

# **Buying Creativity...?**

# **Buying Creatively!**

## **Learnings from Marketing Procurement**

*Geni Cabre*

*Kuwait Procurement Conference 2018*

# Hello - I'm Geni



- Europe & UAE
  - 18 years Strategic Procurement
    - 11 - Procter & Gamble
    - 7 - Consultant & Trainer
    - Training for CIPS since 2016
- 
- |            |              |
|------------|--------------|
| ✓ Direct   | ✓ Innovation |
| ✓ Indirect | ✓ Marketing  |

You can't put a price on Creativity  
Innovation

Safety

# Why look at Marketing?

Category **least known** by Procurement...

*yet one of most complex*



Case study

# Procter & Gamble

# P&G



But you know nothing about Marketing

# 1. Complex Category => Many Sub-Categories

## ATL

Above - The - Line

*Mass media advertising, anyone passing can get the message:  
TV, Print, Radio, OOH*

Media Planning & Buying

Advertising / Creative

Agencies going  
'Through  
The Line'  
are '**Integrated**'

## BTL

Below - The - Line

*Advertising targeted to  
very specific clients or  
consumers, potentially  
with a 1-to-1 contact*

Public Relations

Direct-to-Consumer

Business Gifts

POS

Design

Events

Brand Consultancies

Sampling

Research

# PayPal™ CREATIVE BRIEF

prepared by Maggie Wang / Alan Arguelles

## THE PROBLEM

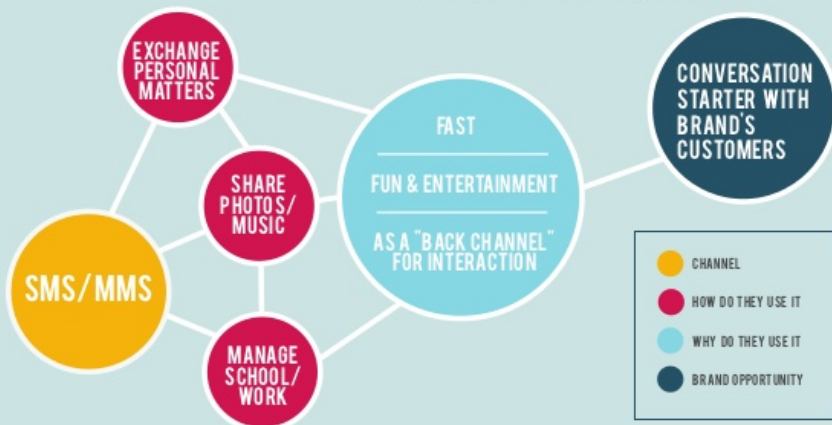
The brand's extensive service has lead misinterpretations about PayPal being an online shopping payment system. Currently, the brand perception is that PayPal's just an alternative to credit cards or other means of online payment.

## OUR GOAL

PayPal's main essence is to deal with our daily money transactions. Our goal is to clarify the misconceptions surrounding the brand and re-iterate what PayPal is all about. A virtual wallet where the user's in control.

## OUR KEY INSIGHT

Young entrepreneurs find ways on how to earn money to feel the sense of independence. At the same time, they are still supported by their parents. They need a service that would give them the flexibility of receiving money (either allowance from their parents, or getting paid from walking the dog as one of their part-time jobs), while still struggling to balance the life of a typical teenager.



## WHO WILL WE ENGAGE?

Teenagers, whose age ranges from 12-17 years old, they try to balance between school, a part-time job, extra-curricular activities, family, and friends. At this point in their lives, they are starting to become independent and branch out their lives through their friends, classmates and other people around them. They are curious, and are trying to establish connections that would stand the test of time. They trust their friends and peers, basically because they value their opinions. They want control over their money, how they're going to use it, and when they're going to use it, but not want the complexities that come with using a credit card.

## OUR MAIN MESSAGE

RECEIVE MONEY WHENEVER, WHEREVER.

