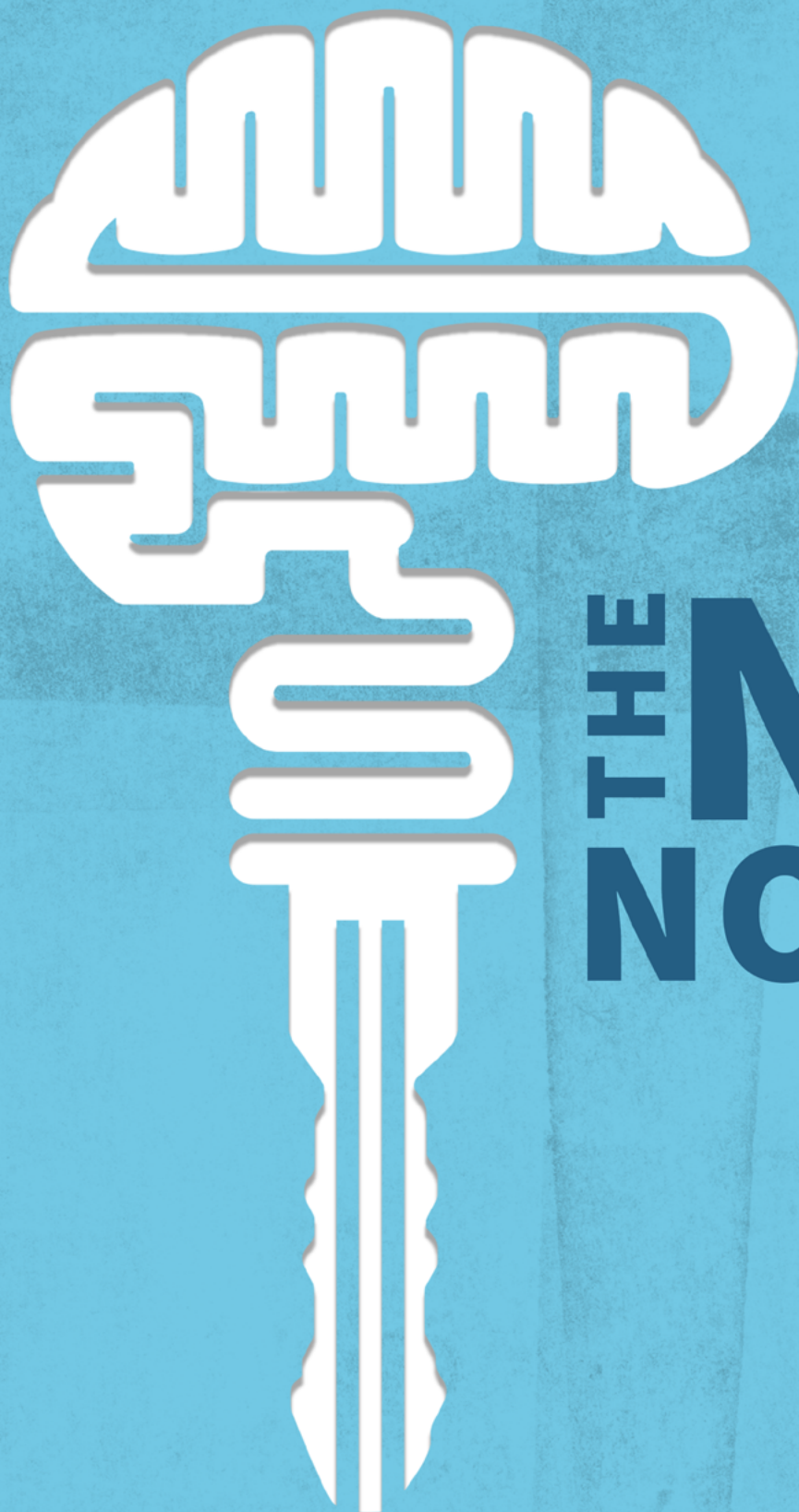


# the SODA REPORT On

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**THE NEW  
NORMAL**





Welcome to this special edition of *The SoDA Report on The New Normal*, developed in partnership with Deltek.

This report is the third in a series of white papers we'll be releasing under *The SoDA Report On...* moniker in order to conduct deep dives on a number of issues impacting the companies and people who are creating the future of marketing and digital experiences.

