

# How to be Transparent & Build a Better Agency

|||birdsnest



**free ebook**

- 3** • Foreword
- 4** • Intro
- 5** • Better Agencies Start with More Transparency
- 8** • Why Project Work Kills Agencies
- 10** • The Agency-Client Relationship Cycle
- 13** • If You Can't Ask Why, Say No
- 15** • The Marketplace Is Changing – Catch Up or Fail
- 16** • Martech & Adtech – Is It Dangerous Data?
- 20** • Increased Demands & Expectations from Marketing
- 23** • The Consultants Are Coming
- 25** • Recap & Why Transparency Builds Better Agencies
- 27** • 5 Steps for Building a Better Agency Now



## FOREWORD

“Agencies are not vending machines. You cannot throw in a few dollars and expect good creative to come out.”

– Global CMO Axel Schwan, Burger King <sup>1</sup>

Very few marketers get this, with most failing to connect the dots. While the agency-client relationship cycle remains constant, the interaction model shifts with the marketplace – with its complexity, scalability and the entry/exit point for agencies always in flux.

Today, the agency-client relationship is broken. With most marketers failing to tap agency partners early enough to define problems together, and instead, narrowing goals into KPIs and solutions disconnected from business outcomes. When clients bring in agencies later in the process, it's too often for solely execution – looking to accomplish or fulfill one specific marketing KPI with a project that fails to move the needle for the business. Agencies answer the call because work is work, but by doing so, agencies will continue to shoot themselves in the foot. If this is you, you're missing out on the opportunity to deliver fundamental business prowess and demonstrate meaningful, strategic value throughout relationships.

Agencies must step up and start asking *why?* And why wouldn't you want to – the time is ripe and the opportunity is there to start building a better (more profitable) agency now.

The “How to Be Transparent & Build a Better Agency” ebook includes insights from industry insiders on three challenges the industry must overcome, and why your agency clients are failing you with the wrong questions, expectations and demands from the get-go. Think about it this way – in life, you can't always be trusted to give yourself the soundest advice. Especially when applied to business. We'll break “transparency” – a lofty theme in itself into a few takeaways and actionable recommendations written specifically for agency leadership – written by current and former agency leadership.

Let's stop pointing fingers and set some guidelines for how to approach this ebook and your agency-client relationships vs. how you always have. Agencies can only expect clients to do so much. It's like going to the doctor when you're sick, and telling them your symptoms. They're the expert – they're the doctor. You're the doctor, and your client is knocking at the door with a whole host of problems they may know up close and personal, but aren't able to diagnosis – let alone fix. So let's start by assuming the client will never change, and their loss is our gain with an opportunity to build better agencies.

Let's get started – and as always, feel free to reach out with questions and feedback.

— Kate Richling CMO & Co-Founder, Birdsnest

[kate@birdsnest.io](mailto:kate@birdsnest.io)

<sup>1</sup> <http://www.adweek.com/agencies/burger-king-cmo-says-brands-must-respect-agencies-as-partners-not-dismiss-them-as-vendors/>

# Intro

70% of CMOs say there's now a mandate that marketing drive growth and add more value to their organization, but less than 7% say they're looking for strategic partnerships to drive growth.<sup>2</sup>

***The agency-client relationship is broken.*** Agencies must deepen their role from commoditized resource to strategic asset, partnering with clients earlier to define success while providing definitive strategic business attribution and value throughout the relationship. In this ebook, you'll learn how you do it.

“We’re seeing agencies increasingly figure out how to build more strategic relationships with their clients, which in turn will help clients leverage data more effectively toward reaching desired business outcomes. Many agencies are in the process of implementing more strategic capabilities in order to provide their clients with business-level consulting and ladder their execution efforts up to business KPIs, but the marketplace will also need to follow suit as agencies evolve. This means the proper tools and resources to support agencies acting like business consultants, as well as the evolving role of the CMO to also be an agency advocate, as most agencies are now competing with consultants for shared marketing budgets.”

