

RSW/US

Agency-Client Relationship Experts

In partnership with:



**Agency
New Business Survey**

Agency Perspective



Background

This survey was conducted in partnership with Second Wind (www.secondwindonline.com). 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 principals.

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.

212 agencies responded to the survey.

In an attempt to add value and help you improve your own efforts as you work to plan for 2010, we have prepared an overall executive summary for ease of reference and perspective/implications relative to some of the key results in the study.

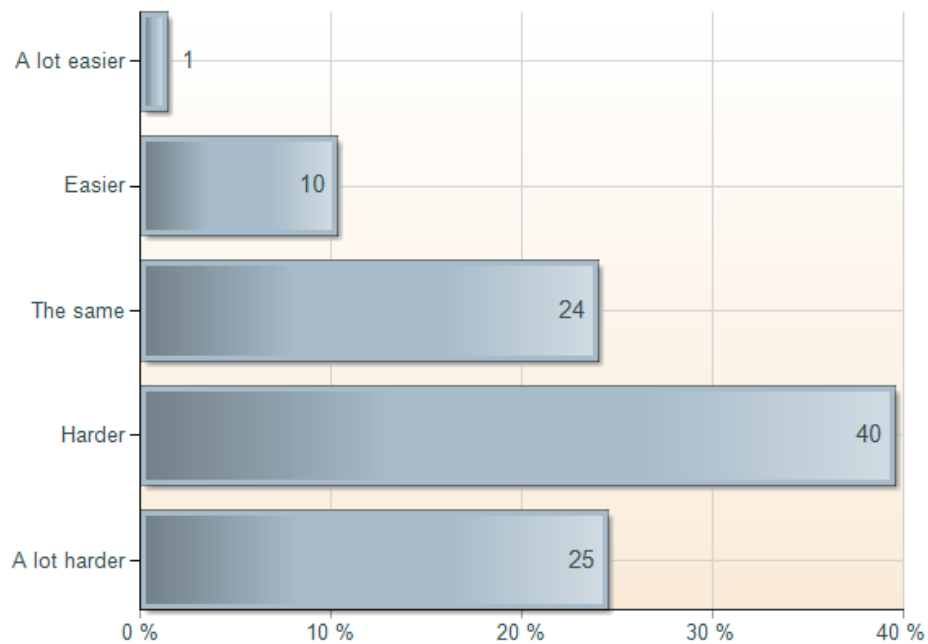
If you would like to reproduce any of our findings in any format whatsoever, please give us a call (513-559-3101) or drop us a line. If you would like to discuss any of the information below, please feel free to reach out: mark@rswus.com.

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.

Executive Summary/Overall Survey Implications

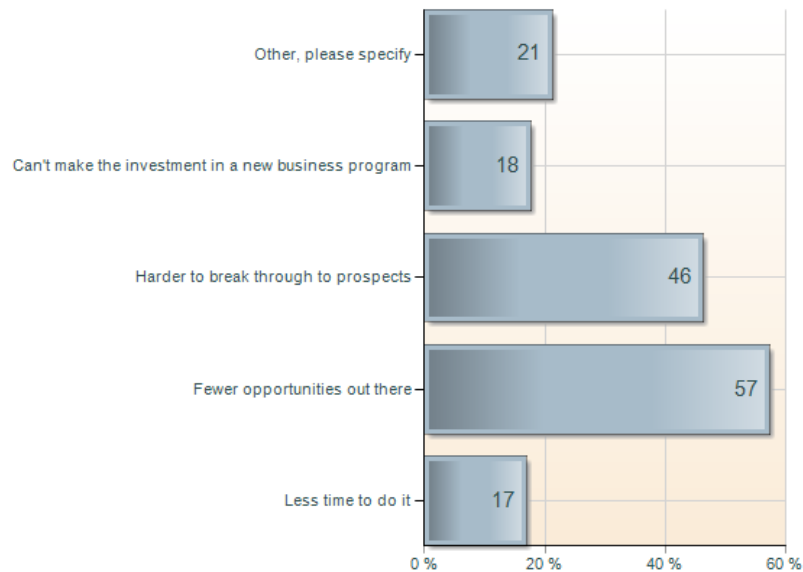
- No huge surprise on this first finding. 65% of agency executives surveyed believe that it is either “harder” or “a lot harder” to obtain new business this year, than it was last year.

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



- The primary reasons agencies state that they are having a tougher time this year is there are fewer opportunities and they seem to be having a harder time breaking through to prospects.

