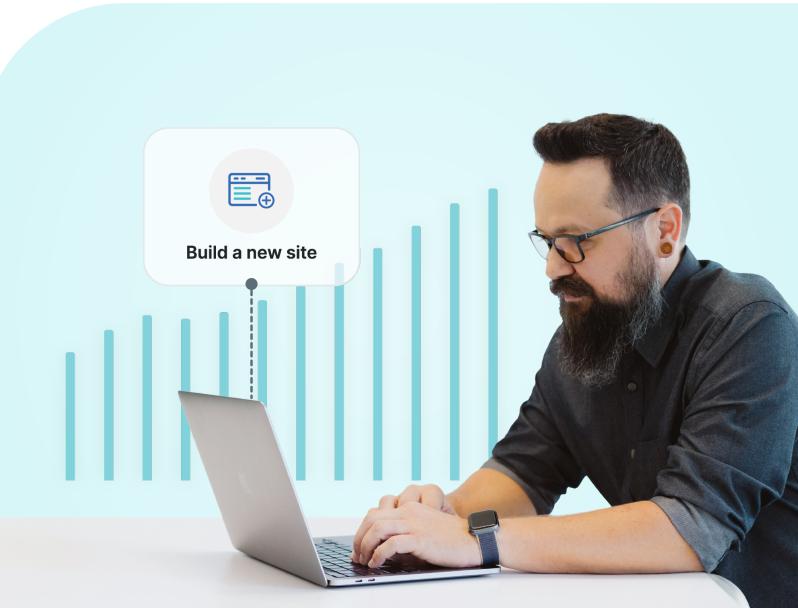


# Driving Agency Growth with Recurring Revenue

Unlock the secret to growing your agency and increasing cash flow.





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#### Introduction

Growing your agency into a sustainable, successful business may seem like an impossible task, and it's easy to understand why. There's a finite number of hours available in the day, and between client consultations and ongoing projects, there's a limit to the amount of work you can take on. At the same time, the risk of hiring additional staff without the assurance of new projects presents a classic dilemma for agency owners, making sustainable growth a complex puzzle to solve.

But adding complexity only compounds the issue. The secret to growing your agency isn't drowning yourself in tons of new projects, it's offering ongoing services such as website maintenance plans that create recurring revenue for your business. By offering services your clients pay for on a regular monthly or quarterly basis, you create a stable, predictable income stream, deliver more value for your customers, and even surface new opportunities with existing customers.

For traditional digital agency owners, this idea is a bit hard to imagine, since the industry has long focused on billable hours and tracking time. Recurring revenue allows agencies to maintain a healthy cash flow and work in a more stress-free environment. For many agencies, recurring revenue also means they can finally focus on the projects they want instead of the projects they need.

At <u>WP Engine</u>, we work with thousands of agencies, serving as their hosting partner, their technical guide, and a source of dedicated agency support from scoping a project all the way through its execution. Through our <u>Agency Partner Program</u>, we've learned from some of the smartest and most creative agencies that have found ways to finally get out from under the burden of the time clock. Here are a few of our favorites!

The secret to scaling your agency? Add recurring revenue channels to your business model!





#### **Maintenance Plans**

Offering site maintenance plans is a great way to add recurring revenue while building rapport with your clients. Over the years, we've witnessed our agency partners offer a wide range of services that can tack on reliable monthly income. Here are a few things you can consider providing to your clients:

- Backups: Your clients want to know their sites are backed up and are willing to pay a fee for it. Add this to your monthly maintenance plans as a peace-ofmind option!
- Security audits: WordPress® continues to be targeted by hackers. Security audits are a great way to promise ongoing protection for your client's sites.¹
- Site updates: Another great option is to include a set number of hours your client can use to request updates to their site. This way they can rely on you to help continue to improve their web presence. These monthly

- interactions with your clients will also help them better understand the ongoing value of working with you and your agency.
- WordPress and plugin updates: As part of your monthly maintenance, consider including plugin and WordPress updates and offering them up as yet another thing your client doesn't have to worry about. This is also a site security strategy!
- Performance audits: As your client uses their site, they may make changes that affect performance. A great way to promise ongoing speed is to check in each month to see how things have changed.
- Support: If your client has additional technical needs or requires help with WordPress, offering technical support can be a good way to increase buy-in. Add a support phone number and take calls as needed!

