Ogilvy | The Future of Agency Models

HAA Breakfast Session

28, June 2019
Athens, Greece

The Growth Challenge

To deliver sustained top-line growth, companies must truly reject the tired formulas of the past and develop a new roadmap for growth

Perspective from the Top

...Make My Brand Matter for Every Occasion

...Innovation and Creativity must be at the heart of our relationship
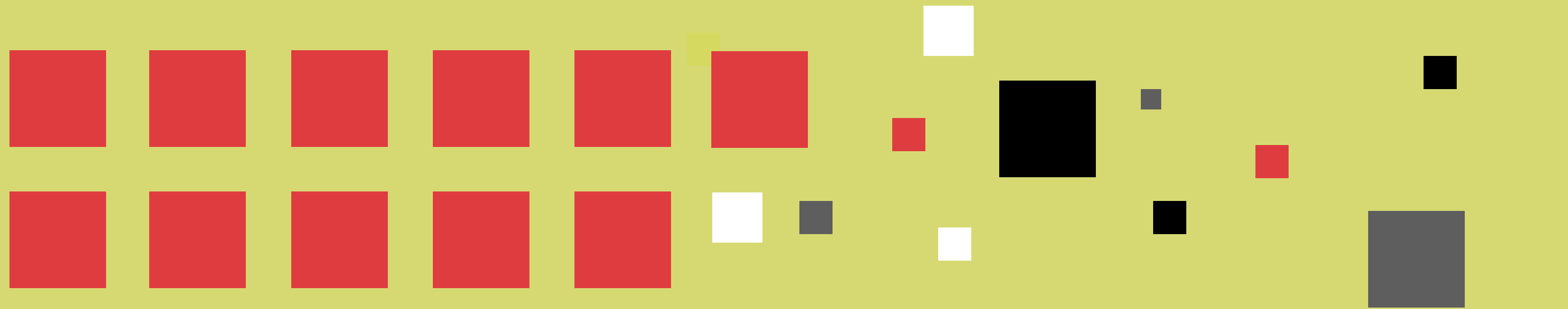
...Re-imagine the Marketing Funnel

...Re-wire the team model

...Reject old renumeration models

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3

Logic ≠ Magic

Lets Look at How We Have Done This Through Some Industry Examples?

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...Make Your Brand Matter for Every Occasion

