

PROCUREMENT



Are you ticking all the boxes?

Marketing procurement as a specialism is on the rise. It's increasingly understood by organisations that a different approach to the ever-developing science of procurement is required for marketing services, thus more and more personnel are being trained specifically in this respect.

There's been a spate of articles in the trade press recently on this subject – some helpful, some moaning about it. At an industry event we spoke to three senior marketing procurement decision-makers from Abbey, Microsoft, BT and a consultant who advises clients on procurement best practice and agencies on how to complete RFIs and negotiate the processes. Everything confidential we agreed to keep between the four walls. The following is a précis.

Agencies need to get over the traditional perception of what procurement people look for. "They're not interested in how much an agency in W1 is paying per square foot compared to one in Bracknell." If they're committing to a 2-3 year contract, they want to ensure the applicant is transparent and that the fundamentals are healthy – any company should/must be able to provide such information relatively painlessly. Effective competition involves making some effort - it might take one person 4 days to fill out an RFI/PQQ, but another 4 hours. You should arrange your business to effectively manage these processes.

There are likely to be more and more fixed contracts being put in place, so although historically it's not really been done, agencies do need to make long-term relationship-building with this group the norm. Procurement people are likely to stay in their jobs 5-10 years whereas marketers may leave after 12-18 months, so as procurement increasingly impacts on marketing, it becomes the more consistent contact point.

Pander to the 'mode' of procurement. Report back in the same terms, with the same tone and with the same ruthless attention to detail. Treat procurement people as any other decision-maker. They enjoy being treated well and many do want to be engaged by agencies outside of review time, though they are inevitably stricter with timeframes – 'there's no point talking now' etc. However, they

like to gather credentials and materials and you should remember to include your basic marketing principles as well as the more technical stuff – so it's not just keeping in touch, but how you do it that matters. Factor this into your ongoing new business communications programme. It's also best to understand the issues from the marketing director, and then write to the procurement decision-maker in answer to the issues uncovered.

Procurement people often find marketing buying the most exciting aspect of their job. Some see agency lunches as highlights, though they may not admit it. They aren't generally allowed to accept freebies (such as lunch) and it's stricter in the US, however some companies are OK with it so long as the hospitality facilitates education as opposed to influencing the outcome. If you've struck up a relationship with a young buyer, you should invite them into your agency; educate them about what you do. "They think you've got two heads and you think the same about them, so get to know each other!"

Very effective marketing procurement people exist like Emelda McBirney (BT), but poorly trained examples inhabit many SMEs, so there will be huge differences in the quality of briefs or length of RFI/RFPs you'll need to complete. "Agencies need to live with this whilst marketing procurement is still in its infancy", putting enough resource into new business departments to fund the time it takes for new business directors to fill out information. The NBD must ensure they have adequate budget for creative/planning resource in order to complete RFIs and related pitches.

Much procurement activity involves public sector OJEU responses - with agencies increasingly realising there's money to be made. More pressure from government to slash budgets, encourages the COI to expect ever better rates. You can complain about it or you can get better at dealing with it. Advice and training on completing difficult RFIs is available. The consultant we met provides half day practical training in how to do this - as do we. Or, you could always recruit an ex-procurement person...