

7 Ways to Get Funding for Your Advertising Agency

Money is never out of the equation in running a business. To obtain everything from the resources to the workforce necessities, all require financial assets. Operating your advertising agency is no different. Regardless of whether your ad agency is a startup or a well-established one, you need finances to maintain its operations. So, if you're at a crossroads on how to financially support your agency, don't worry too much. There are practical and straightforward ways to get funds for your ad agency. In this blog, we're going to show you seven of them.

Apply for a Bank Loan

For many aspiring entrepreneurs and business owners, bank loans are among their primary sources of startup capital. That's not surprising at all. Banks are generally approachable. Most of them are willing to grant loans if an applicant's [business proposal](#) has potential.

Applying for a bank loan might seem to be an outdated tactic, but it works. However, banks are more keen and meticulous in granting loans nowadays. They carefully assess if an applicant's business is feasible and legitimate. That's their way of knowing whether an applicant can pay the loan back on schedule. If they see otherwise, they won't hesitate to deny an applicant.

So, if applying for a bank loan is your option, you shouldn't shudder of a bank's assessment. As long as you're sure of your agency's profitability, you should feel optimistic about getting a loan. When you apply, just present a convincing [advertising agency business plan](#).

Get an NBFC Loan

If unfortunately, a bank doesn't grant you a loan, you can always opt for a non-banking financial corporation (NBFC) loan. NBFCs are establishments that offer bank-like financial services, but they aren't registered as banks. They also aren't holders of any banking license, which means general banking regulations don't apply to them.

Just like banks, NBFCs also assess loan applicants. However, their loan eligibility assessment is less strict than banks. Plus, their process is faster and simpler, which is much to the delight of loan applicants. That said, you can say that applying for an NBFC loan is easier than applying for a bank loan. But despite that, you still need to present a good business proposition.

Look for Venture Capitalists

Venture capitalists (VC) are individuals who invest in businesses with promising profitability. They are sought after by many business owners who need large funds for their operations. Aside from providing funds, VCs share their expertise in running a business. They can teach [marketing strategies](#), planning and management techniques, and many more. Some of them can even connect your agency to other organizations for further expansion and growth.

According to a report from Toptal.com, in 2018, \$245 billion were invested worldwide through venture capital financing. In the US, the amount is \$131 billion, which makes up 52% of the total. This finding shows that there are indeed countless companies that rely on VCs for large scale fundings.

However, what motivates most VCs is instant returns and profits. Usually, they want quick results that can bring more money into their pockets. With that in mind, they're more likely to invest in well-established companies. So, if your agency has been operating for many years, and with a steady clientele, VCs might find it attractive.

If your agency is still in its startup phase, most VCs might not give it a chance, unfortunately. But, there's an alternative, which is angel investors.

Approach Angel Investors

Angel investors are just like VCs. They also provide funds, help in other business aspects, and ask for the lion's share of your revenue. But unlike most VCs, angel investors are willing to invest in startup companies. As a company grows, they act as mentors or consultants to the business owners. In other words, they're open to being a part of the long process. Angel investors understand the value of investing in a small business that has undeniable potential.

So, if your agency is relatively young, approaching angel investors could propel its financial stability. When meeting angel investors, convince them of what your agency can bring in the future. You can present them with your [business plan](#) and a [checklist](#) of your long term goals.

Seek a Business Partner

If you want someone who can shoulder expenses with you permanently, what you need is a business partner. VCs and angel investors won't actually become a part of your agency. They're merely there to provide funds, guide, and reap the rewards. They can withdraw from your business instantly. At any time, they can send you a memo stating their departure, especially during periods of low revenue. VCs and angel investors are simply stakeholders, not part of the organizational structure.

Yes, associating yourself with VCs and angel investors is good. But, having a business partner is better. A potential business partner becomes an official member of your agency. With his or her financial assets, he or she can help in funding your ad agency. In times of difficulties, a business partner will always be there to give financial support. Just remember, when you [seek a business partner](#), find one who can understand your objectives and principles. Or, better yet, try to partner up with an advertising expert.

Resort to Bootstrapping

Admittedly, applying for a loan, looking for investors, and seeking business partners isn't easy. Yes, there are strategies to be successful in them, but it's never a cakewalk. It's even more difficult if your ad agency is new. With those said, you should be ready if none of those approaches work. In that case, you might have to resort to bootstrapping or self-funding.

Bootstrapping is a method of funding a business using one's own money. The idea of putting personal finances on the line is a considerable risk, no doubt. But look at the bright side. In time, when your ad agency earns large sums of revenue, every ounce of the profit will all be yours. There'll be no need to pay off loans, no need to split profits, and no need to share a percentage of your agency's equity. Big risks lead to bigger rewards, indeed.

Try Crowdfunding

If you don't have enough resources to bootstrap, you can try crowdfunding. Crowdfunding is a funding method where an individual asks money from the public to start a project or business venture. The best way to do crowdfunding is through the internet, specifically in sites such as CrowdFunder, Indiegogo, and Kickstarter.

For you, crowdfunding might sound like a desperate move to raise funds, but it isn't. Many newbie entrepreneurs tried it, and it worked for them. According to Alejandro Cremades from his Forbes article about crowdfunding, "Crowdfunding can be very profitable and beneficial." Know that there are random people out there who want to help entrepreneurs like you.

Whichever of these seven ways you're going to do, always remember to manage your finances right. That's one of the key practices in keeping your advertising agency standing. Play your cards smart, and funding your business won't be as hard as you think.