



the
**Agency's
Guide**

to Earning a Seat
with the C-Suite

Free Ebook

birdsnest

- 3** • Intro
- 4** • The Big Bang, New World Order, The Great Divide...
- 6** • Start Building More Strategic Relationships Now
- 8** • Are CMOs Letting Their Executive Team Down?
- 11** • Agencies, I Mean An Optimist Sees The Opportunity In Every Difficulty
- 13** • Easier Said Than Done – Or Is it? Here’s “The” 5 Questions
- 15** • All Symptoms Point To
- 17** • How To Consistently (And Pretty Easily) Demonstrate Business Impact
- 19** • References



Intro

In this ebook, you'll find our how-to guide on building more strategic relationships with clients – ultimately, creating more opportunity for your agency through consistently demonstrating business impact. All backed by data, proven success and currently in practice at many small-, medium- and large-sized agencies. Our goal at Birdsnest is to demystify organic growth helping agencies realize that business strategy is something you're likely already doing, but with the right framework can be harnessed for additional growth.

1

The Big Bang, New World Order, the Great Divide...

Where we stand today has been years in the making, with escalating conversation around how agencies, consulting firms and system integrators fit within a changing landscape. Once reserved for one-off posts by agency execs on Forbes.com and buried on AdAge.com, it's now the focal point of conferences, making mainstream magazine covers and keeping agency leaders up at night.

Accenture, IBM, Deloitte, McKinsey and other consultancy giants have spent hundreds of millions of dollars acquiring creative agencies over recent years. Meanwhile, ad agencies founded and built on digital are adding consultancy-like services, often under the moniker business transformation, to compete for client dollars. With advertisers expected to spend over \$600 billion this year, with marketing budgets expected to climb by 12% according to Gartner's CMO Spend Survey, it's no wonder it's been coined the big bang, new world order and the great divide.¹

While each service provider comes along with their own set of advantages and disadvantages, value adds and points of difference, their goal is shared — provide clients with a holistic experience, one that pairs marketing with strategic oversight and produces measurable execution that ladders up to

1

business outcomes. What separates them is where they come from and how it shapes their perspective when partnering with clients. It's exciting when you consider the current ecosystem presents agencies with boundless opportunities to work their way up the ladder by building more strategic relationships – with just some basic knowhow.

“Consulting firms may seem like they are less of a threat now, because they don't have years and years of credibility doing what they're trying to do... We may have been doing what they're trying to do for years, but that doesn't mean that we don't try to aggressively stay ahead of the pack. They're coming right on our heels, and they have C-level relationships and money and resources to procure what they don't have.” —Tanya Dua in conversation with a digital media agency executive, Digiday²

While most agencies have carved their niche in past years by building experiences, focused on marketing communications, they simply need to switch their core deliverable from project one-offs to success. They need to ladder the KPIs they've been measuring since the digital age up a few levels to the business outcomes today's C-suite is focused on, like revenue goals and bottom line impact.

But trust us, it's easier than it sounds for agencies to expand their purview.

Keep reading to find out how your agency can start building these types of relationships or skip to page 10 to read our 5 recommended questions to kick off every client engagement, that will result in earning your agency more opportunity and money in the long-run – guaranteed.

¹ <http://www.resonate.com/marketers-digital-ad-spend-increase-2017-make/>

² <https://digiday.com/marketing/confessions-digital-agency-exec-consulting-firms-coming/>

2

Start Building More Strategic Relationships Now

So how can an agency start thinking and talking like a business consultant, without adding a professional consultant or experienced strategist to their team, or sacrificing the creative edge that makes their agency unique? Start by ditching the creative pitch for a conversation about your client's goals and objectives. Set out to really understand how the business operates. How is what you're working on influence what KPIs? What additional KPIs within your ecosystem could you also influence?

Talk about your firm's ability to provide ROI in similar situations and position your agency as a valued long-term asset to their success based on your current capabilities and services. It's easier to do this at the outset of a client engagement than two projects down the road when the client thinks you're a niche commoditized service firm.

