



PM Society

Pitch Practice Survey Results

Prepared for:
PM Society IARIG

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7th November 2019

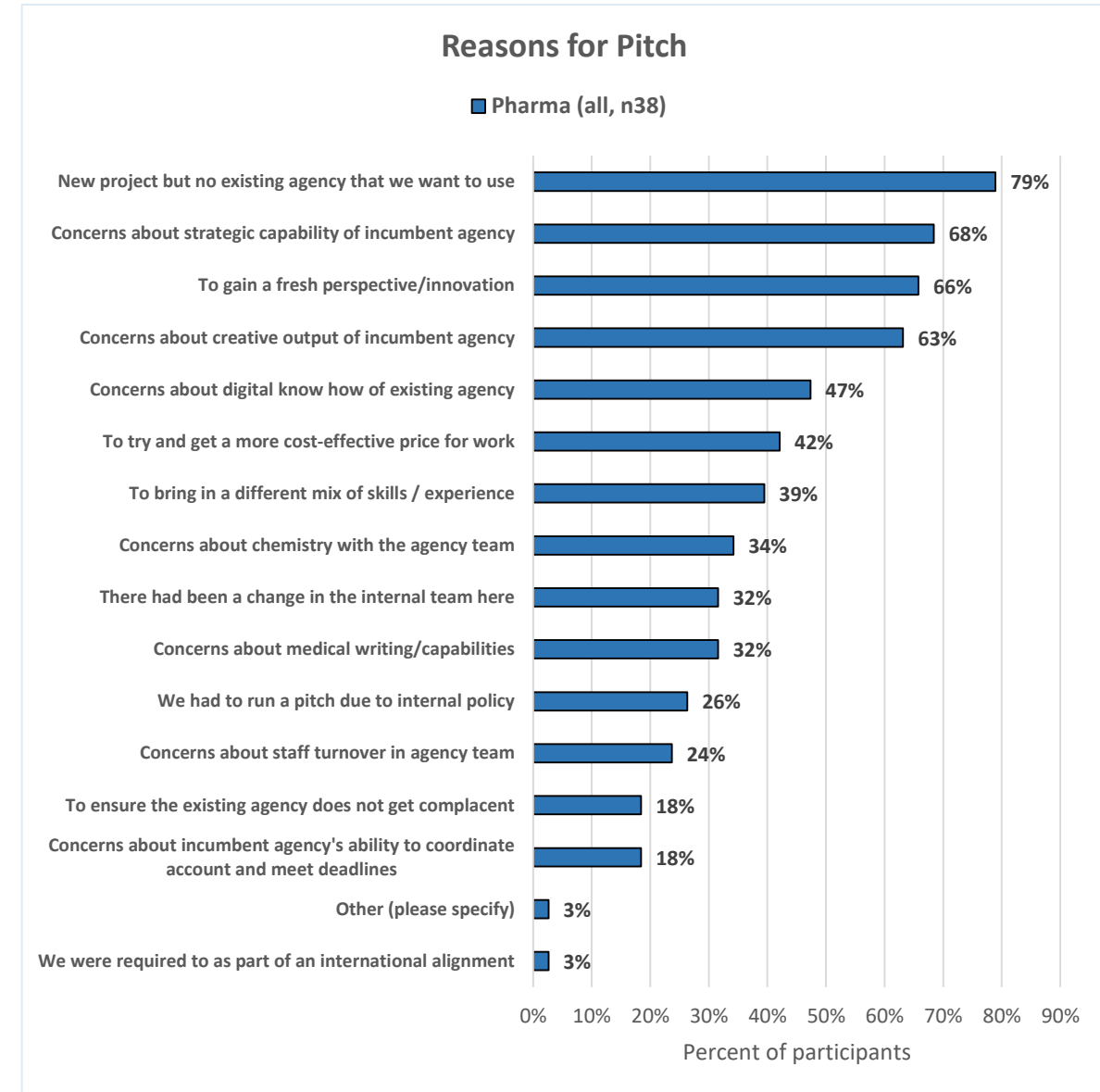
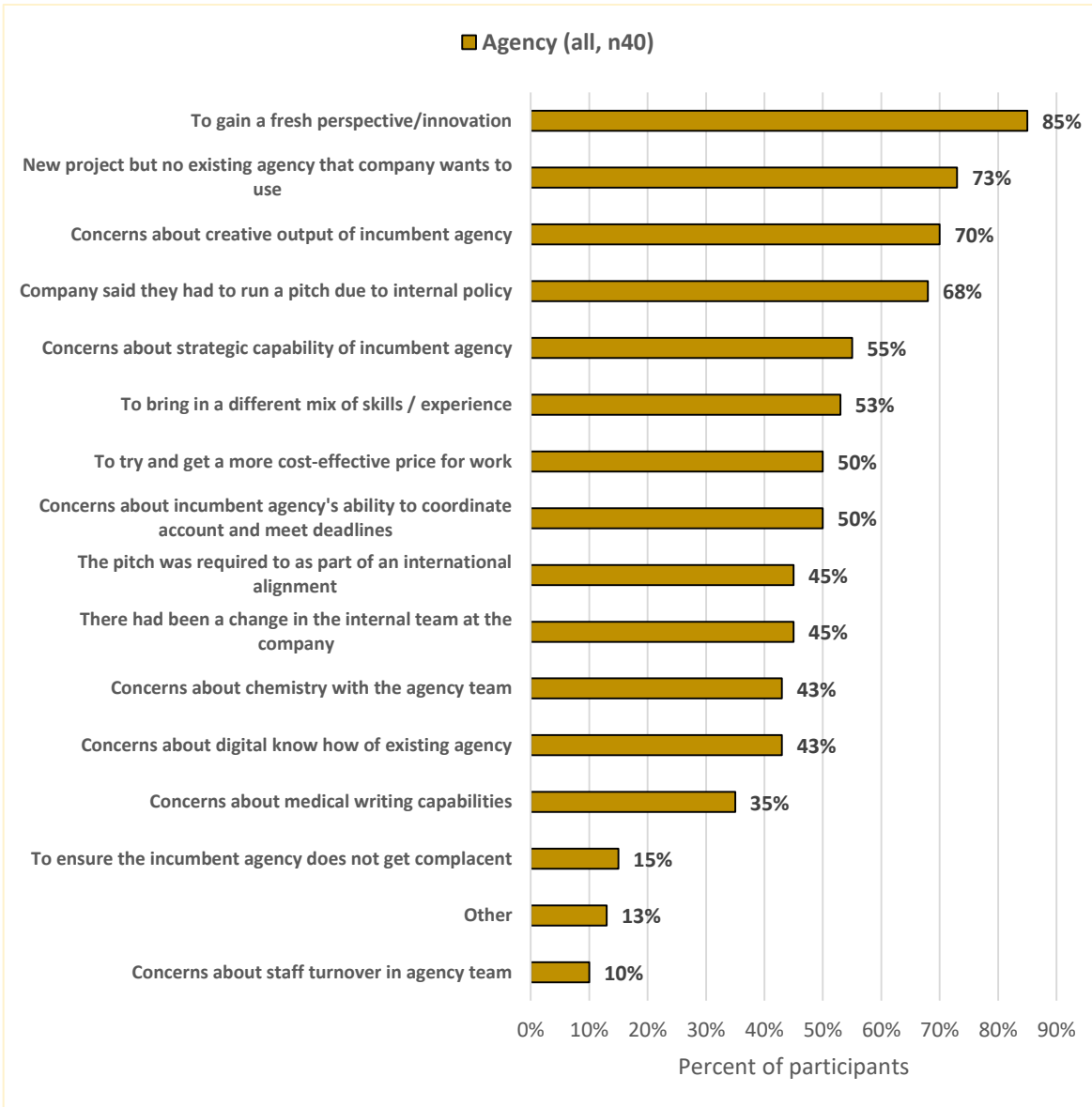
If you wish to use any of this data, please reference the PM Society Pitch Practice Survey 2010

Survey background

- This survey on Pitch practice was run in 2019 by the PM Society's Industry-Agency Relationships Interest Group (IARIG)
- The aim was to gather information from agencies and pharma clients on experiences of pitch practice from both sides
- The survey was sent to senior individuals within the target organisations rather than a link circulated by social media. We wanted to ensure a wide spread of organisations and a senior/experienced response
- On the pharma side, we had responses from Procurement as well as from those in Marketing or Medical
- The survey was adapted for each group so that the questions were 'mirrored' to allow easier comparison of the results
- We received 78 responses in total (40 agency/38 pharma – split 11 procurement and 27 medical/marketing)
- The survey was conducted by Brainsell on behalf of the PM Society. If you would like to use any of the data, please reference the PM Society and Brainsell.

Reasons for the Pitch

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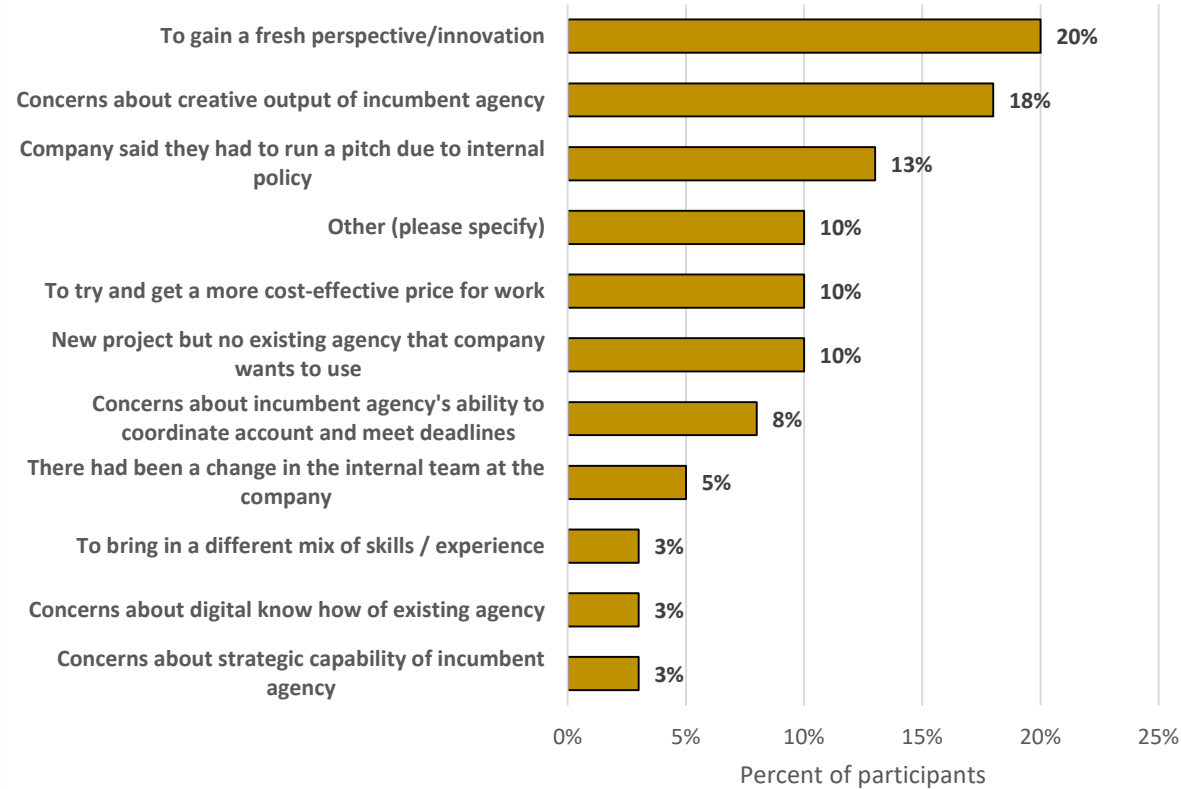


