

2021

RSW/US Agency New Business Report

*Perspective On The
Agency New Business
Environment,
2021 and Beyond*

*A Survey Of Agencies
Conducted By*

RSW/US

New Business Solutions for Marketing Agencies



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Introduction

ABOUT US

This study was commissioned by RSW/US. RSW/US is an outsourced lead generation/business development firm that exclusively services marketing service firms (of all sizes and types). RSW/US works with over 50 agencies across the U.S., operating as their outsourced sales and marketing team. RSW was founded in 2005.



In 2010, RSW started RSW/AgencySearch. To-date, RSW/AgencySearch has managed over 40 searches for marketers across a range of different categories, helping them find better agencies. The RSW/AgencySearch model is unique to the industry.

The exposure to the agency and the marketer world has armed RSW/US with perspective unmatched in the industry. This perspective is woven throughout this, and every survey report.

To learn more about RSW/US, visit www.rswus.com.

To learn more about RSW/AgencySearch, visit www.rswagencysearch.com.

Introduction

ABOUT THE REPORT

This is the RSW/US 2021 Agency New Business Report: Perspective On The Agency New Business Environment, 2021 and Beyond.

We've fielded it since 2010 and present comparable data that is available across all previous editions, providing insight on trends in key areas over the past ten years.

This report is typically heavily downloaded because the answers come from our survey of your agency peers.

This year's survey and the resulting RSW/US 2021 Agency New Business Report are once again taking place in a strange time. Ad Agencies and PR firms expected, as we all did, for normalcy to take hold in 2021, and while in some ways it has, we're obviously not quite out of the woods in terms of the pandemic. Our survey questions reflected this, in a few ways directly, and others tangentially.

Over 3,000 Agency executives nationwide had the opportunity to participate, and in fielding the survey, we wanted to discern how the challenges and dynamics of agency new business efforts have evolved as we came out of 2020 and through 2021.

Our hope is the key findings and implications of the study presented in this report provide value to you as you develop your plans for the remainder of 2021 and into 2022.

If you would like to reproduce any of our findings in any format whatsoever, please contact either Mark Sneider or Lee McKnight Jr.:

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Difficulty of Obtaining New Business

We've conducted this agency survey bi-annually since 2008, and now in 2021, it returns a few unprecedented percentages. Whereas 2020 was understandably one of the toughest years for agencies to find and win new business, in 2021 agencies report it to be one of the easiest.

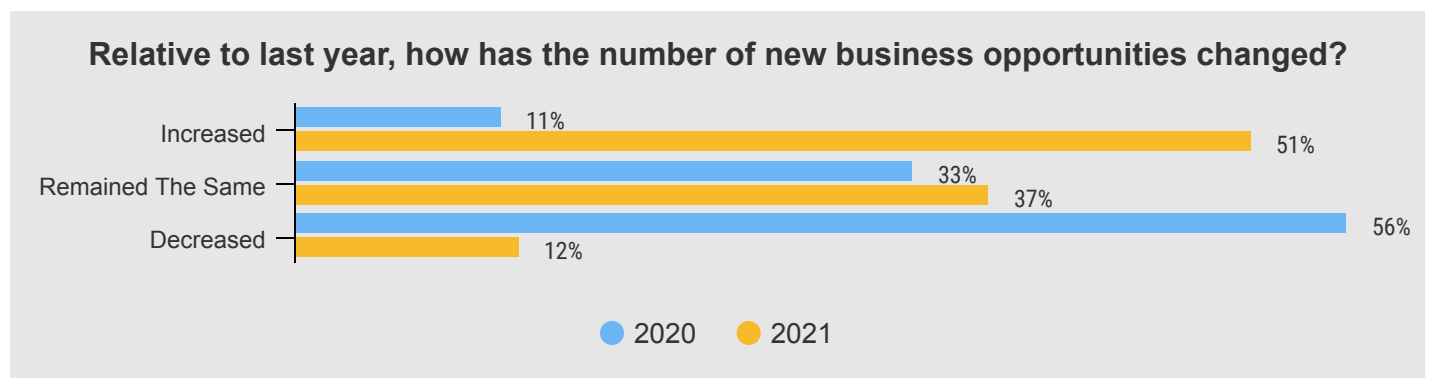
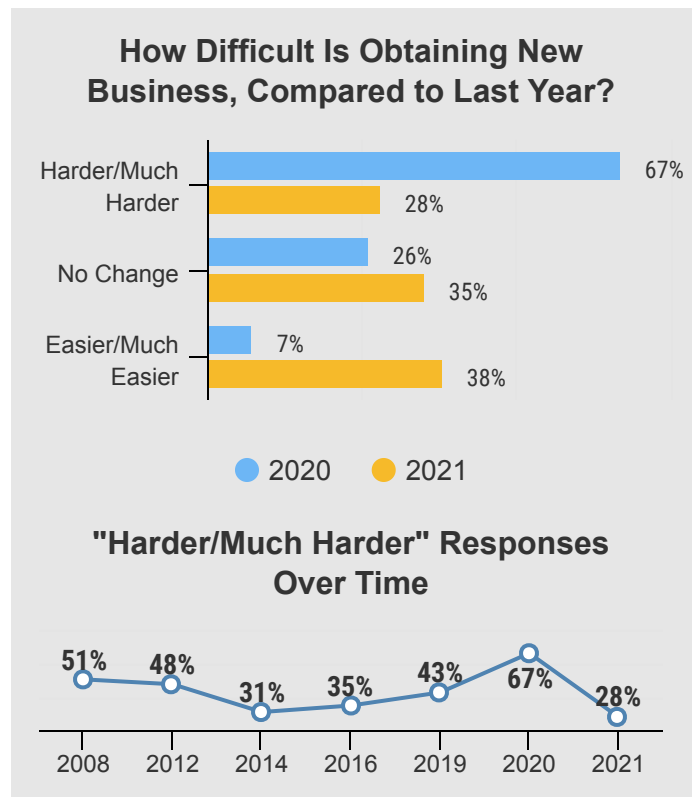
When asked how difficult it was in 2021 to obtain new business relative to last year, 28% said it was harder/a lot harder. **Last year it was 67%**. Let that soak in for a moment. For further perspective, during the 2008 recession, a terrible time for agencies, that number was 51%.

After a year that we all looked forward to putting behind us, 2021 has at least offered many agencies a way to increase growth, or minimally gain it back, and that's worth celebrating.

Implications

So, as our survey numbers show, 38% of agencies said it was easier or a lot easier to obtain new business this year. That number was only 7% last year - quite a turnaround.

And in our follow up question, "Relative to last year, have you seen the number of opportunities for new business decrease, increase, or remain the same", we saw that 51% of agencies said the number of opportunities for new business increased, versus only 11% last year.



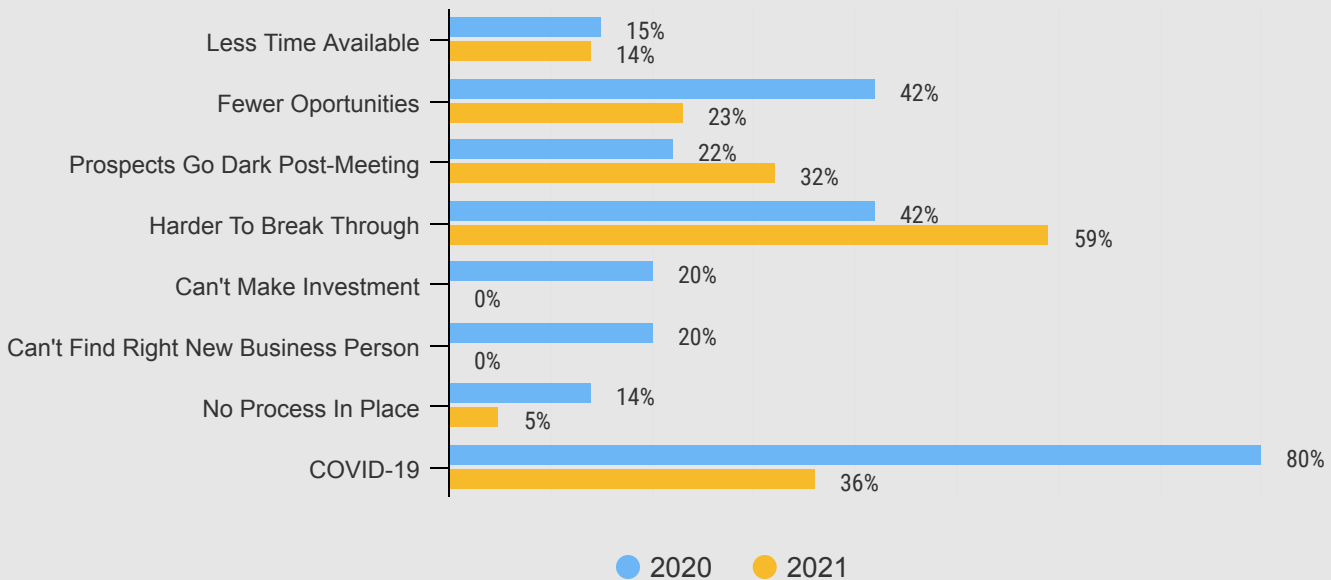
As we know, the pandemic affected agencies differently, and in greatly disparate ways. Where many found success, others were impacted severely, and of course, much of that was dependent on the verticals those agencies focused on.

And while we're not out of the pandemic, the predictions from agencies in our 2020 survey that opportunities would increase thankfully played out for many agencies. We'll explore in the next several pages where this growth predominantly occurred and how it can play out in 2021.

