



MARKETING TRANSFORMATION AGENDA

VIDEO TRANSCRIPT

Ben Wood: Hi, everybody. It's Cannes. Day 3, interview 5. And we're still here.

Nikki Mendonca: We're still here.

BW: We're still going... until Friday.

NM: Yes.

BW: I'm delighted. As most of you who have, hopefully, watched most of these interviews know, we've had four leaders from our agency partners talking a little bit about the future of agencies. But if there's one big theme on the horizon this year, I think that's on the emergence – or the continued emergence – of the consulting firms in the marketing kind of value chain.

And you guys are here in force. I would like to introduce Nikki Mendonca, who is global president of operations at Accenture Interactive, so there is no one better to talk to about the emergence of the consultants. Thank you so much for being here.

NM: Pleasure.

BW: It would be great for you to tell all of us at Facebook a little bit about your career because I know you've spanned agency and now consultancy. And it would be great to understand what the drivers were. What did you see in agencies that made you want to go to consulting firms and what did you see in consulting firms that made you want to leave agencies?

NM: So, I am 25 years in the industry, and I have bought and sold and planned media. I started out ages ago at CIA, which was then acquired by WPP, spent a good time at Leo Burnett, moved to Capital Radio, and then was headhunted by Colin Gottlieb to start OMD Europe and to basically scale OMD across EMEA That was in 2002, which was a fantastic opportunity. And I spent 16 years there before I was headhunted by Accenture to blow out and scale their marketing operations capability across the globe.

I think that being 16 years running OMD across EMEA taught me a lot, and it opened my eyes to exactly what global and regional clients were looking for and exactly how product and service offerings needed to evolve. And I found that, to be honest, after having 16 years great success and in scaling the whole of the EMEA region to over a billion dollars in revenue – that was very, very successful – I then felt that we had reached a bar, a very high bar. But then I thought, "OK, there's a new conversation happening." And that was really pivoting around the fact that marketing transformation was becoming inexplicably linked to business transformation, and I didn't feel that I was representing a sand pit that was big enough to actually represent the right value contribution to a client to be able to pivot their business, because media, with a subset of advertising, which was a subset of marketing, which was a subset of business transformation... so, I wanted to leapfrog a number of levels, get into a global business



transformation conversation with the C-Suite on the client side and really be able to make a difference to their business growth.

BW: Thank you. Those drivers are super clear, and I recognize a lot of what you just described. One of the things that, you know, I look at the agencies ... lots of the senior agency leaders will talk about shifting upstream and they're very conscious of the consultants moving into their space, and that requires more strategic talent. Do you think agencies have got that talent today? Do you think agencies have to completely reappraise how they're composed, how they're structured? What's your sense of how agencies need to evolve?

NM: Well, within agencies obviously you have creative agencies and you still have media agencies. You still have that delineation, which rightfully or wrongfully is there. It might not necessarily be what the clients want, but it's there. There are a lot of talented operators at the agency side, but I would say predominantly in the area of desire building and excellent storytelling, but not necessarily in the space of delivery. And I think I would want to attract and procure some of that talent into Accenture because Accenture, with 440,000 employees as we are now ... a technology powerhouse, you know, four or five thousand data scientists working away on 175 huge, global diamond clients. But were not necessarily excellent at the desire building and the storytelling.

So, it really is interesting how now to be able to really nose cone the growth agenda for a client, you need equal parts of art and science, and sometimes you need more science than art, sometimes you need more art than science. I would say that still Accenture has more science than art, and I would like to be able to attract some of that art from the agency world because it is very, very important to be able to tell stories and, especially as it pertains to fuelling brand differentiation in a highly cluttered marketplace. And there really are... there are some excellent operators on the agency side to do that. What they don't have is that they don't have a technology backbone, and I think they're going

to come a cropper because that's difficult to suddenly introduce on the fly.

BW: So it's very clear you've described what muscles you want to build, so let's lay the myth to rest because what naysayers would say is, "A business like Accenture ... systems integrator, platforms for business, they're consultants, they're in the grey suits ... how can they possibly cope with a creative culture, with creative people, with acquiring creative assets." What would your experience in that be?

NM: My experience is I joined Accenture and suddenly met a whole smorgasbord of people who had come from agencies, come from clients. So, they had that sort of sparking DNA. I still think we need more of it, but there were still a lot of people. Accenture Interactive is 25,000 strong. That is quite a big army of people who are out interfacing with the marketing fraternity.

I do think that the questions and the problems and the challenges that clients have currently are big and therefore creativity has to be very purposeful. Creativity cannot just be creativity for creativity's sake. It has to be data-substantiated and it has to prove it's going to grow a client's business. That's where we're coming in because I must admit that sometimes in my history and lifetime in the industry, which as I said was 25 years, sometimes there are people who are too romantic about this industry. Way too romantic, and that romance doesn't necessarily deliver at the top or bottom line of a client's business. And I think that's a problem. I think this is time for marketing to grow up.

BW: Yeah, and I think that's increasingly the environment that we're in. Those big diamond clients that you refer to are under huge institutional and structural pressure themselves, and so your point that advertising, communications, marketing strategy has to pay back. It can't be an end in and of itself.

