

FINDING AN AGENCY

A best practice guide to agency search and selection

Joint industry guidelines for marketing professionals in working effectively with agencies



“NEW BUSINESS IS AN AGENCY’S LIFEBLOOD. IT’S ALSO ITS SWEAT AND TEARS.”

For an agency, succeeding in winning a new client can be one of the most exciting and rewarding aspects of the business. The benefits in financial terms are pretty obvious, but so too are the emotional and psychological ones as the agency gains in self-confidence and rises to new heights in terms of innovation, creativity and service.

However, agencies are realistic and appreciate that the chances of winning 100% of the time are negligible, so they build into their calculations the likelihood of success and make their investment in developing new client relationships accordingly.

This is why these joint industry best practice guidelines are so important and why the memberships of the client and agency trade bodies must abide by them. Together we can create a context in which both clients and agencies can have the best of both worlds.

In simple terms this means that clients can go through a process that enables them to screen a good number of agencies at a series of clearly defined stages, thus giving them plenty of choice, but without requiring agencies to incur excessive costs.

From the agency point of view, they can participate in the process with a clearer idea of the odds at any point and make their investment decision accordingly.

Both parties share the same goal, which is to end up in a long-term relationship which produces outstanding work that builds brands and corporate reputations.

HAMISH PRINGLE
IPA - Director General
CAF - Member



“THE UK IS A WORLD LEADER IN MARKETING COMMUNICATIONS. WITH THE HELP OF THIS GUIDE IT CAN BE TOP IN AGENCY SEARCH TOO.”

Clients need agencies and agencies need clients, but finding that perfect fit, the right chemistry, the right talent, shared culture and philosophy can often be a long and winding search. Best practice guidance on the agency selection process can only help speed the path to the right relationship. Consequently I highly commend the advice in this guidance note and know it will help any client about to take steps onto the search road.

Contrary to what many people think, few clients go into the process of looking for a new agency with relish. In fact it is often more akin to a ‘distress purchase’. If the existing client-agency relationship has broken down, then it means there’s been a serious problem with the communications between the parties and more than likely between the brand and its customers.

Whilst a client may embark on the selection process in a spirit of excitement and optimism at the thought of a new start, there is often

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ISBA - Director of Membership Services



the nagging doubt that despite their best efforts they may make the wrong decision and end up in difficulties again. This is an outcome they are extremely anxious to avoid, and as a result they sometimes take an over-bureaucratic, lengthy and costly approach to the pitch process.

In working with the agency trade bodies on the new business process, I believe that ISBA has helped produce best practice guidelines of a world-class calibre. I’m confident the guidance will enable marketing and communications people in client companies to search for and select their agency partners in the most cost-effective and professional manner. As a bonus the guide also contains good advice on maintaining the relationship and keeping it lively and healthy for a sustained period, and we know that’s good for brands and business!

TEN KEY CONSIDERATIONS BEFORE UNDERTAKING A REVIEW

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

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 PURCHASING INVOLVED?

If your company has a purchasing function, then marketing or corporate communications should involve these colleagues from the outset, to ensure value is added overall, 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 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 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.

7 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 future requirements 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'.

“BE VERY CLEAR THAT CHANGING AGENCY WOULD BE IN THE BEST INTERESTS OF THE BRAND AND THE ORGANISATION.”

8 WHAT KIND OF PITCH WILL YOU HOLD?

Give some thought to the type of pitch 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.

9 DO YOU REQUIRE CONFIDENTIALITY?

Before the search process begins both you and the participating agencies need to consider entering into a mutual confidentiality/non-disclosure agreement to deal with issues concerning copyright and intellectual property. This should cover materials supplied by you for the pitch, and those produced by the agency in response.

10 HOW WILL YOU HANDLE PUBLICITY?

It is advisable to prepare a communications 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.

IN REAL LIFE

WITH MARTIN JONES

A FEW MORE TIPS

In addition to all the good advice contained in the guide, here are three additional tips to make the process of choosing an agency, as painless as possible:

- 1. Use the pitch process to decide WHICH agency to appoint rather than which type of agency. Eclectic pitch lists often mean that the client hasn't really thought through their criteria.*
- 2. If you are trying to keep your review confidential, don't ask agencies to sign into the visitor's book! The cat will be out of the bag very quickly.*
- 3. Never forget that choosing a new agency is invariably a subjective decision.*

Clients will often give their business to the PEOPLE with whom they feel most comfortable. Don't be embarrassed by this. It's human nature.



