



CASE STUDY 4

THIS MARKETER ACHIEVED \$5.7 MILLION IN COST CONTAINMENT (REINVESTMENT) AS A RESULT OF AGENCY TRANSPARENCY, ADJUSTED STAFFING FTEs, AND PROCESS ENHANCEMENTS

BACKGROUND/INITIATIVE

- Support a company-wide initiative to reduce costs of marketing and advertising for multiple types of agencies in USA and global markets
- Determine the right level; of agency staffing (vs. benchmarks) and agency compensation levels based on actual Scope of Work (SOW) for Year 1, projected SOW for Year 2, and process enhancement

INSIGHT/SOLUTIONS

- Created deliverables-based SOW from existing client data and diagnostic interviews. Specific deliverables methodology developed and applied deliverable-by-deliverable
- This then linked to agency staffing plans provided and to agency costs (costs benchmarked later)
- Inefficient client and agency work practices and process management opportunities identified (work practice enhancements implemented later)

OUTCOMES

- Despite a nominal increase in SOW and staffing plan in Year 2, agency fee for advertising reflected a \$5.7 million in savings and/or reinvestment cash flow - 20% of this due to cost efficiencies achieved by adjusting staffing level mix - 80% obtained from increased agency transparency that enabled accurate benchmarking
- Steps for Year 3 identified for achieving operational savings through process enhancement and work practices corrected by client with agency