

# The Ultimate Guide To Scaling Your Agency

A STEP-BY-STEP GUIDE TO LEADING YOUR AGENCY  
THROUGH THREE KEY STAGES OF GROWTH

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teamwork.com

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# INTRODUCTION

Thanks for downloading “The Ultimate Guide to Scaling Your Agency.” The content within this eBook will give you a step-by-step guide on how to grow and scale your business based on years of experience running my own agency and working with thousands of agencies worldwide at Teamwork.com.

As an agency owner, you’re always feeling the pressure—your team is managing multiple projects at once with higher client expectations than ever before, you’re faced with striking the balance between productivity and employee burnout, and as the recession looms, you’re focused on ensuring you can keep delivering at a steady pace while remaining profitable. It’s a tall order, but that’s why we developed this book for agency owners like you.

We know that running a successful agency can be challenging, but it’s entirely within your reach with the right resources, tools, and tips, all of which we’ve incorporated into this eBook. Throughout your journey navigating this content, you’ll be tasked with asking yourself the hard questions like: How well is your agency operating right now? Are you ready to manage a much bigger team? Can you handle more (and different) headaches than you’re currently facing?

You’ll learn how to deliver client work on-time and on-budget more efficiently, how to get

organized and productive while keeping an eye on the big picture, and how to become profitable and scale your systems. Get insights and insider-tips on templating your client process, centralizing communications, billing, invoicing, and budgeting, maximizing profitable work, training and retaining your team, and much more.

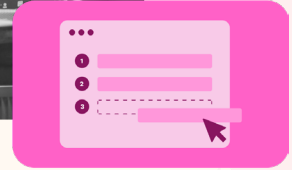
Wherever you are on your journey as an agency owner, there’s no need to go it alone. We hope this eBook gives you the tools and resources you need to take your agency to the next level. Thanks again for downloading “The Ultimate Guide to Scaling Your Agency,” and please feel free to share this resource with anyone in your network you think would benefit from it!



Peter Coppinger  
CEO and co-founder of Teamwork.com



# HOW TO NAVIGATE THIS EBOOK



Whether you want to scale by hiring more people, charging more for your services, adding more clients, or even reducing your costs overall, this eBook should serve as your guide along the way.

We've divided this guide into three sections depending on the size of your agency and where you are today on your growth journey. You can pick it up at every stage and then come back to it a year later or the year after that as you scale and progress to the next level. Here's a quick overview:

## **DELIVER: 1 TO 10 EMPLOYEES**

At this stage, you are just getting your agency off the ground and laying the foundation for success. You're working on building your business, delivering client work on-time, and establishing your reputation.

## **GROW: 10 TO 50 EMPLOYEES**

At this stage, you are figuring out which seat you are going to sit in as the agency founder or owner, ideally one you like that also has the most impact on the business. You're working on getting your agency organized so you can manage multiple complex projects while having an eye on the big picture.

## **SCALE: 50+ EMPLOYEES**

At this stage, your focus is on achieving profitability, scaling and systemizing your business, and determining how big you want to grow your agency before you decide if you would like to sell the agency and exit out, or merge with a larger agency and take a role within it.

There's a great book that can help you figure out exactly what type of business you want to build. We recommend checking out: [The E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It.](#)

LESS THAN 10 EMPLOYEES

# DELIVER

Your agency is likely just getting off the ground—it may seem like things are finally starting to gel together and you're making some momentum. However, you might also start noticing that managing all of your client work is getting a little more complex. Your top priority is delivering work on time and making sure that none of your hard-earned dollars are slipping through the cracks, but you understand you need to put some new processes and systems in place to help things run more smoothly (and so that you can set yourself up for continued success).

## HERE'S WHAT YOU NEED TO DO AT THE DELIVER STAGE:

1. Get a project management tool
2. Have your team track their time
3. Understand your utilization rate
4. Get a handle on scope creep
5. Invoice properly
6. Find your niche



# 1. GET A PROJECT MANAGEMENT TOOL

Choosing the right project management tool for your agency can be a challenge, so it's important to find the platform that best suits your needs—in the short- and long-term. No one likes switching from one project management tool to another, so do your homework and make sure you find a tool that will help you grow (as your agency grows), and not one that gets in the way or doesn't have the features you anticipate needing down the road.

