



# NEW RULES FOR PITCHING AND WINNING NEW BUSINESS

How to gain new clients in the digital age.

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A MARKETING THOUGHT LEADER Whitepaper

## Winning new business has always been hard.

Sometimes, you can do everything right and still not win the account. Anyone who has been involved in pursuing new business knows the feeling that your agency was perfect for the account and you just can't imagine why you weren't selected. Then there are those times that you think you blew it in some way yet still win the business.

It's important to remember that those situations will still happen regardless of how well you plan or how well you execute your new business plan. But the one thing you can control is an understanding of your agency's capabilities and the client's needs. And in today's digital world, the client's needs have changed considerably. Thus the need to identify new rules for pitching and winning new business.

In a previous whitepaper, I identified the eight dumbest mistakes agencies make when planning and prospecting for new business. You can also download a copy of that whitepaper with a description of those common mistakes from my website at [www.raindanceconsulting.com](http://www.raindanceconsulting.com). These mistakes are still being made, so here they are in a nutshell:

1. They don't understand their agency's strengths and weaknesses in relation to the prospect.
2. They don't have a distinctive brand position to separate their agency from the competition.
3. They don't build and pursue a realistic target prospect list.

4. They aren't willing to invest what it takes to be successful, either in money or management commitment.
5. They mostly rely on over-the-transom leads instead of executing an on-going proactive plan.
6. They don't train and rehearse everyone to be a professional presentation team.
7. They give responsibility but not total authority to the new business director to be the ultimate decision maker.
8. They don't build a relationship with the prospect before the pitch.

All of these common mistakes can ruin your chances of new business success, so they must be a part of your plan development process. But times have changed, and client attitudes and needs have changed. So here are nine new rules for new business success that take those changes into account.

### **1. A project assignment is the best first step to pursue. Clients aren't willing to give out major work without a test drive.**

A few years ago, agencies tried to make a case for providing all marketing communications services under a single agency roof. Large conglomerates like Omnicom and WPP were the first to add media buying services, public relations, direct marketing, research, digital services, etc. but the true benefits for the client were hard to identify and justify. A recent survey by American Association of Advertising Agencies (4-A's) confirms that unbundling is accelerating across the country. Marketing directors cite several reasons for this trend, ranging from lower costs to specialty digital expertise to an attempt to keep agencies "on

their toes”. Regardless of the reasons, and no matter how much agency heads protest that fragmenting service providers can greatly reduce the singularity of the brand message and personality, the classic AOR relationship is a thing of the past.

There is a proliferation of small consulting firms that are making a comfortable living through one-off projects that help a client set up and use tools like search engine optimization, email, Facebook, YouTube, Twitter, etc. Then they show the client how to run and maintain this on-line portfolio of social media tools and move on. They don't seem to be making a whole lot of money on a particular client assignment, but they have plenty of projects to work on. And without high overhead, it can be profitable.

Importantly, they are creating an expectation and setting a precedent that traditional agencies cannot afford to ignore. Agencies must recognize and accept this new rule and identify the type of project your agency can use as an entry point for new clients. After you successfully complete that project, you can use the results and the relationship to garner additional projects. Hopefully, over time, you can build enough trust and relationship equity to warrant special, automatic consideration for new work, even if you never become agency of record.

## **2. In today's fragmented media and audience segmentation world, you must own a niche, or even a niche within a niche.**

For many agencies, their new business focus has been to be seen as experts in a given category – e.g. healthcare, financial services, hospitality,

digital marketing, etc. Or they have positioned themselves as having a unique understanding of a particular audience segment – teens, tweens, seniors, working women, etc.

Changing customer dynamics and new technology tools make it difficult for a generalist agency or even a broad category specialist to compete effectively today. If your agency understands large regional hospital customers and marketing strategies, it doesn't necessarily mean you know how to market local specialty clinics. And it certainly doesn't give you an inside track on how to help healthcare insurance providers optimize their marketing communication efforts.

Being an excellent website designer doesn't automatically qualify you to be an expert in search engine optimization. And being an SEO expert doesn't make you an SEM expert.

With the explosion in new media channels and digital marketing tools, clients need to be very precise in developing messaging to build small audience niches. Agencies can differentiate themselves by understanding and adapting their positioning strategy and new business efforts to take advantage of this trend.

