FIRM VOICE:

OUTSTANDING BEST PRACTICES FOR PUBLIC RELATIONS FIRMS

THE 2009 COMPENDIUM OF INSIGHT AND INTELLIGENCE FROM MEMBERS OF THE COUNCIL OF PUBLIC RELATIONS FIRMS

COUNCIL *of* PUBLIC RELATIONS FIRMS

Firm Voice: Outstanding Best Practices for Public Relations Firms is published by
The Council of Public Relations Firms
317 Madison Avenue, Suite 2320
New York, NY 10017

For more information about The Council of Public Relations Firms or "The Firm Voice," please call 877-PRFIRMS
or visit us at www.prfirms.org and www.firmvoice.com.
Editor: Brian Pittman, Designer: Ryan Mansfield

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CHAPTER 2: NEW BUSINESS

CHAPTER 3: TALENT/TRAINING

CHAPTER 4: DIGITAL PR AND ONLINE

CHAPTER 5: CLIENT RELATIONS

INTRODUCTION

We're in this together. This spirit inspires all our efforts at The Council of Public Relations Firms—and the contributions of our member firms. The book in your hands or on your screen is just another example of this commitment. How else to explain this compendium of thousands of practical tips shared by PR's most successful practitioners, leaders and managers? How else to account for each public relations technique or tool revealed in these 260+ pages by your peers in the public relations agency world? How else to reconcile every proven tactic captured in the 146 how-to articles that follow—overwhelmingly sourced and shared by Council members?

For over a decade now, the Council's mission has been to advance the business of public relations firms by building the market and firms' value as strategic business partners. Along the way, we've been exposed to, extolled and even publicized the brightest and best firm management practices. Little surprise, considering we count among our members over 100 premier global, mid-sized, regional and even boutique agencies nationwide across every discipline and practice areas—agencies whose commitment to superior work is seen in their day to day client work, and, frankly, in their membership in this network of peers where a driving principle is precisely that: the focusing on and sharing of best practices and standards.

Like the Council's business benchmarking studies, compensation and benefits reports, and many other Council management programs, this book—and *The Firm Voice*—manifests that commitment to help principles and senior managers run their firms more effectively, as well as to promote best practices. It realizes our desire to encourage innovation, our commitment to helping member firms meet the needs of the market, and our mission to help expand the talent pool and promote the common interests of member firms. Put simply, *The Firm Voice* embodies our commitment to serve as an authoritative source of information and expert commentary on all things PR. Most important: It gathers and presents your practical suggestions and counsel to others in the business. For that we thank you.

But it wasn't always easy. After all, it can be downright difficult, if not near impossible, to convince PR firms and their representatives to share the practices and processes and that set them apart. Enter hard bitten service journalism. The editorial advisory board and reporters behind The Firm Voice broke through that proprietary barrier—and got to the heart of what works and doesn't for PR firms through relentless questioning and back-grounding on each topic and article you see here. In other words, we asked—no, demanded—the best. And your colleagues, peers and, yes, even competitors complied (over 250 of them did, in fact).

More incredible: They delivered the goods for a year… and counting. The result is the online publication and website from which these articles come—and this book gathering in one place thousands of hours of interviews with the most forthcoming, smartest and savviest PR firm practitioners in the business. What you will find here is a mix of "Best Practices" features (each including at least three sources), "My Opinion" op-eds penned by noted PR professionals, and "One on One With" interviews with key industry thought leaders. All are must-reads for anybody working in, for or on the PR agency side of the communications business. Each article is concise, yet clear. Short, yet specific. Revelatory, yet realistic.

So read on to strengthen and grow your firm. Here's the best of PR's best practices over the past year—arranged chronologically with most recent articles first, and broken into chapters by key firm management and practice areas. While some of the sources have moved on to other firms or had their titles changed, their tips remain timeless and true. Topics range from agency leadership and client relations to digital PR and workplace issues. A business manual, a PR textbook, a compendium of Council members' competitive secrets. It's all here. Take advantage of it.

To shared and continued success,

Ray Kotcher
Senior Partner/Chief Executive Officer, Ketchum; 2008-09 Chair, Council of Public Relations Firms

Aaron Uhrmacher
Social Media Consultant, Text 100

Sabrina Horn
Founder, President and CEO, Horn Group

Helen Vollmer
CEO, Vollmer Public Relations

Kathy Cripps
President, The Council of Public Relation Firms

Matt Shaw
Senior Vice President, The Council of Public Relation Firms

The Firm Voice Editorial Board

FIRM VOICE:
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CHAPTER 1
AGENCY MANAGEMENT

INTRODUCTION:

Robust public relations firms don't just happen. Growth isn't simply a product of stellar talent. Clients don't arrive and stay or leave just for the creative. Fact is, strong firms—those that build sustainable brands and last over the long-haul—come from strong agency management. The best firms have broken their unique value propositions and competitive differentiators down into systems and procedures that can be duplicated again and again. They recognize that while great leadership and vision are indispensable, success isn't about the person or personalities at the top. It's about processes and methodically learning, testing and applying industry best practices.

That's good news for Council members and agencies in general. It means firm management is a science, not an art. And as such, it can be learned, tested and perfected—especially in an environment where those agency management best practices are openly shared. *The Firm Voice* is that forum for airing the best ideas in firm management—as the following 37 how-to articles attest.

From new ways to practice open-book management and offer profit-sharing plans, to innovative ideas for launching diversity initiatives and programs designed to drive greater performance and profit, these articles do more than give lip service to agency management theory. They tackle in-the-trenches topics like how to make telecommuting work at your firm, how to keep senior level executives involved in servicing accounts and how to prepare your firm for sale. They stare industry realities like talent poaching in the face—and also offer real-world solutions to these and other problems. But most important, these combined articles—described by one Council member as *Harvard Business Review "Light"*—give senior and entry level practitioners alike a first-hand look at the proven methods and real-world tactics others are using in the PR agency world to grow their businesses and careers…one practical step at a time.

FIRMVOICE
MAR 11, 2009

The Business Imperatives of PR Firm Diversity:
How to Create a Diversity Initiative That's More Than Just Words

PATRICK FORD
U.S. CEO
BURSON-MARSTELLER

SHARI WILLIAMS
SENIOR CONSULTANT
WORRALL COMMUNICATIONS

KYLE ELYSE NIEDERPRUEM
KYLE COMMUNICATIONS

JONI DANIELS
FOUNDER AND PRINCIPAL
DANIELS & ASSOCIATES

Diversity—or the lack of it—has been a concern across the PR, marketing communications and advertising spectrum. And it's a valid one, says Patrick Ford, Burson-Marsteller's U.S. CEO. Efforts geared to creating a more inclusive and diverse workplace aren't merely the right thing to do—they are *necessary* to doing business today, he contends.

Diversity and profit are *not* mutually exclusive—and agencies are starting to recognize this. And they realize: They ignore diversity at their peril.

To be truly effective, however, these programs need to be about more than quotas. They must involve a cultural transformation. "Diversity is not simply about what percentage of the workforce falls into certain categories. Diversity is about a corporate culture of inclusiveness," says Shari Williams, senior consultant with Worrall Communications. Williams, a former ad agency president, now consults on diversity issues.

Burson-Marsteller decided to take such an approach.

B-M'S EXPERIENCE

As with many firms in public relations/marketing/advertising industry, Burson-Marsteller's leaders were concerned whether the firm adequately reflected the full diversity of society and clients. It's an issue about which Ford was—and remains—passionate. He wanted to build an agency that values and embraces diversity—and as a result, produces better work that would be more relevant to clients.

He took on his current role in 2006 with a deep commitment to an inclusive workplace, and B-M's efforts began in earnest. That year, the agency partnered with The FutureWork Institute to help them in the initiative. (The effort was co-funded by B-M, Young & Rubicam Brands and WPP.)

To get a sense of what workers thought, B-M focus groups and an agency-wide survey were conducted in late 2006 and early 2007. From there, B-M developed a strategy that aligned the internal diversity and inclusion efforts with the development of a U.S. multicultural client capability. In 2007, Mireille Grangenois was named managing director of multicultural practice.

Next, the agency-wide Diversity and Inclusion Council was formed in early 2008. The council includes employees from every level, practice, division and location at B-M. (Ford is the chair and is involved in every step of the process.

The key initiatives include a reverse mentoring program that assigns a mentor to Ford and his leadership team. These relationships cross all demographics—ethnicity, race, gender, generation, etc.—now being followed by mentoring circles. There is also a recruitment initiative, and training to promote greater awareness and levels of respect.

It's been a tremendous undertaking, but Ford believes it's been more than worth the effort.

A BUSINESS IMPERATIVE

For Kyle Elyse Niederpruem of Kyle Communications, the business proposition is obvious: "Having a diverse workforce makes your company well-rounded and gives you insight and experience you may not have had in your own life. The more experience, the better the offerings." Niederpruem launched a diversity program in 2001-2002 for a prior agency and continues to take the same approach today.

Ford's perspective is similar: An agency can't preach engagement unless it understands what's important to its stakeholders, he says. The marketplace is evolving and he intends to keep pace. "We need to make sure our workplace reflects the ability to understand and communicate with all stakeholders." In addition, there's a growing marketplace for multicultural communications, he stresses. There are increasing opportunities for building initiatives designed to address different cultural groups.

Williams cites another benefit: Done well, diversity efforts increase employee productivity. "I also think that firms that embrace inclusiveness come up with better ideas to service clients and win more than their share of new assignments," she adds.

CULTIVATING TALENT

There's another crucial bottom-line rationale for creating an inclusive, diverse workplace, Ford says: Talent. There's no more pressing priority than finding and retaining the best, he says. Diversity efforts help create a workplace that ensures those talented people not only are encouraged to become part of it, but feel welcome.

It's personal for Ford. He always felt that he had unlimited potential at B-M. All he has to do is work hard, think creatively, and constantly provide superior value. He wants to ensure that kind of workplace for all his employees. "I want everybody in our firm to feel the way I do."

MAKE IT WORK

Yet grasping the many imperatives behind launching a diversity program doesn't mean it's easy. To help other Council members better strategize and executive their own efforts, we polled our experts you're your peers for their best practices. Their tips for making it work:

- Assess the current situation. B-M's efforts started with a survey, and that's just what consultant Joni Daniels, founder and principal of Daniels & Associates, recommends. Start with a bottom-line assessment and look at the diversity of your

workforce in terms of age, ethnicity, sex, disability, etc. Where in your firm are they located, at what level of the organization, and how many are promoted each year? How many leave the organization? Do they give a reason for their departure? Once you have a baseline, she says, you can then set objectives. And these objectives can give you a measurement tool to assess the success of your program.

• Secure C-suite commitment. This has to be more than a memo from the CEO's office or an HR initiative. It must be driven by leadership, Ford stresses. Williams, too, is adamant on this point: "There needs to be a substantial commitment from the top … in both words and action."