**Forbes**

– Joe Olsen, Birdsnest CEO and Co-Founder  
*Forbes*, “CMOs’ Evolving Analytics Imperative: A Q&A With CEO Joe Olsen”  
Interviewed by CMO Network Editor Jennifer Rooney<sup>3</sup>

<sup>2</sup> <http://www.cmo.com/features/articles/2016/12/5/despite-mandate-to-grow-business-many-marketers-still-stuck-in-branding-mode>

<sup>3</sup> <https://www.forbes.com/sites/jenniferrooney/2017/08/08/cmoss-evolving-analytics-imperative-a-qa-with-rova-ceo-joe-olsen>

# Better Agencies Start with More Transparency

In a survey of global marketers in 35 multinational companies, the World Federation of Advertisers found transparency to be a top priority for 47% of brands, with 51% indicating it's rising up the list, according to Econsultancy.<sup>4</sup>

Like any service business, trust is at the heart of healthy, successful client relationships. Agency-client relationships built on transparency earn trust – and in turn, create reliable revenue streams by positioning the agency as an ongoing strategic partner. Are you sold on “transparency” yet?

Last year the Association of National Advertisers (ANA) sparked a media storm with its report uncovering non-transparent agency production processes, leaving many marketers cautious. In response, industry organizations have issued a rallying call and introduced a number of initiatives focused on ensuring media and production transparency specifically. However, the most recent report from the ANA found ad agencies and holding companies were still engaging in non-transparent

practices – with 11 of the 12 experts indicating transparency concerns exist at multiple agencies and holding companies. The impact of this has been felt industry-wide, crossing service offerings with clients demanding added transparency in addition to increased expectations to deliver – or the agency is out.

Industry leaders, as covered by Adweek, anticipate another wave of media reviews this fall – with Ken Robinson, founding principal at Ark Advisors explaining “...it’s no coincidence that this trend comes almost exactly one year after the ANA released an extensive, contentious report on transparency (or the alleged lack thereof) in the world of media buying...I have not seen so great a concentration of RFPs specific to media in many years. It’s not sector-specific, and it’s not just the zillion-dollar reviews: 10 clients spending \$50 million leads to a lot more activity in the market than one client spending \$500 million.”<sup>5</sup>

Marla Kaplowitz, the President and CEO of the American Association of Advertising Agencies (4A’s), is just a few months into her new role, but is leading an aggressive charge to rebuild trust as the foundation of agency-client relationships today. The following is an excerpt from an article she wrote in August 2017 for Adweek on “*How to Rebuild Trust in the Agency-Marketer Relationship*”:<sup>6</sup>

“Before we can make true progress, we must address a critical issue. That issue is trust. As the industry and consumer marketplace has evolved and become increasingly complex, there are challenges and concerns related to trust that are negatively affecting the relationship between agencies and marketers. And if we don’t have trust, we can’t grow our businesses. We’re living in a world of disruption,

<sup>4</sup><https://econsultancy.com/blog/69351-10-superior-digital-marketing-stats-we-ve-seen-this-week/>

<sup>5</sup><http://www.adweek.com/agencies/remember-mediapalooza-this-fall-will-bring-another-wave-of-media-reviews-with-no-end-in-sight/>

<sup>6</sup><http://www.adweek.com/agencies/how-to-rebuild-trust-in-the-agency-marketer-relationship/>

which is either exciting or frightening depending on your perspective. However, before we talk about growth, we must address the barriers obstructing the path and the imperatives that will help us fix them...I've been proud to be part of the advertising and communications industry for 30 years on the agency side of the business. The best experiences for me were always grounded in strong relationships partnering with clients. People are at their best and most creative when they feel trusted and valued. Trust is the cornerstone of any good relationship. We must foster it through candid collaboration and conversations.”

# Why Project Work Kills Agencies

“Creative agencies are dealing with the increasing evaporation of the AOR and the growth of the Project Partner. It’s a sea change that some are dealing with better than others,” explains Greg Paull, R3 principal and co-founder, to Adweek. Paull’s company R3 also found new business dropped 9 percent from January to June of this year, with total wins down 12% compared to the same time last year.<sup>7</sup>

MEC U.S. chief operating officer Rick Acampora calls this ‘the new norm. – “We describe it as ‘always be pitching.’ I would estimate that we will be involved in over 30 pitches this year.”<sup>5</sup>

With loss of trust the catalyst for increased pitching and additional RFPs, agencies are left wasting even more time and resources on an unaccountable system fueling the industry of the past. Next time your agency is asked to participate in the perpetuation of it, say no, not like this and offer to do the legwork.

