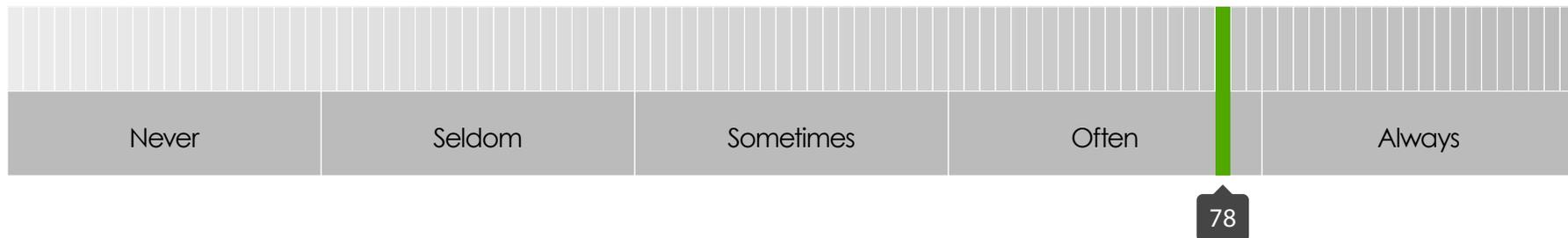


Evaluations work

How systematic and objective evaluations result in improved team performance



Key findings

1. The mere act of conducting a disciplined evaluation of supplier performance often results in performance improvements.
2. Over the past 10 years, the average client rating of agency performance has risen from 73% in 2011 to 78% in 2021.
3. Significant improvements are evident even in the first 18 months of evaluations.
4. These overall improvements translate into better functional performance and team behaviours for both parties in the relationship.

Drawing on more than 20 years of experience evaluating more than 24,000 relationships, Aprais have been able to accumulate data that reveals how teams respond to regular, disciplined evaluation.

To remove potential effects of comparing young relationships with mature ones, we have analysed the impact of evaluations on performance based on the number of occasions the relationship has been evaluated over time.

This report looks at the overall change in scores that clients gave their agencies and that agencies gave their clients.

It then delves deeper to see the impact these overall improvements have both on the functional and the behavioural characteristics of team relationships.



The business case for relationship evaluations

An academic paper titled *The Case of Volvo Car Corporation and its Module Suppliers*¹ concluded that 'the use of different evaluation perspectives revealed a huge potential for performance enhancement'.

The *2021 Global SRM Report*² from State of Flux commented 'The best supplier management programmes achieve not only direct financial benefits for both parties, but ensure longer-term value creation in myriad ways.'

The report cited their own research, which revealed that 'Relationship management was the most effective tool in mitigating the situation caused by Covid-19' and that 75% of leaders in supplier relationship management gather systematic 360 feedback to assess the health of key supplier relationships.'

A 2020 report from the Association of National Advertisers³ concluded 'The benefits of a relationship management program align with components of a valued business partner relationship, specifically better communication, better work, and improved ROI, as well as greater efficiency and speed.'

We firmly believe that stronger relationships build stronger business and that the best way to achieve this is through professional, disciplined and objective evaluations.

However, we also readily admit that in the absence of any evaluation, the mere act of conducting a disciplined evaluation of supplier performance – no matter how modest – can result in team performance improvements.



¹ [The Case of Volvo Car Corporation and its Module Suppliers](#), Peter Fredriksson and Lars-Erik Gadde.

² [2021 Global SRM Report](#), State of Flux.

³ [The Business Case For Relationship Management](#), Association of National Advertisers.

Improvements in the short, medium and longer term

Over the past 10 years, the average client rating of agency performance has risen from 73% in 2011 to 78% in 2021, with corresponding increases in the scores agencies gave their marketer clients.

This simplistic thinking hides a critical issue. If evaluated relationships improve with time, then it follows that newer relationships will pull down the average, whereas more mature relationships will lift the average scores.

