

# Growth



S.I.Partners

A sense of excitement which is almost tangible.

## Contents

Characteristics of the best agencies	3
The six Ps	
People	7
Product	9
Perception	11
Pride	13
Pricing	15
Profit	17
Summary	18

# The six Ps

## Characteristics of the best agencies

In a decade of helping agencies to improve their performance, we have noticed that certain characteristics are shared by the best.

We call them the six Ps.

- Agencies who get the six Ps right have great Perceptions.
- They attract great People who are obsessive and Proud about their great Product.
- They are confident about Pricing, and they make the best Profits.

Improving the performance of an agency requires continuous adjustments to each of the six Ps.



# People

## People are your number one priority

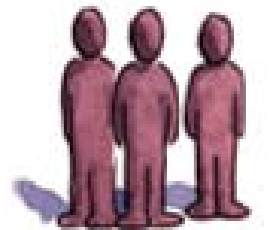
Talent is the entry point to the virtuous spiral of the Six Ps: hiring the best, and motivating them, is the most important job for an agency leader.

Understand your talent: create an open and honest environment, and hold rigorous conversations. Use tools such as psychometric tests wisely, and develop your own emotional intelligence.

Develop a talent proposition. It stems from your values and culture. It is what differentiates you. It is expressed in everything you do. Examples we have heard include "game-changers", "entrepreneurial", "independent minds".

Motivate your talent. Be aware of the different roles of salary, bonus and equity. Different people require different motivations: £2,000 towards a skiing holiday is likely to inspire a 22 year-old more than a contribution to a pension fund.

Get some help: The challenge lies more in execution than in strategy. Sensitive matters are easy to postpone, and most leaders find outside help invaluable.



# Product

## Tangibilise the intangible

Most growing agencies produce good work – even great work. But are you giving value away? One way to avoid the commoditisation trap is to turn your IP into products.

Harvard professor Ted Levitt argued that marketers should “tangibilise the intangible, but intangibilise the tangible.”

Turning your IP into products makes it easier to sell, and stops you giving away your best ideas for free.

The process involves:

Reviewing your activities to identify what IP is being created.

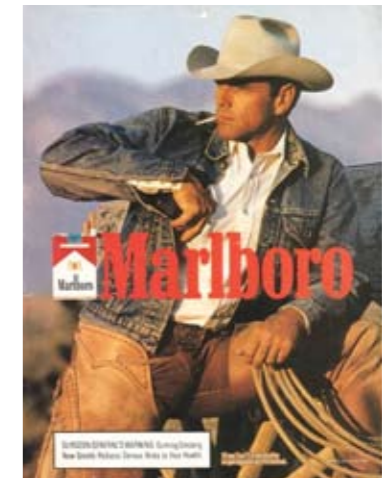
Defining your IP, and exploring its value to the client.

Creating products and identifying how best to sell them.

Two examples:

A design agency announced a Founder’s Forum, offering 75 years of combined experience.

A PR agency announced a premium for meetings attended by the founders.



# Perception

This industry takes perception seriously.

Award ceremonies are frequent.

Perception is invaluable – and fickle:

- Campaign pitch list.
- Account wins.
- League tables.
- Awards.
- Word-of-mouth buzz.

How to improve your perception:

- Invest time and energy.
- Appoint a champion.
- Develop a point of view (thought leadership).



# Pride

## Perception is external, pride is internal.

Pride and self-confidence are powerful driving forces.

Proud agencies demand high prices for their work, and attract the best talent.

Pride can tip over into arrogance, and can come before a fall.

Pride is your people living your values:

- They talk about their agency in the bar; they celebrate each other's wins.
- They care whether the phone is answered.
- They are your best recruiter (do you bonus that?).

Pride comes from the top:

- Articulate your values: the company's leaders must live them.
- You need a feedback mechanism to ensure this happens.



# Pricing

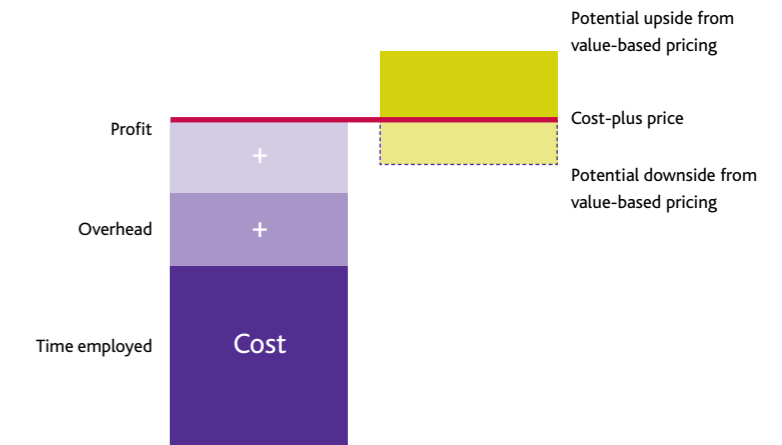
## Value-based pricing versus cost-plus

Pricing is the least well-understood aspect of the marketing mix. Myths abound, such as:

- Most jobs are won and lost on price.
- Competing prices are usually very close together.
- It is hard to ask for a higher price.
- Clients are offended if you ask for a higher price.
- Procurement have control.
- All clients must be retained at all costs.

A Profit Improvement Programme typically involves:

- Presenting the current thinking on pricing, and best practice policies (e.g. value-based pricing).
- Working with account managers to explain the impact of improved pricing policies.
- Coaching them to build the confidence to implement them.



# Profit

## Profit gives you choices.

Without it, businesses collapse. With it, businesses can expand, turn down unethical clients, pay bonuses, buy out the founders.

Identify your Key Performance Indicators (KPIs), and watch them like a hawk.

It is easier to increase it by raising revenue than by cutting costs. It is easier to raise revenue from existing clients than from new ones.





## Summary

Agencies who get the Six Ps right have great Perceptions.

They attract great People who are obsessive and Proud about their great Product.

They are confident about Pricing, and they make the best Profits.

Getting the six Ps right requires constant attention. Agencies who do get them right project a sense of excitement which is almost tangible.

## S.I.Partners

For more information, or to discuss how S.I.Partners could help you to make these changes within your business, please call Charles Fallon on:

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