PITCH SMART

A STUDY BY MEDIASENSE

MediaSense®

About this Research

MediaSense launched this study as an opportunity to learn from the wider agency ecosystem on how current pitch practices can be improved, and specifically how the evaluation criteria (used for selection) should change to better surface differentiation and impact.
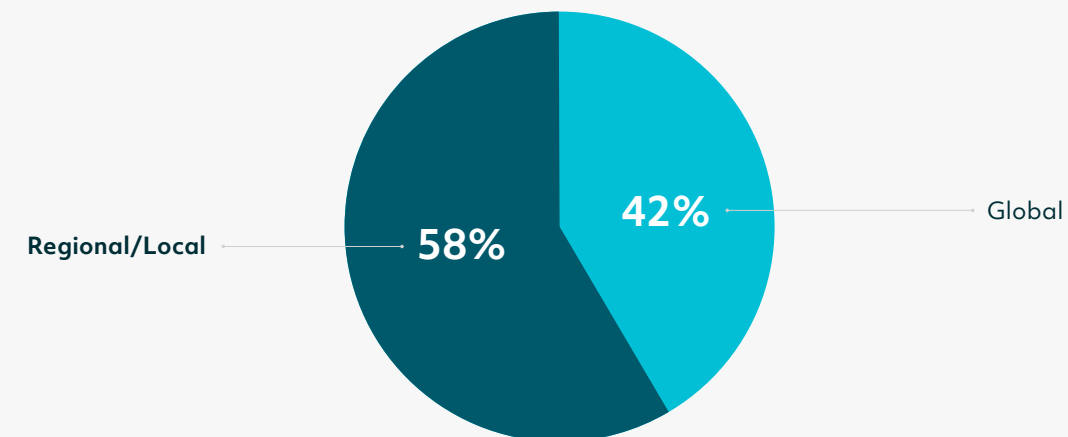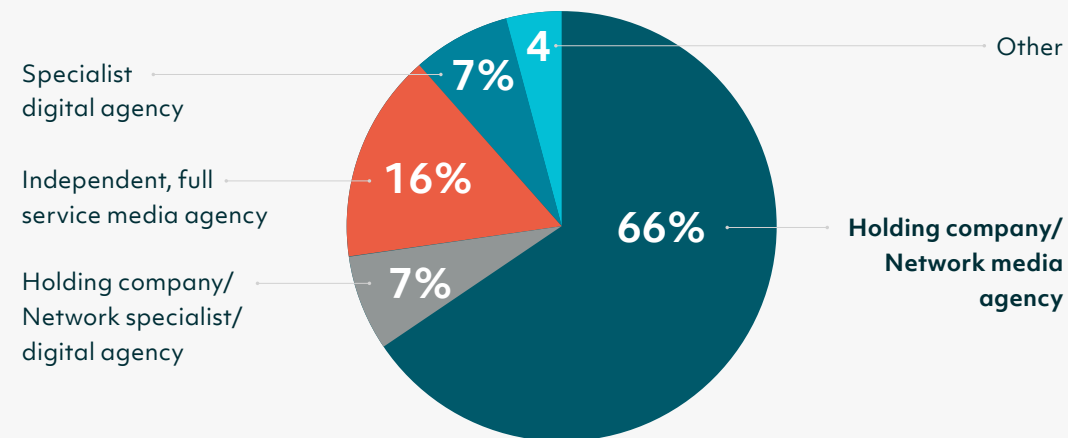
This study is relevant now as it follows a period of unprecedented pitch activity, acute talent shortages in the industry and the recent launch of the IPA & ISBA Pitch Positive Pledge, designed to make the process more 'intentional, accountable and responsible for brands and agencies'.

The research was focused on the global media agency industry with 100+ responses, collected predominantly c-suite and director level, and drawn from a combination of global and regional roles. All major agency archetypes; holding company, network agency, specialists & independents are represented in the survey.

As we explore in this study, the goalposts are moving. Continued market complexity & technology convergence, matched with growing competition & disruption across the agency ecosystem, now demands a new approach to evaluating and selecting agencies. Traditional approaches that prioritise scale and efficiency are failing to acknowledge the importance and transformational potential of talent, integration, agility and purpose.

Accordingly the pitch process and selection criteria used (for many) is no longer fit for the future.

Survey Participants - Agency Archetype & Region

Specialist digital agency — 7%
Other — 4
Holding company/ Network media agency — 66%
Independent, full service media agency — 16%
Holding company/ Network specialist/ digital agency — 7%

Regional/Local — 58%
Global — 42%

Executive Summary

While pitching for business is an accepted part of agency life, agencies were clear about the increasingly negative impact created by pitch processes. Much of this centres on an increasing imbalance between expectation (what clients want) and reality (what clients need) in how the process is created. Furthermore, an acute lack of transparency surrounding prioritisation of evaluation criteria is driving agencies to be all things to all people, rather than embracing their individuality and creating a lasting impact.

With already overstretched teams, and spiralling pitch costs, agencies are now becoming more selective about their participation as they weigh up the opportunity cost of pursuing new opportunities, alongside the human impact on their employees.

Evolving the agency selection process has therefore become an urgency to allow agencies to show themselves in their best light, and to address an increasing lack of optionality through agencies declining to participate in media reviews.

As we explore in this report, this means four things: simplify the process, recalibrate the selection criteria, prioritise talent and double down on transparency and communication.

AUTHOR

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Managing Partner, Strategy

Ryan Kangisser joined MediaSense in 2010, and leads its Transformation practice, specialising in designing and implementing future-facing media operating models. Ryan is also responsible for MediaSense's Media20:20 research programme and has written extensively on topics surrounding organisational change, digital transformation, agency models, in-housing and talent.

TIME FOR CHANGE

"Pitches really need a radical change, not improvements!"

GLOBAL INDEPENDENT AGENCY CEO

Pitching has always been a vital mechanism for clients to review or change their agency relationships, and for agencies to strengthen and showcase their offering in a highly dynamic & competitive marketplace. However, as the media landscape has evolved, and clients' requirements of agencies have become more interconnected and interdependent (particularly through data & technology), such reviews have become increasingly complex, lengthy and onerous for all parties. While agencies have become more used to (and accepting of) this reality, there is a growing weariness about the current process, and desire for more transparency and focus.

"I was a client for 15 years and had no appreciation that the pitch culture was negative to my business as it drags away focus from current clients… Partnership is essential. No other industry operates in a way which is so wasteful to human and business capital."

