

The Future of Strategy 2020

Sample report

WARC[^]



In the full report

1. A time to prove strategy's value

COVID-19 drives an increasing appreciation of strategy

2. Headcounts and the next generation

Headcounts decrease, with a knock-on effect on diversity initiatives

3. Budget cuts and the hit to freelancers

The future of freelance strategy post-budget cuts

4. Strategy in an age of short-termism

Recession-driven short-termism and a shift in purpose

Strategy in a pandemic

This report takes the temperature of strategists across marketing. It focuses on their role, their challenges and their opportunities in an industry severely disrupted by the COVID-19 pandemic.

The annual Future of Strategy report is based on a global survey of strategists that was fielded in May and June 2020. This year's report focuses on the impact of COVID-19 on strategy, across headcounts, budgets, and the role of strategists during the crisis. It also addresses what long-term changes might result.

Respondents in this year's survey tended to sit in one of

two camps. Many were optimistic as to the future of strategy and felt the disruption caused by COVID-19 could be positive for the industry. But another group were far more pessimistic; these respondents were more likely to see the impact as negative, with job cuts and short-termism front of mind.

We start the report with these feelings summarised into three reasons for optimism and three reasons for pessimism, and the report expands on each, illustrated with data from the survey and commentary from 12 expert contributors from locations around the world.



Three reasons for optimism

1: Strategists have been crucial to the pandemic response and have had the chance to shine.

The pandemic has driven a closer relationship between strategists and their clients, as the rapid development of the crisis has driven a need to solve significant new challenges. Brands have relied on their agencies for direction, and – in some cases – there is a feeling of greater understanding and respect as a result.

2: COVID-19 is disrupting the industry and creating new opportunities.

We asked respondents if they agreed that COVID-19 would fundamentally change the way agencies work: 69% agreed. The optimists among these view the pandemic as a necessary disruption that will drive agency leadership to transform staffing and services to meet the needs of brands in the 'new normal'.

3: The crisis has shown the value of a strong, credible brand vision.

Rather than focusing on products, the pandemic has driven brands to focus on what the brand itself really means, and the importance of building that platform so that brand health can be maintained during times when the climate is not right for pushing products.



Three reasons for pessimism

1: Staff cuts highlight the paradox of strategy in 2020.

Despite evidence that clients need strategic help more than ever, many strategy departments have seen cuts and freelancers have lost clients. There are fears of a growing disconnect between the jobs strategists do in agencies, and the brand strategy clients are looking for. This is accelerating the feeling that strategists are undervalued and mis-sold in agency structures.

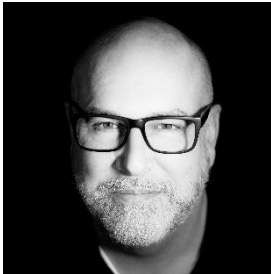
2: Cutbacks threaten the next generation of talent – including the push for greater diversity.

Respondents told us that the most likely group to lose their jobs to COVID-related redundancies were junior strategists. Just like in the 2008/09 crash, we are seeing a reduction of opportunity for younger strategists. The risk is that this impacts diversity initiatives, leaving strategy teams unrepresentative of the wider population.

3: The crisis has accelerated the shift to short-termism.

There has been a huge shift to short-termism as a result of budget cuts, the need to react rapidly to the coronavirus pandemic, and the need to stimulate quick sales at a time of economic stress. Many strategists feel this is a real threat to their role and the value they are able to provide.

Expert
commentaries
in the full
report



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Kanika Bali,
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The lockdown revolution

Brent Nelsen, Chief Strategy Officer, Publicis Communications, North America



While planning around COVID-19, a sports fanatic friend and colleague reminded me what Mike Tyson once said, "everybody has a plan until they get punched in the face." That sounds about right. This pandemic has sent us all to the mat, scrambling to shake off the hit and get back on our feet. In the blink of an eye the world changed. And those that are fleet of foot will get a jump start on the race to recovery.

We've experienced transformative events like this before... but over 300 plus years not several months. Like previous disruptive or transformative socioeconomic events, the arrival of the virus has not only created an abundance of marketing challenges, but also an array of opportunities to productively

adapt, act and evolve.

