

# AGENCY SELECTION PRINCIPLES

Qualification-Based Selection (QBS) is a procurement process that focuses on finding the most qualified provider of creative professional services, at a fair and negotiated price. Rooted in collaboration and partnership, QBS is identified as a procurement best-practice and is used around the globe to source professional services that are custom, complex, costly and critical.

## ✔ DISCLOSE THE BUDGET

Defining the budget allows agencies to opt in or opt out of your opportunity. Counter to a commodity-based search, QBS encourages fewer but more appropriately qualified and engaged agencies to participate, making the process efficient and effective for the brand.

## ✔ PRICE COMPLIANCE IS MANDATORY, BUT NOT EVALUATED

Since the budget is disclosed, the price cannot be an evaluated criterion.

## ✔ DEFINE THE DECISION CRITERIA

The lack of clarity around decision criteria creates ambiguity and inefficiency for the evaluation team and the participating agencies. Clearly define and communicate the evaluated (expertise) versus mandatory (binary/non-evaluated) decision criteria.

## ✔ EVALUATE THE EVIDENCE OF EXPERTISE

Expertise is the only evaluated criterion. There are three basic categories, and each requires specific submissions of evidence:

1. **Experience:** Prior Similar Projects Completed by the Agency or Individuals
2. **Consistent Methodology:** A Defined Framework for Achieving Consistently High Outcomes
3. **Thought Leadership:** Relevant Achievements, Education or Training of Individuals or the Agency

## ✔ DEFINE THE SCORING RUBRIC

Clearly identify and communicate the evaluation criteria. These criteria are based on expertise, how expertise is defined, and how the agency must provide evidence of their relevant expertise. Requesting Process Framed Case Studies is an effective tool to best understand how a firm applies their thinking, via a defined process, to solve a specific challenge for a specific client, complete with disclosure of the results achieved.

## ✔ DON'T SHARE PROPRIETARY QUESTIONS

Expertise is what agencies sell to their clients and how they compete. By sharing the questions that a proponent asks, the client is educating generalist agencies at the expense of expert agencies. All search participants should have fair access to a proprietary response, that is, not sharing of responses with everyone.

“**I wrote notes and thought through my comments in advance for debriefs for each agency. I tried to offer constructive advice they could use in the next selection process.**”

Private sector

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## ✓ NEVER REQUEST FREE CONSULTING

Since the goal of a selection process is to select the most qualified agency, and not to have dozens of agencies begin the problem-solving process, do not request speculative work. This includes insights, strategy and/or creative concepts that aim to solve the client's business challenge.

## ✓ DISCLOSURE OF DISTRIBUTION

Simple and easy to participate in Requests for Information (RFI) may be distributed widely and are effective when a client is unsure of the landscape (new category, new agency type, many years since a search, etc.). Longer and more complex Requests for Qualification (RFQ) or Requests for Proposal (RFP) should be distributed to no more than six to eight agencies. Disclosure of distribution is encouraged and allows agencies to make an informed go vs. no-go decision. The final interview phase of the search should be for no more than three agencies.

## ✓ LIMIT PROPOSAL PAGES

Requesting too much detail and/or irrelevant information in a proposal are the largest drivers of inflated industry response cost and a great source of procurement waste. Limiting word and page counts encourages agency creativity and makes the process efficient for the brand marketing and procurement teams.

## ✓ INTERVIEWS

The role of an interview is to further assess the agency's claims of expertise. Interviews provide the evaluation team with a deeper understanding of the agency's qualifications.

## ✓ NEGOTIATION

Final price and scope are discussed and negotiated only with the successful agency – the agency identified as the most qualified by the evaluation committee. Failure to reach a satisfactory scope and price results in the termination of negotiations and the second most qualified firm is then engaged in price and scope discussions.

## ✓ DEBRIEF AND FEEDBACK

To facilitate complete transparency of the selection process, clients should be prepared to provide constructive feedback to participants. A search process that includes a debrief ensures that the evaluation team documents their evaluation scoring and decision-making criteria leading to better due diligence documentation.

Check out the complete [QBS Agency Search Guide](#) which includes rationales for each principle, process guidance and all the templates you'll need to conduct an effective and efficient agency search.

