Resilience – a new 'businesscritical' requirement for teams

2021



McKinsey

During the current crisis,

businesses have worked

faster and better than they

dreamed possible just a few months ago. Maintaining that sense of possibility will be an enduring source of competitive advantage.

Why Resilience and why now?

There's a lot of speculation around how team behaviour will change as a result of the Coronavirus experience.

One thing is clear, the ability for teams to respond to crises has come into sharper focus.

Let's not confuse 'managing in times of crisis' with 'crisis management'. The former is a set of behaviours whereas crisis management is a specific discipline most commonly attributed to the Public Relations field.

Responding to a crisis involves a set of qualities that we believe all teams, and the individuals that comprise them, need to be aware of and skilled in.

Crises, what crises?

In the ordinary business world, crises can appear daily in all shapes and sizes. From a 'storm in a teacup' local market supply chain event or product scare to a full-on, global disaster like the Covid-19 pandemic.

However, we argue that the fundamental team behaviours required in times of crisis, are the same whether the stimulus is global or local, big or small. Marketers and their communication partners need to be prepared and equipped to respond rapidly and effectively.

Argument accepted, one would then surmise that this is a crucial driver of performance in the relationship between marketers and their agencies.

To find out, we interrogated our database of over 23,000 client-agency evaluations over the past 20 years. The results are as important, as they are surprising.



Our methodology

We started by thinking about the qualities needed to respond effectively in times of crisis. Words like speed, agility, flexibility, availability, responsiveness, initiative, and challenge immediately sprang to mind.

This evolved into a vocabulary set of about 70 words.

Armed with this vocabulary, we scoured the Aprais database of client-agency evaluations and found more than 480 questions where these words have been used. When multiplied by the number of times these words had been applied in our evaluation questions our participants have answered, we found over 74,000 instances.

To refine this further, we then manually selected the questions which we felt were most relevant to behaviour under pressure and in times of crisis. This totaled around 50 questions a client would ask an agency and 50 questions an agency would ask a client.

Resilience defined

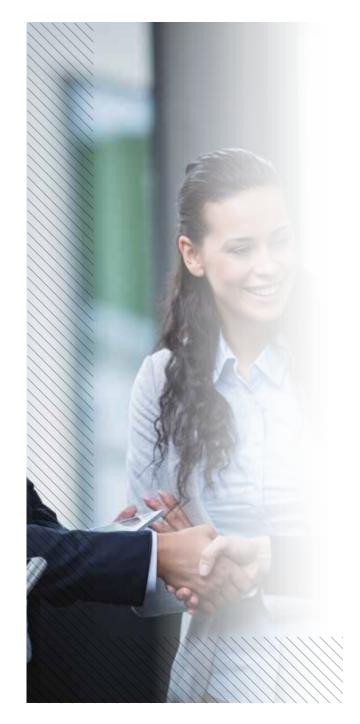
We clustered these fine-tuned questions into a single behavioural score and called this cluster; Resilience.

Once the scores from these questions were merged into a single Resilience score, we had a statistically robust way to track and compare this behaviour with other scores and traits in our database.

Contrary to what some may think, Resilient behaviour is not a quality demanded only of company leadership. In a client-agency relationship, resilience is needed across all aspects of business performance, in all functions and at all levels including;

- Briefing and Project Management
- Approval
- Leadership
- Partnering & Collaboration
- Research & Insight
- Financial Management
- Timing & Process Management

Clearly, the Covid-19 crisis has accentuated the importance of resilience as a new teamperformance standard that deserves more attention from business teams and their leaders, going forward.



How 'Resilient' are client and agency teams?

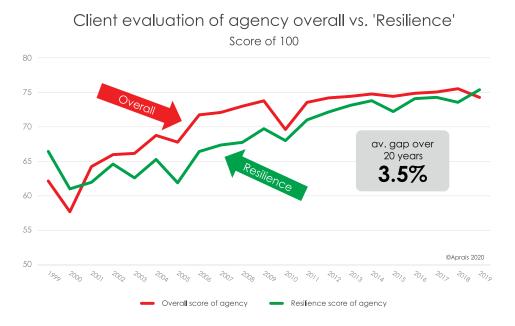
No team is exempt from the need to be Resilient. All teams must be. For example, an agency with a brilliant rapid-response idea, will be stifled if the client organisation lacks the same agility.

We mapped the agency evaluation scores of their client's Resilience compared to the overall evaluation scores the agency had given their clients over a 20-year period.

We found little difference in the two scores. Surprising? Not really. After all, paying clients are in the driving seat of a relationship and in an industry now dominated by performance-based payments, agencies are often cautious to be overcritical of client behaviour. However, the client scores of their agencies paint a different picture. The chart below shows marketers' evaluations of agency Resilience compared with the average score of agency performance, mapped over the past 20 years.

As is immediately evident, the Resilience score is consistently lower (weaker) than the overall agency performance scores, on average 3.5% lower.

This presents an opportunity for agencies to better prepare for crises. Stronger performance in Resilience would enhance the overall client view of the agency going forward.



