

## Ground Rules and Other Forgotten Fundamentals

When a new agency is appointed to a clients' business, there tends to be two reactions: either honeymoon period is kicked off as the agency celebrates and client teams get acquainted with their new contacts, or everyone goes ballistically full steam ahead trying to improve any issues from the incumbent and rapidly get some results happening. Or both.

Within this period there is a fundamental process often ignored or forgotten: setting expectations. Client for agency and agency for client. Establishing what the ground rules are and how best practice will be put to use to make the marriage a long and fruitful one. We find the biggest relationship issues generally comes down to this; so much so we've developed our own equation:

$$\text{Satisfaction} = \frac{\text{Performance}}{\text{EXPECTATION}}$$

It is this expectation piece that when unestablished or undefined, leads agency and client towards dissatisfaction, based on a tussle over how strong the agency performance really is. Without expectations clearly defined however, the measurement of performance becomes fairly arbitrary.

Both parties have a responsibility when it comes to setting expectations.

1. Clearly communicate expectations upfront
2. Take the time to understand the expectations of the other party

Here are a few considerations in setting expectations for the client-agency relationship:

- What are the Client business goals and what are the agency's specific roles and responsibilities in achieving those goals?

Obviously, clients want the agency's efforts to ultimately result in some tangible measure of business improvement – increases in sales, market share, stock value, for example. However, clients need to more precisely identify the specific actions that the agency's efforts are supposed to affect that would lead to that business improvement. Is it improving brand perceptions vs. leading competitors? Or achieving an increase in inquiries to a phone number or website? Or is it generating awareness of an important piece of news about the brand? The agency may be expected to accomplish several of these and more.

- Agency resources and tasks

With business objectives in mind, what are the exact tasks that the client needs the agency to accomplish and what are the resources they will need to bring to bear? Broadly speaking, what disciplines are required of the agency? Typically, these might include strategic planning, creative development and production, media planning and buying, and account service. But are disciplines required beyond traditional communications? – e.g., direct response, trade marketing or interactive? Finally, are any particular specialties needed within the various disciplines?

In identifying the disciplines required, the client should also consider the relative amount of responsibility the agency will need to bear. Some tasks may be left primarily to the agency to accomplish, such as creative production or media buying. Other tasks, like overall strategic direction for the brand, may be led predominately by the client with agency input, or involve a shared responsibility between the two.

- The Scope of Work

This is the one critical thing that must be laid out for any agency. It is the most tangible measure on which both parties can best plan, forecast and prepare themselves.

In addition to the broader disciplines required, it should also cover the more specific tasks to be executed by the agency - detailed needs. This would typically cover broader planning needs as well as executional needs.

It is also an evolving concept – and needs to be regularly revisited. As market forces change, client needs change, budgets change, and communications needs change, the forecasted scope should be updated so that expectations remain aligned.

- The Culture and Value Fit

How well clients define their expectations of the agency in terms of working values has an incredible day-to-day impact on the relationships, right through the team. Does the client have a preferred method or style of working that they expect the agency to adopt? Don't go through the uncomfortable teething process to find this out by chance – make it clearly understood upfront.

For example, does the client want them to operate in a relatively independent, pro-active fashion – or to work more closely in day-to-day communication with the client team? How does the hierarchy work on each side and who from the

team should comprise whose counterparts? Are there cultural or character traits of the client organization that are important for the agency team to share? Ray Kroc, founder of McDonald's, valued among other things, the trait of persistence. It is unlikely that any agency employee who has ever spent any significant time on the McDonald's business has not been told of the importance of, and desire for, persistence of effort.

Like any relationship, there are many ways an agency-client relationship can go. And just like any relationship, disappointment and dissatisfaction occur when one party doesn't meet the expectations of the other.

Setting these expectations upfront allows both client and agency to focus on the most important aspects of the relationship, as well as track back against agreed goal posts. This in turn can allow the agency to quickly make course corrections if required, or allow the client to reach a reasonable and fair decision on considering other options.

Next issue: Do you have a working process or prolapse? – Methods for resource management and efficiency.