



BENCHPRESS

BENCHMARK YOUR AGENCY AGAINST THE BEST

THE LARGEST SURVEY OF UK INDEPENDENT AGENCIES

BENCHMARKS FOR AGENCIES UNDER £1M

2021

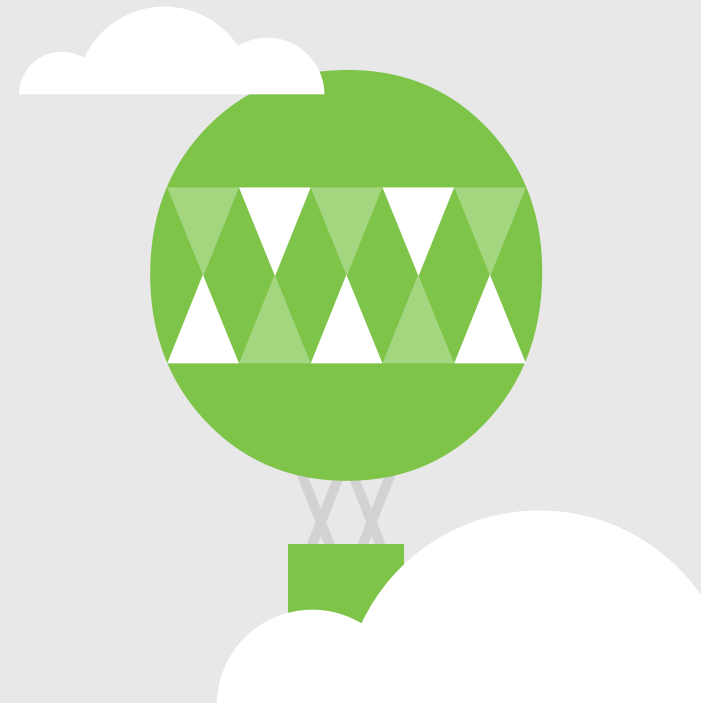
BENCHMARK
EDITION #10

POWERED BY

WOW

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THE BENCHPRESS STORY

WHERE IT ALL BEGAN

BenchPress is run by [The Wow Company](#), an accountancy practice that specialises in working with agencies. We started benchmarking agencies in 2012 with the aim of taking an accurate snapshot of agency life and sharing insight and analysis. Since then, BenchPress has grown to become the largest survey of independent agency owners in the UK.

A huge thank you to everyone that has taken part in the survey, or who has spread the word about BenchPress. We couldn't do it without your support.

BENCHPRESS GOES GLOBAL (AND LOCAL)

This year, Wow has partnered with [Mailchimp & Co](#) and [The Agency Collective](#) to take the survey globally, extending the reach to include both freelancers and agencies. Together, our long-term vision is that every agency and freelancer will be able to benchmark themselves against their peers based on size, location, and the type of agency they are.

As well as going global, we're also producing regional UK reports later in the year. These will allow you to compare your performance against other local agencies and will only be available to those who [complete the survey](#).

The logo for The Wow Company, featuring the word "WOW" in a bold, white, sans-serif font.

2,000+

TOOK PART IN THE SURVEY

This year, we've created more reports than ever before. Look out for some being released later in the year. Find out how to access them all below.



This report



Stats for larger agencies



Compare yourself to agencies globally



Released later in 2021

* These reports will only be available to those that have completed the survey. If you haven't taken part yet and would like specific benchmarks for your region, you can still get involved.

TAKE PART IN THE SURVEY

AN IMPORTANT YEAR FOR AGENCIES

WOW



PETER CZAPP

CO-FOUNDER
THE WOW COMPANY

"2020 was undoubtedly a challenging year for agencies. Many had their businesses and lives turned upside down overnight and had to work incredibly hard to just still be here. Fewer agencies grew fee income in 2020 than in any year since BenchPress started in 2012, with 61% taking on extra debt to see them through.

Despite all the challenges, 2020 was also a year filled with innovation, creativity and positivity - things UK agencies excel at. I've spoken to countless agency owners who told me that 2020 forced them to do things that they really ought to have done long ago, significantly improving their prospects as a result. Watching the hard work, determination, and resilience that agency owners have shown this past year has been truly inspiring.

As we look to the future, we mustn't forget the lessons that 2020 taught us: The importance of planning, of looking after ourselves and our teams, and of being bold in our decisions. I hope this report will give you the inspiration to make positive changes in your agency and help ensure 2021 is your best year yet."

THE HEADLINES



AGENCIES ARE FEELING POSITIVE

Many view 2020 as a positive experience, with 23% describing it as their “best year ever”. 35% grew their teams in 2020, and 76% of agencies under £1m plan to recruit this year, as confidence returns to pre COVID-19 levels.



MANY ARE CARRYING EXTRA DEBT

61% of agencies took funding in 2020. If access to funding wasn't available, 26% would already be out of business, and 25% would be on the brink of bankruptcy. For now, this debt buys them time.



EMBRACING NEW WAYS OF WORKING

18% are ditching the office forever, on top of those that already operate without an office. Even agencies with offices are looking further afield for talent. 58% will recruit people who aren't within a commutable distance of their office.

KEY STATS



HOURLY RATES INCREASE

The average blended hourly rate for agencies under £1m is £86. This is £6 higher than last year but £17 lower than what £1m+ agencies charge.

Those agencies using tiered pricing charge more than this, with the top 10% charging directors out at £234 per hour.



AGENCY OWNERS ARE EARNING MORE

The average annual income for owners of agencies under £1m is £50,250, around £2,000 more than the year before. 8% of these smaller agency owners earned more than £100K last year. 42% of £1m+ agencies managed this. See how you compare on page 23.

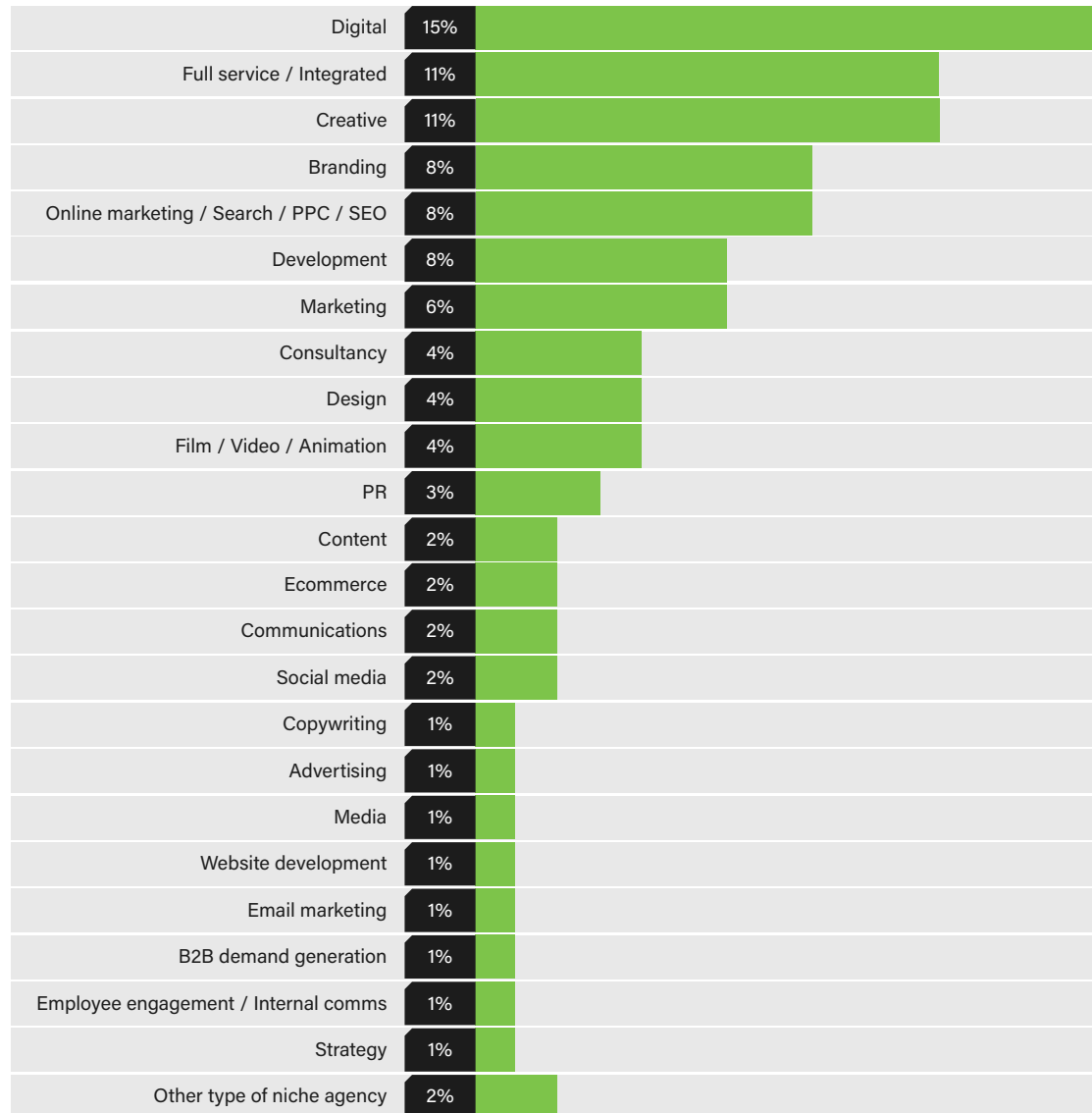


SOME AGENCIES ARE STILL FRAGILE

15% of smaller agencies only have one month or less of overheads as cash in the bank. 14% have a single client that represents more than 50% of their income. Both are dangerous positions to be in. Tips to help you manage your cash can be found on page 18.

WHO COMPLETED THE SURVEY

TYPE OF AGENCY



AN INDUSTRY OF SPECIALISTS

Increasingly, independent agencies choose to position themselves as specialists in a particular field and are moving away from the generic term “digital agency”. In 2018, 26% of agencies described themselves in this way. That number has reduced every year since, with the trend continuing this year. Currently, only 15% of agencies refer to themselves as “digital”.

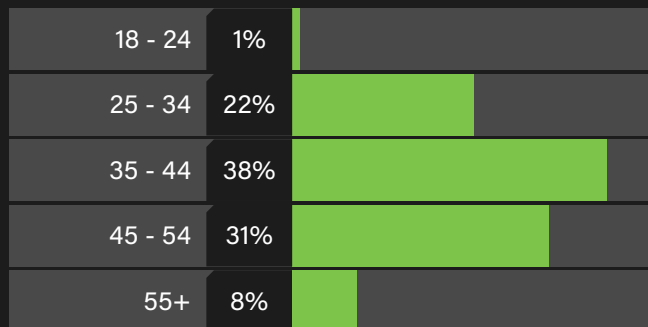
The move to clearer differentiation allows agencies to carve out their own niches, stand out from the crowd, charge more for their expertise, and ultimately build more profitable and more valuable agencies.



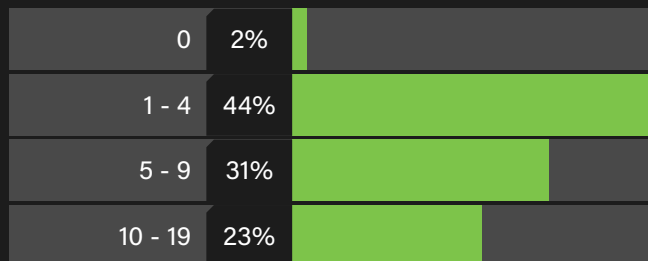
WHO COMPLETED THE SURVEY

This report contains benchmarks for agencies with fee income under £1m. Here's some more information about them.

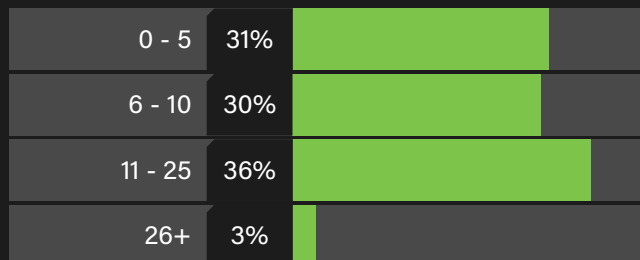
AGE OF AGENCY OWNER



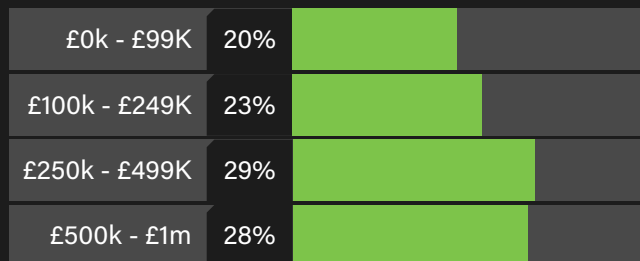
EMPLOYEES



YEARS IN BUSINESS



FEE INCOME



ON AVERAGE, IT TAKES SEVEN YEARS TO REACH £1M

Discover how long it takes to reach other key agency milestones below.

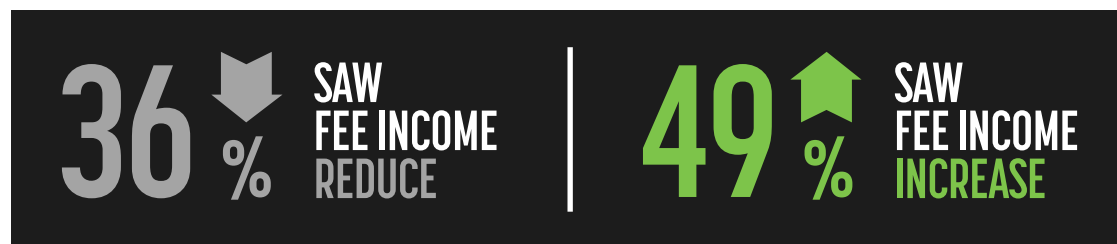
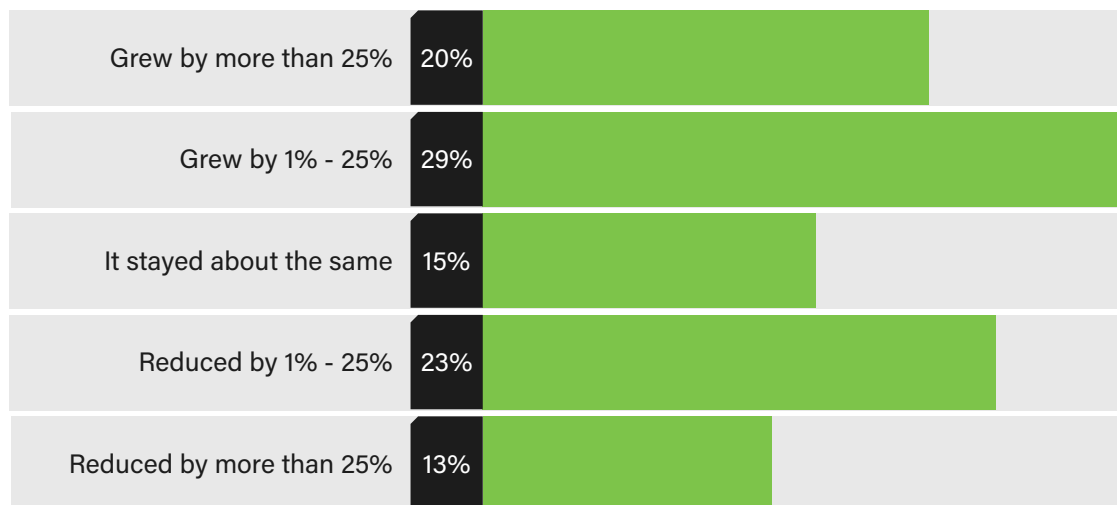
MORE AGENCY MILESTONES

2020 IN NUMBERS



FEE INCOME

2020 was the year that the world struggled to cope with a global pandemic, and UK agency owners faced challenges they've never faced before. Here's what happened to fee income* in 2020, when compared to the year before, with both large and small agencies faring much the same:



*Fee income = Turnover minus costs that were recharged to a client, like print or ad spend.

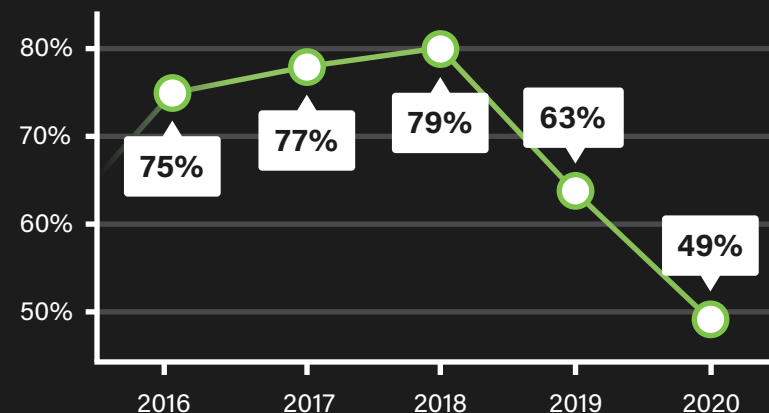
GLASS HALF FULL? OR HALF EMPTY?