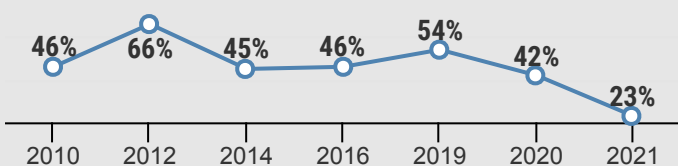
Difficulty of Obtaining New Business, cont'd

While a greater percentage of agencies found it easier to obtain new business in '21, note that 28% of agencies said it was harder, and 35% said it was the same as last year, so it wasn't all roses. And agencies said the predominant reason it was harder to obtain new business: "harder to break through to prospects", at 59%. That number was 42% in last year's survey - interesting in that as agency prospects came out of COVID restrictions, it would, in theory, be easier to break through.

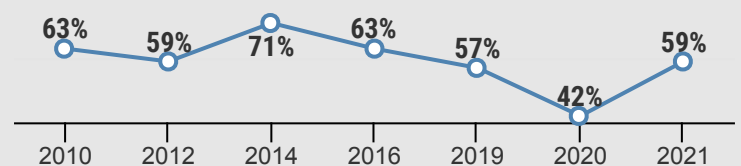
Why Is It Harder To Obtain New Business? (Multiple Answers Permitted)



"Fewer Opportunities" Responses Over Time



"Harder To Break Through" Responses Over Time



But the reality is, it's continually getting harder to reach prospects. As a company, we were fortunate in that we didn't have to alter our process to a great degree and actually saw a 23% increase in client wins last year. Our RSW process includes following up after an initial meeting we set for a client, and with a 10% increase in agencies saying it was harder to obtain new business because prospects go dark (32% this year, versus 22% last year), it's as important as ever to our process.

What we'll see shortly in a later section, is the current influx of new business is not coming from actual business development on the part of agencies. For small to mid-sized agencies, understandably, lack of enough time in the day is a primary reason for the difficulty in breaking through and reeling prospects back in when they go dark. Because the principals of the agency try to handle new business themselves, or collectively, it just doesn't get done.

Difficulty of Obtaining New Business, cont'd

One notable stat from this question was that 41% responded with "other", which was actually the second-highest percentage, and required an open-ended response. Given the variety of responses, we wanted to give you a sample from your agency peers as to why it was harder for them to obtain new business:

- *We've had a steady flow of pitches through relationships and posted RFPs, but we keep on losing pitches. Each time it's for a different reason than the time before.*
- *Hard to get phone numbers for remote prospects*
- *Specializing in a hard-hit industry (tourism)*
- *Proliferation of recently fired senior executives creating look-a-like firms, capitalizing on their names but not necessarily their capabilities as independents (not bitter, really)*
- *During Covid more clients had time to think about growing so it was a great time for us*
- *Stopping and starting on client side*
- *Changeover at the client stakeholder level*
- *Full-service scope asks for budgets running about half of what they have in the past*
- *More competition for each opportunity, hard to find staff*

Satisfaction With New Business Program

We asked agencies: are you satisfied with the success of your new business plan/program? Not a great deal of change between last year (47% of agencies said yes) and this year, with 52% saying yes. Our RSW agency clients are predominantly small and mid-sized agencies (as were predominantly the takers of this survey), where it's notoriously difficult to maintain an ongoing new business program. With the newly apparent ease of acquiring new business, one would think this would be a much higher percentage than last year. What to make of it?

Implications

While we've seen from our previous questions that new business opportunities increased for agencies, and they were easier to come by in 2021, that does not reflect a successful, strategic, ongoing new business strategy. We'll flesh this out further with the next question, but not a lot changed for small and mid-sized agencies, in terms of their ongoing new business activity. Understandably, over the last year these agencies have either been trying to recover or have been incredibly busy (or both) - leaving little room for an ongoing "new" new business plan. So, the fact that this stat is fairly similar to last year's is not a huge surprise.



Most Effective Tools At Generating New Business

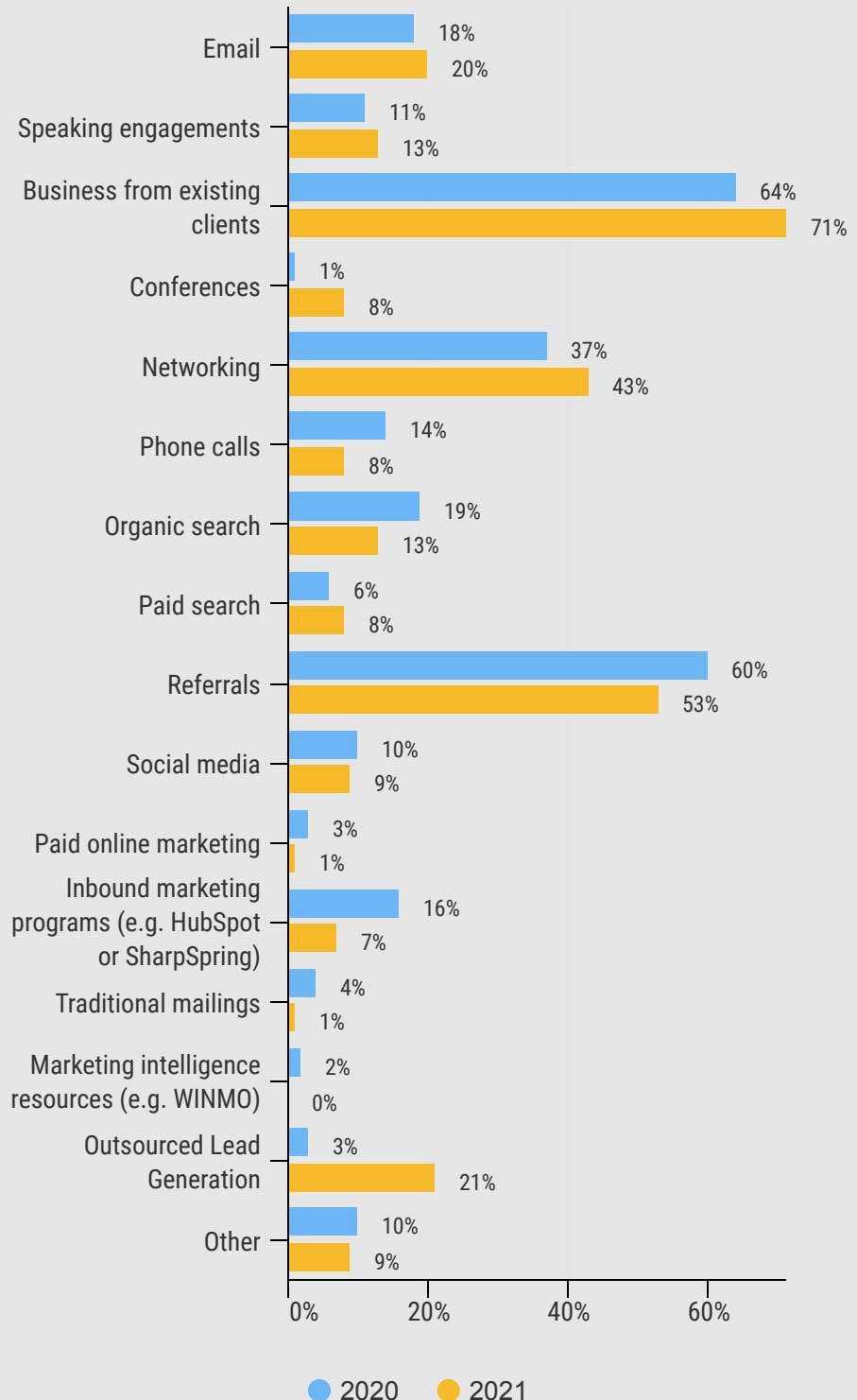
In 2021, agencies still found themselves navigating unknown territory, as “coming out of the pandemic” didn’t quite go as planned, or at least not uniformly. In-person conferences and speaking engagements began to happen again, but just as quickly went back to virtual, albeit sporadically, across the country. So let’s look at the areas and tools where agencies found success generating new business.

Implications

By a wide margin, “business from existing clients” was reported as the most effective at bringing in new business, at 71%. We asked agencies to list their top 3 tools, so rounding out organic growth, referrals were second at 53%, and networking was third at 43%. Anecdotally, we see the rise of existing business predominantly driven by stalled or rescheduled work with existing clients as we come out of COVID. With these numbers, it’s easy to see why agencies said it was much easier in 2021 than previous years.

And this growth comes with its own setbacks. While job growth in the industry in September 2021 was the slowest since April, “the ad business still delivered its eighth consecutive month of growth since ad jobs hit a pandemic period low of 432,100 in January”, [per Ad Age](#). And many agencies, like many businesses across America, are having trouble hiring. Especially for AE positions.

Which marketing tools have been most effective in generating new business over the past year? (Up to 3 choices allowed)



Most Effective Marketing Tools, cont'd

Implications, cont'd

But with this rise of organic growth, we see two distinct warning signs for agencies as we head into 2022. The first is a multi-year decline in referrals, traditionally the predominant method for agencies to gain new business. We saw a slight dip from 62% in 2019 to 60% in 2020. This year, however, we saw a deeper drop - to 53%. A sole reliance on referrals was always a risky strategy for agencies, and apparently more so now. The second warning sign, touched on in the previous section, isn't seen in a straightforward stat, but comes from an accumulation of factors, with the end result indicative of the elephant in the room: more than ever, agencies are not investing in the development of "new" new business.

