



Creating a Culture of Business Growth
with Intention and Fortitude

GROW

SCALE

EXIT



EXIT PRIORITIES

GROSS PROFIT & MARGIN

EBITDA

OPERATIONAL EXCELLENCE

PERCENTAGE OF EQUITY WITH NON-FOUNDERS

FORECAST & SCALE ... **CAN YOU CONTINUE TO GROW?**



ARE YOUR PEOPLE **EQUIPPED**
TO GET YOU THERE?



GROWTH IS FOUND
IN **UNCOMFORTABLE** PLACES

“BEING A GREAT LEADER ISN’T ONLY ABOUT SOLVING PROBLEMS FOR YOUR TEAM – IT’S ALSO ABOUT **EQUIPPING THEM** TO SOLVE PROBLEMS WITHOUT YOU.”

Harvard Business Review

The M&A Tale of Two Agencies

Agency A

- 2022 Revenue Forecast: **\$20mm**
- 3-Year Weighted EBITDA Ave.: **\$1,000,097**
 - Best offer: **5X** EBITDA
 - Selling Price: **\$5,000,000**
- Cash at closing: **\$2,300,000**
- 3-year EBITDA earnout
- **Seller declined offers**

Agency B

- 2022 Revenue Forecast: **\$7.7mm**
- 3-Year Weighted EBITDA Ave.: **\$1,275,640**
- Received Multiple offers in the **7X** EBITDA range
 - Selling Price: **\$14,000,000**
 - Cash at closing: **\$9,800,000**
- Rollover equity paid at closing: **\$4,200,000**
 - **Transaction closed**



ADJUSTED EBITDA AS A PERCENTAGE OF AGI

16.08%

\$20mm Topline

35.83%

\$7.69mm Topline

Source: TobinLeff



INACTION.

OVER-SERVICING.

OPERATIONAL INEFFECTIVENESS.

LACK OF TRAINING.

AS AN EXAMPLE ...

YOU AVERAGE 22% OVER-SERVICING:

- 12 MONTHS X .22 = 2.640 MONTHS OF WORK FOR FREE
- AFTER THE SECOND WEEK OF OCTOBER, YOU ARE WORKING THE BALANCE OF THE YEAR FOR FREE



AN AGENCY'S GREATEST
(AND MOST EXPENSIVE) ASSET?
IT'S PEOPLE.



INACTION IS YOUR NO. 1 **COMPETITOR.**

COST OF YOUR INACTION

| | |
|--------------------------------------|---------------------|
| Current Year Revenue Forecast | \$7,500,000 |
| Topline Revenue Goal | \$15,000,000 |
| Horizon/Years | 5.00 |
| Avg. Revenue Per Client | \$175,000 |
| New Clients Need to Meet Goal | 51.39 |
| New Clients Per YEAR Needed | 10.28 |
| New Clients Per MONTH Needed | 0.86 |
| Avg. % Revenue PC to Win* | 16.6% |
| Annual Spend to Win* | \$298,561 |
| * Per Industry Averages | |



INNOVATION

The image features a dark gray background. On the right side, there are three overlapping semi-circles of varying shades of gray, creating a layered, tunnel-like effect. On the left side, the word "INNOVATION" is written in a bold, red, sans-serif font.



THE AGE OF
ACCOUNT
GUIDANCE
INNOVATION





Small Shifts, Big Impact



PEMBERTON



Ignaz Semmelweis

Small Changes
Can Be
Revolutionary



1) DISARM INACTION

A) TEACHING THE BUSINESS

B) STRATEGIC CLIENT START

C) MAKE THE WORK FEEL TANGIBLE



“START OUT LIKE
YOU CAN HOLD
OUT.”

