

Win For Your Clients and Grow Your Agency

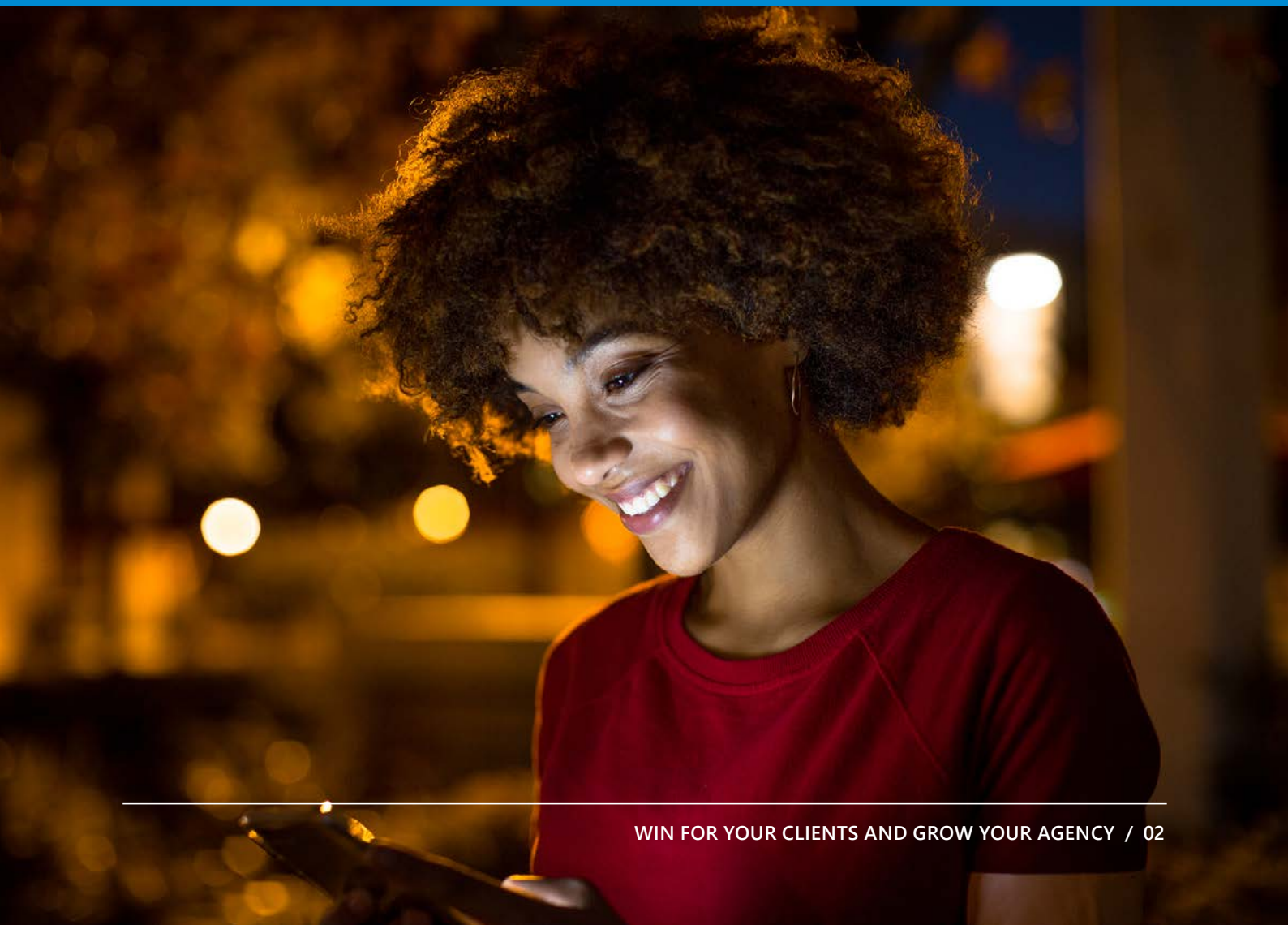
Your Agency Guide to Small and Midsize Businesses



Microsoft Advertising. Intelligent Connections.

Welcome

Thanks for downloading **Win For Your Clients and Grow Your Agency**. In this three-part white paper, we'll discuss how digital agency leaders can advance their SMB clients' success, grow their agencies, and maximise profitability. Throughout, we'll examine some of the key tactics for generating audiences for your clients, pipeline building, and upfront conversions, as well as how to position your agency for success in the modern marketing landscape.



01

A Win-Win Situation

Let's begin with a self-evident truth: **Winning as an agency means winning for clients.** After all, successful clients spend money, and grow. Obvious perhaps, but actually it's not as simple as it sounds. The nuance lies in the word "successful".

As modern agencies are well aware, in the world of marketing, one size certainly does not fit all. Clients have different needs and objectives, and agencies have different strengths and weaknesses. Some clients know what success looks like for them, while others aren't there yet. Without careful account management, agencies can find themselves working towards false goals, or measuring success using metrics not recognised by their clients.

Whether you're an agency leader, a media planner, or an account manager, it's fundamental that you seek to understand the opportunities, challenges, and strategies of your clients - and where possible, steer clear of assumptions. For Small and Midsize Businesses (SMBs), marketing strategy can be underdeveloped, or implemented ad hoc. As such, it pays to consider the basics in order to help your client define what winning actually is - for them.



