

Mirren Business Development



## The Mirren New Business Conference: 2009 Trending Report

Agencies complain about clients saying one thing, but then doing another. However, do agencies treat their own marketing the same way?

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May 28, 2009

## The Mirren New Business Conference Overview

The conference is produced by Mirren Business Development, a team of new business training and recruiting specialists. It is the only event of its kind, focused on cutting-edge strategies for improving agency new business effectiveness.

The conference attracts 300 - 400 agencies, who take in thinking from 35 speakers in 30 sessions over 3 days. Attendees include those in interactive, PR, media buying/planning, advertising, direct, event marketing, and more.

This year's conference was held in New York on April 6 -8, 2009. In addition to every major search consultant, over 325 agency executives attended.

[www.NewBusinessConference.com](http://www.NewBusinessConference.com)

[www.mirren.com](http://www.mirren.com)



## Study Overview

At the conference, attendees were asked to complete a basic (and confidential) online survey about their business development practices.

The objective of the survey is to gain insight into a few current agency new business trends, including how the 2009 downturn has impacted best practices.

158 conference attendees completed the survey. They represent agencies that ranged from top 10 global advertising agencies to mid-size interactive agencies to smaller boutiques.

## Participating Agencies

Type of Agency	
Advertising agency	34%
Interactive agency	12%
Branding consultancy	12%
Design agency	8%
Media buying/planning	8%
Agency network	5%
PR agency	8%
Sales/promotion agency	3%
Multicultural agency	2%
Direct response/marketing	2%
Event/experience marketing	1%
Other	5%

Number of Employees:	
501 or more	19%
151 – 500	13%
76 – 150	13%
26 – 75	25%
< 26	30%

Total Respondents – 158

# INSIGHT

Key Insights That Emerged

## The Key Insights

### **1. To better differentiate and better address clients' core challenges in 2009, agencies must up their strategic game, more consistently.**

Historically, most have believed that the "creative" or "creative ideas" played the leading role in winning a competitive pitch/RFP. However, participating agencies (large and small) confirmed that strategy now plays a greater role vs. creative in persuading prospects.

Despite acknowledging this, they're not developing their strategy in a way to more consistently guarantee wins. This includes: air tight strategic logic trail/rationale, much deeper and more unexpected consumer insight, better understanding/addressing clients' core business objectives (particularly given the business realities of 2009).

### **2. Don't have the relevant experience? Stop hemorrhaging resources by pitching it.**

Agencies reported that the number one reason for losing a competitive pitch/RFP is "lack of relevant experience" (category experience). And yet, they admit they'll engage in more reviews without the necessary experience, hoping they'll win anyway.

### **3. Putting clients to sleep.**

Another element among the top 5 reasons for losing a pitch: presentation is not dynamic or engaging enough. Will the contributing factors be addressed: not rehearsing, text heavy PowerPoint slides, bad presenters, not listening.

## The Key Insights

### **4. Despite admitting a need to be far more selective about competitive pitch/RFP opportunities, agencies report they'll enter even more in 2009.**

In fact, 30% reported they'll enter 2 – 3 times as many in '09 vs. '08. Has a sense of fear and desperation replaced a rational approach to pitching?

### **5. Organic growth was the largest source of incremental new revenue in 2008.**

Beyond "have you found any money this week" status meetings, agencies must now develop scalable systems, tools and habits to consistently mine for new opportunities.

### **6. Agencies are now placing a priority on proactive prospecting.**

However, most reported struggling with the best approach: getting prospects on the phone, convert the call into a meeting, and the meeting into an assignment.

### **7. Agencies reported a continued struggle with meaningful differentiation.**

As agencies ramp up their marketing efforts in 2009, agency clutter – and the same old positioning clichés – is reaching an all time high.

### **8. Beyond differentiation, regardless of agency size or type, everyone struggles with the same core new business issues: pitching effectiveness, prospecting effectiveness, lack of discipline, etc.**

And, all acknowledge they have a hard time breaking the old habits necessary to address these issues.

