



PULSE

FOR AGENCIES 2025



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AAR: Consultants to the Marketing Industry

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Welcome to Pulse.

By Victoria Fox

WHERE TO BEGIN?

I have to start by sharing with you (if you didn't already know) that AAR is celebrating our 50th anniversary this year. A remarkable achievement for any business.

In December, we launched our celebrations at our annual Agency Drinks party, and it was great to have my two CEO predecessors, Kerry Glazer and Lyndy Payne, share a few of their memories amongst so many friends of AAR from over the years.

2024 was another challenging year for our industry and, at times, it felt like agencies were competing on numerous fronts; the challenge of AI as the answer to almost any question, the uncertainty of forthcoming elections and budgets that made medium-term planning almost impossible, the sustained need to demonstrate the business and not just the marketing impact that all our work strives to deliver, and the continuous ebbing and

flowing of ever-changing operating models being adopted by brands as they strive for the perfect balance between internal and external resource, coupled with the right commercial arrangements to go with it.

Thankfully, as an industry we over-index on optimists and talent, all of which make some of the tougher times more bearable and, as I look forward to 2025, it is with a sense of optimism and determination.

We are all at our most creative when faced with a challenge and it is always inspiring to see the ambition and work delivered across the agency landscape, be it from a well-established network or an energetic start up.

The same is true of the fantastic team at AAR, where fresh talent is pushing us to think and act in new ways without losing the spirit of who we are as a business, and the values established 50 years ago that are no less relevant or important

to us today. We say it how it is, we strive to break new ground, we stand shoulder to shoulder with you and the brands with which we work, we have a contagious passion for what we do and we do the right thing. Always have, always will.

Just as important to us is our role in helping to bring together different communities from across the agency and marketing landscape. Our Town Halls, AAR Exchange, seminars and CEO dinners all provide an opportunity to share our collective learning and knowledge and, in doing so, hopefully have a positive impact on all of our businesses.

As ever, we are always open to ideas and feedback on how we can further enhance our consultancy.

In parting, I hope you enjoy reading some of the news, perspectives and insights that are in Pulse 2025 by my wonderful colleagues at AAR.

50 years in the making and going strong.

Best wishes for 2025.



AAR @ 50.

AAR: Celebrating 50 Years of Innovation, Integrity, and Female Leadership at the Forefront of Change

By Tará McKerr

Tará McKerr of Little Black Book speaks to three generations of female leadership at AAR, as we celebrate our 50th anniversary.

For half a century, AAR has been a trusted constant in the volatile world of marketing. It's a longevity marked by a pioneering spirit coupled with an unwavering commitment to the principles it still holds dear today: integrity, transparency, and impartiality to name a few. Across three generations of female leadership, AAR has repeatedly redefined its role in order to remain indispensable, balancing the constancy of its values with the necessity of transformation.

As AAR now celebrates its 50th anniversary, its history is a narrative of consistency and disruption, with each leader shaping the company in response to the challenges of their time. Together, Lyndy Payne CBE, Kerry Glazer, and Victoria Fox have forged a legacy of trust that has kept AAR at the forefront of the industry.

Groundbreaking Beginnings

Back in 1975, when Lyndy founded the company, the industry was an uncompromising bastion of male dominance, wary of new entrants, and resistant to change. Lyndy's ambition to build a business rooted in honesty was met with scepticism. "The agency world was a very cynical audience," she tells me. "Remember, this was very much a man's world, and I had the affrontery to claim to offer agencies new business – and I was female!"

Undeterred by the barriers, Lyndy saw clearly the need for neutrality in the agency selection process. By offering confidence and removing much of the anxiety surrounding agency changes, AAR gained traction. "The values we

offered at the very beginning gave me a chance to establish the business," says Lyndy.

While her entry into the industry coincided with a very gradual acceptance of women in leadership – mainly strategists – the path was never easy. Lyndy reflects on the emergence of "brilliant creatives like Barbara Nokes" but notes that many women were still being relegated to behind-the-scenes roles. To support her peers, she embraced the spirit of sisterhood, hosting senior agency women at Women in Advertising and Communications Leadership (WACL) dinners. "[It] demonstrated that we females were here to stay," Lyndy tells me.

By 1995, AAR's reputation was firmly established, earning the recognition of the agency world. Lyndy remembers the milestone with pride, "They threw a party to mark our twenty years in business – such a huge compliment."



Leading Through Change

Taking the reins in 1999, Kerry Glazer inherited a business that had established itself as an essential intermediary. But things were shifting rapidly, driven by the explosion of digital technology, the rise of social media, and an increasingly data-driven approach to advertising. "The huge changes across the media and technology landscape led to the significant proliferation of excellent agencies providing solutions for brands," explains Kerry. Operating through the complexity required innovation.

Kerry, with her business partners Martin Jones and Paul Phillips, began introducing processes that transformed agency selection, such as the now-standard 'chemistry meeting' and workshop pitch formats. "We made pitching better and fairer, and easier for brand marketers to make good decisions," she says. Beyond pitches, Kerry broadened AAR's remit. From providing training for agency new business teams to creating resources for marketers on how to work effectively with agencies, AAR positioned itself as a partner in every stage of the client-agency relationship. "We created a trusted data source for agency commercials with benchmarks and introduced capability training for marketers," she tells me.

Kerry's leadership was defined by the balance between honouring AAR's foundational values and meeting new demands. "Throughout all of this, we maintained AAR's outstanding reputation for fairness, confidentiality and candor," Kerry explains. Among her most memorable moments was helping the London 2012 Olympic Games Organising Committee (LOCOG) select its marketing partner – a testament to AAR's reputation for fairness.

Today's Era

By the time Victoria Fox joined AAR in 2019, the landscape had once again shifted. Technology was no longer just a tool, but a driving force behind the way marketing functioned. "I could see that the future looked fundamentally different to the past

in this industry," Victoria tells me. "Marketing that puts the customer in the driving seat, leveraging brilliant brand thinking to connect with customers across all channels by unlocking the power that lies in data and technology. A blend of short- and long-term tactics. To deliver on this will require a fundamental shift in marketing's resources."

Victoria identified a growing need for expertise, not just in marketing strategy, but in the operational frameworks that support it. "Our belief is that marketing only works when it is underpinned by a great marketing operating model," she explains. Under her leadership, AAR began to position itself as a consultancy that could tackle these operational challenges, advising on everything from people and partners to process and platforms.

This transformation required AAR to evolve internally. "We've restructured, we've broken down siloes, and we have overhauled our consultancy offering," Victoria explains. While these changes were necessary, shifting external perceptions of AAR was equally critical. "Unboxing AAR has been the hardest part," she admits. "Those who work with us now know the new AAR, but we need to tell more people and new audiences that we exist." For Victoria, AAR's future lies in its ability to remain indispensable. "We will continue to be the trusted partner to our brand and agency clients that they need."

What binds AAR's three generations of leadership is an unwavering commitment to its core values. Lyndy Payne laid the foundation with trust and confidentiality, principles that have echoed through the decades. Kerry Glazer adapted these values to a rapidly evolving digital world, while Victoria Fox redefines them to meet the complexities of today's marketing landscape.

As the industry enters its next phase of disruption, AAR's role as a trusted advisor has never been more crucial. While marketing strategies and tools may shift, AAR's commitment to fair, objective expertise remains unchanged.

Now, at 50, AAR isn't just looking back – it's charting a future that balances innovation with its time-tested values. As Victoria puts it, "Although much has transformed, one thing hasn't wavered: the strong, unyielding foundation that shapes how we engage and operate."

The next 50 years won't be without their challenges, but with a foundation built on trust, integrity and a legacy of innovation, AAR is ready to continue leading the way – just as it has since 1975.

A small note of thanks

By Paul Phillips

It is no small achievement for any business to make it to 50, when a quick search will confirm that approximately half of all new businesses fail before reaching their fifth anniversary. Success, as we all know, is an amalgam of talent, perseverance, belief, confidence, luck and much more besides. Some of this is within our control, much of it is not. What can be said with a high degree of certainty is that AAR would not have enjoyed the success we have without the support of the agency community, which has been steadfast throughout.

Over the years it has been your support that has enabled us to invest in and expand our services, and so broaden our offering from its origins in agency selection to today's much more expansive offer that encompasses consultancy across people, partners, process and platforms.

All of which is delivered by the very best people.

So, this is a small and inadequate note of thanks to every agency owner, leader, CEO, CFO, Head of Growth and all others who have invested their time, energy, support, and money into AAR over the last 50 years.

We could not have made it without your help, for which we are genuinely grateful.

Thank you.



INSIGHTS AND PERSPECTIVES.



Behind the pitch consultant's curtain – a perspective from AAR's newest lead consultant

By Vonnie Alexander

I had long wondered what really went on behind the scenes of a pitch so when AAR's CEO Victoria Fox asked me to join the team as one of their lead consultants I literally jumped at the chance.

I have pitched hundreds of times over the years, and always wondered what types of discussion were taking place in the void between meetings. How could we as an agency improve our chances of success? What was the difference that makes the difference? And how could we use our relationships with our pitch consultants to best effect?

Now, after completing my second year with AAR, I can reveal what we do, why we do it and what makes for a well-run selection programme. And, spoiler alert, there is no one size fits all solution.

But first, my induction was long and thorough. Despite having been in client facing relationships at all levels for many years, Paul Phillips was clear that I needed to understand AAR fully, its values, its ways of doing things and that I shadow several other consultants through all the various stages of a selection process across a variety of disciplines before I was "let loose" on my first solo pitch.

That grounding proved to be invaluable. I learned from the experts that are Tony Spong, Rebecca Nunneley, Hannah Astill, Andrew Bloch, Victoria Fox, and of course Paul Phillips himself. It really was like a masterclass.