Chris Anderson's insightful book, *The Long Tail*, was about a new model for business in a world of near limitless choice for consumers. In many ways, that same “long tail” applies to the marketing communications environment. Simply being an expert in a general category or audience segment or media channel isn't enough. The more specific you can build your expertise, the better story you will have to a client base that is increasingly hesitant to take a chance on an agency that hasn't already proven its value in their market niche.

As marketers become more focused and precise in segmenting their audiences and media channels, agencies will need to become more targeted to be successful.

### **3. Your creative product is no longer the primary agency discriminator. It is still very important, but proven ROI is a more powerful message today.**

The power of a strong creative story in new business can never be discounted or eliminated. Creativity is the most exciting aspect of our business, and a well conceived idea that is presented in a unique and memorable way will always gather praise and admiration from clients.

But the most desirable characteristic an agency can offer to a prospect today is return on investment. Budget-strapped marketers are desperately seeking ways to break through the marketing clutter to reach new customers and sustain the attention of profitable customers through messages delivered at the right place and time, and through the right channel.

Agencies that demonstrate an understanding and a process for how to analyze and use customer information more effectively will have a much higher success rate than agencies who continue to market themselves as creative experts.

Marketing analytics are not the cure-all for marketers' woes, but they are the next big thing for agency new business prospecting.

### **4. Agencies need to build an ROI story into every case study.**

A good case study has always been an effective way to give a client prospect "permission to believe" that the agency can help them grow their business. But agencies need to re-evaluate their approach to writing case studies.

In the past, case studies were often simply a device to show off their creativity or versatility. Today, a good case study should articulate the business problem, the strategic as well as the creative solution, and the results. If your client can't or won't offer specifics of a program, be general. But you must give the client prospect some indication of the success of the program for them to transfer its credibility to their specific need.

One tool that is often overlooked is a client testimonial statement touting the effectiveness and/or quality of the agency's effort for their brand. A prominently placed affirmation from the client on your website can lend credibility and power to your case study.

### **5. Your website is the "front door to your brand". Make sure it tells a powerful brand story or prospects won't even bother to knock.**

A colleague recently described the website as your brand's front door, and his description is right on target. Your website speaks for you, and it is the first place that client prospects will go to begin the conversation. So it had better be good. Every agency will promote the value of an effective web presence to their clients, but too many don't practice what they preach.

We've all heard the story of the cobbler's children. That the cobbler was too busy to make shoes for his own family.

An agency can have an effective new business program without tri-fold brochures or fancy three-dimensional mailers, but without a well-designed, easy-to-navigate site they are toast.

The key phrase here is "well-designed" site. Agencies must be careful to avoid the temptation to be so creative in your site design and content that it is difficult or to navigate or confusing in its message. Too many agencies think that an out-of-the-box approach to creativity that is loved and admired by the agency creative community is the way to build their web site. That may work for some clients, but for most, they want to view your site to learn your values, see your work, understand your brand focus, your work process and your overall strengths . . . not your cleverness.

## **6. Give them a new insight on their business that will grow their sales and profits.**

Now, more than ever, clients are looking for help. Many are confused about how to build and maintain customer loyalty. They are unsure of how to use all of the new digital marketing tools now available to them and many are simply overwhelmed by the enormity of the marketing task ahead of them.

CMO's know they have a limited life span, so they are desperate for an agency that can do something to help them grow the company's business and make them a hero to their management. And the best way to do that is

with new ideas and new insights about their customer or their category.

In a 2011 study published by RSW/US titled "A Client's Look Ahead at Agencies", 77% of respondents cited "understanding of your market", 63% "understanding your company direction", and 60% "offering something fresh & new" as critical factors in their agency selection. As noted earlier, the quality of the creative product is still important (72%), but if you don't understand the client's business and offer new insights, then the greatest creative in the world won't win the account. Here is a link to that study: <http://bit.ly/e2Nonx>

A few years ago, I spoke with Stan Richards, founder of The Richards Group, on what he considered the key ingredient in a new business pitch. Without hesitation, he replied that the ability to give the prospective client a new insight on their company or category was the key factor in winning new business. His business development team worked hard to find that insight, and then spent the majority of their presentation supporting that insight and its potential to grow the client's business.

