

How agencies can improve profitability without increasing cost



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Generating and maintaining profitability is constantly at the forefront of every agency owner's mind. For any business to be successful, it needs a solid growth strategy. Many organizations spend weeks developing complicated profitability and growth strategies but, often, it's the small inefficiencies that, if resolved, can return the biggest wins.

While individual inefficiencies often seem insignificant, they can compound and create significant revenue roadblocks, especially if they blow out project budgets and decrease profit. With agencies receiving constant demands from clients, addressing these inefficiencies is often sidelined, as urgent requests always taking priority.

However, inefficiencies are likely to cause a bigger financial and productivity strain than agency owners realize, causing companies to

potentially lose as much as 20 to 30 per cent in revenue, annually.

Visibility and a good agency management solution can easily minimize this strain. Nail Communications has been using Function Point since 2011 due to the business growing at a faster rate than our inefficiencies could afford. Centralized agency management software has helped improve profitability for Nail Communications and, our newly established Nail PR business, in four key ways:

1 Setup Real-time Reporting

To fully understand the financial position of the agency and its projects, it's essential to have comprehensive access to every element of a project. Every component of a project must be accounted for and accurately budgeted to reduce the risk of profit loss.

Before Function Point, Nail Communications was in a growth stage with no centralized system. As there was no single data point, confusion often arose with issues around invoicing status, deadlines, and which projects were open or closed. Using Function Point's built-in intelligence reporting and tracking tools,

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managers can now see exactly how much daily revenue Nail Communication generates. By breaking down these insights, the team can analyze individual revenue streams based on different projects.

2 Track Historical Job Estimates

As an agency begins to grow, it's likely managers have a good idea of how much to charge for various projects. However, if the business lacks visibility into the actual time and resource costs, basing pricing on estimates from various teams and a cursory glance at previous quotes for similar jobs, it's likely it will fail to account for all costs involved. This results in the business underquoting and over-servicing clients, impacting profitability.

Nail Communications has avoided underquoting by using Function Point to track every element of previous jobs and compares the original estimate to the actual cost of completing the job. The team also uses the reporting analytics in Function Point to get an instant overview into current projects and budgets, helping managers identify the project status and efficiency and how that aligns to the budget, which can quickly be adjusted if needed.

3 Eliminate Manual Processes

Manual, paper-based, and spreadsheet-driven processes are not only time consuming, they increase the risk of costly mistakes, and limit visibility and control. Before moving to Function Point, Nail Communications struggled with accuracy issues, largely due to constantly moving project scopes at the request of clients, and the lack of real-time data.

Function Point simplified communication between departments within Nail Communications, and integrated well with other essential business systems such as accounting.

Function Point's seamless integration with QuickBooks let the team accurately prepare invoices, manage expenses, and track payments seamlessly, even when business operations changed.

4 Automate Agency Workflows

In 2020, automation is no longer a technology exclusive to enterprise businesses; it's a necessity for all businesses. Automation saves time and ensures financial visibility, drives operational efficiencies, and increases data accuracy and timeliness for reports. Using Function Point, the team at Nail Communications uses data to seamlessly and accurately do everything from budget estimates through to invoicing, including automatic follow up. Function Point's streamlined customer resource management (CRM) tool provides a quick, easy, complete view into current and future projects.

Function Point's delivery of real-time visibility, accuracy, and efficiency has helped Nail Communications continue to expand, enabling the launch of Nail PR. Both agencies are now confident that their continued growth will be supported by Function Point's fully integrated systems, giving team members more time to deliver high quality service to our clients.



About Function Point

Imagine this... an inspired and productive creative team who loves coming to work. Happy clients who rave about you and refer you to others. A smooth running, profitable agency that doesn't keep you up at night.

All of this is possible when you're able to make the right decisions for your agency. The challenge? You can't make these right decisions if you don't have the right information. *And that's where Function Point comes in.*

More than just project management software, Function Point is an all-in-one agency management solution integrating everything you need to manage your workflow, projects, operations and financials in just one place. Best of all, built-in business intelligence reporting takes away the guesswork and gives you the information & insight you need to make better decisions for thriving teams, happy clients, and agency growth.

- **CRM & Estimating:** Gather deep insights into your sales pipeline and ensure that projects are properly budgeted and accurately billed.
- **Project Management:** Empower your project managers with a suite of tools designed to keep projects on schedule and under budget.
- **Team Collaboration:** No more wondering if an email was sent or an invoice was paid. With all your communications in one place, everyone knows what's happening.
- **Resource & Time Management:** Optimize your team's resources, view projects heading your way, and plan future workloads.
- **Agency Financials:** Never miss an expense or timesheet again (yes - Function Point integrates with QuickBooks to prevent double entry and keep records clean & organized).
- **Business Intelligence Reporting:** Real-time insights offer complete visibility into core aspects of your agency - you know what's going on in your business, whether it's over-servicing or under-pricing, and have the information you need to increase profits and run your agency more efficiently.

Since 1997, Function Point has helped hundreds of agencies like yours streamline operations, improve profitability and make the right decisions to thrive and scale.

**Are you ready to discover what's possible for your agency?
Book a free demo & workflow evaluation today:**

functionpoint.com/book-a-demo