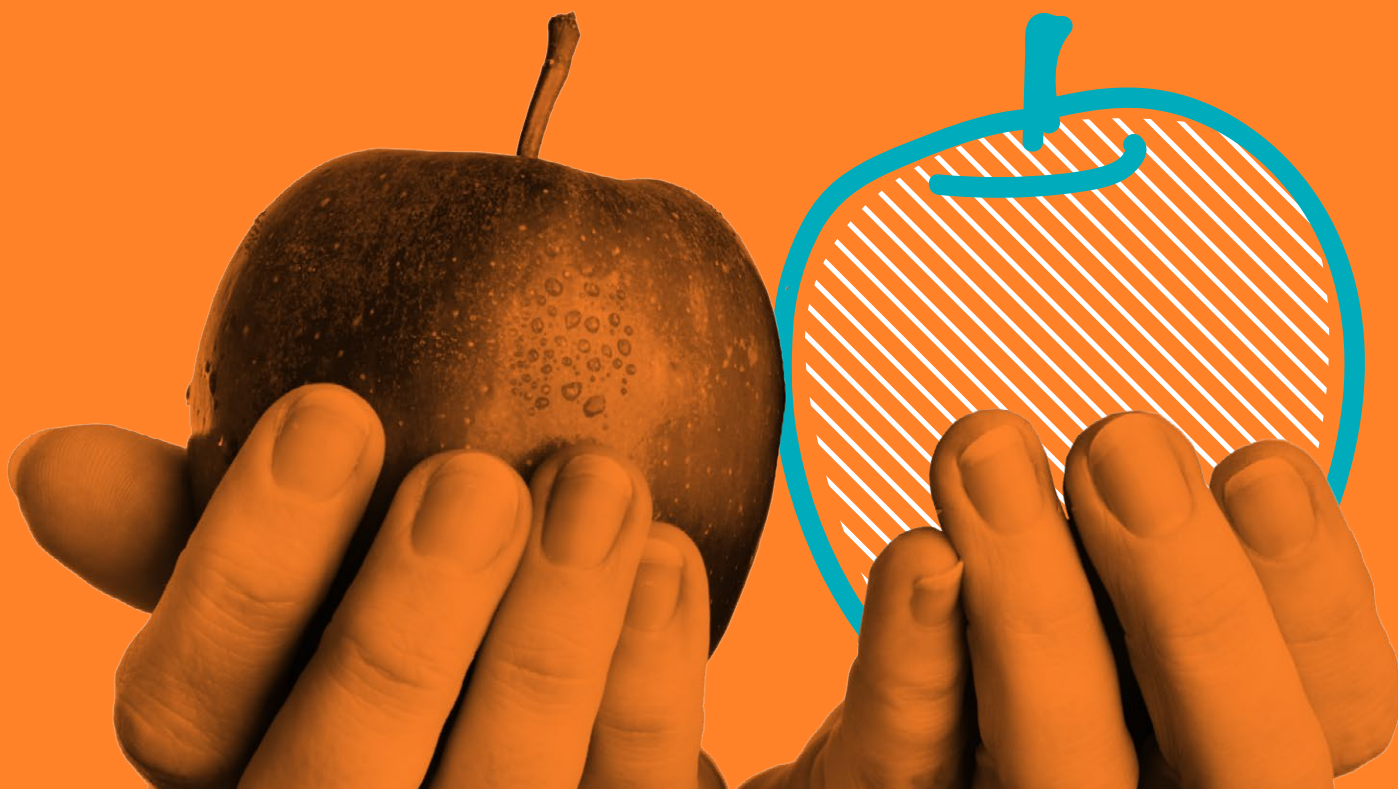


Pitch Principles



Guidance for clients on running a respectful pitch process.

The cost of pitching

It has become commonplace for clients to solicit solutions-based (IP) pitches when seeking new agency partners. This has a severe impact on agency financials, staff wellbeing, and environmental costs associated with unnecessary and unproductive work.

We think there is a better way.

Our guidance for good pitch practice

This guidance is for clients running a pitch process – or considering one. The Comms Council has observed clients using this approach achieving outcomes on par with a traditional pitch, but without the financial and human cost of IP-based work.

A simple approach to Agency appointments:

Before committing to a process, first work through the following four steps:

01

Ensure a pitch is necessary

Clearly articulate why it is necessary to go to market.

Ask if any of your existing agencies can solve the problem you are facing, or in the case of strained relationships, if an open and honest conversation could resolve issues with your current teams.