It is without question that the agency landscape is a constantly evolving one and the definition of success is no different. Every person, from the project manager to the CEO, has a different understanding of what success means; and often that's why teams don't get projects done efficiently.

Within this special edition of *The SoDA Report*, industry leaders from around the globe and across a number of disciplines candidly discuss their definition and measurement of project success. They grapple with topics such as project scope, budget tracking, promoting and maintaining healthy levels of team and client satisfaction all the while maintaining a high quality of work. Readers of this Report will learn what challenges leading shops are facing as well as real-life experiences of successes and tools to better assess and adapt to the "new normal".

Long-term vision, agency position and flexibility are essential for Mark Newcomer of *Mirum*. As *Mirum*'s Chief Strategy Officer, Mark drives the vision for strategy and planning as a discipline and helps clients develop and bring impactful strategies to market.

Callum Broderick of *Deltek*, having spent more than a decade in digital marketing, advertising and agency management, offers his expertise on what it takes to win in the "new normal" by elaborating upon new tools, policies and organizational discipline.

Taking a more introspective approach, Greg Bolton, Creative Director of *Jam3*, candidly shares what works in the past isn't always what will work in the future. With the evolving industry, there are key shifts to be mindful of in order to remain competitive.

Finally, Bryan Hamilton of *Razorfish*, shares four future-proof ways to disrupt your brand by re-prioritizing, re-inventing and pioneering.

I'd like to thank Deltek for partnering with us on this valuable initiative. To become a subscriber of *The SoDA Report*, please [email SoDA](#) and we will ensure you have priority access to the release of upcoming editions. We hope you enjoy this report and, as always, welcome your feedback, ideas, and contributions for future editions.

Best,

Lakai Newman, Associate Editor and Head of Production, *The SoDA Report*



**Mark Newcomer, Mirum**

## Defining ‘The New Normal’



Today, digital agencies are defining success in a new way. Historically, success was about meeting immediate client needs, such as developing a website or mobile application – and doing that on time and on budget.

As agencies got better at this, the effectiveness of change was layered on. Meaning not only launching a new experience, but paying attention to its impact on key metrics, such as conversion rates and customer satisfaction. In fact, combining project success with business outcomes is the hallmark of the current standard digital agency case study, and something to which clients and analysts pay very close attention.

Today (and really into the future), success is in helping translate a client’s long-term goals into action-oriented plans. These long-term goals typically seek to transform channel and product experiences to bring a company, product or business unit substantially forward. In the process of tackling longstanding objectives, we build sets of digital assets and connect those assets to physical worlds like retail stores, homes and cars, to name a few.

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Requests sound a lot more like “help modernize my lead generation capabilities,” “help me bring new product experiences to market” or “help me execute a new capability at scale.” At this level of strategic challenge, it is not about just one project anymore, but how a set of projects move an organization towards its goals. Therefore, success has a new layer, strategic goal achievement over a period of time. This is often measured through the eyes of the C-suite and a company’s bottom line.

Furthermore, success does not stop there. From my perspective as Chief Strategy Officer for Mirum, a global digital agency, these newer realities lead us to also measure success internally more holistically. We need to take the whole agency-client relationship into account. Success is about how our strategies and plans are adopted, and the ability for these plans to truly guide a transformative effort for clients and different agency teams. It’s about how the execution of projects produce the highest possible quality of work for promised/expected business results. It’s important to think about how we are creating credible, meaningful, satisfying and lasting partnerships with a business at all levels, including the C-suite. Lastly, and perhaps most importantly, agency team members must feel a sense of reward and accomplishment. If we are successful in all of the above, but we lose our best assets (people) along the way, we are ultimately unsuccessful in the end.

The “new normal” is that clients are increasing their reliance on the “right” agency partners to be part of larger business transformations. Interestingly, many businesses are now turning to digital agencies to take on this role – versus management consultancies and/or their traditional agencies — making digital agencies as important (if not more important) than any within an organization’s agency stable. Traditional agencies’ involvement will continue to be key with regards to advertising, media, and the variety of campaigns that drive behavior, but they are taking more of a secondary role, drafting from the foundation laid by a digital agency. In other words, a digital agency has to build something before a traditional agency can market it. Management consultancies will continue to provide high-powered, upstream thinking, but will struggle to offer true creative services. They will continue to excel at production outsourcing and the large-scale systems integration work underneath the surface.

