Canadian Council of Public Relations Firms

HIRING A PUBLIC RELATIONS FIRM:

A GUIDE FOR CLIENTS*

* Thanks to the Council of Public Relations Firms (www.prfirms.org), the U.S. trade association, for use of its material.

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Introduction

Finding the right match in a public relations firm will pay off in time, money and business performance. You want a firm that will get up to speed quickly and requires a minimum amount of education about your business. Given that agencies represent about half the total public relations budgets of most companies, you need a firm that shares your financial prudence and will allow you to demonstrate a strong ROI for your communications operations. And you want a partner that will have good chemistry with staff and is comfortable with your company's culture, while retaining a healthy independence of thought.

There's a lot riding on your decision in choosing the firm that meets these complex needs uniquely for your company. This guide helps you to make that weighty decision. Written by a former senior communications executive of a Fortune 100 company and CEO of a top 10 public relations firm, it is published by the trade association representing more than 100 of the largest U.S. agencies. Our purpose is to enhance the prospects for long-term positive partnerships between PR agencies and clients, and to create a guide to make the hiring of a public relations firm an efficient and successful process.

I. Preparing for an Agency Search

Assembling the Team

Choose two or three members of your staff to assist you in the selection process; assign one to handle administration, scheduling and communication with the candidate agencies. Project a total of two to three staff days for each member of the team during the month or so that you will be reviewing firms. The review team should include those members of your staff who will be working most closely with the agency. Depending on the type of program, it may also include one or two of your internal clients, such as a key brand manager, HR VP or finance officer.

Articulating Communications Objectives

Determine the communications objectives the agency will be helping to achieve. The more actionable and measurable the objectives, the better they will be to guide and evaluate the agency. (See Appendix A)

Having the objectives well articulated prior to beginning the search also allows you to determine how much you can accomplish with internal resources and to discuss those tasks with your own staff before beginning the agency search. It can be demotivating to members of your staff if the agency gets all the "fun work "and strategic counseling, and they feel as if they are relegated to agency handlers. And it can be just as discouraging to an agency to win what appears to be an exciting assignment and then find that the staff only wants them to do narrowly defined mundane tasks.

Preparing the Request for Credentials

Once you have your objectives defined and an understanding of where you need outside help in achieving those objectives, you can determine what you want the agency to do. It could be strategic counseling, tactical execution, development of partnerships or building relationships with third party endorsers. Whatever it is, you want to find an agency that will be a true partner rather than just a vendor.

To communicate your needs, you will want to prepare a needs document that is clear and concise. Most clients prefer the document to be a relatively informal briefing letter or request for credentials. You should try not to make the request so onerous that it will discourage the best agencies, which are more likely to focus their energies on their current clients, from bidding on your business. Simply outline for the candidate agencies the information you need to make your selection, while providing them with the insights they need to best highlight their case for becoming your public relations agency.

Start by stating your "actionable and measurable" objectives. Then identify the audiences and stakeholders that you want the agency to help you reach, and the local, national or international markets where you will be operating. Describe past and current efforts that might support or affect the proposed engagement. Estimate the anticipated duration of the assignment - whether a finite project or ongoing relationship - and the amount of funding you have budgeted for agency support during the first year of the assignment.

Thorough but non-prescriptive guidance. This description of the problem, the expected solution and the available funding should be thorough enough to permit candidate agencies to identify their capabilities for helping you. But it should not be so prescriptive that it dictates to the agencies which capabilities they must use. Avoid, for example, asking for a list of functional capabilities such as media relations, event management and crisis communications. You want to see which capabilities the agency thinks are necessary to solve your problem, and you don't want to miss out on innovative capabilities that you may not have asked to be listed.

Case studies and references. While providing flexibility in how agencies may profile their capabilities (staff bios, functional listings, awards, etc.), you should specifically request examples where the agencies solved similar problems or addressed identical audiences for other clients. These case studies illustrate a lot about an agency -- its strategic mindset, creativity, media relations and accountability for measurable results. They also are good sources of possible references by clients, partners and even journalists.

Research and knowledge sharing. Since you will be the recipient of your agency's cumulative experience and acquired knowledge, the request for credentials should ask the agency to describe its experience and knowledge about your industry and its process for sharing knowledge with its clients. As public relations has become an increasingly strategic business tool, agencies have invested heavily in research, databases and measurement protocols. You want an agency with a solid knowledge base that it can draw on for your benefit. But you also should be budgeting for research by the agency that is tailored to guide your unique plans, to develop timely market intelligence and to measure the results of your program. The letter should request an explanation of the firm's knowledge sharing process and a description of measurement protocols.

