

Best Practice  
Industry  
Guidelines

# Agency Pitch Procedures for the Private Sector



association for  
communication  
and advertising

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1 Guidelines produced by the European and American Association of Advertising Agencies have been consulted and utilised as the foundation of these guidelines, adapted to meet the needs of the South African market.



# AGENCY PITCH PROCEDURES

## Practice Guidelines

### 1 BACKGROUND

The very nature of the advertising industry is that of competition and advertising agencies themselves rely on this prevailing characteristic for their very survival.

Competition is healthy, in that it stimulates growth, promotes creativity, encourages training and has resulted in South Africa's creative reputation ranking amongst the best in the world.

However, it is important that the competitiveness be directed to constructive development and not lead to "unwarranted disruption of productive agency-client relationships, unfair loss of profitability for agencies, potential distrust between advertisers and agencies, or the decrease of the general perception of advertising for what it is – a free-standing, highly professional trade in its own right".

It is to this end that the Marketing Association of South Africa and the Association for Communication and Advertising have put their collective experience together to provide a sound set of Best Practice Principles to serve as a guideline to marketers, advertisers and agencies to follow in order to improve the level of professional reputation that we desire.<sup>1</sup>

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## **2 GUIDELINE PRINCIPLES**

- 2.1 The resultant guidelines are being presented as “Best Practice Procedure” guidelines and by no means with the aim of establishing a monopolistic environment.
- 2.2 Our aim is to achieve agreement through a consultative process with consensus amongst all key stakeholders, inclusive of less experienced advertisers, design and public relations agencies and government and NGO organisations.
- 2.3 As this document forms an extension of the self-regulatory principles of our industry, it will only be effective if all parties fully respect and comply with the spirit of the guidelines as much as the word.
- 2.4 In preparing the guidelines, the task group conducted dipstick research amongst a number of international networks and other local, professional organisations in the hope of gaining an added perspective.

In brief, there is no clear guideline or practice, as it would appear that it varies from country to country and industry to industry.

Competition prevails. However, the cornerstones of the most successful guidelines are those where intellectual property is protected and where direct costs are incurred. These are fairly reimbursed to the party(ies) concerned.

- 2.5 The intention is to “keep it simple” and therefore we have confined these guidelines to a simple 10 Point Practice framework.

## **3 TEN BEST PRACTICE GUIDELINES**

### **3.1 Ensure that a pitch is the correct solution**

The decision to go out to pitch is very often based on emotional rather than rational reasoning. Very often little or no consideration is given to the time and cost factors, on the part of the Marketer/Advertiser, that go hand-in-hand with the task of finding a new agency. A practical evaluation tool is available through the ACA which advertisers are encouraged to consider for assistance in analysing their current scenario in order to ensure that the reasoning is sound.

However, should you conduct such an analysis and find that the answer remains to open your account to pitch, we then motivate for an open and frank discussion and notification to the incumbent agency. This will provide protection not only for your brand/company’s reputation, but for the incumbent agency as well.



### **3.2 Limit the number of agencies**

Having conducted the performance/needs evaluation, you are encouraged to limit the pitch list to 3 agencies, or 4 if the incumbent agency is to be included.

It is recommended that you invite prospective agencies to submit a preliminary, summarised credentials outline covering resources, current client lists, vision/philosophy and a brief motivation to be included in the pitch. This will enable you to make a quick evaluation of who is most likely to be able to meet your performance/needs criteria.

**Caution to Marketers:** Once the news is out, you will be inundated with requests and motivations.

**Caution to Agencies:** If the marketer advises that a shortlist has been drawn up and that they do not wish to consider further submissions, RESPECT THIS, and don't badger the Advertiser to the point of irritation.

Once again, the importance of having done your groundwork will enable you to stand by your decision to limit the number of prospective agencies.

### **3.3 Clearly outline the decision criteria**

Accompanying the brief for the agencies, the Advertiser should identify and inform the agencies of the decisive factors for the final selection.

Whilst it is strongly recommended that, other than in exceptional circumstances, the pitch should be limited to credentials, it must be clear from the brief whether credentials, strategic proposals or combined strategic and creative proposals are required. All participating agencies should respect the client's wishes in this regard.

Be explicit about the nature of services which you, the Advertiser, will require.

If possible, indicate the preferred remuneration structure and contract terms.

### **3.4 Consider the time necessary for response to the brief**

Clearly outline the presentation time allowed.

Prepare a firm timetable for the pitch process and make sure that all of the agencies get equal treatment and stick to the timetable. A minimum of four weeks is considered fair for a full creative pitch.



Allow enough time (even up to two days in complex cases) for the participants to ask questions and discuss the presentations prior to committing to participation.

### **3.5 Demonstrate fairness and commitment with a financial contribution**

The costs involved in preparing for a full strategy and creative pitch are enormous and result in inflationary factors and impassioned responses from the agencies that were not successful!

Therefore, the Advertiser should be open about the financial conditions of the pitch and consider providing a budget for such pitches. An equal offer should apply to all agencies, including the incumbent - if included in the process.

The main objective is to motivate the agencies, although one should not expect the agencies to make a profit on the pitch process.

### **3.6 Give as much information as possible**

Once the agencies have accepted the "terms and conditions" of the pitch, the Advertiser must be willing, on a confidential basis, to share relevant market data and other relevant research, including post-testing of existing campaigns. The agencies should also have access to the Advertiser's staff with whom they would be working in the future.

Identify the "anchor" person/s within the Advertiser's and agency's organisations, to ensure clear and consistent communications channels.

If the agency requests so, allow them to meet and interview your trade partners, suppliers, etc. realising that the reason they wish to do so is to broaden their understanding of your business. Assist them by communicating with or providing a letter of introduction to the relevant parties.

### **3.7 Set up an objective evaluation discipline**

- Make sure that you understand the roles of all staff involved in the pitch process.
- Ensure that all decision makers are fully and equally briefed and present at the final pitch.
- Ensure that the participants from the Advertiser's side are participating, because they have a meaningful role to play and not for "entertainment" purposes.
- At the start of the pitch meeting, advise the agency staff about the job titles and roles of all those attending from the Advertiser's side.
- Establish an objective evaluation system for assessing each pitch.
- Ensure that the presenting agency team includes those who would actually be working on the account.



**3.8 Finalise the agreed business structure before making the final decision**

Before making the announcement of the winner, work out the business side of the partnership, e.g. contract including remuneration format, the management of the relationship and the timetables for the next steps.

**3.9 Decide quickly and inform fairly**

Decide on the winning agency as soon as possible after the presentations, ideally within one week to allow for internal discussions. Ensure that all pitching agencies learn about the decision on the same day and immediately issue a press release to the trade press.

Focus on the positive reasons for appointing the new agency and avoid criticism of the less successful agencies or incumbent agency.

**3.10 Respect copyright principles**

The creative concepts and strategic insights produced under the conditions of an agency pitch remain the property of the agencies.

In cases where ideas produced by one or several of the agencies not selected are of interest to the Advertiser, the purchase of usage rights should be negotiated.

The rights to the material presented by the winning agency are normally agreed when finalising the Client-Agency contract.

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