

A GUIDE TO

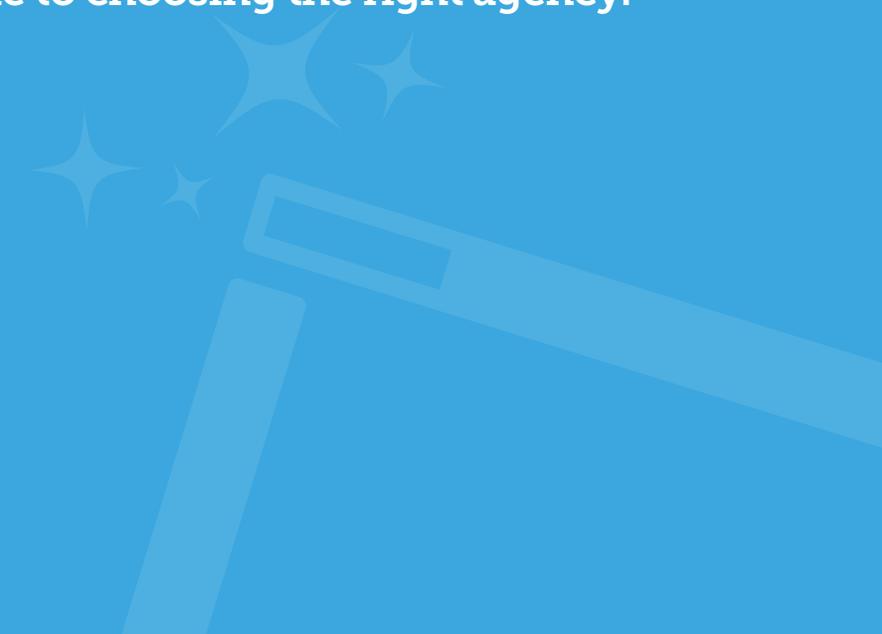
Selecting The Right Marketing Agency For Your Building Materials Company



So, You're Looking For An Agency...

Since I published my *Directory of Building Materials Ad Agencies*, it has become one of the most visited pages on my website. That tells me that there are a lot of building materials companies interested in finding a new agency. I have also had a number of the agencies tell me that they have received inquiries and new clients because they are in my directory.

I have written this guide for the building materials company that already uses an ad agency and is considering a new one. If you are a new or growing business looking for your first agency, this will also serve as a useful guide to choosing the right agency.





What To Do Before You Invest Time In Finding An Agency

I've had 30 years of experience working with building materials companies who use ad agencies. I have seen people go miles down the wrong path when, if they had gone into the process with the right mindset, they could have saved themselves a lot of time and money and ended up with a better result.

In the following pages, I'll point out ways that you can know when you've found the right agency. What will be most helpful to you, however, will be learning how company and ad agency relationships can fail. Having some ideas for how to correct issues when they arise or how to avoid them altogether can help you safeguard what is one of the best investments you can make for

your company. I'll also outline the steps you need to take when selecting an agency.

You'll see that it is not feasible to just hire a recommended agency, let them do all the work and then expect banner profits. To get the best success out of the relationship, a company must remember that it has a part to play in the relationship, from start to finish. This includes sharing part of the success or the failure.

To make sure you create the right environment for your agency to succeed, there are a few things you need to consider.

How Agency Relationships Fail

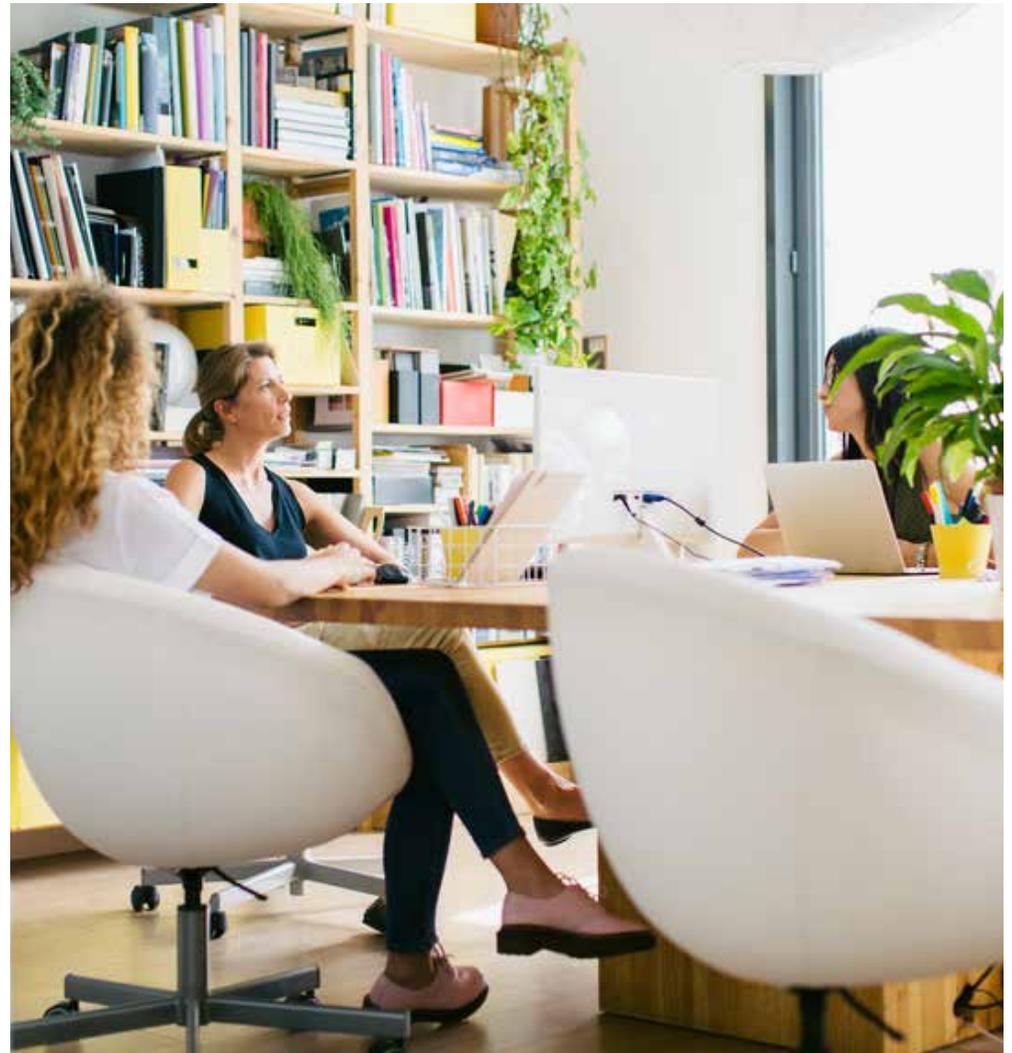
The biggest mistake I see building materials companies make is selecting an agency with no experience in selling building materials.

While sometimes this does lead to a successful relationship, many times it is a failure.

The only times I see this work is when a company like Kohler wants to reach consumers and has a multi-million-dollar consumer ad budget. In that case, building materials experience is less important and what matters more is the ability to effectively reach and motivate consumers. Nest Thermostats is a similar example in that they have chosen to ignore the channel altogether.

The HVAC distributors and contractors are irrelevant to their business model. Their agency doesn't need to have building materials experience. In fact, experience would probably be a detriment, since the agency would have a hard time letting go of how they know the industry works.

In the case of Kohler, as the channel is still an important part of their success, they would be well-served to have two agencies, one for consumers and one for the channel. They may already work this way.



Do They Have The Right Stuff?

For most companies that choose an agency with little or no building materials experience, the trials begin almost from the get-go. The first problem is that they produce off-target work. This results in you having to rewrite a lot of their copy or manage simple things like selecting photos.

In this kind of relationship, they are basically just an expensive art studio where you are telling them what to do. If you tell them you need a new website, be wary if they don't ask you why or what you want it to achieve. You will find yourself acting as a website designer who is working with a programmer. You will be making decisions that you should not be making.