• Engage broadly. "Involve everyone," adds Williams: Ask employees for ideas about how to make the firm more inclusive. B-M, for example, seeks to engage people at every level and every function. Its Diversity and Inclusion Council cuts across job titles, levels, locations, etc. "Give everyone a part to play. Involve everyone at all levels and hold people accountable," adds Daniels.

• Cultivate communication. People need to know what you are doing and what it means, says Ford. That may involve training, use of the Intranet, etc. But it's not just top-down communication he's after. "We want to get to a point where people will feel comfortable enough to discuss issues and concerns that come up in the course of the day."

• Customize. Remember that not all best practices work in all agencies, warns Daniels. Know your firm's tolerance for change and then—gently—push past it, she advises.

• Focus on recruitment *and* retention. Agencies need to recruit *and* focus on retention of multicultural practitioners, stresses Appelbaum.

• Measure. Daniels' assessment questions can also serve as a measurement tool. But regardless of how you do it, measure. B-M uses the same criteria it does for client programs, Ford says: output, outlook and outcome. Output includes developing guidelines, training and mentoring programs, and other initiatives to engage employees at all levels—including a dedicated Intranet site. Outlook involves focus groups, surveys, and so on. Outcomes, of course, refers to seeing benefits in the business. (Ford says that B-M has already won contracts that, "We would have a hard time winning before.")

• Recognize the value. Ford emphasizes B-M's efforts are not driven not by some altruistic notion of a "nice thing to do." Employees expect it, he says. Clients expect it. Society demands it. "It's not only the right thing to do. It's the necessary thing." **FV**

Roxanna Guilford-Blake

FIRMVOICE
MAR 11, 2009

PR Performance Strong in Marketing Mix: Weber Shandwick CEO Diamond Sheds Light on Economy for Firms

As widely reported this past week, Interpublic Group's (IPG) 2008 earnings showed that PR revenues for the holding company grew in the last quarter of 2008 [details here]. Specifically, the earnings report revealed that PR firms falling under IPG's Constituency Group companies, including Weber Shandwick, saw a cumulative growth of 6.8 percent year over year—a silver lining to be sure and good news for PR firms in general, considering the overall market slowdown experienced this past year.

To get a deeper understanding of IPG's figures, what they mean to agencies across the board—and what the financial future may hold for other Council of PR Firms members, we checked in with Harris Diamond, CEO of IPG member Weber Shandwick. Here's what he had to say about last year's growth, this year's momentum so far, projections for the year ahead and more:

What do IPG's revenues and reported revenue growth say about the strength of the marketing, advertising and PR mix globally?

The PR business was strong overall last year. For all PR businesses in IPG, we were up approximately 7 percent year over year. That's with, frankly, a slightly weaker fourth quarter. We saw a lot of strength up until then.

To what factors do you attribute PR's overall strength last year as opposed to other disciplines?

PR has matured as a business. I think the intellectual capital we have now as a business is working, and our specialization is great.

Let me explain that: Clients are looking for firms to demonstrate strength, not just in the PR field, but in understanding of their businesses. In the past, if in you were in health care or tech, you were just that. But now, your expertise will drill down to things like oncology, urology, semiconductors and so on. We have true specialty knowledge. This has made us more valuable partners. We also have shown our expertise in reaching different client stakeholder groups—through everything from social marketing to government and publicity work to reaching traditional media and even consumer groups and subsectors like moms.

At end of day we understand how to connect those two dots: what the client is doing and how to reach the constituency groups important to the client. That's the core of it.

How does this compare to PR's positioning alongside other marketing disciplines?

We are collaborating more than ever before, for example, with sports marketing, experiential marketing, advertising and so on. What that has done is give us a greater ability to take a greater share of marketing dollars—because we are more intimately involved with the client's business, and able to work with our marketing siblings while demonstrating where we are strong. We now make coordinating effort across disciplines so we're all working together to show clients value. That has frankly generated more dollars for PR units.

How is that strong PR positioning looking for the future—what will winning firms look like?

I expect more of the same. Firms that have amassed a great deal of intellectual capital by practice area or geography will be the successful firms of the future. I think being generalists now days doesn't work for the mass business we do.

Specific areas that are growing are: corporate social responsibility, food and beverage, health care. Food and beverage may be even more of a growth area in recession because clients have to differentiate more. Other obvious growth areas now are crisis and IR.

At the end of the day, a great thing for PR is that as more content platforms are established, we have to reach all people on all those platforms. So as media gets fragmented, we're in the opposite position. Unlike traditional media, magazines and newspapers, we're there every time fragmentation occurs and a new channel is created. Every time that happens, it's a new opportunity for us to reach that new group. PR, of all the disciplines, is suited to do that best. We're about reaching influentials, and that's not going away as a core need any time soon.

How do you see firms taking advantage of those opportunities new media creates?

Social media and social marketing has become a tremendous part of what we do—whether it's inline, offline or online. At the end of the day, it all comes together and we work across those channels. The Obama campaign was a great example of that. He used all forms of marketing to give him a boost from the electorate. PR is front and center on that. It's not about new media or digital PR versus other forms of marketing outreach—it's about using them all together. That's how the brightest firms will approach "digital PR"—holistically. As people, we consume our information across platforms and public relations practitioners must follow that.

Let's circle back to the troubles facing mainstream media. Do events like the closure of *The Rocky Mountain News* and what's happening at *The San Francisco Chronicle* suggest that "media relations" is fading as a key PR practice area?

Some publications disappear, and dozens of new ones—whether they're blogs or more local attention on cable channels—take their place. There will be new online publications formed to cover San Francisco, and other media will be created to cover Denver area news. Sure, some of it will be free media.

But the point is that the vacuum will be filled by whole variety of people—giving PR seven outlets to work with versus one to reach.

So, it's still all about relations with influentials. It just doesn't necessarily mean traditional journalists.

What are clients' attitudes now regarding PR's role during recession?

I think they see PR value at a much greater degree than they did two three years ago. Why? It's been slow in building, but people are recognizing we reach influentials. Again, PR does that better than anybody else. That's one reason. A second is the creativity we bring to the process. We've become more strategic in how we attract attention for brands—we use our creativity in understanding how to use all those channels in one effort. A third reason is the maturation of the PR business as a whole. We've gone from people who were focused on product placement or pitching to those who can talk about reputation of brand and product, and how people perceive those due to PR efforts. We've gone from one way communications to having conversations with consumers. This all ties back to moving the needle for our clients—and clients recognize now more than ever that we can do that. It's accepted that this is our role and power.

Is there a "we are in this together" mentality when it comes to corporate communicators' perspective of agencies—or is it more us vs. them?

Recession or not, corporate communicators have looked to agency partners as people who can give strategic advice and execution. That's still true today. We are seeing more of people asking us to help them at a time when they're in distress, and more people asking us to help them enhance their reputation and talk to shareholders, government agencies or whatever other stakeholder groups they may have that are important to them. We are seeing more of that coming from clients to firms. More of them are facing economic issues in recession, which actually translates to work for financially savvy firms and has always been a truism.

Despite that, there's still a lot of uncertainty out there—what do you say to firms worried about the future?

I think PR is probably at the beginning of what's going to be the greatest breakthrough with respect to seizing share of marketing dollars spent by corporations. This is golden period for PR. That's how I see it and our practice confirms it.

So how do you make the leap into that golden period as a firm?

It comes down to three things: intellectual capital, strategic insight and creativity. Don't ask me to tell you and other firms how to deploy those competitive advantages [laughs] … Other firms can figure out how to turn those areas into a call to action for themselves. **FV**

Brian Pittman

FIRMVOICE
MAR 4, 2009

Tough Times Require Great Leadership:
Four New Must-Practice Imperatives for Agency Management

By George Rosenberg, PR Agency Consultant and Coach, The Rosenberg Group

In today's difficult economic times, firms that boast outstanding agency leadership will come out of this recession faster and stronger than agencies that suffer from "leadership myopia." Leadership myopia—the failure to think clearly, plan ahead and understand the new imperatives of leadership—is endemic right now in the agency world…and for some good reasons.

Budget cuts, client terminations, staff layoffs, salary and other expense reductions dominate agency thinking. Some agency heads are angry, others are depressed, some are afraid and many are simply philosophical, but almost all are doing what they can to withstand the challenges, and to simply stay afloat.

Everyone understands today's priorities: Solidify current clients with excellent, value-added service, recharge business development, make strategic investments, develop an outstanding senior management team and watch costs through dynamic budgeting.

These are smart moves. But, as a leader—whether of an agency, a practice or account group, there is more you need to do. There is more you *must* do.

As Dr. Jeffrey Sonnenfeld, president and CEO of The Chief Executive Leadership Institute at Yale School of Management said recently, "People want to know that their leaders are competent enough to see them through this crisis … They have to know that they can place their faith in you because you have thought it all through; you know how to connect all the different pieces of the puzzle."

As an advisor to firms, and a former agency CEO, I am convinced that outstanding leadership in tough economic times will spell the difference between great success today and in the future. Specifically, I see four imperatives for today's agency leader:

1. Commit to being a great leader. As I have observed and worked with firms and top management, one fact stands out: The CEO (or agency owner) is the single most important factor in the growth, development and health of an agency. I am surprised how many CEOs do not understand this truth.

This is not about ego or arrogance. This is about the simple truth that great leaders create great agencies because they commit to doing it and they will not tolerate failure. My own coach, years ago, had a very wise statement: "If you're not part of the problem there is no solution." Great leaders are always asking themselves, "What do I need to change about myself?"

Great leaders are made not born. Dedicate yourself to becoming a great leader. Work on yourself; read leadership books; take courses on leadership, hire a coach to work with you on your own leadership shortcomings.

2. Have a clear, compelling vision for your firm. A vision for the firm you want to become is the core foundation of great agency. And yet, many owners think of vision in terms of revenue, or number of employees. Frankly, many others have no vision. They often confuse mission (what you do) with vision (what you will become). Your vision, and the strategies to achieve that vision, bridges the present and the future. It provides a direction for the firm's near term (two to three years) future and helps you identify the milestones you need to reach to achieve that vision. Simply put, if you don't know where you are going, how will you ever get there?

3. Commit to the vision. It's not enough to go through the process of creating your vision. The real key is an unwavering focus and commitment to make the vision a reality. Your vision is a filter for decision-making. It simplifies and provides a strategic context for decisions such as prospects to pursue, RFPs to respond to, new resources to add (e.g. new hires), new services to explore, new capabilities or practice groups to create, etc. As decisions are made, always link them to the firm's vision to keep the staff and your management team focused on the steps the firm is taking to achieve that vision.

I have seen the power of agency visioning first hand. I have clients who have significantly grown their firm, achieved category leadership and won major pieces of business because the CEO committed to the process, and focused 100% on strategies that advanced the firm towards its vision.

