Finding an Agency

A best practice guide to agency search and selection

Endorsed by: AAR Group, Agency Assessments International, Agency Insight, The Haystack Group, The Observatory International and Oystercatchers

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ABOUT THE SIGNATORIES

CIPS is the leading body representing the field of purchasing and supply chain management. Established in 1932, it exists to promote and develop high standards of professional skill, ability and integrity among all those engaged in purchasing and supply chain management. CIPS assists individuals, organisations and the profession as a whole. www.cips.org

The IPA is the industry trade body and professional institute for agencies in the UK's advertising, media and marketing communications business. As a trade body it represents agency interests to Government departments, unions, media owners and suppliers. As a professional institute, it develops best practice guidelines and sets operational standards for the industry through its advisory, legal, training, awards and information services. www.ipa.co.uk

ISBA represents the interests of UK advertisers in all areas of marketing communications. ISBA has a dual role: to protect the freedom to advertise responsibly, and to enhance the effectiveness of its members by delivering substantial and tangible commercial benefits, including cost savings, guidance and skills training. www.isba.org.uk

The MCCA represents marketing communications agencies in the UK. It aims to help its members, big or small, grow their business. It offers agency management support, agency development support, new business support and netwoeking support. www.mcca.org.uk/

The PRCA is the trade association representing the voice of UK public relations. The PRCA was founded in 1969 and it represents consultancies of all sizes, working for clients in all business and industry sectors. It has more than 160 member companies who, between them, earn 70% of fee income for the PR industry in the UK. www.prca.org.uk/

ABOUT THE ENDORSERS

AAR helps clients and marketing services agencies to establish, build and get the maximum value from their business relationships. AAR uses its unique perspective and expertise to help its clients find the right partner and work together successfully and productively. www.aargroup.co.uk

Agency Assessments, launched in 1988, advises marketing and procurement experts worldwide on agency search and selection, negotiating remuneration and servicing structures, and optimizing the relationship to achieve exceptional performance. It is represented on six continents. www.agencyassessments.com

Agency Insight was founded in 1992 on the principle that the company was unpaid by agencies, and therefore impartial. Agency Insight helps clients find agencies across all the marketing disciplines, supports procurement, carries out agency audits and also provides strategic advice and management support for many leading companies of the world. www.agencyinsight.com

The Haystack Group has worked with clients since 2001, helping them to define, identify, manage and develop the right marketing services support to meet the rapidly changing needs of today's marketplace. Our focus is on creating the environment for improving effectiveness and efficiency through measurement, feedback and continuous improvement to achieve maximum commercial impact through marketing communications. www.thehaystackgroup.com

The Observatory International's unique iCAP methodology combines a unique suite of online tools with Domestic and Global insights to help clients not only match short lists and run the most effective pitches, but also to drive improvements in existing client/agency relationships and remuneration practices. With six offices in five countries, The Observatory International works across the full spectrum of marketing communications practices, both domestically and internationally. www.observatoryltd.com

Oystercatchers help clients to manage high-performance relationships with all their agencies; achieve optimal alignment of resources on both sides; set and monitor effective commercial criteria; and be at the cutting edge of developments in digital. Oystercatchers also run pitches across all agency disciplines in the UK and Internationally.   www.theoystercatchers.com

HOW TO USE 'FINDING AN AGENCY'

This document has two parts:

A) MANAGEMENT SUMMARY

This sets out the key components of best practice, including some important parameters on the numbers of agencies to be involved at any given stage of the search process.

It is recommended that all clients, agencies and consultants should abide by its terms and it is available, online and in hard copy form, from the signatory bodies and the endorsing consultants.

B) THE COMPLETE DOCUMENT

This more in-depth version expands on the points raised in the summary document and covers a very wide range of issues which clients, agencies and consultancies encounter in the process of searching, selecting and managing the relationships between each other.

The complete guide is available online from the websites of all the signatory bodies and the endorsing consultants.

A) MANAGEMENT SUMMARY

Finding an Agency

A best practice guide to agency search and selection

Joint industry guidelines on agency search, selection and relationship management

The selection and retention of the right agency is critical for a client because of the key role that the communications agencies are able to play in promoting the company and its brands, thus enhancing its ultimate profitability. Long-term relationships benefit the health of the brand. Therefore the following key points should be considered before embarking on an agency search:

TEN KEY CONSIDERATIONS BEFORE UNDERTAKING A REVIEW

1. **Why are you reviewing?**
   Be very clear that changing agency would be in the best interests of the brand or the business organisation, and will enhance shareholder value. Before embarking on a search for a new agency, be really sure that best efforts have been made to restore the existing client-agency relationship to health. Consider using third party consultants to facilitate this process.

2. **Do you have full buy-in?**
   If a review is deemed to be the right course of action, ensure that the client company's top management fully endorse it, and that the key decision makers are clearly identified and enlisted in the process.

3. **Is procurement involved?**
   If your company has a procurement function, then marketing or corporate communications should involve these colleagues from the outset, rather than just bringing them in at the end to discuss the contract and terms.

4. **Should you get outside help?**
   It is now quite normal for client companies to seek outside professional help from both the trade bodies and the specialist consultant intermediaries. We would certainly recommend that you do, and all of them have contributed to this guide. You will find that they can give you step-by-step guidance during the search and selection process.

5. **Have you checked the contracts?**
   Before the process begins you should check the provisions within your contract with your incumbent agency, particularly with regard to the notice period and termination of contract.

6. **Have you considered TUPE?**
   You should also consider the possible impact of TUPE– Transfer of Undertakings (Protection of Employment) – Regulations 2006, on the termination of contract. Under the Regulations, any employees who have been

'dedicated' to the client account have the right to transfer their employment (on the same terms and conditions) from the incumbent agency to the new agency, or to the client if the work is being taken in-house. We recommend that reviews be conducted under the terms of the IPA/ISBA TUPEProtocol, which can be requested from either trade body.

7. **How will you inform your current agency?**
You should consider the implications of informing your existing agency that the review of arrangements is taking place, weighing the need for confidentiality against the scenario of the incumbent finding out about the review from a source other than their client.

8. **Do you have a clear brief?**
Gain full agreement with all those involved in the decision making process about what the requirements of the agency are. Invest time and effort in agreeing the budget and producing a written brief describing the brand or company's current position, and where it wants to be in the context of clear marketing and business objectives. Decide whether the client is acting as the orchestrator of a series of agency relationships, needs a 'lead' agency, or requires a 'one-stop-shop'.

9. **What kind of pitch will you hold?**
Give some thought to the type of search that will best assist you in making the appointment. The traditional pitch process is expensive for both parties, so agree fees where appropriate to offset a fair proportion of agency costs and to ensure a professional approach on both sides. Note that many successful agency appointments are based on reputation, personal chemistry, credentials and references from other clients, as opposed to pitches. Workshops and trial projects are also effective methods of choosing an agency. Equally, online 'e-sourcing' techniques may help in the initial stages of researching the marketplace, but they should not replace the face-to-face contact which is so important in conducting a successful review and selection process.

10. **How will you handle publicity?**
It is advisable to prepare a communication strategy about the agency review in advance, including a press release, so that you are prepared to deal with approaches from the trade press if news of the pitch is leaked at any stage during the process.

TEN KEY GUIDELINES ON AGENCY SEARCH AND SELECTION

The objective of the 10-stage sequential search process outlined below is to optimise the quality of agency response and the likelihood of selecting the ideal, long-term partner. The principles apply to the appointment of any type of communications agency.

1. Prepare all the necessary background information

- Prepare an outline brief, including a clear indication of the brand or company marketing/communications budget. Consider the scope of work you will be asking the successful agency to undertake and ask the agencies to prepare some initial financial estimates accordingly, right at the outset. This avoids misunderstandings and manages expectations on both sides.

- If you have chosen a consultant or trade body (see point 4 in the previous section) to help manage the selection process, work with them to develop a brief on the type of agency required, e.g. in terms of size relative to budget, location, and specialisation, potentially conflicting business, etc. and draw up carefully the criteria that will form your checklist against which to judge the initial agency longlist.

- Identify relevant existing work for other clients, within the appropriate communications discipline, which you rate highly.

- Talk to colleagues in your own and other companies about their agency experiences.

- Undertake any necessary desk/online research, consulting agency directories, agency trade associations, and the trade press for additional background information about agencies that might interest you.

- Public sector clients need to ensure that their agency search and selection process is compliant with any public procurement regulations.

2. Hold chemistry meetings and sign a confidentiality agreement

- Seek credentials information and case studies from, and hold initial chemistry meetings with, selected agencies that match the criteria in your outline brief.

- A mutual non-disclosure/confidentiality agreement ought to be signed before undertaking any meetings. It is of benefit to both parties to enter into such an agreement, which should cover information and materials supplied by you for the pitch and those produced by the agency in response. The IPA and ISBA have model NDA templates for member use.

- You should decide whether to make a monetary contribution to the pitch. If so, this can be included in the non-disclosure agreement to form part of a wider pitch agreement. Some financial contribution (announced upfront and the same offer to all agencies on the shortlist) shows commitment and the seriousness of your intent.

- Be aware of the dangers of information on your search becoming widely known. Early, uncontrolled leaks can lead to you being inundated with

unsolicited approaches from agencies, can damage your relationship with your incumbent if they are not aware of your plans, and can reduce your overall control of the project.

3. Think of the response required and prepare a written brief accordingly

- Prepare a concise but thorough written brief for the competing agencies. It is advisable to clarify if the review is a statutory one.

- It must be clear from the brief whether strategic proposals alone are required, whether some creative ideas or a full creative pitch are expected, or whether a workshop or trial project is envisaged. Agencies should respect the client's wishes in this. Be sensitive to the fact that creative pitches are an expensive and resource-draining exercise for agencies.

- Be clear about the nature of the services that you expect to use (e.g. some or all of brand planning/strategic thinking, communications planning, creative development, media planning and buying, digital, PR, events, etc.).

- Make the budget explicit from the outset.

- Identify and make clear all criteria on which the agencies' presentations will be judged (e.g. strategic thinking, creative concepts, costing proposals, etc.). Consider also whether policies on sustainability/environmental issues will be taken into account.

- Specify the time allowed for meetings or presentations. If pitches are to take place at your premises, advise agencies on the presentation facilities available, size and nature of meeting rooms, etc., and allow them access ahead of the day itself.

- Be disciplined on how many agencies are invited to respond to a preliminary 'due diligence' questionnaire or 'Request for Information' (RFI). Asking more than 10 agencies is usually very wasteful of both client procurement and agency resources, and indicates an unclear brief. Good consultants will usually advise fewer than this to ensure a deeper focus on the agencies genuinely in contention.

- No more than six agencies should be asked to prepare extended credentials or 'think-piece' presentations for shortlisting.

4. Invite up to three agencies to pitch (or four if incumbent included)

- Decide positively on a pitch list of up to three agencies only. If the incumbent is invited, the list can go up to four agencies in total.

- Don't invite the incumbent to pitch if you have no intention of re-appointing them. If you haven't already done so, talk to the incumbent about why you are not including them in the shortlist.

- Don't be seduced into lengthening the list.

- Make competing agencies aware of the number of agencies on the pitch list and whether the incumbent is included. The client should confirm in writing whether or not the pitch process and the names of the participants are confidential.

5. Consider the time necessary for response to the brief

- Allow sufficient time for agencies to have face-to-face meetings with you to discuss the brief, ask questions, and to talk through their initial thinking. Don't underestimate the value of informal meetings with the competing agencies in helping you to evaluate team 'fit'.

- If you decide to use a workshop approach, build in sufficient time to implement this process, including scheduling diary time for key personnel involved in the selection team.

- Time must be allowed for development of constructive ideas between brief and presentation. Bearing in mind that full proposals can take weeks or months to develop in an ongoing relationship, four weeks minimum is suggested for the development of work for a full creative pitch. Different pitch approaches, such as extended credentials, 'think-pieces', strategic recommendations, and workshops, can take less time and still be effective.

6. Give background market data, interpretation and clarification

- You should be willing to share, on a confidential basis, your overall business/corporate objectives, market data and other relevant research and allow agency personnel access to people in the company with whom they would work, if appointed.

- Make sure that there is always a specified senior member of the client's company to handle all enquiries and meet requests of the agency to ensure consistency of response. Don't underestimate the time involved of someone being fully available over a short period of time.

- Avoid giving the answers to one agency's carefully considered questions to all the competing agencies (unless those questions highlight important information which should have been included in the original brief).

- Allow the same rules of access to all agencies pitching.

7. Agree basic contractual terms upfront

- It is not usually in the interests of either you or the agencies involved to spend time and money on negotiating full contract terms at this stage of the selection process, but the fundamental terms of business (such as budget, basic remuneration and IP ownership) should be addressed in a Heads of Terms agreement.

- However, should you have fixed terms of business which are not open to negotiation, then these should be put on the table, up front and in full, to make sure the competing agencies are clear on the terms under which the contract will be awarded ultimately.

8. Understand the roles of all those involved on both sides and set up an objective evaluation system

- Ensure that all the decision makers have been fully briefed and that they are all present at each stage.

- Advise the agencies of job titles and roles of those attending for the client.

- Establish an objective evaluation system for assessing each presentation.

- Ensure that the agency presentation teams include people who will actually work on the business.

9. Decide and inform quickly and fairly

- Decide on the winning agency as soon as possible, normally no more than one week after all the agency presentations have taken place (except in those special cases where it has been agreed to put competing creative work into research).

- Establish a proper procedure for notifying both successful and unsuccessful agencies of the decision.

- Ensure that all participating agencies learn of the result on the same day. Once you have established that your chosen agency would accept the appointment if selected, you should inform the unsuccessful agencies before confirming your decision with the successful one. This is usually the best way to ensure that the losers do not hear the bad news first from someone other than the client.

- Immediately issue a press release to the trade press. (See point 10 in the previous section: How will you handle publicity?)

10. Key guidelines on implementation and relationship management

- After the review, give the losing agencies the courtesy of a full 'lost order' meeting. Use the 'feedback form' (creative and media versions) at the end of this full version of the guide.

- Any losing agencies must return all confidential material and information provided – in whatever format – and you, on request, must return the losing agencies' pitch presentations.

- Honour the incumbent agency's contract, particularly with regard to the agreed notice period and payment of outstanding invoices.

- Ensure that they co-operate fully in a hand-over to the new agency, making sure that all materials belonging to you are handed back in accordance with the contract.

- Help the agencies involved in the hand-over of responsibilities to address and resolve any TUPE issues that may arise.

- Commence formal contract negotiations, based on the Heads of Terms agreement, and ensure final contracts are signed by all parties. Allow sufficient, but not open-ended, time for this negotiation to take place. The IPA, CIPS, ISBA MCCA and PRCA have a series of model contracts for different types of agency, which can be requested from any of these organisations, to form the basis of the terms.

- Welcome the winning agency into the start of a long-lasting and mutually satisfying relationship. Arrange thorough for mutual induction meetings to create familiarity between client and agency, ensure understanding of respective business processes, and manage expectations for the working relationship.

- Agree realistic objectives for brand or corporate communications, put measures of effectiveness in place and report key metrics regularly at CEO/main board level.

- Client-agency relationships are valuable and need active management: review and reinvest regularly in the relationship by the strategic use of brainstorms, 'awaydays' and refreshing the team with new people.

FOR MORE INFORMATION

Please see the full online guide for the detail which lies behind the key principles and guidelines summarised in this booklet. This will provide in-depth guidance and could be a helpful tool for any company wishing to incorporate the principles of agency selection into in-house training modules. This summary and the complete guide are available as downloadable PDFs from the websites of the signatories and endorsers.

This guide has been developed by the five signatories – CIPS, IPA, ISBA, MCCA and PRCA – and endorsed by six consultants: AARGroup, Agency Assessments International, Agency Insight, The Haystack Group, The Observatory International and Oystercatchers.

All parties have given it their agreement and support, and urge its full adoption by both clients and agencies.

