

**4As PITCH POLICY  
Rules and Regulations**

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## **I. Introduction**

The pitch policy rules and regulations have been written in line with 4As thrust of promoting professional trade practices and conduct among all the stakeholders of the advertising industry.

The pitch policy covers the general situation where an advertiser or client requires two (2) or more 4As member-agencies to present their respective single speculative creative works, with at least one (1) agency being a member of 4As. It provides rules and regulations for both parties, the agency and the client, on how to organize, conduct, and conclude a pitch process.

Considerable efforts have been made to ensure that these rules and regulations are attuned to international best practices for pitches, learnings from Southeast Asia countries, as well as the Advertising Trade Conduct Practice Council industry standard policies/guidelines manual.

## **II. Definitions**

A. "Advertising Agency or Agency" shall mean a service organization or association, which is established and operated for the purpose of counseling on, creating, producing, and/or implementing advertising programs for and on behalf of advertisers in various forms of media (ASC Code of Ethics).

B. "Advertiser or client" shall mean the person or entity on whose account or for whom the advertisement is prepared and disseminated (ASC Code of Ethics).

C. "Pitch" shall mean the act of an advertising agency in earning the business of a client by formulating and/or presenting campaign strategies, speculative creative bids, concept development and/or ideas in whatever form of medium, to represent a product or service or address an issue and take it forward; OR the campaign strategies, speculative creative bids, concept development and/or ideas in whatever form of medium formulated and/or presented to a client by an advertising agency.

D. "Affiliate Agencies" shall mean advertising agencies that have close connection, association or agreement with a Philippine advertising agency in terms of usage of name and network, sharing of philosophies, identity of interests, interlocking directorate or ownership, or control, supervision or actual interest over the latter's business, operation or direction.

E. “Additional Work on Pitch Materials” shall mean any addition, subtraction, change, revision or amendment on the original pitch formulated and eventually presented by an advertising agency upon the request or requirement of the client.

F. “Club Agencies” shall refer to a situation where several advertising agencies are so chosen and given preference by a common client and/or its affiliates to earn the business to represent a product or service, give a pitch and/or provide advertising services.

G. “Public Relations Campaign shall mean a communication initiative that utilizes different forms of media in order to convince the public about the goodwill of a person, brand, product or service, and foster a favorable relationship between the two.”

### **III. Member Agencies covered by the Pitch Policy Rules and Regulations**

- a. **All 4As Member Agencies and their subsidiaries, affiliate agencies** are required to abide by the pitch policy rules and regulations effective September 2, 2013.
- b. All 4As Member Agencies must immediately submit to the 4As Secretariat any and all of the names of their affiliate agencies. This covers any new affiliate that a 4As Member Agency may have in the future.

### **IV. Works covered by the Pitch Policy Rules and Regulations**

- a. Any work pertaining to a pitch that includes the formulation and/or presentation to a client by a 4As Member agency of campaign strategies, speculative creative bids, concept development, and/or ideas on how to creatively address an issue and take it forward.
- b. The pitch policy rules and regulations do not cover purely Public Relations campaigns, provided there is no creative work required by the Client.

**V. Works NOT covered by the Pitch Policy Rules and Regulations**

- a. Credentials Presentations
  - i. When a client invites agencies to present their company credentials (e.g., previous works, experiences, etc.) without requiring them to submit any creative or strategic work, the pitch fee is waived.
- b. Agency initiatives
  - i. When an agency takes the initiative to offer or present strategic and/or creative work to the client, the pitch fee is waived.
- c. Global or Regional Pitch
  - i. The pitch fee does not cover a pitch that originates from an agency's regional or global office.
- d. Government Projects and Corporation
  - i. A pitching process called by any government agency, unit, or government owned and controlled corporation (GOCCs) involving any public sector project is not covered by the pitch fee.
- e. Public Relations Campaigns
  - i. As stated in Section IV. paragraph b above, provided the client does not require the submission of creative work, the pitch fee does not cover public relations campaigns.
- f. Club Agencies
  - i. No pitch fee shall be collected from a client which secures a pitch originating exclusively and solely from its "club agencies", provided:

- (a) the agency that gave the pitch has an existing two (2)-year engagement/assignment/project with the client OR
- (b) in the absence of a two (2)-year engagement/assignment/project, the agency that gave the pitch shall be able to prove its sustained relationship with the client thru (i) a letter of appointment from the client, (ii) signed cost estimates or proof of billing to the client, (c) contact reports or minutes of meetings with the client, or (d) published work or a work done for the client that is known to the public.