Now, while the consultants themselves are brilliant, literally nothing would run smoothly were it not for the team of Business Managers who make EVERYTHING happen. This is no mean feat given the number of moving parts that are in constant motion throughout any process. They are literally unflappable and unfazed by anything.

What became clear to me was that there is a lot more to "pitching" than meets the eye – and in fact the very word pitching is a misnomer used as a catch all descriptor for a much more considered and complex process, that of **agency selection**, that sometimes culminates in a pitch.

When a client comes to us, we spend a considerable amount of time listening to their needs, understanding their business and considering what the problem is that we are trying to solve. Our first thought is rarely 'let's call a pitch'.

We explore the possibility of resetting the relationship, perhaps by looking at ways of working, scope, remit and remuneration. Often the relationship outgrows the original set up, but that doesn't necessarily mean that you have the wrong agency partner.

Sometimes, we take clients on safaris, to visit different types of agencies to get a feel for what is out there. That can result in an appointment without any further work being done beyond agreement on the scope of work and fees.

Occasionally a client will simply use chemistry meetings and will appoint off the back of these. They may have a pressing need, or a desire to keep the search under wraps and confidential, so this can be an efficient and effective way of choosing a partner to work with.

Sometimes we will undertake a commercial audit or agency reset so that both the client and agency are satisfied that they are on the right footing for the future.

And, of course, sometimes we will go through reselection which is often considered to be a standard selection process. That will likely take us through credentials, RFI and final pitch because that is what is required by the size and complexity of the brief. It needs that rigour and opportunity to meet and re-meet the team that, as a client, you might be engaging with for several years.

Increasingly, we engage with clients and brands long before agency partners are under discussion or review, consulting further upstream on client operating models, reviewing whether they have the right people, partners, process and platforms in place to achieve their aims.

Certainly, by the time one of us picks up the phone to an agency for the first time, we have explored multiple routes and options and determined the best course of action in each case.

So, think of it in this way. Selection process is the umbrella and under that you could have any one or a combination of the following:

- Relationship Reset or Health Check
- Safari
- Chemistries
- Commercial Audit
- Reselection

In all cases, I would say be yourselves, never worry about what others are doing, and use your consultants at EVERY stage to get good, in-depth feedback. Ask questions and be demanding of them. We are there to serve you as well as the clients. Check in on things like: have you fielded the right team? What did and didn't land well? What are you doing too much or too little of? Have you missed anything?

It is an immense privilege to play a part in this process. We get to see the best of the best. Agencies full of brilliant, talented original thinkers presenting their work and ideas. Clients with ambition and an appetite for new and fresh thinking. Seeing how over a period of weeks or months, and a series of carefully curated opportunities to come together, a decision gets made and new work begins to emerge is a joy, and one that I hope I can continue to witness for many years to come.

The New Business Market in 2024

By Paul Phillips

Signs of recovery (almost) everywhere

Another year of new business and what are we to make of it?

Let's start with the headlines...the total market for new business has experienced a 15% year on year increase in volume, the first time there has been an upturn in overall new business since 2022.

At face value this has got to be seen as good news for the market given across the three levers of growth on which agencies can place their efforts (acquisition, organic growth and new business) it's been new business opportunities on which large sections of the agency community have been paying most attention.

Breaking down the figures by sector shows some of the details behind the headlines that offers a more nuanced story.

	2024 vs 2023	2023 vs 2022
Total Market	+15%	-15%
Advertising & Integrated	+3%	-18%
Social Media	+81%	+19%
Media	+28%	-3%
CRM/CX	-17%	-16%
Digital	+14%	-17%

Advertising & Integrated

Any upturn in the number of opportunities is always welcomed by agencies new business departments, particularly at a time when brands have been cutting marketing budgets so the pressure on growth was very much focussed on net new business success.

There were a handful of global opportunities in which UK agencies will have played a significant role and, for those that were successful, are ideally enjoying the creative opportunities and commercial rewards that are to be hoped for from such pitches.

However the scale domestic opportunities were not as evident as the market would have liked with five domestic brands billing £20m or more, these being - Sun Life, Molson Coors, B&Q, Wren Kitchens and Dreams.

In contrast, the number of smaller scale opportunities (smaller in commercial if not creative terms) grew significantly in 2024 which goes some way to explaining the slight uplift for creative and integrated agencies.

Of course, the challenge all agencies face when deciding to pitch for new opportunities is to balance the effort (people, time, resources and money) with the size of the prize to be won. The effort invested by agencies in a £250k opportunity should not be the same as that invested in a £2.5m one. Yet too often they are, which is simply not good business, just ask your CFO.

If you work in a media agency you'll always be busy with new business

I try hard not to repeat myself when reporting the previous year's new business market; this is put to the test particularly when reviewing what's been happening in media. As the figures show, last year there was a drop in volume of 3%, which I described as statistically insignificant at the time.

2024 saw an uplift of 28% which was definitely felt by the media agencies as, not for the first time, they crawled to the end of the year, with the promise of some well-earned downtime before the media review merry-go-round inevitably kicks off again in 2025.

The mix of super-tanker global brands that chose to review included Amazon, Ebay, Henkel, HP, Lego, L'Oréal, Michelin, Pernod Ricard, Unilever and VW and no less attractive for UK media agencies were

scale domestic opportunities including Freemans, Halfords, Oak Furnitureland, Pets at Home, Sky (European), Sharps, Ubisoft, Very Group and Wren Kitchens.

A notable development has been the growing number of pitches for Search expertise and from the data available, the vast majority of brands going to market have not had an incumbent agency so presumably Search was managed in-house. As has previously happened in other areas of media expertise, it's the specialist Search agencies that appear to have been sweeping up these Search only briefs and we would expect a reaction from the scale agencies that have equally skilled Search specialists but have not been placing sufficient emphasis on exploiting what has become a fertile territory for net new business growth.

New business opportunities in the social sector are thriving

As we reported last year, it is social agencies that are enjoying continued double-digit growth, at least in the volume of new business opportunities. We think this is in part due to the increased investment (and share of investment) brands are making in social comms and therefore wanting to make sure they have the right expertise.

It's fair to say that what is labelled as social can cover a range of service requirements and expertise - paid for, organic, influencer and content, all of which can overlap with PR - as such the exact percentage increase recorded is less significant than the general scale and direction of travel.

The majority of reviews reported were for brands that either did not have an incumbent agency managing their social comms requirements, or they were part of an existing agency's remit or it has been an in-house capability that is being outsourced to agencies.

The future scale of growth in social new business opportunities will not continue on the current trajectory forever, but as agencies look for new revenue opportunities, this may be an area in which to place some effort, if for no other reason than to gain a foothold into an account or sector that is on your prospect list.

A slight resurgence in digital opportunities

As is the case for new business activity in Search, for the majority of digital agency reviews reported there was no incumbent agency, suggesting that this is either a new requirement or one that has been managed in house, and for brands who are now seeking external agency support.

Another factor emerging is the increasing importance of D2C e-commerce for brands, such that they are prepared to separate their digital requirements to appoint agencies with the specialist capabilities required.

CRM/CX reviews continue to decline

For the second year running, CRM/CX reviews have suffered a double digit drop in the volume of opportunities reported, but as with 2023, the scale of the brands that went to market in 2024 was attractive; Monzo, Nationwide, Pets at Home, B&Q and The AA all appointed agencies with dedicated CRM/CX capabilities.

However the trend that will concern agencies is that there are fewer and fewer net new business opportunities for which agencies can compete, meaning growth will have to come organically from existing clients or through acquisition.

The majority of brands are selecting agencies in recognised and familiar ways

In 2024 six out of ten agency selection programmes were open pitches, with the only restriction criteria on which agencies could be considered being that of direct conflict. 30% of appointments reported took place without any kind of pitch, an increase of three percent on the previous year and only 7% were roster pitches, open only to those agencies already on a brand’s roster. This was a two thirds drop in number compared to 2023.

This year AAR has been encouraging CMOs to adopt less onerous ways to agency selection in circumstances where it makes sense to do so. One such approach has been to focus preliminary and final decision-making exclusively on the evidence of what agencies have delivered for current clients with no request or encouragement of spec creative work. On the occasions when this approach has been adopted, it has been done so with the encouragement and approval of marketers and agencies alike. While not right for everyone, this approach is efficient and respectful of people’s time and resources.

In 2025 we will continue to promote innovative ways for brands to identify and appoint agency partners, always ensuring that the ask of an agency is relative to the size of the prize.

Same sectors (pretty much), slight change in the rankings

Of the top six most active sectors in 2024, four were in the top six in 2023, reflective of the sheer volume of brands that are active marketers in each of these categories.

New sector entrants were Charity (last in the top six in 2022) and Non-alcoholic drinks.

That was last year. What about 2025?

Our prediction for next year is that we are expecting the new business market to be more similar than different to 2024 in the overall volume of opportunities. Advertising and integrated is likely to be flattish but with greater emphasis in Q1 according to what AAR has on the slate for the new year and our current market intelligence; media agencies will continue to be busy, most definitely in Q1 with domestic opportunities and for those involved, the global behemoths that will inevitably come to market.

Agencies should sharpen up their social skills as opportunities in this space will continue to be plentiful. Digital is more likely to be in specialist areas, e-commerce and design & build projects with digital comms requirements no longer being separated out for most brands. As for CRM/CX, the continued decline in the volume of opportunities must be concerning for the new business leaders in agencies focussed exclusively on this branch of communications.

