

SEE THE STARS

THE PARTNERSHIP PAYOFF

HOW TO CREATE AGENCY
RELATIONSHIPS THAT DELIVER RESULTS

BY PETER GENUARDI
SPRING 2024

www.againseethestars.com

Copyright © Again See The Stars. All rights reserved.

Hello!

Over the course of my twenty-five year career, I've had the opportunity to work across a broad set of marketing organizations, on both the agency and client side. Throughout this journey, I've been fortunate to witness a wide spectrum of relationships take shape. While I've come across some terrible relationships, I've also had the privilege of witnessing partnerships that have produced remarkable results: securing tens of millions of dollars in revenue, igniting positive social transformations, and forging meaningful connections between individuals and services that make their lives better.

To be honest, though, it's the relationships that went sideways that have given me all of this gray hair.

In my experience...

In the agency realm, unfortunate relationships show up as clients making unrealistic demands, often accompanied by heated interactions, insisting that our team "doesn't get" their vision or can't fulfill our responsibilities.

Similarly, as an agency client, suboptimal relationships look like our team falling short of our objectives, reporting bad news to executives with a sense of regret, and incurring substantial costs without achieving commensurate results.

In these scenarios, I'm reminded of the importance of creating productive partnerships that produce beneficial outcomes for everyone, where open communication and shared goals thrive.



I'm writing this to...

...provide valuable insights to help agency and client teams build stronger relationships. I'm optimistic that if you consider and implement the concepts I'm about to present, you will:

- Achieve notable improvements in results
- Experience enhanced camaraderie within your team
- Find a renewed sense of enjoyment in your work.

As you dig into this manifesto, I'll offer you guidance to help you navigate the path toward more fulfilling and fruitful collaborations between your team and your agency.

Why should you read this?

IF YOU'RE READING THIS YOU PROBABLY ALREADY KNOW, MY NAME IS PETER GENUARDI

I've spent 25 years working for nonprofit organizations, commercial brands, software companies, and all kinds of professional service agencies. For the past decade, I've had the privilege of building and nurturing my own creative agency, which I recently sold to a larger outfit. In that decade, I've worked with everyone from the smallest grassroots, community-based organizations to nationally renowned, nonprofit powerhouses. And, in a former life, I worked with international clothing retailers and fast-casual restaurant chains.

I'm writing this because—in that time—I've seen the best and worst of agency and client relationships. I've heard people say enlightened, outlandish, hilarious, and (occasionally) downright horrible things as they have tried to work together to achieve success. Most importantly, though, I'm writing this to help agency clients (you?) develop an understanding of what makes a great relationship. Together we'll explore the dynamics that underpin greatness, empowering you to navigate your own journey towards fruitful and (I dare say) harmonious partnerships.

If I do my job right, after reading this, you will be able to answer these questions:

- Why do I need an agency in the first place?
- What should I prioritize when selecting an agency?
- How much should I be paying?
- When should I issue an RFP and what should go into it?
- How do I set good expectations for my agency and my team?
- How do I set and check in on objectives?
- How do I have hard conversations when things go sideways?
- When (and how) do I say goodbye?

So, get set to learn more about how you can find, select, and work extraordinarily well with your next agency (and maybe even the ones you're working with now!).

The Partnership Payoff Outline

HOW TO CREATE AGENCY
RELATIONSHIPS THAT DELIVER
RESULTS:

**Here is the complete list of topics we'll discuss.
You can find these fleshed-out articles on our
website: AgainSeeTheStars.com**

- Why do I need an agency in the first place?
- What do I prioritize when selecting an agency?
- How much should I be paying?
- When should I issue an RFP and what should go into it?
- How do I set realistic expectations for my agency and team?
- How do I use and check in on objectives?
- How do I have hard conversations when things go sideways?
- When and how do I say goodbye?

Why do you need an agency in the first place?

Let's explore the importance of aligning your objectives with the decision to work with an agency. In this section we'll look into identifying and prioritizing the problems you want to solve and if an agency can help you do that. By revisiting your marketing objectives and creating a comprehensive list of challenges, you can determine the top 3-5 problems to focus on, allowing you to engage in meaningful conversations with potential agency partners. This exercise will help keep you focused on the most significant aspects throughout the process.

A lot of businesses turn to agencies to solve their problems. What are the problems you want to solve by working with an agency? Notice, I didn't ask, "*What problems do you want your agency to solve?*" That's intentional, because whether your agency comes in and kicks ass; or, if they flop ... you'll still be held accountable for these things. It's important not to lose sight of that responsibility.

First, revisit your marketing objectives.

How will the success of your business be measured at the end of the year? In three years?

Assuming you work in the marketing space, will it be some combination of:

- Driving millions of dollars in revenue?
- Attracting gazillions of leads to support your work?
- Transforming your organizations' approach to technology and measuring success?
- Changing the attitudes of an entire nation?

Regardless of the scale of your objectives, it is essential that your decision to find an agency aligns with and supports your marketing objectives. By identifying these at the start, you will always have a tangible yardstick to evaluate the impact of your agency investment on your actual business goals.

Second, make a list of current roadblocks.

What is currently in the way of you achieving your objectives? Make this list comprehensive, the more issues you have, the more direction you'll have when looking at agencies. Warning - take it from someone who knows - you may uncover much more than you were expecting. Don't be afraid to write them down, though. It's better to be honest with yourself by acknowledging a comprehensive list of problems rather than excluding the difficult ones because they seem overwhelming. Let's look at the whole list and then agree we'll deal with some now and others later.

This approach allows us to confront challenges transparently and effectively, ensuring both immediate and future progress.

Third, prioritize the top 3-5 problems on that list.

The best way to evaluate these issues are to answer this question: If this problem is solved, will this help me knock my objectives out of the park?

At the end of the year you want to look back and see how each solution lead to another great leap in the success of your business. Reflect honestly about your team's capabilities and competencies. What major bottlenecks on the list standout? Are these issues you've tried to resolve in the past?

Consider what happens after these issues are solved, is there something else lying beneath the surface that will render the solution inadequate? For example, is everyone on your team spread too thin to handle the volume that might trickle in once business picks up?

Fourth, finalize your list (for now)

With this list, you are able to articulate your needs to potential agency partners, and more importantly, it will help you evaluate how well any given agency can help you move the needle. Socialize this list with people you trust inside your organization. Listen to what they say and consider whether you should revise your list or priorities.

Now, if nothing else, you're ready to start looking for an agency to help. Armed with a prioritized list of your objectives, the obstacles holding you back, and a problems an agency can help you solve, you are in a position to start your agency finding journey. You're now able to effectively engage in clear and focused conversations about the specific role you want an agency to play in your success. As you progress through this process, you will have the tools to stay focused on the aspects that hold the greatest significance for you, your organization, or the business you represent.



What to prioritize when selecting an agency?

Let's get one thing straight:

If all goes well, you're about to select an agency to work with for the next three to five years. It's a big decision, and you'll be investing a lot of your (and your team's) time to ensure you make the right choice.

To find the best agency for your needs, it's important to start by clearly identifying your objectives and making a prioritized list of the problems you need to solve to achieve them. Earlier on page X, we outlined a quick exercise to help you do that.

Prepared with your list of priorities, there are several key things you should consider

as you search for an agency. Before you start inviting agencies to join the party, let's take a moment to review the factors that will greatly impact the success and effectiveness of your collaboration.

- 01 Expertise and Experience
- 02 Creative Approach
- 03 Understanding of Your Business, Industry, and Audience
- 04 Collaboration and Communication
- 05 Resources and Capabilities
- 06 Budget and Pricing
- 07 Understanding of Your Business, Industry, and Audience
- 08 Flexibility and Adaptability
- 09 Measurable Results and Analytics:

01

Expertise and Experience

It's important to recognize that not all marketing companies are created equal. Assess the agency's expertise and experience in the areas (and audiences) that align with your project needs. As you evaluate various agencies, consider both conventional and contemporary aspects.

Take a hard look at their portfolio, case studies, and client testimonials to gauge their capabilities and track record. Ensure they have a proven history of delivering high-quality work for clients who share a similar mission and business model to yours.

Don't hesitate to explore lesser-known sources. Have you looked at their reviews on Glassdoor.com or another reputable job review source? Platforms like these provide candid employee feedback, offer insights into their organizational culture and reveal how they treat their staff, which I presume is important to you. Does the agency genuinely follow through on their commitment to diversity, equity, and inclusion, as suggested by their press releases?

