

WFA

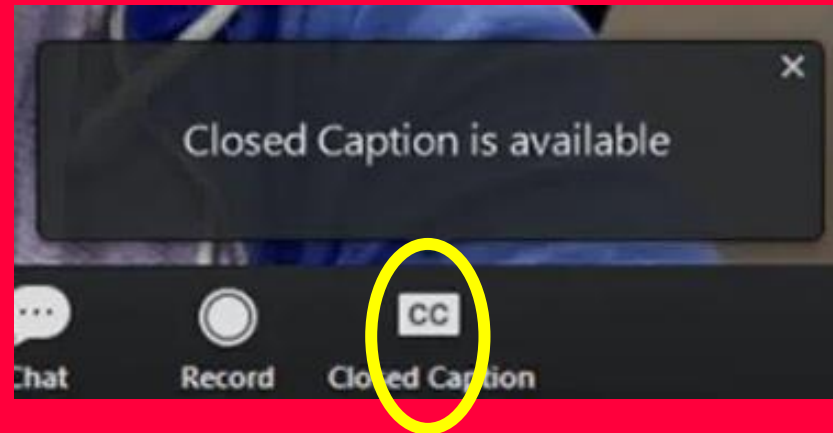
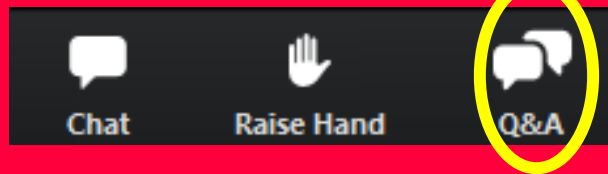
Knowledge Spotlight Agency Performance Measurement

27 June 2024





We'd love to hear your questions!

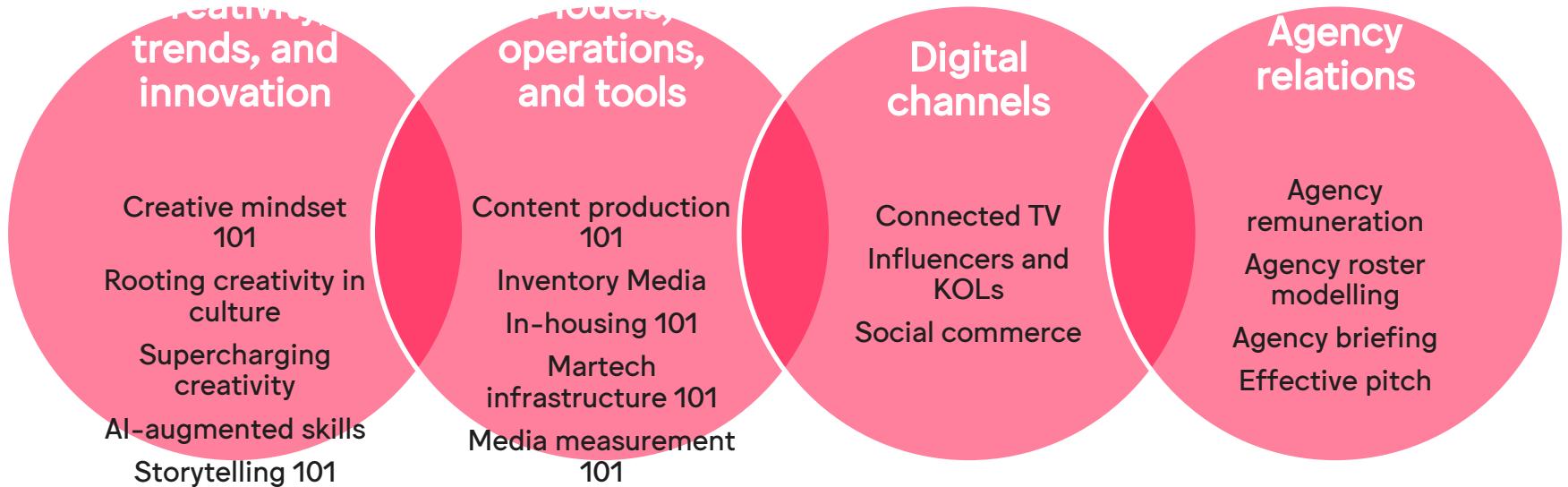






WFA INITIATIVE: Knowledge Spotlights

Upskilling and reskilling emerging marketing talent





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Observatory International on a page

