

HOW WE WORK/FAQ

If you've made it this far, you're thinking about working with us—great news!

First, it is Lenz's primary goal to make your marketing program a success for your company, institution, or organization. Because ultimately, we grow by doing great, effective work for our clients, who hire us for more and recommend us to others. We are not here to earn a living by nickel and diming you like some businesses. That is not our profit model. Our profit model is having successful and satisfied clients.

The primary ways Lenz works with our Clients are through either a Marketing Partnership Program or on a Project basis.

A Marketing Partnership usually represents a more holistic engagement, with the Client retaining Lenz for an extended period, usually a minimum of a year, with Lenz providing consultation, strategic direction, and a multitude of services designed to help the client reach their overall goals.

When working with Clients on a Project Basis, Lenz focuses on a defined deliverable, such as a marketing campaign, a web site development project, or brand development project. Here, the engagement ends when the project is delivered to the Client's satisfaction.

MARKETING PARTNERSHIP FAQ

Lenz's Marketing Partnerships are built upon retainer services agreements. The purpose of a retainer agreement is to produce a mutually beneficial relationship between the Client and Lenz. The Client gains access to Lenz's experience, human talent, and technological resources by committing to purchase a set number of hours at a given rate for a specified period.

The benefits of this approach are multiple. Essentially, the client is bringing an experienced marketing partner into their operation, for the biggest bang for the buck, while maintaining control and flexibility over its marketing programs.

The retainer approach is less expensive for the Client because it lacks the overhead costs of managing and supporting a team of employees, with training, salary, benefits, and infrastructure.

Also, under a retainer agreement, the Client can more effectively plan, budget, and allocate resources to produce enhanced marketing campaigns, which leads to greater marketing results.

For your marketing to make the biggest impact, Lenz knows that reaching your audience through effective, persuasive, and consistent messaging in a variety of settings through a planned, coordinated effort moves the needle the farthest. The variety of channels and cost structures in today's owned, earned, and paid media means a comprehensive, integrative marketing approach produces the best results. A retainer agreement combines appropriate amounts of needed services within a budget, which will achieve cost-effective results.

Lenz and the Client benefit from a retainer agreement by building a long-term relationship, which creates ideal conditions to produce the best possible work for the Client.

Retainer agreements require communication and trust. The purpose of this document is to clearly communicate how the retainer agreement works, so there is less potential confusion.

1. HOW IS THE RETAINER SERVICE AGREEMENT CREATED?

First, Lenz meets with the Client to establish their goals and appropriate budget for marketing. After analysis, Lenz creates a program of work recommendation that fits the Client's budget and best delivers the products and services needed to meet established goals.

The agreement estimates both the amount of service hours and outside costs necessary to produce the marketing needed by the Client. This is the total budget for marketing the Client for the specified period of time. It can include a blend of single design-production jobs, such as a Client brochure, as well as ongoing work, such as a consistent media relations effort to produce publicity for the Client, and usually includes an estimate for out-of-pocket expenses, such as an advertising campaign.

The agreement states an estimate of service hours, which are the total hours needed, from a variety of disciplines (editorial, creative, digital, public relations, etc.) to achieve the goals set forth in the agreement.

2. HOW IS THE MONTHLY RETAINER FEE SET?

The monthly fee is determined by multiplying the total number of service hours by the specified hourly rate, which is divided by the number of months in the agreement. This amount is billed to the Client on the first day of each month.

3. IS THERE A MINIMUM INVESTMENT LEVEL TO ENGAGE IN MARKETING PARTNERSHIPS?

Yes, Lenz requires at least a 12-month retainer agreement at a level that can justify a team approach to your marketing from our experts at Lenz. There can be a wide difference in costs based on your marketing plan, so setting a fixed budget number is difficult to do without more information from you. For example, a Marketing Partnership Program that is focused on web development has a very different cost structure than one that is a paid advertising campaign. Contact us for more details.

4. CAN I CHANGE THE PROGRAM OF WORK? WHAT IF WE ADD OR DROP SOME PROJECTS? WHAT HAPPENS TO THE MONTHLY FEE?

The agreement allows for flexibility in the program of work. Projects can be dropped, but by signing the agreement, the Client makes a minimum commitment to the total number of hours in the agreement, at the specified rate, for the given period.

Lenz recognizes that marketing programs need to be opportunistic and flexible when new information is learned from the field. In some cases, a new initiative will replace one specified in the agreement, to produce a better marketing program. In other cases, specified projects will grow in scope and take more hours than estimated and will absorb the number of hours in a "dropped" project. But the intent of the agreement is for the Client to use the set number of hours for the duration of the agreement, to grow their business with effective marketing.

As marketing produces success, sometimes Clients want to add additional projects to the program of work. Doing this increases the scope of work. Lenz estimates the amount of service hours and outside costs for the new projects and the agreement is amended if the Client approves the additional cost.

5. WHO WILL BE WORKING ON MY ACCOUNT?

Lenz has a great team marketing strategists, creative talent, media experts, digital gurus, and more. With a Marketing Partnership, the appropriate team is oriented around our Client's goals.

The primary contacts for our Clients is the Account Services department. Every Marketing Partner is assigned an Account Manager who oversees the account on a daily basis. It is the account team's job to know when to connect the client with our specialists, and of course the Client can request to speak directly with the Lenzer executing their work product.