Most Frequent Reason for the Pitch

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Most Frequent Reason for Pitch

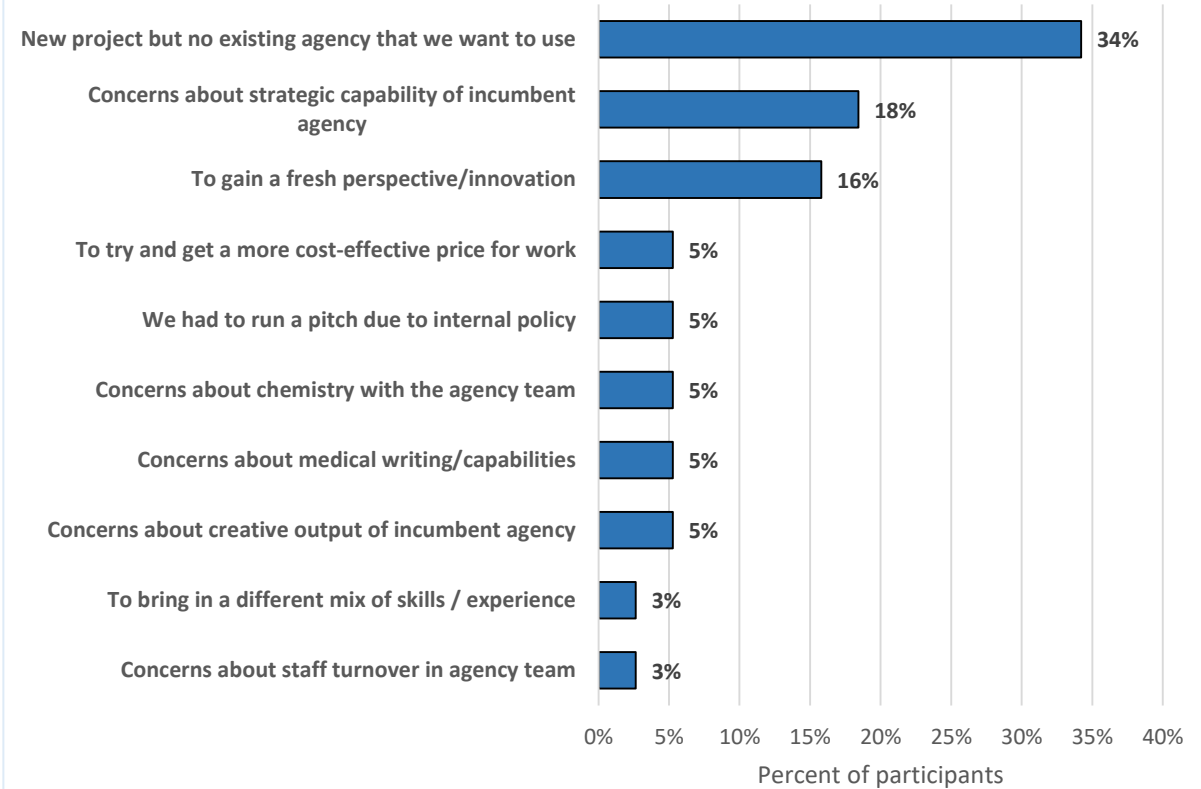
■ Agency (all, n40)



- Most frequent reasons for being invited to pitch are *To gain a fresh perspective/innovation* and *Concerns about creative output of incumbent agency*

Most Frequent Reason for Pitch

■ Pharma (all, n38)

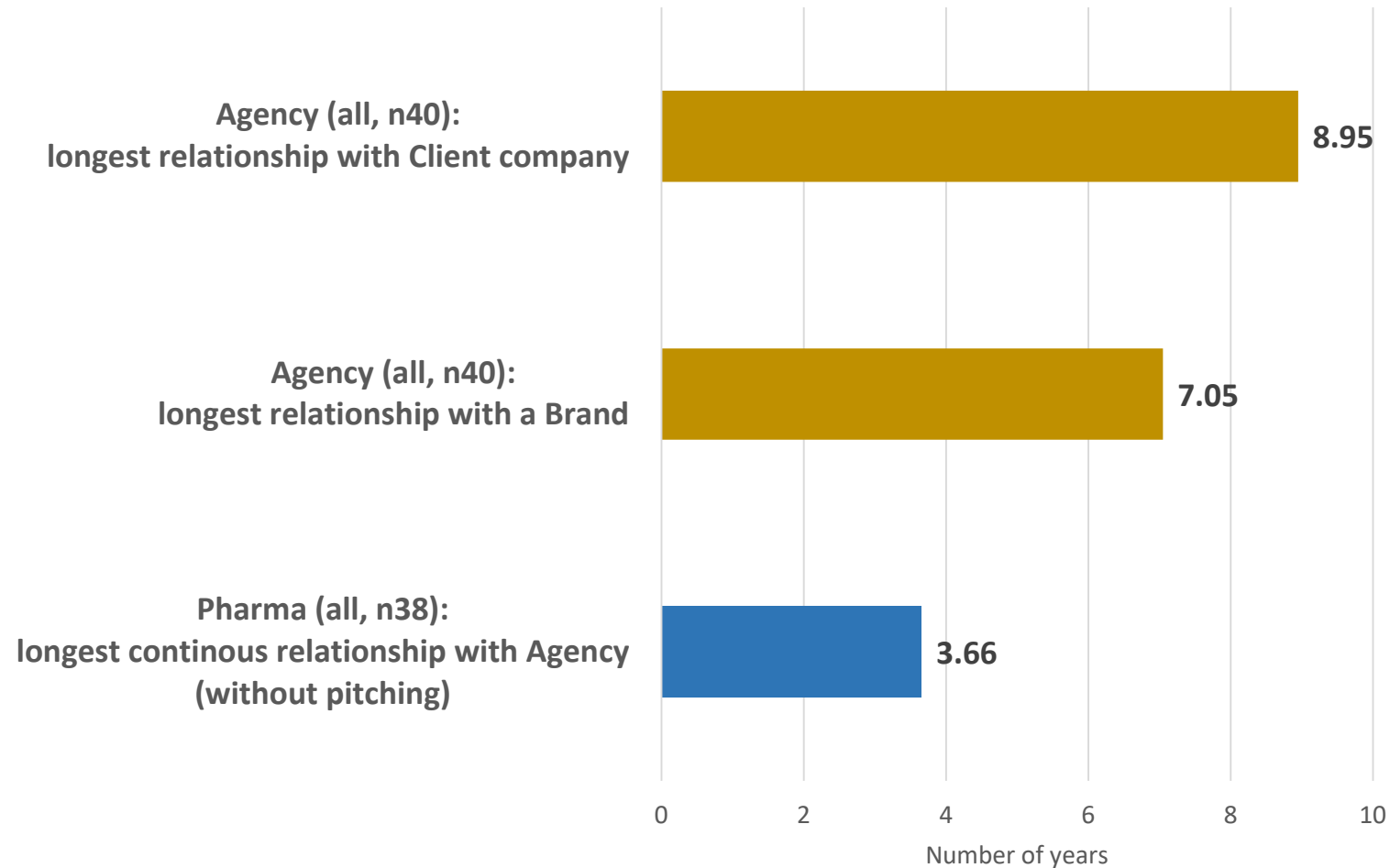


- Most frequent reasons for inviting agencies to pitch are *New project but no existing agency that company wants to use* and *Concerns about strategic capability of incumbent agency*

Duration of relationship

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Number of years of relationship

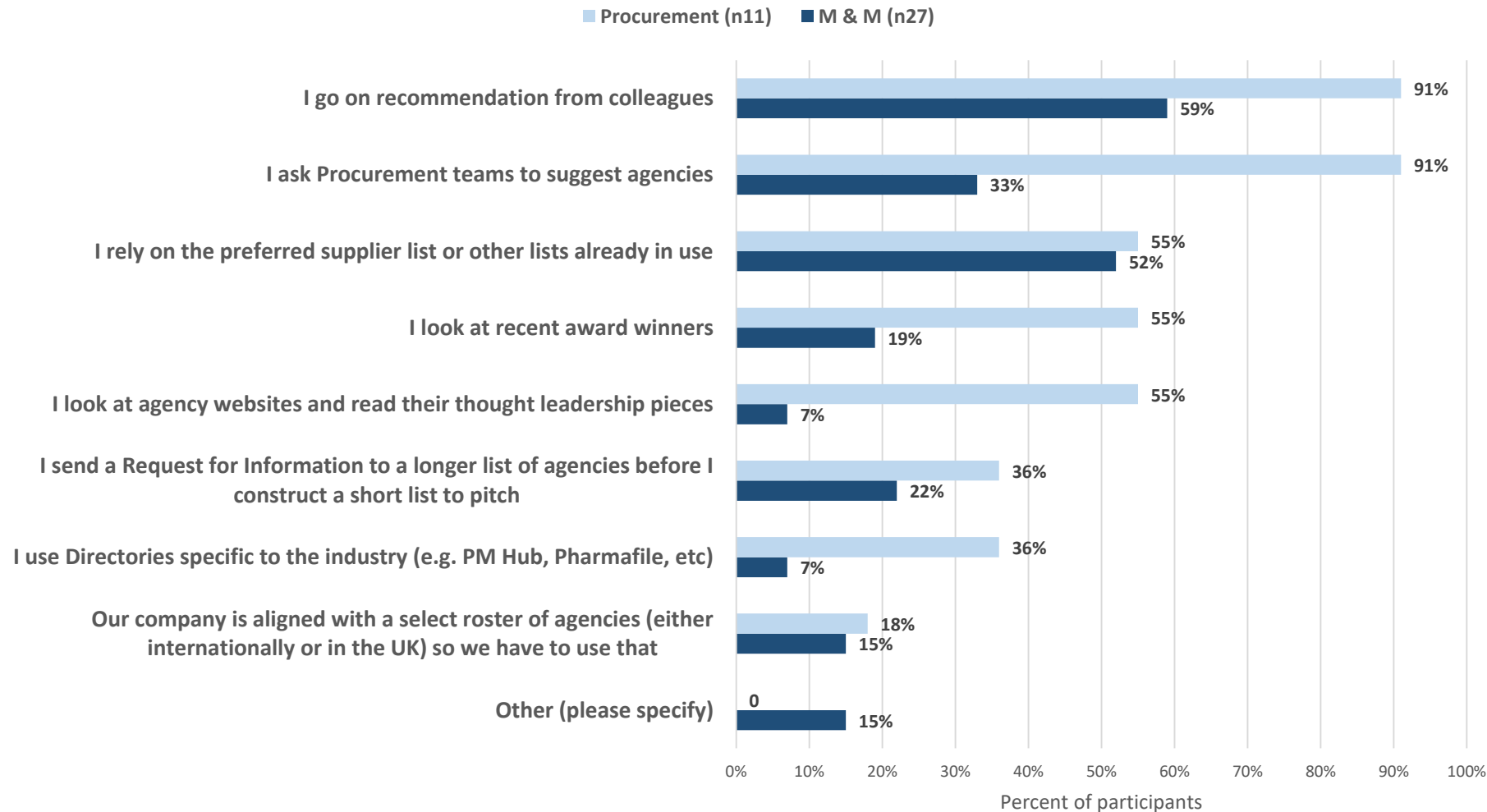


- Agencies report that the average duration of the longest relationship with:
 - ❖ Client companies is ~9 years
 - ❖ The Brand is ~7 years
- Pharma report that the average duration of the relationship between their agency and their brand/therapy area is < 4 years

