

# 2019 State of Agency Selling

A Comprehensive Look at Agency  
New Business Strategy

HubSpot



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# Introduction

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# Introduction

What does the sales process at your agency look like? Maybe you've been in the agency space for a few years, and you have a solid process in place that you know will close clients. Maybe your agency is fairly new, and you're still figuring out what works for your business. Or, maybe you're somewhere in between. Whatever stage your agency is in, sales undoubtedly plays a major role; after all, it's how you win clients, expand your portfolio, and generate revenue.

For this report, HubSpot surveyed over 1,400 agency professionals from around the world to uncover the biggest sales challenges agencies are facing today. The following pages are full of actionable data that can help inform your own agency's sales strategy, including insight into the typical agency sales process, in-house sales responsibilities, and the tools and methods used to attract and close new business.

To help you tackle these challenges, we've also included expert advice from seasoned agency professionals on how you can take your sales strategy to the next level and close more clients. We hope you find the data presented in this report valuable for informing your own sales processes.

# Survey Respondents

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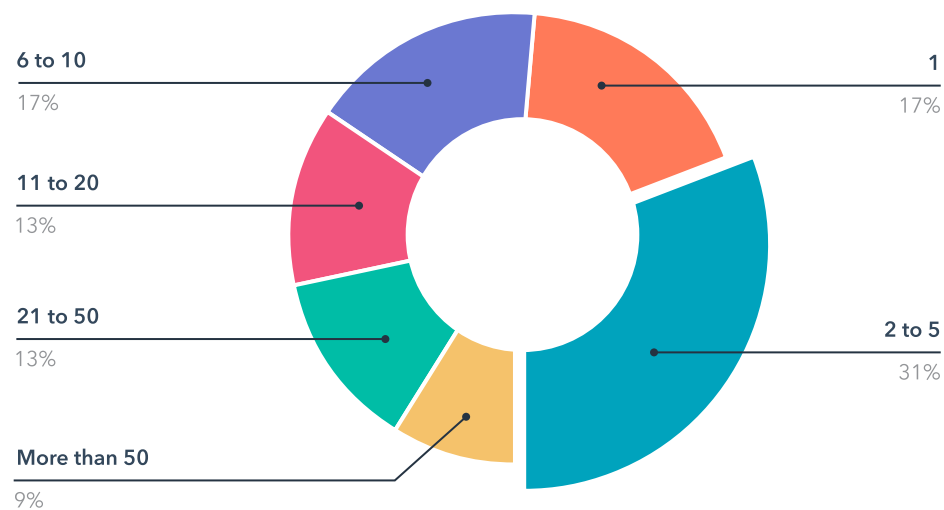
# Survey Respondents

The 2019 State of Agency Selling report was open during December 2018 and January 2019 and surveyed over 1,400 agency professionals from around the world. In this report, we will focus on the data from regions where English is a primary language: the United States, Canada, the United Kingdom, Ireland, Australia, and New Zealand.

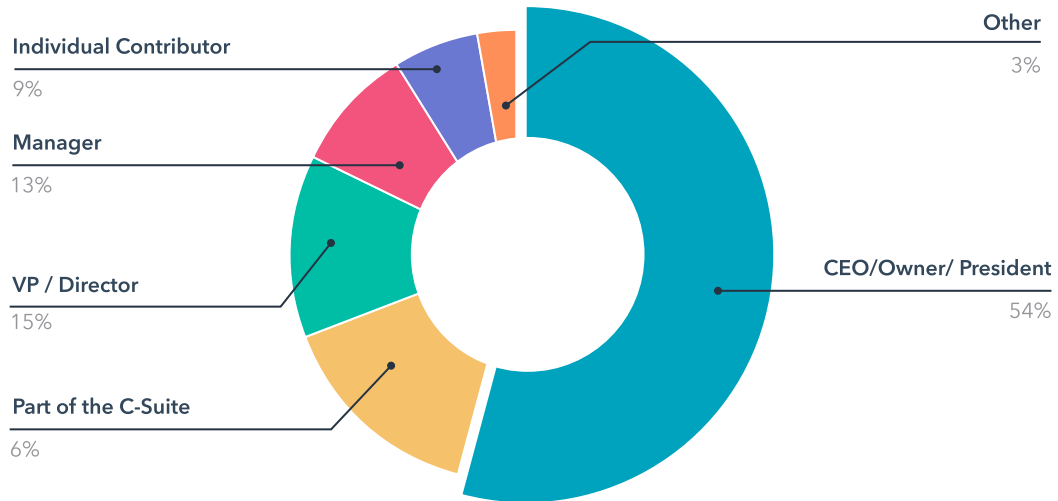
The questionnaire was completed by 672 people from those regions. The remaining respondents were from other regions around the world.

The majority of respondents (75%) were at the director level and above, and the typical agency size of survey respondents was just 2 to 5 employees (31%).

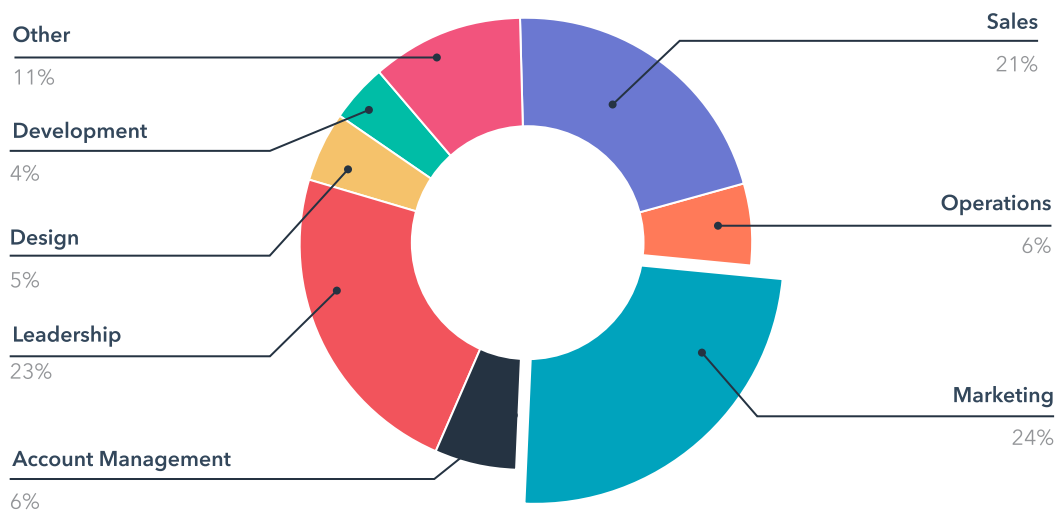
## How many full-time employees does your agency employ?