What about LinkedIn? Is the agency actively engaging in conversations to contribute to the growth of the industry? Are their leaders innovators or dinosaurs? When you peruse their LinkedIn profiles, you can quickly tell whether their leaders are innovative or outdated in their approach.

02

Creative Approach

Assess the agency's creative approach and style, ensuring that it aligns with your brand's vision, values and timeline. It's most important to review their previous work to determine if they have the ability to create content that resonates with your target audience, reflects your desired aesthetic and does so on your timeline.

When evaluating an agency's creative approach, there's one more factor to consider. While established, 50-year-old agencies might have some strong branding chops, they might not be able to design well for new media. On the other hand, the trendiest agencies that specialize in designing for Gen Z brands may not be able to create content that truly connects with your stakeholders. Be honest with yourself about your requirements and lean towards agencies that not only understand your needs but also have the ability to encourage innovative ideas, while staying within reasonable boundaries.

03

Understanding of Your Business, Industry, and Audience

It is essential that the agency has a deep understanding of your specific industry, target audience, and market dynamics. They should be able to comprehend your business goals and tailor their creative strategies accordingly. A solid grasp of your industry enables them to craft compelling and effective campaigns.

Just because an agency says they excel at “advertising,” “branding,” or “direct response” programs for “Fortune 500 companies” doesn’t mean they can do those things well for nonprofit organizations, let alone YOUR organization. So, press hard on this point. If you can’t find and talk to at least a few organizations similar to yours who have worked with this agency, take a walk and consider another agency.

I have personally witnessed instances where prospective clients emphasized this point and, to be honest, I should’ve taken those concerns more seriously, as it resulted in lost opportunities. I’ve also been in situations where, due to clients’ diligent inquiries, certain opportunities didn’t materialize. Looking back, we were both better off!

04

Collaboration and Communication

Take into account the agency's communication style and their ability to foster effective collaboration with clients. Clear and transparent communication is vital for a successful partnership. Assess their responsiveness, willingness to listen, and capacity to provide constructive feedback. Seek an agency that values collaboration and views you as a partner rather than just a client.

What kind of communication tools and frequency are they willing to use? The medium through which you will communicate can make or break your overall experience. Are they willing to use a digital project planning tool? Is it a tool you’re already familiar with or willing to adopt? Will they speak with you only on weekly or monthly Zoom calls? Or, can you pick up the phone to talk through a question or an idea off-schedule? Who do you have regular access to at the agency? Keep in mind, unless your business is truly volatile (and that’s a bigger problem) don’t push for too much more communication than you really need. It’s important to strike a balance.

05

Resources and Capabilities

Determine whether the agency has the necessary resources and capabilities to effectively handle your project and related future projects you may be considering. This includes evaluating their team size, expertise, technological infrastructure, and production capabilities. You want to ensure they can handle the scope and scale of your project without compromising on quality. Like buying a house in a nice neighborhood – it's best not to be the agency's biggest or smallest client.

While it's critical to have a strong connection between the person responsible for managing your account and your team on a day-to-day basis, keep in mind that the person in this role may change over the course of your three-five year engagement.

So, I would recommend establishing a foundation of trust and developing a working relationship with the assigned individual. However, it is unrealistic to expect the agency to include specific names, such as "your account director," in the contract. Requiring such specificity would pose contractual challenges for the agency if that person were to leave their position. That level of specificity could also prevent the agency from moving you to a new and potentially more qualified staff-person as your needs evolve. It is simply an impractical request that no reputable agency would fulfill. If anything, make sure you feel comfortable with how that relationship will grow once you do start working with them.

06

Budget and Pricing

Throughout my career, I've encountered numerous instances where I had to price proposals for services, numbering at least one thousand. I can confidently say that the most effective pricing strategies, beneficial for both the client and the agency, have come from opportunities where the client has been transparent about their budget. I know, I know, your CFO may have reservations about disclosing the full budget, fearing that the agency might exploit that information and charge the maximum.

I understand why, but let's be honest. Unless you are a multibillion-dollar organization, you'll likely want more support from prospective agencies than you can afford. If you're lacking trust in the agency before you even get started, you probably need to reconsider the agency.

Here's what happens when you aren't able to trust your agency with your budget... The agency team scrambles its jets and everyone gets on a Zoom call to scratch their heads. It sounds like this:

“Chet, what they’re asking for will cost way more than what we know they’re paying their current agency!”

“I know, Susan! But what am I supposed to do? I’m not allowed to ask questions and the detailed budget is due in the morning!”

“Well, Chet, Ol’ Boy, screw it, just make it look like we can do everything they want at that price.”

Fast forward several weeks, just before you award the contract. You’ve finally opened up to them about what is most important and what you can really truly spend on the agency’s support.

“Uh, well, Ms. Prospective Client, I hate to tell you, but it’s going to cost triple what you have to spend. And, worse, had I known what you were planning to spend, I would have recommended a completely different type of program that would have given you a real chance at achieving your goals.”

“Thanks, Susan, that’s a real bummer because we’ve used hundreds of your and my teams’ hours to make this decision. I’ll go tell my boss we need to go with our distant second place agency instead of yours.”

So, again, please be as transparent with budgets as your company will allow you to be.

As you evaluate pricing proposals, discuss the agency's pricing structure and ensure it aligns with your current and future budget. Transparency is crucial here, so make sure to gain a clear understanding of the services included, as well as any potential additional costs or overages for services or direct expenses.

Before you review finalists, make sure you remind your CFO that selecting an agency solely based on the lowest price does not always yield the best outcomes. After all, you don't opt for the cheapest snow tires, do you? (They'll laugh when you tell them this). You should request, in writing, the volume of hours you will receive and from what roles.



07

Reputation and References

Research the agency's reputation within the industry. Try to seek out a handful of references with whom you can speak, personally. You can learn a lot from talking to three to four people who work for similar organizations with similar budgets to solve similar challenges.

In addition to these traditional reference checks, I would also recommend exploring non-traditional avenues. First, it's crucial that one of the references you contact is someone who has previously ended their partnership with the agency. That person will probably share candid feedback, including potential challenges, and you need to be mature enough to put it in perspective. Not all relationships need to endure forever, sometimes making a change to freshen up the approach can be bene. Conversely, responsibility for a relationship's failure may lie with the client, not the agency. Listen objectively and truly understand what has happened.

Second, leverage your LinkedIn network to find trusted colleagues who have connections with people you would work with at this agency. Most people will gladly talk to you if they've had a good experience. If they refuse to talk to you about the agency, then you know where they stand.

By combining both traditional and non-traditional reference checks, you can gather a comprehensive understanding of the agency's reputation and make a more informed decision.

08

Flexibility and Adaptability

Consider the agency's flexibility and adaptability in the face of changing circumstances and evolving project needs. The creative process often involves iterations and adjustments, meaning it's crucial to work with an agency that can accommodate your shifting requirements and timelines. Be honest with them about your teams working style. Don't expect them to execute a campaign in three weeks if it takes your team a month to get approvals.

You'll get a good sense of their adaptability simply from how they interact with you in the proposal creation phase. Consider pressing them once or twice during their presentation to see how they think on their feet. For instance, you might ask a question as simple as, "I know we asked you to respond to Scenario A, but what would you do if I told you we suddenly needed to double the results or cut the budget in half?"

To me, a promise to still knock the results out of the park is a red flag. Anyone can say that, but precious few can deliver. A more thoughtful – and preferable – response would be: “It depends. We would discuss the necessary tradeoffs and adjustments with you before moving forward.”

09

Measurable Results and Analytics

Inquire about the agency's methodology for measuring the success and impact of their creative campaigns. They should have a structured process in place for tracking and analyzing data to evaluate the effectiveness of their work. Look for an agency that can provide meaningful insights and comprehensive reports to assist you in gauging the return on your investment. Ensure their metrics are consistent with your goals. If your campaign's goal is focused on conversions, it's a red flag if your agency only wants to talk about clickthroughs.

Be sure to ask them to show you a few examples of a campaign they have executed from end to end. You'll get a good perspective on their expertise if you ask the following questions:

- How did they establish goals and objectives at the campaign's outset?
- How did they attribute results from the creative to the campaign's objectives? What kind of technology did they use?
- Is there anything they would do to improve measurement on similar campaigns?

