



BENCHPRESS

Benchmarking for Creative Companies

AGENCY SURVEY 2016

THE RESULTS

BENCHMARK:
WORKOUT #5

POWERED BY:



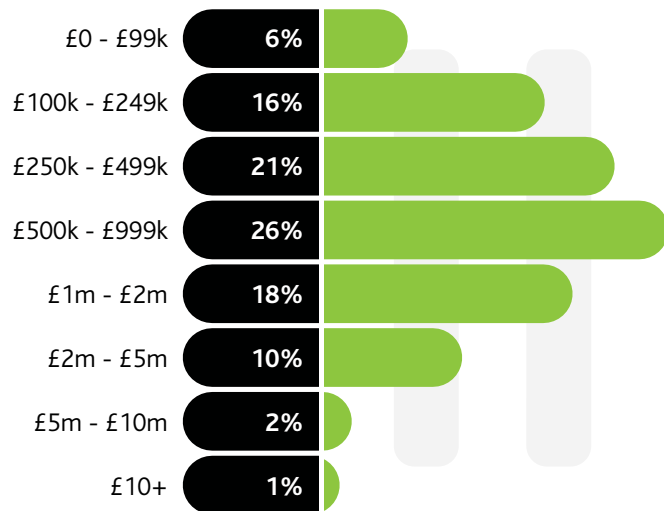
WHO COMPLETED THE SURVEY



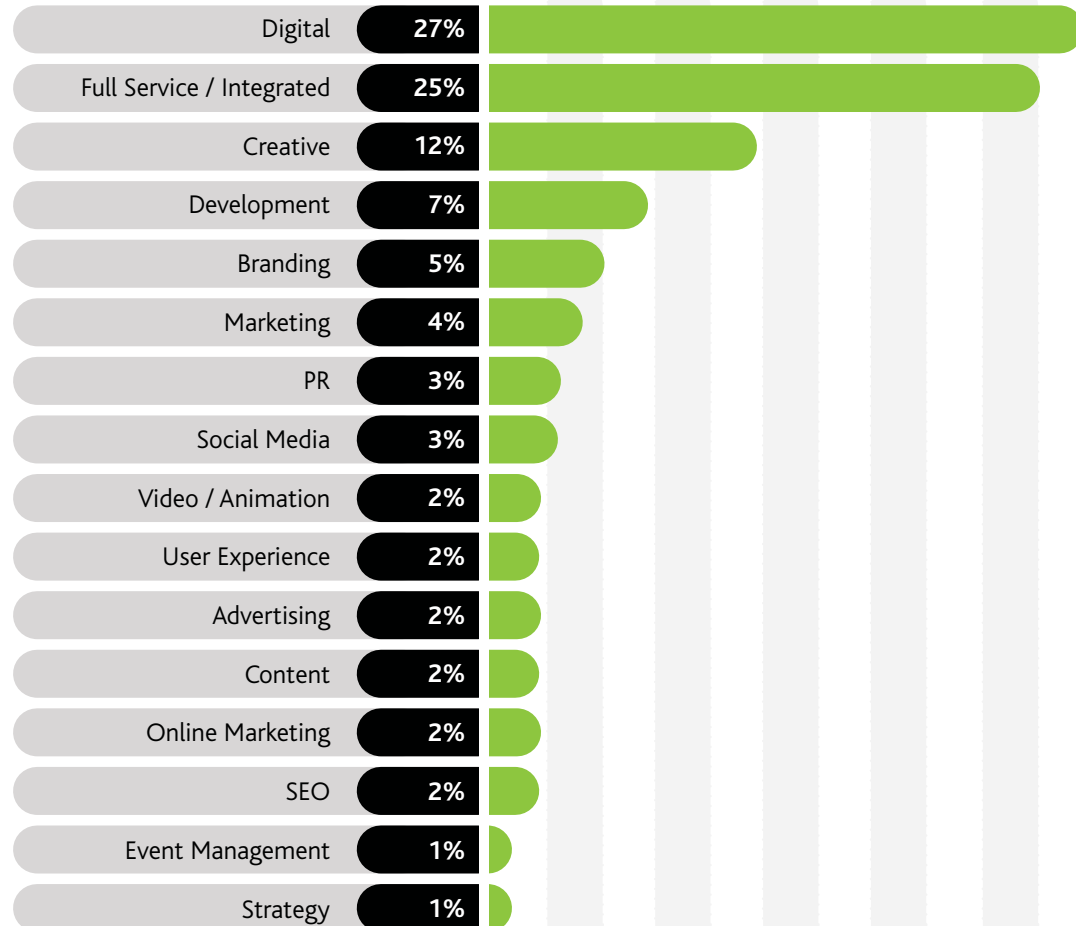
Here are the eagerly-anticipated results of the nationwide survey of the Creative Industry, conducted in March 2016 by The Wow Company.

Thanks to everyone who took part - the results are really rather interesting.

Turnover band



What type of agency are you?



WHO COMPLETED THE SURVEY

347 AGENCIES TOOK PART
■■■■ IN THIS YEAR'S SURVEY ■■■■

18%
WERE FROM
LONDON

15%
WERE FROM JUST OUTSIDE
LONDON

PARTICULARLY TO
THE SOUTH WEST
AND DOWN THE
M3 CORRIDOR

**MANCHESTER, BRISTOL,
BRIGHTON & BOURNEMOUTH
EACH CONTRIBUTED**

5% **OF** ■■■
PARTICIPANTS



THIS YEAR

65%  

WILL RECRUIT

STRATEGIC
ALLIANCES 

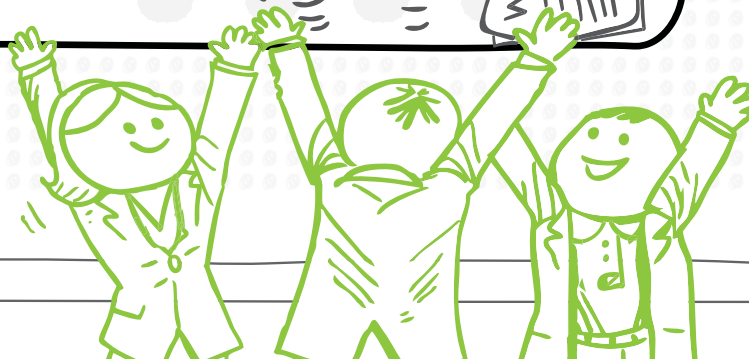
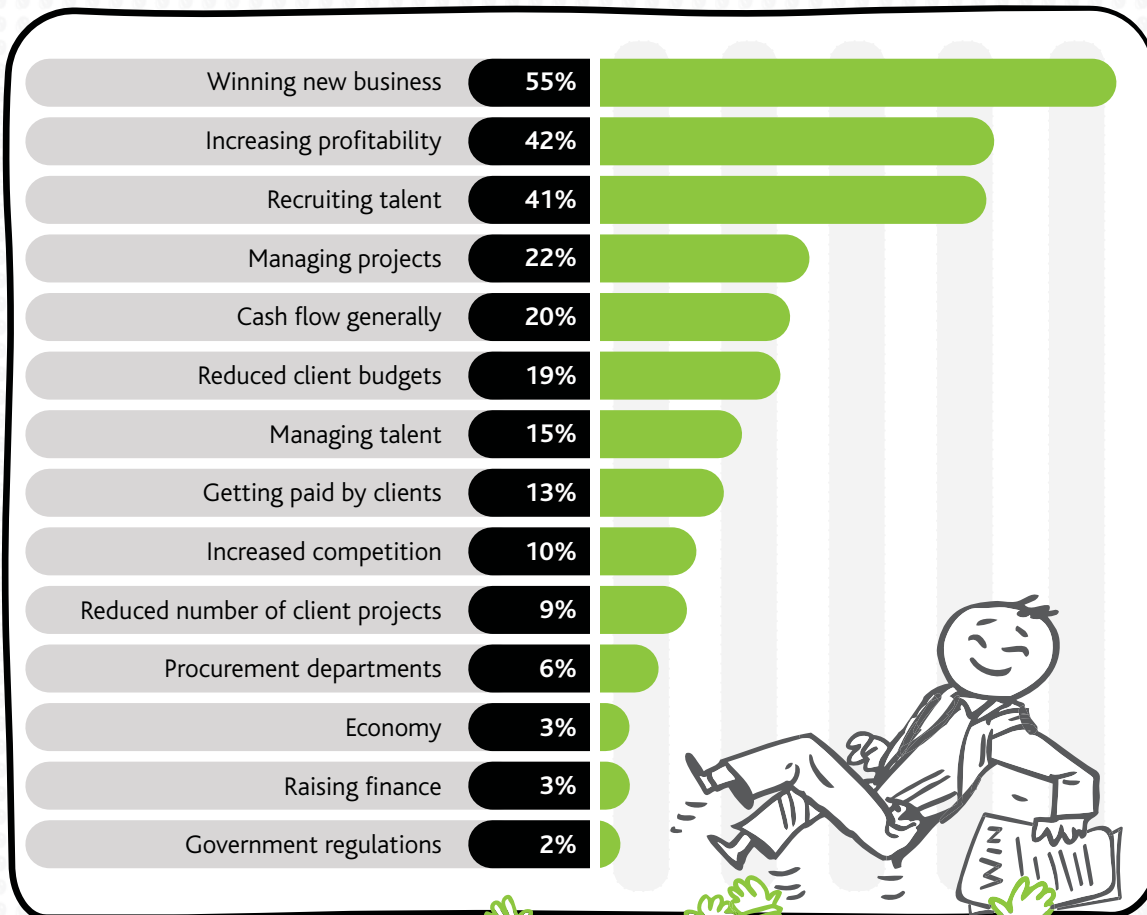
WITH OTHER AGENCIES

46%

Which of these will you be doing this year?



