

July 2015



Top Trends That will *rock your world*



Association of National Advertisers | Est. 1930

Bruno Galpois, Co Founder & Principal

How good are we **REALLY**
at predicting
the future in
client/agency
relations?



Not so good after all



1. **Omnicom/Publicis merger** would change the game
2. **Media reviews** would happen sporadically
3. **In-house agencies** would be limited to production
4. **Retainer-based relationships** would stay the norm
5. **Media rebates** would never get mainstream attention
6. **Specialization** would make agency networks obsolete
7. **Programmatic Buying** would take years to gain traction
8. Pressure on agency **spend, fees and margin** would relax



Where we got it right

1. **M&A** didn't slow down (but the size of deals did)
2. **Cherry-picking** by clients accelerated (faster)
3. **Digital turf battles** continued at shops (and more)
4. Retaining **talent** became a growing challenge (still is)
5. **Relationship tenure** would decline (and it did)
6. **Digitalization of everything** would drive automation



2015 trends **in Madison Ave**

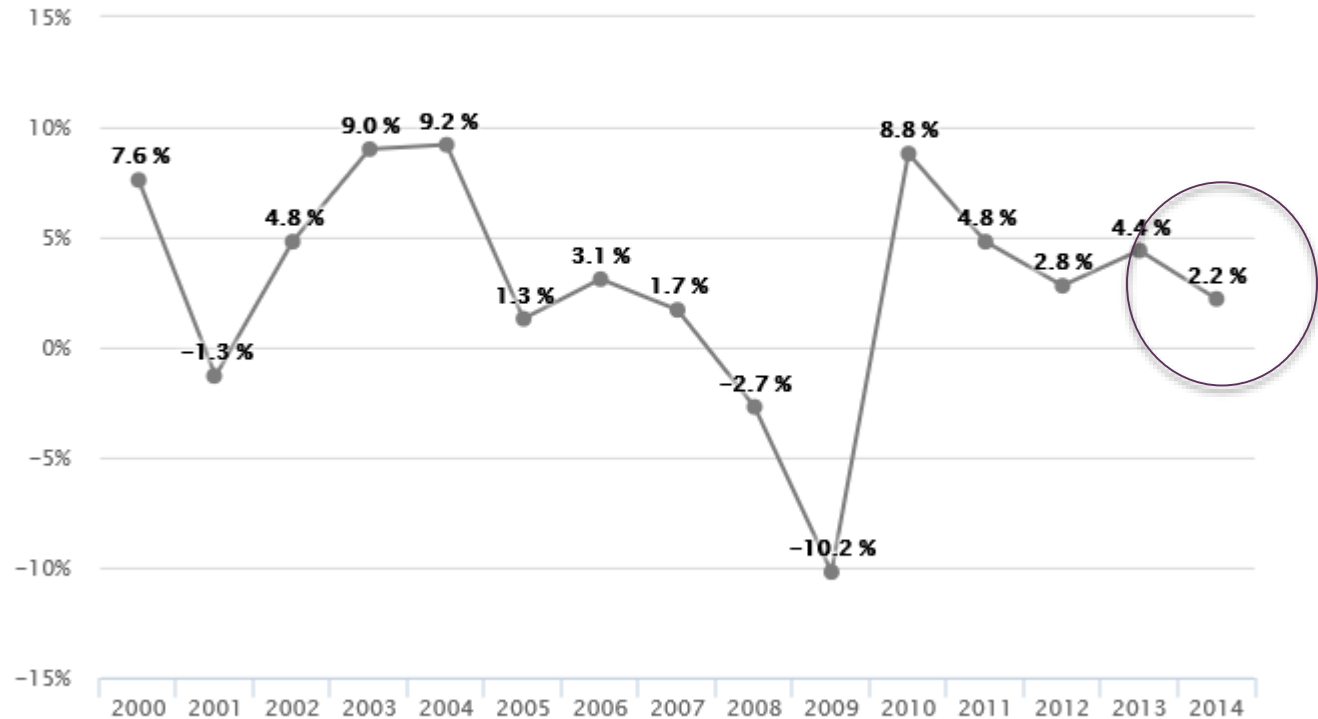
that might be
keeping you
up at night



Spending is flat... or are we simply smarter spenders?

Ad Spending Growth Over Time

Percent change in U.S. ad spending for 100 Leading National Advertisers. Ad spending for 200 LNA rose 2.0% in 2014.



Source: [Ad Age Datacenter](#). Based on total U.S. ad spending consisting of measured media plus unmeasured spending.

