

# Marketing monitor

## SINGING IN THE RAIN

### Olympics brings opportunity and optimism

On the day of the largest public sector strikes in 30 years over 100 of the UK marketing services industry's leading figures attended the launch of the 21st edition of Kingston Smith W1's annual survey into the financial health of the sector. Dominic Mills, Editorial Director at Campaign, started proceedings by pronouncing that "Singing in the Rain" is a good analogy for how the sector has coped during the last year. Some people have had a successful year despite tough conditions however there is optimism for the coming year ahead with London hosting the 2012 Olympics.

Ian Graham, partner at Kingston Smith W1, gave delegates a summary of the key findings from the 2011 edition of this year's survey. With the results primarily covering the year to 31 December 2010, it was not surprising to hear that it had been a difficult time for agencies and consultancies. However there was a strong message that things have been improving and that there still is plenty of money to be made by the right agency.



### HEALTHY GROWTH IN FEE INCOME WITH A 9.3% INCREASE.

Results showed there has been a healthy growth in fee income across the board of the Top 50 independent marketing groups with a 9.3% increase when compared with the same companies from the previous year. The average increase was a welcome result after a less than remarkable result in 2009. Encouragingly this growth was spread over all the different marketing disciplines compared with last year where only digital and directing marketing saw an increase.

Ian commented that what is now becoming the real challenge is turning that growth in fee income into profit, which it is clear that not all agencies have been able to do. This may be due to a combination of factors but one key cause can be attributed to the amount of time, effort and resource that goes into winning new business compared with five to ten years ago. Hopefully, those agencies consistently winning new business will see their profits rise once the short term impact of these costs has passed. However it does appear that some agencies have the approach of winning new business at any price, it's these business which are going to suffer in the longer term as they will struggle to bring their margins back up.



As always there is a balance to be struck, however it is clear that businesses that manage to differentiate themselves in this very crowded market place will be the ones best placed to perform well in future.

Next Ian turned his attention to the attributes of the ten best performing independent groups within the Top 50. On average they generated gross income per head of £106,000 compared with the overall average of £90,000. This is likely an indication of the quality of work they are doing, the client list they have and the price they can command rather than reflective of how hard they are working their staff. However the key is how to attract these premium clients that in turn attract the premium prices.

Most critically the ten best performing groups have contained their staff costs to just over 50% of their gross profit, compared with the average of 60% for the Top 50, as a target Ian suggested that this should be kept to a maximum of 55%.

An interesting difference between the quoted marketing groups and the independent groups was observed, Directors remuneration within the quoted groups had on average increased by 11.4%, despite some of these groups reporting a fall in profits and a cut in head count. This was in comparison with the independent groups which have only seen an increase of Directors' remuneration of 2%.

Throughout 2010 and 2011 M&A activity has continued to increase. It was observed that the total value of goodwill on the balance sheets of the groups exceed the total balance sheet value of the sector, with seven of the Top 50 groups carrying goodwill in excess of £10 million.

Ian concluded by saying 2012 and beyond will be an interesting time as agencies increasingly look at opportunities in overseas markets, especially the US and BRIC countries. The Olympics may also provide a boost to the sector or at least cushion performance for another year.

Jon Ridgeon, partner at Fast Track then gave an insight into the world of sports marketing and what can be expected in the coming years.

### **THE TEN BEST PERFORMING GROUPS HAVE CONTAINED THEIR STAFF COSTS TO JUST OVER 50% OF THEIR GROSS PROFIT.**

The business of sport will continue to grow following a steady growth of around 4% a year. The biggest proportion of revenues raised by sport comes from gate revenues (38% of total). Within Europe and USA however, this area is predicted to show the least growth potential. The second largest source of income comes from sponsorship and this area is considered to be the area of greatest potential. Outside the US, venue sponsorship is still an undervalued and immature market. Jon used the example of the basketball centre in Shanghai which is now going to be called the Mercedes-Benz Arena for the next ten years. The third largest area is media rights, which is likely to see the most change over the coming years due to changes in the use of media and the increased bandwidths being made available to users. The fourth significant area of sport income is merchandise, significant growth is not expected from this area over the next few years.

Even though 2012 is an Olympic year, football will still be the dominate force within the sporting industry and for the coming years this is not expected to change.



## Singing in the rain (cont)

Jon explained that sports marketing spend will shift towards the Middle East and BRIC countries in terms of events and properties but also in terms of the brands within those countries investing in the teams and mature leagues of the western world.

In the coming years, the impact of digital, mobile and data will become ever more important. Right now there are 500 million handheld devices in the world that you can watch sport on, by 2015 there will be four to five billion; the way we consume sport is going to change! Social media is also going to help build stronger relationships with the fans and also change the way fans watch the games. Digital interaction with the fans at events is likely to become the norm, with Barcelona Camp Nou Stadium becoming the first socially enabled stadium, where every single fan has Wi-Fi access.

### **SOCIAL MEDIA IS ALSO GOING TO HELP BUILD STRONGER RELATIONSHIPS WITH THE FANS.**



Jon then went on to discuss how the 2012 Olympics will be a game changer in how they are delivered. The London Olympics will be the first fully digital games in the ways partnering brands activate their involvement in the games and communicate with the fans. It will also be the first sustainable games, not only from a green perspective but also in terms of creating facilities and stadiums that have a use beyond becoming “white elephants”.