WHAT ARE YOUR BIGGEST CHALLENGES RIGHT NOW?



YOUR 3 BIGGEST CHALLENGES SOLVED *thanks to...*

THE
AGENCY
COLLECTIVE

The Agency Collective is the UK's fastest growing community of ambitious agency owners.

They've very kindly shared 3 pieces of content that they normally keep for members. These will help you win new business, recruit the best talent and increase your profitability as you grow. Check out the videos below:



Winning new
business



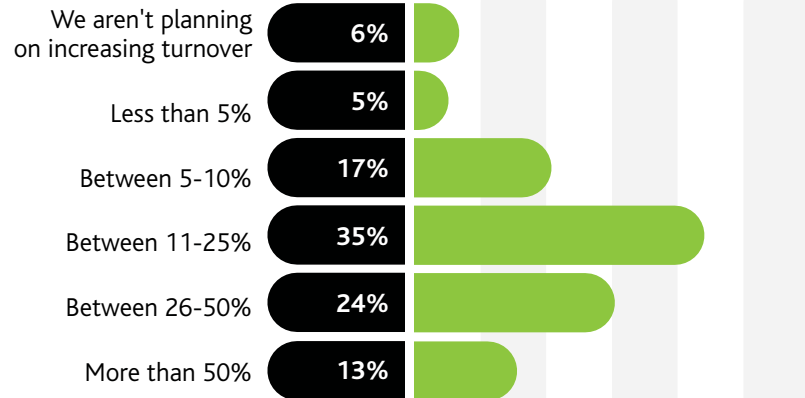
Recruiting
talent



Increasing
profitability

GROWTH

How much do you plan to grow by in 2016?



16% OF AGENCIES EITHER REDUCED THEIR TURNOVER OR REMAINED

↓↓↓↓↓ STAGNANT OVER THIS ↓↓↓↓↓

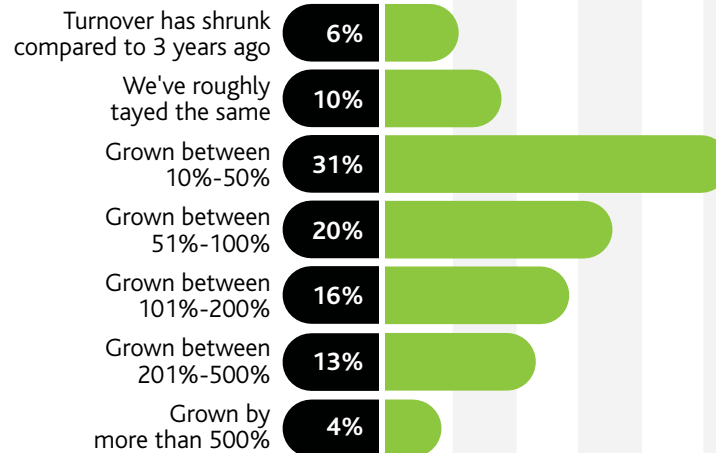
3 YEAR PERIOD

33% OF AGENCIES ARE MORE THAN DOUBLING TURNOVER EVERY 3 YEARS

(EQUIVALENT TO AN ANNUAL GROWTH RATE OF 26%)

13% of agencies that completed this year's survey weren't in business 3 years ago. Of those that were, here's how they fared over those 3 years:

Turnover growth over 3 years



WANT TO BE IN THE TOP 4%?

YOU'LL NEED AN ANNUAL

↑ GROWTH RATE OF **71%** ↑

TO GROW YOUR TURNOVER BY 5 TIMES OVER 3 YEARS

FREE WEBINAR

FRIDAY 20TH MAY
FROM 9-10AM

AGENCY SURVEY 2016 -
THE INSIDE TRACK FOR
YOUR AGENCY

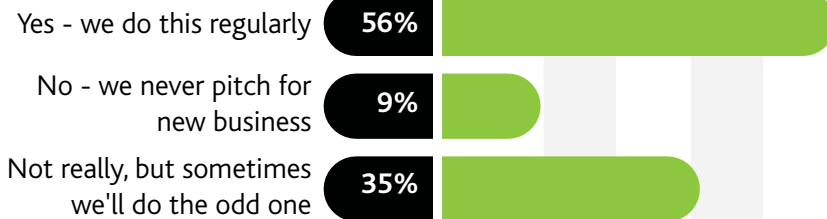
If you're wondering how the fastest growing agencies mentioned above achieved their success, the task is definitely easier if the starting turnover is low. In fact, 55% of those agencies in the top 11% had a starting turnover 3 years ago of £100k or less. However, there were some other interesting similarities between these fastest growing agencies - to find out what they were, join Wow's co-founder, Peter Czapp on his Inside Track webinar.

Click [here](#) to book your free place

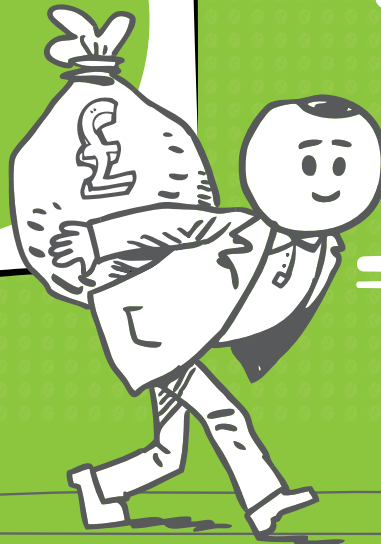
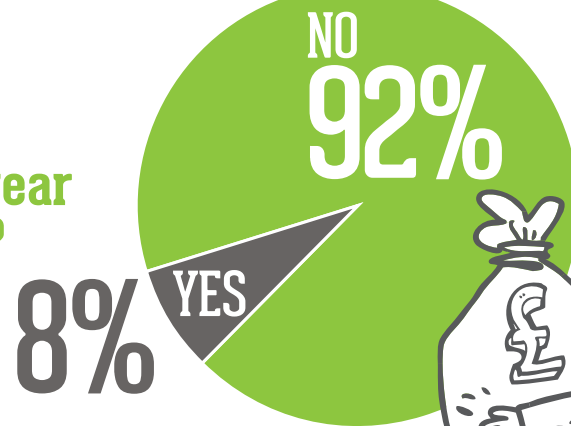


PITCHING

Do you pitch for new business?



Do you have a budget set aside each year for pitching?



