

Modeli agencijske kompenzacije

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The Coca-Cola Company

**Agency Management
Framework**

- Focus on Compensation -

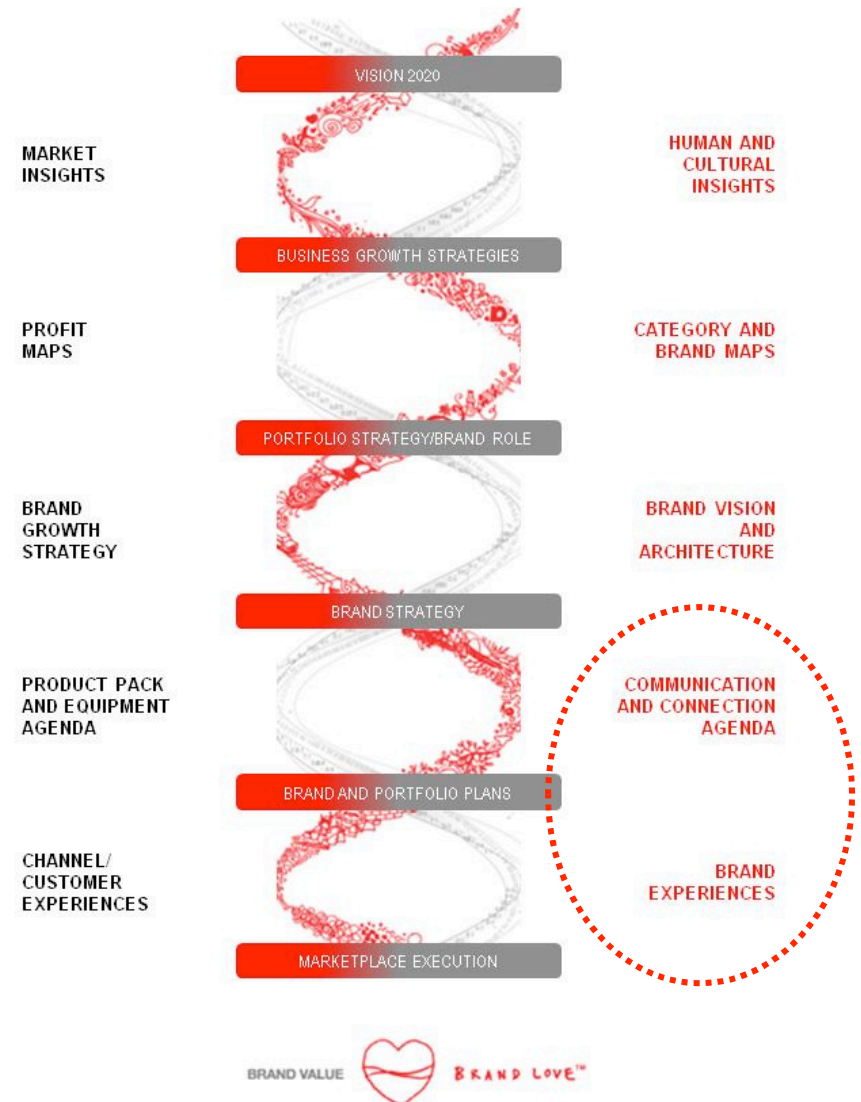
Belgrade, March 30, 2012

TCCC Agency Management - support business growth within DNA

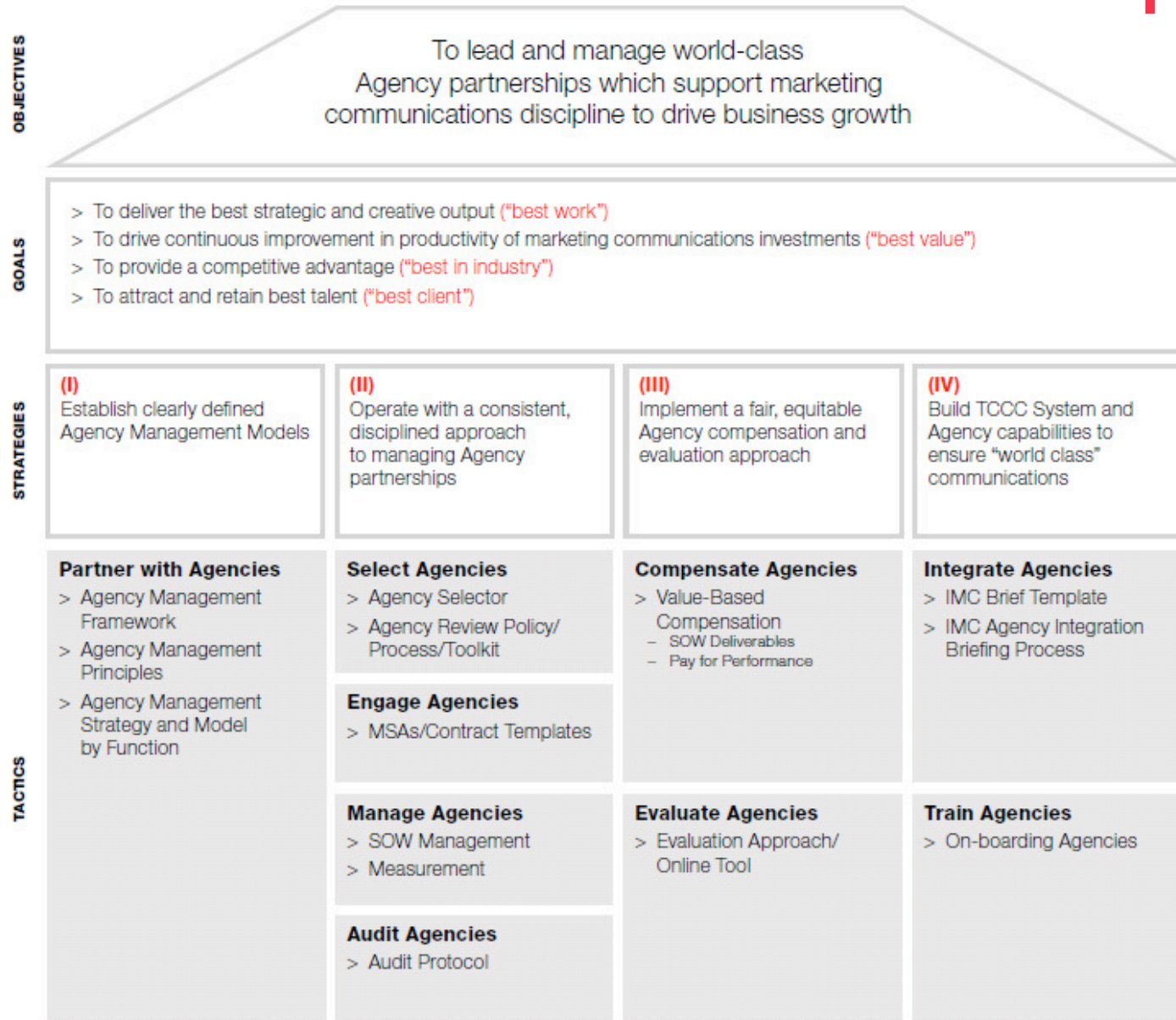


Communication &
Connection Agenda

Brand Communication &
Experience Plans



Clear objectives, strategies and tactics for relationship



Basic principle aiming for “best”