The Observatory International is the **leading global management consultancy** dedicated to helping companies **drive brand growth** by **transforming their Marketing and Communications resources**

TRANSFORMING
AGENCY ROSTERS

TRANSFORMING
CLIENT : AGENCY
RELATIONSHIP MGT

TRANSFORMING
CAPABILITIES &
RESOURCES

Dedicated offices plus trusted partners in 9 countries on 4 continents



Some of our recent clients



Consulting Excellence



Agenda for the session

3:00 – 3:05pm

Introduction

3:05 – 3:20pm

Why do Performance Measurement

3:20 – 3:45pm

Performance Measurement best practice

3:45 – 3:55pm

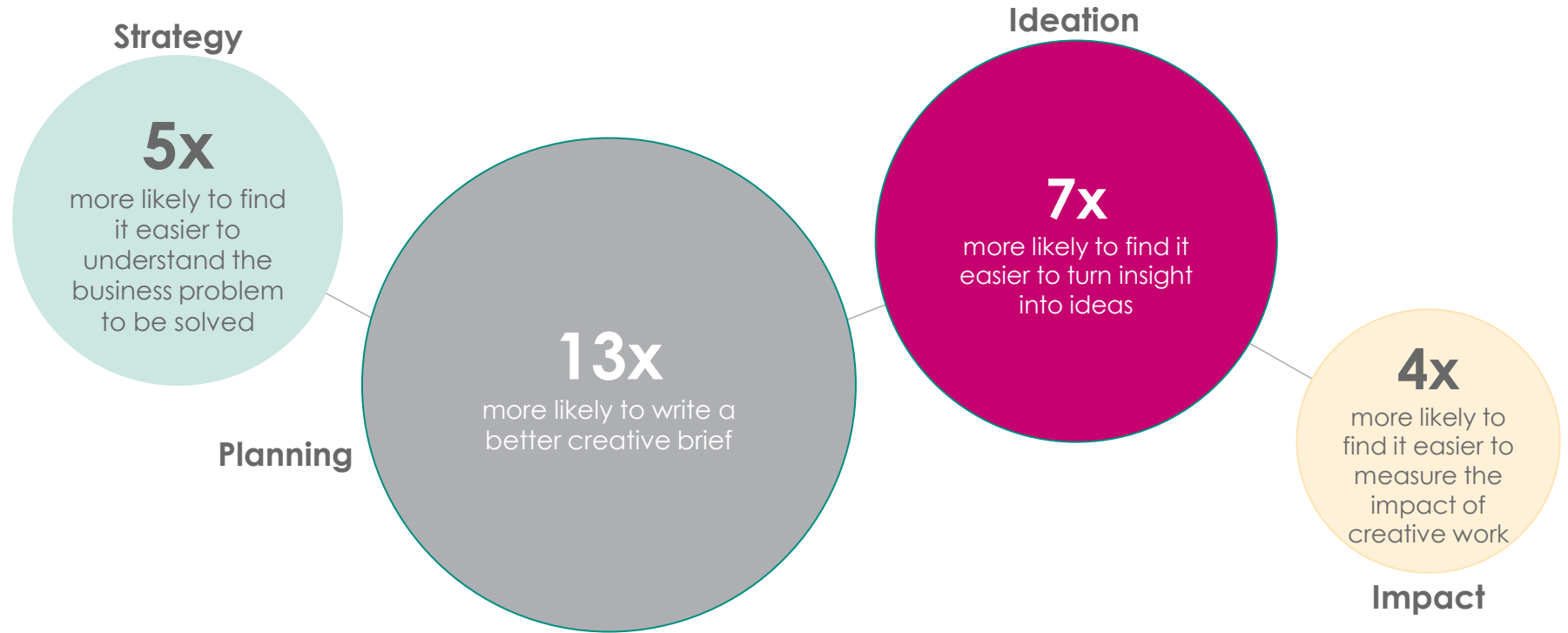
Questions

Strong Client and Agency relationships
• deliver higher standards of work
and are more efficient and effective

The key to strong, long-term Client and Agency relationships is
a robust relationship management programme underpinned
by performance measurement

Performance Measurement a means to an end for strong client and agency relationships

The Cannes State of Creativity revealed that better client-agency relationship has a positive effect on the entire creative development process.



