



## **A GUIDE TO SELECTING YOUR NICHE**

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LEARN THE KEYS TO GROWING YOUR  
AGENCY GRACEFULLY AND MAXIMIZING  
PROFITABILITY

CREATED BY JEFFALYTICS

# Why is selecting an agency niche important?

When your agency is first getting started, all revenue seems like good revenue. Soon you will learn that while top line revenue is important, a healthy business will consider income secondary to profitability.

If it costs as much money to deliver your work as your client pays, there is no room for profit!

The key to maximizing profits is choosing projects that yield predictable results. We call this niche selection, and it allows an agency to generate more profits and acquire more customers through a concentrated marketing effort.



I'm Jeff Sauer, founder of Agency Course. My agency grew from 5 to 50 people, and I learned hard way how to multiply growth 500%.

I've been in the trenches recruiting new hires, putting out client fires and building a profitable agency.

I struggled through the transition from full-time employment to freelancer to building a strong team. I know what it feels like to be overwhelmed by the entrepreneurial journey. That is why I developed the Agency Jumpstart Course to help entrepreneurs build smarter, more profitable businesses.

From one entrepreneur to another, I toast to your upcoming success.

# Niche selection: Your ideal service niche should...

## 1. Have high gross margins

Can your service be delivered with a 50% labor cost or less?

In order to maximize profits, the wages you pay employees and contractors need to be less than half of the total project cost.

## 2. Be part of client budgets

Have your clients dedicated a budget for your services?

If no budget is established for your services, then clients will have a hard time paying for the value you provide. This means you will have to take a pay-cut.

Getting paid less for your services eats away at your gross margins.

## 3. Be close to the source of revenue

Clients are willing to pay for services that help them make more revenue.

When there is more money coming in, more money goes out to service providers. Choose a niche that helps your clients make money OR get better at demonstrating the value that you provide.

## 4. Have a high learning curve

High learning curves create a barrier of entry. The harder it is to learn, the harder it becomes for competition to break-in to the industry.

Choosing a difficult niche helps you differentiate from competition.

## 5. Have a renewable & expandable customer base

The best customer niches replenish themselves. Choose niches that have opportunities to bring in new customers each year.

Why is this important? Because once niches are established, you can grow revenues well into the future.

## 6. Don't be too broad

Agencies can focus on Business to Business or Business to consumer, but rarely both. Choosing one niche makes operations much easier.

### You have time

It may take several tries over the course of a few years to perfect your niche. Be thoughtful about business growth, and profits will come!

**Learn more about growing a profitable and scalable digital agency**

[www.agencycourse.com](http://www.agencycourse.com)