

# Charter for Media Agency Selection



*Supporting the sustainable growth of Ireland's advertising Industry*

**iapi**

## 1. Contents

Introduction	3
Re-evaluatiing the Media Pitch	4
Principles in Summary	5
Guiding Principles for Marketers	6
Guiding Principles for Agencies	8
Participating Brands, Agencies and Consultants	9

## 2. Introduction

Selecting an appropriately sized and skilled agency partner is an important decision for marketing leaders, requiring considerable time and investment. The investment decision is substantial, the potential value enormous, so there is a lot riding on making 'the right choice'.

Equally, in striving to create sustainable workplaces, we need to recognise that it means doing business differently across all areas of the organisation and joining the dots between people, planet, and profit. From a people perspective, social sustainability highlights the critical need to ensure the health, safety and wellbeing of everyone within our sphere of influence.

There is a need to maintain a profitable industry that is flourishing, as the alternative would result in considerable additional cost of staffing an in-house team with capabilities across all media disciplines or using international offices of media networks with much less innate understanding of the Irish market, all leading to a further brain drain from the Irish market of highly talented individuals.

So, as enlightened businesses commit to operating ESG initiatives across the supply chain, we need to reform the, at times, inefficient selection practices so that we enable a safe, ethical, and sustainable process, better suited to quantifying the value of expertise.

**For clients**, traditional RFPs are fine for sourcing unit-based or standard goods and services but not so effective for media and strategic expertise that is custom and

complex. Several leading marketers and pitch consultants in the Irish market have made important adjustments to the agency selection process which has resulted in a more equitable outcome for both parties. IAPI have also supported best practice by producing a set of [pitch guidelines](#) along with accrediting pitch consultants who adhere to these guidelines.

Unfortunately, there are still pitches being undertaken that do not adhere to best practice and this is where the issue lies. In the main, this stems from brands who are not aware of the [current pitch guidelines](#), published by IAPI and supported by The Marketing Institute of Ireland (MII) and The Association of Advertisers in Ireland (AAI).

### 3. It's time to re-think the Media Pitch

From the agency's perspective, unpaid, multi-stage media pitches on projects with less than €500,000 in potential agency billings, are negatively impacting agency operating models, profitability, and culture.

The 2024 IAPI Census highlights the commercial impact of pitching. In a business which is all about people, and despite the media networks considerable investment in AI efficiency tools, staff costs on average represent 68% of a media agency's cost base. With an estimated 20 pitches on average per year according to Media agency respondents, with each pitch taking up 561 hours, this equates to a total 6 fulltime employees working on pitches per year in each media group.

In addition to the considerable cost of this (often senior) resource, on average media agencies are spending €70,000 per year on 3<sup>rd</sup> party costs involved in pitching. It is clear that providing this level of service on speculative work is longer tenable or sustainable.

Specifically for smaller projects, the traditional media pitch process has become financially unsustainable. In Ireland, where each individual media agency is on the smaller side of the SME scale, this is even more prohibitive.

The impact on agencies is not just financial. The Feb 2024 IAPI Sentiment Survey shows that 34% of the total workforce and 41% of Senior Management are always stressed at work, with pitching cited as a considerable contributor to this stress.

Of course, agencies do not have to take part in pitch processes that will have a negative impact on the health and wellbeing of their staff. However, participating in pitch processes is seen as an imperative to survive in Ireland's highly competitive, small market as just under half (41%) of new business for media agencies still originates from pitches.

IAPI exists to foster the long-term prosperity of the industry and have undertaken this project to protect and nurture its' members, as well as their client partners. By adhering to a clear set of principles it will be of mutual benefit to the marketing and advertising community.

The Principles outlined in this document are designed to foster trust and avoid misaligned expectations, which can lead to less wasted time and effort for both parties.

## 4. Principles in Summary

IAPI, together with a working group of its agency members, pitch consultants and brand marketers, have designed the following **PRINCIPLES** for marketers, agencies and pitch consultants to support. The objective being to significantly reduce the number and scale of pitches, particularly for clients with media billings <€500,000.

For **MARKETERS** those principles are:

1. **Be more mindful and informed about WHY PITCH?**
2. **Provide REALISTIC budget, timings & media billings estimates.**
3. **Provide a BRIEF that clearly defines, and keeps to a minimum, any required outputs in a pitch.**
4. **Dedicate TIME to the process and give comprehensive feedback.**
5. **CHAMPION fair and equitable commercial terms.**
6. **RESPECT the VALUE agencies bring to your organisation**

It is equally important that agencies follow a set of guiding principles in a manner that is professional, equitable and respectful of the client marketer and the pitch consultant managing a process.

For **AGENCIES** those principles are:

1. **PROMOTE this Charter for Agency Selection to all stakeholders.**
2. **PROTECT the wellbeing of your workforce & business sustainability.**
3. **RESPECT the process.**
4. **Highlight and respect IP OWNERSHIP**
5. **Include the REAL TEAM.**
6. **Accept feedback GRACEFULLY.**

## 5. Guiding Principles for Marketers

### 1. Be more mindful and informed about WHY PITCH

There are many reasons as to why pitches take place; a new direction for the brand that may need a fresh approach, changes in your current agency team, a standard agreed contractual review and/or a review of costs.

We recommend that prior to pitching, you should work with your current agency to assess the needs of your business and work towards potentially resolving the issues before deciding if a pitch is necessary. This reduces unnecessary pitches, allowing marketers to build on established relationships while lowering the resource strain on agencies.