It doesn’t get any easier does it?
Agencies have the constant challenges of not enough new business, too much new business, the wrong kind of opportunity, the right opportunity but at the wrong time, defending as the incumbent or as the incumbent choosing to step away, leading global reviews that will suck six months out of the pitch team but oh the prize will be worth it, supporting HQ in a global pitch for which you’ll bust a gut which, if successful, will result in work and income that’s really, really not worth the effort.
And doing it each time, every time with a combination of enthusiasm, optimism and a thick enough skin to deal with inevitable disappointment of occasional defeat.
Whatever your circumstances, we wish you well in your new business efforts in 2025.

Sector making most appointments 2024		Sector making most appointments 2023	
1	Retail	1	Retail
2	Food	2	Travel, Tourism, Holidays
3	Travel, Tourism, Holidays	3	Financial Services
4	Financial Services	4	Food
5	Non-alcoholic drinks	5	Alcoholic drinks
6	Charity	6	Automotive

Transferable skills

By Tony Spong

First introduced in 1865, London's taxi drivers spend around three to four years developing their encyclopaedic knowledge of London's streets. 'The Knowledge' is one of the toughest exams anyone can sit. It's not enough just to memorise the thousands of streets and points of interest (courts, theatres, public buildings, train stations, restaurants, hotels, business addresses etc.) within a six-mile radius of Charing Cross, but also the best routes between them all.

I've several friends who are black cab drivers, and you can probably imagine the conversation when Uber arrived on the scene. They suddenly felt very vulnerable and more than a little angry.

But that unique ability to absorb and put to memory vast amounts of information is finding a new outlet. The Worshipful Company of Hackney Carriage Drivers is now running 'Cab Guide Courses'. It's a course run by cabbies over eight weeks with a written and practical exam at the end. Upon completion they will be a Qualified Taxi Guide and get a badge to wear. Many go on to gain Blue and Green badges issued by the Guild of Tourist Guides.

Their enthusiasm for London, its history, the routes they can take you and the sharing of their own points of view make the experience unique for tourists. Next time you are in a black cab ask if they are also a guide. You won't want to get out!

They understood that it was their ability to memorise vast amounts of information that was their transferable skill and have applied it to fight back against a challenger in a more than credible way.

It reminded me of the book '22 Laws of Marketing' by Al Ries and Jack Trout and, in particular, 'Chapter 12 - The Law of Line Extension'.

Basically, this means taking an existing brand name and adding a new product to it.

The Law of Line Extension cautions that there is a limit to the number of products or services a brand can successfully extend its brand name to. When a brand extends beyond its core category, it risks diluting its brand and confusing its customers. The key is to not only understand the category you are in but also what your brand's most transferable element really is. Sometimes it is not exactly what you think it is.

Car manufacturers may have started with one model but have easily extended into other segments of the same category.

Much harder is extending into new categories. Interestingly, with the advent of electric cars some have chosen to go down the sub-brand route. SEAT with Cupra and Volvo with Polestar, for example. Thus, enabling a brand to enter a new category free of any baggage.

Dyson's specialism in moving air in extraordinary ways allows it to move into adjacent categories with its range of hand dryers and vacuum cleaners. Apple is another example that, thanks in part to Simon Sinek, you understand that the transferable elements are that 'they challenge the status quo and make products that are beautifully designed and easy to use.'

On the other hand, Harley Davidson's attempt to extend its brand into the perfume market back in 1994 didn't meet with success! For brewers it has been relatively easy, but Guinness has always struggled given its leadership status (which is Law 1 in the book) as the best stout in the world.

If we look a little closer at agencies and, indeed, the big consultancies, we are now seeing several pages of capabilities listed, in the large part through M&A activity, which has brought The Law of Line Extension into sharp focus as they attempt to extend their brands into adjacent, and sometimes not so adjacent, categories.

Bringing two businesses together is hard enough without having to then contend with making sense of a crazy set of 'line extensions'. With more and more agencies/ agency groups/ consultancies offering the same set of capabilities, they are not only breaking this law, but many of the other 21 as well.

Marketing is as much about creating perception as it is product, and competitive advantage will not come from having the same capabilities but how these are perceived in the mind of the client. We are at a point where agencies need to re-anchor their brands around a clear point of view on what all these capabilities can deliver. Think chefs with the same ingredients able to deliver very different dishes. As the whole marketing category enters a period of seismic change and re-invention, the opportunity for those who get it right will be huge.

Yes, brand extension often gives rise to short-term wins but if you want to win in the long-term, it is important to find a space in the mind of the customers that can make sense of everything you offer.

Now, where's my cab?

Why brands are happy to pay more for their agency partners

By Hannah Astill

Going to market for a new agency partner has typically been driven by a few factors; be it consolidation, centralisation, dissatisfaction, or cost saving. Often taking the lion's share of the marketing budget and too commonly seen as the more commoditised part of the marketing mix, media reviews, in particular, have often been triggered with a cost saving in mind.

However today, with the vast proliferation of channels, content and data, the agency remit is rapidly expanding. That is, brands are needing much more than planning and buying capability and are increasingly coming to AAR to help them find agency partners who will help shape their entire marketing ecosystem, leveraging expertise in data analytics, creative innovation, customer experience and technology integration.

Brands are recognising the value of these skillsets and are often willing to pay a premium for partners who can help them better organise and leverage their data, build robust effectiveness frameworks and drive greater impact across the full spectrum of owned, earned, and paid media.

In the last year, I've worked with brands from a mix of sectors, maturity and budgets, but one thing has been consistent: the need for their agency partners to add real value first and foremost, not savings. This shift has been reflected in the last ten media reviews supported by AAR, where 70% of them resulted in an increased agency fee (versus incumbent).

This trend of paying more for the right agency partner has also been stimulated by the increasing need to prove effectiveness, not just efficiency.

One of the most noticeable trends during the last few years of transformation, has been the move by brands to in-house certain aspects of their

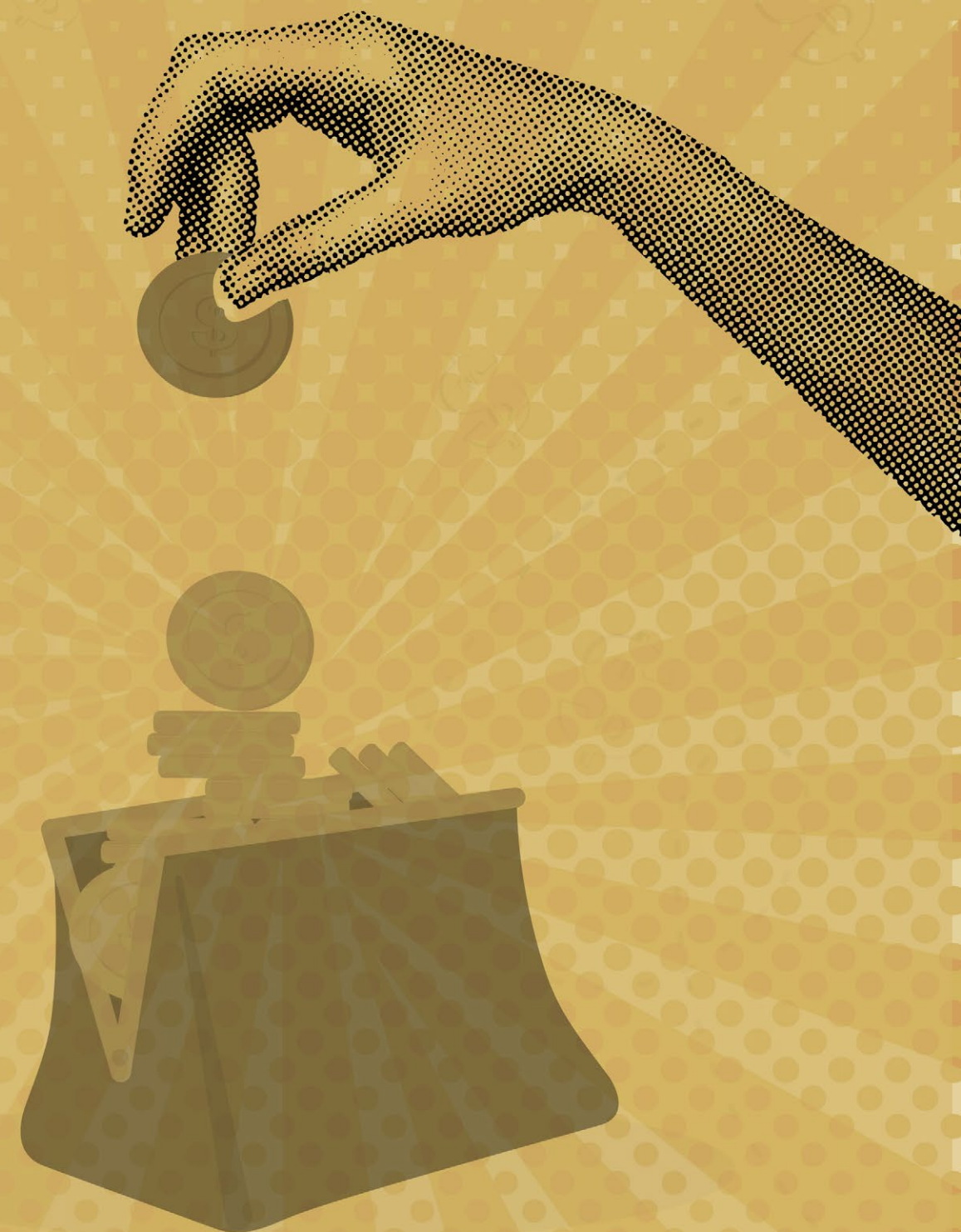
marketing models, largely in response to the need for greater efficiency during turbulent times.

However, as businesses adapt to the new landscape, a clear focus on effectiveness has emerged. It seems that now, more than ever, brands are poised to reap the rewards of driving efficiency and start proving impact.

