



John Heenan | agency growth consultant

New Business Survey Results November 16, 2015

My Take

Thank you for participating in the 2015 New Business Survey. We had an overwhelming response from 156 agencies of all sizes. When you consider that this is one of the busiest times of the year for agencies, it is quite exceptional to get so many people to take the time to share their practices, opinions and new years resolutions.

My guess is that you won't find these results to be surprising. What you may find is an affirmation in your challenges and inspiration that there is a better way. Keep in mind that half of all agencies are below average. But who wants to be average or below? After all, new business *IS* the future of your agency.

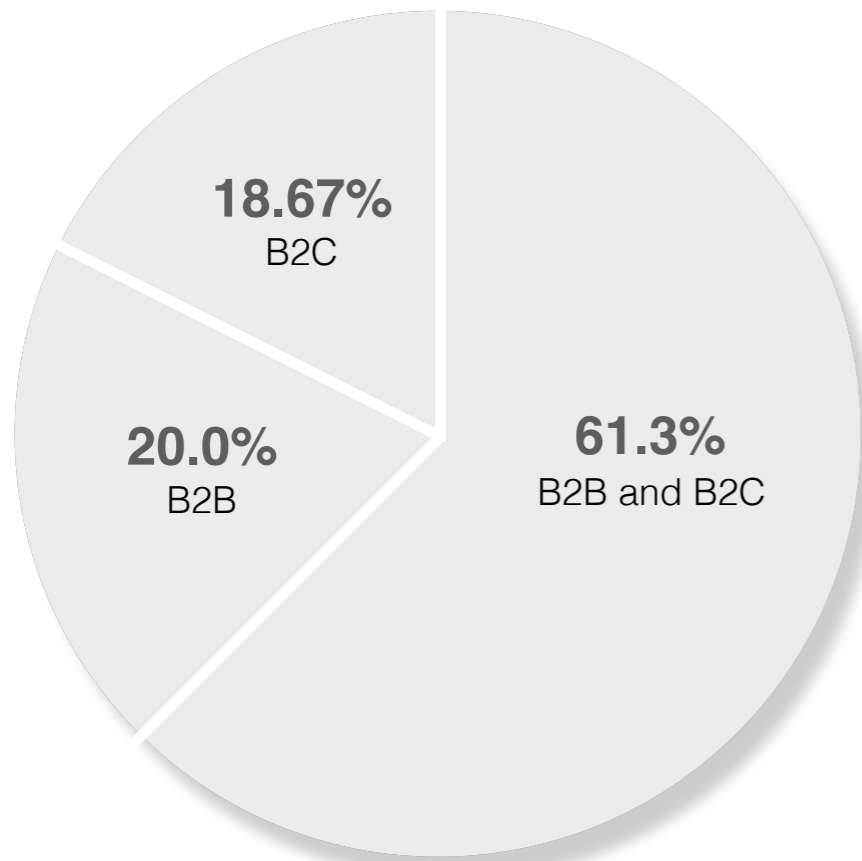
My take on the survey results is that the many challenges agencies face can be overcome or improved by a few fundamental steps that have been widely proven effective across industries and among superstar agencies hitting new business success rates of 75% or more. *Yes, some claim to win 75% of the business they chase.* But don't feel bad. Many more are slugging it out in the 20% - 30% range, and a few even lower.

Finally, a shameless pitch for my services. If you don't like your new business results, please give me a call. No matter where you are today, there is always room for improvement. Don't miss another opportunity!