Investⁱⁿ
the **BEST**

Talent

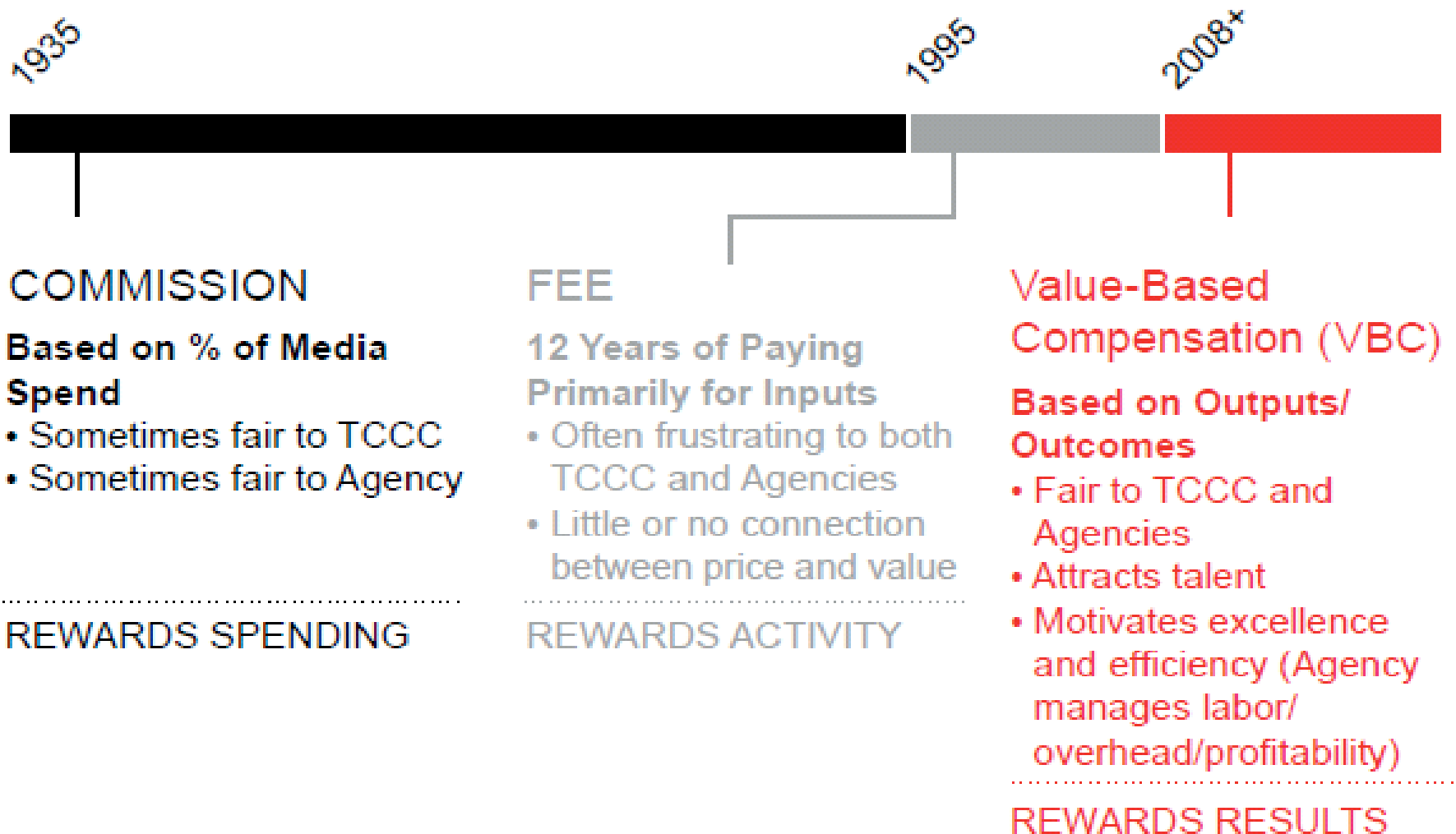
Discipline

Collaboration

Value

Evolving the model to drive value and reward results

AGENCY COMPENSATION EVOLUTION



Why implement Value Based Compensation?

- 1 Requires KO to actively manage Scope of Work
 - Manage investments, not just spend budgets
 - Focus on delivering right combination and quality of marketing communications deliverables for KO brands
- 2 Makes KO and Agencies jointly responsible for delivering value
 - KO to define value
 - KO & Agencies to collaborate to deliver value
- 3 Requires Agency profitability to be earned (no longer guaranteed) through performance based compensation approach



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Amount of Labor...

Should ***NOT***
Define
Value



Value Based Compensation

INVESTING IN OUTPUTS

Planned and budgeted in advance -
managed in real time

SOW Deliverables

- Establishes base fee - no profit mark-up
- Replaces Labor Based Fee
- Incentivizes Agencies to control costs - which impact Agency profitability
- Requires KO to more effectively manage SOW

“EFFICIENCY”

REWARDING OUTCOMES

Planned and budgeted in advance -
reconciled when metrics become available

Pay-for-Performance

- Contingent payment - based on actual metrics performance... enabling Agency to earn profit, no longer guaranteed
- Replaces Discretionary Bonus
- Incentivizes Agencies to produce world-class work that delivers business results

“EFFECTIVENESS”

Agency Costs

P4P Bonus Mark-up 30%+

Agency's Revenue Potential (30%+ Profit Mark-up on Base Fee)



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TCCC Value Based Compensation - Overview

INVESTING IN OUTPUTS

Base Fee for deliverables, not hours

SOW Deliverables
“EFFICIENCY”

DEFINING SOW DELIVERABLES

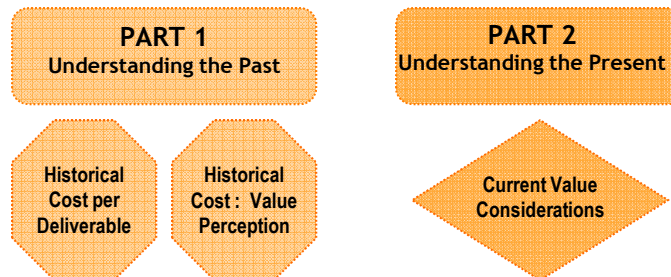
TOOL - SOW Management Tool



DEFINING VALUE PER DELIVERABLE

TOOL - SOW Cost Database

TOOL - Value Calculator



Develop Base Value Range
per Deliverable

Set Defined Base Value
per Deliverable

REWARDING OUTCOMES

Profitability linked to results, not guaranteed

Pay-for-Performance
“EFFECTIVENESS”

