



Profitable relationships

Roy Carlisle of PharmaSolutions asks: 'Why would you want an agency?'

Well, let's be honest, there are times when it seems that there is one major pre-requisite of the successful marketer. That is an ability to be able – in times of crisis – to step into your office cubicle and emerge wearing a blue body stocking tucked into your shorts and a red cape to save the corporate day! And this is, of course, why successful marketers use agencies to provide expert input to both campaign development and its ongoing management.

A good example is Clive Woodward, who built

the success of the England World Cup rugby team on an ability to critically self-appraise areas in which he considered he was not an expert. Hence, Sir Clive brought in the best in the field to coach specialist back and forward moves for his team.

And this approach can also apply to marketing, where our job is to manage and grow the brands, perhaps for market share in the early years and for profit later on. As Sergio Zyman, former chief marketing officer at Coca-Cola says: 'You've got to know your limitations. If you're a manager and don't have the resources or the expertise to do the job in house, get some help.'¹

What type of agency?

So this is where agencies can help – but the mix in terms of advertising, public relations



and medical education will depend on your communication objectives, which in turn will depend on where the brand is in its lifecycle or where it sits in models such as the Boston Box and other multi dimensional treatments.

As Zyman also notes: 'It is important to have a solid understanding of who your customers are before you bring in an agency.'¹ And as Ries and Ries note somewhat controversially: 'Creating a brand and defending a brand are the two major functions of a marketing programme. PR creates the brand. Advertising defends the brand.'²

Selecting an agency has been dealt with by Mark Greener in last month's *PharmaTimes* Magazine, but suffice to say, the proportion of agency spend should be allocated along lifecycle lines. So, having called in an agency, how do you maximise the relationship profitably, both in terms of the working partnership as well as on financial terms?

Working relationships

As one leading agency managing director says: 'First and foremost it is about people working with people who have commonly shared objectives.' This means that your agency should work with you to understand where are you now, why are you there, where do you need to be, how do you get there and are you getting there?

This level of communication will make sure that the agency not only gets it right first time, but may think about contingencies should the market change. The key to success is who is assigned to the account and how you have communicated this expectation to the agency at the outset. In other words, if you have been quoted a 'blended agency rate,' which includes a fair proportion of agency director time, it is reasonable to expect that you will see the obvious input of the agency directors.

Most agencies are more than reasonable and, in today's competitive environment, are keen to ensure they deliver, including on agreed senior management time. From the agency perspective, Mike Sims of Partners Andrews Aldridge says that a good agency service is about 'creating, managing and exceeding client expectations,' and adds: 'Effective campaign execution works within such a framework.'³

Senior marketing management on the client side should also provide an appropriate level of guidance and support to brand managers to ensure that all agency relationships are managed effectively. But, at the end of the day, it boils down to good chemistry, communication and management of expectation. In summary, the brand manager should stay in charge of the brand strategy with their knowledge of customers' needs, while the agency should stay in charge of producing the creativity and delivery of the appropriate communication.

After all as the old adage goes: 'You don't have a dog and bark yourself.'

Well at least up to a point.

Evaluation

Assuming that there have been regular meetings, written briefs from the client and contact reports from the agency confirming mutual understanding of next actions, at regular intervals there will also be the need for evaluation. Indeed, if the relationship is mature, this should be a two-way process, with the agency being able to provide objective feedback on strengths and weaknesses to the client. Increasingly, as agencies move from monthly retainers to project fees, the evaluation can also carry a performance-related financial incentive or penalty.

Perhaps the best advice to any brand manager is to be fair and think how you would like to be treated yourself. Evaluating agencies is not just about buying champagne at the ad awards, although this is of course a great way to celebrate joint success, rather the evaluation should focus on the agency's ongoing understanding of the business and the ongoing customer need. How much value does the agency add? Did the agency get it right first time? Did the agency help deliver the strategy? Were any customer communications appropriate, creative, timely and on budget?

Mike Sims suggests: 'Ninety percent of clients will use results as their overriding criteria in the value for money equation.' Which is fair enough, especially if the agency is sharing in the achievement of these results as part of jointly agreed objectives. However, too often agencies are kept in the dark and are then blamed for underperformance. If your agency delivers, it is a major asset, so hold onto it! Everybody likes to be stroked, so if your agency is doing a great job tell it so! However, if you really feel unhappy, make sure that you have been clear in your communication before raising criticism or thinking about a new agency.

Remember that often the incumbent agency ends up building more knowledge of the brand over several years and can see out a succession of brand managers. Of course, this brings us to the 'new brand manager, new agency' mantra, where an incoming brand manager fires the incumbent agency and changes the campaign to make a personal impact. However, it is appropriate to challenge a long-running and successful campaign or mix of agencies to check that they are still relevant to current needs.

Maybe it's fairest to say that there is no such thing as a bad agency, just bad agency management. If the agency is not delivering, has the brand manager clearly communicated their expectation, listened to the agency's expert advice or given feedback with fair time for improvement?

It is all a question of balance, as Sergio Zyman notes: 'Think about what you want to achieve. Define success. Monitor and record the results.'¹ Good agency management and relationships can make a significant contribution to the commercial success of the brand.

At the end of the day, it's your call, your brand and your potential business success. ▲