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Growing Pains: How planning came of age in the U.S.

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Thirty-five years ago in General Electric's house agency we devised an approach to creative work called Focus that organized the process into three action steps: Analyze the Receiver (our word for the person whose behavior we wanted to affect), Strategize a Proposition (not the late Rosser Reeves's USP; rather, a UBP -- a unique *buying* proposition) and finally Dramatize the Proposition (put such a sharp point on it that it penetrates the Receiver's mind and creates action). Prescient as that may have been, we still had only the most primitive notions about how to accomplish the first step. We had no idea that at the exact same time on the other side of the Atlantic a couple of Brits -- Stanley Pollitt and Stephen King -- were working separately on a solution to precisely that problem.

Ten years later a young woman named Jane Newman, the ink barely dry on her Green Card, came to my office at International Paper to explain this thing called Account Planning and I fell in love. (With the process, although I've always had a soft spot for Jane, too!)

Jane had just been hired by Jay Chiat, and it was Chiat/Day's stunning win of the \$150 million Nissan account in 1987 that ignited planning in the United States. Asked why he chose a bunch of people with rope-soled sandals who worked on a beach in Venice, California rather than a proven Midwestern rust belt agency to handle a *car* account for goodness' sake, Nissan's vice president of marketing said: "All the other agencies came and told us about the car business. We know the car business. Chiat told us about the car *buyer*." Planning suddenly mattered.

Growth was exponential, albeit from a small base. The first Account Planning Group meeting I went to was in Santa Monica. One of the organizers, maybe Damien O'Malley, asked the few dozen attendees what they'd observed the first night there. "It's amazing how many people in the bars had British accents," one attendee deadpanned. Ten years later, the

AAAA's reports that it has nearly 10,000 planners on its books and most of them are homegrown Americans, trained first by the early immigrants and increasingly by the portfolio schools and a handful of U.S. academics.

But there've been a few shadowy moments along the way. Not all the planning bulbs that were screwed in glowed brightly. Some fizzled; others flared but burned out quickly. Not all the light they shed made the desert bloom. And some left behind parched earth.

This chapter – based on personal interviews done over three years with 27 account planners and a dozen agency execs – is about the unplanned side of planning: what can go wrong (and therefore according to Professor Murphy will), why it goes wrong, and how to prevent such problems in the first place, which is a lot better than trying to fix them later.

Issue number one has to do with how planning plugs into the host body of the agency. Or doesn't. When Chiat/Day alum Bill Hamilton became creative director at Ogilvy & Mather in New York in the late 1980's, the then-advertising columnist for The New York Times, Phil Daugherty, asked him what his first move was going to be. Bill answered, "to bring in account planning." Uh-oh, I thought – that quote's going to be posted all over the account service floor. O&M research director Jennifer Stewart had tried to introduce planning a couple of years before and the account management people revolted. It might have seemed like a no-brainer there, given David Ogilvy's respect for research gained in his years with Gallup & Robinson. But research was one thing and planning was another. "They're trying to take away the best part of my job," a senior management supervisor said back then. The second time around, either luckily for or thanks to Bill Hamilton, the culture didn't prove quite so resistant.

Maybe people finally realized that "bringing in planning" didn't mean taking away anything, it meant adding. The idea that an account person could do anything but a fraction of the planning job is absurd on the face of it. The account person is the general manager of a significant piece of business in an agency. He or she needs to understand the client's business, its engines of profitability, the competitive framework, the issues of the category, the politics of the client organization and more. He or she also has to understand the economics and politics of the agency, organizing and managing agency resources to do great work for the client, flawlessly and profitably. And then sell the work. And be the point man or woman in the

ongoing CRM program. That person is going to do planning besides? Um, not on your Nellie. It's a tribute to the carapace of self-confidence an account person needs to have that he or she even thought so. (Or to the paranoia of the breed, one bruised planner opined.)

A lot of the early tension in many agencies was a product of flawed or non-existent organizational thinking, not unlike what's happening in the current corporate fad for CMO's. Agencies decided they had to have a planner or two, but didn't devote a lot of thought to why, where planning would be placed in the organization, how planners would work with creatives and media and account service people, or any of the other precursors of success. Studies show that the average tenure of today's first wave of CMO's has been only about 23 months, for some of the same reasons. Companies decided they had to have one, so they either hired someone from another company or appointed someone from within (often a person with the wrong orientation or skills – we'll get to that later). Job descriptions, when there were any, were generalized boilerplate. Relationships with other departments were not thought through. Objectives were vague and there was seldom agreement on how "success" would be defined and measured. Early planners were often in the same "no-win" situations.

