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How Can Agencies Overcome the Economic Slowdown? Get Aggressive.

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The diagnosis of the country's economic state has changed more frequently than the weather conditions of a Midwest Spring. It's hard to know what to make of seemingly daily differing opinions on the current economic condition of the U.S.

In an effort to shed some light on the ever-changing economic climate of the nation, Reardon Smith Whittaker commissioned a survey targeted at marketing decision makers. The survey, **A Client's Perspective on Economic Conditions** was commissioned to glean insights from a variety of marketing decision makers representing companies in a broad mix of industries. More than two-hundred senior marketing managers completed the survey to state how their company's business has been affected over the past 6 months and how they see things shaping up for the balance of 2008.

Companies are feeling the pain.

Sixty-four (64%) percent of respondents believe the slowing economy has negatively impacted the sales performance of their respective industry over the past six months. Seventy-seven (77%) percent of the respondents believe that the economic conditions over the past six months have moderately or greatly affected their business specifically. With the client's pain brings extra pain for the agency, right? If you ask the clients, it doesn't look to be so.

Agencies remain relatively unaffected...for now.

While companies are feeling the effects of the current economic downturn, they don't appear to be ready to make any major shifts in the level of their marketing activity. Sixty-nine (69%) of the respondents state that there has been no change in their use of outside marketing services over the past 6 months and 76% do not foresee the number of agencies they use in 2008 changing. We suspect that doing nothing might be the simplest and easiest course of action for most marketers. By not changing and staying true to course (until they can better tell what the economy's true toll will be on their business) they can avoid making an even bigger catastrophic move – like cutting spending or changing agencies. So what is an agency in search of new business to do?

Inertia can spell opportunity.

While 60% of all respondents state they were generally unlikely to look for a new agency in 2008, companies do not seem to have a strong loyalty to the firms they currently use. More than half of the marketing decision-makers polled utilize 3 or more agencies to satisfy their marketing needs, suggesting that this might be a perfect opportunity for agencies to step up and show how they can help companies turn things around for the better...without causing too much strain on the client's organization.

The onus is on the agency.

Since many marketers don't seem willing to get too aggressive in seeking out new agency partners, agencies must get more aggressive themselves. They have to proactively communicate their benefits to prospects, stay in front of them with value-added insights, and be ready to take the "project" to showcase how they can help turn around their slower performing business.

Agencies with balanced and consistent new business development programs in place will put them in the best position for success. Having the internal resources or the right outside partner in place now to reach prospects, will place them ahead of the curve. By utilizing a proven and established process to breakthrough to prospects, agencies can focus on what matters most- delivering creative ideas and sound business strategy to win the day.

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