

Here's how to build a marketing agency.

**Wish-I-knew-then lessons
from somebody who ran
one for ten years.**

Welcome to agency life, it's pretty fun here.

In 2011, shortly after graduating college, a few friends and I piled into my beat-up '94 Honda Accord and headed out of the city. We pulled up to the office of an old professor's business, slapped our logo on a basement wall, and opened our marketing agency.

Over the next ten years, we worked our way up from building the website for the local ice cream shop to running the digital marketing for some of the biggest brands in the world. We got our own place in NYC, hired a team, and made a name for ourselves as we grew. Eventually, a decade later in 2021, we successfully sold our agency.

It was a wild ride, and it was a ton of fun. The experience of running an agency puts you through the ringer: you need to win new business, hire and manage a team, plan your finances, and deal with demanding clients. For curious entrepreneurs, it's maybe the best business for somebody to start out with – low overhead, few barriers to entry, and a high upside.

During that run and since that time, I have advised and mentored dozens of others curious about pursuing this path. In the undergraduate course that I teach, I encourage hundreds of students every year to try their hand at this challenge. And now, I have put together this brief guide memorializing the advice that I give everybody – and that I wish I knew when I was starting and building my company.

The advice in here has helped build multi-million dollar agencies, and it is yours for the taking. Enjoy, and good luck!

Thanks for reading,

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Should you start an agency?

It is easier than ever before to start a business, and it's even easier to start a marketing agency – indeed, it's even remarkably easier than it was just a few years ago. You don't need a factory or storefront, you don't need any expensive or specialized machinery, and you don't need a warehouse full of inventory. All you need is your brain, a laptop, and some reliable wi-fi.

For just few bucks you can buy a domain name from GoDaddy, setup a landing page on Carrd or WordPress, grab custom email addresses from Google Workspace, order business cards from VistaPrint, and spin up an entity on LegalZoom. Within an afternoon, your business can look as real and legitimate as agencies that have been in the game for decades. And if you're stuck, anything you need is just a quick YouTube video away.

So now the question quickly becomes not *can* you, but *should* you?

Do you want the lifestyle?

Working a traditional W2 job has its perks, and chief among them is that you get to go home at 5PM and just... be done. If you're running an agency, you must be prepared for long and odd hours, unexpected fires that flare up at the worst possible moments, and a constant background hum in your brain as you continually think about your business. You're in charge of figuring everything out: you don't have a boss to go to for help, and your problems are not your client's problems.

On the flip side, you get to own your time. There is no supervisor eyeing when you clock in and out, and you get to work on what you feel is important each day and hour. If you want to take a day off, you can just do it (provided that the work still gets done). And if you're really good at running your agency, you can reach higher highs in terms of experience and rewards than you'll ever get working for somebody else.

What do you want to work on?

There are lots of different types of agencies under the big umbrella of marketing. Do you want to do research, strategy, or branding? Do you want to build websites or mobile apps? Do you want to manage social media campaigns and run digital ads? Or do you want to build a traditional Madison Avenue-style agency that runs print and television ads?

Your experience, talents, and desires will determine what is the best fit for you. The one common thread in the agencies we're talking about here is that you do work for clients, and the clients pay you for it. It may not seem like it from the outside, but most of the time the work itself is all more-or-less interchangeable in terms of how you run your business.

How should you shape your agency?

An agency can be a one-woman show that just operates under a company brand instead of as a freelancer. Or an agency can be a thousand+ person operation that is listed on the New York Stock Exchange. The future is unknowable, but the biggest question now is: are you going solo or do you want a partner or two?

Being a solo founder gives you total control and the whole pie of profits, but it can be a lonely journey and you'll be limited by your own skills and connections. Joining forces with a co-founder will require more work and more money, but gives you an ally to be there when times get tough.

Your first moves

If you're still reading, it's because you answered yes to the "should I" question that starts this guide. Now we can get going.

Starting a business is a big moment for anybody, so take a moment to sit with this decision and feel all of the different emotions cresting over each other, the excitement and nervousness together at once. But remember, this isn't an accomplishment yet – it's the starting line.

Choosing a name

For most agencies, your name isn't actually that important. But if you do it right, your name becomes an asset that helps you stand out in the crowded pile of proposals. (And if you do it wrong, your name can become a liability.)

You may be tempted to simply name your firm after yourself, "Jane Doe Marketing." After all, people know you and you're the boss, right? The problem with these self-named firms is, firstly, that until you reach the level of Ogilvy or McCann, you are going to seem like a tiny operation – an unreliable freelancer that just happened to form an LLC – and the client will always want to work with *the* Jane Doe, not your staff. Second, and more importantly, it doesn't mean anything.