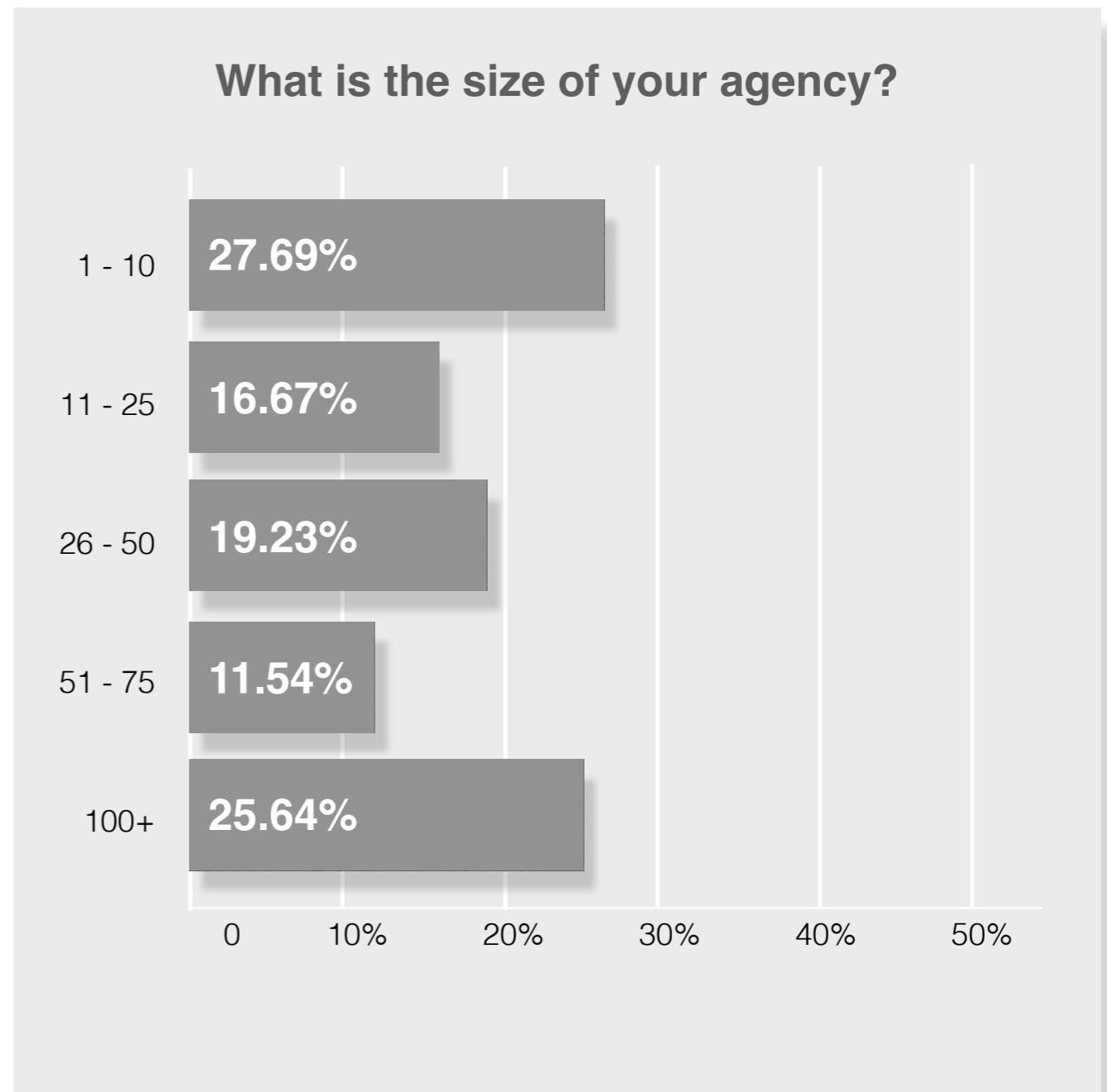


Agency Focus and Size

A wide variety of agencies participated with a good distribution of sizes by employees. Both ends of the spectrum, 1- 10 and 100+ represent over half the respondents, 53.33% while 51 - 75 was least at 11.54%. Interestingly, size doesn't matter when it comes to common issues with business development or who is responsible for BD.



What is the focus of your agency?