Ultimately, all agencies will compete heavily for work that will *eventually* lead to building or marketing an experience versus starting an engagement with that assignment. To understand where an agency plays in this new world, one only needs to look at the requests coming in as a proxy for how they are viewed. For example, those that are just asked to “build” are the production shops of the future and may not get the upstream opportunities. Those asked to help create the future will have the most ability to be a long-term partner, which will likely include some piece of the production pie as well.

For agencies to adapt, they truly need to understand where they operate in the agency value chain and choose to be the best in their space, or commit to re-working themselves in order to occupy a different space. The desire for the latter will be strong, but tempered by the ability to make the real changes. It will be in this next period of transition we will see a new set of winners and unfortunately, some losers.

An example of the “new normal” is one underway for our team right now. A financial

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services brand approached us with a lofty task – help enter a new market, with a new brand, and a unique value proposition as part of the product offering. Right out of the gate, we recognized this was no “build” task, but one seeking to create a new future for this particular brand. We are working directly with the C-suite to help them navigate possible options and will be using innovative design techniques to bring ideas to life. And yes, we will eventually design and build; but we will plan, strategize, develop business cases, create prototypes, and lay the foundation for a new business model first. However, to win the right to design, we needed to win a strategic consulting engagement first. Furthermore, to maintain the right to design, we need to deliver a credible and approved strategy for launching a new brand into a new market. Developing that level of partnership with our clients is now our “new normal.”

**About the Author:** *Mark is a business strategist with over 10 years of digital experience across market research firms, interactive agencies, and Accenture’s management consulting practice. As Chief Strategy Officer for Mirum, Mark works at the intersection of business transformation and digital experiences. His responsibilities include running the strategic services teams, leading strategic engagements, and helping position Mirum for the future.*

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**Callum Broderick, Deltek**

## What It Takes to Win in ‘The New Normal’



Today’s CMOs and brand leaders around the world are taking on ambitious, transformational programs designed not just to influence, but drive revenues for their firms. Agencies that win the day will make smart use of technology to not only empower clients, but to run their own businesses, while protecting their people and profits.

In today’s New Normal, Chief Marketing Officers and other senior marketing leaders are being asked to shoulder ever-more ambitious and complex responsibilities as they lead the charge on transformative business strategies and differentiated customer experiences that are designed not just to influence, but drive revenue generation.

In response, the Gartner Group sees “a new type of digital marketing agency” evolving to help CMOs rise to the challenge. In Gartner’s *2016 Magic Quadrant for Global Digital Marketing Agencies*, the analysts feature companies that “focus on strategizing, creating, executing and measuring customer-facing digital experiences across the

customer journey.” For these agencies, blended offerings in business strategy, creative services, experience design and technology have become the standard order of the day.

### **To the victors go the spoils**

Seen as highly valued business partners by the brands they serve, these leading marketing agencies have facts and figures at their command to prove their worth. They can transform client conversations from gut feel and word of mouth to data-driven results. Those firms that win the day also make smart use of technology to run their own businesses – gaining tremendous insight into financial and operational performance.

This stands in sharp contrast to agencies running on a mishmash of antiquated systems and processes, struggling to eke out ever-shrinking margins while workloads increase faster than revenue.

### **To win, agencies need new tools, policies & organizational discipline**

In *Madison Avenue Manslaughter*, Michael Farmer raises alarm bells about those agencies that focus on being creative, winning awards, delivering service and generating short-term profits – at the expense of underlying agency operations. He argues that marketing services companies “must begin to document, track and measure their workloads.” By doing so, they’ll be better equipped to successfully negotiate with clients and close the gap between workloads and fees. But to accomplish this goal, agencies will “require new policies, new tools and a new sense of organizational discipline.”

In our work with SoDA on last year’s [Report on the State of Agency Workflow Management](#), we saw digital marketing agencies across the board identify a wide range of issues that impact profitability. In many cases, technology could serve as a possible solution – to address out-of-control scope creep, lack of visibility into over-servicing, timekeeping inefficiencies and billing errors.