The Chartered Institute of Purchasing & Supply
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AAR Group
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Institute of Practitioners in Advertising
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Agency Assessments International
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ISBA - the voice of British advertisers
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Agency Insight
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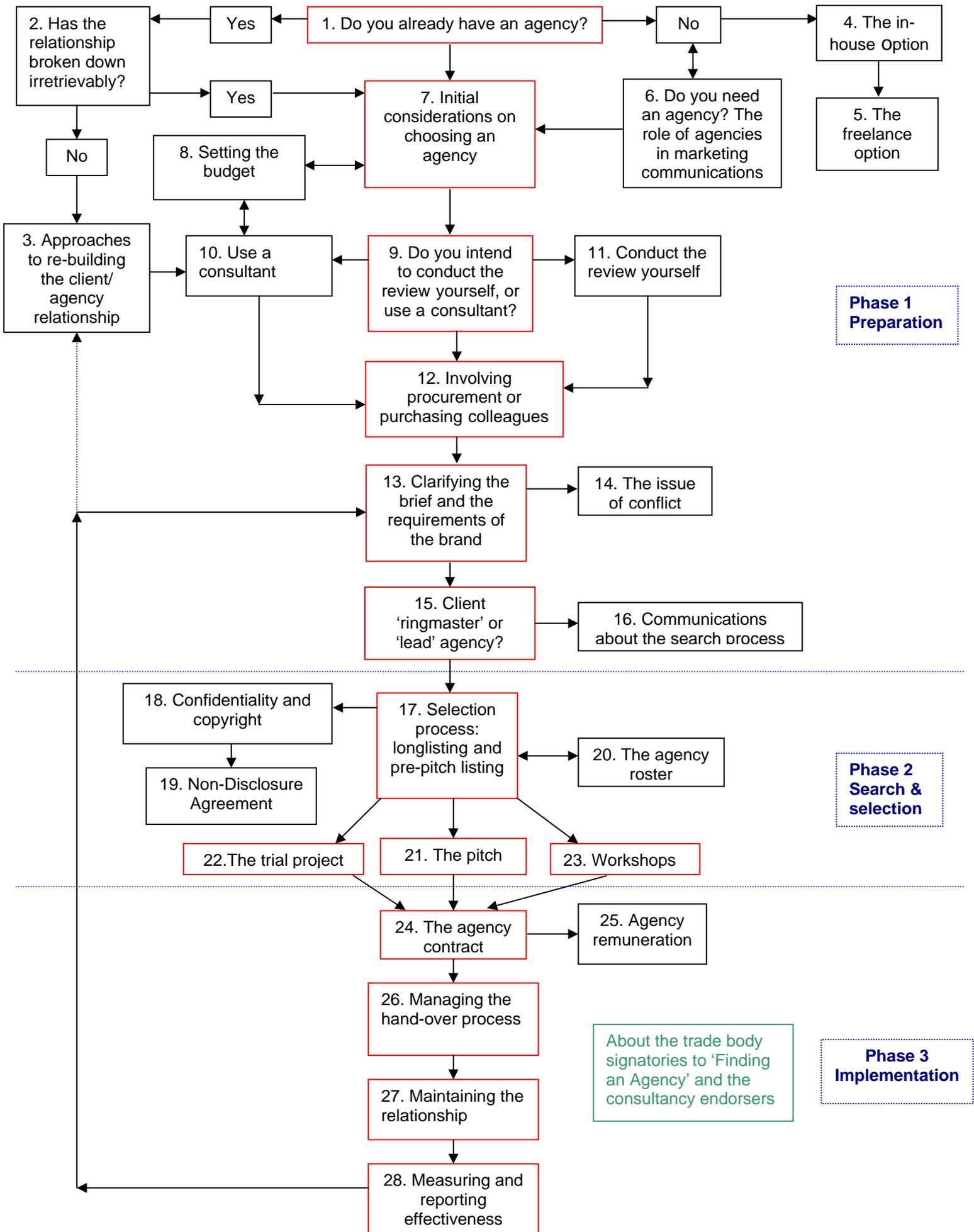Tel: 01494 819839
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B) THE COMPLETE DOCUMENT

The client 'decision tree' on agency search, selection and relationship management

| 2. Has the relationship broken down irretrievably? | ← Yes ← | 1. Do you already have an agency? | → No → | 4. The in-house Option |

Phase 1 Preparation

- 2. Has the relationship broken down irretrievably?
  - Yes → 7. Initial considerations on choosing an agency
  - No → 3. Approaches to re-building the client/agency relationship

- 1. Do you already have an agency?
  - Yes
  - No

- 4. The in-house Option → 5. The freelance option

- 6. Do you need an agency? The role of agencies in marketing communications → 7. Initial considerations on choosing an agency

- 8. Setting the budget ↔ 7. Initial considerations on choosing an agency

- 10. Use a consultant ← 9. Do you intend to conduct the review yourself, or use a consultant? → 11. Conduct the review yourself

- 12. Involving procurement or purchasing colleagues

- 13. Clarifying the brief and the requirements of the brand → 14. The issue of conflict

- 15. Client 'ringmaster' or 'lead' agency? → 16. Communications about the search process

Phase 2 Search & selection

- 18. Confidentiality and copyright ← 17. Selection process: longlisting and pre-pitch listing → 20. The agency roster

- 18. Confidentiality and copyright → 19. Non-Disclosure Agreement

- 17. Selection process: longlisting and pre-pitch listing
  - 22. The trial project
  - 21. The pitch
  - 23. Workshops

- 24. The agency contract → 25. Agency remuneration

Phase 3 Implementation

- 26. Managing the hand-over process

- 27. Maintaining the relationship

- 28. Measuring and reporting effectiveness

About the trade body signatories to 'Finding an Agency' and the consultancy endorsers

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1. DO YOU ALREADY HAVE AN AGENCY?

The most basic question to begin with, but a useful one nevertheless.

If the answer is '**yes**' it may mean 'yes, one' or 'yes, several', and it may be that the client is happy with one, or all or none of these agencies.

Please weigh up whether the existing relationship/s have broken down irretrievably, or could possibly be resurrected.

You should also check the provisions within your contract with your incumbent agency(s), particularly with regard to the notice period and termination of contract.

You should also consider the possible impact of TUPE – Transfer of Undertakings (Protection of Employment) – Regulations 2006, on the termination of contract. Under the Regulations, any employees who have been 'dedicated' to the client account have the right to transfer their employment (on the same terms and conditions) from the incumbent agency to the new agency, or to the client if the work is being taken in-house. We recommend that reviews be conducted under the terms of the IPA/ISBA TUPE Protocol, which can be requested from either trade body.

If the answer is '**no**', then it should raise the issue of whether or not the brand or corporation would do better if an agency or agencies were retained on its behalf.

Please consider the benefits that could accrue from the services of professionals in marketing and communications.

It may be that, on consideration, the client takes the view that it would be better to take care of part or all of the brand's communications needs in-house, via freelancers, or through a combination of the two.

These guidelines have been written with the input of the leading trade bodies representing agencies and clients, and the consultancies which operate in the UK market.

The temptation to editorialise, or to recommend particular courses of action, has been avoided as far as possible.

Instead the content is presented as a series of notes and prompts for consideration by clients and their advisors, which it is hoped will be more useful.

2. HAS THE RELATIONSHIP BROKEN DOWN IRRETRIEVABLY?

- **Have the needs of the organisation changed significantly?**
- **Is the grass really greener on the other side?**
- **Are there benefits in sticking with the devil you know?**
- **Has there been a fair review of the effectiveness of the agency's work?**
- **Has a formal two-way evaluation of the relationship taken place?**
- **Has the agency management been given every opportunity to improve performance along agreed dimensions?**

These are key questions for a client company to consider. The process of changing from one agency to another is stressful, time-consuming and risky. Nearly always changes of agency lead to changes in positioning or communications strategy and execution, and while these can often be positive, they do not always enhance brand value or company reputation.

Apart from the brand campaign or communications programme itself, there is a significant asset in the client-agency relationship because of the shared understanding of the company, its history, market context and future plans.

Confidential information on existing and future brands is kept in the minimum number of hands. Inter-company working arrangements, contracts, invoicing and payment systems, plus associations with third parties such as market research agencies and production houses are all part of the relationship assets of the brand.

Changing agency means losing this asset and re-building it somewhere else, which takes time, involving a steep new learning curve for both parties, and costs money.

Thus senior executives in procurement and purchasing departments, who have long played a key role in negotiating remuneration agreements, are increasingly involved right at the beginning of the review thought process and may question whether a change of agency is the right thing for the brand.

CEOs and boards of directors, who increasingly realise that their stewardship of branded assets and corporate reputation is of fundamental importance to shareholder value, need to be confident that a new agency or agencies are really required. Too often the major decision to change agency is taken by an executive, whose tenure in the company may be only two years or less.

Therefore it is wise for the client, especially if new to the company and its agencies, to make a real effort to understand the status of the existing relationship at all levels. This entails understanding fully the current strategy and seeing presentations of its effectiveness, before jumping to any conclusions about the need to change agency.

If the client does have issues with the way in which the brand or company is being supported then it is best practice to air any concerns with the agency's top management before embarking on an agency review, which may be unnecessary.

Losing a client's business is very expensive for an agency, not just financially but also in terms of its effect on reputation, its impact on staff morale and the potential for undermining the confidence of its other clients. Thus an agency's top management will be extremely keen to pursue all avenues in preventing an account loss, and this can often result in significant improvements in performance and value for money for the client.

There are commercial organisations, several of whom have endorsed these guidelines, which can provide independent formal relationship evaluation and counselling services.

ISBA also has a model agency evaluation template for member use.

In addition, there is a useful research study, which provides benchmark information on relationship evaluation: *Evaluating Advertising Agency Performance*, ISBA/ARC – ISBN 0906 241 383. Contact ISBA for further details.

3. APPROACHES TO RE-BUILDING THE CLIENT-AGENCY RELATIONSHIP

- **Could the relationship be repaired through changes of personnel?**
- **Is there a role for a consultant to help with 'marriage guidance' counselling?**

Conducting a thorough formal review of the relationship is something that good client managers and their agencies carry out annually (or even every six months) and should certainly be done if there is any significant degree of dissatisfaction. A regular evaluation can help to highlight problems at an early stage allowing solutions to be sought before they become real issues.

As in the successful management of any inter-personal relationship, effective two-way communication is the key. An unhappy client must make their feelings known as soon as possible in a face-to-face meeting with the most senior people involved in their business at the agency.

It is useful to prepare thoroughly for this session by taking soundings from all those in the marketing or communications department who have contact with the agency and from company directors who may have a view about the brand.

It is useful to document the positives and negatives about the relationship as an agenda for the review and as a benchmark against which to measure any remedial actions subsequently agreed.

Usually the problem areas fall into one or more of the following areas:

- Ineffective work for the brand or company: poor performance in the market; brand objectives not being achieved; lack of adequate return on investment.

- Financial problems: cost over-runs against budget; invoices with inadequate descriptions or justifications; perceptions of poor value for money (client side); perceptions of poor profitability (agency side).

- Lack of proactivity from the agency: not enough new ideas and initiatives; a seeming unawareness of competitive activity; a sense of detachment from the client's market sector.

- Chemistry problems with key personnel on the agency team leading to 'distancing' and poor relationships.

- Breakdown of trust: perceived conflict problems with other agency clients.

Whatever the problems clients report in their relationships with agencies, in a people business, they can often be resolved simply through changes of personnel with their existing agency as opposed to changing the agency altogether.

Because there are always two sides to every story, and given the value of the relationship asset, clients and agencies may retain a third party consultant to act as an intermediary in conducting such a review.

John Ward's book *Using and choosing an advertising agency, an insider's view*, published by WARC in 2000, gives some very good guidelines which can be applied to all sorts of agency relationships.

There are commercial organisations, several of whom have endorsed these guidelines, which can provide independent formal relationship evaluation and counselling services.

ISBA also has a model agency evaluation template for member use.

In addition, there is a useful research study, which provides benchmark information on relationship evaluation: *Evaluating Advertising Agency Performance*, ISBA/ARC – ISBN 0906 241 383. Contact ISBA for further details.

4. THE IN-HOUSE OPTION

- **Is your expenditure on marketing or corporate communications sufficiently large and continuous to keep an in-house department busy enough to justify its cost?**
- **Is the brand's creative requirement within the capability of the calibre of employees your company can afford to have on the payroll?**

There are some clients who choose to carry out their brand or corporate communications work in-house.

Typically these are large retailers, business-to-business, catalogue or personal marketing companies who produce a very high volume of material and thus can justify the overhead and personnel management issues entailed employing their own communications or creative people, rather than out-sourcing or sub-contracting to an agency.

It's also often the case that the creative content of the marketing communications material, in terms of big brand building ideas, is less of a priority than attention to detail, turn-around time and project management, and cost efficiency.

Every so often a major brand will announce that it's taking its account in-house, but equally often they change their policy back again: it's hard to find many examples of brands which have produced outstandingly creative and effective work in the long term without the help of outside expertise.

However, there are many more smaller marketers who cannot afford a commitment to a big fixed overhead and they may opt for a mixed approach.

For example, some operate a hybrid solution, using in-house creative people to originate and manage the production of work through external freelancers (see section 5: 'The freelance option') or studios.

Others may commission templates for advertisements, brochures, press releases, in-house magazines, intranets, websites, etc through outside suppliers and then carry out updates and adaptations in-house.

5. THE FREELANCE OPTION

- **Could the company's needs be fulfilled by one or more freelancers?**
- **Do you have the skills and the time to manage these individuals?**

There are now quite large numbers of well-qualified freelancers operating across the range of communications disciplines and this workforce represents a valid option for certain sorts of clients.

Perhaps the main consideration in employing a freelancer is whether or not the client has a very clear idea of what they want and why.

Clearly each individual freelancer will have their own particular expertise, and this will inevitably lead to a solution for the brand, which reflects that. There are not many people who are equally at home writing a press release, editing a magazine, shooting a video, planning a media schedule or conducting some group discussions.

If the client is absolutely clear what's required, then there's the question of how to find a trustworthy, reputable, talented freelancer who will respect the confidentiality of the brief, and have the wherewithal to deliver on it conceptually and implement practically.

This is why many successful freelance relationships are born out of prior personal experience. For example the client might have originally encountered the person in the context of a large account being handled by a mainstream agency. They remain in contact when their respective career paths change and find themselves in a situation where there's a rather smaller budget to deploy, but which is still attractive to a one-person-band.

There are a number of commercial organisations which match freelance resources to needs – contact ISBA/IPA for details.

6. DO YOU NEED AN AGENCY? THE ROLE OF AGENCIES IN MARKETING COMMUNICATIONS

- **The majority of client companies find using an agency or agencies a more cost-effective and successful way of delivering brand or corporate communications**
- **There are many different sorts of agency and the client needs to be aware of their respective skills and appropriateness to their situation**

It may seem an obvious question, but it's an important one to ask, especially if the client's company and marketing communications budget is relatively small. However even the most modest budget can be more effectively deployed using outside help.

Client companies retain lawyers, accountants, management consultants, architects, IT consultants and other professional advisors because they can do things they cannot, or at least not entirely. For the same reason clients turn to agencies which specialise in marketing and company communications.

It is theoretically, and in some cases practically, possible for a company to employ its own in-house department, or to be sufficiently expert to co-ordinate a portfolio of freelancers to deliver the range of communications required by its brand.

However, through years of experience, the vast majority of companies have found that using some form of outside agency reporting to a senior person responsible for marketing, sales, or communications, represents a more effective and cost-efficient solution. Using agencies to produce well researched, creatively conceived and precisely implemented communications can build and maintain profitable brands and corporations.

There are many different sorts of agency operating in the various areas of advertising, media and marketing communications. Whilst many of them offer a wide range of services to clients, and some position themselves as 'media neutral', they often have a heritage in one particular area, and there are important specialisms with special skills.

Consequently it is important for clients to appreciate the spectrum of communications channels, consider their respective roles and thus the relevance of an agency or agencies for their brand or company.

The following list summarises most of the major agency segments, but many of these themselves have sub-specialisms. For example there are public relations agencies who have particular expertise in crisis management and direct marketing agencies who are especially strong in data mining.

The market research world also has a plethora of niches within the broad categories of qualitative and quantitative measurement:

- Advertising
- Branding
- Brand experience

- Customer relationship management
- Design
- Direct marketing
- Digital
- Event management
- Media planning and buying
- Media strategy
- New product development
- Outdoor
- Product placement
- Public relations
- Publishing
- Qualitative research
- Quantitative research
- Recruitment
- Sales promotion
- Sponsorship
- Etc

The signatory trade bodies are a source of information on the various types of agency, as are the consultants and intermediaries who have endorsed 'Finding an Agency'.

The IPA has a large range of case studies from the IPA Effectiveness Awards, which prove the contribution that advertising, media, marketing communications and public relations can make to brands and businesses.

7. INITIAL CONSIDERATIONS ON CHOOSING AN AGENCY

- **It's essential that clients do have the authority to conduct a review**
- **Clients should get senior management/all stakeholder clearance before embarking on an agency review**
- **Procurement colleagues should be involved from the outset**
- **How many different agencies does the brand require?**

Has the client the authority to review?

This is a fundamental question, which should occur to both client and agency.

Occasionally a client believes they have the company mandate to move from its existing agency and embark on a search for a new one, and then discovers too late that in fact they do not.

It's certain that an agency under threat will go to the highest court of appeal and make representations to their most senior client contact. Whilst the client may think that the incumbent agency relationship has broken down irretrievably, other more senior colleagues may disagree. (See section 2: 'Has the relationship broken down irretrievably?'.)

Apart from massive loss of face, the client's premature actions will almost certainly have incurred unnecessary costs and are very likely to have damaged valuable relationships, and potentially career prospects.

Marketing has a keen interest in ensuring that the key metrics on the brand are reported regularly at main board meetings. As a result, the value of brands is increasingly understood by CEOs, FDs and the main board directors of companies, decisions about their stewardship and the investments made in them are coming under increasing scrutiny.