Of course, this feeds into the ongoing industry debate about measuring effectiveness in advertising - and the pitfalls of over-relying on strategies that prioritise short-term results. When an agency can demonstrate a compelling business case for long-term marketing investments, brands will have no hesitation in paying for their services.

Recent coverage from the [American Marketing Association](#) highlights that the IASB (International Accounting Standards Board) has acknowledged the need to recognise the impact - or '**asset**' - that comes from investing in marketing. However, we know this will always require a careful balance. While there is undoubtedly a net positive impact of advertising on a brand's business performance, the inherent challenges of attribution will always mean that some level of trust is required.

While it's encouraging to see other industries waking up to the power of marketing and the results it can deliver, it's our own industry - wonderful, yet often challenged - that should, and will, lead these breakthroughs.



Lessons from 100 pitches:

What winning agencies get right and losing agencies get wrong

By Andrew Bloch



After 25 years in the agency world and pitching thousands of times, I thought I had it all figured out. However, it wasn't until I joined AAR in 2020 to head up their PR, social, content, and influencer division that I truly learned what separates winning agencies from the rest. Having observed over 100 pitches, I've gathered some key insights and tips that can help agencies maximise their chances of success.

Here are my top ten tips, divided into three stages: **before, **during**, and **after** the pitch.**

BEFORE THE PITCH

Tip 1: Build rapport early

Winning agencies understand the importance of chemistry. They build relationships at every touchpoint from the very first interaction. Whether it's emails, phone calls, or meetings, each touchpoint is an opportunity to connect and drive home why your agency is the right choice for the client. This rapport-building helps them feel invested in your success.

Tip 2: Use the Tissue session wisely

Tissue sessions are an invaluable opportunity to test ideas and gather feedback. Winning agencies come prepared, listen more than they talk, and use this session to uncover the client's 'real' brief and preferences. They ensure they leave with clear insights to refine their final pitch.

Tip 3: Manage your time well

Successful agencies are meticulously organised. They start early, appoint a project manager, and plan to complete preparations at least a week ahead of the pitch. This allows for practice and fine-tuning. Losing agencies often rush, leaving no time to amend and correct mistakes.

DURING THE PITCH

Tip 4: Be memorable

To win, agencies need to stand out and bring to life what their agency can offer that others can't. Memorable pitches engage the client with clear, creative presentation formats, impactful visuals, or even pitch theatre. Winning agencies make a lasting impression by bringing their brand to life and driving home their point of differentiation, while losers often blend into the background.

Tip 5: Define roles clearly

Agencies that win ensure that every team member in the room has a well-defined role. They make sure the client knows who their key contact will be, and that person takes an active role in the pitch. Clear, confident roles give the client faith in the team's cohesion and helps them visualise what a working relationship will look like.

Tip 6: Inspire confidence you can deliver

Winning agencies provide detailed plans, budgets, and timelines to demonstrate they can deliver. They back their creative ideas with concrete examples of past work, audience insights, and measurable outcomes. Losers, by contrast, fail to provide enough detail, leaving clients uncertain about their capabilities.

Tip 7: Head off any reservations

Winning agencies anticipate what reservations a client might have and address them in the presentation, countering any concerns throughout. Losing agencies fail to spot them and leave the clients with lingering doubts.

AFTER THE PITCH

Tip 8: Address questions quickly

Successful agencies follow up promptly, addressing any questions or concerns that arose during the pitch. They provide additional information or examples to reassure the client. Agencies that fail often let these concerns linger, which can hurt their chances.

Tip 9: Make proposals easy to access

Winning agencies make it easy for clients to revisit their proposals by using straightforward formats like PDF attachments or creating a dedicated pitch website. Agencies that lose often frustrate clients by being slow to provide their presentation and making materials difficult-to-access.

Tip 10: Stay front of mind

Winning agencies don't disappear after the pitch. They stay in touch by sending relevant articles or project updates, demonstrating hunger, building on the conversations in the room and keeping themselves top-of-mind while the client finalises their decision. Losers miss this opportunity to reinforce their interest and commitment.

Conclusion

Winning pitches isn't purely luck—it's about building rapport, standing out, and staying engaged. Agencies can significantly improve their chances of success, and hopefully these tips will help.

Good luck!



When uncertainty becomes the only certainty

By Rebecca Nunneley

I still remember the first time I saw an agency win a pitch.

I'd been in two days of pitches with a client, and as the final meeting came to an end, the energy in the room had shifted. I saw the glances amongst the client team – the (not-so-subtle) grins, the sense of ease, the mixture of excitement and relief that spells out one thing – "this agency is the one".

We said our thanks and goodbyes and headed outside to look for a nearby pub for a wash-up, but before we'd even left the lobby the clients decided they didn't need to discuss anything; that final agency was the one for them.

So, we turned right around. We got back in the lift and back up to the meeting room we'd just come out of and (met with looks of confusion and alarm from the agency team) asked if we could come back in and just ask a couple more follow-up questions.

We sat back down, at this point I'm avoiding eye contact with the agency CEO who is expecting they're about to be asked a horribly difficult question. But instead, the CMO told them then and there that they had won the business. It was the most incredible moment.

Flash forward to 2024, almost ten years later, and it hasn't happened since.

There are plenty of reasons why that might be a good thing. I always advise marketing teams to sleep on any big decision, and my procurement clients need to undertake the necessary commercial governance before entering detailed negotiations.

But I can't help feeling like the balance might have tipped the other way and this year I've had more questions than any other asking "when did it all get so tough?". What I think everyone means is why has everything become so uncertain?

On the face of it, everyone has spoken of new business pipelines that seem healthy, but opportunities have stayed on there for three to six months, not the one or two weeks they used to.

Then opportunities get signed off, planning begins and then plans have changed, budgets have shifted, and processes have gone on pause.

Marketing Directors don't have the autonomy they used to, and they are facing more C-suite or Board-level involvement than ever before.

In response to reduced budgets, and the increased need for integration, a lot of domestic UK opportunities have been subsumed into larger consolidated global tenders.

The impact this has had on our industry has been huge, and the feeling of uncertainty from almost all agency folk I speak to is very real.

But with this comes huge opportunity and, for us at AAR in the last 12 months, this has caused us to

make huge shifts in the type of consultancy work we're doing with clients in our agency selection space.

Where the industry has been obsessed with the pitch "process", I honestly believe the value we deliver clients (both brands and agencies) is our advice and our insight.

For us, this has meant a greater focus on:

- Market mapping to help clients understand the ever-evolving agency marketplace.
- Agreeing the right operating model upfront and not using the pitch to decide – I find this is particularly common when the client hasn't thought about where in the agency ecosystem a capability such as social, sponsorship or SEO should sit.
- Support to build the business case for increased cost (and value) that a new agency partner can sometimes bring (read my colleague Hannah Astill's thoughts in Pulse on this!).
- Guidance on what the right commercial model should be, including innovation we are seeing in this space (but at the very minimum, clarity on the scope of work and the budgets).

Before we even think about starting a selection process and engaging with agencies, there is so much support CMOs need to make sure they are armed with all the necessary market knowledge and insight they need to avoid that horrible feeling of uncertainty.

But despite all that uncertainty, one thing of which I am certain is that there has never been a greater need for genuine informed and impartial advice to support marketers as they navigate the agency landscape. As we move into 2025, for all of us (agencies and AAR), this is what we will continue to deliver.



Navigating the future: A consultant's perspective for agencies in 2025

By **Cristiana Spataru**

Cristiana Spataru, Senior Consultant specialising in marketing operating models, shares key reminders for agency teams navigating today's fast-paced environment. Drawing from her dual experience in both agency and consultancy roles, Cristiana reflects on critical aspects that agencies are aware of but may deprioritise amidst the everyday noise and competing demands.

Shape the future alongside your clients

Immediate challenges are part of the game, but long-term opportunities define success. Partner with clients to anticipate their evolving needs and help them adapt to the market shifts shaping the future - ensuring they're equipped to thrive beyond the immediate priorities.

For consideration: Implement an 'Innovation Roadmap Framework' that schedules regular check-ins with clients to assess emerging trends, technological shifts, and evolving business objectives. Ensure alignment on what "good" looks like from an innovation perspective, so both you and your clients have a shared understanding of success. This roadmap can help identify strategic opportunities before they arise.

Leverage your network's full potential

Use your agency's network of expertise, insights, and resources across markets and industries to bring new opportunities for clients. Create opportunities for cross-team collaboration and knowledge sharing.

For consideration: Use a 'Cross-Client Insights Sharing Framework' that systematically collects and shares best practices and insights from different industries, fostering innovation by exposing clients to ideas from beyond their sector.

Collaborate across the agency ecosystem

Agencies often fall into the trap of competing with one another rather than building on each other's strengths. True client success relies on seamless collaboration within the agency ecosystem, where each partner contributes its unique value.

For consideration: Collaborate with your agency partners to develop a set of aligned recommendations that optimise your ways of working together. This could involve joint planning sessions, clearly defined roles, and shared metrics for success to ensure all agencies work in harmony toward the client's objectives.

Lead AI conversations early

Clients are exploring AI, but they may need guidance. Start small by offering AI-driven solutions that can be implemented immediately, like content automation or predictive performance tools, and gradually lead them towards more sophisticated applications.

For consideration: Create an 'AI Readiness Framework' that evaluates clients' current capabilities, highlights potential AI use cases, and provides a phased approach to AI integration. This helps them see the immediate and long-term benefits.

Involve clients in your service evolution

Don't wait to have fully developed offerings. Engage clients in your service innovation process, allowing them to co-create new solutions with you and providing transparency about your ongoing improvements.