MARTIN JONES

TEN KEY GUIDELINES ON AGENCY SEARCH AND SELECTION

The objective of the 10-stage 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 type of agency required, eg in terms of size relative to budget, location and specialisation, potentially conflicting business etc and carefully draw up the criteria that will form your checklist against which to judge the initial agency list.
- Approach trade bodies such as the DMA, IPA, ISBA, MCCA and PRCA for guidance and advice if appropriate. Evaluate the importance of agency accreditation by a trade body. Members of PRCA, for example, all hold its independently audited Consultancy Management Standard.
- Identify relevant existing work for other clients, within the appropriate communications discipline, which you rate highly.
- Talk to colleagues in other companies about their agency experiences.
- Undertake any necessary desk research, consulting agency directories, trade associations and the trade press for additional background information about agencies that might interest you. Employ a consultant if you lack detailed knowledge of agencies.
- Seek credentials information from, and possibly talk with, selected agencies that match the criteria in your outline brief. Be aware, however, 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.
- Consider other professional, objective and confidential sources of information and assistance (lists available from the DMA, IPA, ISBA, MCCA and PRCA).
- Evaluate all the information against your checklist of criteria.

2 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.

“BE SENSITIVE TO THE FACT THAT CREATIVE PITCHES ARE AN EXPENSIVE AND RESOURCE DRAINING EXERCISE FOR AGENCIES.”

- Indicate proposed remuneration and contract terms. Make the budget explicit from the outset - this is as important as outlining remuneration. This will safeguard against misunderstandings during negotiations.
- Identify and make clear all criteria on which the agencies' presentations will be judged and specify the time allowed for them. If pitches are to take place at your premises, advise agencies on the presentation facilities available, size and nature of meeting room, etc, and allow access in advance.
- No more than 20 agencies should be asked for their response to a preliminary 'due diligence' questionnaire or 'Request for Information' (RFI).
- No more than a maximum of 10 agencies should be asked to make 'longlist' standard credentials presentations.
- No more than 6 agencies should be asked to prepare extended credentials or 'think-piece' presentations for shortlisting.

3 CONSIDER THE TIME NECESSARY FOR RESPONSE TO THE BRIEF

- Prepare a firm timetable for the total pitching or evaluation process and stick to it.
- Allow sufficient time for agencies to have face-to-face meetings with you to discuss the brief, ask questions, and to establish a rapport with you. Don't underestimate the value of informal meetings with the competing agencies.
- 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.

IN REAL LIFE

WITH ANDREW MELSOM

The companies that have really benefited from the pitch process, like Hovis (RHM), Halifax and Norwich Union Direct have all combined it with very clearly defined business objectives. Within one year, the first two clients had won IPA Advertising Effectiveness Awards and Norwich Union Direct had completely transformed its in-bound business.

Every client should have clear objectives and invite agencies into the conspiracy. Even go as far as telling the agency why the marketing team will, or will not be paid a bonus one year after the appointment. There's nothing that will make agencies perform better than a problem shared and to know some of the real secrets that drive your business.



ANDREW MELSOM

Agency Insight - Senior Partner

4 INVITE UP TO THREE AGENCIES TO PITCH (OR FOUR IF INCUMBENT IS INCLUDED)

- Decide positively on a pitch list of up to 3 agencies only. If the incumbent is invited, the list can go up to 4 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.
- If there is a requirement for participating agencies to sign non-disclosure or confidentiality agreements, it should be done at this point.

5 GIVE BACKGROUND MARKET DATA, INTERPRETATION AND CLARIFICATION

- You should be willing to share, on a confidential basis, 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.
- Allow the same rules of access to all agencies pitching.

IN REAL LIFE

WITH DAVID WETHEY

Can I be selfish and concentrate on the creative agency. Over the 15 years of our practice at AAI and my workshops and seminars for ISBA, we have helped clients manage existing relationships with all categories of marketing communications agencies, as well as look for new ones.

But having worked in creative agencies for 20 years previously, I still have faith that choosing your lead agency carefully and objectively, and lavishing care (and importantly time) on making that relationship work is at least as important as the marketer's other responsibility for brand building.

When you read this guide there will be many tips and good ideas you already know about and understand. But I will bet that you have never previously seen such a wealth of sound and inspiring advice on how to win at agency management in one slim volume.