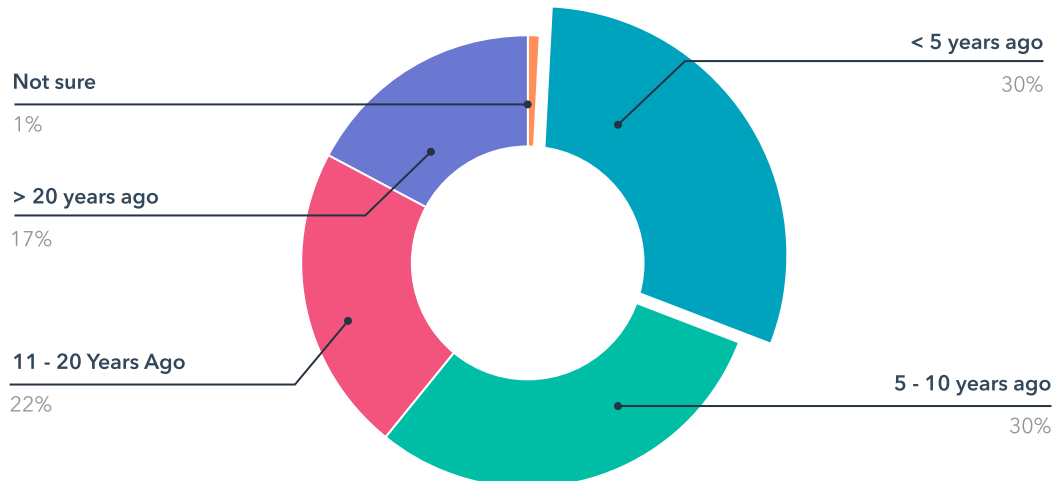
### What is your role?



### In what team do you currently sit in?



### When was your agency founded?



# The Agency Sales Process

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# The Agency Sale Process

## Common Sales Challenges

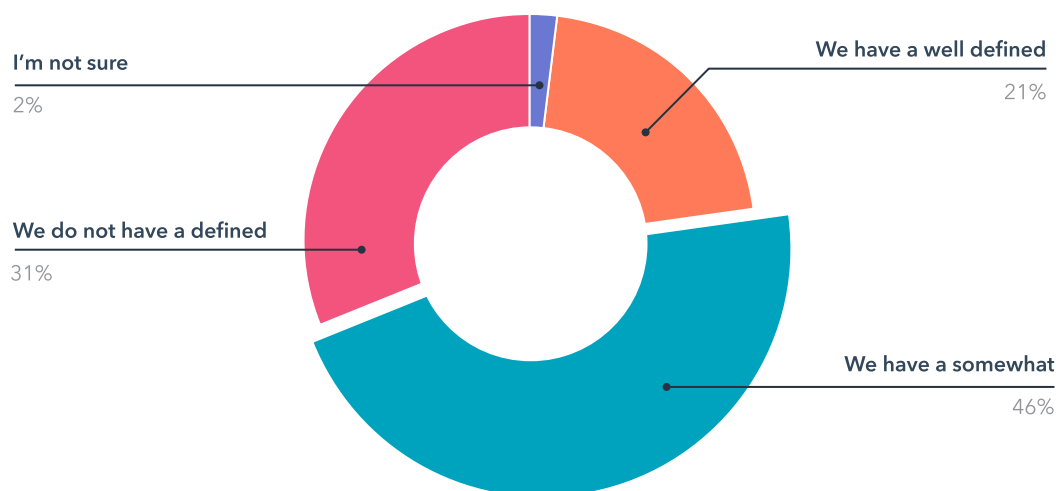
For this report, we asked agencies to describe their sales processes, and focus on the challenges they face when it comes to winning new clients. The responses indicate that nearly half (46%) of agencies only have a somewhat defined sales process, while the next largest group (31%) does not have a defined sales process at all.

The lack of a clearly defined sales process can hold major implications for how agencies find, and close, new client business.

When asked about the most challenging part of the sales process, four responses stood out as the most common challenges. The first common challenge among agencies was finding it difficult to get in touch with, and connect to, prospects (13%), followed by struggling to inspire urgency with prospects and encouraging them to buy now, versus later (12%).

Next, respondents indicated that prospects often struggle with their pricing (11%) and the length of their sales cycle (8%). Speaking to this challenge, half of the agencies we surveyed reported that their typical sales cycle ranges anywhere from 31 to 90 days.

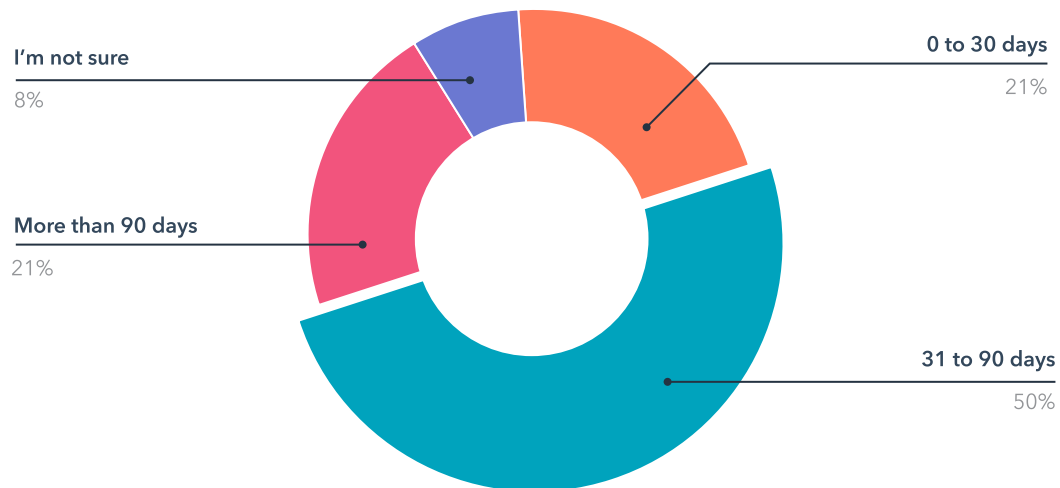
## Which answer describes your agency's sales process?



## What's the most challenging part of the sales process?

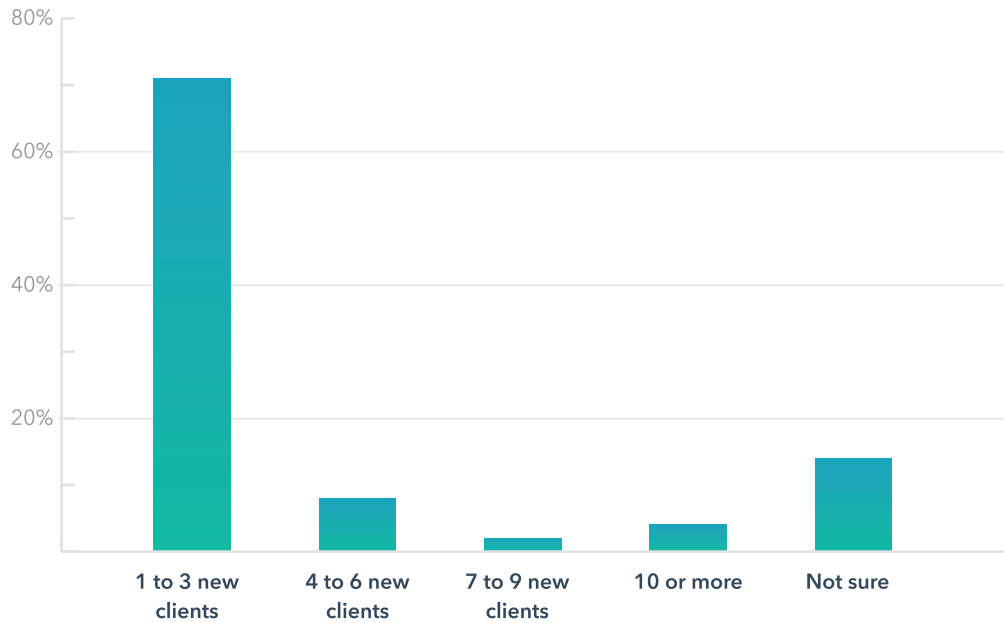


## What's the average length of your sales cycle?



Keeping these various challenges in mind, 70% of respondents reported winning 1 to 3 new clients per month, while only 5% of respondents reported winning 10 or more.