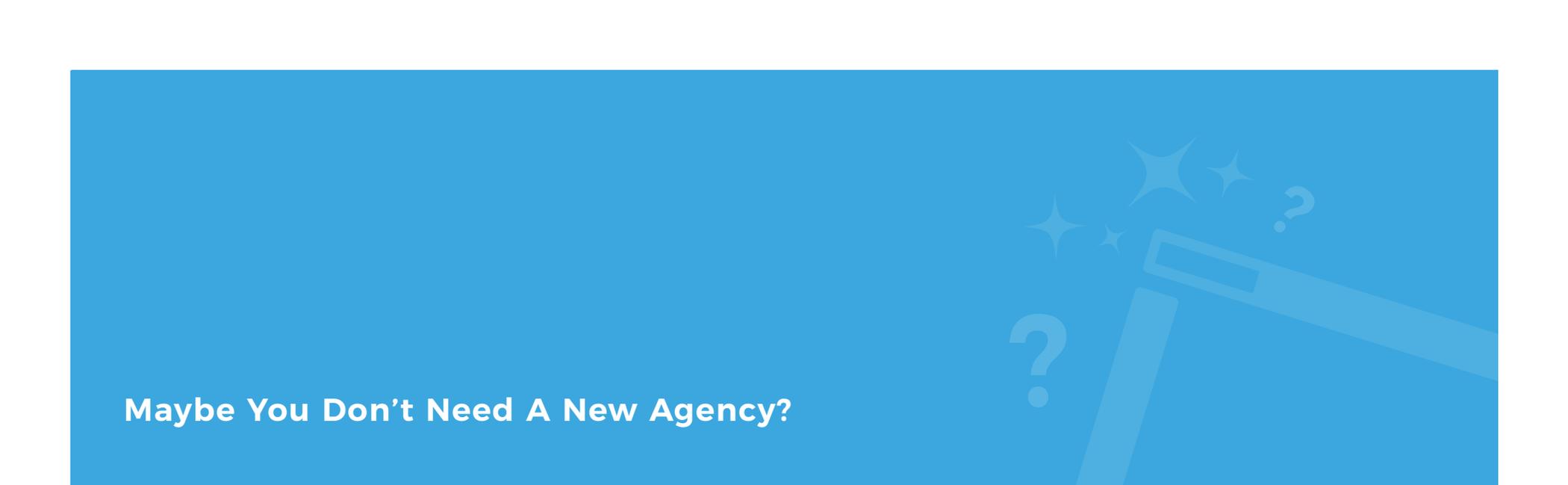
Be Sure To Get The Complete Package

The second type of failed agency relationship is one in which the agency head is an overconfident entertainer and an excellent salesman. The beginning of this relationship is exciting, it's like you are with a rock star. You really don't understand what they are doing; you just believe it's going to be great. And with your situation, you need great and you've never tried great. The problem is this type of great rests solely on pure creativity. There is very little strategy. And you came looking for both.

The agency believes that it is so creative that it doesn't matter whether its campaigns are aimed at the right audience with the right message, using the right method or media. The agency produces the great idea and your customers are exposed to it. You are really excited about the possibility that sales will rise. But, with this approach, they usually don't rise. You pay a big fee to the agency, and go back to the way you did things before.

The real shame is that companies who have dealt with this problem become resistant to investing more in marketing with a better-qualified agency, which is what they should do. When these companies work with me, they will frequently show me what their last "really creative" agency did for them. I can see it is drop-dead gorgeous creative work that is sure to get attention. It looks like they invested a lot into it. I can also immediately see how off-target it is and why it didn't work.

Marketing is not the strong suit of many building materials companies so it's easy to make one of these mistakes. Following this guide will help you avoid hiring the wrong agency.



Maybe You Don't Need A New Agency?

If you are considering a new agency, that means you're unhappy with your current agency. It may be clear to you that you need a change. Perhaps you have outgrown your current agency or creative resource. Perhaps your current agency isn't as strong in online marketing as you would like it to be.

Perhaps the relationship has just become tired and you can't remember the last time they brought you a really creative breakthrough idea like they did at the beginning. It could also be that your staff is not providing the input that ensures outstanding, or even effective work.

Changing agencies is expensive and requires a big-time commitment, not only to select the agency but to get them up to speed, learn how to work together and build relationships. In the end, there is also a fair chance that the results won't be any better than the ones you got from your old agency.

You may very well be with a good agency and the relationship has just soured. If there is a chance that this is the case, you should try a little "agency marriage counseling" before you switch to a new agency. The grass always looks better on the other side of the fence—until you walk in it. Every agency has its downside and you usually won't find it until after you have switched over to them. At least with your current agency, you know what the problems are and you may be able to fix them.

Since there isn't a rating for agencies, like a credit score, you are taking a chance with a new agency. With your current or past agency, you may only be looking at the bad and with the new agency you only see the good.

To find out whether the relationship with your current agency can be salvaged, your CEO, President or VP of Marketing should meet with the President of the agency.

Could You Be The Problem with Your Agency?

It's easy to blame the agency when many times you, the client, are the problem. Even if you have already decided to find a new agency, finding out how you might be making it hard for an agency to do their best work will help you be more successful with your new agency.

Since you won't be using an agency therapist to help you, be sure to keep everyone from getting defensive and playing the blame game.

As my wife, the psychologist, always counsels me, use "I" or "We" statements and not "You" statements.

For Example:

- ✦ "We feel like we aren't getting your best work."
- ✦ "I feel like deadlines are being missed."
- ✦ "We feel like costs are too high."
- ✦ "We feel like you aren't bringing us any new ideas."
- ✦ "I feel like you are very strong in these areas and these areas need to be improved."
- ✦ "We feel that this agency person is not a good fit."



Give the agency an opportunity to respond without interrupting or disagreeing with them. Assume they are correct and think about what you just learned. Did you learn something new? Did they offer good insights or were they just giving you “Wah Wah Wah! Woe is me!” stuff?

Ask them questions to help get a fuller picture of the situation. “How can we be a better client?” “What do we do that makes it hard for you to do your best work for us?” “Tell us about your best client relationship and how it is different from ours.”

Ask them whether you give them good input. Do you give them enough time? Do you ask them to solve a problem by recommending what you should do or do your people just tell them what to do? You should always give your agency a problem to solve and not an assignment like, “We need you to develop an app.”

You want the agency to feel comfortable enough to be candid with you so you can ask questions like, “Are there any people on our team who get in the way of you doing your best work?”

Try Shutting Up

If you don't feel comfortable with "touchy feely" conversations, here's another approach.

Many of the building materials leaders I work with have strong personalities, are very smart, confident and have a healthy degree of ego. They also have a tendency to cut people off and interrupt them. I personally love jousting with that kind of person. I find that they are just waiting for you to match their intensity. If you don't stand up to them, then you really must not have the confidence in your idea that you'll need to get through to them.

If you're this type of person, many agency people don't know how to get you to hear them. The agency may have a confident loudmouth to match you, but they often don't have anything of value to say. Sometimes the most powerful thing you can say is nothing.

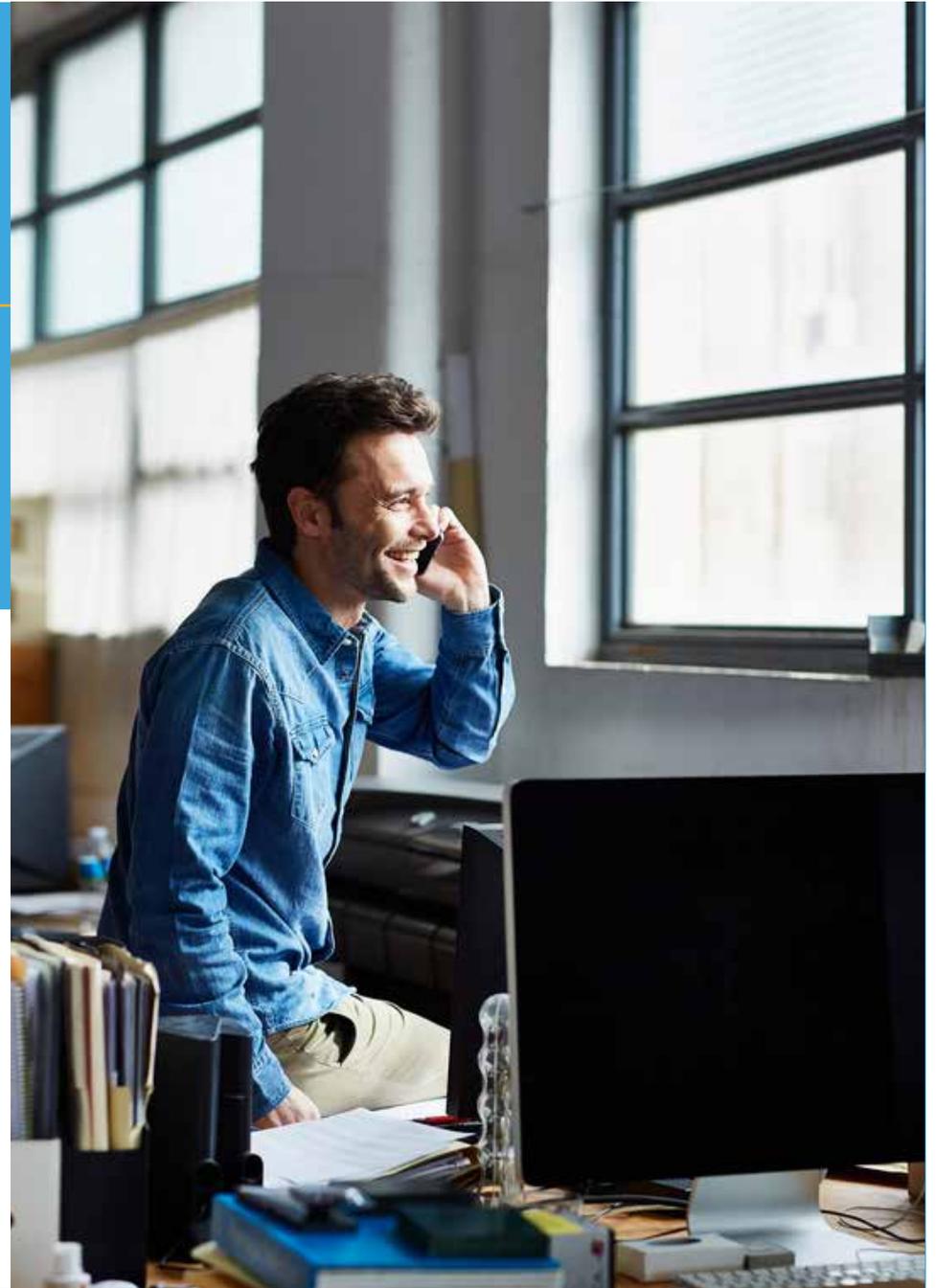
As a leader who can own the room and dominate the conversation, you need to shut up and listen every once in a while. The person you really want to hear from is, often the most quiet, introspective and introverted person on your agency team. They may be someone you've never met as they may not attend many of your meetings.

