

DBA Annual Survey 2019

Preview

dba

Introduction

The DBA Annual Survey remains one of the most comprehensive and accurate surveys of design business fees and salary levels and how they change each year. Since 1998 the results report has enabled DBA members to benchmark themselves against their peers and also to put their rates in context for clients. This year we have stripped the survey back and removed some questions that we will only be including on a bi-annual basis as results rarely differ in a two year period, this will make completing the survey slightly quicker.

Only DBA member businesses are surveyed and only these businesses get access to the final report. All responses are treated in the utmost confidence. Members derive real benefit from the information supplied. Read about how DBA members use the survey in their own words [here](#)

Reasons for completing the survey

- Only those who participate in the survey get the full results - a printed report and full access to the online dynamic data tables.
- Access to the data will allow you to benchmark your figures against those of your peers. Are you charging enough? Are you not recovering enough of your time costs?
- Completing the survey helps develop your financial processes, having this type of information at your fingertips is essential for managing a successful profitable design business.

Introduction

The survey will be open for the whole of May 2019. You can keep logging in as many times as you like during that period to complete your response up to the point that you submit your data.

When you submit your response you will be able to save a copy for your records.

Completing the survey is not a test. If you struggle with any questions please contact eleanor.singh@dba.org.uk for help.

A note on data security

The data from this survey is analysed by Data Alive (who also manage the IPA's surveys). The data is analysed without any identifying markers except your DBA Member number. At no point is any data from a single agency which might identify them shared. Results are only ever shown as collective averages.

DBA Survey 2019

Welcome to the DBA Annual Survey 2019 - Please login below

1. Please provide your DBA Membership Number*

Please note that the membership number is listed in the email directing you to this survey. If you have difficulty finding either please contact Eleanor Singh, 0207 251 9229, eleanor.singh@dba.org.uk

Business Structure

2. What is the full time equivalent of staff in your business that are on payroll? - including directors and those that you might consider freelancers but are paid via PAYE (e.g. 3 half-time staff should be counted as 1.5 full time equivalent) *

No.

3. Do you have any non-UK staff originating from the EU? *

- Yes
- No

4. If so, how many

No.

5. Do you have any non-UK staff originating from outside the EU?*

- Yes
- No

6. If so, how many?

No.

7. What % of your employees are “indirect” - i.e. their time is not charged back to clients”

%

8. What is the full time equivalent (FTE) of freelancers that are not on payroll, but are included in overheads? - (e.g. 2 freelancers a month for 6 months should be counted as 1, and 6 freelancers a month for 3 months should be counted as 1.5)

No.

9. What type of entity is your business? *

Limited Company

LLP/Partnership

Sole proprietor / Sole trader

10. When is your financial year end?

Offices

11. We would like to understand how income is generated across the UK. Please give your business location(s) and your total annual gross income. Overseas offices should be excluded.

In which region(s) do you have an office? Please check all that are applicable.

- East Midlands
- East of England
- London
- North East
- North West
- Northern / Republic of Ireland
- Scotland
- South East
- South West
- West Midlands
- Wales
- Yorkshire

12. What is the total gross income of your business across all UK locations?

Gross income is the total of all fees invoiced for design services, plus any profit on bought-in costs.

£

Design Disciplines

13. Please indicate the % split of your total gross income between the design disciplines you work in. If a project spanned more than one discipline please split the income proportionally if possible. The total should add to 100%

<input type="text"/>	Branding / Corporate Identity
<input type="text"/>	Digital
<input type="text"/>	Exhibition Stands / Displays
<input type="text"/>	Interior / Retail / Experiential Design
<input type="text"/>	Internal Communications
<input type="text"/>	Literature / Print
<input type="text"/>	Packaging
<input type="text"/>	Point of Sale
<input type="text"/>	Product / Industrial Design
<input type="text"/>	Strategy / Research & Innovation
<input type="text"/>	Service / User Design
<input type="text"/>	Other

0 out of 100% Total

14. What % of your income in the last year has been from retained / existing clients (i.e. ongoing relationships that started over a year ago rather than new clients)?

%

15. What % of your income in the last year (if any) has been on a retainer basis?

%

16. In terms of new business are there any particular regions outside of the UK that you are interested in targeting during the coming year?