4. Think in possibility, not in fear. This is a big one today, because many people are afraid. Stop focusing on the negative. Understand that doubts will interfere with the outcome you want. Doubts come from fear, and fear is the biggest stumbling block to change. Ask yourself, "What would I do if I weren't afraid?" Remember, it is not about the words it is about truly believing in the possibility of your vision. When you truly believe it creates a mind-shift that results in possibility thinking.

Especially today, outstanding leaders think, act and believe in abundance and prosperity. This can be difficult, but I believe this is among the most critical leadership imperatives today.

Professor Sonnenfeld puts it this way: "Leaders in crisis don't let the stress of the present preclude the boldness, courageousness and thoughtful prudent risk-taking that is still vital to success. These leaders understand that we still have to get out there and be in business. We're not running libraries and museums; we're running dynamic enterprises that can't be afraid to take calculated risks."

Possibility thinking is vital to achieving this mindset.

As a leader, these new imperatives are critical for success both now and in the future. Understand, internalize and practice them. They have served great leaders in the past and they will serve you well today. **FV**

FIRMVOICE
FEB 25, 2009

Racing through Recession:
Downturn Presents Upside to PR's C-Suite Influence

GARY STOCKMAN
PARTNER AND CEO
PORTER NOVELLI

"PR people are inherently optimistic," believes Porter Novelli partner and CEO Gary Stockman. "Out of every challenge comes an opportunity. For example, our current recession certainly has brought about a welcome clarity to the practice. It has forced us to focus on those things clients need the most. It has caused us to focus relentlessly on delivering the urgent results clients are looking for—namely, crisis mitigation, policy help and demand generation for products," says Stockman, who was appointed the agency's senior leader last year, when he stepped in for Helen Ostrowski, who had led Porter Novelli for the five years prior.

"The downturn has helped us help clients cut through the clutter and focus on those areas that are going to add the greatest value," continues New York-based Stockman, who has responsibility for the agency's overall growth and development in the Americas, Europe, the Middle East and Africa, as well as in the Asia Pacific region. "Perhaps more important is that these times are prompting clients to focus on the disciplines that deliver the highest ROI. They are moving toward disciplines that help them achieve their business objectives—the ones that help them develop relationships and conversations with key audiences that change attitudes and behaviors. And PR is certainly the discipline that can do those things."

As a result, "I think you will see PR come to the fore as a result of the downturn," says Stockman. "The downturn is acting as a catalyst to bring about changes that were understood, but that might have been slower to develop in the past—changes related to moving PR up in value. The shift was already on in moving from disciplines that push messages at stakeholders to those informing and influencing relationships, engagement and dialog."

Put more simply: "The downturn will catalyze PR's rise in the C-suite," Stockman asserts. "It moves us higher up in the food chain, gives us that seat at the table—all those old metaphors that basically translate to PR getting a greater proportion of the marketing spend. If you can show clients with utmost clarity how you're helping them achieve their business goals right now, then you aren't going anywhere but up. It's like finals week at college," he reflects. "Now is the time to deliver results and whoever can do that wins."

What particular practice areas in PR are well suited to deliver on those expectations and drive results now? "Everybody has heard this before—but digital really is a key," says Stockman, who is also a runner and cyclist, and drives a 1999 M3 on racetracks in the northeast. "This is where we have the power to leverage conversations and attitudes that change behavior—and digital is also very cost-effective," he explains. Read on for Stockman's additional insight into what PR firms can expect in the weeks, month and year ahead:

Looking beyond these wide ranging opportunities—how should agencies be protecting themselves in this down economy?

The biggest question for firms and their clients has to do with the uncertainty of the current economic situation, and when we will come out of this. Much is on hold until people get a clear picture of when that will happen. In the meantime, clients and agencies alike are forced to manage our resources very carefully now. That isn't an unwelcome or unfamiliar discipline for most PR managers—but we do have to look at that very carefully. One example is managing and recruiting talent.

Is Porter Novelli still recruiting—if so, in what areas and why?

Our agency is still making investments in talent, but we will be disciplined in doing so. We are hiring, but not across the board. Instead, we're focusing on specific areas like digital, health care and corporate affairs.

Are you actively promoting the agency now—if so, how?

Yes, in addition to making those hires, we'll be continuing to invest in the agency's own marketing to tell our story effectively. We tell clients they need to get and stay out there—and we're certainly practicing that ourselves. For example, we are still engaged in various initiatives and sponsorships, and have done some interesting promotional things in the digital space. We're also using digital innovations to make the workplace more exciting here.

Can you give some examples of those digital innovations and sponsorships?

We launched our "Twitter Inauguration Project," where we invited staff from around the world to join in the Twitter conversation around Obama's inauguration. We had people from a couple dozen countries interacting. In addition to that, we sponsored last week's "Shorty Awards," which honor Twitterers for "their ability to write great content with 140 characters or less."

How do those types of digital innovations help improve the PR workplace?

They help inject freshness into the work, and help to create connections with colleagues around world. Another major benefit, of course, is that these types of things give us a chance to showcase ourselves and "live it"—when it comes to using the tools we counsel clients to use.

Are you a digital native?

By age I wouldn't be one, but I spent from 1995 to 2002 working in technology PR in Silicon Valley. Back before the 1990s,

when I got online it was before Netscape and Mosaic. I got on the Internet using Unix commands. So, I'm too old to be one chronologically, but if you go by the geek factor, then I am a "digital native."

What new developments can we expect from Porter Novelli in the year ahead?

Staying with digital media for a moment, we're working on tools for influencer mapping—tools that help us track the who, how, where and when behind conversations taking place online and off. It's all proprietary software and methodologies—but the takeaway for other firms is that we should all be focused on helping clients have the one right conversation with their stakeholders, and digital is a big part of that.

Another area of focus moving forward is measurement. We're looking at new ways to measure, predict and model corporate reputation equity. It's the right time for that now. That's what clients want, and it ties, again, to PR showing and proving it's higher level value to the C-suite.

Beyond that, we're certainly looking at international markets. We're making sure we have the right offerings in emerging markets that are important to our clients. Recession isn't stalling that. For example, there are markets in Asia we're looking at because that's a true north for our clients.

How do those investments translate to advice for other firms—what should they be doing?

It comes back to this: You can either look at the current economy as a crisis or opportunity. My advice is to look at it as an opportunity to help you achieve clarity and focus relentlessly on what brings value to clients. Use this as an opportunity for substantive conversations with clients about how to do things differently and more effectively. Create and communicate a renewed sense of focus, urgency and clarity geared toward helping clients address and solve lingering issues and problems. This will help you become more of a client partner—and that's what they want and need most right now. Related to that, now is not necessarily the time to cut talent.

Why is talent retention so important during down times?

If you go with the opportunity angle offered by this economy, then it makes having the right people even more critical. We are looking at our agency for long-term growth, and we're focused on creating the agency for the future. That means taking this "opportunity" to find the right people and get them in the right seats on the bus.

Then who are your "dream" staff members—especially in recession?

More than ever, I think it's important to hire for attitude and aptitude and then to train for skill. The reason is we are operating in the most dynamic communications environment I've ever seen. This is an environment where change is happening at a more rapid pace than ever before. What that means is you need good people. Be less concerned about static skills, and more focused on people with an aptitude to learn, a dedication for client work and a drive to grow. We don't use standardized testing to find those things—but we certainly do zero in on them in our recruiting.

Where do you find that kind of recession-resistant talent?

We're seeing, and open to, more people joining us from nontraditional places. For example, our CMO (Marian Salzman) joined us from the advertising world. She's a trend spotter. Interestingly, she made the observation that PR is the future as you look across various marketing communications disciplines—which is why she made the jump to join us.

What do your past-times of running, cycling and racing an M3 have in common with the practice of PR—especially during a recession?

I had lunch with a client yesterday who made the point that human nature is often to retrench in times of crisis. He also said that when people expect the worst, they get it. I told him that I learned a very important lesson when I was learning to drive an M3: When you're going through a challenging turn on a racetrack, you go where you look. If you go through a challenging turn and focus on the wall—you'll hit the wall. If you look through the turn to the straightaway beyond—that's where you'll go.

It's the same thing with skiing. I was a hack skier until an instructor said that you have to face down the mountain to be successful. That has to be your orientation—and it can be scary. But if you do that, you will ski well. If you compromise that, then you'll ski poorly and risk falling. So given where we are now, I recommend that people at agencies to look where they want to go. **FV**

Brian Pittman

FIRMVOICE
FEB 18, 2009

Branding's New Power: How Firms Can Capitalize on PR's Rising Influence among CMOs

MARYLEE SACHS
PRESIDENT & CEO U.S.
HILL & KNOWLTON

The lines between marketing and PR are blurring, says MaryLee Sachs, who was president and CEO U.S. at Hill & Knowlton for three years prior to her current appointment, and who was based in London as EVP of worldwide marketing communications before that.

According to Sachs, that blurring of distinctions is a good thing for PR firms and their clients—especially during tough times. The reason, in part, she says, is that CMOs are increasingly recognizing the connection between brand (their traditional purview) and reputation (long a PR cornerstone). Here, Sachs spells out that link for Council members—and outlines how agencies can best position themselves to take advantage of ensuing opportunities, even in a down economy:

How are brand and reputation related—and how does PR benefit from that link?

I came back a few weeks ago from the American Marketing Association's Annual Mplanet Conference, and it became clear that CMOs are focusing on the connection between brand and reputation more than ever. In fact, a panel led by Cammie Dunaway [sales and marketing EVP, Nintendo] focused on this. One of the panelists said the CMO and chief reputation officer functions are morphing together.

In terms of what firms should be doing for clients, I think our discipline is front and center as far as this morphing is concerned. What I say to clients and new business prospects is that we are the only marketing discipline that understands how to navigate an uncontrolled environment—and by that I mean advertising is controlled, media and social media, for example, are not.

Let me explain: We are used to dealing with journalists. We're very happy creating messages, working with clients on messages, training spokespeople to relay those messages and even pitching the press. But at the end of the day, we have no control over the media. They're an intermediary. Every other discipline, conversely, is in total control of their component of the marketing communications function or output. Whether it's advertising, direct marketing, point of sale or whatever—it's all about control.

We, on the other hand, know how to deal with the "uncontrolled" world of earned media and beyond. We understand the rules of that world. Not only that, but in the brave new world we see now where new media [social media] is getting a lot of attention, we also know how to do that. It's a match with our skill set and core. It's what we've always done—driving engagement, participating with audiences and so on.

Not many marketing officers think about that. Ask a normal CMO how they engage with consumers or their employees, and they may have some answers. But ask them about other audiences, and they have no idea and don't actually connect to them. In this brave new world, these other audiences are just as important. So is the affect they have on consumers.

How does an ability to engage with "uncontrolled" audiences tie back to reputation?

These consumers and audiences can drive and talk about your reputation. They are actually in control of it, because they can shape what people think of it. That means they also impact brand. That's the link. So this is another area where PR as a discipline can really support the brand—and where other disciplines aren't as well positioned. Put simply: Marketers aren't used to dealing with these audiences that inform reputation and brand—but PR sure is.