We see this play out in the low percentages (all under 10%) attributed to phone calls, social media, inbound, and traditional mailings. The only tool above 10% is email at 20%. The growth for so many firms in 2021 should be celebrated, but as everyone in our industry knows, change is a constant, and this existing business growth will not last at these levels. So, while self-serving on our part, it's critical heading into 2022 that agencies make sure they have a manageable framework for "new" new business. Without it, they'll be behind the 8 ball - not a pleasant place to be in terms of new business

A few other stats of note were a new category, outsourced lead generation at 21%, showing that a certain percentage of small and mid-sized agencies find real value there. Also of interest was the zero-percentage attributed to marketing intelligence resources. Surprising, but again, points to agencies neglecting an ongoing new business strategy, as they apparently aren't using these tools that traditionally aid in outbound and inbound business development.

Average "New" New Business Meetings Per Month

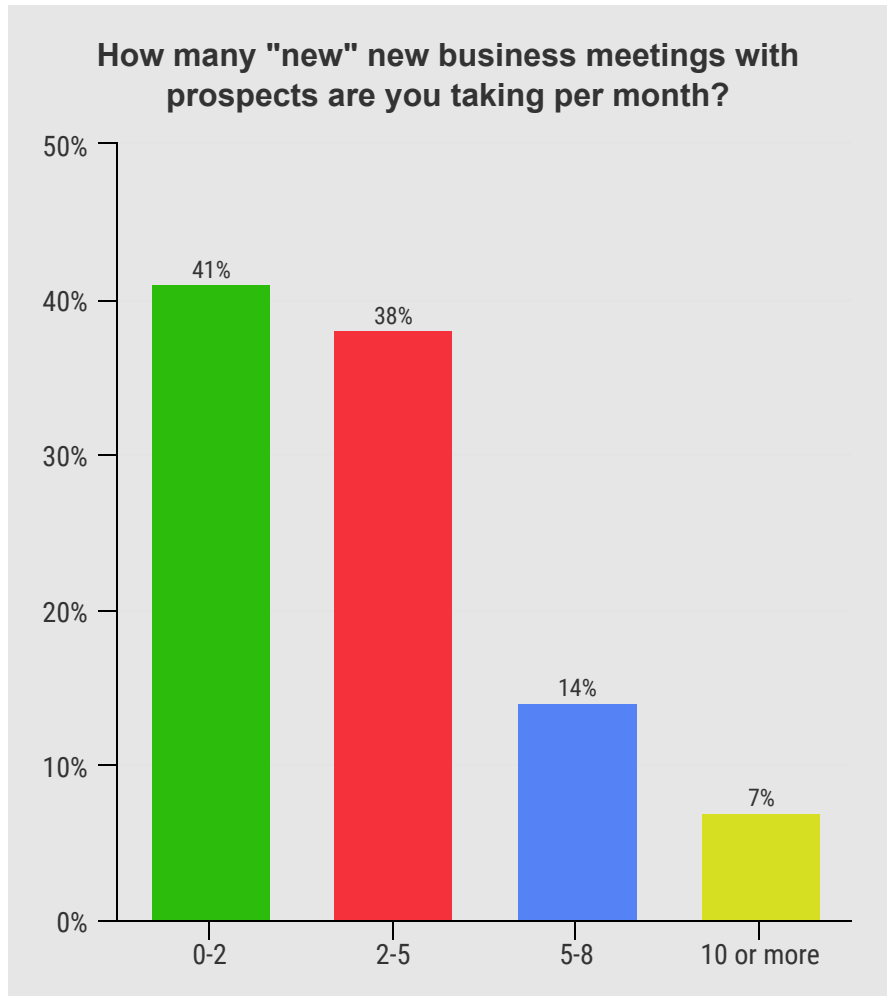
41% of agencies reported taking 0-2 prospect meetings per month and 38% reported 2-5 per month. What clouds these percentages is how agencies are truly looking at the definition of "new". Referral and networking meetings can be/are technically new meetings, so those may be part of the definition here.

Implications

Overall, these numbers are positive, whatever the definition. At RSW, we are believers in quality over quantity. We would rather have a client, or any agency, have 2-3 solid meetings a month, versus 10 or more a month where only a few are actually worthwhile.

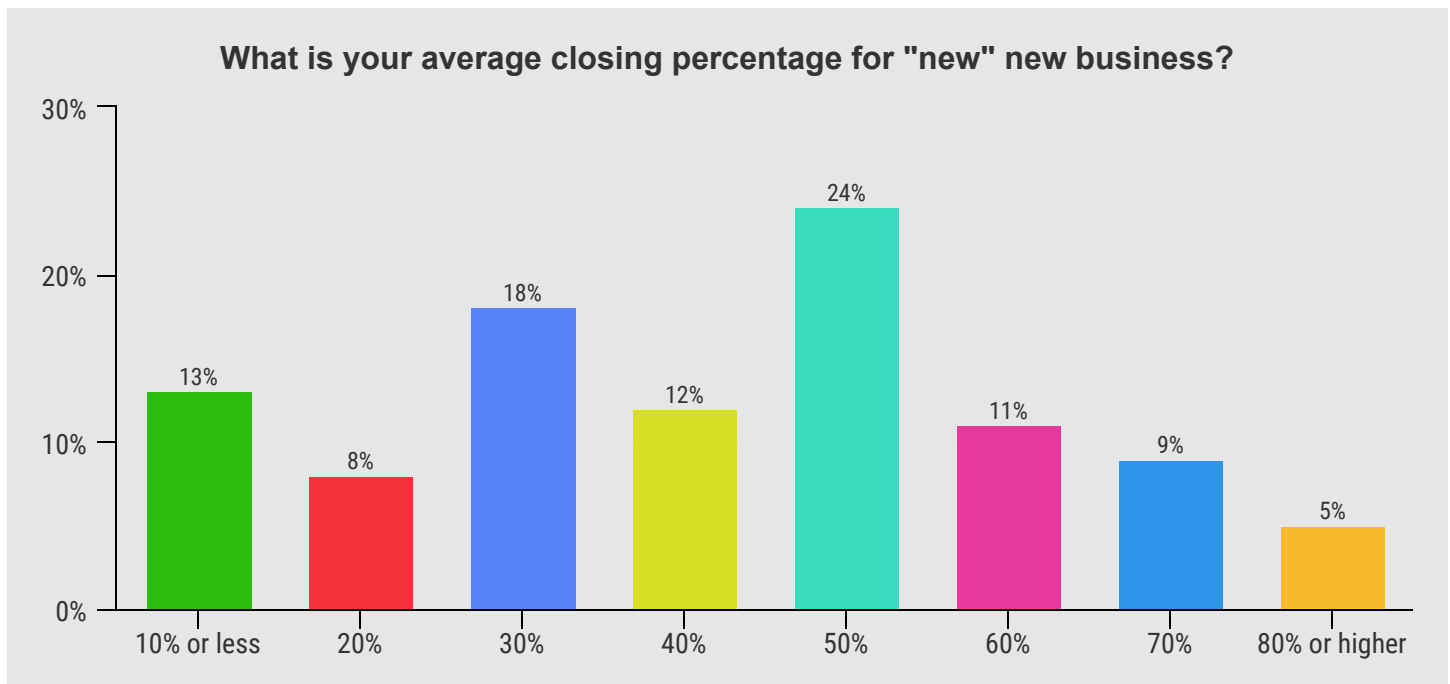
The 7% of agencies reporting 10 or more meetings a month are looking at a significant investment in time on a monthly basis. And with these numbers, you have to ask if the individual taking these meetings has the right mentality walking in. Typically, that mentality doesn't include much prep for a first meeting, even brief initial research to show the prospect there's value in working together. Instead, that mentality tends to include, "I can tell in 30 seconds whether this is worth my time or not."

You shouldn't be asking/thinking whether it's worth your time - that should be a known factor before you ever meet. If you perform the due diligence up front to target the right prospects with focused messaging, and qualify their interest, you won't be wasting your time with questions like, "will this be worth my time". That doesn't mean every single meeting, even with due diligence, will work out, but 10+ meetings a month tends to fall in the "throw it against the wall and see what sticks" category.



Average Closing Percentage

This was part of a group of new questions we asked in this year's survey around pitching, closing and RFPs, and one that comes up in conversations with agencies often: what is your average closing percentage for "new" new business? Obviously, that closing percentage is critical, and agencies understandably struggle with the right combination of individuals, or an individual, that can deliver on a solid closing percentage: 54% of agencies reported their closing percentage at 30-50%.

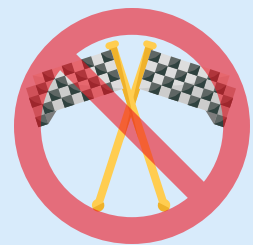


Implications

Over our 17 years in business working with agencies and PR firms, (and employing a trusty Google search) the average close rate across the industry tends to be in the 30-40% range. In order, you'll see number one in our survey was 24% of agencies reporting a 50% close rate, second was 18% reporting a 30% close rate, and third was 13% reporting a 10% or less close rate. For that group with the 10% or less rate, you need to take a step back and critically examine why your closing rate is not higher. You will most likely have some hard choices to make, in regards to the individual, or team, who heads that process up, but it will ultimately benefit your firm.