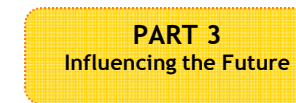
ASSESSING & PREPARING FOR P4P

TOOL - P4P Planner



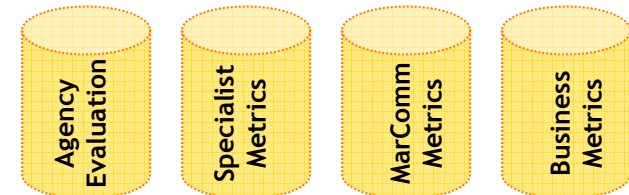
EXPLORING VALUE RANGES TO SET BASE FEE & P4P AMOUNTS

TOOL - P4P Calculator



DEFINING P4P METRICS & WEIGHTING

Select metrics from various sources



Set Defined P4P Amount & Metrics
(by deliverable or for total SOW)

DOCUMENTING SOW BASE VALUES AND P4P AMOUNT(S) & METRICS

TOOLS - SOW Cost Database / Value Calculator / P4P Calculator

Manage SOW, Reconcile and Adjust as Appropriate,
Monitor and Share P4P Metrics Tracking

INITIAL AGENCY ALIGNMENT

one time set up

✓ KO introduce all
Agencies to VBC
(ideally together)

✓ Agree Role Sort -
KO & Agency

✓ Agree VBC
implementation
timetable

TOOLS

VBC Overview
(PPT Presentation &
Word Summary)

From Labor Based to Value Based

FROM

Paying agencies for activity

Asking agencies for cost proposals

Guarantee agency profitability

Analyzing and negotiating agency costs

Agency absorbing charges in SOW

Agency requesting additional payment when hours spent on account exceed original scope

TO

Rewarding agencies for results

Brief agencies on investment

Linking agency profitability to performance against desired outcome

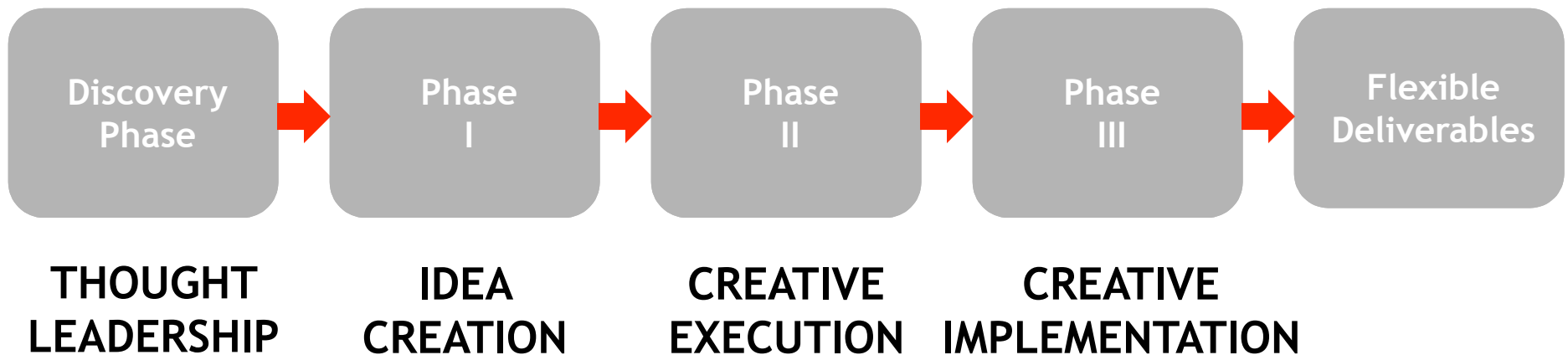
Agency taking responsibility for cost management as profitability factor

Managing SOW & paying accordingly

Agency managing deliverables within agreed value for deliverable

Defining SOW Deliverables - Creative

SOW Management Tool - Phased Approach



Discovery Phase - Thought Leadership Preparing for a client meeting	Phase I - Idea Creation Developing & Documenting the Creative Idea	Phase II - Creative Execution Developing & Documenting the Creative Idea	Phase III - Creative Implementation Implementing & Documenting the Creative Idea	Flexible Deliverables
<p>Research</p> <ul style="list-style-type: none"> Conduct research to understand client's business and its challenges Design and produce creative ideas and concepts Develop creative strategy and messaging Conduct research to understand client's business and its challenges <p>Strategic Thought Leadership</p> <ul style="list-style-type: none"> Produce thought leadership content (e.g., white paper, infographic, video, etc.) Develop creative strategy and messaging Design and produce creative ideas and concepts <p>Brand Vision & Architecture</p> <ul style="list-style-type: none"> Develop brand vision and architecture Design and produce creative ideas and concepts <p>Brand Identity</p> <ul style="list-style-type: none"> Develop brand identity (e.g., logo, color palette, typography, etc.) Design and produce creative ideas and concepts 	<p>Research</p> <ul style="list-style-type: none"> Conduct research to understand client's business and its challenges Design and produce creative ideas and concepts Develop creative strategy and messaging Conduct research to understand client's business and its challenges <p>Strategic Thought Leadership</p> <ul style="list-style-type: none"> Produce thought leadership content (e.g., white paper, infographic, video, etc.) Develop creative strategy and messaging Design and produce creative ideas and concepts <p>Brand Vision & Architecture</p> <ul style="list-style-type: none"> Develop brand vision and architecture Design and produce creative ideas and concepts <p>Brand Identity</p> <ul style="list-style-type: none"> Develop brand identity (e.g., logo, color palette, typography, etc.) Design and produce creative ideas and concepts 	<p>Research</p> <ul style="list-style-type: none"> Conduct research to understand client's business and its challenges Design and produce creative ideas and concepts Develop creative strategy and messaging Conduct research to understand client's business and its challenges <p>Strategic Thought Leadership</p> <ul style="list-style-type: none"> Produce thought leadership content (e.g., white paper, infographic, video, etc.) Develop creative strategy and messaging Design and produce creative ideas and concepts <p>Brand Vision & Architecture</p> <ul style="list-style-type: none"> Develop brand vision and architecture Design and produce creative ideas and concepts <p>Brand Identity</p> <ul style="list-style-type: none"> Develop brand identity (e.g., logo, color palette, typography, etc.) Design and produce creative ideas and concepts 	<p>Research</p> <ul style="list-style-type: none"> Conduct research to understand client's business and its challenges Design and produce creative ideas and concepts Develop creative strategy and messaging Conduct research to understand client's business and its challenges <p>Strategic Thought Leadership</p> <ul style="list-style-type: none"> Produce thought leadership content (e.g., white paper, infographic, video, etc.) Develop creative strategy and messaging Design and produce creative ideas and concepts <p>Brand Vision & Architecture</p> <ul style="list-style-type: none"> Develop brand vision and architecture Design and produce creative ideas and concepts <p>Brand Identity</p> <ul style="list-style-type: none"> Develop brand identity (e.g., logo, color palette, typography, etc.) Design and produce creative ideas and concepts 	<p>Research</p> <ul style="list-style-type: none"> Conduct research to understand client's business and its challenges Design and produce creative ideas and concepts Develop creative strategy and messaging Conduct research to understand client's business and its challenges <p>Strategic Thought Leadership</p> <ul style="list-style-type: none"> Produce thought leadership content (e.g., white paper, infographic, video, etc.) Develop creative strategy and messaging Design and produce creative ideas and concepts <p>Brand Vision & Architecture</p> <ul style="list-style-type: none"> Develop brand vision and architecture Design and produce creative ideas and concepts <p>Brand Identity</p> <ul style="list-style-type: none"> Develop brand identity (e.g., logo, color palette, typography, etc.) Design and produce creative ideas and concepts