During a recent survey of London support for the 2017 World Athletics Championship, the big brands which invest in major events were asked which city delivers the best media value and London came out on top, this reflects that London is the global centre of media.

Jon concluded that even though times are tough, sport is still performing well; this is due to its ability for it to connect brands and consumers through their passion for sport.

Following on from Jon’s talk, Chris Daniels, Head of London 2012 Activation, Wholesale at Lloyds Banking Group, went on to discuss the ways in which Lloyds are bringing the London 2012 Olympic and Paralympic Games closer to communities across the UK through their role as official banking and insurance partner.

Chris explained that since 2009 Lloyds’ school participation programme, National School Sport Week in partnership with the Youth Sport Trust, has inspired more young people to do more sport. In 2011 alone, they saw 12,000 schools and 4 million young people try to achieve a personal best in an Olympic or Paralympic Sport.

Another way Lloyds are bringing the inspiration and excitement of the Games closer to communities across the country is through their Local Heroes programme which inspires and supports the future stars of Team GB and ParalympicsGB on their journey to London 2012, and beyond. In partnership with SportsAid, they are funding more than 1,000 emerging athletes and supporting them with preparation for their sporting careers, for example, by providing media training and advice on how to promote themselves on Facebook.

Lloyds have also been helping British businesses to benefit from the Games with one in three of the £3 billion worth of London 2012 contracts being awarded to businesses supported by Lloyds.

Chris then went on to describe how they are using their Partnership with the London 2012 Olympic and Paralympic Games to help motivate and engage their employees as Lloyds Banking Group. With the help of an agency, Lloyds’ London 2012 Partnership has launched a new employee engagement programme that focuses on using London 2012 themes to launch a learning programme, to motivate staff to be fitter and healthier, and also encourage volunteering in the their local communities. For example, last year more than 200 employees volunteered through the SportsLeaders scheme to spend a day gaining a qualification, then complete at least 15 hours of volunteering with a local community organisation.

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### **SPONSORS HAVE HAD TO THINK OF DIFFERENT WAYS TO ACTIVATE COMPARED TO USUAL GAMES.**

Due to the new projects that Lloyds has been undertaking it has been willing to take on new agencies. This demonstrates that big companies are willing to take risks on new projects as it's something they have not done.

Following on from Chris, Daniel Ritterband, Director of Marketing, Mayor's Office continued the evening's theme of Sport and the Olympics with an overview of what the Olympics means to London.

Daniel opened by reminding the audience that the Olympics are the largest event in the world followed by the Paralympics. It is also the most watched TV event, with the average American watching 4.5 hours a day of the games, which is an indicator why NBC paid \$4 billion to show three sets of the games.

The Olympics are costing £9.3 billion to host this year, of this £7.3 billion is for the regeneration, reconstruction and building of the venues. Of the £9.3 billion, £2 billion has been privately funded, from ticket revenue, merchandising and sponsorship. During the time since London won the Olympics LOCOG have managed to raise £800 million in possibly the most difficult time.

Daniel commented that LOCOG have very different objectives to the Mayor's Office for the Olympics, while LOCOG want to put on the very best sporting event, the Mayor's Office wanted the games for the funding of the regeneration of East London which, without the Olympics, would have taken 50 to 100 years. The Olympics will also provide a legacy for the city, jobs and training and also bring in foreign investment.

The Olympics are going to be great time to network, however it is also going to be great time to sign people up. Everyone will be in London for the first week of the games and therefore we must make the most of the short period of time before people leave the city and start thinking about Rio in 2017.

Daniel admitted that the Mayor's Office does not have the money available to activate the city and therefore they have relied on the sponsors and their agencies to do this. For the sponsors they have had to think of different ways to activate compared to usual games, usually they would sponsor an overhaul of a train map for example, however, with London being such a mature market this would not have enough of an impact.

Daniel felt there has also been some frustration that due to the host city broadcaster being the BBC it is one of the only Olympic host city broadcasters to not allow advertising. Therefore they could not rely on TV advertising during the games. There is also the issue that planning restrictions within London are quite restrictive to allow for any big activations, therefore the marketing teams are having to think very cleverly about how they could utilise their budgets.



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### **MARKETING TEAMS ARE HAVING TO THINK VERY CLEVERLY ABOUT HOW THEY COULD UTILISE THEIR BUDGETS.**

Daniel concluded by saying that following the amazing shows put on at the Beijing and Sydney Olympics, it was now London's turn to showcase our skills and export them round the world.

The evening was concluded with an interesting Q&A session chaired by Dominic. The flavour of the evening was that 2012 will likely show some further improvement for the marketing sector. However, this will partly be due to the extra activity surrounding the Olympics which will provide a degree of cushioning for performance and therefore we may well see a drop in performance in 2013.



# Operating profit shows recovery following the downturn

**Two thirds of agencies experience an increase in income and overall staff costs are contained to deliver improved profitability**

### Productivity

Productivity has increased by 4% since the last edition of *Marketing Monitor* with gross income rising to nearly £107,000 per head. This exceeds our minimum target of £100,000 with 28 of the agencies in the Top 50 achieving this. Whilst income showed above average growth, agencies have increased staff numbers again by a further 2% since the last edition of *Marketing Monitor* as the confidence gradually returns.