By carefully considering these factors, you can select a creative agency that aligns with your goals, comprehends your brand, and has the necessary expertise and experience to deliver exceptional results.

To make your life easier, we're providing a list of questions that we mention in this section, on the following pages. Copy and paste these into the documents you'll use to shape your selection process.

Prioritization Cheat Sheet

EXPERTISE & EXPERIENCE	<ul style="list-style-type: none"><input type="checkbox"/> Have you reviewed their portfolio, case studies, and client testimonials to gauge their capabilities and track record?<input type="checkbox"/> Do they have a proven history of delivering high-quality work for clients who share a similar mission and business model to yours?<input type="checkbox"/> Have you looked at their reviews on Glassdoor.com or other sources?<input type="checkbox"/> Does the agency genuinely follow through on their commitment to diversity, equity, and inclusion, as indicated in their press releases?<input type="checkbox"/> Have you checked out their presence on LinkedIn – do their backgrounds reflect the skills you need?<input type="checkbox"/> Are they actively engaging in conversations to contribute to the growth of the industry?
CREATIVE APPROACH	<ul style="list-style-type: none"><input type="checkbox"/> Do they have creative examples that give you confidence that they can embody and ultimately elevate your brand?<input type="checkbox"/> Are they designing for appropriately similar organizations?<input type="checkbox"/> Are you sure they're not too conservative or too cutting-edge in their approach?
INDUSTRY & AUDIENCE	<ul style="list-style-type: none"><input type="checkbox"/> Do they have a deep understanding of your specific industry, target audience, and market dynamics?<input type="checkbox"/> Do they comprehend your business goals?<input type="checkbox"/> Have they delivered results for similar organizations solving similar problems?
COLLABORATION AND COMMUNICATION	<ul style="list-style-type: none"><input type="checkbox"/> How would you describe their communication style and their ability to foster effective collaboration with your team?<input type="checkbox"/> Have they been appropriately responsive during your selection process?<input type="checkbox"/> Do they appear to have a willingness to listen and capacity to provide constructive feedback?<input type="checkbox"/> What kind of communication tools and frequency are they willing to use? Email, Trello, Asana?<input type="checkbox"/> Are they willing to use a digital project planning tool?<input type="checkbox"/> Is it a tool you are already familiar with or willing to adopt?<input type="checkbox"/> Will they speak with you only on weekly or monthly Zoom calls? Or, can you pick up the phone to talk through a question or an idea off-schedule?

Prioritization Cheat Sheet

RESOURCES AND CAPABILITIES	<ul style="list-style-type: none"><input type="checkbox"/> Does the agency have the necessary resources and capabilities to effectively handle your project or campaigns?<input type="checkbox"/> Have you evaluated their team size, expertise, technological infrastructure, and production capabilities?<input type="checkbox"/> Are they likely to handle the scope and scale of your project without compromising on quality?
BUDGET AND PRICING	<ul style="list-style-type: none"><input type="checkbox"/> Have you talked to three to four people who work for similar organizations with similar budgets to solve similar challenges?<input type="checkbox"/> Have you contacted someone who has previously ended their partnership with the agency?<input type="checkbox"/> Have you explored your LinkedIn network to find trusted colleagues who have connections with people you would work with at this agency?
FLEXIBILITY AND ADAPTABILITY	<ul style="list-style-type: none"><input type="checkbox"/> How flexible and adaptable have they been as you interacted with them during the selection process?<input type="checkbox"/> Have you asked them to revise one of the components of their solution to see how well they solve challenges in a realistic manner?
MEASURABLE RESULTS AND ANALYTICS	<ul style="list-style-type: none"><input type="checkbox"/> How do they describe their methodology for measuring the success and impact of their creative campaigns?<input type="checkbox"/> Do they have a structured process in place for tracking and analyzing data to evaluate campaign effectiveness?<input type="checkbox"/> Have they shown you a few examples of a campaign they have executed from end to end, and how they've measured success?

How much should you be paying?

If the questions you get asked by your team during an agency selection process are represented by a pizza pie, “How much will we pay for this agency’s support?” is the largest slice.

I wish I could write a simple formula for you

or offer a simple Excel sheet for you to download and fill in to come up with the right answer. As much as I hate to write these two words, the amount you should be paying is, well, “it depends.”

Bear with me while I set the context for “how” you should be paying

and I promise I will answer the question “how much” should you be paying.

01

How Should We FEEL About the Price of Agency Work?

02

How do Agencies Make Money?

03

The Most Reliable & Productive Payment Arrangements

01

How should we FEEL about the price of agency work?

I've seen no fewer than three hundred different pricing and payment models for agency services. To be honest, there are only a few combinations that truly make any sense for you and your agency. When I say "make any sense," I specifically mean that they may result in the following:

Value: The overarching feeling that – at the highest level – you're getting good results for the money you're spending. It's a binary feeling. Either you feel like you're getting good value or you don't. If you find yourself saying, "sort of" then you're not getting good value.

Performance: You're achieving or exceeding the established goals and objectives. This aspect is "objective" in the sense that no one can argue with the numbers agreed upon between you and your agency. Those are unarguable benchmarks.

Trust: The confidence you have in your agency's ability to provide honest assistance when you need help. And, similarly, your agency feels like you're making requests that can be realistically achieved. When there is mutual trust, your agency can comfortably say "no" without fearing any negative consequences from your boss' boss.

Transparency: Can you see your investment paying off from the start? From contract approval to implementation, can you clearly see your dollars at play? I can't stress enough how much transparency lays the groundwork for all these other dimensions. When everyone is aware of how the allocated funds are being utilized and the status of expenditures, it facilitates a better understanding of where the budget is being allocated and potential deviations.

Shared Accountability: Both teams feel a sense of shared responsibility in managing the budget in a manner that is responsible to the organization.

By considering these dimensions, you can establish a comprehensive perspective on the price of agency work, ensuring that it aligns with your expectations and fosters a productive partnership.

02

How do agencies make money?

I'm probably going to catch heat from some of my friends in the industry for laying it out like this. But, before you review a single pricing proposal for agency services, you should know how agencies make money. Agencies operate as specialized commercial firms within a capitalist framework that earn revenue in just a handful of ways.

Labor: The vast majority of professional service agencies create revenue from the surplus value generated by their staff's labor. That's a fancy way of saying that agencies pay their employees a certain amount, charge clients a higher amount, and keep the difference as profit.

For instance, if your agency charges \$200 per hour for your Account Director, Helen, they likely pay her an annual base salary of around \$150,000 or about \$72 per hour (\$90 with benefits). In this example, the agency keeps the \$110 difference. A portion of this profit goes towards operational expenses like office space, client meetings, and supporting roles such as accounting and human resources.

The remaining value constitutes the company's profit, with most reputable agencies aiming for a minimum profit margin of 40%. Therefore, when the agency charges \$200 per hour for Helen's time, they are likely keeping around \$80 per hour in profit.

In agency business there are also people working behind the scenes to oversee the projects success. This might include senior level staff who bill at very high rates, but are the people who keep the wheels turning on the business. Even if you don't interact with them face-to-face, they can still be major players in the projects success.

Now that that cat's out of the bag, here are a few other ways agencies make money.

Markups: If an agency procures certain resources to support your project (i.e., advertising inventory, stock images, or direct mail printing), they may apply markups when reselling these items to you. Of course, there's value in this for you, since the agency has hopefully invested their time in finding reliable suppliers who deliver high-quality products and services for your program. Additionally, the agency may provide financial assistance by covering the upfront costs of these items and only requiring reimbursement later.

You shouldn't hesitate to inquire about the specific markup rates for these services and conduct research to ensure they align with industry standards. While most agencies do this, it's still a good idea to get those markup rates in writing.

Other Tools: Some modern agencies have developed their own software tools to enhance campaign outcomes. These tools could include ad placement software, analytics dashboards, or data co-ops. Sometimes, the costs associated with these tools are already incorporated into the agency's overall fees. However, if these tools are part of the arrangement, it's worth checking and getting the terms and costs for those tools explicitly outlined in the contract, even if they are not immediately billed separately.

I've seen a number of contracts where an agency introduced charges for these tools later. Believe me, it's not a pretty scene when the client finds out something they were shown in the sales process was never included in the initially agreed-upon pricing.

By understanding these various revenue streams, you can approach pricing discussions with agencies more effectively and ensure transparency and clarity throughout the contract negotiations.