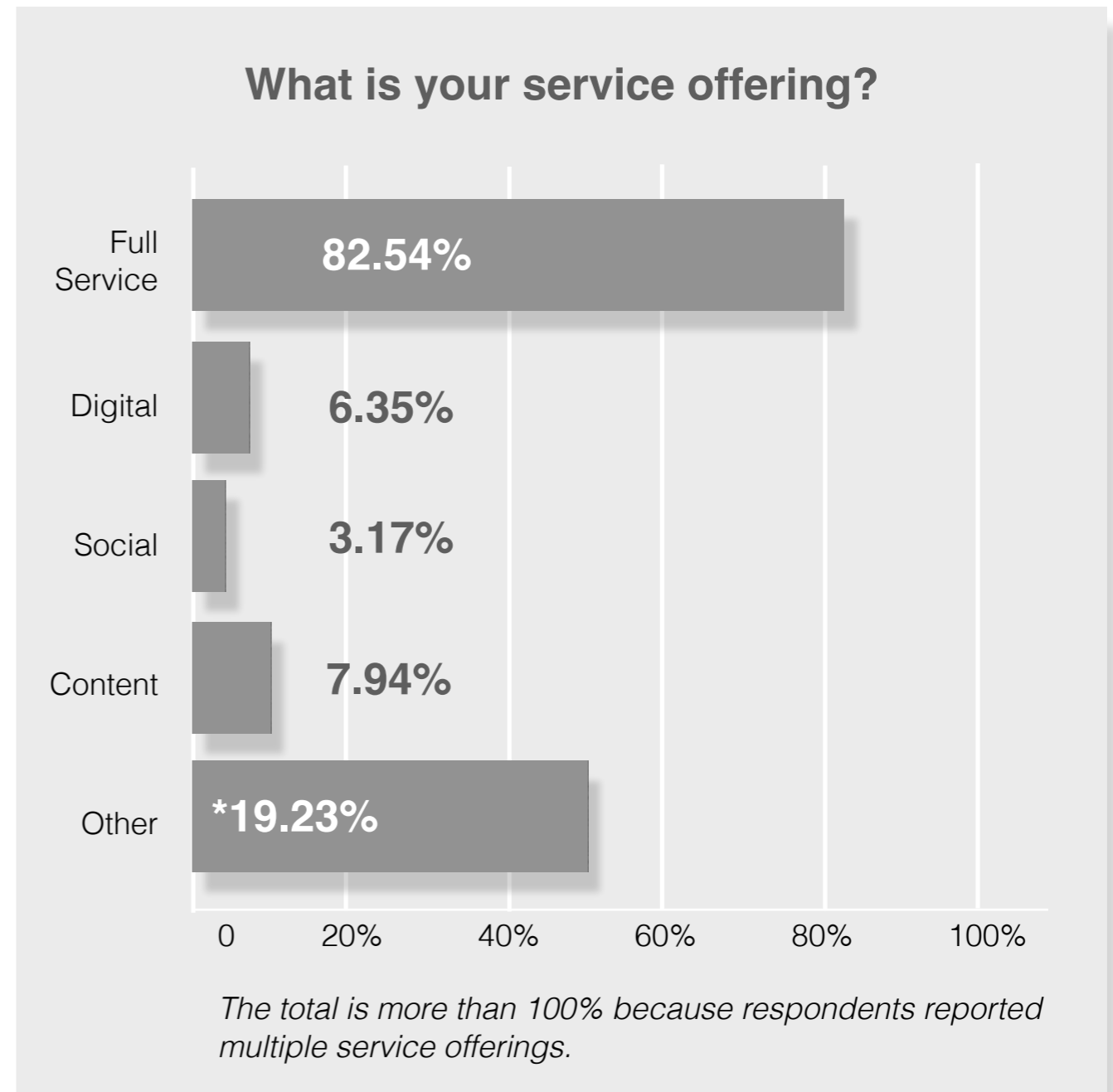


Agency Services

Full service agencies were the vast majority of respondents at almost 83%. Which strikes a contrast to those “experts” who insist that full service is dead, and a “specialty” is essential for agency survival in the modern era. Digital shops accounted for only 6.35%, a slightly smaller percentage than Content shops at 7.94%. I expected digital shops to be higher considering the trends in the market.

**Other services reported:*

- Marketing automation implementation
- Marketing strategy, media buying, digital, social
- Product Development
- Direct/CRM
- Direct and Digital
- Branding, Marketing, Communications
- Branding, web design, print design, and illustration
- Public Affairs
- Consultancy
- Targeted Measured Media - direct mail, email, digital ads.
- Brand experience

