

New ways of working need to take off

We often use the analogy of the airline ticket to describe an agency fee. It may be a first class fare to a new brand campaign or a coach seat on the adaptation shuttle - either way, the point is that it's an activity based cost, built up from the time and team it takes to deliver the scope. As a consequence, the way you work with your agencies has an important bearing on the fee you pay. For this reason leading marketers are now putting greater emphasis on the process as the foundation for client-agency effectiveness.

So how do you know if your process is performing?

Process benchmarking is a new string to the marketing ROI bow, and a new frontier for marketers seeking to drive greater value from their agency fees. Benchmarking provides a window for marketers to gain insight into how their process performs versus leading practices and how it flows into their agency costs. In our view, excellence in process is the cornerstone of effective creative and media performance for both client and agency. Lack of process consistency, transparency and metrics pose significant challenges to most multi-national advertisers in understanding and managing their advertising investment.

When it comes to process there can be no "one size fits all" strategy as brands and companies have different objectives, different styles of working and different expectations of their agency role and relationship. As a result we place heavy emphasis on first pass yield, or simply getting it right first time, as the ultimate measure of process efficiency and effectiveness. For some clients "getting it right" might include regional / global input sessions, qualitative research, advertising pre-testing, or media modeling. All of these add complexity, time and cost to the process but ultimately can create greater value by having a stronger impact on the consumer, hence converting advertising investment into cash register sales.

A key motivator for marketers in initiating a process audit is to gain independent insights into what's working and what's not on both the client and agency side. By interrogating the steps that make up each process - the workflow, timelines and approval systems - and the output of each step - the briefs, responses, agency and client analysis and presentations - we can build a road map of process best practice. In employing a third party to analyse process, marketers can gain a helicopter view of current practices and their implications, and importantly a perspective on how these practices compare to other leading marketers.

Process audits are a new way for marketers to "connect the dots" of process, time and cost to gain greater understanding of the key drivers of agency costs. Beyond this, the opportunity to benchmark process against advanced practices from around the region and the globe, and to track these developments over time, ensures that process auditing and benchmarking will be a rich territory for the advancement of Marketing ROI.

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