

Study Unit 4: Selecting a PR agency

Introduction

As a company executive, PR person, you will undoubtedly need to select a PR firm to help you at some point in time. This unit will take you through the dos and don'ts in this process..

Learning Outcomes of Study Unit 4

Upon completion of this study unit, you should be able to

- 4.1 Understand what the selection process is

4.1 Guide to Selecting a PR Agency

Selecting a PR Agency is undoubtedly a big decision. The selected Agency will stand in their client's proxy and represent their company in their interactions with others in good times and, vitally, when the client firm is at its most vulnerable. Given this, selecting a team you can trust and which will conduct itself in a professional way is critical. And, of course, most importantly, the selected PR Agency must be effective. So, here, we aim to set out a few key points to guide your efforts in selecting the right PR firm, our 'Guide to Selecting a PR Agency'.

4.1.1 Selection process

The process client firms follow in order to select their perfect PR Agency must fit with their own internal culture and approach to communications. If your firm is a rather corporate operation with a set way in which press releases are approved, distributed and followed-up, the agency selection process you'll adopt will be quite different than if you're an exciting growth-stage start-up firm learning as you go. But all companies will generally select from a subset of the following steps when setting the process for agency selection:

- Clarifying your internal needs and preferences
- Industry review
- Formulating your brief
- Information gathering
- Shortlisting (to 6 agencies)
- Formalities/disclosures
- Request for proposals
- Chemistry check

- Reducing contenders list (to 3 agencies)
- Pitch project/presentation
- Negotiation of terms and contract
- Award

Clarifying internal needs and preferences

As you'll realize there are many specialities within public relations. Small to mediumsized PR firms will often specialise based on industries served, a particular corporate growth phase (positioning firms for IPO, mature corporates with full-service needs, etc) or particular service offering (consumer PR, investor relations, media relations, etc). So, as a starting point, consider whether your company is in need of a firm with a particular specialist skillset.

Of course, you'll know which growth phase and industry your company is in, but below, is an outline of the services you need to consider:

- **Media relations (including presentation skills and media coaching)**
- Investor relations (debt & restructuring, IPO)
- Mergers & acquisitions
- Crisis management
- Corporate responsibility and sustainability
- Internal communications
- Public affairs & government relations
- Events, experiential, promotions
- Digital (social, SEO, content marketing, blogger relations)
- Research (market and opinion)

Industry review

The marketing and communications landscape changes daily. It's trite but true. At the moment, the business to business and business to consumer public relations industry is no longer purely about facilitating coverage via relevant media outlets. Instead, we're now seeing many firms merge PR, social and search capabilities into one blended offering.

This means rather than simply projecting approved messages via media vehicles, PR firms are increasingly tasked with advising their clients on influencing audiences via their one-to-one interactions on and offline (or undertaking the tasks on their client's behalf). They are also advising on how best to phrase their various responses in order to result in the best search results.

Of course, this is just one of many industry changes currently playing out, so as a first step client firms in need of PR representation must review what's currently happening in the industry which may impact their choice - or (shameless plug alert!) seek the counsel of an agency search and selection expert.

Formulating your brief

The first step is, of course, to develop an agency brief. When preparing the Agency Brief, client firms must challenge themselves to answer difficult questions, especially those around budgets, brand standards, timelines, processes and deliverables. Without this basic information, most agencies will find it difficult to respond appropriately to the brief. In fact, without this information most agencies will not have adequate information to gain internal approval and support to respond.

Information gathering

The agency landscape changes daily; it's said so often that it's become trite. But it's true! Firms open and close offices and win new clients, agencies' allegiances change via

mergers & acquisitions and their strengths and capabilities evolve through hiring and attrition. Given the volume of change in the industry, what was true during a client's last agency search 2-3 years prior may no longer be. Given this, it's important for those responsible for agency selection to start with an open mind and review PR industry trends and notable agencies broadly from the start. Team members in charge of agency selection within client firms must review:

- their own, internal working processes and cultural norms
- which firms are working with their nearest competitors and what those agencies have recently accomplished on the competing firms' behalf
- industry trends, especially tactics within early-adopter industries
- a realistic average monthly or annual spend necessary to achieve their own internal PR objectives

In this way, client side marketers in charge of agency selection will be re-educating themselves on the environment, generally, and also regarding what types of questions may be critical to ask in order to address their PR needs 3-5 years into the future.