To make this work, you need to do something dramatically different and attention-grabbing to reinforce that you are committed to listening. After you start the meeting, cover your mouth with a piece of duct tape to reinforce that you really mean it. You want them to feel that you, the person who never shuts up, is actually going to be quiet and listen. They'll see that that moment is theirs so they'll be motivated to use it!



Listen For Nuggets

If you use either of these approaches – an open conversation or simply shutting up – be on the lookout for not only for the big ideas but also for the little nuggets of information. If you stay curious about how others see or interact with your company, the conversations you have with your agency can bring new perspectives to the table. When you hear one of these nuggets, ask the agency to tell you more and see whether there is a valuable insight. This is the type of information that can help you get more out of your agency in the future. It's also the first step to salvaging your relationship.





Agencies Can Also Be In A Difficult Position

The client and the agency are frequently not in alignment over their roles, which puts the agency in a difficult position.

Clients are used to having relationships with vendors; they are not used to having a relationship with partners they respect.

Vendors are not part of the team. They do what they are told. They never argue with the client. Many clients say they want an agency relationship, but then treat the agency like a vendor.

They expect the agency to not only agree with their ideas, but also to praise them. Questioning, disagreements and alternative proposals are not welcome.

You wouldn't order your lawyer or accountant around and you shouldn't order your agency around. You should listen to and respect them.



The result of not listening to or respecting your agency is that you essentially have an expensive art studio – the same result that occurs when you don't select an agency with building materials experience. It's possible you may be with an agency that is really an art studio but just calls itself an agency (there are many of those). But you may also be with a real agency that has decided that it's okay to just be a vendor since the money is good. There are also too many of these agencies who should have the courage to resign the account and only work with clients who value and respect them.

If you treat a real agency like a vendor, they won't put their best people on your account. They will complete each project as efficiently as they can so they can maximize their profit. The profit they make from clients who treat them like a vendor makes up for what they willingly lose on their best clients.

With their best clients, agencies can't help themselves as they put in extra time and effort to make everything better and better. One of the biggest problems an agency faces is over-servicing clients, usually their best clients. Their highest paid people work on the favorite clients even though they actually make greater profit on their lower paid people.

You may feel good that you have a "great" agency, but what if you aren't using it correctly? It's kind of like paying for a Ferrari but not knowing how to drive it. You should either learn to drive the Ferrari or get something that better matches your needs.





The Problem With Roles

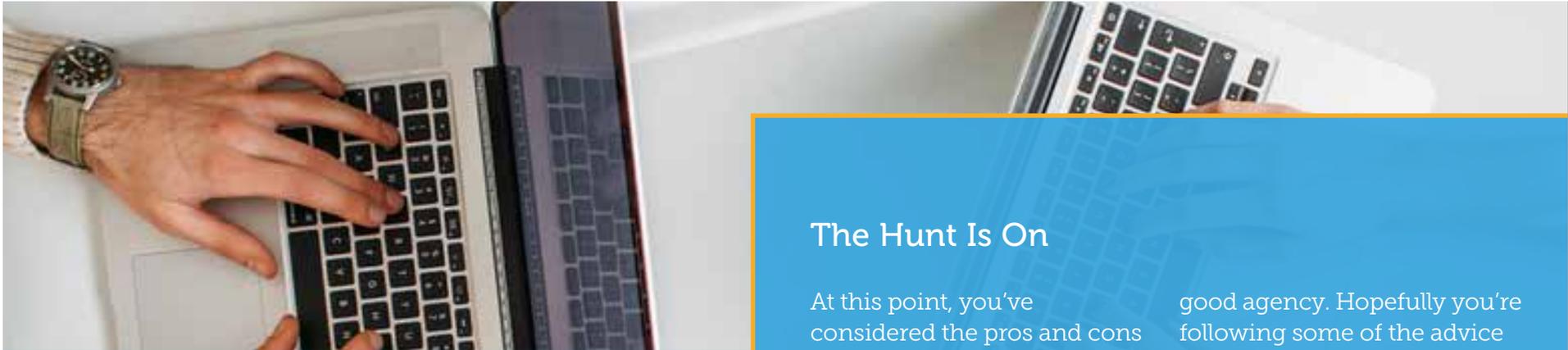
Another problem agencies have with building materials clients is the delineation of roles between the agency and the company's marketing department. It's not the marketing department's job to come with up with ideas—that is one of the agency's roles. If you think that internal people should come up with ideas that the agency executes, you don't have an agency—once again, you have an expensive art studio!

The biggest mistake I see building materials companies make is selecting an agency with no experience in selling building materials.

All this said, if you're taking bids on the jobs you're giving your agency, you don't really have an agency. You have, instead, a company that does work for you. No one hires a good agency to save money. You hire an agency to grow your business.

You can find someone who will do anything an agency does for less money, maybe even a lot less. These cheaper alternatives can do just about any assignment you give them, except the most important one: making your marketing more effective.

Having a good agency means you have a team that will see your marketing efforts as a whole and not just treat your projects as piecemeal jobs that were won by the lowest bidder. Most successful agency relationships involve a high degree of transparency and trust. After all, you're asking an agency to solve a problem and effective problem solving comes from a relationship and not a transaction.



Start Your (Search) Engines

Sham Agency Searches

A common reason for changing agencies is that a new marketing leader has stepped onto the scene and wants to change things up or to work with an agency they have successfully used in the past. Too often this leads to a sham agency search to make the CEO or Sourcing department think that there was an actual selection process.

Another version of the sham search produces a lot of candidates when the new agency has already been selected. "Doing due diligence" is a ceremonious waste of time. In this case, the new marketing leader should spend a little of his, "I'm the new guy, I am going to make things better, I'm the expert" capital and just announce the change. Naïve agencies may be disappointed as they thought they actually had a chance, while experienced agencies will be grateful for the honesty and ethics of the marketing leader and his company.

The Hunt Is On

At this point, you've considered the pros and cons of finding a new agency and are mindful of how you need to fill your role in this relationship. Now you are ready to start looking for a

good agency. Hopefully you're following some of the advice I just shared before starting your search. After seeing or participating in many agency searches, here's what I have learned about them.

Your company is too overworked and understaffed to waste time on sham agency searches. Think of all the time you will waste preparing an RFP, searching for agency candidates, winnowing down the list, sitting through pitches from very impressive people you will never see again, and deciding on an evaluation process even though you know only one person's vote counts.

Another bad result of sham agency searches is that your team may not see your company as honest and ethical. This sends a message to your employees that it is OK for them to act in the same way. It also sends employees the message that they may not be able to trust your company.

