



Global
Digest

Marketing Procurement

Background

CASME held Marketing Procurement RoundTable meetings in Asia, Australasia, Europe, Latin America and North America. The following main topics were discussed:

- Stakeholder engagement
- Company requirements
- Industry and financial analysis
- Strategy development and execution
- Contract negotiation and implementation
- Performance management
- Trends and Technology.

This Digest provides the key points, good practices and insights into future trends identified by CASME members at the RoundTable meetings held around the world.

Stakeholder Engagement

- Marketing Procurement is engaging, collaborating and aligning with the marketing stakeholders by:
 - Mapping the marketing stakeholders to identify the senior stakeholders and decision-makers
 - Approaching the stakeholders as a business partner with a marketing perspective, and using marketing vocabulary rather than procurement terminology
 - Demonstrating category and market knowledge, as well as understanding of the stakeholders' and the company's requirements and objectives
 - Engaging with Marketing during the annual budget planning process and aligning Procurement's strategic objectives with Marketing's requirements
 - Conducting regular meetings with the stakeholders to review their current projects and their project pipelines, to understand their priorities and objectives and align Procurement's strategies with these
 - Developing an engagement framework based on spend thresholds and the strategic importance or criticality of the stakeholders' projects
 - Collaborating with Marketing to define the scope of projects and manage the RFx processes
 - Attending and assisting with managing marketing events to establish relationships with the stakeholders and understand their challenges
 - Conducting workshops with brand managers, chief marketing officers (CMOs), multichannel teams, and the local procurement and marketing teams, to discuss the current marketing procurement and agency engagement strategies, and opportunities for improvement
 - Holding team-building and social events with the stakeholders and marketing agencies
 - Involving the relevant brand managers or marketing stakeholders in reviews of the performance of marketing services providers
 - Implementing global marketing procurement systems and tools that enable the global, regional and local marketing and procurement teams to communicate and exchange information
 - Focusing on delivering value rather than achieving cost savings, and promoting Procurement's delivery of value using success stories.
- Locating procurement managers within or in close proximity to marketing teams enables effective business partnering and collaboration with the stakeholders, and assists Procurement to improve relationships and gain credibility, and to influence the decision-making process.
- Focusing more on delivering added value than achieving cost savings has resulted in Procurement being engaged early in projects by the stakeholders, in order to provide support and insights, assist in overcoming challenges, and become a trusted business partner.

Company Requirements

- Procurement analyses current and ongoing marketing spend by:
 - Using centralised procurement systems such as [Ariba](#) to capture spend data for analysis
 - Implementing spend analytics and visualisation tools such as [Tableau](#)
 - Using the reports produced by a centralised analytics team within Procurement using [Power BI](#)
 - Gathering historical spend data from purchase orders (POs), as well as procurement management systems and analytics software
 - Obtaining data and information from the marketing agencies for performing spend and market analysis
 - Conducting internal benchmarking by consulting with the stakeholders, and benchmarking regional and global spend using external sources

- Developing transparent and collaborative relationships with strategic suppliers to ascertain the average costs for the various services that are being offered in the market
- Using the accounts reconciliation reports to obtain in-depth spend data for analysis
- Comparing the spend from the previous year with spend during the current year
- Gaining an understanding of Marketing's project pipeline and budget
- Partnering with Finance and requesting access to financial dashboards.
- Procurement's influence regarding marketing budgets and spend is minimal; however, Procurement focuses on identifying opportunities for improving efficiencies and assisting Marketing to achieve the optimal value from its budget.
- The marketing stakeholders define the requirements and develop the scopes of work for marketing agencies and service providers, with Procurement providing support using techniques such as:
 - Developing a robust process for defining the scopes of work in collaboration with the brand teams
 - Coaching the stakeholders in developing accurate briefs and providing standardised briefing templates to assist them to clearly define their requirements, the scopes for projects, and the expected outcomes
 - Establishing standardised RFX templates to enable the stakeholders to compare the services that are being offered by the service providers
 - Reviewing previous scopes of work and using these as the basis for developing future scopes of work
 - Requesting frequently-used agencies to develop the scopes of work based on the stakeholders' requirements
 - Conducting requests for solutions (RFSs) before conducting formal requests for proposals (RFPs), to obtain suggestions for resolving business challenges from a selection of service providers, and provide the stakeholders with new ideas for defining their requirements.
- Procurement is managing compliance with company policies and applying governance with challenging stakeholders by:
 - Educating the stakeholders regarding the reasons for the policies, and clarifying that the policies are defined by the company, not Procurement
 - Providing training and presentations to new employees to ensure that they understand the procurement policies and processes, offering refresher training sessions to existing stakeholders, and holding lunch and learn and drop-in sessions
 - Collaborating with Marketing to resolve issues, and only escalating repeated non-compliance and issues that represent high levels of risk
 - Encouraging Marketing to involve Procurement early in projects, to avoid non-compliance and extended process timescales
 - Requiring Marketing to issue requests for quotations (RFQs) to a minimum of three service providers when Procurement is not involved in projects
 - Developing an internal service level agreement (SLA) that defines the procedures for engaging Procurement in projects.