# MYTH-BUSTING THE AGENCY SEARCH

## MYTH #1

### I NEED SPEC CREATIVE SO I CAN SEE HOW THEY WORK

**False.** Creative that is developed in a vacuum without appropriate client direction and interaction has no value and does not illustrate how an agency works.

## MYTH #2

### I NEED TO USE BENCHMARKS SO I KNOW I'M NOT BEING TAKEN ADVANTAGE OF

Benchmarking is used for direct sourcing, which is appropriate when evaluating multiple mandatory criteria, but not good for unique business challenges and the creative solutions required. Marketing is an investment that is critical, custom, complex and costly so care must be taken not to evaluate all business solutions against the same criteria or benchmarks. Billable and blended rates are often used as benchmarking tools, yet these commoditize the hours not the work. Shutterstock is an example of commoditizing where using this service can be an efficient use of resources for some projects and detract from the brand story on others.

Benchmarking total project costs or annual budgets can be a useful tool in the selection process if shared with potential vendors as a means of helping to define the scope of the project. Benchmarking against hourly rates is pointless and counterproductive as the least qualified firms will have the lowest rates, but your goal is to find the most appropriately qualified firm at the total project cost or annual budget that you can afford.

## MYTH #3

### I'LL KNOW IT WHEN I SEE IT

**False.** This clearly illustrates that a client has no idea what they are doing or what they are buying. If they don't know what they are buying, how can an agency anticipate what to provide? Agencies provide custom creative solutions to business problems, they are not just creating art to hang on a wall.

## MYTH #4

### PRESENTATIONS HELP ME TO ASSESS "FIT"

**False.** There are better ways than a presentation to assess "fit." If agency "fit" is a concern for your organization then first be clear about what "fit" means. Then be specific about the evidence that an agency can provide related to that "fit." Does "fit" mean that they are pleasant? Does it mean they are local? Does it mean they are diverse? Does it mean that you are their largest client? Make "fit" something that they can communicate objectively to you, by first defining clearly what you mean by "fit."

Also note that if "fit" has not been identified as one of the selection criteria, then it is inappropriate to use that criteria as an evaluator. Making a decision based on a criterion that has not been disclosed to the agencies is certainly unethical and possibly illegal. If "fit" really matters, then treat it like the true selection criterion it should be.

# MYTH-BUSTING THE AGENCY SEARCH

## MYTH #5

### PRICE IS THE ONLY OBJECTIVE DETERMINING FACTOR

**False.** Price is an objective measurement of cost but not value. Commodities are purchased based on lowest unit cost, while custom and complex professional services should be purchased based on highest value. With the right scoring rubrics that evaluate tangible evidence of intangible things such as expertise, objective assessment can be made without relying on price.

## MYTH #6

### THE BEST WAY TO HIRE AN AGENCY IS TO GET A BUNCH OF THEM TO DO CAMPAIGNS AND THEN PICK THE BEST ONE

**False.** Many agencies refuse to participate in selection processes that require spec creative and strategy. Often these are the most skilled agencies that do not have to give away their expertise as part of the sales process. In many cases, spec creative used for a pitch is determined not to be appropriate for the actual campaign.

## MYTH #7

### PITCHES AND SPEC CREATIVE ARE JUST THE COST OF DOING BUSINESS IF YOU ARE IN THE AGENCY WORLD

**False.** Like rent and salaries, pitch costs are built into the hourly rate of every agency which of course is paid by the client.

## MYTH #8

### WORKSHOPS ARE A GREAT WAY TO ASSESS COMPATIBILITY AND CREATIVE PROCESS WITHOUT ASKING FOR SPEC

**False.** Workshops are just another version of spec work. In both workshops and spec work the agency is required to undertake a project with less information than they really need, using a methodology that is different from what they would actually use, within a timeline that is unrealistic, and for less money than the fees they need to charge to be sustainable and profitable. The ICA reminds clients that the best way to assess the future performance of an agency is to evaluate their consistent past performance on similar projects – hence the recommendation that clients base their selection on the evaluation of Process-Framed Case Studies within a Qualifications-Based Selection procurement process.