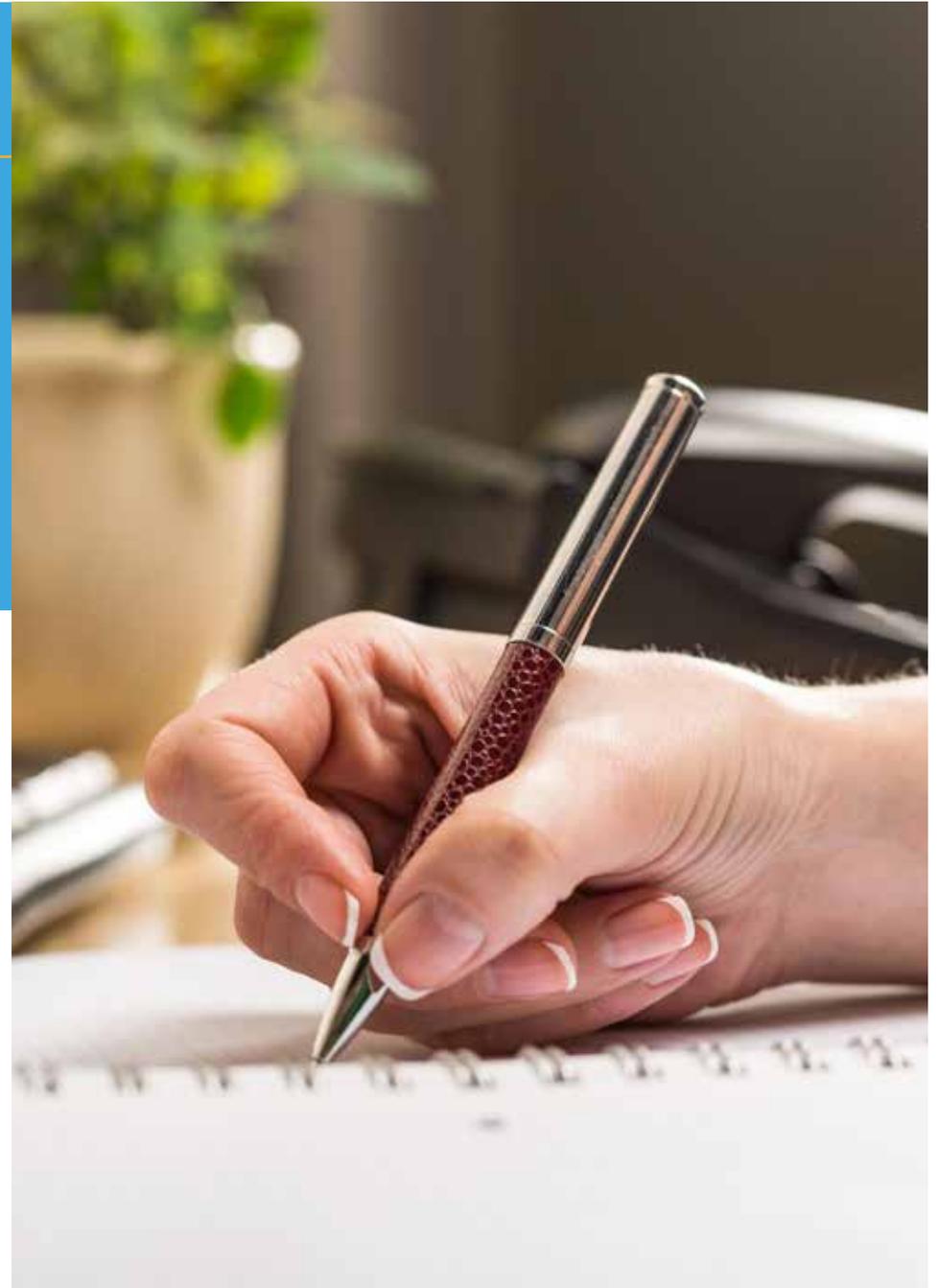
If you know the agency you want, just give them the account.



Start By Developing A List of What You Are Looking For In An Agency

Too often, the number one quality companies seek in an agency is “someone who is really creative.” Firms that fit that bill aren’t very hard to find, just look for those that win lots of creative awards. Sometimes those agencies can get you a lot of praise for impressive-looking work, but they may not necessarily help you grow sales.

Creativity is only important when it is part of a solid strategy and plan. Many creative people don’t like to be hemmed in by constraints like these. But remember, a great strategy that is not presented very creatively is a lot stronger than a bad strategy that is presented very creatively.



Know Your Needs

To help you decide what kind of agency you would like, decide if you want an agency who:

- ★ Will do what we tell them or do we want an agency to help us find a better way?
- ★ Is not afraid to speak up when they disagree with us?
- ★ Has experience in building materials?
- ★ Understands our customers (contractors, builders, architects, distributors, dealers)?
- ★ Is close enough to meet with us whenever we need? (This is a lot less important than you may think, and you may settle for the 4th or 5th best agency for you because you think being nearby is important.)
- ★ Will follow our process for working together or are we open to following the process the agency has found to be most effective when working with clients?

Remember: Every client thinks they are special and that their needs are unique. You are not special. Every client has the same reasons for working with an agency and you should be open to learning from your agency, to learning what is the best way to work together. A lot of clients think they are the ones who know more about agency relationships, even though the agency has a lot more experience.

The agency offers the following services and is good at delivering them:

- ★ Branding
- ★ Strategy
- ★ Newsletters
- ★ Trade Shows
- ★ Research
- ★ Print Ads
- ★ Literature
- ★ Video
- ★ Television
- ★ Direct Mail
- ★ Social Media
- ★ Media Planning
- ★ Marketing Automation
- ★ Public Relations
- ★ Content Marketing
- ★ Websites

You should prioritize this list since every agency has areas where they are strong and areas where they are weak. I would ask them, of the list of services you offer, what are your three strongest areas?

Then ask them if they work with any clients where they are not the only agency. Ask them what they and the other agencies each do for the client. That will be another indication of where other clients see their strengths.

For example, the longer an agency has been in business, the weaker they may be at anything online. If their digital people do not have senior positions, then online marketing is probably just another service, as in, "Oh yeah, we do websites too."

Another example is that most agencies will say they are strong at strategy, but if strategy is one of 20 services they offer, how good can they really be at it? This weakness keeps me in business.

Other Considerations

The Agency's Background

The background of the agency owner, which you can find on their LinkedIn profile, will tell you a lot about the strengths and weaknesses of the agency.

What was their career path? If the owner was a corporate executive, the agency will probably not be very innovative as innovation involves a degree of uncertainty and risk.

If, on the other hand, the agency owner started as a writer or designer, look for a real strength in creativity, but maybe not in strategy or online.

You'll also find agency owners who have a background in the online world but are not very good at designing a trade show exhibit or a print ad.

Consider this background in relation to where your company needs to grow.





Perhaps You Need More Than One Agency?

If I were a building materials company today, I would have two or more agencies that are all experts in their own area.

I would have an agency that has a strength in branding, positioning, messaging and traditional advertising tactics that are more print-related than online.

I would also have an online agency to handle my website, marketing automation, content marketing and social media.

If I needed PR, I would have a separate PR agency. If my agencies weren't strong in some of the areas I needed, such as strategy, I would engage a specialist in those areas.

The day of the full-service agency is over. You probably need more than one agency.

It may be the case with you, it may be that your current agency is really a good fit and you only need to consider moving a portion of your business to another agency.

How Do You Find Agencies To Consider?

Do Your Own Research

You should delay letting people outside of your company know that you're looking for a new agency for as long as possible. The minute word is on the street, you will be deluged with emails and phone calls from agencies, many in which you'll have no interest.

The agencies who have dedicated new business people or owners who are skilled at new business are really good at it and are very hard to turn down.

They have heard every reason why you aren't interested and they have a very convincing response to every single one of them. They don't take "no" for an answer and have no trouble going around you to your boss or using their friends to also contact you or your boss.

Another mistake companies make is feeling that they need to include agencies that have been pursuing them for awhile.

Companies do this out of a feeling of obligation: "This agency has been working hard to get our business; we owe them a chance to win our business." No, you don't. They chose to pursue you; you didn't ask to be pursued. They're either a good candidate or they're not, and it has nothing to do with their perseverance.

You should start by doing your own research. Review agency websites and talk to others, such as clients they list on their websites. Agencies frequently leave clients on their site even when they no longer work with that client. Contact a few of them and get their opinions. They're a good source for finding out both what's good and what's bad about the agency.

Some clients start by sending out inquiries to way too many agencies. I wouldn't contact more than 12 agencies to start. Ideally, I would narrow it down to 5 or 6, maybe less.

Look At What's Already Around You



If you like the advertising or website of a noncompetitive building materials company, ask them who does their work and what working with them is like. There are a lot of agencies doing good work for building materials companies who are not on my list. My list only contains agencies who are focused on building materials.

If you only want to consider local agencies, you probably have a list of those who have been calling on you for awhile. Consider that for part of your list. Or do a simple web search for "ad agencies in [your city]." You can look at their websites to get a sense of whether or not they can provide what you need. Another—and probably the best local research tactic—is to ask other business owners about the agencies they use in your area and get their opinion of them.

