AD/VENTURE, INC.
CASE HISTORY OF A HOUSE AGENCY

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By Jack V. Daniels

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THESIS

ABSTRACT

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Ad/Venture, Inc., is a house agency. It was established by the Jervis B. Webb Company of Detroit, Michigan, in 1966 to handle the Webb Company's advertising program.

The agency is small, billing less than $400,000 annually. However, because it is a house agency, it can maintain a staff of twenty employees offering such diverse services as dealer training and cinematography.

The Jervis B. Webb Company is in the material handling industry and is the world's largest manufacturer of production conveyor systems, specializing in the automobile industry. It has thirteen divisions operating world-wide.

Diversification has always been an important part of the company's growth. When a necessary job was not being supplied adequately, the Webb Company began supplying the service itself. It was this practice that led to the establishment of Ad/Venture.

The house agency was formed from the Marketing Services Department of the Webb Company. Leadership of the everyday operation of the agency fell on the shoulders of a twenty-one year old part-time college student, Richard Enger.

Enger instituted a complete advertising program for all the Webb divisions. During 1967, the agency grew as the Webb

billings grew and new people were added. In April 1968 Webb top management hired Paul Droege to professionalize the agency and solicit new business. Under Droege, the agency operations began to conform to advertising standards instead of those of manufacturing. Also, during the next eleven months, Droege brought four new clients into the agency.

Today, Ad/Venture's operations are headed by Paul Droege with Richard Enger as his assistant. The activities of the agency are best viewed by following one advertisement from beginning to end.

From the original budget, a media schedule is set up. A. production schedule is planned, and work begins. Copy is written and sent to the free-lance art director for layout and keylining. An insertion order is sent to the publication. The finished advertisement is sent to Detroit Graphic Services with a purchase order, and the finished plates are shipped to the publication.

Ad/Venture receives compensation from media commissions, hourly service fees, mark-ups on outside materials and services, and cash discounts for prompt payment of bills. The service fees are based on accurate time accounting, with time spent on various activities recorded to tenths-of-an-hour.

Droege is continuing to solicit new business. He has developed a definite philosophy concerning new business, including the type of accounts desired, the method of approaching and selling prospects, and the relationship between the new client and Ad/Venture. When an agreement is reached, an informal contract is signed by both parties.

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I. INTRODUCTION

Ad/Venture, Inc., is a house agency. It was established in 1966 by the Jervis B. Webb Company to handle the Webb Company's advertising. Today, the offices of Ad/Venture are located in the main offices of the Webb Company at 9000 Alpine Avenue, Detroit, Michigan.

Unlike many house agencies, Ad/Venture handles more than one account. Initially, the agency serviced ten separate divisions of the Jervis B. Webb Company. All of these ten divisions are industrial and all are related to the material handling industry. Material handling equipment is used in the movement of materials in factories, warehouses, terminals, plant yards, and like areas.[1] The company specializes in material handling for the automobile industry. Since the establishment of the agency, four new clients have been added. These clients are all industrial and all are involved with the automobile industry. None of them is in the material handling industry. (See Appendix A)

In relation to industry averages on billings, Ad/Venture is a small agency, with billings of less than $400,000 for 1968. The Jervis B. Webb Company account supplied well over half of this amount.

However, in terms of personnel the agency ranks larger. There are now twenty employees, almost twice as many as there were when the agency began operations. These people offer services such as printing, dealer training, and still and motion photography; services usually found only in agencies with much larger billings. (See Appendix B)

A house agency is one that is owned by a firm for which it prepares advertising. The principle reason for starting a house agency is to gain

cost savings. An agency receives a fifteen per cent discount from the media. An advertiser does not receive a discount. The house agency is a way to circumvent this.

There are other advantages in a house agency. First, the agency is close to the client, both in terms of physical proximity and professional relationship. Being located under the same roof cuts down tremendously on contact time. This closeness also leads to a closer client-agency relationship. This is helpful in that the agency finds it easier to gain needed information and insight into the client's business. Second, a house agency can concentrate on one account. There are usually no other clients to be served.[2]

It would appear from the above that house agencies should be a common occurance. On the contrary, less than two per cent of all companies that advertise have house agencies.[3] Part of the reason for this is historical. House agencies were started early in the development of advertising agencies. The possibility of avoiding the fifteen per cent commission led many early advertisers into house agencies. The media, however, recognized this move and refused to recognize house agencies as bona fide advertising agencies. This situation has changed today.

Recognition is now outmoded. Most advertising agencies can gain recognition simply by announcing that they are advertising agencies and showing an account. This is more difficult in consumer advertising than in industrial advertising because more money is involved in consumer advertising. The Justice Department's consent decree in 1956 concerning the fifteen per cent commission system also attacked this matter of recognition.[4] Most of the media now recognize house agencies.

The reasons why so few house agencies exist are they offer several serious disadvantages. First, house agencies lack an objective and independent viewpoint. The people of the agency are too close to the client. There is a tendency to become part of the client's program instead of presenting criticism and new ideas. Second, house agencies are not apt to be well-rounded. They lack competition. Creativity is likely to suffer. There is a concentration in one area, and new ideas and techniques, as well as new information, are not acquired from other areas. Third, the need to produce is removed. The agency does not have to worry about losing the account. With this pressure removed, the performance is apt to decline. Finally, there is the chance that the agency will fall "under the thumb" of certain top executives of the parent company. Then advertising decisions will be made by men not schooled in advertising.[5]

This thesis is the case history of a house agency. The agency in question in Ad/Venture, Inc. Ad/Venture is owned by the Jervis B. Webb Company, and Jervis C. Webb is president of both companies. The agency prepares all of the Webb Company's advertising. Therefore, Ad/Venture, Inc., is a house agency.

Ad/Venture is not a typical house agency, however. The agency was not started simply to dodge the fifteen per cent commission, but also to gain more service than previous advertising agencies were able to offer. The agency has been able thus far to take advantage of all the pluses offered by a house agency, while avoiding the pitfalls. As a result, Jervis C. Webb believes that the company is now receiving the best advertising in its history.

II. ESTABLISHMENT OF AD/VENTURE, INC.

The Jervis B. Webb Company

The Jervis B. Webb Company is the world's largest manufacturer of production conveyor systems.[6] The company produces the most diversified line of custom material handling equipment in the world. Webb produces virtually all types of material handling equipment except fork-lift trucks. From the company's beginning as a specialist in automotive material handling, it has expanded until its list of customers includes every major industry. Instead of relying too heavily on the automobile companies, the Webb Company now receives 70-75% of its volume from other industries.[7]

The Webb Company is not only in material handling, however. Since the firm was founded fifty years ago, it has diversified into other related fields. Today the Jervis B. Webb Company includes the parent company plus thirteen divisions and affiliates. The operations are located in eight Michigan cities, four other states, and thirteen foreign countries. Over 2,500 people are employed in the domestic operations with approximately the same number employed by the international affiliates and associates.[8]

The parent company, the Jervis B. Webb Company, manufactures a diversified line of conveyors and sorting equipment and systems. In addition to its manufacturing operations, the Webb Company will also contract for the erection of an entire facility which uses material handling equipment, subcontracting the work such as plumbing and bricking not done by any of its own divisions. The parent company has facilities in Detroit,

Michigan; Atlanta, Georgia; South Gate, California; and Hamilton, Ontario, Canada.[9]

Jervis B. Webb International and Jervis B. Webb Americas offer Webb services overseas and in Central and South America through licensing agreements and sales agency agreements. These divisions account for 10-15% of the company's total sales revenue.[10]

The other divisions or affiliates include the following: Spanmaster Division manufactures overhead cranes and monorail equipment; Bulk Systems Division handles specialized problems in the movement of bulk materials, such as coal; Control Engineering Division designs and manufactures automatic controls for scheduling conveyors; Norfolk Conveyor Division specializes in equipment for handling packaged material; Unibilt Overhead Division manufactures enclosed track overhead conveyors and I-beam crane and monorail systems; Storage Systems Incorporated manufactures Slide-N-Lock storage racks; Ann Arbor Computer Corporation deals with computerizing an integrated conveyor system; Metal Fabrication Division provides the different "metal shapes" that are needed in conveyor systems; Automation Department designs material handling mechanisms to aid the other divisions; Webb Electric Company is an electrical contracting firm doing industrial wiring; and Webb Forging Company produces high-quality, close-tolerance forgings.[11]

Jervis B. Webb started the company in 1919 as a sales organization representing manufactureres of forgings in the Detroit area. After experiencing difficulty for several months, Webb designed a lightweight, rivetless, forged chain that could be taken apart and assembled by hand. He soon adapted this chain to the overhead conveyors in use at the Ford Motor

Company. He received a patent on his process. From this beginning the company grew. It was not until the late 1930's, after the depression, that the Webb Company had its first million dollar sales year. By 1942, sales had reached $2 million, and in 1966 revenue totaled $81.7 million.[12]

The Webb Company began diversifying in 1925. If they had not diversified from overhead conveyor systems, the company "wouldn't be doing more than 20 to 25 per cent of (its) present volume of business," according to Jervis C. Webb, now president of the firm.[13] Dale Brown, Director of Marketing Services, states, "It would be nice to be able to say that our acquisitions and the new affiliates we have created are the result of brilliant long range planning, but it wouldn't be true. It has been more a matter of seeing a need developing and acting as quickly as possible to fill it."[14]

In 1925 the Webb Company could not obtain a reliable source of forgings. Webb organized the Webb Forging Company so the firm would have a captive source of quality forgings. The firm acquired Spanmaster, Norfolk Conveyor, and Control Engineering at low cost when the need arose. Webb Electric was formed in 1952 when there was a shortage of electrical contractors to do the complex electrical wiring on the Webb conveyor systems. Ann Arbor Computer is the latest acquisition, being purchased in 1966 when the need for computers in conveyor systems was seen. Both Webb Forging and Webb Electric have grown to where they service clients other than Webb and must bid with other firms for Webb contracts.[15]

Throughout the firm's diversification and growth, it has remained a family company. When Jervis B. Webb died in 1952, his son, Jervis C. Webb, became president, and a younger son, George H. Webb, became vice-president.

