

# **Small But Mighty Agency Podcast**

## **Episode 105: How to Optimize Account Management for Better Client Retention**

**Speakers: Audrey Joy Kwan, Taylor McMaster**

### **Audrey Joy Kwan**

Your account managers are key to client retention. Excellent client account management leads to happy clients, and when clients are happy, they don't churn. My first role inside agencies was in account management, and I know what it takes to be a great account manager and lead account managers because I lived it for years. When you walk in the shoes, you know the size of the shoes. And my guest today has done exactly that too. Today she owns a fractional account management agency. In this episode, we define the account manager role and examine best practices for client retention, including the importance of proactive communication. We also explore the unrealistic expectations that can be placed on account managers, which can keep them from fulfilling the core function of maintaining client relationships. Tune in as we share how to optimize your account management team to keep clients happy, reduce churn, and improve retention.

### **Audrey Joy Kwan**

Welcome to the Small But Mighty Agency Podcast. If you want to grow an agency to seven figures and beyond without working more hours in your business, you're in the right place. I'm your host, Audrey Joy Kwan. I know what it takes to build an agency, including supporting an agency owner in selling and exiting. I also have a master's degree in communications specializing in organizational development. My team and I have worked behind the scenes of multiple seven figure agencies and have coached and consulted with over 150 agency owners. All this to say, when you join us on the small but mighty agency podcast, you get real world experience and practical tips to help you work less, earn more, and lead with integrity. So, let's go.

### **Audrey Joy Kwan**

Hi friends. Welcome back to the Small But Mighty Agency Podcast. On this summer season of the podcast, we're taking a look at what is working in agencies right now and what isn't. We're doing it through the eyes of our guests who are agency owners and agency experts. I'm excited to bring Taylor McMaster back to the podcast. Taylor is the founder of Dot and Company, where she and her team help digital marketing agencies keep their clients happy and keep agency owners focused on what they do best with full service client account management services. We're going to jump right into the no fluff good stuff about account management teams, what works for account management teams, and how to keep clients happy and retained. Taylor, thank you for being here.

Now we know that account managers can have different roles and responsibilities. Maybe start by giving us an overview of what you think an ideal account manager does in an agency.

### **Taylor McMaster**

I love it and thank you so much for having me back. We had so much fun on our first episode, so I was more than happy to jump back on and chat. with you, Audrey. So, this is such a great question, because you're right. In our industry, there's about a million different ways to define an account manager. And sometimes it's a sales representative, sometimes it's a customer service representative. But what I'm talking about when it comes to an account manager is somebody who is the relationship between the agency and the client. So as an account manager, I'm building the relationship with the client, but I'm also making sure that my internal team is taken care of. So, it's kind of like the glue, right. I want to know where all my clients projects and things are at, but also where the team is at. and I kind of glue it all together. I know where everything's at all the time. And I call myself a control freak as an account manager, but you kind of need to be, because you are responsible for the whole client experience.

### **Audrey Joy Kwan**

I love that control freak. Yes. I think it is a requirement to be a good CAM in some ways, because you want to know where all the pieces are at. Right. The pieces are

both, internal and external. There's an internal function to it, which means that you're looking at how the internal team is delivering the work, and externally, you're making sure the client is happy. So those are two very different categories. Now, how do we look at the responsibilities of an account manager, knowing that there's these two different functions?

### **Taylor McMaster**

Yeah, good question. So, the responsibilities of an account manager should be client happiness. And that, can be a little bit tricky, hard to measure, but that is reflected in client churn and client retention. And oftentimes, client account managers have a responsibility of average retainer value, maybe for a client, they might be responsible for maintaining certain financial metrics within their accounts that they're managing. Those are super crucial, and then, of course, new business. So, you want to be able to grow the accounts, ensure that they're bringing in upselling, cross selling, and ensuring that the whole agency is growing. Now, I will add a caveat that oftentimes when we are working in agencies, we don't have specific KPI's in terms of sales, because the agencies that we work with oftentimes have a sales team. So, we kind of measure that as maybe passing an opportunity to the sales team. So if we're managing a client, we might then look for opportunities to upsell and then tap in the sales team to kind of come in and help us upsell. But really, it's client happiness and client churn it's really key, because at the end of the day, the account manager generally isn't actually responsible for the results on the back end. So, you know, getting a certain CPL or whatnot, we are responsible for if that client is staying with the agency and making sure that relationship is strong.

