

# I believe agencies have developed ADHD and their future lies in the delivery of long-term thinking

Candidate - 4009

"It's not three-month-old babies that keep me awake at night. It's the continuous focus on the short term." – Sir Martin Sorrell

## Abstract:

Agencies have developed ADHD and as such, are failing to deliver long-term thinking.

The value of long-term thinking is clear, but heuristics and biases are preventing people from delivering it.

I believe there are 5 key barriers which agencies must overcome and that the solution lies in applying principles from Behavioural Economics.

In doing so agencies can focus on delivering long-term, transformational thinking and building strong, stable brands for their clients.

This shift will allow agencies to re-position themselves as business critical partners, reversing the squeeze they are currently experiencing on remuneration and setting themselves up for future success.

## Agencies have developed ADHD:

Agencies are no longer seen to be driving value.

Their margins are being squeezed<sup>1</sup> and their services are becoming commoditised. If they were valued on the same level as Management Consultants, they would not be under such pressure. Ultimately, businesses are willing to pay for services they value and the current trend suggests that agencies may not fit within that definition<sup>2</sup>.

In response to this, agencies have started to do more: To wrap additional services around their core offering and open additional revenue streams. Agencies certainly need to be reactive, flexing their offering based on client needs and the changing consumer landscape. However, in doing so, I believe that agencies have over-stretched themselves and become distracted.

### **They have developed ADHD<sup>3</sup>.**

This has meant that they are no longer delivering on their core promise - helping clients build their brands to deliver strong, stable business results.

In doing more, I believe that the overall quality of agency output has stagnated. Agency staff are spending their time juggling multiple clients, stakeholders, and relationships, and are unable to allocate sufficient focus to each element. Although such multi-tasking is an established behaviour within our lives and at times feels extremely efficient, it is extremely detrimental to the quality of output.

Research shows that only 2% of people are truly able to multi-task, the remaining 98% are simply switching back and forth between tasks without allocating sufficient focus to anything<sup>4</sup>.

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<sup>1</sup> <https://www.wsj.com/articles/p-g-joins-movement-to-cut-ad-costs-1430093596>

<sup>2</sup> <http://adage.com/article/news/consultancies-rising/308845/>

<sup>3</sup> Attention Deficit Hyperactivity Disorder – A developmental disorder characterised by a lack of focus, hyperactivity, and impulsivity

<sup>4</sup> Strayer, D. L., & Watson, J. M. (2012). Supertaskers and the multitasking brain. *Scientific American Mind*, 23(1)

## The major casualty of this ADHD, has been the ability to deliver long-term thinking:

I believe that agencies' lack of focus has forced an over-reliance on heuristics<sup>5</sup> and quick fixes and as such an inability to really allocate the cognitive resources required to 'go deep'<sup>6</sup> and develop long-term strategies for clients.

This shift towards short-termism is clearly evidenced in analysis of the IPA Databank<sup>7</sup> which shows that since 2006 the percentage of campaigns with a short-term focus (running for less than 6 months) has more than quadrupled to over 30%. The indication is clear, each year, agencies are delivering an increasing number of short-term campaigns.

This is not to say that agencies aren't producing amazing work, but they are slipping towards a world where they churn out a huge amount of satisfactory work but truly transformational thinking is becoming rarer.

It is easy to dismiss the need for long-term thinking and assume it is not what clients want anymore. That the perfect storm of short-termism (driven by the increasing influence of procurement, the proliferation of digital, the obsession of quarterly business reports etc.) means their focus is just solely on demonstrating short-term ROI. However, I do not believe this to be the case.

**This may be what clients are asking for, but not what they truly want.**

## Why aren't agencies tackling this problem?

We all inherently know the value of long-term thinking. Focussing on the minority of consumers who are in market at any point<sup>8</sup> is just capitalising on previous brand equity and typically does nothing for future growth. This is demonstrated in the fact that the vast majority of business have a brand vision or purpose; a statement of intent to guide the business in the long term (eg. IKEA's vision of creating "a better everyday life for the many people<sup>9</sup>"). The mere fact that these visions exist, indicates that business are planning for the long term, it is just not translating through to their everyday behaviours.

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<sup>5</sup> A mental shortcut allowing someone to make a decision/solve a problem quickly

<sup>6</sup> A term coined by Cal Newport in his 2016 book *Deep Work: Rules for Focussed success in a distracted world* which is the process of applying significant mental resources to allow for long term focus on a cognitively challenging problem

<sup>7</sup> IPA, (2016), *Selling Creativity Short: Creativity and effectiveness under threat*

<sup>8</sup> Proprietary research using MEC's Momentum framework indicates that the % of consumers in market at any one point can be as low as 3% for the automotive industry and 4% for the finance industry.

<sup>9</sup> [http://www.ikea.com/ms/en\\_CA/the\\_ikea\\_story/working\\_at\\_ikea/our\\_vision.html](http://www.ikea.com/ms/en_CA/the_ikea_story/working_at_ikea/our_vision.html)

Therefore, if clients have long-term visions for their businesses, and everyone knows that long-term thinking is the right approach, **why isn't anyone doing anything about it?**

It is not due to a lack of value placed on long-term thinking, there is an ever growing body of evidence on the topic. The foundations laid in *The Long & The Short of It* (Binet & Fields, 2013), have been built upon and recent research from The McKinsey Group found that businesses with a long-term focus, significantly outperformed short-term focussed businesses in earnings, revenue, and market capitalisation<sup>10</sup>; a rather compelling story.