The best names are evocative and telegraph something about your unique perspective and talent. They jump out and form a vivid picture in a sea of acronyms. Done right, your name helps build your brand all by itself. Make a list, talk it over with friends, and pick something great.

Hanging a shingle

Going out to the world, the first thing you need is a website. Try to register "yourname.com" to start, but if you can't nab that domain try some variants with "marketing," "agency," "group," or another relevant appendage added on. You're going to be stuck with this for a while, so make sure it is easy to spell, clear enough to be heard on the phone, and short enough to avoid typos.

Once you have the domain, you need it to point to something. You can go out and spend thousands of dollars on a custom web design, but that's probably overkill for you at this point. Instead, go to an easy website builder like Carrd, SquareSpace, or Wix, and get something clean and competent up quickly and cheaply. Eventually you'll want something bigger and flashier with case studies, services, team info, and a blog, but for now you just need a short intro on who you are and what you do, and a way to get in touch. Once you're in the swing of things, you'll know when it's time to upgrade – don't let tinkering with your site stop you from moving forward now.

Legal and finance

Setting up a business entity such as an S-Corp or LLC is a good (and necessary) way to protect yourself and appear more professional. Talk to a lawyer about what is the best fit for your needs, or use a provider like LegalZoom to get things off the ground quickly and cheaply.

A good accountant is worth their weight in deductions, and you will do yourself a favor by working with one from the get-go. In addition to that relationship, set yourself up with QuickBooks to get a business account and credit card at your bank of choice.

How do you get clients?

It doesn't matter how nice your website is or what bank you choose, until you have paying clients your agency is just a hobby. Leads and booked contracts are the lifeblood of your agency, and you have to always keep your new business engine going if you are to survive and thrive.

Especially if you're young and inexperienced, signing your first client is the hardest. Traditionally, many people who start agencies later in their careers will leave a job and bring over one or two clients with them as they jump ship. If you can do that, great. If not, you're going to have to look at friends, family, neighbors, or former colleagues as the source of your early traction. Without a track record, you need to find somebody willing to take a risk on you.

A warning for later on as you grow: When you are busy with work, paradoxically that's often the most dangerous time for your business. That's when it's too easy to get so distracted in executing that you let business development fall by the wayside. You won't notice the fall off in leads immediately, but you will three or six months down the line. To stay afloat, you must always make time for doing the work of getting the work.

Networking

The highest quality leads will always come from relationships and referrals. The more you put yourself out there, the wider your network, the more opportunities will naturally come your way – I like to call this “increasing your surface area.”

The tricky part is that events and organizations that bill themselves as expressly for “networking” are largely trash, filled with what some people call “bottom feeders;” business bankers, real estate agents, and MLM hucksters shoving their business card in your face. It's far better to find non-profits or community groups to volunteer with, boards to join, or alumni and industry groups to participate in. These things won't always result in leads right away, but the effect compounds over time as you build your network and leave a good impression.

Outbound

Cold calling or emailing is a thankless task, and it will result in about a million times more rejections than victories. But, if you have nothing else to do, there are worse ways to spend your time than identifying interesting prospects and reaching out in a non-spammy way. It takes more effort, but if you put in a few minutes and give some personalized thoughts or recommendations in your outreach, your odds of success will go way up.

Inbound

One of my biggest regrets was taking the blog off the first version of our website, and not replacing it for about five years. We were so worried about not having the capacity to put out quality content for ourselves that we lost out on countless thousands of visits and potential leads. Developing content like blogs or white papers takes time, but can bring a ton of traffic to your website and eyeballs to your brand over the long haul. It's worth getting this started as soon as you can, and keeping it up as you go.

Advertising

When you're just getting started, it may be tempting to advertise on social. Honestly, this is probably not worth it for you yet – focus on building your network first, not your follower count.



How do you pitch and win new business?

As a baseline, you're going to win about 25% of the leads that land in your inbox. If you're sloppy, that number goes down. But, with the right processes and tools, you can increase your batting average and make more money.

About deck or one-sheet

When somebody first calls you up or sends you an email, you are going to want to have something to send them in your response – it just feels more professional for the prospect than receiving a plain text email. This attachment should be a PDF, and it can either be a short slide deck or a “one-pager” doc. It doesn't have to be a novel, just make sure it says some stuff about you, the kind of work you do, and why somebody should hire you – and that it all looks good.

As you grow and specialize in different areas, you'll want to make custom versions for different types of clients and different types of projects.

