

20 Years of the Healthcare Communications Association's Benchmarking: Retrospective Prospective



Introduction

2022 marked the 20th year of HCA Benchmarking – the benchmarking initiative goes right back to the early days of the HCA. Over this time, the healthcare communications industry has proven its resilience: succeeding even as external and internal pressures increase.

All HCA agency members are invited to participate in the annual HCA Benchmarking Survey, with increasing numbers joining over the years.

Its objectives are:

- To provide a real value-added membership service to our agency members, providing unique data to help them manage their businesses
- To generate insights into trends within our sector, to guide where focus should be maintained in supporting members to overcome common challenges and achieve the highest standards in healthcare communications

Our first survey, conducted in 2003 based on 2002 data, had 14 responses, a number that rose rapidly as increasing numbers of member companies became aware of the benefits and were reassured about confidentiality. The most recent

survey of 34 companies represents in excess of £250 million of healthcare communications business, and the salaries, benefits and working practices of more than 2,500 individual employees.

Over the years we have benchmarked many key financial, human resource and business development parameters and we've also explored industry trends both through the survey and via separate telephone interviews. Some of the issues uncovered by the benchmarking process have helped to spark separate HCA initiatives and workstreams such as talent attraction, procurement work and the [Pitching Code of Conduct](#).

We've seen a lot of change over the 20-year period, including a shift from big programme budgets and retainers to commissioning on an individual project by project basis, and we've fully ushered in the era of digital communications. We've also seen a change in working patterns towards much more flexibility, which has, of course, been accelerated by COVID-19.



Two key challenges have persisted since the outset:

1. Recruitment and retention – the challenge of finding and keeping talented staff
2. Procurement and margins – the pressure to discount and commoditise services

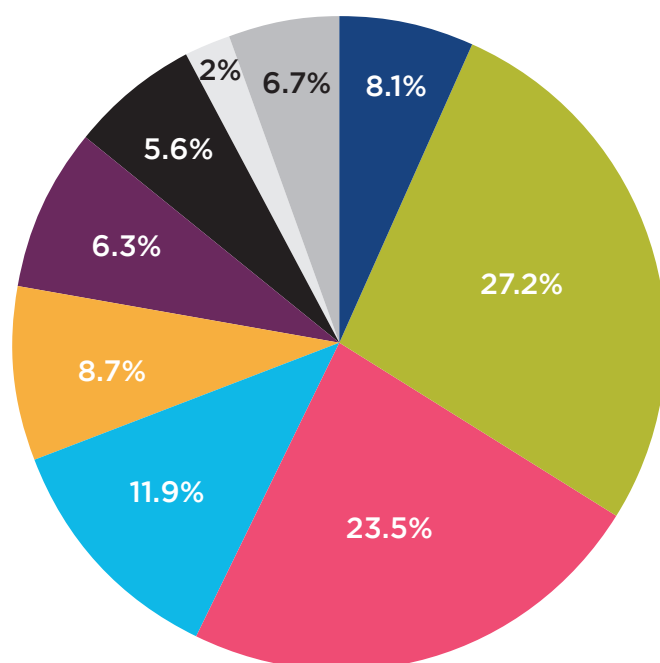
Nature of business

When we first started the HCA benchmarking process in 2002, we referred to our participants as 'PR agencies', and the balance of activities conducted was weighted towards PR / media relations. This has shifted over the years towards the unbranded / medical education end of the spectrum, with an increasing number of med comms focused companies taking part and a general broadening of services offered, as illustrated

by the chart showing the breakdown of 2021 fee income by activity type.

Ten years ago, we were still measuring 'web-based communications / digital media' as a separate, discrete offering, which seems very strange in today's world, and social media was emerging as a tool that communications companies needed to embrace - with care!

Nature of business 2021 - by activity type



- Scientific comms (publications) 8.1%
- PR & media comms 27.2%
- HCP comms (medical affairs) 23.5%
- Integrated comms/marketing 11.9%
- HCP comms (branded) 8.7%
- Strategic consultancy 6.3%
- Policy/public affairs 5.6%
- Market access 2.0%
- Other 6.7%

Recognising the shift in activities conducted by the HCA membership, for the first time in 2022 we asked participants to categorise themselves into two broad remits:

- **General/integrated healthcare communications and/or PR, or**
- **Medical education and/or medical/scientific communications**

Whilst this is not an exact science, it allowed us to provide breakdowns of key data that are of more specific relevance to participants.

Looking at geography, we've seen a gradual shift towards a more global remit. In 2004 (the earliest this was measured), 56% of work was UK based, whereas in 2021 only 37.5% of work was at local affiliate level.



Financial data, client accounts and budgets

Around half-way through our benchmarking journey, it started to become clear that client budgets were falling, and consultancies were handling a larger number of lower value accounts.