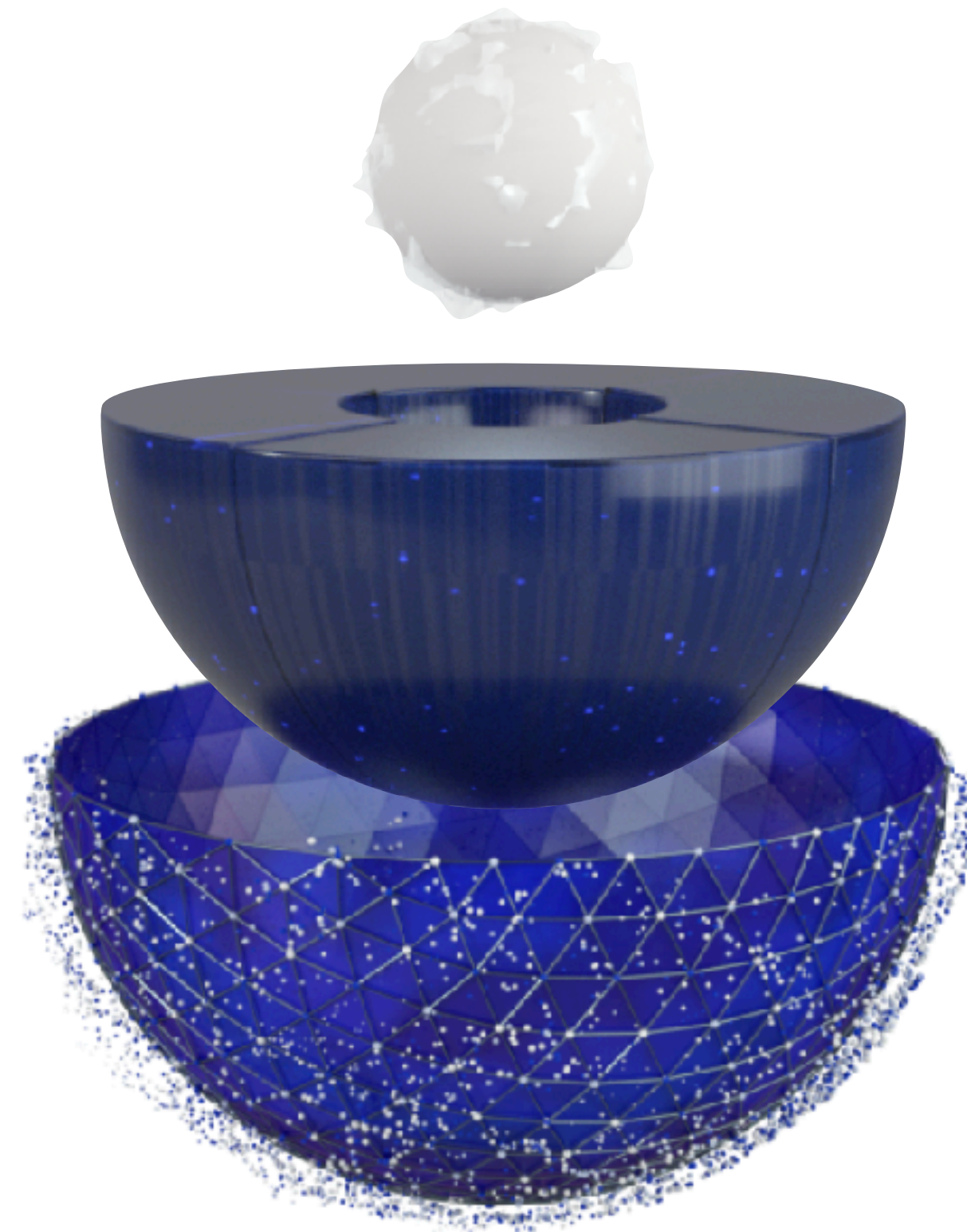**Ogilvy**

Our Perspective on Driving Growth

Platform — Matter **for years**

KPIs:
Affinity
Category Leadership
Uniqueness

Programme — Matter **each quarter**

KPIs:
Consideration
Trust
Purchase

Pulse — Matter **right now**

