

## Order, order, order....

**Aprais:** An evaluation by the consultancy shows that agencies aren't the only ones who need a modern organisational structure, clients do too



*By Mehrdad Amirkhizi*

When Marc Pritchard says something, the communications industry pricks up its collective ears. Usually, whatever the marketing boss at Procter & Gamble – the biggest advertiser in the world – has to say does not just interest his own organisation: it is also seized upon by competitors, agencies and, last but not least, the international (trade) press. After all, the FMCG giant is still considered a seismograph for the strategy and organisational structure of big businesses as regards marketing and advertising.

Pritchard's speeches at the conferences of the US advertisers' association ANA and its British counterpart, the ISBA, in early March attracted the industry's attention as per usual. After summarising the five-point plan for digital marketing which he presented in the previous year (bottom line: there have been some changes but there is still a lot to do), Pritchard is now looking at agencies and their internal organisational structure.



### **The Company**

Aprais sees itself as a kind of 'marriage guidance counsellor'. Established in London in 1998, the consultancy specialises in improving the collaboration between clients and agencies. The work done by Aprais draws on a database containing more than 18,000 client-agency evaluations from over 90 countries, covering more than 500 companies and approximately 600 agencies. The German Aprais office in Hamburg is managed by Michael Winkler.

### **P&G marketer Pritchard flags up lack of creativity**

The main thrust of his argument is that agencies spend too much time on administrative tasks. Creativity does not enjoy the status it should have. The P&G exec estimates that less than half of agency staff are involved in creative output. He believes, however, that creatives should account for three quarters of agencies' resources. According to Pritchard, there are lots of surplus staff in account management and planning. 'Too much energy is spent on conference calls, meetings and offsites and time is wasted on conference reports and PowerPoint presentations, dimming and ultimately extinguishing creativity,' he says. He is also calling for media and creative teams to work together again. 'Many of us rue the day that media agencies split from advertising agencies,' explains Pritchard.

Of course, these statements must be viewed in the light of the current situation at Procter & Gamble. The multinational wants to slash its marketing spend by a total of two billion US dollars, so it

should come as no surprise that agencies are also being called upon to cut costs and simplify. Nevertheless, there is more to Pritchard's demands than just cost-cutting. Moreover, his calls are not rendered unnecessary by the fact that many agencies have already completed shake-ups or are in the process of doing so. It's worth taking a closer look at the issues at stake – not least the collaboration between clients and agencies.

Firstly, even though Procter & Gamble is a forerunner, not everything that applies to P&G holds true of all advertisers. It is true that the manufacturer of branded products such as Pampers, Ariel and Gillette primarily requires creative input from advertising agencies and has little need of strategic consultancy and brand management services. After all, these are among the key capabilities of the multinational, which is strongly driven by marketing. However, there is no doubt that some – indeed most – firms do rely on support from external service providers in these fields.

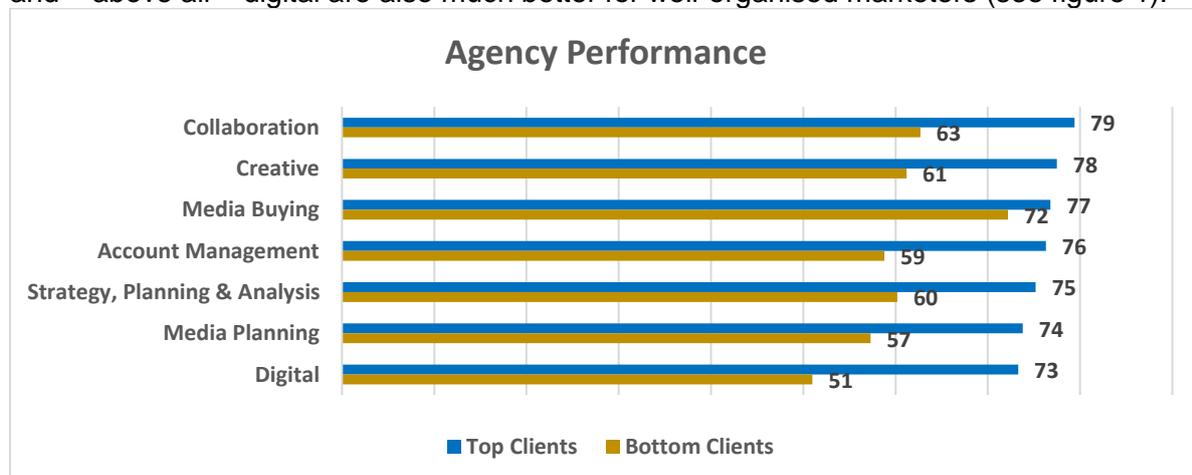
Nevertheless, there is no denying the proliferation in agencies' service portfolios over the years. In some cases, they now offer services which have very little to do with their real *raison d'être*. The extent to which clients have driven this trend – for example by paying too little for agencies' core product, i.e. creative output – is another matter.