Meeting

Strike while the iron is hot: try to schedule a meeting ASAP. Don't worry about being too quick, there is no such thing as being *too* responsive. Circumstances will dictate what type of meeting works best, but it can sometimes be worth the time and travel to see somebody in person, as it will always make you more memorable than a lowly Zoom call.

Proposal

Provided your scoping meeting goes well, your next step is developing a killer proposal. Some agencies do this as a deck, and others as a more traditional document. Either way, you need to include the following elements, each you should test and refine as you grow:

- About your agency: Background, ethos, team, case studies contact info
- Understanding of the project: What are the goals, how do you see their brand, etc.
- Scope of work: What exactly will you do and how will you do it?
- Schedule: How long the project will take and what are the steps
- Pricing: What it costs, what are the options, and how the payments work

Make this look beautiful and package it up as a PDF. Never send a Word or PowerPoint doc.

Pricing

Clients can be cagey when you ask for their budget, but the secret is that even if they don't think so, they always, deep down, have a budget in mind. As you are qualifying your leads, ask the question, “Do you have any guidelines in terms of schedule and budget?”

They're going to answer schedule first, and they might give you a budget answer too. But if they don't, use my next magic line, “We're asking not because we want to get every last penny, but there is a different solution for \$5,000, \$50,000, and \$500,000 and I want to make sure we're in the right ballpark. All of the sudden, you'll have your answer.”





What about employees?

Once you have the work, now you have to do the work. Unless you are selling a service that you can do completely by yourself (which you could!), you'll need to figure out the best way to build out a team to do great work.

Do you want or need help to begin with?

Maybe you are a one-man-band who can do everything needed for your agency, from design to copywriting, from advertising to community managing. Or maybe you're super specialized and you are selling narrow scopes to match. In these scenarios, don't feel like you need to hire somebody just because that's what companies do.

Working with freelancers and partner firms

Especially in the beginning, you're not going to need a full time employee for every specialized skill that your work requires. So, you're probably going to need to hire freelancers or find other firms that you will work with to get the job done.

Regardless of the field, finding high quality, reliable freelancers is hard, annoying, and thankless. When you're trying out a new relationship, you should always engage with your potential freelancer on a small test project to make sure that everything is on the up and ups before you throw some mission critical work their way. You never want your business to be beholden to a bad supplier, that is a fast lane to failure. And regardless of how long you have worked with somebody, you *always* need a proper contract.

When to hire (and fire)

The adage goes "hire slow, fire fast," and it's right. Hire when it is painful, when you have so much work that you can't handle it. Because, especially at the beginning, your payroll eats directly into your bottom line – you might even make less money than your first hire until you get that top line revenue number up.

Parting ways with an employee sucks. It's the worst part of the entire journey. But you're not doing the poorly performing staffer any favors by keeping them in a situation where they aren't thriving, and you're only hurting yourself, the rest of the team, and your clients by extending the pain. Do it with grace and respect, and you'll all be better off for it.

Attracting and hiring

It takes a lot of time, and often a lot of money, to find the right employees. You can, and generally should, post your openings on the standard-issue job boards, but you're more likely to find your all-star talent through existing relationships than anonymous bulletins. Look around your network for interesting prospects, and offer bonuses to your current employees if they refer applicants that get hired.

Retaining your talent

It's far cheaper and easier to retain your best talent than to find new people. Be communicative, respectful, and foster a company culture that makes your people want to stay. Offer room for advancement, opportunities to work on meaningful projects, and recognition for a job well done. Every thing you can do to build your culture from the get-go will be worth it in the long run.



Running the ship

Every agency is going to have a different suite of services and clients, and large parts of “doing the work” will naturally be as unique as you are. Regardless of your niche, succeeding in client services all comes down to the same few things, helpfully outlined by author Neil Gaiman in a viral 2012 commencement speech:

People keep working, in a freelance world, and more and more of today's world is freelance, because their work is good, and because they are easy to get along with, and because they deliver the work on time. And you don't even need all three. Two out of three is fine. People will tolerate how unpleasant you are if your work is good and you deliver it on time. They'll forgive the lateness of the work if it's good, and if they like you. And you don't have to be as good as the others if you're on time and it's always a pleasure to hear from you.

You want to do great work, of course. But sometimes you slip up. It's better to be kind, honest, and hard-working than simply just talented.

Tools and processes

It's tempting to see entrepreneurs tweet about “stacks” of overlapping tools and software and rush out to sign-up for everything under the sun. But you probably don't need a super-complex task management system or knowledge base at the start, and every piece of additional software is another layer of complexity between you and getting things done.

