

Love me tender?

Most local authorities require that all significant purchases go through a tender process despite increasing evidence to show that doing so with certain services, can lead to poor value, unfairness and a lack of impartiality – the very issues that tendering was designed to avoid.

Marketing Communications expert, Stephen Bates delves deeper!

The need for council staff to wear several hats is hardly breaking news but for Waste Management staff, there's a new hat that's expected to be worn and it's one that seldom fits – that of The Marketing Communications Manager.

Educating and communicating with residents about recycling is of course a vital ingredient in the quest to achieve targets but doing so is no simple task.

Choosing the wrong media or getting the timing wrong can prove to be costly mistakes – both in terms of recycling rates and the money spent. A poorly designed ad' can confuse the audience and without any strategic planning, a campaign will place added burdens upon council staff and never can such an approach hope to achieve anything near its objectives.

It's precisely for these reasons (and many more) that specialist agencies exist, providing a wealth of experience and a range of skills that enable those who choose to employ them achieve substantially greater results than those who don't.

A SIMPLE PROCESS MADE DIFFICULT

The identification and selection of an appropriate agency is a process that should be fairly straightforward yet in Council land, it's one that's severely hampered by the need to go through a tendering process.

Tendering is designed to ensure councils achieve best value and that impartiality and fair play can be diligently implemented. For commodities and product based procurement, where the variables are minimal, then tendering works fine in this respect. But for Marketing Communication Services, the exact opposite is all too often the case.

Developing an effective awareness and communication campaign requires an initial process of observation, recommendation, review and feedback between the client and agency. Tendering forces a distance between both parties at

precisely the time when closeness is of absolute paramount importance to a campaign's ultimate success.

The reason such closeness is needed is that there is rarely a single, definitive solution to any one brief with a great many variables available. It's an agency's job to consider what of these variables are appropriate and most likely to yield the greatest result and that's not something that can be done from a written brief, no matter how detailed it may be.

FAIR PLAY OR FAIR GAME?

"Fair play" is also a contentious issue. Most tender documents raise a number of questions that require answers before any work can commence. In the interests of fair play, all questions from all competing agencies are compiled, answered with all the questions submitted and answers to them circulated out to all the agencies. If one agency has been diligent enough to spot a vital question, how can it be fair play for other less diligent agencies to potentially benefit from the skill of others?

BEST VALUE BUT NO BUDGET!

By far the most serious of issues regarding the tendering process for marketing services is that of best value.

The term "best value" is actually rather vague. Does it mean "value for money"? "return on expenditure"? "quality versus cost"? or, as is most often the case "cheap"? Whatever definition applies, the one commonality is that identifying best value in marketing services through the tendering process is impossible.

For example, one agency may have been able to negotiate very low advertising rates and thus place far more ads than would have otherwise been the case. Another may not have got such cheap rates but be able to deliver substantially more effect through better creativity and greater strategic planning. Quantity or quality?

A key requirement for best value to be determined is of course the need to identify the budget available and here, a worrying trend is beginning to form.

In 2003, we received a total of 8 tender invitations. On all but 2, a project budget was given. In 2004, we received 12 invitations with only 4 providing a budget.

It could be argued that any agency worth their salt should be able to look at a project and know with a fair degree of accuracy what sort of money is needed, and it's a fair argument. But as has already been mentioned, marketing communications has a great many variables and options and the one thing that ensures agencies focus on the most appropriate choices is the budget parameters.

With many campaigns, there comes a point where the reach and likely success it gives can be hugely influenced by a relatively marginal variance on the amount spent. By not providing a budget in tender documents, councils run the risk of excluding the most appropriate agency and proposal because they over or underestimated the total spend by as little £5k!

WASTAGE

Considering the subject matter here – waste, it's also worth noting the sheer level of wastage in many of the tender processes councils use.

We've calculated that the average number of A4 sheets of paper used to form a council tender document last year was 72 with no more than 5 of these sheets describing the requirements of the brief and background information. The rest constitute various terms and conditions, the vast majority of which bear no relevance to the services provided. Would it not be best to provide the superfluous material on line?

