

# Inside secrets on selecting a marketing agency

By Steve Lundin

Hiring external marketing support is one of the most challenging hallmarks of growth for a company. Just determining if you need a traditional advertising agency, a PR firm, an integrated marketing firm, a direct marketing firm or an event marketing firm can pack your Palm with a month's worth of internal meetings. Once you've nailed down the need it's time to make a list and schedule your appointments.

Finding an agency isn't hard, finding one that understands your business, fits your needs and your budget takes work, patience and a Machiavellian instinct.

Start by looking for results first. Did you see an ad that actually had an impact and made you remember the product or company's name? Contact the company that placed it and ask their marketing director who developed it for them. Are you reading lots of good things about a specific company? Chances are someone's doing some effective PR work behind the scenes. If you're bold, call the company and ask their marketing director who does their work, if you're shy, log on to CBS marketwatch, type in the company's name in the press release section and scroll down to the boilerplate at the bottom of the release. You'll find the PR contact there. You don't have to be a detective to find out who does the work, sometimes all it takes is asking the right person. Now it's time to make your list.

The marketing industry is rife with horror stories about companies putting out cattle call Requests For Purchase (RPF's) to a dozen agencies at a time. This process causes each and every one of these agencies to consume kegs of coffee, drives entire creative staffs to the point of desertion and makes virtually everyone who is working on the RFP (except the account people) hate the account people. Why do companies pick so many agencies to interview? Because nobody

wants to make a mistake. Marketing directors and CFO's don't trust their guts when it comes to accessing creativity because it's not part of the MBA curriculum. But if you've done your research you can trust your instincts and your list won't have more than three names on it.

What's the next step? Check out the websites of the agencies that you've selected and view their customer case studies. Ask yourself some key questions about their work. Is it too self promotional or does it hold your attention and make you want to ask questions? An agency's site should reflect its best creative and intellectual capital. After all, if they can't sell their own products, how can they sell yours? Make it a point to note specific account citations. If it's PR work, go back to CBS marketwatch and dig up the names of the agency people who worked on the account. If it's advertising work, call the marketing director at the company that is referenced and ask them if the agency in question is still their agency of record. Once you've done your homework it's time to make some phone calls.

"I would call the agencies on my list and invite the head of the agency to lunch and see how they act towards the waiter," says Jerry Della Femina, of Della Femina Rothschild Jeary and Partners. Della Femina knows a little about advertising, having come through the ranks of legendary New York agency Doyle Dane and Bernbach when Bill Bernbach still took lunch

with his staff. In his 40 plus years of working on Madison Avenue, he's been on the receiving end of many a client interview.

"Over lunch I would tell them that I'm interested in their agency, that I saw some work that I liked and that I wanted to get a good sense of what they're all about, what they do, what they're like. You really have to meet the head and like the head to buy into the rest of the agency. If they pass the test I'd call the agency and set up an appointment to meet the people who work on my account. They wouldn't have to make a presentation, just be there. And I'd want an organizational chart with pictures," Della Femina adds.

What should you look for in the meeting? According to Della Femina, "Ultimately it's chemistry that will help make the decision. In terms of assessing creativity, there is no creativity without resulting in sales. I'm not interested in how creative they are, I'm interested in selling stuff. I want to see stuff that would get results."

Of course many of us lack Della Femina's second nature insight on this process and must rely on some of the questions that we've prepared through doing advance work. When you feel that you've made a connection with one or two agencies, start asking some specific questions. Refer to the account work that you've discovered, not the account work that the agency is eager to show you. Did the work result in increased sales for the company? Is there a contact at the company who can back up the claims? Is the account still a client? If not, why? There are always two sides to this story. Is the team who did the work still there? If not, why? Have they replaced the missing team members with of equal caliber?

In an ideal

Continued on page 27



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## Top five legal mistakes... Continued from page 7

**Solution:** Examine any agreements that a prospective employee has with former employers carefully before you extend an offer. If the prospective employee has had access to trade secrets of another employer, you can minimize your risk of a lawsuit by hiring the employee in a capacity where she will not be called upon to use those trade secrets in her new job.

