

# The Oreo Doctrine<sup>®</sup>



*by*

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# The Oreo Doctrine®



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When it comes to providing context for the future, we've heard a few apocalyptic theories recently, notably...

Bob Garfield's "Chaos Scenario"...you know, where existing media advertising collapses on its own foundational rot and digital media isn't big enough to absorb it all. Zillions of orphan dollars end up walking the streets!

Joe Jaffe's offered his vision of "Life After the 30-Second Spot." Again, things fall apart; the existing creative unit collapses, and there's no clear sense of what anybody is supposed to do about it all.

And of course there's the master of all media conspiracy theories, the now famously-creepy "Googlezon" scenario. You know, where Google just ends up owning everything? Well, OK, maybe that one's not so far-fetched!

## **In the Digital Age, the Advertising Business will Break into Two Distinct Pieces**

- No, not 'Analog' and 'Digital'
- Not 'branding' and 'direct response' either
- And not 'search' and 'display'

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I'd like everyone in the audience to take an Oreo and open it up.

This represents how I believe how digital marketing – and indeed the whole advertising business – is going to split into two distinct pieces in the coming months and years.

Who wants to venture a guess about what each of these cookies represent?

No, the split won't be analog vs. digital media. And not "branding" and "DR" either. The split won't be across search and display.

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Tonight I want to propose the exact fault line where the advertising business will break apart in the digital age.

One of the cookies in your hand represents Transaction... it's about buying, selling, placing, valuing, delivering, tracking, measuring and optimizing specific media units of uniform size, value and ROI standards. Much of the existing online buying and planning infrastructure is actually focused not on broad advertising or marketing functions, but on transaction.

The kind of things that will matter in the transactional side of our business: Efficiency in time, cost, manpower... Delivery: Did the ad get there and can we verify it? Optimization: Am I able to quickly pull, reinvest or reallocate a campaign based on performance? Is the media buying operation profitable? This is, after all, a business of volume and margins. Standardization is also going to be critical. Unless the ads have the same sizes and characteristics, they can't function in a transactional marketplace. Anybody talking about 'avails' or 'inventory' or 'markets' will undoubtedly be living in the transactional world. And one more thing...the transactional side of our business will be all about exclusivity and control; it's really important that the marketer has a single buying agent or system to maximize leverage, efficiency and buying clout.

The other represents what I'm calling "Marketecture."

# Marketecture

(mar·kuh·tek·chur) *Noun:*

1: The application of varied media and communication elements in the focused solution of a concrete business problem or pursuit of a time-specific market opportunity. 2: The discipline which replaced traditional communication and media planning in response to the fragmentation of media and the blurring of media and communication forms in the early 21<sup>st</sup> century. 3: A business discipline pursued by both client-facing agents and media and communication channel owners. *Var:* Marketect, Marketectural.

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First, a couple of quick definitions...and a disclaimer.

I only thought I was making this word up. But it turns out there are at least three agencies or web development firms out there who use this name. It's also a wonky term used in some text books. But so far as I know, I'm the first to apply it to these concepts, so I'm planting the flag with impunity on this one.

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So let's compare some of the qualities of Marketecture with those we'll associate with transaction.

While transaction will be largely system and discipline based, Marketecture will be consultative and collaborative in nature. Communication and interpersonal skills will be at a premium, while transaction will be aimed at functional media tasks. Marketecture will be aligned with ever larger and more complex business goals. Marketecture will also be conducted situationally; no two assignments or projects will be the same, so flexibility and creative problem solving will be at a premium. In the world of Marketecture, we'll also see the definition of ROI move around a lot. In fact, the ROI for any given project or assignment will be collaboratively defined by the parties involved. And finally, Marketecture will not only be driven by relationships, it will be highly networked and inclusive. It will create strange bedfellows, a dizzying array of alliances and will challenge not only the notion of who "owns the client relationship," but the very idea that *anybody* does.

**The Big Question  
Each of Us Faces:**

# **Which Side of the Oreo has the Cream on It?**

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That's the big question.

When you think about your business, your team, your career... which side of your cookie has the cream on it?

Hold up your cookie if you think the transaction side represents your strengths and your future.

Now hold up your cookie if you think you're going to come down on the Marketecture side.

Who thinks the answer is 'both?'

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**Transaction**

# There's No Right Answer.

**Marketecture**

But for agencies, media organizations and for individuals the only fatal choice is to not choose at all.