Involving procurement colleagues from the outset

If your company has a procurement function, then marketing or corporate communications should involve these colleagues from the outset, rather than just bringing them in at the end to discuss the contract and terms.

How many different agencies does the brand require?

Given the importance of brands and the key role that agencies fulfil in helping clients to build and maintain them, the choice of agency or agencies is a crucial one – it's a big purchase decision and one which has many ramifications.

The client needs to decide how many different agencies should be retained to serve the brand. Thirty years ago the industry was dominated by the full service agency, which literally offered clients a 'one-stop-shop' providing everything from media to marketing to mailshots to management consultancy.

Since then there has been a very significant increase in agency specialisation as the number of communications channels has developed, and the client needs to consider what mix of different agency skills should be marshalled to deliver the brand's communications objectives.

However, a client may still decide to appoint a small 'one-stop-shop' agency, which can offer a whole range of services across the spectrum of marketing communications.

Alternatively the client may take a view as to which channel of communication is likely to be the most effective for the brand and then go for an agency which specialises in that particular field.

For example there are some brands which have focused all their monies on creating an outstanding packaging solution and have gone to the best in design agencies to achieve this.

There are others who have decided that public relations will be their forte and have acted accordingly by choosing a PR agency and devoting most of their budget to this area. The same can be argued for direct marketing, sales promotion, sponsorship, advertising, etc, etc.

It's important for the client to think through these issues carefully. (See section 13: 'Clarifying the brief and the requirements of the brand'.)

The signatory trade bodies are a source of information on the various types of agency, as are the consultants and intermediaries who have endorsed 'Finding an Agency'.

Implications of the budget: In deciding how many different agencies, of what size and nature should be retained to serve the brand, one basic factor is how big the client's budget for marketing communications is in the first place. And within that, what proportion should be allocated to agency fees, commissions or other form of remuneration. (See section 8: 'Setting the budget'.)

A related issue is that of the relative cost of 'production' compared to 'media'. Generally speaking the more media channels used the higher the overall proportion of production expenditure, meaning that less of the money is used to actually reach customers. There are important trade-offs, which need to be assessed by the client during the early exploratory stages of the process.

8. SETTING THE BUDGET

- **A complex process, which also links to measurement of effectiveness**
- **Important to establish budget size, because it can affect agency selection**
- **Budgeting to tasks and objectives is increasingly the dominant method**
- **Crucial to establish realistic financial expectations from the outset, and on both client and agency sides**

Setting the communications budget for a brand or company is a complex process and too specialised to be gone into in detail in these guidelines. There are several excellent articles and books on the subject, which are listed at the end.

The issues are further complicated because the question of how big the budget should be inevitably begs the question of how effective communications have been in the past and might be in the future. (See section 28: 'Measuring and reporting effectiveness'.)

Nevertheless there is a place for a brief summary of the common approaches here, because budget size does have an impact on the agency selection process and it's important for both client and agency to be clear on what the realistic level of expenditure is likely to be.

Agency remuneration (see section 25: 'Agency remuneration') needs to be negotiated in the context of the likely work plan for the brand and be affordable within the overall budget.

In their article 'Advertising budgeting methods in Canada, the UK and the USA' by C L Hung and Douglas C West in the *International Journal of Advertising*, they reported the commonly used approaches to establishing the budget as:
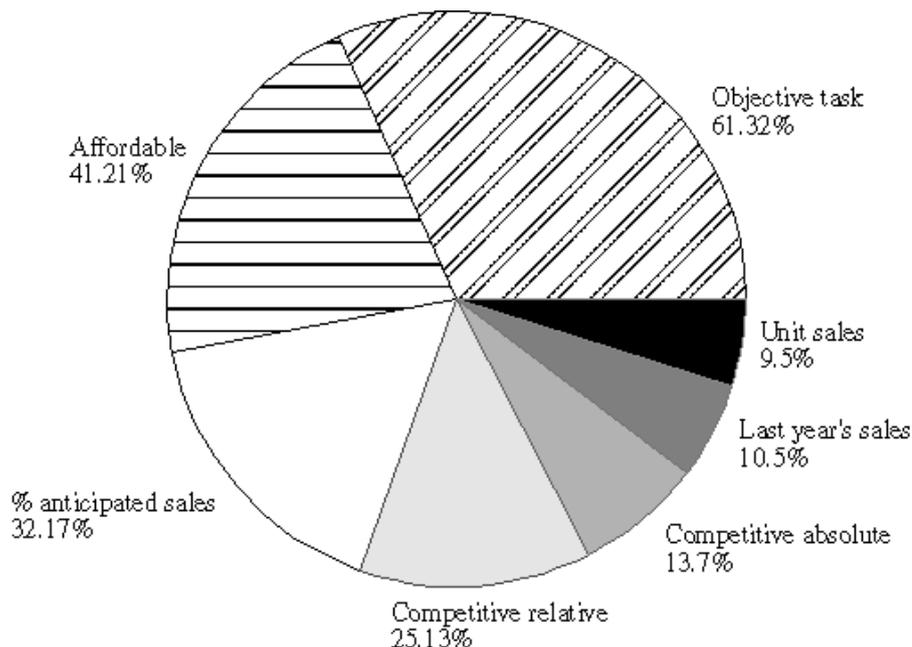
Note these percentages add up to more than 100%, as typically more than one method is used. Of these 'objective task' at 61% is by far the most popular and seems to be growing in its application by clients. Put simply, this approach entails the specification of objectives and then costing the achievement of them.

For example if the brand's consumers are to be targeted by a promotion, it is possible to quantify the desired result and the cost of achieving it, based on prior experience. Or, if the objective is to achieve certain levels of coverage and frequency of a defined audience, then media planning can estimate the budget required.

The 'affordable' approach, at 41% is widely used, but is essentially a passive or 'dumb' one, as are basing the budget simply on 'last year's sales' or 'unit sales'. On reviewing these methods, a critical observer in finance might infer a lack of accountability and commitment to the measurement of effectiveness in the marketing department.

The 'percentage of anticipated sales' approach at 32% is also common and simple to use, but is seen by many to be flawed. This is because 'percentage of anticipated sales' implies that sales create a need for marketing activity, when in reality it is the marketing activity that is needed to create sales. Nevertheless it can be used as a benchmark against which to measure possible budget levels derived from other methods.

Spending 'relative to competition' at 25% or 'competitive absolute' at 13%, make up another common technique and this has more supporters. For example, work by PIMS has shown how brands which maintain or increase their relative 'share of voice' during a recession, do better than their competitors during the bad times, and recover more quickly when the good times return. However, setting the promotion budget based on competitor spending levels is essentially a reactive tactic and assumes that the competition's spending levels are optimal.

These are the main approaches commonly used to set budgets, but in his article for Admap in December 1999, Roderick White lists a total of fifteen ways in which the budget can be fixed and a brief note on their characteristics:

- Intuitive/rule of thumb: 'enough to do the job', based on experience.
- Maintaining previous spend, sometimes inflation adjusted: advertising as fixed cost.
- Percentage of previous sales: backward-looking, compounds failure (or rewards success).
- 'Affordable': what's left after cost and profit requirements are met.
- Residue of last year's profits – focuses on source of funds, not their use.
- Percentage of gross margin – begs questions of cost-efficiency.
- Percentage of forecast sales – most common method.
- Fixed cost per unit of sales – likely % of turnover.

- Cost per customer/capita – mostly business-to-business.

- Match competitors – assumes they are right.

- Match share of voice to brand share – like the above.

- Marginal return – direct response approach.

- Task approach: define objectives, and cost out how to reach them. Best in theory, but may require modelling.

- Econometric modelling – the most sophisticated approach: not easy.

- Media weight tests – looks empirical, but usually difficult to evaluate, or replicate.

Whichever method, or combination of methods, are used for establishing the communications budget, the client should be prepared to explain them to the agency (as they should already have been justified internally in the company), or indeed develop the budget in partnership with their 'lead' agency, where there is one. This will ensure that realistic expectations are established from the outset, and this is probably the most important point of this section. Clarity on the budget size will also be a helpful parameter for selecting an agency, or agencies, for the brand, as well as allocating resources between communications channels.

Further reading

R White: *How to Use the Budget Better,* Admap 1999

S Broadbent: *The Advertising Budget*, NTC Publications, 1989.

S Broadbent: *Accountable Advertising*, Admap Publications, 1997.

H Henry: *Deciding how much to spend on advertising,* Cranfield 1979.

CL Hung and D West*: Advertising budgeting methods in Canada, the UK and USA, International Journal of Advertising*, 1991.

P Root and M Naples: *How should advertisers budget?* Admap 1998.

R White: *Taking on the big boys,* Admap 1996.

9. DO YOU INTEND TO CONDUCT THE REVIEW YOURSELF, OR TO USE A CONSULTANT?

- **Has the client got an in-depth and up-to-date knowledge of agencies?**
- **If not, have you got the time to undertake the necessary due diligence?**
- **Alternatively, would retaining a specialist consultancy be of benefit?**

Usually selecting a new agency is a relatively infrequent process, and in many reviews it is the client's first experience of doing so. Consequently it is not unusual for the client to be out of touch with developments in the agency world, making an informed choice difficult.

As a result, unless the client happens to be an aficionado of the various agency 'villages', and an assiduous reader of the industry trade press, embarking on a professional decision-making process entails a significant degree of research and a major time commitment.

Estimates of the expense involved vary, but for a major review in search of a new creative agency, it would not be uncommon for the client to run up £50,000 in time costs.

Because of these costs and the importance of getting the process and its outcome right, many clients decide to use one of the reputable consultants operating in the marketplace.

Choosing a consultant in itself requires a search process because, like agencies, they all have different personalities, approaches and specialist areas of expertise. But what the good ones all have in common is a very thorough and up-to-date knowledge of the industry and the range of agencies operating within it.

Thus, though there is a cost attached, engaging the services of a consultant can be of great assistance to the client, and a very large proportion of the agency reviews carried out in the UK, take place with their involvement.

See the websites of the trade bodies which signed up to this guide and the consultancies which have endorsed it for more information:

The Chartered Institute of Purchasing & Supply:	www.cips.org
Institute of Practitioners in Advertising:	www.ipa.co.uk
ISBA - the voice of British advertisers:	www.isba.org.uk
Marketing Communication Consultants Association:	www.mcca.org.uk
Public Relations Consultants Association:	www.prca.org.uk

AAR Group:	www.aargroup.co.uk
Agency Assessments International:	www.agencyassessments.com
Agency Insight:	www.agencyinsight.com
The Haystack Group:	www.thehaystackgroup.com
The Observatory International:	www.observatoryltd.com
Oystercatchers:	www.theoystercatchers.com

10. USE A CONSULTANT

- **Conducting an agency review is a complex matter, whose outcome matters a great deal**
- **Consultants can therefore play a very useful role in the process**

Because selecting an agency is a relatively infrequent activity, and because the marketing communications industry is fast moving, it's hard work keeping a finger on the pulse.

Most clients simply do not have the time to read the various trade press publications on a weekly basis, let alone keep a track of who's merged with who, started up, closed down, or won this or lost that account.

After all, many clients are happy in their agency relationships and have no need to make continuous scanning of the marketplace a high priority in their busy working day.

Thus, when it does come to it, choosing an agency is not an easy business, and after reading these detailed guidelines, even the most assiduous student of the process may feel somewhat daunted!

This is where the use of consultants becomes an attractive option. There are many clients who want to do a professional job of an important decision-making process, which can have far-reaching implications for the future of their brands and company, but who acknowledge they do not have the expertise to manage it unaided.

Even aficionados of the marcomms 'village', who could possibly run the selection programme on their own, may still feel the need for authoritative third party advice and guidance. In the UK there are a number of reputable consultants, several of whom have contributed to and endorsed these guidelines and whose website urls are listed below.

These companies are in the business of maintaining detailed databases and up-to-date information on the agencies operating in the various industry sectors. They all have particular approaches, varying degrees of consultancy and different charging structures, which the client will need to assess for compatibility with their needs.

Many organisations within the UK have dedicated marketing purchasing professionals, who work alongside the marketing staff to manage the pitch process. (See section 12: 'Involving procurement or purchasing colleagues'.)

See the websites of the trade bodies which signed up to this guide and the consultancies which have endorsed it for more information:

The Chartered Institute of Purchasing & Supply: www.cips.org
Institute of Practitioners in Advertising: www.ipa.co.uk
ISBA - the voice of British advertisers: www.isba.org.uk
Marketing Communication Consultants Association: www.mcca.org.uk
Public Relations Consultants Association: www.prca.org.uk

AAR Group: www.aargroup.co.uk
Agency Assessments International: www.agencyassessments.com
Agency Insight: www.agencyinsight.com
The Haystack Group: www.thehaystackgroup.com
The Observatory International: www.observatoryltd.com
Oystercatchers: www.theoystercatchers.com

11. CONDUCT THE REVIEW YOURSELF

- **Enlist the client team including procurement/purchasing colleagues and commit diaries**
- **Maintain a file of agency contacts and marketing materials**
- **Build up current knowledge of agencies in relevant sectors**
- **Develop a project plan**

If the client does take responsibility for running the review, then the first task is to decide upon and enlist the decision-making team, and then secure the necessary time commitment by the senior management colleagues involved.

It's an obvious point, but one often overlooked, that getting several senior people's diaries co-ordinated for a series of meetings, each lasting a couple of hours, or longer depending on the travelling involved on each occasion, can be very difficult.

The process of doing this is also helpful in that it can clarify who the key players on the client team really are and ensures the necessary level of 'buy-in' to the idea of a review in principle and agreement on the rationale for doing so.

Before the process of the pitch begins you should check the provisions within your existing agency contract, particularly with regard to the notice period and termination clauses. Obviously you will need to factor notice periods with the incumbent into your time plan.

Many agencies market themselves to clients and it's a relatively easy and low cost way to keep track of what's going on to keep the best of their materials on file. Given the volume of mailshots and other approaches from agencies, it doesn't take long to build up quite a substantial collection of information, and the process can be intensified if there's any likelihood of a review.

Attendance at industry conferences, etc, is a useful way of seeing and hearing the leading practitioners in action, and meeting them in a non-contentious atmosphere.

Then, building on personal experience and recommendations from colleagues and peers in the industry, the lead client must carry out a preliminary survey of the agencies in the market within the relevant sectors of communications, which are relevant to the company or brand's needs. (See 7: 'Initial considerations on choosing an agency'.)

Good sources of information are the trade bodies, which represent agencies.

The Chartered Institute of Purchasing & Supply: www.cips.org
Institute of Practitioners in Advertising: www.ipa.co.uk
ISBA - the voice of British advertisers: www.isba.org.uk
Marketing Communication Consultants Association: www.mcca.org.uk
Public Relations Consultants Association: www.prca.org.uk

Reading the relevant trade press is also a good way to glean information about agencies, especially through the issues, which produce the annual reviews of agency rankings and achievements. These are just some of the publications:

Campaign (Haymarket Publications)
www.campaignlive.com

Marketing (Haymarket Publications)
www.marketingmagazine.co.uk

Marketing Week (Centaur Communications)
www.marketing-week.co.uk

Media Week (Quantum Business Media)
www.mediaweek.co.uk

Precision Marketing (Centaur Communications)
www.precisionmarketing.co.uk

PR Week (Haymarket Publications)
www.prweek.com

In addition, a review of the agencies which the company or brand's key competitors use and the quality of the campaigns they mount on its behalf, helps avoid obvious conflict problems and establishes benchmarks.

AdForum.com, www.adforum.com provides a useful online directory of major international agencies, which can alert clients to potential conflicts arising in other markets.

12. INVOLVING PROCUREMENT OR PURCHASING COLLEAGUES

- **There should be a partnership between marketing or communications and procurement from the very beginning of the process**
- **How good a negotiator are you, and could purchasing or procurement do a better deal?**
- **Can procurement help to manage the pitch process?**

It is now common practice for client marketing or communications directors, or other decision makers on agency appointments, to involve their colleagues in purchasing or procurement in the decision making processes surrounding agency search and selection, working side by side from the start.

The attractions of a second opinion based on a dispassionate, rational view of a process, which is often dealing with the intrinsically complex rational, emotional and psychological aspects of a brand and the comparable relationship between client and agency, are obvious.

There are also advantages in this separation of roles in that the classic 'nice cop/ nasty cop' can be adopted with benefits to both sides. In many cases agency board account directors can best manage the relationship with the marketing director, whilst agency finance directors can negotiate with their senior counterparts in client purchasing or procurement.

Through this separation of roles, and with good liaison, the marketing or communications team can maintain friendly relations with the agency they intend to end up working with, whilst the procurement professional is experienced in ensuring that good value and effective commercial terms underpin the relationship.

Most procurement professionals now working in major blue-chip organisations are a dedicated added value resource to their marketing teams and as such have specialist knowledge of the marcomms or communications needs of the organisation and the general agency marketplace.

They are marketing communications procurement specialists and as such have key skills in advising their marketing colleagues on the management of process, marketplace knowledge, critical analysis and evaluation of agency credentials documentation and proposals.