03

The Most Reliable & Productive Payment Arrangements

No matter how much you pay an agency, the WAY you pay is just as important. The best arrangement should be determined by the scope of work for which you need help, the amount of money in your budget, and your organization's policies.

Let's dive into several common pricing structures, each with its own advantages and considerations for both clients and agencies:

Retainer

Time & Materials

Rate Card

Fixed Price

Retainer: With a retainer arrangement, you and your agency outline the tasks you want done in a given time period (say, one year). The agency proposes a fixed fee for the entire year, “great, based on all the staff and tools we need to achieve that, we’re going to charge you \$120,000 for the whole year (for example). This way, we will bill a consistent rate of \$30,000 per month for a year.”

In most cases, reputable agencies often accommodate slight variations in workload without additional charges. Similarly, if you enjoy great communication with your agency, it’s not uncommon for them to say “that request you just made will put us way over the retainer this month. Can we push it to next month or reorganize our priorities so we don’t get destroyed?” It’s up to you to say yes or no, but if you push them over the retainer amount of work all the time, they will eventually try to renegotiate the terms of the retainer.

Pros: The retainer amount remains predictable and stable for you as the client. The agency can allocate the appropriate resources and staff to serve your account consistently. Agencies won’t nickel and dime you. As long as the retainer amount is determined by an honest and accurate understanding about the amount of work required and committed, everyone will be happy.

Cons: If the agreed-upon retainer amount significantly exceeds the actual amount of work required, you’re going to turn sour on your agency pretty quickly if they are unwilling to adjust the retainer amount down. An agency makes more money when they provide less service for the amount you’ve agreed to.



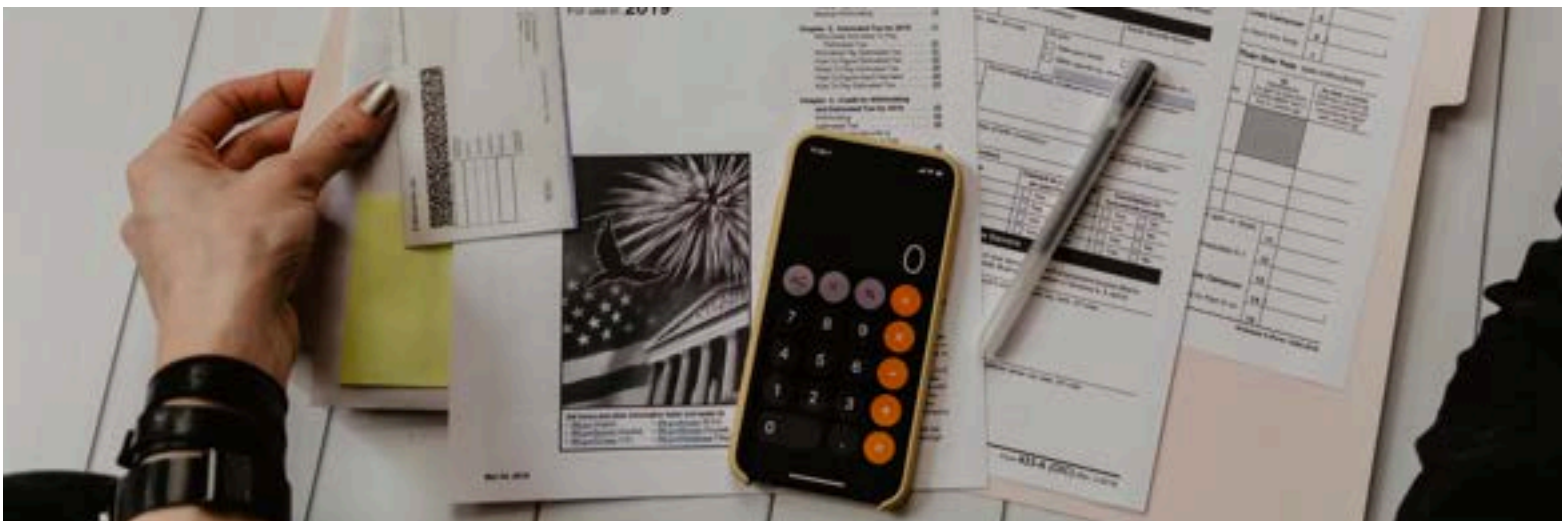
Time & Materials: A time and materials contract involves the agency charging you based on the actual time spent and resources utilized to complete specific deliverables. Unlike a retainer, transparency is paramount and costs never get swept under the rug. Your agency will charge you down to the quarter-hour for the services you ask for.

You'll either pay a specific rate per role on the team (i.e. project manager, strategist, bottle washer) or you'll pay a blended rate for all roles. Usually, you and your agency can agree to a "not to exceed" amount that will keep the costs in line with the deliverables (and prevent them from sending you an outrageously unexpected bill).

For a pure time and materials arrangement to work well, you'll need to rely on constant and clear communication with your agency, which, will have many other benefits. You'll avoid unnecessary expenses, complete the objectives in an efficient and timely manner, and ultimately have a positive partnership with your agency.

Pros: The scope of work is well-defined, ensuring you receive precisely what you want in the most efficient manner. And, with a high degree of flexibility your agency should feel like they're able to do their best work.

Cons: Poorly defined scopes can result in increased costs, as the agency charges for the time spent in meetings and discussions caused by ambiguous requirements. Imagine discussing the color of the button on the homepage... for hours. At that point, they're just running the meter and charging you for every second they have to listen to your boss arguing with themselves that the button should be blue.



Rate Card: This pricing approach is like ordering from a menu at a fancy restaurant. While the agency may charge a relatively low fixed fee for ongoing management, individual services are priced separately on the rate card. For example, a new campaign, landing page, or direct mail piece would each have a set price.

Pros: Costs are predictable, and you have a clear understanding of the pricing for specific services. With the scope outlined early and clearly defined, you can choose what is most important to you based on the price.

Cons: If you require additional assistance beyond the predefined services, the agency may insist on charging for an entirely new campaign rather than providing a few more hours of support. This pricing structure may not be suitable if your campaign volumes vary significantly.



Fixed Price: This model is similar to a rate card, but is often applied to customized, bespoke projects or campaigns. After agreeing on the project's broad outline, timeline, and required effort, the agency offers a comprehensive price for the entire project.

Pros: Costs are fixed, providing clarity and certainty from the outset. Timelines are agreed upon and there is very little up to interpretation (as long as the scope is clearly understood).

Cons: There is more risk for the agency, as they must eat any extra time that's required to deliver the project if the project takes longer, conditions go sideways, or requirements are not fully understood. Clear project understanding and effective communication are crucial to minimize risks.

Now that we've established a whole lot of context, here's the part you've been waiting for: How much should I actually be paying my agency?

The primary driver of what you'll end up paying is your budget. You have probably identified the amount you can afford to pay an agency balanced with the amount you can invest from your own, in-house staff. If that's the case, don't waste time with strange negotiations and instead, get down to business with your agency. If you and your prospective agency agree on all of the work that needs to get done, then the most productive conversation will be around **"How much of this work can you do for our budget?"**

In order to get to the final price quickly and to start your relationship off with strong trust, my advice is that you should tell prospective agencies what your budget is. I know, I know, you or someone on your team (probably your CFO) believes that, "If we tell the agency how much we have to spend, we'll never get the best price. They're just going to try and soak us for our maximum budget."

In the hundreds of negotiations like this that I've been a part of, I have observed an agency try to soak a client for their maximum budget exactly twice. But, you know what I've seen way more often? More than 50 times I've seen clients ask for a scope of services that far outstrips their budget. And, in order to get to the final price, they make poor decisions about where to allocate money against business objectives. The result in many of these cases is a rigid final scope of work that allocates effort to things that don't make an impact on results.

Ok, but how should we come up with our budget in the first place? If you're still thinking about how to come up with an appropriate budget for these services, here are the things you should consider.

How much work are you asking them to do? You need to have a good idea of what you're trying to accomplish and how many people (in particular roles) it will take to deliver all of this work. If you or someone on your team doesn't have this experience, it's cool, but STOP. You shouldn't make decisions like this. Find someone else in your organization or hire a consultant to help you make these decisions.

What kind of work are you asking them to do? A scope of work should guide conversations between your team and your agency. If you can both agree on a specific set of outputs (i.e. X campaigns, Y meetings, etc.) and that the work will require three or 10 people to do the work, then you're 90% done.