Another issue was where planners belonged organizationally. In creative? Logical, but impractical. Planners are creative, but they're not "creatives." There's a world of difference. Account service? See above. That's a non-starter. In the research department? Ah, talk about worlds of difference. In the early days, agencies in account reviews where they knew Chiat/Day was a competitor changed the tabs in their leave-behind books from "Research" to "Account Planning" – but changed nothing else. All the same people were suddenly transferred at least on paper from the Research Department to the Account Planning Department. All the wrong people. All account planners are researchers, but most researchers are not account planners. Researchers tend to be statisticians, more interested in designing the elegant sample than in applying the results. Generally speaking, researchers are more interested in numbers than in people. Researchers are all about data. Planners are about insight. Agencies that actually made that sleight-of-hand transformation in fact, not just on paper (and there were more than a few) were invariably disappointed that nothing changed. They didn't see a lot of benefit. "Duh," we would say in hindsight.

So where does planning belong? Media provocateur Erwin Ephron made an eloquent case a few years ago in Ad Age that planning belonged in the media department. Indeed here's how one planner described how planning functioned in her agency: "We merge with media and account service to pursue together what we think is the most critical issue today: How to get to customers."

It's obviously true that insight into how people use media – their Personal Media Networks, in DDB Needham's parlance – is a critical element of planning. I remember one planner constructing a glorious chart that illuminated not only the pattern of media that prospective car buyers followed along the path to a decision, but the intensity with which they interacted with the various media at different stages. That's true insight; insight that media people obviously need. But it's only one part of the insight planners bring to the process. It's nice to feel wanted, but few planners would feel fulfilled tucked away in a media department.

Maybe planning should be its own department? Ah, there's where a lot of agencies went wrong. They set up a separate and often optically unequal fiefdom and compounded the perceived unfairness by "taxing" the other agency citizens to support these new princes and princesses. No wonder there was resentment.

Does size matter?

"Larger agencies tend to get sterilized in relationships – my job, your job – whereas in smaller agencies, you're not so insulated from each other," observed one planner who'd experienced both situations. "In smaller agencies, you work together no matter what the organizational structure is."

Maybe it all comes back to culture.

"Planning isn't a function; it's a management philosophy."

"Planning isn't a department, it's a way of thinking."

"Planning shouldn't be a silo. Everybody in the agency needs to be a planner."

“Maybe it’s more like a faculty than a department.”

(Oops, that latter view might be misinterpreted in a lot of agencies. Can you imagine the reaction of some of the “Benevolent Dictators” Bart Cummings described to a planner’s vision of himself or herself as the bringer of enlightenment to the masses mired in the Dark Ages of agencies before planning? Communicated consciously or unconsciously, that attitude would have been more than enough to activate the ejection button in a lot of shops, and I’ll bet it did.)

However an agency organizes, it’s how the individuals relate to each other and work with each other that determine acceptance or rejection, the consensus said.

“There may be a planning group and it stands to reason that they have a lot in common with each other, but ultimately their success individually and as a group is a product of how well they’re integrated and the relationships they develop with everyone else in the agency.”

Oops, again. Mix messianic young Brits supremely sure they’re bearers of Ultimate Truth with pragmatic Old School veterans of the agency wars and you’ve got the makings of a Big Bang. Which happened here and there in the early days. Not all the imported planners were equally good at “the relationship thing.” Scarred survivors describe how some planners not only didn’t assimilate; they alienated the cultures they were dropped into. Unfortunately, besides earning themselves one-way tickets home, some set back the adoption of planning in their horrified host agencies a decade or more.

“We didn’t need a qualitative vs. quantitative nerd who turned everybody off.”

“We got a bloody politician who said one thing to us inside the agency and something quite different to the client.”

“Too clever by half. She was too concerned about her image to ask the naïve questions that often get to the truth.”

“He fancied himself a creative. He didn’t want to know about the business realities.”

