

RSW/US

Agency-Client Relationship Experts

2010 New Business Survey

Agency Perspective

www.rswus.com

513-559-3101



Background

The purpose of this study is to help Agencies improve their internal new business development efforts by offering insights/perspective based on feedback from other Agency executives.

Our hope is that the following key findings and implications from this study can be of value to you as you build, or work to improve your own Agency new business program.

Overall, there are some interesting findings about the new business processes being used by Agencies: some insight into what's working and not working; some interesting facts about the use of social media in the Agency new business process; and some enlightening perspective on the perception/value of hiring new business managers to help build business.

The samples came from databases of 6,000 marketing service companies that range in size from under \$5M in capitalized billings to over \$50M.

In an attempt to add value and help you improve your own efforts as you work to plan for 2011, we have prepared the following report for ease of reference and perspective/implications relative to some of the key results in the study.

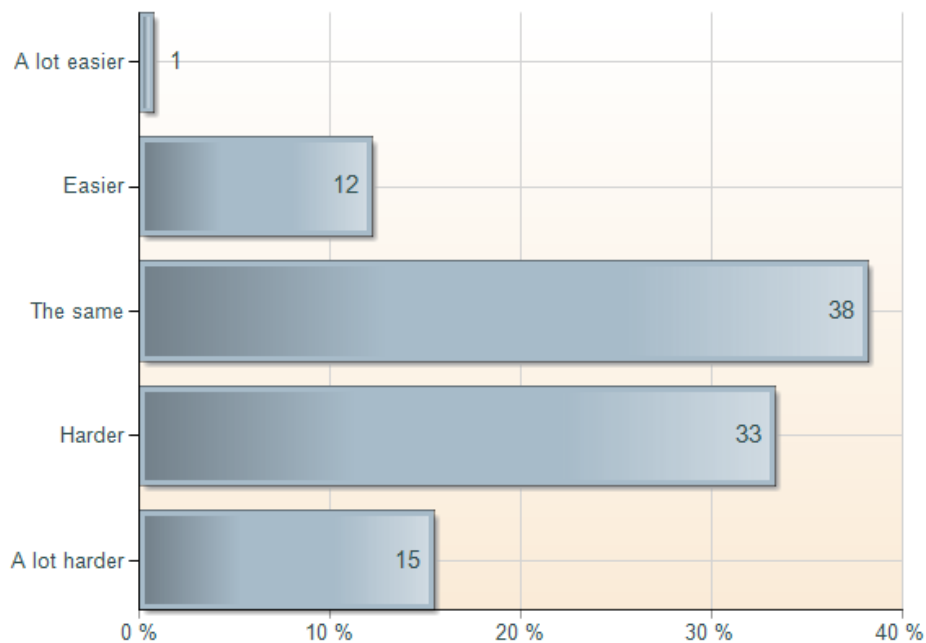
If you would like to reproduce any of our findings in any format whatsoever, please give us a call (513-559-3101) or drop us a line. If you would like to discuss any of the information below, please feel free to reach out: mark@rswus.com.

If there is any interest in talking with RSW/US about how it can help you build a stronger lead generation/business development program, feel free to give us a call.

Overall Survey Findings & Implications

- **Agencies are a lot more positive about obtaining new business this year relative to last year.** 65% of Agency executives surveyed *last year* believed that it was either “harder” or “a lot harder” to obtain new business than it was in 2008. This year, only 48% believe this to be true as compared to 2009. In 2008, 51% believed it was harder than 2007 and in 2007, 40% believed it was harder than 2006.

Would you say that obtaining new business is harder or easier than it was last year?

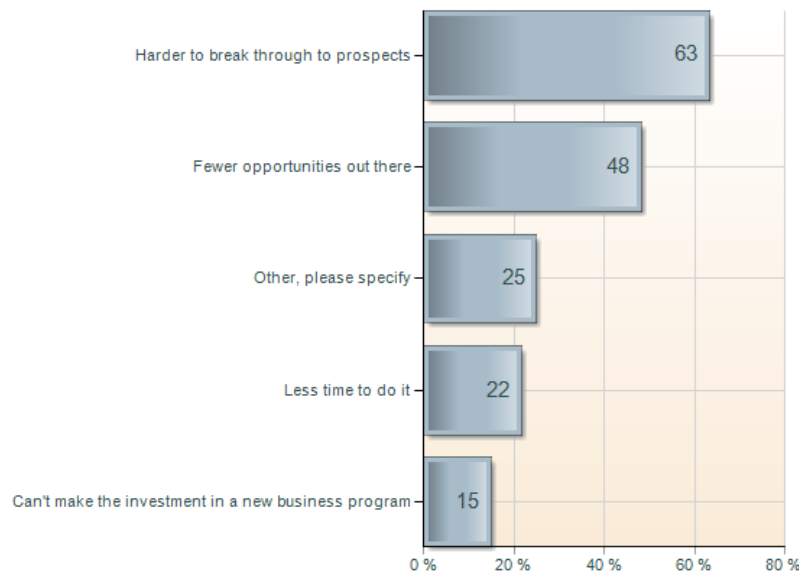


Implications: Things seem to be opening back up. We’re seeing it among the Agency clients we are representing both in terms of meetings set and their business won. If you aren’t pushing your new business program forward now, you need to get on it – especially as we head into the 4th Quarter of the year – a time when Marketers are spending the dollars they have left – and a time when Marketers are re-thinking and re-evaluating their support for 2011.

From a big picture perspective, finding new business has not gotten markedly easier for Agencies – and probably won’t get any easier in the near term. With the pool of companies shrinking, bigger Agencies going after smaller opportunities, and the dollar volume of opportunities declining (as we’ll see later), the need to constantly stay on top of new business is key to the life blood of any Agency.

- Interestingly, as you look at the trends over the past three years, it appears that as Marketers are increasingly stretched to do more with less, the ability to bust through to them gets harder and harder. In 2008, 44% of Agency executives stated that “harder to break through” was the primary reason why new business was tougher. In 2009, the number was 46%. **This year, 63% of Agencies cited this as the biggest roadblock to generating new business.**
- As Agencies face similar cut-backs, we’re seeing the rise in “less time to do it” as a key reason why Agency executives are having a harder time prospecting. In 2008, only 7% of Agency executives cited this as a reason why. In 2009, 17% stated this as a reason why. This year, the 22% of Agency executives feel that their lack of time is partly to blame for limited success in new business.

What are the top reasons why it is harder or a lot harder to obtain new business relative to last year? Select as many that apply



Implications: With it getting harder and harder to bust through to increasingly busy Marketers - and Agency executives finding it harder and harder to find the time to manage prospecting, something has to break the vicious cycle.

