

5 Takeaways from the 2016 ANA Financial Management Conference

2016's ANA Financial Media Conference in Boca Raton was unprecedented in attendance. Lots of new energy and many familiar faces. Yet despite all of the new attention, very few "sparks" flew [where's John Mandel hiding?].



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Unlike in 2015, where transparency kicked off a firestorm amongst key industry financial decision makers, the speakers' content was mostly safe. There were a few gems like Jeffrey Jones - CMO from Target reminding us that there are no differences between branding and performance, Mike Duda [Bullish] and Brad Charron [NBTV] presenting an entirely new model for agency / client engagement and Simulmedia's CEO Dave Morgan sharing an honest perspective on how media is fundamentally shifting from outputs to outcomes.

Here are our five takeaways from the past three days:

1. No Clarity on Transparency

Despite obvious conflicts of interest and questionable business practices, it's clear that the majority of people at the conference still do not understand the intricacies of media transparency. It is about conflict of interest in a double-sided business model. So agencies cannot switch to transparency on a per-client basis. They should decide between being doctors or pharmacists. Today they are both. Because so much money is at stake, clients are understandably risk averse. Therefore, an organization like the ANA should be bold and brave enough to push the issues that clients are shying away from.

2. Procurement Passion

Relationship building with partners and collaboration with internal stakeholders is still secondary to math. New companies like Uber and Google or companies undergoing transformation, like The GAP and Intel, are putting more value on the passion of procurement. They are integrated with their marketing teams and driving decisions together. They are looking beyond price - emphasis is on performance, partnership and passion for their business. But if you've been doing it the same way for 20 years with the same result, well that's just insanity.

3. Consultants [not agents] are the Future

The days of brokering space, time, and production are over. Today's world is about data proven inputs judged in outcomes. If you are on the services side, you need to think about how to help clients navigate and evaluate decisions, not broker deals. If your agency remuneration model is solely cost plus or commission, then you will have a hard time justifying value. Agencies are getting unprecedented access to clients' data and business problems. This comes with the responsibility of ownership, something agents are not necessarily skilled to do.

4. 4A's and ANA need to come together

For crying out loud, it is embarrassing for the entire industry to see the rift between the 4A's and the ANA in action. Behind the scenes and on stage, it's clear the two are at odds. The 4A's needs to accept that while their interest is to serve their agency members, their members' interest is to serve their clients. Somehow both groups need to open up the discussion around the burning media issues that Bob Liodice outlined, but particularly around Media Transparency. In the triangle relationship characterizing our industry (client, buyer, seller), you cannot put the blame for intransparency on one side alone: all three sides need to change their ways. If the 4A's insist that agencies can do principal buying, they would be well advised to argue for the benefits that such a model can have for agencies and for clients.

5. More Eyes, More Ideas

2016's conference was the largest yet. We spoke to a handful of long time attendees who felt excited that new ideas were on the cusp, and new, fresh faces were in attendance. The attendee energy for connecting and discussing was evident. The ad business is booming! Expect even more attention to the financial side of the ad business from investors, legal community and even government.