It's hard to know how to feel when looking at those numbers. On the one hand, 49% of agencies managing to grow fee income in the middle of a pandemic feels worthy of celebration.

On the other hand, 2020 came off the back of a tough 2019 for agencies, with fewer growing fee income than ever before. We thought it would be interesting to see how agency owners feel about these numbers. Find out on page 13.

FEWER AGENCIES GROWING

Agencies that grew fee income



IMPACT ON OUR TEAMS

IN 2020

30%

MADE REDUNDANCIES

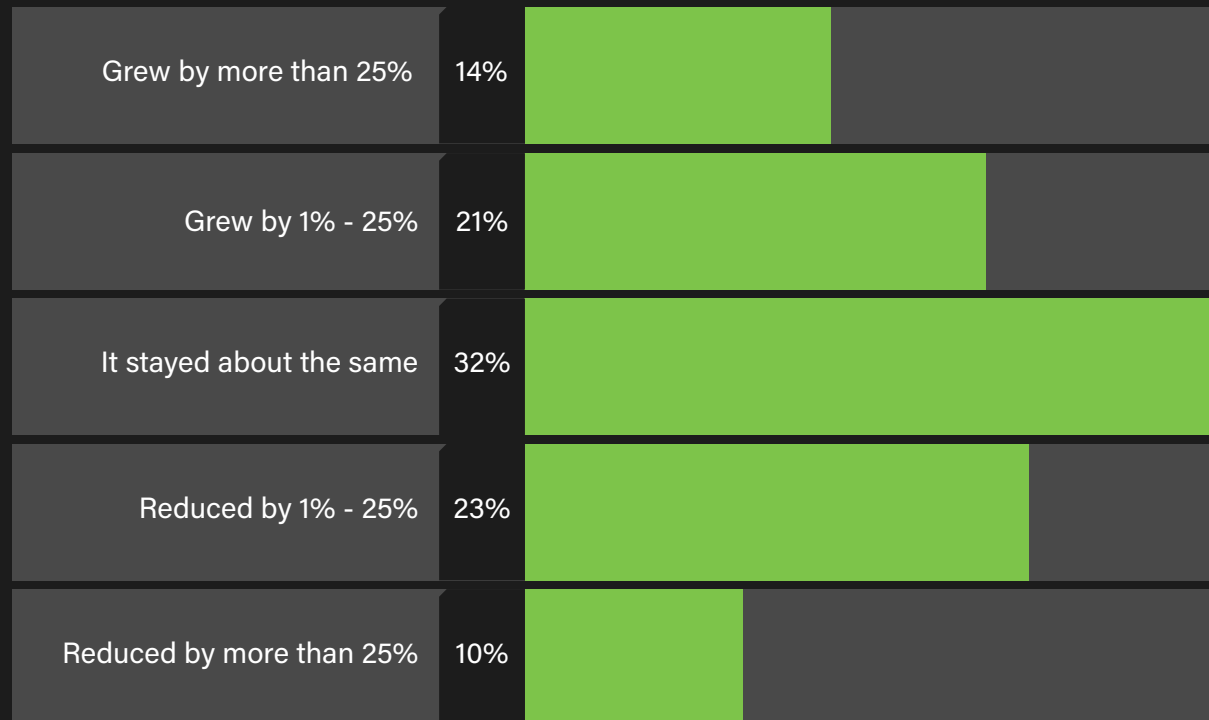
62%

HAD EMPLOYEES LEAVE
FOR OTHER REASONS

68%

HIRED PEOPLE

DIFFERENCE IN TEAM SIZE BETWEEN THE START AND THE END OF 2020



OVERALL IMPACT ON TEAM SIZE

35%

INCREASED THEIR TEAM

33%

REDUCED THEIR TEAM

AGENCY TEAMS GREW BY 2% IN 2020

From the start to the end of 2020, the total number of employees across all agencies in the UK increased by 2%.



HOW WOULD YOU DESCRIBE WHAT YOU ACHIEVED AS A BUSINESS IN 2020?



Our best year ever



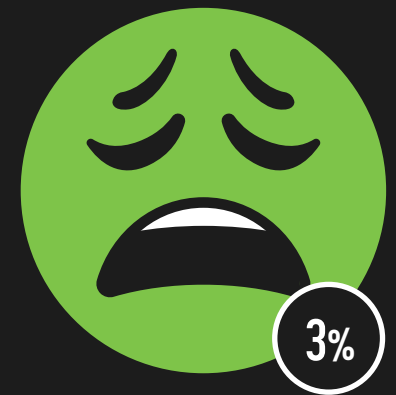
We did well



We did ok



We did badly



Our worst year ever

Given that fewer agencies grew in 2020 than in any year since BenchPress began tracking growth rates in 2012, why are so many agencies describing 2020 in positive terms?

This is partly because expectations were significantly lowered when the pandemic hit. So many of us were just happy to have made it through to 2021. But there's also been lots of positive innovation taking place, with agencies forced to change their business model, team structure, service offering, how they pick

up clients, and how they work. For many, these changes have been long overdue, and now they are reaping the rewards.

There are also some seriously good news stories hidden away in the data. 49% grew fee income in the middle of a pandemic. 35% increased their team size, meaning that overall, agencies actually grew their teams from the start to the end of 2020. That wasn't a stat we thought we'd be sharing.

CASH AND FUNDING

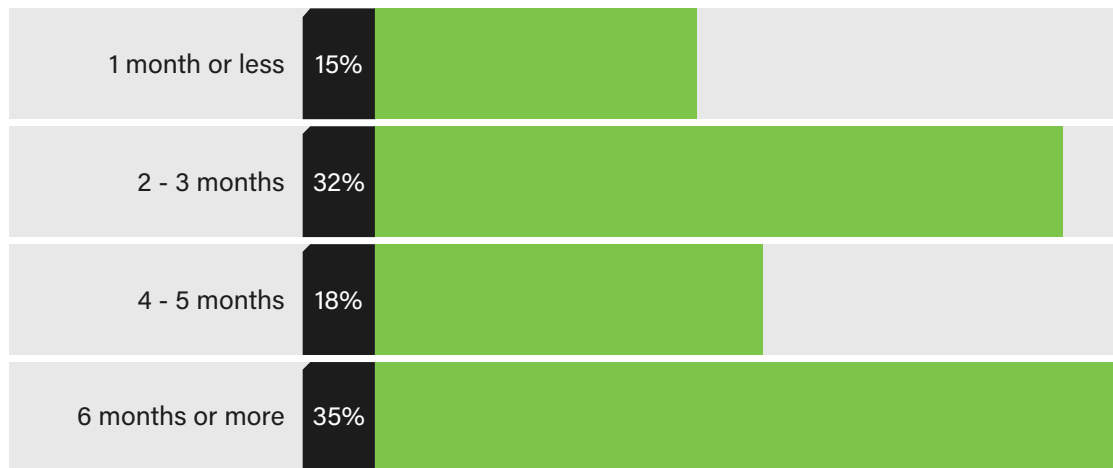


CASH



Agencies have more cash than ever before
(but much of it is borrowed).

MONTHS OF OVERHEADS* THAT AGENCIES UNDER £1M HAVE AS CASH IN THE BANK



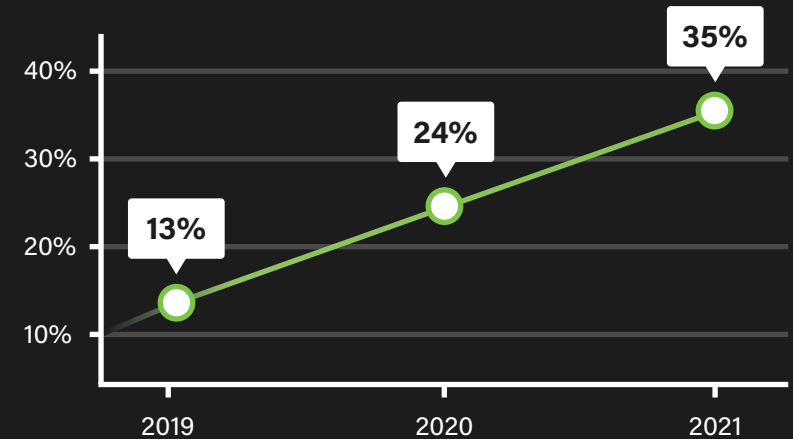
*Total business costs (including paying yourself)

LARGE AGENCIES HOLD MORE CASH THAN SMALL AGENCIES

They are less likely to be in the 'danger zone' of having one month or less of overhead as cash in the bank. Only 4% of £1m+ agencies fall into this category, compared to 15% of smaller agencies.

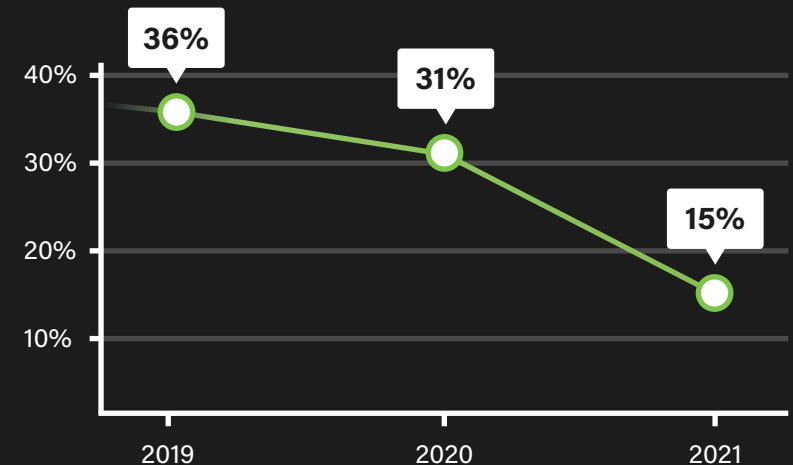
MORE AGENCIES WITH LARGE CASH RESERVES

Agencies with six months or more of overheads as cash.



FEWER AGENCIES ARE OPERATING HAND-TO-MOUTH

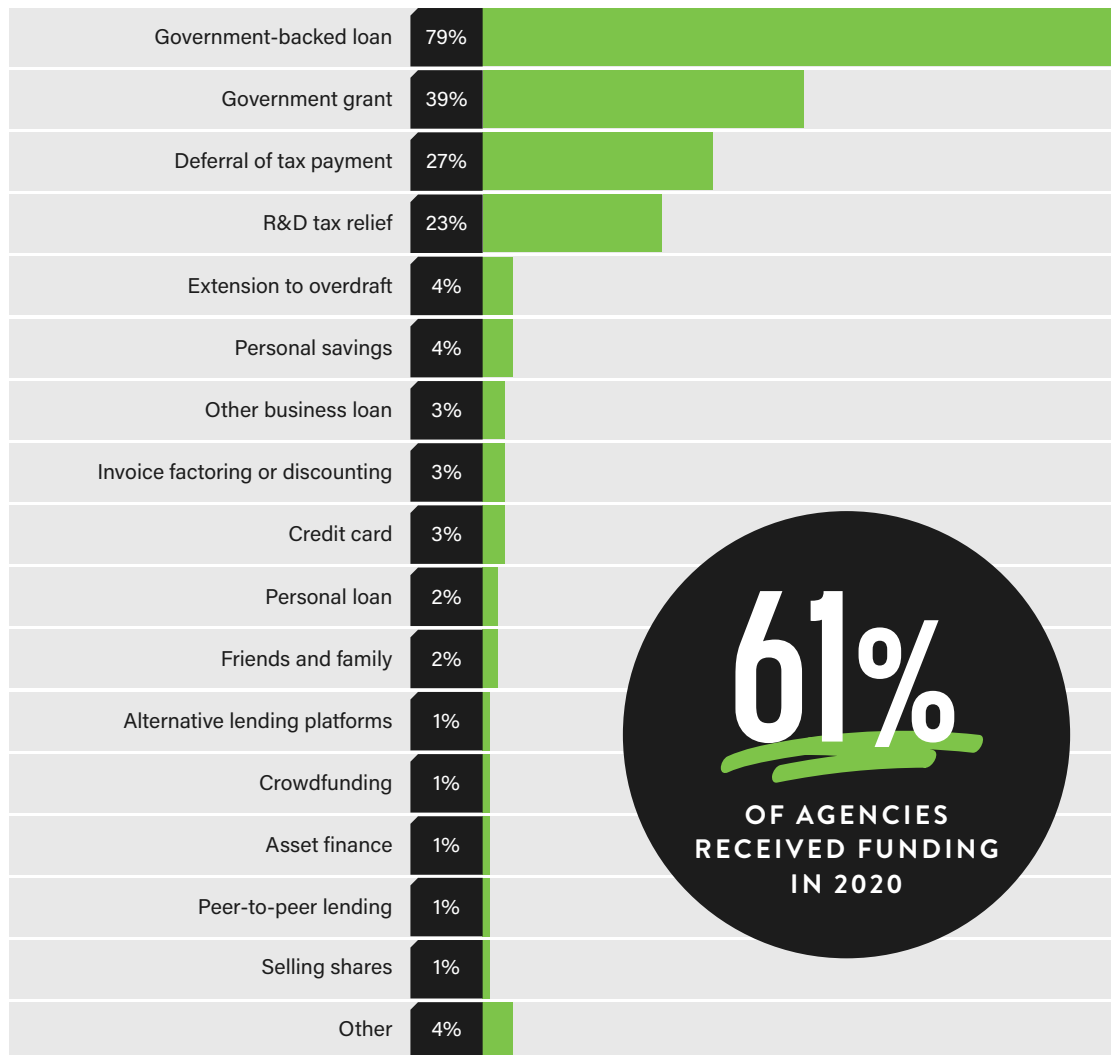
Agencies with one month or less of overheads as cash.



FUNDING



FUNDING SOURCES IN 2020



23% OF AGENCIES TOOK ADVANTAGE OF R&D TAX RELIEF IN 2020

With an average claim size of

£67,948

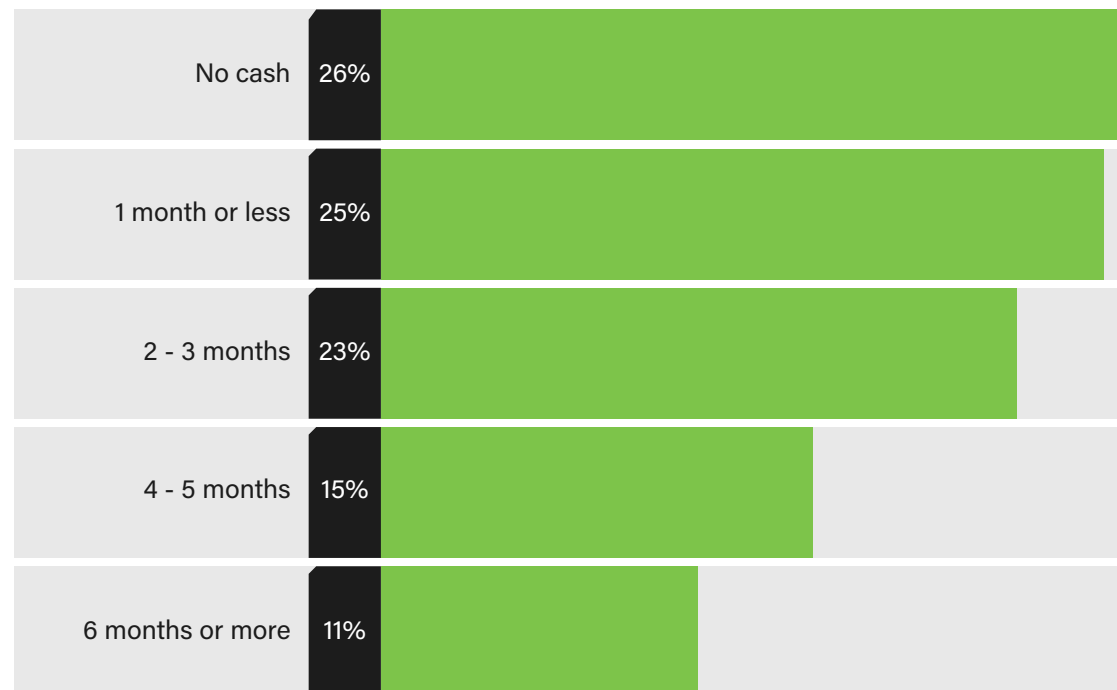
It's definitely worth checking whether you qualify.