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One of the challenges in offering ongoing maintenance is the time required to do so. How do you price it? How do you carve off the hours needed? Do you have enough staff to offer maintenance while continuing to grow?

First, let's talk about pricing. Should you charge \$50/month or \$500/month? Ask yourself how much time it would take each month to provide the services you're offering. Multiply that by your hourly rate (perhaps with a bit of a discount, since it's money you can count on) and you have your price!

What about continuing to onboard new clients while handling your monthly commitments to maintenance? You can actually shave off a ton of time by focusing your energy on building great processes and selecting the right tools.

For instance, your hosting partner may already offer 90% off what you're promising to your client. By reselling their services, you can benefit from recurring revenue without losing billable hours.



## Quick tips for creating maintenance plans

Customize your offerings: Consider providing a flexible a la carte menu for maintenance plans, allowing clients to select services critical to their needs. This approach can include automated plugin and theme updates leveraging tools like WP Engine's Smart Plugin Manager, which automatically checks for updates every 24 hours and ensures sites remain secure without manual oversight.

Efficiently manage maintenance tasks: Evaluate the time each maintenance task takes and look for opportunities to streamline your processes. If you can shave off time by introducing a better process or adopting a tool to speed up the job, you can easily earn more money for your agency.

Expand your service portfolio: Get creative, think beyond the basics. When it comes to monthly maintenance tasks, consider things you can take off of your client's plate. What other tasks do they need to perform on a monthly basis as it relates to their website?

Bonus Tip: Use WP Engine's free Website

Tester for deeper insights into your clients' sites, identifying areas for improvement that could be addressed through your maintenance plans.

#### Turnkey Websites

We know that any agency's ideal client would be collaborative, cooperative, and have a virtually unlimited budget that would allow designers to create something custom and incredible. However, this kind of miracle work just doesn't happen all the time. As a growing agency, you're bound to get clients that have small budgets, giant egos, and everything in between.

Some of the fastest-growing agencies offer turnkey website development to meet the needs of these smaller clients, which frees up their team's time to focus on larger, more creative projects. Instead of bidding out these sites on a per-project basis (with a focus on hourly rates), agencies can create beautifully designed WordPress sites and offer them to clients at the cost of a monthly cable bill.

WP Engine makes this even easier with a suite of premium WordPress themes that come included with every single plan. Each theme is SEO-optimized with locked-down security features and helps simplify content design and editing.

Offering turnkey websites is a great way to book a client with a lower budget at an affordable monthly rate while providing extra income that allows you to focus on building custom solutions for your larger clients.
Win-win!

The key to making this model work is pricing it accordingly. When you're working out the economics of options like this for your agency, ask these questions:

- What are the most common "components" clients ask for?
- How can I build those components in a way to easily reuse them in the future?
- What customization options am I going to provide? (Keep the list short!)
- How long will it take each client to go from signing a contract to launching a site?
- How can I improve the process to shave off even more setup time?
- What is the hourly rate I'm paying my employees to launch these sites for clients?
- Given great processes are in place, how many sites can I expect one employee to be able to launch in one week?



These types of questions challenge you to figure out a pricing model that scales. The lower the monthly fees, the more attractive it is for prospects. That's why an intense focus on improving the process will allow you to onboard more monthly clients. Before you know it, you'll have 20+ monthly subscribers paying \$200+/ month for their websites. That's real revenue that you can rely on every month!

It's important to know that this definitely doesn't have to be the only thing you offer. A lot of agencies use turnkey website development to supplement their other revenue models. This allows them to focus on the creative work they love without sacrificing too much time or energy on small projects.



