

Small But Mighty Agency Podcast

Episode 57: When to change, pivot or develop new offers in your business?

Speakers: Audrey Joy Kwan, Erika Taylor Montgomery

Audrey Joy Kwan

Is now the right time to change, pivot or develop a new offer in your business? As business owners, we can't be tone deaf to what's happening in the market and the economy, and both look different today than it did two years ago. What might have been working two years ago in your niche is rapidly changing, requiring you to make potentially big decisions. Today, we have a timely discussion from an entrepreneur of 18 years about how she's made some critical choices in her business, including insights from going through the 2008 recession, tune in.

Audrey Joy Kwan

Welcome to the Small But Mighty Agency Podcast. If you're a creative, consultant, or agency owner, who wants to know what the roller coaster ride really looks like to grow your business from one to many, you're in the right place. My guest and I pull back the curtains on the realities of growing and running agencies of different sizes, and what it takes to build a team. And if you're anything like me, you want more than the highlight reel. You want to learn from the mistakes of others so that you can stop short of making the same mistakes. I'm your host, Audrey Joy Kwan, I spend my days as a coach and consultant to multiple six and seven figure agency owners. For the last seven years. I've been behind the scenes, helping people grow, lead and operate small but mighty agencies. Here at the Small But Mighty Agency Podcast, we'll uncover what works and equally as important what didn't work to get these business owners to where they are today.

Audrey Joy Kwan

Hey, friends, welcome back to the Small But Mighty Agency Podcast. Lately, the topic of pivoting and changing has been on my mind, I work with my clients to fine tune and develop their offers. And the outcome is a service that is easier to position, market and grow with a team. Sometimes we need more than fine tuning, we say goodbye to offers that don't align with a vision and develop new offers. I invited Erika to the call today because she's had her fair share of pivots and changes over 18 years in her agency. And this conversation felt timely. Erika, tell us a bit about you and your agency.

Erika Taylor Montgomery

Sure. Hi, Audrey, thank you so much for having me. I'm really happy to be here with you today. And it's an exciting day always to talk to other people who deal with agencies and dive into these kinds of topics. So, my name is Erika Taylor Montgomery. I'm the founder and CEO of Three Girls Media Inc. And we are a full-service marketing agency. We do everything from PR to social media management, graphic design, web design, and build, email marketing, all kinds of content marketing, you know, the whole kit and caboodle. And that's really who we are. I'm also a dog mom, I'm a chicken mom, I have a flock of chickens. I'm very happily married to who I think is the most wonderful guy in the world. I love to cook. And that's me.

Audrey Joy Kwan

Thanks for sharing the fun facts. I love learning something new about people and having a flock of chickens is new. You've owned a service-based business for 18 years. And when you have that type of longevity, you go through a lot of pivots and changes. That's the nature of business. I want to share with our friends who might be trying to make a pivot, how you've gone through change in the best possible way. Tell us about some of the changes you've gone through in your agency.

Erika Taylor Montgomery

Absolutely. First, let us just acknowledge that most people hate change, right? I mean, most people just don't like it. There are some people who don't mind it. But it's rare that I come across people that say, Yay, let's change all the time and do new things and come up with creative ideas. So, I just want to put that right out there to start with. And certainly in the last 18 years I have been through the highs, I've been through the lows. I've been through the middles. I have pivoted my business time and time again, whether it was bringing on a partner, whether it was sub-contracting, whether it was outsourcing talent, whether it was offering new services. I've done it repeatedly over the last 18 years. And it's how I've grown my agency and gotten to the point where I am today. And I actually consider the fact that I was willing to make such drastic changes in 2007-2008 when the recession hit, that it saved my business and being able to pivot on the fly and do things differently really kept me, my doors open.

Audrey Joy Kwan

Tell us a bit more about 2007 and 2008. There was a financial crisis and recession. What happened in your business?

