



# BYOBO\$\$ AUDIT REPORT – MARKETING AGENCY

**Business Name:** Marketing Co  
**Primary Contact:** Managing Director  
**Email:** sample@sample.com

**Phone:** 555-712-0043

**Number of Employees:** 18 (10 account managers, 5 creatives, 3 support/admin)

**Annual Revenue:** \$4,800,000

**Active Clients:** 22

**Average Retainer:** \$65,000/year

**Top Services:** Social media management, digital advertising, website design, email marketing campaigns, content creation, branding strategy

**Project Management Software:** Asana

**Accounting Software:** QuickBooks Online

## 1. Retainer Margin Audit

Question	Answer	Notes / Gaps
Retainer profitability	Margins range 18–35% per client	Low margin on 3 large clients; cost tracking inconsistent
Service cost tracking	Partially tracked (labor, software, ad spend)	Some indirect costs not allocated
Revenue per service	Social media: \$1.2M, Ads: \$1.5M, Website: \$0.9M	Website services underpriced
Overhead allocation	Rough estimate	No standardized method
Profit by account	Available for 50% of clients	Missing for smaller clients



Question	Answer	Notes / Gaps
Retainer vs project work ratio	80% retainers, 20% ad-hoc projects	Limited project profitability analysis
Margins vs industry benchmarks	Below average for some campaigns	Not systematically compared
Software / tool costs	Tracked individually, not allocated to clients	Missing cost attribution for profitability
Client-specific costs	Partially tracked	Large clients with multiple services underrepresented
Upsell / cross-sell margins	Minimal	Missed growth opportunity
Contract terms review	Annually	Terms not standardized; discounts ad hoc
Margin improvement initiatives	None formal	No systematic plan for improvement

**Gap Summary:** Retainers dominate, but profitability tracking is incomplete, especially for indirect costs and multi-service clients.

## 2. Capacity Planning Review

Question	Answer	Notes / Gaps
Team utilization	~75% billable	Some teams overloaded; creative team occasionally idle
Project allocation	Manual	No forecasting for future campaigns
Peak workload management	Ad hoc	Rush projects disrupt other client work



Question	Answer	Notes / Gaps
Resource planning	Informal	No formal schedule for recurring campaigns
Bottlenecks	Creative design & reporting	Projects delayed 10–15% of time
Team cross-training	Minimal	Limits flexibility
Task tracking	Asana for projects, manual for timesheets	Time tracking incomplete for reporting
Overtime usage	Occasional	Not monitored for cost efficiency
Capacity vs revenue alignment	Not formally tracked	Overstaffed in some months, underutilized in others
Contingency planning	Limited	No backup for high-demand periods
Forecasting accuracy	Low	Revenue and resource projections often reactive
KPI tracking	Billable hours only	Misses project profitability, delivery time, client satisfaction

**Gap Summary:** Capacity planning is informal; uneven workload, delayed projects, and incomplete KPI tracking create inefficiencies.

### 3. Client Concentration Analysis

Question	Answer	Notes / Gaps
Top 5 clients revenue	\$2.1M (~44% of total)	High concentration risk
Client dependency	Some clients > \$300K/year	Risk if lost or reduced scope



Question	Answer	Notes / Gaps
Retention strategy	Ad hoc	No structured retention plan for key accounts
Contract terms	Variable; some month-to-month	Risk of client attrition
Client profitability	Some low-margin top clients	Margins vary widely; not fully tracked
Upsell & growth	Minimal	Limited strategic account management
Client risk assessment	Not formal	No scoring for dependency or overdue accounts
Revenue diversity	Moderate	Top-heavy, small clients neglected
Client feedback integration	Sporadic	Feedback not systematically used
Key account manager assignment	Top 3 clients only	Other clients lack dedicated support
Client churn	15% annually	Mostly among small clients
Strategic planning for top clients	None formal	No growth or retention plan

**Gap Summary:** High concentration of revenue in few clients; weak account management; risk if top clients leave or reduce spending.