Technology is changing the marketing landscape

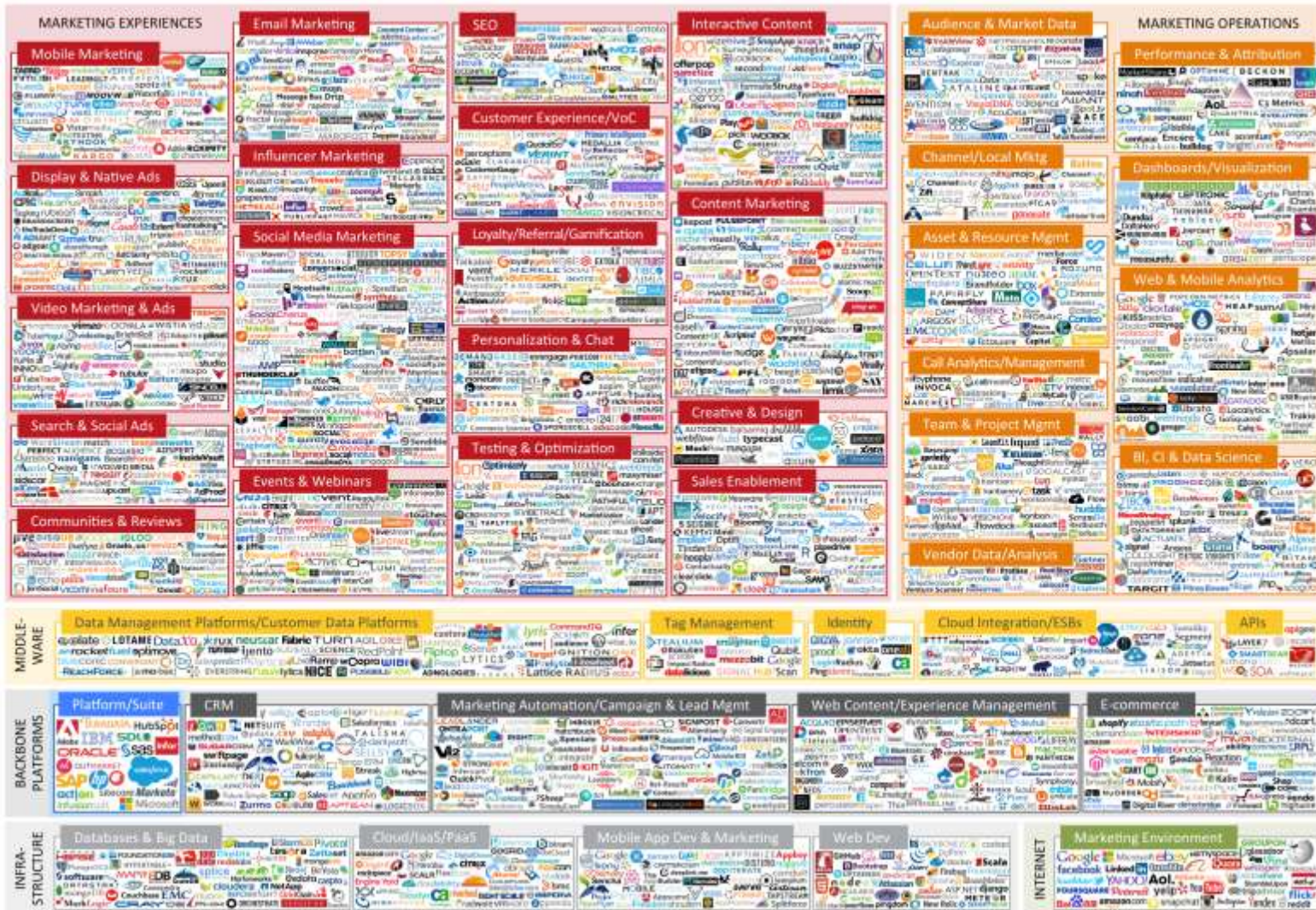


by Scott Brinker @scottbrinker <http://chiefmartec.com>

947 companies in 2014

chiefmartec.com Marketing Technology Landscape

January 2015

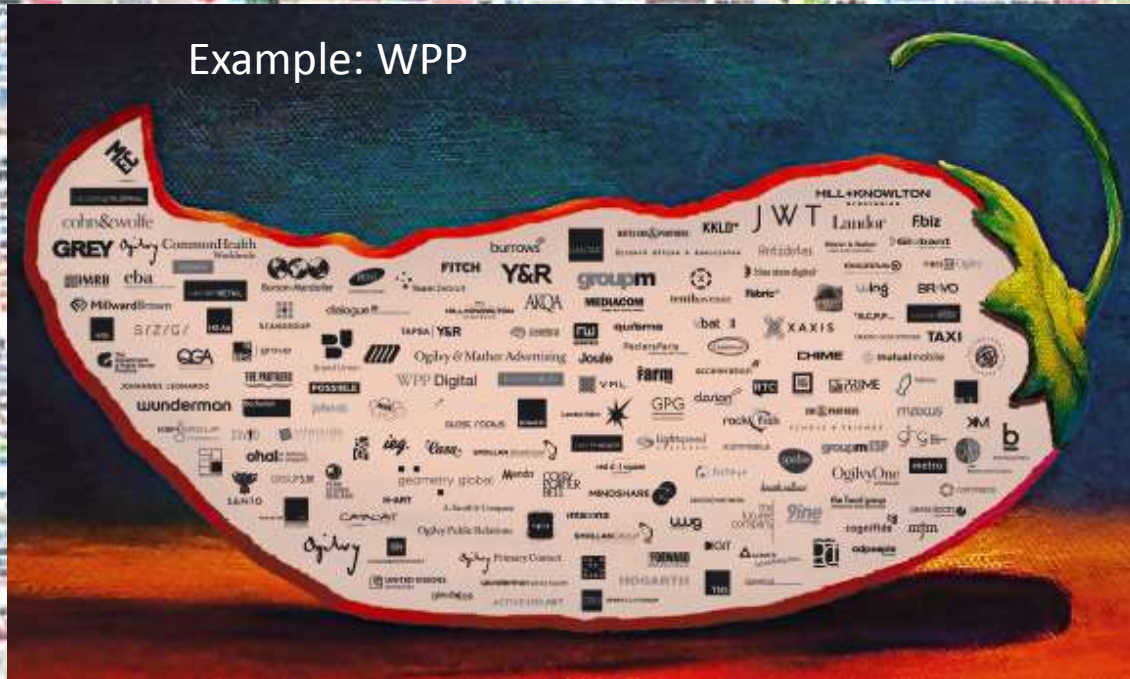


by Scott Brinker @chiefmartec <http://chiefmartec.com>

947 1,876 companies in 2015 (2x more)



Example: WPP



And thousands of BIG & SMALL service providers

Agency Business



U.S. agency revenue rose 5.4% to a record \$43.6B in 2014



Digital captured 39.7% of 2014 US agency revenue



Deals completed by the 4 biggest agency firms — WPP, Omnicom, Publicis and Interpublic



Of the world's 5 largest digital networks, only one is owned by an agency company: #5 Wunderman (WPP)



Identity crisis or land grabbing?



Ogilvy

- Ogilvy entering Coca-Cola review for media planning/buying



- R/GA handle TV creative for E-Trade



- 360i enters PR space with crisis management practice



- PetSmart brings bulk of its advertising in-house









- Weber Shandwick launches Sawmill, full service ad firm

- Etc.

New ways of producing content

- Leader in creative crowdsourcing, built a platform for filmmakers to create videos
- Delivers 5 broadcast quality videos for \$125K (a fraction of the typical costs)

MOFILM

Brand	Contest	Description	Grant Deadline	Closing Date	Prize & Grant Pot
		<p>3M, a science company with more than 100 years of innovation and creation, knows that science is only as good as the impact it has on our lives. It sets out to c..</p> <p>Go to the Contest Page</p>	22 May 2015	06 Jul 2015	\$52,000
		<p>MANWICH is coming to Chicago this August for the first time with a really exciting brief for all you creative folks out there.</p> <p>MANWICH is..</p> <p>Go to the Contest Page</p>	29 May 2015	06 Jul 2015	\$42,000
		<p>CALLING ALL DOG LOVERS!!!! We have the brief for you... We are delighted to introduce MOFILM's first competition with Gravy Train. With t..</p> <p>Go to the Contest Page</p>	26 May 2015	13 Jul 2015	\$35,000

Instructions

1. Read the terms & conditions 
2. Download brief 
3. Apply for a production grant 
4. Download brand assets 
5. Choose your music track 
6. Make your winning video 
7. Submit your video 

Alliances in data sharing and content creation & distribution

- Native advertising in rapid growth (story-driven)
- New marketing agency to engage Millennials to **create content** such as vertical video meant to be shared on social media
- **Joint venture** between WPP-Snapchat-Daily Mail
- Previously, Vice announced a tie-up with Pinterest Inc. aimed at creating branded video content for Bank of America Corp



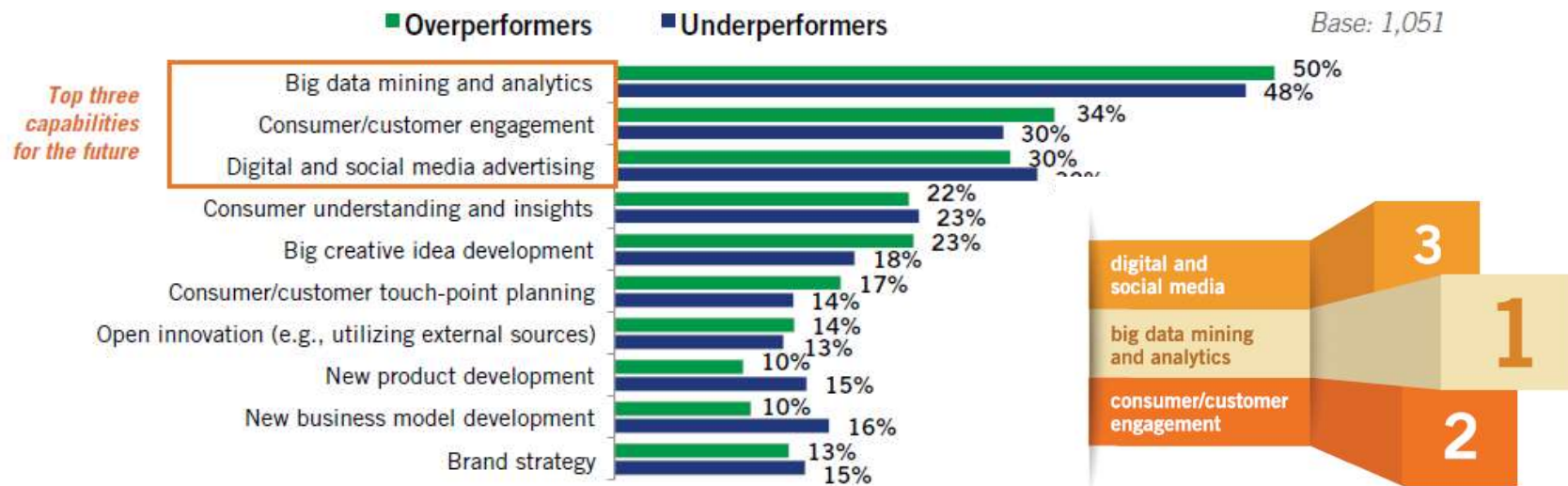
What's next?

- **M&A** will continue at steady pace
- New **alliances** will emerge
- Share of big **consulting** firms will grow
- Who does what will **change constantly**
- Agencies will transform from change agents to business **creators**



Do you have the right agency talent?

- Capabilities most important in the next 5 years
- Are you SURE you have the **right talent** in place to meet your needs today and tomorrow?



Q. Which of these marketing capabilities will become more important five years from now? Please select the top three capabilities that you think will gain in importance.

Are you prepared to...

- **Redesign** your agency model?
- **Rethink** your current roster?
- **Reevaluate** your approach?
- **Revisit** your agreements?
- **Reengineer** how you work with agencies?
- **Revamp** how you measure performance?

Survive your next CMO meeting?



