



## **CASE STUDY 1**

THIS MAJOR MARKETER OBTAINED \$2.1 MILLION IN RE-INVESTMENT CASH FLOW (SAVINGS) PLUS AN ADDITIONAL \$1.2 MILLION IN PROCESS ECONOMICS IN A COLLABORATIVE EFFORT WITH THE AGENCY

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### **BACKGROUND/INITIATIVE**

- Client recently transitioned to a single global agency and wished to upgrade its compensation methodology
- Client marketing and procurement wishes agency to collaborate to a) reduce global compensation costs (re-investment cash flow) as part of a multi-year initiative and move to a regional (center of excellence) versus local agency to improve value and cost efficiency
- One issue on the table was that agency data had been used to determine acceptable staffing levels by market but not regionally or globally in context of industry benchmarks
- Marketer sought to apply a single “fair” global multiplier to be used across all markets

### **INSIGHT/SOLUTIONS**

- With application of MorganAnderson methodology/definitions and benchmarking and assessment of 75% of client’s global spend, a sustainable “single” multiplier that met client goals was developed
- This was deemed fair and reasonable by agency
- This aspect generated \$2.1 million in re-investment cash flow
- Through a related Work Practices Assessment, significant changes in client and agency process were identified, and an additional \$1.2 million in process economics obtained

### **OUTCOMES**

- Marketer exceeded goals for the initiative
- Agency embraced outcome given process enhancement obtained