UK

Europe (excl. UK)

North America

South America

Middle East

Asia (excl. China)

China

Australia

Africa

0 out of 100% Total

Split of Income by Region

17. Please indicate the split of your total gross income between region of commissioning client (%). Ask yourself - where do you send the bill? If you work for multinational clients, but only deal with their UK offices put 100% for UK. If some of your gross income comes from work commissioned from overseas put the relevant % in the applicable region.*

<input type="text"/>	UK
<input type="text"/>	Europe (excl. UK)
<input type="text"/>	North America
<input type="text"/>	South America
<input type="text"/>	Middle East
<input type="text"/>	Asia (excl. China)
<input type="text"/>	China
<input type="text"/>	Australia
<input type="text"/>	Africa

0 out of 100% Total

International Offices

18. Do you have any international offices? - By this we mean a trading entity rather than simply a sales presence.*

- Yes
- No

19. Please select the number of international offices for each region. If you do not have an office in a region please leave blank. *

<input type="text"/>	Europe (excl.UK)
<input type="text"/>	North America
<input type="text"/>	South America
<input type="text"/>	Middle East
<input type="text"/>	Asia (excluding China)
<input type="text"/>	China
<input type="text"/>	Australia
<input type="text"/>	Africa

Total : 0

Forecasting

20. How do you realistically expect your total gross income to vary over the next 12 months compared to the previous 12 months? You might call this your budget. *

- | | | | | | | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| -10% | | | | | | | | | | +10% |
| or | -8% to | -5% to | -3% to | -1% to | No | + 1% | +3% to | +5% to | +8% to | or |
| more | -10% | -7% | -4% | -2% | Change | to 2% | 4% | 7% | 10% | more |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

21. How do you expect your permanent staff levels to vary over the next 12 months compared to the previous 12 months? *

- | | | | | | | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| -10% | | | | | | | | | | +10% |
| or | -8% to | -5% to | -3% to | -1% to | No | + 1% | +3% to | +5% to | +8% to | or |
| more | -10% | -7% | -4% | -2% | Change | to 2% | 4% | 7% | 10% | more |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

22. What do you consider are the biggest issues affecting your business in the near future?

Business Health

23. How would you describe the health of your business at the moment?
Consolidated results of this question will run in our ezine insight during the summer and we will periodically poll the membership outside of this survey to see how business confidence changes throughout the year. (As with all questions in the survey responses are completely anonymous) *

- Business is great and growing
- We're doing OK, our client base is solid
- We're likely to break even this year
- Concerning; we are actively tightening our belts
- Critical; we're struggling to stay in business

24. Which phrase best describes your approach to marking up bought in costs (such as print, photography, exhibition space etc) which is then charged back to the client? *

- We don't - we charge the client exactly what we are billed We add a small fee of up to 10% to cover our time and costs
- We add between 10 and 20% to cover our time and costs and to acknowledge that we are managing cashflow flow for the client
- We add between 20 and 35% as a management fee to ensure smooth running of the project even when other services are bought in
- We add over 35% as a management fee as we feel our expertise ensure the smooth running of the project even when other services are bought in
- N/A - we never buy in services on behalf of a client

Recovery Rate

25. On average what percentage of time incurred on billable projects do you actually manage to bill clients?

For example, if you work 10 hours at £80 per hour but you only bill the client £600, the answer to this question would be £600 divided by £800 x 100 = 75%)
This is different to utilisation rates which are asked for later in the survey Note:
Please use numerical characters only

%

26. Are you affected by the late payment of invoices by your clients?

- Yes
- No

27. If yes, how overdue are the payments on average?

- 0 - 30 days overdue
- 30 - 60 days overdue
- 60 - 90 days overdue
- 90+ days overdue

28. How is your business impacted by the late payment of invoices?

A large, empty rounded rectangular box with a thin black border, intended for the respondent to provide their answer to the question.

Salaries, Charge Out Rates, Utilisation and Bonuses

29. In which of the following departments do you have employees?

This is about job title rather than function. Small businesses may have an owner / manager that also account handles, does new business and manages the studio. We only need the information for the owner / manager, not for the other functions too unless of course there are other people in those roles as well.

