



World Federation
of Advertisers

Client-agency performance evaluations

2022 update

In partnership with:



November 2022

The client-agency relationship manifests itself in a myriad of ways. At its best, an agency will rise to the level of a strategic counsellor, providing a unique perspective on the business, engaging with and challenging the highest levels of leadership to think in new ways. Ultimately, delivering creative work that connects with the business's customers and prospects and enables real growth. Unfortunately, these relationships are all too rare. Over the years, channel proliferation and the sheer number of partners needed to deliver modern marketing campaigns have limited the opportunity for these kinds of relationships.

Today, it is more common that a brand team works with a number of partners that span from strategic thinkers to executional specialists. The opportunities to think beyond the immediate assignment and elevate the brand or business become more limited. Many agencies only have the opportunity to react to a narrow assignment without broader context and without an understanding of greater goals of the organization it serves. Yet, these agencies can still deliver inspirational and effective work.

What separates success and failure across these various forms of partnership usually comes down to the ability of a client to set that agency up for success. A prosperous

long-term relationship takes an open dialogue about the business and its goals, but more importantly about the relationship itself. What works and what doesn't for both the client and the agency.

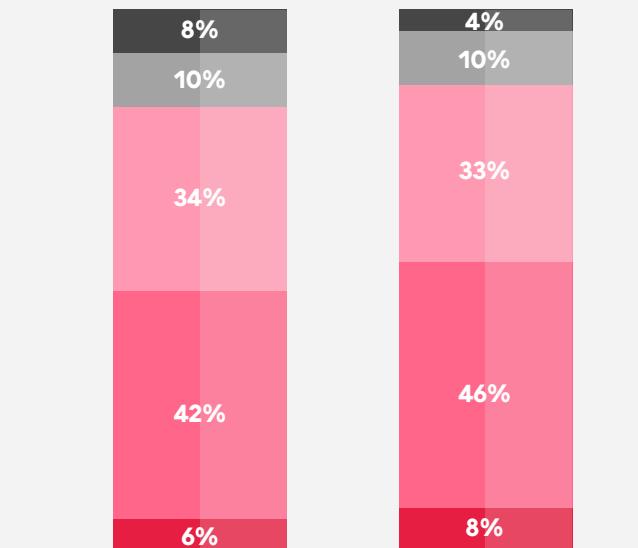
Performance feedback is key to elevating those relationships and partnering for the long-term. Without feedback and the discussion that follows, frustrations and dissatisfaction can fester until the relationship is untenable and someone demands a change, which usually results in the client moving to a new agency. Without a focus on feedback, that relationship is unlikely to last.

For the past decade, Decideware and the WFA have been working with clients and agencies to understand the extent to which feedback happens, how it happens and how it can be better. The 2022 iteration of the survey builds on that work, and this report illustrates how clients and agencies perceive the performance feedback process today. We hope it provides some insight and inspiration as you review your approach.

Ed McFadden,
Chief Growth Officer,
Decideware



Q. (Clients) Are you generally happy with...?



The way you receive qualitative feedback from your agencies.

Almost always (95% of the time)

A majority (75% of the time)

Some/half (50% of the time)

The way your organisation evaluates the qualitative performance of agencies working on your account.

Few (25% of the time)

Almost never (5% of the time)

“

“Make sure you are doing it for the right reasons. Don’t do evaluations to simply check the box. Make sure they are useful, and that they drive action and improvement.”

Kevin McCollum,
Manager – Indirect Sourcing –
Media & Digital Commerce,
The Hershey Company



“Focus on fewer, bigger things and what will make the biggest difference and business impact.”

Sarah Newnham,
Group Director Marketing and Media
(Global Procurement),
Sky



“Collaboration & trust are key to an effective partnership.”

Anna Campbell,
Global Client President,
Carat



Foreword

2

Table of content

3

Demographics

4

Positive outlooks

8

Growing challenges

14

Other key findings

26

Recommendations

32

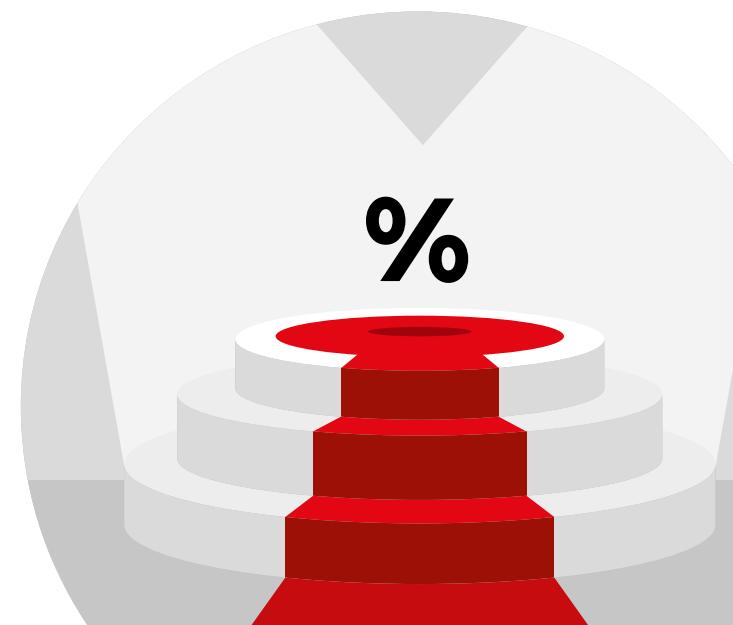
Appendix

33

Demographics

This document contains the results of an online survey conducted in Q3 2022.

Over 90 respondents from 82 multinational organisations took part, providing a balanced view and complementary perspectives on the topic of client-agency performance evaluations.



49 clients

This report includes some references and comparison with:

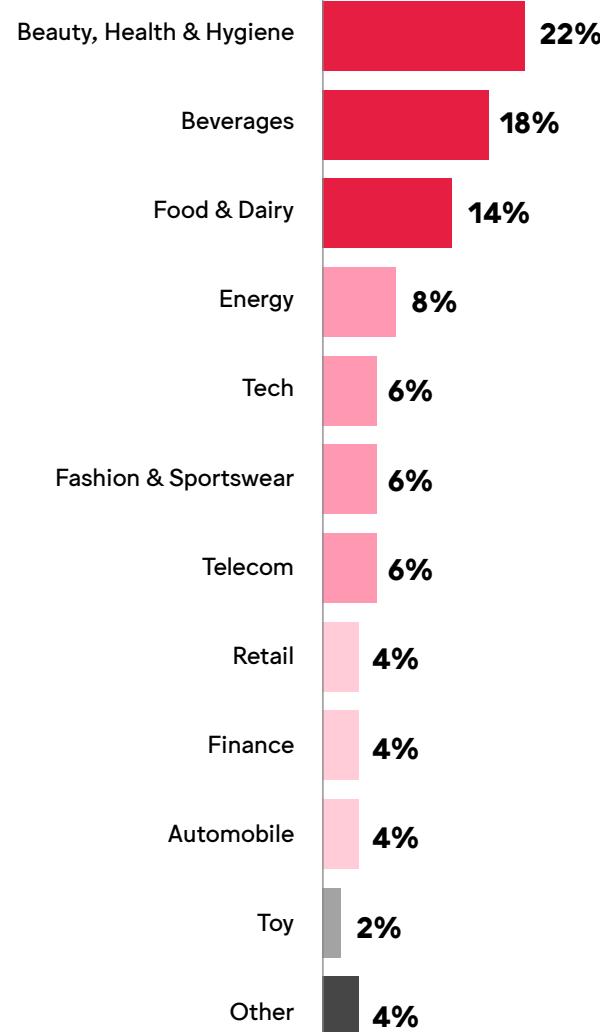


[2019 WFA survey on global effective agency management](#)

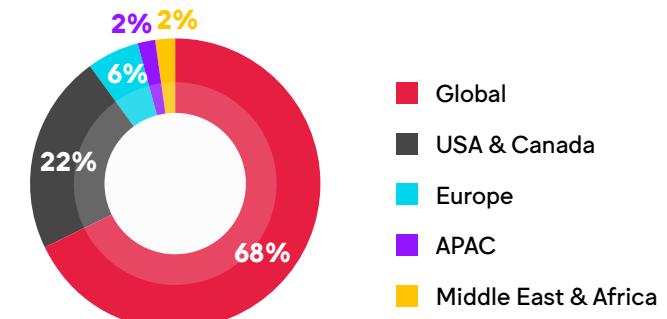


[2020 WFA/Decideware survey on client-agency performance evaluations: the agency view](#)

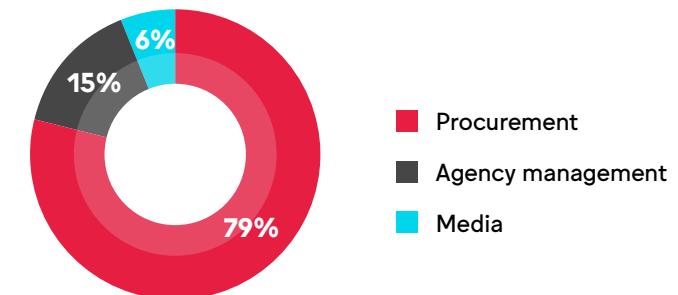
Industry



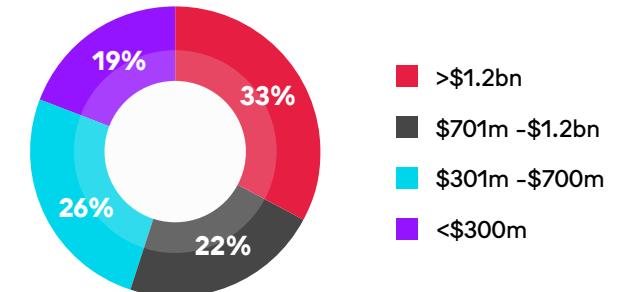
Region of responsibility



Role/function



Organisation's marketing and media spend last year

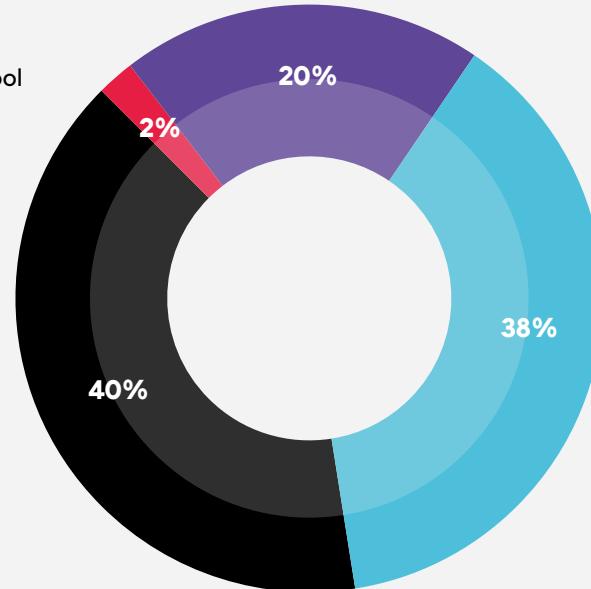


3 in 5 of our client respondents use a tool for performance evaluations

The use of tools to manage performance evaluations can indicate the commitment and investment in these practices by clients. The tools available today can help clients deliver evaluations at scale, especially helpful for larger advertisers managing dozens, if not hundreds or thousands, of agencies.