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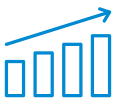
Bring it back to basics

If you're immersed in the world of marketing on a day-to-day basis, it's easy to forget that most likely, your clients are not. What's clear to you might not be clear to them, so it's important to start at the beginning, and - whether you're pitching for new business, or managing existing client relationships - articulate the benefits of working with a trusted partner, while demonstrating your specific expertise.

Firstly, remember why SMB's outsource all or part of their marketing function:



Time - Whether clients simply don't have time to do their own marketing, or they want to achieve marketing outcomes faster - agencies offer an instant-on option.



Scale - Building a marketing department is tough! It involves everything from recruitment, to office space, equipment, training, and much more. Agencies offer SMBs a great way to side-step costly overheads, and the ability to focus on their core business.



Budget - Put simply, agencies are usually able to do more with less, particularly for SMBs where salary and recruitment costs can be prohibitive.



Expertise - Perhaps most importantly, agencies have the skills and experience, as well as systems and supplier relationships, which enable them to get to work right away.

Secondly, consider how a typical SMB develops their marketing strategy and allocates marketing spend. With limited budgets and resources, creating assets (such as content or creative), prioritising the myriad of channels, and measuring results can be a real challenge. To help clients overcome this, there are two key considerations:

01 Above the Line (ATL) Vs Below the Line (BTL)

It is certainly true that a mix of ATL (mass-audience brand building media, such as outdoor or TV advertising) and BTL (typically carefully targeted, response-driven marketing, such as pay-per-click or direct mail) activity will feature in any developed brands' marketing strategy. After all, if you're a famous brand, reaching a mass audience, and maintaining consistent awareness is a prerequisite. For most SMBs however, that's either a way off, or simply not the primary objective. **For the majority, the first priority is building pipeline, and generating sales - and for that, in the short term, BTL is indisputably a clear winner.**

02 Strategy and scope

Helping clients come to this realisation, and allocate their budgets accordingly, is a great place for agencies to start - it's important to help them focus on what can be measured effectively and what delivers ROI, in order to build a solid, easy-to-justify case for ongoing (and where possible, increasing) marketing spend.

Paid media, particularly PPC is an excellent candidate for this - it's a low risk, very scalable tactic, and attribution can be measured easily. As such, it really is (or should be) a core competency for every digital agency.

No brand has the luxury of unlimited budget, so carefully marshalling your client's resources into channels that will deliver quantifiable results is essential. It's important not to spread the marketing budget too thin, or try to achieve too much within the scope, for risk of reducing the impact of campaigns.

Given a reasonable opportunity to find its feet, by focusing on PPC, any agency worth its salt should be able to demonstrate at least modest ROI (or success by other agreed metrics) quickly. Thereafter, ongoing optimisation of keywords, creative, targeting, and more can deliver incremental improvements.

Adding Value

It's common for clients to be experimenting with paid search, often using Google Ads. For SMBs, the classic client pain-points, which include everything from poor conversion rates (and ROI), to a lack of time to effectively manage campaigns, & a lack of in-house expertise are an agency's biggest opportunities.

As an agency, the value you can deliver to a client organisation is not simply in replicating their existing setup, but in bringing your supplier relationships, technology, and expertise to bear. This can include anything from the human knowledge available inside your agency, or the application of proprietary technology, through to better use of their existing systems, design ideas, business process design - even an agency's ability to find a different perspective on the client's marketing challenges. By understanding clearly how your agency can add value, you'll create a solid foundation for winning clients and growing accounts.



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GETTING STARTED WITH MICROSOFT ADVERTISING

In an increasingly competitive marketplace, search costs are rising. To combat this, a multi-faceted media approach is essential. The Microsoft Search Network and our suite of powerful AI tools can help you identify new segments - and reach more people.