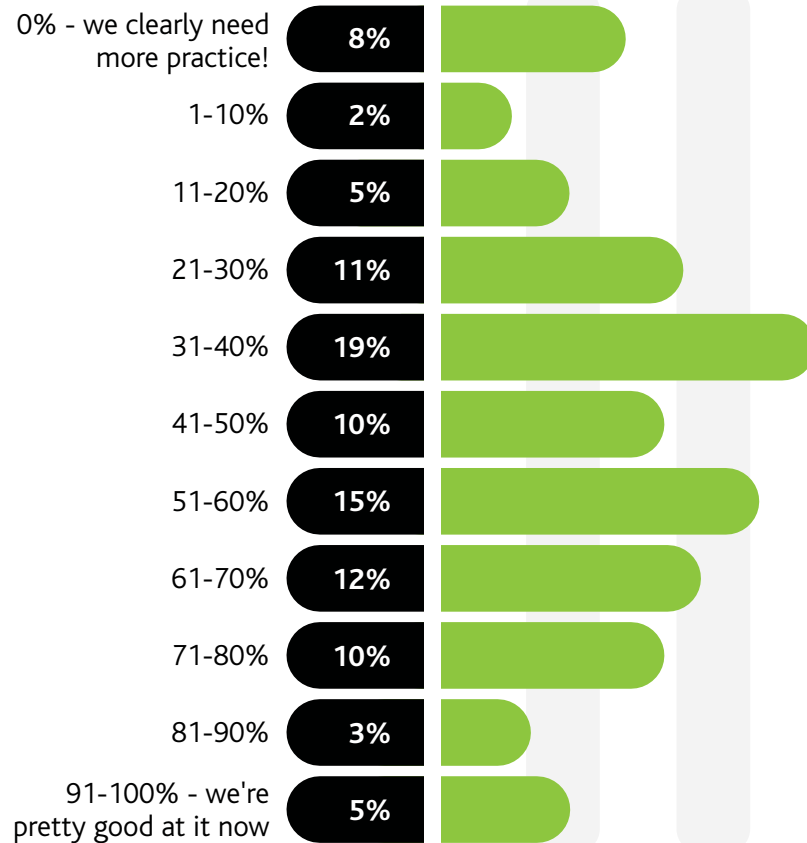
THOSE THAT DO HAVE A
BUDGET FOR PITCHING
ALLOCATE BETWEEN

1-10%

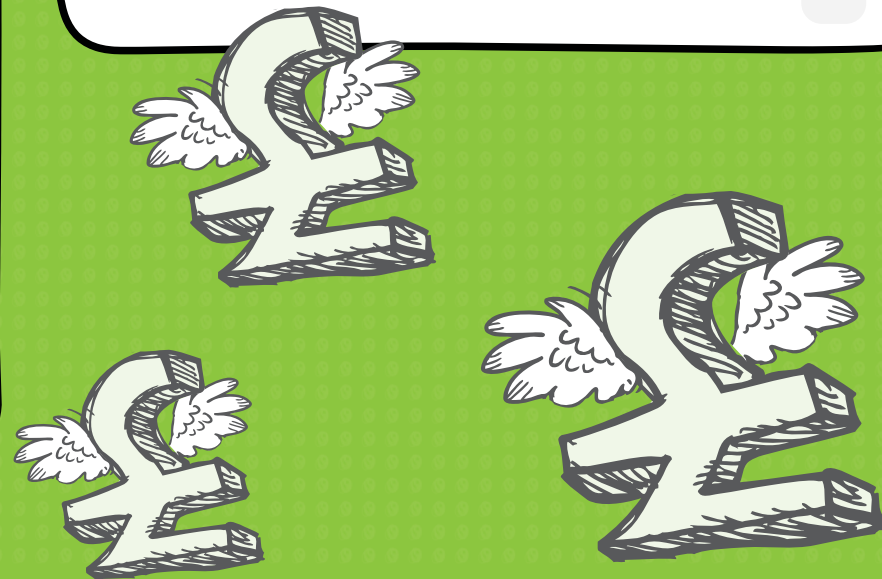
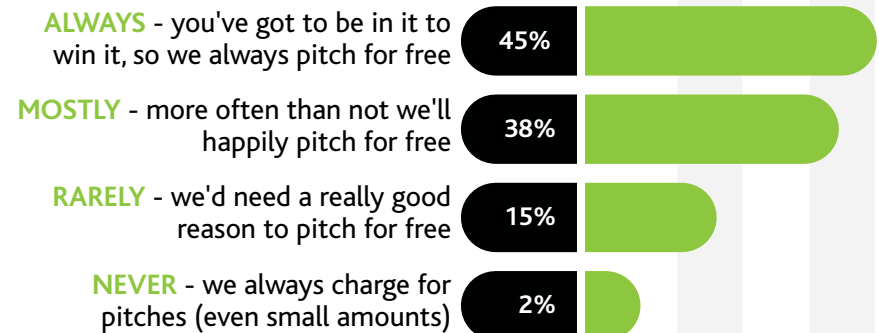
OF THEIR TURNOVER AS
RESOURCE
TO BE USED FOR PITCHES

PITCHING

What's your conversion success rate?

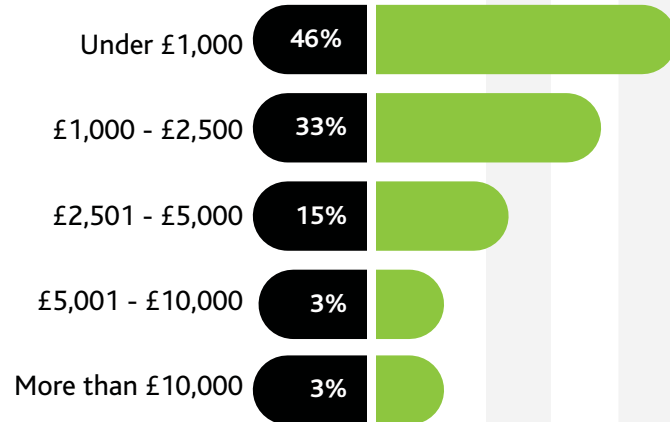


If you do pitch, do you pitch for free?

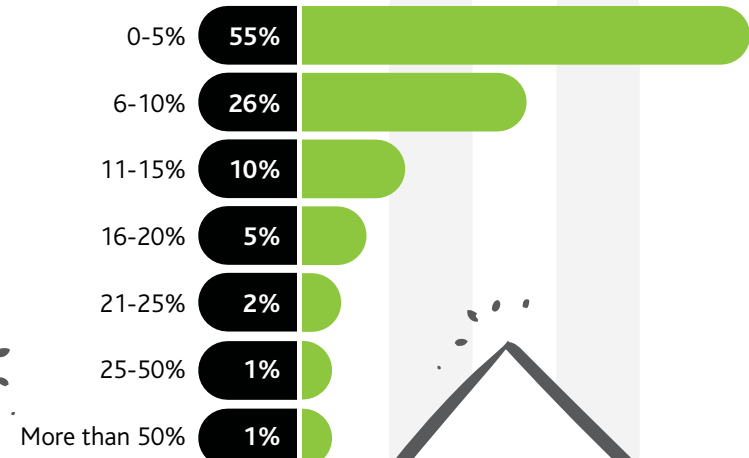


PITCHING

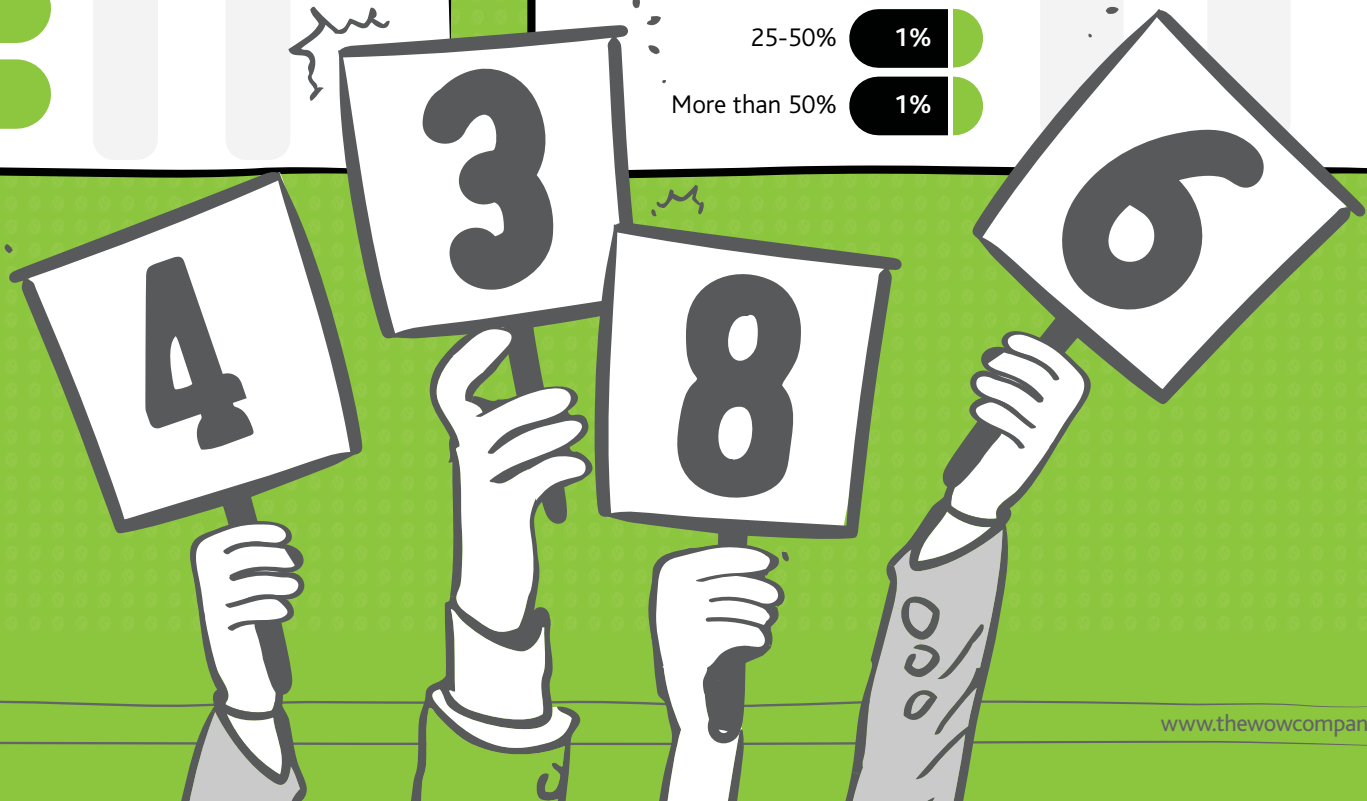
If you charge for pitches, how much do you typically charge?



