

# CATALYST



Business Strategy | Marketing Communications

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## Selecting a New Communications Agency (PR or Advertising)

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Because of the key role that a communications agency is able to play in promoting your company and its brands – ultimately enhancing profitability -- the selection and retention of the right agency is critical. In due course, the agency becomes your voice to the media and often to customers. Therefore, you must be sure that you have a very intimate and trusting relationship with your communications partner. This is also where long-term relationships benefit the health of your brand.

Here are key points that should be considered before embarking on an agency search. As you begin to implement each of these steps, you will find your focus narrowing in on an agency's most important characteristics.

- Decide on the scope of work you want/need from the agency.
- Determine if the ad agency is going to be the Agency of Record or more of a consultant and deliverer of key projects.
- Decide if changing the agency is in the best interests of the brand or business organization. If yes, be sure that all the key managers endorse the change.
- Check the provisions of the contract with the incumbent agency, particularly with regard to the notice period and termination of contract compensation.
- Inform the incumbent agency that a review is taking place.
- Have full agreement with all those involved in the decision making process about the requirements of an agency.
- Write a brief that describes the brand or company's current position and future requirements.
- Decide on the type of pitch you would like from an agency.
- Prepare a mutual confidentiality/non-disclosure agreement (NDA).
- Prepare your communication strategy to submit to the agencies.

We have designed a process that can assist you in the review process, available in a downloadable pdf, entitled "Selecting a PR or Ad Agency." Email [therndon@themarxgrp.com](mailto:therndon@themarxgrp.com) and we will email it to you.

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Below is an excerpt from this document outlining 10 key guidelines that will assist you with the search, selection and relationship management.

**1. Prepare all the necessary background information**

- Prepare an outline brief, including a clear indication of the budget.
- Consider the type of agency required, e.g. in terms of size relative to budget, location and specialization.
- Approach trade associations for guidance and advice if appropriate.
- Identify relevant existing work for other clients.
- Ensure that you are not working with an agency that already works for key competitors.
- Look at the agencies' client lists. Will your products fit with their area of expertise?

**2. Think of the response required and prepare a written brief**

- Prepare a concise (but thorough) written brief for the competing agencies.
- It must be clear from the brief whether strategic proposals alone are required, whether some creative ideas or a full creative pitch are expected, or whether a workshop or trial project is envisaged. *NOTE: Though agencies should respect your wishes in this, be sensitive to the fact that creative pitches can be an expensive and resource-draining exercise.*
- Be explicit about the nature of the services that you expect to use.
- Indicate proposed remuneration and contract terms. Make the budget explicit from the outset. This will safeguard against misunderstandings during negotiations.

**3. Consider the time necessary to complete the review process**

- Prepare a firm timetable for the total pitching process and stick to it.
- Allow sufficient time for agencies to have face-to-face meetings with you to discuss the brief, ask questions and establish a rapport with you.
- Don't underestimate the value of informal meetings with competing agencies.

**4. Invite no more than three agencies to participate**

- If the incumbent is invited, the list can go up to four agencies.
- Don't invite the incumbent to pitch if you have no intention of re-appointing them. If you haven't already done so, talk to the incumbent about why you are not including them on the shortlist.

**5. Give background marketing data, interpretation and clarification**

- Have them sign and NDA if necessary. You should be willing to share, on a confidential basis, market data and other relevant research and allow agency personnel access to people in the company with whom they would work if appointed.

**6. Understand the roles of all those involved on both sides and set up an objective evaluation system.**

- Ensure that all the decision makers have been fully briefed and that they are all present at each stage.

**7. Insist on necessary commercial disciplines before an appointment is made**

- Ensure that the business side (contracts, remuneration and the management of the relationship) is agreed on before the new agency is hired.

**8. Decide and inform quickly and fairly**

- Decide on the winning agency as soon as possible, normally no more than one week after all the agency presentations.

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### **9. Key guidelines on implementation and relationship management**

- After the pitch, give the losing agencies the courtesy of a full 'lost order' meeting. Any losing agency must return all confidential material and information provided for the pitch to you -- and you, if requested, should return the losing agencies' pitch presentations.
- Honor the incumbent agency's contract, particularly with regard to the agreed notice period and payment of outstanding invoices. Ensure that they co-operate fully in a hand-over to the new agency.
- Agree on realistic objectives and put in place measures of effectiveness.

### **10. Arrange for mutual induction meetings**

- Provide the new agency with an 'immersion day' scheduling briefing sessions with all key personnel.
- Ensure the agency is provided with regular training and updates on messaging.

Two other key items.

1. We recommend using a scorecard that objectively evaluates the agencies. This scorecard is part of the selection process document we can send you upon request to [therndon@themarxgrp.com](mailto:therndon@themarxgrp.com).
2. Have frequent (at least twice annual) mutual assessment meetings, where each side can openly share what's working and what's not. By nurturing your relationship with your agency long-term, you will develop an invaluable ally.

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