

Précis:

## The intelligent new business seminar

### Retain To Gain

...Tactics for digital agencies to organically develop their portfolios

Held on 4th February, 2010

At JWT, London

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#### *Introduction*

The Intelligent New Business Group (Pearlfinders, Rainmaker and Blossom) organises the Intelligent New Business Seminars to discuss agency new business best practice via a panel of experts. For more information or output from previous events please visit [www.intelligentnewbusiness.com](http://www.intelligentnewbusiness.com).

One of the most frequently mentioned ambitions we hear from digital agencies is to move from project-based work to longer-term relationships or retainers. Digital marketing is of course no longer a new phenomenon and consistently outstrips other disciplines in terms of growth in spend. Increasingly it is also a lead discipline for a brand's marketing strategy. Brands are therefore welcoming overtures to transform relationships for the longer-term, but only if the agency handles its approach correctly.

Since we started them in 2002, Rainmaker's annual Intelligent New Business Surveys have indicated that positive referrals and recommendations from colleagues are critical influencers for new business success. But while some appear to effortlessly grow new clients, others struggle. Many focus on delivery of the initial project with little thought about what happens next.

So how do you achieve the holy grail of taking a client from projects to AOR? Should it be down to the account team or the new business team, or both? Is it a question of pouncing when opportunities arise or adopting a structured approach? How do you avoid being pigeonholed? How do you balance proactive outreach for business versus the delicate politics of existing relationships? And is it possible to take anything from traditional ad agency techniques or is digital completely different?

#### *Panel*

The format of the event was an open discussion led by the panel members: -

##### **Gareth Dixon, Session Chair, Founder & Planning Director, Rainmaker Consulting**

A founder of Rainmaker and Pearlfinders and planning director of new business campaigns for over 100 agencies since 1996, Gareth has an unrivalled grasp of the nuts and bolts of a successful new business programme. He has advised digital and integrated agencies including: i-Level, Agency.com, Profero, Steel and Digitas on all aspects of proactive revenue generation, including client development.

##### **Chris Cowpe, Founder of The Caffeine Partnership**

A founder of The Caffeine Partnership, Chris was joint CEO of DDB London where he oversaw the rise, fall and rise again of what is today Tribal DDB. He has advised digital and integrated agencies on organic business development. He's co-author of How to Win Friends And Influence Profits (the art of winning more business from existing clients). The Caffeine Partnership's key function is to advise companies, brands and individuals on growth strategies.

##### **Paul Kirkley, Business Development Director at JWT**

An account man for 15 years, Paul became Business Development Director in 2007. Since then the agency has won new business from companies including Nokia, Baileys, Royal Caribbean, Debenhams, and Baxters. Paul is also responsible for organic client development and during his tenure the agency has won additional business from clients including J&J, Unilever and Mazda.

### **David Hart, Managing Director of Codegent and vice chair of BIMA**

Codegent is a digital agency that works with clients including the BBC, Nickelodeon, Swarovski, Barclays and American Express. At BIMA David is committed to promoting the idea of the UK being a world-class centre for digital innovation and to bring more benefits to BIMA members in the areas of publicity, networking and education.

### **Mark Clark, Consultant, JFDI**

Mark currently works with a wide range of agencies, across all disciplines, with the sole objective of helping them win more new business. As part of this remit, he created the JFDI New Business Academy programme, which gives client-facing agency teams the skills to grow new business from existing clients. Prior to JFDI he worked at both small and multinational agencies in client service and management roles, latterly as a Senior Vice President for Europe, Middle East & Africa at McCann Erickson.

### *Participants*

There were forty participants including amongst others: AKQA, Profero, i-Level, Tullow Marshall Warren, Imagination, JWT, We Are Social, Tonic, Last Exit, ORM Digital, Naked Penguin Boy, Initiate Media, Red Bee Media, Adjust Your Set, Golley Slater Digital, Wandering Bear, Blue Barracuda, Burrows, Futureheads, Reactive, Codegent, Maek Creative Digital, Fox Parrack Singapour, Gyro HSR and Dig For Fire.