Source: Top Talent/Continuity of Thought Leadership (if required to deliver on a specific deliverable)

```
graph LR; A[Discovery Phase] --> B[Phase I]; B --> C[Phase II]; C --> D[Phase III]; D --> E[Phase IV]; E --> F[Flexible Deliverables];
```

Discovery Phase → Phase I → Phase II → Phase III → Phase IV → Flexible Deliverables

INSIGHTS AND ANALYSIS **MEDIA STRATEGY** **MEDIA PLAN RECO** **MEDIA BUYING** **TRACK & MEASURE**

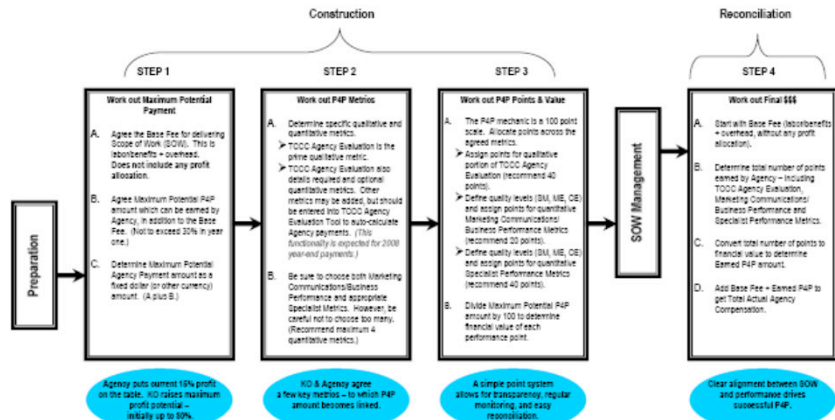
Secure Top/Named/Continuity Talent (if required to deliver on a specific deliverable)

Determine P4P - Amount & Metrics

P4P Planner

P4P Planner				
TASK	DESCRIPTION	COMPLIANT	LEAD	TIMING
PREPARE	Mindset ✓ KO and Agency are prepared to move from inputs to outputs & outcomes. (Agency is focused on delivering ROI based on the work agreed by client.) ✓ Mutual trust between KO and Agency, and commitment to making P4P work. (Trust and commitment help prevent deadlock when things don't go as planned.)	Yes	No	
	Role Sort Agreement ✓ Decision makers only • KO - Marketing Communications Lead, Advertising Manager or Media Manager (as applicable) Commercial Finance or Procurement, Legal (optional) • Agency - Finance Director, Partner or Account Director			
	Process & Timetable Agreement ✓ KO presents philosophy and structure of P4P, ensuring Agency buy-in prior to discussing details. ✓ KO presents the process to be used in analysing and reconciling the P4P Agreement. ✓ KO & Agency agree a timetable for negotiating and completing the P4P Agreement. (Signed agreement to forward - 5 weeks. Protected negotiation undertaken and involving communications (advice))			
CONSTRUCT	Scope of Work Agreement ✓ Desired outcomes, specific deliverables, timings and budgets are defined and agreed. (Scope of Work may include certain only high level deliverables, but need to be specific - all lead activity - as specific deliverables are provided)			
	Metrics Agreement ✓ KO and Agency agree a few, priority metrics to drive P4P. (P4P Agreements should be linked to 4 metrics - maximum plus Agency Evaluation mark) Agency Evaluation (Agency provides a comprehensive list of metrics by Specialist Capability for consideration) ✓ Agree performance levels for Marketing and Business Performance Metrics (Successful/Meet/Exceeds, Clearly Exceeds). These have been provided for guidance for the qualitative Agency Evaluation, but further discussion may be required to reach a detailed scale for quantitative metrics. ✓ Ensure that P4P metrics are available, independently verifiable (except for Agency Evaluation) and have clear benchmarks - or agreed baseline targets for new metrics.			
	Budget Management ✓ KO agrees, and plans to protect, Maximum Potential P4P amount (up to 30%) - and commits to pay earned amounts on time - Q1 of following year. ✓ Agency manages time effectively, and overheads efficiently.			
MANAGE	Documentation ✓ KO & Agency sign contract, attaching agreed Scope of Work and P4P terms - by 31 st December.			
	SOW Management ✓ KO & Agency regularly review and appropriately adjust work plan. ✓ Scope of Work is requested quarterly. ✓ P4P Metrics are reviewed quarterly - as opposed to waiting until year end and seeing whether or not targets were met.			
	Evaluation ✓ KO and Agency participate in TOCC Agency Evaluation. Evaluations are conducted fully, on time, twice annually - end of year and ✓ Face-to-face meetings are held to discuss completed evaluations. Action Plan is agreed to deliver appropriate improvement. ✓ Final P4P metrics are obtained, verified, and shared with Agency.			
COMPLETE	Reconciliation ✓ Metrics are converted to appropriate points - as per P4P Calculator (see examples on Pages 16 & 17). ✓ Total Agency Earned Compensation is calculated. ✓ All appropriate payments are made - on time.			