“On the surface of the conference room whiteboard, projects seem like efficient answers to the twin problems of complexity and cost. They’re smaller and contained, so it seems like you’re paying only for what you want done. They’re manageable, there’s no big brand decisions or imagination sessions to complicate the job or raise the cost. But in the reality of the creative enterprise, projects kill the why that fuels great advertising.”

– John Trahar, Founder/Strategy and Creative Lead at Greatest Common Factory  
*“Project Work is Killing Creative Innovation,” The Drum*<sup>8</sup>

<sup>7</sup><http://www.adweek.com/agencies/the-creative-well-dries-up-as-agencies-compete-for-fewer-new-business-opportunities-in-2017/>

<sup>8</sup><http://www.thedrum.com/opinion/2017/05/25/project-work-killing-creative-innovation>

# The Agency-Client Relationship Cycle

Consider the agency-client relationship cycle a steady constant with the interaction model shifting as marketplace demands do too. Its complexity, scalability and the entry/exit point for agencies constantly in flux – with agencies often slow to take advantage of these shifts, choosing to ignore them like they'll go away.

Below is the cycle of how ideas come to fruition – and how organizations reach goals through execution. While it can be applied cross-organizationally, beyond marketing campaigns to technology initiatives, new processes and HR outreach, let's stick to how it applies to the agency-client relationship.

## *How the Agency-Client Relationship Cycle Has Long Operated*



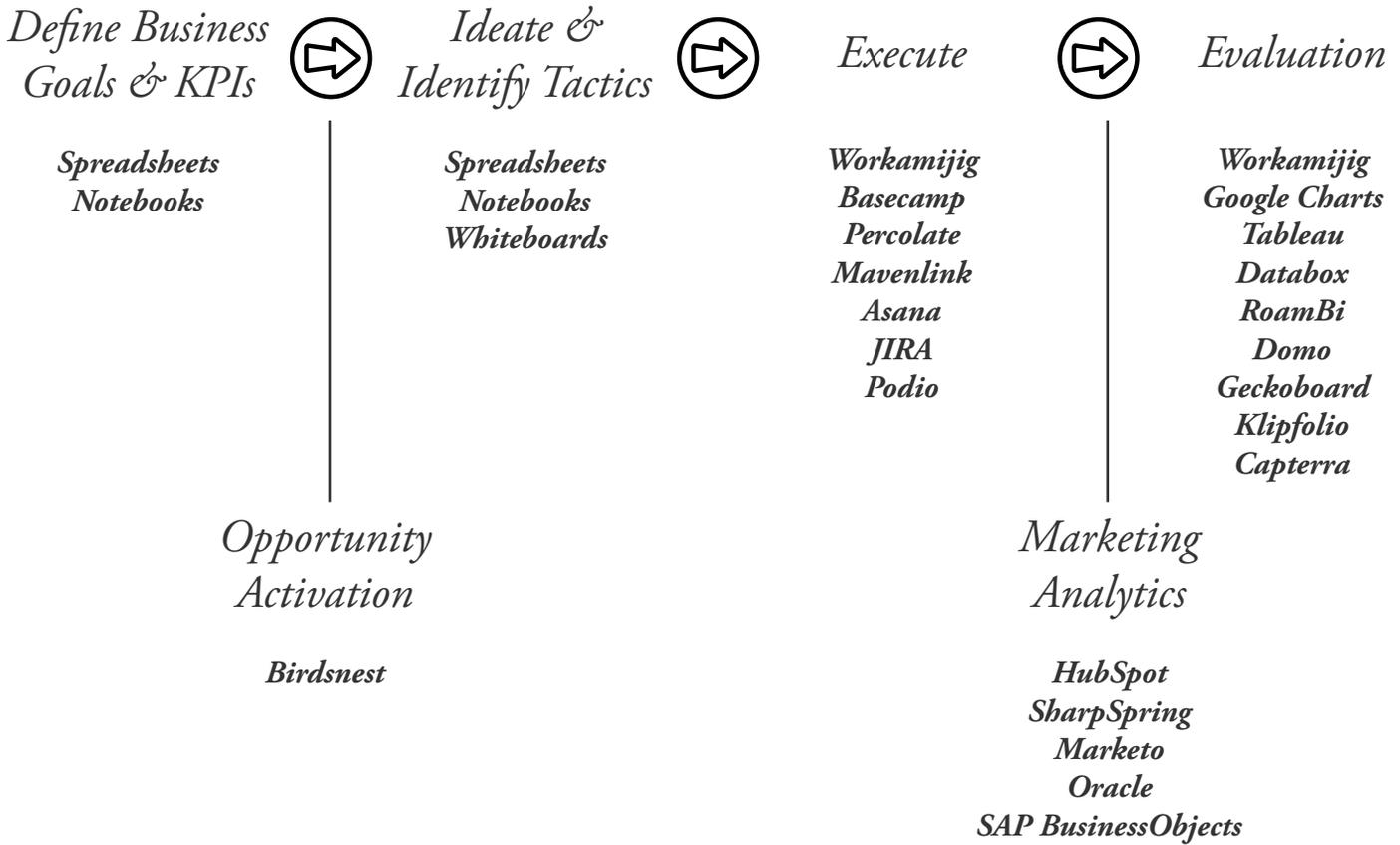
Agencies have served different roles, entering and exiting the process at different points over the years. With the advent of new technology and resources, the increased demand and expectation for marketing to deliver across business units, infinite brand touch points and so on, the need for agencies is ever expanding.

