



Canadian Council of  
Public Relations Firms

## **STANDARDS FOR CONDUCTING A PUBLIC RELATIONS FIRM SEARCH**

### **PRINCIPLES AND PRACTICES\***

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

## **MISSION STATEMENT**

The Canadian Council of Public Relations Firms (CCPRF) is a national organization of leading public relations consulting firms operating in Canada. The CCPRF is dedicated to promoting the role of public relations in business strategy and organizational performance.

Comprising the senior leadership of the industry, the goal of the Council is to promote the professionalism and development of public relations consulting and provide leadership in areas that influence industry growth.

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## INTRODUCTION

*Selecting an agency partner is a complex endeavor. Adhere to these principles to assist you in your agency search.*

Increasingly, executives have the opportunity to choose from among many public relations firms qualified to serve them. To help differentiate among capable competitors and find the agency that will be the best fit for their organization, many executives conduct formal agency searches.

There are different ways to conduct an agency search. Recognizing that a variety of approaches may be used to arrive at a satisfactory conclusion, the Council is providing guidance to current and prospective clients to assure searches are conducted in a productive and reasonable manner.

The Council has developed these guidelines for conducting a search for a public relations firm because of the time, commitment and cost involved for both clients and firms. The principles and practices identified here reflect the perspectives of a diverse group of advisors familiar with this subject, including corporate communication officers, search consultants and public relations agency executives.

These principles and practices now stand as the industry standard. The Council is committed to assuring member firms abide by and uphold this standard in their businesses.

## **GUIDING PRINCIPLES**

*Clients and agencies should be guided by their corporate values throughout the search process.*

The best public relations firm searches:

### **Employ clear and transparent processes.**

Clients should be open about the objectives of a search, the expectations for a public relations firm and the process they will use to select an agency. With a full understanding of the nature of the search, agencies invited to participate should carefully assess whether they have the interest, resources and capacity to meet the client needs before proceeding.

### **Are fair and reasonable to all parties.**

In agency searches, clients often seek to make meaningful comparisons among a range of capable firms. Clients should assure that processes are fair and reasonable and participating agencies should not seek unfair advantage through any means.

### **Show mutual respect for the time and creative investment required.**

Both clients and participating agencies invest significant time and resources in an agency search. Agencies should respect clients' desires to efficiently manage the search process and interact with them according to established parameters. Clients should be sensitive to the fact that agencies are compensated on the basis of their time and should consider the time involved to respond when making requests.

### **Enable participants to begin to form relationships.**

Effective client/agency relationships begin during the search. Clients should seek to get to know prospective agency partners during the process and agencies should look for ways to give the client a sense of what it would be like for them to work together.

### **Challenge agencies to demonstrate value.**

Public relations firms can make a meaningful contribution to achieving results for their clients. Clients should share key goals during the process and agencies should be prepared to illustrate how they can help achieve those goals.

### **Are conducted with integrity.**

Clients and agencies should be guided by their corporate values throughout the search process.

By following these principles, clients and agencies can form relationships that will endure.

## **BEST AND WORST PRACTICES**

*Refer to these best and worst practices as your agency search progresses.*

Based on the experiences of the clients, agencies and search consultants who contributed to the development of the Guiding Principles, the Canadian Council of Public Relations Firms (CCPRF) has identified Best Practices to be incorporated in the overall agency search process as well as during specific stages of the search. Worst Practices are inconsistent with the Guiding Principles and should be avoided.

### **I. THE SEARCH PROCESS**

*The following practices apply throughout the search process.*

#### **Best Practices**

##### **Align requirements of the search with the size and scope of the account.**

Agencies are generally prepared to invest necessary resources to compete for a new client. Disclose the anticipated size of the account at the outset of a search and seek to assure the participating firms the investment you require is proportional to the potential return.

##### **Clearly outline the steps and the timetable involved.**

Communicate with all agencies the process you will follow and the deadlines for each phase of the process.

##### **Manage the process according to the ground rules.**

Once you have outlined the ground rules for the competition, make sure they are consistently applied throughout the process.

##### **Define the criteria for selection.**

Inform agencies what you will be considering in making your final selection. From the beginning, articulate basic requirements such as desired agency capabilities, locations and firm size, as well as any potential conflicts, to enable firms to determine if they have the qualifications to participate.

##### **Allow sufficient time for a quality response.**

Have a clear sense of the time likely to be required for an agency to respond to your requests, and consider this in setting deadlines. In general, allow more time to respond to any questions that are specific to your interests and may not be readily answered using existing material.

##### **Consider compensating agencies for administrative expenses associated with the search.**

When a search process requires agencies to incur significant expenses to participate, consider providing participants with a standard fee to cover or offset these expenses.

Examples of expenses that agencies may incur in a search include: travel to client meetings and presentations and miscellaneous administrative costs to produce and submit proposals. This compensation does not cover the creative ideas proposed by firms unless clearly stated by the firm.

**Proactively manage media relations.**

Media covering the public relations industry follow client/agency relationships very closely. Develop a plan for managing media relations during the search process and assure that participating agencies are aware of, and prepared to abide by, the plan.