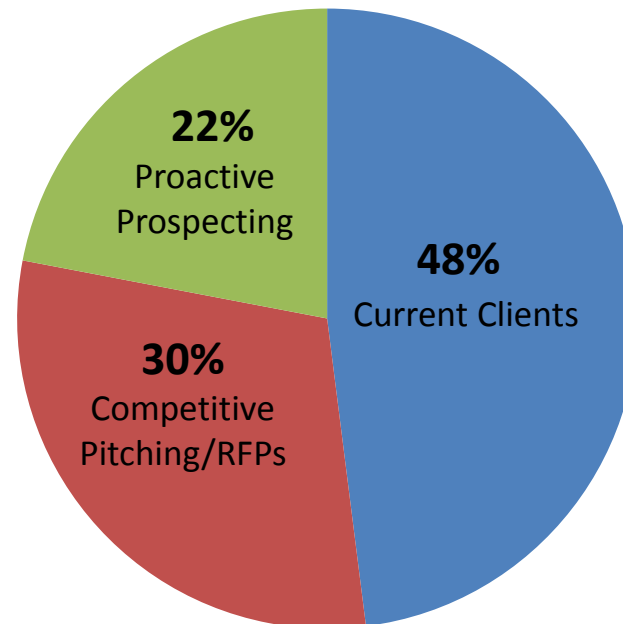
# FINDINGS

More Findings, More Detail

## Organic Growth Was The Largest Source of New Business in 2008

**Q:** Agencies were asked how much each source of new business (current clients, proactive lead generation, and pitching/RFPs) contributed to new revenue in 2008.

**A:** 2008 New Business Growth



## Organic Growth Was The Largest Source of New Business in 2008

Despite the fact that most agencies are not consistent or proactive in terms of implementing tools, training and a systematic approach to organic growth, existing clients appear to be the best source of new business (48%).

While 30% of revenue came from the most reactive source of new business (competitive pitching), only 22% came from the most proactive form of new business revenue (proactive prospecting).

## Agencies Expect to Get More First Meetings With Prospects in 2009

### Quantitative:

**Q:** Agencies were asked how many first meetings they expect to get in 2009 as a result of their proactive prospecting outreach (not competitive pitching/RFPs).

**A:** **79%** of respondents expect to get more “first meetings” in 2009 as part of their prospecting outreach. In fact, **23%** of these respondents indicated they would get twice as many meetings, while another **23%** of these said three times as many.

“Our major new business initiative for 2009 is to put an outreach program in place.”

## Agencies Expect to Get More First Meetings With Prospects in 2009

Left with no choice, agencies are finally forcing themselves to be more proactive and deploy a prospecting outreach program.

However, in the Top 5 Roadblocks (see next page), they indicate they don't know the best approach. So, while they plan to do more, they don't know how.

## Top 5 Roadblocks to New Business Effectiveness

### Quantitative:

**Q:** Agencies were asked to rate potential roadblocks that hold back their new business efforts. They selected from a list of 15 potential roadblocks, ranging from problems with pitching to lack of management team alignment.

- A:**
- #1: Lack of Resources (time, money, people)
  - #2: Lack of Focus/Discipline (reactive vs. proactive)
  - #3: Prospecting: We Don't Know the Best Approach
  - #4: Pitching: Not Selective Enough About Our Pitches
  - #5: Positioning: Not Truly Differentiated

## Top 5 Roadblocks to New Business Effectiveness

### Qualitative:

“We need to prospect more, rather than responding to cattle calls (ie., RFPs and RFIs).”

“Our agency needs to stop pitching anything or everything that moves.”

“You haven’t seen a lack of focus & discipline when it comes to business development until you’ve spent a year at our agency.”

“We struggle with how to differentiate ourselves... we need to be more focused and more specialized.”

“WE ARE NOT DIFFERENTIATED...We use the same old agency clichés while believing we’re saying something unique.”

## Top 5 Roadblocks to New Business Effectiveness

Agencies rate lack of resources as the #1 barrier, however, is it really this or the following 4 barriers that were listed in the top 5? Are they just not using their existing resources in the most strategically sound fashion? They readily admit to a lack of focus and discipline.

It also seems that agencies are beginning to understand that “proactive prospecting” must be an essential component to their business development strategy (a problem we’ve heard for several years). However, as noted earlier, while it’s important, it remains a challenge.