P4P Process



P4P Metrics

1. Qualitative P4P Metrics 40 points	TOCC Agency Evaluation Approach General Capabilities (required)	TOCC Agency Evaluation Approach Specialist Capabilities (as appropriate)	Scoring System
	<ul style="list-style-type: none"> Talent & Environment Thought Leadership Account Management 	<ul style="list-style-type: none"> Idea Creation Creative Execution Creative Implementation Connection Planning Media Buying/Implementation Experiential Marketing Design Interactive (in development) 	<ul style="list-style-type: none"> ✓ KO evaluative criteria of Successful/Meet/Exceeds and Clearly Exceeds (Fails to Meet is excluded). ✓ Point detail is built-in as a non-linear curve to be used for all P4P Reward calculations. (See P4P Calculator examples - pages 16 & 17).
2. Quantitative Specialist Communications P4P Metrics 40 points	Specialist Metrics (as appropriate for Specialist Capabilities)	Scoring System	
	<ul style="list-style-type: none"> A comprehensive list of Specialist Metrics is included in TOCC Agency Evaluation Approach, such as: <ul style="list-style-type: none"> TV Ad Recognition TV GRP Delivery Actual CPM Delivery Leveraging Third Party Agreements Creation of Cultural Currency Drives Scale Level of Awareness of KO brand as event organizer 	<ul style="list-style-type: none"> ✓ KO evaluative criteria of Successful/Meet/Exceeds and Clearly Exceeds (Fails to Meet is excluded). ✓ Point detail must be defined locally - as either Broad Buckets or in Granular detail. This must be designed locally because the definition of SUI, ME and CE will vary by market and by brand. (For example, Site Registration of 1% could be Meets & Exceeds, whereas 1% TV GRP Delivery would be Fails to Meet.) Work with the Agency to agree a non-linear curve. (See P4P Calculator examples - pages 16 & 17). 	
3. Quantitative Marketing Communications or Business Performance P4P Metrics 20 points	Required Marketing Communication Metrics (where possible use same for Creative & Media Agencies)	Required Business Performance Metrics (where possible use same for Creative & Media Agencies)	Scoring System
	<ul style="list-style-type: none"> Metric Source Brand Experience (B3) Measured monthly as Total Brand Connection Points/ media investment. Consumer Takeout (B3) Measured monthly as prompted Message Statements. Brand Love (B3) Measured monthly as Brand Sent. Optional Marketing Communication Metrics (where possible use same for Creative & Media Agencies) <ul style="list-style-type: none"> Brand Connection Points (for a specific context/ media investment) Positive Brand Score Purchase Intention Score 	<ul style="list-style-type: none"> Optional Business Performance Metrics (where possible use same for Creative & Media Agencies) <ul style="list-style-type: none"> Uplift/Consumption Daily Consumption Specific Sales Increases Specific Increased Distribution 	<ul style="list-style-type: none"> ✓ KO evaluative criteria of Successful/Meet/Exceeds and Clearly Exceeds (Fails to Meet is excluded). ✓ Point detail must be defined locally - as either Broad Buckets or in Granular detail. This must be designed locally because the definition of SUI, ME and CE will vary by market and by brand. (For example, Brand Love of 40% could be Clearly Exceeds or Fails to Meet - depending on the brand and the market.) Work with the Agency to agree a non-linear curve. (See P4P Calculator examples - pages 16 & 17).

P4P Calculator

PREPARATION - Step 1 of Process (see Page 6 and Appendix)									
Base Fee (\$)									
Maximum Potential P4P (%)									
Maximum Potential Agency Payment (\$)									
Per point value (\$)									
MEASUREMENT - of pre-agreed metrics - Steps 2 & 3 of Process (see Page 6 and Appendix)									
Qualitative Points Scale - 40 points allocated									
TOCC Agency Evaluation Rating									
Specialist Metric 1									
Specialist Metric 2									
Actual CPM Delivery									
Quantitative Marketing Communications and/or Business Performance Metrics Points Scale - 20 points allocated (10 points each to two metrics)									
MarCom/Business Metrics									
Consumer Takeout									
Business Performance Metrics									
Volume									
FINAL CALCULATION - Step 4 of Process (see Page 6 and Appendix)									
Total number of points (out of 100) earned by Agency									
Total Earned P4P (\$)									
Base Fee (\$)									
Total Actual Agency Compensation (\$)									
Agency Profit (%)									



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VBC Implementation Plan & Tools

Action Step	Timing	Tool
Define SOW Deliverables by Phase & Value per Deliverable	October - November 2008	Value Calculator
Define P4P Metrics & Weighting	October - November 2008	Schedule III -P4P Calculator
Complete Project Statement reflecting SOW & Agreed Value per Deliverable	By December 15, 2008	Schedule I - SOW Template
Complete Staffing Plan	By December 15, 2008	Schedule II - Deliverables & Staffing Plan
Complete Travel & OOP Estimate	By December 15, 2008	Schedule IV - Travel & OOP Calculator
Capture current SOW Deliverables & Agreed Value per Deliverable (in SOW Cost Database)	By December 15, 2008	TCCC SOW Cost Database Tool
Conduct Mid-Year Agency Evaluation (review P4P metrics tracking)	By July 31, 2009	TCCC Agency Evaluation Online Tool Schedule III - P4P Calculator
Conduct Year-end Agency Evaluation (reconcile P4P metrics tracking)	By February 15, 2010	TCCC Agency Evaluation Online Tool Schedule III - P4P Calculator
Confirm Amount for Final P4P Payment	By March 1, 2010	Schedule III - P4P Calculator

Value Based Compensation Alignment Tools - To Share with Agency Partners

TCCC

Value Based Compensation Overview
(PPT Presentation)



TCCC

Value Based Compensation Overview
(Word Summary)

THE COCA-COLA COMPANY
A Comprehensive View of TCCC Approach to Value Based Compensation
As of September 8, 2008

This document provides a consolidated overview for KO Teams and Agency Partners of key documents and tools relating to the TCCC Approach to Agency Compensation – which is called Value Based Compensation.

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VBC – A Combination of Scope of Work (SOW) Deliverables and Pay-for-Performance (P&P).....	Page 5
Determining the Base Value of Outputs – SOW Deliverables.....	Page 6
• Defining SOW Deliverables – VBC Scope of Work Management Tool (VBC SMT)	
• VBC SMT – Creative	
• VBC SMT Calculator – Creative	
• VBC SMT – Media	
• VBC SMT Calculator – Media	
• Developing Base Value Ranges and setting Defined Base Value per Deliverable	
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• P&P Calculator – A Granular Approach Example	
• P&P Calculator – A Broad Approach Example	
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A Comprehensive View of TCCC Approach to Value Based Compensation – Draft September 8, 2008 – Confidential – For distribution to KO and Agency Partners only.

Page 1

TCCC Value Based Compensation Toolkit

Alignment

For KO Associates & Agency Partners

- **TCCC Agency Management Overview**
 - ✓ Presentation (PPT)
- **TCCC Value Based Compensation Overview**
 - ✓ Written Summary (Word)

For KO Associates Only

- **Guidance on How to Define Value & Implement Value Based Compensation**
 - ✓ Presentation (PPT)
 - ✓ Written Summary (Word)

SOW Deliverables

For KO Associates & Agency Partners

- **VBC SOW Management Tool**
 - ✓ **SOW Deliverables Guidance** Media (Word)
 - ✓ **SOW Deliverables Guidance** Creative (Word)
 - ✓ **SOW Value Summary** Media (Excel)
 - ✓ **SOW Value Summary** Creative (Excel)

For KO Associates Only

- **SOW Cost Database**
 - ✓ Media (Excel)
 - ✓ Creative (Excel)
- **Value Calculator**
 - ✓ Media (Excel)
 - ✓ Creative (Excel)

Pay for Performance (P4P)

For KO Associates & Agency Partners

- **Pay for Performance Planner**
 - ✓ Checklist (Word)
- **P4P Calculator**
 - ✓ Granular or Broad Version can be used (Excel)