Change can be hard, so expect some push back from members of your team when it comes to selecting your project management tool. Show them how putting the right tool in

place will actually help you take on more new and interesting clients in a way that is both profitable and repeatable.

As an agency owner or founder in the Deliver stage, you want to maintain as much control as possible. You'll need visibility into how projects are progressing, whether the work is being completed on time, and how your team's time is being spent. The right project management tool will allow you to see the big picture when it comes to how your agency operates and where there are gaps or inefficiencies. Check out this post for a list of [different project management tools](#) you can use.

# 2. HAVE YOUR TEAM TRACK THEIR TIME

Yes, you may hear some groans, but having your team track their time is an essential part of running a successful agency. Why? Because understanding how and where your team's time is being spent will help you make better resourcing decisions, which leads to better business outcomes and paves the path for growth. You want to ensure that each member

of your team is productive and spends their time wisely across clients and projects so you can continue to deliver work that is on-budget and on-time. Tracking your team's time will help you understand how long work really takes, so you can better manage timelines and pricing, and then use those insights to fuel future projects that may be similar in scope.

But we're not talking about filling out a time tracking spreadsheet two weeks after the work has been completed. Making it easy for your team to track their time is the best way to ensure they are logging time accurately. No one likes switching between a number of different tools and software to get work done,

so consider finding a project management tool that has time tracking built-in to avoid those headaches (and save yourself some cash).

Remember, making it easy for your team to track their time will increase the odds that they actually do it accurately.

## HEAR FROM AN AGENCY LEADER

“We really want our team to log their time to a project, whether it's billable or non-billable, so that we can run clear profitability reports based on what we've quoted [our clients], and what we're going to receive in a contract amount.”

- Kara Pitre, Director of Operations, ThreeSixtyEight



## 3. UNDERSTAND YOUR UTILIZATION RATE

The most successful agencies typically have each of their team members delivering client work that achieves a utilization rate of about 70%. This means that out of a 40-hour work week, their billable hours are around 28, and the other remaining hours are taken up with breaks, internal meetings, admin, training, and the like. You can calculate this for members of your team by dividing your total billable hours by the total hours available.

As you might have guessed, you can only improve your utilization rate if you have a clear and accurate view into how your team is spending

their time, which is why time tracking is so important.

In the agency world, your people are your biggest resource. Their services and ability to deliver incredible work is the foundation your agency is built on. Managing your resources (the time your team spends on work) properly means avoiding both overallocation of time and underutilization of time. Continuously flex the muscles of tracking all the time spent on work and improving your utilization rates across individuals and projects, and you'll see that you will end up leaving less money on the table.

## 4. GET A HANDLE ON SCOPE CREEP

While tempting, always saying “yes” to a client too often can be a costly mistake for your agency—in more ways than one. This most often comes into play when the work you're delivering isn't properly scoped from the start, but it may naturally happen when working with clients who aren't clear enough up front about the results they are hoping to achieve.

To avoid scope creep, make sure you have a clear handover process from sales to the account

manager. Both the client and account manager need to be crystal clear on the work that was agreed to, which means setting clear timelines and deliverables, as well as documenting what you need from the client (like access to tools and approvals) in order to complete the work.

In your initial calls with the client, you should also start by acknowledging that there may be tasks that pop up that fall outside of the scope of the work you agreed to and that those requests



may be added on at an additional cost by request. Our advice: Offer to compile a list of these types of items and review it with your client regularly, deciding as you go which

extras you may want to add to the project so you don't end up derailing what you agreed to initially.

## 5. INVOICE PROPERLY

This may sound obvious, but you'd be surprised how many smaller agencies fail to invoice properly because they are so eager to get started on the work—but hold tight. Remember that your success hinges on your ability to charge and track every billable minute you spend on the work you do for a client (and don't be afraid to charge a decent rate either!). Before you rush into the first project, think about how you will invoice the client. Evaluate the size of the project first—you may want to break larger projects into two

or three payments, so you still have some returns to show even if you get ghosted partway through.

