

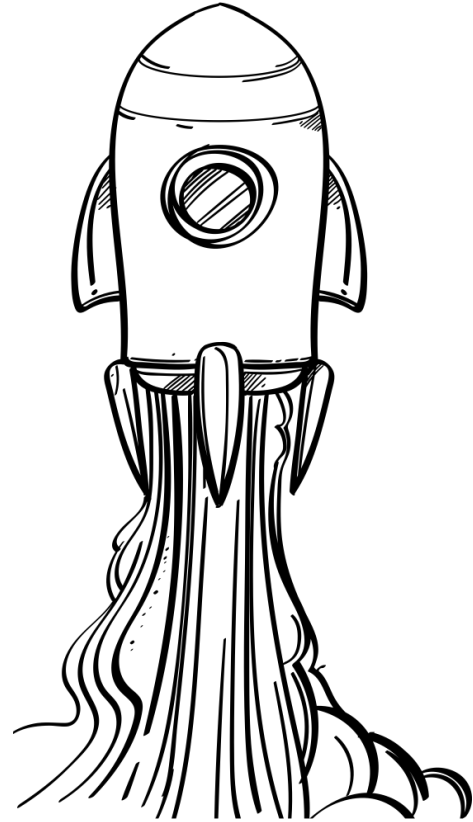
Generate 25% Profit to Your Bottom Line

If your agency is not generating 25% bottom line profit or more at the end of the year then you are leaving a lot of money on the table.

Learn 5 things you can start doing today to help increase your profit margins and build a thriving agency.

Agenda

- Introduction.
- My Goal for You.
- How Profit Should be Calculated.
- The Five Things.
- How To Get Started.
- Q&A.



Corey Smith

- Agency Growth Specialist.
- Chief Marketing Officer for Hire.
- Started running printing press at 16.
- Last 30 years in advertising, radio, marketing, design, education, business.
- Bachelor's Information Technology.
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Corey Smith
Fractional CMO • Agency Growth Specialist

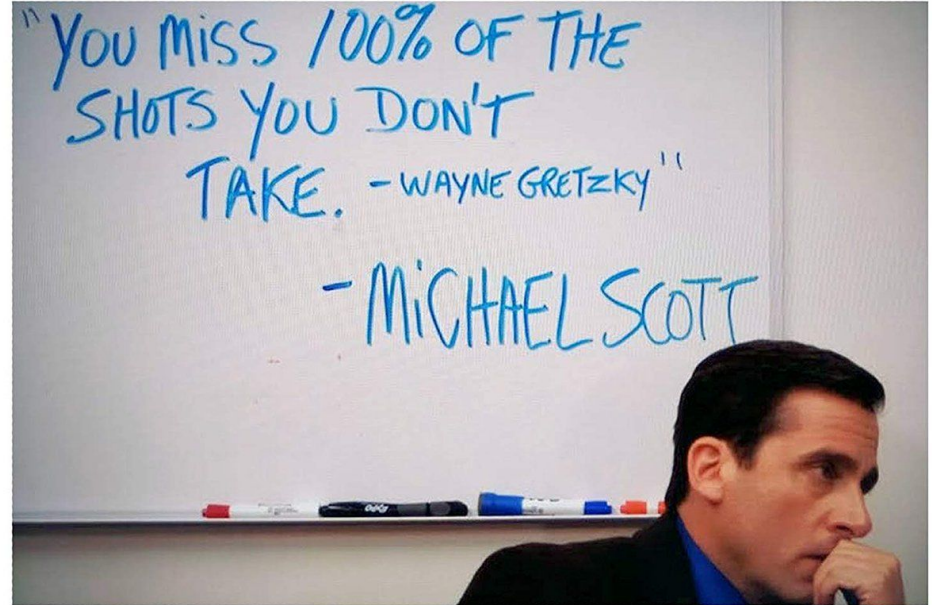
Tribute Media

- Founded 2007
- 50% Development
- 50% Marketing
- 12 Employees
- A Best Place to Work in Idaho
- 2021 Profit: 24%



My Goal Today:

Give you some key things you can do today to start increasing your bottom line.



How You Should Calculate Profit...

Yeah, I know, should be simple.

Revenue - Expenses = Profit

eg: 100,000 - 75,000 = 25,000 (25%)

Most small business owners only pay themselves from the profits of the business.

Most small businesses owners can't actually tell you their profit percentage.



How You Should Calculate Profit...

