

MAP.

Why you don't need an FD for your digital agency

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The itch that needs scratching

Successful digital agencies are powered by an effective and proactive finance function.

Understanding the numbers, and engineering the details needs to be done in response to the changing circumstances of the market, and the agency's ambitions.

But for many the bridge between the expertise in finance and the decision making team within the business can be underutilised. Finance can be used to prepare for change, report insights for course correction, and provide the data to reward success – but it is rarely called upon to interrogate the wider business, or participate in formulating strategy.

This is often a missed opportunity, and one that doesn't go unnoticed. However, the typical assumption is that the agency is now of a size and complexity that hiring an FD is the next logical step.

But is it?



You need something – but is it an FD?

Beyond keeping the finance team on track, an FD has to have a broad range of skills and business experience in order to move between the day to day detail, driving operational change, and the strategic work at board level.

Typically there have been three main options which can invariably carry risk, lack value for money, or leave you with a compromise in skills.

In house FD – The problem here is that most businesses don't have the budget to invest in a full time FD, and in the worst case scenario fund the salary by cutting the finance function which inevitably adds strain to getting the important basics done properly.

Outsourcing an FD – With prohibitively expensive day rates not enough of the right support can be brought in affordably. This also means that they are disconnected from the business or not empowered to input directly with the finance team on a day to day basis.

Promote from within – The other alternative has been to promote inexperienced but ambitious finance professionals who inevitably lack the necessary experience, variety, and exposure to a range of industry types to add real value.

With a need for agencies to utilise a broad range of compliance, reporting and higher level skills, **another way is needed**. One that is affordable, results driven, and builds upon what's working and in place.

A new kind of partner within the agency that is passionate about its success, investigates every part of the business and looks forward rather than just on past performance.



The Finance Business Partner

Working in tandem with both the agency and the finance function, a MAP Finance Business Partner scours the business and its activities to identify opportunities to maximise value and mitigate risk.

It's a way of raising the value of what you already have, and beyond where an FD would normally have to sit to provide the same level of effectiveness and return on investment.

A Finance Business Partner focuses on:

- Optimising the finance function and budget
- Delivering direct commercial value
- Looking beyond the numbers to the real story
- Questioning, analysing and supporting effective decision making

MAP clients are ahead of the game as trusting us as your finance team means that you already have quality processes and a service in place that delivers the numbers as you need them. Our Finance Business Partner allows you to elevate that service even further, without the consequences and cost of an outsourced or underpowered alternative.





Results driven,
and builds upon
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and in place.

Elevate your finance function

Here's a number of ways working with a Finance Business Partner can work.

Lead by design, not just opportunity

The continued success of an agency can become hard won over time. It's when you realise that things are OK, but everyone is working very hard for that OK.

In this scenario owners know that what they have is more than a lifestyle business, and are ambitious to continue to build something of real value, but don't have the capacity to work out how to get the commercial insight and analysis to make the next steps really count.

Typically the agency has been reacting to market opportunities and demand, rather than real data. Sometimes creating financial targets and then doing whatever it takes to hit them – even if it means stretching beyond inhouse expertise or reducing the profit base. The result is that they know where they are, but not how they got there.

The challenge is how to grow by design and intent, rather than gut feel and the heat of trade, in other words to:

- **Optimise before growing more**
- **Make decisions based on evidence and acumen**
- **Refocus and prioritise commercial activity.**



Expert review and a clear pathway

A Finance Business Partner brings a fresh pair of eyes to the information at hand, and a new understanding of the challenges faced. Getting to know the business starts with the relationship with the senior team, the numbers, and a systematic approach to uncovering whether the right questions are being asked and enough attention placed on the right things.

Covering everything from the markets served, services offered, processes employed and the type of clients targeted, a detailed audit delves into the mechanics of the business from every angle – challenging what is known, and seeking out the hidden truths that could be used to refocus and optimise.

Working to a defined brief, the Finance Business Partner brings the design of the business back on the table, to work alongside the owner and the finance team to home in on the best use of the resource and expertise available.



An agency in a hurry

Sometimes things just click. The right product, the right time, the right team. All the crucial factors that can mean an agency accelerates from a business on the move, to a business in a hurry.

Typically these agencies are already well optimised, high performing with many processes and systems in place but the danger lies in riding the success without the proper controls – in other words, how can we continue at speed without falling off the tracks.

Investors in these businesses are more likely to be looking at how to build an asset with substantial value, usually with a future sale in mind.

This approach requires a different kind of attention. Risk mitigation becomes more important than revenue opportunity, continuous improvement is sought for gains in every area, and ideas for value creation are actively encouraged.

Putting value creation front and centre

Creating and consolidating value, and helping to support the overall investment proposition is at the heart of how a Finance Business Partner works.

Focusing on the key areas of commercial arrangements, IP, and risk mitigation aligns them to the potential valuation of the agency, and the investors intent.

To start, a review of the commercial contracts with clients ensures they are robust, with staged commercial terms, and assessed for risk against things like the loss of key staff, and is designed to ensure the balance sheet is underpinned as securely as possible.

Scrutiny on Intellectual Property (IP) and the agency's unique sales proposition, questions what innovation is in place, and how they are actually ahead of the game - usually of central importance to an acquirer who will be looking to further their competitive advantage.

And tracking risks in the short, medium and long term means that key indicators like cash conversation, amounts under retainer, and staff churn rate are always visible.

Monitoring the actions of the agency, working with the department heads and tracking performance by establishing metrics that are front of mind for a future buyer, helps to keep the whole agency focussed on building an asset rather than just growing revenue.

A photograph of three people in a meeting, overlaid with a semi-transparent red filter. A man with glasses and a beard is pointing at a laptop screen while talking to a woman with blonde hair. Another person is partially visible on the left. The scene is set in a modern office with large windows in the background.

The **Finance
Business Partner**
brings the design
of the business
back on the table.

Definitely NOT an FD

Working so closely with digital agencies means we know that just offering a typical outsource FD service would not be the best use of your money, however, there is a real opportunity to bring together and do so much more with the financial and non financial information to hand.

Your pod at MAP is already providing your quality finance function, giving control and access to reliable and timely information.

Adding commercial input from an experienced Finance Business Partner elevates this service even further: someone embedded within the broader business, capable of taking a holistic view of the challenges and how they might be met.



Working with a Finance Business Partner

Inspiring our clients to partner with us at a higher level is the right thing to do when the challenges have never been tougher, and the opportunities never so rewarding.

Our Finance Business Partner brings to your agency:

- An extra injection of commercial expertise
- A completely tailored set of objectives
- The business skills you would expect from an FD
- Confident input into strategy and execution

Free Consultation

For your introduction and free initial consultation with a MAP Business Partner please contact me and I'd be delighted to arrange.

Paul Barnes

paul@wearemap.co.uk



MAP.

16 Blackfriars St, Manchester, M3 5BQ, United Kingdom
info@wearemap.co.uk | 0161 711 0810 | wearemap.co.uk