Average employment costs per head have also increased since the last edition of *Marketing Monitor* to £62,400. This is slightly less than income growth and salaries and income start to realign themselves in a sustainable ratio. Overhead costs have increased to £31,600 per head as the cost-cutting exercises of the past two years have relaxed. Income growth outweighing increased staff costs meant that operating profit per head increased to £12,700 but continues to be below our target of £15,000 per head. This may feel like a tough target in the current economic environment but there are agencies delivering this.

### Profitability

Operating profit margin has increased to 11.9% following the not unexpected fall in the last edition of *Marketing Monitor* to 10.8%. As predicted in the last edition of *Marketing Monitor*, the decline of the last couple of years has been reversed. Staff costs as a percentage of gross income have decreased to 58.5%, which is a welcome shift towards our benchmark figure of 55%. This vital ratio rose above 60% for the first time in our last edition of *Marketing Monitor*.

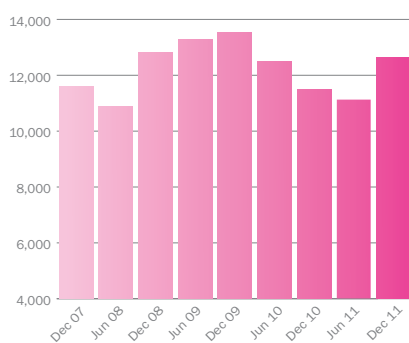
**AS PREDICTED, THE DECLINE OF THE LAST COUPLE OF YEARS HAS BEEN REVERSED.**

Non-staff costs, which account for nearly 30% of gross income, have increased very slightly since the last edition of *Marketing Monitor*. The increase in gross income of nearly 4% and a relatively modest increase in staff costs of 1% have ensured profitability has increased.

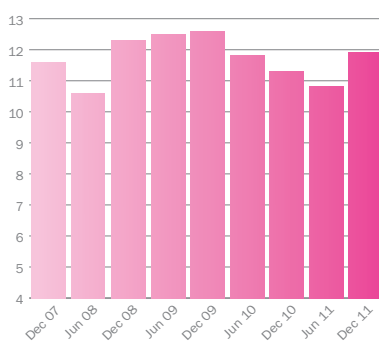
### Conclusion

The rapid bounce back of the agencies in the Top 50 to improved margins and profitability is encouraging and further demonstrates that agencies were not only better prepared for this recession than previous downturns but also took action early to deal with it.

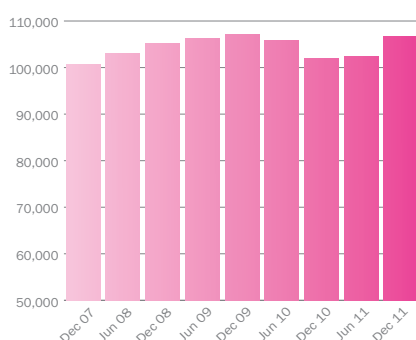
Operating profit per head (£)



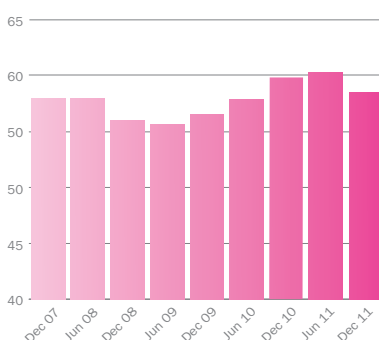
Operating profit: Gross income (%)



Gross income per head (£)



Employment costs: Gross income (%)



# Operating profit margins fall to 12.5%

## Over 75% of consultancies show a decrease in operating profit

### Productivity

The public relations sector has, however, shown an increase in productivity, as measured by gross income per head, to £107,441 which is the highest recorded since the onset of the global recession. This increase is due to gross income improving at a slightly higher rate (3.6%) than the increase in headcount (1.1%).

The key measure of a company's performance is operating profit per head. We believe that a well run agency should aim to generate an operating profit per head of at least £15,000. The £13,430 reported by the Top 40 consultancies in this edition of *Marketing Monitor* is a disappointing fall from the £15,380 reported last time, although this is not wholly unexpected at a time when agencies are under severe pressure from clients demanding better value for money.

However, it is also indicative of the 6% rise in employment costs per head which one might have expected to fall due to the waves of pay cuts, freezes and redundancies that have hit the industry!

### Profitability

The average operating margin reported by the Top 40 fell from 14.7% to a seven year low of 12.5% for the PR sector as reported by *Marketing Monitor*. Whilst this is the lowest recorded for the sector since 2004, compared to the other marketing services sectors Public Relations still comes out favourably.

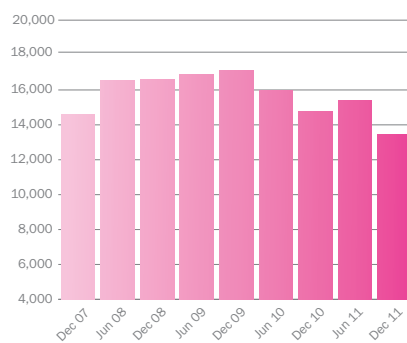
On average staff costs consumed 62.3% of gross income, which is a significant increase on the results in the previous edition (60.1%) and worryingly is also the highest ever reported. We recommend that employment costs comprise no more than 55% of a company's gross income and consultancies must start to curb this rise otherwise we will start to see margins being eroded even further.