### What's the most challenging part of the sales process?



# Retainers vs. Project Work

But when we talk about winning new business, we also need to talk about project work and retainers.

Project work refers to one-off client campaigns or projects that agencies complete on an ad-hoc basis, while a retainer is a regular payment to an agency from a client, in order to secure their services as needed.

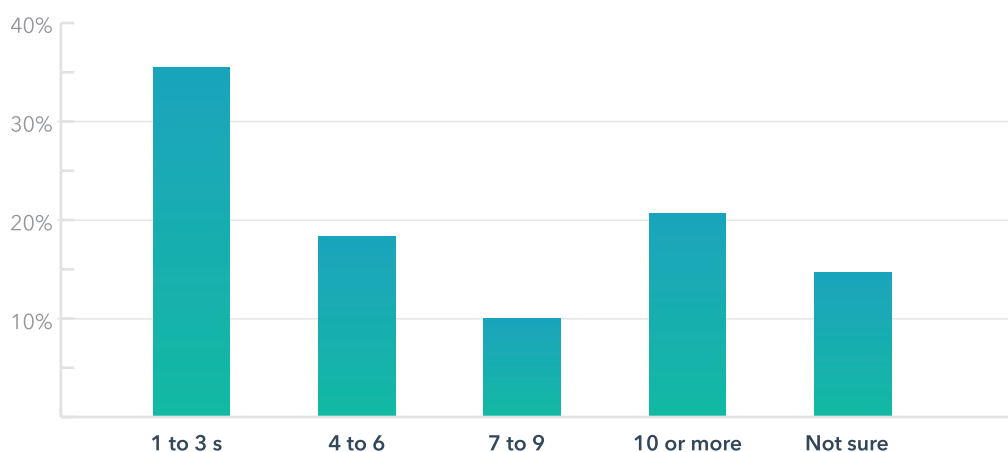
While many agencies focus on winning new business for one-off client projects, many others operate on retainer models, allowing them to engage clients in ongoing business services and create a predictable, and scalable, revenue model for their businesses.

Of agencies surveyed for this report, 36% reported that they service between 1 and 3 retainers, on average, each month. In addition, 21% service 10 or more.

However, thinking about the revenue their agencies generate, respondents reported a median of 65% of their overall revenue coming from project-based work.

These responses indicate a major shift in the typical agency business model. Though a large portion of revenue comes from project-based work, we can see a clear trend toward agencies adopting a retainer approach in tandem with their firm's project work.

## How many retainers does your agency service in an average month?



The data provided by these agencies is valuable for understanding the agency sales landscape and having benchmarks against which you can measure your own agency's processes. In the following sections, we'll walk through sales from a tactical perspective, digging into who within the agency is responsible for generating new business, and what tools they use execute their sales strategies.

# Who Does the Selling?

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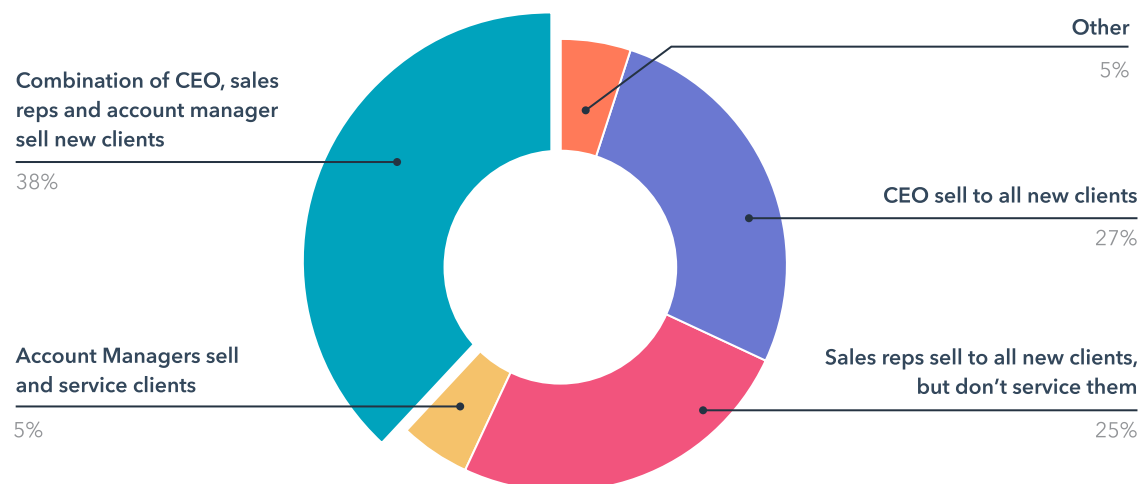
# Who Does the Selling?

## Breaking Down Sales Teams

When it comes to who is actually responsible for the sales side of the business within agencies, the responses vary. For example, 38% of respondents state that a combination of their CEO, sales reps, and account managers are responsible for selling their services to new clients.

Agencies surveyed also reported that 65% of sales teams, 57% of CEOs, and 51% of marketing teams focus on winning new business. But, when it comes to selling into their existing client bases, 67% reported that Account Managers lead their upsell strategy.

## What is the structure of your sales team?



## Who sells to new clients and cross sells to existing clients in your agency?



In 65% of agencies surveyed, sales reps and Account Managers take on hybrid roles, selling into new clients while simultaneously managing existing clients.



