



The Value of a Solid Scope of Work Program

An organized SOW program that serves as the source of truth for the entire organization yields benefits well beyond the marketing team.

Much has been written about what goes into a solid scope of work (SOW) and why that benefits marketing and agency teams.

Being crystal clear about the specifics of the work these partners are agreeing to do together ensures alignment on goals, task details, and costs — it even provides insight into how that work will come together and when. Without a clear SOW these teams inevitably find themselves uncertain about expectations at best and at worst at odds.

A concise document describing the major initiatives and tangible deliverables the agency has been tasked to undertake and that details what is both in and out of scope helps avoid uncomfortable conversations later in the year (or project) when perspectives diverge. But sometimes overlooked is the effect a good scope has across the broader organization.

A well-managed scope of work program not only aligns brand marketers and their agencies, but it also delivers strategic insights for marketing leadership and finance, provides procurement a lens into fees and other costs, and ensures appropriate compliance for legal and audit groups. Here's a closer look at how different parties benefit from a solid SOW.



Marketing

Beyond detailing the work and budget, one key benefit of SOWs for marketers is locking in desired resources. The chemistry, institutional knowledge, and specific skills of the agency team go a long way to a successful engagement. Without clearly defining the team, a marketer could be starting from scratch rather than building on previous success.

Beyond the known resources, aligning the correct team to the desired deliverables is important. Clearly defining that a senior team is focused on strategic, breakthrough work while perhaps a more executional team is versioning deliverables for a specific geography provides reassurance that the budget is being spent efficiently.

The Agency

First and foremost, properly documenting the scope protects the agency from scope creep. While a client may still ask for more, the brief allows the agency the opportunity to engage in a conversation about resetting priorities, expanding the scope and possibly the fee, or simply saying no. Without proper documentation and previous commitment, the conversation can get muddled.

Good scopes are also tools to manage agency resources and overall growth planning for agency management. Understanding annual client commitments is the basis for managing and hiring resources.

A well-defined scoping program can help both agencies and their marketers learn one shared process, using a company-wide taxonomy. This allows agency account leads and their brand counterparts to easily transition to new projects and pick up where their predecessors left off. With an increasing level of turnover in the industry, this is vital for consistency and continuity.

Procurement

Procurement helps marketing optimize its spend. Negotiating rates, deliverable-based fees, team makeup, and compensation structures must be founded on clear data. A vague scope doesn't provide the grounds for informed discussion about why the costs land where they do.

SOWs not only outline costs but, by defining the work, they also provide context for the value the agency brings to the company and thereby the investment the company is making in the agency. Agencies tasked with highly strategic work that has major implications for the business also should be part of an agency management program that includes top-to-top conversations between senior management. In addition to how the work is performing, those talks should include defining business goals and providing feedback through a structured evaluation process, among other key areas of focus.

To facilitate communication, procurement should provide a centralized, shared repository of SOWs, which will allow the stakeholder team to build and review the scopes in a collaborative way.



Legal and Compliance

Consistent legal terminology and approval processes are fundamental to delivering clarity for legal and audit stakeholders. Corporate legal teams, seemingly like everyone else, are overcommitted; often the last thing they want is to untangle issues related to an SOW that wasn't properly approved or that lacks the terms and conditions.

A good brief also demands a good internal process to ensure the work is approved properly and the appropriate terms are attached. When issues arise, the legal team wants to know that there is clarity around how those issues will be addressed.

Like the legal team, the compliance team wants to know there is an easy path toward auditing the approval process and that the scope is tied to a master service agreement, which entails the legal details of the working relationship. Formally agreed rate cards, used to determine the pricing within the scope, add an additional level of governance, ensuring the costs are calculated to the correct and most currently agreed-to values.

The Agency

At the finance and leadership level, the data collected and aggregated in the SOW process can help frame decisions to optimize the investment in agency partners. Finance, marketing leadership, and procurement teams all partner to drive the overall business and help make decisions when a change in direction or an unexpected development occurs. Increasingly, companies have to be nimble and adjust to competitive forces. A set of consistently written and managed scopes can help this group determine where there is flexibility and how dollars can be shuffled to meet new and changing needs. Clear change processes facilitate those decisions.

Building Long Term Value

By acting as the single source of truth, a well-designed and managed SOW framework raises what is often viewed as a tactical document to a strategic process. That evolution delivers value to a broad group of stakeholders, bringing clarity and focus, and in turn allows better decisions to be made.



Built by the industry, for the industry.



Visit us online
decideware.com