### Mistake No. 5: Not properly licensing technology owned by others.

This may not be the most common mistake, but it can be the most devastating. If the claims of another company's patent cover your critical technology or business methods, the patent holder can prevent you from using any technology covered by its patent and sue you for damages. Likewise with trade secrets—misappropriation of trade secrets is a very common basis for litigation, and most software is protected through trade secrets and not patents.

**Solution:** Do a patent search before you develop your technology, and either (1) do not use technology owned by others, or (2) obtain a license to use the applicable technology. **E**

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## Marketing agencies... Continued from page 15

situation an agency becomes your partner, the success of the campaign is something that both of you will share in. A partner agency is proactive, inquisitive, attentive and intuitive. Of course an agency also has to listen to the client. One insider story involves a start up company that went to an agency for PR support. The account leaders of the agency thought the client needed far more—like a website, a new logo, ads, and, against the client's protestations, proceeded to develop and deliver them. The reasoning was that the agency knew what it the client needed to succeed and that the client was blindsided by budgetary constraints. The end result? A bill for creative that completely missed the mark and an unhappy client who later fired the agency. Ironically the PR support delivered more than the client could have asked for. Guy Gangi, a managing partner at Mobium Creative Group sets the tone on what you should look for in your new marketing partner: "I am a relentless defender of ideas. Though, I never defend a bad one." **E**

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## DevLab... Continued from page 4

shoppers, went through several name iterations and millions in venture capital before it shut down, most notably because it didn't have any customers. But the lesson underscores the need in DevLab's current model of securing beta customers and proving a market before a commercial launch.

It might be that universities are the prime places to launch product incubators and the University of Illinois' Illinois Ventures recently announced a new incubator and hopes to soon recruit a CEO. A key success factor, according to Churchwell, is not to have grandiose notions of incubators as wealth machines. "The biggest problem with ARCH is that it was set up to make money [and it didn't]. And I don't think an incubator can make money and even if it does, it will not cover the [operating] costs because you can never expect steady cash flow."

### Conflict of Interest

Part of the reason technology transfer has not been as significant of a force in economic development as it could have been over the 100 years is that universities are often uncertain about their role in company formation, frequently citing a 'conflict of interest' with the basic mission of the university, which is to freely promote academic research and teaching, unconstrained by the desires to become wealthy.

Several research and grant directors from Big 10 universities interviewed for this story said that routinely they keep two thirds of any royalties from inventions and give one third to the faculty or discovery team. They were dismissive of the DevLab model, citing the common 'conflict of interest.' When pushed on why these conflicts are greater under the DevLab model they admitted that the main issue was that the university should own most of any potential discovery because they have the most at risk.

"If a professor has no money in the company, no risk, no downside, why should they get as much or more equity than a professor who leaves the university to do a startup?"

asked one individual. "We are more interested in just licensing technologies anyway, it seems to reduce conflict of interest issues."

"In my experience, the more a university owns in a company, the less likely that commercialization effort will be successful," notes Hammond, underscoring the central problem with university technology commercialization efforts.

"[The DevLab model] may create a conflict of interest, however, the point of a lot of the universities is that they want to commercialize their technologies. The conflict of interest issues can be resolved. I think this [model] is the only way a tech transfer program can really work," says Mary Diczg, a noted technology and patent attorney and partner at Schwartz Cooper.

She and others support DevLab's decision to recruit a full-time CEO and Hammond says they expect to announce a candidate within the next few weeks.

William White, professor of Industrial Engineering at Northwestern University and former chairman and CEO of Bell & Howell Company, sits on DevLab's board of advisors. He says potential conflict of interest at DevLab is mitigated "By making everything they do very transparent," and by having a broad array of individuals on the advisory board, including representatives from the university's administration. These uncompensated board members act as a watchdog and mentoring organization to guide DevLab in its commercialization efforts.

"Citing a conflict of interest is one of the main reasons that keeps some universities from commercializing technology," says O'Connor. "And then it's pretty bad for them to sit on the technology and not do anything with it."

"I think this is a great idea. The model is tremendous because it doesn't force inventors to leave the university to start a company. Now [their success] will just come down to getting companies to invest in the various technologies," adds Diczg. **E**