In today's challenging marketplace, I would add the ability to help a client expand their marketing efforts into new digital frontiers is also a key factor in choosing one agency over another. Clients are not saying to their agencies, "How can you help us make ads or a new web site?" They're saying, "**how much do you understand about our business in order to help us build a bridge between our brand and our customers.**"

## **7. Be very specific in building your prospect target list. You can't afford to waste time, effort and dollars on long shots.**

New business has always been a numbers game. The more clients you can effectively network with, the more clients you can potentially gain. For many years, new business plans have organized prospects into three buckets – short term prospects (the proverbial low-hanging fruit), developmental prospects (those who need to be developed but are still well within the agency's reach), and long shot prospects (the clients that can redefine an agency).

As a new business consultant for several agencies, I have often followed a similar strategy in building a new business plan. Today, however, I counsel agencies to focus on short term prospects with some effort against developmental prospects and to be very cautious about investing in long shot prospects. This is especially true if the prospect's business category or audience is outside the agencies' general niche of expertise or size.

When building a prospect list, an agency should ask itself how difficult it will be for the CMO to choose their agency vs. a competitor for the assignment. Is your agency the right size for the client? Does your agency personality and style match, or closely resemble, that of the client? Do you have the right category experience? Does your agency have solid case histories that prove you have been successful for similar clients with similar needs?

If your answers are no or maybe, there are simply too many hurdles to overcome for a client to choose an agency that may or may not

be a good choice. And by good choice, I mean not only an agency that can do the job, but an agency that is also defensible to their management.

I'm not putting client marketing directors down. I'm simply stating a fact. They can't afford to make a mistake – their job depends on making a good (defensible to their bosses) choice in selecting an agency partner. So they are more likely to opt for the logical choice, whether that is the best one or not. The challenge for the agency is to pursue prospects that can more easily defend their selection as the best choice the CMO could make.

## **8. Look first at your current clients for new business opportunities and then actively seek to build a more solid trust relationship.**

Everyone in business knows that it is much more costly to attract a new client than it is to retain a current client. Yet too many agencies don't devote enough time or effort to client retention even though the level and intensity of competitive activity in the agency community is mind-boggling. According to a 4-A's study, the average client-agency relationship tenure in 1984 was 7.2 years. By 1997, that number had declined 25% to 5.3 years and today is thought to be less than three years.

That means that for most agencies, one-third of their business needs to be replaced each year. Now, more than ever, an agency needs to find a way to continue to build their relationship with their client. Performing at a high level on today's assignment is no longer a guarantee of a

successful, long-term relationship. The marketplace is changing too rapidly to expect next year's marketing program to have the same marketing mix or line item budget than this year's plan.

Agencies should be constantly looking for new ways to help their clients. And the key phrase here is "to help their clients", not to help their agency. For too many years, agencies have failed to grasp the erosion in trust that comes from self-promoting recommendations to increase television spending or to use the super-expensive director or photographer. In a world that is increasingly dominated by specialists, virtual agencies and free-lancers with lower overhead, clients can be swayed by the genuineness of your efforts to control costs as much as the quality of your work product.

## **9. Confusion and uncertainty over how to use social media and other digital tools offers a great growth opportunity.**

To say that the Internet has changed the way people interact and communicate with each other is only half of the story. It has profoundly influenced how brands go to market, and the effect can be overwhelming to marketers. As noted earlier, clients are looking for ideas and insights. An agency that can give information, understanding and guidance on how to use the new marketing tools presents a great opportunity for agency new business efforts.

The question for many advertisers is not just how to effectively use email, blogs, podcasts, mobile marketing, viral marketing, pay-per-click, user-generated content, Twitter, etc., but how to mix them with traditional media and public

relations to create the most impact. The concept of "above the line" and "below the line" is no longer valid, if, in fact, it ever was. It's all important. It's all potentially valuable. And, most importantly, it's a great opportunity for an agency to attract new customers. Or build a stronger relationship with your current clients.

In his best-selling book, *The New Rules of Marketing and PR*, David Meerman Scott makes a great argument for the futility of continuing to embrace the old rules of marketing in an online world. The same conclusions can be drawn for agencies who want to survive and thrive in this new connected age we live in.

Marketing has changed. And marketers have changed. Understanding and adapting to these new rules can mean the difference between life and death for your new business efforts.

And that can mean the difference in life and death for your agency!

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