Top 22 Volume Markets - Status (As of August 2008)

Group	Country	Agency Management Overview	Value Based Compensation Overview	SOW Deliverables (Media)	SOW Deliverables (Creative)	Pay for Performance (Media)	Pay for Performance (Creative)
Africa / Eurasia	Nigeria	Aware	Aware	2009 (TBC)	2009 (TBC)	TBC	2009 (TBC)
	South Africa	Aware	Aware	2009	2009 (TBC)	2009	2009 (TBC)
	India	Aware	Aware	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)
	Russia	Aware	Aware	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)
	Turkey	Aware	Aware	2009 (TBC)	2009 (TBC)	2009	2009 (TBC)
Europe	France	Aware	Aware	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)
	Germany	Aware	Aware	2008	2009 (TBC)	2008	2009
	Great Britain	Aware	Aware	2008	2009 (TBC)	2008	2008
	Italy	Aware	Aware	2009	2009	2009	2008
	Spain	Aware	Aware	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)
Pacific	Australia	Aware	Aware	2009	2009 (TBC)	2008	2008
	China	Aware	Aware	2008	2009 (TBC)	2008	2009 (TBC)
	Japan	Aware	Aware	2009 (TBC)	2009 (TBC)	2008*	2008*
	Philippines	Aware	Aware	2009	2009 (TBC)	2008	2009 (TBC)
	Thailand	Aware	Aware	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)
Latin America	Argentina	Aware	Aware	2009 (TBC)	2009 Project Charter	2009 (TBC)	2009 (TBC)
	Brazil	Aware	Aware	2009 (TBC)	2009 Project Charter	2009 (TBC)	2009 (TBC)
	Chile	Aware	Aware	2009 (TBC)	2009 Project Charter	2009 (TBC)	2009 (TBC)
	Colombia	Aware	Aware	2009 (TBC)	2009 Project Charter	2009 (TBC)	2009 (TBC)
	Mexico	Aware	Aware	2009	2009 Project Charter	2009	2008
North America	Canada	Aware	Aware	2008	2008	2008	2008
	United States	Aware	Aware	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)



22+ Volume Markets - Status (As of August 2008)

Group	Country	Agency Management Overview	Value Based Compensation Overview	SOW Deliverables (Media)	SOW Deliverables (Creative)	Pay for Performance (Media)	Pay for Performance (Creative)
Africa / Eurasia	Morocco	Aware	Aware	2009	2009 (TBC)	2009	2009 (TBC)
	Egypt	Aware	Aware	2009	2009 (TBC)	2009	2009 (TBC)
	Middle East	Aware	Aware	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)
	Pakistan	Aware	Aware	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)
	East & Central Africa	Aware	Aware	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)
	Adriatic & Balkans	Aware	Aware	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)
Europe	Belgium	Aware	Aware	2009	2009 (TBC)	2009	2009 (TBC)
	Netherlands	Aware	Aware	2008	2009 (TBC)	2008	2009 (TBC)
	Greece	Aware	Aware	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)
	Poland & Baltics	Aware	Aware	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)
	Czech / Hungary / Slovakia	Aware	Aware	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)
	Nordics	TBC	TBC	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)
	Switzerland	Aware	Aware	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)
Latin America	Latin Center	Aware	Aware	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)
	Peru	Aware	Aware	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)
Pacific	Korea	Aware	Aware	2009	2009 (TBC)	2009	2009 (TBC)
	Indonesia	Aware	Aware	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)
	Hong Kong	Aware	Aware	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)
	Malaysia	Aware	Aware	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)
	Singapore	Aware	Aware	2009 (TBC)	2009 (TBC)	2009 (TBC)	2009 (TBC)



TCCC Agency Management Framework

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OBJECTIVES

To lead and manage world-class
Agency partnerships which support marketing
communications discipline to drive business growth

GOALS

- o To deliver the best strategic and creative output (“*best work*”)
- o To drive continuous improvement in productivity of marketing communications investments (“*best value*”)
- o To provide a competitive advantage (“*best in industry*”)
- o To attract and retain best talent (“*best client*”)

STRATEGIES

(I)
Establish clearly
defined Agency
Management Models

(II)
Operate with a
consistent, disciplined
approach to managing
Agency partnerships

(III)
Implement a fair,
equitable Agency
compensation and
evaluation approach

(IV)
Build KO System &
Agency capabilities to
ensure “world class”
communications

The “Coke Way” of Managing Agencies

TACTICS

Partner with Agencies

- Agency Management Framework
- Agency Management Principles
- Agency Management Strategy & Model by Function