What percentage of the overall project value would this represent?



The smart agencies will qualify which pitches they go in for, based on a scoring system. Read more on the next page




PITCHING

SHOULD I PITCH?

“We encourage our clients to qualify all opportunities using a scientific scoring system. As well as the obvious questions above, there’s other vital pieces of information that you should gather to help you work out your chances of winning a pitch. We’ve been refining the process for many years now and it’s scary how accurate it is.”

Spencer Gallagher, Cact.us

- 
- ☒ Will they be fun to work with?
 - ☒ Will they make you famous?
 - ☒ Will they make you a fortune?
 - ☐ _____?
 - ☐ _____?
 - ☐ _____?
 - ☐ _____?
 - ☐ _____?
 - ☐ _____?
 - ☐ _____?
 - ☐ _____?
 - ☐ _____?
 - ☐ _____?

ALL YOU NEED TO DO IS ASK

“When asking for this information, it can be useful to explain that you’ll need it in order to get things signed off by the Finance Director or Studio Manager. If the client is wanting you to pitch for free, it’s only fair that they give you as much information as possible to help you put together your best possible pitch.”

Peter Hoole, Cact.us

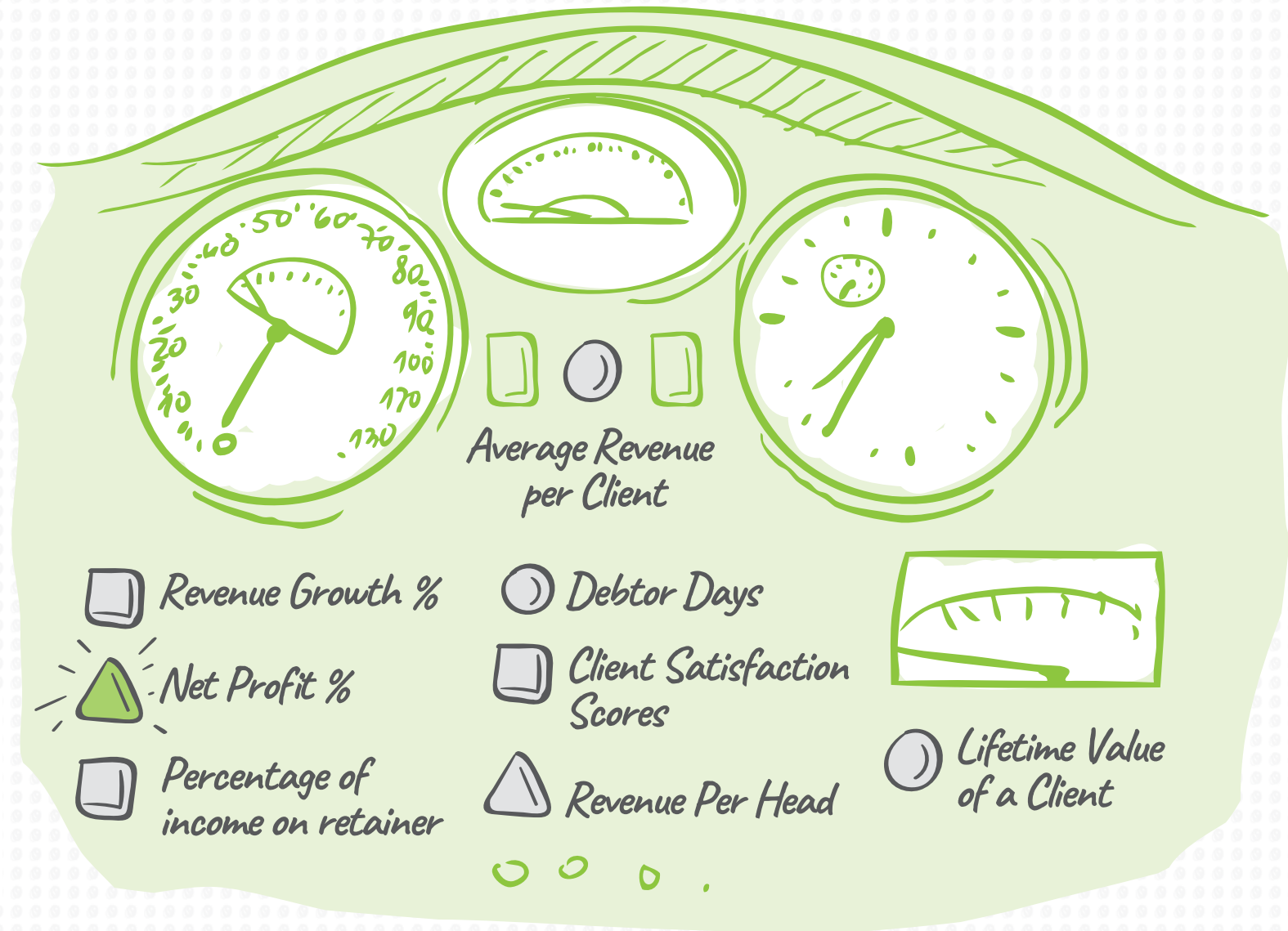
cact.us 

WHAT'S ON YOUR DASHBOARD?

With all these stats and benchmarks flying around, it can be tricky to work out which ones you need to be paying attention to.

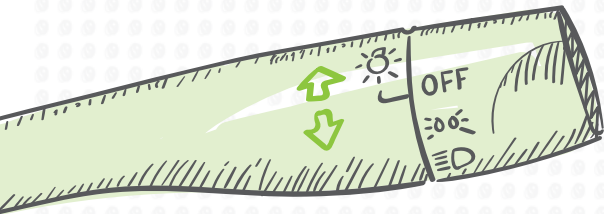
The good news is that you don't need to be an accountant to get to grips with the numbers in your agency. Thanks to Spotlight & Wow, you can now have your very own Agency Dashboard to give you information at your fingertips to improve the performance of your agency. What might be on your dashboard?

SPOTLIGHT
REPORTING



WHAT'S ON YOUR DASHBOARD?

Have you got the right balance of **Leading Indicators** vs **Lagging Indicators**?



LEADING INDICATORS

These tell you what is likely to happen in the future, e.g. number of proposals issued (combined with a historic conversion rate) is an indicator of the amount of future work you are likely to receive.

LAGGING INDICATORS

They tell you what has already happened. The amount of money in your bank account tells you what has happened in the past, not what is going to happen in the future.

Does your dashboard **match** your strategic objectives?

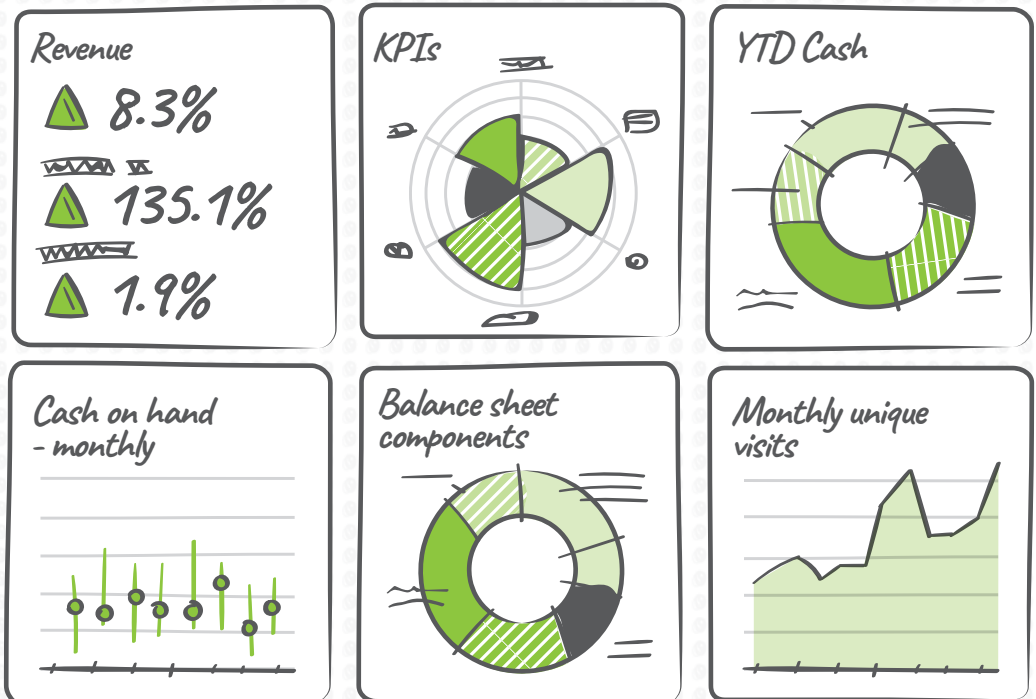
Ideally, you'll have between 5–9 metrics on your dashboard. Any more and it ceases to be a dashboard and starts to become a more complex management report.