The controlling interest in the company remains in the hands of the immediate family despite numerous offers to purchase the firm.

It is because of the family that diversification followed the path that it did. The father, and then the sons, felt that if the Webb Company could not receive adequate work in a necessary field, then the Webb Company must enter that field and do the job itself. They also felt that if they entered a new field the firm that was then established should become self-supporting as soon as possible. This philosophy was evident with Webb Forging and Webb Electric. It is this same philosophy which contributed to the decision to start a house agency.

Ad/Venture, Inc.

Prior to 1966, the Jervis B. Webb Company had employed a number of medium and small advertising agencies. None of them had given the company the satisfaction desired. Advertising was never a major part of the Webb promotion blend. Personal selling backed by sales aids and other collateral material far outweighed advertising. Actual media advertising was never considered too important, although the need for some advertising was recognized.

The firm, because of its large collateral requirements and low media use, tended to be an unprofitable account for a medium-size agency. At the same time a small agency could not supply all the requirements needed for the extensive collateral program.

In 1957 Dale Brown was hired as Director of Marketing Services. Under Brown, a Marketing Services Department was organized and gradually took over

more and more of the collateral work, leaving only the advertising placed in trade magazines to the advertising agency.

By 1966 this department was even writing some of the advertising copy for the agency. This raised a question at the top level of the Webb Company. Since the Marketing Services Department was already doing so much of the advertising agency's work, why not do all the work and save the Webb Company the fifteen per cent commission? The staff for a house agency already existed in the department, and did the Webb Company not have a history of starting its own subsidiaries to do jobs that were not being done adequately by others? The decision was made to start a house agency.

The Marketing Services Department employed eleven people in 1966. In addition to Dale Brown, there were Michael Sullivan, the Director of Publicity for Webb, and Richard Enger, a researcher-copywriter (both of whom played major roles in the development of the agency); three artists; a still photographer; a printer; a technical writer; and two secretaries.

This group produced almost all the Jervis B. Webb Company's collateral material. The artists worked on technical art and design. The technical writer produced operating and maintenance instructions for the Webb conveyor systems. The still photographer did most of the photography used in the brochures, sales aids, and other material with the help of occasional free-lance people. All simple printing jobs, such as inter-office forms and catalog sheets were done by the staff printer.

When the decision was made to establish a house agency, the small agency then currently employed was invited to become part of the Jervis B. Webb Company. The agency refused and was dismissed. The Marketing Services Department became the new agency, and Ad/Venture was incorporated in

September 1966. The officers of the Jervis B. Webb Company became the officers of Ad/Venture. Dale Brown became vice-president of the agency. No new people were added at this time.

The growth of Ad/Venture can be broken into two periods. The first period, from September 1966 to April 1968, is the story of Richard Enger. The second period, from April 1968 to present, is the story of Paul Droege.

Richard Enger began working for the Jervis B. Webb Company in the plant offices of Spanmaster Division in Cleveland, Ohio. When his parents moved to Detroit, he transferred to the stock room at the main offices of the Webb Company in that city while he attended classes in management at the Detroit College of Business. A chance meeting with Dale Brown led to a writing assignment and a move to the Marketing Services Department. Soon Enger was writing copy for brochures and working with Sullivan producing advertisements for the advertising agency. It was at this time that Ad/Venture was formed. Enger was 21 years old.

Little changed after Ad/Venture was formed. No special advertising programs were started. The agency carried on much as it has before as the Marketing Services Department. Enger and Sullivan had been writing some copy; now they wrote it all. They had to learn how to buy space. Neither had any experience, so they simply continued in those publications which the company had been using before the agency was formed. Contracts were issued to three publications so that bulk discounts could be obtained. Recognition was little problem. The agency was regarded by most publications as bona fide. Gradually, other publications were added. The only

publication failing to grant immediate recognition was the Wall Street Journal. The paper said the agency must have two outside accounts first. They finally granted recognition by the end of 1968.

The only major change which occurred was in accounting procedures. The people of Ad/Venture were no longer paid directly by the Webb Company. A new way of charging the company had to be found. No one in the agency had experience with advertising accounting procedures, so manufacturing accounting procedures were used. The cost of materials was multiplied by 1.4 to get the cost charged to the Webb Company. This means there was a 40% mark-up on materials. Labor, however, had no mark-up; it was charged directly on an hourly basis.

Enger realized that a formal advertising program was needed. In the spring of 1967 Enger and Sullivan approached Brown about a larger advertising appropriation so they could set up individual programs for all the divisions. Brown told them he didn't believe there would be any more money at that time. Shortly thereafter, Sullivan left Ad/Venture to become a media representative with the Penton Publishing Company. This thrust Enger, still in college and working only part-time, into leadership of the advertising portion of the agency, although he was given no title.

After Sullivan's departure, Enger went ahead and planned advertising programs for all the divisions of the Webb Company. He took the Standard Rate and Data Service home with him at night, and, with his father's help, worked out the necessary budget. When he was finished, he had a complete program. In early July 1967 he approached Brown again. Brown agreed to take him before the treasurer of the Webb Company, but warned him not to be

optimistic. However, the treasurer had a favorable attitude toward advertising and approved the appropriation. The amount of this appropriation was three times the size of the previous one.

For the first time in its history the Webb Company had a formal advertising program for all its divisions. Now it was up to Enger to implement the program. He had been handling all the print advertising alone since Sullivan left. Enger attempted to write all the copy and plan and buy all the media for the new expanded program. By August, it was clear to Enger that he needed help. He approached Brown again. This time he asked for a copywriter. Brown agreed, but said the budget was limited. In September 1967 Enger hired Michael Virbitsky, a fellow student at Detroit College of Business, as a part-time copywriter.

At about this same time, Enger found that the secretary, who had been handling production in addition to performing her secretarial duties, could not do both tasks adequately. Another woman was hired to handle production exclusively.

As production of the media advertising picked up, Enger found difficulty getting the necessary art work done by the three agency artists. Almost all of their time was being taken by the collateral work, which was still considered more important than advertising. Because of this problem, the agency approached George Kalman, a free-lance artist. Kalman had been with the agency which was dismissed when Ad/Venture was formed, but he had left the agency soon after. Kalman was hired on a free-lance basis and now handles all the art work for Ad/Venture's print advertisements and for some collateral work as well.

Another problem which faced Enger as production expanded dealt with printing. Ad/Venture had been getting its finished plates, duplicate plates, and reprints done by three different vendors. Enger found Detroit-City Electrotype & Graphic Services, Inc., to do all three. This firm has since changed its name to Detroit Graphic Services, Inc.

While the print advertising program was expanding, the collateral operations of the agency were also growing. Two people were added in the summer of 1967. A former free-lance film editor joined the agency as a cinematographer. Ad/Venture was doing enough film work for the divisions to justify this addition. A public relations specialist also joined the firm at this time.

Within the next year, the number of technical writers grew from one to three. An assistant public relations man was hired, and another man was added to handle dealer and/or sales training and to coordinate trade shows. Finally, an additional secretary joined the staff.

By April 1968 the number of people in the agency stood at nineteen. The formal print advertising program had been in existence for nine months and was considered a success by top management. The Jervis B. Webb Company now decided it was time for Ad/Venture to become more than just a house agency. As Webb Forging and Webb Electric had grown and become independent, it was now time for Ad/Venture to do the same. To accomplish this objective, two things were needed; namely, a more professional management of the agency and new, outside accounts. Paul Droege was hired to supply these two elements.

Droege had twenty years experience in advertising. He attended Wayne

State University in Detroit for three years before entering the service during World War II. After the war, he spent two years as an industrial salesman before joining a small advertising agency. In 1951 he joined MacManus John & Adams, doing account work and writing copy. In 1956 he went with Campbell-Ewald as a copywriter. He spent twelve years there before joining Ad/Venture.

When Droege joined the agency as general manager, he was extremely pleased by the competence of the staff and especially pleased with Enger. Enger, although still only twenty-two, had gained some degree of national attention in the advertising world when he appeared in the "Action People" column of Marketing/Communications Magazine in April 1968. Virbitsky also showed good potential as a copywriter. With these two young men writing copy, Ad/Venture had won Ad-Gage readership score awards from two magazines. The man in charge of public relations and the cinematographer both had excellent reputations. Droege also knew Kalman by reputation and was happy to find him doing work for the agency.

The only fault Droege found at this level was that Enger and Virbitsky never bothered to get the client's approval of an advertisement before it was published. They would simply write the copy, have plates made, and run the advertisement. There were two reasons why this was possible. First, changes were occurring at the division level, and the divisional managers were more interested in these changes and in profits than they were in advertising. There was also little sophistication in advertising at this level, and most managers simply did not care what advertising was done. Second, Enger and Virbitsky had a very thorough knowledge of the products,

and they knew what to say better than did the managers. Now copy and layout are presented to the divisions for approval. Several of the divisional managers have since become keenly interested in advertising and have integrated it into their overall programs.