Henrietta PEMBERTON

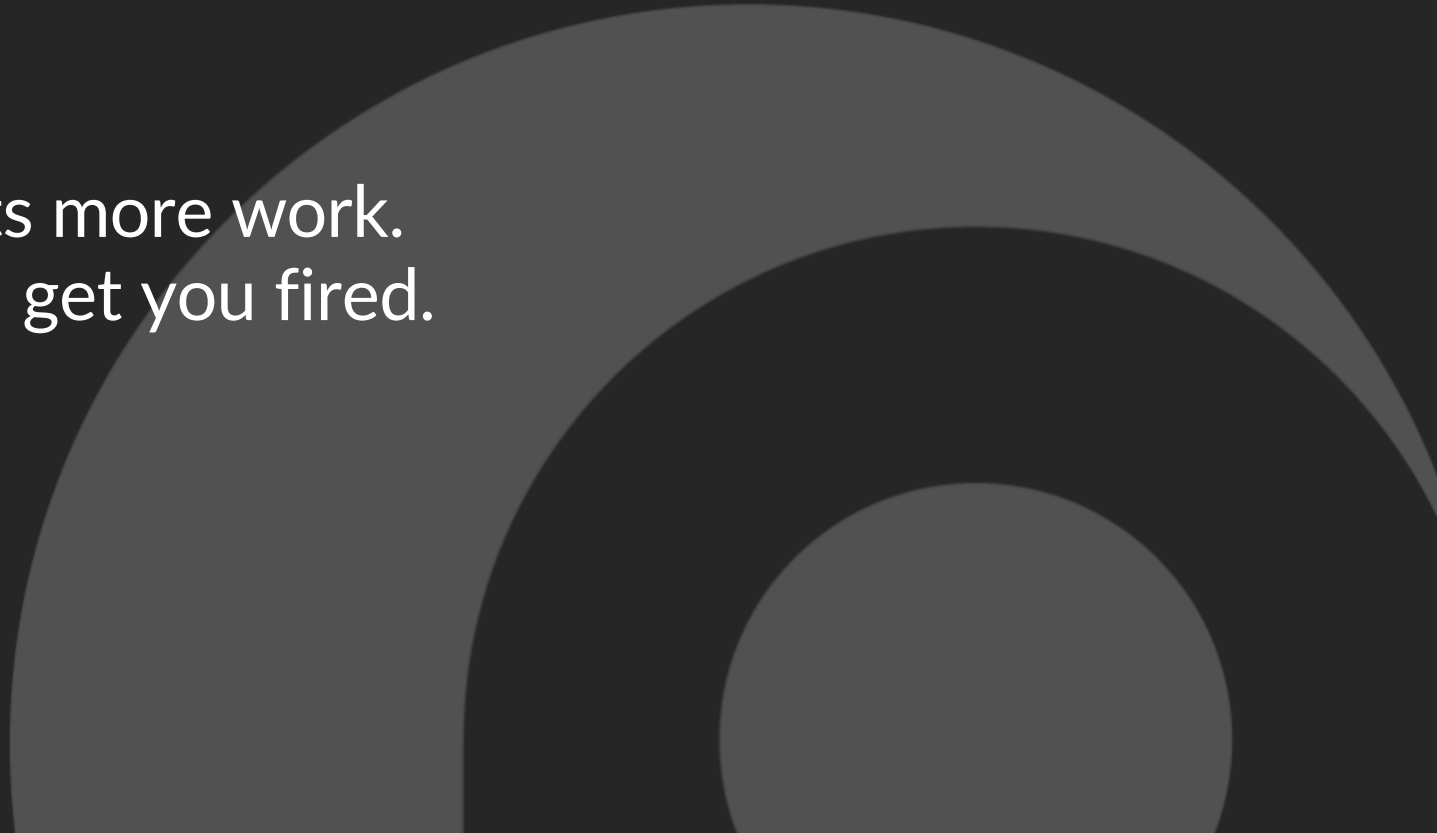




CLIENTS

STAFF

EXPECTATIONS



Great work gets more work.
Good work will get you fired.

Check the gas.

A decorative graphic consisting of three overlapping semi-circles in shades of gray, positioned on the right side of the dark background. The largest semi-circle is at the top, with a medium-sized one below it, and a smaller one at the bottom right.

Fix the Fixable.

The image features a dark gray background. On the right side, there are three overlapping semi-circles of varying shades of gray, arranged from largest to smallest. The largest semi-circle is at the top, the medium one is in the middle, and the smallest is at the bottom. They overlap in a way that creates a sense of depth and layering.

The background features three overlapping semi-circles in shades of gray, positioned on the right side of the frame. The largest semi-circle is the outermost, followed by a medium-sized one, and a smaller one in the foreground. The text is centered horizontally and positioned in the middle of the vertical space.

Unexpressed expectations are planned resentments.

Math Cannot Be Avoided



PEMBERTON

Storytime.

The background features three overlapping semi-circles of varying shades of gray, positioned on the right side of the frame. The largest semi-circle is the lightest shade, the middle one is a medium shade, and the smallest is the darkest shade. They are arranged in a row, with the largest one on the left and the smallest on the right, creating a sense of depth and movement.