## Some businesses are getting it right:

One group of businesses who have clearly seen the value in long-term thinking are Management Consultants, demonstrated by a quick glance at their mission statements (Figure 1).

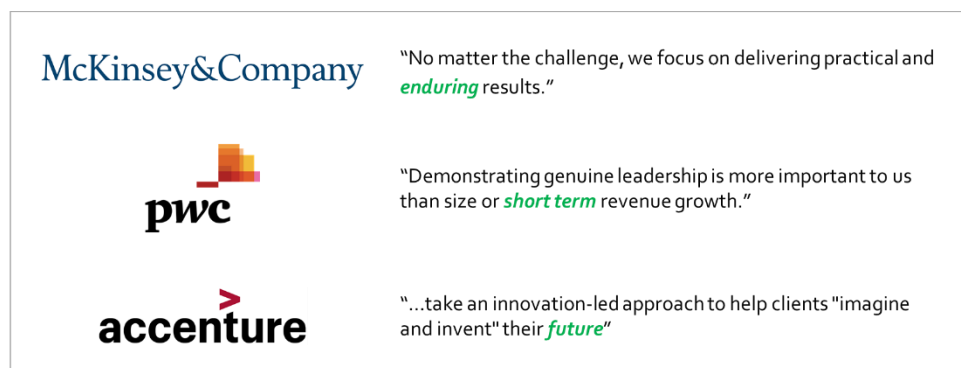


Figure 1

Agencies aspire to be valuable business partners for their clients. They believe they can sit alongside management consultancies at the 'head-table' and help shape the future of their clients' businesses. I believe this is a realistic goal but if they are truly committed to delivering this vision, they must tackle the issue of long-term thinking.

It is without doubt harder to deliver than short-term thinking. It is mentally taxing and time-consuming and can easily fall by the wayside. However, it is by no means impossible to deliver. Consider the scientists who work at The SETI Institute<sup>11</sup>. They turn up to work every day, hoping to find evidence of extra-terrestrial life and every day (so far), they have left disappointed.

<sup>10</sup> McKinsey Global Institute, (Feb 2017), Measuring the economic impact of short-termism

<sup>11</sup> The Institute for the Search for Extra-Terrestrial Intelligence



Figure 2

As of the completion of this paper, this has been going on for over 32 years (Figure 2), without a breakthrough. If these scientists can maintain such a long-term mindset, with little to no reward, agencies certainly can.

## Agencies are in a state of Cognitive Dissonance:

There is a disconnect between agencies' knowledge (the value of long-term thinking) and their behaviour (delivering short-term thinking), a state known as cognitive dissonance<sup>12</sup>. All parties have an inner drive to resolve cognitive dissonance. However, this particular problem has no single owner, it spans an entire industry.

It therefore requires a collective effort to resolve and as such, must be tackled at a business level. Agencies must work to understand the barriers to long-term thinking, and develop strategies and processes to overcome these barriers.

I believe the way to achieve this is through the smart application of principles from Behavioural Economics. The inability of agencies to consistently deliver long-term thinking is not an active choice, it is driven by a series of unconscious biases and heuristics. Agencies must therefore look to apply the same principles they apply to their client's advertising, to their own processes.

There are several factors at play, but I believe there are 5 key barriers to delivering long-term thinking.

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<sup>12</sup> Festinger, L. (1957). A theory of cognitive dissonance.

Cognitive dissonance refers to a state in which there is a conflict between attitudes, beliefs, or behaviours. For example, the conflict between smoking (behaviour) and the knowledge that smoking causes cancer (cognition).

Barrier	Example of the potential impact
Groupthink	The JIC (Joint Intelligence Community) were gripped by Groupthink and thus developed the <b>incorrect</b> belief that Saddam Hussein had Weapons of Mass Destruction
Hyperbolic Discounting	Many dieters face a Hyperbolic Discount, attaching a much greater reward to a chocolate biscuit now compared to the <b>greater</b> but further away reward of successfully losing weight
Temporal Discounting	The Workplace Pension Scheme was a response to Temporal Discounting in that the value of having a pension pot diminishes as the realisation of that value is so far in the <b>future</b>
Inside View	The predictions made by pollsters on the result of the EU Referendum were overly <b>London-centric</b> , downweighting the opinion of much of the country, and thus incorrectly forecasting a win for 'Remain' due to an over-reliance on an Inside View
Framing	Donald Trump's successful use of "Make America Great Again" framed the US as an ailing giant, positioning himself as the <b>only</b> route back to 'Greatness'

Figure 3

## Barrier 1 – Groupthink:

*Groupthink – A situation whereby a group subconsciously over-values coherence and thus fails to critically evaluate their work, ultimately leading to poor decision making. It is particularly prominent when members have similar backgrounds.*

The fact that the advertising industry lacks diversity<sup>13</sup> is nothing new. However, alongside the social and cultural ramifications, evidence is emerging that diversity is linked to stronger business performance<sup>14</sup> and better decision making<sup>15</sup>.

This lack of diversity within the industry, means that teams are likely to be comprised of people with common personality types, backgrounds, and ideologies and thus, *Groupthink* becomes a significant possibility. Given that short-termism is already so prevalent within the industry, teams are less likely to challenge or critique short-term thinking, and simply move forward as a group. The *Familiarity Heuristic*<sup>16</sup> exacerbates the problem as teams favour that which is

<sup>13</sup> IPA Agency Census 2015

<sup>14</sup> <http://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>

<sup>15</sup> Sommers, S. R., (2006), On Racial Diversity and Group Decision Making: Identifying Multiple Effects of Racial Composition on Jury Deliberations

<sup>16</sup> The tendency for people to favour the familiar over novelty

familiar and thus continue to deliver the same strategies, the same plans, and the same sort of thinking.

