

IAA UAE Chapter Best Practice in The Pitch Process

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UAE Chapter

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1. INTRODUCTION

We have reached a stage in the development of the communications industry in which clients and agencies both express dissatisfaction at the way the pitch process is customarily executed. Preparing for, and participating in, a pitch is time consuming and expensive as well as being a distraction from day-to-day business. This document aims to address that dissatisfaction by providing guidelines for governing the process, which will reduce the frustrations and benefit those on both sides of the client/agency relationship.

All too frequently, achieving a harmonious and effective relationship between client and agency fails to materialise, or relationships break down due to unaligned strategies or operating cultures that are incompatible. Statistics show that a relationship works most successfully when it is enduring and with several years of successful interaction and cooperation. These successful partnerships are those that achieve outstanding business results.

Most agency pitches arise, not as a result of poor commercial performance, but as a consequence of a breakdown in the relationship between client and agency teams. Consequently, it is essential to both clients and agencies that each make every possible effort to address any differences that may arise between them in an open, systematic and managed process. Whatever the cause, it is almost always easier for the parties to address service or relationship issues through transparent and honest dialogue than to incur the cost, disruption and risk attached in going out to pitch and changing agencies.

It goes without saying that working at making the relationship a success should be a critical objective of senior management in both client and agency organisations.

Both the changing of agency and the pitch process carry with them significant risk, especially if, after changing agency it is found that the creative, account servicing or other capabilities of the new agency do not live up to the 'people skills' displayed during the pitch. It is intended that this *Best Practice in the Pitch Process* should be used by both clients and agencies as a common template to successfully guide them through the process from the time a pitch is first contemplated through to a mutually beneficial outcome.

Working at making the relationship a success should be a critical objective of senior management in both client and agency organisations

The use of these guidelines will benefit both clients and agencies, and help the ongoing development of commercial relationships built on trust and mutual respect.

This is the first time a best practice document for the pitch process, specifically for the Middle East and North Africa, has been formally addressed by local practitioners from all facets of the industry who came together in a series of three cross-industry forums during Spring 2012. The result may not yet be a faultless code; however, for the first time a document has been created from grass-roots dialogue, which is aimed at providing helpful advice and a roadmap applicable to both partners in the process. Nonetheless, this document should be considered as a 'work in progress' and the IAA would be very pleased to receive industry feedback or suggestions for amendment – either may be sent to iaauae@eim.ae.



2. EXECUTIVE SUMMARY

Best Practice in the Pitch Process aims to guide both clients and agencies successfully through the time-consuming and expensive process of participating in a creative or media pitch.

The views of many senior executives from client organisations as well as from the creative, media, PR and specialist agency sectors were obtained through three industry forums to develop this document as a truly cross-industry initiative.

A key objective of the IAA UAE Chapter in developing *Best Practice in the Pitch Process* is to aid the development of harmonious and effective relationships between clients and agencies, avoiding the breakdown of these relationships due to unaligned strategies or incompatible operating objectives. Statistics prove that the most successful commercial results are derived from enduring client/agency relationships. Statistics also show that most agency pitches arise, not as the result of poor commercial performance, but as a consequence of a breakdown in this relationship. As such, both sides should make every effort to address and resolve differences that may arise between them rather than risk the disruption and potentially risky outcome of changing agencies.

When going out to pitch is thought to be the appropriate course of action, the document aims to benefit both clients and agencies by providing a step-by-step and detailed guide of the process, while also asking whether there may be a more effective way of resolving issues.

If a pitch is considered to be the only solution, *Best Practice in the Pitch Process* covers the preparation required by both client and agency to ensure that the process is effective and equitable to all parties involved. The method and basis of evaluation is detailed as well as potential pitfalls that are all too often experienced as a result of inexperienced or busy executives managing a process with which they are not overly familiar. The compiling of an appropriate shortlist and the setting up of initial chemistry meetings to compare operating styles and corporate ethos is explained as a key stepping stone in the shortlisting process, prior to calling for a creative or media pitch. Specific details are given of the comprehensive information required in the briefing document as well as on the ethics to be exercised throughout the process.

The role of procurement in the process is covered in detail and advice given as to how the input of this important function can be enhanced from cost-cutter to value-enhancer. Recommended pitch fees, to compensate losing agencies for their investment in time and resources, are also discussed.