Agency performance evaluation...

It should not be discretionary. It's the appropriate, responsible thing to do to ensure company money is well spent and marketing performance is optimised

It brings marketing in-line with many other functions in the organisation where evaluation and quality checking are part of the normal drum beat of activity

It is important at a time of heightened focus on:

- Marketing as a driver of brand growth
- Budget constraints and marketing accountability

Tens, thousands, millions of \$ are spent with agency partners
– it's important to ensure that money is being well spent and delivering to its full potential

Why do performance measurement?

- To spot early signs of problems and stop them becoming bigger issues;
- To celebrate and reward great performance;
- Embed best practice and ensure consistency across the organization;
- To help create a culture of improvement rather than a fear of punishment;
- Provides objective rather than subjective views of the relationship
- The perspective of senior management may be very different to more junior roles – enables all voices to be heard
- Identifies areas for training and improvement
- If managed well it can increase trust, transparency and collaboration between client and agency teams and optimises ways of working

The business case for agency performance evaluation:

- It helps sustain relationships over the long term
 - and long-term relationships deliver better work
- It enables an early identification and resolution of issues
 - thereby helping to avoid pitches
- Provides accountability
- Identifies issues / behaviours that are wasteful e.g. poor Briefing, poor feedback and evaluation

Invest in your client–agency relationship. It will boost your chance of growth.

Brands that find it very easy to work efficiently as a client–agency partnership are

4.6x

more likely to predict better growth for 2024

Those that find it difficult to work efficiently as a client–agency partnership are

3x

more likely to predict a decline for growth in 2024

When to do Performance Measurement

In the months following a new agency appointment to monitor how the agency is integrating – and iron out any early niggles

As part of on-going management to keep the relationship on track

After key meetings or campaign completions

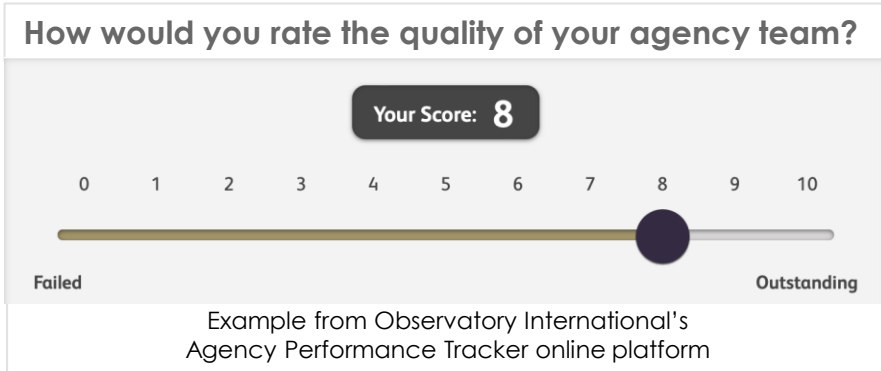
At key milestones through the year to provide input into performance reviews for payment-by-results calculations

Performance
Measurement
Best Practice

The best approach to measuring agency performance is collecting regular feedback from relevant stakeholders, using an agreed blend of quantitative and qualitative metrics

The best approach to measuring agency performance uses quantitative and qualitative questions collected on a regular basis from relevant stakeholders

Quantitative Metrics



- Scores can be shown against benchmarks and tracked over time
- Support robust metrics for Payment by Results mechanisms

Qualitative Assessment

Open-ended questions (i.e. not a yes or no answer) to help gather useful insights, for example:

"If you have scored 3 or less for any question, please provide more information and specific examples so that we can better understand the issue"

"What things would you like the agency to stop doing, do more of and continue doing?"

