

Book Summary

Management Handbook for Advertising Agencies¹



¹ Aguerrebere, Pablo Medina; Lorenzo, Ignasi Ferrer. (2023). Management Handbook for Advertising Agencies. Media XXI. ISBN: 978-989-729-254-5.

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In their origins, advertising agencies worked for media companies as “commission agents”; they marketed these companies’ advertising space and negotiated with their clients. Over the years, advertising agencies stopped working for media companies and started collaborating with clients or commercial brands. Agencies offered their clients several services: designing advertising campaigns, organizing corporate events, buying media space, etc. Today, advertising agencies are strategic partners of commercial brands, meaning they employ thousands of people, use protocols and key performance indicators, implement business plans, and are on the Stock Exchange. In other words, advertising agencies are considered companies that influence markets and countries. Some agencies have become global groups, such as WPP, Omnicom, Publicis, Interpublic, and Havas.

This book aims to help experts in advertising working in agencies to reinforce their skills in economics, business, and management. The book includes two main parts. The first one includes eleven chapters that focus on some of the most important aspects determining their advertising agencies’ business models: economic system, productivity, entrepreneurship, budget control, growth strategies, financial resources, relationships with stakeholders, business models, income and expenses, profit and loss account, accounting, contracts with clients, client profitability, human resources management, expansion plans, and value chain. Concerning the second part of this book, the authors propose several case studies about business, management, and economics in advertising agencies to help readers apply the theoretical inputs and learn how to solve real-life problems that affect these companies.

This book is essential for advertising experts who want to accelerate their professional growth and become managers in different departments, such as creativity, research, accounts, or media planning. Besides, this book is also useful for experts who leave their companies (advertising agencies, corporate communication departments, marketing departments, etc.) and decide to launch their advertising agency. These experts know how to develop creative ideas; however, when they launch their company, they need new skills: read business plans, interact with lawyers, negotiate with shareholders, write contracts, lead mergers and acquisitions, etc.

In this book, three main conclusions are proposed. First, advertising agencies work for clients and collaborate with external suppliers; however, these agencies are also companies, so they need to develop business plans, achieve economic objectives, and make benefits to pay taxes, employees, and shareholders. Second, the increasingly high economic pressure that affects advertising agencies, as well as their exposure to constant change, lead these companies to implement protocols, maps of roles and responsibilities, key performance indicators, and other management tools that help these companies face complicated situations, such as loss of clients, expansion to other countries, mergers with other organizations, etc. And third, advertising agencies' primary responsibility consists of finding big ideas that solve their clients' business problems, which represents an added value for both organizations.