### *Discussion points*

#### **Client development is easier revenue than new business**

Mark Clark at JFDI kicked us off with the point that the moment you get a client it immediately becomes one of the most valuable assets on your balance sheet. And not just because of immediate revenue, but because you are many times more likely to grow an existing client, as you are to win a new one. So you should be applying at least equal energy on developing existing clients as you are on developing new business. He also said that most agencies probably have a planned approach to new business but have nothing in place to develop current business. So if that is the case, then the first thing an agency should do is make sure the development of existing clients is intrinsic to the new business development plan. Developing existing business also gives you a better shot at hitting any short-term revenue requirements you may have; most savvy agencies see new business as far too opportunistic to deliver any kind of return over, say, a six-month period, whereas you can realistically plan for further revenues from existing clients within this period.

#### **Who's responsible?**

As for who should look after client development, Mark felt that it is those that are closest to the client that should have the responsibility rather than the new business department. But the implementation is one part of the growth strategy for the agency that should be shared across the new business and account teams. He said an agency's client would consider its top ten key accounts and the management of those as being absolutely fundamental to its business and yet agencies tend not to have the same structured approach to their own key assets. If you're doing a good job for your clients – scoring fours out of fives in client assessments, then the question is how to turn this into financial advantage? Your new business plan needs to acknowledge the strategic importance of existing clients and your client leads must be capitalized on to deliver growth.

#### **Gaining a 'growth culture'**

Gareth mentioned that a lot of agencies struggle to establish an internal culture aligned to sales-driven growth. He asked the panel how they would recommend incentivising someone to feel responsible for client development? Paul said that they don't incentivise in a financial way. The game is to avoid having people thinking in terms of personal financial gain as the reason to grow the business, but rather instilling a sense of mutual gain within the agency – otherwise you risk ending up with an inappropriate "salesy" mentality. Something JWT has found helpful is to "merchandise" key people throughout the agency - whatever their level. If you are constantly picking out people and recognizing the contribution they are making, it quickly gets noticed and becomes infectious. The culture then evolves to one of growth and winning and encourages people to make the small changes required at an everyday level.

Gareth asked if the culture shift is trainable. Mark said he believes the culture shift is absolutely trainable and that it is important that individuals can see the effect the growth has on the whole agency while also being recognised and rewarded individually for their efforts. It's worth remembering that being able to demonstrate skills in client development is a very marketable ability and should be recognised in appraisals, promotions etc. Often, agencies are shy in attaching rewards to teams that have delivered

growth – especially if it is organic growth as this is kind of expected (even if it remains elusive for some agencies). Gareth agreed and felt that the problem is that agencies understandably don't want to reward people for bringing in business that was going to come-in in any case. They need to find ways to identify and reward organic revenues that would not have come in unless that individual had applied their particular skills.

Chris agreed and said that whatever happens you have to make an effort to reward organic growth and those that deliver it. With new business, it's self-evident: everyone knows who brought in the last new client, and there is recognition of the hard work and late nights that went into it – they are the heroes. They probably get spot bonuses and there will be a party. But all too often, this isn't the case when you get extra work from an existing client. You have to work hard to compete with the glamour of the new business team.

David told us that when taking a straw poll of his member agencies there was an assumption that "everybody" within the agency is responsible for developing existing business as part of their job but that it is clear that it falls between the gaps. Should there be someone responsible for this as there is for new business – an organic "growth champion"?

At this point Chris compared the marketing services model with that of the legal profession where client development is one of the main KPIs that Partners and client teams are measured and report on: What share of wallet have we got? And, how can we increase this? It's fundamental to their business. Also, they don't make a distinction between new and existing business development – it's all business development.

We then took a poll of the agency people in the room and it was clear that very few had any specific incentives in place to develop existing business.

