's so wonderful, why hasn't someone else already tried it?"
8. Say "Oh, we've tried that before" – even if it's not true. Particularly effective with newcomers. It makes them realise what complete outsiders they are.
9. Come up with a competitive idea. This can be a dangerous tactic, as you might still be left with an idea to follow up.
10. Try to chip bits off it. If you fiddle with an idea long enough, it may fall to pieces.

11 Stall it with any of the following: "We're not ready for it yet, but in the fullness of time…"; "I've been wanting to do that for a long time, but right now…"; "Let's wait until the new organisation has settled down…"

12 Modify it out of existence. This is elegant. You seem to be helping the idea along, just changing it a bit here and there. By the time the originator realises what is happening, their idea is dead.

13 Make a strong personal attack on the originator. By the time he or she has recovered, the idea won't seem so important.

14 Appoint a committee to sit on the idea. As Sir Barnett Cox observed, "A committee is a cul-de-sac down which ideas are lured, then quietly strangled."

15 Drown it in cold water, as in: "We haven't got the staff to do it…the intangible risks would be too great…that's all very well in theory, but in real life…"

16 Return it to sender with: "You need to be much more specific about your proposal."

17 If all else fails, encourage the originator to look for a better idea – usually a discouraging quest. If he or she actually returns with one, start them looking for a better job.

> IF YOU GIVE PEOPLE THE OPPORTUNITY TO DISCUSS THEIR IDEAS PROPERLY, YOU'LL END UP WITH FAR MORE IDEAS AT THE END OF THE SESSION THAN YOU HAD AT THE BEGINNING.

We've all seen our ideas killed, and sometimes that was absolutely needed. After all, part of the creative process is to sort the great ideas from the okay ones, the on brief from the off brief ideas. But when it feels like we're more pressed for time than ever, the more serious point is how do we ensure our imaginative people – whether in house or external – are able to do their best work? And how do we ensure that in our desire for speed and agility, we don't leave the best ideas in the delete folder, or worse - retained in our team's heads?

The fact is that ideas need two main things if they're to flow; time, and other ideas. If you give people the opportunity to discuss their ideas properly, you'll end up with far more ideas at the end of the session than you had at the beginning.

So, if you know the 17 ways to kill an idea, you can prepare for them and make sure your ideas get the hearing they deserve. For example, when working client side, one of my senior colleagues was a big fan of numbers 14 and 16. His stock answer was to suggest a project team, with a relentless criticism of the lack of detail at the initial stages. This inevitably led to resource issues and death by delays. I changed tack, and made sure I got him on board with whatever I or my team was proposing before the next exec meeting. It didn't always work but it certainly helped.

On the other hand, if you sometimes find yourself using one of these techniques to kill an idea, you might want to pause and ask yourself why. After all, in our quest for genuine innovation and disruption, creating the sort of safe space in your business that's needed for ideas and innovation to truly flourish has never been so critical. ■

Five signs you may need to re-think your agency model

by Vicky Gillan

"Can my agency model deliver what I need going forwards?" is a question I hear frequently during my travels. And it's never been trickier to answer.

For a start, channel proliferation and marketers' increasing desire to work with specialists means that most agency rosters are bigger than ever before. At the same time, the whole agency model is being rethought. Questions like "which aspects of marketing should be outsourced" and "which should be brought in-house" are being revisited as issues such as efficiency and being always-on become more important.

Added to that is the need to integrate all the diverse channels to deliver maximum effectiveness, plus the constant pressure on the marketing budget.

Then there's the constant fear of disruption and the rise of new competitors. And the corresponding fear of missing a new market opportunity by not being a disruptor yourself. All that's enough to blow anyone's mind, especially when they're under time and resource pressure themselves.

Of course, there's no sane answer to the question of how big the ideal roster should be. No two agency models or rosters will be the same, just as no two companies are the same. At AAR, we always say you should have as many agencies as needed to give you the capabilities you require, and as few as possible to get the job done efficiently and effectively.

There are a few warning signs that might suggest now is the time to rethink your agency model: ▶

THERE IS ALSO A TIME FOR SOMETHING MORE RADICAL. THE TRICK IS TO ENSURE THAT YOU ALWAYS FOCUS ON SIMPLICITY AND CLARITY.

1 Are you hitting your business targets?

There are clearly lots of possible reasons for poor business performance other than just having the wrong agency model. However, it's still worth reappraising your options in this situation, if only so you can tell the Board you've done so. Even if you are on track, there may still be a problem if you know you're likely to be disrupted soon and that you need to up your game, or that you're going to need to do things differently. Or things might be okay, but could be better, which in many ways is harder to deal with, as there's no burning platform to drive change.

2 Are there parts of your agencies' work that aren't as good as you believe they should be?

Few marketers have the chance to establish their agency roster from scratch. Instead rosters are inherited and grow organically as new skills are required. So, while agencies should always be given a chance to shine, you may find your needs have changed, or that an addition to your roster that made sense at the time no longer works as part of the overall output. There might also be an agency on the roster that was appointed to work outside its core competence as a "quick win", but which is proving unable to meet your quality threshold.