The best way to avoid errors like double-billing a client, which can leave a bad taste in their mouth, is by using one tool for your project management, time tracking, and billing. At the very least, make sure your project management platform integrates with other time tracking or invoicing software your team is using (or better yet, opt for one that is [built for managing client work](#) and does it all).

### HEAR FROM AN AGENCY LEADER

“It's not so much about keeping track of what everyone's doing, but more that we want to know if we've quoted the job accurately. Websites are the most complicated jobs we do, and what we've realized from using Teamwork.com is that we weren't quoting that work correctly. Now, it's helped us change the way we quote those kinds of jobs.”

- Andy McCaul, Agency Director, The Bigger Boat

## 6. FIND YOUR NICHE

Last but not least, while you are in the Deliver stage of your agency's growth journey you should start thinking about focusing on an area of specialization, or a niche. Let's face it, it can be pretty hard to stand out in a sea of endless competition from other agencies who may already be bigger or have more notable clients. One tactic that really works well for small agencies is to choose a niche and then get amazing at what you offer to your clients.

This also helps in terms of delivering the work itself—if clients are coming to you with similar projects (though each one will have their own requirements and expectations), you can more easily build out processes that are repeatable and scalable.

### HEAR FROM AN AGENCY LEADER

“When I ran an agency with Teamwork.com co-founder, Daniel Mackey, we figured out that our custom application development work was far more lucrative than our website work. Knowing who to target, where to reach them, and what their unique pain points are is much simpler when you narrow in the scope of who you hope to attract.”

- Peter Coppinger, CEO and co-founder of Teamwork.com



10-50+ EMPLOYEES

# GROW

You've made it to the next stage of scaling your agency—nicely done! By now, you have 10 or more people working on your team. New clients and projects are rolling in, you're starting to build a name for yourself, and you're focused on growing your revenue and profits. At this stage, you also need to grow your team and bring in folks who can help you focus on the business itself and not just the day-to-day. Expanding your team, focusing on your long-term goals, and improving your operations and processes across the board will set you up to eventually move into the final stage of your growth journey.

## HERE'S WHAT YOU NEED TO DO AT THE GROW STAGE:

1. Hire a Project Manager
2. Create a vision and plan for your agency
3. Establish an Accountability Chart (Organizational Chart)
4. Strive for customer excellence
5. Improve your utilization rate
6. Centralize client communications
7. Templatize client processes
8. Offer easy extras



# 1. HIRE A PROJECT MANAGER

You may be tempted to push off hiring a team member whose hours aren't billable, but trust us—waiting too long can lead to chaos that only intensifies when you take on more clients, which will inevitably cut into productivity and profits. Hiring too early can also be a resource drain, so we recommend hiring a project manager when your agency has at least ten people working within it. When you hit the 30-person mark, you'll probably need to hire another project manager.

Project managers will have dedicated time to focus on budgets and schedules in a way that no one else on your team does (especially not you!). They will take away many of the day-to-day logistical concerns that you may have been previously saddled with, and they will remove repetitive or data-intensive tasks from the

plates of your high-performers, creatives, and account managers whose time is better spent elsewhere.

The goal of the project manager is to help you maximize your agency's efficiency and reduce project costs. This person (or people) will live and breathe within your project management tool, where they'll have a bird's eye view of all the projects in process.

Now, with your project manager keeping everybody's tasks on track, you can focus on big-picture work like your agency vision and growth plans.

See: [The ultimate guide to being a project manager by Teamwork.com.](#)

## HEAR FROM AN AGENCY LEADER

“I treat Teamwork.com as the ‘OS’ of my company. If it's not in Teamwork.com it doesn't exist. As a manager, with a click, I can see exactly what's going on with the business. Our business processes are happening much faster and in a much more organized way thanks to Teamwork.com, and that increases our ability to innovate—it shortens our time to revenue.”