Accordingly, if a client solicits a pitch not only from “club agencies” but also from a non-club agency or agencies during the same briefing, it shall no longer be considered a “club pitch”, thereby making the client liable to pay the pitch fee to each and every participating agency.

**g. Non-Media, Design-Based Pitch**

No pitch fee will be collected from a client requiring design ideas for materials i.e Merchandising, POS, Collaterals, Label designs, Calendars, other similar applications

Requirement for design must not exceed three (3) applications/executions.

**h. 5-way 4As exclusive pitch policy that includes club agencies.**

**If a maximum of 5 agencies that are all 4As members are invited to pitch, the pitch fee will be waived. However, if 1 or more non-4As agencies are invited to join said pitch, then the client is obligated to pay the 4As agencies the pitch fee.**

**A client cannot call for an all-4As pitch in addition to an all-club agency pitch.**

**VI. Pitch Fee Amount**

- a. The amount of the pitch fee is SEVENTY-FIVE THOUSAND PESOS ONLY (PHP75,000.00) plus VAT per agency, per pitch. This amount will be subject to a yearly review by the 4As Board and may be changed depending on prevailing conditions.
- b. The pitch fee sharing will be eighty-five percent (85%) to the agency, and fifteen percent (15%) to the 4As Secretariat as pitch administration fee.

**VII. Pitch Procedures**

- a. Initiation of the Pitch Process by the client must be coursed solely through the 4As Secretariat.**
  - (a) The client will inform the 4As Secretariat of the names of the 4As agencies they would like to invite**
  - (b)The 4As Secretariat will explain and discuss with the client the pitch policy rules and regulations after which, the 4As Secretariat will ask the client to fill-up the Pitch Form and indicate the details of the pitch i.e. brand, timelines and participating agencies.**
  - (c)Clients must submit to the 4As Secretariat the accomplished pitch forms within 24 hours from the time the pitch was requested.**
  - (d) The 4As Secretariat in turn must inform all the agencies chosen by the client within the same day the pitch was requested**
  - (e) Invited agencies must acknowledge that they were made aware of the requested pitch**
  - (f) Invited agencies can coordinate directly with the clients after they have been informed of the pitch regarding the briefing, presentation schedules and other pertinent details related to the pitch**

**b. Pitch Date**

- a. The client must give the member agency at least fifteen (15) working days, from the last briefing date, to prepare for the pitch.

**c. Agency's obligation to 4As Secretariat:**

- (a) In the event a client goes directly to an agency to request participation in a pitch, the agency must inform the client of the proper pitch request process and refer the client to the 4As Secretariat

**(b) Invoicing of the Pitch Fee by the Agency**

Once the 4As Secretariat has received the signed Pitch Form from the client, the 4As Secretariat will inform the member agency of the same to effectively allow the member agency to immediately and directly invoice the client the PHP75,000.00 plus VAT pitch fee per agency, per pitch. A copy of the invoice shall also be provided by the member agency to the 4As Secretariat on the date the invoice is sent to the client. *The client to acknowledge receipt of invoice and commits to settle payment due agencies within 60 days from receipt of invoice.*

**(c) Collection and Remittance of the Pitch Fee**

i. It will be the responsibility of the member agency concerned to follow-up and collect the pitch fee from the client as well as immediately inform the 4As Secretariat of the release of the payment. For proper administration and effective enforcement of the pitch policy rules and regulations, the 4As Secretariat may from time to time, inquire and follow-up with the member agency and/or the client the status of the payment of the pitch fee.

ii. Upon payment of the pitch fee, the member agency concerned shall have seven (7) working days, from the date of the release of the pitch fee payment, to remit the fifteen percent (15%) pitch administration fee to the 4As Secretariat, whether or not the member agency has received any invoice from the 4As Secretariat.