OPERATIONAL AWARENESS =
OBSERVATIONAL EFFECTIVENESS

THE GREAT 8

- 1) NEED-TO-BILL & WHAT THEY COST
- 2) DIRECT AND IN-DIRECT COST MANAGEMENT
- 3) SALES VISIBILITY
- 4) MANAGING & DEPLOYING FREELANCE LABOR
- 5) WHAT WORK IS MOST PROFITABLE
- 6) CLIENT CHALLENGE IDENTIFICATION
- 7) PROPERLY ON-BOARD FOR LONGEVITY AND GROWTH
- 8) WRITE DEFENSIBLE SCOPES/DEFEND THAT SCOPE

\$3mm - \$10mm in Annual Revenue

55.6%

Total Labor

26.3%

Operating Expense

18.1%

Operating Profit

SOURCE: The Gould Report



Training/Coaching Investment

@ "Small Firms" (100-999 Employees)

\$1396

The Average Investment in
Training Per Employee, Per
Year

26.17

Average Number of Professionals
at a \$6.9mm firm

0.53%

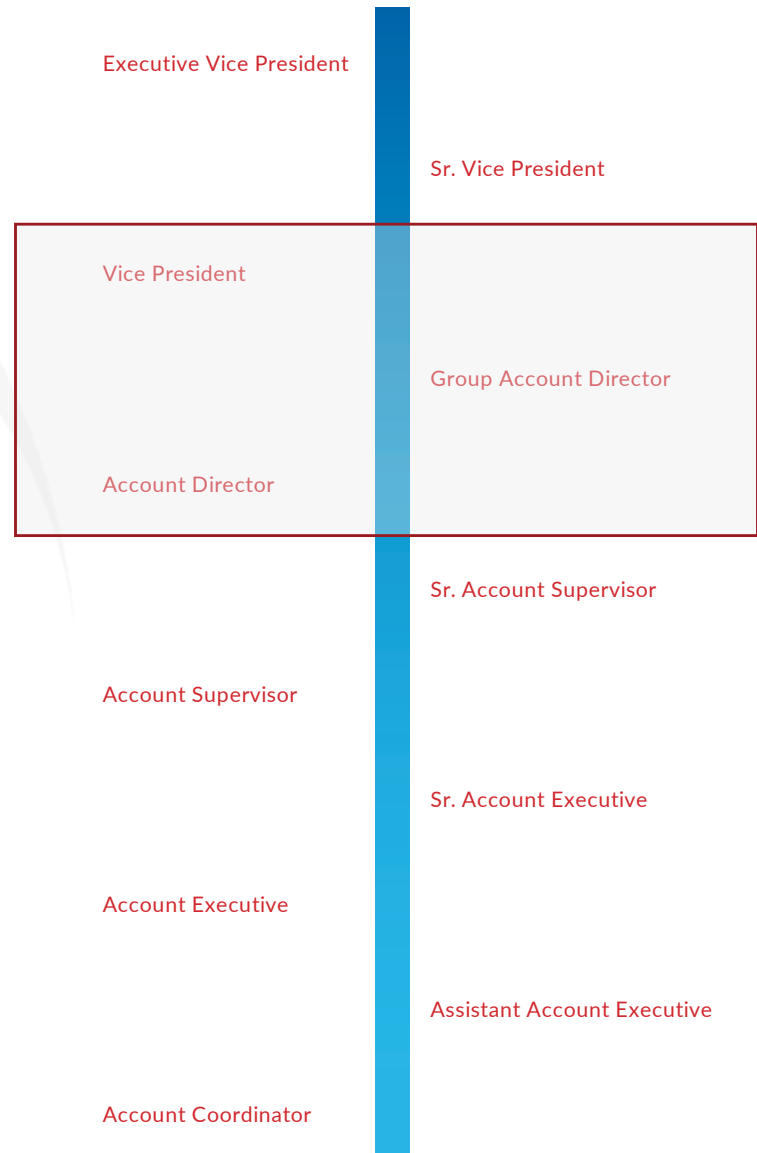
Percentage of Total Revenue
Invested in Training/Coaching for
Professional Staff at

