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TOBACCO**

MEMO

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To	Adrian Marshall, James Blakelock	From	Andreas Vecchiet
cc	Martin Summers, Nicola Shears, Shabanji Opukah, Christian Bourillion	Date	14 December 2000
Subject	Shandwick Performance: The view from IPA		

Message

This note provides the consolidated view from IPA of our experience in working with Shandwick for the last 12 months.

You will recall I originally advocated strongly that BAT hire a large global agency to facilitate BAT's communication to stakeholders in line with the new company strategy. To ensure consistency of message, global synergies and sound co-ordination, a major international firm would be required.

How we have used Shandwick

- Communications work

To date, IPA has not used Shandwick to facilitate any global communications activities – apart from some co-ordination on productions and communications recently on the release of EIS's in Malaysia (and Malawi and Zimbabwe in February 2001). We have also used Shandwick for some basic translations of public materials for use at the public hearings in Geneva and in the context of the EU directive in Europe. We cannot comment on how Corporate Comms has decided to utilise Shandwick international services, but I am not aware to date of any global communications activities that have used Shandwick's services.

- Other projects



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We have mainly used Shandwick for project-based work relating to the WHO campaign, NGO monitoring, analysis of the Global Compact, reputation issues relating to Burma, and some limited advice relating to Nigeria and Labour standards. We have also commissioned thinking and suggestions for driving the CORA strategy locally within the UK.

By and large we have not been impressed. We regard the quality of work as average to poor.

- **Timeliness**

The main issues we have are lack of timeliness and responsiveness, apart from some exceptions such as rapid turn around of data crunching relating to the WHO submissions and public hearings. Most of the work we require is not delivered on time, despite deadlines being set most of the time. Recent examples, are draft stakeholder mapping of UN agencies vis-à-vis the WHO, NGO mapping, 2001 Key Events calendar. Delays ranging from days to months in some instances are usual.

- **Accuracy**

We find the accuracy of information provided from basic raw material is often lacking. On several occasions, raw information has come back configured wrongly and with serious errors of fact or omission or categorisation. Revisions have also been wrong.

- **Quality of information provided**

On analytical and assessment pieces, we find that despite clear oral and written instructions. On work we commission – such as on Burma and the Global Compact they have had to be sent back to be overhauled, made more comprehensive and sophisticated. This is not our experience of other firms we use such as First and 42nd, C&M International, EUK Consulting, Ray Mingay, Peter Wilmott and John Clutterbuck. All provide high quality and excellent product, the first time around.

- **Creativity**

We find a lack of creative thinking in virtually all aspects of the work provided. The latest example is a presentation to us on how BAT can drive the strategy within the UK. The ideas contained in the presentation included many that BAT had thought of itself, there was virtually nothing unique or revolutionary. In terms of validating our own thinking, however, the exercise was useful.



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- **Proactive or reactive?**

We find the agency falls on the reactive side of the fence. Apart from some instances on media relations ideas, we find that it is us that have the thoughts and it is us that call Shandwick to seek assistance and move the ball along. For a company on a significant retainer, this is not the style of approach we would expect. Again, the other firms mentioned above constantly drive us and provide fuel to our thinking.

- **Attitude**

Virtually since day one we have felt a sense that Shandwick does not actually feel comfortable of happy working for BAT. Prejudices towards the tobacco industry were evident from 12 months ago, but we sense this has muted somewhat over time, but in general there appears to be residual reluctance to work for a big tobacco firm. A recent instance is Mr Savage's desire for us not to refer to Shandwick as our PR agency in a publication about the PR industry. We add, however, that Priti and Marcus seem quite relaxed working with us.

- **Project management**

From our side, we feel we make reasonable efforts to manage each project with instructions and deadlines. We are not sure, however, that Shandwick is focussing enough attention to its own project management. The multitude of demands coming from CORA do not seem to be managed or prioritised on the Shandwick side. For example, standard project management tools, such as meeting reports are always requested by us and not volunteered from the agency. We also suspect that not enough quality resources are being applied to our account. Our monthly fee is significant and we are not sure we are getting full value from the expenditure.