Erika Taylor Montgomery

Yeah, well, the economy tanked in the nation, right and so all of a sudden business dried up. Businesses were not spending money on marketing anymore. They were taking every last dollar they could to keep their businesses afloat. And often, when businesses come across tough times, the first thing they do is cut their marketing budget, which is exactly the opposite of what I think they should do. But not a lot of business owners agree with me there, it's an easy way to save money. And so suddenly, our client base

dried up, and everyone left, and I thought, How am I going to survive with no clients? It's a tough sell right now to go out there and sell marketing. And so, I put together some really affordable packages where I thought it would appeal to people at different price points for different types of businesses that were actionable. So gave people very concrete action items that we would do for them for this set dollar amount. So, for example, whether it was three paid Facebook posts a week or one blog post a month, that was tangible stuff that you could actually count, as opposed to charging some kind of random monthly retainer and not being really clear on what you were going to be getting for that money. I wanted to really define it for our clients and show them the value and what we would provide. And the fact that I was able to create those packages and make them really affordable, really saved the business in those years.

Audrey Joy Kwan

In a recession, people are more careful with their money, layer in the fact that the consumer pool is becoming more sophisticated because many of us who are B2B, have bought services, our expectations and preferences are becoming more precise about what we want, what works for us and what doesn't. All of that means you have to understand the value and promise of your service offering clearly, to position it. And one of the things you're highlighting and that I want to draw attention to is the power of understanding and meeting people where they are by pivoting service packages, how did the pivot work out for you?

Erika Taylor Montgomery

Well, it literally saved the business, it kept us in business. And then it kept us growing. Once the economy started to turn around, I was able to come up with bigger and better plans. And then also a fully customized approach that said, if you don't fit in this box, for this package, we can go à la carte, and we can create something specifically for you and your business that's one of a kind that's based on three things, your needs, your goals and your budget. And we just still do both of those things today, we still offer really affordable kind of boxed packages where this is what you get for this price. But then if that doesn't quite work for you, and you want something customized, we'll go à la carte and create a specific plan that's really relevant and targeted for your company.

Audrey Joy Kwan

You've been through a recession as an agency owner, and there are many different thoughts on the R word. Re being recession in 2023. What are your thoughts about the recession in 2023 as an agency owner?

Unknown Speaker

Yeah, well, I've already noticed, in particular, our real estate clients drying up I've had three different real estate clients cancel their contracts with us. because the real estate market has tanked in the last

three months, it's done a complete 180 in where there used to be bidding wars for houses, and then going well above listing price. Now a house can sit on the market for a month or more without any offers. And so, in that industry alone, I've seen an excess of clients. And so, I think being able to, again, be really flexible, offer something that's affordable, really concrete, really tangible to people not only specifically in the real estate sector, but in any sector as we look at that R word and what may be coming in 2023 is absolutely critical.

Audrey Joy Kwan

You're pivoting your services to account for what you're seeing right now. Is that fair to say? And it's similar to what you did in 2007. Is there anything different that you're doing this time around?

Erika Taylor Montgomery

Yeah, certainly, I would say the differences are primarily in the services that we're offering for those set packages, the times have changed. Now there are social media platforms that didn't exist back in 2007 and 2008. Other things have become much more relevant like blogging, for example. Email marketing has great ROI in general. So we sort of shifted what maybe we're putting in those boxes, but the basic concept remains the same.

Audrey Joy Kwan

When you decide to pivot what perspective are you considering? You've been through a recession as an agency owner? I'm curious how that's impacted your decision making in today's economy. What lens are you using to make decisions?

Erika Taylor Montgomery

Sure, well, one is listening to your customer. That's really where I get most of my knowledge from when it comes to making these kinds of decisions.

Audrey Joy Kwan

What else are you doing to prepare for an economy that looks much different than two years ago?