# An intense focus on improving the process will allow you to onboard more and more monthly clients.

### Quick tips to make turnkey websites work for your agency

Think about focusing on a niche or vertical you feel comfortable in: How about offering websites for orthopedic specialists? Or churches? Your niche will allow you to hone your marketing pitch and site solutions to that specific clientele, making it a million times easier to sell without a bunch of additional customization.

#### Offer a handful of designs to choose from:

When your client decides to move forward with you, allow them to pick from a few layouts. This gives them the ability to be a part of the process, but it still speeds up your build time significantly.

Offer optional monthly add-ons: Maybe your client needs to accept credit cards via their website or wants to use lead generation tools like forms or pop-up boxes. Those types of options are great ways to drive up the monthly price and provide more value to your client!

**Don't do too much:** The easier it is for your client to understand, the easier it is to sell. Keep your options simple and maintain a laser-like focus on what you do best.



### Reselling Hosting

Reselling hosting is one of the simplest, most straightforward ways to add recurring revenue to your agency's bank account. The best part? You know your clients require web hosting for their sites, so it's a super easy sell.

On top of generating regular recurring revenue, reselling hosting offers a bunch of added benefits for your team. Partnering with a great host allows your agency to know the state of each of your clients' sites. And when one of those clients calls on you to update a page, you'll be well-versed in the standard setup instead of fumbling through a different and unfamiliar hosting panel each time. A host who understands the agency model should make this seamless, knowing that client site management and support are the backbone of your business.

Reselling hosting also means you're free to choose a hosting partner that makes the most sense for your client and your business. If you're offering SEO services, speed becomes crucial (more on that later). If you're offering turnkey solutions like those we've already discussed, better workflows become important.

Or, perhaps you're hosting high-traffic websites and you're looking for a host you can consult with on ways to effectively scale your client sites. Whatever the case is, choosing the right host to partner with will help you optimize your work and provide superior services for your clients.

If you're looking at adding hosting to your agency's offerings, focus on how to make monthly billing a seamless, simple process. You're probably used to sending a standard invoice to your clients for other services, but invoicing for monthly services like hosting eventually becomes a burden.

Look at options for recurring billing that keep you out of the weeds and deposit monthly payments automatically into your account.

Choosing the right host to partner with will help you optimize your work and provide superior services for your clients.



## Quick tips for reselling hosting for your agency

Maximize Your margins: Make sure reselling hosting significantly boosts your bottom line. Instead of minimal markups—like charging \$12 when your cost is \$10—aim for healthier margins. This strategy will help you turn reselling into a key source of recurring revenue.

Bundle hosting with maintenance: To counter price-sensitive clients potentially looking for cheaper alternatives, incorporate hosting into your maintenance plans. This will shift the focus away from hosting costs, while your monthly maintenance fees cover your hosting bill. Meanwhile, you get the added benefits that come with knowing your hosting provider.

Choose the right hosting partner: Your clients see you as their hosting solution, and when issues arise, getting quality support from your hosting partner is crucial—it can either be a profit-maker or a deal-breaker. Make sure you select a partner that deeply understands the agency business model.

Seek comprehensive agency support: In addition to the above, opting for a hosting partner that offers robust support and agency-focused benefits will help you elevate the services you provide, securing your agency's profit margins. WP Engine's Agency Partner Program, for example, is designed to fuel agency growth and includes priority support, referral opportunities, and attractive commissions while providing resellers with easy client site management, exceptional performance, and ironclad security.

#### What's in a host?

Web hosting is full of "discount" options that often come up short. At WP Engine, you gain access to a full suite of features pre-built into our service offering that you can add as a premium hosting package or additional, a la carte services.