The total number of people in this section should equal the total number of staff you gave

- **Business Management and Department Heads** (CEO, MD, FD, Strategy Director and all other director level positions)
- **Design** (Senior Designer, Designer, Junior Designer, Production Manager, Visualiser / Retoucher, Art Worker, Copywriter)
- **Strategy & Planning** (Senior Planner / Strategist, Planner / Strategist, Junior Planner / Strategist)
- **Digital** (Head of Digital, Technical Lead, UX / UI Designer, Front End Developer, Back End Developer, Digital Strategist)
- **Account Handling**
- **New Business / Marketing**
- **Support** (HR / Studio / Traffic / Reception / PAs / Finance)
- **Additional Staff** (Do you have any additional staff that cannot fit into the categories already mentioned? For industrial design agencies these might include machinists and prototypers, for retail and exhibition agencies these might be workshop / shop-fitting staff)

In the section that follows you will only be asked questions about the departments that are applicable to your agency / company.

We realise many businesses use different job titles, please use common sense in attributing figures.

If an individual covers more than one role please only count them once for the role that fills the majority of their time.

Notes for Completion

FTE Staff: Please indicate the number of male and female full-time equivalent (FTE) staff in each position. If you do not have any staff in a position please leave blank. If a role is filled by a part-time member of staff put the appropriate decimal e.g. 0.5.

Average Salary: Please provide the average annual total salary including taxes, that members of staff receive in each position that you have staff in. If any part of the salary is paid as dividend this should be included when working out average salaries. We want a realistic picture of what people are earning not how they are reducing their tax liability.

If you have part time staff please provide the full time equivalent salary. For example if you have a financial controller working 2 days a week earning £10,000 **put 0.4 in the FTE Staff column and £25,000 in the salary column.**

Notes for Completion (cont.)

Hourly Charge Out Rate: Please provide the average hourly rate for each position that you have staff in, in Pound Sterling.

Utilisation Rate: Please provide the average utilisation rate for each position you have staff in. Utilisation rate is defined as the percentage of total time charged to fee generating work, excluding holidays and illness. For example if a designer works 9am - 6pm with an hour for lunch they have 8 hours available to bill. If they bill 6 of those hours their utilisation rate will be 75% ($6 / 8 \times 100$). If you don't monitor utilisation of staff in certain positions, please leave blank.

Bonus %: Please provide the average annual proportion of annual salary that was awarded to members of staff in each position that you have staff in.

Staff Turnover

38. What was your staff turnover during the last 12 months?

How many individuals were working in your agency a year ago?

How many individuals were working in your agency now?

How many individuals, if any, were made redundant during the 12 month period?

How many individuals have left the agency during the 12 month period, excluding those made redundant?

39. Employee engagement goes beyond simple job satisfaction. It combines commitment to the organisation and its values with a willingness to go the extra mile for colleagues. Engaged employees are therefore both more productive and more fulfilled than their less engaged counterparts.

With this in mind the DBA will be carrying out their first employee engagement survey for members later this year. Please give the name and email address of the person to whom we should send more information.

Name

Email

Calculation of Charge out Rates

40. Please indicate the figures that you apply when setting charge out rates:

No. of billable hours per day - The number of hours in a working day that are billable to a client (usually between 7 and 8.5)

No. of billable hours per annum - The number of working hours per day multiplied by the number of working days (usually worked out by taking 8 bank holidays and annual leave days and weekends from 365. Usually 225-230 days x no. of hours per day)

% Overhead recovery - The factor you add to chargeable salaries to recover office overheads (usually between 80 - 110%)

% profit margin - The % margin that you typically apply to chargeable salaries, oncosts and overhead in order to derive a profit

41. Some agencies no longer work out a fee via hourly billing rates. Do you offer clients fixed prices depending on type of project or practise value pricing?