Finally, the document deals with the post-selection process and the important transition period following the appointment of a new agency.

Statistics prove that the most successful commercial results are when client and agency relationships are enduring

3. TO PITCH OR NOT TO PITCH (and other questions you should ask yourself)

3.1 Why change?

Experience shows that enduring relationships between client and agency result in improved results and greater success for brands. Clients should be very introspective when asking themselves whether it is in the best long-term interests of their business or brands to change agency. The pitch process carries with it a heavy toll in cost and pressure on resources, while there is a significant potential risk should the new agency not live up to expectations.

As such, clients should approach the changing of agencies, or the appointment of others, with a great deal of caution. Of course, there are a number of reasons a client may contemplate a change. There may even be contractual requirements that make a review mandatory. But in all situations, clients should carefully consider all options open to them before going out to pitch. It is an important decision that should not be taken lightly.

Similarly, before agencies respond to a pitch, they need to ask themselves a number of questions to ensure they are appropriately positioned to take the pitch forward. Agencies should determine whether a prospective client is compatible with their skill set, corporate ethos and business objectives and whether there are any conflicts within their existing client portfolio. It can be all too easy to be attracted by a prospective client, especially if it is a well-known brand, only to find that the cost of servicing the brand is uneconomic. Agencies should also consider the financial reputation of the client and its reputation for paying agencies and media.

If not in alignment, agencies should decline to pitch in a professional manner detailing clear reasons. In most cases, this will benefit the reputation of the agency with the client in the long term.

3.2 Key questions

There are a number of key questions both clients and agencies contemplating participating in a pitch should ask themselves:

Clients should ask:

- Do our recent commercial results support a change of agency?
- Is there anything internally contributing to our shortfall in results?
Is there anything we can do differently to help solve our challenges?

- Have we recently reviewed our issues and revisited the scope of work with the incumbent agency?
- What do we hope to gain from changing agencies?
- Does the size or value of the business justify a full pitch?
- Is a full pitch the right way to handle this, or is there another option?

Agencies contemplating participating in a pitch should ask:

- Should I really be doing this?
- Are we able to do this work justice (experience, structure, culture)?
- Do we have any conflicts, and if so how can these be handled?
- Does the value of the account justify us pitching?
- Is the client or brand one we want to work with?
- Has the client shared enough information to enable us to make an informed decision about the pitch and future prospects of the assignment?

3.3 Is a full pitch the only way?

While it is universally agreed that the pitch is here to stay, it is only a starting point in a long-term process that drives creativity and business solutions and, ultimately, brand value. Given the costs and risks associated with going out to pitch, all alternative options to appointing a replacement agency should be considered.

If a creative or specialised service is being sought, look for specialised agencies that have the relevant experience or capability. If experience of a particular industry or product sector is required, again seek out agencies with that specific experience.

3.4 Obtain key stakeholder support

If all due diligence and alternatives have been exhausted by the client's marketing team and the decision to seek a new agency through a pitch has been reached, the financial investment and commitment to time and resources are such that the decision should be ratified by the company board.

4. GETTING STARTED

4.1 Set up the steering group

Once a client comes to the conclusion that moving to a pitch is the only appropriate avenue open to them to achieve their commercial goals, the first action necessary is to form a steering group to manage the whole process, and who will ultimately be responsible for its outcome. Typically the group will include the heads of marketing, research and communications, key brand managers, a senior executive from procurement and, possibly, from the finance and strategy departments.

This group of senior managers needs to have a broad range of skills and personal attributes suitable to the task. The anticipated timelines for completing the task should be emphasised to the group so that they can give the task the appropriate priority in their schedules. The expected objectives of the process and the possible outcomes also need to be clearly outlined.

4.2 Specialist support and managing the process

Even at the best of times, managing a pitch is a time-consuming and challenging affair. As managing a pitch is not an everyday occurrence for client organisations, the requisite experience or knowledge may not be available 'in-house'. Whether the client is looking to appoint a creative, media or specialist agency, it should weigh up the benefits and relative cost merits of appointing an independent specialist to oversee the process. Specialist consultants can help set up the processes, manage logistics, approach and filter agencies and prepare a shortlist for consideration, and thereafter manage the meeting schedule. This frees up the steering-group executives, expedites the process and allows the steering group to focus, in the closing stages, on assessment and making the final decision.