Erika Taylor Montgomery

Yeah, well, it's definitely different, right? Because now we're sort of looking through the lens of this post pandemic era. And although COVID is certainly still a thing, it's not like we're all hunkered down in our own homes and totally isolated, like we were for a couple of years, and the world is sort of restarted,

right? And people are out and about again, and co-mingling again. And so different ways of reaching people that may not have been viable, really, in 2020, or even parts of 2021, are really coming back into play now. So, whether that's something like geo targeting, for advertising on smartphones, or tablets, and that kind of thing, because people are more out and about that wouldn't have made sense to do in 2020, when the world was shut down. But now if somebody's walking through a shop of stores, and all of a sudden, they get an ad that pops up on their phone for a 10% off coupon at the store that they're passing, hey, that's good marketing these days. So again, it's just kind of being in tune with the market, what's happening in the world, and what's going to help your clients the most.

Audrey Joy Kwan

Okay, we've talked about pivoting and adding things to the business. And key number one is listening to your customer. While key number two is scanning the environment and knowing what value to add. Is there anything you are removing or deleting from your business?

Erika Taylor Montgomery

Yeah, absolutely. And this actually, is a really emotional decision for me. And generally, I have found in my almost two decades of doing this, that business and emotion should kind of be separate things, you don't want to become overly emotional about your business, you want to think about it with a really clear head. But this particular decision that I've been in the midst of making over the last several months has really pulled at my heartstrings. So, when I started the agency in 2005, we were solely focused on doing media relations and PR, that's it. That's all. We didn't do any kind of social media or blogging or websites or any of the other things that we all do today. And I have noticed over the last couple of years in particular, that that client base for us really has dwindled to the point where now it's a minuscule part of our gross annual income. And it's actually costing us more to subscribe to the tools we need to do that job than the income we're making to do the work. So, I've decided that we're going to be phasing out PR is coming this spring when our contract with one of our tools that we use sunsets. And that's hard, because that's really what I founded my business on what was I what I was about for, you know, the first two or three years of the business and all I did and now two decades in to say we're gonna let that go. It's kind of like, oh, you know, we've grown up and sort of have left our own nest in a way. But it's just the reality. And you have to look at these things through a business lens. And you have to be smart about the revenue and things like what you're paying for tools to do the job and if they're really getting you the bang for your buck based on your clientele.

Audrey Joy Kwan

If you create a complex business that makes you feel trapped, you will never want to grow your business, you'll do little or big things to self-sabotage growth, because nobody wants to scale overwhelm not you, not me, I've been there. I learned this lesson as a second in command of an agency. I could not turn off my brain and relax because I would worry about what was and wasn't being done. It wasn't until I looked at the business from a productized service perspective, to give us more bandwidth,

double the revenue and sell it and exit the business. Since then, I've been behind the scenes of multiple six and seven figure service-based businesses, helping consultants and marketers who are at capacity, get out of being stuck in service delivery and growing. It all starts by looking through the lens of a productized service. Download the free Productize Your Service roadmap. Go to audreyjoykwan.com/roadmap or click the link directly in your show notes.

Audrey Joy Kwan

Yeah, our business will look different to yours. And then five years from now, building a business is less about getting attached to our offerings, and more about listening to our customers. Understanding how things are changing and connecting it back to our gifting. By knowing what we're good at we can lean into our strengths and that makes growth easier. Erika, after being in your agency for 18 years what is your strength? And what is your genius?

Erika Taylor Montgomery

I would say a couple of things. And it's really funny that I say this because I don't really consider myself one at all. But if I look at the situation, objectively, I would have to say I'm good at sales. Now, keep in mind, I have no sales training, I've never taken a sales course, I've never sold a thing in my life before I started Three Girls Media, I've just done it on a wing and a prayer and learned as I've went, and believe me, I've learned some hard lessons. But I don't believe in hard sells. I'm really more about informing people of what the possibilities are and what their options are. And then if that works for them, great. And if not, that's fine. And so, I'm more of a soft sell. But I've seemed to have a knack that people can relate to when it comes to explaining the features and benefits of our services to clients and how they'll benefit from them. So, I would say that's definitely one of my strengths. And I still in the sole salesperson for the company today. And I'd say another area is team building. I, coming up in my first career, which was broadcasting, before I started Three Girls, I didn't really have any mentors, it's a very cutthroat industry, very male dominated industry. And I had to work my butt off to get to the top of the food chain in the San Francisco Bay Area media market. And I knew when I started my own company and needed to hire team members, that I wanted to make sure they knew that they were valued, that they were heard, I wanted to prioritize work life balance, and those are all core tenets to our company culture today. And it is crucial to who we are as a company and the in the vision of the company that I've built to date. And so, I'd say that's definitely another strength.