### **Audrey Joy Kwan**

You know, I think that a lot of agency owners hearing this would be happy to hear that, hey, an account manager's role is happy clients, and happy client means less churn, which also means retention. So, what are some of the best practices for account managers to ensure strong client retention?

### **Taylor McMaster**

Oh my gosh. I could go on all day, but let's talk about the most important things. So, from my perspective, and, you know, I've chatted with thousands of agency owners over the last five years, and the one thing that they all kind of tell me is that even if you're getting really great results for your clients, or maybe you're getting poor results for your clients, that doesn't matter as much from a retention standpoint as the relationship does. And as I've kind of dug deeper into that, it really comes down to do your clients feel understood? Do your clients feel like you, the account manager/the slash the agency? Are you working towards the same goals as I have for my business? And oftentimes when things fall off, it's because the client doesn't feel like you understand them and understand their goals. But coupled with that is when proactive communication isn't prioritized. And the way that I look at it is all that every day that goes by that you're not communicating with your clients, they think you're doing nothing right. They, whether you want to believe it or not, we're human beings and this is how psychology works. If you're not allowing your clients to feel like, oh my gosh, I don't know how Audrey has another client because she spends all day working on my account. That's how you want your clients to feel. And in order to get there, you have to be super proactive with your communication. And the way that you're keeping your clients up to date and constantly reminding them of the value and threading the story throughout, that is really, really key when it comes to retention. So that's a long-winded answer to say proactive communication and really understanding your clients and understanding what their goals are and ensuring that you're rowing in the same direction.

### **Audrey Joy Kwan**

Talk a bit more about proactive communication and demonstrating value. As a business owner, I, of course, would want my account managers to always be all up in my client's business. But the reality is, as an account manager, you're often leading more than one account. You're leading a bunch of accounts. So, what does proactive communication actually look like? Say you have an account manager that maybe has ten, sometimes even 20 accounts under their belt.

### **Taylor McMaster**

Mm Yeah. So, the way I look at it, Audrey, is we have something that I've coined really early on in growing Dot. It's called the Daily Pulse. And it sounds like a very extreme version of proactive communication. Agency owners always like, I don't have time to message my clients every day and they don't want to hear from me every day. It doesn't need to be like that. What I want you to think about is you want to thread this throughout your culture. You want your account managers to be proactively thinking about your clients. And so, like I said earlier, you have to be a control freak. You need to know where things are at all of the time. And so, if you're looking at your 20 clients that you're managing every single day and looking at, hey, where are we at with their projects? When was the last time I communicated with them? Where are we at in terms of their goals? Are we hitting them? Are we red, yellow, green, and really having this oversight over the health of their account to then be able to understand are we doing everything that we possibly can to do what we need to do for this client or not? And really being honest with yourself. So, I think that where account managers, or maybe agency owners go wrong is that they think that they have to have these big updates to tell clients in order to warrant a message to them. But really it's about showing the client that you are moving their business forward without them having to tell you what to do. You want to show them, hey, I know that we're working towards 100 book calls on your calendar, and here's what we're doing to get there. And reminding them constantly that you have their goal in mind and that you're working towards that. And it doesn't have to be this big, huge weekly report and this monthly tracker. It's in the little moments that show the client that you understand what they're going for.

### **Audrey Joy Kwan**

I often refer to it as a relationship bank account. When an account manager shares good news or takes initiative to inform and gives updates or does something unexpected that adds value to the client, you deposit into that bank account, you're adding pluses. And when there is not so good news to share, and yes, in any agency client relationship, things come up and some of those things are outside your control and are bad news. These things are like withdrawals from that relationship bank account. What's important is that you are always depositing more than you withdraw so that your balance will continue to be positive.

## **Taylor McMaster**

Exactly. I love that analogy. I'm totally going to use that. I'll give you credit. That's such a good one.

## **Audrey Joy Kwan**

I often look at account managers and I think that they are afraid to share bad news. And the part of being in an agency and delivering client work is, of course we want to give the clients great work all the time. But when it comes to bad news and sharing that, it's just as important to know how to share bad news. Tell me more about how, how do you perceive an account manager's role? what's their role in communicating with a client versus owning the output itself?

