

**bentley
holland**

EVERYTHING YOU EVER
WANTED TO KNOW ABOUT
GRAPHIC DESIGNERS BUT
WERE AFRAID TO ASK.

#1



FRIEND OR FOE?

> THE PROCUREMENT OF CREATIVE SERVICES



FRIEND OR FOE?

Fact: we're strong advocates of intelligent procurement. When it works well, real value can be delivered – whether that's to consumers, shareholders or taxpayers.

However, what we've discovered over the years is that, frustratingly, there appears to be little consistency to procurement practices. From sector to sector, sometimes in the same sector and even in the same organisation, identical procurement rules are interpreted in different ways.

PROCUREMENT – WHAT IS IT GOOD FOR?

Some see procurement as a commercial shield, protecting them from unscrupulous private sector suppliers. Conversely, others see it as a way of attracting and commissioning new talent. The more cautious may follow it blindly, ticking all the boxes to simply and safely comply with an audit trail.

That said, there is some consensus. Most believe that the main purpose of procurement is to help to deliver value for money to their organisations. The assumption is that, if the 'systems' are sophisticated enough, they'll be able to get the biggest bang for their buck.

But is that true?

Let's take a closer look at the logic...

Fine, if you're comparing apples to apples

If you're buying near identical run-of-the-mill commodities (pens, paper clips, toilet rolls etc), then a sensible procurement process should be able to identify the cheapest on offer and subsequently deliver tangible – and auditable – value; all other factors (such as delivery times) being equal.

In large (multi-site) organisations, where many purchases fit within this 'commodity' description, procurement will often be centralised with collective buying muscle used to extract attractive volume deals from suppliers. So far, so sensible.

But what if you're comparing apples to pears?

If you're procuring a service – in our case a creative service – then it's not quite so simple. The provision is not identical. One size does not fit all.

Every agency has its own ethos and will employ staff to reflect it. They will offer a distinct skill-set, and deliver a very personal service, via a team of highly qualified designers and account managers.

In short, each of your potential suppliers is distinctly different.

Who is 'best' or, to use the vernacular, 'fit for purpose' is a subjective consideration that procurement processes attempt (usually unsuccessfully) to make objective.

Allow me to explain...

Arm's length is too far away

Some clients in the private sector, particularly PLCs, ask for an RFP (Request for Proposal) from multiple agencies to satisfy their procurement departments and (by extension) their shareholders.

Most clients in the public sector, particularly central government, now procure design and marketing services via electronic databases, where registered suppliers are often pre-vetted for quality of service, experience and financial probity.

Some of these databases are very thoroughly managed, with face-to-face interviews and in-depth presentations being a prerequisite for determining whether an agency is approved for inclusion on a roster.

Other databases require much less information. Ostensibly they're box-ticking exercises, almost devoid of any human interaction. That's not surprising, bearing in mind how many suppliers there are registered across the public sector.



CHOOSING CREATIVE PARTNERS NEEDS THE PERSONAL TOUCH

The most effective way for those responsible for procuring design to use these electronic rosters is to look through a few agency websites, then select and personally interview a handful that fit their expected criteria.

After all, these are partners a client may work with repeatedly over the years – people that are expected to have an in-depth understanding of an organisation's operation and brand. And we all know that, in the real world, 'people buy people' so if you remove human interaction from the equation, a client is effectively buying blind.

Here are two typical examples of how 'remote' procurement can deliver dubious value...

1 Example one: Weighting

Understandably, most people who work in procurement departments have not worked in the design industry, so they try to compensate for that knowledge gap with myriad protocols and techniques, one of which is called *weighting*.

To see this in action, let's say a client wants to commission an Annual Report. They shortlist two agencies to submit a written proposal and highlight the following weighting criteria, against which both submissions will be measured, prior to awarding the contract:



Design/creativity:	20%
Experience of staff:	15%
Working methodologies:	15%
Understanding the brief:	15%
Value for money:	35%



You can see the client is focused primarily on value for money (more often than not a euphemism for lowest cost) but also stresses that the quality of design/creativity is very important, as it's a prestigious document that portrays their organisation's image. In effect then, the client wants a very nice job at a very low price.

Is this realistic? Let's see how the agencies stack up...

Agency A has great designers, experienced staff, fully understands the brief, is average at writing proposal documents and charges an industry-standard rate. So high quality work at the right price. Their scores are:

////////////////////////////////////	
Design/creativity:	20%
Experience of staff:	15%
Working methodologies:	10%
Understanding the brief:	15%
Value for money:	15%
TOTAL:	75%
////////////////////////////////////	

Agency B has average designers, less experienced staff, fully understands the brief, is great at writing proposal documents and is much cheaper than Agency A. Their scores are:

////////////////////////////////////	
Design/creativity:	5%
Experience of staff:	10%
Working methodologies:	15%
Understanding the brief:	15%
Value for money:	35%
TOTAL:	80%
////////////////////////////////////	

With the weighting strictly applied and the procurement process followed correctly, Agency B wins the tender and subsequently delivers a very average Annual Report. Cue one unhappy client.

- Result? Poor value for money (in its real sense).
- Surprised? Nope. Agency B is cheap because their core offer (design) isn't very good.
- What's missing? In a word, discretion.

So what's the solution?

We'd suggest that someone who understands design and is experienced at commissioning it should always be involved in the final decision, helping whoever is responsible for the procurement to recognise where the real value lies. Without this voice of reason, the wrong people could be appointed. Correcting that decision is both costly and time consuming.

2

Example two: Pile 'em high!