**The good news:** leading agencies are finding ways to make effective use of software to reduce over-servicing, while enhancing utilization rates and accuracy in time and budget tracking. In fact, in the same 2015 Report, 51% of those polled agencies that use some form of project and resource management software reported an overall net profit increase – and more than a third of those firms saw profits rise 11% or more.

### **Agencies must protect their people & profits**

According to Gartner, one traditional weak spot for many agencies has been their investment in people, processes and technology. It’s time for that to change.

While many “new agencies” successfully sell and deliver on the promise of Big Data for their clients, they fail to capitalize on internal data to improve resource management and reduce over-resourcing and manual processes within their own firms. At Deltek, we’ve helped small digital boutiques, large independent agencies and global networks use technology to improve operational processes and take the headache

out of capacity planning, project management and financial controls.

These agencies can now:

- Monitor costs before/as they happen (estimated vs. actual job costs)
- Balance workload so top resources don't get burned out while others sit underutilized
- Scale use of freelancers up and back to protect margins
- Forecast what work is coming – from which clients – months into the future (to predict client demands and staff teams accordingly)
- Proactively manage budgets in real time
- Leverage analytics tools to peel back the onion and look at overall profitability across an entire network of offices or agencies

### **Prepare to Win**

The right, purpose-built agency management tools will help deliver on the promise of exceptional service and business results for clients and strengthen an agency's ongoing client relationships – all while protecting its people and profits.

***About the Author:** Callum has spent more than a decade in digital marketing, advertising and agency management. This experience, combined with an in-depth knowledge of project management practices, allows Callum to help agency teams optimize workflow and get the most out of resources – while protecting people and profits.*

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**Greg Bolton, Jam3**

## Thoughts on 'The New Normal'

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A few months back, over a few beers, I had a conversation with a product designer friend. He threw out an interesting question: why is it that people in the digital design and development industry seem—overall—happier with their jobs and more fulfilled than people in most other industries?

I mean sure, we've all had days where a piece of code breaks (seemingly for no reason), or a piece of feedback makes us want to break things (for oh-so-many reasons).

For the most part, though, people in our industry seem to really dig what they do. Why? My friend and I hit on a couple of things: our industry lets us do interesting, innovative work in close collaboration with a wide variety of cool people. But, we agreed, that's true of lots of industries.

What sets ours apart, we decided, is that so many of us grew up as tinkerers and amateurs, teaching ourselves how to use Photoshop, how to work in html—and later, Flash—to put up our own sites, and then blog about what we'd learned with other weirdos.

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We didn't find our industry as much as it found us. We were doing this stuff anyway. Now we could get paid for it? Awesome.

Jump-cut to today. Philosophically, that tinkerer's spirit will always be a huge part of who we are, but the reality is that as it matures, the digital industry is attracting more and more people *as an industry* rather than a mindset or culture.

That's creating some tension. If you want proof, look to designer blogs asking questions like, "Should designers code?" Even ten years ago, that kind of handwringing didn't come up much, if at all. Back then, although we all had our individual super powers, we all sort of did everything. And we liked it that way.

With today's increased complexity and specialization, those days are mostly over. This is both a good thing and an inevitability—the industry has grown up.

But how do we maintain that earlier mentality—the stuff that attracted so many of us to the business in the first place? How do we make "the new normal" as fun and fulfilling as the old days when we mucked through sites in a garage somewhere?

### **Here are a few things that have worked over the years.**

#### **Mess Around**

In my career, I've seen too many people pay lip service to the idea of experimentation, and then do nothing. Stop it. Don't talk about fostering a "culture of innovation". Don't brainstorm about something you want to try in future. Don't say you'll do a hack day "as soon as the schedule clears". Put the hack day on the schedule, and respect it like client work. Start something. Do something. Be terrible at it until you get better.

Kevin Ashton says it best in "How to Fly a Horse": "Nothing begins good, but everything good begins. Everything can be revised, erased, or rearranged later. The courage of creation is making bad beginnings."

#### **Read and Share**

If you're not encouraging everybody in your agency to be constantly reading stuff—not just industry stuff, but general knowledge—and sharing it around, you're missing an awesome opportunity. Encouraging a breadth of knowledge begets more curiosity and experimentation, and that always leads to good things.