FIND OUT MORE ABOUT R&D TAX RELIEF

THE 'REAL' CASH POSITION OF AGENCIES

When you exclude the cash that agencies borrowed in 2020, the picture is very different.

MONTHS OF OVERHEADS THAT AGENCIES WOULD HAVE AS CASH IN THE BANK (EXCLUDING FUNDING RECEIVED IN 2020)



26%

WOULD HAVE RUN OUT OF CASH ALREADY

25%

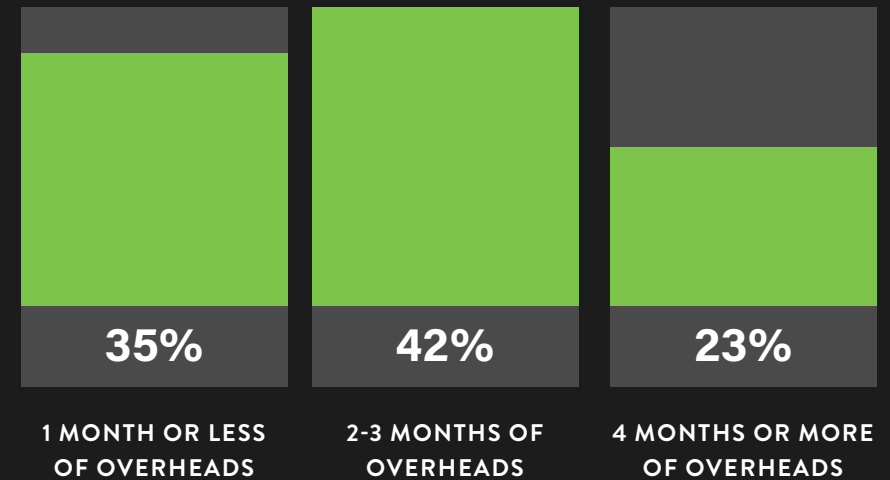
WOULD BE ON THE BRINK, WITH ONE MONTH OR LESS OF OVERHEADS AS CASH

PAYING BACK THE DEBT

Borrowing money to fund a short-term dip in sales or to fund growth isn't a problem in itself. But when it's combined with a longer-term slump in sales or an unprofitable business model, you won't generate the cash needed to meet your repayments. That's why it's more important than ever to have a plan to make a profit in 2021 and beyond. Here are some tools that will help.



HOW MUCH AGENCIES BORROWED



IS YOUR BUSINESS MODEL PROFITABLE?

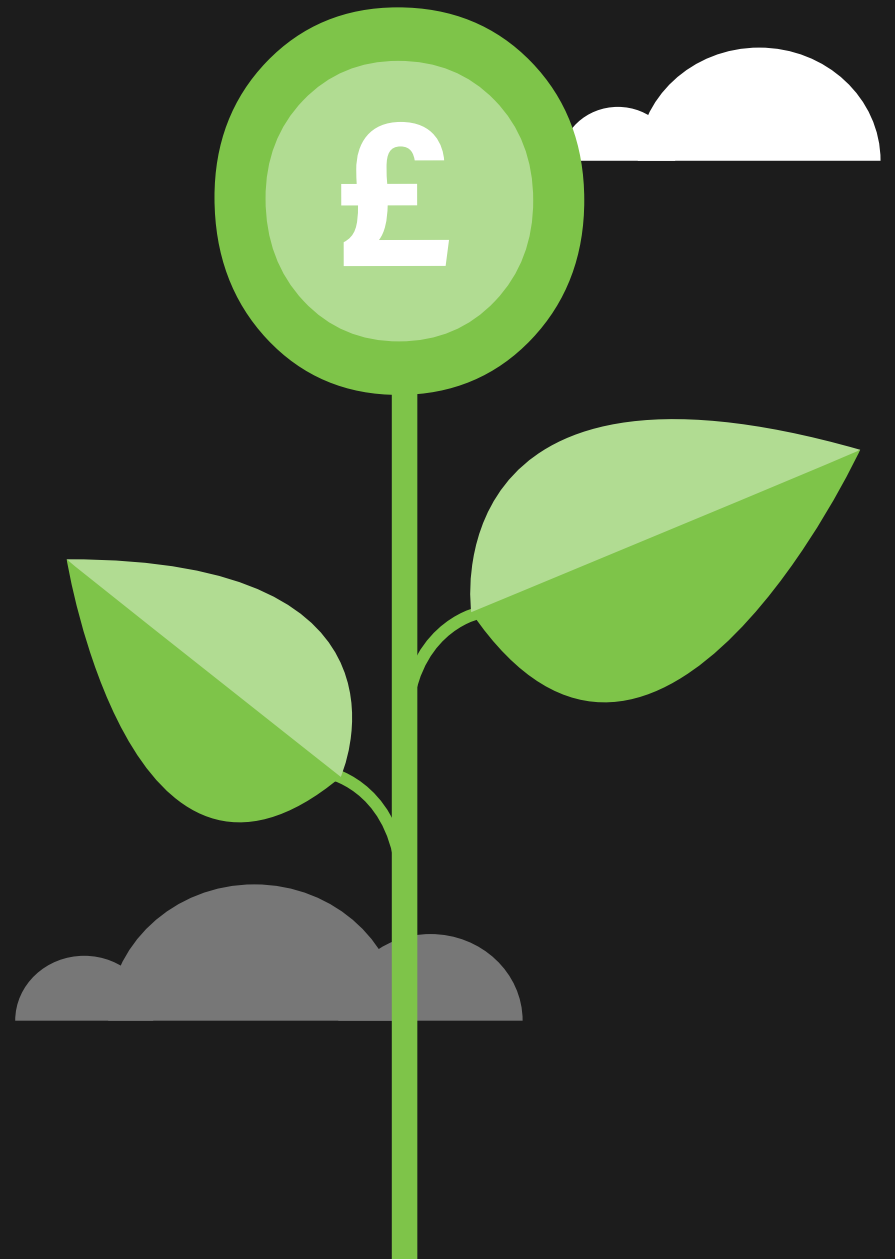
Create a forecast for the next 12 months and [upload it to Xero](#). This will help you work out exactly what your sales and costs need to be to meet any repayments. By uploading it to Xero, you can see at the click of a button if you're on track and can take action quickly if you need to.

SHORT TERM CASH FLOW PLANNING

Use [Wow's Simple Cash Flow Tool](#) to help navigate your cash flow in 90-day chunks.

[MORE CASH FLOW RESOURCES](#)

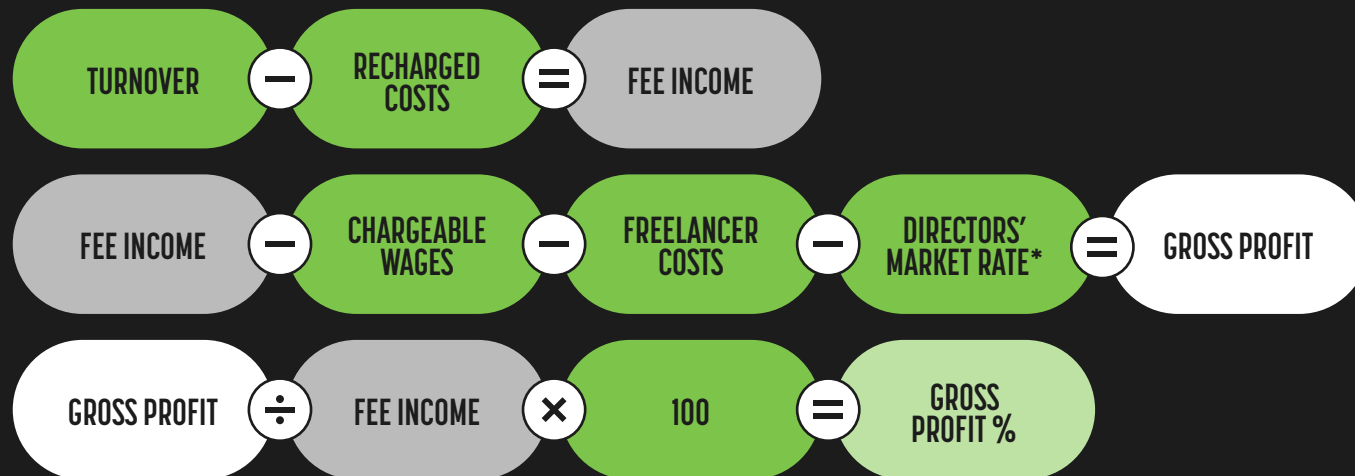
PROFIT AND EARNINGS



GROSS PROFIT % - YOUR NUMBER ONE PROFIT METRIC

There are many different ways to calculate your gross profit. The one that will be the most meaningful to you is if you include your chargeable wage costs as a cost of sale and take into account a market rate for your time too. Then, make sure you divide your gross profit by fee income rather than by turnover. This will give you a universal measure of your profitability that you can compare to others.

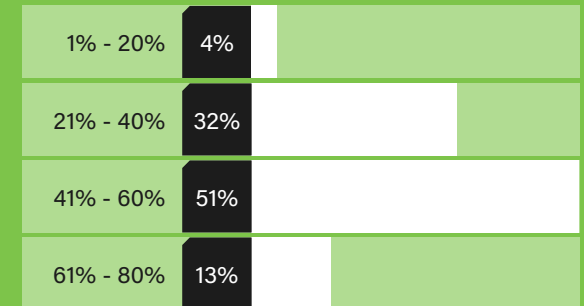
HOW TO CALCULATE YOUR GROSS PROFIT % IN A MEANINGFUL WAY



* Calculated pro-rata based on time spent doing client work

WATCH THE 6-MINUTE TUTORIAL

GROSS PROFIT %



AVERAGE GROSS PROFIT % =

44%

AIM FOR A GROSS PROFIT % OF

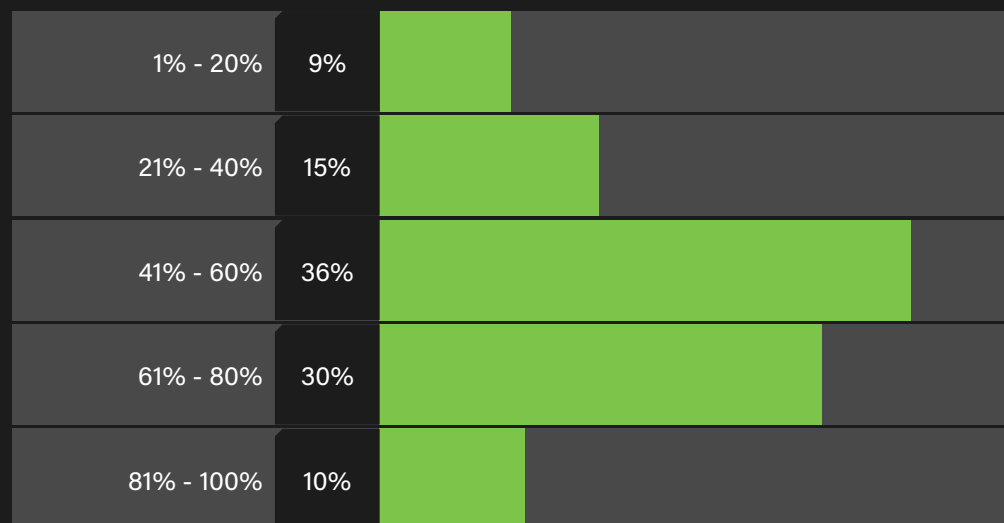
50%
OR ABOVE

33% measure gross profit by service offering. Do you know how profitable each of your services are?

COSTS AS A PERCENTAGE OF FEE INCOME

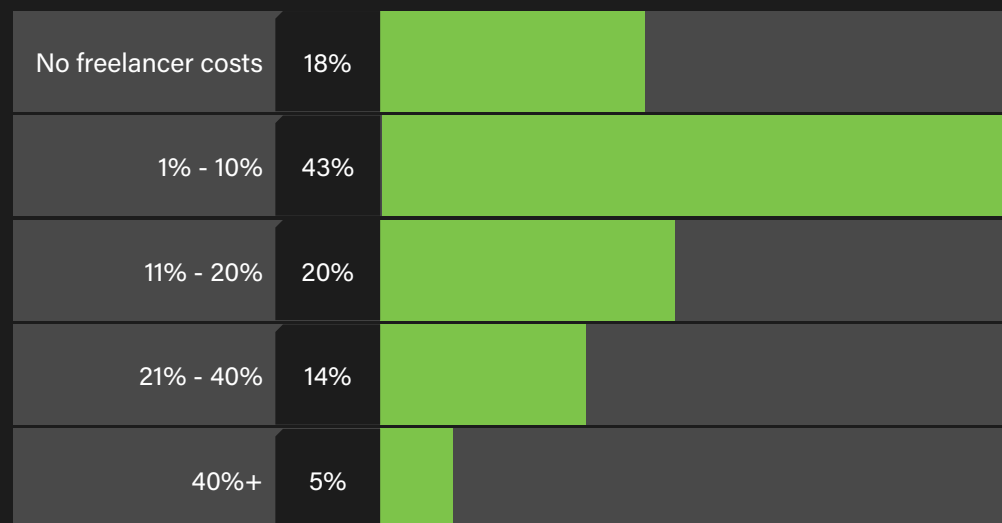


TOTAL WAGE COST AS A PERCENTAGE OF FEE INCOME



Agencies that have a low wage cost as a percentage of fee income are typically relying on their owner or freelancers to do much of the fee earning work. At the other end of the scale, if your total wage cost as a percentage of fee income is above 80%, it'll be really hard to make good levels of profit.

FREELANCER COSTS AS A PERCENTAGE OF FEE INCOME



Small agencies are more likely to have a higher freelancer spend. 39% of agencies under £1m have freelancer spend in excess of 10% of their fee income. Only 23% of £1m+ agencies are in this position. 18% of agencies don't use any freelancers at all.

WHAT'S LEFT AT THE END OF THE YEAR

IN 2020...

80% MADE A PROFIT

6% BROKE EVEN

14% MADE A LOSS

Find out what this translated to in earnings for agency owners below.

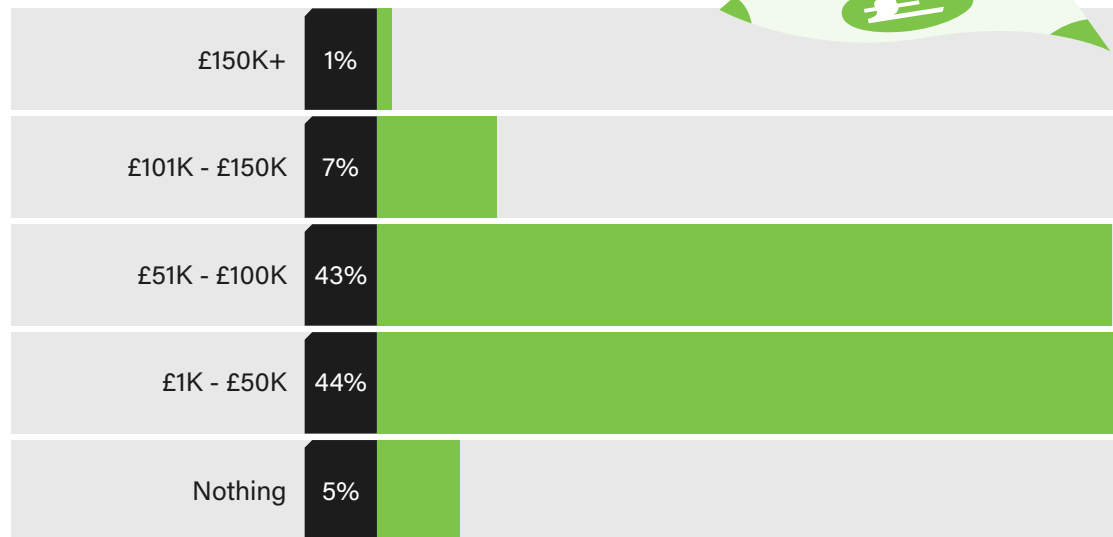


PROFIT FIRST

Being profitable is the cornerstone of a sustainable agency. Whatever plans you have for your future, you won't get very far if you're not making any money. That's why it's important to start with profit first when forecasting your year ahead. What profit do you want to make in the next 12 months and what do you need to put in place to achieve your targets?

