

**Case article**                    The pre-commissioning client-agency relationship

**Date**                                April 2009

**Published By**                    Dr. Sandy Ochojna

*Dr Sandy Ochojna is an independent survey research advisor. Between 1986 and 2008 he was the Manchester-based director of several well-known international market research companies; for the ten years prior to that he was Passenger Manager at Strathclyde Passenger Transport Executive in Glasgow. From time to time he feels compelled to set down his thoughts on topical survey issues.*

---

Agencies spend thousands of pounds each year preparing proposals to submit in response to invitations to tender and clients' briefs: a good agency may win one in three of its proposals. And, at the end of the day, all this effort is paid for by commissioners through the fees they pay to the successful bidders, hence it is in everyone's interest to have a tendering process which is as cost effective as possible – so how can we do this?

### **The tender**

When an exec. in an agency receives a brief the first thing he or she does is read it to find out what it is about, who needs to be interviewed, and what is the timescale. These are not always immediately apparent in briefs, especially those which are particularly prescriptive. Bidders then have to decide;

- how sensitive or intrusive the questioning might be, and how long and complex the questionnaire needs to be
- how many interviews needs to be undertaken, and whether quotas should be set for specific types of respondent
- how easy or not it will be to contact the eligible respondent and whether or not there are accessible sampling frames

- and in the light of the above, what is the most appropriate fieldwork method (and this can range from one-to-one in-depth interviews or postal self-completion surveys through to random pre-selected household surveys)
- then, how analytic the final report needs to be.

Since the agency should explore all these issues in its proposal, and justify its recommended approach, there is a very powerful incentive for commissioners to send out briefs which set out in detail **why** a survey is being considered, and **what** it seeks to find out, but leave it to the bidders to recommend **how** it should be conducted. That is, the more prescriptive is the brief the less chance there is for the commissioner to get 'free consultancy' and the less opportunity there is for the agency to display its expertise

Nevertheless, the major factor in commissioning tends to be cost, and with such a wide range of issues and methods to be considered in the recommended mix, fees can vary by a factor of 10 or more. And this is why many agencies really do appreciate being given budget guidelines.

A budget guideline allows bidders to

- Assess very quickly whether the job can be conducted meaningfully, if at all, and in the timescale
- Recommend the most cost-effective fieldwork and sampling methods
- And so offer a package which is relevant to the commissioner.

Setting out a budget does not mean that bidders will price up to that limit; they know they are in a competition hence price is still critical. Rather it allows them to

Offer their best realistic option

Compare that to what the best 'budget unconstrained' approach might

And show what the minimum acceptable approach might cost.

And they will do this with more enthusiasm because there is nothing more dispiriting, and costly, than submitting a finely argued 50 page proposition for a £50k job when the 'client' comes back to say, 'But what can you do for £5k'!

So, in all, at its very simplest, what agencies want from a brief is

- Why the survey is being considered
- Its timescale
- Its maximum budget.

Other aspects of the bidding process which can be thought of as being somewhat wasteful are.....

...being asked to complete a **multi-page PQQ** (pre-qualification questionnaire) seeking information about the agency and asking about trading practices which seem in most cases to relate to jobbing builders and contractors. These PQQs are getting longer and longer, and each commissioner has its own version. (Why not look at your own PQQ, and then try and fill it in!). It might help relationships if such PQQs were issued at the end of the bidding process to the winning agency (subject to the PQQ being acceptable that is) or at the very least commissioners could explain why the various sections of the PQQ need to be completed.

...being invited to an **open Q&A session** where all bidders can ask questions of the commissioner (or its electronic version where any question and its answer is emailed to all bidders). These can be a complete waste of time and money; agencies feel they must put in an appearance otherwise they will be deemed to be not that interested, but no agency is going to ask their 'killer' or key question for fear of showing their hand to the competition.

...being asked to prepare numerous cost options, and/or to show a **detailed breakdown of costs**. Most agencies do not have highly sophisticated pricing programmes (as opposed to costing programmes) and many have difficulty in showing the cost of specific activities without revealing where the profit mark-up lies; so, while the bottom line price is accurate and defensible, its components are more likely to be guesstimates. If commissioners really need cost breakdowns, then perhaps they should explain why they need them.

## The Pitch

While to an extent the agency is in charge of the process through to the written submission stage, if it gets to a pitch then the commissioner has the opportunity to regain the initiative. Some of the questions bidders are not so happy to hear include the following.

