

CLIENT-CONSULTANCY PARTNERSHIP CHARTER AND GUIDELINES FOR CODE OF CONDUCT

GUIDELINE 1: STANDARDISING REQUEST FOR PROPOSALS (RFPS)

Preamble:

The guidelines for standardisation of Request for Proposals(RFPs) are being established with the joint commitment of the Public Relations Consultants Association of India (PRCAI), and it's existing and potential future members, such as public relations (PR) consultancies or firms, PR and corporates communication departments and individual PR practitioners, in spirit of the broad framework adopted by more than two-thirds majority of the existing member-base of PRCAI on this date.

These guidelines aim to foster a transparent, efficient, and mutually beneficial engagement process for PR /communications consultancies and their clients or prospects to ensure the highest ethical standards, create enduring partnerships, foster inclusive growth, provide a level-playing field, and devise standard operating procedures (SOPs) for the PR and communications industry at large.

These guidelines call for voluntary adoption of the recommended code of conduct by all progressive and forward-thinking parties, committed to furthering the growth and efficacy of the communications industry – encompassing both consultancy and client roles.

Client- Consultancy Framework

A client-consultancy relationship is the tangible and intangible agreement between an organisation (the client) and the consulting firm/ consultants that is providing PR, social media communications or any other type of marketing communication service. The relationship begins when the client initiates an RFP, follows through with briefing the prospective consultancies, engages through the pitch and selection process and the pitch culminates when the work is awarded, and a contract is signed. However, the relationship extends beyond these initial stages to cover how the client and the consultancy collaborate overtime and bring best practices to strive for excellence. This involves defining the deliverables outlined in the agreement; establishing the frequency of meetings, reports and interactions; determining the process for brainstorming and implementing ideas; assessing the level of collaboration between the two parties, outlining the feedback mechanism; and establishing the terms for contract termination. The client-consultancy relationship plays a critical role in determining how impactful the work is, how happy the client is with the results, and the overall satisfaction and collaboration among team members from both sides.

Both the client and the consultancy have an equal role to play here in the development of a successful relationship. The best relationships exhibit common characteristics such as trust, collaboration, chemistry, mutual respect, accountability, and transparency.

Request for Proposal/Information (RFP/RFI) Process and Consultancy Induction Procedures:

Section 1: Participation In RFP Process

As our industry grows and expands in scale, the guiding principles for RFP/RFI engagement aim to promote best practices, elevating industry standards and enhancing talent productivity and efficiency.

- 1.1. **Participation:** The RFP (may also be used interchangeably with RFI, brief, etc.) process will prioritise transparency and efficiency, incorporating clearly defined stages of selection and associated timelines. To avoid mindless pitching, it is suggested to begin the RFP identification process, and the company can invite up to six consultancies in the pre-qualifying stage. An ideal and focused approach could be to consider up to three-four definite shortlists, based on credentials and capabilities.
- 1.2. **Initial Timelines:** The entire process from issuance of the RFP/RFI to the closure of contracts with the selected consultancy should be clearly laid out, and the respective processes should be completed within the stipulated timelines, ideally within 45-60 days from first set of communication. Shortlisting of consultancies should be based on pre-defined parameters and their respective weightages must be specified in the RFP. If the process is put on hold or is under reconsideration, a formal communication should be provided to the invited consultancies within 10 days. There should also be a window for consultancies to come back with queries within a week's time.
- 1.3 **Timelines to Respond:** A minimum of 15 working days, excluding public holidays and weekends, should be provided to the participating consultancies to submit their responses to the brief (or assignments). Since, the consultancies will be evaluated based on these responses for the RFP, a reasonable timeframe allows quality exhibit.
- 1.4. **Calendar:** A cascading calendar is recommended to cover the intermediate stages until the submission of responses to cover agreement to participate in the RFP, signing of Non-Disclosure Agreements (NDAs), submission of queries, financial proposal submission, client testimonials, etc.
- 1.5. **Non-Disclosure:** An exclusivity clause will be implemented to ensure compliance with non-disclosure agreements (NDAs) and competitive clauses, mandating transparent disclosures from participating consultancies. In the case of group firms, with multiple affiliate firms, a view or declaration regarding existing relationships or ongoing RFP engagements among the top three competitors in the respective sector, is a good and transparent practice. If a shortlisted consultancy handles any of the three aforementioned competitors, full disclosure is mandatory.
- 1.6. **Competitor Landscape:** The top three competitor set may be identified based on market share or pricing point or customer groups or business plan. For large conglomerates with diverse business interests or multi-brands, the top three competitors may be identified for each business unit or brand within the scope of the RFP but limited to maximum of three competitors per business unit or brand, unless global or procurement guidelines specify more inclusions, which becomes a mutual agreement between potential consultancy and the corporate.