Windows 10 is now on

1bn
DEVICES

across **200 countries**.¹

47m
SEARCHERS

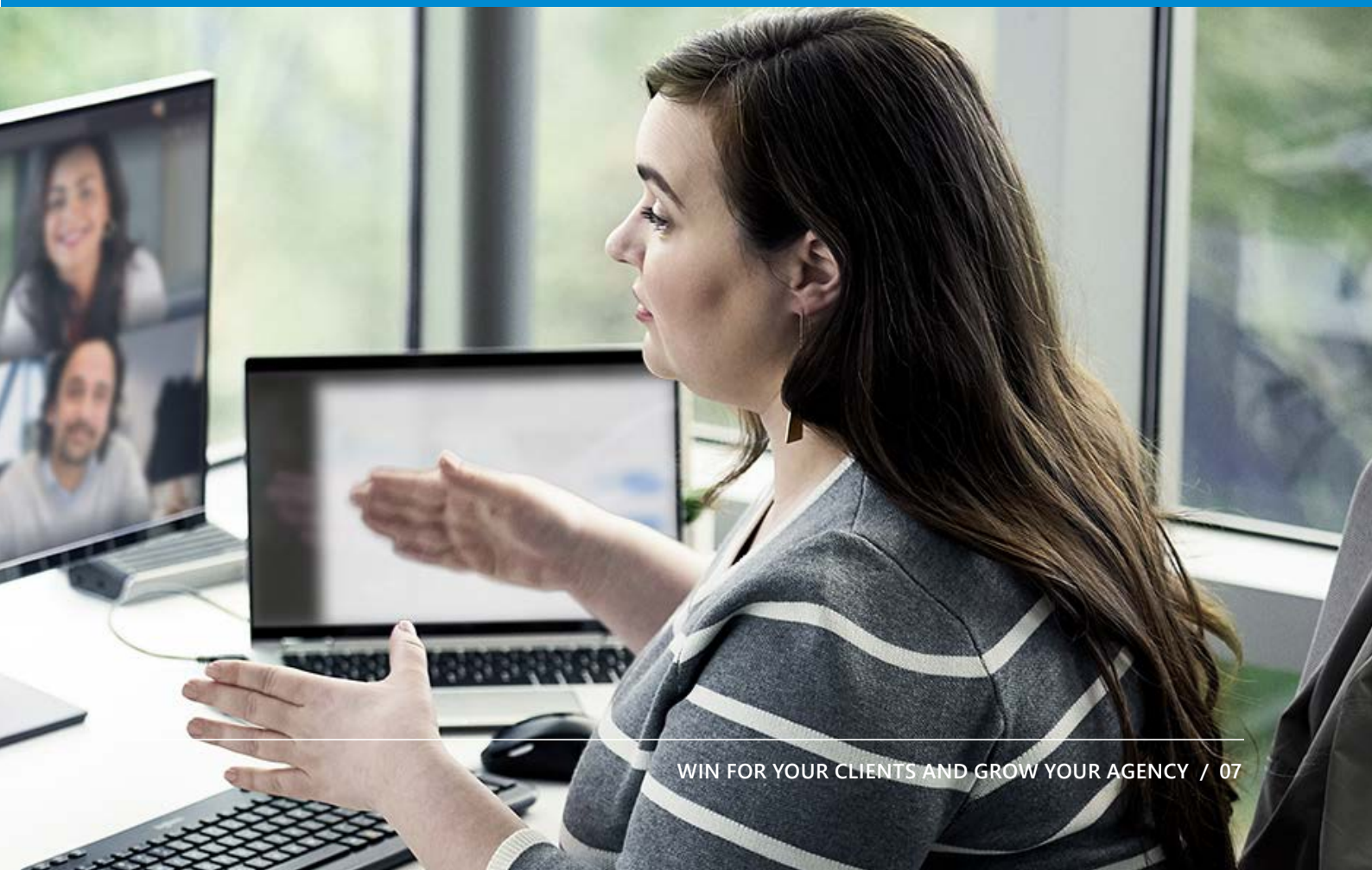
on the Microsoft Search Network that can't be reached on Google.²

People on the Microsoft Search Network spend more online than the average internet searcher by

31%²

To learn how Microsoft Advertising can help you reduce Cost Per Clicks and deliver more, visit ads.microsoft.com.

¹ Microsoft internal data, February 2020 ² comScore, December 2019



Growing Client Accounts

As we've already mentioned, it's imperative that you don't assume your clients know everything you know - so in pitches, review meetings, update reports, and calls - cover the basics and take the time to explain. Even where clients are experienced marketers, helping them to articulate their strategy, and understand their own needs, can really help to grow accounts.

If your agency operates in more than one discipline (such as web design, PPC, media production, etc.), grow your accounts by cross-selling. If you've built a website, pitch for the opportunity to manage PPC activity - even if it's on a trial basis. If you're already running PPC activity, can you help with conversion by redesigning landing pages? Of course, if you're already running campaigns which are delivering ROI, ask for more budget!

As we've already discussed, for SMB accounts, agencies should typically focus on PPC and other low risk, highly- measurable channels to deliver results for clients, but this can be difficult to get clients to focus on. Recent Bredin research conducted for Microsoft Advertising³ found that almost all agencies surveyed reported that clients need education on paid search and SEO (search engine optimisation). This is where your pitching skills, whether for prospects, or existing accounts come into their own: It's your job to convince your clients that first and foremost they need a marketing machine, constantly driving traffic, and filling the funnel.

Microsoft Advertising tools can help you grow client accounts, by enabling simple campaign management, and giving your clients access to The Microsoft Search Network's 12 billion monthly searches globally.³



