



Maximum

lift

By St John Craner



IT'S ABOUT MONEY: ST JOHN CRANER.

Once upon a time our world was easy. It was simple with one client and their one integrated agency. But how times have changed with one client and their many specialist agencies (creative, media, digital, PR, search, experiential). Add larger marketing organisations and their three or four business units and things start to get really complicated.

This new “model of many” should call for collaboration but instead of fostering collaboration for the greater good and ultimate value of the paying client, it has resulted in agencies competing for a bigger slice of a shrinking pie (even if it means expanding their area of “expertise” beyond their primary discipline).

Instead of focusing on right things (the

execution of and return on strategic marketing investment) clients are being distracted spending increasing time on the wrong things (managing the relationships and territories of their agencies). Sometimes it must feel like trying to manage children at daycentre: “Here’s our brand boys and girls. Play nicely.”

This ongoing agency management requirement then becomes a very tedious exercise for your client and is a sure-fire way to annoy the crap out of them.

So why can’t agencies just get along and collaborate? Everyone talks about collaboration - open and honest communication, trust, all of the usual platitudes but the answer is simple. It’s about money. Today’s “model of many” means that while the budget pie has remained the same, the size of the slice for each agency is effectively shrinking so the current model, until we see changes, will always be competitive rather than collaborative.

Some agencies might argue they do this out of economic necessity but wouldn’t it be refreshing if agencies stopped thinking of themselves and thought about how they could secure a larger slice in a more sustainable, value-driving way? Instead of continuing to compete, what if agencies could collaborate to create a bigger pie? A bigger pie they could all share in the success of by working together to achieve the client’s goals. Then everyone wins right?

Well, unfortunately it is not that simple. Because no-one is willing enough to put their self-interests aside in the short term, break from the pack and lead the way for long term sustainability and growth.

Collaboration is important in today’s

complicated, fragmented marketing world because what you can’t measure you can’t manage (here’s a tip: CEOs and CFOs only like things they can measure because it helps them when they have to front up to shareholders and prove value or defend spend).

Regularly measuring collaboration means managing and maximising relationship performance and the benefits of collaboration are numerous:

- It measures and benchmarks relationship performance.
- It identifies areas for development and improvement.
- It creates shared values and sets expectations.
- It encourages the right rewarding behaviours.
- It creates value-share for all parties.
- It develops more sustainable relationships based on common goals.

Wouldn’t it be great if agencies could grow up and stop squabbling over their slice of pie? Couldn’t some agencies be better and offer a genuine point of difference by working collaboratively together with their peers to create bigger, more valuable pies?

So which players will exhibit the necessary maturity to break the current behavioural mode? I’m not sure, but whoever does will secure leadership of their category and more than a few more clients along the way. <<

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