

AAR PULSE

FOR AGENCIES 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 BUSINESS 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 attention. We all know they are more important than that. As someone who has worked in the business for 30 years, it's clear that everything has changed.

However, my fundamental concern for this 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?

There has never been a greater number of channels via which we can be creative and more efficiency with which consumers can be targeted. But the speed with 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 create 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 in 2017

A review of the last 12 months

by Martin Jones

Twenty seventeen was definitely a year of contrasts. The first three months were probably the busiest that many of us have ever encountered. However, as the year progressed, activity started to dampen down a bit and it became somewhat quieter in quarters two and three, before significantly picking up again in the final quarter of the year.

In retrospect, we don't believe there was one particular reason for the lull half way through the year. Clients do not take the decision to review lightly and often need the confidence of certainty to help support their decision.

Last year was one of the most chaotic and unstructured in recent history with uncertainty on both a corporate, national and global level leading to many client companies putting decisions (including holding an agency review) on hold.

That said, in 2017 the team at AAR were kept very busy helping clients with both appointing agencies and improving their working practices, and working with agencies to help them become match fit for the increasingly competitive world of new business.

On the review front, as in previous years, retailers proved to be the busiest category for us, as we worked with KFC to help them appoint creative, digital and PR agencies, Halfords (integrated), Debenhams (creative) Carpetright (media) Bright House (digital media) and Costa (global advertising and CRM), as well as kicking off a creative review for Pizza Hut as the year came to an end.

Online brands were also proving a good source of briefs and we worked with a number of high profile organisations including Ebay (creative), Trip Advisor (creative and media), Facebook (media), who were looking to appoint agencies to work on international briefs, and cycling brand Zwift (media) and Audible (PR) who were looking for agencies to work on UK only campaigns.

ENGAGING

The charity sector always provides agencies with the opportunity to produce some emotionally engaging work, invariably for hugely important and meaningful causes. Those that we assisted included Great Ormond Street Hospital (brand), Marie Curie (media), National Trust (digital), Stonewall (media) and RSPCA (fundraising).

In addition to these established charities, we were also delighted to help a new charity Team Margot which was set up by two parents who had lost their 18 month daughter because she could not get a bone marrow transplant. They were looking to appoint an agency to encourage people to sign up as donors and we were delighted to have played a small part in helping with this hugely important mission.

Perhaps our biggest highlight of 2017 was our very own Kerry Glazer being appointed President of WACL. This was a huge honour for both her and AAR and it has been impressive to watch her juggle the demands of her day job as CEO with leading WACL's agenda and activities.

In 2017, we were also busy undertaking confidential consultancy projects for brand owners who want to make the best of their existing agency relationships and get an objective external point of view of where improvements could be made. The shape of these projects is always different and that's part of the appeal for AAR.

Increasingly, we are seeing commercial, production and ways of working assessments in these briefs as well as clients contemplating the actual operating model they are employing to drive efficiency and effectiveness benefits. Throughout the year, Vicky Gillan and the working practices team were active in the retail, pharmaceutical, charity and financial services sectors, among others, both in the UK and internationally.

In parallel with this work - and frustratingly for many, particularly the marketing trade press - 2017 was peppered with confidential projects for brand owners that didn't necessarily want to call a review, but just wanted to benchmark their incumbents from



a creative and cultural perspective. We have no doubt that in 2018, this area of our consultancy will continue to flourish as holding a competitive pitch is not something that any client should take lightly but, at the same time, they need the confidence to be able to tell their key stakeholders that they are "with the right agency".

TRAINING

Client training was another area where we saw more briefs and, thankfully, one in which clients are investing again, given the two way aspect of any relationship. The adage of "great work starts with a great brief" has never been so true in today's world, whether client written or co-created. We've delivered one-off training sessions around the core skills of agency management, briefing and creative evaluation and helped clients shape and deliver a number of Marketing Excellence Training programmes. A key part of our approach is to ensure we listen to the issues from both the client and agency perspectives. It's a real pleasure when we hear of the difference the training and follow-up coaching has made.