## OUR OPPORTUNITIES

(PLEASE CHECK THE NEXT PAGE FOR OTHER POSSIBILITIES)

## CONCEPT: DIAGNOSTIC

Similar to the tool created for the Restoratives site, this expandable ad unit will educate and engage the consumer with tips and recommendations from each collection. There will be visual cues on the hair—when the user clicks on a cue, a tip on how to restore hair's health will be revealed, along with a featured product and call to action to visit the Restoratives site.

[logo present on unit at all times]  
Pantene Pro-V Restoratives



[targets and words animate to catch the user's eye]

Cure your persistent hair problems  
**Start now**  
[words flash to engage user to interact with the unit. When they rollover "start now", the unit expands]

[If the user does not interact with this unit, a flash ad will automatically play in its place within a set number of seconds]



[tags for each image]  
Breakage Defense Frizz Control

[copy build into frame]  
Roll over targets and restore damaged hair to its optimal health.

[example of copy for target rollover]  
Broken-down

Click to restore  
[links user to final recommendation frame]



[displayed after click]  
Held-together

[product build into frame]  
Pantene Pro-V Breakage Defense Shampoo & Conditioner strengthen each strand for 90% less breakage in just 1 month.\*

More  
[links to Restoratives mini-site]

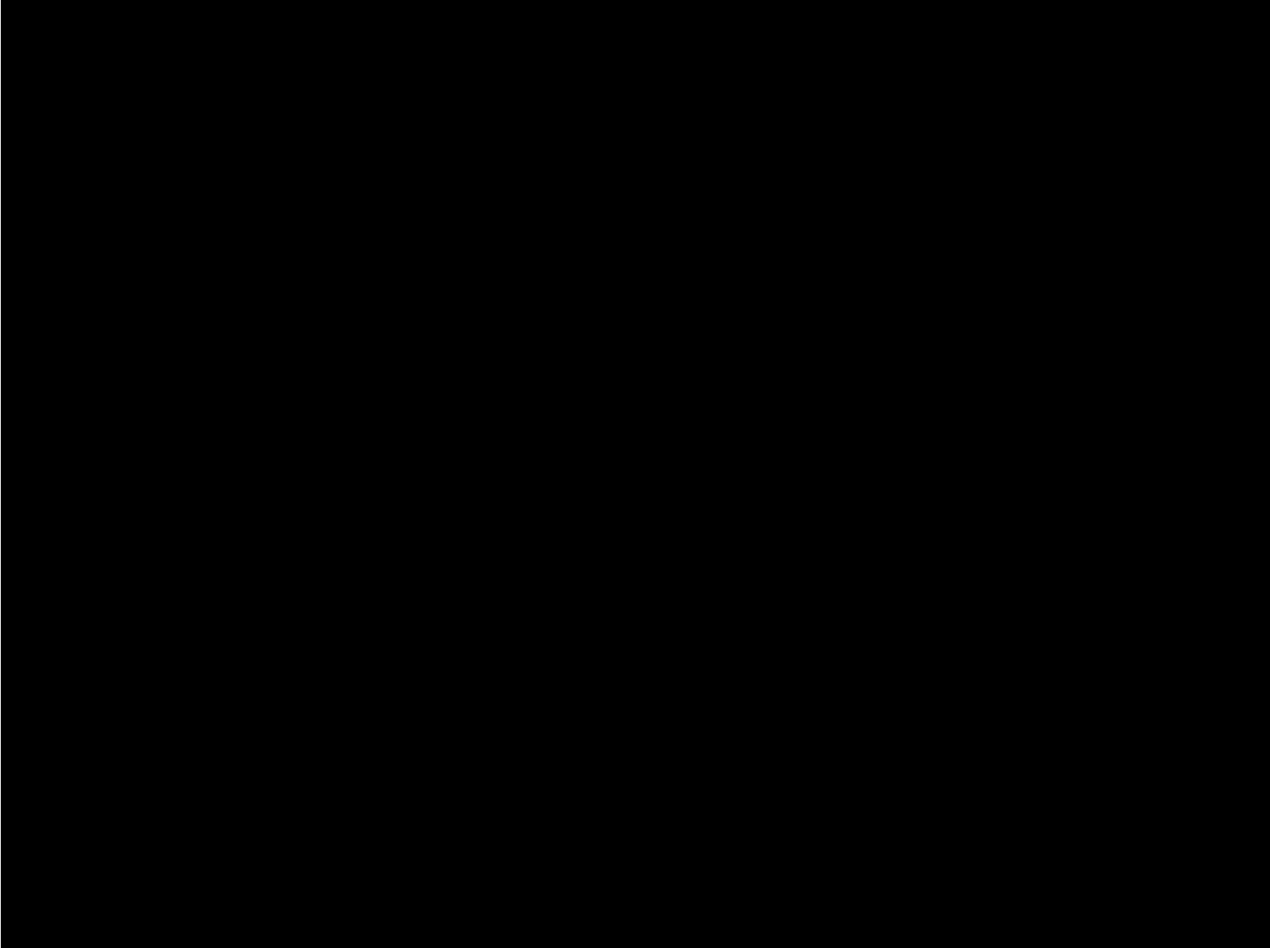
\*shampoo and conditioner vs. non-conditioning shampoo

