

THE BEGINNING OF AGENCY.COM

6/8/09: MEMO

The Agency.com seed is born:

AGENCY.COM was established after two business men, Kyle Shannon of YAR Communications and Chan Suh of Vibe Magazine, became increasingly interested in the Internet as a medium that could reduce printing and distribution charges while also steal competitors from other print mediums. At the time, the Internet was predominantly used by all colleges and college students, yet a good portion of the general public still did not know how to harness its scope and magnitude both for personal and business use. After meeting on an online discussion board aimed at demystifying the Internet, Shannon and Suh began working on Internet freelance projects through Shannon's World Wide Web Artists Consortium (WWWAC). Eventually after two Time divisions asked Suh to help with Internet related projects, AGENCY.COM was formed in Shannon's Brooklyn living room as a two-person company aimed at helping companies gain ground in the Internet world.

The General Electric Deal

In securing the \$4 million, 88 interconnected website General Electric Deal, the company will need to hire more staff and prepare for the workload and quality needed for GE and its four other current accounts. It needs to address the issues of quality and time management among its staff as committees will eventually need to be made within the GE account and the four accounts. With the possible partnership establishing the company as an industry leader, the issue of personal independence loss, due to project time investment, as well as a bigger office with more computers needs to additionally be addressed. Moreover, with GE producing 90% of its revenues, AGENCY.COM will need to develop a plan of action to prevent creative and business independence loss between GE and itself. Lastly, it needs to address its role in furthering the future of the Internet, as well as its role in furthering GE through the use of the Internet as an interactive medium. Whatever the action may be, it must keep to the company's core values as well as the projected goals that GE wants to reach.

Agency.com's Early Success:

The company's first big break came when Sports Illustrated asked for a website that would promote its pay-per-view broadcast of the Sports Illustrated Swimsuit Video. With only two weeks to turn a video into a successful multimedia website, Shannon and Suh relied on viral marketing – word-of-mouth – to promote its design and video-based website. After its first 12 hours of operation, the website crashed the company's only two servers due to its popularity among companies impressed by the website's use of design, QuickTime videos and swimsuit models. The initial buzz of the site and its crash later helped generate tremendous publicity for SI's pay-per-view broadcast and AGENCY.COM.

Building upon its initial success, AGENCY.COM was then subcontracted to other companies, one being MetLife, a Fortune 500 company, to produce websites. Landing MetLife gave the company credibility and the ability to say no to subcontracts. Eventually, with aggressive pitching, the company was able to land its next four out of five pitches with the following companies: Hitachi, American Express, GTE and Columbia House. Strategically, the company was financially stable as it required its clients to pay half the total fee up front, while Suh also refused to take on business at the loss of landing major accounts. During its first 10 months, the company hired 10 employees and virtually learned everything about website building on the fly. Due to its cramped office space, everyone learned to pitch in and do whatever was needed to deliver projects on time – thus, the company persona was based on a small community of "doers," ready to tackle any project, any time. Moreover, with the Internet gaining momentum, everybody felt like pioneers as each project provided greater knowledge about the Internet's capabilities. Eventually, similar personalities and interests such as beer drinking, late night working and disliking "big talkers" and "dress-up Fridays" helped increase the company's teamwork.