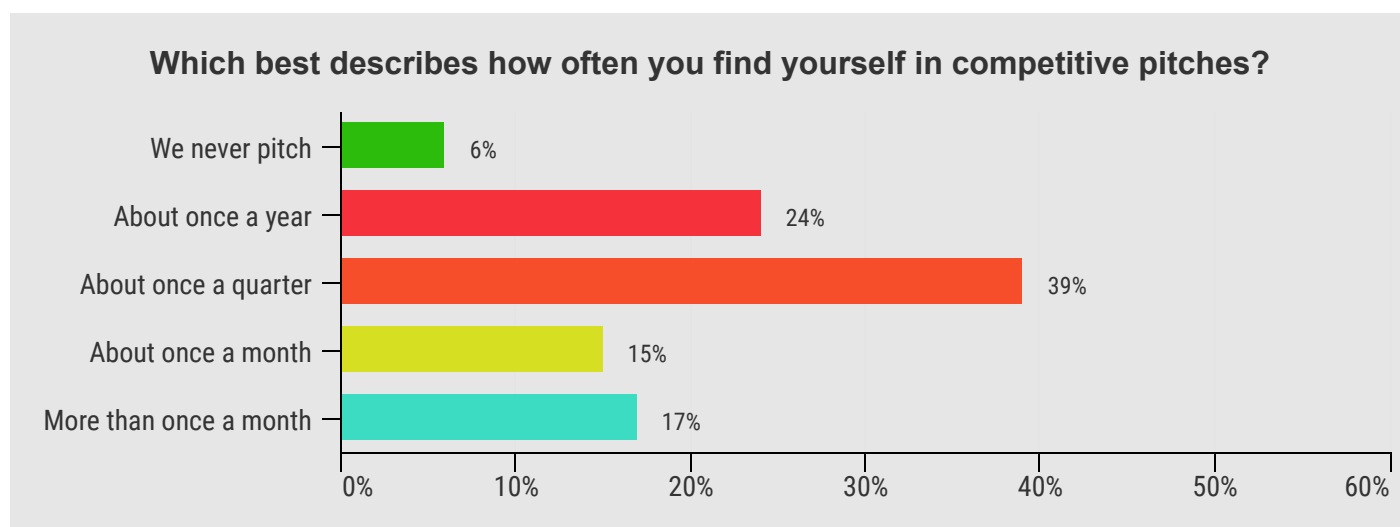
Limping To The Finish

13% of agencies report an average closing rate of only 10% or less



Competitive Pitching Frequency

First, we asked agencies, which best describes how often you find yourself in competitive pitches? To set the table, according to this stat from Wonder, [32% of global agency professionals said they pitched between 1 and 4 times per year](#), and in our survey, similarly, 39% of small to mid-sized agencies said once per quarter.



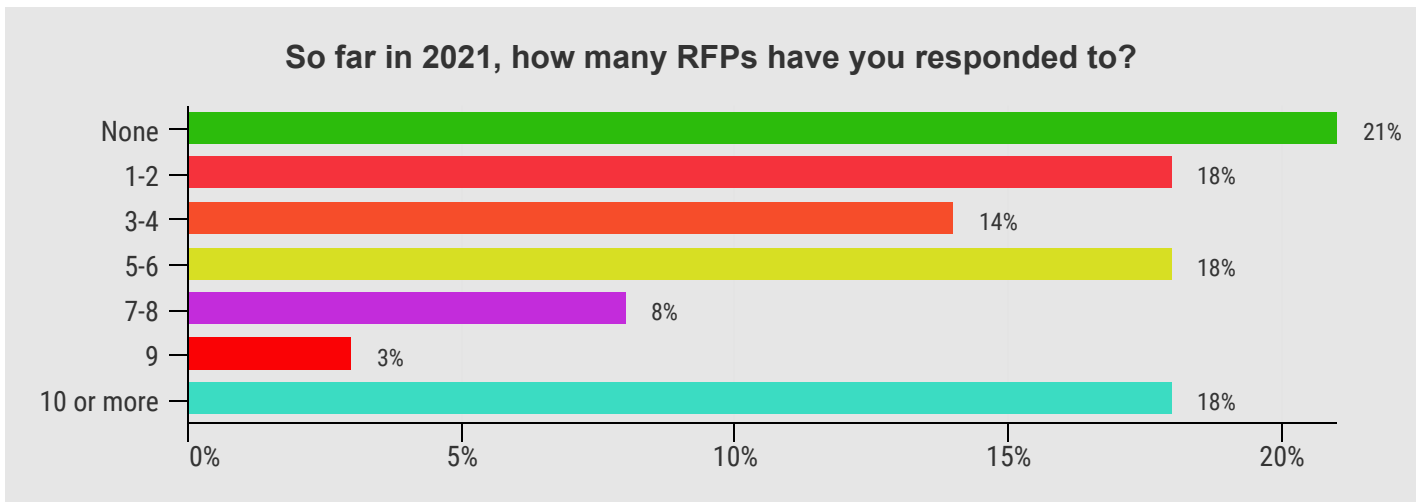
Implications

Second in line, 24% of agencies said they pitched approximately once per year. At RSW, our ultimate goal is to avoid getting clients into competitive pitches if we can, and instead focus on opportunities; however, sometimes that pitch is inevitable, and that's not a bad thing, but similar to RFPs (which we'll get to next), it's a lot of work. (We know, stating the obvious here.)

More and more, we hear from agencies that they really don't pitch very often, and they tend to like it that way. What we found fascinating was the 17% of agencies that reported they pitch more than once a month! We tip our cap, and also wonder when you sleep? With multiple pitches in a month, it would be very tough to focus on much else to any great extent. It also makes it tougher to deliver the kind of personalization you really need to differentiate your agency in a pitch.

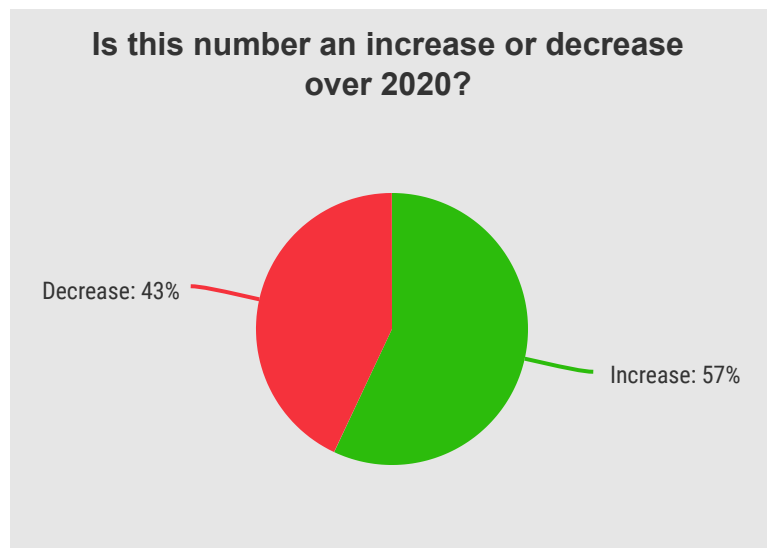
RFP Response Frequency

Continuing with this new section of questions, we asked “So far in 2021, how many RFPs have you responded to?”, and we’ve never gotten a response so heavy on either end. As you can see, in the lead was 21% of clients saying none. (That’s got to be a nice feeling.) Second, and on the completely opposite end of the spectrum, was 18% of agencies saying they answered 10 or more! And in a follow up question we asked, “Is your answer to the previous question an increase or decrease over 2020?” 57% of agencies cited an increase.



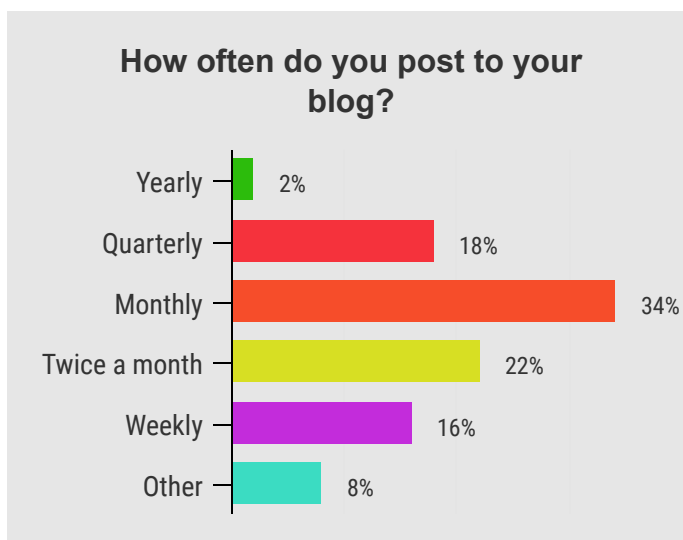
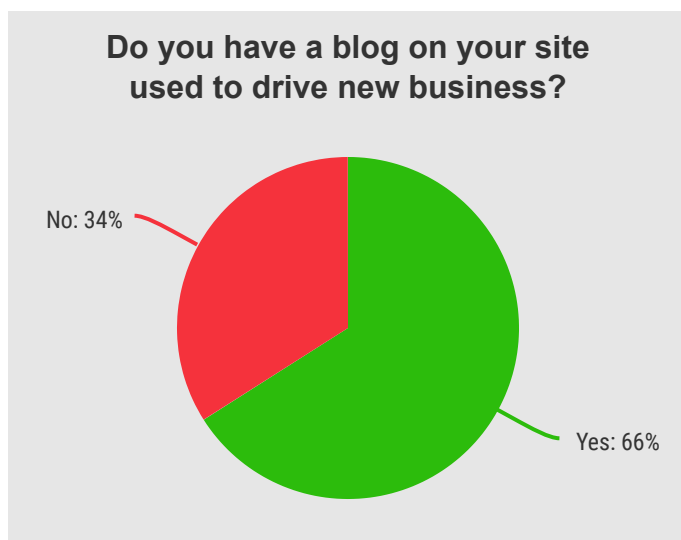
Implications

Just Google "[RFPs are a waste of time](#)", and you will see many, many entries. And for good reason: the incumbent is waiting in the wings, it’s a cattle call, you have to put together a phonebook thickness doc, it takes many non-billable hours - the list goes on, but it’s generally a hamster wheel agencies look to avoid. Not to say all agencies feel this way: we have clients who have a good winning percentage with the right RFP. And of course, some verticals require an RFP. But completing 10+ RFPs over the course of three quarters, as apparently 18% of agencies in our survey did? Is... exhausting to think about, much less accomplish. You want your agency, from a new business standpoint, to be in that place where you don’t have to take any RFPs, or at the very least, can be strategic in accepting them.



