

4As

Professional Pitch Disbursement

By Laws

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Contents

i)	Why Professional Pitch Disbursement and Objectives	3
	- Situation	
	- Objectives of a Professional Pitch Disbursement	
ii)	Professional Pitch Disbursement	5
	- Citation	
	- Interpretation	
	- Application	
	- Pitch Fee	
	- Administration	
	- Breach of Rule	
	- Exemptions	
	- Prohibitions	
	- General	
iii)	Sample: Letter to Advertiser	
	- Re: Invitations to Pitch	
iv)	Sample: Form to Advertiser	
	- Professional Pitch Disbursement Form	
v)	The 4As Mission	<i>back cover</i>

Why Professional Pitch Disbursement & Objectives

Situation

- Pitches are expensive and resource draining, resulting in a financial burden to Agencies already operating with sliding margins.
- Advertiser pitch briefs are increasingly more demanding and complex in their requirements.
- Some pitches are merely a charade with the Agency selection already made, prior to the presentation.
- Exploitation of Agencies for free brand positioning, strategy and creative ideas has become an acceptable market norm.
- Status of Agencies reduced to a supplier rather than a valued consultant/communications partner
- Some Advertisers have been known to organise a pitch involving more than the 4As recommended 3 Agencies (4 if incumbent is included).

Objectives of Professional Pitch Disbursement

- Encourage Advertisers to firstly try to make the existing Agency relationship work, rather than thinking that a move to a new Agency is necessarily the answer (Long term Advertiser - Agency relationships more often than not benefit the health of the Advertiser's brand).
- To promote the use of a Credentials/Case Studies only pitch (Many successful Agency appointments are based on reputation, personal chemistry, credentials and reference from other Advertisers . as opposed to a full blown pitch).
- To offset a fair proportion of Agency costs when a pitch is called for (This disbursement is not about covering all the third party, staff and associate costs).
- To encourage a professional approach on both the Advertiser and Agency side.
- Deter misuse of pitches . fishing for free ideas, calling for a large number of agencies.
- Increase the value of the ideas solicited from an Agency.
- Help evaluate the status and value of the Advertising industry.

NOTE

Payment of a Professional Pitch Disbursement does not confer the right of the Advertiser to utilise the Agency's intellectual property directly or indirectly. Any violation can lead to the necessary legal action for copyright infringement.

Professional Pitch Disbursement

Citation	6
Interpretation	6
Application	8
Pitch Disbursement	8
Administration	8
Breach of Rule	10
Exemptions	10
Prohibitions	11
General	11

Professional Pitch Disbursement

The following By- Laws have been drawn up for ordinary and associate members to comply with, pursuant with Rule 25.

1. CITATION

- (i) These By-Laws shall be cited as the Professional Pitch Disbursement By-Laws and shall only be applicable in situations wherein the advertising budget stated is above the values stated below:

Mainstream Pitch ó RM300,000 (Ringgit Three Hundred Thousand)
Digital Pitch - RM100,000 (Ringgit One Hundred Thousand)

- (ii) The Professional Pitch Disbursement By-Laws shall not be applicable in situation where the Advertiser calls for credential or case studies, which is a non-creative pitch
- (iii) Advertisers are free to invite 4As Members and non-members and the Pitch Disbursement is imposed on Members of 4As only

2. INTERPRETATION

In these By-Laws unless the context otherwise requires:

Business Pitch includes a presentation where more than one Member has received the same Advertiser's brief for the same pitch exercise

Advertiser's Business means the stated budget of the advertiser in the pitch brief from the Advertiser to the Member

Advertiser means any organisation whether having either its place of business or registered address inside or outside Malaysia, seeking the services of a Member

Member means an Ordinary or Associate Member of the Association of Accredited Advertising Agents Malaysia

- Mainstream Pitch* means a pitch for the Advertiser's marketing communications business which is conducted in Malaysia and shall include a proposal using traditional and / or multimedia (digital) platform for marketing, marketing communications strategies, market/consumer analysis/creative ideas/executions and any such display of an Agency's intellectual capital directed at communication solutions to help solve an Advertiser's brand/product/service needs.
- Digital Pitch* means a pitch for the Advertiser's digital marketing communications business which is conducted in Malaysia leveraging Internet technologies to deliver digital advertising that includes promotional advertisements and messages delivered through email, online advertising which include paid and display advertising, Search Engine Optimization (SEO) & Search Engine Marketing (SEM), mobile advertising and / or all related website and digital advertising programs.
- Boomerang Points* refers to 4As members having to attain the Boomerang Membership Accreditation Programme (BMAP) points in respect of each year as set out in 5.1 of these By-Laws for purpose of continued enjoyment of the rights and privileges of 4As Membership.
- Pitch Disbursement* means the fee that the Advertiser has to pay to each Member invited for the pitch
- 4As* means the Association of Accredited Advertising Agents Malaysia.