What's it worth? You're hiring an agency to create some kind of business level results. At the end of the day, the agency can't charge more than the value they create. So, if you're asking them to help you raise \$1 million, they can't possibly charge you \$1.5 million.

The only exception to this would be a situation where you're getting into a line of business your organization has never been in. In this case, you need to make some assumptions about the amount of value the program will create. An agency can help you develop a testing framework for new lines of business. After x months or years, results can be evaluated against industry benchmarks to see if the new business is worth continuing for the organization.



What are other organizations paying for similar work? Consider asking friends and colleagues what they're paying for similar services and scopes of work.

If you're in the business of nonprofit fundraising, you're in luck because it's possible to review many contracts between agencies and other fundraising organizations. The state of North Carolina makes it simple to search for contracts related to charitable organizations and their vendors, [here](#).

Like I said at the beginning of this section, the amount you will pay an agency "depends." Hopefully, now armed with this information, you're in a good position to get the best price and value while building a strong relationship with your new agency.

When should you issue an RFP?

Should you issue a request for proposal (RFP) for the services you're looking for?

The short answer, if you're spending significant money, is YES. Many organizations have policies that require that and guide how an RFP should be conducted. As you conduct an RFP process, keep it simple and make sure the work related to a RFP will result in a good decision being made. Both your team and your soon-to-be agency will develop a stronger relationship built on trust if you accomplish these things efficiently.

Start from a place of respect.

As someone who has worked with sales teams on more than 100 RFPs, respect is paramount. Good sales professionals are excited to win your business. When you ask them to bid on an RFP, it's not uncommon for them to spend hundreds of hours (and tens of thousands of dollars) to provide you with thoughtful, high-quality responses. Of course, sales professionals want to earn your business, but please, don't let this desire lead your team to make a vendor do unnecessary or low-value work. If you run a vendor through the wringer and then select them as your agency, you'll end up starting the relationship off with low trust. And, even if you don't hire that vendor you ran through the wringer, your industry is smaller than you think and word will get around. Vendors who are invited to bid on RFPs in the future may decide not to bid if your organization gets the reputation for asking for endless budget revisions or cumbersome spec work.

What do you want to get from issuing and grading an RFP?

Hopefully, you've defined your business requirements well and know what you're trying to achieve. Here are the things you want to learn about your prospective agency through the issuance of an RFP:



What to learn about your new agency:

Business Expertise: Can they solve business problems for the kinds of organizations like yours? They should be able to show you similar organizations for whom they've done similar work. Ask for case studies or references from their past clients to gain insights into their track record. You'll want to make sure the people assigned to your organizations' account have the expertise in dealing with similar challenges. Ask "What if" questions and see how the ones assigned to your case handle the answers. They likely have experience in this field, so ask them what they did in a previous situation like the one you're describing.

Competence: Does the agency have sufficient ability in the areas you need help? Are they able to help you achieve success with their competence in other areas? For instance, if you're hiring them to help with your direct mail and email fundraising, can they help you with digital advertising next year? Some key areas to consider their competence over include:

Fundraising Campaigns Experience in planning and executing successful fundraising campaigns through direct mail and email fundraising, peer-to-peer fundraising, donor cultivation strategies, and leveraging technology platforms for online giving, etc.

Digital Marketing The agency's digital marketing capabilities, including website development and optimization, search engine optimization (SEO), social media marketing, content creation, and digital advertising.

Branding and Messaging The agency's ability to develop a strong brand identity for your organization by creating impactful messaging, storytelling, graphic design, and brand consistency across various communication channels.

Public Relations and Media Outreach The agency's experience in public relations, media outreach, and crisis communication. They should be capable of developing media strategies, crafting diversified content, organizing media events, and securing media placements to amplify your organization's reach and impact.

Data Analysis The agency uses data-driven decision-making and can quantify the impact they expect to make with your organization (as well as the impact they've already made for others).

Problem Solving: Many RFPs ask prospective vendors to perform some spec work. Spec work can range from developing a sample budget to presenting creative ideas for your campaigns. By requesting spec work, you gain insight into the agency's approach, quality of work, and ability to meet your specific requirements. It's important to balance the need for spec work with respect for the agency's time and expertise. Be mindful of the scope and complexity of the tasks you assign to ensure it's fair and reasonable within the selection process.

Team Fit: Are the individuals who will work on your account a good fit for your organization? Chemistry and collaboration are crucial for a successful partnership. It's not uncommon for organizations to request an opportunity to meet the agency's team members who will be involved in your projects and gauge their understanding of your organization's mission and values. Assess their communication skills, responsiveness, and willingness to listen and adapt to your specific needs. A strong team fit ensures a smoother working relationship, effective collaboration, and better overall results.

Costs: What will it cost you to get the work done and how will the costs/payments be structured? Can you project your costs through the first year and into the next? Determine whether they charge on a project basis, hourly rates, or have retainer arrangements. Request a breakdown of costs and payment schedules to help you project your expenses not only for the immediate project, but also for the long term. What variables will end up costing you more or less? For example, inquire about additional fees for rush projects, revisions or scope of changes.



Make the RFP process as efficient as possible

I'm sure others will offer different ideas than these, but this is how I would run an RFP process efficiently. Please, don't forget, this process will require a ton from you, your team, and the executives you ultimately answer to. So, as you think through this process, consider the following steps:

Start with an RFI (or, request for information):

This preliminary step allows you to gather information and insights from potential agencies before getting to the detailed RFP stage. Through the RFI process you can evaluate the agency's responsiveness, build relationships with potential agencies and save time and resources by narrowing down the list of potential agencies for the subsequent RFP stage.

Ask a Small Number to Complete the RFP:

- **Focus on Quality over Quantity:** Rather than soliciting proposals from a large pool of agencies, select a few forces to consider. By carefully pre-qualifying agencies based on their expertise, track record, and alignment with your requirements, you can narrow down the pool to those most likely to deliver desired results.
- **More Thorough Evaluation:** With a smaller number of proposals to review, you can dedicate more thoughtful time to those involved in the RFP process. This facilitates more in-depth evaluation, enabling you to analyze the proposed strategies, methodologies, and approaches in greater detail.
- **Efficient Resource Allocation:** Reviewing and evaluating RFP responses can be resource intensive, requiring significant time from your eval team. By limiting the number of proposals, you allow your team to dedicate ample time and attention to each submission.
- **Better Engagement with Agencies:** With time for comprehensive evaluations, you can now engage in meaningful discussions with your shortlisted agencies. You can seek clarification on proposals and see how this back-and-forth exchange can help you gauge the agencies' responsiveness, flexibility, and willingness to collaborate.

Minimize the Spec Work:

- **Respect Agency's Time and Effort:** While spec work can provide valuable insights into an agency's capabilities, it's essential to balance the need for information with respect for the agency's time and resources.
- **Focus on Qualifications and Experience:** Instead of relying heavily on spec work, prioritize evaluating an agency's qualifications and experience through their submitted proposals. Assess their understanding of your organization's needs, their strategic approach, their case studies of similar projects and references from past clients.
- **Interactive Presentations or Interviews:** By inviting the shortlisted agencies to present their proposals and strategies directly to your evaluation team, you open the door for those agencies to truly showcase their expertise. Make sure to get their response to specific questions and engage in meaningful discussions. These interactive sessions should provide a deeper understanding of an agency's capabilities and how they align with your organization's goals.



How do you set realistic expectations for agency & team?

First, a word about “partnership.”

Often, agencies and clients use this term to describe their collaboration, but in reality, many are primarily referring to an a one-sided relationship. Few ever achieve what I would really consider a healthy “partnership.” In the worst case, the client-partner relationship involves the client ordering an agency around, pushing them to perform mostly tactical things, and hefting all of the risk in their direction. In the best case, the client-partner partnership involves strong cooperation, shared risk and reward, and a thoughtful division of labor. Healthy partnerships are achieved when both sides are able to effectively communicate with each other about the work and take responsibility of their end.

So, as you dig in and start working with an agency, think about which you want.

Are you looking for a relationship or a partnership?

Here are five things you should do as you begin to build a partnership with your agency:

01

Clearly Define Your Objectives

02

Provide a Detailed Creative Brief

03

Establish Realistic Timelines

04

Communicate Budget Constraints

05

Maintain Open, Timely, and Collaborative Communication

01

Clearly Define Your Objectives

Every journey, whether it's an extensive annual strategy or a succinct project requires a well defined map. Setting clear objectives for any partnership or activity is your chance to plot the course for a great adventure. Begin by working with the agency to articulate your project objectives in detail. Your objectives should answer the question, "how will we know if we were successful when this is done?" Clearly communicate your goals, desired outcomes, and any specific metrics or benchmarks you want to achieve. Provide the agency with as much information as possible to help them understand your vision and align their efforts accordingly.

