

Best Practice Pitch Guidelines:

HAY/STACK

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BEST PRACTICE PITCH GUIDELINES

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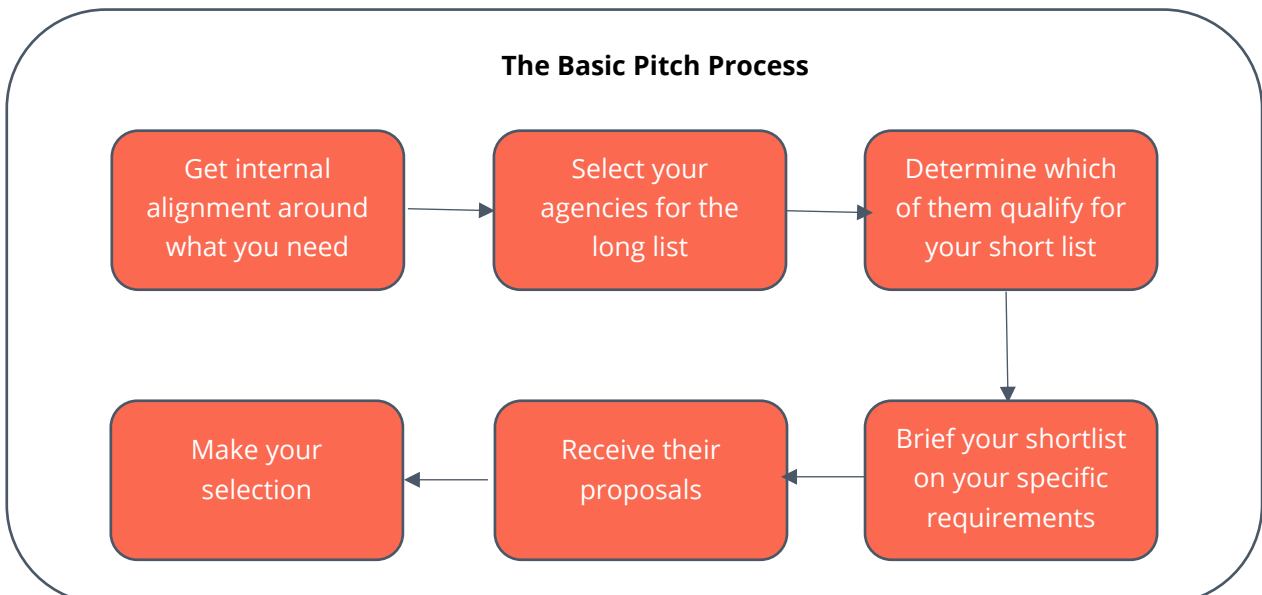
INTRODUCTION

Pitching, whether you are a client or agency, is one of the most exhilarating and unnerving periods in any marketing professional's working life. Exhilarating as it brings with it the promise of a new and exciting phase of a brand's existence and unnerving as the opportunity for the outcome not to meet expectations, is immense. For a client, a poor outcome could stifle your reputation within your organisation, or worse still, impact the fortunes of your company; for an agency it could set you back months, as the financial and emotional investment in pitching results in naught. However, success brings both high rewards and great satisfaction.

So, the decision to take a piece of business to pitch should not be taken lightly. As a client you need to weigh up the disruption of your day to day marketing programme, as your team are distracted by the new ideas and the additional work involved in running a pitch. And at the same time, you will want to be sure the pitching agencies are entering the process with eyes wide open to the size of the opportunity, understanding the resources they will need to compete effectively, to balance this with their chances of being successful.

However, when all is said and done, pitching is often the lifeblood of agencies and the driving force of change in a brand's fortunes. So, if addressing the challenges from within has been explored and dismissed, enter the pitch arena with respect and the recognition that there is often a colossal amount at stake, on both sides of the buyer/seller dynamic and set out to create an environment that lets everyone walk away having benefited from the process, even if that benefit is not the star prize of a new account or a world-renowned, breakthrough marketing campaign.

The basics of running a pitch are easy to grasp, but the detail can become alarmingly complex if you do not take a few fundamental steps to ensure you cover all the bases adequately. This document has been designed to help you consider what is right for you and to lay out best practice when you are running an agency selection process.



GETTING STARTED

No matter what the purpose of your pitch, the underlying principles you are testing within the pitch remain the same: cost, quality, service levels and rapport.