Lorem ipsum dolor sit amet, consetetur sadipscing elitr, sed diam nonumy eirmod tempor invidunt ut labore et dolore magna aliquyam erat, sed diam.

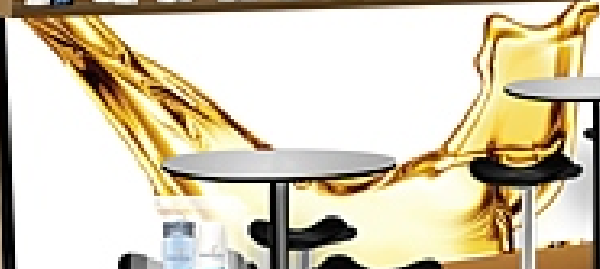
Lorem ipsum







# PANTENE



PANTENE

## PANTENE EXPERT



PANTENE

# 1. Complex Category => Many Sub-Categories

## LEARNINGS

- The Procurement process is the same irrelevant of what you buy
- You will always be learning new things => don't let anyone put you off
- Understand that covering a new category properly can take years
- Understand who is who early on

# 1. Complex Category => Many Sub-Categories

## REAPPLY



- ✓ Scheme out how it all interacts



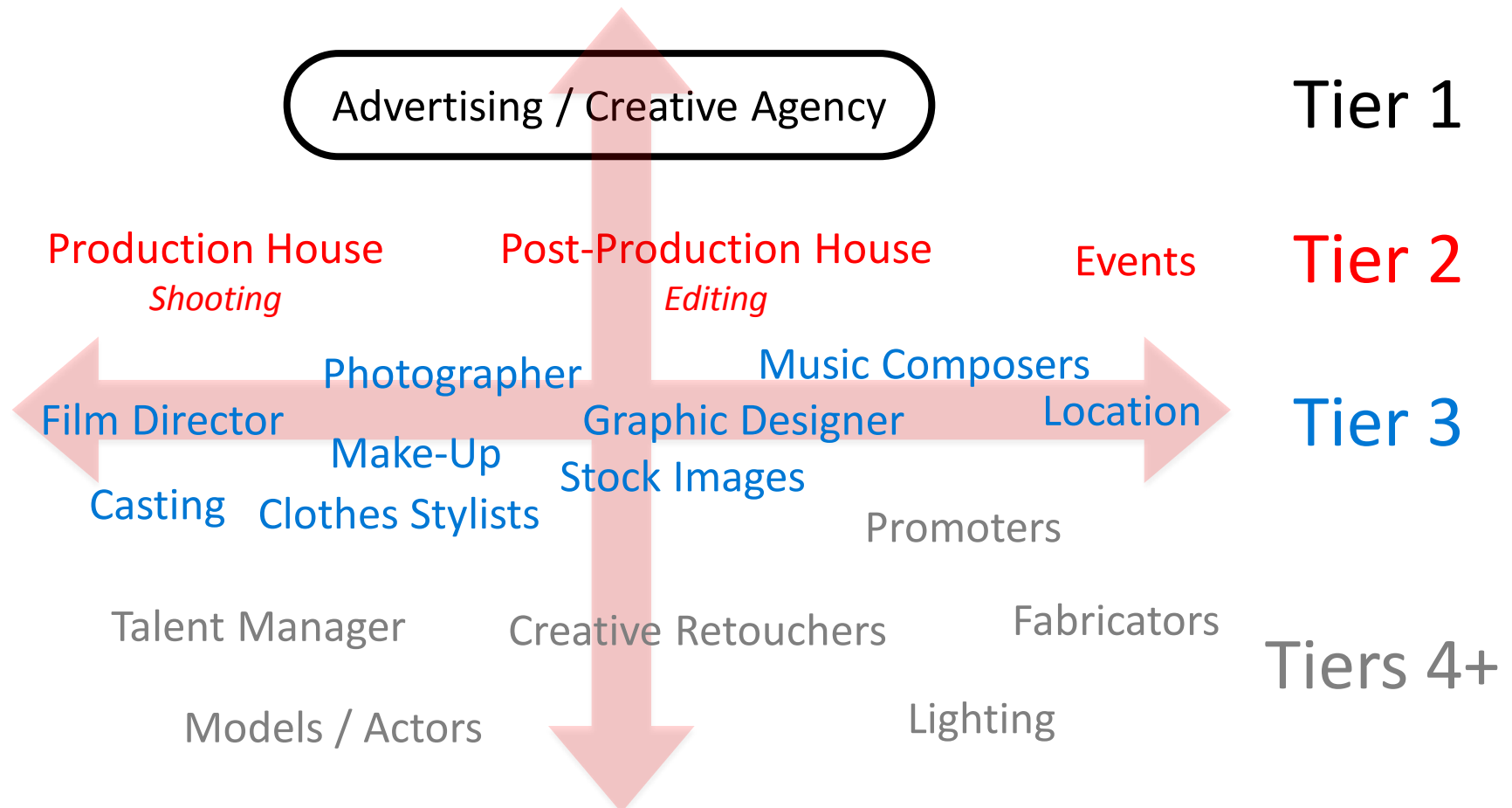
- ✓ Prioritise by Spend and Risk



- ✓ Understand their processes, internal & external

It's not up to us, it's up to the agency

## 2. Extensive Supply Chain... Network!



Vertical or Horizontal Integration is very common!

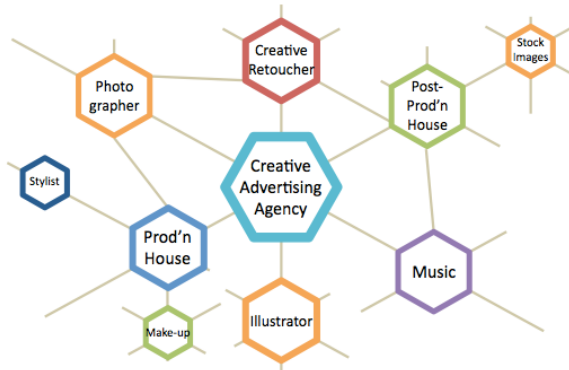
## 2. Extensive Supply Chain... Network!

### LEARNINGS

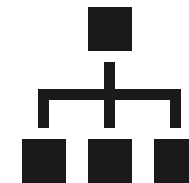
- Despite your long Procurement experience, expect to find the oddest things
- Try to understand how far up/down the tiers you can go
- Ask, ask, ask! When you are new, they won't mind
- Challenge cautiously