## **Taylor McMaster**

Yeah, that's such a great question. And this is a huge part of our role. And this is why I always say account managers need to be managed differently because we are the ones who are the feeling side of agency life. We're the ones talking to clients, you know, making sure that they're happy, or delivering bad news, or taking bad news from clients. You know, we are that front facing person. So, you have to be a really strong individual and be very confident to be able to do that. But how I see it is, even if there's good news or bad news, like you said, Audrey, there's always going to be pros and cons or positives or negatives, and you have to be the one to be able to deliver that. And I think what the most important piece is, as you're delivering, let's say, bad news, what are you doing about that? Like, you should already understand how this is impacting the client's business and what you and the team have already started to put in place, or what plan you're coming forward with to ensure that this doesn't happen again and that you've learned from it and what you're doing for the client. I think where things go wrong is when people will tell a client the bad news, but they don't have the plan ready, right? You have to be ready to roll with, hey, look, you know, we, we didn't hit the mark this month. However, here's what we've learned, and here's where we're going to optimize. And this is what's going to happen. And really being confident in that and understanding what's realistic and what's not realistic. And are you actually going to be able to hit those goals next

month. Are you confident in the team, in their abilities, and in the plan that you have and being able to really confidently articulate that to your clients while ensuring that that relationship is strong? Like you said, you hopefully already have those deposits in the bank account from building relationship with them over time. So then when these things do come up, because they do, you are able to deliver that message and feel really confident in the plan that you're all working together towards.

### **Audrey Joy Kwan**

Yeah, I, love what you highlighted. I think what you're really pointing out is that account managers have to be really great communicators, and part of that communication is delivering bad news. Now, I'm curious. Like we just talked about earlier, people have different definitions of account managers. And, you know, I've seen account managers who play a role in developing and executing client strategies. What is your viewpoint on that in terms of account management and their responsibilities in developing and executing client strategies?

### **Taylor McMaster**

That's such a good question. It's actually one of the most asked questions that we get. We personally don't do strategy. Now, I'll kind of walk you through why. But when we're managing different agencies, you know, we're working with all different types of agencies of all different industries, all different clients. If we were to have each of our account managers, experts in every single individual industry, it would just never work because we can't expect an account manager to work in a, B2B client specifically, you know, with agency clients in the account management space, for example, and then also be an expert in Facebook ads for e commerce beauty brands. You know, it would just be so deep. However, there's some agencies where they may hire a strategist and then also have them do account management if that's something that that individual is strong in. And I think that can work well. I think the most important thing is that whoever is driving the strategy is like, if you have somebody doing strategy and then you have an account manager, the strategist should come in high level versus getting into the weeds of the everyday, back and forth project management, weekly meetings, that kind of thing. I think the strategist should come in at the beginning of that relationship and maybe like a quarterly

strategy session versus being the person day to day with the clients. But I will add, Audrey, that I think that an account manager should understand strategy. They should be able to communicate the strategy with the clients and walk them through it and project manage it and speak to it. But they don't necessarily have to build the strategy from the get-go. They just have to be able to communicate the strategy.

### **Audrey Joy Kwan**

I agree that great account managers need to understand strategy so that they can communicate it and project manage the implementation, but they don't need to be the implementation experts. Now, account managers can excel when they are generalists, meaning they understand, explain and connect the dots between how different strategies work together. And yes, I can see how it would be harder for a fractional account manager to be a subject matter expert in an agency with a niche. But one of the greatest advantages in niche agencies are account managers who speak the industry language. Much like what you said earlier, clients feel taken care of when someone has eyes on the future of their business. And the beauty of niche agencies is transferring the niche knowledge down to account managers. The account manager role isn't static, meaning it benefits an agency to really support account managers, to continually learn and improve their skills. So, what are your thoughts on how account managers are best supported to grow?

### **Taylor McMaster**

That's, that's a good one. And I think, like I alluded to earlier, account managers, we're different. And I can say this because I am an account manager at heart. I always tell agency owners that, we need to be led and we need to be managed differently than anyone else in the agency because we are responsible for the warm and fuzzy side of agency life. We're the ones who are building relationships and communicating. We do need to be managed differently. And so, because of that, we have developed kind of our own community of coaching and training for account managers because so many people were coming to us and they were so lonely, they didn't know where to go for help. They didn't know how to constantly improve because everything out there is so focused on maybe the tools or what's working in Meta ads or whatnot. Nobody was really coaching on, you know, emotional

intelligence and how to deal with tricky customer situations and how to de escalate when a client wants to churn or all of these things that are happening to, for us as account managers, nobody was really coaching that. And so, as we're coaching account managers, we're talking about not just like the SOPs and the processes which I could geek out on all day, but really what account managers want to feel like is they're not alone. And that as they're going up against difficult things that are inevitably going to happen, they're not alone and that it's not just them. And they have to learn how to manage, you know, their emotions and how they process things and, and things like that, which is quite different than anyone else you might be coaching in an agency how to, like, optimize an ad account. So, we're really working with people on more of that emotional side of agency life, which is kind of more boring to a lot of agency owners. They're like, I don't want to talk about feelings all day long. But we're really more focused on kind of that emotional side.