You need email, and Google Workspace is pretty much the gold standard for that – plus it includes Sheets, Docs, Drive, etc. You probably need Zoom (or use the included Google Meet) for external meetings, and you might need something like Slack for internal communication – though if abused, chat apps can easily distract more than they help.

Keep your files accessible with Dropbox or Box. If you are dealing with a lot of people, a CRM like Hubspot might be worth it. Task management is highly personable, some people prefer a pen and paper, and some prefer Trello or Asana. Do whatever works for you.

Financial

The two most important thing you can do to keep your finances in the black: book recurring revenue and keep your expenses low.

Recurring revenue in the form of a monthly retainer will help you actually grow as a business, project and plan for your future, and sleep better at night. Some agencies, like social media firms, are naturally better suited for this than others, like branding shops. But even if your main work is one-and-done, devote some time to figuring out a way to have your billings accumulate, not just come and go.

Every dollar you don't spend is an extra dollar in your pocket. If you let your expenses, be they payroll, rent, software, or lunches, grow without keeping an eye on them, you will never get to the profitability you deserve. Get the top line revenue up first, but always be looking to cut costs.

Finally, as a bonus, it's worth reiterating from the beginning of this guide: get an accountant. A good one will save you money, and you'll be glad to have a trusted advisor in your corner.



Where does this go?

You may already know exactly what you want out of your agency. But we can too easily be so busy with what is directly in front of us that we are blinded to the big picture: what's the end game? What type of business are you looking to build?

There is no right answer to this question. And at different times, yours may change. The agency journey is a twisting and looping path, but it helps to have a general bearing as you set off.

Lifestyle

A “lifestyle business” is one built and run with the goal of making a certain amount of money to maintain for owner’s eponymous lifestyle. Maybe you want to make decent money, live in a van as a digital nomad, and be able to be your own boss. If so, then the agency you build should reflect those values: a small set of clients, low overhead, and a focus on simplicity. Most businesses are lifestyle businesses, and if you know that this is what you want from the get-go, you can avoid the hardship and headaches that come along with the next two models.

Growth

Maybe running an agency is your dream job. You want to work with the biggest, coolest brands, have a sparkling office, speak at conferences, and lead a large and talented team. You’re looking to grow.

In this model, you are actively seeking out more and bigger contracts wherever you can get them. You are hiring as fast as you can justify it, and you are building your own brand with thought leadership and extensive networking. The nice thing is, you don’t have to be Publicis or WPP to make bank, with a thriving agency of just a few dozen people, you can pull in millions of dollars a year. One word of warning on the siren song of growth I got from an old mentor: every agency owner thinks that the perfect size firm is about 25% larger than what they are now.

Exit

If this agency isn’t your forever job, at some point you will wake up and decide that you want to get out of the business, and you want to see some reward for the hard work you’ve put in. Or, maybe you want to keep doing the work but want more resources to make it possible.

Agencies sell all the time. The big holding companies are almost entirely comprised of acquisitions, and even smaller shops are often the result of several roll-ups and mergers. Because agencies don’t have a lot of hard assets, the traditional structure of sale involves some sort of earn-out, where you get a little money up front and then go work for the acquirer for a certain period of time and have bonuses tied to some performance milestones. If you have a strong brand, large transferable contracts, valuable intellectual property, or other assets that make you appealing to a buyer, the calculus can change in your favor.

If you pursue this path, you’ll probably want to hire a broker who will shop you around to prospective buyers. When you have a bite, they will team up with your lawyer and accountant to get the deal done – be aware that this all will cost you a chunk of the proceeds.

Finally, a warning: most acquisitions fail. Clients and employees alike can see it as a wake-up call to explore new opportunities, and even those that stay will probably have some bumps in the road during the transition.

This isn't everything. It's barely just a start.

Running an agency is an exciting ride, and it is inherently unpredictable. When we started our agency in 2011, I wish somebody sat me down and told me everything in here – but here you have it. If you're at the beginning of your journey, I hope this helps. Go get 'em and good luck!

One last thing:

In an agency, you're selling your brain and your talents. The best way to grow both of those is to never stop learning. Get yourself a library card and start reading – both books about your work and books about everything else in the world. You never know where the next great idea comes from, and you're never done. In the meantime, you can start with these blog posts:

[The secret to not failing in a client-based business](#)

[Please, never include rollover hours in your retainer contract](#)

[At least do the little things right](#)

[Untangling the knot: Working and winning with gnarly stakeholder relationships](#)

[Some advice for 22 year old me \(or you\) starting an agency](#)

Keep in touch

If this guide was useful to you, I want to hear about it.

If I can be helpful, please don't hesitate to connect.

I write about marketing, technology, and everything in between at BenGuttman.com,
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