How Agencies are Selected for the Pitch

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How agencies are selected for invitation to pitch (split out by type of pharma respondent)

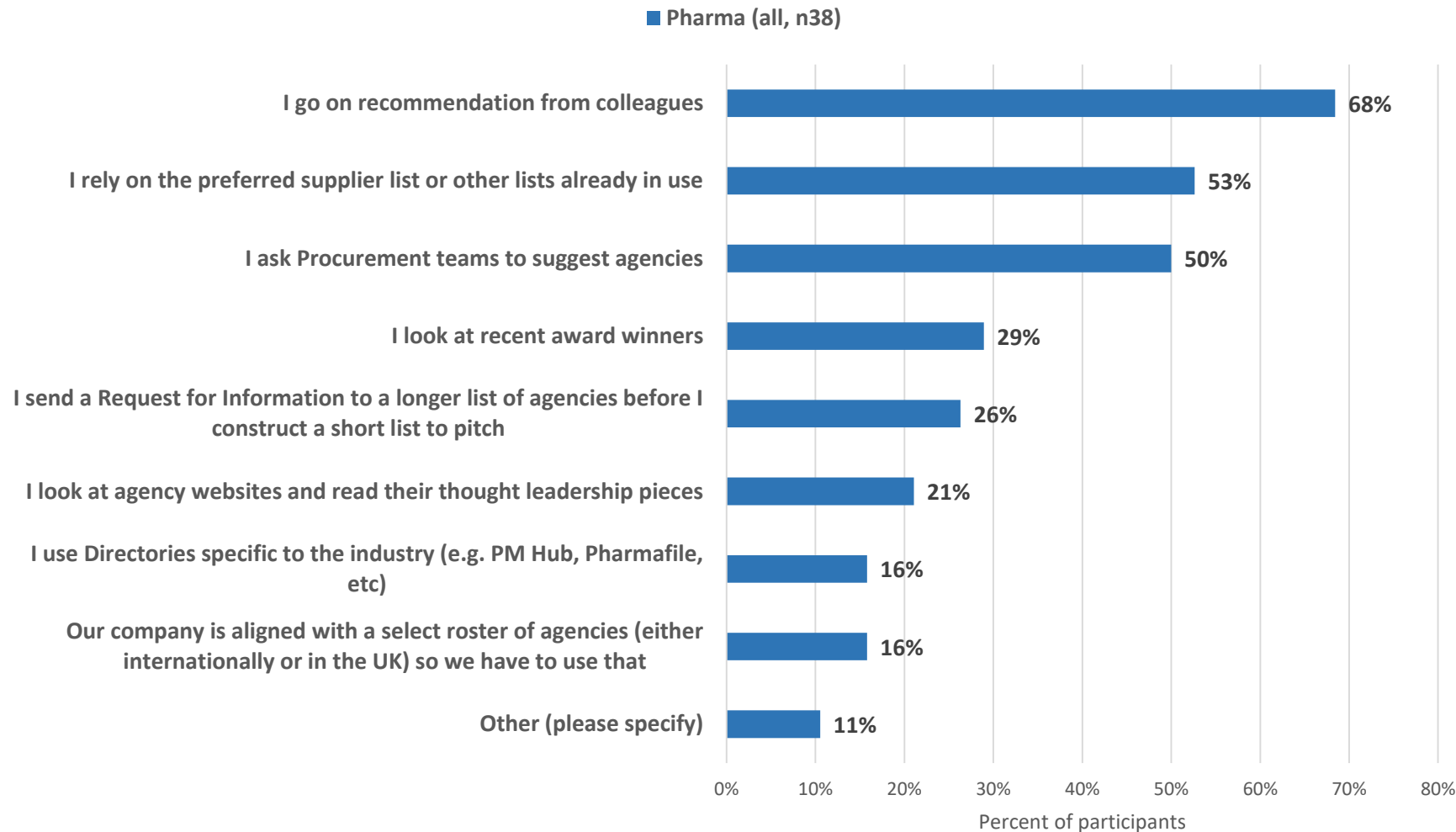


- Medical/Marketing are most likely to rely on recommendations from colleagues and a preferred supplier list
- Procurement are most likely to rely of recommendations from their team and colleagues
- Procurement are more likely to look at recent award wins, agency websites and directories

How Agencies are Selected for the Pitch

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How agencies are selected for invitation to pitch (amalgamated pharma response)



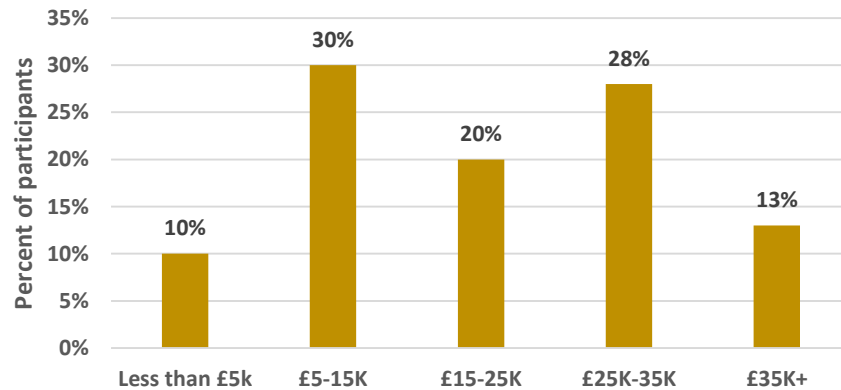
- 68% of pharma rely on recommendations from colleagues
- 53% of pharma rely on a preferred supplier list (or other lists already in use)
- 50% of pharma (91% of Medical Marketing) ask Procurement teams to suggest agencies

Agency Spend on Pitches

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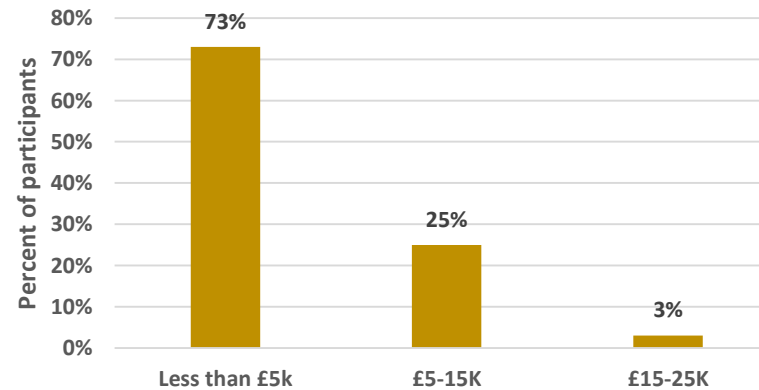
Internal salary costs/time

■ Agency (all, n40)

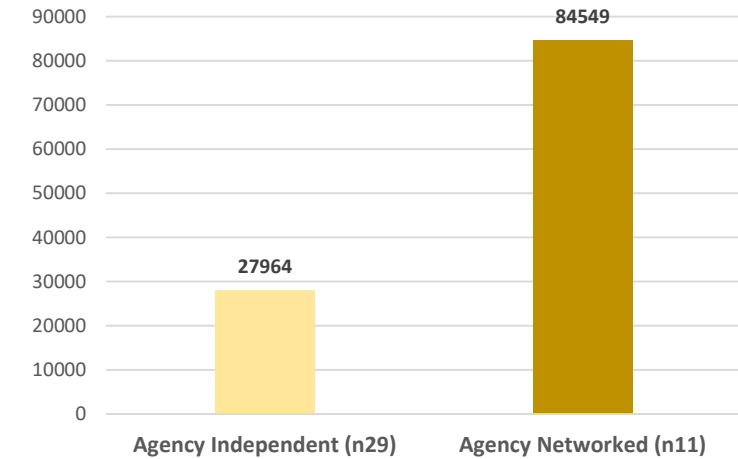


Out of pocket expenses

■ Agency (all, n40)



Most spent on a pitch in last 2 years (£)



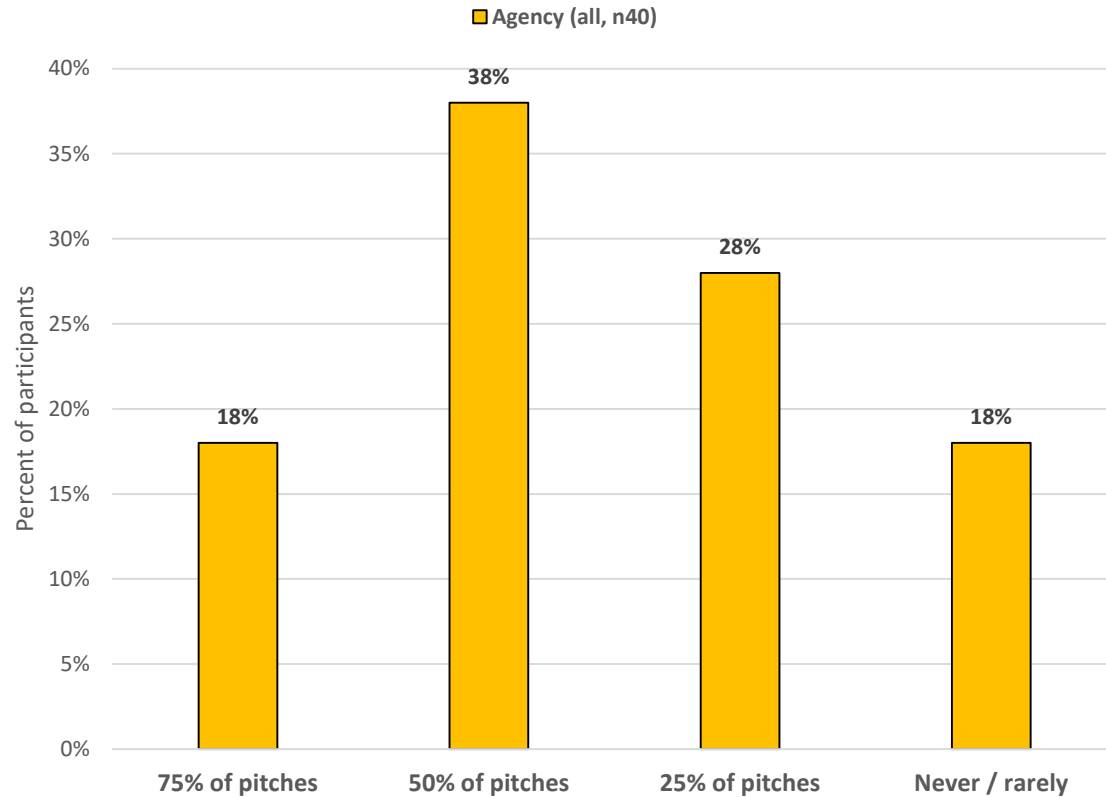
Industry perception of agency spend on pitches(including staff costs & out of pocket expenses)

■ Pharma (all, n38)