The other problems Droege found were at the administrative level. Ad/Venture was being run as a manufacturing plant instead of an advertising agency. Many of the forms, the language, and the accounting and billing procedures were foreign to Droege. For instance, the order form for work to be done had been copied from a similar form used by the Webb Company. It was called a "buddy order." Much of the terminology used, especially on the buddy orders, was from manufacturing and not advertising. (See Appendix C) The language has been changed to that used in advertising, and the forms are in the process of change. (See Appendix D) The buddy order was eliminated for most work early in 1969, although it is still used for some collateral jobs.

The major administrative change instituted by Droege was a switch to advertising billing procedures. The change was not immediate. Over a period of several months, Ad/Venture dropped the old method of marking-up the cost of materials 1.4 times and charging no mark-up on labor. The new procedure called for a 15% commission on media space costs, hourly services fees for the time agency personnel spent on the account, and a mark-up of 15% on materials and outside services purchased for the client.

The accounting system which had been in use was unable to show which areas of the agency were profitable and which were not. There was no way to allocate costs to the different parts of the agency. This was changed

for the first quarter of 1969, but no results are available at this time.

These changes were all made by Droege in his role as manager. Next came the second, and perhaps more important job, the acquisition of new business for Ad/Venture. When approached, Droege had told the Webb Company that he would take the job for two years. If he had not brought substantial new business into the agency by the end of that time, he would leave. He has since added four new clients to the agency.

Droege began his quest for new accounts by letting people know the agency was available. This wasn't done formally. He simply told friends and acquaintances in advertising and industry of his new job and what he was attempting to do. Next, he utilized all the contacts he had built up over his years in advertising. The head of Cummins Publishing Company, an old college friend of Droege's, expressed interest. However, Droege told his friend to wait until he had brought in two other accounts. He did not want the first account brought into the agency to be that of a close friend. He wanted to prove to the Webb Company that he could solicit new accounts for Ad/Venture solely on the basis of merit.

By the middle of September 1968, Droege had added the first new account. Two weeks after Droege had first contacted them, the Van Dresser Corporation gave its account to Ad/Venture. The Van Dresser Corporation has the exclusive sales rights in the United States for Toderoki wire cutting machinery. This is a Japanese product. The Van Dresser account was very small, however. It called for one advertisement, some direct mail and photography, and assistance with some trade show publicity. However, it was a start.

In October 1968 the second new account was added. This was the Controlled Power Corporation. Droege had first contacted Controlled Power in May. Controlled Power was an ideal account in terms of what Droege was looking for in size and growth potential. The company produces modular high voltage energy conversion units for use in electric finishing and electro-chemical machining. Ad/Venture does several small advertisements, collateral work, and direct mailings for them.

Droege now felt he had proven himself. He contacted his friend, and in December 1968 the Cummins Publishing Company became Ad/Venture's third new account. Cummins Publishing publishes Autoproducts Magazine and Auto Laundry News (for the car wash industry). The account is not large. Ad/Venture does advertisements, direct mail, and sales promotion in the form of magazine cover slip-ons for the account.

The fourth new account was added in March 1969. The O.L. Anderson Company had first been approached in December 1968. O.L. Anderson manufactures metal tanks and stamping for the automotive industry. Their small budget pays for several advertisements, some directories, and public relations.

While Droege was adding new business, the Webb account was increasing steadily. Advertising has now become a more integral part of the Webb Company's promotion blend. One secretary in the agency now works exclusively on inquiries brought in by Webb advertisements. In less than three years Ad/Venture has grown from one to five clients, and billings have increased from less than $100,000 to almost $400,000.

III. MANAGEMENT OF AD/VENTURE, INC.

Operations

Presently, slightly more than one year after Paul Droege joined Ad/Venture, the agency consists of twenty people performing services for ten divisions of the Jervis B. Webb Company and four outside clients.

Dale Brown is still titular head of the agency. However, most of his duties have been passed on to Droege. Brown is now more of a contact man between the Webb Company and Ad/Venture.

Paul Droege, as general manager, is the administrative head of Ad/Venture. He formulates the long range goals of the agency within the objectives set by the Webb Company, and he decides the general policies which will be followed. He has control over the hiring and firing of employees. Much of Droege's time is spent on new business and contact work with new clients. A minor portion of his time, ten to fifteen per cent, is spent on media planning and copy, again mostly for the new clients.

Richard Enger has no title but is, in effect, the assistant general manager of Ad/Venture. While Droege formulates agency policy, Enger makes the day to day decisions on internal matters. Enger's two main jobs are media planning and buying and copy work. Enger makes out the media schedules for Droege's approval. When a media representative calls on Ad/Venture, he sees Enger. Purchase orders and invoices are okayed by Enger. He also writes copy and edits all copy written by Virbitsky. Some of the contact work with vendors is still done by Enger, although the production manager is assuming this job. In addition to the above, Enger has been dealing with the new business part of agency work and is at present attempting to gain another account for Ad/Venture.

Michael Virbitsky is the chief copywriter for Ad/Venture. The major portion of his time is spent writing copy for the media advertisements, direct mail, brochures, and catalogs. He also writes movie scripts for the movies filmed by Ad/Venture's cinematographer. Along with copywriting, Virbitsky sometimes works with the outside printers and engravers.

One man acts as production manager. He is responsible for initiating and maintaining a monthly schedule for all work done by the agency and for seeing that the work is finished on time. Another duty of the production manager is dealing with the vendors employed by the agency. He is in charge of the materials used by the agency and must maintain their supply. Finally, he handles checking for the agency.

Droege, Enger, Virbitsky, and the production manager make up the core of the advertising agency. The rest of the people in the agency work primarily on the Webb account, although the services of several of them are available to the other accounts. Those people working strictly on the Webb Company's business are nevertheless on the Ad/Venture payroll because the Webb officials prefer not to re-establish a separate Marketing Services Department as long as Ad/Venture has its offices in the Webb headquarters building.

The three staff artists and the three technical writers work only on the Webb account. The artists are primarily concerned with technical art. They do scale model drawings of various Webb machinery and systems for brochures, sales catalogs, and operating and maintenance instructions. These artists also are available for some design work. The technical writers spend all their time writing operating and maintenance instructional

guides for the various products of the Webb Company and its divisions.

The two men in public relations do a limited amount of work for the outside accounts. Most of their time is spent on the Webb account.

The still photographer and the cinematographer do work for all the clients, as does the printer. The photographers not only take their own still and moving pictures, they also have complete dark room facilities with the agency. The agency even has a small auditorium complete with projection room. The printer has a small offset press on which are printed interoffice forms, catalog pages, and most other simple black and white printing jobs. The printer also does some two-color work. All three- and four-color work is done by outside firms.

The dealer training man runs periodic training shows for the Webb Company's dealers and sales personnel. He is also available to the other clients.

Finally, there are three secretaries. Two of them handle all of the paper work of the agency. The other works full-time on the Webb account simply handling inquiries brought in by the advertising.

In addition to the personnel of the agency and the services they provide, Ad/Venture employs several outside services. All art work for the print advertising is done by George Kalman & Associates, 24469 Greenfield Road, Southfield, Michigan. Kalman acts a art director for the advertising program. He does layout and keylining for all the advertisements. Two outside typesetters are used by Kalman.

Finished plates for the print advertising are supplied by Detroit Graphic Services, Inc., 1040 West Fort Street, Detroit, Michigan. They

also do duplicate plates and reprints for the agency. Collateral printing jobs which are not sent to Detroit Graphic Services are sent to one of four other printers occasionally used by Ad/Venture. These four shops bid on the individual job.

Other outside services include voices for the films and some free-lance still photography. The free-lance still photography is most common at the more distant divisions.

Creation of an Advertisement

The best way to view Ad/Venture's advertising operations is to study one advertisement from start to finish.

In October Droege and Enger begin work on the next year's program. Plans and budgets are discussed with the managers of the ten Webb divisions as well as the outside accounts. The procedure used for the outside clients is slightly different from that used for the Webb divisions. With the Webb Company, Ad/Venture prepares a program and asks for a specific amount of money. With the outside clients, the appropriation is set and Ad/Venture must prepare a program with this amount.

By late December, an advertising program is prepared for each account. These programs include a proposed media schedule and a budget. The programs for the ten divisions of the Webb Company are presented together. These plans are first presented to Brown. Following his approval, the overall program is presented to the treasurer of the Webb Company and a specific appropriation is requested. The treasurer will either approve the appropriation or will tell Ad/Venture how much money is available for the advertising appropriation.

When the final appropriation is known, Droege and Enger complete a finalized presentation to present to the officials of the Webb Company. This includes a complete budget and media schedule. The presentation is then made to Jervis and George Webb and the officials of the company who may approve the program or recommend changes. For example, they may feel that the appropriation is too large and trim part off, or they may veto the use of certain magazines.

If the program is approved as it stands, the program for the next year is settled. If not, the necessary changes are made.

Each account has a budget and a media schedule. (See Appendix E) Ad/Venture's media schedules run from March of one year through February of the next. The 1968 media schedule for Spanmaster Division listed nine different magazines over the twelve month period. The advertisement chosen for study is 68-SP-205. It first ran in August 1968 in Foundry Magazine.