Q. (Clients) Does your organisation use a tool to track the performance of your relationship with agencies?

- We use our agency's tool
- We have an internally developed tool
- We use a third party tool
- We do not use one

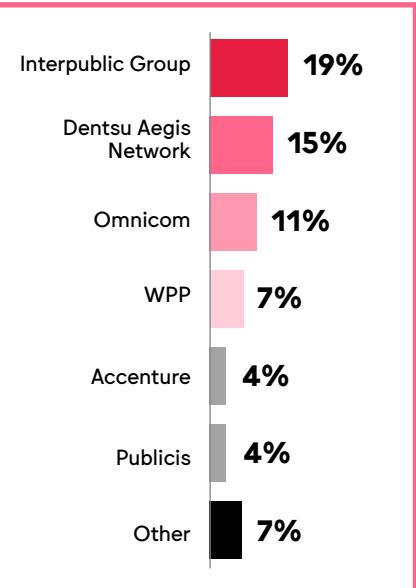
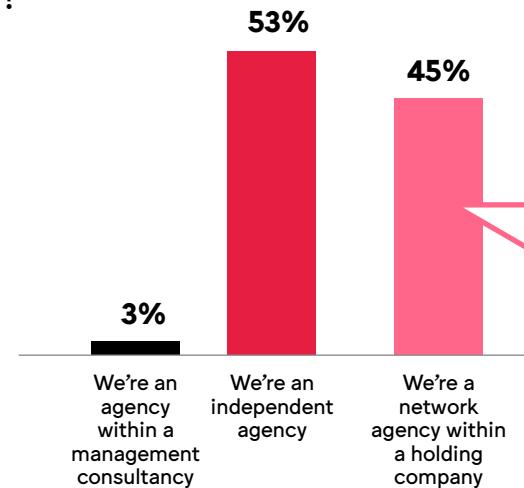


Third party tools mentioned by clients in this research:

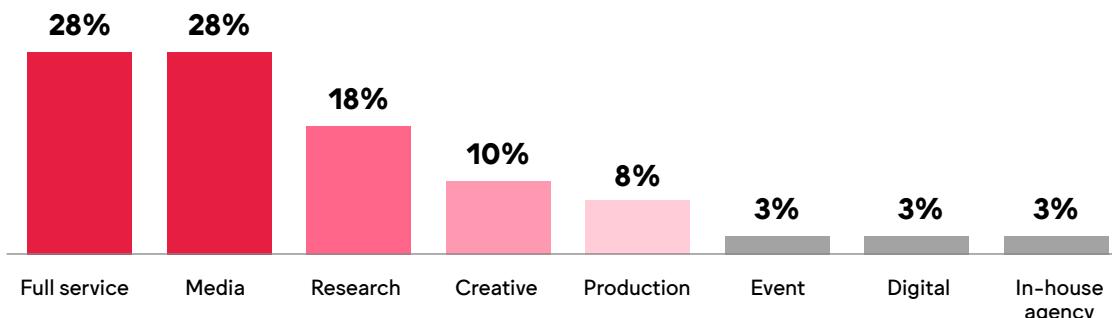
| | |
|---|---|
|  Agency Spotter |  Google survey |
|  aprais |  ivalua |
|  Ariba |  Qualtrics |
|  ClearPoint Strategy |  Smart by GEP |
|  Decideware |  SurveyMonkey |
|  Flock | |

33 agencies

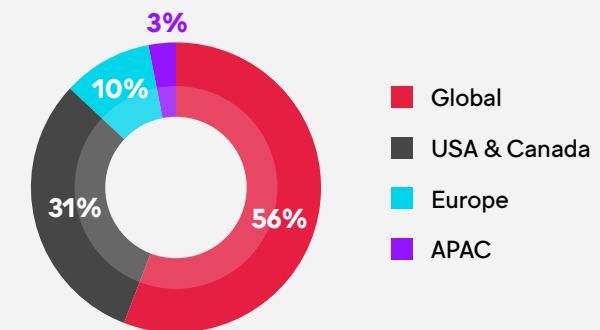
Q. How would you describe the ownership status of the agency you work for?



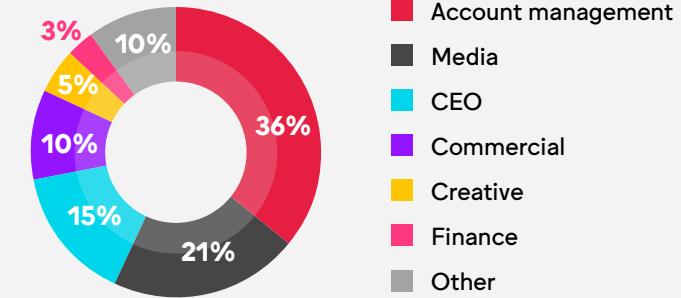
Q. Which marketing discipline does your agency focus on?



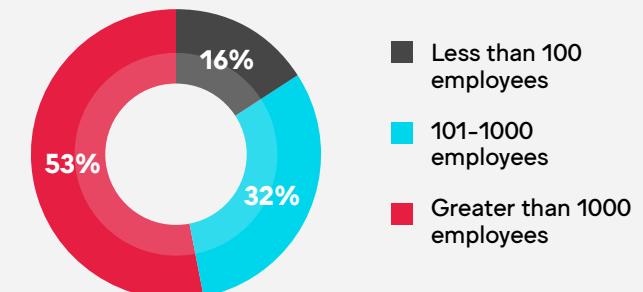
Region of responsibility



Role/function



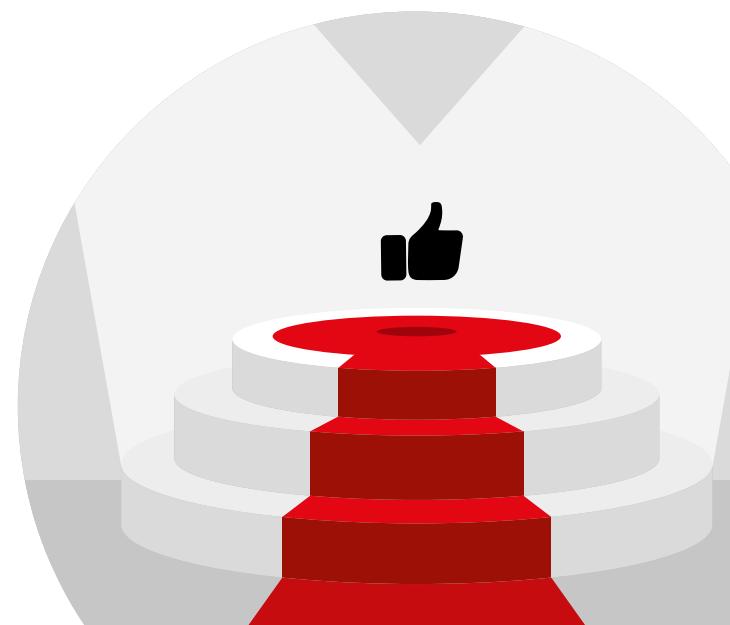
Agency size



Positive outlooks

There are several areas in which respondents reported improved approaches to performance feedback and inspired positive outlooks for the future.

1. Agencies are feeling more positive about some of the challenges previously faced
2. Agencies are becoming more comfortable with being honest to their advertiser clients
3. Over 1 in 2 clients evaluate the level of collaboration among their agencies
4. More agencies share the performance bonus with their staff working on the client account



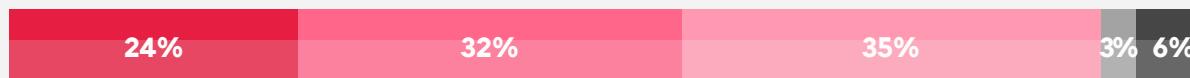
1 Agencies are feeling more positive about some of the challenges previously faced

Given the challenges of the pandemic over the past two years, we might have expected feedback to have fallen off. Performance evaluations could have been easily pared back, and certainly the sharing of that feedback could have been hampered by the logistical challenges of social distancing and remote working. Instead, agencies

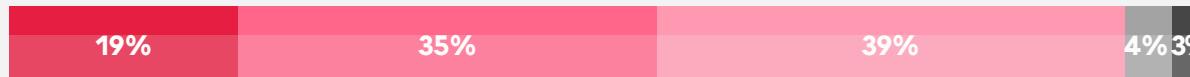
reported a slight uptick in qualitative performance being evaluated at least a majority of the time. While this was not a significant increase, holding steady might be viewed as a win, with the vast majority of agencies receiving some level of performance feedback.

Q. (Agencies) Are you generally happy with the way your qualitative performance is currently being evaluated by multinational clients?

2022



2020



█ Almost always (95% of the time) █ Some/half (50% of the time) █ Almost never (5% of the time)
█ A majority (75% of the time) █ Few (25% of the time)

Q. (Agencies) What are the biggest challenges you see in relation to agency performance evaluations? Please select a maximum of 3.

No matter what the evaluation feedback is, client is king and won't change



No debrief or lack of transparency



No action plan coming out of evaluation survey



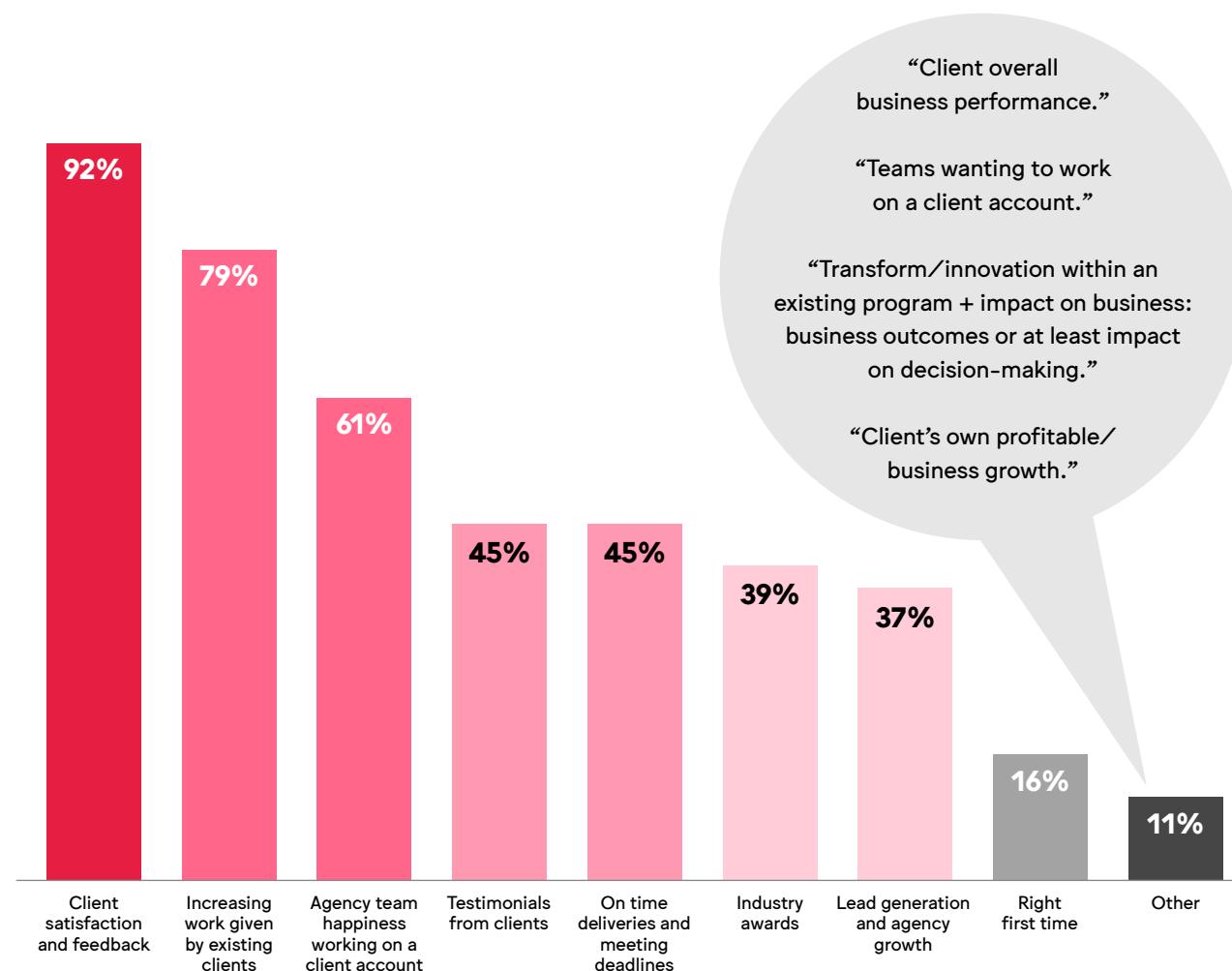
Agency satisfaction with improved client processes is further illustrated in these three statements.