At the start of 2017, we were lucky enough to spend a week with Jamie who was with us for work experience from Mencap. Having worked with the charity on their creative review in 2016, it was great to have the chance to help further by offering an opportunity to one of its beneficiaries.



LAST YEAR WAS ONE OF THE MOST CHAOTIC AND UNSTRUCTURED IN RECENT HISTORY WITH UNCERTAINTY ON BOTH A CORPORATE, NATIONAL AND GLOBAL LEVEL.

We were also able to take a break from the hurly-burly of pitches with our annual quiz, compered by the irreplaceable Tony Spong. Many thanks to Proximity for hosting and congratulations to Zone for winning.

In June, we took time out for our annual charity day, which was spent helping out at an urban farm, immediately followed by a beverage or two following the hard work that SOME people had put in!

Back in the world of pitches, other briefs that kept the AAR team busy included Astro Lighting (integrated), Countrywide (media), Hillarys (brand response), Oaktree Capital (brand response), Pernod Ricard, who were looking for an agency for their Chivas 18 variant and also a packaging agency for their Glenlivet

brand, Three (corporate and financial PR) and Sky's Now TV (PR).

As the year drew to an end, we also worked with three companies (Gala Leisure, GDST and Northgate) who had no incumbent agencies but were looking for help in launching or relaunching their businesses and we look forward to seeing the results of these appointments in the coming twelve months and beyond.

Our annual Christmas drinks, held at The Ivy Club, gave everyone a chance to relax after a hectic end to the year, and it is always gratifying to see how everybody welcomes the opportunity to catch up with former colleagues and peers in a (hopefully) non competitive environment.

POSITIVE SIGNS

As the year closed, we were working on a number of reviews which carried forward into 2018. These included Edrington for the Macallan brand who were making an appointment for a global creative agency, Water Wipes for an integrated agency for global delivery, Three for a retail agency, and Betway for a media agency for their UK and international requirements.

As we enter the first few weeks of 2018, all the signs are positive. We've hit the ground running at AAR Towers and we look forward to working with you in whatever capacity is most useful over the coming months. ■

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

Snapchat 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.





1 The heritage agencies are fighting back – and winning

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.

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.

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.



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

Examples of such diversification are Anomaly's interest in HMLT 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 WhatsApp, 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. ■





Zone crowned AAR Quiz Champions 2017

For the second year running, the biggest quiz in town came to SE1 as over 200 eager quizzers descended on Omnicom Towers, ready to be mentally stretched and physically fuelled by beer, wine, pizza and 'Celebrations'.

Last year's winners, Proximity, were fast out of the blocks and took the lead after the first round, but Round 4 on Science would ultimately be their downfall – in fact it was the lowest scoring round for most teams except for Zone, who scored 14 out of a possible 15!

In contrast, the best round for pretty much everyone was Round 3 – Sporting Fives – making its return after a sabbatical, which was a bit of a surprise.

Two questions stood out for me – what is the number on the Beaufort Scale for a 'strong breeze'? (six) and what is the naturally occurring phenomena of which 'tabular', 'blocky', 'dome' and 'wedge' are all classified shapes? (Iceberg). I'm sure you had a few favourites that were taken out to garden parties and down pubs over the summer, too.

Many congratulations to the Zone team on their victory – pictured above from

left to right – Suky Stroud, Jimmy Taylor, (Tony Spong), Jon Davie (team captain), Laura Goss, Bill Aldridge, Matt Weiner.

We wish them all the best during their year long reign, remembering that with power comes responsibility. World Peace, guys.

DEVILISH QUESTIONS

Many thanks to Martin Jones for another 5 rounds of devilishly testing questions; Ann-Marie (AAR) and Senaz (Proximity) for working their magic behind the scenes and all the AAR troops for gathering, counting and inputting the scores.