At Jam3, we have a #readme channel in Slack for exactly this kind of sharing. We also host regular internal all-agency events that let people talk about something they've learned or are passionate about. We call it "Beer O'Clock", and we do it on Friday afternoons because that works best for us. Call yours whatever you like and do it whenever it's most convenient for your team. The only thing I'd really be a stickler about is the inclusion of beer.

#### **Train and Cross-Train**

This one's pretty basic: people should be given as many opportunities to learn new

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stuff as your agency can afford. On top of the obvious things like relevant conferences, consider getting designers to do coding classes and vice versa. It'll help foster a more generalist mentality that can exist alongside the specialized disciplines. This will yield make your agency better—and faster than you'd expect.

### **Give It Away**

Your shop is probably using open source code. Awesome! Smart use of open source libraries for things like simple social integrations lets you put more focus on the stuff that needs to be custom. That's good for everyone. But there's a tradeoff: you need to make sure you give something back to the industry, too. It could be code, it could be a process you've learned, or it could be a bunch of assets. Whatever it is, get it out there. The industry literally depends on it.

### **Push It**

Sites like Dribbble and Codrops are awesome for inspiration and connection, but the downside is that looking at each others' stuff so much has the tendency to turn us into a weird amorphous design and code Borg. To avoid the sea of sameness, experiment harder. Play with 10 design ideas and throw out any that don't make you feel a bit uncomfortable or have you wondering if it's gonna work. You don't have to reinvent the wheel on every job; but it should never feel like a hamster wheel, either.

Here's the thing: none of the aforementioned strategies should be new to anyone, but they're still worth repeating. I've found that no matter how much they're ingrained in your DNA, you still always have to prod yourself and your whole team to follow them. I like to think they keep that tinkerer mentality alive.

In closing, I think the biggest opportunity in the “new normal” is something we haven't done all that well up to now: designing experiences with real intent and purpose. Too much of the digital age's first 20 years (or at least my first 20 years) was just taken up with making cool shit. We're now under more pressure than ever to communicate focused ideas, to be effective, and to make things truly memorable. That starts with intent. If we continue to tinker, and we do it with intent, the next 20 years will be way better than the first.

The bad news is that it's harder than ever to do this well; the good news is that when you do, it's as rewarding as nailing your first sick design or “hello world”.

**About the Author:** *As Creative Director for Jam3, Greg brings more than 15 years of experience in the advertising and marketing business. He's held creative leadership positions at top-tier global agencies like Leo Burnett and Edelman. Long before that, he cut his teeth at digital shops like Teehan + Lax, Organic and henderson bas. His work has been recognized at the One Show, SXSW, Cassies and the Marketing Awards, to name a few.*

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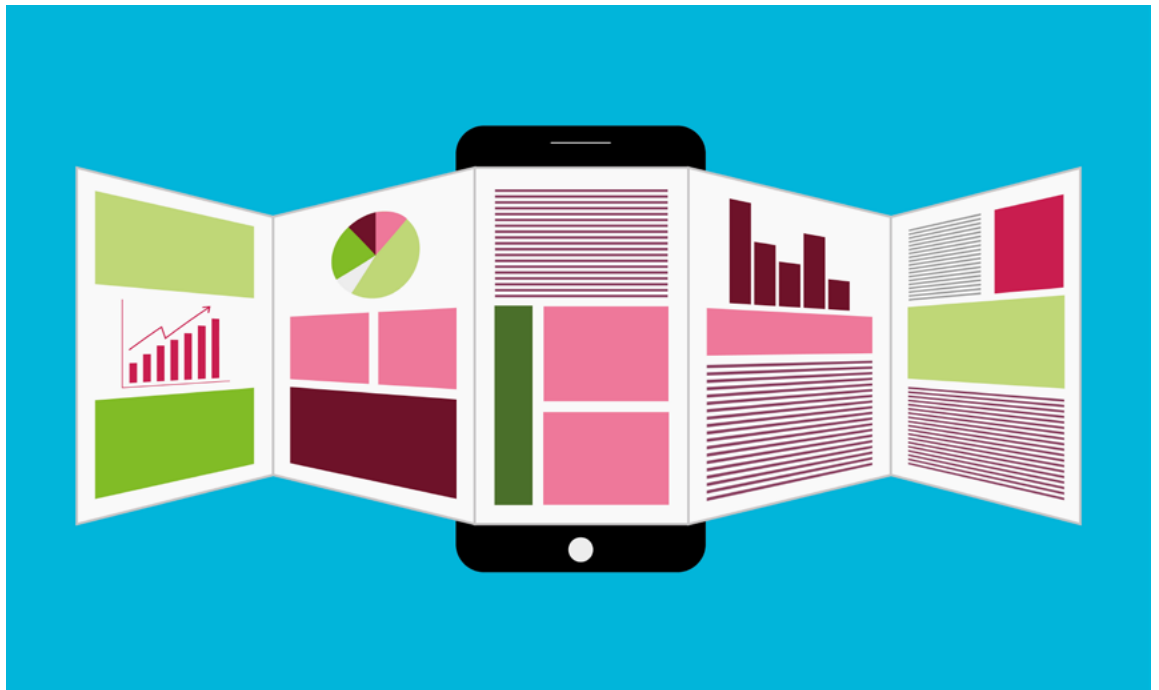
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**Bryan Hamilton, Razorfish**