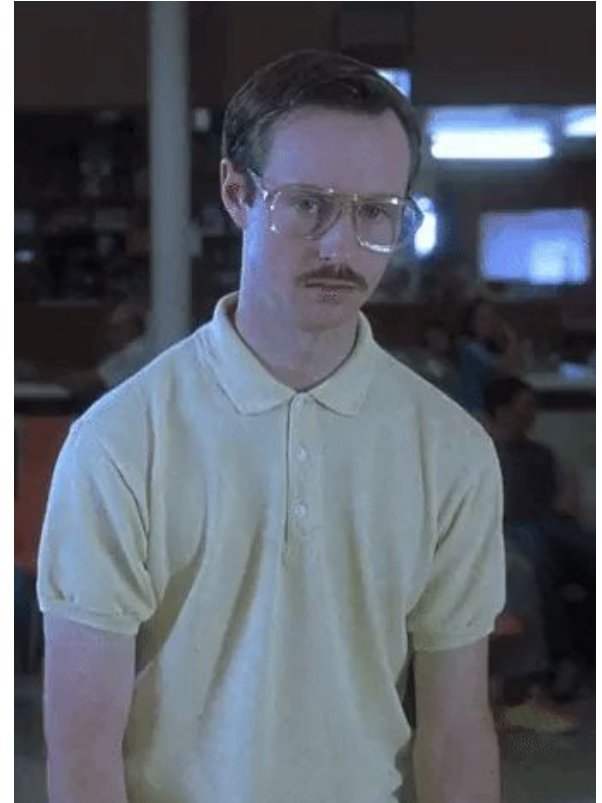
Revenue

- Cost of Goods

= Gross Profit

- Expenses (including your pay)

= Net Profit (where are you now?)



Here are the five things...

1

Pay yourself what you are worth,
not what you want



Model S

Est. Delivery: Jun - Aug 2022

Purchase Price

Potential savings*

348mi **200mph** **1.99sec**

Range (EPA
est.)

[Top Speed](#)

0-60 mph

Dual Motor All-Wheel Drive

Model S

\$91,590*

Tri Motor All-Wheel Drive

Model S Plaid

\$127,590*

* Prices above include potential incentives and gas savings of \$8,400. [Learn More](#)

FEATURE DETAILS

What are you worth (financially)?

Your \$ worth is based on two things:

1. What your job is. (payroll)
2. What your profit is. (dividend)

Jr Level: 1-3 years experience.

Mid-Career: 4-7 years experience.

Senior: 8+ years experience.

Your payroll - based on Mid-Career

- Account Manager: 70K-85K
- Content Marketer: 60K-75K
- Designer: 65K-80K
- Developer: 75K-90K
- Digital Marketer: 70K-85K
- Marketing Operations: 80K-90K
- Strategist: 85K-100K

What to do right now...

- Read this: <https://www.smithworkslab.com/blog/stop-working-yourself>.
- Evaluate your worth. Treat yourself as if you hired yourself.
- Build your P&L showing you as an employee.
- Whatever left over is your net profit... your goal is to get to 25% but start with a modest goal like 10%.
- Pay yourself a dividend from your net profit **BUT** leave a healthy amount in the business to allow for growth.

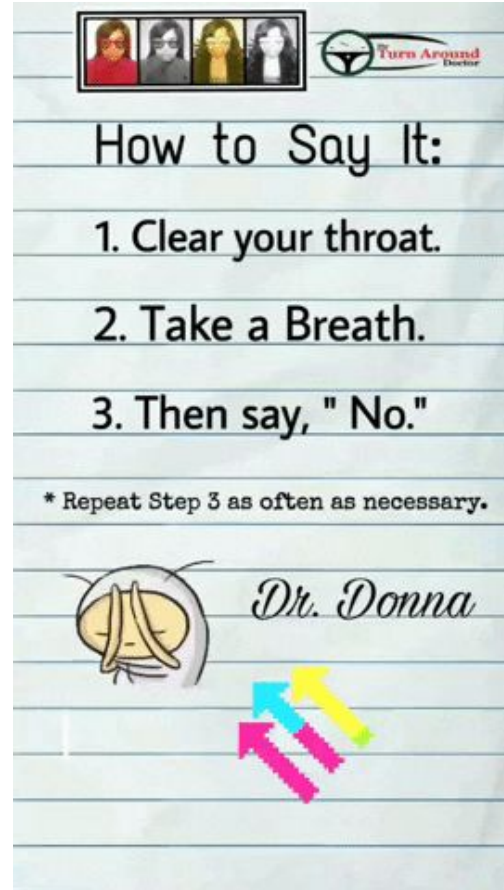
2. Learn to say no



Learn to say no

Your agency could provide myriad services:

- Search Marketing
- Social Media
- Paid Search/Social
- Content Writing
- Email Marketing
- Design & Development
- Influencer Marketing
- Strategy



What to do right now...

- Ask yourself: What are you doing right now that you love?
 - Do more of that.
- Ask yourself: What are you doing right now that you hate?
 - Do less of that.
- Build a network of people who you can refer work you don't do.
 - You could get a referral fee (less desirable).
 - You could trade leads back and forth (more desirable).
- Fire clients who aren't profitable.
- Stop doing work you hate, aren't good at, or isn't profitable.

3

Focus on results not tactics

“If the facts are against you, argue the law. If the law is against you, argue the facts. If the law and the facts are against you, pound the table and yell like hell”

Carl Sandburg

Focus on results not tactics

What is the length of the average SEO contract?

