

BUILDING A VIRTUAL AGENCY

By Christine Temple-Wolfe

At one of the recent Confab conferences in Nevada, where consultants of all specialties gather to learn ways of growing, Virtual Agencies were all-the-buzz.

I heard rumblings in the crowd, asking, "What do I do when I go home. I still don't know how to get started." So this is just one agency's practical advice on how to get started, from the ground up.

HOW DO I GET STARTED?

Build a brand. You must find the essence of your expertise and express that with a logo, tagline and a palette of visual colors that suits your personality and corporate culture. Create a set of materials you can use to

communicate what it is that you do best and why someone should hire you. The "must haves" to get you started.

- A corporate brochure
- A fact sheet/backgrounder
- One press release on your product or service
- Business cards
- Letterhead
- Envelopes
- Mail box/stop
- Dedicated business & fax no.
- Website

Are you a low margin, high volume brand? Or a high margin, low volume brand?

Find the right people. The most difficult aspect of running a business for corporations and consultant practices alike, is finding and keeping good people. Finding talent that is capable, motivated and priced so you both can make a profit is by far the most exacerbating. The people you hire will affect how you execute your initiatives and your reputation.

- First advertise a specific need.
- Tap your network (IMC, WIC, University etc)
- Do NOT hire friends.
- Create goals and rewards for each position.
- Create an incentive structure so you can keep them working with you!

It is important that you first screen your candidates on the job, not by their resume. Give them assignments for your practice. Another words, you have a practice. Use your own funds to hire them for a development project and you will soon discover if they will meet your standards on client projects.

Contractors or consultants have their own practice. They can and will leave you at any time. Whether you acknowledge their birthdays, buy gifts, provide training subsidies or provide challenging engagements. There is no such thing as loyalty in business. So be prepared to incent the project completion with bonuses.

- 1) Did they meet your needs?
- 2) Did they meet the client's needs?

If the answer is yes- then pay those more...and pay them fast. The only differentiation you have from other clients is paying quickly and paying more.

Going forward, you ideally will allocate 20% of your time during the week to just meeting new subcontractors, business partners and potential alliances that will help your business prosper.

Document Processes. After you have had the opportunity to work with other consultants for a time, you will clearly note what is working well and what isn't. Going by the book doesn't necessarily work in consulting practices. Nor does a corporate best practices approach from project management to communications and processes. Tap into your team and find out what their comfort level is and document:

- Job descriptions
- Meeting processes
- Payment issues
- Conflict resolution
- Managing clients

Communication. Because you aren't under the same roof, you will experience additional challenges. To avoid miscommunication, have weekly meetings on the phone, to review clients, best practices, your corporate objectives and how you envision getting there. Organize monthly meetings in person to develop a rapport with your team. Have them all exchange contact information and get to know one another on a personal level. Consultants can be territorial and arrogant, and it is up to you to

reduce the barriers as quickly as you can so that you are creating an environment for team work versus competition.

If your team is scattered about the country, fly them in at least once a year to have a face to face dinner and discussion. Consultants who develop a relationship will weather the difficult times much better than those who don't.



Challenges.

The most significant challenges I have faced over the first few years of my

business, which I am continually learning to address are:

- **Paying wages you can't afford.**
 - If you are bringing them business, work with them to reduce their rates so you can both enjoy profits.
- **Clear job descriptions.**
 - Consultants are used to doing things their way. Define your expectations and reach a mutual agreement before you get started.
- **Over communicate.**
 - Don't assume they approach things the same way you do. Because you are not face to face, you face greater challenges communicating and monitoring other's work.
- **Agreements.**
 - Make sure you have all subs complete mutual non disclosures and non competes. These forms can be found on the internet-

customize them and make them your own.

- **Hire competence.**
 - Your sub contractors should know their craft well and anticipate issues and challenges as you would. If they need too much direction, you will spend your time managing versus bringing in business.
- **Accountability.**
 - Define expectations and map your rewards and penalties to these. If your subcontractors are continually meeting the objectives and clients are happy, then reward them with a bonus.
 - If they are falling short, terminate them and pay a cancellation fee. Moving on can be hard, but necessary to the success of your organization.

Operations. Since you are operating virtually, the infrastructure you put in place is critical. Clients are going to be tentative with this arrangement and the burden is yours to ensure dependable communication and project management.

- Get an 800 number with extensions for each of your team.
 - There are many companies that provide virtual offices with recorded greetings, extensions and web-based access. Your team can receive their calls at their cell phone and, or

check messages on line. (\$15 a month)

- Make sure the process is transparent to your clients.

[National Directory Information Services](#)
[Freedom Voice](#)
[Gotvmail](#)
[Virtual PBX](#)
[TollFreenumbers.com](#)

- Never use your home address.
 - It just isn't safe to do so, and it is unprofessional.
- Conference call set-up.
 - Use technology to communicate.
 - Use shared desktops or wiki's to share information without having to set up a network.

[Freeconferencecall.com \(FREE\)](#)

- If your clients are larger companies, make sure you rent a space in a shared building for professional conference rooms so that you can go there in a moment's notice.
 - If large companies are your target, you will not be seen as credible by some meeting at the local coffee shop or at your home.



Marketing & Advertising.

This is a pay as you go effort. If you have just one client, you

should be saving **30-40%** of each paycheck for on-going marketing and

advertising efforts. Your lead pool, or pipeline will quickly dwindle if you don't have an on-going means of generating interest.