KPIs:
Engagement
Buzz
Promo

Why should you make your brand matter over time?

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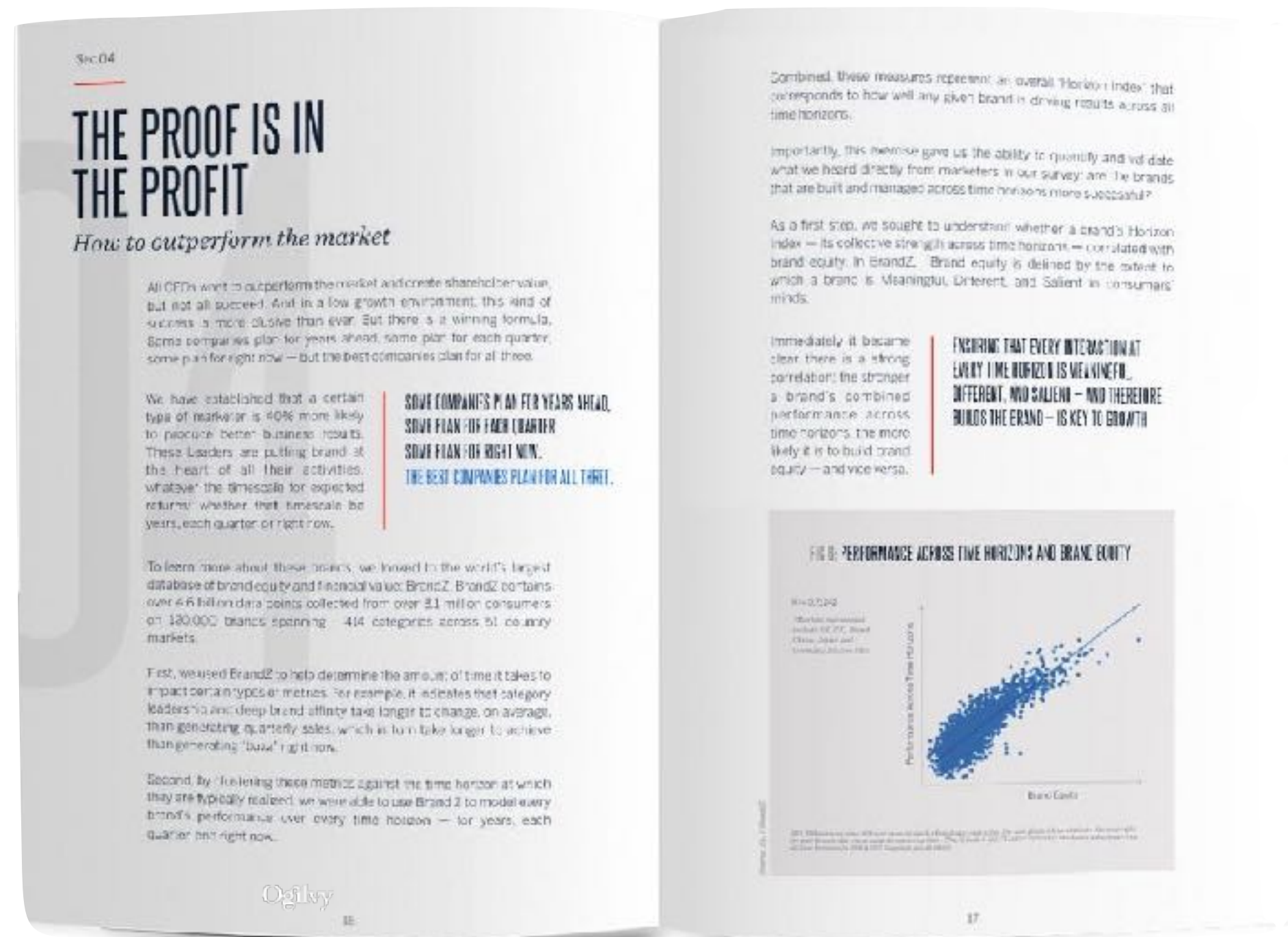
82% of marketers don't follow this basic tenet
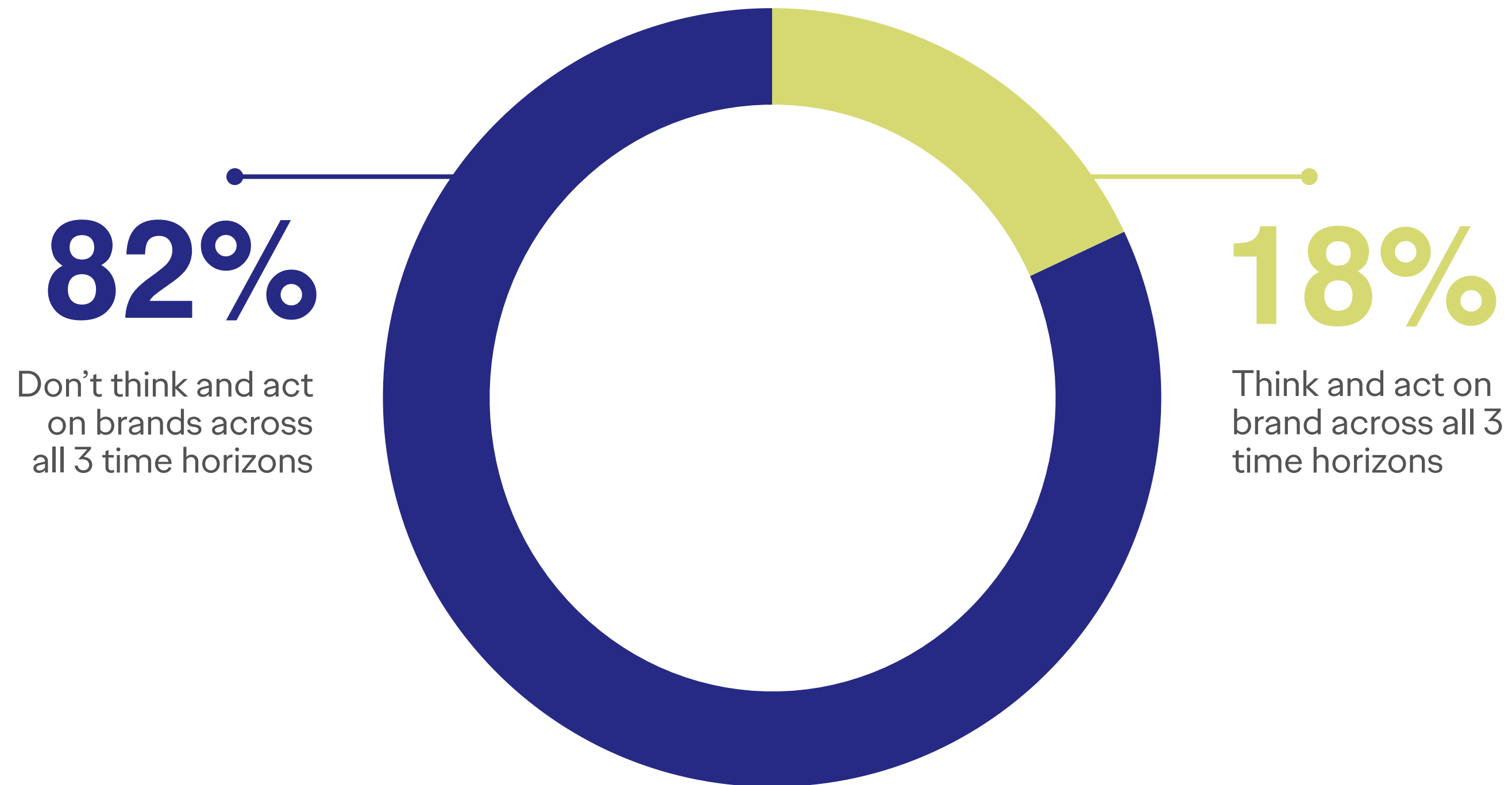
82%

