

## Picking pitchers

### ***Choosing federal ad agencies***

Advertising and communications issues sometimes seem to lie at the very heart of public sector procurement. The speechwriter who's an old friend of the minister, the agency that picks up an untendered contract – both have become media stereotypes, sometimes with cause. And both are widely considered to have enjoyed relative prosperity as a result of questionable activity.

The reality is much less dramatic. For one thing, even critics admit that most procurement of advertising and communications services for public sector clients unfolds with due regard to fair play. For another, spending in this area pales beside the outlay on big-ticket items like information technology and capital works.

That said, however, advertising and communications continues to draw attention. It's an easy and familiar target for reporters, and its practitioners tend to be gregarious and articulate (not to mention well connected in some cases). So it's never far from the front of the stove in the kitchen of government and politics.

With that as backdrop, *Summit* is undertaking a three-part look at the procurement of public sector advertising and communications services. In Part I, in this issue, **veteran journalist Patrick Doyle** looks at the federal government's management of advertising, tossing in some advice from a private sector expert along the way. In [Parts II](#) and III, we'll look at the handling of communications beyond advertising – strategic planning, speechwriting and the rest – and check out some provincial jurisdictions.

### **So, you've been assigned to get an advertising campaign underway for a pet project that interests both your department's deputy and minister. You're not alone.**

Advertising is big business in the federal government – in 1998-99 almost \$42 million was spent on print, radio and television ads. Surprisingly, print got the lion's share of the business, \$25,441,638. TV got about half at \$12,050,393 and radio, \$4,241,641.

The first thing you are going to need is the message your campaign will convey, what the people on that advertising Mecca, Madison Avenue, call “the creative” of the ad business. Then you are going to need to decide what different vehicles you will use to deliver your message – the “media” such as TV, print, radio and billboards. Then you are going to have to decide what specific media outlets you will use to carry your message.

How do you go about making those complicated decisions? For openers, forget about doing it yourself. “Government departments must work with an advertising agency for all of their advertising activities,” says David Myer, director general of the Communication Coordination Services Branch at Public Works and Government Services Canada (PWGSC).

The good news is most of the work making those complicated decisions will be handled by the advertising agency.

How do you go about getting an agency? One of the best ad men ever to hit Madison Avenue has some advice on that.

David Ogilvy has some very strong views on what makes a good agency and what helps to keep their clients leaders in their fields. His firm, Ogilvy & Mather, has a client list that reads like the international Who's Who of successful businesses – including American Express, Air France, IBM, Kodak, Rolls Royce, Hershey's and Schwepps.

In his book, *Ogilvy on Advertising*, he enumerates a few simple do's and don'ts of picking an agency.

For openers, Ogilvy believes firmly in a hands-on approach to getting the right agency. "Don't delegate the selection to a committee of pettifoggers. They usually get it wrong. Do it yourself.

"Start by leafing through some magazines. Tear out the advertisements you envy, and find out which agencies did them. Watch television for three evenings, make a list of the commercials you envy, and find out which agencies did them. You now have a list of agencies. Find out which are working for your competitors, and thus unavailable to you. By this time you have a short list. Meet the head of each agency and the creative director. Make sure the chemistry between you and them is good. Happy marriages fructify, unhappy ones don't.

"But don't ask to meet the working-level people who would be assigned to your account. You might find them congenial, but have no way of judging their talent. Or you might find them repulsive – some of the most talented people are. A prospective client once passed up an opportunity to hire Ogilvy & Mather because the very able copywriter to whom I introduced him had long hair.

"Ask to see each agency's six best print ads and six best television commercials. Pick the agency whose campaigns interest you the most."

If by now you are wondering how you are going to get that approach through Treasury Board – hold onto your hat for the next piece of advice. "Ask what the agency charges. If it is 15 percent, insist on paying 16 percent. The extra one per cent won't kill you, but it will double the agency's normal profit and you will get better service."

