The Agency Growth Book

Everything you need to know
to grow your agency faster

AGE

AGENCY GROWTH EVENTS

This page is intentionally left blank.

The Agency Growth Book

Publisher:

Agency Growth Events

by

Precision Communities Ltd.
C/O Dirench & Co 151 West Green Road
Seven Sisters, N15 5EA London
UK

Editor:

Dr. Barış Onay

Digital Production:

Merve Taka

Contributors:

ActiveDEMAND, Adzooma, Agency Sonar, Chris Bantock, Chris Simmance, Christian Banach, Clodagh S. Higgins, Digital Agency Network, Duda, InvisiblePPC, Jason Swenk, Jody Sutter, Jonathan Leafe, Karl Sakas, Kelly Campbell, Lee Goff, Marcel Petitpas, Momentum Accounting, Parakeeto, Peter Levitan, Rachel Gertz ,Rachel Jacobs, Rob Da Costa, Robert Craven, Tim Kilroy, Unbounce, Vendasta.

About Agency Growth Events

Thank you for downloading "The Agency Growth Book"

This book is the culmination of years of agency growth experience from some of the brightest minds in the industry. In it, you will find actionable advice on topics that matter to you, the Agency Owner, the most.

We put this book together because, at Agency Growth Events, our mission is to organize must-attend events for digital agencies to network with like-minded agencies & explore partnerships, engage with cutting-edge marketing technology providers and learn from community-generated content. We know that attaining sustainable Agency Growth can be challenging, but it is achievable with the right knowledge and tools, both amply present in this book.

In the following six chapters and 115 pages, you'll find invaluable insight on Excelling at New Business Acquisition, Creating New Products and Services, Attaining Operational Excellence, Efficiency Through Technology, Leadership and Teams, and Business Planning Until Your Exit.

I encourage you to contact the authors and sponsors using the links provided and start a one-to-one conversation to delve deeper into their topic.

If you're an Agency Owner, make sure you join us at one of our events and get direct access to agency coaches, experts, and sponsors who can help you achieve sustainable Agency Growth!

And if you're a technology or service provider to Agencies, get in touch and we'll start a conversation on how we can create value together.

Again, thank you for downloading "The Agency Growth Book". We sincerely hope this book provides you with everything you need to take your business to the next level.

Please share this resource with anyone you think would benefit, and please follow us for more!

Editor:
Dr. Barış Onay
Co-founder and CEO
Agency Growth Events
Precision Communities

Reach Barış here:

Table of Contents

CHAPTER 1

Excelling At New Business Acquisition

Understanding The Modern Buyer's Journey

Christian Banach

Guiding agencies and martech companies to predictably land 6- and 7-figure opportunities and unlock their full potential.

Reach Christian here >

Many agencies and martech companies still believe that their work and awards are enough to drive predictable growth. Many firms also subscribe to the outdated thinking that clients arrive at a buying decision through a linear process. But how buyers of advertising and marketing services make purchasing decisions has fundamentally changed over the last decade.

Yet most agencies and martech companies are still engaged in ineffective or random acts of sales and marketing, such as:

- Entering work for awards that prospects don't care about
- Posting about new hires and office parties on social media
- Publishing occasional blog posts with me-too content and no new insights
- Attending conferences and events without a networking plan
- Sending sporadic email newsletters with self-promotional content

Today, the buyer has all of the power. Predictable and sustainable growth requires a comprehensive go-to-market strategy and a thorough understanding of the buyer's journey.

What is the modern buyer's journey?

The buyer's journey is the process a prospect goes through to purchase advertising or marketing products or services.

It's a non-linear process with prospects researching across numerous channels and platforms on their own, fluidly moving in and out of each stage, often without the seller's knowledge.

Due to increased competition and noise, more and more touches than ever are required to create and capture demand.

The agencies and martech companies growing predictably understand the modern buyer's journey. They empathize

with prospects, create relevant content for each stage of the journey, and are there to help them through their decision-making process.

Stages of the buyer's journey.

You can break down the buyer's journey, or path to purchase, into three stages. These stages include awareness, consideration, and decision.

The buyer's journey
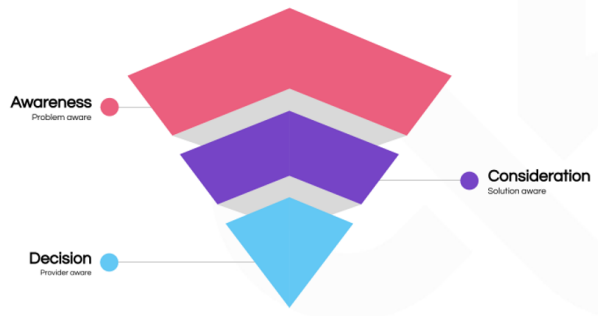
- Awareness Stage: The buyer sees they are facing a problem.
- Consideration Stage: The buyer puts a name to their problem and becomes curious about a solution.
- Decision Stage: The buyer evaluates solutions and comes to a conclusion as to how to solve the problem.

We will break down each stage a bit more to understand what the buyer is doing and may be thinking during each stage.

Awareness

The buyer is experiencing a problem, and their goal is to find a solution that resolves the issue.

Or, the prospect isn't aware they have a problem. Your goal is to get the prospect to view their business differently, so they identify a problem they didn't realize they had. Then, you can create a direct link between that problem and solving it with your solution.

Example: "Why am I experiencing back pain?"

A buyer may start by researching this issue online or consulting a colleague. It's unlikely that the prospect is aware of your company at this time.

Types of content that work well in this stage include:

- 1-to-1 insights briefings
- Inspiration sessions
- Blog posts

- Social media posts
- Videos
- Infographics
- Images
- Podcasts

Remember, your job here is to be as educational and informative as possible. Your prospect does not want to be sold to just yet; they are still trying to understand how you solve their problem.

Consideration

Now that the buyer has given a name to their problem, they begin to seek out solutions. During this stage, a buyer will conduct research to understand how to resolve the challenge.

Example: "How do you treat a herniated disc?"

Types of content that work well in this stage include:

- Private workshops
- Webinars
- Free eBooks/downloadable guides
- Educational videos
- Blog posts (Although the tone and topic will differ from the posts serving prospects in the awareness stage.)

Decision

After the buyer has done sufficient research; they are ready to make a decision. During this stage, the buyer creates a short list of vendors and selects the one they perceive best fits their needs and situation.

Example: "Which chiropractor is best for herniated discs, and how much do they cost?"

Types of content that work well in this stage include:

- Demos
- Case studies
- FAQs
- Product landing pages
- Reviews and testimonials

It's crucial to remember that prospects may have some final questions or concerns before buying during this stage. Content at this stage should convince them to buy your product or service based on the trust you've worked to garner.

Why should you care about your buyer's journey?

The way modern B2B customers discover, evaluate, and buy has fundamentally changed.

Due to thousands of agencies and martech companies with similar capabilities, the agency selection process is cumbersome. Groups of decision-makers with different priorities are usually involved. The typical buying group for a B2B solution involves 6-10 decision-makers.

Most firms see the agency review process starting with an RFI, RFP, and/or credentials and moving to strategic or speculative work and final presentations later. However, the buyer journey begins well before RFIs are sent and so too does your ability to influence the prospect and process.

Research shows that only 3% of companies have a current need and actively seek partners. 7% have a need but aren't proactively searching for options, 30% have a need but not enough to act, and 30% do not have a need. And a final 30% of the market does not fit your brand and will not buy from you.

Firms should look at their business development efforts in two modes, demand capture and demand creation. Demand capture grabs the 10% of companies that are active buyers or intend to change in the next 30 to 90 days. These are inbound leads. Demand creation markets to companies who don't need your services now but will. Demand creation makes activities such as outbound prospecting 2-4x more effective.

But that's easier said than done because the B2B buyer journey has become increasingly non-linear. Prospects move in and out of stages. What sets modern buyers apart from the past is the research they can perform before making a purchase.

The internet has turned the traditional path to purchase on its head, as buyers can self-educate and have near limitless access to data. Moreover, there's an ever-increasing number of channels and platforms for buyers to self-educate, making it challenging for agencies and martech companies.

But understanding the buyer journey enables you to meet prospects where they are. You can avoid the mistakes that turn them off—like delivering a hard sales pitch—and be a part of their buying decision at every phase. Nurturing a prospect through the buyer's journey with the right content in the right channels improves engagement, reduces sales cycles, and increases the likelihood of conversion, resulting in predictable growth.

Demand capture and demand creation

- **Top 10%** — Demand Capture/Inbound
  - 7% Intend to change
  - 3% Active buyers
- **Bottom 90%** — Demand Creation/Outbound
  - 30% Do not have a current need, but will
  - 30% Have a need, are not ready to act
  - 30% Not interested in your company

CHRISTIAN BANACH
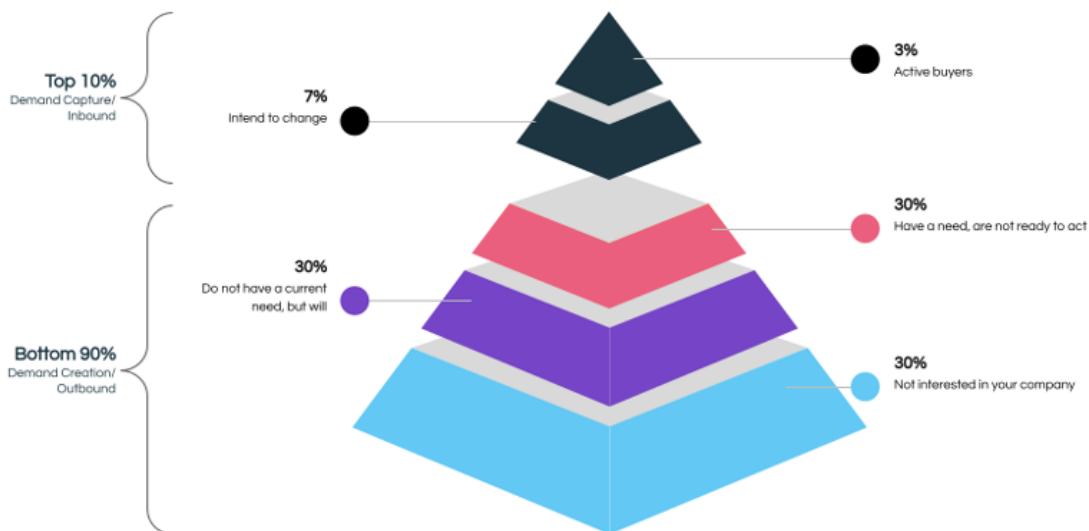
How to create a buyer's journey.

1. Identify and map topics.

Identify the questions, problems, and obstacles keeping your buyer up at night by looking at the following:

- Customer interviews/surveys – take feedback from clients about triggers, goals, and challenges to create topics.
- Target communities – review conversations happening in relevant niche communities.
- Events/conferences – look at topics spoken about at key industry events.
- Thought leaders/influencers – review the content prospects are already seeking from thought leaders in your industry.
- Internal subject-matter experts – speak to those in your firm who interface with your buyer to learn what they're hearing.

Map the questions, problems, and obstacles to each stage of the buyer's journey.

2. Audit and evaluate content.

Run a content audit. List your existing content, including content types (e.g., videos, slides, press releases, case studies, etc.), and evaluate it.

- Does it answer the questions, problems, and obstacles of your buyer?
- Is your content overly focused on selling or describing products rather than conveying valuable information?
- Do you have provocative content that challenges your customer's beliefs? Or is your content "me-to"?

Look at traffic or conversion data to gauge the effectiveness of the content.

3. Plan and prioritize content.

What can you use as-is? Where are there gaps? What content can be updated or repurposed to fill those gaps? Develop original, insights-driven pillar content with your subject matter experts that shares your unique point of view on solving pivotal problems.

When you have identified the content that needs to be created or updated, assign priorities to each content piece. Prioritize according to the buyer's journey stage that would most impact your firm.

Taking the journey with a buyer.

Gone are the days in which an agency or martech company sees growth based solely on their work and awards. Today, growth requires a comprehensive go-to-market strategy with an understanding of the modern buyer's journey.

Although the buyer's journey is described as a three-step process a prospect goes through to purchase a product and/or service, it's non-linear, with prospects coming and going through each stage.

To understand your buyer's journey, identify and map topics that keep your buyers up at night, audit and evaluate your existing content, and plan and prioritize the content that will make the biggest impact.

When you understand your buyer's journey, you can meet prospects where they are. Understanding their wants and needs will provide a better experience for prospects, build trust, and influence their purchasing decision.

Nurturing a prospect through the buyer's journey improves engagement, reduces sales cycles, and increases the likelihood of conversion.

When you take these steps, your firm will be on a better path for predictable and sustainable growth.

> *The agencies and martech companies growing predictably understand the modern buyer's journey. journey. journey. journey.*

Christian Banach

How To Handle The Top 5 Agency Sales Objections

Jason Swenk

Jason Swenk is the agency advisor & coach that guides marketing agencies through a proven framework for growing their agency faster. Jason has literally written the book for growing an agency from nothing to two 8 figure agencies.

Reach Jason here >

Have you ever felt like your marketing agency proposal really knocked it out of the park, only to have the prospect put you off? It has happened to all of us, probably more times than we'd care to admit.

You put a ton of time, energy, and effort into a stellar proposal, and then you're hit with a lackluster response. Something like, "let me talk to my partner" or "let me see if we have the money" or my personal favorite, "send me more information."

Are these responses just put-offs or simply objections that can be flipped into a more favorable response?

Top 5 Agency Sales Objections

The best marketing agency proposal answers questions before they're asked. Be transparent by sharing your exact process and builds more trust.

Of course, questions and objections will still be raised, but if your proposal answers 90% of the unasked questions, you're so close!

That's when the agency salesperson comes through on the extra 10% and brings it to the finish line.

I firmly believe there are no bad agency clients; only bad prospects or a bad process.

So, how do you know if your prospect has a true objection or is just wasting your time? There are some tactics you can apply to get to the bottom of things faster and easier. And you will turn more no's and maybe's into yes's.

Here are 5 common reasons prospects say "no" to your marketing agency proposals and what you can do to change the outcome.

So, let's start with my personal favorite...

1. "Send me more information."

When your prospect gives you this line, it means one of two things, either: Something is missing... or, you're just getting nicely blown off. It can be difficult to know which case you're dealing with. This is why I tell my clients to always ask: WHAT, WHEN, and WHY.

These three simple questions will help you determine whether you need to help your prospect overcome a hang-up or whether they're putting you off:

Ask: "WHAT information would you like me to send you?"

This helps you determine what might be missing from your proposal and what else they need to know before they can say yes. Sometimes we're just too close to the business and don't realize we aren't sharing as much as needed in order to make an easy decision for the prospect.

Ask: "WHEN would you like me to send the information?"

Maybe they are trying to meet a specific deadline or achieve a time-sensitive goal. You want to follow up with the right information at the right time in order to increase your chances of working together.

Ask: "WHY do you need this additional information?"

This will help you understand more of the specific goals the prospect is trying to achieve. It might also reveal whether you're speaking to the right decision-maker or not. Perhaps the person you're working with will say they need more information to pass along to their boss or business partner. You need to get in front of the right person or people to answer questions accurately.

If someone is just blowing you off, they won't have good answers to these questions.

On the other hand, a good prospect who is genuinely interested in working with your agency will have a very specific piece of information they're requesting, as well as a timeline and reason.

Next, assuming this is still a legitimate prospect, you'll obviously agree to send the information, but make sure to set up the next meeting right then and there.

Get commitment upfront. That's how you're going to close more business and stop wasting time on the wrong prospects.

2. "Let me think about it."

Another equally frustrating sales objection is when you spend a ton of time winning a new client only to hear them say, "let me think about it."

Is it a real sales objection or just a put-off? Do they actually need more time to think about it?

Unfortunately, this is a pretty typical response.

You and your teamwork so hard to get the meeting, gather the information, create the proposal, and walk them through the plan just to hear something lame like, "let me think about it."

It's beyond frustrating! I know firsthand because it was a common put-off for me and my agency's sales team.

Luckily, there is an easy solution that can be met with a few upfront questions.

Now, if it's a put off then your prospect just doesn't want to say "no." They think they're being nice, but really have no intention of working with you. However, if it's a legitimate objection (and, a lot of times it is) then you can actually prevent issues by gathering more information upfront.

When you hear "let me think about it" it's usually due to one of three reasons:

1. The prospect remains unclear about the plan. You may be using phrases or jargon that makes it unclear what you're going to do for the client. You may be using agency-industry language when you should be using client-industry language. Are you being clear and concise in how you present the plan?

2. The prospect is unclear about the results. Remember, you are not selling your agency's services to your

prospects, you're selling them on results. Do they understand how your solution will ease their pain point or resolve their issue? Have you established trust and authority in order to build their confidence in your ability to deliver successful results?

3. Your agency is unclear on one or more of the N.B.A.T. criteria. That is: Need, Budget, Authority, and Timing. NBAT is the best way to qualify your prospects, so you don't waste time with the wrong ones and only spend time on the ones that are ideal for your agency.

So, as you prepare for your next new business pitch, instead of dreading the "let me think about it" line, approach the pitch proactively. Make sure you're clearly defining the plan and the results. Make sure you have a full understanding of NBAT. When you have all these bases covered, you'll drastically reduce or even eliminate this objection.

3. "We had a bad agency experience."

Now, of course, you want to win more new agency business, but it can be hard when your prospects have already had a negative experience with the competition, which is another objection you may find.

First impressions can be everlasting — good or bad — and, unfortunately, sometimes we can be held accountable for a negative impression left by an awful experience with another agency.

These experiences can be a common objection as prospects don't fully understand what separates your agency apart from others.

Whether it's poor communication in terms of expectations and deliverables, poor strategy, or just a clash in personalities — bad experiences happen and the best thing you can do is to educate your prospects that that isn't the norm.

How Can Your Agency Turnaround a Prior Bad Experience?

Educate them on the plan. Walk your prospects through the plan you have for them. Explain exactly how you're going to help achieve their goals or ease their pain points. Talk to them about what success looks like after working with you.

There's inherent uneasiness when people don't know what to expect, but when there's a clear plan in place, your prospect can feel more confident and assured.

Inform them about your systems and processes.

Clearly communicate what you do and how you do it in terms and phrases your prospects can understand. Make sure they fully understand your systems and processes for completing work.

As marketers, we can get excited about our ideas and work, but we can overwhelm prospects by using too much industry jargon. Keep it simple, but do explain how you're different and even call out how "other guys do it" and what makes your agency different (and better).

Know and understand their 3 I's: Issue, Importance and Impact.

– What issue are they having?

– What is the impact this issue is having on their business?

– Finally, what is the level of importance, or what is the consequence if they don't address the issue?

When the right prospects are fully educated they will choose to work with you, but it requires work to build relationships and trust. Bottom line, that issue is important and impacting their business. They need it resolved and if you've done your job of educating it can be yours.

The next time a potential new client tries to blow you off based on judgments from a bad experience with another agency, you know what to say.

4. "Do you have any references?"

What if the prospect isn't asking you for more information or for time to "think about it" but instead asks you for references? If that has ever happened to you, what have you done in that instance? Does it hurt or help you to use past clients as references for new ones?

The request for references is simply the presence of doubt in the prospect's mind. If someone is asking for references it means there's still something they're uncertain about when it comes to working with you... And bottom line, that means there's a hole in your sales process.

Yes, some people just like to double-check that they're making the right choice with references, but if they're doing this, it's also possible that somewhere in your sales process, you failed to earn their trust fully or to prove your value.

Frankly, giving references hurts your agency business. Here's why:

1. You respect your clients' time. When a prospect calls your clients it takes up their valuable time. They are spending time helping "sell you" when they should be using their time working on their business. Letting your prospects call your clients is a lack of respect for their time.

2. Your strategies are proprietary. A lot of prospects will move from asking questions about results, to ask questions specific to your agency's strategy and processes. These topics are intellectual property, and (not knowing any better) your amazing clients might start giving away your secret sauce for free. Yikes!

So, this is what you can do instead of giving references:

When a prospect asks for references, counteract by asking more questions. What is missing for them? What are they unsure about? You want to see what else you can clear up for them, instead of letting a reference or testimonial talk them into (or even out of) working with you.

First, find out what's missing and why they want to speak to a reference. Answer all the concerns and objections you can.

Next, tell them exactly why references may not be what they need.

Finally, tell your prospects you want to share a case story or two instead of a reference. These can often accomplish the same trust-building that references can without monopolizing a client's time or putting your IP at risk.

If, after more discussion, they still want references, only do this as a last resort. Make sure to have a client or two you trust and have previously discussed being contacted.

5. "Another agency will do it cheaper."

After answering all questions and offering every bit of information you can to ease the prospect's mind about working with you, you may find they want to haggle on agency prices.

They say something like "This proposal is pretty steep..." or "I got a cheaper quote from someone else..." This may just be a case of an uninformed prospect who just needs more education. Or this might be the sign of a bad prospect who is not the right fit for your agency.

If price is a real issue they might not be a good match for you. However, sometimes price is just a cover for deeper issues.

Ask yourself, "is it really the price, or is it an underestimate of the value placed upon the solution you're providing?" Oftentimes, your prospects aren't fully educated on value, and, in turn, undervalue what you're delivering.

Instead of getting bent out of shape right away, there are three things you can discuss with them.

How to Combat 3 Common Price Objections:

1. **Cheaper does not mean equal.** Go back to the 3 I's (Issue, Impact, Importance). Is the lower cost option really meeting the objectives of the 3 I's?

2. **You get what you pay for.** Ask the prospect why the other agency's proposal is cheaper and let them think through the cost vs. quality differences.

3. **Time is money.** Often, the cheaper option just makes more work for the client. Remind them saving money may end up costing them more time.

Thinking Through Your Price Tag

Bottom line: You need to help prospects logically think through supposedly more affordable proposals.

Sometimes prospects only see dollar signs and forget how to really scrutinize what they're getting. When you initiate conversations like these, it helps them second guess their gut reaction of going with the cheapest option.

There is no such thing as a bad agency client. There are only bad prospects and bad processes.

If you have a bad agency client, it's only because you let them in... but when you tighten up your process and weed out the bad prospects, you'll only be working with the right clients that value your services and pay what you're worth.

jasonswenk.com

> *There is no such thing as a bad agency client. There are only bad prospects and bad processes.*

Jason Swenk

How To Win New Business By Playing To Your Strengths

Jody Sutter

You'll have the benefit of my years of experience in ad agency new business and marketing. Equal parts storyteller and problem-solver, I know how to prescribe the right tools and techniques that will work for your agency and get your prospects to say "yes".

Reach Jody here >

Agency owners will tell me that new business is the life blood of their firm.

I can't disagree. Beyond the basic function of bringing in revenue, pursuing new business has the power to shape an agency's destiny.

It allows an agency leader to think strategically about the kind of work they want to do and the types of clients they want to serve.

And yet… sometimes agency business development is the victim of competing priorities (client management, employee management or even just doing the work you get paid to do) and it gets neglected or gets done haphazardly.

But even if these competing priorities didn't exist, I still think a healthy number of agency leaders would find a way to avoid business development, especially the proactive stuff that requires you to get out there and sell.

Why is this such a challenge?

I think it has as much to do with psychological obstacles as it does with logistical ones.

First, rejection sucks. The fact is, new business is a numbers game and while you can do a great deal to put the numbers in your favor, you're still probably going to lose more than you'll win.

But there are other mind games we play. Perhaps during those moments when you know you must do more, you've thought to yourself,

"Where do I even start? And how do I keep it going?"

Listen, there's a lot you could be doing. Email marketing, paid media, webinars, podcasts, SEO, outbound selling, referral programs… The options seem endless. And even if you did carve out the time and attention to get started with a few good tactics, you fear those competing priorities will find a way to derail you as they've done before.

Or, you may ask yourself:

"What's really going to pay off?"

Here's a conversation I've had more than once with an agency owner:

"We've tried (insert new business tactic here). It doesn't work! We didn't see any results."

"Really?" I say, "How long did you keep it going?"

"Oh," says the agency owner, "we were at it for at least (insert an insufficient amount of time here)."

The conversation continues and often I will discover that not only did the agency not invest a realistic amount of time to see results, they didn't consider how that tactic could support a bigger business development strategy. Or they simply neglected to include a clear call-to-action.

Back to the internal monologue, which may continue with:

"I just can't relate this to my own talents."

At smaller agencies, it's not unusual to find that the people responsible for business development are not business development professionals. They're account managers or strategists. They get tapped for the new business role because some of their skills intersect with the skill set associated with business development. For example, account managers tend to have strong interpersonal skills; strategists are, as the name implies, strong strategic thinkers.

But they lack other important skills or aren't given the support, structure or training to develop themselves into confident and effective business developers.

It's no fun doing stuff that we don't think we're good at.

It's easier to convince ourselves to stay in our safe place and keep doing whatever it is we've been doing (or not doing), no matter how unsatisfying or unproductive it is. The devil you know...

But we only get results through action.

And so, if you've ever struggled with some of those questions above, here's one approach that might make agency business development easier:

Play to your strengths

When I work with owners of small marketing agencies, we design business development programs that are built around their strengths, not in conflict with them.

You can too. The first step is to identify your strengths profile—and you probably fit into one of these four: the Hunter, the Communicator, the Thinker or the Promoter.

Hunters

Hunters have an instinct for selling. They're energized by making connections with other people and feel at ease when interacting with strangers, whether on the phone or in person. They're good at improvising and feel comfortable in a wide variety of situations.

Most agencies are not filled with natural-born Hunters. That's why when they try to sustain a new business strategy built around traditional sales activities like outbound prospecting, it usually fails. gency owner to be a Hunter. Sometimes it's an innate part of their personality but often they've honed these skills out of necessity—they had no choice but to get out there and sell if they were going to make payroll. Over time and after a few successes, selling felt less foreign and they accepted it as part of their job.

Communicators

Communicators have two special geniuses. The first is their ability to take complex ideas and boil them down into concepts that everyone can understand. The other is their ability to captivate a crowd.

Communicators are your TED Talk-ers and keynote speakers. They're the charismatic ones who are perennially tapped to lead the pitch presentation. They're big-picture people who love to share their ideas.

They don't have the Hunter's zeal for building one-on-one relationships so you may find them making excuses not to go out and prospect for new business. It just feels foreign and distasteful to them.

But Communicators are perfect candidates for a business development strategy that leads with content marketing. Encourage them to create their oeuvre of expert content. Then get them on the speaker circuit and back them up with a good PR strategy.

Thinkers

Thinkers are the introverts of the bunch. Like Communicators, they often share a talent for explaining complex ideas in simple ways, but they're more interested in teasing out the details.

Where a Communicator is at ease speaking in front of a crowd, a Thinker is more comfortable one-on-one or working solo doing what they do best — thinking! When it comes to lead-generating activities, their introverted energy can be tapped to produce longer-form content like a book (or series of books) or a research study. If your first reaction to this is, "Yikes! It's going to take a long time before any lead is actually generated!", you wouldn't be altogether wrong. However, you Thinkers out there might ask yourselves how much time you've wasted avoiding new business tactics that aren't designed for strengths and whether an investment in something that might actually work will in the long run get you better results.

And, by the way, because Thinkers are better one-on-one, they're often surprisingly good salespeople. The trick? Give them a clear direction, a strong story to tell, and a sense of purpose (you won't get far giving them a wimpy agency positioning or a vague brief).

Promoters

Promoters are leaders with big personalities (and sometimes big egos too) who've got something to say and aren't afraid to say it. They're candid, opinionated, and fearless.

Often their business is their life and their life is their business. Or rather, everyone's business because we're probably going to learn about it on Instagram.

A great example of a Promoter is Gary Vaynerchuk. Vaynerchuk is the ultimate ambassador for Vayner Media, the company that bears his name. He practices what his agency preaches. He's out there e-v-e-r-y-d-a-y spreading his message through his podcast, blog, Instagram and Twitter feeds, or hanging out with 10,000 of his closest friends at his very own event, VeeCon.

Promoters are not always the most eloquent ones in the bunch and you may need to work extra hard to keep their focus on fewer than a dozen things at once. But they are unstoppable bundles of energy you can harness for building your agency's brand.

Did you recognize yourself in one of these strengths profiles?

You may have recognized yourself or others on your leadership team in these four strengths profiles (plus you can take this short quiz). More likely, you recognized most of the traits of one with a little of another mixed in.

When you play to your strengths you make the right decisions about which business development tactics are best for your agency. It matters less if they're unconventional and more that they make up a plan that you can sustain and be successful with for the long term.

"

The fact is, new business is a numbers game and while you can do a great deal to put the numbers in your favor, you're still probably going to lose more than you'll win.

Jody Sutter

Lead Generation

Lee Goff

Hyper focused on serving digital agency owners grow, scale and enjoy their digital marketing agencies. It is hard to grow a digital agency, unless you have the right tools and guidance.