If your goal is to orchestrate an event amplifying your organization's voice, for example, consider that while the agency might have an initial direction, a deeper dive into specifics will elevate the execution. If you want eye-catching visuals and engaging social media campaigns with impactful content, you'll need to share your vision with them (in detail), express how you want to come across to the audience and exactly why you are doing that. The more details you provide, the better they can tailor their strategies to match your enthusiasm and achieve those shared goals.

02

Provide a Detailed Creative Brief

Now that you're on course for a great adventure, think of the creative brief as a tactical treasure map leading to success. There may be plenty of points along the way where you might decide to change course, but making sure you know when and where those are will ensure you stay on track.

A creative brief serves as this map for the agency and your team to do your work. It outlines a creative project's requirements, target audience, brand guidelines, messaging, measurement considerations, and any other pertinent information. In your creative brief, be sure to share your organization's specific story around this event or artifact, highlight the emotions you want to evoke, and even mention your favorite colors or elements. Giving the agency these insights helps the agency weave your organization's personality into the video, making it an authentic representation of your mission. If the agency can grasp your expectations, they can deliver work that meets your vision, in a measurable way.

03

Establish Realistic Timelines

Like planning an unforgettable adventure, setting a realistic timeline requires balancing excitement with practicality. Communicate any important milestones or deadlines you have in mind. Understand that creative work requires time for ideation, revisions, and production, so allow for flexibility while still setting reasonable expectations for delivery dates. Be realistic about your team's approval timelines. Both you and the agency are excited to create something exceptional, but you have to discuss your needs and any upcoming events or campaigns that could influence the launch date. Together, craft a timeline that allows for creativity to blossom without rushing the journey.

And, please, let me beg of you the following, on behalf of all of the agency project managers on the planet. Some day, in the next year the agency will deliver something late and it will make you upset. You should definitely tell them. But, as you consider the tone you use, please ask yourself how many times before that moment you delivered things late or half-done to the agency. In my experience, for every time my team delivers something late, our clients deliver things late seven times. We all want to deliver great results and we're all human. Please remember that. And, thank you.

04

Communicate Budget Constraints

Navigating budget constraints is like finding clever ways to make a little go a long way. Don't be shy about the budget – be honest and you'll be met with realistic possibilities. The agency will appreciate your honesty and can offer creative solutions that match your financial scope while ensuring the objective outcomes feel like a million bucks.

Sometimes I hear clients say, "I don't want to tell you how much I have because you'll just tell me it costs that whole amount. Instead, I want you to give me your best, competitive price." I understand the sentiment of course, but unless you have endless buckets of money to dump on a fire (and some organizations do) it's more likely that your budget is just enough to do a good job. Instead of playing a game concealing your budget, establish trust with your service provider. If you feel confident in their ability to provide accurate estimates, there's no need for secrecy. Just communicate your budget, and they can tailor the scope of work accordingly. In a healthy partnership, you should feel comfortable discussing and negotiating estimates for future projects.

05

Maintain Open, Timely, and Collaborative Communication

Think of open communication as building a strong bridge of trust between your team and the agency. Be responsive to the agency's requests for information, feedback, or clarification. Provide timely and constructive feedback on their work to keep the project moving forward smoothly. When you maintain a flow of open communication, you'll see how both sides become more attuned to each other's needs, leading to a harmonious partnership and outstanding results.

Setting clear expectations is a two-way process that forms the foundation of a successful partnership with your agency. Listen to their input and be open to their expertise and ideas. Cultivate open communication and stay responsive to their queries and feedback. By embracing their creativity and treating them as genuine partners, you'll foster a collaborative environment that leads to meaningful impact. Keep the relationship evolving, reassess goals together, and celebrate milestones as you work towards shared success. With clear expectations and open communication, you'll create a seamless and fulfilling collaboration that leaves both your team and the agency inspired and proud of the work you achieve together.



How do you set and check-in on objectives?

How will you ever know if you and your agency are doing good work?

It starts with anchoring your partnership with well-defined expectations in the form of measurable goals and objectives. As a reminder, “goals” are a statement of desired intent, like “Our goal is to increase the dollars we raise this year.” An objective is SMART (specific, measurable, achievable, results oriented, and time bound, like “Acquire five hundred monthly donors with an average gift of \$75 by 3/31/25.” Remember, by establishing clear objectives at the outset of the project, you'll refine your ability to assess progress effectively, thus improving the agency's chances of achieving its goals.

Maintaining open channels of communication with your agency is essential to ensure that the partnerships and projects are progressing smoothly and to maintain a healthy working relationship. Here are some robust ways to facilitate constructive dialogues on progress and assess the agency-client relationship:

01 Scheduled Meetings

02 Project Status Reports

03 Streamlining Communication

04 Project Feedback Sessions

05 Relationship Review Meetings

06 Maintain Open, Timely, and Collaborative Communication

01

Scheduled Meetings

Set up regular meetings or calls with the agency to discuss project updates, progress, and any challenges or concerns. These meetings can be weekly, biweekly, or monthly, depending on the project's timeline and complexity. Use these touchpoints as an opportunity to review the work done, provide feedback, and address any questions or issues.

Seek to have as few meetings as possible – they *always* cost you money. While regular interactions are vital, minimizing the frequency of these touchpoints conserves resources, optimizes time, and preserves sanity all around. The cadence of these meetings can be adjusted throughout the project. At the outset of a partnership you may be inclined to schedule more meetings than fewer. But, as you and the agency get going, once per quarter you should evaluate if you need them all as some of these meetings will be redundant and take time away from the effort of the work. Chances are you will remove a few from the schedule. And, as you go, you will need to add new ones to support new projects.

In numerous agency collaborations, I've experienced too many meetings prove to be detrimental to the progress of the project. The agency is cruising smoothly with all parties in sync, until a face-to-face interaction disrupts the harmony. Sometimes, the essence of a casual remark or a tangential discussion during a meeting can inadvertently trigger significant shifts in the agency's approach. Such unexpected pivots, based on ephemeral conversations, can lead to derailment from the original project trajectory, thereby extending timelines and necessitating eventual realignments.

While open dialogue and spontaneous brainstorming can be invaluable, there's also merit in limiting the dialogue to ensuring a focused approach. Directional changes should be rooted in comprehensive discussions, grounded feedback, and mutual consensus, rather than fleeting conversational detours. This balance ensures that the partnership remains both adaptive and steadfast in its core objectives.



02

Project Status Reports

At the onset of the project, establish what the regular cadence of project status reports will be and hold the agency accountable. These reports should outline the progress made, milestones achieved, and any upcoming deliverables or deadlines. Review these reports to assess the project's trajectory, identify any potential bottlenecks, and address any concerns in a timely manner.

Let me save you some work and headache related to status reports. Keep these project status reports as brief as possible. Avoid scheduling meetings to just read through these reports with a big group of people. Truly, their purpose is to identify things that are exceptional (good or bad) and to drive downstream activities. So, if you see something in a report that concerns you, schedule a meeting to talk about it with the people who are affected and can fix it. Make this a practice, and your team AND your agency will thank you (and hopefully me) later.

03

Streamlining Communication

Instead of weighing your team down with weekly meetings, make sure to establish *how* things like Project Status Reports and weekly updates are communicated to you. These concise reports can be delivered through email, project management tools, or collaboration platforms – whatever works best for your team. They should include focused reports with recognition of the timeline and explanations of work done during working hours.

As you create lines for asynchronous conversation, like Slack, Trello, Meet, even (dare I say) Teams, make sure you establish an expectation for people to respond to messages. Too many people these days tell me they are overwhelmed by the pressure to respond to “all the notifications.” It will be harder than you think to come up with a policy or practice that works for everyone. So, solicit input from the team, make a strict decision, then communicate the expectations clearly to your team and the agency's.

Both your internal team and the agency will surely appreciate (and perhaps toast to) this clarity and effectiveness in communication!

04

Project Feedback Sessions

Schedule periodic, dedicated feedback sessions to discuss the agency's work and provide constructive feedback. These are intended to be less frequent than normal touch-points and should be focused on specific deliverables, such as design concepts or marketing campaigns.