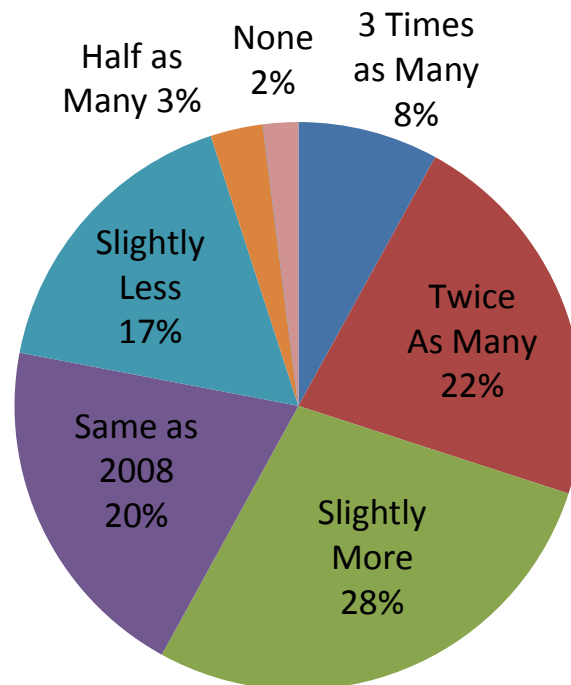
Finally, despite the fact that they are marketing service firms, they overwhelmingly admit to struggling with effectively marketing themselves.

## Most Agencies Expect to Enter More Competitive Pitches in 2009 (vs. 2008)

### Quantitative:

**Q:** Agencies were asked how many competitive pitches/RFPs they expect to enter in 2009 vs. 2008.

**A:** Over 57% say they expect to be in more pitches in 2009.



## Most Agencies Expect to Enter More Competitive Pitches in 2009 (vs. 2008)

### Qualitative:

“We need to be in more pitches this year, we have no choice... we have to grow the agency.”

“We know we need to be more selective about pitches, but its hard to say no in a downturn...we delude ourselves into thinking pitching is a numbers game.”

“We keep getting ourselves into pitches where we don't have relevant experience and then losing them... when will we learn?”

## Agencies Expect to Enter More Competitive Pitches in 2009 (vs. 2008)

Are agencies getting desperate? Are they pitching everything in an attempt to get anything?

Despite stating that they are not being selective enough with their pitch opportunities (as a Top 5 Roadblock), they are planning to enter more pitches in 2009.

## Top 5 Reasons Agencies Say They Lose Competitive Pitches

**Q:** Agencies were asked the top reasons they lose competitive pitches/RFPs. They selected from a list of 13 potential items, ranging from strategy and creative to a lack of rehearsal.

**A:**

#1: Lack of Relevant Experience

#2: Perceived To Be Too Small

#3: Creative/Programs: Not As Strong As Our Competitors

#4: Presentation: Not Engaging or Dynamic

#5: Presentation: Logic Trail/Rationale Not Tight Enough

## Top 5 Reasons Agencies Say They Lose Competitive Pitches

### Qualitative:

“We pitch things when we know we don’t have the right experience... in fact we really need to look at our positioning and get more specialized instead of trying to be everything to everyone!”

“The perceptions that go with being a smaller agency creates additional challenges.”

“For us it’s our presentation, either we don’t set up the creative in a compelling way or it’s just not engaging enough to win.”

“We keep saying we’ll rehearse, but we don’t. And our slides look more like presentation scripts!”

## Top 5 Reasons Agencies Say They Lose Competitive Pitches

Agencies continue to pitch when they don't have enough relevant experience – which they know greatly reduces their chances of winning.

Being perceived to be too small is the one area where we noted a difference in response by agency size. It's no surprise that the smaller agencies reported this as an issue.

Agencies also struggle with the final pitch presentations, indicating they are not as strong as they need to be with their “logic trail/rationale” and not “being engaging or dynamic enough.”

## Top 5 Reasons Agencies Say They Win a Pitch

**Q:** Agencies were asked the top reasons they win competitive pitches/RFPs. They selected from a list of 12 potential items, ranging from chemistry with the client to segment expertise.

**A:**

#1: Team: Great Chemistry With the Client

#2: Strategy: Deep Consumer/Target Insight

#3: Strategy: Better Understood Business/Marketing Objectives

#4: Creative: Best Creative/Programs/Tactics

#5: Strategy: The Best Overall Strategy

## Top 5 Reasons Agencies Say They Win a Pitch

### Qualitative:

“Strategy is vital, but it’s hard to nail it every time. Sometimes it’s because we’re just spread too thin on too many pitches to put the proper effort in.”

“When the insight is right, it sets everything else up and we come out on top more often.”

“When we really get their business and live and breathe it and get at the heart of their issues, we tend to win.”

“Clients fall in love with the creative or they don’t. When they fall in love, we have a good shot at winning.”

## Top 5 Reasons Agencies Say They Win a Pitch

A sign of the new era in pitching...  
3 of the 5 top reasons agencies say they win is due to strategy (not the creative idea).

