



PITCH&ROLL :: HOW TO REFUSE FREE PITCHES

DESIGN WEEK BUSINESS INSIGHT :: 24 SEPTEMBER 2009

Shan Preddy, Partner, PREDDY&CO

Hands up if you like working for nothing. Nobody, hey? Thought as much. The only reason to work for free is when it's a charitable donation. So why do design companies of all shapes and sizes give away their work in pitches to client organisations? Is it because it's the only way to secure the project? Or because everyone else does it? Or simply because we're bad at business?

The pitch debate is still alive and kicking in Britain, fuelled additionally this year by the recession. I'd like to say 'the debate rages on' but it doesn't. It limps. Some genuine rage might help. Try this. Log the time costs of pitches as though they were projects, and then account for them in your marketing budget. That's what it costs to 'market' your company to that handful of potential clients. What else could you do with that budget?

There is a significant disconnect between attitude and behaviour in our market. Design companies complain about free pitching, then go out and do it anyway. They sometimes ask for a token payment, but any pitch under 100% recovery is speculation, in whole or in part. Is pitching necessary? No. You'll need to present your credentials, and get onto rosters. You'll need to issue price proposals and terms of reference. You'll need to negotiate with procurement professionals, and complete PQQs and ITTs and all the other TLAs. But you do not ever need to free pitch.

You know the negotiating strategy 'sprats and mackerels'? Instead of eating small fish (sprats), you sacrifice them as bait to attract bigger fish (mackerels). The idea is that you go hungry now in the hope of feasts to come. It is based on risk-assessment, and in some markets it works. In design, however, if we give away the early development and creation stages of a project in a pitch, not only do we use mackerel as bait instead of sprats, but we also send a message that we didn't value them much. How can we hope to charge proper amounts for our mackerels in the future?

I recently had the privilege of attending some inspirational workshops delivered for the DBA by Canadian sales consultant, Blair Enns. His company, Win Without Pitching, takes the argument several steps further. Not only should design firms not free-pitch, Enns says, they should not pitch at all. Or even write proposals. Enns calls business development 'the polite battle for control'. If you get it right, he says, you can change the power structure in the buy/sell relationship. Enns' website and newsletters prove interesting reading, and are worth checking out.

Clients ask for pitches, free or otherwise, not because they lack budgets, but because they lack the confidence to appoint you without proof of your ability. They need to understand what you offer, and to believe that you can deliver that offer better than your competitors. It's your job to help them. How? There are two important elements.

One is your marketing. US consultant and author, Peter Drucker, says 'The aim of marketing is to make selling superfluous'. And, I would add, free-pitching. Firstly, is your position in the marketplace clear, defensible and meaningful versus your competition? What do you offer? Why are you so good at it? Are you the only company that could do the job? Next, who are your buyers? Can you demonstrate that you're right for them? And finally, what are your core propositions, or benefits? Why should a client appoint you instead of one of your competitors?

The other element is the proven quality of your product, and your ability to communicate that proof. Have you got a methodology which will remove clients' anxieties? Can you demonstrate that your design interventions have shown return on investment? Good casework, using a three-part structure of challenge/problem/opportunity, design solution and results will remove doubt. Support your proof with relevant client references and testimonials. Even better, win a DBA Design Effectiveness Award.

In an interview on BBC Radio Four, Sir John Sorrell, Chairman of The London Design Festival, said: "The British design industry is the best in the world". I agree. But if we continue to shoot ourselves in the foot by giving away our main product, we will fail. Any business model which has at its heart the notion of donating its core skills, including analysis, strategic thinking and concept creation, is deeply flawed. No design company, however good, will survive if it's not profitable. No design industry, however admired by the rest of the world, will survive without successful design businesses.

We have trained clients to see free-pitching as normal and, therefore, as expected. The next step is to accept that it is our responsibility, not theirs, to change it.

Just Say No. You Know It Makes Sense. But don't forget to give them the reasons to appoint you anyway.

Shan Preddy is a partner at PREDDY&CO, business development consultants and skills trainers to design companies. Her book 'How to Market Design Consultancy Services: Finding, Winning, Keeping and Developing Clients', published by Gower and Design Council, has become an international industry standard. Her new book 'How to Run a Successful Design Business: The New Professional Practice' will be published in 2010.