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Unlocking Untapped Growth: The Guide to Elevating Agency Management for 2024 and Beyond

2024 is shaping up to have economic uncertainty from those calling for economic growth to those that are predicting possible recession. With the economic ups and downs of the last few years, heading into another downturn could spell more budget cuts and layoffs for companies in many industries. Should these forecasts come true, agencies will find themselves fighting for smaller wallet share and mindshare from existing and potential clients.

In May 2023, an Adweek article covered a study by the Association of National Advertisers (ANA) that revealed that 82% of their members said they have an in-house creative agency. This figure is up from the 78% of member respondents that indicated so the last time the association surveyed in 2018. According to the survey, the top benefits of in-house agencies are:
• Cost efficiencies
• Better knowledge of brands
• Institutional knowledge
• Dedicated staff

As a point of reference, some of the companies represented on the board of the ANA include General Electric, Disney, Shell, Unilever, Chipotle, Goldman Sachs, Visa, Nestle, McDonald's, Lego, American Heart Association, AT&T, Kimberly-Clark, PepsiCo, Verizon, L'Oreal, Walmart, JPMorgan, GM, and other major brands.

More findings from the ANA survey note that 92 percent of respondents also work with one or more external agencies. The primary reasons they work with external agencies are the bandwidth of their in-house agency or additional services that in-house teams need help to achieve. However, 65 percent of respondents moved some established business that used to be handled by an external agency to their in-house agency. The primary services moved in-house were media and creative services.

The competition for these internal roles is likely more than in recent years, as a 2023 Chief Marketer survey indicated that the recent rounds of major layoffs across many industries impacted 27% of marketing departments. Additionally, a LinkedIn U.S. Work Confidence Index survey report published in January 2023 said 39% of the 21,000 respondents that were in marketing roles were concerned about budget cuts and/or layoffs.

The good news is that most layoffs, according to Chief Marketer in marketing, were in events and data and analytics roles. The Chief Marketer survey revealed for the marketing roles remaining there would be an increased focus on content/creative strategy, and content development. This parallels the ANA findings of companies taking a harder look at how to improve their creative and content capabilities.

In light of the above survey reports, companies in all industries will likely place much more scrutiny on agency partners to ensure they are providing timely and quality ROI that aligns with their brand while having stronger relationships with their service providers.

The marketing industry is an ever-evolving landscape marked by constant technological changes, consumer behavior, and market dynamics. Marketing agencies play a pivotal role in helping businesses navigate this complex terrain. Still, to thrive and prosper in 2024 and beyond, these agencies must embrace a new paradigm of agency management. This whitepaper delves into the strategies and insights necessary to unlock untapped growth, enabling agencies to achieve unparalleled success.

A Deeper Look at the Marketing Agency Industry Landscape

This section explores the state marketing profession and agency world. Workamajig asked its network of industry experts that are focused on helping agencies solve key business problems related to growth, profitability, and client relationships about their thoughts on 2023 and 2024. Here are some of the responses.

Karl Sakas, agency advisor at Sakas & Company

Karl is a fourth-generation business owner with over 20 years of consulting experience. He's worked as the #2 person at two digital marketing agencies and written extensively on how to run a better agency. Karl has authored over 400 articles on agency management and several books including Made to Lead: A Pocket Guide to Managing Marketing & Creative Teams. Get a free copy of his eBook, Don't Just Make the Logo Bigger: Taking Clients from Painful to Profitable when you sign up for the Sakas & Company newsletter.

The agency industry is struggling in 2023. Many clients are cutting agency budgets or firing incumbent agencies altogether. After their 2023 cutbacks, brands have a decision to make in 2024: Will they build their in-house teams, re-hire agencies, or do a mix of both?

Some clients will hire agencies for strategy advice, while keeping lower-value production work in-house. Other clients will shift production to lower-priced agencies. Smart brands will pay a premium for strategy advice, whether in-house or via agencies.

Clients are intrigued by the potential savings from automation and outsourcing, but it's unclear whether "more with less" will deliver the business results they expect.

Brands expect faster results, as they test new directions. Agencies can help with this, if they have the team and technology to handle the work.