Based on that, what is PR's role in building or protecting brand in tough times?

First, I think we have a very strong "license to operate" in this space. We are holistic in our way of thinking. I see that time and time again when working with integrated partners for clients. We don't think of the straightforward "PR" solution. Instead, we think more broadly. We think about the business overall and the objectives and needs of these various stakeholder groups we're talking about here today.

Second, because of this wider perspective and strategic approach, PR is in a position or role of strength to reach out to and influence the influencers. Influencers used to be just the media, bloggers and experts/analysts. Now, consumers are increasingly the new influencers. PR can reach out to them—and that's even more important during uncertain times where you want to communicate confidence.

Another area a lot of marketing folks don't think about is issues and crisis management. That's not their world—it's PR's. That is incredibly important during recession and in the new media world defined by "lack of control" over your message or reputation. So, crisis counseling is part of our role in building and protecting brands right now.

Finally—and this is relevant to the economic slowdown, as well—we know how to target micro and fragmented audiences. We can reach out to the finer niches and breakdowns of the larger consumer audience—be they cultural, ethnic or even psychographic subdivisions. We can communicate with them in a very cost-effective way now, as compared to other forms of marketing.

So how do we sell those capabilities to clients now—how do *you* do it?

What I do—and I recommend this to any firm—is try to have as broad a conversation with client organizations as possible. That

means I'm not just talking to the corporate communications folks, but also to marketing, HR and up into the C-suite.

Equally important is showing the business outcomes of these capabilities. This is a passion of mine. Rather than going in and talking about all the wonderful coverage, try to focus on what that coverage achieved in terms of actual business outcomes like sales, traffic, whatever. Those measurable business objectives should be set as the goal in advance of any campaign.

Finally, I recommend creating the opportunity to be cross-channel. I think a lot of clients on the marketing side think of digital as a paid-for media opportunity, when it is in fact both paid for *and* earned. So the point here is not to think in terms of silos like "earned" (PR) over "paid" (advertising). Instead, think integration.

Is "branding" still a top concern for clients now as companies retrench in recession?

It is very important now. What is tending to happen—and always happens in recessions—is CMOs have two primary things they need to do: sales, and brand. "Sales" is about creating short term business results, and "brand" is more of a long-term concern. They're not mutually exclusive, but when times are tough, people tend to worry and think about the short-term more.

There has been a lot of talk in marketing circles and beyond that you can't walk away from "brand" this time—you need to continue to invest in brand while also focusing on sales, because brand and reputation are becoming much more linked to business results.

An interesting aside is that CMOs have the opportunity now to evolve their own function into that of being the strategic growth driver of the brand, versus just "marketing" gizmos and gadgets.

How is a broadening focus for CMOs an opportunity for PR firms?

Our client stable will become broader. When I worked in the UK, I noticed our clients in London tended to be almost all marketing people. Our clients here in the U.S., however, are almost entirely PR and corporate communications people.

I would say that across Hill and Knowlton's client base, 75 percent of them have internal PR interface—meaning we work primarily through their internal PR group, rather than through marketing. So, my point is that as marketing people start to increasingly make the connection between branding and reputation…that we will start having more marketing clients at the table.

Which brands are particularly well suited to weather the recession?

I don't think you can make a sweeping statement about any particular brand. But if you think about different brand categories, there will be some must-haves like gasoline and food that will stay strong. Beyond that, consumers will either trade down to cheaper brands or look for value-add brands. That's where we need to focus on messaging for clients. For example, if you are a food brand, can you add value by doing something like providing affordable online recipes?

Similarly, is your brand a strong supporter of community services? Giving back will be important moving forward and communicating a brand's connection to the community and giving back will certainly help in recession. That's a big area of opportunity for firms. Another, which is related, is corporate social responsibility (CSR). Healthcare as a sector isn't going away, either—but people may trade down to generics in pharmaceuticals, for example.

IR, crisis and issues management and internal communications are also very hot areas of PR practice in recession—and any brands needing those services will be strong clients to take on now. I have to add, however, that marketing isn't going away. A lot of clients need help in recession supporting their marketing—but they need that help through smaller budgets. That's the key difference for marketing.

Overall, firms need to focus on showing value to clients—looking at where PR can augment the spends that are being made in marketing. So, it's not about us cutting our costs—it's about clients using PR in a very smart way.

Which client sectors or brand categories do you think will be hard hit this year?

Technology will be tough. I get a lot of research crossing my desk, and it's all pointing to expectations that consumers are looking to upgrade technologies only if absolutely necessary right now. Beyond that, I think it's safe to say that luxury goods, cars and travel will continue to be hard hit.

How can a firm survive if those brands are the bulwark of your client base?

It will ring true in this recession as in the past: PR becomes the replacement for advertising and other forms of marketing that these brands can't afford at the levels they once could in the past. So, your number one survival tactic must be to continually remind clients of PR's unique power and value, which goes back to my earlier comments regarding reaching various stakeholders to positively impact reputation and brand. **FV**

Brian Pittman

FIRMVOICE
FEB 18, 2009

Surprise Obama Plant Tour Offers Firms a Lesson: Make These Worst of Times the Best of Times by Seizing Opportunities

By Kathy Cupper Obert, Chairman and CEO, Edward Howard

Bank failures, frozen credit markets, massive layoffs, congressional gridlock, slashed corporate spending—the bad news just keeps on coming. No question, these are tough times for everyone and PR agencies are no exception. But while you are battening down the hatches, don't fail to recognize the opportunities that are always created by change. Those who can step up and reel in these opportunities—who are willing to go beyond business as usual—will survive, succeed, and emerge stronger.

Start at the top. We have a new administration in Washington whose mantra has been "change." They are pushing a massive stimulus bill and new set of priorities that stand to benefit some and be detrimental to others. Can you help clients better make their case and defend their interests? Are there executives you know who are about to make disastrous decisions because they still don't appreciate how radically things have changed? Are there distressed companies that need help communicating bad news? Is there a brand that is missing a great opportunity to increase awareness or build market share?

More than ever today, clients need what good PR counselors can provide. Most marketers have never faced conditions like today. Public outrage over Wall Street's disastrous mismanagement and excessive compensation has transformed the rules for what is acceptable. Was there a PR advisor who could have told Merrill Lynch and Bank of America that it was insanity to think of paying out billions in executive bonuses when the bank had asked for additional TARP funds and both institutions were going to report huge losses? Was there a firm that could have told the CEO of Ford, Chrysler or GM to leave the corporate jet behind?

For many companies it makes sense to spend *more* on public relations in tough times because of PR's superior leverage. We have to deliver that message. Financially stronger companies should be pressing their advantage against weaker rivals rather than falling back in line with everyone in the industry. For example, McDonald's has picked a great time to roll out their line of McCafé espresso coffee drinks in the U.S., with consumers watching their pennies and Starbucks pulling back. Cisco Systems recently raised $4 billion in new capital that it anticipates using to expand into new areas where it hasn't historically competed.

A good example on a smaller scale is the story of Cardinal Fastener, a $10 million, Bedford Heights, Ohio, manufacturer of large diameter fasteners and bolts whose largest market is the nascent North American wind turbine industry. On January 12, 2009, Cardinal received word that it was on the radar for a plant tour by then President-elect Obama on January 16th, less than one week prior to the Inauguration. Cardinal President John Grabner perceived that this would be a huge challenge—disruptive, costly and even risky. But he seized the opportunity.

So did Edward Howard. Within minutes of hearing the rumor on January 13th, we emailed Grabner, for whom we had done a small project last summer. "This is the single best opportunity to tell your story that you'll ever have," we said. "You need to do it right. We can help you." We were the first ones to reach him.

Grabner had been told to expect an onslaught of more than 130 reporters, including six live satellite feeds, the President-elect's traveling media pool numbering about 30, and a local media frenzy. Cardinal's employees had limited media relations experience, and literally none as the focal point of live breaking worldwide news. Around midnight Grabner's email reply was: "Can you get here in the morning? Come as soon as you can. I'll be waiting for your call!"

Our team worked almost around the clock for two days doing all the things you would expect (including creating an online press room) and a little more. The results have been amazing. To date, nearly 22,000 news stories have appeared around the world in print, on line and on TV. Samples include: *The Wall Street Journal*, *The New York Times*, MSNBC, ABC News, Associated Press, Bloomberg, *Washington Post*, *The Los Angeles Times*, CNN and the *Plain Dealer* (here and here). Conservatively estimated, advertising equivalency value of the news coverage to date is in excess of $20 million, and the quality of key message inclusion has been a home run. President Obama literally played back our key messages in his direct remarks. For Cardinal, the business impact has been tremendous. "It is proving to be priceless exposure for our business," said Grabner.

The impact has been significant in our firm, as well. It was a needed reminder in these tough times that there are opportunities out there if we are alert and we pursue them aggressively. They may not be as obvious as this one, and they may take more time to reel in, but they are there. Sometimes, companies or organizations don't even know they need us. So target those prospects. Leverage those contacts. Send that email. Make that call. **FV**

FIRMVOICE
JAN 28, 2009

Open Your Books, Now:
Nine Reasons Why Agencies Should Practice Financial Transparency—Especially During a Recession

By Abigail Gouverneur Carr, Managing Director, BlissPR

ABIGAIL CARR
U.S. CEO
BURSON-MARSTELLER

If you are in senior management of an independent, privately-held PR firm, you should tell your employees how the firm is doing financially. And I don't mean vague generalities, as in, "We're holding our own, but it's going to be tough." I mean more like, "We did $649,000 in revenue in November. In December, we were down 5% to $616,500, but we will likely still hit our profit targets."

If you are already making this information known to your employees—congratulations, and you can stop reading. In fact, take the rest of the day off, because you are running your firm in an open and transparent way, which you probably know provides substantial benefits and overall reassurance—to management and employees—and it actually makes your life easier.

If, on the other hand, reading the first paragraph makes your stomach tighten and your head pound, keep reading. Here are nine reasons why you should consider changing courses:

1. They don't care how much money you make. I have a funny feeling that this is the number one reason why owners do not share financials. It has been my experience that your people do want to know that you take home a decent salary (if you aren't, what do they have to shoot for?), but don't care what it is exactly, or how much of the profits you keep. This is America, and our people are smart enough to know how capitalism works—owners get the profits. If you are squeezing your staff to wring out more profits than you should, well stop already!

2. You can keep salary information confidential. There's no more disruptive information than salary information, because there are always a few abnormalities. Don't divulge salary information, and keep it confidential to a very small number of those who need to know. Salary is a contract between the firm and the individual, and you can be clear that sharing this information is against firm policy.

3. They want to know. In good times and bad, people want to know if their firm is doing well and if so, how well. They work hard and want to be proud of the success of the enterprise. In bad times, in particular, an absence of information fuels anxiety, which is non-productive. That's what we counsel our clients, and we should keep our own counsel.