Don't think and act
on brands across
all 3 time horizons

18%

Think and act on
brand across all 3
time horizons

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Brands that do are 40% more likely to grow revenue, profit & share price...

84% Revenue — Think and act on brand across all time horizons
64% Revenue — Don't think and act on brand across all horizons
81% Profit — Think and act on brand across all time horizons
62% Profit — Don't think and act on brand across all horizons
71% Stock Price — Think and act on brand across all time horizons
52% Stock Price — Don't think and act on brand across all horizons

Revenue   Profit   Stock Price

■ Think and act on brand across all time horizons   ■ Don't think and act on brand across all horizons

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Dove

making *Dove* matter

Mattering **for years**		
PLATFORM	REAL BEAUTY	
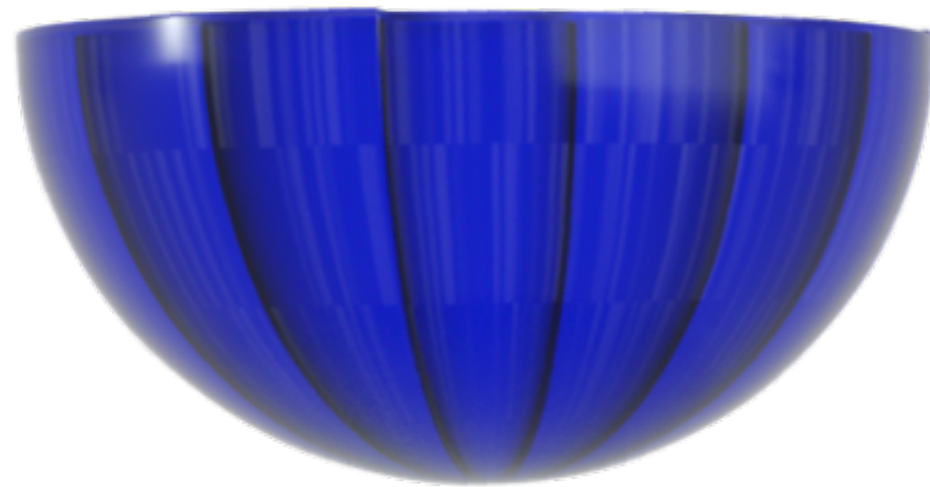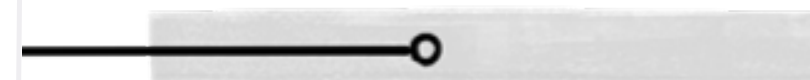
Mattering **each quarter**		
PROGRAM	BEAUTIFULLY REAL MOMS	
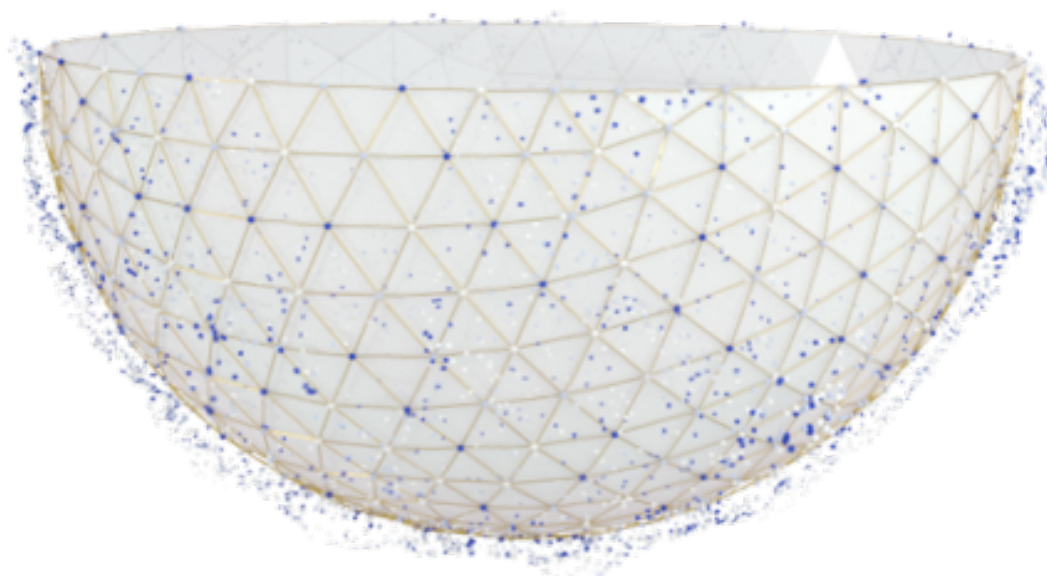
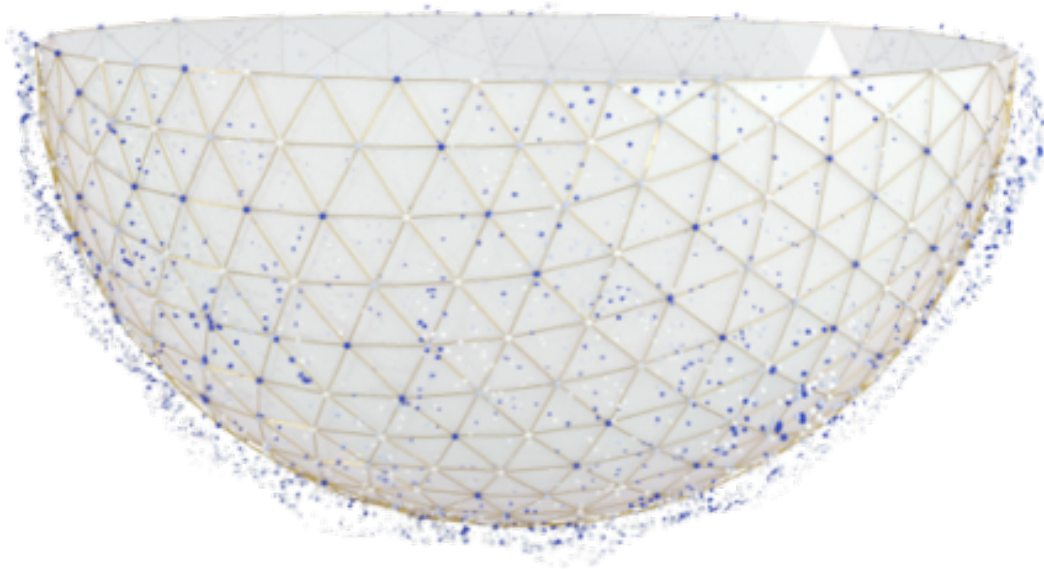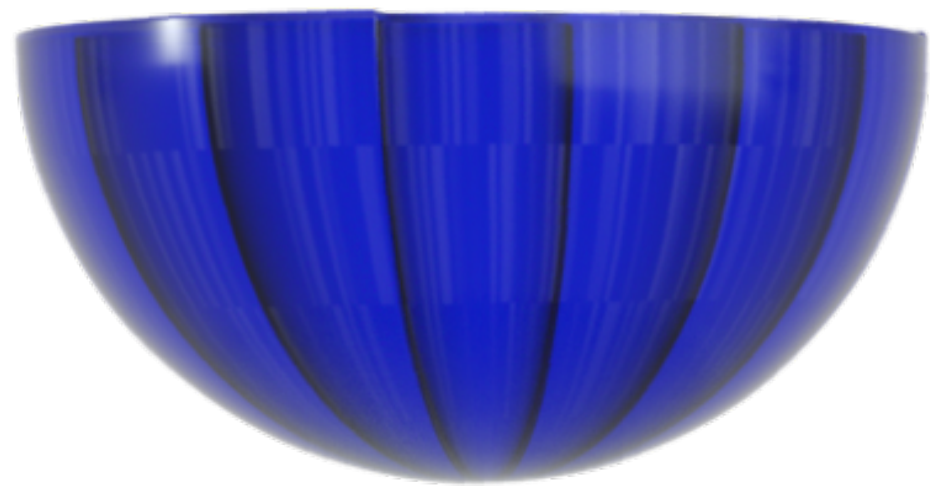| Mattering **right now**		
PULSE	CURLY HAIR EMOJI	