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



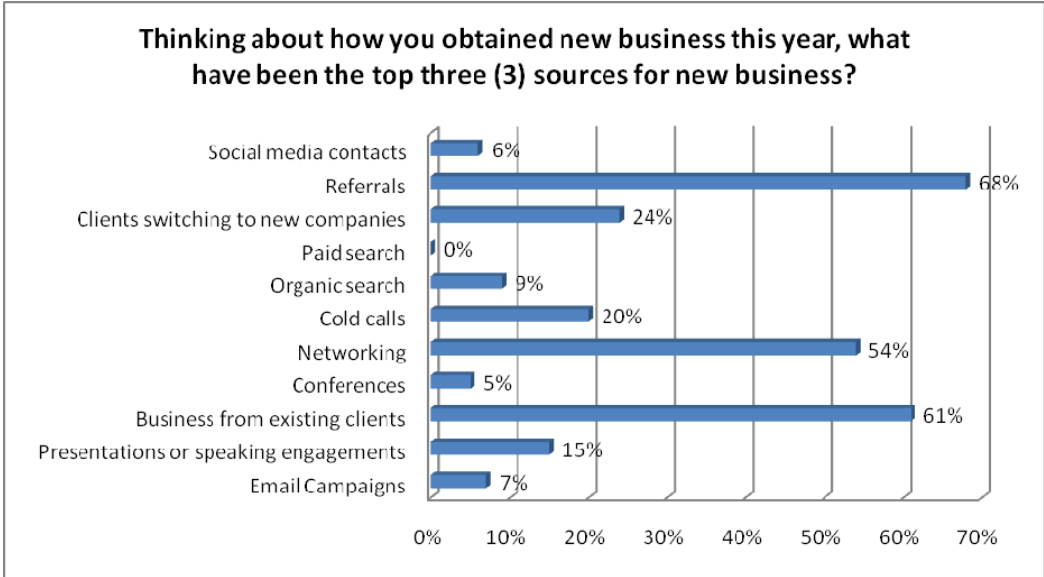
Implications: Agency executives need to crank up the number of prospects they are targeting (if the pool isn't that big). Obviously there needs to be a balance between reaching out with relevancy and throwing the net out wide, but only targeting a "Top 20" list isn't going to win the day. Don't get me wrong...it's ok to have the short list (or the "A" Priority List), but you can't rely on it.

As far as breaking through, the key here is maintaining consistency of reach-out. It can't be a start and stop exercise. It's obviously harder today than ever to dedicate the time (as you're probably spending a lot of time working with the clients you have extra hard), but you need to find the time to keep the prospecting consistent and politely persistent.

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.

Create a process/schedule and stick with it – even if it means working a couple more hours to get it done. Assign individuals with specific tasks if you can't handle it all yourself – parse out the list building and maintenance, the mailing and emailing and the calling to different people in the agency.

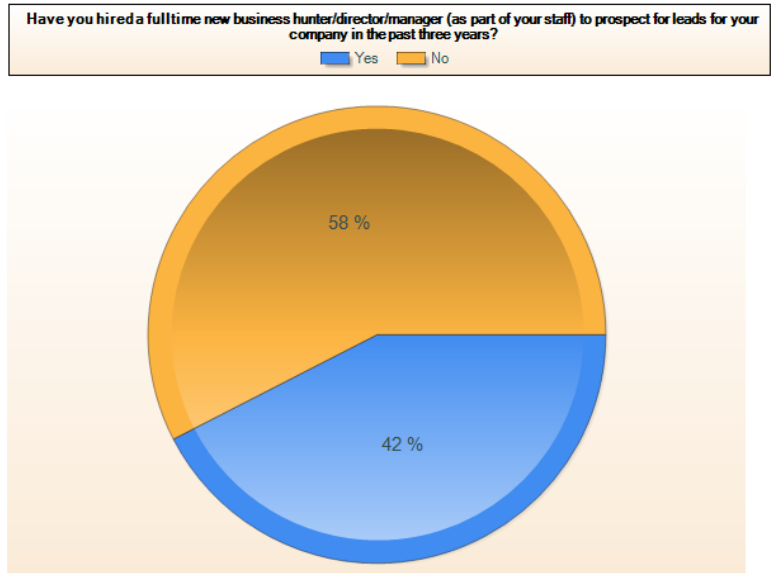
- Agencies seem to still rely heavily on the same tactics to find business (networking, referrals, and existing clients). While all can be good complimentary resources, agency executives can't only rely on these tactics to win new business long-term. We have seen these opportunities slip for a growing number of firms over the past few years – and consequently those firms needing to find new ways to increase the pipeline of client prospects has also seen an increase.