4. It helps you set bonuses. At our firm, bonuses are based 50-50 on company performance and individual performance, up to a cap of 10% of salary. If we hit the numbers, then employees know that half their bonus is "in the bag." What a good feeling.

5. It will help them think like owners—which is what you want, right? We want people who can manage a budget, think about utilization, efficiency, client profitability and other management metrics. If you expose staff to the top-line data about the firm, they will be more engaged. They will also want to show you how well they can manage those portions of the business that are within their control.

6. They will respect you. If you have to make tough decisions—and many of us will this year—they will understand why. It doesn't mean that layoffs and cutbacks aren't difficult and sad, but people want to work for managers they trust. Being open about the truth of a situation inspires trust.

7. You will respect yourself. While you may be a PR person, first and foremost, you are also a business manager. You need to run your firm as a business, and that means knowing and being able to report out clean numbers on a regular basis.

8. It will cut off the blood supply to company rumors. Several years ago, one of our media relations staff received a less-than-stellar review and then decided the company must be doing badly. He told his co-workers. Since they all knew how the company was doing—and profits were solid—his comments fell on deaf ears. And yes, he then left.

9. PR needs to be a profession that's transparent. This is a profession that lives and breathes through clear information, direct communication and an overall posture to and on behalf of our clients of "Yes, you can trust what I say." That's also the purpose of the Council of PR Firm's "Code of Ethics" and "Statement of Principles," and an important part of being a true professional. Firm financials are just one more way to model transparency for each other and to the next generation of PR leaders.

Of course, you don't have to tell them everything, nor should you. Financial management (or management decision-making of any kind) should not be conducted as a democratic process. In fact, you don't have to say a word about how you make expenditure decisions, because running the firm and making those decisions is your job, not theirs. But in general, it's helpful to them and to you if they know:

- Annual revenue targets;
- Monthly revenue actuals;
- Quarterly comparisons year over year; and
- Directional information about profitability.

My favorite reason was articulated by an account executive in our Chicago office, Dave Miranda. When I mentioned in the staff meeting Monday that I planned to write this column, he sent me the following email, verbatim:

"Regarding your request this morning for reactions to working for a company with transparent finances, I would say that it's espe-

cially valuable during a recession. As PR professionals focused on financial services, we are keenly aware of the negative economic items permeating the news. Knowing that BlissPR is financially stable frees us up to do our jobs instead of worry that we'll lose them. Hope that helps. Have a good day!"

Thank you, Dave. It does help. And you have a good day, too! **FV**

Abigail Gouverneur Carr is a managing director at BlissPR in New York, a B2B firm with practices in financial services, professional services and healthcare. She is former chair of the Council of PR Firms' Agency Management Committee, and currently chairs the Council's Leadership & Governance Committee.

The Council refers readers to its own Code of Ethics and its Statement of Principles for additional insight on this topic

FIRMVOICE
JAN 21, 2009

Recession Buster for PR:
Agency Culture Sustains Loyalty, Productivity in Times of Uncertainty

By Sean Martin, Manager, Human Capital Practice, Deloitte Consulting

As you approach the employee cafeteria, you hear Margaret and James, two veteran employees, talking about the economy and its effect on business. "This is not the same company it was when I started ten years ago," says Margaret.

"I know," James replies. "Leadership has done nothing to address the current downsizing."

"As soon as things improve, I'm looking for a new job," says Margaret. "My resume is already up to date."

When you walk in, the conversation ends abruptly and the two employees quickly leave.

You've just witnessed your firm's culture making a quick exit. Even the most experienced and best employees do not feel valued any longer; the company has lost credibility with these employees, who no longer trust their management to lead.

In economic downturns, business leaders make hard decisions about costs, and find new ways to increase sales or revenues. With a greater focus on these issues, leaders often overlook corporate culture and the impact of the poor economy and resulting strategy adjustments. However, during times of potentially tectonic shifts in a business environment, corporate culture must be protected because culture sustains innovation, loyalty and productivity.

Culture Carries the Day — Leaders Carry the Culture

What do I mean by organizational culture? It's how things get done, how decisions are made, how information is shared, even the kind of language that is used. We recognize that culture is unique to each organization and is very difficult to replicate. As such, we believe that culture is one of the few sustainable sources of competitive advantage for many organizations, particularly those with strong brands and deliver products and services through people, like a public relations firm. When culture is disrupted by fear of job loss, uncertainty or distrust—all outcomes of economic instability—work becomes inefficient, ineffective or just simply doesn't happen at all.

Leaders embody the organization's culture. It's more critical than ever for leaders to be highly visible to employees. Listen to employee concerns, as well as their ideas. Use "fireside chats," to take the pulse of the company and determine how to respond. By being honest and transparent, and open to input from employees, leaders will engender greater flexibility in the workforce, generate creative solutions and increase employee commitment.

Aftermath of the Axe

According to a recent global study commissioned by the American Management Association (AMA), the economy is the top external influencer of corporate culture. We've all been there when HR—or security—escorts employees out the door. Does everyone just keep on as if nothing has happened? No! Downsizing can have a huge impact on employees' ability to contribute. Employees often feel pressured to work harder and take on more responsibilities even without the requisite skills. Teams are easily disrupted when leaders and members change, and individual needs can take precedence over commitment to the team, according to the study.

In addition, employees may not understand how their roles have changed or will feel insecure about their positions, creating performance anxiety and stifling their own growth and ability to make decisions. This becomes a self-fulfilling prophecy, leading to "lower overall productivity, lower engagement, poor performance, and higher turnover," the study reported. As a result, management will need to communicate its plans to employees and articulate a vision of what the company will look like in the months and years ahead.

Communicate as if Your Job Depends on it

People within public relations understand positioning and reputation management better than almost anyone else. In times of uncertainty, the less "positioning" and sugar-coating, the better. Communications need to be clear, candid and consistent. A lack of honesty and transparency creates distrust that will be hard to re-build in better times—advice PR professionals regularly give their clients. Trust is critical, especially in a business like public relations, which is largely about relationships. Lose the loyalty and trust of employees and, as the economy strengthens, they will seek other opportunities at competing firms and will take their clients with them.

Protecting culture in difficult times is as important as protecting jobs, because the strength and resiliency of an organization's culture will sustain the organization and potentially allow it to come out stronger in better times. Depending upon the organization, a culture that is team focused, mission driven, performance driven, innovative and customer centric will find new ways to do business and will create opportunities from unlikely sources. However, failure to understand where this value is created and which individuals and teams are at the core of the culture and essential to enhancing business growth can result in missteps on the part of the business. Leadership's focus will be on constantly communicating and protecting valuable assets, such as the talent that continues to be in high demand.

In the rapid pace and uncertainty of the business environment, we can overlook culture or assume that it will take care of itself. The question then is whether the culture will evolve organically in response to actions taken by the firm or whether management will intentionally hone it to support leaner operations or more focus on the business model. The desired culture is one that fits the company's competitive strategy in its market. It is

part of the business model to shape and form to help achieve strategic objectives and capture financial returns. Not managing both strategy and culture together can lead to failure in strategy execution. **FV**

Sean Martin is a manager in Deloitte Consulting's Human Capital practice, where he focuses on Talent related issues. He has strong subject knowledge in recruiting, workforce planning, critical workforce segments, contingent workers and workforce transition. He leads the Recruiting and Staffing Service Offer for Talent Strategies and is considered a subject matter expert in this space.

FIRMVOICE
JAN 14, 2009

Surviving 2009:
Seven Management Lessons for Agencies from Past Recessions

DAVE IMRE
PARTNER & PRESIDENT
IMRE COMMUNICATIONS

JASON MANDELL
PARTNER & CO-FOUNDER
LAUNCH SQUAD

STEVE CODY
MANAGING PARTNER AND CO-FOUNDER
PEPPERCOM

First, the bad news: A recurring theme in the responses from agency leaders is that the best way to survive—even thrive—in a recession is to have been doing things right all along. The good news? Past recessions yield myriad lessons. There are additional tactics and strategies your agency can embrace now to help it make it through the slump.

What's particularly interesting is that rather than focus on what to cut or trim, the experts consulted focused primarily on what an agency needs to continue doing well. Dave Imre, partner and president, Imre Communications, framed it accordingly: The key to consistent success is to "build smart, work efficiently and constantly deliver results to customers." That's sound counsel, regardless of the economy. Here's the best of the advice we culled from our sources this week:

1. Be prepared—practice increased fiscal prudence. Jason Mandell, partner and co-founder of Launch Squad, captured the spirit of many of the responses: "The best way you handle a downturn is by making really good decisions when things are going well."

Imre offered a similar insight: "A simple lesson to be learned from past bubbles, including the dot-com bust, is not to build a business on speculation." Along the same lines, he stresses fiscal prudence. Obviously, you still need to pay attention to the budget. But again, that's something a smart firm has been doing all along. Imre Communications "has never been, nor will we ever be extravagant spenders. It's important for us to be good stewards of our clients' resources in both good and recessionary times."

2. Fight recession from home base—focus on your core values. Look to what made your agency a success in the first place, counsels Imre. "Planning, customer service, new business and transparency are our four solutions to a challenging business environment," he says.

Stick to your core principles and values, adds Mandell. "Don't get carried away when things are good…and you shouldn't be caught off guard." But embracing your core values *doesn't* mean you should keep your head down and avoid change, he warns.

3. Enhance services—innovate and stay relevant. Launch Squad continues to evolve and enhance its services—especially in digital media. The temptation, Mandell says, is to "go back to your bread and butter," to "hunker down" and not invest. That's a big mistake. Companies are clamoring for new services, and smart agencies are poised to provide them. "Keep innovating," he counsels. If your agency *doesn't* stay fresh during the recession, you'll have to play catch up during the recovery, he warns.

Along those same lines, an agency needs to stay relevant. "An agency's services should be constantly reviewed, especially during a recession, to ensure they are relevant to the PR and marketing environment," says Imre. "We continually evaluate our services, understand our clients' needs, and offer new ideas. If you constantly prove your value, you're more likely to remain a partner."

4. Think and sell strategically—clients want more big picture planning. "Good planning necessitates strategic approaches rather than a bunch of disconnected tactics," Imre says: During a recession, value is going to be more deeply examined; clients are going to demand that the communications plans match the overall organization's goals."

5. Look inward—emphasize possibilities, not limitations. Use the down time to take stock of the culture of the organization, says Steve Cody, managing partner and cofounder of Peppercom. For the last three years, Peppercom has had a company "dream day" offsite. Everyone from receptionists to managing partners spends a day together offsite, dreaming about the possibilities for Peppercom. In the first two years, their gaze was outward. But in 2008, the focus was 100 percent internal.

Tom Coyne, president, Coyne PR, made a similar point in last week's article: The extra time you have during a downturn can be used to strengthen your agency.