**Worst Practices**

**Offering unfair advantage to any competitors.**

If an incumbent agency or other competitor has an advantage going into a competition, disclose this to other agencies. This may influence their choice to compete for the account.

**Conducting a search for any purpose other than agency selection.**

An agency search should not be used as a means for improving performance of an incumbent agency, for obtaining creative concepts and ideas without compensation, for stimulating market interest or for identifying candidates for in-house public relations positions.

**Mandating periodic searches in agency agreements.**

As mentioned above, an agency search should be initiated only when there is an express intent to retain a new agency. Contract terms may, however, call for periodic performance evaluation in order to identify means for strengthening the client/agency relationship and enhancing agency performance.

**Changing requirements without a rationale.**

Once the requirements and the process have been established and agencies are committed to participate, clients should not make changes unless absolutely essential.

## II. THE INITIAL SCREENING PHASE

*Clients should consider the following practices during the initial phase of a search when they are identifying the agencies they would like to participate in the search process.*

### **Best Practices**

#### **Define the budget and the scope of work.**

If you are uncertain how much you will invest in public relations, consult with others before beginning a search to gain a sense of budgets required to accomplish objectives such as yours.

#### **Identify yourself and your needs.**

To assure qualified agencies accept your invitation to participate in a search, provide them with essential information about your organization and its needs. Be clear about your requirements and expectations for a public relations firm.

#### **Request only information necessary for initial comparison.**

In the early stages of the process, minimize requirements you place on agencies. Consider designing your initial request for information so that an agency could reasonably prepare a response in a short period of time.

#### **Keep your long list to eight agencies or less.**

The more agencies invited to participate in a search, the more challenging it is for clients to compare and contrast firms in a meaningful way. Agencies are also likely to view a competition among many agencies to be less fair and reasonable than a focused competition. To help prepare your long list, you can find a complete list of the members of The Canadian Council of Public Relations Firms on our website: [www.ccprf.ca](http://www.ccprf.ca) .

### **Worst Practices**

#### **Failing to provide adequate information.**

In some cases, clients seek to conduct the initial phase of a search without disclosing the name of the client organization or other information agencies feel they must consider in deciding whether to participate in a search. If you are unable to disclose essential information at the outset of a search, it may be worthwhile to reassess the purpose, timing or process for your search.

### III. THE CAPABILITIES PHASE

*During this phase, clients narrow the field of competitors by identifying the agencies on the long list with the best capabilities to meet their needs. In some cases, this phase is combined with the initial screening phase.*

#### **Best Practices**

##### **Brief agencies on your organization and your needs.**

Give agencies the opportunity to hear directly from you about your organization and its goals and the role of public relations in supporting these goals. Briefing agencies individually is preferable to briefing them as a group. In individual meetings, agencies will be more forthcoming with questions and comments, and clients will get to know them better.

##### **Offer agencies the opportunity to learn about you from other sources.**

If you have established relationships with advertising agencies, brand consultancies or other marketing services firms, consider allowing agencies to contact them for additional information and insight.

##### **Enable agencies to bring capabilities to life.**

To enable agencies to best tailor their capabilities to your needs and interests, have a meeting to discuss capabilities.

##### **Get to know the agency teams.**

Create occasions to meet personally with the agency teams to get to know them and get a sense of what it might be like to work together. Consider visiting the agency; you'll learn a lot by observing their work environment.

##### **Have an open discussion about conflicts of interest.**

Consider the scope, geography and nature of the assignment to determine real versus perceived conflicts. Use confidentiality agreements to ensure strict confidentiality for client information.

#### **Worst Practices**

##### **Reviewing capabilities without interaction.**

For written materials, agencies must distill capabilities, case studies and other information to assure the materials will be easily understood. Unless they have an opportunity to interact with you, however, agencies may inadvertently fail to include or elaborate on aspects of their work that are of interest to you.

#### IV. THE FINAL PHASE

*To enable them to choose among finalists under consideration, clients often ask agencies to complete an assignment. In some cases, this phase is combined with the capabilities phase.*

##### **Best Practices**

###### **Limit finalists to 2-3 agencies.**

In many searches, clients discover that each of the finalist agencies has the capability to fulfill their needs. As you ask agencies to further differentiate themselves by completing an assignment, participating in critical meetings and/or visits and even socializing with them, be conscious of the time and other resources they will need to invest at this stage. Agencies are more willing to make necessary investments when there are only one or two competitors at the final stage.

###### **Design assignments to enable agencies to demonstrate strategic thinking.**

Agencies generally respond well to assignments that challenge them to show how they would analyze a business problem. Whether focused on a hypothetical situation or a real challenge the client is facing, such assignments can offer meaningful insight about how an agency works.

###### **Assess creativity by reviewing comparable cases and/or examples of how a proposed strategy could be executed.**

Acknowledge that creative concepts and ideas are valuable intellectual property for agencies and assure any requests for creative concepts are limited and well focused.

###### **Consider compensating agencies for their work on an assignment.**

If the assignment is related to a real challenge you are facing, offer compensation for the agency response. In cases where no compensation is provided, make it clear that any sample ideas and concepts presented remain the property of the agency. It is inappropriate to ask agencies to relinquish rights to concepts presented in a search as a condition of participation.

