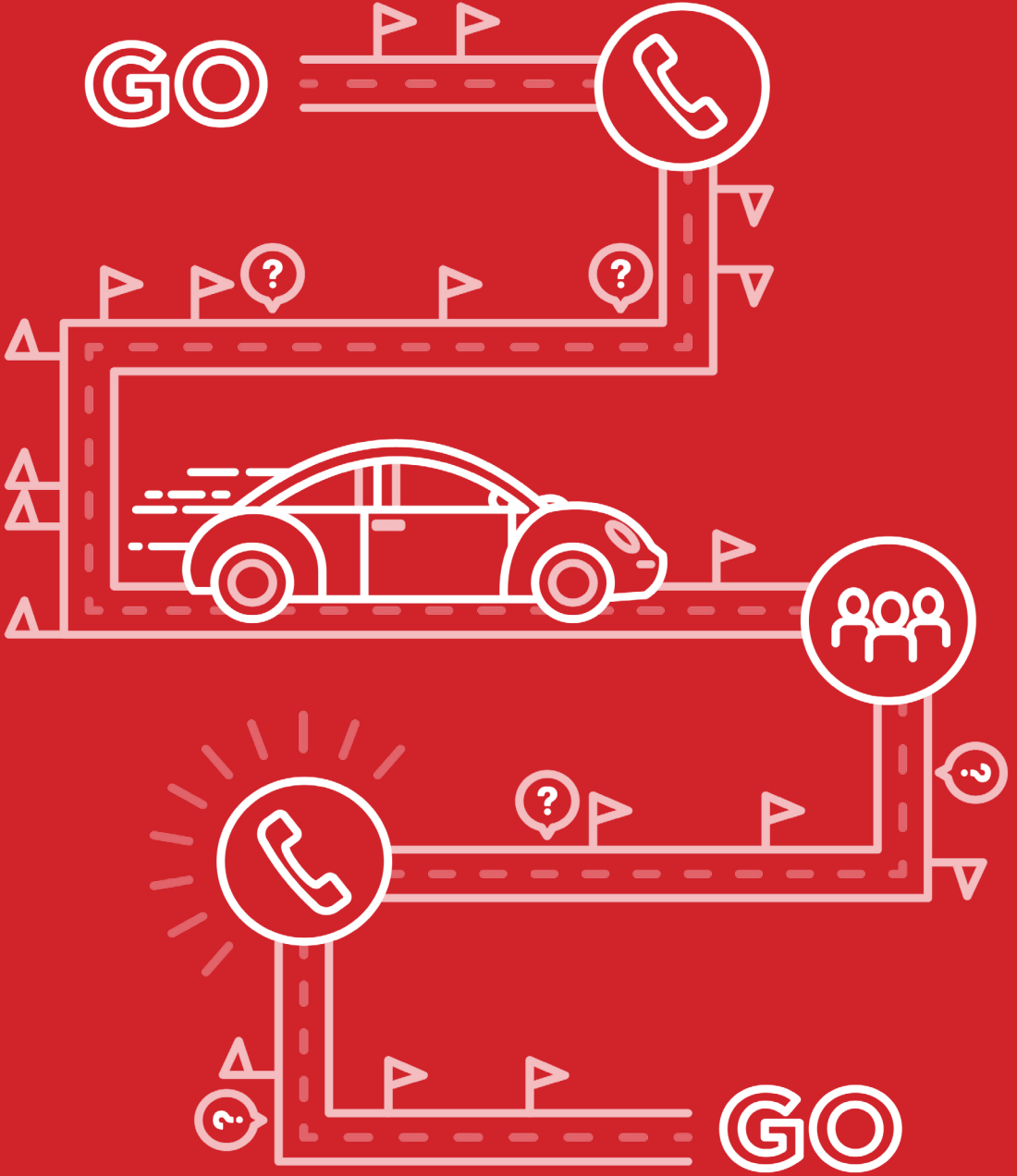


PITCHING
A FIT



CHAPTER 2

Navigating the Sales Process

Now that you've selected and reached out to one or more agencies, you'll begin to go through their sales process. While every agency has their own processes, for the most part they all follow a basic pattern of meeting, scoping, proposal, negotiation. In this chapter, we'll look at how you should evaluate an agency during the sales process, and what questions you should ask.



