Original Article

Tricks of the technology trade

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following a long client-side career in IT and 7 years running the digital arm of integrated agency Liquorice, founded Tradewind (London) Ltd in 2006 as a strategic consultancy and procurement service to help clients address the challenges that digital presents. Both companies are supported by Digital Agency Search, which Sam founded to seek out individual or company innovation and brilliance in the digital space. Working for some of the biggest and best-known clients in the country, he is on a mission to challenge sharp practices and introduce digital understanding where it is most needed.

ABSTRACT The aim of this paper to highlight why and how sharp trading practices by traditional and digital agencies have evolved in the digital industry in its short lifetime, and the impact this has on procurement practices in the context of the new medium.

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It was Sir Francis Bacon who first came up with the maxim ‘Knowledge is Power’ in 1597. I know that because I Googled it.

INTRODUCTION

Today Google is the source of all knowledge, and the unstoppable force of the age. Every day, Google’s enabler, the Internet, penetrates deeper and deeper into the fabric of our lives. And the more the Internet becomes ubiquitous, and easy to use and access, the less we need to understand it. As with modern car engines, there is no point looking under the bonnet nowadays, so there is little need for Haynes Manuals.

On the one hand, this is a good thing, and should not really matter. The problem arises, however, when people like you and me become responsible for harnessing these new technologies to work for our paymasters and us. The superman with the laptop and electronically calibrated torque spanner suddenly becomes all-powerful, as he guards the secrets under the bonnet, whereas mortals like us are not even allowed into the garage.

The phenomenon of specialist supply versus demand is as old as mankind. When budgets, brands and reputations are at stake, however, it is vital to ensure that the balance of power does not become overly biased towards the supplier.

At the same time, we must look inwardly and constantly develop our own working practices in

the context of these changing times, and ensure that we are fully equipped to operate in this space and manage our suppliers from a position of strength and value.

Rogue trading practices exist in the digital agency world as they do in any other. We will discuss how and where the blame lies later, but first it may be useful to understand how we got to where we are.

The Internet was born in Switzerland in 1989, to a proud British father who christened it the World Wide Web. In an act of incredible generosity, he immediately put it up for adoption to the known world. Initially taken on by a loose commune of pioneering technological enthusiasts, its early years, although remarkable, showed little portent of the sheer magnitude of what was to come. Clive James called it the ‘information super highway’ and we all smiled along in knowing ignorance.

By the mid- to late 1990s, control of the Internet had become the subject of a love tussle between information technology (IT) and advertising and marketing. The techies saw themselves as the natural guardians of the Internet – ‘it’s technology isn’t it?’ The ad-men and marketers did not agree – ‘it’s about the communication of messages.’ They both had a point, but the technologies that would enable the gulf between technology and creativity to be bridged was not yet ready. The MAC and PC

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were still warring cousins who only had little more than a plug, keyboard and screen in common.

By the time the Internet celebrated its 10th birthday, Google was still a mere toddler. The Klondike-style stampede for Internet riches was in full swing, and the world was awake and blinking in the bright lights of realization that nothing would be the same again.

As the century drew to a close, the IT industry was holed beneath the water line by another love child. It was called Y2K.

Now perceived as a gargantuan White Elephant, throughout 1998/1999 Y2K sucked into its vortex every spare penny that could be ripped from the budgets of the usual suspects (marketing and HR) or found down the back of the sofa. When dawn broke on the year 2000, doomsday was not upon us, the airplanes kept flying and the IT man had had his moment in the sun.

As with all adolescents, the inevitable wobble came in 2000/2001 – what we know as the dot-com crash. An awful lot of people lost an awful lot of money, but the Internet, now a galloping teenager, was not to be slowed. The underlying technologies just got better and better. The cost of hardware, hosting and storage space fell through the floor (the root cause of the millennium bug/Y2K was that saving the two characters 1 and 9 from, say, '1970' from computer code, as storage was so expensive!). By now, everybody was having a go at 'digital.' New 'web' agencies lined up against traditional agencies for their slice of the seemingly infinite digital pie. Some were better equipped to take on their new responsibilities than others. Some should not have been allowed. Some still should not.