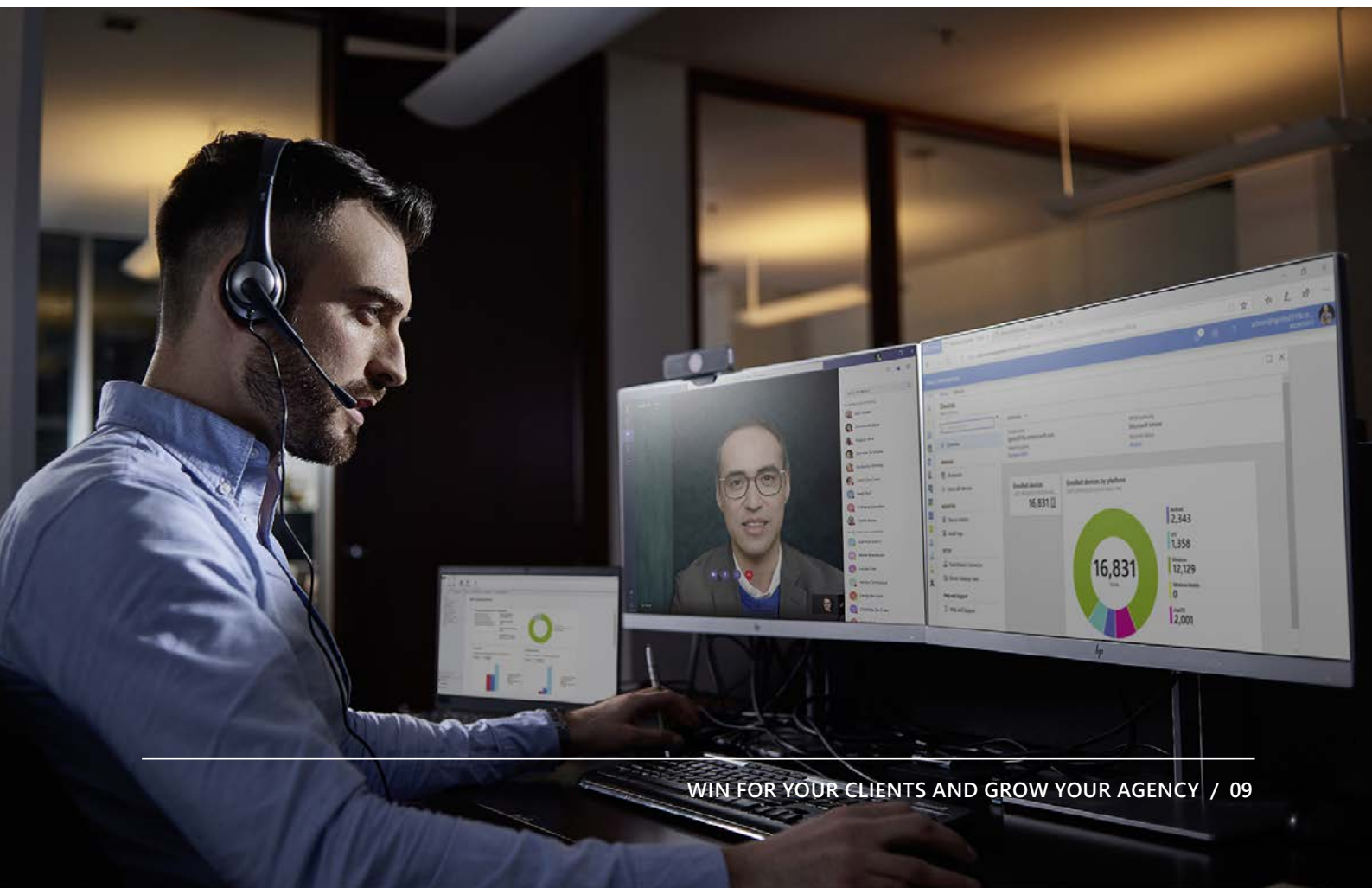
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³ Microsoft internal data, February 2020

02

Agency operations and profitability

Our research highlighted “**Keeping up with regulations and privacy standards**” as the area most agencies found very challenging. In truth, just like their clients, most digital agencies find that channel proliferation, changing legislation, and burgeoning data flows present a real challenge. As such, business processes and supporting technology must be carefully developed, in parallel with the technical expertise and industry expertise to serve clients effectively and control costs.



The Growth Conundrum for Agencies

Overzealous growth is a temptation that can be hazardous for agencies. If not managed judiciously, it can lead to decreased customer satisfaction, and reduced marketing performance for clients. Particularly for smaller agencies, growth should be a carefully planned balance of upskilling, recruiting, systems augmentation, business process improvement, existing account management, and business development.

To achieve this, it can be beneficial to focus on developing existing skills before developing new ones. For example; although it might be a worthy addition, developing a content-creation department would be complex and time-consuming. Creating top-quality content and gaining buy-in from clients would take time, so the profit horizon for such a venture might be distant. Conversely, training staff and improving PPC management technology might require similar investment, but be significantly easier to realise benefits by delivering improved client outcomes immediately.⁴

On a similar theme, building core strengths, in areas such as geographical location, or within specific industries, can give agencies a significant advantage for the right clients. For example, if an agency has many e-commerce clients who sell clothing in Europe, clients with similar aspirations can assume that the agency will be able to use that experience to good effect on their account.

TOP TIP

Get an edge on training with free courses from a Certified Microsoft Advertising Professional.

Visit our [Learning Lab](#) for more information.

⁴ 2019 "Agency Research" conducted by Bredin in 2019, commissioned by Microsoft Advertising

TOP TIP

The Microsoft Advertising Certified Professional program and the Microsoft Advertising Partner Program can help you demonstrate your team's expertise, and market your agency as a preferred partner in the crowded advertising space.

For more information, visit the [Agency Hub](#).

New Business

Particularly where an agency is itself an SMB, it's very easy for leaders to become so engrossed in the day-to-day operation, that new business falls by the wayside. The Bredin research⁵ found that "winning new clients", and "maintaining business development while doing great client work" were both notable challenges for more than 75% of those surveyed. Whatever size your agency, this can become a significant risk, as - for one reason or another - clients do move on.

Particularly if you serve SMB accounts, broadening the client base is an important part of maintaining and growing any agency, allowing you to realise economies of scale, and generate revenue from your hard-earned experiences, processes, technology, and more.

Business development is a topic worthy of its own paper, but a few salient reminders might include:



Marketing - Take your own advice; define a marketing budget, and use it to generate leads. Dependable tactics such as paid search, targeted advertising (particularly on B2B platforms such as LinkedIn), and email marketing are all second nature to any modern agency. What's more, they are available to you at cost price.



