

The 2017 State of the **Independent PR Pro Industry Report**



A SPIN SUCKS RESEARCH REPORT

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Introduction

At Spin Sucks, we're dedicated to advancing the PR profession through providing modern public relations professionals with useful information and thought-provoking insights to help them master their jobs.

Earlier this year, we heard from fellow PR agency leaders that this was shaping up to be a somewhat irregular year for their practices.

Anecdotally, it seems there are more clients breaking contracts, reducing budgets, or bringing PR in-house.

But is this a real trend, or just that the ease and reach of social media is making us all more aware of what's going on with one another?

We recognized this as a unique opportunity to rally our community and provide much-needed benchmarks and insights into the current state of independent PR firms and consultancies.

We intend to conduct this survey annually, and grow it to encompass an even larger slice of the independent PR agency base, and track the evolution of the industry over time.

If you use any of the data we've collected in this report in your content, please email [Erika Heald](mailto:Erika.Heald@spinsucks.com) with the link to it and we'll share your take on the results with our community. We'd appreciate a citation of *The Spin Sucks 2017 State of the Independent PR Industry Report* and a link to <http://spinsucks.com/pr-industry-survey-report>.

Survey Methodology

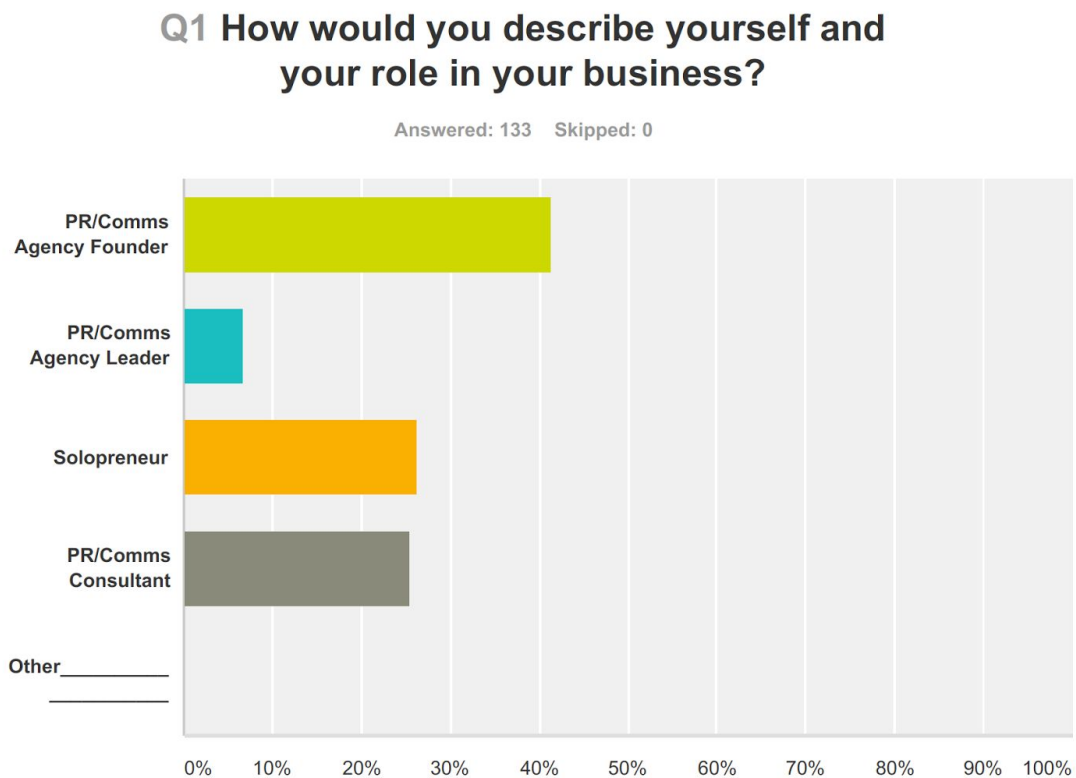
The survey was conducted through Survey Monkey from February 22, 2017 to March 10, 2017. Participants were limited to leaders within independent public relations firms and independent PR consultants. 134 individuals completed the survey. Participants received no compensation or incentive for their participation in the survey.