Administrative and account policies. You want to know how easy the agency will be to work with administratively and how prudent they will be in managing your investment in their work. Ask them to describe their account management process and their procedures for ensuring quality and performance among the different individuals and offices that may work on your account. You'll also want to understand how they bill for their staff time and for other costs.

Your "hot buttons". Finally, you should provide the agencies a chance to demonstrate whether they will be a good cultural fit. To identify your priorities and success factors associated with the upcoming engagement, you might consider, for example, using the industry's annual client survey that rates the importance of various attributes. (In Appendix B we have provided a ranking of attributes based on a 1999 survey of over 1,000 clients.)

A word of caution

This completes the development of a request for credentials that gives prospective agencies enough insight to demonstrate their credentials for helping you achieve your objectives. You'll note that it does not ask the agencies to propose strategies and creative solutions addressing your objectives. While it may be tempting to ask for that information, it is counterproductive. It's presumptuous to think that an agency can provide strategic solutions and creative ideas based on the superficial background that can reasonably be provided to a group of bidding firms. You'll find out how good the agency is in pitching for new business, not necessarily how well it will serve your unique needs.

Those who want substantive strategic plans and full creative solutions from all candidates should be prepared to pay the agencies for their time in creating the plans and solutions. They also must be willing to spend considerably more time in developing a formal request for proposal (RFP), providing research and access to others in the company, sharing confidential information and offering to respond to questions from the agencies. Lacking that thoroughness, it's understandable that an agency may produce a proposal that appears attractive, but that is unlikely to offer innovative solutions tailored for your company.

II. Creating the Short List

An efficient agency search usually considers three to five firms. Any more will tax your staff resources and prolong the search. In identifying those candidates, clients can use a variety of directories published by organizations serving the public relations industry. A complete list of the members of The Canadian Council of Public Relations Firms can be found on our website: www.ccprf.ca . The Canadian Public Relations Society (CPRS) and the International Association of Business Communicators (IABC) can also be a source for finding a public relations firm (www.cprs.ca , www.cprstoronto.com , www.toronto.iabc.com). You should also investigate each firm's record in retaining long term clients.

In creating a short list, try to allow for some variety in sizes and types of firms. For example, a healthcare company may want to consider a mix of healthcare specialty firms and full-service agencies with healthcare divisions. For clients outside the cities where major national firms are based, it's also useful to consider a mix of local firms and regional offices of the national firms.

Send a letter to the CEO of each of your selected candidates with the request for credentials that you prepared. (See Appendix C for sample letter) The letter should describe how you will conduct the search, provide a timetable for the pitches and identify any potential issues, such as specific client conflicts, that would make the firm ineligible to compete for your company's business. Provide the name and phone number of your staff member with responsibility for managing the search. Ask the agency to call to confirm its intention or inability to compete within 72 hours of receipt of the letter. If any agency drops out, you should have a list of alternates ready to invite.

You should request that the agencies provide a written credentials summary within three to four weeks and be prepared to make a presentation about two to three weeks later. The written response permits your staff to consider and discuss the candidates' credentials ahead of time, to prepare questions for the presentation and to see how well the agency organizes and presents written material - a good indicator of the quality of their work for clients.

As the agencies prepare their submissions, they will naturally want to know the competition. To avoid unnecessary, and sometimes disruptive, speculation, it's wise to let them know the names of all competitors. You should also require that they sign an agreement to keep confidential all information you provide them, and agree to similarly protect the information they give to you.

III. The Presentation

By the time that the written responses are received, the presentations should already have been scheduled. Assuming that all the written submissions are of high quality, all firms should make presentations. While some clients solicit a large number of bids and shorten the list based on the written submission, they overburden staff who must review the written proposals, unfairly impose work on multiple agencies and miss out on an important element of their decision making. Personal interaction is key to learning whether a firm will fit with your company.

With the recommended three to five candidates, the presentations can be accomplished in two days. Allow at least two hours for each, emphasizing to the firms that at least half of that time must be reserved for questions and discussion. It should be your choice whether to host the presentations or to visit the agencies, recognizing that agency visits offer an opportunity to add to your overall impressions of the firms. You should ask for a tour of the agency.