02

Clearly define the problem

Clarity of the challenge enables you to enter into productive conversations with potential agency partners. Resist the temptation to use a pitch process to identify or articulate your problem.

It is also important at this stage to articulate the scale of work you are seeking: Is it a project? A long-term, multi-year engagement? What sort of budgets will you be allocating to the solutions?

This enables responding agencies to transparently gauge the 'size of the prize' in winning your business.

03

Research the agency landscape

Identify a shortlist of agencies that, based on work for other clients, recommendations from trusted peers or positive recommendations from other partners, have potential to solve your problem. They should be able to demonstrate delivery of comparable solutions for previous clients.

04

Discuss your challenge

Visit the agencies, meet with their teams, and be prepared to have an open conversation about the nature of your business challenge.

Ask them how they would go about working towards a solution. Ask them about previous relevant experience with other clients and how they reached a solution. Get a sense of how they work, how they think, and develop a sense of how compatible they would be as a partner for you and your team.

Choosing an agency is rational *and* emotional

Having met with a number of agencies, you will certainly be able to identify those that have the experience and capability to deliver to your needs. Perhaps more importantly, you will have an emotional response; which team makes you feel most confident that you can achieve your goals together? The simple approach to agency introductions above is, more often than not, sufficient to give you more confidence in one provider than the others. Trust your gut.

Many advertisers, following the process outlined above, are in a position to appoint their preferred agency. However, most do not stop here. They progress to the steps below. This is often described as risk mitigation, or procurement surety.

We strongly encourage advertisers to consider appointment after steps 1–4 above. However, if the preference is to then set a short-list of agencies a ‘brief’ to test their capability, we advise the following:

When IP-based pitching is unavoidable

If you feel the need to ask for idea-based pitching (normally a response to a brief, which all agencies must answer, presenting creative ideas, strategy, deep media thinking, etc), consider the following.

The financial cost:

There is no ‘short-cut’ to presenting a solution to a client brief. This is the work that agencies usually deliver on a paid basis to their clients. It requires significant resources to be used by the agency – both internal and external costs– that are unrecoverable. When resource is applied to a pitch, it cannot be utilized on other, paid, client work.

The human impact:

IP-based pitches have a real human impact. It often has to be done around existing client work, which means long hours on already stretched resource. In today’s environment, with a tight labour market coupled with frequently depleted teams, the impact of this is material.

Evaluate this against your company’s own values.

The quality compromise:

Work resulting from even the best-run IP-based pitch misses out one crucial ingredient: your own team’s input. Work delivered in real-world conditions are the result of the constant exchange of ideas and collaboration between a client and an agency. Pitches cannot replicate this effectively. As a result, a pitch may well identify the agency that works best in isolation; this may not translate to the best agency to work with on a daily basis.

Considerations for IP-based pitches

Make the ask commensurate with the size of the prize:

Asking for the answer to big, complex briefs might make economic sense for an agency being offered a long-term, large-scale contract. However, the cost of pitching is significant. It can often take 18 months, and up to 3 years, to recover the full costs of pitching. If you're just keeping your existing agency on their toes, or looking for an agency for a small project, the brief you provide them should reflect this. Understanding the economics of agencies is important. You may consider your total budget of \$1m a small fortune. However, agencies themselves may only receive a small fraction of that budget as revenue, and much less as profit (if the \$1m includes media spend, this is passed on directly to external media companies and the agency does not 'keep' these monies).

The idea is the hard bit:

You may consider you are being kind by suggesting you only need to see 'rough' mock-ups of the idea, rather than fully realized concepts. In reality, this doesn't save an agency much time; arriving at the idea is the time-consuming exercise, not visualizing it for presentation. You can't come up with half an idea!

Keep your shortlist short:

When you brief multiple parties, you are multiplying the resource used across the industry, increasing time and money wasted. Be respectful of this by ensuring you restrict your shortlist to a very small number of agencies responding to IP-based briefs.

Be prepared to compensate participating agencies:

Acknowledging the above, we strongly advise that you be prepared to compensate participating agencies for their time. They are providing you with expert advice and should be remunerated for doing so. This also encourage clients to keep their shortlist to the bare minimum.

Talk to us

Pitching is a complicated business. It has cost implications for both sides, it can cause delays and internal paralysis for the client organisation, and if conducted incorrectly can be very costly indeed.

Any client organisations seeking to discuss these recommendations further, or seeking more detailed guidance, are encouraged to get in touch with our CEO, Simon Lendrum, for a confidential conversation.

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