

# brandpapers

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## Agency Management Systems

By Chetan Saiya

Agency Management solutions help creative agencies and marketing organizations operate in an accountable and efficient manner and manage working relationships by eliminating the element of uncertainty that arises over billing of resources and projects.

Summer 2009

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## Agency Management System: Integrated Operations & Planning Solution for Marketing- Creative Agency Engagement

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### By Chetan Saiya

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Marketing Resource Management (MRM) is a process of end to end marketing optimization, from planning and budgeting, through marketing content management, to global marketing execution and analysis.

A crucial aspect of MRM is the management and coordination of creative agency operations. Agency operations are driven by expensive resources working within a tight timeline to create artistic works for objective marketing benefits. Allocation of suitable and consistent resources from the agency is vital to the delivery of creatives, with marketing objectives fitting in to an overall plan.

In medium to large marketing functions, a multiple of creative agencies may need to plug in and deliver solutions across brands or even to a particular brand or service. An efficient marketing function looks to coordinate, cost manage and make the operation and products visible and accessible across board. An agency management tool, deployed by the marketer and shared with the key stakeholders, formats and integrates operation details, manages times and costs, creates a

central repository of digital products, enables report generation on various parameters and builds a live bank of data for reference and use.

In the current scenario, brand managers and marketing managers dealing with creative agencies follow ad hoc systems to manage these relationships. Notes recording plans and spreadsheets recording quantitative data have limited portability and lend themselves poorly to collation and parameterization. Cross referencing, report generation, comparison of models, efficiency, costs and times need to be made manually. Poorly connected dots in the marketing landscape results in an incomplete picture and, importantly, scalable and usable lessons remain invisible.

Limited availability of agency work rates, profiles and contracts makes it difficult for key functionaries to steer operations and enforce compliance.

When the smallest of the top 100 advertisers reportedly spend a minimum of \$300 million a year on advertising the sheer financial benefits of an agency management system is huge. Such a system has the potential to save at least around \$3 million a year for the marketer on accountability, compliance, efficiency and better rates from the advertising agencies. Increasingly, when CMOs are under pressure from CEOs and CFOs for more accountability of advertising dollar, management systems make a whole lot of business sense. Business practices benefit from usefulness of management systems for SOX Compliance, parameterized report generation and easily accessible audit reports.

Agency management systems are now part of the MRM deployment by the marketer and shared with key stakeholders like advertising agencies, brand managers, marketing managers, sales force and other functionaries. These end-to-end processes initiate, monitor and parameterize the marketer-creative agency engagement from job to project levels. A creative job and project is reviewed, steered and approved by the content creation teams across marketing and agency. Resource allocation and cost of jobs are quickly available for comparison with the estimate and budget. Accountability across levels keeps this system of working highly efficient and cost effective. Repository of digital work created out of this process is shared with stakeholders for quick deployment and seamless brand consistency. Dashboard and multiple parameterized reports keep the marketing finger on the button for steering any project at any point in time.

### **Key benefit 1: Campaign budget utilization. Allocation and audit of resources**

An agency management system requires that the marketer shares with the creative agency the budget outlay and the projects to be taken up for the year. Resources are accordingly evaluated in terms of experience and suitability, and allotted for an agreed upon time for the project. This accountability for every job by time and by resources creates a high efficiency framework for jobs to be delivered, meeting objectives and costs. The agency on its part is on top of its manpower planning, while the marketer is assured of committed resources and accurate billing for them. And further, because each job requires such inputs, 'blended rates' are avoided and costs are according to job merit and scope.

## Key benefit 2: Conformation to contracts, fulfillment

An agency management system ensures fulfillment of all financial management related steps in a marketer- agency engagement leading to a more efficient and cost effective relationship. An annual Statement of Work (SOW) clearly defines the projects that the agency/vendor will be working on for the year. It can track ongoing SOW modifications and corresponding approvals allowing the agency to make the necessary changes to the initial SOW. It can track actual spend on a monthly basis per brand/agency relationship. It is a transparent monitoring process that can also manage agency profiles, including rate cards by different services and volumes and generate reports to capture varying levels of information.

## Key benefit 3: Central Repository

A central repository of the marketer-agency engagement guidelines and operational information is visible to key functionaries. Contracts, policies, modifications are easily available for conformation checks. Rate cards, resource deployment, skill profiles can be pulled out, reviewed and co-related with creative products and marketing objectives.

### To sum up:

- Agency management systems drive accountability and transparency in the marketer- agency relationship.
- Results in saving marketing operation dollars- up to 10%. More accountability, leading to efficient job planning, aided by system driven rate definition, resulting in better job rates.
- Better compliance and fulfilment of contracts, tracking modifications and deviations. Better business practice, compliant with laws, auditable spends.
- A system with high visibility within the marketer landscape, of different parameters of agency engagement. Like service rates, time rates, resources and skills and more. Generate reports with different correlations for innovative perspectives.

## About the Author:

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