Audrey Joy Kwan

How much of being able to lead a team do you think was innate? And how did you decide what you want to have? And not have as part of your team culture?

Erika Taylor Montgomery

Yeah, for me, so much of it was based on what had happened to me and my career to date that I did not like. Things like never getting reviewed, it no matter how long you'd been with a company, or you know, technically there might be a you might read in the company handbook that you're supposed to get an annual review, but you've been there three years and never been reviewed once or not having a superior that you could go to and talk openly with and just talk out scenarios or get open feedback or be able to give constructive criticism and or be heard in general as a member of the team. So, I based so much of my management style, and my team building style on what I hated as an employee. And that's really how I've developed our company culture. And our and our team building is what I like as an employee, and what have I wanted in my previous career?

Audrey Joy Kwan

Yes, the benefit of working in a company before starting your own business is knowing what you don't want in your own company. Now, if we were to look back over the last 18 years, what would you say is one of the best decisions you've made? And what is one of the worst?

Erika Taylor Montgomery

I would say the best decision and it's actually been multiple times that this has happened would be offering new services. And again, that really comes down to listening to the need from our clients and realizing hey, we can do that there that's right in our wheelhouse or something that I know I'm skilled at, or a team member is skilled at. So why don't we offer that. And so, adding those, I think those are some of my proudest moments, and have helped us a lot. In terms of bad decisions. I'm sure I've made quite a few. Anybody who's been an entrepreneur for any length of time should be able to admit that. But probably the worst decision that I ever made in almost two decades, was very early on in life of the business, I decided to bring on a business partner. I mentioned that I had no sales experience, never sold a thing in my life. And that was really her expertise. And her entire career was sales. So, I thought perfect, you'll do the sales. And then I can focus on the marketing and the PR and the media relations and really the nuts and bolts of getting the work done. And I thought that would be a perfect marriage. And she was one of my best friends. And so, I brought her on board, I made her a 50-50 partner in the business. And within a matter of months, it had dissolved into a nightmare. She wanted to completely retool how we were doing the marketing. And although she had zero marketing experience, it would have been like me trying to tell her how to do sales. And I was highly opposed to that because I'd already been in marketing and PR for 20 years in broadcasting, and I knew how things should go. And we butted heads constantly, you know, she would come into the office and start screaming at the staff. And it was just a nightmare. And then lo and behold, one day, I found out that she planned to come in and fire the entire team and shut down the business and just close it.

Audrey Joy Kwan

Erika, I'm sorry that happened to you. It sounds like a challenging situation. In hindsight, what led to that wrong decision? And how would you do things differently to solve the problem?

Erika Taylor Montgomery

Yeah, great question. So, one I made the decision, because I thought it filled a void, a real void in the business, since it was an area that I wasn't skilled in. I think the mistake I made was making her a 50-50 partner. And I don't recommend that if you are going to bring on a business partner that you ever give up more than 51% of your business, there has to be somebody that can say the buck stops with me. And I have final decision-making power, even if it's 49-51. So, in retrospect, I would have done that. And fortunately, I got out of it, obviously, the business was saved. And our partnership ended. So, all is well that ends well. But that's definitely what I would have done differently is be more educated about business partnerships, and the risk of having a 50-50 relationship.

Audrey Joy Kwan

Flashing back to the present, can you share a critical decision you have to make in your business right now?