Qualitative open-ended questions provide rich insights and context behind the pure numbers – ensuring any issues can be understood and responded to, and they also allows good practice to be called out and shared

We recommend grouping the questions into the 4 key areas of the agency relationship – the Team, Strategic capability, Deliverables (output) and Operational factors

STRATEGY

- How would you rate the quality of the Agency's strategic thinking?
- How would you rate the Agency's use of insights, data and measurement?
- Are the Strategy Team sufficiently involved in briefing for key initiatives?

TEAM

- How would you rate the performance of the Agency team?
- How do you rate the skills, capabilities and experience of the Agency team?
- How well does the Agency collaborate with us and other Agency partners?

DELIVERABLES

- How would you rate the quality of the Agencies work?
- Are the presented ideas and concepts effective, distinctive and original?
- How well are the final outputs aligned with the Brief and expectations?

OPERATIONAL

- How well is the Agency delivering on timings, costs, reporting?
- Does the Agency maintain high production standards?
- How would you rate the quality of the agencies tracking and record keeping?

And aim to have reciprocal questions on both the Client on Agency and Agency on Client survey so you can compare and contrast

STRATEGY

- How would you rate the quality of the **Agency's** strategic thinking?
- How would you rate the **Client's** strategic input and Briefing?

TEAM

- How would you rate the performance of the **Agency** team?
- How would you rate the performance of the **Client** team?

DELIVERABLES

- How would you rate the quality of the **Agencies** work?
- How would you rate the quality of the **Client's** evaluation and feedback around ideas?

OPERATIONAL

- How well is the **Agency** delivering on timings, costs, reporting?
- How would you rate the **Client** for timeliness, budgets and approvals?

Other frequently asked subject area from our work with clients and agencies...

Collaboration

Between the client and agency teams and the agency with other agency partners

Briefing

The quality of the client's brief and the briefing process

Time Management & Responsiveness

Are timescales realistic
Are timing plans met

Strategy & Insight

Does the client team provide appropriate insight and information on business objectives and strategy?

Recommendation

Would you recommend the agency to your colleagues?

Communications

Updates on progress or changes in requirements

Characteristics of an effective agency evaluation programme:

**A minimum of two-way
evaluation**

Trend analysis

Have a champion

Frequency

Action planning

**Marketing and
Procurement aligned**

Benchmarks

Involve all levels

Independently managed

The importance of high completion rates – i.e. the percentage of people responding to the surveys

High completion rates are important because they:

- Build confidence in the fairness of the surveys
- Helps remove bias
- Demonstrates that the surveys are being taken seriously and are valuable
- When connected to payment-by-results mechanisms they can influence the agencies motivation and enthusiasm

We recommend a target completion rate of 80%+

How to ensure high completion rates...

- Build awareness ahead of the survey – communication why, when and how (not just the first time but on-going)
- Follow up action plans and response to address issues and concerns, and communication improvements / changes – this is highly motivational and demonstrates the surveys value
- Avoid survey fatigue – don't ask too many question, ensure there is a purpose and role for all question, don't run the surveys too frequently
- Consider when to run the surveys – not during key holiday periods or during important business commitments
- Monitor completions, send reminders and check on 'repeat offenders'
- Have a senior Champion / owner

The value of Action plans

One of the drivers of good completion rates is ensuring there is a review of the survey results and feedback is provided to both the marketing and agency teams – ideally both parties at the same time, and within a few weeks of the survey completion.

The surveys are therefore not seen as a ‘tick-box’ exercise but there is a purpose and response to the surveys. This is highly motivational.

Best practice for the review process is to include action plans which identify any issues, what action will be taken to address it, with nominated individuals responsible to resolve it by a specific time.

The action plans should also promote successes by communicating or cascading best practice across the teams.

Sample Action Plan (1)

Client commits to...			Agency commits to...		
SMART Action	Led By?	By When (7, 30, 120 days)	SMART Action	Led By?	By When (7, 30, 120 days)
1.			1.		
2.			2.		
3.			3.		