Implications: 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.

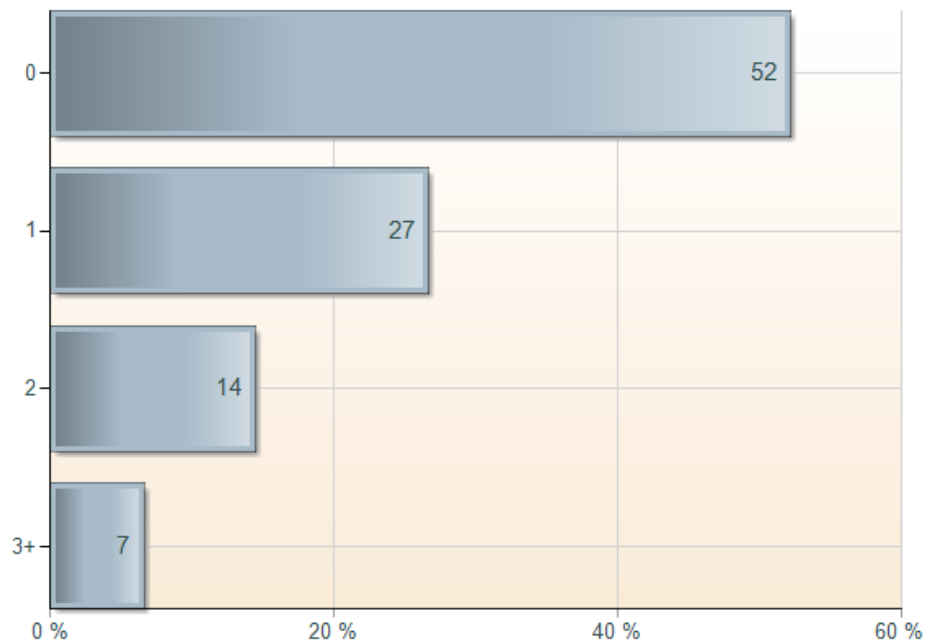
In addition to creating a more formalized methodology to manage outreach, you can also work to elevate your perceived “expertise” in your space by presenting at shows or hosting roundtable discussions at conferences. The value of this approach is not so much what you get out of the show, but it’s what you can do with it prior to, and after the show. Market your presence to your prospects; offer to give them the same presentation; create an email series that highlights key findings from your presentation – one at a time – over the course of a multi-month period.

- 42% of agency executives surveyed stated that they have tried to bring in a new business manager to help them with their new business outreach efforts.



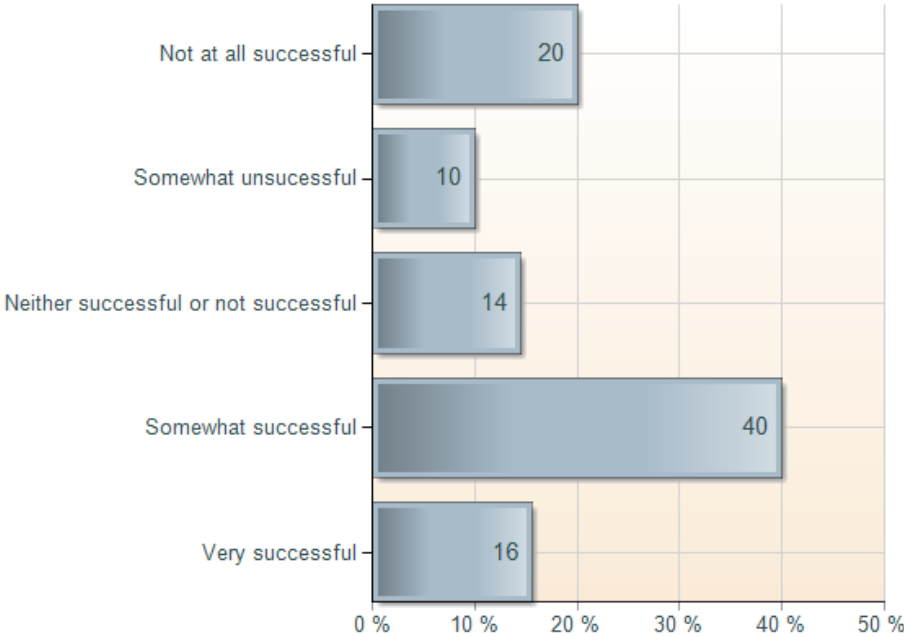
- 48% stated that they had to replace this person at least once over the course of the past three years.