Will the COVID-19 crisis fundamentally change the way agencies work? Beyond working remotely Zooming, Teams'ing and Skype'ing in pajamas, it already has...can and will in an even more impactful way.

1. Deeper and wider: Market structure has changed. Supply has changed. Demand has changed. And brands have cut \$50bn from global adspend in response to sickened demand across ailing sectors.

The pressing need to account for greater and greater uncertainty has made one thing blindingly clear: the value and need for senior, experienced and diversely skilled planning and account

talent. The challenges and emergent questions facing brands are complex and well beyond fundamental communications strategy.

With the demand for deeper, wider, faster and greater strategic counsel, the pandemic presents a real opportunity – perhaps necessity – for agencies to:

a. Rethink staffing ratios to reinvest where increasing demand and value exists: strategy, data, digital, creative technology, CX, UX design and creative.

b. Re-define what agency, account and planning leadership needs to be vs. is now, to ensure it can tangibly lead, plan and enable business transformation through

creativity in all its forms.

c. Radically redesign team structures by creating smaller and faster 'Task Teams' of diverse strategic expertise, enabled to circumvent or reinvent any obstacles that impede efficiency and effectiveness across people, process, resources and approach to focus on mid and long-term brand planning beyond the day to day.

d. Re-look at implementing deeper project management expertise across businesses to free up valuable account talent from operational management to business strategy development that proactively drives growth and margin for both client and agency.

2. Pressing for definition: Yes,

the need for speed in moving to market with communications is a real need, but the continuing sense of urgency and lack of time can quickly become a standing excuse for a complete lack of clarity on what the marketing investment needs to achieve. With vastly varying data on pre-COVID sector GDP recovery timelines, the urgency for action cannot be allowed to marginalise effectiveness, which has never been more critical than in an environment of COVID constrained commerce. The pandemic presents a clear opportunity to stop, define what success needs to look like... and then apply creativity to achieve commercial results.

3. The long view. Economic, sector and regulatory uncertainty. Client supply chain disruption. Shifting consumer

behaviour. Altered consumption demand. Predictions of a 'second wave.' In combination, all have spawned a significant need for focus beyond quarterly or annual planning. Prior to COVID-19, planning occurred within the context of relatively stable market structures, historically consistent or predictive demand curves and evolving consumer behaviours. No more. Now, both clients and agencies are needing to plan for a variety of plausible futures with a set of constantly changing market and behavioural uncertainties around product, commerce infrastructure, and people.

For planners, business leads and brands, scenario planning seems like a no brainer to ensuring the continuation of brand salience while increasing the odds of effectively securing future

earnings. Assuming that tomorrow will be exactly the same as today, seems like no plan at all.

Will COVID-19 fundamentally change the way agencies work? It already has in many ways and still can in many ways. And frankly, it should. History would suggest "to the adaptive and innovative...belong the spoils" ...with full apologies for the amendment to Senator William L. Marcy. Or put another way for my sports obsessed friend and colleague **"the key is not the will to win...everybody has that. It is the will to prepare to win that's important"** – Bobby Knight.

The question at hand is who is willing to prepare, because that takes hard work my friends.

[Read Brent's full piece on WARC](#)



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Future of Strategy 2020

**A time to prove
strategy's value**

The paradox of strategy in 2020

Strategists have had an opportunity to shine in the pandemic, as clients have needed sound advice to change direction. Yet cuts to strategy teams have been common, and further cuts are anticipated.

