



**RED LETTER  
MARKETING™**

# How to Select a Marketing Agency

A guide to finding the agency that answers your needs, fits your culture, and stays within your budget.



## How to Use This Guide

Many companies approach marketing agencies with a combination of excitement and fear. They want to accelerate their business but if they aren't familiar with marketing or how agencies work, they worry about making an expensive mistake. We created this guide to do two things:

- 1. Help define what you need from an agency.** This sounds obvious, but it's smart to do a little internal homework. It builds consensus among your team and helps prepare you for productive conversations with potential marketing partners. It will not take long to do and is well worth the effort.
- 2. Provide you with a starter list of questions to ask in agency interviews.** You can use them to make sure you cover important elements that make a productive marketing partnership.

Whether you are an experienced marketer or it's a complete mystery to you, this guide will help you succeed in the search for a marketing partner that's right for your business.

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## PART 1: Assess Your Needs

We recommend using these worksheets with your team to help you arrive at a consensus of your specific needs.

### BUSINESS STRATEGY

- Why are you seeking the help of a marketing agency? Describe the problems you want solved. Be as specific as possible. Examples include:
  - Our marketing has been hit or miss and our competitors are beating us
  - Our marketing department is good, but they can't handle everything
  - Our marketing department needs support with (fill in the blank)
  - We need to build customer loyalty
  - We need more recognition in the marketplace
  - Drive traffic to the website
  - Increase our online sales
  - Generate more leads
  - We're in an aging market, we need to get more share from competitors
  - We have a new product, we need to gain awareness and interest
  - Our sales collateral is ten years old and embarrassing to put in front of clients

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Our company needs a marketing agency to help us  
*(Fill in the specific problem(s) you want to solve.)*

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Solving this problem(s) will help us achieve our business goals because  
*(Explain what will happen when the marketing problem is resolved.)*

**CULTURAL FIT**

A prospective employee can look perfect on their resume, but if they don't fit your values and culture, the relationship will not last. This is true of marketing partners as well. Cultural mismatches usually result in frustration and disappointment all around. Seek marketing partners that share your business values. These should be people you are comfortable spending time with.

Below, list the traits that successful external partners with your company have in common. Examples include high quality standards, integrity, down-to-earth, process oriented, price conscious, independent workers needing little direction, resources who only take your requests and do as asked, etc.  
*(Fill in specific attributes that external partners need to succeed at your company.)*

Conversely, what attributes will almost guarantee a failed relationship with your company? If you have used the resources of a marketing agency in the past, what things drove you to distraction? Examples could include poor communication, lack of transparency in charges, not meeting expectations, etc.

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We need a marketing resource that will be a close working partner, not an on-call vendor resource. *(5 being strong agreement and 1 being strong disagreement)*

1      2      3      4      5

When investing in a professional service, cost is important but so are results, We look for the best value, which is a combination of quality, results, and cost. *(5 being strong agreement and 1 being strong disagreement)*

1      2      3      4      5

When investing in a professional service for our business, we always go with the lowest price resource we can find because they all do pretty much the same thing. *(5 being strong agreement and 1 being strong disagreement)*

1      2      3      4      5

The answers to the questions above will help you filter potential marketing partners against what works for you. If it turns out that you really need a moderate budget resource that will execute only on demand, you know to avoid a firm that focuses on investing in the highest quality creative work and long term relationships.

### PROCESS FIT

How will your marketing partner's processes fit with your business? The right partner will have established processes, but they will be flexible enough to adapt to your needs. In this section, we'll help you identify key process attributes that will be important to share as you interview prospective marketing partners.

Describe the general working mode of your company. For example:

- Are you in a highly regulated industry where it's important to document everything?
- Do you have a nimble, "just do it" approval process, or is there a chain of people who must sign off on proposals and projects, i.e., marketing person, salesperson, CFO, legal, etc.?
- Is your business one that dictates careful, deliberative decision processes or does it demand "decide on the fly" capabilities? For example, an engineering firm responsible for testing the structural integrity of bridges will have a different decision mentality than an online apparel company that rotates new products each month.

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Our company has a strict proposal and approval process that will require multiple sign-offs of three or more people for project budgets and creative work.  
*(5 being strong agreement and 1 being strong disagreement)*

**1      2      3      4      5**

Our business has important processes that keep us productive, but we balance it with efficiency. Our marketing partner will need to explain their process, and there will be a primary decision maker with approval authority to work with them.  
*(5 being strong agreement and 1 being strong disagreement)*

**1      2      3      4      5**

Our approval process with our marketing partner will be: *(List who will need to provide sign-off approval for budgets, project proposals, creative work, etc.)*

The biggest challenge(s) an external marketing partner will encounter when working with our organization will be: *(Examples might be lack of availability of their key contact due to his/her schedule, lack of available data, no one understands marketing so you'll need to educate us, we're in rebuild mode due to the pandemic, etc.)*

By answering the above questions, you will give yourself and your marketing partner realistic expectations for producing results. For example, you may want an agency that is turn-on-a-dime nimble, but if you have a complex approval process that relies on multiple sign-offs by people who are traveling, it may be impossible for them to deliver quickly.

