

MARKETING COMMUNICATIONS WHITE PAPER—APRIL 2014

Marketplace Issues and Structural Problems

curran&connors

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The Premise:

Curran & Connors successfully manages creative staff to profit, which is more efficient and cost-effective than employing an internal staff that has to be managed as a cost center.

Perhaps no function in corporate America is more dramatically affected by an economic downturn than marketing communications (marcom), which includes advertising, brand marketing, investor relations, public relations, corporate communications and so on. It's nearly impossible to measure a true marketing communications ROI, and as a result, in times of economic stress, it's the marcom budget that's typically the first to be reduced and nearly always the last to be restored, if it ever is.

The market crash of 2008 and the ensuing recovery illustrated this. Severe cost management took place across the board, in all spending categories, but most severely in the business of marcom. The reason: The marketing communications sector is still built on an outdated 20th century model that has become increasingly inappropriate for today's business environment.

The 20th Century Model

To put this model into perspective, consider the graphic below representing the current continuum of corporate marketing communications projects. On the extreme left is the most sophisticated, most dynamic, big budget project, epitomized by the television Super Bowl ad. On the extreme right of the graphic are the most routine projects exemplified by corporate stationery, newsletters and brochures. In between, you'll find specialized communications such as digital media, direct marketing and many more generic assignments, like sales collateral and corporate Web site construction and maintenance.



To this day, the traditional Madison Avenue ad agency remains best equipped to produce high-cost, high-impact, award-winning broadcast advertising like those you'd see during the Super Bowl or your typical prime-time program. These agencies are staffed by the most talented and creative professionals, fueled by the most valuable attitudinal and qualitative research and well compensated by the commissions, with media budgets that top seven figures or more.

Apart from this far-left side of mass production and specialty marketing services, the remainder of the communications market is extremely fragmented. There is a serious range of other executable marketable design practices (the middle and right side of our continuum) which the big-budget Madison Avenue ad agencies are ill-equipped to properly produce and manage, yet are still hired to design and market alongside those Super Bowl ads. Here, these agencies handle specific assignments within both functional and geographic areas, a purely tactical approach that can overlook the golden communications opportunity for proper return on investment.

Many companies also have in-house design teams to handle projects deemed less critical, where a small team of designers and marketing associates are hired internally to tend to the executable marketing materials left in shambles by those cuts in the marcom budget.

The Problem with the 20th Century Model

America's success since the Industrial Revolution has largely been the result of two overriding factors: continual investment of capital to fuel growth and the ongoing drive for greater productivity, efficiency and throughput, all within the constraint of laws and regulation.

In this spend-to-spend mentality, the significant loss in revenue and investment is not always readily apparent.

Amazingly, despite the fact it's often characterized as a cost center, and often managed by professionals as a cost center, the 20th century model for marcom has been the victim of insufficient innovation to drive efficiencies (and rationalize additional spend). It's either managed in project and functional silos, eliminating the potential for capturing economies of scale, or it's managed by the agency holding companies whose overhead is so large that passing savings along to their clients is nearly impossible. In this spend-to-spend mentality, the significant loss in revenue and investment is not always readily apparent.

This inefficient use of internal company staff further illustrates the outdated 20th century paradigm. During the majority of the year, this internal staff suffers poor utilization rates and a "creative brain drain" because they work with only a limited number of projects and clients. Those demand fluctuations translate to inefficient use of resources for companies, where staff is utilized at baseline need and freelancers are brought in as a supplemental workforce during high-demand periods.

The current structure is further fragmented below the cost center because of lack of coordination in all departments of the company, where buyers have conflicting agendas, so marketing materials seriously lack cohesion and sustainability.

This brings us back to capturing economies of scale: Within the myriad of ways that different company departments bring in freelancers, there becomes a muddle of different solutions: in house, outsource, project or retainer basis etc. This lack of efficiency and cohesion of communication materials ultimately culminates in a company's "use it or lose it" mentality, where they "spend to spend" instead of spending on purpose. Ultimately, sticking to this cost-center-focused model will continue to yield unprofitable results.

Curran & Connors has a proven pedigree of delivering the Chairman's message through critical, brand-driven material, on time and within budget.

The Curran & Connors 21st Century Solution

Uniquely positioned, managed to profit, with access to the highest levels of corporate America, and a proven pedigree of delivering the Chairman's message through critical, brand-driven material, on time and within budget: Curran & Connors has a new way of thinking for the 21st century. Our solution for your communication needs is a strategy-driven, integrated brand management system that Curran & Connors knows best of all. Why? Because that's our job. We supervise and coordinate design teams solely to build and manage your marketing communications.

Curran & Connors: The 21st century solution for business and marketing communications.



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