Under the one-off project mentality, agencies enter the process at phase 2 – Ideate & Identify Tactics, even sometimes at phase 3 – Execution. This is when the “work begins” so to speak, but the real work begins long before. Most marketers fail to bring agency partners in early enough to define problems together, and instead, narrow their goals into KPIs and solutions disconnected from P&L or bottom line impact. Agencies are sourced later in the process and expected to accomplish or fulfill one specific marketing KPI – evaluated on merely whether the metric is met or not, rather than their value to the business. Agencies answer the call because work is work, but by doing so, agencies will continue to shoot themselves in the foot. If this is you, you’re missing out on the opportunity to deliver fundamental business prowess and demonstrate meaningful, strategic value.

Most agency tools and resources are created with the interaction model of the past in mind. It’s why you see so much software focused on phase 3 and 4. For context, below is a snapshot of popular agency tools with where they fall and how they’re bridging the gap for agencies to deliver a more holistic process – but there’s over 5,381 more according to the most recent Marketing Technology Landscape from Chief Martec. <sup>9</sup>

<sup>9</sup><http://chiefmartec.com/>

## How Agency Tools Fit Within the Agency-Client Relationship Cycle



# If You Can't Ask Why, Say No

In today's highly competitive marketplace, agencies can no longer just deliver what was asked for anymore – jumping in on phase 2 or 3 where Tactics or Execution occur. Your agency should be positioned to articulate the client's challenge, how it laddered up to their business challenge, how your agency successfully positioned a solution and executed and ultimately, why you were the firm that was the strategic right choice for the client. It's about being able to deliver across the agency-client relationship cycle.

“When I ran Phenomblue, we always said no. Our position was that without a better understanding of the strategic business challenge and how creating and executing a solution was going to achieve success, neither the client nor our agency was going to be successful. We would politely decline, then offer to help the client through the process of success definition and alignment to tactics and initiatives that were necessary to achieve success. Then once that was complete, we would help them write the RFP in a way that

would ensure the highest likelihood of a successful RFP process and ultimately success for the organization. I'll let you guess how many RFPs we actually re-wrote and how many times we were hired before we got that far.”

– Joe Olsen, Birdsnest CEO and Co-Founder, and former Phenomblue CEO  
*“Just Say No to RFPs”*<sup>10</sup>

Most RFPs are written with a symptom in mind and not a comprehensive desired outcome. That means that even if your agency is successful winning the RFP and delivering the work, the likelihood you'll solve any real business problem is pretty small. Translation — insignificant transformational impact.

Clients that are unwilling to define strategic KPIs, align tactical initiatives and track up to success are going to be extremely difficult to turn into growth opportunities for your agency. Success is going to be subjective – and you're certainly not going to create an objective or compelling case study for future prospects. You'll spin your wheels, have numerous false starts and eat a ton of cost along the way. Most importantly, these clients will not create fertile landscapes for your teams to create substantive strategic creative solutions that keep them engaged and excited about enough to deliver their best work on.