Therefore, to reduce the incidence of *Groupthink*, agencies must solve their diversity problem to lay the foundations for delivering long-term thinking. There is already work underway to increase the diversity of the industry. The Circle have opened an advertising school<sup>17</sup>, Channel 4 challenged brands to place disability front-and-centre in their advertising<sup>18</sup>, and Maxus recently launched their Diversity Week initiative<sup>19</sup>.

These programs remain vital to challenging the diversity issue within the industry, but they only focus on one aspect of diversity; ensuring the equal representation of all genders, ethnicities, and abilities.

I believe that to deliver long-term thinking, agencies should focus on *diversity of thought* (the concept that every human being has a “unique blend of identities, cultures, and experiences that inform how he or she thinks, interprets, negotiates, and accomplishes a task”<sup>20</sup>). Greater diversity of thought has been shown to trigger more careful and creative information processing<sup>21</sup>, which is exactly the type of behaviour agencies require to challenge the status-quo of short-term thinking.

Although diversity of thought will be a by-product of the current diversity programmes in place, progress will be slow. Agencies cannot afford to delay and therefore must establish programmes designed to deliver this type of diversity.

### Taking a 'grass roots' approach to delivering diversity of thought:

The root cause of the industry's diversity issue is that it is a very homogenous group who are interested in and apply for jobs in advertising.

Therefore, agencies must look to tackle the problem at a grass roots level, building relationships with communities by reaching out to schools, youth groups and charities to fill their future recruitment pipeline with a more diverse set of candidates.

However simply increasing awareness of the industry amongst these communities is not enough to ensure *diversity of thought*. Agencies should engage these communities on a much deeper level.

Agencies should do so by making use of one of their strongest assets, their passionate and enthusiastic people. They should utilise the skillsets and interests of their staff to engage with

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<sup>17</sup> <http://www.itsnicethat.com/news/creative-circle-foundation-free-advertising-school-090517>

<sup>18</sup> <https://www.4sales.com/diversityaward>

<sup>19</sup> <http://www.maxusglobal.co.uk/blog/maxus-launches-its-first-ever-diversity-week/>

<sup>20</sup> <https://dupress.deloitte.com/dup-us-en/topics/talent/diversitys-new-frontier.html>

<sup>21</sup> Phillips, K. W., (Oct 2010), *Better decisions through diversity*  
[http://insight.kellogg.northwestern.edu/article/better\\_decisions\\_through\\_diversity](http://insight.kellogg.northwestern.edu/article/better_decisions_through_diversity)



local communities. For example, social media managers can run masterclasses in schools, developers can run coding workshops at youth groups, creatives can lend support to design projects within the community etc. There are numerous possibilities but the key element is developing a two-way dialogue. Rather than just pitching the industry to these communities, this approach allows agencies to challenge individuals within the community and develop an understanding of their cognitive styles.

Having built these bridges, agencies can begin to bring the most cognitively diverse people into the agency for work experience of apprenticeships, creating a tangible link between the agency and those individuals and hopefully, a relationship with a future employee.

To drive the greatest value from this process, agencies must also establish a measurement framework to assess cognitive diversity, and set themselves targets to achieve. A tool such as The Myers-Briggs Type Indicator<sup>22</sup> could be used to profile the agency's existing staff to understand the current composition, and then set targets for increased diversity. This then flows through into recruitment where an all candidates are assessed on the same criteria and the agency can take steps to hire a cognitively diverse group of people.

It will not be a quick process, but starting from the ground up ensures that agencies can tackle the problem at the root cause, reducing the instances of *Groupthink* by ensuring their recruitment pipelines are increasingly diverse. This will then lead to better decision making and a greater chance that short-term thinking is challenged and long-term thinking is championed.

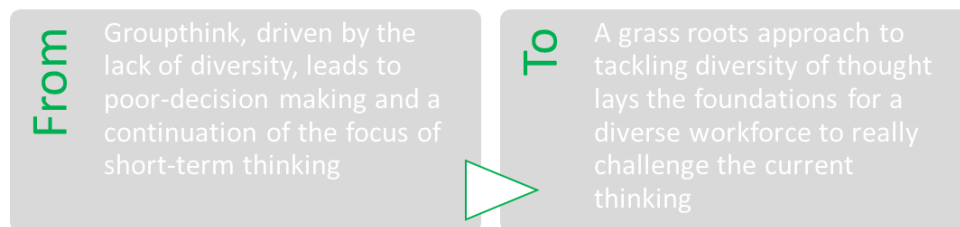


Figure 4

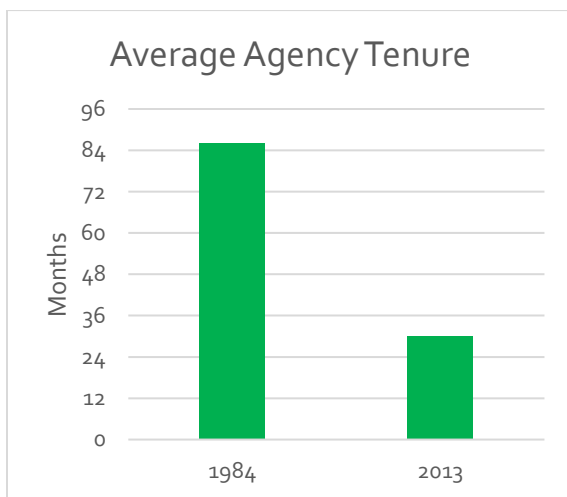
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<sup>22</sup> Briggs-Myers, I., & Briggs, K.C. (1985). Myers-Briggs Type Indicator (MBTI)

