

# MarketingUPDATE



JUNE 2009

NEWS FROM THE AUSTRALIAN MARKETING INSTITUTE

## IN THIS ISSUE



### CHAIRMAN

#### Culture and the marketing environment

Roger James goes to Taiwan and finds that the marketing fundamentals differ little from Australia, but their social and cultural expression can be quite different. [Go to article](#)



### BRAND FINANCE FORUM

#### Maximise value in the downturn and recovery

The Australian Marketing Institute Brand Finance Forum, to be held in Sydney on 30 July, integrates the views of chairmen, CEOs, CFOs and marketing directors. [Go to article](#)



### MARKETING WEEK 2009

#### Charge on! A marketing led recovery

Marketing Week 2009, to be held in Adelaide in August, will feature two international keynote presenters (Viveca Chan, pictured) and a flexible, packed program from which to choose.

[Go to article](#)



### CRISIS MARKETING

#### The 7 marketing positives of swine flu

It's a tad difficult to find anything positive to say about swine flu, but Ian Walkley comes up with seven good ideas for marketers. [Go to article](#)



### PITCHING

#### How to avoid the pitfalls of agency pitches

Colin Wilson-Brown has been involved with advertising agency pitches from every angle. He shares his knowledge on how to appoint the agency best suited to your needs. [Go to article](#)



### METRICS

#### A new framework for how marketing creates money

UK groups publish the results of their research, 'Return on Ideas — Better results from finance and marketing working together', and make the paper freely available. [Go to article](#)



### BOOK REVIEW

— The A LIST. Edited by Amy Merriman, James McGregor and Ben Curtis.

Reviewed by Roxanne Ruscoe AMAMI [Go to review](#)

**NET-SNAP** — What site is visited most by Australians? [Go to Net-Snap](#)

---

## NEW on the AMI website in June ([www.ami.org.au](http://www.ami.org.au))



**PODCAST:** Sir John Hegarty (pictured), Worldwide Creative Director, Bartle Bogle Hegarty, on 'The evolution of global brand ideas'. Under the 'Resources' tab, see Podcasts Library

**STATE NEWS:** Updates have been posted for NSW and Victoria. Under the 'News' tab, see State News NSW and State News VIC

**The online version of Marketing Update can be accessed on the AMI website at:**

<http://www.ami.org.au/bwWebsite/followon.aspx?PageID=5693>

# How to avoid the pitfalls of agency pitches

Changing advertising agencies can be a fascinating and rewarding experience — for you and your business. But, like adventure holidays, if you don't prepare, you can wish you had never started out.

I spent five years of my life as a client on the receiving end of agency pitches, then the next 20 years pitching for new clients, and the last six 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.

Unless you are talking to agencies on a regular basis, how do you decide which to consider? How do you separate substance from spin? How many agencies should you consider? Should you include your current agency? What kind of pitch should you run? What should be in the brief? How do you keep control of the process internally? How much of your time will it take? How long will it take? What are the remuneration options? How do you assess cost proposals?

Whether you manage the review yourself or you enlist the help of a 'pitch doctor', the process should be the same. It's not unlike the process you would follow to terminate and replace a staff member.

## Is it the right time to review?

You may be forced into a review for contractual reasons but, if the choice is yours, ask yourself if you have shared your concerns with your current agency and given it the opportunity to put things right.

If you have and you are still not happy, don't include it in the review. Unless you are prepared to re-appoint the agency, exclude it.

Ask yourself if the problems are at your end, in which case changing agencies won't fix the problem. Changing agencies is disruptive. Look at your marketing calendar — when will be the least disruptive time?

## Who should be involved?

You need to form a selection committee to ensure you get buy-in at every stage. The smaller the committee the better, but you need to ensure that agencies are assessed against selection criteria that are right for your business needs.

I have helped almost 50 clients select a new agency and I have never recommended exactly the same shortlist, because every client has different needs.

## How do you arrive at the shortlist?

I suggest you draw up a profile of the ideal agency. Then you should consider which agencies might best fit that.