<sup>10</sup> <https://www.linkedin.com/pulse/rfps-just-say-joe-olsen>

# The Marketplace Is Changing – Catch Up or Fail

When it comes to the state of the agency-client relationship, whether it's being covered by trade publications or the topic of industry-specific talks or panels, the conversation more often than not centers on one of the following three challenges:

1. Data overload and a shared, misguided focus on metrics that don't matter across the C-suite
2. Increasing expectations for marketing to deliver across business units and impact P&L
3. Consultants now competing for shared budgets with the capabilities and track record of strategic oversight

Let's take a closer look at each of these challenges to understand the role transparency plays in overcoming each of them for agencies.

# Martech & Adtech – Is It Dangerous Data?

“Creativity still matters, but unless you can anchor the discussion in measurable data and results, your creative idea is worth nothing.”

– Kennan Beasley, Co-Founder of BLKBOX, *Forbes*<sup>11</sup>

Following the advent of martech and through the digital age, expectations from clients for their agency partners to be more transparent via data also arose – today, it’s transformed into a demand for transparency via measurable ROI and accountability. For many agencies, real transparency may have fallen by the wayside with increased demands and an often misguided focus on data that demonstrates little to nothing on how work is actually affecting the business. Client-side marketers should be leveraging data to make better business decisions, and if agencies want to be seen as a strategic asset they too should be. According to Econsultancy research, nearly two-thirds of businesses (64%) lack a documented data analytics strategy, while just over half (52%) do not measure their ROI from analytics investment.<sup>12</sup>

Clients need partners to make sense of and connect the dots of data overload when they are not.

“An increasing number of companies are now looking to adopt a unified measurement approach... to translate the vast amounts of disparate data into actionable conclusions. A recent Forrester wave study on marketing measurement and optimization solutions pointed out this growing demand for a unified measurement approach as consumers straddle digital and traditional media. This evolution is increasingly critical for advertisers and agencies seeking to understand ROI and optimize spend.”  
– Amy Mitchell, “*How Bad Data Can Blindside Your Marketing Analytics*,” *Adweek* <sup>13</sup>

For many, data is simply a mechanism to check the box and fulfill phase 4, Evaluation, of the cycle through various measurements, but the problem with data is that it means nothing without context. The human element agencies provide can digest data intelligence, pair it with insights and drive purpose, but that too is impossible when the right goals aren't set first to make sense of it all.

“Data is evidence – not the smoking gun. For CMOs, it can provide integrity behind decision making in a way that's clear and consistent, but it doesn't guarantee desired outcomes. Without context, data is useless, misinformed and can easily be misleading. And while there's plenty of tools out there to demonstrate ROI using data, there's very few that ladder it up.”

– Joe Olsen, Birdsnest CEO and Co-Founder, *Forbes*<sup>3</sup>

Agencies need to take a collaborative and holistic approach for decision making based on big data that reaches across business units, business partners and the C-suite. Agencies must make sense of data, insights and methods – and clients must be willing, in return, to provide ongoing data to the agency to produce the best results. With so many disparate systems, agencies often struggle to even be able to start connecting and clarifying intelligence-driven insights.

<sup>11</sup><https://www.forbes.com/sites/keenanbeasley/2016/01/31/how-agencies-are-putting-themselves-out-of-business-and-what-we-should-do-about-it/>

<sup>12</sup><https://econsultancy.com/events/measurement-analytics-roundtable-september-2017/>

<sup>13</sup><http://www.adweek.com/sponsored/where-data-projects-fall-short/>

“All the data in the world is useless – in fact it can become a liability – if you can’t understand it. Data visualization is about how to present your data, to the right people, at the right time, in order to enable them to gain insights most effectively.”

– Bernard Marr, “The 7 Best Data Visualization Tools In 2017,” *Forbes*<sup>14</sup>

While there’s plenty of tools out there to measure and visualize data points, there’s very few that ladder it up. The challenge with data visualization software is it often just perpetuates a misguided focus on metrics that don’t matter to the client – with reports that fail to demonstrate meaningful ROI or provide real integrity behind the work. Marketing KPIs are important in the thick of it, but it’s in the weeds data agencies typically value for determining tactical output. Agencies should be a client’s strategic asset first and foremost, and convey high-level impact and ensure business-level goals are being met.