#### 4. Marketing Effectiveness (Internal)

Question	Answer	Notes / Gaps
Agency marketing campaigns	LinkedIn, small digital ads	Limited reach
Lead generation	5–8 new clients/year	Low volume
Marketing ROI tracking	None formal	Cannot assess cost-effectiveness
Client acquisition cost	~\$10,000/client	High relative to revenue
Referral program	Informal	Underutilized
Social media engagement	Low	Weak brand presence
Content marketing	Minimal	No blog or lead magnets
Campaign analytics	Partial	No centralized dashboard
Competitor monitoring	Limited	Few insights on competitor campaigns
Marketing budget	2% revenue	Underfunded relative to growth goals
Conversion tracking	Manual	Weak visibility of leads to clients
Campaign improvement initiatives	None formal	Ad hoc tweaks only

**Gap Summary:** Internal marketing underdeveloped; ROI unknown; low brand visibility; limited lead generation.



## 5. Competitor Analysis

Question	Answer	Notes / Gaps
Top 3 competitors	Apex Media, CreativeWorks, DigitalEdge	Basic awareness only
Competitor services	Similar service offerings	No differentiation studied
Pricing comparison	Informal	Reactive to competitors
Competitor marketing	Partially known	Not systematically monitored
Market share	Unknown	No benchmarking data
Competitor client satisfaction	Anecdotal	Weak insight for strategy
Strengths/weaknesses	General knowledge only	No formal intelligence
Digital presence comparison	Limited	Agency underperforms competitors online
Technology usage	Competitors use project automation	Agency lags slightly
Reputation online	Neutral	Could improve positioning
Competitor innovation	Few observed	No strategic response
Opportunities	Niche services, specialization	Not yet exploited

**Gap Summary:** Weak competitor intelligence; no structured differentiation strategy; pricing and service positioning reactive.



## 6. Management Systems

Question	Answer	Notes / Gaps
Project tracking	Asana	Good for tasks, weak for capacity planning
KPI tracking	Limited to billable hours	No profitability KPIs per client/project
SOP documentation	Partial	Some processes undocumented
Decision-making	Informal	Ad hoc; no structured approval process
Budgeting	Annual, limited adjustments	Reactive, not predictive
Reporting frequency	Monthly	No weekly insights
Risk management	Minimal	Client dependency, project overruns not tracked
Software integration	Asana + QuickBooks	Partial; timesheets manual
Performance dashboards	None formal	Limited visibility for management
Continuous improvement	Ad hoc	No structured improvement plan
Staff accountability	Weak	KPIs unclear
Management meetings	Weekly, high-level	Not data-driven

**Gap Summary:** Management systems partially in place; weak reporting, KPI tracking, SOPs, and risk management.



## 7. HR / Staff Management

Question	Answer	Notes / Gaps
Team size	18	Small, highly skilled team
Training programs	Annual	Limited to software refreshers
Turnover rate	20%	High among account managers
Staff utilization	~75% billable	Creative team sometimes idle
Incentives	Quarterly bonus	Not tied to KPIs or client outcomes
Cross-training	Minimal	Limits flexibility for coverage
Performance reviews	Annual	Insufficient frequency
Recruitment process	Ad hoc	Reliant on referrals; inconsistent quality
Employee engagement	Low	No structured surveys
Succession planning	None	Risk if key employees leave
Staff accountability	Weak	KPI ownership unclear
Skill gaps	Reporting, digital strategy	Not systematically addressed

**Gap Summary:** High turnover risk; limited training; low accountability; insufficient incentives; dependency on key employees.



## 8. Operations / Systems

Question	Answer	Notes / Gaps
Project workflow	Manual assignment in Asana	Some duplication, delays in approvals
Delivery tracking	Partial	Milestones not automated
Resource allocation	Manual	Overloaded account managers
Client communication	Emails & calls	No centralized client portal
Process bottlenecks	Reporting & creative review	Delays 10–15% of projects
Technology integration	Partial	Tools not linked for KPI visibility
Automation	None	Could improve reporting & approvals
SOP adherence	Partial	Creative & account management steps inconsistent
Operational KPIs	Limited	Only track project completion dates
Continuous improvement	Ad hoc	No formal program
Quality control	Review by senior staff	Subjective; no metrics
Operational documentation	Minimal	Many processes informal

**Gap Summary:** Operations moderately functional, but delays, manual processes, inconsistent SOP adherence, and limited KPI tracking reduce efficiency and margins.



## 9. Financial Management

Question	Answer	Notes / Gaps
Revenue tracking	Monthly	Retainer revenue tracked; project profitability incomplete
Gross margins	25–35%	Low on 3 large clients; indirect costs not allocated properly
Labor cost tracking	Partial	Timesheets inconsistent
Software / tool costs	Partial allocation	Underreported in profitability per client
Profit per client	Only top 50%	Lower-tier clients not tracked
Billing & invoicing	Manual review	Some delays
Budgeting	Annual	Reactive adjustments only
Cash flow	Adequate	Not optimized for seasonal spikes
KPI monitoring	Billable hours	No margin, client profitability, or project ROI metrics
Profit improvement initiatives	None	Ad hoc minor adjustments
Cost control	Weak	No system for overhead allocation or indirect costs
Financial reporting	Monthly summary	No integrated dashboard with operational KPIs

**Gap Summary:** Financial visibility weak; margins unclear; cost allocation inconsistent; lack of actionable KPIs for decision-making.