Although you would like to meet the people who will be working on your account, it is unrealistic to demand that an agency introduce its entire proposed account team. Such demands encourage "bait and switch" tactics by agencies that are put in an impossible position. On the other hand, you do not want just to meet a new business team that will be unavailable to service your business.

The ideal "presentations" are informal discussions that illustrate the thinking and capabilities of an agency to meet your needs. The agency leaders who will be responsible for setting up and supervising your account team should be prepared to tell you what they would do to staff the account if it is awarded to their agency and how they will ensure that you get the best service from the different specialists within the agency. They will introduce individuals who will play a role on your account and some of the specialists who will be assisting your account team. Most important, you want to have a discussion with the group that illustrates their innate intelligence and personality, their knowledge of your industry and their experience and success in dealing with similar challenges that you face.

You'll be looking for how well the agency group interacts, particularly in describing similar projects they have worked on together. You'll also be looking for how the proposed account manager proposes to take responsibility for every aspect of your service, from assembling your account team to delivering tangible, bottom line results. Finally, you and your team will be trying to get a feel for the more subjective elements of the agency - creativity and chemistry - which are best conveyed in person.

During the entire process, from the review of written submissions to the agency meeting, the members of the review team should complete evaluation forms that address their impression of the skills, capability and character of the agency. (See Checklist at Appendix D) With those checklists at hand, the review team should meet within two days of the completion of the final presentation. Each member should state his or her first choice. If the decision is not unanimous, then the members should discuss their numerical scores as well as their qualitative impressions of the different teams.

As soon as a decision is made, the corporate public relations officer should call the senior executives at the competing firms to tell them of the decision and to provide a general critique of their proposals. Since the losing firms will want to learn from their investment of time and effort, a frank and specific critique is important. Highlighting for the winner the strengths and weaknesses of his or her firm will be invaluable guidance in assembling your account team. Within a week, the company and the winning agency may wish to issue a joint press statement announcing the selection.

IV. Launching the Partnership

The assigned administrative person on the selection team should immediately work with a designated person at the agency to prepare a contract, establish confidentiality procedures, arrange for the transfer of background documents and company data, and create smooth online communications. Those tasks should be accomplished within ten working days.

While those administrative responsibilities are being accomplished, the senior agency executive is beginning to set up the account team through transfer of agency employees or recruitment of talent from outside the firm. If activities are to start immediately, an interim team will usually be assembled.

Within a month, the permanent agency team should be established, up-to-speed about the company's knowledge base and building relationships with the media and other opinion-influencers following the company. Meanwhile the company should facilitate a smooth transition of the work from its former agency. Once that is completed, it's wise to schedule a meeting with the new account team and the company's communications staff to collaborate in developing a plan for working together to accomplish the communications program. For you and your agency, the hope is that kick-off meeting will become the first of many successful team efforts on behalf of your company.

Appendix A: Creating Measurable Public Relations Objectives*

An objective should:

1. Specify a desired outcome (increase awareness, improve relationships, build preference, adopt an attitude, generate sales, etc.)
2. Directly specify one or several target audiences
3. Be measurable, both conceptually and practically
4. Refer to "ends," not "means." If the statement outlines a means to do something, it is a strategy rather than an objective
5. Indicate a time frame in which it is to be achieved

In general, process goals, such as "get publicity," "launch a product" or "create a brochure," make poor objectives. They do not relate to broader organizational goals and are not measurable in any specific, concrete or truly meaningful manner. A useful way to replace "process" objectives is to ask yourself, "What is the purpose of (insert objective)?" The answer to this question is likely to move you closer to a clear, actionable objective.

*Extracted from "Guidelines for Setting Measurable Public Relations Objectives," published by the Institute for Public Relations, 1999.