### Conclusion

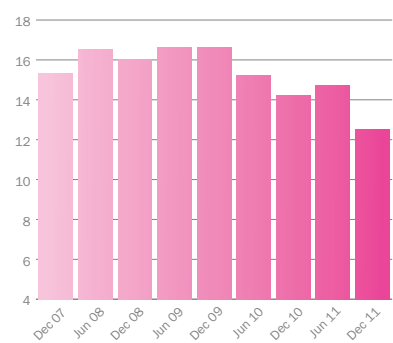
The PR sector has shown a reduction in both profitability and operating profit per head, although the results reported are still better than most other marketing services disciplines. Despite managing to grow fees against a back drop of difficult trading conditions, the increased revenues generated have been outstripped by increased costs. The outcome is that operating profit margins are at a seven year low. To enable recovery, PR consultancies need to react pro-actively to the ever-increasing pressure from clients for more work at lower fees. This needs to be coupled with improved control of costs.

**INCREASED REVENUES GENERATED HAVE BEEN OUTSTRIPPED BY INCREASED COSTS. THE OUTCOME IS THAT OPERATING PROFIT MARGINS ARE AT A SEVEN YEAR LOW.**

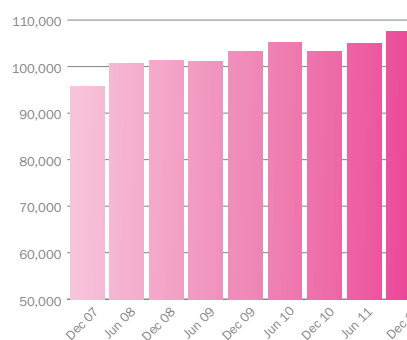
Operating profit per head (£)



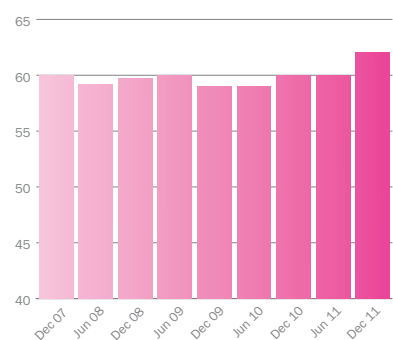
Operating profit: Gross income (%)



Gross income per head (£)



Employment costs: Gross income (%)



## Productivity and profitability both on the rise

**A 7.6% rise in gross income per head combined with no increase in costs drives profitability**

### Productivity

Productivity as measured by gross income per head, has increased by 7.6% to £101,594. This is above the top end of our £80,000 - £100,000 target and represents continued growth since the Summer edition of *Marketing Monitor*. Having continued to maintain headcount and control costs, design consultancies are now attaining results similar to those before the recession.

Designers have managed to maintain employment costs per head with only a small increase of just over 2.5%, from £56,901 to £58,379 on average.

Operating profit per head has continued to improve from £7,853 to £9,673, a rise of 23%. This is attributable to the increase in income per head far outstripping the rise in employment costs per head. Whilst this is a continued improvement from the low in 2010, a design consultancy running at optimum efficiency should be able to generate operating profit per head of at least £15,000. A number of design consultancies do.

### Profitability

Profitability, as measured by operating profit margin, has risen to 9.5% from the 8.1% reported in the last edition of *Marketing Monitor*.

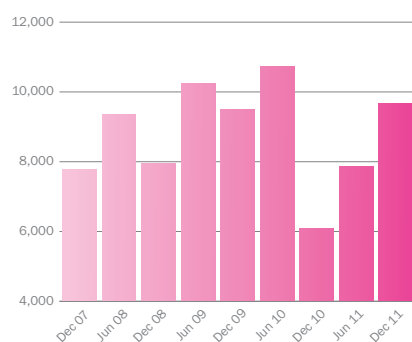
The key ratio of staff costs to gross income has improved to 58.5% from 60.2%. Although this is still shy of our 55% target for a well-run agency, it is a continued move in the right direction during uncertain market conditions.

### Conclusion

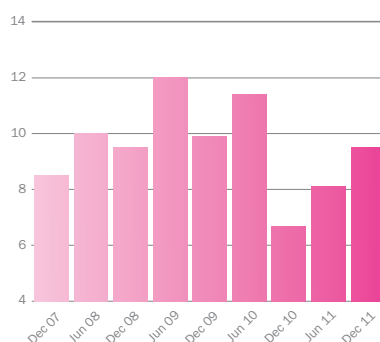
Design businesses reacted swiftly to the economic downturn cutting costs and re-assessing their staffing requirements and are now reaping the rewards with continued increases in productivity and profitability. The challenge for the next six months will be to maintain these levels during an uncertain economic time and continued pressure from clients to keep costs down.