What should you look for in an agency during the sales process?

Candor/sincerity/honesty, transparency, culture fit, professionalism, good references, willingness to challenge assumptions, willingness to listen, experience with the task at hand, talent, and results focused are all traits that come to mind.

Some are buzz-wordy, so let's take them one at a time:

CANDOR

In a perfect world, the sales process is an opportunity for both parties to learn about one another and determine if they're a great fit. The only way this really works is if both parties are forthright and honest with one another. An agency should be not just comfortable discussing why they're awesome, but also why they might not be. This type of candor should stretch across the board. If a digital agency favors a certain content management system, they should be able to not only sell it, but also discuss both its advantages and disadvantages compared to alternative platforms. The agency should be comfortable providing balanced and direct answers to questions like, "What opportunities and challenges do you foresee for us when working together?"

TRANSPARENCY

Is it clear what the agency's business model is? Are their processes and procedures communicated? Do they dance around a possible skill set or familiarity with technology that they don't have experience with?

Transparency is a close cousin to candor. I draw the distinction between them as candor being a personal trait and transparency being more institutional—are your interactions with the organizations writ large, clear, understandable, and on the level?

CULTURE FIT

This comes from your gut—do you want to work with these people? This could be due to their style of dress, how they speak, and if you can laugh with them. At the same time, it could be deeper—in the sense that your style of working and approach jibes with theirs.

PROFESSIONALISM

Professionalism is an interesting term. How you define it in a way that actually means something, and what it means to be a professional is a big discussion. Used here in a somewhat less formal sense, I'm referring to whether the organization and its employees act in a way consistent with an organization that has its shit together.

A lot of this is basic. Do they call on time? Do they arrive at a meeting on time? Do they get out a proposal or follow up when they say they will? Do they seem to have clear procedures and policies in place? You might want to throw professional attire onto this list. As the owner of a 'hip, young agency,' I'm biased. We tend to keep the dress code pretty casual.

GOOD REFERENCES

Most references provided by the agency are obviously hand picked, but you can still get valuable information from following up with them. Ask questions like, "What could have been done better?" and so forth. Additionally, agencies list many of their clients and much of their work on their websites. See if you're connected, say via LinkedIn, and feel free to reach out to a couple clients the agency hasn't offered up to see if their experience is in line with the ones provided by the agency.

WILLINGNESS TO CHALLENGE ASSUMPTIONS

A good agency shouldn't steamroll all of your ideas, but they also shouldn't accept all of your requirements as gospel. It's their job to bring ideas to the table and challenge your ideas when their expertise can provide additional insight. Additionally, they should be able to accept and work around intrinsic obstacles—businesses are complex, and political realities can trump good ideas. Sometimes these obstacles need to be respected, and sometimes they need to be challenged. A good agency should be able to navigate this.

WILLINGNESS TO LISTEN

Too many agencies treat sales meetings as one-way conversations by going through an hour-long presentation and parading out a dozen examples of work. As I've said, the sales process should be geared toward building a mutually beneficial relationship. A big part of that process is allowing the prospective client to drive the conversation with their needs, pain points, and what they're looking for on behalf of their company. Look for an agency that is thoughtful and spends their time listening and learning instead of bragging.

EXPERIENCE WITH TASK AT HAND

Technology moves at an ever-increasing pace, and the number of platforms has exploded over the last decade. (Just check out of this graphic of the Marketing Technology space --3,874 different platforms! [\(VIEW SOURCE\)](#). In 2011, that same graphic had 150 platforms on it.) All this is to say that it's not always realistic to expect your current or potential agency to have significant expertise and history with every past, current, and future technology that should be leveraged by your company. However, you should always make sure you know the extent of their experience on any given endeavor. This is true for capabilities (brand development, web development), platforms (CMS, marketing automation software), and specific technical skills (programming languages, print production).

Even if your agency doesn't have a ton experience in an area, it may make sense to give them an assignment out of their comfort zone anyway.