#### **A cultural shift**

Gareth suggested that it is a cultural shift that is needed and that this needs to come from the top. Mark agreed, saying that it's the responsibility of the Managing Director or management team to do everything they can to engage everyone within the agency on business development and be clear on the expectations they are placing on those individuals – whether it be bringing ideas, helping spot opportunities or actually developing those opportunities. Engage them in the marketing process and give them the skills and tools they can apply to existing client business. It should not be assumed that this is a natural occurrence and that people can effortlessly do it. He said you must give them the same support you would give your new business teams.

#### **Practical steps**

Gareth pointed out that for digital agencies used to working project by project, it is not always clear which of their clients they could focus on to grow. He asked the panel what they felt the signs would be that they should look for? Mark's advice was to choose ten organic client targets and focus your plan around them. Rather than aim for 10% growth overall, look at where the tangible opportunities lie. Once identified, then invest in the plan to deliver it. Chris felt that every client represents a level of opportunity. However, the problem with that approach is that there is a danger that nothing happens. The question is where is the agency going to invest its time, effort and people? For him "less is more". There will be a small, manageable group of clients where the bigger opportunities lie. What are the criteria for identifying this group?

- A financial opportunity
- A client that would enhance your agency and reputation
- A good cultural or corporate fit
- Where the competition is weakest
- Where it fits with what your agency is best at – your specialism

Dipping into the latest Rainmaker Survey, Gareth picked out the fact that marketing decision-makers feel that their current agencies are not very good at telling them what they are good at and instead try and "sell them everything". Paul felt that JWT has covered this point in their targeting but that timing is key. He said the smart way is to pick key moments. Use the honeymoon period following the initial win and first piece of work to develop the business further rather than waiting for the account to plateau and then trying to grow it. Likewise he said there would be 'emotional waves' with any account when things are going very well or not so well and this is natural. It's important to time client development approaches for the peak of such a wave. The amount of traction JWT has gained from clients at those points has made a huge difference.

#### **A trusted advisor**

Paul noted that it is the "killer question" and is not easy. His advice is to change the conversation and reframe the business that you are in. He explained that JWT are not really in the advertising business but rather in the business of building brands. By behaving in a way that focuses on building brands, conversations with clients become less about execution and boxed-off services and more about stuff that people at a senior level want to engage with. It doesn't matter whether you are a two-man agency or

300 plus - if you have this higher-level conversation it can change the way you are perceived by your client. The second thing to do is then “merchandise” your work – show it through the lens of “building brands” and it will be seen in a strategic way rather than as a standalone piece of work.

Would that require a different kind of person working on the business – a strategic thinker rather than a pure-play project manager? Paul thinks so and again points out that it’s not easy, but if you want to be a trusted adviser rather than a supplier, you need to find a way to deliver this. Chris said he wanted to use the old adage - the best way to become a trusted adviser is to “stop selling and start helping”. If the client knows that every time you go to meet them you have your order book ready they will be resistant. They want to talk about their business, their challenges, their issues and you have to make time to do this. It comes back to investment. He said that digital agencies are in a fantastic position to be trusted advisers. The digital world is changing at a rapid pace and clients are light years behind their agencies in terms of understanding the landscape. So, sharing your knowledge, insight and understanding of what’s going on will undoubtedly be welcomed by your clients.

Mark feels that it’s inevitable that the market will develop from a project-led approach towards longer-term strategies – and those agencies that recognise this and position themselves properly now will be the ones to reap the rewards. The key is to combine a focus on the day-to-day project delivery, with a longer-term eye on where you can take the relationship. He went on to suggest that there is a reticence among digital agencies to lift the veil and share some of their knowledge – believing digital marketing to be some form of business voodoo that mustn’t be shared. To grow more digital business you need to be able to lead the client and together pioneer new ways of working.

For David becoming a trusted adviser is knowing what motivates a client personally. How can you make them appear “heroic” within their organisation? How can you help them prove that investment in digital pays off?

