Agencies working better together.
How clients can manage multiple communications agencies to achieve better results.
More breath, effort and expense has been exhausted over the issue of integration than over anything else these past twenty years, and not all of it fruitfully.

Of the wasted time and effort, a great deal is the result of a single misconception: the notion that all desirable outcomes from advertising and marketing activity necessarily result from moving a single lever in the human mind. From this assumption springs several dubious notions: The idea that a slavish consistency to a single message monolithically communicated (often called “matching luggage”) is the single highest goal of any communications campaign and the idea that, since there is only one job to be done, money spent in one discipline or medium can effectively substitute for money spent in another.

Yet in truth the human mind and human behaviour is not changed by the operation of a simple lever – it is a highly complex, multi-barrelled Yale lock. Different media may have different jobs to do. Different disciplines may need to perform different roles which they alone can play. Complementarity may matter more than consistency.

The idea of agencies finding new models to allow them better to work together for clients was a key strand of my inaugural speech in 2009, so I’m delighted to see that progress is being made here. What I said back then was this: “From time to time, I think, our clients must feel rather like someone entering a restaurant only to be approached by five different waiters all offering five different menus. We are in danger of becoming like hairdressers or plumbers – where most of our time is spent mildly denigrating each others’ work. Every time a new discipline comes along, it is assumed that it should grow at the expense of older ones. Yet, is it really inconceivable – now that almost everything is a medium – for us to find new, wider applications for our approach to solving problems – and to grow the agency business overall? Or is the only way to pay for a mobile phone application really by cannibalising the TV budget? To try to answer this question, the first action for this Presidency would be to create a cross-disciplinary group to discuss how the different disciplines within the membership can work together better as complementary organisations – with a view to growing the value we create overall and the money we earn. The group would try to build useful bridges between those various parts of the agency world which have either grown apart or which have grown up separately.”

I don’t think that’s any less important two years on. So may I thank the authors here for the contribution they have made.
Introduction.

More channels, more audiences and more messages. More demanding objectives, tighter budgets and greater accountability required. The challenges facing today's marketing directors are well-known. How to deal with them, however, is not.

Marketing clients are confronted by a complex range of expert communications agencies, each with their own demands and ways of working and each with their own strongly-held opinions about the other agencies in town.

“I know they’re not always going to agree with one another, but the bottom line is, if my agencies don’t play nicely together, my job is twice as hard and half as productive”

The question here is not whether to integrate marketing communications, but how to integrate them and so the issue of how to encourage different agencies to work together collaboratively is what this guide attempts to help answer.

No single agency works in isolation from its fellow agencies on a client’s roster. Indeed many agencies often share a single client. On paper, this seems fine – surely complementary skills plus a little healthy competition should be in the client’s interests? Few would disagree that harmonious collaboration leads to the best output and return for their client.

However, add to the mix the fact that different agencies often have different agendas, sell different ideas and have different bottom lines, and you could have a recipe for disaster. In the worst-case scenario, the process is reduced to one of disagreement, in-fighting and a land-grab over which agency takes which project, and the renumeration goes with it.

This guide attempts to offer a route to sanity to any marketing client who deals with a roster of communications agencies. It contains advice on the pros and cons of different roster ‘models’ and suggests how best to work with communication agencies to create an environment where the client gets the best out of their agency relationships – best value and best work.

It is based on the IPA's own research among marketing, communications and procurement clients from a range of business types, and interviews with key figures in a number of different types of communications agencies.

Hundreds of clients & hundreds of agencies – everyone asks the same questions.

Clients and agencies come in many shapes, sizes and needs. What is consistent, however, is the kind of questions that senior marketing, communications and procurement clients are asking.

Top 10 Client FAQs

01 Which agency model is right for me?
02 If I’ve got five different agencies, who should lead? Should any of them lead?
03 Should I encourage my agencies to compete with one another or should I encourage them to collaborate?
04 How do I manage disagreements and disputes between my agencies?
05 If I act as the ‘ringmaster’, will I spend too much time on managing my agencies and too little on marketing?
06 How can I stop duplication of effort and work across my roster?
07 How can I balance ‘internal’ procurement demands and ‘external’ communications objectives?
08 How do I get my agencies to understand more clearly what I want from them?
09 How do I get them to be innovators in the way they do things?
10 Budgets and internal structures are getting really fragmented – how do I ensure I’m maximising the value I get from my agencies?

The first of these questions, “Which agency model is right for me?” was by far the most frequently asked and is, in our experience, the most important. This then is where we begin: **which agency model is right for me?**
Agency models: the current options.

