

The
Lukaszewski
Group

Management Consultants
In Communications

FINDING YOUR FIRST JOB IN PUBLIC RELATIONS

How Agency Billing & Salaries Work



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CALCULATING BILLABLE HOURLY RATES IN AN AGENCY

In the analysis below, we lay out the math of determining agency hourly rates. The process begins with looking at the available work time in a given year, then works down through the concept of capacity and how agencies use multiples to arrive at what they must charge for your services.

2080 Hours

(52 weeks x 40 hours)

- | | |
|---------------------------------------|-------------------|
| • Holidays, vacation, paid time off | 160 hours |
| • Remainder (48 weeks @ 40 hours) | 1920 hours |
| – Billable (48 weeks @ 32.5 hours) | 1560 hours |
| – Non-billable (48 weeks @ 7.5 hours) | 360 hours |

Billable Rate

- Salary of \$65,000 equals \$31.25 per hour
- Fringes at 30% of salary equals \$9.38 per hour
- \$31.25 + \$9.38 equals \$40.63 per hour
- Multiple of three equals billable rate of \$121.89 per hour
- Multiple of four equals billable rate of \$162.52 per hour

Capacity

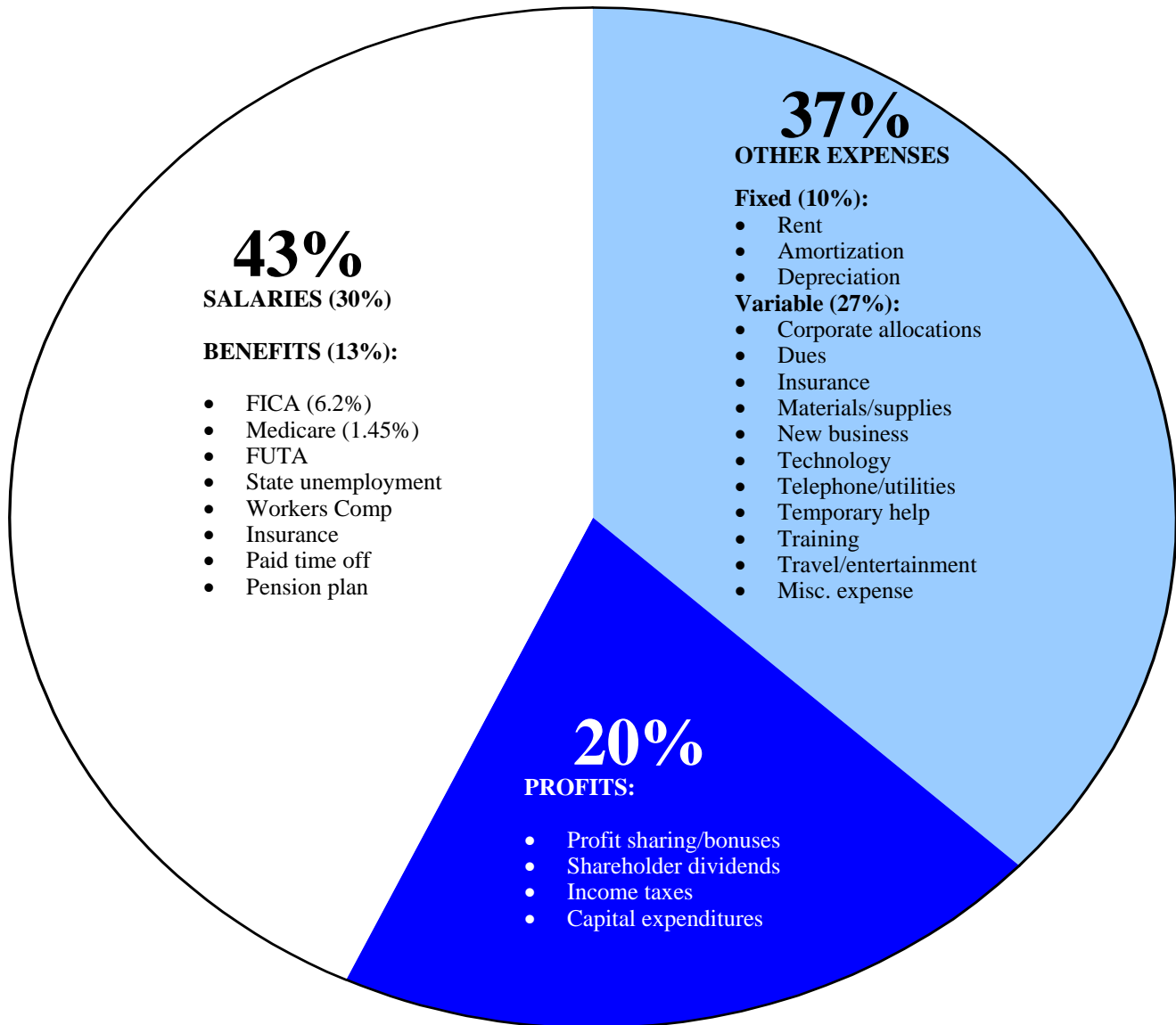
1560 hours

- Revenue generated at capacity (multiple of three): $\$121.89 \times 1560 = \$190,148$
- Revenue generated at capacity (multiple of four): $\$162.52 \times 1560 = \$253,531$

WHY DO THEY BILL ME OUT AT A LOT MORE THAN I MAKE?

Where the Money Goes

Standard Operating Ratios



The chart above depicts where each dollar of your billable rate goes. Note that approximately one-third of your billable rate is for salaries and benefits, just over one-third is for other expenses needed to have and operate a business, and about one-fifth is for building the business and paying the outside expenses imposed on the business for operating.

HOW AGENCY SALARIES ARE DETERMINED

Typical Salaries, Fees For Services & Billable Costs

These hypothetical salaries are used to demonstrate how billable rates are calculated. As a general rule, salaries are slightly higher in major metropolitan areas as compensation is usually tied to cost of living. At the entry level, salaries are less negotiable. Practitioners with more experience are compensated on the actual value of the skill, knowledge, and ability they bring to client work.