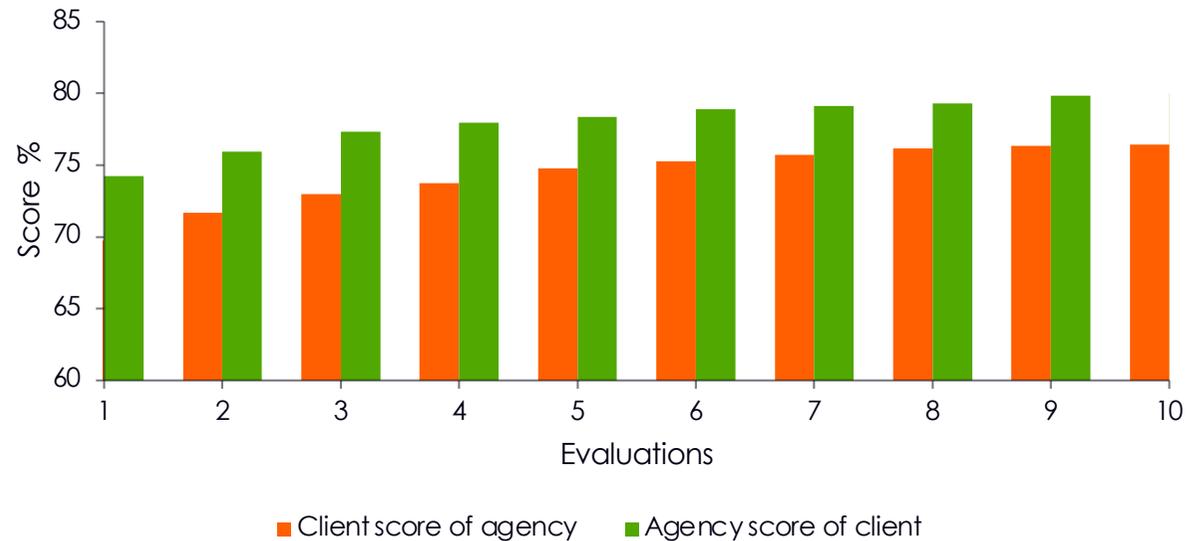
The more accurate way to measure the impact of evaluations on performance is based on the number of occasions the relationship has been evaluated over time.

As shown in the chart below, analysis of our data reveals that over the course of 10 evaluations (normally conducted every six months) client and agency evaluations of each others' performance improve progressively.

These increasing scores over time are even more impressive when considered against the backdrop of the 'hire 'em, fire 'em' stereotype of the marketing communications industry.

But in today's fast-paced business world, leaders are understandably impatient to see more rapid improvements.

Score improvement by number of evaluations



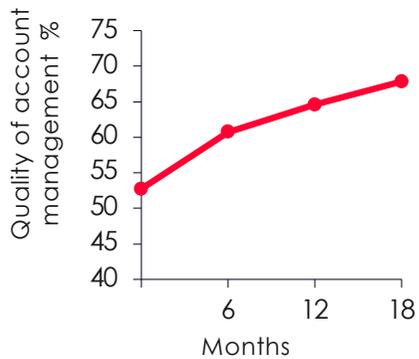
Rapid improvement in functional characteristics

Our robust database allows us to identify the characteristics of the best and worst-performing agencies and clients. Historically, these comparisons were based on disciplines specific to each business function. Functional characteristics often differ by job, because they focus on the ability to use one's knowledge effectively and readily in execution or performance.

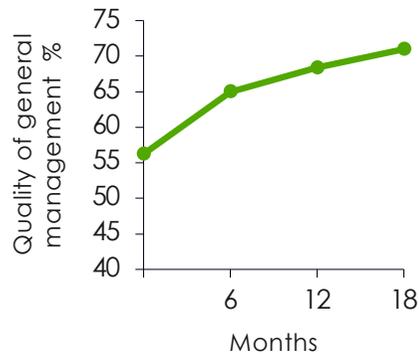
Analysis of the bottom quartile of clients and agencies reveals significant improvements in evaluation scores of functional disciplines in the initial 18 months from implementation.

