

Speaker 1: Welcome to Acceleration Partners' Outperform Podcast, where we discuss topics ranging from performance marketing, affiliate marketing, and digital marketing to company culture, entrepreneurship, leadership, and the like. On today's episode, we're talking about how a company's in-house team can work effectively with an affiliate management agency. Speaking to this topic is Veronica Morales, an Associate Account Director at Acceleration Partners. Veronica manages the affiliate program for one of our largest clients, and has received many accolades for her work from their internal team, so she knows first-hand how an agency can and should work with a client in this capacity. Welcome, Veronica.

Veronica M.: Thank you.

Speaker 1: Appreciate you taking the time to chat with us about this. We're really talking about two separate entities here, one being a company that has an affiliate program that's overseen by their in-house team, the other being an affiliate agency that is managing that company's program. Is that correct?

Veronica M.: Exactly.

Speaker 1: What is your experience working with a company that has an in-house team?

Veronica M.: Sure, so I've really been fortunate to manage programs from both angles. I've managed programs where there is one person in-house that's overseeing multiple channels internally, and so they have affiliate as one of the channels under their umbrella that they're responsible for. Currently, I'm overseeing a program where we have an in-house team that has more than five dedicated affiliate employees that we work with on a daily basis. So really, all of the scenarios have resulted in successful outcomes, but it's really just ... It depends on the program of the goal, and what their main objectives are. I've been fortunate to interact in all of those scenarios.

Speaker 1: Is that pretty unusual for a company to have five dedicated people within their affiliate program?

Veronica M.: It is, it's pretty unlikely. The first example that I gave, with one person overseeing the multiple channels, is more common. However, in this particular example that I described with the five dedicated employees, the program is global, and so there's a lot of different elements that are taken into consideration, and I think it just requires some more internal resources to help us with the day-to-day management of the program.

- Speaker 1: What's typically the role of each entity? So, what's the role of that in-house team, and then what's the role of the agency that they are working with to manage their program?
- Veronica M.: Absolutely. I think the key component here when we talk about the role of each team, whether it's the in-house team or the agency, is really how they're collaborating and working together to manage and maintain, and ultimately just grow the program. I think the biggest component there is really accountability, so understanding what each person is accountable for. What I usually do is I like to break it into just different buckets, which ... They're quite basic, if you think about it, but for me, it's probably the most critical element in order for it to be successful. I kind of look at it like, what is the "what" and the "why" of the program, right? What are the goals, what should the team be focused on, how are we going to structure it, and what is the direction of the program? Some of those bigger questions, which typically really falls to that in-house team. Those are the big-picture questions that we as the agency really rely on them for.
- Veronica M.: The other components of it, and kind of how we structure each role, is the "how" and the "who." So, how are we going to go about achieving these goals? And a lot of the times, these buckets are very collaborative. It's not necessarily that one is always going to be with in-house and one is always going to be with agency, it really just depends, but generally speaking, the agency is really accountable for delivering the "how" to the client. How are we going to get to that goal that they've laid out for us? How are we going to move the program in the direction that they want us to, whether it's global or domestic, or ... Just how are we going to go about achieving that? So a lot of the times, that falls to agency.
- Veronica M.: And then the "who": Who are the affiliates, who are the partners, and who are we going to engage with to really help achieve that big-picture goal? And how are we really going to define the strategy and the tactics around that with each of those partners? So that is, I think, another component of how we define those roles, and I think it really helps to make it just a lot more seamless in terms of how the teams are interacting, to really have clear definition around what each team member ... And I consider the agency really to be an extension of that in-house team, where there is a force multiplier to really help take things to the next level, and really help dig in, because it's a big job, and I think it requires just really clear definition around each of those roles.
- Speaker 1: Would you advise that any company that has an affiliate team or an in-house person also work with an agency, or ... When does that make sense, and when does it not?

Veronica M.: Yeah, so I think it ... Just kind of going back to what the needs of the program are, I think managing an affiliate program, it really requires a lot of heavy lifting. I think that I can tell you just from my experience when, prior to joining AP and being back on the agency side, I worked brand-side, and I was responsible for managing the affiliate channel initially, but also, as my tenure went on, I was also then assigned multiple digital brands that fell under my umbrella. And then I had to manage affiliate programs for three different brands, and then eventually, I had retargeting and display, and some of the other media channels that made their way to my desk. And so I think it was ... At that point, it got to be just nearly impossible for me to really put effort toward strategy, or really devising tactics that would have allowed me to move the program forward.

Veronica M.: And, being perfectly blunt, the company was really at a disadvantage, because I was being over-utilized, and I just ... I wasn't really able to focus on the things that I should have, so the affiliate program didn't quite have the impact that I think it could have, had I had some additional resources at my disposal.

Veronica M.: So I think when ... As a company or as a leader, and somebody who's in a position where they're trying to make a decision as to whether or not to engage with an agency, I think it really just ... They have to ask themselves the question, right? Like, "What are we really expecting to get out of this program?" And after they've laid out those goals, determine, "Is it realistic that we're going to be able to hire headcount to cover the needs of the program, in order to execute and achieve these goals? And if not, is there a way that we can engage with an agency and have the support?" Which is a great ... It's a great option when you have budget that can be allocated, but you can't bring on full-time heads, and especially if you have big, lofty goals, and you're really looking to make the most out of the affiliate channel.