This number, 68-SP-205, is an advertisement number. Every advertisement produced by Ad/Venture has its own advertisement number. The meaning is simple. The first number, 68, stands for the year in which the advertisement is produced. The second part indicates the client; the SP stands for Spanmaster. Each client uses a different letter or letters. The final number, 205, is the number of the advertisement.

It was decided that a new advertisement, designated 68-SP-205, would be run in August. Ad/Venture begins production two months before the insertion date. Production for 68-SP-205 was scheduled for June.

It is not necessary for Ad/Venture to get permission from the client

for each advertisement that is produced. A blanket order is issued at the beginning of the year which authorizes Ad/Venture to run the advertisement as stated in the order. (See Appendix F)

By the first of June, the production manager had completed a production sheet for that month. (See Appendix G) A production sheet shows all production work to be done that month. It includes the name of the account, the advertisement number, the job number, the publication in which the advertisement will appear, the closing date, the size of the advertisement, whether it is black and white or color, dates by which the work is to be done, and the quantity of reprints desired.

The job number is different from the advertisement number. The job number is used for accounting and billing purposes. Every account has a job number. (See Appendix H) This number indicates to which account the time,materials, and space are charged. The job number for 68-SP-205 was A/V 1016-1. The A/V stands for Ad/Venture. The number 1016 indicates Spanmaster. Each account has a different number. The -1 means that the charge will be to production costs rather than space costs. The number, -1, is for control purposes. It enables the agency to check how much has been spent for production and how much for space.

With the production sheet completed, work on 68-SP-205 began. The next stage was copy. The job was given to Virbitsky. He wrote the copy and took it to Enger for editing. This is common practice. These two work as a team on copy. Virbitsky is an idea man; Enger is the more polished writer. Enger criticised the copy, and the two discussed it. Between them, 68-SP-205 was put into its finished form and typed on a

copy sheet. (See Appendix I) A copy sheet contains the account name, the publication, the date the copy was written, the job number, the headline and copy of the advertisement, the logotype, and a description of the illustration.

When the copy sheet was completed, it was sent to George Kalman for the layout. Kalman, Enger and Virbitsky work well together. They discuss ideas and different approaches. Kalman knows what Ad/Venture wants and is good at producing it.

When Kalman finished the layout for 68-SP-205, he returned it to Ad/Venture. The copy and layout were then submitted to the client for approval, and the approved work was sent back to Kalman for keylining.

On the 15th of June an insertion order was sent to the Penton Publishing Company, publisher of Foundry Magazine. Ad/Venture uses two different insertion orders. The first is a contract with a specific magazine which is issued at the beginning of the year. (See Appendix J) This contract insertion order covers the advertising of the Jervis B. Webb Company and its divisions as a whole rather than as individual divisions. This is done to take advantage of the quantity discount rate. Spanmaster only advertised in Foundry five times in 1968, but all of the divisions together used twelve pages. The dates of insertion are to be specified by Ad/Venture on a monthly basis. The rate on the contract is that of twelve insertions times twelve for the total for the year. The insertion order issued on June 15, 1968, called for one insertion in August 1968, and the rate was that for one insertion at the twelve time rate. (See Appendix K) Other information included the size of the advertisement and a request for position.

When Kalman finished the keyline for 68-SP-205, he returned the finished product to Ad/Venture. From Ad/Venture,it was sent to Detroit Graphic Services with a purchase order. As with the insertion orders, Ad/Venture also uses two different purchase orders. The first of these is a blanket purchase order issued at the beginning of the year for time and material used for work performed for Ad/Venture during that year. (See Appendix L) The second purchase order is more specific. It includes to whom the finished plates are to be shipped, the quantity, the description, and the price. (See Appendix M)

Detroit Graphic Services made finished plates for 68-SP-205 and sent six proofs to Ad/Venture for approval. Ad/Venture approved the proofs, and Detroit Graphic Services sent the plates directly to the Penton Publishing Company.

The advertisement appeared in the August issue of Foundry Magazine. (See Appendix N) Penton Publishing Company then sent Ad/Venture an invoice for the space. Accompanying the invoice was a tear sheet and a complimentary copy of the magazine. The invoice was checked by the production manager, approved by Enger, and paid.

Finance

When Droege joined Ad/Venture, the procedure for billing the Webb Company was changed to conform to normal agency practices. When the new clients joined the agency, they were billed under the new plan. All of Ad/Venture's clients are now billed alike.

Ad/Venture is compensated four ways. These include: one, a fifteen per cent commission on media space; two, an hourly service fee for

employee time spent on an account; three, a fifteen per cent mark-up on all outside materials and services purchased for the client; and four, the retention of all cash discounts.

Approximately one-half of Ad/Venture's income comes from the first source, the fifteen per cent commission on media space. This commission is charged on all billable media space purchased by Ad/Venture for the client's advertising.

With the exception of the Wall Street Journal, all the media advertising produced by Ad/Venture is placed in industrial magazines. The cost of space in these industrial magazines is low in comparison to the space costs in consumer magazines. The cost of producing a print advertisement, however, remains roughly the same. While the commission on an advertisement placed in a consumer magazine may cover all production costs and overhead and provide a sizeable profit, the fifteen per cent received by Ad/Venture for an advertisement placed in an industrial magazine may not even cover the salaries of those who produced it. Also, much of the work done by Ad/Venture is of a collateral nature and has no media commission. This is why Ad/Venture also charges a creative service fee for the work done for a client. The service fee is the second form of income received by the agency.

The service fee is an hourly rate charged for the time spent by each member of the agency in producing work for the client. Time spent working on an account is charged directly to that account. The amount charged varies with the activity being performed. (See Appendix O) The various charges were set by Droege. He combined industry averages with his own personal experience to develop the charges. Ad/Venture will

continue to charge both the commission and the hourly service fee until the agency shows too much profit. When that occurs, the billing procedure will be reviewed.

The third charge to the client is a fifteen per cent mark-up on most outside materials and services purchased for the client by Ad/Venture. The outside materials and services are those of art work, type setting, photostats, engravings, and other services which the client may desire but which cannot by provided by the agency. When any of these are performed by someone outside the agency, Ad/Venture adds a fifteen per cent mark-up to the amount charged by the supplier. It is becoming more common to mark-up this outside work by 17.65% or even 20%. However, Ad/Venture does not feel that it can raise the percentage at the present time.

Finally, Ad/Venture retains all two per cent cash discounts earned from suppliers and media for prompt payment. Many agencies pass this discount on to the client. Ad/Venture, because the agency's money is being used to obtain these discounts, does not.

The billing procedure for the space costs and the outside materials and services is not complicated. Ad/Venture contracts for space in a publication. When the advertisement is published, Ad/Venture receives an invoice from the publisher for the amount of the space less fifteen per cent for the agency's commission and two per cent for paying promptly. For advertisement 68-SP-205, the cost for the insertion in the August issue of Foundry Magazine on the basis of twelve pages per year was $856.00. Penton Publishing, the publisher of Foundry, ran the advertisement and

sent an invoice and tear sheet to Ad/Venture. The invoice was for $713.05. The basic cost of $856.00 less fifteen per cent equals $727.60. Two per cent from this figure for cash payment leaves $713.05. Ad/Venture paid this amount and billed Spanmaster for the entire amount of $856.00. This left $142.95 for Ad/Venture.

The agency does not bill the client until the invoice and tear sheet are received. Small agencies sometimes bill the client before the closing date when they become liable for payment, but Droege feels that Ad/Venture cannot charge the client until there is a tear sheet to show. Also, the agency does not have to worry about being financially embarrassed if a client doesn't pay. The wealth of the Jervis B. Webb Company is behind the agency.

On outside materials and services, the supplier sends an invoice to Ad/Venture. This amount is marked-up fifteen per cent by the agency, and the total is billed to the client. The client pays Ad/Venture, who deducts its commission and pays the supplier the balance. Any cash discount is kept by the agency. For example, if the engraving costs for advertisement 68-SP-205 were $100.00 less two per cent for cash, Ad/Venture would have paid the supplier $98.00 and charged Spanmaster $115.00.

The procedure for billing the client for service fees is more complicated. It involves an accurate record of all time spent by each employee on each account.

Bookkeeping and accounting procedures were changed at the beginning of 1969. Prior to that time, every job done by Ad/Venture had a separate job number. A buddy order was filled out for each job stating the number

of the job and the work to be done. Each employee received a copy of the buddy order, and when he worked on that job, the charge was to the assigned number. Droege found that giving each job a separate number was too complicated. The use of the buddy order for this function was eliminated. Now, as was stated earlier, each client has a job number. All work done on any job for that client is charged to that job number. This system, although less complicated than the old one, makes it impossible to check costs on specific jobs. The client receives only total costs.

The basis for the service fee is an accurate time record. Each member of the agency fills out a detailed time card for the hours worked. (See Appendix P) This time card includes the employee's name, the weekly period, the job numbers, the drawing numbers, and the days of the week.

As was previously stated, each account has a different job number. If the still photographer is developing some pictures he took for a Bulk Systems catalog, he would put A/V 1018 under job number. Some work, however, is not accountable to any client. When Enger talks to a media salesman, he cannot charge any specific account. When Droege is working on new business or is dealing with an internal agency problem, he cannot charge that time to a client. As a result, Ad/Venture uses a general account number for those activities which are not directly accountable to a specific account. The general account number is 851-103-16. Charges to the general account number are considered overhead.