Position	Annual Salary (Benefits Additional)	Pay Per Hour (Benefits Additional)	Yearly Billable Goal	Billable Rates Per Hour
Assistant Account Executive	\$29,000	\$13.95	\$101,500	\$65
Account Executive	\$39,000	\$18.75	\$156,000	\$100
Senior Account Executive	\$44,000	\$21.16	\$176,500	\$110
Account Manager	\$52,000	\$25.00	\$182,000	\$125
Account Supervisor	\$64,000	\$30.77	\$224,000	\$150
Vice President	\$115,000	\$55.29	\$287,500	\$200
Senior Vice President	\$155,000	\$74.52	\$465,000	\$300
Senior Management Managing Director, Partner, COO, CEO, President, Chairman	\$110,000/up	\$52.89/up	May or may not have billable responsibilities	\$300/\$500

Notes:

- Revenue producers usually earn significantly more than those who manage the day-to-day operations of the agency.
- “Pay Per Hour” is generally based on 2,080 hours per year (52 weeks/40 hours per week). These hours include paid vacation, holidays, sick time, and personal days and may be referred to as Paid Time Off or PTO.
- While often forgotten or assumed, the dollar value of company-paid benefits (Social Security, Medicare, Workers’ Compensation, Unemployment Compensation, Long-term Disability, medical/dental insurance, employee assistance programs, profit sharing/401K plans, dues & membership, tuition reimbursement/professional development, cash or merchandise awards/incentives, beverages/meals, parking/car/after-hours transportation, child care center, and personal use of computers, e-mail, and telephone) may actually reflect a substantial portion of total pay, often 25-40 percent of the compensation package.
- Most agencies require at least 1,560 billable hours per account servicing employee (6.5 hours per day, 48 weeks per year). This is sometimes called “capacity.”
- Typically, the “Yearly Billable Goal” is three to four times salary – the higher ratio in the entry to mid-level positions and the lower ratio in the more senior positions where executives are expected to also focus on developing new business.

JOB DESCRIPTION/PERFORMANCE REVIEW EVALUATION FORM

Job Title: Assistant Account Executive
Reports To: Vice President, Administration
Broad Function: Provide client and administrative support services.