NM: Exactly! It has to be properly rationalized and substantiated as a potential growth leader. And if it is not actually a leader for growth, then what is it there for?



BW: So, tell me, as you build out these services... what you guys talk very eloquently about is around orientating around the consumer and the consumer journey, the consumer experience. What does that mean? Does that mean you need to have an incredible array of capabilities? We're talking everything from e-commerce platforming to websites or mobile experience, right through to creativity and then perhaps beyond that to implementational media buying? Talk about the ambition and the breadth of the ambition.

NM: Great question. I mean, the ambition really is, first and foremost, frictionless delivery across strategy and execution because that is what the clients are demanding. They have suffered from separate P&Ls within the agency's different holding companies and they're getting frustrated. Also, we need to be able to drive better integration along the historic, no-longer-needed delineation between paid, owned and earned because it is a nonsense.

So, you have to leapfrog very quickly into an integration of multiple touchpoints, and we also have to make sure that not only are we activating across all possible touch points, but we've also got an eye on conversion because not all those touchpoints are potentially shoppable. So now that will help put our strategy on steroids in terms of being able to return something back into the business.

So, you know, you are marketing for growth all the time. And now our people will sit there and will be able to design strategies that can actually deliver back to the business because you can do proper multi-touchpoint attribution, you know what it is working, you know what isn't working, and you know actually how to almost optimize that on the fly. That is the world that we live in now, which is incredibly exciting, which you definitely couldn't have said we were there five years ago... so that's how fast things are moving.

So, it's wonderful that we're actually in a space that can tangibly demonstrate this value contribution to a company's P&L. It's brilliant. And that is the ambition, we're at the sweet spot of that at the moment.

BW: And what's the magic to making that work? When you look at the agencies, different groups have tried different things but the one I suppose is most talked about is WPP's horizontality, with lots of different teams potentially originating from different businesses that you've acquired. How do you drive that collaboration that you need to create to deliver those solutions?

NM: Yes, and again, we still have a challenge because clients are still siloed. But that is changing very quickly. I think a lot of clients -- definitely Fortune 100 -- have got the memo that you have to bring sales and marketing together, you have to deal with the full funnel of customer journey. And I also think that a lot of D2C brands have accelerated that change within more established companies because they have seen their own business be blindsided by D2Cs who have had a much more full-funnel stack mentality toward their business. So now we're having conversations with clients -- big, big clients, particularly in the CPG world -- who've realized that e-comm has come out of incubation, has integrated into a multi-touchpoint world and now they're looking at a full-funnel customer journey, and we're helping workshop that with clients, and understanding, "OK, how does that then influence a different marketing operating model for your company?" Those are big conversations and those are big redesigns of how a company is structured and the internal plumbing of a company. But they're live, we're having lots and lots of live conversations, and I think clients realize they cannot continue to operate in their silos.

BW: And I think what's interesting to talk about is how client organizations have evolved, are evolving. But I suppose, thinking aloud, that's a competitive advantage if you're a management consultant and you have folks whose job is essentially organization structure and design, which is perhaps another muscle that comes so naturally.

So, listen, a couple more questions and I'm going to wrap. The first one is about Facebook, if you'll let me indulge myself for just about two minutes. We obviously had a great relationship between Facebook and Omnicom. How do you see your relationship now that you're at



Accenture? How do you see the value exchange between our two companies?

NM: Well, again, very good question. I'm looking at that at the moment. Obviously, in my role as leader of Omnicom, the relationship was still quite transactional because it was spring boarding off a volume relationship, off an exchange of money, which obviously was important.

Now, at Accenture, I actually want to be able to partner with Facebook to develop more tangible differentiation in our partnership for our clients. And that could pivot off of data. We know that data is sometimes a four-letter word but increasingly important, and increasingly important as we build out CDPs as a Service. I do think that I would want to be able to develop better activation strategies. Say for example, even to be able to fully leverage Messenger and WhatsApp and Watch. I want to be able to offer our clients to be first out on the big piece of innovation. So, I think there's a spectrum of stuff that we can do together and, of course, let's not forget I do want to team better on marketing performance evaluation because every single client is asking us for proper full multichannel attribution, and for that to feed a closed loop of performance measurement. So I would like to partner with Facebook to make that happen.

BW: OK now, the second one is a challenge. Thank you. I'm inspired by the client-centricity about your ambition because sometimes the conversation with agencies is about, "What can you do for US." It's interesting that you say, "What can you do for our clients?"

NM: Oh, that's what it's all about. If we're not delivering for our clients, then we don't have a business.

BW: So, my last question. It's Wednesday. You're here, so what's your top tip for surviving a full week of Cannes? NM: Pace yourself! And work this out ... there are so many bright people to engage with here and you look at the spectrum of what you could get involved in, but you actually zero in on the high-value touchpoints and people to interface with, things

that are really going to make a difference to your business. I think that's the way you should do Cannes. Still have some fun but predominantly look at your diary and look at what you can really do here that you can't do anywhere else.

BW: Well, this conversation was definitely for me a high-value interface and it was definitely for Facebook massively value additive. So, thank you very much for being here.

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