Quite often, the proposal that's submitted will require the use of at least 80 sheets of paper and rarely does the option exist to submit the proposal electronically, indeed, two copies are usually required to be sent in.

So, if 10 companies have been sent the tender document and they all submit proposals, that's a total of 2,320 sheets of paper needed for the whole process – most of which ends up in the bin. A good way of increasing the paper recycling tonnage but hardly leading by example.

NO SOUR GRAPES!

Now at this point, the astute amongst you would have seen in the footnote that your author is in charge of one such agency of the type described here and will no doubt be screaming "sour-grapes"! Well, yes, it is indeed true we don't win every tender we go after – in fact, we lose about 60% of them. However, with the industry standard being in the region of 1 in 3 tenders being won, we're 10% ahead of the game in this respect. Hardly cause for alarm but the number of tenders we have been involved with over the past two years has allowed us the chance to observe the vagaries and inefficiencies of the process more than most.

And with the average cost of a typical tender application (for marketing services) in terms of time and material, being in the region of £4,000 with only a 30% to 40% chance of ever recovering this amount, it's only right that these inefficiencies be pointed out.

It's also right that having done so, a solution is given to the problem;

How to select an agency without resorting to tendering

Many mainstream government departments use a roster system, pre-vetting agencies and inviting those on the roster to submit proposals for certain projects. It retains the elements of fairness and allows the client to consider the what proposal is best but with all the preliminary, superfluous issues having already been established, both parties can concentrate fully on the project in hand, rather than have to wade through pages of accounts and CVs of agency staff.

This works fine when there is an ongoing need for these services but for most Local Authorities, large projects of this nature are few and far between. In this instance, the following process should be followed:

Initial selection

Make an initial list of potential agencies. Ask for recommendations from colleagues, look at mailings you may have received.

Credentials Presentation

Invite the selected agencies to make a credentials presentation to you and your colleagues. This is an opportunity for the agency to tell you what they've done, how they do things and for you to assess the quality of their work. The number of agencies you select is down to personal preference but ideally, they should all be seen in a single day. A good number is to invite 5 to present credentials, selecting three to submit proposals.

1. Selection Criteria

There are a number of important criteria that should be used when making the selection:

Experience

Does the agency understand waste and recycling? Have they worked on public sector projects? Can they demonstrate positive results from previous campaigns they have developed?

Resources

Smaller agencies may appear very keen to win the work but do they have the resources to deliver? What happens when the Account Manager is on holiday or the Designer, off sick? These may seem irrelevant at the time of selection but when the campaign gets up and running, you will need total support from the agency so you'll need to be satisfied that they can cope.

Do you like them?

You're going to be spending a lot of time working with these people so its important that you are confident that you will be able to do so.

2. Write the brief

A brief should be exactly that – brief! A good brief contains just two pieces of information;

1. What you want the campaign to do
2. How much you have to spend

By all means, provide any background information you feel relevant but any good agency will come back to you with questions that they need answering to prepare their proposal.

You should always include the budget available. The only exception to this is when you need a proposal to apply for funding and here, you should discuss the options with the agency to ensure that what's proposed is appropriate in terms of spend.

3. Avoid creative pitches

As important as the way communication materials look is, it is only part of a much bigger picture. Competitive, creative proposals dilute the creative process. It's also only natural human reaction to focus on "nice images" rather than words but this often leads to contracts being awarded because everyone "likes the ads" or lost because people "don't like the colour purple" – regardless of the strength or weakness in the rationale.

4. Invite agencies to present their proposals

You shouldn't rely on a written proposal alone to assess its suitability. Get the agency to present it. You then have the opportunity to ask questions, discuss alternatives and gauge their suitability further.

5. Selection

The agency you select to handle the work should show the following

- Detailed understanding of what's required
- Detailed understanding of the subject matter
- Demonstrable conviction in the quality and likely success of their proposal
- Demonstrable ability to handle the work

If you're confident that the above criteria has been met, you have yourself an agency!