6



Critical Ways

to rethink your
approach to
agency relations

#1

**Encourage
the use of
data and
technology as
catalysts for
creativity**



Innovation in everything you do

- **Committed to innovation**
 - NextTECHnow (Starcom MediaVest) introduced 70 start-ups to clients
 - RG/A equity take in 70 companies
- Client-sponsored **Agency Innovation forums**

Capabilities

- ▶ Campaigns **new**
- ▶ Digital Advertising **new**
- ▶ Commerce **new**
- ▶ Systematic Design
- ▶ Brand Development **new**
- ▶ Mobile **new**
- ▶ Social **new**
- ▶ Retail **new**
- ▶ R/GA Retail Lab
- ▶ Data Visualization **new**
- ▶ Live Events **new**
- ▶ Consulting **new**
- ▶ Presentation **new**
- ▶ Prototype Studio **new**
- ▶ Product Innovation **new**
- ▶ Software Platform Lab **new**



Speaking the International Language of Innovation



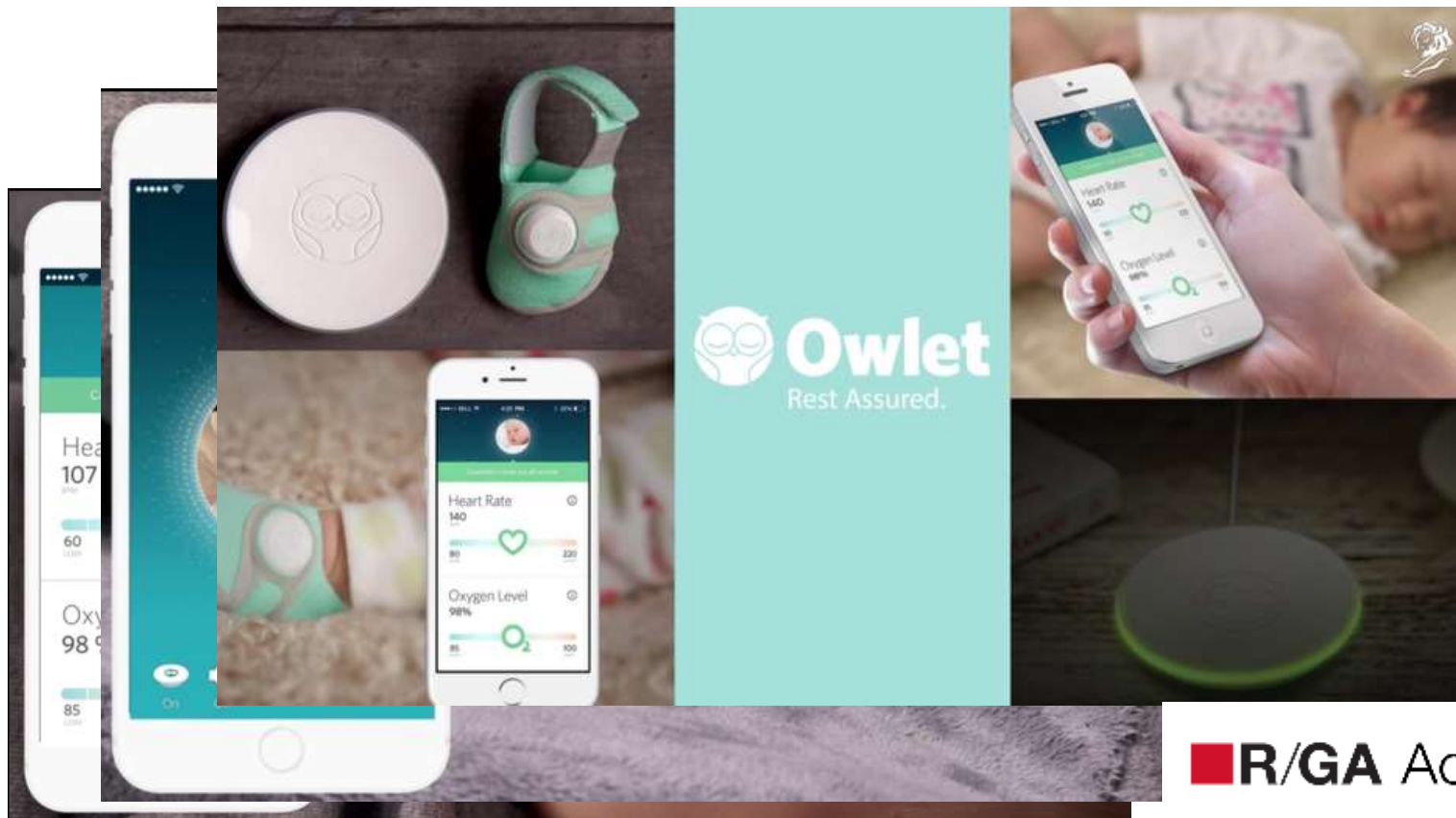
Winners (innovation)

- Innovation is where data, technology and creativity intersect
- **845** entries this year alone!



Owlet (by R/GA)

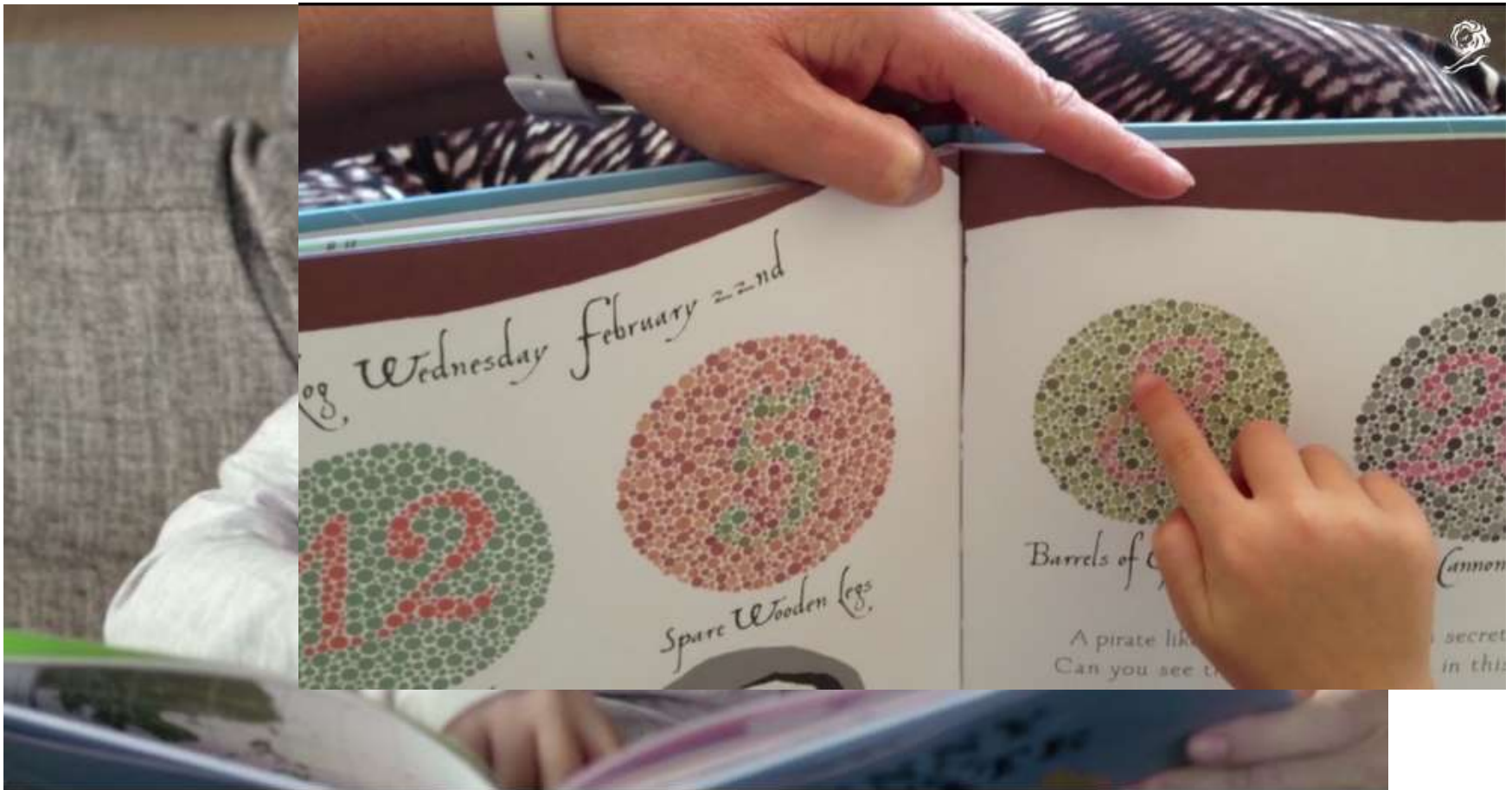
- When digital agencies (R/GA and its Accelerator team) help create/fund new technology (newborn wearable device)



R/GA Accelerator

Penny the Pirate (by Saatchi & Saatchi)

- When creative shop (Saatchi & Saatchi Sydney) creates new product



Collision? Or fusion?