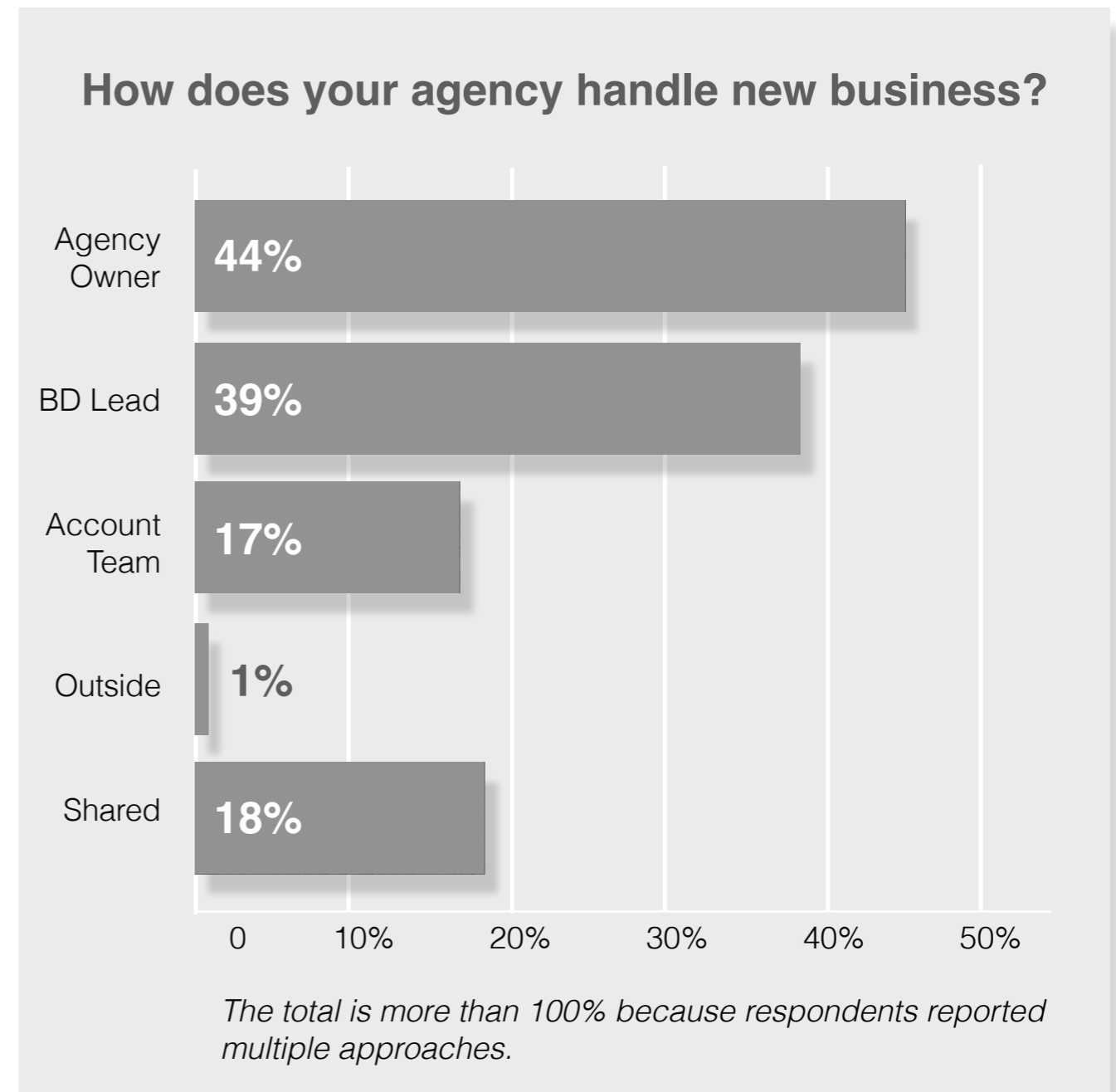


BD Approach

44% of Agency Owners handle new business exclusively while many more have a prominent role. A surprising 39% have a dedicated business development person. The industry average is less than 30%. Only 1% reported using outsourced BD yet, as you will see later, 36% report an intent to do so in 2016.

Other approaches reported:

- New business team and engagement mgt team
- Partners
- Executive Leadership Team/Practice Leaders
- Owner + NB Lead
- Inbound
- Account Teams and NBD Lead
- Depending on the account - any of the above
- Networking, proactive outreach, and response to RFPs and other solicitations
- Shared responsibility across our Senior Staff
- Outsourced and account team
- Everyone in the agency

