

The creative value chain, procurement and marketing working towards common goals

In the third episode of Bizcommunity and the Association for Communications and Advertising's video interview series, industry leaders Gareth Leck, group chief executive officer and co-founding partner of Joe Public United, Mpume Ngobese, managing director at Joe Public Connect, and Khensani Nobanda, group executive for marketing and corporate affairs at Nedbank discuss the creative value chain, procurement and marketing working towards common goals.

This interview is also available on [YouTube](#), and at [BizTakeouts](#), via downloadable [App](#), [Apple Podcasts](#), [Spotify](#) and [IONO.FM](#).

these conversations are hosted by Rutendo Nyamuda. Here, some key takeouts from the latest episode...

Nobanda opened the conversation speaking about the value chain of creativity in how we market our brands. As a starting point, she said it's important to understand that a brand is much more holistic than its creative piece. "People generally think the brand is your advertising, which is not true, it's just that that's what people see, but actually what makes up the brand is far more than that. It's your products and services that you offer... So, actually, the marketing and advertising is almost the cherry on top of what the brand is."

The creative value chain has landed quite a clear brand message for Nedbank during Covid-19, and whilst the backend of its products and services is important, their creative agencies have landed that for them in a way that has allowed them to remain relevant during this time.

Speaking to Nobanda's point, Leck said that brands need to have a purpose or strategy in place. This is foundational to what they do every day and it was instrumental in putting their transformation deal together, he said.

“ Marketers should be taking advantage of this crisis, but they have to pull it back to some kind of highest kind of north star ideal that they're based on because if they don't have that, it's also hard to put that into the market. ”



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Commenting on the deal, Mpume said, "We believe that this deal is transformational in our industry. Transformation has been very important to our company for a long time... but alongside transformation, what is also important to us is representation." She said representation affects how we view ourselves and that it helps create self-growth, self-worth and a sense of inclusivity.

“ From a global perspective, with a global temperature currently at its most uncomfortable levels with femicide and racism at its highest, my hope is for organisations to see this deal and recognise it as driving the need for organisations to let go of their subconscious gender and colour biases and begin to recognise the importance of growing their staff from within, the importance of recognising their staff based on merit, and, of course, the importance of diversity and representation in their structures. ”

But back to Leck's comment on purpose, Mpume said Covid-19 has definitely put a spotlight on brands that don't have a purpose or that don't understand why they exist. "I think Covid-19 is forcing brands and businesses to understand why they exist, beyond making a profit, so that they begin to speak from a point of purpose... Those are the brands that we'll see going forward to the future as we navigate this pandemic."

Then speaking to the need for creative accountability, contracts and aligning client-agency bills around common interests, Leck thinks we've all lost the plot. "If you look at a lot of our contracts, they're all very transactional... I think we need to rewind a bit to how we do these things, and actually turn the whole sort of structure upside down."

He said they recently read about a concept in *Harvard Business Review* called 'relational contracts', which is about creating a shared vision and figuring out what you're trying to do together rather than what the client is demanding of the agency. "It's really about just sitting down together as an agency and a client and asking, 'How do we best succeed together?', 'What are the things we need to do?', and really work on it collectively."

This is generally a cold, transactional, procurement-led process, he said. "It's very much about hours and inputs and it's counter-intuitive because clients should be paying us for our outputs, not for our inputs. I wouldn't say we do it intentionally but maybe unintentionally we are incentivised to spend more because we are getting paid by the hour, which doesn't actually serve the agency."

That said, he thinks as a result of Covid, we're becoming more conscious of doing things differently and revolutionising the way we do business for the better. "I think contracts need to be rethought, reimagined and co-created and focus on what's important because I think somehow we've lost our way, focusing more on the inputs, and we haven't put enough focus on how we get the optimal outputs. To me, that should be, 'How do we do create unbelievable creative for our clients, because that is the best way we can impact our clients' business... Creative excellence has been proven to be up to nine times more effective than average creative, so I think it's about how we start to think about those things in our contracts, how we start to focus on what's really important, how we start to focus on the outputs, because that's going to give our clients the best ROI, and at the end of the day, that's what we should be doing for our clients."