- Kfir Pravda, CEO of Pravda Media Group

## 2. CREATE A VISION AND PLAN FOR YOUR AGENCY

Sure, you may know where your agency is heading in your mind, but is it well-documented? Do all members of your team understand your vision and plan for the agency? It's important that you share your agency's key priorities for the quarter and for the year, as well your growth goals, with the entire company. You should also think beyond the year in front of you, looking two to three years down the road. The agency world is fast-paced and while you want to be nimble and adapt, having a north star vision is critical.

You can build out a business plan using something like [Instant Agency Tools](#), a free resource for agencies that want to create business-wide transparency around their long-term focus and tactical priorities. As a quick overview, when building out your vision for your agency, you'll document the following:

- Core values
- Focus
  - Purpose/passion
  - Niche
- Long-term key priorities
- Marketing strategy
  - Target market
  - Differentiators
  - Proven process
  - Guarantee

In addition, you'll outline your three-year objectives and measurables and a plan for setting them in place.

*To help you choose your niche, check out [this agency positioning exercise](#) and these [additional resources](#) pulled from [A Happy & Healthy Digital Agency](#) by Clodagh Higgins, a world-renowned digital agency, director, coach, and consultant. These exercises will help you get clarity on your brand, positioning, ideal clients and more. Once you have documented your answers to these questions, we'd recommend presenting it to your agency team to ensure you are aligned. This information can be used on your website and in proposals, onboarding, and sales and marketing materials, ideally reviewed annually.*

### 3. ESTABLISH AN ACCOUNTABILITY CHART

So you've hired a bunch of new members on your team and are ready to hit the ground running. That sounds great! But, don't forget that as you grow, your employees will want to understand how they can grow, too. At this stage, you should create clear career paths and training plans so they can work towards reaching the next level in their career. Start by documenting what your agency looks like today in terms of structure, and then layer in responsibilities.

As we mentioned before, you can leverage a free resource like [Instant Agency Tools](#) to develop a shared Accountability Chart (or Organizational Chart) that everyone has access to. Here's how we'd recommend getting started:

- Create your org chart as it stands today
  - Then create another chart for where you see your agency one year out
- From there, map out potential career paths
- Set up skills assessments for self evaluation and training plans
- Meet with each person on the team to understand their growth goals

Believe it or not, this will also help you determine where you are going to sit within the agency. As agency owners and founders, it's all too easy to wear many hats and want to be involved in everything. At some point, however, you need to pick a seat: whether that's CEO, or even in marketing or sales. Then focus on developing the rising stars and future leaders around you—you're going to need them!



## 4. STRIVE FOR CUSTOMER EXCELLENCE

In your early agency days, your focus was on getting the work done, billing your clients properly, and keeping the lights on. Simpler times, some might say, but you're now in the position to strive for customer excellence every step of the way. In this stage of your agency's growth, it's time to focus on the client experience: delivering amazing results, increasing loyalty, and improving Net Promoter Scores (NPS).

It's actually really simple to capture feedback from your customers once a project is complete. There are a number

of affordable NPS tools out there today, like [Quaraloo](#) or [Delighted](#), that can help you create quick and easy-to-use surveys. Want to know how happy a client was with the project you delivered? Curious if the client would recommend your agency or services to a friend? You can learn it all by surveying your clients and keeping track of how that score evolves over time.

Once you've settled on a survey tool, you can add this step to the end of every project by taking advantage of [templates](#).

## 5. IMPROVE YOUR UTILIZATION RATE

In the Deliver stage, we talked about the importance of time tracking and understanding your utilization rates. At that time, you may have been the one keeping an eye on how your team was performing and what your resources looked like on any given week. Now you have a Project Manager on the team to track and optimize that instead! Improving your utilization rate is key to unlocking

profitability for your agency—time is money, and this is one of the best ways you can directly impact your bottom line.

If you're noticing that your team's utilization rates are low and you want to improve them, consider looking into the processes and systems you have in place that could be contributing to the problem. Are your employees doing too much manual, repetitive work? That could be

causing strain. Maybe they're wasting time switching between tools to get the job done? Another possibility. Oftentimes, low utilization rates happen because there is an improper balance between internal administrative tasks

and billable work for the client. Ensuring your processes are as efficient as possible is a critical step in achieving better utilization rates.