The most significant is the drop in perception that clients routinely ignore feedback and operate as they always have. This acknowledgment that clients are increasingly taking feedback to heart and making changes is encouraging.

Additional improvements in the investment to debrief and create action plans to address the feedback will encourage respondents on both the agency and client side to provide meaningful responses when taking surveys.

Client satisfaction and feedback are crucial to agencies; it's their #1 KPI to measure their own effectiveness

Q. (Agencies) What KPIs do you use to measure your own effectiveness?



“360 feedback allows results to be contrasted between self-evaluation and partner evaluation.”

Sylvain Valeix
Global Client President,
Dentsu



dentsu

“Do it – so many clients don’t evaluate their agencies. As clients, we owe that to our partners, and it needs to come from the top. It’s mission critical your CMO is engaged in the process.”

Denis Budniewski,
Director of Marketing,
Agency Strategy and
Production Transformation,
Verizon



verizon

2 Agencies are becoming more comfortable with being honest to their advertiser clients

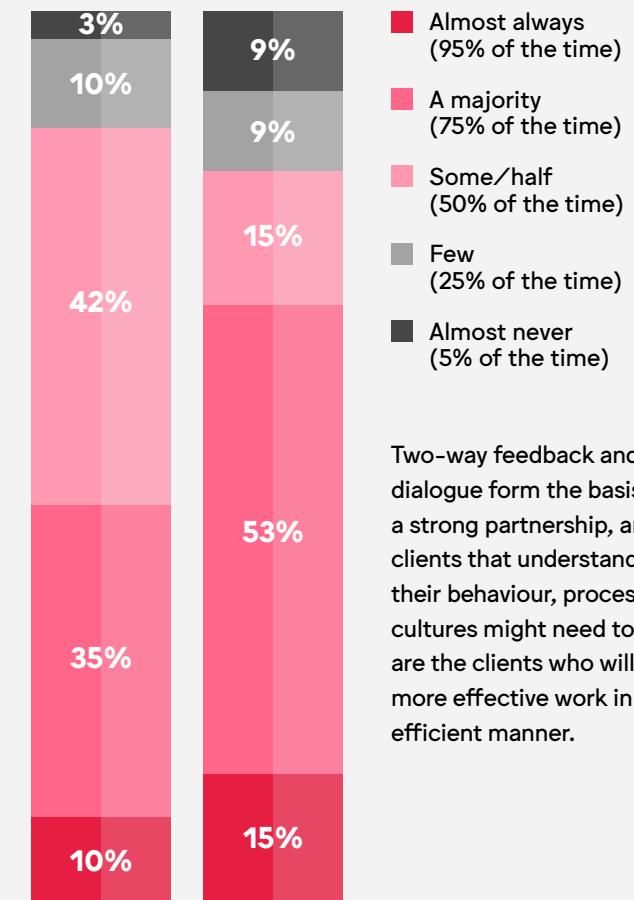
A more significant improvement came in agency perception of their own ability to provide feedback to clients. A 50% increase in at least a majority of the time demonstrates that more clients are opening up to hearing feedback from their agencies. As the client-agency relationship is never a one-way street, this marks an important improvement.

Q. (Clients) What KPIs do your agencies use to measure your performance (in helping them deliver their goals on your account)?

| | Mentioned 5 times or more | Mentioned twice or less |
|------------------------------------|--|--|
| Briefing & collaboration | <p>Briefing e.g. “robust briefing”; “clarity of brief”; “if the client gave the agency right & enough info”; “shared a comprehensive brief”; “brief quality/accuracy”; “on time and clear briefing the agencies”; “briefed with agency partners for full picture”; “clear deadlines for agency to respond.”</p> <p>Collaboration e.g. “we treat agency with respect and trust”; “collaborative effort i.e. both client (marketing) and agencies are accountable in the achievement of identified KPIs”; “client gives feedback and guidance”; “roles and responsibilities are clear”; “strategic relationship building.”</p> | |
| Client skills & openness to change | <p>Capabilities e.g. “client understanding of strategy / creative / media”; “forecasting ability”; “have a good retro planning.”</p> | <p>Innovation e.g. “client is open to being challenged and to new ideas”; “openness to innovation.”</p> |
| Operations & financials | <p>Operations e.g. “rounds of revisions”; “responsiveness”; “amount of iterations/loops/re-briefs”; “project management”; “user friendly systems / platforms.”</p> <p>Financials e.g. “on-time payment”; “appropriate / on time payments”; “budget is communicated.”</p> | |
| Performance & growth | <p>Effectiveness e.g. “delivery of brief”; “campaign effectiveness”; “brand performance; “accessibility.”</p> | |

Q. (Agencies) Are you generally happy with the way you can provide qualitative feedback to multinational clients?

2020 2022



3

Over 1 in 2 clients evaluate the level of collaboration among their agencies

How often clients assess the performance of their agencies with other agencies working onto their account, and metrics being used - WFA members comments:

“We provide direct feedback on need basis.”

“This is part of the agency overall service performance, but it is not a specific KPI.”

“We have an integration question evaluating how well our agencies work with internal and external constituents.”

“We ask a quant and qual survey question on collaboration.”

“We have this as a question in our annual evaluation that our agency users fill out.”

“Working as part of inter agency team is a qualitative evaluation criteria.”

“We subjectively assess the agency via stakeholder feedback.”

“It’s a KPI that is measured qualitatively and typically discussed during the debrief.”

“Informally.”

“When it is identified as an issue, it becomes part of the official evaluation process.”

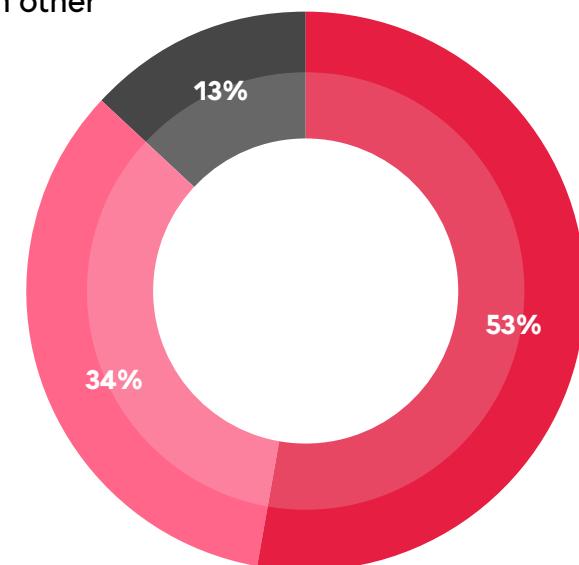
“Communication mode, connection with local or regional leaders, newsletters, updates to the team, to & from communication, clarity on topics.”

We found it positive to see that over half of the client respondents evaluate the collaboration between agencies. Indeed, agency collaboration can be one of the most significant challenges advertisers face. Campaign integration is vital, and the execution of modern media campaigns takes numerous and varied skillsets. It also takes a strong client leader to ensure that agencies’ expectations are set for what collaboration means, where one

agency leads and another follows, and ensure agencies aren’t holding back for fear of another agency poaching their work. This model demands trust and clear communication. Holding agencies accountable to the model and getting feedback for what works and what doesn’t is important. It also signals to the agencies that ‘playing well together’ is a serious expectation.

Q. (Clients) Do you assess the performance of the collaboration of your agencies with other agencies working onto your account?

- Yes
- No, but we are planning to
- No, and we don’t want to



4

More agencies share the performance bonus with their staff working on the client account

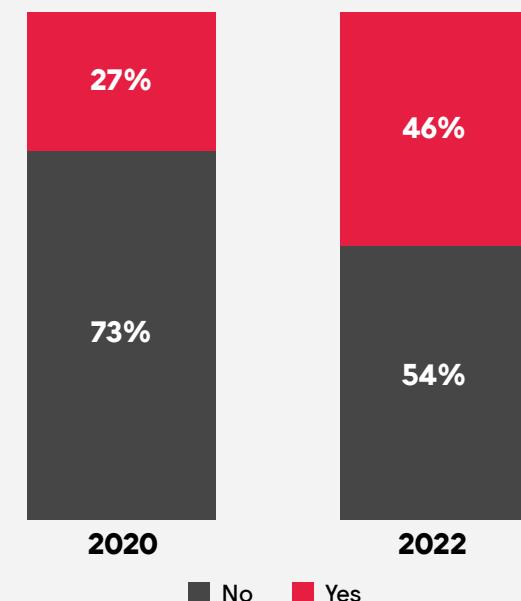
Nearly half of clients, agencies, ad tech and media companies think the industry is facing its ‘worst-ever crisis’ when it comes to talent, reaching 54% among agencies, according to [recent WFA research](#).

Sixty-eight percent globally say that talk of a ‘crisis’ is not overstating the matter, a figure that rises to 74% in the US. Considering this acute crisis, and although it could feel disconnected from the core topic of client-performance evaluations, we found it positive to highlight in this ‘positive outlooks’ section that a growing number of agencies share their performance bonus – when there is one tied to the results of an evaluation, with the agency staff working on the business.

Indeed, the number of agencies indicating that these bonuses are shared with agency staff increased from 27% in 2020 to 46% in 2022.

Linking performance to compensation and ultimately having that trickle down to the people responsible for the work is one of the most effective ways to not only drive positive behavior and shape meaningful partnerships, but also to retain talent.

Q. (Agencies) Does your agency share the bonus with your agency staff working on the business? If so, how much?



“Variable subject to overall agency performance.”

“Equally among all staff based on salary level.”

“15%.”

“10%.”

“8%.”