Kimberly Fulwood, Founder & CEO at KF Strategies

As the Founder & CEO at KF Strategies, with over 25 years of experience in the marketing and advertising industry, a proven track record of solving common industry challenges and achieving tangible results Kimberley shares insights gained as we take a deeper look at the Marketing Agency Industry Landscape: Navigating Trends and Strategies for 2023 and beyond.

In the realm of influencer marketing, authenticity reigns supreme. The shift from celebrity endorsements to everyday, relatable influencers is noticeable. Take Darcy McQueeny, a TikTok sensation from Alabama, for instance. Her authentic product reviews resonate more with audiences than scripted celebrity endorsements. The key takeaway here is that consumers crave genuine connections with those they can relate to.

Where Marketers Can Make Better Use of Data

Every industry today is adapting how they approach internal, customer, and third-party data to solve key business problems. For agencies, operational data about their business performance includes finance and productivity. Additionally, data about how state of their client relationships can help agencies safeguard the achievement of annual revenue and profitability goals.

Data also helps marketers create properly focused campaign strategies and content to ensure successful campaigns and client satisfaction. The difference for some marketing agencies that win a new client could also hinge on the data they show clients in their new business presentations. This includes the ROI of previous projects and the data supporting the strategic campaign ideas they present to potential clients. The level of confidence a potential client feels about one agency's data over another may be the difference in winning and retaining business in 2024.

Agencies must show that their entire business cares about data, including social media, SEO, and email marketing, along with the technology solutions they use to capture, extract, and analyze data for their agency programs and services. If an agency has a great creative vision yet they are stuck in the 1990s or early 2000s with its technology stack and perspective on how to use data, then that agency could end up losing to a more tech-savvy and less creative agency because the client may want to ensure they have a more effortless and intelligent customer experience.

Embracing Digital Transformation

Heading into 2024, all the buzz is about generative AI. While it deserves consideration, GenAI is just one piece of a larger puzzle of how agencies must achieve meaningful and timely digital transformation. For agencies that need to catch up with digital transformation, they need to realize the competitive pressure they are facing and how technology plus their talent will be the key to a successful year. Technologies agencies must have as staples include CRM, reporting, finance, project management, and business intelligence solutions.

It may seem difficult to build his foundation because an agency could assume it will take significant time and resources to transition legacy business processes and practices into the digital age. If an agency is comfortable tracking paper expense reports, using Excel spreadsheets for project tracking, and managing antiquated online and offline means to monitor client interactions, it could seem like a big uphill battle to modernize. However, they may realize the benefits of growth, profitability, talent acquisition, employee retention, client acquisition and retention, and general brand strength that should spark action from agency owners and leadership teams. Beyond winning business, if a top talent is considering leaving another major marketing agency or corporation, they will not take their talent to an agency that makes their job slower and harder due to legacy technology and business processes. These top professionals will view legacy agency technologies and business processes as taking them away from the marketing activities that they do best.

Where should agencies start building this foundation?

The cloud. In any industry today, having a cloud strategy is a must. Besides the storage benefits of using cloud-based technology, the cloud enables agencies to experiment and test the right software that works best for their agency in a faster and more cost-effective manner than on-premises solutions can. Additionally, some clients may require specific security standards to win their business, and the cloud could be a means to accomplish this. Beyond the cloud, agencies should consider software integration or interoperability as an essential criterion for deploying solutions. The less work agencies have to spend on making disparate cloud software programs talk to each other, the more time they can spend on creative execution and new business.

A Workamajig Customer Success Story in Digital Transformation

Ten Adams is a leader in the healthcare marketing and consulting space. Few agencies can hold a candle to their long history or deep experience. One of their key differentiators is—and has always been—their ability to adapt and embrace digital transformation.

But when they first added Workamajig to their technology stack, they hit a snag. Ten Adams was still using manual spreadsheets for far too much of their workflow. Paying vendors was another time-consuming task. Manually printing, signing, and mailing out checks took at least two hours each week.

With Workamajig, Ten Adams had the potential to gather everything they needed in one place—projects, budgets, scheduling, reporting, and accounting. It opened the door for the team to work smarter instead of harder.

With the help of these consultants and Workamajig support, Ten Adams began implementing efficiency improvements and facilitating company-wide adoption.