In the frenzy that followed, the question of heritage became evident. If you ask an advertising agency, a marketing agency, a digital agency, a design agency and a technology supplier all to strategize and quote for the same website development, what will you get? Answer: Five very different responses and prices. But the problem for the client who holds the budget is 'which is best?'

As the competition for legitimacy of Internet parenthood raged through the early

years of the new millennium, battle lines started to be drawn:

Camp A: Good web development is all about the idea (creativity), and technologists have no advantage.

Camp B: Technology informs and enables the creative process.

Camp C: What is creativity?

The argument is of course subjective, and although the most likely answer is demonstrable, we will leave that to another day.

There is no doubt that there is some exceptional work being developed online now that is indeed founded on truly great thinking and creativity. But was the technology the chicken or the egg? And is that even the right way to ask the question? There is an adage that says that nobody was ever sacked for creating something beautiful. Maybe so, but does beautiful actually affect the bottom line?

Whatever the answer, the parenting dynamic continues to evolve. Everyone is trying to eat each other's lunch. Digital agencies are stealing above-the-line work. Advertising agencies are winning the bigger digital builds and then using their traditional account-handling practices to try and manage them. Outsourcing to specialists is rife and often intentionally discrete. And with the advent of social media, public relation agencies have joined the digital fray and the marketing agencies are fighting a rearguard action against them.

Meanwhile, beware! If you were planning a trip into the digital woods today, you may want to think twice – the big bad IT man is plotting his return. As more and more digital developments become ever-more 'enterprise' and mission-critical, the need to create bomb-proof systems is increasingly on the agenda. These systems of course have their place, but there is also a grave danger of over-engineering solutions that really do not justify such high levels of sophistication given their expected shelf life.

This may be a good time to have a little look at the IT man.

IT was and always will be about building robust systems purchased as capital expenditure. The system becomes a company asset, and its long-term future is assured as it silently powers the business operations. Each system enjoys a

long life with man-size machines glowing in the basement, withstanding acts of God and being upgraded every few years as per the terms of the hard-won contract.

There is another adage that says nobody was ever sacked for buying from IBM (but you would not want to sit next to him at a wedding).

IT is not web/digital/Internet. They are cousins, even brothers, but one is cerebral and bookish, locked in its bedroom, whereas the other wants to play outdoors and get into mischief, seeking out the next adventure.

Why? Firstly, the Internet is a dynamic medium where, by the end of any project of length (say 6 months), the technology that it was built on will have been improved. Secondly, the shelf life of your average digital asset will be considerably shorter than any of its IT forebears. Use of the Internet is often tactical and always changing. The depreciation in the value of your online asset therefore starts before it is even plugged in. In some instances, websites do last for many years. But give me a pound for everyone inside any company that has a longstanding website who does not wish it could be thrown out and started again and I'll be off to my yacht.

Maybe the Internet is just too big to have any one home. Maybe its very nature means it is destined to perpetually pinball around the universe constantly updating itself, assured of survival but never settling down. So maybe it will help to understand why techies, creatives and suits are all from different planets in that universe, and then we can begin to understand the dynamics at play when we build digital assets.

Professional people can be categorized as 'fast-pace' or 'steady-pace,' and then either 'people-oriented' or 'task-oriented.' Technical folk are generally of the steady-pace/task-oriented genetic make-up. They are about compliance, accuracy and precision, which often manifests itself as 'nitpicking' to those who have to work with them. Meanwhile, suits, skirts, managerial types – call them what you will – are fast-pace/task-oriented and can come across as 'overbearing.' They tend to be driven, always pushing for results and with a fear of failure. When overbearing meets nitpicking, the results are rarely constructive.

Creatives on the other hand, like techies, work at their own pace but also to their own agenda, fearing disharmony (with a few notable exceptions), making it hard for them to change.

These same dynamics apply in the client and agency relationship, and when you add technology into the mix and the varying levels of knowledge and understanding of digital, it is not surprising that many digital projects become fraught very early on.

In any negotiation, understanding the dynamics at work is invaluable. But what of sharp practice? What should we be looking out for and what should we let go?

There are literally hundreds of topics we can pick on here. Let us examine a few to get a flavor.

THE HYPNOSIS OF ANIMATION

Animation on the small screen in front of you can be captivating, and when it relates to your brand, intoxicating. The standard tool for this is Flash.

