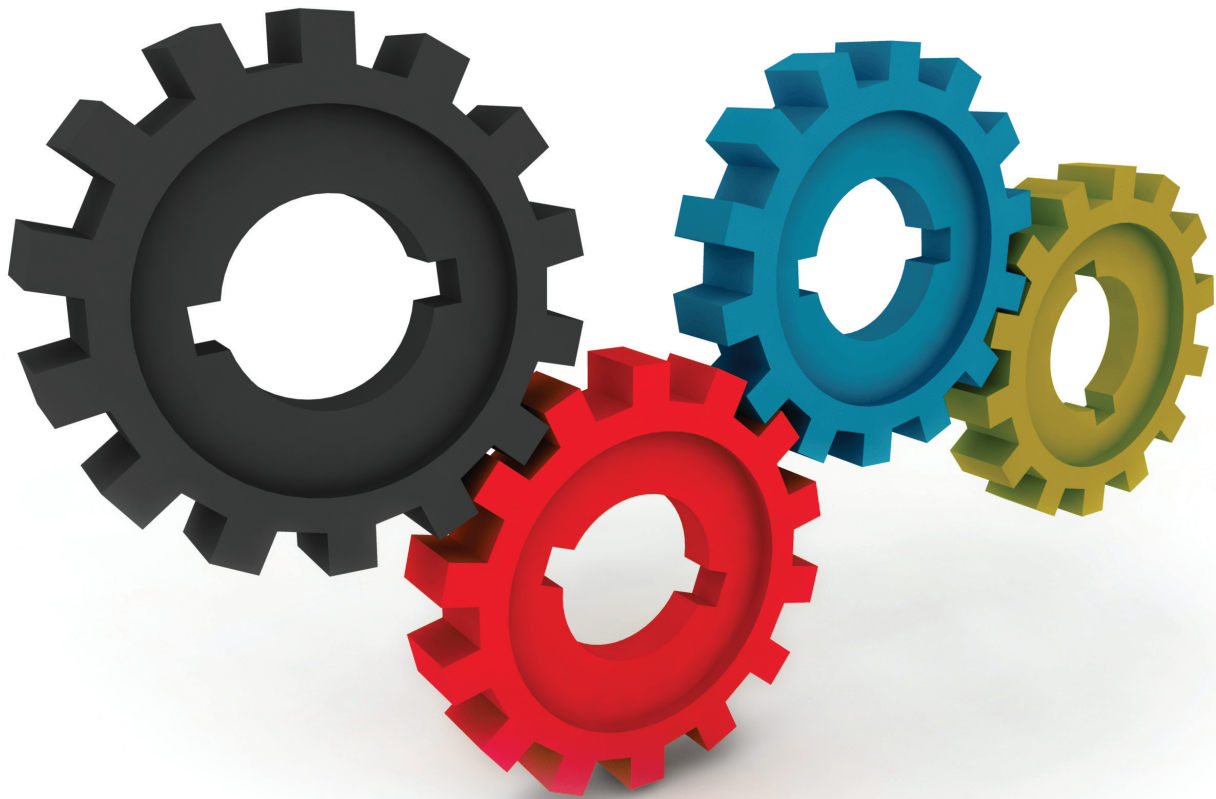


The Public Relations Procurement Toolkit

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Module 2: The PR Procurement Cycle

This is one of a series of modules that together comprise the PR Procurement Toolkit – a joint initiative of the Chartered Institute of Public Relations (CIPR), Public Relations Consultants Association (PRCA), Central Office of Information (COI) and the Chartered Institute of Purchasing and Supply (CIPS).

The Toolkit as a whole is designed to help clients of the PR profession – in functions including Marketing and Procurement – and their suppliers, including agencies and other service providers, to work together to maximise the value delivered by PR practitioners and PR activity. The modules within the Toolkit are independent but interlinked, each covering a specific stage of the client/supplier relationship.

Managing public relations should not be thought of as a linear process, but as a continuous cycle. The cycle can be broadly split into three stages: the planning stage, the purchasing stage and the performance stage. These stages are not isolated: each is directly related to one another.

Although there is a stage in the cycle where purchasing comes to the fore, it also has a role to play during the planning and performance stages.

At each stage there are a number of key tasks, and a number of specific areas in which the purchasing function or procurement professionals can contribute.