- d. Request for Additional Work on Pitch Material/s
  - i. If client requests for additional work or revisions on the pitch materials that were already submitted or presented by the member agency, the client has to pay a new round of pitch fee to the pitching agency. It is the duty of both the member agency involved in the pitch and the 4As Secretariat to inform in writing the client about the additional and separate pitch fee.
  - ii. Thereafter, the procedures provided in Article VII, Sections (a) to (e) above shall also apply in case of additional works or revisions to be made on the first submitted or presented pitch materials, or for subsequent additional works or revisions to be done thereafter for the client.
- e. Release of Pitch Results
  - i. The client must inform, in writing, all the participating agencies and the 4As Secretariat of the results of the pitch, whether or not there is a winner, within five (5) working days after the last member Agency has presented.
  - ii. If for whatever reason, the results cannot yet be announced within the prescribed time frame, the client shall advise in writing all the participating agencies and the 4As Secretariat, of the revised timeline to announce the pitch results.
  - iii. Losing agencies reserve the right to ask from client a detailed explanation on the reasons why they lost.
- f. Disputes about the pitch and the conduct and results of the pitching process
  - i. If any dispute concerning a given pitch or the pitching process arises, the 4As Board will appoint an ad hoc committee consisting of two (2) current trustees of the Board and three (3) representatives of 4As' member agencies to oversee and arrive at an amicable settlement of the dispute.
  - ii. The committee members should have no involvement in the pitch and the pitching process, and do not handle a competitive Client, or must not have handled a competitive client, for at least six (6) months prior to the time the dispute arose.



## VIII. Sanctions

### a. Late or non-remittance of the Pitch Administration Fee

- i. If the member agency does not remit the pitch administration fee within the period stated in Article VII, Section e, paragraph vi above or by 5pm of the last working day prior to the presentation schedule, the agency will be penalized as follows:
  - a. **1<sup>st</sup> offense:** Letter of warning from 4A's plus payment of a penalty equivalent to the whole amount of the prevailing pitch fee plus fifty percent (50%) thereof;
  - b. **2<sup>nd</sup> offense:** Suspension from all activities of the 4A's for a period of twelve (12) months, including creative guild, AOY, ARAL, etc. plus payment of a penalty equivalent twice (2x) the amount of the prevailing pitch fee;
  - c. **3<sup>rd</sup> Offense:** Expulsion from the 4A's and payment of a penalty equivalent to thrice (3x) the amount of the prevailing pitch fee.

### b. Non-disclosure of Participation in a Pitch

- i. If a 4As member agency fails for whatever reason to disclose participation in a pitch or waives its pitch fee when payment of the same is due, the member agency will be penalized as follows:
  1. **1<sup>st</sup> offense:** Letter of warning from 4A's plus payment of a penalty equivalent to the whole amount of the prevailing pitch fee plus fifty percent (50%) thereof;
  2. **2<sup>nd</sup> offense:** Suspension from all activities of the 4A's for a period of twelve (12) months, including creative guild, AOY, ARAL, etc. plus payment of a penalty equivalent to twice (2x) the amount of the prevailing pitch fee;
  3. **3<sup>rd</sup> Offense:** Expulsion from the 4A's and payment of a penalty equivalent to thrice (3x) the amount of the prevailing pitch fee.

c. Backing out of a Pitch without a valid reason

- i. An agency that signifies its intention to participate in a pitch but, without valid reason, pulls out after the client has paid the corresponding pitch fee, will be penalized as follows:
  - 1. After Client Briefing: in addition to its responsibility to the client to refund the pitch fee it has received, it shall pay the 4As an amount equivalent to fifty percent (50%) of the pitch fee.
  - 2. After being Awarded the Account: in addition to its responsibility to the client to refund the pitch fee it has received, it shall pay the 4As an amount equivalent to one hundred percent (100%) of the pitch fee.

**IX. Confidentiality.**

All documents, materials, or information whether in writing or not, which involve the pitch of the agency during the pitching process as well as those relating to the client's product or service that were provided by the client, shall remain strictly confidential until the client's applicable advertisement for its subject product or service is actually aired, published or displayed.

**X. Retention of Copyright Ownership**

- a. The participating member agency will retain full copyright ownership on all the works submitted during the pitch, regardless of whether or not it has been declared a winner. It is thus, the responsibility of the participating member agency and the 4As Secretariat to inform the client of this matter on or before the client has submitted the Pitch Form to the 4As Secretariat.