DAVID WETHEY

Agency Assessments International - Chairman

“ONCE AN APPOINTMENT IS MADE, ENSURE THAT A CONTRACT BETWEEN CLIENT AND AGENCY IS ACTUALLY NEGOTIATED, AGREED AND SIGNED.”

6 HELP THE PROCESS BY DEMONSTRATING COMMITMENT WITH SOME FINANCIAL CONTRIBUTION

- You should decide whether to make a monetary contribution to the pitch.
- Some financial contribution (announced upfront and the same offer to all agencies on the shortlist) shows commitment and the seriousness of your intent. The objective is to motivate the agencies and ensure a professional process: the contribution is very unlikely to cover all the third party, staff and associated costs.

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

8 INSIST ON NECESSARY COMMERCIAL DISCIPLINES BEFORE AN APPOINTMENT IS MADE

- Ensure that the business side (contracts, remuneration and the management of the relationship) is discussed before an appointment is made. The involvement of marketing procurement professionals in the search process should ensure that terms are negotiated at the right stage and all contractual obligations formally signed.
- Help in the form of model contractual terms and relevant courses is available from the DMA, IPA, ISBA, MCCA and PRCA.

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 pitching agencies learn of the result on the same day.
- Immediately issue a press release to the trade press.

10 KEY GUIDELINES ON IMPLEMENTATION AND RELATIONSHIP MANAGEMENT

- After the pitch, give the losing agencies the courtesy of a full 'lost order' meeting. Use the ['feedback form'](#) available online with the full version of this guide.
- Any losing agencies must return all confidential material and information provided for the pitch to you, 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.
- Once an appointment is made, ensure that a contract between client and agency is actually negotiated, agreed and signed. Contracts must be adhered to throughout the relationship, up to and including termination.
- Welcome the winning agency into the start of a long-lasting and mutually satisfying relationship. Arrange for mutual induction meetings to create familiarity between personnel and with your respective business processes.
- 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 in the relationship by the strategic use of brainstorming, 'awaydays' and refreshing the team with new people.

IN REAL LIFE

WITH SUKI THOMPSON

Be brave! Changing agency is a challenging and time consuming process so use it to make a real difference to your business. In my experience, the clients who think about the pitch process and put as much effort and creativity into designing it and briefing the agencies as they expect from the agencies' response, get by far the best results. Great clients spend time making sure they have understood what they need from their agency and take time to create the most appropriate longlist. They invest time and effort with the agencies throughout the process, challenging the status quo in their own departments as much as the ideas of the agencies.

I suggest you take up references on individuals as well as the agency itself and be prepared to make a financial contribution to the agencies that are not successful. It will never equate to the time and investment of the agency, but it says a lot about you as a client, your values and your brand. Provide all agencies with post-pitch feedback, preferably in person, and be as proud of the process that you run and the outcome you achieve as you are about your own company and your brand.



SUKI THOMPSON
The Haystack Group
- Managing Director

FOR MORE INFORMATION

Please see the full 102-page 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 free as downloadable PDFs from the websites of all the signatories and endorsers.

This guide has been developed by the five signatories: ISBA with the IPA, MCCA and PRCA working together under the Communications Agencies Federation (CAF) umbrella, and the DMA, with endorsement by the AAR Group, AdForum.com, Agency Assessments International, Agency Insight and The Haystack Group.

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

Communications Agencies Federation

www.cafinfo.com

Direct Marketing Association

Tel: 020 7291 3300

www.dma.org.uk

Institute of Practitioners in Advertising

Tel: 020 7235 7020

www.ipa.co.uk

Incorporated Society of British Advertisers Ltd

Tel: 020 7499 7502

www.isba.org.uk

Marketing Communication Consultants Association

Tel: 020 7935 3434

www.mcca.org.uk

Public Relations Consultants Association

Tel: 020 7233 6026

www.prca.org.uk

AAR Group

Tel: 020 7612 1200

www.aargroup.co.uk

AdForum.com

Tel: 01277 824975

www.adforum.com

Agency Assessments International

Tel: 020 7976 1300

www.agencyassessments.com

Agency Insight

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[SEE THE FULL 102-PAGE ONLINE GUIDE FOR MORE DETAIL](#)

GUIDES IN DEVELOPMENT



Published July 2003

There are four more joint industry guides 'under construction', all designed to help you get more from your communications agencies.

Please contact the IPA, ISBA, MCCA or PRCA if you want to get more details.



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