

News



February 13, 2007

If you haven't noticed, AMR got a new web site over the last several weeks.

Janet Webb, WEBB DESIGN, Inc. of Taos, New Mexico and a member of the AMR's Alliance of Marketing Communication Agencies (AMCA) developed the site. The designer is Sean Ratliff and the programmer is Curtis Ryan. They did a great job, and, as a client I learned a lot about being a client, having client concerns, and trying to stay within a budget.

Sound familiar to stories from your own agency?

Don't get me wrong, I'm delighted with the results. My observations have to do with the problems agencies have estimating the amount of time and effort required to build a specific web site. Judging from comments I've received from my clients about their problems with estimating the cost, I think that there has to be a solution that is "smart and practical."

Naturally, when Janet and I started the project, we went through the Scope of Work, defining the pages that would be required to cover all the areas. We thought that we had it pretty well nailed down.

Now is when my observation as a "client" comes in. I thought we covered all the bases. We agreed on a cost, a time line and how to work at distance. We thought we addressed all the issues.

Then, after the first set of level 1, 2, and 3 pages were designed, I realized that I needed to add several functions to the pages. These additions were not covered in the approved budget. Then, there were additions that were needed to make the site more functional. Well, long story short, we ended up with a good site that does everything that I want it to do. I can change the text, dates, upload pages, etc. I'm very happy.

But...

I kept thinking that as the client I had made it pretty difficult for Janet to keep this project within estimate. And, when I asked for changes, I didn't really want to wait for a "change order", or a "new authorization." It was important for the work to progress.

These changes put Janet into a quandary, just like it does for you when your clients do the same thing.

No one screwed up here. The agency did great work; the client (me) got what he wanted, etc.

But... what happened would normally cause some problems with the overall cost and staying within the original authorization.

I talked with several other AMR clients about this recurring situation and ended up forming an opinion and a suggestion about how to estimate your web work, and be able to accommodate the changes without the client going bonkers.

Let's agree that every client does what I did. They have to, because they can't predict every little addition, change or modification. Clients are not clairvoyant, and neither are we.

Let's also agree that clients hate change orders, slowing down the job, and having to seek new funding to cover the cost of the changes.

Let's also agree that we, as agencies, want to be able to stay within budget and make our fair profit on the project.

If we can agree on all those, then I think that the answer may be simpler than we think.

When you first put together the estimate, explain to the client that it is only normal for them to make changes, add on features they didn't know

they wanted, and more. You must put a contingency into the estimate for changes, add-ons and more. I'd suggest about 20-25%. This way, there are no real surprises on client costs.

Of course, if the client starts to add pages that need to be programmed, add a back-end that wasn't in the original scope, you have to stop the project and completely re-estimate, crediting the work already done.

Try the contingency budget. When you estimate the job and build your authorization, set the two up as separate items: Web Design Concept, Content Development, Programming at one price, then, Contingency Budget for changes, add-ons, re-programming, etc.

I think you'll find that this is more palatable to all parties concerned. ❖

My thanks to Janet, Sean and Curtis.

Upcoming Workshops

AMR has been fairly aggressive with new Workshops this year.

AE BootCamp has been changed with more emphasis on strategic thinking and strategic AE work on solving the client's business problems. I still spend time setting the foundation for AE work by positioning their job as a manager of a company, needing to make a profit, keep current clients happy and growing, plus developing some new business along the way. One of the highlights of AE BootCamp is the Agency Profitability and Agency Math sections. Here they learn how the agency makes money, and how little of the billings filter down to the agency for distribution as salaries, to pay overhead and have a modest profit left over after updating technology every year.

AE BootCamps are scheduled for Atlanta on April 2-3 and Chicago on June 11-12. I am working on a location in the Washington DC/Baltimore area for September. The cost is \$645 less \$50 for early registration. ❖

AMR III – Financial Firepower is a new meeting focused on agency finances.... everything financial. This is a two-day meeting for agency principals and financial management personnel. The first roundtable is in Atlanta on April 4-5.

There are already 10 registered for the meeting with a cap of 15. Everyone will benefit from this roundtable even if you are an AMR network member. We'll cover it all, from setting up your proper chart of accounts, developing the AMR simplified Income/Balance Sheets, and through simplified feedback tactics that help you manage the agency without becoming an accountant.

The fall meeting will be in my area, somewhere in Scottsdale. The cost is \$995 less \$200 for early registration before March 1st. ❖

AMR IV – Pursuing Profits Through Public Relations is another new roundtable focused on helping agencies add a public relations department or improving the agency's public relations practice. Nancy Marshall from Nancy Marshall Communications in Augusta, Maine will conduct the program. Nancy and I have worked together in past years on programs specifically for public relations firms. In 2005 we held a PR training program for AMR Network agencies in Chicago. This program was a great success, and because of the extreme interest in public relations in the market, we thought bringing it back would be a good idea. You won't believe the materials you'll receive when you attend. **Who should attend?** Agency principals that are considering adding a PR discipline to the agency, and those that want to improve their agency's PR offering. PR will make good profits for you. This is a meeting you should consider attending. Attendance is limited to 15 agencies.

AMR IV will be held in Chicago on April 26-27 at The Allerton Hotel, near my favorite steak house, the best in the US, The Saloon Steak House.

The tuition is \$995 less \$100 if you register by April 1st. ❖

Web site notes:

Go the web site for in depth information, registration forms and more. It's simple to get there:

www.agencyroundtable.com

If you are an AMR Network member, check out the Network section. Call me and I'll send you the password to get into your network site. There, you will find updated meeting lists, network rosters, meeting minutes and photos.

As a matter of fact, I'd just be interested in your take on the website. Write and let me know what you think. Thanks.

dave@agencyroundtable.com