The Future Of The Agency Model

Welcome to this special edition of _The SoDA Report_ on the Future of the Agency Model, developed in partnership with Deltek.

We are thrilled to feature this report in a series of white papers released under _The SoDA Report On…_ moniker designed to conduct deep dives on a targeted issue which impacts the companies and people who are creating the future of marketing and digital experiences.

We're in an industry that prides itself on creativity and innovation; there's no one way to get the job done. However, we all understand that agencies must continuously adapt to continue being competitive and profitable. Clients are becoming increasingly impatient and want more momentum from the industry. If they don't receive high-quality output, and lots of it, they're willing to do it themselves.

But the future isn't as bleak as it seems. Agencies that respond to the future of work aren't likely to disappear. There's no crystal ball that can accurately predict exactly what the agency of the future will look like, but it could be significantly different to today's model.

Authors from Adrenalin, MediaMonks, Column Five, Reason and more share real-life examples of challenges, modifications, successes and tools to shed insight into best practices and designing the future of the agency model.

I'd like to thank the Deltek team for their continued support of SoDA and the SoDA Report series. To become a subscriber of The SoDA Report, please email SoDA (info@sodaspeaks.com) and we will ensure you have priority access to the release of upcoming editions. We hope you enjoy this report and, as always, welcome your feedback, ideas, and contributions for future editions.

Lakai Newman
Managing Editor and Head of Production, _The SoDA Report_

Louise Martens, MediaMonks

Meet and Beat Expectations Through Trust-Proven Models

Today, the sheer volume of assets has grown so much. Where brands once only had about four big moments a year to build content around, they now must turn around thousands of assets across languages, formats and channels. This growing need for content has radically redefined the expectations that brands have of their service partners, both production companies and digital partners alike.

Partners of the future must be more executional: more deliberate, more strategic, and function as true agents of change. But taking on these roles also requires that service partners manage client expectations effectively, especially when helping their clients scale up content and operations. Gone are the days of project-based work; now, partners and their clients flourish through long-term relationships and closer collaboration, ensuring expectations are met through transparency and project flexibility.

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The Traditional Agency Model Yields Distrust

When it comes to mishandled expectations, trust problems are often to blame. Over at Forbes, Avi Dan writes about how typical it is that partners stretch projects out for more billable hours, effectively feeding the meter through their timesheet-based models. "The system rewards richly those partners that find ways to keep the meter running, so to speak, or circumvent the audits by clients," he writes. "In fact, from time to time, partners have been required to return part of the compensation for padding up the bill…"

Even if you operate honestly, brands that have been burned in the past by unscrupulous actors might still mistrust your hourly model. A focus on charging by the hour might also leave your team members feeling like commoditized assets, reducing a sense of ownership and passion that might result in more rework (and, ironically, lost time).

This is why I'm proud to say that MediaMonks doesn't believe in the timesheet model. That's right: you can still keep projects grounded and organized without tracking time. So, what's the alternative? New models like in-housing and co-locating enable partners to give all stakeholders a seat at the table, ensuring processes, needs and goals are understood—and that everyone is on the same page.

Pave the Path to Shared Success

Just like any committed relationship, partners can build toward long-term success by first establishing where the brand stands now, and where they hope to be over time. Rather than pitch individual projects, partners should roadmap a strategy that succeeds in achieving a variety of goals, starting first with quick and easy wins and then laddering up from there through sprints. This way, you can manage client expectations and make progress on pre-defined tasks, while also providing room for flexibility.

This up-front planning saves time and eases friction later. Often, the demand for content is not in proportion with the budget that marketeers have to work with—a challenge that I'm sure any agency is familiar with. Through retainers or pre-approved buckets of 'burn' time, the scope of a given project is no longer a constant determining factor that negatively impacts the ambitions and the wishes of the client. This reduces friction by giving clients the space to breathe, grow and scale-up their aspirations, ultimately resulting in better quality (and more fulfilling) creative work, and always keeps the door open to achieve clients' aspirations if they can't realistically be met now.

Achieving Greater Efficiency with Models Built on Trust

A relationship built on shared success also ensures that both parties work to ease efficiency, meaning projects stay on-track and mitigate the risk of falling outside of expectations. For example, you have the opportunity to future-proof systems and workflows for a better output. When clients' problems become your own problems, you gain an entirely different perspective compared to the typical client/ agency relationship. Whether through retainer or an embedded team model, there

are several ways that partners can experiment with building in efficiencies to ensure projects stay on-track (or are prepared to pivot should a challenge or new opportunity arise).

Ultimately, managing client expectations is a matter or managing their trust in your team. To keep in check with the expectations of today's clients, partners must adapt by breaking down the typical barriers present in the traditional client-agency relationship. Doing so will enable you to achieve a higher quality of work through a shared sense of ownership and success.

About the Author: Based in Los Angeles, Louise Martens is the Global Head of Embedded Production at MediaMonks, where she currently leads cross-continental teams of digital talent. She is a solution architect for global content operations and strategy, helping global organizations achieve creative and operational efficiency at scale and across borders. A seasoned digital producer herself, Martens understands how technology can augment the power creative, and applies those skills to help brands anticipate and adapt to key marketing challenges.

Katy French, Column Five

How to Manage Client Expectations & Build Stronger Relationships

Strong relationships are the key to long-term success for both agencies and clients. While transactional work (the one-and-done type) is pervasive, it can be restricting and limited. You can serve a client's needs, yes, but you can't cultivate the collaborative creative partnerships that allow for the best big-picture work.

That's why it's important to focus on relationship-building from the jump. When it comes to the client-agency dynamics, there are a myriad of ways that relationships allow for better work—no matter the client, no matter the project.

1. You have an intimate understanding of the brand, so the work is more consistent and cohesive, and truly serves the long-term brand strategy.
2. You can poke holes, spot gaps, and identify opportunities that the client may not have considered.
3. You have the rapport necessary to push each other to grow, critique, experiment, and be more ambitious.
4. You can often work quicker and more efficiently, without having to onboard or go through the "getting to know you" phase.

Like any relationship, the more you know someone, the more you can understand, identify, and anticipate their needs. And, like any healthy relationship, the more valued and respected both sides feel, the more likely you are to stay in the relationship.

So, while not every client may become a years-long relationship, you can (and should) do your best to cultivate a strong relationship from day one. The best way to do that? Manage client expectations at every stage of the process.

7 Tips to Manage Client Expectations

We've worked with plenty of brands and created thousands of projects over the last decade, and each has been a unique experience. In that time, we've learned a few things the good way (and the really hard way) about building and maintaining relationships. And when it comes down to it, the biggest lesson we've learned is that it's about proactive communication, education, and action. Thus, we've rounded up some of our best tips to help you do this in both small and big ways throughout the course of your engagement.

Tip #1: Share your creative philosophy.

There is a reason why you approach things the way you do. Share this up front so that they understand why you might question an idea down the road, or make a certain creative recommendation. Not only is this a great way for them to get to know you, it also brings clarity, demonstrates transparency, and helps you justify your decisions at every stage.

Tip #2: Brief them on the process—and the role they play in it.

Explain not just what you'll do but why it matters. This can help prevent a lot of frustration down the road (e.g., when you're waiting for overdue edits). Break down the process and explain the importance of each stage, as well as the client's role. This reminds them that their participation is crucial to make things go smoothly. This also helps you identify and clarity timelines, tasks, to dos, and other roadblocks that may arise ahead of time.

Tip #3: Encourage questions on both sides.

Nobody wants to look dumb, but not being on the same page only causes more resentments and frustrations. You may need them to clarify what their business does in more detail, or you might encourage them to ask about the little stuff (e.g., do you prefer Word Docs or Google Docs?). These may seem like silly questions, but 9 times out of 10 they make everyone's lives easier.

To break the ice, here are 7 great questions they can ask (or you can answer) before you start your engagement.

Tip #4: Talk about how you prefer to communicate.

A good relationship is all about communication. But what we often forget is that

we all communicate differently. Maybe you get annoyed with someone's over-questioning. Maybe they get frustrated by your lack of explanation. Maybe you're an email-only person working with a caller, but they work better with their whole team in one room.

Address these issues up top so that everyone understands the dynamic and no one is caught off guard. For example, if your agency doesn't communicate outside of standard business hours, make sure they know that.

Side note: You might also want to learn about the 4 different types of creative thinkers to get more insight into why some people communicate in a certain way. (It might completely change the way you interact with your own team, too.)

Tip #5: Dive into each other's brands.

In some ways you know each other's brands because you've read creative briefs or mission statements. But a brand is the composite of many things. It's the people behind the brand, the work they do, the way they speak, the values they hold, etc. To get a sense of this, invest time in getting to know the brand up close and personal.