Flash is an animation tool that evolves and improves by leaps and bounds every year. It allows the developer to encapsulate design as, in effect, a movie. The content within a Flash file cannot, for the time being, be meaningfully read by search engines. This should always be given due consideration.

The problem of pricing the cost of Flash sites is that Flash is also a design tool. Creative concepts are in effect designed (built) within the tool. Therefore, there is scope for the agency to charge for concept/design/develop, when possibly they should only be charging for concept/develop. It is a question of terminology and semantics, but it is a truism that the more money and time spent in the planning (in this case concept/design) should reduce the amount of time in the development. There is sometimes a case for 'groundbreaking' development, but it is often worth a quick trip around Google to see whether anybody has done something similar before. Remember, everybody shares programing code online.

HOSTING

Hosting is often sold in the same way your independent financial advisor rationalizes the size of your pension contributions, by appealing

to your fear and ego. In the case of the pension, the more you put in, he will tell you, the more likely you will be able to live in the 'manner to which you have become accustomed' in your dotage. In the case of hosting, the less you put in now, the less likely you will be able to stave off acts of God that will threaten your website and thus your business. But is your website business-critical?

The cost of hosting has fallen through the floor in recent years, yet only yesterday I saw a years' hosting bill for an FMCG micro-site for £94 000. The site in question would have fitted on a memory stick in your pocket, and, in the extremely unlikely event of a successful denial of service attack (malicious hack), could have been redeployed in a matter of 2 hours. The impact on the business would have been negligible to zero, if anyone had even noticed its absence. The true cost of the hosting for the site in question should have been nearer to £5000 pa.

OPEN SOURCE

The Internet was conceived for the purpose of proliferation and sharing of information in order to inform, educate and further the debate. It is no wonder then that people who make their living on and from it (for example developers) share and reciprocate computer code. Google's model is to give everything away for free. In order to survive, Microsoft will not be far behind now (although not without exchange for direct exposure to interruptive advertising). So beware the piece of brilliance you are presented with in a short timescale: the piece of Flash coding where the object on screen seems to follow your mouse or disappear when your mouse approaches it. The piece of functionality that is uncharacteristically clever. Is it something that already existed that has been designed to look like new?

REPURPOSING

It is the aim of every agency to use something they have built before and charge for it again. To an extent, there is nothing wrong with this: it is just good business. After all, everybody who buys a Golf GTI is paying for the same investment that Volkswagen has made in what is under the bonnet. The difference is that your contract will more than likely state that the intellectual property in the underlying software is yours, not

the agency's. Are you therefore paying to own something that is also owned in its entirety by someone else? And can you prove it?

WHITE-LABELING

In the same vein as above, but open to greater levels of sharp practice, there are thousands of companies and individuals who make their software available for white-labeling at a small cost. This allows agencies to deliberately put a new (branded) face on an existing piece of software and to then pass it off as their own and charge for it. Naughty!

OUTSOURCING

Everyone is doing it. Even the most famous agency names in digital are outsourcing work and taking the credit (and money) for it. Like Victorian-age illicit sex, it is unwritten but widely practiced. But is it a problem? Hiring specialists is often sensible. Lying about it is unnecessary, but not criminal. The issue is whether the agency is marking up the hired-in services to (a) cover the trouble of doing so or (b) to make a substantial profit. If it is b, then yes, we have a problem.

BESPOKE AND PROPRIETARY SYSTEMS

Rarely written from the ground up, usually piggybacking off a core piece of software from one of the scenarios above, beware the agency that spent 'years developing' their bespoke or proprietary system. These are often content management or campaign-tracking systems that present the client with a 'joined-up view' of their marketing activity. If their systems did indeed take years of development, it is now by definition out of date, or will be within a year of your purchasing your license. So unless they demonstrate a clear upgrade path and the financial strength with which to pursue and deliver it, think twice before signing on. The software may be fit for purpose, but can the same be said for the deal under which it is being sold?

SEARCH ENGINE OPTIMIZATION (SEO)

Arguably the last of the black arts, this multi-billion-dollar industry did not exist 7 years ago. Its reason for being is to answer the cry, 'why isn't my website on the first page of Google?'