## 6. CENTRALIZE CLIENT COMMUNICATIONS

Typically, when you grow your agency from 20 to 30 people that's when you start feeling a strain on communications, both with clients and internally. Client communication in particular is a huge overhead—think about all of the back and forth that happens during the week, chasing the client for files, approvals, invoices, and so on. It's important at this stage of growth to start bringing all of your client communications into one project management platform so there's a central repository that doesn't disappear with staff turnover. People may come and go, but you can't afford to lose important client communications in the shuffle.

You can also bring your clients into your project management tool to give greater visibility into the work you're doing for them while also sharing the burden of accountability so they are clear on when things like approvals are due. When agencies bring their clients directly

into the project as collaborators it helps build transparency and trust, which can be a differentiator in such a competitive market.

Did you know? Teamwork.com offers free client collaborator access.

Plus, Teamwork.com integrates seamlessly with Gmail and Outlook, so emails, files, and attachments are automatically copied to your project inbox.



## 7. TEMPLATIZE CLIENT PROCESSES

Your agency is running like a well-oiled machine—but have you standardized and streamlined your processes yet? Remember, just because you are taking on loads of new work and seeing success, that doesn't mean you should lose focus on the entire client experience. You want all of your projects to run smoothly, in a repeatable and scalable way. Don't reinvent the wheel. At this stage, you should start templatizing all of your client processes.

We recommend starting small by creating a simple template for your next project. For a web development agency, for example, the process for creating a new landing page could be made into a template since you know you will do this time and time again. When building out the templates, think bigger than just the work that needs to be done, like getting that landing page off the ground. Build in recurring

client communications that are necessary throughout the duration of the project. For instance, we recommend adding weekly update tasks in your templates so your Account Managers know when they need to report on the health of the project.

It will then be your Project Manager's primary responsibility to constantly update and improve your template based on what they see working. While the whole team can be involved, the Project Managers should be the gatekeepers. Templates are not "set-it and forget-it" tools and you should always be focused on improving their effectiveness.

*Teamwork.com templates can help all sorts of teams save time and improve their processes. Set up project templates and task list templates to get more done, faster! Check out our [free templates here](#).*

## 8. OFFER EASY EXTRAS

One of the best ways you can continue to grow your agency and become more profitable is to consider offering customers an array of extra services that you can bundle into projects you deliver for them. Look at the services your agency offers and see if there are opportunities for

add-ons, but be sure to limit it to four or five offerings so you can maintain control in the event that someone wants all five extras (wouldn't that be amazing?).

For example, in the web development agency model, let's say your client wants you to build them a website. You could offer to conduct an SEO audit every three months for a set price. This sweetens the deal and also adds value to the services you're already providing. You

can easily increase your margins by determining which extras are low effort and high impact, so you're not adding unnecessary strain to your team's workload.

## HEAR FROM AN AGENCY LEADER

“Teamwork.com augments our relationships with our clients at every step—it keeps our team accountable and focused on the work that grows our business. Between the productivity gains, monetary savings, and increased team morale, Teamwork.com is a no-brainer.”

- Zach Laidlaw, Brand Manager, Seafoam Media



## 50+ EMPLOYEES

# SCALE

You're in the big leagues now! Congrats on making it to this stage of your agency's growth journey—we know it took a lot of blood, sweat, and tears (and hopefully some fun) to get here. At this stage, your agency has a lot figured out. You've put in the time to get efficient and organized, you've centralized your client and internal communications, you're leveraging templates to make your entire team's lives easier, and you're ready to tackle what's next. It's time to start having serious (but exciting!) conversations about where you want to take the business and how big of an agency you'd like to become.