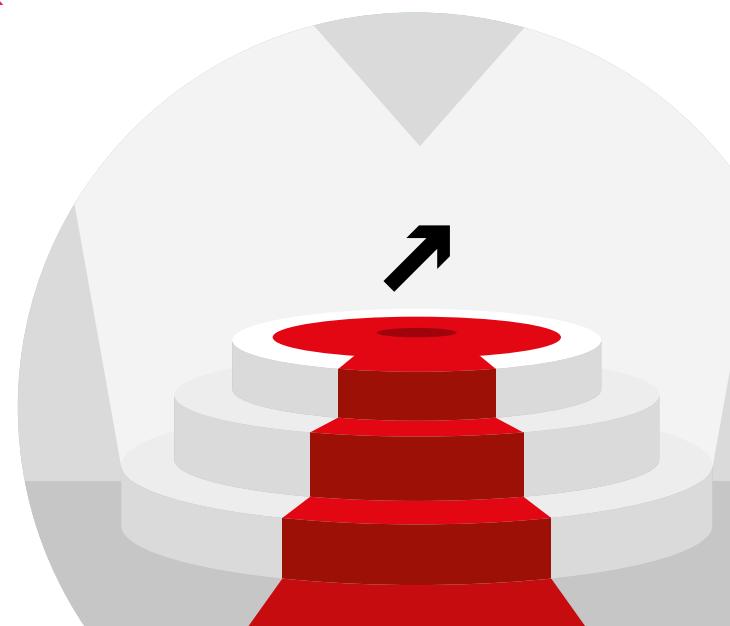
“2%.”

“Never directly linked to the client (as we never receive a bonus) but indirectly from us, for winning, retaining and growing our business with the client.”

Growing challenges

Of course, challenges remain, but clients and agencies seem to be aligned on the issues they identify. While clients' top concern is 'lack of objective or measureable KPIs' and agencies are concerned with a lack of alignment within the client, four of the top five issues were consistent across the two perspectives. By identifying such consistent perspectives, the WFA and Decideware are hopeful that clients and agencies will work to alleviate these issues.

1. **Poor alignment on the client side is the number-one challenge faced by agencies**
2. **Lack of objective or measurable KPIs is the number-one concern for clients**
3. **A significant number of agencies are still not able to provide regular client feedback**
4. **Action plans can be too heavily weighted toward agency**



Other challenges faced in the process

Client comments:

“Different agency performance practices across the company.”

“Holding people accountable for feedback and receiving in a timely manner.”

“Just getting people to participate/complete survey - 40% response rate.”

“Quantitative scores are inconsistent with qualitative feedback.”

“No consistency in the evaluation process.”

“The agency can be too afraid to say anything negative in a 360 eval.”

“Used to complain, casting negative shade on the agency in the eyes of leadership.”

“Client waiting until the performance evaluation to surface issues vs bringing it ahead.”

Agency comments:

“Slow performance gaps escalation with a few clients + difficulty with negative feedback in a context of long term/ established relationships.”

“Related to frequency, but all relationships have turbulence, so upping frequency balances out the good and the bad moments for a truer view.”

Overview of top challenges perceived by clients and agencies

Q. What are the biggest challenges you see in relation to agency performance evaluations?
Please select a maximum of 3

Client view



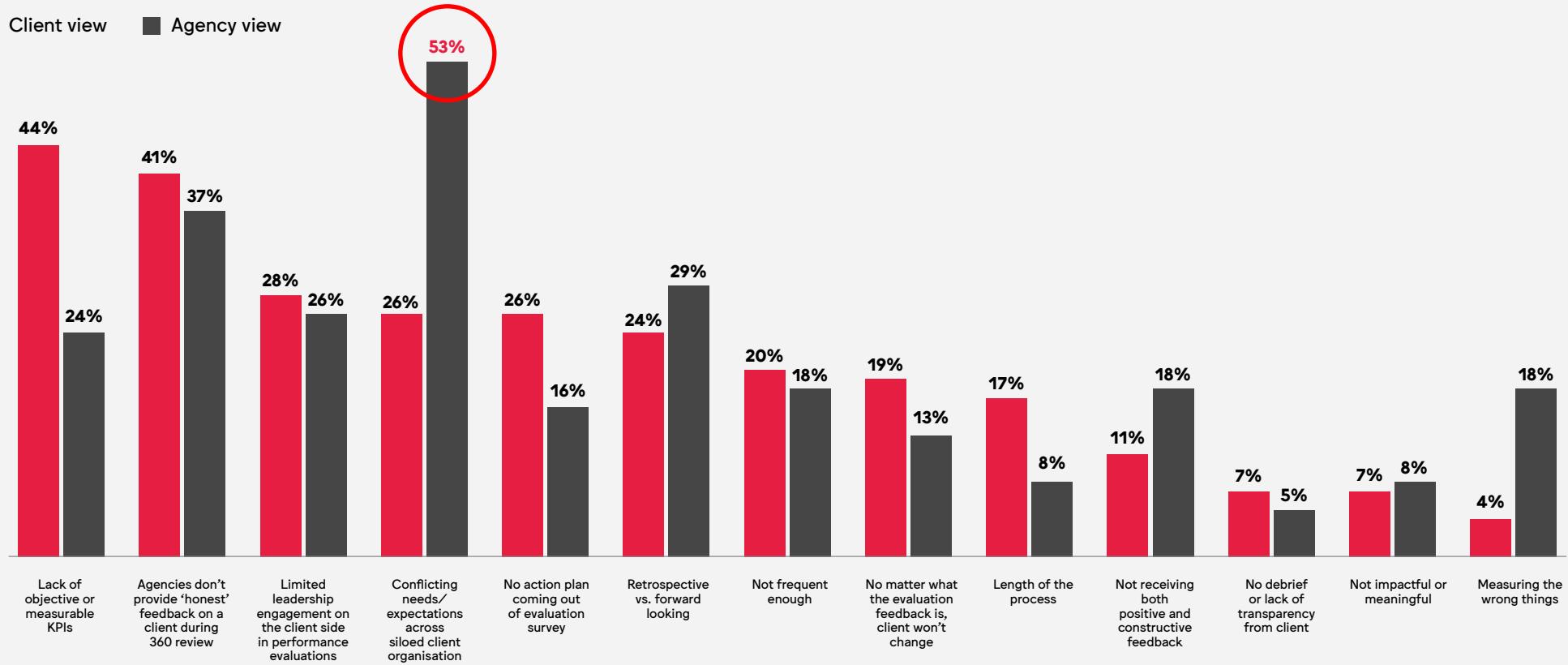
Agency view



1 Poor alignment on the client side is the number-one challenge faced by agencies

Q. What are the biggest challenges you see in relation to agency performance evaluations? Please select a maximum of 3.

■ Client view ■ Agency view



Lack of alignment starts with the various groups that touch performance evaluations within the client organization and what they are charged with:

- Procurement: financials, roster management, administrative;
- Agency management: roster management, relationship stewardship, process clarity;
- Marketing: the work, brand health and business performance;
- Finance: budget management, forecasting;
- Legal: risk, contracts.

Additionally, in large organizations multiple client teams might work with multiple agency teams. What works on Brand A might be different from Brand B due to market situation, personalities, etc. All of this can add up to different or conflicting expectations or feedback.

Client decentralisation is on the rise

While clients believe they have a more centralized approach, agencies are not feeling it. Scores of agencies are shifting away from “highly centralized” vs 2020. One note is that the agencies who responded were not necessarily working with the clients that responded. This might account for the gap.

WFA member quotes:

“Agency management facilitates the evaluation; marketing is accountable for completing it.”

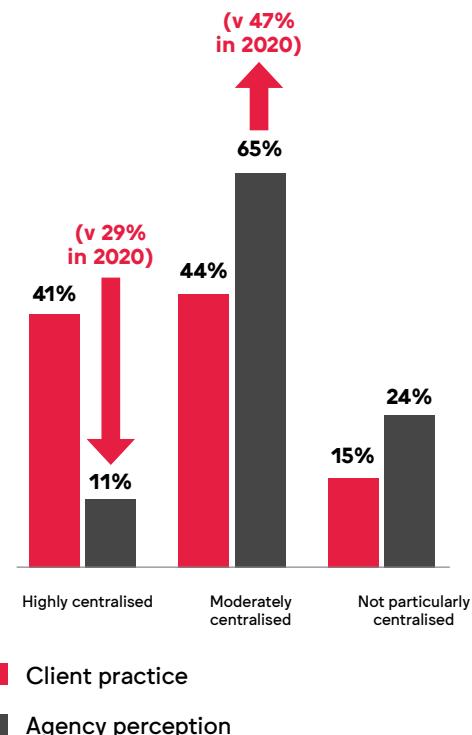
“Agency management facilitates the evaluations whereas marketing stakeholders evaluate/assess agencies.”

“Responsibility varies depending on size or business importance of the agency. Procurement are sometimes responsible too.”

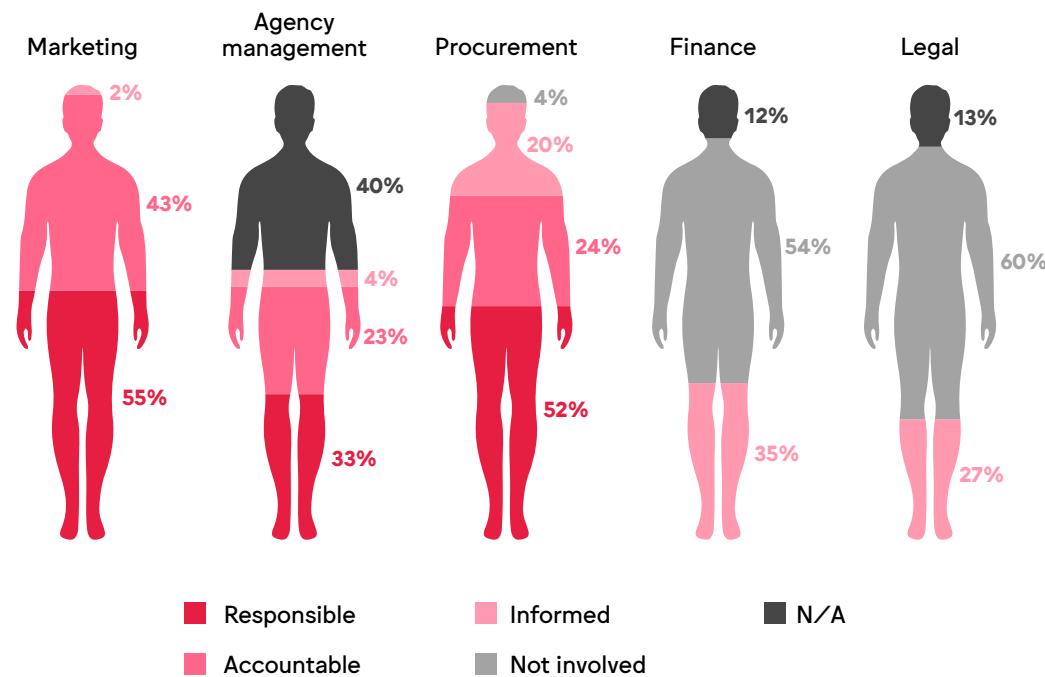
“Depending on the supplier manager (can be either business or procurement).”

“Agency performance is only ever assessed by the stakeholders who use their services in a performance evaluation.”

