


## Agency Imperatives

 The other day a doctor told me most of his patients already know what they need for good health before they even come to the office. His job, he said, was mostly to emphasize the consequences of ignoring the obvious - a good diet, regular exercise, and so on.

Below is the first batch of a dozen or so musts for running a great agency based on many years of seeing what works and what doesn't. Sure, you know all this stuff, just like you know what the doctor's going to say.

But as you read, ask yourself if maybe you need to eat more vegetables or get back to the gym.

### **Boot the cats 'n dogs**

We know an agency with 4 major income producing accounts and 38 "project" clients. "But," the president said, "some of them might really take off soon..." Sure they will, pal. Look, the overhead to maintain a pack of little accounts will suck you dry and almost always cause more red than black ink. Take a deep dive into what it actually costs you to sustain accounts throwing off a few grand here and there, especially with today's salary costs, and the conclusion will be inescapable. Shed the losers and the overhead; it takes guts but it's strategically the right thing to do.

### **Demand results top down**

Agency principals are often the most lenient on those closest to the top, and that could mean the leadership discipline at your place cascades down with all the impact of soft bread. If you're not getting results at the management team level, you're nuts to think subordinates will toe the mark. A high performance organization requires you to demand results and enforce consequences for substandard output *from the top*. So forget about being an avuncular soft-touch. Instead try this: once a month make each senior player go to the front of the room and describe results and improvements achieved in the past 30 days. . . minus excuses and phrases like "we're working on that." Growth isn't about maintenance, it's about change. For more insights go to [Articles](#) at [Grant Consulting](#) and click on "What Should Agency Management Teams Do."

### **Improve profit by 10% on half your accounts**

Of course that's just a starting point, but you'd be astounded to learn how many agencies function without any sort of account-by-account profit plans. AEs claim they're doing their best and principals eat that excuse like a cat scarfing up Fancy

Feast. Meantime you're eking by at just above break-even. Come on! Smart businesses create profit plans for every product and service. Calculate what a 10% profit increase on half your accounts would mean. Then work backwards to put the pieces in place to get there. Of course you can always just wait by the phone, hoping a client will call with some project. . .

### **Hire only stars**

The biggest mistake you'll make in our "people business" is hiring wrong. Great agencies are run like winning pro teams - the coach knows which positions are weak, where to find alpha talent, and how to trade and restock to build a more competitive lineup. Right now (mid-'06 as this is written) is a great time to land new people - folks are looking and things are fluid. Go get yourself some superstars. You know who they are in your town, and just think how formidable your agency will be with just 3 or 4 really great people in key slots. Too expensive? More than just money motivates people - sell them on your dreams and what their role could be in creating a very special place. The real secret to success, author Jim Collins says, is getting the right people on the bus. Learn more about agency hiring by going to People in the [Articles section](#) of our website and reading "What Makes a Good AE."

### **Ruthlessly critique n.b. misses**

How dumb is it when you fail to close a new business pitch then tackle the next one and make exactly the same mistakes – and get the same results? If you're going to improve your chances for a win become a passionate critic with a stomach for change. After the next failed new business effort conduct an internal no-finger-pointing-allowed session to assess what went wrong, what you need to do better, and what you will change. Agencies improve when they disinterestedly look at their output... and then change.

### **Stay fresh**

Regular readers know we believe keeping fresh and balanced is the key to a healthy and productive career. If you're in a rut the answer is to push past the edge of your envelope and poke out of your comfort zone. You can make the time – others have. For example, we know agency types who have recently found the time to learn to play a saxophone, restore an old car, take flying, scuba, or skydiving lessons, weld metal sculpture, master French, act in community theater, write a book, do a Civil War reenactment, start med school, and learn ice carving (he's now applying for a job on a cruise ship!). You'd be surprised what some new activity will do to refresh your job performance. On our website there's an article about this very topic called [Time for a Challenge](#).

**Conduct quarterly internal reviews**

Agencies have improved how they exceed client expectations at every place we've installed this simple regimen to grow and keep more business. The process is simple and fully explained in [Quarterly Account Reviews Can Make a Difference](#). Try it. It's not difficult though you may get some whining from "overworked" account people. I promise it will help focus everyone on what's important: keeping your clients happy and generating more income.

**Don't be held hostage**

The old saw about one bad apple spoiling the whole bunch is true. Look, life is too short – and business is too competitive and risky – to tolerate a malcontent or misfit screwing up what you've worked so hard to build. Do what you know needs to be done and resolve the obvious. Your people know who's good and who's bad; the inability to lead with courage undermines many otherwise healthy companies. Get out of denial! People tell us all the time once the dust clears, "I wish I'd gotten rid of that guy a long time ago!" For a little inspiration read [The Monkey Bars Law](#) on our website.

**Move on**

For the older guys in the crowd: Tired or have you lost some passion for the business? If so, it's no sin; it's what happens naturally when you've been working mostly without rest for 30 or 40 years. The answer is to embrace your new job: engineering a graceful departure. There are two parts to this – bring along successors who'll do an even better job than you, and then exit with style and confidence. Departing is usually the toughest thing an entrepreneur does so don't be afraid to ask for help (we do this kind of work – call us). Oh, and make sure you leave a little dough in petty cash for a tasteful portrait of "Our Founder" to hang near the restrooms.

**Deliver the gospel**

When we audit agencies we ask the troops, "What's the goal around here?" Usually not even 10% of the responses come close to a coherent reply. No wonder there's no energy, no buzz, no focus - people don't understand where the company's going! Sure, the mission's clear to you but, like media where frequency is king, your people need to hear the gospel over and over again. In fact, think about it - religious institutions preach the same messages every weekend because people need to hear it repeatedly. Successful companies promulgate tangible core purposes, values and goals. Does everyone in your outfit know what they are?

**Solve things once**

Here's a million dollar idea: solve your problems once, not repeatedly. If your staff meetings resemble the movie *Groundhog Day* it means you're just spinning your wheels. Discover the root causes of this stagnation and vow to fix them, not the symptoms. This is the formula: What's the problem, what's the fundamental

cause, how do we solve it, who will fix it and when. Band-Aids won't eliminate serious problems.

### **Innovate from below**

Your assignment: ask all employees to submit 2 ideas for improving the agency. Why? Because the troops in the foxholes probably know better than you what's needed. Just because you're the king doesn't mean you're the smartest; there are documented cases of the alpha buffalo leading his herd over a cliff. So get their take on what would make the place swing and then do everything they suggest that you think reasonable. It's in everyone's best interest, even your clients'. Get more ideas on agency leadership in this article from our website, [15 Things Every Agency Owner Should Know](#).

### **Plan**

Some people work hard maintaining an overcrowded schedule just to create the security of avoiding things they know need attention. They'll tell you there's just no time to "plan." Yet taking the time to think through objectives, strategies, and tactics - planning - is the way to a smoother running enterprise. Too many unforeseen incidents in our business to plan, you say? Nonsense. Firefighters and EMTs could make the same excuse and no one has more unforeseeable emergencies than they - yet they make the time to train, practice and improve. The only way time spent planning is wasted is when you don't execute the plan. In addition to planning, there are four other essential CEO activities described in our article, [The CEO's Job Description](#) from our website.