Shortlisting

Through the process of client firms gathering information and formulating their PR brief, those aspects that they feel are critical to an agency's success will become clear. These are the aspects that agencies will be judged against for shortlisting. Many clients choose to shortlist agencies based on some subset of the following criteria:

- capabilities
- declared specialty
- presence of key staff
- location
- size (either average client spend, annual billings or number of staff)

- industry influence
- cultural fit
- relevant and recent experience in reaching similar audiences or working with other client firms in the category

‘Why just 6?’

Though inviting more than six firms may be tempting, keeping to a set of six allows client firms adequate time to respond to Agencies in a timely way when questions arise and make the process less cumbersome and disclosing this limited number of Agency participants will encourage those which are a part of the shortlist to put their best effort forward. To include additional firms would likely result in lackluster agency response as they would have little chance of securing adequate internal manpower and support to participate in the pitch.

Formalities

As a first step, it’s a good idea to disclose your firm’s identity and ask each of the six shortlisted firms if they currently represent a competitor. Then, assuming they do not, ask each firm to sign a non-disclosure agreement if you feel it’s necessary and appropriate. With these boxes checked, you’re able to move through to the fun bit!

Request for proposal

A typical request for proposal will ask PR agencies to outline their:

- industry experience
- proposed approach and perceived challenges for the client brand
- proposed team (providing bios for each)
- sample costings based on the deliverables and expectations outlined within the PR brief.

Of course, many agencies will take the opportunity to provide their standard credentials deck with only a few bits changed out to customize the presentation and most clients will be underwhelmed (because most agency credential decks are lengthy and repetitive). So, we generally recommend that client firms select 4-5 questions that to address will require bespoke thinking and research by the agency, but ideally take the firm no longer than 4 man-hours to complete. While it's tempting to prescribe how agencies must submit their response (Word document no longer than 4 single-sided A4 pages in 12 pt type, etc.), clients are best served by allowing agencies 'rope' to present themselves in a way which befits their culture and ethos. The cultural insight allowed by this dose of ambiguity within the brief, alone, can make the RFP stage worthwhile as agencies' responses may vary widely and show much of their internal approach and ways of thinking.

Setting expectations

Agencies sometimes have the bad habit of putting their A-team in to pitch and promptly switching out with a junior team upon award. Of course, this habit makes clients grumpy. To avoid this, check and double-check with agencies that those named staff (both senior and junior) who will ultimately be assigned to the account, if won, are the ones who will attend meetings during the selection process. If staff must be hired in order to properly handle the account, if won, check that you, as the client, will be afforded veto power during the interview process.

Chemistry check

In short terms, a chemistry check is an excuse to meet each of the shortlisted agencies either by phone or in person in order to check their culture, personalities and approach. In

many cases, these sessions are held live under the guise of being a question/answer session to clarify the brief.

Reducing the contender List

Upon reviewing the six agencies' proposals, client firms will typically reduce the number of contenders to 3, or 4 if the incumbent firm is also part of the set.

Pitch project

PR professionals must be quick and strategic, clearly. The best 'live' asks will demonstrate a smart PR agency's ability to turn potentially dreadful situations into 'wins', so a pitch project can prove very useful.

Pitch presentation

The best client/PR agency matches result from a selection process in which the client/firm invests just as much time and effort as the participating agencies. It's a bit like dating. There needs to be a mix of interaction via email, phone and in person and in both formal and informal environments. And while it's understood that agencies must be able to present their case to clients, they should not do all the talking. Agencies must also demonstrate an ability to listen and retain information and to ask good questions. This information should be processed to gain insights and actionable strategies and tactics that will resonate with the client firm's target audiences. And client firms must demonstrate an openness and willingness to disclose information, which will allow their agencies to be successful.

Negotiation of terms and contract

Of course costs matter, but they're not the only technical aspect to consider in the final stages of PR agency selection. It's also important to disclose communication

preferences, measures by which agencies (and clients) will be judged, cultural norms within each organisation, approval processes, etc. For more guidance regarding those technical aspects to discuss and agree before formal award.

Award

Of course, you'll be ecstatic to announce the good news to the winning agency and know exactly how to do it when the time comes. But, do remember to set expectations for whether, when and how the award may be announced by the winning agency. And, just as importantly, don't break up with the other firms lightly. By this point each firm will have invested a lot of time and hope toward addressing your business and will deserve insightful feedback regarding the impression they made and how they could have improved. Share as much as you can while, of course, being professional and sensitive to their egos.

Summary of the study unit 4

In this study unit 4, you have learned the following:

1. How to select a PR agency

Self-Review Questions (SRQ) for study unit 4

Now that you have completed this study unit, you can measure how well you have achieved its learning outcomes by answering the following questions. You can check your answers with the Notes on Self-Assessment Questions at the end of this study unit

1. Explain the steps involved in selecting a PR agency