4.3 Agree objectives and basis of assessment

An early objective of the steering group will be to agree the criteria against which shortlisted agencies will be evaluated and measured. These criteria may focus on specific skills required, past experience or achievements, geographic reach or 'cultural' fit.

To effectively assess these criteria, it will be necessary for the steering group to analyse the requirements for the agency they are looking to appoint and what the key communication messages and activities are expected to achieve in the marketing of their brand(s).

Having agreed these criteria, it will be relatively straightforward for the steering group to discuss and agree a relative weighting for each criterion to ensure that the points the group consider most important receive an appropriate percentage of emphasis.

**Agree the criteria
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It is against these criteria that individual steering-group members will 'mark' each agency. For ease of management, the criteria may be summarised into generic headings, which will be shared with shortlisted agencies as part of the briefing document.

4.4 Calculate the budget

The value of expenditure across the account will affect all aspects of the pitch process and ultimately the selection of an agency. The value of the budget will affect the resources provided by the agency and, as such, it is important for both the client and the agencies pitching that the budget is accurately indicated at the outset of the process.

5. COMPILING AN INITIAL LONG LIST

5.1 Decide the type of agency you really need

Due to a number of reasons, the agency and communications landscape is undergoing rapid change. Consequently, an initial decision for the steering group is to identify the type of agency most appropriate to drive communications and marketing activities. Full-service agencies can offer holistic solutions; however, if specialised skills are required, such as digital media, direct marketing or PR, it may be more efficient for all concerned to limit the focus to specialist agencies. In highly specialised areas of media such as online, advice from specialists may be needed to assist with this decision. Other considerations may be whether the client prefers to work with a global or regional network or local 'hot shop'.

Having made these important initial decisions, stick to them. It wastes everyone's time and dilutes the process to have a random selection or to include a few of each on the initial long list.

5.2 Make the initial long list

The personal knowledge of the steering group as well as local research will enable the group to compile an initial list of potential agencies that on consideration appear to have the required level of experience and skills.

The UAE chapter of the IAA can provide a list of its agency members for consideration.

At this time, it is important to define 'conflict rules' so that agencies that are working directly with competing brands or have an association with competitor companies are identified and probably eliminated from the long list. These agencies will, in the majority of cases, decline to pitch; however, eliminating them early on will save a lot of unnecessary work.

If there are a limited number of agencies available to consider, it may be necessary to exercise a degree of flexibility when defining areas of conflict. For example, if an agency is working in another market with a competing brand, a view should be taken on the level of exposure to the risk of information passing, based on the brands concerned, the relative importance of the markets and the reputation of the agency. This situation is especially likely to arise when considering media agencies because there are only a small number of major global players.

Having too many agencies on this initial long list should be avoided as it complicates the decision-making process with little significant benefit. Having clear and unambiguous assessment criteria are essential, followed by careful and detailed review by the steering group or the appointed specialist consultant. The final list of potential agencies will ideally comprise no more than six agency names.

5.3 Get to know your long list

Having compiled the conflict rules and previously set assessment criteria, and having reviewed the work and relative merits of the agencies on your long list, now is the time to get to know them in more detail. The objective of the next stage is to reduce your list by eliminating the least attractive options and then increase the focus on the remaining agencies.

- Initial contact should be made by writing to all agencies on the long list and asking them if they are interested in being considered.
- Those agencies responding positively should be sent a mutual Non-disclosure agreement (NDA) to sign. This document restricts disclosure of the process, discussions or commercial information to the media, competitors or any third party. It should also protect the agency and the information and work they impart during the process.

A mutual, industry-approved NDA is available for downloading from the IAA website – www.iaauae.org.

With the NDA signed by both agency and client, there are options for the way forward:

- In North America, a Request for Information (RFI) document is sent with a questionnaire to be completed by the agency with specific details of corporate structure, resources, skills, experience, etc.
- In Europe a credentials document may be requested as an initial step.
- As an alternative, or as a follow up, having received RFI information, a chemistry meeting may be set up with steering-group members, and perhaps other client executives: this will be an extended visit with meetings and presentations from various departments of the agency.

Whichever option is selected, the aim of this initial contact is for the client steering group to gain insights into the likely quality of work, experience, portfolio, working styles and the culture of the agency and its geographic

capability. With breakdowns in the client/agency relationship frequently arising through a conflict in styles or corporate culture, it is particularly important that these aspects are extensively explored. To do so, the client will need to tell the agency about itself, key opportunities and issues for the company, the categories it is working in and its brands. It is important the client identifies key individuals involved in the pitch as well as the day-to-day management of the business. By sharing this information, the agency will be best informed as to how to address the business and the pitch to everyone's benefit.