Reach Lee here >

When marketing your agency, there are three tactics that all marketing agencies need to keep top of mind. Combined with the right platform partner, these tactics will be the difference between your agency struggling to survive or consistently thriving as it blows through the seven-figure mark.

Smart agency owners understand the power of having more leads than you need. When you crack the code of driving leads, you go from sitting in the passenger seat while a drunken sailor drives you around, to being in the driver's seat literally "driving" more leads in your door. In this chapter, there are two things I will be covering. First, the three marketing tactics most agencies overlook; Second, combining those tactics with a platform partner that will guarantee a smooth running agency that produces high profits consistently.

Top Three Tactics

1. Marketing List

Not just any list, but a specific target audience list. This makes a HUGE difference. Having a list where you know their pain points and can target their needs can cut costs and beat your competition. Acquiring such an accurate list can cost you thousands of dollars, and it still leaves you trying to figure out its accuracy. Some reputable companies sell accurate marketing lists of your location-based audiences (your geographical area) and your niche-based audiences (industry-specific audiences). A great example is the B2B Agency Lead generation platform "AgencySonar", which allows you to download up to 25k unique contact records monthly at a very affordable rate. More information below.

2. Magnetic Marketing

You must have something that magnetically attracts your audience to your agency. Then compels them to ask your agency or sales reps more questions. For example, you offer a white-label snapshot from GoHighLevel that speaks to a specific niche. Suppose you have everything a particular niche needs in a quick and easy-to-deploy system. Another great example is lead generation. Anytime you can say you have a guaranteed way to drive your prospect's leads, you will get many follow-up questions. The overwhelming majority of business leaders understand that leads are the lifeblood of any business. They are always looking for proven and cost-effective ways to diversify and drive more leads into their business. If you have more leads than you can handle, you can now control pricing, systems, processes, and more.

3. Multi-Channel/Touch

In today's marketing climate, you must be in front of your target audience on multiple platforms; people no longer trust just one source. This is why building your lead list, and harvesting leads constantly is essential. This list allows you to target your prospects via email, SMS, social media, Google, and direct mail. It is costly to run ads on all of these channels, so make sure you do your homework as to where your prospects are typically. Meet them where they are – you never want to take your prospects off the current platforms. Then run a "Top of Mind" campaign for impressions/views that also lead to clicks and most importantly gentle reminders to prospects that have an interest in talking about your services/opportunities.

Tactics with a Platform Partner

You have the three tactics; now you are probably wondering, how do I accomplish all three without spending thousands of dollars? You need to compete with deep pockets without spending a fortune. So, how can you drive leads, buy a list, figure out a way to attract people magnetically, and pay 2 or 3 different consultants to implement the multi-channel ads? All without going broke?

The good news is – there is no need to go broke. Platforms are available to help you achieve the above tactics without paying a fortune. Platforms like AgencySonar and GoHighLevel (GHL) are built exclusively for agencies to grow their businesses. It is in everyone's best interest to lean into these types of relationships and leverage the revolutionary capabilities into a long-lasting partnership between your agency and these platforms.

AgencySonar

A revolutionary lead generation platform built to grow your agency. Currently, people visit your client's website, but no one knows who they are or their needs. AgencySonar changes that. With this system, previously anonymous visitors via organic traffic, email list, or paid media become valuable leads for your clients. AgencySonar Platform will harvest these previously unknown visitors and provide the information needed to reach out and communicate with these warm leads. I have personally downloaded 46k agency owners, founders, CEOs, partners, and presidents to target my audience.

This list ensures that every advertising dollar I spend is maximized for lead conversion, not just arbitrary traffic to your site. You spend your valuable advertising dollars on this list and then monitor the lead data from the visitors via the AgencySonar B2B lead platform.

Now you are seeing a minimum of 3x – 5x on your ROAS. It is an absolute game-changer, and every agency should try these types of B2B lead generation services; Having a partner program built for agencies, like this one, sets you up to establish long-lasting relationships and gives you the ability to resell their services. It is a win-win.

GoHighlevel (GHL)

Everything that agencies need to manage their client's leads, websites, funnels, calendars and many other services that are needed to maintain a customer. Brings all the things you need to solve your digital agency problems in one place. All the tools you need in one platform without having to "duct-tape" multiple platforms together. It is a Full Suite Platform for agencies. HighLevel will help you grow your agency by connecting you with the most successful agency owners on the planet who will be able to help you close more deals or allow you to offer more services. With this all-in-one marketing and sales platform, you will be able to keep your tools in one place (while saving a fortune) and streamline your entire delivery process so you can focus on keeping your clients happy.

Two platforms that provide you with possibilities you may not have known existed or that you didn't think you could afford. Platforms with products/tools that can be white-labeled for you to sell and bring in that extra mailbox money. These are two out of dozens of examples to help any size agency streamline your lead generation efforts. Stop trying to reinvent the wheel; use tools already available. You will find that growing your agency and generating higher profits for you and your family will be dramatically easier with these platforms. Stop overlooking these three marketing tactics, connect with the right platform partners, get in the driver's seat and start bringing in those leads.

Leverage the power of magnetic marketing to a targeted marketing list on multiple channels, and you will grow your business very quickly! You will be well on your way to a seven-figure agency, with less stress and higher profits, once you combine these three tactics with a proven platform partner that is guaranteed to eliminate follow-up failure such as GoHighLevel and the B2B leads of the AgencySonar partner program that shows you who and why someone is visiting your website.

> " *Leverage the power of magnetic marketing to a targeted marketing list on multiple channels, and you will grow your business very quickly!*
>
> **Lee Goff**

How To Use Agency Directories To Generate More Leads?

Digital Agency Network

DAN's mission is to support the digital marketing industry and enhance the intelligence, expertise, reach and effectiveness of digital agencies, companies, and individual marketers through online platforms, consultancy, events and training.

Reach DAN here >

Agency directories carve out a space where agencies can showcase their best work without waiting to be found via their web pages and a no-fuss system that makes finding the right agency for the businesses a super simple job.

The correlation is obvious: More leads mean more revenue for your business. If you want your business to continue to grow (and not only in size but in capacity) and expand, you need to reach more people who could express interest in your product or service and be your potential buyers. Therefore, it's no surprise that 67% of companies use lead generation as the sole metric to determine content success (according to Hubspot's data).

But lead generation is a process. It takes time, careful planning, and rigorous execution. To generate more leads, you need to increase visibility, build trust, and a good track record, and of course, generate interest among potential customers in what you're doing.

This is exactly what getting listed on the agency directories does for you. Here's how you benefit from being on these directories and using their services.

What Are Agency Directories?

Agency directories or listing platforms are websites that serve as curated agency catalogs and allow prospective clients to look for marketing agencies with specific search queries. A person looking to hire an agency can filter their search by location, services the agencies provide, and the industries they operate in.
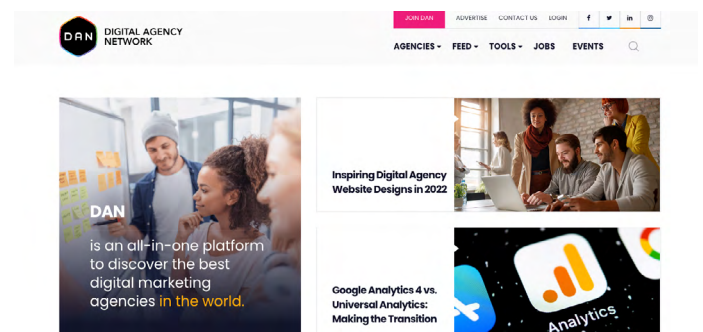
Here at Digital Agency Network (DAN), we have various directories under which we list over 3000 agencies from 128 cities and seven regions. And these directories are not only location-based. This is what increases the visibility of the member agencies. At DAN, the agencies are categorized by the services they provide and the industries they operate in. This filtering system offers the best possible results for prospects and helps agencies find their niche and reach the clients they need.

Best digital marketing agencies in the world

DAN directories display award-winning agencies in USA, UK, Canada, Australia, Europe, MENA and Asia regions.

Explore the agencies

Select a region, city and service type to discover the best digital marketing agencies!

Region · City · Service · **FIND →**
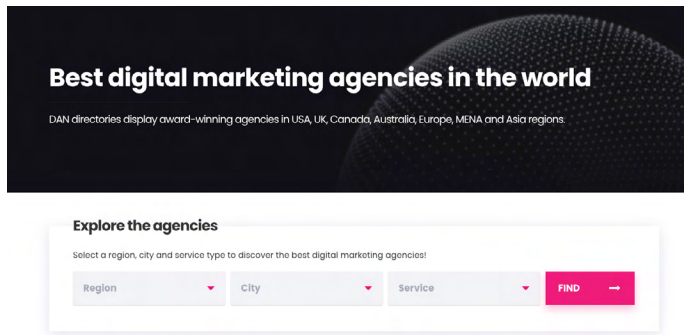
Like us, most other directory websites offer different subscription plans for various price points and different packages containing additional services. Some of them also let you get listed as a free member.

Agency directories often have vigorous research and selection processes in place to make sure only the best enters the system. The directories take the submissions and review the agency's track record, works, previous achievements, and case studies. Stellar performance is one thing, but transparency is a must. So, most directory pages also investigate the agencies' web pages and registries and try to ensure that all the information they provide is correct.

What Type of Services Do Agency Directories Offer?

Here are some of the ways in which the agencies can benefit from being listed on these platforms.

An agency profile page

When listed on these platforms, you'll almost always get a chance to have your profile, where you can talk about your agency, what you've done so far, what your strengths are, and so on. So every visitor would know what your agency does, even if they haven't seen your website yet. This is one of the best ways to increase your visibility and get noticed. Dedicated profile pages are the service that creates the most significant value for the member agencies of such directories.

Multiple category listings

We talked about this before, but it never hurts to stress the importance of numerous listing categories because they are the easiest way to expand your reach. On most agency directories and listing pages, there are multiple categories for agencies. The most prevalent ones are the industry directories, location listings, and service filters. This system ensures that your agency can be found on different searches and doesn't get lost in the heaps of information.

USA	UK	Canada	Australia	Europe	Asia

Cities of USA	Services in USA	Industries in USA	Agency of the Month
New York	Branding	Automotive	
San Francisco	Content Marketing	Education	
Los Angeles	Digital Marketing	Fashion & Retail	**Krafted Digital**
Chicago	Digital Strategy	Finance	
Miami	E-commerce	Food & Beverage	
Seattle	Email Marketing	Hospital & Healthcare	
Boston	PPC Marketing	Hospitality	
San Diego	SEO	IT & Technology	
Philadelphia	Social Media Marketing	Legal Services	
Washington DC	Web Design	FMCG	
Other Cities ↗	Other Services ↗	Other Industries ↗	**Emplicit**

Publishing monthly blog posts and case studies

Most agency directories allow agencies to publish monthly content, be it a blog post, a press release, a case study, or news that contains recent achievements, awards, etc. At DAN, we have over 290000 monthly traffic, and we'd love to emphasize that 90% of it is organic.

That is, when you frequently publish content on agency directories, the odds of your agency receiving traffic and leads increase tremendously. Here are some tips about how to publish your achievements on these websites.

You should tell people about your agency's skills: Case studies are the best way of letting people know about your agency. Address how you approached the challenges presented by your clients, showing that you are capable of producing great work with factual data.

Everything that adds value to your brand image is considered good content and will bring in leads if you distribute them on the right channels. Moreover, these directory webpages usually have stellar in-house SEO teams that will make sure that your posts tick all the right boxes and magnify your posts' chances of being ranked higher on search engines.
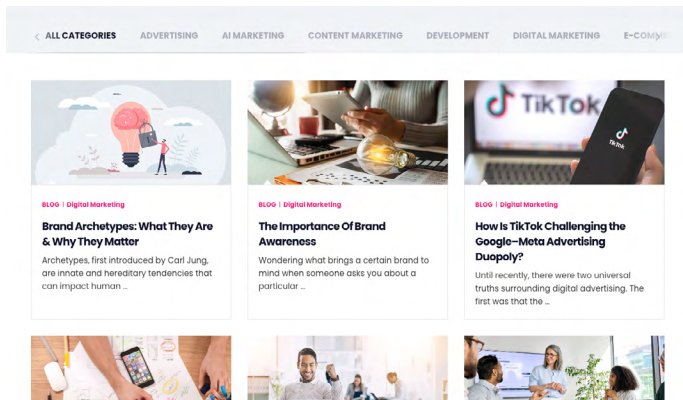
Agency directories and listing services gather heaps of knowledge about digital marketing through years of experience. They have streams of information coming from everywhere and collect their own data to understand the industry better. This lets them regularly create and publish great long-form content such as [eBooks and white papers](#).

Make sure you participate in this type of content because it is usually permanent and puts you in the game with other great players in your industry.

Featured agency ads

Google ads are becoming increasingly problematic as most people started to use ad-blockers and the new devices have built-in tracking disabling systems that decrease the chance for businesses being seen through traditional advertising. Unlike these ads, the "featured" sections on these directories help your agency stay on top of the directory you're in and immensely increase your visibility. Being the featured agency lets the prospects know you're on top of the game.

You can also buy additional plans to be on top of your preferred directories. Do your research and find out where most of your customers come from. Are they locals? Do they come to you because your agency is close to their
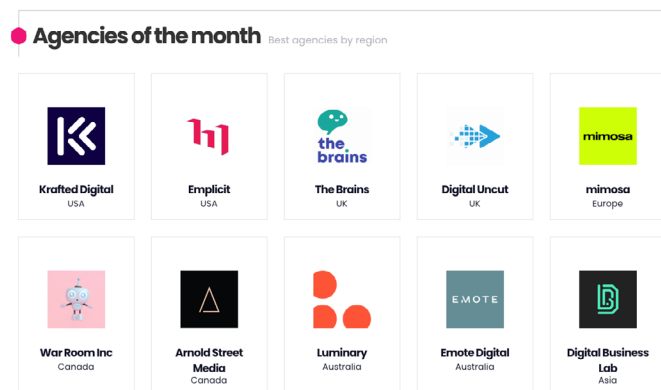
firm? Or do they choose you according to the services you provide? Advertising is a great shortcut when done wisely. Otherwise, it's just another budget drain.

Social media sharing

Most of these directories have their own [social media accounts](#), where they circulate the news, blog posts, know-how pieces, and more. This may vary according to your subscription plan; however, it is a nice-to-have option to be featured on social media as this increases the chances of being found via your content. Your agency may have its social channels, but utilizing one more channel to spread the word about your business is always a good idea. Using the social media channels of these directories will help echo your message, as these channels might have a larger audience than your agency, especially if you're new to the market.

Job ads

Struggling to find the best talent through traditional methods? Try publishing your ads on agency directories. These websites are not only the go-to pages of prospective clients but also hotspots for marketing professionals looking for new opportunities. This makes these places perfect for finding suitable candidates for your agency.
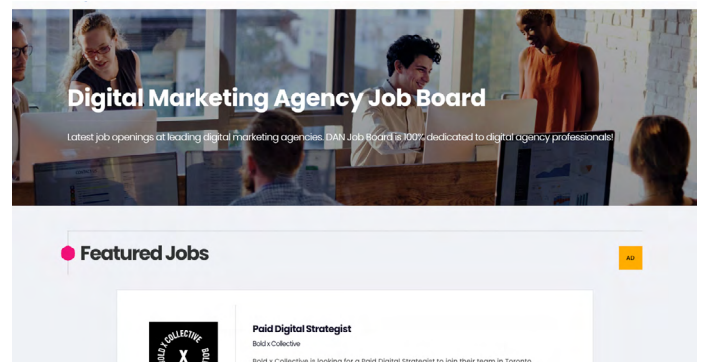
Final words

Becoming a member of or collaborating with renowned digital marketing agency directories like DAN can help your agency maximize profit while minimizing the effort. More importantly, these places can generate qualified leads (not random strangers browsing the web) that can potentially turn into actual customers.

Digital agency directories are marketplaces for everything about digital marketing: News, agency life, tools, and software, cutting-edge technological developments, search engine updates and other SEO-related issues, industry research and statistics, Q&As done with your fellow agencies, in-depth articles, and so on.

What makes these platforms an excellent place to participate is that they offer so much more than a profile page. Most of the services they provide (content marketing, SEO, UGC, and email marketing) would be very costly if agencies try to handle them in-house without knowing whether it would amount to anything in traffic and lead generation.

Therefore being listed on these platforms has so many perks an agency can use to boost growth, increase brand awareness and find their niche in which they can thrive.

> *The directories take the submissions and review the agency's track record, works, previous achievements, and case studies. Stellar performance is one thing, but transparency is a must.*
>
> **DAN**

CHAPTER 2

Creating New Products And Services

How To Blend PPC And SEO For Your Clients

Adzooma

Adzooma's award-winning digital marketing platform enables businesses to simplify complicated and time-consuming tasks to reduce workload and deliver faster results. Our automation tools and performance reports focus on what needs fixing right now across your PPC, SEO and Website, providing easy-to-action suggestions that drive your marketing campaigns forward.

Reach Adzooma here >

Many search engine marketers think about the best ways to combine their paid and organic efforts, but it's rare to see paid and organic teams working together towards a single goal.

Joining up your PPC and SEO strategies is the best way to utilise your SEM budgets efficiently and generate the maximum return for your investment. We have identified 3 key areas where PPC and SEO can work together:

1. Keyword Unearthing
2. Efficient Position Strategy
3. Data and Information Sharing

However, before we go into detail about these, we must see how SEO and PPC support each other. Although both disciplines require different skill sets, they work hand-in-hand to improve the overall performance of advertising on search engines.

Firstly, how does SEO help PPC?

SEO optimised pages can help your PPC activity achieve a higher quality score, as the page will be richer in relevant keyword content and will be deemed more relevant to your PPC target keywords and ad copy.

Strong SEO visibility on the Search Engine Results Page (SERP) and high PPC positions can increase the CTR for both paid and organic positions.

Strong SEO positions allow for more strategic use of PPC, reducing bids on keywords with high organic visibility and reinvesting any saved budget into more competitive areas.

Secondly, how does PPC help SEO?

PPC ad copy can be analysed to identify the most engaging messaging, which you can use to inform SEO

content. Potential short-form on-site copy can also be tested quickly using PPC ads to understand what is best to use for SEO.

PPC keyword performance data can be used to inform SEO of the best performing keywords to target for organic rankings, as Google Analytics hides 95% of organic keyword data, making it difficult to know what is working well.

You can also use PPC ads strategically to quickly gain visibility for keywords where organic results are not ranking high enough.

Now let's revisit our 3 key areas where PPC and SEO can work together to drive better results for your clients.

1. Keyword Unearthing

The first area to focus on is **keyword unearthing.** This is the process of identifying new keywords to optimise towards and rank your website to get better SEO performance. To identify the best keywords, you must analyse your PPC performance. Hopefully, your PPC accounts are set up to target all keywords related to your client's business. Regular search term reports are run and actioned to add negative keywords, as well as new keywords, to your account. Then the best performing keywords are split into their own campaigns and ad groups. This will make analysing your best performing keywords easier and more accurate.

As SEO is not seasonal but rather "always on", you can't pick and choose specific keywords to rank for organically at specific times of the year. Therefore, when analysing your keyword data in your PPC account, ensure that you look for keywords that have performed well over a long period of time, as well as those that work well at specific times of the year (such as holiday promotion or brand support keywords). This will ensure that the keywords you rank for organically will work for you throughout the year, not just at specific times, and SEO will drive more volume to the website and performance throughout the year. Therefore, analyse data from throughout the year, not just over the last 30 days, to see which keywords have the best performance longevity.

When analysing your keywords, consider your client's business objectives and the most critical KPI metrics to measure these. For example, if they are focused on sales

volumes, then analyse the keywords based on the cost per acquisition (CPA) per keyword and identify the best performing. However, if they are focused on revenue efficiency, then focus on the return on ad spend (ROAS) for each keyword and identify the keywords with the strongest ROAS. Remember that the larger the data set is for your keywords, the more accurately you'll be able to identify the best performing keywords. So make sure you choose time frames that give you enough data to analyse your keywords rather than just a few days' worth of data.

Once identified, you can work on creating new content for your client's website and sourcing strong anchor text links to start using SEO to rank their website organically across the keywords that have performed best in PPC. Increasing their visibility on the SERP and increasing the probability of someone visiting their website and converting with them.

2. Efficient Position Strategy

The second area is having an efficient position strategy. This refers to the ability to use SEO ranking data alongside PPC bidding to identify which keywords you should be paying for and which ones you shouldn't.

We call this strategy SERP Cross Bidding, and it relates to using SEO keyword ranking data to define the bidding exposure of PPC keywords on different search engines, but predominantly Google and Bing.

The general theory is that if your client's brand ranks highly for SEO across a number of mid to high-volume keywords, you will require a lower PPC presence as organic results will be able to pick up a lot of the traffic. This comes with some caveats, namely:

- The amount of competition for the keyword will determine how much traffic can be picked up by both PPC and SEO results — The higher the competition on the SERP, the more important it is for a brand to be as prominent as possible.
- The layout of the SERP is ever-changing, and with Google continually testing this, organic results are being pushed further down the page, resulting in a lower click share.
- The optimisation of your client's meta-data for messaging shown in organic results — If the messaging is quite general and not specific to the message your client wants to portray, then having a reactive solution to messaging, like PPC, will be more important in the short term and ranking alongside organic results will be vital while the meta-data is optimised.
- For retail clients, shopping ads will generate a large percentage of sales, and these will need to continue to be served alongside any organic results that a brand may have on the SERP.
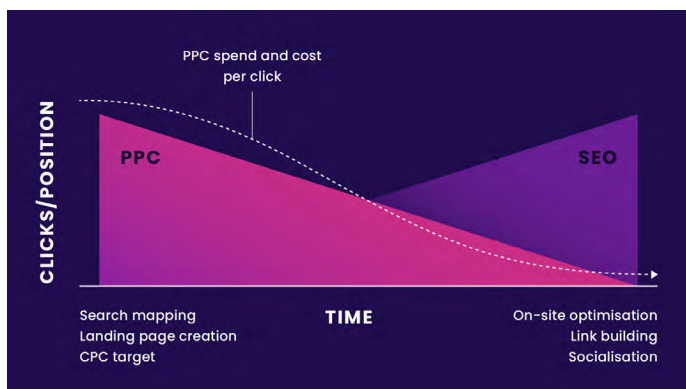
Cross-bidding can allow you to reduce your spend in areas where organic results can pick up the traffic. You can reinvest this saved budget into other areas to find incremental gains from both a brand awareness and sales perspective.

The idea is that over time, your SEM efforts focus more on long-term gain and budget savings will allow you to unearth new opportunities to find incremental performance for your clients.

There are a number of ways to amalgamate your paid and organic data, through reporting dashboards or through SEO ranking tools and PPC bid management tools. By doing this, you can not only identify the areas

for optimisation, but automate the process by creating rules within a bidding platform for your PPC keywords based on organic rankings and performance. For example, a rule could be set up that reduces your PPC bids by 20% if your SEO rankings are in position 1 or 2 on the SERP. You can then analyse overall performance in your analytics platform to see the impact of the bidding strategy and identify which bidding rules and amounts work best over time.

3. Data and Information Sharing

Finally, the third area to focus on is data and information sharing. This relates to using PPC copy data to help identify the best messaging to use for meta-data in SEO.

Meta-data, such as page titles and descriptions, are integral in your SEO strategy and need to be optimised appropriately to not only ensure the search engines know what keywords your pages need to rank for, but they are also the first organic touchpoint between your brand and a user. Therefore, they need to be compelling whilst also being relevant.

With SEO, however, it takes time to implement meta-data, put it live, wait for the search engines to crawl the site, wait for backlink authority to pass to the site and for the site to rank organically. Therefore, solely using SEO to test your meta-data isn't a viable option, as it would take too long and you wouldn't reap any benefits quickly enough for them to be worthwhile.

However, this is where PPC comes in. As the character lengths for PPC ads have increased over time, it's given advertisers the ability to test more and more copy, and you can use this same strategy to test SEO meta-data quickly. Simply create a few variations of the meta data that you're planning to use for SEO on the site or on a page, and then run it with a minimal budget on PPC across some relevant keywords to see which copy is most engaging with the audience, as well as which copy generates the most conversions on your client's website. Ensure you have enough impression data to make the testing viable, but you can quickly ascertain the best copy to use for meta titles and descriptions without having to wait for the website to rank organically for specific keywords, thereby making your organic traffic work harder for you.

Let's Recap

So, you can see that there are many ways to blend both PPC and SEO together for your clients, and combining both channels will set you up for long-term performance gains that you wouldn't be able to achieve by managing both channels separately.

To recap, there are 3 focus areas where you can blend PPC and SEO for your clients:

1. Keyword Unearthing — SEO the most profitable keywords
2. Efficient Position Strategy — SERP Cross Bidding
3. Data and Information Sharing — Optimise meta-data quickly

And there are many other ways PPC and SEO can work together and reap the benefits of each other.

> " *Solely using SEO to test your meta-data isn't a viable option, as it would take too long and you wouldn't reap any benefits quickly enough for them to be worthwhile.*
>
> **Adzooma**

Product Bundling, Your Agency's Key To Scaling Revenue

Vendasta

The all-in-one platform for companies selling to local businesses. Find products to sell, market with ease, and fulfill under your brand. With Vendasta, you can deliver an amazing experience for your customers and truly make a difference.

Reach Vendasta here >

Product bundling is a pricing strategy to increase revenue, keep a wider variety of products in rotation, and introduce new products and services to clients.

Did you know that selling one product to a small or medium-sized business (SMB) has a retention rate of only 30 percent after 2 years, whereas selling four products shows a retention rate of 80 percent (Vendasta study)?

By selling only one solution, you may be losing upwards of 70% of your clients. A-la-carte selling increases client churn, hinders profitability, reduces scalability, and is not tied to the customer journey.

Partners with bundling strategies are on average 7X more profitable per customer, save at least $10,000 each year by consolidating their tech stack, and retain nearly 80% of all of their clients over two years (Churn Study).

Agencies that bundle products and services rather than sell them individually will quickly see higher client retention and higher profitability.

How to sell product bundles

Bundling can introduce clients to products that they didn't know they needed; however, this only works if you are bundling strategically. The following strategies will help agency owners who are new to bundling increase revenue quickly, while simultaneously delivering an exceptional customer experience.

Strategy 1: Bundle for each stage of the customer journey

Phase 1. Awareness

Position product bundles as solutions to your prospects' pain points. Conduct customer research and showcase the benefits of bundling to explain how much your clients can save by purchasing a bundle rather than individual products.

Phase 2. Consideration

Offer prospects a freemium version of all products in the bundles. This gives them a chance to try out the solutions

firsthand. If they are satisfied, it can lead to them purchasing the full version of the best product-bundle fit.

Phase 3. Decision

This looks like:

- **Bundling themes** solve for a clear problem such as difficulty managing an online reputation.
- **Time limits** create a sense of urgency.
- **Specific deals** for first-time buyers give them a feeling of uniqueness.
- **Tailored bundles** make clients feel well taken care of in the sense that the agency understands their specific needs.

Phase 4. Retention

The retention phase is your opportunity to upsell and cross-sell. Add-ons can be bundled with core products to elevate the customer experience and get more out of the products purchased.

Phase 5. Advocacy

Approach the most successful clients with a referral deal. This can look like further discounts, cutting a check, or adding a product to their bundle for free once they've referred a certain number of prospects.

Strategy 2: Mix low-selling and fast-moving items

Combine products and services that complement each other and aren't usually sold individually.

A low-selling product or service isn't necessarily something to overlook. It can still be a valuable product for clients if sold in a smart mix.

Strategy 3: Piecing together the digital solution puzzle

Some marketing foundations need to be set up before other products and services can be implemented. For example, you cannot have on-site SEO without a website; that just doesn't make sense. You also can't skip solutions if you want to provide customers with a well-rounded digital marketing experience that covers the entire customer journey. Website solutions and on-site SEO fit together, but digital advertising campaigns don't fit into the first two pieces, so there has to be another piece connecting them. Build bundles based on the categories in the order shared below, so clients get the most value

out of the products and services you sell at the right time.

The digital product puzzle:

1. Optimized website: Tools include website builders, website hosting, and domain registrars
2. On-site SEO: Tools can include SEO dashboards, content, and link building
3. Local SEO: Tools that help businesses get listed in the Local 3-Pack, such as listing management
4. Reputation management: Tools that help manage reviews and monitor online reputations.
5. Tracking tool: Automated assessment tools that give access to proof-of-performance reporting and data-informed product and service recommendations.
6. Social: Look for tools that include scheduling software and the ability to post from one dashboard across multiple accounts
7. Ad campaigns: Deliver ads to your target market using geographic, categorical, demographic, and behavioral targeting, plus this can be bundled with a white-label fulfillment service

Strategy 4: Pricing

Part of knowing your client is understanding their value perception of your products. This will influence which products are selected for bundles and how bundles are priced.

Tiered bundles

Tiered product bundles show businesses how they can grow with the available products and services. This structure lays out a clear growth pattern.