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



- And only 16% characterized the performance of this individual as “very successful”. 44% of agency executives rated the performance of this person as either “neither successful or unsuccessful”, “somewhat unsuccessful”, or “not at all successful”.

Thinking about your last new business hire, how successful or not successful would you say the new business hire was/is?

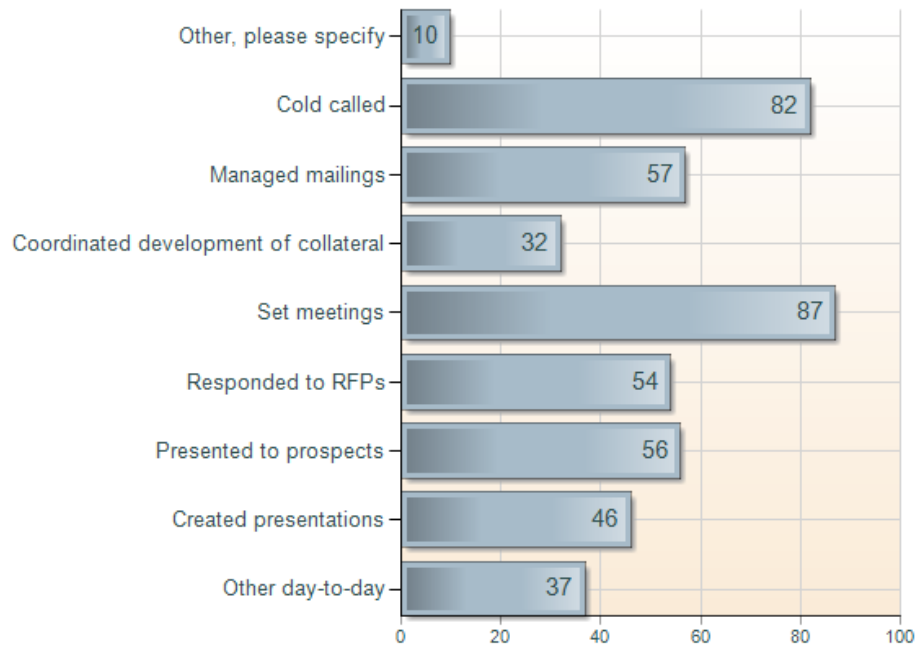


Implications: You have to be careful about what you bring into the agency to support your new business effort – and you have to be sure that what they bring to the agency is a well thought-out, well organized process. Simply finding the ex-healthcare sales guy to help you build up your healthcare practice isn’t going to be good enough. We’ve seen it fail time and time again.

When we hire, we look for three tangibles and one intangible. The three tangibles are marketing experience (having worked with/for agency), sales experience, and client management experience (because they have to manage you, the principal). The one intangible is the energy, passion, and enthusiasm needed to embody the agency and embrace the sale of what is a very amorphous “product”: agency services.

- Part of the challenge faced by new business managers (and their agencies) is it is often difficult to keep your new business manager focused on the task of reaching out and building awareness of your agency. As noted below, many new business managers are tasked with a multitude of responsibilities – making it hard to keep up the consistency needed to find qualified opportunities.

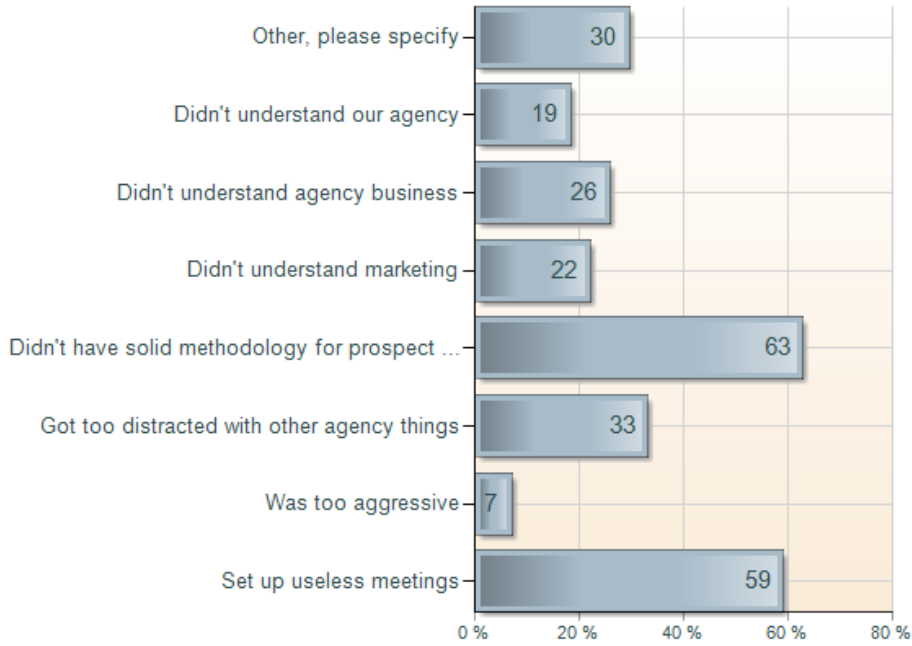
Thinking about your last new business hire, please check all the things this individual was responsible for.



