

Small But Mighty Agency Podcast

Episode 85: Predictions: What is Required for Agency Success in 2024?

Speakers: Audrey Joy Kwan

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How can agencies navigate growth with more ease in 2024?

I have the privilege of working closely with seven-figure agency owners, and as a result, I see the trends and patterns.

Yup – We know we've got more noise, and it's harder to break through.

And as the economy changes, buying decisions require more trust than ever.

But it isn't negative; the market is just changing. And it requires new ways of approaching your business.

I also know that the need for done-for-you services (agency services) isn't shrinking.

The more complicated things like marketing become, the more need for expertise in implementation.

And the ultimate desire for lean business means less full-time staff and more agency contracts.

With all that said, what are the predictions for agency success in 2024? Tune in for the insights to help you grow.

Audrey Joy Kwan

Welcome to the Small But Mighty Agency Podcast. If you're a marketer or consultant, or a creative on a journey of growth from solopreneur to agency owner, follow along because I pull back the curtains on the realities of growing and running a scalable, service-based business and building lean team. I'm your host, Audrey Joy Kwan, I know what it takes to build an agency, whether it's from solo to three, five or twenty. I've done it, including supporting an agency owner to sell and exit. I've coached and consulted over 120 marketers, creatives, and consultants. And I've been behind the scenes of seven figure businesses. I also have a master's degree in communications specializing

in organizational development. All this to say, I know what it takes to grow lead and operate a multiple six, and seven figure small but mighty agency. And here on this podcast is where we'll dive right in.

Audrey Joy Kwan

Hey friends, I love discussing predictions and the future, and my clients love it too. If you've taken the CliftonStrengths, then you might be familiar with the strength called futuristic.

I have it in my top five, which means I have a strength in absorbing trends and patterns and analyzing the information.

It's like making a hypothesis; the concept of hypothesis isn't new if you've done an undergraduate and graduate degree.

Making a hypothesis and backing it with findings is what I learned to do well in my graduate studies, but more than that, I've always enjoyed looking at trends and patterns to make decisions.

Why? Well, it's like this analogy, "Don't skate to where the puck has been. Skate to where the puck is going." Have you heard it before?

In other words, you will always have an advantage if you know where things are going.

Again, certainty isn't guaranteed in any decision; however, making an informed hypothesis keeps us thriving. That's what I like to do every year: make informed hypotheses, also known as predictions for the year ahead.

Being in a niche is a strategic advantage to making predictions – you can make better-informed hypotheses because you have depth of information, and that depth can help you make better decisions

In episode 76, I shared additional strategic advantages of being in a niche, the episode was titled 5 Ways to Position Your Agency as First Choice – I'll link that in the show notes

Today, let's get into my predictions for the agency space in 2024.

Agencies are my niche, and I get a birds-eye view of different agencies at one given time, which helps me see patterns, trends and opportunities.

The way I work with my clients, I help them skate to where the puck is going, not where it has been.

That's why we are closing our series on How to Make Better Decisions in Business with 4 predictions for the agency space in 2024 so we can skate to where the puck is going.

If you haven't accessed the How to Make Better Decisions series, links in the show notes to the episodes in the series.

Let's get into my predictions.

Winning This Year Requires Playing the Long Game

The whole world has come online to sell things; this isn't a new trend; it's been happening over the decade and multiplied incrementally over the pandemic.

And the trend isn't going backwards. In Canada, the digital adoption grants are just one example of the continued push and emphasis towards getting businesses online.

But the reality is that it's becoming more complicated to market online.

Take Instagram as an example; a few years ago, you posted a square picture with a few hashtags, and you're done. Today, you need to create carousels, be active in stories, do lives and create reels.

The point is marketing channels are getting more complicated, and the do-it-yourself marketing that was once attainable is less attainable and more so as channels get more complex, opening the market to agency work.

That means the need for agencies and the do-it-for-you model isn't shrinking; it will only grow.

The formula looks like this:

More businesses coming online need marketing while marketing online is getting more complicated. Businesses are growing and have money to invest and don't have enough internal resources to support all the marketing so more and more businesses lean into the done-for-you model.