We look forward to welcoming another set of highly competitive quizzers next Summer but, in the meantime, here's the final scoreboard for posterity. Savour a Champions League place finish or despair in propping up the table. The stats don't lie, folks. ■

Ranking	Team Name	Final score
1	Zone	76
2	WCRS	74
3	Saatchi & Saatchi	71
=4	DigitasLBi	69
=4	ICLP	69
=4	Mother London	69
=4	Above + Beyond	69
5	Proximity London	68
=6	Mr. President	67
=6	TMW Unlimited	67
7	Starcom/Mediatrust Stack	66
=8	M&C Saatchi	65
=8	Text 100	65
=9	St. Luke's	64
=9	Red Brick Road	64
=10	The Gate London	63
=10	Rapp London	63
=10	Y&R London	63
=10	PSONA	63
11	VCCP	61
=12	Creature of London	60
=12	Now	60
=12	Publicis	60
=12	BETC	60
13	JWT	58
14	Ogilvy Group	57
=15	isobel	55
=15	Forever Beta	55
=16	MullenLowe London	54
=16	Manifesto Digital Limited	54
17	360i	53
18	Joint	52
19	The Brooklyn Brothers	49
20	iris	46



Day on the farm

Each year, AAR takes a day out of the office to volunteer for a charity. This year, we were at Deen City Farm, an urban smallholding with an educational focus in the heart of the London Borough of Merton.

As well as teaching the local community about the rural environment and where food comes from, the farm provides much needed outdoor space for families living in the nearby estates.

One of its key draws is a play area for under fives, which was opened in memory of regular visitor and local boy

Oscar, who died very suddenly at the age of three. His parents raised the £10,000 to fund the area, which quickly became an extremely popular aspect of the farm.

To comply with rules and regulations, the area has to be covered with play bark and the time had come to renew this surface. Which is where we came in.





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



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

the innovation lab? The digital team? Customer-facing teams like marketing? Or the responsibility of everyone?

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 11), 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 research

New business market 2017

by Martin Jones



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.

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

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

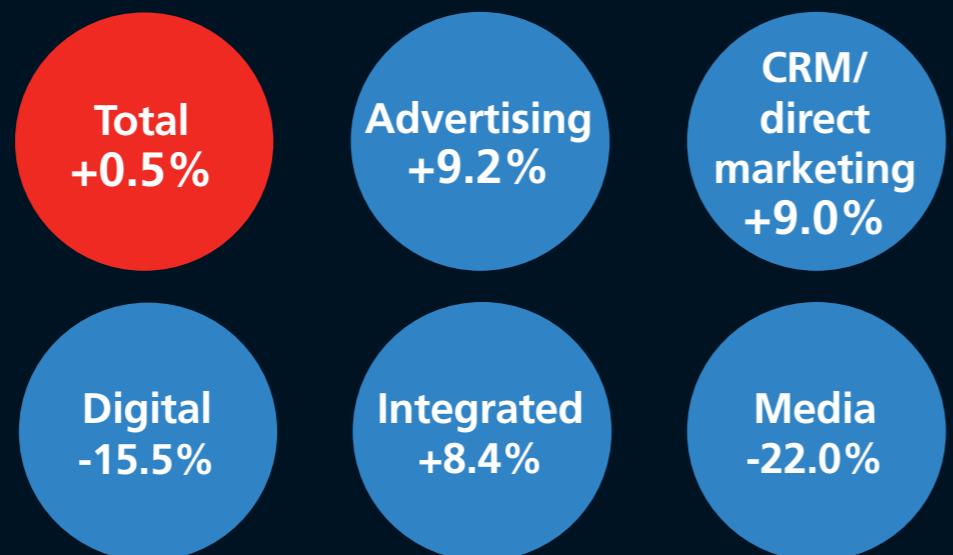
economy in the world, combined with many brands being focused on internal rather than external issues.

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



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. ■

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

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, predisposition 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



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

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.

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. ▶



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

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. ▶

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



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.

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 (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



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.

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

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!

