

Performance Metrics - Kingston Smith Financial Performance Review 2013

UK Companies

Autumn 2013 on 2012 results
£ Sterling

	Adv	PR	Branding & Design	Medi Buy	DM&SP	Digital	Quoted UK	*Top 50 Independents	Whole Industry	Non- Quoted	Target
Revenue per employee	110,050	107,186	98,976	102,607	86,039	77,110	83,500	92,907	86,913	99,702	110,000
Headcount increase	3.8%	2.2%	11.3%	14.5%	-2.3%	10.2%	5.0%	8.9%	6.4%	6.3%	6.0%
Employment cost per head	65,397	65,565	59,492	58,873	51,190	47,852	53,607	56,259	54,832	59,421	61,600
Operating Overhead per head	32,291	26,442	27,943	28,466	27,953	22,964	20,040	27,139	21,840	28,584	26,400
Operating profit per head	12,362	15,179	11,541	15,268	6,896	6,294	9,853	9,509	10,241	11,697	22,000
Margin	11.2%	14.2%	11.7%	14.9%	8.0%	8.2%	11.8%	10.2%	11.8%	11.7%	20.0%
Revenue growth	3.5%	3.1%	7.8%	7.7%	0.3%	7.0%	2.0%	14.0%	2.6%	4.6%	10.0%
Payroll / revenue	59.4%	61.2%	60.1%	57.4%	59.5%	62.1%	64.2%	60.6%	63.1%	59.6%	56.0%
Operating Costs % revenue	29.3%	24.7%	28.2%	27.7%	32.5%	29.8%	24.0%	29.2%	25.1%	28.7%	24.0%
Productivity improvement	-0.04%	0.9%	-3.8%	-5.9%	2.7%	-3.0%	0.0%	-3.3%	-0.3%	-1.4%	5.0%
Target bill rate per hour average	£100	£97	£90	£93	£78	£70	£76	£84	£79	£91	£100

* Top 50 Independents included in individual disciplines but aggregated as separate grouping for memo purposes

A year of modest revenue growth	Productivity is slipping as headcount increases overtake revenue growth
Margins struggling to get to 15%	Overhead costs are too high for most sectors!
Quoted agencies suggest lower productivity (revenue per employee) but more effective use of operating overhead	