

FINANCIALLY CONSIDERATE MARKETERS GET BETTER RESULTS FROM THEIR AGENCY

Clients score the quality of their teams 21% higher and their creative 16% higher

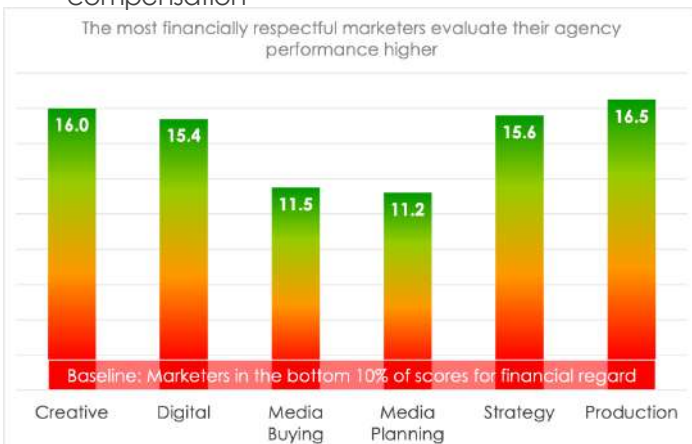
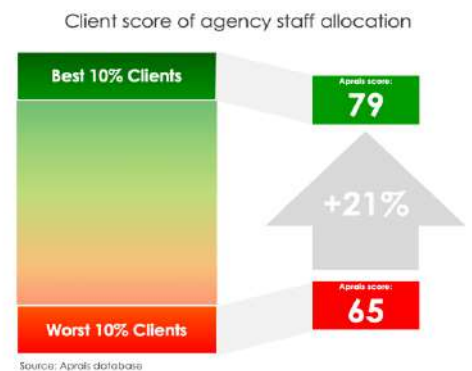
The relentless drive to reduce agency costs is often seen as a hallmark of marketing procurement success. That's wrong and Aprais has the data that shows why. The saying "you get what you pay for" might date from the 15th Century but it remains true in today's digital age.

Our investigation

We mined our extensive database of over 20,000 cases to investigate whether a marketers' regard for its agency's remuneration impacts the service it delivers.

We searched thousands of questions in the Aprais system to focus on those related to the financial health of the agency. These included issues such as;

- Acceptance that the agency needs fair compensation
- Regular reconciliation of fees against scope of work
- Timely provision of business metrics that impacts the agency's compensation



Financial empathy delivers better returns

Our analysis revealed that clients rated in the top 10% for their sensitivity to their agency's finances received a much better (21%) *staff allocation* to their business than the least considerate counterparts.

What's more, top scoring clients achieved 16% better *creative performance* from their agency compared to the low scorers. Significant advantage is also evident across other agency disciplines, as shown in the chart below.

"Clients who are scored highly for being aware that their agency's need to be financially healthy, get the best results".

KEY MESSAGES FOR AGENCIES

- Be transparent about the relationship between fees and the resources it buys - especially the access to senior-level agency personnel.
- Ensure your team contains at least one trained and experienced negotiator. Don't confuse the skills of 'selling' and 'negotiating'.

KEY MESSAGES FOR MARKETERS

- Marketers should first decide the required involvement of the agency's senior management.
- The first negotiation is between marketing and procurement to create a workable fee package.
- Clients should seek cost savings from their agency through optimization of work processes and reducing the number of stakeholders rather than by reducing the input of key staff.

'Win-win' works best

A business relationship where both agency and client 'win' financially, achieves the best results. Clients must carefully and realistically define the 'scope of work' and agencies must respond with a transparent proposal. This is a crucial first step in building a mutually profitable relationship. Get it wrong and the relationship will suffer and with it, the work.

About Aprais

We maximise the potential of marketing teams and their agencies for many of the world's leading companies. Our unrivalled database comprises over 21,000 evaluations, which enable us to provide impartial, objective and independent advice to **Evaluate** relationships, **Analyse** their comparative weaknesses then **Activate** solutions.