“I love the **friction** between creativity and data. Data and science is liberating for creativity because it offers a foundation.
We’re not scared of it. “

droga

David Droga Creative Chairman, Droga5

WIIFM?



1. Agency's **3 year strategic plan**
2. Integrate into agency **QBR**
3. Prepare for **frequent change**
4. Track **spend** in innovation
5. Innovation **guidelines**
6. Forums **pilots** and concepts

#2

Challenge

“Speed Dating”
as a viable long
term solution



I finally got
mine...



Client/Agency Relationships in the Apple Watch Years



Client/Agency Relationships in the Apple Watch Years



Client/Agency Relationships in the Apple Watch Years



Client/Agency Relationships in the Apple Watch Years



Client/Agency Relationships in the Apple Watch Years



“Congratulations. You successfully terminated your six-weeks relationship with your AOR. Press NEXT to find a new agency partner.”



Innovative thinking or pure mania?

- PR agencies looking for new business in a strange place: Twitter. Starwood Hotels' Aloft and their "RFTweet" effort
- New search firms like Madam "mandating agencies use Pinterest to create "mood boards" and e-bid systems" (AdAge)
- Ill-conceived approaches to agency new business or is "mania" the new "Smart"?



#PitchAloft Q1: Many PR agencies can create buzz -- how does YOUR agency stand out from all the noise? bit.ly/PitchUs #RFTweet

Reply Retweet Favorite



Lyft Tweets call for a 'Wildcard' to join Agency-of-Record Review



Lyft @lyft Follow

We want a mind-blowing creative partner. There's one spot left in our search. Interested? Your brief: bit.ly/1eQ0Zi0 #LyftWildcard

1:14 PM - 3 Jun 2015

YouTube @YouTube Make Way for the Wildcard

Make Way for the Wildcard

Only three requirements:

- Create a video no longer than :60
- Must take place in a Lyft
- Creatively embody the Lyft brand

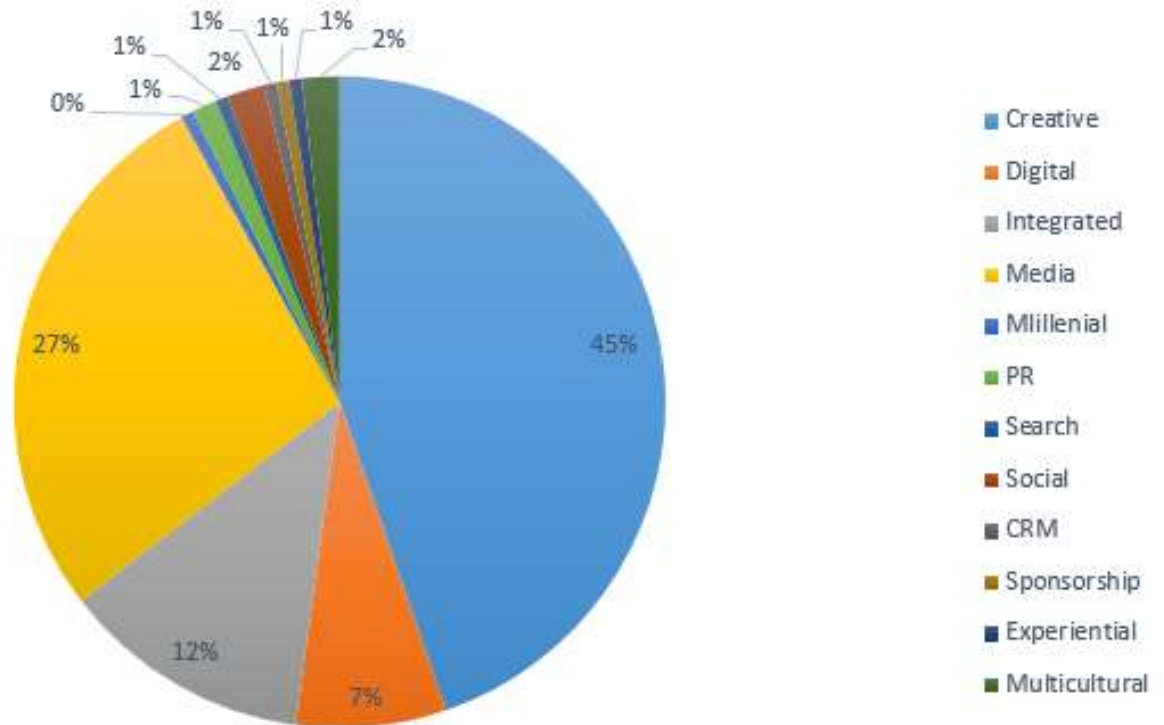
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#LyftWildcard

← ↻ 31 ★ 45

150+ significant agency roster changes since Jan 2015

Change / Scope List	
Month	2015-06
Change/Scope	Client
Creative	Ace Hardware Heineken Brooks SunTrust Banks Volvo Lyft Speedo USA Priceline.com General Mills PetSmart Pernod Ricard GNC Procter & Gamble Co (P&G) - Grooming
Digital	Verizon WWF UK GNC
Integrated	Norwegian Cruise Line United States Navy Ragu and Bertolli
Media	Coca-Cola Norwegian Cruise Line Royal Caribbean Mondelez General Mills Snyder's-Lance GNC Sony Darden Restaurants Procter & Gamble Co (P&G)
Multicultural	Sprint
Grand Total	



Media is HOT

Date	Month	Client	Incumbent	Years in relationship
5/1/2015	2015-05	21st Century Fox	Zenith Media , Publicis Group	10
2/1/2015	2015-02	Allergan Medical Aesthetics		
2/1/2015	2015-02	American Legacy Foundation	WPP Group's MediaCom	1
4/1/2015	2015-04	Bacardi	Various	
5/1/2015	2015-05	BASF	UM	
3/1/2015	2015-03	Calvin Klein	In-house	
3/1/2015	2015-03	CarMax	In-house	
5/1/2015	2015-05	Chico's FAS	PGR Media	
4/1/2015	2015-04	Chocolatier Lindt USA	TBD	
5/1/2015	2015-05	Citibank	MEC and Starcom MediaVest	
4/1/2015	2015-04	Coca-Cola	Starcom Mediavest Group	11
4/1/2015	2015-04	Converse	MediaVest	
4/1/2015	2015-04	Coty	OMD	
5/1/2015	2015-05	CVS Health	Mindshare	
6/1/2015	2015-06	Darden Restaurants	Starcom	
6/1/2015	2015-06	General Mills	Zenith	14
4/1/2015	2015-04	GNC	TBD	
1/1/2015	2015-01	GoDaddy		
2/1/2015	2015-02	Hard Rock International		
3/1/2015	2015-03	J.C. Penney	OMD	10
4/1/2015	2015-04	L'Oreal USA	DigitasLbi , UM	
5/1/2015	2015-05	Mercedes-Benz	PHD	16
6/1/2015	2015-06	Mondelez	Aegis Media and Mediavest	
6/1/2015	2015-06	Norwegian Cruise Line	TBD	
2/1/2015	2015-02	Olive Garden and Longhorn Steakhouse	Starcom	5
5/1/2015	2015-05	P&G	Starcom MediaVest Group and Aegis's Carat	
1/1/2015	2015-01	Pandora		
2/1/2015	2015-02	Pizza chain Papa John's	Zimmerman Advertising	
6/1/2015	2015-06	Procter & Gamble Co (P&G)	Mediavest, Carat, MediaCom,	18
6/1/2015	2015-06	Royal Caribbean	Mindshare	
1/1/2015	2015-01	SC Johnson	Maxus	4
5/1/2015	2015-05	Scotts Miracle-Gro	MEC	
6/1/2015	2015-06	Snyder's-Lance	GKV	
6/1/2015	2015-06	Sony	Mediabrand	
2/1/2015	2015-02	Spotify	Publicis Groupe's Starcom	
4/1/2015	2015-04	STX Entertainment	TBD	
1/1/2015	2015-01	Unilever		
4/1/2015	2015-04	Visa	OMD	7
5/1/2015	2015-05	Volkswagen Group	MediaCom	
2/1/2015	2015-02	Wells Fargo	Omnicom's OMD and IPG's UM	
Total			40	Average: 9.6

- 40 media reviews announced from top media spenders



*"Admit it. We're all a bit miserable – both clients and agency folks. That's because the ecosystem we've been operating in for decades **is dying**."*