### HERE'S WHAT YOU NEED TO DO AT THE SCALE STAGE:

1. Hire a Head of Operations
2. Implement EOS (Entrepreneurial Operating System)
3. Start doing retainer work
4. Set strict budgets for work
5. Maximize your profitable work
6. Establish a culture of training
7. Retain your clients and staff



# 1. HIRE A HEAD OF OPERATIONS

Now that you've grown your team to over 50 people and have at least a few Project Managers on staff, it's time to hire a Head of Operations to help steer the ship and make sure your agency is operating at peak efficiency. The Head of Operations manages the Project Managers on your team, but they're also responsible for getting the most out of the entire agency. They will oversee resource planning at a high level and

will be tasked with developing, implementing, and reviewing key operational procedures.

It's important to note that the Head of Operations doesn't work within a specific team, but instead is responsible for moving the entire organization forward. This person should look for big step-change improvements that help the agency get more organized and ultimately, more profitable.

# 2. IMPLEMENT EOS (ENTREPRENEURIAL OPERATING SYSTEM)

If you aren't familiar with the Entrepreneurial Operating System, or EOS, and you run an agency, we highly recommend reading [Traction](#) by Gino Wickman. EOS is essentially a system that helps leaders run their business better, get more control, and gain more traction. This system can be highly effective, however it only works if your entire organization is on board. At this stage, we recommend that everyone in your agency reads the book and gets trained on how to implement the EOS framework at every level. You can implement EOS yourself (ideally with the help of a business coach), or you can even hire an EOS implementer to help you.

Implementing EOS at this stage will help your agency actually achieve those three-year plans you created in the Grow stage of your journey. This is the time to do some deep soul-searching and ask yourself where you want your agency to be in a few year's time. Are you going to expand into new markets? Will you have multiple offices? Do you plan on preparing to sell your agency in three years? Don't be afraid to ask yourself the tough questions.

## 3. START DOING RETAINER WORK

It might seem obvious but retainer work is the real secret to scaling your agency. When you start doing more retainer work, your team can spend more time understanding your clients' long-term goals which often leads to better results. Plus, you have less pressure to be constantly pitching to new clients and you have a predictable source of revenue coming in that you can plan around.

Want to charge by the month? What about the quarter? Be careful not to be too flexible with the retainers you offer—pick one that works best

for your business based on your understanding of past performance and your agency's economics. This will give you a competitive advantage because you can hire ahead and forecast where your business will be several months or quarters down the road. Retainer work allows you to take a breather, plan ahead, and get off the hamster wheel.

As a general best practice, we recommend setting a benchmark for at least 70% retainer work and 30% project-based work.

## 4. SET STRICT BUDGETS FOR WORK

When you're at the Scale phase of your agency's growth, keeping an eye on budgets is more important than ever. Now, your focus should be on growing revenue. Accurate budgeting will help you determine whether your agency has the capacity to take on more work and increase the profitability of the projects already in the pipeline.

While there are a few ways to approach budgeting, we like the [bottom-up estimation approach](#). With this budget tactic, you predict how much a project will cost by breaking it down into tasks. You then look at how much each task will cost based on estimated hours it will take to complete and hourly rates per employee. To help with this, rely on data from past projects and ask your team for input.

Even better? Cross-reference with your project management platform to tell you, for instance, how long it really took your creative team to create that logo last quarter. A project management platform can also track team member productivity and utilization rates which should also be accounted for when budgeting. Maybe a more senior employee has a higher billable rate but can design a logo in a shorter timeframe than a junior staff with a lower billable rate.

Whether it's a \$4,000 or a \$40,000 project, encourage team members to be as strict as possible and stick to the hours of work they are assigned, so you can more accurately budget for future projects and know when it's time to ask a client for more money and/or charge overages.

**Did you know?** *Teamwork.com's billing feature lets you quickly create invoices using your team's billable time logs. Set up projects with fixed invoices and fixed prices, and easily charge for overages in a separate invoice.*

Last but not least, we recommend you have a client facing budget and an internal budget that the client doesn't see (one with and without your agency markup). If you're wondering about mark-up, most agencies charge around 20-50% to help cover both direct costs—costs directly associated with your project—as well as **indirect costs**, anything that can't be tied to a specific area in your estimation.