"Start from scratch, designing something that delivers the client what the business really needs. And ensures they have the partner that can really deliver it…"

Pitching is still very much a 'game of two halves'. The process is seen as a crucial part of agency culture and life (**64%** agreed), testing and energising creative people to show their company in the best light (**44%** agreed). Winning coveted business also creates both commercial and career opportunities, and acts as a recruitment hook in a challenging market.
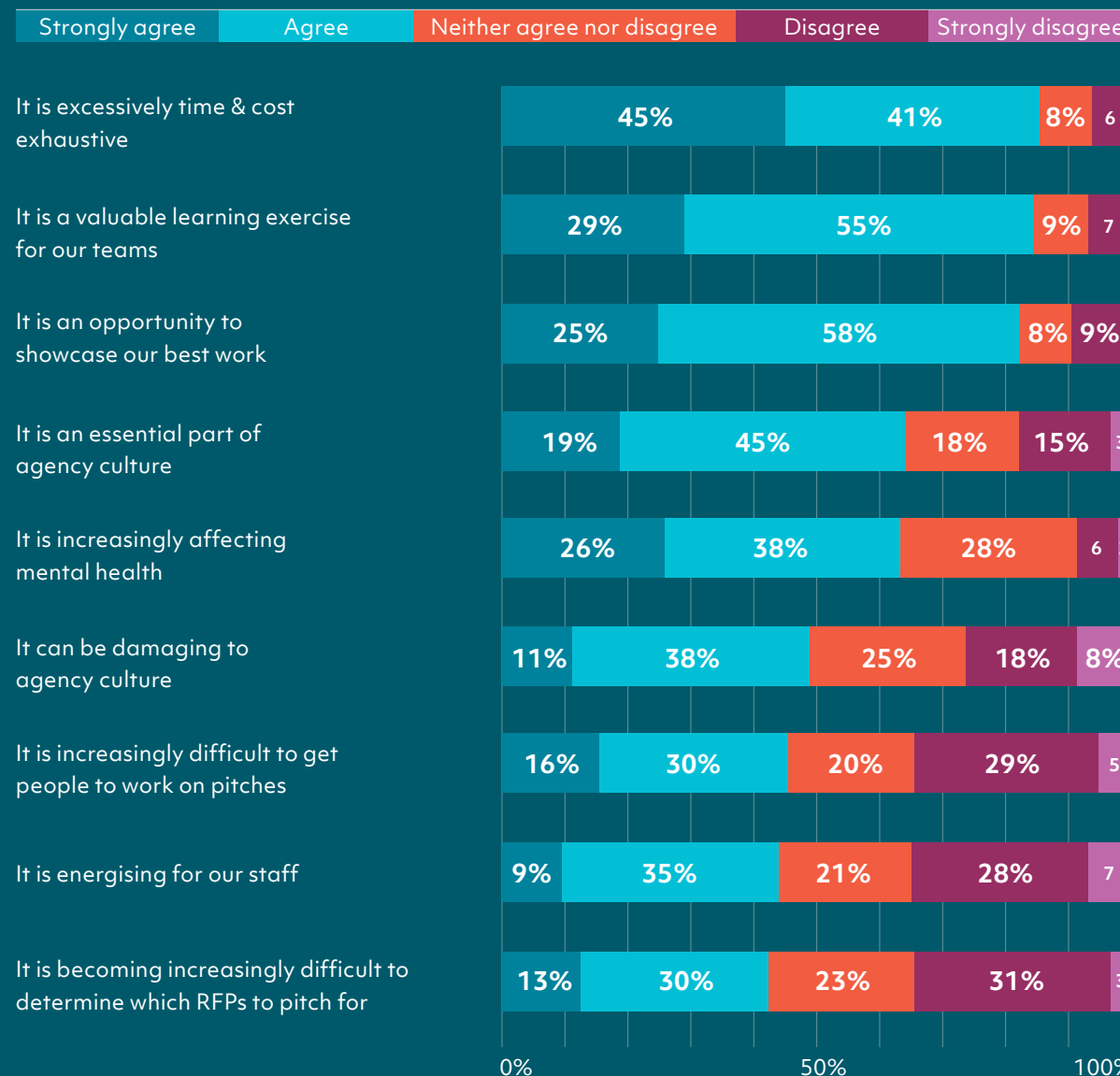
However, this contrasts with the human and financial impact the process brings. For example, **64%** agreed the process is having a damaging impact on mental health.

> *"...The current approach is a drain on agency resources and wellbeing in a market with major talent shortages."*

Respondents also highlighted a dilution of agency culture (**49%** agreed overall, but higher at **55%** agree for specialist and independents), a negative impact on talent (**64%** agreed overall, but notably lower for specialists and independents at **45%** agree), and increasing difficulty finding people to work on extensive pitches (**46%** agreed overall, and significantly higher for HoldCos at **53%**). While nobody surveyed attributed these problems entirely to pitching, one can reasonably accept that it would add extra strain on already pressured teams, particularly for the HoldCos who need to manage larger and more distributed resource pools. That said, the personal impact on talent is now neither sustainable nor a desired outcome for any party. This point alone should be a catalyst for change.

Other concerns are evident around the process itself. Agencies overwhelmingly agree that current ways of working are prohibitively time consuming and costly (**86%** agreed), with **43%** agreeing it is becoming harder to determine what to pitch for.

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Thinking about the impact pitching has on your agency, to what extent do you agree/disagree with the following?

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree

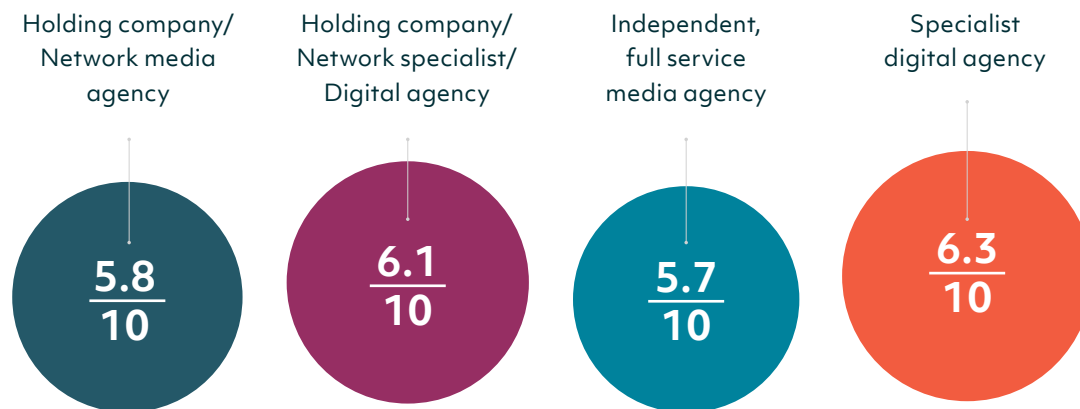|	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
It is excessively time & cost exhaustive	45%	41%	8%	6	
It is a valuable learning exercise for our teams	29%	55%	9%	7	
It is an opportunity to showcase our best work	25%	58%	8%	9%	
It is an essential part of agency culture	19%	45%	18%	15%	3
It is increasingly affecting mental health	26%	38%	28%	6	2
It can be damaging to agency culture	11%	38%	25%	18%	8%
It is increasingly difficult to get people to work on pitches	16%	30%	20%	29%	5
It is energising for our staff	9%	35%	21%	28%	7
It is becoming increasingly difficult to determine which RFPs to pitch for	13%	30%	23%	31%	3