Dana Anderson, SVP marketing strategy and communications for Mondelez International. Mar 23, 2014, WSJ

Many were long term relationships



Date	Month	Client	Change/Scope	Incumbent	Years in relationship
3/1/2015	2015-03	Land Rover	Creative	Young & Rubicam	20
6/1/2015	2015-06	Procter & Gamble Co (P&G)	Media	Mediavest, Carat, MediaCom,	18
5/1/2015	2015-05	Mercedes-Benz	Media	PHD	16
6/1/2015	2015-06	United States Navy	Integrated	Lowe Campbell Ewald	15
6/1/2015	2015-06	General Mills	Media	Zenith	14
4/1/2015	2015-04	Coca-Cola	Media	Starcom Mediavest Group	11
2/1/2015	2015-02	KFC	Creative	Interpublic's FCB	10
3/1/2015	2015-03	J.C. Penney	Media	OMD	10
5/1/2015	2015-05	21st Century Fox	Media	Zenith Media , Publicis Group	10
2/1/2015	2015-02	Royal Caribbean	Creative	JWT	8
5/1/2015	2015-05	Caribbean International	Creative	JWT	8
1/1/2015	2015-01	American Cancer Society	Creative	The Martin Agency	7
3/1/2015	2015-03	Marshalls	Creative	GSD&M	7
4/1/2015	2015-04	Visa	Media	OMD	7
4/1/2015	2015-04	Best Buy Co. Inc	Creative	Crispin Porter + Bogusky	7
5/1/2015	2015-05	Marshall	Integrated	GSD&M	7
6/1/2015	2015-06	Ace Hardware	Creative	GSD&M	6
1/1/2015	2015-01	Armored AutoGroup	Integrated	Omnicom's DDB (SFO)	5
2/1/2015	2015-02	Ace Hardware	Creative	Omnicom's GSD&M	5
2/1/2015	2015-02	Olive Garden and Longhorn Steakhouse	Media	Starcom	5
3/1/2015	2015-03	Chrysler	Digital	SapientNitro	5
3/1/2015	2015-03	MetLife	Creative	Crispin Porter + Bogusky	5

Project-based relationships on the rise

- AOR model being ditched, project to project
 - Mondelez International
 - Best Buy
 - Frito-Lay
- ANA and 4As form Joint Committee



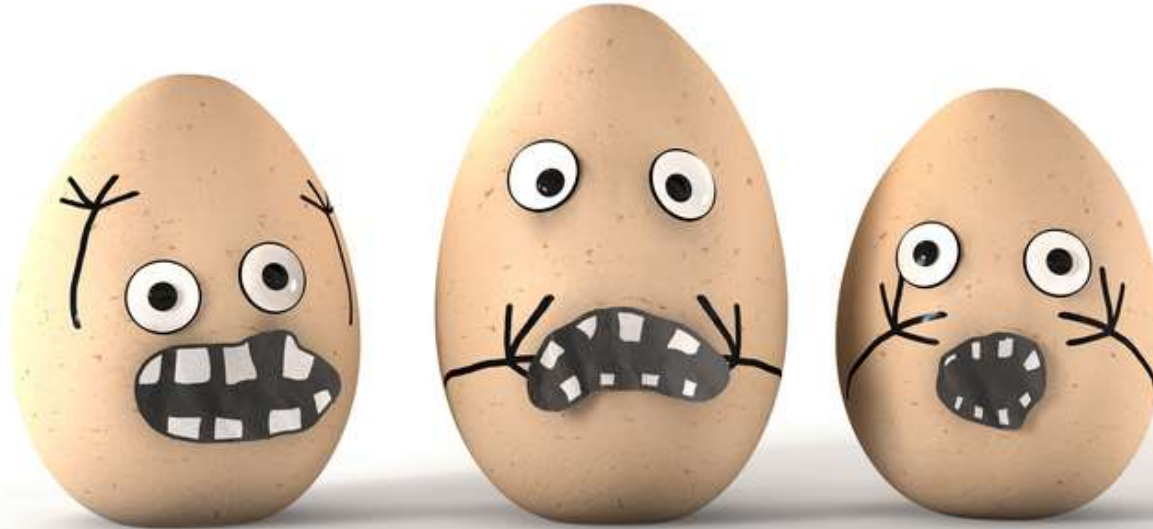
FIAT CHRYSLER AUTOMOBILES

*"In 99.9% of the cases [the AOR] comes back with something we don't like. But then we keep going back and forth. It's a shared creative process.... They have a period of time to deliver something we are all convinced with. If this doesn't happen, then we open the brief to any other AOR. **All of them have generally 70% of the brand they own, and 30% of conquest on something else..... Like it or not, it introduces some tension and some competition in the system.**"*

Olivier Francois, CMO Fiat Chrysler

WIIFM?

1. Educate organization about **transition/onboarding costs**
2. Set **review schedule** by category of services (e.g. 3 yrs)
3. Use **performance data** to make better roster decisions
4. Leverage **technology** to streamline RFP process
5. Adopt **online-training** to quickly ramp up agency talent
6. Anticipate **implications** of project based relationships



#3

Drive actionable insight from your performance evaluations



Talent scarcity means uneven quality

- Agency of the Year rankings show **inconsistencies**
- Top agency ranking \neq clients get **A teams**
- How do you know you are getting **top talent**?



Renewed focus and importance

- Contributing factors
 - Hyper specialization of services
 - Project based relationships
 - Higher staff turn over
 - Results-driven focus and compensation
- Setting up expectations
 - Partnership
 - Performance
 - Leadership
 - Collaboration
 - Innovation



From bogus scorekeeping to real problem-solving

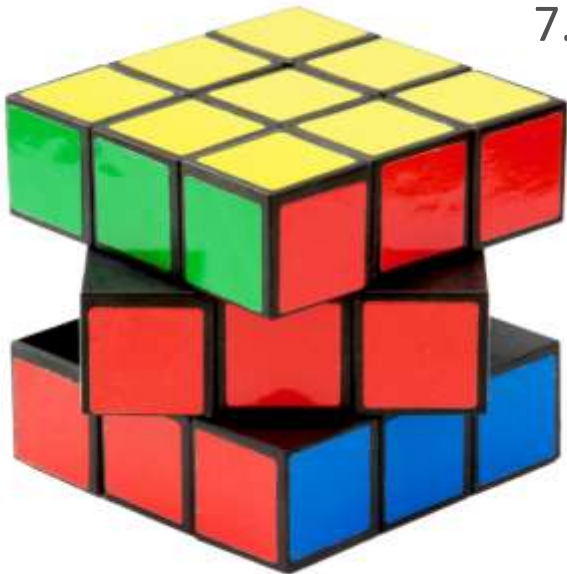
- **Quality** of questions is uneven
- **Frequency** often inadequate to drive results
- **Timeliness** is often questionable
- **Efforts** spent on process/survey, not results
- **Over-reliance** on scoring can be distracting
- **Reduced** client participation
- **Unstructured data** often get in the way



Row Labels	Agency		Agency runs		Disney Total	
	A/A	D/A	A/A	D/A		
Wieden & Kennedy	3.4	3.4	3.5	3.5	3.8	3.8
Thought Leadership/Innovation	3.4	3.4	3.4	3.4	4.0	3.8
Thought Leadership/Innovation	3.4	3.4	3.4	3.4	4.0	3.8
Management	3.9	3.5	3.7	3.7	4.0	3.9
Budget Management				3.7	4.0	3.9
Production Management	3.9	3.5	3.7			
Collaboration/Relationship	3.5	3.2	3.3	3.7	3.8	3.8
Collaboration	3.5	3.2	3.3			
Collaboration & Communication				3.5	3.8	3.7
Relationship/Environment				3.8	3.5	3.5
Strategy & Guidance	3.6	3.5	3.5	3.1	3.9	3.7
Account Leadership	3.6	3.4	3.5			
Creative and Strategy	3.6	3.7	3.6			
Direction, Briefing & Approval				3.1	3.3	3.7
Grand Total	3.6	3.4	3.5	3.6	3.9	3.8

WIIFM?