Buy more pay less

Rather than paying the full price for a number of products individually, a client can get those same products plus a little extra for a discounted price if they're willing to purchase them all together.

Profit margins

As much as a client doesn't want to overpay for a product and service bundle, agencies don't want to undercharge. Typically, margins are higher for DIY products (over 100% margins) and lower for value-added services (50% margins).

Learn how to sell bundled services more effectively

It sounds counterintuitive, but in order to sell a service more easily (as opposed to a marketing tool or platform), you'll need to position it as though it's a tangible product. This makes the buying decision easier for prospective clients who might have difficulty seeing the value of your services.

1. Provide tangible toolkits

Provide tangible evidence of your expertise in the form of templates, checklists, whitepapers, and guides. Combine these elements into themed toolkits for sales enablement, such as:

- Developing a social media strategy
- How to manage an online reputation
- An SEO management handbook
- Building a digital marketing plan

These toolkits can be added to similarly themed bundles of products and services.

2. Use sales intelligence tools

Agencies can take advantage of sales intelligence tools like Snapshot Report to determine what service or product to add to a bundle. This report evaluates a prospect's online presence and shows agency owners and their reps where the prospect's pain points lie, allowing them to determine which of their services or products will fill each client's needs.

3. Combine products and services

Consider reselling products and services from a Marketplace to build on your core offering with bundles that include both products and services. A combination of both can best serve your clients and prove your value as the agency of choice in your field.

4. Package different service levels

When you know your client and their needs, you will be able to package together different services based on the concept of tiered bundles. Piece together relevant services, such as SEO and copywriting, depending on the level of effort required on your part, and then price those bundles accordingly.

5. Bundle the delivery process

The delivery process should be written out logically to outline exactly how you will take care of your prospect and prove why you are the right agency for the job.

For example, if you offer reputation management services, this could include review responses. The process for review responses would include tailoring the tone and wording, explaining how you take the conversation offline in response to negative reviews, and how you manage reviews from a number of platforms and listing sites all in one place to ensure nothing is missed.
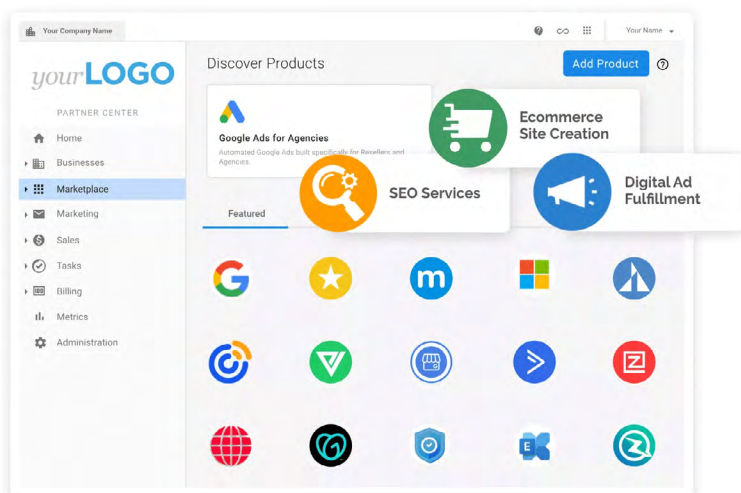
The ultimate pitch for selling digital product and service bundles

You know how important it is for a local business to have a digital presence. But how do you convince your prospects they need to be more visible online?

There's a ton of noise out there, but one of the easiest ways to cut through the competition is by telling a powerful story when selling bundles. Having the best products and services isn't enough. If you don't have a story that compels your prospects—that gets to the heart of their needs—you won't win in a crowded marketplace.

At Vendasta, we've developed a digital sales pitch deck based on proven methodology developed by Tim Riesterer from Corporate Visions. The framework is based on the principle that clients don't need to be told why to do something, they need to be told why they need to change and why they need to do it now.

This million-dollar pitch deck uses a storytelling approach to introduce an unconsidered need, emphasize the fear of loss, communicate value, and make your prospect the hero in the story. Get the rebrandable sales deck here.

Now more than ever, it's critical for agencies to operate as efficiently and profitably as possible. Product bundles allow you to do just that. Build product and service bundles using key strategies and sell them in a scalable way using our million-dollar pitch deck to grow your revenue and improve client retention over the long term.

> "
> *Bundling can introduce clients to products that they didn't know they needed; however, this only works if you are bundling strategically.*
>
> **Vendasta**

How To Grow Your Agency Revenue By Adding PPC Services

(Even If You Aren't an Expert)

InvisiblePPC

White label PPC agency with a focus on making your agency a success. From presale to fulfillment & reporting, we have you covered at every step of the process.

Reach InvisiblePPC here >

The fastest and easiest way to grow your agency is to have a *new service* to sell your current client base. Your best clients look to you as a trusted advisor and implementer, so if you recommend a new service, they're more likely to jump on board than a cold prospect.

Agencies that bolt-on a new service can see a 5-6 figure jump in revenue in their first 6-months all with recurring management fees that increase your total agency value.

Cost and Revenue
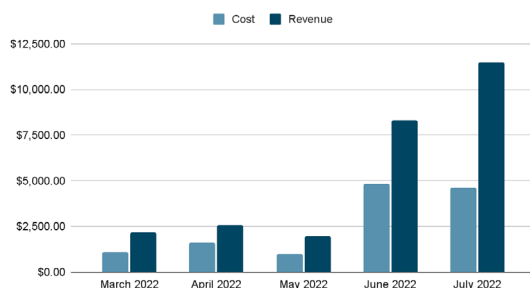
Specialised auto repair agency that added PPC services with a white label partner. In just 5 months they added $30,500 in new business and $14.8k in MRR – functionally 2x'ing their investment.

An extra 5-6 figures at your agency sounds great...

...but there's one problem...

Adding a new service requires new subject matter expertise. Most agencies stop here because they think that means they either need to

1. Learn & master a new skill
2. Load up on staff to cover the skill gap

There is a third, and in my very biassed opinion, better option:

Working with a white label provider to do the fulfilment for you.

When you work with a fulfilment partner you can get the boost in revenue with **no spike in overhead costs, no loss of time hiring and managing new employees, and no wasted time learning** that marketing skill you've been avoiding!

If **"Option 3"** sounds good, here's everything you need to know to start offering PPC at your agency, even if you're 100% brand new to Google PPC.

- **Productize Your PPC Setup Offering**

This step is always overlooked. Most agencies will start offering PPC to clients without any regard to how much work needs to be done to launch high performing campaigns at scale.

A well designed Google PPC campaign setup requires the following:

1. Onboarding call with the client
2. Account audit
3. Solid campaign structure
4. Ad headlines and body copy
5. Retargeting ad designs
6. High converting landing page design & copy
7. All analytics & call tracking, and conversion tracking setup and tested
8. Reporting dashboards

All of these things take time to do and require a cost associated with each. Here's a useful pricing sheet that breaks down PPC services PLUS what you should charge for other agency services.

At the very least, you should show a flat fee for an account setup and use the items listed above in the "what's included" section.

Due to the sheer volume of work-to-be-done in the setup process, you can charge between $1,600 – $2,200 just to set up an account for a client.

For reference, the going rate for a landing page build can be as much as $1,250, so productizing the offer makes this a no-brainer for the end client.

- **Productize Monthly Management**

No agency gets rich setting up new PPC campaigns. The real money is in consistent monthly management.

However, after a few months of management some clients might start to believe they can do this whole **Google PPC thing** on their own.

The best way to answer The Bob's question, is to lay out exactly how you manage an ad account each-and-every month. Here's what to include:

1. How often you're in the account
2. The types of ads and campaigns you'll be running
3. The frequency of ad tests
4. The frequency of campaign tests
5. Account tweaks & adjustments (what & when)
   - Bids
   - Audience
   - Search query
6. Whether you'll run split tests on landing pages and how often
7. Frequency of review meetings & updates
8. Whether you'll review conversion quality, e.g., form submissions & phone calls

The more you can document the time and effort required to keep campaigns running efficiently, the less likely a client will consider bringing it in-house.

- **Set Performance Expectations**

Now your client knows everything that's required to run a good campaign, it's time to start talking more about performance and expectations.

The fact is, your client doesn't care about marketing metrics. We think concepts like impression share, click through rates, and all the other leading indicators are interesting...BUT the client only cares about one thing:

Revenue

So to win business, especially PPC business, you're going to need to do a little research to speak to how you'll be able to influence revenue.

To do this, you're going to need:

1. Client's Average Customer Value

You need to know what a customer is worth to the business before you can recommend any kind of budget. If the cost is too low, Google PPC may not be the best for them. Not everyone is poised to have success with Google Ads and you don't want to hurt the client relationship by offering a service that doesn't work for their model.

2. Client's Current PPC Cost Per Acquisition (CPA)

You want to be able to compare previous performance. Be sure the comparison is like-like. The cost to acquire a customer on Google will differ from Facebook. You also want this number so you can compare it to your team's performance. No point pitching something where you can't improve performance.

3. Current Cost Per Lead (CPL)

For the same reason you want to know the CPA, you want to know the CPL. You'll also have some clients & prospects where the lead is their defined conversion, so this just makes sure you're speaking their language.

4. Lead to Customer Conversion Rate

If you're doing PPC for lead gen, this is essential. You can use this in an upcoming calculation to convince the client on how your efforts translate to their bottomline.

5. Benchmark CPL in their industry/niche

Benchmarks help tell you what "Good" looks like.

At InvisiblePPC, we have performance estimates for 64+ niches, no need for research if you specialize with these types of clients. These figures are a great conversation starter about how you can improve the performance of an account.

6. Minimum Budget to See Results

If a client isn't willing to spend enough on ads, they certainly won't want to pay a monthly management fee for a prolonged period of time.

The absolute functional minimum budget per month varies, but if they aren't willing to spend at least $1k/month, the client won't be sticking with PPC in a meaningful way.

Here's a quick formula to figure out the ideal starting monthly budget.

1. Get the Average cost per click (CPC) for their main keywords
2. Multiply the CPC by 30. This will give you more than enough clicks per day to provide meaningful data
3. Multiply the product by 30 (assuming 30 days in a month)

Say a client's keywords are averaging at $2.50/click. That means for meaningful data they'd need to spend ~$2250/month on ads.

WARNING: Don't fall into the "Test" trap. Most prospects will propose using a smaller budget, with the caveat that they'll increase it when they see "performance" The problem is, if they don't spend enough early on...they're likely not going to see the performance to justify an increase in spend!

7. Commitment to Process

This is a biggie. Clients love the idea of Google PPC because performance can happen quickly, it's a highly visible channel, & there's a lot of control.

Because of these reasons, it's easy for a client to have unreasonable performance expectations early on. It's critical for you to set the stage early and make it abundantly clear that PPC isn't a silver bullet, it's just an additional acquisition channel. Like all channels, it takes time to see consistent, scalable results.

We recommend you get a client to commit to 3-months of PPC management, at minimum. From there you can

either move them month-to-month or sign them up for an additional 9-months. Many of our partners do the latter.

While they should expect to see leads and sales in weeks, it's going to take time to get the CPA/CPL numbers in the ranges you discussed during the sales onboarding process.

So once you have all of that, it gets really easy to sell. Just fill in the blanks on this pitch below:

> Hey Mr./Mrs./Ms. Client - if you want to predictably grow your business, PPC is the fastest and most scalable option.
>
> If you work with [YOUR COMPANY], we can get you a detailed prediction of the number of leads you can expect PLUS how much you're going to spend each month.
>
> We've successfully run ads in [INSERT NICHE] for over 10 years and have loads of historical data.
>
> At minimum, you need to spend [MINIMUM SPEND AMOUNT] on ads to generate [BOTTOM # OF LEAD ESTIMATE] new high quality leads and as the campaign improves you could expect to get as many as [TOP # OF LEAD ESTIMATE] leads *without spending an additional cent.*
>
> With each customer being worth [INSERT VALUE OF CUSTOMER], how much would your business [LEAD RANGE] leads coming in each and every month?

- **Pick a White Label Fulfilment Partner**

This is 100% the self-serving part of this article. If you made it this far, it's because you're looking for a way to add a new service offering at your agency without breaking the bank.

A white label fulfilment partner is one of the most efficient ways to add a new service...but only if you pick the right partner. Here are the things you want to ask prior to working with a White Label Partner.

1. What's included during setup?
    - Ad creative?
    - Landing Pages?
2. What are you doing in the account each month?
3. How often will you meet with me or my team?
4. What happens if I have a question? How long until I get an answer?
5. How long has the team been running Google Ads?
6. How do you get access to the ads account?
    - *IMPORTANT: If they say they need to create a new ads account, run!*
7. Are all of your team members employed by you or contractors?
8. Do you work with end clients too?
9. How long have you worked in [insert industry/niche]
10. What sort of performance can I expect in [insert industry/niche]

You can learn more about InvisiblePPC and our services here... or just shoot me an email justin@invisibleppc.com.

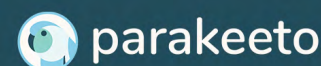> ❝ *No agency gets rich setting up new PPC campaigns. The real money is in consistent monthly management.*
>
> **InvisiblePPC**

CHAPTER 3

Attaining Operational Excellence

How Do Agencies Make Money?

Marcel Petitpas

Aside from co-founding Parakeeto, Marcel is a fractional COO for a San Francisco-based creative agency Gold Front, and the head strategic coach at SaaS Academy by Dan Martell, the #1 coaching program for B2B SaaS businesses in the world.

Reach Marcel here >

You probably didn't get into business to make less money than you could have working for someone else… Unfortunately, that's the reality for many agency owners, especially in the formative years of their business. Even after things start to take off — be it increasing revenue year-on-year, or growing a bigger team — many owners struggle to see their bottom line grow at the same rate.

Being very profitable isn't just something that benefits the ownership team. It's also one of the best things you can do for your employees and customers. The more profitable your company is, the less constrained you are by finances. This means the freedom to act in a way that is in alignment with your values, which in turn can help you set clear expectations with your teams and optimum clients, while guiding those who aren't a good fit toward other agencies that may better suit their needs.

If you've made less than a 20% EBITDA after paying yourself a market-rate salary, or felt confused and overwhelmed about how to measure and take control of your profitability — this chapter has been penned for you.

I'm Marcel Petitpas — founder of the expert firm Parakeeto. What's our expertise? We help digital and creative agencies to measure and improve their profitability. I'm an international speaker and run the #1 podcast on the subject of Agency Profitability. Parakeeto has helped thousands of agencies measure the right metrics and optimize their profitability through our range of managed services and free resources.

In this chapter, I'm going to give you everything you need to manage your agency better than 90% of the industry…

Let's dive in.

How Agencies Make Money

At the highest possible strata, agencies earn a profit the same way any company does. Revenue comes in, costs come out, and what's left over is profit.

However, agencies have a few nuances that are particular to their business model. Unlike most other companies that sell products or hard goods — agencies do not typically have a fixed cost to deliver outcomes to clients. They also tend to have two separate "layers" of COGS (Cost of Goods Sold) that should be isolated in order to gain the right level of visibility into their margins.

An agency earns a profit in the following way:

- Income (often referred to as Revenue)
  - *Less Pass-Through Expenses*
    - Equals Agency Gross Income (AGI)
      - *Less Delivery Expenses*
        - Equals Delivery Profit
          - *Less Overhead Expenses*
            - Equals Operating Income

Before we start throwing all these terms around, let's establish some definitions:

1. **Income:** In other words, revenue — the money you charge to and collect from clients.
2. **Pass-Through Expenses:** Costs for external vendors required to deliver work to end clients. In other words, it covers revenue that doesn't "belong" to the agency, but rather passes through to an external vendor or partner. It includes any resources not providing the core services of your agency, for example, Whitelabel partners, ad buys, print budgets, etc.
3. **Agency Gross Income (AGI):** AGI represents the "true" income your agency is earning through the work that you perform. On may P&L's this is calculated as Gross Profit – depending on how the financials are structured.

The calculation for AGI is:
Revenue – Pass-Through Expenses

4. **Delivery Expenses:** This is the cost your agency incurs to provide its services (that are part of your agency's core offering). Most of this is the payroll allocated to Delivery, and some shared delivery expenses (such as software & tools to enable the delivery team)
5. **Delivery Profit:** The amount of money leftover from taking your AGI, then subtracting your Delivery Costs. This number does not factor in Overhead Expenses. Take note: it's generally difficult to be highly profitable with a delivery margin of under 50%
6. **Overhead Expenses:** The ongoing costs to run your agency, excluding those directly associated with providing your services. This includes Admin, Sales & Marketing and Facilities costs.
7. **Operating Income:** Often measured as EBITDA, this is what's left over after delivery and overhead expenses are paid — excluding interest, taxes, depreciation, and amortization. 15% Operating Income is generally seen as being the acceptable level, with targets for most of our clients falling between 25–35%.

At Parakeeto, we look at a lot of financial statements for agencies through our Audit process. Most of the time agencies aren't getting accurate visibility into their AGI and Delivery Margin. Because of this, they end up relying on the bottom line to identify profitability issues. Because of this, they tend to focus on cutting overhead as the primary means of improving performance. Unfortunately, overhead spending is almost never the problem. Delivery margin is almost always too low, and agencies tend not to understand this critical metric and more importantly, how to influence it.

Why Financials Are No-Longer Enough

As you can see, financials only tend to provide visibility into high-level trends spanning your agency's profitability. Getting these properly structured and accurately reconciled is the first step to measuring and improving profitability. That said, for most agencies, **it's simply not enough.**

It's one thing to realize your delivery margin isn't high enough, however, understanding why that is — and where

to focus in order to improve it — often requires more timely and granular **non-financial metrics.** These should be measured outside your agency's accounting software.

There are two big issues with only using financial metrics to measure performance...

1. Financials tend to be significantly lagging time-wise (usually 2-3 weeks to reconcile the previous month).

2. The cost is extremely high to increase the level of granularity in financial reporting. For example, trying to get to project-level profitability presents additional complexity across invoicing, payroll and expenses. Doing so will likely delay reconciliation even further.

With this in mind, let's break down the simple non-financial levers that influence delivery margin, and how to measure and improve them in order to take control of your agency's profitability.

The Three Levers Behind Delivery Margin
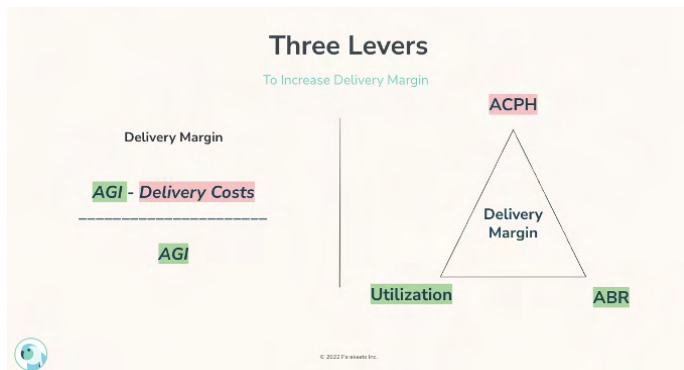
Delivery Margin is the ratio of Delivery Cost to Agency Gross Income (AGI) that your business earns in a given time period/ across a given section of work.

In other words; increasing delivery margin comes down to increasing the spread between your cost to deliver an outcome to a client, alongside the amount of money they pay you for said outcome.

The formula is as follows:
Delivery Margin = (AGI - Delivery Cost) / AGI

There are essentially two ways to improve delivery margin:

1. Increase your AGI, while keeping delivery costs the same (or lower)

2. Decrease your delivery costs, while keeping AGI the same (or higher)

There are three basic levers that influence delivery margin:

1. Average Cost-Per Hour (which influences delivery costs)
2. Average Billable Rate (which influences AGI)
3. Utilization (this also influences AGI)

Understanding how to measure and move each of those three levers will give you the power to measure, influence and ultimately predict your profitability in a cost-effective and timely way.

Let's break each of these metrics down in more detail.

1. Average Cost-Per-Hour (ACPH) and Delivery Costs

Figuring out how to **spend less money** to complete the **same work without lowering the price** is your first option when it comes to increasing delivery margin.

How much does each hour of labor required to deliver outcomes to clients cost you on average? The simple answer lies in calculating your ACPH (Average Cost Per Hour) for each client, service, or deliverable type in your agency. If you'd like to go deep into calculating cost-per-hour, do reference this resource.

For the sake of keeping things simple, below is our basic formula for ACPH:

Total Payroll Cost & Benefits/Total Hours. This can be calculated for any given time period.

Where Total Payroll Cost & Benefits is the salary, plus any benefits, and the cost to employ these people added into one. Total Hours is the total capacity being purchased from that set of employees in a given period of time. For most employees, this is 40 hours per week, or 2,080 hours per year.
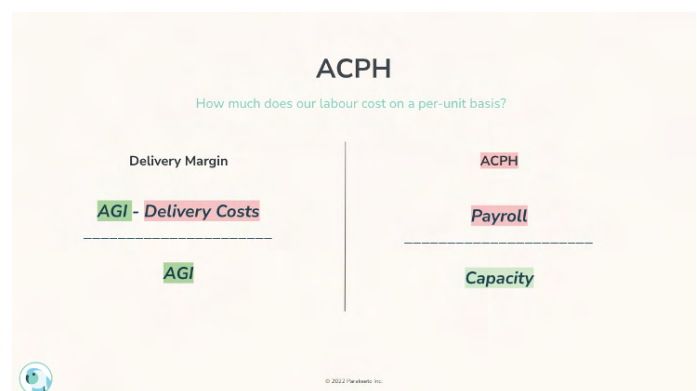
I'll spare you the lengthy explanation as to why we don't strip out things like vacation time, holidays, etc. The simple answer is to keep this horizontally consistent and simple. For more information, check out our [blog post](#) penned on this very topic.

Now that you've arrived at this number, how can you decrease it? Most of the time, it comes down to creating better processes and SOP's in order to allow more (and more) of a deliverable to be completed by less experienced and/or less expensive talent. Offshoring or near-shoring will also help. It's simple, but far from easy – find less expensive people to do the same work.

ACPH
Example

Project	Total Comp	Capacity	ACPH	Target ABR
Strategist	$120,000	2080	$57.69	$192.30
Intern	$55,000	2080	$26.44	$88.13
Total	**$175,000**	**4160**	**$42.06**	**$140.20**

© 2022 Parakeeto Inc.

Benchmarks:

Generally, you want your ACPH to be approximately 1/3 your Average Billable Rate (ABR), or represent a 60%+ Margin relative to your ABR.

Example Scenario:

An employee costs you $100,000, and must undertake 100% of the work for a given type of deliverable.

- You find a way to delegate half that work to a new employee that only costs you $50,000
- When your workload reaches such a point whereby it requires six full-time equivalent employees, your payroll cost should be closer to $450,000 rather than $600,000, which represents a 25% reduction in Delivery Costs on the profit and loss statement.
- For deliverables that leverage hourly or freelance resources, this delivery margin improvement will be realized much more directly.

The TLDR on Average Cost Per Hour (and more broadly delivery costs) is figuring out how to do the same work for less. This is an important, and often overlooked lever, when it comes to improving profitability. That said, it can be a slow and painstaking process... So, what other options do you have?

The other side of the equation comes down to figuring out how to earn more money with the same cost basis. Let's break down the two ways:

2. Average Billable Rate (ABR)

ABR
How Profitable Are we?

Delivery Margin

$$\frac{AGI - Delivery\ Costs}{AGI}$$

ABR

$$\frac{AGI}{Delivery\ Hours}$$

© 2022 Parakeeto Inc.
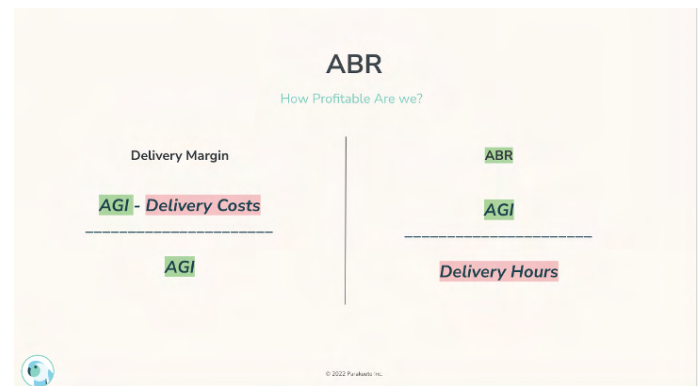
The first way to bolster the revenue produced by your team is by increasing your Average Billable Rate (ABR). This is a measure of the average amount of Agency Gross Income earned for each hour your team works in a given period of time/subsection of work.

You can [calculate your Average Billable Rate](#) with the following formula:

ABR = AGI / Delivery Hours

When it comes to increasing your ABR, there are essentially two ways to do so:

1. Charge more money for the same deliverable (without increasing the scope)
2. Spend less time to complete the same deliverable (without decreasing the price)

This second method is often overlooked, but can be just as effective as price increases.

Benchmarks:

You generally want your ABR to be about 3x your Average Cost-Per Hour, or represent a 60%+ margin relative to your Average Cost Per Hour. The ideal percentage would be 70%+.

Earning Efficiency

Example

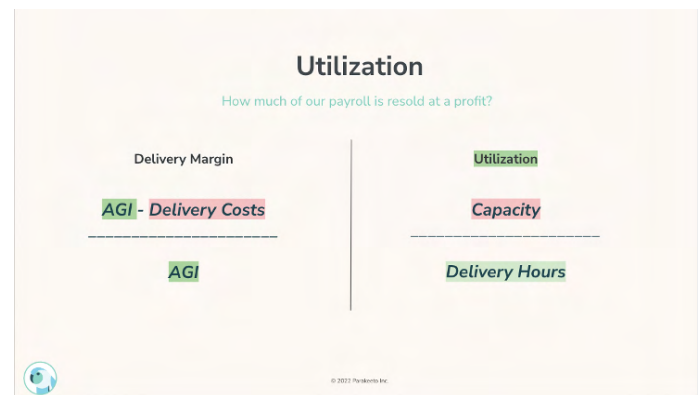| Project	Revenue	AGI	Hours	ABR
Website Build	$70,000	$50,000	500	$100
Brand Design	$20,000	$15,000	100	$150
Funnel Build	$30,000	$10,000	50	$200
Total	$120,000	$75,000	650	$115

© 2022 Parakeeto Inc.

Example Scenario:

It takes you 100 hours to complete a project that sells for $10,000, thereby giving you an ABR of $100 per hour.

- Find a way to cut the time it takes in half, allowing you to earn that same $10,000 in 50 hours, resulting in a $200 ABR.
- The above scenario results in two options:
  1. Decrease your payroll cost by half thereby doubling your delivery margin.
  2. Sell twice as much revenue which can now be delivered with the same payroll cost – thereby doubling your delivery margin.

Average Billable Rate is an extremely useful metric when it comes to figuring out what kind of work is more or less profitable for your agency. You can use it to compare clients, services, teams or any other subsection or your business, while tracking improvements over time. Go deeper on ABR by checking out this blog post.

Another important factor in profitability is understanding how many of their available hours are used to earn revenue for the business. That's where *Utilization* comes in.

3. Utilization

The third way to increase the revenue your team can earn is by increasing your Utilization Rate. This is a measure of the average amount of purchased capacity that is deployed against revenue-earning activities in a given period of time/across a subsection of your team.

Perhaps this is a metric you've heard about before? No doubt it's one that is usually calculated the wrong way…

To calculate your Utilization Rate correctly, use this simple formula:

Utilization Rate = Delivery Hours / Capacity

Utilization

How much of our payroll is resold at a profit?

Delivery Margin

$$\frac{AGI - Delivery\ Costs}{AGI}$$

Utilization

$$\frac{Capacity}{Delivery\ Hours}$$

© 2022 Parakeeto Inc.

Delivery Hours are any hours spent doing client work, and Capacity is the total amount of hours purchased from the team being measured in that time period. Just like the calculation for Cost Per Hour above, there's no need to subtract holidays or time-off from capacity. For most full-time employees, this number will be 40 hours per week or 2,080 hours per year.

Utilization

Example

Project	Capacity	Delivery Hours	Utilization
Brett	160	100	62.5%
Janine	160	120	75%
Rachelle	80	50	62.5%
Total	400	270	67.5%

© 2022 Parakeeto Inc.

As you can see from the formula, there are essentially two ways to increase your Utilization:

1. Decrease your capacity to more closely match the number of delivery hours available.

2. Sell more work to align more with your team's capacity.

Benchmarks:

Optimally, you're aiming for your entire agency to achieve 50-60% utilization (this includes all employees and their gross capacity, including folks who don't do any client work at all). Any team members that are pure producers (e.g. a designer or a developer) should generally be anywhere from 60-80% utilized annually, 70-90% weekly.

Generally speaking, it's a really bad idea to expose this metric to your team and pressure them to hit targets, It often leads to fluffed timesheets or dragging out time. Utilization should be used as a way to measure the effectiveness of the management team at balancing their capacity against their sales pipeline. By paying attention to your utilization rate, enables you to make objective decisions about when and where to add or remove staff to make the most of your capacity.