### **Being proactive**

Gareth said that another interesting finding from the Rainmaker survey is that agencies rarely ask clients what their targets are for the year or what the business’s plans are. Agencies are more focused on getting the job done and dusted on time and on budget. He feels this could be because agencies are not confident in having these conversations without a firm grip on the value they are offering? Agencies need to question to be proactive in confirming what this value is. Chris felt that measuring outputs and having regular client audits is simple, insightful and reveals opportunities. If you’re not already doing so, ask your clients how you’re doing and what their business goals are going forward?

Paul told an anecdote from his account management days when he was taking over a major piece of business and feeling a little nervous. At the handover meeting the outgoing account director told the client that the agency needed to grow the account by 10% and asked the client how they were going to achieve that. Many of us might be slightly shocked by the directness of his approach but rather than throw it back at the account guy, the client immediately began to discuss where there could be more business for JWT! Mark thinks that the management at digital agencies tends not to have old-school experience, which is often a positive. However, it also means that they don’t always know how to get more from their client relationships.

### **Shifting perceptions**

David agrees that sometimes clients perceive digital as a series of one-off projects and see agencies as a resource. But in the last year he has felt a change among clients who are looking for longer-term relationships. With the advent of social media, where you can’t see it as a one-off project, clients are now looking at digital in far more strategic ways. He also made the point about pigeonholing. Agencies typecast their clients and vice versa; if you only ever do one type of work for a client then that’s all they will give you. Agencies need to break out of this, and some agencies certainly admit that they are a bit lazy in this regard. Management consultants are good at developing longer-term business as they set the horizons further than that of the client. Agencies need to demonstrate where the value lies in the work they are doing. Part of this is marketing the agency and its work in a way that shifts clients’ perceptions. If this means offering some advice for free then so be it, but be choosy and focus on offering it to the right audiences.

### **Q&A**

These were among the questions from the floor: -

*Surely you need to find a model to charge for advice?*

Of course, but you should be offering advice en passant anyway. Clients will tend to give more work to those advisers that offer the most value. Perhaps set yourself a time limit – if after a period of time you are not getting anything back then cut your losses and move on.

*How do you work out where to focus when digital moves so quickly?*

Chris suggested that you look where your current clients can take you and then expand from there. Also, with the growth in the talent pool you can try new things at a low cost.

*How do you square this with procurement?*

Procurement is your greatest ally when it comes to organic client development. Befriend them and invite them in to see what it is you are doing for the client. But make sure that you can clearly identify where the extra value lies or the trained negotiators within procurement teams will roll this into the existing scope of work. Ready your teams to counter this.

*In conclusion*

**Client Development Is Efficient** - you are many times more likely to grow an existing client, as you are to win a new one, so apply at least equal energy to developing existing clients as you would to developing new business.

**Action Your Client Leads** - identify the strategic importance of existing clients within your plans for growth and capitalise on your client leads.

**Recognise The Client Developers** - engender a growth culture then recognise key people that enable client development.

**Choose Ten Client Targets** - focus your plan around them, then invest in a plan to deliver.

**Don't Let An Account Plateau** - carefully time for initial honeymoon periods and moments of greatest success to develop the business, rather than wait for the account to plateau out and then try and grow it.

**Stop Selling And Start Helping** - if you want to become a trusted adviser and move on from projects to AOR.

**Keep A Focus On The Long-term** - as well as day-to-day client delivery, keep your horizons focused on where the client relationship could be going long-term.

**Find Out How The Client Values You** - be proactive about assessing how much and why the client values you ongoing.

**Know What Motivates Your Client** - what will make them appear heroic within their organisation? Find out what personally motivates them.

**What Is It You Want?** - always set down and be clear about what it is you want from the client.

**Breakaway From The Typecast** - if you only do one type of work for a client that's all they'll give you.

**Work With Procurement** - engage with procurement to help them see the value in developing the relationship.

For more Information

For more information about this seminar, advice on client development or help with any other area of new business development, please contact Gareth Dixon or Charlotte Fletcher at Rainmaker Consulting, on 020 7837 1122 or visit [www.intelligentnewbusiness.com](http://www.intelligentnewbusiness.com).

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