Press release

**The end of unfair pitches in the Czech Republic, a memorandum on fair conditions signed by dozens of directors and all major advertising production companies**

A long discussion on the unacceptable pitch conditions in the production of commercials, which place high time and financial demands on agencies, producers and directors, has been successfully resolved.
The **MEMORANDUM ON COMMERCIAL DIRECTORS AND PRODUCTIONS FAIR PITCH CONDITIONS,** initiated by the **Audiovisual Producers´ Association (APA)**, was signed by sixty prominent Czech directors and all major advertising production companies. **This is a breakthrough in the field of advertising and audiovisual industry.**

Among the directors who are committed to fair pitches are **Jasmina Blaževič**, **Wolfberg**, **Tomáš Mašín**, **Mugshots**, **Marek Partyš**, **Tomáš Bařina**, **Roman Valent**,and **Alice Nellis**; the advertising production companies include **Armada Films**, **Ad Kolektiv**, **Bistro Films**, **Boogie Films**, **Creative Embassy** and **Stink**.
The principles of the memorandum were discussed with the representatives of the APA Advertising Division **Petra Ondřejková** and **Pavel Pick** and the Division Manager **Eva Dvořáková Pérez**.

The content of the memorandum expresses the consensus of the directors involved in the new initiative
of the **Association of Commercial Directors** (www.sdruzenireziseru.cz), , who, with the support of
the producers, aim to cultivate the advertising environment, establish fair and transparent principles that reflect respect for the work done, improve the quality of the submissions and improve the entire bidding process on both sides.

**The memorandum summarizes the rules of a fair pitch in eleven points:** The number of directors invited to create treatments is a maximum of three, the names and budgets are not kept classified, the director and
the production company have no less than 5 working days to create a treatment, the tender includes a pitch fee (the amount the client pays for the treatment and budget proposal), the pitch fee can be waived for single bid projects if it is included in the total fee, the tender is awarded after securing the financing and specifying
the work of the directors, payment of cancellation fee in case of cancellation of the tender after submission
of treatments and budgets. Only completed scripts approved by the client can be pitched, feedback in case
of not being awarded should be shared, intellectual property is recognized – creative ideas of not awarded director cannot be used without appropriate licensing. Domestic advertising production companies estimate their average cost of a pitch at 2.500EUR to 4.000EUR, while directors have so far prepared treatments for free. This is one of the things that are going to change – directors and producers will claim their work for the pitch financially, so at least some of their own resources and energy will be covered. The Association of Commercial Directorsand the APA believe that making the client pay for the pitch process will not only improve the quality of pitches, but also make smaller productions more competitive. "*The aim of introducing a pitch fee, or pitch cost share amount, is not for productions and directors to make a profit on pitches, this minimum amount should reflect a basic respect for the work done. We believe that if the client pays for the processing, it will also lead to higher quality of briefings and there will be no such waste of human energy on poorly assigned tenders.*," says **Eva Dvořáková Pérez, Head of the APA Advertising Division.**

However, the principles of the memorandum, which will come into full effect in the Czech Republic in January 2025, are already being respected to a certain extent by some domestic commissioning entities, who have long been aware of the unsustainability of the situation that is burdening the entire industry. *"I welcome any initiative that leads to the cultivation of the market, I fully understand the efforts of the APA to improve
the directors and productions pitches. I have long been aware of their frustration with short turnaround times or exaggerated tender requirements. It's important for us, as clients, to recognize that we don't always approach the search for directors and productions in a fair way, providing the necessary information and time. I believe that clear rules will also force us as clients to be more efficient and thoughtful throughout the process. At T-Mobile, we are ready for the discussion,"***says Marian Kramařík, Procurement Category Expert at T-Mobile Czech Republic.** In multinational companies, this trend is usually part of ESG (environmental, social and governance).

**Some other European countries** are also in the process of implementing tendering reforms. In **Germany,** for example, **the reform of the pitch process came into force in January 2024**. Here, more than 200 directors from the **Directors Association for Commercial & Branded Content (DRCT)** pushed for the change, along with more than 120 producers of commercials from the German producers' association **Produktionsallianz Sektion Werbung.** "*We had a three-month transition period at the beginning to give agencies and clients time to understand the need for the changes in pitching. The argument that it was illegal to let people work for free also contributed. Since January 1 of this year, almost one hundred percent of the tenders have actually been conducted under the new rules that include pitch fees*,*"* **says German director Micky Suelzer**, a founding board member of DRCT. Czech directors can now also work in Germany under these fair conditions and the advertising market in France, for example, is now moving towards a similar concept. The principle of the need for pitching reform was also expressed by the German colleagues in their spot youtu.be/xnqUxHMwFo8.

Activities to prevent indiscriminate tendering in the Czech Republic date back to 2015, when the **Association of Communication Agencies (AKA)** presented its recommendations for Fair Pitches, which the APA joined in 2021 with its adaptation of the rules for audiovisual productions. Much of the Fair Pitch Rules have also been adopted and published by the **Commercial Film Producers of Europe (CFPE)** as Universal Pitching Guidelines, which also address key points such as a maximum of three directors, an approved concept and budget, and a pitching fee.

**APA - Audiovisual Producers´ Association**

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