Whether it's assigning someone inside your Agency to manage the process or hiring a group on the outside, do something. If you're going to go at it on your own, there are some simple (very minimalistic) things you can do to help the effort – like e-campaigns and social. While not the, be all, end all, it's at least a start. The key is maintaining consistency of reach-out. It can't be a start and stop exercise. Today, someone might be fine, but tomorrow they may wake up and realize they need some help. You need to get on their radar and stay on their radar – and the only way you can do that effectively is by always being there in some shape or form.

- **Year-to-year, the sources for obtaining new business have not changed.** While social media has certainly been the talk of the Agency community, its impact on new business has remained relatively limited (we'll see this play out later in the study as well). "Referrals", "Business from existing clients", and "Networking" continue to be big drivers of new business growth for Agencies.

Thinking about how you obtained new business, what have been the top three sources for new business?

| <u>Source of New Business</u> | <u>2010</u> | <u>2009</u> |
|------------------------------------|-------------|-------------|
| Referrals | 69% | 68% |
| Business from existing Clients | 63% | 61% |
| Networking | 58% | 54% |
| Clients switching to new companies | 20% | 24% |
| Cold calls | 18% | 20% |
| Presentations/Speaking | 12% | 15% |
| Social media | 9% | 6% |
| Email campaigns | 9% | 7% |
| Organic search | 9% | 9% |
| Paid search | 5% | 0% |

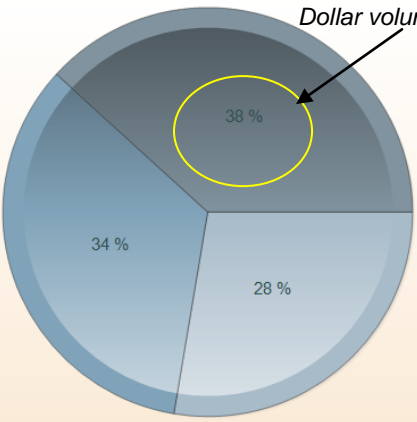
Implications: While the more traditional means for obtaining new business continue to rank highest on the list, we are seeing more and more agencies experiencing a dramatic slowdown in the number of opportunities surfacing via these sources. With corporate consolidations on the rise, and corporations paring back staff, there are fewer companies and fewer marketers to tap into for networking purposes – so you have to employ new approaches to connect with prospects.

In recent Marketer surveys, the top ways in which Marketers find out about Agencies (after referrals and past relationships) is **“a timely approach by an agency”** and **“general, un-attributable awareness”** of an agency. This suggests that you need to always be there if you're going to be successful.

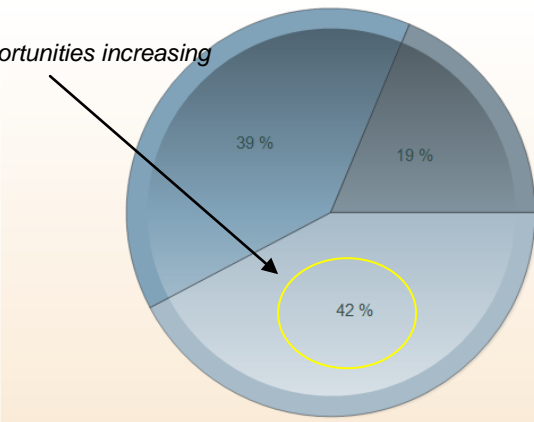
If you're seeing the slightest slowdown in networking or referral opportunities – and you don't have a new business outreach program in place – develop one! If the patterns we see in other Agencies are representative of what's happening to most Agencies, the need to proactively reach out to prospects will sooner rather than later, be the new normal in business development.

- **Another important reason to keep your Agency in front of prospects today more than ever – is because Marketers are parsing more assignments out in pieces (versus AOR assignments).** While the dollar volume of opportunities appears to be on the decline (38% of Agencies state that the dollar volume of opportunities are decreasing), the NUMBER of opportunities are on the rise (with 39% saying the NUMBERS of opportunities are increasing).

Relative to last year, have you seen the dollar volume of opportunities to pitch for new business increase, decrease, or remain the same?



Relative to last year, have you seen the number of opportunities to pitch for new business increase, decrease, or remain the same?

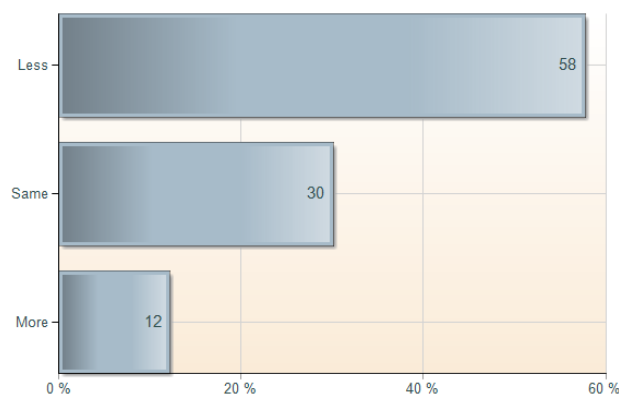


Implications: One implication of this shift in numbers versus dollar volume is if business is going to become more and more project oriented, the need to keep the pipeline full of potential opportunities is only going to increase. And with the dollar volume of potential opportunities on the decline, managing new business in a smarter, and more cost efficient manner will be necessary. Hiring the \$100k+ new business hunter and building multi-dimensional mailers that cost the agency excessive financial and time resources aren't a good use of limited pools of human and financial capital.

The other implication if this becomes the "new normal", either you or your account people will need to get more aggressive at building business organically. I've seen too many Agencies land a project opportunity then do a poor job of leveraging that relationship into other areas of the company – or into other facets of *that* brand's business.

- Consistent with the data on the previous page, Agencies are seeing fewer and fewer AOR assignments handed out. Those full service opportunities that are making themselves available are more often than not, being managed by search consultants – or pushed out in “cattle call” RFPs.
- As noted in the Appendix of this report, Agency executives note in open-ended responses that they believe the trend to fewer AORs is driven by a number of factors – among which include: 1) Marketers’ greater need for specialization; 2) Marketers’ fear of putting all their eggs in one Agency basket; 3) Marketers finding it less expensive to buy “a la carte”; and 4) A more fragmented marketing mix.
- Also as noted in the Appendix of this report, Agency executives cite the economy as the primary reason why we’re seeing an uptick recently in the number of accounts shifting to agencies that have ties to executives from past relationships. Marketers simply aren’t as willing to take a risk with a new, unproven agency. They have a need to move the needle more quickly today - and with a known quantity that will better get what they need faster.

Over the past year (as compared to years prior), do you think that there has been less, more, or the same number of full service (Agency of Record) searches that have taken place (versus searches for parts of a marketer’s business)?



- **Implications:** Many implications fall out of these findings. If you want more of the “prize”, you need to show the Marketer that you have the talents in specialty areas like digital, in order for them to consider you in a broader context.