RESPONSIBILITIES

Administrative Support:

- Using appropriate templates and approved TLG formats, accurately inputs and revises on word processor, generally from dictation, documents of all kinds including client work product, business correspondence, proposals, memoranda, project control books, articles, speeches, news releases, and other material as assigned.
- Carefully proofreads copy for spelling and other typographical and grammatical errors.
- As assigned by the Account Executive, updates the Chairman's lists and checklists, including:
 - Client fax list;
 - Deadline calendar;
 - JEL's to-do list;
 - Other information list (for itineraries);
 - Public appearance checklists;
 - Seminar presentations;
 - Travel contacts; and
 - Weekly work plan.
- Assists in the development of travel itineraries using information supplied by Vice President, Administration and client account staff.
- Completes assigned photocopying, as assigned or required; maintains appropriate records for billing purposes.
- Promptly distributes incoming E-mail and facsimiles; transmits out-going E-mail and facsimiles, as assigned.
- Prepares shipping labels and packages outgoing Airborne, Federal Express, UPS, and messenger deliveries.
- Greets clients and other visitors; prepares conference room for visitors and coordinates service of refreshments.
- Answers telephones on a back-up basis using approved scripts and techniques.
- Sets priorities and manages time effectively.

Client Services:

- Assists with preparation and distribution of client-related materials.

RESPONSIBILITIES

- Keeps supervisor fully advised of progress and emerging problems on assigned client projects.
- Carries out assigned research; handles errands.
- Helps maintain client and prospect contact lists.
- Assists in production of coaching/seminar/simulation/ workshop participant handout materials.

New Business Development/Marketing:

- Assists in the preparation of letters, envelopes and/or mailing labels for promotional mailings, including distribution of the quarterly *Executive Action* newsletter.
- Develops marketing lists as directed. Makes additions, corrections, and deletions to lists, as directed.
- Assists Chairman as directed in new product development.

Other:

- Takes initiative to build and develop staff support expertise and public relations skills.
- Adheres to a personal standard of organization, quality, and commitment to the work that match and grow with that of everyone else in the firm.
- Supports and follows firm's management systems; reads, knows, and follows procedures outlined in the *Policy & Procedures Manual*.
- Works cooperatively with others in agency, providing assistance as requested. Takes initiative to help others during busy periods.
- Prepares accurate daily time sheets.

QUALIFICATIONS:

1. Business school classes and/or some college or university education, preferably with emphasis on journalism, public relations, English, or business.
2. Above-average grammar, spelling, punctuation, and proofreading skills.
3. Ability to write creatively and concisely with clarity.
4. Excellent word processing skills; above average knowledge of Microsoft Word and related products including spreadsheet and graphics software.
5. Ability to type 40 wpm using dictation equipment.
6. Knowledge of office equipment and filing procedures.
7. Knowledge of graphics, printing, and photography a plus.
8. Detail oriented.
9. Clear and concise telephone voice and manner.
10. Friendly, courteous attitude in dealing with others.
11. Mature, neat in appearance, congenial, and cooperative.

JOB DESCRIPTION/PERFORMANCE REVIEW EVALUATION FORM

Job Title: Account Executive

Reports To: Chairman

Broad Function: With Chairman, execute public affairs/relations programs; participate in new business development.

RESPONSIBILITIES

Client Services (75%):

- Serves as associate on all accounts.
- Researches and develops public relations plans and programs as assigned.
- Conducts writing, research, production, and list maintenance with clients and suppliers.
- Maintains *Active Client Lists*.
- Manages client contact process.
- Directs client and internal meetings effectively (preparing appropriate materials, handouts, and agendas).
- Relentlessly validates quality of all work according to company policy.

Account Management (10%):

- Moves all account work forward at the direction of the Chairman.
- Maintains weekly client work forecast.
- Regularly evaluates effectiveness of activities carried out on behalf of assigned clients; suggests to the Chairman changes necessary to produce outstanding results.
- Sets priorities and manages time effectively, concentrating on those activities that will deliver the best results and ensure that clients receive required attention and cost-effective service.
- Establishes deadlines; monitors budgets, and ensures that they are met; provides advance alert to clients regarding changes.
- Oversees timely completion of all client projects and work.

New Business Development/Marketing (8-10%):

- Follows up on new business inquiries as assigned and prepares proposals with assistance from principals and/or other professional staff.

