
AN INTRODUCTION TO C.A.R.E.

It is the universal experience of advertisers and agencies that the quality of advertiser-agency relationships has a big effect on the quality and effectiveness of marketing communications that is produced. Agencies produce their best work for clients when the working relationship between client and agency is strong and each provides managerial accountability and leadership within their respective areas of functional expertise.

In fact, according to the 2000 Salz Survey of Advertiser-Agency Relationships, when advertisers were asked to predict the impact on sales if their agencies did their best work all the time, they estimated an increase of 26 percent! Unfortunately, the same research shows that, according to the top agencies, they do their best work for only about 65% of their clients. That means a lot of money is not being managed appropriately. Our experience shows that the fault lies with the client just as often as it does with the agency, even though the agency usually shoulders the blame.

To help advertisers and agencies improve the situation, we've developed an *industry-leading assessment instrument* called **C.A.R.E.** (Client-Agency Relationship Evaluation). With few exceptions, advertisers and agencies don't do an adequate job evaluating the finer details of their relationships, from top to bottom, on an ongoing basis. It's too bad, because proper attention to managing the details of such an important partnership can help ensure the health of the relationship from top to bottom, and preempt the usual breakdowns that lead to relationship friction and eventually to an agency search.

The survey is web-based, and is completed by each person who plays a major role on the account at the advertiser *and* the agency. It assumes that both advertiser and agency contribute equally to the success of the relationship, so both sides are treated equally in the assessment in regards to those aspects for which they are accountable. This tool is not a one-sided agency evaluation that's meant to assign blame. Rather, it's fundamental role is to improve and enhance.

Here is what the survey provides:

- A completely unbiased third-party assessment for both sides of the relationship
- A benchmark of advertiser and agency perceptions of each other against their expectations of 'excellence'
- Advertiser and agency assessments of their own the other's actual performance
- Weightings of key attributes
- Gap analysis of performance expectations and perceptions
- Identification of priority improvement items for both advertiser and agency

No matter how much your company (or client) spends annually on marketing communications – be it hundreds of thousands or tens of millions of dollars – executives and shareholders expect to see tangible top-line results and maximum return on their investment. In today's hyper-competitive world, squeezing the maximum value out of every dollar matters. Doing that requires a disciplined commitment, effective leadership, and process implementation and improvement by both the advertiser and the agency.

With this in mind, we ask you make a commitment to C.A.R.E.

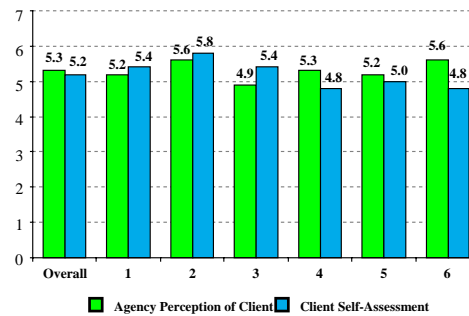
FIVE MAJOR COMPONENTS OF C.A.R.E. OUTPUT FOR ADVERTISER & AGENCY

1. Illustration of the Relationship



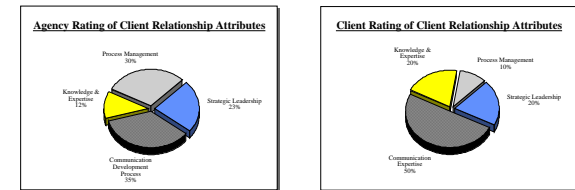
Graphical representation of Client-Agency relationship

2. Category Score



Detailed breakdown of components of overall C.A.R.E. Score

3. Category Importance



Comparison of Category & Sub-Category Importance

4. Top Improvement Items

TOP TEN AGENCY IMPROVEMENT ITEMS

The following list prioritizes the top ten items that the research indicates would generate the greatest impact on the Client's perceptions of the relationship and would lead to improvements in the Client-Agency relationship. The priority is a factor of the gap size for each item multiplied by the weighting the Client allocated to the category in which each item is contained.

RANK	IMPROVEMENT ITEM	CATEGORY
1	Leadership & involvement of senior management team heading the agency	Strategic Leadership
2	Agency acts as a strategic partner to our business	Strategic Leadership
3	Account team checks every item internally before forwarding it to us	Effective Execution
4	Agency's ability to complete tasks reliably and accurately	Strategic Leadership
5	Agency led meetings are well managed and meaningful to those in attendance	Effective Execution
6	Agency's personnel's knowledge and expertise of our industry	People, Infrastructure, Expertise
7	Agency's ability to employ its knowledge and expertise to benefit our business	People, Infrastructure, Expertise
8	Agency sets reasonable deadlines and strictly adheres to them	Effective Execution
9	Agency's ability to instill confidence that they are knowledgeable about our business	Strategic Leadership
10	Agency's structure is consistent with our growing needs	People, Infrastructure, Expertise

Because of the overwhelming importance customers place on Strategic Leadership as a relationship attribute (39.3% of total weightings), these items must receive top priority even though the gaps were not as large as those in other areas. Performance in these areas must be kept high even while improvements continue in other areas.

Most important improvement items overall and within each category

5. Verbatim Responses

The comments below were provided by the respondents as part of the Organizational Vitality Survey.

Agency Comments
<ul style="list-style-type: none"> <input type="checkbox"/> Client very opportunistic and profit oriented but tries to make the work fun <input type="checkbox"/> They lack a strategic viewpoint and have no long-term vision and marketing intuition <input type="checkbox"/> High degree of respect, empowerment and entrepreneurship <input type="checkbox"/> Short-term thinking only. They tend to avoid issues rather than deal with them directly. <input type="checkbox"/> Sales focused rather than market-focused culture. Occasional held back by slow decision-making and unwillingness to take risks. <input type="checkbox"/> The environment in our groups is not too level conscious. People all feel safe to express their opinions and take active part in the "management" of their own area of responsibility <input type="checkbox"/> Negative politics are not addressed. It hinders effectiveness in all areas. <input type="checkbox"/> We respond well to fire-fight situations. Reactive modes strong. Sometimes focus on much on short-term litigation at the expense of long-term benefits and thinking. <input type="checkbox"/> Strong egos and politics can thwart progress sometimes. <input type="checkbox"/> Great culture and place to work. Team spirit, however, appears to be eroding.
<ul style="list-style-type: none"> <input type="checkbox"/> We are too political and don't deal with issues that need to be dealt with directly. This is creating a lot of stress on the account rep. <input type="checkbox"/> We know that we will be launching new campaigns at certain dates and that we need to be seen to extend the deadlines and then expect us to meet them. <input type="checkbox"/> We need to consistently challenge the status quo and work towards improving our processes and those of the client. If we don't take control, they will continue to boss us around in the end we all suffer. <input type="checkbox"/> Hierarchy doesn't get in the way of good ideas. The attitude of clients is great. I feel we are all serving the team objectively and are mindful of doing the right thing for the client.

Verbatim comments and Improvement Recommendations