MISTAKES AGENCIES MAKE

Seth Brown
Hello, I'm @sethlbrown and I'm a Lullabot, we plan, design and build websites.
MISTAKES AGENCIES MAKE

“An expert is a man who has made all the mistakes which can be made in a narrow field.” — Neils Bohr

Seth Brown  //  @sethlbrown  //  Drupalcon Portland 2013
TOP THREE REASONS TO LEAVE NOW...
TOP THREE REASONS TO LEAVE NOW...

› Your agency does more than $10mm per year
TOP THREE REASONS TO LEAVE NOW...

› Your agency does more than $10mm per year
› Looking for a more tactical discussion of project management methods
TOP THREE REASONS TO LEAVE NOW...

› Your agency does more than $10mm per year
› Looking for a more tactical discussion of project management methods
› You thought this was the CHX coder lounge.
I. RESOURCING GROWTH SALES
WELCOME TO BURGER WORLD
---- WOULD YOU LIKE TO TRY OUR TWO-POUNDER WITH A POUND OF FRIES AND A GALLON OF SODA POP?

— Garrison Keillor on English Majors
THE BLOOD OF A UNICORN WILL KEEP YOU ALIVE, EVEN IF YOU ARE AN INCH FROM DEATH, BUT AT A TERRIBLE PRICE.

— J.K. Rowling
MEET ZEKE

Thursday, May 23, 13
7 DEVELOPERS
48 PROJECTS
85 HOURS PER WEEK
AVOIDING THE MISTAKES
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**Pending Projects**

**Developers/Themers (30hpw)**

**Contractors**

**Project Management (30hpw)**
There is never less than a 15 percent penalty due to time sharing a knowledge worker between two or more tasks.

— Tom DeMarco, Slack
SLACK IS THE NATURAL ENEMY OF EFFICIENCY, AND EFFICIENCY IS THE NATURAL ENEMY OF SLACK.

— Tom DeMarco, Slack
Top talent, wherever we find it

We’re a fully distributed company. When we look for the best designer, developer, project manager or anything, we’re not limited to our small neck of the woods. We’re located on the internet, and so is our fantastic team.
LESSONS LEARNED
LESSONS LEARNED

- Discipline sales
LESSONS LEARNED

› Discipline sales

› Human beings aren’t fungible.
LESSONS LEARNED

› Discipline sales
› Human beings aren’t fungible.
› Don’t over-schedule your resources
LESSONS LEARNED

› Discipline sales
› Human beings aren’t fungible.
› Don’t over-schedule your resources
› Hire talented people where you find them
RESOURCING

II. GROWTH SALES
HOW SAD IT IS! I SHALL GROW OLD AND HORRIBLE AND DREADFUL. BUT THIS PICTURE WILL REMAIN YOUNG. IF IT WERE ONLY THE OTHER WAY.

— Oscar Wilde, *The Picture of Dorian Grey*
### About Snowmass

Winter or Summer, Aspen Snowmass is the ultimate Colorado vacation destination. The beautiful historic town of Aspen and the family vacation friendly Snowmass, Colorado, offer a wide variety of goodies to private home vacation rentals, intimate inn to full service hotels. Call one of our agents to secure lodging, discounted airline tickets, and customized packages or use our fully secure online reservations service.

### Book Your Vacation Now

**Snowmass Lodging**

### Featured Sponsors

Please visit our featured Aspen Snowmass sponsors:

- Short Sport Kids Gear
- Butch's Lobester Bar

### Weather

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### Featured Lodging Special

**The Pookabbi Lodge**

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*This page is from a website with no visible content or links.*
Frias Properties of Aspen

Aspen Real Estate

Find what you seek at Frias Properties, Frias real estate professionals since 1974. If you're looking for a new home or condo for sale, your vacation home, a rental property to add to your portfolio, or a fractional ownership opportunity, we are here to help you.

Our Aspen real estate brokers are intimately familiar with each and every neighborhood in the Aspen area. We sweat the details, so you can focus on the joy of your days. Contact us now to start the real estate process whether you are a buyer or seller.

Frias Real Estate just finished its best year yet. Why? It was hard work by dedicated Aspen real estate.com. brokers who truly know their market.