The agency should provide details of key members of their team, the agency's proprietary tools, business and problem-solving processes and give an overview of special pieces of work. It is not advisable at this stage to go deeply into the key issues or challenges of the client's business or brands. So discussions may be in general terms around similar types of issues or the client may pose questions as to how the agency may have addressed similar challenges in the past.

It is important the client identifies key individuals involved in the pitch as well as the day-to-day management of the business

All information collated is aimed at assisting the shortlisting process and needs to be carefully reviewed. If, on review, there appear to be gaps in information, additional details can be requested from the agency. Using the assessment criteria previously agreed, in addition to the personal experiences of the recent contacts, each member of the steering committee should then allocate marks to each agency in order to identify the top two or three that are to be taken forward.

Before compiling the shortlist, it is recommended to check that all agencies that have been visited or contacted continue to be interested in taking the process forward. It would be embarrassing or could affect the outcome if an agency on the shortlist has, in the interim, decided not to progress. A simple phone conversation between the senior managers on each side can ascertain this while thanking the agency for providing information or participating in the chemistry meeting.

5.4 Finalising the shortlist

Whichever criteria were decided on by the steering group for identifying the initial agencies, it is important that the decisions made following the initial contacts are made on a timely basis. There is nothing more likely to cool the enthusiasm of a prospective agency than slow feedback from the client.

The steering group should review and discuss their individual findings following the initial round of 'chemistry' meetings and information gathering. Each member of the team should allocate their marks against the criteria previously agreed (see 4.3). From the final total of these marks it is now straightforward to select the top two, or maximum three, shortlisted agencies.

As soon as the preferred agencies have confirmed that they remain interested in continuing with the pitch (see 5.3 above), advise the agencies who were unsuccessful that they are no longer being considered. Taking the time to meet unsuccessful agencies privately will give them the opportunity to understand where they fell short, and honest and open dialogue will help the two parties understand each other better and leave room for future partnerships. It will also ensure that their involvement in the initial stage is brought to a close in a professional and constructive manner.

Armed with your shortlist of two or possibly three agencies, it is now possible to start the search process in earnest.

6. THE PITCH BRIEF

The old adage that the best pitch will only be as good as the brief you prepare contains a great deal of truth. A well thought through and comprehensive document signals a sense of commitment and fosters confidence in the minds of the agencies, in addition to indicating that the client means business. A tight brief drives an honest and transparent process, compelling both parties to take ownership of their element of the process and as such, is more likely to result in a positive outcome.

The briefing document should cover all potential areas of information, both general and specific, so that the agency is entirely clear about the expectations of the pitch. In principle, the document should outline:

- Why the business is up for review and why a change of agency is sought – including the real challenges faced by the business or brands
- The client's expectation for the outcome of the pitch
- Details of the work expected from the agency and elements to be provided
- Specific details of team and structure, work processes, proprietary tools or systems and compensation expectations
- How the future relationship may develop and potential benefits

The same briefing document, without amendments or alterations, should be given to all final shortlisted agencies. As the client organisation will have visited each agency, it is possible that relationships have started to develop. Therefore, questions and conversations regarding the briefing document should be limited to one specific executive on each side. If specialist personnel such as research or field sales executives request meetings to obtain specific information, this should be facilitated as it may lead to creative and commercial solutions.

Although all clients will wish to ensure that their pitch process is fair and equitable, it is not advantageous to share answers to questions from one agency with the others. This potentially benefits only the less active of the agencies and disadvantages the client organisation by possibly hiding the shortcomings of other agencies.

The same briefing document, without amendments or alterations, should be given to all final shortlisted agencies

Group briefings are ill-advised and should be avoided. Rather than affording everyone the same level of information or opportunity to ask questions, in fact the opposite is the case: participants within a group meeting are rarely prepared to ask questions and try to protect their perceived strengths. This could potentially help a competitor agency. Even when agencies feel obliged to ask questions in a group meeting, they run the risk of disclosing competitive advantage or giving away proprietary thinking. It is unprofessional to expect this.