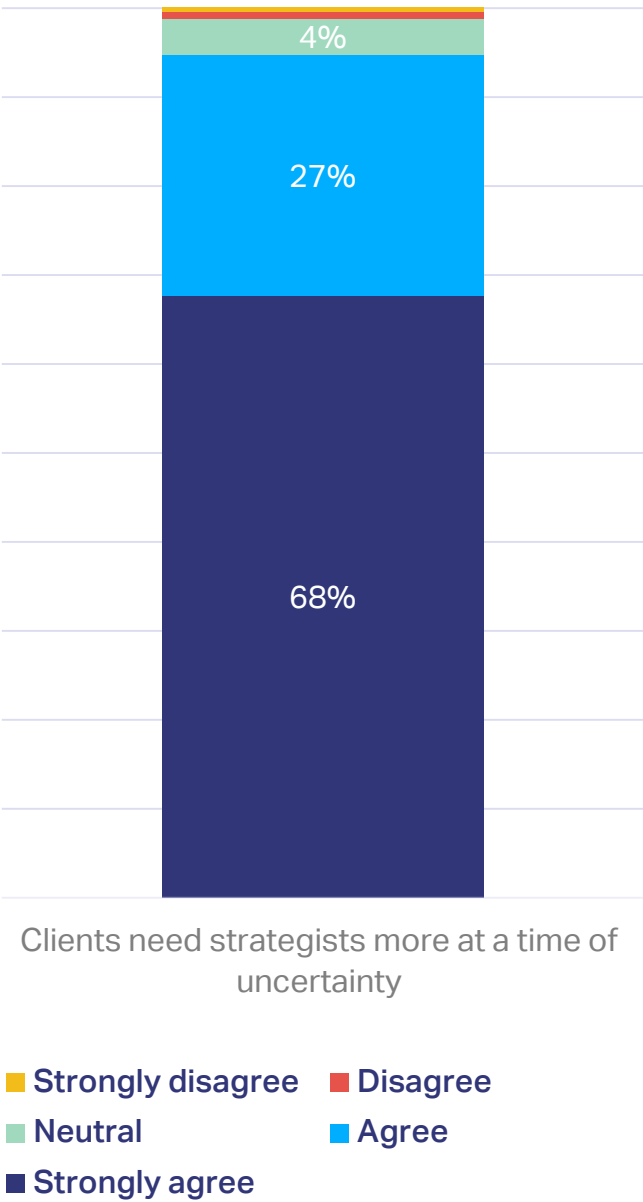
This is the paradox. At a time when strategists are reporting high levels of influence, their numbers are being reduced.

This trend was highlighted in a recent Gartner CMO survey which found that brand strategy was the most vital marketing capability in 2020 – a significant change since 2019 and one that reflects the findings of this survey. But the least vital in the Gartner poll was 'advertising/media buying and placement', indicating an emerging disconnect between 'strategy' and the day job of many strategists.

Strategists are busier than ever

For those that have not been victim to furlough or redundancy, the pace of decision making and delivery has increased as strategists have tried to keep their clients up to speed with the latest developments in consumer attitudes.

Though 68% also agreed that they are having to work harder to prove their value, some feel that the pandemic has given them greater opportunity to show value to their clients in guiding them through the crisis.



“ If there's any silver lining to this pandemic, it's that many clients are seeing the value a strong brand can have when well-built and invested in. Clients that had previously focused primarily on pushing product find themselves wishing they had a more well-established vehicle to deliver communication that connects with their audience in a more meaningful way. There are ample brand-building opportunities for brands at the moment, so long as they approach them through the eyes of their audiences.

Group Strategy Director, North America

“ We went back to the drawing board, and both agencies and clients have realised how important strategic branding and advertising with a purpose is. Strategy has become valued again.

Digital Director, Europe

“ Now, more than ever, strategy is being utilized and leveraged. Our specialty is in helping brands when they reach a crossroads, and boy, are they facing many critical decisions which need research, logic, and an informed POV to weather the storms. The need for our services will only increase.

