

ASSOCIATION OF ADVERTISING DIRECTORS (AAR) AND PRODUCERS INITIATIVE

MEMORANDUM ON FAIR CONDITIONS FOR PITCHING DIRECTORS AND PRODUCTION FOR THE CREATION OF ADVERTISING SPOTS (hereinafter referred to as the Memorandum)

The initiative of the Association of Advertising Directors and Producers aims to improve conditions when tendering for advertising, based on extensive experience within the agency and client environments.

The principles outlined below have been consulted with the Association of Audiovisual Producers (APA), which supports this Memorandum. The Memorandum and its principles are endorsed by the undersigned advertising directors and producers.

PURPOSE AND GOAL OF THE MEMORANDUM

The Memorandum concerns the tendering of advertising production and the selection of directors. Its purpose is to propose principles for fair relationships between the client (advertiser, advertising agency) and directors and production companies (suppliers).

The goal of the Memorandum is to foster an environment for fair and effective partnerships based on transparency and equal treatment. This Memorandum specifically addresses fair conditions for the creation and budgeting of creative solutions, known as treatments.

The Memorandum recognizes the inviolability of intellectual property resulting from human creative activity, acknowledging that the creative effort and work invested in treatments deserve protection and compensation.

FAIR TENDER

We, the undersigned directors and APA representatives, believe that a fair tender for advertising spots respects the following principles:

1. No more than three directors are invited to create treatments.
2. The names of the selected directors are not secret.
3. The budget for the given advertising production is not secret, allowing the director and production company to better tailor the treatment and budget to the specific assignment.

4. The client provides sufficient time, not less than 5 working days, for the creation of treatments and budgets.
5. The tender conditions include a pitch fee, compensating for the director's creative concept (treatment) and budget proposal. This fee rewards the time, know-how, and creative effort invested.
6. The pitch fee can be waived for single bid projects if included in the total compensation.
7. The client initiates the tender only when the specific assignment and financing are confirmed (usually when the spot concept is definitively approved by the client).
8. If the assignment is canceled after submitting treatments and budgets, an appropriate cancellation fee is paid to all participating production companies and directors.
9. The client only submits finalized scripts approved by the client for the tender. If the director needs to elaborate on the concept, the pitch fee should be appropriately increased for the additional creative work required.
10. In case of an unsuccessful tender, feedback from the client is requested to help improve future work.
11. Creative ideas from non-selected directors are not used in the final spot production. The results of the directors' original creative work are protected intellectual property and cannot be utilized without obtaining an appropriate license.

CONCLUSION

The Memorandum will be distributed by APA to all APA members, advertising agencies, the Association of Communication Agencies, media houses, and media focusing on media, marketing, and the economy.

The signatories of the Memorandum agree to the publication of the Memorandum text, including their signatures.