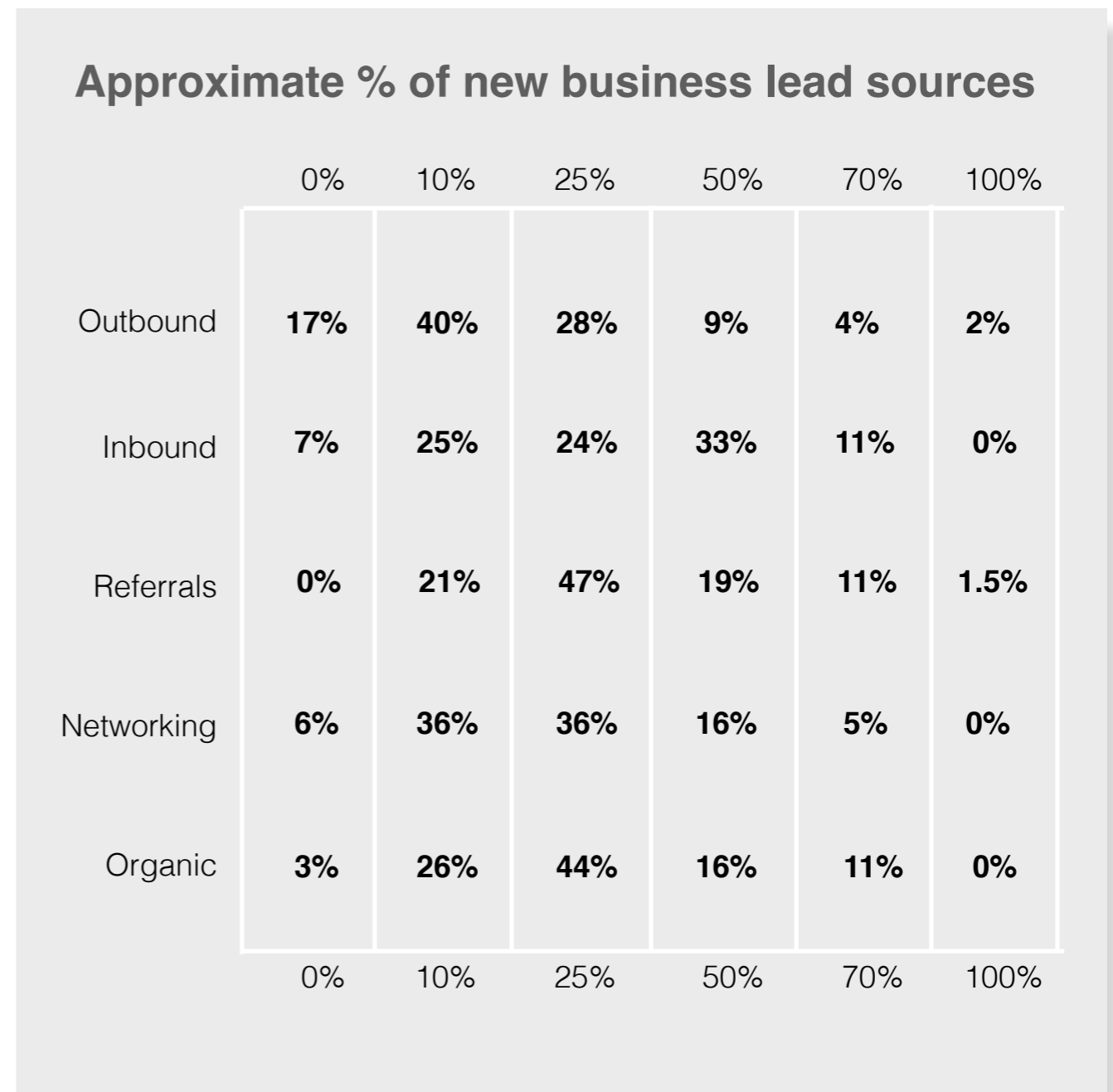


Lead Sources

The sources of agency leads varies a great deal. On average agencies get about 1/3 of leads through in and outbound prospecting, 1/3 from referrals and networking and 1/3 from organic growth. 2% of respondents get 100% of their leader from outbound and another 1.5% get 100% from referrals. Who wouldn't love that? The vast majority fall somewhere in the middle.

- 40% get 10% of leads from outbound
- 37% get 25% - 50% from outbound
- 49% get 10% - 25% from inbound
- 33% get 50% from inbound
- 47% get 25% from referrals
- 72% get 10% - 25% from networking
- 70% get 10% - 25% from organic growth

A good business development program includes programs to maximize growth from all three major channels. Often times agencies focus on prospecting and forget or ignore the others leaving millions of potential new income on the table.