- **Learn about their culture—and share yours.** This will give you a sense of who you're working with. (For example, we like to let people into our world by sharing behind-the-scenes looks at our office, as well as our team's best tips for bonding and creativity.)
- **Follow them on social.** Do they share lots of tips on Twitter? Goof off on Instagram? These are all great places to keep up with their team and their work.
- **Subscribe to their newsletter or email marketing.** Keeping up with what they're doing might help you identify good collaborative opportunities in the future.

Tip #6: Celebrate good work.

No one likes being treated like a gun for hire. That's why approaching creative work as a transactional relationship, with little acknowledgement of each other's talents and contributions, does nothing but weaken your relationship.

We've experienced this first-hand, which is why we're adamant about recognizing good work—no matter whose it is.

If a partner found a great piece of music for a video, we cheers to it. If we knocked out a slick animation under a time crunch, we appreciate a pat on the back. That doesn't mean either side is needy; it's just an expression of our commitment to each other. It's also smart to share helpful tips and tricks, too. We all want to work smarter, not harder. If you've found something useful, share it with everyone.

Tip #7: Stay in touch.

Just because your project may be done doesn't mean you won't work together again. A good agency is always thinking about how to help their clients succeed, so keeping open lines of communication is always beneficial.

A client might share some inspiring piece of work with your agency. Your agency might send over an interesting article about something in a brand's industry. (We still trade GIFS and inside jokes with clients we haven't worked with for a while. Even though we may not be collaborating right now, it helps us maintain our camaraderie.)

This symbiotic relationship keeps the wheels turning on both sides, and that only helps create better content in the long run.

Remember: Relationships Above All Else

Not every client will turn into a long-term relationship—and you may not want each one to. But implementing these tips will help you set yourself up for success for every project you take on, whether they become a years-long partnership or not. The more you can approach your work with a sense of camaraderie and collaboration, the better everyone's experience will be.

About the Author: Katy French writes about visual content, content marketing, and data visualization. She also tells jokes on stage sometimes. Follow her on Twitter @katyifrench

Nancy Murray, Deltek

Level Up Your
Agency in 2020

Congratulations! As an agency leader, you have decided to sign up for a business marathon. Now, let's assess your agency's maturity fitness level and take steps to right-scale business to support values and culture.

Culture is a commitment to excellence. A right "scaled" culture leads to greater efficiency and increased performance. Managing SCALE is leadership's finest challenge and leads to elevated agency maturity. To have the ability to leverage technology & successfully achieve real-time insightfulness, there are four levels of maturity to consider, with Level 4 being the ultimate goal:

- **Level 4** - Optimization
- **Level 3** - Proactive business KPIs
- **Level 2** - Proactive projects
- **Level 1** - Manual multiplicity

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This maturity model will organize a sense of truth and clarity with the ability to manage projects, people and insightfully look at your budgets and actuals in real-time. This is not a novelty concept. Ask yourself when considering your level, "Can I get the information I need in five minutes?"

Level 1 means to recognize that manually crafted spreadsheets, multiple software systems that don't "talk" to one another, post-it notes, firefighting deadlines, reactionary mode just won't cut it, especially if you are still using emails to collaborate... in 2020.

As an agency leader, it is your responsibility to define that training plan and provide the right coaching and systems to Level Up to proactivity. We expect streamlined cool-ness when working with an agency and emails just won't cut it.

Leveling Up to **Level 2** is already a huge improvement for the business. Proactive projects will lead you to the natural evolution of **Level 3** with a proactive view of the business from various angles: categories, specialties, companies, monetary currency, people currency & much more. We are starting to look for radical truth, transparency and thinking about being ready for a marathon, business-fitness wise. It also means that at any point, your friends can call you to come run a half with them anytime and you are ready. You are FIT.

4	Optimized Profitability	• Workload + Culture balance • Proactive people planning • People development ++ enhanced happiness 😊
3	Biz KPIs	• Real-time department & agency KPI's • Resource planning, optimizing utilization • CRM + Forecasting
2	Proactivity: People + PM	• Budget vs Actuals in real-time • Fully integrated projects + finance • Consistent agency reporting
1	Manual multiplicity	• Multiple spreadsheets + random software tools • Firefighting deadlines • Collaborate using email

Level 4 is where your nurture and optimize. You are thinking that qualifying for the Boston Marathon is achievable and remain in your line of sight. Thinking about each person in the agency as being the best that they can be, to elevate themselves to their very own next level, to learn, to want to have and leave their prints on your agency. This is a huge win with our generational landscape, as Millennials value flexibility and self-optimization over traditional benefits. Moreover, yes, you can easily get any piece of data about your business and formulate a consensus in under five minutes.

Universally, we have one chance of making a first impression. Principals have the responsibility to deploy embraceable tools to support talent - to not only excel on a project-per-project basis, but also give them a fair chance to run a "personal best."

The hardest part was to sign up for that business marathon in the first place.

About the Author: Nancy Murray has a more than 20-year comprehensive background in radio/ broadcast, enterprise-level organizations, agencies as well as worldwide technology transformations. She is dedicated to exceptional data intelligence and best-in-class product delivery to service-driven agencies.

Adam Hale, Summit CPA Group

5 Ways for Agencies to Handle Consistently Late Paying Clients

Have you ever had a client pay you after the due date on their invoice? Has it happened more than once with the same client? What about multiple clients?

Chronically late-paying clients can be a burden on your cash flow and can put your agency at risk. According to the Small Business Association (SBA), 30% of businesses fail in their first two years and 50% within 5 years. The second leading cause of failure for new businesses is that they run out of cash. The key to the success of your agency is to learn how to manage and maximize the cash flow in your business, and the timing of collecting payments from your clients can have a huge impact on your bottom line.

The following chart illustrates the difference between a 60-day accounts receivable cycle versus 45 days versus 15 days. This example shows that adjusting the payment expectation and strengthening the collection policy can increase cash from negative $30,000 at the 60-day mark to $50,000 in the bank with a 45-day cycle. Tightening that even more with a 15-day cycle can increase cash by $280,000 in just four months.

It's important to note here that we didn't increase prices or our revenue volume. **The only thing that changed was the payment terms and tighter policy enforcement.**

ACCELERATING COLLECTIONS OF ACCOUNTS RECEIVABLE

Legend:
- 60 DAY AR TURN
- 45 DAY AR TURN
- 15 DAY AR TURN
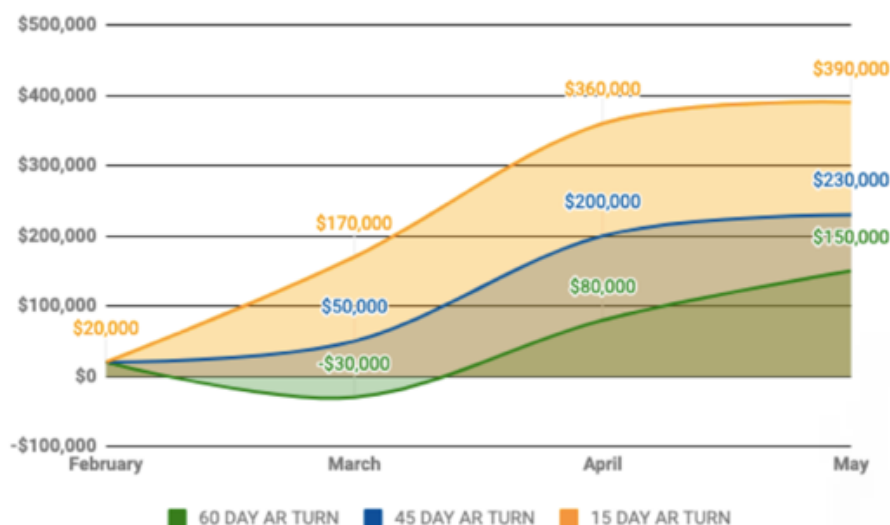
So, how do you handle your agency clients who consistently pay late?

Enforcing a payment policy can be tough as an agency owner. You don't want to lose the client or the revenue, but you can't work for free either. Chronically late-paying clients know this on some level, even if they're being obstinate. Here are five simple steps for training clients to pay on time, leading to increased profitability in your agency:

1) Make sure your payment terms are clear. Payment due dates and late penalties need to be well-established. These should be communicated with new clients upfront. For existing clients who are paying late, re-iterate your payment terms and penalties.

2) Offer early pay discounts. Some enterprise or large companies are required to take discounts when offered. Consider offering a discount of 1-2% for clients who pay 10 days or more before the due date. You will also want to require these early payments are made by ACH to ensure they are received early. By offering a discount and controlling the payment method, it's a win-win for both you and the client.

