



Communicating your Agency's Value to Procurement

Led by J. Francisco Escobar, Founder,
JFE International Consultants, Inc. &
Thom Roose, Delivery Executive, IBM



Today's Discussion

- Strategic Sourcing and Selection
 - Procurement POV of PR Supply Chain
 - Compensation
 - Empowerment and Relationships
 - Diversity, Equity & Inclusion (DE&I)
-
- Payment Terms
 - Exclusivity
 - Reduction/ Suspension /Termination
-
- Data Privacy & Cyber Insurance
(time permitting)



Strategic Sourcing and Selection

What's going on with RFPs – now and in the future?

Current state of the PR supply chain

...from Procurement's point of view



Declining Revenues

COVID-19 forcing 9.7% drop in global industry revenue (IBISWorld, June 2020)

Crisis Management

Sudden crisis management focus resulting in scope adjustments



Big Guy v. Little Guy

Holding Co. agencies getting more attention of mid/large advertisers

Commoditization

Marketing Services being viewed as a rate card-based commodity



Categorization

PR often categorized as "Other Professional Services;"

Specialty Fragmentation

PR evolving into social, content, reputation mgmt, influencer, etc ...





Compensation

Is compensation evolving and what's happening with financial transparency?

Procurement's empowerment and your relationship

Procurement's Immediate Focus

Need to shore up the supply chain

Ensure your own contingency plans are solid

Improve cash flow

Find a way to accept (and mitigate) extensive payment terms

Adjust / reduce scope & terminations

Be flexible where you can but stick to your guns

What YOU can do

Buddy up

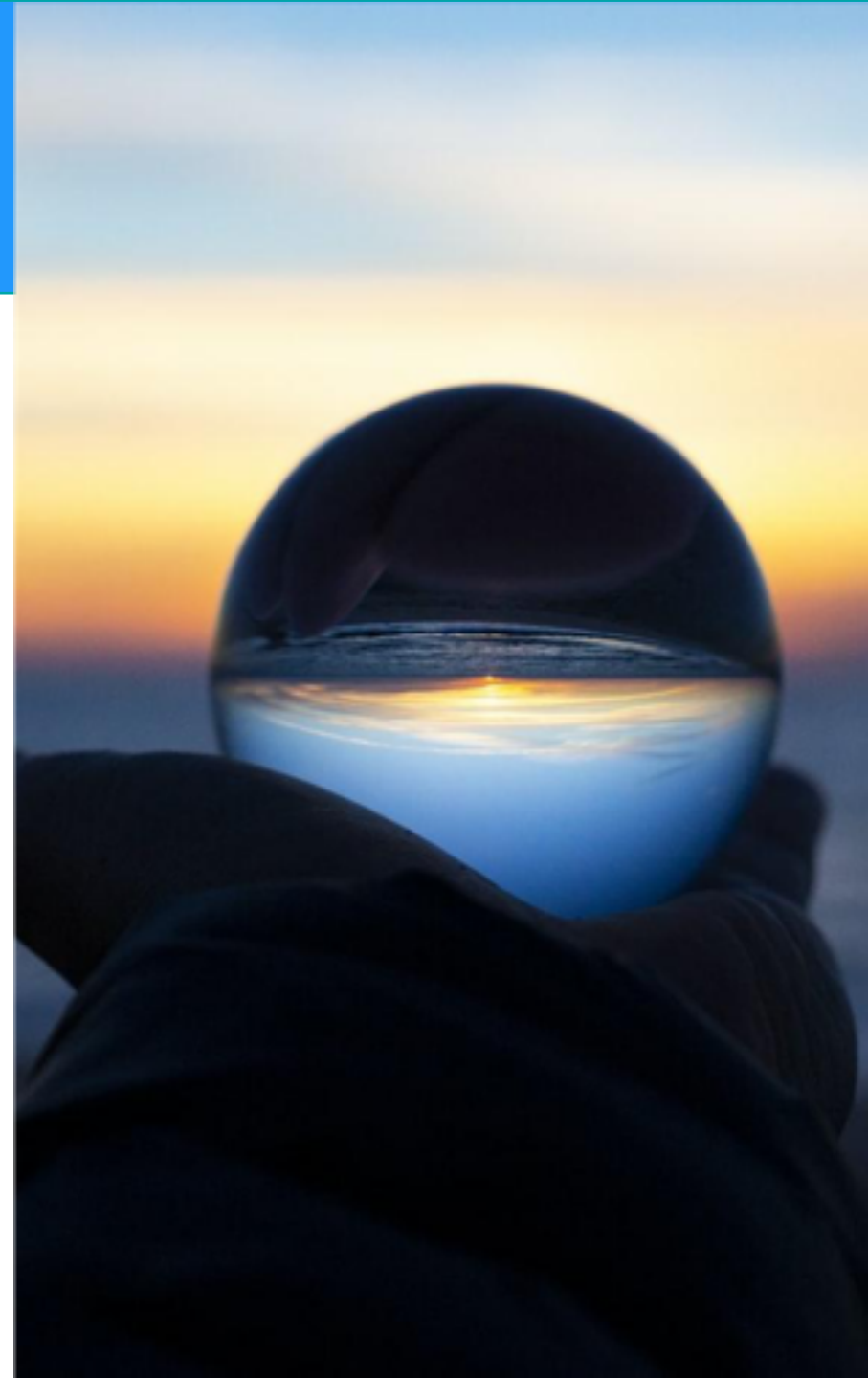
Connect your CFO to your Procurement contact - they speak similar languages

Bring your buyer to work

Invite the newly-appointed Procurement manager to a couple days in your office

Contract advantages

If the client wants to open up the agreement (e.g, payment terms) use it to get what you want





Diversity, Equity and Inclusion

Can we expect Procurement to make demands about team diversity and supplier diversity?

Importance of Developing Standards

- 1. Selling Process**
- 2. Compensation / Pricing**
- 3. Key Contractual Provisions**
 - **Payment Terms**
 - **Competitive Exclusivity**
 - **Termination / Suspension / Reduction**
 - **Data Privacy & Cyber Insurance**
 - **IP / Ownership Rights**
 - **Indemnification / Limitation of Liability**
 - **Audit Clause**
- 4. Feedback Loop**



Questions?