

Warning signs for when it's time to fire your client

By  Angelika Kempe

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It's not unusual for clients to change agencies, for reasons ranging from budget cuts or a policy of putting their business out to tender at the end of a contract to unhappiness with the incumbent's delivery or the entrance of a new management team with its own preferred providers. It's less common for agencies to resign an account, but perhaps it shouldn't be.



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In 24 years of working with agencies and clients, I can recall only one instance where an agency directly resigned from an account. The agency claimed it was approached by a competitor with a much larger budget. However, the client/agency relationship was already strained, and the agency was all too pleased to have an excuse to ditch its client. It's less unusual for an agency to shake a brand off by letting service levels drop and pushing the client to fire them.

I attribute this in part to a culture in South Africa where we prefer to avoid conflict and hard, uncomfortable conversations. However, agencies should be aware of the pain points in a client relationship, when these can be resolved through dialogue, and when the client is a liability to the agency. Here are some of the warning signs:

Unreasonable, unorganised and “untrainable” clients

The client doesn't understand how to collaborate with the agency in a way that creates benefit for both parties. The teams from agency and client are unable to work together in a way that produces good work. Often, the client team refuses to produce written briefs because they don't do any planning. They don't understand how agencies work internally to produce the work they need. There is a lack of engagement and accountability from the stakeholders who will sign the work off, which means the agency needs to work on endless debriefs and reverts without extra compensation.

Abuse of power

The client team treats the agency as a scapegoat or inferior, with no respect for the agency's working hours, capacity or processes. Many agencies know the nightmare client who routinely sends out last-minute requests at 5pm on Friday afternoon. They want the agency team on 24/7 standby. For such a client, chaos is the norm rather than the exception. They bully, blame, patronise, and belittle the agency staff.

Unreasonable expectations in terms of costs or resources

Many clients have a set idea about what a deliverable should cost, which does not align with the overheads of the agency or the resource it takes to produce the work. They demand that the most senior resources work on the account, but are not willing to pay for it. Or they expect the same expertise and output from the juniors working on the account. In some cases, an agency can pull off a miracle on a shoestring, but this should be seen as over-delivery rather than a reasonable day-to-day standard.

Payment

Due to the recession, some clients are trying to impose unreasonable payment terms on their agencies. Agencies need to pay rent and salaries every 30 days. Clients that pay a 90-day+ cycle or expect agencies to commission large production jobs without paying a deposit are expecting the agency to be their bank. Their behaviour has a knock-on effect for freelancers and providers that the agency uses to deliver the work.

How does the above affect the client?

- The best agency team will decline to work on the client. Yes, they have that power.
- The agency will find ways to recoup lost margin.
- The agency team will be demotivated.
- The output will be compromised.
- Getting work out will be a long painful process for both parties.

In some instances, agencies can navigate some of these pressures, especially in these difficult times when quality clients are hard to come by. However, when too many of these relationship issues compound in one account, the internal pressure can become too much to bear. The negativity created can spread through the agency, impacting on other clients and the agency product. When the scale tips, and all attempts at remedying the relationship have failed, it's time to walk away.

ABOUT ANGELIKA KEMPE

The marketing and media industry is no stranger to Angelika who has two decades of experience in brand and agency management. Angelika has a Diploma in Marketing and Advertising from the Institute of Management (IMM) and is an accredited facilitator, mediator and negotiator through AFSA (Arbitration Facilitation South Africa). Her strengths include managing all media agency types related to all commercial and process-based issues, with a special focus on contract negotiation, performance management and good governance.

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