Source Agencies

- Agency Review Policy / Process / Toolkit

Contract with Agencies

- MSAs/Contract Templates
 - » Exclusivity
 - » Transparency

Audit Agencies

- Global Marketing Services Agency Audit Protocol

Compensate Agencies

- Value Based Compensation
 - » SOW Deliverables
 - » Pay for Performance

Evaluate Agencies

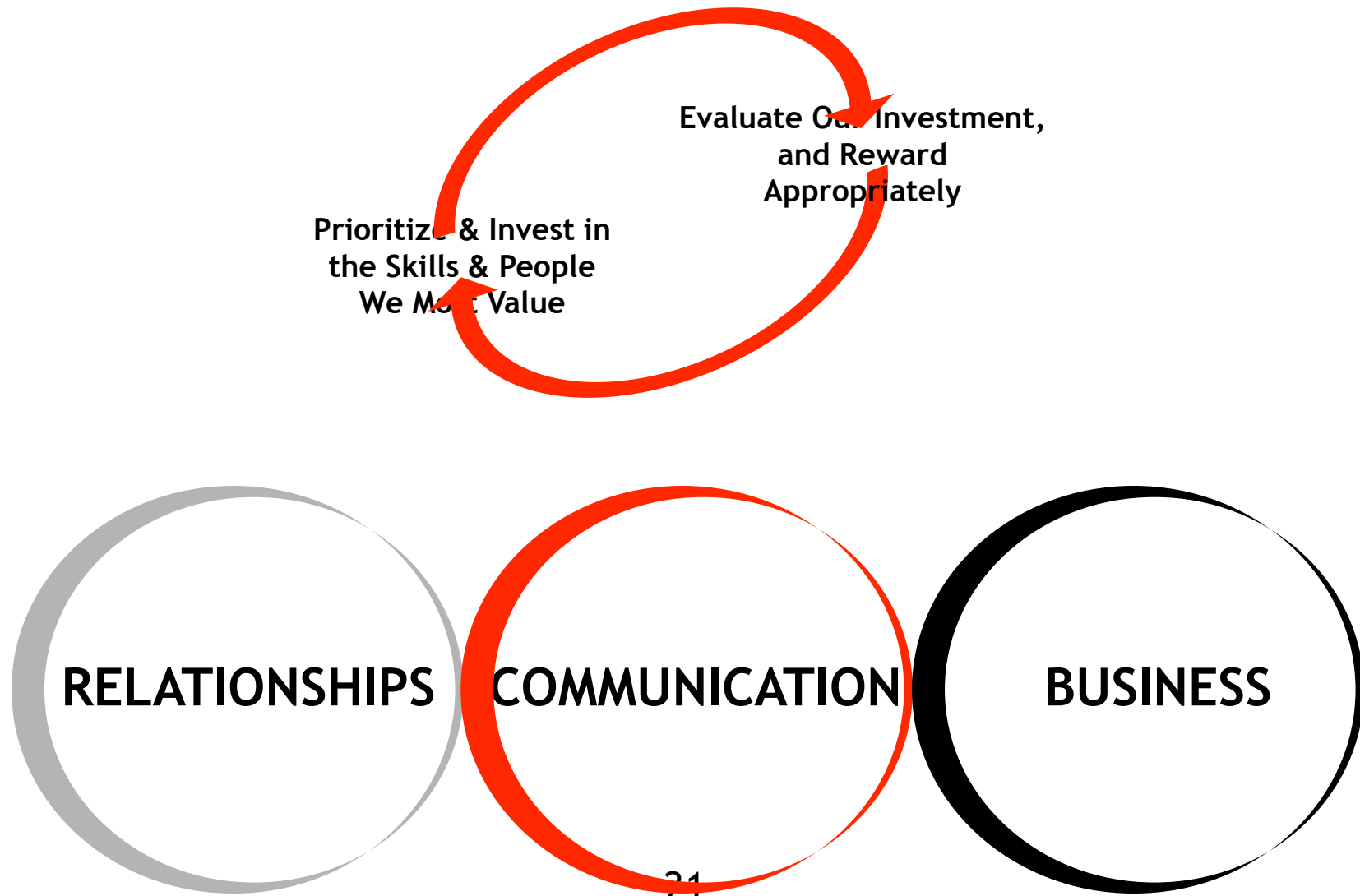
- Evaluation Approach / Online Tool

Integrate Agencies

- IMC Brief Template
- IMC Agency Integration Briefing Process



Compensation & Evaluation - Must be Linked





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Agency Evaluation Principles

Invest in
the **BEST**

Talent

Evaluate talent
on Specialist
Capabilities

Discipline

Conduct Agency
Evaluation 2x per
year via TCCC
Agency Evaluation
Online Tool
(Mid-Year & Year End)

Collaboration

Mutual Evaluation -
KO on Agency /
Agency on KO

Inspired by IMC

Value

Focus on collective
achievement of
agreed, documented
objectives



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Agency Evaluation Capabilities

GENERAL CAPABILITIES

**Talent &
Environment**

**Thought
Leadership**

**Account
Management**



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General Capabilities - Always Evaluated

Talent & Environment	Thought Leadership	Account Management
Passion	Shared Understanding	Project Management
Collaboration	Agency Thought Leadership	Communication & Documentation
Resource Management	Client Thought Leadership	Contract & Financial Management



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Agency Evaluation Capabilities

SPECIALIST CAPABILITIES

Idea
Creation

Connection
Planning

Creative
Execution

Media Buying &
Implementation

Creative
Implementation

Experiential

Design



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Worldwide
SERBIAN CHAPTER

Agency Evaluation Capabilities

SPECIALIST CAPABILITIES

**iMarketing
General Development**

**iMarketing
Search**

**iMarketing
Websites**

**iMarketing
CRM**

**iMarketing
Mobile**

**iMarketing
Measurement**

**Online Media Buying /
Implementation**

IT iMarketing



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Specialist Capabilities - As Appropriate

(with Sub-Capabilities)

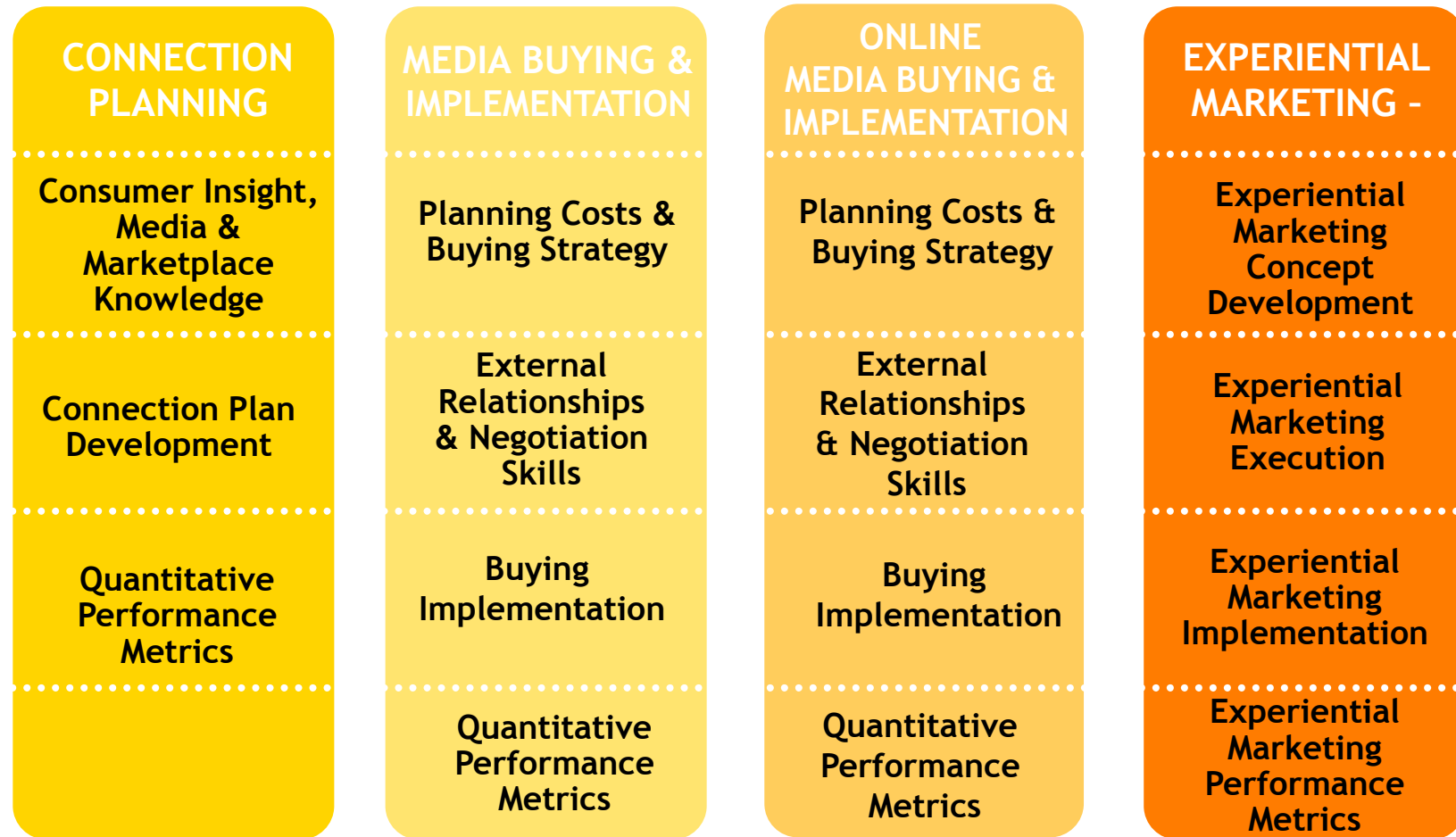
IDEA CREATION	CREATIVE EXECUTION	DESIGN	CREATIVE IMPLEMENTATION
Core Creative Idea Briefing	Connection Plan Execution	Design Concept	Pre-Production & Production
Core Creative Idea Collaboration	Functional Briefing	Design Development	Traffic
Core Creative Idea Development	Creative Amplification / Optimization	Design Amplification	Legal & Business Affairs
	Quantitative Performance Metrics	Design Performance Metrics	Finance