Industry and Financial Analysis

- Procurement obtains category, market and industry intelligence from sources such as:
 - [Accenture](#)
 - [Deloitte](#)
 - [Ebiquity](#)
 - [Gartner](#)
 - [IBISWorld](#)
 - [RightSpend](#)
 - [The Hackett Group](#)
 - [The Smart Cube](#)
 - [TrinityP3](#)
 - The [Institute of Practitioners in Advertising \(IPA\)](#)
 - The [World Federation of Advertisers](#)
 - Conferences such as [ProcureCon](#) and [Procurement Success Summit \(PSS\)](#)
 - Articles such as [10 Tips for Marketing & Procurement](#) from the [Chartered Institute of Procurement & Supply \(CIPS\)](#) and [Revolutionising the Perception and Contribution of Global Marketing Procurement](#), the Project Spring report by the World Federation of Advertisers.

- Category managers are also obtaining intelligence and insights from:
 - Regular communications with the marketing stakeholders and service providers
 - Internal events held to exchange information and ideas with the marketing teams
 - External speakers invited to provide training and insights
 - Marketing conferences and networking events
 - Procurement peers and colleagues
 - Historical contracts and spend data
 - Industry and trade publications
 - Internet searches
 - Trade shows.

Strategy Development and Execution

- In global organisations, the category strategy is developed at the global level for each sub-category or type of marketing service, with flexibility for regional and local variations.
- Global category strategies are implemented by local procurement teams, who may also be responsible for negotiations at the local level.
- Regional category strategies may be developed, implemented and managed at the regional and/or local level according to each market.
- Local category strategies may not be established, but local procurement activities may be performed on a cross-functional, project-by-project basis.
- In some organisations, the local procurement team has some influence in the development of the category strategy, and may recommend local agencies or service providers as alternatives to those selected at the global level.
- The development and implementation of a new, overarching marketing procurement strategy requires input from and collaboration with a cross-functional team, as well as effective change management across the organisation.
- Procurement obtains approval for the category strategy plan from senior procurement executives and the marketing stakeholders by:
 - Presenting the plan to the marketing stakeholders during group workshops or sessions with individuals, to obtain feedback and approval, then presenting the category plan to senior procurement executives
 - Demonstrating how the category strategy plan aligns with the priorities of the marketing stakeholders and senior procurement executives, addresses challenges, and will deliver results in achieving cost-savings and efficiency targets.
- Marketing procurement category strategies are reviewed and updated by:
 - Developing a three-year rolling strategy that is updated according to data gathered at the global and regional levels
 - Continuously developing the strategy within an annual cycle to maintain alignment with the company's and the stakeholders' objectives
 - Reviewing the strategy during quarterly meetings with the stakeholders, to accommodate changes and external developments
 - Linking the strategy reviews with the fiscal planning cycle, and meeting with senior executives to identify objectives that need to be included within the category plan
 - Planning the category strategy during the budgeting period and reviewing it in the second quarter of the fiscal year to ensure that it remains aligned with the budget
 - Updating the strategy plan on a six-monthly or annual basis in partnership with the marketing stakeholders to ensure alignment
 - Reviewing and amending the strategy according to Marketing's strategies and requirements
 - Developing a flexible master category strategy in collaboration with the marketing stakeholders and agencies, which may be adjusted when necessary to align with the organisation's requirements.