Client evaluation of agency

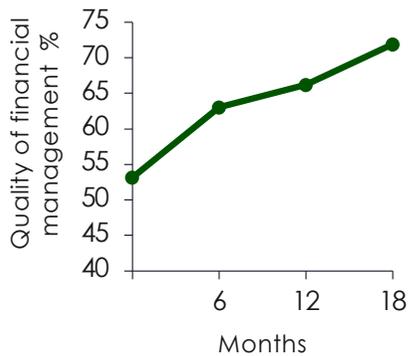
Account management



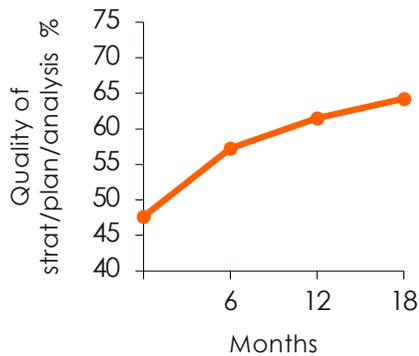
General management



Financial management

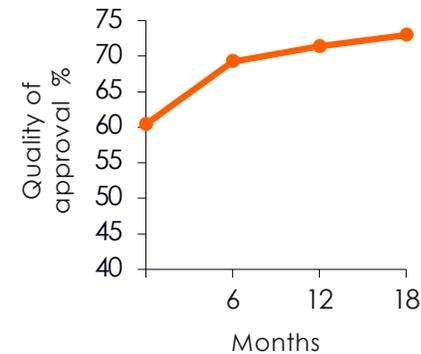


Strategy/plan/analysis

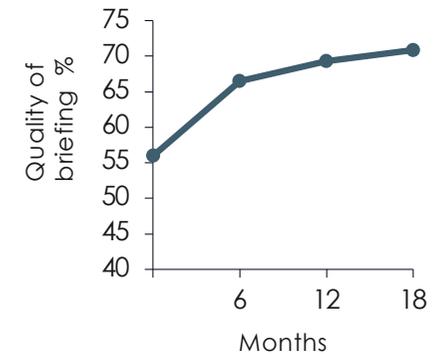


Agency evaluation of client

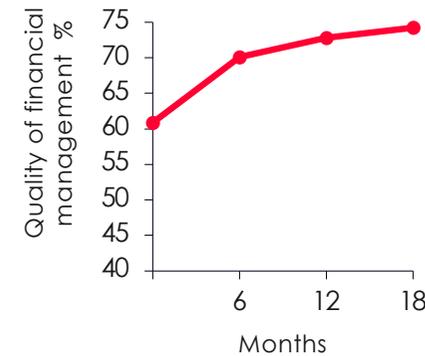
Approval



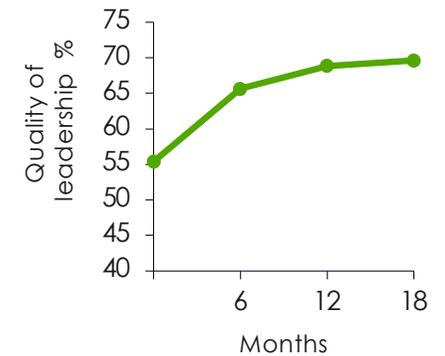
Briefing



Financial management



Leadership



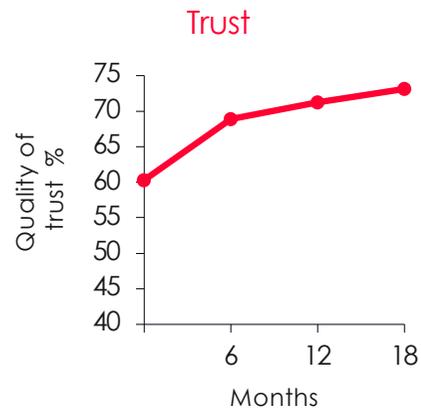
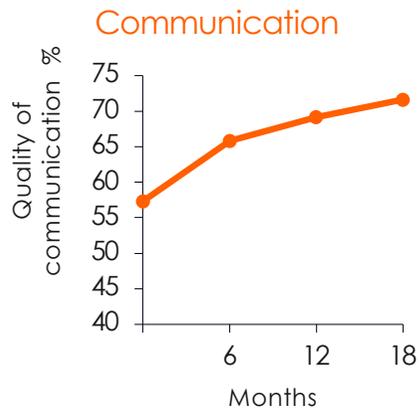
Source: bottom quartile of 24,000 Aprais evaluations