For now, let's look at the question of client-agency collaboration. Client organisation with regards to marketing is at least as important as the way in which agencies are structured. The consultancy Aprais, which specialises in analysing the working relationships between clients & agencies, provides important insights into this. The manager of the German Aprais office, Michael Winkler, summarises the company's key message as follows: 'The client sets the limits of their agency's performance.' In other words, the way in which firms manage their marketing has a major impact on the results delivered by their advertising agencies. 'Badly organised clients can engage the best agencies – to no avail,' emphasises Winkler.

### Better organisation makes for better results

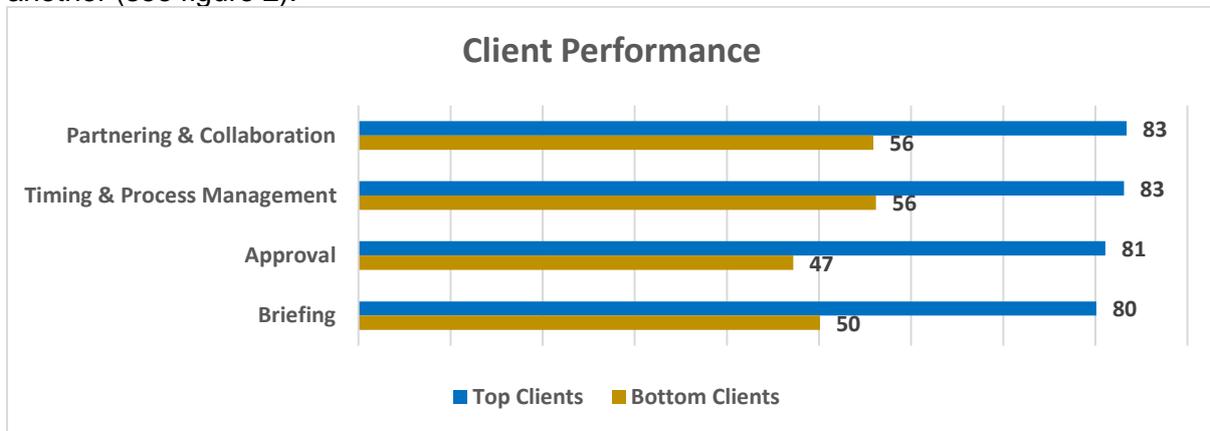
A recent evaluation by Aprais confirms that well organised marketing departments receive a better service. From its database of 18,000+ reciprocal agency-client evaluations, the consultancy filtered out those focusing on collaboration. From this sample of 1,701, it isolated the 10 per cent of clients who were best and worst at collaborating. Aprais manager Winkler also refers to them as the 'best and worst directors' of agency collaboration.

The findings show that client teams which orchestrate their agencies optimally receive much better integrated solutions. On a scale of 0 (never) to 100 (always), the figure is 85 for top clients and just 50 for the worst-ranking clients. Results for creative output, media planning and – above all – digital are also much better for well-organised marketers (see figure 1).



Source Aprais

Conversely – and unsurprisingly – the evaluation showed that these clients also performed well in the categories which are most important for agency collaboration. For instance, advertising agencies awarded the optimally organised marketing teams much better grades for the quality of their briefings and processes and for their partner-like dealings with one another (see figure 2).



Source Aprais

In other words, the evaluation by Aprais clearly shows that it is not enough for companies like Procter & Gamble to call on agencies to change and adapt their structures. Clients also need to adopt a professional organisational structure that caters for current requirements in order to ensure effective collaboration. Failure to do this means that clients ultimately receive worse integrated solutions – even if they hire top agencies.