Very often they have formal experience and expertise in contract content and negotiation and real commercial expertise in the agreement of fees. They aim to work strategically with marketing on all marcomms supply chain issues, not just on the negotiation of terms of business.

Procurement personnel often stay in the company for longer than marketing or communications people and there is a benefit to the brand in a perspective, which has five years rather than two as its horizon.

Increasingly therefore, there is a view that purchasing or procurement should be involved much earlier in the process. Indeed they would argue that they should have a watching brief on the continuing value that agencies add to the brand and specifically the effectiveness of campaigns. This is particularly relevant where there is a PBR (Payment By Results) component to the agency's remuneration.

13. CLARIFYING THE BRIEF AND THE REQUIREMENTS OF THE BRAND

- **Invest time and effort in producing a written brief describing the brand or company's current position, and its future requirements**
- **Invest time and effort in clarifying and agreeing the client's criteria in selecting an agency or agencies**
- **Undertake due diligence in checking out an agency's reputation**
- **Understand your company culture and that of any prospective agency**
- **Commit to an approved budget that the agency will be working to**

Clarifying the brief and the requirements of the brand or corporation is perhaps the most crucial part of the process to get right if an agency search is to stand a reasonable chance of achieving a successful outcome for the client.

Given that a new agency search is in progress, there must be good reasons why the previous relationship has not succeeded for the brand and therefore by implication there are issues to rectify.

What can be learnt from the previous agency relationship, which will help the client to find a suitable new agency? Out of a candid review of the history and the brand's current and future needs, will come agreed criteria for making the next agency appointment.

Agencies have widely differing experience and skill sets to deploy and it's important to play to their strengths and avoid their weaknesses. In an ideal world the brand positioning of the agency should make a good 'fit' with that of the brand.

There are companies who are better with brand leaders, others who have done well with secondary or tertiary 'challenger' brands; some which are niche boutiques, others with worldwide networks; and there are channel specialists or integrated operators. There are also agencies with particular market specialisms, which could be of value to the client.

So what exactly is the role of communications for the brand in question, what is the brand's position and at what stage of the life cycle is this review taking place? Time spent by the client in debating these issues and coming to an honest appraisal of the brand's situation is time very well spent.

Is the brand or company assignment a:

- New product development?
- Brand positioning development?
- New product launch?
- Brand extension?
- Revitalisation of a long-term campaign?
- Creation of a new campaign to the same positioning?
- Re-positioning of the brand?
- Investor relations programme?
- Crisis management exercise?

- Launch of an imported brand with a pre-existing positioning and campaign from another market?
- Export of a UK brand with a pre-existing positioning and campaign to other market/s?
- Pan-European or global versions of any of the above?

In this context, what are the brand's marketing communications needs?

- Advertising?
- Business-to-business?
- Design?
- Direct marketing?
- Internal communications?
- Media planning and buying?
- New product development?
- Public relations?
- Sales promotion?
- Sponsorship?
- Web/Interactive/Digital?
- Other?

Written brief

On the basis of a thorough analysis of the brand or company's situation the client must decide what is required from a new or additional agency, and should prepare a written brief describing the company, its status, its needs and the new business opportunity that this represents. It should also include the reason for the review.

See 'The Client Brief' best practice guide for more information, which is available via the IPA, ISBA, MCCA and PRCA.

Budget

No other issue gives rise to more ill-feeling between clients and agencies than that of budgets and remuneration. The latter is the subject of a separate section (see sections 25: 'Agency remuneration' and 21: 'The Pitch') but the question of budget should be resolved as a key input to the brief, as it affects nearly everything.

The client should be realistic and open about the true budget available in order to set the right criteria for agency selection – after all one agency's feast is another's famine.

Agency services

What elements are clients looking for in an agency? This may cover 'hard' issues such as size, location, conflicts and services, as well as 'softer' ones such as reputation, culture and relevant experience.

Agency size: Does the size of the agency matter? Is it important that the brand should be a 'big fish in a small pond'? Would the client be interested in working with a new agency start-up, or does the company ethos lean towards a bigger more established player?

Most experienced client managers of agency relationships would suggest that being the largest client or the smallest one in an agency are equally bad: the largest may not get objective advice and the smallest may get too little attention.

So, being the right sized fish in the right sized pond is generally good for the relationship.

It's also important for the long-term health of the client-agency relationship that an acceptable level of profit can be made on the business.

Location: Is the agency's location important? For some accounts, which require a deep knowledge of a local catchment area, or high transaction clients such as retail, travel or recruitment, closeness may have benefits, even in this era of electronic communications. In these cases the client may wish to specify a maximum travel time as a key criterion on choice.

Is it important for the new agency to be in the same area as other agencies already working on the brand in order to facilitate the co-ordination of their efforts?

Are there many visitors from overseas who will get involved with the agency, and therefore may proximity to a major airport be an issue?

Conflicts: The issue of client conflict has become increasingly complex and difficult to resolve in today's business environment. So much so that these guidelines have a separate section devoted to the issue (see section 14: 'The issue of conflict').

If it is a concern that the agency should not be working with any of your competitors, you will need to define the parameters of 'conflict' very carefully.

Reviewing the client lists of candidate agencies in detail is essential. Client and prospective agency should explore the full ramifications of their existing clients' future activities, including potential new product development (npd) or mergers and acquisition activity, in order to establish the possibility of conflicts arising with the new client.

It's also worth exploring the broad alignments of the worlds' major clients and marketing service groups in order to gauge the future risk of convergence and clashes.

For agencies and clients of any size it's galling, embarrassing and wasteful to have to break off a UK relationship because of an HQ decision elsewhere, so it's worth the time and effort taken to discount the eventuality as far as is possible.

Core services: Depending on the nature of the brief, there will obviously be different sorts of agency services required and the client should be clear on which of these will be of most relevance to the company.

Would the brand respond to a different approach to communications and should the client appoint a totally different type of agency to the type traditionally considered?

What are the most important strengths the client wants the agency to bring to the working relationship? For example is there a need for a high level of strategic input, planning and research? Or is the solution to the brand's requirement outstanding creativity in its communications?

Will the client be seeking an integrated solution from one agency? Or will the agency be part of a project team comprising other agencies specialising in other areas of marcomms? Will the client be the project team manager or will one of the agencies be appointed as 'lead'? (See section 15: 'Client 'ringmaster' or 'lead' agency?'.)

Reputation: How important is the 'standing' of the agency in the marketplace? Is it desirable for it to be well known in order to reassure a board of directors? Would it give the organisation more confidence if it were owned by a listed holding company?

Does the agency belong to the relevant trade bodies? Does it invest in training and development of its employees?

Does the agency's rating in the various trade press and other industry surveys matter? What significance will the selection team put upon an agency's record in creative or effectiveness awards?

What do the agency's existing clients say about it, either in testimonials or in private conversations?

Culture: Many client-agency relationships thrive because of the positive personal chemistry between them. In a business where so much of the end product has powerful emotional as well as rational dimensions, and where big decisions on creative ideas are never entirely risk free, there has to be a high level of mutual trust and respect between the parties.

For the same reason a breakdown in personal chemistry is often the root cause of the deterioration in rapport and the subsequent termination of contracts. (See section 3: 'Approaches to re-building the client-agency relationship'.)

Thus one of the most important points in 'matching' client and agency is ensuring that their cultures are complementary and that the people from each company have a good understanding as a result.

The client should consider what sort of operating philosophy the ideal agency should have, and how this would tie in with the company's own one to ensure a strong and productive working partnership.

What kind of working relationship does the client really want with the agency? Will there be a high level of interaction between client and agency? Will the agency be an extension of the marketing department, or treated more at arm's length as an external supplier?

Relevant experience: Is the client looking for any particularly relevant experience – for instance if the agency has worked in the company or brand's industry sector before, or has worked on campaigns with similar objectives?

Are there any key skills the agency should be able to demonstrate, for example in understanding specific target audiences, in product launches or in line extensions? What sort of case histories would be especially convincing?

14. THE ISSUE OF CONFLICT

- **Take a realistic view of client conflict and agree the parameters**
- **Trade off the benefits of sector expertise with the security risk**
- **Sign a mutual NDA (non-disclosure agreement) and emphasise confidentiality**

The issue of client conflict has become increasingly complex and difficult to resolve in today's business environment. This is due to the consolidation of both clients and agencies, the globalisation of the economy and the convergence of hitherto separate industries such as banking and insurance within financial services.

This trend has reduced the range of agency choice for clients and restricted the business development opportunities for agencies. It has also resulted in some account realignments, which have sacrificed years of brand experience on the altar of conflict resolution.

Given that five or six global marketing services groups dominate the industry, if clients take the issue of conflict to extremes, then the industry will descend into gridlock in terms of choices for brands.

If it is a real concern that the agency should not be working with any of your competitors, you will need to define these parameters very carefully. Bear in mind that most clients would like their agency to have wide, relevant and up-to-date experience in their particular market.

This is similar to the practice of lawyers, accountants, insurers, bankers and management consultants, who often act for companies in the same sector, build up their specialist expertise as a result and then give their clients the benefit of it.

Most practitioners in UK marketing communications perceive far less problem with conflict than clients generally do. This is because the drive of the agency business is to create distinctive brands and build customer relationships based on particular brand values. By definition therefore a great idea for brand A is unlikely also to be a great idea for brand B.

Nevertheless, where the clients are direct market competitors, their concerns are based very much on their belief that an agency's ability to create a distinctive creative proposition for two almost identical brands is not possible, and that one of the clients will get a poorer creative proposition.

There's clearly a trade-off between market sector expertise and exclusivity.

In the arena of media buying, clients are often concerned that their brand may not get the best of the deals, positions or spots available because of a near competitor being served by the same agency, quite forgetting that other agencies are in the market too! In reality there are no single brands whose budgets could afford all the appropriate media opportunities open to them.

In fact it may be better for the client to be with an agency which specialises in a given marketplace, because they are likely to be offered more relevant deals by the media owners who see them as regular buyers in that sector.

When involved in the search and selection process, there is a considerable degree of mutual disclosure of confidential information.

Clients and agencies are therefore recommended to sign mutual NDAs (see Section 19: 'Non-Disclosure Agreement') to give each other protection.

15. CLIENT 'RINGMASTER' OR 'LEAD' AGENCY?

- **Has the client the time and expertise to manage a disparate range of agencies specialising in different aspects of communications?**
- **Should the client appoint a 'lead' agency to manage the process?**
- **Should the client appoint a 'one-stop-shop', select agencies within the same communications group or cherry-pick independents?**
- **Should the client appoint an agency group who can put together a group of specialists from a number of agencies?**

One of the big issues facing a client is how to manage the wide range of agencies employed on their brand.

As a rule of thumb it used to be said that between 10% and 15% of a marketing person's time should be devoted to the brand's communications needs, with the rest of it allocated to issues such as production, distribution, sales, new product development, etc.

However that was in the days when brands used primarily advertising and sales promotion and before the explosion in marketing communications channels, with specialist agencies offering a vastly expanded range of possible activities.

Thus the available 10% and 15% of time for management of brand marcomms is now stretched across a plethora of areas, presenting the client with a real administrative problem.

Most experts would agree that successful brands require a well thought strategy, which identifies a profitable customer segment and sets out a compelling positioning to appeal to it. Is it the responsibility of the client to produce these strategic foundations for the brand, or should an agency be commissioned to author it? If an agency is to be charged with this key responsibility, then what sort of agency?

Having established the strategic direction, then a 'big idea' is required as the cornerstone of the brand's customer communications, so the question is what sort of agency is most likely to generate it?

Another question is which media are to be employed on the brand's behalf: is this a decision for a specialist agency, or will the client decide, or rely on the originator of the 'big idea'?

To what extent should target market analysis and media habits and thus media choice drive the overall communications strategy, or is the creative content the first problem to be solved?

Then what is the most effective way to get this 'big idea' translated enthusiastically and effectively into the various communications channels?

The answer to these questions usually lies in the client's degree of expertise across marketing communications disciplines, the available time to manage the

process and the 'centre of gravity' of the brand's marcomms needs eg is brand building and customer acquisition the focus, or customer retention and portfolio management?

One way out of the problem is to employ the 'one stop shop' ie an agency, which offers integrated communications solutions for brands. The client will need to be assured that the agency can genuinely deliver across the spectrum of skills.

Another way is to select agencies from within a single communications group and rely on their common ownership to facilitate their working relationships.

However if two, three or more independent agencies are retained to work on the brand, the client has to be clear where the responsibilities lie and to maintain a firm grip on the various inter-locking relationships. This must be done in order to promote synergies instead of barriers and to avoid the poisoning effect of petty politics and the damaging 'not invented here' syndrome.

In this situation, should and could the client act as the 'ringmaster' and co-ordinate efforts between the agencies?

Alternatively, should one agency be appointed as 'lead' agency and empowered to act on the brand's behalf with the full authority of the client? This strategy can be extended to giving the 'lead' agency the authority to run the communications project team and to select sub-contracting agencies, with the participation and agreement of the client, to fulfil specialist roles.

16. COMMUNICATIONS ABOUT THE SEARCH PROCESS

- **Agency searches and account reviews are highly newsworthy**
- **It's very hard to keep them secret without client determination**
- **Publicity can be beneficial for the brand if well managed**
- **Essential to have a communications strategy right from the beginning**

Unlike many other areas of professional services provided to clients, there is usually a considerable degree of publicity surrounding agency reviews, with particular interest from the marketing trade press.

Whether or not this is desirable is open to question, but preserving secrecy very much depends on whether the client seeks to maintain a cloak of confidentiality over the process until ready to make a formal announcement.

Account wins and losses represent the highs and lows of agency life, and this makes for dramatic copy, which journalists fight hard for. Profile-hungry agencies are fully aware of this and will attempt to parlay information about any reviews and pitches, even if they're not involved, into publicity for themselves. Some clients may do the same.

Observers may deplore this, but for the time being at least, indiscretion seems to be a fact of life in the agency business and clients need to take this into account when conducting a review.

Assuming that the client and agency have done everything possible to resurrect the relationship (See section 3: 'Approaches to re-building the client-agency relationship'), then it's vital that good management of the communications about the search process starts with courtesy and honesty.

Informing the incumbent

The first consideration is informing the incumbent agency (or agencies) properly about a client intention to review or to embark on a search and this means the client telling them before they read about it in the press.

This in turn means letting them know the bad news before exploratory talks with candidate replacements have begun (it's such a small 'village' that its almost impossible to keep a client visit to an agency not their own, a secret).

This sort of client indiscretion and insensitivity can lead to the agency CEO having to field a call from the trade press seeking comment on a review of one of the agency's clients, when ill-prepared to do so and makes the whole process look unprofessional.

Generally speaking the client should make a plan for the communications about the search process so that it can be managed to best advantage of all concerned. The approach adopted should embrace the complete programme, from beginning to end, from informing incumbents to announcing the winner, with consideration given to keeping client colleagues and any other key stakeholders, in the loop.

This latter point should be very much borne in mind if the client company is a quoted one where a change of agency, news relating to product launches, or announcements of brand identity changes may be deemed to be price sensitive information.

Informing senior colleagues

Many an agency search or review has got off on the wrong foot because of poorly managed communications. (See section 7: <u>'Initial considerations on choosing an agency'</u>.) Making sure that all key influencers and those involved in the decisions on agency appointments are aware of a proposed review and agree with it in principle is an essential starting point.

Two possible overall communications strategies

First, clients can attempt to enforce total secrecy. In order to achieve this the client needs to use draconian measures:

- Advise the incumbent agency of the intention to review and summarise the reasons why. Insist on confidentiality and undertake to settle all outstanding financial obligations promptly as a part of a satisfactory and private severance process.

- Communicate the client's intention to conduct a secret review to a minimum number of participating agencies and any intermediary who may be involved.

- A minimal number of client employees to be involved in the process – ideally the Marketing Director alone, having obtained the CEO mandate.

- A signed NDA to govern the process from the outset is essential.

- Numbered copies of documents should be mandatory, with the requirement to return to client after the process.

- Unique project names can be used to describe the same brief, or other red herrings can be employed to detect the source of leaks. Participating agencies can be judiciously alerted to this.

- The ultimate sanction is to eliminate an agency and clients have employed this tactic if the agency appears in the trade press before the result is declared.

- Undertakings can be made to give the winning agency PR support and the losing agencies due credit.

- Generous pitch or participation fees for prospective agencies.

- Honorable severance or notice payments to the incumbent agency, conditional on continuing confidentiality.

Secondly, clients can accept that leaks are likely and use the review to generate positive publicity for the brand. In order to achieve this the client needs to make the most of the PR process:

- Involve the company's PR agency or internal PR function from the outset.

- Communicate the client's intentions to be open about the review to participating agencies and intermediaries who may be involved.

- Identify the most appropriate trade press publication/s to partner with on the unfolding story of the review – this could be either/or the agency and the brand's key magazine, or if the review has the status, it could be the national press or even a TV channel.