**DESIGN BUSINESSES REACTED SWIFTLY TO THE ECONOMIC DOWNTURN AND ARE NOW REAPING THE REWARDS.**

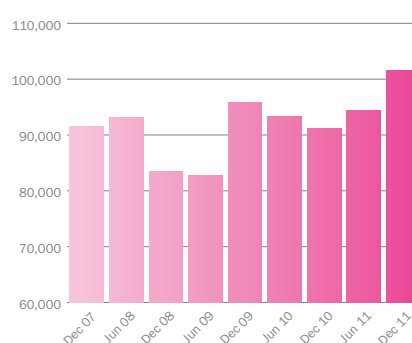
Operating profit per head (£)



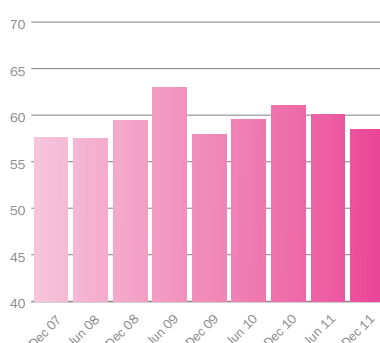
Operating profit: Gross income (%)



Gross income per head (£)



Employment costs: Gross income (%)



## Media buyers maintain high margins

**Sector experiences slight decrease in productivity but at 18.8% still generates the best margins in the marketing services industry**

### Productivity

The sector has seen a slight decrease in productivity. Gross income per head has decreased by £1,665 to £105,117 but is still in excess of the Kingston Smith W1 benchmark of £100,000. The statistics are still heavily influenced by the results of Aegis Media Limited which accounts for over 20% of the gross income of the Top 30 agencies. Aegis Media's gross income per head remained over £100,000 but still short of the sector average. The remaining agencies' gross income per head increased to £111,463 from £108,500 which demonstrates the continued influence of Aegis Media on the sector averages.

### Profitability

Gross income across the Top 30 has remained relatively static (with a slight increase of 0.7%), which was accompanied by an increase in staff costs of 2%. However, the sector as a whole, has managed to maintain its level of profitability by keeping non-staff costs constant. The operating profit margin decreased to 18.8% from 18.9% since the last issue of *Marketing Monitor* and still remains in excess of our lower target level of at least 15%. Once again media buyers have reported the highest operating profit margin of all of the marketing services disciplines despite other sectors reporting marginal increases in income growth, and some reporting improved margins.

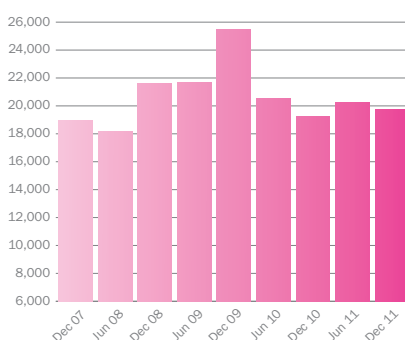
Employment costs now account for 54% of gross income. This remains below our recommended maximum of 55% and continues to be the best of all the marketing services disciplines. However this is the highest level for very many years, possibly since we first started publishing *Marketing Monitor*, and Media Buyers must ensure it does not creep up above our maximum.

### Conclusion

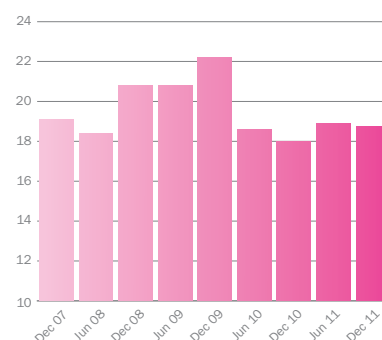
Historically, the sector had been one of the most productive, efficient and profitable of the marketing and communications sectors despite the difficult market conditions. Despite this, the current results have shown that the Media Buying sector has experienced less growth compared to other sectors. Media Buyers need to remain focused on improving margins, increasing gross income and containing employment costs in the months and years ahead.

## CURRENT RESULTS HAVE SHOWN THAT THE MEDIA BUYING SECTOR HAS EXPERIENCED LESS GROWTH COMPARED TO OTHER SECTORS.

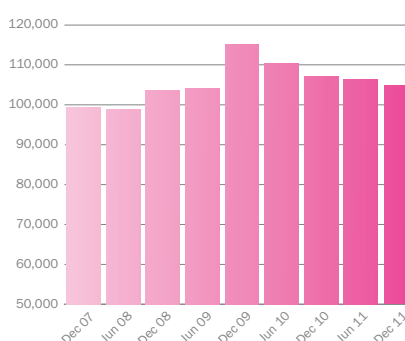
Operating profit per head (£)



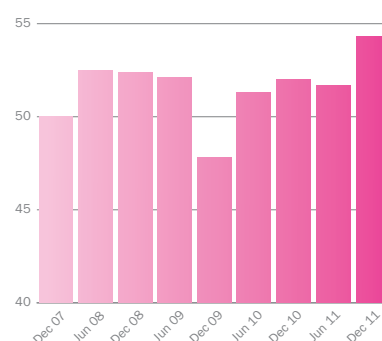
Operating profit: Gross income (%)



Gross income per head (£)



Employment costs: Gross income (%)



## Productivity and profitability fall and still lag behind other disciplines

### Operating profit margin drops to 8.6%

#### Productivity

Gross income per head fell for the first time since June 2009 by almost 3% to £83,547. This remains well below the Kingston Smith W1 target of £100,000 and the income per head being generated in other marketing sectors.