WHAT AGENCY OWNERS EARN

PERSONAL INCOME OF AGENCY OWNERS (AGENCIES UNDER £1M)



DESPITE A GLOBAL PANDEMIC,
AGENCY OWNERS EARNED MORE
IN 2020 THAN THE YEAR BEFORE



THE £100K CLUB

Percentage of agency owners that earn more than £100k per year

AGENCIES
UNDER £1M

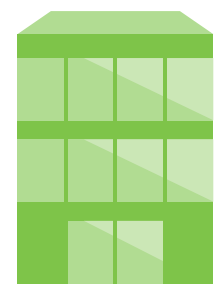
8%

£1M+ AGENCIES

42%

AVERAGE ANNUAL INCOME FOR AGENCY OWNERS

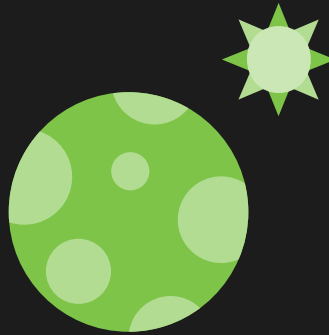
	AGENCIES UNDER £1M	£1M+ AGENCIES
2020	£50,250	£96,500
2019	£48,100	£84,350



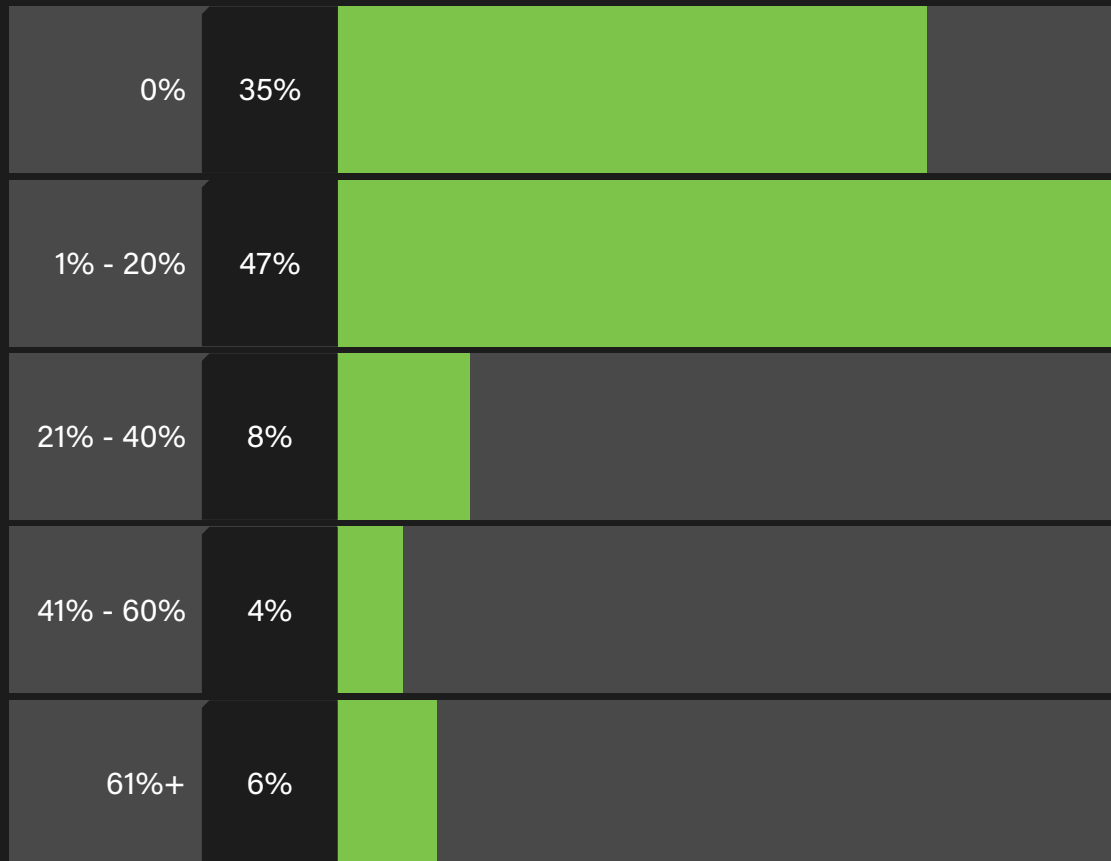
CLIENT WORK



WHERE WORK COMES FROM



PERCENTAGE OF CLIENT WORK FROM OVERSEAS



WILL UK AGENCIES STEP UP TO THE GLOBAL STAGE?

The world has changed quite a bit in the past year, and geography seems less relevant now than 12 months ago. Will UK agencies grab this opportunity to work on the global stage? The data would suggest we're the nation most likely to do so, with agencies in other countries less likely to do work beyond their borders. Larger agencies are leading the way here. £1m+ agencies are more likely to work with overseas clients than smaller agencies (79% vs 65%).

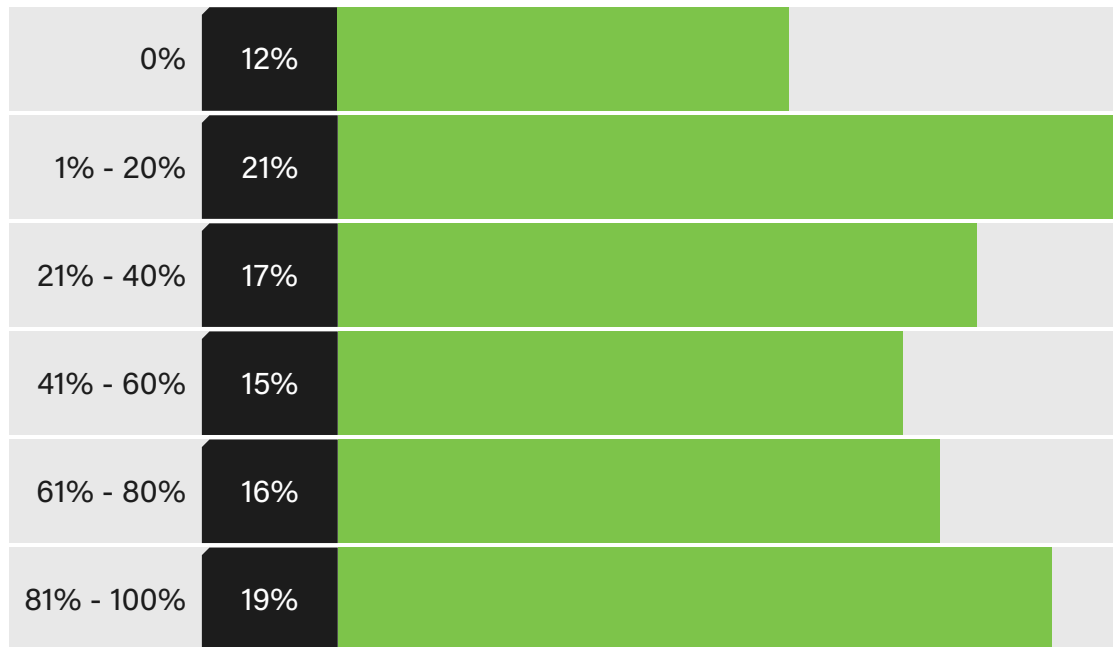
**65% OF AGENCIES
UNDER £1M WORK WITH
OVERSEAS
CLIENTS**



TYPE OF CLIENT WORK

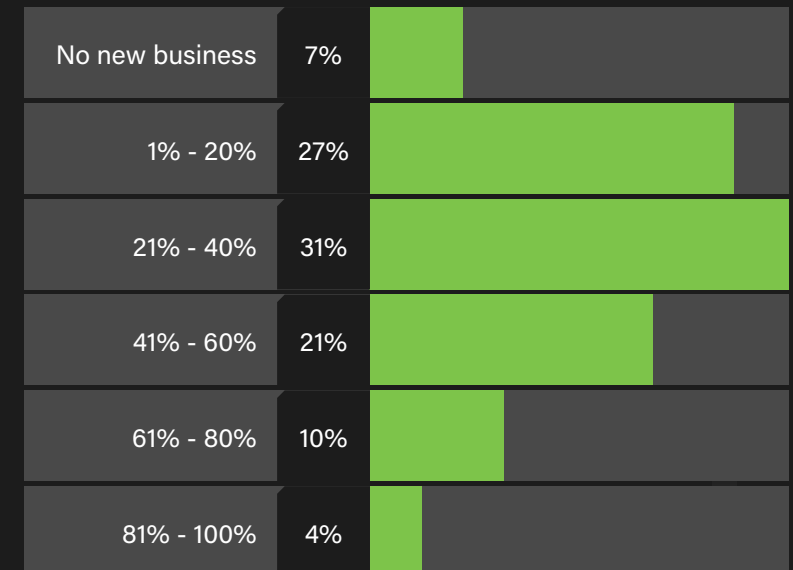


PERCENTAGE OF CLIENT WORK ON RETAINERS



The stats don't differ much between large and small agencies, although smaller agencies are slightly more likely to have clients on retainers than larger ones.

NEW BUSINESS WON IN 2020 AS A PERCENTAGE OF FEE INCOME



HOW EMAIL CAN HELP YOU ACHIEVE YOUR CLIENT GOALS IN 2021

Whether you're looking for more retainer clients for your agency, or are looking for a way to take your existing client relationships to the next level, email marketing may well hold the key to helping you achieve your goals.

As well as helping take BenchPress global, Mailchimp & Co have also been busy helping our agency community to get more from their email marketing. Check out the videos below from two Mailchimp partners for some great tips that you can use right away.

WHY USE EMAIL? TOP 5 REASONS

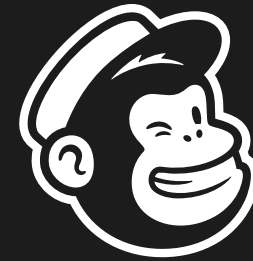
GLENN EDLEY
SPIKE

[WATCH VIDEO](#)

HOW TO GROW YOUR EMAIL LIST

EMILY RYAN
WESTFIELD CREATIVE

[WATCH VIDEO](#)



mailchimp
&co

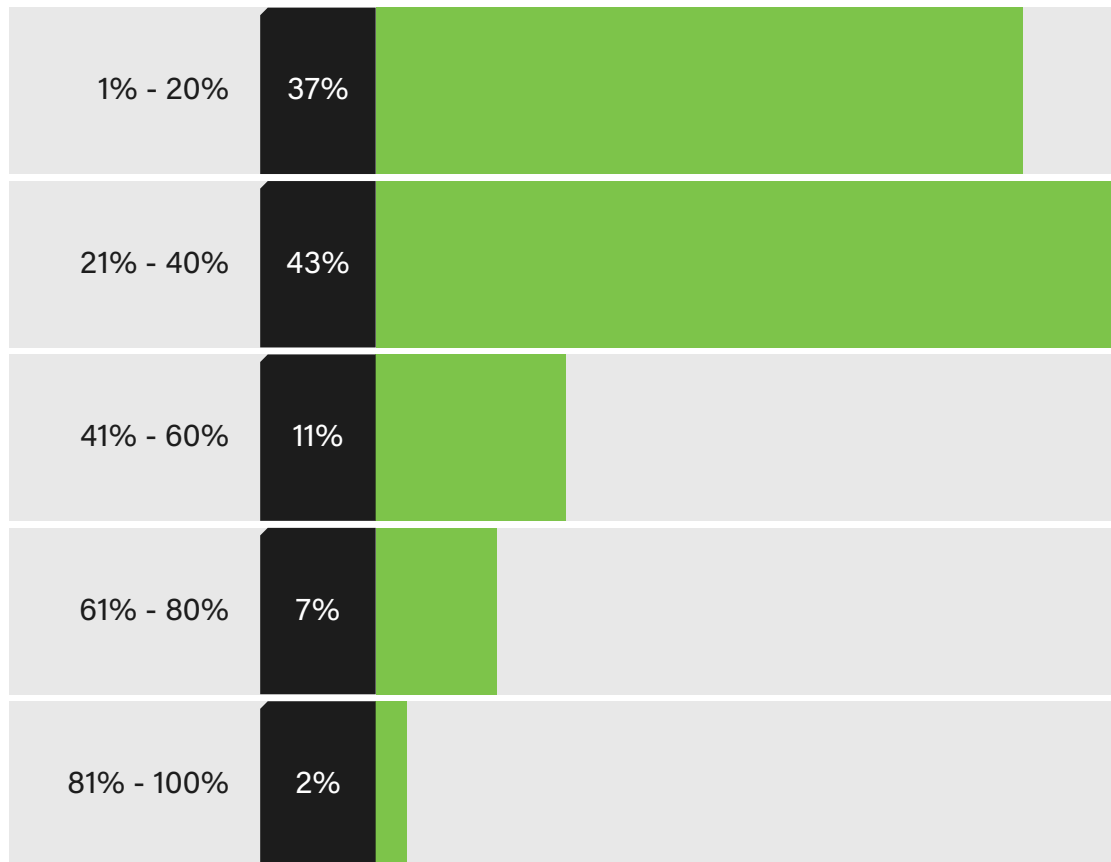
WANT TO FIND OUT MORE ABOUT MAILCHIMP & CO?

Mailchimp & Co is a community of agencies and freelancers seeking to grow by using email marketing. Joining Mailchimp & Co will help you learn new skills, build your reputation, and get tools to help you manage your clients. It's free and easy to get started.

[FIND OUT MORE](#)

RELIANCE ON A SINGLE CLIENT

LARGEST CLIENT AS A PERCENTAGE OF FEE INCOME



63%

OF AGENCIES UNDER £1M
NEED TO TAKE ACTION

If you currently have a single client representing more than 20% of your fee income, it's time to take action. Perhaps not in the way you might think...



The obvious thing to do is spread your risk, picking up other clients that reduce your dependency on your large client. That's easier said than done, especially if your large client keeps giving you work, or you're actively expanding the account (both of which should be celebrated). The key in these situations is to do two things:



MAKE HAY WHILE THE SUN SHINES

Looking at the data in more detail, what's interesting is that those relying on a single client tend to make more profit. A large client who keeps passing you work can sometimes be easier to manage than many smaller ones. If that's the case for you (which you should check by reviewing the profitability of all your projects), then it's sensible to bank this profit. But beware that it might not last forever.



BE PREPARED

2020 was a stark reminder of how fragile client relationships can be. We're always just one phone call away from work being put on hold and fee income drying up. If you are reliant on a single client, it's important to retain a cash buffer and operate at a high level of profitability. Too many agencies fly close to the wind, expecting the good times to roll forever.

WHAT WOULD HAPPEN IF YOUR LARGEST CLIENT LEFT TOMORROW?



Do you have enough cash to give you time to replace them?



Have you got access to finance to see you through this period?



Do you know which members of the team you'd need to let go?

Having a written plan that you can execute calmly will be really useful if you ever receive that dreaded phone call. Create it now - it'll be a lot harder to apply considered thought and calm execution when it actually happens.

UTILISATION RATES BY ROLE

THE AMOUNT OF TIME SPENT ON CHARGEABLE CLIENT WORK

	JUNIOR	MID-LEVEL	SENIOR	DIRECTOR
HIGH UTILISATION	80%	80%	75%	60%
AVERAGE	75%	75%	60%	40%
LOW UTILISATION	65%	65%	50%	18%

THINKING DIFFERENTLY ABOUT DIRECTOR UTILISATION

It's great to see that directors are spending significantly less time on client work than their teams. Whilst getting up to 80% utilisation rates for junior and mid-level staff should be applauded, directors need to play a different game. They should potentially look at reducing the amount of time they spend on client work. 38% of agency owners are actively looking to do this, so they can focus on growing their agency.

WHAT'S THE BEST USE OF YOUR TIME IN 2021?