6. Treat your people well—keep services levels high. As noted in last week's article, treating your stars well is crucial. But really, that applies to everyone. A bad economy is not an excuse to overwork people or under-staff your business, says Coyne. "It's just the opposite: You should keep your service levels high. You can't cut back on your talent."

Launch Squad is running a very lean business, says Mandell. But while it's not hiring, neither is it cutting staff. And it still had a holiday party. The lesson? Don't neglect your people in favor of the bottom line, he warns. It's about long-term success, not short-term gains. "It's not about this year. It's about having a great company."

7. Be frank—but eschew scare tactics. As discussed last week, honesty is important. Let your staff know what's going on, says Mandell, but at the same time, cultivate a positive attitude.

"We learned in the last recession: It's important to stay positive," he says. That's especially true for the management team, because their attitudes will set the tone for the entire agency. "Stress takes years off your life," Mandell adds. What you don't want to do is create a culture of fear and paranoia. Be totally direct about the negatives, but be sure to communicate the positive as well.

Coyne agrees. "The last thing you want is your people losing sleep" about the business. Leadership is always crucial, but especially in tough times. The lesson? "Don't forget to be a leader," he says. And don't forget to show the firm that you've been through this before: Reassure them that you have a plan for dealing with the downturn—and "make sure you *have* a plan." **FV**

Roxanna Guilford-Blake

FIRMVOICE
JAN 14, 2009

New Paradigms for Better Business:
It's Time for Agencies and Clients to Embrace the Innovation rEvolution

By Melissa Waggener Zorkin, CEO, Waggener Edstrom Worldwide

With Waggener Edstrom Worldwide turning 25 last year, I and other leaders at the agency have spent some time reflecting on what a fascinating role innovation has played over the last quarter century … and what a remarkably rapid evolution it has undergone. We called out innovation as a key factor to success in our first business plan, and it's rewarding to see that it was the right bet to place. And today, we're excited to witness innovation evolving once again to help solve some of society's big problems.

The evolution of innovation reflects, in part, how the world is changing. Society is rightfully expecting and demanding more of its corporate citizens—and in turn, companies must conduct business in ways that are not only profitable, but also sustainable and beneficial on a broader scale. That may seem like a daunting proposition, but the reality is that companies that have embraced innovation and a sustainable, responsible mindset are seeing increased opportunities and long-term profitability. This confluence of good business and "doing good" is something we call "Social Innovation" (SI). But before I go any further, I want to make it clear that social innovation isn't about talking, it is about *doing*.

Waggener Edstrom's commitment to SI is being brought to life across all of our operations as we build out our capabilities and expertise in the areas of corporate responsibility and sustainability, and expand our understanding of how business, government and the nonprofit sector are addressing social issues. We are also scrutinizing our carbon footprint and working to reduce our environmental impact, with the goal of being carbon neutral by 2011. Moreover, we are devoting one percent of our annual pre-tax revenue to charitable giving, pro-bono services and community engagement activities—representing almost $1.2 million in donations and services in 2008.

Was doing all of that easy? No. That's especially true in light of today's economic climate. However, it is a commitment we have made with eyes open—and it is one that all of our industry should be undertaking so we can ensure that collectively our impact is profound and far-reaching.

Now, it could be easy to dismiss these types of commitments simply as a write-off or shorthand for standard corporate citizenship, but the focus of social innovation is, first and foremost, about solid, measurable business results. As I see it, social innovation is critical to the growth of our industry and our businesses. And in providing counsel to clients on their commitments and how social issues tie to their business strategy, we must be able to demonstrate the same commitment and understanding in our own operations and business activities.

The question for us as an industry is: "What role do we play in this new paradigm—how do we help drive social innovation and how do we live it ourselves?"

Embracing the Innovation rEvolution

As a company, we understand the expectations and demands that are heaped on businesses every day. But I firmly believe that when faced with challenges, you have two choices: focus or fold. This is precisely why social innovation is such a powerful philosophy—because, as a company that has been engaged in the innovation space for the entirety of its existence, our organization recognizes that the next stage of business evolution is in the realm of social innovation.

As an industry, PR has long been dedicated to shifting perceptions, but with SI we can actually work to *shift reality*—in a positive way. That, when it comes down to it, is the promise that social innovation holds: *real, tangible business value paired with positive societal impact.*

When I think about how many great innovations exist today, and those on the horizon, I can't imagine not wanting to be a part of it all. But making sure that those innovations are as well-received and as impactful as they can be is going to require leadership and involvement from across our entire industry.

Social Innovation = Good Business

The ideas behind social innovation have been finding their way into leading businesses' practices. We see it with our clients every day, from corporations such as Microsoft, NatureWorks, Chevron and (RED) to organizations such as NetHope and Mercy Corps. Our clients know that there isn't just a moral imperative to be responsible corporate citizens, there is real business success to be derived from innovation that delivers social value.

For instance, (RED) was created in 2006 to harness both business power and consumer power in the fight against AIDS in Africa. The goal is simple—to raise awareness and money for the Global Fund by teaming up with the world's biggest brands to produce (PRODUCT) RED-branded products. A portion of the profits from each (PRODUCT) RED item sold goes to the Global Fund to invest in African AIDS programs. The concept is designed to create a sustainable source of funding from the private sector into the Global Fund. Since 2006, (RED) has generated more than $120 million for the Global Fund to invest in AIDS programs in Africa.

What (RED) is doing—along with many others—illustrates at the 30,000-foot level the value of SI. But as an industry, if we expect to be able to genuinely provide guidance to clients and continue to be influential in the various markets we touch, then on top of recognizing the obvious potential presented by social innovation, we also have to make it a part of our own corporate identities.

I have to caution that making the move toward social innovation

isn't easy; it will take long-term commitments in the form of resources and people and, in some cases, a rethinking of some of the basic premises that companies have operated by. But the imperative is clear: We, as an industry, have an obvious opening to make real strides in the years ahead—strides benefiting ourselves, our clients and society.

Operating in a more sustainable, more conscientious, and ultimately more rewarding and profitable way is clearly what's going to be required of every successful business in the 21st century. The question you need to ask is: "How am I going to lead the way to help SI shift realities and drive a new rEvolution in our industry?" **FV**

FIRMVOICE
DEC 17, 2008

Birds of a Feather:
Whether for a Candidate or Client, Campaigns Share Common Approach

By Rick Jasculca, Chairman/CEO, Jasculca/Terman and Associates

At age 61, I have been in the public relations industry for 38 years and in the business of politics—mostly doing strategy, advance and press—for 42 years. Yet, when a young advanceman, fresh off the Obama campaign trail, appeared in my office recently asking how he could translate his skills into our business, I still had a difficult time answering the question.

Yes, there clearly is synergy between political campaigns and public relations—and especially public affairs, which is what our firm does. And, in many respects, we have modeled our firm to operate like a political campaign.

But, it does not necessarily follow that someone in public relations or public affairs will succeed in a political campaign. And, it's definitely not a slam-dunk that a successful political campaign operative, even someone serving as a press secretary, can build a career in a PR or PA firm.

I broke into politics handling press in Adlai Stevenson's 1966 campaign (the son, not the father) for Illinois State Treasurer, then was national press coordinator for Gene McCarthy's presidential run in 1968 (a campaign where I first met a sharp young man named John Podesta, now ably heading up President-Elect Obama's transition), then ended up as Chicago press secretary for Paul Simon, when he was Lt. Governor of Illinois.

However, when I decided to marry the love of my life in 1970, it seemed prudent to seek a career, rather than bouncing from political job to political job. Simon introduced me to Mort Kaplan, a politically savvy, innovative PR genius who owned his own small firm.

I still recall the interview. At the ripe old age of 23, I rambled on for fifteen minutes about my vast campaign and political experience. I quite clearly impressed myself. Mort just looked at me with this bemused expression, then asked, "That's great Rick, but what do you know about PR?" I have no clue what I answered. But I got the job, and pretty much everything I leaned about the PR business came from that wonderful gentleman. I also came to appreciate the correlation between a public relations campaign and a political campaign.

Now, after 12 years doing national and international advance for the Carters and Clintons and 27 wonderful years as CEO of Jasculca-Terman, there are clearly parallels I can draw between political campaigns and public relations/public affairs campaigns:

1. It's all about people. At the end of the day, both professions involve persuading people to do or not do something.

2. Duh! With all of the complex and comprehensive strategies developed for both political and PR campaigns, it is amazing how important plain old common sense is in producing success in both arenas.

3. Winning campaigns result from smart strategies. A campaign can be a beehive of intense activity; but that doesn't mean it's the right activity. Winning campaigns, be they political or public relations, always flow from the development of sound, realistic strategies—strategies that aren't hatched, but rather created by bringing savvy people together who aren't afraid to debate either each other or conventional wisdom.

4. Paint a picture/tell a story. Both political and public relations campaigns demand clarity to succeed. Effective campaigns take difficult or complex issues and find ways, through messaging and events, to tell their story in a way that their targeted audiences can relate to and appreciate. The Obama campaign went with the "change" message day one and stayed with it all two years of their campaign. Their speeches and events, the debates and their ads, their surrogates and website—all supported that central theme.

5. Effectively use technology. I started this business in the Dark Ages, using a battered old Royal manual typewriter. And, even though I'm now chained to a Blackberry and MacAir, I am amazed by how many smart people think "having a website" equals an effective internet strategy. The brilliance with which the Obama campaign creatively utilized internet strategies will forever change the political landscape. At our firm, we have a brilliant, sophisticated Internet/social media team that does nothing but figure out innovative ways to effectively employ the internet to produce successful outcomes for our public affairs clients.

6. Boots on the ground still matter. To me, one of the best parts of the Obama campaign was their ground forces, the extensive field organization that allowed them to win states that Democrats haven't dreamed about for years. Yes, the Obama campaign spent millions on TV advertising, and yes they were internet geniuses; but, you still need to turn out the vote. It is labor intensive, and takes a lot of work to organize, coordinate and direct. But, it produces results.

And, it is also the approach we use in public affairs campaigns—heavy duty direct outreach, by phone or in person. Effective campaigns—political or PR—aren't about either media or Internet or outreach, but rather about utilizing all three in a synergistic way to influence, to motivate, to mobilize.

7. Momentum matters. One of my favorite sayings here at JT is "trouble fills a void." It's true in political campaigns and equally accurate in public relations campaigns. It is vital to build and sustain energy throughout campaigns—and not have peaks and valleys. It's notable that the one and only time that the Obama campaign seemed off balance was right after McCain selected Palin and during the Republican Convention. Once they got the Big Mo going again, they never looked back.

8. Never confuse effort with results. Most everybody

works very hard, very long hours, in a campaign. But, whether it's for a candidate or a client, a campaign is an end sum game—you either win or you lose. **FV**

Rick Jasculca is Chairman/CEO of Jasculca/Terman and Associates, a Chicago-based independent strategic communications firm that specializes in public affairs, event development and management, as well as creative and interactive services. He served as an aide doing national and international advance for Presidents Carter and Clinton.