For my part, having worked for another global agency prior to joining BAT I can say that project management was an ingrained part of the culture and 'client leaders' we were responsible for brokering the work and ensuring clarity on behalf of the client and agency staff. This was standard practice for all clients. We did not need formalised agreements of goal setting or KRA's with any clients I was aware of, including global multi-million dollar clients such as Philip Morris, Unilever, BP or Qualcomm.

- **Future expected use**

Overall, we feel that we can continue to use Shandwick for specific and relatively straight forward project work, focusing on data gathering, research and basic advice provisions. We



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are will, however, continue to rely on other consultancies to provide the higher level strategic assessments and advice that public affairs needs.

I believe, Shandwick could be better utilised in an area in which they have natural advantage – i.e. global corporate communications where consistency of message and orchestrated media relations are key. But this is a decision that needs to be taken in conjunction with corporate communications.

We hope this assists in your discussions with them.

Andreas Vecchiet

**MEMORANDUM**

TO: James Blakelock
Adrian Marshall

FROM: Colin Byrne

DATE: 27 April 2001

RE: BAT

Further to the April OPM, and in line with our agreement to plan the WSW team's time against specified CORA priorities, here is our view of where we need to focus our time and effort between now and next month's OPM

Marketing Code**Priority.**

WSW (Steve Doherty & Peter Digger) to continue working with BAT (Mike Nightingale) on the next stage of the stakeholder plan, communications to end markets etc

WSW to follow up brainstorm meeting of internal stakeholder managers on Q&A's, rebuttal issues and scenario planning

MTV/YSP

WSW (Pnti Patel) to continue working with Brian O'Connell on any follow up following launch of the campaign

Social Reporting**Priority.**

WSW (Colin Byrne, Chris Savage, Pnti Patel) working with BAT (David O'Reilly) in line with OPM-agreed programme and timetable.

Biodiversity**Priority.**

Pnti Patel to work with BAT (Shabanji Opukah) on preparations on the Biodiversity partnership.

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Operational Planning Meeting – 5th July 2000

Action Points

Present: James Blakelock (Chairman), David Betteridge, Brian O'Connell, Fran Morrison, Simon Millson, Chandu Nathwani, Mike Nightingale, Adrian Payne, Paul Richmond, Ronald Ridderbeekx, David Williams, Colin Byrne (Shandwick), Priti Patel (Shandwick)

Apologies: Michelle Healy, Adrian Marshall, Sue Hodgson, Jeffries Briggingshaw, Andreas Vecchiet.

Upcoming Events and Activities

WHO submission

Update and Timetable	<ul style="list-style-type: none"> • Timetable for convention brought forward from May 2003 to May 2003. • 31st August: Five page position paper submitted to WHO. • 12th 13th October: Public hearings. • 16th – 20th October: First session of the Intergovernmental Negotiating Body (INB) responsible for drafting convention. All member states invited to nominate two members. INB to meet three times between October 2000 and May 2002. • INB meeting to be followed by WHO/World Bank roadshow to key markets. Markets expected to include Germany, India, Brazil and Korea. • Five page position paper to be accompanied by sensible regulation manual. 	
Action	<ul style="list-style-type: none"> • Shandwick to compile list of key audiences and present to project team. • Project team to develop plan for exploitation of five page position paper and public hearings. Plan to be shared with team. • MN to discuss with IPA marketing input to sensible regulation manual in order to clarify objectives. 	<p>S^WWick</p> <p>IPA</p> <p>MN/ AV/SM</p>

Economic impact studies

Feedback	<ul style="list-style-type: none"> • First reports due to be completed at end of August. • Proposed communication plan developed by local Shandwick offices. • Anticipated that communication will focus on end markets. No central communications. 	
Action	<ul style="list-style-type: none"> • Project brief to be circulated to team. • IPA to liaise with end markets to seek input to and sign off of local communication plans developed by Shandwick. • IPA to produce brief paper summarising next steps for review by team. 	<p>AV</p> <p>AV</p> <p>AV</p>

Tobacco Research Scientists' Conference

Progress summary	<ul style="list-style-type: none"> • Conference to be held on 23rd, 24th and 25th September. • CP to deliver keynote speech addressing sensible product regulation. • Conference to be attended by representatives from R&D. 	
Action	<ul style="list-style-type: none"> • Scientific Affairs to ensure speech aligned with WHO submission. 	<p>AP/ DOR</p>