### **Audrey Joy Kwan**

You know what? When you're dealing with people day in and day out as an account manager, it requires someone to be able to talk about the feelings, because, you know, you can go into a call as an account manager, and it could be a great call, and you can walk up feeling happy because the client loved it, and then you could walk out of that call and the client wasn't happy. And it leaves something in your soul sometimes. And In order to do better next time, in order to learn from those happenstances, as I call them, you need to talk to someone. Right. And so, you know, I really resonate with what you said here, that account managers need a different type of support. And sometimes, you know, that support may not come from the agency owner, because, you know, as a busy agency owner, it's hard for that agency owner to deal with the emotions of the account management team. And, you know, I love what you said here. Perhaps if it's an agency that has a number of account managers already in place, maybe it's looking at adding an opportunity in their business where the account managers can come in and share the wins and share the losses and have someone to talk to that can help them unpack the things that have happened. I love that. And it sounds to me like, Taylor, in your business, when you train account managers, that's what you do. You have a space for them as. they're fractional, and you send them out to the agencies, they come back to your

business, and then they can really vent or learn from each other. Maybe vent isn't such a good word, but learn from each other, and that helps them become even better account managers.

### **Taylor McMaster**

Exactly. And so many account managers are just, oftentimes it's just one, maybe one or two, right. And they're in an agency working alone, versus, we have, like, dozens and dozens of account managers. So, when we're sharing things, it's like, oh, that happened to you, too? And you, you know, it's not just me or, okay, like, I need help with this process. Can you help me, like, make sure that this doesn't happen again? Or, you know, we can share at a, at a bigger scale, which is so helpful.

### **Audrey Joy Kwan**

You and I connected before this call, and we talked about some unrealistic expectations of account managers. When we're hiring people, sometimes we look at that role, and we pack so much into that role. And I just ask you and have a little short discussion here about what is an unrealistic expectation of an account manager?

### **Taylor McMaster**

Yeah, that's such a good question. I agree. Everyone just, like, thinks that because an account manager is the person who is keeping everyone happy, that they should just do everything. But for us to do a good job, we need support. Right. And I think the expectations sometimes get blurred because agency owners think that the account manager should do sales, and then they should onboard the client, and then they should manage the client, and then they should retain the client, and then they should upsell the client, and then send them invoices and send them contracts, and then also manage the internal team members and project manage. And it's a lot sometimes. And I think that, you know, when we go into an agency, the first thing we want to look at is, okay, tell me everything about the agency, and let's break it down into who's doing what. Because if not everything ends up on the account manager's plate. And I think it's really important to identify where does an account manager's

role start and stop, and how can we support the whole agency? But who's responsible for sales, who's responsible for strategy? Who's responsible for upsell, down sell And sometimes that is the account manager. But being able to sit down and really look at the agency as a whole and identify where is the account manager going to be best used? Instead of spending half their time on the back-end admin or spending half their time on sales calls, when really they need to be managing and retaining clients. So, I think it's important from the get-go to really sit down and ensure that you're. I don't want to say this the wrong way, but, like, using your account manager for what they're good at right? Like, we come into an agency because we're really good at building relationships with clients and keeping them happy. We don't need to be doing all the hundred things that are on your list right now, because really why you hired us is to keep your clients happy.

### **Audrey Joy Kwan**

Yeah, I think that's a function of being really clear on the account manager's KPI, or key performance indicator. So, clarity that an account manager's KPI is retention, allows us to narrow down the activities that the account manager should be focused on. And, you know, when you share this idea of an agency owner potentially expecting a account manager to be doing a sales and marketing and then onboarding, then project management and then account management and then retainment and all that long list you just shared there. You know, like I think that sure, many people want to hire someone that can come in and do all those things, but the reality is, and if we look at it, what we're asking for when we are looking at that type of hire is a unicorn, right? The unicorn that comes in and just lifts, carries all the weight of the business. And I think it's unrealistic. Like my, my opinion of hiring an account manager that's going to come in and do all the things is unrealistic. But is it something that people want and wish for? Absolutely. It's there and I think it's helping people understand how do you break this role apart into its pieces so you can actually know who's best suited to take on that role? And each of those roles has its own KPI. Because the reality is if you put one person into that unicorn role and you expect them to meet all those KPI's which comes with those roles, guess what? They're not going to make it. And that doesn't do a service to your business, it does a disservice to your business because you're not going to be able to meet those

KPI's. And that's the way that I really see the account manager role is clarity on the KPI's of that role, ensuring that you protect the account manager so that they can deliver on the KPI, which means looking at the other functions that you think belong to them that might not and identify where does it go and who owns that KPI?