Putting It All Together

Now that we've covered the three key metrics, let's run through an example of how they can influence the delivery margin for an agency.
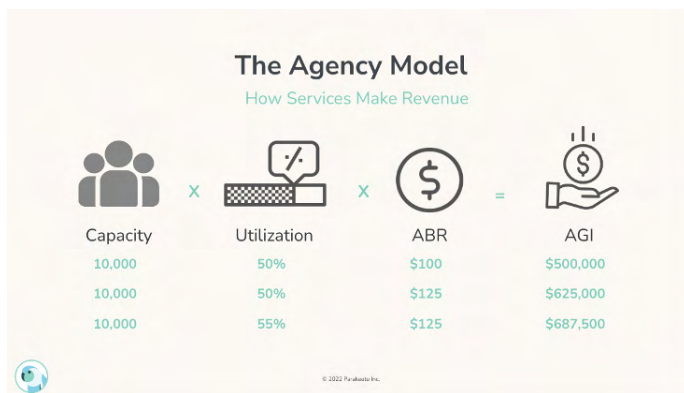
Dunder Mifflin Design Inc. has five full-time employees, with a capacity in the region of 10,000 hours per year.

Scenario 1:

Utilization = 50%
ABR = $100/hr
Delivery Expenses: $350,000

In this first scenario, Dunder Mifflin Design is able to generate $500,000 in AGI (10,000 x 50% utilization = 5000 hours x $100 ABR = $500,000 AGI)

If we subtract their delivery expenses, they wind up with a delivery profit of $150,000 ($500,000–350,000) which equates to a delivery margin of approximately 30%.

Assuming this agency will spend between 20-30% of its AGI on overhead, the likelihood of good profitability is low.

Scenario 2:

Utilization = 50%
ABR = $100/hr
Delivery Payroll Cost: $300,000

In scenario 2, the agency has found a way to lower it's delivery costs to $300,000 by replacing the need for a more senior resource with a junior one.

In this scenario, their delivery profit increases to $200,000, thus raising their delivery margin to circa 40%.

Their likelihood of being profitable is much better, however, the profit margin is still likely to be sub-optimal at between 10-20% — that's in an ideal scenario.

Scenario 3:

Utilization = 60%
ABR = $100/hr
Delivery Payroll Cost: $300,000

In scenario 3, the agency is able to increase utilization to 60%. This means 6,000 billable hours are worked at $100 per hour — equating to an AGI of $600,000

In this scenario, their delivery profit increases to $300,000, which raises their delivery margin to 50%

The likelihood of them being profitable in this case is very high. They should be able to attain healthy profits of between 20-30%.

Scenario 4:

Utilization = 60%
ABR = $125/hr
Delivery Payroll Cost: $300,000

In scenario 4, the agency is able to maintain their utilization at 60%, and increase their ABR to $125. This means 6,000 billable hours are worked at $125 per hour — equating to an AGI of $750,000

In this scenario, their delivery profit increases to $450,000, which raises their delivery margin to 60%

This agency is almost guaranteed to be profitable. In many ways, they can choose how profitable they want

to be by increasing or decreasing investments in such things as Sales & Marketing, or Research & Development. Assuming they spend 20–30% of their AGI on overhead, they should be able to net out at between 30–40% EBITDA in an ideal scenario.

In each of the aforementioned cases, the delivery margin increases. It's very likely that overhead does not increase in a relative fashion.

Benchmarks:

Some quick profitability benchmarks:

- Generally, we like to see agencies achieving a 50%+ Delivery Profit on their P&L.
- We expect to see 20–30% of AGI going to overhead, including founder and team salaries.
- What should be left over is a 20–30%+ profit margin.

Next Steps...

With all of the above tools, you should be equipped to start measuring these key metrics and start shifting the lens through which you view your agency.

At _Parakeeto_, we exist solely to solve profitability issues for digital and creative agencies like yours. We're committed to consistently outputting free content on our blog addressing all of the above issues, plus much more. Moreover, we have helped thousands of agencies with our profitability toolkit, which you gain free access to here.

If you've enjoyed this chapter and would like to share your feedback — or indeed interested in working with us to improve your profits — we strongly encourage you to reach out and connect with us. We'd love to hear from you.

I hope this chapter has helped you gain new perspectives and clarity on how to measure plus improve your profitability.

Enjoy the rest of the book, and good luck!

> " _Being very profitable isn't just something that benefits the ownership team._

Marcel Petitpas

It's Time To Flip The Script On Cash Flow!

Nikole Mackenzie, CEO, **Momentum Accounting**

Momentum accounting helps agency owners boost cash flow and increase profits by implementing modern integrated accounting solutions. With Momentum, you'll be supported by a team of business-savvy accountants who actually take the time to understand your agency, benchmark key metrics, and help you discover what levers you can pull to improve your cash flow.

Reach Momentum Accounting here >

Cash flow is the lifeblood of every business. It's the fuel that drives growth. When it sputters or stalls, it can put your entire enterprise at risk.

In the agency world, there are a few reasons for cash flow issues:

1. Not enough profits to sustain positive cash flow
2. Not enough cash on hand to weather the ebbs and flows of large projects
3. Ineffective invoicing and collections

Throughout this book you will find strategies and great ideas to deal with many issues affecting agency growth. This article deals with invoicing and collections and shows you how to transform it from a nuisance to a competitive advantage.

The old way...send an invoice and wait to get paid.

Most agencies push invoices out and wait to get paid. In fact, depending on the size of the agency and the clients they deal with, the average wait to get paid ranges from more than a month to up to 52 days!

That creates an enormous strain on your cash flow because you have to float all of the expenses it takes to earn revenue.

Here are a few signs that your company is experiencing symptoms of ineffective invoicing and collection processes:

1. You sometimes have to contribute money to the company or draw on a line of credit because you don't have enough cash to cover payroll, even though your business is profitable on an annual basis. This should be a serious wake up call.
2. The company's Profit and Loss statement is "lumpy"; meaning the net profit takes big swings each month and it's always a surprise. No one likes surprises, especially financial ones.

3. When you look at your P&L, all your revenue is consolidated into one line item, so you have no insight into which clients and services are most profitable. Because of this, it's hard to know how the company is performing and it's difficult to compare the agency's metrics against industry benchmarks.

4. When it comes to knowing who owes the company money, there is no one source of truth. For example, you may be using one system for invoicing and collecting payments, and a different system for entering your bank data and reporting. Your AR aging may not match in each system and that can lead to lost revenue. Even worse, you sometimes follow up with clients, only to find out they've already paid.

5. You are the agency owner, and you are doing all of the invoicing and collections. You are so busy that you frequently send out invoices late or forget to follow up with past-due accounts. You would like to delegate invoicing but aren't sure how or who to delegate it to.

One of the biggest complaints we hear from agency owners is that they HATE dealing with invoicing and chasing past-due customers. It's a time sponge and nuisance.

If it is poorly managed, you can end up with thousands or even millions of dollars tied up in accounts receivables. And this cash is for work that has already been done, which means your employees and contractors have already been paid.

Before you read on, stop and take a second to look at your accounts receivable aging report. What is the balance? Imagine if you had that money in your bank account right now. What could you do with it?

We show clients how to get paid first and fast.

With today's cloud-based tools for accounting, invoicing, and payment processing, you can automate the invoicing and collections process and virtually eliminate issues with receivables.

The result is a more predictable and steady cash flow along with substantial operational cost savings. Also, you no longer have to waste your valuable time on administrative tasks, so you can focus on activities that grow your business and strengthen client relationships.

Here's how:

1. Use cloud-based accounting software.

We recommend QuickBooks Online (QBO) or Xero (we think Xero has a better invoicing workflow) to automate invoice creation and send invoices electronically. These tools integrate with electronic payment options to allow customers to pay by ACH or Credit Card. These systems also have auto reminders that will send out emails to past due customers.

2. Use payment processors to pull payments.

The key here is to get your clients' authorization to auto-charge them right when they onboard. Once you have a client's bank or credit card info, you are in control. You can pull money from your clients' bank accounts BEFORE you pay your expenses.

The workflow is simple. Your client signs a contract electronically, then they are taken to a URL where they sign an ACH or credit card authorization (we prefer ACH since people can go back and contest credit card charges). Then the first invoice is created in QBO or Xero payment is processed right away. On the first of each month, you set your accounting software to auto-generate each invoice, which in turn triggers the payment processor to pull payment.

Most processors take up to seven days for the cash to clear. But just imagine...on the 7th of each month, all your revenue is in your bank account, you have $0 in receivables... and you don't even have to pay your first payroll until the 15th.

Even if you are billing based on time and materials or project milestones, you can still auto-charge the customer for the hourly invoices. Best practice for this is to send out the invoice and notify the client that it will be automatically charged in one week so they can discuss any issues with the invoice before the charge occurs.

3. Delegate invoicing and collections.

Establish procedures and metrics for invoicing and receivables, and delegate it to an administrative or operations person. This is a very important role in your organization (after all, this is now your chief cash flow manager). This person will manage and monitor contracts, terms, payment processors, invoicing, and collections. They will create a master spreadsheet with

automatically charged in one week so they can discuss any issues with the invoice before the charge occurs.

4. Get paid up front for project work.

If you work on projects, get paid upfront before each milestone rather than after. This is a game-changer. Imagine working on a project and before each phase, you take a payment from a customer. This means you get paid FIRST and then you pay your employees and contractors SECOND.

5. Bill more frequently.

If you work with a company that will not pay up front or allow you to automatically charge them (this is common with larger companies), you can ask to bill them more frequently—for example weekly or on the 15th and last of each month instead of just monthly. Always ask for better terms! Ask ask ask.

6. Incorporating cancellation clauses.

You should always require your customer to give you some pre-set amount of notice if they want to cancel their contract (i.e 30, 60 or 90 days). The larger the contract the longer the cancellation notice should be. Why?

Because you've reserved that capacity for them. If they cancel, you'll have time to replace that revenue. And by all means, stop services for nonpayment. If a customer does not pay in a timely fashion, you can stop services or hold back the deliverables.

7. Outsource accounting.

The old ways of pushing out invoices and waiting to be paid are no longer adequate. New technology and new processes enable agencies to have greater control over cash flow and greater insight into their financial performance. Your accounting partner will help you set up an integrated technology stack, create invoice templates that are mapped to your services and help you develop Key Performance Indicators...giving you real time insights into your company's performance.

How we boosted cash flow for our client by $1,028,000

Here's what can happen when you flip the script on cash flow.

Situation:

Our client had let their accounts receivable get out of hand. They had to hire a full-time AR person and a part-time CFO to help manage cash.

Even though they have substantial recurring revenue ($10M annually), they mostly accepted checks. They rarely accepted credit cards because they didn't want to pay fees, which is understandable since 3% on $10M is $300k in fees per year. Their average AR balance was around $800k, and they had a large line of credit balance to float the cash tied up in AR.

They were using QuickBooks Desktop, so there was no transparency into their financial data.

Solution:

Over the period of a year, we converted their books to a cloud based accounting system, Xero, and worked with their operation manager to get their customers to agree to have their payments pulled using an ACH payment processor software.

Now invoices are automatically generated in Xero each week, then funds are pulled from customers' bank accounts and deposited into our client's bank account seven days later. Then the invoice is immediately closed out by the accounting system and reconciled against the bank transaction.

Results:

AR/collection position eliminated: +$65,000
CFO reduced 12 hrs p/m managing cash: +$40,000
LOC paid off, annual interest: +$48,000
Credit card fees eliminated: +$75,000
ACH fees added: –$6,000
Outstanding AR collected +$800,000
Total increase in Cash Flow: +1,028,000
Owner getting paid first and not having to stress if they will make payroll each week: PRICELESS!

If you're an agency owner and want to turn your invoicing and collections into a competitive advantage, let's talk.

Image: Below is a graph showing the cash balance trend of this company before we helped them fix their invoicing and collections process. We reversed the order of cash inflows and outflows. In this example, the net profit is exactly the same, but the amount of money in the bank is hundreds of thousands of dollars more each month.

The owners used the cash infusion to take distributions and purchased an investment real estate property that will appreciate over time. Much better use of capital than sitting in their customer's bank accounts.

Case Study: Momentum Accounting Client

Legend: Cash Balance Trend - Before Momentum | Cash Balance Trend - After Momentum | Same Net Profit

Before Momentum values: Jan 22: 200k, Feb 22: -360k, Mar 22: -236k, Apr 22: -108k, May 22: 24k, Jun 22: 160k, Jul 22: 300k

After Momentum values: Jan 22: 200k, Feb 22: 340k, Mar 22: 484k, Apr 22: 632k, May 22: 784k, Jun 22: 940k, Jul 22: 1.1m

Same Net Profit values: Feb 22: 140k, Mar 22: 144k, Apr 22: 148k, Jun 22: 160k
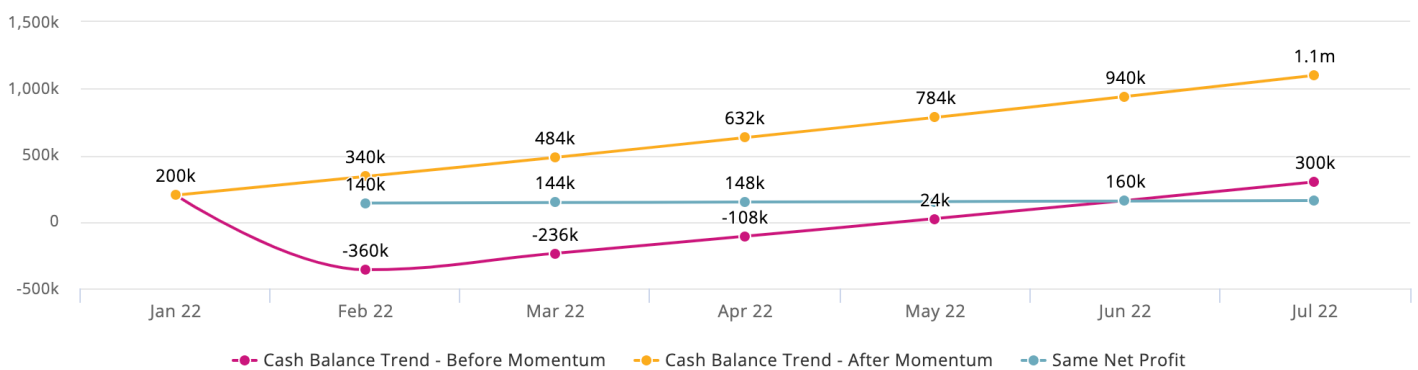
> " *Imagine if you had that money in your bank account right now. What could you do with it?*

Momentum Accounting

How PMs Spin Risk Into Gold

Rachel Gertz

We train PMs and their delivery teams to drive sustainable growth and run profitable projects for your digital agency.

Reach Rachel here >

Your project managers are sitting on a project gold mine. When you learn how to empower your PMs and their teams to turn scope creep into future opportunities that take the pressure off the pipeline, you can grow sustainably. Your PMs aren't task pushers, they are the best business assets you never had.

The folks that run your projects? They are worth their weight in gold—and if you empower them and listen to them and give them creative license to turn risky situations into chances to build relationships and grow profit, you will have a happier, healthier company. Fact.

When agencies can't keep their PMs, firebells clang in my head. Project management is a leading indicator in your business that tells you how healthy your people are, how solid your delivery margin is, and whether you can count on repeat client revenue six months from now. If PMs cycle through your agency like a revolving door, this tells me your agency is on fire or very soon will be.

And it's sad, too, because project managers are the unsung heroes of your company, but they're often misunderstood and treated so poorly that they are gaslit into believing they don't actually have any power to move the needle. Recently, I reached out to my network of project managers and their directors to ask them what made them leave their previous agencies. Here's what the message was:

"When projects run smoothly, everyone appreciates that but it is difficult for non-PMs to tease out how the PM directly contributed to that. People think: it went so well, why do we need a PM?"

Great project management is invisible. Invisible PM is undervalued.

"For those that do undervalue the PM role, I find they will act in ways that hamper my ability to provide value as a PM. For example, they will go behind my back or work around me, which doesn't allow me to work with the

whole picture in mind, and leaves me looking like I don't know what is going on. Meanwhile, I do some of my best work when I can fight some of the battles on the team member's behalf so that they can focus on their work instead."

I see this tragedy play out over and over again. Teams can't support their PMs. PMs can't support their projects. And it's all completely preventable.

Meet Cassandra: predictor of the future—and, yup, gaslit priestess

There's a Greek myth about a young Trojan priestess named [Cassandra](#) who was given the gift of prophesy by Apollo and then promptly (because she pissed him off) given the curse that no one would believe her. Your PMs are Cassandras. Every day they see the future. In fact, you pay them to do this (it's called risk analysis and forecasting). They spot issues and unearth project risks that might quickly blister and destroy your project margins. They work to calibrate trust with your teams through continuous improvement and get in front of problems before they mushroom. And sadly, after training and consulting for over 200 digital agencies and product studios since 2014, I have come to learn that agencies often ignore or dismisses their PMs' concerns even when there's a five alarm fire. Or worse, these PMs notice the red flags but have no idea how to talk about them because

agencies treat them like secretaries and task pushers who should keep their heads down and push to the finish line. Don't worry. I know you're not doing these things. It's those other bad agencies.

Agency work is notoriously difficult: it's all bleeding edge outputs in a commoditized world for razor thin margins and a revolving door of junior talent that would rather go work for 30% salary increases at a product company that can provide trips to the Bahamas as bonuses. I'm not going to sugar coat it. This work is hard. And when you're stressing about your payroll and filling talent gaps it's hard to think about different ways to foster resilient people and processes. But stop to exhale and zoom out for a minute. When you quit treating your agency as a money-eyed monster to feed and empower the people that lead your projects to take up the space that they deserve, you are building a company that is future proof: profitable, sustainable, and a joy to work at. You can train your project managers to be better future forecasters, and train your team to believe and respond to them when PMs shout fire and point. In fact, you can relax knowing everyone will grab a bucket to put out the flames. And you really have no choice because if you ignore your Cassandras, you will burn—right through your profit margins.

Risk, and the role of PM

A risk—unlike a red flag that you can literally see crawling up your project's behind—is a probability based guess about which positive or negative changes could take you further away from your anticipated outcomes. It's uncertainty with a bow. For example, there is a risk that your client will find a spelling mistake in your carefully crafted copy. The risk is higher if you skipped QA because your designer drained the budget with custom illustrations when stock was just fine.

Are you risk avoidant?

We are scared of risk. We're so scared of it, we fail to talk about it, plan for it, or actually benefit from it. In fact, we are often so afraid of risk, like our human fear of shame, we strip it out of the conversation entirely and lean heavily on rationality to solve risk related problems. We often miss out on the gooey untethered parts of risk: changes to our client relationships, our roles, expectations, and the CEO's visceral emotional reaction to our Pantone choice

of green. We then strip out the humanity in our resulting risk logs and run calculations instead. Rationality begins to trump our emotional reality and also kills the delivery schedule.

So how do you measure goo? Not in a risk log.

Your PMs and team are risk wranglers

Well trained project managers and their teams make fantastic risk wranglers, in part because they are often empathic and inuitive communicators and they know how to get the work done. Great PMs who learn the nuanced language of scope creep migitagate risk in a way that honours client relationships, prioritizes the health and wellbeing of their team, and detangles delivery from fantasy. Take for example, business scope creep, one of the four types of scope creep that derails your projects and eats your margins.

Busines creep: Your clients change their mind, understanding, roles, process, or priorities related to the project scope—or you fail to properly vet and understand them.

Business creep is less about features and product requirements and more about scanning the environment in which you'll be building and launching them. If you only scope the product and do a related risk register for it, you miss out on all the relationship risk that can tank or save your project. Psst: Traditional account managers may miss these cues because they're focused so much on saying yes to ongoing work. But your production folks and project leaders know if they say yes, they're entering a world of pain.

Here's what business creep sounds like to trained sales and project management folks:

"This is different from what we expected."
"Our goals have shifted."
"We've introduced [new stakeholder] to weigh in."
"After reviewing things, we'd like to change direction."

Trained PMs will capture the root cause behind these phrases and realize that any number of issues are playing out:

1. Sales sold the project on false assumptions.
2. The client isn't actually a good fit.
3. The client environment requires more strategic exploration.
4. Clients will require additional time to onboard.

5. There is misalignment around anticipated vs actual project or business goals.

Because these risks are so fuzzy and based on soft stuff like expectations and power structures, untrained PMs flounder or cry wolf to deaf team ears and business creep mercilessly bleeds out your project.

However, when your PMs and their teams are trained on how to catch scope creep like this in the first phase of your project, they can often reduce the snowball effect those risks create as they pile up along the delivery path. They might:

- Pause the project. New faces add new opinions or goals and those are expensive
- Do an alignment session, focus on rebuilding trust and a shared definition of success
- Add more time and budget to get new stakeholders up to speed
- Design a stakeholder onboarding process to smooth out stakeholder transitions
- Revisit patterns on past projects and design a business creep prevention plan

If they're really smart, your PM and team might work together to build a stakeholder alignment workshop and package it up as a service offering so your agency now has a value-add that helps to unlock future revenue with and for all of your growing clients.

Treat them like gold

Your average PM may not do this, and if they've been treated like a tactical delivery person instead of a strategic business developer or mini COO, they will have a lot of unlearning to do to turn risk into gold. They may feel like Cassandras hollering into the void. But, change happens more quickly than you think. In just a few months, I have trained and watched junior to senior level PMs and their teams take the reigns to help their agencies transform. Collectively, they build their financial literacy, nurture magnetic relationships with clients, take ownership of ther delivery process and scope fidelity, and put out fires on five alarms because they understad the role they play in capturing and converting risk into opportunity and they are also give the power to make that transformation. PMs will generate hundreds of thousands to millions of dollars for your agency simply because you're letting them deliver on their full job description.

If you want to stop chasing the green-eyed money monster and trust your PMs to take care of business, let them spin risk into gold. Train them in the softer side of risk management, invest in their financial and account management literacy (it's a capital investment, not a professional development perk), don't let them burn out—and for Apollo's sake, please listen to them when they're yelling with their hair on fire. A project manager's job is to keep cash flowing through the business and to support the health and happiness of your workers and clients. They not only help you keep the company lights on, they tell you when the electricity might get cut off.

When you empower them to show up as their full powerful selves, PMs and the teams they support will deliver. Big time. It's time to treat them like the gold they are.

> " *Great project management is invisible. Invisible PM is undervalued.*

Rachel Gertz

Retainer Types

Rachel Jacobs

Number 1 authority in implementing best practice operations, systems, and processes to scale ecommerce agencies profitably and efficiently.

Reach Rachel here >

Creating retainer offerings is often where most agencies struggle. It's important to remind yourself that retainers are an iterative process, and it's your job as an agency to provide the general framework. Over time your offering will become more comprehensive, but it will always be a work in progress. First things first, let's define a few different types of agency retainers:

Hourly Retainer

This is the simplest retainer model where a client agrees to pay a specified sum in advance to secure a number of hours over an agreed period of time. Generally speaking, hours are set aside each month, and if the client doesn't use them, they lose them. Alternatively, you can agree in advance a maximum carry-over amount, allowing the client to carry over a max of X unused hours.

Ideal for: projects that are almost complete or if the client has requested additional hours beyond the original scope.

Project-based Retainer

This retainer model results in taking the total estimated cost for a project and splitting it into a monthly fee for the estimated duration of the project. So if a $20k project will take 4 months, the client will be invoiced $5k at the start of each month. It's important to attach expected deliverables for each payment so you have no issue justifying invoices. But remember to maintain focus on high-level deliverables, rather than individual tasks or hours spent.

Ideal for: agencies that have a high volume of projects who want to guarantee consistent monthly income, as well as being able to schedule their resources in advance.

Time-based Retainer

Time-based retainers are one of the most common retainers for most agencies. Usually charging time out at daily, weekly or monthly rates, this allows agencies

to schedule their resources in advance. It also provides financial stability, which is essential to scaling an agency.

Ideal for: agencies that want to scale their team and want predictable cash flow each month.

Value–based Retainer

Value-based retainers are one of the most difficult retainers to get right. Ultimately you are charging a monthly fee for a projected value that you can deliver. The focus for value-based retainers is how much value a set of deliverables will bring to their business.

A great way to implement a value-based retainer is to propose a pre-set retainer according to their main area of interest, such as CRO or PPC. Submit a proposal that outlines value-based deliverables and a monthly fee that you feel justifies your efforts.

I like to use a 3-step process for value-based retainers: analyse, implement and optimise. This provides the framework for a 3-month retainer – the perfect amount of time to build trust, without asking too much commitment from the client.

After the 3-month retainer is complete, use the data to provide recommendations for a 6-12 month retainer agreement. It's imperative that deliverables are clear in advance so clients know what to expect and can see the value that you bring to their team

Ideal for: agencies that are confident in their expertise and are comfortable offering a proactive approach to retainers.

PITCHING RETAINERS

It's important to consider when pitching a retainer, is it better to start with a project first or instead use a phased approach as part of a retainer. Here's an outline to provide a bit more context on deciding between kicking off with either project or retainer first:

Project First Approach

Rather than using all their budget to complete a one-off project, recommend an approach that I refer to as MVP + Iterate. Use a small portion of their budget to create an MVP (minimum viable product) version that addresses the 'essential' tasks.

Spread the rest of the budget out across X months (depending on how big their budget is) to take care of any 'nice-to-have' tasks, as well as some growth-focused tasks. This will give you extra time to demonstrate your value to the client and to build a rapport with their team.

Retainer First Approach

Retainers are a bit like a marriage, it's a big commitment when you've only just met. Suggesting a more limited version of a retainer is a great way to start 'dating' before saying yes to a 6-12 contract.

If a client wants to take an even smaller step towards committing to a retainer, I recommend starting with an audit. This is the perfect way to underpromise and overdeliver – knock their socks off by going the extra mile.

Anyone that has worked in an agency will know it's rare that a client will know what they're doing when it comes to interpreting data into actionable tasks. This provides the perfect opportunity for agencies to take a proactive approach by anticipating their needs and recommending solutions.

Some things you should ask yourself before pitching a retainer to a client:
What low-hanging fruit can I address immediately to prove my value?
Where are their biggest growth opportunities?
Where can I provide the most value to their business?
What does the data tell me regarding where they need help?
What are my recommendations worth to their bottom line?

Retainers should be part of the conversation from the beginning, as this allows you to set your expectations from the start. Alternatively, let's assume a client is getting to the end of a project – suggest 75% complete at most. This is the stage that you should discuss what their next steps are and how you can help them.

Or if you're working on a project that is riddled with scope creep, either down to poor scoping or a client that has unrealistic expectations – both are an indication of a poor qualification process. In both instances, you have the perfect opportunity to understand what their challenges are, beyond completing the project.

In addition to offering clients a limited warranty to fix any bugs (suggest 30-60 days max), provide some recommendations tailored to their needs. Waiting for clients to come back to you as and when they need help turns you into an ad-hoc service, rather than a valuable part of their extended team.

The goal is to position your agency as a strategic partner for their business – a group of experts that are dedicated to growing their business. It's the agency's responsibility to create these opportunities, not the client.

Make sure you have audited their website and data to pinpoint any issues and present bespoke solutions before they become a problem. Communicate the value, be proactive and show confidence.

The key to pitching retainers is how well you communicate the value of the retainer:

Make the value to the client clear and obvious
Identify some of their current pains/desires
Offer examples of tasks that you can take care of
Make it easy for them to take the next step

Here's a template you can repurpose for your agency:

Hey {NAME}

I was checking up on your business and noticed that {OUTLINE GROWTH OPPORTUNITIES}. I've outlined a few tried and tested strategies and I'd love to help you {SUGGEST EXPECTED OUTCOME}.

I have a few limited spaces in my schedule to offer this kind of ongoing support, and since we {DETAIL OF PREVIOUS PROJECT} I wanted to extend this offer to you.

If interested, I have a few options depending on what suits you best:

{PRICING OPTION 1} {PRICING OPTION 2} {PRICING OPTION 3}

Some examples of things we could do with this time include: {LIST COMMON PAIN POINTS, GOALS, RESULTS, EXPECTED OUTCOMES} (e.g. we could focus on building out your email campaigns, create a social media strategy etc.)

I only have [X] spots available for next month, so please let me know if this is something you're interested in, and we'll jump on a call to discuss your requirements further.

DON'T FORGET TO ADD CALENDAR BOOKING CTA

MAINTAINING RETAINERS

Your account manager should be updating the master retainer template on a monthly basis and review it with the team quarterly. If you're not quite sure where to start, look at the main services that you get asked for on a regular basis

Lean on your team to create a bullet point list of tasks involved in each key service. Once you have that information, it's as simple as fleshing out the details and presenting it in a way that represents value to the client.

A word of warning – your retainers should be fairly high-level to avoid creating unrealistic expectations. Once you put it in writing, clients will hold you accountable. It's your responsibility to ensure that retainers are as profitable as possible, but if you try to squeeze too many tasks into a limited budget, you're doomed to fail. Retainers are about quality, not quantity.