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Sample Action Plan (2)

Score	Rating
80-100%	Excellent
60-80%	Good
40-60%	OK
20-40%	Poor
0-20%	Crisis

<p>Client on Agency 87% Excellent</p>	<p>Client has given an excellent score for Agency, particularly on Team leadership. There are some areas for focus nonetheless, including Deliverables (Creative)</p>	<p>Agency should:</p> <p>Stop... <input type="text"/></p> <p>Start... <input type="text"/></p> <p>Continue <input type="text"/></p>
<p>Agency on Client 89% Excellent</p>	<p>Agency has given a very positive evaluation on the Client team, calling out their collaborative and open working relationship</p>	<p>Client should:</p> <p>Stop... <input type="text"/></p> <p>Start... <input type="text"/></p> <p>Continue <input type="text"/></p>

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Thoughts on types of evaluation

The most common type of evaluation is two-way:

- Client team on the Agency
- Agency team on the Client

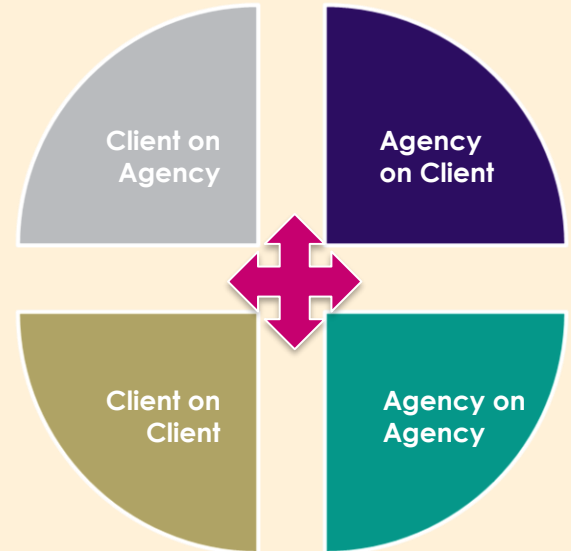
One-way evaluations are not recommended:

- They don't provide balanced feedback

Some surveys also involved a degree of self-assessment e.g.

- Client team on themselves
- Agency team on themselves

But keep in mind that this will double the number of surveys that any one individual will need to do and therefore may impact completion rates



Light-touch or deep-dive?





Light-touch
performance
measurement

Or a combination
of both?