Let's say your clients asked for leads, get curious. Why do they need them? How many? For what purpose? What is growth worth to the organization and what do they plan to grow into? This line of questioning drives out goals and KPIs that you can build a strategic relationship around that offers all kinds of opportunities for your agency and allows you to consistently demonstrate

2

business impact at a strategic level throughout the relationship. This type of thinking will resonate with your client's CMO, whose role is drastically changing with more responsibility than ever to deliver.

3

Are CMOs Letting Their Executive Team Down?

“89% of companies now expect to compete mostly on customer experience, versus 36% five years ago. For marketers, these trends are upending their old adage from ‘Branding is everything’ to ‘Everything is branding.’... What does that mean for today’s CMOs? Their role is completely transforming and their influence expanding so it touches every detail along the customer journey. That simple flip of words may seem like just a nuance, but it has huge implications for the modern CMO.”

—Alicia Hatch, Digiday³

A study by Korn Ferry found that 53% of business executives believe their current CMO could one day become CEO.⁴ Expectations for today’s CMO role and required capability sets are shifting, upping the ante on demonstrating ROI and impacting business outcomes organization-wide. Where most every dollar spent today ladders up to ROI in terms of sales and marketing efforts – it has increased expectations for CMOs to deliver on each interaction, driving results that reach across business units with measurements to justify every outcome.

You’re not alone – agencies aren’t the only ones working day in and day out

to figure out how to prove their value across the C-suite these days. Spencer Stuart most recently reported the median tenure among CMOs is 42 months – representing a two-year decline of six months, or 13%, over the past two years.⁵ It's interesting when you consider the marketplace has delivered an infinite number of tools, partners and resources dedicated to supporting CMO efforts, backing execution up with data and the ability to demonstrate results with the click of a button. The stakes are also infinitely higher and more holistic to impact business outcomes though – but more on that later. The role of the CMO has transformed “from one of the grand orchestrator of the organization's communications efforts to a more fundamental role as a strategic driver of growth and enterprise value,” as Bruce Rogers for Forbes put it.⁶ While agencies may be able to leverage their allure to charm CMOs, or rely on the legacy factor that both are motivated by and rooted in marketing communications – it's not without risk.

At the end of the day, agencies most often report to a CMO, who then reports to the entire C-suite and their CEO. The digital age ushered in the opportunity for instantaneous results and more measurable ROI than ever. But according to The Fournaise Marketing Group though, more than 69% of B2C CEOs believe marketers live too much in a creative and social media bubble and focus too much on parameters such as like and views – the type of parameters you can't prove generate more customer demand or increase revenue.⁷ And therein lies the challenge the digital age has left us with today – while CMOs and agency partners focus on driving marketing impact with instantaneous results, the rest of the C-suite is concerned about business outcomes.

“Marketing and sales leaders are trying to work together, but still struggling

3

to operate in lockstep. Marketing automation and CRM tools begin to connect the dots. They fail, however, to capture the interplay between marketing's impact on awareness, trust, and confidence across paid, owned, earned, and shared channels, and sales' ability to sell, sell more, and sell at scale... They begin measuring things like followers and clicks, demographics, and reach, then graduate to share of voice, engagement, conversions, and the like. The problem is that these are marketing KPIs, not business KPIs. To accurately assess the ROI of the marketing function, leaders must measure the same indicators that their C-level peers bring to the table: profit margins, account profitability, deal value, sales velocity, acquisition cost, customer lifetime value, etc.”