making *Dove* matter

Mattering
for years

PLATFORM

REAL BEAUTY

An all-encompassing core idea that is the beating heart of the brand and guides everything it does and says for years
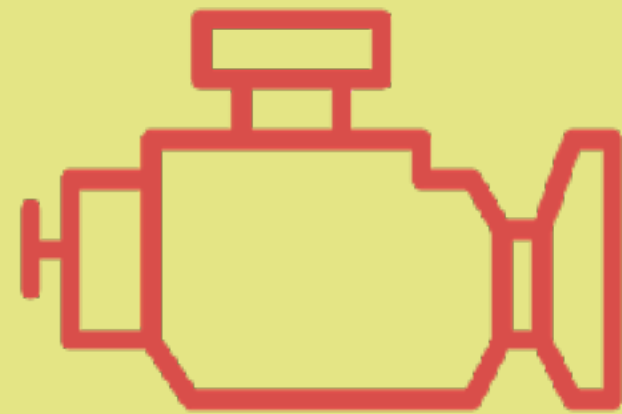
Innovation and Creativity Must be at the Heart of our Relationship

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Our conviction

Creative content is the **engine**

Effective distribution is the **fuel**

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Philips Global

Real Time Marketing Centre

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250 campaigns
32 markets

1 RTMC Leader

4 Content Strategists +
1 Head of Strategy

5 Creatives +
1 Head of Content

7 Campaign Managers +
1 Head of Campaigns

7 Analysts

3 Operations Managers

Lenze Boonstra|

VP Head of Global Marketing
Personal Care &
Consumer Lifestyle Philips

21

...Re-Imagine the Marketing Funnel

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Coca-Cola Greece

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Re-Wire the Team Model
for Growth