Justin Adler, Director of Product and Marketing at SourceKnowledge, recently wrote for Ad Age that “completion rates, likes, shares and comments are nearly as inconsequential as clicks and viewable impressions. Although these metrics do give some indication of a user interacting with the campaign or brand, it’s a major stretch to claim that they’re driving revenue...”

“...So if everyone knows deep down that these metrics are bogus – and they are bogus – why do agencies keep pitching them? Quite simply, they’re easy to understand and communicate to brand clients who generally have a fairly primitive understanding of the real purpose advertising. Also, they sound good.”<sup>15</sup>

<sup>14</sup> <https://www.forbes.com/sites/bernardmarr/2017/07/20/the-7-best-data-visualization-tools-in-2017>

<sup>15</sup> <http://adage.com/article/digitalnext/engagement-a-b-s-metric-ad-agency/305248/>

Avoid distractions – most agencies focus on fixing data that wasn't right to begin with, like all the ways clicks can be miscounted, impressions inflated and fraudulent bot traffic. These too are challenges (and ones worth improving) but agencies pour tremendous resources and efforts into identifying solutions, tweaking tracking, buying new tools, adding measurements, building out teams – all in an effort to improve accuracy, in hopes it will make their agency stand out amongst the competition. They turnaround and tout this as a competitive difference, but data-driven marketing is table stakes and if you're not defining business-level goals from the get-go, you'll be destined for failure either way.

# Increased Demands & Expectations from Marketing

“Many still carry common misconceptions from the past—for example, seeing marketing as a tactical instead of strategic activity, reliant on soft-skills and based in luck, and not as a center of real value creation. Companies that will thrive into the future are completely reorienting their business around their customers. CMOs are uniquely positioned to lead this shift as the orchestrators of the customer experience and those closest to the customer data. Visionary boards will recognize that to compete in a customer-driven world, marketers should play a more strategic role in the boardroom to help steer organizations through the shift to customer-centricity.”

– Alicia Hatch, CMO at Deloitte Digital,

*“Why Forward-Thinking Companies Put Marketers on Their Boards,” Ad Age<sup>16</sup>*

Expectations for marketing to demonstrate measurable ROI and deliver on business outcomes organization-wide is higher than ever. However, many marketers are stuck focused on instantaneous business results, backed by the abundance of data. By association, agency partners often end up working on projects where success is defined by short-term KPIs that mean very little isolated from the bigger picture and bottom line impact. Agencies' value gets tied solely to marketing attribution in lieu of a strategic partner, which means very little to the C-suite, who both CMOs and agencies ultimately report to.

Kimberly Whitler for Forbes recently shared some research she did alongside Christine DeYoung, Partner at DHR International, on the organizations developing today's best C-level marketing leaders. They found:

“Marketers at these firms are trained to be strategic, P&L leaders who ‘own’ brand results. As one executive recruiter suggested, to reach the C-level, you must have P&L management experience. Not all firms believe marketing should be such a central function and therefore don't provide marketers with enterprise-wide training and preparation. The top 15 firms, in contrast, generally value marketers and train them to be enterprise-wide, P&L leaders who are accountable for total business results—not responsible for just a cost center.”<sup>17</sup>

With the role of marketing now crossing business units, agency reports on marketing KPIs won't convey strategic impact. Instead, partnerships should be built on demonstrated, measurable, business-level success. Agencies can leverage data both behind the scenes and on stage. In other words, agencies can collect and analyze all the data-driven marketing they want to/need to in order to be successful, but what most clients want to see is the value their partners are delivering to the business. Client check-ins then become conversations on opportunities to be more successful – rather than micromanaging milestones or data presentations that don't make mention of P&L impact.

“Over the past decade, we've all seen how rapidly the influence of marketing in the C-suite has expanded. Despite this, and even while chief marketers are primed to take over the lead in technology spending this year, representation

<sup>16</sup><http://adage.com/article/deloitte-digital/forward-thinking-companies-put-marketers-board/310076/>

<sup>17</sup><https://www.forbes.com/sites/kimberlywhitler/2016/08/21/best-companies-for-developing-c-level-marketing-leaders/#7132cc6d4c31>

from marketing isn't growing nearly as fast on boards. In 2016, only 2.6 percent of board members had marketing expertise.”