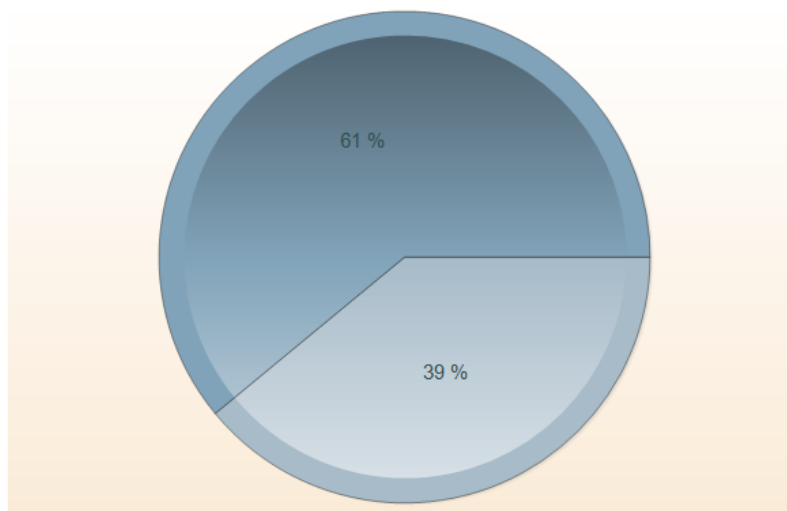
One way to alleviate the fears and concerns of Marketers is by sharing some of the risk. I recently interviewed an Agency for our RSW/AgencySearch (www.rswagencysearch.com) business that has a partial pay-for-performance model where the Marketer and the Agency identify key programs and appropriate metrics to measure and assess success. A program like this could be offered on a starter basis with a new potential client.

And of course if the Marketer is nervous about making a move with your firm because they don’t know you, offer to do part of the assignment to show the Marketer you can be trusted and deliver to their needs – then push hard to win more business.

- Regardless of your approach to win the business, the first step is getting in the door and to the table.** One way to keep your Agency on the radar is to hire a new business manager inside your agency. The key is finding the right person (with the right set of talents) and keeping your new business manager focused. The number of Agencies hiring an internal new business manager hasn't changed a whole lot over the years. In 2007, 48% of Agencies hired someone inside. In 2008, that number dropped to 36%, only to rise slightly in 2009 to 42%. As noted below, the number has stayed relatively constant this year, with 39% of Agencies hiring a new business manager in the past three years.

Have you hired a fulltime new business hunter/director/manager (as part of your staff) to prospect for leads for your company in the past three years?

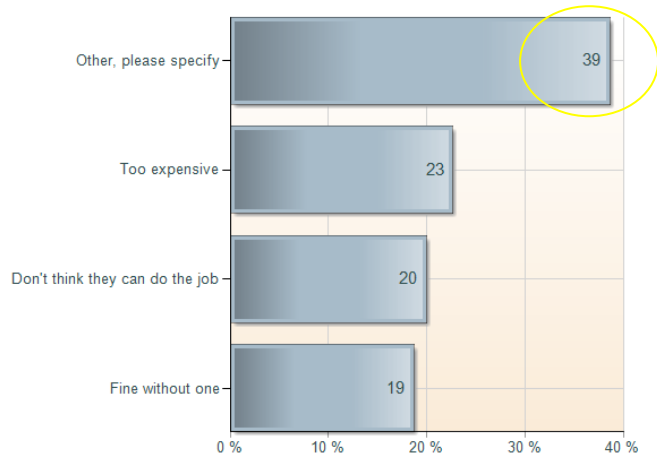
Yes No



Implications: Hiring in today's economy can be tricky business – particularly given the amount of time it takes to develop a solid, self-sustaining new business program. If you do bring someone on board, make sure you're well prepared to cover their costs for an extended period of time. As we'll see later, the churn in the world of internal new business managers is similar to the churn of CMOs. We've run across agencies that have been through multiple new business managers over a very short period of time. While sometimes it's an issue with the skill set of the new business manager (e.g. not bringing any marketing or agency experience to the table) most of the time it is the agency's fault for not giving the new business manager enough time and/or piling too many assignments on so they aren't focused on what they need to do: sell and market your agency.

- **Those that haven't hired a new business manager on staff have not done so for a variety of reasons, primary of which is "expense".** As noted below, a number of Agencies note other reasons why, including outsourcing the function as an alternative.

Why have you not hired a new business hunter/director/manager in the past three years?



See below for sample of "other" reasons

All of the above. They lack principle passion. However, now might be the time to reconsider that. The economy is coming back and we need to get our piece of the action.

Hired part-time

Can't afford the ongoing investment without any guarantee of success

Haven't justified the need...yet

President of agency is new business director

Hired RSW as an extension of our internal programs

That's my job

Our sales pitch is unique and somewhat complex, so we need to do it ourselves, or the message doesn't seem to resonate.

We are taking charge our self and have developed creative ways to go after new business

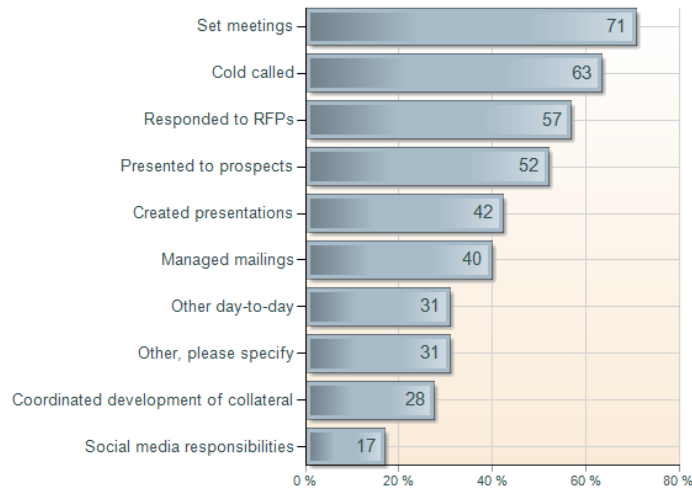
Hunter model is not part of our company culture. Account Supervisors are our hunter/gatherers and work with AEs to manage client services.

Implications: Regardless of how you do it, key is doing it. And just like marriage or having kids...there's a never a perfect time to start. When things are really good, the excuse is you have no time and things are really good. When things are tough, you can't afford it. Don't let things get so bad – or wait too long to make the move.

This is particularly true if you're one of those Agencies with the single, big client. Don't keep putting off the inevitable as we've seen Agencies wait too long to make a move – then suddenly they are scrambling to bring in business that's needed – to survive.