Executive Summary

Key findings:

- Nearly half of independent PR firms surveyed are operating without employees, either working solo or working exclusively with contract workers.
- Long-term client relationships are the norm, although many firms are engaging with companies for one-off, fixed-term projects.
- Budget issues are the most common reason cited for client loss.
- The majority of firms are relying on word-of-mouth and reactive business development activities instead of building a client pipeline through ongoing activities.

Survey Participants



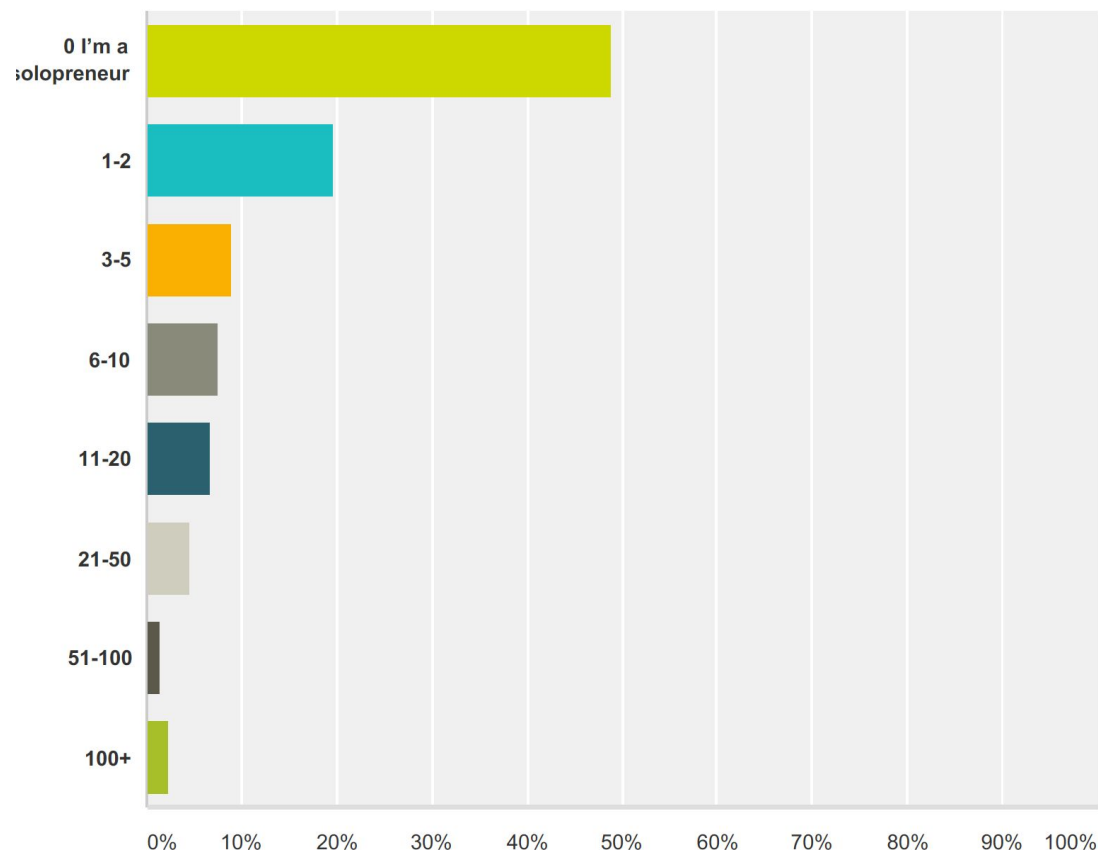
The survey's participation was limited to independent PR firms and consultants. In-house communications professionals or executives from consolidated agency holding groups were excluded.

The largest group of participants identified themselves as an agency founder (41 percent), followed by solopreneur (26 percent). Consultants made up a little more than a quarter of respondents, with agency leaders accounting for the remaining six percent of participants.