Specific topics that should be covered in detail in the briefing document include the following:

6.1 Overview of the brand or business

The client should provide a detailed review of the brand (or business), including whether this is a new product or service, a re-launch or re-positioning. Detailed product information, marketing history and current or future needs should be provided along with any specific challenges that need to be addressed and the role of marketing communications in the brand strategy.

If the pitch covers all of a client's products, or a large number, the brief should require the overall strategy to be addressed and then stipulate which brands, products or services should be focussed on.

6.2 Key Performance Indicators (KPIs)

KPIs are an economic necessity in the setting of commercial objectives and for ongoing performance measurement. Agencies will expect the pitch document to include details of key objectives for leading products to aid the development of strategy and support creative execution.

Typical examples of KPIs that should be shared with agencies pitching include:

- Market sales history and expected future objectives
- Trends in consumer awareness and future targets
- Historic equity measures and future expectations

It is not sufficient merely to use qualitative or quantitative targets without providing supporting data, research findings or benchmarking against key competitors to support the KPIs.

6.3 Assessment criteria and scoring system

In the initial stages of compiling the shortlist, the assessment criteria against which each agency is to be measured were agreed. Before progressing to the final pitch stage, the assessment and measurement criteria need to be revisited and fine-tuned to ensure all aspects of the pitch are covered within the scoring system. Weightings allocated to each aspect of the pitch should be reviewed and amended if necessary to ensure they are objective and appropriate to the search requirements.

Including the assessment criteria in the briefing document ensures transparency in the process and helps competing agencies prepare appropriately. However, it is unlikely that a decision will be made solely on the basis of the total number of marks allocated. The emotional response of the steering group and review team to previous chemistry meetings will also play a role in the final decision.

6.4 Review team profiles

Although the pitch process is driven by a steering group from inception to the final pitch, the final team of decision makers may be amended or revised. Generally, a smaller team will arrive at a decision more quickly than a large group, where compromises may be necessary. Also, the team needs to have sufficient seniority to negotiate and agree on issues raised in the final stages.

The briefing document should mention the credentials of the appointed team, their specialisations as well as providing details of their commercial or creative successes. This will help the agency team prepare appropriately.

6.5 Timelines and timekeeping

With a shortlist of the final two, or perhaps three, preferred agencies, decide on the number of final stages of the process. Usually this would include a strategy meeting and a creative meeting but may require more if 'tissue' meetings at which the development of creative or brand strategies are to be discussed. However, avoid a drawn-out process so that the initial enthusiasm is maintained.

After issuing the brief, sufficient time should be allowed for the agencies to prepare. Typically this should be around three weeks. Enough time should also be allocated for each agency to be able to thoroughly present the

work requested in the brief. Decide on the length of time for each agency presentation – including a defined period for questions and answers, and indicate that no overruns on these timelines will be permitted.

Sticking to timetables throughout the process is essential for both client and agency teams. It is necessary for the agency to rehearse their presentation to ensure they can cover all aspects within the time allowed. Equally, an agency should not be penalised for a delay arising from the client side, perhaps because of a technical problem or overrun of other meetings.

Working within the prescribed timetable shows a degree of discipline and task orientation that is likely to be applied to future projects.

Producing a detailed checklist, summarised by the key areas of review and with the allocated weighting, or percentages, will help the review team keep track of the process and to remember later what subjects were covered, what was said and what the reviewer thought.

6.6 Sharing of information and transparency

There is a reticence by some clients to share information with their prospective marketing partners in the belief that they are guarding commercial information. Failing to share information or providing incomplete or inaccurate data will have a negative impact on the outcome of the process.

With NDAs in place, clients should be willing to share relevant market data, research results and any available test results to aid the pitch process. Clients need to trust these potential partner organisations, as without this basic level of trust the relationship is unlikely to develop to a level that will produce the outstanding results sought by both sides of the relationship.

7. THE ROLE OF PROCUREMENT IN THE PITCH PROCESS

In recent years, there has been an increasing focus on cost reduction when assessing agencies during the pitch process. With the inclusion of procurement executives in the pitch process, a disproportionate focus is now placed on price rather than adopting a holistic view, which considers the quality of work and overall value generation.

This position is not in the long-term best interests of brands, client organisations or the marketing communications industry, which needs to invest in developing skills and talent for the future. A key component in the long-term success of a brand or business is the quality of their marketing communications. The support provided by a clients' procurement team needs to be carefully managed during the pitch process. In a majority of cases in this region, 'procurement' has still to develop a holistic overview of their role and to evolve into identifying efficiencies rather than cost cutting.