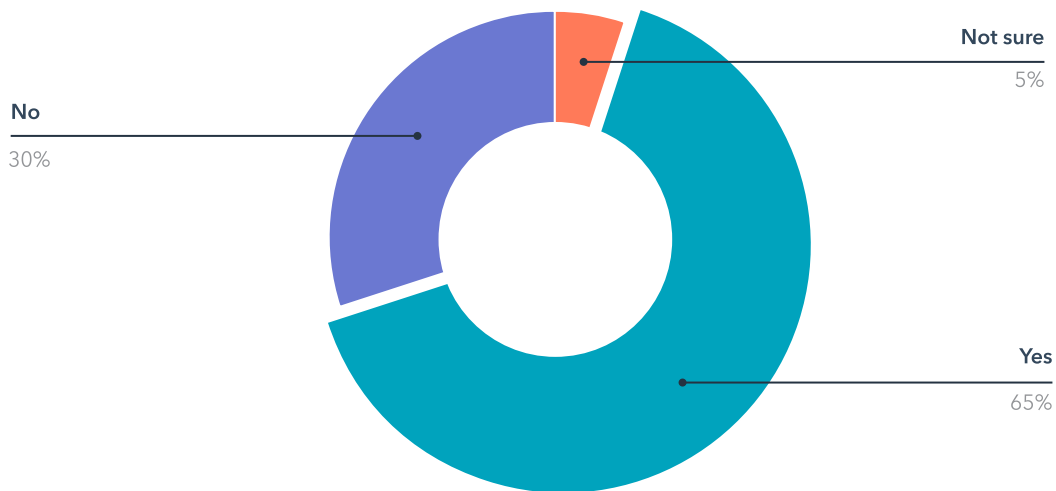
### Perry Nalevk

CEO at Penguin Strategies



We have experimented with many approaches to sales including employing sales executives and BDRs. In the end, I have found it most effective to be involved with all things revenue for the agency including talking to and closing new prospects as well as potential increases or upsells to existing customers. That being said I am not alone, during new sales the marketing team works to qualify new leads and account managers and strategists join calls as the sales process progresses. In the case of existing customers, it's the account managers who are finding new opportunities for growth.

## Do your account managers / sales reps manage both existing clients and sell to new ones ?



But what does all of this data mean for the actual makeup of an agency? When asked how many employees at their agencies sell to, and prospect, new clients, the median response was 2 employees.

Thinking back to the demographics of our survey respondents, 31% work at agencies of just 2 to 5 people. Knowing this, the number of employees who focus just on sales and prospecting is compelling; it illustrates the value of sales within an agency, and the importance of having dedicated team members focus on finding and winning new business.

### Measuring Sales Goals

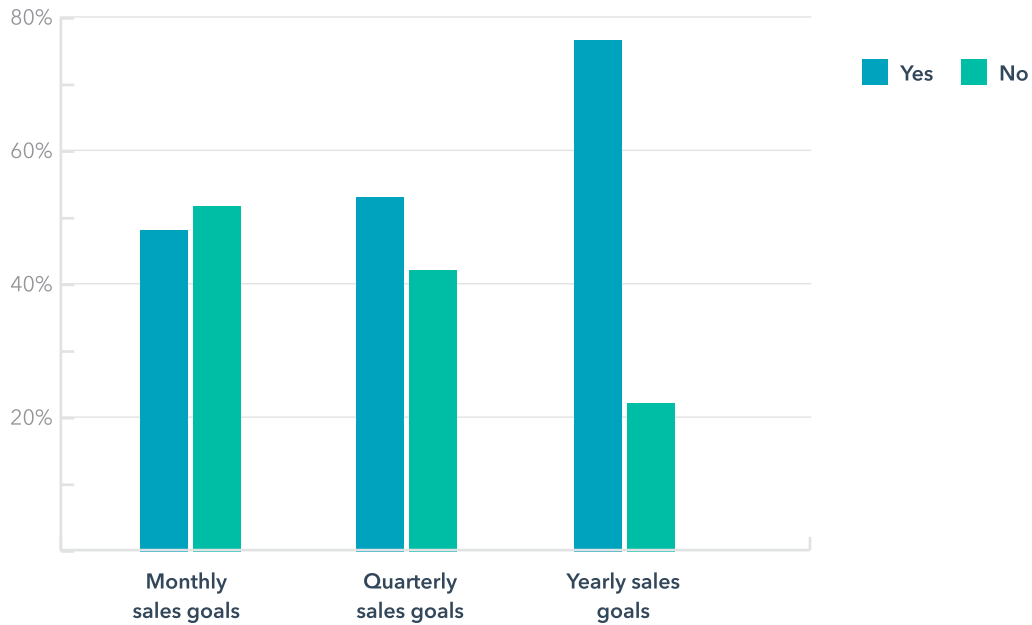
Now, let's talk overall sales goals. Of agencies surveyed, 53% do not have monthly sales goals for their businesses. However, 55% track quarterly sales goals, and 77% of agencies have sales goals for the year.

How agencies monitor their sales goals can be indicative of their overall business model. For most agencies, having monthly goals is less valuable when their project-based work can fluctuate throughout the year. Keeping track of quarterly and yearly goals, however, allows an agency to better monitor their growth trajectory, cash flow, and assess their need to take on more clients.

For agencies that operate on retainer models, where revenue is more predictable, yearly sales goals can illuminate how much investment they should put into expanding their current contracts, or how much project work they should take on, in order to ensure growth.

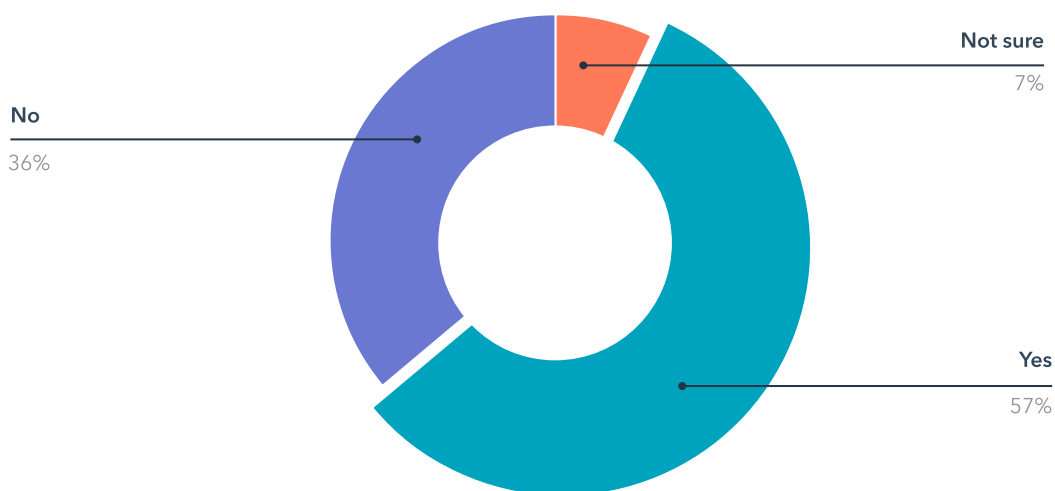


## Does your agency have specific goals for the month, quarter and year?

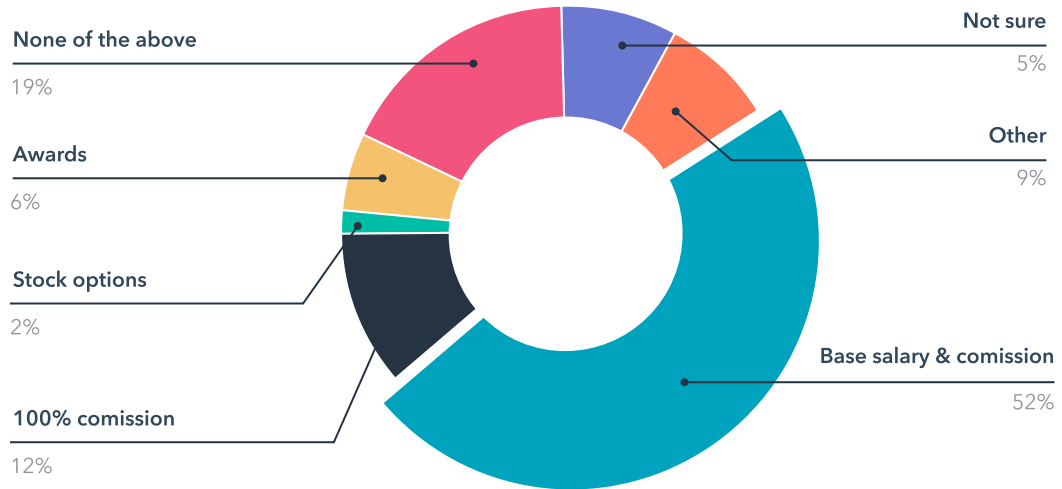


Of agencies with dedicated sales reps, 57% have a target to hit monthly. Most (52%) incentivize their sales reps to hit their targets with a base salary, plus commission, versus other options like 100% commission (12%) and stock options (2%).