0%   50%   100%

The recent phenomenon of agencies becoming more selective about pitching has been particularly acute in the last two years with agencies more discerning than they ever have been – regardless of size or stature of the potential scalp – as they balance the opportunity cost with the human and financial impact.

For clients, this means reduced optionality of agencies and potentially disrupted pitch processes.

While pitching is widely regarded as an opportunity to highlight their best work (**83%** agreed), the process itself is seemingly holding back agencies in demonstrating the best of their organisations with an average score of **5.9/10**. Specialist digital agencies scored slightly higher; perhaps because they are more likely to enjoy more freedom to express their differentiation.

If the goal of a pitch is to identify the right partner, the process must be designed in a way which allows each party to shine. More on this later.

To what extent do you feel that the current pitch process creates the right conditions for you to showcase the best of your agency?

Holding company/ Network media agency	Holding company/ Network specialist/ Digital agency	Independent, full service media agency	Specialist digital agency
5.8 / 10	6.1 / 10	5.7 / 10	6.3 / 10

SUMMARY

- While pitching for business is an accepted part of agency life, there is increasing recognition of the potential negative impacts of the current process

- Impact on agency talent is a concern overall, and it is the HoldCos who feel this most acutely. Current ways of working are also seen as unnecessarily time consuming and expensive. The need to mitigate this is already informing what pitches are chosen for participation – something that is increasingly impacting clients

CREATING A 'WIN-WIN' FOR ALL PARTIES

"Long-term partnerships do not evolve just from presentations. They are the formation of trusted agency-client relationships that are based on tangible and intangible decision criteria. Most importantly, we need to ensure that clients and agency teams have the time to get to know each other before major decisions are made."

CHIEF CLIENT OFFICER

GLOBAL HOLDING COMPANY

The classic pitch process is made up of a number of different deliverables testing everything from credentials, chemistry, capability and commercial. These elements manifest through a range of exercises (some written, some presented) with little in the way of standardisation. The purpose is to gauge information necessary to make an informed decision but, in doing so, requests can be onerous and even superfluous. Furthermore, the desire to create real-life situations for clients wanting to see what it's like working with an agency can quickly veer into artificial situations.

A key focus of this research was to assess the merits of these different elements from the agency perspective, and to understand more precisely what they feel gives the best representation of their individuality and strength. Ultimately, a more effective pitch process will deliver a more effective outcome (win-win).

CREATING A 'WIN-WIN' FOR ALL PARTIES

Ditch the RFI?

The RFI is typically the first interaction an agency will have as part of a pitch process. Designed as a pre-qualifier, this comprises mainly quantitative data relating to agency size, scale, clients and corporate status. Although such information is readily available and therefore not too onerous, an overwhelming **94%** of agencies see this as an ineffective way of showcasing their agency's capabilities. Often this is seen as a blunt tool lacking in nuance, and could be expedited through initial desk research and (pitch management) partner support.

"I don't see how 'generic' information requests can be effective when selecting a partner."
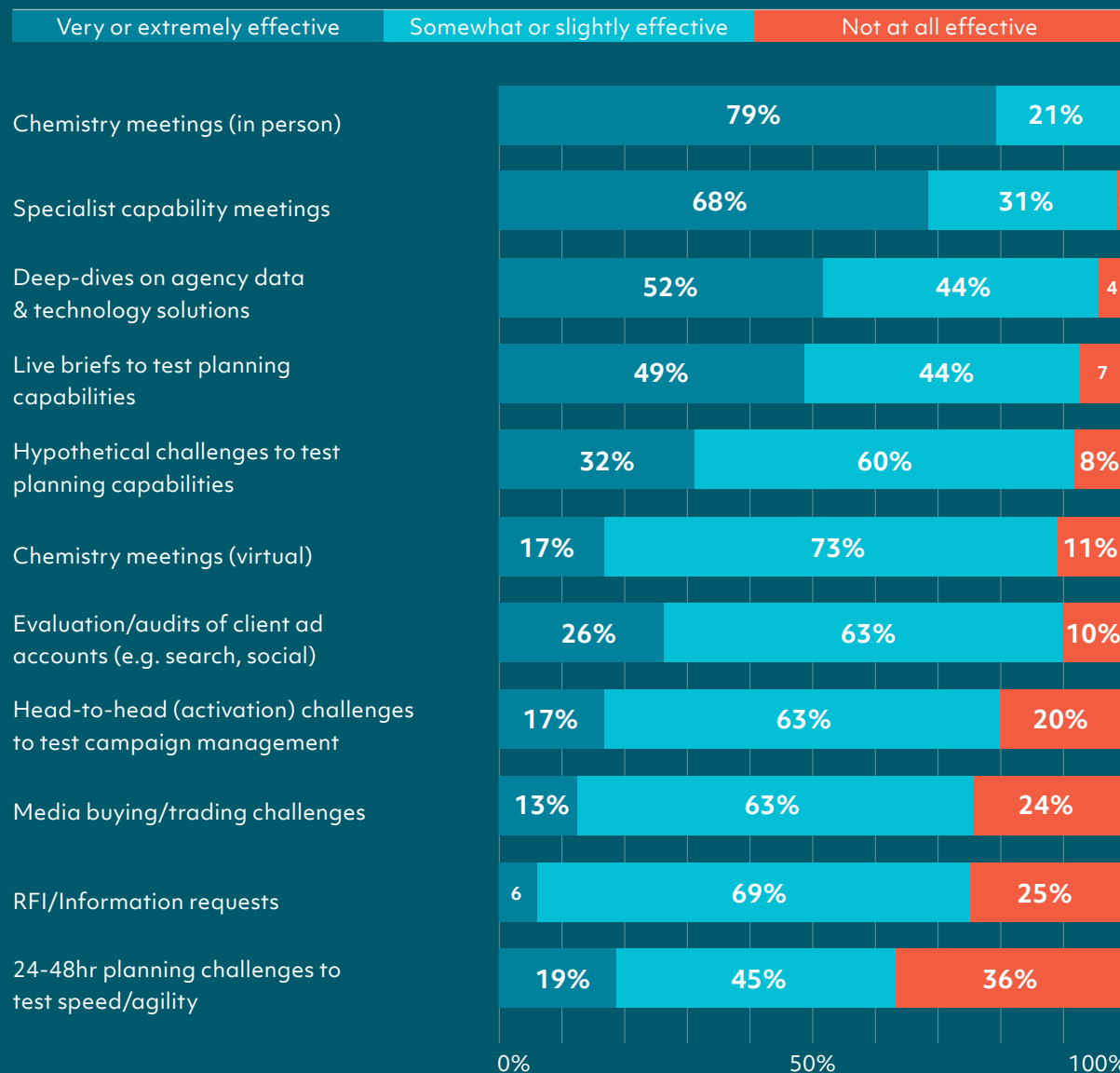
Chemistry is key