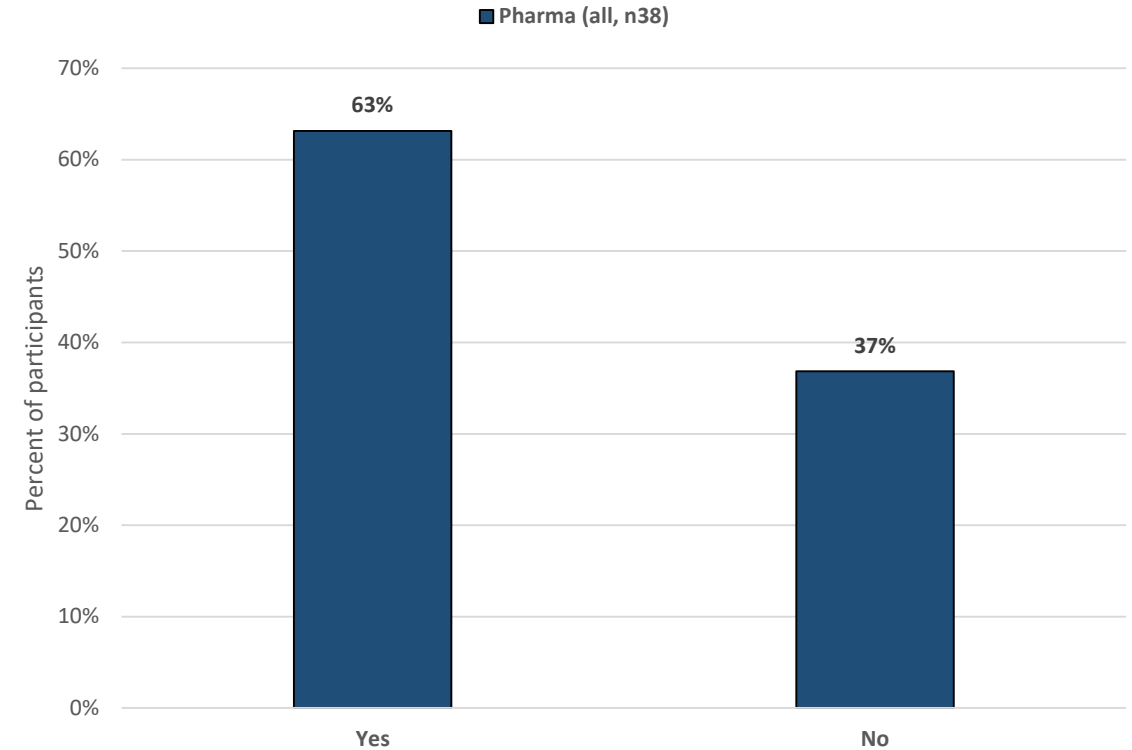
- Average Agency spend on pitches is £43.5K per pitch (mode £30K)
- 39% of Pharma think the average agency spend on a pitch is under £5,000

Agencies: Frequency given a budget indication



- The majority of agencies report they are given a budget indication > 50% of the time

Is there a budget threshold above which a pitch process is mandatory?

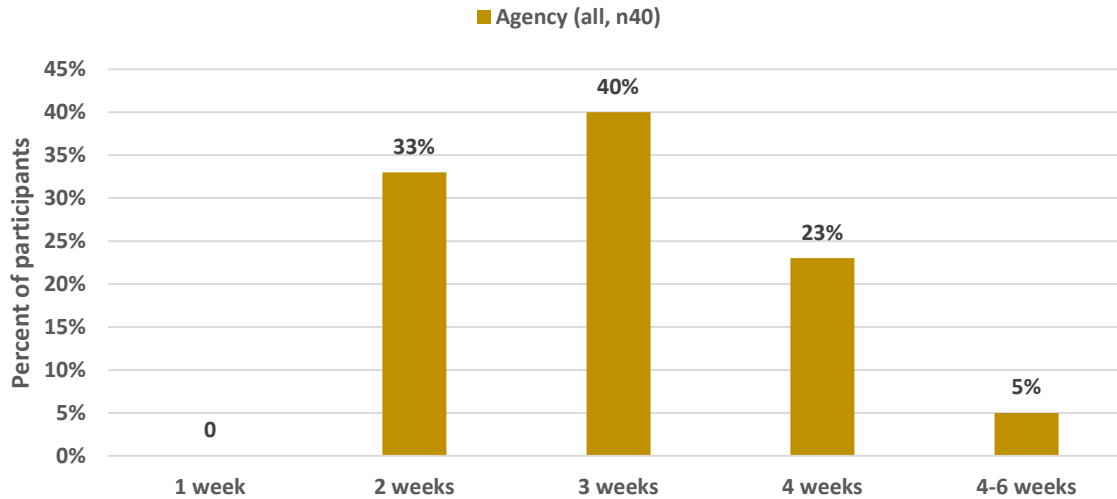


- 63% of Pharma report there is a budget threshold above which a pitch process is mandatory (67% Medical/Marketing and 55% Procurement), but this varies considerably across the different companies
- Medical/Marketing (n18) mean threshold: **£55K**
- Procurement (n6) mean threshold: **£83K**

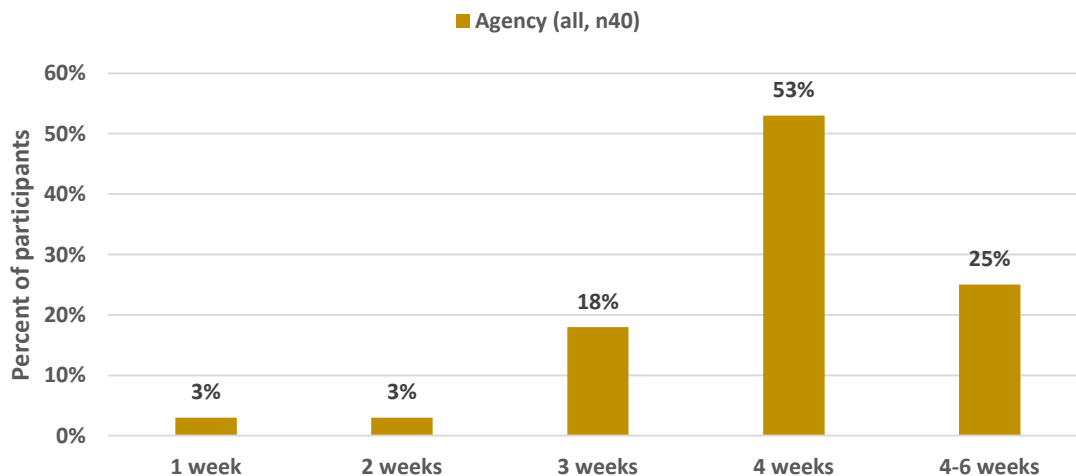
Time to Prepare for a £200K Pitch (non-incumbents)

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£200K account: most common timeframe



£200K account: reasonable timeframe



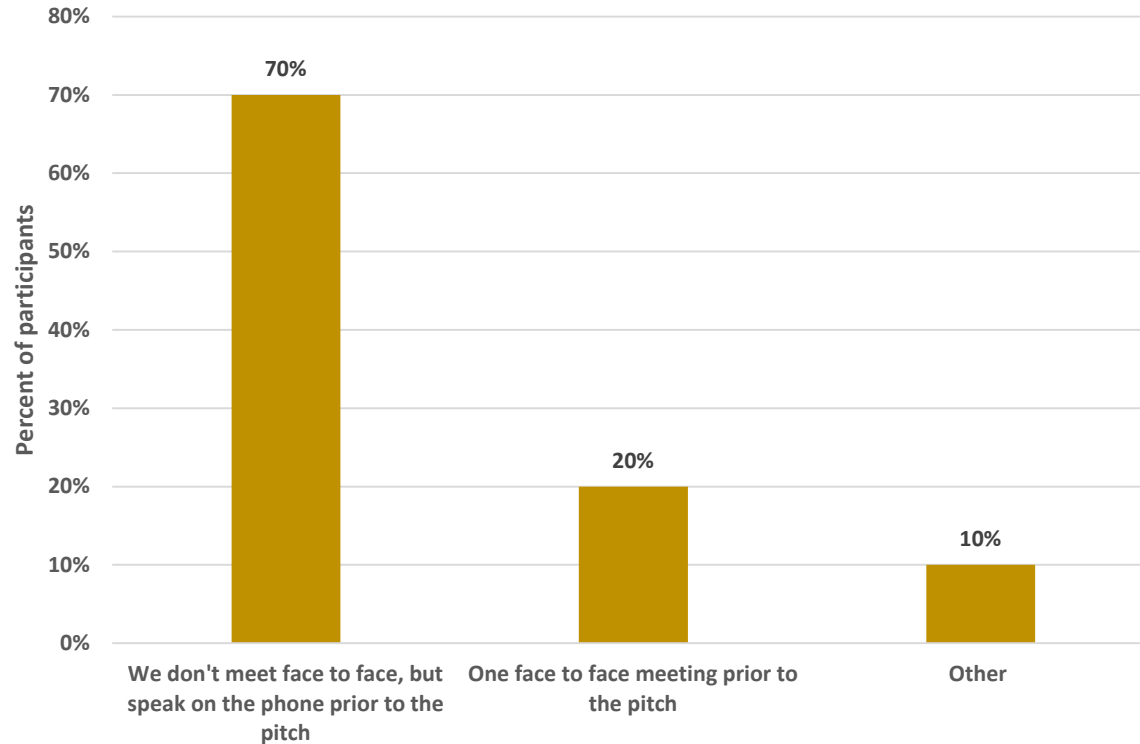
- Most agencies (> 70%) are given 2 to 3 weeks to prepare for a pitch for a £200K account
- 53% said 4 weeks would be reasonable
- 25% would like over 4 weeks

Level of Industry-Agency Contact Prior to the Pitch

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Level of contact with Client prior to pitch

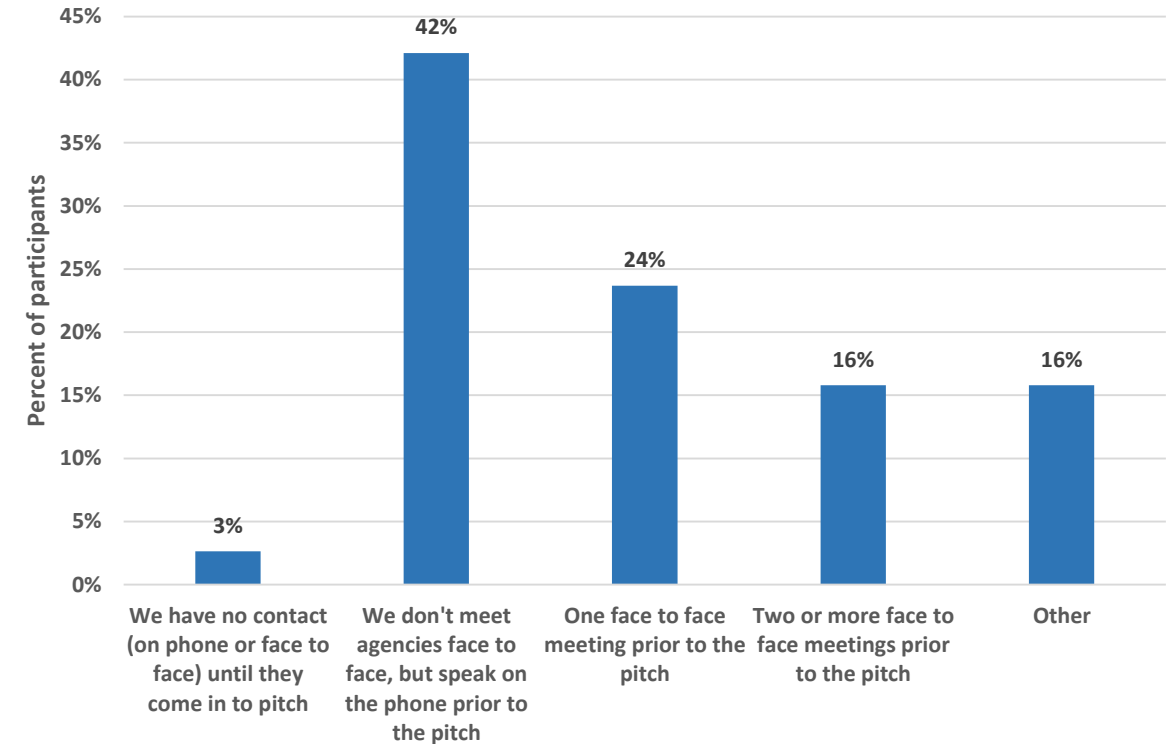
■ Agency (all, n40)