## 2. Extensive Supply Chain... Network!

### REAPPLY



- ✓ Plot multi-tier supplier network

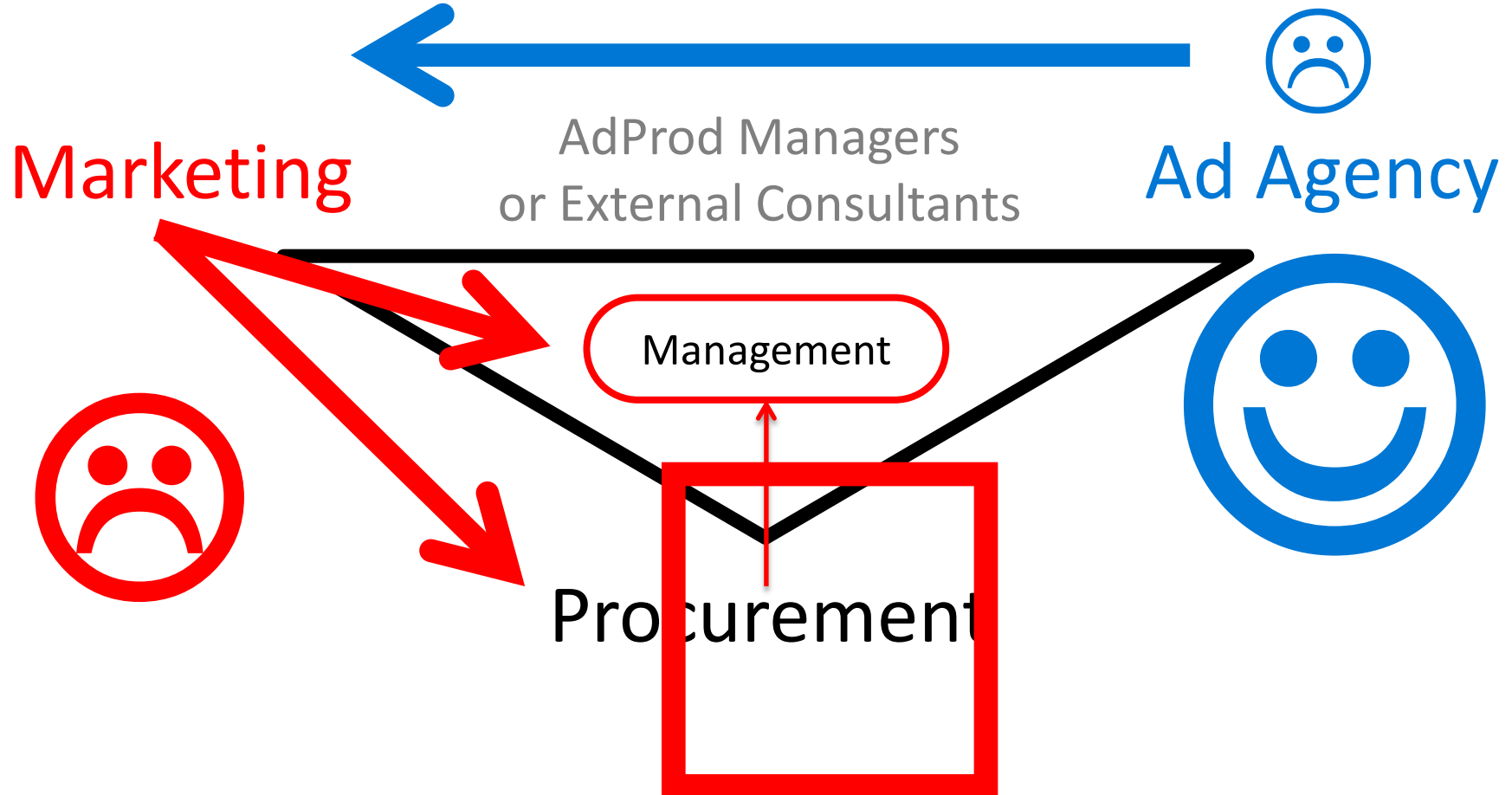


- ✓ Understand power hierarchies between companies



If they say No, we say No

### 3. Very Picky Stakeholders



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#### LEARNINGS

- You might need to adapt a more flexible approach in certain industries
- Tackle the most difficult relationships first
- Even the most supportive management may not be there when you expect them to
- Fast initial results are critical

### 3. Very Picky Stakeholders

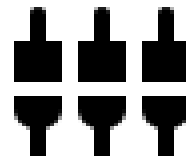
#### REAPPLY



- ✓ Figure out different relational dynamics



- ✓ Earn their trust fast  
*“In Rome do as the Romans do”*




- ✓ Get “plugged in” by influential stakeholders
- ✓ Work on your CRM & SRM

What's your budget?