For example, your digital agency might not have a ton of history doing print product catalogs—but they know your brand, have talented designers with print backgrounds, and you trust them. Your understanding of their experience should absolutely come into play in that decision-making process. At S4, we love getting assignments out of our comfort zone when it makes sense for our clients. However, we know when to say no and work with partners on behalf of our clients if that's what's best for them and the project.

Many agencies have an unwritten policy of saying they can do anything and figuring it out later. This can work out if it's a small or simple project. The more complex or large the task, though, the bigger the recipe for disaster—especially on the tech side. I've seen way too many agencies get into messes selling a development project thinking they can simply outsource the development and handle the project management. I have never seen a non-technical agency or company directly manage and outsource a development project successfully. Never. But agencies try all the time. Sometimes they're transparent and honest with the client, but often they represent that they have a particular skill in-house when they don't. Then they use a contractor's experience and past projects as their own, or straight-up lie to get the work. Push for clear answers and, if you suspect that they aren't being completely forthright, either move on or at least get something in writing attesting to who will be performing their work and what their relationship is to the agency.

TALENT

This can be a tough one to evaluate based on the nature of the engagement. I've added it to this list because I've seen a ton of agencies (especially old-school, traditional ad agencies) know how to talk a big game but produce just plain bad outputs.

For most companies, your job is to pick the agency that will produce the best outcomes while taking costs into account. However, that knowledge isn't directly accessible or projectable, even by the agency. Agency-produced case studies and results for past clients can provide a partial picture, but success metrics for self-marketing purposes can be massaged and cherry picked, and case studies are obviously selected based on their success. So looking for 'talent', as mushy and subjective a term as it is, serves to answer the question, "How good are they really?"



SOME QUESTIONS TO CONSIDER WHEN EVALUATING FOR 'TALENT':

Are the qualities that I like about the company's work—such as design, copywriting, user experience, and so on—being produced by in-house talent at the agency or is it being outsourced? Are the employees that produced work that I liked the most still at the agency, and will any of them be on my account?

Do they have more than a single resource at various roles? It's not uncommon for small agencies or agencies working out of their comfort zone (i.e. traditional agency taking on a digital project) to only have a single designer or front or back-end developer. Isolated professionals tend to have reduced exposure to new ideas and technologies and have higher tendencies to build flawed processes as their colleagues lack the technical knowledge to question them. I've seen this result in very backwards practices within agencies.

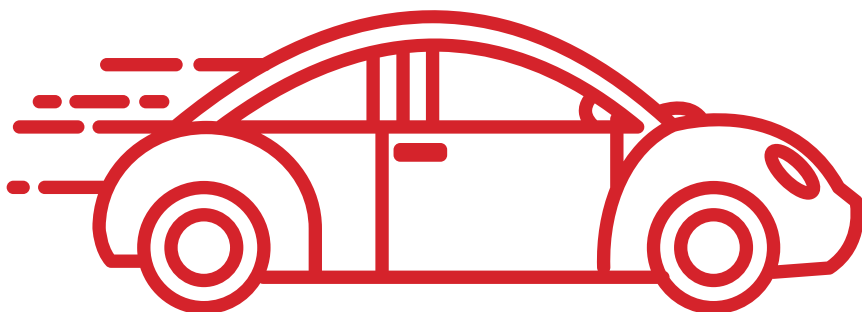
Make sure to thoroughly evaluate the agency's portfolio. Sadly, I've seen too many agencies outsource or use a template for their own website while charging for and producing sub-par work for their clients.

RESULTS-FOCUSED

Being ‘results-focused’ and ‘data-driven’ gets a lot of lip service these days. When we talk with prospective clients, our first questions usually are ‘what are your goals’ and ‘how do we measure success towards them’. Being results-focused means dissecting goals into success metrics that can be measured as a proxy for progress towards the goals and subgoals, benchmarking those metrics, and then regularly reporting on progress. This isn’t always easy and many agencies are content to make their ‘success metric’ be your general satisfaction—if you’re not mad, they must be doing a great job.