Q. To what extent do clients have a centralised approach to performance evaluation?



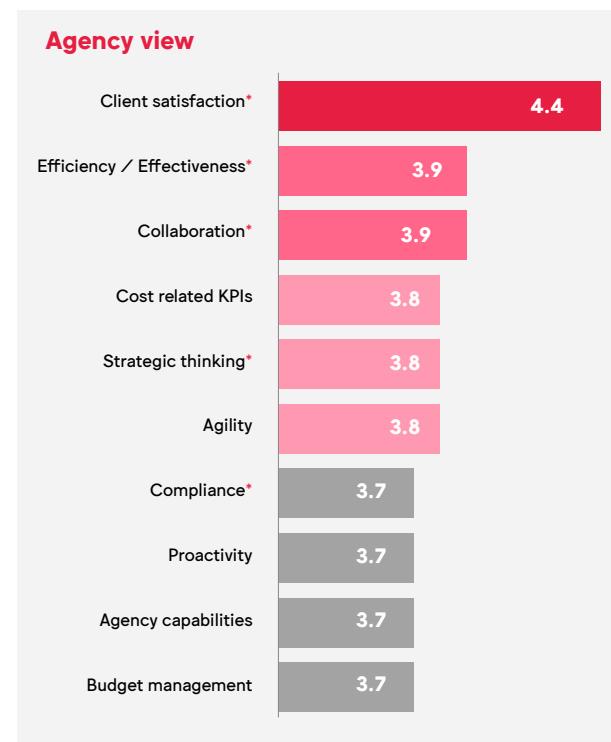
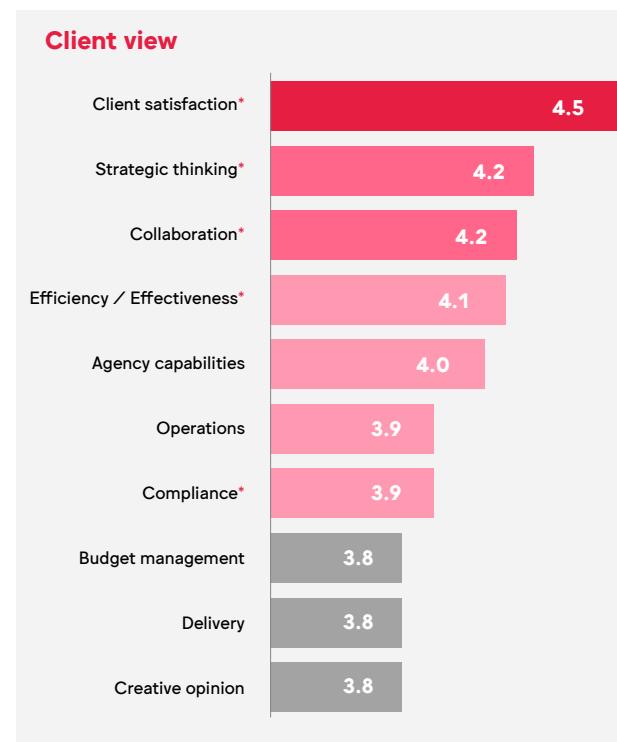
Q. (Clients) What role in your organisation do stakeholders take when assessing and reviewing the performance of agencies working onto your account?



Although clients and agencies generally align on the KPIs being used...

When this survey was fielded in 2020, agencies identified KPIs they thought were most meaningful. In the 2022 survey, both agencies and clients indicated that those KPIs are most often being used in performance evaluations.

Q. How often do clients use the following KPIs to assess their agency's performance?



*Top 5 of KPIs valued the most by agencies in 2020

“Consider quality over price.”

Michael Murphy,
Quantitative
Research Director,
2CV



“The no.1 KPI should be our contribution to the client profit or return on their marketing investment, combined with the degree to which they did or did not take our advice, together with their advertising effectiveness performance once ads are in the market.”

John Kearon,
Founder and Executive President,
System1

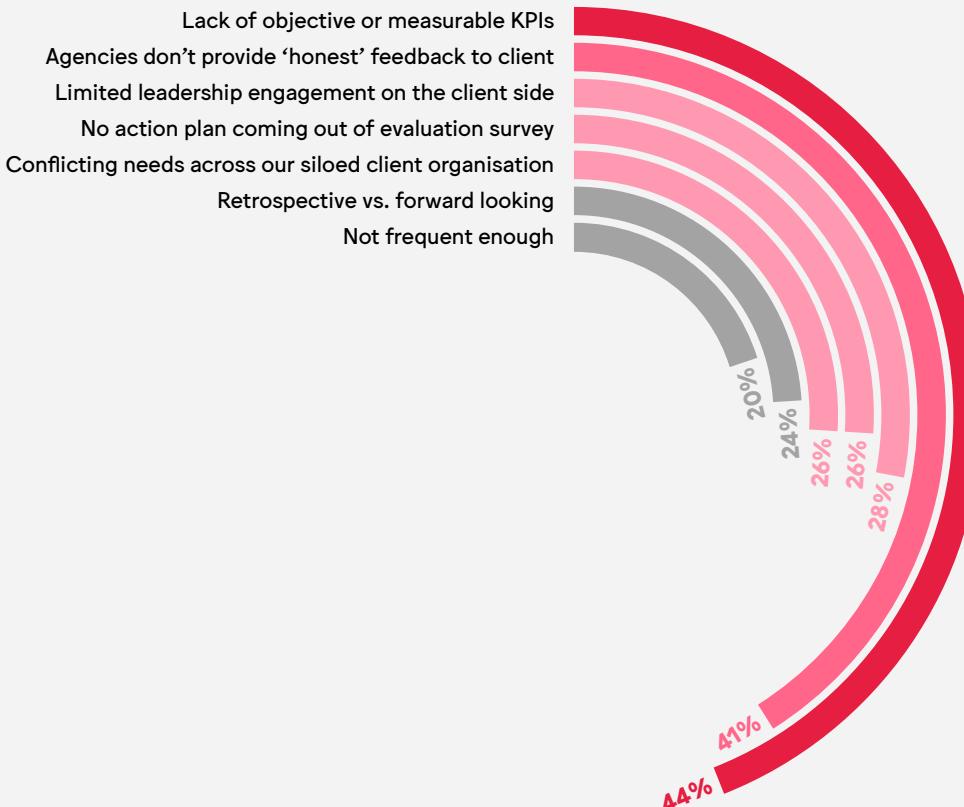


2 ... A lack of objective or measurable KPIs is the number-one concern for clients

A lack of measurable and objective KPIs is the number one concern clients had regarding performance reviews.

While some services lend themselves to objective, measurable KPIs, others might not. Measurement and attribution of success can be even harder when agencies collaborate with one another on particular projects or campaigns. This becomes tricky – and possibly unfair, if on top, some links are made with remuneration. In a world transitioning further into strategic data analysis, marketers from around the world are recognizing that the ways they measure their strategic partners leaves much to be desired.

Q. What are the biggest challenges you see in relation to agency performance evaluations? Please select of maximum of 3.



“KPIs must be easy to measure, but also easy to interpret.”

Thomas Jahn,
Sr. Procurement Category
Manager, Marketing,
Arla Foods



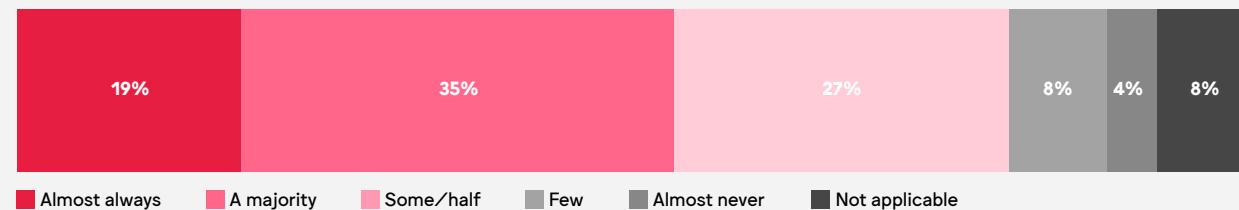
“Keep in mind all the internal and external factors impacting marketing performance that are outside our control and isolate the KPI we can influence directly.”

Anthony DelVecchio,
VP, Management Supervisor,
Marcus Thomas



Some KPIs can be common...

Q. (Clients) Are some KPIs common to all your agencies (of all types)?



“Be honest and ask the questions you really want to ask!”

Briony Blyth,
Marketing Operations Lead,
NatWest



| | |
|------------------------------------|---|
| Impact on client sales performance | <ul style="list-style-type: none"> Sales growth e.g. leads, conversions, impressions |
| Impact on brand performance | <ul style="list-style-type: none"> Brand tracking measures e.g. brand health metrics |
| The agency's general performance | <ul style="list-style-type: none"> Account management Internal client satisfaction (NPS) Understanding of brief/needs, brand understanding Ability to challenge Responsiveness, timeliness, availability, deadlines Accountability, access to senior leaders Collaboration Nimble work processes, increased efficiency On-time delivery Innovative thinking Reuse of creative Transparent cost/budget management, competitiveness CSR criteria |

“Get feedback from different levels of the organization.”

Iwona Stefanska,
Sr. Manager, Procurement – Indirect,
Ferrara Candy Company



“Get senior sponsor to endorse it!”

Audrey Rodriguez,
Global Procurement ATL
Creative & Production,
Heineken



... But in general, performance evaluations are being tailored by most

Targeted audience

“Surveys are sent based on supplier classification and segmentation (total indirect suppliers), i.e. only to key strategic suppliers.”

“We have gold, silver and bronze contract management and all suppliers are categories based on a series of questions into one of these. Gold: mandates KPIs; silver: we recommend and bronze: we generally encourage stakeholder ownership.”

“We typically implement formal evaluation with top tier agencies only.”

“We have identified agencies into multiple criteria – niche, core, recommended, authorized, forbidden and blocked.”

“Only strategic enterprise suppliers (i.e. global, high spend, highly strategic, impacts business operations / net sales) are in SRM.”

Per service provided

“Different evaluations are used for different types of service providers.”

“By and large there is universal consistency, but certain retail marketing activities (agencies) demand (the nature of the business demands) a deviation.”

“In house and production agencies get a slightly different and tailored survey.”

Remuneration model

“We only do formal performance evaluations with agencies that have a monetary bonus tied to performance.”

Objective based

“We tend to tie the evaluation to the key objectives, which can differ per agency partner.”

Risk management

“The process tends to be based on spend and perceived risk of the service.”

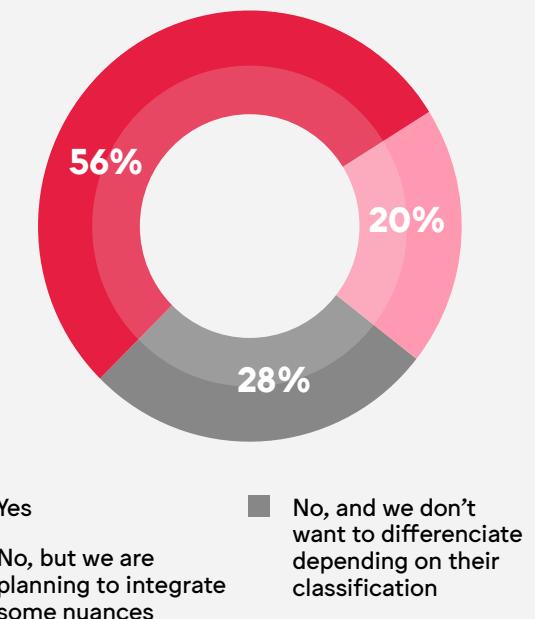
Localisation

“Local agencies are managed by local markets and may not have structured KPIs in place.”