- The majority of agencies, 70%, do not meet face to face, but speak with the client on the phone prior to the pitch

Level of contact with Agencies prior to pitch

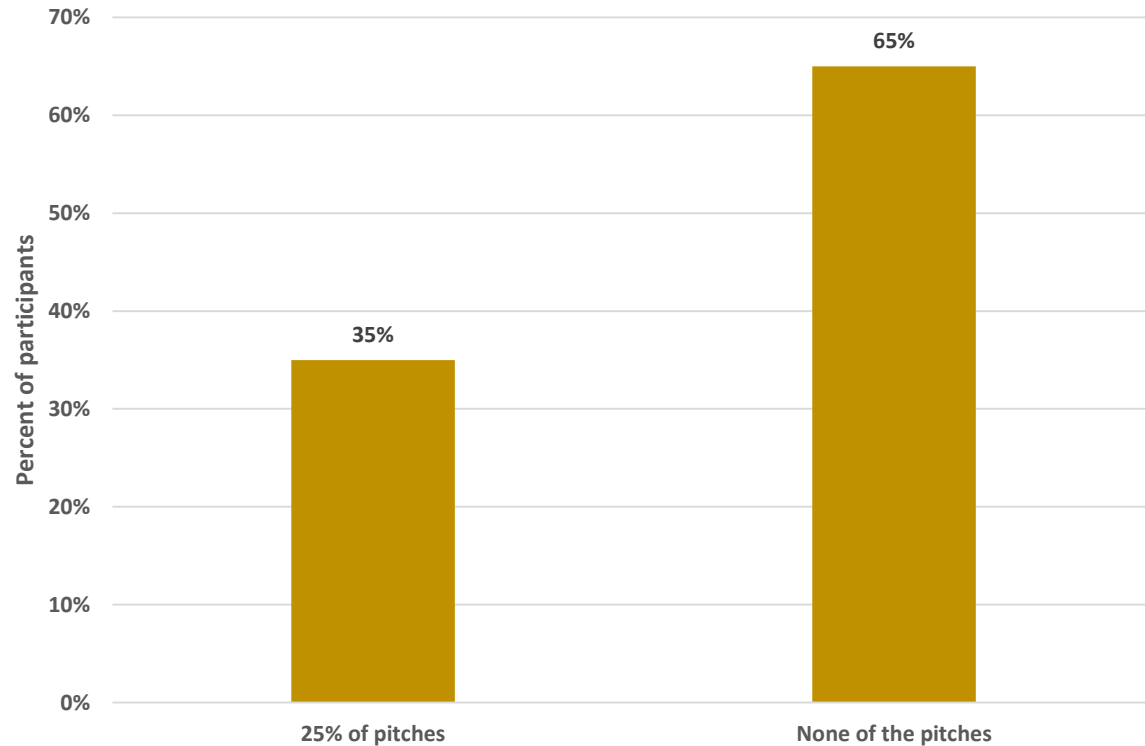
■ Pharma (all, n38)



- 40% of Pharma report having face to face meetings with agencies prior to the pitch
- 42% of Pharma report speaking on the phone with agencies prior to the pitch

Client visited office prior to pitch in last 2 years

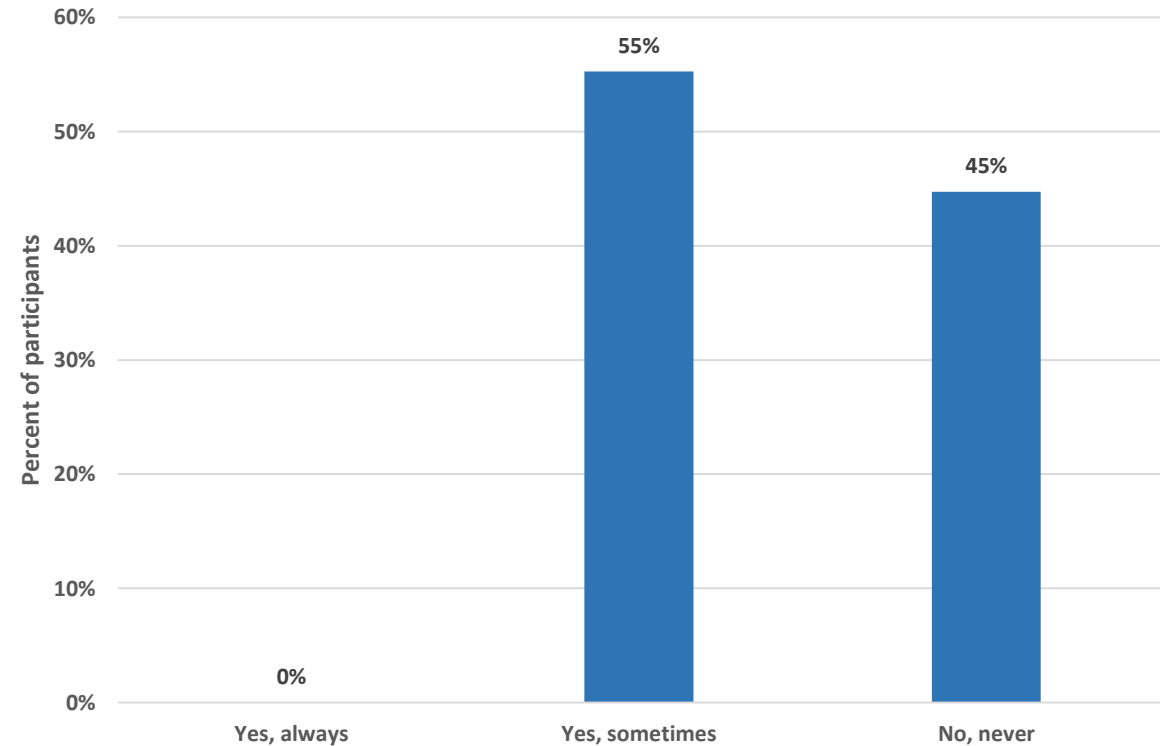
■ Agency (all, n40)



- 35% of Agencies report Clients visited their offices prior to the pitch for 25% of the pitches

Visit agency office during pitch process

■ Pharma (all, n38)



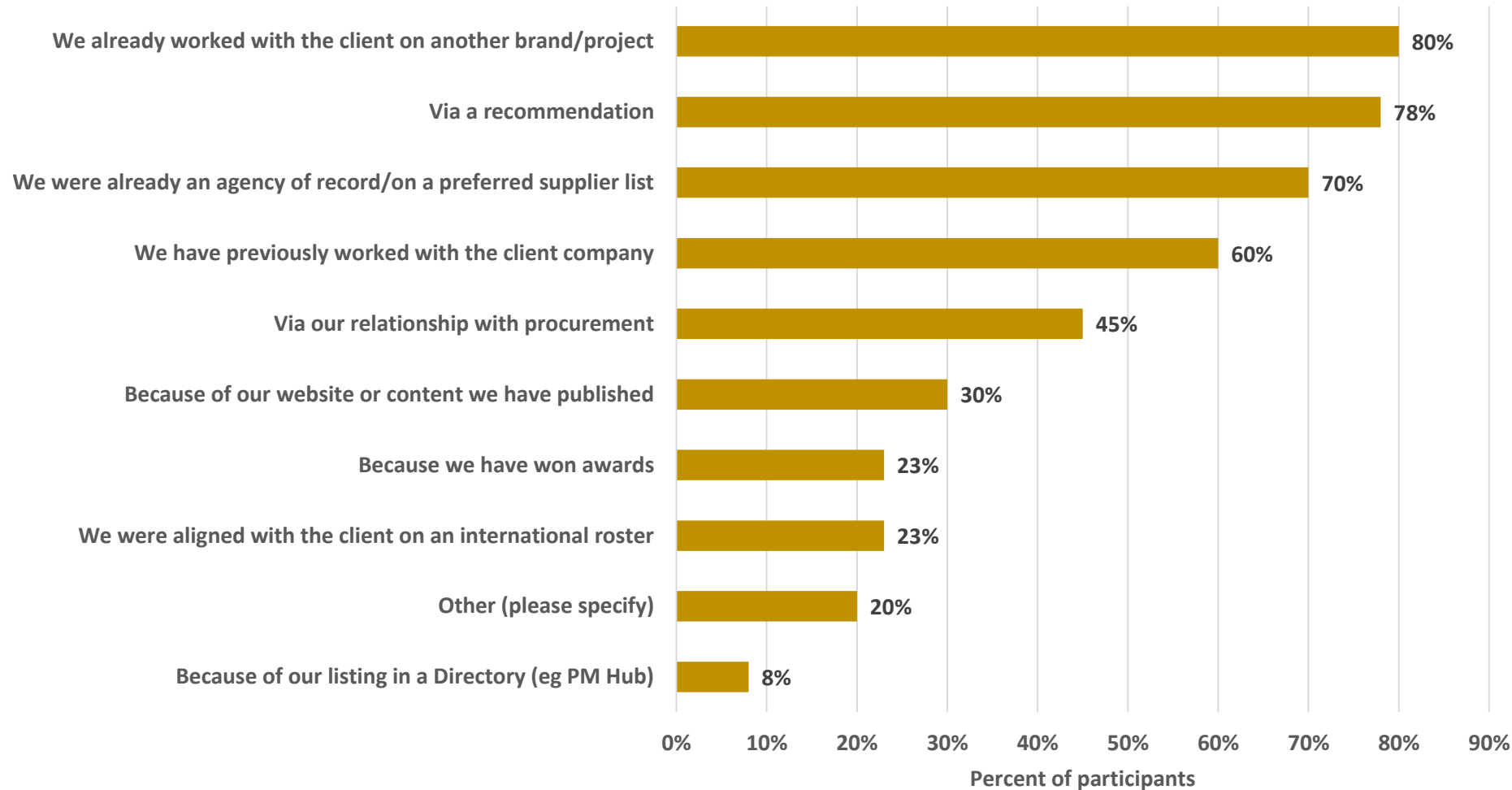
- 45% of Pharma report Never visiting the agency offices prior to the pitch
- 55% of Pharma report Sometimes visiting the agency offices prior to the pitch

Reasons for being Included in the Pitch

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Reasons for inclusion in the pitch

■ Agency (all, n40)