Additionally, much of the challenge of really demonstrating results can come from the fact that you have to go deep into the business’s operations to get the full picture. An agency may be able to report that an AdWords campaign delivered 20 leads in a given month but to know the whole picture you need insight into lead quality, close rate, and eventual sales value. Without that information, the agency really can’t demonstrate the actual value of the campaign and use that information to inform decision making going forward.

So ask agencies to go a little deeper on their definition of demonstrating results—if they think that results equal increased search traffic in and of itself, then I’d move on.





Who should you be talking to on the agency side?

Make sure to know the title and role of your primary contact in the sales process. This is often based on the size and structure of the agency you're speaking with.

OWNER

If you're talking with an owner/partner, make sure the story they're selling is backed up by reality. I've seen way too many owners begin to buy their own BS. When you pull back the covers, the actual work produced is weak, and their client relationships are chaotic. Ask questions about what, if any, role the owner will have with your account.

BENEFITS

They can speak authoritatively about the company and make tough decisions on the spot. Ultimately the responsibility of ensuring your satisfaction is theirs, so it's always good to have some relationship with someone at the top who you can talk with if something isn't going right.

NEGATIVES

Even if they aren't the most knowledgeable person at the agency (which they may be), they likely are the most passionate and experienced in selling at the agency. If the owner's passion and knowledge doesn't also permeate through the agency, you may be buying into one thing and getting another.

DEDICATED BUSINESS DEVELOPMENT/SALES

The role of a dedicated business development resource can vary from agency to agency. They may be pure lead generators, pure closers, or a combination thereof. Sales people on the professional services side can hold a number of titles from VP of Business to Account Executive.

At S4, we've tried using dedicated sales people a few times and never really figured out the formula. Our experience saw very limited success in lead generation. On the sales/closing side, we felt that we were delivering a subpar experience for the prospective client to prevent the owners and subject area experts from being pulled off other tasks for the sales process. This isn't unusual. We're a small business, and it's unrealistic to expect someone to come in and tell our story as well as the founders. I've seen other agencies try the same thing without success, with most sales

roles lasting less than a year. In talking about this subject with other agencies at conferences, I hear the same thing, and the horror stories far outweigh the successes. A few exceptions have involved agencies having sales compensation through pure salary, instead of heavily incentive/commission driven. In these cases, it's usually a role promotion for someone who has worked at that agency for a few years and really knows their story and product.

When talking with an agency's dedicated sales person, be sure to understand their role, background, and expertise. Salespeople are renowned for saying whatever is needed to make the sale, overpromising and underestimating, and talking beyond their expertise. Be on the lookout for these tendencies.

BENEFITS

Managing the sales process is the salesperson's primary job, and they are likely to give it and you their complete attention. If you're talking to an owner or other employee who has other duties, they may view sales as secondary to their 'real job'. A salesperson is more likely to take as much time as you need, accommodate your requests, and/or wine and dine you.

NEGATIVES

Misalignment between sales and the rest of the company and leadership is common. This can lead to being sold on a different 'product' than the agency actually offers. A salesperson typically lacks technical expertise to answer detailed or tough questions. Eagerness to make the sale can create incentives to underbid and overpromise, resulting in problems on the backend. This can result in your expectations being unmet while, at the same time, the agency is actually losing money, which is just about the worst outcome for all involved.

ACCOUNT MANAGER/OPERATIONS

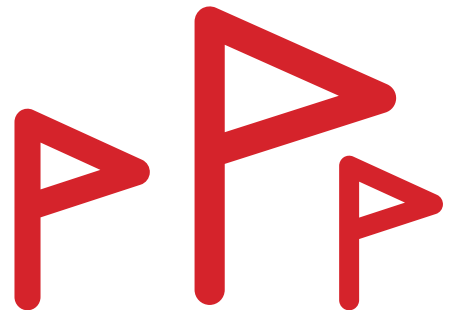
The benefit of talking with an Account Manager or, say, the Director of Operations, is that they will likely be somewhat involved in backing up what they've sold.

BENEFITS

You'll get a better understanding of the ground-level game at the agency. Overpromising in the sales process is tempered by the sales contact being on the hook for execution.

NEGATIVES

You might miss out on detailed technical conversations or consultative brainstorming that an owner or subject matter expert should be able to deliver in the sales process.