3) Connect the right people. You want to be sure to introduce the key players to one another when it comes to the payment process. The person issuing the invoices on your side needs to be properly connected with the person making the payments on the client side. This relationship should be established from the very beginning. When you introduce the two, you can also take the opportunity to work out any process details that will enable you to receive payments from the new client as quickly as possible. For example, if you know the client cuts checks monthly on the 15th, make sure your AR process is set up to issue their invoices prior to the 15th. Issuing the invoice after the 15th will result in a delay of up to a month before you get paid.

4) Follow up immediately on late payments. Reach out to new clients 15 days before their first invoice date to check in and proactively work out any issues that may affect the receipt of the invoice. This is not a collection call and you don't need to do this after the first cycle. It's simply a courtesy and ensures you and the client are both on the same page.

After that, if your due date was clear and you have a client who misses the deadline, you need to then follow up with them immediately. Give them a call within a few days of the missed deadline to make sure they received the invoice. You can give them the benefit of the doubt at first; maybe the invoice got stuck in somebody's inbox. But you don't want to wait 45 days to find out that the invoice wasn't received for some reason.

5) Enforce your policy. When the expectations are clear and you've done your due diligence following up with the client, it's time to enforce your late payment policy. One way to do that is by charging a penalty fee. If you do have a late payment fee, you might waive that for new clients one time as a courtesy but after that, it becomes a matter of training your client to pay you on time. Another way is to halt work for the client. We've found that it's usually more effective to stop work with the client than it is to collect a late payment fee. Again, it's important to ensure the terms are clear and transparent.

More than likely at some point, if you haven't already, you will encounter a client who needs to be trained to pay you on time. These five steps will help you establish healthy boundaries with the client while also protecting your cash flow. Consistency is the key to timely cash flow. Ultimately, the financial well-being of your agency relies on your ability to collect payments from clients promptly. Whether your payment cycle is 60 days, 45 days or 15 days, it's imperative that the payments are collected on time.

About the Author: *Co-Founder & COO of Summit CPA, Adam's primary focus is on coaching his team and other accounting firms on delivering Virtual CFO Services. He graduated from Indiana University with a Bachelor of Science degree in Accounting, an Associate's in Business Management and a minor in Communications.*

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For the full SoDA Report On... The Future of the Agency Model visit www.sodareporton.com.

Bernie Johnson, Adrenalin

Team Happiness –
Our Greatest Investment

At Adrenalin we understand that we are only as good as the people we employ, that's why we invest-in, train and develop our team to nurture a culture which rewards excellence, innovation and creativity.

As a 50-person digital agency, we're still comparatively small when it comes to size.

It's always been challenging trying to compete head-to-head with the bigger companies (both agency and client-side) on extrinsic staff benefits alone—think pay raises, bonuses and other financial rewards. Years ago, we tried with limited success. Over recent years however, we've been focusing more on the power of intrinsic value—creating meaning and purpose at work—to help build a reputation as an employer-of-choice for both new and existing talent.

We've done this through a carefully crafted placement strategy and a commitment to making our employees feel that they're valued and are a crucial part of the company's success. With a determination to attract and retain exceptional talent,

we aim to provide an inspiring environment for staff where they are encouraged to think heroically and arrive at work each day with a curious mind. That being said, a competitive salary and solid perks are still pretty important. Free beer helps enormously, too.

We've had plenty of experience over the years using recruitment companies—most of which we'd rather forget—so we developed an internal talent and retention strategy at Adrenalin which is built across four key pillars.

Become a Lighthouse Brand for Talent Search

This is about positioning the agency as not just an awesome place to work, but a place full of smart people committed to creating incredible work.

- **Content Marketing** – through a robust content strategy across LinkedIn, Facebook, Instagram and editorial in industry press, we candidly promote the agency's work, award successes and our inclusive culture to prospective candidates. By aggressively promoting thought-leadership content pieces across all channels we look to cement the agency as an industry pioneer and digital employer-of-choice.

- **Events** – we have been running a bi-monthly industry event series '#AdrenalinSessions' which sees us host digital experts from leading companies (Facebook, HuffPost, Qantas, Adobe) speaking on topics ranging from female leadership to essential design skills. Through remarketing and personalized EDMs, we use these events to target potential employees and build the agency's profile amongst recruits.

- **Partnerships** – we have developed strong partnerships with local educational institutions and universities including University of New South Wales and University of Technology which have provided opportunities for Adrenalin staff to speak at events, helping to promote the agency to graduate-level students.

Recognize that Retention starts with Recruitment

For all job openings at Adrenalin, we have an extremely rigorous review and assessment process, which sees less than 10% of applicants progress to a first-round interview stage. Shortlisted candidates are then invited to undertake a Behavioural Profiling Assessment which helps determine cognitive skills, leadership style, emotional intelligence and aptitude. We utilise the insights to ensure we provide the most efficient and empowering work environment.

After a second-round interview and a technical skills exam, the final recruitment step is a "Chemistry Session" held at a café or pub between the candidate and 2 – 3 members of the team. The conversational environment enables both parties to gauge personality and cultural fit and also helps new-starters feel less like a stranger on their first day.

On arrival, all new staff receive a welcome box including Adrenalin-branded kit, branded stationary, a personalised mug and treats. When then have "What the Friday!" drinks where five existing team members are tasked with giving a 'virtual gift'

to the new starter ("here's a ticket to Coachella with first-class flights!")—it's a fun way for everyone to get to know the new team member. Management and HR also schedule weekly check-ins with new starts for the first 2-months to answer questions and help with the on-boarding process

Build a Culture of Performance

All our staff are provided with individual Personal Development Programs which outline clear paths to advancement & promotion. Our performance culture is built on a foundation of quarterly personal development plans, undertaken as part of 360-degree performance reviews; staff are given the opportunity to review not only their own performance, but also evaluate both peer and management performance.

We offer our staff unlimited access to industry training & professional development programs, which saw over $150K invested over the past 12-months. Our commitment to staff training is reflected in our high (86%) staff retention rate and average staff tenure of almost 4 years.

With every new opening we first look to promote from within. We amplify new roles by encouraging staff to share jobs with their networks. Our "Employee Referral Program" also pays referring staff a $2,000 bonus.

For an agency that focuses so heavily on Customer Experience (CX), we also recently started tracking Employee Experience (EX) and it's been an incredibly insightful metric to help build engagement, enthusiasm and involvement with our team.

Offer the Right Benefits

Other initiatives that help contribute to our highly engaged team include:

- **Social Conscience Program** which provides staff with paid days to volunteer at charities and causes-for-good, such as cooking for the underprivileged, fundraising for UNICEF and selling Big Issue magazines on the street to raise money for the homeless.

- **Employee Health & Wellbeing Program** including:
  - Free Fitbit for every employee
  - Regular shoulder massages from 3-Minute-Angels
  - Unlimited fruit & healthy snacks
  - Work-from-home & flexible hours accommodating exercise & child care

- **Paid Paternity Leave Program** – Adrenalin is one of the few small independent agencies leading the way with our 8-week Paid Maternity Leave and 2-week Paid Paternity Leave program

- **Team-building activities** including trampoline dodgeball, escape rooms, cooking, ten-pin bowling, lawn bowls, laser tag and more

- **'Adrenniversaries'** – Bottle of Veuve for every 12-month anniversary

- **Staff birthday day-off**

- **Monthly staff breakfasts & pub lunches**, paid for by the company

- **Friday drinks at the office** complete with a fully stocked bar

- **Annual offsite strategy trip** for staff which has included winery tours and stand-up paddle boarding tours

Diversity is also ingrained in our mentality and woven into our culture of inclusiveness. Adrenalin is made up of people from 14 countries. We are working towards a 50:50 gender split by the end of 2020 (currently 44:56). 75% of our creative team are female and 45% of women across the agency hold senior and leadership roles. We also take part in the Agency Circle diversity survey that seeks to track and improve diversity standards industry-wide.

By enabling and promoting a culture of collaboration, continuous learning and curiosity within the agency, we deliver better work for our clients and have seen much higher levels of engagement and productivity. But the best outcome of all is that we have really bloody happy staff—and it's hard to put a price on that.

__About the Author:__ In 2004, armed with a passion for big brands and online marketing, Bernie Johnson recognised the potential for Australian digital marketing to be at the forefront of the world in terms of innovation, technology and customer engagement. He established digital media agency Adrenalin Media in the same year and is currently a Director at the company. Before this, Bernie held investment banking positions at Credit Suisse and Deutsche Bank in the UK where he managed a number of IT projects across London and New York. Bernie holds a Bachelor of Business (Marketing) from the University of Technology Sydney and in 2011 completed a MBA through the Australian School of Business (UNSW).