Contract Negotiation and Implementation

- The types of contract templates that are being used for marketing services include:
 - Global templates for agency contracts that can be adapted by the local legal teams to comply with local legal requirements
 - A global template with additional clauses for application at the regional and local levels
 - Standard templates created by an outsourced legal team, and a ticketing system for any contracting issues or queries during negotiations; with local legal services contracted for specialist requirements

- A standard contract template developed in-house with revisions negotiated on a case-by-case basis
- Standard POs with terms and conditions (T&Cs) for spend below a defined threshold; and formal contracts negotiated for spend above the threshold
- The service providers' templates; or a combination of the service providers' contracts and the organisation's template
- Industry templates provided by organisations such as [The Association of National Advertisers \(ANA\)](#) in the USA and [ISBA](#) in the UK.
- Successful strategies and tactics for negotiating with marketing services providers include:
 - Incorporating contract templates within RFPs to ensure that the service providers understand and agree to the T&Cs before participating, and to reduce the amount of time needed for negotiation
 - Engaging with the stakeholders before negotiations commence to review the service providers' quotations and pitches, define the stakeholders' priorities and on what they are willing to compromise, plan the negotiation strategy and agree how to respond to different situations, define the roles and requirements of Procurement and the stakeholders, and ensure alignment during the negotiations
 - Involving the stakeholders in the negotiations, to optimise their category expertise and understanding of the requirements; with Procurement taking a leading role and the stakeholders providing additional support, and Procurement being the hard negotiator to enable the stakeholders to maintain good relationships with the service providers
 - Determining the service providers' cost models and benchmarking their rates using data obtained from previous projects or through RFxs
 - Clearly defining the agencies' roles, the scope of their activities, and the number of personnel and hours they will dedicate to the company's account or specific projects
 - Engaging consultants to provide expertise and benchmarking data, and advice regarding negotiations for specialised requirements; consultants may also conduct negotiations on the company's behalf and act as intermediaries between the company and the service providers.
- The key T&Cs that should be included in marketing services contracts include clauses regarding:
 - Termination for cause or convenience without financial penalties
 - Intellectual property (IP) ownership, usage and modification rights
 - Transparency of pricing and pass-through costs
 - The payment terms and schedules
 - IT security and data privacy, with enhanced cyber security for marketing technology (MarTech)
 - Insurance, indemnity and liability
 - Unlimited liability specifically for data breaches; or a limitation of liability clause with a 'super cap'
 - Standard T&Cs for specific marketing services and sub-categories
 - Confidentiality
 - A non-exclusivity agreement, with a caveat addressing conflicts of interest
 - The reporting requirements and methods
 - The conditions and fees for amendments to marketing materials
 - The requirements and lead times for replacing agency team members during projects
 - T&Cs related to influencers to protect the organisation's reputation and brand integrity
 - Corporate social responsibility (CSR) and sustainability policies, and ethical employment practices.

Performance Management

- Performance, business and/or commercial reviews are conducted during:
 - Weekly update meetings with new marketing services providers
 - Monthly meetings during projects to evaluate the providers' performance against project-specific KPIs
 - Quarterly meetings between Procurement and preferred providers to discuss spend, challenges and potential improvements
 - Ad hoc meetings with providers when issues arise
 - Post-project review sessions.
- Supplier performance reviews include discussions regarding:
 - The service providers' performance against the KPIs linked to remuneration models
 - The stakeholders' feedback regarding project outcomes, the services provided by the agencies and the teams working on the company's projects
 - The agencies' self-assessments of the services they have provided
 - Issues experienced by the stakeholders and/or the agencies
 - Opportunities for innovation.