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## PART TWO: Questions to Ask a Prospective Marketing Partner

Your internal homework will help you sharpen your vision of what you need to look for in a marketing partner. This section of the guide will give you questions to ask marketing firms when you talk to them.

### AGENCY BACKGROUND

Marketing is a misunderstood business. It's not unusual for a dilettante to think they can start an agency because it's about that fun creative Mad Men stuff. There are also those who talk a good game but overcharge and underperform, bewildering their clients with digital terminology. By asking the right questions and listening closely, you'll be able to spot those and move them to the exclusion list.

#### Questions to ask:

- Who are the owners and chief officers? What are their backgrounds?
- Look for professionals with a track record of real world success. Educational credentials are nice, but they are not an indication that they really know how to get results. Likewise, someone who has impressive experience at a large corporation will know a lot, but make sure they can operate in the SMB world, where things move quickly and getting results is more important than committee meetings.
- What is their experience level?
- There is no substitute for years of hands-on experience in a variety of situations. That's how marketing wisdom is acquired, so give yourself the benefit of getting the best expertise you can.
- What is their history?
  - How did they begin?
  - How long have they been in business?
  - What is their purpose? (Aside from the money, why are they doing this?)

The answers to these questions will reveal business stability and what motivates them. You want a partner that's been around long enough to prove they can weather the ups and downs of business cycles. You also want one that's driven by passion to succeed by helping your business succeed.

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## DESCRIBE YOUR AGENCY'S TEAM

You want to get an idea of strength of the agency's resources.

### Questions to ask:

- How many employees do you have?
- What are their positions?
- Who would be my primary contact and manager?  
Marketing firms assign account management professionals to each client. The best ones have business experience and have worked on the client side. They understand the pressures and challenges that clients experience each day. They understand how to take problems off your desk and bring back solutions with a minimum of fuss for you.
  - What is their experience?
  - What is their workload? Will they be able to respond to our needs in a timely manner?
- What specialties does the agency outsource? Unless it is a mega-agency, no agency can cover all the bases in today's fragmented marketing world. Smart agencies have core strengths and they utilize additional trusted partners as needed. That said, there are some fundamentals a solid agency will have on hand:
  - Understanding of branding processes. Here's a good test. Ask your prospective agency if they do branding. If they say "Yes, we do logos and tag lines", they don't know branding. Branding is a business strategy that fuels your entire company operations, including marketing. Look for an agency that understands this and can advise you.
  - They will have a strong grasp of marketing strategies and can create plans designed to meet your specific business goals. They'll put strategy before tactics.
  - They have a powerful core of copywriters and designers who will bring your brand to life in the hearts and minds of customers.
  - They understand how to integrate digital and traditional marketing.
  - They have strategists, SEO experts, writers, designers, and developers on hand. These people may be supplemented with other experts as needed.

## DESCRIBE WORK EXPERIENCE THAT IS RELEVANT TO OUR SITUATION

It's seldom necessary to hire a marketing partner that has experience in your industry. You will always have the best knowledge about your business. What you want in a partner is someone who can apply their expertise to your needs. Smart agencies (the kind you want to hire) know how to adapt their knowledge and experience to your situation. The best ones are insatiably curious and will soak in everything they can learn about your business. If you do find one that meets all your criteria and they have industry experience, that's a bonus.

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When you ask an agency to share relevant examples or case studies, you are testing their ability to listen to your problems as well as the quality of their work. They should be able to share examples of similar situations or problem solutions. For example, if you need to improve conversions on your website, they might walk you through an analysis they did for a client, what it revealed, and how they were then able to increase relevant traffic and drive form conversions.

If you have a product or service that is complex and hard to explain, they should be able to show you how they resolved a similar situation for someone else. You want to look for the quality of their thinking as well as the quality of their work.

**Questions to ask:**

- Have they ever worked with any competitors or similar businesses? (Of course, if they are currently engaged with a competitor, they should say so and politely decline the opportunity.)
- When asked to share examples of their work, did they respond with analogies to your situation? It doesn't have to be a perfect match – what you are listening for is how well they hear you and relate to your problem.
- Does the work reflect a unique brand style and value proposition or does it have cookie cutter look?
- Did they explain the strategy behind the creative work?
- Are they able to explain how it solved the problem?
- How did they measure the success of the project?

**AGENCY PROCESSES**

Ask the agency to explain how they work. Some successful agencies have strict processes that clients must adopt. Others have very little process and like to figure it out on the fly. Either should be able to outline how they get the work done. It will generally include a description of their project management process. Listen to see how they discuss client involvement, project briefs, budgeting, scheduling, and communications. You want to know they have a sound operating structure but are also able to adapt as needed for your business.

Process is important because it speaks to productivity and efficiency, which could affect the quality of the work and how much you are charged. An agency that has its act together will be able to focus its energy on coming up with the best solution for you. You'll get more bang for the buck.