I visit, or receive submissions from, more than 100 agencies each year — creative, media, digital, direct, experiential, PR — so I have a pretty good idea of who is doing what. And who's hot and who's not. I am also able to approach any agency for an update without revealing who my client is.

## By Colin Wilson-Brown

Colin Wilson-Brown is Principal of The Clinic, a consultancy that advises advertisers big and small on agency relationships, reviews and remuneration. He has been a client, an agency CEO, National Chairman of the Advertising Federation of Australia (AFA), and is one of only six people to hold the AFA Medallion for his contribution to the advertising industry.



**Email:** [colin@clinic.net.au](mailto:colin@clinic.net.au)

**Website:** [www.clinic.net.au](http://www.clinic.net.au)

Each agency being considered should be invited to respond to a written credentials brief. Having reviewed the credentials against the agreed criteria, I suggest meeting at least four, but no more than six, to check the chemistry.

Three or, at the most, four agencies are enough for the shortlist. Any more is a disincentive for agencies to put in much effort and it gives you a lot of extra work. A client recently (not one of mine!) had eight agencies on its 'shortlist'. The best agencies won't be party to this.

## What kind of pitch?

Many clients like the idea of a creative pitch and I have managed plenty. The problem is that the agency usually doesn't know the client well enough to get to the right solution, and it's an expensive and time-consuming process for agencies.

Consider other options as well. Can the decision be made solely on credentials and chemistry? Sometimes yes. I have used strategic workshops with several clients, in which the agency can give you an insight into its abilities and what it might be like to work with, rather than show you what great presenters they are. Self-assured agencies like workshops and we have had some great results.

## When and how to discuss money?

By the time the agencies make their presentations or workshops, you should at least be confident that a deal can be done. I write a 'Resources and Remuneration' brief to which the shortlisted agencies have to respond in writing before the 'pitch'.

This will give you points of comparison, but don't rule out an agency on cost at this stage as initial proposals are usually negotiable — certainly in the present economic climate.

*continued next page*

## How to avoid the pitfalls of agency pitches

from previous page

### What can go wrong?

- Most clients don't allow the agency enough time to show their best.
- The brief would often benefit from more debate. I know of many agencies who have pitched even though they felt the brief was wrong.
- A good rule of thumb is don't run the work presented in the pitch as it probably will benefit from more knowledge, thought and collaboration.
- There are often too many agencies involved.
- Poor process and time delays can de-motivate even the winning agency. Occasionally it can result in a pasting from the press. Frustrated agencies can put the word out about you and your company.
- A competitive review can take up much more of your time than you envisaged.
- Clients often select the wrong agency. The consequences can be disastrous for the business. Two years can be wasted before the mistake becomes obvious. The opportunity cost is huge.

My final word is RESPECT. Treat prospective agencies as you would treat someone who is being interviewed as a direct report. Yes, you need to select the very best candidate, but you also need to convince them that you are offering a great opportunity. You are a buyer *and* a seller.

If you research and prepare well, you can reap the benefits of a well-managed agency pitch for years. ●

## MiniPitch finds hungry niche agencies for clients

The Clinic has launched MiniPitch, a service to help small clients and clients with project budgets up to \$500,000 find the most appropriate agency partners.

Colin Wilson-Brown, Principal of The Clinic, said: "I receive many enquiries from excellent young agencies seeking help with business growth. There are some great niche skills out there that are below most clients' radar. These agencies are hungry for opportunities and can offer great value."

There will be no charge to agencies but clients pay a fixed \$5,000 for the service, which will cover:

- Identification of ideal agency skills.
- Recommendation of four great agency candidates.
- Supply of credentials and contact details to client (without agencies' knowledge to preserve client confidentiality).
- Recommended selection process with timetable (no creative pitches).
- Advice on remuneration.

MiniPitch will only cover Sydney agencies with fewer than 10 staff. Further information: [colin@clinic.net.au](mailto:colin@clinic.net.au) or (02) 99602929.