Here are just a few features that would allow an agency offering hosting as a line item for \$20 a month to justify a price increase to \$50 or \$80 a month:

- Site speed boost with EverCache®
   WP Engine's Proprietary Caching
- Advanced network CDN (Cloudflare)
- Sucuri Malware cleanup (If your site gets infected, we will clean it at no cost to you)
- Threat blocking & WordPress security
- Security patching & plugin risk scans
- Free automated migration plugin
- Dev, stage, prod environments
- Managed updates for WordPress and PHP
- Plugin and theme updates
- Daily & on-demand backups
- Free SSL and SSH certificates
- Flexible site copy tools
- Activity log & advanced user permissions
- Annual SOC 2 audits and ISO 27001 certification
- GIT & SFTP access SSO and multi-factor password authentication



### Search Engine Marketing

When you're working with your clients, a lot of conversations are centered around growing their business or finding new customers. Of course, a well-architected and beautifully designed website helps them do just that! However, agencies looking to grow are great at spotting other opportunities to provide value to their customers. One way to do that is through offering ongoing Search Engine Marketing (SEM).

SEM can come in many forms, but the most basic strategy is a well-structured site with a proper hierarchy and fantastic content.

Additionally, making sure your client's site is performing well can contribute to SEO rank.

These two things alone help sites climb the search engine ladders; however, things can get far more granular and refined.

If your client is looking at driving more traffic to their newly designed site, you may suggest looking into <u>AdWords</u>. Well-selected keywords pointing to well-designed landing pages can do wonders to drive more leads. If they're hoping to drive higher engagement, taking a closer look at front-end performance metrics such as Google's <u>Core Web Vitals</u> can help lagging sites address key issues and boost both user experience and SEO.



SEM isn't a set-it-and-forget-it job, so this is where you can offer a monthly service. Your client should carve off a budget they can comfortably spend on continuing to improve the quality and quantity of leads. The budget will be split between what they'll be spending on the actual lead acquisition, and what they're paying you to manage their SEO on a monthly basis!

#### Quick tips for providing valuable SEM Services

Summarize ROI regularly: Deliver weekly and monthly summaries showcasing expenditures and lead generation. This clear demonstration of value continuously affirms the benefits of your service.

Optimize strategically: Start with a focused set of landing pages and expand your keyword list. Gradually refine by discarding underperforming keywords. Regular monitoring enhances outcomes, aiming for weekly or even daily reviews for optimal performance.

#### Fast sites = better SEO results!

WP Engine's fully managed platform for WordPress is built from the ground up to make WordPress sites super fast. This alone can help your client's SEO. As you pitch to your clients about offering SEO services, a fast site should always be a part of the deal.

# Bonus: Accepting Recurring Monthly Payments

One of the reasons agencies don't offer recurring payment options is because of the complexity of collecting monthly bills.

Traditionally, agencies manually invoice clients as needed. If you plan on manually invoicing clients for your monthly services, it's going to be a total headache and not something we recommend.

To solve for recurring monthly billing without spending a ton of time engineering a solution, there are a number of awesome tools that can do the hard work for you. Our personal favorite is **Stripe**—its checkout feature allows you to create simple-to-use buttons that prompt users to enter their credit card information. **You can learn more about it here.** 

We've seen a bunch of different ways to implement a great billing experience for clients. One great option is to add a hidden page on your website that your clients can use to purchase your services. Once you've sold them on the ongoing services, link them to the page that allows them to purchase quickly and easily. On that page, implement a simple Stripe integration using their checkout feature and start collecting monthly fees!

#### Trying to grow your agency?

While growing your agency might seem like an impossible task, adding recurring revenue streams will help you create a sustainable, successful business. By offering services that your clients can continually pay you for, you'll create a stable, predictable, and reliable income stream that will allow you to safely scale your agency.

Already using WP Engine? Want to explore how we can empower your recurring revenue efforts? Our agency experts can help you find the solution that's right for your business. Connect with them today!

Connect with our agency team





# WP Engine empowers companies and agencies of all sizes to build, power, manage, and optimize their WordPress websites and applications with confidence.

Serving 1.5 million customers across 150+ countries, the global technology company provides premium, enterprise-grade solutions, tools, and services, including specialized platforms for WordPress, industry-tailored <u>eCommerce</u> and <u>agency</u> solution suites, and developer-centric tools like <u>Local</u>, <u>Advanced Custom Fields</u>, and more. WP Engine's innovative technology and industry-leading expertise are why 8% of the web visits a WP Engine-powered site daily. Learn more at <u>wpengine.com</u>.