At this point, if you still wish to go to market with your media business, and you have a budget of less than €500,000 per annum, we strongly urge you to utilise the PROFILE only approach using the **5Cs: Credentials, Capabilities, Chemistry, Culture, and Client references**.

### 2. Provide REALISTIC budget, timings & media billings estimates.

In the brief you should be realistic about your budget and/or estimated media billings and be clear about the nature of the services that you believe your brand requires. Clearly communicate any specific expectations, constraints, or limitations from the outset, particularly regarding objectives, budget flexibility, and agency and/or inter agency roles.

The brief to agencies should clearly outline services that are up for pitch and those that are

not. A response should be supplied only for what is within the scope. *e.g. If PPC/Search does not form part of your future requirements, then questions specifically about search should be excluded.*

Set achievable timelines and clearly outline the expected outcomes without last-minute changes, avoiding scope expansion.

### 3. Provide a BRIEF that clearly defines and keeps to a minimum any required outputs in a pitch

The detail included in the brief will help agencies understand the scope of work and ensure that responses are aligned to your business objectives. Use it as an opportunity for the agencies to showcase their ability in solving your real business challenges.

Ultimately the time and effort that is put into the brief will be reflected in the strength of the responses that you receive from the agencies.

Ensure that you define exactly what you mean at each stage of the brief. *e.g. What do you expect from the agencies within a Chemistry meeting, or a Tissue meeting?*

### 4. Dedicate TIME to the process and give comprehensive feedback

Running an agency selection process needs dedicated time and effort from the most senior marketer and their entire team as well as procurement.

The more time dedicated to meeting and collaborating with the agency during the process, the better equipped the client will be to qualify the agency's level of engagement

and the impact that they will deliver as a strategic partner.

Provide comprehensive feedback after each stage of the process in a fair and constructive manner. Ask the participating agencies for feedback on the process and accept this feedback graciously.

#### **5. CHAMPION fair and equitable commercial terms**

Advertising is no different from any other business - the seller should set the price and be willing to negotiate based on the scope of services. Agencies normally operate on 30-day payment terms. Anything over this can have a significant impact on agency cash flow to pay their staff, suppliers, and contractors. Encourage and negotiate fair trading terms.

There are two cost elements in relation to a Media Agency pitch. Media pricing, for example the cost to run a TV campaign, and agency fees, what the agency will charge for their services. Agencies must not be requested to input costs for media they will not be likely to purchase.

#### **6. RESPECT the VALUE agencies bring to your organisation**

An ethical and professional partnership is born from respect. Asking for extensive free consulting services as part of selection undermines this premise.

Offering a commensurate fee is recommended as it demonstrates your respect for the effort required in pitching, and the strategic value of this advice. Where

there's no budget to pay pitch fees, focus selection on a robust PROFILE phase using the **5Cs: Credentials, Capabilities, Chemistry, Culture, and Client references**. These provide reliable proof of an agency's ability and approach.

While agencies may share their methodologies and offer strategic advice as part of the selection process, IP ownership should only be assigned when it is paid for on mutually agreed terms. Please honour this professional standard.

## 6. Guiding Principles for Agencies

### 1. PROMOTE this Charter for Agency Selection to all stakeholders

Educate and inform client marketers, pitch consultants and your workforce of this Charter and its Guiding Principles.

Immediately inform the client marketer, pitch consultant **and IAPI** if you are invited to take part in a process that does not follow the guiding principles and respectfully request an adjustment.

### 2. PROTECT the wellbeing of your workforce & business sustainability.

The health and safety of agency staff is your responsibility. Avoid putting your team under extra pressure to over-deliver on outputs during any selection process – stick to the ask contained in the brief.

Remember, you do not have to take part in a competitive tender and should only do so if you can manage the additional workload in a manner that respects the wellbeing of your workforce.

Consider in advance of pitching whether the client organisation in question is compatible with the agency from a cultural and business sustainability perspective.

### 3. RESPECT the process

Please bear in mind that you will not always be privy to the business context behind a specific pitch brief. If you fundamentally disagree with the approach the organisation is taking, then you need to consider whether you should participate.

You are also encouraged to respectfully

decline invitations to take part in processes that fall outside of the Guiding Principles.

If you are asked to participate in a pitch process that follows these Guiding Principles then you will be expected, in turn, to respect the process and deliver the ask contained in the brief, demonstrating a unique perspective that best showcases your agency's skills.

### 4. Highlight and respect IP ownership

Clearly define intellectual property rights and ensure clients understand what elements of the pitch remain the agency's IP. This transparency protects the agency's ideas and ensures that IP is handled fairly, preventing unauthorized use of media work.

### 5. Include the REAL TEAM

Manage client expectations by showcasing the talent that will be actively running the account. Present a pitch in the pitch that most closely resembles the team actually executing the project if awarded. If you intend to recruit in talent to run the business, should you be successful, this needs to be clarified in the pitch.

Provide clarity on the pitch team roles on the account and the amount of time you have allocated to each within the proposed budget.

### 6. Accept and provide feedback GRACEFULLY

When feedback is provided that is comprehensive and fair, accept it gracefully. In turn, when providing feedback to the client organisation on the process, please do so in a fair and constructive manner.



## 7. Participating Brands, Agencies & Consultants

The following brands, consultants and agencies have agreed to support the guiding principles contained with this IAPI Charter for Media Agency Selection, that commit the Irish marketing and advertising industry to a fair, equitable, and sustainable process.

If you would like your brand or agency to be a named supporter of this Charter, please contact [charley@iapi.com](mailto:charley@iapi.com).