7.1 Value generation vs cost reduction

Recently, procurement executives from client organisations have become an influential component within the pitch process. There is cross-industry agreement that the true role of procurement is largely misunderstood or misguided and has translated into one of cost cutting or cost reduction. The true role of the procurement team should be to identify opportunities for 'added-value' within the financial and cost equations of each pitch.

An example of procurement generating added-value would be to agree future efficiency targets, which if met see the benefit shared

While current trends in remuneration include complicated fee-based arrangements, procurement teams often prepare spreadsheets with comparisons of salaries or hourly rates. These comparisons are then used to negotiate costs down when there is little or no knowledge or appreciation of the creative skills, relative quality and value that is being generated.

An example of procurement generating added-value would be to agree future efficiency targets, which if met see the benefit shared between the client and agency. In this way, efficiency becomes a win-win for both as opposed to restricting the role of procurement to purely cost reduction without regard to the implications.

While the involvement of procurement executives is likely to remain a permanent aspect of the pitch process, the need for refinement and influence of their contribution needs to be carefully managed. Selecting an agency based on price first and then trying to fix quality later is not a recipe for success.

7.2 Get the financials out of the way first

In order to avoid potential conflicts while negotiating salary allocations and the rate card during a pitch process, it is recommended that the discussion and agreement of the rate card is undertaken as a separate exercise during the final shortlisting process and before extensive work is undertaken on formulating strategy, developing creative or building media pitches. Getting this out of the way prior to the full pitch has a number of advantages, including reducing client concerns about leakage of information.

8. PITCH FEES (RECOMMENDED)

As previously identified, the marketing communications industry is becoming ever more cost conscious while the pitch process becomes increasingly complex. With agency teams being pared to a minimum, it is increasingly falling to specialist pitch-management consultants to drive the pitch process.

The combined costs of staging a pitch should be recognised by clients and agencies should be compensated as they commit significant levels of intellectual resource and manpower to the preparation and presentation of a pitch.

As well as going some way to compensating shortlisted agencies for their input to the pitch, a key aim of pitch fees is to make client organisations aware of the investment made in the development of their business. Therefore, the significant financial outlay by agencies involved in the pitch process will benefit the client, even if the agency is not appointed.

An advantage for both sides of the relationship is that the payment of fees ensures clients carefully weigh up the relative benefits of including more agencies on their shortlist.

Given the disparate value of budgets, types and size of agency and clients, and the varying volume of work that may be required of agencies participating in a pitch, it would be inappropriate here to suggest a 'one size fits all' fee paid to unsuccessful agencies in compensation for their costs. Even paying an appropriate percentage of the anticipated communication investment is not built on a solid rationale. We, therefore, forego making specific recommendations on the appropriate level of pitch fees. What is clear, however, is that the payment of a fee represents an opportunity for a client to show goodwill and maturity in understanding the economics of the pitch process, in addition to the long-term benefits of building an image of seriousness, integrity and concern within the communications community. It is best practice for clients to pay pitch fees. The amount should be decided rationally and with a view to those variables the client, in conscience, believes to be relevant.

Such fees go only some way towards compensating the losing agency(ies) for their out of pocket costs and the intellectual input to the development of a client's brands. They are not intended to cover the actual costs of participation. It is also recognised that where a client has global arrangements with an agency, there may be independent arrangements in place for fees.

9. RE-PITCHING AND STATUTORY REVIEWS

Occasionally, contractual and due-diligence obligations require that an incumbent agency participate in a pitch. In these circumstances, it is particularly important to advise all prospective agencies that the incumbent agency will be re-pitching and whether there are any shortcomings with their work. This information will influence the level of interest agencies will have in participating in the pitch. If there is no dissatisfaction with the incumbent agency, then all others should understand that the likelihood of a change is small.

If there is dissatisfaction, clients should discuss this with the incumbent agency and only allow it to participate in the pitch if there is at least an equal chance for it to win the business. Part of this discussion should revolve around the incumbent agency satisfying the client that it has addressed and resolved any shortcomings.

10. ETHICS OF THE PITCH PROCESS

The client and agency relationship should be built on solid foundations of trust and mutual respect for each party's contributions to the processes. It is essential both to the pitch process as well as the long-term relationship that the partnership builds into a single cohesive team focussed on achieving common aims and objectives.