FIRMVOICE
DEC 17, 2008

Forecasting 2009:
Global Trends and Opportunities PR Agencies Must Watch to Survive a "Rollercoaster" Year

PAUL TAAFFE
CHAIRMAN & CEO
HILL & KNOWLTON

Paul Taaffe, chairman and CEO, Hill & Knowlton, has spent more than 20 years consulting on transnational communications. Before assuming his current position, he was president of Hill and Knowlton in Europe, Middle East and Africa, and before that, *chief executive* of Hill and Knowlton *UK*. So when we wanted some insights into global PR and looming market conditions that may impact agencies across the board, he was a prime candidate.

He spoke with *The Firm Voice* about the impact of the recession, the green revolution and digital media on global PR—and about the top trends, opportunities and challenges agencies will likely see in the year ahead:

This spring, the International Communications Consultancy Organisation issued a report calling 2007 "The Best Year Ever for Public Relations." How will 2008 compare?

2007 *was* the best year ever; for Hill & Knowlton, *2008* will be the best year. But 2009, across Hill & Knowlton and the industry, certainly looks reduced. The principal reason is the economy. In fact, there are *other* factors that favor public relations. I still anticipate that growth will be available in 2009, but it will be vastly reduced. What I *do* think is that growth for public relations will still be more than it is for any other marketing service. Several factors drive that:

- The value-for-money equation is increasingly becoming obvious.
- As public relations increasingly embraces digital media, the measurement capability is more becoming more obvious.
- Chief marketing officers, in particular, are increasingly looking at how they go to market, and they're taking risks. Public relations seems to be one of the winners.

I think public relations in 2009 will see declining growth, but it will still see growth. It is quite possible there will be increased share within marketing services.

Why do you think we'll see an increased share in marketing?

The efficiency of some of the other marketing approaches is being much more openly questioned. Broadly—and this isn't a knock on advertising—advertising is becoming more expensive and less effective at reaching audiences. There are always exceptions, and advertising is still very relevant to the marketing mix.

As U.S. PR agencies continue to "go global," what are some of the challenges and pitfalls?

Most of the big ones are fairly global. There's a question of how many can actually survive. It's very clear the U.S. will be most affected by recession. That means large global agencies with primary revenues in the U.S. will struggle more than other agencies.

What will be the fallout?

I don't know. I worry that some agencies will prematurely cut staffing. That would be a mistake. Good talent is good talent, regardless of the economic cycle. I suspect that vital new marketplaces will be abandoned by some of these large companies. That would also be a mistake.

How do social and digital media fit into the picture of global PR?

You'll see a dramatic increase in the vitality and importance of digital—and particularly social—media. My sense is that brands will need to be more comfortable with conversations rather than broadcasts. Those in the public relations industry who are equipped to deal with it will do well.

How well have PR agencies mastered social media?

You know, I think none of them has. Public relations is the most sophisticated of all marketing services, so it's all relative. But none has

- definitive issues around measurement
- definitive issues around impact
- definitive issues around engagement

I *do* think PR companies—used to uncertainty and lack of control—are far more advanced. Broadcast media is less relevant and earned media is becoming more important, and public relations has a core competency around driving earned media rather than broadcasting it.

Looking back over the current year, what were the biggest stories in global PR?

They were: 1.) Obama—and the use of online grassroots, 2.) the recession, and 3.) the green agenda. Those three issues are driving a lot of changes in the behaviors of governments and other organizations around the world.

What do you expect to be the major PR trends and stories of 2009?

The recession and the global downturn will be the dominant ones. But I don't think that the green message will leave. It's still central policy for a lot of politicians around the world. The environmental agenda will continue to be a top concern, especially

because of the 2009 Copenhagen climate conference.

You will see bifurcation of marketplace. Clients will move toward quality (that would be senior teams) and clients will move toward price (that would be the junior teams). The middle market will get crunched.

You'll see increasing tariff barriers and world-trade issues as more protectionism comes along. You'll see a number of foreign companies investing in United States. This will be a test for U.S.-based public relations firms, to culturally deal with non-U.S. managers.

I also think you will see an ongoing trend of non-PR buyers looking for support, but not knowing to come to PR for services. Increasingly, some of those purchasing decisions will be coming from the head of HR, the general counsel, general manager of U.S. operations—those kinds of people.

Overall, I think 2009 will be a rollercoaster year. There will be some public relations companies that do very well because they anticipate these changes, and some will do very badly if they cling to what has been traditional for them. **FV**

Roxanna Guilford-Blake

FIRMVOICE
NOV 19, 2008

Creating the Ties that Bind:
Making Telecommuting Work for Your Agency

MINDY S. GIKAS
MANAGING DIRECTOR, HUMAN RESOURCES
OGILVY PUBLIC RELATIONS WORLDWIDE

MARY BETH MURPHY
SVP, HUMAN RESOURCES
MARINA MAHER COMMUNICATIONS

RACHEL WALLINS
SVP, DIRECTOR, GLOBAL TALENT MANAGEMENT
KETCHUM

Telecommuting isn't a new concept, but as technology advances and employees place a higher premium on work/life balance, it's become more commonplace. But it's not as simple as having an employee go home and log on. Assessing productivity, avoiding the perception of favoritism, maintaining collegiality — all are factors to consider.

Compounding these challenges is that each agency manages the arrangement differently. So how do you make it work at your firm? *The Firm Voice* consulted leaders at three member agencies to find out how they have made telecommuting work.

Reasons abound to allow — or even encourage — telecommuting, but each firm has its own distinctive approach; their lessons can help you make the approach you choose work for your firm.

Deciding who should work remotely: Consider the person and the role

The ideal telecommuter is a disciplined and competent self-starter — no surprise there. Other considerations may be less obvious.

For instance, says Mindy S. Gikas, managing director, human resources, at Ogilvy Public Relations Worldwide, individual contributors tend to be better suited for telecommuting than those that tend to rely on a team.

Gikas notes there is a popular misconception: A supervisor cannot be a telecommuter because effective supervision must be on-site and face-to-face. But if the supervisor is truly accessible to staff and makes it a point to spend regular quality time with them, it can work, she says.

On the other hand, Marina Maher Communications prefers that account team leaders don't telecommute. "We've found that telecommuting is best suited for those in less traditional roles, which may include any internal or specialty functions," explains Mary Beth Murphy, senior vice president, human resources, at the firm. "We feel team leaders should be on premises to lead, manage, and inspire their teams to do great work for their clients."

Gikas finds that telecommuting is not well suited to those who are "more junior" in their careers. These employees benefit by having immediate access to supervision and "the collaborative energy that helps keep them focused on getting work done," she explains, adding that these staffers benefit by learning through osmosis — soaking up knowledge and experience by hearing others' performing their roles, and by participating in face-to-face meetings.

For Rachel Wallins, senior vice president, and director, global talent management, at Ketchum, much depends on the individual. But some positions will never be suited to telecommuting. That's up to each agency to decide. Whatever you decide, she says, you need to make it clear in the job description – and continue to communicate it to ensure that there is no confusion about where telecommuting won't work.

And that's where a written policy comes into play.

Establish a policy

One thing all three agree on is the importance of clarifying your firm's policy on telecommuting. "You must define the policy clearly and make it part of your agency's policies and procedure manual. If you only handle it on a case-by-case basis, then other employees may interpret this as favoritism," counsels Murphy. To this end, MMC has set up the following conditions for approval:

- The job can be done during non-traditional hours and/or in a non-traditional location.
- The employee has demonstrated the personal characteristics required, including but not limited to high motivation, the ability to work independently with minimal supervision, and a track record of being a high performer at the job. "It really helps that the employee has already established relationships in the office."
- The employee will be available to communicate with clients, MMC management, and co-workers as needed.
- The arrangement may be terminated by MMC at any time, Murphy adds.

Wallins, too, calls for a comprehensive, fair, and clear policy that:

- sets boundaries (i.e., not allowing telecommuting to serve as a replacement for childcare).
- provides guidelines around any financial support for work-at-home employees (i.e., paying a stipend for an employee's Internet access or fax machine).
- establishes performance standards.

Gikas counsels that rules may need to be personalized based on the employee, his or her role, and the supervisor. But she, too, agrees: Clear communication of the telecommuting guidelines are essential. It's crucial to outline expectations related to

- accessibility
- work hours
- deadlines
- delivery of work product

Regular feedback (about what is working and what isn't) and dialogue between the employee and the supervisor is critical to a successful telecommuting program, says Gikas.

Standards also help dispel stereotypes. "I think the most common challenge is the perception that the employee is not working; that they are watching TV or running errands or playing with their children," says Wallins. "Ensuring telecommuting employees have agreed-upon performance standards, such as attending all staff meetings and being reachable from 8:30 to 5:30 each day, for example, can help to mitigate these concerns."

One of the biggest challenges is "a lack of trust that the telecommuting employee is actually working while home and producing the required deliverables," agrees Gikas. "In certain instances, we've required the employee to provide daily status reports on work in progress." Other times, "regular conversations with supervisors has helped build trust that the work is getting done."

Include face time

Another way to overcome some of telecommuting's inherent challenges is to bring the employee back to the office periodically.

Wallins warns that employees who telecommute more than half the time can end up feeling disengaged. "Not being able to pop into someone's office to ask questions or grab lunch to catch up can cause an employee to feel disconnected." Visiting the office at least once every few weeks can help mitigate these problems.

Gikas, too, stresses the social aspect. Regular visits — even if they are only monthly or quarterly — enable the telecommuter to develop/maintain strong relationships with colleagues.

MCC requires telecommuters to spend at least one week per month in the office. "That ensures our agency sense of community is intact and face-to-face communication is still optimal," says Murphy.

Invest in the necessary technology

Employees outside the office need to communicate with each other — and with those on the mother ship. The agency needs to provide tools that allow them to do so.

"Ensuring that employees who telecommute are working closely with their teams — by investing in video conferencing or Skype-type Web conferencing — can also help increase the effectiveness of a telecommuter's relationship with his or her team," says Wallins.

BlackBerrys and programs like GoToMyPC are important, too, Murphy adds. And don't forget about such aspects as server capacity. Your agency infrastructure must support these arrangements. "You must have the technology and IT support in order for the program to work."

Most important, make sure you understand the big picture

Increasingly, employees rank work/life balance, flex scheduling, etc., as the benefits they most value; thus, it's increasingly important to be able to offer the opportunity, says Murphy. And it's not just Gen Y: "Our two most successful telecommuter examples sprang from employees who needed to help aging parents."

She adds that agencies need to think beyond traditional telecommuting into the broader category of "work arrangements. That can include work-at-home /telecommuting, flextime, and part-time work arrangements."

Organizations, across industry types, are increasingly moving in this direction, and not only to attract and retain employees.