Consistent with this make-up, almost half of those surveyed (49 percent) are working solo, without employees. Agencies with one to two employees made up 20 percent of those responding, followed by three to five employees at nearly 10 percent of responding agencies (nine percent). The remainder of respondents were from agencies ranging from six to 10 employees [see chart].

Q8 How many employees do you have?

Answered: 133 Skipped: 0

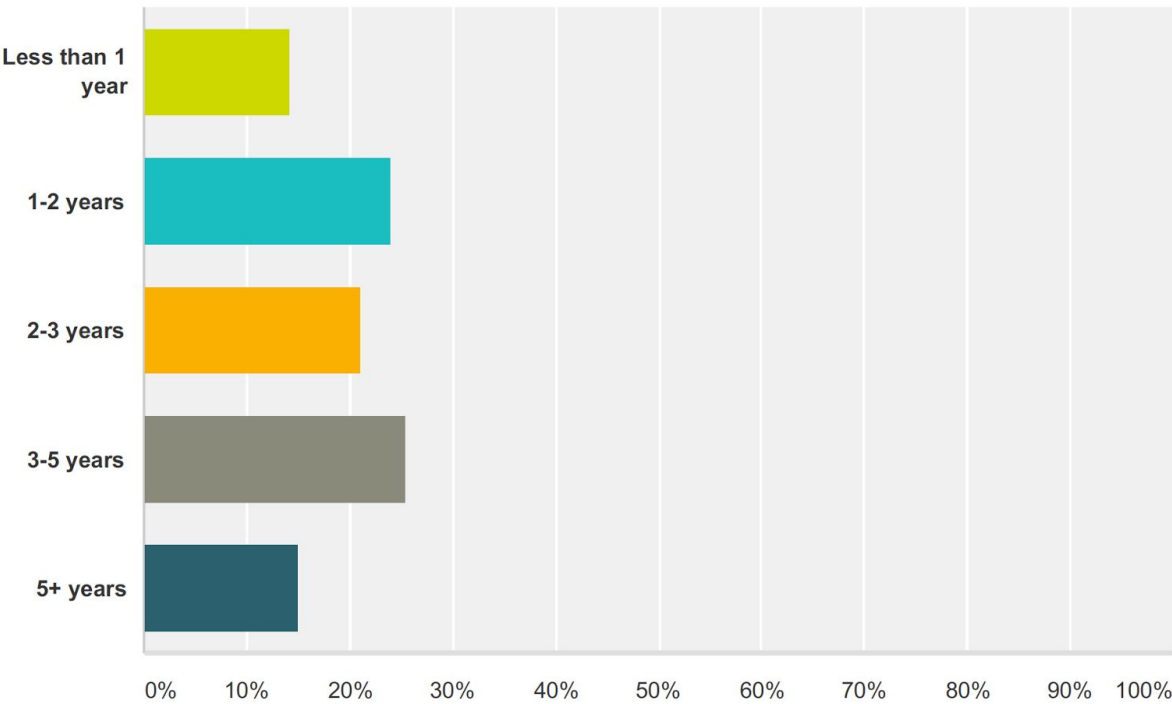


Client Account Health

Despite business sentiment amongst many industry leaders being concerned with customer attrition due to economic and political concerns, more than a third (41 percent) have primarily long-term client relationships lasting three or more years. Very few respondents (14 percent) are working primarily on a short-term, project basis with a duration of less than one year.

Q4 What is the length of your typical client relationship?