Workamajig's FastPay integration makes paying vendor invoices quick and painless. Ten Adams' previous labor-intensive process has been replaced with the click of a button. According to Anna Jordan the Controller for Ten Adams, the most impactful part about using FastPay is just how easy it makes paying vendors.

Configurable reporting enables Ten Adams to quickly and accurately assess budgets, calculate project profitability, forecast revenue, manage resources and workloads, and more.

"We need to have this information all in one place because it's the most valuable way to look at the whole picture," Anna says.

Workamajig has also streamlined communication and collaboration.

"Instead of saying, 'Hey, check your email or Zoom or SharePoint, we can just look directly in the project and see what's going on," Anna says.

When Ten Adams began using Workamajig, they had a basic 10-person account. They now have 33 users, and Workamajig continues to scale with their needs.

Being able to see profitability by client or by project helps Ten Adams build toward future success and properly focus their efforts moving forward. Leadership members can view everything from resource utilization to cash flow with just a few simple clicks.

Having one integrated solution that offers all of this visibility, while simultaneously promoting team collaboration, gives Ten Adams a strong competitive advantage in a crowded marketplace.

[Read the full case study here](#).

Strengthening Client Relationships

In the fast-paced world of marketing and advertising, client relationships are the cornerstone of an agency's success. Not only do robust client relationships generate immediate revenue and new projects, but they also lay the foundation for long-term sustained growth and evolution, forming a mutually beneficial partnership that can endure market shifts and trends.

Understanding a client's objectives, preferences, and expectations is fundamental to a successful agency-client relationship. This understanding allows an agency to customize its services, strategies, and campaigns to meet the client's specific needs. It extends beyond industry knowledge to encompass a grasp of the client's brand identity, values, target audience, and business goals.

To achieve a deeper level of understanding, agencies can conduct thorough research, engage in meaningful conversations with clients, and analyze past campaigns. This comprehensive understanding enables agencies to align their strategies accurately, providing clients with tailor-made solutions that resonate with their unique vision and objectives.

Effective communication is the linchpin of any successful relationship, and it holds paramount importance in the agency-client dynamic. Transparent and open communication builds trust, encourages collaboration, and ensures that all parties are aligned with the project's progress. Regular updates, progress reports, and responsive channels of communication are vital to keeping clients informed and engaged.

Furthermore, personalized communication based on each client's preferences and communication style strengthens the relationship. Agencies can adapt their communication methods to suit individual clients, thereby enhancing the overall client experience and building a more solid foundation for the relationship.

Collaboration is at the heart of a fruitful agency-client partnership. When agencies and clients collaborate effectively, ideas synergize, and creativity blossoms. Each party brings its unique expertise to the table, contributing to the success of a project or campaign. Effective collaboration involves active listening, incorporating client feedback, and adapting strategies based on collective insights.

Collaboration tools and platforms facilitate seamless integration of ideas, reviews, and feedback, regardless of geographical locations. By fostering an environment where clients feel genuinely involved and valued in the creative process, agencies can enhance the quality of their deliverables and build lasting, trust-based relationships.

In the modern marketing landscape, reporting and performance tracking have evolved beyond mere numbers and statistics. Clients now expect comprehensive, insightful analyses that provide a clear understanding of the impact and outcomes of their marketing efforts. Detailed reporting that highlights key performance indicators, trends, and return on investment is crucial to demonstrating the value of the agency's work.

Transparency and accountability are paramount in building trust with clients. Agencies can present data in easily understandable formats and provide insights that align with the client's objectives. This level of transparency not only instills confidence in the agency's capabilities but also lays the groundwork for enduring partnerships.

Retaining clients is a linchpin of agency success. Satisfied clients are more likely to provide repeat business and refer others. Strong, long-term client relationships result in a stable revenue stream and a positive reputation in the industry.

Personalized service and attentive account management play pivotal roles in client retention. Understanding individual client needs, providing proactive solutions, and ensuring a seamless experience from start to finish fosters loyalty and solidifies the agency-client relationship.

