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New business approaches

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Introduction

Most agencies are pretty comfortable with their new business enablers; the things that help them win new business. But what about the barriers: those things that seem to prevent success? Typical examples include clients having no budgets, an over-stretched team, a fear of cold calling - to name but a few. Do you recognise these barriers?

The first rule of new business is: **don't panic** about the things you can't do. Instead, focus on what you can do so you can build your confidence and remember you can always ask for outside help, which is available if you need it.

And the second rule: **have a plan**. That's where this guide comes in.

Taken from the **New Business Approaches** event delivered by DBA Expert Allison McSparron-Edwards of Consultrix Ltd, in December 2012, this report summarises advice from the event giving you a range of useful tips to use when creating your business development plan.

Understanding new business

Typically 70% or more of an agency's revenue comes from existing clients. Despite this business owners forget that it's just as important to keep selling to those contacts, as it is to hunt for new business.

There's also an assumption that how you tackle client business development is different from how you secure new business from new sources, but in reality there are many similarities. By building deeper and more meaningful relationships with both existing and new clients, you pave the way to building trust, receiving more work, gaining more referrals; more work etc. ultimately creating a virtuous circle.

New business should be an integral part of the culture of an agency and it should be everyone's responsibility to help make it happen. A great team that shares and radiates the same values and behaviours will automatically attract new business.

Overcoming client development barriers

Agencies tend to have common issues when it comes to developing business from existing clients. These include:

- Clients being too small to be developed
- Lack of client development plans
- Too few client contacts
- Lack of client sponsors

Tips for overcoming these barriers

Understand and analyse what you've already got. For every client summarise:

- What fees you think you will earn from them in the next 12 months
- What opportunities there are for each client with other subsidiaries, brands, services etc.
- Whether you are likely to lose them as a client and why
- What resource you might need to develop your clients, protect your income sources, develop new opportunities
- SMART plans to make the most of all opportunities etc

Develop deep client relationships with key people as well as developing weaker ties with a broader group of client contacts. This tip *cannot be overemphasised*.

Create client supporters. Try and make sure you have at least one person in each of your client companies that waxes lyrical about you. Make a client employee successful through great work and they will shine in their own organisation – they are bound to promote you then.

Issues associated with a lack of new business wins could include:

- Lack of confidence
- No clear vision for the business
- Too little knowledge of what to do
- Too few plans
- Not enough resources
- Inactivity

Tips for overcoming these include:

Develop your confidence. If you don't believe in your product/ service / presentation neither will your prospects. Confidence will generate new business.

Develop yourself. Read books, go on courses, attend events and talk to other agencies to broaden your knowledge of the new business game.

Write down and monitor your plans. This will make them concrete and real, enabling you to focus on a monthly basis rather than drift. This will help overcome inactivity too.

Understand it's a long game. If you really want to work with a particular client remember it could take two or more years to win the business. Focus, plan for it and start now.

Resource up. Identify what resources you need and consider how to fund them. Consider part timers, freelancers, bank loans, additional capital; even something as simple as reassessing what you spend *your* time on. Always try to understand the costs and returns before committing yourself.

Learn to say 'no' more often to inappropriate pitches. These might include those:

- You don't think you can win
- That clash with a current client
- Whose budget is too low
- That present cultural differences
- Which are beyond your field of knowledge

Issues associated with low pitch wins could include:

- Poor preparation & processes
- Inefficient communications between the prospect and the agency
- Lack of prospect sponsors
- Poor presentations & case studies
- Poor delivery/pitches
- Insufficient follow up

Tips for overcoming these include:

Allocate sufficient time. Don't finish the presentation late the night before the pitch – it won't do you justice.

Talk to your prospect. Wherever you can, go back to the client and ask questions while preparing the presentation – it not only makes sure you're going in the right direction, but builds the relationship too.

Self check. Get someone in your business who has nothing to do with the project to act as the prospect and present to them. Ask for their honest feedback and take this onboard.

Think commercially. Remember that creativity is important but not the be all and end all. In fact, understanding the prospects commercial issues seems to be to be more important than ever.

- 1) **Be professional.** Take the right people to a presentation, not someone in the office who is not busy or who is bored. Go on courses to improve your skills. It's a skilled job and the people who do it best are highly trained and motivated.
- 2) **Proactively follow up.** Always follow up and be proactive in trying to close the deal. If you don't win the business ask why and learn from it.