The drawing number might better be called a classification number. This is used to designate the type of work being done on the account. Each activity within the agency has a different drawing number. (See

Appendix Q) For example, the still photographer, when on a shooting assignment, would record "3" as the drawing number. Those charges made to the general account number do not have a drawing number.

Following the job number and the drawing number, the time spent on the job is recorded. Although most agencies which use a cost system divide the hour into quarters or halves, Ad/Venture breaks the hour into tenths. The time spent on each job number is listed by tenths-of-an-hour, with totals for each day and weekly totals for each job number.

If Virbitsky spent two-and-one-half hours writing copy for 68-SP-205, his time card would have shown A/V 1016 as the job number, 1 as the drawing number, and 2.5 for the time spent.

Ad/Venture does not attempt to allocate earnings and costs to various activities within the agency. The new bookkeeping system will allow a better breakdown of costs for the various accounts. It will not be used to determine which agency activities are profitable and which are not.

Under the new system, Droege and Enger can go to the Webb accountant who handles Ad/Venture's bookkeeping and find out how much has been spent to date for space and collateral work for a client. Although figures are not yet available, Droege estimates that media commissions and collateral charges each account for about one-half of the agency's income.

New Business

Droege has a definite philosophy concerning new business for

Ad/Venture. He brought part of this philosophy with him when he joined the agency. This was built up over his almost twenty years in advertising. The other part evolved as he became more familiar with Ad/Venture. This philosophy includes the type of accounts desired, the method of approaching and selling a prospective client, and the relationship between the new client and Ad/Venture.

Ad/Venture is an industrial advertising agency. The first criterion for a prospective account is that it be industrial. Although Droege would like to add consumer accounts at a later date, he does not feel that the agency is presently able to handle a consumer account. This would be an unfamiliar area. Different copy, different media, and a different kind of target market are found in consumer advertising. Too many new people would be needed to service a consumer account.

The second criterion concerns the financial size of the potential account. Droege has no real limits on financial size, although Ad/Venture aims for new accounts with billings in the $50,000 per year range. This is what Droege considers the optimum size. However, Ad/Venture will take accounts with yearly budgets as low as $5,000 to $10,000 or accounts with budgets as high as $100,000 to $125,000. A low budget account would only be accepted if growth is expected. A large budget account would be accepted only if new personnel would not be required to service it adequately.

Droege also looks for growth potential in all prospective accounts. He does not, however, want a client whose growth will force a too rapid growth in Ad/Venture. He feels that the agency should grow gracefully

through the growth of existing accounts and the addition of new business.

Droege gains his leads for new business from several sources. He has not instituted a direct mail campaign as have a number of small agencies around the country. Instead he employs the more standard sources of information. One source is media representatives. They may tell Droege or Enger about an agency which they think is not doing a good job for a client. However, Droege feels that there are two problems associated with media representative's recommendations. First, they are likely to be given to several agencies and not just to Ad/Venture. Since a media representative calls on a number of advertising agencies, he is not likely to tell only one agency about a problem he has recognized. Second, the media representative is using his own judgment as to the adequacy of the job being done for the account. His field is not advertising but the selling of space in a publication. Droege never goes directly to an advertiser on the recommendation of a media representative. He always calls to see if the advertiser is satisfied with the present agency. If so, Droege does not pursue the matter.

A second source of information used by Droege is friends in business. These friends in advertising and industry may tell him about a firm that is looking for a new agency. This is the method Droege relied upon when he first joined Ad/Venture.

Referrals from larger agencies is another possible source. This is a slim possibility. However, Droege has worked for two large Detroit agencies. If either is approached by a prospect too small for it to handle, the prospect may be referred to Ad/Venture.

For most of his information Droege watches the trade papers and industrial magazines. He looks for the movement of advertising managers, the introduction of new businesses or new products, and the advertising being done for industrial advertisers. When an advertising manager changes firms, there are two possible openings for an advertising agency. One is the firm to which the advertising manager has moved. The other is the previous firm which is now hiring a new advertising manager. The introduction of a new business or a new product may point out the need for an advertising agency. Droege contacts these firms to determine their need for an advertising agency. All Ad/Venture's new clients are either new businesses or established businesses offering a new product.

A firm that is receiving poor advertising in industrial magazines may be ready to change advertising agencies. Droege contacts these firms to find out if they are satisfied with the work done for them. If they have no complaints, then Droege does not follow up on them.

Droege has not set up a formal plan of presentation for prospects. He follows no special formula. According to him, each presentation must be unique because each prospect has unique problems. Droege's presentation may be simply a conversation or a series of conversations covering the problems facing the prospect and possible solutions which Ad/Venture can offer. Droege may also show the prospect booklets containing advertisements done for other clients and awards received by Ad/Venture for specific advertisements. Prospects are urged to contact existing clients for information concerning the level of work performed

by the agency. This informal presentation is followed by a letter to the prospect restating what was discussed and confirming Ad/Venture's position.

When a company decides to retain Ad/Venture as its advertising agency, a contract is signed by both parties. (See Appendix R) The contract used by the agency is an informal agreement making Ad/Venture the advertising agency of record and spelling out the working relationship between the agency and the client.

The contract states that Ad/Venture has been engaged by the client to perform those services customarily performed by an advertising agency. The agency is to be compensated on the basis of fifteen per cent of the total media charges plus an agreed-upon hourly creative fee for copy and layout. In addition, the client agrees to pay a fifteen per cent mark-up on the charges for outside materials and services used by Ad/Venture on the client's account. Work for which there is no media commission will be charged either by creative fees or by percentage, whichever is agreed upon.

The contract states that bills are due and payable by the client within ten days of the date of the bill. All cash discounts are kept by the agency.

Termination of the relationship is also provided for within the contract. The receipt of a written notice by either party is enough to dissolve the agreement. The client agrees, however, to compensate the agency in full for any advertising produced by Ad/Venture and subsequently used by the client. In addition, the client will pay the agency's cost

plus fifteen per cent for any work under preparation at the time of termination, and will assume the agency's liability under all outstanding contracts made on behalf of the client.

The contract is signed by a representative of the client and by Paul Droege.

IV. CONCLUSION

The conclusion of this thesis was to have dealt with the future plans of Ad/Venture, Inc. However, while the writing of the thesis was in progress, the "future" took place.

On August 25, 1969, Ad/Venture, Inc., moved to new offices at 24469 Greenfield Road, Southfield, Michigan. This is the same building in which George Kalman, the agency's free-lance art director, has his offices.

The agency is still wholly owned by the Jervis B. Webb Company, and the list of clients is unchanged. The role of the agency, however, has changed from that of a department to that of a subsidiary. Much like Webb Forging and Webb Electric, Ad/Venture has moved out on its own.

The decision to move was not a sudden one. Plans had called for a move to separate offices when the list of outside clients had grown large enough to warrant it. Droege convinced top management that the move had to come before the acquisition of new clients rather than after, because prospects found it hard to believe that the agency was separate from the Webb Company when they were under the same roof. At this same time, offices became available in the building used by Kalman. The move was made.

Only Droege, Enger, and Virbitsky moved to the new offices, however. Ad/Venture's list of employees dropped from twenty to just three plus a secretary. Everyone else remained in the same offices as part of the re-established Marketing Services Department under Dale Brown.

This department now works exclusively on the Webb account; its services are no longer available to Ad/Venture's other clients. However, Droege has been able to locate a number of outside suppliers to perform these services for Ad/Venture's outside accounts at prices competitive to those previously charged.

On September 1, 1969, a new man joined the agency. Travis Hubbard, a friend of Droege's, left Campbell-Ewald for Ad/Venture. This move had been in process for several months. Hubbard's experience is as extensive as Droege's. He has been a copy supervisor with D.P. Brother, an account man with MacManus John & Adams, and an account man with Campbell-Ewald.

Virbitsky was drafted and left for the army on September 15, 1969.

Droege, Enger, and Hubbard now work together on the agency's accounts. All three write copy, buy media, and do contact work. Droege and Hubbard are actively engaged in adding new business to the agency.

FOOTNOTES

[1]Tom Kleene, "It's The Way You Handle It--The Story of the Jervis B. Webb Company," Ward's Quarterly, III, No. 3 (Fall 1967), p. 35.

[2]"Ad Chiefs on House Agencies: Thumbs Down," Printer's Ink, CCLVI, No. 10 (September 7, 1956), p. 23.

[3]Harry Walker Hepner, Advertising--Creative Communication with Consumers, (New York: McGraw-Hill Book Company, 1964), p. 95.

[4]"New Interest in House Agencies?" Printer's Ink, CCLXXI, No. 13 (June 24, 1960), p. 36.

[5]"Ad Chiefs on House Agencies: Thumbs Down," Printer's Ink, CCLVI, No. 10 (September 7, 1956), p. 24.

[6]Kleene, "It's The Way You Handle It," p. 35.

[7]Ibid.

[8]Ibid.

[9]Jervis B. Webb Company, "This is Webb," an advertising brochure, Detroit, Michigan.

[10]Kleene, "It's The Way You Handle It," p. 36.

[11]Jervis B. Webb Company, "This is Webb."

[12]Kleene, "It's The Way You Handle It," p. 38.

[13]Ibid.

[14]Ibid.

[15]Ibid.

"New Interest in House Agencies?" Printer's Ink, June 24, 1960, pp. 35-36.

