



# Guidelines

## for choosing a communication agency



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The LEADING SWISS AGENCIES guidelines, drawn up in cooperation with Swiss Advertising Agencies Alliance (ASW) and Schweizer Werbe-Auftraggeberverband (SWA), are aimed at companies and advertising managers faced with choosing an advertising agency. Additional information is available from LEADING SWISS AGENCIES directly or from the website [www.leadingswissagencies.ch](http://www.leadingswissagencies.ch).

## Basic principles

Quite correctly, agency relationships are considered to be of a long-term nature. After all, an advertising agency is a company's most important partner with regard to developing and cultivating its brand identity or its corporate or brand image. Choosing an agency or changing agencies is therefore a rare event and should consequently be carefully planned.

The aim for both parties involved is to embark on a successful and satisfying long-term relationship.

## I. Choosing an agency

Generally, the procedure for choosing an agency is the same as when changing an agency.

For a company, a change of agency represents a far-reaching event of strategic importance, which is both costly and prone to risks.

Advantages and disadvantages need to be carefully weighed up: Loss of agency know-how? Continuation of current campaigns and projects? Rights-of-use and copyright issues? Continuity in brand cultivation?

If the critical issues concern staff (number of mistakes, loss of trust) or finances (accounting procedures, accounting transparency, budget control) it is worthwhile looking for new solutions with the agency management (contract change, team change, organizational measures).

Before any agency change, a detailed agency/ customer assessment should therefore be carried out, including a SWOT analysis. It often makes sense to agree on a year of probation with an existing agency.

Such clarifications will help to determine whether the existing agency should be included in an evaluation. Should the separation be final, a fast and open exchange of information is advisable. This will lead to fair transition conditions and an orderly changeover.

The way an agency is chosen depends essentially on the needs of the client.

What are the aims, which tasks need to be resolved (image, market share, sales form, etc.), where does the company need support, and in which sectors?

In a status analysis, attention should be given to the following factors: company size, type and extent of the job to be done by the advertising agency, likely budget to be given to the agency, own location and agency location, requirements regarding size, services provided and performance of the possible partner as well as possibly the readiness to consciously take a certain amount of risk and in return obtain correspondingly unusual solutions from an agency.

In principle, a distinction is made between the following evaluation procedures.

## II. Agency evaluation

### **The direct way – without an evaluation procedure**

Often, the choice of an agency is based on intuition, for instance, based on earlier contacts, recommendations, the directory on [leadingswissagencies.ch](http://leadingswissagencies.ch), well-known campaigns or individual jobs. However, a visit to the agency and meetings with the agency management also help when making a decision (see also “Dialogue with agencies”).

### **By means of an agency presentation**

A shortlist of three to four candidates is drawn up by taking into consideration the following criteria: prominence of the agency, experience in the sector, know-how in specific disciplines, references supplied by colleagues and professionals with experience in the advertising industry, or media reports. Reading the trade press, agency portraits and websites regularly is certainly helpful (see also “Useful addresses” and “Reference books and trade publications”).

When visiting the agency, the selection process will be facilitated through: case studies, agency philosophy, the attitude of management and management staff with regard to the potential client and his market, and personal impression of the team. All of these points serve as a basis for long-term cooperation. It is also important to reach a consensus regarding the fee structure (see also “Dialogue with agencies”).

When evaluating the agencies visited, the same criteria should be applied to all of them.

A checklist containing all relevant points regarding cooperation with the agency is. The decision should be announced quickly and openly.

While this way of evaluating an agency incurs no costs, it is relatively time-consuming. It guarantees a comprehensive and objective evaluation of future agency partners.

### **By means of a project-related individual job**

One variation of the direct method is asking an agency to execute an individual job. This will give the client a hands-on impression of an agency’s capacity to perform.

While this way of evaluating an agency requires more time and involves paying a fee, the decision to choose a specific agency will thus be well founded.

### **By means of a competitive presentation**

At first glance, competitive presentations are particularly attractive. Unfortunately, aspects which are not relevant to a subsequent collaboration are often in the foreground. Agencies may be tempted to make an effort which they are subsequently unable to repeat, and joint, intensive discussions between the agency and client rarely take place.

## III. Competitive presentations

Clients are all too often unaware of the processes required for a competitive presentation and what the costs will be for them and for the agencies. Competitive presentations are a managerial matter, and they have strategic significance. A competitive presentation is not an agency offer but rather it relates to tailor-made project work which can then be directly implemented. This is in contrast with the standard solutions produced by other service providers. Communications agencies make use of their core services for each presentation. The contribution made by an agency to a competitive presentation is therefore linked with very high costs which can run into six-figure sums. Agencies should therefore be appropriately compensated for the work undertaken.

Should you decide to opt for a competitive presentation, a written agreement must be drawn up with the agencies before the order is allocated, and the following points will require your attention (LSA agreement form for competitive presentation):

### **Limited number of participants**

For strategic, time-related and financial reasons, it is advisable to invite no more than three applicants (at the most four if the current agency will also present). An open information policy regarding the names of the agencies invited is advisable.

### **Briefing in writing**

A professionally conducted competitive presentation requires comprehensive briefing in writing. The briefings should clearly communicate the client's expectations: are only a strategy recommendation or creative solutions required, or is the campaign work to be extended? It is not always necessary or advisable for a presentation to include a complete creative implementation.

The briefings should clearly define the agencies' roles. All presenting agencies should base their presentations on these parameters, or the subsequent evaluation will be made more difficult.

The agencies have to be in possession of all relevant information. This includes confidential marketing and research documents. Consulting and informative discussions round off the briefings. The agencies should know which partners on the client side they can contact and who can supply them with information and ensure continuity. The amount of time required for this function should not be underestimated.

