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Using a Client-Centric Approach to Convert New Business Prospects

How the Best Agencies Close More Prospects
by Leveraging Unique Client Insight

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The objective of this paper is to eliminate the disconnect between what prospects want when being pitched and what agencies provide. Following, are specific actions agencies can take to convert prospects into clients.

The insight behind this paper is based on unique access to clients via Mirren's Marketing Chief Roundtable Series (with Harvard Business Review), the Mirren New Business Conference (with Adweek), and information gleaned through our new business training programs with hundreds of agencies.

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Here are six key client insights that build upon each other. Consider these in building your new business program.

1 The average tenure of a marketing chief has been reduced to fewer than 24 months.¹ Only 21% of CEOs even believe that their executives are effectively managing their pressing marketing issues². More than ever before, clients are pressured for immediate results – or they risk termination.

“For agencies, if the campaign isn't a grand slam, they get to try again. Often for us, if the work fails, we could be on the receiving end of a very public termination. That creates tremendous pressure every single day,” said one chief marketing officer for a leading automotive brand.

2 It is only natural that with such pressure, fear and short-term thinking govern marketing plans. As such, ROI and performance metrics continue to grow in importance. These qualifiers, however, are not only for the benefit of the client's business but also for the client's job security. It is vital that a marketing chief signal strong job performance to the CEO, and ROI et al can help do that.

Given these pressures, clients want to know just three things when approached by agencies:

- > Who are you?
- > Why are you different?
- > What does that mean to my business?

3 Upon meeting an agency, clients want to know only three things. The first being: Who are you?

A senior marketing director for an airline told one roundtable group, “I'm tired of agencies telling me what they think I want to hear. I want to know who they really are and what their point of view is on marketing... on building a great a brand... on driving sales... on my business.”

4 Clients believe agencies are the same. In fact, with more than 76,000 marketing services firms in the U.S. today³, this leads to the second question: Why are you different?

“Fully integrated, media-neutral, all under one roof, big agency experience combined with small agency attention, strong creative, more strategic, all about ideas...”

They’ve heard it all before. Rather than differentiating an agency, these clichés thrust it into the sea of sameness.

“I just don’t see much of a difference between agencies now. There’re so many of them. They all look and sound exactly the same. They can’t speak intelligently about the business or marketing results that I desperately need. They’re all the same.” said one frustrated marketing vice president at a video gamer.

5 Given the pressures for tangible short-term results, clients are most focused on the third query: What does that mean to my business?

When pitching, agencies often focus their efforts on presenting the strategy and then the creative ideas or programs. Clients, however, regard strategy and creative as a means to an end. They want to understand how the recommendations will lead to business impact.

“Agencies will only persuade me by demonstrating how their recommendations will benefit my business,” said a CMO at a second automaker.

6 We’ve noted a growing trend where clients increasingly gravitate to agencies with the most experience in their particular product or demographic category.

They liken their situation to this:

“We’re no different than consumers. If you have a problem with your roof, you want a roofer, not a handyman. If your Lexus is not running well, you’d rather go to a Lexus dealer than Sam’s Service and Lube. When you want a good audio system, you look to Bose, not Audiovox. When you want superior quality, you always go to a specialist,” said one marketer at a financial services company.

Inherently, marketers may believe a shop with no category experience could bring fresh thinking. But they’re becoming less willing to risk it.

“Agencies that have the most experience in my space are already up to speed. They have a proven track record and may even know more than we do. Those from the outside are starting from scratch,” said the financial services marketing chief.

Although agencies may believe experience in one category can translate to any category, clients generally don’t. Whether they’re correct is not the point. The point is that this is the target audience of agencies, and this target has a fixed perception.

Agencies may choose to fight this critical insight (as most do) and continue to struggle. Or, they can actually leverage this notion and close more business.



Thriving agencies have an uncanny understanding of what motivates a new business prospect. They know how to harness these six prior insights to convert a target into a client.

Here’s how:

First, have empathy for clients.

They are doing their best to build their business and not get fired in the process. Now that you know what drives them, you can speak to their need for relevant agency differentiation and business impact.

Even as the number of U.S. marketing services firms tops 76,000, agencies believe the fastest path to revenue is in being all things to all people. Rather than planting a stake in the ground and standing for something unique and compelling themselves, they’d rather try to be everything to everyone. In the end, they stand for nothing in particular to no one in particular. Desperation and fear of missing an opportunity make for trying times in new business. The sheer number of agencies demands a point of distinction.

As you address to these needs, the level of trust increases. This builds the foundation to sell creative work that's far more ground-breaking than you might have been able to sell otherwise.

With this in mind, come back to the three central queries:

1. Who are you?

Articulate a point of view.

Specifically, what are the key principles that build a company's brand and drive sales? What do most brands do wrong, and what should they do differently?

Regarding your prospect, what is your point of view on their business? What can they do to drive the brand and boost sales?

To inform your point of view, you might conduct a category study. But more on this later.