RESPONSIBILITIES

- Maintains new business prospect list and weekly prospect contact plan.
- Executes and manages aspects of the firm's marketing plan, as directed.
- Meets assigned new business work goals.
- Works to generate additional revenues from existing clients.
- Assists in developing the substance of all Chairman's public appearances.

Firm Management (5%):

- Keeps principals regularly updated on current status of assigned accounts, including budgets, deadline progress, and projects under way.
- Meets assigned billable hours goals.
- Prepares accurate daily time sheets and expense reports; manages accounts for profitability.
- Provides ideas, suggestions, and feedback to principals regarding the agency performance and community/ industry/client perceptions of the firm.
- Assists principals, as assigned, in interviewing and hiring personnel.

Other Responsibilities (2%):

- Supports and follows firm's management systems; reads, knows, and follows procedures outlined in the *Policy & Procedures Manual*.
- Takes charge of own professional development through a mutually agreed upon plan and approach. Seeks and maintains accreditation in PRSA and other relevant PR organizations.
- Maintains positive employer/employee relationship.
- Meets or exceeds performance review goals and objectives.

QUALIFICATIONS:

1. Four-to-five years experience in account work.
2. Baccalaureate degree with extensive studies in English, journalism, or business; masters degree or courses in sociology or political science a plus.
3. Ability to write creatively and concisely with clarity; excellent oral presentation skills.
4. Excellent word processing skills; above average knowledge of Microsoft Word and related products including spreadsheet and graphics software.
5. Ability to type 60 wpm from dictation tapes.
6. Effective knowledge of print and electronic media; knowledge of graphics, printing and photography.
7. Knowledge of governmental processes at the local, state, and national levels.
8. Assertive, inquisitive, perfectionist, tactful.
9. Self-starter.
10. Accredited by PRSA and/or IABC or meets requirements for accreditation.

JOB DESCRIPTION/PERFORMANCE REVIEW EVALUATION FORM

Job Title: Account Supervisor

Reports To: Vice President

Broad Function: Plan, execute, and supervise public affairs/relations programs on behalf of assigned clients; supervise assigned staff.

RESPONSIBILITIES

Client Services:

- Researches, develops, and executes or supervises public relations plans and programs within contract for assigned accounts.
- Ensures that assigned accounts have approved a written plan of activities.
- Ensures sufficient and effective media contact on publicity accounts and reports results to clients on a frequent basis.
- Maintains "good will" contacts and builds productive agency/client relationships; obtains periodic feedback about the level and quality of service.
- Continually presents clients with new and/or unsolicited ideas.
- Identifies clients' key audiences and publics and studies their attitudes on an ongoing basis.
- Sets monthly client planning meetings, involving senior management as directed; maintains frequent telephone contact with clients.
- Leads client meetings enthusiastically, presenting positive and frequent solutions to problems.
- Reads and studies publications and information relating to each client's business and operating environment; knows each client's business well.
- Keeps informed of changes and current trends within the public relations profession and print and electronic media; passes pertinent ideas and information on to clients.

Account Management:

- Regularly evaluates effectiveness of activities carried out on behalf of assigned clients; changes plans as necessary to produce results.
- Sets priorities and manages time effectively concentrating on those activities that will deliver the best results and ensure that clients receive required attention and cost-effective service.
- Establishes deadlines and ensures that budgets are met; provides advance alert to clients regarding changes.

RESPONSIBILITIES

- Keeps supervisor regularly updated on current status of assigned accounts, including budgets, deadline progress, and projects underway.
- Ensures that monthly client reports are complete, clearly identifying results and attaching clips and other relevant material as appropriate.
- Monitors client contracts for renewal.
- Prepares accurate expense reports and daily time reports; manages accounts for profitability.
- Meets assigned billable and new business hours goals.
- Establishes strong personal rapport with assigned clients.
- Delegates assignments in an effective manner.

New Business Development/Promotion:

- Assists with new business planning, rehearsals, and presentations.
- Actively develops new business contacts and makes regular telephone and personal contacts with potential clients.
- Maintains a high level of professional and community involvement to keep the firm's name visible and to develop contacts.
- Meets assigned new business goals.
- Works to generate additional revenues from existing clients.