Successful marketing agencies recognize that client relationships are the driving force behind their prosperity. Understanding the client, effective communication, collaboration, and transparent reporting are strategies vital to fostering strong connections with clients. By prioritizing client satisfaction and delivering exceptional service, agencies unlock new business opportunities and bolster long-term customer loyalty, securing a thriving future for both the agency and its clients. Here is some additional insights from industry expert **Karl Sakas, agency advisor at Sakas & Company**:

In my experience, CMOs talk about revenue attribution more than most agencies. Your clients want to know what activities drove which dollar of revenue. If you can't answer that question—and help clients make better forward-looking decisions—they'll leave for another agency, or take things in-house.

Position your agency as an expert at what you do, for your specific client industry. Even if clients aren't ready to buy now, your investment will pay off as you stay top-of-mind.

Fostering Creativity and Innovation

In the realm of modern marketing agencies, where creativity and innovation are the lifeblood, embracing end-to-end project management and leveraging business intelligence emerge as transformative catalysts. These technologies not only streamline operations but also nurture a culture of innovation within the agency. This section embarks on a journey to uncover how end-to-end project management and business intelligence tools propel cross-functional collaboration and empower teams to push the boundaries of creativity.

End-to-end project management tools are the cornerstone of efficient agency operations. They provide a holistic view of the entire project lifecycle, from inception to delivery, enabling seamless coordination and collaboration across teams. By centralizing project

information, assigning clear responsibilities, and establishing well-defined timelines, these tools enhance efficiency and productivity, allowing creative teams to dedicate more time and energy to their craft.

Moreover, these platforms encourage transparency and accountability by offering real-time updates on project progress, potential roadblocks, and resource allocation. This transparency cultivates a sense of collective responsibility, fostering a collaborative environment where teams are motivated to collectively drive projects forward. As a result, creative professionals can focus on ideation, experimentation, and innovation, knowing that the operational aspects are being effectively managed.

Business intelligence tools have become essential assets for modern marketing agencies. They leverage data analytics and insights to provide a deep understanding of market trends, consumer behavior, and the performance of campaigns. This data-driven approach enables agencies to make informed decisions, fine-tune strategies, and align creative concepts with consumer preferences.

By analyzing past campaign performances and identifying patterns, agencies can uncover valuable insights that drive creativity. These insights guide the development of marketing strategies that resonate with target audiences, enhancing the potential for success. As creative teams integrate these data-backed insights into their ideation process, they can craft campaigns that are not only innovative but also highly effective in achieving clients' goals.

As the landscape of marketing and advertising continues to evolve, agencies must adapt to stay ahead of the curve. End-to-end project management and business intelligence are not just tools; they represent a fundamental shift in how agencies approach their work. By embracing these technologies and nurturing a culture of collaboration and innovation, agencies are not only enhancing their operational efficiency but also solidifying their position as leaders in the industry.

In the future, we can anticipate a seamless integration of emerging technologies, such as artificial intelligence and machine learning, into end-to-end project management and business intelligence tools. These advancements will further enhance decision-making, automate routine tasks, and provide deeper insights, propelling agencies into a new era of unparalleled creativity and innovation. As agencies continue to harness the power of technology and collaboration, the possibilities for creative excellence and client success are boundless.

Workamajig has been ahead of the curve by empowering agencies to benefit from this combination with continued technological advancements for nearly 20 years.

Investing in Employee Development

In the dynamic world of marketing agencies, the real essence of strength lies within its people. It's the talent, creativity, and expertise of the workforce that propel an agency to success. The competition is fierce, the landscape constantly evolving, and to thrive, agencies must invest not only in cutting-edge technologies and strategies but also in the development of their human capital. Through strategic investments in employee growth, agencies can cultivate a workforce that is not only adept at tackling emerging challenges but also driving sustainable success.

To truly flourish, agencies need to possess a deep understanding of their team's capabilities and areas for improvement. Intelligent agency management involves leveraging data and insights to assess the skills and competencies of the workforce. This assessment identifies skill gaps and training needs, providing a roadmap for targeted development initiatives. Whether it's mastering new marketing technologies, enhancing communication skills, or refining project management abilities, these insights guide agencies in tailoring training programs that empower their teams.