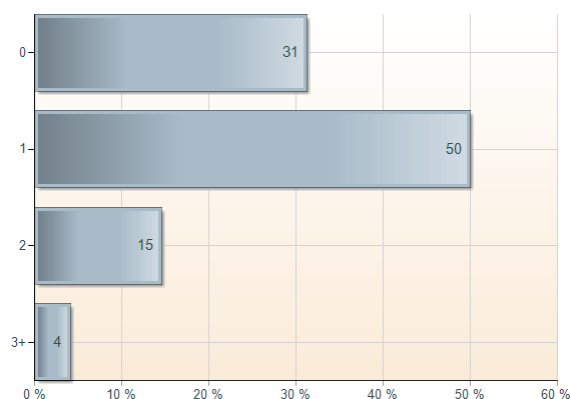
- As noted on the previous page, **if you do bring someone on board, make sure they have all the right skills and make sure you keep them focused on the primary task at hand: selling and marketing your Agency.** As noted below, there is a tendency for Agency principals to see a body in the Agency and then give them many responsibilities because they aren't making the sale.

Thinking about your last new business hire, please check all the things this individual was responsible for.



- It can be a vicious cycle – the more you pile on a new business manager that isn't central to their job of finding you business opportunities, the more likely they are to fail. This is likely the reason why in this year's survey (and in surveys in the past) Agency principals tend to move through new business managers at a rather fast pace.

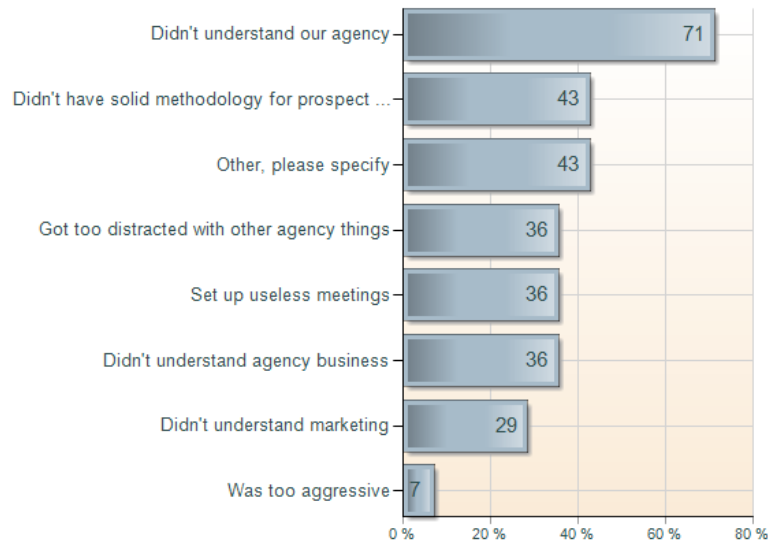
How many times have you had to replace the person in the new business position over the past three years?



- Implications:** We often suggest to Agencies that want to build an internal program, to assign tasks to different people in the Agency to support the new business effort – if possible. Have someone responsible for building collateral, another for building lists, a digital person to create and manage the social and e-marketing campaign. This way your new business hire can keep focused on what you need him/her to do – make the calls and find the opportunities.

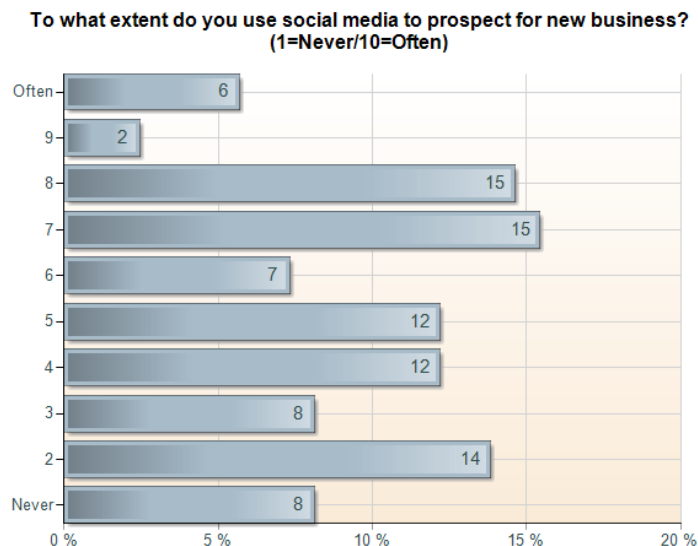
- **When your new business manager is absent of focus, and absent of the right skill set, you end up with useless meetings:** meetings with the wrong people, meetings that are forced, meetings that have no chance of continued discussion. You also end up with someone representing the Agency that can potentially make it look like the Agency doesn't really understand the Marketer's world.

Please select all the reasons why you think the new business hire was not that successful.



- **Implications:** When we hire, we look for people that have marketing experience, sales experience, and have either worked directly for an Agency or have worked on the client side with an Agency. We have seen Agencies hire ex-pharmaceutical sales people because they wanted to build a pharma practice – or hire the guy with the Rolodex – who has been at three other Agencies with the same Rolodex. In the end, it's about being smart, strategic, and value-added in your approach to outreach. It's making the conversation relevant – and showing the Marketer that you have some understanding of their business and their problems – by showing them you've dealt with similar situations with your clients.

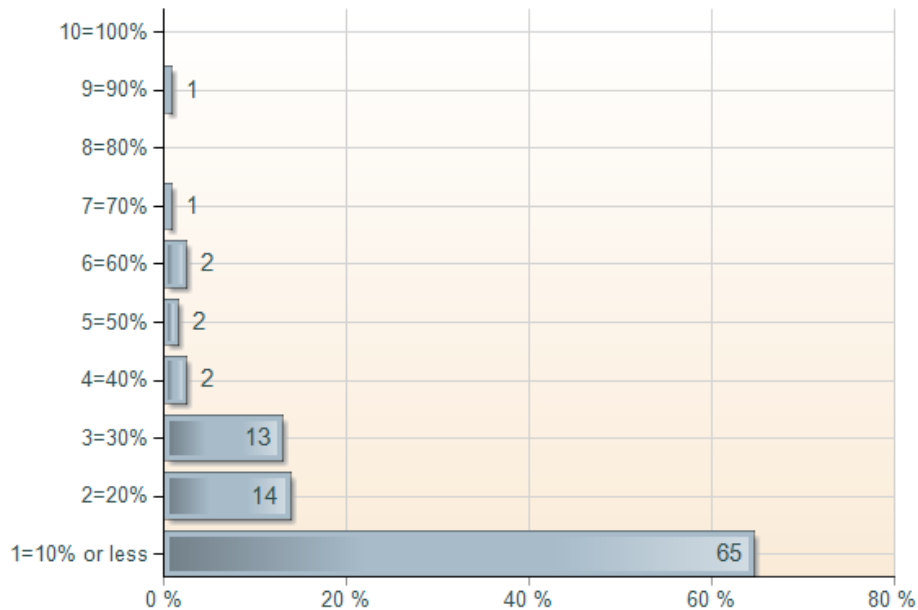
- **Another approach to keeping your Agency on the radar is social media. But key is using it wisely and bringing it to life.** While there are some who tout social media as the be-all-end-all to solving the world's challenges related to bringing on Agency new business, our perspective is a bit more balanced.
- Social media is important, and it should be used, but finding the sweet spot in its use is tricky. We've seen some Agencies get so enamored by it that it becomes all they do – and we've seen others who with good intent – start, then stop – only to make their social front face to their prospects' worlds look pretty bad.
- As noted below, the use of social media for new business is there. 38% of Agencies rated 7+ on a scale of 1-10 (Never/Often) when asked to what extent they use social media to prospect for new business.



