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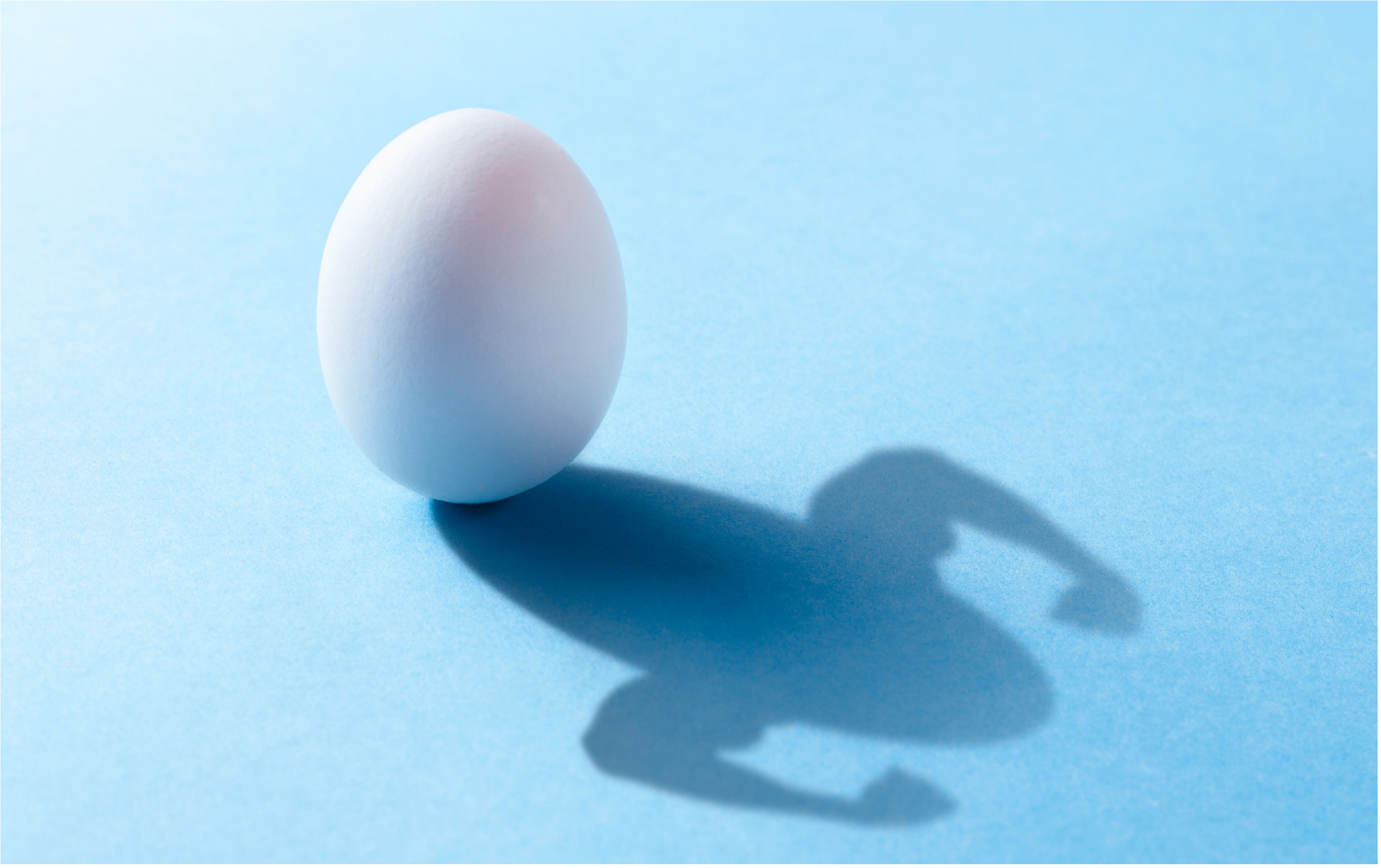

The Chicken and the Egg Dilemma

When clients take responsibility for setting agencies up for success, they see lower fail rates and stronger performance.