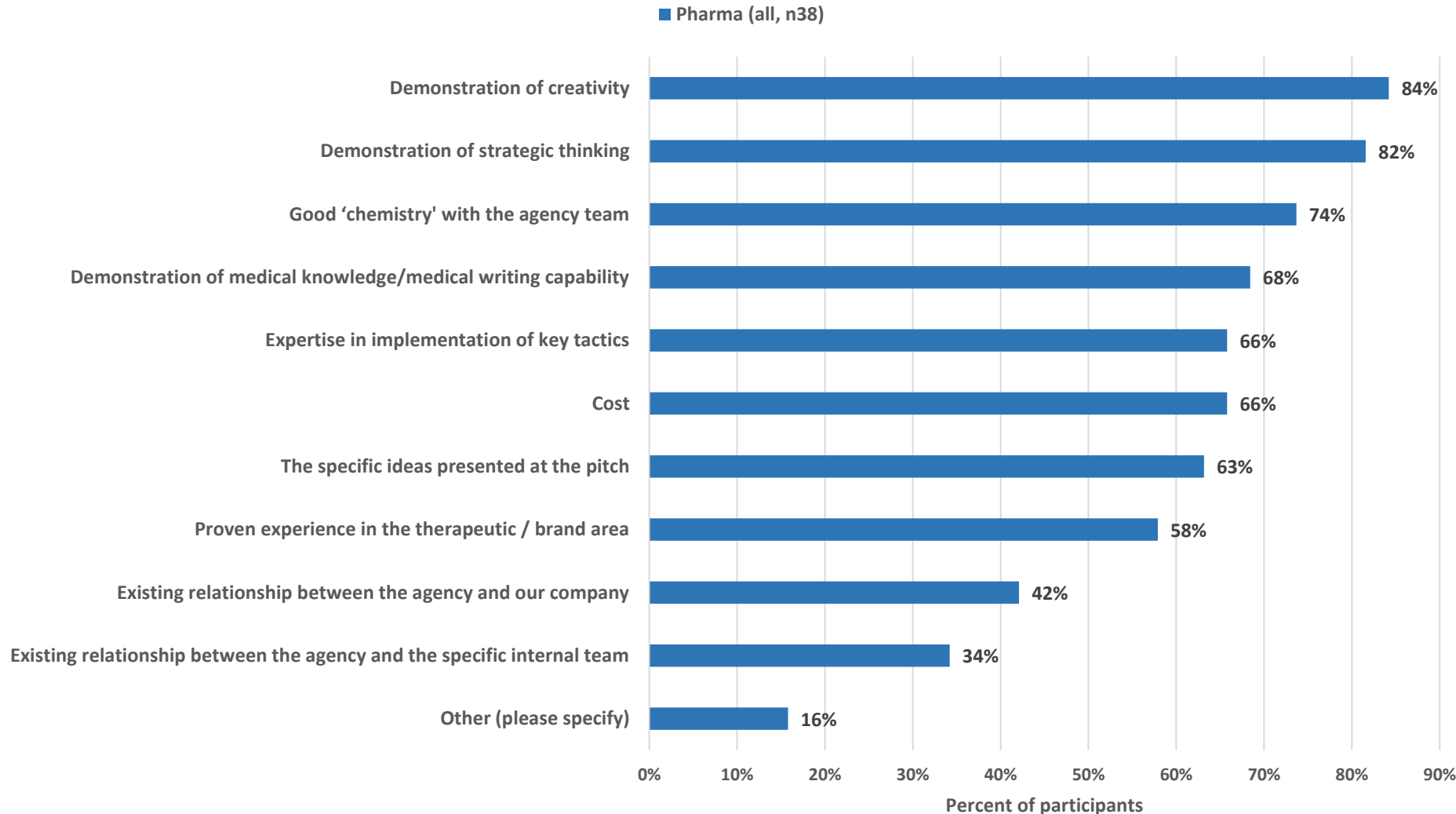


➤ The main reasons agencies are included in the pitch are (a) *We already worked with the client on another brand/project*, (b) *Via a recommendation*, and (c) *We were already an agency of record / on a preferred supplier list*

Key Considerations for Selecting the Winning Agency

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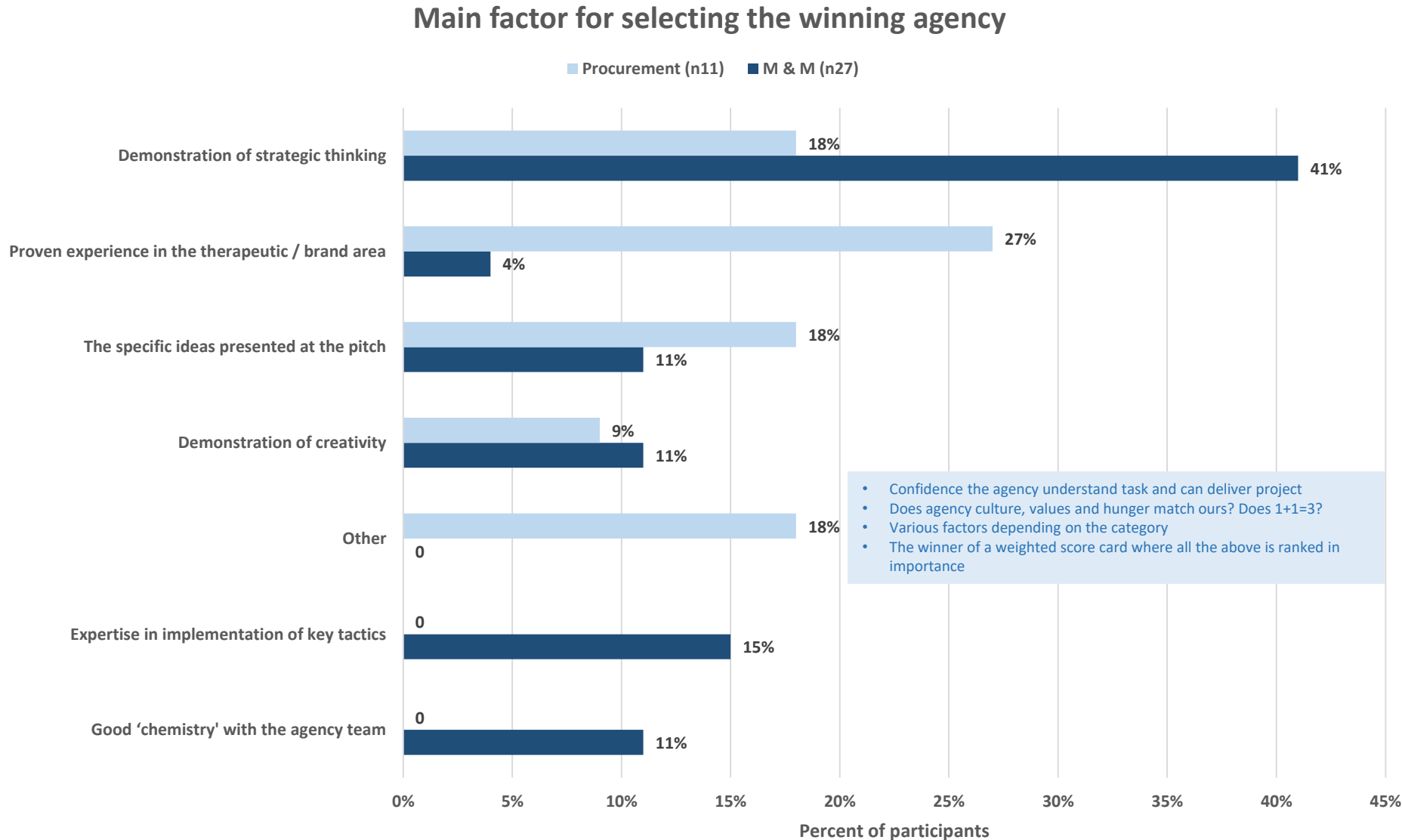
Key considerations for selecting the winning agency



- 84% of Pharma report *Demonstration of Creativity* as key consideration for selecting the winning agency
- 82% of Pharma report *Demonstration of strategic thinking* as key consideration for selecting the winning agency

Main Factor for Selecting the Winning Agency

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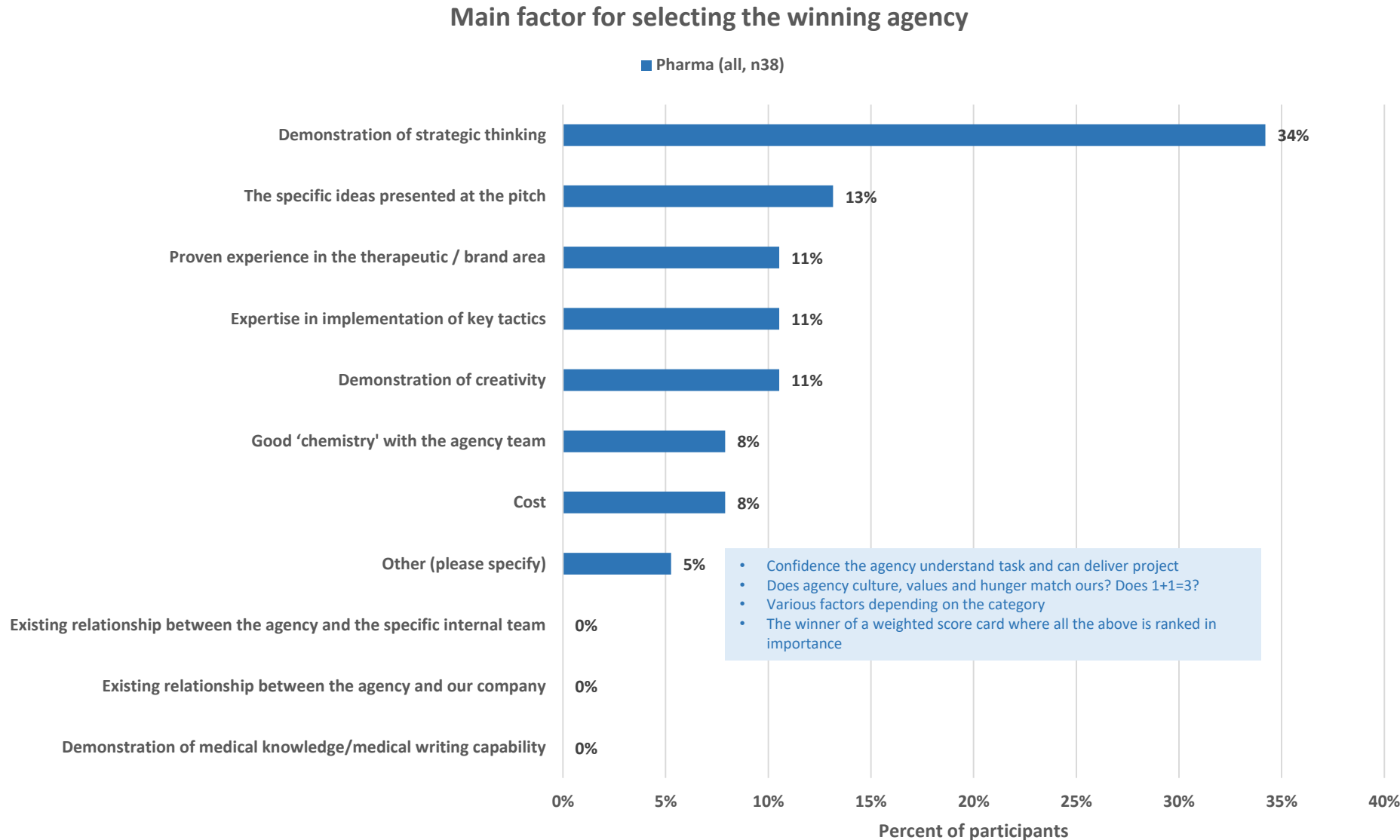


➤ 41% of Medical / Marketing report *Demonstration of strategic thinking* as the main factor for selecting the winning agency

➤ 27% of Procurement report *Proven experience in the therapeutic / brand area* as the main factor for selecting the winning agency

