

FINDING THE RIGHT CREATIVE AGENCY

A best practice guide
to selecting Irish
creative & strategic
agencies.

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CONTENTS

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INTRODUCTION.....	3
1. WHY ARE YOU PITCHING?	4
2. HOW TO MANAGE THE PITCH?	5
3. WRITING THE BRIEF & CLARIFYING THE REQUIREMENTS.....	7
4. SELECTING THE AGENCIES	7
5. THE PITCH PROCESS – AN OVERVIEW	8
6. COLLABORATION	12
7. NAME THE COMPETING AGENCIES UP-FRONT.....	12
8. TIMETABLE OF TYPICAL PITCH	13
9. PITCH COSTS - THE REALITIES	14
10. OTHER POINTS ON THE PITCH	15
11. ON THE DAY OF THE PITCH.....	15
12. CREATIVE AND INTELLECTUAL RIGHT OF CREATIVE WORK	16
13. NOTIFICATION TO THE WINNING AND UNSUCCESSFUL AGENCIES	16
14. THE HANDOVER PROCESS	17
15. PR.....	17
16. CONCLUSION	18

INTRODUCTION

We all know that the success of a great brand depends on a great client/agency partnership. At its best this relationship is an active partnership of collaboration and transparency. But relationships change and clients may need to move agencies for a variety of reasons.

Choosing an agency can be a complex process and making a wrong decision can be costly in terms of time and money for all concerned.

In order to help you to make the best decision for your business, the Institute of Advertising Practitioners in Ireland (IAPI) has created this client guide to Finding the Right Agency.

To complement this guide, IAPI has also created a complete resource hub for pitches on iapi.ie. You can easily download a suite of documents, templates and contracts you will need for the process of pitching.

To be as relevant as possible to your requirements, we have sought and received inputs and contributions from a wide variety of industry sources. These include marketers, IAPI member agencies and various pitch consultants.

We believe that this guide will offer practical guidelines and pragmatic advice when it comes to choosing a new agency partner – whether that's a creative, digital, PR, direct marketing agency or a combination of such agencies.

Of course, the ultimate objective of the pitching process is actually quite simple. It's about forging an effective relationship with a business partner to grow and develop your brand in the years ahead.

1. WHY ARE YOU PITCHING?

Selecting and appointing an agency is a time-intensive process for both you the advertiser, and the agencies you wish to engage in the pitch.

There are many reasons to pitch: a change of management in the client/agency business, a new direction for the brand that may need a fresh approach, changes in your current agency team, a standard agreed contractual review, for good corporate governance, or a review of costs.

We recommend that prior to pitching, you should work with your current agency to assess the needs of your business and work towards potentially resolving the issues before deciding if a pitch is necessary. A 360 degree analysis can be helpful in identifying the challenges, and can offer valuable learnings for both the agency and the client.

In many instances the issues can be resolved without calling a pitch. No IAPI agency wants to lose business and would ideally like to work with you to solve the issues prior to a pitch being called.

We recommend that formal reviews should be held every six months during a contract period between you and your agency in order to identify and address on-going issues so as to pre-empt them becoming serious or even fundamental in your relationship.

Next steps before you commit to a review

Budget:

It is important to be aware of the budget available. If the agency fee income is likely to be less than €50k we do not recommend a full pitch approach as pitches are expensive for agencies and time consuming for clients. An alternative route to finding the right agency can be found on iapi.ie

Involve the key people in the decision:

If a review is deemed to be the right course of action, ensure that your company's top management, including the procurement department, fully endorse the decision to pitch and are aware of the full process. **Ensure that key decision makers are clearly identified and enlisted from the outset so that, at no stage, can they overturn a decision made by your pitch team that will impact on the timing and cost of the pitch process.**

Check the client/agency contract

Check the contract you have with your current agency and take note of the notice period and all terms of the contract. Notice must be given to the agency in accordance with your contract if this is the route you choose.

2. HOW TO MANAGE THE PITCH

Dealing with the incumbent

It is important to be direct and clear with the incumbent agency, giving the required notice period as stated in the contract. Serious thought should be given as to whether or, not you wish the incumbent agency to pitch. Clearly identify if you do not wish to invite them to pitch and explain your decision.