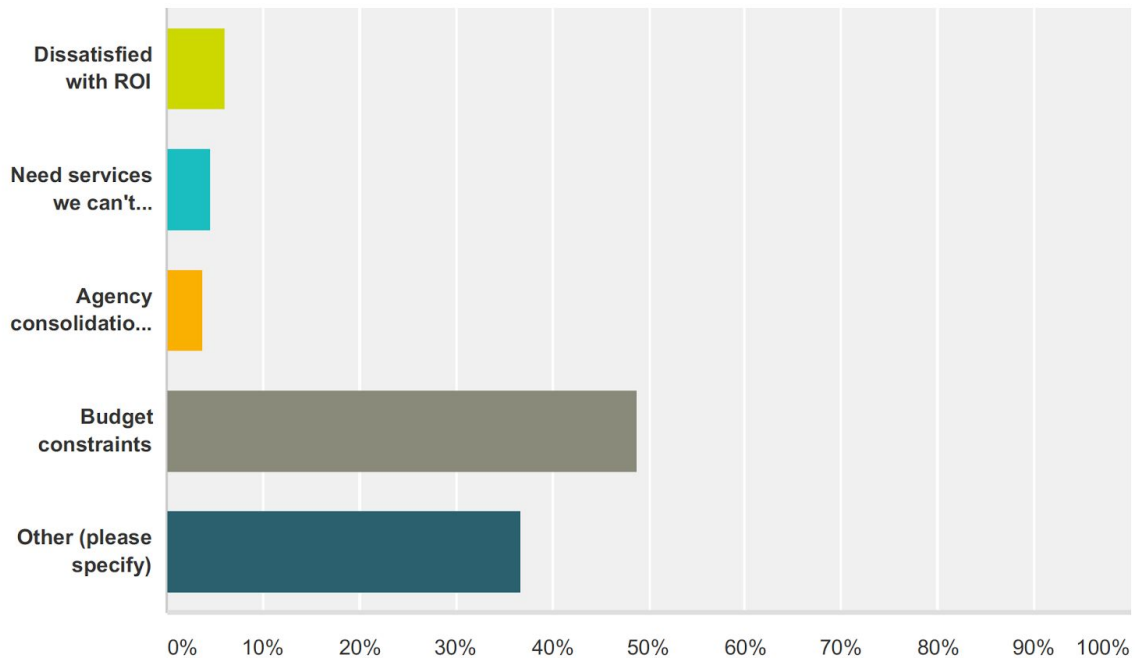
Answered: 133 Skipped: 0



Although client tenure doesn't seem to be affected by the current global political uncertainty, the most commonly cited reason for clients leaving (49 percent) is budget constraints. A number of respondents noted there being a "race to the bottom" in client retainers, with many clients not understanding the value of PR. This is likely due to a lack of agreed upon metrics in place at the start of PR engagements, or an inability on the agency side to insert measurable outcomes into the work being done.

Q5 What is the most common reason clients leave?