– Alicia Hatch, CMO at Deloitte Digital,

*“Why Forward-Thinking Companies Put Marketers on Their Boards,” Ad Age<sup>16</sup>*

Be proactive. Help your client's board see the influence and impact marketing can have across the business. This way if and when your CMO or other client contact leaves, or marketing representation at the C-suite is lost otherwise, your agency team is of value to the entire brand – a strategic asset to their business in lieu of a one-off marketing service provider. This not only gives your agency a continued purpose under new leadership, but it positions your agency as a means to help make the personnel transition as seamless as possible.

Birdsnest CEO and Co-Founder Joe Olsen spoke with Jennifer Rooney, editor at Forbes, on the evolving data and analytics imperative – as part of an ongoing series for the publication's CMO Network, which has also included conversations with Matt Gay, head of advertising and marketing solutions at Accenture and Chris Leong, CMO at Schneider Electric. Joe shares:

“Attributing marketing to business-level outcomes will continue to intensify with added noise. Data overload is the primary factor behind most poorly made business-decisions by CMOs today. There are thousands of martech solutions out there to track and report data, and with more channels producing more data streams, it creates a lot of noise. Stay rooted by thinking like a CEO – know what you're trying to do, why you're trying to do it, how you'll measure it and when to make decisions at every level to ultimately track and understand how you're progressing toward success.”

– Joe Olsen, Birdsnest CEO and Co-Founder

*“CMOs' Evolving Analytics Imperative: A Q&A With CEO Joe Olsen,” Forbes<sup>3</sup>*

# The Consultants Are Coming

“Convergence has led to a commoditization of heuristic data collection and reporting by agencies which has numbed the industry to the meaning of strategy and that’s why consultants are more trusted and ultimately valued as an asset and not a commodity. If I was running an agency today – this would be the thesis that anchored all my thinking – regardless of niche, vertical or approach.”

– Joe Olsen, Birdsnest CEO and Co-Founder

In a highly competitive marketplace for agencies, with consultants now competing for shared client budgets, modern agencies are providing clients with strategic business attribution – even pushing their CMO and marketing contacts when necessary to look beyond baseline tactical references. Agencies must do this for themselves, and to outlast changes in client leadership – but to also help their clients be more successful when they can’t see the forest for the trees.

“Understanding the business imperatives is one of the advantages big consultancies have over traditional agencies...agencies have to understand they have to adapt. Sitting now as a consultant, this is something consultants have an advantage with, because they can get their heads around the business.” –Paul Bennett, Former MD For SapientNitro Australia, “Clients Are Uncomfortable with the Way their Agencies Approach Them, Agencies Warned,” *Mumbrella* <sup>18</sup>

Take Accenture’s aggressive turn into the agency world, with Accenture Interactive (its marketing subsidiary) recent announcement that it acquired Wire Stone, a design and marketing agency, and its 15th such acquisition in the not so distant past. Accenture Interactive alone is projected to make \$6 billion in 2017, surpassing Havas Worldwide, with a focus on “end-to-end solutions for clients utilizing their deep industry expertise and intimate relationships.” Sounds like the best of both worlds under one roof, huh?

“Marketers and C-suite executives don’t care about the ‘agency vs. consultancy’ conversation – they want solutions that work. Whether B2C or B2B, organizations need end-to-end services, and to work with partners who understand their entire business – not just the strategy, or the creative, or the technology.”

– Mark Singer, Principal at Deloitte Digital

*“The Great Debate: Agencies or Consultancies,” Huffington Post* <sup>19</sup>

Like Singer says, clients will choose whatever works. Whichever potential partnership has the best case studies, referrals and data-driven results to prove the integrity of their efforts. This is why the future of marketing hinges on which can most effectively capture, analyze and react to data through strategy and execution. It will take more than vision and instinct, more than business expertise and creative solutions. It will take measurable goals with tactics that ladder up. Discipline to define outcomes. Governance to ensure integrity. It takes an aligned staff, engaged management and pragmatic leadership to maximize growth opportunities and ultimately increase client success. And agencies are taking note. They’re agile by nature and able to adapt much quicker than consultancy giants. If you’re not already there, you can be soon.