Michael Dingle, Reason

Three Learnings When Kicking Off A Project

At Reason, it's our business to deliver successful digital projects. For us, kicking off is the most important part of the journey; miss the mark and you are playing catch up and putting out fires from day one.

We are hyper-conscious of the human factors of any project and are constantly exploring ways to ensure an efficient and human-shaped start to projects. Below are some of the approaches we like using; special thanks to Greg Morell and the team at Agency Agile for being a huge influence on this.

1 - This team, has most likely never worked together.

Quite often agency, client and stakeholders will not have worked together before as a unit. This coming together of people will be the biggest influencer of project success. Addressing it directly can be hard, when we talk about risks, we generally talk about dependencies, scaling issues, or complexity we very rarely discuss 'will this team get along.'

The success of any project no matter how large or small is 100% reliant on the team working well together.

Briefs don't help the situation; they are created in isolation of software delivery and generally not written by the people who will be working on the project. So rather than taking a brief, we co-author a project charter. Using a simple 5 step framework covering Vision, Key Behaviours, Platform & Approach, Questions and Success Definition, the team (client and agency) authors a document in partnership.

The principles behind this are:

- The scope is written by agreement from all parties, leaving no one to take the fall individually
- Everything is discussed and agreed by all elements of the team at the outset rather than "thrown over the wall" weeks into the project
- If you want to include something, you write it yourself - as TLC (nearly) said 'no scribes'

We use the output of this session as a project charter to guide us throughout the project.

2 - Understanding how long a task will take depends on perspective.

"A login form takes HOW long?"

The key take-away from this tip is to encourage everyone to listen to each other's requirements: you are only as fast as your slowest member.

One of the things that has never sat right with me about pure Agile software development is the idea that we start with a fully fledged, prioritised backlog that lives in Jira/Trello/ a Spreadsheet and just appears out of mid-air just in time for the project kick-off. At Reason we champion Lean, Agile, autonomous cross-functional teams. The nature of these teams means there is a varied skill set with different experience amongst the members. We humans have a natural inclination to underestimate what we don't understand and can therefore find it hard to believe that certain aspects of a project will take so long.

The new project team must develop clarity around the effort that goes into each part of the project as well as build trust in team members' expertise in their fields. Starting with the project charter, the team responsible for delivering the project create a physical board that covers all of the capabilities required to deliver this vision. Team members draw out success criteria for each capability.

3 - Our memories are crap.

How many times have you walked out of a meeting certain that everyone is in alignment and was nodding vigorously, only to open your emails to a thread full of arguments over conflicting views? Our brains are tuned only to remember what we already deem important in conversations. We are not wired to remember conversational details, spreadsheet rows or Jira tickets, our brains are designed to

remember spatial things.

Fun Fact: Using a visualisation process called 'the memory palace' allows us to use familiar information about our spatial environment to quickly and efficiently recall abstract information.

Use physical cards to build the backlog. This way, the team is able to create a physical picture in their mind of what the project entails, and as the project moves forward they remember decisions in relation to where they were on the board, rather than who said what.

We use a physical scope line to move success criteria, user stories and sometimes even epics out of scope. By making this evident in the spatial world, there is no confusion about what is in and out of scope. Anyone can do this but to move it below the line, there has to be justification and agreement.

Together, we have built a backlog that is full of goals (epics), capabilities (stories) and success criteria for each, created and agreed by the people responsible for delivering it.

Bonus Tip: Be transparent

The upshot of this process is transparency. From the outset, everyone from engineer to project sponsor can see how and where the budget is being spent. As a services business, it allows Reason to have conversations with our clients about value; 'if this was my money, here is where I would spend it.' It also creates a clear expectation, shared by both agency and client teams, about where there may be need to deprioritise, descope or rethink elements of the project that have high time requirements but low value outcomes.

This process might mean you ask for more of everyone's time kicking off a project, but the pay-off is a much smoother road to the success of a project. We call this 'start slow to move fast.'

About the Author: Michael Dingle is Partner and Co-founder of Reason. Think big, start small.

the SoDA REPORT On
RESEARCH HIGHLIGHTS

The Future Of The Agency Model

1. Where is your agency headquartered?

North America (73)

66%

Europe (19)

17%

Asia-Pacific (16)

14%

Latin America (4)

4%

110 out of 110 people answered this question

2. How many separate office/locations does your agency operate?

1 (47)

43%

2 (33)

30%

3 (16)

15%

More than 3 (14)

13%

110 out of 110 people answered this question

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3. What's your projected, annual net revenue in 2019? (in USD)

Less than $5MM (47)

43%

$5MM - $10MM (37)

34%

$10MM - $20MM (15)

14%

$20MM - $50MM (5)

5%

$50MM - $100MM (4)

4%

Greater than $100MM (2)

2%
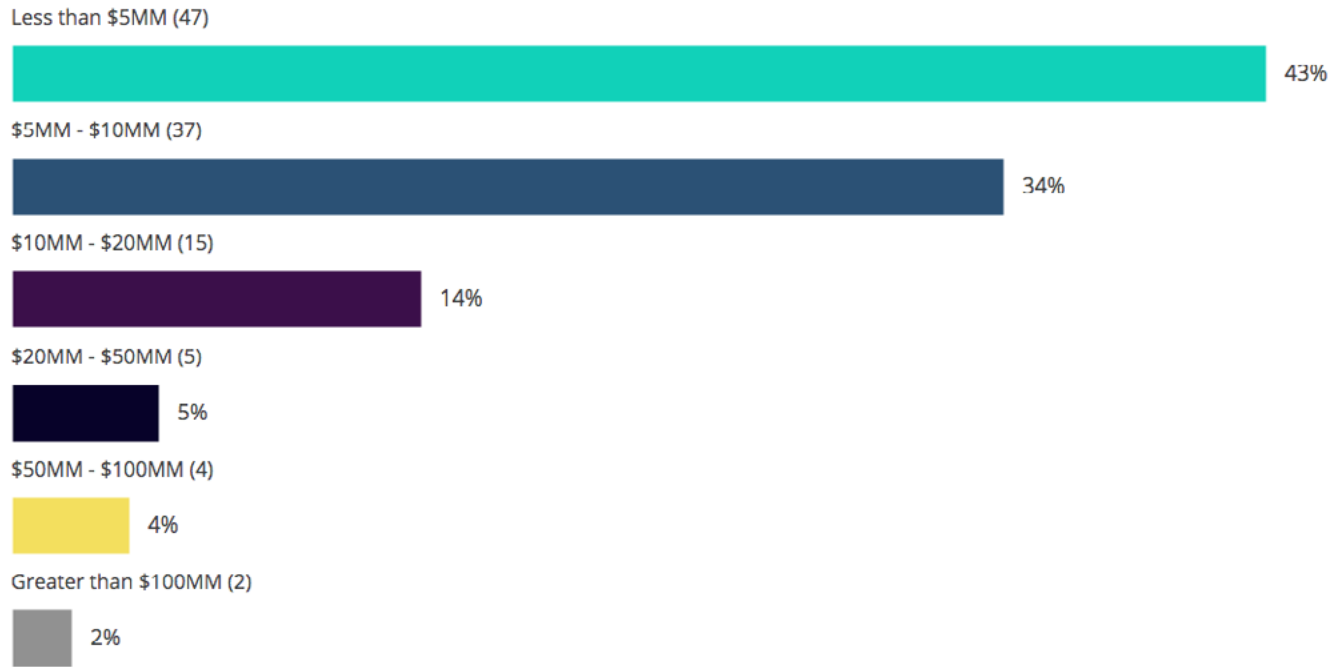
110 out of 110 people answered this question

4. How would you characterize your agency type?

Digital Agency (55)

50%

Integrated Agency (33)

30%

Consultancy (24)

22%

Product Design Studio (13)

12%

Production Company (8)

7%

Other (please specify) (7)

6%

Experiential Agency (6)

