

Insights. Collaboration. Advocacy.

Agency Evaluations What's Good, New, Next

ANA 2007 ANA Agency/Client Forum

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The ANA logo is rendered in a large, bold, white, sans-serif font. The letters are closely spaced and have a slight shadow effect, giving them a three-dimensional appearance as if they are floating above the dark green background.

Leading the Marketing Community

Approach

- One on ones with random ANA members who shared anonymously
- Discussion with ANA Advertising Financial Management Committee on 15 best practices

Agency Evaluations

When

- All have formal annual evaluation/business review
- Many have/will increase frequency due to “moment in time” issues, temperature checks, need to correct “problem” agencies sooner
 - Semi, quarterly less robust/formal

Agency Evaluations

What

- All use common questions - typically 75/80% same for all types of agencies
- Six to ten buckets with questions underneath
- Most moving to refreshed/MBO questions
 - From behavior to mastery
 - From *“agency works hard”* to *“agency adds value”*
 - Adding *“effective use of technology”* to *“process efficiency”*
- Process less formal for specialized, smaller agency relationships

Agency Evaluations

What Scaling

- Range from 3 to 100 point scale
 - Most use same scale as employee evaluations
 - Reduce need for education and guidelines, especially for global
 - Some use even number scale
- Some input from research
- Scaling guidance
 - 10 points: real range 6-9, no one scores 10; must get 6 half the time

Agency Evaluations

Who at Client

- Majority: evaluators closest to agency - *“avoid too much in the weeds, too much in the trees”*
- Some tiered: core, internal clients and indirect clients
- Global - international, regional and countries - as many as hundreds
 - Clean list - anyone who opens PO could receive
- No weighting by title/tiers - one test showed no difference
- Mostly led by marcom services or sourcing

Agency Evaluations

Who at Agency

- Majority with agency management and/or account head - based on agency size
- Global with agency regional management and country management
 - Some role up country - region - geo
- For those with 2-way, either lead team or staffers to match client

Agency Evaluations

360 Degree/2-Way Somewhat Mixed

- Majority include 2-way formally
- Several say agencies are uncomfortable thus seek agency input informally
- No pattern whether agency get some bonus as part of evaluation
 - Some say agencies will provide with money at risk
 - One didn't want agencies complaining in writing
- When assured of confidentiality, third party interviewing/compiling agencies more comfortable with 2-way

Agency Evaluations

How Conducted

- Most use same questionnaire - many refreshing, better customizing questions
- Increase use of online tool, auto-prompt system
 - Some outsource
- Convert to hard copy deck for agency discussions

Agency Evaluations

How Approved and Presented

- Provide results to upper client management
- Formal meeting top to top
- Focus on improvement actions more than the numbers
- Few show agency rankings to agencies

Agency Evaluations

Example

- For each dialogue, work session to detail:
 - Needs improvement
 - Joint improvement
 - Action plan
 - Owners
 - Timing

Agency Evaluations

How Connected to Compensation

- Mixed practices 50/50
- Of those connected, evaluation represents 15-50% of bonus, most represent deferred compensation, *“meat, not gravy”*
- Those less inclined find it too complex, too many variables outside agency control, will fire them

Effective and Productive Evaluations

1. Purpose is to improve the relationship (and to show the agency is contributing value)
2. Capturing the verbatims is more important than the numbers
3. Use scaling most aligned with employee scaling system to reduce bias
4. Conduct second evaluation or temperature check within the year especially for “problem” agencies
5. Joint improvement plan, who owns and timetable

Effective and Productive Evaluations

6. Create environment of confidentiality to capture two-way
7. Don't mail the report to the agencies, a robust in person meeting is required
8. Concentrate evaluators on those closest
9. Enabling on line tools will streamline the process
10. Develop similar systems for smaller agencies

Effective and Productive Evaluations

11. Capture mastery, not merely functions
12. Evaluations are an important part of agency compensation either directly or indirectly
13. New Agency Relationships—don't wait for a year to evaluate!
14. Send a new agency an example of what the performance review looks like
15. Begin the relationship with a partnership promise, (performance contract) what the agency will do and what the client will do

More Questions and Answers