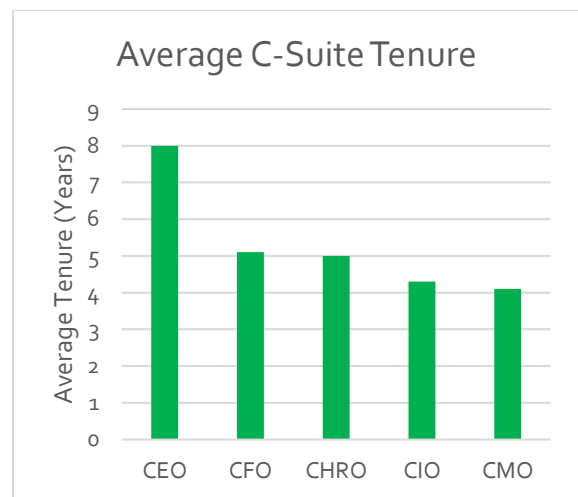
## Barrier 2 – Hyperbolic Discounting:

*Hyperbolic Discounting - The tendency for people to value immediacy of reward over value of reward, choosing a smaller-sooner reward over a larger-later reward*

As the industry has become more complex, there has been a steady decline in the length of client-agency relationships and of CMO tenures. Agency tenures fell by 65% in the 29 years before 2013<sup>23</sup> whilst CMO tenures (already the lowest of all C-Suite members) dropped by 4.5% between 2015 and 2016<sup>24</sup>.



Source: Emma Harris, IPA Breakfast, May 2013



Source: Korn Ferry, 2017

I am not suggesting that agencies are *actively* shortening the range of their thinking, but that there is a subconscious bias created by this context. There is significantly less motivation to allocate the mental resource required to develop a 3-year strategy, when the CMO may not be around next year, or the account is up for pitch in 2 years.

This bias manifests itself as *Hyperbolic Discounting*. Agencies and clients are placing greater value on the small, immediate returns from short-term activity, and losing sight of the potentially more valuable returns available in the future.

<sup>23</sup> Emma Harris, IPA Breakfast, May 2017

<sup>24</sup> <https://www.kornferry.com/press/age-and-tenure-in-the-c-suite-korn-ferry-institute-study-reveals-trends-by-title-and-industry/>

Agencies must therefore develop the ability to overcome this bias and think beyond these constrained relationships.

**They need to deliver *transgenerational thinking*<sup>25</sup>.**

Gaudi's Cathedral in Barcelona (La Sagrada Familia), offers a prominent example of this type of thinking. Construction is due to be completed by 2028, 146 years after construction began and 102 years after Gaudi's death. From the offset, Gaudi knew the cathedral would never be finished in his lifetime, its scale and grandeur was unlike anything ever seen before.



Figure 5

However, he persisted. He could have built a less ambitious cathedral that he would have seen completed, but there was an incentive not to. He was building the cathedral for God and anything less was a dis-service. As a deeply religious man, creating the most incredible place of worship in the world was a huge incentive and so there was no need to be constrained by time.

Therefore, the key to overcoming this bias and delivering *Transgenerational Thinking*, is in creating compelling incentives to think longer term.

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<sup>25</sup> A term coined by Ari Wallach to describe thinking which transcends an individual's lifetime ([https://www.ted.com/talks/ari\\_wallach\\_3\\_ways\\_to\\_plan\\_for\\_the\\_very\\_long\\_term](https://www.ted.com/talks/ari_wallach_3_ways_to_plan_for_the_very_long_term))

## Designing effective incentives for long-term thinking:

These tactical incentives can be applied at both a business and individual level, tackling the problem from both sides.

At an agency level introducing measures of long-term business success into PRF<sup>26</sup> structures (eg. A business' share price as an indicator of success) will ensure that agencies focus on their client's broader business goals, as well as short term measures. The intermediate short-term goals should not be forgotten but the PRF should have a tiered structure whereby the business goals supersede all others, but a partial fee can be achieved through delivery of short-term goals. This protects agencies from external factors outside of their control, but also gives them a more significant part of their client's futures.

At an individual level, the use of a stock option programme<sup>27</sup> would create a valuable incentive. However, rather than gaining stock options in your own company, agency staff who work more than 50% of their time on an account, for a continuous period of 2 years would be granted stock options in their client's business. A reciprocal relationship offering options to client-side marketing staff would create a strong link between the two business, aligning measures of success and acting as an incentive to work towards a common, long-term goal.

Both these approaches go some way towards tackling *Hyperbolic Discounting* and incentivising long-term thinking. However, to be truly effective, they must be accompanied by a greater alignment between clients and agencies, whereby both businesses are working towards one measure of success.