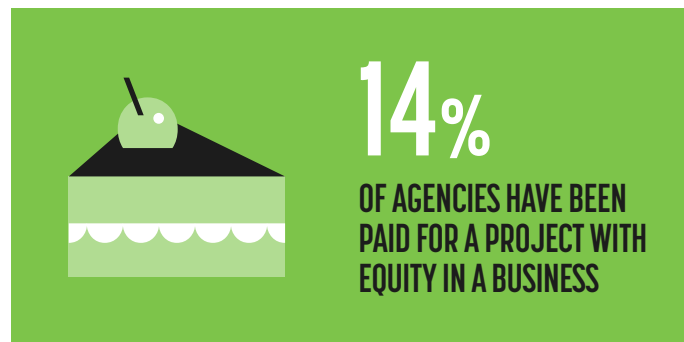
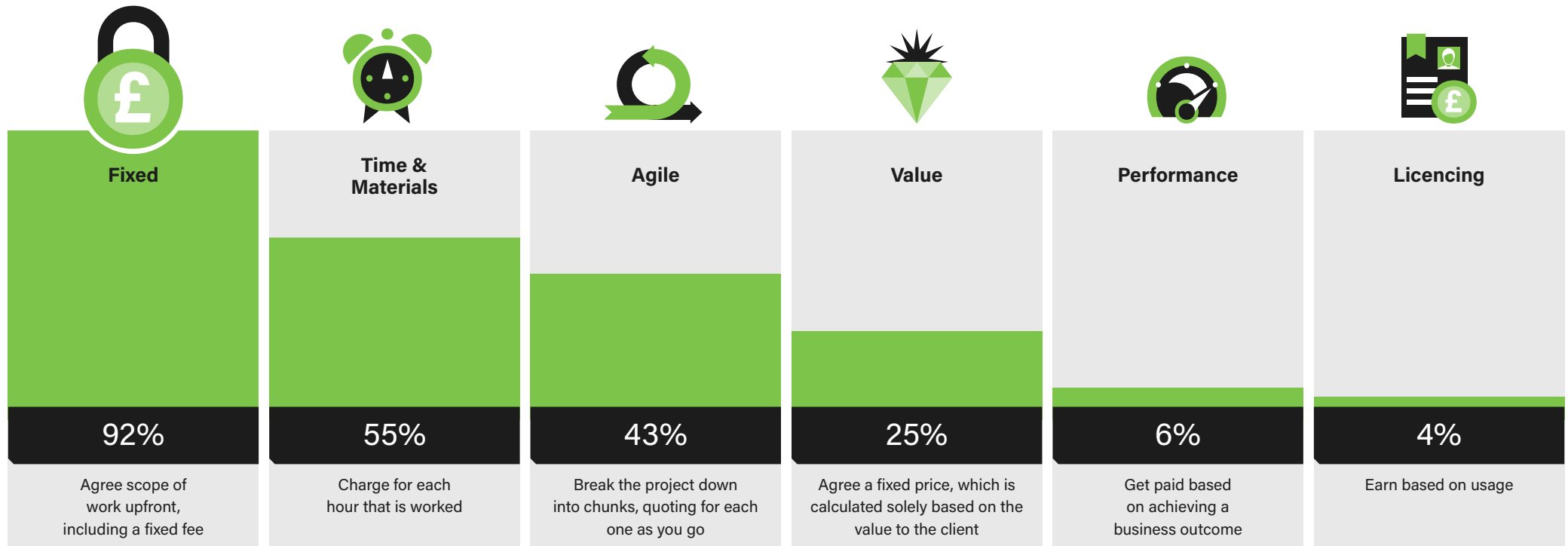
As well as spending less time on client work, agency owners also want to reduce the amount of time they spend on operations and finance. With time freed up from these areas, 75% want to spend more time on their agency's strategy, with 56% wanting to spend more time on their own sales and marketing. Spending time in these areas will result in growth and increase your agency's value.

PRICING



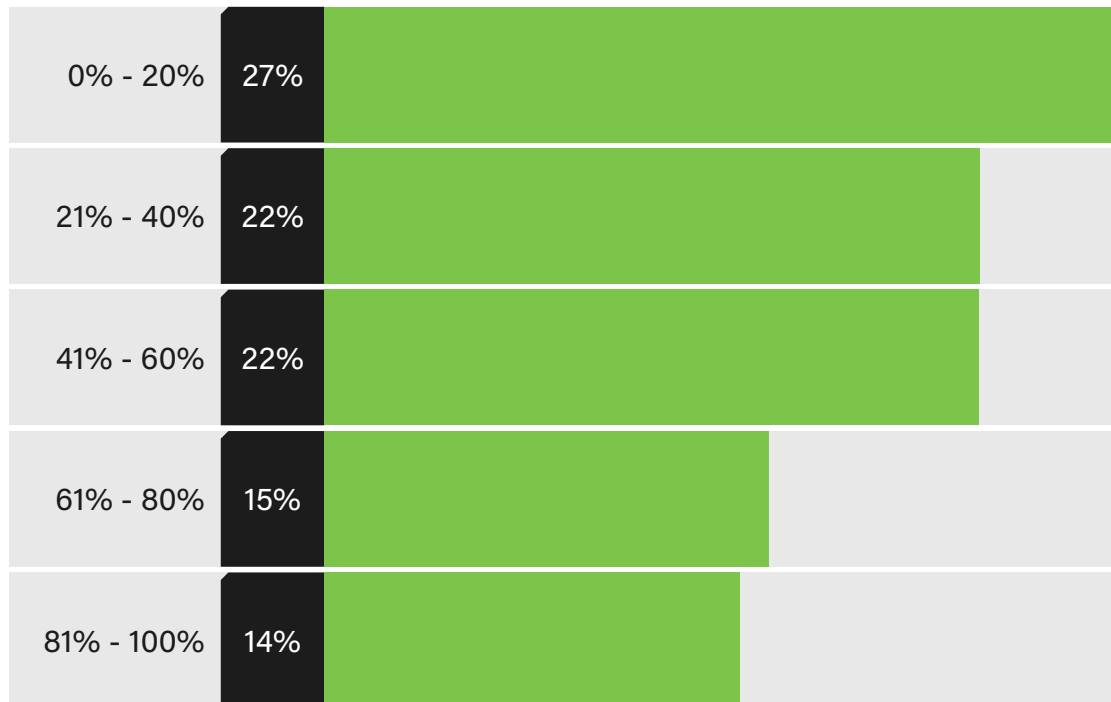
HOW AGENCIES PRICE

METHODS AGENCIES UNDER £1M USE TO PRICE



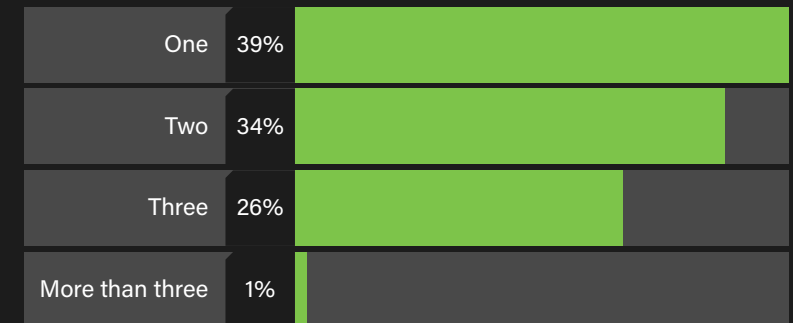
PRICING

PERCENTAGE OF PROJECTS WHERE A CLIENT'S BUDGET IS KNOWN PRIOR TO QUOTING



TIPS TO HELP YOU WORK OUT A CLIENT'S BUDGET EVERY TIME

NUMBER OF PRICING OPTIONS GIVEN TO CLIENTS WHEN PRESENTING A PROPOSAL



ONLY GIVE ONE OPTION WHEN QUOTING?

YOU'RE MISSING A TRICK

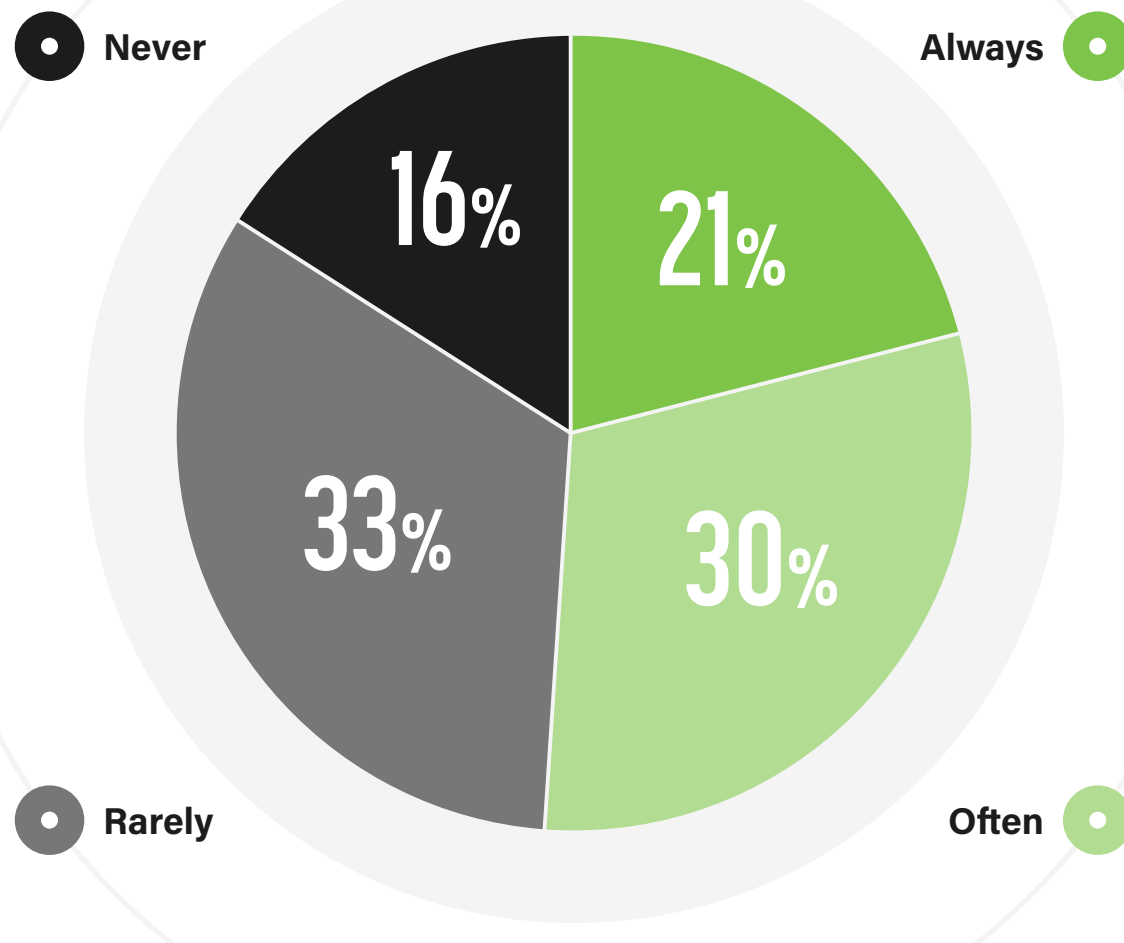
If you only give one pricing option when quoting, you're making it difficult for the client to assess whether what you're proposing represents good value. They'll be seeking to do this by comparing your quote to something, to give them some context.

If you don't give them that context, they're more likely to get it from another agency, which will reduce your chances of success.

The power of presenting three pricing options is explored in this excellent podcast from Blair Enns and David C. Baker.

LISTEN TO THE PODCAST

WHEN QUOTING FEES TO CLIENTS, DO YOU REVEAL HOURLY RATES?

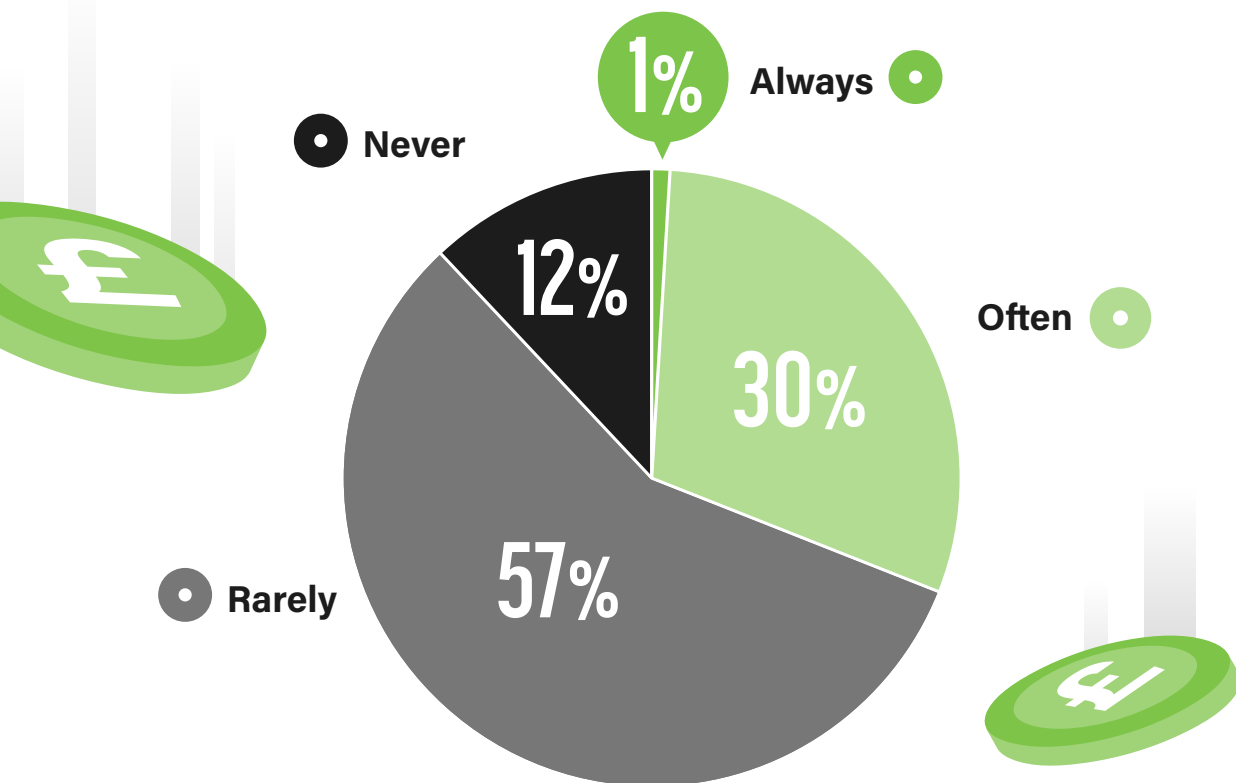


MORE AGENCIES **NOT** REVEALING THEIR HOURLY RATES

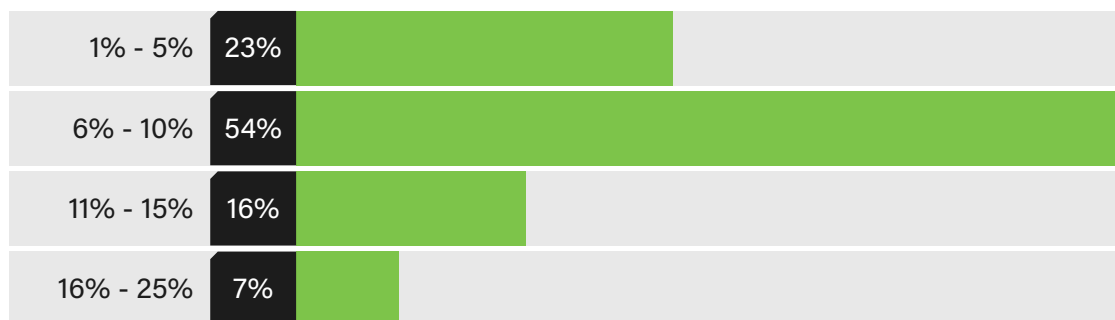
Currently, 49% of agencies either rarely or never reveal hourly rates. This has increased from 42% three years ago.

DISCOUNTING

If you're asked to discount your fees without reducing the scope of work, do you?



DISCOUNT OFFERED



THE DANGER OF DISCOUNTING

It's hard enough to make money on a project without giving away precious profit at the point of sale. A percentage here and there might not feel like much, but when you convert it to real money, it's profit straight off the bottom line and many agencies are simply giving this away.

Negotiating with procurement departments is rarely fun, but it's an inescapable part of working with large companies. You need to be prepared for this, back up your rates, and showcase the value you add. If you absolutely have to discount, it's really important to get something in return.

