



## The best clients get the best work

Most managers would agree that the Kevin Rudd approach to getting the best out of civil servants (“I’ve got news for them. It’s going to get harder”) usually achieves the reverse effect. So what does motivate performance? Money?

I was negotiating with a well known agency on behalf of a client recently, when I raised the prospect of performance incentives. The CEO said “Our people don’t need any incentive to do great work”. The walls full of awards and constant new business wins demonstrate his point.

Smart advertisers like the idea of sharing the gain or the pain, but they shouldn’t confuse an incentive with a bonus or performance payment. They have different effects.

A *Performance Payment* is paid to the agency for achieving agreed KPIs – usually a mix of ‘hard’ measures (quantitative e.g. sales/share), ‘intermediate’ measures (also quant. e.g. brand tracking, website visits) and ‘soft’ measures (qualitative relationship monitor). A typical performance payment structure rewards the agency for achieving KPIs and can also punish non achievement. The intended benefit of a ‘PP’ is to link the agency’s payment to what is important for the client. It is in the spirit of partnership. Risk and reward is shared. However it provides no more *incentive* than a tip does for a waiter.

A *Bonus* is also paid for achieving agreed KPIs, but this time there is no downside. It really is a tip. A few enlightened agencies share the bonus with the team that worked on the business. I’d like my team sharing in the spoils if I was a client. Reward goes to the people who earned it. But it’s unlikely to have much effect on their



performance during the year – it's too remote.

What has most effect on the way an agency team behaves is the way they are treated. I have just completed a performance review for a client and their agencies, and the agency rating of ten members of the client team vary between an extraordinary 93 and a lowly 35 out of 100 across 24 relationship criteria. No marks for guessing who gets the best work and the greatest effort from the agency.

The key words that distinguish good clients from bad are partnership, trust and respect. Agencies perform best when there is a spirit of partnership, rather than Kevin Rudd's 'master/servant' approach. (In fairness to the PM he was having a bad week with Fuel Watch and Bill Henson and he may not have meant what he said).

In my long agency experience as an Account Director and Managing Director, I have only had a few "clients from hell". Most have been pretty good and a few have been inspirational. Like the majority of us, most clients are not equipped to be inspirational but you can still be a great motivator by:-

- Sharing the vision and the results;
- Making the effort to give great briefs;
- Planning ahead so the agency has time to do their best work (you will then be forgiven for the occasional panic);
- Listening;
- Having the courage to explore new and big ideas;
- Intelligent interrogation of strategies and ideas;
- Showing trust (it's a two-way street);
- Not penny pinching;
- Saying thank you;
- Arriving on time;
- Congratulating the agency on its successes.

None of this means that you should be a pushover. You can do all of the above and



still behave like a cut snake if you are let down.

The objective of all clients should be to be the agency's best client. That is the most effective and cheapest way of getting the best from your agency.

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2<sup>nd</sup> June 2008

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