³ <https://digiday.com/sponsored/deloittesbl-005-787-everything-is-branding-the-expanding-influence-of-the-cmo/>

⁴ http://www.cmo.com/features/articles/2015/3/17/cmo_to_ceos_.html#gs.XUm1GA8

⁵ <https://www.spencerstuart.com/research-and-insight/chief-marketing-officer-average-tenure-drops-to-42-months>

⁶ <https://www.forbes.com/sites/brucerogers/2013/06/10/strategic-consultancies-invade-marketing-agency-space/#7283d9756e4b>

⁷ <https://www.fournaisgroup.com/ceos-do-not-trust-marketers/>

⁸ <https://www.martechadvisor.com/articles/performance-attribution/5-reasons-cmos-are-failing-at-roi/>

4

Agencies, I Mean An Optimist Sees The Opportunity In Every Difficulty

“This also has CMOs feeling more and more pressure to produce instantaneous business results and a measurable ROI, which has led to an increased focus on short-term KPIs—and myopia. As the renowned marketing consultant Peter Field has put it, ‘The single greatest threat facing marketing at the moment is short-termism: the dominant focus on this period’s or quarter’s sales.’”

— George Musi, Adweek⁹

Most agencies today are attuned with providing clients marketing attribution, laddering up to exactly that – marketing. And when you consider the Association of National Advertisers (ANA) found more than 80 percent of marketers use data to manage their agency relationships, it’s easy to see how we got here.¹⁰

Agencies can leverage the current ecosystem by building more strategic relationships from the get-go to find more opportunity to consistently demonstrate business impact. As explained earlier, it all starts with simply being more curious – identifying what success looks like for clients and identifying what business goals they’re looking to achieve across the entire

4

organization. It's business attribution – and for that, your agency will need to start thinking and talking like a business consultant.

Think about it this way – how far can you go with data only targeted at CMOs focused on marketing metrics and short-term KPIs. Speak to the entire C-suite by consistently and continuously centering your conversations on strategic outcomes and success as you've defined it. If you keep simply answering the client's request for a project, you'll never be presented the opportunity to demonstrate anything more. Articulate your business impact and encapsulate it for your client's leadership team by measuring and diversifying what you're delivering.

⁹ <http://www.adweek.com/brand-marketing/the-downside-of-digitals-explosive-growth-too-many-marketers-are-failing-to-think-long-term/>

¹⁰ <http://www.campaignlive.co.uk/article/secrets-steady-client-agency-relationship/1424140?#A7GWbPy6icm1LMoi.99>

5

Easier Said Than Done – Or Is it? Here's "The" 5 Questions

Thinking like a consultant means asking the right questions. To earn a seat with the C-suite, you don't need to be Deloitte. With a residual focus on instantaneous results and short-term KPIs, many times you'll find CMOs working from a lower level of strategic thinking and planning, often times stuck in the weeds. Simply having a conversation about goals, challenges, risks and opportunities will create the opportunity to have more impact with winning the business and will increase the likelihood of a successful client relationship.

*Here's 5 recommended starter questions
when working with clients:*

1. "In your role, what is your top level goal over the next 12 months and how does it relate to the discussion today?" – This creates an opportunity to understand their business goal(s), set the scope of time for achieving success and to provide you a segue from today's discussion into a larger conversation.

2. “In your opinion, what are your biggest challenges to achieving success as we’ve just defined it?” – Creates the opportunity for you to talk about challenges, get a sense of priority and to subtly shift from vendor to partner and to refer to a working relationship that’s already started.

3. “Say we can overcome the challenges and achieve the goal, what’s the opportunity? What’s the world look like when we win?” – Allows you to acknowledge the challenges and restate the goal and then provides the client with the opportunity you’re about to sell them – the world they want to create.

4. “What happens if we don’t achieve success?” – Gives you some insight into the stakes for the client, both professionally and personally. It’s important to remember business relationships are called relationships for a reason – they are between two people.

5. “How do you know when something or someone is going to be successful?” – Gives you insight into the evaluation criteria for a successful relationship. Ask for examples of partnerships that the client has been happy with and those that have led to struggles. Add your own anecdotes about current clients and talk about mutual alignment and prioritization of success that endures.

After asking these 5 sets of questions, you’ll have the basic information you need to diagnose potential opportunity beyond the original client request. You’ll also have a strategic foothold with the client from which to start identifying and articulating goals and additional KPIs you could impact, and ultimately execute on efforts that impact the entire C-suite, influencing your client’s business organization-wide.