At a business level, ensuring that agencies are 'rewarded' for the same metrics that their clients are, is a valuable approach. Following the emissions scandal, the marketing team at VW are likely to be tasked with rebuilding the brand's reputation. If their agencies are purely tasked with delivering leads and sales, then there is a disconnect which does nothing to help build a strong, successful business in the future. Therefore, the alignment of success measures at a business level is crucial to delivering a long-term vision

At an individual level, I believe that all agency staff should spend 3 months on secondment with their clients, to truly understand their business, and that the reading of company Annual Reports become mandatory for agency staff.

The creation of incentives, alongside a program for greater business alignment creates a platform for delivering *transgenerational thinking*. Although incentivising people to deliver strategy that others may benefit from may sound counterintuitive, it is of vital importance to lay the foundations for a successful future. Agencies must identify and accept the existence of this bias and create a plan to incentivise long-term thinking, whilst also ensuring that their business goals, challenges, and areas of focus are aligned with their clients'.

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<sup>26</sup> Performance Related Fee

<sup>27</sup> For example, the WPP Worldwide Ownership Plan



Figure 6

### Barrier 3 – Temporal Discounting:

*Temporal Discounting – The tendency for people to discount a reward, the further into the future it falls.*

Shifting focus towards the long-term sounds relatively easy. However, to do so goes against many aspects of human psychology. Humans have evolved to focus on the here and now, to assess what must be done to survive the next hour or day or week, not to look months and years into the future. This short-term focus is reinforced by the release of dopamine when gratification is experienced and so every time a short-term goal is achieved, this behaviour is reinforced.

This innate focus on the short term manifests itself in the form of *Temporal Discounting*, a tendency for humans to discount rewards the further into the future they are.

However, evolution has also blessed humans with a highly developed frontal lobe, giving access to higher mental processes and the ability to think into the future. Therefore, although the unconscious brain points towards short-term thinking, humans are very capable of delivering long-term thinking, it just requires conscious effort.

Consider the all-conquering GB Track Cycling team of London 2012 who won 7 of the 10 Gold medals on offer (Figure 7).



Figure 7

In 1996, British Cycling was on the verge of bankruptcy and a succession of poor results had led them to being labelled “a completely black spot in the international cycling market<sup>28</sup>”. It was then that Peter Keen<sup>29</sup> stepped forward with a long-term vision for GB Track Cycling to be the best in the world. This lofty vision was broken down into manageable chunks and over the course of 16 years a high performance cycling program was developed, funding was gained from The National Lottery, a world class team of athletes was assembled and ultimately GB were confirmed as the best track cycling team in the world during London 2012.

This is the same process that agencies must employ, breaking long-term visions into manageable chunks so that each time an intermediate step is achieved, the reward pathways are triggered, reinforcing the behaviour that led to this situation.

### [Borrowing from the Management Consultant’s handbook:](#)

The important distinction here is that this process does not merely create a timeline. When creating a strategy, there is nothing ground-breaking in breaking it down into key steps. However, in taking a leaf out of the Management Consultants handbook, agencies can formalise the process and deliver a significant step-change. These businesses have created an entire industry out of applying rigour and structure to processes and it is this sort of approach that agencies must adopt to deliver long-term thinking.

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<sup>28</sup> Richard Moore, (2008), *Heroes, Villains & Velodromes: Chris Hoy and Britain’s Track Cycling Revolution*

<sup>29</sup> Head of British Cycling at that point

My intention is not to stifle creativity, but to put a structure in place to allow for the effective delivery of long-term thinking. The application of a project planning framework such as the Work Breakdown Structure (WBS) would do exactly that, clearly giving a hierarchical representation of the outputs and deliverables in a project (Figure 8), along with the dependencies<sup>30</sup>.

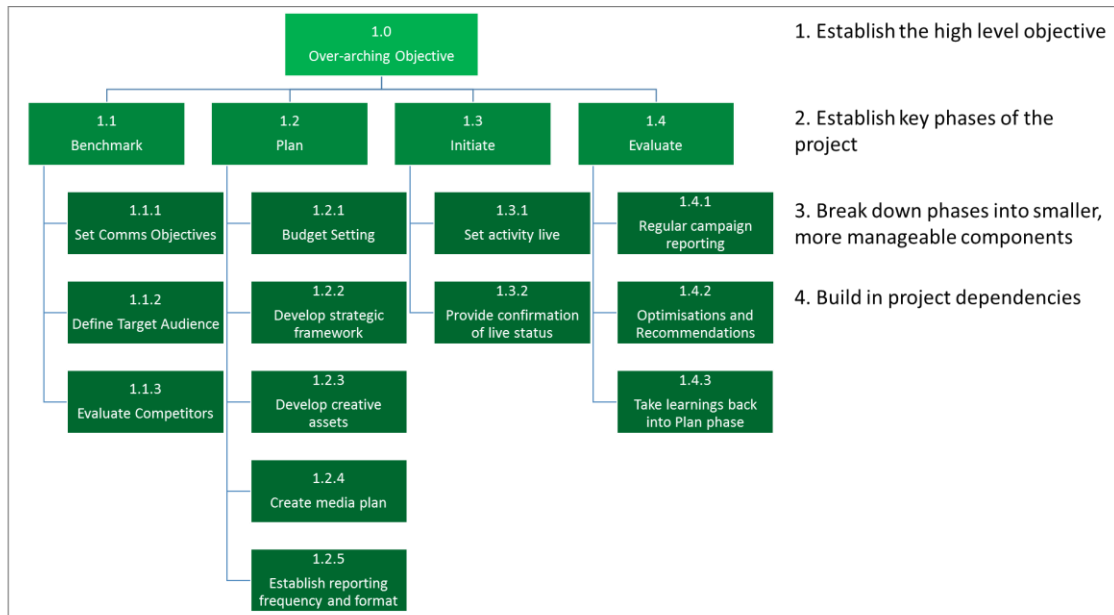


Figure 8

The advertising industry is a balance between art and science and I think in respect to delivering long-term strategies, agencies have fallen too far on the side of art. A more formal approach to project planning and delivery (such as the example above) will lead to greater client confidence in the delivery of long term goals, but also help to clearly define each step in the process, highlighting every opportunity for dopamine-fuelled gratification along the way. With the approach of management consultancies seeming to really resonate with businesses, I believe that agencies must look to replicate certain aspects of their behaviour and provide a more rigorous and structured offering.