The windmills of my mind

Celebrating ten years at AAR

by Tony Spong

One of the things about being the new guy in any office is that you know you'll be volunteered to take over a task where one of your colleagues is beginning to flag. So it was that, in my second year at AAR, I was asked to grab the mic for our annual quiz. Back then, I thought I would last just one year as question-master, but I now find myself not only on my second red sparkly jacket but also with a slightly unhealthy grip on the mic. Didn't see that coming!

So as I sit here in the aforementioned jacket, trying to make sense of the last ten years, I thought a quick quiz question might be a good place to start.

Noting that I've changed 'your' in the song title to 'my' in the title of my piece, can you name the film for which the song was the soundtrack, the original singer and who did a famous cover version?

The discovery of my inner Nicholas Parsons was just one in the constant series of surprises that have been such an enjoyable benefit of the last decade and have made the time go so fast.

The first came before I even joined AAR. While Katrina was contacting agencies to set up meetings for me, someone I hadn't seen since university popped up in the replies. Mike Welsh - then of Claydon, Heeley, Jones, Mason, and latterly of Havas Helia - was the first lunch I had at AAR, so it was lovely that Mike and Katrina could join me again recently to celebrate ten years and complete this particular circle.



example, I may know that I need a loft extension to create an additional room in my home but I've never done it before so the best builder is the one that asks the questions you haven't thought to ask.

But, for me, the one thing that has made every pitch so interesting is their inherent unpredictability, driven as they are by the "people buy people" dynamic. I soon learned how emotional the journey was for both sides.

PATTERNS

The third or fourth client I worked with was reviewing the creds of various agencies. They suddenly looked up while reading one and said 'this agency feels most like us'. I thought that was an amazing piece of insight. How had this agency communicated so successfully for that client? Several years later that agency changed its style and the reaction was 'cold and corporate'.

When I started at AAR I had it in my head that if a client was going to spend a fortune on marketing, their approach to choosing an agency would be very organised and rational. How wrong I was! I quickly discovered that, in the main, it's a distress purchase because the client/agency team works tirelessly at improving performance day by day, week by week and year by year, not expecting something to suddenly break.

So when it does, many clients are understandably a little disorientated as they look around for an IKEA-style set of instructions as to how to start the pitch process. Sure, that's one of the reasons they come to us, but it probably comes as no surprise that they often haven't even checked when the stakeholder group are taking their holidays and so can't possibly hit their deadlines.

Given how infrequently individual clients are involved in the search for a new agency, it's always useful to remember that, even though they know what to ask for, this might be the first time they have ever asked for it and you should approach the brief accordingly. For

so I make no apologies for being fastidious about your creds when you share them. It's why we run workshops, why we bring in language specialists to work with you, why we have surgery days; to help you make a better connection with the client. Like a circle in a spiral, like a wheel within a wheel, it's why agency new business teams are constantly fine-tuning their agency's credentials.

Patterns are hard to spot but, a bit like



THE CURRENT CLIMATE SUGGESTS WE ARE ON THE CUSP OF SOME BIG CHANGES IN HOW BRANDS DO MARKETING.

the life-cycle of the butterfly, agencies do go through moments of 'vibrancy'. Unfortunately these moments don't last forever and it's how the agency handles the transition between the stages that seems to be the secret of success. Over my ten years, some agencies have sadly not made it round the cycle for a second or third time, while others have re-emerged from their chrysalis brighter and stronger than before. Add mergers and acquisitions to that mix and the landscape is much changed today from ten years ago.

CREATIVE HUB

Napoleon once made a derogatory comment about our being a 'nation of shop keepers'; I think that's one of the reasons we are such a creative hub here in the UK. We have an idea with a clear proposition and we open a 'shop' - real or virtual - and see how we get on. Just

take the food scene over the last ten years. Sharing plates is the new normal, every taste is pretty much catered for, and if you are a whisker off your mettle customers stop coming and you have to close. Brutal. Likewise in our sector, while we seem to have fewer start-ups in the traditional disciplines, there are plenty of the newer 'maker' type of shops being opened. There will, of course, be failures but you can't fail unless you try, and that is the greatest creative force we have.