For consideration: Apply a 'Client Co-Creation Framework' that includes client feedback loops at key stages of service development. This could involve prototype testing, workshops, or pilot programs where clients contribute to refining our offerings.

Keep the value-add as your North Star

Long-term success relies on maintaining a clear vision of the unique value you bring to clients. This value-add should act as the guiding principle for the agency-client relationship. This value should be at the core of the client and agency relationship, constantly nourished and evolved.

For consideration: Develop a 'Value Proposition Framework' that helps both clients and internal teams stay aligned on the unique contributions your agency brings. This could include regular evaluations of how your work is driving strategic goals, along with opportunities to continuously elevate that value through innovation, insights, and creative solutions.

Integrate flexibility into your staffing and pricing

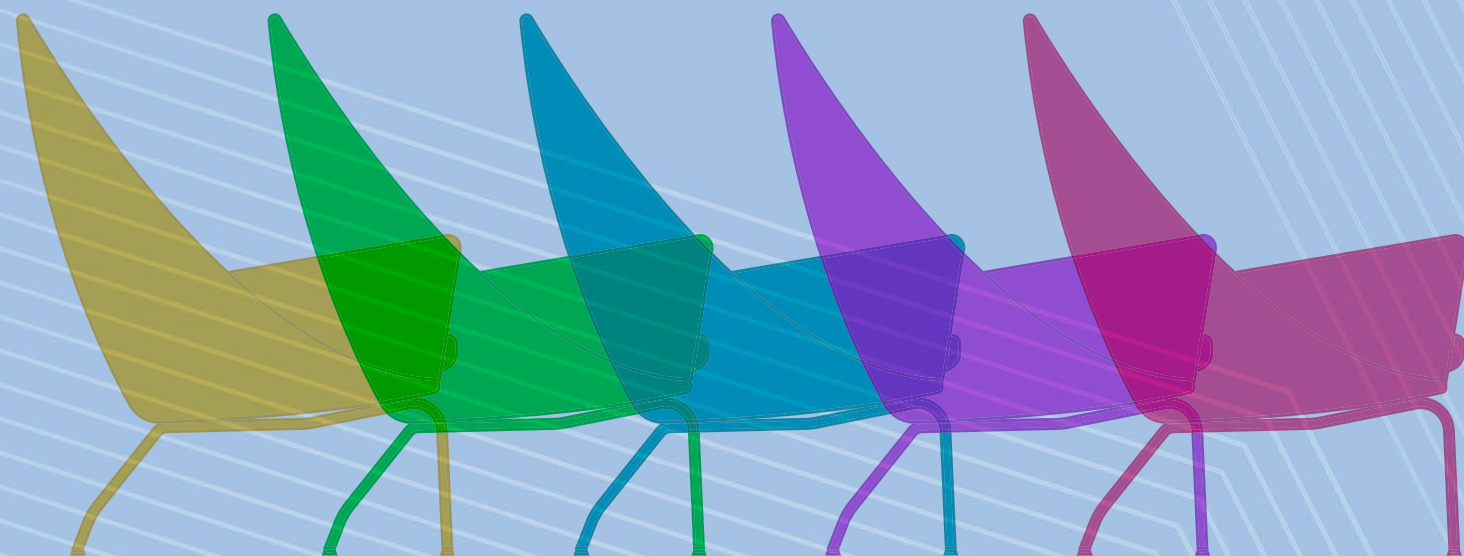
Adapt your staffing and pricing models to meet changing client needs. Offering flexible frameworks ensures clients get the right resources when they need them, without being locked into rigid structures.

For consideration: Agree a 'Dynamic Staffing and Pricing Model' that includes modular resource allocation based on client workload and project scope. This could also include tiered pricing structures that adapt to the evolving scope of work.

If you'd like to share your own reflections or explore how we can support your journey, our consultants are always here to help. Don't hesitate to [contact us](#).

Aren't all agencies pretty much the same?

By Paul Phillips



Spending some time scrolling through advertising agency websites will leave most people with the same overall impression. Companies that are keen on, but struggle to point out their differences to their competitors, appear overly interested in shaping culture and that produce work on behalf of their clients eliciting a judgement and reaction from the audience ranging from impressive to indifferent. You could be forgiven for thinking that agencies all do the same thing, more or less, and there's not much to distinguish between them.

In the 26 years of consulting to agencies, CMOs and the marketing community, I've learnt that this couldn't be further from reality.

Advertising agencies have two levers on which to pull that can distinguish them from their competitors. The first is their people, which I believe is by far and away the most significant

factor that defines an agency, sets it apart from others, and determines the chances of success. The second is the culture that an agency's leadership chooses to shape for the business. I'll expand on both.

I've spent most of my career helping CMOs and their teams review the agency landscape to identify and select the right partner for their requirements. In a marketplace that's very well supplied, the most potent and tangible differences that CMOs identify between agencies are their people; their personality, style, tone, how they engage with the CMO and the marketing team they are looking to persuade, and no less importantly, how the agency team interacts and engage amongst themselves.

Because when undertaking a review of their agency arrangements, CMOs don't make their decision based on the entity that is the agency, but on the seven, 10, 15 people who are going to be the team working on the account. When it comes

to the decision, **the team is the agency** and the 10, 100 or 1000 other people in the agency do not figure in their decision making.

At the final stages of a pitch in which three or four agencies are competing against each other, if sufficient due diligence has been undertaken, the CMO and their team should be confident that any one of the agencies meets their threshold criteria of capabilities and expertise and if not, why are they being invited to pitch? What then determines the winning agency from those that come a close second, is significantly influenced by the persuasiveness of the people who make up the winning team.

And when it comes to reasons why CMOs look to review their agency arrangements, the reasons cited always include a significant element naming a lack of confidence in the agency people, too often because the original team who the client has bought into has changed beyond recognition.

The tangible evidence of the power of people in an agency is when they leave, either to join another agency or set up their own agency. There are numerous examples of CMOs with who they have the best relationships moving their business (often without a pitch, which is to be applauded) to the agency that their team has joined or set up.

Moving on to culture, which is actively shaped by an agency's leadership, this too has a strong influence on the type of people and relationship agencies can cultivate with prospective and existing clients.

Which of these is more appealing and says more about an agency's culture... 'We want this agency to be where people come to do the best work of their lives', 'We want to be the biggest agency' or 'We want to work with people who are on a mission'? I suggest two of these are clearly more appealing than the third.

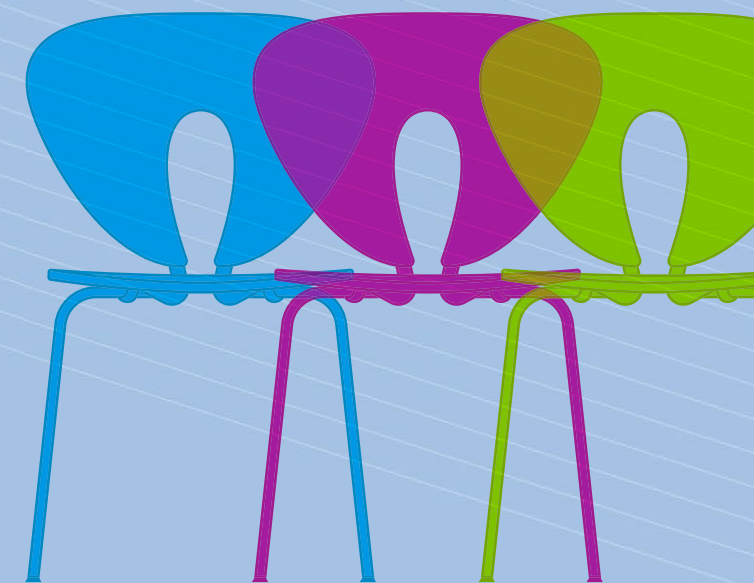
Too often culture is mistaken for pool tables in the office, free breakfasts or Friday's off in the summer months. This is not culture, and the post-Covid expectations in our ways of working should have confirmed the superficiality of these perks

to any agency leaders who thought that such benefits were shaping the culture of their agency.

Agency culture is hard and tangible (not soft and intangible) and can be actively shaped by the leadership (credit to Chris Hirst for identifying and applying this when he was leading agencies). Examples of agencies in which the leadership has actively shaped the culture include Adam&Eve, Wieden & Kennedy, Lucky Generals, The Martin Agency, and amongst the more established global networks Ogilvy, BBDO and Leo Burnett.

Like anything that is successful, and sets you apart from the competition, culture has to be worked at and there are times when agencies have had to re-boot, recognising that the secret sauce that is their culture needs some attention. But anyone who has worked at or with these agencies when they have been at their best will recognise what I'm talking about.

In conclusion, if I were ever in the position of needing an advertising agency's services, yes I'd look at the work (but lots of agencies do good work). Far more importantly, I'd want to meet the people, walk the creative floor (not on a Monday or Friday 😊) and make my judgement on these defining characteristics – people and culture.



Do we all give up too easily on existing relationships?

By Vicky Gillan

People who have worked with me over the years know I always advocate win and retain in client: agency relationships. There is a time for the new, of course, but there are also times when the lure of the new is a red herring, an inefficient means of addressing known issues. Often, all you need to address the business and marketing challenge is a reset, a rekindle, a reboot.

After all, we don't move house just because we are fed up with the decor. Instead, we inject some freshness. We rearrange and repurpose, try furniture in new places and declutter. We look at the space we have with new eyes to spot the opportunities we may have missed and address a need or dissatisfaction. And we're always adapting our homes to change; be it a nursery for a new baby, changing a bedroom into a study for home working or soundproofing the garage for the drum-loving (mature) teenager. As our lives change, our homes change with us.