Interim Head of Strategy, North America

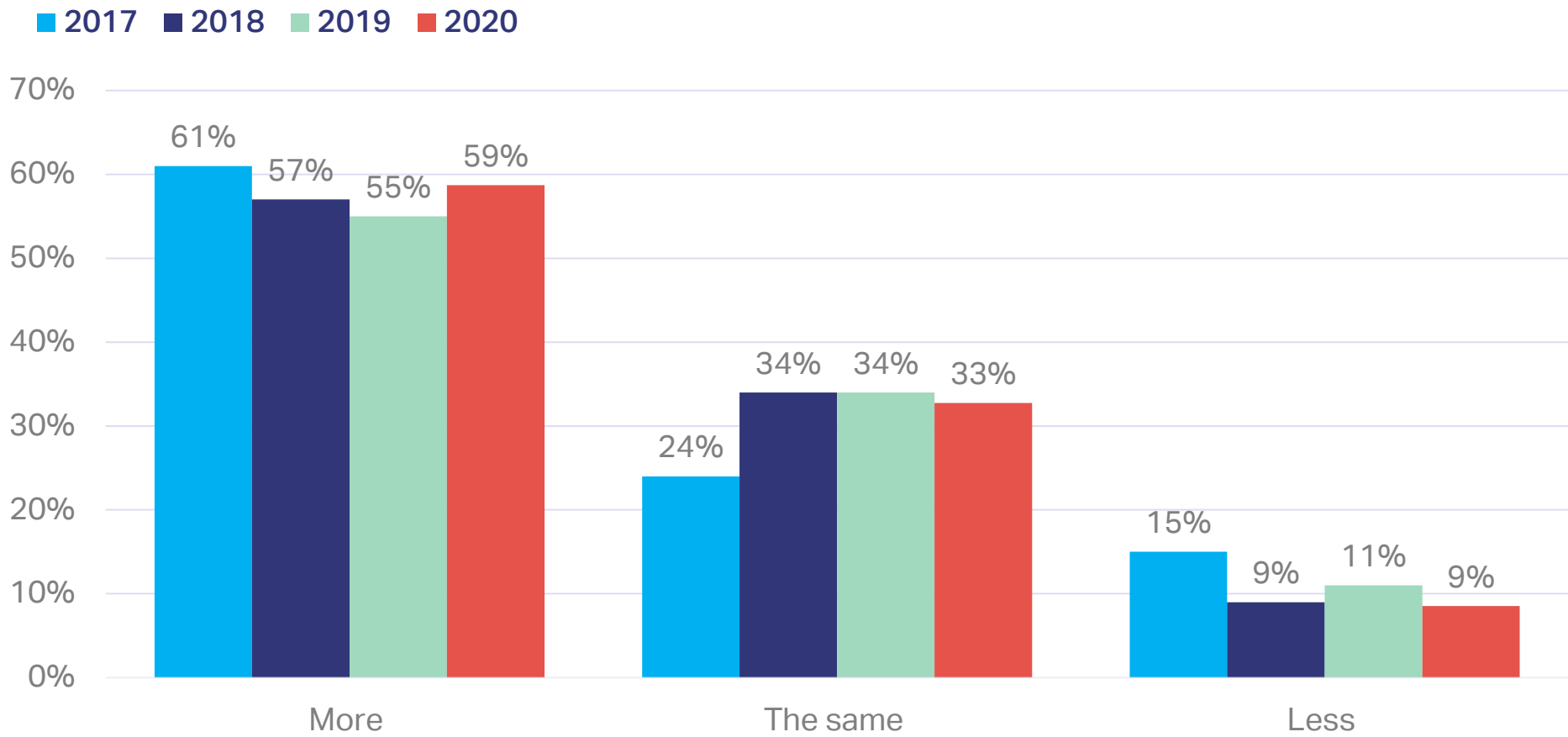
Influence of planning increases

Since we started surveying strategists in 2017, the majority have felt their influence has increased on the previous year, both within their agency and with clients (page 11). This year saw a small increase in the former majority, possibly due to the emphasis the COVID-19 pandemic has placed on internal collaboration.

A common theme among this year's respondents was of working with a broader set of functions and teams internally, like account management, senior management and creative. This was referred to by one as one of the 'silver linings' of the pandemic.

Compared with a year ago, do you feel that the planning function has more or less influence in your agency?

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Strategy from home

For an industry based in creativity, working in isolation has had challenges. Strategists wrote of their fear of the 'magic' of an idea sparked by a casual desk visit being lost, or the collaboration of an in-person meeting being stifled by a Zoom call. Though not insurmountable challenges, it is often these smaller issues that become front of mind during such unsettled times, and the challenge of working from home certainly came across in the survey.

As one strategist wrote: "To create disruptive thoughts, you need human conversation and 'physical brainstorming'. Our brains are on lockdown right now and ideas are already beginning to suffer."