6

All Symptoms Point To

Most agencies suffer from similar “symptoms” or they could also be referred to as myths agency leaders tell themselves as it pertains to earning client’s trust – but most, if not all, stem from the inability to establish additional value with clients, which is impossible without providing strategic consulting as part of your offerings.

Content marketing and inbound for instance are lucrative, valuable and in-demand services, but the type of offerings a new business nightmare. It also creates a huge hurdle for agencies to grow beyond past the \$2M mark. By expanding your services to include strategic consulting, you’ll help your clients define which questions they should be asking in the first place, forming a relationship that will ultimately drive the most potential for growth, opportunity and client success.

Another symptom is agencies convinced their clients lack the budget for more work – why earn a seat with the C-suite if they don’t have the cash to spend? Of course you feel this way if all your client has seen you deliver are experiences, projects and results a few levels removed from business outcomes like bottomline impact. They’re lacking the dollars because you’ve failed to

6

demonstrate what's possible. Agencies no longer live in a world where they can sit back and wait for clients to approach them with a request. Go in and ask your clients what success is and what their KPIs are to reach it – then put together a plan to reach it and hold them accountable.

One more symptom – agencies risk averse to pouring money and time into earning a seat with the C-suite when they're not on retainer, not locked into an AOR and not getting paid up front. First, what is a retainer anyway other than a predictable, consistent, correlated stream of projects? Check your retainer agreement and chances are if you're not delivering, you're out. Most modern retainers are not guaranteed revenue, they're a false security blanket. When agencies build a clear target for success with clients from the get-go, along with measurements based on business outcomes, they'll ensure aligned ideation that results in pre-approved work, reducing time and resources spent on new business pitches. You'll also note it's not a problem of asking for money up front, it's the feeling agencies have ingrained that they don't have the right to – because they're failing to establish any value upfront. Shift your client's perspective on what your agency can deliver and your billing terms may change too.

7

How To Consistently (And Pretty Easily) Demonstrate Business Impact

“A lot of CMOs are being pushed into the technology space in a way that they are not comfortable with...a lot of them don't know how to set up their organization to actually be able to manage it...CMOs tended to be somewhat powerless in generating revenue so what you are seeing is CMOs investing in marketing technology to drive control and management of these levers so they can deliver revenue [and] keep their jobs.”

— Grad Conn, US Marketing Chief, Microsoft¹¹

Before getting started, evaluate the marketing technology and data your agency is currently providing clients. 50% of B2B marketing executives find it difficult to attribute marketing activity directly to revenue results as a means to justify budgets¹². While big data has ushered limitless possibilities for agencies to provide clients with data and analytics, consider what truly matters. Work to collect data at all levels so you can transform it into deep, actionable insight. If you're able to maintain more long-term relationships, you'll be able to produce the type of ongoing analytics it takes to ensure what's working and what's not to determine what's next. If necessary, partner with your clients to help reeducate them on laddering data up to the type of measurements that matter as it relates to business outcomes – in addition to

the short-term or marketing KPIs you also need to see if a specific project or initiative is working or not.

Data should provide integrity behind decision making, but it doesn't guarantee desired outcomes. Without context, data is useless, misinformed and can even be dangerous in reaching success. And while there's plenty of tools out there that demonstrate ROI using data, there's very few that ladder it up.

This is one reason Birdsnest fills a void in the marketplace as a strategic marketing and business attribution platform. CRMs focus on prospecting and driving 'net' new business, and project management tools ensure the successful completion of projects – and while attribution platforms begin to connect the dots, they focus on efforts and KPIs as silos, without laddering results up to overall business outcomes.

The secret to earning your seat with the C-suite starts with building more strategic relationships, and opportunity will follow. Get to work.

¹¹ <https://www.marketingweek.com/2017/03/28/microsoft-technology-cmos/>

¹² <https://www.forrester.com/B2B+Marketing+Budgets+To+Increase+By+6+In+2014/-/E-PRE6644>

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