Other Responsibilities:

- Supports and follows firm's management systems; reads, knows and follows procedures outlined in the *Policy & Procedures Manual*.
- Provides ideas and suggestions to management regarding the development and growth of the firm.
- Takes initiative to continue building professional and client services skills.
- Carries out periodic staff performance reviews; supervises and provides frequent feedback and guidance to assigned staff; establishes positive employer/employee relationship.
- Meets or exceeds performance review goals and objectives.

QUALIFICATIONS:

1. Two-to-three years experience as an account executive or senior account executive; or five-to-six years in corporate public relations department.
2. Baccalaureate degree with extensive studies in English, journalism, or business; sociology or political science a plus.
3. Ability to write creatively and concisely with clarity; good oral presentation skills.

4. Excellent word processing skills; above average knowledge of Microsoft Word and related products including spreadsheet and graphics software.
5. Ability to type 60 wpm.
6. Effective knowledge of print and electronic media; knowledge of graphics, printing, and photography.
7. Knowledge of governmental processes at the local, state, and national levels a plus.
8. Proven effectiveness in managing people (minimum two years supervisory experience), time (ability to operate in time-measured environment), and dollars (planning and managing budgets).
9. Proficient planner.
10. Assertive, inquisitive, perfectionist, tactful.
11. Self-starter.
12. Accredited by PRSA and/or IABC.

JOB DESCRIPTION/PERFORMANCE REVIEW EVALUATION FORM

Job Title: Senior Vice President, Director of Media Relations

Reports To: Chairman and Chief Executive Officer

Broad Function: Supervise, motivate, and direct client services staff. Plan and execute affairs/relations programs. Plan, supervise, and participate in new business development. Provide input into annual financial, personnel, and new business plans and develop strategic plans for assigned account team.

RESPONSIBILITIES:

Client Services:

- Researches, develops, and executes or supervises public relations plans and programs within contract for assigned accounts.
- Ensures that assigned accounts have approved a written plan of activities.
- Ensures sufficient and effective media contact on publicity accounts and reports results to clients on a frequent basis.
- Understands the strategic impact of media and develop strategies to maximize returns for clients.
- Continually presents clients with new and/or unsolicited ideas.
- Clearly identifies clients' key audiences and publics and studies their attitudes on an ongoing basis.
- Provides strategic input to account teams/clients regarding media strategy to support clients' business objectives.
- Maintains relationships with senior level client contacts to gauge client's needs, concerns while attempting to grow business within the account team and agency as a whole.
- Reads and studies publications and information relating to each client's business and operating environment; knows each client's business well.
- Keeps informed on changes and current trends within the public relations profession and print and electronic media; passes pertinent ideas and information on to clients.

Account Management:

- Regularly evaluates effectiveness of activities carried out on behalf of assigned clients; changes plans as necessary to produce results.
- Sets priorities and manages time effectively concentrating on those activities that will deliver the best results and ensure that clients receive required attention and cost-effective service.
- Establishes deadlines and budgets and ensures that they are met; provides advance alert to clients regarding changes.

RESPONSIBILITIES:

- Keeps principals regularly updated on current status of assigned accounts including budgets, deadline progress, and projects underway.
- Oversees media program planning, problem solving, and strategic counsel for individual clients as appropriate.
- Participates in client meetings when appropriate; counsels account teams in development of media relations strategy.
- Manages strategic process for pitching stories and/or responding to media inquiries.
- Communicates best practices on methods and procedures to respond to media.

New Business Development/Promotion:

- Participates in development of new business opportunities and in organic growth opportunities for current clients.
- Follows up on new business inquiries and prepares proposals with assistance from principals and/or other professional staff.
- Actively develops new business contacts and makes regular telephone and personal contacts with potential clients.
- Maintains a high level of professional and community involvement to keep the firm's name visible and to develop contacts.
- Meets assigned new business goals.
- Works to generate additional revenues from existing clients.

Firm Management:

- Provides ideas, suggestions, and feedback to principals regarding the agency performance and community perceptions of the firm.
- Secures, maintains and grows business that his/her group works on. Helps meet Company profitability targets.
- Provides counsel and direction to media leaders in other offices both nationally and globally.

