

# Isn't the new business agency dead?

We were talking to a prospect recently who said she wasn't surprised Rainmaker had come up with Blossom as an evolution of the new business support industry. "Isn't the new business agency dead in any case?" she asked. Though not strictly the sort of surgery question normally put to us, it certainly got us thinking on the point and on three issues in particular: What is a new business agency? What is the demand for it? And have marketing communications agencies honed their own new business processes to the degree that they no longer need externals?

## 'New Business Agency'

Sixteen years ago when the first new business agencies launched, the proposition was to "get on the phone for around just £4000 a month and get you lots of meetings with companies you can close into new wins." It was a compelling offer. Agencies with limited internal new business functions, and those who just wanted to test it out, queued up to try it - expectations all round were high.

Alas, it was too good to be true. After repeated placations along the lines of – "don't worry, it'll just take another few months" – many realised they were digging holes with no bottoms, so they stopped. But though the majority of clients failed to achieve return on their investments, a few of the early suppliers did find results with a minority. Brandishing these as case studies, a second wave of agencies was attracted on board. A similarly negative experience happened for most, yet with a small but growing number of success stories and fed by a constant stream of agency start-ups and people fresh to the experience, the new business agency sector began to flourish. Today, we believe the commercial tactics of many new business agencies, compounded with a naivety, or less than thorough approach to vetting suppliers on the part of some clients, has shaped the meaning of the phrase 'new business agency'.

This as a definition best fits a service model that in essence delivers telemarketing, but with increasing competitive pressures (as new business breakaways enter the supplier market) is often now embellished with 'technology' or 'consultancy' to enable points of difference and to present added value. These tactics don't in the main convince what is a cynical audience in many cases - one that views new business agencies as "basically all the same" – so that if I have to use one, I might as well use a cheap one. Therefore when the market does pay for new business agency services, it expects low, experimental fees and naturally more often than not, it is provided with a commensurate delivery. So there is a self-negating loop. People view new business agencies as risky and therefore want to

minimise exposure. In turn, new business agencies can't afford to offer much in the way of a genuine value-proposition, which supports the view that new business agencies are ineffective. Thus 'new business agency' means a bad thing. We believe it is up to the providers in the new business support sector to restrain from over-promising and short-changing clients, and up to clients to be more discerning. But it should be noted that not all 'new business agencies' supply the same thing or achieve their results in the same way.

## **Demand**

Demand for new business support services remains strong and when expectations have been quantified and understood, and a relationship set up on firm foundations with good levels of commitment on both sides, success levels can be fantastic. We have clients on as high as 80:1 ROI (gross) with 10:1 being typical. New business support provision can therefore work well – it doesn't matter what you call it – you just have to know the distinguishing features between the various models and look beyond superficial yet compelling promises. For example, yes Rainmaker uses the phone as an essential part of the mix, but it's the investment in planning and in its creative marketing abilities that really sets Rainmaker apart and makes it a low risk, high return solution. There is a demand for services that really do listen to how decision-makers want agencies to market themselves – to never 'sell', but to intelligently and imaginatively identify the specific business problems they face, and then build a case progressively as to why a particular agency provides the best possible solution. Inevitably this may take time and unfortunately strategic (and thus effective) new business activity can never be a low cost, quick fix solution. There is then on the one hand a demand for intelligent new business provision that works strategically, and on the other a demand for blunt telemarketing services that sometimes do work for a minority, but that also provide a cheap and easy option for new business directors under pressure for a quick fix. It can only be up to the internal culture of each agency to decide where it sits on this matter and how it wants its brand represented. It can only be up to the internal culture of each agency to decide where it sits on this matter and how it wants its brand represented.

On the third point, "have marketing communications agencies honed their own new business processes to the degree that they no longer need externals?" the answer is in many cases yes. The old, monolithic shops have many lean and mean alternative agency solutions biting at their heels. The established players have to respond and cannot rest on their laurels as the newcomers innovate and set different agenda. For both the old and the new, proactive marketing, done intelligently, long-term and with adequate commitment of time and resources, is the only logical course. It's plain there's not

only an appetite for this, but that agencies are getting better at doing it for themselves and this means internal provision in all areas is often the desired approach. However, as they become better at new business technique, they also increasingly understand how good external support augments and catalyses this activity. You may be interested to note however, that our business attitude - 'intelligent new business' – provides an internal solution, via Blossom, to help agencies do best practice new business for themselves without having to rely on external support. It is in the area of new business HR recruitment and training that they most struggle and so this is the area Blossom helps them with.

In conclusion, the new business agency isn't dead – but the concept is a maligned one. There are good ones and bad ones, and being business-marketing specialists, the bad ones are hardly going to make it easy for the client to determine which is which...