- Prepare editor's background notes, derived from the brief for the review. Include library shots of the brand and key marketing personnel, plus biographical details. Position the story with an eye to the brand's wholesalers, re-sellers or other key stakeholders.

- Conduct an off-the-record briefing with the favoured publication/s setting out the rationale for the review.

- Agree an exclusive for the duration of the review and negotiate a concluding feature article as well as the news stories, which will arise during the process.

- Keep the journalist assigned to the story informed as the review progresses.

- Time the announcements of longlist, shortlist and winner to tie in with copy deadlines and minimise 'pirating' of these key stories by rival publications.

- At each stage of the process as announcements are made, maintain an iron discipline in the face of 'ambulance chasing' agencies. If the client wishes to use publicity to elicit tenders at the longlist stage, then ensure that there's a well-oiled response mechanism in place before the switchboard is besieged by calls and the post room inundated by mail shots.

- Once the shortlist has been declared, the client should not succumb to the temptation to add late runners to the list – it destroys confidence and causes loss of face, which can damage brand reputation.

The worst thing to do is to embark on a review without having a strategy, and then for the client, and the participating agencies, to end up victims of misinformation created by an information vacuum.

Notifying winner and losers

Whichever of the above strategies the client has adopted, there will need to be an announcement of the outcome, so it's important to establish a firm procedure for notifying (both successful and unsuccessful) agencies of the decision.

The client should be prepared with a rationale for the choice – for the winner and losers alike it's most helpful to have a client 'soundbite' to communicate onwards to the team and the agency at large.

It's courteous to ensure that all pitching agencies, and as a courtesy, the incumbent if not involved in the pitch, learn the result on the same day through a personal phone call, rather than a letter, fax or e-mail (it does happen).   A letter should follow by way of formal confirmation and this can contain any details of notice periods or hand-over procedures.

Once you have established that your chosen agency would accept the appointment if selected, you should inform the unsuccessful agencies before

confirming your decision with the successful one. This is usually the best way to ensure that the losers do not hear the bad news first from someone other than the client.

The client should plan the timing of the notification in the light of the PR strategy that was adopted at the outset. Being sensitive to the various page copy dates of the key publications and objective about the relative importance of the story will enable the most (or least) to be made of the announcement.

When delivering the news it's admirable for the client to make an offer to conduct a proper debrief with each losing agency team and this session should be no longer than an hour. Depending on the nature of the feedback, it should be conducted selectively with the whole agency team or just with one or two key individuals such as the CEO, the new business or marketing director and the director in charge of the pitch. The objective of the exercise is to help the agency do better next time.

Use this opportunity to ensure the losing agencies return all confidential material and information provided for the pitch to the client. By the same token, the client should return the losing agency pitch presentations.

Conclusions

All this may sound like a lot of additional work for the client, but if ever there was a case of 'what goes around comes around' the agency selection process is one.

Word of mouth about bad, and good, client behaviour spreads very quickly, as does that of agencies, so it's well worth both sides managing the process properly, and the communications around it.

Good agencies like working with good clients, and it's a received wisdom that clients, and therefore their brands, get the advertising and marketing communications they deserve.

17. SELECTION PROCESS: LONGLISTING AND PRE-PITCH LISTING

- **Thorough preparation and desk research can reveal a great deal about an agency and their appropriateness to the needs of the brand/company**
- **Preliminary 'due diligence' questionnaires or 'Requests for Information' (RFI's) should involve no more than 10 agencies**
- **Many clients will be able to select an agency on this basis alone, without needing to resort to pitches, workshops, or trial projects**
- **Don't pre-pitch list the incumbent 'to be kind' – it's unfair and expensive**
- **Considerations for specialist areas of marcomms**

The goal of the selection process is to end up with an agency which, in partnership with the client, is going to add significant value to the brand, ideally over a period of several years.

Despite more than a century of client-agency relationships, there is still no definitive way in which to go about the process to guarantee a successful outcome.

Perhaps an over-riding perspective, which clients should take seriously in agency selection, is that in a people business, it really is the people that matter.

Further, it's unlikely that the key individuals in an agency will behave differently in future to the manner in which they have in the past, unless there has been a significant change in the mix of senior people, or the ownership of the company.

History is not bunk in the agency business!

For this reason, clients can divine an enormous amount about an agency by simply taking the trouble to really find out what makes the people tick and what sort of work they've done for brands or companies in the past.

It's in the nature of the agency selection process that each client ends up taking their own individual approach, which may blur the demarcation lines or short-circuit or indeed combine some or all of the following stages.

In order to produce a defined list professionally, the client will need to structure their approach and there are some key questions, which usually need to be answered.

So it's useful to develop a standard format to collate the relevant information about the agencies to ensure a 'level playing field' at these early stages and the following request for information (RFI) questionnaire, or a suitable adaptation of it to specific needs, can be completed by contending agencies:

Desk research

Most clients will be on the new business 'radar' of a large number of agencies and will be in receipt of a steady stream of phone calls, e-mails, mail shots and invitations to events of various sorts.

Generally speaking most of these unsolicited enquiries will be filed in the waste bin, but some from agencies showing particular relevance to the brand's needs or ingenuity of approach may be kept on file.

If the client has any inclination to initiate an agency review, then a more systematic collection of such material in the run-up to it can pay dividends.

Prepare an outline brief, including a clear indication of the brand or company marketing/communications budget. Consider the scope of work you will be asking the successful agency to undertake.

If you have chosen a consultant or trade body to help manage the selection process, work with them to develop a brief on the type of agency required, e.g. in terms of size relative to budget, location, and specialisation, potentially conflicting business, etc. and draw up carefully the criteria that will form your checklist against which to judge the initial agency longlist.

Identify relevant existing work for other clients, within the appropriate communications discipline, which you rate highly.

Talk to colleagues in your own and other companies about their agency experiences.

Undertake any necessary desk/online research, consulting agency directories, agency trade associations, and the trade press for additional background information about agencies that might interest you.

Public sector clients need to ensure that their agency search and selection process is compliant with any public procurement regulations.

Longlisting

The objective of longlisting is to ensure that all agencies who fulfill the basic requirements of the brand's brief are screened and either rejected or taken forward to the shortlist.

Given the fast-moving world of agencies it's important for clients to go through the process in order to make sure they get the best for their brand.

This should be a relatively straightforward process, with rational, objective criteria accounting for a significant proportion of the decision. Using a standardised questionnaire or RFI is almost essential to manage this early stage, given the potential number of agencies in the market.

The questionnaire should be sent to agencies who appear, as a result of the initial research work done, to fulfil the broad requirements of the brand.

The returned questionnaires should be collated and assessed against the core criteria set out in the client brief, which is the primary basis for selection of the longlist.

Approaches to arrange meetings should be made to the selected agencies, with suitable caveats on confidentiality. (See sections 16: 'Communications about the search process' and 18: 'Confidentiality and copyright'.)

At this point the client does not need to disclose much more than the brand or company name and the identities of the personnel who will be attending the meeting, which should be held at the agency's offices.

Most agencies, and especially the ones which have targeted the client's brand or market sector as a new business opportunity, will be quite able to prepare their own background brief and should have a pretty good idea of the issues facing the client's brand.

The objective of the meetings is to confirm, or deny, the evidence from the due diligence that has been gathered on the agency via the questionnaire, to see their credentials, have an initial 'chemistry check' with their key personnel and view examples of their work for other clients.

On the basis of these meetings, the shortlist should be chosen. In order to facilitate this choice, the client team should record their notes or scores on a marking sheet. Typically this would have headings relating to the core competencies required for the brand and might include:

- Appropriate location size and services
- Relevant experience
- Market sector and brand understanding
- Quality of work for other clients
- Personal chemistry within agency team
- Personal chemistry with client team

To make the most of them, each of these credentials meetings will take up a couple of hours, excluding travel, and thus represent a significant investment of senior client management time.

Thus accepted best practice is to choose **no more than 10 agencies** for the longlist. This is the maximum number that experience has shown is manageable, and affordable, for most clients.

Pre-pitch list

Accepted best practice is to choose **no more than six agencies** for the pre-pitch list. This is the number that experience has shown is manageable for the next element of this stage, which is that of more detailed agency presentations in response to a specific brief relating to the brand or some issue which affects it.

Assuming due diligence and longlisting have been done thoroughly, the agencies on the pre-pitch list will all be real candidates to work on the brand. So far these companies have invested time and effort in responding to the longlist questionnaire and have been through a standard credentials meeting with the client team.

It is important to remember that the size of the agency is not always a measure of the extent of capability, it can simply be a measure of resource (this especially applies to advertising more than other disciplines).

It may well be that one or two clear front-runners have emerged during this process and many clients will feel able to go straight to a competitive pitch, trial project, or workshop in order to decide the winner and make an appointment.

If, however, the situation is not that clear cut, clients often introduce an additional step in the pre-pitch listing process, which can be used to whittle down the contenders to the two or three required for the final stage.

This step is to ask the agencies to prepare extended credentials or 'think-piece' presentations (e.g. addressing a key issue facing the brand), to give them the opportunity to demonstrate the way they would think about the brand.

This is a more demanding and costly process for agencies, and also more revealing for the client. On the basis of these documents and presentations it should be possible to make an appointment, or at the very least select two or three agencies from the pre-pitch list of six to participate in a final deciding process.

Notes on the incumbent

The client should give very serious consideration as to whether or not the existing agency should be invited to re-pitch for the client's account. The statistics show that the percentage chances of an incumbent retaining the business are relatively low at around 30%. Whatever the odds, very few agency managements will decline to participate if given the option.

This is either a commendable commitment to the best interests of the brand and the desire to continue the long-term stewardship of a successful campaign, or a foolhardy manifestation of the 'never-say-die' attitude, which puts agency PR above commercial reality.

The bottom line is that the client bears the responsibility on this key issue and should not put the incumbent agency in the no-win position of choosing whether to participate in a defensive re-pitch.

If the client-agency relationship has broken down irretrievably (see sections 2: 'Has the relationship broken down irretrievably?' and 3: 'Approaches to re-building the client-agency relationship'), then it is much better to be 'cruel to be kind' and simply not shortlist the incumbent.

Next steps

Having been through the three key stages of desk research, longlisting and shortlisting, the client may still be undecided and need to undertake a final stage in the process.

Whilst the classic 'pitch' is still used in many cases to help clients make their final decision, there is now a variety of approaches being used to good effect and often at a lower cost to both sides.

These include:

- Workshops   (See section: 23 'Workshops')
- Trial projects   (See section: 22 'The trial project')
- Pitch   (See section: 21 'The pitch')

Each has their considerations, which are set out in their respective sections.

Equally, online 'e-sourcing' techniques may help in the initial stages of researching the marketplace, but they should not replace the face-to-face contact which is so important in conducting a successful review and selection process.

PRO FORMA AGENCY LONGLIST QUESTIONNAIRE OR RFI

1. Company location

Provide agency's name, address, website, telephone, fax and key numbers.

List all other UK offices/addresses. Describe the agency's ownership or any affiliations with networks or trading arrangements with other companies.

2. Agency personnel

List the senior management team and include their summary C.V.s.

Provide brief biographies of key management executives in each department.

Include the name, title, e-mail address and mobile phone number of the individual who will serve as agency's primary client contact during the pitch process.

3. Clients

List the agency's top 10 clients indicating each client's tenure with agency.

List accounts won over the past two years and the date appointed.

List accounts lost or resigned over the past two years.

Provide testimonial letters and named referees from amongst the agency's current clients.

4. Financial

Describe the agency's ownership structure.

Provide a copy of the agency's latest report and accounts as lodged at Companies House.

Summarise billings and income for the past two years, including a forecast for the current year. In the case of start-ups, or very new agencies, clients may ask to see the agency business plan and understand the financial support they have.

Segment clients anonymously according to billing and position the prospective client in context.

Provide percentage breakdown of the responding office's billings by media type or discipline covered (e.g. TV, radio, magazines, newspapers, outdoor, direct, interactive, etc).

5. Remuneration

Describe the agency policy with respect to method of remuneration, i.e. fee, commission, minimum income guarantee, payment by results (PBR), royalties or other/combination.

Submit a draft agency contract.

6. Strategic approach

Describe the processes and methods, which the agency employs to develop effective marketing communications for brands.

Describe how the agency evaluates the effectiveness of its work for clients.

7. Services

Summarise briefly the range of marketing communications services the agency offers clients, indicating particular strengths.

8. Relevant experience

Describe agency's relevant experience.

Provide at least two case histories dealing with similar or analogous issues.

In no more than two pages, describe why agency is ideally suited to address the challenges and opportunities of the account in question, as set out in the client brief.

9. Awards

List the creative and effectiveness awards the agency has won over the past three years, if relevant to the discipline or project

10. Creative work

Provide samples of your creative work, with brief rationales and evidence of effectiveness.

18. CONFIDENTIALITY AND COPYRIGHT

- **Protection afforded by wider use of non-disclosure agreements**
- **Protection afforded by wider use of © symbol**

During pitches, agencies will present ideas, concepts, artwork, etc, to clients. These are very valuable assets to the agencies, and need to be protected. Agencies sometimes feel their concepts are used without permission and given to competitor agencies when in fact another competitor has also had the same idea. However, there are a very small minority of clients who do embark on an agency reviews and pitches with the intention of 'getting lots of free ideas', which they then disclose to exiting or other newly appointed agencies.

There are a few steps both parties can take to demonstrate honest practice and help ensure confidentiality:

- Agencies can remind potential clients that their materials are protected by copyright by the use of the © symbol on all agency documents and materials – e.g. "© Agency Name: Date". (It may also be worth the agency including a statement explaining that the presentation is protected by copyright, which belongs to the agency, and must not be copied or disclosed to third parties without the agency's permission.)

- The parties should always enter into an NDA, under which the parties agree not to disclose to third parties any ideas, trade secrets, business or financial information, or other information of a confidential nature (see section 19: 'Non-Disclosure Agreement'). It is important to stress that the NDA protects both parties.

19. NON-DISCLOSURE AGREEMENT

- Draft mutual Non-Disclosure Agreement

The purpose of this Agreement is to establish the rights and interests of the Parties which have executed it below.

Whereas, either party may be disclosing to ('Disclosing Party'), and/or receiving from ('Receiving Party') the other party certain confidential and proprietary information including, but not limited to, business operations, processes, plans, intentions, product information, know-how, designs, trade secrets, market opportunities, customers, costs, prices, business plans, details of corporate organisation and corporate financial information and any other information or data of whatever kind whether in physical, electronic, written or oral form, all of which is referred to herein as 'Information', and

Whereas, for the purpose of evaluating a potential business relationship, the parties are each willing to disclose and receive information under the terms and conditions specified below:

1. Each party agrees to maintain all Information received from the other party, both orally and in writing, in confidence and agrees not to disclose or otherwise make available such Information to any third party without the prior written consent from the Disclosing Party. Each party further agrees to use the Information only for the purpose set forth above. Information shall be deemed confidential regardless of the fact it is not marked as such if given in writing or, if given orally, identified as confidential orally prior to disclosure.

2. The Receiving Party's obligation of non-disclosure under this Agreement shall not apply to Information which

    (a) is or becomes a matter of public knowledge through no fault of or action by the Receiving Party;

    (b) was rightfully in the Receiving Party's possession prior to receipt from the Disclosing Party;

    (c) subsequent to disclosure, is rightfully obtained by the Receiving Party from a third party who is lawfully in possession of such Information without restriction;

    (d) is independently developed by the Receiving Party without resort to information which is confidential under this Agreement, and can so be proven by written records; or

(e)   is required by law or judicial order, provided that prior written notice of such required disclosure is furnished to the Disclosing Party as soon as practicable in order to afford to Disclosing Party an opportunity to seek a protective order and that if such order cannot be obtained disclosure may be made without liability.

Whenever requested by the Disclosing Party, the Receiving Party shall immediately return to the Disclosing Party all manifestations of its Information or, at the Disclosing Party's option, shall destroy all such Information as the Disclosing Party may designate. The Receiving Party's obligation of confidentiality shall survive this Agreement for a period of five (5) years from the date this Agreement is executed by the last party to sign, and thereafter shall terminate and be of no further force or effect.

3.   The Receiving Party agrees that this Agreement shall not be assigned without prior written consent from the Disclosing Party. No right or license is granted by the Disclosing Party to the Receiving Party except as expressly set forth in this Agreement. This Agreement is made under and shall be construed according to the laws of England and Wales and supercedes all prior agreements between the parties, oral or written, concerning the disclosure of Information.

On behalf of agency:

Name:_____

Job title:_____

Signed:_____   Dated:_____

On behalf of client:

Name:_____

Job title:_____

Signed:_____   Dated:_____

20. THE AGENCY ROSTER

- **Agency rosters provide reassurance for clients: not all the brand 'eggs' are in one 'basket'**
- **Competing agencies can keep each other on their mettle**
- **The process of assessing existing and potential agencies becomes an on-going process**
- **Agency relationship management across a portfolio is a special skill**

Because the process of searching for and appointing an agency is demanding, time consuming, and often has to be conducted under pressure, many clients whose brand portfolios or budgets are large enough elect to run a portfolio or 'roster' of agencies, often within specific communications disciplines.