PR purchasing fails when its key components are compartmentalised: the involvement of procurement professionals from the beginning can be a real help in avoiding this. While it is true that procurement and creative teams will bring different skills to bear at different stages of the process, their joint work and co-operation in seeing the process through from start to finish can ensure a much more effective result. Creating a good working relationship between all parties is vital to success. For example, procurement staff will understand why certain – possibly more costly but more effective – creative options are appropriate if they have been involved in the initial planning stages; and a good working relationship means that creative staff can explain better the thinking behind any variation from their initial plans.

The key tasks at each stage, and the specific roles and potential contributions of purchasing professionals and the purchasing function, are outlined below.

The planning stage

In the planning stage, the key tasks will include defining the objectives for the business or organisation as a whole, and the objectives for communications as a whole, as well as for PR specifically – that is, what PR will do to help achieve the overall business/organisational objectives.

This stage will also see definition of the PR strategy - in broad terms, what PR will do – and will identify the resources (people, skills, time) required to deliver the strategy, and those already available through existing in-house personnel or suppliers. It will also identify the investment required to secure any necessary additional resources, and outline a broad specification of the suppliers or resources required.

These tasks must necessarily be undertaken by personnel with specific, relevant experience of all areas of planning and managing communications; of working with all communications disciplines, not just PR; and of developing workable communications strategies. However, the involvement of procurement professionals can not only add value to the overall process, but also help to ensure that plans are grounded in commercial reality and have buy-in from the whole organisation.

The purchasing function, or purchasing professionals, will be able to add value by maintaining a library of potential agencies and other communications suppliers; providing benchmark costs in the PR industry in relation to charge-out rates; and staying abreast of legislation or regulations relevant to PR, including issues such as financial disclosure, or changes to the public sector procurement rules

The purchasing stage

The purchasing stage has a degree of overlap with the planning stage, and with the performance stage. The key tasks in this stage include identifying all relevant suppliers and preparing an initial long-list; conducting basic 'due diligence' on long-listed suppliers' financial and legal status; and creating a shortlist of agencies with appropriate skills and capacity; with no conflicts; and which have signed a confidentiality undertaking.

It will then involve selecting - through a pitch or some alternative, bespoke mechanism - one or more suppliers that individually or jointly meet the client's needs; confirming a specific action plan or programme of work, based on clearly understood quantitative and qualitative targets; and agreeing targets, based on inputs, outputs and outcomes.

Finally, it will confirm the supplier's remuneration, perhaps with a system of bonuses or penalties related to the targets; and will formalise all agreements in a counter-signed, legal contract.

Again, it is always desirable for later working relationships that purchasing and communications professionals work together here. Procurement professionals can make a specific contribution through activities such as managing a statutory tender process when necessary – for example, if the tender is subject to the public sector OJEU process; advising on the sourcing of potential agencies, and managing due diligence, especially checking agencies' legal and financial status.

They can also assist in developing criteria and metrics for the objective comparison of agencies during the selection process, and quantitative and qualitative measures of performance, service level agreements, and so on.

Essentially, they can also ensure mutual understanding of financial administration issues such as payment terms, late payment penalties, or the necessity for purchase orders; ensure that contracts are legal, correctly worded, and cover all relevant topics; and ensure that contracts are signed and exchanged.

The performance stage

The key tasks in the performance stage will include integrating the PR programme with other communications disciplines and corporate activity for maximum effect; initiating the programme, including mutual inductions for the client team and the agency team to all relevant aspects of their operations and their key personnel; and delivery of the programme as agreed over the specified period of time.

It will also involve monitoring and measuring the inputs, outputs and outcomes; analysing the results; and feeding them back into the planning process.

Again, there are a number of areas in which procurement professionals or the purchasing function can contribute, including ensuring that all parties understand the programme, the costs and the remuneration at the outset; and reassuring those uninvolved with the programme that it has been thoroughly and professionally analysed in terms of costs and benefits.

They can also assist in monitoring and controlling costs and budgets; ensuring that sufficient funds have been included in the overall budget for effective monitoring, measurement and evaluation; and advising on future investment levels given the return on previous investments in communications.

Summary

Reading through this process might give the impression that there are specific times when procurement professionals' involvement is beneficial and, by extension, specific times when it is unnecessary. Drawing that conclusion would be a mistake. There is no appropriate time to exclude either procurement or communications professionals – inevitably, there will be stages where one or another team has more experience to bring and better informed advice to proffer, but the involvement of both throughout the process can be invaluable in ensuring proper buy-in across organisations.