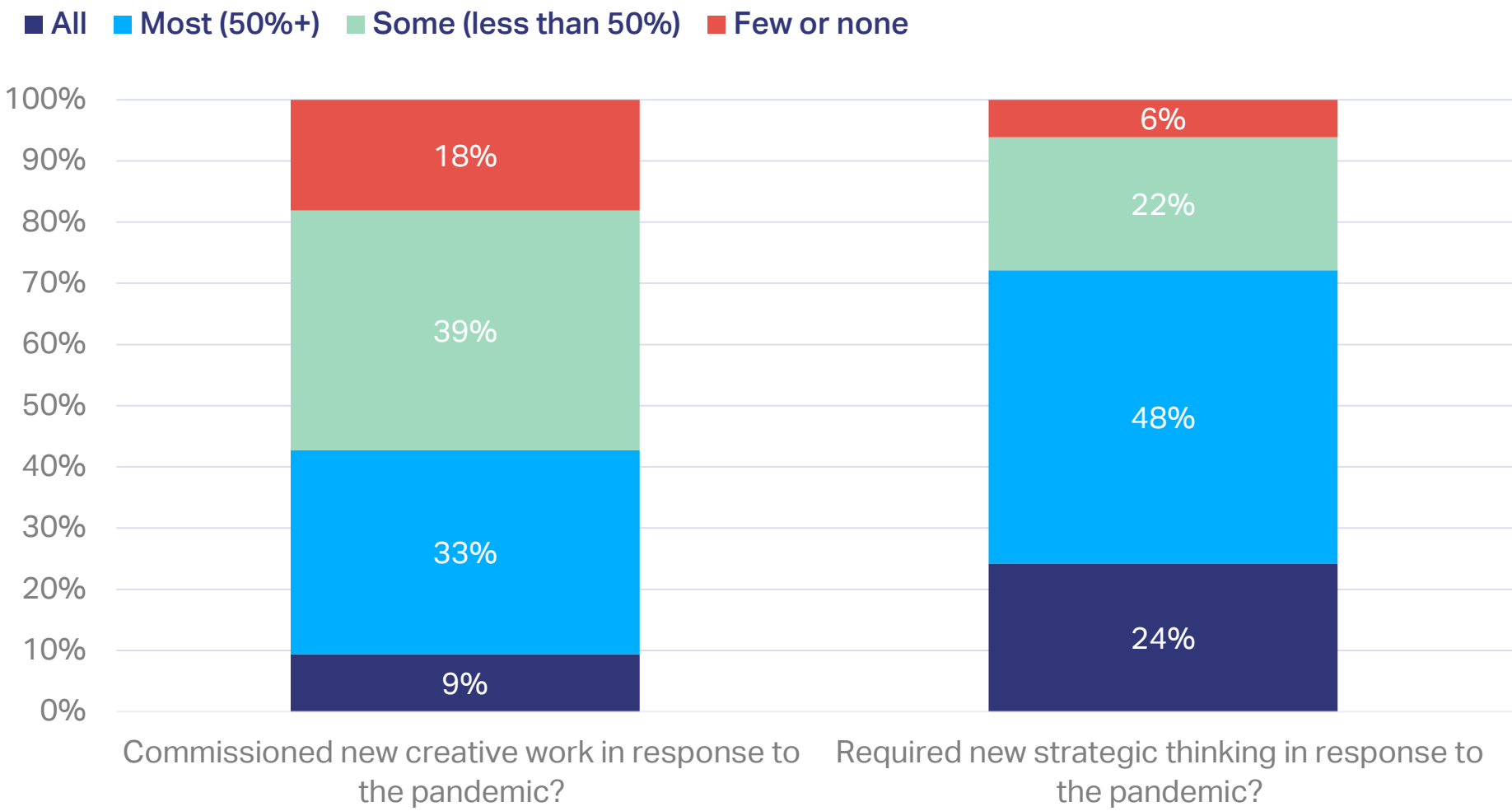
COVID-19
demanded new
strategic
thinking

At the time the survey was fielded, the pandemic was near to its peak, and the strategists still working were tracking every change in consumer sentiment, assessing what the 'new normal' for their clients' customers might be, and how they are likely to respond to continued advertising.

Only 6% of responding strategists said 'few or none' of their clients required new strategic thinking, and 81% said at least some of their clients commissioned new creative work.