**Client:** Marketing C0  
**Prepared for:** Managing Director  
**Date:** June 5, 2025

## 1. Executive Summary

Marketing Co is a mid-sized marketing agency with 18 employees, serving 22 active clients with retainers averaging \$65,000/year. The agency offers social media management, digital advertising, content creation, branding, and web design services.

The audit reveals strong creative capabilities and a solid retainer base, but significant gaps exist in profitability tracking, capacity planning, client concentration, operational efficiency, and internal marketing. These gaps create risk exposure and missed growth opportunities.

### Overall Segment Scores:

Segment	Score (%)	Comments
Retainer Margin Audit	63	Margins tracked inconsistently; indirect costs under-allocated; low profitability for some clients.
Capacity Planning Review	60	Team utilization uneven; peak periods create bottlenecks; forecasting reactive.
Client Concentration Analysis	58	Top 5 clients account for 44% of revenue; limited account management; high dependency risk.
Marketing Effectiveness	55	Internal marketing underdeveloped; ROI not tracked; low lead generation.
Competitor Analysis	57	Weak competitor intelligence; reactive pricing; differentiation unclear.



<b>Segment</b>	<b>Score (%)</b>	<b>Comments</b>
Management Systems	62	SOPs partial; KPI tracking limited; reporting mostly billable hours.
HR / Staff Management	60	High turnover (20%), limited training, low accountability and incentives.
Operations / Systems	59	Manual workflow, delays in creative review and reporting; inconsistent SOP adherence.
Financial Management	61	Margins unclear; indirect costs not allocated; KPI visibility limited.

**Overall Audit Score: 59.4%**

### **Interpretation:**

Marketing Co has a strong creative foundation, but lacks structured profitability analysis, process efficiency, and risk management. Addressing these gaps can improve margins, reduce operational stress, and mitigate dependency risks.

## **2. Detailed Analysis by Section**

### **Retainer Margin Audit (63%)**

- **Strengths:** Retainers dominate revenue; top clients tracked.
- **Weaknesses:** Indirect costs not fully allocated; margins low on several large clients; project profitability incomplete; upsell opportunities missed.

### **Capacity Planning Review (60%)**

- **Strengths:** Billable hours ~75%; Asana used for project management.
- **Weaknesses:** Uneven workload; peak periods cause bottlenecks; forecasting not formalized; limited cross-training.



### **Client Concentration Analysis (58%)**

- **Strengths:** Top clients identified; revenue concentration known.
- **Weaknesses:** Top 5 clients = 44% revenue; retention strategy weak; minimal account management; risk if clients reduce spending.

### **Marketing Effectiveness (55%)**

- **Strengths:** Email campaigns, trade show presence.
- **Weaknesses:** ROI not tracked; minimal digital presence; low lead volume; underfunded marketing; conversion tracking weak.

### **Competitor Analysis (57%)**

- **Strengths:** Competitors identified.
- **Weaknesses:** Pricing reactive; limited intelligence; differentiation unclear; digital presence underdeveloped; no benchmarking.

### **Management Systems (62%)**

- **Strengths:** Project tracking in Asana; monthly reporting.
- **Weaknesses:** SOPs partial; KPIs focus on billable hours only; decision-making informal; risk management limited.

### **HR / Staff Management (60%)**

- **Strengths:** Adequate team; skilled staff.
- **Weaknesses:** High turnover (20%); limited training; accountability and incentives weak; succession planning absent.

### **Operations / Systems (59%)**

- **Strengths:** Projects delivered; basic workflows exist.
- **Weaknesses:** Manual processes cause delays; bottlenecks in creative review; SOPs inconsistently followed; no automated milestone tracking.

### **Financial Management (61%)**

- **Strengths:** Revenue tracked monthly; QuickBooks used.



- **Weaknesses:** Margins unclear; indirect costs under-allocated; client profitability not fully tracked; KPIs limited; budgeting reactive.

### 3. High-Priority Opportunities & Recommendations

#### 1. Retainer Margin & Profitability

**Issue:** Margins inconsistent; indirect costs under-allocated; low profitability on some large clients.

**Recommendations:**

1. **Implement full cost allocation:** Track labor, software, ad spend per client/project to calculate true margins.
2. **Set minimum margin thresholds:** Avoid unprofitable retainers or renegotiate contracts.
3. **Upsell & cross-sell strategy:** Identify services to increase revenue per client.