### **Clear role distribution and objective evaluation criteria**

All decision-makers on the client side have to be thoroughly informed and should attend all agency presentations. The candidates are to be given a list of the people attending, which includes their functions. All presentations are to be evaluated on the basis of the same objective criteria, determined in advance. At the presentation, the agency

introduces all the staff members who would later work on the project. At the end of the presentation, sufficient time should be allotted for questions and answers as well as for the subsequent internal discussion.

#### **Ensure sufficient time**

Sufficient time should be reserved between the briefing and the presentation to allow for a well-founded conceptual design (several weeks are also required in a regular working relationship to develop good ideas). The allotted time should amount to approximately six weeks for fully developed creative recommendations. All parties involved should stick to the defined schedule.

#### **Appropriate presentation fee**

Developing a strategy, creative advertising ideas, or communications solutions represents a great deal of work and cost. Even for small tasks, “the architect has to think through the building in detail before building it”. Usually, agencies can only amortise the initial expenses involved in gaining a new client over several years of successful cooperation with the client.

The presentation fee should be the same for all candidates and be known at the beginning of the competition.

As a guideline, LEADING SWISS AGENCIES suggests the following fees:

- a) Presentations without creative implementations based on specific, project-related client briefings (with strategy and concept outline, procedural plans, etc., but without any graphic design suggestions)  
**CHF 10,000.–**
- b) Presentations with creative idea outlines (same as position a), but with expanded conceptual recommendations as well as scribbles and copy concept)  
**CHF 15,000.– to CHF 30,000.–**
- c) Complex presentations with creative implementations  
**from CHF 30,000.–**

(Should there be any demand for clarification, the LEADING SWISS AGENCIES offices will gladly provide information.)

#### **Clarification of important issues before taking the decision**

Important issues, such as those regarding the contract, fee structure, copyright and rights of use, as well as all details concerning cooperation between agency and client, have to be clarified prior to choosing the agency. This will serve as a basis for the long-term and successful cooperation which is rewarding for both parties.

#### **Fast and open information policy**

Usually, a decision is taken within a period of one week (exception: testing a campaign). The winning agency as well as the unsuccessful agencies should be informed on the same day. An announcement to the media can then be discussed.

**Treat unsuccessful agencies fairly**

The unsuccessful agencies are to be informed about the evaluation decision in a personal conversation. The agency returns confidential documentation to the client. If required, the client returns the presentation material to the agency. Should the current partner be among the unsuccessful agencies, the terms of the agreement, especially regarding termination, have to be maintained.

For the transition period, the former and the new agency have to cooperate smoothly, and the handover of all client documentation is to be performed in accordance with the agreement. The former partner should be compensated for any expenses incurred.

## IV. Dialogue with agencies

There is a string of questions independent of the evaluation procedure which is of significance to the evaluation of an agency:

- **Agency development**  
Founding, ownership, international network or participation, five-year sales development, sales forecast, market positioning
- **Philosophy and working method**  
Guiding principles, positioning, targets, working method and working system
- **Client portfolio**  
Number of clients, breakdown by industry, budget sizes, period of cooperation, clients won/lost over the last two years, media implemented
- **Employees**  
Number of employees broken down by department, fluctuation, development over recent years, management/function, training, experience, management commitment to the future client, main contact partners, team envisaged for the new client
- **Services**  
Which disciplines are available from the agency at a high professional level? Which disciplines could the agency provide through a partnership? What is the scope for electronic compatibility and networking?
- **Know-how**  
Does the agency have any specific industry know-how? Does it have knowledge of related areas and similar markets?
- **Relationship culture**  
Of what level of importance is the future client to the agency? Why is the agency interested in taking on the client?
- **Memberships/awards**  
Which associations is the candidate a member of? Which national or international awards has the agency won in the recent past, and with what productions?
- **Case studies**  
Current campaigns and creative work are good indications of an agency's level of performance. Furthermore, it is advisable, with the agency's approval, to obtain references from other clients.
- **Conditions**  
The fee structure is of paramount importance to both agency and client. It is essential that the client feels they obtain a high return for their money while the agency is convinced they are being fairly remunerated for their work. The "Professional principles of conduct for Swiss advertising and communications agencies" by LEADING SWISS AGENCIES provide relevant information in this regard.

It is also very important to raise questions regarding copyright, rights of use and other contractual requirements.

**Useful addresses**

LEADING SWISS AGENCIES  
Weinbergstrasse 148  
CH-8006 Zurich  
T +41 (0)43 444 48 10, F +41 (0)43 444 48 11  
Internet: [www.leadingswissagencies.ch](http://www.leadingswissagencies.ch)  
E-mail: [info@leadingswissagencies.ch](mailto:info@leadingswissagencies.ch)

Suisse Advertising Agencies Alliance ASW  
Breitestrasse 1  
Postfach 466  
8304 Wallisellen  
T +41 (0)44 831 15 50, F +41 (0)44 831 14 24  
Internet: [www.asw.ch](http://www.asw.ch)  
E-Mail: [info@asw.ch](mailto:info@asw.ch)

Schweizer Werbe-Auftraggeberverband SWA  
Löwenstrasse 55  
PO Box 1776  
CH-8021 Zurich  
T +41 (0)44 363 18 38, F +41 (0)44 363 18 31  
Internet: [www.swa-asa.ch](http://www.swa-asa.ch)  
E-mail: [info@swa-asa.ch](mailto:info@swa-asa.ch)

**Reference books and trade publications**

- LEADING SWISS AGENCIES, persönlich Verlags AG, Rapperswil
- Werbewoche
- persönlich
- Marketing & Kommunikation
- Klein Report

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