0%

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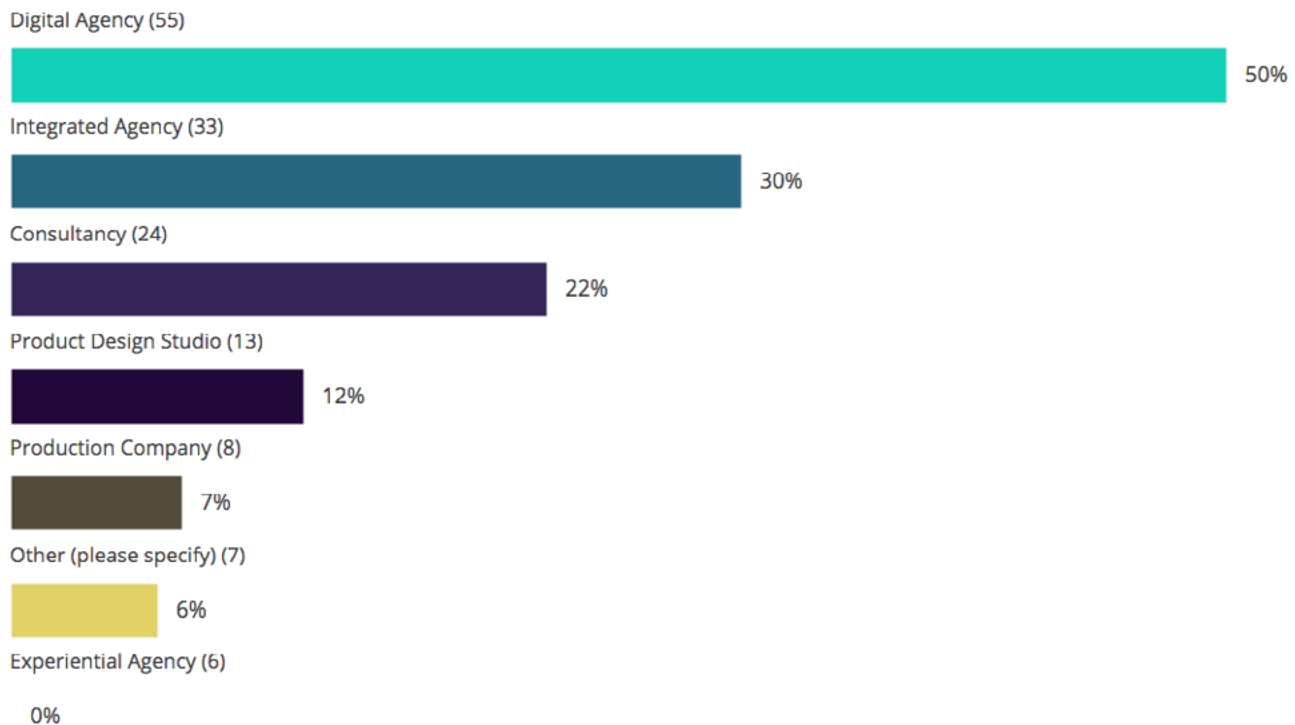
5. Is you agency a member of SoDA - The Digital Agency?

● No (80)   ● Yes (30)

27%

73%
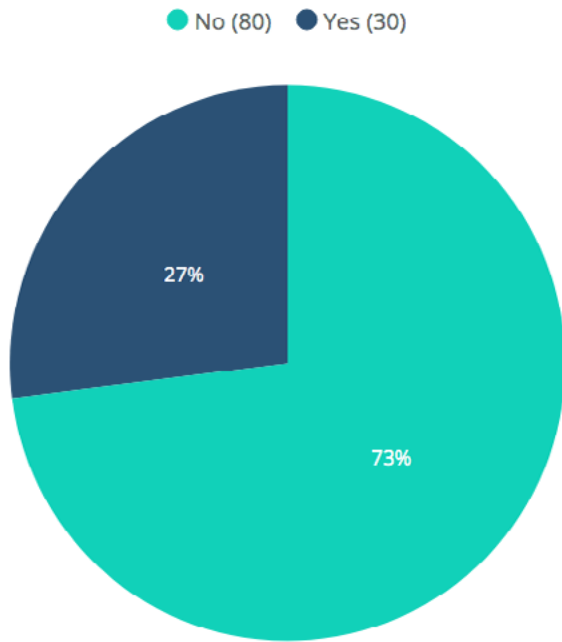
110 out of 110 people answered this question

6. Compared with 12 months ago, which situation applies to your agency now? (Clients)

More Clients (57)

52%

Same as before (31)

28%

Fewer Clients (20)

18%

Don't know (2)

2%

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7. Compared with 12 months ago, which situation applies to your agency now? (Client Relationships)

Longer client relationships (61)

55%

Same as before (29)

26%

Shorter client relationships (20)

18%

110 out of 110 people answered this question

8. Compared with 12 months ago, which situation applies to your agency now? (Service Offerings)

More services offered (49)

45%

Same as before (42)

38%

Fewer services offered (19)

17%

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9. Compared with 12 months ago, which situation applies to your agency now? (Work Produced)

More work produced (60

55%

Same as before (28)

25%

Less work produced (21)

19%

Don't know (1)

1%

110 out of 110 people answered this question

10. Compared with 12 months ago, which situation applies to your agency now? (Profit)

Higher profit margins (46)

42%

Same as before (33)

30%

Lower profit margins (28)

25%

Don't know (3)

3%

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11. Compared with 12 months ago, which situation applies to your agency now? (Agency Size)

Team expansion (47)

43%

Team shrinking (35)

32%

Same as before (27)

25%

Don't know (1)

1%
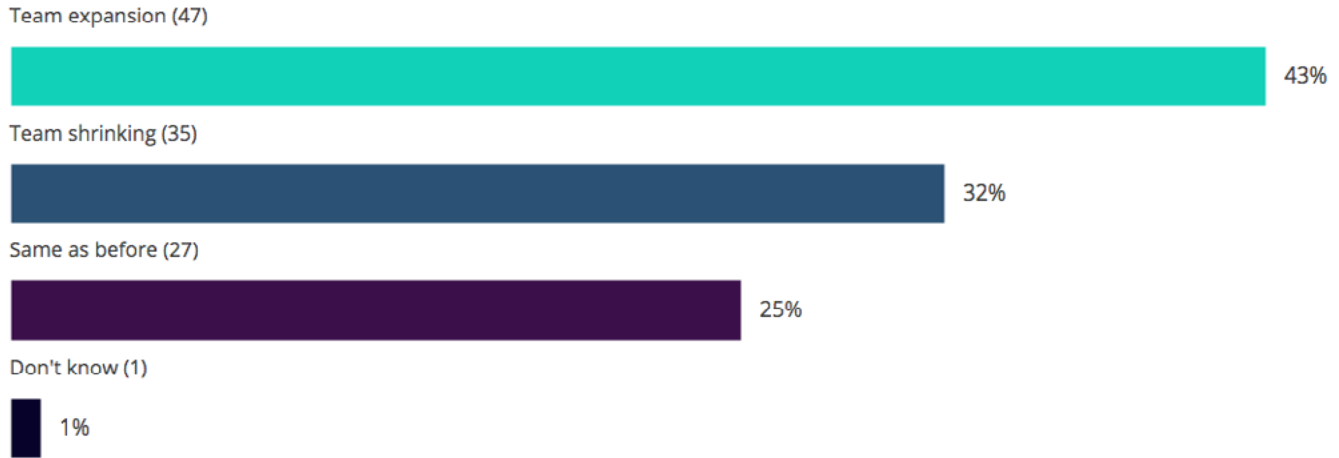
110 out of 110 people answered this question

12. What keeps you up at night? (choose all that apply)

Attracting and hiring the best talent (59)

54%

Resource planning (56)

51%

Over-servicing and scope creep (55)

50%

Being too reactive rather than proactive (53)

48%

Controlling our costs (51)

46%

How to add more customer logos (38)

36%

I need better tools/technology to get things done (20)

18%

Other (13)