“Arrogant. Condescending. Overeducated. Over-impressed with himself. And over here, as they used to say about Americans once.”

Ouch. Some bruised feelings there. So how did most agencies avoid the chemistry problems and cultural clashes?

“Internal credibility is very important; a planner can’t be dogmatic or prescriptive. There’s a fine line between empowering creatives and trying to shoehorn them.”

“We have a ‘casting profile’ for planners. We want true believers, of course – people with a passion for how planning can improve the work we do for our clients. But we also want people whose aspirations go beyond running a planning department, to weaving planning into the fabric of the agency.”

“Curiosity is the number one characteristic we look for, and not just curiosity about the consumer -- curiosity about the category, the client and the agency and how it all fits together.”

“Functional objectivity is a key quality – someone who wants to be involved in all sorts of stuff, not just research.”

“We look for someone who’s worked on the client side or for a research company. We definitely don’t want someone who’s only ever been a planner.”

“An appreciation for the business imperatives is a must. I’d love to find a planner who’s actually run a business and met a payroll, but that’s probably a fantasy on the order of a weekend with Nicole Kidman.”

Agencies once-burned learned to look for certain personal characteristics in planners as well.

“Maybe there ought to be a Planner Test, like there’s a test for copywriting talent at most agencies.”

“Active listeners. They don’t just record the answers, they follow the flow, seek discovery, tap the richness of the conversation, find patterns.”

“Compassionate.”

“Courageous. Someone who’s not afraid to stand up and say, ‘This is how it is.’”

“Confident. Wants to be at the table.”

“On the Myer-Briggs scale, we look for an ENTP.”

“Good planners have a ‘bedside manner’ with clients.”

“A great planner is someone who has the magical ability to articulate sound, compelling, intelligent strategy to the client, but also someone who can inspire creatives and in the end, sell their work – structure and present a case.”

“You’re useless if all you can do is connect to the creatives. You need to be able to post-rationalize intuitive findings in left-brain terms. Creatives jump down the pole in the firehouse; you may have to build a staircase for the client.”

Even when they’d found and hired the perfect planner and all was peace and love inside, agencies sometimes found the concept of planning difficult to explain to some clients and even harder to get them to pay for it.

“We couldn’t sell it, to begin with. We lumped it in with the creative.”

“For a quote/unquote ‘planning agency’ it’s even tougher. Clients suspect you’re just selling it to give planners something to do.”

“For a long time, we billed only for out-of-pocket expenses; we ate the time.”

“We just made it part of our fee. Agencies find it hard to charge separately for strategic management input.”

“The irony is, consulting firms come in and charge \$500 million for what agencies gave away.”

For too many years, agencies did give away research to clients, burying its costs in ever-escalating media commissions. That good old 15% (*requiescat in pace*) solved a lot of problems, or maybe more accurately it allowed agencies to avoid directly confronting clients about awkward subjects. Unfortunately for U.S. agencies, the advent of planning coincided with the demise of the commission system and the rise of consultants who forced transparent billing. No matter how passionately agencies might embrace planning, they now had to transfer that passion to left-brained advertising and marketing managers and their gimlet-eyed purchasing departments. So what do agencies say to doubting, reluctant or accountability-stressed clients? Tough question.

“What makes it tougher is that the name is wrong, and ‘brand planning’ isn’t much better.”

“Don’t call it planning; just talk about it as a process. Don’t talk about the function; just talk about the company and the work.”

“Planning is positioned wrong. It’s sold as a way to improve creative. How it should be positioned is as a way to understand your business. Getting to senior management is the key.”

“It’s easier to get paid for planning on a new product; then maybe you can get it accepted for existing products.”

“You must have agreement on the business’s long-term goals before you can do planning and develop strategy. We try to identify core brand issues and how consumers relate to brands. After demonstrating the process we ask, ‘Would you agree there’s value in this?’ We sell it as an upfront cost.”

“It’s how we work. Love us, love our planning.”

“You don’t sell it. You just do it.”

OK, once it’s in place, then what? How do you keep planning sold? Inside the agency as well as among clients?

“Proving your recommendations makes you more credible; but often you don’t have time to do the quantitative validation.”

“Actually, acceptance of planning is accelerating as the pace of technology maturation quickens.”