"Poor Financing is the Major Reason Agencies Fail: Groesbeck to WSAAA." Advertising Age, May 10, 1965, pp. 1+.

"How Can a Small Agency Develop New Business?" Industrial Marketing, April 1963, p. 28.

"What Agencies Should Look For in Prospective Clients." Industrial Marketing, October 1963, p. 98.

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Groesbeck, Kenneth. "The Total-Fee Agency--How It Works." Advertising Age, June 8, 1964, p. 124.

Groesbeck, Kenneth. "Pre-selling Clients on Agency Compensation Methods." Advertising Age, June 18, 1962, p. 98.

Groesbeck, Kenneth. "Those Hourly Charges for Agency Service." Advertising Age, June 29, 1959, p. 79.

Groesbeck, Kenneth. "Four Steps to Take in Hunting New Business." Advertising Age, January 20, 1964, p. 92.

Groesbeck, Kenneth. "Pattern for Small Agency Survival." Advertising Age, December 17, 1962, p. 78.

Kleene, Tom. "It's The Way You Handle It--The Story or the Jervis B. Webb Company." Ward's Quarterly, Fall 1967, pp. 34-40.

"Ad Chiefs on House Agencies: Thumbs Down." Printer's Ink, September 7, 1956, pp. 23-25.

APPENDIX A

LIST OF CLIENTS

Controlled Power Corporation,	23629 Industrial Park Drive Farmington, Michigan.
Cummins Publishing Company,	21590 Greenfield Road Oak Park, Michigan.
Jervis B. Webb Company,	9000 Alpine Avenue Detroit, Michigan.

Divisions-

Jervis B. Webb Institutional

Jervis B. Webb International

Jervis B. Webb of Canada

Ann Arbor Computer Corporation

Bulk Systems Division

Control Engineering Division

Norfolk Conveyor Division

Spanmaster Division

Storage Systems Incorporated

Unibilt Overhead Division

O. L. Anderson Company,	12400 Burt Road Detroit, Michigan.
Van Dresser Corporation,	21400 Hoover Warren, Michigan.

APPENDIX B

LIST OF PERSONNEL

Vice-President.....Dale Brown

General Manager.....Paul Droege

Assistant General Manager.....Richard Enger

Copywriter.....Michael Virbitsky

Production Manager

Public Relations Director

Assistant Public Relations Director

Dealer Training Director

Photographer

Cinematographer

Printer

Technical Artists (Three)

Technical Writers (Three)

Secretaries (Three)

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APPENDIX C

BUDDY ORDER USING MANUFACTURING TERMINOLOGY

AD/VENTURE, INC.

9000 ALPINE AVENUE
DETROIT, MICH. 48204

BUDDY ORDER

CUSTOMER ORDER NO.	CUSTOMER CONTACT	DATE REQUIRED	DATE ENTERED	JOB NUMBER
	D. Brown	1 month	6-14-68	A/V 1016

JERVIS B. WEBB COMPANY
Detroit, Michigan 48204

Same for Spanmaster Division

ACCOUNTING ONLY		
DATE	INVOICE NO.	AMOUNT

TERMS

OTHER INSTRUCTIONS

QUANTITY ORDERED	DESCRIPTION	CODE	UNIT PRICE	DISCOUNT	AMOUNT
	Necessary Time and Materials to				
	Design and Print New Spanmaster				
	General Brochure.				

ORDER COMPLETION SCHEDULE

SUPPLIER	P.O. NO.	DONE	OPERATION	TO	SUPPLIER	P.O. NO.	DONE	OPERATION	TO
			COPY	X				PHOTOSTATS	X
			LAYOUT	X				ELECTRO	
			ARTWORK	X				ENGRAVINGS	
			KEYLINE	X				PRINTING	X
			RETOUCH	X					
			PHOTO	X					
			TYPE	X					

APPENDIX D

BUDDY ORDER USING ADVERTISING TERMINOLOGY

AD/VENTURE, INC.

9000 ALPINE AVENUE
DETROIT, MICH. 48204

BUDDY ORDER

CUSTOMER ORDER NO.	CUSTOMER CONTACT	DATE REQUIRED	DATE ENTERED	JOB NUMBER
	D. Brown	1 month	6-14-68	A/V 1016

JERVIS B. WEBB COMPANY
Detroit, Michigan 48204

Same for Spanmaster Division

ACCOUNTING ONLY		
DATE	INVOICE NO.	AMOUNT

TERMS

OTHER INSTRUCTIONS

QUANTITY ORDERED	DESCRIPTION	CODE	UNIT PRICE	DISCOUNT	AMOUNT
	Request Proposed Copy and Layout				
	For Spanmaster Sales Brochure.				

ORDER COMPLETION SCHEDULE

SUPPLIER	P.O. NO.	DONE	OPERATION	TO	SUPPLIER	P.O. NO.	DONE	OPERATION	TO
			COPY	X				PHOTOSTATS	X
			LAYOUT	X				ELECTRO	
			ARTWORK	X				ENGRAVINGS	
			KEYLINE	X				PRINTING	X
			RETOUCH	X					
			PHOTO	X					
			TYPE	X					

APPENDIX E

MEDIA SCHEDULE

200 SERIES

Client: Spanmaster Division

Ad/Venture, Inc.—Advertising Schedule

From: March 1968
To: February 1969

UBLICATION	JAN 68	FEB 68	MAR 68	APR 68	MAY 68	JUNE 68	JULY 68	AUG 68	SEPT 68	OCT 68	NOV 68	DEC 68
un's Review	68-SP-200		68-SP-200		68-SP-200		68-SP-200		68-SP-200		68-SP-200	
oundry		68-SP-205			68-SP-204			68-SP-205			68-SP-205	
odern Materials Handling		68-SP-205		68-SP-204		68-SP-204		68-SP-204		68-SP-205		68-SP-205
aterial Handling Engineering		68-SP-205		68-SP-204		68-SP-204		68-SP-204		68-SP-205		68-SP-205
etal Center News	68-SP-205		68-SP-206		68-SP-206		68-SP-206		68-SP-206		68-SP-205	
extile World	68-SP-205		68-SP-208	68-SP-208 Special edition			68-SP-208 Special ed.	68-SP-209		68-SP-205 Special edition		68-SP-209 Special edition
ew Equipment Digest	68-SP-211		68-SP210	68-SP-210		68-SP-210		68-SP-211		68-SP211		
ndustrial Equipment News	68-SP-211		68-SP-210		68-SP-210		68-SP-210		68-SP-211		68-SP-211	
nformation Cards	68-SP-212			68-SP-212					68-SP-212			

MG-47

APPENDIX F

BLANKET ORDER AUTHORIZING PRODUCTION FOR YEAR

AD/VENTURE, INC.

9000 ALPINE AVENUE
DETROIT, MICH. 48204

BUDDY ORDER

CUSTOMER ORDER NO.	CUSTOMER CONTACT	DATE REQUIRED	DATE ENTERED	JOB NUMBER
	Dale Brown		1-28-69	A/V 1016

JERVIS B. WEBB COMPANY
Detroit, Michigan 48204

SEE BELOW

ACCOUNTING ONLY		
DATE	INVOICE NO.	AMOUNT

TERMS	OTHER INSTRUCTIONS

QUANTITY ORDERED	DESCRIPTION	CODE	UNIT PRICE	DISCOUNT	AMOUNT
item	BLANKET ORDER FOR SPANMASTER DIVISION				
	ADS FROM MARCH 1, 1969 THRU FEBRUARY 1970,				
	TO APPEAR IN THE FOLLOWING PUBLICATIONS:				
	FOUNDRY 6				
	MODERN MATERIALS HANDLING 6				
	MATERIAL HANDLING ENGINEERING 6				
	METAL CENTER NEWS 6				
	TEXTILE WORLD 6				
	NEW EQUIPMENT DIGEST 6				
	INDUSTRIAL EQUIPMENT NEWS 6				
	INFORMATION CARDS 3				

ORDER COMPLETION SCHEDULE

SUPPLIER	P.O. NO.	DONE	OPERATION	TO	SUPPLIER	P.O. NO.	DONE	OPERATION	TO
			COPY					PHOTOSTATS	
			LAYOUT					ELECTRO	
			ARTWORK					ENGRAVINGS	
			KEYLINE					PRINTING	
			RETOUCH						
			PHOTO						
			TYPE						

APPENDIX G

PRODUCTION SHEET

PRODUCTION FOR:

CURRENT MONTH June 1968
PUBLICATION MONTH August 1968

AD/VENTURE, INC.