The key is that you pick benchmarks that help achieve your strategic goals.

For example, if you're looking to grow quickly, you'll have a lot of leading sales indicators on your dashboard. If you're looking to increase profitability, your dashboard will be filled with metrics that measure project profitability, spend & efficiency in your agency. The key is to focus on what matters to you.

Performance Dashboard

SPOTLIGHT
REPORTING

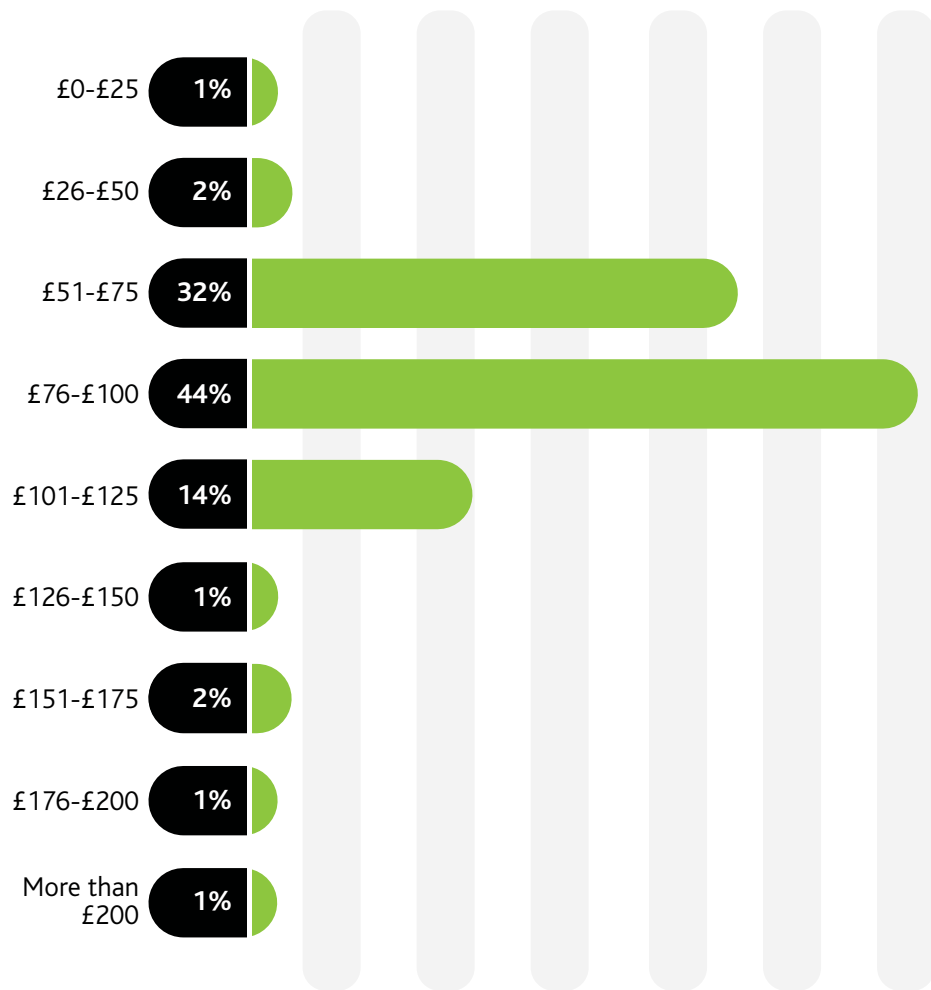


**GET IN TOUCH WITH WOW
IF YOU'D LIKE HELP CREATING
YOUR OWN AGENCY DASHBOARD**



PRICING

Your average hourly charge out rate?



IT WOULD APPEAR THAT MANY OF YOU READ OUR SURVEY RESULTS LAST YEAR AND SAW THAT YOU WERE WELL BELOW THE AVERAGE HOURLY RATE OF £86 IN 2015.

Whereas last year 11% of agencies were charging £50/hour or less, this has reduced to just 3% of agencies in 2016. There's also been a squeeze at the top end, as the number of agencies charging more than £100/hour has shrunk from 26% to 20%.

So, where does this leave us when it comes to the average? It's unchanged from last year...

THE AVERAGE HOURLY CHARGE OUT RATE FOR

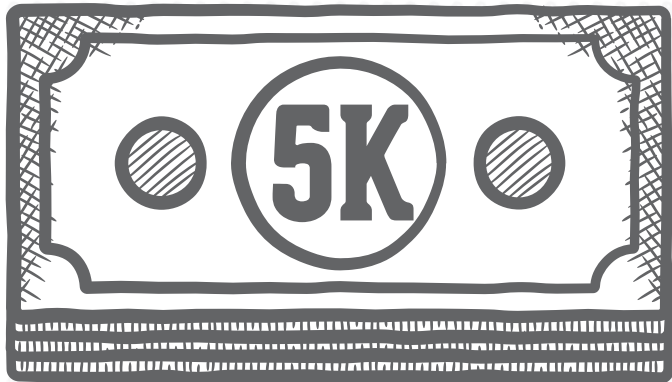
  **UK**  
INDEPENDENTLY-OWNED AGENCIES IS

£86 PER HOUR

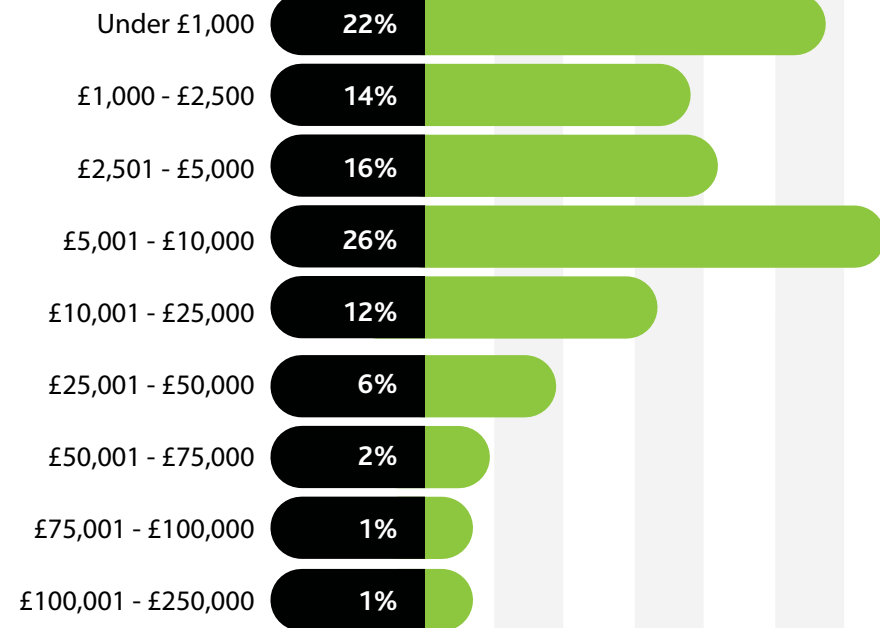
PROJECTS

↓ 52% ↓

OF AGENCIES
WILL NOT WORK ON
PROJECTS LESS THAN

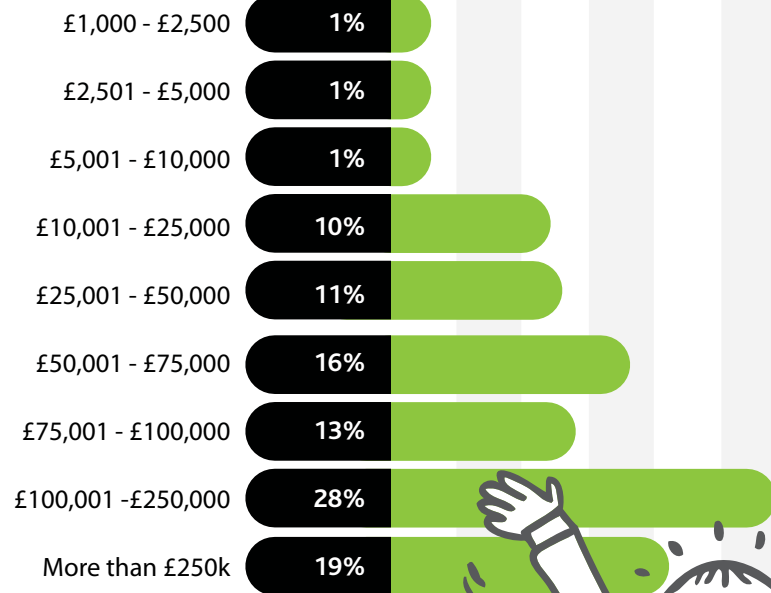


What's the **MINIMUM** value of a project for you?
The price it's not worth getting out of bed for?

