

Small Business is Our Business...

Small Business Advancement National Center
University of Central Arkansas
http://www.sbaer.uca.edu
SBANC Newsletter, March 17, 1998

MARK YOUR CALENDAR FOR "SMALL BUSINESS WEEK," APRIL 20-25, 1998!!

A series of small business workshops will be given throughout "Small Business Week," to help the small business owner, or anyone who plans to start a small business in the near future. The following topics will be presented:

- Monday Evening, April 20 - "Developing a Business Plan"
- Tuesday Evening, April 21 - "Computerized Bookkeeping"
- Thursday Evening, April 23 - "Planning & Zoning"
- Saturday Morning, April 25 - "Pre-Business Workshop"

The workshops will cost \$30 each, or you may attend all four workshops for only \$90 (this is a savings of \$30). "Small Business Week" will be held at the University of Central Arkansas in Conway, Arkansas in the Burdick Business Administration Building. Pre-registration is necessary because seating is limited. To register, or for more information please contact Kim Stubbs at 501-450-5373 or by email at: (kstubbs@mail.uca.edu).

THE SMALL BUSINESS ADVANCEMENT NATIONAL CENTER
HAS STRONG STRATEGIC ALLIANCES

The Small Business Advancement National Center has alliances with the following:

*Arkansas Manufacturing Extension Network - SBANC is a partner with the Arkansas Science and Technology Authority and the Arkansas Industrial Development Commission to provide assistance to manufacturers throughout Arkansas.

*Federal Government Alliances - The Center works with or refers clients to the following agencies: U.S. Small Business Administration, U.S. Department of Education, U.S. Department of Agriculture, U.S. Department of Labor, U.S. Department of Defense, U.S. Department of Veterans Affairs, Small Business Development Centers (SBDC), and Service Core of Retired Executives (SCORE).

*International Alliances - The Center has a working agreement with the International Council for Small Business to share research, data, and information throughout the world as it pertains to small business and entrepreneurship. SBANC is in alliance with the Canadian Federation of Independent Business, the Japan Small Business Corporation, the Confederation College of Applied Arts and Technology (Canada), the Czech Management Center (Czech Republic), University of St. Thomas, The Center for Family Enterprise, The George Washington University, Simon Cross University (Australia), and Barnsley College (United Kingdom) as a part of the Virtual University for Small and Medium sized

Enterprises (VUSME).

*Joint Ventures - SBANC participates with public, private, governmental, and international entities to further small business and entrepreneurship not only throughout Arkansas, but also around the world.

TIP OF THE WEEK

"Using Advertising Agencies"

(Taken from "Principles of Marketing," by Frances Brassington and Stephen Pettit.)

It is not surprising, given the complexity and expense involved, that many organisations employ an agency to handle the development and implementation of advertising programmes. It is important, however, to select the right kind of agency, not only in terms of their practical ability to do what needs to be done and to solve the problems that need to be solved, but also in terms of their creativity, their culture and their ability to empathise with the product and its target market. In the paragraphs to follow the different types of advertising agencies will be discussed.

Full Service Agencies

Full service agencies provide a full range of services, including research, creative work, artwork, media buying etc. Larger agencies might also have subsidiaries or sister companies in the sales promotion, PR or direct marketing fields. If a client's account is not large, the agency may bill separately for creative work. With large accounts, some discount can be achieved through the 15 percent agency commission earned for media buying. Using a full service agency does not mean that the client abdicates all responsibility, but that the advertising is developed jointly. The advantages are that specialist skills can be drawn on as needed; new, different perspectives on the communication problem may be gained; and the client can change agencies if not satisfied. Using a full service agency is also easier to manage and control, and there is less risk of sensitive information leaking out, because everything is self-contained (Smith, 1993). As with any buyer - supplier liaison, however, the quality of the relationship, trust and understanding are all very important.

Limited Service Agencies

Limited service agencies tend to specialise in one or a small number of parts of the total process. Within advertising, agencies may specialise in creative work, media buying or advertising research, for example. Such agencies may bid on a speculative basis, receiving a fee only for the proposals selected. The advantage of the limited service agency is that it enables the clients to select the best talent to suit their various needs. It does, however, mean more work in co-ordinating the effort involved, and there is a risk of information leaks as more different organisations become involved (Smith, 1993).

A few very large organisations might prefer to develop their own expertise in-house, with dedicated staff to manage the campaign.

The in-house department may provide the full range of services or supplement their skills from external sources such as limited service agencies with particular specialisms. At the opposite extreme, there are special difficulties for smaller businesses, as they do not have the expertise or the amount of money to spend to attract significant agency interest. In such a business the owner or the individual responsible for all marketing may handle media and campaign development.

Working in-house gives the advertiser more control and there is no risk of over dependency on an outside agency. It may even save money, although an in-house department may not have the same media purchasing power as an agency. The organisation will , however, have to be sensitive to potential gaps in its expertise, as well as the risk of becoming too blinkered in its approach to its own advertising. Using outside agencies does at least bring fresh and objective minds to the problem.

"Principles of Marketing," Brassington, Frances and Pettit, Stephen, Pitman Publishing, Great Britain, 1997, pp. 633-4.

If you have any suggestions about our newsletter or know of an upcoming small business event in your area, please contact Kim Stubbs at: kstubbs@mail.uca.edu

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