Content Frequency and Effectiveness

We asked agencies a series of questions around the topic, starting with “Do you have a blog on your site used to drive new business?”. A resounding 66% said yes. But the follow up was important: “How often do you post to your blog?” And the answers were spread somewhat evenly. 34% said once a month, 22% twice a month, and 18% once a quarter.



Implications

We were actually quite surprised by this high percentage. In our experience, agencies understand the importance of content to drive new business, but empirically, seem less bullish on the on-site blog.

With the proliferation of social channels and alternate methods of posting content available to agencies (which we'll get to in the next section), the traditional blog tends to get lost. However, with over half of agencies reporting they post one to two times a month, the traditional blog is seemingly still an important part of the agency content arsenal to help drive new business.

What's key however, and what we traditionally see, is agencies embracing the “build it and they will come” mentality when it comes to content. Unfortunately, your prospects, especially brand new prospects, will not come if you build it. It's a big reason we created our Marketing Communications Department at RSW years ago - to help clients and our new business directors via content audits and content creation to aid in ongoing awareness.

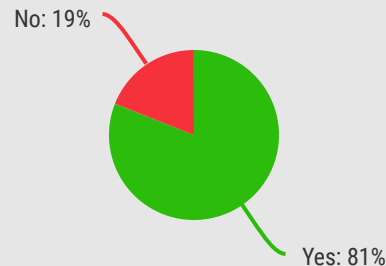
The Pen is Mightier...

Two-thirds of agencies surveyed report having a company blog

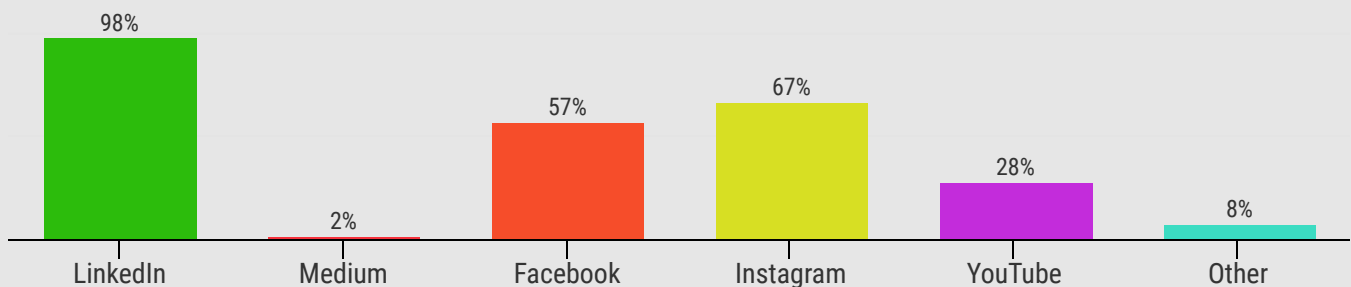
Content Frequency and Effectiveness, cont'd

When asked if agencies post content on other platforms to drive new business, the answer was a resounding yes at 81%. We then asked what platforms they were using to post content (and to choose as many as applied), and in order, LinkedIn was first by a wide margin at 98%, Instagram second at 67%, and Facebook third at 57%.

Do you post content on other platforms to drive new business?



Which platforms are you using most to post content? (Multiple answers allowed)



Implications

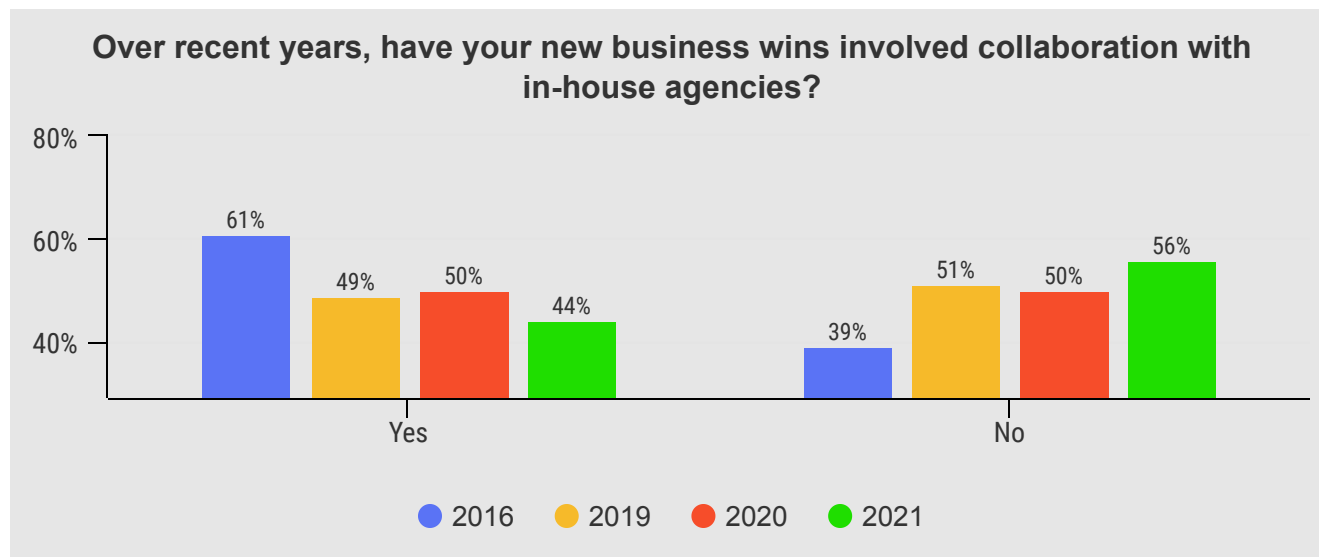
If taken at face value, it's impressive how much importance agencies place on content to help drive new business. As mentioned previously, creating the content is only the first step. Taking that content and disseminating it amongst multiple platforms is key. And each piece of content should be used in at least five different ways. That can mean different platforms, but also different ways of posting - focusing on certain sections, or creating tiles around the key takeaways.

One surprise was YouTube usage at only 28%. We understand why - it's generally harder. It's one thing to write something up and post, it's another to put in the extra effort and steps to create video. But we've found it worth it. 3 years ago, RSW had some video presence, but it was sporadic at best. We decided to create our [3 Takeaways agency new business series](#), and now, 83 episodes in and counting, we can point to multiple clients that cited our series as a reason why they became interested in our services.

It is more work, to be sure, but it's manageable, doesn't have to cost a ton of money in regards to equipment, and when done consistently, puts a face/faces to your agency. And it's an excellent outlet to showcase your expertise.

In-House Agency Collaboration

This is a question we've asked for several years now: did the new business you won over the past year involve collaboration with in-house agencies? Interestingly, we see the lowest level to answer yes since 2016, at 44%. What can we attribute that to?



Implications

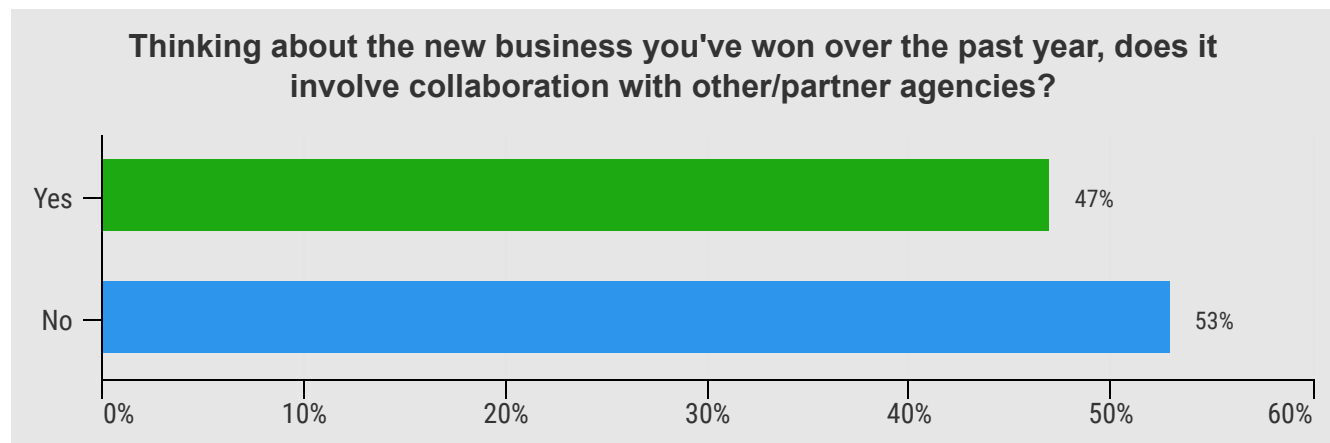
The last two years have held fairly steady at about 50%. And a 2021 [ANA survey](#) found 42% of advertisers have in-house agencies - a closer reflection of this year's numbers. COVID probably affected the numbers to a degree, as it did across most facets of the industry.

As in past years, in-house agencies are used for specific tasks, and often don't carry the level of expertise agencies do, and so a blend of both has increasingly become the norm.

Whatever the reason, it's seemingly positive news for agencies. In-house agencies will always be a part of our industry, but if agencies continue to show their current clients and prospective clients the value in their expertise, they'll continue to be necessary.

Agency Collaboration

Next is a new question for our survey, but something we're seeing more of: Thinking about the new business you have won over the past year, does it involve collaboration with other/partner agencies? The results were split almost evenly with 53% saying no and 47% saying yes.