## Do sales reps have a target each month?



## How are sales reps incentivized at your agency?



How do you Sell?

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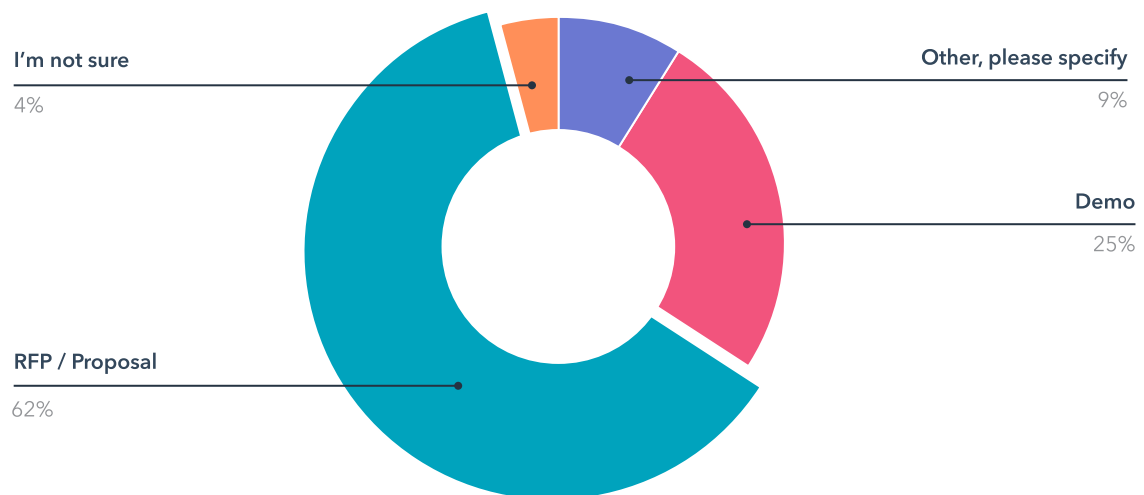
# How do you sell?

## Strategies for Closing Deals

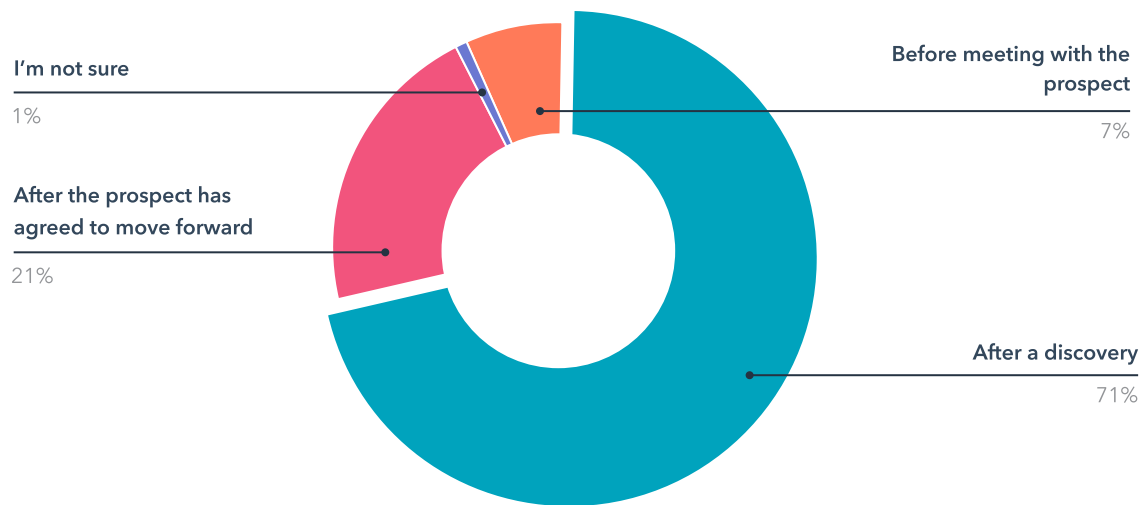
One of the ways that an agency can differentiate themselves is through the approach they take to their sales process. For nearly 62% of survey respondents, an RFP (Request for Proposal) or proposal is the main tool they utilize. And it makes sense - sending a proposal is a clear way to show a client what your agency can offer, how you plan to help them grow their business, and set goals and metrics for success of your work.

Of the agencies that include an RFP or proposal, 71% say that they wait until after a discovery call to produce it.

### As part of the sales process, do you include a:



You indicated your sales process included an RFP/Proposal. When do you typically produce this?



Our research also found that 64% of agencies do not utilize any video to help them prospect, or close, new business. What's keeping agencies from adopting video into their strategies?



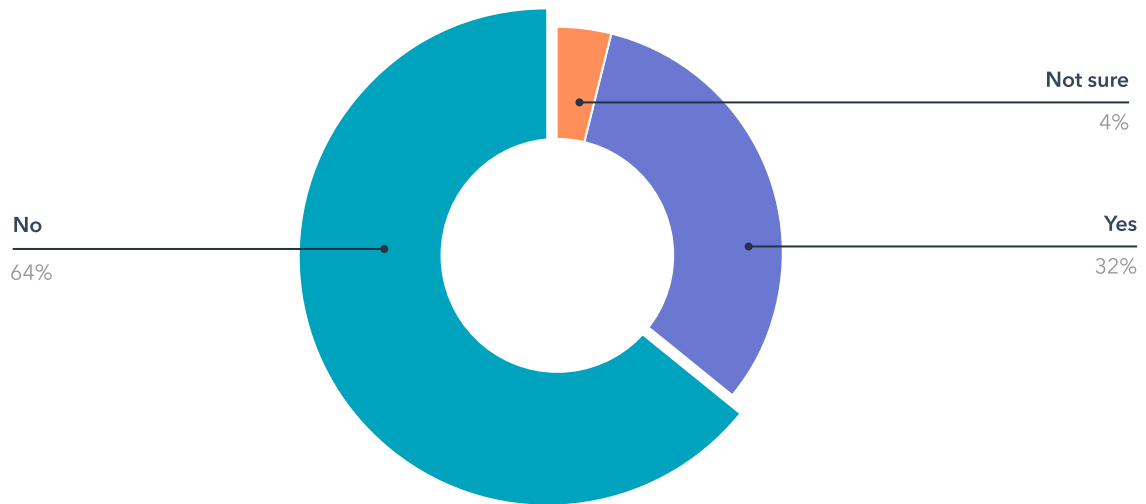
### Richard Wood

Managing Director at Six & Flow



Adding video into our sales process is one of the singularly most important changes we've made to how we win new business in the last couple of years. People are intrigued when they see something personalised to them or their brand so naturally, it increases click-through rates and starts to humanise you within your sales process. Using video on initial contact, we expect it to increase meetings being booked by 4x. And, most importantly, it's also a lot harder to say no to someone when you can see their face.