In today's world, there is no need to use a local agency and you will probably settle for a less qualified agency if you limit your search to them.

If you care less about the agency's location and more about their expertise, start by looking at the websites of the agencies in my [Directory of Building Materials Ad Agencies](#).

Don't Leave 'Em Hanging

You need to decide whether your current agency will be considered. If the odds are that your current agency won't be chosen, you should let them know that they are not being considered.

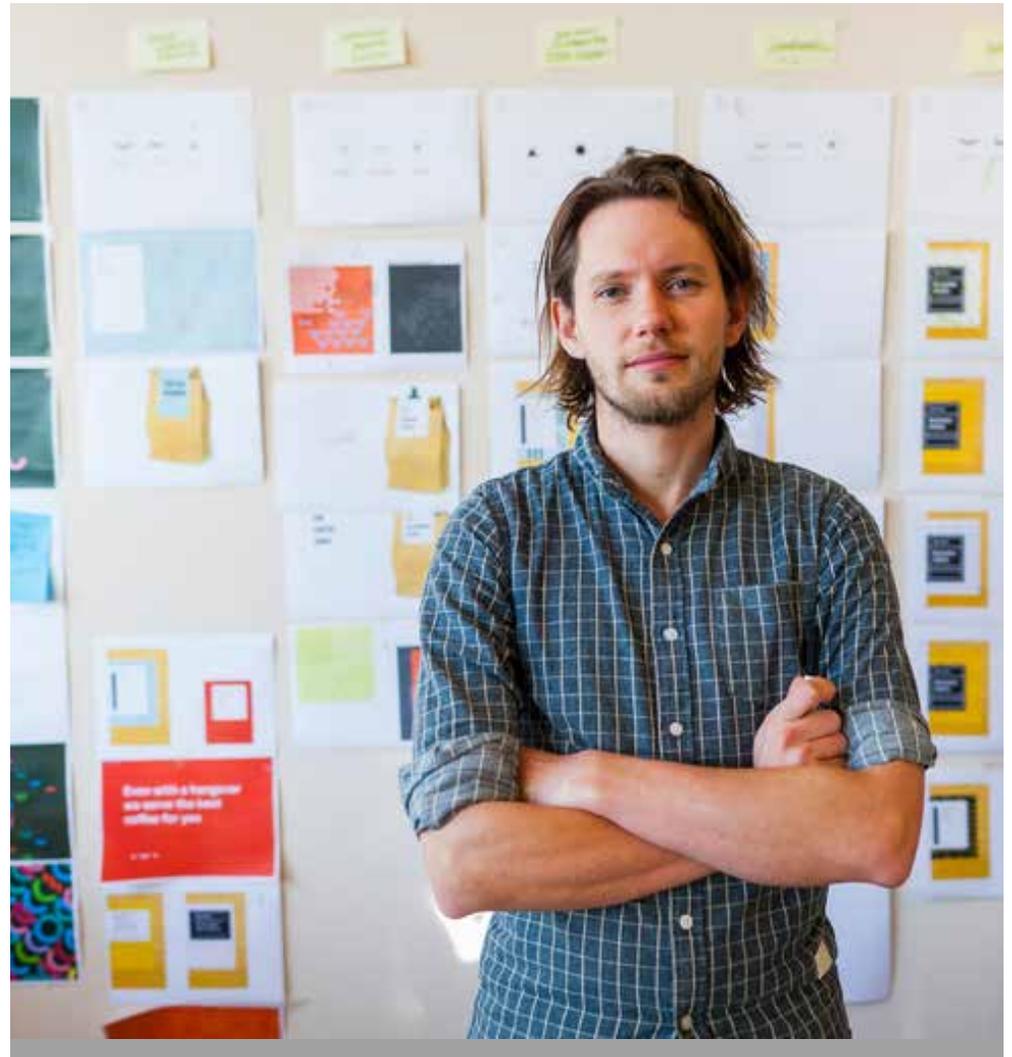
Who Should Be on the Agency Selection Team?

The agency selection process should be led by the head of marketing, since a large part of their success will be based on the agency's performance. I would even say that the head of marketing should have the final say in who is selected and everyone else, including the CEO or President, is merely providing their opinions. I never want someone to be able to say, "We would have been more successful if you had let me use the agency I wanted."

There has been a trend towards the Sourcing department having a role in the agency selection process. This is a mistake.

Agencies are not interchangeable like your sources of raw materials or the truck lines you use.

You want the best agency for your company, not the one that Sourcing can negotiate the best deal with.



The Selection Process

After you have done your homework, you should start by contacting the agencies and letting them know that you are considering a new agency.

Ask them if they have a minimum size of client that they work for. If you fall below that minimum, take them off your list. If you are spending over \$100,000 on marketing and they do not have a minimum size, I would be concerned.

If you meet their minimum requirements, request an introductory 30-minute phone call.

First Steps

This is just the first stage of the selection process. You want to focus your attention on some key points. You won't get all your questions answered, but you'll get your first impressions.

On this first call, you need to control the conversation. The agency will try very hard to take control of the discussion to find out more about you so they can use their chameleon skills and transform themselves into whatever you need them to be.

They also want to give you the impression that they think you're really cool. The goal is to make you think, "Wouldn't it be great to have an agency that recognizes how cool and smart I am?" They can make you feel that way even if they don't really believe it.

How they make you feel should not be an important part of your agency selection process. Many agency people can come off as "cooler" than someone who works for a building materials company and it can be hard to resist when the "cool" person pays attention to you. It's a lot like high school, but it's easy to forget that you are now the quarterback!

The purpose of the first call is for you to find out more about them, not for them to find out more about you.

Here's a joke to help you understand what I am saying. There was a bride on the night of her third wedding. She asked her husband to be gentle as it was her first time. He replied, "How could that be? You've been married twice before!" She told him that her first husband was very religious and just couldn't bring himself to consummate the marriage. Puzzled, he asked, "What about your second husband? He was wild and crazy. He couldn't have had that problem." "He was in advertising," she answered. "He just sat on the edge of the bed and told me how good it was going to be."

During your agency search, they will be telling you about how good it's going to be. You need to get past that to find out just how good it really will be. Remember that you're the one driving the process.



Stay Behind The Wheel

You are the one driving your selection process; don't let someone else steer you off course.

You are interviewing the advertising agency. Once you answer the first question, you will lose control of the conversation and might be directed away from learning what you really want to know. Keep the conversation on point. I would have several members of your team on the call so they can share their observations afterward.

Some agencies will want to come and meet you in person, even if they have to fly to your offices at their expense. Do not meet with them. At this stage, you don't want to give any agency an unfair advantage over any of the others.

At every turn, the agencies will be trying to gain an advantage over their competition. These attempts will seem harmless at first. But they may try to intimidate you into playing by their rules. You may hear things like: "This is not the way to select an agency," "I've never seen anything like this," "You won't find the right agency with this approach," or even, "I was talking to your CEO the other day." Comments like these are all designed to make you doubt your process. Don't second-guess yourself; you need to stay in control of the process.

Some of the best agencies are run by introverts who don't have a new business salesperson working for them. One of the big reasons for you to stay in control is to allow you to evaluate these less aggressive agencies on an equal basis with the others. Most of the time, great listeners and thinkers do better work than great talkers.



How To Handle The Agency Call

"The purpose of this call is for us to find out more about you. It is not for you to find out more about us. There will be time for you to learn more about us as our selection process continues. We will be ending the call in 30 minutes, so please be succinct with your answers so we have time to ask you all of our questions.

We will not be answering questions from you on this call. Would you like to continue the call now that you understand the ground rules?"

In the early parts of your selection process, you may run into agencies that decline to participate. This may start with this first call. If you happen to run into an agency who isn't interested in continuing the call, do not eliminate them, but put them aside for future consideration. Any agency that has the confidence to decline, is one to respect and be more curious about.

Since they are deciding whether or not to work with you as much as you are deciding whether to work with them, there is a high probability that an agency will be a good fit, if you both agree.

You probably won't run into one of these more selective agencies, as they are rare. Even if they agree to the first call, you will see that they are deciding whether to work with you as the selection process continues.

Most agencies assume that anyone who pays their bills is a good client. The best agencies are more selective about who they will work with.

Suggested Questions For Your First 30-Minute Call

1. Tell us about your agency.
2. How did you get in the agency business?
(If you're speaking to the owner)
3. How are you different from other agencies?
4. What do you see as the biggest challenges the building materials industry is facing today?
5. What are the biggest mistakes building materials companies make with their marketing?
6. Can you tell us a client success story? (Look for them to start with the challenge the client was facing, how they arrived at the solution and the result.)
7. What are your strengths?
8. What are your weaker areas or areas you are working to improve?
9. What type of client is ideal for you?
10. Who is your largest and smallest client?
11. What type of client would not be a good fit for you?
12. What is another agency that you respect?
13. Is there anything else you would like to share with us?

