

THE PITCH

Pitching: a fool's paradise?

IN THE FIRST OF TWO ARTICLES, COLIN WILSON-BROWN EXPLORES THE PITFALLS OF AGENCY REVIEWS FROM THE CLIENT'S PERSPECTIVE.

There is an urban myth that most clients review agencies in the fourth quarter of the calendar year. Stand by for pitch fever.

So what's the problem?

The problem is that agencies are going to give away much of their 15% to 20% profit margin developing free ideas for their competitors' clients.

Clients will, of course, be the recipients of these free ideas which may sound appealing but clients frequently fail to appreciate the time and disruption that a competitive review entails – for both parties.

I spent five years of my life as a client on the receiving end of agency pitches, the next 20 years pitching for new clients, and the past four years as the man in the middle – managing pitches for clients. Along the way I have learned what makes a good review and what makes a bad one.

Here are 10 questions clients should ask themselves before they embark upon a review.

1. Do I know what my company wants from an agency?

You cannot assess the strengths and weaknesses of your current agency, let alone find a better one, unless you know what you want – and what you don't.

2. Have I explained my dissatisfaction to the current agency and given them an opportunity to rectify the issues?

Agencies get hired and fired with as much logic as people change partners. The incoming partner isn't necessarily "better" in any objective way than the outgoing one. Every agency has clients who love them and clients who don't. A new agency may be fresher and more enthusiastic, but it will also have a learning curve that can prove costly for the client.

3. Is the agency at fault? Or are we?

Ask yourself: a) has the problem been defined? b) is the problem at our end? c) will a change of agency solve it?

4. Have I got a clear process for the review that will lead to the best solution with the minimum pain?

Most clients can't answer this. Good clients don't review very often so have little experience to draw on. And bad clients don't spend much time thinking about it. Is a creative pitch going to deliver the best solution? Frequently not. Will a strategic pitch be better? Frequently not. Can the decision be made based on credentials and chemistry? Frequently yes. Are there other options? Yes.

5. Are all the decision-makers on board?

Everybody who has an influence on the decision should commit to the review process up front. It reflects poorly on the business when the process changes midstream. Clients should allow agencies to make a commercial decision to participate without changing the rules of engagement.

6. Have we established a realistic timeframe?

Clients complain constantly about the inability of agencies to keep to deadlines. They should set an example by sticking to theirs. They should give agencies enough time to do what they are asking, acknowledging that the agency also has paying clients to look after.

7. Have we written a great brief?

You can't do this until you have agreed at the review process. You need to give the agencies all the ammunition they will need to answer the brief. This may mean revealing confidential information, which even a non-disclosure agreement cannot protect. This is a reason for restricting the number of agencies invited to pitch. The brief should be inspiring. It should motivate – even excite – the agency with the prospect of winning your business. Hopefully you won't bring them down to reality after they win!



8. Which agencies, and how many, should we consider?

Most clients have more important things to do than study the agency market and, let's face it, the agencies that approach you are not necessarily the ones you should approach. One of the many advantages of using a "pitch consultant" is that we are constantly in the market. We can provide you with an initial consideration list of agencies that can meet your ideal agency profile, without them even knowing they are under consideration. As a rule of thumb, I aim for a consideration list of 10 agencies, a shortlist of around six – from whom I seek responses to a credentials brief, then a pitch list of three.

9. Should we invite the incumbent?

Clients frequently invite the incumbent because they think they are being fair, whereas the reverse is often the case. I don't like including the incumbent because you are comparing an apple with pears.

The incumbent brings knowledge and baggage to the review that other agencies don't have. My advice is give them another chance without a competitive review, or leave them out altogether. This gives the pitching agencies greater confidence that they are on a level playing field.

10. Should we pay the agencies a pitch fee?

Agencies will pitch for good accounts without a fee. So why pay? I ask clients to pay a modest fee if they are seeking creative ideas. It demonstrates that the review is serious and it shows appreciation for the investment being made by the agencies, even if the true costs will far exceed the fee. However, a modest pitch fee does not buy entitlement to use the ideas presented.

11. How soon should we discuss remuneration?

As early as possible.

If procurement or "strategic supply" people are going to be involved, get them in at the beginning. By the time the agencies make their presentations, the client should at least be confident that a deal can be done. I aim to run the remuneration negotiation in parallel with the pitch. Once the preferred agency has been selected, it should only be a matter of dotting i's and crossing t's before terms are agreed.

I've answered 11 questions. Think of one as a bonus! ★

Colin Wilson-Brown is principal of The Clinic, a consultancy which advises advertisers on agency relationships, reviews and remuneration.