Content - It goes without saying that you should develop a comprehensive pitch deck which can be tailored to your client or prospect. Further, take advantage of spare capacity to develop content, and use it to promote your agency as a thought-leader. Blogs, whitepapers, explainer videos, and more can be used to generate organic top-of-funnel interest, and precious leads.

Finally, communicate proactively - ensure that everyone, from the leadership team to account managers, are following up on leads diligently.

5 2019 "Agency Research" conducted by Bredin in 2019, commissioned by Microsoft Advertising

Cost Control

Effective procurement is the first step when it comes to controlling costs. In simple terms, this might come down to ensuring that you're getting the best value for pencils, business cards, or laptops. Taken a step further, the same due diligence requirement extends to more complex purchases like servers, software, digital services - even office space or training and recruitment. Discipline, and regular review is the first step to controlling costs.

When it comes to media buying (including everything from search marketing to TV ads), exactly the same applies. For example, in search marketing, it's eminently possible to compare like-for-like keywords and search terms on different networks. It's a simple question of; what is the CPC on platform A, versus platform B?

Of course, investigating suppliers and maintaining visibility across all campaigns/clients/platforms can be time-consuming, but discipline and regular review is key to preventing stagnation and rising costs - time and effort invested here can really improve ROI.

The next consideration in cost control is to identify the hidden costs within your agency. These costs are more opaque and less quantifiable, often because they're hiding in the everyday processes and workflows involved in agency operations, client support, and campaign execution.

TOP TIP

The Microsoft Advertising Keyword Planner Tool helps you compare keywords, and make fast bidding decisions.

TOP TIP

Microsoft Advertising's Google Import tool allows you to easily import your existing Google Ads campaigns, so that you can quickly compare availability and bid prices, and get started. For more information, visit [our website](#).

Some typical examples might include issues such as;



Creative variations – Ask yourself each time you tweak a campaign, does the client need to sign off the changes? How many people are involved with this if they do? What is the monetary value of incremental improvements to the campaign? Is the administration cost proportionate?



Channel skills – either through staff turnover, or lack of resources, agency teams can find themselves inadvertently focusing on what they know, or whatever's quickest. This ultimately leads to campaign optimisation gaps, caused by ads running across fewer channels, which reduces competition and increases prices.

Particularly where workflows are manual, or have evolved organically, assess whether they've become unnecessarily complex and time-consuming. Ask yourself whether they involve too many people, or whether they're vulnerable to human error. Process mapping can help you understand what's actually happening, and reinvent procedures where necessary - always keeping an eye on costs.

Counter-intuitively, proactive investment in a variety of areas can pay dividends when it comes to controlling costs within your agency. Perhaps the best example of this is automation. Many of the day-to-day processes within modern agencies can be automated - from creative approval, to billing, reporting, and much more. Investing in systems integration and robotic workflows can free up your people, allowing you to minimise headcount, and focus your team on creating value for clients.

The guiding principle when it comes to cost-control is a holistic one - stay lean. Cut the fat, redeploy resources as necessary, and constantly question the status quo. If a tactic has become less effective, seek a new one. If a process has become unwieldy, redesign it. Careful cost control will free-up money and resources, rendering your agency fitter, and better able to compete.

TOP TIP

The Microsoft Advertising platform features automated rules to help you manage campaigns effectively, control spending, and get the most out of your advertising spend. Microsoft Advertising also offers a fully-fledged API, facilitating deep integration with your existing reporting and campaign administration systems.