#### 2. Capacity Planning & Team Utilization

**Issue:** Uneven workload; bottlenecks; peak period delays.

**Recommendations:**

1. **Resource forecasting:** Use historical project data to predict workload and assign resources proactively.
2. **Cross-training:** Enable team flexibility to cover bottlenecks, especially creative review and reporting.
3. **Capacity dashboards:** Track billable vs non-billable time and utilization weekly.

#### 3. Client Concentration & Retention

**Issue:** Top 5 clients = 44% revenue; minimal account management; high risk if a client reduces spend.



### Recommendations:

1. **Key account managers:** Assign dedicated reps to top clients with a growth & retention plan.
2. **Client profitability review:** Track margins per client to identify risk and opportunities.
3. **Diversify client base:** Target new accounts in underrepresented industries to reduce dependency.

### 4. Marketing Effectiveness (Internal)

**Issue:** Low internal lead generation; ROI unknown; digital presence weak.

#### Recommendations:

1. **Digital marketing campaigns:** Launch LinkedIn and targeted social campaigns to attract new clients.
2. **Lead tracking & analytics:** Integrate CRM to monitor acquisition cost and conversion rates.
3. **Content strategy:** Develop thought leadership content and case studies to improve visibility.

### 5. Competitor Intelligence

**Issue:** Weak knowledge of competitors; pricing reactive; differentiation unclear.

#### Recommendations:

1. **Formal competitor monitoring:** Track services, pricing, campaigns, and client reviews quarterly.
2. **Differentiation strategy:** Highlight unique strengths (creative quality, speed, analytics-driven campaigns).
3. **Benchmark KPIs:** Compare pricing, retention, and margins vs competitors to guide strategy.



## 6. Management Systems & SOPs

**Issue:** SOPs partial; KPIs limited; informal decision-making.

**Recommendations:**

1. **Document SOPs:** Standardize client onboarding, campaign execution, and reporting.
2. **KPIs per project/client:** Track profitability, delivery times, and client satisfaction.
3. **Weekly KPI review:** Use dashboards to identify bottlenecks and guide management decisions.

## 7. HR / Staff Management

**Issue:** High turnover, low accountability, insufficient training.

**Recommendations:**

1. **Structured training program:** Creative and account teams trained quarterly on tools, processes, and reporting.
2. **Performance-based incentives:** Tie bonuses to client satisfaction, project profitability, and utilization.
3. **Succession planning & cross-training:** Reduce reliance on key staff; improve flexibility.

## 8. Operations / Systems

**Issue:** Manual workflows, delays, inconsistent SOP adherence.

**Recommendations:**

1. **Workflow automation:** Automate approvals, milestones, and reporting in Asana or integrated tool.
2. **Process standardization:** Ensure all campaigns follow documented SOPs.



3. **Operational KPIs:** Track project cycle time, revisions, and delivery adherence.

## 9. Financial Management

**Issue:** Margins unclear, costs under-allocated, KPIs limited.

**Recommendations:**

1. **Client-level financial tracking:** Capture all costs (direct + indirect) to determine profitability.
2. **Budgeting & forecasting:** Implement quarterly forecasts and monthly margin reviews.
3. **Financial dashboards:** Integrate project, operational, and financial KPIs for real-time insights.

## 4. Overall Summary

**Strengths:**

- Strong creative capabilities
- Solid retainer base
- Experienced team

**Weaknesses / Risks:**

- High client concentration risk
- Inconsistent profitability tracking
- Workflow bottlenecks
- Weak internal marketing & lead generation
- Incomplete SOPs, KPIs, and management systems

**Next Steps:**

1. Implement profitability tracking and retainer margin monitoring.



2. Optimize capacity planning, resource allocation, and workflow automation.
3. Strengthen client retention strategy and diversification.
4. Develop internal marketing and competitor intelligence programs.
5. Improve management systems, HR, and financial KPIs.

**Overall Audit Score: 59.4%**

Once you've reviewed this diagnostic report, the most important next step is **turning insight into action**. The findings highlight where performance is strong, where profit is leaking, and where systems are underdeveloped but the real value comes from prioritizing and implementing the right fixes in the right order. We strongly recommend reviewing this report with your **BYOBOSS consultant**, who can help interpret the results in the context of your specific locations, validate assumptions, and translate recommendations into a practical execution plan.

If you do not currently have a consultant assigned, BYOBOSS can match you with a qualified specialist aligned with your needs and operating environment. Your consultant will work with you to establish priorities, define measurable targets, and guide implementation—whether that involves improving cost controls, refining operational performance, reducing inefficiencies, or implementing stronger management and reporting systems. This ensures the report does not sit on a shelf, but becomes a practical roadmap to improved performance, greater control, and sustainable growth.