

“WORLD’S BEST PRACTICE” RELATIONSHIPS

Life would be simpler if agencies were vendors, much as the office supplies company or the printers are. There would be no need to nurture a relationship, no need to motivate and inspire, no need to build trust and respect.

But agencies unfortunately are (usually!) full of creative people. And creative people bring attitude. They are making something that requires originality. While some may act like rock stars, the reality is they have more in common with musicians than most clients like to think. Because they *create* an end product – like architects, or actors.

Some marketers in the world realise this

- Procter and Gamble run awards shows for all their agencies on an ongoing basis to celebrate the best work by market and by brand
- Volkswagen hold an annual conference where, apart from a handful of clients, the only attendees are their best agencies, sharing their best ideas
- Nike regularly take their entire agency out on road trips around the US, and have established ongoing sporting events between client and agency

While these are just small gestures, they ring true of a greater overarching approach to agency management – that of mutual respect and trust. We look at relationships such as Unilever and their agencies – that have just celebrated 100 years together. Right now, we’re working with Johnson and Johnson and their agencies where their only mission is to find ways to improve quality.

So how many Asian marketers can be considered achieve world’s best practice? In the last two years, we’ve seen pitches with over 20 agencies invited. We’ve seen pitches taking as long as a year to be resolved. We’ve seen agencies shortlisted to a panel where every project then becomes a pitch. It’s becoming a very difficult market to do business in.

That said, it’s not all one way traffic – agencies have often been ferocious in their discounting, and do not often keep all their promises. But the challenge is going to be in ten year’s time – when the truly creative people in the industry have decided it’s too hard and leave, and compound this by discouraging youngsters to join. Singapore’s potential as a regional hub for advertising

development will then surely diminish.

World's best practice as we see it means a number of disciplines on both sides and greater transparency.

- It means that a client should only meet with around five agencies in order to select one. Choosing these five might either be through the use of a consultant, through asking around, or through a basic Request for Information.
- It means that no more than three agencies should be asked for strategic and creative submissions.
- It means that if two or more agencies are hired, their rosters are very clearly defined. (Look at Unilever, Nestle, J&J and P&G as role models at this)
- It means an agency should be paid a fee with a performance metric for good work
- And likewise, it means agencies be open, honest and transparent in their dealings with their clients

A utopia? Maybe. But if the industry is to stay healthy, it needs to look at what great marketers and agencies are doing in the rest of the world to build brands and business

Greg Paull is principal of R3 Asia Pacific, (www.rthree.com), the Asian arm of a global consulting group specialising in agency compensation and relationships.