Clearly communicate your expectations of what the agency should provide during these check ins. Treat it like an RFP – they should be pitching you back the work they have successfully completed and ensure you're confident in the money you're spending with them. You'll provide detailed feedback to guide the agency's efforts moving forward and should see those efforts clearly reflected in the following feedback session. Allow for a two-way dialogue where the agency can also share their perspectives and seek clarification on anything that may be delaying the project.

Give them time to deliver feedback to you as well. If the partnership is truly healthy, they should feel comfortable telling you what is and isn't working. Without this space for feedback, the agency can start to internalize their frustration and lead to detrimental problems in both communication and content output down the road.

Remember, truly effective feedback isn't a monologue – it's a dynamic interaction. Allow the agency to voice their insights and give them time to internalize that feedback. If you're not able to successfully communicate with your agency, your project is doomed.

05

Relationship Review Meetings

Establish a rhythm of meetings specifically aimed at discussing the agency-client relationship and overall satisfaction. Think of these as periodic health checks or "business pulse reviews," ideally spaced quarterly, to dissect the broader contours of the partnership.

Discuss communication, collaboration, and any potential challenges that may affect the relationship. This should not be focused on the actual project, but rather the flow of communication about the project. It can also include feelings about the platform you're using to connect or the pressures either side is feeling. Over time, this strong relationship will improve results and (more importantly) make it easier to solve problems when they appear.

Set up performance metrics and reporting mechanisms to measure the effectiveness of the agency's work *before* the work begins. Define key performance indicators (KPIs) that align with your project goals and track the agency's performance against those metrics. These reports should be structured to both teams' liking and shared regularly. The last thing you want is a laborious report that provides little-to-no information and tires the agency out. You don't want valuable hours of the agency's time spent filling out a report instead of doing the work.

That being said, these reports can be extremely helpful, especially in lieu of weekly/regular check-ins. Have the report delivered regularly and have sessions where you review the reports together and discuss the results, allowing both parties to have a data-driven conversation about progress and improvements. In my experience, outside of heavy campaigns, you should do this monthly, at least.

Concluding Reflections: Building a Real Partnership

Measuring the success of an agency partnership hinges on setting clear goals and SMART objectives. Yet, the foundation of a flourishing collaboration is consistent, transparent communication. This means purposeful meetings, succinct status reports, and regular feedback sessions.

Being aware is key. A misstep or miscommunication can shift a project's direction. Thus, structured feedback sessions and relationship check-ins become essential, allowing for candid discussions and alignment.

Introducing data through performance metrics ensures that discussions are grounded in tangible results, promoting accountability and growth. In essence, a successful agency-client relationship isn't merely about meeting objectives—it's about mutual trust, shared vision, and journeying together towards excellence.

How do you have hard conversations when things go sideways?

While working with an agency partner, you *will* encounter challenges or issues that may affect the relationship and project outcomes.

The worst thing that can happen is a few missteps leading to tangled feet, missed deadlines, and overall distrust. When things go sideways, it's normal to panic – you've invested a lot of money into this partnership and redirecting can be very difficult. Let me try to explain some things you might encounter and how to steer the relationship back on track.

01 When Words Get Lost

02 Missed Deadlines or Delays

03 Quality or Performance Issues

04 Lack of Proactive Ideas or Innovation

05 Budget Management

01

When Words Get Lost

Poor communication or miscommunication can lead to misunderstandings, delays, and frustration to say the least. This can begin with a couple of un-replied-to messages and spin out into full radio silence.

If you feel the channels of conversation are becoming murky, it's time to sit down and sort things out. Get face-to-face time on the calendar with the important heads of the project. Share your worries candidly, throw in some actionable items and together, Use "I" statements - "I have noticed we are losing steam on this, what is the issue here?" Chart a way to keep those lines of communication crisp and clear. The worst case scenario here is usually a result of underlying issues. Digging those out and addressing them is a great way to avoid them in the future.

02

Missed Deadlines or Delays

If the agency is consistently missing deadlines or causes project delays, it can disrupt your project timeline, impact your business goals, and stretch the budget out of control. While some delays are expected with any project, this shouldn't be a regular occurrence if the channels of communication are open. If the delays persist there could be an underlying issue.

To address missed deadlines, you'll have to look at the expected output vs, actual output. What is the agency able to do? Is this delay coming from lack of competence or general misunderstanding? If the agency has gotten this far, they've proved they are able to accomplish successful campaigns. Consider talking to them about the difference between this campaign and one they've been successful in. Where are the bottlenecks? What can be improved?

Ideally it's just a matter of an unclear understanding of the timeline. To remedy, simply create a shared calendar with explicit due dates and schedule check-ins after those dates where the agency is expected to report their progress.

Not ideally, this is coming from a lack of capability in which case you'll have to ask the agency what their realistic timeline looks like and decide if the relationship is still working. Before pointing fingers, organization isn't contributing to missed deadlines. Factors like approvals, feedback, and material delivery can often hinder agencies' progress.

03

Quality or Performance Issues

If you identify consistent quality issues or performance shortcomings in the agency's deliverables, it's essential to highlight it, but with a nurturing touch. There's always a balance when broaching this topic, because you don't want to establish a precedent of distrust if there doesn't need to be one. At the same time, you do need to be stern and specific enough that it changes the behaviors.

First, talk to the project manager at the agency. Keep in mind, it's also important to develop and maintain relationships with the senior team at the agency, too. Hopefully you never need to, but occasionally you may need to escalate issues if they seem to be bigger than the ones your project manager can address.

Bring specific feedback and examples of the areas that need improvement. Focus on constructive criticism and work together to establish a plan for addressing the issues. Clearly communicate your expectations and agree on measurable benchmarks to assess improvements. Constructive feedback, coupled with open dialogue, can often reorient focus, ensuring subsequent deliveries meet or even exceed expectations.

04

Lack of Proactive Ideas or Innovation

Innovation is the magic ingredient that turns good projects into great ones. If the agency fails to bring innovative ideas or proactively contribute to your project's success, it may mean they're not trying hard enough. With many people working on a project, there should be a different approach or suggestion recommended at some point.

To ignite fresh ideas and perspectives, organize an environment where you engage in a joint brainstorm. This can open the door for the agency to come up and express ideas they might have been stifling for lack of confidence. Celebrate the agency's creative successes and then discuss areas where you feel more innovation could be infused. Invite the creativity into the project and express your desire to have it included in the overall scope of the project.

Be careful to not overextend this invitation. If there are specific items you want to keep true to the original idea, make that known so the agency doesn't get carried away on the creativity train.

05

Budget Management

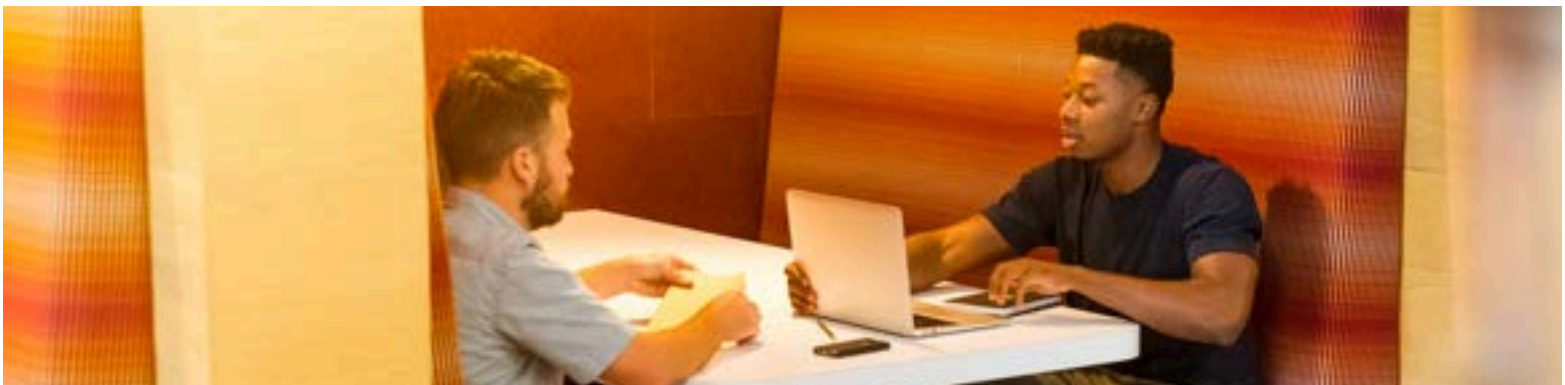
Money discussions, while sometimes uncomfortable, are undeniably vital. At the end of the day, this is a business arrangement and you want to make sure the time you're paying for is being used efficiently. You might spot this issue when a task, which you can accomplish with ease, seems to take the agency an unusually long time. In this case, it could be that the agency has assigned someone too junior to handle the work, or that they haven't defined the objectives and process adequately. Keep in mind though, that you may be an expert in a specific area and your expectations may be too high (I know, I know, but keep it in mind).