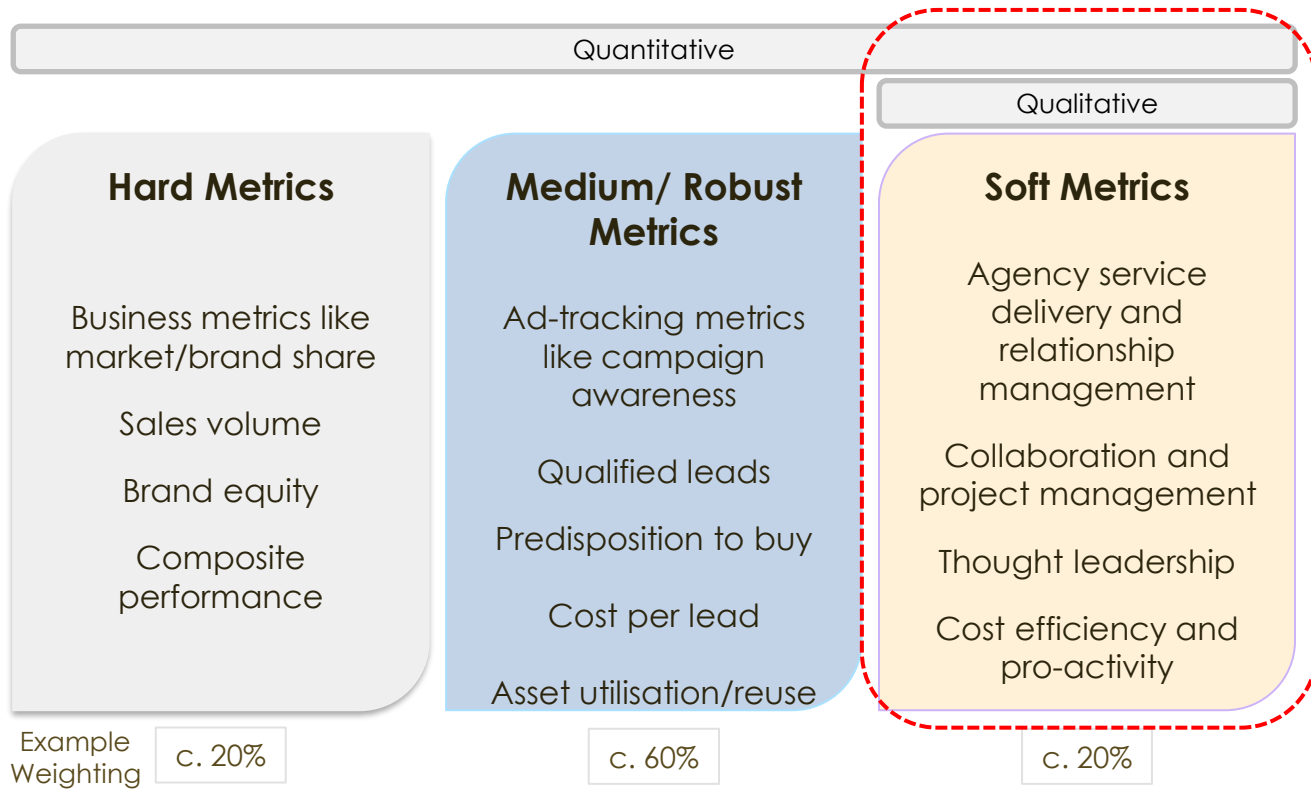
Deep-dive multiple
detailed questions

Light-touch or deep-dive?

	Light-touch	Deep-dive
Typical frequency	Quarterly → Biannual	Biannual → Annual
Survey completion time	< 5 min survey completion time	> 10 min survey completion time
Questions	c. 4 - 10	<15
Typical use	Relationship monitoring Post key events Input to PBR mechanisms	Relationship monitoring and diagnostics Input to PBR mechanisms
Observatory International example platforms		

Performance Measurement and Agency Remuneration

Typical framework for a Performance By Results Remuneration Model



Summary Top-Tips

Keep it simple

Avoid questionnaire fatigue

Evolve over time but have consistency

Do something with it – action planning and feedback

Independently managed and supported for credibility and independence

Be open to give and receive honest feedback

**Good user experience
Accessible on mobile and PC**

**Make it motivational
A 'carrot' not a 'stick'**

**Communicate,
communicate,
communicate**

Questions

Benefits - Why The Observatory International?

TRUSTED ADVISORS

Our Clients around the world respect our integrity, competence and partnership approach

INDEPENDENT & IMPARTIAL

We take no fees from agencies which ensures we find the best solution to meet your needs, with no conflict of interest

VALUE ADD EXPERTISE:

We provide deep consultation focused on outcomes, rather than just running a process

LOYALTY & RECOMMENDATION

We've built our business over the last 16 years through word of mouth and loyal and satisfied Clients who are happy to recommend us to others

GLOBAL, REGIONAL & LOCAL

With dedicated offices plus trusted partners in 9 countries on 4 continents we combine global best practice and local insight and expertise

EXPERIENCED, INFORMED RESOURCE

The diverse backgrounds and experience of our consultants means we get you to more efficient solutions, more quickly

STRATEGIC PARTNERSHIPS

We have been the Optimisation partner for the World Federation of Advertisers (WFA) for 8 years and are one of their Knowledge partners

CONSULTING EXCELLENCE

Accredited by the Management Consultancies' Association and committed to its Code of Practice and standards of Consulting Excellence. A Financial Times UK Leading Management Consultant 2021-2024, and Forbes' World's Best Consulting Firms 2022 & 2023



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