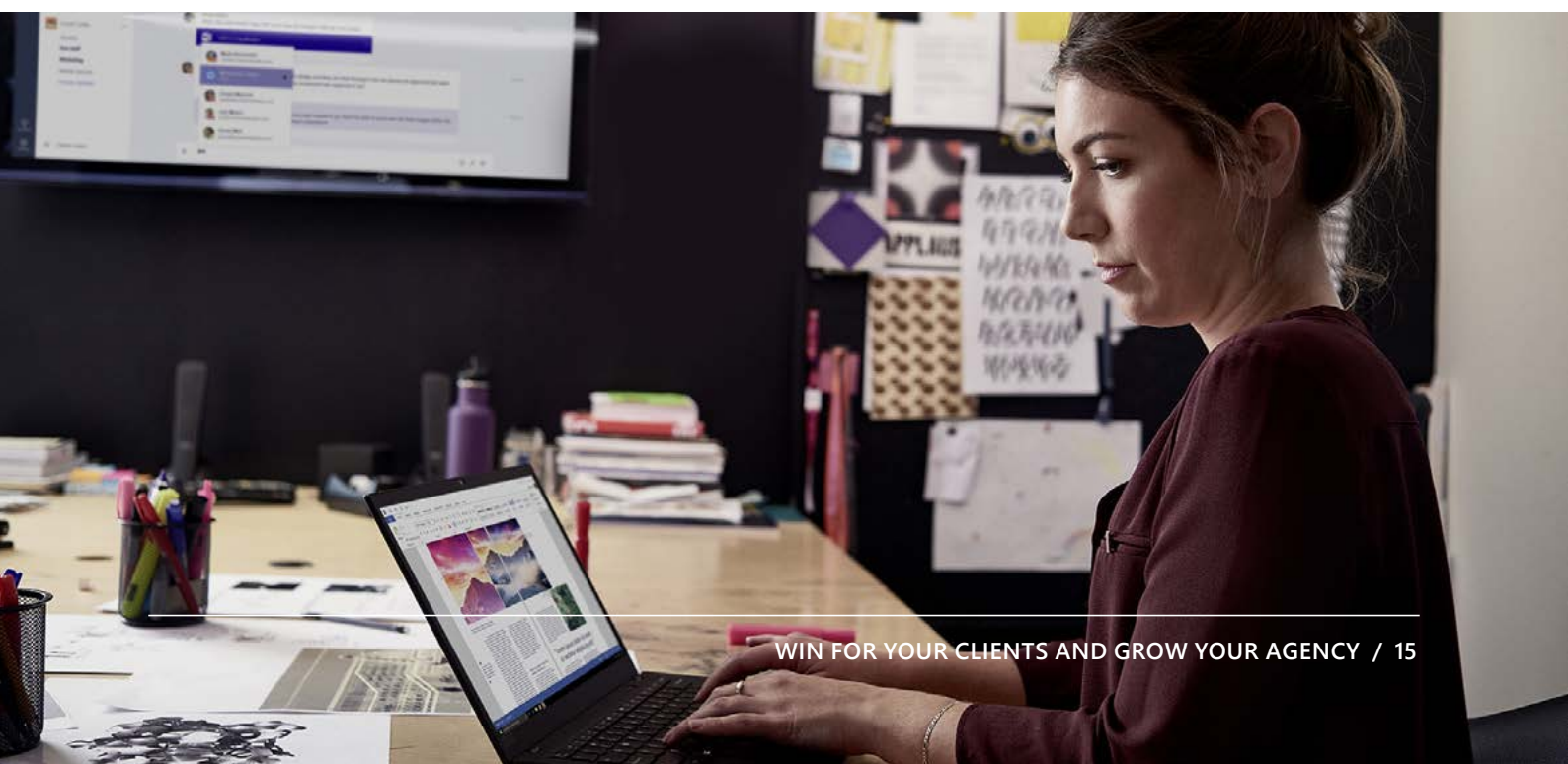
Charging Customers

It may sound obvious, but whatever charging model(s) your agency offers - and we won't be trying to list out every one of them here - it's important that you're actually getting paid for the work that you do.

For modern agencies, a fundamental part of this is to ensure that your clients understand how much they're paying for your services, rather than just knowing that your costs are part of their overall media spend. In the age of attribution, you need to make sure that your client understands where you're adding value, how much that value is costing, and that they see the effect it's having on their business. If they don't, you'll find they're making decisions based on assumptions - and they might not be in your favour.

As we've already examined above, finding general inefficiencies, and ensuring that costs are attributed to customer accounts, is a core part of any agency leader's role. According to the Bredin research, for the majority of SMB clients, total spend is likely to be less than \$25,000 per month - so it's important to be realistic about your maximum fee expectations, and prune account operations accordingly. Thereafter, it's even more important to ensure that your operational costs are low enough that you're able to achieve your required margin.

5 2019 "Agency Research" conducted by Bredin in 2019, commissioned by Microsoft Advertising



SCOPE CREEP

Microsoft Advertising's research found that nearly 70% of agencies cited scope creep as a somewhat, or very, challenging issue for their business⁵, which is hardly surprising, given the breadth of service offerings within many digital agencies, and the naturally changing needs of clients.

To control this, careful account management - and a commitment from anyone who has direct customer contact - not to agree extra work "in conversation" is absolutely essential. Staff and customers alike must have a firm understanding that service enhancements cost money.

Prudent contract management, combined with clearly measurable targets, regular client contact, and proactive reporting will ensure that both parties are getting fair value from the relationship.

⁵ 2019 "Agency Research" conducted by Bredin in 2019, commissioned by Microsoft Advertising

03

Positioning for Success

Whether you're a start-up digital agency, a search marketing specialist, or a full-service behemoth, positioning your organisation and planning for the future is important. Positioning addresses your operational stance as an organisation - i.e. what you can actually help clients with - but should also be considered from a marketing point of view. How do potential or existing customers perceive your organisation? How are you different from any other agency?



Competencies

To secure and maintain your place as a trusted marketing partner, it's fundamental that you assess the competencies you need on a regular basis. Strive to communicate with your clients in order to build a picture of their needs, and understand whether you can meet them. And when you need extra support, invest in upskilling staff, or recruiting new ones, and consider technology partners who can help.

As we've already discussed, measurable below-the-line disciplines, such as search marketing (and PPC more generally), are key to SMB clients' success. So, if your agency focuses on SMB clients, it's safe to say you need a firm grounding here. In fact, a developed understanding of the ad-network landscape, campaign management, and reporting can really help you outperform the competition.

Beyond this, channel expertise (such as email marketing, LinkedIn, Facebook, YouTube, and more), sector specialism (such as fashion, electronics, business travel, etc), local knowledge, or special capabilities (like data improvement, telemarketing, and many others) might make you the agency of choice for a particular target market.

For example, last year Microsoft Advertising partner Dept, realised that many clients didn't understand the value that The Microsoft Search Network could bring. Robert Verbeek, Lead Digital Marketing Consultant said "In the past, only 30% of our search clients used Microsoft ads". After educating clients on the opportunity with Microsoft Advertising, Robert went on "Now 75% of our clients use Microsoft Advertising, and we're working on getting the rest up and running."

Finally, one of the areas where an agency can add most value is creativity. Creativity is a broad church, manifesting in everything from landing page layout, to display advertising artwork, website design - even keyword choices in search marketing! If your ideas are more interesting, or you can think outside the box, you can really stand apart from the competition.