The chemistry meeting is typically the next stage, providing an opportunity to gauge cultural fit, hunger and 'hunch' (Can I work with these people? Do I trust they will deliver on my business?). Covid-19 has had a profound impact on testing chemistry, with virtual meetings widely seen as an inferior vehicle compared to in person meetings (which **79%** perceived as very effective). While virtual chemistry meetings allowed agencies (and clients) to expose more people to the process, the quality of those interactions could not be matched by the richness and spontaneity of face-to-face discussion.

"Encourage clients to meet agencies in person again! There is so much chemistry and interaction that is lost over a virtual meeting."

"Hybrid meetings are extremely difficult/expensive to manage on the agency side in order for the clients to get the best experience (i.e. hiring production companies)."

Thinking about the pitch process itself, how would you evaluate the following in terms of their ability to fully showcase your agency & capabilities?

	Very or extremely effective	Somewhat or slightly effective	Not at all effective

	Very or extremely	Somewhat or slightly	Not at all
Chemistry meetings (in person)	79%	21%	
Specialist capability meetings	68%	31%	1
Deep-dives on agency data & technology solutions	52%	44%	4
Live briefs to test planning capabilities	49%	44%	7
Hypothetical challenges to test planning capabilities	32%	60%	8%
Chemistry meetings (virtual)	17%	73%	11%
Evaluation/audits of client ad accounts (e.g. search, social)	26%	63%	10%
Head-to-head (activation) challenges to test campaign management	17%	63%	20%
Media buying/trading challenges	13%	63%	24%
RFI/Information requests	6	69%	25%
24-48hr planning challenges to test speed/agility	19%	45%	36%

0%   50%   100%

CREATING A 'WIN-WIN' FOR ALL PARTIES

Capability deep-dives

The increased complexity (and inter-dependency) of client requirements has naturally created the need to dive deeper into capabilities through a combination of theoretical and practical challenges. Moreover, the desire to test agility and identify differentiation has led to increased experimentation through 'live' challenges, which may comprise live tool demonstrations, head-to-head campaign management exercises or even 24hr planning briefs.

"When we have done well here it's because the clients took the time to see how we interact with each other both in the formal pitch meetings and the follow up meetings."

"Kill the 24 hours brief test and the media pricing tests – neither accomplish any true objective."

"We had 50 people in the agency over the weekend to respond to their 24hr planning brief. The reality is most of those people wouldn't be working on the account if we won it."

While testing capability generally is perceived well (**68%** agree this to be very effective), particularly when going deep into data & technology (**52%** very effective), there are diverging views relating to the value of hypothetical (**32%**) and live challenges (which **19%** believe 24-48hr challenges are effective). These will likely be seen as highly time-intensive (e.g. account audits) and misleading (e.g. different teams, poorly constructed tests, unrealistic timelines). Diving deep into capabilities and going beyond PowerPoint are an essential part of any process, but to maximise their impact, they must remain commensurate to the overall 'prize' and focused on the desired outcome.

"If a client wants to know about the data and technology we offer, the brief needs to ask about the 10 data and technology services that would be most beneficial to the client and why we are proposing them."

"…no "kitchen sink" RFP's…"

The desire for simplification, communication and transparency is clear from the study. Simplification is rooted in a more streamlined ("limit the written requirements") and focused process, whereas communication and transparency is in recognition that a pitch is a two-way process ("more dialogue, less presenting").

Simplifying the process could mean moving away from the artificial format of strategy presentations to real-life collaborations, where ways of working are tested over an extended period, and agencies compensated for time and ideas generated. This shift towards real-life interactions could also have the benefit of widening the perceived playing field to agencies with less expansive business development budgets.

"A better way is working together on a smaller project instead of pitching."

"The budgets available between agencies differ greatly, and it is not fair to weigh an expensive custom vinyl that will only appear for one meeting in a decision…"

CREATING A 'WIN-WIN' FOR ALL PARTIES

Clients will also get the best out of a process when they communicate clearly, informally and transparently. The 'selling' is not just on the agency side, but clients need to commit to the process by selling the opportunity, being open about their organisation and challenges, and providing regular feedback to help agencies be the best versions of themselves.

"The more that can be shared at the beginning, the better the agency can evaluate if they are a fit and if they should even pitch."