1.7. Data Protection: For clients with existing competition, the participating consultancies must submit recommendations to safeguard data and privileged information through implementation of guardrails such as user-defined access, exclusivity of team members, or affiliate company structure, along with access firewalls for the respective content management systems.

1.8. Competing Clients Approvals: In the interest of complete transparency, it is encouraged to seek prior approvals (either written or verbal) from the competing clients and submitted as part of the RFP process. Additionally, if the RFP client inquires, they should be informed verbally about any approvals obtained, ensuring full transparency.

Section 2: Communications Brief:

2.1. Brief: The communications brief or assignments for submission should explicitly articulate the client's objectives, goals, and desired outcomes, providing a clear direction for the participating consultancies on the expectations. Wherever possible and as an industry best practice, third-party research or relevant measurement data as available should be provided to all participating consultancies under the ambit of the NDA. This practice will mitigate the risk of potential harm to the brand caused by multiple participating consultancies contacting the stakeholder groups for dipsticks or audit. Moreover, it will establish a common ground for evaluation of recommended strategies and impact measurement. If consultancies are considering conducting any audits, dipsticks, surveys or vox-pop carried out on behalf of the client for the purpose of the RFP, a verbal or written consent should be obtained.

2.2. Scope of Work and Team Structure: A detailed scope of work (refer to forthcoming SLA guidelines), deliverables and recommended team structure should be presented to all participating consultancies, promoting uniformity and facilitating fair comparisons during the selection process. The participating consultancies are required to submit details of the recommended servicing team, outlining their profiles, years of experience and sector knowledge. Any change in servicing team before the account becomes functional, must be proactively communicated to the client.

2.3. Budgets: A realistic range for the annual communications budget should be shared, enabling consultancies to allocate resources and devise effective strategies aligned with client goals. The minimum and/or maximum retainer fee should be clearly specified in the RFP for the participating consultancies. This will prevent wasted efforts on both the consultancy and client sides when budget expectations do not match, leading to compromises on deliverables. If big ticket ideas are requested which may have integrated elements of paid, earned, owned platforms, a realistic budget indication should be provided, other than annual retainer servicing mandate.

2.4. Reverse Bidding: Unless previously specified at the RFP stage, reverse-bidding and other price negotiation mechanisms should not be introduced.

2.5. OPEs: Out-of-pocket expenses paid by PR firms will incur markups. This includes any costs associated with third-party services or materials procured on behalf of the client, subject to additional fees.

2.6 Client Stakeholder Alignment Beyond PR: Internal stakeholders in the RFP process such as procurement, marketing, communications, and other departments, should align on the minimum total budget at the start of the RFP process. We encourage all involved parties in the RFP process, in particular finance and procurement, to understand and acknowledge that participation in such RFP procedures also involves substantial time, cost, and energy from the participating consultancies, and therefore strive to

retain the sanctity of the said process. However, it may not always be feasible to reach alignment on budgets with internal stakeholders like communications, procurement, and finance, and it may not be advisable to disclose the identified budget or range, as it may be controlled by procurement or finance in some instances. In extreme cases, where such price negotiations become absolutely necessary and have not been previously disclosed, all parties are advised to try to arrive at mutual agreement or opt out of the process.