The challenge is the incubation period we are in – think of it this way: we have many eggs waiting to hatch, and when they hatch, the need agencies.

How will you set yourself up for that reality?

If you're an agency owner, you have to keep an eye out for the long game. The long game is doing things today that don't have immediate results.

For example, working out today won't give you a six-pack next week.

The long game is clarity about what you might need to sacrifice in the short term to achieve for the long term. Sometimes, this can mean pivoting service offerings,

changing niches, and yes increasing operational expenses to account for building out capabilities.

Dialing in Your Messaging is More Important Than Ever

Your positioning is strategic and what flows from your positioning is your message; if it isn't dialled, you get lost.

Your positioning and messaging aren't something that ChatGPT can write for you.

In fact, ChatGPT is why your message, your brand, and how you show up in your own marketing are even more important in the agency space.

The days of being generic — in other words, of not standing for something are long gone for these reasons.

When the space gets crowded, you have to stand out. Standing out means doing something different. Lots of agencies say they are different, but really, are you different.

When you're a small agency, differentiation is the position or the message that is equal to "the hill you will die on" which is the thing that you care about that makes you different.

Differences can also be how you offer your services, whether it's a guarantee or an innovation, it's how you paint outside the lines.

You get the picture; this isn't just saying you are different but being or doing something actually different.

If You're Not Building Strategic Alliances, You're Missing Core Strategy

There is more hesitation in the market this year. Hesitation does not mean people are not spending money; it means there are more precautions for spending money.

When there are more precautions, your buyer wants more trust.

The fastest way to win trust – and this has never changed – is someone you know, like and trust singing your praises.

Sure, you can post on social media to nurture people and use ads to gain more visibility but the shortest path to more clients is collaboration. There are many forms of collaboration.

At the visibility level, you can leverage other people's networks to gain more visibility and build your prospects that way, but let's consider how collaboration can actually shorten your sales cycle.

The agencies that benefit the most from collaboration are the ones that consider how to use it to shorten sales cycles like strategic alliances.

A strategic alliance is like a team-up between two or more businesses. You come together to create a win-win for each other while adding value and benefit for the client.

Do your clients have a bunch of pain points you can't solve? A strategic alliance can.

Don't stop looking under the hood of your client's business to identify things your agency can't solve. If you're a marketing agency, it doesn't have to be a marketing challenge; think about other areas in your client's business. That curiosity will help you identify the right strategic alliances to build.

Retention is a Strategy, and it Requires Your Attention

Attracting and acquiring new clients is the singular most celebrated goal in business because it's connected to business growth.

In my 2023 prediction, I shared that agencies that have the most profit and sustainability will be the ones who pay attention to their retention strategy. This held true.

While customer attraction and acquisition get all the glory, retaining customers in an agency is how you sustain the bottom line. In an economy with longer sales cycles, I can't express enough the need for a retention strategy.

Getting a new client costs 5 times more than retaining existing clients. Retention is about understanding why clients leave your business and solving that gap.

Reduce churn, ensure sustainability, period.

There is a trend that I want to mention (and we won't be going into detail here), but it will change not only the agency space but also businesses at large. It's the impact of AI (artificial intelligence).

The topic of AI requires its own series and a thoughtful exploration of how different agencies are thinking about and experimenting with AI, which is a topic more than a prediction. For that reason, we will be exploring it in a future series.

To bring us back to our core predictions for agency success in 2024, it will be shaped by these key trends and strategies:

- Embracing the long game
- Fine-tuning your messaging

- Building strategic alliances
- Focusing on retention

These are not just predictions but actions for staying ahead in a dynamic market.

Being strategic is positioning yourself to compete and lead in a changing marketplace.

Remember, it's about skating to where the puck is going, not where it has been.

Keep your eye on these trends, and be ready to act on the opportunities they present.

If you want to strategically position your agency this year to be sustainable and profitable, I'm here for it. Let's grow your agency to the next level. You know where to find me; click on the show notes.

Thanks for joining me, friends; I'll see you at the next one.

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 and I'll see you in the next one.