

The HCA Benchmarking Survey

The objectives of the Benchmarking Survey are:

- ✓ To provide a **real value-added membership service** to our agency members
- ✓ 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

The Benchmarking Committee has worked hard to streamline the whole survey process, to minimize the time involved for those participating, whilst still providing meaningful and valuable data.

The Benchmarking Programme always includes: **An online survey focusing on benchmarking of consultancies' financials, HR data and business performance** over the previous year.

The survey provides consultancies with confidential quantitative data looking at key parameters in the areas of finance, human resources and business development. A secure online platform is used, facilitating a high level of data security and efficiency of data collection and processing. The survey is divided into sections, which are accessed via a simple menu page, making it easy for participants to navigate and fill in. More than one key person within a given consultancy - e.g. finance and HR - can work on the survey in parallel, via the company's unique link. We would like to thank M3 Global Research who conduct, under confidentiality, the programming and data collection on our behalf.

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.

And in alternate years we also conduct: **A short telephone interview focusing on industry trends**, conducted with a senior person from each consultancy. Topics vary from year to year and may explore the broader environment and/or internal consultancy issues, depending on the themes that are felt to be most important at the time.

For 2020, the telephone interview phase was replaced by a 'trends section' within the online survey, looking at key issues, in particular the early impact of Covid-19.

Strict Confidentiality

The benchmarking exercise is handled according to the **strictest codes of confidentiality**, carried out by a specially commissioned, independent market researcher in order to guarantee anonymity and confidentiality. Only aggregate data are shared, and the names of participating companies are not published.

Our aspiration is that taking part in the programme helps consultancies with:

- Reviewing internal operations and business planning;
- Internal benchmarking to ensure competitiveness of salary and benefit packages;
- External interactions, to facilitate informed financial discussion in procurement negotiations;
- Discussion with clients about best practice and industry standards.



Online survey

Survey participants received detailed data including:

- ✓ Turnover, fee income and profit margin, and how financial performance relates to staff headcount;
- ✓ Actual average hourly billing rates by job level (see example chart below), and typical 'blended rates' where these apply;
- ✓ Average discounted rates and average billability, again by job level;
- ✓ Client payment terms;
- ✓ Over-servicing and 'added-value' services provided to clients;
- ✓ New business information: how fee income breaks down by how business was obtained (i.e. from existing vs. new clients / via competitive/non-competitive processes);
- ✓ Detailed data on staffing, turnover and recruitment;
- ✓ Actual average salaries and salary bands by job level, including a range of support staff roles as well as account handlers, and further data on bonuses;
- ✓ Data on the provision of key benefits, including maternity, paternity and shared parental leave provision above statutory requirements;
- ✓ Provision of flexible working opportunities;
- ✓ Training spend - in terms of both money and time;
- ✓ Diversity and social mobility.

The charts show an illustration of the type of detailed output that's available to participants.

The 2020 Benchmarking Survey

2020 saw a record 30 consultancies participate in the survey, several for the first time, representing almost two-thirds of the HCA consultancy membership.

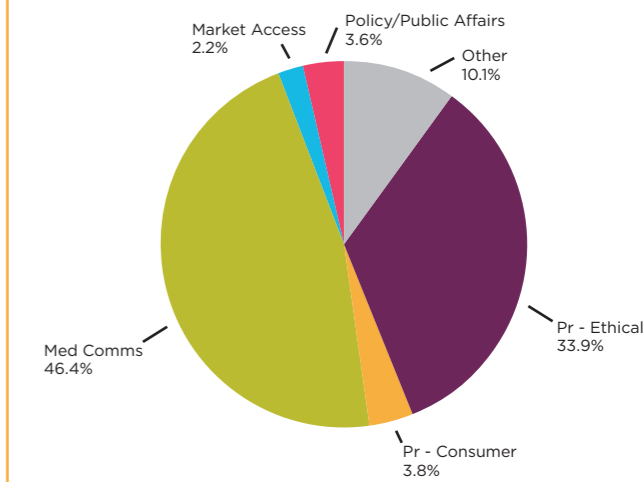
Participants represented a range of different sized consultancies, wholly/partially owned companies and independents. Most participating companies were healthcare specific, with most of their work coming directly from the pharmaceutical industry and most consultancies describe themselves broadly - 'healthcare communications consultancy' being the most common description.

A spectrum of PR and Medical Communications activities were conducted by these organisations, with medical communications the most common category of work - see chart - though clearly those headings encompass a wide range of activities.

Just over a third of the work was UK-specific with the rest having a Global remit.