From my perspective, there are huge parallels here in client: agency relationships, and I'm not alone in arguing that longevity has value. 73% of senior brand-side marketers [agree that tenure delivers better results](#). But we need to ask ourselves what's the stimuli, and how do we see positive resetting as a continuous motion and not just something we do in response to negative triggers when things go off the boil?

Unlocking every advantage of a long-term agency relationship requires us - both agency and brand - to work hard to find the pattern, rhythm and glorious moments that drive success. Those moments that seamlessly and deliciously add much-needed inspiration and bring positive friction to step-change performance and result in fist-pumping 'yes's'.

What success looks like

Brands hire agencies for six key reasons:

1. Specialist skills, expertise and capabilities
2. Objectivity and different perspectives
3. Ideas and new or different thinking
4. Experience from other clients and categories to fast track and immediate learnings
5. Means of adding additional or temporary resource and capacity
6. To deliver improved business outcomes

A good client: agency relationship should consistently deliver on all the benefits above, whether it is in year two, five or ten, and we only need to look around us to see how fantastically long-term relationships can perform commercially.

Consider [Alex Best](#) of Wonderhood Studio's recent rallying cry for '[long-term creative love](#)', where he highlighted Arla's 17-year partnership with Wieden & Kennedy and Mother's 14 years with IKEA. Their 'Food deserves Lurpak' and 'Wonderful every day' campaigns are creatively inspired, and no one could argue with their sales results: IKEA's UK sales have grown 67% over the last decade, while Lurpak is still our favourite butter.

Brands and agencies who have spent significant time working together have strong muscle memory of what works and have learned crucial lessons. These lessons from the past guide planning and ideation from a good place and ensure cumulative effectiveness. When used right, this muscle memory drives the present in a way that hums and sings, effortlessly guiding to ensure everyone (and everything) is focused on what matters most.

The outcome is so good that it outweighs the inevitable not-so-good moments because - let's face it - nothing is ever perfect. After all, most clients are in transformation mode, which always brings challenges. But the foundations of these relationships are so solid that you just know this is one team working towards one ambition - and one very clear, very tight, very aligned, customer and commercially focused agenda.

Encouraging positive friction

What you want from a long-standing relationship is an informed perspective and positive friction. It may sound counter-intuitive, but if everyone is agreeing with each other, that's a bad sign. You want your agency to help your brand get better and deliver on targets and this takes energy, dynamism, debate, challenge, and enough friction that sparks fly.

Positive friction isn't about argument for argument's sake. It's not about stubborn or defensive behaviours. It's about listening and a depth of understanding, where an agency is so immersed in your brand, so deeply familiar with your challenges, and can deliver data, insights and ultimately solutions that are 100% relevant to you. And that's got to be continuous, not a one-off occasionally or, indeed, a first-year wonder. So how does that happen? How do we nurture and embrace positive friction?

Keep curious

'Useful distance' between brand and agency ensures fresh perspective and objectivity, but too much distance can lead to frustration and misunderstanding. The LIONS State of Creativity 2024 report revealed that [45% of creative partners](#) say the working relationships with their brand counterparts are difficult. This a clear demonstration of why the gap between brand and agency mustn't grow so wide that it feels like "us and them" rather than "we".

This is partly on the agency, of course. They need to ask questions, be curious, and relentless about understanding your internal and external dynamics.

But brands also need to provide the right stimuli, opportunity, and access. It's crucial to carve out time to help our agencies connect to the reality of our business, considering data, insights, real-time results, operational strategy, and customer feedback.

Seek out blocks and barriers

In my experience, it's also crucial to have a regular forum away from the day-to-day where everyone can discuss the issues which are barriers to breakthroughs.

Consider this repetitive complaint I hear pretty frequently during our reset interventions about what's going wrong:

Client feedback: 'They never suggest new things. We never know what's worked.'

Agency feedback: 'They always want tried and tested ideas. We rarely get objectives.'

Hmm. Spot the problem.

- Recommendation can't happen without evaluation.
- Evaluation can't happen without measurement.
- Measurement certainly can't happen without something to measure - aka smart objectives. And not the 'kitchen sink' variety.

We all know how easy it is for 'non-urgent' items to fall off the agenda but, as I recently read somewhere, "you can't connect the dots, unless you collect the dots". If we are not (consistently) giving our agencies what they need to do their best work (consistently) then we're limiting their chances of succeeding. And the need for connection doesn't end there.

Work to a shared ambition

Some people call it partnership, some people call it mutuality. Others describe it as collaboration. Whatever your terminology, it's essential to recognise that, whilst the ambition may change and evolve over time, the need for it to be a shared one never changes. Staying aligned is critical to shared success.

Keeping up the conversation and focusing on your shared ambitions, both commercially and creatively, is key. Why? Because it steers what needs to change next. It brings focus to a continuous improvement path. It drives the next course correction. Because if you are not changing and evolving in step with each other then, in effect, you are drifting and already on a path to becoming misaligned.



**Ask yourself:**

- Are your people exhibiting great behaviour in managing their agencies and in-house teams?
- Do they manage for success or for delivery on time and on budget?
- Is the focus inputs or outputs and outcomes?
- Is the [quality of briefing](#) improving or getting worse? Over time, are assumptions being made that damage clarity?

Checking alignment is easy. Ask everyone who works with the agency to write two sentences. The first is a summary of the ambition for the agency relationship. The second is a summary of the ambition for the work. Compare and assess: 50%, 75% or 100% aligned. Then ask your agency for their view.

The outcome of this exercise is to get to that shared place, that shared goal that all can use to grapple with the inevitable tricky moments. It is this alignment which enables you as the client to confidently say "Things may be tough, painful and frustrating, but I **trust** this agency, and I **trust** what they are going to deliver for me, because we have a shared ambition and shared goals."

So how do you achieve this?

Course correct early: The first course correct should come no later than the [first 100 days](#). So much happens at the start of a new brand: agency relationship, and there's a lot of room for assumptions, expectations and blind spots to emerge that could prevent all from delivering what they had imagined.

Embed wash-ups into your culture: I can't stress enough how vital it is to embed wash-up programmes into your ways of working. Wash-ups at the end of any piece of work shouldn't be treated as an option - they are just as important as proper briefing. You can only diagnose where and how a relationship is going (or has gone) off track if you are keeping track.

Your people have the right skills: Is everyone in your team skilled enough to manage and drive [successful agency relationships](#)? There is an acute difference between managing suppliers and developing an effective partnership.

Managing agencies is a skill that isn't often focused on, trained or discussed, but [upskilling your teams in this area is crucial](#). You can't get the best if you don't give your best.

Recognise when to reset: Has the gap between brand and agency grown too wide? Then it's time for a proactive reset, where there is a framework created and delivered against. It's never too late to save a relationship... until it is.

Change is constant: What doesn't change, however, is the goal of creating great work; and to achieve this, we all need to use the expertise, capability and knowledge we have in our toolbox to the best effect, both internally and externally.

That's why this is the moment to supercharge your existing client: agency relationships. Invest time, passion and energy into them, with them, working hard together. Give your best to get the best. After all, who doesn't want better work, more of the time? Who doesn't want to work together as one team, attacking challenges, delivering results and feeling unbelievably proud of the work that has been created? Who wants to waste talent, or reinvest unnecessarily in a 3-month pitch and then an onboarding period?

Why move house when where you are right now has oodles of potential just waiting to be unleashed? The home you've always wanted, evolving and changing with you as your needs change. Now that's a long-term partnership worth nurturing, protecting, investing in and, when times get tough, definitely worth fighting for.

Who's with me? All positive friction comments appreciated.

Come and [have a chat](#).

A day in the life of an AAR Business Manager

By Kirsty Boyd

I'm part of the Business Management team at AAR, who support our consultants in delivering consultancy projects across all of our practice areas. My focus is primarily working with Rebecca Nunneley to deliver consultancy for brands including full search and selection programmes, commercial audit, and support in embedding new agency relationships. It's a cliché, but every day is different, and I never quite know what's going to be thrown my way. Business Management is a small ambitious team of four and with AAR continuously evolving, there's always an opportunity to get involved in internal workstreams.

A.M: I work two days a week from our office near Bond Street and the rest from home, so this morning I dropped my daughter Effie at her school breakfast club before jumping on the 50-minute train ride into Waterloo from where I live in Surrey. If I can, I'll skim read my emails so that I can get ahead, but the signal is often scrappy, so plan B is listening to a podcast. I love Miss Me with Lily & Miquita or Dish with Nick Grimshaw & Angela Hartnett. I grab a much-desired coffee (oat flat white, if you're asking) on the short walk from the tube station and am at my desk by 9.40am.

At 10am I'm ready to join a Discovery call with the marketing team from N Brown who have asked us to support them with a creative agency review. These are always exciting calls... we're at the beginning of the journey and it's when we really get to grips with the brand's challenges. We uncover some important pain points, workshop a few ideas, debate process and the best approach and, in this case, we land on a clear route forward.

Midday: A quick check of emails and then I liaise with some pitching agencies regarding Peroni's responses to a recent post briefing Q&A. There are a few requests for site visits (perhaps a good excuse for some beer tasting!) so, I get those booked in.

Often lunch is a quick walk to buy a sandwich and then back to my desk, but today there's an internal 'lunch and learn' so I grab a plate of goodies and settle in for the 45-minute session. Our 'lunch and learn' sessions are always interesting with recent topics covering evolving agency commercial models and how brands are using AI to drive personalisation. This week we are discussing how our consultancy services can help agencies and brands build better long-term relationships.

Afterwards I'm asked to join a discussion to brainstorm some ideas for agency subscriber seminars for 2025. We discuss what we are hearing in market and what we think our agencies will find most useful. We publish the

full programme in Pulse so our subscriber community can protect the time in their diaries.

