

Seven Simple Savings

How we save clients on their agency fees

All the partners at Blamer Partnership have either run or owned their own agencies. This unique understanding of agency operations, cost data and financials are helping our clients save up to 35% on agency fees, while establishing better, more accountable client/agency relationships.

Where do we find the savings:

Agency Overstaffing

Do you know how long it takes to create and produce a :30 spot, develop a print campaign or new website? Most CMOs don't and most procurement people do not have the practical hands-on experience. The answer can be wildly different depending on how the assignment(s) are defined. At Blamer Partnership, we have the experience and data to help clients determine if the agency is overstaffing for each project on the client's SOW. Many times, the agency allocates extra resources or time to make sure they can complete the project. But, our negotiations and information suggests that agencies do this to simply justify their staffing plans. And, let's face it, increased staffing drives up fees and agency profits. At Blamer Partnership, we help the client define the SOW assignments, determine the complexity, rework and creative rounds so overstaffing does not occur but still gets you, the client and the brand what it needs.

Better Defined SOW

Some clients develop a SOW and some do not. Without a well-defined SOW, it would be like building a house without blueprints. At Blamer Partnership, our SOW process is much more than just a project list -- it is also a Rate Card. You see, with a little more detail and discussion of what the brand needs to reach its objectives, we can give the agency greater insight into what resources are warranted. This also helps Blamer Partnership establish costs or fees for each SOW assignment and evaluates those costs vs. our data and experience with similar projects. The SOW

should be completed by both the client and agency, but the client should only pay the Rate Card amount established by Blamer Partnership no matter how long it takes to complete the assignment.

Elimination of Waste

Agencies can waste a lot of time and money if parameters and guidelines are not established upfront. At Blamer Partnership, our system helps clients eliminate waste by establishing guidelines for each SOW assignment. This in turn gives the agency a better understanding of what is required, how many creative teams should be assigned and even what level of experience that assignment needs. No one wants to limit an agency's creativity, but by establishing these guidelines, the agency does not have an "open checkbook" in their efforts to "crack" the assignment.

Need Not Hours

Most agency cost plus contracts establish FTEs, hourly rates, overhead factors and guaranteed profit margins. While time is money, clients need to move away from paying based on unlimited hours and start paying based on brand needs. At Blamer Partnership, we know that agencies fill their time sheets to meet the pre-agreed hours or FTE requirements. By eliminating this step, the accounting manipulation stops and output or need determines the agency fee. If marketplace conditions change and assignments are cut from the SOW, the client pays less without having to renegotiate the agency contract. This provides the client with greater flexibility and cost control as the year unfolds.

Benchmarking Overhead Rates

Overhead rates have notoriously been areas that agencies try to hide additional profits. This has also been an area where procurement has tried to analyze and review from many different vantage points. At Blamer Partnership, we too see a wide variation in overhead rates among the agencies we evaluated. We start by benchmarking the different components against standards we have established over 30 years as well as up-to-date data we are constantly gathering from all different types of agencies. Many times we see as much as thirty to forty percent difference between agency overhead rates and our standards. Our expertise and negotiation skills allows us to find any hidden overhead costs that clients should not be paying.

Aligning Account Management and Planning Needs

Agencies, in every marketing sector, are in the creative business in one way or another. The agency's creative output and final product is the key deliverable most clients are seeking. At Blamer Partnership, we spend time with each of our different

clients to understand the role and importance of Account Management and Planning. The degree of agency staffing in these two areas is a function of the SOW creative assignments and how important these two departments are to a client's business. Account Management and Planning costs can represent a large percentage of the overall agency fee if not managed properly. We help steer clients so that we can justify these labor expenses and make sure they are within our recommended norms and in-line with the client's SOW.

Agencies Must Earn Their Profits

You don't hire an agency to keep the status quo. An agency is hired to sell stuff and generate more revenue for the client. Yes, it might be through higher brand awareness, changing people's perception about the brand or introducing the brand to a new group of people, but it should always contribute to the top line numbers. On average, most agency contracts guarantee an agency 20% profit no matter the outcome. At Blamer Partnership, we think agency profits should be earned and paid for with the incremental revenue the agency helps generate. "Fair and shared" metrics are key. We help the client establish these metrics to make sure they are achievable and consistent with how the client's management team is also being evaluated. This zero-based process saves the client an enormous amount of money because agency profits are only paid if the goals are achieved and incremental client revenue is generated. This makes the agency a true partner and changes the dynamics making the agency as accountable as you are. Not one agency has ever walked away from our process and the goal of earning their profits.

These seven areas are how we save our clients hundreds, if not millions of dollars in agency fees while establishing a better partnership with their agencies. With some basic information, we can give you an estimate on what we can save you in less than 48 hours. If you decide to move forward, we work on a contingency basis, so you only pay us if we can prove to you how much you can save on your current or new agency fees.

We are that confident and accountable to our clients.

Steve Blamer

Managing Partner

steve@blamerpartnership.com

212-520-8520

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