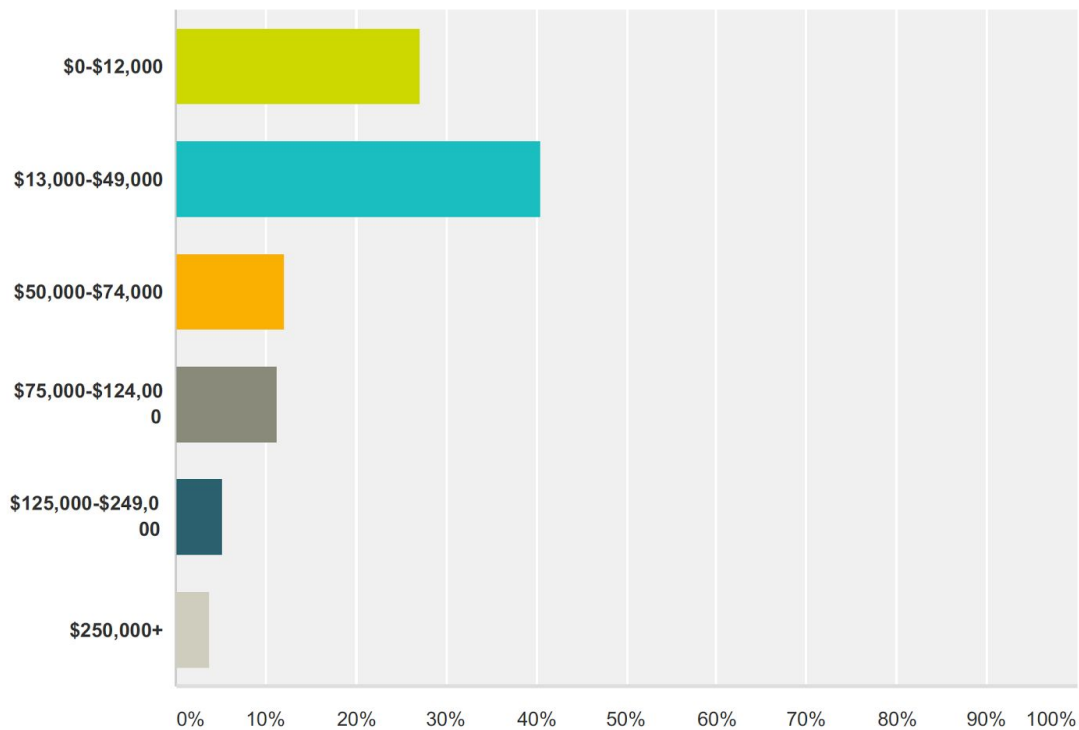
Answered: 133 Skipped: 0



This focus on cost is likely a factor in the average revenue per client for two-thirds of respondents being less than \$4,000 per month on an annualized basis. In future surveys, we will explore if this is an accurate reflection of the services the agencies are being paid for, or if over-servicing is happening to appease clients with large expectations from small budgets.

Q10 What is your average annual revenue per client?

Answered: 133 Skipped: 0



Recurring other reasons—other than budget constraints—for why clients leave include new management bringing in a prior agency or a defined project coming to a close. With a number of respondents having noted they regularly reconnect with prior clients as part of their business development efforts, this underscores the importance of relationships as part of the business development cycle, not just in our media relations activities.

Although some agencies view a change in leadership as an inevitable road to being replaced, others have successfully navigated leadership changes with their retainer intact. Roger M. Friedensen, APR, partner, Forge Communications, shared a few tips for how to fight to keep the business—and win:

- Move quickly, but politely to introduce yourself and your firm in person to the new team and emphasize that your focus and loyalty are to the organization/department, not any specific individual.
- Demonstrate that your goal is to provide communications counsel and support that will help the new leadership get the work done that needs to be done in the most cost-effective and intelligent way.

- Don't take anything for granted, and be very, very clear in saying that you understand what was may not continue to be and that you would consider any opportunity to "contribute to the cause" an honor and pleasure.
- Seek personal meetings whenever possible and regularly send ideas and "FYI" articles of interest to the new leader to demonstrate you are actively and always looking out for him/her.
- Be confident in the depth and breadth of your knowledge of the organization and its environment, but avoid sounding arrogant, presumptuous, or entitled at all costs.
- Show you are flexible and are eager to adjust what needs to be adjusted and implement new techniques and ideas.
- Ask a lot of questions. And make them smart, insightful questions that demonstrate you think strategically about today and tomorrow.
- And finally, be pleasant, respectful, humble, and fun. Be someone who you would want to hang around with and would trust with your reputation.