Rapid improvement in behaviours

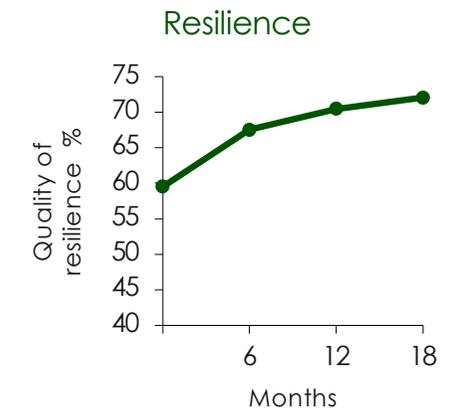
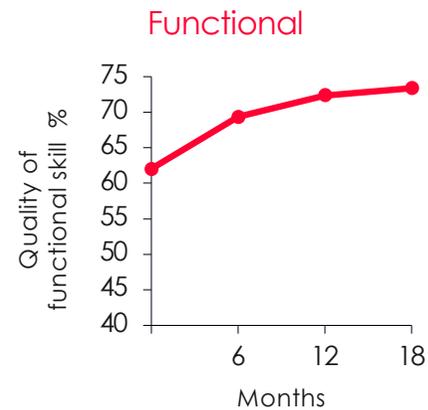
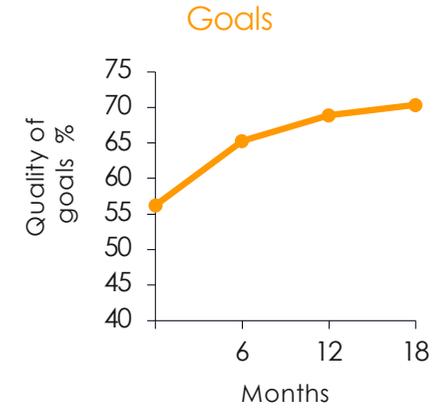
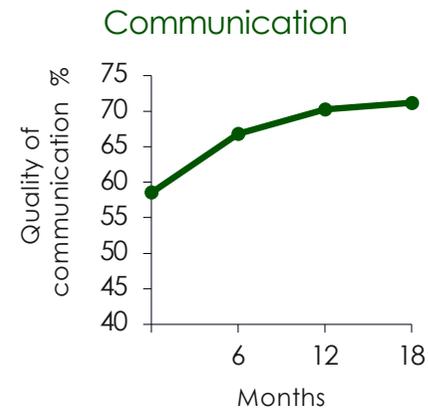
While the functional characteristics of client-agency performance remain crucial, it has become important also to factor in the behaviours that help build strong relationships and produce good work. We mined the database and found [seven behavioural traits](#) that impact the effectiveness of client-agency relationships namely; Accountability; Communication; Trust; Challenge; Goals; Functional and Resilience.

Unlike the functional characteristics, behaviours are common to all job functions and teams and therefore enable comparison. The charts below show how teams' behaviours respond in the first 18 months after implementing the Aprais process.

Client evaluation of agency



Agency evaluation of client



Source: bottom quartile of 24,000 Aprais evaluations

The fundamentals of relationship improvement

A consistent, transparent measurement process and constructive action planning provide a strong foundation for continual improvement.

Here are some tips for creating an evaluation system that builds stronger business relationships.

Relevant

Questionnaires must accurately reflect the responsibilities and scope of work for the various participants at the local, regional and global level

Efficient

It should be easy for participants to complete the surveys and for administrators to manage the system

Manageable

Use technology to streamline the process – particularly the collection and presentation of data

Qual & quant

Scores enable comparison and tracking over time. Commentary adds context and provides insight

Actionable

Action plans should be developed after each evaluation round and rigorously executed before the next one

Anonymised

To encourage open and honest feedback, participants' input should be anonymised and based on their individual experience with the relationship

Impartial

Results should be shared with each party to encourage mutual action planning

Regular

Regular six-monthly evaluations catch issues before they become problems and afford remedy within a budget year

In conclusion...

Systematic and objective evaluations between marketers and their agencies result in improved performance.

These improvements are clearly evident within just 18 months of implementing the Aprais process.

A disciplined process of evaluations, leading to specific action to correct misalignment, can lead to sustainable improvements in client-agency relationships.

About Aprais

We are the global pioneers in building stronger business relationships.

Since we established the category some 20+ years ago we have advised the world's leading marketers and agencies on more than 24,000 relationships, across 92 countries, in 13 languages.

This has enabled us to build a large bank of data that allows companies to accurately compare their business relationships with those of their peers.

Contact and follow us

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Request a free consultation for your organisation:

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Learn more: www.aprais.com

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