By addressing skill gaps and fostering continuous learning, agencies enable their employees to remain competitive and relevant in a rapidly evolving industry. As employees upskill and adapt to new methodologies and technologies, they bring enhanced value to the agency and its clients.

Investing in the growth and development of employees is not just a benefit to the individual; it's a strategic imperative for agencies. An empowered and motivated workforce leads to increased productivity, better client outcomes, and enhanced employee retention. Employees who see their agency investing in their growth are more likely to stay and contribute their best efforts.

Furthermore, a culture of continuous learning and development creates a positive environment, encouraging collaboration and knowledge sharing.

When employees are given opportunities to expand their skill sets and knowledge base, they are more likely to contribute innovative ideas and creative solutions, thereby driving agency growth. The following is additional commentary from **Kelly Campbell, a High-Conscious Leadership Coach.**

Leadership style depends on multiple factors, but none more influential than childhood trauma and the extent to which it's been integrated (or not). It may not seem obvious, but our upbringing impacts our attachment style, whether or not we are people controllers or people-pleasers, and how we speak, act, and think within our leadership role. As we continue to collectively awaken in 2024, agency owners will need to become more conscious leaders, which begins with inner development work to increase self-awareness. In doing so, they will realize that instead of needing to have all the answers, a more effective approach is to trust, delegate, and rely on employees to help guide the organization well.

Employees have a choice in where they work and for whom. High-conscious agency owners who lead with integrity will be better situated to regulate their emotions and make sound decisions when economic, political, ecological, and social issues arise. That translates into less employee attrition, a more psychologically safe environment, and stronger teams. A focus on the triple bottom line—people, planet, and profit—will ensure values alignment to magnetize ideal clients and candidates alike. In short, agency leaders who show their humanity and "do the work" will effectively guide their teams in 2024 and well beyond.

Managing Resources Efficiently

In the intricate world of marketing agencies, the efficient allocation and management of resources are paramount to achieving and maintaining profitability. The competitive nature of the industry demands that agencies optimize every aspect of their operations, including budget allocation for customer projects and campaigns. This section explores the strategies that facilitate intelligent resource management, ensuring that resources are allocated judiciously to maximize impact. Additionally, we delve into the realm of streamlining internal processes and workflows, unveiling how intelligent agency management can minimize inefficiencies and elevate operational excellence.

Every project and campaign necessitates a judicious allocation of resources, especially finances. An agency's profitability hinges on the effective management of budgets, requiring careful consideration and strategic planning.

Intelligent resource management involves understanding the specific needs of each project, the target audience, and the expected outcomes. This understanding enables agencies to allocate budgets appropriately, channeling resources where they will have the most significant impact.

Strategies such as data analysis, historical performance reviews, and market research aid in precise budget forecasting. By leveraging these insights, agencies can tailor their spending plans, optimizing the use of available resources. This strategic approach not only ensures maximum impact but also cultivates trust and satisfaction with clients, contributing to long-term partnerships and increased profitability.

Operational efficiency is another linchpin of agency profitability. Streamlining internal processes and workflows can significantly impact an agency's bottom line by saving time, reducing errors, and enhancing overall productivity. Intelligent agency management involves identifying bottlenecks and unnecessary steps in existing processes and implementing solutions to streamline operations.

Automation of routine tasks, utilization of project management tools, and fostering a culture of collaboration are among the strategies that can streamline internal workflows. These measures empower teams to focus on value-adding activities, such as creativity and strategic planning, while minimizing time spent on administrative tasks. Here is some additional commentary from **Karl Sakas, agency advisor at Sakas & Company:**

"Even when your team is busy, don't stop self-marketing. Someone needs to own business development, whether it's the agency CEO or someone they've delegated to lead marketing, sales, and partnerships.

Reduce the need for future layoffs, by fixing Client Concentration (a single client producing more than 20% of the agency's revenue), through consistent business development efforts.

Reduce scope creep by diplomatically setting boundaries with clients, calling out when work is "strategically free," and addressing Client Dilution (too many small clients demanding more attention than they're paying to receive).

Meanwhile, use lulls in business to build or rebuild your internal processes and structure. When you have the right structure, winning new business is cause for celebration... rather than cause for panic.