Sometimes an inexperienced employee is unfairly tasked with organising an RFP or ITT (Invitation To Tender), which can result in a creative brief being uploaded onto an automated electronic portal without any selectivity, running the risk of involving – or attracting – too many agencies.

The industry rule of thumb is to invite between three to four agencies to tender, depending on budget and complexity. Believe me, more than that does not mean merrier!

The numbers simply don't add up

Let me share the following true and all too common story with you. The names have been omitted to protect the innocent – or should that be the guilty?

A UK educational establishment invited 17 agencies to tender for their main prospectus. We were initially invited but, having clarified that it was to be an unpaid creative pitch, which we don't partake in, plus the sheer volume of participants, we politely declined.

Nonetheless, nine agencies proceeded.

The requirement was for each agency to produce three fully costed and visually considered design routes and to then travel to the client to present them. Three shortlisted agencies would be invited to re-submit their proposals, once again, at the client's premises, to a final panel, after which a winner would be chosen.

Note that the total design budget was £20,000, excluding VAT. That's not an insubstantial amount, as long as the proposal work being asked of the pitching agencies accurately reflects it. In this case, however, it didn't, as you will see.

Firstly, for those willing to take the plunge on unpaid, speculative new business pitches, the prevailing wisdom in the creative industry is to invest circa 10% of the net budget. So in this case, it would be £2,000 of 'chargeable' time per agency, per route proposed.

Already then, the outlay per agency would have been around £6,000 for the three design routes, before the cost of the presentation itself.

Secondly, each agency would have to add another £1,500 to cover the costs of a small team travelling to, and attending – possibly two – presentation meetings. By this time, the outlay – per agency – would be £7,500!

Now, if all nine agencies put in as much effort, the total agency outlay would have been an astounding £67,500 of agency time, give or take a few thousand for those that didn't make the final shortlist.

But the waste didn't stop there

The client would then need to have allowed 2-3 days to wade through 27 creative proposals and a further day for the final presentation. Who can afford to waste that kind of time?

You can see, then, that this 'crowd sourcing' approach to design procurement is extremely inefficient and fundamentally flawed.

Not only that, the better agencies will avoid this type of business. They know it's a very poor way to begin a meaningful, professional relationship and will concentrate their efforts on working with clients who value true partnership.

The less experienced agencies may continue to chase this type of 'opportunity', believing that it may lead to further work or raise their profiles. It rarely does. In fact, with the odds against winning projects like these being so stacked against them they'll eventually run out of money and have to shut up shop.

So, in the end, there are no winners.

PROCUREMENT vs COMMUNICATIONS; WHO CALLS THE SHOTS?

One of the interesting dynamics in larger private and public organisations is that the marketing communication teams often feel hamstrung by the procurement rules.

Procurement wants everything at the lowest possible price. Communications want everything at the highest possible quality. The two are clearly incompatible and inevitable conflicts arise.

High quality, considered design solutions cannot be bought on the cheap or off the shelf. You cannot buy fillet steak for Big Mac money and procurement departments need to appreciate this fundamental truth.

We believe the way to resolve this 'expectation gap' is for experienced commissioners from both departments to regularly discuss the best way to work together to deliver value.

If that sounds fine in principle, our *take away tips* (see overleaf) will show you how to make a revised procurement process work in practice. These will help you get the best out of your agencies and, by extension, deliver a far greater return on your investment.

Take away tips

- Try to understand what real value for money looks like, and how this changes per project. It should not be about lowest cost; it should be about extracting the maximum benefit from the resources available. In short, it's the 'three Es': Economy, Efficiency and Effectiveness.
- Always involve someone who understands how a creative agency works. Get them to oversee what deliverables are being sought in a brief. If they're unrealistic, bear in mind that the good agencies will either walk away or only offer a quickly considered solution.
- Weight and evaluate design and marketing submissions with discretion. Even better, build a 'discretion' category into your weighting criteria.
- Spend some time researching, in depth, what specific agencies do. Look at their websites and read their blogs. What are their strengths and weaknesses? This will not be apparent from a procurement portal or electronic database.
- Ask agencies to come in and talk to you about what they offer. Most will be very happy to oblige.
- Get a feel for your preferred suppliers and your direct contacts within those companies. Do you like them as people; can you envisage working together well?

The fact is if you just follow procedure and keep everything at arm's length, you'll attract a superficial and impersonal service.

If, however, you take the time to choose your partners carefully, you'll reap the rewards in terms of great service, real commitment and high quality creative solutions.

Next article

In the next article, I'll be taking a much closer look at how to run a fair and successful pitch, including detailed selection criteria and evaluation guidance; ensuring that your marketing budgets are invested effectively.



#2

SHOWING OFF.

➤ RUNNING A FAIR AND SUCCESSFUL PITCH

Articles can be downloaded from bentleyholland.co.uk



About the author

Tim Purvis is a hugely experienced communicator, having worked in the design and marketing sector since 1983.

He is an award-winning chartered designer and has successfully delivered effective and measurable corporate communications for blue-chip clients such as Tate & Lyle, British Airways, Timberland and University College London.

His experience also encompasses the public sector, where he has helped to drive behavioural change programmes for many central government departments, including Education, Health, Transport, Justice and the Home Office.

He is now sole owner and Managing Director of Bentley Holland, a through-the-line communications specialist, offering strategic insights and solutions within the brand development, stakeholder engagement, client acquisition and corporate communications arenas.

All eight articles in the series can be downloaded from bentleyholland.co.uk

**bentley
holland**

Bentley Holland and Partners Ltd
Design and marketing communications Ltd
C21 Poplar Business Park
10 Prestons Road
London E14 9RL

t 020 7537 7575
bentleyholland.co.uk