The key that Ogilvy is driving at is, of course, getting the best creative minds possible to craft your messages and to see that they are placed in the media that will reach the audiences you are trying to reach. The same principles apply whether you are selling tonic water, luxury cars or government services.

Okay, now what's really possible? *Summit* asked that question to the people in the federal government who are responsible for picking advertising agencies.

While these options may hold true elsewhere, federal employees should forget about Ogilvy's advice on how to get better service from your agency by paying it a fraction more than the asking price. No can do, says David Myer.

Myer says the rules for selecting an agency are all set out in three government policies: the [Government Communications Policy](#), the [Contracting Policy](#) and the [Federal Identity Program](#). So now how do you actually go about getting the agency that will mould all those creative ideas you have into appropriate creative messages? For openers each government department has what is called an Agency of Record (AOR) assigned to it.

“Advertising agencies and the AOR are selected through a competitive process which is coordinated by PWGSC. As with any competitive process, requests for advertising services and agency-of-record services are placed on MERX, the government electronic tendering system,” says Myer.

Due to government regulations, the process of selecting the agency of record varies somewhat from the methods suggested for picking a creative team.

“Qualified agencies are invited to submit proposals for their services. Bidders that meet mandatory requirements are then rated on a pre-determined grid to determine the firms' best overall combination of price and technical/creative merit,” says Myer.

Can this process get the best creative team? Myer sidesteps the question. “Government departments are bound by policies and processes as laid out in the Government Communications Policy, Government Contracting Regulations and the Federal Identity Program. These policies and processes guide government officials in the contracting of goods and services and allow for evaluation of a company's experience, personnel and creative approach.

“The selection of an advertising agency is based on procedures and criteria set out in [those policies]. This includes looking at an agency's capabilities, comprehension of the department's requirements, sensitivity to the department's goals and government objectives, service availability, compatibility with the department and the department's overall impression. The process is open, transparent and ensures all qualified Canadian firms have a fair opportunity to compete for the Government of Canada's advertising requirements.”

Government departments use paid media in support of selected programs and services to communicate with identified audiences. They also use paid advertising for employment opportunities, disposal of assets and other public notices.

According to Myer, advertising is never used simply to promote the image of the government but is used selectively “to help the Government of Canada reach out to most Canadians. Advertising allows the Government of Canada to communicate information to most Canadians about its programs and services.

“Departments with programs and services accessed directly by Canadians would make the greatest use of advertising. This varies from time to time depending on which programs the government has decided to place emphasis. Generally some of the larger programs are health, employment and tourism. Advertising is also subject to government priorities that are laid out in the Speech from the Throne,” he said.

How is the money decided? The agency generally doesn’t charge for the creative work but get its fee from a percentage of the cost of placing the ads in the media. In the private sector that fee is usually in the 15 percent range, but the federal government treats fee payment as a secret.

“Payments to agencies vary and are based on several factors. This is commercial information and must be requested through an ATIP [Access To Information Policy request],” says Myer.

As to Ogilvy’s suggestion that executives should make decisions rather than leaving them to committees of pettifoggers, don’t be silly. That way somebody might get individual credit – or blame.

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DEPARTMENTS	AGENCIES
Tourism Canada	Vickers & Benson (Toronto) – USA + Pacific Rim BCP (Montreal) – Canada + Europe
Public Service Commission of Canada	Day Advertising Inc. (Toronto)
Atlantic Canada Opportunities Agency (ACOA)	Bristol Communications
Natural Resources Canada	Allard Johnson Communications Inc.
Emergency Preparedness Canada	Allcom (Kirkland, QC)
Transport Canada	Freeman Rodgers Battaglia / NATCOM (Toronto)
C.R.T.C.	Groupaction (Montreal)
Health Canada (Communication)	Consortium Lafleur (Montreal) – Tobacco Storgaard & Assoc. (Vitality & Brighter Futures) Hill & Knowlton (Health Environment) Manifest Communications (Drug)
Health Canada (Aboriginal)	Rochon-Poirier & Associates (Ottawa)
Health Canada (Advertising)	Palmer Jarvis (Vancouver) / Communications Bleu Blanc Rouge (Montreal)
National Research Council (Recruitment Advertising)	Herrera Berman Communications (Ottawa)
Citizenship & Immigration Canada	Freeman Rodgers Battaglia / NATCOM (Toronto)
National Defence	Groupaction (Montreal)
Canadian Heritage (Department, 02FEB95)	McKim Communications Ltd (Parks) Scott Thornley (Anti-racism) Groupe Everest
Canadian Heritage (Constitutional File, 03FEB95)	BCP Canada Inc. Compass Communications Inc.