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IAG

This way of working is not linear, or sequential, but cyclical

Create
Quarterly - Monthly

Develop **Strategy**

Design **Experience**

Identify & Understand **Audiences**

Think
Yearly - Quarterly

Generate **Ideas**

Prototype & Iterate

Optimise Performance

Produce Assets

Realise
Monthly - Daily

Define **Ambition**

Distribute Content

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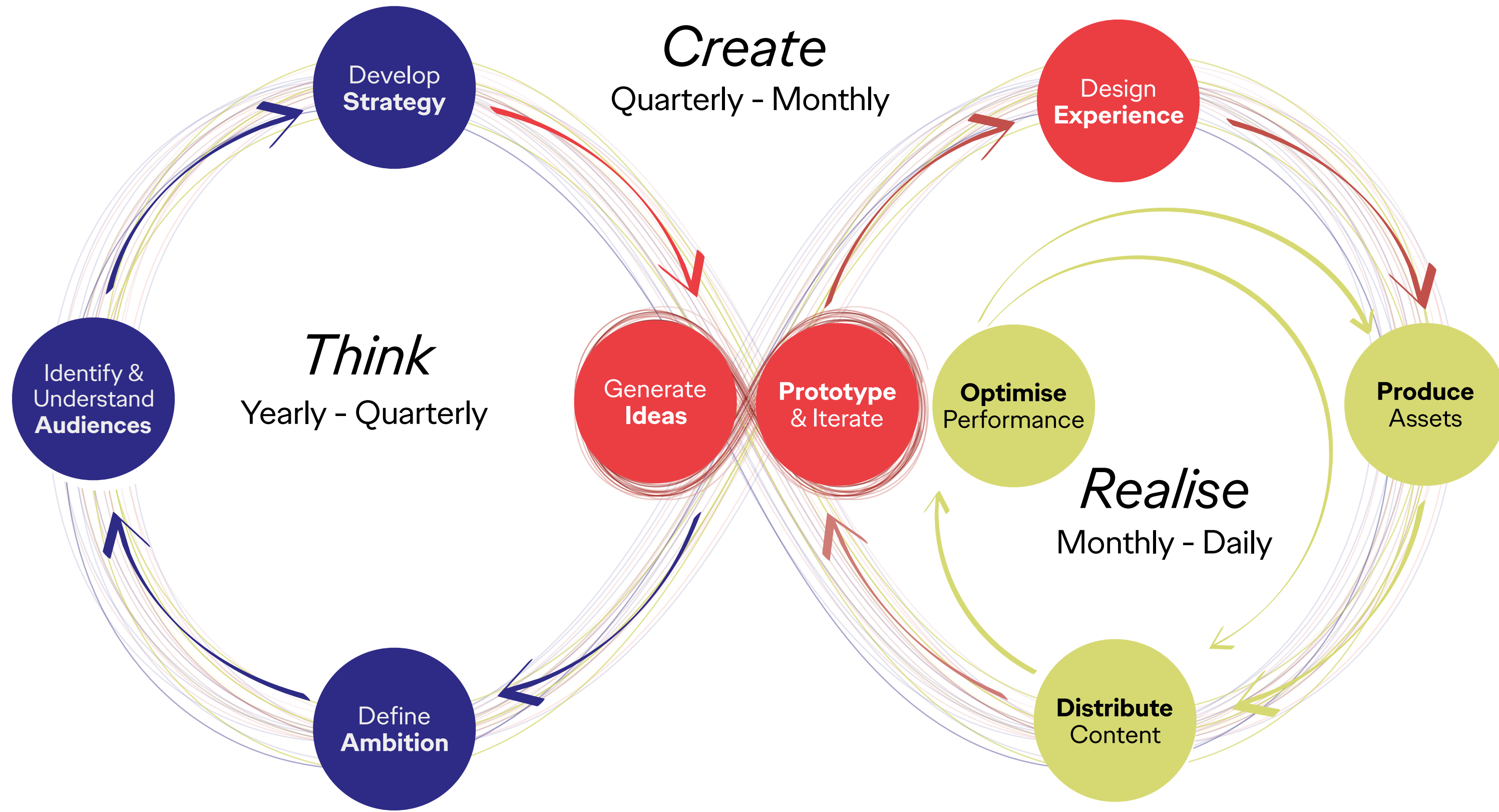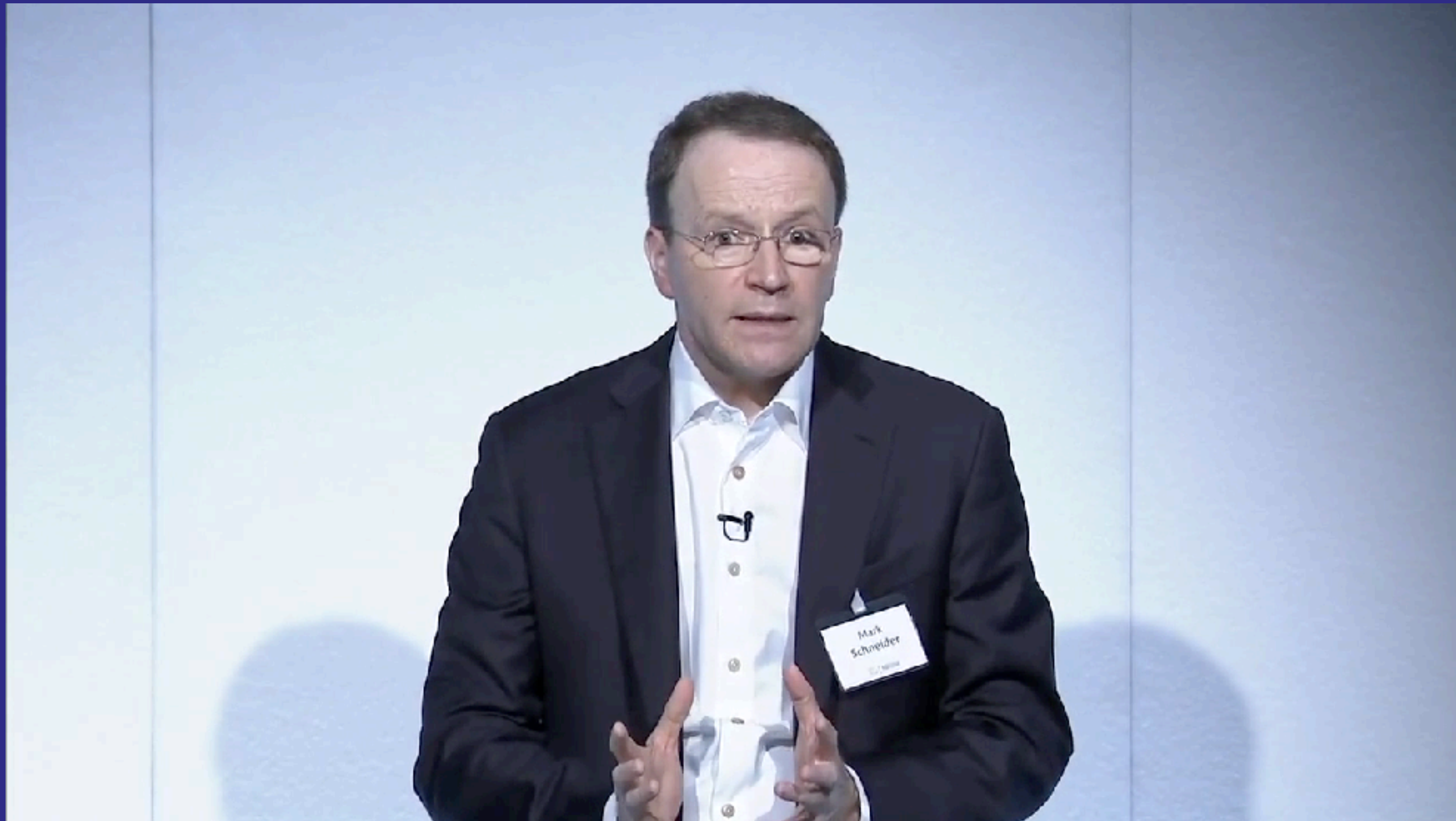
Mark Schneider, CEO Nestlé