The importance of a vision, positioning and reputation

To be successful you will need a **Vision** for your business that includes a clear positioning statement and an appealing offering. Always clarify what you are trying to achieve. Remember quite often smaller clients want tactical solutions where as medium sized clients want integrated solutions and very large clients want to work with experts. This makes the point that in order to understand who you are aiming for, you need to understand who you are as an agency, what you do and how you do it, in order to pitch to the right people.

Make sure you understand and can clearly articulate your **positioning**. Positioning provides clarification of your offer both internally and externally; it affects pricing strategies and clarifies differentiators.

Set out to create a great **reputation** for your business as this is tightly correlated with the number of recommendations you will receive. Ask your clients how likely they are to promote you so that you can work out your net promoter score – this will help you understand whether your agency is likely to generate work through recommendations and will focus your attention if it proves not to be the case.

The importance of focused goals

Targeting

By understanding the following you will be able to create focused targets:

- What do you want to achieve
- Your target market and the size of potential clients
- How many clients you want to win
- How likely is that
- What would it be worth to you if you won the business

Timings and Resources

Make sure you think about timings and resources and try to estimate how much effort goes into winning new business. Each agency is different and facts are hard to come by but from experience it goes something like this: for a small agency aiming to win projects in the region of £50 to £100k they might have to make:

- 400 calls a month (because it's hard to get through to prospects)
- Which might result in 2 appointments
- Of which 1 in 4 might generate a pitch
- Of which they might win one in three

This means you need to have an up-to-date database of relevant prospects you regularly market to in a meaningful way.

New business key performance indicators

Turn your data into KPIs as they will help you understand whether you are doing the right things. This could include the amount/number of:

- Calls made
- DM pieces sent
- Networking events attended
- Credentials meetings generated
- Proposals made
- Number of wins
- Average value of initial wins
- Average value of new client wins p.a.

But collecting your KPIs is pointless if you do not monitor them. If some are working well keep on using them, if they aren't, don't! Make sure they are delivering in line with your plan or expectations.

Who can sell?

It is a fallacy to say that anyone can go on a training course and return a great salesman; it is just not true. What is true is that everyone can be part of a team that finds and wins new business.

The clever bit is working out what you and your colleagues are good at; getting help when you need it, building on your strengths and minimising your weaknesses. After all it's very rare to meet anyone who can do all of the following:

- Cold call
- Network
- Write great proposals
- Make great presentations
- Follow up post presentations
- Clarify client expectations and then initiate the work

Creating and controlling a great sales team does not mean you have to do, or be great at, everything yourself.

Which type of salesperson?

It's critical to employ the right sort of person to run your new business programme. The old adage was that it was all about employing people who could build great relationships but this view needs to be challenged. Of course relationships are important but getting on with your prospects is simply not enough anymore.

The stereotype of the typical salesperson has been put under the spotlight by recent research which found that the top sales people tend to be modest (91%), conscientious (85%), high achievers (84%) and naturally curious (82%). Less than 10% got discouraged or sad when they didn't win new business and less than 5% had high levels of self-consciousness. In fact most top sales performers are not gregarious, they are people who listen to what the prospect has to say and challenge the needs and the assumptions underlying them – they are **challengers**.

They add value in the sales cycle by having more meaningful conversations that help prospects rethink their situations. They can teach the prospects something new about their situation and have the ability to take control of the relationship.

The losers turned out to be the **relationship builders** who tried to win sales through relationships. In fact the more complex the sales become the more the challengers outperform the relationship builders. In high complexity sales 54% turned out to be challengers and only 4% relationship builders.

So who you employ as a salesperson seems to depend on what you sell. As you move from selling commoditised, tactical services to consultative complex and demanding sales the need for a more challenging salesperson becomes more and more important. It would seem that the relationship builders need to be liked overrides the need to challenge assumptions and disrupt the buying process.

Canny prospects do their research before looking for an agency. They come to the table with a set of assumptions about what they think they need sometimes believing that all they want is a tactical response. The job of the B2B salesperson is, for example, to challenge the prospects assumptions helping the agency to move up the “food stream” by providing more strategic and consultative advice. The challenger will be motivated to do this whereas the relationship builder will tend to accept the status quo and end up with tactical work.