Getting organised, before you engage with any agencies, so that you are in a position to compare how each agency in the process stacks up against each of your primary parameters, is of paramount importance. It will put you in a position to run a smooth, uninterrupted process, that uses your time, and that of the agencies, effectively. So, the first thing to do is determine the real purpose of the pitch and gain agreement internally that nothing is missing from your list of primary criteria. To check you're ready, we have listed some questions that you should be able to answer before you get started:

Purpose

- / What is the main marketing objective you need the agency to address?
- / Do you have a clear idea of the scope of work?
- / Are you sure you need to pitch, or are there things you can fix with your current agency or other agencies on your corporate roster that could meet the challenge you have?
- / Are you looking to build a long-term relationship with your new agency, or do you just need a project completed on this occasion?
- / What skills do you need the agency to have, primarily?
- / Is there any specific experience you need them to display?
- / Is the cost of engagement important? Lowest cost/fee level? Better payment terms?

Plan

- / Who, within your organisation, should be involved? Procurement? IT? Specialist?
- / Is the geographic location of the agency important to you?
- / Is there a clear budget defined for agency fees?
- / Do you have a clear idea of service levels you expect as a result of this pitch?
- / Is there a budget available for outside support for running the pitch and/or for agencies creating original solutions that you do not want them to use on other client initiatives?
- / Is your current agency to be included in this, is it a new initiative or have you already decided you need a totally new agency?
- / Do you know the current termination conditions within your current agency contract?

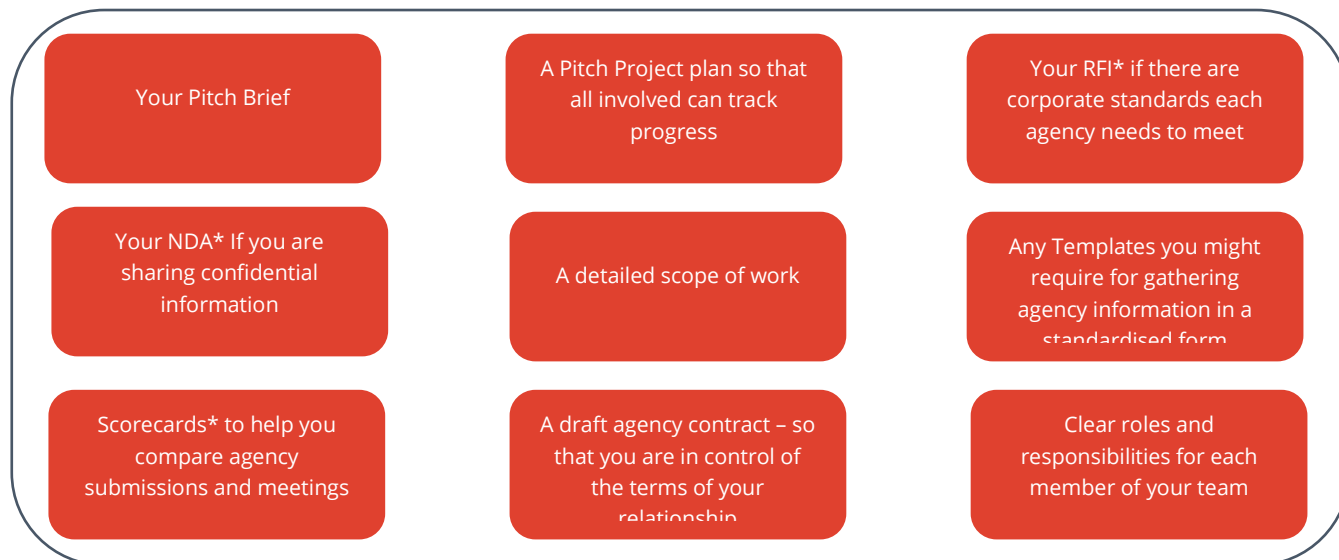
BEFORE YOU GO ANY FURTHER – WRITE YOUR BRIEF

As with any marketing campaign, a great outcome originates from a great brief. Crafting the brief before you start the process helps you to get clear in your mind exactly what you are looking for; helps you to discuss internally whether you have thought of everything and also helps you think through what you will need to see from the agency, in order to make your decision of who to work with.

A pitch brief can take many forms: it may be very specific and contain a very detailed scope of work for the year or for a specific project; it may be much more general, defining areas of expertise you need and touching on any high level marketing and commercial goals you wish to achieve. But without it, you will not have an anchor point for everyone involved to sign off and you could easily find that the nature and requirement of the pitch will change beyond all recognition as things progress. Allowing this to happen will not reflect well on you and could damage the professional reputation of your company.

PREPARE, PREPARE, PREPARE

The devil is in the detail! The smooth running of successful pitches is all about getting the basics in place before you get to the exciting stuff of meeting new agencies – who will be all hyped up to show you how brilliant they are! Listed below you will find some of the core building blocks you will need to understand before you finally press the button.



*RFI= Request for Information. NDA=Non-Disclosure Agreement. Scorecards are useful when there are multiple stakeholder views to consider.