BBC World Service Tobacco on Trial series

Progress summary	<ul style="list-style-type: none"> • CP to participate in round table debate for final episode. • Exact timetable not clear. 	
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Review of Strategic Initiatives

Smoking and health messages

Progress summary	<ul style="list-style-type: none"> Core messages tested internally by BAT Australia. Feedback positive. Core messages to be rolled out throughout BAT Australia. Response and feedback to be evaluated. Specific consumer messages to be developed in light of learnings. Global roll out to be planned in the light of BAT Australia experience and dialogue with key end markets. 	
Action	<ul style="list-style-type: none"> BAT Australia pilot and roll-out plan to be reviewed by CORA Steering Group at November meeting. AP and JB to discuss. 	AP/ JB

Marketing standards

Progress summary	<ul style="list-style-type: none"> Consensus appears to be emerging around set of industry standards. Meeting scheduled for 17th/18th August to tie up loose ends and consider external communications. MN to visit regional marketing teams to consider opportunities presented by new standards. 	
Action	<ul style="list-style-type: none"> WHO response to be integrated with marketing standards. 	MN/ AV

Youth smoking prevention

Progress summary	<ul style="list-style-type: none"> Draft YSP kit and communications guidelines and brand proposal complete. British American Tobacco roll-out focused on ten markets. Limited external communication of initiative until programmes up and running. Response from Mentor expected by year end. Direct approach to Unicef not appropriate at present. 	
Action	<ul style="list-style-type: none"> MN and Internal Communications to identify how to exploit Interact. MN to identify best practice market(s) for review by CORA steering Group at November meeting. MN to discuss response to ASH YSP report with external communications and AP. MN to work with IPA to develop plan to influence Mentor and Unicef. Plan and progress to be reviewed at next OPM. 	MN/ RR MN/JB MN/ FM/AP MN/ AV

Child labour conference

Progress summary	<ul style="list-style-type: none"> Launch on track Project has received endorsement of the International Labour Organisation. BAT Kenya developing local communication plan to accompany launch. Limited central communications until specific end market projects up and running 	
Action	<ul style="list-style-type: none"> IPA to identify end market case study for review by CORA steering Group at November meeting.. 	AV/JB

Memeorandum of Understanding with environmental NGOs

Progress summary	<ul style="list-style-type: none"> Launch on track. External communications limited to media attending launch. 	
Action	<ul style="list-style-type: none"> None. 	

Launch of trade policy position papers

Progress summary	<ul style="list-style-type: none">• Launch planned for early December.• Positions to be published on Website.
Action	<ul style="list-style-type: none">• Project brief to be circulated to team for review. <p style="text-align: right;">AV</p>

Risk assessment forum

Progress summary	<ul style="list-style-type: none">• Paper submitted to Tobacco Control for publication. Currently going through peer review process.• Risk assessment forum scheduled for late November/early December.• Unclear at present whether external communication of event will be appropriate.
Action	<ul style="list-style-type: none">• None.

2001 Shandwick team budget for British American Tobacco (monthly)

Name	Rate	Billable Hours	Proposed BAT hours	% of billable hours	Total £
Byrne	£310	84	14	15	4340
Savage	£225	101	20	20	4500
Patel	£165	126	100	80	16500
Doherty	£185	101	25	25	4625
Courage	£150	135	20	15	3000
Orr	£80	125	50	40	3000
Henderson	£80	125	50	40	3000

£££
W/W

~~Adrian~~ Colin → Adrian ^{Michael}
~~James~~ Adrian ^{Fiona}
CS&E? do we need extra
resource here?

What is definition of billable hours?

<u>IPA</u>	<u>BAT</u>	<u>Media</u>
<u>S'Vick</u>	<u>Andreas</u>	<u>Pete Patel</u> - <u>Bathurst</u>
Chris Savage	Marla Summers	Toby Orr
Steve Doherty	Christy / Nicola	Scott Halston
Marcus Savage		
	Andrew Henderson	
	(Reserve)	