Although employment costs per head have fallen by 4.5% to £50,493 this does not compensate for the fall in gross income and therefore operating profit per head, the key measure of profitability and productivity combined, has also decreased by 6% to £7,141. This represents less than half the target of £15,000, which we believe is the minimum that a well run agency should be able to generate. Although this represents an improvement from the figures reported in 2009.

#### Profitability

The average operating profit margin being reported dropped to 8.6% following an increase to 8.8% in the last edition of *Marketing Monitor*. Whilst this shows a small improvement from the all time lows reported in 2009, the reality is that this is still significantly worse than the margins of most of the other marketing services disciplines.

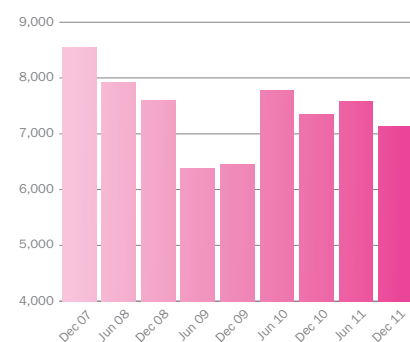
Employment costs still consume 60.4% (previously 61.5%) of gross income. This is broadly in line with the last four editions of *Marketing Monitor* but is still considerably above our suggested target of 55%. This is a worrying trend for the sector and it is essential that this ratio decreases if there is to be an improvement in margins.

#### Conclusion

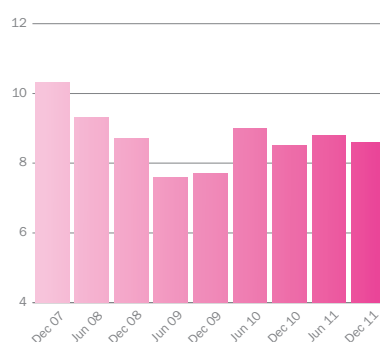
The results show a sector that is finding it very difficult to show any signs of continued improvement since posting the worst results seen since 1993 in 2009. It is also still well behind the other marketing services sectors. The sector needs to focus sharply on increasing gross income and reducing the amount of money it spends on employment costs. Its very high percentage of income spent on staff would suggest there is spare capacity.

## RESULTS SHOW A SECTOR THAT IS FINDING IT VERY DIFFICULT TO SHOW ANY SIGNS OF CONTINUED IMPROVEMENT.

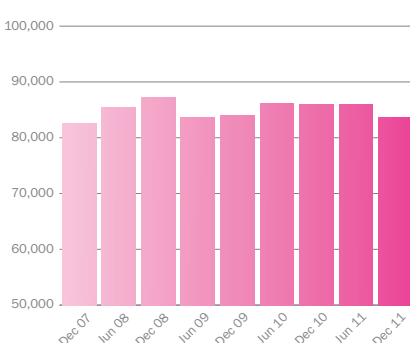
Operating profit per head (£)



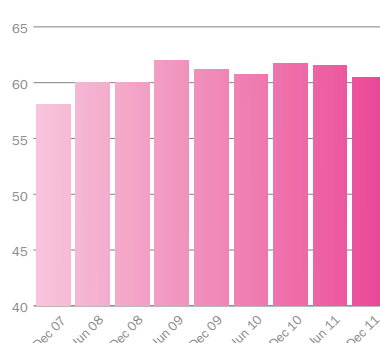
Operating profit: Gross income (%)



Gross income per head (£)



Employment costs: Gross income (%)



# Operating profit margins hit all-time low of 4.7%

## Digital is still the least profitable of the marketing services sectors

### Productivity

Gross income per head, used to measure productivity, has decreased from £73,600 to £72,900. Digital is still the least productive discipline monitored here with staff numbers increasing by 1% since the last edition of *Marketing Monitor* combined with static turnover and gross income. Employment costs per head have fallen by 2% to £45,100. Operating profit per head, which combines both productivity and profitability, has fallen to an all-time low of £3,400. Despite marginal income growth and a reduction in employment costs per head, overhead costs have increased sharply after two years of cost cutting.

### Profitability

Operating profit margins have fallen to an all-time low, down from 7.4% to 4.7%, due to an increase in overhead costs. The key ratio of employment costs to gross income, which has improved to 61.9% from 62.6% is still too high and well short of our suggested benchmark figure of 55% in order to generate an operating profit margin in excess of 15%. On average, Digital businesses continue to be the least profitable of all the marketing services sectors monitored here.

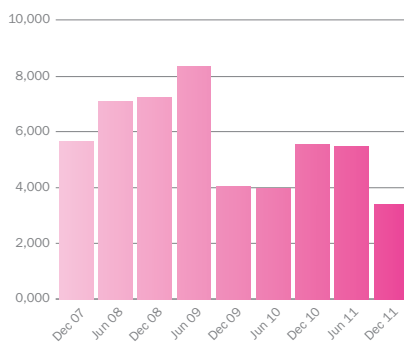
### Conclusion

Although fee levels of digital agencies have continued to grow, albeit slightly, during difficult economic conditions, this has come at a price. The increased revenues generated have been outstripped by increased costs and the outcome is that margins have declined sharply.

