

6 Steps in Writing an Advertising Agency Business Plan

Based on a 2018 report from Campaign Live, Fallon London Limited (a UK-based ad agency) had the highest profit margin in the United Kingdom at the end of 2017, which is a decent 31.56%. Of course, it likely took Fallon London Limited many years before earning that achievement. Among the things that made ad agencies like Fallon successful is their well fleshed-out [business plan](#). So, if you're about to launch an ad agency, make sure to write a quality business plan for it. In this blog, we'll walk you through the six steps in writing an [advertising agency business plan](#).

The Executive Summary

An executive summary should always be the first section of a business plan. That's a golden rule. In the executive summary, you have to outline what your ad agency is all about. Basically, you'll be writing an overview of the entirety of your business plan. Every critical component, strategy, or idea of your envisioned ad agency must be present in the executive summary.

The purpose of an executive summary is to give the readers a gist of your ad agency. Speaking of readers, they are your agency's potential investors, business partners, bankers, and other prospective stakeholders. That said, it's vital to devise a strong executive summary to catch their interest. That encourages them to read the main contents of your business plan.

However, because this section is a summary, you should consider writing it after you've finished the entire document. That way, it'll be easier to formulate your executive summary.

The Ad Agency's Profile

After the executive summary, the profile of your ad agency must follow. This will be the company profile or the company description section of your business plan. In this part of the document, you must emphasize [your agency's name](#) and [logo](#). Those two are its visual identity. After that, write an informative description of your agency in general. You can talk about the inspiration behind it or what compelled you to establish it. As the founder or CEO, you may also write about your professional background that can support your eligibility as an ad agency owner.

As a subsection of the company profile, make sure to include your [vision](#) and [mission statements](#). The vision and mission will give the readers a clear view of your agency's purpose and objectives. They highlight what your agency will do and can do once it commences operations. In formulating your vision and mission, make them convincing and powerful. In other words, they have to pack a punch. But, don't make them sound too pretentious; just keep them simple. What's important is that they should convey your agency's principles clearly.

If you already have a prospective management team, you can introduce them as well. In that case, you need to add a management team subsection in the company profile. State the full name of each of your team member and their position in the agency. You can also write a brief overview of their background and credentials. And if you can include photos of them, the better.

Your Products and Services

The products and services section is a crucial part of your business plan. As its name implies, it's where you must elaborate on the offers of your agency. To some readers, this section is what they're more interested in. If your proposed products and services are good, you might earn yourself an investor or partner right away.

To write this section effectively, ask yourself with these questions:

- What can my products and services offer in terms of advertising?
- How distinctive are my products and services from those of my competitors?
- What's in them that will entice clients to avail them?
- Will they meet the clients' checklist of expectations and demands?
- How much would I charge clients for our services through a quotation?

By answering those questions, you can give the readers a clear picture of the potential profitability of your offers. Explain the components of your products and services in numbering or bullet format for better clarity.

Your Target Market

The target market section has a direct relation with your products and services. How so? That's because, in this section, you'll be talking about the intended clients of your offers. So, you need to analyze your target market, including their needs, wants, and overall business outcomes. Doing so enables you to explain in detail why your target market is the ideal clientele of your agency.

Aside from the target market, you must also analyze the respective industries of your target clients. Why? That's because [industry trends](#) can cause changes in your clients' advertising necessities.

Your Marketing Strategies

After talking about your products and services and your target market, the question the readers will ask is, "How will you promote your agency and make it stand out against your competitors?" You have to answer that question in the [marketing strategies](#) section. You can break down this section to three subsections: competitor analysis, SWOT analysis, and action plan.

- **Competitor Analysis**

As its name suggests, this subsection is where you must discuss the movements and strategies of your primary competitors. Let your readers know of their competitive edge. The results of a [competitor analysis](#) might seem to undervalue your agency's potential. But, it's an essential planning and management tactic to outperform your competitors.

- **SWOT Analysis**

SWOT means strengths, weaknesses, opportunities, and threats. In this subsection, you have to discuss every attribute of your agency, both the positives and negatives. A [SWOT analysis](#) gives you and the readers an insight into your agency's capabilities against the heavy competition in the market.

- **Action Plan**

This section is where you must explain your actual strategies to promote your agency in the market. See to it that your strategies are in line with your competitor and SWOT analysis. In the [action plan](#), you can enumerate what marketing materials and platforms you'll use. It could be social media, websites, magazines, newspapers, or any forms of media.

Your Financial Plan

Everything that you want to achieve will not be possible without finances. That said, the financial plan section is a vital aspect of your business plan. The bankers and potential investors of your agency will certainly take this section seriously. So, you need to map out your financial strategies well.

The financial plan section must include your:

- estimated budget;
- projected revenue or income;
- possible gross profit;
- calculated expenses for employee wages;
- and [cash flow](#).

For this matter, you have to exercise your math skills. However, it's best to consult with an accountant for accuracy. With a sound financial plan, bankers and investors will unlikely support your ad agency.

As you might have realized, your business plan also functions as a business proposal. If it can effectively showcase your ad agency's feasibility, you might receive a memo from stakeholders. That memo contains a message saying they want to schedule a meeting for your agency's future. Your business plan also acts as your permanent guide to run your ad agency for the longer term. Years from now, it might surpass Fallon London Limited's success.