3. APPLICATION

- 3.1 These Pitch Disbursement By-Laws shall apply to Ordinary and Associate Members of the 4As.
- 3.2 Members shall require an Advertiser seeking a pitch for their company's marketing and communications business to comply with these By-Laws.

4. PITCH DISBURSEMENT

- 4.1 An Advertiser seeking the services of a member or its subsidiary company or related corporation (as defined in the Companies Act 1965) to pitch for their marketing communications business shall pay a Pitch Disbursement in the event that the marketing communications budget stated is in excess of RM300,000.00 and RM100,000.00 for Mainstream Pitch and Digital Pitch respectively.

A subsidiary company of the member shall mean a company incorporated under the Companies Act 1965 in which the member has a majority ownership or management control or as well as by requiring the other entity to act in accordance with directives from a member, provided such subsidiary or other entity is engaged in the same business as the member.

The Pitch Disbursement payable by the Advertiser for a Mainstream Pitch shall be RM10,000 per invited Member.

The Pitch Disbursement payable by the Advertiser for a Digital Pitch shall be RM5,000 per invited Member

- 4.2 No member or companies affiliated or controlled by a member shall enter into any pitch without first requiring the Advertiser to execute an undertaking to pay the Pitch Disbursement to the 4As.
- 4.3 Such undertaking shall be executed using the prescribed Pitch Disbursement Form and shall be submitted to the 4As at least fourteen (14) working days prior to the pitch. It will be the onus of the member to check with the Secretariat that the undertaking has been submitted by the Advertiser before undertaking the pitch.

5. ADMINISTRATION

- 5.1 Upon receipt of an invitation to a pitch from an Advertiser, the member shall notify the 4As secretariat in writing on the prescribed Pitch Disbursement Acceptance Form of the receipt of such invitation. If a Member fails to inform 4As of the acceptance to pitch, 50 Boomerang Points of the Member will be de-merited from the service portion of the Boomerang Membership Accreditation Programme.

- 5.2 Upon receipt of such notification the 4As Secretariat shall forward to the Advertiser the 4As Pitch Disbursement Policy Requirements including the Terms and Conditions and the disbursement payable.
- 5.2a Such terms and conditions shall include a requirement for the Advertiser to make a decision within sixty (60) days.
- Provided that the Advertiser may before the Pitch request for a longer period to make a decision and the 4As Secretariat may extend the time but such extension shall not exceed a period of ninety (90) days from the date of the Pitch.
- 5.3 If the Advertiser accepts the terms with regards to the Pitch Disbursement Policy Requirements and the disbursement payable it shall forward to the 4As Secretariat the names of the Members invited to pitch and stipulate the type of pitch. The acceptance shall be on such conditions and in such form as is prescribed by the 4As.
- 5.4 The 4As Secretariat shall invoice the Advertiser upon acceptance of the Pitch Disbursement Policy requirements and the Advertiser shall pay the Pitch Disbursements within fourteen (14) days from the pitch date.
- 5.5 The 4As Secretariat will inform all invited agencies of the receipt of the Pitch Disbursement from the Advertiser. Any member withdrawing from the Pitch after receiving the Advertiser's brief shall immediately advise the 4As secretariat. Upon being so advised the 4As secretariat shall return the fees to the Advertiser forthwith.
- 5.6 Upon the results of the Pitch being announced by the Advertiser to the 4As Secretariat, the Secretariat shall within forty-five (45) days:
- (a) return 100% of the successful member's Pitch Disbursement portion to the Advertiser
 - (b) be paid 10% of the Pitch Disbursement as administrative/processing fee by the successful agency
 - (c) release 90% of the unsuccessful members portion of the Pitch Disbursement to each of the unsuccessful member. The 4As retains 10% as administrative/processing fee.
- 5.7 The 4As secretariat shall hold the Pitch Disbursement for a period of sixty (60) days commencing from the day of the Pitch by a Member.
- 5.8 If within sixty (60) days or such extended period is allowed a decision as to a successful member is not notified to the 4As Secretariat, the Pitch Disbursement shall be disbursed to all participating agencies in the manner provided by By-Law 5.6.