Some affordable ideas when you first get started:

- Chamber & Rotary membership
- Build a contact management database in Act or Goldmine, or Salesforce.com to build your network and launch emails quarterly to ask them for feedback.
- Professional Associations- get involved and learn about your group. Leveraging relationships are still the number one way consultants get business.
- Write- write articles, books, snippets and publish to anyone and everyone you can submit to online and offline.
- Volunteer for local non profits, political measures and issues in your community. You will build invaluable relationships that will help your word-of-mouth advertising.
- Speaking engagements are also helpful in communicating your expertise. Local schools, community education classes, church events, parents clubs, professional associations- anywhere you can get the opportunity.
- Direct mail: use postcards to convey your expertise to your target audience. Building awareness can be done this way, but not sales conversion. Your goal is to let people know you are there to serve. A letter with a brochure are better for informing executives of your expertise and value to them.

- Telephone: A powerful tool to ask questions about a given business and their challenges. Go to websites of the ideal client and tap their resources listed. Call in and ask thought-provoking questions. Then with those answers formulate your written communication – and ask for a meeting!
- Utilize the web: sign-up for distribution lists to get posts on jobs (contract and full-time), post on message boards and blogs. Get your name out and provide expertise in your subject area. Spend some time online and google your subject area, many opportunities for exposure will arise. Vendor listings are one area you can capitalize on easily. Resource guides, and consultant listings are abundant on the web- get listed!

As you build your prospect list and professional network, clients will seek you out. That said, make sure they can find you- without a website, they can't learn more about you and see if you are a potential fit.



Legal. You can't protect yourself enough as a sole proprietor or corporation. And while general liability insurance is all the rage and insurance brokers depend on you buying it, any lawyer will tell you, you can still get sued, no matter the insurance coverage you have. This is why it is so critical to have a legal counsel, whether part-time or full-time to review your contracts, agreements or just to be available for

brief discussions regarding complex issues. Many lawyers help support small businesses. Simply provide a \$300-400 retainer and you will enjoy the freedom of having counsel when you need it. They can help you pick your battles, and resign business relationships when necessary.

If you choose to protect your name or your mark, you can count on \$600-700 for a national trademark, and \$2500-\$2700 for an international trademark.



Collections.

There are also companies that support small businesses such as **RMS** who provide collections services for a percentage of the outstanding

receivables. It is always good to have qualified professionals on your team as you begin to develop your reputation in the business community. Large companies backed by big lawyers can simply deny payment to consultants. Small companies can get into cash flow problems and, or not pay for any number of reasons. Protect yourself by stating your services agency in your contracts and let your clients know you won't tolerate late or no payment. You also have the avenue of small claims court should you need to pursue a client or contractor for payment.

Accounting. There are so many resources today that there is no excuse to not do your own accounting when you start. Intuit provides a number of small business tools that

are user-friendly and enable you to tackle billing, payroll, taxes and more. As you grow, the less time you should be spending with Administrative tasks. If you are spending more than 20% of your work week on Administrative tasks, you might want to consider outsourcing to Paychex or another agency that manages your payroll. And then seek a part-time bookkeeper to remotely go into your system and do that voodoo that they do so well.

If you are spending more time doing bookkeeping than generating business, you should change your job title or potentially your career path. Stay driven in your own core competence and let others do what they do well. The Japanese culture calls this **Keiretsu** – these are business networks that provide indelible support and help companies of all sizes leverage each others' strengths.

The order of executing is also quite important. Building a business is not something that happens overnight. The learning process takes time, and utilizing all the knowledge you've acquired, and enlisting the support of other professionals is critical.

My suggestion is to take each of the steps we've discussed in the following order.

- 1) Build a brand
- 2) Secure your legal, payroll & accounting advisors
- 3) Begin your recruitment of subcontractors (obviously an on-going process)
- 4) Set up your operations
- 5) Document your processes
- 6) Start your marketing & advertising



Of course the challenge is having the time and tenacity to get all this done. I

believe patience and fortitude are two of the most valuable attributes a business owner can have. You will have good months and bad months. And you can never stop learning.

Your involvement with the Institute of Management Consultants (www.imcnorcal.org) and other professional associations can help you avoid the pitfalls of consulting. Don't be afraid to listen to professionals that have made the transition from corporate to consultant. These are two different animals and require additional learning no matter how much business experience you've got under your belt or how many degrees you have.

To grow your business organically, set reasonable goals so that you can keep your eye on the ball. Despite market fluctuations, you have to keep your focus on your game plan, and that means, annual revenue goals, client goals, subcontractor goals, market share goals, profit goals.

"If you are winning every pitch, you aren't bidding high enough on the jobs."

Richard Wolfe, Territory Manager, TRANE Corp.

If you are female, consider **WBENC-** and registering yourself as a **certified small business owner** with the state. These are two powerful ways of

getting your products and services exposed to the right people.

Examples:

Year ONE: Establish materials, website and professional network (lawyer, accountant, collections, payroll, bookkeeping). Secure one big client, two small clients.

Year TWO: Upgrade website, build consulting network of subcontractors and partners. Execute one marketing campaign. Secure two big clients, and one small client.

Year THREE: Add a strategic partner and document all workflow processes. Maintain two large clients and two small clients.

Year FOUR: Increase margins, work 40 hours a week versus 70. Build speaking engagements, advertising targets, and outline classes to teach for summer sessions.

These are just some ideas to get you started. There is always more to do. It's dependent on your time however. And your goals.

Do you want to be a millionaire?

Do you want to build a practice and sell it?

Do you just want to make a comfortable living?

What is your objective?

Excel in Marketing, LLC.

Is a virtual agency in the East Bay that began in 2003. Starting with just one sub, growing to over 15 in the network, this consortium provides marketing services for Fortune 500 clients and small start-ups. For more information, visit

www.excelinmarketing.com or call Christine Temple-Wolfe at 888.273.8834 for more information.