

Pitching process

The Health Communications Council's new Membership Charter aims to bring greater fairness to competitive pitches

One of the greatest areas of contention between commercial communications agencies and their clients is the competitive 'pitch', which increasingly involves a larger number of agencies fighting one another for shrinking budgets.

In 2010, the European Association of Communications Agencies (EACA) released guidelines with the World Federation of Advertisers (WFA) on how to organise, conduct and conclude a pitch process leading to a new client-agency relationship. Created with regional or global assignments in mind, it also provided guidance for agencies and clients at a local level where no national guidelines existed. The guidelines aimed to promote best practice globally, to help agencies pitch successfully and marketers to find the most suitable agencies.

"Practical guidelines based on what has been proven to work can save everyone valuable time and money and ensure agencies compete in a fair environment"

Now, the Health Communications Council (HCC) of EACA, which was established in 2006 to represent the leading international agency networks in the healthcare field, including WPP, Publicis, Interpublic, Omnicom, Havas and other independent networks such as GSW and Indigenus, has issued its own Membership Charter. Its goal is to create mutual trust between clients and agencies through joint acceptance of defined principles to ensure a professional and competitive marketplace for the provision of high quality communications services to advertisers.

A competitive pitch can be part of the process of ensuring that marketing budgets create maximum value for the brand concerned. It can be required to provide more effective communications solutions, more harmonious or constructive working relationships, or to create greater cost-effectiveness. It can also enable more successful agencies to grow and challenge for more business, so ensuring revitalisation of the agency sector, providing new resources and wider choice for clients.

However, much time and money is often wasted on pitching, by both agencies and clients. If the process is faulty, it can lead to unproductive solutions that have to be undone, at further expense and disruption to the brand.

The increasing involvement of procurement in the area of agency relationships has added a further

layer of complexity to the pitch process.

As well as being one of the most time- and resource-consuming aspects of agency business, the pitch process is often frustrating because of lack of clarity or direction. In a 2009 survey of WFA members, the average amount of time taken for a global/regional pitch was just under four months. Marketers recognise that, given the complexity of the task, which can often involve as many as 20 agencies at the outset, bad planning is one of the biggest obstacles to concluding a successful pitch.

Practical guidelines based on what has been proven to work can save everyone valuable time and money and ensure agencies compete in a fair environment.

The Membership Charter addresses two aspects of the pitching process: rules and requirements for agencies and clients, as well as best practice recommendations.

For agencies, the focus is on transparency, timing and data disclosure. Under the new procedure, agencies must: send the 'EACA-HCC Pitch Best Practice Charter' to the prospective client as soon as they are invited to an international pitch and request reasonable timing between briefing and first presentation (the recommended minimum is four weeks); obtain a 'non disclosure agreement' concerning any agency information and agreement not to disclose in 'Requests for Information' financial data such as turnover, margins, overheads or profitability unless it is publicly available; inform EACA of any planned reverse auctions and take part in full creative pitches only when less than four agencies are participating.

Additionally, there should be disclosure from the client on the status of the incumbent agency. There will be occasions where the decision to pitch will represent a vote of no confidence in the incumbent (maybe after a period of trying hard to make it work). In that situation it is almost certainly in the interests of all parties for the client to tell the incumbent not to re-pitch. Equally, there will be times when an agency will not wish to re-pitch.

However, in the majority of cases, clients will want to create an equitable arena where the incumbent's participation in the pitch will be welcome and will enrich the process. This is certainly true of 'statutory' re-pitches, where a client's own rules require new tenders to be issued after particular periods, such as at intervals of three or five years. It is also the case with many well-managed pitches. Folklore has it that incumbents seldom retain business, but statistics confound this theory. Reappointment happens frequently and clients should give incumbents every encouragement to put their experience to good effect.

For clients, the focus is on clarity, openness and fairness.

Clients are asked to respect the high level of investment that pitches represent for agencies by ensuring that the process is as efficient, open and timely as possible.

“Clients are asked to respect the high level of investment that pitches represent for agencies by ensuring that the process is as efficient, open and timely as possible”

This includes providing a written brief and preferably offering the opportunity for a telephone or face-to-face briefing without all other pitching agencies involved and, as part of the brief, clearly setting out the precise limits of the scope of work, overall available budget, timing and geographical coverage, along with an indication of the expected date of engagement for the assigned agency. In addition, they should state which other vendors are involved, such as PR, digital, or media buying, explaining whether local agencies will be included at national level as well. Further, they should invite no more than four agencies to participate in a full creative pitch and disclose the status with the incumbent agency. Finally, all pitch presentations should be made within one week of each other and additional agencies should not be invited at the last minute, which would give them additional time.

Plus, the Charter offers four best practice suggestions

for clients, to improve the pitch process. These are:

- If a Request For Information (RFI)/Request For Proposal (RFP) process is instigated, clearly inform agencies of all the stages involved in the selection process and their approximate timings
- Establish and share the evaluation procedure (criteria, notation, decision makers) and the date of the announcement of results
- Inform all agencies of the results of the pitch as soon as the decision has been taken and give full and objective feedback regarding the decision
- Provide a contribution to out-of-pocket expenses of, for example, €5000, for international pitches.

The agencies want the best for their existing and potential clients and they are more than happy to invest time and effort in delivering world-class programmes. In return, a process which recognises the significant resource and cost-intensive strain that poorly-planned pitch processes place on agencies and seeks to create a fairer and more transparent system will not only help them, but benefit clients too through a cleaner, quicker and more efficient selection process leading to more productive, longer-lasting and, ultimately, more profitable relationships for both parties.

View the HCC Membership Charter at:
<http://www.eaca.be/hcc/index.asp>

The Author

Max Jackson is the chairman of the EACA Health Communications Council and CEO for EMEA and APAC at Sudler & Hennessey.

torrelazurmccann.co.uk



TORRE LAZUR McCANN



Follow us at twitter.com/TLMLondon