September 2017, Nestlé Investor Relations Meeting

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Reject Old Remuneration Models

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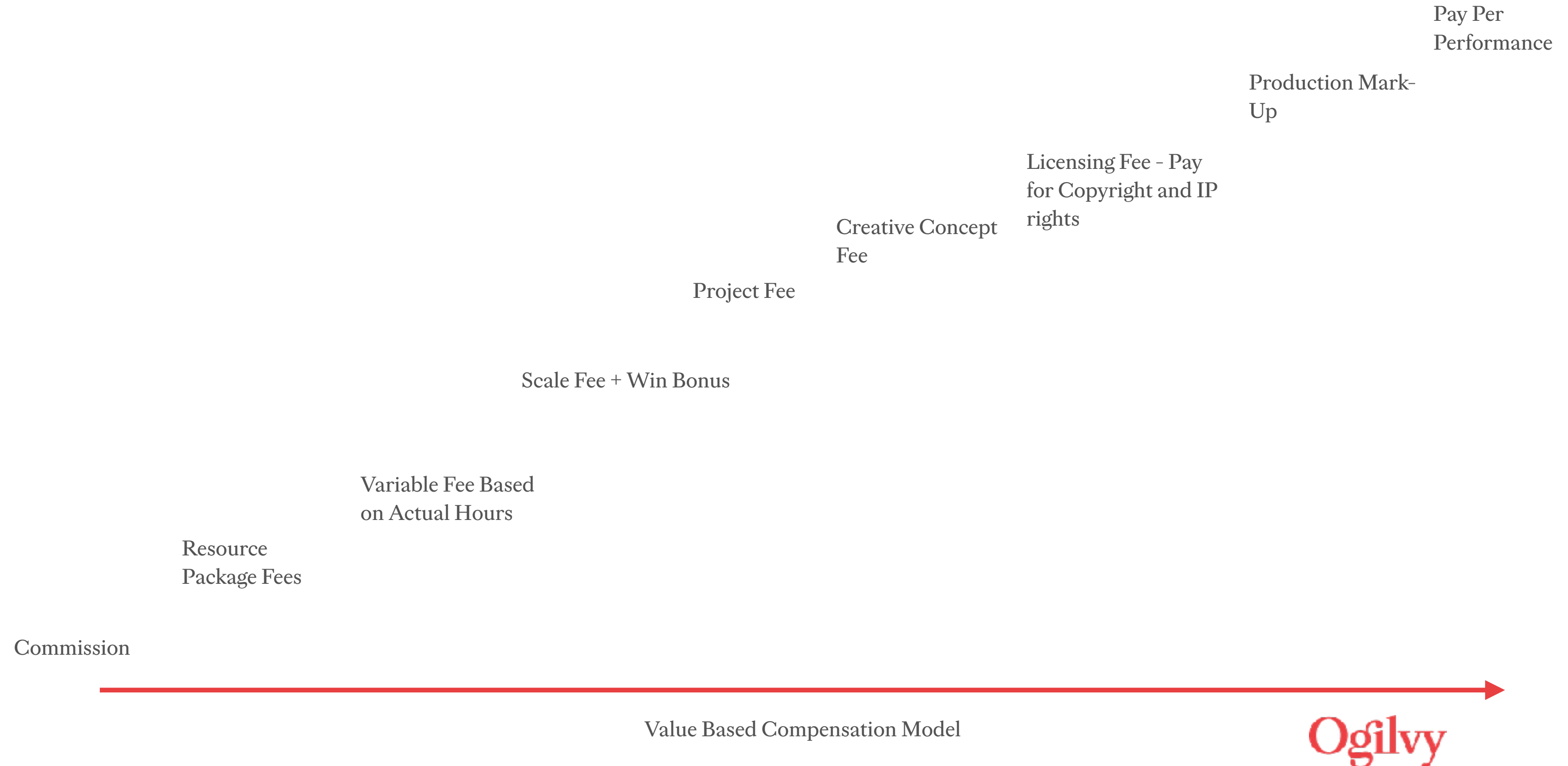
The year ahead for new agency models

Experience-led brand partnerships, the continued broadening of talent, going out on a limb and embracing automation will all determine the future shape of agencies, say industry leaders.

At the end of the Day, Advertisers and Agencies Want the Same Thing..