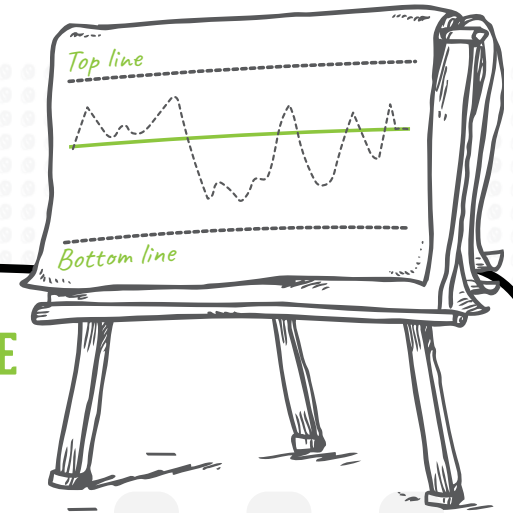
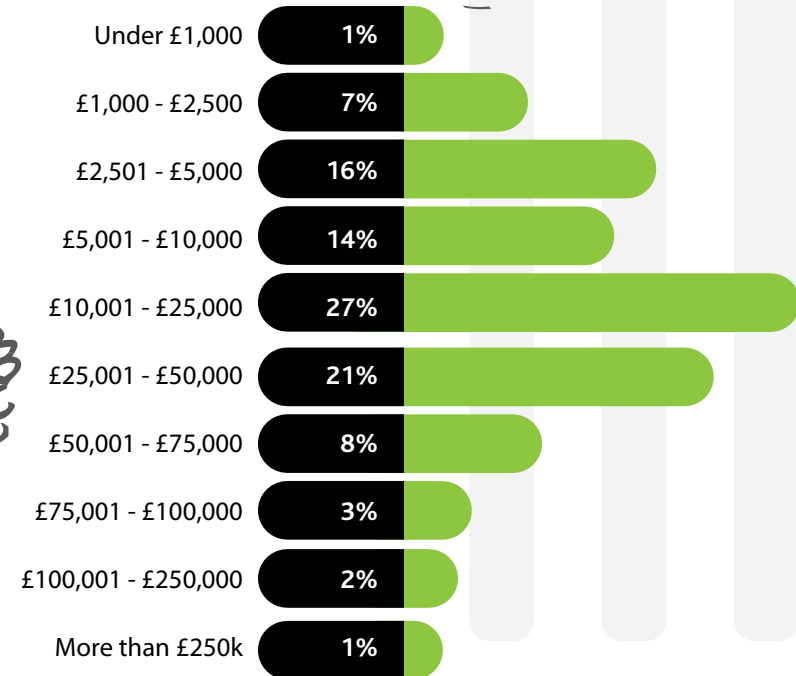


PROJECTS

What's the **LARGEST** project you've ever won?



What's your **AVERAGE** project value?



INCREASING PROFITABILITY OF PROJECTS



If you're looking to track the profitability of your projects better, as well as reviewing the performance of your whole agency, check out Agency Core.

In a previous benchmark study, we discovered a direct correlation between profitability and the use of technology to run projects. The agencies making the biggest profits were those that could see how they were doing as the click of a button. Agency Core makes understanding profitability simple and fun, so agency leaders can enjoy the adventure of growing their business.

As well as using technology to manage projects, there are many other traits that make up a successful agency. Agency Core explore what it takes to be successful in their latest series of videos.

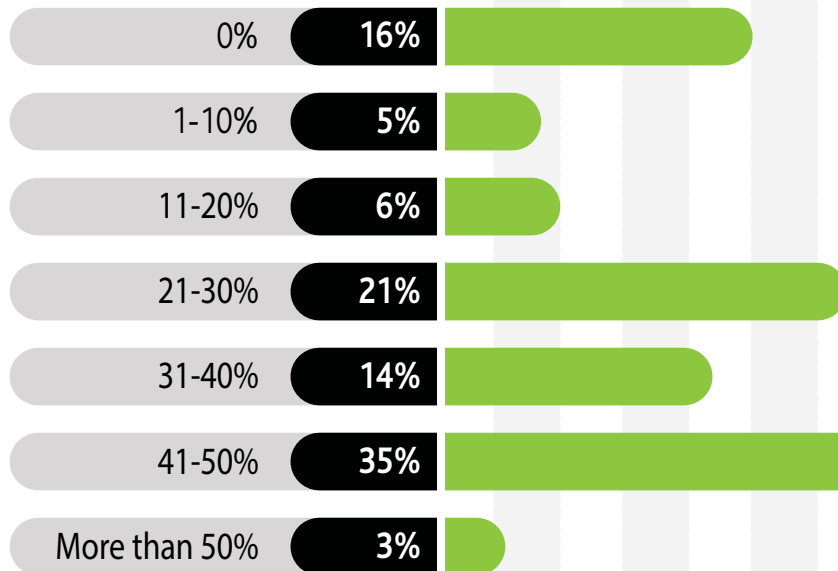
[Click the TV to find out more.](#)



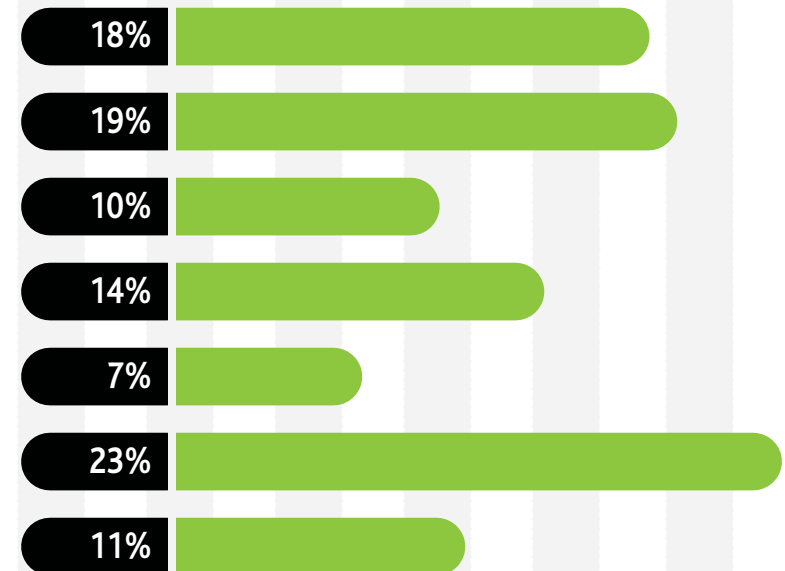
GETTING PAID

The percentage of a project that you ask for up front (and how much you leave as a final payment) will have a dramatic impact on your cash flow. The smart agencies will always ask for deposits before doing any work, invoice regularly throughout the project and only leave a small percentage until the end. How do you spread your project payments? What changes could you make to help improve your cash flow?