## 4. Many Compensation Methods

### TRADITIONAL

- 
- A. **Commissions System**
    - Media pays 15% of earned from client back to agency
  - B. **Mark-ups / Percentage Charges**
    - Agency charges a % fee over bills paid to third parties (Tier 2+)
  - C. **Negotiated Fees**
    - **Project:** Fixed fee based on the brief. Can be based on client's budget.
    - **Retainer:** Monthly average cost for annual estimated projects.
    - **Cost-Plus:** Total cost of work + agreed % of profit.
    - **Time Sheets & Day/Hour Rates:** Agreed ratecard charged over time registered.
    - **Incentive-Based:** Fees & bonuses based on KPIs and results achieved.

### BECOMING POPULAR

A mixture of the above will be more realistic

## 4. Many Compensation Methods

### LEARNINGS

- Compensation methods can be wacky due to “historical purposes”
- You might need to challenge everything. They may not like it, but it’ll bring you the results
- Don’t be afraid to propose new ways of doing things

## 4. Many Compensation Methods

### REAPPLY



- ✓ Get to the nitty-gritty of where the cash flows



- ✓ Remember you are the client

KPIs = Bonus / Penalties



- ✓ Figure out when it's worth to look at the bigger picture



But we need the best

## 5. Quality Variations, Same Service



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### LEARNINGS

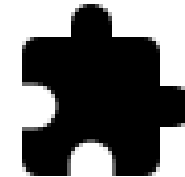
- Understand their concerns and POVs
- Challenge their requirements
- Exceptions may need to be taken into consideration

## 5. Quality Variations, Same Service

### REAPPLY



- ✓ Understand when is good vs. very good required



- ✓ Ask a lot to find out the missing pieces



- ✓ Allow for exceptions  
(e.g. Star photographers)

Buying Creatively – Case Study

# CREATIVE RETOUCHERS

Retouching of the raw visual

and/or

Composition of several visuals

for the creation of the Master Artwork

# The Raw Visuals



The Raw Visuals  
= unretouched images  
(50-350 MB, these were 92MB)



- ✓ Photographer takes 000s photos
- ✓ Picks 3 which sends to Agency
- ✓ Agency chooses 1 w/ Marketing
- ✓ Agency sends to Creative Retoucher, along with other “Elements” and “Brief”

# The Photographer => Retoucher Brief

- ✓ Can be in different formats (*List of items on Word doc, scribbles over photograph*)
- ✓ As a PDF with little “Post-it” notes
- ✓ E.g. “take strap out”





# Background

- ✓ Cost structure:
  - ✓ \$/Hour \* number of hours for job
  - ✓ Physical Proofs (used internally and to send to clients)
- ✓ Triple bidding: time consuming
- ✓ WE 1.8M\$ spend: UK 49%, DACH 23%, France 20%

# Opportunities

- ✓ Many retouchers used
- ✓ High disparity of pricing paid
- ✓ Faster approval process if eliminating triple bidding

## Watch-outs

- ✓ No compromise on Creativity nor Quality
- ✓ There must be a choice available
- ✓ Photographers may object (e.g. Star photographers)
- ✓ Agencies have their own in-house retouchers
- ✓ Cost structure still depends on number of hours for job

# Challenge

How do you ensure **best costs**  
 while **providing choice**,  
 maintaining **creativity** and **quality**  
 and generally keeping the agencies happy?

# Solution

- ✓ Run an enquiry
- ✓ Run a blind test
- ✓ Put all judges together in one room!