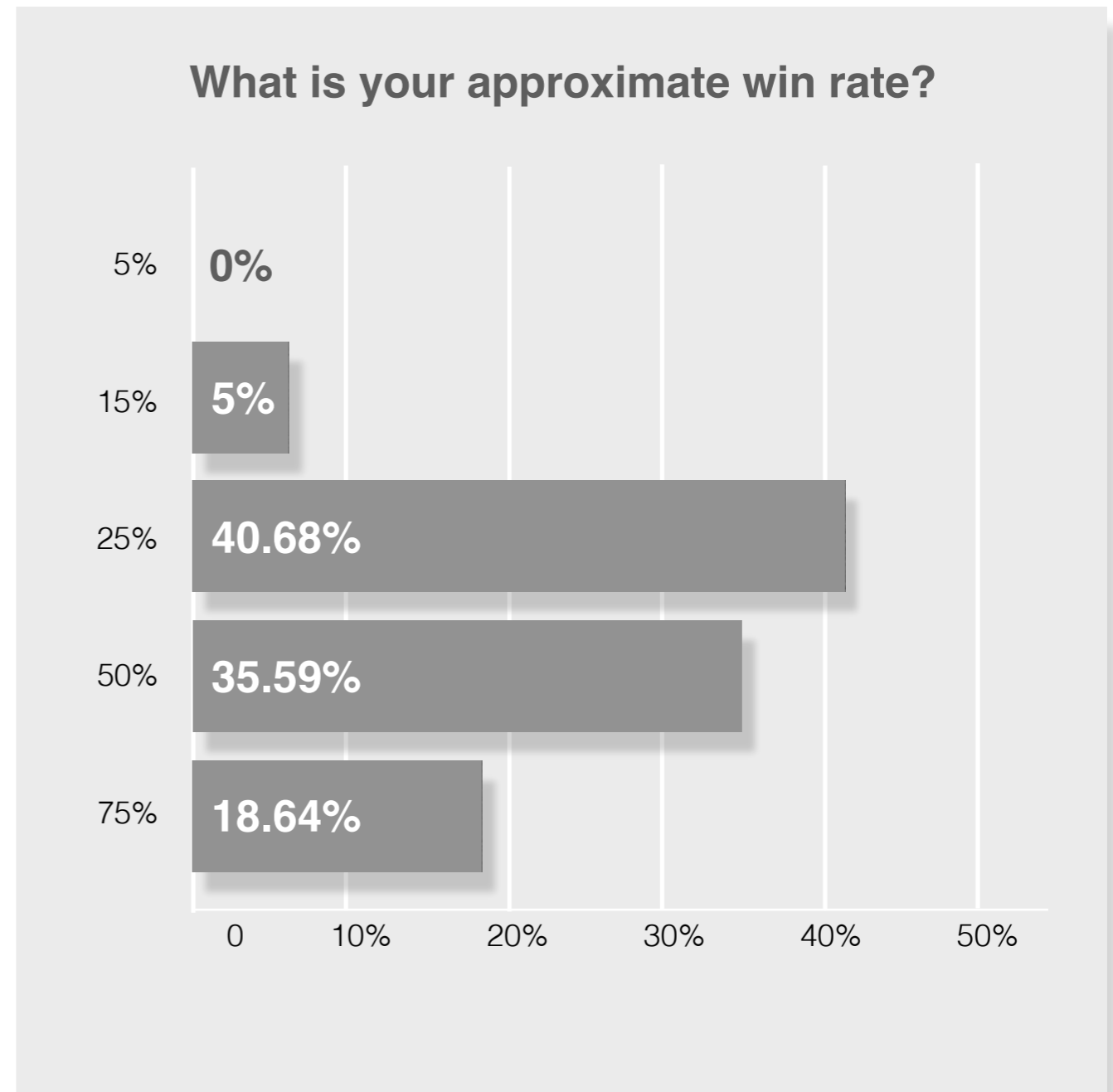


Actual Win Rate

The industry average 25% win rate got the highest response, 6% reported rates in the 30's. 36% reported a 50% win rate, which is great. Almost 20% reported a 75% win rate. Wouldn't you like to know how they do it? No one reported a 5% win rate. I assume one agency is hitting a 100% win rate since they reported that they win the accounts they want.

- Even though 40% are hitting the industry average, only 6% want to be average.
- 32% want to be the 75% win rate superstars. I wonder why ONLY 1/3 of agencies want to be superstars.
- And only 6% reported a desire to hit 100%. Doesn't everyone want their new business investment to achieve 100%?

What is realistic for an agency? Well, that depends on a lot of factors. As you know, the industry average is about 25% but who wants to be average? One thing is certain. Whatever percentage an agency is currently achieving can be improved through some basic, common sense strategies to enhance whatever they are currently doing. Most agencies don't have to scrap everything and start from the beginning. My experience is that it really is easier than they think.



What's The Problem

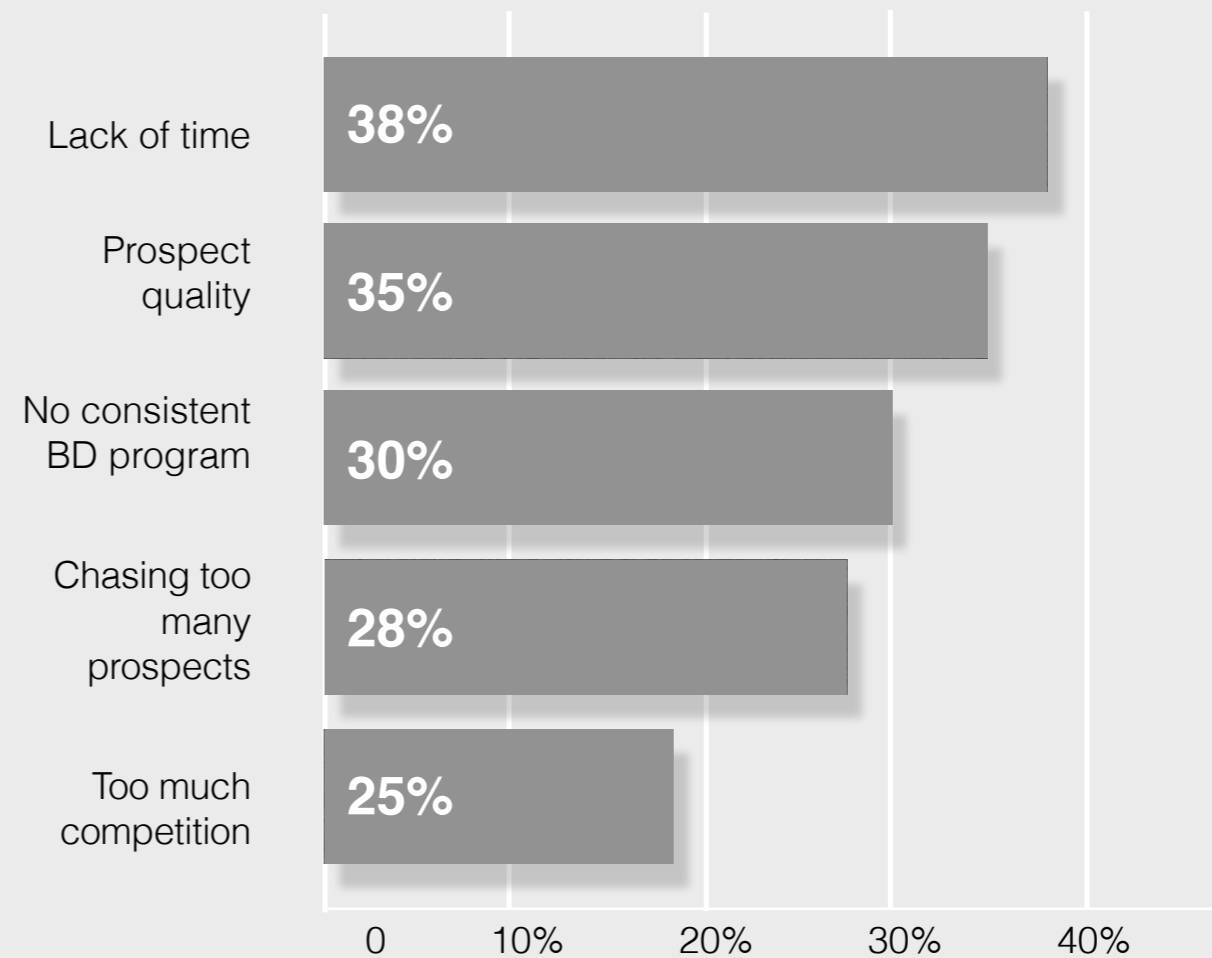
Lack of available time comes in on top. If business development isn't your most important client, you will never find enough time. Prospect quality, chasing too many prospects and too much competition suggest the need to focus what you are selling on those prospects most likely to buy what you offer.