SUBJECT MATTER EXPERT

In some cases, especially with smaller agencies, your primary contact may be a subject area expert with expertise in the area that you expressed interest in during the initial inquiry. This can sometimes make sense if your inquiry was specific and technical in nature. However, you may miss out on a wider understanding of what the agency offers.

BENEFITS

Usually cuts to the chase and dives into the specifics of your problem or specifics on how their expertise could be leveraged to meet your goals. Almost always cuts through the standard sales BS as the SME isn't trained in or, in some cases, used to sales.

NEGATIVES

Can miss out on the big picture or be unable to apply the perspective of multiple disciplines in consulting with you. For example, if you have a dev-focused inquiry and meet with a Sr. Developer, it's unlikely that the conversation will veer into the market viability or UX challenges that the application faces, even when it probably should.

In the end, it's best to interact with as many people as possible from the agency before making a decision, so you understand their contribution in light of their role and future involvement with you if you do begin to work with them.



Questions to ask an agency during a sales meeting.

I'm regularly surprised by the lack of incisive questions asked in sales meetings.

While, as I've said before, sales meetings should be taken as an opportunity to build a relationship and not as a negotiation, I do think you should ask questions that might be a little uncomfortable for the agency. I'm not suggesting you grill someone like in an employment interview, but you want to force the agency to go off script a little.

HOW LONG HAVE YOU BEEN IN BUSINESS? WHAT'S THE HISTORY OF THE AGENCY?

These are softball questions, but it's good to start with the basics. This might be oversimplifying, but new agencies typically struggle with balancing workload, consistency, and reliability. However, they are hungry and cost effective. Established agencies are usually more expensive but reliable. I'm obviously biased here, but agencies that got their start pre-internet tend to still, all these years later, have trouble figuring out digital. Again, those are trends. You should always evaluate on a case-by-case basis.

In addition, learning the history of the agency can be illuminating. You should ask questions like, "Where did they start?", "What services did they grow into?", and so on. It's also worth asking if the agency has grown or shrunk significantly in the last couple of years. In my opinion, it's risky to work with an agency in either situation. While a growing agency may be more willing to brag on their growth, I'll note from personal experience that it might not be the one you want to work with. About four years ago, S4 grew from 5 to 18 employees. The pace of hiring made it difficult for us to keep our processes, quality, and service up to the standards our clients had come to expect. In retrospect, I would have forced slower growth and maintained high quality.

WHO IS YOUR BIGGEST CLIENT, AND WHAT PROPORTION OF YOUR REVENUE COMES FROM THEM?

Agencies that are overleveraged on one or two clients put themselves in a dangerous position, and they know it. They lose their main client, and layoffs happen immediately. Often this means that the agency is forced to do whatever it takes to keep that client happy. This impacts your importance as a client, but also tends to foster a yes-man culture even beyond those working with their main client.

WHAT SERVICES DO YOU NOT OFFER?

This is an interesting question because it forces the agency to talk outside their list of positives and defend their specialization. Digging deeper into why they don't offer a particular service can lead to a fruitful conversation about the partners they have who offer those services. I recommend following that up with asking about their history with their partners and what projects they've worked on together.

What services do you outsource to contractors either partially or wholly? How much do you outsource, to whom, and where are they? Do you have a policy of communicating to clients when you use a resource that is outside the agency?

These are big questions, and I recommend going deep on them. Too many agencies will sell whatever they can on the belief that they can bring in contractors to fulfill right away. The reality is that this is rarely the case. Most situations I've seen when a project or relationship explodes spectacularly are because the agency sold a project they had no idea how to fulfill internally. This is not to say contractors

can't be used very successfully. They can, but the client should be fully informed and on board about it. In addition, the agency should have internal experience managing the skillsets they're outsourcing. If a traditional ad agency wants to outsource app development, run. If a PHP shop wants to use contractors for a Ruby on Rails project, run.

Moreover, make sure you trust your agency and that you will be notified, contractually, if they bring in outside resources. In a fully transparent environment, this can work great. But if the agency is pretending they have in-house resources for things they don't, you're in trouble.