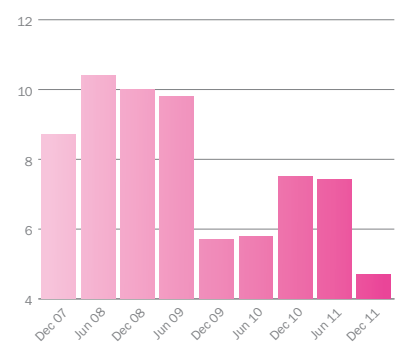
Digital agencies need to push back against the ever-increasing pressure from clients for more work and lower fees if margins are to recover. This needs to be coupled with a continued control of costs, the correct staff mix and utilisation of any spare capacity. What is absolutely clear is that just being a purely digital agency is no longer a differentiator, and in many cases, is not currently a very profitable enterprise. Digital is just another channel in the marketing mix and going forward we expect digital expertise to increasingly form part of the fabric of marketing services businesses rather than digital itself being a separate structural entity.

**BEING A PURELY DIGITAL AGENCY IS NO LONGER A DIFFERENTIATOR, AND IN MANY CASES, NOT VERY PROFITABLE.**

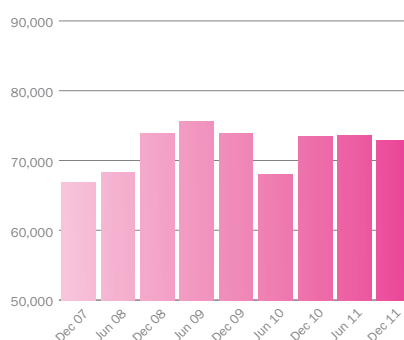
Operating profit per head (£)



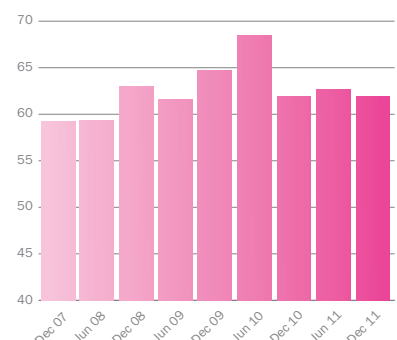
Operating profit: Gross income (%)



Gross income per head (£)



Employment costs: Gross income (%)



## Share prices experience sharp falls

The Marketing Services Share Price Index tracks the share prices of marketing services groups listed on the London Stock Exchange or on the Alternative Investment Market, tracking prices against the performance of the leading 100 shares on the FTSE since June 2007.

There continues to be a close link between the performance of FTSE 100 companies and the marketing services groups. Both sets of companies experienced sharp falls in share price in recent months, following the turmoil in the global markets triggered by the downgrading of the US debt rating and the Eurozone debt crisis.

Share prices of the Marketing Services groups have fallen, on average, a further 18.4% since the last issue of *Marketing Monitor*, with the vast majority of the fall occurring in the first few weeks of August 2011.

FTSE 100 companies' share prices also fared badly until November 2011, falling 7.6%, although December and January saw significant recovery to just a 2% decrease on July 2011.

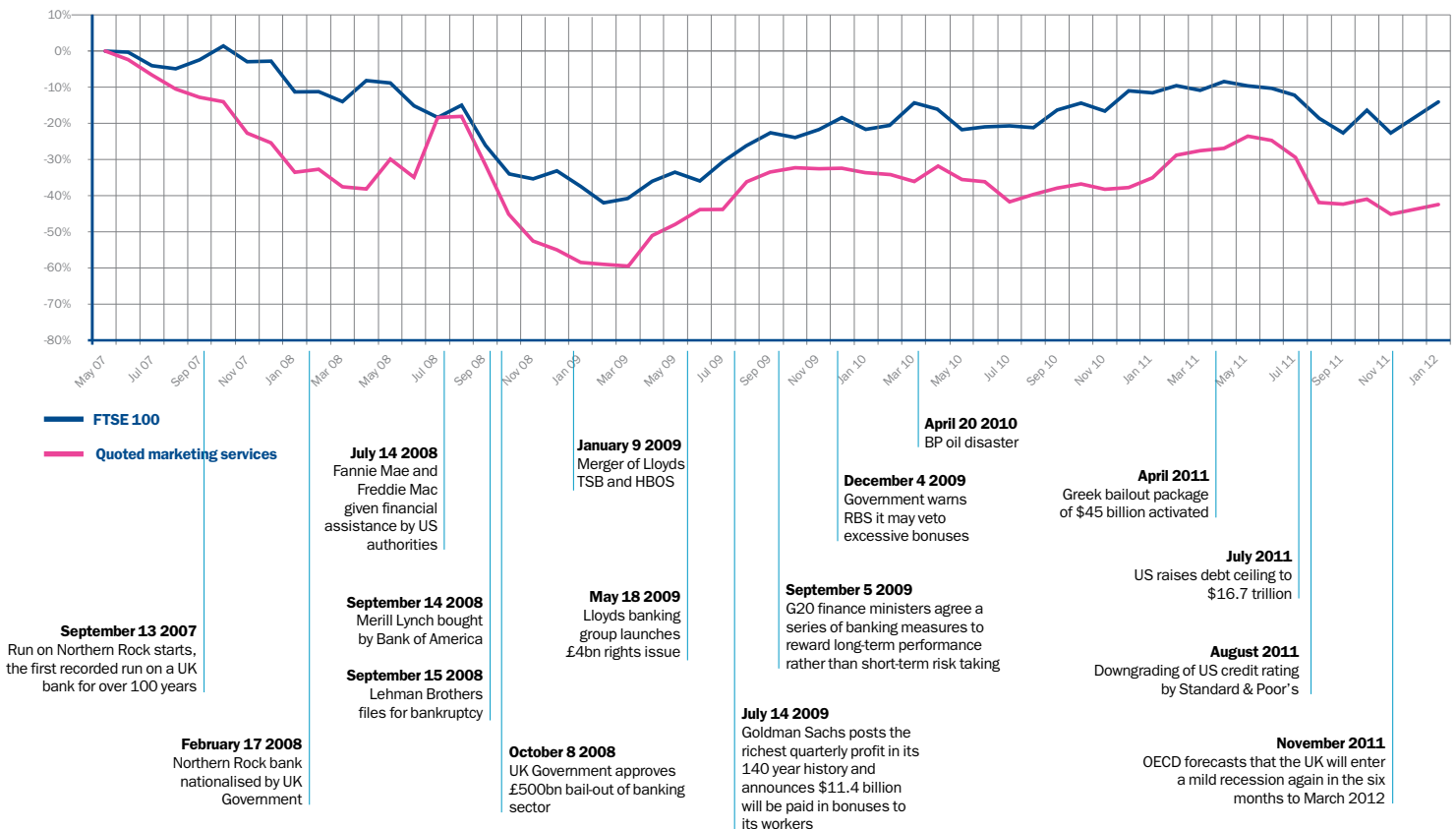
The FTSE 100 companies' share prices are quite obviously sheltered from individual sector drops as this covers companies across all industries. The drop in August 2011 was much more extreme for marketing services companies as has historically been the case, demonstrated by the drops throughout 2007 and from mid 2008 where the marketing services sector suffered considerably larger percentage falls in share price than the FTSE 100 as a whole.