Implications: If you use social media, three things need to be considered: 1) Stick with it. Don't start and stop otherwise you'll look bad; 2) Don't let it consume you. As we'll see on the next page, social media isn't going to drive that much business in the grand scheme of things; and 3) Activate it. Don't just blog and let it sit. Make sure you have a well thought out strategic plan on how to orchestrate all media, and how to push it out to prospects so they can appreciate the value you're bringing to them.

- **Even among those that use social media more often, the amount of new business generated from this approach isn't significant.** 60% of Agencies that are aggressive social media players only generate 20% of their business from this approach. As noted below, 65% of all Agencies surveyed say that 10% or less of the business is generated via these social media methods.

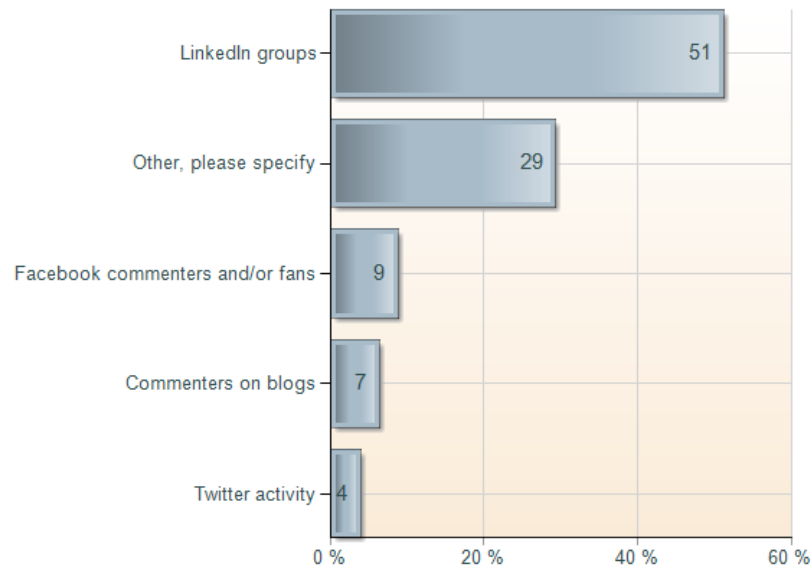
What percent of your new business revenue over the past year has come in to the agency as a result of your social media outreach (as best you can tell)?



- **Implications:** Key is finding the balance. We at RSW/US recently put together a social media training module for existing clients. The intent is to help Agencies determine their likely levels of involvement in social media (given all else that goes on in their world) and then building a program that can realistically be met given these limitations.

- **If time is spent anywhere, spend it on LinkedIn** – the one tool that most Agency executives note that helps them the most on the new business front.

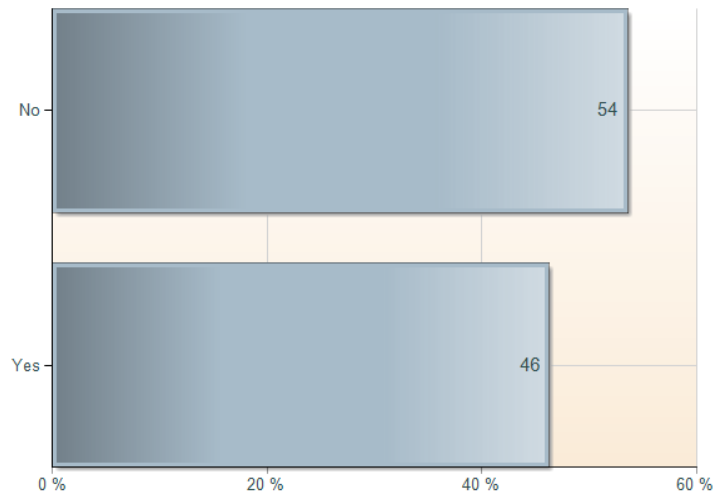
Please select the one social media tool/technique that you feel has been the most productive at helping you unearth new business opportunities.



Implications: Use of LinkedIn can be beneficial on the front and back-end of prospecting. It can be a great tool to search through companies to find prospects, it can be a great tool to share value with communities of prospective clients, and it can offer insights into a prospect you're trying to engage.

- **As the world of new business changes, so changes the world of search consultants.** While 46% of all Agency executives surveyed have participated in a search via a search consultant, it appears based on a recent Adweek article that those numbers may be on the decline.

Have you ever been involved in a search where a search consultant was involved?



- As the economy continues to struggle, the Adweek article indicates that more Marketers are circumventing search consultants and managing the searches on their own. This could be partly driven by the types of assignments they are looking to fill (e.g. more specialized versus AOR assignments) and could be also driven by other factors.
- Agency executives in our survey noted a number of other factors that could be driving Marketers to look for alternatives to traditional search consultants. Among them are:
 - Economic pressures making the cost of hiring a search consultant too great
 - Limited value (relative to the dollar spent) that search consultants provide
 - Consultants have conflicts of interest
 - Consultants slow the process down

Implications: If you get involved in a search, know what you're walking into. Ask the tough questions – and don't just be flattered that you've been asked. Is the incumbent involved? Is the Marketer really serious about a new Agency? Why are they looking? How many other Agencies are involved? All fair questions for an Agency executive to ask a search consultant. If you're feeling at all uneasy about the search, don't be afraid to pull yourself out – diplomatically and respectfully. Don't burn bridges and explain why you're a bit concerned. If the search consultant is worth their weight, they'll understand and likely respect you for making the decision you've made.



- **Without question, the world of new business has changed.** No longer is it a game of networking and referrals. And no longer is it a game of schmoozing search consultants. It has become a world of much more aggressive outreach.
- **While social media has become an important part of the overall outreach strategy, it is by no means the be-all-end-all.** Social media is important but it must be ACTIVATED and it must be part of a more fully integrated marketing program.
- **Regardless of the media used in ANY program, the messaging must be value-added, must be consistent across media and must be presented in a consistent manner.** A stop and start program and/or a program that doesn't present a consistently themed message will fail – just like a poorly executed ad campaign. It's no different.