SELECTING THE RIGHT AGENCIES TO PARTICIPATE

You may find yourself in a position with no shortage of agencies offering you their services, where you have the luxury of being able to select the best possible fit. The skill in selecting them is to first identify the agencies who are specialized in the areas you need and then to establish if the cost, quality, and rapport meet your expectations. You can then ensure that they are able to meet your demands on service levels, in a way that is sustainable for both parties. Whilst there are so many sources to find agencies these days, client teams often start with those agencies with whom they may have had a previous good experience, or from recommendations from colleagues or their network. Another viable option would be to select from companies that specialise in recommending agencies and some trade organisations that may be able to point you in the right direction.

TREAT YOUR CURRENT AGENCY WITH RESPECT

However long you have been working with your current agency and whatever the reason you are pitching the business, it is professional and appropriate to treat them with respect. The first job you have after deciding to pitch the business is to determine whether your current agency should be included in the process. If they are, do they have a fair chance of winning; and if they do – should you really be pitching the business? If they don't, it is often better to let them know, along with your reasons, so that you do not waste their time – or yours!

If you are not going to include them, tell them sooner rather than later. It is unlikely that they will behave unprofessionally and therefore should continue to complete their obligations during their notice period without fuss or objection. Nevertheless, it is worth considering what may go wrong and specifically safeguarding against wherever possible, perhaps establishing certain deliverables or behaviours as

conditions to be met, before the incumbent agency can receive full payment under your contract or notice terms (or even offering a completion/handover bonus for a smooth transition).

DETERMINE THE TYPE OF PITCH YOU WANT TO RUN

Pitches these days can take a variety of forms and it is important you design your process so that you get enough information to make a robust decision. You should also never ask the agencies to undertake tasks that are redundant (e.g. completing a lengthy RFI document that is never reviewed by your selection team). There is a brief description of the pitch styles in the appendix, but choosing the one that is best for you on each occasion is an important step when planning your process:

- / A Full Pitch Process (with chemistry meetings, creative meetings, strategic and financial proposals)
- / A Sprint Based Pitch
- / A Workshop Based Process
- / A Capability Review
- / A Virtual Pitch
- / A 'Commercials' Only Pitch
- / A Rapport Based Pitch

INITIAL CONTACT WITH THE AGENCIES

Once you are ready to contact agencies, it is important that you have a good idea of what you will need to know in order to make an informed decision as to which agency you would ideally want to work with.

RFI – Request for Information

If there are specific criteria that a supplier needs to demonstrate in order to comply with your corporate governance rules, (e.g. length of time in business, insurance cover, balance sheet health), these should be contained in a qualifying RFI. You should keep the information requirements as concise as possible, by removing anything that does not pertain to the specific nature of the appointment you are seeking to make. Be clear about what it would take for an agency to qualify to be a supplier – so that they can step down where necessary, saving both you and them time. An important point to note is that if there are specific commercial terms that your company expects all suppliers to adhere to, now is the time to raise them – so that the agencies are aware of your commercial expectations from the outset.

Short Introduction

You may ask the agency to introduce themselves through an initial written submission, (either in combination with a formal RFI or as a stand-alone document), that may include basic information about scale, skills and any appropriate experience within the team. You may wish to see some relevant case studies, or you may ask them to share their observation about a specific aspect of your brand or sector. Whatever it is you request, it should be focused on how you expect the agency to contribute to your business. It is advisable to guide the agency regarding the length of the document you expect in response to this request, so that you can manage the time it will take to thoroughly review all the submissions you receive.

Introductory Meeting

You may choose to meet the agencies (or some of those that qualify through either or both above exercises), to get a sense of how you interact with them. Rapport is important in any creative

relationship. Building rapport starts from the very first meeting, so if you are going to invest the time to meet the agency, make sure you prepare for the meeting as much as you would expect them to. The clearer you are about what you want to achieve from these meetings, the easier the task of deciding who to take through to the pitch phase, will be.

THE PITCH PHASE

So, by now you should have eliminated several of the agencies. Many advertisers reduce the number of pitching agencies down to three for this final phase. There may be occasions where this number is higher, three provides you with enough scope for variation in the proposals you receive, with a manageable level of interaction with each of the agencies throughout the rest of the process.

Your pitch brief should focus on what you consider important in the relationship you are seeking; whether it is project or retainer based; the problem or challenge you are trying to address; any ways of working that are important to you and any commercial terms that you have mandated at the beginning.

Essentially, this phase of the process should be designed to help you establish four things: The quality of the agencies output, how much they expect to charge you, what service levels you will receive and how good the rapport is between your team and the agency. Here are some guidance notes to help you create the framework within which you will make your decision.