6. HOW DOES LENZ TRACK AND REPORT HOURS? IF I DON'T USE THE SET NUMBER OF HOURS IN A GIVEN MONTH, DO THEY ACCRUE TO THE NEXT MONTH? IS MY MONTHLY BILL ADJUSTED?

Lenz counts all billable hours and reports them regularly to the client. As there is ebb and flow to marketing programs, Lenz doesn't expect or require purchased service hours to be used in equal amounts each month. Hours accrue under

this agreement; the Client doesn't lose hours. Some months, hours will be over the monthly estimate and in other months, hours will be under the monthly estimate, but the intent is for the total at the end of the agreement period to match the agreement estimate. The Client will be billed the same amount of service hours each month, which helps with budgeting for the Client. It is the Client's responsibility to help to co-manage the program of work and use all the contracted hours by the end of the agreement.

7. HOW DO WE MAKE SURE THE HOURS ESTIMATE EQUALS WHAT IS PERFORMED UNDER THE PROGRAM OF WORK?

Lenz reports activities and hours regularly. At the time, Lenz and the Client will get a sense of whether the number of hours purchased and the program of work are good estimates. The program of work can be adjusted to keep the agreement fair to both parties.

At the end of the third quarter, Lenz totals the hours and reviews what remains to be finished in the agreement's program of work. At this point moving forward, the Client and Lenz make adjustments to finish work in the best possible way to reach the Client's goals and the estimates set forth in the agreement.

If hours are over what was specified, several options are available to bring the agreement into line. After an analysis of the remaining program of work, the Client can 1. choose to reduce the amount of work remaining (effectively debiting the number of hours left to be executed) or 2. pay for the excess hours and complete the program of work.

If actual monthly hours are below those estimated, the hours accrue until the end of the agreement.

Also, at the end of the third quarter, assuming an interest exists by both parties, the relationship between Lenz and the Client is reviewed, with the purpose of establishing a new agreement and program of work for the future. Some marketing campaigns will extend several months, which makes this review a necessity.

8. AT THE END OF THE AGREEMENT, WHAT IF THE HOURS ARE OVER OR UNDER THE SPECIFIED TOTAL?

Despite Lenz's and the Client's best efforts, billable hours might go over the estimate in the agreement. In this case, the Client gets billed for these hours at the rate specified in the agreement.

The Client is ultimately responsible for using the hours Lenz has allotted to the agreement; if hours come in under the estimate, the Client will still be billed for those hours. Without this clause, the contract would have no purpose—Clients could sign an annual retainer, not request work, and not compensate Lenz for the staff we made available to them during the period of the Marketing Partnership.

9. WHAT ABOUT OUTSIDE EXPENSES? CAN I USE MY PRINTER, OR PLACE MY OWN ADVERTISING?

During the term of the retainer agreement, Client projects will be produced by Lenz's suppliers, who are under Lenz's control, with outside expenses billed through Lenz. Lenz will be contractually identified as the "Agent of Record," and exclusively authorized to place media on behalf of the client.

Client expenses are approved in advance by the Client, and billed as they occur. In some cases, such as advertising, the Client may be billed in advance as required by media contracts. Lenz has long-term relationships with suppliers and media partners who sell their services to Lenz at competitive rates. Through this process, Lenz maintains quality control, scheduling, and effective and efficient communications.

In the past, Lenz has used Client suppliers, but too frequently it resulted in inefficiencies, higher costs, and lower quality. So we now know better than to do this.

10. WHAT IF I'M UNHAPPY WITH THE AGREEMENT FOR ANY REASON?

The agreement has standard language that grants a 60-day out for both parties.

PROJECT FAQ

1. HOW IS A PROJECT DIFFERENT FROM A MARKETING PARTNERSHIP?

Projects are usually more narrowly focused than Marketing Partnerships. Whereas a Marketing Partnership might start with an organizational goal of increasing sales by 5 percent in 12 months and result in a schedule of activities involving multiple marketing initiatives, a Project often involves a single initiative, such as developing a new brand or promoting an event.

2. HOW IS A PROJECT SERVICE AGREEMENT CREATED?

Just as with a Marketing Partnership, Lenz first meets with Client to understand the goals and specifications for the Project. Lenz then outlines the scope of work and produces an estimate for the Project. If the Client accepts the estimate, a formal Project Agreement is developed.

3. WHAT IF THE PROJECT TAKES LESS TIME THAN ESTIMATED?

This is an area where the Project and Marketing Partnership models differ. As stated previously, a Marketing Partnership involves the Client purchasing Lenz's time and expertise to help them reach their goals. With a Project, however, the Client is buying the specified project, rather than the time it takes to produce it. Here, our charges relate to the overall value of the Project, which is successfully delivered. If, under a Project Agreement, Lenz develops the world's best logo in one hour, the Client is still charged for the agreed upon price of the logo. Some Lenz Project Agreements do include protections for Lenz to ensure that the Project specifications do not change. In these cases, a clause may be included to specify the maximum number of project components or time that Lenz will spend on the project before the Client receives an additional charge.

4. DOES LENZ HAVE A PROJECT MINIMUM?

Yes, Lenz's minimum fee for Project work is \$7,500. This is to ensure that we dedicate the appropriate staff and time to our Client's Projects.