Finish the conversation by letting them know your next steps. You can expect an agency to follow up with you in pursuit of work. Given the number of interviews you'll be adding to your schedule, however, it is a good idea to set a boundary.

We are in the initial phase of our search. We are talking to other agencies and will let you know by (date) if we are interested in continuing our discussions with you. Thank you for your time.

Questions like, "How many employees do you have?" "What are your billings?" or "How long have you been in business?" are unimportant at this stage. There are many more questions you will want answered before you make your final decision, but they shouldn't be part of this call. This call is simply about first impressions.

First Impressions Count

Do not send them your questions in advance. You want to hear their off-the-cuff answers and not a prepared script.

Based on this initial call, you should have learned a lot about each agency.

Other lenses for viewing the conversation:

- What was your first impression about the person answering your questions and the agency overall?
- How did they do when answering questions off the cuff, without the time to script an answer?
- Do you have a sense of what they would be like to work with?
- Do you feel you can trust them?
- Do you feel they really understand building materials if they claim they do?
- Are they smart?
- Are they confident enough to ask questions and show you they don't know everything?
- Do they care about others?
- Did they use the word "I" more than the word "we?" Does this person respect the leaders or do they see themselves as the star?



Narrowing It Down

If the list is still too large, now is the time to get everyone's opinions and discuss how to narrow it down. Everyone should be able to provide his or her opinion, but the final decision about who to eliminate should not be a vote. It should be decided by the head of marketing. Everyone gets a voice but not a vote.

Now that you have narrowed down the list to a manageable number, it's time for the next step, by learning how they think.

How Does The Agency Solve Problems?

If you feel a need to have them do something for you to better assess their skills, you should give them a problem to solve such as, "How can we grow the sales of this product in this market?"

Give them as much background as you can. Agree to pay them each an amount of money with the understanding that, whatever happens, you own the work. Two agencies could come up with similar recommendations and the losing agency could feel that you stole their ideas without paying them.

I might even give them a theoretical problem so there is no chance that you will actually use it. This should not be about shopping for ideas; it is to show you the level of each agency's thinking and the processes they use to develop solutions.

No matter what you pay them, agencies that choose to participate will put in a lot more time than you pay for. Give them a reasonable amount of time to develop their recommendation.

If your budget isn't that large, don't expect them to jump through hoops for you. You may even want to skip this part of the process.

Appoint one person who can handle all the follow-up questions. The agency should not go fishing for information from other employees without the point person's permission.

In the interest of trying to be fair, I have seen clients share an agency's questions and the answers with all the other agencies. I disagree with this, as the questions an agency thinks to ask are one of the things that can make them better than the others. By sharing other agencies' questions and answers, you are artificially helping a less capable agency look better.

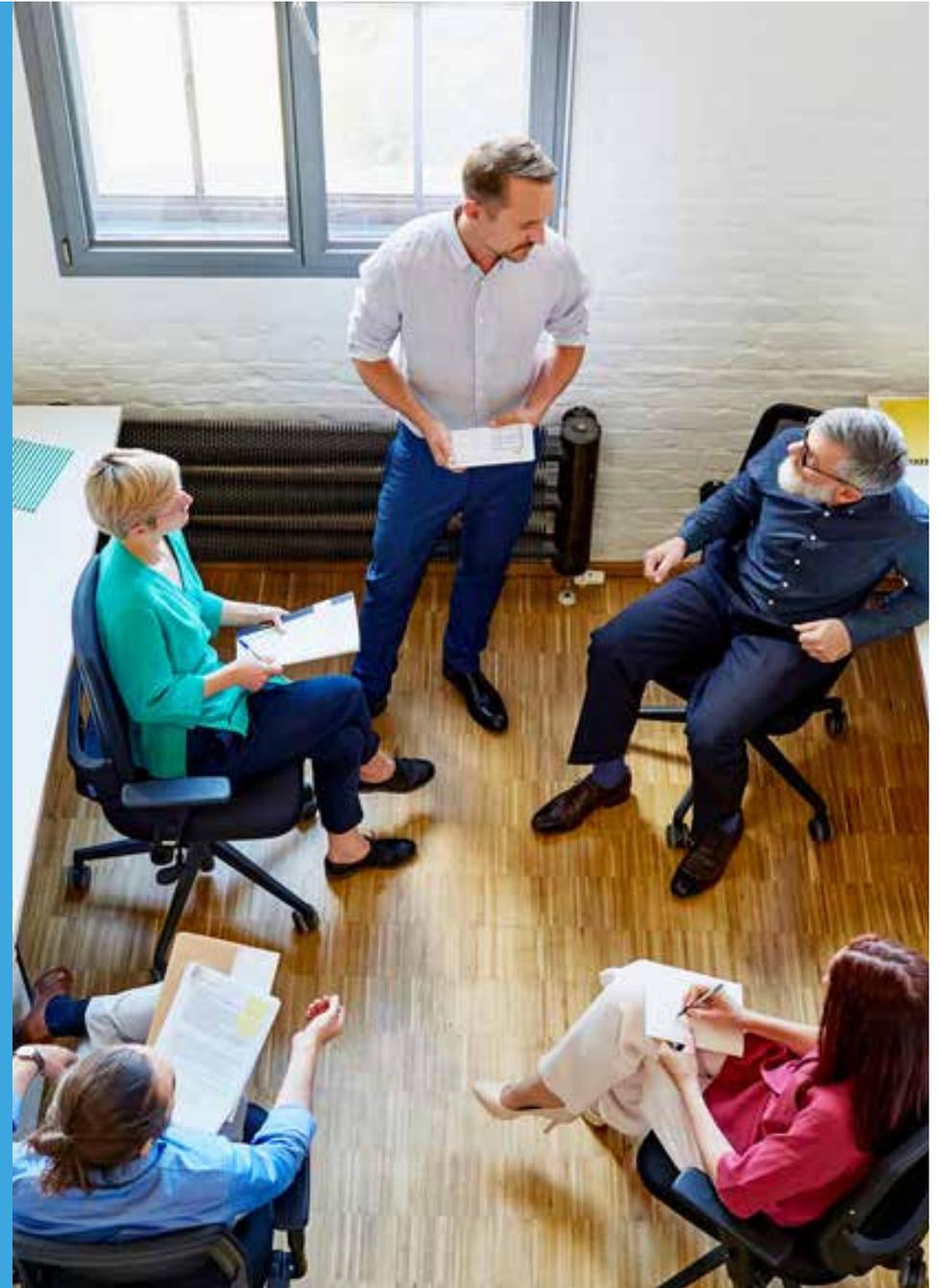
Make it clear to them that you do not want to see any creative concepts; you just want them to present their recommendations.

Many agencies won't be able to help themselves and they will develop some creative ideas to show you anyway. They will feel that if you just see their creative ideas, you will surely select them as pretty pictures and clever headlines are their strong suit.

They will tell you, "We know you said that you didn't want to see any creative, but this idea is so amazing we felt the need to do some designs so you could see it." Evaluate these ideas on the thinking behind them and not just the creativity.

You Are Looking For Two Pieces Of Information:

1. Do they believe that creativity is more important than strategy? Creativity, by itself, is a commodity. If you know what you need done, excellent creative is easy to find. Your main reason for hiring the agency should not be their creativity. It should be their ability to develop the right solution and then to creatively execute it.
2. Do they listen to and respect your requests? If not, why do you think they will act differently once they are your agency?



Evaluating An Agency's Work

Your decision process should not be a creative competition. You are looking to see how they solve problems. More specifically, you're looking to see how they will solve your problems. When they present their recommendations, ask yourself:

- Did they understand the assignment and the issues?
- Were they able to explain their thinking so you could understand it?
- Does their solution make sense?
- Are they recommending communicating to the right audience, with the right message and using the right method to reach them?
- If you were the customer, would this recommendation work on you?



A Simpler, Faster Approach To Evaluating An Agency

In a meeting or on a call, give them a brief overview of a real or fictional challenge you are facing. Answer their questions and then ask them, based on what they know, what they would recommend. You want them to respond right at that moment. You don't want them to go away and come back later. You aren't trying to get the right answer or solution. You are trying to see how they think. What questions do they ask you? What do they take into consideration? What assumptions do they make? You can also simply ask them, "Based on what you know about us, what do you think we should do?"

Their Answers Will Be Quite Telling.

