I Wanna Be Rich: Making Your Consultancy Profitable

RUSS JONES
Principal Search Scientist, Moz

@rjonesx
Let's Make Some Money
How to Run a Successful Agency

01
Business Decisions
Half the Game is Off the Court

02
Automation
Repeatable, Verifiable, Resalable

03
Acquisition
Getting Customers

04
Autonomy
Alternate Revenue

50%
30%
10%
10%
I hate this stuff.
I hate this stuff.

How Important Is It?

How much do I hate it?

Business Decisions

A Things you like

B Arguing with the Internet

C
People are expensive...

“Moving to team of remote contractors has been a better approach to running a small agency than keeping many FTE team members. **Trying to act like a “traditional agency” always added pain and expense.** Moving to a more contract team **with a project manager**, and moving towards productive services, has been much more sane and pleasant to own and manage.”

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So, fire everybody? Not so fast.

83% of businesses that “significantly decreased staffing” reported it was financially helpful.

69% of businesses that “significantly increased staffing” reported it was financially helpful.
Traditional vs. Modern Model

<table>
<thead>
<tr>
<th></th>
<th>Traditional Model</th>
<th>Modern Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Time</td>
<td>90%</td>
<td>30%</td>
</tr>
<tr>
<td>Part Time</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Contractor</td>
<td>5%</td>
<td>65%</td>
</tr>
</tbody>
</table>

Ethics? Is it ethical to move to a contractor-heavy model? What about health insurance (US)? What about stability? Be intentional and thoughtful about *why* you are making any staffing decision.
Rent vs Remote
Rent as Percent of Expenses

- <10%
- 10-20
- 20-30
- 30-40
- 40-50
- 50-60
- 60-70
- 80+

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Remote Pre-COVID 19

Has your business tried "all remote" (prior to COVID-19) and was it financially helpful?
71 responses

- 57.7% Yes we went all remote and it was financially helpful
- 29.6% Yes we went all remote and it was not financially helpful
- 9.9% No we never went all remote
- 9% I don't know
Remote Pre-COVID 19

“Being 100% remote is a huge part of what allows our agency to be as profitable as it is, pay people as well as we do, and do the great work that we do.”

When [we] went full remote, we have actually seen an increase in employee productivity. Additionally, we are seeing near 30% growth in revenue year-over-year during the months we've been remote.
m

is for mutiny

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Only 59% of companies which replaced top leadership found it financially helpful.
Cutting Service Lines

The vast majority of companies that chose to cut service lines found it financially helpful.
Cutting Service Lines

Young companies often feel they have no choice but to take on any work they can complete.
Cutting Service Lines

As soon as there is growth though, you can and should start pruning offerings.

Focusing on what you master the most is helpful and less time consuming. Multiplying the services could cause dispersion and loss.

Aymen Loukil @LouikilAymen
Cutting Service Lines
Which will result in healthier, faster and more robust growth.

Don’t want to leave clients hanging? Pass contracts on to your contractors as “specialists” to engender trust and loyalty.

Once you have one healthy tree, you can start experimenting with others, or...
Almost 85% of businesses that chose to specialize in one area found it financially beneficial.
Adding Service Lines

Many companies that chose to add service lines found it financially helpful, although this was significantly less than those who chose to specialize.
Adding Service Lines

So, how do we add to existing service lines safely and quickly?

Ask existing clients what other services they are using or try white-labeling to find and execute proofs-of-concept.

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Adding Service Lines

Whittle down the new service lines to those which show promise. Don’t be afraid to abandon ship – the earlier you fail, the faster you can try again.
Adding Service Lines

Eventually, you should find service lines that are profitable and complimentary.

Complimentary services like content writing + guest posting are easier to adopt as they minimize staff training and customers already trust your competency.
Raising Prices

The simplest, no-brainer solution to making your business more profitable

88% Found Raising Prices Helped Financially

12% Did Not

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Raising prices can seem like a difficult sell, but correct pricing can accomplish quite a bit.

**Grandfather**
Some clients already profitable? Grandfather them in and build loyalty.

**Value Perception**
More expensive things just seem higher quality, use this in sales pitches.

**Deliver**
With higher margins, provide a higher quality product.

**Announce Early**
Let customers know months in advance and let them buy future credit... cashflow to invest!
81% Report Automation was Financially Valuable
Welcome to the neighborhood...

Set up a one-time or recurring PDF report using data from your campaign.

Customize your reports by dragging and dropping data visualizations from your campaigns. Include notes and annotations to help tell your story. Download, email, or schedule recurring reports.

