Case study

Rebecca Web Agency

🚀 Rebecca launches a web agency in London with 2 junior colleagues… and limited cash

🔎 Highlights

- Type: **Simulated case study**
- Country: **United Kingdom**
- Project type: **web agency**
- Team size: **3 – Rebecca + 2 junior colleagues**
- Associates: same

Context

Rebecca is an experienced web designer based in the UK, previously employed at a reputable agency. She wants to start a new agency with two of her junior colleagues, Kate and Andrew.

She has an extensive network of potential clients and has about 60 000 £ of contracts ready to sign. She thinks these projects would take about 3~6 months to be completed and fully paid. After that, she thinks that she can get about 240 000 £ per year of revenues with this team.

Rebecca's current salary is 6 000 £ per month, and she has about 20 000 £ cash in savings. That's enough to cover her living costs for the next 6 months, but not enough to pay her team a full salary at fair market value, which would be about 3 000 £ per month each.

Rebecca decides to use the FlexUp system to offer her colleagues a simple, fair and transparent deal.

Deal structure

She offers Kate and Andrew to hire them with a target salary of 3 000 £, of which:

- 1 200 £ paid in cash (40% **Firm**),
- 1 200 £ paid as a flexible remuneration (40% **Flex**), and
- 600 £ invested in the project (20% **Credit**).

Rebecca would pay herself a target salary of 6 000 £ per month, of which:

- 1 000 £ paid in cash (16.7% **Firm**),
- 3 000 £ as flexible remuneration (50% **Flex**),
- 2 000 £ invested directly in the project (33.3% **Credit**).

The "Flex" tranche would only be paid if the project has enough available cash at the end of the month. If not, it would be converted in "Credits", to be paid on an annual basis when the project becomes profitable.

Kate and Andrew believe in the success of the project, and have some savings of their own, so they accept to join her in this new endeavour.

Outcome

After six months, Rebecca's agency successfully delivered the initial projects worth 60 000 £. She has put aside 30 000 £ in the "reserves" (required to cover future expenses) and has already started to pay the Flex remuneration in full.

By the end of the first year, the agency had generated 180 000 £ of revenues and reached profitability. Rebecca, Kate, and Andrew were able to recover the majority of their deferred Flex and Credit payments through the annual resolution process.

By the end of the second year, Rebecca was able to distribute over 100 000 £ to herself and the team, to fully repay the credits accumulated in the first years and distribute the excess profits. As part of FlexUp's commitment to support the greater society and the environmental, she also gave over 10 000 £ as endowments to support local community initiatives.

Rebecca provided the greatest contribution and assumed the highest level of risk. Accordingly, her equity stake is the most substantial. Kate and Andrew also built up a significant stake, proportionate to their risk and effort. The result: a sustainable, resilient, and highly motivated team with shared governance and long-term commitment to the business.

Here's a summary of the cashflows over the first 2 years:

Cashflows, £	Year 0	Year 1	Year 2
Revenues		180 000	240 000
Firm salaries		-40 800	-40 800
Other expenses		-24 000	-24 000
Base reserve allocation		-16 200	
Gross cashflow		99 000	175 200
Flex salaries		-64 800	-64 800
Deferral Flex→Credit		21 600	
Flex reserve allocation		-5 400	
Investment	20 000		
Net cashflow	20 000	50 400	110 400
Annual allocation		-61 200	-110 400
Liquidity (final)	20 000	9 200	9 200
Base reserve (final)		16 200	16 200
Flex reserve (final)		5 400	5 400
Cash (final)	20 000	30 800	30 800

On average, by the end of year 2, the team earned 40% more than their target remuneration, with a equitable distribution of the profits generated:

Remuneration, £/month	Target	Payment structure			Total paid		Paid vs Target	
		Firm	Flex	Credit	Year 1	Year 2	Year 1	Year 2
Rebecca	6 000	1 000	3 000	2 000	6 303	9 505	105%	158%
Kate	3 000	1 200	1 200	600	2 643	3 788	88%	126%
Andrew	3 000	1 200	1 200	600	2 643	3 788	88%	126%
Total	12 000	3 400	5 400	3 200	11 590	17 080	97%	142%

Here is the equity structure (credits + token) at the end of year 2, after the annual resolution and credit buyback process:

Equity stake	Credits				Tokens			Total equity	
	End of yr 1, before*		End of yr 1, after	End of yr 2, after	End of Yr 2, after			End of Yr 2, after	
	£	%	£	£	#	%	£ **	%	£ **
Rebecca	44 000	75%	20 717	7 289	7 544	65%	117 873	65%	125 162
Kate	7 200	12%	3 541	1 856	2 055	18%	32 104	18%	33 960
Andrew	7 200	12%	3 541	1 856	2 055	18%	32 104	18%	33 960
Total	58 400	100%	27 800	11 000	11 653	100%	182 081	100%	193 081

* before & after annual resolution and credit buy-backs.

** Token "notional" value, based on the annual token index increase of 25%/yr.

Conclusion

Despite the modest starting budget, careful cash flow management and the transparent FlexUp model helped ensure the team's sustained motivation and clarity over remuneration.

The agency used FlexUp to:

- Record and track all contracts, orders, and deliveries
- Generate all related documentation and invoices
- Transparently allocate cash, and defer flexible payments
- Issue Credits and Tokens for unpaid flexible remuneration
- Run monthly and annual cash resolutions

Kate and Andrew also built up a significant equity stake in the project, aligned with their respective risk and effort contributions. The result: a sustainable, resilient, and highly motivated team with shared governance and long-term commitment to the business.

Today, the agency continues to grow, with Rebecca planning to onboard new clients and collaborators using the same FlexUp framework that helped launch the company. She's also thinking about using the FlexUp model in her contracts with her key clients to get them to fund her growth in exchange for equity and thus creating long-term alignment with them.

🔗 Explore further

- 📖 Read the full story in our blog – **Rebecca Web Agency**
- 📄 Download the full case study – **Rebecca Web Agency.pdf**
- 📊 Download the financial model – **Rebecca Web Agency.xlsx**
- 🧪 Log into our demo site to view this use case in the FlexUp app:
  - Link: **demo.flexup.app/login**
  - Email: agency@example.com
  - Password: demo