

Time for Spring Cleaning: How to Establish Transparency & Trust in Ad Agency Contracts

The Department of Justice continues to investigate bid rigging by ad agencies to favor in-house production companies. This follows the Association of National Advertiser's December report on transparency in the digital and media world. Both are generating an enormous amount of industry discussion and finger pointing. Trust is a two-way street, and both the ad agency and advertiser bear responsibility. Step one to building trust and transparency is the written agency contract. The contract manages expectations for both parties. The chart below identifies common terms used when writing your advertising agency contracts. It also describes the agency's and advertiser's potential differences in viewpoint in negotiating the contract. Other key issues typically include: Subcontractors Service Standards Audit Rights Insurance Indemnification Governing Law/Venue Dispute Resolution Amendment Entire Agreement Non-Assignability Waiver Survival Start your spring cleaning now, and infuse fresh air into the agency-advertiser relationship. Check your agency template to find opportunities for greater comprehensiveness, transparency and mutual understanding. Lori Beam is a former board member of KCDMA and an attorney at Seigfreid Bingham where she chairs the firm's Advertising, Marketing and Promotions practice group. Contact her at lbeam@sb-kc.com or 816-421-4460. *This article is general in nature and does not constitute legal advice. Readers with legal questions should consult with an attorney prior to making any legal decisions.