## Do you use video to help you prospect or close business?



### Tools to increase efficiency

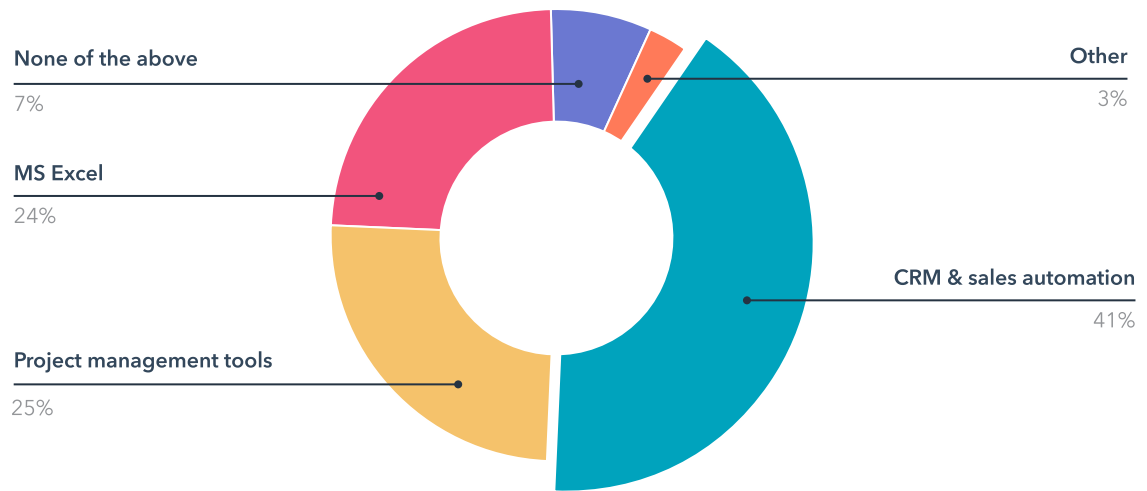
No one knows the value of having a reliable suite of tools to tap into like agencies. When asked if their agencies utilize any technologies to aid in their sales processes, 41% of respondents said they use CRM & Sales Automation tools. That's a significant jump compared to the amount of agencies (25%) who utilize project management tools as part of their sales strategies.

Now, that is not to say that project management and CRM & Sales Automation tools are inherently at odds with one another. Rather, it shows that the two are complementary to each other, and both aid in increasing an agency's overall efficiency in different ways.

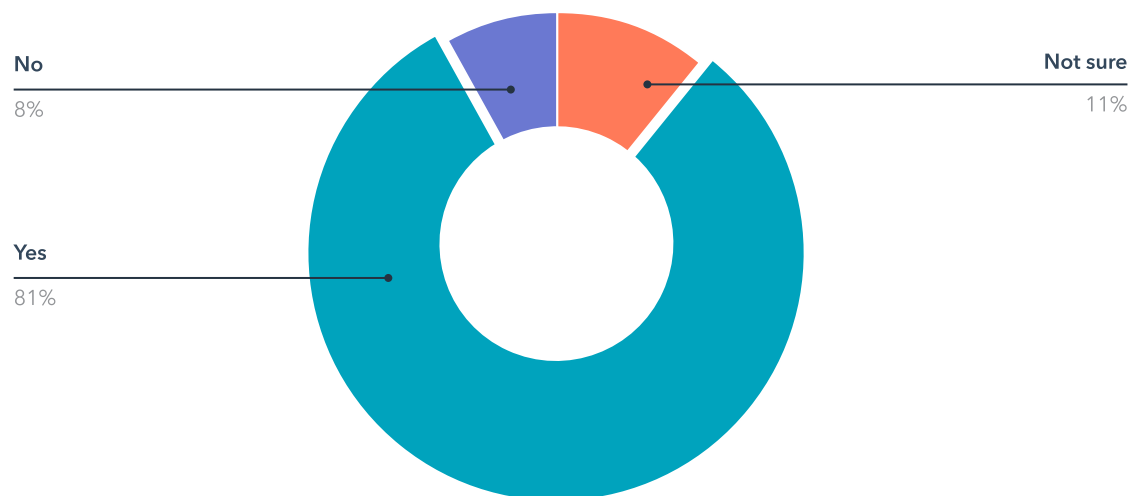
Of the agencies using CRM & Sales Automation tools, 81% of respondents said that implementing those tools has resulted in a more efficient sales process. So, why is that?

To find out, we asked agencies to think about their use of CRM & Sales Automation tools, and identify a statement that best reflects the tools' impact. 38% said that using these tools enable their sales managers and reps to have a better view, and control, of their pipeline. This highlights the importance of having visibility into your pipeline, and being able to identify where your prospects are in their buyer's journey.

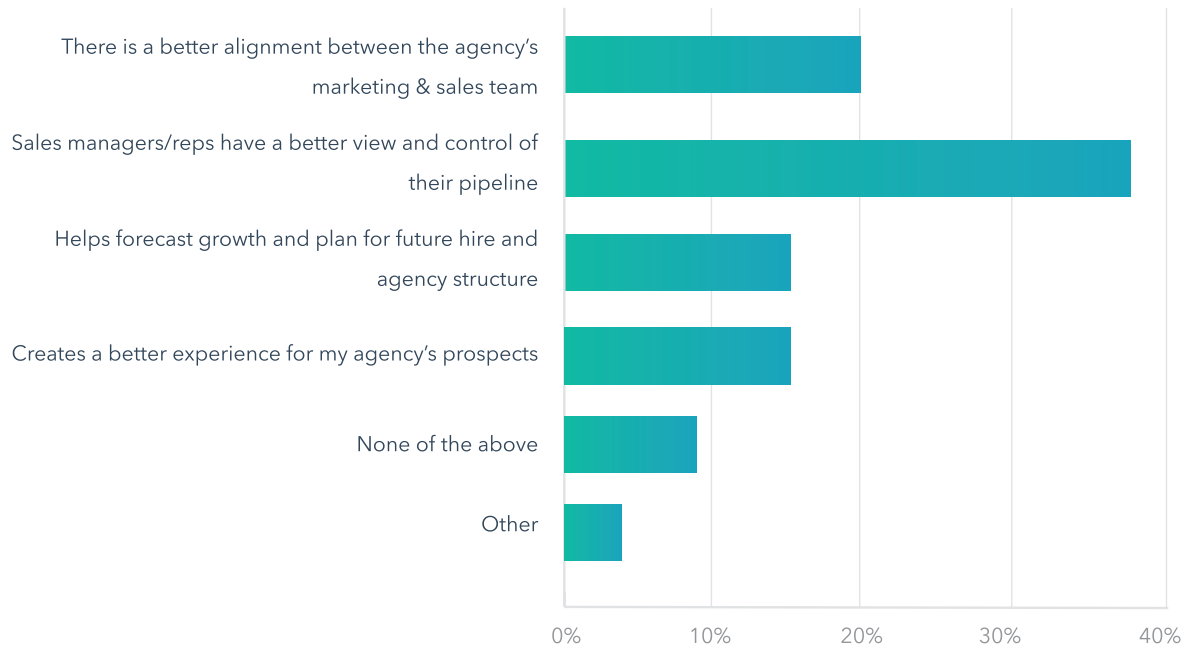
Does your agency use any of the following software to aid their sales process?