## Four Future-Proof Ways to Disrupt Your Brand



How organizing around the customer experience has become the ultimate business differentiator.

User experience is the new competitive battleground for differentiation. Uber is worth over \$50 billion. Airbnb has a 90% growth rate to its valuation, is worth more than Marriott or Starwood and is aggressively moving into enterprise services. Facebook, who doesn't even create content, is the largest publisher and has been valued higher than GE or Walmart. Each of these examples has disrupted their respective industry by being customer obsessed and finding new ways to create customer value.

In Forrester Research's "The Revenue Impact of Customer Experience" report, data shows that brands in nearly every industry, from wireless providers to retail banks, stand to gain tens of millions of dollars a year in upside revenue from the retention, enrichment and advocacy loyalty associated with great customer experiences.

### **Experience is a fundamental business differentiator**

While startups have the advantage of orienting themselves around the customer

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from the beginning, many enterprise-level businesses have entrenched structures that make it difficult for them to truly put the customer first. Many brands are making progress by shifting away from silos where different groups own different channels or functions. Instead, they are collaborating on the best customer experience, focusing on the moments of the customer journey that drive business value for the customer and the business.

With the increasing expectation that experiences be personalized, and with more channels to design for, data is critical to connect our business goals to the behavior of our customers. Many brands are developing their own strategies to make sense of data across the entire customer journey, enabling greater decision-making. There are now many specialized consultancies who specifically focus on data driven strategies.

A Gartner leadership study in 2015 shows that *“By 2016, 89% of companies expect to compete mostly on the basis of customer experience (versus 36% four years ago).”* For brands to stay competitive in today’s customer experience focused market, they need to reorganize around customer behaviors. This can be done through the following four steps.

### **Reorganizing Around Customer Behaviors**

Internal barriers (like disconnects between teams or an overly product-centric culture) can get in the way of an optimal customer experience. The first steps a brand should take to break down these barriers and better align around customer behaviors are:

- 1. Map the Experience.** Many brands use customer journey maps, but they are often illustrative or based on intuition. Brands must be advocates of understanding and mapping the journey, doing so through a combination of behavioral data about current customer friction points and qualitative observations of unmet needs.
- 2. Prioritize the Opportunities.** Develop a shared vision that prioritizes customer experience opportunities based on their business value and complexity. The business value of an experience improvement can be determined through understanding the customer behavior it is meant to influence and the impact on the KPIs that drive brand success. The goal should be to understand the net value of an experience change. Will it influence a larger sale? Will it make a customer come back? How do those things affect business metrics?
- 3. Visualization of the New Journey.** After mapping the journey and prioritizing new opportunities, articulate the intended future vision for the experience to stakeholders in a visual way using storyboards, wireframes, full creative mock-ups or video. Define the overall ROI improved by each individual experience based on the anticipated behavioral change.
- 4. Roadmap Development.** Once stakeholders are aligned on the new journey vision, create a phased action plan to guide implementation. This needs to incorporate details about the planned functionality, the internal teams and governance structures, the technology and the data required. As well as the anticipated timeline for creation and ROI.