Aspen Lodging Rentals

We offer a wide variety of Aspen lodging for you to choose from, including Aspen condo rentals, economical studio apartments or luxury private homes. We have more Aspen lodging choices than any other vacation rental firm in the Aspen, Colorado area. Our lodging guests enjoy complimentary health club privileges, free transportation to and from the Aspen airport, concierge services and 24/7 management services. Convenient online lodging reservations ensure the very best vacation experience any time of year you visit. Many of our guests return to Frias Properties year after year for their Aspen lodging.

Sure you can find lodging in Aspen condo rentals from others. Nobody else will treat you to the exceptional service and

Search for Aspen Real Estate

- Type:
- Area:
- Price Range:
- Bedrooms:
- Bathrooms:

Search for Aspen Lodging

- Lodging Type:
- Price Range:
Real Estate in the Telluride region offers many wonderful investment opportunities. There are very few places in Colorado offering what Telluride real estate does – a well-preserved national historic district, great ski-in/ski-out homes and condominiums, and ranch and mesa properties – all in a pristine mountain setting with fantastic views.
Come experience Montana fly fishing at its best!

Welcome to Angler's West. We offer world class guided fly fishing trips on Southwest Montana's renowned rivers, lakes, and private spring creeks. There is access to literally hundreds of miles of fishable water within an easy drive from our base of operation here in Bozeman, Montana. We welcome anglers of all skill levels and interests.

It is our goal to provide our clients with the highest possible service and to have them leave our Montana waters with memories, fish, and knowledge that last a lifetime. Angler's West Montana fly fishing guides will work hard to take you to where the fishing will be the best given the conditions and your desires.
TYPICAL AGENCY GROWTH PATTERN

- $0
- $500,000
- $1,000,000
- $1,500,000
- $2,000,000
- $2,500,000

- 2006
- 2007
- 2008
- 2009

Profit
Revenue
AVOIDING THE MISTAKES
GROW OR DIE
THERE IS VIRTUALLY NO SUPPORT FOR THOSE BELIEFS IN THE FIELDS OF ECONOMICS, FINANCE, ACCOUNTING, STRATEGY, ORGANIZATIONAL BEHAVIOR, COMPLEXITY THEORY, OR EVEN BIOLOGY.

— Edward Hess, Darden School of Business
THERE IS NOT A STRONG RELATIONSHIP BETWEEN GROWTH AND PROFITABILITY

— Edward Hess, Darden School of Business
TYPICAL AGENCY GROWTH PATTERN

![Graph showing typical agency growth pattern with profit and revenue over years 2006 to 2012.](image)
THE RULE OF THIRDS
TIE REVENUE TO WORK
HOW QUICKLY SHOULD I GROW?
SUSTAINABLE GROWTH RATE
\[ \frac{(PM \times (1-D) \times (1+L))}{(T-(PM \times (1-D) \times (1+L)))} \]
FOUR TYPES OF GROWTH
FOUR TYPES OF GROWTH

- Improvements
FOUR TYPES OF GROWTH

› Improvements
› Scaling
FOUR TYPES OF GROWTH

‣ Improvements
‣ Scaling
‣ Acquisition
FOUR TYPES OF GROWTH

- Improvements
- Scaling
- Acquisition
- Innovation
LESSONS LEARNED
LESSONS LEARNED

- Growth is not inherently good and it can conceal a host of ills
LESSONS LEARNED

- Growth is not inherently good and it can conceal a host of ills
- Match revenue to work
LESSONS LEARNED

- Growth is not inherently good and it can conceal a host of ills
- Match revenue to work
- Maintain a 10% cash reserve for working capital
LESSONS LEARNED

- Growth is not inherently good and it can conceal a host of ills
- Match revenue to work
- Maintain a 10% cash reserve for working capital
- Have a growth strategy
GROWTH RESOURCING

III. SALES
TALK NOT TO ME OF BLASPHEMY, MAN; I'D STRIKE THE SUN IF IT INSULTED ME. FOR COULD THE SUN DO THAT, THEN COULD I DO THE OTHER...

— Herman Melville, Moby Dick
CONCENTRATION RISK
ANAGNORISIS

That sinking realization that you may not have fully accounted for all the risks.
LESSONS LEARNED

- Diversify, diversify, diversify
- Consciously assume risk
- Allow for healthy dissent
WE CAN'T SOLVE PROBLEMS BY USING THE SAME KIND OF THINKING WE USED WHEN WE CREATED THEM.

— Albert Einstein
What did you think?

Evaluate this session at: portland2013.drupal.org/schedule.

Thank you!