GETTING SOMETHING IN RETURN

Improved commercial terms

- Increased volume of work
- Higher amount payable upfront
- Improved payment terms
- Commitment to a longer term contract

Marketing opportunities

- A referral to other parts of the business
- Introductions to their connection
- A recommendation on social media
- A video testimonial or case study

BLENDED HOURLY RATES (STATS FOR AGENCIES UNDER £1M)

**BLENDED
RATE:**

A SINGLE RATE THAT APPLIES TO ALL
TEAM MEMBERS

BLENDED HOURLY RATES



PERCENTAGE OF AGENCIES USING A BLENDED RATE

51%

OF £1M+
AGENCIES

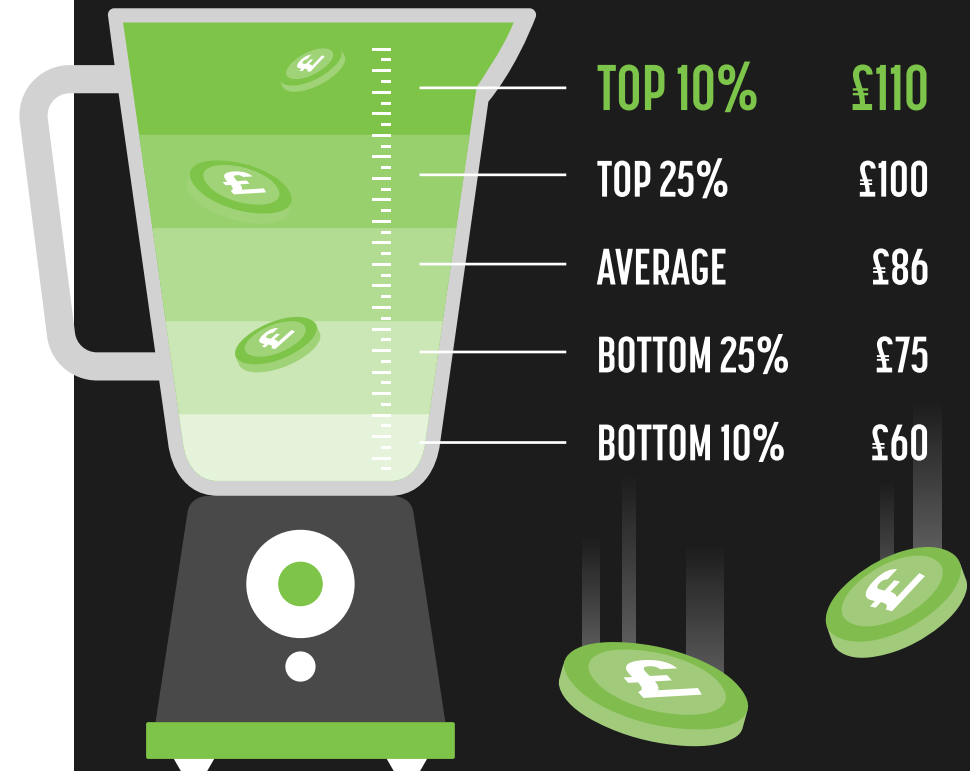


73%

OF AGENCIES
UNDER £1M



BLENDED HOURLY RATE BENCHMARKS (STATS FOR AGENCIES UNDER £1M)



HOURLY RATES (TIERED PRICING)



PERCENTAGE OF AGENCIES USING TIERED PRICING

49% OF £1M+
AGENCIES



27% OF AGENCIES
UNDER £1M



**TIERED
PRICING:**

DIFFERENT HOURLY RATES FOR EACH
TEAM MEMBER

AVERAGE HOURLY RATE FOR EACH LEVEL OF EXPERTISE

	JUNIOR	MID-LEVEL	SENIOR	DIRECTOR
TOP 10%	£99	£124	£165	£234
TOP 25%	£82	£104	£133	£175
AVERAGE	£75	£90	£110	£135
BOTTOM 25%	£50	£71	£85	£110

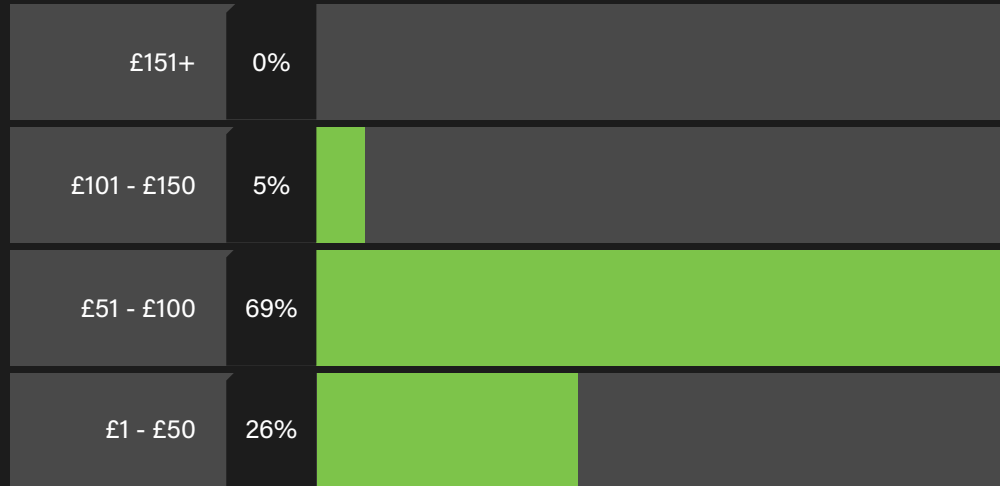


Scroll down for a more detailed breakdown of tiered pricing at each level.

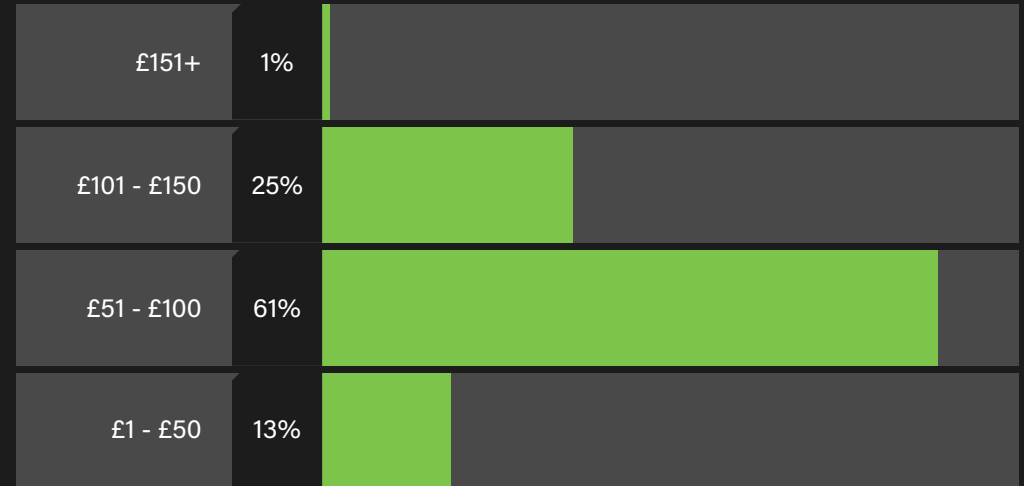


HOURLY RATES (TIERED PRICING)

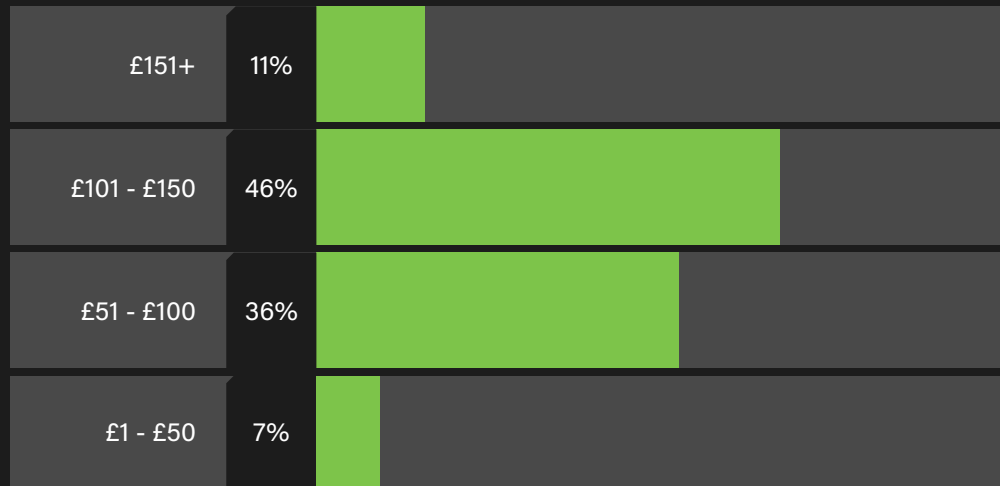
JUNIOR



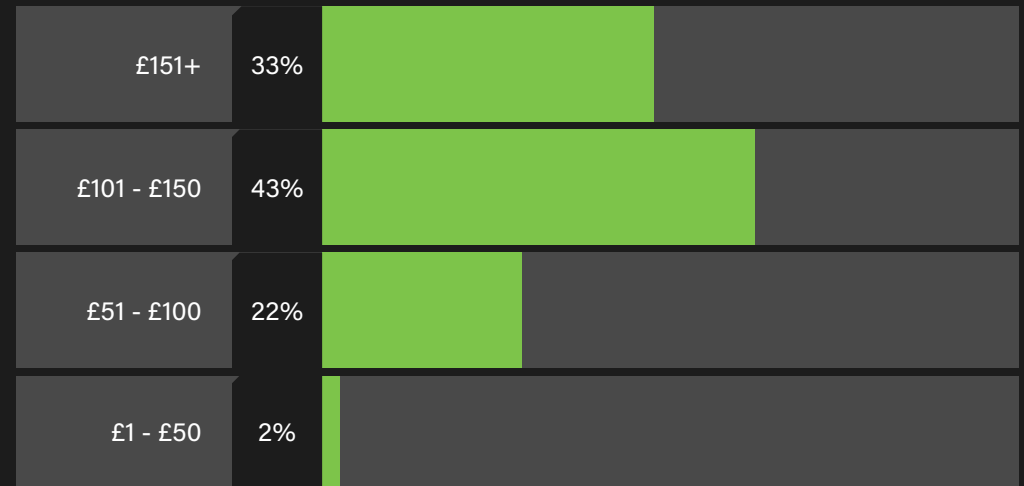
MID-LEVEL



SENIOR



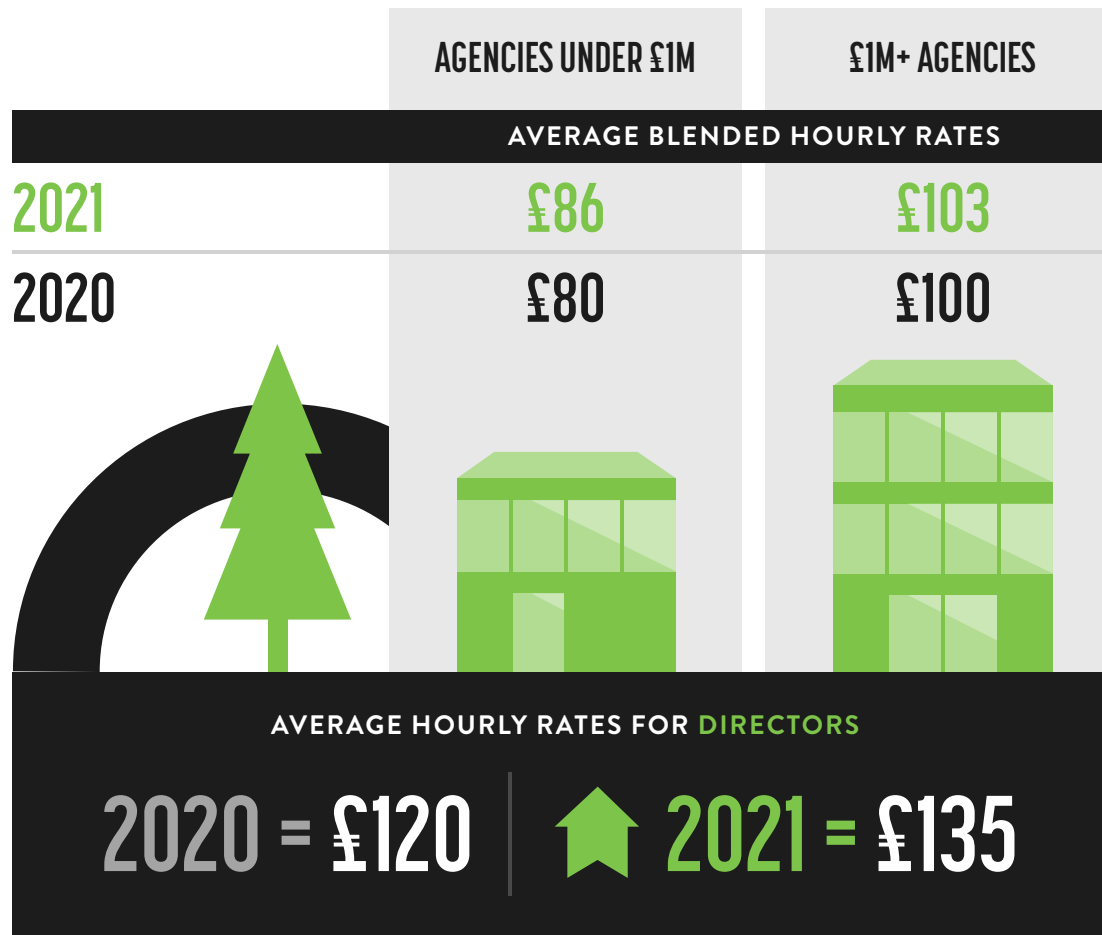
DIRECTOR



HOURLY RATE ANALYSIS

Year-on-year comparison

43% of agencies said that they increased prices in the past 12 months and only 5% reduced them. Overall, this has resulted in a year-on-year increase in both blended and tiered hourly rates.



WANT HOURLY RATE DATA FOR YOUR REGION?

Taking part in the survey is the only way to get this data later in the year.

TAKE PART IN THE SURVEY

OLDER, WISER, AND CHARGING MORE

There's a correlation between years in business and average hourly rate. Agencies that have been in business for 25 years or more have an average blended hourly rate of £108. This is £22 higher than agencies that are younger than five years old.

WANT TO GET THERE QUICKER AND GO BEYOND THESE RATES?

Scroll down to find out how.

WEBINAR 9AM ON THURSDAY 29TH APRIL

HOW TO INCREASE YOUR PRICES

There's a correlation between pricing and profitability, so finding a way to increase your prices is key to building a profitable and sustainable agency. Join Peter Czapp on this webinar to discover:

7 PROVEN STRATEGIES TO INCREASE YOUR PRICES, PLUS:



Case studies from agencies that do this really well



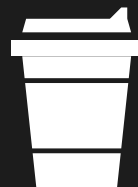
When to move from blended rates to tiered pricing



How agencies charge premium prices



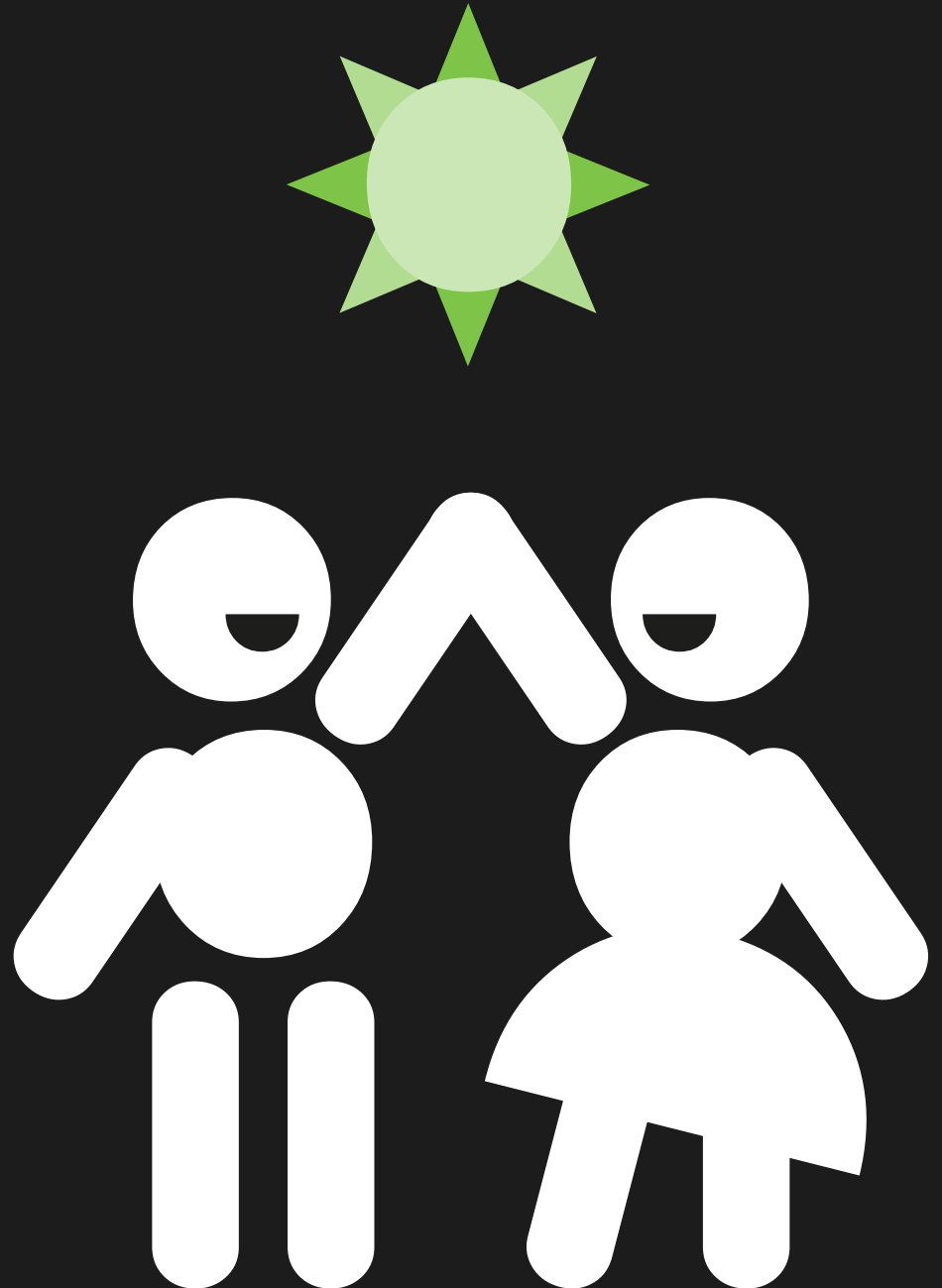
How to sell value, not time



Peter Czapp loves helping agencies grow. As co-founder of BenchPress, The Wow Company and The Agency Collective, Peter has first-hand knowledge of what the UK's top-performing agencies do differently.