We started to talk about the shift from retained programmes to one-off projects and assess the changing split between programme and project work, but we eventually stopped measuring this as it became clear that commissioning on a project-by-project basis had become more the norm.

We've also seen an increasing, procurement-driven, pressure to discount standard billing rates. Reduced fee for volume and/or year-end rebate arrangements have always featured, but the notion of a 'straight discount', not tied into any reciprocal benefit for the consultancy, also emerged.

We started to see the emergence of performance related pricing (with clients more interested in penalties for under-achievement than bonuses for over-achievement!) but this arrangement remains at a low level, which is likely to reflect both the logistical and ethical challenges of measurement. Instead, we've seen an increase in fixed fee for scope and

deliverable based pricing, which is consistent with a move towards more project-based work.

Although it is not a focus of the most recent survey, we have, over the years, measured many issues related to the procurement process and the challenges of gaining new business – for example we've highlighted how consultancies are under pressure to provide both discounts and free services, and we've seen how mark-up of pass-through costs and admin fees have become a thing of the past. We've also shared data on the high costs, short lead times and other issues associated with pitching. On the plus side we have seen a move towards more business being gained without a pitch, which again perhaps reflects the shift to commissioning sequential project work with a preferred agency.

We have also identified a concerning lengthening of contracted payment terms, resulting in increased cash-flow pressures, which is particularly challenging for smaller organisations.

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Talent management

Recruitment and retention have been critical issues for consultancies over the whole 20-year period. Right back in 2002 we noted that “the lack of good/experienced candidates came out loud and clear, together with problems in sourcing candidates. People being over-promoted and demanding inflated packages was also cited”.

As well as looking to new sources to find candidates, companies are ramping up the benefits packages with the addition of well-being type benefits and flexible working (however, it was not until we were forced into it by the pandemic that employees really embraced working from home despite it having been commonly *offered* even back in 2002).

However, staff training does not seem to have been an area for increased investment, with the mean annual spend per head gradually falling, and now lower, in actual cash terms, than it was 20 years ago. Spend on training fell further during the pandemic, which may reflect an impact on face-to-face training, but may also suggest that

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training spend is a target for cutting back at a time of uncertainty. This apparent reduced investment in continuing professional development is concerning in view of the need to maintain knowledge and standards in the sector as a whole, and it also seems counterintuitive to individual organisations’ desire to retain talent.

Looking at salaries over the years, we have seen bigger increases at more senior levels – we know that some of these levels are the most difficult to recruit for, so salary inflation here might be expected. The lack of such big changes at the lower levels could reflect the ‘over-promotion’ issue that has been discussed anecdotally – i.e. staff being promoted too quickly through the grades, rather than salaries at a given level changing much. We’ve also noted that companies are increasingly paying outside of their salary bands to attract candidates, which is a concern in terms of sustainability of the industry.

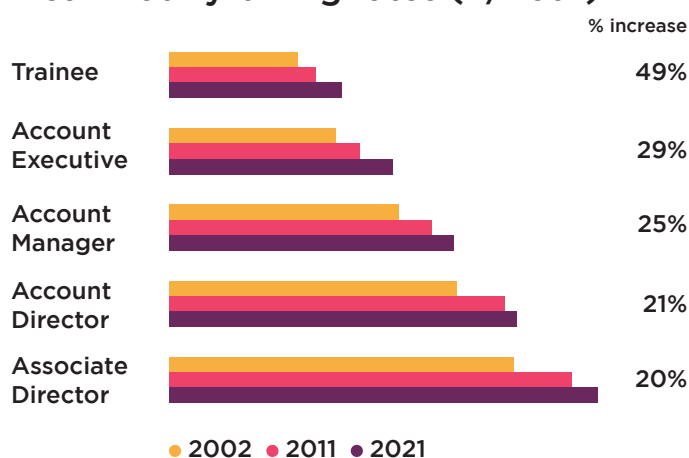


'Squeezed in the middle'

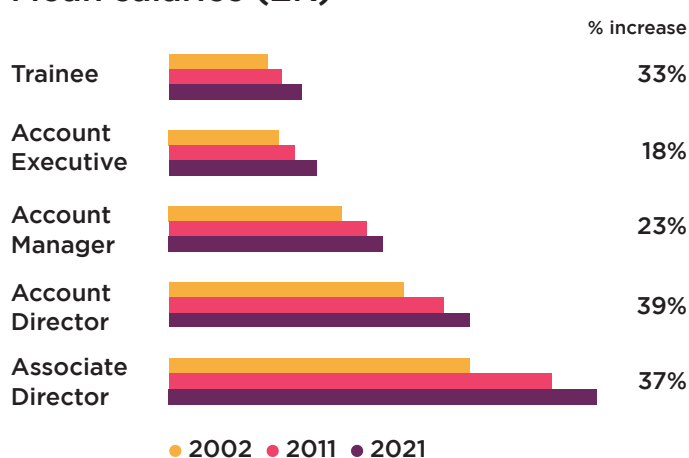
A consistent theme over the 20 years of HCA benchmarking has been the squeeze on consultancies from two sides – pressure on margins from procurement at one end, with pressure to offer increasingly high salaries and attractive ranges of benefits at the other.