To this point, Nobanda said, "If we can come out of this with a way of us being able to pay for something, where we're actually paying for the output and the value that it brings to our brands, and in a way that makes money in that value chain, in a way that makes sense, I think will be a great outcome."

She said the relationship Nedbank has with its agencies is owned by marketing, not procurement. "I think marketing has to take the lead in those conversations, and procurement has to support marketing to ensure they get the right value out of it... for me, it's about the overall value, and we cannot leave those decisions to procurement... I come in with needing to deliver the best work for my brand, at a good price point."

Covid-19 has certainly forced businesses to restructure their teams, relooking at team representations or diversity so that we don't have a one-dimensional view of the world and agility, the speed in which we respond to ensure our clients' needs are met in a timely manner. This was according to Mpume, and Nobanda added that as social media is fraught with drama for brands, you need to manage it well. "You really do need very level-headed people who really understand exactly what tonality you should be going with from a social media perspective."

Leck said Nike is a good example of this.

"[Nike] has a certain tone of voice, and a certain point of view and they've actually been very outspoken in the Black Lives Matter campaigns that I've seen, so I don't think they're talking to generations, they're talking to principles, and once again it comes back to, 'What does your brand stand for?', 'What is important to you?', 'How can you empathise with what people are going through?'. I keep coming back to it, but that should be your guiding light."

"A brand like Patagonia has had a certain point of view on sustainability from day one, and I don't think it's generation, I don't think its segments, I think they have a point of view that they stick to, and when these crises come along, they are super brave in having those voices out there, and I know that it can sometimes cost them."

For Nobanda it has to be relevant. "We believe that money well-managed can make a real difference in people's lives, so our stance is how can we help people manage their money better." While Nedbank would like to see a reduction in gender-based violence, it's not something they would do marketing or PR on because it doesn't make sense for the brand, contextually speaking.

Mpume's view is that we shouldn't back up a course that we can't see through consistently. "Our clients approach us and enquire about whether they need to participate in these movements and our response to them is always to say that if you can't sustainably carry the conversation and give actionable outcomes or actionable solves, then rather don't go out and participate just for the benefit of fame or for the benefit of love or likes, because that can easily backfire."

Leck made a good point, saying you don't always have to do a campaign around these movements, but that you can still support causes from a CSI perspective even if they're disconnected from your brand positioning, but the worst thing you can do is to be seen jumping on the bandwagon and capitalising on people's hardships. "Sometimes it isn't even linked to your brand but you can also do things where you are supporting certain causes that are authentically sitting within your mandate from a social investment point of view... There are ways of supporting these crises moments as brands."

In conclusion, Mpume said that with all that's going on around us, the racism, the femicide, it's very important for us as an

industry to stay grounded in the role that we play.

Referring to the value chain of creativity, Leck reiterated what we're hearing over and over, that now is the time for creativity. "I think it's about focusing your attention, energy and resources in the most effective way to make the most creative impact... Now is the time to be pushing for outstanding creative output that's going to make a positive impact in the lives of your customers and consumers and now is the time for clients and agencies to work really closely together to form these shared visions and shared missions of doing that kind of work."

Nobanda agreed and also went back to the value chain, saying that it needs to include media partners and that besides making sure the creativity is still at a high, we need to play a bigger role as brands and marketers. "In the context of the role that we play as a brand in South Africa, brands have had to step up and make certain decisions to ensure that we continue to have a value chain of media partners... Going forward as brands you play a much bigger role than just trying to sell your 'Ke Yona Bundle account'. You play a bigger role in making sure you have a sustainable South Africa. I think we need to continue to play that role as marketers."

This industry-wide initiative for conversations around sustainable solutions to common issues facing SA's marketers and marketers, to future proof the industry, is made possible by the Association for Communication and Advertising. Join the ACA at

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