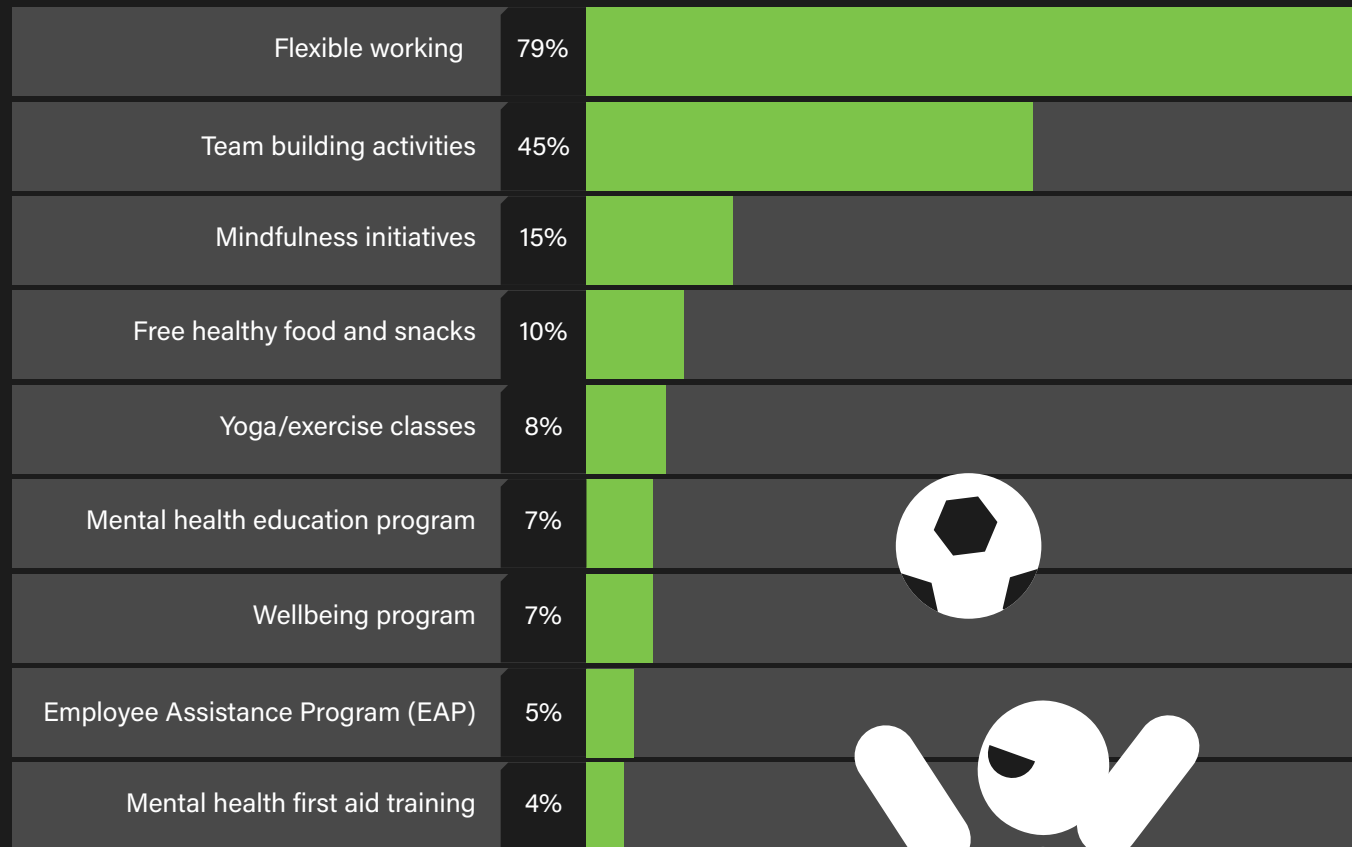
PEOPLE



LOOKING AFTER OUR TEAMS

LARGER AGENCIES ARE MUCH MORE LIKELY TO DO THESE THINGS THAN SMALLER AGENCIES

WHAT AGENCIES DO TO IMPROVE EMPLOYEE WELLBEING

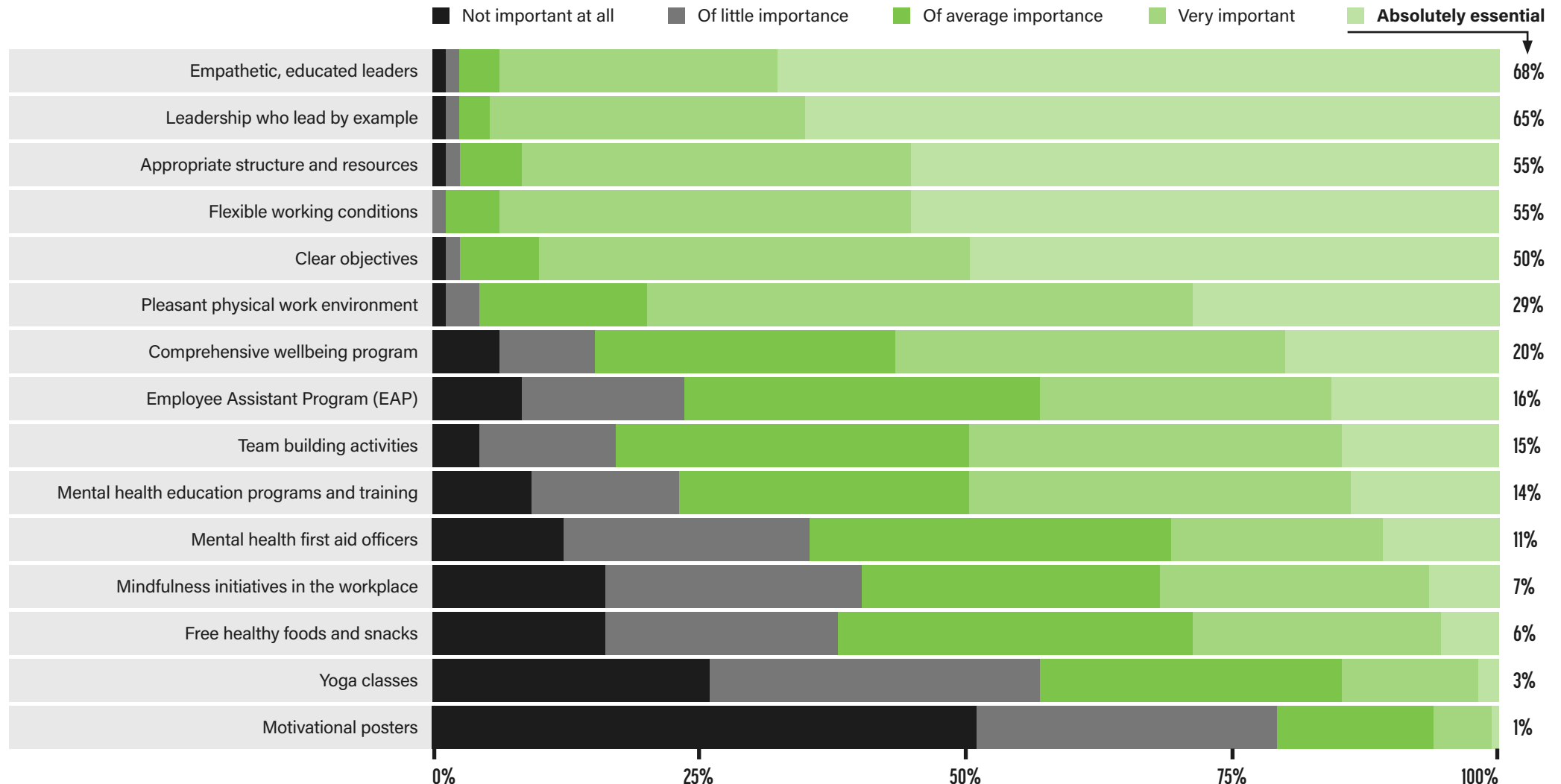


It's great to see that more and more agencies are proactive in looking after their employees' wellbeing. These things are positive steps in the right direction but are no substitute for what employees actually want. Scroll down to find out what this is...

WHAT DO EMPLOYEES ACTUALLY WANT?

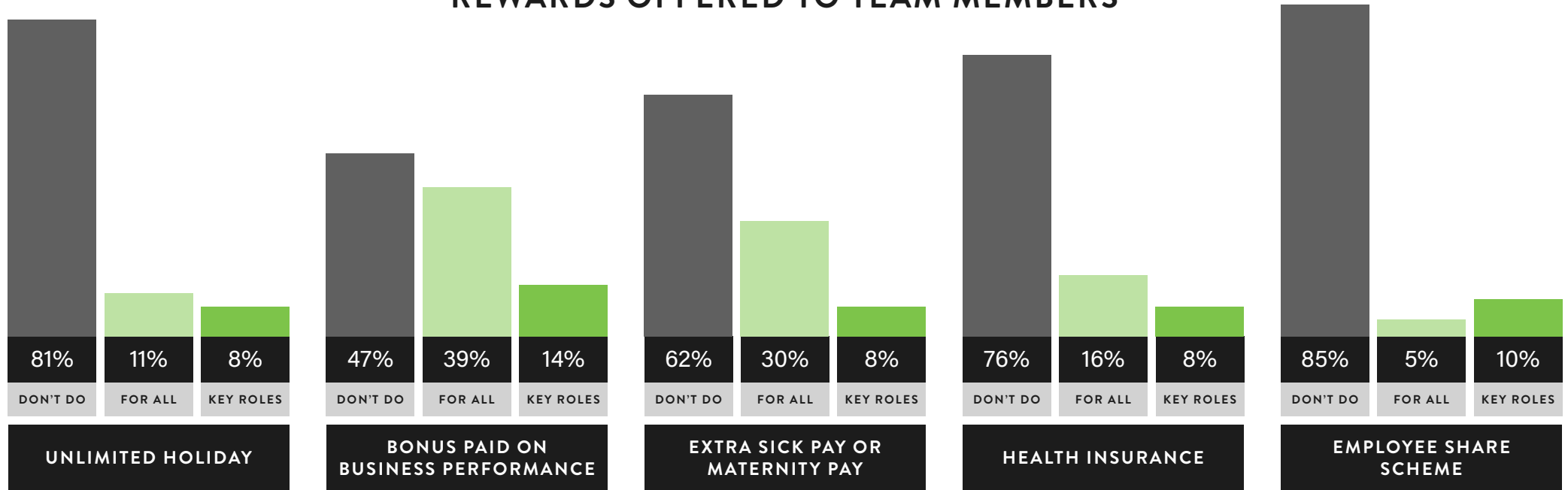
[VIEW THE FULL RESULTS](#)

The graph below is taken from a survey of 1,500 employees looking at mental health and wellbeing in the creative, media, and marketing industries. Huge thanks to [Mentally Healthy](#) and [Never Not Creative](#) for this fantastic insight. It shows that our people want empathetic, educated leaders. Make 2021 the year that you invest in your leadership training.



TEAM REWARDS AND INCENTIVES

REWARDS OFFERED TO TEAM MEMBERS



WITH THE EXCEPTION OF UNLIMITED HOLIDAY, LARGER AGENCIES ARE MORE LIKELY TO DO ALL OF THESE THAN SMALLER AGENCIES.

WANT TO SET UP AN EMPLOYEE SHARE SCHEME? 15% OF SMALLER AGENCIES AND 36% OF £1M+ AGENCIES ALREADY HAVE ONE IN PLACE

There are a number of really tax-efficient ways you can incentivise and reward your team through employee share schemes. If you'd like to find out more, book a chat with Rory.



BOOK A CALL WITH RORY

WHAT THE FUTURE HOLDS

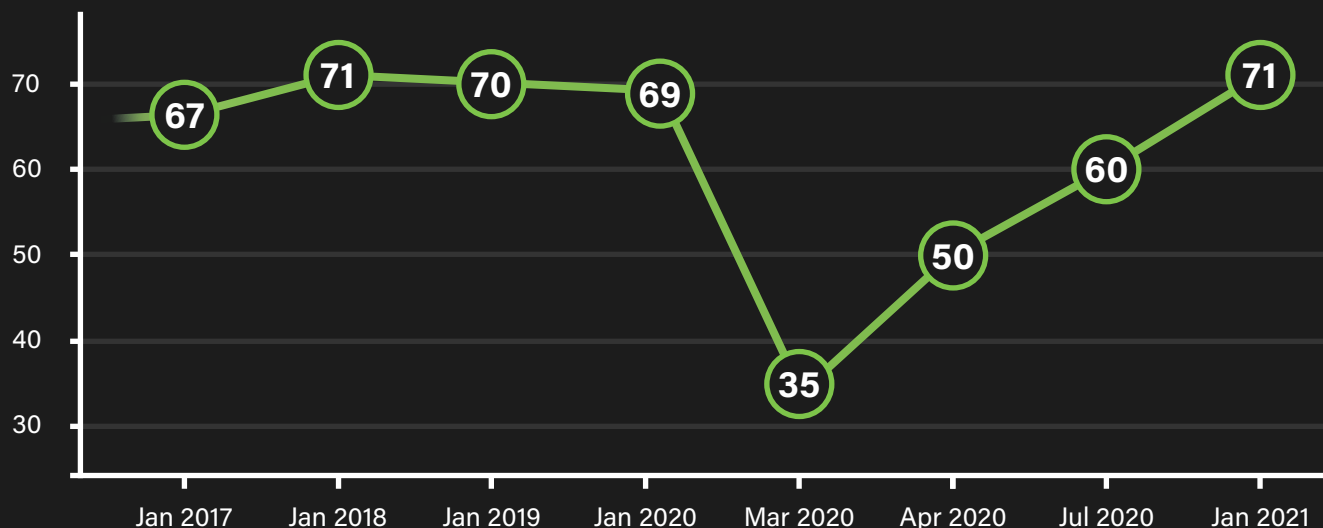


AGENCY CONFIDENCE INDICATOR



For several years now, we've been tracking how confident agency owners feel about the year ahead by asking them to give a rating out of 100. Above 50, and you're feeling confident. Below 50, and you're expecting this year to be worse than last year.

2021 has seen confidence levels return to historical averages.



LARGER AGENCIES
ARE SLIGHTLY MORE
CONFIDENT THAN
SMALLER AGENCIES

82%

OF AGENCIES EXPECT
TO GROW FEE INCOME
THIS YEAR



2021: THE YEAR WE'LL HELP EACH OTHER GROW

After a challenging year, here are some words of encouragement from The Agency Collective, the world's best peer support community for agency owners:

"At [The Agency Collective](#), we really get agency life. We live and breathe it like you do. We have always been there to support agency owners through the challenges of running and growing an agency but through a year of isolation and limitation, The Agency Collective community came together online to support each other like never before. The valuable advice, lead sharing and friendships we see on a daily basis are why we have earned a reputation as the world's best peer support community for agency owners.

Our team can help you to build genuine connections with real people, plus provide industry insights, events, content, experts and resources. The Agency Collective is the largest source of knowledge and support for agency owners - Join the community to help make 2021 your best year yet."



**THE
AGENCY
COLLECTIVE**



**HOW TO WIN
NEW BUSINESS
IN 2021**

A guide for agency owners looking for growth in the coming year.



DOWNLOAD NOW

AGENCY COLLECTIVE MEMBERS SHARE THEIR STORIES

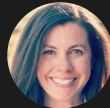
"For me, The Agency Collective is a temperature check of where the industry is right now - and how we're all feeling about changes happening in the world on what feels like a daily basis. I'm not a natural networker, but it's reassuring to find out what others are thinking - and to get some welcome advice from time to time too!"



JONNY HUBNER

CO-FOUNDER, SAPNA GROUP

"It's the security of a big network which is a real draw for me at the moment - especially with us all working remotely. The fact that it's virtual is fantastic - I wouldn't have been able to make events in person because of having young kids, but now I can join in and I don't have to travel to be there!"



