

## WHO NEEDS AN ADVERTISING AGENCY?

Does your small business need an advertising agency or marketing firm?  
Below are some guidelines that can help you decide.

**You don't** need to use an advertising agency/marketing firm if:

- 1) **You need only some cool graphics.** There are plenty of talented graphic artists, graphic boutiques and professional print shops available to provide the graphics you need for your print projects. Although creative print is certainly an important part of advertising, it's simply overkill to seek out the services of a full-service advertising agency if all you need is a logo or a single print ad layout.
- 2) **You think all you need is cool graphics.** Many otherwise-savvy marketing people believe advertising *equals* graphics, and graphics alone. In other words, their marketing efforts are focused only on print media. While top-notch print collateral is essential in building a strong company image, it's just the tip of the marketing iceberg; a mere starting point.
- 3) **Your marketing is not strategic.** Use an agency only if you're committed to building your business *over time*. An ad agency will take all components of your marketing into consideration, Their team will research what works best for you, work hard to understand you and your business, and find out what works and what doesn't. Sound advertising comprises many talents, and creative is just one of them. Hire an ad agency if you recognize the need for a relationship with an entity that really knows what your business is about and how to achieve your goals and objectives; goals and objectives that they help you set.
- 4) **You don't have -- or don't understand the need for -- an advertising budget.** Using advertising and marketing is like building a house; your plans can be barebones, or lavish. The more you are budgeted to spend, the greater the payback. I can't express to you how daunting it is to meet with a business owner who is afraid to commit to an advertising budget, while all other areas of the business operate under carefully-considered, assigned budgets, large or small. Asking for the advertising budget from some business owners can be as uncomfortable as asking them for their underwear size. But know this: budget size doesn't matter *half* as much as knowing what funds are available to work with because for maximum effectiveness, it's important to have a starting point so that sound decisions can be made. Start with these guidelines:

How much do you allow for marketing?

**For existing businesses:**

3-5% of last year's gross sales

**For new businesses** (because they require initial start-up materials and image pieces): 5-7% of the anticipated annual revenue

- 5) **You think advertising is a luxury to begin “when you get bigger.”** Advertising is as vital to your business as essential supplies and equipment, yet it’s often relegated to the back burner and put on hold when you can “afford it.” You can have the most innovative, stellar products or services ever to be devised, but unless people know about them through savvy advertising, they will collect dust in the corner.
- 6) **Your in-house marketing manager can do it all.** Very few marketing professionals in small business can, indeed, do it all when it comes to marketing & advertising. Knowledgeable companies know that covering all the left and right-brain-driven aspects of marketing – media buying, art development, creative work, PR management and the other disciplines that fall under the marketing umbrella – requires a team effort. Advertising agencies, with diversely talented personnel can provide essential back-up to in-house marketing departments. Coca Cola, for instance, houses a mammoth marketing department *and* hires several ad agencies to boot.
- 7) **You have money to burn.** Advertising agencies conjure up images of lavish client lunches and eye-bulging invoices. Maybe that’s the case on Madison Avenue, but small and medium-sized agencies are businesses just like yours where frugality rules. A competent agency works hard to save your company money because they know how best to spend the funds you have available. Instead of the trial-and-error routine, budgets are carved out and spent judiciously with much care taken to reach your target market.
- 8) **You just need a little ego stroking.** Good, creative advertising takes many things into consideration, and the least of it is making the business owner feel good about him/herself. It’s difficult for an agency to do its job effectively if your goal as a business owner is to be the undisputed star of the show. One client insisted he use his own (illegible) signature as his company’s logo. Forget that no consumer could read it, let alone understand what services it represented. Hiring a PR agency for personal publicity, is, of course, a different matter.

Keep in mind that advertising agencies are selected and hired for their creativity and expertise. They have a vested interest in your business success -- if you succeed, they will too.

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