## 5. MAXIMIZE YOUR PROFITABLE WORK

At this point, your Head of Operations is ensuring that all of your team's workloads are utilized properly and that you are delivering projects on-time and on-budget. But you need to stop and ask yourself which types of projects are actually post profitable for your agency.

Using your project management software, take a look at which projects are most profitable, which people on your team are consistently performing the best, and dig into the data to understand why. Maybe one team has been perfecting their use of templates and that has helped them take a three-day project down to two—find out!

If you manage all of your client work in one end-to-end platform, you can quickly understand your profitability by running a **[Profitability Report](#)**. This is where your Head of Operations should spend a great deal of their time. You'll get detailed insights into performance so you can confidently recommend stopping, starting, or continuing certain types of work.

Prioritizing the work that is most profitable doesn't have to mean stopping other types of work altogether—but you may want to quote higher rates for work that is historically less profitable for your agency.

## HEAR FROM AN AGENCY LEADER

“By getting better at managing projects, separating task lists, and tracking time, we were able to look at the overall profitability and see where we could improve. It helped us see where we had gone wrong previously and what we could do about it, so being able to keep a handle on the finance piece is a massive feature for us.”

- Andy McCaul, Agency Director, The Bigger Boat

## 6. ESTABLISH A CULTURE OF TRAINING

Remember those career and training paths that you established in the Grow stage? It's time to revisit those and see how well they are working for your agency in practicality. Managers and business leaders alike need to provide both direction and inspiration for their teams so they are motivated to deliver their best work.

Investing in a culture of training at all levels within your organization will help you reach your goals faster as everyone grows alongside one another. We recommend a coaching style for managers within

agencies where they are guiding individual contributors to use their best skills to their advantage. Managers will retain their authority and have the power to make the final call, but they also serve as a mentor who can help develop raw talent into something better and more useful to the agency (and to the individual!). This also benefits your agency because members of the team can be put on the projects that best suit their skill sets rather than wasting time spinning their wheels on projects they are not well-suited for.



## 7. RETAIN YOUR CLIENTS AND STAFF

Revenue is the most obvious benefit of retaining clients for the long-term. It typically costs you more to acquire a new client than to keep an existing one, so prioritizing the client experience is critical for agencies that want to scale. At the end of the day, the longer a client stays with you, the more valuable they become. They will bring a higher lifetime value to your agency and often spend more with you on each project.

And while revenue is a clear benefit to client retention, it's actually not the only one. Strong client retention is an indicator of how satisfied your clients are with your services, which leads to word-of-mouth referrals and sustained growth over time. This does come with a caveat, though. Equally as important to retaining clients is knowing when to say goodbye to ones that no longer suit your

agency. When your agency is just starting out, it can be hard to turn down clients. But at this stage, you need to focus on your mission, the types of clients you want to work with, and what's best for the business.

Last but not least, agencies need to work hard to retain their employees alongside their clients. As an agency owner, you set the stage for the type of culture you want to create. In today's competitive landscape, it's critical to build a culture that top-tier performers want to be a part of, or you risk attrition which can lead to inefficiencies across the board that can negatively affect your profitability. Invest in mentorship programs, promote from within, and take action on the feedback you hear.





# CONCLUSION

If you follow the steps outlined in this eBook, you will confidently be able to move your agency away from stress, chaos, and inefficiency to one that is thriving, successful, and profitable. Better yet, you'll finally be able to go on vacation without being glued to your phone. You won't have to worry about putting out fires when you return. Your team will be able to run your agency like a well-oiled machine.

Ultimately, you are only as good as the work you deliver for your clients and the results you're able to provide them. That's why it's so important to start with these best practices as soon and as early as possible. The best time to start building a better agency is today. Don't be

shy—start implementing everything from time tracking and client surveys to offering extras and doing retainer work. It's only going to help you scale and strengthen your agency in the long run.

Remember that you're in the driver's seat. Scale too quickly and you'll experience some serious growth pains. Move too slow and you could miss out on major opportunities. The path is yours to choose, and no one ever said running a profitable agency was easy, but we hope this eBook can serve as a helpful guide as you make your way along each stage of the journey as you scale.



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