So how do we have the money talk? Request a breakdown of costs, expenses, and resource allocation to better understand how the budget is being managed. Discuss any discrepancies or unexpected expenses and seek clarification. If necessary, work together to establish a budget management plan that ensures transparency, accountability, and aligns with your financial goals. Make sure the scope has not gotten out of control and be sure to reel in party of the project that feel non-essential.

Tying It All Together

The partnership with an agency is just that – a partnership. There has to be concerted effort on both sides to make it work. While challenges are inevitable, they also present an opportunity to fortify the partnership. Approaching every bump with openness, understanding, and a collaborative spirit ensures that both parties navigate the path to success hand in hand.

See the following page for a helpful checklist to reference as you go into hard conversations.



When having professional conversations try to address these issues:

- Remain calm and objective:** Approach the conversation with a calm and composed demeanor. Focus on the facts and specific issues rather than personal attacks. This helps to maintain a professional atmosphere conducive to problem-solving.
- Use "I" statements:** Express your concerns using "I" statements to avoid sounding accusatory. For example, say, "I've noticed a pattern of missed deadlines" instead of "You always miss deadlines."
- Be specific and provide examples:** Clearly articulate the issues you have observed, providing specific examples or instances to support your points. This helps the agency understand the problem areas and facilitates a more productive discussion.
- Listen actively:** Give the agency time to express their perspective and insights – without interruption. Disrupting the feedback session signals a lack of respect. Active listening promotes understanding and can identify potential solutions or areas for compromise.
- Collaborate on solutions:** Approach the conversation as a collaborative problem-solving exercise. Work together to find solutions, brainstorm ideas, and establish action steps that address the issues at hand. Be open to suggestions from the agency and be willing to consider alternative approaches.
- Document agreements:** Once you have reached agreements and identified action steps to address the issue, document them in writing, such as in an email or project update. Keep the SMART framework in mind. This ensures clarity and serves as a reference point for both parties.

Remember, the goal of these conversations is to improve the partnership and resolve any issues constructively. By fostering open communication and addressing concerns proactively, you can work together with your agency partner to overcome challenges and achieve your project goals.

When (and how) do you say goodbye?

Deciding to fire your agency is a significant decision that should be approached carefully.

If you're going to break up, I recommend doing it in an orderly and careful manner, since the last thing you need (in most cases) is for the agency to stop providing ANY support overnight.

Here are some situations where it may be appropriate to consider parting ways with your agency and some steps to follow when terminating the relationship:

01

Persistent Performance Issues

02

Lack of Communication and Responsiveness

03

Misalignment of Values or Vision

04

Ethical or Professional Concerns

01

Persistent Performance Issues

If the agency consistently fails to meet project deadlines, deliver subpar quality work, or repeatedly ignores your feedback and concerns, it may be a sign of persistent performance issues. If these issues significantly hinder the progress of your project and jeopardize its success, it might be time to consider ending the relationship.

02

Lack of Communication and Responsiveness

Communication is crucial in a client-agency relationship. If the agency consistently fails to respond to your messages, emails, or calls in a timely manner, or if they display a lack of proactive communication, it can hinder effective collaboration and create frustration. If efforts to address the issue are unsuccessful, it may be an indication that the agency is not meeting your expectations in terms of communication.

03

Misalignment of Values or Vision

If you find that the agency's creative approach, strategic direction, or work style does not align with your brand's values or vision, it may be challenging to achieve the desired outcomes. A significant misalignment that cannot be resolved through open communication and collaboration may warrant considering a new agency that better understands and aligns with your objectives.

04

Ethical or Professional Concerns

Instances of unethical behavior, breaches of confidentiality, or a lack of professionalism should not be tolerated. If you have serious concerns about the agency's conduct, it may be necessary to sever ties to protect your brand's reputation and maintain your ethical standards.

When terminating the relationship, follow these steps to handle the situation professionally:

- 01 REVIEW THE CONTRACT** – Carefully review the termination clauses and any notice period stipulated in your contract with the agency. Adhere to these contractual obligations to avoid potential legal or financial repercussions.
- 02 EVALUATE THE IMPACT** – Consider the potential impact on your project or business. Ensure you have a backup plan in place, such as transitioning to a new agency or bringing the work in-house if feasible.
- 03 COMMUNICATE YOUR DECISION** – Schedule a meeting or call – not email – with the agency to communicate your decision to terminate the relationship. Be professional and respectful when explaining the reasons behind your decision. Clearly communicate the issues or concerns that led to this outcome.
- 04 PROVIDE FEEDBACK** – Offer constructive feedback on your experience working with the agency. Share specific examples of the challenges or issues faced during the partnership. Be honest and professional in your communication to help the agency understand areas for improvement.
- 05 DISCUSS TRANSITION AND DELIVERABLES** – Discuss the transition plan and the transfer of any ongoing work, assets, or project materials. Determine how the agency will handle the transition process to ensure a smooth handover to a new provider or in-house team.
- 06 PROTECT YOUR INTERESTS** – Ensure that any intellectual property, confidential information, or proprietary materials are appropriately handled and protected during and after the termination process.
- 07 FINALIZE FINANCIAL OBLIGATIONS** – Settle any outstanding financial matters, such as outstanding invoices or reimbursements, based on the terms of your contract.

Remember to maintain professionalism and courtesy throughout the process. While ending a business relationship can be challenging, it is essential to prioritize your project's success and find a new agency that better aligns with your needs and objectives. Always remember, the agency world is a small world and you will often encounter the same people time and time again.

About us

In Dante's Inferno the travelers journey through the worst of Hell. When they emerge, they felt an amazing sense of relief and possibility when they looked above them and saw the heavens. We are excited to work with people who want to see the stars, again. Welcome.

How can we help you? Simply put, we build teams that create products, services, and programs that achieve business objectives. We support progressive and direct-service organizations and their agencies." Here's how.

- **Developing High Performing Teams:** We believe that when we understand our strengths, we can reach our personal potential and surround ourselves with people who help us exceed it. We use the Clifton Strengths Assessment as an objective basis for personal and team development.
- **Supporting Your Email Program:** Our email studio, [The Fastest Planet](#), specializes in expert email production, campaign management, and design, focusing on efficiency, custom solutions, and collaboration. We operate transparently on your email platform, delivering impactful campaigns for leading nonprofits and direct response agencies.
- **Creating Amazing Products & Services:** Whether you're developing a strategic plan, introducing a new line of service, or creating a new software platform, we can help you do it. We root our approach in consumer research, behavioral psychology, and experience design. Our team has created programs to help organizations find and engage their audience, agencies introduce new services to their customers, and software companies bring innovative products to market.
- **Hiring A+ Executives, Creatives, & Engineers:** We've built a network of amazing colleagues who are experts in many disciplines (that's you!). We love helping people find people and advance their careers.

Why are we qualified to help you? For nearly twenty-five years, we have supported teams at leading nonprofit organizations, venture-backed startups, and professional service agencies to transform their teams and lead them to growth. Our team of experts includes researchers trained in modern methods, Ph D.-trained psychologists, experienced creatives, and talented engineers who are passionate about making the world more compassionate.

A Note of Thanks

I would like to offer my deep gratitude to the talented people with whom I have been fortunate to work during the last 25 years. The work we have done together has influenced the ideas in this guide. But, more importantly, our work has made the world a more compassionate place. I am grateful for your commitment to getting the best possible results for the organizations we serve.

As well, I'd like to thank the following experts for providing insight and editorial guidance on this guide.

- Carly Buckner
- Watt Hamlett, [Watt Hamlett Consulting](#)
- Sally Heaven and Charlotte Kresse, [Raise HECK](#)
- Jamie Mueller, [CollabUnity](#)
- Brian Rubenstein, [Rubenstein Impact Group](#)