Create a custom report
Four levels of automation
Built In: Use the Tools You Already Have

Start from Scratch Report
Competitive Analysis Overview Report
Full Competitive Analysis Report
Ranking Opportunities Report
Full Site Audit Report
Quick Site Audit Report
Campaign Overview Report
Link Analysis Report
Rankings Analysis Report
Search Visibility Report

Built In
Use the Tools You Already Have

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Four levels of automation
Built In: Use the Tools You Already Have

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Four levels of automation
Connection, Building Your Own

3 of 50+ Google Data Studio templates on https://sheetsformarketers.com

Don’t just copy, contribute! The more data sources you can connect, the more you can automate.
Four levels of automation
Connection, Building Your Own

Who says you must be a pro to start building your own automation? If you can imagine it, someone can build it.
Four levels of automation
Strategic, Smart & Adaptive

Strategic
Smart Tools that Mimic Human Insight

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Much of this can be accomplished with server-software called Jenkins.

IFTTT on Steroids

1. IFTTT detects drop in organic traffic
2. IFTTT checks Google Sheet which tracks rankings via STAT API
3. If rankings drop detected, check link data from Moz Link Explorer API
4. If links lost, queue Link Analysis message
5. If not links, queue Page/Site Audit message
6. IFTTT adds message to analyst’s To Do
7. IFTTT notifies analyst via Slack
8. IFTTT adds calendar entry for analyst and customer rep
9. IFTTT sends email letting customer know we are on top of it.

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Four levels of automation
Automated Research and Discovery

Analyze SERPs for Correlation Changes
Analyze SERPs for Volatility and Updates
Monitor Competitors for new links and content creation

Innovator
Automated Research and Discovery

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Four levels of automation
Let’s put your business on automatic

- **Innovator**
  - Automatically Discover
- **Strategy**
  - Smart, Adaptive Automation
- **Connection**
  - Building Your Own
- **Built-In Reporting**
  - Using the Tools You Already Have

If you have to do it 3 times, automate it.

**Built In**
Use the Tools You Already Have

**Connection**
Building Tools to Connect Services

**Strategic**
Smart Tools that Mimic Human Insight

**Innovator**
Automated Research and Discovery

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Acquiring New Business

Ok, so how do we get some good clients?

**Participate**
Get involved in online discussions to build reputation

**Program**
Create tools that target your market and other SEOs

**Personalize**
Show customers examples of their personal SEO issues

**Practice**
Volunteer. Choose pet projects to build case studies.

**Publish**
Write content regularly that indicates your expertise

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Acquiring New Business
Ok, so how do we get some good clients?

01
Participate
Get involved in online discussions to build reputation

Use the same name, business name, tagline, etc. across Q&A platforms for consistency.

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Acquiring New Business

Ok, so how do we get some good clients?

Participate

Get involved in online discussions to build reputation

01

Join Clarity.fm and list your information in all profiles and answers if possible. This will make it easy to get private conversations started online.
Acquiring New Business
Ok, so how do we get some good clients?

Practice

02 Volunteer. Choose pet projects to build case studies.

You can also use this time to work on your own websites to build up alternate revenue streams.

Start with non-profits that are looking for SEO employees. Offer to fill-the-gap while they are still hiring for free. Worst case scenario, case-study material, best case scenario, a new client.

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Acquiring New Business
Ok, so how do we get some good clients?

Program
Create tools that target your market and other SEOs

Inspiration
Find free tools you like that need improvements.

Scope
Write out what you want and give the URL of the inspiration project to a developer on Upwork.

Upsell
Give additional features in exchange for an email address.

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Acquiring New Business

Ok, so how do we get some good clients?

Write content regularly that indicates your expertise

Publish

Write about other’s work and then reach out for comment...
Acquiring New Business
Ok, so how do we get some good clients?

Ok, so you now have a diverse set of leads coming from Q&A, tool leads, relationships and volunteer work... how do you turn those leads into sales?

Pitch

Nail the pitch every time so you spend less time hunting

The Hook

1. Know a complex problem on their site (no matter how small) to indicate the depth of your expertise and your attention to detail.

2. Build trust by explaining services you don’t offer because you only focus on your specialties.

3. Don’t play pricing games. You are not a clearance aisle during a fire-sale. You are a premium provider.

4. Be willing to walk away for the price and offer cheaper alternatives (competitors). Nothing makes you want to buy a BMW more than being told you should check out the used car lot.
Autonomy
Autonomy is a lie.

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Autonomy

The number of consultancies which will produce a steady, alternate income stream from non-consultative fees is practically zero.
1. **Build software?** How do you compete with others who are solely focused on the same product?

2. **Launch sites?** How do you compete with others who are solely focused on the same niche?

3. **Lead gen?** How do you compete with others who don’t have to give a cut to an SEO company?

Your goal should be a diverse set of payers in a diverse set of industries, nothing more, nothing less.

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Reality

Most Never Attempt to Change
Experiment when you can, don’t wait till you must.
Thank you

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