Percentage of a project up front

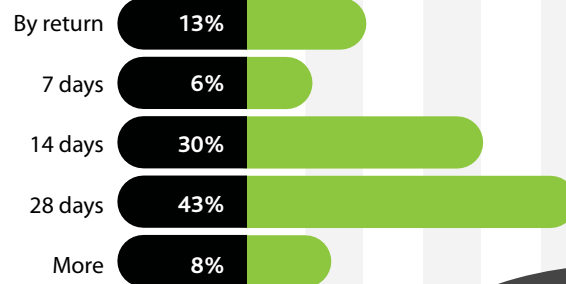


Percentage on completion



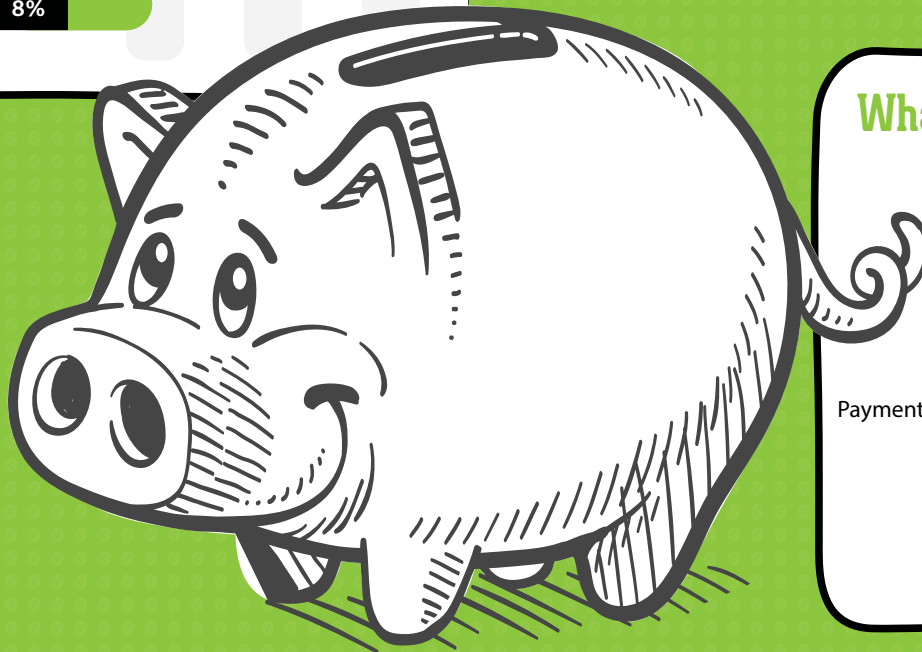
GETTING PAID

Payment days on your invoice

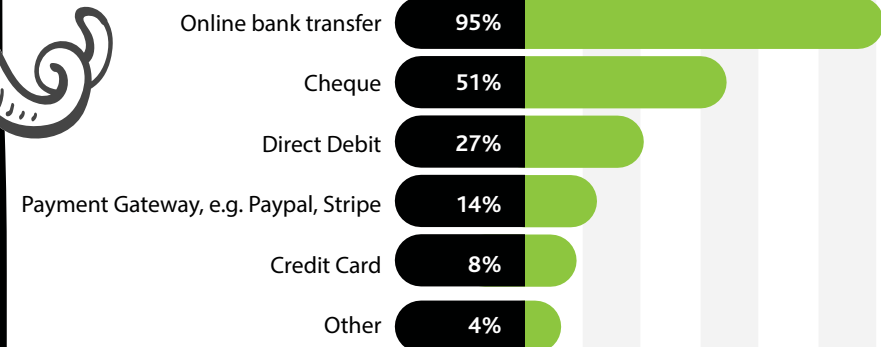


If you give 28 days credit, you cannot start asking for the money for a month.

This is crazy – it is the banks that should be lending to businesses right now, not you! Change your payment terms on invoices to 'by return' and you'll be able to ask for the money sooner.



What methods do you use to collect payment?



27%

OF AGENCIES USE DIRECT DEBIT

AS A METHOD OF COLLECTING CASH

DIRECT DEBIT MADE SIMPLE

Using Direct Debit will have a dramatic impact on how quickly you get paid, and now it has never been easier, thanks to GoCardless. Linking with all the major accounting packages, including Xero, GoCardless makes it really easy to get setup & manage payments. We asked a Wow client to share their experiences of using this fantastic piece of technology:

"In just four months, we moved 50% of our recurring payments to Direct Debit after we discovered GoCardless. This has had the biggest impact on the company I've seen in 8 years - boosting cash flow, morale and ease of admin. Our average debtor days have reduced from 122 days to just 7 days."

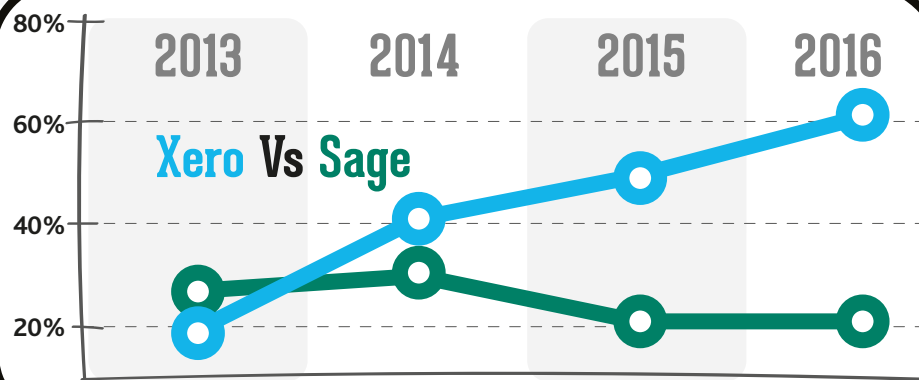
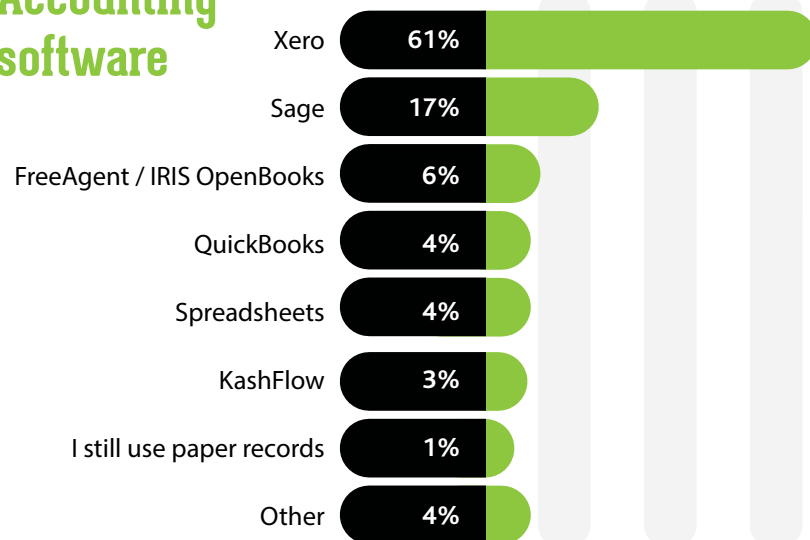
"We are about to start phase 2 of the rollout, with a goal to reach 80% by explaining to clients how it will make their lives easier too. To help with this, we now always mention at the outset that our fees are based on signing a Direct Debit and state this clearly in our proposals. I can't imagine life without GoCardless now - it's made a massive difference."