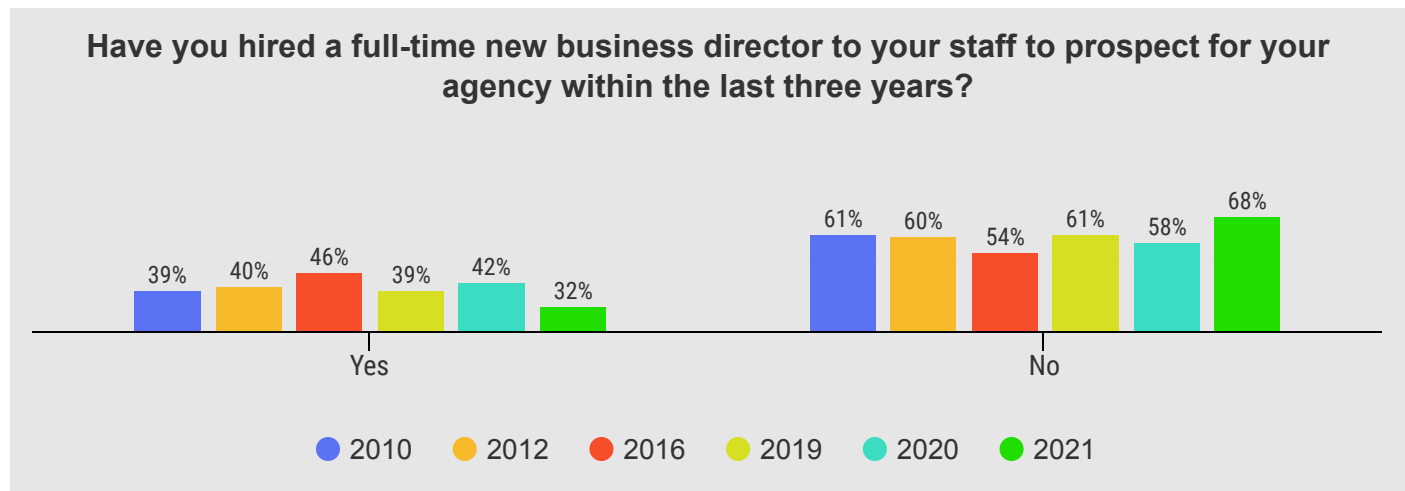


Implications

For small and mid-sized agencies, we think these numbers will increase over time. Rather than seeing other firms as competitors, we're noticing more and more agencies finding real benefits in partnering with complementary firms - not only monetarily, but in terms of driving more new business. Whether white-labeled, or as partners supplementing your services, especially in areas like analytics, can be a huge plus to your new business strategy.

Success And Tenure Of New Business Directors

Interestingly, hiring for the new business director position at an agency is at its lowest level since we started this survey in 2010, with just 32% of agencies hiring a new business director in the past 3 years. We can point to a number of different factors as to why.



Implications

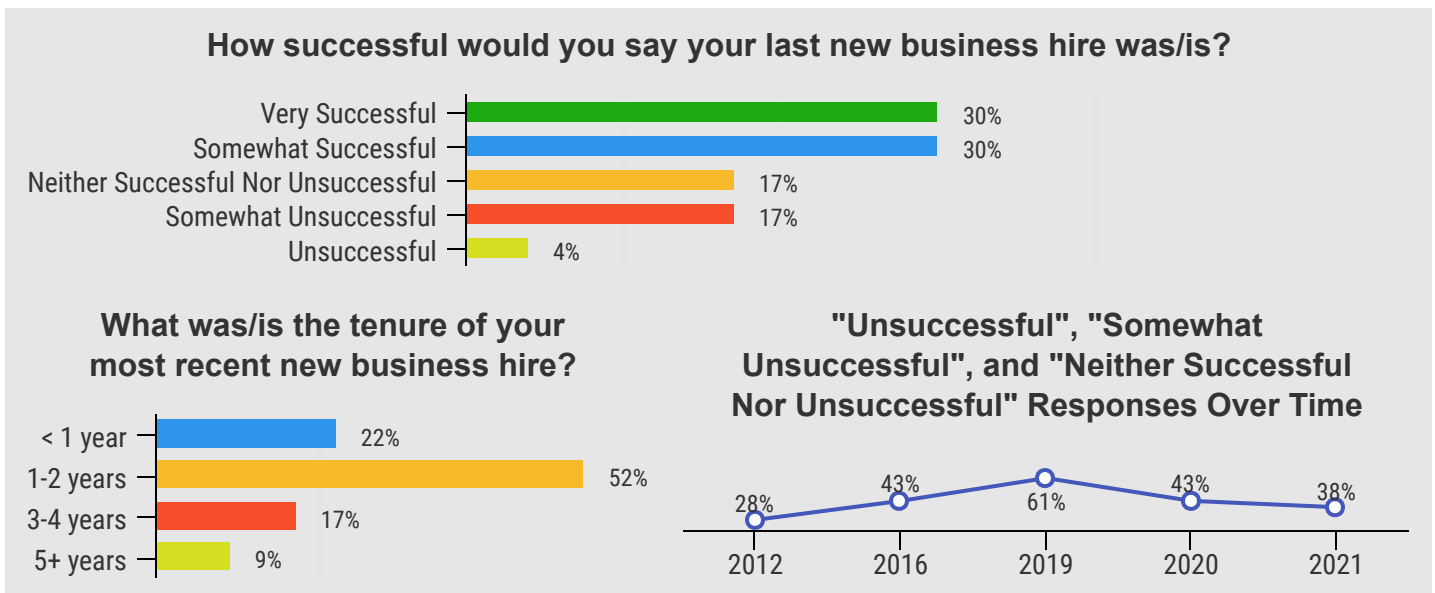
Without a doubt COVID has to play a part in this result. Agencies found themselves over the past few years either scrapping to stay afloat, or slammed with work - both not conducive to hiring for the new business position. And then it's simply been harder to hire across the board in this market as well. Another contributing factor is the amount of organic growth agencies reported, as we saw in an earlier section of this report.

With new business apparently being easier to come by in 2021, agencies are not pressed to hire for the role. But, as mentioned earlier in this report, one thing that can always be counted on in our industry is change and the cyclical nature of the industry as a whole.

Agencies should be prepared, as they head into 2022, for organic growth to settle, and for hiring to normalize, and make plans for pursuing new business, however it's done, whether through hiring internally or outsourcing it to a firm like RSW or others out there.

Success and Tenure of New Business Directors, cont'd

Numbers continue to improve for new business directors at agencies, as 60% of agencies report their last new business hire as very to somewhat successful, versus last year's 57%. Although, when asked about tenure of their most recent new business director hire, 22% said less than a year, and 52% said 1-2 years. Good to see continued improvement of internal new business directors. Although part of the credit should be given to agencies as well, in terms of their hiring process. Having said that, new business director tenure is still falling along traditional lines: an internal new business director at an agency lasts, on average, 18 months.



Implications

As COVID hit, we quickly, and unfortunately, saw many new business directors at agencies lose their positions. These were individuals who found success through in-person networking, conferences, and local/regional outside selling. When everything shut down and these individuals could no longer rely on their network, or in-person selling, it became painfully evident that inside sales was not their strong suit.

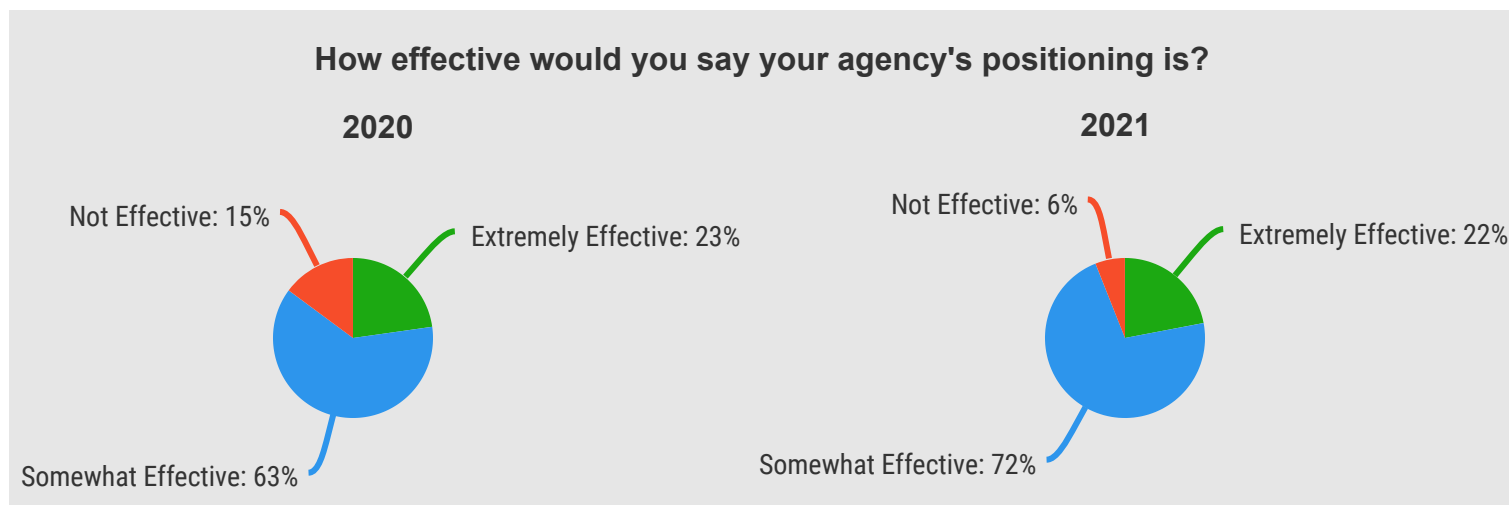
Through that, we spoke with agencies who came through it with the understanding that a new business hire had to have a more balanced skillset, which included strong inside selling skills. At RSW, we've honed our hiring process over the years, and look for individuals with strong inside skills, and a certain level of experience - on average 15-20 years. Not that we never consider individuals with predominantly outside sales skills, but it's rare that they're the best fit to represent our agency clients.

