Checklist 2: Developing The Right Business Concept / Model

Project Name: _____ Date: _____

		Yes	No
	When you have established the type of agency to venture into, it is essential to develop a business concept that will be beneficial to your digital agency. Your selected business model is mostly influenced by the nature of products and services you offer. To this end, your preferred billing method has an impact on the level of efficiency applied in the management of your agency. When setting up a business model for your agency, it is important to factor in both the benefits and limitations of each model in order to determine the most beneficial to your business. Here are factors to consider when creating a functional concept or business model for your digital agency:		
	Hourly		
1	Consider whether your services are offered one-on-one or over the phone when adopting the hourly model.	☐	☐
2	Develop a compensation model for time spent on campaigns, promotions and other agency business.	☐	☐
3	Check that you have a system for daily, weekly, or monthly hourly charges.	☐	☐
4	Determine whether your hourly rate charges are enough to maintain the agency's upkeep.	☐	☐
5	Decide whether to increase charges or transition to a different pricing model in case of an up scale.	☐	☐
	Flat Retainer		
6	Decide whether the set flat retainers are based on the time or the	☐	☐

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service rendered.

7 Determine how exponential up-scaling by clients will affect the flat rate. ☐ ☐

8 Consider including a contract detailing the time limit for the flat rate. ☐ ☐

9 Check the viability of the flat rate by setting goals and objectives based on the flat rate. ☐ ☐

10 Use the set flat rate to forecast and make hypothetical preparations in case of setbacks. ☐ ☐

11 Check that the set flat rate considers the costs when hiring or outsourcing. ☐ ☐

Other Models

12 Consider the pros and cons of a commission-based model. ☐ ☐

13 Determine whether or not to include a base fee when using the percentage of spend model. ☐ ☐

14 Consider using the project-based model of billing. ☐ ☐

15 Adopt the recurring flexible and discounted model to attract new and return clients. ☐ ☐

16 Analyze scalability when adopting the value-based pricing model. ☐ ☐

17 Consider providing variety when adopting the customized pricing model. ☐ ☐

Notes

As a beginner, it is crucial to research the benefits and limitations of your selected pricing model to avoid operating at a loss. Also, as a beginner, avoid models such as the percentage of spend that require you to only take clients with a larger spend and turn away clients with relatively smaller spend.

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