3 Is the process of getting the work done painful?

This can be another indicator of an agency working outside their specialism, but it could also suggest your team is having problems working with the agency in question, or is struggling with the sheer number of agencies they have to deal with. Similar problems can also manifest themselves dealing with integrated agencies, where the implied promise of one seamless process has never really materialised.

4 When you ask for new thinking, do you find everyone saying they can help you, but you're still not getting the simplicity and clarity you need?

Are you being offered too many ideas, but not enough options? You need to be able to access the right expertise whatever the problem, and whatever level it's at. So, if you're considering a change in strategy, you don't want people constantly talking campaign execution or Business As Usual (BAU).

5 Do you have the right commercial terms and management structures in place to allow your agencies to do their best work?

And more importantly, to ensure you, your team and the agencies work well together. I've come across a number of clients who talk grandly about treating their agencies as a "council of experts" which they bring together to solve the marketing problems facing the business. It's an evolution of the old "a great idea can come from anywhere" approach, but you need the commercial terms to support it. Yes, an agency might come up with a great idea outside their discipline, but what's their incentive to suggest it if they know another agency will get the work and the money?

What all this comes down to is whether you believe you have the skills and knowledge you need to tackle your biggest problems – or opportunities – within your internal team and your agency partners. For some clients I speak to, the answer is "yes, but I need to do some things differently". For others, the answer is "actually I'm not convinced I do".

There are always ways to improve things, from tweaks to ways of working to building on strengths. There is also a time for something more radical. The trick is to ensure that you always focus on simplicity and clarity. And as I know from personal experience client-side, the bigger the issue, the more important it is to get the right people to help you "boil the ocean", without making you feel you actually are boiling the ocean. ■

How to get the most out of your pitch process

by Alex Young

You're holding a pitch for new agency partners. This won't have been a decision taken lightly; running the pitch will be time-consuming, distracting and there's always the niggling concern that you won't find better in a new agency partner.

So if you're at that point, how do you make sure that you get the most out of your pitch process and the agencies you select to participate?

The first thing to consider is the incumbent relationship. Does your existing agency have the requisite skills to compete for the account (and do you want them to)? How will you keep them motivated to work on your account while the pitch is underway, while also reassuring their competitors you're not just undertaking a tire-kicking exercise?

All prospective agencies, including the incumbent, will want to know the reasons for the pitch and what it will take to win your business. They'll also want to be clear on the scope of work and the size of the opportunity, so you should be upfront with your budgets.

And finally, they will want to understand the pitch process, timetable and who the key stakeholders will be. That way they can check they'll be able to resource the pitch - and the business - properly, but they'll also start to get an idea of what you would be like to work with.

Clients who don't expect to give much face-time to prospective agencies may well find they are passed over for other opportunities.

Each stage of the pitch process is vital for you in gaining insight to all the agencies involved, and for the agencies to get a deep understanding of your business.

VISITING PROSPECTIVE AGENCIES

To see how they operate in their own environment is always advisable and will help enormously in selecting your pitch list.

AN ALL-AGENCY BRIEFING

Is the time to excite and motivate candidates, and an opportunity to introduce agencies to your wider team, but you should expect to offer individual Q&A's as a follow up.

COMMERCIAL AND CONTRACTUAL DISCUSSIONS

Should commence immediately, so that any red flags can be raised and so you can make a swift and informed decision after final presentations.

DEEP-DIVE SESSIONS

Into agency tools and systems, especially when selecting a media agency partner, should be factored into your pitch process and scored as part of the final decision.

WORK-IN-PROGRESS MEETINGS

Will reassure you that agencies are on track for their final presentation, or allow you to course-correct if necessary.

Final presentations should be based on a challenge that give you the opportunity to judge the agencies strategic smarts and creativity, without asking them to boil the ocean.

You want all participating agencies to do well. Indeed, the best pitches result in the final decision being extremely difficult. But to ensure all pitching agencies are hungry, competitive and focused on winning your business, you need to make the process as open, engaging and motivating as possible. And that takes time, commitment and a degree of creativity on your part, too. ■

We needed an expert and objective means of reviewing our global agency roster and ways to unlock greater efficiency and effectiveness. AAR was selected for their highly professional approach, rigour and integrity. They delivered beyond expectations with clear recommendations that showed a deep understanding of who we were as a business, using an evidence based approach and a clear focus on what would make the biggest difference for the future. What stood out for me throughout the whole process was that they were as passionate about seeing our business succeed as we were.

Travelport

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

AAR's objective view and advice was invaluable in guiding us through the process from briefing to the final selection and every step in between. An agency pitch process can be daunting, complicated and time-consuming but working with AAR meant we could navigate our way through the marketplace with confidence knowing that we were making the right decisions along the way.
Halfords

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:

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