

## **Creative directors should focus on their own strategy**

**BY TONY MANNING**

The war between some creative directors and *AdVantage* magazine is utterly fruitless – and bad for everyone involved. No one will be better off for it.

John Farquhar, editor of the magazine, has been critical of creatives for two decades, not just for the past five minutes. His views are well known and probably don't influence clients one way or another. By tossing their toys out of the cot – and by threatening to dump copies of *AdVantage* on Primedia's doorstep – creative people simply reinforce the immature image that he ascribes to them.

The ad industry is in trouble, a victim of its own skills. As self-proclaimed experts in positioning and brand building, agencies have painted themselves into a corner.

For all their efforts to broaden their product offering, they are still seen as bit players in a bigger business game.

In the hundreds of strategy workshops I have facilitated over many years, agencies have been present in no more than three or four occasions. And while some may be asked for their views about wider strategic issues, or called on as a sounding board from time to time, this is more the exception than the rule.

Meanwhile, agencies are under siege from management consultants, public relations firms, promotional companies, IT vendors and internet experts. They used to fear each other; now they have to fend off a host of “unconventional” competitors.

The bad news is, this new challenge has only just begun. The pressures on agencies will get much worse. If they don't rapidly apply their skills to their own problems, they will find that someone else has eaten their lunch.

This isn't a problem unique to the advertising industry; every business faces exactly the same challenge today.

When Jack Welch became chairman of General Electric in 1981, he warned his people: “When the rate of change outside is greater than the rate of change inside, the end is in sight.” His latest theme is “destroyourbusiness.com.”

This sounds crazy, coming from a man voted most admired manager of the century by Fortune, but Welch knows that the most dangerous time for any business is precisely when it appears to be most successful. He wants his business unit heads to make their current ways of operating obsolete before someone else does.

Ad agencies would do well to think about this.

It is remarkable that of all industries, advertising is the one in which just about everyone wakes up daily with the intention of selling novelty, change and big ideas, yet for probably 100 years has changed little about itself.

It is equally remarkable that while clients reinvent their business models to stay competitive in a world of price deflation, agencies do little more than accept cuts in their prices.

Sure, they add on research, design, sales promotion and other services. And yes, they do claim to be “totally integrated” with their clients – business partners of the highest order. But the fact remains that whatever they promise, they are basically in the

communications business. And much as they'd like to move further up the value chain, they are stuck in a box labelled "copy and art."

Smart advertising people know that it is suicide to make promises that can't be supported. But their self-promotion gives little hint of any understanding that building a brand is much more than creating a TV commercial or a snappy slogan.

The process may begin in a research laboratory or as a result of a new insight about customer needs. Then it involves many functions – design or formulation, prototyping, manufacturing, distribution and so on.

Competitive advantage hinges increasingly on technology, licenses, patents and alliances. So brand building hinges on profound decisions about business philosophy, investment strategy, people and systems.

These are areas where agencies can't in all honesty play a role. What's more, since a great deal of innovation is a product of day-to-day activities, and not the output of a project or a team, it has to be the responsibility of insiders, not outsiders – as agencies inevitably are.

So what should agencies do, to survive and thrive in the years ahead?

The answer is simple. Their product is communication, and there will be a growing demand for effective communication. But they need first to show that they truly understand what makes business work. Then they need to widen the scope of their contribution beyond just marketing, and to work harder to prove that what they do really works.

In the next century, companies of every type will need to more carefully manage relationships with a widening array of stakeholders. Creating specific messages for each audience, and integrating those messages, will increasingly be seen as a top management responsibility.

Corporate executives will need specialist support in this task. But while agencies seem more concerned with winning awards than influencing their clients' stakeholders, they will be taken less than seriously.

And while methods of measuring the effectiveness of their work remain questionable, they will be second-guessed by clients who are forced to rely on gut-feel and emotion to value what they're asked to approve.

The one thing that no company will be able to do in the future is bore customers into buying from them. Creativity will more not less important; and breaking through the clutter will be ever more difficult as everyone "pushes the envelope."

Marketers who do not understand this – and who do not push their agencies to do extraordinary work – do themselves a disavour. But they also make a mistake when they use performance at the Loeries as the most important criterion for selecting their agencies.

Neither do agencies serve themselves well by constantly hyping their ability to win awards, instead of their role in winning hearts and minds and driving performance and profits.

Making a decision to go with the advice of auditors, lawyers, merchant bankers and management consultants is every bit as subjective as saying yes or no to an advertising campaign. But these professionals don't muddy the waters with "contests"

that are mostly about mutual back-slapping. They don't set out to win the approval of their peers and to plaster their hallways with certificates and statues awarded on the basis of nothing but opinion. Ironically, their image-building has a clarity that the advertising industry lacks.

John Farquhar has a point. It may be irritating and he may not be constructive. But he is right to call into question the ability of a multi-million rand industry to do what it is paid for. And so far, the industry has done a poor job of proving its worth.

More precise methods of measuring communication are obviously needed. And clients need to be clearer about their objectives when they hire and brief agencies.

Meanwhile, surer positioning of themselves by ad agencies would be a smart move. And that's where creatives should apply their minds.

*Tony Manning is a consultant in competitive strategy and change management.*