Focus on tasks that you can attribute data to, enabling you to measure their effectiveness. Ultimately clients care about their bottom line, so your focus should be on tasks that will boost their profits. Another useful tip is measuring retainer profitability according to the volume of billable hours spent.

If a client is paying £2500/mo and your standard hourly rate is £100/hr, they've effectively got 25 hours each month. However, if the account manager has 2 x monthly calls and brings 2 x specialists on each call, that's £400 spent on calls. Unless the client is aware that calls are being taken from their monthly allowance, it's very difficult to get this time back.

If that is done for 10 clients, you've effectively lost £4,000 of billable hours. It's very important to stress the importance of minimising the amount of nonbillable work, which makes the choice between hourly vs value-based retainers more relevant.

Once you have a clear outline of what you are including in each retainer offering, it's up to your sales team to start selling those retainers with old and new clients. Retainers can be used for clients that need help with a project, as well as clients who need help with growth.

" *Focus on tasks that you can attribute data to, enabling you to measure their effectiveness.*

Rachel Jacobs

How To Come Out of The Recession On Top

Robert Craven

What I am known for is helping agency directors get what they want. I deliver challenging presentations, ask no-nonsense questions and help agencies to grow faster and more successfully by helping them make the tough decisions.

Reach Robert here >

The economy looks nasty. For your clients. For their customers. And for you. BUT... if you get it right you can win in this most difficult of times.

First, some research

Studies from McKinsey (2019), Bain (2019) and Harvard Business Review (2018, 2019) demonstrate that companies far outperformed the competition if they used recessions to:

1. Strategically invest
2. Manage their workforces with an eye to the future, and
3. Unlock their balance sheets.

On average these companies had a 17% compound annual growth rate (CAGR) during the 2008–09 recession compared to 0% for those that took cost-cutting too far, shed key people and with it, their knowledge, hoarded cash and did not prudently invest for the future.

So, what does that mean for you? What should you do?

1. Understand your options... How can you respond?
2. Understand the consequences of those choices
3. Learn the lessons from the Covid–19 Pandemic
4. Understand the action required
5. Take the action required!

1) Understand your options

There are three basic options. The third is the best.

Option 1: Be Defensive – Wait and watch – the indecisive decision

Be cautious, hunker down, and batten down the hatches. Attempt to survive the storms ahead. This involves some scenario planning, obsessive focus on efficiency, lots of spreadsheets and generally turning stuff off or down.

All this is done in the hope that:
a) you survive, and
b) someone will still want to work with you in the calm after the storm.

The research says this does not work (see later).

Option 2: Be 100% Attacking and Aggressive – the gambler's choice

Invest heavily in sales and marketing... ignore the downside... This is high risk and not for the faint-hearted.

The research says this does not work (see later).

Option 3: Be Attacking and Defensive – lean in and welcome the challenge

Be defensive (see Option 1), but also lean into the storm and grab the opportunities.

The research says this does work. Read on.

2) The Consequences

Research from McKinsey (2020) shows:

- Option 1 'defence-only' postures lead to average company performance
- Option 2 'offence-only' stances deliver a mix of occasional wins plus some catastrophic failures
- Option 3 'attack and defence' is the best option.

So, the best leaders and companies are, shall we say, 'ambidextrous'.

They are prudent about managing the downside while aggressively pursuing the upside. This seems to be true in every previous recession.

3) Lessons from the Pandemic

The successful agencies in the pandemic were either

- Lucky – right time, right place eg

    - A niche focus on e-comm
    - A niche focus on the grocery sector

- Strategically brilliant and agile... and had deep pockets to pivot– they (very few to be honest) read the market and adjusted their offering . Here are some live examples several clients watched the change in the market appetite and changed their offers from

    - Paid search to digital marketing consultancy or video advertising or social media (Tik Tok)
    - Digital marketing to marketing consultancy
    - Digital marketing to digital transformation consultancy

- Had very deep pockets and could still be solvent despite crashing profitability.

Here is the point:

"Agile business units responded better than their non-agile units to the shocks associated with the COVID-19 pandemic by measures of customer satisfaction, employee engagement, or operational performance". (McKinsey and HBR, 2020)

The lessons were simple (if you discount deep pockets and luck)

- **Be ambidextrous:** lean into the efficiency saving and lean into the opportunities
- **Be more agile.**

4) Understand the Action Required

What to do?

The current business environment requires that agency leaders get their act together in three critical stages:

- **Investigate**: search for insights
- **Decide**: commit to a plan of action
- **Act**: take massive action.

Investigate

You have big decisions to make. You need to make them. But make them based on facts rather than opinion or guesswork.

Do the analysis and develop potential scenarios before committing. Ensure decisions are made in the cold light of day. Be rational, not emotional.

What services and headcount will we cut if sales are down…

- 20%? …
- 40% …
- 60%?

Which clients are…

- safe? …
- vulnerable? …
- high risk?

What will you do to become even more efficient?

Investigate the Opportunities

Think like a business leader ("what do clients want and need?") and not like an agency owner ("How can we sell them more Adwords/SEO/UX/PR etc?").

Remember the quote:

"You cannot overtake 15 cars in sunny weather, but you can when it's raining." (Ayrton Senna)

Now is the time to figure out how to do some overtaking.

Here is a selection of strategies worked in the pandemic recession. I can list agencies that used each of these strategies to turbocharge their agency growth. You need to figure out which, if any, fits you and your situation. Use them as a starter for 10 to create new opportunities.

Opportunity 1: Help clients navigate the stormy waters

Your clients need help. You have outside perspective. Stop selling and start helping. There is an opportunity for agencies to help their clients to navigate the future. You need to go deeper and further with existing clients. And then the sales will come.

Agency X (UK) ran webinars and clinics to support clients. (60% of attendees either stayed or increased budgets).

Opportunity 2: Pricing

Value-based and performance-based pricing models share the risk and reward of your work. Or consider bundling services but always focus on the value-add. Put your prices up. Do not sell time.

Agency Y (Slovenia) saw EBITDA rocket to 70+% (but proposal hit rate did fall)

Opportunity 3: Target the clients that are too big for you right now.

They will be looking for less expensive options as the recession bites.

Agency Z (UK) picked up work from previously out-of-reach, unattainable global brands looking for evasive changes to their marketing spend.

Opportunity 4: Be readier than the rest for the recovery

If you only consider the post-WWII period, the average American recession has lasted 10 months (Forbes, 2022). You could focus your attention on being readier than the rest.

Agency A (UK) hit the ground running by talking up the end of the recession to like-minded brands.

Opportunity 5: Move up the food chain inside your clients

Think like a Trusted Advisor; stop selling time and start to sell advisory services… help clients not just with digital marketing but with marketing and business strategy and even digital transformation. You may need some new consultancy resources.

Agency B (Hungary) repositioned themselves as consultants with digital marketing expertise working with the main board of their clients to solve the clients big problems.

Opportunity 6: New Value Proposition

Now is the time to create a value proposition fit for today's and tomorrow's market. 100% relevant. 100% up to date. Do your homework and re-launch yourselves. Please note, some value propositions are safer than others: A value prop which straddles two different verticals should be safe in most scenarios, or you could increase your service offering which would spread your exposure.

Agency C (UK) used down time to create an entirely new, fresh and relevant value proposition, brand refresh and relaunch: they focused on two distinct niches with separate URLs and offerings.

Agency D (UK) saw its vulnerable niche being under threat and expanded the service offer from Paid Media only to include SEO, content, design and build and branding. This enabled them to get deeper into the clients that survived the pandemic.

Opportunity 7: Video and Social Media (especially TikTok)

Too many agencies define themselves by their old service offer. They are conservative and inward facing. For any new opportunity, they see the lack of fit ("we don't do that") and don't see it as a plug-and-play opportunity to satisfy client needs and differentiate the agency.

Agency E (London) has found that the real growth area has been social media to support or replace paid media, representing 40% of client spend!

Opportunity 8: Mergers and Acquisitions

M&A activity went bonkers in the pandemic: too much cash chasing a variety of agencies watching their profit crash through to under-performing agencies looking for an escape route. Now is the time to buy (and possibly to sell).

Agency F (UK) has doubled its staff size, services offers, revenue and profits through four relatively small, low risk investments.

Do it

Yes, you need to test the various ideas trying to make sense of the insights but at some point, you need to commit to a course of action (or a series of options).

Ask yourself:

- Have we done the heavy lifting, the research, to give us confidence in our mix of offensive and defensive actions?
- Have we fully considered the consequences of some of the offensive actions (e.g. M & A activity, consultancy, video, change of value proposition)?

Execution

Take massive action. Speed and decisiveness are the names of the game.

Summary

Combine some clear defensive decisions with a willingness and enthusiasm to lean into the recession. Your clients need help. You can help them. Help your clients to navigate the future. Who else will do this?

Stop procrastinating.
Hope is not a method.
Onwards and upwards!

If I were you...

I would consider the following:

Reduce costs/increase efficiency immediately:

1. How can we do more for less?
2. Measure and monitor everything
3. What should we drop?
4. What should we do more of?

Chase Opportunities – Choose one or two of the following and execute the life out of them! Or create your own:

1. *Help clients navigate the stormy waters*
2. *Price for profit*
3. *Target clients that are too big for you right now*
4. *Be readier than the rest for the Recovery*
5. *Move up the food chain inside your clients*
6. *New Value Proposition*
7. *Video and social media (especially TikTok)*
8. *Mergers and Acquisitions.*

Finally, I will quote Andy Grove

"Bad companies are destroyed by crisis,
Good companies survive them,
Great companies are improved by them."
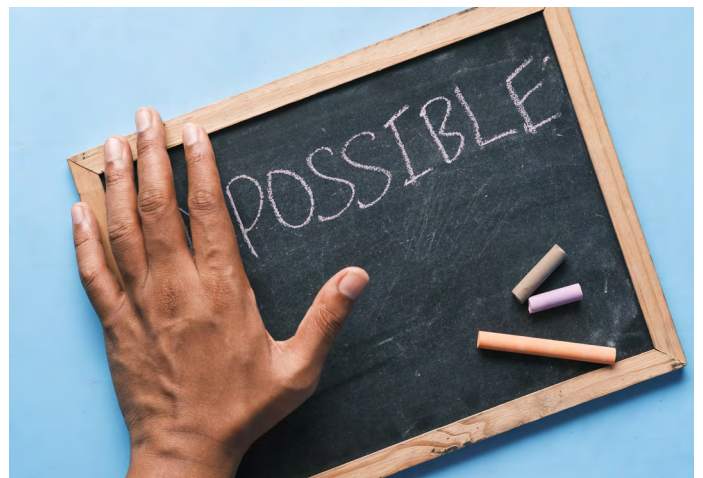
Sources

Recession Checklist (GYDA, 2022)

An operating model for the next normal: Lessons from agile organisations in the crisis (McKinsey and Harvard Business Review Research, 2020)

How Long Do Recessions Last? When Are They Over? (Forbes, 2022)

Improving your company's business resilience | McKinsey (McKinsey, 2019)

The Emerging Resilients (McKinsey, 2020)

Strategic courage in an age of volatility (McKinsey, 2022)

Beyond the Downturn: Recession Strategies to Take the Lead | Bain & Company (Bain, 2019)

A Better, Fairer Approach to Layoffs (HBR, 2018)

How to Survive a Recession and Thrive Afterward (HBR, 2019)

" *You have big decisions to make. You need to make them. But make them based on facts rather than opinion or guesswork.*

Robert Craven

Efficiency Through Technology

Marketing Automation As Infrastructure For Agencies

ActiveDEMAND

ActiveDEMAND is an integrated marketing platform built for marketing agencies and businesses to help them easily create, execute, and track marketing engagement of their campaigns.

Reach ActiveDEMAND here >

Does your marketing agency use marketing automation? If so, do you consider your automation systems a part of your infrastructure, or is it just the tool that sends emails? For many agencies that question doesn't come up until they realize they have trouble growing their business profitably. What do marketing automation and infrastructure have to do with profitable growth? A lot. They also have a lot to do with effective use of labor and talent, operational efficiency, and scaling your business. Let's take a look at the role automation as infrastructure plays in all of that.

The Marketing Agency Challenge

Every services-based business, including marketing agencies, face a similar challenge. The bigger they get, the less efficient they become. Growing profitably is a significant challenge for any type of business, not just service-based businesses. For services-based businesses, profitability is a function of billable rates,

billable hours, and utilization. It is no secret, it takes creative people to provide the services that a marketing agency delivers.

One could argue that it takes productive people to drive profitability. It can also be argued that traditional thinking delivers traditional results. Successful marketing agencies are thinking about operational efficiency, automation as infrastructure, and better results.

So what's behind that thinking?

Providing Labor vs Providing Value

Marketing agencies are unique in that they think they are in the labor business. They operate like traditional services-based businesses in that the product they produce is delivered by people. The reality is though, companies do not seek out marketing agencies because they have a labor problem. They seek out a marketing agency to solve a growth problem. The product that companies think they are buying when they engage with

a marketing agency is 'results'. A conclusion that can be drawn from this is that marketing agencies are selling labor to a client base that is not buying labor!

How does this relate to profitable growth? If a marketing agency stops selling labor and focuses on selling results, the question is, can a marketing agency produce results without the labor? In short, no. In reality, profitable growth will come as a result of reducing the labor required to produce the results.

Effectiveness vs Efficiency

The biggest expense in a marketing agency's business is labor. To improve profitability marketing agencies need to focus on reducing the labor it takes to produce results. Often this is equated to cost-cutting or lowering standards of delivery, but that is not necessarily true. Successful agencies achieve this by focusing on operational efficiency and effectiveness.

Operational effectiveness is about doing the right things. It revolves around making sure that all the core work done by the organization creates value to its end customer. Organizational effectiveness denotes the concept of how effectively an organization achieves the outcomes it intends to produce. It's about WHAT work is done. Operational efficiency is about doing things right. This entails the capability of an organization to deliver products or services to its customers in the most efficient manner possible, while still ensuring the high quality of the value delivered. It's not about cost-cutting — it is about HOW work is done.

Reduce and Reuse

Most marketing agencies typically have a good grasp on their Operational Effectiveness (what the client needs) but are lacking in Operational Efficiency (scaling issues due to positioning/execution). Agencies that succeed at scaling their business will have an infrastructure that allows them to maximize their effectiveness by solving their efficiency problem.

If you look at your operations there are probably many areas to improve operational efficiency and much labor that can be minimized significantly or eliminated. Every agency may think that their client engagements are unique to that client. The reality is no agency starts an engagement with 'let's try this, we have never done it

before, maybe it will work'. Agencies, through experience, build plans or patterns of success. These plans or recipes for results should be codified, reused, and optimized from a labor perspective.

Technology, Automation, Tools, and Infrastructure

Automation is the use of technology to abstract labor from a process. Automated processes improve the ability to produce consistent results, reduce the labor required to execute, and are measurable. Although marketing agencies only think 'marketing automation is the only type of automation that matters, this is far from true. All processes that require the same set of steps and effort for every client should be automated. Anything that you have to do for every client should be a target for automation.

Before jumping into how automation as infrastructure affects operational efficiency, it is best to establish some context. The term 'automation' covers a range of topics and everyone seems to have different views on what automation means to them. Let's look at some common views agencies have on how technology, marketing automation, and tools fit into their business.

Stop Selling Tools

Many marketing agencies start their engagement with a 'technology assessment'. What technology is required to produce results for this client? The only mistake in this strategy is to involve the client in this discussion. How many services industries start a client engagement with 'you will need to buy these tools so I can do my job?' Yes, the marketing agency needs to understand what is required, but as soon as you start selling the tools to

your client, you are threatening your credibility. You do not want to overshadow the creative talent you bring to the table by talking about the client needing to purchase tools and labor for you to use them.

The price the client is paying for the technology is a part of the client's marketing budget. Thus, a significant portion of the marketing budget that the agency is proposing is not going to the agency. If the agency shows up with the right technology to produce results, the discussion stays on results and 100% of the marketing budget is paid to the agency.

Consider buying a car. Does the salesperson talk about the built-in costs for the free cappuccino, their impressive showroom, or the vehicle title and registration fees needed to drive off the lot? Infrastructure is not part of the conversation about what you are buying.

The Tool First Approach

While the choice of tools, automation, and infrastructure need not be a client conversation, it is an important decision for agencies. When considering automation, a common approach many agencies take is 'what tools do I need'. The pick list is typically a CRM or contact database, an email marketing tool, reporting package, and social posting software, and feel they have the main automation points covered. However, all too often agencies just end up juggling a collection of disparate tools that do not integrate well and their teams are spending even more time logging into systems and pulling data from different places.

The problem with taking a 'tool first' approach is that to gain operational efficiency, the first thing an organization needs to do is identify 'what are the issues or barriers to the labor problem?'. Once that is established your agency is better able to make decisions on needs, such as:

- Where can automation be used to drive operational efficiency?
- What core business processes need to share a common infrastructure?
- What systems need to have very solid data integration?
- And what are the value gaps that can be covered by a stand-alone tool?
- So, what are some common issues or barriers to the labor problem that agencies face?'

Areas for Improving Operational Efficiency

Consider the following trouble spots where marketing agencies typically encounter labor-intensive issues:

Onboarding New Clients: There are a lot of tasks associated with bringing a new client on board that take up time and effort that need to be done before the client receives any value, but in of themselves don't provide value.

Presenting a Clear Plan: Delivering value to your clients depends on; presenting a complete picture of what work is planned or covered, what deliverables are due and who is responsible, what's in progress, how things are performing, and what are the results. Both the client and the agency team need to clearly understand the workflow to ensure things run smoothly.

Implementing the Plan: For many projects or retainer services that digital marketing agencies provide, they will have unique creative aspects and challenges, but the recipes or patterns used to execute them will have similar or common associated tasks that need to be done. Depending on your execution infrastructure, it is not always possible or easy to reuse/clone these common campaign recipes.

Tracking the Right Metrics: As Peter Drucker said, "You can't improve what you don't measure". There is a wide range of key performance indicators (KPIs) that should be regularly monitored to drive growth. For digital marketers and their clients, being able to collect the necessary data, over every step of the buyer's journey and from multiple channels and sources, can be difficult.

Demonstrating Value Delivered: Customers are not paying for the labor or time agencies spent, they are paying for the value they received. For many agencies, reporting on or demonstrating measurable value delivered is difficult or time intensive to gather the necessary data. It is easy to report statistics or tasks completed, but it is often difficult to demonstrate a real connection to services provided and concrete business results.

Reducing the Tool Stack: Agencies should only be using tools that provide real value to the business. Having data spread out over too many databases, tools used for a specific purpose but do not add value, using tools with

similar or overlapping features, and using platforms that do not integrate well all cost time and negatively impact operational effectiveness.

Marketing Automation as Infrastructure

There is a difference between picking some tools that each meet a particular need and choosing an infrastructure that will help your agency to scale, improve operational efficiency, allow cross-functional groups to work together effectively, and provide real value to your agency and your clients. To get a grasp on what your infrastructure needs, it is helpful to create a list of capabilities your 'perfect solution' would meet.

For many agencies the list would look something like this:

- Onboard clients in 30 minutes
- A visual tool to show clients what we will do, that doesn't require discussions on technology.
- Rapidly deploy recipes that meet client needs
- Core marketing functionality: landing pages, forms, social, email, call tracking, and reporting
- Allow cross-functional groups to collaborate and ensure no balls are dropped
- Fast, easy, and clear attribution reporting, including real-time client dashboards.
- Actionable information in real-time that demonstrates the value delivered
- Centralized marketing database that has the most up-to-date information on each prospect buyer's journey.
- Integration with Sales CRM and other key systems.

When choosing which software platforms will become the core components of your infrastructure it is important to consider how the solution meets each need, uses shared data and assets, and integrates with outside systems.

ActiveDEMAND provides a good example of scalable automation infrastructure. Here are some aspects to consider when investigating which marketing automation platform best meets your needs.

Onboarding Infrastructure

Account Templates

Marketing agencies will often create multiple sub-accounts and want to use a similar account configuration for new clients. To save your time and effort you want a platform that allows you to create Template Accounts that can be used as a basis for future client accounts.

The basic assets that can be built and re-used within a Template account are; Appointment Schedulers, Email Templates, Page Templates, Published Pages, Web Forms, Campaign workflows, Lead Processing workflows, Dashboards, Custom Field Types, and Custom Field Mappings.
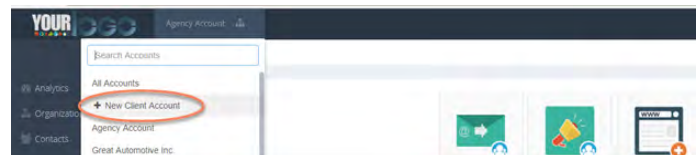
Rapid Deploy a Start-up Microsite

New clients often require a new website, but sometimes it can take a long time before everything is all ready to live. Rather than use a simple 'Coming Soon' page, a better option is a client-branded microsite with more depth, calls-to-action, and promotional material to ensure visiting prospects are not lost and will come back.

Your infrastructure should allow you to create multiple templates: a generic base template, targeted industry or vertical templates, etc.

Rapid Campaign Deployment Infrastructure

When you reduce the time taken to get tasks done, more time is available for creative and real value-add paid activities. Consider a typical campaign that involves promotion across multiple channels, lead-up to a specific event or launch, conversion capture, and follow-up such as a webinar.

Visualize the Plan

A campaign may have multiple promotion options or channels. Multiple emails, social media, paid promotions, partner referrals, text campaigns, offline, etc.

The buyer's journey may have different paths, call-to-actions, upsells, or follow-up options. A well-designed campaign will have different funnels for different audience segments and can change based on the prospect's activities.

Native Funnel Building capabilities allow agencies to clearly show clients the plan. This ensures buy-in, keeps all team members informed of what needs to be done, and provides a full end-to-end view so that the impacts of changes can be easily determined.
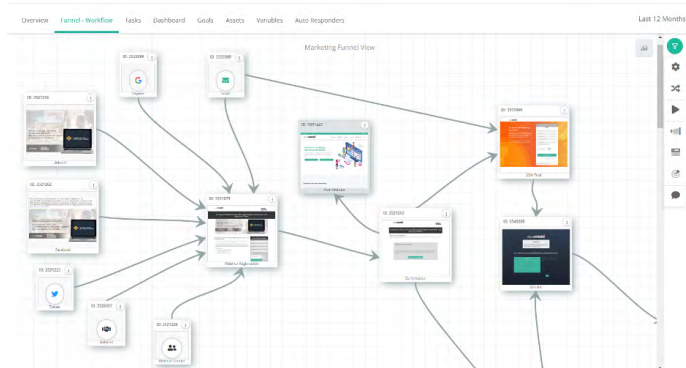

Identifying customer journey stages and differentiating needs of different target groups in each phase and optimizing the communication flow ("what is the next best action?" or "is the contact cadence appropriate") provides a forward-looking plan.

Deploy the Plan

A marketing automation platform with good campaign management features plays a big role in operational efficiency. Here are a few aspects to look for when looking at a campaign interface

- Ability to create and manage assets from one interface: Emails, social channels, blog posting, landing pages, and auto-responders. Asset creation and updating, real-time tracking, and reporting in one interface.
- Brand abstraction, asset templates, and libraries. Reuse of assets saves time and enforces consistency.
- Drag and drop calendar view to quickly adjust asset deployment during campaign setup and execution
- Team collaboration options like an integrated task system, calendar notifications, and Slack messaging to coordinate between different teams and ensure timely communication.
- Content moderation. A flexible moderation system can ensure that public-facing assets get a good 'second look' and that mistakes are caught before they go live.
- The most important factor in operational efficiency is never having to do the same basic task twice, and reusing as much custom work as possible. The ability to clone assets like emails and landing pages, campaigns, and workflows is a must. For marketing agencies, the ability to clone and deploy those assets across multiple sub-accounts should also be a requirement for any marketing infrastructure choice.
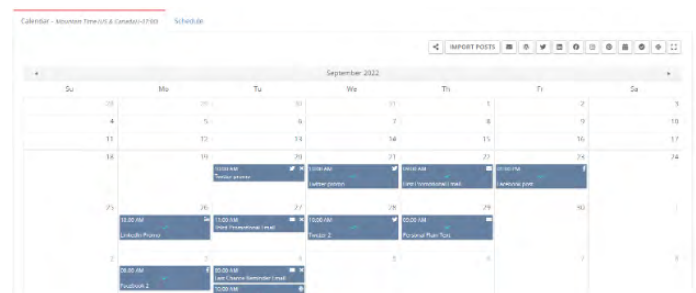
Automate Workflows

There are two main types of workflow automation 1) time-based progression and 2) Activity or Trigger based workflows. Depending on the type of campaign a contact might need to be moved from one type to another based on activity or other context.

A platform that provides automation that supports this will not only save manual steps but also ensures a timely transition and consistency of communication and the user experience.
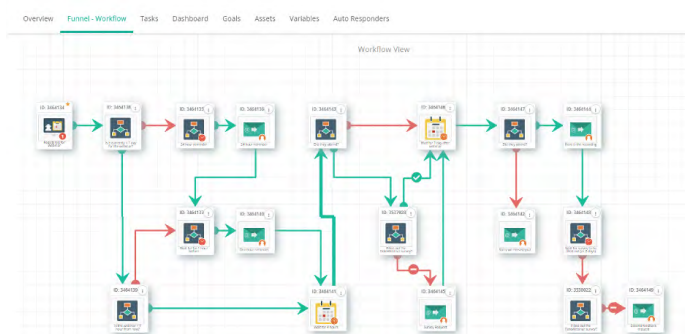
In our webinar example, prospects will receive email invitations to register for the event. Once they do sign up, they should be automatically removed from the promotion stream and added to another workflow that reminds them to attend. After the webinar is finished, automation can also be used; to send follow-up surveys to those that attended the webinar, send a link to the recorded session for those that missed the event or to share with others, or encourage participants to engage further.

Monitoring, Analytics, and Reporting Infrastructure

Leverage planning, execution, and reporting stages

Another area that is commonly labor intensive is monitoring campaigns, gathering analytical data from multiple sources, and reporting results to clients. Again an automation platform designed to be used as infrastructure will allow for the reuse of labor that a collection of tools can not.

Returning to the webinar example, the effort that was put into the process/funnel planning tool in mapping the campaign flow will have all the key channels, conversion points, and decision points that need to be monitored during the campaign to determine what changes or optimizations should be made.

Consider operational efficiencies that can be achieved with infrastructure that provides:

- Flexible process mapping and funnel building
- Real-time monitoring of visitors, conversions, and sale/revenue data
- Multi-channel source/medium tracking and reporting
- Macro-level views, detailed trend reporting, and individual contact-level drill-down data
- Incorporated real-time revenue data pulled from the Sales CRM platform
- Available to be shared on a client dashboard and/or as a scheduled email report
- All within the same campaign as the execution automation.

Maximize Effectiveness by Improving Efficiency with Infrastructure

Even this one campaign example highlights ways to improve operational efficiency when you compare the difference between leveraging the infrastructure of

a comprehensive, integrated feature set built around a central information-rich database, versus using a collection of tools that each solve a particular problem.

Oftentimes improving efficiency is seen as making small changes to existing processes or doing more with what you got, but in some cases, you need to look at the system as a whole. So, if you are looking to scale your business or having issues with profitable growth, you may have an efficiency problem that a well-designed marketing automation infrastructure like ActiveDEMAND can help with.

A well-structured marketing automation system provides multiple opportunities to automate repetitive tasks, reuse or build on previous work, leverage creative efforts in repeatable pattern execution, improve analytics and reporting, and aid in team collaboration. These all contribute to improved operational efficiency, which maximizes your operational effectiveness and leads to profitable growth. Stop juggling tools and start scaling the value you provide.

> *" Every services-based business, including marketing agencies, face a similar challenge. The bigger they get, the less efficient they become.*

ActiveDEMAND

Are Robots Eating Your Lunch?

Alejandra Tobón

unbounce

Turn more of your visitors into customers. Unbounce is the AI-powered landing page builder with smart features that let you create beautiful, high-performing marketing campaigns in just a few minutes.

Reach Unbounce here >

AI marketing tools might be your new biggest competitors

You've got new competition for your smaller clients: *the clients themselves.*

That's because small businesses are increasingly using artificial intelligence to get the most out of their marketing budget. From copywriting to keyword research and conversion optimization, AI-powered tools are helping these companies accomplish more on their own.

So how do you—the digital agency—stay relevant?

In Break Free: The State of AI Marketing for Small Business, we surveyed 400 companies with fewer than

100 employees to understand how they're using AI to tackle their biggest marketing challenges. What we learned is the marketing landscape for small businesses is changing—but there's a real opportunity for the agencies that change with it.

Small businesses get better results with AI

Over half of the companies we surveyed—51%—said that a limited budget was preventing them from marketing effectively. 43% told us they didn't have the necessary expertise, while 34% said they didn't have enough time. No surprise, right?