EMILY RYAN

FOUNDER, WESTFIELD CREATIVE

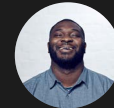
"I don't know where I'd be now without The AC. It's helped me build a tribe of superb and intelligent people who all share similar challenges and want to help each other succeed; it's like having instant access to the holy grail of agency knowledge. There has never been a more important time to be part of a community like The AC."



JOE PERKINS

MD, CHAPTR STUDIO

"The people we meet and the things we learn at The Agency Collective are pure gold. The new business partnerships we've formed are so valuable. If you want to do the maths on a ROI, I'd say at least 100x the membership fee! All I can say is: Get involved as soon as possible."

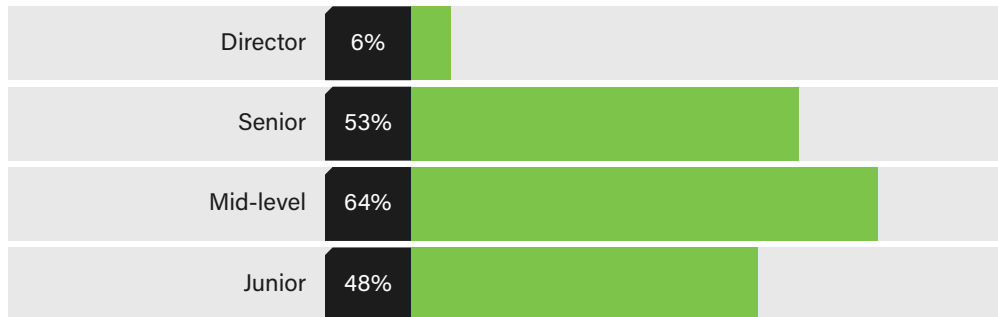


SAMSON OWOLABI

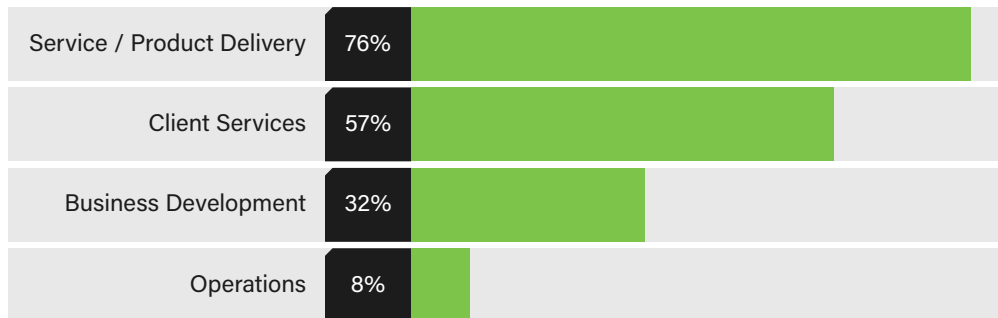
CO-FOUNDER, BEARDED FELLOWS

RECRUITMENT

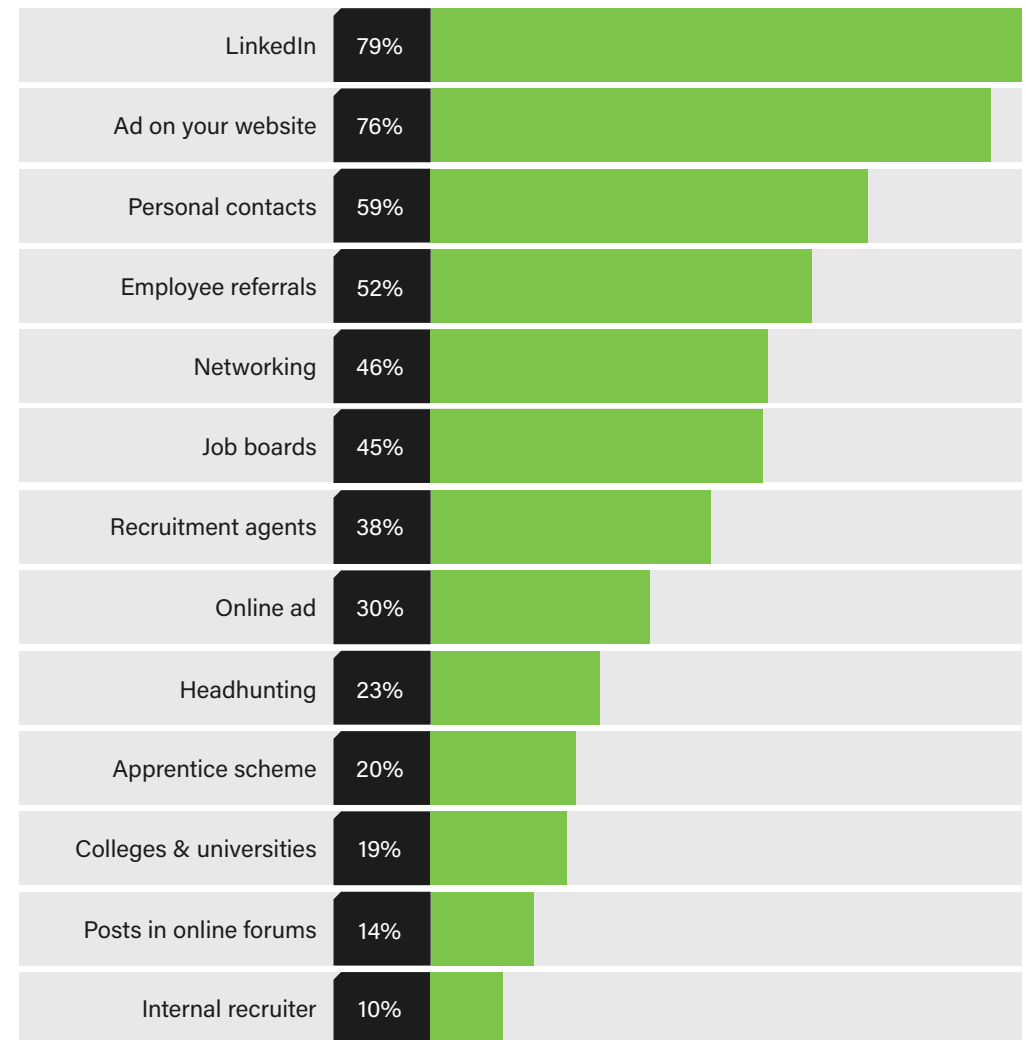
IN 2021, AGENCIES WILL BE HIRING AT THESE LEVELS



IN THESE ROLES



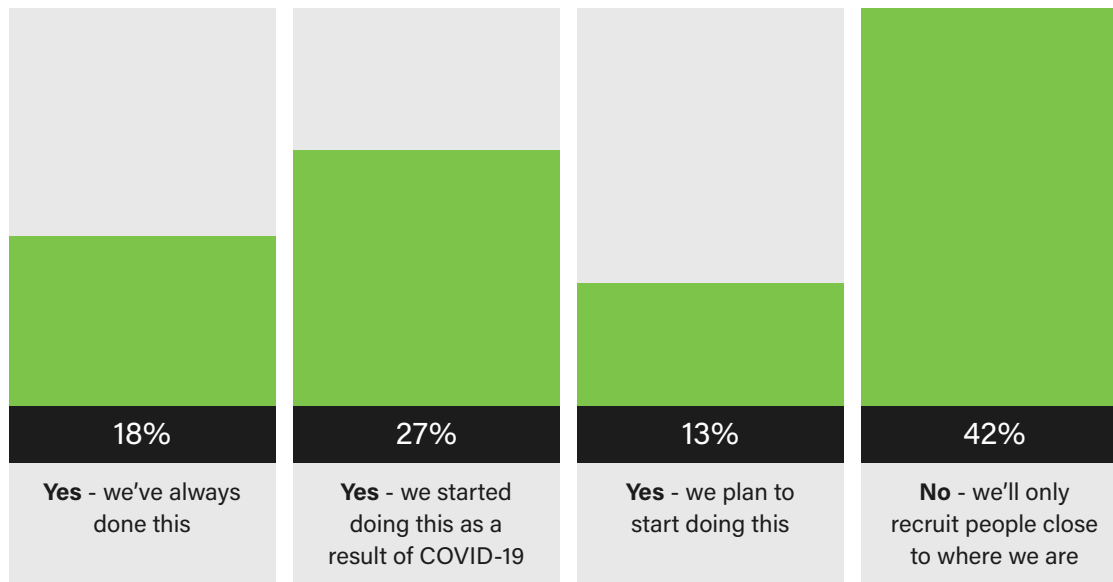
USING THESE METHODS



76% OF AGENCIES UNDER £1M
PLAN TO RECRUIT IN 2021

6% PLAN TO RECRUIT AT
DIRECTOR LEVEL

WILL AGENCIES HIRE PEOPLE NOT WITHIN A COMMUTABLE DISTANCE TO A PARTICULAR LOCATION?



WILL THE 42% GET LEFT BEHIND?

Agencies that only recruit people close to where they are will soon be in the minority. If you're one of the 42% who plan to do this going forwards, what talent will you be missing out on? What increased competition for talent will you face as your employees realise they could potentially work for agencies anywhere in the world?



WHAT HAPPENED TO PRODUCTIVITY WHEN TEAMS WORKED FROM HOME

23% SAID IT **INCREASED** 

18% SAID IT **DECREASED** 

WHAT WILL HAPPEN TO AGENCY OFFICES?

73% WILL KEEP THEIR OFFICES

48% will stay where they are.

14% will move to a smaller office.

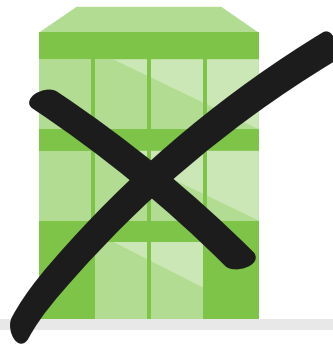
11% will move to a bigger office.



18% WILL NO LONGER HAVE AN OFFICE

14% have already cancelled their lease.

4% plan to do so.



9% WILL GO FLEXIBLE

9% will move to a shared, flexible office space.



THESE STATS DON'T INCLUDE THOSE AGENCIES THAT ALREADY OPERATE WITHOUT AN OFFICE. 26% OF SMALLER AGENCIES AND 2% OF £1M+ AGENCIES DON'T HAVE AN OFFICE.

CAN YOU BUILD AN AGENCY CULTURE OVER ZOOM?

Many agencies did this successfully long before COVID-19, and now several more are joining them. Agencies that get their culture right, regardless of whether they have an office or not, will be at an advantage. What will be important to your team in the future?

HOW WILL AGENCY OFFICES CHANGE?

For those returning to their offices after over a year away, there's an opportunity to rethink the purpose of their work space. What do you want to be different when you return? What does your team want?

WHAT AGENCY OWNERS THINK IS THE KEY TO SUCCESS IN 2021

"TAKING RISKS AND BEING BOLD."

"IGNORE THE NEWS, FOCUS ON OUR SWEET SPOT, KEEP DOING AWESOME WORK, INVEST MORE IN OUR OWN SALES AND MARKETING EFFORTS."

"CLOSE ANALYSIS OF PROFIT MARGINS, EXISTING CLIENT GROWTH AND A STRONG NEW BUSINESS STRATEGY."

"BUYING UP SMALL AGENCIES."

"GETTING A PLAN IN PLACE FOR NEXT THREE YEARS."

"DIVERSIFYING AND MOVING TO OTHER MARKETS."

"SPECIALISING AND CHARGING BY VALUE RATHER THAN HOURLY RATE."

"RETAINERS."

"CONTINUING TO NETWORK AND FORM ALLIANCES WITH OTHER AGENCIES STAYING TRUE TO OUR BRAND PROPOSITION AND OWNING OUR NICHE."

"MAINTAINING CREATIVE STANDARDS IN A WORKING-FROM-HOME ENVIRONMENT."

"INCREASING PROFIT & RETAINING KEY TEAM MEMBERS."

"CLARITY OF VISION AND DIRECTION. CHARGING BETTER FOR OUR SERVICES. FRONT FOOT SALES APPROACH."

"SPECIALISATION AND NICHE."

"STRONG CASH FLOW, REWARDING THE TEAM FOR GOING ABOVE AND BEYOND AND MAINTAINING MOTIVATION."

"PARTNERSHIPS WITH OTHER AGENCIES."

"FOCUSING ON OUR 6PS: PURPOSE, POSITIONING, PRODUCTS, PARTNERS, PEOPLE, PACE."

"REBALANCING OUR BUSINESS SO WE'RE LESS RELIANT ON ONE MAIN CLIENT."

"GETTING MORE BUSINESS IN OUR NICHE."

"ABILITY TO CONTINUE TO REMOVE OURSELVES (DIRECTORS) FROM WORKING IN THE BUSINESS AND WORKING ON IT INSTEAD."

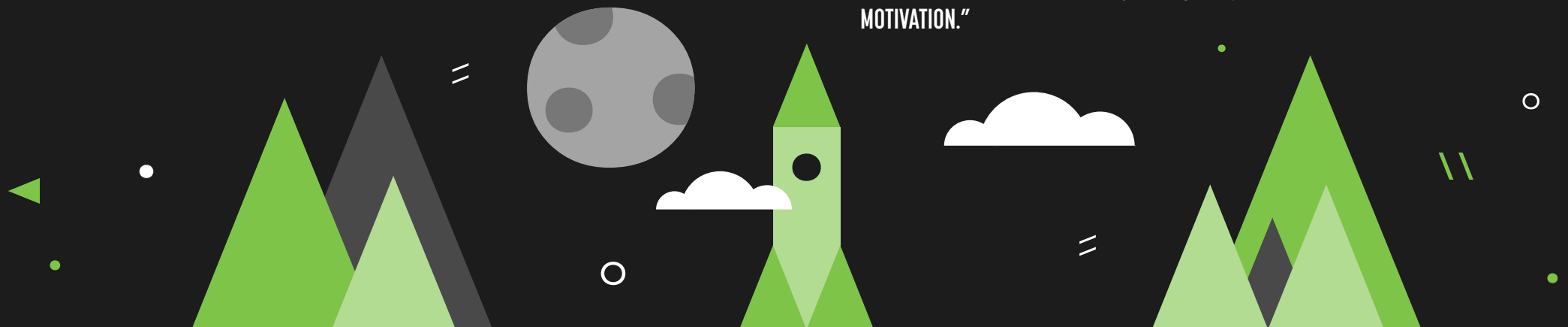
"FINALLY SETTING UP A SALES AND MARKETING PROCESS!"

"MORE STRUCTURE AROUND THE BUSINESS FINANCES."

"RETAINING AND STRENGTHENING OUR CLIENT RELATIONSHIPS."

"OUR AGENCY CULTURE - HUMAN FIRST."

"FOCUSING ON THE NUMBERS. KEEPING STAFF ENGAGED AND REWARDED. ADJUSTING TO INDUSTRY CHANGES."



WOW

THE ACCOUNTANTS YOU NEED RIGHT NOW

Reading the above list of what agency owners think is the key to success in 2021 is a reminder of the complexity and challenge of growing an agency. There are so many things to think about, and it can occasionally be overwhelming. If you'd like an accountant that really understands what it takes to grow a profitable and sustainable agency, we'd love to chat about how we can help you.

Over the last 17 years, we've worked with hundreds of agencies, typically those with between 8-80 staff. We provide insights and best practices so you can make better decisions. Working with Wow will ensure your agency is in the best possible shape for what lies ahead.

HERE'S WHAT OTHER AGENCY OWNERS SAY ABOUT US

"I've always been really impressed with how much Wow does for the agency community, not only with the BenchPress reports but also the events they run. I got a lot from them, and this was before I was even a client! So, when the time came to review our accountancy situation, it was an easy decision to move to Wow. Since then, I've been even more impressed with the work they've done. And in the last year, they've stepped up even more when the agency community has needed it most."



DAVID JOHNSTONE
MANAGING DIRECTOR, AFTER DIGITAL

"There's something about Wow. A 'something' that goes beyond being just our accountants. They always do that bit extra. My Wow accountant connects and empathises, and understands what it is like when your head is in panic mode, and you're worried about the numbers. She is patient too. She explains the finances to me again and again without complaint. It's the reassurance I need that lets me focus on what I do best. It's a great feeling to have experts like this by your side. Wow really are amazing."



KATY HOWELL
CEO, IMMEDIATE FUTURE

WANT TO GROW YOUR AGENCY PROFITABLY AND SUSTAINABLY?

Running an agency is fun, but it can also be tough. Whatever your journey throws at you, we'll be with you every step of the way. We'll make your life easier and offer great advice to help you achieve your dreams.

BENCHPRESS@THEWOWCOMPANY.COM

@THEWOWCOMPANY