2. Why are you different?

Like airlines, automobiles and canned soup, agencies have become commodities where the customer sees little or no difference. And as with any commodity, the customer ends up with the control, particularly when it comes to price.

Given the excessive number of agencies, you must give prospects a solid reason to consider you. Position yourself

as a unique agency worth a premium fee.

A handful of strong shops have taken this approach by creating proprietary services. They avoid hip (but irrelevant and unprofitable) offerings such as record labels and alcohol brands. These businesses instead have built out from their core with services that include product concepting, product licensing, software licensing, sales consulting, strategic audits, new forms of research, ROI modeling, and client specialization.

Client specialization establishes a core competency around a unique demographic, psychographic or product category.

Since clients are becoming less willing to risk their future on agencies with no category heft, focus in on your most relevant experience—from the client's perspective. A growing number of agencies are leveraging this approach to win far more than they ever had before. Clients see this as a valuable differentiation.

Sure, this idea runs counter to the be-everything-to-everyone strategy familiar to most agencies. Clients increasingly believe that a jack-of-all-trades really does master none.

Further differentiate by concentrating on one category at a time.

Focusing in on your strengths in this way is the simplest and most immediately lucrative form of differentiation.

Inventory your agency's experience. Start where you have the most case studies, the most creative, the best track record – and therefore the most credibility with prospective clients.

A number of agencies have already begun to specialize in a psychographic or demographic, such as teens or baby boomers. Given this, consider a focus by product category. The goal is to position the agency as a "category master," a concept that clients find highly attractive.

Then, weigh your top category options against some additional criteria:

- Can you make money in this category?
- Can you beat the competitive set?
- Can you have multiple clients without serious conflicts? You'll want to focus less on categories where a single win would create a conflict to everyone else. Consumer electronics, packaged goods, retail, travel, media and pharma tend to have fewer conflict issues.
- Can you do famous work that will build the agency's reputation?

The category that best passes this checklist is where your best and easiest wins await.

Mirren Business Development brings insight from time spent with more than 100 marketing chiefs.

Each quarter, Mirren gathers marketing chiefs for the invitation-only Workspace/CMO Roundtable Series, produced in partnership with *Harvard Business Review*. We discuss the future of marketing, and we discuss agencies. Participants have included BMW, Harley Davidson, JetBlue, Xbox, Puma, Coca-Cola, Pepsi, WWE, P&G, General Mills, NFL, ESPN and, Levis, to name just a few.

As part of our new business training work with agencies, we also interview past pitch prospects to uncover how well an agency pitches and how it can improve.

This said, avoid pigeon-holing your agency. Only promote your specialization to prospects within that particular target category. Once you have saturated your first category, move to the next.

This strategy is not just for small shops. Larger agencies should borrow from the playbook of management consulting firms. The top consultants brand divisions that specialize within distinct verticals, from “Keller Jones Automotive” to “Keller Jones Travel & Tourism.” Sending in a team of trained and knowledgeable experts from a branded agency division is a powerful proposition.

Further differentiate yourself by conducting a category study.

Clients trust research-based conclusions. They are drawn to facts, figures and insight that first paint a strategic picture. A category study will inform your agency’s point of view on what is trending up and down, what led to missed sales and missed marketing as well as how a prospect’s business was affected.

3. What does that mean to my business?

Most agencies sell strategy and creative. To clients, this is only the means to an end. Clients only care about the “end” part. Simply put, how are you going to move the needle?

To get insight into metrics that clients find meaningful, buy analyst reports at sites such as Morningstar.com. They’re inexpensive but rich with business insight.

Understand how each prospect within a category can jumpstart sales – use that specialized point of view as your calling card.

Take your research-based point of view on a prospect’s business and offer that up as a calling card. Now you have a meaningful point of difference. Stop selling the agency. Start solving clients’ problems. You’ll attract new business like a magnet.

Step back. Examine everything you’re communicating.

Consider all of your promotional materials and how you engage a prospective client.

Look at your credentials presentation, your Web site, your collateral. Do they clearly and instantly answer all three of the queries? Will prospects really get who you are and why you’re different? Do your materials address clients’ near-term thinking and their business goals?

If you don’t answer these three fundamental questions, good clients will not be interested in you.

Finally, do the brief.

Grab your team and write a creative brief for the agency.

Focus your messaging in way that leaves no doubt about who you are, why you are different and what that means to a client’s business.

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Sources:

1. Spencer Stuart, 2006 CMO Tenure Survey
2. *CMO Magazine*, 2005
3. U.S. Department of Labor
4. Mirren Business Development Research Tracking

Mirren Business Development is a team of new business training specialists. Using an innovative approach to position, pitch and prospect – our agency clients close more business, more quickly.

Mirren’s team members have run new business and marketing at boutique agencies as well as TBWA\Chiat\Day and Wieden + Kennedy. In addition to new business training services, the firm produces the annual Mirren New Business Conference with *Adweek* and the Workspace/Marketing Chief Roundtable series with *Harvard Business Review*.