Transparency is a key focal point for this study with agencies on average rating the level of transparency received (in terms of selection criteria) in a pitch process at just **3.8/10**.
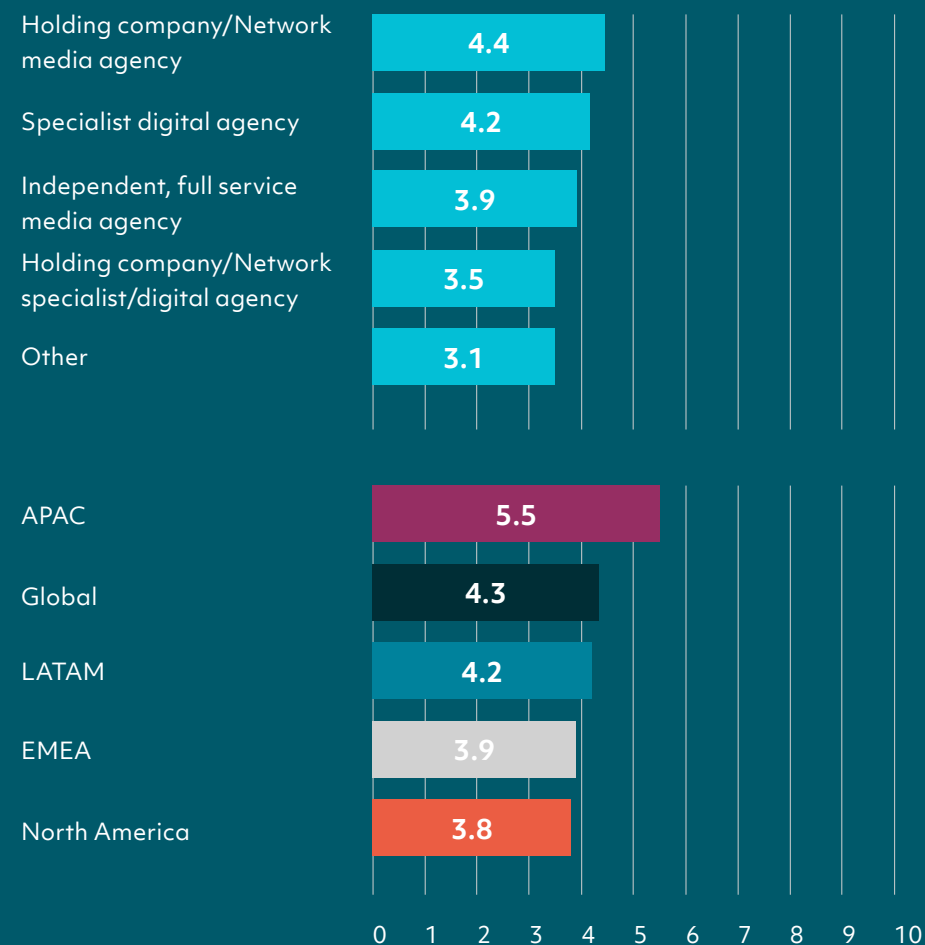
As acknowledged earlier, the investment in time and resource required by the current process can be significant and onerous at best, and effectively exclusionary at worst, as those parties with smaller pools of resource (and funds) may not be able to participate.

"Clients need to get better at articulating the reason they are pitching their business. Be transparent about the reason - cost cutting, strategic improvements, tech capabilities, etc. This is never really articulated well enough in 90% of pitches, and it would really help agencies make better decisions to pitch or not to pitch, and how to pitch."

Across agency types, rating of transparency was uniformly low – the highest being amongst network media agencies at **4.4/10**. Network specialists (with perhaps less new business resource available to manage the process) rate this even lower. The picture across regions is similarly concerning, with the anomaly, and highest score being, APAC at only **5.5/10**; others sit below **4.5/10**.

"Agencies invest heavily to win new clients. Therefore, transparency towards all parties regarding pitch criteria, participants, the process, deliverables, additional Q&A sessions etc. would help agencies to better screen the opportunity and decide upfront if they are willing to invest to win."

How would you rate the level of transparency received on selection criteria?

	Rating
Holding company/Network media agency	4.4
Specialist digital agency	4.2
Independent, full service media agency	3.9
Holding company/Network specialist/digital agency	3.5
Other	3.1
APAC	5.5
Global	4.3
LATAM	4.2
EMEA	3.9
North America	3.8

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CREATING A 'WIN-WIN' FOR ALL PARTIES

Despite the lengthy process of getting pitch briefs and goals aligned on the client side, there would still appear to be a problem with communication and comprehension of the task to and by agencies. The answer here may be twofold and build on recommendations made earlier: simplification and distillation of the ask, and increased contact throughout the process to allow effective consideration and execution of the brief. This does of course have clear implications for clients and pitch management partners:

> *"The client should spend an hour presenting their brief effectively providing the "text" at the outset of the process."*

The benefits of a more transparent process are clear for all: greater transparency = more engaged participants = better and more relevant responses. These are also principles which could be applied to positive effect throughout the entire process:

> *"...if you feel an agency has no chance, tell them and give them a chance to either remove themselves or totally change what they are doing to address the issues."*

> *"A formal, written agency debrief needs to be a part of the pitch process, for both winners and losers."*

SUMMARY: CREATING A 'WIN-WIN'

- The pitch process must be constructed in a way that allows agencies to bring their best, most natural selves to the process. This means removing manufactured situations which encourage artificial responses

- More focused information requests around the information that matters will help streamline the selection process, creating more time elsewhere to build chemistry and test capability

- Post Covid-19 restrictions, there is also a clear call to return to face-to-face interaction and an increased emphasis on chemistry building

- Simplification, communication and transparency are all key ingredients of an effective pitch process

NEW EVALUATION CRITERIA

Key to an effective pitch process is the decision-making process, which is often made up of a set of evaluation criteria with specific allocation towards strategic, operational, technical & commercial components.

As this section reveals, there is a clear disconnect between the resources these components occupy in a pitch process and the contribution they have in selecting a partner.

In terms of priority, it would seem everything is important for agencies with high priority awarded to agency culture and chemistry (**76%**), talent (**72%**), digital capabilities (**82%**) and analytics (**71%**). Strategy and planning – both foundational agency capabilities – are also prioritised at **70%**. Interesting in this context is the evaluation of e-commerce (**47%** overall, **54%** for HoldCos), which is arguably not receiving the level of emphasis it should given the growth experienced in the last two years.