Now 75% of our clients use Microsoft Advertising, and we're working on getting the rest up and running.

Robert Verbeek, Lead Digital Marketing Consultant, Dept

Agility

A well-worn business buzz-word in recent years, “agility” simply refers to businesses’ ability to quickly adapt to change - whether that’s market conditions, new technology, legislation, or a host of other factors. For marketing agencies, the concept is paramount.

Successful agencies are adept at this kind of change, which goes some way towards explaining why, in marketing, “agency” has become somewhat generic, often prefaced with qualifiers such as PPC, digital, full-service, or advertising - to communicate specialist expertise (as we’ve touched on frequently in this paper).

As channels wax and wane, and clients’ needs change, agencies which stand ready to adapt will thrive. Especially for SMB clients - where a multi-faceted approach is often called for - those with a veritable swiss-army-knife of skills are best placed for success.



Microsoft Advertising’s platform has been designed with agility and flexibility in mind. Our best-in-class campaign management tools allow you to monitor campaigns in detail, and use the insights to adjust campaigns quickly to respond to market conditions and client needs.

To help you stay up-to-date, Microsoft Advertising runs regular agency webcasts, local boot camps and more. To see what’s happening near you, check out our website.

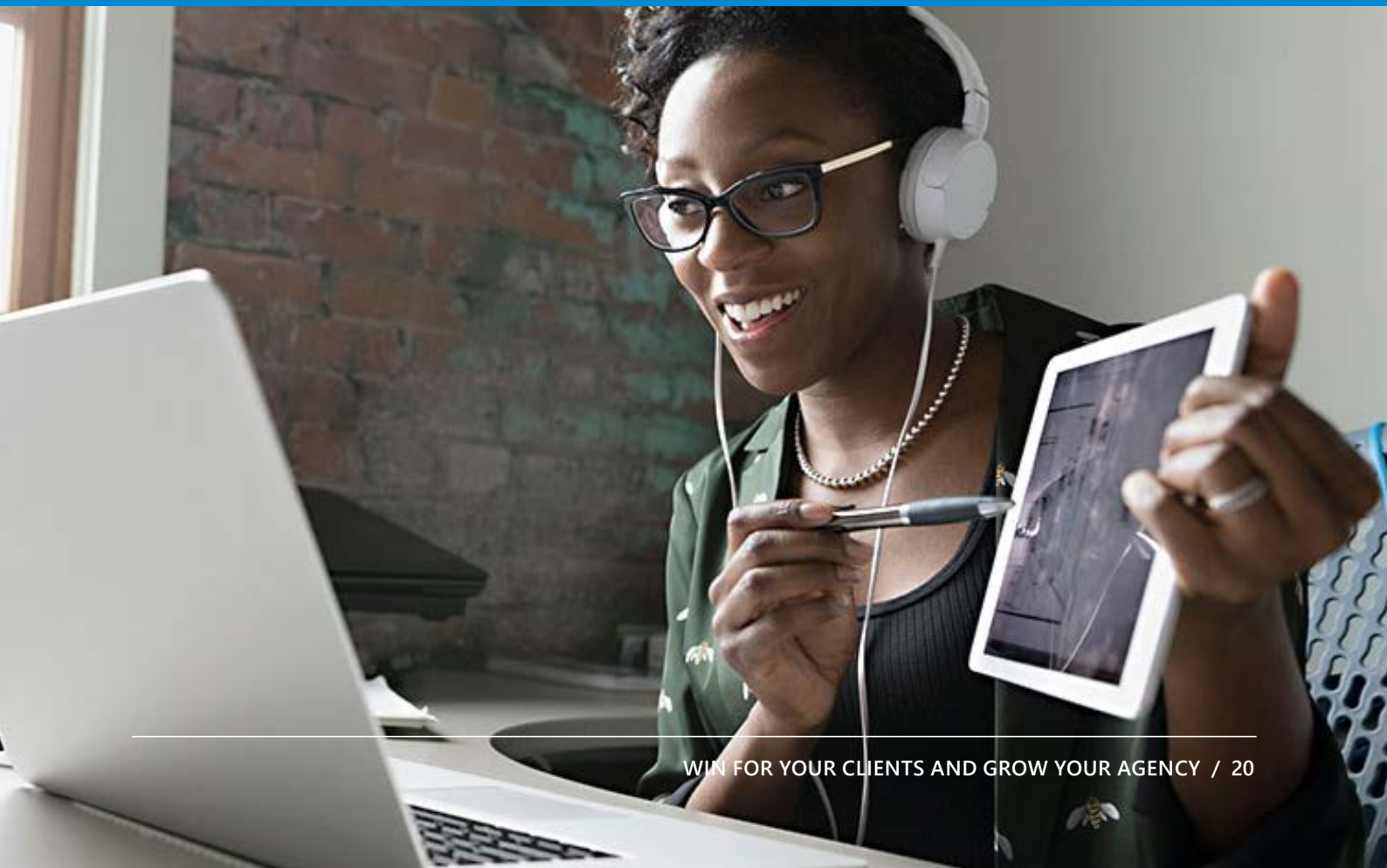
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Growth Discipline



It's important for agency leaders to keep abreast of marketing industry trends, so that they can prepare for the future, and stay [at least one step] ahead of clients.