What is still a challenge for agencies is keeping these individuals around. It's odd that so many agencies report success with their new business director, yet only see them stick around for a year or two predominantly.

Unfortunately, as stated earlier, this 18-month average has been the prevailing trend for several years now. New business directors who find success at an agency tend to keep moving on to other firms. We are lucky that here at RSW, our average new business director tenure is 8 years. We work very hard to provide a culture and workplace that keeps our people sticking around. For agencies, it's certainly frustrating when a successful new business director at the firm gets a case of the "grass is greener", but it's unfortunately a part of the industry.

Agency Positioning

Agencies look to be more confident in regards to their positioning in 2021. 72% of agencies feel their messaging is somewhat effective, versus 63% last year. And similar to last year, 22% of agencies feel their positioning is extremely effective, versus 22% last year, a minor decrease.



Implications

This is a question we always like to include in our survey, because we like to get agencies' internal temperature on their own positioning. Having said that, the results should always be taken with a grain of salt, because it's tough when you're living in your agency vacuum.

Looking towards 2022, now is the time for agencies to take a step back and reassess their positioning, even if you've done it recently. The ideal is to show your positioning to someone outside your firm, a current client who you have a good relationship with, for example.

It's understandable. When you're so close to it, there's inherent difficulty in assessing your own positioning a neutral way. And as you're looking at your positioning, create three versions, starting with your elevator pitch at no more the 3-4 sentences at most, and then increasing to 2 and 3 paragraphs in the other versions. It's a good exercise and may be harder than you think.

As part of every RSW program, one of our first deliverables is a client communication strategy. This is a document that we strictly keep to one page in length. And while it's not a script, it is essentially the essence of the agency's reason to believe, their expertise, and their key points of difference.

As a follow up to this question, we asked "name one way in which your firm and work are different from other firms. Given the variety of responses, we wanted to give you a sample from your agency peers on the next page..."

Name one way in which your firm and work are different from other firms

- *Expertise in creating digital experiences truly accessible for everyone.*
- *In-house photo/video studio capabilities to efficiently turnkey libraries of digital content.*
- *Focus on industrial marketing/technical content*
- *Fractional CMO with Agency team to execute*
- *We are standout TV planners in addition to our digital acumen. Many digital agencies lack traditional advertising experience.*
- *We're primarily a creative production house for much of our gorilla client's work, and then much of the other business is creating custom displays and exhibits for tradeshow, corporate environments, and museums (so, not exactly a marketing agency).*
- *We mostly compete with transactional digital vendors, so more focus on branding*
- *We are niched on a particular vertical*

Name one way in which your firm and work are different from other firms

- *Buy one, give one strategy - for every paying client, we provide the same or similar services for a nonprofit.*
- *We deliver superior creative with concierge service - no one does that in our industry.*
- *our focus on one industry vs being a generalist.*
- *We provide actual ROI forecasts for the work we do, then monitor those KPIs monthly.*
- *We have a trademarked process and a book written by our founder to back it.*
- *nonprofit marketing specialists*
- *our agency's background in public health/behavioral health has given us a unique opportunity to work with behavior change models, so we've made our focus as an agency on driving consumer behavior change through an upfront process called Belief & Behavior Design*

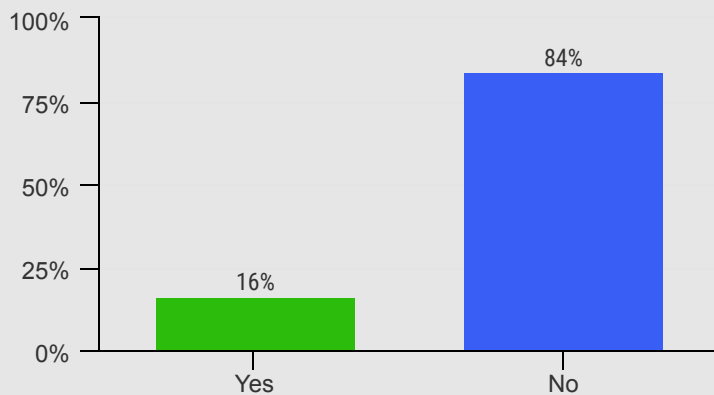
Name one way in which your firm and work are different from other firms

- *We don't sell generic solutions or services that sound like a commodity the way everyone else talks about them.*
- *When we partner directly with brands (i.e. brands hire us to produce video without the use of an ad agency), we provide strategy and creative services in addition to production.*
- *Christian market specialists*

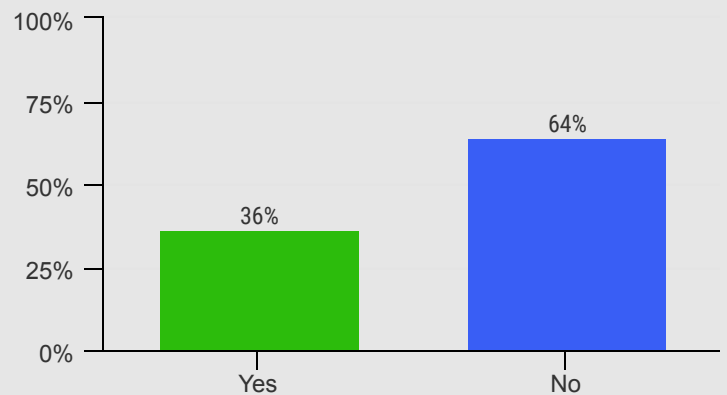
COVID Impact in 2021

As previously noted, we all expected to be well past the pandemic by this time. And of course, we saw that wasn't the case in 2021. So we wanted to ask a few questions in relation to the impact COVID had on agencies in 2021. The first of these was in relation to positioning, and we asked if agencies changed their positioning in response to COVID. A resounding 84% said no. We then asked if agencies realigned or changed the verticals they pursued in response to COVID, and 64% said no.

Did you change your agency positioning in response to COVID?



Did you realign or change the verticals you go after in response to COVID?



Implications

Two very positive responses with each of these questions, and we were a bit surprised when we saw them, expecting a bit larger percentage of yes's to both questions.

With certain verticals, tourism specifically for example, we talked with several agencies who had no choice but to try and change positioning or go after adjacent verticals - completely understandable. And we did see some firms that had a bit of a knee-jerk reaction and change positioning when they should have stayed the course. Of course, it's easy to be the Monday morning quarterback. And none of us knew exactly what the future had in store. But it was heartening to see so many agencies stick to their guns, especially with an uncertain future in some of those verticals.

Holding Strong

84% of agencies surveyed *did not* change positioning in response to COVID



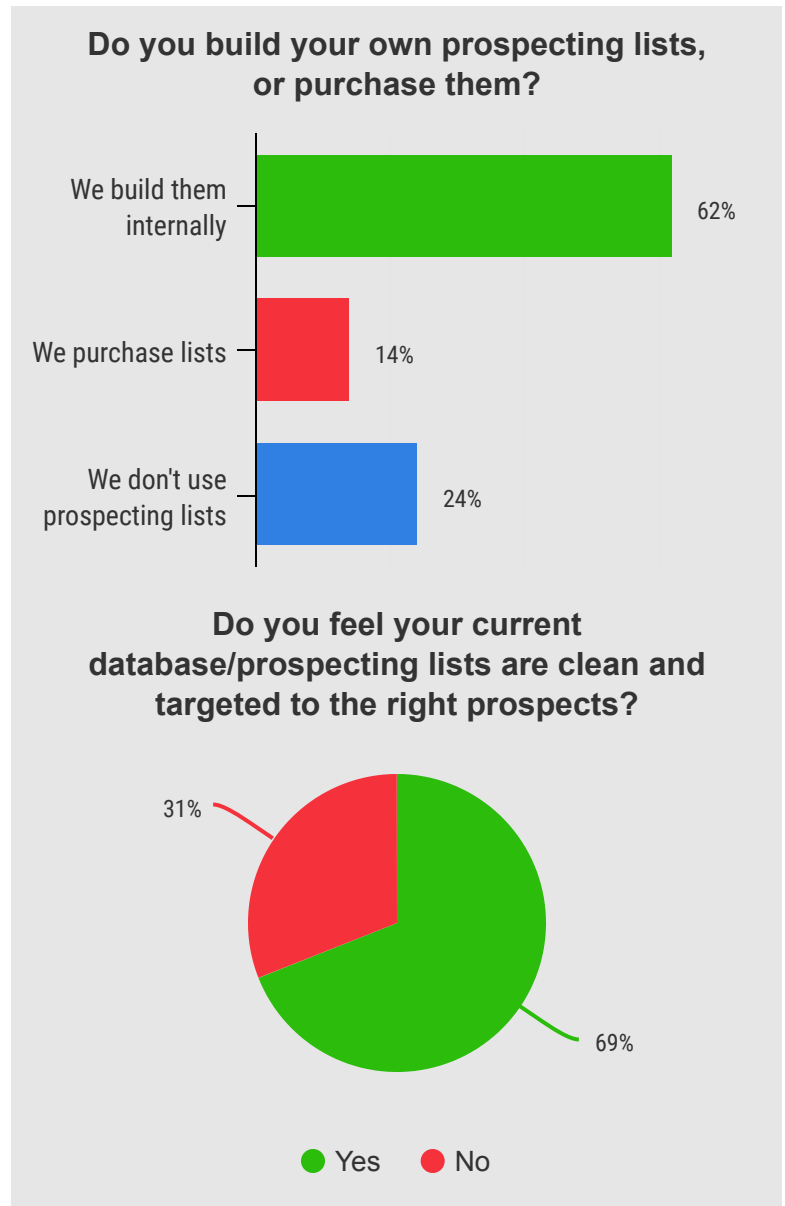
Prospecting Lists & Efficiencies

We included two new questions around prospect list building, and how agencies felt about their current prospecting lists. In answer to our question, whether agencies build or purchase their prospecting lists, a surprisingly large 62% of agencies said they built them internally. Only 14% of agencies purchased their lists, and an interesting 24% said they don't have prospecting lists at all! We then asked if agencies felt their current database/prospecting lists were clean and targeted to the right prospects, with 69% saying yes.