### **Taylor McMaster**

Exactly. And having those honest conversations with your team and saying, you know, I don't want you to just say yes to everything and I want you to really optimize your role. And having those conversations with your account manager, they will be able to tell you what they don't think should be on their plate and they should be honest with you. You know, I have these conversations with our leadership team all the time and they say I don't, I don't think I can take this on because a, it's not in scope and b, it's taking me away from my goal of happy clients, happy team members. Right. It's like I can do it, but it's going to take me away from why I'm in this role and it's like, you know what? You're right. We do need to hire someone else for that. And it's a healthy gut check.

### **Audrey Joy Kwan**

You know, and that's a bigger conversation around good leadership. Right. Because good leadership is. Yes, we all talk about KPI's as being important in any business, because without KPI's, we don't know if people are succeeding. Right. But having KPI's is also an opportunity for the team to speak up when things are being thrown at them or given to them that don't align and for the leader to listen. And I think you just demonstrated a great example of you listening and understanding. It doesn't meet the goals of the role at this time, and they may not have time to do it, so it's not. And typically, I find that when people come to us and they say, look, this doesn't meet my KPI's, they're not saying, no, I won't do it. Typically, the conversation is, if I take this on, I have to give something up with, what would you like me to give up? I think that's a really fair conversation to have. When you are leading people who have their goals to meet and you want them to meet their goals, but you're telling them something that doesn't align, it's fair for them to come to say to you, hey, I've got these other things here. You've given me this new thing, and it's A or B. Which one would you like? And typically, what I feel most great leaders do is they have that aha moment

and they're like, okay, you're right. It doesn't align. Let's keep you on track. And that's what we want to see for all our employees in the business being on track for their goals, for their KPI's,

**Taylor McMaster**

Totally.

**Audrey Joy Kwan**

Taylor, before we wrap up here, I want to ask you a question about your journey. Now, every agency owner has their own unique journey. What was your journey?

**Taylor McMaster**

Mine was quite unique, too. I feel like I'm an accidental agency owner because I was running a small agency, doing it all myself, you know, building Facebook ads, writing copy HR blah, blah, blah. And I was like, I don't want to do this anymore. I absolutely don't want to run an agency. I just want to do what I love, which is account management. And so, I started just doing account management, and fast forward five years later, I now run an agency. So maybe it wasn't what I really thought, but I'm on a totally different path that really aligns with who I want to be. But yeah, it was kind of one of, one of these moments where it was, I don't want to do this anymore, and I'd rather focus on, on this area that I feel really fulfilled and really in flow with. And I just went for it and everything just kind of aligned. It just felt like everything was falling into place. And, you know, I come from an, ah, entrepreneurial background, so running my own business was always an option for me. All my family members are entrepreneurs, so it was, it was something that came naturally, and so it wasn't scary to me at the beginning, and I just kind of started doing, and through doing, I learned and started to grow. And fast forward to today. We have a team of over 50 people, and we're growing and we're having a lot of fun. It's been a wild journey, similar to you, Audrey. I know you've grown quite successfully over the last number of years, and it's been a whole lot of learning for me as a person and then how to relay that onto our team. But, ah, it's been a fun journey for sure.

**Audrey Joy Kwan**

I can relate to taking action on a seed or an idea and then watching how watering that seed makes it sprout. And when it grows, it grows into something that you never thought that's what it would be. And then here you are. And so I'm excited to see you and continue to watch you grow. Taylor, where can people find you?

**Taylor McMaster**

Yeah, you can find me at Dot and Company or over on LinkedIn. I'm quite active over there now, Taylor McMaster, and would love to connect with anybody you know, if you have questions or anything, hit me up on LinkedIn or of course, we also have a podcast called the Happy Clients podcast that you can listen to as well.

**Audrey Joy Kwan**

Thank you so much for being here, Taylor.

**Taylor McMaster**

Thank you.

**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 on the next one.