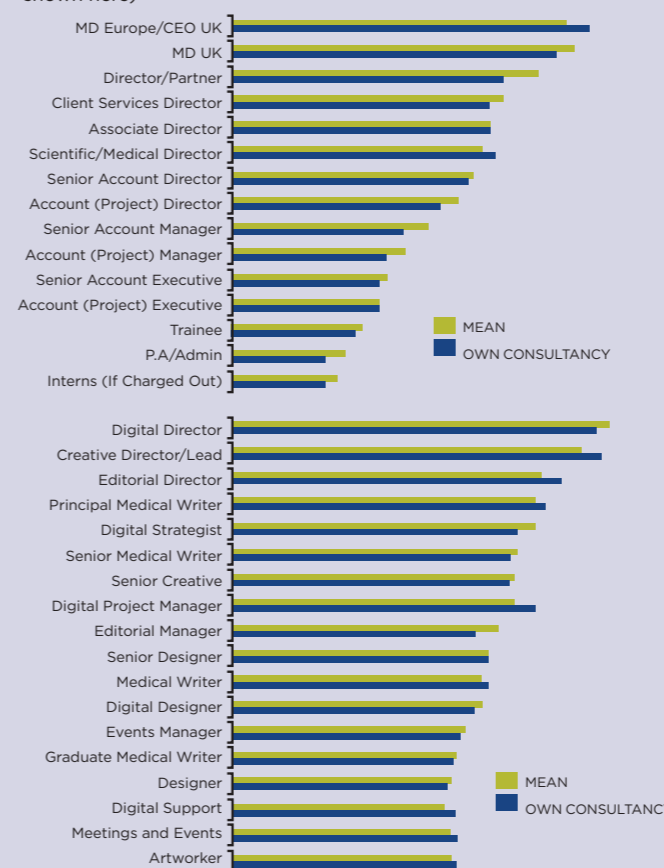
Online survey data

Mean breakdown of fee income by activity type - 2019



Example output:

Each organisation receives charts showing their own hourly billing rates compared to the averages, for a range of different roles (dummy data shown here)



The impact of Covid-19

A special section looked at the early impact that the pandemic was having on consultancies' businesses. Key findings included:

- **Unsurprisingly, the most common impact experienced was the cancellation or postponement of face-to-face events**. However, in a majority of cases it had been possible to at least partially recoup the revenue by converting to virtual formats.
- **General client uncertainty was also a significant issue, meaning projects were put on hold, new business discussions postponed or tending towards smaller/project-based opportunities**. But there was a sense that this had started to pick up once the initial shock had passed and new solutions were being developed or budgets being redirected to other activities.
- **There were some positive impacts on business - for example helping clients with Covid-related initiatives or internal communications**.
- **In terms of staffing, around half the organisations had needed to furlough some staff for a period of time**, but generally in small numbers (e.g. reception staff who could not work from home).
- **The biggest day to day challenge was managing remote working** - the importance of regular communications and supporting staff to maintain morale and motivation when working from home was highlighted as crucial.

We will explore these issues further in 2021.



Looking ahead to 2021 - benchmarking plans

Our key objective for 2021 is to keep the streamlined approach to the online survey by focusing only on the really core elements our members require. We will also be conducting a telephone phase this year, with a focus on industry trends/developments and how the HCA can support members as their businesses evolve.

Please register now your interest to participate in the 2021 benchmarking programme.

Please contact Aline Rogers, independent market research consultant to the HCA - benchmarking@the-hca.org / 07876 543782.

HCA Benchmarking Committee

Antonia Betts, OgilvyHealthPR
Julia Cook, StepBack Healthcare - to December 2020
Claire Eldridge, Aurora Healthcare Communications
Sorcha Ferris, Synergy Vision (Committee Chair)
Brendan Murphy, ScientificPathways - from January 2021
Sarah O'Donoghue, Syneos Health (Human Resources)
Reesha Rajani, Virgo Health (Finance) - from July 2020
Aline Rogers, Independent market research consultant
Lynda Tay, Virgo Health (Finance) - to June 2020

Note:

Each of the two parts of the consultancy benchmarking programme is completed by one key individual (typically the agency MD), with input from finance and/or human resources as required. These individuals are in a good position to give an overview of what is happening within their own organisations, as well as the prevailing attitudes towards communications, though the findings do, to some extent, reflect the personal opinions of those individuals who responded.

It is also important to note that the results represent the circumstances and points of view of a subset of the HCA membership - which, whilst providing a good representation of members' views, cannot speak for the whole healthcare communications industry. The HCA benchmarking findings may tend to offer a more positive reflection of the industry than its whole, as participants are likely to be the more forward thinking, successful organisations, but it should still give a good indication of trends