The following pages contain open ended comments made by agency executives on specific questions asked during the course of the survey.

Appendix (Open-Ended Comments)

(Note: Responses not proofed for grammar or spelling)

| |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>According to a recent article in Adweek, there has been an uptick in accounts shifting to agencies that have ties to executives (from past relationships). What is the primary reason you think this uptick is happening today?</p> |
| <p>Response</p> |
| <p>Trust and lower risk - they know what they'll be getting; Job security - because of the prior two reasons, the executives who now have less job security go with someone they trust and know what they'll deliver.</p> |
| <p>Fear of the unknown</p> |
| <p>no</p> |
| <p>Not sure - what we see is companies still agreeing to high-dollar agencies even though we pitch to their desired needs of being more budget-conscious than last year!</p> |
| <p>less risk for executive</p> |
| <p>Fear of the unknown. We have front row seats to the biggest changes in marketing in the past 60 years. That breeds a tremendous amount of anxiety from clients as to what or who to turn to. Having a prior relationship reduces that feeling.</p> |
| <p>Trust and familiarity</p> |
| <p>Trust</p> |
| <p>Companies hire the "people" they like.</p> |
| <p>TRUSTING A PERSON IS MORE IMPORTANT IN THE AGE OF "SOCIAL MEDIA"</p> |
| <p>average loyalty can be measured typically in 18-23 months cycles in most aspects of our "society". As the channel gyrates... relationships migrate through the funnel</p> |
| <p>Familiarity in an unsettled economy. if they were happy with the relationship portion of the business they will gravitate to keeping what they know and feel comfortable with, intact. It is something they can control.</p> |
| <p>no margin for bad choices errors</p> |
| <p>Convenience and a level of comfort based on previous performance of agency for executive who had relationship with agency.</p> |
| <p>Trust is a big issue. If they've had a positive result in the past it's easier to convince yourself that you will have a positive result again. Success begets success.</p> |
| <p>Executives are more interested in performance and less in the flash and glamour of a dog and pony show.</p> |
| <p>Nothing new here. Agency executives have a rolodex of people they know and who trust them. They will get the nod 80% of the time.</p> |
| <p>It's all about relationships -- the known vs. the fear of the unknown</p> |

According to a recent article in Adweek, there has been an uptick in accounts shifting to agencies that have ties to executives (from past relationships). What is the primary reason you think this uptick is happening today?

The FUD factor.

confidence from prior relationships

Executives have faith in those with whom they have worked in the past.

Working with someone you trust is more important than ever now.

A little more optimism about the future, so advertisers want to be ready. Start getting ready today for what hopefully will occur twelve months from now.

kickbacks?

Takes less time to enable an agency transition, also less risk in going with a known entity.

People are realizing the benefits of networking and maintaining deep relationships with the C-suite.

Speed is so important. If an existing relationship enables a bond of trust to already be established, the client and agency can get right to work.

trust factor

Executive are comfortable with old contacts, those contacts seem less risky.

you get the benefit of a new agency with a fresh outlook on an account...with the safety and comfort level of working with an account manager or executive you KNOW (and presumably, have faith in).

Budgets

They feel like they will get more from you by promising new work, while working with someone they are comfortable with.

Agree

Known quantity and prior success together.

Perceived security in knowing the contact.

Marketing officers are being transitioned much more frequently.

Perceived safety driven by fear.

Have not seen an uptick in this trend. It has always been a factor. I would guess if it is increasing, it is due to marketing executives becoming more risk averse during difficult economic times.

Smarter clients and hunger for social media/digital counsel

Trust, perceived increase in value

Possibly the movement of CMOs and their corresponding relationships with agencies.

According to a recent article in Adweek, there has been an uptick in accounts shifting to agencies that have ties to executives (from past relationships). What is the primary reason you think this uptick is happening today?

"Trust" "Familiarity" We just went through this. A client we met with liked our knowledge and abilities but since another agency has worked with this person at two other locations, they went with that firm and then asked us to do a joint venture with that agency.

Unsure

Matters of trust and the sense of returning to a better time.

Relationships actually have a better chance of succeeding than a spec pitch.

'Hope' that things are getting better

trust and existing knowledge of their brand

The agency business (at least on a local level here) has always been a relationship business, so it only makes sense that in a down or stagnate economy clients want agency relationships they feel they can trust, and past relationships with execs feel more stable and secure in that regard.

Same as always - comfort with relationship

With tighter budgets, clients want some assurance--the security/confidence that comes with previous relationships

PEOPLE FINDING JOBS WHERE THEY CAN AND USING OLD CONTACTS. PEOPLE THEY CAN TRUST

Relationships are important. Need for immediate sales/fresh approaches!

CMOs have less time to grow their business, they want to use people they trust.

Makes the process go faster if a senior exec can vouch for the agency.

It's all about trust and relationships. Always has been, but when times get tough and stakes get higher, trust is even more vital.

Trust - existing sense of trust and respect; also less time consuming to go with what is most likely perceived to be more of a known entity - someone you know and have worked with previously.

Trust and proven performance are more important than large and noteworthy. Executives have to make every dollar count and there's not leeway for doing things the way they've always been done or just going with the brand name nationals because it's safe.

less risk to change, lowered cost to change or explore a new agency

familiarity and trust

People want to take less risk, so they are going with who they know, which i suspect means they believe there are better odds of success

Complexity

| |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>According to a recent article in Adweek, there has been an uptick in accounts shifting to agencies that have ties to executives (from past relationships). What is the primary reason you think this uptick is happening today?</p> |
| <p>With so much uncertainty in the economy/market, clients are playing it safe and doing business with "known" entities - i.e. people they've worked with in the past.</p> |
| <p>Relationships are key- even more so in a competitive environment. It's a valued connection and a value in itself.</p> |
| <p>Industry knowledge</p> |
| <p>its all about relationships</p> |
| <p>comfortable relationship and knowledge</p> |
| <p>Relationships</p> |
| <p>There's so much new (and frightening) stuff going on, people want the familiarity of at least knowing who they're working with.</p> |
| <p>It is an extreme risk for (marketing) executives to bring on board an agency they do not trust can do the job they need done because they will be personally blamed for it (by the C-level) when the "unqualified" agency fails.</p> |
| <p>More trust in these relationships.</p> |
| <p>Networks have become more important as resources shrink. You want to business with people you know and trust during questionable times.</p> |
| <p>Established relationships are key. Also, the agency ecosystem is changing and evolving, making it tougher for clients to make an agency switch.</p> |
| <p>More movement on the client side</p> |
| <p>the industry is moving and changing so quickly, you want to limit the amount of people who actually know how stupid you are, so you stay in your comfort zone to protect your job.</p> |
| <p>A successful professional relationship exists so it's possible to tackle the opportunity or issues without having a preliminary warm-up act.</p> |
| <p>Don't know.</p> |
| <p>Accountability, Trust Hoping they look out for them and will give them a better rate structure.</p> |
| <p>Saves ramp up time and training costs.</p> |
| <p>Last year's financial turmoil caused turnover in the marketing ranks.</p> |
| <p>Comfort in the investment being made.</p> |
| <p>Fear of making a mistake. Rely on someone you know and trust.</p> |
| <p>Trust issues and the importance of relationships.</p> |
| <p>Not sure</p> |
| <p>People trust people they know or are recommended or referred.</p> |