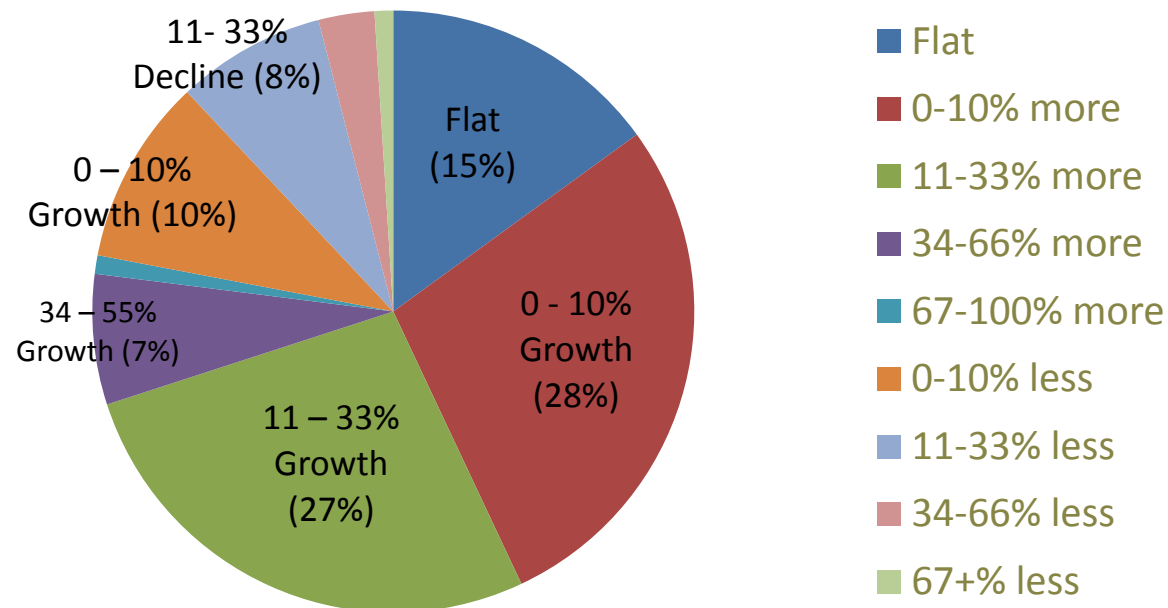
Cracking the strategy, particularly as it relates to consumer insight and the business/marketing objectives, makes winning more predictable.

Given that "great chemistry" is the #1 reason, adds yet another unknown and unpredictable variable to pitching as chemistry is an intangible element that is far more difficult to replicate and scale across all pitches.

# Are Too Many Agencies Overly Optimistic About Growth in 2009?

**Q:** Agencies were asked about their projected 2009 growth.

**A:** Over 50% of agencies expect to have more growth in 2009 vs. 2008.



## Are Too Many Agencies Overly Optimistic About Growth in 2009?

Despite massive spending declines and an admittedly dysfunctional approach to new business, many agencies still indicate growth for the year ahead.

Are they overly optimistic or are they further proving an inability to deal with the facts & their own dysfunction?

## What Do Agencies Feel They Most Need to Improve On?

**A:** On this open-ended question, the following eight themes emerged:

More Proactive Prospecting

Be More Differentiated

Be More Selective About Pitches

Develop Better Strategy & Insights

Strengthen Overall Product (strategy & creative)

Be More Focused & Disciplined

Hire More Dedicated New Business Staff

Create/Refine Our New Business Plan

## What Do Agencies Feel They Most Need to Improve On?

We've heard these same initiatives in years past. Will agencies follow through this year?

Without being prompted, strengthening agency product ranked as one of the six key themes. This correlates back to respondents reporting that one of the top reasons a pitch is won is due to their "strategic product."



**Mirren is a small team of new business training and recruiting specialists: [www.mirren.com](http://www.mirren.com)**

Mirren Training works on-site to train our agency clients how to apply The Mirren Method™ – a set of five innovative drivers that generate new leads within 90 days and accelerate conversion. By using this contrarian approach to differentiate, pitch and prospect, our clients consistently double and triple their growth rate – despite the current economic turmoil.

Mirren Talent specializes exclusively in placing new business executives. Our expertise allows us to locate the best talent - and help you get the most out of that talent. We are networked deep into the new business community, and bring this select talent pool to bear in every search.

To fuel industry dialog, Mirren also produces: The New Business Conference with Adweek and The Workspace/Marketing Chief Roundtable Series with Harvard Business Review.

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