There are five main 'models' for managing a roster of agencies, namely:

01 **All Agency model**
where all agencies have the same standing and work together as equals to get to a solution

02 **Lead Agency model**
where one agency is nominated by the client as the overall lead or over-seeing agency, with the others executing in their own medium or area of expertise

03 **Lead Agency Control Model**
where one agency briefs and edits all the other agencies’ work

04 **Separate Agency model**
where responsibility for strategic and creative development, or creative development and production is separated into specific agencies

05 **One-stop model**
where one agency fulfils all of the client’s communications needs
That looks, unhelpfully, like a lot of options. However, the first two are by far the most commonly used. Well over 80% of the clients surveyed by the IPA preferred either the 'All Agency' model or the 'Lead Agency' model.

So we will focus on these two models. Clients were often critical of the other ones, feeling that the 'Separate Agency' model adds unwelcome complexity; the 'One-stop' model fails to offer sufficient expertise in specialist disciplines and the 'Lead Agency Control' model was likely to inhibit collaboration between agencies.

“The increasing diversity of media types and consumer touch points means that the model of one agency doing absolutely everything and doing it well is almost redundant”

“I've got enough different types of agencies to manage already, without separating strategy from creative”

All Agency model.

This model is all about equality, democracy and the sharing of ideas. No single agency is king. Rather, consensus is king. All agencies are encouraged to build on the others’ ideas until one strategy, idea and suite of creative work is arrived at.

This model is hugely popular; preferred by over two-thirds of the marketers surveyed by the IPA. Its following is due to many clients believing that in today’s complex media landscape they should appoint the ‘best in breed’ from each segment in which they require specialist expertise. Its many advocates love the collaboration that it can bring and the opportunity for more heads to be better than one in coming up with more, better ideas...
“The variety of approaches produces a richer communications plan and each agency works harder to prove their worth and value, so you get more bang for your buck”

“I believe that true collaboration, where everyone brings a different perspective, experience and skill set results in the best work”

“We’ is smarter than ‘me’, at an overall strategy and idea level, but the execution is best done by specific agencies”

If all this sounds rather utopian, it’s worth bearing in mind that this model can be more time-consuming than other models and can, if not managed correctly, lead to some duplication of effort between agencies. It’s perhaps not surprising, therefore, that procurement clients tend to be less keen on it, fearing the reduced efficiency that it could bring.

Does the all agency model still need a leader?

Clearly, bringing about the proper collaboration of the ‘All Agency’ model is not as simple as it might sound. The two biggest hurdles remain duplication of effort and in-fighting between agencies, which throws up an interesting question: does the ‘All Agency’ model still need a leader?

In many cases we have observed that the client becomes the de facto leader or ‘ringmaster’—perhaps an inevitable outcome given that, in any agency model, it is the client who briefs and then approves or rejects work.

We suggest therefore that this model is best-suited to clients who either:

- Have the ability or desire to act as ‘lead’ and arbiter of an equal group of agencies, or
- Have the time and resources to allow for inevitable difference between agencies to be debated and worked through, to all the agencies’ satisfaction

Lead Agency model.

The fundamentals of this model are that one agency is king – a kind of ‘first among equals’, owning the strategy and key communications idea, with other agencies creating work in their own disciplines based on the lead they’ve been provided with. Clients who prefer this model, love the simplicity and consistency that it can offer them.
“You get a more coordinated approach. More consistency, more visibility hence less duplication of effort”

“Lead agency model should allow for a simpler briefing process for the client and the end output should be a truly integrated execution of a single-minded creative idea through the line.”

“With the big brands in our stable and the big projects that come with them, we need lead agencies who can really understand those brands and help us guide internal and external stakeholders in the proper management of those brands”

This model was also considerably more popular among the procurement clients questioned by the IPA, who felt that it offered greater efficiency through its ability to reduce duplication of effort and costs.

Which agency should lead?

Over half the clients we surveyed felt that advertising agencies made the best lead agencies, thanks to their authorship (and implicit ‘ownership’) of the overall creative idea and strategy, from which all other communications are driven. Meanwhile around one in five clients preferred their media agency to lead the agency roster. For these clients, media agencies offer greater neutrality in terms of channel selection and more of a holistic, investment-based view of today’s complex media landscape. Across all clients and agency models, however, two themes were consistent, namely the desire to minimise conflict and maximise collaboration between their agencies.

An emerging model.

Overall, however, there remains a level of dissatisfaction with the current models by a large number of clients. The ‘Lead Agency’ model by definition favours one agency over another, and the ‘All Agency’ model is hugely time-consuming for a client in order to make it work seamlessly and cost effectively.

