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Studies show more than 85 percent of American adults have experienced a breakup at least once in their lifetime. Nothing like uncertainty – as we are now experiencing with the health crisis - to yield greater tension and doubts in our personal and professional lives. Nothing like heightened budget pressure and higher expectations to make advertisers reexamine how existing partnerships still fit given shifting priorities.

When it comes to the world of marketing, it's safe to assume that a breakup is something that **EVERYONE** on the agency and client sides have experienced at least once, if not multiple times,

in their career. Advertisers and agencies are breaking up at an increased pace, and relationships are being reduced to months, sometimes years, but rarely decades as once was typical.

No matter how many breakups you've been through, they never get easier. Through my years of giving agencies and clients relationship advice I've seen many CMOs highlight extremely frustrating problems as reason for ending a relationship.

Sadly, none of these scenarios have to be a reality – my hope is that you're never on the receiving end of this kind of letter:

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February 14, 2018



ACME
11536 Maple Blvd., Suite 500
New York, NY 10038
John Doe, CMO

Agency X
Jane Roe
CEO

Dear Jane,

Short relationships are increasingly the norm.

After a thorough review, we have made the decision to terminate our relationship with your agency. Over the past six months, we have enjoyed a successful relationship together. Although we didn't get the opportunity to provide your team with any usable onboarding or training information about our company's organization, processes, policies, guidelines, budget or marketing priorities, your team blindly jumped in with great eagerness and enthusiasm. For that, we are most grateful.

AGENCY ONBOARDING IS ESSENTIAL TO GET THEM CLIENT-READY QUICKLY AND EFFICIENTLY.

Given the extended 150-day payment terms and low margin agreement we negotiated over the prior three months before a contractual agreement was reached, I can't tell you how grateful the marketing teams are for your support. Your agency was willing to staff our business with your best people, and start project work without a formal PO in place or brief of any kind. Your commitment to our business was most appreciated, even though we were unable to effectively return the favor.

Unreasonable contract terms can negatively impact the agency's ability to staff well or perform optimally.

* Lack of process rigor or briefing sets the agency up for unnecessary challenges.

Our decision is irreversible. Although we didn't conduct any formal 360 relationship assessment, we feel that we captured enough random, confidential, anecdotal feedback from our internal teams to inform our decision. We realize that your feedback about us as a client would have been helpful, as we are likely contributing to some of these relationship issues. If we'd had enough time to capture this information, all of our marketing stakeholders would have considered it valuable. As you know, our aggressive deadlines and go-to-market efforts leave little time for post-mortem reviews or discussions.

WITHOUT ANY FORM OF PERFORMANCE EVALUATION, ADVERTISERS CANNOT IMPROVE THE WORK RELATIONSHIP WITH THEIR AGENCIES.

RECIPROCAL EVALUATIONS ARE ESSENTIAL FOR CLIENTS TO UNDERSTAND THEIR ROLE IN CONTRIBUTING TO TOP OR WEAK PERFORMANCE.

In the end, the decision to terminate our relationship was based on an assortment of considerations. In the spirit of partial transparency, here are the primary ones:

- Despite overlooking our standard scope of work process and therefore, our inability to provide you line of sight into the work and type of deliverables needed, we hoped that our arrangement would have turned into a positive, flexible, unstructured approach to serving every team differently. Instead, it led to inconsistencies, endless negotiations, off-the-chart budget proposals, scope redundancies, gross staffing inefficiencies, and random execution.

A STREAMLINED, STANDARDIZED SCOPE OF WORK PROCESS DRIVES ALIGNMENT AND PRODUCTIVITY.

- Too many failed creative concepts leading to extensive reworks and delays. Your teams were unable to accurately guess our underlying strategy or objectives. Because of this your team required and would write a client input brief that ultimately slowed down our efforts, as it required internal consensus and identification of a single decision maker.

Agencies cannot perform well without role or goal clarity.

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- Kick off meetings were attended by significantly more agency staff than internal team members. The result was unnecessary travel costs to our HQ offices and led us to believe that no consideration was given to the **careful use of our resources and travel budget**.

Cost-cutting efforts must be conducted in collaborative ways.

- Our decision to **suddenly decouple production and all things digital** from the original scope to cut our costs led to more complications than we expected. In turn, we encountered unexpected territorial issues with some of your direct competitors that had a negative impact on collaboration and undermined our cost-saving efforts.

- Although we never committed to a retainer or a predictable set of project work, we were disappointed in your agency's ability to **secure, assign to our business, and retain Team A quality staff**. We thought our brand's name and reputation would have helped your agency attract top talent for our business over your other client retainers. Instead, we experienced over 50 percent staff turnover (although we are not quite certain about the actual numbers as we had no access to staffing plans).

EXPECTATIONS - MUST BE REASONABLY SET AND BALANCED.

- **A lack of innovative, out-of-the-box ideas** for our last minute, time-sensitive tactical assignments led us to question your agency's creative prowess to reach our audience, and move us forward, despite our constant budget constraints.

Due to some isolated evidence of quality work and an overall positive experience with your team, we may indeed work together in the future, but for the time being we will need to end our relationship. Effective April 1st, we will terminate our agreement with your agency. Of course, we will ask that you strictly honor the **non-compete clause** in our contract and refrain from working with any company in our category for the next 24 months.

We have many projects in the works with your agency. As our incumbent agency, we will ask you to **kindly and collaboratively partner with our new agency** and commit to smooth project transitions. Please contact me directly once you receive this termination letter, so we can begin the **extended 15-day transition process** together as stipulated within our contract. It has been great working with you and your team, and we wish you the best for your future business.

Sincerely,



John Doe, Chief Marketing Officer, ACME

PS: I am told we have a good chance to win a Lion at the Cannes Festival of Creativity, as we are nominated in a few categories. If we do, please extend my thanks to the entire team.

THE RESPONSIBLE STEWARDSHIP OF CLIENT BUDGETS IS AN IMPORTANT AGENCY ROLE.

HOW THE RELATIONSHIP IS MANAGED FINANCIALLY GREATLY IMPACTS THE AGENCY'S ABILITY TO STAFF.

TRANSITION TERMS MUST BE SENSIBLE AND ALLOW FOR A SMOOTH PROCESS.

This letter—yes purely fictional and borderline irritable at times—is inspired from real stories and pain points between advertisers and agencies that I’ve witnessed over the years. For some, this letter might be a painful reminder. However, for most, I hope it highlights the many ways advertisers and agencies inadvertently create unproductive environments which undermine their relationships if those are not addressed proactively.

Thankfully, many aspects of the client/agency relationship can be significantly improved by applying best client/agency practices, and yes, common sense. If we learn from the unnecessary breakups and poorly-managed relationships that are flooding our industry, we can instead build high-impact and lasting partnerships that flourish and get celebrated year after year.



If you would like to learn how to drive greater value from your client/agency relationships, consider reading best-seller and industry reference Agency Mania:

<https://agencymania.com/book/>

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Bruno Galpois is the co-founder of Agency Mania Solutions, a premier service and technology firm specialized in helping companies realize the transformational value of managed partnerships. Bruno is the author of best-seller “Agency Mania” and the former chair of the Association of National Advertisers (ANA) Client/Agency Committee and a faculty member of the ANA School of Marketing.

Our clients’ continued accomplishments result from cutting-edge practices in the area of client/agency performance evaluations. See how stronger relationships contribute to better marketing.

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