10.1 Transparency

It is essential to the success of both the marketing strategies as well as the long-term relationship that the client shares all relevant marketing data and research with the agency. This is underpinned by the non-disclosure document signed in advance of the pitch.

The agency team should have access to the client staff with whom they would be working if and when appointed. During the pitch process, meetings between client and agency personnel should be managed by the steering committee, and they should ensure appropriate interaction.

10.2 Intellectual property and copyright

Intellectual property (IP) although intangible, is one of the most valuable assets of any organisation. Within the marketing communications arena, IP is the creative difference that provides marketing solutions, motivates buyers, inspires business transformation and leads to brand and product growth. The copyright of ideas generated under the terms of an agency pitch remains the property of the agency conceiving and producing the work. Should a concept produced by an agency that is not selected during the pitch process be of interest to the client, the client needs to negotiate the purchase rights of this idea before using it.

During negotiations on the content of NDAs or contracts, clients should respect the right of agencies to protect their IP, and agencies need to maintain a standard legal terminology covering the release and transfer of IP within an established fee structure. It is not ethical, despite what a signed NDA may say to the contrary, for clients to take and use ideas presented during a pitch process or to take ownership of any ideas without compensating the originators.

The copyright of ideas generated under the terms of an agency pitch remains the property of the agency

10.3 Respect

Experience demonstrates that it is constructive and in the client's best interest to recognise agencies for the expertise they bring and to be treated as equals. The growing trend of treating an agency as a supplier should be avoided throughout the pitch process as well as thereafter. A pitch should start with a real sense of mutual respect and understanding, which should be developed further as the process unfolds.

Respect can only be generated by open and transparent dealings because anything less will invariably be obvious or become known, adversely affecting trust within the relationship. Be honest about what is really going on with the incumbent agency. Be truthful about the scope of work and open regarding the budget. If you really do not know, say so.

When starting the pitch process, be entirely clear about the marking system – what will gain added marks and for what they will be deducted.

10.4 Mutuality

Contracts and agreements should, as far as possible, protect the interests of both organisations in the relationship. Once the decision on the preferred agency is made, it is not unusual for many months to be spent on contract negotiations, as each side of the relationship tries to outmanoeuvre the other.

Contracts should be documents that provide an outline of the working practices and should not be unduly biased in favour of one side of the partnership or the other. Approaching contract discussions with a positive expectation and openness to compromise in the resulting negotiations will set the foundations for a long-term and mutually satisfying relationship.

11. MAKING THE DECISION AND THEREAFTER

We have already covered in detail the methodology of agency evaluation and selection. Although this outlines an arithmetical process of marking across various areas of interest, it is unlikely that the final decision is going to be made solely on the total number of marks gained by a particular agency. It is inevitable that the emotional response of individuals in the steering group and review team to chemistry meetings will also play a role in the final decision. However, even after a final decision is reached and a successful outcome of the pitch achieved, there are still a number of actions both client and agency need to undertake:

11.1 Advising the unsuccessful agencies

As soon as is practicable after making the decision, the client should formally advise the unsuccessful agency(ies) that they have not secured the business. The more detailed the advice given for why they were unsuccessful, the more likely it is that the agency will appreciate the information and will exit the process with a positive perspective.

It is recommended that the head of the client organisation, or the person leading the pitch from the client side, meets with the senior executive from the unsuccessful agency(ies) and provides feedback on their decision and detailed explanations as to where the agency fell below their needs.

Too often, in the enthusiasm to get the new agency involved in the business, the client organisation overlooks the need to advise the unsuccessful agencies. This is unprofessional and not in the long-term interests of either party.

11.2 Avoid the 'dream team' syndrome

During the review and pitch process, it is understandable that the agency may field their most experienced creative team, account managers and senior executives. However, the new relationship will not start off on the right foot if these individuals suddenly disappear once the agency has been appointed.

Key executives who will be involved in the client's day-to-day business, and who have been committed to the account, should be involved during the pitch process and not suddenly disappear once the pitch is won, to be replaced by less informed or, worse still, less experienced executives. If their

involvement is not possible for some legitimate reason, then the client should be guaranteed access to, and the oversight of, the senior agency members present during the pitch.

Clients deserve consistency in all aspects of the process, including the team working on the account. This shows commitment on the side of the agency and gives comfort to the client.

