


It's the Clients Stupid

 So, how tough is it going get? The recession, I mean. Just this morning as I write this several CNBC "experts" said it will likely last through '09 and possibly well into '10. Yikes.

We won't waste your time here boo-hooing about how ad and media agencies get creamed in bad times. But count on this: you'll be squeezed, and hard. So here are a few ideas to help you preserve all that really matters in an agency – your clients.

Added value. In tough times, "value" takes on new meaning and in the absence of something more compelling, price becomes the sole decision denominator. You can't afford to let that happen. When was the last time you convened your agency brain trust and asked, "What can we give our clients?" (Instead, you probably asked – "What else can we bill?") Why not gift your clients with the unexpected: unsolicited thinking and spec work that could move their business forward. You have nothing to lose, especially if creatives and account people have chunks of time available because the workload is off a bit. Remember that the easiest opportunity for more revenue is with incumbent clients because you know their business, what they should do, and you're already in the door.

Please don't be stupid about nickels and dimes. Small charges stand out in these times and aggravate the hell out of clients. Remember, you're in this for the long term and billing back \$28 for ring binders or something on a \$32,000 project may make a client think you're too expensive so they'll look elsewhere. Believe me, it happens.

Flawless execution. Think of it this way: satisfaction = expectations divided by execution. Little screw-ups (an oxymoron?) erode trust and poke holes in your boat which, in rocky waters, can sink it. We often complain about client capriciousness, but remember there's plenty that you control: sloppy work, blowing deadlines, punting details – you know your soft spots. To flog the nautical analogy again, re-caulk and batten down the hatches now before the storm hits.

Client Satisfaction. Obviously your business survival depends squarely on keeping the clients you worked so hard to get. So take out a small insurance policy. Our well-known Client Satisfaction Surveys verify to your clients you're absolutely committed to doing your best; they reveal hidden issues keeping you from getting more business; and they're a proven tool to avoid attrition. Right

now, before things get unsteady, is the time for an objective analysis – because if you learn how to keep a shaky account on board for even just another 6 months, it could make the difference in your year. The cost? Less than most agencies spend on client meals and entertainment – and it returns a lot more. We can arrange payment over time, too, so it's a small monthly sum. Get in touch and we'll give you the details.

Plan to cut. Buckle up because this won't be pleasant. Draft a simple graduated staff cutting plan now, not when you're facing disaster. If your revenue drops 15% in January, how will you adjust – hope it doesn't go down even more in February? And if it dives 25%? Planning is not hoping; planning requires a cold look at scenarios and what you'll do about them before they materialize.

Decide now how you'll reduce salary costs (e.g. a 15% revenue drop means employees W, X, Y, and Z will have to go). Or, now might be a good time to freeze salaries and discuss percentage cuts for top people. Think through the pros and cons of 4-day work weeks, job-sharing, unpaid vacations, outsourcing, etc. There'll be plenty of news articles soon about creative ways to save money. Yes, I know it hurts to ponder these things, but the alternative is worse.

Think around the corner. Hey, maybe now you should snap up a competitor, perhaps a small shop specializing in something you don't offer. When we come out of this maelstrom there'll be fewer agencies and you'll want to be still standing, and bigger. That guy down the street you've had your eye on might be ripe for the pickin'.

The sky is NOT falling. The people who weather challenges are those who expect to. Don't walk around with a long face whining about how bad things are or you'll infect the whole place and no one will want to come to work. Listen, our industry has weathered all kinds of difficulties. We survived the horrors of the mid-80s, tobacco advertising bans, the early 90s shakeout, the dot com bust, TiVo, everything-internet that's come along, and the list goes on. We rebounded every time.

As an industry, we'll survive this and get better. And so will you if you act now. Whenever there's change there's tremendous opportunity.

Please get in touch if you'd like some help – we've been through this before.