As new technologies emerge and new channels come on stream, agencies will need to stand ready with strategically developed expertise and capabilities. This will require a careful blend of upskilling, technology, and recruitment. If you can grow your agency with clients, you can share their success and ensure they don't outgrow you!



About Microsoft Advertising

Represent your brand at its best with advertising solutions guided by an uncompromising respect for privacy, brand safety, and data security. Microsoft Advertising provides intelligent solutions that empower you to deliver engaging, personalised experiences to over a half a billion people worldwide. Bing powers billions of searches monthly on the Microsoft Search Network, including Verizon Media properties (AOL, Yahoo), platforms like Amazon and Apple, and on Microsoft services like Windows, Office and Microsoft Edge. Extend your reach and campaign performance with Microsoft Audience Network, high-quality native placements across devices on premium sites like MSN, Outlook.com, Microsoft Edge, and Verizon Media.

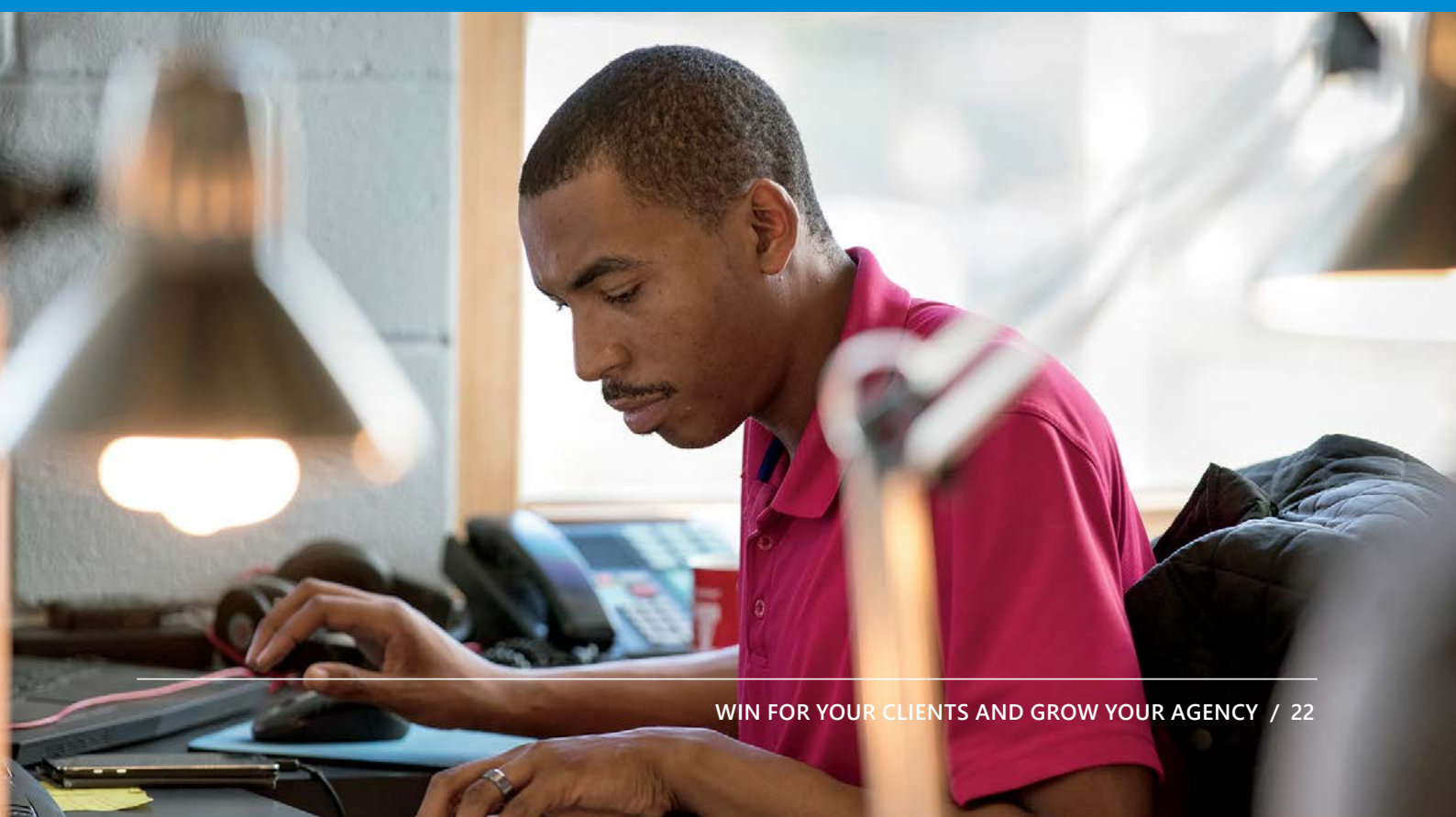
Microsoft Advertising empowers modern marketers to connect with their customers through meaningful, one-to-one brand experiences without compromising trust. We believe that trust is earned, not claimed, so, we provide solutions that are backed by Microsoft's principles and expertise around data management, privacy, and security. Start from a foundation of trust, and people and brands connect more meaningfully.

Microsoft Advertising. Intelligent connections.



Thank You

Thanks for reading! We hope you've found some useful insights, and collected some actionable tips which you can put to work in your organisation right away. One thing is for certain - the marketing landscape will continue to evolve in the coming years. Agencies that keep searching for ways to innovate, refuse to accept the status quo, and focus relentlessly on adding value, will be the ones who are winning for clients.





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