**Questions to ask:**

- What are your general processes for a project?
- How do you manage projects?

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- How do you track progress on a project?
  - How do you measure results?
  - What should a client expect once a project has been approved for implementation?
  - What's the typical turn-around time for a project?
  - If we go with you as our marketing partner, how do we get started? How long will it take? It takes time to ramp up. A solid agency will have a clear onboarding plan. They will not promise overnight results.
  - How soon until we see results? Beware of overly optimistic promises like "You'll be on the first page in a month." Depending on your needs and circumstances, it can take weeks or months to ramp up to full speed.
  - How will they report progress?
  - Who owns the files?  
If you end up parting ways for any number of reasons, it's important to have access to your files. A reputable agency will have processes in place for this.

### HOW DO YOU CHARGE?

Reputable agencies are transparent about this. They are comfortable discussing it and they will make you feel comfortable too. Generally you can expect these methods: charging by the project, charging by the hour, or a set fee for a set amount of time or activity. Each has its proper place.

Agencies use either a blended rate in which one hourly rate covers all resources, or a specialist rate, where the hourly price depends on the skills and expertise of each resource. A blended rate generally ranges between \$125 to \$160 per hour – up to \$200+ in larger markets. A specialist rate depends on the experience and expertise of the resource and can range from \$90 to \$300 or more for a top-level strategist.

**Charging by the project** is a good way to go if you need help with one-off projects or want to test an agency before fully committing to them. They should provide you with a detailed description of items to be executed, an approximate timeline, and a price. They may provide a low and a high range for the price, as marketing projects are never easy to estimate to the exact dime.

**Charging by the hour** is appropriate for ongoing, relatively small tasks. For instance, you might need occasional development help on your website. Or you might need some content added. Many agencies have hourly support arrangements that make it easy for you to get support as needed.

**Recurring Fee Arrangements** are the best solution for ongoing marketing efforts. Marketing is not a "one and done" effort, nor is it a short term silver bullet. Successful marketing is a continual effort, just like sales or production. Recurring

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fees support long term efforts and are the best value. Because agencies can plan and allocate their resources when they know their client will be working with them month after month, they can lower their costs and pass it on to you. Annual retainers are popular with large agency/client relationships. A better solution for SMBs is to agree on a recurring monthly budget, and a plan on how that budget will be used. The client benefits because they have a predictable budget at a lower rate, and they are not locked into a long-term contract. The agency benefits because they have a reliable plan that allows them to manage resources appropriately and give you the attention you need.

Marketing is a science and an art that, like any profession, requires years of practice to become proficient. Unlike law or accounting, there are no industry requirements or certifications. Anyone can hang out a shingle and call themselves a marketer. Thus you'll run into one firm that will low ball a project for a ridiculous price, and another that seems prohibitively high for the same work. They can even provide project descriptions that will appear to be apples to apples, but behind the curtains there will be important differences. All too often we've had clients come to us after engaging a low-cost agency, only to realize they didn't get what they really needed.

At Red Letter Marketing we use a blended rate along with a combination of market factors for budgeting. We ask ourselves if the estimate represents a fair market value for the requested solution for both our clients and ourselves. We know that the best value over time relies on quality work and we seek to partner with clients who share this philosophy.

**Questions to ask:**

- How do you charge?  
The agency should be able to clearly explain how they charge.
- What are your rates?
- What happens if we go over budget?
- How do you invoice?

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## DESCRIBE YOUR AGENCY CULTURE

As discussed in the internal homework section, you want an agency that fits your business culture. They should share similar values. They should have a clear purpose for being. The people you meet should be authentic to the culture they describe.

### Questions to ask:

- Please tell us what kind of client is best for you to work with.
- What kind of clients have not been successful for you to work with?
- What values guide your team in their day-to-day work?
- How do you handle mistakes with a client?
- What makes your agency successful?

Of course all agencies are in business to make money. But there is a big difference between an agency dedicated to the proposition that the money will be there if they deliver great results, and one that is focused strictly on their bottom line. The former has your best interests in mind. They want you to succeed because your growth likely means growth for them. The latter are focused on how much they can make from you in the short term.

## WHAT QUESTIONS DO YOU HAVE FOR US?

On the first call, listen for an agency that listens first and then asks questions. They'll be soaking up information like a sponge. They may come back later with more questions, after they've absorbed the initial information.

- Do they ask questions that challenge you to think?
- External marketing partners can bring valuable perspectives to your own business thinking.
- Do their questions demonstrate an understanding of business strategy as well as marketing strategy?
- Do they seem genuinely interested in your business as opposed to trying to sell you a particular service?
- Do they follow up appropriately, with a thank you and some additional observations, questions, or helpful tips?

## NOTES

# Marketing is Too Important to Leave to Chance

The right marketing partnership can make a big difference in your business success. We hope you find this guide useful in your search. And of course, you can always [Contact Us](#) to begin a discussion.



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