Profitable Businesses

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There are many types of Remuneration Methods

Pay Per
Performance

Production Mark-
Up

Licensing Fee - Pay
for Copyright and IP
rights

Creative Concept
Fee

Project Fee

Scale Fee + Win Bonus

Variable Fee Based
on Actual Hours

Resource
Package Fees

Commission

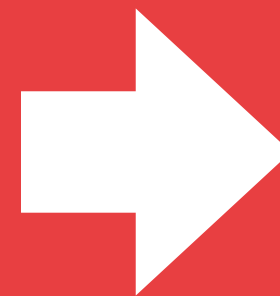Value Based Compensation Model

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Retainer

Pay Per Performance

Commission

Fee Based Arrangements

Commercial Leads
are Separate

→

Commercial Teams are
Part of the Core Team

Agency/Client Relationships
are well defined

Agency/Client Relationships
are Blurred

Fixed Remuneration

Hybrid

Transparency

...Ten Point Checklist

The best client-agency remuneration agreements share a number of qualities

1. Simple to understand and easy to administer

2. Fair to both client and agency

3. Aligns client and agency interests. and priorities. (Both teams should be working towards a common goal)

4. They should be finalised before agency resources are committed

5. There should be a "written contract" to provide reassurance

6. Flexible enough to accommodate possible changes in the future

7. Involve senior management stewardship with principles clearly communicated to the teams on both sides

8. Capable of standing the test of time and being understood by any future marketing director

9. Based on agreed and understood terms and definitions

10. Includes specified tracking and review dates

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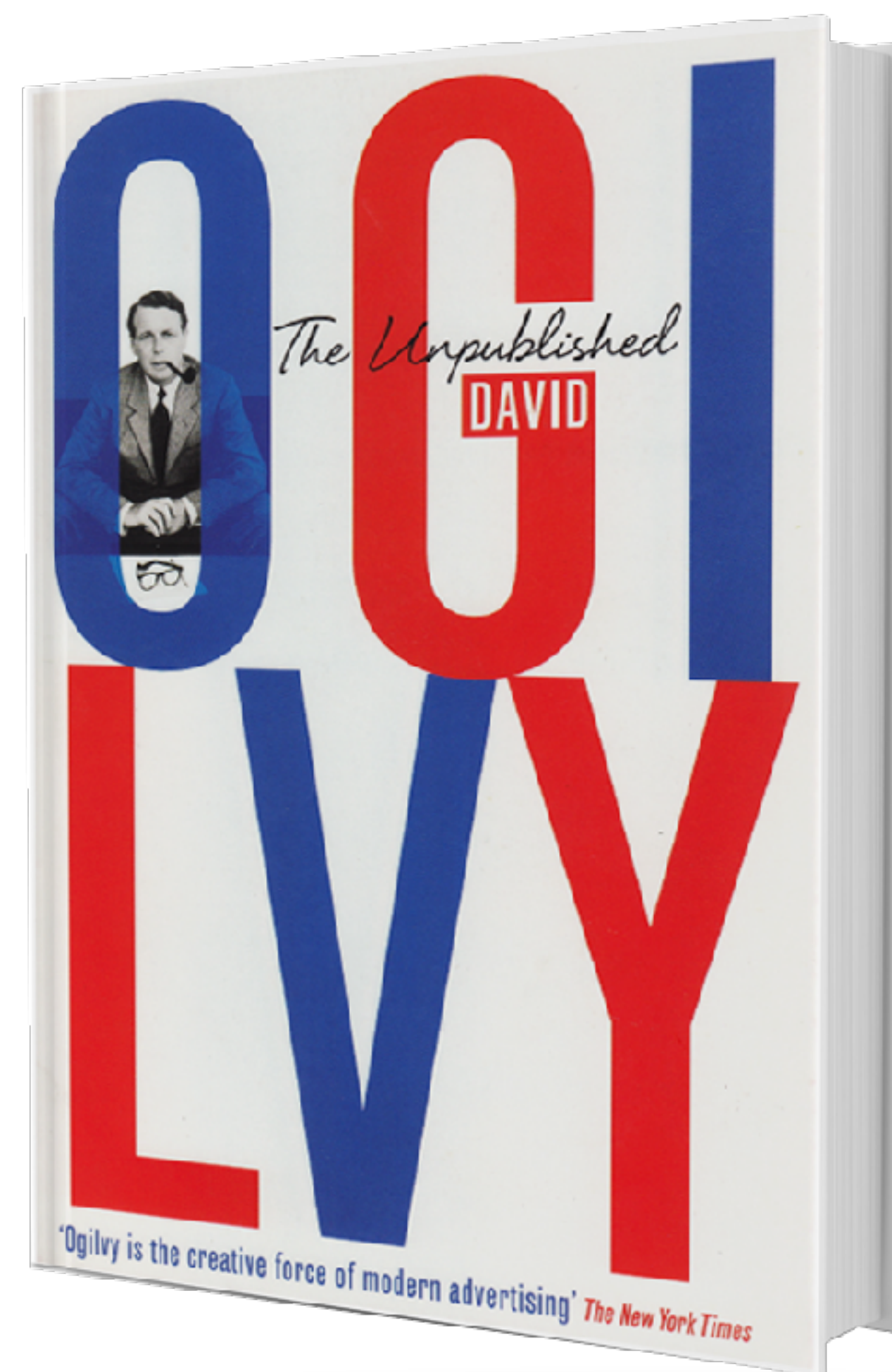# Working Together

Open   Transparent   Honest   Collaborative

"... the only way to grow our business is by **giving clients ideas on how to grow theirs.."**

**Shelly Lazarus
Chairwoman Emeritus
The Ogilvy Group**

THANK YOU!

Q&A

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