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Well, the truth is there's no right answer. There is a wrong answer though, and that answer is "both."

The only really fatal choice is not to choose at all. The already divergent skill sets, personalities, business models and processes that divide these two disciplines will only grow farther apart.

We already feel the strain every day, in manpower issues, in how we charge for what we do, in how we interact with one another. To the degree that there's dissonance and dissatisfaction growing among our people, it's because we're asking them to do two completely different jobs at the same time.

"Go big! Be Creative!" we tell them. "But make sure you stay chained to the rigid processes and systems that we've built."

And you tell me it's hard to attract great young people to the business?

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## **But Our Current Model For Interaction – The RFP Process – Fits Neither Model of the Future**

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Probably the most egregious symptom of this schizophrenia and failure to choose is the existing RFP process, which I believe will become a thing of the past fairly quickly.

The current RFP model – from buyer to seller – sounds something like this: “Give us the data to fill out these numbers on our spread sheet; let us know how many specific avails there are; tell us what they cost; have this back to us in 36 hours...oh, and give us a groundbreaking creative idea that incorporates sponsorship, non-conventional ad units and gives us a sense of ownership...oh, and one more thing... boil it all down to measurable ROI.”

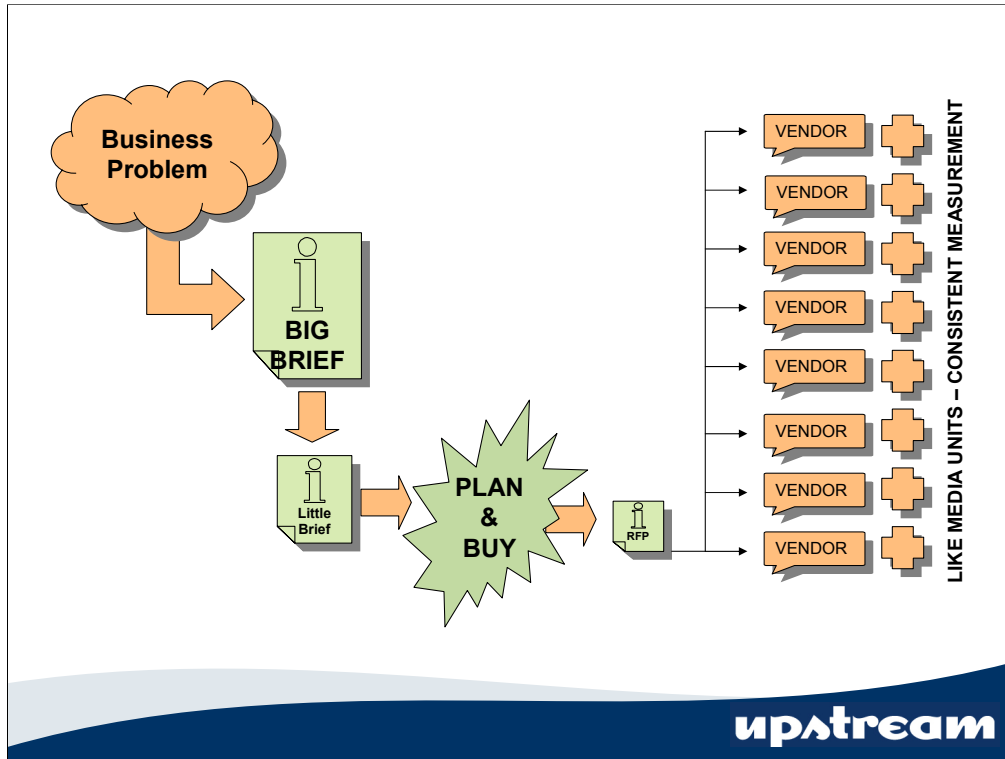
It's no wonder this process makes absolutely no one happy. How could it?

As I'm going to point out, this human-powered process becomes irrelevant and costly to the transactional side of the business; they throw it overboard just as quickly as they can.

As for the “Marketecture” side, the current RFP approach just doesn't match up to the complexity and diversity that's a permanent part of the digital landscape.

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Let me take you inside a simplified version of that process.

We start with a client who's got a big set of problems and opportunities, which are communicated to the agency in "the Big Brief." So far so good.

But then we begin to water things down. Before the bulk of planning and buying can take place, the "Big" business brief gets turned into a more tactical, smaller "media brief."

It's on the basis of this smaller, more focused media brief that the RFP is generated.

