



# Sourcing PR services on the American market

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Sourcing PR services on the American market can be a daunting task for anyone who finds themselves doing this for the first time. How do you distinguish between quality providers and shops that will give you mediocre service? What can you expect to pay? What small print terms and conditions can be expected to look different from what you are accustomed to in Europe? These are only a few of the questions buyers of PR services on the American market will ask themselves.

This article is meant to help you see clear in the American PR market and what comes into play when choosing between and working with American providers.

### Typology of service providers

Buyers can choose on the American market between two different kinds of service providers, agencies and self-employed consultants.

Agencies are companies that typically have at least a core team of employees on payroll. More often than not, an agency will have a brick and mortar office. Agencies can be independent or can be a part of a large international network. Independent agencies are often part of international collaborative networks through which they give and receive referral business.

Self-employed communications professionals (often called “freelancers”) will typically offer services to both agencies (as subcontractors) and their own customers. They will perform their subcontracting work either white label or client facing.

You could say (although this is nowhere written in stone) that a freelance consultant becomes owner of his or her own “agency” at the moment that no longer services are provided in subcontracting to any other agencies.

## Finding service providers

Nothing beats having people in your network who can recommend service providers. These can be business people who have sourced PR services in the past themselves but they can also be journalists who have found themselves at the receiving end of media outreach. If making use of any such resource is not an option, you will need to commit time to online research.

A localized Google search on “public relations firm” and “public relations consultant” will be very helpful in finding providers of PR services in either of those two categories.

You could also consult directories. Both the Public Relations Society of America (PRSA) and O’Dwyers offer directories. They are of limited use however because only a small minority of agencies and freelancers pay for these kinds of listings.

There also exist commercial listing firms such as UpCity, Clutch and Expertise that will show you the “best” or “top” PR firms in any location. The slots in these rankings are paid for, so the firms did not need to be the best at anything to be accepted, just sign a check.

Again, the many caveats that come with the results from online searches underscore the importance of using your business network to ask for referrals (and if you don’t have a solid network, you should start building one today.)

## The cost of service providers

Agencies will typically be more expensive than freelance providers because they have many more fixed costs (remember the office and the staff on payroll). Next to the agency / freelancer divide, there is also an important geographical difference in pricing. PR consultancy costs significantly more in San Francisco and New York City than it does in Austin for example.

Hereunder is a table with estimated price forks for the support for a 3 day trade show. The support exists of media outreach and staffing of interviews on-site.

	<b>New York, NY</b>	<b>San Francisco, CA</b>	<b>Austin, TX</b>	<b>Boise, ID</b>
<b>Agency</b>	7 - 10 K	5 - 8 K	4 - 7.5 K	3 - 6 K
<b>Freelance consultant</b>	4 - 8 K	3 - 7 K	2.5 - 6 K	2 - 3.5 K

The example of the dedicated trade show media outreach with on-site report is one where companies might want to hire a local provider. In many instances, it does not matter much where an agency is located.

### Evaluating service providers

Once you have identified a first list of service providers, it is recommended that you winnow down the list from maybe 7 to 10 to a handful of providers who you will ask for a quote. But how should you go about vetting the agencies to get to that shortlist?

You might want to rely at least partially on the online reviews on Google, without making hasty conclusions. Some agencies are very adroit at mobilizing friends to get positive reviews, giving them inflated online credentials. Truth be told, agencies will also at times be unfairly treated by online reviewers and get less credit than they deserve.

The following research will help you weigh providers:

- Checking reviews of former employees on Glassdoor. You would be surprised about how much you can get to know about the treatment you can expect from a company through reading employee testimonials.
- Checking the references (experience, recommendations, accreditations) of the people who manage the agencies / of the freelance consultant. Practitioners who hold a (S)CMP accreditation have passed an exam with the IABC (International Association of Business Communicators), those who hold an APR accreditation have passed tests with the aforementioned PRSA.

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- Asking past or current clients of the companies or consultants you are researching how they evaluate(d) the service they received.
- Looking up whether anyone has filed a complaint against the provider with the Better Business Bureau.

### **Sending out the RFP**

Just as in Europe, a RFP process will give you - as long as you ask the right questions! - insights in how the different providers work, how much they “weigh” in terms of strategic acumen, the team they would make available for you, and much more.

It is not only recommended that you narrow your search down to a shortlist before sending out your RFP, but also that you communicate to the providers that they have been vetted and are now part of a very short list. No agency owner or freelance consultant feels much for putting in a considerable amount of time in answering an RFP if they do not believe they stand an actual chance of being selected. It is not customary in the PR sector to pay companies for answers to RFPs. Of course, companies should not ask providers to fold into their submissions ready-made deliverables.

### **Working with service providers**

Just as in Europe, providers will work on either a project basis or on a retainer basis. The retainer comes in different shapes. Some agencies will sell a fixed amount of hours each month, others will commit to providing a list of services. In the case of working on an hourly basis, many different ways of working exist where some firms will bill the variable use of time through variable invoice amounts (10 hours of work in April is invoiced at 10 times the hourly rate) while others will simply bill a fixed amount each month where time not used is either carried over or considered to be expired.

Some providers will be open to working on a pay per performance basis, at least partially. This means that when certain predetermined objectives are met, the agency is paid a bonus on top of its base pay. When setting objectives, agencies will often propose output objectives (amount of press clippings, etc.). It is up to you to prepare these conversations and engage in negotiations where “higher” (impact) metrics are considered as well, where appropriate. Finally, you can of

course also decide to work with an agency where no variable payments are in place but where you will still set objectives that you hold the PR provider accountable to. In the day-to-day practice this latter arrangement is the most prevalent one.

### Reading the T&C small print

Finally, we take a look at some of the typical provisions you might find in the small print terms and conditions from agencies and consultants. You should not accept any of the provisions that follow at face value, but always consider yourself in a position where (almost) everything is up for negotiation.

- “Kill provisions” where the client, if he or she terminates the contract prematurely, owes a certain amount of money (one or two months worth of retainer fee for example) to the provider.
- Late fees (could run up to 15 percent per year, providers will shun higher amounts to not risk being charged with usury).
- Permissions that are taken for granted to reference the work done for the client through mentions on the website, case studies, etc.
- Requirement to go through arbitration in lieu of court in the case of a dispute.
- Penalties for hiring staff from the provider during or for a certain period after the end of the contract.
- Payment deadlines where American providers will typically want to be paid faster than their European counterparts.
- Requirements to make a downpayment (typically 50 percent) before work starts.