Veronica M.: And it's just, I think in the end, it's more profitable for the company if you can really think through that and determine, again, just what is the output that you're looking for, and making sure that it's a realistic expectation. One person cannot manage an entire affiliate program, especially if it's one that is scaling, and that has different components to it. So that's kind of my take on just engaging with an agency versus just keeping things in-house.

Speaker 1: You bring up a really great point, because I think companies, a lot of companies have a misconception about what affiliate marketing is, and they kind of bulk it into the same bucket as they would any other digital marketing tactic, so they're like, "Oh, one person could do our search engine optimization, and

now that same person could do paid, it can all be done," but affiliate marketing really is a completely different beast.

Veronica M.: Yeah, it absolutely is, and there's definitely a lot of misconceptions around affiliate, and I think that I definitely have had my fair share of them over the years, as the industry's really evolved, and the channel has really ... I mean, it's really changed. We've seen a bridge. For a while there, it was almost a friction between affiliate and business development, and some of the other digital media channels, and I think what those of us who are kind of still in this space and have been around for a while, in retrospect, in looking back, it's really just been an evolution of affiliate, and I feel like now, it's in a place where it's so much more than just finding a website, putting a link on it, and seeing what happens. There's a lot more heavy lifting that goes into it, and I think there's definitely misconceptions around how hard it is to manage a program effectively, and how difficult it is to make sure that things are seamlessly executed on.

Veronica M.: And I think that, particularly around agencies here, you have an extremely concentrated focus, and a group of people that collectively have years upon years of experience and expertise and knowledge, and so I just think that there's so many components that people don't think about. You know, it's very relationship-driven, you're negotiating partnerships, you're trying to ... There's a lot of technical implementation, and you're working on platforms, and you're dealing with just, I think, a multitude of different areas, and I think sometimes people just don't think about that, and I think it's a major realization once they do kind of dig in and realize, "Oh, this is a lot more than just handing out links and having people just run with it."

Veronica M.: That's no longer going to do the job, and so I think that's something that people kind of have to change their mindset on. This is really ... You know, you're dealing with partnerships, and technical integration, and having that expertise; it's impossible for one person to do and know all of those things, and to execute on that effectively. So that's a change of mindset that I think we're starting to see, and a lot of people do have that misconception.

Speaker 1: We have kind of a funny saying at AP, that there's affiliate PTSD. And there are companies who have an in-house team, and they have this affiliate program, and it has so much potential, and they've worked with an agency, and it has just not gone well. Can you kind of paint that picture a little bit about why that is, what it is that causes that affiliate management agency PTSD?

Veronica M.: Yeah, absolutely. I really think the biggest thing is communication, and just really setting expectations. And to my

point earlier, with the accountability, I think it's so common that you engage in a partnership, you know, agency and client in-house team, and there's all of these expectations and goals, and things [inaudible 00:11:57] just kind of thrown out there, and oftentimes, there's a breakdown in that process, in terms of the communication and really setting realistic expectations. Again, it kind of goes back to my point as well, on ... With the agency, you have this concentration of knowledge, and folks who've been in the space for a long time, so collectively, it's just exponential, you have so much more knowledge around the channel.

Veronica M.: And we also have, we're privy to a lot of real-time statistics and success stories, and failures, for that matter, that we're able to share, and to really help drive and create realistic goals and expectations with our clients. I think oftentimes, when clients engage with agencies, there's a couple things that can happen. Either the agency is over-promising and under-delivering, because they're just taking the client's ... What they think should be the goals of the program, and they're running with it, and oftentimes they fail, and so then, that's naturally going to reflect poorly on the agency. Whereas I think my big thing is, when we're engaging with a new client, is just being open and honest, and making sure that we're setting realistic expectations with them, and that we have very clear, defined roles, and who's accountable for what, and just being very clear in terms of what we're going to be delivering to them, and what the expected outcome can be of those things that we're delivering.

Veronica M.: I think that's probably the thing that I hear most often, is just, "They said they were going to do this," or "Someone said they could do that," and it's just like, "Uh, we can't grow revenue by 300%. That's just not realistic." And sometimes those are really hard conversations to have, especially up front in that process, when the agency wants to earn that client's business, but I think at the end of the day, being honest and setting those realistic expectations is going to avoid a lot of that PTSD that you're mentioning, that can be a result of that.

Speaker 1: So communication, setting realistic expectations, being transparent. What are some other best practices for working with a company's in-house team from an agency perspective?

Veronica M.: Those are definitely the ... You hit the big ones. I think, too, what I've ... Especially in the situation where I described, there's more than five dedicated in-house affiliate employees, and then on the agency side, let's add another handful. So collectively, as a team, we're trying to work as a group, and there's so many different hands in the pot, let's say.