I am surprised that No consistent BD program did not score higher. No matter the size of the agency, we are all guilty of taking our eye off the ball when client demands soar, multiple RFPs come through, staff turnover and many other factors affect the agency. The truth is, a well planned new business program can be consistently executed to keep a pipeline full despite most of the obstacles agencies face.

Comments include:

- Internal alignment on pitch process, content and objectives
- Pricing, too expensive
- Pursuing too many not right fit opportunities.
- We're great and we're terrible - we think our positioning is strong - some consultants agree, and some disagree
- Clients don't fit our program.
- Agency cattle calls are not worth the effort. Better to work our leads and win without a cattle call

Why do you think your win rate isn't better?



The total is more than 100% because it is a multiple choice question



There is Hope

Who doesn't like this comment:

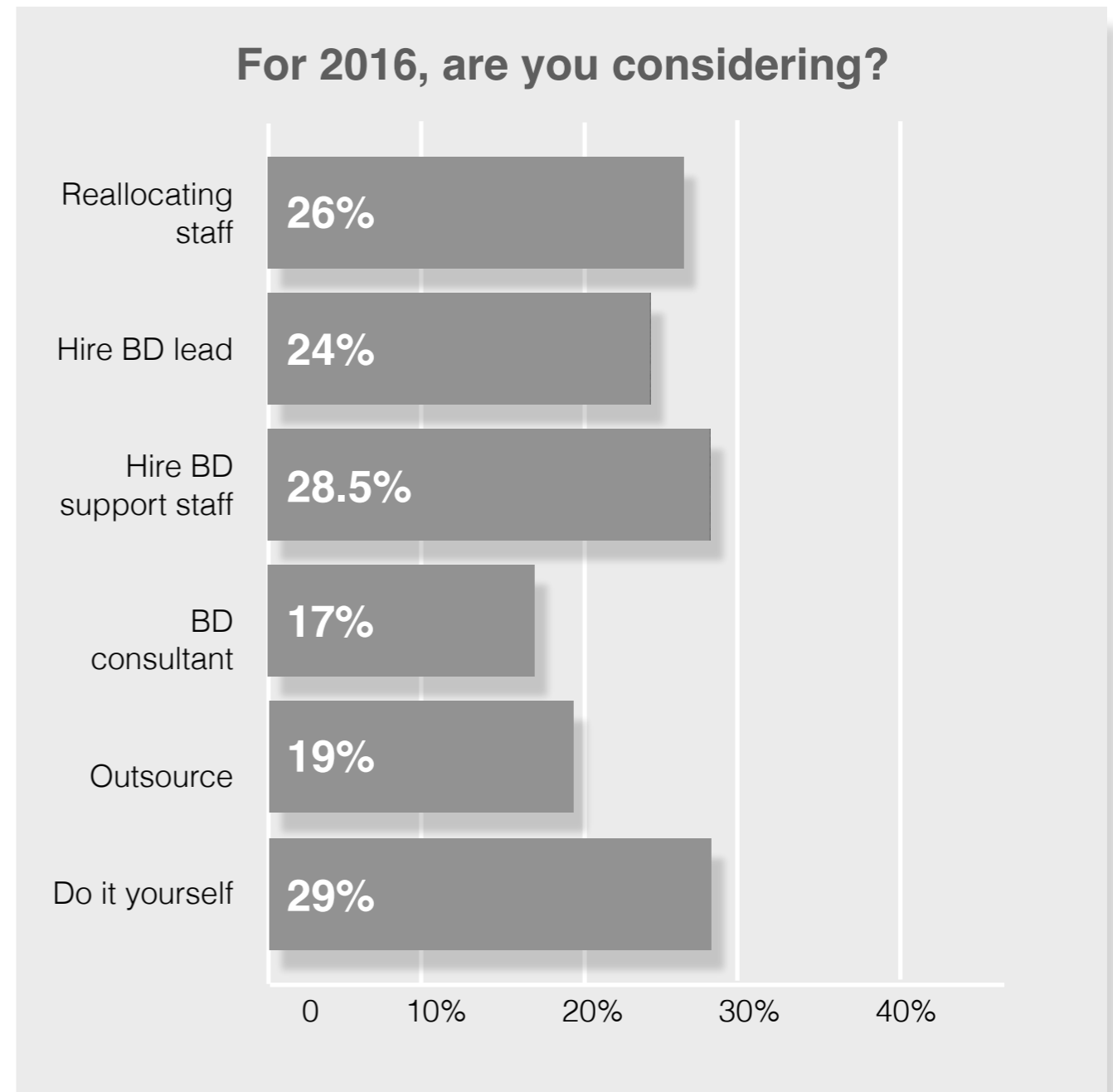
Our new business program has vastly improved in the last 2-3 years. We've been more focused and disciplined in the accounts we seek, and in consistently communicating our agency brand. We've enjoyed a significant uptick in new business activity and wins.

