



CASE STUDY 6

WITH BETTER TRANSPARENCY, DIAGNOSTIC INTERVIEWS INSIGHTS, PROCESS IMPROVEMENTS IDENTIFIED, AND INDUSTRY BENCHMARKING, THIS MAJOR MARKETER OBTAINED BETTER A AGENCY RELATIONSHIP AND A 15% FEE REDUCTION ACROSS MARKETS

BACKGROUND/INITIATIVE

- Review/assess client and agency processes vs. “best practices” for major business units of global marketer
- Advise on work practices, agency fee model, agency operations management by client, and advertising financial management tools
- Advise on “best practice” agency contract that brings discipline and transparency to this venerable and important agency relationship

INSIGHT/SOLUTIONS

- This initiative revealed: client/agency practices did not follow corporate guidelines for working with outside vendors and depended solely on personal relationships to succeed; printing costs were excessive; agency compensation abnormally high; financial processes at agency inadequate; media buys high relative to competitive benchmark
- Creative value of agency was positive but media was not

OUTCOMES

- Agency compensation reasonably reduced by 15% and better media results achieved through a competitive review
- Resource-based compensation model implemented for agency
- New contract with state-of-the-art transparency, audit and incentive features implemented
- “Preferred vendor” program adopted