Veronica M.: I think it's just so important to step outside of the day-to-day, because a lot of the times, especially with some of these big global programs, and all these different bodies kind of in the mix, it gets a little messy, right? Things get a little crazy, get a little bit caught up in the day-to-day, and there's always something going on. You've got tracking, you've got partners that need things from you, and there's just ... There's a lot of stress, and there can be a lot of pressure, and I think taking a step back, and taking the opportunity to engage as a team collectively, both in-house and agency, and just being reminded that we're all a team, we're all on this united front, and we're all here to move this program forward, and to scale it, and that we're all after the same goal.

Veronica M.: And to take that time to just connect with one another, and get to know each other, and just kind of tear down some of those walls that I think, especially when you're not there every single day in person working alongside those people, sometimes they forget. And so I just think spending time outside of the day-to-day grind with each other, even if it's just a casual Skype call if you can't be together, or just having a Zoom call, or whatever the platform is that you're using, to just, I don't know, have a virtual team happy hour, or just have that time to just bond and connect. The water-cooler talk, they call it, right? Just breaking that day-to-day cycle, I think is really important, because I've seen it make a tremendous difference in how the teams interact when you have the ability to just connect, and get away from that stressful environment for a second. It just makes you so much stronger as a team.

Speaker 1: All of that really, I think, encompasses one of our core values of "embrace relationships." It's much more about the tactical strategy, which is important, but it's also about building that relationship, and really trying to be a true partner to the client that you're working with.

Veronica M.: Absolutely, it's ... In my opinion, the relationship is just as important. It makes such a difference when you have that solid foundation to build off of, when you can trust one another, and when you have ... You get that feeling where you've got each other's backs, you're all in it together. And it just helps to reduce a lot of the friction when some of those day-to-day things do come up, where you're just like, "Ah, it was a really rough week, we had a lot of issues, we had to go through it together, we were getting ..." It seems like you can't dodge ... Like, you're dodging bullets left and right, right? Like, it's just constant things flying in the air, and especially with some of these really large global programs, there's all kinds of things that can happen and that can come up during the week.

Veronica M.: But when you have that solid foundation with your partners, whether it's your internal or external, agency, in-house, it doesn't matter; at the end of the day, we're all people, and we're all here trying to do the best that we can to achieve goals and to move things forward. Sometimes just being able to laugh about it, it makes everybody feel better, and it kind of helps to take away some of that ... You know, just that friction that might be there as a natural byproduct of the stress and the environment. So, so important, in my opinion, and often, it makes just so much difference. If you can have both, if you can have that relationship, and then also be able to bring the value to the table, and make sure that your partners are getting that strategy and the recommendations, and you've got clear roles and responsibilities around who's accountable for what, I just feel like it's the perfect ... It just creates the perfect kind of pyramid and situation when you're collaborating and working together with ... Whether you're in-house or agency, it just makes such a difference.

Speaker 1: A lot of that that you've talked about applies really well to both sides, to the agency and also to the in-house. Specifically, though, for an in-house team, is there any kind of recommendation or best practice you could offer for what they could do to have a great relationship, kind of above and beyond what you've talked about? Anything they could do specifically to have a really effective and efficient relationship with their agency?

Veronica M.: Yeah, I think, again, the communication thing is big, but more specifically, it's being very clear in terms of what they expect of the agency, what is the expected outcome that they're looking to achieve, and making sure that we understand that, because I think it's going to make it a lot easier for everyone if those expectations are set up front. Otherwise, it ... And that includes sharing some of the tough stuff that maybe they're a little hesitant to share, because they don't want to make you feel bad or ... Just giving that tough feedback sometimes helps as well, so just giving the good, the bad, the ugly, and just being equally as transparent with us as we are with them, it makes a big difference.

Veronica M.: And also, giving credit where credit's due, that also goes a long way. I think a lot of the times, you don't realize how much work is being done behind the scenes on the agency side. There's a lot of heavy lifting going on. There's little things that collectively add up to a lot of tedious work, and at times, it's challenging being in that position where you're trying to keep the lights on and do some of the stuff that's not as exciting. Who wants to do FTC audits and fraud audits, and be bearer of bad news, and ... But it has to be done, and so a lot of the times, just going the

extra mile to say a "thank you" can make a world of difference in someone's day.

Veronica M.: I actually have seen an example of that recently, where one of our client contacts just, on a call with outsiders, just thanked her agency rep, and I got a message that was like, "Oh my gosh, that just made my day." And it was just a simple "thank you" for what she had done, and game-changer for her. So I just think recognizing your agency reps and those that are working really hard for you goes a long way.

Speaker 1: Thank you, Veronica, for taking the time to share your expertise about this topic. I think there are companies out there who struggle with their affiliate management agency, and how to work effectively with them, and what you've shared gives them a lot of good insights for how to do it right. And same thing for agencies, for how to work better with their clients. To our listeners out there, if you'd like to learn more about Acceleration Partners and our remote work culture, be sure to check out our website and blog at www.accelerationpartners.com. We've got more insightful topics to share with you to help you make 2017 your best year yet, so stay tuned.