With those that are prioritised, the common thread is that they all represent potential points of differentiation, a critical part of any selection process. It also reflects the desire to move away from decisions based mostly on commercial criteria and increasingly towards mutually sustainable models (commercial model at **64%** high priority). The desire to 'deprioritise' media buying is even more pronounced in independent and specialist agencies (**70%** medium/low priority vs. **49%** overall), as a reflection of where clients place their priorities.
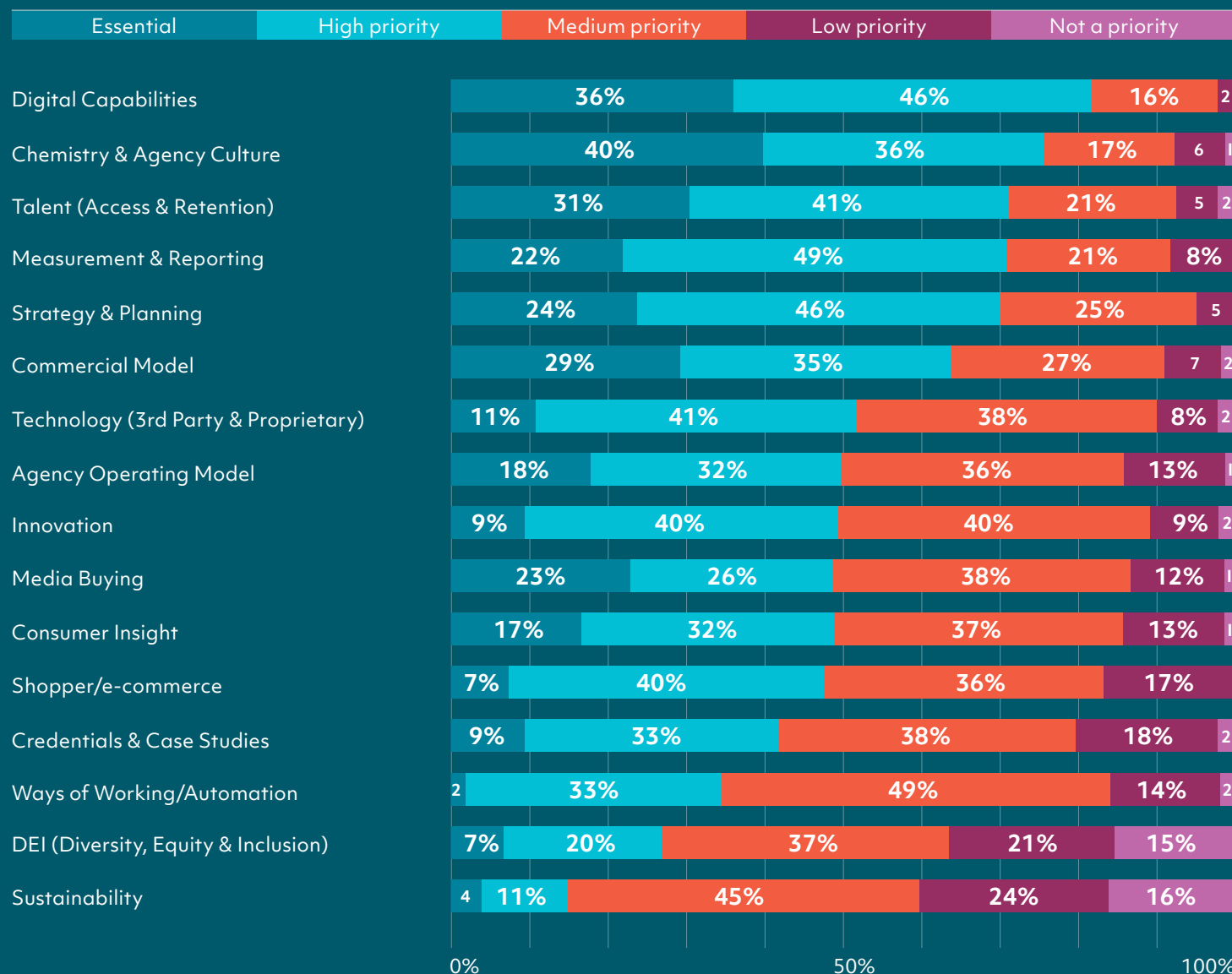
NEW EVALUATION CRITERIA

Interestingly, the growth of attention around DEI & Sustainability is not matched by the level of priority it should receive. Just **11%** for Sustainability and **20%** for DEI saw this as a high priority area to focus on when evaluating agencies.

Where time is spent is one thing, but what about the perceived weighting that contributes to the eventual decision making? As the results indicate, there is a clear perception that clients over-prioritise commercial (**41%** perceived selection criteria vs. **23%** preferred) and buying capabilities (**33%** perceived vs. **23%** preferred), both areas which are becoming increasingly challenging for agencies due to external factors such as hiring costs and inflation.
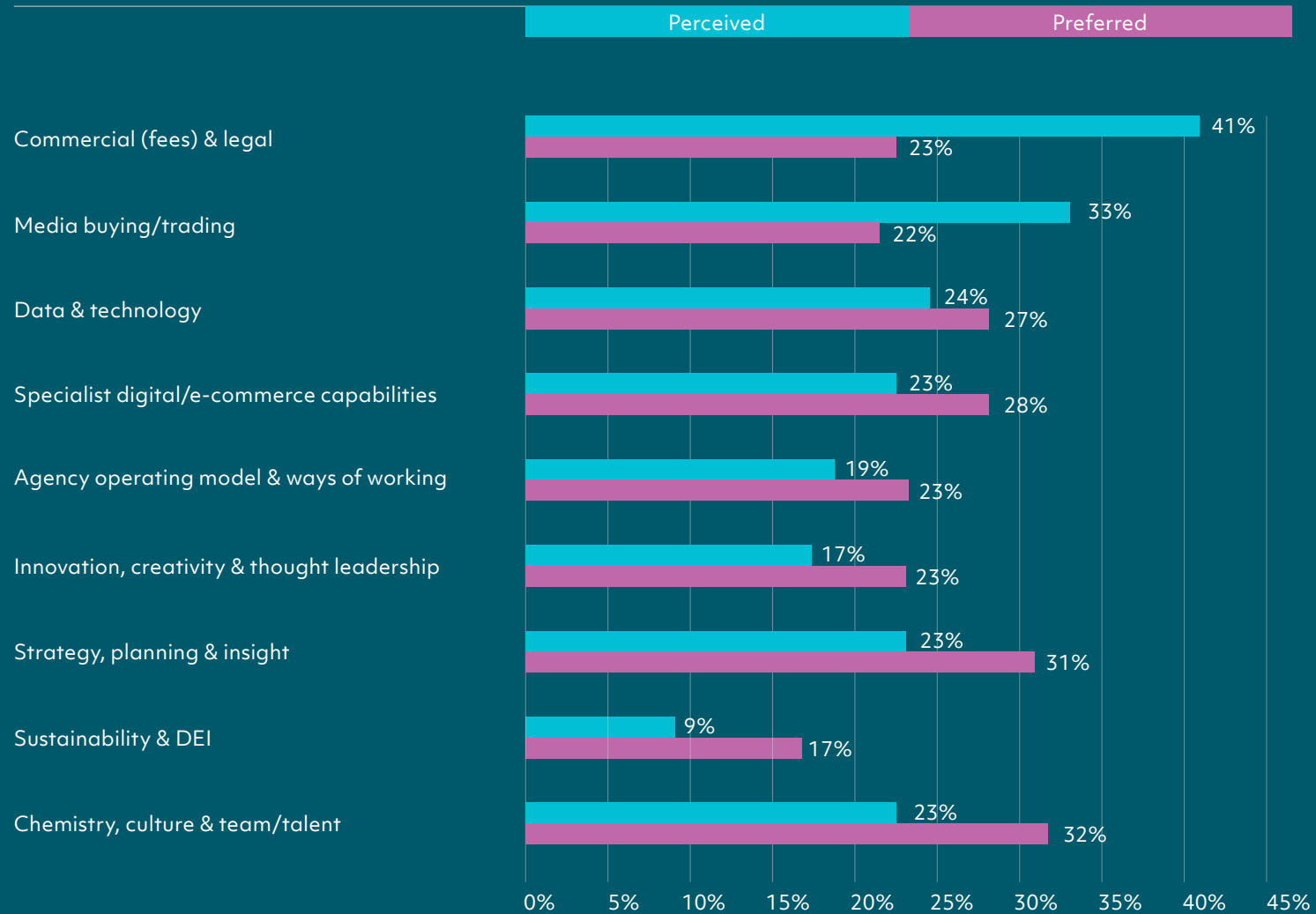
When asked what the preference is, the more qualitative, operational and creative aspects of strategy (**23%** perceived vs. **31%** preferred), chemistry (**23%** perceived vs. **32%** preferred), innovation (**17%** perceived vs. **23%** preferred), and operating models (**19%** perceived vs. **23%** preferred) registered more favourably, mirroring findings stated above. The challenge presented by this is how these elements can be quantified with the same rigour that commercials and trading carry. Similarly, what elements are table stakes versus genuine differentiators?

