

The many problems with working on risk

 By [Chemory Gunko](#)

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I'm not sure if it's particular to the marketing industry or just a sign of our economic times, but lately there seems to be an enormous amount of people who have come to the conclusion that the solution to their business woes is to have their marketing done on risk.

While we're the first to admit that there is definitely a place for working on risk, and in the right spaces, great money to be made, there also seems to be many misconceptions about how marketing works and what working on risk actually entails.

Least amount of money - most demands

It's always the client with the least amount of money that has the most demands.

What we sell in an agency environment is time: time spent applying our creative, technological and strategic skills, experience and knowledge to giving your product a professional voice and face.

Then, we spend even more of our time maintaining that image on your behalf, ensuring you reach the many, many touch points required to convert a lead into a sale.

Amazingly, however, it is almost always risk clients, or those with very small projects and budgets, that take up most of your time.

From endless emails streaming back and forth to seven phone calls a day, to unrealistic expectations about work turnaround times, you can lose days and days and days to one demanding client, with tasks that should reasonably take an hour to finalise taking three days to complete.

Here's the cold hard fact: your risk work is *always* going to take second place to work that brings money in right now, because our salaries bill, overheads and expenses won't wait past the 30th of the month.

What!? You're in this for the money?

Surprisingly yes, we are in this for the money.

Don't get me wrong, there's passion too - tons of it in fact. We are highly passionate about marketing creative. So passionate in fact that I walk around looking at websites we've created for days, like they're masterpieces - because to me

they are.

Personally, I'm even more passionate about my businesses and making them a roaring success. I truly love employing people and giving them security and roofs over their heads - and it's this passion that drives me to ensure that we can pay our staff's salaries every month.

In order to meet our obligations however, we need to have money coming in on a regular basis.

So, if we have to choose between working on your risk product now, or completing a website that will pay us cash before we have to pay salaries, the paid-for client will win hands down, every single time.

Which brings us to the next point...

We're not responsible for having faith in your product and backing it

As a director of a couple of companies, I have already shown my dedication and commitment to the products I back. We sell marketing-related services; that's what we're passionate about and what we pour all our energy into.

It's *your* job to back your product and have faith in it. That's why *you* started your business, because *you* believe that it is a product or service that is in demand in the marketplace, and *you* are willing to drive it and make a name for yourself.

So, if you believe so strongly in your offering that you've committed your whole life to it, why not just pay us for our services? You're going to be making a fortune overnight anyway, as you keep telling us.

So why would you even want to give away a large chunk of all that money you're guaranteed to make to us, when you can outright pay us for our services and keep most of the reward for yourself?

On this note, sending us a million emails, or keeping us on the phone for hours, telling us all about how much money we're losing out on, or trying to threaten and cajole us with the fact that this is an earth-shatteringly huge opportunity does not endear you to us, it just reinforces how glad we are that we said no to you in the first place.

This kind of behaviour does, however, ensure that we will not even entertain working with you in the future.

When we work on risk you're *not* our client, you're a partner

This is a key stumbling block and misunderstanding that most risk associations have. When we work together on a project that we have chosen to back, then we get final marketing strategic and creative say. End of story.

The reasoning is pretty simple: if you had the marketing skills and knowledge you need to be able to make these kinds of calls effectively, you wouldn't be having this discussion with us in the first place.

We wouldn't be working together in a risk agreement, and most importantly, we are not prepared to put our time, resources and money into a project that we know is doomed to fail, or will ultimately be unprofitable for us.

Sadly, a lot of South Africans have little to no understanding of how marketing works and how to generate movement and interest in a product or service. This however, doesn't stop many of them from being verbosely vocal and roughshod pushing their subjective view of what makes up great copy or design.

So we have to make the call and say that we will not waste time on a project where we are subject to so many limitations that we are actually unable to make any money out of it.

Sharing everything

Finally, as partners, we share in everything

This means we get a percentage of *everything* your company makes, not just the leads that we can prove are generated directly.

Here's the thing: there are many hours that go into good marketing creative and an effective digital strategy, there are multiple platforms that require set up and management. There are ideas that are generated, hours of work completed, and we do almost *all* the work before we start seeing any returns at all.

So, by the time the first email goes out, there is a website to back it up, with great SEO and superb copywriting and design. There are social media platforms and downloadable brochures and analytics and content generated and a strategic plan.

Each and every one of these elements work together to create the face and voice your brand presents to the world, and the repetition of marketing collateral not only gives your offering gravity and importance, but also ensures the five or more touch points that will convert a lead into an active sale.

And while we can directly see the leads that come in from an email campaign for example, we can't tell who stumbled across the website, or an article, and called in as a result of that.

Marketing is so pervasive that calls and clients will come from everywhere, and we have no way of knowing how much the marketing collateral has contributed to that client's purchasing decision.

The answer you often get when you raise this is: Well, you should just field all the enquiries yourself then. No!

We do not have the inclination or time to act as an admin resource or call centre for your product or service - if we wanted to play in your industry, we would have started our businesses there.

Yes, we are entering a whole brave new world, with cooperative and collaborative ventures, and innovative new ways of doing business that allow us expand and grow in ways never experienced before. That, however, doesn't mean that we're obligated to like your product, back it, or commit ourselves to going into business with you.

And since we're the ones doing all the work upfront - and taking the actual risk - we're well entitled to make that choice.

ABOUT CHEMORY GUNKO

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