These are common challenges that might typically encourage someone to talk to an agency. But today, many small businesses believe that AI can solve these issues. Nearly all of our respondents using AI said they've improved their marketing efficiency by streamlining tasks and keeping costs down.

Q: Do you agree with the following statements regarding AI marketing tools? n=125

97%
of small businesses say AI tools reduce time spent on marketing tasks.

95%
of respondents say AI tools reduce the need to hire additional marketing headcount.

92%
of respondents say AI tools decrease costs.
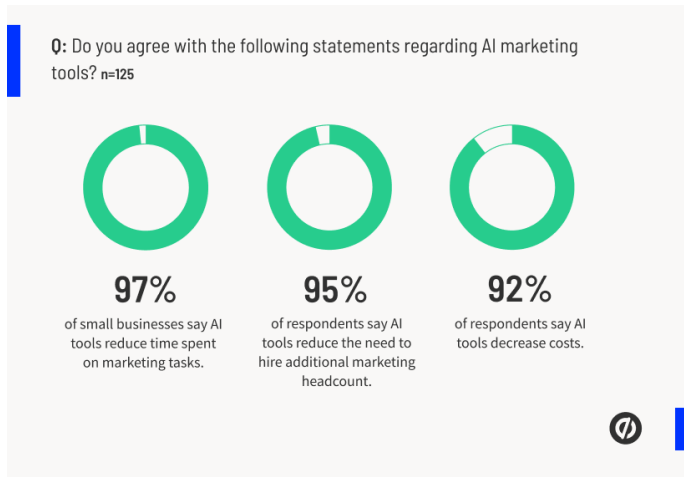
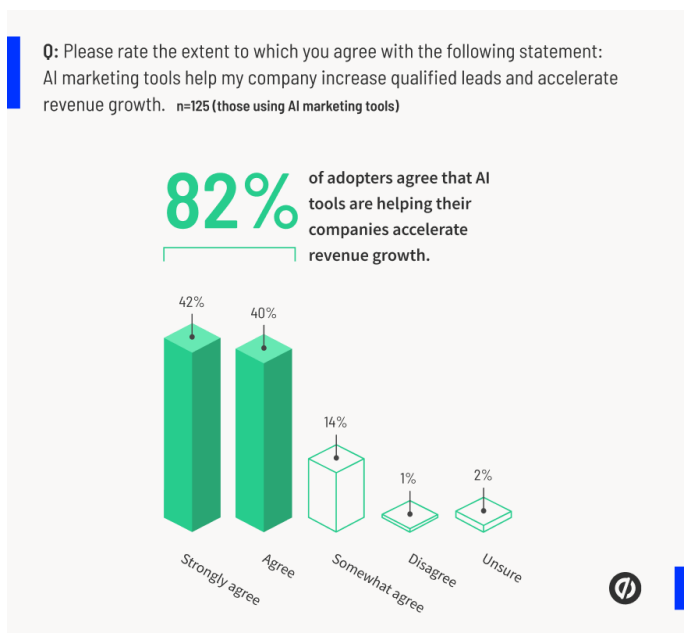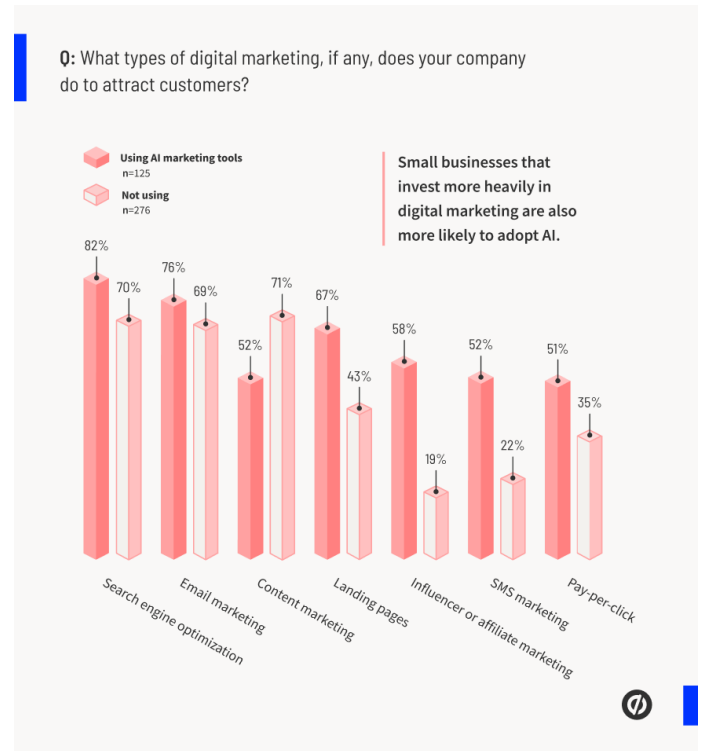Additionally, 82% of small businesses using AI reported an increase in revenue, and 89% said AI tools will be vital to their success in the coming year. In short, they're getting more bang for fewer bucks—and they're doing it on their own.

Q: Please rate the extent to which you agree with the following statement: AI marketing tools help my company increase qualified leads and accelerate revenue growth. n=125 (those using AI marketing tools)

82% of adopters agree that AI tools are helping their companies accelerate revenue growth.

42% Strongly agree
40% Agree
14% Somewhat agree
1% Disagree
2% Unsure

AI is also closing marketing skill gaps

AI-powered marketing tools aren't just making businesses more efficient. Our research shows companies that have adopted AI typically do more types of marketing than those that haven't. These new technologies are helping businesses manage email campaigns, improve their search rankings, and optimize their ad spend—tasks that might've previously required the help of an agency.

Q: What types of digital marketing, if any, does your company do to attract customers?

Using AI marketing tools n=125
Not using n=276

Small businesses that invest more heavily in digital marketing are also more likely to adopt AI.

	Using AI	Not using
Search engine optimization	82%	70%
Email marketing	76%	69%
Content marketing	52%	71%
Landing pages	67%	43%
Influencer or affiliate marketing	58%	19%
SMS marketing	52%	22%
Pay-per-click	51%	35%

The same goes for data and analytics. In our survey, 61% of respondents who use AI tools say they always use data to inform their marketing decisions—compared with just 24% of the businesses who don't use AI. (Yikes.)

AI is bridging the gap for businesses that don't have the in-house knowledge to do certain types of marketing proficiently. These tools don't require years of experience or advanced degrees to use, and they're often more affordable than outside help. As a result, small businesses are becoming more self-sufficient—and less reliant on agencies.

Digital agencies need to adopt AI themselves

Your clients' expectations are changing fast. They're learning that AI tools let them do some pretty sophisticated marketing on their own. (And the results aren't bad, either.)

But AI has limitations. It's great for distilling huge amounts of data and automating simple tasks. It's not so great at things like complex problem-solving and planning—the sort of expertise that only comes from a person with years of marketing experience.

Today, the key value agencies can provide is strategic direction—something AI tools simply can't. By adopting AI themselves, agencies can free up more time to look at the bigger picture, connect the quantitative and qualitative data, and provide an informed strategy that gets their clients the best possible results.

And, maybe, they can take some extra time for lunch.

Learn more about Unbounce for agencies, or book a demo with our agency specialists.

> " *AI is bridging the gap for businesses that don't have the in-house knowledge to do certain types of marketing proficiently.*

⊘ unbounce

How To Recession-Proof Your Agency With A Website Builder Tailored To Agencies' Needs

Duda

Trusted by over 20,000 agencies and web pros, Duda's award-winning platform provides agencies with scalable team collaboration and client management tools for optimal efficiency.

Reach Duda here >

How to recession-proof your agency with a website builder tailored to agencies' needs

It's no secret that when there's an economic crisis, marketing budgets take a big hit.

As the global economy continues to struggle and a recession threatens, clients take a tighter approach with their go-to-market decisions, keeping only relevant activities, lowering headcount and trying to reduce costs.

For some agencies, it can be difficult to even stay afloat under these circumstances. For others, it means operating on leaner margins.

But there are ways to remain successful in any economic climate, and it has to do with efficiency.

For digital marketing agencies that build and manage websites for their clients, or consider doing so, a website builder that is dedicated to agencies' needs and tackles their challenges head-on could really turn things around.

Here's how Duda's website builder will help you recession-proof your agency.

Reduce your clients' sites build times

It's time you take a closer look at your processes and understand how you can create more deliverables while saving time and effort, and without cutting corners.

As a web design agency, you need to build as many sites as possible while reducing your labor costs but keeping your prices intact.

Simply put, creating websites faster is critical to your margins and profitability.

While it might seem challenging, it really isn't; you just need to find the right tool to support these goals. That means opting for a no-code website builder that focuses on faster production time with fewer resources, especially human resources.

How does a 50%—75% reduction in build time sound?

Duda's agency partners routinely manage to reduce build time significantly, which dramatically increases their profitability:

- The story of how Olive Street Design reduced their build times by 75% and increased client acquisition and sales by 4X.
- The story of Develomark who reached one-day turnaround for website builds.
- WebAct, a Colorado-based digital marketing agency, switched to Duda, reduced their build time by 50% and saved over $200k per year in expenses related to web design.
- Canadian agency Conscious Commerce, switched and brought their website costs down from $3000 to just $300 per site (with a 75% reduction in development time).

And the list goes on…

But how does that magic happen? Keep on reading.

Relieve the burden on developers using a low-code/no-code website builder

If your current website builder requires a considerable amount of developers' hours to build and update a website, you're doing something wrong.

It's one thing when you're building a single website, but it's another when you're building dozens or hundreds of sites.

You need a website builder that allows you to use your development resources wisely.

Duda's low-code/no-code website builder provides agencies with the ability to create professional, pixel-perfect sites using our drag-and-drop editor. Combined with our next-generation editor, DudaFlex, there's really nothing you can't do with Duda, including complex eCommerce, membership, or showcase sites.

As simple as it is to create sites on Duda all on your own, it can be even simpler using automation.

Automate site creation and maintenance

Manually creating or updating each and every site for your clients? You can't really scale that way. You need a way to become a website building factory.

Duda is built for agencies serving multiple clients and focuses on enabling agencies to streamline their workflows.

Use Duda's Dynamic Pages feature to connect a single design with external or internal content collections that occupy hundreds or thousands of listings. That way you can create a multi-page website, such as a site with 500 housing listings, with just a few clicks.

And it's not just multi-page sites. You can automate the creation of simpler sites using Duda's API and feed your sales pipeline.

Read on to find out how this automatic flow works.

Generate more leads using instant sites

What if you could replace your traditional lead generation process with a more innovative one that will generate more leads?

Imagine the following scenario:

Instead of just providing prospects with a regular lead form and collecting their data, reviewing it, and then getting back to them, you can create an automatic flow in which prospects encounter an ad inviting them to fill in their details in a form to get an instant site. Once they do so, that form is automatically inserted into a designated site template and a preview link is sent to their email address with your agency's information.
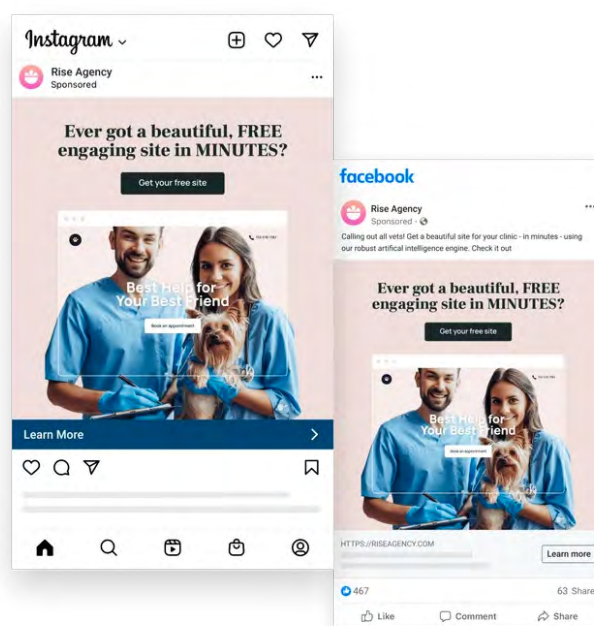
Or, you can just show prospects their instant site on the spot, during a sales demo.

That way you provide prospects with value right off the bat, before even speaking to you, which will surely help you qualify them and sell them your agency's services.

Another way to generate more leads is by expanding your services.

Attract new business with a DIY website builder

Adding a DIY solution to your offering gets prospects with different needs and expectations to engage with your brand easily.

Duda's Simple Editor can be added as a revenue channel where prospects create, publish and pay for their completed site, but it can also be used as a sales pipeline from which prospects start creating their sites and then contact your agency to add advanced capabilities.

Don't focus only on new business, though. Remember, you also have your existing client base.

Upsell additional website functionalities

Did you know that the probability of selling to an existing customer is 60—70%, while the probability of selling to a new prospect is only 5%—20%?

That means that a major part of your potential profit is right under your nose: upselling to your existing clients.

Use Duda's rich feature set to offer clients added functionalities to their websites such as personalization, membership, and eCommerce. In addition, you can also upsell apps from Duda's App Store, as an add-on service within Duda's website builder. For example, you can offer clients chatbot technology, website accessibility solutions and so forth.
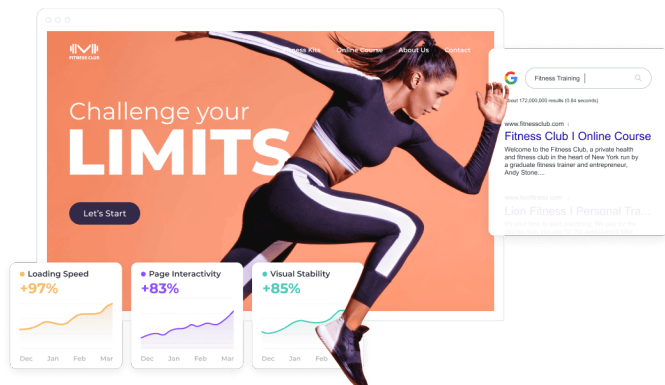
Give your web design operation a productivity boost

The operational side of managing different clients and collaborating with them and with one another can be quite time-consuming.

When your website builder equips you with agency-dedicated tools, you save a lot of time and create an efficient workflow where teams can quickly stay on top of their work and keep projects moving forward.

With Duda's agency tools you can work smarter and faster:

- Manage all your clients' sites and billing from one dashboard
- Communicate with clients right inside the Duda platform—eliminate endless email revision threads and speed up iterations using integrated Site Comments
- Build your own library of widgets, templates and sections, reuse them across multiple sites, and share them with other team members
- Give your clients limited access to their site so they can make small changes as needed

Invest in your brand with a white label website builder

This survey by Lucidpress&Demand Metric found that presenting a brand consistently across all platforms can increase revenue by up to 23%!

So branding can affect your bottom line, which is highly important at times of economic uncertainty.

Equally important is client retention. When you offer a white label website builder to clients, you have the opportunity to build deeper client relationships by showing them you are invested in their success and willing to go the extra mile to help them achieve their goals. It's also a way to differentiate your agency from the competition.

Our white label offering is the most advanced on the market and allows you to completely present Duda's website builder as your own. This includes the editor, dashboard, analytics, emails, a white labeled support portal and site preview links.

Act on multiple fronts with Duda

Scaling your agency is not just a matter of reducing your clients' sites' build times, nor is it just about generating more leads or even creating a branded experience.

In order to recession-proof your agency and make your web design operation more lucrative than ever before, you need a holistic approach, a website builder that focuses on all your growth challenges and provides your agency with dedicated solutions.

Want to explore Duda website builder for your agency? Try Duda for free.
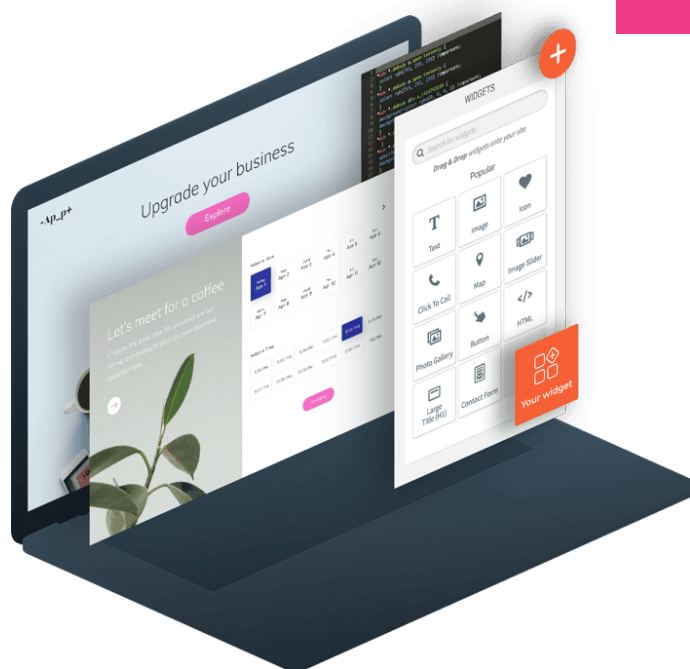
> " *While it might seem challenging, it really isn't; you just need to find the right tool to support these goals.*

Duda

Leadership and Teams

Work Backwards To Spring Forward

Karl Sakas

Running an agency is complex, but it doesn't have to be so complicated. Karl Sakas helps agency leaders make smarter decisions for smoother growth. Clients call him their "agency therapist"; he's advised agency owners on every inhabited continent.

Reach Karl here >

This chapter is adapted from my 2023 book *Work Less Earn More: How to Escape the Daily Grind of Agency Ownership.*

Agencies are uniquely complicated businesses. If you're reading this, you're likely the owner of an agency or are hoping to start one. As an business owner, you want to get paid what you deserve—to increase your take-home pay, to grow your company, to fund passion projects, or to secure your family's financial future.

You likely don't dream of working more hours, or more nights and weekends. Yet many agency owners feel like they're constantly in the weeds. They feel like they need more hours in the day to get it all done. You may wonder if this kind of daily grind is just par for the course. *Does everyone feel this exhausted all of the time? Is there something wrong with me? Is there an easier way to do this and still grow?*

If you've asked yourself any of these questions, you're in

the right place. **It's time to commit to a new approach: Work Less and Earn More.**

But you can't start building your ideal agency without getting clear about what success looks like for you—meaning your first step should be a (brief) pause for personal reflection.

Where Do You Want to Go?

Specifically, consider these three key questions:

1. Why did you start (or join) your agency?
2. How have those expectations matched up with reality?
3. What will it take to bridge the gap to your ideal future?

The answers to those questions will serve as the foundation of your roadmap to success—milestones that clarify where you are now and where you're going. They will also give you a better understanding of what needs to change so you can get there, including where you'll enlist your team to help.

What if you have business partners?

If you have one or more business partners, this exercise can help you get on the same page. Encourage your business partner(s) to complete the exercise and then compare your answer and adjust expectations accordingly. You may find you're more aligned than you realize. And if you're not, you can decide whether your ideal future happens with or without each other.

Write an "Advance Retrospective"

Now that you've pinpointed where you *currently* are, it's time to determine how to begin your journey. Start by visualizing your ideal destination. Stephen Covey popularized "begin with the end in mind" in his best-selling book *The 7 Habits of Highly Effective People.* This strategy works regardless of where you are today. The concept urges you to think about the future—where do you *want* to find yourself? What does *your* ideal look like? It's very personal: **What does success mean to you?**

The **"Advanced Retrospective"** is a powerful tool I use when I coach agency owners. You're looking "backwards" from a hypothetical future, as if it already happened. This tool helps you get un-stuck by understanding *what* ideal future you want. I've created ones for myself annually since 2010, when I was an agency's Director of Client Services.

In an Advance Retrospective, you'll write about your ideal future as if it's the present. You'll talk about what your day looks like, and the people with whom you interact. You can also write about how you *feel* in the future, compared to how you feel today. Don't shortchange yourself by skipping this step—**clear goals lead to a clear plan of action,** to help you Work Less and Earn More.
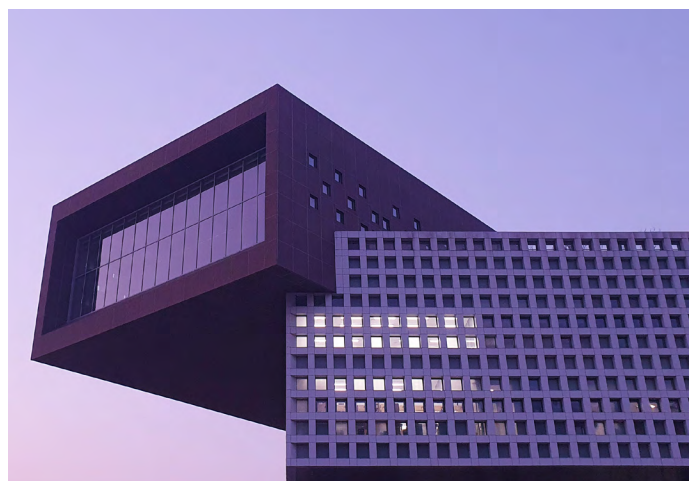
Benefits of Creating an Advance Retrospective

- It fills in the gaps between where you are now and where you want to be.
- It outlines what's important to you in getting there.
- It can guide day-to-day decisions at your agency (e.g., "will this choice help me get to my ideal future?").
- Scheduling time for this exercise lets you step away from putting out daily fires so you can focus on working on your agency. (You're ideally the Fire Marshal, not the Fire Fighter.)
- Sharing this with your team will give them clarity around your vision—and help them help you reach that vision faster.

An Advance Retrospective can be written from the perspective of any amount of time from now—one day away, ten years away, or on a milestone future date. For the purposes of this exercise, you'll **choose a date five years from now.** Why five years? It's long enough to have put your plan into action and start seeing results, without feeling "forever" away.

Shortcuts to get started

Feeling stuck? Need more help?
Here are some additional tips:

- Start the Advance Retrospective with a future date. *For instance: "Today is Tuesday, December 31, 20XX. It's a great day because <such and such happened>."*
- **Consider writing it as a walkthrough of your day, as if you were writing a diary or journal entry that evening.** *For instance: "I woke up, excited about finally <good thing>. After enjoying some caffeine in my comfortable home office, I had a short call with Pat about building a partnership with their company."*
- **Use recollections to highlight what's different about this ideal future versus today.** *For instance: "I remember how I was always worried about finances. I now have a solid financial plan, and our operating account never goes below $X. It's so different from when I was worried about payroll."*
- **Include big goals, but be realistic, too.** *For instance, let's say one of your goals is to get more inbound leads. If you aren't getting any now, it might not make sense to write, "After just six months, we went from zero inbound leads a week to 100 leads a week." Instead, you might write, "We've tripled our inbound lead flow, and everyone's more qualified than ever before."*

- **Write in multiple sessions.** *It helps to take a break: write until you feel stuck, then take a break. Go back a few days later and try again.*
- **Make up names for people you don't work with yet but who'll be in your life in the future.** *For instance, "I'm so glad I hired Sally as my COO. Her leading delivery means I can focus on growing the agency." This can help you identify the "right" person between now and then.*
- **Accept that your ideal future may not include running your current agency.** *We discuss this more in the book, but you might decide you want to exit. That's OK... and "Work Less, Earn More" will help.*

You can write as much or as little as you want to. As a shortcut, use one of the prompts above. Don't like writing? Record an audio or video version instead. Just keep some sort of record that you can refer to in the future.

Your Advance Retrospective—this first one, and updates in the months and years ahead—will help you stay on track, and energize you for the journey ahead.

You'll identify where you are now, and how your expectations are matching up to reality. You'll look forward and identify how you want to feel, what you want to be doing, and what you want your future to look like in five years. Now you're primed to fill in the middle and be well on your way to successfully grow your agency.

Start Planning Your Next Steps

Visualizing the future isn't enough to get you to that imagined future—you still need to create and implement a concrete plan. In the days ahead, here are some key questions to consider:

1. What obstacles will you need to overcome?
2. What's your preferred agency business model and growth style?
3. What are your top priorities in planning for the future?
4. What are some bite-sized steps you can take today?
5. How can you hold yourself accountable in making progress?

The next steps may look like scheduling a call with your business partner, or asking a friend or your coach to hold you accountable to meeting certain smaller goals you set. Whatever it is, you now have a better idea of where you're trying to go—and you'll have an easier time blazing your trail ahead.

> " *If you've asked yourself any of these questions, you're in the right place. It's time to commit to a new approach: Work Less and Earn More.*
>
> **Karl Sakas**

Conscious Leadership For Agency Leaders

Kelly Campbell

I have two superpowers. Intent, active listening helps me understand the nuances of what's being said and more importantly what's not being said within your agency. And my ability to quickly digest and organize complex information helps us get to the root of issues quickly in order to find sustainable solutions.

Reach Kelly here >

People constantly evolve. The world changes. As a leader, your responsibilities certainly include evolution and adaptation, yet you have an even greater charge. You may not even realize it, but the impact you have on your employees, their families, local communities, your industry, clients' businesses, their customers and beyond creates a ripple effect that begins with your level of consciousness.

Gone are the days when fear-based leadership and intimidation were acceptable. Employees have become more aware of (and vocal about) what they want in an organizational leader. They rail against the notion that the primary goal of business is profit above all else—and for good reason. That's precisely how we've found ourselves in cultures of collective trauma, workplace toxicity, hyper-consumerism and systemic oppression.

So, how do you ensure that all stakeholders' needs are being met while laying the foundation for a sustainable agency business? The answer is *conscious leadership.*

What is Conscious Leadership, Anyway?

Born of the conscious capitalism movement about a decade ago—co-created by former Whole Foods co-founder and CEO, John Mackey and marketing professor and author, Raj Sisodia—conscious leadership is essentially about integrity: doing the right thing by every stakeholder every single time. It was made popular in their 2014 book, "Conscious Capitalism: Liberating the Heroic Spirit of Business".

If consciousness is the natural state of leadership, then we can only return to it through practice. In other words, developing self-awareness of our own impact on people, planet and profit is a lifelong commitment. Much of how we operate is by default because of the families we've been born and indoctrinated into, what we've inherited, and how business and leadership have been "modeled" for decades. Luckily, those antiquated ideologies are crumbling, providing the opportunity to rewrite our stories going forward.

High-conscious leaders first do the work to heal and integrate their childhood trauma; If they avoid this initial fundamental, they carry their emotional wounds into everything they do, including running an agency. I know because I was once one of those leaders.

The self-awareness, empathy and vulnerability that ensues from trauma integration creates meaning, as well as passion for taking radical responsibility for all stakeholders.

Becoming a conscious leader is vital to a thriving business because it enables you to relinquish control in favor of empowering those under your stewardship to grow both personally and professionally. That translates into ideal client partnerships, healthy culture and sustainable revenue growth.

But not all agency leaders are experiencing this right now. Perhaps, you're one of them.

Maybe you lose your temper once in a while. Maybe you find yourself with a drink in hand nearly every night. Or, maybe your margins have been at break-even or in the red for a couple of years straight. Sure, we could blame the pandemic, an external factor out of our control. Or, we could use this as an opportunity to look deeper—at our own repetitive patterns, maladaptive behaviors, and how our leadership style is influencing the success of our agency, or lack thereof. Continuous employee and client attrition are also signals of low-conscious leadership, while high-conscious leaders focus on the continuous growth of all stakeholders.

A few other signs might include:

● **Seeking Approval**

Receiving praise for accomplishments is fine. However, if you constantly seek or hope for compliments for a job well done, there may be some emotional deficits from your past to address. Returning to a state of secure attachment, conscious leaders are confident in their abilities without requiring affirmation from others.

● **Overworking**

If you're working longer hours than everyone else on the team, and sacrificing time with your partner(s) or family, have you questioned why? Overworking can be an addiction, a distraction from working on the parts of yourself that are here to be healed so that you can be a better leader, a more present partner, a more patient parent, and a more conscious human.

● **Low Profit Margin**

Sometimes, external factors influence lower revenue and non-ideal margins; however, if breakeven or being in the red is the norm for your agency, it's time to look at the root cause of that unsustainable structure. Could it be your own fear of success, fear of failure, imposter syndrome, or past trauma keeping you in a perpetual lack loop—by not charging enough, discounting to win new business, or retaining clients who are abusive?

● **Talking More Than Listening**

It's impossible to create an environment of collaboration and innovation when, as the leader, you talk more than you listen. A key element of your role is to create a safe space for your employees to express their ideas, views, concerns, and solutions—not for you to single-handedly have the answer every time. Your team won't trust the idea that you know everything because that's impossible and it undermines their value to your agency.

● **Little Input from Your Team**

If your team feels that their opinions don't matter, they won't offer feedback or willingly present their ideas. As a leader, your role is to create and model a safe space for your employees to express their views. With this disarming approach, there will be less internal friction, your team will collaborate more often and their ideas will likely be more innovative because they no longer fear ridicule.

Qualities of Conscious Leaders

Now that we've covered a few signs of low-conscious leaders, let's dive into the qualities of high-conscious leaders that help their agencies succeed.