- Do they jump right to a tactic like, "You need a new website!"
- Or do they say, "We need to do some research to determine, x, y and z before we could make a recommendation."
- Or do they suggest a possible strategy that is based more on your needs and goals and less on a tactic or deliverable, such as a new website?

Which response are you most comfortable with?



You should be looking for how they think. Are they thinking about getting a big project from you so they are focused first on their income? Do they see marketing as things like a new website? I would stay away from agencies that take this first approach.

Or do they want more time and information?

While the second approach is not a bad one, what you should want to see is how they think. The second approach here won't necessarily show you how they think once they have enough information to be comfortable. Many agencies are good at researching situations, but then they may not be good at knowing how to use the information.

Above all, resist the temptation to solve the problem for the agency. This is another opportunity to stay silent and reap the rewards by turning data into insights. This type of agency works very

well with very conservative clients who are more worried about not being wrong than they are about winning. This type of agency also works with companies where no one wants to take responsibility for a decision. If the idea doesn't work, they can just blame the research.

I prefer the third approach, where you can see how they think. You are not looking for whether or not they are right or wrong; you are looking for what they do with the information you gave them.

I had this happen to me once when I owned an agency. The client asked me, "Based on what you know about us, what do you think we should do?" After I gave him my answer, he said, "You are 180 degrees wrong. But based on what you know about our company, this is a brilliant solution. I really like the way you think." He made us his agency based on the way we thought.



Oft-Missed Steps In Due Diligence

Agencies are very good at presenting themselves in their best light and glossing over or distracting you from seeing who they really are. What is the character of the company you're considering? Spend a little time to peel back the onion and see what's under each layer.

Are they congruent?

If they say they are good at content marketing and blogging, see whether they have a blog of their own. How often is it updated? Is their content any good? Would you read it? Do you find it insightful or just a rewrite of something with a bland title like "The Importance of Social Media?"

If they say they are social media experts, what do they look like on LinkedIn or Twitter? How often do they post? What do they post? Is it meaningful content or more along the lines of "Here we are at our office party," or "We let dogs in the office, we're cool," or "Meet our new creative director (but we'll never tell you if someone leaves)," or "We won a lot of awards last night." If they ran your social media, what kind of stuff would they share for you?

If they say they are experts at SEO, how does their site rank beyond someone typing in the name of the agency? If you Google "How to sell to architects," for example, do they show up on page one of your search results?

What do past employees say about the company? Look on Glassdoor.com to see what ex-employees say about them.

Look at their ex-employees on LinkedIn. Did they go on to bigger and better agencies or maybe start their own businesses? Or did they move down a notch in the agency world or couldn't get another job at an agency so they are in another field. This tells you a lot about the caliber of their people.

Contact a few of those ex-employees and ask them to share their observations about the strengths and weaknesses of the agency.

What is their history?

Look up the owner's backgrounds on LinkedIn. What was the career path that led them to own an agency? That can tell you a lot about what kind of agency they are

If the owner used to be a corporate exec, they will likely see things in terms of reducing risk and letting other agencies be innovators and then following them. They will have a corporate-style office environment that probably isn't a very fun place to work or very conducive to creativity.

There will be an overemphasis on controlling everyone and everything. If you are most comfortable with the tried and true, safe solutions and employees who probably have to pass drug tests, this type of agency is for you.

As they think like a corporate executive, their focus is on reducing costs and maximizing their income from you. More traditional agency founders see that the way to success is through helping their clients be more successful.

An agency owner who started as a creative person tends to see solutions as creative challenges. Depending on the size of the owner's ego, it can be a fun place to work that is very conducive to creativity. At their best, they have learned the importance of strategy for directing their innovative creativity into a solution that grows your sales. This is where you find the creative misfits who won't put up with any bullshit like what time they have to be at work. I would much rather have agencies like this—that frequently amaze and scare me with their ideas to the point that I sometimes have to pull back—than an agency that leaves me asking, "Is that the best you've got?"

An agency that is owned by an ex-account person can go either way. The risk here is that the owner can be a yes-man who will do everything to get and keep the account by doing what you ask and never arguing with you. Still, they can also be a great agency when the owner recognizes the value of strategy and a great creative team.

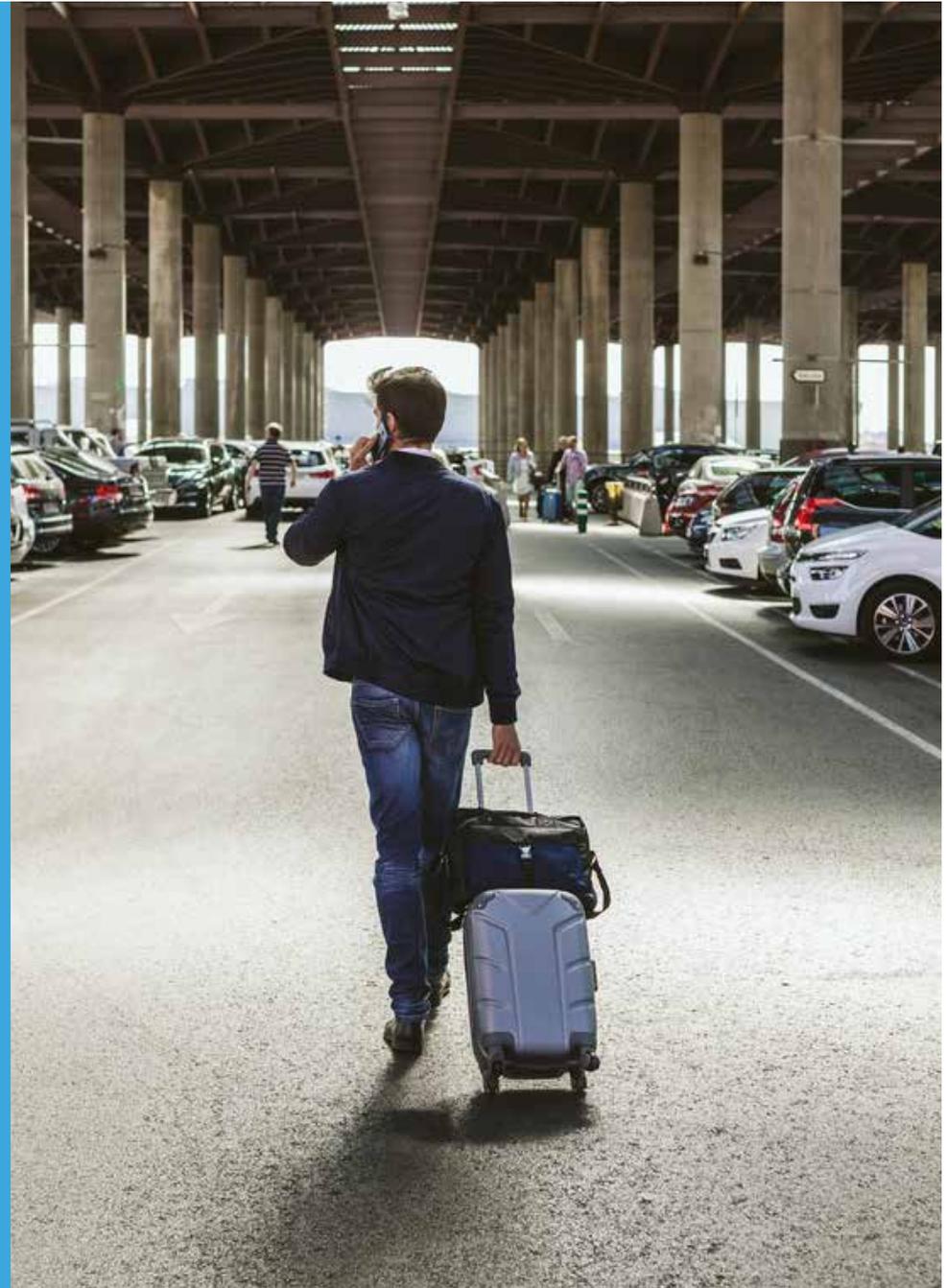
A web designer who now owns an agency can lean toward the world as totally online. This can be a great skill to have. That said, you need to make sure that they are not just great mechanics and programmers who can tune up a website, but that they can also do things that actually grow your sales. This can be a great agency to have as they see where marketing has moved to, whereas a traditional agency is still trying to learn this. With an agency whose strength is online, you will probably need another more traditional agency for your old-school marketing projects.

The purpose of this due diligence is to prepare you for the agency visit so you know what to look for and what questions to ask. It may seem like I am raining on everyone's parade, but what I am really trying to do is help you make the right choice. Every agency has its strengths and weaknesses (and they work hard to make sure you don't see their weaknesses). I want to help you take a realistic view of the new agency you choose. After you hire them, you will soon learn their weaknesses. Why would you want to be surprised? If you think you will have a perfect agency, you are wrong.