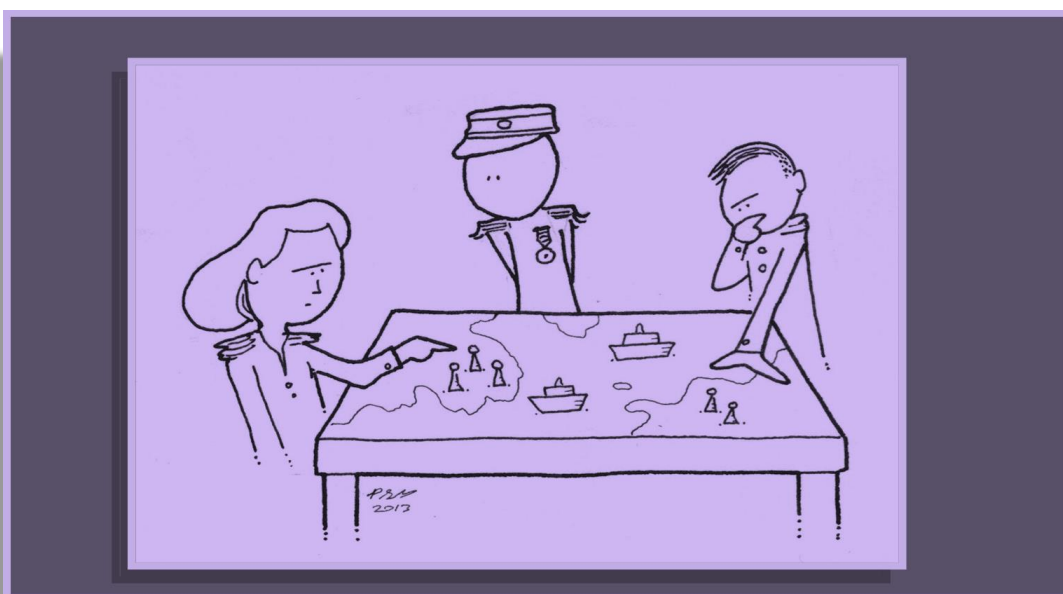
Conducting the process In-House

Many clients can and do decide to manage this process independently. The most important thing is to get your decision-making team in place as early as possible. Very often clients underestimate the time and effort required to complete a successful pitch process. We would strongly advise that key diary dates for your company's pitch team be agreed and blocked-off as soon as possible, so that your key decision makers are available and present at the vital meetings throughout the entire process.

Using a pitch consultant

Because selecting an agency is a relatively infrequent activity and because the marketing communications industry is changing so fast, it is hard to keep a finger on the pulse, especially if it is a first time for your company to undertake a pitch. One option that marketers may choose is to use a pitch consultant to help with the pitching process. IAPI has accredited a number of pitch consultants who follow the agreed guidelines and these have been supported by the AAI.

A full list of accredited consultants is available on the IAPI (iapi.ie) and AAI (aai.ie) websites. It is important to introduce a pitch consultant as early as possible into the process if this is the route you choose.



Confidentiality

A mutual non-disclosure/confidentiality agreement (NDA) 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. IAPI has a model NDA template for agency and client use available from their Guides and Reports section on www.iapi.ie.

The Sealed Pitch

For most agencies, participating in a 'sealed pitch', usually conducted through a procurement department, is the least satisfactory of all options. We understand that for statutory reasons, government business in particular, often insists on a bid with strategy and creative presented in a sealed envelope. All agencies who have been asked to bid in such a process should be subsequently allowed to pitch in person.

This seems only fair as we believe that a client is not just buying work but entering into a relationship with an agency, and also the creative approach needs to be explained by a specialist. Dates for your company's pitch team should be agreed and blocked-off as soon as possible, so that your key decision makers are available and present at the vital meetings throughout the entire process.



3. WRITING THE BRIEF & CLARIFYING THE REQUIREMENTS OF THE BRAND



The purpose of the pitch brief is to give the agencies as much information as possible in order to find a solution for your brand.

The brief should take into account the current life cycle of the brand and what objectives need to be achieved. To help agencies you should also include the reason that the business is up for review and what are the brand's marketing and communication needs. In the brief you should be realistic about your budget, as this will have an influence on your agency selection.

Be clear about the nature of the services that you believe your brand requires (e.g. some or all of brand planning/strategic thinking, communications planning, creative development, digital, PR, events, etc).

4. SELECTING THE AGENCIES

It is entirely up to you how you draw up a long list of agencies for the chemistry meeting (which is explained in detail on the next page).

However, if an agency cannot be appointed following this process, then you will need to be decisive about reducing the list **to 3-4 agencies for either a Strategic Pitch or Strategic & Creative Pitch**. It is best to talk to each of the agencies on the shortlist to make sure they are happy to go ahead prior to contacting those who have been unsuccessful.