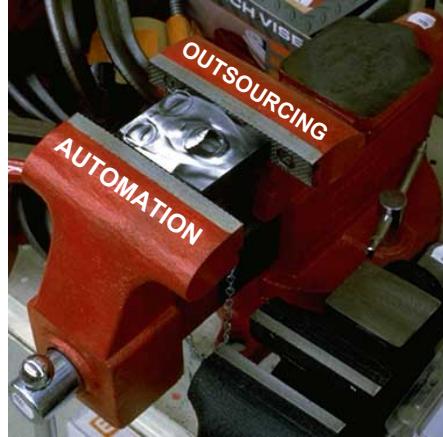
That RFP must – for the most part – focus on 'lowest common denominator' solutions from like vendors. There must be a consistent means of measurement and a common standard for ROI. All too often, that common standard ends up being a short-term DR metric like the click or the conversion.

Again, not a lot of room for improvisation and creativity in this process. What about blogs? Non-standard video opportunities? One of a kind integrated sponsorships? Truth is, nothing that's really outside the box gets a fair shake in this model. No good for Marketecture.

But isn't this an OK model for transaction? Well....

## For Transaction, the Human-powered RFP process is Anachronistic

Transaction will increasingly be driven by automation, price and standardized, short term ROI. Human intermediation and analysis are devalued. Those who take people out of the process will be rewarded.



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One of the reasons Wall Street will love Transactional plays so much is that they will be in the business of executive vital transactions cheaper, more efficiently and with fewer people.

In case anybody missed the news, Google bought DoubleClick this week. A few weeks ago, Publicis Groupe Media announced that it would centralize media buying from Zenith and Starcom in a new unit headquartered in India.

Does anybody really think this is where it stops? Show me a business where well-paid humans intermediate a marketplace based on price and availability and I'll show you an industry that will eventually start shedding people. In the near term this may seem absurd; after all, everybody's hiring, right? In my opinion it will take a few years to get everyone to put their numbers into the machine, but eventually the machine takes over.

Don't get me wrong, I'm making no moral judgments here. Automation is a brilliant business. Google is being handsomely rewarded for it and they deserve to be. But let's not forget that one of the reasons Wall Street loves them is their margins. In their view, the fewer people involved the better.

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## And Digital Marketecture will never fit the traditional agency/media dynamic:

1. Too much differentiation among suppliers and what they offer
2. No single "media unit"
3. No fixed form of ROI
4. "Permanently Dynamic"
5. Infinite pool of options
6. Our tools and capabilities align better with *business goals* than with *media tasks*



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So doesn't our current interaction model – the RFP and the analysis and judgment we surround it with – doesn't THAT work for Marketecture? Can't we just apply this model to the marketing problem-solving that customers hire us to do?

Well, no.

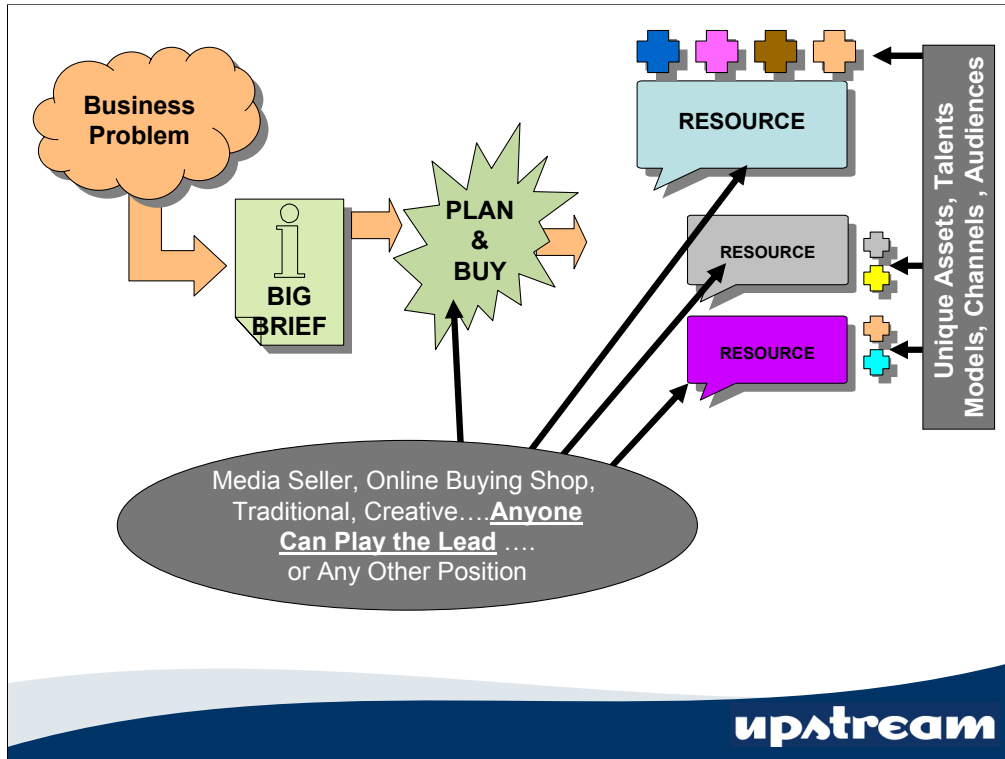
There's simply too much complexity and differentiation. There's no one skill-set or even one dominant media unit in our business, nor should there be. Digital media will remain permanently dynamic – we will NEVER stop changing and the PACE OF CHANGE will only increase. Our 'inventory' will remain forever limitless. Folks, we're talking about an unprecedented flow of ideas, models and solutions; solutions that are better aligned to high level business and marketing problems than they are to tactical media tasks.