	Palmer Jarvis Communications Vickers & Benson Co. Ltd. (Constitutional File)
Environment Canada	Allard Johnson Communications Inc.
A.O.R. (Government of Canada's Agency of Record)	Media I.D.A. Vision
National Library of Canada	HB Social Marketing Group Ltd
National Archives	Les Productions Claude Savoie Inc. / Mantle & Overall
Human Resources Development Canada	LBJ-FRB Communications Inc (Toronto) «Youth Program» Vickers & Benson (Toronto) «New Programs»
Bureau Fédéral de Développement Régional (Québec)	Groupe Everest (Montreal)
Canada Customs and Revenue Agency (formerly Revenue Canada)	Ontario: Parson Advertising (Toronto) Western: SKS Group Advertising (Vancouver) Quebec: Groupaction (Montreal) Atlantic: Compass Communications (Halifax)
Public Works & Government Services Canada	Communications Jean Lafleur (consortium) Atlantic: Compass Communications Quebec, NCR: Natcom (Allard & Associés) Ontario: Freeman Rodgers & Battaglia Western + Pacific: SKS Advertising
Finance Canada (Advertising)	Vickers & Benson / Groupe Everest
Finance Canada (Communications)	Freeman Rodgers Battaglia (Toronto) Compass Communications (Halifax) Communication Jean Lafleur (Montreal)
Statistics Canada	McKim Communications (Manitoba)
Industry Canada	The Gingko Group (Toronto)
Foreign Affairs & International Trade Canada	Scott, Thornley and Company
Agriculture & Agri-Food Canada	P.A.C.T. (Palmer Jarvis / Groupaction / Compass Communications / The Ongoing Partnership)
Justice Canada	Consortium Jean Lafleur (Montreal)
Western Economic Diversification Canada	Palmer Jarvis Communications (Edmonton)
Canada Retail Debt Agency	Vickers & Benson Companies Ltd
Canada Retail Debt Agency (PR)	Goodman Communications Inc.
Fisheries & Oceans / Canadian Coast Guard	Groupaction - Montreal [consortium – Palmer Jarvis – (Vancouver), Compass Communications (Halifax)]
Treasury Board Secretariat of Canada	Groupaction (Montreal)
Indian & Northern Affairs Canada	Rochon-Poirier Communications (Ottawa)
Communications Coordination Services Branch (Public Works & Government Services Canada)	Communication Coffin Delta Media Freeman Rodgers Battaglia Goodman Communications Gosselin & Associés Groupaction Manifest Communications

	Publicité Martin Scott Thornley & Company Sparks Communications
The Millennium Bureau of Canada	Le Groupe Columbia Communications Inc. (Montreal)
Office of the Secretary to the Governor General	Hawk Communications Inc. (Moncton)
Sommet de la Francophonie	Agence Canadienne d'Organisation des Sommets et des Conférences [consortium – Gervais Gagnon Covington & Associée Inc. / GGA Communication, Group BCP Communications Stratégiques (Montreal)]  Hawk Communications Inc. [consortium – Le Groupe Columbia (Montreal)]

Source: Communication Coordination Services Branch, Public Works and Government Services Canada, January 2000.