Implications: Instead of asking your new business manager to do all the things others can do, we suggest creating a new business *team* – with the principal as the guider and director. Unless the new business person was brought in to specifically do the job of creating presentations and responding to RFPs, we suggest keeping the person responsible for hunting - focused on the task of hunting.

- Agency executives state that the “distraction factor” is one of the primary reasons why new business managers fail. They also cite “lack of methodology”, and “set up useless meetings” as two other primary causes for less than optimal performance.

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



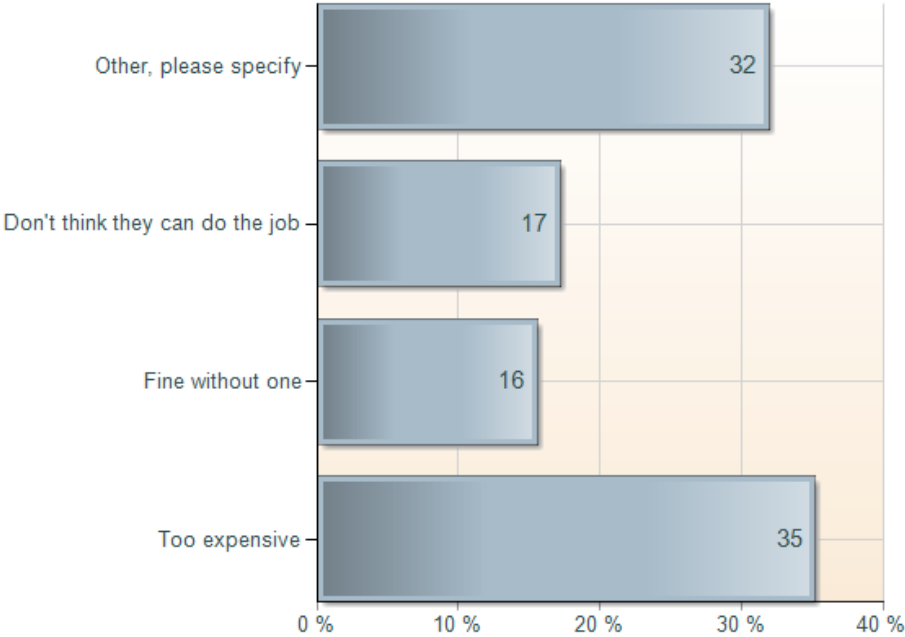
Implications: Key is keeping the new business manager focused on the task at hand, as we noted previously.

Also key is having your new business manager map out for you the plan they intend to use to reach out to prospect companies. How will they build list? What will they be sending and when? How many will receive the mailings or emails? How will you stay in touch on-going? What is your “brand story” and how will it manifest itself into everything you push out to prospects? It’s not just enough to create a cute mailer to capture the attention. Anyone can create the cute mailer. It is important to understand how they are going to elevate the perception of your brand today – and forever.

As it relates to useless meetings, we suggest creating a compensation model that rewards your new business manager for “good” meetings. When hiring your new business manager, clearly define what your expectations are so it’s crystal clear in terms of what you want to see when you get on that call with a prospect or sit in front of him/her in the meeting.

- Agencies cite “too expensive” and “can’t find the right talent” (primary response given below in “others”) as primary reasons why they haven’t hired a new business manager – if they haven’t to-date.