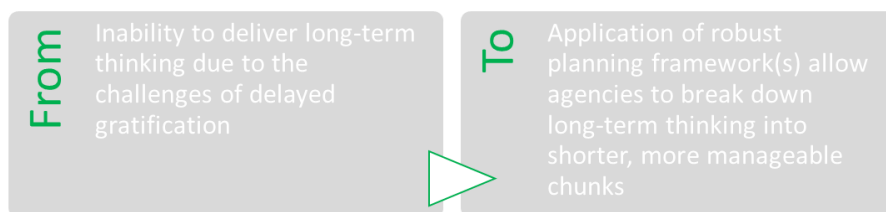


Figure 9

<sup>30</sup> There are key types of dependencies to consider in a project plan: Finish to Start (Predecessor must finish before Successor can start), Start to Start (Predecessor must start before Successor can start), Finish to Finish (Predecessor must finish before Successor can finish) and Start to Finish (Predecessor must start before Successor can finish)

## **Barrier 4 – Inside View:**

*Inside View – A forecast based on personal circumstances, experiences, and data, without considering any external factors.*

Short-term ROI is becoming easier to forecast as the shift towards digital provides a wealth of data to work with.

However, long-term forecasting poses a greater challenge with more variables to consider and a greater the margin for error. This represents a significant risk for a client considering investment into a long-term strategy and a short-term 'guaranteed' ROI quickly becomes the favourable option.

In respect to forecasting, humans can easily fall foul of the *Inside View*<sup>31</sup>. This occurs when people focus solely on their personal experience and construct a very single-minded view, without truly challenging any assumptions, or considering all data sources (particularly important for complex, long-term forecasts). For example, a client team working on a forecast for growing NPS<sup>32</sup> for a utilities client, may look back at historic campaigns to base a forecast on, without considering the impact of future price rises or the seasonality (eg. The increase in complaints in winter). It is also common for humans to forecast on a linear basis, forgetting that the majority of change follows an s-shaped curve<sup>33</sup>.

As agencies become increasingly busy, there is increasing reliance on this heuristic when making judgements and forecasts. Errors and difficulties in forecasting due to will start to erode client confidence in long-term forecasts and strengthen the opposition to long-term thinking.

Therefore, agencies must create a process for delivering robust, long-term forecasts. A structure where the *Inside View* can be exposed and challenged and forecasts can become a source of strength rather than a possible weakness.

### **The interplay between man and machine:**

The key to overcoming this bias, is utilising the differing strengths of collective human brains and computer modelling programs.

From a human perspective, agencies must ensure that all forecasts are stress tested by an external team to overcome the issue of the *Inside View*. This additional resource should not have access to the same historic data/learnings and should be able to approach the problem

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<sup>31</sup> Kahneman, D., (2011), Thinking, Fast and Slow

<sup>32</sup> Net Promotor Score – A measure of the willingness of consumers to recommend a brand/business/service

<sup>33</sup> Change typically follows an S-shape curve, starting slowly before suddenly reaching critical mass and entering a period of rapid growth, before tapering off.



with a fresh perspective. This *External View* ensures they will ask different questions, challenge assumptions or bring fresh evidence to the table. Revisiting the NPS example above, without prior knowledge of campaign performance, an external team is more likely to want to understand the historic growth in NPS, the state of the industry and any upcoming product developments/customer service changes. They will also likely compare the forecast with other clients/industries within the agency. This is a far more balanced approach and is likely to drive an improvement in forecasting accuracy vs. merely the *Inside View*.

However, this does not completely counteract the fact that humans are poor at forecasting. Even experts are seen to perform only slightly better than random chance at forecasting events in the future<sup>34</sup>. Therefore, agencies must balance this improved human view of forecasting, with the possibilities afforded by computers.

Econometric modelling is already bedded into many agencies but is too in-depth and thus slow/cumbersome to be of use in all instances. However, there is evidence that even simple algorithms provide more robust models than humans. Therefore, if agencies are serious about delivering long-term thinking, and thus the necessary forecasts, it is crucial that they develop a forecasting offering within their analytics function.

The crucial detail is that it is the interplay between man and machine that creates the most robust forecasting. Having an algorithmic forecast as a baseline ensures that from a statistical point of view, the necessary rigour is there. However, machines are not sentient, they do not question why or how? This is where the external team and their *Outside View* come into play, sense checking, questioning and probing into these machine driven forecasts. Analysis by Harvard Business Review found that a combination of 3 humans and 1 computer provided the strongest forecasts<sup>35</sup> and it is this sort of model that agencies should look to employ.

This should not be considered as a revenue opportunity, but rather an investment in the future. Although there would be a cost associated with licensing technology and increasing headcount, I believe this is a critical step in developing long-term thinking and the success of that, will drive longer relationships with clients and more stable revenue stream in the long-run.