SOURCE: The Gould Report & LearnExperts.AI



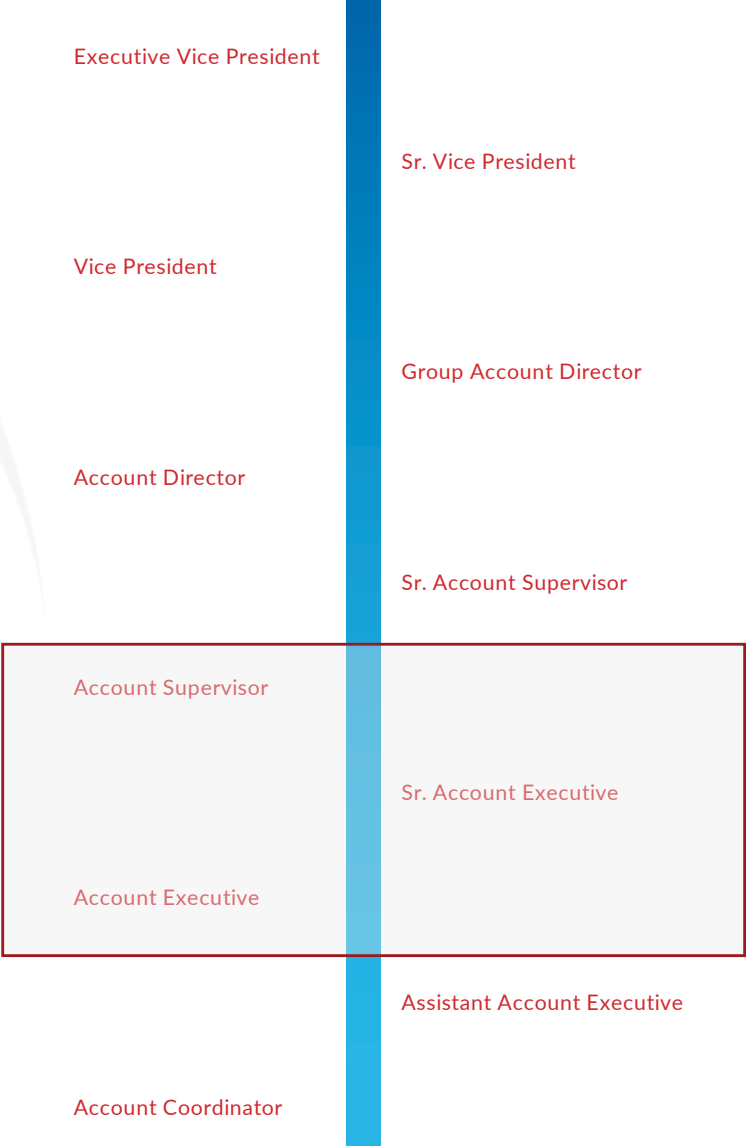
TRADITIONAL MATRICULATION

When We Start to Learn
“The Business”



TRADITIONAL MATRICULATION

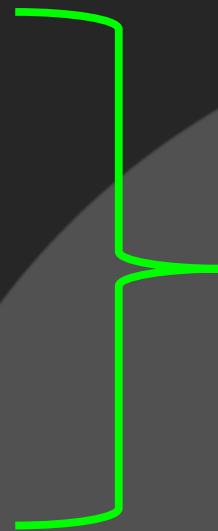
Shift the Paradigm



SALARY

INSURANCE

OVERHEAD



WHAT THEY TRULY COST;
HOW IMPORTANT THEY ARE



RAISES AND **BONUSES** COME FROM
REVENUE.

WE NEED THEM

40.7%

NO. 1 RETENTION CARE:
GROWTH POTENTIAL

3.3%

NO. 6 RETENTION CARE:
COMPENSATION

Source: MIT Sloan MBA Employment Report



WE ARE IN BUSINESS TOO

1%

Of the 2021 MBA Class went
into Marketing or
Communications

28.3%

Of the 2021 MBA Class went
into Consulting

1, 2, 4

Ranking among top 5 employers of
MBA Grads are Business
Consultancies

Source: MIT Sloan MBA Employment Report



THE VALUE OF **THINKING** LIKE AN MBA

- 1) FINANCE
- 2) ACCOUNTING
- 3) ECONOMICS
- 4) CONTEXT
- 5) CREDIBILITY

1) CAN'T MAKE A **BUSINESS** CASE

2) **IMPLICATIONS** IDENTIFICATION

3) ECONOMIC **IMPERATIVE**

The image features a solid red background. On the left side, there are three overlapping circles of varying shades of red, creating a layered effect. The text is positioned in the center-left area, overlaid on the circles.

**DEFENDING THE VALUE =
OWNING THE ECOSYSTEM.**



**Diagnosis,
Not Dictation**



BE A **DOCTOR**, NOT THE WAIT STAFF.