In terms of the time spent evaluating agencies (by clients), how would you rate the following components in terms of priority?

	Essential	High priority	Medium priority	Low priority	Not a priority
Digital Capabilities	36%	46%	16%	2	
Chemistry & Agency Culture	40%	36%	17%	6	1
Talent (Access & Retention)	31%	41%	21%	5	2
Measurement & Reporting	22%	49%	21%	8%	
Strategy & Planning	24%	46%	25%	5	
Commercial Model	29%	35%	27%	7	2
Technology (3rd Party & Proprietary)	11%	41%	38%	8%	2
Agency Operating Model	18%	32%	36%	13%	1
Innovation	9%	40%	40%	9%	2
Media Buying	23%	26%	38%	12%	1
Consumer Insight	17%	32%	37%	13%	1
Shopper/e-commerce	7%	40%	36%	17%	
Credentials & Case Studies	9%	33%	38%	18%	2
Ways of Working/Automation	2	33%	49%	14%	2
DEI (Diversity, Equity & Inclusion)	7%	20%	37%	21%	15%
Sustainability	4	11%	45%	24%	16%

0%   50%   100%

NEW EVALUATION CRITERIA

In terms of selection criteria, what do you perceive to be the weighting applied by clients when selecting agencies? In the second column, what do you think the correct weighting should be?

	Perceived	Preferred

Criteria	Perceived	Preferred
Commercial (fees) & legal	41%	23%
Media buying/trading	33%	22%
Data & technology	24%	27%
Specialist digital/e-commerce capabilities	23%	28%
Agency operating model & ways of working	19%	23%
Innovation, creativity & thought leadership	17%	23%
Strategy, planning & insight	23%	31%
Sustainability & DEI	9%	17%
Chemistry, culture & team/talent	23%	32%

With this disconnect, we then asked what the correct weighting should be, compared to what is perceived to be the current weighting.

The key outlier is around commercials where the perception is that it carries a significant amount of weight – double all other elements. This may be symptomatic of the lack of transparency received on selection criteria, since the reality is that commercials rarely carry such a weighting, or indeed the nature of feedback received to unsuccessful parties.

In the recalibrated picture, a more even distribution is applied across the different capabilities with more weighting applied to operational & strategic components.

Contrary to all the developments and investments (made by agencies) into data and technology solutions over recent years, it is surprising the weighting this receives. More than anything it reinforces that, when selecting an agency, it is still fundamentally about people, ideas and culture, and the process, selection criteria and weighting should reflect this.

This means diving deeper into the agency operating model, ways of working, approach to talent (recruitment/retention) and culture.

NEW EVALUATION CRITERIA

The survey asked – how should clients test culture? The answer came back loud and clear: spend time with them!

Much of the response to this question centred on gaining a deeper understanding of agency values, staff satisfaction, staff attrition and importantly, creating time to collaborate in more natural exercises such as workshops & brainstorming sessions.
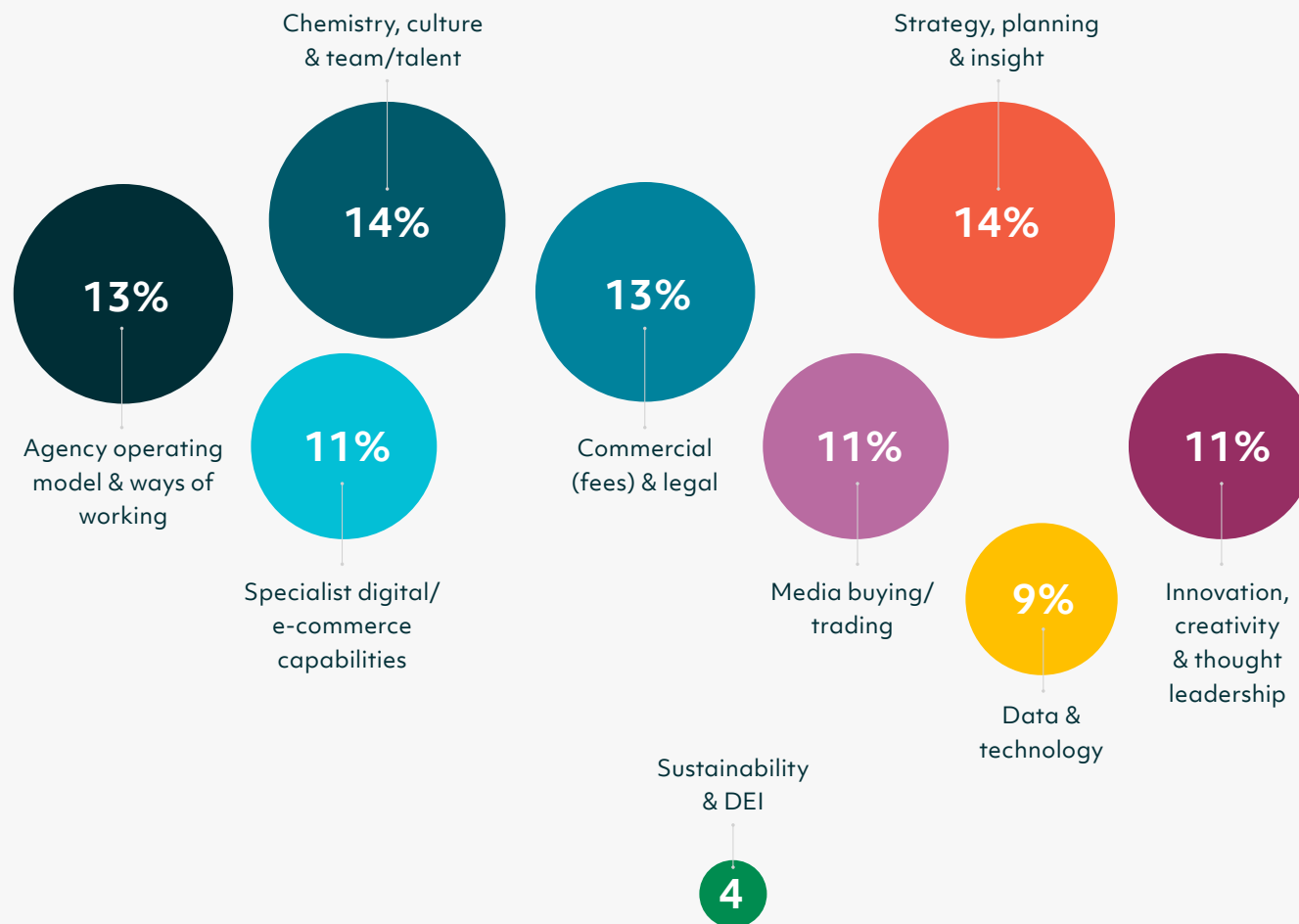
"...If you are hiring an agency, then you are hiring the people, culture and work environment of that agency."