In this complex world we live in those individuals that are confident, knowledgeable and dominant and who can challenge a client's assumptions, understand their politics and can take an agency up the client food chain are the ones who will help you win great clients and pieces of work. The very best can take RFIs for tactical engagements, derail the pitch and get hired to do a proper diagnosis leading to a completely different engagement than was originally envisaged.

Opportunities

How to farm and harvest opportunities

The best advice on opportunities is to:

- Listen for them
- Look for them
- Create them
- Because opportunities.... multiply as they are identified and seized.

To maximize opportunities, encourage everyone in your agency to have a commercial approach and perhaps look at a bonus or a reward structure to incentivise the staff.

Referrals and recommendations

Remember that doing a great job creates **loyal ambassadors** but waiting by the phone or burying your head in the sand will not reap opportunities for your business. Referrals and recommendations are a key part of a new business strategy but you need to be proactive. Identify who you're going to ask; contact them (follow up if necessary) and ask for their help.

Why not write a list of everyone you've ever worked with, get on LinkedIn and find out where they are now. Find a reason to contact them and give them a call. Even if they don't have work themselves, they might know someone who does.

How to hunt for new opportunities

Network

Networking can also be a useful tool to build your contact base. But before you go steaming in, make sure you understand the audience, focus in on 'targets' in line with your strategy, and critically, use the opportunity to build relationships rather than 'sell'.

Websites

Many prospects look at web sites as an indicator of what you do and as an indicator of your professionalism, yet many agency sites are poorly focused and out of date. It's a window into your soul – make sure it represents what you are really all about.

Collaborations

Successful collaborations can help you go after pieces of work which otherwise might have elements out of your spectrum of experience. Find other agencies via the DBA Directory, who you may be able to collaborate with on pitches.

Telemarketing

Many agencies can successfully carry out in-house telemarketing but if it brings you out in a sweat, or you're a small, stretched agency, use a telemarketing agency instead. It can be a very helpful resource, but make sure you identify the appropriate one for your agency. Who you use will depend on what you want to sell and the culture of your business.

And don't forget - never phone someone unless you have something to say!

Intermediaries

Intermediaries like ISBA, AAR, Agency Assessments International, Agency Insight, The Haystack Group, The Observatory International, Oystercatchers, can be useful too, although it's a bit of an old boys' network and you need to be on their radar.

Always keep your DBA Directory entries up to date to give your business the best opportunity to be identified by clients searching the Directory.

Exhibitions

If it's appropriate to your business then taking a stand at an exhibition can attract business, but be careful not to waste money if you don't have a specific reason for doing it.

Social media / WOM

Social media can be useful but equally a lot of time is wasted in this area too, so be a **H-E-L-P-E-R** and follow this acronym:

H – add **high value** content to your Hub website

E – provide **educational value** (add value to their day; create unique posts or share great articles)

L – write **thought-leadership** articles; make them smile if you can

P – occasionally **promote** your business (but just keep it a small *part* of your postings)

E – make it a point to **engage** (make and react to comments, encourage interactions by asking questions/polls)

R – look for ways to **reach out** to key influencers, perhaps using social media

Using case studies to show how your agency approached a problem, the design solution you provided and the results you delivered for the client, can be incredibly valuable in securing interest in your business.

And finally - prepare or die! As Benjamin Franklin once said “By failing to prepare you are preparing to fail.”

About Allison McSparron-Edwards

Having started life as a rock loving geologist, Allison decided to move into the world of commerce and people management, qualifying first as a Chartered Accountant and then as a Business Psychologist with the Open University. She is also a certified Psychodynamic Counsellor, a qualified coach and a member of BACP and the IOD.

Allison has worked largely for service sector businesses, starting at one of the top 5 consultancies, then using her management skills in a multinational relocation business, before moving on to the marketing and communications sector. She has worked at board level in local, regional and London agencies, applying strategic thinking, developing businesses and people, and improving commercial returns. Allison combines a shrewd business sense with the ability to understand the human issues involved in any group working together. With 30 years commercial experience, Allison has worked (at board level) as a Director, Consultant, NED and M&A specialist.

Her commercialism, intuition and energy helps her identify and resolve problems for individuals and organisations providing clients with demonstrable business improvements and revitalised focus and direction.

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