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Specialist Capabilities - As Appropriate

(with Sub-capabilities)





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Specialist Capabilities - As Appropriate

(with Sub-capabilities)

iMARKETING GENERAL DEVELOPMENT	iMARKETING WEBSITES	iMARKETING MOBILE	iMARKETING SEARCH	iMARKETING CRM	iMARKETING MEASUREMENT
Strategic Development	Site Development	Mobile Development	Search Development	CRM Development	Measurement Development
Creative Development	Site Management	Mobile Management	Search Management	CRM Management	Measurement Management
	Site Quantitative Performance Metrics	Mobile Quantitative Performance Metrics	Search Quantitative Performance Metrics	CRM Quantitative Performance Metrics	Measurement Quantitative Performance Metrics



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Agency Evaluation Online Tool

The Coca-Cola Company Evaluation Tool - Microsoft Internet Explorer provided by The Coca-Cola Company

File Edit View Favorites Tools Help

The Coca-Cola Company

Agency Evaluation Tool

Welcome Ivan Isayev

Home Agency Evaluation Library Email My Profile Admin

Evaluation :: Evaluate Agency

Print Home Logout

Talent & Environment Thought Leadership Account Management Idea Creation Creative Execution Creative Implementation

Talent & Environment	Questions	Please Provide Comments & Specific Examples to Support Rating	Rating
(1) Passion & Skill	a.) Does Agency demonstrate passion for KO business or NOT? b.) Does Agency have a real commitment to excellence? (prompt) c.) Is Agency putting – and keeping – its best resources on KO business? (prompt) <div>- Has "best" been defined? - Are key individuals named in contract? - Is brand benefiting from staff continuity? - Is staff turnover a problem?</div>	Agency has demonstrated heartfelt commitment to deliver the results	<input type="radio"/> Clearly Exceeds <input type="radio"/> Meets & Exceeds <input type="radio"/> Successfully Meets <input checked="" type="radio"/> Meets Some <input type="radio"/> Fails to Meet <input type="radio"/> Not Applicable
(2) Collaboration	a.) Is Agency working collaboratively with KO and other Agencies to deliver KO business and brand needs? (prompt) b.) Is Agency committed to true collaboration with the entire KO and external team? (prompt) c.) Is Agency working with a good process to foster collaboration? (prompt) d.) Is Agency responding appropriately to feedback from KO and other Agencies? (prompt)	Great job, definitely a strength	<input type="radio"/> Clearly Exceeds <input checked="" type="radio"/> Meets & Exceeds <input type="radio"/> Successfully Meets <input type="radio"/> Meets Some <div>Contributions meet some but not all of the objective(s) and performance improvement is necessary. Performance is inconsistent.</div> <input checked="" type="radio"/> Fails to Meet <input type="radio"/> Not Applicable
(3) Resource Management	a.) Is Agency appropriately accessible and available? (prompt) b.) Is Agency managing time well – their own, other Agencies and KO? (prompt) c.) Is Agency adequately staffed to meet KO work load and deadlines? (prompt) <div>- Are staffing plans efficient, effective and sufficiently flexible throughout the year?</div>	Management attention is required to fix this	<input checked="" type="radio"/> Fails to Meet <input type="radio"/> Not Applicable

Save as Draft Submit and View Summary



TCCC Agency Management Framework

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Worldwide
SERBIAN CHAPTER

OBJECTIVES

To lead and manage world-class
Agency partnerships which support marketing
communications discipline to drive business growth

GOALS

- o To deliver the best strategic and creative output (“*best work*”)
- o To drive continuous improvement in productivity of marketing communications investments (“*best value*”)
- o To provide a competitive advantage (“*best in industry*”)
- o To attract and retain best talent (“*best client*”)

STRATEGIES

(I)
Establish clearly
defined Agency
Management Models

(II)
Operate with a
consistent, disciplined
approach to managing
Agency partnerships

(III)
Implement a fair,
equitable Agency
compensation and
evaluation approach

(IV)
Build KO System &
Agency capabilities to
ensure “world class”
communications

The “Coke Way” of Managing Agencies

TACTICS

Partner with Agencies

- Agency Management Framework
- Agency Management Principles
- Agency Management Strategy & Model by Function

Source Agencies

- Agency Review Policy / Process / Toolkit

Contract with Agencies

- MSAs/Contract Templates
 - » Exclusivity
 - » Transparency

Audit Agencies

- Global Marketing Services Agency Audit Protocol

Compensate Agencies

- Value Based Compensation
 - » SOW Deliverables
 - » Pay for Performance

Evaluate Agencies

- Evaluation Approach / Online Tool

Integrate Agencies

- IMC Brief Template
- IMC Agency Integration Briefing Process

IMC Brief

DNA Fusion Point: Brand Plans

DNA Base: Communication & Connection

Agenda Base

The Coca-Cola Company

IMC Brief

Core Creative Idea and Creative Guidelines Summary

What are the Core Creative Idea and Creative Guidelines? How can the Core Creative Idea be localized to give it cultural relevance?

Target & Specific Insight

Who is the target and are there any specific insights at key decision points in their purchase journey that will inform our amplification strategy?

Specific Communications Role and Objectives

Where in the consumer relationship/decision making process can marketing communication have the most effect? What are all the different priorities communications must solve as part of market communications planning?

Specific Connection Points

What are the recommended connection points and consumer communication needs (e.g., knowledge, need to experience it for real, need to play, etc.)

Brand Marketing Asset Considerations

What assets, currently in our portfolio can be used to address the communication objectives? How might they be used to bring the Core Creative Idea to life?

Consumer Takeaway

For each communication objective and platform, what will be the key message the consumer should walk away with after being exposed to the communication?

Success Criteria

How will amplification ideas be judged? What are the criteria for success?

Timing & Budget

What is the schedule for delivery of work? What is the budget for the work?

Integrate Agencies

IMC Agency Integration Process (Work in Progress)



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