Ah, but pace is part of the problem, it seems.

“Time (or rather, the lack of it) is the enemy. And it’s getting worse. As time to market compresses there’s more volatility, windows of opportunity are narrower, competitive situations pop up out of nowhere.”

“Problem in most cases isn’t that clients say, ‘We don’t want planning.’ What they say is, ‘We need this in two weeks.’ Speed kills. But on the other hand, speed also focuses. So if they say, ‘We need this in two weeks,’ you say, ‘OK, this is what has to happen. Everybody is operating on compressed timetables and you can help them.’”

“The issue isn’t time, you know. It’s being able to come up with the brilliance and insight you need.”

But there’s another problem. Not all clients are equally enlightened. Not all clients may want to be helped, much less dazzled.

“The reality is, too many clients don’t *want* to be educated. They change objectives, change strategies, make it up as they go along. Planning would force them to be more disciplined, to actually think about what they’re doing. They use time as an excuse, but the reality is that many are simply avoiding the intolerable labor of thought.”

“There are times when the client rejects planning findings that conflict with his or her feelings about ‘the way things are.’ Sometimes clients would actually rather act on flimsy knowledge, flawed impressions, limited personal experiences with customers, salespeople’s advice, et cetera, than change their thinking – or somebody else’s, to whom they may report. Sometimes you just have to sigh and move on.”

So, did planning complicate the client/agency relationship? Despite the initial fears some agency execs had that introducing a new element would prove disruptive to the process and that adding a strange player to the mix would compromise exiting relationships, agencies quickly learned that planning was a plus.

“At the very least, planning gives the client another bright person on the business.”

“A star planner can be a great asset, just as a star creative or media person can.”

“Client/agency relationships were already changing. More and more, we were being treated like vendors. Consulting companies like McKinsey were usurping our old place at the strategic table. Planning gave us a new weapon to fight back with.”

“Clients, especially in technical companies, need something better than “Trust me” as a basis to take decisions. Planning research cloaks what we might have intuitively recommended anyway in respectability.”

“Client/agency relationships are all about credibility and trust. Planning contributed to that, we found.”

“Clients can’t say ‘You don’t understand our business’ anymore. We do. Sometimes better than they do themselves.”

“Merging planning’s insight with the client’s numbers adds another dimension to the relationship and gives us both more to

work with. Clients have data they don't know what to do with. They do quantitative. Planning gives those numbers meaning.”

“Sometimes clients have a hard time not being subjective, even though they may know deep down what they ought to do. Planning helps them turn that corner.”

“Planning breaks down fences and helps build a genuine partnership between the client and the agency. We work with the managing directors and marketing directors, not just the ad directors. We work on segmentation strategies, new product development, media strategies, marketing plans, even business plans. In the case of smaller clients that don't have formal marketing departments, we become it!”

“Planning helps make sure the stuff we do *works*. With clients having to deal with diminished budgets while being more and more harassed by their managements to demonstrate accountability, you can't overstate the value of that, to them and to us.”

What a 180-degree turn agency execs took from the early days of planning when they viewed the process with suspicion (if not outright hostility) to where many if not most have become passionate advocates.

“Planning looks to the future with a longer term focus. Rather than ‘Swell, we solved the current ad problem,’ it's about ‘Are we headed in the right direction?’”

“Planning helps you understand how people interact with a brand. Besides planners, who's thinking about this?”

“We work parallel with current issues, solving short-term problems while building towards brand. We keep feeding what we learn about the brand into short-term projects, to minimize dissonance. Planning is the key to managing the process.”

“I'm happiest when I'm providing strategy advice on a corporate level, not just on a product.”

“Planning sets the stage and plots out the script. It’s vital to new business; the key to our agency’s growth.”

“Planning unifies the agency’s efforts around what’s right for the client.”

“When done right, it’s always effective.”

If I were starting my own career over, I’d be a planner. I guess I always was, temperamentally; there just wasn’t a position description for it. I advise my students who have the attitudes and instincts and aptitudes we talked about earlier to think about planning as a career. And there’ll be jobs for them, say the leaders. We’ve come a long, long way since the time of the struggles.

“There is an explosion of demand for planners. It’s a critical position in an agency with disproportionate impact on growth and success.”

“He who understands the customer best wins.”