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### Ignore decoupling at your peril warns Olga Budimir, Operations Director at Burkitt DDB



Research from the 'Magic and Logic' white paper\* has suggested that clients favour decoupling. Well if I was a client I'd decouple too. Does that surprise you? Well as someone who deals with suppliers daily, has set up repro in-house, and negotiates best prices for my clients on a daily basis, why wouldn't I?

Yet then I realised that of course I'd do it with over 26 years in the Creative Services Industry. I understand the creative process. I understand the production process. I know the supplier base and I've kept abreast of technology.

Now ask me to buy automotive parts from the Far East and I become nervous. I have no idea what I'm talking about here. I've no in-depth knowledge of how a car is produced, what the supplier base is like or any of the pitfalls that car production entails. So if I was put in this position, I'd employ an expert. Additional costs maybe but surely I'm saving money?

Hang on. Isn't that what the agency has? Experts? Aren't their costs included in the fees?

The problem is that most agencies don't pay enough attention to this area so that when clients criticise them, they don't have an answer. How many times have I heard from Creative Services Directors around London that their MD or CEO doesn't understand what they do. There isn't a budget for training staff in Creative Services. The only time that it becomes important is when there is a client problem in that area, such as when they query an estimate for production presented to them as a lump sum. Would you pay your mechanic £600 for work carried out after a service if it wasn't itemised?

It's no good ignoring this part of your business and I believe many agencies do, but why? A properly run, client-transparent Creative Services department can be lucrative for the agency, bringing in income and saving man hours, as staff won't need to wander all over London looking at proofs. It streamlines the whole process for both client and agency, and more importantly saves the client the amount of time they would have to spend overseeing the administration. It embeds you the agency in the client's brand, making it difficult for them to move away from you. Brand guardianship doesn't end when the concept is approved.

Agencies add value in not only controlling the creative and quality process, but in the risk management undertaken on behalf of clients. They understand the process, the risk and the fact that they are ultimately accountable. Does the same go for the supplier who has taken on the production services, or have they won the job on cost alone?

Furthermore, is the belief amongst clients that we're incompetent true? Well ask yourself what training and support you've given to the people in this area? Procurement managers have usually gone through training to enable them to analyse, in a logical way, what they are buying and from whom. What training have your buyers had? What checks have you carried out? Have you assessed their skills so you know that they will answer a client's questions in a professional manner? Or, despite a client's criticism and comments, have you downsized this area and left the tough negotiations in the hands of someone you've neither trained nor motivated, or even a freelancer?

Or have you thrown all your time and energy into the 'new media,' or digital? How long before history repeats itself and clients decouple digital production too.

There's new evidence that clients are beginning to believe that this is an area fraught with risk and one in which there are many advisers, not all advising to a client's benefit. Clients will look to their agencies to give them better guidance; when they do, will your agency be ready or will you have opened the door to decoupling?

\* Footnote:

On the 22nd May 2006 the three leading associations for procurement, agencies and marketing: CIPS, the IPA and ISBA published 'Magic and Logic': redefining sustainable business practices for agencies, marketing and procurement. The joint industry white paper identifies how the three parties can best work, both individually and together to produce profitable growth for all.

The white paper, which is the first published output from the joint industry Value Framework initiative, is the result of an extensive consultation by independent researcher Marilyn Baxter with thought-leading practitioners from all three disciplines. It provides an objective but critical overview of industry practice and identifies key issues for the industry collectively to address.

It confirms the need for greater clarity of agendas, openness, integrity, professionalism, process, and efficiency. At the same time it calls for a radical rethink about the terms of engagement between agencies and clients when it

comes to pitching, remuneration and intellectual property.

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