EINPRESSWIRE

Ignition Study: Unpredictable cash flow forced 82% of agencies to cancel or delay hiring and investments

Late payments, scope creep, and pay later norms contribute to agency cash flow issues

Ignition 2025 Agency Pricing & Cash Flow Report

SAN FRANCISCO, CA, UNITED STATES, May 22, 2025 /EINPresswire.com/ -- Ignition, a leading revenue and billing automation platform for professional services businesses, today revealed findings that highlight cash flow unpredictability is slowing the growth of U.S. marketing and advertising agencies in 2025. The data, which is the result of a survey on the pricing, billing, and revenue trends of hundreds of advertising and marketing agencies, found that 63% suffer from unpredictable cash flow, leading to 82% delaying or cancelling hiring and investments.

> "With better data, proven cash flow practices, and the support of automation technology, we believe agencies can scale more efficiently and sustainably."
>
> *Greg Strickland, CEO of Ignition*

"In today's economy, it's the unpredictability of cash flow that can be most damaging," said Greg Strickland, CEO of Ignition. "Many agencies get stuck in a frustrating cycle. They want to scale, but inconsistent cash flow holds them back. When critical decisions like hiring or investing in new software are delayed due to volatility, growth slows, and opportunities to attract larger clients slip away.

"Our goal with this study was to help agencies identify where revenue is slipping through the cracks and provide actionable strategies to escape the cycle of unpredictable cash flow. With better data, proven cash flow practices, and the support of automation technology, we believe agencies can scale more efficiently and sustainably."

Scope creep is costing agencies thousands

The study found that 57% of agencies lose from $1,000 to $5,000 every month on projects and tasks that are unbilled. A whopping 30% say scope creep costs them more than $5,000 a month. More than three-quarters (78%) of agencies say they rarely or only sometimes charge for out-of-scope work, leaving significant money on the table.

Late payments are an epidemic quietly choking cash flow

The vast majority of agencies (71%) say that at least one in every four invoices is paid late, making late payments a huge contributor to unpredictable cash flow. More than half of respondents (56%) said it typically takes anywhere from 2 weeks to 2 months after the due date to get paid. Late payments take a big toll on resources, with 84% of agencies spending at least 3 to 10+ hours per month chasing late payments.

“Pay later” tradition extends cash flow risk

Most agencies do not bill clients upfront, due to fear of losing clients and outdated tradition. Only 16% of agencies require full payment upfront, but a growing number (49%) do request partial payment in advance. This practice of billing after the fact increases the risk of late payments. According to a Federal Reserve Banks survey of 12 major US cities last year, slow-paying customers are more prevalent in businesses that accept payment after delivery.

Modern pricing models and automation are gaining traction

The survey did surface some pricing innovation and move toward change. Hourly billing remains common (28%) for the majority of agencies, but a growing trend of agencies (also 28%) have adopted productized or subscription-based service packages, or tiered bundles. Only 10% of agencies report retainer-based pricing, with the rest (25%) using project-based pricing.

Along with the move to new pricing models, billing and collection is moving toward automation. Nearly half of agencies (49%) use accounting software for billing, and 20% have shifted to billing platforms that collect payment details in advance and charge automatically.

“We used to be one of the 71% of agencies that struggled with late payments. We were doing great work, but we weren’t getting paid on time and spending hours chasing payments,” said Jordan Snider, co-founder of digital agency Token Creative Services and an Ignition customer. “My advice to agencies: Stop wasting time on manual admin work. If you want to scale your business, get a solution that automates proposals, invoices, and payments. Now we get paid on time, every time, with zero overdue invoices.”

More strategies and the full results of the Ignition study can be found in the “The 2025 Agency Pricing & Cash Flow Report” which also includes data on how many agencies are raising their fees, by how much, and why — along with actionable guidance to help agencies price confidently, charge their worth, and get off the cash flow roller coaster.

The study surveyed 273 managers and executives of agencies focused on branding, creative, digital, marketing, PR, social media, or website development and hosting.

For more information on how Ignition works with agencies, go to:
https://www.ignitionapp.com/marketing-agencies

About Ignition
Founded in 2013, Ignition is the leading revenue operations platform for professional services businesses to transform their sales, billing and payment processes. Ignition automates proposals, invoicing, payments and workflows in a single platform, empowering over 8,000 businesses to sell, bill and get paid for their services with ease. To date, Ignition customers have managed relationships with over 1.9 million clients and earned $9b in revenue via the platform. Ignition's global workforce spans Australia, Canada, New Zealand, the Philippines, US and the UK.

For more information, visit ignitionapp.com.

Kim Abreu
AquaLab PR for Ignition
kim@aqualabpr.com
Visit us on social media:
LinkedIn
Instagram
Facebook
YouTube
X