What proportion of your clients:

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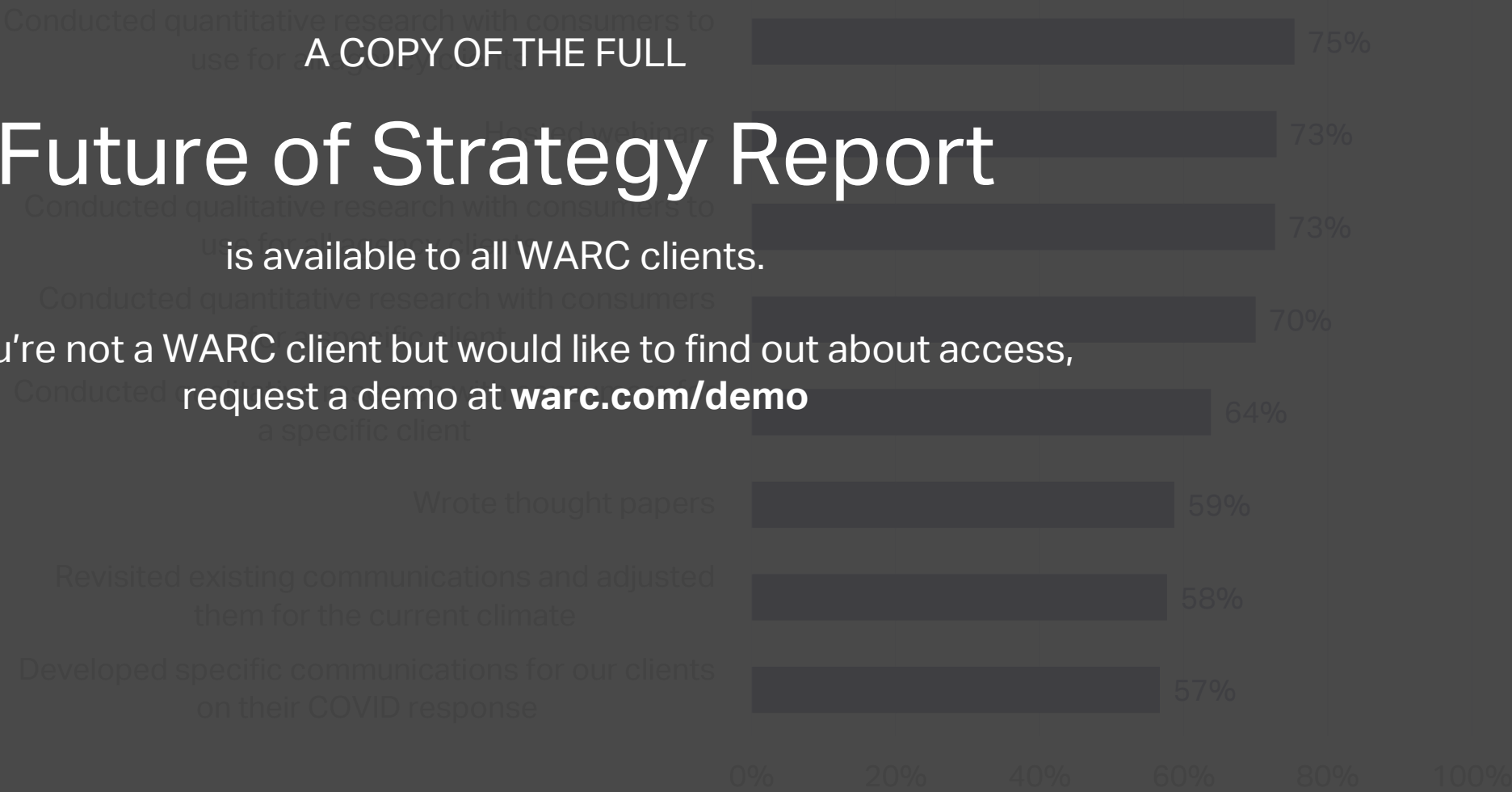


Research leads
the agency
COVID
response

Some of the initiatives agencies worked on are shown here: quantitative research was most commonly executed across all agency clients, but the results paint a picture of how wide the range of initiatives were at most agencies, with the majority of respondents saying each one of the options had taken place within their agency.

What initiatives did your agency lead in response to COVID-19?

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