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

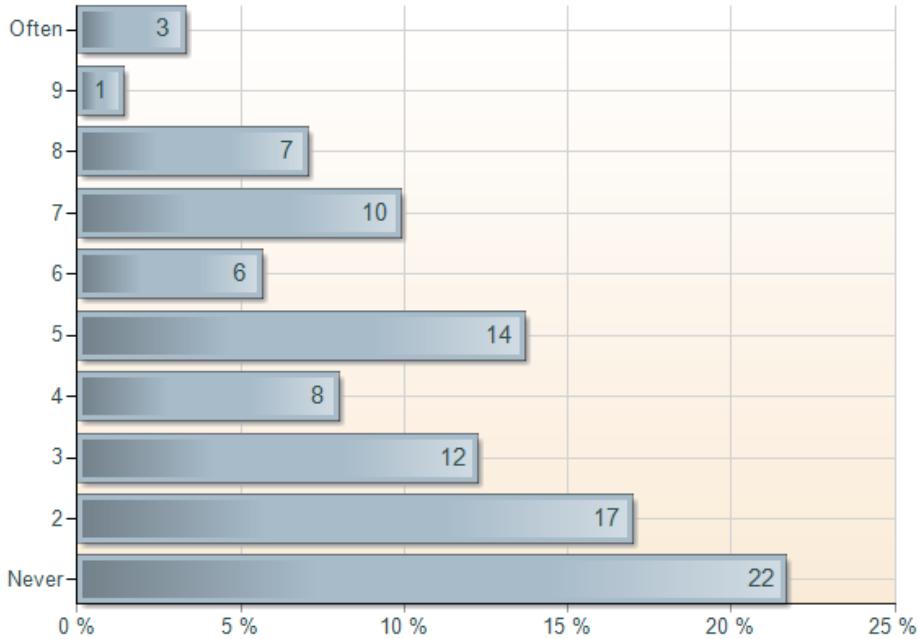


Implications: Consider a compensation structure that isn’t so base salary heavy – one that is driven in large part by the “win” or maybe driven in large part by the meetings (if they’re quality). Another consideration is outsourcing. There are a number of firms that exist today that only focus on marketing service firms – and can prove a more affordable, flexible and lower cost alternative to hiring inside.

The “too expensive” might also be driven by the fact that so many new business managers fail – which can be costly. As noted above, be unrelenting when it comes to finding the right person with the right set of characteristics.

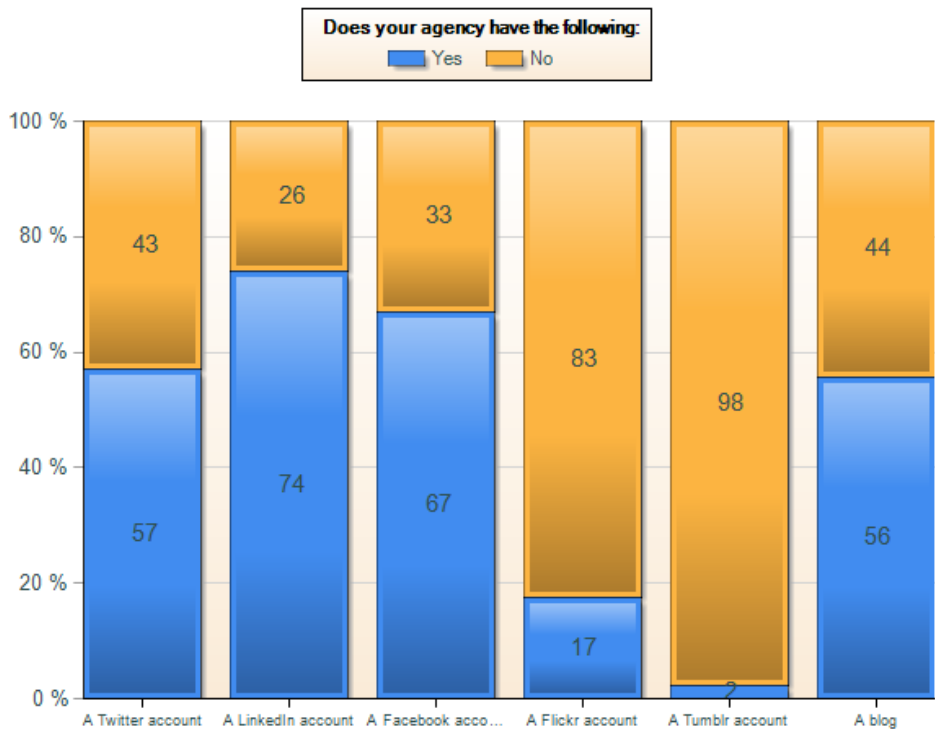
- As it relates to the use of social/digital and its use by principals in the agency new business game, the survey results indicate that there are very few agencies using social media for new business prospecting.

**To what extent do you use social media to prospect for new business?
 (1=Never/10=Often)**



Implications: I think the single biggest implication (aside from the fact that social media can be a good way to help win new business) is that if you're pushing social media with your clients and you yourself aren't actively involved with it, you're not "walking the walk". I've seen plenty of sites that don't have links to social media and plenty of social sites and blogs that haven't seen an update in months. While I think social media is a great tool for helping build new business, it's only great if used wisely, strategically, and continuously.

