

8 Expert Steps to Starting a Profitable Advertising Agency

It was way back in 1786 that the very first advertising agency was established in London by William Taylor, according to a blog from [Clearcode](#). However, it was Volney B. Palmer, who started making the idea of an ad agency business worldwide. In 1840, Palmer launched the first advertising agency in the United States. Fast forward to present times, and almost every country on the planet has a decent amount of advertising agencies. All of which are competing with each other.

If you're planning on launching an [advertising agency](#), you might be thinking that it's too late. And that it'll be impossible because of the many ad agencies that have already established themselves solidly. You might be thinking that you should've been born during William Taylor and Volney B. Palmer's generation—a time when competition in the ad agency business was minimal. If that's what you think, then we disagree with you.

Despite how big the ad agency market has become, it's still feasible to open your own by taking the right steps. In this blog, we'll show you the essential checklist for launching your ad agency in our generation.

Hone Your Advertising Skills

If you're going to be an ad agency owner, you need to have an [advertising expert's resume](#). Okay, maybe not literally, though. But you should at least develop the skills of an advertiser. Running an ad agency operation takes a lot of hard work. Remember that without the necessary advertising skills, you could end up in a lot of trouble.

Here are the basic skills you need in advertising:

- Excellent communication skills
- Above-average negotiation skills
- Creativity
- Superior analytical skills
- Professional-level problem-solving skills
- Expansive media knowledge
- Interpersonal skills
- Leadership skills

For sure, you already have some of the skills above. But now is the time to start honing them further. And for the skills you currently don't have, start developing them by studying more about [advertising industry trends](#).

Start as a Freelancer or Contractor

Like we said, running an ad agency operations is a lot of work. Because of that, rushing towards becoming an agency owner isn't a practical idea. So for the meantime, [be a freelancer](#) or contractor. That would be the perfect opportunity to develop and hone your advertising skills. Plus, it immerses you into the nature of the advertising business, especially when it comes to [managing clients](#).

Being a freelancer or contractor prepares you for the challenges of operating an ad agency. You'll learn what sort of marketing strategies businesses need based on their products and services and overall brand image. On top of that, you can develop relationships with people that could become your agency's clients soon.

Moreover, this is a great means of income while you prepare things that you need. Being a freelancer or contractor can also be your source of capital.

Choose a Niche You're Comfortable With

When you start as a freelancer or contractor, you need to have a niche and focus on it. Anyone who's a newbie in the advertising industry should have a niche that their good at to ensure a strong start. For example, if you're strongly familiar with the retail industry, you can make retail advertising your niche.

Having a niche might seem counterintuitive from developing a diverse skill set, but it isn't. Choosing a single niche is one of the first steps in diversifying your skills. You need to focus on one advertising genre and become adept at it before exploring other niches. Furthermore, you can use your chosen niche to build your ad agency's brand.

Create Your Business Plan as You Go Along

As you work as a freelancer or contractor, make sure to [create your advertising agency business plan](#) along the way. Take note of the things you've learned as you work. You can generate ideas from them in structuring your ad agency's business model.

In creating your business plan, you need to put a lot of thought into it. Not only will it be a plan, but it'll also serve as a business proposal. A proposal for who, you ask? A proposal for your agency's potential investors and business partners. If your business plan has convincing points and manifests potential, they'll gladly support your ad agency.

Speaking of "manifests potential," that brings us to...

Devise a Roadmap for Your Business Growth and Sustainability

Your business plan must emphasize how you'll [grow your advertising agency](#) and make it sustainable. In other words, you need to make future plans for your agency, not just plans for its grand opening and startup phase. You have to think of long term goals instead of only your current objectives. Otherwise, you won't have any direction in nurturing your agency and make it profitable for years and decades.

Without a roadmap for growth and sustainability, your business plan won't be as comprehensive and compelling as it should be. In that case, prospective investors and business partners could lose interest. Potential for growth and sustainability is one of the [attributes that investors look for in an ad agency](#).

Team Up with Dedicated Creatives

As said earlier, creativity is among the skills you need in advertising. However, even if you have the most creative mind, you can't run an ad agency without the help of others. It's not a one-person show. That's why you must team up with dedicated creatives before opening your ad agency.

Of course, preferring experienced creatives would be the best option. But most of them demand higher pay. And your ad agency might not be capable of paying higher salaries yet. So, your approach should be teaming up with young creatives with promising potentials.

[Hiring the right employees](#) is crucial for your ad agency's success. But, it's not always necessary to choose tenured creatives over entry-level ones. Sometimes, all it takes for someone to be qualified is having the dedication—creatives who are willing to be in your agency for the long haul. But, if you have enough capital, you can hire creatives with many years of advertising experience.

Ready Your Finances

Owning and running an ad agency is never cheap. So, you must prepare yourself financially. Come up with a strategy to limit your cost as much as possible, which is one way to [maximize profits](#). And as mentioned earlier, starting as a freelancer or contractor can be your source of capital. So take advantage of that. And yes, you must look for investors and business partners. They can support you financially if they see a bright future in your agency, as we've said.

Be Present on the Digital World

Back in William Taylor and Volney B. Palmer's days, ads are only found on advertising [posters](#), [brochures](#), [flyers](#), and newspapers. But today, ads are everywhere, especially in the digital world. So for that reason, your agency needs to be present on social media, such as Instagram, Twitter, and Facebook. And most importantly, it must have an official website.

Today, trends in digital marketing and advertising dictate how businesses brand and promote themselves. So, if your agency won't be active online, it'll be impossible to enhance its marketability. Other than that, you have to be knowledgeable about online marketing and advertising. That's what most ad agency clients need nowadays.

Indeed, launching an advertising agency is a long process. It takes a lot of planning and management to get things right. Running an ad agency might have been easier during William Taylor and Volney B. Palmer's time, but that doesn't mean doing it today is far-fetched. By following these eight steps, you can definitely pull it off. And, the sky will be your limit.