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| <p>According to a recent article in Adweek, there has been an uptick in accounts shifting to agencies that have ties to executives (from past relationships). What is the primary reason you think this uptick is happening today?</p> |
| <p>the trust factor - track record, less risk with someone that you know</p> |
| <p>Existing relationship and trust</p> |
| <p>companies are more interested in exploring small agencies like ours with solid core competencies. and we are asked to clean up some messes. However, in both cases clients are wanting far less than they were expecting from their larger firm or than they paid their agency who created the mess.</p> |
| <p>"Ties to executives" implies historical relationships which translates to certain level of preexisting confidence (i.e reduced risk for the company) in the hired agency.</p> |
| <p>Trust</p> |
| <p>Mostly due to trust through relationships. With so much executive hopping around over the past year, makes sense that there is an uptick.</p> |
| <p>People are more fluid in moving from job to job.</p> |
| <p>They know your work and they need to trust who they are going to work with.</p> |
| <p>I think that people are looking to remove risk from their decision on who to hire and previous experience with an individual helps. Also, the pressure for immediate results is increasing, so beginning where relationships and chemistry already exists helps to bring the relationship up to speed quicker.</p> |
| <p>It is a safer situation for them</p> |
| <p>SPECULATION: known, trusted relationships in uncertain times.</p> |
| <p>Trust</p> |
| <p>Confidence - With the challenges and uncertainty of the economy, and the lasting nature of the economic downturn, executives are seeking security by working with Agencies that have performed for them in the past.</p> |
| <p>Building and maintaining long-term relationships is more key now.</p> |
| <p>In troubled time people migrate to what they know is safe.</p> |
| <p>Safety or fear of something completely new</p> |
| <p>Shorter time to generate results so clients want to move quickly versus long involved search for agency</p> |
| <p>People are more mobile in the job market.</p> |
| <p>By working with the familiar they have immediate repoire, trust and maybe even fun. Less energy needs to be spent building a relationship and you can focus on business and delegate more because you trust them.</p> |
| <p>Haven't seen this.</p> |
| <p>Trust issues. Agencies over promise and under deliver as a general rule to win business. Past relationship come with some credibility you can do the job.</p> |
| <p>Complexity. Where/How best to spend limited dollars. Going with people who have delivered in the past.</p> |

According to a recent article in Adweek, there has been an uptick in accounts shifting to agencies that have ties to executives (from past relationships). What is the primary reason you think this uptick is happening today?

experience with that person; more control; no surprises

Trust. They already know how you think/work....and you know what they want/expect.

more movement of executives and agencies understanding of relationships at the C Suite level

Agree with ADWEEK'S take

Trust is more important than ever and people trust those with whom they've already worked.

companies are looking for ways to improve performance in a tough economy

Trust

To much turnover in agencies makes client loyal to a face, not the agency team. Also, no contact with staff doing the work for client.

Business/Enterprises are arriving at the point that hunkering down can only last so long. They need to build the top line - there is only so much bottom line cutting that is left to cut.

People are more comfortable with a "known" quantity. They are being held even more responsible for results and fear screw-ups. So going with an existing relationship feels safer than taking a chance with a new agency and putting their heads on a potential chopping block.

They know what they are getting

Change in marketing leadership at clients Search for agency solutions beyond holding company agencies

there may be an element of trust and integrity within top management

Loyalty to former executives.

According to a recent Adweek article, there also has been a recent reduction in the number of reviews managed by consultants - clients (marketers) are doing it themselves. What is the top reason why you believe this is happening - that marketers are bypassing consultants and managing the searches themselves?

Response

Cost to value ratio - more than ever, marketers are questioning value in every decision; if the value isn't far outweighing the cost then they won't pull the trigger - saving money. I would also assume they are now being held more accountable so they want control of the process and decision.

1. Budgets 2. Apparently the value did not exceed the price

1:1 relationships

Trying to save fees and money is their excuse.

not sure

Cost

Cost, plus the previous answer about trust and familiarity. Only "known" agencies are being invited to bid.

smaller margins on accounts means less profit which means agency budgets are tighter

They understand their own business better and it saves them money.

AGENCY SEARCH CONSULTANTS ARE A THING OF THE PAST, ANOTHER USELESS COST

I am finding "finish line" reviews followed by bouts of hesitation based on uncertainty of the economy. Confidence has been shaken since late April

Lesser perceived value of the consultant being fueled by marketers having more time on their hands and figure they can do it themselves.

Cost

Cost and the fact that so many accounts seem to go into review on a more frequent basis. Are consultants designing obsolescence into their agency recommendations in order to generate more consulting work in a few years?

Budgets are tighter and internal people are feeling the need to show their value to company leadership. If they can cut a piece out and still be successful they will.

Consultants don't know the company well, and neither do the agencies. An inside person may have a better understanding of the client and its needs and its cultural fits.

More pressure to find effective, long-term relationship while dealing with tight budgets that preclude hiring of non-core functions such as a search firm.

Perception that searches are "rigged", compensation is pro-client and agencies get screwed, too expensive based on process.

We almost never go through reviews...reviews are pretty well pre-wired

As we have not had any experience with consultant-managed searches, I can't really answer this question.

According to a recent Adweek article, there also has been a recent reduction in the number of reviews managed by consultants - clients (marketers) are doing it themselves. What is the top reason why you believe this is happening - that marketers are bypassing consultants and managing the searches themselves?