- Of the social mediums used, LinkedIn, Twitter, and Facebook are those that agencies are most often using. As noted on the next few pages, only LinkedIn seems to be getting the most activity (56% use most often) – which makes sense as it is a ready resource of contact information about prospects. I suspect few are using it to share ideas and participate as part of a community/group (just based on what agency executives are saying about where they’re getting their new business insights), but hey, it’s a start.

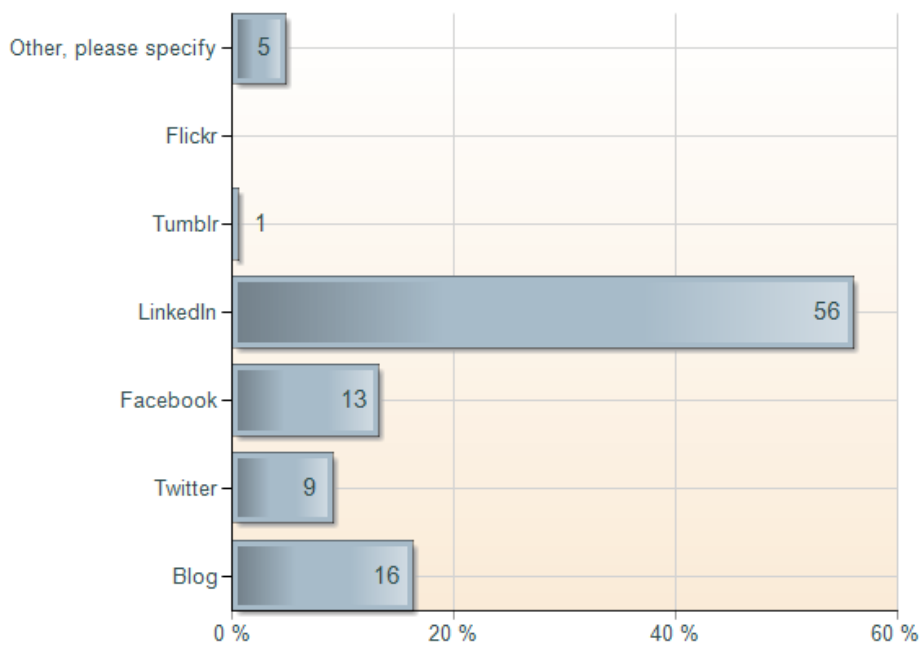


Implications: If you’re going to get these things set up, use them. Start with your blog – do a post. Then take that post and put an update on your Facebook account, then tweet about it. If you’re part of a group on LinkedIn, do the same. Make it all very value-added and do it with some modicum of frequency (maybe once a week) and you’ll start seeing the results.

The other thing you need to think about is how you’re going to use each of the mediums. When we launched all our social “stuff” six months ago we said our blog, The “ANB”, would be all about adding value. We said Twitter would be the “redirector” (in that it would tell the world when we would add new value on our blog), and that Facebook would be a place to not only post information about insights on the blog, but also a fun place that could showcase the personality of our “agency”. Right now we use LinkedIn the same way you’re probably using LinkedIn, to establish a presence and to find contacts.

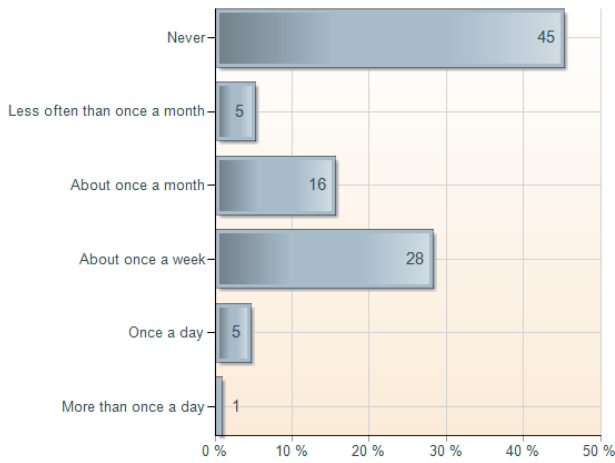
- The key to making social media work effectively for your new business program is not just doing it - and not just updating it so you look like you're playing the same game you're selling, but it's activating it once you've created it. I personally consider social media to be a passive medium and therefore agencies need to activate it. Social media will have little benefit if all you do is set it up and then do nothing with it (even if you do update it once a week). Create e-releases that you can push out to your prospects. Pop over an email to a hot prospect once in awhile on an interesting, value-added piece you wrote on some insights you picked up at a recent industry show. Make it work for you. It's not a "build it and they will come" kind of medium. There are many folks out there doing it and if all you do is "do it" without activating it, you'll just be one among many folk.