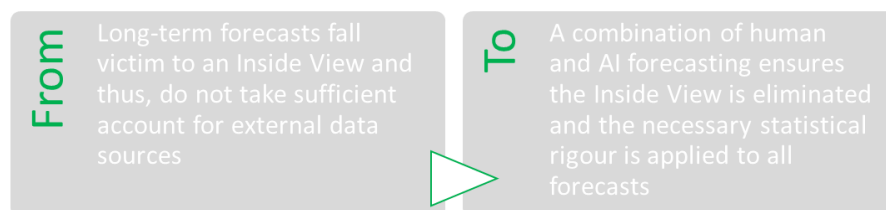


Figure 10

<sup>34</sup> Tetlock, P. E., (2005), *Expert Political Judgment: How Good Is It? How Can We Know?*

<sup>35</sup> <https://hbr.org/2013/05/3-humans-1-computer-best-prediction>

## **Barrier 5 – Framing:**

*Framing – A person can perceive the same information in several different ways, depending on how the information is presented*

Unfortunately, it is easy for long-term projects to slip: New Year’s resolutions fall to the wayside or plans to save a small amount each month disappear.

The same is true of the ongoing delivery of a long-term strategy. Having done the hard work to develop the strategy and achieve ‘buy-in’ from the client, heuristics can easily take over and the long-term strategy is displaced by frequent, short-term campaigns.

The problem is that the current *Framing* of long-term thinking is detrimental to its delivery/effectiveness. Such strategies exist only in Annual Plans and PowerPoint documents, dusted off once a year and thus, not seen as truly valuable.

There are businesses who have the *Framing* right. In 1997 Jeff Bezos set out his long-term vision in a letter to the shareholders<sup>36</sup>. Every year when he writes his annual report, he revisits these initial commitments to ensure they still hold true.

This is exactly the type of behaviour agencies must begin to cultivate. Ensuring that a long-term strategy is more than just words on a page, that it is realised in everything the agency does and acts as a constant reminder to the destination.

### **Using a shared vision to drive collective accountability:**

*Re-framing* long-term thinking as business critical requires both sides to come together. It requires agencies and clients to develop a shared commitment which can then be embedded in every aspect of the business.

It is also crucial that this commitment is visible, that it is not hidden away on a server somewhere. Making it visible ensures that both parties are accountable for the delivery of that thinking, ensuring an ongoing focus and commitment and the allocation of resources on both sides to deliver it.

I propose that a collective vision must be established by all agencies, building on the brand’s own mission statement and taking into account the nuanced objectives of each agency (See example below for Lego – Figure 11).

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<sup>36</sup> [http://media.corporate-ir.net/media\\_files/irol/97/97664/reports/Shareholderletterg7.pdf](http://media.corporate-ir.net/media_files/irol/97/97664/reports/Shareholderletterg7.pdf)

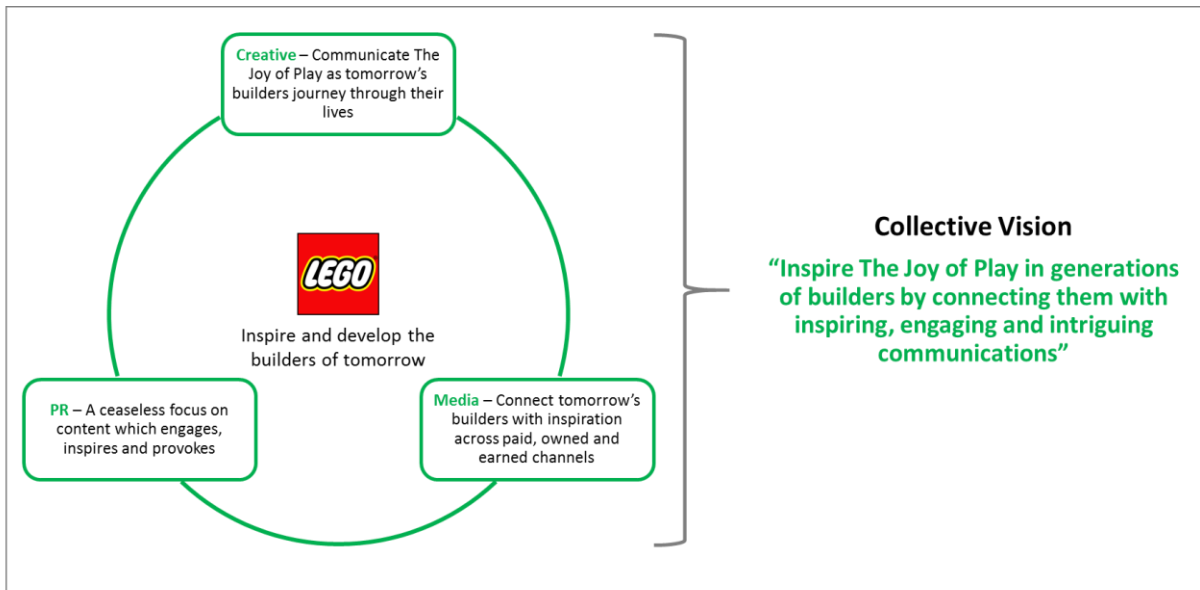


Figure 11

Once established, this collective vision must then be made visible within each business, presented in a prominent place where anyone from the wider business can check in on progress, ask questions or even contribute thoughts.