• Self-Aware

A conscious leader practices mindfulness and is a life-long student of developing greater self-awareness through diverse self-mastery practices and tools. Leaders who know themselves well can control their emotions no matter the circumstances. As a result, emotional regulation mitigates knee-jerk reactions, which typically make people feel unsafe to voice concerns or other points of view.

• Level Headed

No one can trust a person who is explosive. When conflicts arise in an agency setting (and they do), conscious leaders approach issues in a way that makes people feel safe and secure. With the ability to regulate your emotions as a leader, you will avoid activating your employees and have greater clarity during decision-making processes.

• Intentional

Those who operate with intentionality understand that there is not only a purpose for everything they choose to do, but that they also have an impact on others. Conscious leaders communicate their intentions clearly. They set an example for their teams to follow, which deeply influences culture, working relationships and product delivery.

• Compassionate

Compassion is an essential component of returning to our true nature. If empathy is feeling with someone else for their experience, compassion is the natural extension of wanting to take action to support them. A conscious leader guides employees with full awareness of cultivating growth by embracing a people-centered approach. A few ways this translates is in the diversity, pay equity and inclusion at your agency, including access to reproductive health care for all of your workforce, not just full-time employees.

How to Emerge as a Conscious Leader

Conscious leaders convene the best workplaces and lead the most sustainable businesses. The good news? All you need is an open mind in order to become a conscious leader. Perhaps, it's less of a becoming and more of a returning to our natural state of caring for other humans and our shared environment. From my experience, there are four fundamentals to conscious leadership:

• Integrating Past Trauma

Many of us bring our adverse childhood experiences, or ACEs, into our leadership style without recognizing that we're doing so. When you second guess yourself as a leader, imposter syndrome may be at play. By identifying younger emotional wounds, such as rejection, injustice, betrayal, and humiliation, you may begin to develop an un.

Healing and integrating childhood trauma paves a path toward becoming healthier humans. Why? Because once we begin releasing attachment to false narratives about who we are, we can start healing our early psychological wounds and live and lead to our highest potential.

• Getting Comfortable with Vulnerability

Vulnerability is the opposite of weakness. It takes real courage to lead people and let them know that you don't have all the answers. That you need their support and input. Nor will a conscious leader defend themselves in conflict-laiden scenarios, but will instead own their mistakes by taking responsibility and willingly accepting feedback to help them improve.

• Practicing Compassionate Empathy

Leaders with compassionate empathy have relational traits such as emotional intelligence, a high level of self-awareness, and motivation to do right by others. Such traits show up in how you communicate and handle challenges. It takes time to develop compassionate empathy, but it will become part of the organization's culture.

• Letting Go of Legacy

Getting our ego in check comes with some great benefits. Namely, we get to show up as ourselves and ask for support without needing to solve everything. We are given the space to not only care about our people, but light the way for their success—even when it surpasses our own. Isn't that the legacy you'd rather leave?

Conclusion

As more agency leaders engage in agency growth coaching, trauma-informed therapies, self-actualization practices, and leadership development, the results speak for themselves. When we quantify conscious leadership, we see that some of the most sustainable, successful businesses are led by conscious leaders. Conscious leaders build environments where resilient people feel safe, valued and respected, which leads to augmented ideation, culture and reputation, which leads to increased productivity and profit margin.

So, what kind of leader do you want to be?

> ❝ *Vulnerability is the opposite of weakness. It takes real courage to lead people and let them know that you don't have all the answers.*
>
> **Kelly Campbell**

Coaching Skills YOU Can Use In Your Digital Agency

Chris Simmance

With 10 years of leadership experience, Chris knows how to get things done. He's worked with clients across all levels and been exposed to multiple layers in order for him to help you reach your goals as quickly or slowly as is right for YOU!

Reach Chris here >

Get more from yourself, your team and your clients...

Coaching isn't just for coaches! Coaching skills can be used daily to help you support your team, keep clients longer and improve yourself on a personal level. In this article, I'll run through some areas that may seem simple at first but are hard to master. — these will all help you as you grow your business.

The most important areas of coaching that you can work on consist of:

- Listening
- Being Curious
- Delivering Feedback
- Keeping people to account

All of these seem easy on the face of it, listen more, ask more questions, tell people your thoughts and ask them to deliver... NOOOOOT so simple in practice; here's why..

Listening

Listening is a very difficult skill 'in the real world'. We've all got different backgrounds and experiences that make us all pretty different from one another. Why is this related to listening? Well, people rarely actually listen. We hear things and then turn them into thoughts from our perspective, which can miss key details or nuances that make what the person is saying more useful or valid. How often have you been listening to someone, coming up with a response and then just waiting out the clock for them to finish before telling them what you waited to say? Or worse, not waited at all?

A great leader is a great listener. They don't need to have all the answers, they just need to be able to hear what's being said and understand it from the speaker's perspective. It can be difficult to do this all the time, but if you can manage it more often than not, you'll find that people open up to you more and trust you more. Trust is the core building block of a great running agency, and it starts with listening!

Being Curious

This is probably the second hardest skill to master, but it's so important. Being curious doesn't mean being nosy; it means having a genuine interest in what people are saying and why they're saying it. It's about empathising with them and trying to understand their point of view. If you can be curious, and I mean really curious, then you can start to understand the real problems that people have. The ones they might not even know they have. And once you understand those, you can start to offer solutions that they didn't even realise they needed!

Being curious goes much deeper, though, deeper than just interest. It's a core part of great Critical Thinking. Critical Thinking is what I like to call a Digital Agency Superpower, as it can make all the difference between excellent work and great margins. Critical Thinking, simply put, is the upfront thinking that happens individually and in teams, whereby all the "If this, then that" of processes turn into "So what? Then what?". Curiosity, when you're coaching your team, will allow you to uncover those unknown unknowns that may have cost time and money or added stress to people's lives.

Always think: Who, What, Where, When, Why and How when you're listening to your team or clients, and it will inspire curiosity that will uncover some lovely hidden gems and make life a lot easier.

Delivering Feedback

Feedback can be a tough one, but it's so important. It's easy to shy away from giving feedback because we don't want to hurt people's feelings or make them feel bad. But the truth is, feedback is a gift. It's an opportunity for someone to learn and grow. When delivered in the right way, feedback can be one of the most powerful tools you have in your arsenal.

> The key to delivering feedback is to make sure that it's
>
> - **Specific**
> Make sure it's not vague or could be misunderstood. The simpler, more concise, the better in many cases. Always check for understanding.
> - **Objective**
> Keep feeling out of it as best as you can. Remember that the person receiving the feedback may not be able to, though. You can be objective and still empathetic.
> - **Actionable**
> If they can't act on it, you've done it wrong!

If it's not those three things, then it's not going to be useful. Feedback needs to be something that the person can do something with; it needs to be clear and concise. If it's vague, then it's not going to help anyone. Giving feedback can be scary, but it's so worth it. The more you do it, the better you'll get at it, and the more your team will trust you and feel like they can come to you with problems.

Keeping people to account

This is probably the hardest thing to do, but it's so important. If you don't keep people accountable, then they won't deliver on their promises, and things will start to slip through the cracks. This can be really tough, especially if you're a nice person who avoids conflict, but it's so important.

The key to keeping people accountable is to make sure that you:

- **Follow up** – This is non-negotiable. If you say you're going to follow up, then follow up. Otherwise, people will start to think that they can get away with not doing what they said they would.

- **Be consistent** – Don't let things slide sometimes and not others. This will just confuse people and make them think that they can get away with it.

- **Be clear** – Make sure that people know what is expected of them and when it is expected. Again, this avoids confusion and mixed signals.

Keeping people accountable can be really tough, but it's so important. If you don't do it, then things will start to slip through the cracks, and your business will suffer.

To conclude...

These are just a few of the coaching skills that you can use in your digital agency to help you grow your business. Remember, coaching is all about listening, being curious, delivering feedback and keeping people accountable. If you can grow and then master these skills, then you'll be well on your way to success.
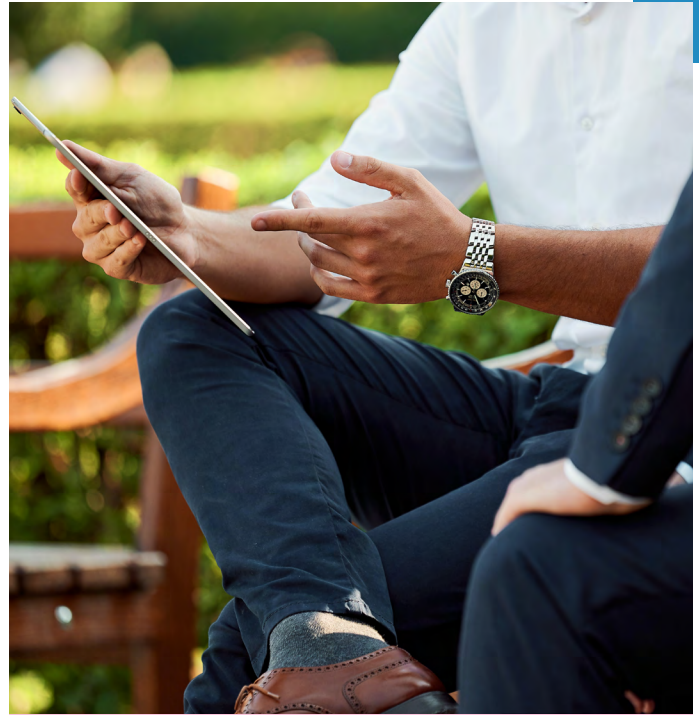
"If you can grow and then master these skills, then you'll be well on your way to success.

Chris Simmance

Happy Clients Aren't Your Job...

Tim Kilroy

I help digital agencies (and digital agency owners) generate more revenue, more profit & more happiness without working a million hours, being "sales-y" or doing anything else gross.

Reach Tim here >

So many agency owners take on a responsibility that isn't really theirs...

They put themselves in charge of client happiness. In fact, they take that responsibility so seriously that they jump into client work in order to insure that their clients are delighted. They might jump in to format a report just so, or make a completely gut-driven campaign change to juice results, or even jump into (aka take over) a weekly check in call and completely change the strategy...all because they want the client to be thrilled with the work that their agency produces.

This fanatical personal devotion to client happiness just might be killing your agency.

Uhhh...what?

You read that right.

Happy clients aren't your job. Your job is to create teams and systems that make happy clients.

OK, I hear you. It's your agency. It's your baby. Your name might be in the URL, for goodness sakes...of course happy clients are your responsibility! Well, happy clients are what your agency should create. Your job is to run the organization, staff it and give it the resources it needs in order to create the outcomes that you want.

You are **accountable** for the outcome, not **responsible** for creating it.

Let's take a closer look at this – in fact, let me tell you a story from one of my clients.

This agency founder is REALLY smart...like Fortune 50 CMO smart. When we started working together, he had 34 hours a week of client meetings. He was involved in every decision inside of every client account. He defined strategy and tactics, he ran the client meetings and he even wrote the weekly client reports. **His clients were very happy.**

But this founder was miserable... to the point of sometimes breaking into tears during our meetings. He was frustrated because nothing ever happened without him. He didn't think his team had the experience (or was it the ambition?) to generate the right kind of outcome for HIS clients. His agency was a team that supported him at the center. He carried some of the workload and all of the responsibility load.

Sound familiar?

Let's unpack how your agency gets better when you focus directly on building your team and processes rather than your client's happiness.

- **You stop focusing on revenue retention & <u>can start focusing on growth.</u>** I always get some raised eyebrows when I say this to my clients. But your job as the founder/CEO is to create growth. Delivering the results that you've been contracted for isn't driving growth, it's just insuring the payment of your invoice. And while getting your invoices paid is necessary for your success, focusing on building your agency capacity and skill set helps you create the opportunity for growth. You can think strategically about your market position and your forward-looking goals rather than focusing on making sure you are getting paid.
- **Your team gets better because you don't enable them.** Did you know that I almost didn't get into kindergarten because I couldn't tie my shoes? My mother was just so used to tying my shoes for me that she made it

possible for me to get to school-age without having this fundamental skill (which was also a requirement for kindergarten entrance at the time). When you position yourself as responsible (rather than accountable) for client results or work getting done, you are allowing your team to not know how to tie their shoes. They rely on your insight, skills and judgment to deliver results rather than developing their own resources. When you stop tying their shoes and start building their skills, not only does your team get better, they grow in confidence, too.

- **You can look ahead, finally.** When you become the best LEADER of marketers in your agency rather than the best marketer in your agency, you can suddenly start to focus on meeting your future needs rather than being fully reactive to getting the work done. This gives you more time to build your pipeline, build processes, hire staff, plan out that new service offering...you know, CEO stuff.

**Remember our agency founder who was jammed wall to wall with meetings?**

We seriously evaluated his relationship with his agency. We really focused on helping him change from the best marketer in his agency to the best leader of marketers in his agency. This transition wasn't easy, but his agency was acquired on the other side...so listen up:

1. **Create a Clear Vision of What Client Happiness Means & Make Sure The Entire Team Understands.** In <u>Jocko Willink's Extreme Ownership</u>, he outlines the concept of decentralized leadership. In a nutshell, before a team can accomplish a goal the team needs to know:

- **The Big Picture (What):** What is your agency trying to deliver to the client? What are the goals that the agency wants to help the client achieve.
- **The Reason (Why):** Why those goals? Why are they important? What is the impact of success or failure.
- **Get It Done (How):** What does that team member need to do to effectively accomplish their part of the plan?
- **The Team (Who):** Along with understanding their own responsibilities, each team member needs to understand the responsibilities of the other parts of the team.

2. By adjusting the team focus from only their individual tasks to accomplishing the team and client goals, this allows the entire team (not just the leader) to identify & fill gaps between the team actions and the agreed upon goals. This allows the team to make decisions with a simple framework...if this action helps us accomplish the goals, then I am empowered to do it, and if the action doesn't help us accomplish the goal, then I shouldn't.

3. **Focus on Next, Not Now:** A lot of founders LOVE to be in the middle of things. They have built an identity around being the catalyst. You need to reshape your identity so that you the field general, not a front-line soldier. You are looking at the map and moving the pieces, not leading the charge up the hill. As a founder, your talents are varied, but your real talents are in the area of improvement. The things that hold your agency back change with your attention. So by moving yourself to focus on next, rather than now (and letting your team take over that role) you are actually deploying the right resources to the right job.

4. **Am I the Best Person To Do This Job:** The founder, generally speaking, makes the most money in the agency and has the ability to create the most opportunity. So when any task comes up, you can make it a simple math equation to understand if that task is worth it, or if it makes economic sense to pay someone else to do it. Often founders take on tasks because they think that they can complete the task more efficiently. But that comes at a higher cost – either in real terms of cost (you get paid more than other staff members), or in opportunity cost – whatever time you are spending on this non-growth task is pulled away from your growth opportunities. Even if it takes a staff member who makes 40% of your pay twice as long as it would take you to accomplish a task, your agency comes out ahead in terms of cash expenditure. Forcing yourself to think about the economic impact of your time spent is crucial to understanding that it is your team's responsibility and opportunity to execute on tasks while it is your responsibility to create opportunity for your staff.
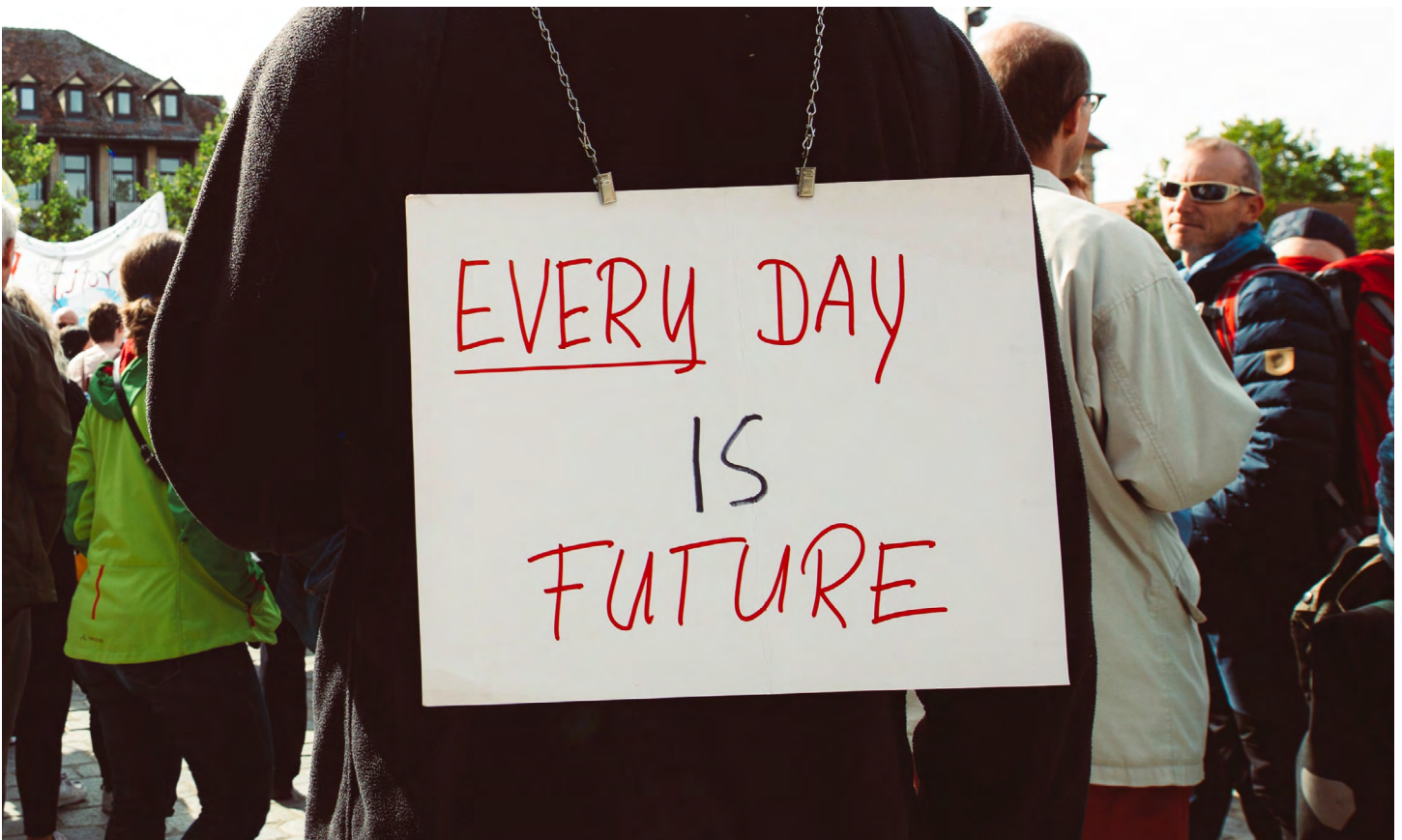
Back to our founder...

As we focused on the economics of his time, and we focused on building for the future rather than responding to the now and we structured communications and staff to be fully empowered for decentralized leadership, some amazing things happened:

- Our founder reduced his client-facing meetings from 34 hours a week to 18 per month.
- Client results improved because decentralized leadership allowed for delivery staff to move more quickly because their decisioning was no longer bottlenecked by the founder.
- The pipeline grew dramatically in terms of scale and prospect quality because the founder could spend time positioning & promoting the agency to a dramatically bigger audience rather than only getting inbound leads from his network.

So, remember...it may be your agency, but it's your job to create the teams and systems that generate your desired outcomes...not your job to create the desired outcomes.
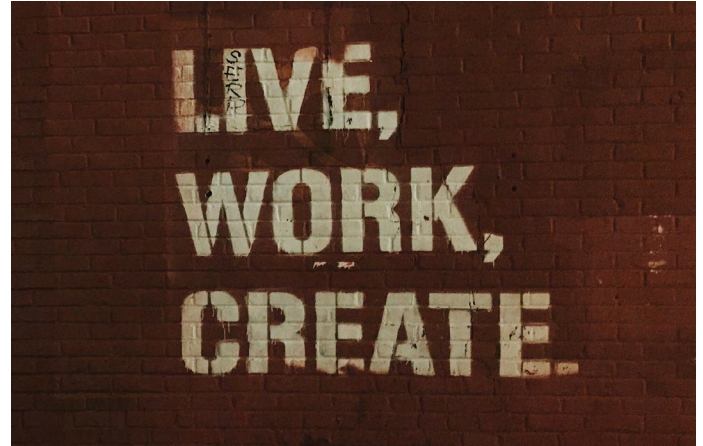
" *Forcing yourself to think about the economic impact of your time spent is crucial to understanding that it is your team's responsibility.*

Tim Kilroy

3 C's To Agency Owner Success

Chris Bantock

I felt my experience positioned me to be able to provide value and give something back to the agency world, as an Agency Business Guide, supporting agency owners on their journey.

Reach Chris here >

The Game

In my experience Agency owners, or Agency Entrepreneurs as I prefer to call you, have had limited training in running a business. You have been trained in a craft/skill – design, web development, digital marketing, photography etc. You are good at what you do so attract customers and grow naturally, you take people on to help satisfy the demand you have created. This is the first level of success – now you are realising how hard this 'agency business' game is.

There are so many other things to think about; finance, culture, the team dynamic, marketing beyond your black book, processes, planning – the list goes on.

You have a new level of responsibility, you have other mouths to feed other than your own.

All these mean you are now playing a different game, with new rules being introduced all the time. This is the game! Oh yes, and by the way the game constantly changes as you go along in your journey! As you grow you have new challenges to overcome that were not there before.

You
You are in charge.
You are responsible
You have the power
You have to make decisions
You have to steer the ship
You have to keep going
You have challenges
You have doubts
You have disappointments
You have great wins

This is the truth of the Agency Entrepreneur's life.

You have jumped out of the plane at 10,000 metres and you find you are building your parachute on the way down! You have no manual, no instructions, only the parts needed to build the parachute and actually you are not sure if you have all the components.

As you frantically build your parachute you realise a number of things:

You are on your own – there is no one there to help you, no one to ask, no one to guide you, no 'phone a friend' – hell it's lonely up here.

"Getting this right is down to me, I have to make the decisions now, I am in charge. I have created a challenge that I need to solve."

You start to question yourself – am I doing the right things in the best way? Should I be doing this? How can I do things better, faster, differently?

You see someone else that has his parachute built, it is open and they are floating down seemingly in total control. "They have made it, they are doing brilliantly. I wish I was where they are."

It's a complicated job! I know I have been there.

I want to share with you three things that I learnt on my journey as an agency entrepreneur, through growing and selling an agency business. These are not the only three things I learnt however, in my opinion, they are three essential building blocks for running a successful agency and being a successful agency owner.

Consider these and keep them with you at all times.

Coincidentally they all begin with 'C' – don't we all love a bit of alliteration don't we.

Customer

Your customer is the most important person in your business. You live to serve your customers. Give them the best service you can, help them to love you. When you move that relationship from a purely transactional level to an emotional one then that is when the magic happens.

Who are your customers?

Obviously they are your clients – the companies that you deliver your services to – the people to whom you make a difference.

As a KPI for your business – Client retention should be up there as one of the most important. Keeping clients provides you with a solid base from which to grow your agency. This helps to turn your agency into a more predictable business. Being able to predict your business is a vital tool in the Agency Entrepreneurs tool box.

Remember the business adage that it costs 5–7 times more to find a new customer than it does to retain an existing one.

Consider the downside, if you do not look after your existing customers then you will be forever on the treadmill of having to find new customers – this is tiring and not an efficient way to run your agency.

As a leader of your business you also serve other audiences, other customers. Most importantly your employees – they are your customers, you have to serve them well.

Your suppliers are another important audience that you serve.

Your partners, people that you work closely with jointly help one another – your collaborators.

How do you achieve this?

Firstly I would say that you must understand your values as an agency leader and work with people that align to your values. This makes relationships so much easier.

We are heading towards a new era where we work H2H. This is Human to Human. Be human towards others, treat them well, communicate regularly, add value to their lives, make them feel special.

This is partly down to your mindset. Be positive, be giving and be collaborative. I want you to be as customer centric as you can be and then ratch it up a notch or two.

Which brings us to the second 'C'.

Collaboration

I have always been collaborative. In my corporate life at Microsoft I worked in the partner group, I was a Strategic Partnership Manager and a Business Development Manager – these all required collaboration to achieve any level of success.

I took this mindset into my agency and beyond and it has always stood me in good stead. In fact I formed my agency through joining together with two other agencies I collaborated with. The result was amazing.

The outcome is always greater than the sum of the parts.

Worthy rivals

In my experience the biggest thing that gets in the way of collaboration is competition. Or rather having the mindset of competition rather than an open mindset of collaboration.

Simon Sinek, in his book Infinite Game, talks about this and says think of your competitors as worthy rivals – people you can learn from and try to emulate – people that make you better than you are today.

Often competitors really are not competitors. Just because they do what you do does not make them a competitor. They could work in a different region, they could focus on a different sector, they could focus on corporations while you focus on small businesses etc. You get the picture.

In addition they will not do what you do in the way you do it – this will always make you different.

Nine times out of ten there is an opportunity that will benefit you in some way. The trick is finding it. So how do you find it?

ABC principal – Always Be Curious – ask questions, be on the lookout for opportunities. There is a saying that "we see the world we look for". This is so true, this is how our brains are wired. If you don't believe me what happens when you are looking to buy a new car – an Audi for example – you see them everywhere!

Work out the partnerships and collaborations you want and I would wager you will find them before too long.

Be curious – explore opportunities. Don't dismiss an idea until you have given it due attention.

One person's pain is another person's pleasure. There are elements that you provide that other companies may be struggling with or simply do not want to provide.

Relationships First

The best piece of advice I can give you is to build relationships, as many as you can and as strong as you can. The world of social media, especially in the commercial world LinkedIn makes this so much easier. Look at other services like Lunchclub that help you do this, or jump to the third 'C'.

Set yourself targets for increasing your connections. You never know where a connection or a conversation will lead. This activity should be central to any lead generation activity. The more discussions you have the more opportunities you will find.

Make connections between people – the more people you know and have in your network the easier it becomes. When you connect others you are helping the to expand their connections and I guarantee that they will come back to you tenfold.

Connect yourself and connect others. Build connections around you in a sort of community.

Community

"Alone we can do so little; together we can do so much"
Helen Keller

Every agency owner should belong to at least one community.

We know, for most agency owners it can be a lonely life running your business. Not having anyone to talk to, bounce ideas off, share challenges, have fun and be social means there is a whole world out there that you are missing out on. Communities provide this.

I believe communities are about three things:

Belonging

Finding like minded people that you can interact with and socialise with can be a huge boost to your individual wellbeing. That sense of belonging that there are people to talk to and interact with when you need them.

Support

We all need support one way or another. Not all the time, however when we do need it we need to have somewhere to go to get it. Having a community that can provide that level of support is incredibly important.

By support I am talking here of both personal and business support. We all suffer ups and downs so being supported when we need it is vital.

Look for a community that provides a mechanism that enables you to post questions and to have conversations at any time outside of events or gatherings. There also needs to be the ability to get ongoing support in smaller groups or on a one to one basis where you can discuss ideas, get solutions to challenges and question what you are doing.

Learning & Development

Having a mindset of continual learning is essential for a successful agency owner. A community can provide this. I believe that this is where 'transformation' happens and it occurs on two levels. Firstly the business level – learning new business skills, tried and tested methods and getting exposure to things you didn't even realise existed will transform your business.

The second level is you as a business leader. Leadership is a vital skill that you need to develop to move you forward and ensure that everyone in your organisation follows. Being challenged and held accountable is fundamental to your success – find a community that provides this.

The added bonus from being part of a community is the reason most people join a community and that is for the collaboration and business opportunities that will no doubt appear. If you find a community that provides belonging, support and learning and development then opportunities will ensue naturally.

These are the fundamental basis on which Agency Local is founded. We strive to provide all of these in different ways to our members. From an online community, action based learning, peer to peer support groups and one to one mentoring, coaching and guiding.

Having access to someone that can guide you is vitally important. If you don't have a guide, mentor or coach then join a peer to peer group – this will provide great guidance, support and learnin as it will be facilitated by an expert, you may also find an element of one to one included.

I actively encourage agency owners to be a member of more than one community as you will get something different from each one.

Build your parachute

As you rapidly descend, trying to build your parachute, look around you as there will be others doing the same thing, take satisfaction that you are not alone.

There will be people that are further ahead of you building your parachute, they can help you – often all you have to do is ask; and you can help others that have yet to start building their parachute.

As you build your parachute you will be learning, trying new things, having ideas. As you learn what was a challenge a while ago has disappeared. Soon you will be transformed, your parachute built as you now feel safe as you glide through the air.

Then you realise your next challenge – how on earth do I land!

Remember building an agency business is a journey, not a destination. Be prepared for the bumps in the road and make sure you enjoy the journey.

You might find it strange for me to say that the three 'C's in themselves will not provide you with the immediate success you may crave. What they will do will provide you with a rock solid foundation on which to build a successful agency and for you to become a brilliant leader.