2016 Resolutions

Agency leaders are committed to addressing their new business challenges. They reported that lack of time is the biggest barrier to success and resolve to reallocate staff, hire a BD lead and support staff, all of which will help focus more time to the process. Prospect quality, chasing too many prospects and too much competition are the next big challenges. These challenges are fundamental marketing challenges and easily tended to. Hiring a consultant or outsourcing should help improve these areas.

Only 29% of agency owners indicated they would do it alone in 2016, down from 44% who are currently doing so. Agency owners have to stay involved in BD but shouldn't be trapped in the day to day operation. A good staff and/or a good consultant will free up time to run the business, keep current clients happy and inspire, train and mentor staff - all important factors for the success of the agency.

19% are planning to outsource BD in 2016. Just remember, your success rate will depend on how well you define what your agency offers, its distinction or differentiator and who the prospects are most likely to value what you offer. The tighter your positioning and prospect list, the more effective you, your BD staff or your consultant will be. Whatever you do, don't throw a BD lead or consultant into the general market and expect good results. And don't think a BD person or consultant can do it alone. They will need you once the prospect is vetted and the opportunity is well defined.



End Notes

There is no such thing as a free lunch. Great new clients only come consistently with critical upfront planning and an investment in success. Agency owners don't have time to do it alone which may be why they settle for a 25% or less win rate. BD pros can't be successful without the proper steps taken beforehand which is why they get fired after 18 months on average. Prospect quality at 35%, Chasing too many prospects at 28% and Too much competition at 25% indicates that agencies aren't doing the necessary work up front to effectively position themselves how and where they perform best. Weak agency positioning at 16%, Outdated cases at 15% and Weak industry experience at 13% suggest that agencies aren't focusing on the few things that make them great but rather the many things they do or have ever done. Three well-told cases will speak louder than 25 or 50 experiences that may or may not resonate with your prospect.

I guess these results don't surprise you at all. The problems agencies face acquiring new clients are well documented. Yet, the solution is much easier than agency leaders expect. It really boils down to fundamental marketing - the thing most agencies do so very well for their clients but can't seem to do for themselves. And it happens to be the thing I do very well for agencies.



» John Heenan | agency growth consultant

Lets Grow! It's been my world for more than 15 years. Not as a consultant but in the trenches perfecting my approach. There are lots of business development resources available to you today. I offer agency growth consulting in a proven and reliable approach that has generated millions of dollars for small and medium sized agencies.

The agencies that I've worked with share many of the same challenges – no time, limited resources, inadequate tools, no content, too many misses. My approach is simple, efficient and effective. I first optimize the agency brand to be competitive in today's market. I then identify and model prospects that best fit your service offering. And finally, I define and deploy a marketing program so that the right prospects know you and have an interest in your services when their time comes.

As a business owner, you have the responsibility to drive cash flow and growth, and want to see the results of your investment right away. I get it. I've lived it. I've answered to the CEO every day. That is why I implement a multi-faceted process that looks for new revenue across three fronts: new clients, organic growth and agency networking. My process enables growth across these three sources equally. It is a comprehensive program using a focused common sense application of proven steps that increase your rate of success.

My services are structured with the end in mind. I set the process up so that whatever I do can be internalized whenever you feel you have the staff and knowledge to be successful on your own. I establish the plan and then execute, optimize and track the results. I train staff to keep the momentum going. Once the program is running smoothly and I become more familiar with your agency, I can add value in a variety of additional ways to advise, augment and fill any gaps for future growth, at your discretion.



I develop agency growth programs that accelerate revenue through brand focus, prospect alignment and client acquisition. I do it in a practical and proven approach combining in and outbound prospecting, organic growth and leadership networking. Because winning new clients is the future of every agency.

Email me: john@jheenan.com

Learn more: <http://www.jheenan.com/about.html>

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