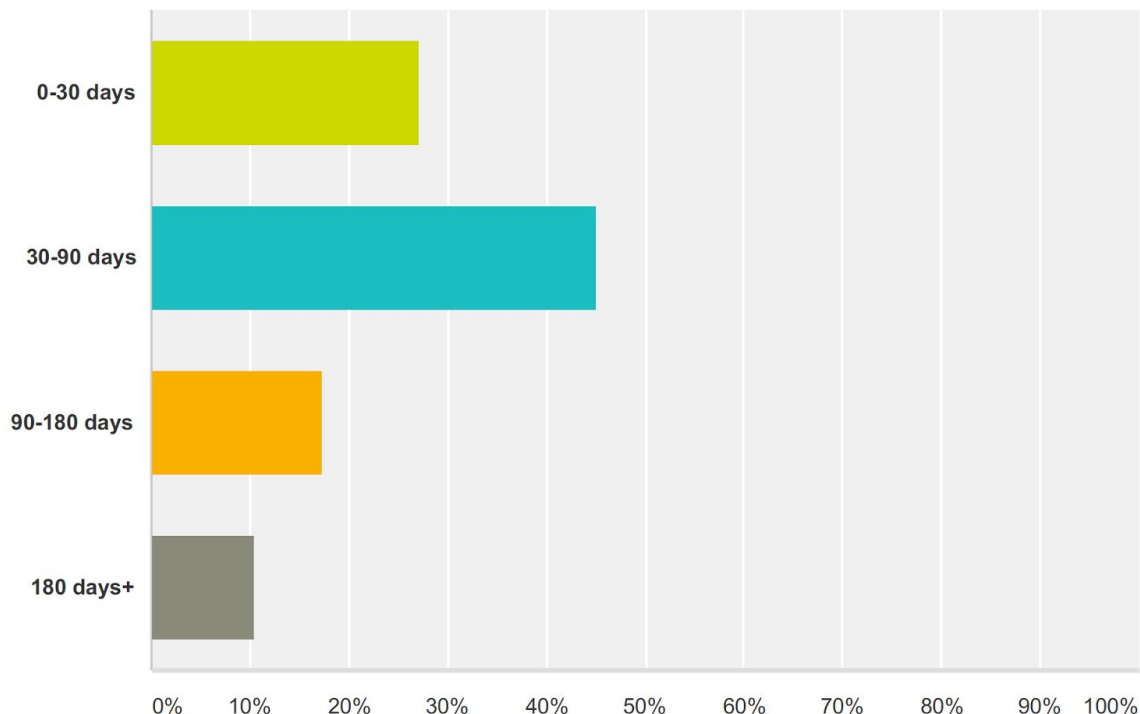
Several PR firms reported they take on project work (sometimes at a loss) as a business development tactic, with the intent of pitching a retainer if the work goes well. That many projects do not turn into ongoing relationships demonstrates that many organizations still view PR as a "nice to have" activity that can be turned off and on in support of a campaign, rather than an integral part of their business growth activities.

Business Development Challenges

On the whole, respondents have a short business sales cycle, with 72 percent closing a deal in less than 90 days. This is likely due to the bulk of those surveyed having noted word-of-mouth as their primary business development tool.

Q2 How long is your typical sales cycle?

Answered: 133 Skipped: 0



While word-of-mouth has the benefit of being quick to close, several respondents noted that its spontaneous nature can lead to a “feast or famine” situation. Although many firms have enough work through referrals to keep them busy, 42 percent of respondents cited a lack of time as their biggest business development challenge, with business development content creation a distant second at 12 percent.

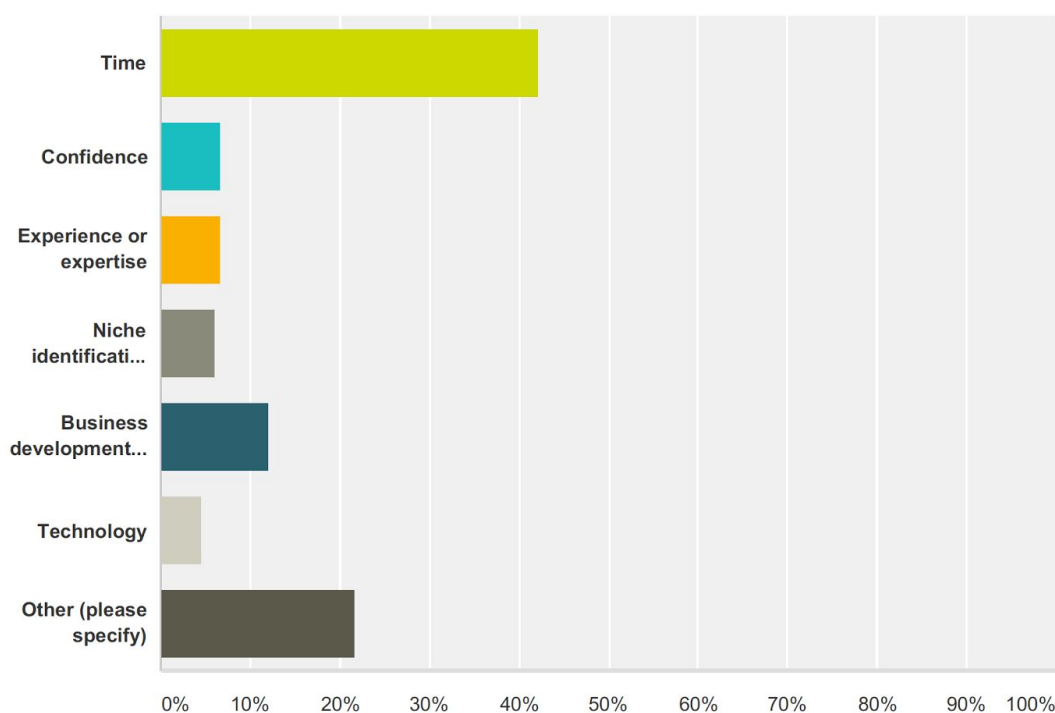
“My wife sometimes asks me something along the lines of, ‘Are you really going after a new account? Aren’t you busy and making money?’,” says John Lonsdorf, president, R&J Strategic Communications. “The answer is that, in our business, the average life expectancy of an account with an agency is roughly two or three years (there are lots of factors that go into this, including some that are beyond our control). If we aren’t