1. **Invest** your time on setting up joint action plans
2. **Revisit** your question set with the agencies
3. **Significantly accelerate** results sharing for more timely action planning
4. **Use data** for directional trending
5. Tag **comments** and extract **sentiments** to mine results
6. Conduct **interviews** to get deeper insight
7. Consider regular **pulse checks**

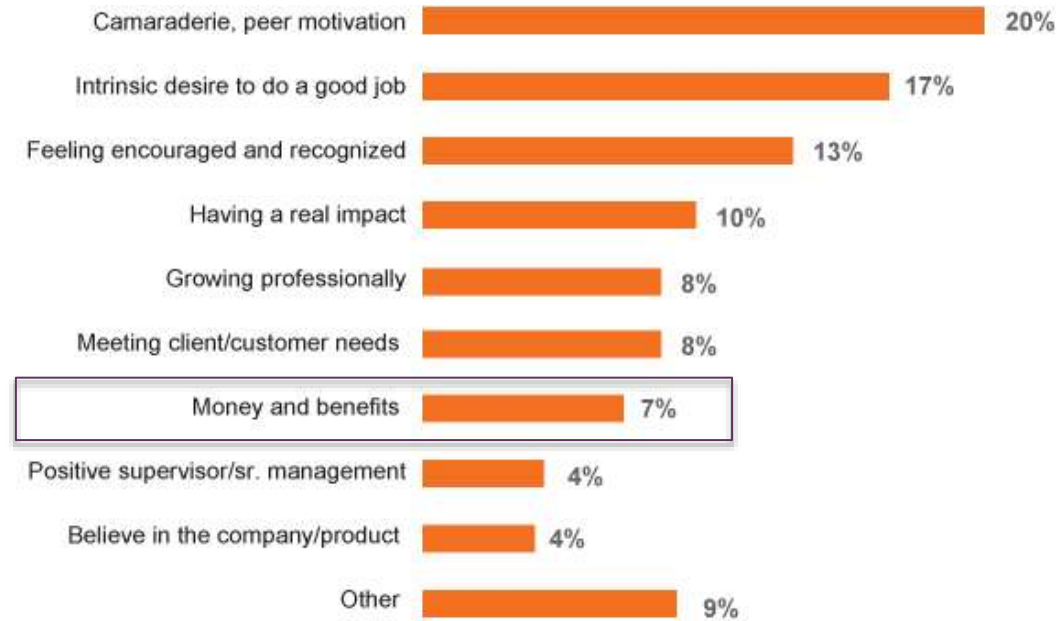


#4

Go beyond
rewards to
foster mutual
accountability



What
motivates
 us as
 employees
 and business
 partners



(C) TINYpulse 2014 Employee Engagement & Organizational Culture Report

87% feel disengaged
 Only 21% feel strongly valued

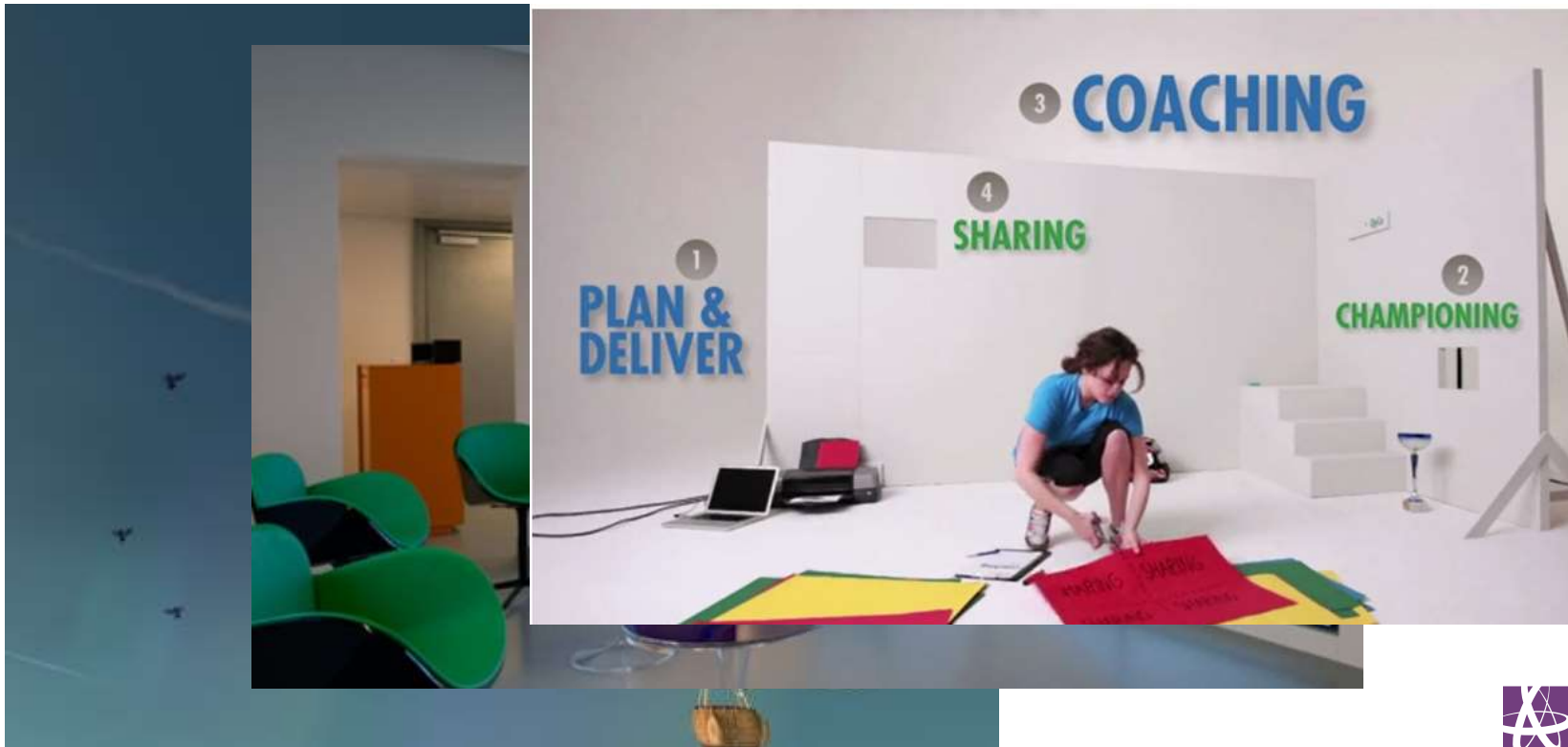
Essential ingredients to motivate agencies

- Over-emphasis on **financial rewards**
- Shared sense of **purpose** and **alignment**
- Importance of **critical thinking** in innovation
- **(L)earning** opportunities
- Fostering culture of **accountability** and **appreciation**



Heineken Global Commerce University

- Marketer of the Year award 2x in the past decade
- 6 of Heineken's ads won **41 Lions** in the last 3 years
- Physical space and **digital hub** with e-learning modules
- "Creative Ladder" every Monday: sharing advertising's best creative work



Kudos (or the super power of THANKS)



- Turn over rates/costs at their highest in decades
- Feeling encouraged and recognized remains a top motivator for employees and partners alike
- Agency Awards or individual awards at events or summits do not **scale** and empower masses
- Formal “Thank You” (A>C, C>A, A>A, C>C) and Kudos certificate in **predefined** categories



WIIFM?

1. Enhance **performance** agreements to focus on what REALLY matters
2. **Explore** ways to motivate without a checkbook
3. Identify joint **learning** programs
4. Set up agency award **recognition** program
5. Define **priority areas** and expectations
6. Recognize **top talent** at key events



#5

Use **accurate/timely data** to map your successful flight plan



Which one would you rather fly in for your next business trip?



Modern
Instrumentation



No
Instrumentation

Ending the
Data Mania
to enable
more
strategic
management
of agency
talent and
resources

- Inconsistent reporting and inaccurate analysis due to **multiple and sometimes conflicting** sources of data
- Wasted time **reconciling** multiple spreadsheets passed through email
- **Inability to directly compare** the original plan to actual results inhibiting
- Lack of **internal benchmarks** to monitor trends and historical progress
- **Missing invaluable insights** hidden in unstructured comment data
- Producing reports that cannot be easily **exported or published** internally

And it doesn't have to be on your watch!