Would you say that implementing / using a CRM & Sales Automation has resulted in a more efficient sales process?



Thinking about your agency's use of CRM & Sales Automation tools, which of the following statement reflects the tools' impact?





# Prospecting as an Agency

06

# Prospecting as an Agency

## Reaching New Clients

No matter what line of business you're in, prospecting, or searching for potential clients in order to develop new business, can be tough. As an agency, you need to reach out to potential new clients in ways that are helpful, and show the value of your services without pitching too early on in the sales process.



**Mike Lieberman**

CEO at Square 2

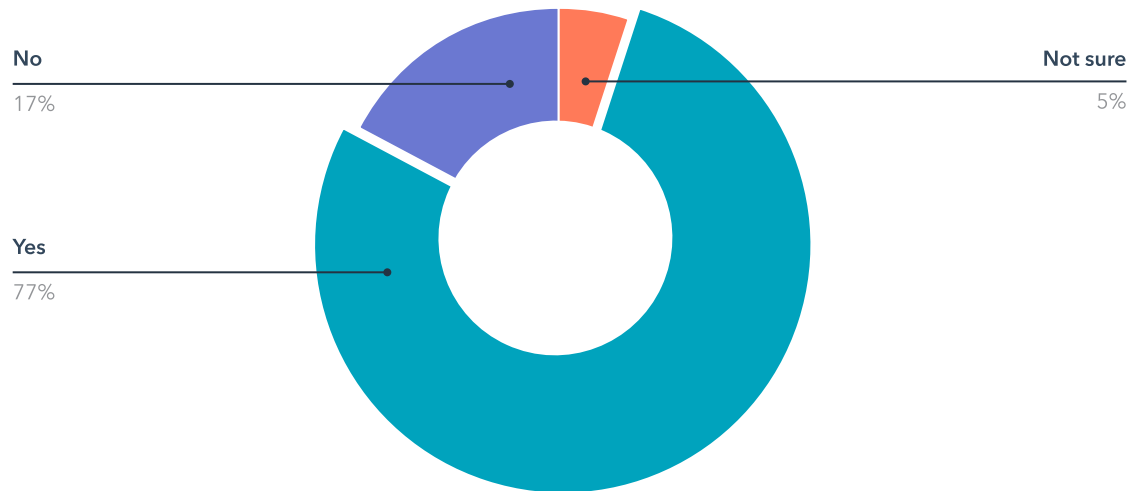


There is nothing traditional about the way people buy today, so it's not surprising that the traditional sales pitch is also dying. Today your prospects can find out anything they want about your business, so there is no reason to spend any time doing a capabilities presentation or traditional sales pitch. The people who win business do it throughout the entire prospect buyer journey. They engage and educate early, they make prospects feel safe during their sales process and at the end, they make it crystal clear how their prospect will realize their business outcomes. They tell great stories, they advise and guide, and they emotionally connect with their prospects. Winning new business is about the entire experience your prospects have with your company, not about a final deck, pitch or presentation.

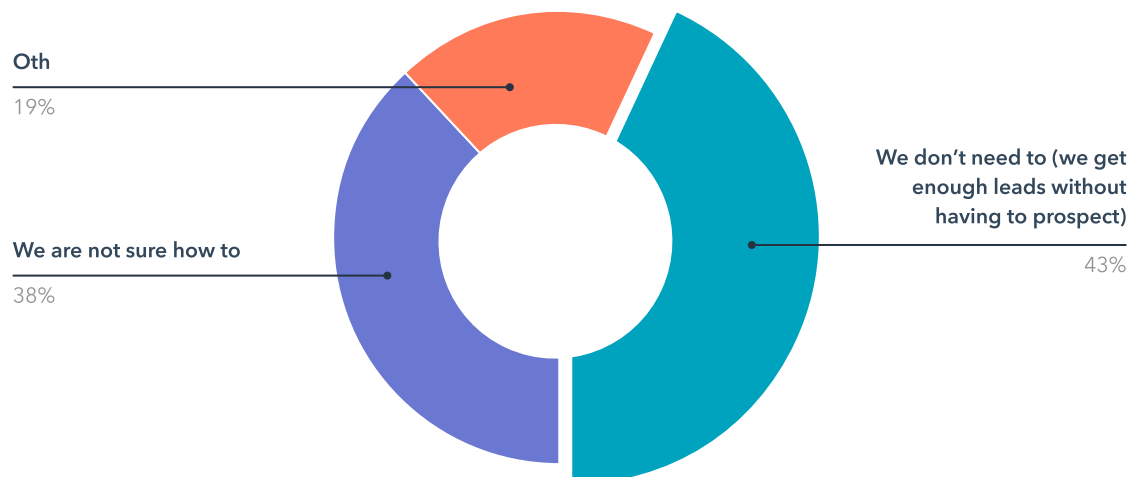
### But do all agencies prospect?

Nearly 78% of survey respondents, when asked if their agency prospects potential new clients, reported that they do. Of the agencies that don't prospect, 43% report that it is simply because they don't need to, and generate enough leads through their inbound marketing efforts.

### Is prospecting something that is done at your agency?



### Why does your agency not conduct prospecting?



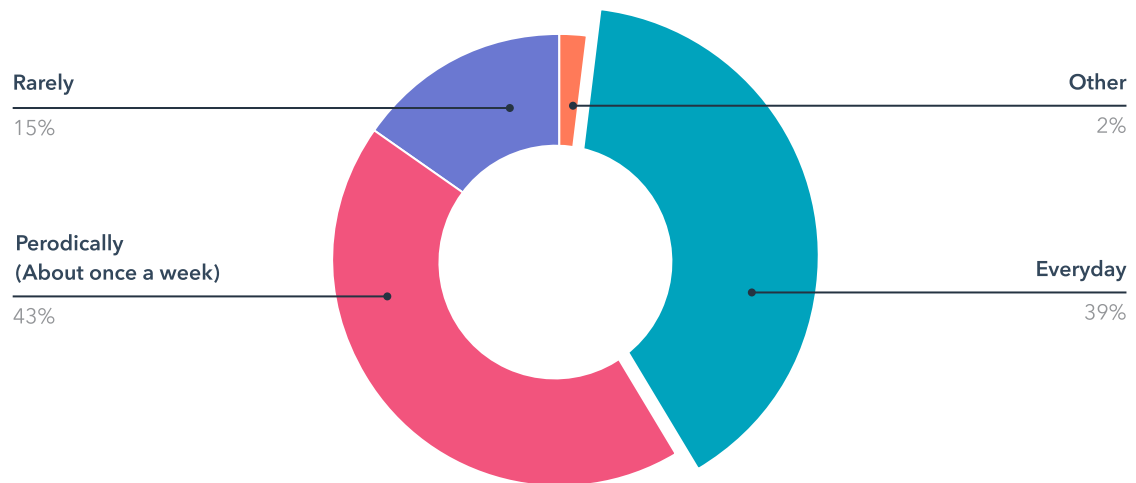
To dig in more on prospecting as an agency, we wanted to know what percentage of business development efforts is spent looking for new clients, versus expanding existing accounts. Agencies surveyed reported that an average of 51% of their time is dedicated to prospecting, showing a rather even split between finding new business and upselling current clients.

