

Telkom's restructure and marketing RFP tangle

 By Leigh Andrews

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NEWSWATCH: While news that Telkom is set to restructure into four specific business units by the end of March 2018 has been positively accepted, its current marketing RFP pitch process is raising concerns - here's their official response.

Back in February, various articles were published in the media concerning a potential offer from Telkom to purchase Cell C. The company was clear in rejecting Telkom's offer.



Cell C rejects Telkom offer - statement

24 Feb 2017



Telkom is back under the media spotlight this month, with news that the company is set for massive restructuring, with [Moneyweb reporting](#) that Telkom's plan to split into four new business units – namely retail, IT services, wholesale broadband and real estate – is the “next step in a four-year turnaround under chief executive officer Sipho Maseko”.



Telkom spokesperson Jacqui O'Sullivan.

That's all well and good, but Telkom's associated advertising pitch process is making headlines with a negative spin based on fears that it contravenes the Association for Communication and Advertising's (ACA) Code of Conduct, particularly as up to three times as many agencies as the norm have been approached, despite Telkom's assertion that this 'closed pitch' gives the smaller, black-owned and more niched agencies that tend to get overlooked by bigger corporates a chance...

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Telkom's response in full

Contacted for comment, Telkom spokesperson Jacqui O'Sullivan responded as follows:

“ Telkom has issued a Request for Proposals (RFP) or tender for a number of elements within our marketing environment. The RFP covers three businesses within the Telkom Group, namely the consumer business, BCX and Openserve. The RFP also covers above-the-line creative, direct marketing, digital, activations and sponsorships but importantly, there is no expectation that one single agency will be required to fulfil all these services. The RFP was issued on 3 May and submissions were due on 19 May. Following internal consideration and discussions with the Association for Communication and Advertising (ACA), the decision was taken to extend the closing date to Thursday 25 May 2017, in line with the ACA's requirement of 15 working days. This is an extensive RFP, covering three business units and five areas of communication marketing specialisation. Telkom has opted for a closed tender and has purposefully invited a large number of agencies to pitch, specifically to allow to smaller, black-owned and more niched agencies to bid for specific bodies of work.

We are looking for great ideas and we want to hear from the large and established agencies, as well as the smaller and more specialist agencies that are often overlooked in large corporate pitches. We believe these lesser known agencies should be offered an equal opportunity to pitch for the section of work they believe they are most geared to serve. While the ACA Code of Conduct requires the list of agencies shortlisted to not exceed five, in a pitch like this where there are multiple bodies of work, that requirement is limiting and potentially exclusionary. Telkom does not pay for pitches nor does it pay a 'decline fee'. All work is treated as confidential. No work will be shared with third parties. We are undertaking this pitch process to test the market, to see what fresh ideas and talent we can potentially work with and we believe that by making bodies of work available, we are giving smaller agencies an opportunity to work with our large and well established South African brands. ”

Next steps

Odette van der Haar, CEO of the ACA comments in turn that the ACA is reviewing the Telkom process and members' participation. She adds that the next steps will be discussed by the Exco in the next week and that the ACA's position remains unchanged at this stage.

Share your comments below and be sure to keep an eye out for updates...

ABOUT LEIGH ANDREWS

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