I have an hour free of meetings or calls, so I tick a few things off the to-do list including feeding into a draft proposal that we're writing for a new client project and booking in a session with one of our agency subscribers that has some new work they want to share.

At 3.00pm I dial into a chemistry meeting wash-up with one of our clients, to chat through their feedback and decide on the shortlist to invite to a pitch process that will begin in January. Our role is advisory, always keeping clients true to their brief. There's then a quick discussion around what location they should select to present the pitch brief to the chosen agencies in the new year. We always encourage an in-person, all-agency session to inspire and create excitement around their brief.

4.00pm. Tuesdays are often a shorter London day for me, so I rush off to get my train back out to the sticks, just remembering to put my OOO on as I'm attending pitch meetings tomorrow. The rest of the team are heading off to set up for our latest AAR Exchange event, an initiative we set up to support the next generation of marketing leaders and the NED community through reverse-mentoring and debate on hot marketing industry topics.

The Business Management team love to meet and get to know our agency counterparts so drop us an email if you are ever around Marylebone with a half an hour to spare and we'll buy you a coffee from one of the local (expensive) coffee shops.

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NEW FOR 2025.

New research for 2025

By Katrina Law

Each year, AAR produces a significant piece of industry research with the objective of providing topical insights, sharing trends and offering practical advice to marketers. 2024 saw us partner with The Drum to deliver our **Burning Platforms** research where we asked 100 CMOs what was keeping them awake at night. Driving effectiveness and keeping up with the pace of change came out on top as key deprivers of sleep, and the findings reinforced how CMOs needed to have as much focus on driving operational strategy as on delivering great marketing strategy.

That leads nicely to the focus of our 2025 research, in which we explore the **Evolution of the Marketing Operating Model**. Partnering with ISBA, the aim of the research is to provide actionable insights for CMOs to evolve and adapt their marketing operating models and structures to ensure that the operational excellence of marketing gets as much focus and consideration as the strategy of marketing. Due for publication in Q1, this will also be an essential read for agencies wanting to understand better the challenges their client partners are facing, and how to navigate them.

AAR Exchange enters its second year

By Katrina Law

In October 2023, we launched a new initiative designed to create a community for Non-Executive Marketers and Executive Marketers where both cohorts can share and learn from each other's experiences, share their challenges and can individually and collectively propel the change that is needed to better our industry.

AAR Exchange aims to support marketers in their career progression to CMO level as well as equipping NEDs with the inside track on the latest industry trends, themes and insights to take straight to their boardrooms. Reverse mentoring events take place twice a year, with additional social gatherings throughout to further build this important community

In 2024, we hosted mentoring events in April and November, January drinks and a rooftop summer soiree, and we're delighted to see the group thriving thanks to the generosity of time and spirit of its participants. We leave each event with lighter steps, fuller hearts and a genuine gratitude at being able to bring such a formidable group together. Connecting the brightest and most experienced minds in the industry can only be a positive for the future of marketing.

More events are planned for 2025 as we look to continue delivering opportunities for growth and knowledge sharing to our community.

Agencies investment in their own marketing, growth and new business efforts

By Paul Phillips

In 2025 we will be undertaking our biennial research into the investment agencies make into their own marketing, growth and new business efforts.

The research will cover agencies new business resource (people and budgets), the trend in agency marketing budgets, what agencies invest in a domestic pitch, sources of opportunities, profile of types of agency pitch programmes, sources of new business opportunities, the incidence of payment for pitches and the degree to which the sentiments of the Pitch Positive Pledge are being adhered.

If there is anything you'd like us to cover that has not been mentioned or has been missing in the previous surveys, please just let us know.

Evolving remuneration models

By Paul Phillips

In May last year we hosted a dinner amongst agency CEOs to discuss the ever-present challenge for agencies trying to achieve a fair reward for the work they deliver. This was a chance to debate the issues, all of which were familiar, as well as considering some steps towards addressing the never-ending pressure on revenues, the protection of margins and the tangible demonstration of the value agencies can contribute to their clients' business and so be recompensed appropriately.

From this and the subsequent discussions that resulted, AAR has committed to undertake two specific actions, the first of which was introduced last year:

1

In all our consultancy work with marketers and their procurement colleagues, we have committed to actively sharing alternate remuneration models when they are considering the commercial arrangements they have with their agencies.

The impact of these discussions is that marketers are at least being made more aware of different remuneration models and, in some cases, evolving their future arrangements to be more appropriate and reflective of the work delivered by their agency partners and its value.

2

We have also committed to creating a bank of remuneration models to which agencies will have access. Included in this will be examples of different performance related pay constructs, all of which agencies can access for discussion with current and newly won clients. We have already started to populate this bank and will be asking for agency input to add to it.

AAR SUBSCRIPTION.

What it's all about

By Paul Phillips

What we believe in

At AAR we believe in the power of brands to drive growth as a fundamental of business success. The contribution a strong brand can make is just as relevant for marketing services agencies of whatever flavour as it is for the businesses and brands on whose behalf you work.

And every year it seems to get more complicated and harder for agencies. Which developments in technology to back; how to navigate changing attitudes to work that attracts and retains the right talent; how to be a good business citizen and work with like-minded client companies; how to be remunerated fairly for what you do and deliver sustainable growth.

AAR sits at the intersection of where brand marketers, agencies and consultancies meet, which gives us an informed perspective across the marketing ecosystem. Our understanding of what the CMO, their marketing teams and procurement colleagues want from their agency partners is nothing short of gold-dust. This insight is of such value to agencies as you set out to achieve your growth ambitions.

We're here to help

The agency landscape continues to be increasingly crowded with any one agency's competition extending beyond those in your immediate competitive set to new market entrants, new models of engagement and new internal capabilities in your client organisations.

As such the importance of an agency's brand, your go to market story, strategy for growth and tactics to deliver it are crucial if you are to achieve your business ambitions.

The support we offer covers four territories:

1 Consultancy and context

Our team of consultants are continually engaged in conversations with marketing, procurement and in-house agencies, agency leaders, consultants and innovators. This perspective across the landscape offers rich context to the challenges of growing your business. Alongside this we continually invest in research and marketplace analysis, to which subscribers have full access.

2 Winning new clients and retaining existing business

When considering the agency marketplace CMOs have an abundance of choice and the reassurance that the hygiene factors of capability and expertise are table stakes. We are best placed to help you create and maintain a distinct proposition to deliver a competitive edge; and as the agency grows, we can help ensure you are differentiated enough to stand out from your competitors.

Marketers are asking fundamental questions about how to create the right blend of internal and external capabilities as they strive to deliver more effective marketing in a more efficient manner. Business retention is as important as new business success and needs to be factored into an agency's overall growth plans.

3 Upskill and training

Our upskill and training support ranges from being agency specific, according to the individual needs of each agency, to opportunities for group and shared learning experiences. We can discuss and agree the specific requirements you have and recommend an appropriate approach that's just right for you.

4 Community

It's a competitive industry in which we operate, with all agencies trying to achieve the best for their client's business as well as their own. But we are also a community in which we bring together agencies of all types, to share, debate and network. Our Town Halls, seminars, networking and social events provide an opportunity to meet with colleagues and support a collective voice for the community across the key issues of the day.

Working with AAR

Each subscribing agency has an AAR Practice Lead who has primary responsibility for managing the relationship with the agency.

For new subscribers, we'll hold an initial meeting in which you can set out your expectations and together we agree a programme of engagement across the year.

This will include ambition and measures of success, cadence of meetings and contact, what information to share with us and how often, alongside highlighting whatever is most important to the agency in achieving your growth ambitions.

Subscription operates on an annual basis and each year on the anniversary of your subscription we will check in with you to ask if you want to continue for the next 12 months.

Should you not yet be a subscriber and are interested in becoming one, [please get in touch](#) and we can share details on the cost of subscription for your agency.

Subscription at a glance



Subscription gives you access to a rich mix of knowledge and insight from across our Practice Leads and all consultants at AAR.

All of this is accessed through bespoke consultancy, training, research and open events that suit you and your business best.

This can be delivered one to one or one to many in the agency depending on what's right for you.



Consultancy and context

- What's on the mind of CMOs
- How the agency landscape is evolving
- Creating a clear proposition and go to market story
- AAR research into what agencies invest in their own marketing and new business efforts



Winning new clients and retaining existing business

- Telling your most powerful story
- Better RFIs, building chemistry and the (not so secret) secrets to more successful pitching
- Developing a culture of curiosity
- Getting your retention MI right through measuring the strength of your client relationships
- Hourly rate benchmark data for use in fee negotiations with all clients



Upskill and training*

- Individual agency consultancy
- Business Development Apprenticeship across creative and media
- Annual training seminar programme with CPD accreditation (see ahead for 2025 programme)
- Next generation leadership training and coaching



Community

- Town Halls amongst the agency community
- Access to external partners to AAR
- Social events to establish and extend links with colleagues from across the agency landscape

Agency Seminar Programme for 2025

By Tony Spong

In addition to our one-on-one agency support on winning and retaining business, our upskill programme of training provides the space for you to discuss and share the experiences that are affecting you and the whole industry with your peer group.

The programme runs throughout the year and is aimed not only at continuous development of core skills but also those aimed at helping to tackle issues of the day that we pick up from talking to clients and yourselves.

The 2025 programme will include:

- New Business Development Apprenticeship course
- Regular Town Halls
- Nine core level seminars
- One agency leadership seminar

More on the seminar programme for 2025

As always, we'll be adding fresh topics for 2025 together with the most popular ones from last year, who will be updating and tweaking their content, all aiming to tackle the main issues of the day affecting performance, as well as those around developing core skills and introducing new ones to keep your teams running to the maximum of their potential.