12%
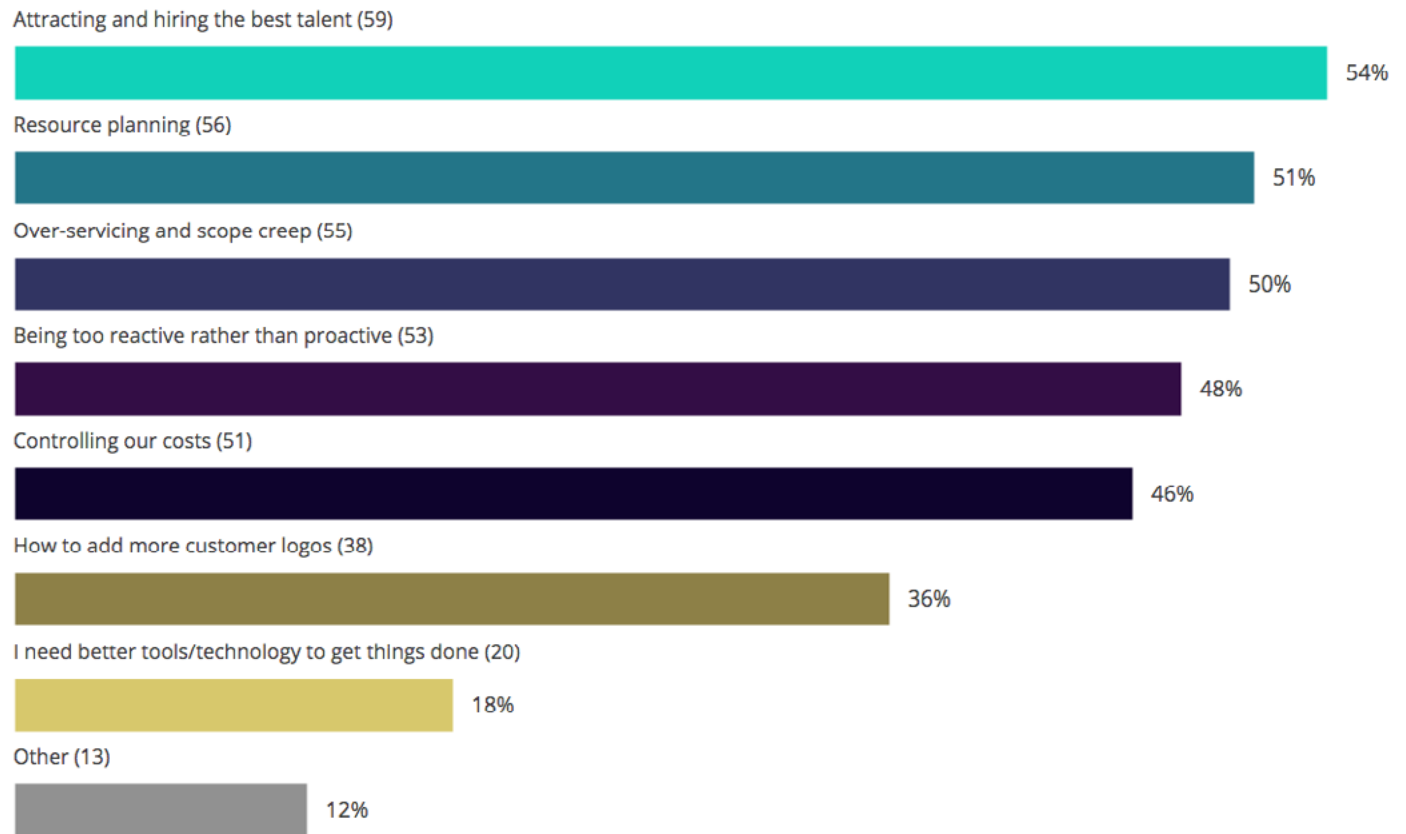
110 out of 110 people answered this question

13. How do you ensure projects stay on budget? (choose all that apply)

We monitor hours and costs as the project progresses so that we can adjust the project plan before issues impact the budget (87)

79%

We use past data to build estimates so that new projects will be as accurate as possible (75)

68%

We charge clients for change requests that require additional hours or costs (67)

61%

We rely on previous experience (43)

39%

We hope and pray (13)

12%

Other (8)

7%
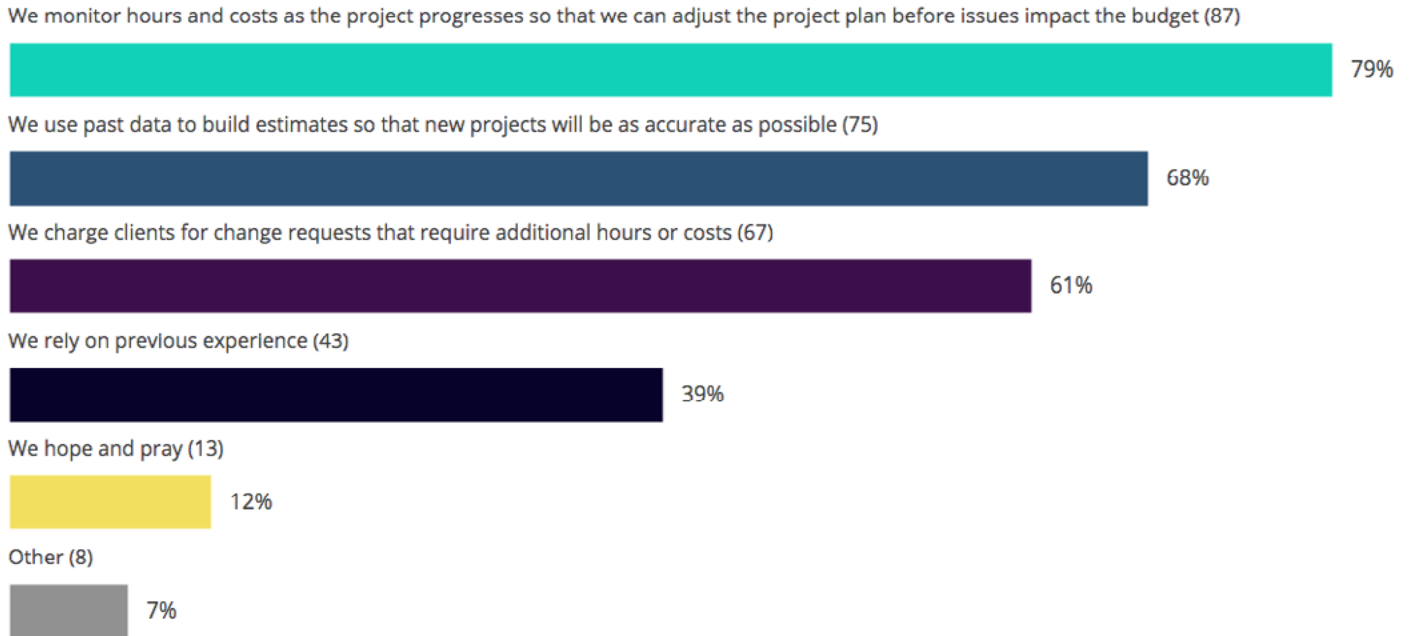
110 out of 110 people answered this question

14. If a project is at risk of being delayed or going over budget, what is/are the most common reasons(s) why? (choose all that apply)

Client expectations change mid-project (77)

70%

We underestimate the amount of work (63)

57%

It takes too long for the client to review and approve the work (53)

48%

Too many rounds of revisions (51)

46%

We don't have the capacity to finish the job without paying for freelancers (14)

13%

It takes too long for the senior team to review and approve the work (13)

12%

Other (10)

9%

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15. How difficult/time-consuming is it for resource managers to adjust plans and assignments when a request changes or new work comes in?

Somewhat difficult/time-consuming (58)
53%

Quite easy and quick (33)
30%

Very difficult/time-consuming (13)
12%

Very easy and quick (4)
4%

Don't know (2)
2%
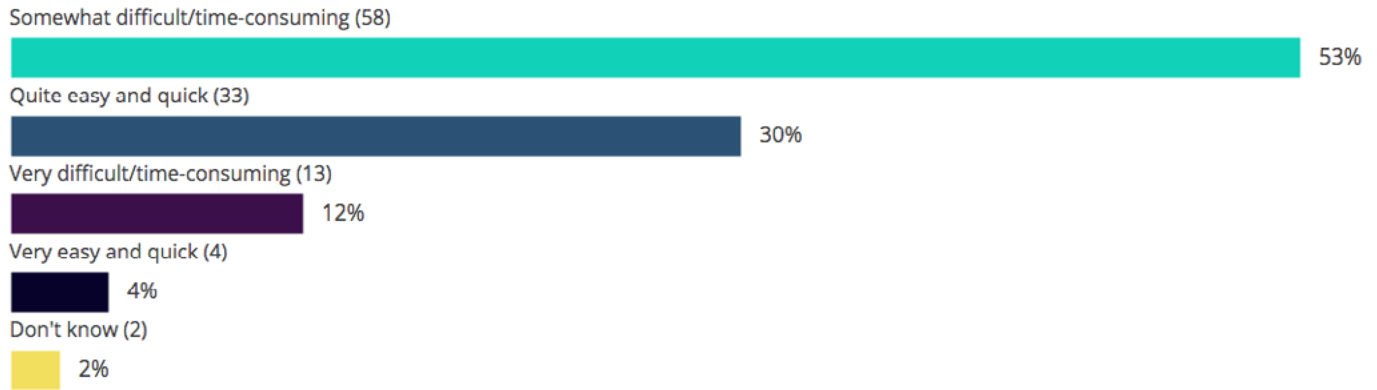
110 out of 110 people answered this question