Ad-hoc

“Although our questionnaire is standardized for the purpose of benchmarking and comparison, we offer respondents to adjust their responses based on the agencies sweet spot.”

Q. (Clients) Does your performance evaluation process vary according to your agency classification or segmentation e.g. strategic vs less critical/multiple options?



Agency KPIs wish list

KPIs tied to sales growth always make the list as an interesting KPI for agencies. The challenge is that there are so many contributing factors related to a campaign's success or failure that it becomes difficult to tease out the agency contribution vs. other factors such as budget, product pricing, regulatory environment, etc., which also impact sales performance.

Q. (Agencies) What area of your performance do you feel is the least evaluated by clients and hope to see some change?

| | Mentioned 5 times or more | Mentioned twice or less |
|---|--|---|
| Sales growth & contribution to business strategy | Sales growth e.g. "the agency ability to positively improve clients' profit/return on their advertising investment"; "impact of agency teams on client business, as effort (time) and quality of (output) is often less valued than the process of getting there (project management, timing)"; "real impact on the client business." | Contribution to business strategy e.g. "contribution of ideas to broader business"; "how much we push on a client. It's mainly seen as a pain, but we view it as our responsibility to push hard to make sure clients are giving every initiative the best chance to break through." |
| Enjoyment of the relationships | Agency satisfaction e.g. "satisfaction of the agency team working on the client business"; "whether agency talent want to work on a client business." | Client satisfaction e.g. "beyond work. What the agency does to 'save the day' is always appreciated in the moment but quickly forgotten." Collaboration |
| Capabilities & knowledge | Agency capabilities e.g. "AOR understanding of category / brand relative to smaller, specialized agency competitors." | Strategic thinking e.g. "thinking, strategies, ideas that extend, build or push the boundaries of the brand." Creativity |
| Effectiveness & proactivity | Effectiveness e.g. "amount of time spent managing client internal processes"; "resource utilisation vs demand/delivery"; "overall delivery by the agency entity to the client stakeholders." | Operations e.g. "amount of work / diligence leading up to the final deliverable as many things occur to get to the final deliverable (report or presentation) and that aspect of the work can often go unnoticed." Proactivity Agility |

"I would encourage clients to consider the amount of work / diligence leading up to the final deliverable. Many things can occur to get to the final deliverable (report or presentation) and that aspect of the work can often go unnoticed. Factor in all the work that leads up to the deliverable and factor in the amount of time given to complete."

John Bekier,
Chief Executive Officer,
M&RR



"Clients shouldn't use the exact same form for all agency partners – not all business models and outputs are alike, by design."

Kristi VandenBosch,
President, U.S.,
Oliver

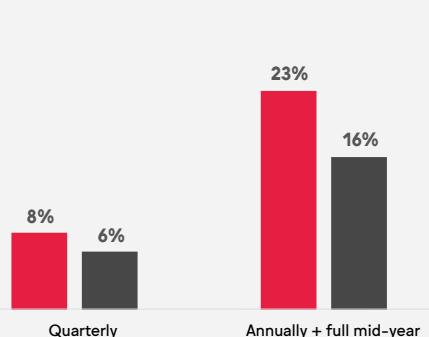


3 A significant number of agencies are still not able to provide regular client feedback

There is good news and bad news. The number of agency respondents stating they are able to provide feedback increased significantly for ‘annually + full mid-year’ and ‘annually + mid-year light touch’ evaluation, and there is generally alignment between agency and client perspectives. However, almost 30% of agencies surveyed said they didn’t have any opportunity to evaluate their clients.

Q. How frequently do agencies provide feedback to their clients on their performance?

■ The client view: how often clients said they receive feedback from their agencies



■ The agency view: how often agencies said that they provide feedback to clients

“Encourage 360 feedback; it is important for agencies to rate clients as it is a two-way relationship.”

Deaneesha Govender,
Global Strategic Sourcing Category Manager – Sales and Marketing, Intel



intel.

“We want our agencies to feel comfortable and be able to provide open and honest feedback on what we can do better to improve our ways of working.”

Elena Di Caro,
Global Procurement Category Manager Marketing Services, Shell



“During Quarterly Business Reviews, our agency partner will identify any areas where they would like us to improve to help them work better. We encourage our agency to be honest about what we need to do better, to help them succeed.”

Todd Wilson,
Director, Media & PR Procurement, The LEGO Group

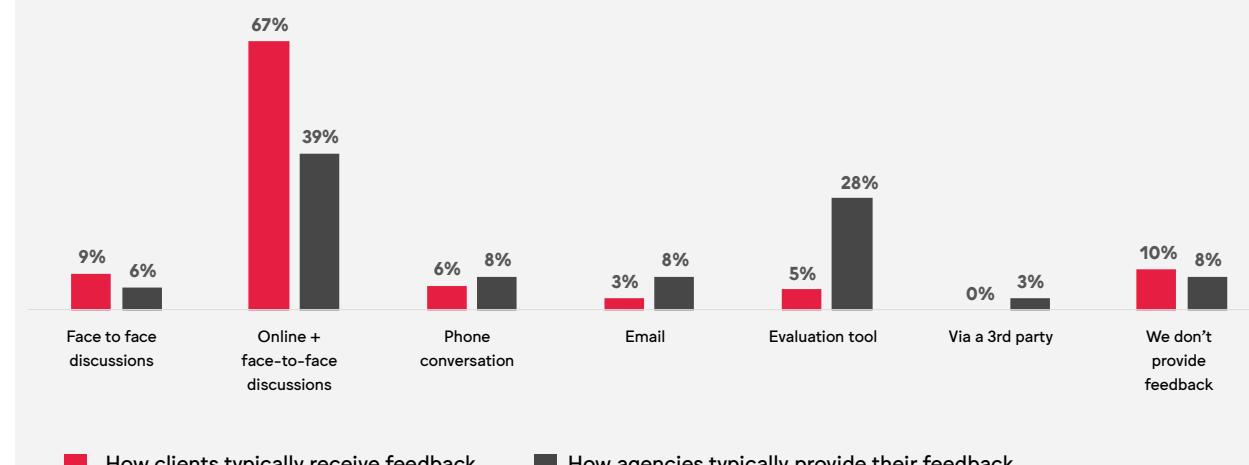


LEGO

Clients' claims of face-to-face opportunities for agencies to provide feedback are not reflected in many agencies' experience

Conducting surveys and capturing the data they provide is necessary, but sharing that feedback and engaging in a dialogue about what is and isn't working is the ultimate goal of such programs. Evaluations without a meeting and action planning will not change problematic behaviour, ineffective processes, or resolve other challenges. Agencies surveyed indicate a gap vs. client responses. The number of meetings has increased significantly, but 47% of agencies indicate that no meaningful conversation occurs or the data is either just sent to them or not shared at all.

Q. How do agencies typically provide feedback to clients?



“Where agency-on-client evaluation is in place, the assessment follows various parameters. These could include communication, responsiveness, briefing quality, forecasting ability, user friendly tools / platforms, on-time payment management and more.”

Bianca Stefanescu,
Head of Category – Marketing Procurement,
Asahi Europe & International



“Responsiveness, clarity of brief, campaign effectiveness, clear roles and responsibilities clear, or communication of budget, are examples of metrics used by our agency partners to measure our client performance.”

Liz Sautter,
Strategic Sourcing Manager,
Levi Strauss & Co



“Our agency is as good as we are as a client. They regularly evaluate our performance on:

- On time and clear briefing;
- Clear deadlines for them to respond to;
- We provide clear feedback and guidance;
- We are open to being challenged and to new ideas;
- We treat our agency with respect and trust.”

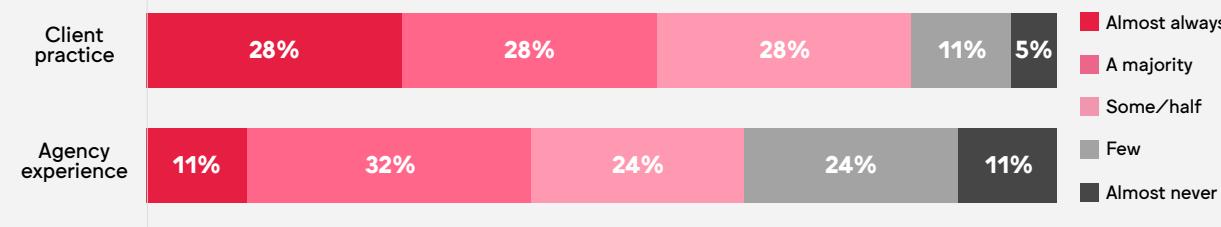
Georgina Hickman,
Global Media & MarTech Procurement,
Galderma



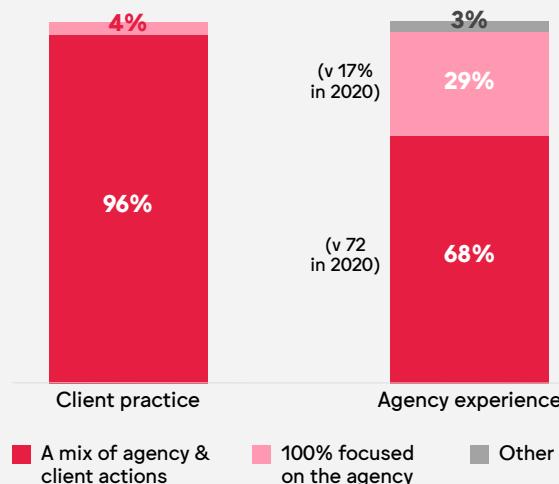
4 Action plans can be too heavily weighted toward agency

Most clients say a formal action plan is ‘almost always/a majority’ put in place, but that’s not always reflected in agencies’ experience. In surveying the extent to which action planning occurs, there is again a gap between client and agency perspective. Agencies indicate a very slight drop off in the practice. There is also some softness in tracking and reporting on the completion of, or adherence to, the action plan. Lastly, agencies believe the onus of the elements of the action plan tend to fall on their shoulders rather than a shared responsibility for addressing any issues that arose in the evaluations.

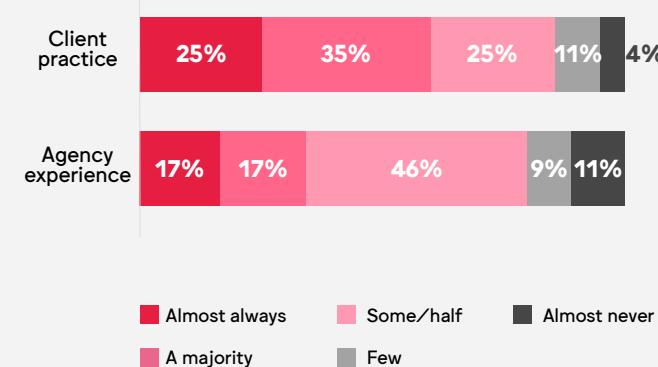
Q. How often is a formal action plan put in place as a result of the evaluation?



Q. If a plan is put in place – are the actions:



Q. If a formal action plan is in place – is it tracked?



“Be more candid with feedback where client behaviour holds back performance.”

Tom Stear,
Senior Global Category
Leader – Global Media,
Kimberly Clark



“Do not over complicate the survey and focus on the action plan.”