###### **Seek to simulate the client/agency relationship.**

Recognizing that the search process is an artificial one, look for ways to get a sense of the kind of working relationship you would have with agencies. This may be accomplished through a joint work session, through your interaction with the agency throughout the process and other means.

###### **Talk to agency references.**

Ask finalist agencies to provide client references. Talk to references for insight that can add another dimension to your analysis and inform the final decision.

## **Worst Practices**

### **Designing assignments to employ agency services.**

It is inappropriate to ask agencies to provide public relations services without compensation as a requirement for an agency search. For example, inappropriate assignments to assess media relations capability might include: analyzing target media, developing press material or pitching a client story to the press.

### **Requiring agencies to develop concepts for public relations programs.**

In some cases, clients request that agencies develop creative platforms and tactical recommendations for full public relations programs during the search process. In general, this is considered beyond the appropriate scope of a search. On the other hand, agencies may choose to go beyond the express requirements of a search to enhance their competitiveness. In such cases, when agencies voluntarily develop and share program concepts, they retain rights to these concepts unless otherwise agreed in advance.

## V. THE AGENCY SELECTION

*The following practices apply to the end of the process, when clients have made a final choice.*

### **Best Practices**

#### **Always report the outcome of a search.**

Once a search is initiated, it is important to report the outcome even if the search ends without an agency selection, is reconstituted or delayed beyond the initial deadline.

#### **Notify finalists of results prior to announcement.**

Personally contact each of the finalist agencies to inform them of the outcome of the search and agree to the plan for announcing results in the media.

#### **Provide substantive feedback to finalists not selected.**

Agencies that have participated in a search through the final phase would like to learn from the experience even if not selected.

### **Worst Practices**

#### **Using creative concepts or ideas presented by competitors not selected.**

In cases where creative concepts are presented during a search process, those concepts and ideas should remain the property of the agency. In some cases, clients decide following a search that they would like to use ideas or concepts presented during a search. Under these circumstances, clients should negotiate proper compensation with the agency that presented the ideas or concepts.

## VI. FINANCIAL DATA AND ANALYSIS

*Requests for financial data and analysis may be made at various stages of the process. The following practices apply to any such requests.*

### **Best Practices**

**As appropriate, collaborate with procurement/sourcing staff to define essential information they are seeking for decision-making.**

When procurement or sourcing executives are involved in the selection of your public relations firm, begin the dialogue with them early in the process to gain clarity about their needs. Make sure they understand the public relations agency business model and the nature of the professional services provided by public relations firms. Request only information that is relevant to the search and the selection of the most appropriate partner firm.

**Respect legal requirements and company policy influencing agency disclosure of financial data.**

Public relations firms that are public companies or are owned by public companies must abide by laws governing public disclosure of financial information on agency performance. Firms have established company policies to assure compliance with these laws. If agencies indicate they are unable to provide specific financial information you request, ask that they propose other metrics you may use in assessing the agency. For example, other indicators of agency vitality may include: strength of management, account wins/losses, average length of client relationships, offices opened/closed, achievements, awards and areas of innovation, and information about how the size and scope of your account would compare to those of other clients.

**When comparing agencies in terms of pricing, compensation and related issues, seek information specific to the proposed account.**

For comparative purposes, provide finalist agencies with a specific work scope and total budget and ask that they describe the proposed staffing, labor hours and expenses associated with that scope of work. If you require more detailed financial analysis, such as the basis for agency billing rates, request this information on an account basis as well, e.g., aggregated salary, overhead and estimated profitability for an account of this size and scope.

**Enter compensation negotiations after making your agency choice.**

Effective compensation agreements, equitable to both client and agency, require full disclosure of sensitive and confidential financial and other data. These discussions should take place after an account has been awarded, not during the search process.

## **Worst Practices**

### **Requiring specific financial data agencies are unable to disclose.**

Some clients express skepticism when agencies cite policies prohibiting disclosure of certain types of financial data and either pressure them to violate the policies, penalize them for not providing data or continue to seek it through alternative means. This exhibits a lack of trust and disrespect for agencies and signals that it will be extremely difficult for these clients to establish a productive relationship with any firm.

### **Requesting individual salary amounts.**

It is never appropriate to request salaries of individual agency staff.

## RESOURCES

*Many additional industry resources exist to further assist you in your agency search.*

These materials were written by the Council of Public Relations Firms, the U.S. trade association ([www.prfirms.org](http://www.prfirms.org)) and have been adapted with permission.

### **Canadian Council of Public Relations Firms**

The Canadian Council of Public Relations Firms offers the following resources to assist clients in selecting and working with a public relations firm. Documents may be downloaded free from the Council's web site; other resources may be found on

[www.ccprf.ca](http://www.ccprf.ca).

#### ***Hiring a Public Relations Firm: A Guide for Clients.***

This document outlines an approach to conducting a search for a public relations firm.

#### ***Working with Your Public Relations Firm: A Guide for Clients.***

Beginning with the selection of a public relations firm, this document describes ways to formalize the relationship and establish rules of engagement.