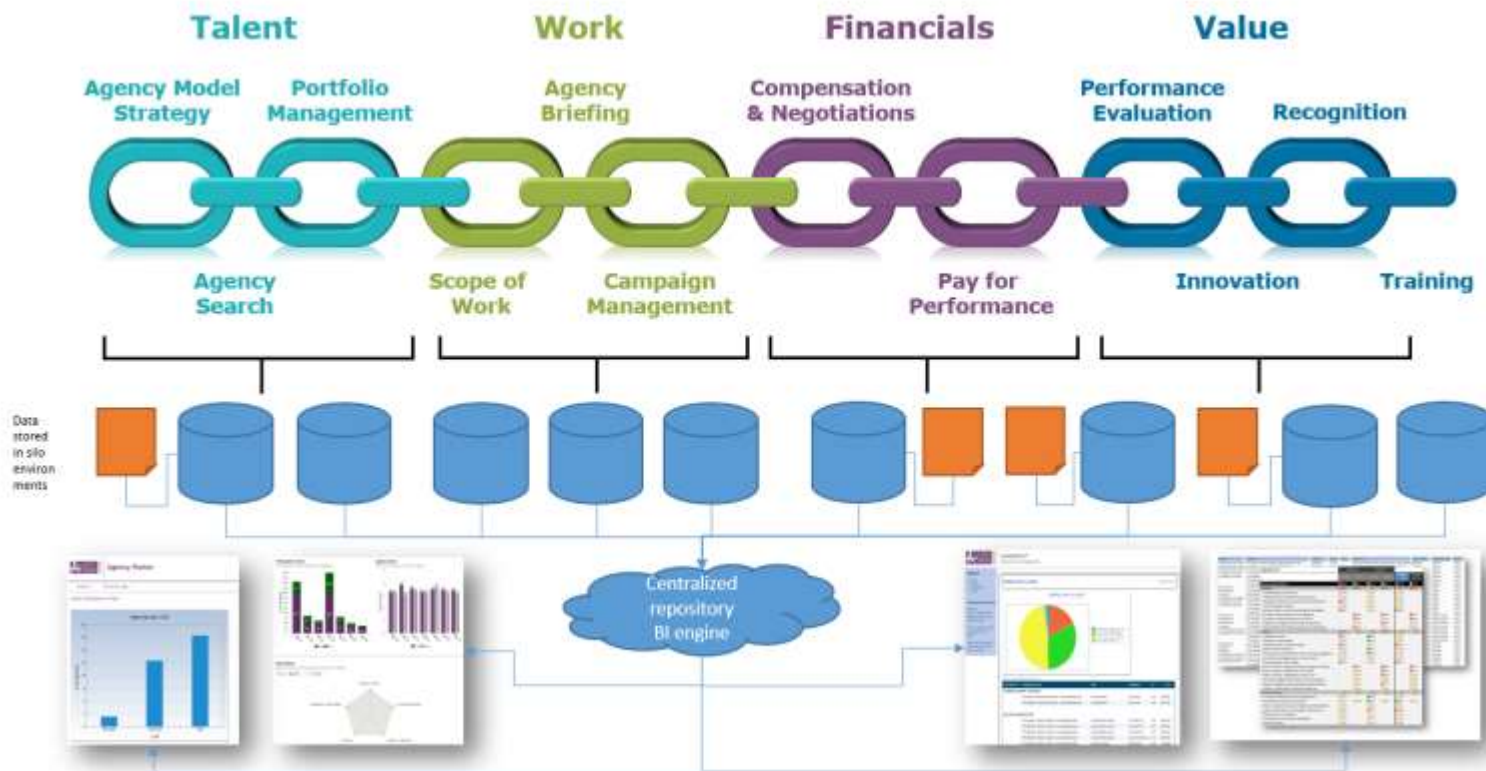


- All marketing functions now **data-driven** (so should Agency Management)
- Disparate **silos** of information #1 roadblock
- Decision-making **seriously compromised**
- **Mission control dashboard** as a **hub** for connecting all aspect of the partnership lifecycle critical

Marketing Evolution developed an app for the Apple Watch that allows 24/7 monitoring and alerts triggered

Data-driven Partnership Management

- ✓ Actionable data residing at key stages of partnership lifecycle management
- ✓ Centralized repository serves as BI engine
- ✓ Online reporting and insights at finger-tips



WIIFM?

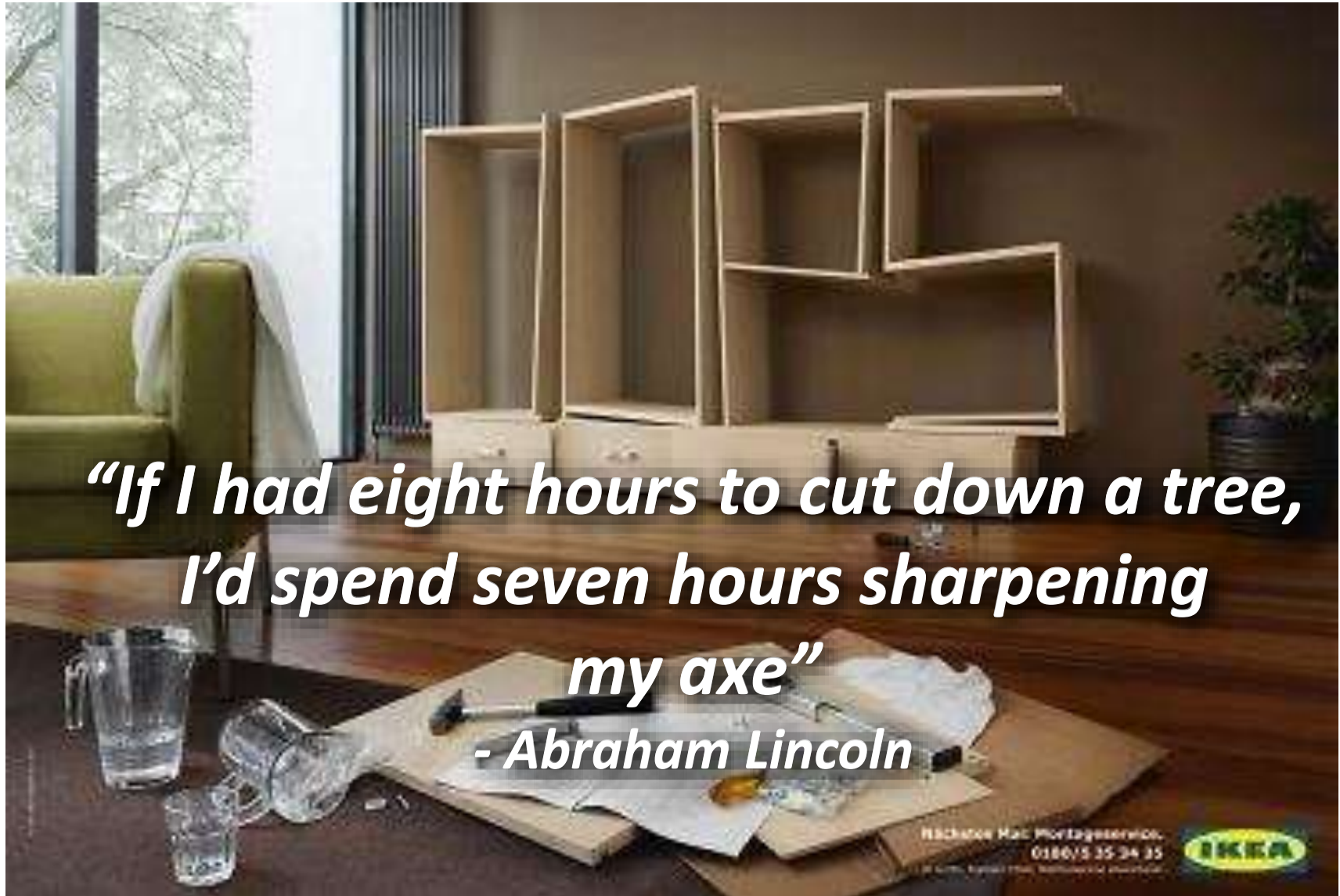


1. Build a **data strategy** for your agency management/relations efforts
2. Define clear **taxonomy** and process. Socialize with internal stakeholders and agency partners
3. Drive **actionable insights** and prioritize quick wins to get buy in
4. **Aggregate, organize and publish** views for senior leadership
5. Set internal **benchmarks** and then targets
6. Monitor **progress** against performance and course-correct as needed

#6

Automate and streamline scope of work planning and staffing/fee reporting





***“If I had eight hours to cut down a tree,
I’d spend seven hours sharpening
my axe”
- Abraham Lincoln***

Scoping work and briefing, significant gap remains

- ANA survey research points to **continued gap**
- Direct correlation between accuracy of scope/brief and **efficient use of resources**
- Holistic view allow **prioritization & decision making**



	Top 2-Box	Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree
Client: We provide clear assignment briefings to our agency.	58%	18%	40%	23%	18%	1%
Agency: Clients provide clear assignment briefings to agencies.	27%	0%	27%	30%	39%	4%

Enhancing Client/Agency Relationships — 2015 ANA Survey Research

From gut feeling to science

- Speed to market do not allow for **misalignments**
- **Manual processes** are no longer adequate
- **Project-based relationships** require specificity
- Effectiveness dependent on **accuracy/timeliness**
- **Lack of benchmarks** leads to inefficiencies



ScopeDeliver™
Online SOW and Staffing Plan

Options

- Home
- Logout
- Staffing Plan 1
- Staffing Plan 2

Microsoft SOW Parser

Help for: Click on "Help" before exiting the page. Errors are missing changes.

