

P&G's Marc Pritchard calls for an end to the 'archaic Mad Men model'

By Marketing Week Reporters

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P&G is set to take more control of its own media and creative as it looks to transition its marketers from "project managers to brand managers".

By Sarah Vizard 1 Mar 2018 8:41 pm



Procter & Gamble's (P&G) Marc Pritchard is calling for an end to the "archaic Mad Men model" as he turns his attention to cutting out the layers of complexity that he believes exist within the agency model.

Speaking at the Association of National Advertisers' annual conference in Florida, Pritchard said marketers have been "steadily outsourcing work to agencies" but he believes this needs to stop because there are now "too many

touchpoints" between marketers and the consumers they serve.

"We need P&G people much closer to the consumers they serve and we need fewer project managers and more brand entrepreneurs. This means renewed partnerships to work with agencies, not through them. We'll pay for what creates value for consumers, and discern what work should be done by P&G people versus agency people," he explained.

P&G has already outlined plans to cut the number of agencies it works with from 6,000 to just 1,250. That has also led to more work, such as media planning, being brought in-house. And Pritchard said that is also the case when it comes to media buying, with P&G now doing more private marketplace deals in-house.

"If entrepreneurs can buy digital media, why can't the brand team on Tide, Dawn and Crest be entrepreneurs and do the same? They can, and they will," he warned.

That isn't to say P&G is looking to cut all aspects of its agency relationships. Pritchard said the company still needs brilliant creatives and is prepared to invest in that talent. But he called out the amount of time spent servicing the relationship, the "excess management, buildings and overhead" and the energy expended on unnecessary conference calls and meetings.

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"It's time to disrupt the archaic 'Mad Men' model, eliminating the siloes between creatives, clients and consumers, and stripping away anything that doesn't add to creative output," said Pritchard. That means an end to huge fixed contracts, with P&G instead implementing a 'fixed-and-flow model'

that sees a fixed amount spent on big campaigns, and other resources brought in as and when they are needed.

The model is already delivering results, said Pritchard, highlighting its work with Publicis on SKII's 'Change Destiny' campaign, and its work with multiple local agencies and in-house resource to create viral videos that run alongside it.

There is one final area where Pritchard wants to see change, and that is in reuniting creative and media. While he admits there were good reasons for separating the two functions at the time, such as creating "greater scale in TV and print buying", he thinks it **has now led to extra complexity and cost.** "Through data and analytics, we can now bring media and creative back together for more growth with greater efficiency".

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Marc Pritchard, P&G

He cited the example of Pampers in the UK, where the team brought Saatchi creative together with Publicis Media to develop a fully integrated programme that has helped Pampers grow market share with a 55% reduction in media spending.

Altogether, Pritchard claimed these changes have already saved P&G \$1.2bn that it can reinvest in growth. But he claims it also leads to "higher quality execution, faster engagement, more entrepreneurship, greater creativity, and a lot more fun."

The comments are likely to make uncomfortable reading for the big agency holding companies such as WPP, Publicis and Omnicom. All struggled for growth in 2017, with WPP posting its weakest performance since 2009.

Its boss, Sir Martin Sorrell, this morning (1 March) tried to allay investor concerns over the outlook for the big agency networks, claiming that it is adapting for this new world and that companies such as P&G are not in-housing as much resource as many think.

However, **Pritchard's speech shows that the world's biggest advertiser is having a massive rethink of how it works with its agencies. And it is not the only one doing so; Unilever is also cutting the number of agencies it works with, as well as production costs and non-working media. Where these two lead others will undoubtedly follow.**

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