Implications

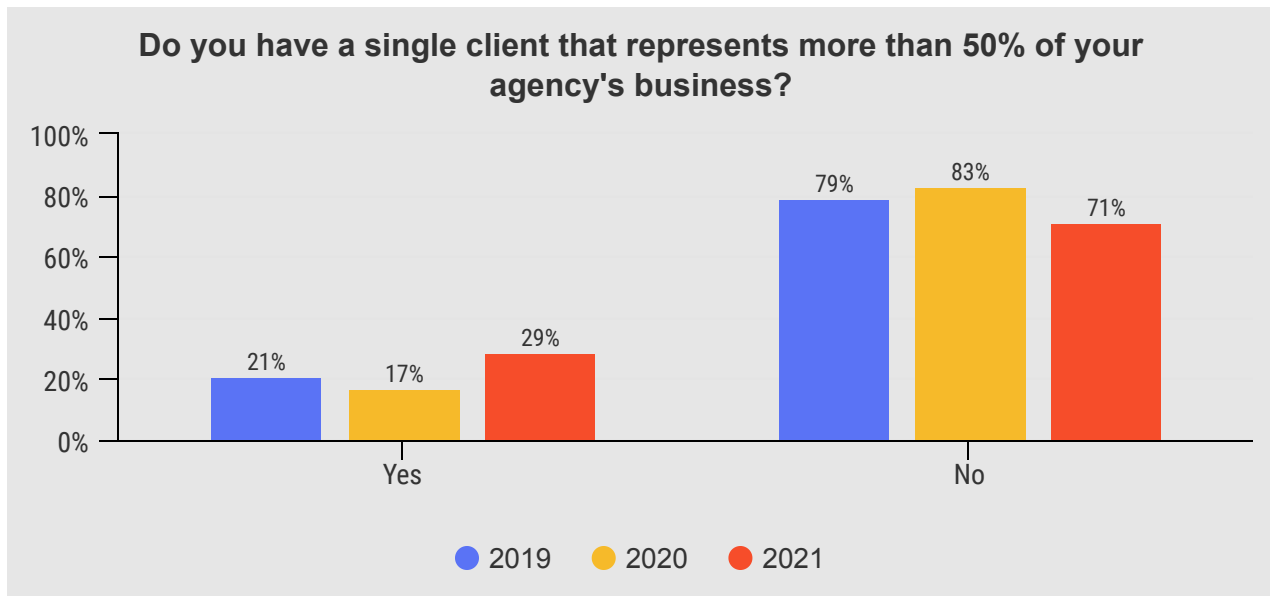
It really is surprising that 62% of the agencies in our survey said they build their own lists. It's a time-consuming and ongoing process, and in our experience, many agencies don't know exactly what their ideal client profile is. We've built our RSW list team into one of the premier list-building teams in the country, and we create and provide prospecting lists to our agency clients because the list creation and maintenance process is so difficult.

The 24% of agencies who said they had no prospecting lists inevitably fall into the referral-only camp. We say it constantly: referrals are a fantastic source of new business, and should absolutely be a prong of your strategy, but agencies rely on them [at their peril](#).



Prevalence Of Non-Diversified Client Portfolios

Unfortunately, this stat has gone in the wrong direction in 2021. 29% of agencies said yes, they do have a client that represents more than 50% of their business, versus 17% last year, a decent jump in size.

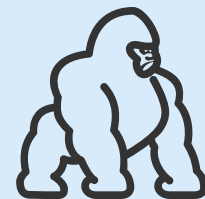


Implications

One has to imagine COVID, yet again, plays into this increase. With so much volatility in '20 and '21, many agencies had no choice but to take work where and when they could. So it was easy, and often necessary, to take more work from that gorilla client. Or from a client that has now become a gorilla client.

Gorillas Are Here To Stay

Last year, 17% of agencies stated they had a "gorilla" client (represented 50%+ of their business).

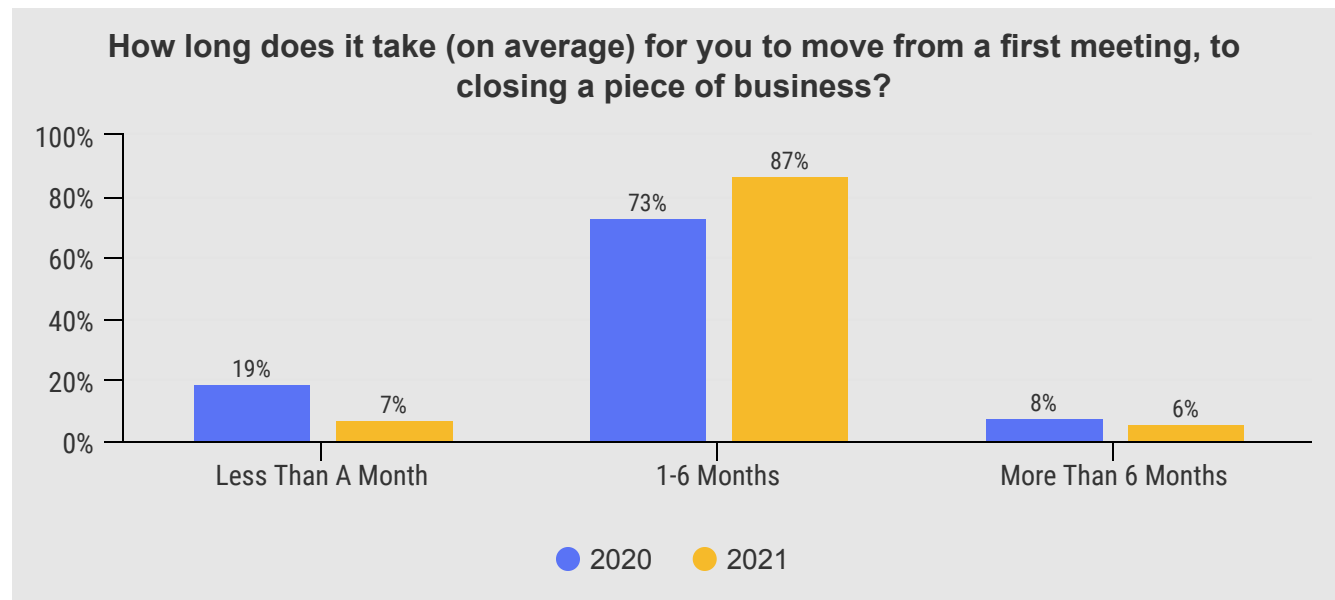


This year, the number has risen to 29%.

Another reason why agencies must plan a strategy for "new" new business in 2022. It's one of the only ways, beyond referrals and networking, you'll be able to diversify your client roster.

Average Time Between First Meeting To Close

This was a new question for us last year, and it's probably one of the most asked of us, "How long does it take (on average) to move from a 1st meeting, to closing a piece of business?" By a wide margin, 87%, agencies said a month to six months, versus 73% last year, still confirming that the process simply takes time.



Implications

So many factors go into this, size of company and vertical being two of the biggest. But once that first meeting occurs, between one and six months on average to close that piece of business is about right.

Of course, without consistent, value-based follow up, your chances of closing go down precipitously. It's why, early on in our business, we realized we had to do more than just get quality first meetings for our clients (although it was, and still is critical). Our main goal became getting clients closer to close, which went beyond lead generation. Full-service business development means consistent follow up after the first meeting is a part of every RSW program.

It's difficult for agencies to do this on their own; whether it's due to lack of time or lack of know-how, they're just not very adept at it. The first can't be an excuse, and the second can be overcome through training, or finding good help.

Playing The Long Game

87% of agencies say it takes 1-6 months from the first meeting to close on business.



Conclusion

As we wrote the conclusion to our 2020 report last year, we looked forward to a better 2021, and said there were reasons to be optimistic, and there were many, from a new business standpoint.

As we see in our stats, many small and mid-sized agencies saw an increase in new business and continued to grow, or regained lost growth from the previous year. Of course, many still struggle, and as we look towards further normalcy, however gradual, we hope those agencies will ideally find their footing, and find ways to drive more new business. And hope the findings in our report will help you do that.

We were sincere about the warning signs, however. The decline in referrals is in its second year. Coupled with that, all signs point towards agencies head-down, working on existing business to the exclusion of any real “new” new business. Clients have to be taken care of, of course, but when that existing business starts to slow, and it inevitably will, agencies will be forced to catch up, and that’s tough if a new business process has been on pause for months, or hasn’t been in place at all.

But we’ll end on a positive note, and encourage agencies to capitalize on this current growth by applying themselves to a manageable new business effort - when you’re on top is the best time to pursue it. If we can help, contact us, and if you plan to handle in-house, we have a wealth of content to help you on our site. Here’s to a better, *better* 2022.



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