11.3 Managing the transition

It is essential that all three organisations involved in the hand over – client, incoming and outgoing agencies – work positively together to achieve a detailed hand-over within agreed timeframes and with a smooth transition of business activities and materials. This is critical to protect both the brands involved as well as the overall business.

Both the incoming and outgoing agencies should appoint specific executives to liaise with their opposites in order to avoid any gap in communications. Details of all transferred materials should be carefully recorded by the outgoing agency, and the new agency should sign for their receipt so that both agencies are clear on what has been provided.

The client should formally advise the unsuccessful agency(ies) that they have not secured the business

This diligence is of special importance when dealing with the transition of media planning and buying assignments where advertising schedules and campaigns should not be disrupted due to poor administration or lack of communication.

During the transition period and following the transfer of business, it is important that the client pays careful attention to meeting all contractual obligations to the outgoing agency. None of the three organisations involved in the transition will benefit from an inefficient or acrimonious hand-over. For the sake of future business, relationships and reputations, the process should be undertaken in an atmosphere of cooperation and professionalism.

PRE-PITCH CHECKLIST – CLIENT

- | | CHECK |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| 1. Have we fully reviewed the reasons for our business shortfall both internally and externally? | <input type="checkbox"/> |
| 2. Has our team enabled our current agency to perform to the required level? | <input type="checkbox"/> |
| 3. Have we fully explored all available options to changing agency?
- Reviewed internal performance
- Reviewed issues with the incumbent agency
- Considered appointing without a pitch | <input type="checkbox"/> |
| 4. Do we have the time, capability and resource necessary to commit to a comprehensive pitch? | <input type="checkbox"/> |
| 5. Can I compile a steering group with:
- Sufficient numbers
- Sufficient seniority
- Relevant knowledge and experience
- That we can divert from the day-to-day business?
<i>(If not, should we appoint a specialist consultant to manage the process?)</i> | <input type="checkbox"/> |
| 6. Are we sufficiently well prepared for a pitch with comprehensive data for our key brands and business including brand positioning, research results, marketing and media budgets, historical performance and future targets? | <input type="checkbox"/> |
| 7. Are we absolutely clear what we wish to achieve by a change of agency? | <input type="checkbox"/> |
| 8. Is our briefing document sufficiently detailed and transparent? | <input type="checkbox"/> |
| 9. Do we have a detailed and achievable timetable for completion of all aspects of the project? | <input type="checkbox"/> |
| 10. Do we have a non-disclosure agreement that meets IAA guidelines? | <input type="checkbox"/> |
| 11. Do we have a draft services contract under preparation that meets the standard of the IAA? | <input type="checkbox"/> |
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PRE-PITCH CHECKLIST - AGENCY

- | | CHECK |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| 1. Is this brand or sector one in which we can make a significant contribution? | <input type="checkbox"/> |
| 2. Is this client or business one I would like to work with? | <input type="checkbox"/> |
| 3. Do we have any directly competitive business precluding us from participating in the pitch? | <input type="checkbox"/> |
| 4. Are we well enough informed of the challenges faced by these brands in the market place? | <input type="checkbox"/> |
| 5. Do we have the resources in-house to:
a) make the pitch, and
b) successfully develop this business or is recruitment necessary?
- If so, when and what are the costs involved?
- Will the business still be commercially viable? | <input type="checkbox"/> |
| 6. Have we been told what we are being measured on and are we likely to be competitive against these criteria? | <input type="checkbox"/> |
| 7. Is the non-disclosure agreement appropriate and does it respect mutuality? | <input type="checkbox"/> |
| 8. Do we like the culture of the client team – is the ethos compatible? | <input type="checkbox"/> |
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ACKNOWLEDGEMENTS

We recognise the invaluable contribution of a number of individuals and organisations in compiling *Best Practice in the Pitch Process* and extend our grateful thanks.

One hundred and sixty-nine senior executives came together in three forums during 2012, organised by the International Advertising Association, UAE Chapter, to debate the many issues surrounding the pitch process as it plays out in the region within which we operate. In addition to the key creative, communications and media agencies, the group included senior executives from many of the region's largest clients as well as the chair and board members of the client-side Advertiser's Business Group. This document largely results from the views and ideas expressed during these meetings.

Both www.eaca.be and www.hca-uk.com were used as reference sources.