Life is all about people and relationships so, on your journey always keep in mind – Customer – Collaboration and Community.

> *This is the first level of success – now you are realising how hard this 'agency business' game is.*
>
> **Chris Bantock**

CHAPTER 6

Business Planning Until Your EXIT

Plotting Your Agency's Journey

Rob Da Costa

I work with agencies of all shapes and sizes – from a 1-person business to 25+ staff. PR, Content, Design, Web Development, SEO or Digital: whatever business you're in, I'm here to help.

Reach Rob here > ✉ 🌐 in 🐦

There are so many reasons you need to have a clear vision, strategy and plan for your agency. But the process can get overly complex, end up not being helpful and can feel like a 'tick box' exercise.

Yet hands down, the biggest thing that held me back from growing my agency as fast as I wanted whilst feeling in control, was not being clear enough on where the business was going.

It wasn't that I had no idea what I wanted — it's just that no one ever told me how crucial it was to have an exact destination in mind when you're setting out to grow your agency.

And without that vision, it can be easy to feel lost, directionless and demotivated.

When you first start out, you'll take clients wherever you can get them. You take on new business left and right without taking the time to consider whether they're a good fit for your agency. And this strategy is fine until one day, you wake up and realise that you've got 5, 10, 20 or 30 demanding voices to answer to, with no clear escape route in sight and further still from building the agency you dreamt of than ever!

If you've been here, you know how this feels. You started your agency with the best of intentions, hoping to build a business that worked for you (and not the other way around). But before you knew it, you were working just as hard as you ever did — it's like having a job all over again, but with more stress, worry and risk than it's worth and a much more demanding boss!

This happens when you don't set out your plans in advance. When your growth strategy is solely reactive and focused on client acquisition and retention, no plan is needed — you just keep pitching, keep winning new business, grow, creaking at the seams and deal with the fallout later.

That fallout comes when you don't pay attention to building the critical infrastructure you need to support these clients. The staff, the systems & processes, the valuable core offering, the marketing plan — they all matter, but we forget this when we head off on our journey without a map to guide us.

However, if you've got an actual vision for your agency things are different. When you know where you want to be a year from now (and break that down into quarterly and monthly plans), making strategic decisions is a lot easier.

Your Agency's journey

Let's liken a vision, strategy and plan to a journey. Without a clear plan for your journey (but with a destination in mind) you might still get there but it's going to be more painful and take longer — you might run out of fuel, have nowhere to sleep for the night or hang around for many hours waiting for a train — because you did no advance planning, and without a plan, you have no contingency in place for when that flight gets cancelled. Now let's imagine the same scenario with a team. Maybe you share the destination (vision) with them and then because you have no strategy and plan you say 'GO' and everyone heads off in their own direction, with their own thoughts on how to get to the final destination. It will be chaos!

Now let's consider that journey again with a plan. The **longer-term vision** is the final destination, the **strategy** is HOW we are going to get there (Plane? Train? Automobile?) and the **detailed plan** is WHAT we need to do (get to the airport by this time, book that ticket, reserve accommodation etc.).

I think you get the picture. Now we need to apply exactly the same principles to our agency's future direction and create a vision, strategy and plan.

Take your vision (usually 3-5 years) and create the 1-year plan i.e. the big projects you are going to work on to deliver your goals for the year that drive towards the bigger picture vision.

We need to be sure that we don't cast this plan in stone but keep it nimble and dynamic to reflect what we know today that we didn't know yesterday (in my experience, this is one of the key reasons why visions and business plans fail).

Once we've gotten clear on their big-picture vision for the next 12 months, we now need to determine the **quarterly** projects — they focus areas for that quarter. We repeat this quarterly planning process four times a year, constantly assessing and adjusting as needed.

We don't stop there. To make sure we deliver the annual vision, we take our quarterly objectives and determine what can realistically be done in the next month, and create a set of activities and goals.

This three-level planning process seems simple. If you already do it, you probably think it's obvious… but you would be surprised if you knew how many agency owners don't have a solid, well-formed vision of where they're going.

Without a vision, you can't see the road ahead

If you don't know where you're going, you won't know if what you're doing is helping your business… or if it's strangling it….and you certainly won't be taking steps towards building an agency that is less dependent on YOU, the owner (i.e. a Self-Running Agency).

Take the time to sit down and figure out where you want your agency to be a year from now. Be realistic, but don't be afraid to think bigger — we can often do more than we expect when we work for it. Bill Gates summed this up by saying *"We always overestimate what we can achieve in the next year but we underestimate what we can achieve in the next 5 years!".*
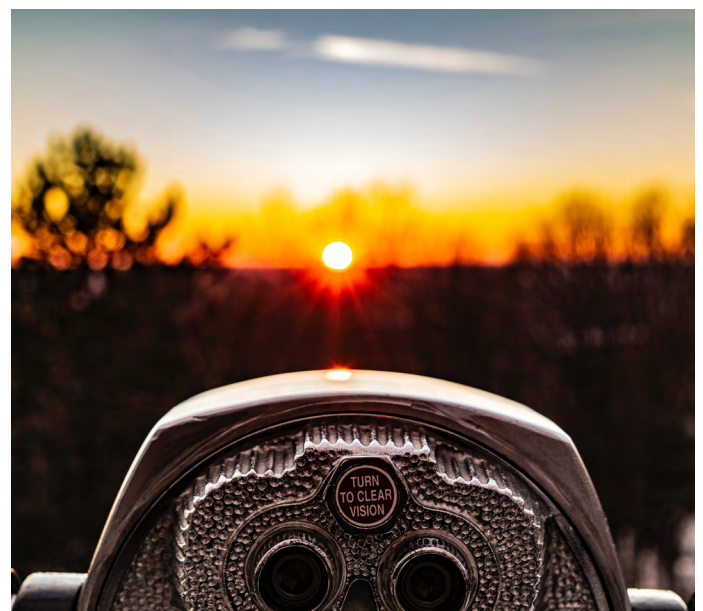
Without a vision, we flounder. We don't know which option to choose, so we choose whatever's easiest, or whatever pays us the most money right now, or whoever is shouting loudest… but this approach costs us in the long-term and we are at the mercy of external factors (such as a recession). We are REACTIVE rather than PROACTIVE.

Get all your team to come on the journey with you

Earlier I used the analogy of planning a trip to outline the importance of having a vision for your agency and if you want all your team to come on that journey with you then you also need to make sure you communicate your vision to the rest of the agency.

And you need to do this in the right way. Let me tell you a quick story…

A few years ago, I was working for a mid-sized agency of about 40 people and the CEO was doing his annual 'state of the nation' presentation of the vision that he had developed.

I sat in the audience that day so I can give him some feedback. I noticed as time went on (the presentation lasted about an hour) people were becoming less and less engaged and the CEO was getting more and more frustrated!

I realised that he was presenting HIS vision that HE was excited about whilst most of his team were sitting there thinking "this sounds like hard work" or "that's fine but what's in it for me?"

An aware leader is going to be mindful of this and ensure she answers those questions, and make sure that not only is she excited by this vision but instils that excitement in the team as well (and answers the questions that they are thinking).

It's worth noting that the agency leader is always going to be several steps ahead of their team in their thinking and the evolution of the agency.

In the example I just cited, there was a disconnect between the excitement of the MD and the audience's reaction to the content being presented. The issue was the MD was ahead of the business in his thinking and wasn't 'standing in the shoes' of his audience.

This was the feedback I gave him afterwards when he was disappointed and angry that the team didn't seem to share in his excitement!

Sharing that vision with others in a way that compels them to act is the secret to a successful vision. Yet to do this you have to have strong empathy with your team and acknowledge that not everyone cares as much as you or can think in a 'bigger picture' way. This also means that you might need to cut down on the bigger picture and present it in more manageable chunks — chunks that team members can relate to and therefore buy into. After all, you want them to join you on the journey to the sun!

Keeping your plan alive

One of the key reasons why so many business plans fail is because they are cast in stone when they are created and only looked at periodically. However, if you want to keep them alive and reflective of where your agency is today then you need to be using them regularly and updating them with what you know today that you didn't know yesterday.

I'm a big fan of collaboration so if you have a senior team (even if it's just you and one other person) then make sure you create the vision collaboratively and then delegate aspects of the delivery of that vision to your management team. This is a great way to get buy-in and ownership from your senior team which will cascade down throughout the agency and people will align the work they're doing to the plan.

Also, make sure that you use the vision as the basis for your monthly management meetings to keep them in a strategic space rather than discussing tactics/operational issues. Be willing to evolve and change the plan based on current events in and outside of your agency.

Conclusion

If you want to create a profitable, sustainable and enjoyable agency you need a vision, strategy and plan.

If you want to feel in control of your agency's trajectory, you need a vision, strategy and plan.

If you want to grow an aligned and motivated team, you need a vision, strategy and plan.

I think you get the picture!

> *The staff, the systems & processes, the valuable core offering, the marketing plan — they all matter, but we forget this when we head off on our journey without a map to guide us.*
>
> **Rob Da Costa**

The One-Page Agency Business Plan

Peter Levitan

During 16 years at Saatchi & Saatchi Advertising Worldwide, I ran business development across Europe and the USA was EVP Management Director in London and New York, and was GM of the Minneapolis office.

Reach Peter here >

After dealing with mucho advertising, design, digital and PR agencies over my career, I can safely tell you that most agencies do not have a master business plan.

A business plan? An 'advertising' agency business plan should describe the company's objectives, market opportunity, operations, marketing objectives, and financial projections. The plan is your guidebook. Your success map. Your Sherpa.

Even if an agency once had a plan, they rarely have an updated version.

Not having an updated plan that recognizes industry shifts is a bad idea that will most likely impede your revenue quest.

My very own Portland agency did not have detailed a plan. I had a very good idea of what business we were in, what type of accounts we wanted, and the required

services but we did not have a written 'plan'. I should have had the master plan – even if just a one-pager – that would have been reviewed and updated every year. Why update? Well, think about the evolution of the advertising marketplace. Or, if you prefer today's vernacular — business transformation.

Transformation? A Bit Of History.

The first TV commercial was run by Bulova Watch Company in 1941. It had 4,000 viewers in New York. It kinda transformed the ad world.

- The first digital ad was a 1994 banner ad for AT&T on the Hotwired website. Get this: it had a click-through rate of 44%. This first digital ad asked, "Have you ever clicked your mouse right here? You will." LOL — We did.
- The first mobile ad was a SMS text shared by a Finnish company in 2000. Remember Nokia?

- Google launched AdWords in 2000. Just a bit of transformation.
- The marketing industry was way optimistic in December 2019. Two months later we were all scared shitless.
- How we talk to each other shifted. Zoom has over 350 million daily meeting participants.
- In October 2021 Meta went Metaverse. In 2022 they laid off 11,000 employees.
- In 2022 we have Dall-E 2, Stable Diffusion, GPT-3 anyone. AvantGrade went all in and calls itself an 'AI first' digital marketing agency.
- 2023 looks a bit recessionary. 2024 and beyond? Scenario planning anyone?

Better be prepared for change. One of my favorite quotes is from USA General Eric Shinseki: "If you dislike change, you're going to dislike irrelevance even more. "

The Advertising Agency Business Plan.

Why didn't my agency have a master business plan? I didn't think I had the time. Clients came first. Oops.

Do *you* have a business plan?

Start Here.

Having a strategic plan will help you define your mission, market, services, sales proposition, financial goals, and agency structure. The plan will help you manage your staff and inform your recruitment system.

Sounds like a lot of work. However, it doesn't have to be. In fact, keeping it simple is a path worth following.

The One Page Business Plan.

You do not need a tome-like business plan.
Tome? I like this definition: *a book, especially a very heavy, large, or learned book.*

No heavy binders please. Creating the plan does not have to be painful.

Winston Churchill is known for his instance on having his ministers write one page memorandum to get to the point. As Winston said to his war cabinet, "It is slothful not to compress your thoughts."

If Churchill could run World War II from one-pagers, you can get your plan on one sheet of paper. In this case, Keep It Simple Stupid rules. Just answer these questions with one or two sentences.

What Is Your Mission? What is your agency's service offer?

An example from Goodby Silverstein & Partners, "Our mission is to create experiences that reach millions and even billions but seem to speak only to you. We call this effect mass intimacy. "

What Is Your Vision? What Are Your Values?

Again, From GS&P, "We are a creative company that puts people at   the center of everything we do. We work with both clients and consumers in an atmosphere of honesty and truth, wiping away preconceptions and learning together."

Company mission and values — your culture — play a growing role in delivering success. Defining agency culture has become a serious make or break staff retainment and recruitment tool. In the past couple of years we have seen a big move to express and sell in agency culture for future employees on agency websites (current and prospective clients peruse agency culture too.) What does your agency stand for? Does it have a purpose beyond just making bucks? How does it manage the work-life balance equation? Is it community minded? Are you charitable? Do you have diversity inclusion initiatives?

Brand Positioning: Define your brand. Your specific expertise. Your competitive advantage. Distill your core proposition down to an elevator pitch that provides

distinction and a strong competitive message. Please strive to be unignorable in an increasingly commodified market.

You need to be unignorable.

Building an unignorable agency brand and voice is a critical element in my agency business development philosophy. Your agency can run down the biz dev check list — inbound marketing — check; outbound account-based marketing — check; a sweet LinkedIn profile; the cool website; a YouTube channel — check; lots of wonderful thought leadership - check.

But if all of that is ignorable in a saturated agency selection environment — you lose.

I discovered the power word unignorable when I took a hard look at Toronto's agency john St. john St. built the idea of being unignorable into their agency ethos. From the john St. website:

Be unignorable.

Our mission is to make our clients' brands unignorable. We use insight, analytics, intuition and sweat to do it. But we mostly use sweat.

Unignorable is their focus — their expertise. Clients want to be unignorable. john St. delivers.

Unignorable is the agency's one-word equity. They own it. Unignorable is a distinctive battle cry. I haven't seen one other agency use this word.

Want to see john St. in action? Look at the agency's YouTube channel. Videos that act as john St.'s brand drivers and are unquestionably unignorable.

The agency's unignorable "Catvertising' video has 2.4 million views MILLION! "Buyral" has 1.0 million views. Does any other agency have these many video views? No.

john St.'s dedication to being unignorable and creating unignorable work, was a factor in their being acquired by WPP.

Services: What services do you provide that will help clients meet their objectives? How can you create service differentiation? How do you sound different than the SEM agency down the street? What is your secret sauce?

Experts stand out.

Marketing: How will you become famous and desired? Define and build out your company and industry prospect list. Be focused. Be realistic. State your objectives — and dreams. Detailed strategies, marketing channels and technology will be detailed in your business devoppment plan.

Financial Projections: Profit margin goals. Cash flow. Agency costs. Staff utilization projections. Build a P&L and balance sheet.

Building out your pricing strategy is rather critical. How wil you get paid for value vs. just hours?

Staff Requirements: Will you need FTEs, freelancers? How will you recruit and retain? How will you manage the world of staff burnout?

Office Requirements: Will you have a full or part time office? How will you manage and inspire remote workers? How can you build and define your day-to-day corporate culture for a distributed workforce?

Define Success: What are your success metrics? Types of clients? Awareness? Profitability?

I like the idea of having the idea of an eventual sale as a guide. How will you grow agency value — if only for a sale five years down the road?

Would you buy you?
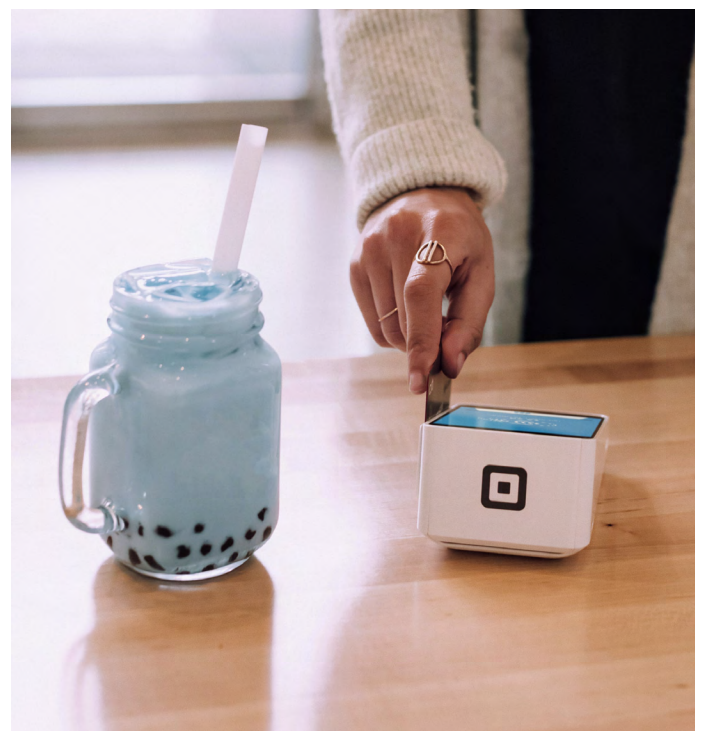
Review and adjust. Nimble rocks.

Your business plan should deliver a clear path to success. And most of the details should be kinda set in stone. However, shit happens, and you'll need to keep abreast of evolving market forces that might cause you to have to make midstream adjustments. Market forces? To name a few...

- Recessions. I've lived through a few.
- Evolving office and staff scenarios.
- Media shifts ala bye bye Facebook. Hello TikTok.
- Data privacy legislation and its impact on advertising.
- The role of the new: AI, the Metaverse (maybe), virtual reality, AI copywriters, AI art directors.
- Some market-rocking forces will be impossible to predict: 9/11, Covid, Putin, Inflation.

Have that one-page plan but be nimble.

> " *Having a strategic plan will help you define your mission, market, services, sales proposition, financial goals, and agency structure.*

Peter Levitan

6 Tips To Consider Before You Sell Your Agency

Clodagh S. Higgins

I specialise in consulting & coaching the owners of Digital Marketing & Sales Agencies across the world on how to market, sell, service and scale their businesses. I'm based in Ireland, work globally. I was part of the team involved in the first 4 country agency merger – weareavidly.com

Reach Clodagh here >

Selling your agency on your own can be a full-time job and a challenge alongside running your day to day operations in your agency. Before you jump into the deep end, there are a number of steps you can take that will help you make this process as smooth as possible. When you think you're ready to sell your agency, take a few deep breaths, and enjoy the journey.

1. Get all your processes and procedures in order

Check out the Entrepreneurial Operating System by Gino Wickman to help you get set up. According to this system, there are six business fundamentals to organize around:

Vision: Develop and communicate a strong vision for your agency, crystallize eight key aspects on paper then communicate this information early to your team.

People: Get the right people in the right seats. Are the people on your team in the right position or do they have the capacity to grow into the role?

Data: Get the pulse on your agency numbers. Develop a scorecard where you are measuring at least ten key metrics to start off with and have a measurable outcome assigned to each person on your team.

Issues: Build a solutions-oriented environment. Issues are problems you need to resolve in your agency. It's important to identify, discuss, and solve each one in a way that moves your business forward each week.

Processes: Systemize how you do things in your agency, document your core processes, and adopt systems across your organization. The goal is to create a plan where each person on the team contributes to the systems and it's easy to train new people as they join.

Traction: This is where it all comes together and you bring the vision to life. Each quarter you are focused on goals that move the agency forward. Improve the way you conduct each meeting at your agency to improve the productivity of the whole business.

We also recommend conducting quarterly reviews and regular hackathons to ensure your team is keeping up to date with all the changes in the technology world.

2. Create a pitch deck/business overview for your agency

It's important to make a good first impression when presenting an overview of your business to a potential buyer. When crafting your presentation, be sure to include the following information:

- Meet us (share more about your history and how you got started)
- Why are we looking to sell
- Our values
- What we have done
- Financials
- Awards & Accomplishments
- Where we are (locations and clients)
- Where is the opportunity
- Where we see ourselves in the future
- Where we need help

When talking about your portfolio of clients and case studies to back up all your results, What problems have you solved for them and how did you solve them?

What makes your agency unique from others? (Spoiler alert: This cannot be you as the agency owner). When creating a detailed business plan and financial forecast, your goal is to show a machine that generates profitable revenue and gets results for clients without you, the owner, involved.

3. Don't tell your team until the deal is done

Agency owners are often risk-takers who are comfortable with change. They are used to changing their plans on the fly and making decisions quickly. Employees, on the other hand, often prefer stability and predictability. They like to know what to expect from their job and their team. As a result, it's important to be thoughtful when you share information with your team.

By waiting until you know for sure what's happening, you can avoid any unnecessary stress or anxiety on their part. After all, the deal may fall through! Sharing news about a potential deal before it's done can cause uncertainty in your agency, which can cause people to leave because

they think they might not have a job after the sale. Negotiate confidently and be prepared to walk away from a deal if it's not right for you.

4. Prepre for a long sales process

Even if you are well prepared, it can take a long time to sell your agency. There are a number of factors that can influence the length of the sales process, including the size of the agency, the type of business, the asking price, and the level of interest from buyers. In general, the larger and more complex the agency, the longer it will take to sell. The same is true for businesses that are not well-known or that are niche businesses. If you're looking to sell quickly, it's important to be realistic about your expectations and to price your agency accordingly. Even if you're willing to accept a lower price, it's still important to allow enough time for interested buyers to conduct due diligence and reach a decision. Also consider legal fees, accountancy fees and tax implications for selling that may apply in your country.

5. Engage a coach or consultant to help you with the sale of your agency

Any agency owner knows that the sale of their business is a complex process, filled with a lot of potential pitfalls. That's why it can be helpful to engage the services of a coach or consultant or advisor – they can help you manage expectations, both your own and those of potential buyers. They can also help you identify key issues that need to be addressed before beginning the sales process. In addition, a coach or consultant can provide valuable insights into the minds of potential buyers.

Their experience can help you understand what buyers are looking for and how to best present your agency in order to attract interest. Ultimately, engaging the services of a coach or consultant or advisor can help to increase the chances of successfully selling your agency.

6. Have a couple of exit strategy options

Are you looking for a full sale or a partial sale where you stay with the agency for a period of time? What would you like to do after the sale? Very few agency owners irrespective of age are planning to sail off into the sunset once they sell—they are usually thinking of their next project or business. As a business owner, it's important to have multiple exit strategies in place for your agency. Retirement is one option, but you may also want to consider partial retirement, where you sell part of your agency and continue to work in some capacity. Think about what that role might be and what it could look like.

This can give you retirement income while also providing continuity for your employees and customers. Whatever exit strategy you choose, be sure to plan ahead and think carefully about what's best for you, your agency, and your team.

We have seen owners get wrapped up in the process, neglecting their day-to-day operations. Sometimes ego can kick in if a large agency shows interest in a smaller one and red flags can be ignored or overlooked. If you get some help from someone who can have meetings on your behalf, you'll be able to keep a level head.

While there are a lot of steps involved when selling your agency, if you have an exit strategy in place, get all your processes and procedures in order, build a pitch deck to help potential buyers, make sure you keep your plans under wraps, and prepare for a long sales process, you will have everything in order so that the transition is as smooth as possible.

> *When you think you're ready to sell your agency, take a few deep breaths, and enjoy the journey.*

Clodagh S. Higgins

I'm An Agency Owner Get Me Out Of Here!

Jonathan Leafe

After 30 years running my own successful Creative Marketing Agency I sold up and became a performance coach. Over the last four years, I've helped numerous Digital Agencies, Marketing Agencies and Creative Agencies fulfil their potential.

Reach Jonathan here >

Here's a 'bring you back down to earth' fact – Only 1 in 400* marketing agencies will ever be bought out. And those that do tend to be specialists, with high margins and with a high turnover.

* According to The highly respected 2 Bobs podcast.

That doesn't mean you can't exit successfully. But if you're chasing the pot of gold at the end of the rainbow and relying on that to fund your retirement – please don't!

That's why I came up with the solution – I'm an agency owner, get me out of here!

At some stage, you may well want to exit, here's how:

- Trade sale
- Management Buy-out
- Management Buy-in
- Private Equity – Not really a full exit

I planned to sell my business 10 years before I managed to do it. My plan always was to exit by the time I was 55 to give me some time to develop my last career of mentoring, consulting and advising, which I thoroughly enjoy.

Comparison of Exit Routes	Upsides	Downsides
Trade Sale	Potential Biggest Sales Price	Length, due diligence, lock-in
Management Buy Out	Quicker Process	Capital to buy you out
Prepared Management Buy In	You're in control	Length of time needed to prepare
Private Equity	Gets you some cash off the table for you	You're still involved but not really the boss any longer

The trade sale

Only 1 in 400 agencies will be bought out!

The problem with agencies is that, as previously mentioned, they rely on three things for success. A great client base, a superb team and an astute leadership team.

This doesn't make an attractive trade sale though. Clients can be fickle – particularly if they rely on the senior management team, staff tend to leave more often after a takeover, and the leadership often is the one that's selling. You can see where the difficulties lie.

The situation is exacerbated if the seller is heavily involved in the business. **Are they actually the business itself?**

What then are your options? A trade sale is one that stands out in the media. But these are incredibly rare for SMEs because of the aforementioned reasons. The only time when this may happen is if the agency has a **special niche and/or specialism or marquee clients** that the buyer would like to have. Perhaps this would provide a quicker route into niche territory for the acquirer. Perhaps there's even some unique or intrinsically valuable IP at stake too? That could be particularly attractive.

Another aspect of a trade sale is that there is a mountain of due-diligence that needs to be done, and this can take months. It's extremely distracting (and expensive). Often, once completed, it'll highlight weak areas, and the buyer might exploit those for a cheaper price. If there's an earn-out and the company doesn't make the profits, set in the sale budget, then you can also be penalised as well – this really does happen!

You may also have a lock-in for a number of years where you work in the business as an employee with effectively a new boss. Which could be challenging for an entrepreneur or someone is used to working for themselves. Even after you have left there may well be a non-competition clause for a number of years which effectively precludes you working in the industry after you've exited.

A trade sale is the dream of many agency owners, but sadly the reality is that it is often only a dream.

If you wanted to follow this route I would highly recommend engaging with a Business Sales or M&A (Mergers and Acquisitions) agency. They don't come cheap but worth every penny as they'll find the right buyer, if there is one, and get the best price for you (hopefully one that sees what you see!) Waypoint Partners are such a business – but their entry point is a high Gross Profit and an equally high Net Profit.

Management buy-out

A management buy-out is similar to a management buy-in but with the subtle difference that the management are approaching you to remove you. They are in the driving seat. The pay-out and terms may be better than a buy-in. This is actually a great way of doing it because, in effect, the senior management, team and clients don't change. The only change is you move out.

The downside is that they will have to find the capital to buy you out on whatever deal is negotiated.

Management buy-in / succession planning

My favoured way is the management buy-in. But as I mentioned before, you need to start this well in advance of the target sale date – as much as 5-10-15 years, as I did. To get the maximum value out, you'll likely need to build up the cash reserves.

But let's be clear about this. As an SME agency owner it's highly unlikely that you'll come out with a life-changing amount of money, so make sure you have things in place for your future: a great pension pot and an idea of what you plan to do next (depending on your age and energy level).

To realise the value in this takes time though, because you have to replace the capital you have in the business

with other sources. That may be personal loans, business loans or other kinds of debt. Ideally not leaving the company buy-in in a precarious position due to being too heavily in debt. Don't worry, this is easily achievable.

There are government backed schemes to help with employee ownership, such as EMI (Enterprise Management Incentive).

Private Equity

Realistically, this is only open to this agencies with a particular set of skills in a desirable niche. Or where a larger agency wants to conduct a soft-acquire to get skills they don't have. Proceed with caution. You MUST get the right partner otherwise it'll be painful for you.

Choosing the right succession team,

I chose my successors a full ten years before I exited. It's not essential that you allow ten years for it to happen but the longer you give it, the better.

The team member/s that you identify as being the ones that will take over are often fairly easy to identify. They already are contributing to the success of the business. They've got the potential to grow and learn. Be careful though, just because they're good at their job doesn't mean that they're going to be good at running and developing a business, never mind being the boss and managing the team. If you select the right people you have time to coach and mentor them. Getting them on a fast tracked path to equip them to be ready to take on the business when you're not there.

> " *A trade sale is the dream of many agency owners, but sadly the reality is that it is often only a dream.*

Jonathan Leafe

This page is intentionally left blank.

Thanks to Our Sponsors

ActiveDEMAND

adzooma

AGENCY SONAR

duda

DAN DIGITAL AGENCY NETWORK

InvisiblePPC

momentum accounting

parakeeto

unbounce

VENDASTA

Contact Us

We work with Digital Agencies, Technology and Service Providers and Growth Experts to create community events that enable meaningful business connections for all.

We'd love to hear from you and create value together.

Contact us

in Agency Growth Events

🐦 AGEGrowthEvents

AGE

AGENCY GROWTH EVENTS

The Agency Growth Book ©
Agency Growth Events 2022

agencygrowth.events