Clients and agencies continue to experiment with alternatives in the hope of eliminating the tussle at the heart of models where separate P&Ls are at play, and where agencies fight for ‘ownership’ of the communications ideas and budgets.
And a new model does seem to be emerging

Some of the big multi-agency networks (and a few smaller agencies) are working to a ‘Team Agency’ model – for example WPP’s ‘Team Vodafone’, whereby the following principles are applied:

The client appoints a ‘Team Agency’
The ‘Team Agency’ is assembled from key agencies within the network or roster so that the client gets the best of both worlds – ‘best in breed’ with a single core point of contact and a clear contractual relationship with one entity.

There is only one brief
The client sets out the business and brand objectives, the budget and the KPI’s and briefs the core team, who then pass it on to the individual agencies on the roster within. This means less resource is required on the client side.

Competing subjective judgement by agencies is removed
Because one ‘Team Agency’ Creative Director is charged with the cross-disciplinary response, the client is alleviated from having to pit one agency creative idea against another. Further the Creative Director has the overall responsibility for ensuring that the core idea can be amplified successfully in all the media channels required, rather than the client having to decide amongst several ideas which often work better in one medium than the other. The creative debate should always be from a high level integrated communications platform point of view, rather than a specific script or display ad.

It’s a small tight team
Because there is a clear strategic, creative and channel strategy, the only people in the meetings will be those who are absolutely relevant. This will ensure a more cost effective, and efficient dialogue, and potentially faster response rates too. Procurement clients have some heart for this approach, as do agencies that have access to multi-disciplinary specialist skills. The approach does tend to favour advertising agencies, who are traditionally charged with the brand planning capabilities, so it is critical that the leadership of the team is truly multi-disciplinary.

Conflict versus collaboration, the clients’ view.

From clients who feel that they have successfully managed agency rosters, several themes emerge:

**Focus on a single goal:**
“Get them in a room and set them a business challenge to solve”

**Encourage inter-agency relationships:**
“You need to stress the importance of them building relationships when you’re not present and keep prompting to make sure this is happening”

**Have a focused brand plan:**
“Ensure that the brand plan is very coherent, very insightful and strongly linked to the consumer. If the consumer remains at the centre of the plan and the vision for the brand plan is compelling then the agencies have the boundaries in which they are free to explore”

**Keep talking:**
“Regular communication always helps and, if necessary, better-structured processes and escalation procedures”

**Budget protection:**
“Make them understand that their budget is secure and not up for grabs”

Conflict versus collaboration, the agencies’ view.

From the Agency side, some similar themes around clarity, simplicity and forward-planning emerge:

Focus on a single goal:
“It doesn’t matter who leads, or even if anyone leads, the most important thing is to get us all lined up behind the same goal … the best situation is where all the agencies share in the success of the same metric … if we’ve got a client who’s single-minded about what they want from all of us then we’re all more focused on delivering it together”

“I only know of one client at the moment where all the agencies are bonusied on one KPI and, I must say, it’s a joy to work on for all of us agencies”

Forward-planning:
“Agree the roles for the different disciplines early”

Budget protection:
“How clients structure their budgets is crucial because if you have one big overall objective but the budget is siloed between different business areas then that works against collaboration”

Avoid duplication:
“Duplication of effort is a bad thing. A lot of clients seem to encourage overlap because they feel like they’re getting more out of the competition between agencies but not in the interests of inter-agency relationships, it makes things complicated and produces and inferior end-product”

Client side resourcing:
“Clients don’t always understand how they need to resource new ideas at their end and the implications of making new world ideas and collaboration happen”

Conclusion: 10 Observations for successful better agency management and better communications.

Whilst there does not appear to be a single ‘one size fits all’ answer for clients wishing to know which agency model is best for them, there are consistent themes as to what seems to work best for both clients and agencies. In summarising the key points from this guide, we suggest the following ten ‘top tips’ for clients wishing to get the most out of their agency roster:

Agency models:

- Decide on a working model early and communicate it clearly to all agencies
- An ‘All Agencies’ model appeals for its democracy, and may produce richer, more diverse work, but could be more difficult and time-consuming to manage
- All Agency’ equality may still require a leader (and it may end up being the client)
- A ‘Lead Agency’ model can be simpler to coordinate, but it may be less clear which agency is best-placed to lead
- Consider the ‘Team Agency’ model, especially if you already have agency relationships within one of the networks or a roster of agencies.

Regardless of which model you use:

- Define roles and responsibilities clearly to avoid duplication of effort
- Establish clear rules of engagement and stick to them
- Structure and brief your agency roster around your brand plan
- Don’t create situations where agencies feel they are competing for the same budget; define one common goal and one set of KPIs for all
- Engage in continued dialogue with agencies on working relationships & practises, as well as the day to day progress of the work

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