The current climate suggests we are on the cusp of some big changes in how brands do marketing. Whether the underlying principles will remain the same or new rule books will be written is hard to judge but this is the most disruptive time I've seen since I joined AAR. It's not only affecting what agencies produce but how they go about it, from the need for flexible teams to the development of strategy without the paymaster of the output.

Over my ten years I've been lucky enough to witness amazing thinking, amazing work, thought-provoking opinions, and excited clients but, above all, some pretty fine people.

Thank you and here's to the next ten! ■

*Oh, nearly forgot. The answers to the quiz question:
The Thomas Crown Affair; Noel Harrison; Dusty Springfield.*



THE WINDMILLS OF YOUR MIND

*Round like a circle in a spiral
Like a wheel within a wheel
Never ending or beginning
On an ever spinning reel
Like a snowball down a mountain
Or a carnival balloon
Like a carousel that's turning
Running rings around the moon*

*Like a clock whose hands are sweeping
Past the minutes of it's face
And the world is like an apple
Whirling silently in space
Like the circles that you find
In the windmills of your mind!*

*Like a tunnel that you follow
To a tunnel of it's own
Down a hollow to a cavern
Where the sun has never shone,
Like a door that keeps revolving
In a half forgotten dream,
Or the ripples from a pebble
Someone tosses in a stream*

*Like a clock whose hands are sweeping
Keys that jingle in your pocket
Words that jangle in your head
Why did summer go so quickly?
Was it something that you said?
Lovers walk along a shore
And leave their footprints in the sand*

*Is the sound of distant drumming
Just the fingers of your hand?
Pictures hanging in a hallway
And the fragment of this song
Half remembered names and faces
But to whom do they belong?*

*He: when you knew
That it was over
You were suddenly aware
That the autumn leaves were turning
To the color
Of her hair!*

*She: when you knew
That it was over
In the autumn of goodbyes
For a moment
You could not recall the color
Of his eyes!*

*Like a circle in a spiral
Like a wheel within a wheel
Never ending or beginning
On an ever spinning reel*

*As the images unwind
Like the circles
That you find
In the windmills of your mind!*

*Songwriters: Alan Bergman, Marylin Bergman, Michel Legrand
The Windmills Of Your Mind lyrics © Sony/ATV
Music Publishing LLC*

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
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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 in 2018

Core and senior management seminar programmes 2018

by Tony Spong

First of all, thank you for all your feedback during the 2017 seminar season. It's great to see that each of our seminars scored over 4 out of a maximum of 5; we are really pleased that you find them so useful.

For 2018 we will continue to focus on new business skills, building stronger client relationships and hot topics of the day, giving you more of what you want as well as sticking with the essentials.



LOTS OF INSIGHT.

LOTS OF TAKE OUTS.

THANK YOU!

We will also continue to champion our focus on improving client:agency relationships as well as new business, because clients and agencies are transforming how they work and what they need from each other.

It was, perhaps, no surprise that during 2017 we met with more and more clients wanting to discuss new agency models, not only to find an optimal solution to working with so many agencies but also one that is business strategy lead and not executionally driven. In 2018, we will look at how agencies can change their

business model (Caroline Johnson) and respond to the need for more flexible working (Jess Hughes).

Your input into and enthusiasm for re-inventing the role of Account Management has been incredibly valuable over the past year and together we have identified 5 key attributes we think are crucial to the role. So, we are pleased to bring you a seminar designed to get your future leaders ready for the leadership roles they aspire to (Emma Shelton-Smith and Carole Lowe) as well as a seminar on developing those essential coaching skills (Diana Jervis-Reed) any successful leader must possess.



EASILY ONE OF THE
BEST WORKSHOPS

I'VE BEEN TO.

We'll also be looking to chart agency positioning with the aim of developing a map of the agency landscape. We

probably work with agencies in this area more than any other and we felt the time was right to see if we could create something a little more empirical, so watch this space.



CHALLENGING TOPIC.

GOOD DISCUSSION AND
DEBATE WITH PEERS.