This means that at any given time the client is managing a relationship with more than one, and often several agencies in parallel. This provides them with a built-in insurance policy in the event that one of them fails to perform, serious conflict issues arise or some other reason for dissatisfaction manifests itself.

The presence of competing agencies on a client roster does keep the respective teams on their toes. Competing agency managements will be very aware of the relative shares of the business that they have, and it's a great motivator to be assigned additional work from an existing client, especially without the cost of a pitch.

Typically a client will allocate brands to agencies in coherent market categories and in relation to brand management responsibilities, so that sector expertise is concentrated and the demarcation lines between competing companies are clear. New product developments also have natural agency homes to go to, and this is good for maintaining confidentiality.

Clearly, managing more than one agency relationship effectively, let alone several, is a skill which clients need to acquire and then continue to invest in. Running a portfolio of agencies, especially if it's on a pan-European or global scale, becomes a giant jigsaw puzzle with pieces that regularly cease to fit due to the movement of key personnel, mergers, acquisitions, changing performance levels and other factors in a highly mobile and competitive market place.

One key benefit of a roster is that the client can establish internal performance benchmarks, common appraisal systems and approaches to remuneration. (See section 25: 'Agency remuneration'.) Over time clients can establish quite detailed questionnaires, which capture all the key dimensions of relevance in measuring the service delivery of their agencies in response to the portfolio of brands and their needs.

Active managers of agency rosters will need to stay in touch with the market place in order to assure themselves that they're employing the best agencies available for their respective marketing communications needs, and are early to spot the emergence of any new players who may have benefits to offer. (See section 17: 'Selection process: longlisting and pre-pitch listing'.)

21. THE PITCH

- **Still the most popular selection procedure**
- **Can be very expensive and resource-draining for the agency and time-consuming for the client**
- **Strict guidelines should be observed on the number of participating agencies**
- **A maximum of three to pitch is best practice (or four if incumbent is included)**
- **Professional briefing and planning can make it a good experience**
- **It is recommended that parties enter into a pitch agreement.**

Introduction

Perhaps the most popular method of choosing an agency, the classic pitch has by now got some pretty well defined guidelines, which if followed by clients and agencies can result in a positive outcome on all sides.

For agencies a full creative or media pitch is usually the most expensive process, often has comparatively low chances of success and therefore represents the highest risk. However, the winning agency will have created a knowledge base, which is of long-term value and the investment in it should be recovered and translated into profit within a year or two, depending on the remuneration agreement.

For clients it's likely to be the most exciting, least time consuming and therefore attractive process – through its adrenaline-charged nature and compressed timescale may lead to unrealistic judgements, which may not always be in the best long-term interests of the brand.

Consequently it's important for both clients and agencies to be aware of the usual pitfalls and manage the process, and the expectations surrounding it, to avoid them.

How many agencies should be asked to pitch?

Having been through a proper sequence of due diligence, longlisting and shortlisting, it should be sufficient for no more than three competing agencies to be asked to make a formal pitch.

However, because of the over-supply of agencies in the marketplace and the highly competitive nature of the industry, there are always dozens of perfectly respectable agencies who will clamour to be included on the list and whose 'ambulance chasing' techniques have become an art form.

So, unfortunately, the onus is on the client to maintain self-discipline and not extend the pitch list despite all blandishments.

The self-interest in this policy may be counter-intuitive, but is real nonetheless. First, the commitment required on the client side to produce an outstanding series

of pitch presentations can easily amount to weeks of senior management time, meaning hundreds of thousands of pounds in costs.

Secondly, experience shows that remarkably few details of what was actually presented at a series of pitches can be recalled just a day or so afterwards if more than two or three have been seen. Indeed in many cases the decision is actually made on the basis of client-agency interactions during the preparation for the pitch, as opposed to the final presentation itself, assuming there's been proper time allowed for this.

So it is not only unprofessional, it is commercially irresponsible to engage more than three agencies in the process.

The pitch list **may** be increased to four agencies, if the incumbent is included, but this often leads to problems.

If the incumbent loses having re-pitched it will have been a costly and public failure, with a widespread suspicion that 'they were on a hiding to nothing'. If the incumbent retains the business the other three agencies will suspect that 'it was a stitch-up' and that their massive time, research and materials costs, to say nothing of their ideas, will have amounted to very low cost or free consultancy. (See section 17: 'Selection process: longlisting and pre-pitch listing' and its 'Notes on the incumbent'.)

This number of 'three to pitch' is agreed by all parties, including ISBA, the main agency trade bodies and the leading consultants, who have all contributed to these guidelines.

Pitch agreement

In an ideal world, the client will enter into a pitch agreement with all participating agencies, in order to clarify the terms and processes for the pitch. This agreement, a template for which is available from the IPA, deals with fees, TUPE issues, confidentiality and intellectual property. If parties choose not to enter into a pitch agreement, it is imperative that they sign an NDA. (See section 19: 'Non-disclosure agreement').

Pitch fees

Pitch fees should be addressed in the recommended pitch agreement, if applicable. Generally, the over-supply of agencies described above means that clients don't have to pay pitch fees. Additionally, the full costs of three agencies' pitches are unlikely to ever be covered by a client. Agencies therefore need to be cautious of any contribution by the client to the pitch, which while helpful, may confuse the parties as to the intellectual property rights in pitch materials.

From the client's perspective, making some financial contribution to the cost of pitching, announced up front and the same offer to all agencies on the shortlist, shows commitment and the seriousness of your intent. It also focuses the minds of the client panel and increases the seriousness with which they take their judging duties when they know that some £'000s of the company's budget is committed to the process.

A pitch fee will add to the motivation of the agencies even though the contribution is unlikely to cover all the third party, staff and associated costs. More importantly, pitch fees are rarely going to reward the agency sufficiently to warrant an assignment of intellectual property in the materials it produces, and if the client is looking to obtain such an assignment, it ought to make the position clear from the outset and be prepared to pay more than the normal token fee.

The brief

Prepare a concise but thorough written brief for the competing agencies. Identify and make clear all aspects on which the agencies' presentations will be judged and advise the approximate duration of the pitch presentation period. It must be clear from the brief whether strategic proposals alone are required, or whether some creative ideas or a full creative pitch are expected.

Clients should consider very seriously whether creative proposals are really going to be helpful in the decision-making process, given the tendency for highly subjective judgements, the enormous agency costs involved and the relatively low incidence of pitch work actually appearing in the marketplace.

Full strategic and creative or media pitch

This is the 'classic' pitch, which demands the most complete response to the client's brief. In under six weeks the agencies who undertake this have a mountain to climb in terms of market understanding, target group identification, media planning, idea generation, and creative presentation.

Clients should consider very seriously whether creative proposals or highly detailed media plans are really going to be helpful in the decision-making process, given the tendency for highly subjective judgements, the enormous agency costs involved and the relatively low incidence of pitch work actually appearing in the marketplace.

Strategic recommendations

One step back from the full pitch is the client brief which asks for strategic recommendations only. This approach can be applied to agency pitches in all aspects of marketing communications and is ideal when the client company faces a genuine dilemma as to the brand's position in the marketplace and is unsure as to the best direction to take.

In this situation jumping to detailed media or list buying strategies, response handling plans or creative executions would be premature and a distraction from the real issue of resolving future brand or corporate strategy.

Agencies have a tendency to 'go the extra mile' in the attempt to win new business. So the client needs to be very strict in requiring participating agencies to stick to the strategy brief and not allowing themselves to be swayed in decision-making by the introduction of creative work or fully worked out media schedules 'just to illustrate a point'.

The client should even go so far as to penalise agencies which flout the rules which have been set for the pitch.

Creative recommendations

Another approach is for the client to require creative recommendations only.

This route can be justified if the client is really confident of the strategic direction of the brand and simply wishes to see how agencies might express its intent in creative terms.

This sort of brief might also be issued where the brand has an on-going campaign which is successful in the marketplace, but which for whatever reason the incumbent agency has been unable to progress into new executions.

The main difficulty for agencies faced with this brief is whether to have confidence in the client's strategic briefing and commit themselves to solving it creatively. There's a natural tendency for any good agency to do the necessary work to challenge the strategy, even if only to end up agreeing with it.

As with the 'strategy only' pitch, the client must be strict on the rules of engagement.

Budget and remuneration

The brief must include a real budget. (See section 8: 'Setting the budget'.)

Indicate proposed remuneration and contract terms. It is not usually in the interests of either the client or the agencies involved to spend time and money on negotiating full contract terms at this stage of the selection process, but the fundamental terms of business (such as budget, basic remuneration and IP ownership) should be addressed in a **Heads of Terms agreement**.

However, should you have fixed terms of business which are not open to negotiation, then these should be put on the table, up front and in full, to make sure the competing agencies are clear on the terms under which the contract will be awarded ultimately. (However, contract terms with no room for negotiation may well be unenforceable in law, and enforcing inequitable terms at the start of a new relationship hardly sets the tone for a long-term and cooperative partnership.)

Client information and involvement

The client should be willing to share on a confidential basis, market data and other relevant quantitative and qualitative research. If this is done thoroughly, the pitching agencies will be able to avoid 're-inventing the wheel' and can focus their efforts, and money, on original enquiries, which will add real value.

The client should not only allow, but actively encourage agency personnel access to people in the company, and not just those in the marketing or communications department with whom they would work if appointed. So often the meeting with the people in R&D, the factory visit or the chance conversation with a sales person will act as the catalyst for a break-through thought.

Consequently it's important to ensure that there is always a specified senior member of the client's company to handle all enquiries and meet requests of the agency to ensure consistency of response. Clients should not underestimate the amount of time involved in making someone fully available over a short period of time, nor begrudge it: if clients put more in, they nearly always get more out.

The client should use the pitch process to get to know their potential agency teams. This will ensure that the agency presenters on the day include the people who have actually done the work and will actually staff the business, as well as the key senior management who will make a big contribution to the account.

Venue

Book the pitch presentation dates and venue right at the outset, ensuring that all key members of both client and agency teams are going to be available – it's amazing how many pitches end up running into bank holiday weekends, half-terms and school holidays!

Resist the temptation to hold the pitches at the client's offices. Agencies are rarely at their best 'away from home', and the client's presentation facilities are often not that great. Thus the excitement and the client sense of agency 'chemistry', which are prime attractions of the pitch itself, are put at risk – if the client wants drama, then the agency 'theatre' should be the venue.

If for unavoidable logistical reasons, and despite these considerations, the client decides the presentations must be made at their offices, then a real effort should be made to enable the pitching agencies to make the best of the situation.

First they should be encouraged to recce the presentation room. Secondly, the client should ensure that all the audio visual and computer equipment is working faultlessly and that a trained engineer or IT person is on hand at all times during the pitch presentations in case of mishap. Thirdly, plenty of time should be allowed between pitches to avoid agencies meeting in reception or queuing up to get access to the room.

Allow two hours for each pitch and schedule no more than two pitches per day, leaving time after each one for the team to reflect on the content, debate the issues and complete marking sheets.

Make sure to book a hotel somewhere central to the three agency office locations and use it as a base between presentations, or simply make arrangements to extend the use of the agency presentation room in private after the pitch.

Timetable

Consider the time necessary for a proper response to the brief, prepare a firm timetable for the total pitching and decision-making process and stick to it. Four weeks is suggested as the minimum timescale for agencies to produce a full creative pitch, and ideally six. After all, in an on-going relationship such proposals may take months to develop.

Typically a creative agency will divide the available time for a pitch into three roughly equal phases:

1. Analysis of the client brief, desk research, exploratory market research, store checks, field visits, mystery shopping, etc, in order to produce the agency's proposed strategy, target audience definition, key customer insight, media usage recommendations and the core creative brief.

2. Creative development and exploratory creative development research to evolve and validate ideas. Further research and analysis to validate and support the strategy and refine the customer insight.

3. Refinement of creative proposals and production of examples of how the 'big idea' for the brand translates into different media channels of communication. Development of the complete strategy rationale, presentation charts and documentation.

Media agencies may partner with creative agencies and pursue this three-stage process in parallel. Or, if pitching for the media account separately, as has been increasingly the case, they will still go through an analogous sequence of rigorous research, development and presentation.

Decision-making

The client must consider the selection panel very carefully and include all the key players who might have an influence – far better to engage the CEO, managing director and purchasing director from the outset, rather than lose control of the process due to an unscheduled intervention in the closing stages. The choice of an agency for the brand asset is certainly an issue worth the very top management's attention and involvement.

Ensure that all the decision-makers have been fully briefed and that they are all present at each pitch. Advise the agencies of job titles and roles of those attending for the client and allow equal access to this panel by the competing agencies.

Establish an objective evaluation system for assessing each pitch, provide panel members with an appropriate marking sheet, and ensure they're completed immediately after each presentation. Then schedule adequate time to analyse these forms, feed back the results and debate them. ISBA has some useful pitch evaluation templates for member use.

Ensure that the business side of the appointment such as contracts, remuneration, conflict parameters and the management of the relationship are discussed and agreed before a final decision is made. (See section 25: 'Agency remuneration'.)

As soon as possible after all the presentations, and normally no more than one week (except in those special cases where it has been agreed to put competing creative work out to research), decide on the winning agency.

Notifying winner and losers

Establish a firm procedure for notifying (both successful and unsuccessful) agencies of the decision and be prepared with a rationale for the choice and an offer to conduct a proper debrief with each losing agency team.

Ensure that all pitching agencies, and as a courtesy, the incumbent if not involved in the pitch, learn the result on the same day through a personal phone call, rather than a letter, fax or e-mail (it does happen).

Plan the timing of the notification in the light of the PR strategy that was adopted at the outset. (See section 16: 'Communications about the search process'.)

After the pitch, give the losing agencies the courtesy of a full 'lost order' meeting. This should be no longer than an hour and depending on the nature of the feedback, be conducted selectively with the whole agency team or just with one or two key individuals such as the CEO, the new business or marketing director and the director in charge of the pitch. The objective of the exercise is to help the agency do better next time.

Use this opportunity to ensure the losing agencies return all confidential material and information provided for the pitch to the client. By the same token, the client should return the losing agency pitch presentations, unless payment for the pitch has by agreement entitled the client to rights over materials produced.

22. THE TRIAL PROJECT

- **Living together before committing to marriage works for some couples, and it can do so for some clients and their agency**
- **There are positives in getting to know each other 'in real life'**
- **Subject to contractual terms, a new agency can be tried out without leaving the incumbent**
- **There are risks in terms of additional workload and confidentiality**

The analogy with courtship and marriage is widely used with reference to the client selection of an agency partner. Thus it's hardly surprising that the terms 'co-habitation' or 'trial marriage' are often used to describe short-term projects, which are used to help rehearse a relationship before a formal commitment to a contract.

Once a client has been through the earlier phases of the selection process and has arrived at a shortlist of favoured agencies, or ideally just one front-runner, the final choice or confirmation can be made through the assignment of a trial project.

The key benefits of this approach are two-fold. First, it more closely approximates to the 'real life' relationship than a pitch or a workshop. If the project is structured correctly it will engage a wide range of the agency's personnel and test their skills over a sustained period.

Secondly, it enables the client to hedge its bet on moving the whole account away from an incumbent, where the relationship may be salvageable, (and indeed recovery may be galvanised by the arrival of a competitor) to a new agency whose actual performance in partnership with the client is unproven.

The client may be able to continue to work with the existing agency whilst conducting a discreet 'affair' with another. However, the client should check the contractual terms with the existing agency to ensure that it is entitled to instruct another agency in this way.

If the relationship with the incumbent has broken down irretrievably, then there could well be a benefit to the client in an interim period without a full and formal commitment to a new agency, but a trial project can keep the brand momentum going forward.

The main downsides of the trial project are also twofold.

The first of these especially applies to the smaller company with relatively few brands and limited financial resources. Obviously if the client continues the relationship with the incumbent and then embarks on a parallel relationship with another agency then it's likely to add up to double the involvement in effort, time and money.

Even a big multi-brand company with a roster of agencies may find managing two relationships on a single brand demanding and unsustainable for more than a few months.

Secondly, there are risks involved in exposing too much of the company's confidential information to too many agencies. These risks can be mitigated by NDAs and it could be argued that the pitch or workshop has the same issue of confidentiality, but there is something about the longer timescale of a trial project and the depth of working relationship entailed that seems to increase sensitivities.

For all these reasons many clients will limit the involvement in a trial project to just one agency, which has emerged from the selection process as a real front-runner and genuine candidate for a longer-term formal contract.

Again, and for similar reasons, whilst the basis for the project could be a real brief for the client's main brand, many would prefer to make the assignment less sensitive by constructing it around a new product development idea, a line extension, a special promotion, and unusual target group or even a completely invented task.

In terms of timescale, there are no set rules, but human beings being what they are, it shouldn't take longer than a couple of months, or three at the outside, to determine whether the relationship works and can continue to do so longer-term.

