PITCH STANDARD 2.0

transparency,
fair play and
fair pay.

FAQ

ON HANDLING THE PITCH STANDARD 2.0
FOR CLIENTS & AGENCIES

GUIDANCE FOR OTHER MARKETS.

Originally developed for the German market, the **Pitch Standard 2.0** outlines a set of principles aimed at fostering fair, transparent, and respectful collaboration in the pitch process.

EPA considers this framework a valuable reference. Agencies, clients, and production partners across other markets may choose to consult it where relevant and appropriate to their local context.

FAQ

ON HANDLING THE PITCH STANDARD 2.0 FOR CLIENTS & AGENCIES

From when will the Pitch Standard 2.0 be used?

- The PITCH STANDARD 2.0 will be used throughout Germany from the start of 2024.

For which kind of enquiries will the Pitch Standard 2.0 be used?

- For all enquiries that involve a creative pitch and for which a DI (director's interpretation) will be prepared.
- A DI can be between 1 and X pages in length.

Will the PCS also be paid to the winner of the pitch?

- No. Only participants who don´t get the job will charge the PCS.
- In other words, a pitch with 3 participants = 2 x PCS / a pitch with 4 participants = 3 x PCS.

What should an enquiry that is addressed to production companies contain from January 2024?

- Approved storyboard, script or concept.
- PBS with the following details:
    1. Information that the pitch is organised according to the Pitch Standard 2.0
    2. Scheduled number of participants in the pitch
    3. Client's budgetary framework
    4. Names of the pitch participants

Reasons for transparency?

- Creating transparency makes the terms of the pitch fair.
- Productions are competing with ideas and not prices and are therefore not subject to the usual compliance regulations.
- Directors and producers are in a better position to assess their personal entrepreneurial risk/investment.
  Examples:
  - Unequal basic conditions if production companies from abroad are involved with different collective agreements and social security contributions etc.
  - Motivation for invited young directors to compete against a high roller from overseas.
  - Early recognition/assessment of whether the invited production company is able to submit a competitive bid.
  - The procedure is usual abroad, for example in Great Britain or the United States.

Will production companies cancel pitches if the participants are not named?

- Production companies are advised against refusing a pitch if a tender needs to compromise on transparency in particular cases, but otherwise complies with the principles of the Pitch Standard 2.0 and includes a PCS.

Who ultimately sets the exact amount of the PCS within the recommended range?

- The client or agency specifies the PCS as part of the enquiry. This must be within the specific ‘from-to scope’ of the envisaged budgetary range.
  Refer to the PCS matrix by the Producers Alliance – Department of Advertising.

Does the PCS have to be negotiated in advance?

- No. This is not necessary if everyone sticks to the PCS matrix.
- The client states the PCS in its tender based on the scheduled number of participants and budget according to the PCS matrix.

On which budget is the PCS ultimately based? On the budget tendered by the client, or the actual calculated budget?

- On the budget tendered by the client, provided it is a realistic amount that reflects the enquiry.

As a client or agency, how do I identify the reasonable amount of the PCS based on my budget?

- According to the principles of ‘fair play’ and ‘fair pay’. If the budget is located at the upper limit of the budget range category, the offered PCS should also be based on the upper limit of the relevant price range.

What happens if the tendered budget is not realistic?

- When this happens, it should be addressed – as it is already – before the actual pitch.
- The parties can then discuss the potential need to charge a higher PCS once the pitch is complete.
- If this is not addressed in advance and the production company ultimately submits a higher budget, it should not insist on a higher PCS as doing so would violate the principle of ‘fair play’.

As a client or agency, how can I determine the PCS if a budget has not yet been planned?

- Naturally, it is entirely reasonable to ask for a rough budget estimate in advance of a production. Production companies continue to offer this service free of charge.
- The increments within the PCS matrix are relatively small. Most borderline cases are likely to fall in the area between Medium Budget (100k to 499k) and Large Budget (500k bis 999k).
- In borderline cases, it would be possible to tender the PCS in the lower range of the higher budget category to avoid predictable renegotiations further down the line.
- Cost difference for borderline cases M Budget to L Budget with 3 pitch participants: 2 x € 250 = € 500.
- Cost difference for borderline cases M Budget to L Budget with 4 pitch participants: 3 x € 500 = € 1,500.

What should you do if production companies solicit contracts by actively waiving the PCS?

- Clients should exclude these production companies from the pitch to comply with the principles of ‘fair play’.
- ‘Fair pay’ and ‘fair play’ belong together.

More participants ultimately take part in the pitch than were originally announced.

- This has frequently occurred in the past and should not be viewed as consistent with the guidelines.
- The pitch reform must build on mutual trust and a shared commitment to process optimisation.

Will the PCS also be applied to production pools?

- Ideally, the clients of pool productions will recognise the urgent need to introduce the PCS as a means of optimising the processes and of reducing the immense losses on the market and will be able to apply the PCS.
- Production companies will continue to accept current framework agreements which cannot be converted to include the PCS.
- But new tenders should comply with the Pitch Standard 2.0.
- Pools should be limited to 4 production partners.

The client changes the production timing during the pitch and the director is no longer available.

- The PCS will be charged.

The director steps out during the pitch and is no longer available.

- The production company will no longer charge the PCS in this case.
- Naturally, the production company is free to propose an alternative director in order to continue their involvement in the pitch.
- In case that a calculation is required from this production company in order to make a comparison, the production company should express its willingness to prepare the calculation,
  even if it has no prospects of winning the project. The principle of ‘fair play’ applies in this case as well.
- If the number of pitch participants drops from 4 to 3, only the PCS is applied for 3 participants
  and 2 production companies will receive a PCS.

The client or agency makes material changes to the concept or script during the pitch. The director responds by withdrawing from the pitch.

- A PCS is not charged if these changes are made before the DI is prepared. The PCS is charged if the changes are made after preparation of the DI.

What is covered by the PCS?

- A Director’s Interpretation in a length of between 1 and X pages.
- Feedback meetings with the director to discuss the DI and make adjustments.
- Preparation of a calculation and a bid with production timing.
- The copyright remains with the production company and director. The right to use the ideas presented in the treatment is and remains excluded as before.

When is the PCS charged?

- The production companies that did not win the pitch charge the PCS according to the tender once the pitch decision has been made and a production company has been assigned with the project. The project is regarded as a complete cancellation if no production is assigned and a cancellation fee is charged in this case.

Which cancellation fee should an agency or client expect?

- Pitch costs amount to € 9,500 on average. This should be the initial assumption of the agency and client.
- We recommend that this amount be specified as early as the production briefing (as part of the PBS).

The pitch was put ‘on hold’ by the client.

- This is equivalent to a complete cancellation by the client and a cancellation fee will be charged.

Why are the actual pitch costs charged in the event of a complete cancellation?

- The production companies invest in the pitch in good faith, believing that there is a realistic and calculable chance of winning the project. If any possibility of recouping these resources through potential compensation no longer applies and there is no chance of any party generating a return on investment, the client is obliged to compensate the industry and the participating persons for the economic damages incurred by their pitch approval. Based on the principles of ‘fair play’ and ‘fair pay’, the work was only completed on the explicit order of the client based on their concept and pitch approval. This is considered equivalent to a contract to participate in a highly complex tender.

What happens when a production company pitches with several directors?

- If the production company has already secured the job and still proposes several directors, they can include the pitch fee for directors that lose the pitch in its budget calculations.