constantly and consistently putting ourselves in front of businesses, organizations, and people who could benefit from our expertise and services, we risk falling behind on attrition alone.

Moreover, as we change and grow as an agency, adding capabilities and different areas of specialized expertise, we want to be working with the best, most advanced, and forward-looking companies. Referrals are great—and we get our share. But if your plan is to sit and wait for referrals, you are likely dying a slow death.”

Q6 What is your biggest business development challenge?

Answered: 133 Skipped: 0



The primary trends uncovered through responses to the question “What help or change in circumstances would make a difference in your business development process?” involved having a dedicated business development person or feeling only the principal can handle the role and not having enough time to allocate to it.

One way some respondents have found to make that time is by increasing passive income. In addition to providing a small income boost, it also has the potential to build their email list for future business development activities.

"I'm currently receiving passive income from online courses (kayepublicity.teachable.com and brandingoutsidethebox.teachable.com), my book (*Your Book, Your Brand: The Step-by-Step Guide to Launching Your Book and Boosting Your Sales*), and affiliate links," says Dana Kaye, owner, Kaye Publicity.

"The revenue is modest, and accounts for less than five percent of my overall total revenue. I am always looking for new methods and tactics to grow my mailing list, run successful affiliate launches, and increase link clicks. I also love hearing from other members of the community about what's working for them, what used to work but isn't anymore, and other trends they're seeing."

This means many independent PR firms are finding themselves in a "chicken-and-egg" scenario. A focus on business development is needed to scale the firm, but adding headcount to focus on business development isn't possible until the firm scales.

A number of other respondents expressed feeling unsure where to get started with their business development efforts. Despite many firms advocating a [PESO model](#) approach for their clients' PR programs, they are stuck when putting together a plan to do this for themselves.

This is consistent with feedback we've received at Spin Sucks. PR firm leaders know they need to be marketing themselves—and theoretically how to do it—but don't take the time to document a plan, or are reluctant to invest in creating quality content to put their plans into action.

This is a significant missed opportunity, as many of the more successful firms who responded to our survey are using a mix of PESO activities in their business development process to keep their firm top-of-mind with current and prospective clients.

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About Spin Sucks

Spin Sucks is the leading source for modern PR training, trends, and insights. Through Spin Sucks, PR pros receive a daily dose of useful information and thought-provoking insights to help them excel in their jobs, and access to career-enhancing online courses and in-person training opportunities. Spin Sucks is a privately held company, headquartered in Chicago, founded by Arment Dietrich CEO, Gini Dietrich. To learn more, visit spinsucks.com. Follow us on Twitter: [@spinsucks](https://twitter.com/spinsucks).

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