Execution of this roadmap will usually fall into two types: Reinvention and Pioneering.

**When it's not working, reinvent.** When a project has high customer value and is not meeting customer expectations, that experience needs to be fixed. For example, doing a full experience redesign to streamline common tasks or a conversion and funnel optimization that decreases friction across digital channels.

When looking at the moments that need to be improved, the solutions still need to be channel agnostic. There can also be tremendous opportunities to improve business outcomes by reinventing portions of an experience, especially at touchpoints or in channels that are rapidly growing in use.

**When it doesn't exist, pioneer.** When a project has high customer value but does not yet exist, pioneering entirely new experiences, products or services is required. New experiences come about with the opening of new channels that change traditional ways of interacting with a customer or the introduction of new technologies that enable entirely new types of interactions. Customer behavior is constantly changing and building new experience to meet it is mandatory.

Identifying the opportunities to pioneer your business and industry through innovative experiences is heavily dependent on the insights through observation of customers and an awareness of the likely future customer.

Disruption is not a switch that can be flipped when an organization deems itself ready. Agencies need to help clients change the way they work. Understand behavior and your customer, start with a hypothesis and keep iterating with the experience until it generates the desired outcomes (like user adoption, satisfaction or loyalty). This should be done quickly and often. No matter the issue at hand, success will require evolving around the customer and managing solutions as part of a holistic customer experience program.

**About the Author:** *Bryan is a group director and the head of User Experience at the Razorfish New York office. He is responsible for leading and managing the largest group of user experience professionals Razorfish has in its flagship office. Since 2007 Bryan has been responsible for some of the most award winning and profitable digital transformations to come out of the New York office and a visionary influence for conceptual work in emerging technologies.*

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# The SoDA Report Team & Partners

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*SoDA serves as a network and voice for entrepreneurs and innovators around the globe who are creating the future of marketing and digital experiences.*



## **Lakai Newman**, Communications Manager

A graduate of Emory University, Lakai Newman came to SoDA from a NY-based digital agency where he focused on creating compelling content for a number of blue-chip brands. He serves as SoDA's primary steward and contact for communications, social media, and marketing efforts. Lakai also serves as Associate Editor and Head of Production for The SoDA Report, SoDA's biannual trend publication that features primary research, thought leadership, and case studies from top digital agencies, production companies, and client-side digital marketing executives from around the world. He considers himself a natural "creative" that is passionate about global travel, cooking, pop-culture, and all things digital.



## **Jessica Ongko**, Designer

Since joining SoDA's Operations team in 2014, Jessica Ongko has been deeply involved with strengthening SoDA's brand and visual identity while collaborating with agencies around the world to design and create publications, event signage, and both digital and physical assets related to the work of SoDA. A graduate of the Graphic Design program from advertising portfolio school, The Creative Circus, you'll often find Jessica trotting the globe and working out of airports during long layovers.



*Deltek is the leading global provider of enterprise software and information solutions for advertising and marketing firms and other project- and people-based businesses. Deltek customers include three out of the four largest global agency networks. More than 20,000 organizations and millions of users in over 80 countries around the world rely on Deltek to streamline operations and deliver more profitable projects, optimize resources, recruit and develop talent, research and identify opportunities, and win new business.*



**Callum Broderick**, North America Agency Management Practice

Callum has spent more than a decade in digital marketing, advertising and agency management. This experience, combined with an in-depth knowledge of project management practices, allows Callum to help agency teams optimize workflow and get the most out of resources – while protecting people and profits.



**Kimberly Sack**, Sr. Product Marketing Specialist

Kimberly brings over 10 years of experience in driving product innovations and helping to deliver industry leading solutions. She has worked with professional services organizations such as Microsoft and its partners and is focused on working with clients to help bring products and solutions to market.



**Gerda Yearwood**, VP, Field Marketing

Gerda brings over 30 years of experience in marketing communications, field marketing and marketing automation with leading telecommunications and software companies. As an accomplished marketing leader, Gerda is well known for building campaign management and marketing automation programs that contribute to significant pipeline growth. She has held senior marketing management positions at Software AG and Cable & Wireless. Gerda holds a BS degree in Journalism from West Virginia University.