This sort of time period is also long enough for a carefully structured project to take the agency through all its paces and deliver an outcome. It's also likely to be affordable in terms of agency fees and any production costs involved.

23. WORKSHOPS

- **Workshops are a valuable way to manage the agency selection process**
- **They are less artificial than the traditional pitch**
- **They give clients and agencies a deeper insight into working together**
- **However they need very detailed preparation and professional assessment**

Introduction

Workshops are worth considering as a way of selecting agencies.

Experience so far suggests that generally workshops help to substantiate views that have been formed at the shortlisting stage. Surprising performances, both good and bad, should be treated with caution.

The methodology has been borrowed from the worlds of personnel and human resources, where it has long been used for the recruitment of graduate trainees or in employee training and development programmes.

There is wide variation in what is meant by the term 'workshop' but one of the defining characteristics is its longer duration compared to the '90-minute pitch with half-an-hour for questions at the end'. In this sense it is more like a continuous assessment than an exam, thus less gladiatorial and more reflective of a real working relationship, albeit in microcosm.

Typically a workshop will be a day-long (or series of half days) session in personal chemistry assessment, team building, problem solving, and action learning. It is an exercise involving both client and agency personnel who would actually work together should an appointment be made.

Preparation

As with any method of agency selection, prior to confirming that an agency is invited to a workshop it is critical to ensure that there are no grounds on which any agency would be ineligible. For example: financial instability, client conflicts, unaffordable fee levels, inability to scale up to meet the opportunity being offered. (See section 17: 'Selection process: longlisting and pre-pitch listing'.)

In advance of the workshop every effort should be made to be transparent about the process that is being followed, the criteria by which agencies will be judged, the desired outcome for the client and the timings for receiving a response on who has been selected.

It should be made clear exactly what nature of participants an agency is expected to field at a workshop event. Members of the agency new business or marketing department, or the usual pitch 'A-team' are unlikely to be the most appropriate ones – clients need to see people in action who would actually work on their brand.

Brief and structure

The brief for the workshop needs to be as carefully thought through as that for a traditional pitch, and indeed probably more so due to the intensity of the process and its duration. (See section 13: 'Clarifying the brief and the requirements of the brand'.)

The phases of the day need to be orchestrated to create situations in which different aspects are assessed in relation to the brand or company's defined needs. Amongst other exercises the participants can be set real or hypothetical briefs and asked to come up with solutions in a limited time period.

Each exercise should be designed to test a specific set of client requirements. Although there will be inevitable overlap in the nature of some of the exercises, by setting clear assessment objectives for each it will help the assessor team to focus on the same elements in the same context, only bringing them together at the end of the day.

Clients should be encouraged not to ask participating agencies to do too much during the day – people will tire and quality will decline. The focus should be on testing only the critical attributes and only things that can be realistically tested in a workshop forum.

For example, creative aptitude exhibited in workshops is testable, but the creative solutions produced in workshops are rarely going to be usable in reality, thus in this crucial area, it's better to rely on track record in terms of finished work that has appeared in the marketplace for other clients.

Assessment

It is important to assess the way exercises are approached rather than the solutions presented and clients should make allowances for the artificiality of the event. It's also vital that the assessment team members are aligned in their thinking on the roles of the workshop exercises in the context of the ultimate requirements of the brand.

Everything should be done to enable consistent, objective assessment and to ensure that the cumulative scores of the assessors are meaningful. Thus assessors can benefit from templated assessment sheets, containing relevant prompts, which they should be encouraged to complete during or immediately after each exercise.

Analysis of forms completed by the assessment team during the workshop can be made easier by the use of distinguishing colours of paper or other coding systems. In the informal workshop environment assessors need to be vigilant in not leaving stray bits of paper around the room!

The whole process can be undermined if pre-workshop prejudices (good and bad) are applied to the assessment. To avoid this, encourage all client assessors' opinions to be substantiated by evidenced behaviour.

Assessing group dynamics in the workshop environment is not easy and the client is advised to involve the company's HR people, or to retain outside consultants for

the purpose. (See section 10: '[Use a consultant'](#).) Professional video recording, using more than one camera to cover fully the interactions between participants is also very helpful for reference after the event.

Criteria

It's important to list the selection criteria in advance and identify what an ideal agency would have to do to achieve a top score. Do not just rely on a few one or two-word descriptors eg 'strategic thinking' and ensure there's a mix of soft (behavioural) and hard (skill) criteria.

Clients (or their consultants) should use a scoring mechanic that will enable comparisons to be made and assessors should set a benchmark for selection that winners have to achieve; do not just accept the best of what could be a bad lot.

The criteria for assessment and agency selection might include some or all of the following:

- Response to specific briefs, tasks and exercises set
- Communication skills (listening, talking and presenting)
- Interpersonal and social skills
- Chemistry – would we feel comfortable working together?
- Do our philosophies match?
- Internal team dynamics (within agency)
- External team dynamics (between agency and client)
- Creative ability (right-hand brain)
- Analytical ability (left-hand brain)
- Learning ability
- Prioritising and decision-making ability
- Negotiating skills
- Ethics, values and attitudes
- Strategic thinking
- Project planning and management
- Craft skills and functional expertise
- Market sector expertise and brand understanding
- Knowledge of branding and the role of marcomms
- Wider business experience and expertise

(See section 7: '[Initial considerations on choosing an agency'](#).)

Numbers of agencies and people

The number of people who can be involved effectively in a one-day workshop is probably the same number as in a sports team: more than 15 and it starts to get unmanageable.

A single workshop could involve three or four shortlisted agencies. (See section 17: '[Selection process: longlisting and pre-pitch listing'](#).) Two or three representatives from each agency, plus a client team of four, making for at most 16 participants, plus a couple of moderators, should be fit for the purpose.

For multiple appointments to create a new portfolio of agencies, or simply to add a couple of new agencies to an existing roster, it will require more workshop days based on a similar module to that outlined above.

The attractions of the workshop methodology is that it enables the client to see how their prospective agency team actually thinks and behaves in a 'live' working session when faced with a problem to solve.

Another driver towards the use of this approach is the need for clients to be able to assess how different agencies in their portfolio work with each other in the common interests of their brand.

Thus the client may invite representatives from several agencies, specialising in different aspects of communications, to join in a workshop together. Further, different teams may be drawn up for particular exercises – some comprising people from the same agency and some with a mix from different ones.

It's also crucial to have appropriate representatives from the client company involved in the workshop/s. This should obviously include key people in the marketing team, but the process might also benefit from the presence of colleagues from purchasing/procurement as observers and human resources as assessors.

Workshop fees

In the light of the time costs involved in attending a one-day workshop (or possibly longer, depending on the circumstances), it would be reasonable for the client to pay agencies a fee for their participation. (See 'Pitch fees' within section 21: 'The pitch'.)

24. THE AGENCY CONTRACT

- **Ensure that there actually is a signed contract between client and agency**
- **Make sure that the final document does get signed and is not left incomplete**
- **Complete and sign the full contract within a month and certainly before the 'honeymoon period' is over**
- **Make use of the many standard industry contracts**

The first and most obvious point in this context is to ensure that there is a contract in place. It is surprising, but true, that not all client-agency relationships are subject to a properly drawn up contract and in the absence of one there is an inherent danger to both parties.

The involvement of procurement professionals in the pitch process should ensure that good commercial terms are put in place.

The second point is to ensure that the contract actually gets signed. Again, it is not unusual for the enthusiasm to negotiate the contract to wane after a few exchanges of drafts between client and agency, or their respective lawyers, and for the final draft to lie unsigned in one or other party's 'pending' tray.

A good discipline on both sides is to determine to negotiate, agree and sign the contract within no more than a month of appointment. Some would go further and recommend that an announcement of the awarding of a client's account should not be made until the ink is dry on the agency contract.

One way of achieving this in practical terms is to use a Heads of Terms agreement as an intermediate stage in the process (See section 21: 'The Pitch').

Model contracts

The IPA, CIPS, ISBA MCCA and PRCA have a series of model contracts for different types of agency, which can be requested from any of these organisations, to form the basis of the terms. It is strongly recommended that the parties use these model contracts, which are fair and balanced, protect both parties from excessive risk, and deal properly with issues which are unique to the advertising industry.

25. AGENCY REMUNERATION

- **It's never too early to talk about money**
- **Agencies' remuneration should be viewed in the context of their added value**
- **There are a number of different methods of payment**

Agency remuneration is an issue that needs to be discussed early in the search process as well as at the end. For clients who have the benefit of a professional procurement team it is essential that the procurement professional is included in the pitch process at an early enough stage to help shape commercial issues such as remuneration.

This is because a cool calm informed conversation, rather than one in the heat of the moment of an appointment decision, is likely to be better for the long-term health of the client-agency relationship.

Best practice guide

Remuneration can be a complex subject, and a useful source of information is 'Agency Remuneration', the best practice guide on how to pay agencies, which was produced by the IPA, ISBA, MCCA and PRCA in 2006 and is available from any of these organisations.

26. MANAGING THE HAND-OVER PROCESS

- **The client should take the initiative and ensure there is a hand-over**
- **The client should have a hand-over clause within the agency contract**
- **Most agencies will go the 'extra mile' in the context of a satisfactory financial conclusion to the relationship**

Too few clients ensure that there is a proper hand-over process when they move their brand or corporate account from one agency to another. As a result the transfer of materials is often incomplete, and thus a loss of an asset to the brand.

There seems to be a perception that this is not an easy process to manage. However, whilst the losing incumbent will usually be very disappointed to see their client go elsewhere, and if nothing is mandated by the client, may do little to initiate a hand-over, it's rare in the UK for an agency to behave unprofessionally once the process is formalised.

This is for three reasons. First, the generally high standards of conduct in the UK industry, secondly, our relatively small media 'village' in which a damaging reputation for poor behaviour can spread very quickly and thirdly, the belief that most agencies harbour, which is that one day they may retrieve the account.

Thus the prime responsibility rests with the client, who must make absolutely clear their expectations regarding the need for a mandatory hand-over and should write this into their contract with the agency. This should specify the hand-over gets done within the notice period and before the final financial settlement is made (see the industry model terms for specific wording).

The first consideration is whether the hand-over should be between the incumbent and the client, or between the incumbent and the new agency.

The arguments for the former are that:

1. The hand-over can be conducted during the search and selection process, assuming the incumbent is not involved and has clearly lost the brand.

2. It allows more time for the process and for both agency and client to review and ensure the completeness of the material transferred.

3. It avoids the necessity for any potentially embarrassing inter-agency contact.

The arguments for the latter are that:

1. The direct transfer of materials between agencies avoids the risk of damage or loss in transit via the client as third party.

2. Agencies may have a more practical understanding of what materials are actually of importance to the continuing stewardship of the brand.

3. Agencies generally get on well with each other (after all the roles could so easily be reversed on a future occasion) and a direct transfer usually opens up a dialogue between key executives so that knowledge as well as materials gets transferred to the benefit of the brand.

The second consideration is exactly what should be handed over. This may vary with individual circumstances, but the list of materials could include:

- All documents, products and materials of client origin.

- All third party documents, such as market research reports or audit data, commissioned through the agency and paid for by the client.

- All origination used in producing creative communications, which have appeared in the public domain.

- All documentation or third party contracts, which may be required, should any modifications to these creative materials be required in future, such as re-titling of a commercial.

- All documentation or third party contracts, which may be required for the fulfilment of any future contractual obligations to third parties, such as usage fees or media bookings.

A 'grey area' is that of documents or proposals that the agency has produced for the client during its tenure on the brand, especially if these relate to ideas, projects or programmes, which have not been accepted and implemented by the client.

These could be argued to be the intellectual property of the agency and potentially valuable if transferable to other brands or market sectors.

For the sake of clarity and avoidance of doubt, this ought to be discussed, agreed and written into the original contract and may also be dependent on the type of copyright clause agreed within the contract. Clearly the more all-encompassing the client requirement in this context, the more it may affect the negotiation on the remuneration and notice aspects of the agreement.

27. MAINTAINING THE RELATIONSHIP

- **Agency relationships are valuable to clients and need active management**
- **The analogy with marriage is a good one: relationships need working at**
- **Good communications, shared objectives, common interests, injecting excitement, and adjusting to the arrival of new people are key areas**
- **Third party audits of the relationship can also be helpful**

The client having gone through the demanding process of searching for and appointing an agency, managed the transition from incumbent to new appointee, and conducted a mutual induction, it's very much worth both parties doing their level best to maintain the relationship for as long and as productively as possible.

The analogy of personal relationships (flirtation, courtship, engagement, marriage, affairs, trial separation and divorce) is often used to describe the stages in the client-agency relationship, and there are indeed many similarities, which is hardly surprising, given that there are people involved!

Most marriage counsellors suggest that poor communications are one of the root causes of a breakdown in a relationship, and the same is true of the client-agency one.

The marital experts talk of partners lacking shared objectives and common interests. There's also a danger in allowing their interaction to become habitual, lacking in initiative and low in excitement.

Finally there's the greatest risk to the relationship when new people get involved, especially on the client side – often they do not feel their viewpoint is fully acknowledged and that they're up against entrenched opinions which they either do not fully understand, or agree with.

Overall they stress that very few marriages are immune to ups and downs and that long-term success requires both parties to work hard at the relationship. Thus in order to maintain a healthy relationship, clients and agencies need to be aware of the same pitfalls in the commercial world and to establish working practices which minimise the chances of their relationship breaking down.

Here is a list of some key areas and suggestions as to what can be done in each:

1. Communications

In addition to the regular status report meetings (which should always be thoroughly prepared for and minuted), schedule longer sessions for relationship reviews. These should be at least half-yearly and quarterly works well in many cases. Make sure that there's a two-way street and create a climate where the agency team is not afraid to speak its mind as freely as the client personnel.

In order to ensure that these reviews do happen it is sensible to write an evaluation clause into the contract making it an obligation to evaluate formally the relationship: the industry model contracts have appropriate wording.

At least once a year the most senior client should meet with the agency CEO, without the director in charge of the account present, to ensure that there are no unresolved issues in the relationship.

Generally speaking the activity level on an account is an indicator of the health of the relationship. Senior agency management should beware a declining frequency in meetings, and lengthening gaps between phone calls, which make each conversation that breaks the silence progressively harder to initiate.

Clients in turn should be wary of exerting relentless pressure on agency margins through over-zealous fee negotiations and time cost analysis, which can turn the agency team into clock-watchers who think twice or three times before initiating a client meeting or phone call.

2. Shared objectives

As well as relationship reviews the client should insist on an annual review and encourage the agency to conduct its own internal review by way of preparation for it.

Many agencies operate a system whereby a separate team will work with the client's account team to challenge the assumptions and received views that may be driving the strategy. This can be a very useful 'reality check' and can often produce new questions or valuable insights.

Client and agency should join together in conducting the review, so that it becomes part of the team-building process and creates shared objectives for the relationship. The annual review is also the opportunity to float hypotheses, raise new issues, or conduct really thorough competitive analyses.

But most important of all is the sharing in, and achieving of, the objectives set for the company or the brand. The growth of PBR (Payment By Results) components in agency remuneration agreements is putting increasing focus on measuring the effectiveness of the communications produced by the agency. (See sections 25: 'Agency remuneration' and 24: 'The agency contract'.) Demonstrable results are the bedrock upon which long-term client agency relationships can be built.

3. Common interests

Build on the basic common interest client and agency share in working on the brand by widening it to include mutual understanding of each other's industries. The agency can demonstrate real interest in the client's world by attending trade fairs, conferences and supporting charity events – these are also useful sources of learning.

Clients too can take an interest in the agency's fortunes, noting new business successes, and creative awards won. In particular clients can actively encourage entries into the various effectiveness awards schemes, and ideally become active participants in writing the case history. (See section 28: 'Measuring and reporting effectiveness'.)

Good client relationship managers make sure that they win the hearts as well as minds of their agency. The goal should be to establish their account as 'the one to be on', so that it attracts more than its fair share of the talent within the agency. Even the most prosaic of brands or companies can be made rewarding to work on by a client who encourages innovative thinking, buys good creative ideas and supports the agency within their company.

4. Injecting excitement

On of the most often quoted reasons for client dissatisfaction is the feeling that the agency has 'lost interest', 'never comes up with unsolicited ideas' and 'doesn't take any initiatives to help the business'.

Clearly the onus is on the agency to avoid this happening and there are daily opportunities to volunteer suggestions and thoughts, which are relevant to the client's market and the brand within it. Clients should encourage this behaviour, commending the agency personnel who come up with market intelligence or business building ideas.

However it is also useful to create set-piece occasions on which a major injection of excitement can be made. Well-planned and prepared 'awaydays' are a tried and tested way of achieving this.

The reality is that most agencies operate on slim margins and typically spend so much in winning a piece of new business, that they are reluctant to invest more money in the client before they absolutely have to. In effect many agencies trade on the knowledge 'asset' that was created during the pitch, and though it is augmented by the on-going information generated on an account through tracking studies, audit data and the like, this 'asset' is essentially a depreciating one.