# Method

- ✓ Interviewed roster agencies on best procedure
- ✓ All provided feedback on list of 71 retouchers and added any others they would recommend
- ✓ Identified 3 categories of retouching:
  1. Beauty Critical (Max Factor)
  2. Beauty Non-Critical (Pantene)
  3. Non-Beauty (Ariel)
- ✓ Asked 3 largest roster agencies to provide me with their chosen brief for the most critical brands in each category (S&S, Leo Burnett, Grey)

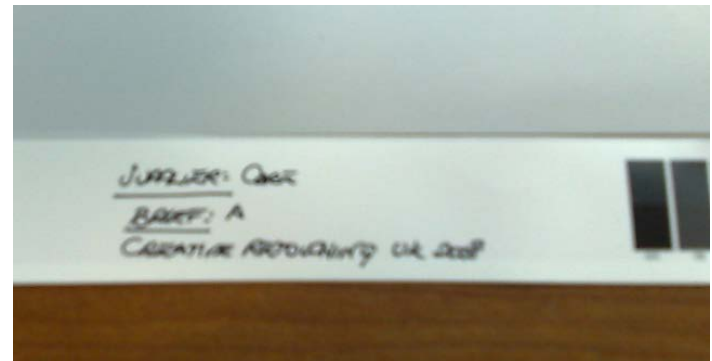


## RFI / RFQ

- ✓ RFI send to 71 suppliers
- ✓ RFQ sent to 15 suppliers, including agency in-house retouchers... 2 pulled out when read enquiry docs!
- ✓ RFQ:
  - ✓ \$/hour for retouching
  - ✓ \$/item (e.g. paper proofs)
  - ✓ For each Brief: Total \$ and # hours taken to do

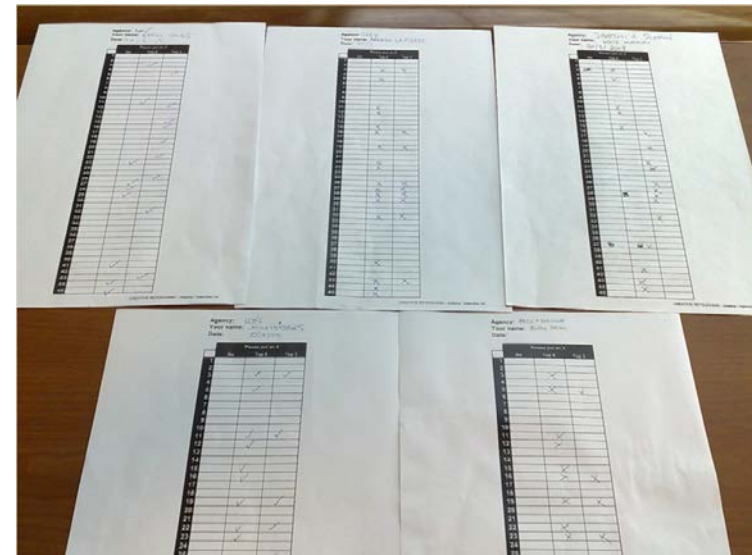
# Ensure fairness

- ✓ All retouched images had to be sent to me electronically and on a paper proof
- ✓ Identified each image with a random number and used different methods to track them back in case of queries





- ✓ Presented these to all agencies, at the same time, in the same room, to ensure that we had exactly the same lighting conditions and that they agreed at least on their joint preferred 6 top suppliers for each brief (+ top 3).



# Results

- ✓ Final approved list:
  - ✓ 2 newcomers
  - ✓ 2 agency owned
  - ✓ 2 post-production studios
  
- ✓ Savings
  - ✓ UK: \$ 390K (~45%)
  - ✓ Total WE: \$ 800K

# Control Methods

- ✓ 2 year allocations w/ qualitative review after 12m
- ✓ No volume commitments
- ✓ No more than 40% of P&G business/supplier
- ✓ Double bidding will still take place => suppliers still need to be competitive on # hours
- ✓ Exceptions (e.g. Star photographers w/specific style) will need alignment w/Marketing Procurement

Thank you 😊

Questions?