- a) **What do you think of the tender?** This is a tricky one, especially if the tender is not that good, and particularly if it is quite prescriptive. The key is to listen to how the bidder justifies his/her assessment.
- b) **Do you think the budget can really produce the goods?** The bidder has made his/her pitch based on the budget set out so the answer has to be 'yes', but again listen to the justification. The way the bidder responds to a) and b) will give you some insight into how committed he/she is to delivering the best result as opposed to giving you what you want ie can they criticise or disagree with you in a constructive manner or will they just do what you want even if it might not be the right or best way?
- c) **Is the team pitching today the one which will do the job?** This is a common and very important question. Most agencies do field the appropriate executive team, but ask the lead member at the pitch just exactly in what stages of the exercise he/she will have meaningful engagement, and not just 'sign off'.
- d) **Can we use our own questionnaire?** This is always an embarrassing question and the answer should be 'probably no'. You are paying for the expertise and experience of the agency to be brought into play in designing as simple and effective a questionnaire as possible; and no questionnaire is ever perfect. Again, listen to how the bidder tries to say 'no' in the most constructive yet unambiguous way.
- e) **Can we do like we have done for the last five years?** The problem with trackers is that to change any element of the survey can destroy its tracking capability, yet for the bidder to say 'no' is tantamount to implying that you have been wasting your money in the past. Listen to how the bidder tries to compromise and perhaps introduce improvements to the survey without putting in jeopardy the main tracking elements. This is all about assessing how accommodating and realistic the bidder is to your internal pressures for the survey to continue unchanged.
- f) **Another agency is coming in at £5k less.** Agencies hate this discussion because to just drop the price implies two things; one, that the agency really needs the business (and most agencies do not want to give that impression), and two, that the original fee had some fat in it and the

agency was trying to cream (a little) extra from the client. The standard response is to say either 'no' or offer a slightly modified proposition (eg 10 less of this, or a cheaper that) which is usually simply a fig-leaf to cover up a straight drop in price.

g) **What if you don't make the numbers?** While any good proposal should have some reference to risk assessment and evaluation, especially if the recommended fieldwork method is postal or the brief is quite prescriptive, agencies are sometimes loathe to get into discussion about such issues since many feel they could be pressured into taking on all the risk whereas their proposal may suggest sharing it after a certain threshold has been reached.

h) **Let's go through the statistics again.** The problem here can be not so much that an agency cannot do the stats, but rather, unless warned in advance, its stats. person is rarely part of the pitch team. If the pitch leader tries to answer complex stats. questions then you must decide whether he/she is indeed a practitioner or trying to 'waffle' because he/she has no grasp of the salient issues. In this instance, honesty is the best policy.

i) **Can we have two more presentations, to the executive board, and to members?** Presentations cost a lot to prepare, and are usually bespoke to the audience in mind. An experienced agency will probably seek something extra for such a task. Others might not and this may reflect the standard of their presentation or their lack of experience in this particular aspect of survey reporting.

j) **What do you mean by a report?** This can be a killer question. To some agencies a report is a set of computer tabulations; to others it is a set of Powerpoint charts; and to others it is a written report analysing the findings and exploring the key issues and drivers behind the results. The impact on costs can be significant.

k) **Do you have any questions?** The pitch discussions may have lasted 30 or 40 minutes and most aspects should have been covered. To ask a question might suggest something vital has been overlooked by the chair of the meeting; to ask no questions might be taken as a sign of indifference. The easy and common reaction is to ask when the decision will be made; this really is not a major aspect of what should have been a technical discussion and can sometimes create the impression that the job is seen by the bidder to be a strictly business proposition rather than a joint research exercise.

## **The relationship**

The whole tendering process is about testing whether the commissioner and the agency can establish a meaningful working relationship capable of delivering the very best survey for the budget available. While the tender proposal allows you to evaluate the technical aspect of getting the best, it is at the pitch where you can explore the working relationship.

And finally, for the unsuccessful bidders, it is good practice to tell them why they were so; and bit more than saying it came down to cost is required. This is one instance where the concept of value for money is particularly relevant. If commissioners want the very best proposals in the future then they should be honest and open with their bidders...and this means telling them why they 'failed' before they are asked, because one thing is certain, all unsuccessful bidders will follow up to find out why.

Sandy Ochojna

[www.thesurveydoctor.co.uk](http://www.thesurveydoctor.co.uk)

April 2009