Main Factor for Selecting the Winning Agency

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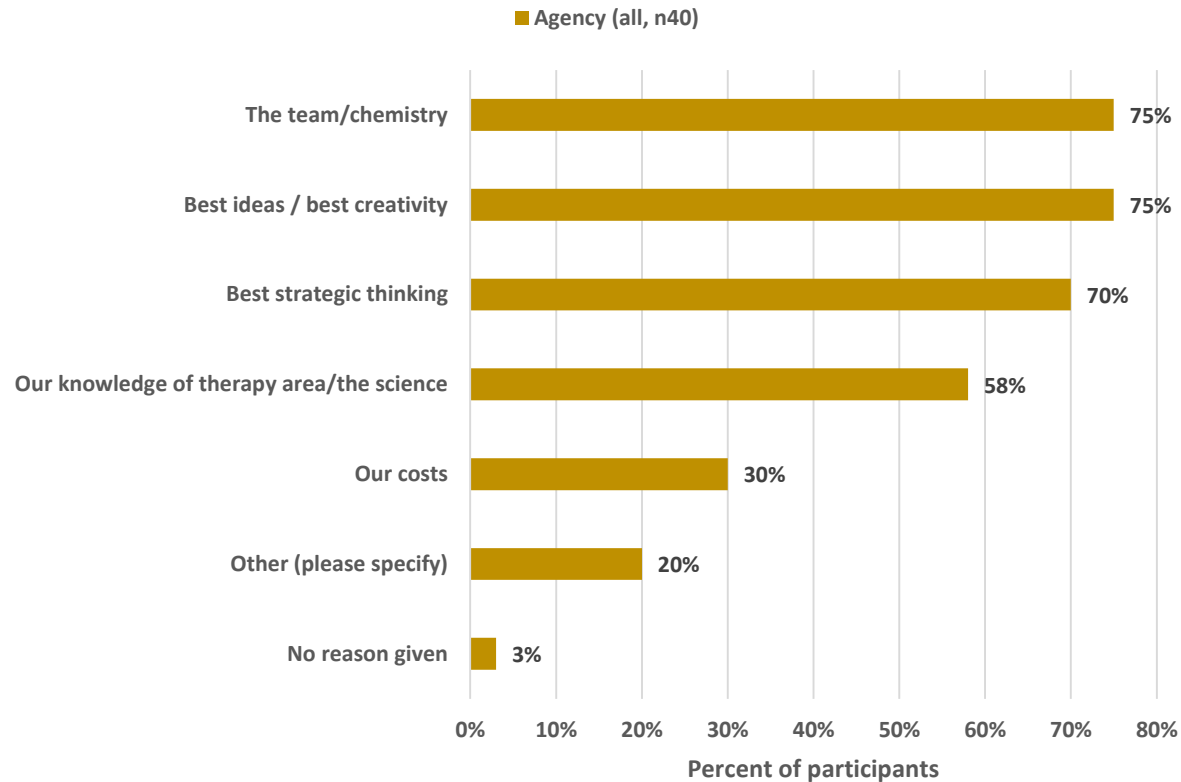


- 34% of Pharma report *Demonstration of strategic thinking* as the main factor for selecting the winning agency
- 13% of Pharma report *Specific ideas presented in the pitch* as the main factor for selecting the winning agency

Agency: Reasons (told) for Winning the Pitch

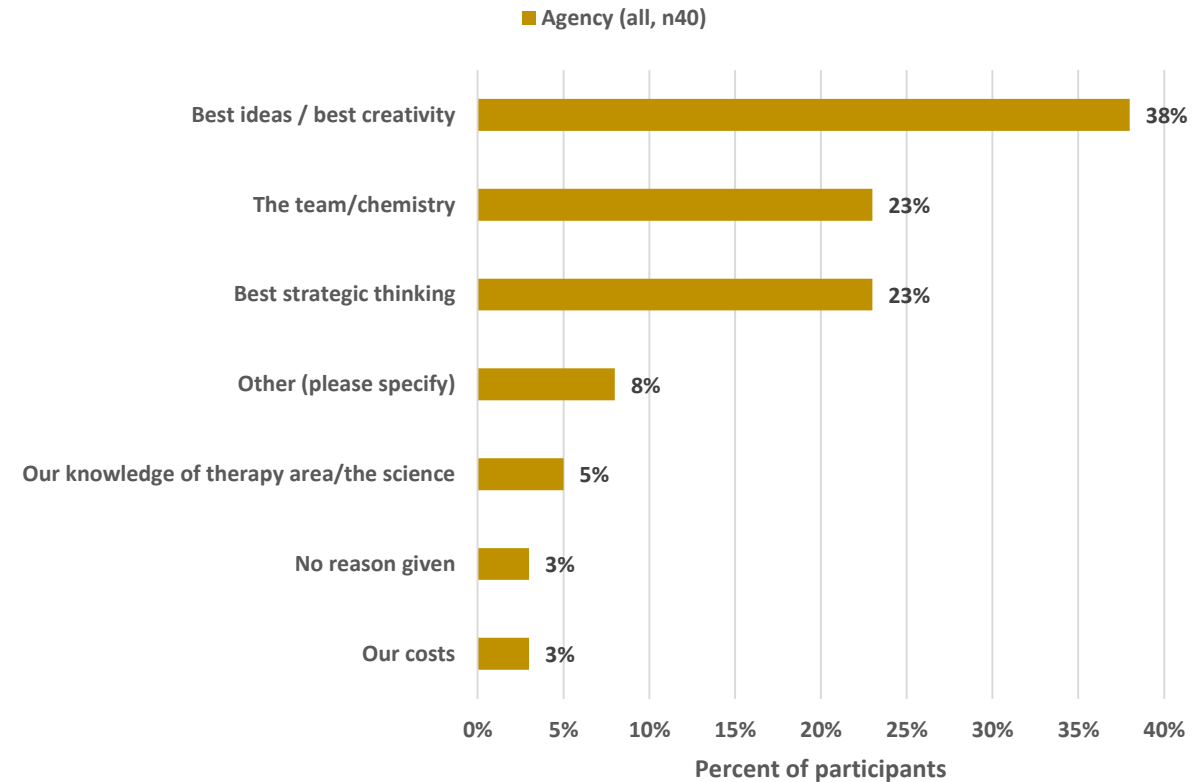
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Reasons (told) for winning the pitch



- 75% of Agencies report *The team/chemistry* and *Best ideas / best creativity* as reasons for winning the pitch
- 70% of Agencies report *Best strategic thinking* as reasons for winning the pitch

Main reason (told) for winning the pitch

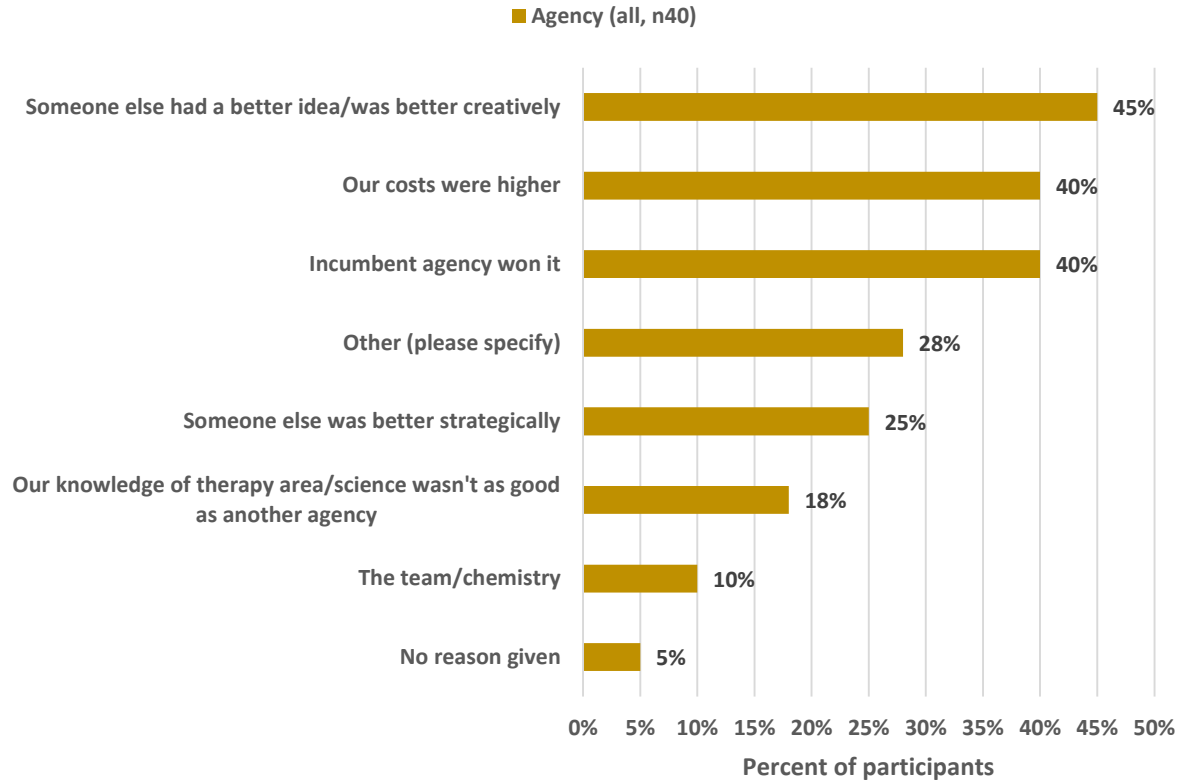


- 38% of Agencies report *Best ideas / best creativity* as the Main reason for winning the pitch
- 23% of Agencies report *The team/chemistry* and *Best strategic thinking* as the Main reason for winning the pitch

Agency: Reasons (told) for Losing the Pitch

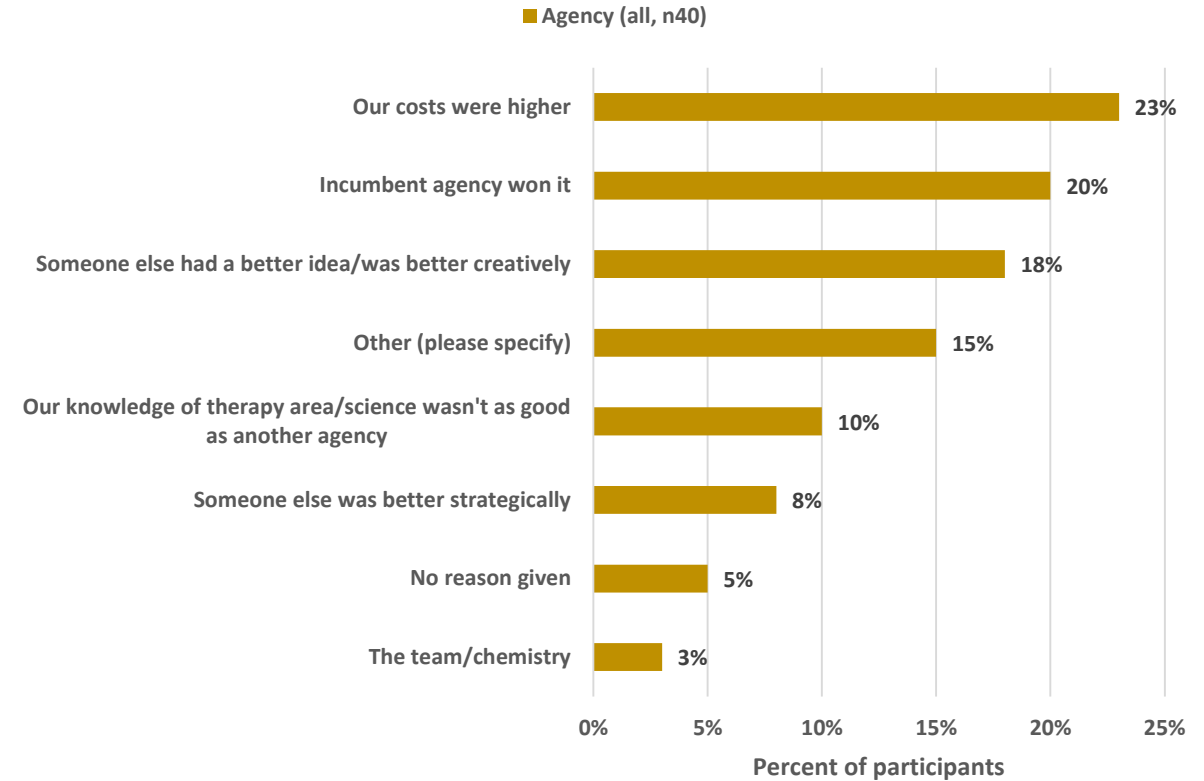
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Reason (told) for losing the pitch