Time For A Road Trip

Now that you've done your due diligence, it's time to visit the agencies you're considering.

Of course, they will try to really impress you and they are used to client visits. I would leave it up to them to plan the agenda, as it allows you to see how they make use of this time. I would simply say, "We are coming to tour your offices, meet your team and learn more about you" and then see what they do with this opportunity.





The Agency Visit

Look past the hospitality and creative touches they put on your visit so you can stay focused on the agency itself. Remember, you're there to try to learn who they really are.

When you walk into the agency, you can immediately pick up on the energy in the office. Are these people really happy or have they been told to smile? When the owner takes you on a tour, do the employees avoid making eye contact with him or you? Does this feel like a creative space or have they merely decorated it to look creative?

It's OK if you want a stiff, corporate type of agency. I just wish they would acknowledge who they are and say, "This is not a fun place to work. We don't trust our employees."

As you meet with their team, ask yourself whether they are overly concerned with impressing you and not upsetting you or the owner. Are they relaxed and having fun with you or the agency owner?

Does their creative director look like an accountant or someone you wouldn't want your kid to date?

Based on your due diligence, now is the time to ask the agency some tough questions to see how they handle them. I place a high value on honesty and integrity.

Questions to ask:

Now you're ready to get down to the tough questions like the ones you'll read in the following pages. Ask questions to different people at the agency and see whether they first look at the owner or are confident enough to answer it themselves.

If they are looking for the owner's approval before answering, that's not a good sign. If you hire this agency, you could be paying a lot of money for go-betweens who are basically delivery people who add no more value than a FedEx driver.

Make Sure You Leave The Agency Tour Understanding The Following:

How important will your account be to the agency?

- You should ask them their total billings, who is their largest client and what percentage of their income comes from this client. You don't want to be the biggest or one of the smallest.
- An agency with one client who is more than 35% of their income is at risk of going out of business if they lose that client.
- If you are their largest client, keeping your business may be so important to them that they give you what you want instead of what they feel you really need. If you are one of their smallest clients, you won't get their better people.
- What are their plans for educating themselves about your company, products and customers?
- Many agencies start with a discovery or diagnostic phase. Have them tell you what this entails and how long it takes.

What is their commitment to your relationship?

Will they:

- Spend time at your facilities to learn from your team?
- Tour your plant?
- Go on a job site?
- Ride along with a salesperson?

- What will their efforts to learn about you cost? Will they invest in this process with you?
- When your account person is replaced, is it your job to train the new person? And at whose cost?*

* *Frequent turnover of account people is a common problem that building materials companies have with their agencies. As soon as you feel the account person really understands you and your business, they are replaced and you have to start all over again training the new person.*

- Does the agency attend building industry trade shows at their expense?

Do they outsource?

- Do they outsource when they are too busy?
- Do they outsource when they need expertise they don't have internally?
- If yes, have them explain an instance when they needed to outsource and what kind of work it was. Outsourcing photography, illustration or video production doesn't count.

How do they charge?

- There is a trend away from hourly towards project billing, which works better than hourly if the scope of work is defined correctly.
- Billing surprises are one of the biggest frustrations for clients. Will they agree to not bill you for anything you have not approved, including project overages?
- How much do they cost? You don't want to find your ideal agency only to get sticker shock. Be totally open with the agency and share your marketing budgets and how much you are used to paying for projects.

Don't hold back financial information in the belief that they may be less expensive. If you are taking a step up with your agency, the costs will probably be higher.



Now, consider what kinds of questions your agency is asking you. Are they curious? Do they need to make you feel that they already know everything? Are they confident enough to ask, "I've always wondered this about your business. Why do you do that as it doesn't make sense to me?" or say, "I don't know a lot about your type of products and how they are sold. I am looking forward to learning more."

Do they need to act like they are the smartest person in the room? You don't want

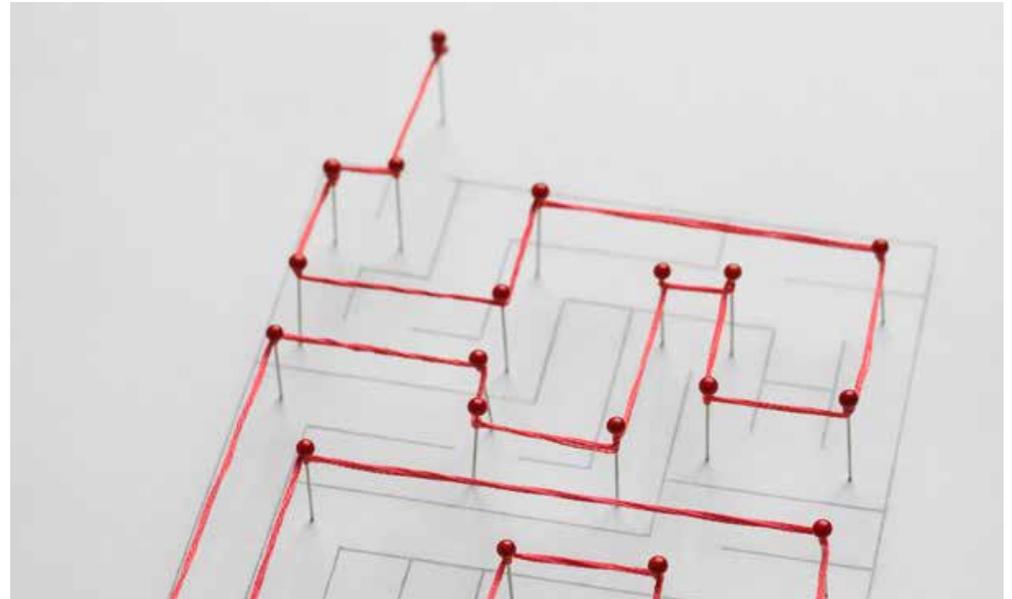
Making The Decision

By this point, you've reviewed several agencies. You've gathered telling information on these potential relationships. You should now be ready to make a decision.

Choosing the best working relationship:

No matter how much you try to quantify it and make the selection of your new agency an objective decision, it isn't one. It's a very subjective decision that should be made by the head of marketing. In the end, it gets down to:

- Can we work with these people?
- Will our marketing be better with them?
- Do we trust these people?
- Will they help our business grow?



It's a judgment call that you have hopefully made based on something more than who wowed you the most. A lot of agencies are better at wowing new clients than they are at delivering results. You've considered the strengths and weaknesses of all the candidates and you've weighed this against the needs of your company. In many ways, it boils down to what will be the most successful working relationship.

How To Make The Honeymoon Last

Whenever a company has a new agency, there is a honeymoon period when both the client and the agency are in love with each other.

Sometimes the honeymoon lasts only until the first invoices arrive, and it seldom lasts longer than six months.

Clients frequently make the mistake of thinking, "We pay our agency a lot of money so they better give us their best work." That is not the case with creative people. As a client, you should actively work to get their best work. You want to be the client they can't stop thinking about. You want to be the client for whom they put in extra hours. Here's how to make this happen.

Make your agency team feel like rock stars within their agency. Look for reasons to send emails about what a great job the team did.



These messages will get distributed to the entire agency. Your team will work even harder for you. Your account will be one of the agency's favorites and will become a magnet for the best talent in the agency based on how you treat them and not how much you spend with them.

You're not doling out false flattery. You're appreciating the good work done for your company. Since you've now developed a sound understanding of what is out there, you've become better at recognizing talent. Use your new skills.



Closing Thoughts

There are books that have been written about how to select an agency and there are consultants that you can hire to help you. Based on my 30 years of working with building materials companies and agencies, this guide is what I recommend you use to make your decision. It will save you time, money and countless headaches. At the end of the day, if I had one overriding piece of advice for selecting an agency, it is to stay in control of the process. And now that you have an idea of the process, you are much better equipped to pick the best ad agency for your company.

How I Can Help

If you want to grow your business, your problem may not be your agency; it may be your strategy. Do you really not understand why your product sales are not growing? That's where I can help. Please contact me for a no cost, no obligation mini-consultation where I will suggest some solutions to your challenges. Oftentimes, companies ask for my input about agencies they are considering or should consider. I do this confidentially and impartially. I have no favorites and I do not let anyone know that you may be looking for a new agency.



Mark Mitchell is the leading sales growth consultant in the building materials industry.

Using his 30 years in the industry, Mark works with clients to identify and remove the unseen blocks that keep them from growing sales and retaining customers.

Not being an agency, his recommendations are focused on his clients' growth and not his future income.

Mark's mission is to help building materials companies be their customers' preferred suppliers and, in the process, make those customers into their best salespeople.

Contact Mark to discuss your sales challenges today.

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