20 years of HCA Benchmarking Billing rates vs. Salaries

Mean hourly billing rates (£/hour)



Mean salaries (£K)



In the above chart we can see how billing rates and salaries have changed over the years (looking at the outset, 10 year and 20-year points), for a few selected common job levels.

Whilst billing rates have kept pace, and in fact exceeded salary increases at the lower levels, it is a markedly different picture at the more senior levels, with salary rises outstripping increases in rates. Of course, we are looking here at standard rates, before requests for discounts and free perks come into play.



Notes:

1. The actual values are not shown on the charts as these are confidential to survey participants. They are provided with the latest average billing rates and salaries for a much larger range of job roles than is shown here.

2. Values for 2021 were calculated by averaging out the general comms and med comms values to allow comparison to previous years, but based on the information available the trends are similar for both disciplines.

Despite these ongoing pressures, the benchmarking survey has consistently revealed a picture of continued growth and profitability, with participants, on the whole, managing to navigate the challenges of periods of recession / economic uncertainty and a global pandemic.

At the same time, the sector is again seeing an increased trend for mergers and acquisitions, often leading to larger, but consequently fewer individual, member organisations.

During this time – and perhaps partly as a result of this M&A activity – we’ve also seen that healthcare communications has become much broader in its scope of activities. The digital revolution has provided new avenues for communicating too, so perhaps these new opportunities – along with a forward-thinking attitude and capacity for innovation – have contributed to the industry’s ability to weather the storms.

(We should of course keep in mind that the HCA benchmarking findings may offer a more positive reflection of the industry than its whole, as participants might tend to be the more forward-thinking organisations and/or be more willing and able to take part in years when they have been successful.)

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Having run an agency for almost the same twenty-year period, it has always been invaluable to have access to these data to ensure we are offering competitive and fair packages to staff, and negotiating with procurement on rates, to name just two examples. It is fascinating to now take a look back at trends across the past two decades and remember how far the industry has come and how we have succeeded in sometimes difficult circumstances.

This survey is an excellent initiative to be part of and is a great way to improve transparency and professionalism across agencies

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Appendix

About the HCA

The HCA is a not-for-profit organisation, with membership comprising in-house teams, agencies, third sector and individuals working in national and global healthcare communications across diverse business sectors.

[Read more here](#)

About the HCA benchmarking survey

The Benchmarking Programme always includes an online survey to provide consultancies with confidential quantitative data looking at key parameters in the areas of finance and human resources. The questionnaire is completed during April/May each year by one key individual (typically the consultancy's MD or other senior leader), with input from finance and/or human resources as required.

Participating consultancies are provided with a full report, including detailed information on financial parameters such as charge-out rates and human resources data such as salary bands. The reports are individually tailored and include the organisation's own data benchmarked against the averages.

We occasionally also conduct related activities such as 1:1 telephone or Zoom interviews focusing on industry trends and/or HCA service provision.

Strict Confidentiality

The benchmarking process is led by the HCA benchmarking sub-committee, with the survey itself conducted on behalf of the HCA by a specially commissioned, independent market researcher in order to guarantee anonymity and confidentiality. A third-party data collection agency is used to programme the survey and collect the data via a secure platform to maximise efficiency and security.



Responses are collated and presented in aggregated or anonymised form, with no specific data being attributed to individual consultancies.

It is important to note that the results represent the circumstances of a subset of the HCA membership – which, whilst providing good representation, cannot speak for the whole healthcare communications industry.

2021-22 sample

- In total, 34 HCA member consultancies/agencies took part, covering a spectrum of healthcare communications activities.
- Three-quarters of the surveys were completed on behalf of the whole company whilst the rest were completed by an individual business unit (e.g. a healthcare specific business unit within a broader communications company, or a communications business unit within a broader healthcare company)
- Most of the participating organisations' overall companies were healthcare specific, and all survey responses related specifically to the healthcare part of the business
- Just over half of the organisations were independent companies, with the rest wholly owned or part owned / PE-backed

HCA Benchmarking sub-committee 2021-22

Antonia Betts, Ogilvy Health
Claire Eldridge, Aurora Healthcare Communications
Sorcha Ferris, Synergy Vision (Sub-Committee Chair)
Brendan Murphy, ScientificPathways
Reesha Rajani, Virgo Health (Finance)
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