5. THE PITCH PROCESS – AN OVERVIEW



Pitch formats are not set in stone. Agencies like to experiment with different ways of demonstrating the quality of their insight, planning and creativity, while clients like to be challenged and surprised.

The circumstances surrounding your decision to pitch your business are unique to your brand. The pitch that wins your business should be the one that demonstrates the best understanding of the challenges your brand faces in the next phase of its development. To make that more likely to happen, agencies need to invest time and talent in gaining an understanding of your business.

The 4 potential processes outlined on the following pages are:

- 1. The Chemistry Meeting**
- 2. The Strategic (Agile) Pitch**
- 3. The Strategic & Creative Pitch**
- 4. Workshops**

The Chemistry Meeting

To be fair to all parties, all reviews and pitch processes have to begin with a Chemistry Meeting.

This meeting is an introductory session which takes place before any tasks are given to the agency. It should be with key agency management and their proposed team. For a really productive chemistry meeting you should tell the agency what you hope to achieve overall in your agency relationship, what you want to see from the agency and if possible what went right and wrong with the incumbent agency.

The chemistry meeting

This is part of the long list process at the start of any pitch and we recommend you meet with as many agencies as you wish.

The chemistry meeting between client and agency can be as vital as the actual pitch as it often quickly answers important fundamental questions like:

- Can we work together?
- Is this the sort of agency we want?
- Will they be effective for our business?



Agencies should be given **two-weeks' notice**, and the materials you should ask for at a chemistry meeting are:

- **Case studies** – this shows how an agency thinks, their approach to business, effectiveness of their work and their learnings.
- **Previous creative work** – if there is a particular campaign you would like to see from an agency, request it.
- **A strategic POV** of your business and the environment in which it operates.

This may seem like an exhaustive process but it could be well worth the investment of a few days out of the office. Very often it challenges – or indeed confirms – a clients' preconceptions about a certain agency. This can cut down on time wasted by having the wrong kind of agency on your long or short list.

We strongly advise that you do not settle on your final pitch shortlist until you have had brief, business-like chemistry meetings with your long-list of agencies. In general, there are two broad pitch formats: the **Strategic Pitch** and the **Strategic & Creative Pitch**, both of which allow for flexibility within their frameworks.

The Strategic (Agile) Pitch

Strategic Pitch (recommended)

3 – 4 agencies short-listed - 4 week process



The Strategic Pitch usually concentrates on uncovering the strategic answer to the specific brief and stops short of producing creative work. *This stage of the process is very similar to the **Agile Pitch Guidelines** IAPI recommends for budgets under €300k or project work. These can be found on www.iapi.ie.*

The maximum number of agencies that should be invited to participate in the Strategic Pitch is four (4).

Because the Strategic Pitch involves no speculative creative work, it allows the client to focus on the agency's strategic thinking and its ability to create solutions that solve the business issues at hand.

By their very nature agencies are competitive and like to go the extra mile to win business. By agreeing with the client to focus on the strategic issues, participating agencies enable the client to clearly see the quality of their insight and thinking without getting bogged down in the detail of rough creative or outline media schedules.

The benefits to clients of assessing an agency based on its strategic ideas are as follows:

- Ideal approach if the client company faces a genuine dilemma as to the brand's position in the marketplace.
- Focuses the agency talent and capabilities on solving the key business issues, not on the detail of rough creative work.
- It centres the key discussions on the strategic issues, whilst also giving clients an opportunity to see how the agency team dynamic works.
- This process chooses the best agency for the future of your brand rather than the creative content for your next campaign.
- Creativity is judged on successful previous agency work.
- Less costly for all involved.

The Strategic & Creative Pitch

The Strategy & Creative Pitch

3 – 4 agencies short-listed - 6 week process



The Strategic & Creative Pitch takes that next step by creating speculative work in line with the strategy (print roughs, storyboards, animatics, etc.) to various degrees of finish for the pitch.

The maximum number of agencies that should be invited to participate in the Strategic & Creative Pitch is FOUR (4).

This demands the most complete response to the brief. In less than six weeks the agencies need to understand the market, identify the target group, generate ideas and produce a final creative presentation for the pitch. Increasingly, clients are questioning the logic of 'the beauty parade' approach where highly detailed creative and media solutions are presented at this stage in the process.

A full Strategy & Creative pitch can be recommended in cases where a brand is absolutely confident of its position in the marketplace but wishes to explore new creative executions. In this case, your collective focus should be on the quality of the creative idea and this should be demonstrated through three to five executions that show how the idea can work across various media: TV, Online, Radio, Print.