We've tried to retrofit an old-media buying model to this incredible channel we've built. And I'm afraid that's like trying to teach a pig to dance, even well executed, it's still pretty ugly.

And besides, it only frustrates the pig.

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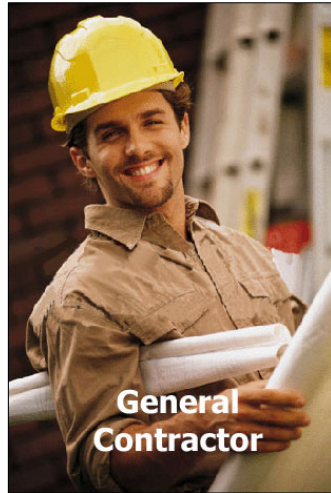


While the Transactional side of our business will essentially continue to automate and streamline the existing buying processes – and get rich doing it – I think there’s an equally bright future for Marketecture. But the model for how we interact in that future needs to change. So here’s a suggestion:

First, there is no “Little Brief.” Client business problems are tackled in their entirety. The ‘buying’ – if we want to even call it that – gets done on the basis of the big marketing and business issues that really concern the client. So our interaction increasingly happens with marketers and brand managers, and less with ‘advertising’ or ‘digital’ specialists.

Whoever gets first shot at the client business problems – agency, media company, consulting organization – then taps into their relationship and talent network. In creating a solution for the client, he calls on other companies with unique talents and capabilities. Video sites, bloggers, social networks, portals, agencies, you name it. Each of these companies brings unique talents, assets, audiences and offerings. One final thing (and this is important) ANYBODY can play the lead here. Today you’re the director, tomorrow you’re an actor. Ownership of the client relationship is already a myth. Customers don’t care where a good idea comes from, they only want to know who’s got the relationships and the skills to make it real.

## This Model has Precedents...



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Maybe this all sounds crazy, but only if we allow our 'advertising hats' to block our vision. Step outside advertising and there are precedents for the role I'm describing for the Marketect.

First, think of the general contractor. He's in the business of building homes, but he doesn't do it all himself and he doesn't own all of his subcontractors. If he's successful, he's the guy who's got all the best relationships with the best foundation concrete people, the top framers, and the world class plumbers. He's built a virtual talent network, and he gets it to work again and again, even though every house, every job, may be different.

And how about the Film Producer? Certainly every film presents some unique challenges, just like every marketing situation. The producer sees the project in its entirety and then taps into his talent network, finding the right director, art director, sound people, actors and so on.

Again, the talent network is the important thing. There's no exclusivity, no contractual ownership of talent for the length of one's career. The advertising business is relatively unique in its compulsion for control. We live in a time of networks and networks increase in value based on how open they are.

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# So... A Marketect You Want to Be, Hmm?

NINE RULES FOR  
PEOPLE AND  
ORGANIZATIONS



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So is there a future in this practice I'm calling "Marketecture?" Logic tells me that there is. It's not the simplest business in the world, but neither is the business climate in which it will operate.

Consider that there are billions and billions of dollars at play in the years ahead; money that was once neatly tucked into the transactional channels of TV radio and print. Most of those dollars will ultimately find their way into Digital media and communication...a big hairball of opportunity and confusion.