CLIENT	AD NO.	JOB NO.	PUBLICATION	CLOSES	SIZE	COLOR	BLEED	MECHANICAL REQUIREMENTS	I.O.'s ISSUED	P.O.'s ISSUED	COPY & LAYOUT		PHOTOGRAPHY		KEYLINES		PROOFS		QUANTITY REPRINTS		REMARKS
											REQ'D	APP'D	REQ'D	APP'D	REQ'D	APP'D	APP'D	ISS'D	REQ'D	DIST'D	
Webb	68-W-104	AV-1015-1	Automation	July 1	1P.	No			15th		12th	OK	No		25th	OK			100		New
Webb	68-W-105	AV-1015-1	Steel	Aug. 1	1P.	No			15th		12th	OK	NO		25th	OK			100		New
Webb	68-W-106	AV-1015-1	M.H.E.	July 1	1P.	No			15th		12th	OK	No		25th	OK			100		New
Webb	68-W-107	AV-1015-1	Production	July 1	1P.	No			15th		12th	OK	No		25th	OK			100		New
Webb	66-W-100	AV-1015-1	Wall St. Jl.	July 22	1 Col 35 ln.	No			15th		12th	OK	No		25th	OK			None		Repeat '66
Spanmaster	68-SP-205	AV-1016-1	Foundry	July 1	1P.	No			15th		12th	OK	No		25th	OK			100		New
Spanmaster	68-SP-209	AV-1016-1	Text. World	July 1	1P.	No			15th		12th	OK	No		25th	OK			100		New
Spanmaster	68-SP-211	AV-1016-1	N.E.D.	July 1	1P.	No			15th		12th	OK	No		25th	OK			100		New
Norfolk	68-N-303	AV-1017-1	Dun's Rev.	July 1	½P.	No			15th		12th	OK	No		25th	OK			100		New
Norfold	68-N-307	AV-1017-1	M.M.H.	July 1	1P.	No			15th		12th	OK	No		25th	OK			100		New
Norfolk	68-N-308	AV-1017-1	N.E.D.	July 1	1/9P.	No			15th		12th	OK	No		25th	OK			100		New
Unibilt	68-U-405	AV-1019-1	M.H.E.	July 1	1P.	No			15th		12th	OK	No		25th	OK			100		New
Unibilt	68-U-409	AV-1019-1	Text. Ind.	July 10	1P.	No			15th		12th	OK	No		25th	OK			100		New
Unibilt	68-U-410	AV-1019-1	N.E.D.	July 1	1/9P.	No			15th		12th	OK	No		25th	OK			100		New
Unibilt	67-U-400	AV-1019-1	Info. Cds.	July 1	post card	No			15th		12th	OK	No		25th	OK			None		Repeat '67
Bulk Systems	68-B-504	AV-1018-1	M.C.J.	July 15	1P.	No			15th		12th	OK	No		25th	OK			100		New
Bulk Systems	68-B-505	AV-1018-1	Jour. of Water Polu.	July 1	½P.	No			15th		12th	OK	No		25th	OK			100		New
A.A.Computer	68-A-603	AV-1021-1	Automation	July 1	1P.	No			15th		12th	OK	No		25th	OK			100-		New
A.A.Computer	68-A-605	AV-1021-1	Cont. Eng.	July 10	1/3P.	No			15th		12th	OK	No		25th	OK			100		New
Control Eng.	68-C-702	AV-1020-1	M.M.H.	July 1	1P.	No			15th		12th	OK	No		25th	OK			100		New
Control Eng.	68-C-704	AV-1020-1	Info. Cds.	July 1	post card	No			15th		12th	OK	No		25th	OK			100		New
Stor. System	68-S-805	AV-1022-1	M.H.E.	July 1	1P.	No			15th		12th	OK	No		25th	OK			100		New
Stor. System	68-S-806	AV-1022-1	N.E.D.	July 1	1/9P.	No			15th		12th	OK	No		25th	OK			100		New
Stor. System	68-S-808	AV-1022-1	Info. Cds.	July 1	post card	No			15th		12th	OK	No		25th	OK			100		New

APPENDIX H

LIST OF JOB NUMBERS

Job Number	Client
A/V 1015	Jervis B. Webb Institutional
A/V 1016	Spanmaster Division
A/V 1017	Norfolk Conveyor Division
A/V 1018	Bulk Systems Division
A/V 1019	Unibilt Overhead Division
A/V 1020	Control Engineering Division
A/V 1021	Ann Arbor Computer Corporation
A/V 1022	Storage Systems Incorporated
A/V 1023	Jervis B. Webb International
A/V 1024	Jervis B. Webb of Canada
A/V 1112	Van Dresser Corporation
A/V 1116	Cummins Publishing Company
A/V 1130	Controlled Power Corporation
A/V 1132	O. L. Anderson Company

APPENDIX I

COPY SHEET

COPY

PREPARED FOR SPANMASTER DIVISION - JERVIS B. WEBB COMPANY

MEDIA Foundry Magazine

DATE June 10, 1968

NUMBER A/V 1016

HEAD- OUR ECONOMY MODEL

COPY- is every Spanmaster crane.

Because every Spanmaster crane is engineered for the specific application.

Engineered for the weight, to be lifted, the distance to be traveled, the frequency, speed, and height of the lifts, and the accuracy required for positioning.

Engineered to improve housekeeping, reduce operating costs, and bring maximum return on investment.

Lifting capacities from 1 to 15 tons. A variety of fork and hook styles permit any size or shape to be handled. We also supply manual and automatic dispatch monorail systems.

Write for our new 24-page Spanmaster Brochure. Bulletin #250.

SPANMASTER CRANE AND MONORAIL SYSTEMS

LOGO- SPANMASTER

ILLUST.- Photograph of 1-ton crane with operator.

APPENDIX J

YEARLY CONTRACT INSERTION ORDER

AD/VENTURE, INC.
9000 ALPINE AVENUE, DETROIT, MICHIGAN 48204
PHONE (313) 933-0890

INSERTION ORDER

To Publisher of: Foundry Magazine
Penton Publishing Co.
City and State: Penton Building
Cleveland, Ohio 44113

Order No.: Contract

Date: 1/15/68

Please publish advertising of:
Jervis B. Webb Company and Divisions

Space Full Page

Times 12

Dates of Insertion Insertion date to be specified by us on a monthly basis.

Position Right hand page appreciated

Copy Key | Cuts Detroit-City Electro

Additional Instructions Acknowledgement requested

Rate $856.00 X 12 = $10,272.00

Less agency commission 15% Less cash discount 2%

COPY INSTRUCTIONS

Copy must not be changed without written authority of this agency or the client. Check mat or plate carefully with attached proof. Advise us of any discrepancy before insertion. Send invoice and checking proofs to

AD/VENTURE, INC.
9000 ALPINE AVE.
DETROIT, MICH. 48204

Also send additional checking copies direct to advertiser. The above procedure is important to us, and must be strictly adhered to.

TERMS OF THIS CONTRACT

Insert this advertising as instructed and be governed by the terms of this contract, subject to standard conditions governing advertising contracts and orders, adopted 1920 and revised 1933 by American Newspaper Publishers' Association and others in cooperation with the Association of Advertising agencies.

IMPORTANT

If no instructions are received from us within six months, return plates to:

Detroit-City Electro
1040 W. Fort Street
Detroit, Michigan 48226

AD/VENTURE, INC.
9000 ALPINE AVENUE, DETROIT, MICHIGAN 48204
PHONE (313) 933-0890

Per: Richard Enger

APPENDIX K

INDIVIDUAL INSERTION ORDER

AD/VENTURE, INC.
9000 ALPINE AVENUE, DETROIT, MICHIGAN 48204
PHONE (313) 933-0890

INSERTION ORDER

To Publisher of: Foundry Magazine
Penton Publishing Co.
City and State: Penton Building
Cleveland, Ohio 44113

Order No.: A/V 1016

Date: 6/15/68

Please publish advertising of:
Jervis B. Webb Company and Divisions

Space Full Page Times One Dates of Insertion August 1968

Position Right hand page appreciated

Copy Key Cuts New cuts to you from Detroit-City Electro

Additional Instructions Acknowledgement requested

Rate $856.00 X 1 = $856.00

Less agency commission 15% Less cash discount 2%

COPY INSTRUCTIONS

Copy must not be changed without written authority of this agency or the client. Check mat or plate carefully with attached proof. Advise us of any discrepancy before insertion. Send invoice and checking proofs to

AD/VENTURE, INC.
9000 ALPINE AVE.
DETROIT, MICH. 48204

Also send additional checking copies direct to advertiser. The above procedure is important to us, and must be strictly adhered to.

TERMS OF THIS CONTRACT

Insert this advertising as instructed and be governed by the terms of this contract, subject to standard conditions governing advertising contracts and orders, adopted 1920 and revised 1933 by American Newspaper Publishers' Association and others in cooperation with the Association of Advertising agencies.

IMPORTANT

If no instructions are received from us within six months, return plates to:

Detroit-City Electro
1040 W. Fort Street
Detroit, Michigan 48226

AD/VENTURE, INC.
9000 ALPINE AVENUE, DETROIT, MICHIGAN 48204
PHONE (313) 933-0890

Per: _____
Richard Enger

APPENDIX L

BLANKET PURCHASE ORDER

AD/VENTURE, INC. 9000 ALPINE AVENUE DETROIT, MICH. 48204 PHONE (313) 933-0890

PURCHASE ORDER

Nº 3344

THIS NUMBER MUST APPEAR ON AL INVOICES, PACKAGES, PACKIN SLIPS AND BILLS OF LADING.

DETROIT-CITY ELECTRO
1040 W. Fort Street
Detroit, Michigan 48226

SHIP TO

TE	DATE REQUIRED	F.O.B.	TERMS:
7-68			

QUANTITY ED	RECEIVED	DESCRIPTION	JOB NO.	PRICE
		This Purchase Order number assigned to Detroit-City Electrotype & Graphic Services, Inc., from January 18, 1968 to December 31, 1968 for time and materials for work performed for Ad/Venture, Inc. Such work might include the preparation of printing plates, offset negatives, quantity proofs, etc. All work must be approved by Ad/Venture, Inc.		

and Conditions on Reverse Side.

