

# Charging for PR Proposals

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Should PROs hold onto our trade secrets until it's paid for, or should we accept that providing strategic proposals is the cost of doing business?

I've found myself in a catch-22 situation of late. As the founder of a boutique PR agency, I manage and implement all activities of the business, and have truly come to understand the concept of "time is money" over the past three years.

This has been acutely emphasised when dealing with too many prospect clients who want meeting after meeting, followed by a PR proposal, sometimes even committing to formalising the PR partnership, before taking the strategic roadmap – which could quite easily be implemented in-house, or by a cheaper or preferred competitor – and literally avoiding all future contact via phone or email.

As a new agency trying to secure a sustainable future, I have found it difficult to define what I should include and what I shouldn't in my proposals – especially when more often than not, budgets are not even disclosed upfront. My dilemma is that the less detail I provide in a proposal, the more the client might end up thinking that I don't really know the job. In contrast, the more information I provide, the greater I'm at risk of giving away my 20+ years of knowledge and ideas for free.

But in order to afford myself a better chance of being awarded the business, I've invested many hours researching, liaising with suppliers and/or relevant media and preparing detailed proposals with a strategic approach and supporting tactics. Basically, giving away my intellectual property in the hopes that the prospect would see the value and appoint me.

Following a string of proposals submitted to no avail, I sought out some advice from a mentor who is a respected key player in the telecoms sector. She shared that in her space, it's common practice to develop a 'memorandum of understanding' for prospects that outlines a fee for proposal development. This fee is either 'absorbed' if the supplier is awarded the business, or billed for if the prospect rejects the proposal and/or goes with a competitor.

This is a good idea, if only it was supported by the local PR practitioners so as to establish a benchmark way of doing business.

The advertising world has long solved this issue by insisting on a pitch rejection fee, which is upheld by the ACA (Association for Communication and Advertising). That said, the smaller agencies don't like this much because it limits the number of proposals a client will look at, making it more difficult to break in.

So, I posed the question to a global PR industry group on LinkedIn, and was astonished by the overwhelming responses from professionals across the USA, UK, Australia and Africa. The majority of respondents confirmed that this is a contentious issue, as many have been burnt; in some cases PROs have seen their ideas brought to life without being appointed or remunerated, and there is little one can do to fight this after the fact. The overall consensus is that prospects should pay for the intellectual property and the creative ideas that go into developing strategic proposals.

One respondent shared, "...creativity is coming up with ideas that others haven't thought of. So why offer free help to others who are stuck thinking through their problems, challenges or opportunities?"

Furthermore, the collective point of view from the group is that a proposal should not be a plan. Ultimately, a PR practitioner need only include information about themselves, their company, relevant case studies, campaign objectives, scope of work, costs and terms of service. "Prospects should have an idea of why you're the right choice for them and that you

understand their communication challenges and opportunities. However should they want more detail, they will need to pay a project fee for the plan.

“Proposals tell them who, what and why, but not how. Once you go into the ‘how’ there should be a fee. I don’t even do free consults anymore because everything costs!” added another respondent.

It was also shared that, “it comes down to this: Serious clients who want to work with you will do so based on your reputation and specific capabilities for the project.”

What I’ve taken away from this debate is that I believe trade secrets are valuable and PROs should be paid for the blood, sweat and time that goes into solving specific brand challenges. Great ideas build brands and brands build businesses – that’s worth something, right?

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