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How to Automate a Scope of Work Program

Twelve considerations marketers should make SOP when developing an automated SOW.

Marketing operations and marketing procurement organizations are under constant pressure to do more with less and demonstrate their value, especially with the continuing, challenging economic effects of COVID-19.

Technology and automation can play a key role in their ability to meet the demands of marketing, finance, and ultimately the customer, but before introducing new technology and automating scope of work (SOW) processes, it is important these groups develop a thoroughly planned process that will sustain an SOW program into the future.

An automated SOW program can provide several benefits for brands and their agencies, including an improved and more valuable client-agency relationship, a singular version of the truth when managing SOWs, and security and data integrity that can't be maintained through email and spreadsheets.

However, before automation can begin, the SOW process must be defined with a vision, strategy, set of goals, and program design. It also requires sponsorship, change management, and a clear vision of the end result. Here's how to get started.

Identifying the Issue

The first step to automating an SOW program is to identify the problem an advertiser is trying to solve.

The SOW program should address the challenges facing the organization. Such situations include a CMO who doesn't have global visibility into agency spend, an advertiser that needs to reduce budgets and find significant savings, or a CMO who wants to have greater transparency and collaboration between their brands and agencies. Funding, resourcing, and timing considerations always need to be managed — having access to dashboards that identify outliers and trends can help brands better manage projects and flag potential issues early. Rich data analytics from an automated program and business intelligence can address these challenges and help propel brands to achieve their strategic goals in partnership with their agencies.

Getting Down to Business Planning

Having a solid business plan will help guide an organization through establishing an SOW automation process. In creating one, marketers should consider the following:

- ○ Engage with business leaders to help champion the project
- ○ Consider the communication strategy and change control
- ○ Identify barriers and enablers to achieving the goal
- ○ Identify training needs
- ○ Establish ways of working between the agency and marketing
- ○ Create an implementation team with defined roles and responsibilities
- ○ Consider system integration requirements
- ○ Assess security and data protection needs
- ○ Plan the post-software implementation efforts, including resourcing needs, data governance, program governance, and reporting/dashboard requirements
- ○ When the business plan has been established, the details associated with automating an SOW program must be addressed.

Here are additional elements for marketers to consider:

Determine the scale and scope.

What is the scale of the program? Is it regional or global? What types of agencies are in scope? Is there a spend threshold?

Define and standardize agency roles and titles.

Role titles vary from agency to agency; a senior account manager at one agency may have a very different job description and level of experience than someone with the same title at another agency. An advertiser must firmly establish the roles and associated definitions so they are consistent across agencies. This is important because advertisers want to be able to compare like-for-like across agencies and ensure brands and agencies have the right level of seniority mix working on the right business.

Standardize the names of deliverables.

Brands and agencies may refer to the same deliverable in different ways. For example, what one brand calls a television commercial, other brands may call a TV spot, TVC, etc. Advertisers must be able to understand and compare the resources and costs associated with different deliverables — if the same deliverable is referred to by several different names it makes it difficult to run analytics and gain business insights. It is important to establish and maintain a consistent naming convention of deliverables across divisions, agencies, regions, etc.

Establish a scale for the level of complexity of a deliverable.

Typically, a scale of low, medium, and high is used to refine the deliverable. For example, there are different levels of complexity for a TV commercial. A low-complexity TV commercial may be an animated adaptation from previously developed content, whereas a high-complexity commercial may involve state-of-the-art technology and shoots with celebrity talent across multiple international locations. While they are both commercials, they do not carry the same level of effort or cost.

Define pricing models and establish rate cards.

There are a variety of pricing models: fixed fee, deliverable based, project based, hourly based, and resourced based, just to name a few. Each advertiser's model may differ slightly, and they may utilize more than one model depending on the product or service provided. Establishing a rate card helps reduce the need to negotiate individual SOWs. Previously negotiated and agreed upon pricing can automatically be applied to the SOW.

Conduct risk assessment.

The risk of managing projects via spreadsheets and emails has become too high for advertisers. Risk assessments on the "as is" process and the automated process include issues related to data integrity, version control, and security.

Define an approval process.

Advertisers must consider an automated program that is audit-ready and can adapt to changes in spend thresholds and approval authorization processes.

Manage budgets and track projects.

Some advertisers simply automate their SOW program to serve as a repository for all their SOWs, but advertisers are increasingly using the power of automation to help brands manage and reconcile their budgets and track the status of projects with agencies. Dashboards help brands determine if projects are on schedule and on budget and identify risks early.

Establish a policy for version control of SOWs.

An SOW is a living, breathing document that is constantly evolving and being updated, especially if it is an annual SOW. Not only is versioning important so brands and agencies know which version is the most current, it also provides a history of tracked changes made from one version to the next.

Determine whether reconciliation will be built into the automation process.

Reconciling an SOW enables a brand to determine its burn rate with agencies. Brands can see if their actual spend is outpacing or on target with budget projections. This enables brands to determine whether the SOW needs adjusting.

Include contractual considerations.

For most advertisers an SOW is a contractual obligation between the brand and the agency. Automating this process takes the guess work out of making sure the right contractual terms are in the right documents. An automated process enables advertisers to incorporate important terms and conditions that can vary between agency types or business units.

Define what is in and what is out of scope.

Some advertisers manage their media and production spend through an automated SOW program with an agency while others manage that process separately. Setting clear boundaries on what is in and what is out of scope helps to ensure the right considerations and configurations are made when implementing software.

Driving Efficiencies

There is much to be considered when automating an SOW program.

The outline above can serve as the framework for building and establishing a sustainable program. Marketing operations and marketing procurement possess the ability to help automate and standardize SOW programs so brands and their agency partners are able to work in a more cohesive and productive way.

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