Sadly many agencies leave it too long before they make a significant re-investment, the client feels neglected and lacking in fresh thinking and an account review is called.

To avoid this syndrome, it's usually a very good idea for the agency to invest a modest sum of money in the account each year. This can be used to commission a couple of focus groups, a mystery shopper programme, or some trade interviews in order to create some stimulus for an 'awayday' or 'blue sky' brainstorming session.

The day spent away from the usual client or agency office environment and brainstorming new product concepts, line extensions, packaging ideas, etc, can reinvigorate the thinking on the main brand and do wonders for the relationship.

5. New people

Alarm bells always go off at the incumbent agency when there's a change of marketing director or other senior decision-maker. They also ring at every other agency with an alert new business department and the noise is positively deafening where previous contacts or prior working relationships exist.

Thus the incoming marketing director will face two challenges: first establishing a rapport with an agency they didn't appoint and secondly dealing with an onslaught of approaches by rival companies with irrefutable evidence that the account would be better off somewhere else, ie their own agency.

This is all part of the cut and thrust of one of the most competitive professional services markets in the world and a key contributor to its creativity and dynamism. However, the primary consideration must be given to the welfare of the brand.

It's irresponsible of the client not to make the effort to get to know the incumbent agency, understand its strategic approach and engage in intelligent debate on any areas of disagreement. It is much better to resolve any issues in this manner, without the Pavlovian response of calling an account review, which seems to be part and parcel of the trade press reporting of so many new appointments. (See sections 2: 'Has the relationship broken down irretrievably?' and 3: 'Approaches to re-building the client-agency relationship'.)

By the same token, the incumbent agency, all too well aware of the high statistical validity of the 'new client = account review' equation, has a responsibility to empathise with the new client's thinking on the brand. The agency needs to avoid the tendency to over-sell their existing approach and not do enough 'powerful listening' to their new client's point of view.

Where at all possible the agency needs to incorporate valid new ideas into the brand strategy, thus creating a new joint ownership of it. An 'awayday' and brand review combined is an excellent way of achieving this, as well as establishing the important social bonds between the agency and the client's newly reformed team.

Sometimes the chemistry simply does not work and a key individual on the agency team just can't hit it off with the new senior client. In these circumstances both parties have to be honest and pragmatic enough to acknowledge the issue and then move to resolve it.

In all but the smallest agencies, this is not difficult to achieve as there is going to be an alternative person who can swap into the role. Indeed it is possible to replace an entire team from within the same agency and this can produce an injection of new thinking, whilst preserving continuity with the top of the agency management.

6. Third party audits

Many sophisticated clients do value a long-term relationship with an agency, because they recognise the benefits of continuity and accumulated experience, and are increasingly considering the use of third party consultants on a retained basis to conduct regular 360 degree assessment/ audits of the relationship once it has been established.

Some even to the point of building the financing of these assessments into the remuneration arrangements with the agency, with both parties contributing to the cost of running a client agency relationship management review. (See section 10: 'Use a consultant'.)

Further reading

John Ward's book *Using and choosing and advertising agency, an insider's view*, published by WARC in 2000, gives some much more detailed guidelines, which can be applied to managing all sorts of marketing communications agency relationships.

See also: ISBA/ARC Research study: *Evaluating Advertising Agency Performance*, 1999 ISBN 0906 241 383.

28. MEASURING AND REPORTING EFFECTIVENESS

- **Responsible clients and their agencies put measures of effectiveness in place at the outset of any activity for the brand**
- **Regular reviews of effectiveness at Marketing or Communications Director level also enables reporting of key metrics at CEO and main board level**
- **Brand and reputation building is both an art and a science: client and agency partnering in the 'hypothetico-deductive process' can create a culture of continuous improvement**

Given the substantial sums of money that clients invest in their brands and corporate reputations through media advertising, public relations and marketing communications of all sorts, it is surprising that not all clients are rigorous in their evaluation of the effectiveness of this expenditure.

Clients seem to devote even less effort to assessing the true cost of the enormous sums spent on trade discounts, money-off and extra free promotions, despite considerable amounts of academic research, which demonstrate the damage that can be done to brand equity by their excessive use over time.

If a clear brief has been agreed with each agency assigned to the brand (see section 13: 'Clarifying the brief and the requirements of the brand'), then realistic goals will have been set in the context of the investment, the competitive environment and the economy.

Having done this, it is essential to put measures in place at the outset in order to know whether or not these goals have been achieved. Indeed the fastest growing method of remuneration, PBR, cannot be implemented without them. (See section 25: 'Agency remuneration'.)

Often, evaluation is something that is put in hand after the campaign has begun, or worse, after it's finished and only because a finance director or CEO has asked some awkward questions about the budget.

Best practice guide

A useful source of information in this context is 'Evaluation', the best practice guide to evaluating the effects of campaigns, which was produced by the IPA, ISBA, MCCA and PRCA in 2005 and is available from any of these organisations.

APPENDICES

STEP CHECK

Marketing

- Why are you looking to change agency?
- What are the current agency's strengths?
- What are the current agency's weaknesses?
- If you were unable to change agency what would you do to improve the situation?
- What does the current activity plan look like?
- What does the future activity plan look like?
- What services are you looking for from the agency?
- Is the grass really greener on the other side?
- Are there benefits in sticking with the devil you know?
- Has there been a fair review of the effectiveness of the agency's work?
- Has the agency management been given every opportunity to improve performance along agreed dimensions?
- Could the relationship be repaired through changes of personnel?
- Could you transfer the services internally? (In-sourcing.)

  - Is your expenditure on marketing communications sufficiently large and continuous to keep an in-house department busy enough to justify its cost?
  - Is the brand's creative requirement within the capability of the calibre of employees your company can afford to have on the payroll?
  - Is the use of freelancers an option?
  - Could one or more freelancers fulfil the brand's needs?
  - Do you have the skills and the time to manage these individuals?
  - Is there a role for arbitration?

Setting the marcomms budget

- A complex process, which also links to measurement of effectiveness.
- Important to establish budget size, because it can affect agency selection.
- Budgeting to tasks and objectives is increasingly the dominant method.
- Intuitive/rule of thumb: 'enough to do the job', based on experience.
- Maintaining previous spend, sometimes inflation adjusted: advertising as fixed cost.
- Percentage of previous sales: backward-looking, compounds failure (or rewards success).
- 'Affordable': what's left after cost and profit requirements are met.
- Residue of last year's profits – focuses on source of funds, not their use.
- Percentage of gross margin – begs questions of cost-efficiency.
- Percentage of forecast sales – most common method.
- Fixed cost per unit of sales – likely % of turnover.
- Cost per customer/capita – mostly business-to-business.
- Match competitors – assumes they are right.
- Match share of voice to brand share – like the above.
- Marginal return – direct response approach.

- Task approach: define objectives, and cost out how to reach them. Best in theory, but may require modeling.
- Modelling – the most sophisticated approach: not easy.
- Media weight tests – looks empirical, but usually difficult to evaluate, or replicate.
- How many different agencies does the brand require?

Conducting a review

- Has the client got an in-depth and up-to-date knowledge of agencies?
- If not, have you got the time to undertake the necessary due diligence?
- Alternatively, would retaining a specialist consultancy be of benefit?
- Conducting an agency review is a complex matter, whose outcome matters a great deal.
- Consultants can therefore play a very useful role in the process.
- Enlist the client team and commit diaries.
- Build up current knowledge of agencies in relevant sectors.

Involve Purchasing

- How good a negotiator are you and could purchasing/procurement do a better deal?
- Do purchasing/procurement really understand the creative process?
- Should there be a partnership between marketing and purchasing/ procurement from the beginning of the process?

The brief

- Invest time and effort in producing a written brief describing the brand's current position, and its future requirements.
- Invest time and effort in clarifying and agreeing the client's criteria in selecting an agency or agencies for the brand.
- Undertake due diligence in checking out an agency's reputation.
- Commit to an approved budget that the agency will be working to.

Agency remuneration

- It's never too early to talk about money.
- Agencies' remuneration should be viewed in the context of their added value.
- A useful source of information is 'Agency Remuneration', the best practice guide on how to pay agencies, which was produced by the IPA, ISBA, MCCA and PRCA in 2006 and is available from any of these organisations.

The issue of conflict

- Take a realistic view of client conflict and agree the parameters.
- Trade off the benefits of sector expertise with the security risk.
- Make more use of NDA agreements and emphasise confidentiality.
- Consider the benefit of agency experience in the sector.
- Ring fencing provisions.

Agency rosters

- Agency rosters provide reassurance for clients: not all the brand 'eggs' are in one 'basket'.
- Competing agencies can keep each other on their mettle.
- The process of assessing existing and potential agencies becomes an on-going process.
- Agency relationship management across a portfolio is a special skill.

Agency management

- Has the client the time and expertise to manage a disparate range of agencies specialising in different aspects of marketing communications?
- Should the client appoint a 'lead' agency to manage the process?
- Should the client appoint a 'one-stop-shop', select agencies within a marketing communications group or cherry-pick independents?

The pitch

- Workshops are a valuable new way to manage the agency selection process.
- They are less artificial than the traditional pitch.
- They give clients and agencies a deeper insight into working together.
- However they need very detailed preparation and professional assessment.

The selection process

- Response to specific briefs, tasks and exercises set.
- Communication skills (listening, talking and presenting).
- Interpersonal and social skills.
- Internal team dynamics (within agency).
- External team dynamics (between agency and client).
- Creative ability (right-hand brain).
- Analytical ability (left -and brain).
- Learning ability.
- Prioritising and decision-making ability.
- Negotiating skills.
- Ethics, values and attitudes.
- Strategic thinking.
- Project planning and management.
- Craft skills and functional expertise.
- Market sector expertise and brand understanding.
- Knowledge of branding and the role of marcomms.
- Wider business experience and expertise.
- The use of trial projects.

Managing the hand over process

- The client should take the initiative and ensure there is a hand-over.
- The client should consider mandating a hand-over in the agency contract.
- Most agencies will go the 'extra mile' in the context of a satisfactory financial conclusion to the relationship.

Maintaining the relationship

- Agency relationships are valuable to clients and need active management.
- The analogy with marriage is a good one: relationships need working at.
- Good communications, shared objectives, common interests, injecting excitement, and adjusting to the arrival of new people are key areas.
- Third party audits of the relationship can also be helpful.

POST-PITCH FEEDBACK FORM – Creative agency evaluation

Name of Client company: ....

Name of Client (optional): ....

Name of Agency: ....

Name of Brand / project: ....

Please circle appropriate number	1 Agree strongly	2 Agree slightly	3 Neither agree nor disagree	4 Disagree slightly	5 Disagree strongly
Pre-pitch					
Our understanding of the agency in terms of its size, positioning, capabilities and its overall offering was clear prior to our first meeting	1	2	3	4	5
The agency lived up to these expectations at the first credentials meeting	1	2	3	4	5
The agency asked insightful questions and demonstrated a good understanding of our business / market at our first meeting	1	2	3	4	5
We were impressed by the team that we met and felt that the chemistry between us was good	1	2	3	4	5
We felt that there was likely to be a good cultural fit between ourselves and the agency	1	2	3	4	5

	1	2	3	4	5
Background and objectives					
The agency demonstrated a real understanding of where are we now (the current position of the brand, its background and the key issues it faces and which define the start point for the journey on which communications will take the brand)	1	2	3	4	5
The agency demonstrated a real understanding of where we want to be (the desired destination of the journey on which successful communications need to take our brand in the context of our overall corporate business and marketing plan, as well as of what will be achievable)	1	2	3	4	5
The agency demonstrated a real understanding of what we need to do to get there (in terms of our total marketing programme and the role of communications within it)	1	2	3	4	5
The agency demonstrated a real understanding of how we'll know we've arrived (in terms of setting targets and measures to evaluate their proposed campaign)	1	2	3	4	5

Please circle appropriate number	1 Agree strongly	2 Agree slightly	3 Neither agree nor disagree	4 Disagree slightly	5 Disagree strongly
Customer insight and communications strategy					
The agency demonstrated an in-depth understanding of both our business and our consumers	1	2	3	4	5
Their customer insight was strong and was the basis for powerful brand communications	1	2	3	4	5
The agency defined the role for communications clearly in the context of the brand's overall marketing strategy	1	2	3	4	5
The agency's strategic recommendations clearly addressed the specific issues in our brief	1	2	3	4	5

Creative proposals					
The link between the agency's strategic thinking and the creative idea was strong	1	2	3	4	5
The agency presented a 'big idea' for the brand, which was 'campaignable' and could clearly be delivered through most media and communications channels	1	2	3	4	5
The creative idea appeared to be deliverable in the required timescale and affordable	1	2	3	4	5

Team and presentation					
We had an appropriate amount of contact with the agency team during the pitch process	1	2	3	4	5
We felt the team were committed to our brand / business and would be hardworking and proactive	1	2	3	4	5
We felt that the team would be collaborative and good to work with	1	2	3	4	5
The agency fielded the most appropriate team on the pitch day	1	2	3	4	5
The agency presentation was delivered clearly and professionally	1	2	3	4	5
Our questions were clearly answered	1	2	3	4	5
The agency's presentation documentation was well produced and provided a good summary and rationale for their recommendations	1	2	3	4	5
The agency's post-pitch follow-up was appropriate	1	2	3	4	5

Remuneration					
The agency put forward a clear, fair and understandable proposal which seemed likely to incentivise them whilst delivering value for us	1	2	3	4	5

Overall

What did this agency do that was markedly better than the other agencies that were pitching?

....

....

What did any/all of the other agencies do that was markedly better than this agency?

....

....

What was the single most important factor in this agency winning / not winning the business?

....

....

Are there any other comments that you would feel would help this agency for future pitches?

....

....

POST-PITCH FEEDBACK FORM – Media agency evaluation

Name of Client company: … ....

Name of Client (optional):   ....

Name of Agency: ....

Name of Brand / project: ....

Please circle appropriate number	1 *Agree strongly*	2 *Agree slightly*	3 *Neither agree nor disagree*	4 *Disagree slightly*	5 *Disagree strongly*
Pre-pitch					
Our understanding of the agency in terms of its size, positioning, capabilities and its overall offering was clear prior to our first meeting	1	2	3	4	5
The agency lived up to these expectations at the first credentials meeting	1	2	3	4	5
The agency asked insightful questions and demonstrated a good understanding of our business / market at our first meeting	1	2	3	4	5
We were impressed by the team that we met and felt that the chemistry between us was good	1	2	3	4	5
We felt that there was likely to be a good cultural fit between ourselves and the agency	1	2	3	4	5

	1	2	3	4	5
Background and objectives					
The agency demonstrated a real understanding of where are we now (the current position of the brand, its background and the key issues it faces and which define the start point for the journey on which communications will take the brand)	1	2	3	4	5
The agency demonstrated a real understanding of where we want to be (the desired destination of the journey on which successful communications need to take our brand in the context of our overall corporate business and marketing plan, as well as of what will be achievable)	1	2	3	4	5
The agency demonstrated a real understanding of what we need to do to get there (in terms of our total marketing programme and the role of communications within it)	1	2	3	4	5
The agency demonstrated a real understanding of how we'll know we've arrived (in terms of setting targets and measures to evaluate their proposed campaign)	1	2	3	4	5

Please circle appropriate number	1 *Agree strongly*	2 *Agree slightly*	3 *Neither agree nor disagree*	4 *Disagree slightly*	5 *Disagree strongly*
Customer insight and media strategy					
The agency demonstrated an in-depth understanding of both our business and our consumers	1	2	3	4	5
Their customer insight was strong and was the basis for a powerful media strategy	1	2	3	4	5
The agency's strategic recommendations clearly addressed the specific issues in our brief	1	2	3	4	5
Media plan					
The link between the agency's strategic thinking and the media plan was strong	1	2	3	4	5
The agency's ideas were pioneering	1	2	3	4	5
The agency's ideas appeared to be deliverable, practical and affordable	1	2	3	4	5
The agency's buying capability offered competitive rates, incremental value and quality	1	2	3	4	5
Team and presentation					
We had an appropriate amount of contact with the agency team during the pitch process	1	2	3	4	5
We felt the team were committed to our brand / business and would be hardworking and proactive	1	2	3	4	5
We felt that the team would be collaborative and good to work with	1	2	3	4	5
The agency fielded the most appropriate team on the pitch day	1	2	3	4	5
The agency presentation was delivered clearly and professionally	1	2	3	4	5
Our questions were clearly answered	1	2	3	4	5
The agency's presentation documentation was well produced and provided a good summary and rationale for their recommendations	1	2	3	4	5
The agency's post-pitch follow-up was appropriate	1	2	3	4	5
Remuneration					
The agency put forward a clear, fair and understandable proposal which seemed likely to incentivise them whilst delivering value for us	1	2	3	4	5

Overall

What did this agency do that was markedly better than the other agencies that were pitching?

....

....

What did any/all of the other agencies do that was markedly better than this agency?

....

....

What was the single most important factor in this agency winning / not winning the business?

....

....

Are there any other comments that you would feel would help this agency for future pitches?

....

....