OF THE SERVICES YOU OFFER, WHICH DO YOU FEEL ARE YOUR STRONGEST? YOUR WEAKEST?

Again, this forces an agency to stop selling and try to provide an honest answer. I know I said this isn't a interview for employment, but this is akin to asking a candidate to talk about their weaknesses. Might force them to think on the spot. "We are too much of a perfectionist," isn't a valid answer.

HOW OFTEN ARE YOUR PROJECTS COMPLETED ON TIME AND ON BUDGET?

As the owner of an agency that has had a time and materials business model for the bulk of its existence, I am shocked that I've only heard this question a few times in the sales process. It's a difficult question, sure. Many projects go over budget because scope has increased and the client is super

happy about the work. Many timelines aren't met because of client delays. But this question forces the agency to defend themselves. Honestly, if they say they always hit these targets, they're probably lying. Look for a nuanced answer.

WHAT ARE SOME OF YOUR MOST SUCCESSFUL PROJECTS/RELATIONSHIPS, AND HOW DID/DO YOU MEASURE SUCCESS IN THESE CASES?

This throws the agency a bone and allows them to brag on their awesome work... given they can back it up with data. Push on the measurement. Many projects seem successful because the client is happy, but the actual measurable result is unknown. If an agency throws out preliminary metrics (impressions, traffic, etc.), push to see if they connected their work with measurable revenue and ROI.

DESCRIBE A PROJECT OR RELATIONSHIP THAT WASN'T SUCCESSFUL AND ITS OUTCOME.

Super tough question. If they're too direct, they'll end up bad mouthing a past client, which is as bad as bad mouthing your past employer in an interview. Go too soft, and you're admitting your own inadequacies. The right answer recognizes that both parties could have fostered a better working relationship or involves the agency firing a client early when it was clear they were not a good fit.

HAVE YOU EVER BEEN IN A LEGAL DISPUTE WITH A CLIENT OR OTHER PARTY? ARE YOU CURRENTLY IN ANY LEGAL DISPUTES?

I've never seen these questions before, but given what I know of other agencies, they are absolutely questions you should ask.

Not only can legal issues indicate deeper problems in the agency, but current legal issues can take overriding precedence over all other concerns at an agency. At S4, we've never faced mediation, arbitration, or litigation, but I know agencies who have. It may not be a deal-breaker, but as a prospective client you have a right to know.

WHO WOULD I BE WORKING WITH ON A REGULAR BASIS?

This isn't always known early in the sales cycle, but it's a legitimate question to ask. It's especially true if you're talking with a salesperson or a partner. You may love who you're talking to, but they may hand you off to people you don't once the ink is dry. If possible, meet the team. Obviously, this could be a burden if you're not bringing in a lot of work, but it's important to get a sense of who you'll be working with. Ask about their experience. Even if a company's done amazing work, it doesn't mean you won't get assigned to their entry-level designer.

HOW DOES THE SCOPE AND SIZE OF THE ENGAGEMENT WE'RE DISCUSSING STACK UP TO YOUR OTHER CLIENTS AND PROJECTS?

It's not a bad idea to know how you'll be perceived in regards to the agency's other clients. If you're bigger than most of their other clients, you'll likely receive more attention, but you may push their limits. If you're smaller, you might get more attention but be relegated to the B team depending on the agency's structure. At S4, we realized this tendency and stopped hiring entry-level staff. It felt like we were selling based on our top talent's work and then assigning smaller projects to employees with less experience. Now we work in cross-functional teams that are balanced in terms of talent and experience.

HOW MUCH TURNOVER DO YOU HAVE ON STAFF?

This is similar to diving deep into an agency's history. If there's been turnover due to growth or shrinking, it might reveal something about their culture. A few of the struggles of running an agency are keeping clients happy, employees engaged, and the agency profitable. Sometimes, it seems like these three responsibilities are points on a triangle that run counter to one another. In a smoothly functioning agency, they shouldn't.

CHAPTER SUMMARY

No agency can guarantee results. There are too many factors that come into play and are unknown no matter how thorough the sales process. However, your job during the sales process is to minimize your risk by making sure you select an agency you trust to do right by you. Using the criteria and questions in this chapter are a great starting point.