THREE **KICKOFF** QUESTIONS

8-ITEM NEW BUSINESS AGENDA

- 1) Engage
- 2) Assess/ Clarity of Mission
- 3) Prescribe
- 4) Estimate
- 5) Agree
- 6) Scope
- 7) Align
- 8) Execute



CREATE CLIENT-AGENCY
MISSION STATEMENT



**GIVE CLIENTS A CONSTRUCTIVE ENVIRONMENT
TO COMPLAIN.**

SOLVE, DON'T SELL.

The image features a dark gray background. On the right side, there are three overlapping semi-circles of varying shades of gray, creating a layered, tunnel-like effect. The largest semi-circle is at the back, followed by a medium one, and a smaller one in the foreground. The text 'SOLVE, DON'T SELL.' is positioned on the left side of the image, with 'SOLVE' in a bright yellow color and 'DON'T SELL.' in white.



PEMBERTON

**The Work
Must
Feel Real**

SALES CYCLES ARE GETTING **LONGER**.

REDUCE UNCERTAINTY BY BEING EASY TO DO
BUSINESS WITH.



DEFENSIBLE SCOPES OF WORK.



I CAN'T **MANAGE EXPECTATIONS** IF I DO NOT SET
EXPECTATIONS.

| NON-NEGOTIABLE | 2022 Budget | | | | | | | | | | | | |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Fee Item | January | February | March | April | May | June | July | August | September | October | November | December | TOTALS |
| Program & Account Management | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 | \$ 120,000.00 |
| Primary Research | \$ 25,000.00 | \$ 15,000.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 40,000.00 |
| Research Analysis | \$ - | \$ - | \$ 5,000.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,000.00 |
| Insight Development | \$ - | \$ - | \$ 15,000.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 15,000.00 |
| Strategy/Planning | \$ - | \$ - | \$ - | \$ 25,000.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 25,000.00 |
| Strategic Counsel (As Needed) | \$ - | \$ - | \$ - | \$ - | \$ 15,000.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 15,000.00 |
| Program Development | \$ - | \$ - | \$ - | \$ - | \$ 12,500.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 12,500.00 |
| Integrated Campaigns | \$ - | \$ - | \$ - | \$ - | \$ 20,000.00 | \$ 20,000.00 | \$ 20,000.00 | \$ 20,000.00 | \$ 20,000.00 | \$ 20,000.00 | \$ 20,000.00 | \$ 20,000.00 | \$ 160,000.00 |
| Design | \$ - | \$ - | \$ - | \$ 20,000.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 20,000.00 |
| Experiential | \$ - | \$ - | \$ - | \$ - | \$ 7,500.00 | \$ 7,500.00 | \$ 7,500.00 | \$ 7,500.00 | \$ 7,500.00 | \$ - | \$ - | \$ - | \$ 37,500.00 |
| Brand Identity | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Content Development | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| UX Design | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Branded Strategies | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cross-Channel Expertise | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Stewardship & Reconciliation | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Connection Plans | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Negotiation & Buying | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| A/B Testing | \$ - | \$ - | \$ - | \$ - | \$ 5,500.00 | \$ 5,500.00 | \$ 5,500.00 | \$ 5,500.00 | \$ 5,500.00 | \$ 5,500.00 | \$ 5,500.00 | \$ 5,500.00 | \$ 44,000.00 |
| Fee SUBTOTAL | \$ 35,000.00 | \$ 25,000.00 | \$ 30,000.00 | \$ 55,000.00 | \$ 70,500.00 | \$ 43,000.00 | \$ 43,000.00 | \$ 43,000.00 | \$ 43,000.00 | \$ 35,500.00 | \$ 35,500.00 | \$ 35,500.00 | \$ 494,000.00 |
| Expenses | January | February | March | April | May | June | July | August | September | October | November | December | |
| Operational Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Satellite Time | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Research Resource | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Measurement Tools | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Technology | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Travel | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL | | | | | | | | | | | | | \$ 494,000.00 |



TRUE MEANING OF **RETAINER & ON-GOING.**

(TWO OF THE DIRTY WORDS OF SCOPES)

THE POWER OF **IMPLICATIONS.**

The background features three overlapping semi-circles in shades of gray, positioned on the right side of the frame. The largest semi-circle is at the top, with a medium-sized one below it, and a smaller one at the bottom. They overlap in a way that creates a sense of depth and movement.



WHAT CHALLENGES REMAIN **UNSOLVED**?

The background is a solid blue color with several overlapping circles of varying shades of blue. The circles are positioned in the upper left and center of the frame, creating a layered, abstract design.

ORGANIZE YOUR GIVING.



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