



Module 2

Forming Your Agency



When you're first starting your agency, one of the most important parts of the process is planning.

You'll want to take the initial time to determine what business model you want to use, what name would be the best fit for your agency, and making sure you're structured correctly in the digital space.

In this module, we will go over the most used business model type for digital agencies, key elements to naming and forming your agency and also the best domain services to purchase for your agency.



Business Model

Naming Your Agency

Forming Your Agency

Choosing Your Domain Name

Business Model

A business model is an outline of how a business plans to make money with its products and services in their market.

4 Components of a Business Model:

- What product and/or services your agency sell
- How you intend to market your product/services
- What kind of expenses will your agency face
- How do you expect to turn a profit

Business Model Continued

Your business model can change as you grow in business and you can use more than one. Just know there is no one-size-fits-all model.

Most common types of business model for digital agencies:

- Subscription - recurring payment on a monthly basis for access to service or product
- Bundling - selling 2 or more products or services together as a single unit
- Productized Services - when you take what normally would be 1 on 1 client services, such as web design and SEO, and packaging them into a more packaged service

Naming Your Agency

Finding the right name for your agency can have a significant impact on your success. The wrong name can do worse than fail to connect with your prospective clients, but it can also decrease your engagement and awareness.

Having a clear, powerful name can be extremely helpful in your marketing and branding efforts.

Naming Your Agency Continued

12 Tips To A Winning Name For Your Agency

- Avoid hard to spell names
- Don't pick a name that could be limiting as your agency grows
- Do research
- Purchase your .com domain name ASAP
- Use a name that conveys some meaning
- Consider trademarking

Naming Your Agency Continued

- Conduct a Secretary of State search
- Make sure your name is catchy and memorable
- Get some feedback on your name options
- Make sure your name sounds good when said out loud
- Use resources available for brainstorming names
- Make sure you're personally happy with the name you choose

Forming Your Agency

There are a variety of business forms that an agency owner can select for their new agency. Deciding how you want to form your agency is imperative for important tax and liability consequences associated with each type. Therefore it is important to understand the different business forms options available to you.

Three business form options include sole proprietorship, limited liability companies, partnership, and corporation. But there are two that digital agency owners usually choose from when forming their online business.

Forming Your Agency Continued

A sole proprietorship works best for businesses ran by a single person and creates no distinction between the business and the individual which includes for tax and liability purposes. Though a sole proprietorship may be a basic business form, licensing and legal requirements still apply and should be understood and considered.

A limited liability company (LLC) is considered to enjoy the best of both worlds when it comes to a partnership and a corporation. Limited liability companies are not taxed as a separate entities the way a corporation is so its members are

Forming Your Agency Continued

Taxed like partners or as a sole proprietor would be, but unlike a sole proprietor, members of an LLC enjoy limited liability similar to what shareholders of a corporation enjoy. It is necessary to ensure that all procedures and steps are properly followed.

Starting a digital agency is a huge step and selecting the best formation for your agency is an important step. It is always helpful to be familiar with the different types of formation options available.