<sup>18</sup><https://mumbrella.com.au/clients-uncomfortable-way-agencies-approach-agencies-warned-450018>

<sup>19</sup>[http://www.huffingtonpost.com/advertising-week/the-great-debate-agencies\\_b\\_12103850.html](http://www.huffingtonpost.com/advertising-week/the-great-debate-agencies_b_12103850.html)

# Recap & Why Transparency Builds Better Agencies

“Both agencies and clients are still treating the best and most strategic thing about their relationship, the creative, like it is a commodity. Business research shows that buyers consider sellers themselves to be replaceable commodities when their service offering is focused on price, standard components and specifications... We’ve seen that clients pay more when the agency is strategically focused and offers unique services.”

– Jack Skeels, CEO of Agency Agile

*“Advertising’s Real Problem Is the Agency Commoditization Crisis”, Ad Age<sup>20</sup>*

By now you get that transparency is about integrity – and using data should be weighed and measured as such.

- Is your agency defining data points that move your client’s business forward?
- Are you tracking toward them in a way that’s easily communicated in the context of their business objectives?
- Are you utilizing that data on an ongoing basis to turn client relationship management into strategic relationship growth?

Every growing agency concerned about their continued relevance needs to be able to say “yes” to all these questions. You’ll be amazed at your agency’s ability to create the opportunity for real work that solves real problems. You’ll take a step forward into the modern age of integrity- driven marketing and most importantly, your agency’s impact will start being felt across the C-Suite.

“Misplaced focus on efficiency not only provides the wrong incentives internally, but produces suboptimal and misguided compensation agreements with clients. As professional firms engaged in knowledge work — not manufacturing — what we sell isn’t hours, efforts, endeavors, or any other form of input. We sell expertise. Our various forms of expertise solve problems, leverage marketing dollars, create new customers, and make brands famous. The principal unit of value in knowledge work is effectiveness — not hours. Clients hire agencies for their utility, not their efficiency. Yet the majority of agencies report that their business model incentivizes their people to focus on efficiency instead of results. Less than half of responding firms believe they even have the tools they need to track their clients’ key business results.” –Tim Williams, *“Hubspot’s Agency Pricing Financial Report”*<sup>21</sup>

<sup>20</sup><http://adage.com/article/agency-viewpoint/advertising-s-real-problem-commoditization-crisis/310117/>

<sup>21</sup> <https://offers.hubspot.com/agency-pricing-and-financials-report>

# 5 Steps For Building a Better Agency Now

Modern agencies are strategic partners to their clients, taking components of the consultancy-model to increase client satisfaction, build consistent and correlated project streams and find more success. Strategic relationships with clients are not just in the best interest of the agency either. While consistent and correlated project streams do mean predictable, scalable agency growth – they also translate to further client success. It's impossible to track and transform meaningful data from a one-off project into deep, actionable insight. The kind of ongoing analytics it takes to ensure what's working and what's not to determine next steps, for both the client and agency.

Here's 5 steps to start building a better, more transparent agency now:

1. Maintain a shared focus on business outcomes by determining a vision of success at the start of the relationship – for the client and internal agency teams alike, who often times get stuck in a project-by-project mentality.

2. Provide clients with documented proof of how and what you're delivering on – this will also make the knowledge transfer throughout personnel changes and turnover more seamless.
3. Provide a full view of the client's business and deliver on it – in lieu of a partial view into performance or just slices of data that most martech and adtech solutions offer.
4. Facilitate consistent client conversations around ongoing opportunity – relationship check-ins should not be looked at as pass/fail, instead spend them discussing changes in needs and how your agency will help them be more successful.
5. Spend more time (...like all your time) demonstrating your agency's value to the company's bottom line – as opposed to reacting to in the weeds updates and data that the C-Suite doesn't care about.

# Find More Business. Sell More Work.

Birdsnest is cloud-based software that leverages big data and machine learning to simplify agency growth and streamline client success.

Find out more & schedule a demo at  
<http://demo.birdsnest.io>