Quality

What are the factors on which you will judge the quality of the agency's output? Creativity? Effectiveness? Response rates? Sales uplift? Brand attribution? There is a myriad of factors that you may be looking for within a pitch to judge the skill and application of the agency. It is important you establish, in advance, the factors that you are looking for throughout the pitch process and have a clear understanding of how you are going to rate or rank them, amongst your team.

Affordability

How you justify the cost of the agency boils down to two key factors. How much they charge for each person they are recommending are on the team and how much time they recommend each person will need, to deliver the work and service level you require. Having a clear scope within your pitch brief, means you will be able to assess the agency rates and the time allocated to get a clear view of how efficient and cost effective each agency is. There are other charging mechanisms the agency may suggest, but rates and time are the main driving factors in most instances.

Service Levels

What do you need the agency to commit to in terms of meetings, reporting cycles or campaigns? The amount of interaction you expect and the people you feel you need within each meeting will affect the cost – the more defined you can be with regards to service levels, the easier it will be to compare costs on a like for like basis, as well as being an opportunity to set the expectation for the level of interaction you will need from your agency.

Rapport

You will be working closely with your agency and therefore require a team of people that have empathy towards, and understanding of, your company and your team. Without it, you will find solving problems and motivating your collective team increasingly difficult.

Getting these basics right and understanding how you are going to assess them throughout the process, will be the difference between a pitch that gets you an agency that can simply do the job and one that can

help you excel at delivering marketing initiatives and accelerate the performance of your brand.

CONTRACT NEGOTIATION

Negotiating a contract effectively is a skill that is acquired through experience. It should not be undertaken lightly and if you do not have experience on your team, you should engage specialist help from your procurement department, or a consultant experienced in the art or negotiation.

FINAL THOUGHT

Pitches can be expensive exercises for agencies. You might want to consider supporting each agency in the process with a contribution to their costs. Showing your appreciation for their commitment to the process by offering a contribution to their costs may be a way to set the scene for the partnership you are seeking from the agency. How much, will vary for each pitch based on the level of complexity and the number of agencies participating. If you are expecting the agency not to use any materials or ideas on other occasions, then a payment is definitely advisable, and the terms of that payment should be announced and circulated, at the outset of the process.

Where financial payment is not appropriate, focus on developing a full and thorough debrief for each unsuccessful agency would be gratefully received, as agencies are always eager to learn from these experiences. Communication with all parties throughout the process is important and demonstrates a professional and transparent approach to the process. A comprehensive summary at the end, wraps up the process and shows that you have valued their participation and desire to work for you brand.

FURTHER INFORMATION

For any more information or support please contact Alan Thompson at The Haystack Group.

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Appendix – Different Styles of Pitch

- / A Full Pitch Process (with chemistry meetings, creative meetings, strategic and financial proposals)
The most common process adopted with a long list of agencies at RFI stage reducing (with the aim to complete due diligence each agency complies with your corporate standards) to fewer for the chemistry meetings (A short list of qualifying agencies who you meet to determine how well you might work with them) and then three or four for the actual pitch (pitch list) which you judge for quality, affordability, service levels and rapport with the team.
- / A Sprint Based Pitch
A sprint approach enables you to have slightly more agencies in the early stages of the process working on your challenge. At each stage, agencies are removed and the brief moves so that you get a first hand idea what it is like to work with each agency and by the end of the process you should have campaigns that are virtually ready to go.
- / A Workshop Based Process
Workshops are a useful technique within any pitch to see how well you interact with the agencies and how they can build on your thinking and input. However, this approach requires more input from the client team to be most effective.
- / A Capability Review
The simplest of approaches, whereby each agency is assessed by its claimed experience and any evidence of its ability or reputation. Normally used when there are options within a roster of agencies approved by the client company or when an overarching holding company deal is in place and the selection should come from within a specific agency group or prequalified agencies.
- / A Virtual Pitch
The forced circumstances of the pandemic and the resulting lockdown brought about a surge of pitches run without any face-to-face contact with the agencies involved. The process can follow any of the styles quoted here, but should be adapted to ensure that the quality of the meetings provides the platform for you to make a clear decision and for the agency to be able to give of their best.
- / A 'Commercials' Only Pitch
Again where the agencies are known entities to the company, and where the requirement is more about process than creative ambition, the company may elect to draw up a precise list of requirements, and/or service needs, and ask the agencies to respond with how they would service the account and at what cost.
- / A Rapport Based Pitch
If the business already has a list of qualified agencies, and has a long standing relationship with each of them, it may be appropriate not to have them 'pitch' against each other but to simply meet each one for a series of meetings regarding your challenge or aspirations to see how well they connect and interpret your vision. You could then select the agency to work with you on that basis alone.