Who will clients rely on to manage that chaos? I think they'll turn to creative problem solvers, general contractors, producers... marketects. It's a position worth considering, especially since the transactional side of the business will need fewer and fewer of us as the years pass.

But as I said before, it's critical to make a choice. Because if you think the cream is on this side of the cookie, it will lead you to make a lot of positive decisions about how you build your career, your company and your network.

So just so that I can say I went beyond provocation and into prescription, here are nine rules to follow:

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## RULE ONE

**Hire  
Total  
Strangers.**



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**Rule One:** Hire some total strangers.

Many of the best people in our business aren't in our business yet. In order to grow this Marketecture side of the industry, we'll need to attract both vertical expertise and great problem solving ability from outside the industry. People from brand management, consulting, project management are a good start.

We should also be hiring great relationship and networking abilities. Can we take talent away from Hollywood? From Wall Street? From Commercial Real Estate?

If we're to really seize this opportunity, we've got to stop over-relying on "interactive" or even "advertising" experience and break the mold.

The more this business starts to look like business, the more varied the cast of characters we'll need to make it real.

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## RULE TWO:

Start with the Value  
of the Unsolved  
Business Problem...

Not the unit cost  
of the media  
elements.



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**Rule Two:** One thing I'd like never to hear again is "we don't have enough inventory."

Too many people on both sides of our business allow themselves to be constrained by the number of media units – leaderboards, section sponsorships, pre-roll videos – that are likely to be available.

Far too few look at the value of the unsolved business problem. To the marketer who's desperate for a strong opening weekend for his film or a bit more brand cachet for her retail chain or a little market differentiation for a breakfast cereal, the stakes are huge. A couple of share points or a bump in market awareness can mean tens of millions of dollars... if not survival itself.

It's time to look at the value of the unsolved problem – the broken window – and ask, "what can my organization – or my network – do to help fix that?"

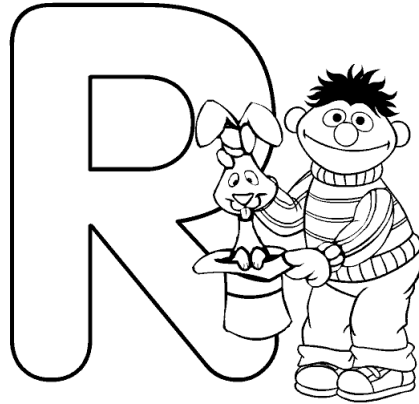
To ask less is to leave money – and opportunity -- on the table.

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## RULE THREE:

**Start  
Spelling ROI  
with a  
Capital "R"**



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Which brings me to my next point. **Rule 3** is about redefining Return on Investment. A simple, uniform, lowest common denominator standard for ROI is a central operating principle for the transactional side. This is what's given us standards like the GRP and the Click-through.

But when it comes to Marketecture, it ain't necessarily so.

Remember that Marketecture will operate in a wide-open, dynamic, situational environment. We'll be presented with complex, shifting client business problems. And we'll be collaborating with those clients to produce unique solutions. Shouldn't the ROI associated with them be just as unique?

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## **RULE FOUR:**

**Organize  
Vertically.  
Industry  
Perspective\*  
is a Must.**

**(\*Theirs,  
not ours.)**



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**Rule Four:** Organize vertically.

As we align our skills and resources and networks with higher level client business goals, we need cross the line and become PART of the industries we serve. Vertical expertise is great...vertical organization is better. Organize your research and services by industry, not just your sales team or your account executive.

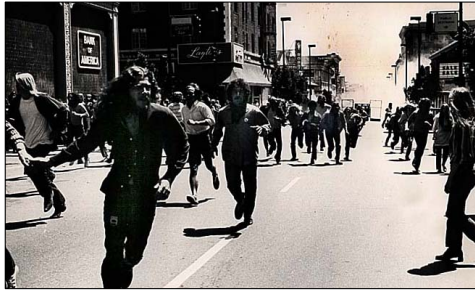
The big consulting and research organizations organize themselves this way. In order to seize the high ground from them, we need to do likewise.

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## RULE FIVE:

### Send the Kids Out into the Streets.



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**Rule Five** is all about what we do with the young people in our industry.

First, let's all take the Hippocratic oath and "Do No Harm." Over the years I've seen some incredible young minds frozen in place by the ridiculous limitations of our business.