Amanda Lello,
Director – Marketing,
Sales Services and
Insights & Analytics,
Kellogg



“Focus on mutual value gain and long-term, trustful relationship.”

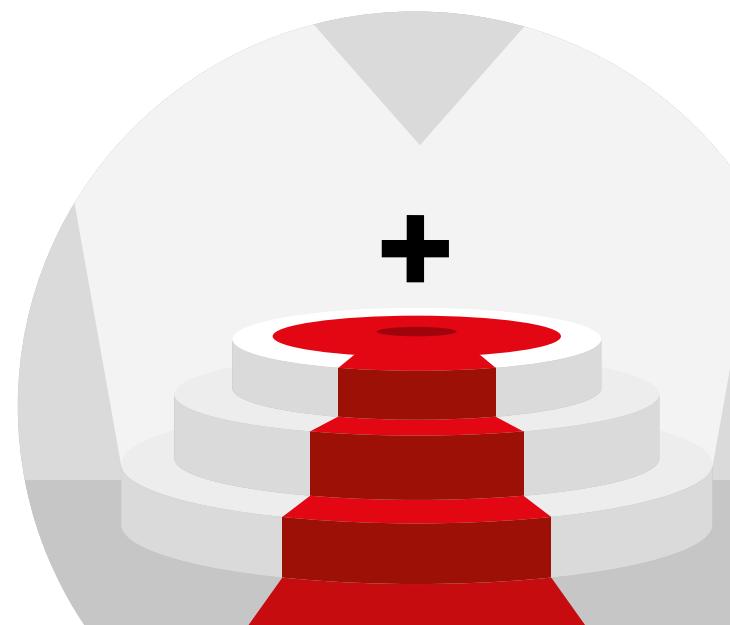
Virginia Marchetto,
PRO Global Category Lead Sales
Operations,
Bayer



Other key findings

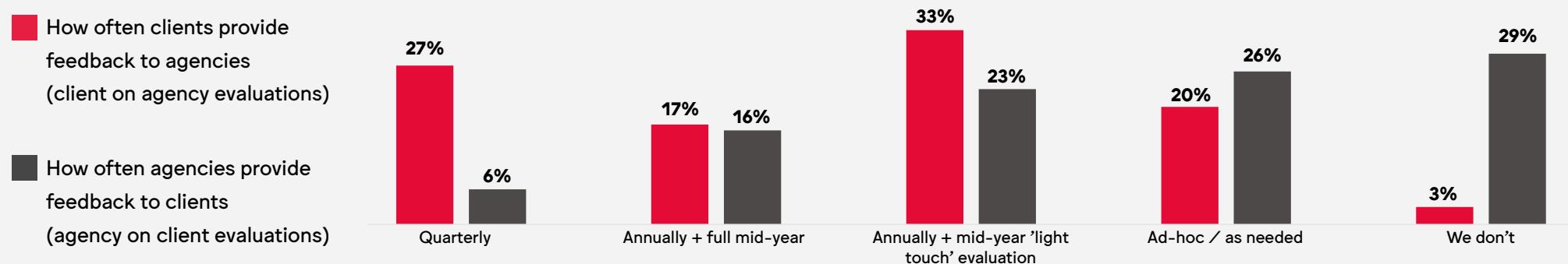
The first two sections of this report focused on common characteristics to client-agency performance evaluations. This section aims to offer additional opportunities for clients and agencies, to improve the evaluation process.

1. Overall, agencies are being evaluated more often than clients
2. Missed opportunity to close the 360-degree feedback loop through self-assessments
3. Agencies do not always find it appropriate to be paid based on their performance
4. Wide range of opportunities available to reward agencies beyond traditional schemes

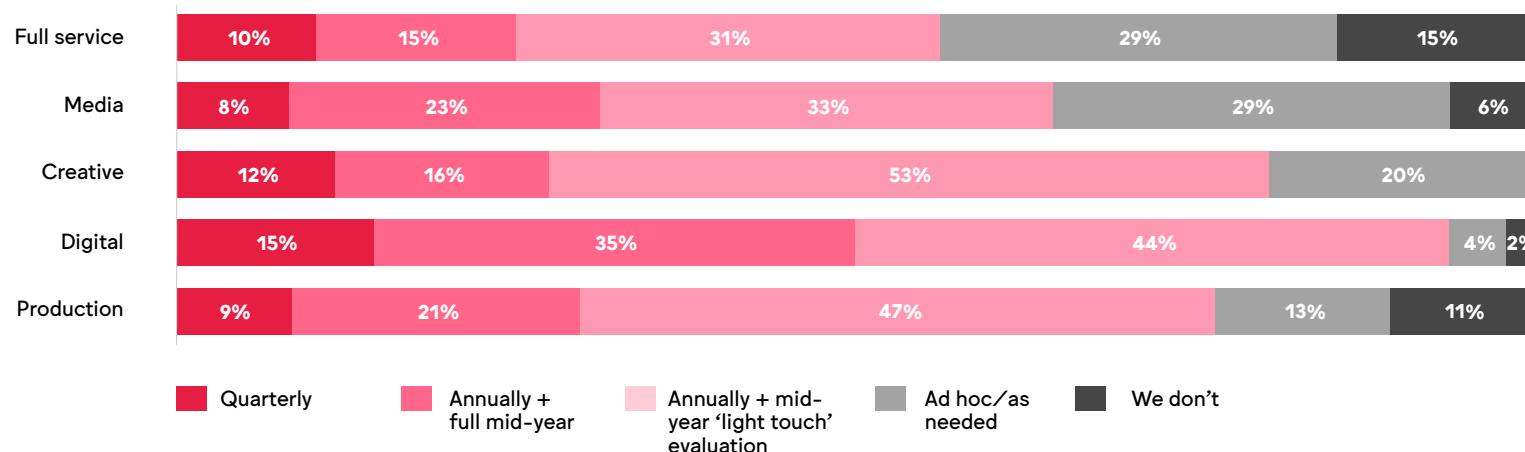


1 Overall, agencies are being evaluated more often than clients

The noted gap in the ability for agencies to provide client feedback is concerning. Almost 30% of agencies say they don't have the opportunity to provide feedback, with another 25% having to do that in an unstructured way. When breaking this down by type of agency, clients seem to be prioritizing media, full service and creative agencies for most regular feedback. Digital (35%) and production (44%) partners indicated they are most likely not to get any opportunity for structured feedback.



Q. (Clients) How frequently do you provide feedback to your agencies on their performance?



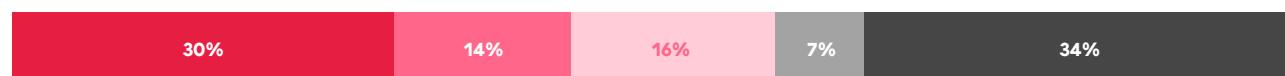
2 Missed opportunity to close the 360-degree feedback loop through self-assessments

Q. (Clients) Do your agencies evaluate their own performance (self-assessment) and share results to you to identify gaps vs their perception of their performance?

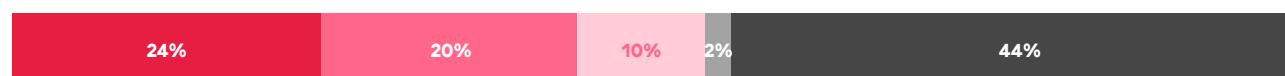
Full service



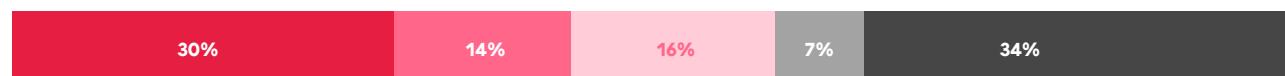
Media



Creative



Digital



Production

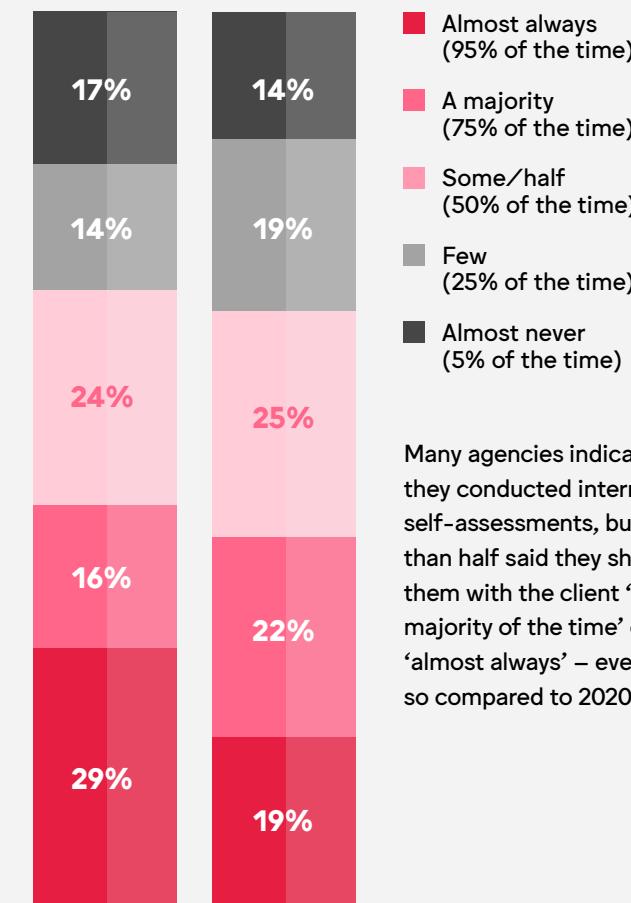


■ Almost always ■ A majority ■ Some/half ■ Few ■ Almost never

Additionally, the nature of these self-evaluations had more to do with client satisfaction, industry recognition or growth, which is a very different list of criteria than what appears in most client evaluations. Perhaps better alignment between client and internal agency metrics is needed.

Q. (Agencies) Do you evaluate your own performance (self-assessment) and share results to your clients to identify gaps v their perception of your performance?

2020 2022



Many agencies indicated they conducted internal self-assessments, but fewer than half said they shared them with the client 'the majority of the time' or 'almost always' – even less so compared to 2020.

3

Agencies do not always find it appropriate to be paid based on their performance

Q. (Clients) How often do you link your agencies' compensation or remuneration to the results of the evaluation?

Full service



Media



Creative



Digital



Production



Almost always

A majority

Some/half

Few

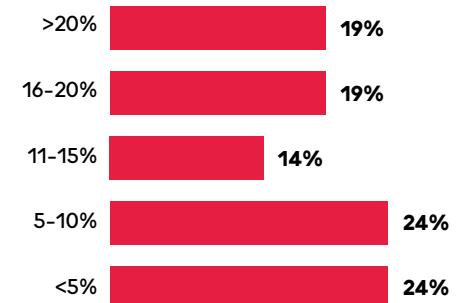
Almost never

Q. (Agencies) How often should your compensation/remuneration be linked to the results of the evaluation?



- Almost always (95% of the time)
- A majority (75% of the time)
- Some/half (50% of the time)
- Few (25% of the time)
- Almost never (5% of the time)

What % of your overall remuneration should be linked to your performance?