IX. Setting, Measuring, and Analyzing Performance

Two industry experts provided their perspective on where agencies can improve goal setting, measurement, and analyzing business performance.

Karl Sakas, Agency Advisor at Sakas & Company

·   *Focus on both sales activities and sales results. Activities don't guarantee results, but results rarely happen without activities.*

·   *Sales activities include sending outbound messages, responding to inbound messages, doing exploratory sales calls, and sending proposals. Sales results include the proposal "win" rate, number of net new clients, net new revenue, and growth from existing clients.*

Vince Dong, Marketing Agency Industry Expert at AD-VICE

·   *Agencies could do a better job at keeping an eye on the financial KPIs of their shop and I am NOT referring to the balance sheet or the income statement at least monthly.*

·   *I have a small handful of clients that I claim as excellent stewards of their financial data and I am referring to the management reporting side, not the financial reporting side of the business.*

·   *For those of you desirous of improving the overall health and profitability of your agency or merely jealous at your competition actually preparing them for regular review, here is a small list of 2024 KPI's for your consideration.*

Client P&L trending by month; must include time at cost AND overhead. Which clients are making and losing money for you. Course correct where required and do not wait to do so.

- *Aim for 20% net profit per client.*

Labor costs relative to AGI trending by month in the Client P&L – monitoring staff time against monthly AGI get you to keep an eye on time at cost. Reduce time on clients where applicable.

- **_Aim_** *for 50% labor costs relative to AGI.*

Project type P&L's especially noting what kind of work earns and loses money.

- **_Aim_** *for 20% net profit per job.*

Employee utilization and realization – what are your annual hours goals per employee?

- **_Aim_** *for 75% utilization on staff.*
- **_Aim_** *for 100% realization relative to the utilization percentage.*

ROI on time spent on pitches vs. AGI won. Place an annual cap on new business. You must invest time into new business.

- **_Aim_**. *Review your last 5 years of billable time vs. your new business wins and take direction from there.*

Mitigating Risks and Challenges to Growth and Profit

Growth is often accompanied by challenges and risks. Experts Karl Sakas and Kimberly Fulwood weighed in on some of the most pressing risks and how to address them.

Karl Sakas, agency advisor at [Sakas & Company](#)

·   Agencies are an unusually tough business, due to how they typically handle the "feast or famine" cycle.

·   If agencies continue to see a slump in 2024, they'll need to restructure how to deliver work. This likely means layoffs, sooner rather than later.

·   If agencies see a new surge in client demand, they need to be ready to deliver the work.

·   It's time for agencies to consider—or expand—new delivery models. This may include a "lean" core team of strategists, account managers, and project managers—and then outsourced implementation work.

Kimberly Fulwood, Founder & CEO at KF Strategies

In this ever-evolving industry, adopting a growth mindset is the cornerstone of success. With the rapid pace of change, it's crucial for agencies to approach their strategies with foresight and a long-term perspective. Thoughtful planning becomes a powerful tool to position your agency for the future. Your strategic plan should guide your budget, ensuring that you allocate resources to embrace new technologies and forge partnerships that can amplify your capabilities.

I can't stress enough the importance of aligning your budget with your strategic plan. Many marketing leaders find themselves caught in a cycle of reactive marketing support, depleting their budgets on last-minute efforts. To break free from this, consider these strategies for robust budget planning in 2024:

- Proactive Resource Allocation: Allocate resources based on your long-term goals. If you're eyeing new technology or collaborations with external partners, earmark funds for these ventures.

- Future-Proofing Finances: Anticipate industry shifts and invest in skills development for your team. This will empower you to take on emerging trends and remain competitive.

- Agile Adaptability: While a solid plan is crucial, remain adaptable. The landscape can change, and your budget should have room for nimble adjustments.

Conclusion

As we conclude this whitepaper, we recapitulate the key insights and strategies outlined throughout its pages. The importance of adaptability and continuous improvement is underscored, highlighting how the strategies discussed have the potential to reshape growth and profitability for marketing agencies in the coming year. To embark on this transformative journey, agencies will be encouraged to explore and implement the capabilities of Workamajig, unlocking untapped potential and propelling themselves into a future of unprecedented success.