Consider this: Too often we take the people who are closest to the digital action and keep them far, far away from our clients. We bury them in optimization reports and sales planning until they've been "socialized" and "tamed" and thoroughly indoctrinated in "the way we do things."

What a waste.

The way I see it, putting young people on the strategic front lines of our business is not only a good bet, it's an imperative. The freshest, most genuine ideas and the most insightful problem-solving often comes from those who haven't learned where all the potholes are. It's often the person who doesn't know what he "can't do" that ends up really lighting things up. And if we're to get the best young talent in our business, then we've got to empower that talent...not warehouse it in the back room.

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## RULE SIX:

**Demand  
Better  
Briefs.**

**Or Start  
Writing Them  
Yourself.**



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**Rule Six:** Earlier I mentioned the difference between the 'Big Brief' – the big, hairy, mission-critical business problems of the client -- and the 'Little Brief' – the short term, tactical media planning document that most of us work from.

Truth is, clients aren't just going to invite us into their businesses. We've got to ask them. Whether you're a media sales organization or an agency, if all you're hearing from clients are tactical media issues, then you've got to climb the ladder to a discussion of the underlying business problem. Remember: The bigger the problem, the bigger the potential solution, and the bigger the potential definition of ROI.

Here's a thought: Why not write the client business brief yourself. What better, more proactive way to insinuate yourself into their business and create a collaborative relationship.

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## RULE SEVEN:

**No more  
throwing  
ideas over  
the wall.**



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**Rule Seven:** Maybe it's just me, but as a business, I feel like we're squandering our most important resource: Ideas.

In this ritualistic RFP kabuki dance of ours we demand and exchange "ideas" at the 11<sup>th</sup> hour. "Give us a big idea by 4 PM tomorrow" is just as bad as "Hey we've got a big idea and I'd like to sell it to you before the other rep sells it to his client." This has all the depth and romance of a one-night stand.

Stop the madness. Ideas are not ADDED VALUE. Ideas **ARE** THE VALUE. Once we fully break apart the cookie, perhaps ideation will no longer be tied to transaction. But in the mean time, we've got to form a new habit. Let's stop throwing ideas over the wall at one another and put the true value on them that they deserve.

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## RULE EIGHT:

**Start  
Making  
Bigger  
Bets.**



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**Rule Eight** focuses on our attitude toward Risk. I believe that the transaction side of advertising always has been – and always will be – about mitigating and managing risk. The transactional planner – or in the future the transactional system – is a hedge fund.

At its essence, Marketecture is about opportunity, growth, abundance. I think this business won't be about "spreading the money around" but rather about betting BIG. Big problems demand big solutions, and big solutions demand that we create partnerships that are lucrative, empowering and inspired. They demand investment.

No one ever saved their way into leadership.

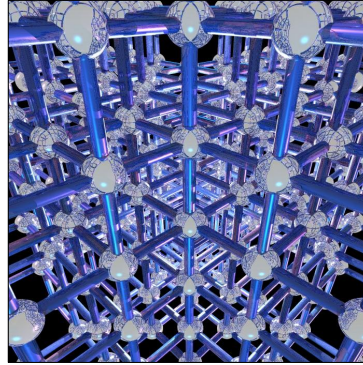
Put another way, Nobody ever hit a home run while trying to execute a bunt.

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## RULE NINE:

**It's about  
the Talent  
Network,  
Stupid!**



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**Rule Nine:** I saved the single most important idea for last.

While the transactional side of the business will remain largely proprietary and exclusive -- after all it's about controlling scarcity -- this Marketecture business is going to thrive based on openness and abundance.

The agency, the marketer, the media company with the best relationships wins. The idea of being the "exclusive" anything for a given client will end up seeming a little bizarre. In this model, why wouldn't two different agencies proactively agree to join forces on a project where they have complimentary skills and talent pools. Why wouldn't Yahoo, CBS and Clear Channel throw in together if it means creating a massive opportunity for all?

If these scenarios sound a bit odd, it's because we've all been trained and socialized in a business where it was all about exclusivity and control. But having also been part of the whole Digital Revolution, don't we also believe deep down in our guts about the power of networks?

Our value to clients tomorrow will be ENTIRELY about the power and depth of the network we bring to the task. EVERYTHING we do today should be about building and caring for that network.

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# Food for Thought...



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If I've made you think about your future and the future of our business tonight, then I'll fly home a happy man.

I thank you for having me here tonight, and I'd love to hear your questions and comments.

Thank you.

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