BY: _____

PURCHASE ORDER

APPENDIX M

INDIVIDUAL PURCHASE ORDER

AD/VENTURE, INC. 9000 ALPINE AVENUE DETROIT, MICH. 48204 PHONE (313) 933-0890

PURCHASE ORDER
Nº 3344
THIS NUMBER MUST APPEAR ON AL
INVOICES, PACKAGES, PACKIN
SLIPS AND BILLS OF LADING.

Detroit-City Electro
1040 W. Fort Street
Detroit, Michigan 48226

SHIP TO

Foundry Magazine
Penton Publishing Co.
Penton Building
Cleveland, Ohio 44113

TE	DATE REQUIRED	F.O.B.	TERMS:
-68	6-30-68		

QUANTITY D	QUANTITY RECEIVED	DESCRIPTION	JOB NO.	PRICE
t		OF TWO ELECTROS OF AD NUMBER 68-SP-205, "OUR ECONOMY MODEL" A/V 1016 Note: 6 proofs to be furnished by you for our approval before shipping.		per your current price list

nd Conditions on Reverse Side.

BY: _____

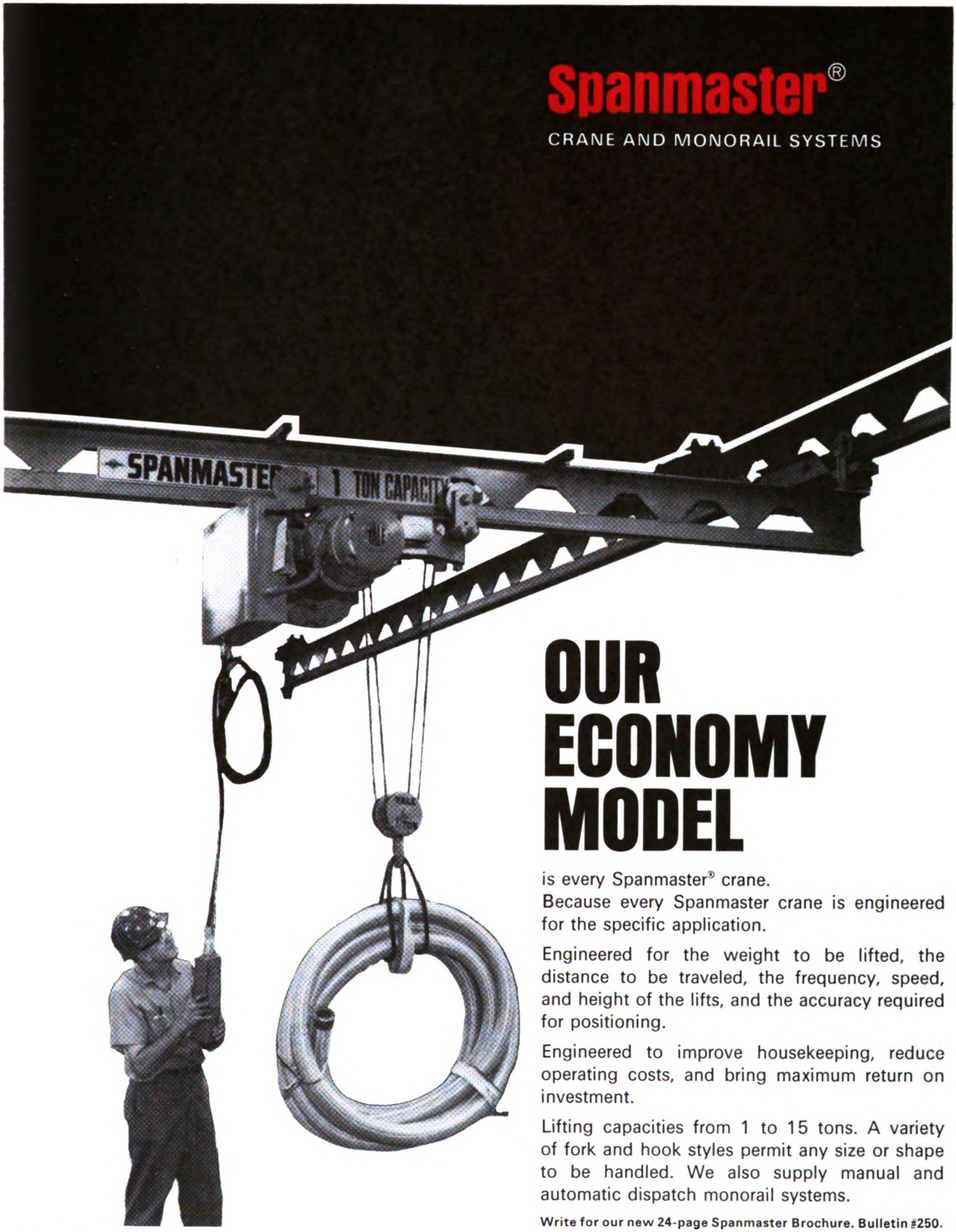
PURCHASE ORDER

APPENDIX N

ADVERTISEMENT 68-SP-205

Spanmaster®

CRANE AND MONORAIL SYSTEMS



OUR ECONOMY MODEL

is every Spanmaster® crane.
Because every Spanmaster crane is engineered for the specific application.

Engineered for the weight to be lifted, the distance to be traveled, the frequency, speed, and height of the lifts, and the accuracy required for positioning.

Engineered to improve housekeeping, reduce operating costs, and bring maximum return on investment.

Lifting capacities from 1 to 15 tons. A variety of fork and hook styles permit any size or shape to be handled. We also supply manual and automatic dispatch monorail systems.

Write for our new 24-page Spanmaster Brochure. Bulletin #250.

SPANMASTER®

a division of the
JERVIS B. WEBB COMPANY
739 MOORE ROAD • AVON LAKE, OHIO

AD/VENTURE, INC.
JOB NO. AV/674

APPENDIX O

SCHEDULE OF SERVICE FEES

Service Category	Fee/Hr.
Coyp	$20
Art (including layout, artwork, keylining and retouching)	20
Photographic -- on shooting assignment ($120/day, plus expenses)	15
Photographic -- lab work or editing	15
Sales Training	20
Public Relations	20
Technical Writing	15
Printing (labor and press only, does not include paper or preparation)	12
Typing, Statistical	8
Shipping Room (including collating, etc. -- on specific jobs only)	6

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

APPENDIX P

TIME CARD

TIME CARD

AME Richard Enger

WEEK ENDING SUN. 19__

HRS. @

JOB NUMBER	Dwg. No.	M	T	W	T	F	S	S	TOTAL	REMARKS
851-103-16	-	3.3	2.6	4.1	5.2	6.8			22.0	
A/V 1016	1	4.0	1.5	-	-	-			5.5	
A/V 1130	1	0.8	3.2	2.5	1.3	-			7.8	
A/V 1017	1	-	1.0	2.5	-	-			3.5	
A/V 1022	1	-	-	-	1.5	1.2			2.7	
02 TOTAL		8.1	8.3	9.1	8.0	8.0			41.5	

APPENDIX Q

LIST OF DRAWING NUMBERS

1.....Copy

2.....Art (including layout, artwork, keylining, and retouching)

3.....Photographic -- on shooting assignments

4.....Photographic -- lab work or editing

5.....Sales training

6.....Public relations

7.....Technical writing

8.....Printing

9.....Typing, statistical

10.....Shipping room

APPENDIX R

AGENCY-CLIENT CONTRACT

The Client hereby engages the Agency to render all the Services customarily performed by a modern advertising agency.

The compensation of the Agency is to be an amount equal to fifteen per cent (15%) of the gross charges of owners of media plus a mutually agreed upon creative fee per advertisement for copy and layout; and fifteen per cent (15%) of the charges of suppliers of services or properties, such as finished art, type composition, photostats, engravings, and printing purchased by the Agency on the Client's authorization during the period of this engagement--subject to the following:

1. No percentage will be added to Agency charges for packing, shipping, expressage, postage, telephone, telegraph, and travel expenses of Agency personnel.

2. Should services be required of the Agency by the Client involving no commissions to the Agency from owners of media (such as direct-by-mail advertising, speech writing, publicity and public relations work, sales conventions, sales literature, catalogs, production and distribution of films or motion pictures, market analyses or surveys) the Agency may charge for such of its services either by fee or percentage--this to be agreed upon through presentation and approval of cost estimates prior to beginning each project.

All bills rendered by the Agency are due and payable by the Client within ten (10) days from the date of the Bill. Cash discounts allowed by suppliers of materials and all cash discounts earned by the Agency's use of its own funds, including those from

owners of media, shall not be passed on to the Client.

Since the Agency does not want to hold any Client longer than he wants the Agency to serve him, termination of this employment shall be in effect on receipt of written notice from either party to the other. However, the Agency will be entitled to receive full commissions on any advertising which it has prepared and which is subsequently used by the Client. And for any material finished or in preparation, which the Client has previously authorized, the Client shall pay the Agency cost of this material to the Agency plus fifteen per cent (15%). When all the Agency's invoices are paid, the Agency is to deliver all materials in its possession paid for by the Client to the Client, and the Client agrees to assume the Agency's liability under all outstanding authorized contracts made on the Client's behalf.

FOR CLIENT	FOR AD/VENTURE, INC.
_____ (Name)	_____ (Name)
_____ (Title)	_____ (Title)
_____ (Date)	_____ (Date)