- 7 months

When you focus on tactics, there is no room for adjustment as needs change.

People will always pay more for great results than simple tactics.



What to do right now...

- Remember, people don't buy marketing services.
- People buy revenue, brand awareness, education, leads, etc.
- Start by understanding your customers and their problems.
- Frame your contracts around solving those problems.
- Create regular reporting that shows how you are solving those problems.
- Keap helps you focus on the tactics that solve your clients' problems.

4

Develop monthly recurring revenue bundles

How Tribute Media Started

\$500

2 blog posts
5 key words
1 monthly email

Silver

\$750

3 blog posts
7 key words
1 monthly email

Gold

\$1,000

4 blog posts
10 key words
1 monthly email

Platinum

How Tribute Media Works Now

\$2,500

1 tactic

Slow
Good

\$5,000

search
social
email
PPC is extra

Grow
Better

\$7,500

search
social
email
PPC is extra

Pro
Best

What to do right now...

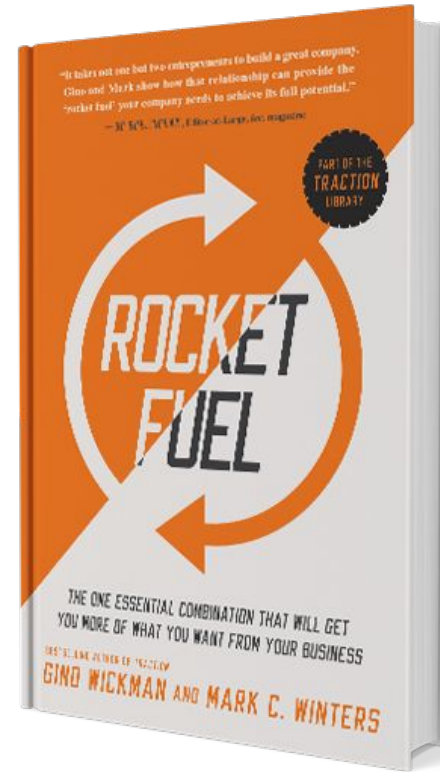
- Look at your services and determine the problem your services solve.
- Create bundles around the solutions to those problems.
- Create processes that ensure you solve and **report** on those successes but don't try to hide the failures.

5

Track the most important metrics

Rocket Fuel... The Weekly Scorecard

- “Rocket Fuel” is an introduction to Traction EOS.
- Before Traction, we were lucky at about 2% net profit.
- Provides a solid methodology for running your business.



5 Year Goals		1/25/22	2/22/22	3/29/22	4/26/22	5/3/22	5/10/22	5/17/22
• Profit Margin at 15%	YTD Rev							
• Debt Free - DONE	YTD Exp							
• Everything has a documented process	YTD Profit							
• 90 Day Emergency Fund (\$60k in savings)	YTD Margin	13.45%	15.51%	15.38%	13.98%			
• Investments / Mailbox Money	NPS - Promoters		73	73	73			
• Client Happiness = NPS 80+	Overall Engagement Score	8.8	8.8	8.7	8.4			
• Employee Happiness								
	Current Estimated Revenue							
	Minimum Dividend	\$0.00	\$8,500.00	\$8,500.00	\$8,500.00	\$8,500.00	\$8,500.00	\$8,500.00
	Current Estimated Expenses							
	Adjusted Expenses							
	Profit							
	Profit Margin	13.45%	17.43%	15.13%	9.86%	13.50%	13.38%	11.21%
	Retained Earnings							
	Profit Sharing Total							
	Employee Sharing							
	EOM Final Profit (after share and 850	\$0.00						
	Total Debt							
	Number of Hosted Sites							
	Hosted Sites Actual Cost							
	Cost per Site							
	Hosting Income							
	EOM Support Billables							
	EOM Support Tickets							
	CASH							
	Checking							
Max \$5000	-> 45-day projection							
Max \$60,000	Primary Savings							

Tracking for 2022: ~21%



What to do right now...

- Buy Rocket Fuel. Read it. Love it. Embrace it.
 - Consider implementing Traction EOS for your agency.
- Identify your most important metrics. Start tracking them.
- Move the needle in small increments. You won't affect it all overnight but will affect it over time.

Getting started is the hardest part

I want to help you get started by offering you a complimentary 30-minute agency assessment.

Let me help you.

Sign up here:

SmithworksLab.com/agencies



What is your next step to get started?

- Find me on LinkedIn. Connect with me. Send me a note to introduce yourself [linkedin.com/in/coreyasmith](https://www.linkedin.com/in/coreyasmith).
- Fill out the form at SmithworksLab.com/agencies and get the following:
 - PDF download of this presentation.
 - Add to my mailing list for future newsletters.
 - Most important: Schedule a complimentary 30-minute agency business consulting session.
- Ask questions now.