

MarketWise



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Competing Effectively as a Small- to Medium-Size Firm

I've spent a number of years in this business, and I've seen a lot of agencies fail because they don't understand how to compete effectively and win.

Winning an account isn't just the result of agency size and great creative product, although they have a lot to do with it.

Small- and medium-size agencies can compete effectively with larger agencies, but they have to know "when and where" to compete for the business. If your agency is made up of a dozen people, another agency employing 50 seems pretty large. But, a 50-person agency feels pretty small when competing with an agency with hundreds of employees. You have to choose your battles and don't get into a kamikaze attack on impenetrable ground.

Winning starts with the agency's strategic business plan and ends with execution. It's recognizing that to win, you have to fight using guerilla tactics. You simply don't have the force of a large company behind you so you have to plan and use your resources strategically.

You're an independent street fighter, fighting for everything you get. That may not be a very glamorous concept, but it is accurate.

As a guerilla, you need to choose your battles. Along the way, you'll win the business you choose to win and ignore the business you doesn't have a good chance of securing. Your approach is a lot more proactive than reactive. I believe you can build the client list you want.

The ingredients are planning, patience and perseverance.

Some years ago, Jack Trout and Al Ries wrote their classic primer on marketing strategy, *Marketing Warfare*. They wrote several other books, too, but this one lays the foundation for any small agency's strategic marketing plan. *Guerilla Marketing* by Jay Levinson belongs on your read and re-read list, just like *Marketing Warfare*.

Yes, a small agency can compete effectively with larger agencies...they do all the time. It isn't easy. It takes a strategically organized agency that has done its homework. Read on. ?

Is Size Important?

Is size really important? Yes, it's darned important. It can work for you or against you. If you're a guerilla fighter, you can use your smaller force to attack a larger force.

If you're the larger of the two combatants don't think you automatically have the upper hand.

It's your team against theirs and it's your ability to adapt that works for you.

Julius Caesar was a great general as well as the Emperor of the Roman Empire. Even Caesar was out numbered on occasion, and he followed the first rule of force-"The larger force is always going to win."

Recognizing this he chose to "divide and conquer" his enemies. He attacked where he could win with the superior force.

How do you do this? Segment your market. Instead of attacking the whole thing, become a specialist in an industry, special market, reaching a special audience etc. That way you define the market because you cut it down to fit your size and capability. You automatically limit the size and number of the competitive forces.

Don't get confused by David and Goliath. Although Goliath was a lot bigger than David, it was still a battle of one against one. David's idea was better. The strategy he used was better. David attacked Goliath at his most vulnerable point, but the force was the same. David against Goliath, one-on-one.

Does size count? It does, especially when it comes to the big idea. And, it's a good thing that agencies, like yours, can have a BIG idea, just like the big agencies supposedly do. Being big doesn't give them the exclusive rights on coming up with the right idea and the best strategy.

It's Your Six versus Their Six – Be Flexible

Your six versus their six! Don't forget this.

When you get down to the nitty-gritty, your team just needs to be as good as the competitor's team. It's your six versus theirs. It's your Account Executive, Media Director, Creative Director, Public Relations Director, Planner/Researcher and Production Director versus their six comparable positions.

Not all the talented people work at big agencies. Some choose to work in a less chaotic environment. All the good agencies don't set up office in New York City, Los Angeles or Chicago.

I know a lot of incredible agencies located "next to nowhere" that have attracted very talented people because of the agency's location outside the major metro areas. Many of these agencies work with, and share clients with larger agencies.

One of our greatest allies, in competing for business and talented staff is our flexibility.

Flexibility works for smaller agencies. Like the big guys, smaller firms have systems and procedures that keep the agency on an even keel, and good work flowing to clients. But, small agencies can be more responsive to clients because in small agencies staffers are empowered to "break the rules" to meet client demands. It's like comparing a sleek motor yacht to an aircraft carrier. The smaller vessel can stop faster, change course and regain full speed much faster. The flexibility small agencies have to respond to client needs without going through layers of bureaucratic policies and procedures works for us.

Let me remind you that winning client is securing and keeping the business. Be flexible. ?

Presentation Check-List

If you are determined to stand up in front of a committee and beg for your supper, then here are eight tips to remember.

Know your competition for the business. Make sure you look into each and every other agency that is going to present to the client. Just knowing who they are isn't enough. Ask yourself just how much you really know about them. Looking them up on the Internet isn't enough. You should have a dossier on every agency in your immediate market that spells out their staff, their strengths and weaknesses. Don't operate on rumor. Get the spies out in the field.

Know their weaknesses and exploit them. One of the primary war strategies is to know the strengths of the enemy and find the "weakness" in the strength. That's where you attack. Exploit their weakness, by demonstrating your strength. When you present, you have an opportunity to "pre-frame" the committee about important program features they should query other presenters about. That's one of the greatest reasons to present first. You get to set the stage, create doubt and identify concerns.

Do your homework. Demonstrate that you studied and learned about the client. You really do need to know their markets, current and past strategies, what their successes and failures have been. You need to address their objectives and goals and stop trying to sell them on some obscure strategy that doesn't address their primary concerns. Pay attention to sales and profit contribution and return on investment.

Practice, practice, practice. Make sure you have set aside the time to practice the presentation many times...again and again. Make sure the transition between presenters is smooth and timely. And, make sure you use only the allotted time to present and field questions. I've seen a lot of good strategies just die during presentation because the team hadn't practiced.

Let members of the team do the presenting. Most clients don't like "pitch" teams who come in sing for the business and then are never seen again. Remember that you're a small agency and that it's important for the prospect to know and be comfortable with the people they will be working with if they hire the agency. Let the primary account person lead the presentation. (If the AE doesn't make the presentation, the agency is demonstrating that the AE isn't capable. Why should the client hire the agency in that case?)

Present the Big Idea. This is the part everyone likes best. Use lots of fanfare and remember that it's how the idea is tied to the strategy. Get paid for the idea. Don't give the idea away so you can keep the production department busy. You're better than that. Show them you can "think".

Dress properly - as professionals - "crisp." Look successful. Make sure your attire supports your agency's brand. Personally, I don't like "casual" dress in a presentation. I'm going to show up in a business suit, shirt and tie and my shoes are going to be polished. You may think that's dated thinking, but it still works to support my position as a consultant and strategist.

Your team of 6 versus their team. Be "crisp!" Don't forget this. It's not your agency with fewer employees, or lower billings, it's your team against theirs. Make sure every member of the team is going to be on the team if the prospect awards the business to the agency. Obviously your team will have strengths and weaknesses, so will their's. Develop a strategy to have the Account Supervisor/AE present the marketing strategy, the Media Director-the media, the Creative Director-the creative strategy, and so forth. Use each person's strength and emphasize "why" the strategy is appropriate for the client's objectives and goals. ■

Upcoming AMR Workshops & Group Meetings

February 22-23	AE BootCamp 4.0 – AE of the Future	Las Vegas, Nevada
March 5-6	Strategic Agency Group	New Orleans, Louisiana
March 26-27	Management Roundtable - Agency of the Future	Scottsdale, Arizona
April 15-16	Marketing Resources Agency Group	New Orleans, Louisiana
April 30 - May 1	Alliance of Marketing Communication Agencies	West Palm Beach, Florida
May 13-14	Roundtable of Agency Management Principals	West Palm Beach, Florida
May 24-25	AE BootCamp 4.0 – AE of the Future	Baltimore, Maryland

If you would like to know more about AMR Management Roundtables, Agency Groups or Workshops, write marketwise@agencyroundtable.com