16. How far in advanced of a project commencing can resource managers start hiring new employees or freelancers needed?

Days (45)
41%

Weeks (36)
33%

With no advance warning or a matter of hours (11)
10%

Months (11)
10%

Other (7)
6%
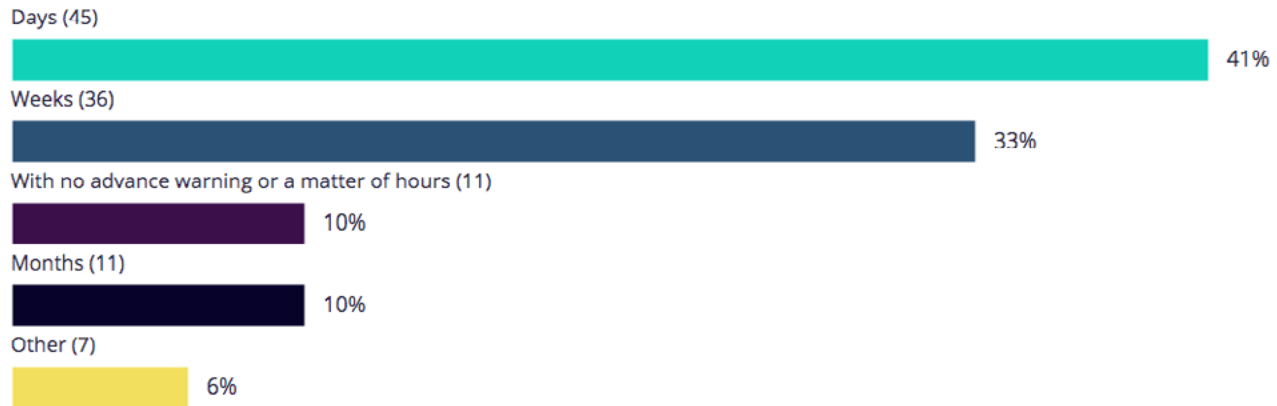
110 out of 110 people answered this question

17. Does your finance team face any of these challenges? (choose all that apply)

Following up on open invoices and purchase orders (70)
64%

Chasing late time sheets and expenses (56)
51%

Reconciliation of data from different sources (50)
45%

Time spent on generating financial reports (43)
39%

Manual process of data entries (29)
26%

Other (5)
5%

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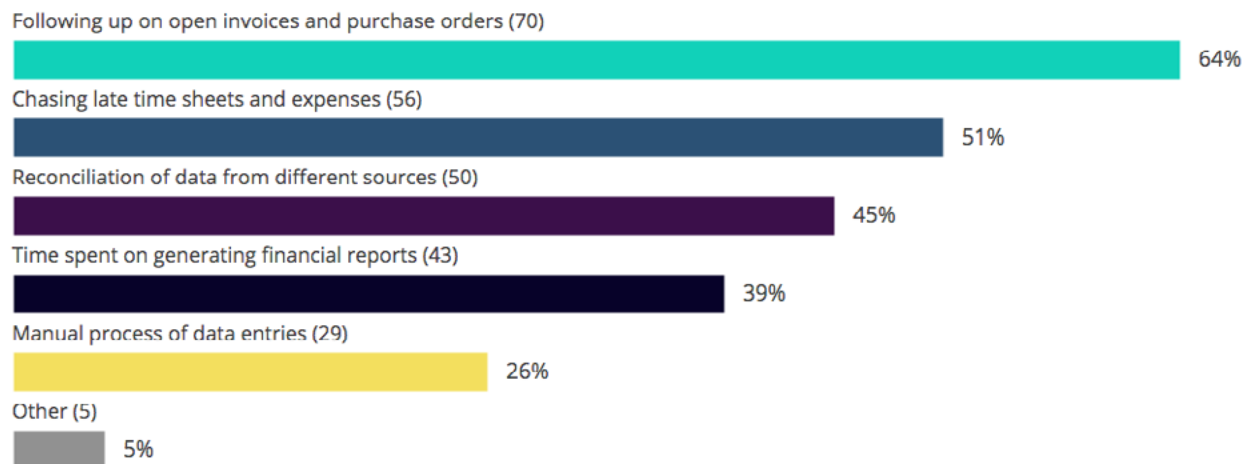
18. Which system(s) does your agency currently use? (choose all that apply)

Microsoft Excel
53%

Other (please specify)
50%

JIRA
38%

Trello
35%

Basecamp
33%

Harvest
26%

Microsoft Project
12%

Smartsheet
11%

Workamajig
5%

Advantage
4%

Mavenlink
4%

Function Point
3%

Workfront
3%

Netsuite
2%

WorkBook
2%

InMotionNow
1%

Paprika
1%

Synergist
1%

Wrike
1%

Not Applicable
1%

Aprimo/Teradata
0%

ConceptShare
0%

TrafficLive
0%

Workgroups/Davinci
0%

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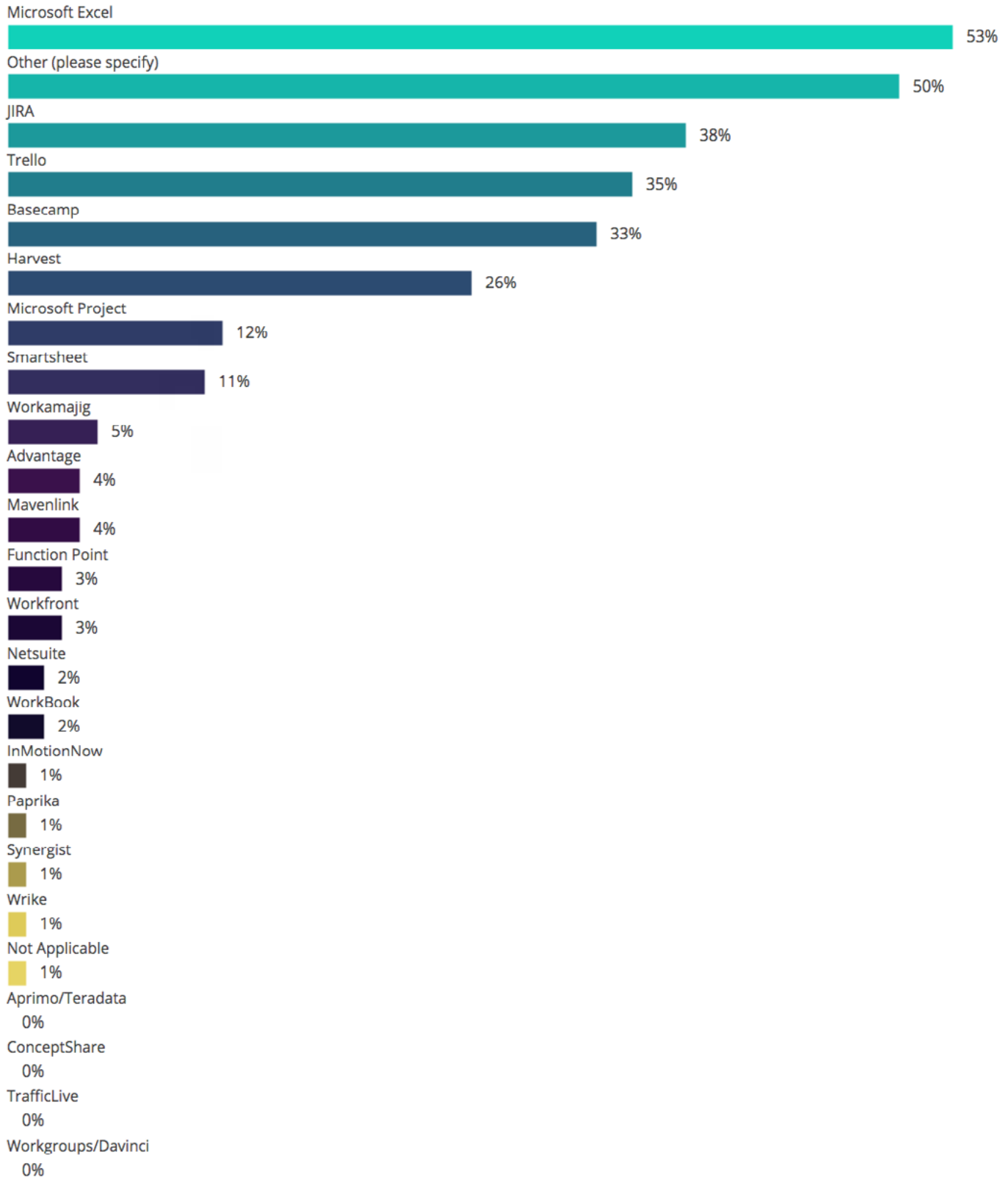
19. How satisfied are you with your systems? *110 out of 110 people answered this question*

	Finance & Accounting	Project & Resource Management	Review & Approval	Digital Asset Management	Integrated Agency Management
Love It	8%				
Satisfied	39%	35%	28%	22%	20%
Neutral	39%	28%	48%	46%	43%
Dissatisfied	11%	31%	20%	25%	30%
Very Dissatisfied	4%	4%		5%	5%