Other Responsibilities:

- Supports and follows firm's management systems; reads, knows, and follows procedures outlined in the *Policy & Procedures Manual*.
- Takes initiative to continue building professional and client services skills.
- Carries out periodic staff performance reviews; supervises and provides frequent feedback and guidance to assigned staff; establishes positive employer/employee relationship.

QUALIFICATIONS:

1. Baccalaureate degree with extensive studies in English, journalism, or business; masters degree or courses in sociology or political science a plus.
2. Extensive experience within the agency arena (at least eight years).
3. Excellent word processing skills; above average knowledge of Microsoft Word and related products including spreadsheet and graphics software.
4. Ability to type 60 wpm.
5. Ability to write creatively and concisely with clarity; excellent oral presentation skills.
6. Above average grammar, spelling, punctuation, and proofreading skills.
7. Effective knowledge of print and electronic media; knowledge of graphics, printing, and photography.
8. Demonstrated track record of developing and executing successful media relations strategies and programs as an agency practitioner is critical.
9. Proven effectiveness in managing people (at least five years experience effectively managing a group or teams across geographies), time (ability to operate in time-measured environment), and dollars (planning and managing budgets).
10. Understanding of all facets of business marketing, financial communications, a strong background of pitching and winning new business.
11. Must have experience working at the CEO level within a large agency environment.
12. Should have b2b, consumer and healthcare experience.
13. Excellent communication skills and the ability to assess and understand crisis situations quickly and clearly.
14. Proficient planner.
15. Team player attitude, strong senior leadership qualities.
16. Accredited by PRSA and/or IABC.

JOB DESCRIPTION/PERFORMANCE REVIEW EVALUATION FORM

Job Title: Chairman and Chief Executive Officer

Reports To: Board of Directors

Broad Function: Plans, develops and implements sales and marketing programs. Provides client training and counseling services. Provides overall planning and direction, and supervises, motivates, and counsels staff. Develops and markets new products.

RESPONSIBILITIES

New Business Development/Promotion:

- Develops and implements annual new business, promotion, and marketing plans. Assures that presentations meet client expectations of professionalism.
- Follows up on new business inquiries and supervises development of new business proposals.
- Maintains a high level of professional and community involvement to keep the firm's name visible and develop contacts.
- Authors books, articles, audio and videotapes that attract business and build the firm's reputation.
- Structures and leads new business meetings.

Client Services:

- Provides crucial guidance to senior management of client companies; directly manages some problems for client companies; conducts simulations, seminars, workshops, and private coaching sessions.
- Directs staff and consultants, ensuring that clients receive proper level and quality of service.
- Ensures superior level of services by:
 - Providing direct client services;
 - Delegating assignments carefully;
 - Maintaining "goodwill" contacts with clients and obtaining feedback about level of service;
 - Monitoring client work for quality; and
 - Periodically evaluating effectiveness of services and programs.

Firm Management:

- Sets corporate goals; develops and executes yearly sales and growth plans for the firm.
- Prepares monthly priorities, achievements reports, and sales forecasts.
- Participates in appropriate professional organizations to keep informed on industry trends, talent sources, and peer activities.

RESPONSIBILITIES

Other Responsibilities:

- Supports and follows firm's management systems; reads, knows, and follows procedures outlined in the *Policy & Procedures Manual*.
- Ensures that staff is managing work for profitability and are meeting individual goals.
- Supervises and motivates staff through daily communication and frequent recognition of their efforts.
- Interviews, recruits, hires, and terminates personnel in a manner consistent with company policies.
- Develops annual salary and staffing plan.
- Implements portions of training and motivational plan.

QUALIFICATIONS:

1. Fifteen years public relations counseling firm experience, at least four in management, or five years media training experience plus five years business management experience.
2. Baccalaureate degree with extensive studies in English, journalism, public relations, or business; masters degree or courses in law, sociology, or political science a plus.
3. Outstanding presenter and spokesperson.
4. Proven effectiveness in securing and servicing clients.
5. Proven effectiveness in managing people, time, and client budgets.
6. Proficient and creative business planner.
7. Ability to plan and manage financial aspects of the company and to monitor and ensure profitability.
8. Accredited by PRSA and/or IABC.