- 45% of Agencies report *Someone else had a better idea/was better creatively* as a reason for losing the pitch
- 40% of Agencies report *Our costs were higher* and *Incumbent agency won it* as a reason for losing the pitch

Main reason (told) for losing the pitch



- 23% of Agencies report *Our costs were higher* as the Main reason for losing the pitch
- 20% of Agencies report the *Incumbent agency won it* as the Main reason for losing the pitch

Definition of a Good Relationship with a Client

Most used agency phrases

Open / honest

Partnership

(collaborative/part of the team)

Clear communications

Trust

Mutual respect

Shared objectives/goals

Most used client phrases

**Clear
communication**

**Open / honest /
truthful**

Aligned on goals

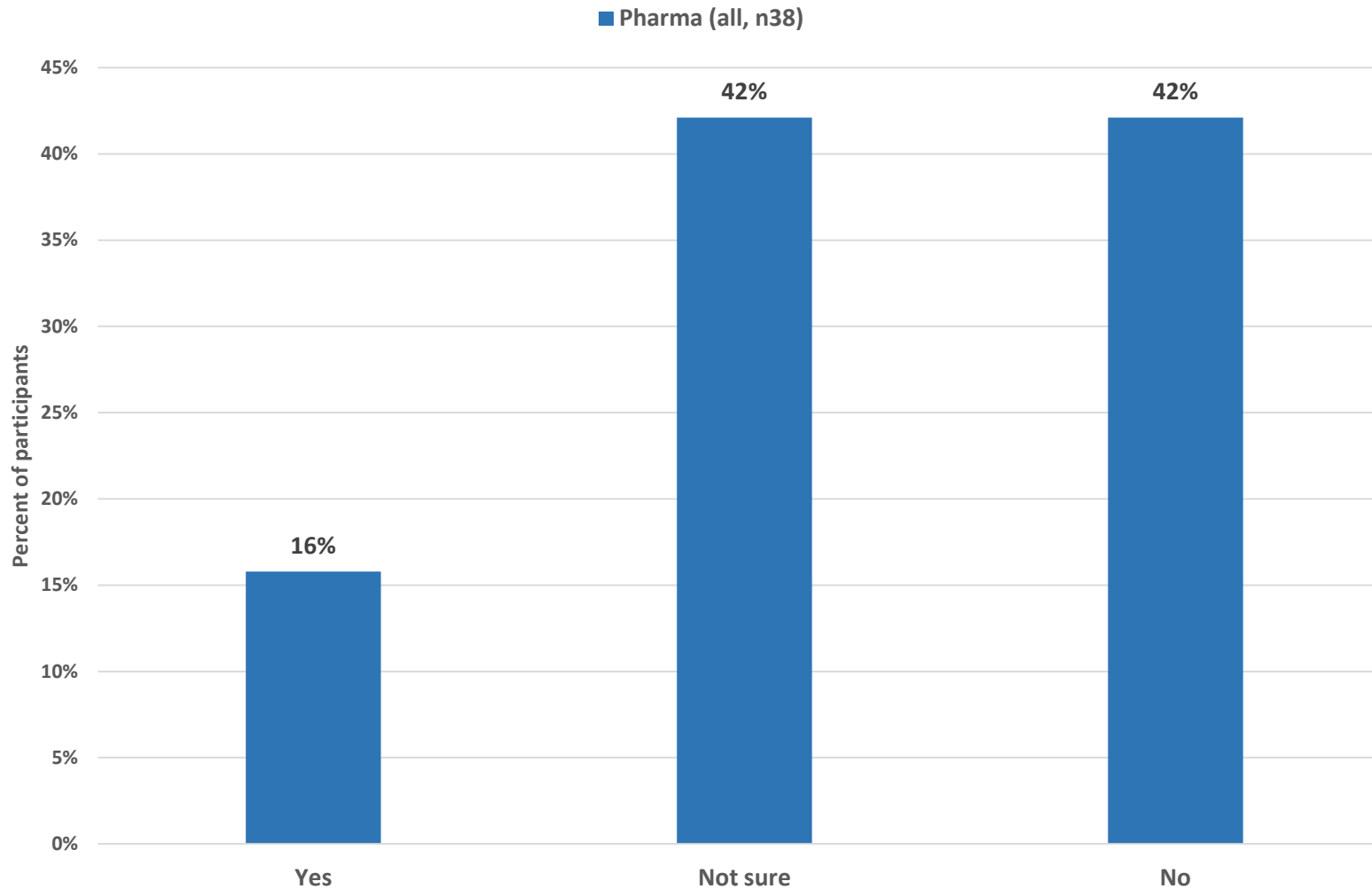
Listening / understanding

Clear accountability

Bringing Agency Services In-house within next 24 months

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Are you considering bringing any agency services in-house in the next 24 months?



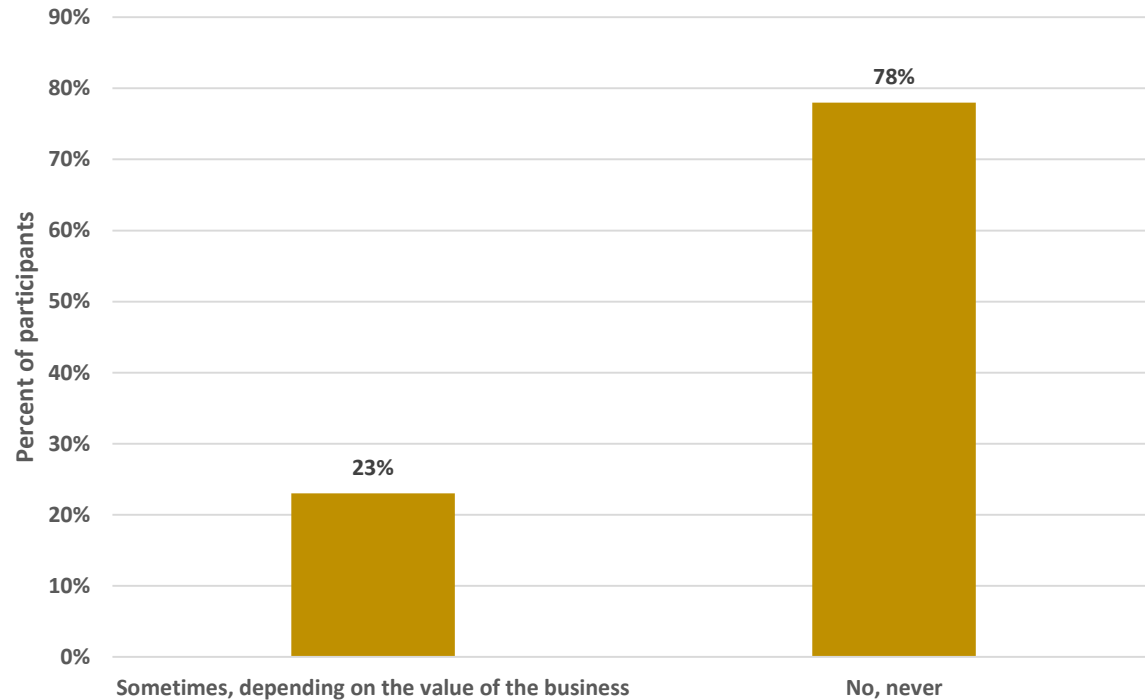
- Evidence that some agency services could be brought in-house in the next 24 months
- 16% of Pharma report they are considering bringing agency service in-house
- 42% of Pharma report they are NOT considering bringing agency service in-house

Paying the Agency to Pitch

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Are you ever paid to take part in pitches?
(Payment for proposals or reimbursement of expenses)

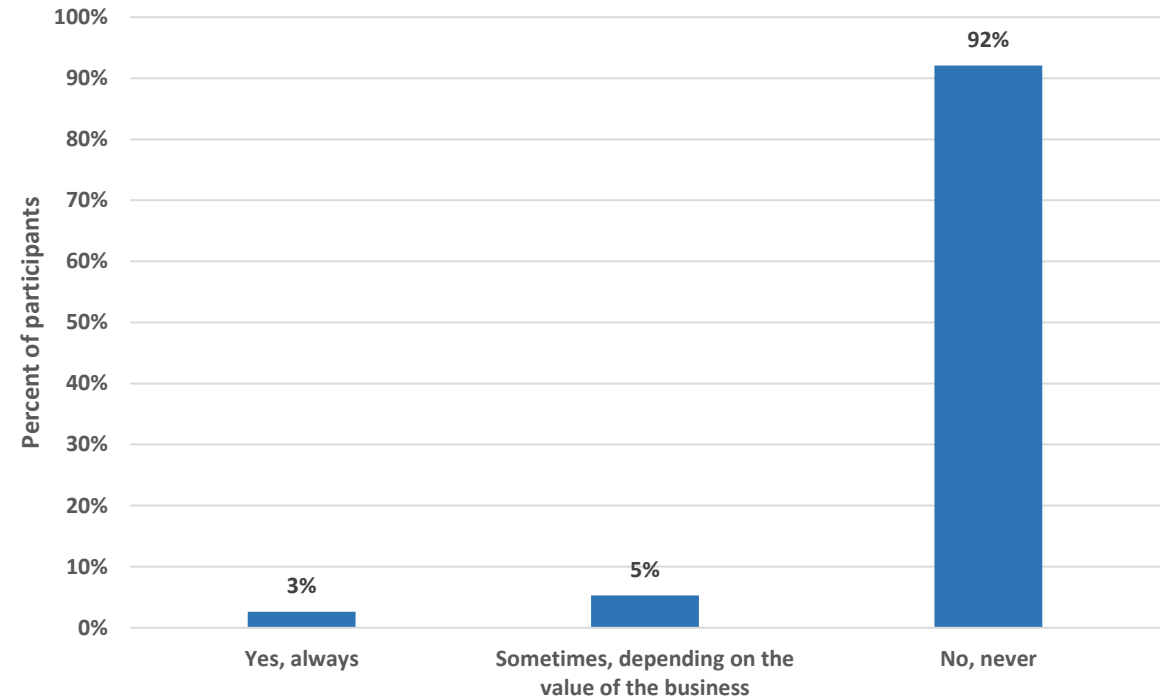
■ Agency (all, n40)



- 23% of Agencies report they are sometimes paid to take part in pitches

Do you ever pay agencies to take part in pitches?
(Payment for proposals or reimbursement of expenses)

■ Pharma (all, n38)



- 92% of Pharma report they never pay agencies to take part in pitches



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