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A helping hand to success

Once the founder of Houston Associates realised he couldn't develop his company's full potential on his own, his PR agency has gone from strength to strength. Alex Blyth finds out how



Teamwork has been the key to improving staff retention and boosting business performance at Houston Associates

The organisation

Houston Associates is a south London-based public relations agency. Founded in 1992 by John Houston, it now has 14 employees serving clients from the IT sector. It was recently ranked among the top 30 technology PR agencies in the UK by *PR Week*.

According to Houston, in the past three years, the PR industry has shrunk by around 20%, 24% and then 40%. On paper, the progress seems straightforward – inevitable, even. But in reality, it has been a long and arduous process – one which has proved the undoing of many other small companies.

The challenge

Houston recalls that four or five years ago he was pitching for the PR account of SKS, a large IT company.

"The team at SKS called me to say that it had heard some very good reports about me," he says. "The problem it had was that all of the reports were about me, rather than about the agency. We didn't win it because we were seen as a one-man band with a few 'hangers on'."

At the time, Houston had around half a dozen employees, and concedes that the company lacked structure and direction.

"We lived entirely on our wits and were constantly firefighting," he says. "It worked but we reached a point where we needed to build something bigger. Apart from anything else, my wife and I had run the business for many years and were keen to develop an exit strategy."

The solution

Several of his clients, including Toshiba, advised him to speak to Dave Oseman of

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JOHN HOUSTON, FOUNDER, HOUSTON ASSOCIATES

management consultancy EBN. Having taken a look at the business, Oseman identified internal communication, delegation and the division of responsibility as the primary obstacles to the agency's development. So, he did some basic psychometric testing and ran some practical workshops to help all the members of staff communicate more effectively with each other.

Oseman also helped the agency define clear job roles and key performance indicators. According to Houston, the main barrier to this process was himself.

"At that time, I did everything in the company, and I found it hard to accept that anyone could do anything as well as I could," he says. "Despite these reservations, we gave individuals responsibility for administration, business development and operations, and I had to learn to delegate."

The outcome

Although the financial cost has amounted to less than £10,000 over five years, Houston acknowledges that the process has required a vast investment of time and effort from everyone in the company, and admits that it did involve casualties.

"Early on, we had to let someone go," he

directly enhanced business performance. Houston describes how his biggest-paying client has leapt from spending £30,000 a year to £250,000 a year, and how all of his clients are delighted with the service they receive. The increased turnover figures are also impressive, and bode well for Houston's future plans.

The three staff who took responsibility for administration, business development and operations have recently formed the company's first board and within three years Houston plans to hand over his managing director role to two of them.

"I want to leave a stable company that has a clear model for growth and a great team running it," he says. "If we can do that, then my wife and I can sell the business and pursue our dream of becoming artists."

Learning points for HR

Houston has just one piece of advice for any owner-manager of a small company.

"Do not believe that you can do it on your own," he says. "No matter how talented or brilliant you are, you will need the help of those around you if you are to succeed."

EMPLOYEE PERSPECTIVE

Tony Cavallo joined Houston Associates as a freelance web designer in April 2000.

Having decided to join the team permanently, he spent the first three years developing the web design department.

However, when EBN was brought in, that role changed, as Cavallo describes: "It had become clear that John, the owner MD, had reached a bottleneck, and so we needed to hive off some of his roles.

"At first I was unsure about becoming the operations manager, as I wasn't from a PR background. But it has worked to my advantage, as it means I don't get bogged down in the detail of campaigns."

Cavallo now runs the company alongside business development manager Richard Stone, and is looking forward to participating in a management buy-out of the company in the next few years.