We have been very keen on promoting diversity over the last few years, especially how to bring this into the creative process from the outset. In 2025 we are excited to introduce you to a RNIB

Masterclass on how to create more inclusive marketing campaigns and also learn more about the 2 million people with full or partial sight loss in the UK. This is in support of the wonderful work the teams at MullenLowe and RNIB have been doing in creating a new award category at Cannes for 2025 celebrating 'alt text'. Alt text involves the use of online image descriptions to enable people with impaired sight to visualise pictures. A chance for us to make significant change.

It's never felt harder to network and build those vital connections not only with colleagues but, more importantly, with clients. With all that has changed in recent times this is an opportunity to reset our views on the value of networking. Benjamin Chilcott will provide vital tips and tricks to give you the confidence to build networking into your working days and how to nurture yours over time.

It was Warren Buffett who said 'Feedback is a gift that you should welcome with open arms'. This is an important skill for both those giving and for those receiving, not only as part of one's personal development but also collectively as an agile, working team. We are increasingly working in collaborative times in the pursuit of great ideas to solve what are often increasingly complex problems. Indeed, in the last 100 years more breakthrough ideas have emerged as a result of collaborative environments than from individuals. Lizzie Palmer will explore the power of listening, giving and receiving feedback across these two dynamics with a little dash of improv techniques.

Building on their success from 2024 we will be welcoming back:

- Vonnie Alexander to help you set out the foundations for leadership and the key component parts.
- Kerry Harrison who will share how AI can help those creating content for your agency add craft where it will make the biggest impact. One for your marketing teams.
- Jennifer Clinehens providing a fascinating insight into how to be remembered in pitches with the use of behavioural science.

Finally, returning for 2025 will be Tessa Morton with her latest insights into how we can master 'Presenting' and the dynamic duo that is Vicky Gillan and Tony Spong back with fresh insights into the art and science of 'Winning continuously'.

Core Level Seminar Programme 2025 (virtual unless otherwise stated)

15 January 2025	Robin Spinks and Nicola Cornwell of RNIB	Seeing Opportunities - How to create more inclusive communications
26 February 2025	Vonnie Alexander	Lessons in leadership
19 March 2025	Kerry Harrison	Supercharge your content creation with AI
16 April 2025	Ben Chilcott*	The art of networking
21 May 2025	Jennifer Clinehens	How to win pitches with behavioural science & AI
25 June 2025	Lizzie Palmer*	How to deliver good feedback
17 September 2025	Tessa Morton	Presenting in hybrid times
15 October 2025	Vicky Gillan and Tony Spong	Winning continuously
12 November 2025	Trenton Moss	Engaging and influencing with storytelling

Agency Leadership Seminar (in person)

14 May 2025	James Renwick and Anni Townend	The Collaboration Paradox
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Agency Leadership Seminar

By Tony Spong

The Collaboration Paradox

When Charles Darwin stood in the waters of a coral island in the Indian Ocean back in 1836, he was struggling to make sense of the many different lifeforms in the waters around him and the huge variety of ecological niches they were occupying given the general scarcity of nutrients in the ocean as a whole. Scientists have called this 'Darwin's Paradox', which as we now know went on to be one of the key foundations of his developing hypothesis manifest in 'The Origin of Species' some 30 years later.

Nature's infinite variety

What lies at the heart of the coral reef's success is not competition but a huge variety of collaborations creating an ecosystem from which all benefit, co-exist and survive.

Most fascinating is that, over time, different types of collaboration have evolved here and elsewhere in nature.

At one extreme you have examples of 'Parasitism' where one party benefits and the other is harmed, COVID19 being a good example, while at the other you have 'Commensalism' where one species benefits and the other is neither harmed nor helped. For example, orchids grow on the branches of trees in tropical rainforests to access light, but the trees are not affected.

In between these two you have 'Mutualism', a relationship where all species involved benefit from their interactions. There are tiny algae in the ocean who live in the coral's tissue, feed on compounds that the algae need for photosynthesis and, in return, provide the coral with oxygen and other products to sustain it and help it grow.

Even this type of collaboration, despite being complex, evolved further into two types of relationship. In some cases, the species are entirely dependent on each other ('obligate mutualism' - think bees and flowers) while in others they derive benefits from their relationship but could survive without each other ('facultative mutualism') such as the clown fish that hide among the deadly stinging tentacles of anemones, or clients and their agencies.

Time to seek out a collaborative advantage

Commentators such as Daniel Wahl, author of 'Designing Regenerative Cultures', pushes things even further by suggesting we need to move from a 'win at all costs' mentality of constantly searching for 'competitive advantage' to one where we seek out 'collaborative advantage' instead, especially if we want to create a world that works for all.

And when it comes to solving complex problems in Steven Johnson's book 'Where Good Ideas Come From' he identifies that in the last 100 years more breakthrough ideas have emerged as a result of working in collaborative environments than from individuals working alone.

Post the pandemic, we have somewhat 'romanticised' in the idea that a return to the office mandated by many companies will lead to better collaboration - like in the 'good old days'. But don't we actually need to design it more fundamentally into our ways of working rather than rely on physical proximity alone?

It's not really working at the moment

My Colleague Vicky Gillan, Relationship Management Lead Consultant, who helps marketers and agencies find ways to improve their performance, has pulled out some worrying trends from our own research which seems to suggest that, despite the desire to work collaboratively, this is starting to be perceived as a negative rather than a positive by clients:

- 100% of agencies in pitches talk about being collaborative yet none explain in a way that differentiates.
- 90% of client: agency assessments ask for more collaboration yet, when probed, often really mean earlier co-operation.

And perhaps most worrying:

- 80% of clients believe that increased collaboration will naturally mean more people being involved resulting in slower delivery and more cost.

Most agency teams may think they're collaborating but at best they're just doing the basics: telling the client what they need or being open about their scope to a client's other partners.

Could this in part explain the rise in in-housing? Downward pressure on budgets? The rise in project work? The desire for new operating models?

This applies internally as well as externally, of course, so when Caroline Johnson and others talk of the changes that need to be made in how agencies charge for their services and move to a more productised approach, then embedded into that has to be ways of working that are efficient and effective for both parties.

Surely after all these years of 'collaborating' we would have developed not only the right conditions but also have evolved some essential variations in ways of working for different tasks in a similar way to those that exist in nature?

But as I stand in a sea of agency credentials expressing their collaborative principles, all the while just sitting there as a word, I'm moved to ask if we have arrived at our own 'Collaboration Paradox'?

Creating the right conditions

It's something that Lucy Kidd and Anni Townend, Co-founders of Collaboration Equation™, are making great progress in trying to solve. They passionately believe that we need to create the right conditions for collaboration to happen, regardless of location, very much like the 'permaculture' garden designer who works with rather than against nature. An approach closer to mutualism than the parasitism we have perhaps been guilty of for too long.

Their approach is very much one of human-to-human leadership and, as such, they recognise that our natural 'competitive streak' is one that can serve us as human beings and drive us to do better. However, for us all to do better they argue we need to find our Collaborative Edge™.

They intentionally chose the word 'edge' from nature, and specifically from the permaculture principle that the more ecosystem edges that meet the better, and that the most interesting, diverse and creative events happen at these edges. It is where there is more biodiversity, more creativity, more possibility, more opportunity. The permaculture gardener plans for creating edges in their design enabling biodiversity, growth and the unexpected.

These 'edges' are places and spaces where we exchange ideas, diversity of thought and feeling and, crucially, build upon inclusive dialogue. Just as the gardener designs in edges, prepares the ground, tends the soil, they suggest that as Agencies we need to create a safe environment, tend to our relationships, acknowledge our competitive streak, find our Collaborative Edges and work together in order to succeed, and to thrive.

We need greater variety in ways of working

They helpfully differentiate between coordination, cooperation, and collaboration suggesting that built into each of them there needs to be mutuality and trust, both of which can happen when the environment and conditions facilitate exchanges at the edges. How aware are your teams of their behaviours in these three scenarios?

When we find our Collaborative Edge™ we seek to help each other to mutually benefit. Help rather than hinder or harm is key to mutuality and to supporting each other's success. Lucy and Anni talk about a 'commitment to one another's success' achieved through finding edges where we can exchange ideas, where 'slow hunches' can be nudged forward, given space to grow, and where we nourish them along the way and adapt as we go.

The challenge for us in our world of rapidly changing marketing ecosystems is to find our Collaborative Edge™, to create the conditions for mutuality, and a world which works for us all, in which we all thrive and succeed together. If we acknowledge our natural 'competitive streak' and use it in pursuit of better and help each other, we will all enjoy success.

AAR is working with Recast Coaching and Collaboration Equation™ to create a tailored experience for agency leaders to help raise and share awareness of the issues around ways of working and to help find our edges, by working together and crucially succeeding together in solving 'The Collaboration Paradox'. Drawing on nature we can learn how to design for collaboration, for mutuality amongst agencies and how we work with clients, ensuring not only our survival but also enjoying greater success.

We are planning a day for agency leaders who want to help their own teams to collaborate more effectively both internally and externally on 14th May 2025 on the South Downs near Lewes which will give you an opportunity to reflect, to co-create, to partner with nature, to truly collaborate and together find your Collaborative Edge™.

Let's make collaboration more than a word in credentials and turn it into a showcase for how finding your collaborative edge will help you keep clients for longer, get to more innovative and original work and ensure your efforts are rewarded by the client across its ecosystem.

Invitations will be sent out shortly with full details of how to register and costs, but if you would like to register your interest now then [please get in touch with me](#) to secure your place.



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