Need for flexibility and adaptation

The viability of incentive compensation is a matter of industry discussion. This survey sheds some colour on why that might be happening:

- Not all agencies are comfortable with incentive compensation;
- Those that do, don't want it to make up a significant portion of their overall compensation;
- Most frequently, agencies with the clearest KPIs (media and digital) are the most likely to have some level of incentive compensation.

The lack of objective KPIs and willingness of agencies to link their compensation to measures that are subjective or difficult for them to influence is a constant issue with incentive compensation.

Q. (Clients) What % of your agencies overall remuneration is linked to their performance?

Full service



Media



Creative



Digital



Production



<5%

5-10%

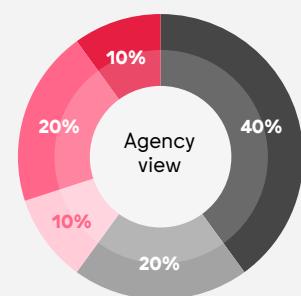
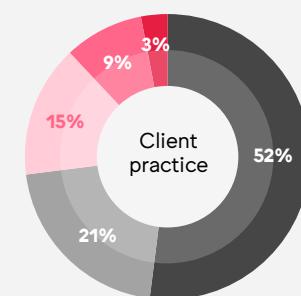
11-15%

16-20%

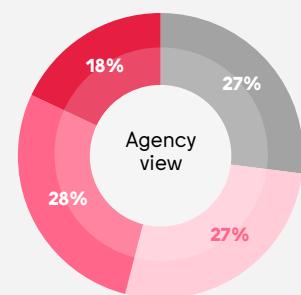
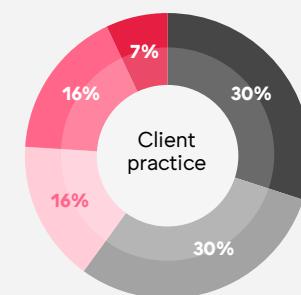
>20%

Q. (Agencies) How often should your compensation or remuneration be linked to the results of the evaluation?

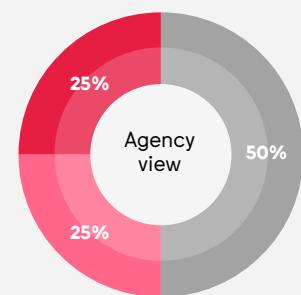
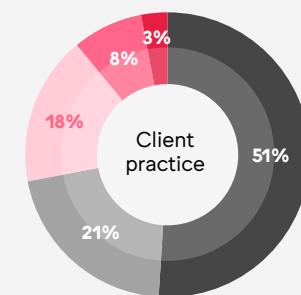
Full service



Media



Creative



<5%

5-10%

11-15%

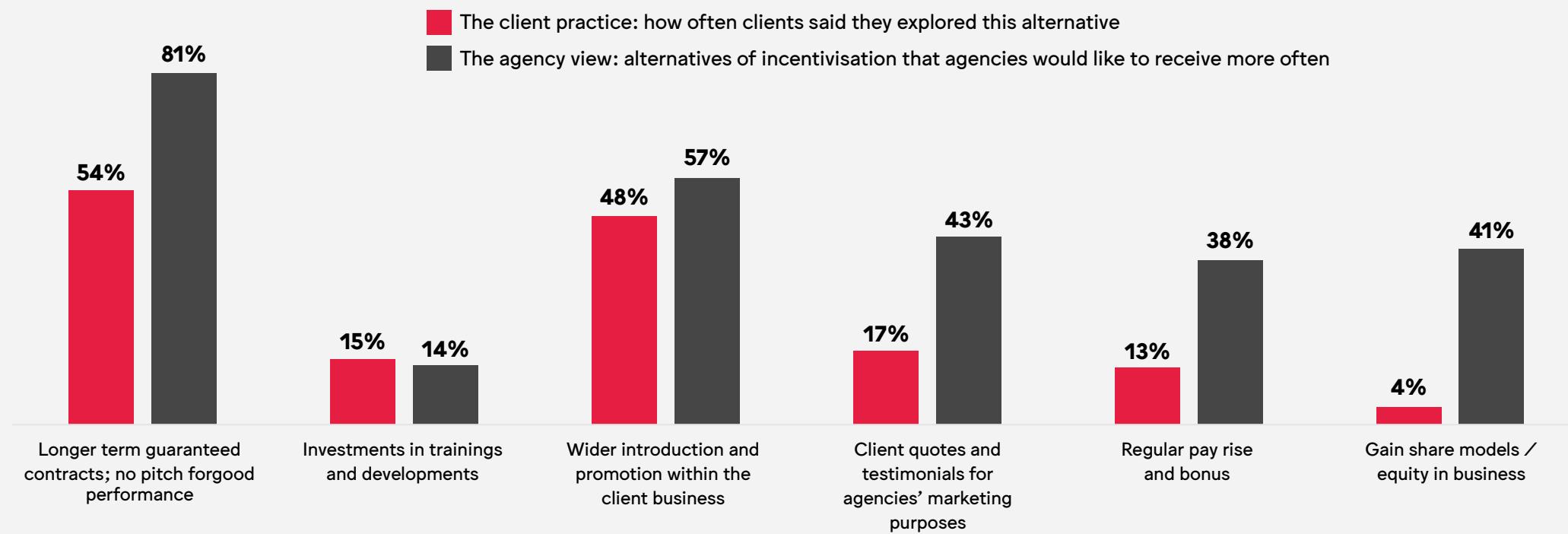
16-20%

>20%

4 Wide range of opportunities available to reward agencies beyond traditional schemes

Agencies were asked to rank other means of incentivisation and clients indicated approaches they have explored. Long-term engagements and not having to pitch for work led the way for both. Assisting with new business opportunities either within the client organization or by supplying testimonials or quotes followed. Agencies are interested in equity, but that might not be realistic for the larger, public companies that made up most of our sample.

Q. What type of incentivisation or reward is offered to agencies - beyond the traditional KPI-based performance \$ bonus?



Core agencies are most likely to have the benefits of a robust performance feedback process

Can clients create tiered approaches that align their investment of time to the value the agency brings? Extending ‘light processes’ to more agencies will bring value. This can be done by creating processes that working teams can use to alleviate the workload from agency management or procurement SRM processes.

For agencies whose work is more tactical, quantitative project feedback can serve both teams well.

It was a difficult two years. To see many elements stay the same or improve should be considered a win of sorts, but too many gaps remain.

01

02

03

04

Clients audit

Understand how your internal practices impact agencies. If your decentralized model works for you, communicate how you expect agencies to manage that and adapt your evaluation process to accommodate different expectations.

KPIs

Further alignment between clients and agencies is possible:

What are the quantitative measures most appropriate to the relationships?

1. Brand health scores;
2. Lead generation;
3. Trials;
4. Foot traffic;
5. Online sales;
6. Measurable efficiency within the process, e.g. reduced rounds of revisions, speed to market.

How are they balanced with qualitative business drivers?

1. Strategic impact on the marketing/business plan;
2. Working relationship;
3. Breakthrough work;
4. Ability to deliver against a brief;
5. Play well with other agencies.

Action planning

Commit to a process for deriving value from the surveys.

Ensure feedback meetings happen. Don’t just share data but co-develop a plan to address pain points.

Ensure that plan equally addresses shortfalls on the client and agency sides.

Identify individuals responsible for following through and hold them accountable.

Agency involvement

Embrace the evaluation process.

Where possible inform your partners what measures are meaningful to you and work towards the measures meaningful to your clients.

Give honest feedback. Be constructive and save personal issues for another venue. Identify what gets in the way of doing your work and problem solve around it.

Examples of KPIs mentioned in this research

Accessibility

Availability, agency can be reached at all times

Agency capabilities

Understanding of the brand challenges and audience, development of relevant strategies

Agency satisfaction

Agency staff enjoyment to work on the client account

Agility

Flexibility, ability to change plans/budgets quickly, speed of change

Brand tracking measures

Campaign performance results, awareness, brand lift, adoption

Budget management

Completion of projects within/under budget in line with client goals

Client satisfaction

Client enjoyment of the relationship

Collaboration

Affinity, agency team going the extra mile, ability to collaborate with other agencies (other client's preferred partners), daily management of the account

Compliance

Accuracy of the work provided, flawless content, right first time (RFT)

Contribution to business strategy

Ability to add value and enrichen the brief, keeping the client's goals aligned with what's happening in the world

Cost related KPIs

Hard savings YoY, agency cost or price competitiveness v market

Creative opinion

Production of qualitative/creative ideas in line with key message and targets, smart and surprising answers to the brief

Delivery

Ensuring what is committed to in pitch is carried through

Efficiency/Effectiveness

Delivery in time and meeting deadlines, overall response time, punctuality

Freebies

The number of free services or 'value add' the agency provides for free

Innovation

How has the agency helped with innovative projects, capability to reinvent

Operations

Effective communication with various levels of stakeholders and regions, nimble agency teams to work cohesively across regions, agency disseminating information efficiently

Proactivity

Client brand knowledge & agency ability to anticipate needs

Sales growth

Impact of the agency on the client business or brand revenue

Strategic thinking

Overall agency planning, power of the Big Idea, thought leadership, ability to build and improve on the brief, new approaches to old way of thinking

decideware

About Decideware

Decideware is the leading provider of agency management software used by global advertisers. Marketing and Procurement teams of large advertisers rely on Decideware software to get the most out of agency partnerships. Advertisers benefit from the business intelligence to optimise agency management and inform marketing strategies as well as process efficiencies and working capital generation. Built for advertisers and supported with deep expertise, Decideware provides the scale, power and flexibility needed to engage stakeholders in agency optimization programs.

Find out more at: www.decideware.com

Contact: edward.mcfadden@decideware.com

WFA

About WFA

The World Federation of Advertisers (WFA) is the voice of marketers worldwide, representing 90% of global marketing communications spend – roughly US\$900 billion per annum through a unique, global network of the world's biggest markets and biggest marketers. WFA champions responsible and effective marketing communications worldwide.

Find out more at: www.wfanet.org

Contact: l.forcetti@wfanet.org

WFA

World Federation of Advertisers

London, Brussels, Singapore, New York

wfanet.org

info@wfanet.org

+32 2 502 57 40

twitter @wfamarketers

youtube.com/wfamarketers

linkedin.com/company/wfa

KING & SPALDING

Note: All WFA benchmarks, survey results, agendas and minutes are reviewed by King & Spalding, our competition lawyers. WFA Competition law compliance policy:

The purpose of the WFA is to represent the interests of advertisers and to act as a forum for legitimate contacts between members of the advertising industry. It is obviously the policy of the WFA that it will not be used by any company to further any anti-competitive or collusive conduct, or to engage in other activities that could violate any antitrust or competition law, regulation, rule or directives of any country or otherwise impair full and fair competition. The WFA carries out regular checks to make sure that this policy is being strictly adhered to. As a condition of membership, members of the WFA acknowledge that their membership of the WFA is subject to the competition law rules and they agree to comply fully with those laws. Members agree that they will not use the WFA, directly or indirectly, (a) to reach or attempt to reach agreements or understandings with one or more of their competitors, (b) to obtain or attempt to obtain, or exchange or attempt to exchange, confidential or proprietary information regarding any other company other than in the context of a bona fide business or (c) to further any anti-competitive or collusive conduct, or to engage in other activities that could violate any antitrust or competition law, regulation, rule or directives of any country or otherwise impair full and fair competition.