- Yes
- No

42. If Yes, what % of your income is charged this way?

 %

Training

44. Does your company set aside a budget each year for staff training? *

- Yes
 No

45. How much is allocated to actual training costs per annum, on a **per head basis** (£)?

Note: We are looking for the average **budget per head**, not your total training budget. - If you spend £5,000 on training and have 10 staff the budget per head would be £500

£

46. What proportion of your training budget is spent on external courses and qualifications?

%

Pensions

47. Typically on what basis does the company contribute to staff pensions?

- Employee contributions matched
- Double employee contributions
- Employee contributions matched +1%
- Employee contributions matched +2%
- Employee contributions matched +3%
- Employee contributions matched +4-7%
- Employee contributions matched +8-10%
- Flat rate of company

48. What % of basic salary does the agency contribute towards pensions for the following categories of staff?

- | | |
|--|-----------------------|
| <input type="text" value="-- Please Select --"/> | Executive Management |
| <input type="text" value="-- Please Select --"/> | Other Board Directors |
| <input type="text" value="-- Please Select --"/> | Senior Staff |
| <input type="text" value="-- Please Select --"/> | Middleweight Staff |
| <input type="text" value="-- Please Select --"/> | Junior Staff |

Benefits - Share-based Incentives

Share-based incentives, such as shares or share options, are often awarded to staff as an additional incentive. We would like to focus on what sort of percentages of salary are being awarded to employees.

Therefore, when we ask about the percentage given we are referring to the total percentage of equity given to each category of employee.

49. Were share-based incentives offered to staff / directors in your financial year? (e.g. share options or other)

- Yes
- No

50. What level of staff were offered share-based incentives? (e.g. share options or other)

- Equity owners
- Statutory directors
- Senior Staff
- Middleweight Staff
- Junior Staff

51. Typically what was the % of share-based incentives given to staff in the last financial year for the following?

Equity owners

Statutory directors

Senior Staff

Middleweight Staff

Junior Staff

Freelancers and temporary staff

Definition: A freelancer is a person who sells services to several employers without a long-term commitment to any of them, without being on any employer's payroll and without being a third party. We use the term 'full-time equivalent' to compare the results of companies using different levels of non-permanent staff as described below:

Examples

One organisation may use 12 freelancers for just one month. This would equate to 1 full-time employee over the year. Another may use 4 freelancers for 6 months which would equate to 2 full-time employees over the year.

This does not need to be an exact science but allows us to compare companies and review the level of freelance staff used throughout different businesses.

52. Does your company currently engage people on freelance contracts?

- Yes
- No

53. What is the annual full-time equivalent of individuals engaged on freelance contracts?

- 1 - 2
- 3 - 5
- 6 - 9
- 10 -15
- 16 - 20
- 20+

54. Approximately what is the percentage of total salary costs spent on freelancers? If total salary costs are £300,000 and £15,000 is spent on freelancers, the percentage of salary spent on freelancers is ($\text{£15,000} \div \text{£300,000} \times 100$) = 5%

- 1-4%
- 5-8%
- 9-12%
- 13-16%
- 17-19%
- 20% +

55. What day rate do you pay freelancers in the following positions, in £?

Designer (3-8 yrs. experience)

Art Worker (3-8 yrs. experience)

Web Designer (3-8 yrs. experience)

Planner / Strategist (3-8 yrs. experience)

56. IR35 legislation relates to HMRC rules on when a freelancer should be treated as a worker in regards to tax and NI contributions. Have you encountered any difficulties with IR35?

- Yes
- No

57. If yes - Would you please share details

Internships and Placements

58. Does your company currently provide internships or placements?

- Yes
 No

59. If Yes.

What % are still enrolled in a UK based further education course?

What % are graduates?

0.00% out of 100% Total

60. For those still in education what is the average duration of the internships or placements you offer?

- Up to 2 weeks
- 2-4 weeks
- 1-3 months
- 4-6 months
- 7-12 months
- Over 1 year

61. For those who have graduated what is the average duration of the internships or placements you offer?

- Up to 2 weeks
- 2-4 weeks
- 1-3 months
- 4-6 months
- 7-12 months
- Over 1 year

62. Do you pay those who are still in education?

- Yes
- No

63. How much do you pay student placement / interns per week?

64. Do you pay those who have graduated?

- Yes
- No

65. How much do you pay graduate placement / interns per week?

66. How, if at all, do you feel Brexit is, or will, affect your business?



And finally

67. If you have any questions, comments or changes you would be interested in seeing in future please leave a note here:



Thank You!

Thank you for taking our survey. Your response is very important to us, and it means you will have full access to the results later in the year.

Once you have completed the survey online you will be able to save your responses as a pdf or print them out. It will make completing the survey next year much easier.

Find out more at
www.dba.org.uk

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