Claire Love, LWS Marketing



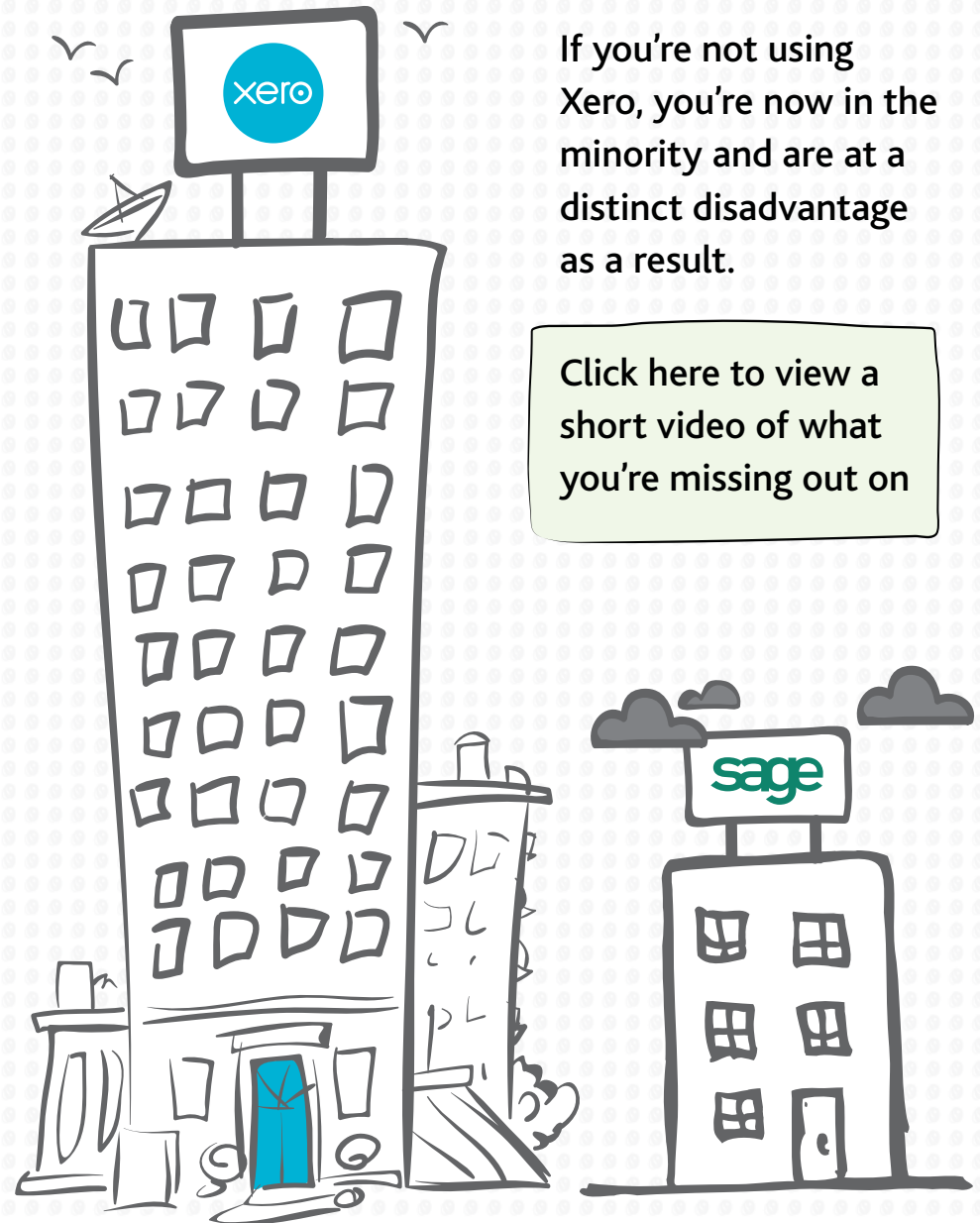
IMPROVE YOUR CASH FLOW WITH TECHNOLOGY

Accounting software

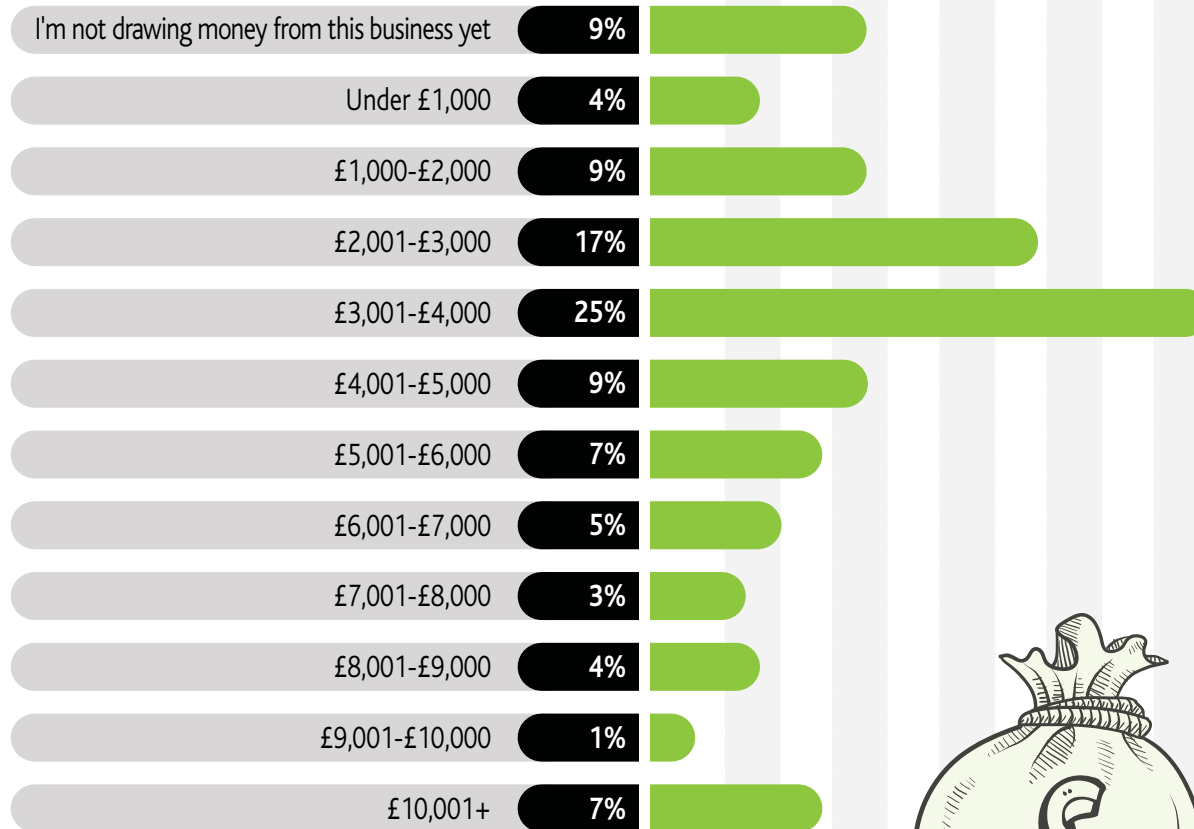


If you're not using Xero, you're now in the minority and are at a distinct disadvantage as a result.

[Click here to view a short video of what you're missing out on](#)



HOW MUCH DO YOU DRAW FROM THE BUSINESS EACH MONTH



FREE WEBINAR

If you want to find out what those drawing more than £10k per month do differently to everyone else, join Wow's co-founder, Peter Czapp on his Inside Track webinar on

**FRIDAY 20TH MAY
FROM 9-10AM.**

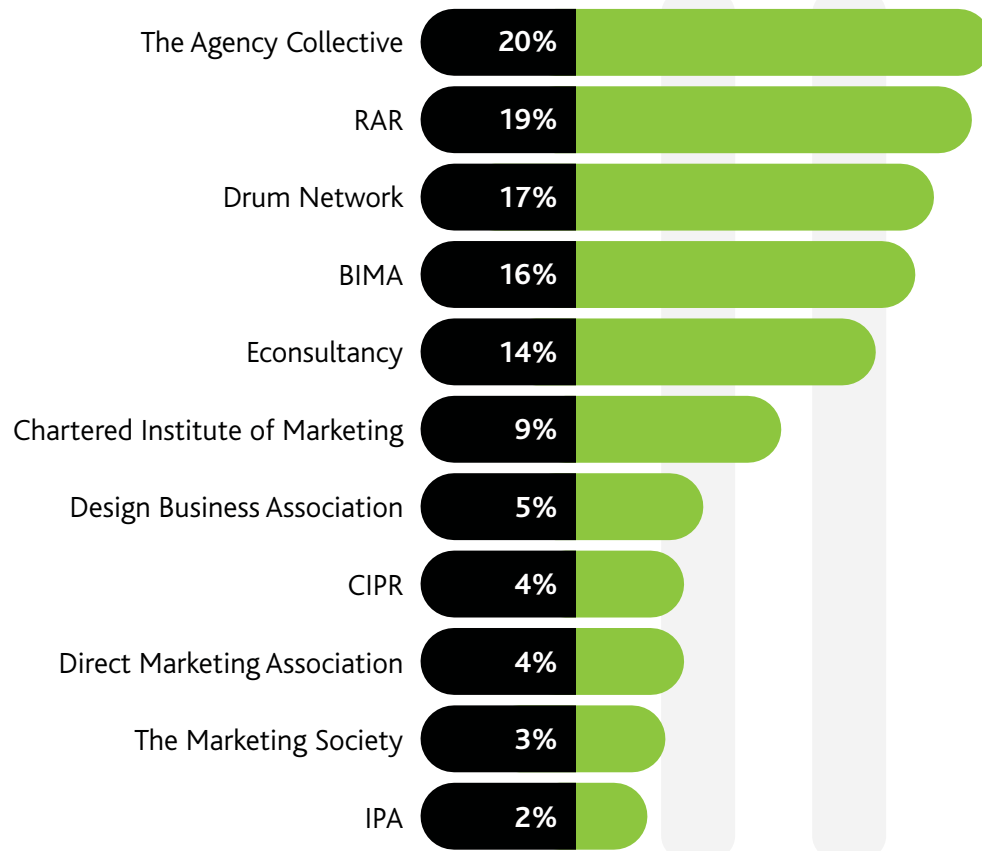
Click [here](#) to book your free place



WHERE THE SMART AGENCIES HANG OUT



Who are you a member of?



THE AGENCY COLLECTIVE

Helps ambitious agency owners grow faster, through quarterly dinners, inspiration, insight and support.



RAR

The global platform for sourcing and selection of marketing services. Bringing brands and agencies together.



THE DRUM NETWORK

Harness The Drum's award-winning channels to help build your agency's profile and make your agency famous.



BIMA

The greatest digital network in the UK - run by the industry, for the industry.





BENCHPRESS

Benchmarking for Creative Companies

Powered by:



ANYONE CAN CRUNCH THE NUMBERS... WE DO MORE!

Wow is a national firm of accountants offering a genuinely proactive service to agencies across the UK, from start-up to £5m turnover. We make it easy for you to manage your wealth and business finances, so you can do more of what you love.

By removing the hassle and working online, you'll have your key financial information at your fingertips, so you can run your business from anywhere, and we can save you tax and help you grow your agency.

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