6. BREACH OF RULE

- 6.1 A member who pitches for an Advertiser's business shall be in breach of these By-Laws if such member
- (a) Pitch for an Advertiser's business before such Advertiser has signed the undertaking to pay the Pitch Disbursement and returned the Pitch Disbursement Form.
 - (b) Pitch for an Advertiser's business where the pitch is not otherwise in accordance with these By-Laws.
- 6.2 If any Member of the Association shall in the opinion of the Council refuse or neglect to comply with these By-Laws, the Rules and the Standards of Practice and Ethical Conduct or the By-Laws established pursuant to Rule 25 or shall be guilty of any conduct which may be likely to injure, discredit or defeat the objects of the Association, the Council shall suspend such Member from membership of the Association for a period not exceeding two (2) years.
- 6.3 In the event of a dispute with regards to the provisions in the preceding By-Law 5 of these By-Laws the matter shall be referred to the 4As Council whose decision thereon shall be binding and final.

7. EXEMPTIONS

- 7.1 When a Pitch is conducted amongst a Advertiser's panel of Agencies whereby a Member is on such panel and the Member has been on such panel for more than 6 months the requirement for a Pitch Disbursement shall not apply.
- Subject to the requirement that if non-panel Agencies are invited in addition to the Panel Agencies, the Pitch Disbursement will be payable in respect of all Agencies participating.
- 7.2 A Member shall be deemed to be on an Advertiser's panel of agencies when it is stated in its appointment letter and the Member has been doing work for the Advertiser in Malaysia for the preceding six (6) months or more prior to the Pitch.
- 7.3 An agency credentials pitch shall not require payment of any Pitch Disbursement.
- 7.4 Global, regional aligned panel agencies or existing Advertiser's panel agencies, associations and societies, charities, non-Government organisations, media pitches and Government Ministry campaigns that are aimed at altering people's behavior/perceptions shall be exempted from the application of these By-Laws. Government Linked Companies (GLCs) that are profit oriented are not exempted.

8. PROHIBITIONS

- 8.1 No Member shall enter into a Pitch when the Advertiser has not signed an undertaking to the 4As to pay the Pitch Disbursement.
- 8.2 No Member shall pay, or offer to pay, for any Pitch Disbursement on behalf of an Advertiser as an inducement to be invited for a Pitch.
- 8.3 No Member shall participate in any Pitch where the Advertiser requires that all or part of, the pitch proposal becomes the Advertiser's property at the pitching stage or if the pitch proposal is unsuccessful.

9. GENERAL

- 9.1 Members shall endeavour to discourage Advertisers from calling for more than four (4) members (including the incumbent agency) to be involved in a pitch.
- 9.2 Members shall take appropriate steps to ensure that their intellectual property rights are protected.
- 9.3 Members shall endeavour to take such steps as lie within their powers to eliminate abuse to the Pitch process and enhance the general welfare of the Members vis-à-vis the Industry.
- 9.4 It shall be the responsibility of the Member to ascertain whether the Advertiser has signed the undertaking to pay the Pitch Disbursement.

FOR MORE INFORMATION

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The 4As Mission

1. IMPROVE /STRENGTHEN AD AGENCY BUSINESS BY:
 - Counseling members on operations/management
 - Provide collective experience of the many to each
 - Foster professional development
 - Encourage highest creative and business standards
 - Attracting bright and qualified people to join our industry

2. WORK WITH FEDERAL, STATE AND LOCAL GOVTS
 - Help achieve desirable social/civic goals
 - Influence public policy
 - Resist unwise/unfair legislation and regulation
 - Be the Government's principal source of information and advice on advertising

3. ADVOCATE OF ADVERTISING
 - Communicate the positive ways in which our profession contributes to the economy and society

4. REPRESENT AGENCY POINT OF VIEW TO ADVERTISERS
 - Provide constructive suggestions
 - Help solve collectively mutual industry issues that agencies and advertisers cannot resolve singly
 - Help improve our members' value to advertisers
 - Receiving and acting upon similar information from them

5. REPRESENT AGENCY POINT OF VIEW TO MEDIA AND INDUSTRY SUPPLIERS
 - Provide constructive suggestions
 - Provide solutions to problems and technical help
 - Receiving and acting upon similar information from them

6. GENERAL
 - Service our members need for agency management counsel, professional development and information.
 - Be alert to relevant new needs as they arise