"...Clients need to focus on how agencies differentiate themselves through people."

"We did a 3hr strategic hackathon - it was a brilliant way to demonstrate the way we were working on a very collaborative approach."

"Don't homogenise the process so much so that agencies aren't allowed to be themselves. Clients need to find a way to let the agency live a bit more."

In terms of selection criteria, what weighting should be applied when evaluating your agency?

Chemistry, culture & team/talent
14%

Strategy, planning & insight
14%

Agency operating model & ways of working
13%

Specialist digital/ e-commerce capabilities
11%

Commercial (fees) & legal
13%

Media buying/ trading
11%

Data & technology
9%

Innovation, creativity & thought leadership
11%

Sustainability & DEI
4

NEW EVALUATION CRITERIA

Interestingly, despite the attention it occupies in the industry, sustainability & DEI is still perceived to carry a small weighting. While DEI is an embedded part of a talent strategy in most agencies, demonstrating adherence to a client's own standards will become a key internal compliance requirement. Likewise for sustainability: ignoring the supply-chain credentials of suppliers risks not meeting internal due diligence and potentially, missing out on the best partner fit.

> *"Climate change is the number one challenge we as a society face. All suppliers should be evaluated on their sustainability credentials."*

The findings from this survey have demonstrated a strong desire for evolution of the pitch process on the part of the agencies. But it's also not unreasonable to extrapolate this to clients for whom pitching can also take a significant, if different, toll. More than the disruption and burden placed on time, it has also become increasingly challenging to differentiate between agency solutions, contributing to lengthy, unwieldy processes in some cases.

> *"We have to acknowledge that we don't make it easy for clients to choose us when we all offer similar solutions, tools and processes."*

While pitching itself is an accepted part of the agency/client dynamic, conventional approaches must evolve to ensure the transformational values and capabilities are not suppressed through formulaic structures or those where commercial elements are disproportionately prioritised.

> *"Long-term partnerships do not evolve just from presentations. They are the formation of trusted agency-client relationships that are based on tangible and intangible decision criteria. Most importantly, we need to ensure that clients and agency teams have the time to get to know each other before major decisions are made."*

SUMMARY: A NEW MODEL

- While commercial elements will continue to play a role in agency selection, increased transparency around scoring will help to manage expectations, and ensure that correct weightings are given (and understood) for core and differentiating capabilities

- People, approach and cultural fit will always underpin a successful partnership. For the selection process, this means not only immersion for clients into agencies via more in-person interactions and collaborations, but also looking into operating models and 'value fit' such as approach to talent

EVOLUTION NOT REVOLUTION

To conclude this study, the following recommend-ations provide some 'quick wins' for how to evolve the current process, and ultimately improve the conditions which allow pitching parties the best chance of being successful.

Keep ✓

Maintain but reframe the role of the pitch as a catalyst for innovation, as an opportunity to see the best of the industry, as a relationship management tool

—

Continue the current and positive emphasis on capability testing to allow agencies to demonstrate expertise and differentiation

Cure +

Increase transparency around goals, selection criteria and agency performance throughout the pitch, including clear feedback to successful and unsuccessful parties

—

Emphasise the importance of aligned cultural values and operating models

—

Linked to this, continue to evolve focus from talent cost to talent strategy and development

—

'Dial up' attention towards talent & culture, sustainability & DEI to future-proof partnerships

Kill ✗

Re-assess the role of generic information requests (the 'kitchen sink RFPs'), instead looking to such data gathering as a desk research phase

—

Minimise theoretical planning exercises and quick turnaround requests, which do not encourage authenticity and place considerable strain on teams. Instead, dial up more real-life planning scenarios and real-time collaborations to allow clients to test approach and chemistry

—

Reduce as much as possible virtual presentations and meetings, placing emphasis on relationship building over the entire pitch process

ABOUT MEDIASENSE

MediaSense are a global media advisory firm, empowering the world's leading brands to engineer greater productivity from their media investments, and design more agile and effective media operating models.
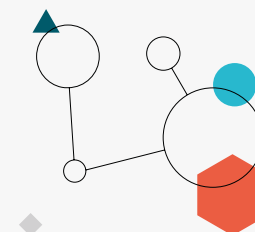
We specialise in three areas:
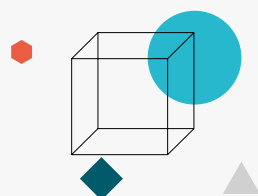
MODELS

Transforming internal and external operating models to break down silos, enhance productivity and drive value creation.
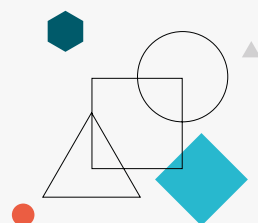
PARTNERS

Managing pitches and optimising partnerships in line with value, performance and capability requirements.

ANALYTICS

Auditing and analysing cross channel data to optimise the performance of media assets and investments.

More information at www.media-sense.com

PITCH SMART

Get in touch/share our report:

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