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The chicken or the egg causality dilemma has been around for ages. It dates to Aristotle in the 4th century BCE and the paradox of what is referred as “first cause.” In our culture, it is commonly stated as the daunting question, “Which came first: the chicken or the egg?” Extrapolating this further, the answer is not always as obvious as it seems, especially when one considers the correlation between input and output and the notion of mutual dependency—something we are all too familiar with in work relationships.

In the client-agency partnership, for example, many challenges and relationship issues are symptomatic and can be explained by the behavior of one group toward the other, impacting their ability to perform. Clients often conduct annual or semi-annual reviews during which they gather input from their organization about the performance of the agency. Did they meet expectations? And if they didn’t, what were the issues and how will we fix them? But the answer is often more complex.

The agency's performance is often a direct reflection of the client's approach and actions ("first cause") which have significant downstream impact on the agencies and their own behavior. For example, a client may complain about the lack of quality control shown by the agency, but that client may have requested an unreasonable timeline requiring the agency to take shortcuts, which then may have led to quality issues. Few clients understand or acknowledge these dependencies, pointing the finger at under-performing agencies but failing to recognize the upstream role they play. This often leads to continued performance issues

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until these dependencies are appropriately tackled. It's a team sport. In a nutshell, a client's behavior is often the number one predictor of an agency's ability to deliver and meet expectations. Clients are hugely instrumental in setting up their agencies for success. Let's explore the most common agency behaviors and performance issues encountered by top brand advertisers and what role they may have played:

Observed agency behavior #1: Lack of creativity

Top 2 client contributing factors:

- *Not enough time*
- *A highly conservative risk profile*

A common complaint by advertisers about agencies is the lack of creativity. Is the agency consistently meeting the client's creative vision and requirements? If the answer is "no," we are looking at a wide range of possible explanations. The agency may not have the right creative talent. They may lack insight or lack the creative process to get to the right outcome. There are many reasons an agency may miss the mark creatively. If they miss the mark repetitively, the source of the disconnect may be rooted in deeper issues.

There are two possible client-led reasons: Agencies struggle when a client doesn't dedicate enough time for the creative process to unfold. The client may be pressuring the agency to rush and work under unrealistic timelines that are not adequate to produce creatively. Or the client may not have the appetite to take on creative risks and may prefer a more conservative approach, diluting the agency's creative product.

The solution: Give your agency enough time to come up with well-conceived and strategically sound ideas. And if your risk profile as a brand is conservative, set reasonable expectations.

Observed agency behavior #2: Missed expectations

Top 2 client contributing factors:

- *Poor briefing*
- *Inability to provide effective creative feedback*

One of the most common pain points for clients is missed expectations. They are disappointed by the work. Surely, agencies are not fail-proof. There are hundreds of possible failure points which may lead a client to feel disenchanted.

Agencies can also fail at meeting expectations because expectations were not clearly articulated, or they didn't receive adequate input. The quality of the briefing process is instrumental in setting up the agency for success. Was the brief comprehensive enough? Were the objectives clearly stated? Another key contributing factor is the role played by the client in providing good creative feedback. When clients struggle with this, the agency is not getting what they need to course-correct, adjust their aim, and incorporate important considerations into their final work.

The solution: Make sure to improve internal briefing skills so agencies receive proper guidance. And encourage marketers to enhance the quality of the creative or project feedback they provide so agencies can successfully meet their expectations.

Observed agency behavior #3: Lack of innovation

Top 2 client contributing factors:

- *Budget availability*
- *Lack of autonomy*

Innovation is more than just a buzz word for brands looking to push the envelope and stand out in the marketplace. Naturally, they look to their agencies to come up with new, innovative solutions. Yet, agencies may fall short of delivering this type of value. They may not have the right resources or experience to innovate.