Section 3: Selection Process:

3.1. Transparency in Selection: Clearly defined stages of the selection process with realistic timelines, should be communicated to participating consultancies, along with the common parameters and their respective weightages.

3.2. Mode of Pitching: The RFP should specify whether the pitch presentation will be conducted physically or virtually or through written submissions, based on mutually-agreed timeslots/timelines, along with the list of attendees and their respective designations.

3.3. Timelines in Selection Process: Timely communication updates should be provided to consultancies in adherence to the outlined timelines, ensuring transparency and fairness throughout the process.

3.4. Weightages: Selection criteria and respective weightages should be clearly specified in the brief/RFP document, and any changes carried out during the evaluation process should be proactively communicated in the interest of transparency by the client, while allowing the participating consultancies to recommend changes in their response/strategy within an appropriate timeframe.

Section 4: Compensation and Communication of RFP Outcome:

4.1. Communicating Outcomes: Consultancies will be provided with transparent and constructive written feedback outlining reasons for selection or non-selection.

4.2. Pitch Fee: As a best practice, the time, effort, and third-party costs invested by the other three non-shortlisted consultancies for the final stage should be compensated either based on agreed manhours/standards or, preferably a lump-sum payment set at the commencement of the RFP process. As a pre-requisite for this compensation, consultancies must commit, both in letter and spirit, to the principle that the team members participating in the development and presentation of such assignments or responses to briefs are the same individuals who will be made available to the client if they win the mandate.

4.3. Retaining ideas: On payment of the pitch fee, the client retains the right to use the pitched ideas developed by the participating non successfully finalist consultancies.

However, the client reserves the right to impose penalties and/or necessary corrective action against any consultancy found to have failed to disclosed necessary details recommended in the RFP. The terms of such penalties should be clearly laid down in the RFP document.

Section 5: Onboarding of Consultancy & Induction Training:

5.1 Handover From Exiting To New: In case, the PR mandate is handed out to a new consultancy, the client should facilitate a handover meeting between the outgoing consultancy and the incoming one wherein a detailed overview of existing brand relationships with influencers/journalists/analysts, etc., as

well as samples of WIP reports, quarter plans and reviews, briefing books, and Frequently Asked Questions (FAQs) for the brand, should be shared by the outgoing consultancy.

In case a meeting is not possible, all materials related to client should be handed over in a clearly marked and indexed manner. The substance and accuracy of information should be checked by client.

5.2. Induction Workshop: A highly recommended best practice is to conduct an induction workshop for the new consultancy team within the first 7-15 days of onboarding in order to help assimilate information, get trained in brand guidelines, meet the key stakeholders, craft plans and messaging for the client. This could be extended based on the readiness of the client and mutual agreement between the parties. Additionally, it is recommended for clients to offer meetings with the CEO and other C-suite executives who will be critical stakeholders and are increasingly seeking PR counsel by the wholistic PR team.

5.3. Formats For Excellence: The consultancy will share weekly, monthly, and quarterly plans which will take into consideration the industry trends, competitive landscape, and recommended campaign(s) for the first instance within 30 days of being signed up and on mutually agreed timelines thereafter.

For the purpose of weekly review, a work-in-progress (WIP) document is recommended which should outline the status, timelines and ownership of key activities among the team members.

Conflict Resolution:

6.1. Arbitration: In case of conflicts or disputes, an arbitration process may be initiated to ensure fair resolution, maintaining the integrity of the partnership.

6.2. Mediation: PRCAI has onboarded Mediation Mantras, a conflict resolution mechanism for its members who can strive to act as a neutral mediator in arbitration or nominate someone by using its good offices to facilitate open dialogue and guide parties towards an amicable resolution, provided it is jointly requested and volunteered by the respective parties. A case-by-case approach may be recommended for mediation practices, when required.

6.3. Place of Jurisdiction: To protect the interest of all parties, irrespective of size and geographic reach, clients are encouraged to keep the jurisdiction restricted to their local headquarters in India, if applicable.