Full details of our 2018 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, so it always helps to plan ahead and think of who would benefit the most from each seminar and pencil that in their diaries now. ■

CORE SEMINAR PROGRAMME 2018

24 January

Presenting with impact
Tessa Morton
Tessa Morton Partnership

21 February

Building a pro-active relationship with procurement
Sarah Tucker
Pencabe Associates

28 March NEW

Developing your future leaders
Emma Shelton-Smith and Carole Lowe Slipstream

25 April

Managing the media and effective PR
Nicky Fuller
Larkspur Consulting

23 May

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

13 June

The importance of the right mindset in winning and retaining business
Tim Smale Mindworks

18 September NEW

Developing your coaching skills
Diana Jervis Read
JR Performance Coaching

17 October

Becoming a trusted advisor
Lizzie Palmer

21 November

Secrets of new business
Martin Jones AAR

SENIOR MANAGEMENT PROGRAMME 2018

Dates for our Senior Management Seminars throughout 2018 are as follows:

- 21 March
- 6 June
- 26 September
- 14 November

Topics will be confirmed shortly.

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 over 200 new business people "graduate".

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

As in previous years, the 2017 apprentices were asked to come up with a name for their "agency" team, as well as positioning. Last year witnessed the births of Hive, Onion, Satellite, Sync, Velvet Hammer, Tea and Yes&.

The agency teams were taught about various elements of new business including how to take a more proactive approach rather than simply waiting for the phone to ring, how to complete an RFI and what to do in a Chemistry Meeting, all backed up with stories and anecdotes from various AAR Business Directors.



THOSE WHO HAVE
ATTENDED LOVE IT. MAKES
THEM FALL IN LOVE WITH
NEW BUSINESS.

invariably a comparative process.

Hopefully all the participants found it a useful introduction to the world of new business and we look forward to seeing some, if not all of them, in real life pitch situations in the coming years.

We will be holding two courses in 2018, so 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 don't hesitate to get in touch. ■



Congratulations to the Business Development Apprentices of 2017 who are now busy putting the theory into action!

- Imogen Almond
- Emma Hook
- Nick Assheton
- Shivani Khosla
- Jessica Baah
- Kat McCamley
- Kasia Bailey
- Claudia Newman
- Maeve Brissenden
- Yvonne O'Watson
- Emma Clarkson-Short
- Celine Prinsen
- Amy Creeden
- Summer Rozenbroek
- Rebecca Dawson
- Jack Williams
- Taya Dufall
- Katie Dyer
- Lucy Freedman
- Louisa Galliano
- Lydia Haworth
- Harry Hembrow
- Lucy Hilton



OUR TEAM
MEMBERS REALLY
BENEFITED
FROM A DEEPER
UNDERSTANDING
AROUND BUSINESS
DEVELOPMENT
AND THE RIGOR
THAT SITS BEHIND
THE PROCESS.

COURSE DATES FOR 2018

SPRING COURSE
20 February – 20 March

AUTUMN COURSE
18 September – 16 October

Location:
The House of St Barnabas,
1 Greek St, Soho,
London W1D 4NQ

Maximum of 16 places available

For further information or to book a place, please contact Kit on:
KConnolly@aargroup.co.uk.



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.

■ **Alex Young**
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■ **Ann-Marie Thompson**
Project Manager
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■ **Kate Donaldson**
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■ **Katrina Law**
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■ **Kit Connolly**
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Managing Partner
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Alex Young



Ann-Marie Thompson



Kate Donaldson



Katrina Law



Kit Connolly



Kerry Glazer



Maria Farrell



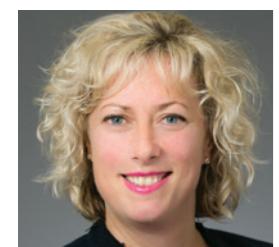
Martin Jones



Michelle Eggleton



Paul Phillips



Robin Charney



Tony Spong



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:

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

The Experts in
Client:Agency
Relationships

aargroup.co.uk

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