There are two possible client-led reasons: Budgets may be too tight, essentially focused on "now," without any dedicated budget assigned to what's "new" or "next" type of initiatives. The agency is hard pressed to think outside of the box. The box may simply be too small. Or they may not have enough autonomy. Innovation is highly iterative by nature. It's also risky. Agencies perform best when they are given the space to investigate, experiment, or test new concepts, and when they feel comfortable taking some risks.

The solution: Make sure to allocate enough budget resources to encourage the agency to deliver innovative concepts or ideas.

And give them enough autonomy to explore new, innovative ways to address your marketing challenges and growth opportunities.

Observed agency behavior #4: Inefficient use of resources

Top 2 client contributing factors:

- *Poor scoping practices*
- *Misalignment of expectations*

In today's economy, efficiency is a core priority for most organizations. Resources are limited. Budgets are tight. Using all resources efficiently is of paramount importance. These resources can be human or financial in nature. Clients are often frustrated by their agency's inability to make effective use of their budget, or by the excessive amount of staffing resources required to deliver. Are they justified? Absolutely. Are some agencies lacking process rigor? Or are they falling short of demonstrating fiscal accountability? They could be.

Yet, some clients should be equally frustrated by the absence of a rigorous, accountable planning process that allows the agency to make better, more informed decisions about resource allocations. The SOW process may be inept at capturing accurately what needs to be done. Work expectations may be loosely defined and subject to interpretation, which may lead to waste.

The solution: Implement a robust, comprehensive planning and SOW process to enable the agency to plan better. Make sure expectations are clearly documented and reviewed to allow perfect alignment before the work can start.

Observed agency behavior #5: Recurring performance or relationship issues

Top 2 client contributing factors:

- *Ineffective or non-existent client/agency performance assessments*
- *Lack of action planning or follow up*

Performance issues are inevitable. There are ups and downs in any relationship. There are too many possible contributing factors to list here. If the partnership is healthy, these issues will be addressed. However, if the issues persist, it requires some intervention. A given agency may have leadership or staffing issues that undermine its ability to perform optimally. They may temporarily get distracted – sudden talent attrition, a merger or acquisition, a new client win, etc. Systemic issues, however, can quickly deteriorate the relationship unless they are addressed head on.

There are two possible client-led reason: Clients that have not implemented a process by which they objectively assess the performance of their agencies, or have done so without the proper rigor, are failing to provide a constructive framework to foster mutual accountability and make continuous improvements. Clients that do not follow up with clear action plans and then monitor their completion also weaken the partnership over time.

The solution: Institutionalize a structured assessment process and ensure thorough action plans to improve agency performance and client/agency collaboration.

> ***"Any healthy client/agency partnership is based on mutual and well-articulated dependencies."***

Clients play a key role in setting their agencies up for success. Or failure.

Many brand advertisers now conduct 360-degree relationship and performance assessments to obtain a more holistic view of the partnership, assessing the agency but allowing the agency to provide feedback as well. They understand that relationships are based on mutual dependencies.

Armed with these two vantage points, a simple triangulation exercise can pinpoint these interdependencies and their cause-and-effect chain reactions. Decisions can then be made on what actions must be taken to hold all parties accountable for the role they play in making the partnership stronger. For the client to fully assume that responsibility is the key to any thriving, healthy agency partnership.

To drive greater value from your client/agency relationships, check out industry reference Agency Mania:

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Bruno Gralpois is the co-founder of Agency Mania Solutions, a premier service and technology firm specialized in helping companies realize the transformational value of managed partnerships. Bruno is the author of best-seller "Agency Mania" and the former chair of the Association of National Advertisers (ANA) Client/Agency Committee and a faculty member of the ANA School of Marketing.

Our clients' continued accomplishments result from cutting-edge practices in the area of agency management. See how stronger relationships contribute to better marketing.

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