Erika Taylor Montgomery

We just made a critical decision about four months ago, so I can share that. And that was a big leap for us. And that is just start outsourcing some of our talent and working with a company that's based in the Philippines, and using their talent on our team, as opposed to having actual 1099 employees. And we did that for a couple of reasons. One, because with COVID, it got nearly impossible to hire the quality staff that we needed here in the US, it was just a very difficult market at the time to find local people that could, were qualified enough to do the work. And the other thing was cost savings, salaries here in the United States are dramatically higher than they are in a country like the Philippines. And so, I did quite a bit of research and found a company that we work with, and we outsource our work. They're just like members of our team, day to day, but technically they're not employed by us. But the company I was very happy with because they have the same business philosophy I do. They offer amazing benefits, the salaries we're able to provide these workers are top notch for the Philippines. So, we know they're being paid very well with great benefits. And they're also great English speakers and writers which we really need in our industry. And I'm happy to say that we now have three people from this company that work on our team. And it's been a wonderful decision. And I've definitely continue that moving forward. If we need to hire more people in the future.

Audrey Joy Kwan

What would you say to another agency owner considering hiring offshore? What do they need to know before taking action?

Erika Taylor Montgomery

I would really look at specifically a company that you can work with as an intermediary, as opposed to just hiring someone freelance, you need a company that's going to be able to handle things like the HR, the taxes, the benefits, the all of those kinds of things that I think is so important. So, I would definitely look for that. I would look for a company that has a good online reputation, has good reviews, that's been in business for a while. And then most importantly, do their workers meet your needs? Do they have a talent pool that they can recruit from that's going to be able to accomplish the tasks that you need them to do? And in this case, for me, the answer was yes, I was very pleased that we were able to interview all of the candidates, we made the final decision on who we wanted hired. So, it was a very collaborative process with this third-party company that we went through. And we were very involved in making the decisions on who we brought on board, and it worked out really well.

Audrey Joy Kwan

It's been 18 years; you've made many hard decisions for someone listening who's facing what seems like a big pivot or change. They might be wondering what guides your thinking when making business decisions.

Erika Taylor Montgomery

Ideally, we're all in business to make money. Maybe we're not all set out to be millionaires, but the whole point of being an agency owner is making money in some capacity. So, I would look at the financial decision number one is how is it going to impact you financially as a company? And is it going to be good for your bottom line? Number two, I would look at how any decision would potentially impact your team, if you do have a team. And what it means for them, is it going to impact their processes, their day-to-day work, their working style, is it going to impact company culture at all, or the systems of how you do things, and take that into consideration. And then I think I'd also look at the reasons why you want to make the change and make sure that you're not making decisions that are based on emotion. And just like from the cuff, that you've done your research, you've thought it out, you've maybe talked it out with a confidant, a spouse, or a friend or a mentor. And you're, you've done the research to know that this is a wise direction to take.

Audrey Joy Kwan

Erika, thank you for sharing your pivots and changes today you've been detailed and transparent. And there have been so many golden nuggets today. Before we wrap up, what keeps you motivated and inspired?

Erika Taylor Montgomery

I think two things. I think, one, my team, I am blessed to have an amazingly talented team with fabulous personalities that I really look at as my second family. We're a very tight knit crew, and they keep me inspired every day to want to run a company that serves them as well as our clients. And I think our

clients keep me motivated because I want to make sure that we're doing a good job for them, that we're providing the services that we promised in the manner that we promised and to the top quality that we've promised. And those two things together really give me all the motivation I need to keep going.

Audrey Joy Kwan

Erika, where can people find you online?

Erika Taylor Montgomery

Yeah, you can go to our website. It's threegirlsmedia.com. The three all spelled out T-H-R-E-E girls media.com. You can of course find me on LinkedIn. I'm everywhere on social media is Erika Taylor Montgomery. You can find me on every platform, including Tik Tok, but if you find me on Tik Tok, you'll find me posting cooking videos nothing about marketing there. But on Tik Tok I'm ErikaMontgomery67, my birth year so there you go for that.

Audrey Joy Kwan

Thank you so much, Erika, for being here.

Erika Taylor Montgomery

My pleasure. Thanks, Audrey.

Audrey Joy Kwan

Hey there. Thanks for hanging out with me at the Small But Mighty Agency Podcast. If you enjoyed this episode, it would mean the world to me if you hit the follow or subscribe button in your podcast app and share it with a friend. I'll see you in the next one.