Click on "Details" to view any changes in new details.

Click the home page for SOW (SOW) and Staffing Plan (SOW) and Staffing Plan (SOW).

Questions? Contact: contact@agencymania.com

Home ScopeDeliver™ New Data

Scope of Work Overview

Stage: 1. SOW Review & Approval

SOW Name: Microsoft SOW Parser

Initial: Mike

Company: Microsoft

Owner: jared@agencymania.com

Apprv: Reviewer

Project: 12312312

Description: Upgrade campaign to new SOW and Staffing Plan

Deliverables (4)

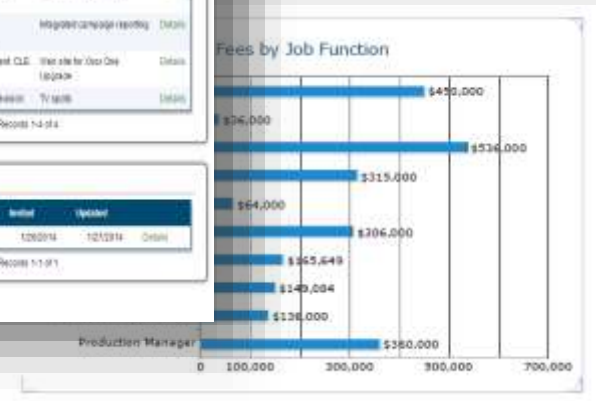
Class	Category	Description	Details
Functional Service	Strategic Planning	Strategic integrated plan	Details
Functional Service	Reporting	Integrated campaign reporting	Details
Detail	Web Development CLE	Web site for SOW One Up/Down	Details
Adm	Advertising Television	TV spots	Details

Records 1-4 of 4

Reviewers (5)

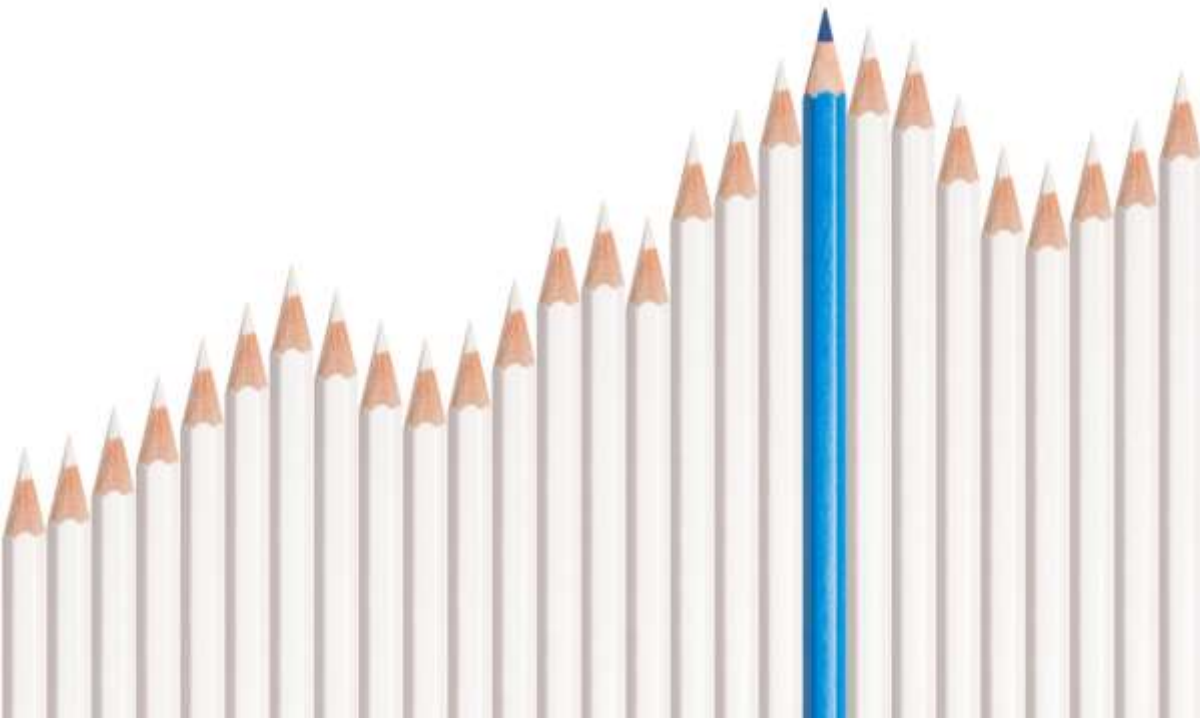
Title	Reviewer	Initial	Updated	Details
Reviewer	Bill Garner	12/20/14	12/22/14	Details

Records 1-1 of 1



WIIFM?

1. Adopt a standard **taxonomy** and define **SOW development and approval process**
2. Capture SOW in **central database** to facilitate access/sharing internally and with agencies
3. Facilitate fee/staff plan development and discussions by **automating data gathering and reporting**
4. Establish internal benchmarks to improve **negotiations**



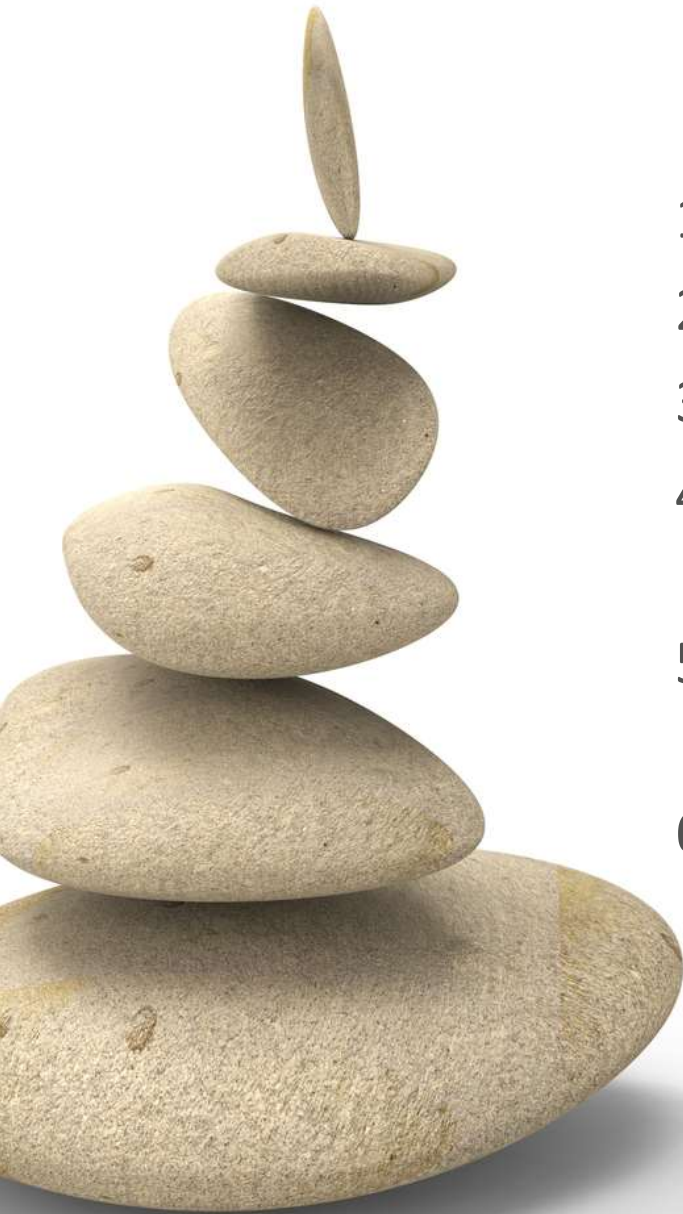
6

Ways to rock your world and drive much greater value



Taking action now

1. Drive the innovation agenda
2. Evolve your agency model and roster
3. Drive actionable insight and performance
4. Encourage culture of mutual accountability and recognition
5. Build a data-driven approach to partnership lifecycle management
6. Automate strategic planning (SOW) and talent/financial reporting



Thank you!!!



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