● Love It   ● Satisfied   ● Neutral   ● Dissatisfied   ● Very Dissatisfied
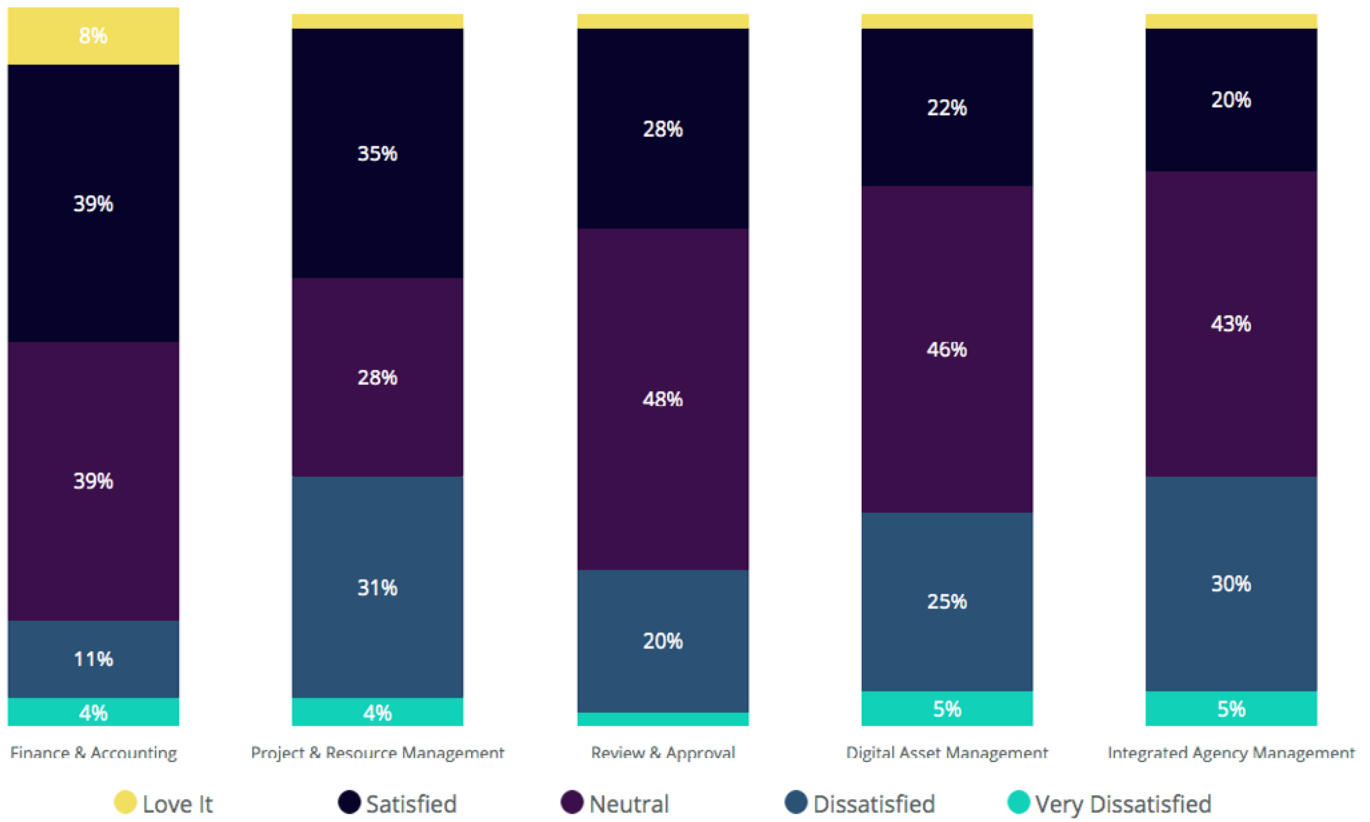
20. In which area(s) do you think your agency needs to improve? (choose all that apply)

More profitable new business strategy (68)
62%

Improving productivity & efficiency (66)
60%

People: Attracting and retaining the right talent (59)
54%

Increasing profitability (57)
52%

Technology, for internal support (33)
30%

Technology, for creating client solutions (28)
25%

Other (please specify) (2)
2%

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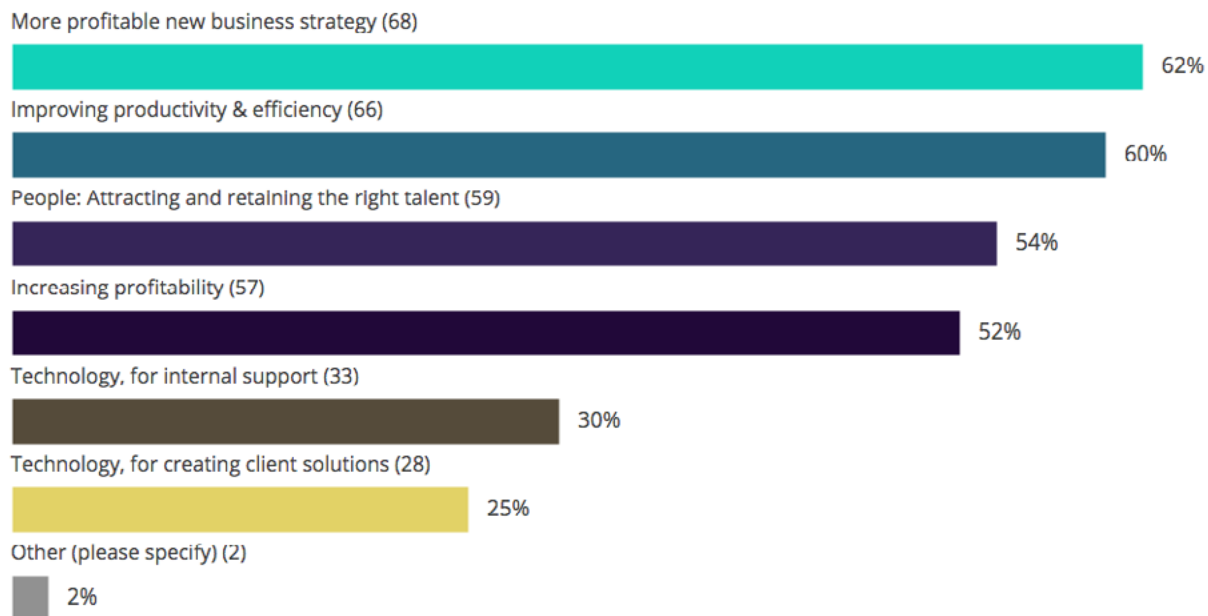
Team & Partners

SoDA

SoDA serves as a network and voice for entrepreneurs and innovators around the globe who are creating the future of marketing and digital experiences.

Lakai Newman, Communications Manager

A graduate of Emory University, Lakai Newman came to SoDA from a NY-based digital agency where he focused on creating compelling content for a number of blue-chip brands. He serves as SoDA's primary steward and contact for communications, social media, and marketing efforts. Lakai also serves as Associate Editor and Head of Production for *The SoDA Report*, SoDA's biannual trend publication that features primary research, thought leadership, and case studies from top digital agencies, production companies, and client-side digital marketing executives from around the world. He considers himself a natural "creative" that is passionate about global travel, cooking, pop-culture, and all things digital.

Jessica Ongko, Designer

Since joining SoDA's Operations team in 2014, Jessica Ongko has been deeply involved with strengthening SoDA's brand and visual identity while collaborating with agencies around the world to design and create publications, event signage, and both digital and physical assets related to the work of SoDA. A graduate of the Graphic Design program from advertising portfolio school, The Creative Circus, you'll often find Jessica trotting the globe and working out of airports during long layovers.

Deltek

Deltek is the leading global provider of enterprise software and information solutions for advertising and marketing firms and other project- and people-based businesses. Deltek customers include three out of the four largest global agency networks. More than 20,000 organizations and millions of users in over 80 countries around the world rely on Deltek to streamline operations and deliver more profitable projects, optimize resources, recruit and develop talent, research and identify opportunities, and win new business. Learn more at www.deltek.com.

Nancy Murray, Director of Solutions Engineering

Nancy leads solutions engineering at WorkBook, Deltek's global agency management solution practice designed specifically for advertising, creative and digital marketing firms. She is dedicated to the delivery of exceptional data intelligence and best-in-class products to "service-driven" agencies. A native of Quebec, Nancy has a comprehensive background in radio/broadcast, enterprise-level organizations, communications & agencies as well as worldwide technology transformations for over 20 years.

René Praestholm, Global VP of Agency Solutions

René started his career in 1999 as a project manager overseeing large and small business software installations with global advertising networks. He was the first employee at WorkBook (acquired by Deltek in 2017) and has worked on more than 250 implementations of the creative agency management system. With his profound knowledge and experience in the agency industry, René knows how a modern agency should be run. He is now working as the Global VP of Agency Solutions with Deltek out of the Copenhagen office.