Which social media tool do you use most often for new business prospecting?

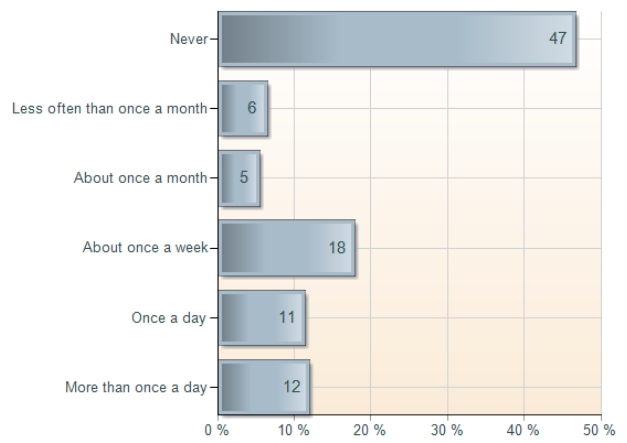


- When you get everything set up, I suggest you try and set a time aside each week to manage the media. Maybe it's every Saturday morning. Pour yourself a cup of coffee, sit down on the computer and pontificate. Post the blog, update Twitter and Facebook to "announce" the post, and maybe there's a group or two on LinkedIn that you think might benefit from your insights. Let them know about it. Then on the fourth Saturday...instead of only writing another post, push out an email blast to your prospect target group with an update on the latest insights from your world. Give the email a theme – and a look – so people in your space come to recognize it (and maybe even appreciate it). It's all a process, and not a terribly difficult one to manage if you set your goals reasonably and then stick to it.

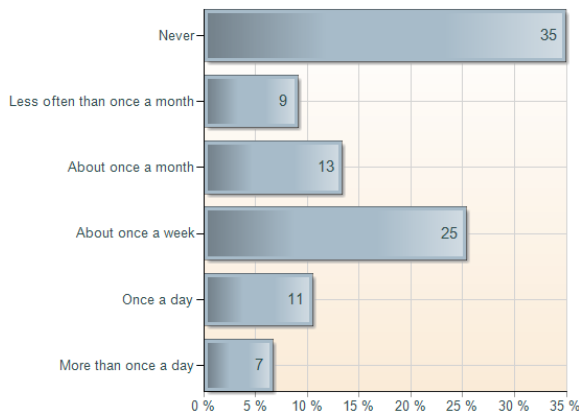
If you blog, approximately how often do you blog on behalf of your agency?



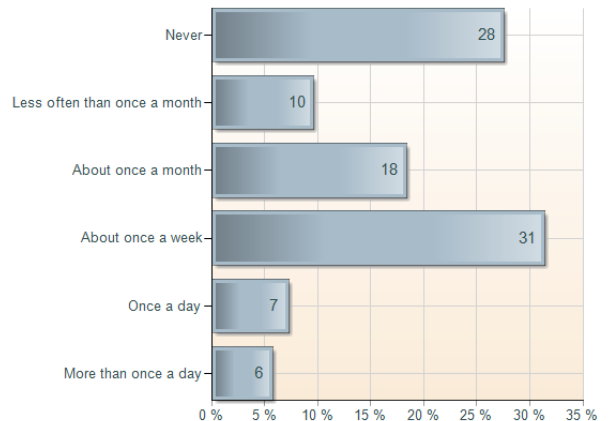
If you do use Twitter, approximately how often do you Tweet on behalf of your agency?



If you do use Facebook, approximately how often do you update Facebook for your agency?



If you do use LinkedIn, approximately how often are you actively using LinkedIn for the benefit of your agency?





- Lastly, here are some of the resources agencies stated that they use for new business insights. Hopefully it will prove helpful to you:

What blog/site do you read most often to gain insight on agency new business?

- Adweek
- mashable
- RSW/US
- AdAge Small agency diary
- Paul Field, Second Wind
- linkedin
- FUEL
- Brandweek
- adage.com
- The Denver Egotist
- Michael_Gass@mail.vresp.com
- PR Week
- Second Wind
- Adology
- marketing pros
- The List
- Seth Godin
- recourse.com, winwithoutpitching.com
- Marketing Forecast
- printinthemix
- FierceHealth
- AAAA
- ANB
- Chris Brogan
- iMedia, Ad Age, Search Marketing Monthly, NYT
- creativity_unbound
- Duct Tape Marketing