The truth of the matter is Google does, as the industry will claim, jealously guard its secrets. This makes everything done in trying to achieve high search engine ranking subject to a degree of guesswork and trial and error. The results that you seek can therefore never be 100 per cent guaranteed. This can of course lead to malpractice – ‘it’s out of our hands!’

That said, there are some simple questions that can be asked when evaluating what you should spend on SEO. It is a question of traffic over competition. If your product or service regularly receives a relatively substantial number of relevant searches per day and the amount of competition (pages) Google has (indexed) in its memory is low, then you are on a winner. If, on the other hand, there is a significant amount of competition and a commensurately high amount of relevant searches, then creating cut-through is always going to be difficult. To simplify it, if you are looking to promote a cure for an uncommon ailment that is very painful to the afflicted, then you can probably be in business in search engine terms relatively quickly. If you are looking to enter the international property sales market, then expect to have to spend incredibly highly with no absolute guarantee of total success. It all depends where you sit on that spectrum. And this should drive what you pay for SEO specialists.

CONTENT MANAGEMENT

Usually delivered as one of the above, the content management system or CMS became the ‘must-have’ of a couple of years ago. This was driven by a memorable anachronism falling into common parlance and so everyone wanted one. The fact is that no sites these days should be developed as ‘static.’ This means that by their very nature and use of everyday technologies such as CSS and JavaScript, sites are to an extent dynamic. In turn, this means changes to basic content by your agency are relatively quick and easy. You will also often find that the agency will in fact implement your site on their CMS, whether you ask them to or not. This means that they can make changes easily if you ask them to. There are some sites of course that can only exist with a highly advanced CMS: think news sites, information portals, travel sites and so on. But many, many sites do not have the levels

of changing content to necessitate advanced content management.

So, if there is a hefty line in your quote for the CMS, the first thing to do is to understand the context in which it will be used in reality. It’s worth checking.

CUSTOMER DATABASES AND CRM

If you are collecting customer data, there are many easy-to-understand and important rules that you must adhere to when collecting, storing and utilizing the data. The key question again is one of size and practicality. Somebody once told me that 85 per cent of CRM implementations lie unused within 1 year of delivery. The reason for this is again the over-engineered solution. Much of the CRM software on the market looks (and is) truly fantastic when demonstrated by the salesman. The possibilities for world domination that flash through your mind in the demo are endless and career-enhancing. The reality at the coalface is that these systems are complicated to use to anything like the extent of their power. Think how much of Microsoft Excel you actually use. Then the pressure of day-to-day work gets in the way and the ‘intelligent’ mailings you were planning on doing slowly deteriorate into quick and dirty ‘catch-all’ mailings. If you have a significant customer database and a room full of qualified people and practitioners who can put the power of these tools to work for you on a daily basis, then great. If not, it may be worth looking at a more basic solution.

We could go on and on. It is not that agencies are bad, but in a world with no rules the most scrupulous of practitioners will not turn their backs on easy cash. To say that they will is like saying that they can prevent their hair from growing. And business is business and everyone has to make a living. The problem is of course that some rotten apples take it too far and spoil it for all. And to coin a cliché, ‘what goes around comes around.’ This is a small industry. People talk. Brand managers move on every couple of years. Gossip and war stories are gobbled up and spread by an industry that specializes in instant communication.

Most importantly, the agency has a duty of care to advise the client on best practice, not

best practice based upon what is in their own tool kit. The clients meanwhile have a duty to educate themselves to a level where they can question and avoid sharp practice. One agency recently agreed to reduce their annual retainer by half a million pounds without raising an eyebrow. Why then was the retainer inflated by half a million pounds in the first place? Should they not face penalties for initially trying it on?

More than ever there are horses for courses. The integrated-versus-specialist debate will rage on forever, and in truth everyone has their place. The fact of the matter is that we are in

uncharted territory and are using traditional procurement methods to steer a course populated by agencies that all too often use out-of-date practices. Nobody will admit to not having the 'knowledge.'

Everybody thinks they understand how Google works until you ask them a direct question. Somewhere, today, as you read this, there is a client/agency website planning meeting going on where the subject of cookies has come up. And someone around the table is thinking 'why are they talking about biscuits?'

I wonder what Sir Francis would think?