Creating a collective vision ensures that all the disparate businesses are working towards the same point and putting it as a visible, statement-of-intent creates accountability for those involved.

Even if this explicit external pressure does not materialise, the mere act of creating these commitments will act as a constant reminder to ensure that it is not forgotten, to ensure it persists and isn't left to gather dust on a server somewhere.

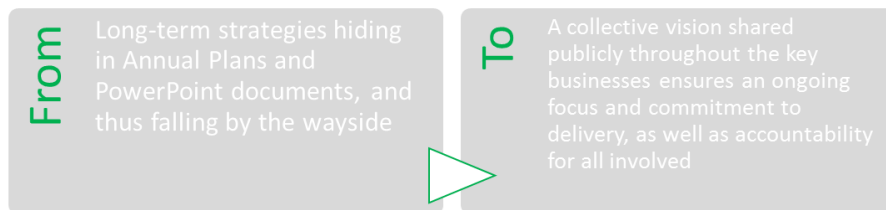


Figure 12

## Summary:

Agencies' ADHD problem is preventing them from driving value for their clients. Their inability to focus has meant that long-term thinking has fallen by the way-side, opening them up to significant pressure from management consultants.

The value of long-term thinking is clear and I believe that to deliver it, agencies must overcome 5 key barriers. The solution lies in understanding the way people make decisions and the heuristics/biases involved, and applying principles from Behavioural Economics to overcome them.

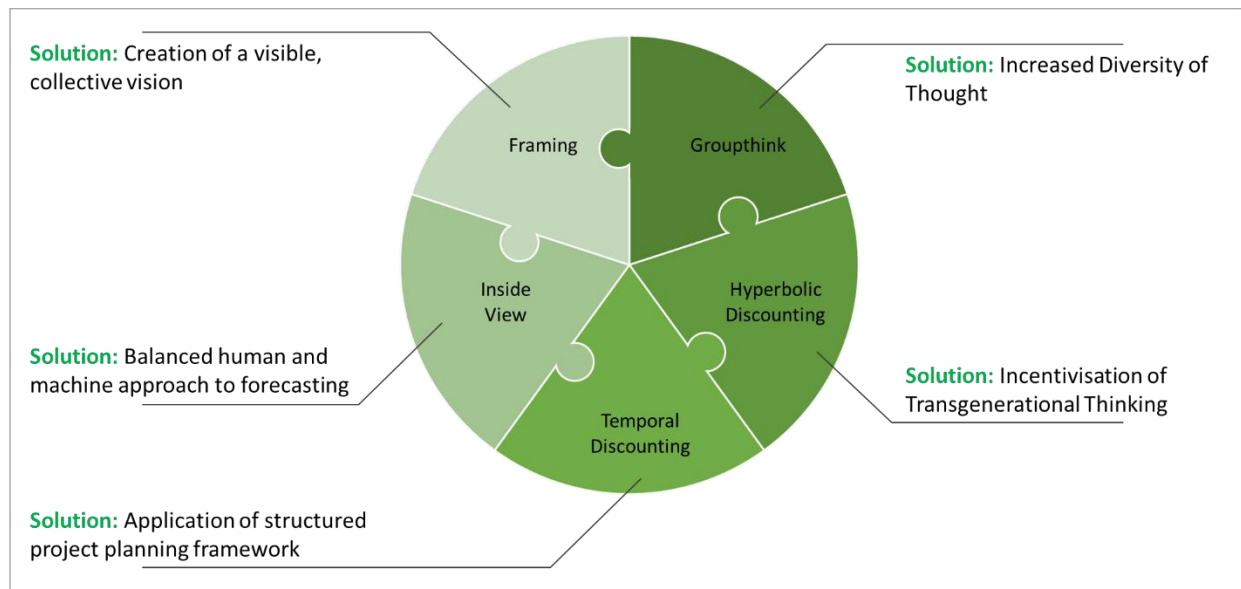


Figure 13

Successfully overcoming these barriers will allow agencies to be far more single-minded. Delivering effective, long-term thinking will drive better work and stronger business results, meaning that agencies can build stronger, more stable relationships with their clients.

Agencies cannot forget the importance of delivering in the short-term. However, the two are not mutually exclusive. Short term results can be delivered within a long-term framework and it is this balanced approach which agencies must begin to deliver.

Delivering long-term thinking, unlocks the possibility of developing longer term relationships with clients. In doing so, agencies can begin to reduce churn and develop more stable revenue streams, reducing the need for such a hugely diversified offering and thus eliminating their ADHD problem.

## **Image References:**

Figure 1 – Created by Author, sourced from <http://www.mckinsey.com/about-us/what-we-do>,

<https://www.pwc.co.uk/who-we-are.html> and <https://www.accenture.com/gb-en/company>

Figure 2 – Created by Author, based on data from <https://www.seti.org/>

Figure 3 – Author

Figure 4 – <https://www.dezeen.com/2015/10/23/gaudi-sagrada-familia-church-basilica-final-construction-barcelona-spain/>

Figure 5 – Author

Figure 6 – Author

Figure 7 – [http://i.telegraph.co.uk/multimedia/archive/02302/hoy\\_2302985b.jpg](http://i.telegraph.co.uk/multimedia/archive/02302/hoy_2302985b.jpg)

Figure 8 – Author

Figure 9 – Author

Figure 10 – Author

Figure 11 – Author

Figure 12 – Author

Figure 13 – Author