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| <p>Clients perceive (correctly) that consultants have not demonstrated their value.</p> |
| <p>Cost</p> |
| <p>I expect it's nothing more than cost-avoidance, not wishing to incur the cost of a consultant.</p> |
| <p>Money is scarce and consultants are probably one of the first things to go.</p> |
| <p>Looking for independence. I believe marketers may feel the consultants are biased to their "camp" of agencies and they (the marketers) may not get presented the full playing field of agencies.</p> |
| <p>No money to pay consultants so marketers are actually have to do their jobs these days</p> |
| <p>probably to save cost</p> |
| <p>Unfiltered feedback from agencies and why pay a middle man?</p> |
| <p>I believe that's about cost. I hear Dell's old campaign "eliminate the middleman" in my head.</p> |
| <p>costs for consultant</p> |
| <p>Consultants are viewed as an unnecessary expense.</p> |
| <p>Cost, primarily. And also, CMOs who have the experience and ability to run their own reviews can use that to increase their own value to their CEOs, COOs and Boards. They're likely saving the company money by managing it internally, AND they're showcasing this additional skillset.</p> |
| <p>cost, egos</p> |
| <p>keeping expenses low to win the bids</p> |
| <p>don't know</p> |
| <p>To save money.</p> |
| <p>Can't afford the consultants.</p> |
| <p>Marketing budgets have dropped and they are saving money doing it themselves.</p> |
| <p>Cost of process.</p> |
| <p>To reduce cost.</p> |
| <p>Potential clients are getting smarter about new business - we participate in almost NO competitive RFP-style reviews and absolutely no reviews that involve procurement or outside agency search consultants.</p> |
| <p>Social media</p> |
| <p>Overall, we have seen a strong movement for marketing companies to internalize MANY tasks or functions that have historically been the responsibility of agencies -- part of their cost saving/reduction initiatives.</p> |

According to a recent Adweek article, there also has been a recent reduction in the number of reviews managed by consultants - clients (marketers) are doing it themselves. What is the top reason why you believe this is happening - that marketers are bypassing consultants and managing the searches themselves?

cost

Consultants are paid. Referrals are organic.

Consultants bring little, if any value to the process.

Consultants seem to have their fingers in too many pies - conflicts of interest

budget

It appears to be simply a cost-cutting move.

Ease of searching Internet, blogs, social

save money--there's a DIY mentality out there in many arenas

CAN NOT AFFORD

Save \$.

The search consultants always pick from the same small pool of large agencies. It's difficult to justify the expense of a search consultant - where's the ROI. In this tough economy, a search consultant is an unnecessary luxury

Consultants slow things down and structure their service to maximize their own revenue. A barrier, not a help.

If they are seeking agencies/people with whom they already have relationships, I don't know why they would need a search consultant. In addition, they may simply feel better having their own hands on the wheel.

Magic two - Time and Money Possibly percieve that consultants add to both - longer time lines / added costs

Cost.

consultants muck up the process, the processes they create overly complicated for all involved, as far as i can see they must be paid by the question in order to justify their engagement.

save money

They are getting cheap - don't have the money to spend on consultants, or don't want to

Relationships

So much information on agencies is now available on the internet, they don't see the need to pay consultant

Because consultants cost money.

The influence of social media

getting smarter as organizations to handle themselves perhaps

Costs

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| <p>According to a recent Adweek article, there also has been a recent reduction in the number of reviews managed by consultants - clients (marketers) are doing it themselves. What is the top reason why you believe this is happening - that marketers are bypassing consultants and managing the searches themselves?</p> |
| <p>The middleman has always, always been a problem for agencies. It's great that clients have figured out that consultants get in the way more than they help.</p> |
| <p>Can apply more of their variable marketing budget to other company priorities and personal career agenda.</p> |
| <p>Reduces cost.</p> |
| <p>Cost.</p> |
| <p>search consultants don't really add much value for the client that I can see, and definitely none for the agency.</p> |
| <p>They believe they know what they want and can save dollars by doing it themselves.</p> |
| <p>again, people want job security and don't want to have to go to their superiors and tell them that they are not qualified to find an ad agency.</p> |
| <p>Save money</p> |
| <p>Consultants are not objective but have been largely necessary up till now (like traditional retailers have been to consumers). Clients are better able to identify potential agencies themselves and are finding they can often find a better fit themselves (like consumers using Amazon). And when these clients do reach out directly, it's easier to get agencies attention in tighter times – agencies will respond directly to prospects more responsively now because they are hungrier than ever.</p> |
| <p>Yes. Due to the extra cost and in most cases bias reviews anyway.</p> |
| <p>Probably to save money. Hiring third parties to select agencies is a relatively recent phenomenon.</p> |
| <p>Cost and more powerful procurement.</p> |
| <p>Too much as stake and the relationship between client and agency is too important to leave to someone else.</p> |
| <p>Cost.</p> |
| <p>Because the consultants are not seen as providing sufficient value and have encumbered the new business search with process instead of guiding a process that truly helps ascertain whether there is a good client/agency fit and chemistry.</p> |
| <p>Reduce consultant costs</p> |
| <p>one-on-one relationship building is key to successful partnership</p> |
| <p>cost - corporate accountability</p> |
| <p>Cost</p> |
| <p>I don't have enough experience here to answer</p> |
| <p>Cost</p> |
| <p>Financial</p> |

According to a recent Adweek article, there also has been a recent reduction in the number of reviews managed by consultants - clients (marketers) are doing it themselves. What is the top reason why you believe this is happening - that marketers are bypassing consultants and managing the searches themselves?

Consultants have their own agenda and the economy is down.

Too many cooks in the kitchen and clients want the hands on, face to face prior to the pitch

Reducing expenses and feeling a greater accountability to the decision. Getting more involved in the process can give a greater sense of chemistry and fit than being removed from the process by having consultants involved.

Cost and time required

Don't know.

Consultants make the process more difficult than it needs to be and isolates the client from what needs to be THEIR relationship.

Time spent by internal resources is being devalued as marketers are expected to do more with less, and work days get longer as competition for positions remains higher. Marketers are being held strictly accountable for budget expenditures, and need to be able to justify the monetary return (vs. softer time savings / efficiency returns).

Dollars

Save money

Cost

Costs

Clients get to know the agency personnel and personalities.

Number one driver is probably cost and with the economic slowdown clients probably have the time to do the search as new product launches are down (my observation).

Also haven't seen this.

Clients can be cheap and don't recognize the value of such a process so they aren't willing to pay for it. Clients often think they can do things on their own and it often back fires.

If you spend a lot of money on consultants, you probably feel that you need to follow the advice given/the direction in which they take you. For a variety of reasons, it doesn't always work and you can be down the road a long ways before you realize it's not working. And then you've got to do it all over again. Besides, you're paying the VP Marketing a lot of money. Make him/her do the job and take the responsibility for doing the job. It's not about the fee.

more control; smaller budgets

Lack of funds to pay consultants

cost and the agency chose needs to "connect" with the client team.

Costs of consultants

Budget.

According to a recent Adweek article, there also has been a recent reduction in the number of reviews managed by consultants - clients (marketers) are doing it themselves. What is the top reason why you believe this is happening - that marketers are bypassing consultants and managing the searches themselves?

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| Fees |
| Cost and cost and cost. |
| Consultants add very little value. (Based on client feedback and conversation) Very few allow true interaction and agencies get picked based on "presentations" rather than fit and chemistry. Consultants are barriers and don't want the wall of secrecy unveiled. |
| To save money. |
| budget constraints and clients have more time due to lower budgets and fewer new product introductions and promotions |
| Cost to client of consultant led search Client confidence that they have a good handle on agency resources |
| streamlining the process |
| The economy. |