- Quarterly business reviews (QBRs), and six-monthly or annual strategic review meetings are conducted with strategic suppliers to improve business relationships and transparency, as well as to discuss performance, feedback from the stakeholders, corrective action plans if necessary, future strategies and strategic partnerships, and market insights and innovative ideas.
- Annual 360° reviews are conducted for the stakeholders, suppliers and Procurement to provide feedback about each other, with the results and areas for improvement in the relationships discussed during QBRs.
- Supplier relationship management (SRM) may be applied with some marketing service providers, depending on the amount of spend involved and how frequently the service providers are used.
- Procurement ensures that marketing services providers are supporting the organisation's environmental, social and governance (ESG) and supplier diversity and inclusion (D&I) policies by:
 - Including ESG and D&I requirements in RFPs, contracts and master services agreements (MSAs)
 - Applying ESG and D&I targets in the service providers' KPIs, and monitoring their performance to ensure that they achieve them
 - Obtaining sustainability ratings for the service providers from [EcoVadis](#)
 - Requesting the holding company to provide agencies that fulfil the organisation's diversity requirements
 - Requiring all agencies to record and report their tier-two diversity spend
 - Educating the stakeholders and service providers regarding approaches for improving sustainability, such as limiting the use of paper marketing materials and reducing waste
 - Collaborating with the agencies to develop innovative sustainable solutions
 - Increasing the amount of spend placed with indigenous suppliers and social enterprises, by promoting them to the stakeholders and including them in RFxs, and holding events to present diverse suppliers to the stakeholders
 - Providing support to small and diverse supplier companies during RFxs and onboarding procedures
 - Assisting existing, long-term providers in improving their sustainability and D&I status.

Trends and Technology

In-house marketing services

- The in-house marketing services that are being implemented or considered include:
 - Digital asset management (DAM)
 - Data and campaign analysis
 - Digital and affiliate marketing services
 - Public relations (PR) consultancy and research
 - Photography and broadcasting via an in-house studio
 - Creative content design and artwork.
- The production of finished artwork and packaging may be offshored to countries in Asia to improve the speed of fulfilment.
- E-Commerce activities should be performed in-house due to the exponential increase of these; for which Procurement has needed to negotiate with business-to-business (B2B) platform and service providers.
- Creative content design and production services have been decoupled from the marketing agencies in some companies, in order to achieve cost savings and improve visibility of pass-through costs, and to obtain more responsive and cost-effective services from independent providers.
- Small production companies may experience capacity issues, resulting in Procurement using a selection of production companies on a roster basis to manage the workload and costs.

MarTech

- Procurement identifies agencies that provide MarTech within their services, obtains information from marketing services providers regarding new technological solutions, and includes MarTech requirements in the selection criteria when sourcing new service providers.
- The IT and/or marketing procurement teams participate in the sourcing, decision-making and negotiations for purchasing MarTech; for complex products, IT provides technical expertise and Procurement manages the purchasing process.
- Conducting small pilot schemes with new MarTech is effective for determining the suitability of the tools for implementation across the organisation, and the potential return on investment (ROI).

- The MarTech that is being used and providing benefits includes:
 - Content management systems (CMSs) and DAM systems such as [Bloomfire](#) for increasing efficiency and consistency
 - Marketing resource management (MRM) software for planning and tracking marketing projects
 - Accelerated mobile pages (AMPs) for streamlining digital marketing campaigns, minimising bandwidth and load times, and reducing costs
 - Agency management systems (AMSs), such as [Agency Mania Solutions](#) or [Decideware](#) for administering agency management and performance monitoring processes
 - [ThoughtSpot](#) integrated with Power BI to analyse the ROI of marketing spend.

Resource Centre Links

The following are links to the full meeting reports for each region:

- [Asia](#)
- [Australasia](#)
- [EMEA](#)
- [Latin America](#)
- [North America](#)

Important

This report is a summary of the facilitated discussions held between the CASME members who attended the meetings. CASME is not a consultancy and does not provide advice. The accuracy or validity of any recommendations or references, particularly to legislation and regulations, contained in the report should be verified by the reader prior to being acted upon. Any third-party organisations named in this report are not recommendations but are examples of companies mentioned during the meeting that may be considered when sourcing the relevant products or services. These are not intended to form an exhaustive list and it is likely that other organisations not listed also provide similar products or services.

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