The current best practice suggests that requesting a long list of deliverables is unnecessary and potentially distracting. Great ideas that drive growth for your brand should jump off one page.

It is also important to note that what is presented at this type of pitch is rarely the end product that will run in media. It will usually be substantially refined after appointment of the agency e.g. upon further client input or research testing with consumer groups.

Workshops

Workshops are a valuable and increasingly popular way to manage the agency selection process – particularly where time is of the essence. They enable the client and agency to get an immediate and deeper insight into the realities of working together.

Typically, a workshop will be a half-day session in chemistry assessment, team building and problem solving. This is normally with just one agency that has emerged from the selection process as a front runner. It is an exercise involving both you and the agency personnel who will work on your account should they be finally appointed. It goes beyond the 'beauty-parade' of the traditional agency pitch and brings client and agency together in a live and practical process that concentrates on the client's specific requirements.

6. COLLABORATION

The client should be willing to share, on a confidential basis, market data and other quantitative and qualitative research. This enables agencies to focus their efforts on original enquires which will add real value.

You should also actively encourage agency personnel to access people in your company and not just those working in the communications department. Sometimes it is the meeting with people in R&D, the factory visit, or the chance conversation with a sales executive that can lead to that breakthrough insight or idea.

7. NAME THE COMPETING AGENCIES UP-FRONT

It's a good idea to announce the list of agencies taking part in the pitch as part of the openness that makes for better working relationships. Ideally there should be no additions or changes other than in exceptional circumstances and agencies should be made aware of any late additions or withdrawals throughout the pitch process.

All agencies that show an interest in the tender can complete an RFI or Standard Credentials Criteria form which can be downloaded from the iapi.ie website.

8. TIMETABLE OF TYPICAL PITCH

Obviously, a long-drawn-out pitch process benefits neither the client nor the agency.

By the same token preparing a successful pitch takes time.

So, before the process begins it is important to consider the time necessary for a proper response to the brief. Prepare a timetable for the total pitching and decision-making process and stick to it. Six weeks is the suggested minimum timescale for all pitches (creative, digital, media) to enable all agencies to produce a full pitch.

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

Week 1 – 2

This might include: 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.

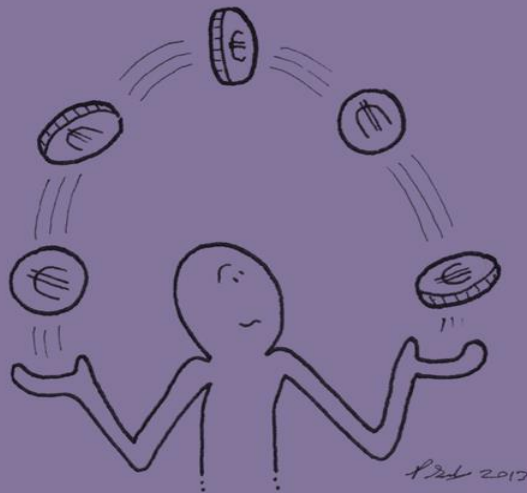
Week 3 – 4

Idea development and exploratory idea development research to evolve and validate ideas. Further research and analysis to validate and support the strategy and refine the customer insight is conducted.

Week 5 – 6

Refinement of idea 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, media solutions, media plans, presentation charts and documents.

9. PITCH COSTS - THE REALITIES



When an agency agrees to compete in a pitch tendering process, they will already have decided to invest their time and resources in order to persuade a potential or existing client that they are capable of providing them with the best possible solution.

Depending on the size and scale of the competitive pitch, the agency will assign a suitable team to work on the pitch process. This can involve, at a minimum, six to eight individuals; while as many as ten to twelve people may be assigned to work on a larger pitch. At some stage in the process, it is entirely likely that additional members of the agency team will also become involved.

For this reason, tight management of resources is critical for agencies. This is also a key reason why it is important that all parties involved are crystal clear on what is expected from the agencies working on the pitch.

The potentially large numbers of agency personnel assigned to work on the pitch, often means that key individuals cannot undertake billable client time on existing business.

All pitching time is therefore lost income to an agency. For this reason, it is important to be realistic and reasonable.

Naturally, agencies want to have their work seen in the best possible light but at pitch stage it should be agreed between agency and client that highly finished roughs are not necessary so that costs are controlled and kept to the minimum.