Individually, the story for marketing services groups is equally disappointing, as only three of the groups monitored here saw their share prices increase since July 2011. Next Fifteen Communications Group led the way with an 8.8% increase following a greater emphasis on digital work affording the group access to new revenue streams. WPP and Brainjuicer share prices also went up with increases of 4.3% and 1.5% respectively. However, all the other groups have performed worse than the FTSE 100 since July 2011 and 16 marketing services groups' share prices still remain at less than 25% of their respective values from June 2007.

Although yet to return to pre recession levels, the increase in UK M&A activity has continued. However, funds remain difficult to raise, so rather than the large scale acquisitions for wholesale growth seen previously in the sector, acquisition targets are tending to be far more strategically driven, focussing on specific areas of expertise such as digital, social media and data.

### 16 MARKETING SERVICES GROUPS' SHARE PRICES STILL REMAIN AT LESS THAN 25% OF THEIR RESPECTIVE VALUES FROM JUNE 2007.

Kingston Smith W1 Marketing Services Share Price Index vs FTSE 100



## About us

Kingston Smith W1 is based in London's West End, and the seven partners specialise in advising creative, communications and consulting businesses on all aspects of finance, audit, accountancy and tax. Kingston Smith W1 is a specialist division of Kingston Smith LLP, one of the UK's top 20 audit and accounting firms.

Our clients comprise those in marketing services such as advertising, digital and PR as well as TV and commercial production companies, consulting firms, live entertainment and music agencies. Our clients range from start ups and sizeable independents to multi-nationals and AIM listed groups, where we advise on a range of financial and business issues.

By working with businesses with similar challenges, we are able to understand our clients better and can advise on a wide range of accounting, tax, other financial and commercial issues to a greater depth. Specialist areas where we regularly advise include employee incentive schemes, succession planning, exit planning, business valuations, profit improvement reviews, business plans, grooming for sale and pre-sale tax planning. Through Kingston Smith W1 Corporate Finance we are also able to offer a wide range of services such as M&A, fund raising, due diligence and MBO's.

Through the data we collate in our annual survey "Financial Performance of Marketing Services Companies" and biannual "Marketing Monitor" we are also able to give invaluable benchmarking advice on numerous key performance indicators.

People are the main asset for most of our clients and as part of Kingston Smith we are also able to provide recruitment services through Balanced People, HR consultancy through HR Insight, and employee benefits advice through Kingston Smith Financial Advisers. (HR Insight and Kingston Smith Financial Advisers Ltd, an appointed representative of Argentis Financial Management Ltd are authorised and regulated by the Financial Services Authority (FSA)).

### Up and coming seminars...

Following our very popular Building BRICs seminar last year, Kingston Smith W1 brings you, **Building BRICs part II**, a seminar looking at experiences of working and setting up a creative business overseas, particularly in India, Brazil and Hong Kong. **Date: 28 February 2012**

**Growing Value in Your Business**; a look at how to make your creative business more valuable, either for long-term income growth or to buyers. Even if you're not planning on selling in the near future, it's never too early to start. **Date: 26 April 2012**

**For more information about these or any of our other forthcoming seminars, please go to our website [www.ks.co.uk/events](http://www.ks.co.uk/events)**

## Contact us

If you would like to discuss any of the matters arising in this edition or how we can help you, please contact one of the Kingston Smith W1 partners by email or on 020 7304 4646.

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