© Aprais 2021 | www.aprais.com



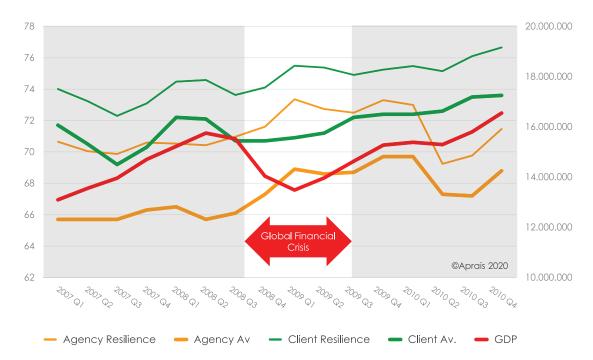
Responding to crisis

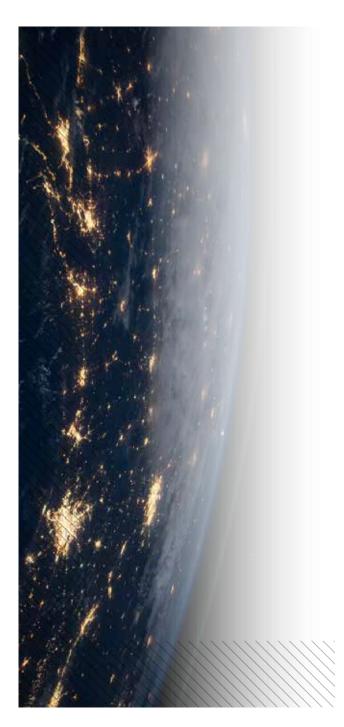
Overlaying the World Bank figures on GDP growth with the client-agency relationship scores, the chart below indicates a clear impact on scores immediately during and after the 2008 financial crisis (GFC).

While overall performance average scores remained on a similar trajectory, clients recognised the agencies response (though still well below the average performance) while agencies were less impressed with the Resilience shown by their clients. As mentioned at the beginning, crises are not always of the GFC or Covid-19 magnitude. We see a similar pattern emerging from the local market evaluations around specific relationships we manage.

Product scares and other localised crises seem to accentuate the mutual dissatisfaction with Resilience.







Regional differences

Different markets and regions have different scoring tendencies when it comes to client agency evaluations – some consistently scoring more generously than others.

We have delved deeper into the data to reveal how each region evaluates Resilience but some top-line observations include;

- In Europe, Middle East and Africa, we see less confidence from clients in the Resilience of agencies.
- In the Asia Pacific region, overall agency performance and the scores around Resilience seem unaffected even through sustained periods of financial security
- On the contrary, in the Americas (typically the highest scoring region) marketers see more Resilience in their agencies than other regions, irrespective of financial security.
- In the past 10 years Resilience scores have improved relative to overall performance.

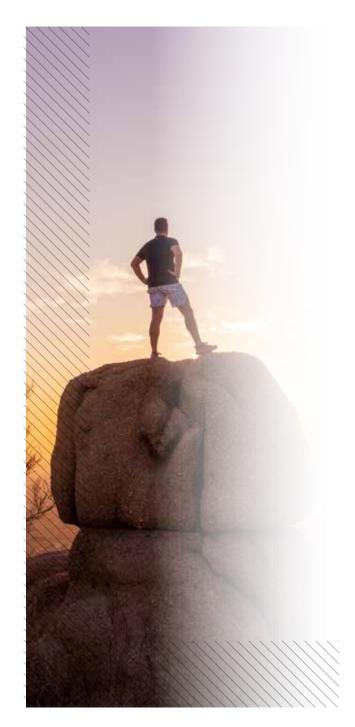
Are media agencies more Resilient than creative agencies?

Our analysis suggests that marketers consider media agencies more Resilient than creative agencies – this is particularly evident in regions renowned for tougher evaluations.

We believe this may simply be because media is more data-driven and financially-linked, therefore easier for marketers to quantify when they review campaigns.

Digital agencies often span the media-creative divide; they achieve Resilience scores between media and creative.

If you would like to know more about Resilience by market category or agency type, please contact US.



How to be more Resilient?

Having established that Resilience is a necessary behaviour that is likely to become even more important as a result of the Covid-19 experience, clients and agencies need to understand how to be more Resilient.

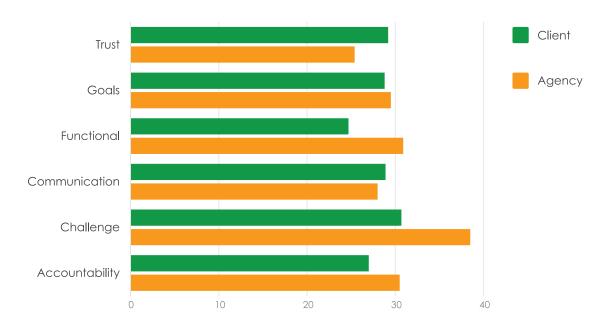
By comparing scores for the most and least Resilient marketers and agencies we can quickly see areas of potential for improvement.

Clearly, in times of crisis both parties need to be more Challenging. In our definition this means; using initiative to challenge the status quo positively, to challenge others and to manage conflict openly and constructively ensuring that conflict does not go unaddressed.

The chart below shows the gap between the most and least Resilient clients and agencies relative to our key behavioural clusters.

The length of each bar represents the potential for action planning to improve Resilience in the future.

Based on our research and analysis we can offer 10 practical tips for marketers and agencies to be more Resilient.



Top 10 Tips



About Aprais

We are the global leader in building stronger business relationships.

Over the past two decades Aprais have advised the world's leading marketers and agencies on more than 23,000 relationships. This data-backed knowledge equips us with unparalleled insights to help guide our clients toward stronger relationships with their business partners.

We are the industry experts in building stronger relationships that can generate business value for you. Our strict confidentiality and impartial objectivity engender trust among all involved.

Contact and Follow us

Request a demo: <u>carolina.motta@aprais.com</u> Request a free consultation for your organisation: <u>aprais@aprais.com</u> Learn more on <u>www.aprais.com</u>