Appendix B: Comparison of Priorities of our Communications Staff to National Sample

NATIONAL CLIENT RANKINGS*	**COMPANY PRIORITIES** Rank in order of importance from 1-5 (1 being most important; 5 least important)
Quality of my account team	
Meets deadlines, keeps promises	
Client service	
Quality of writing	
Strategic counsel	
Creativity	
Media placement	
Chemistry	
Knowledge of my industry	
Quality of management	
Business/trade media coverage	
Measures results	
Reputation	
Practice areas match our needs	
Specialized services we need	
Access to influential people	
Stability of staff	
Full service capabilities	
Quality of their capabilities presentation	
Research capabilities	
International capabilities	
Previous relationship with agency	
Internet capabilities	
Peer recommendation	
Previous relationship with key agency executive	
Ethnic communication capabilities	
Scores highly in industry survey	
Newsletters/direct mail	
Participation in industry activities	

PR division of your advertising agency	

*Left hand column lists in order of priority the factors influencing selection of a public relations firm, based on the results of the 1999 Harris Survey of 1,730 U.S. clients. Comparative tally of our company's priorities are listed in the right-hand column.

Appendix C: Sample Request for Credentials

To: CEO
Agency ABC

From: Corporate Public Relations Officer, XYZ Company

The XYZ Company is planning to engage a public relations firm to provide strategic counsel and communications services in support of our corporate and marketing communications programs. I am attaching a copy of our annual report, a recent Globe & Mail story about out CEO and marketing brochures describing our core products. We would like to invite you as one of four public relations firms to present your agency's credentials for this assignment.

Please call Mr. Joseph Jones, our search coordinator, at 416-XXX-XXXX within 72 hours to let us know if you are interested in participating in this agency search. He also will be prepared to discuss any potential conflicts, to answer questions concerning this request for credentials and to coordinate the signing of confidentiality agreements.

The primary goal of this public relations program is to build support with employees, investors and the financial community for our recent acquisition of Delta Corporation and for the resulting move into the super widget marketplace. Our objective is to build understanding among the employees for the need to consolidate the corporate headquarters and overlapping business units. Our secondary goal is to develop awareness in Delta's industry trade of XYZ and to encourage Delta's customers to convert to XYZ's core products.

While our internal staff will handle all employee communications, we are looking for a firm to help us achieve our objectives with investors, the financial community, customers and the business and trade media. We anticipate a long-term relationship with the agency, with a budget of $100,000 to $250,000 for the first year. To understand our priority expectations in a relationship with an agency, we have prepared the attached agency criteria list.

We request that you provide us with a concise summary of your capabilities to accomplish this assignment in Canada. This information should include an overview of your offices within Canada, a description of your service offerings that you plan to employ in supporting us and a discussion of how you would approach the staffing of our account.

To demonstrate your experience with situations similar to ours and your knowledge of our industry, we would like you to discuss three or four relevant case studies. We would like you to describe how you will make available your agency's knowledge assets to us, describing your approach to research and measurement.

Please provide the above information in writing by January 15th, one month from today. Assuming that your credentials match our needs, we would then like to schedule a two-hour meeting at your offices during the first week of February.

The meeting, which will be attended by three members of my staff and myself, will give you a chance to expand upon your credentials. We look forward to the opportunity to discuss informally with your staff their insights into our needs, how they have helped other clients address similar challenges and the names of clients and journalists we might call as references. We also will want to gain an understanding of the unique personality of your agency, from administrative procedures in support of client accounts to how you develop your staff. Although we understand that you do not have sufficient time or information about our strategy to select a team to serve our account, we would like to meet the person who will supervise our account and some of the professionals who most likely will be supporting us.

We want make it as easy as possible for you to present your agency's capabilities and credentials in a concise and compelling way. If you have any questions, please do not hesitate to call Mr. Jones or me at 416-XXX-XXXX.

Good luck,

Appendix D: Public Relations Agency Evaluation

	A cut above 3 points	**The right stuff 2 points**	**Just OK 1 point**	**Weak 0 points**
CLIENT SERVICE				
Responsive during the review process				
Enthusiastic about what they do				
Committed to excellence in client service				
Have process to measure satisfaction				
Client references				
Approach to financial account management				
Understand industry				
Able to meet all our needs				
Subtotal				
DEMONSTRATED PERFORMANCE				
Case studies				
Creativity				
Strategic thinking				
Innovation				
Multi-stakeholder approach				
Accountability for results				
Subtotal				
ACCOUNT STAFF				
Qualifications				
Professional Development				
Management skills				
Experience in our industry				
Personalities compatible with ours				
Subtotal				
AGENCY CHARACTER				
Mission and values of firm				
Serve multiple account needs in a seamless manner				
Established and proven				
Client conflicts discussed and resolved				
Industry recognition/awards				

Subtotal				

TOTALS

Demonstrated Performance _____
Account Service _____
Account Staff _____
Agency Character _____