When asked how often they prospect, the answers break down in two interesting main response groups: 43% of agencies reported prospecting periodically, or about once per week, while 39%, reported prospecting every day.

For agencies that do prospect, this frequency shows both the importance of having

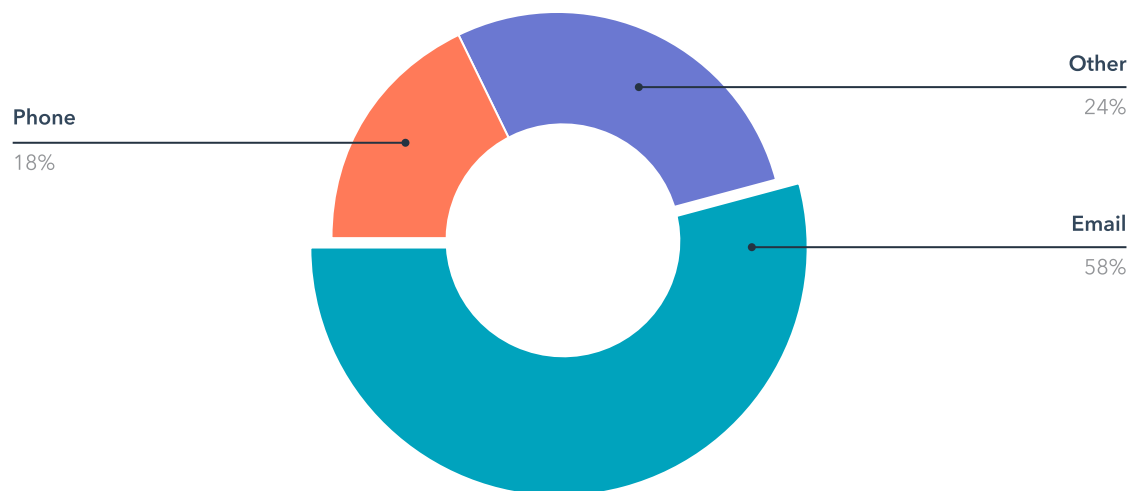
an effective approach to your prospecting, but also the value of having a well-rounded inbound marketing strategy that will allow you to spend less time looking for new clients, and more time closing new business or expanding your current client contracts.

### How often do you prospect for new business?



The source of prospecting is also worth noting. 58% of survey respondents reported email as the main channel they use for prospecting. Despite the common belief that email is not as effective as it used to be, this shows that email as a channel can still be highly effective for engaging new leads and driving growth for your business.

### Which channel do you use most to prospect?

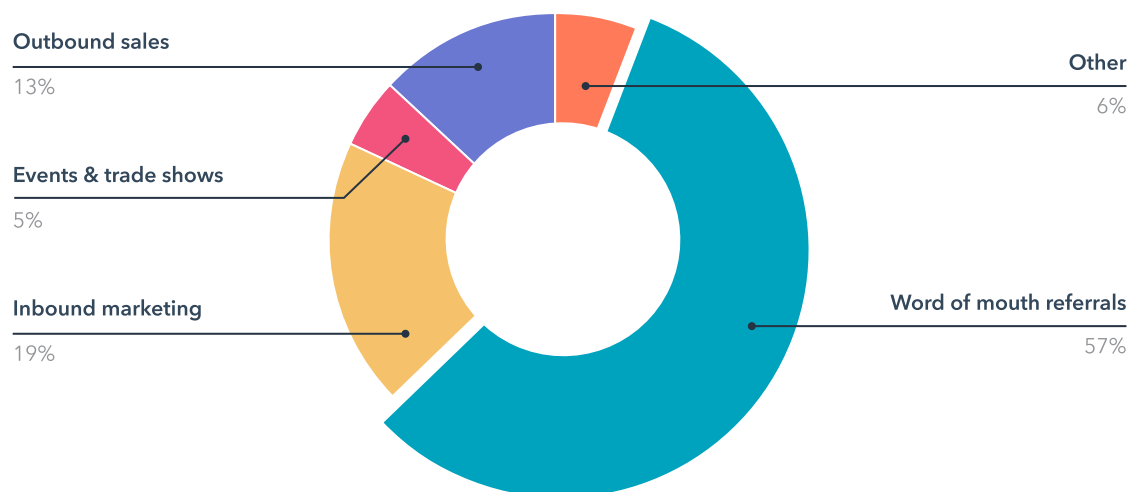


## Gaining Client Trust

Outside of their own prospecting efforts, word of mouth, or referrals, are a major source of leads for agencies. In fact, 57% of agencies reported referrals as their main driver of leads.

Today, word of mouth is the best marketing tool an agency can have. Prospects put their trust in their peers - much more so than they put their trust in sales and marketing teams. This shift in the way prospects engage with companies has vast implications for agencies. For example, having a strong presence online in agency directories, backed by positive reviews, can be a great way to encourage trust among both your current and potential clients.

### What is your biggest source of leads?



When you deliver on the promises of your proposals, turn your clients into advocates, and establish trust between your organization and your client base, you set yourself up for success and encourage positive referrals that can generate new business.



### **Bob Dearsley**

Chief Executive at The B2B Marketing Lab



WOM (word of mouth) is totally based upon reputation and network. You've got to work like hell on both. Without one or other you will fail! Almost 30 years of running an agency has taught me to take every opportunity to leave my desk and meet people, physically, as well as electronically! The best relationships are always forged face to face but connection and cross referrals are all part of generating referrals through known contacts of yours. We work constantly with our clients to connect with audiences through content marketing activity, but there's nothing as valuable as someone you know and trust saying "you should work with this company!"

## **Conclusion**

In our modern world, scaling a business has never been more difficult - and that idea rings true for agencies everywhere. Potential new clients are more informed, and more selective, than ever before. Agencies in particular face unique business challenges, from structuring your pricing strategy, to balancing project and retainer work, to scaling your service offerings and expanding your client portfolio.

But growth is not linear, and the way you overcome business challenges is as important for your agency as the wins you celebrate.

We hope that the insights from this report has been valuable when thinking about the sales processes at your own agency. As you look forward to the year ahead, we hope you'll take the findings and expert insights provided here to inform your own organization's processes, and execute a winning strategy that will help your agency grow better.



HubSpot