If you decide to change agency, look on the pitching experience as a real opportunity to review both your costs and your processes in driving efficient and effective ways to do business. IAPI member agencies are open to working with prospective clients to ensure that the remuneration process is both fair and transparent, and that everything works for both clients and agencies.

10. OTHER POINTS ON THE PITCH

A marking/scoring scheme is a very important part of the pitching process especially when it comes to giving agencies feedback. The scoring system being used should be shared with all agencies from the outset.

Below is an example of points to consider.

(visit www.iapi.ie to download a feedback/marking template).

Quality of the team

Strategic planning inputs/process

Original creative

thinking

Evidence of collaboration with other parties

Analytics/ability to interpret data Research/provide insights

Technical expertise and capabilities

Remuneration

Efficient and transparent billing/invoicing

Evidence of benefit of collaboration with other parties

Evidence of benefit of collaboration with network/international offices (if applicable)

11. ON THE DAY OF THE PITCH

- Decide if the pitch will take place on the agency's premises or off site. We recommend having the pitch at the agency's office.
- If off site, advise the agencies on presentation facilities and allow advance access to the room.
- Ideally the agency should be able to set up before your arrival.
- Make sure your timings allow for at least an hour between each pitch.
- The agency team presenting should be those people that will be working on the account.
- The decision makers should be present and include all client levels that influence the brand.

12. CREATIVE AND INTELLECTUAL RIGHT OF CREATIVE WORK

We recommend the use of the copyright logo © on agency documents and materials used for a pitch presentation. You should be fully aware that all strategic recommendations and creative concepts/ideas presented at pitches remain the property of the agency. Legal action can then be taken if necessary. It is very important that both sides are clear on this issue.

Both you and the participating agencies should enter into a NDA (Non-Disclosure Agreement) also known as a Confidentiality Agreement which is available to download from the IAPI website. The NDA serves to protect both you and the agency covering copyright, intellectual right issues, and business or financial information.

13. NOTIFICATION TO THE WINNING AND UNSUCCESSFUL AGENCIES

- We recommend that all agencies are treated courteously and professionally and advised promptly if they have been successful or not, initially by a telephone call rather than an email or letter.
- Plan the timing of the notification in light of the PR strategy that should already have been decided in-house by the client.
- A de-briefing on the key reasons for non-selection is also required. This should be formed from the marking scheme used during the pitch.
- The incumbent should be notified on the same day as all others even if they are not involved in the pitch process.
- The first point is to make sure a contract is signed. With the enthusiasm of a new account it can be often left to the side. It is good practice to sign the contract before any announcements are made. And the issue of remuneration should also be finalised at this stage. Any fixed terms that are non-negotiable should be clearly stated e.g. payment terms. IAPI recommend 30 days.
- A measuring system of effectiveness should be put in place. We recommend that formal reviews should be held every 6 months to discuss the progress, bearing in mind this is a two-way process.

14. THE HANDOVER PROCESS

A clear and organised handover of assets from the old to the new agency is essential to the successful conclusion of the pitch process. Indeed, it should be written into the contract with the agency. This should specify that the handover gets done within the notice period and before the final financial settlement is made. Review your contract with the agency and honour the notice period and any outstanding payment due.

Have you considered TUPE?

TUPE is an important issue to be aware of. **Transfer of Undertakings Protection of Employment Regulations 2006**, sets out details regarding the termination of contracts. Under the regulations, any employees who have been 'dedicated' to the client account have the right of transfer of 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 you read contracts and Service Level Agreements in detail to ensure that you are fully aware of the status and ownership of source files, broadcast files, talent contracts, etc.

15. PR

If PR is to take place around the announcement of a new agency handling the brand, it is important to make sure each agency is involved in the process ensuring that the incumbent is aware of the outcome beforehand.

Prepare clear media statements when announcing a pitch and when the new appointment is made. Acknowledge the contribution, if merited, of the incumbent agency. This will be in everyone's interest.

16. CONCLUSION


A successful pitch process takes time and effort for all those involved.

On the IAPI website you can download the following:

- **Request for information (RFI)**
- **Non-disclosure agreement (NDA)**
- **A template for an agency brief**
- **A post pitch feedback marking scheme**
- **IAPI approved standard contract**

For clients it should also be an exciting and rewarding time. Finding the right agency can result in the rejuvenation of your brand. It should unearth new insights and open exciting possibilities in the marketplace.

Yet this can only happen when there is a strong client/agency relationship established that sees beyond what the next campaign might be and looks to the future growth and development of the brand in the years ahead.



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