"First, with many companies becoming increasingly globalized, having an individual on staff who works a flex schedule, say 3 p.m. to 11 p.m. from a home office, can be very beneficial to a company, because that employee will be able to work in sync with colleagues or clients in Asian markets," Wallins says.

"Second, with space in some offices at a premium, supporting telecommuting employees can be a way for businesses to save on rent, electricity, and other physical costs. This way, telecommuting not only benefits employees, but can positively impact the company's bottom line." **FV**

FIRMVOICE
NOV 5, 2008

Presidential PR:
What's Next for the New Administration, Government Agencies and PR Firms?

By Jim Clarke, SVP, Public Policy, American Society of Association Executives

Regardless of who won the election yesterday, the transition from candidate to 44th President of the United States will be harried at best. New presidents have just three months to make cabinet and other political appointments; draft a first 100 days agenda; reach out to Congress, world leaders and others; and decide which campaign promises to push first.

These decisions will be crucial to defining the new Administration and its overarching messages. But much of this work may take a back seat to addressing the most precarious economy since the Great Depression. A recent USA Today/Gallup poll had 44 percent of Americans agreeing that the new president faces the most serious challenges of anyone in his position over the last 50 years.

Former Clinton White House Chief of Staff Leon Panetta told *USA Today* that this incoming president "is going to face a set of crises that no president has had to face in modern times."

Without predicting the future, it is safe to assume this unprecedented, volatile environment will greatly influence the messaging strategy of the new Administration. It is also reasonable to expect that the traditional "honeymoon" period for any new president could be significantly shorter, depending on whether the current economic crisis and associated problems in the housing and stock markets worsen in the coming months.

Certainly, increasing numbers of layoffs, rising unemployment, contractions in the availability of credit, and threats to retirement funds make for an impatient populace and hasten the need for resolute, confident decision-making and clear communications from the White House.

It is also safe to assume the new Administration will want to establish a tone that is markedly different from the Bush White House, which has been mired in record-low public approval ratings for some time. Where President Bush and his cabinet were frequently distrusting and tight-lipped with the press, it's likely the new Administration will at least initially seek to use the "honeymoon" (however short it may be) to help build public confidence in the Administration's agenda and in its leadership.

It may be a continuation of the strategies we saw on the campaign trail, where both candidates in their own way purported to speak directly to the people, eschewing spin for "straight talk."

The new Administration will doubtless enjoy better relations with Congress from the outset, but it will also look to project honesty and accountability with the public, particularly as it works to allay doubts about its experience and ability to lift the country out of the current economic crisis.

During the transition, we can expect that each agency in the new Administration will be looking at its program of work and assessing what it needs by way of public relations. Every agency has its own needs and priorities, but the White House will want consistency in its messaging.

Again, though, current events and conditions will likely dictate the new Administration's first steps, just as President Bush's first year in office was defined by the terrorist attacks of 9/11. We can hope the new Administration is able to work on more mundane issues, because it will mean the more urgent crises impacting the country have been brought under control. **FV**

Jim Clarke, CAE, is senior vice president of public policy for the American Society of Association Executives (ASAE), Washington, DC.

FIRMVOICE
OCT 15, 2008

Standing Firm amid Hurricanes and Worse:
How to Stay Operational While Blowing in the Wind

By Helen Vollmer, CEO, VOLLMER, and Christine Barney, CEO, rbb Public Relations

HELEN VOLLMER
CEO
VOLLMER

CHRISTINE BARNEY
CEO
RBB PUBLIC RELATIONS

As we near mid-October and the rest of the country looks forward to cooler days, those of us who live along the waters of the Atlantic and the Gulf Coast are still mired in the heart of hurricane season. The last several years have seen almost a dozen of these monsters wash across our shores. As recent survivors of Hurricanes Ike and Gustav, we know firsthand that being prepared and communicating often and openly with employees, clients and vendors are the keys to staying operational and functional in even the worse case scenarios.

Of course, it's not just hurricanes we all need to be prepared for—tornadoes, floods, ice storms, health epidemics and the threat of terrorist attacks are just a few more things to keep many of us up at night. As a guide to those whose emergency plans may need a bit of tweaking, we offer the following lessons learned:

Plan ahead. Put your disaster planning policies in writing and make sure everyone in your agency knows the drill. Have a disaster planning section on your intranet ready to serve as communication central. Update phone trees, responsibilities and procedures every year. When it comes to phone trees, apply ICE. All employees should have a form on file listing the name and numbers of someone to call, preferably in a different city, that they will be in contact with in case of an emergency. Lastly, business interruption insurance and appropriate "contents" insurance are a must have.

Go co-lo. Even small businesses can now afford co-location. For a monthly charge of as low as $500, you can have a totally redundant network ready to go at the flip of a switch. These "bunker" facilities located throughout the country guarantee your network is safe. And, if you use an IP phone system, your calls are routed to voice mails or forwarded to a new number with ease. When the crisis is over, the information is transferred back to your home server with nothing lost.

If you don't co-lo, get computer files out of harm's way. Run a complete back up of your files, make multiple copies and send to other offices within your jurisdiction, to colleagues within the industry you trust as well as for yourself and IT staff.

Can you hear me now? Determine the best means for disseminating and receiving information to and from staff, clients, etc. Both, land lines and cell phones are problematic during disasters. In Hurricane Wilma, cell tower battery backups expired long before the power came back on making cell phones useless and floods damaged land lines leaving many completely cut off. If you can forward the phones to a different city where a live body will answer, then do so. Set up emergency text messaging with a vendor in another city (high volume of cell phone usage means text messages transmit best).

Where's the money? Since you don't know how long your business might be interrupted, you'll need to decide on a payroll policy. You can give advance instructions to your payroll agent to use the last payroll instructions if they don't hear from you. Ensuring financial security to your employees is crucial during a crisis. At the same time, hard decisions about how long you may be willing to advance payroll need to be made.

Redecorate before you leave. When a disaster is about to strike, make sure you and your staff move important items and equipment to windowless rooms. The same thing goes for personal items, art work and furniture that can act as projectiles when windows crash and winds blow.

Post disaster, flexibility is the word of the day. Working virtually is the best way to stay productive once a disaster has passed. In fact, chances are that either officials won't let you back into the office, or your staff can't make it back in because they've run out of gas. Relax dress codes to account for uncomfortably hot work environments and lack of laundry facilities.

Be patient. Living through the aftermath is incredibly stressful. Remind yourself and others around you to take a "one day at a time" stance. Making unrealistic demands in a time when the unknown is all you can count on, adds only to the stress level not to billable hours in what will probably not be your best month in business anyway. And, as a leader in your operation, remember that keeping a positive outlook and a "let's move forward" attitude is critical during a time when everyone around you believes their world is falling apart.

Those of us who have had to deal with operating a business during and after Mother Nature reminds us of her power, find that disasters absolutely do bring out the best in people. Your staff will bind together in new and creative ways to get tasks accomplished and be there for each other. Clients, especially local ones whose own priorities and deadlines get shifted as well, are incredibly flexible, generous and understanding. And remember that first and foremost, the reason you are in this business is because you have great skills as a communicator and as a problem solver. **FV**

Helen Vollmer is CEO of Vollmer, and Christine Barney is CEO of rbb Public Relations. Both agencies are members of the Council of PR Firms, and Converge, a national network consisting of eight mid-sized PR firms.

FIRMVOICE
OCT 8, 2008

Presidential PR: Obama, McCain Campaigns Can Teach Agencies Discipline

DAVID A. FUSCUS
CEO
XENOPHON STRATEGIES

Let's face it: Pigs, lipstick, Palin, bipartisan market bailouts, presidential debates and, well, anything political owns the news hole right now—pushing client announcements, campaigns, news and so on below the fold, digital or otherwise. Fact is, with the election nearing, this is not the best of times for a major media rollout—not if you hope to earn the coverage, attention and buzz your clients deserve. So instead of fighting the political groundswell, roll with it, advises David A. Fuscus, CEO of Xenophon Strategies, which specializes in public affairs, crisis communications and governmental affairs.

His take is there's plenty PR practitioners—political animals or otherwise—can learn from both presidential campaigns (and how the media covers them), if they'll take the time to observe and analyze the race over the next few weeks.

Fuscus should know. In addition to his previous work as VP of communications for the Air Transport Association, he was also deputy chief of staff to Pennsylvania Governor Tom Ridge, who later served under President George W. Bush as secretary of the Department of Homeland Security. Prior to that, he spent nine years working in Congress as director of public affairs for the House Transportation and Infrastructure Committee and as deputy chief of staff and press secretary to Representative William F. Clinger (R-Pa.). In addition, Fuscus has managed numerous political campaigns and continues to serve as an informal adviser to several leading national politicians.

So what, exactly, are we to take from the presidential race and reportage—and how, exactly, can we apply it to our firms? We pressed Fuscus for the details here:

How do you communicate confidence in times of turmoil—like what we're seeing with the Wall Street meltdown and bailout?

There is really only one effective way to do it—and that is to communicate through action. You have to take definitive actions addressing the situation head-on. This goes far beyond coming out with plans and developing key messages. That said, you do, of course, want to make sure you build effective key messages around the action.

Can you give an example of communicating through action?

On September 23, John McCain suspended his campaign and called for a leadership summit to address the ongoing financial crisis. I'm sure he was motivated to do it in part because he was slipping in the polls since the crisis blew up. But generally speaking, he was communicating a message that said, "I am taking direct leadership action to address this problem."

How risky was that move by McCain—and was it effective, really?

It was quite an unconventional move. I've been associated with the Washington campaign community for a long time—and after he did that, we political junkies were on the phone and everybody thought it was unconventional and risky. But it represented an understanding that if they want to win this election, they have to undertake some game changing, high risk moves. Picking Palin was the first example. That was surely a high risk action that paid off — and I think this is another example of an unconventional move by McCain that was effective.

How is this relevant to agencies and PR people not in politics?

Emphasizing action over messaging is important in communications overall—not just in politics. It depends on the situation, but messages have to be built around your actions and not the other way around. For example, you have to take definitive action in the consumer field if something happens that will result in a loss of confidence. Take ConAgra (not a client). They had a major beef recall about three years ago. To ensure confidence, they went beyond and recalled much more product than was expected. That's real leadership.

How much of a response like that is actually driven by PR?

In any of these high risk situations, the decisions are made by a team of people that includes leadership, legal and the communications team. PR certainly has a seat at the table these days, if that's the question. I know that has changed, because I see it every day. We work on a lot of major news stories with clients and a lot of very big crisis stories. Communications always has seat at table.

What happens when it doesn't have that seat?

What happens are direct, negative consequences for the firms. For example, Firestone made the decision not to engage with the media years ago during the Firestone recall involving their tires on Ford Explorers. They didn't want to put themselves in a worse position for litigation. So, the lawyers ran that. Then Ford made the conscious decision to engage and define it as a tire problem. Ford carpet-bombed Firestone on it. In the end, Firestone was right: Sure, they were in better position regarding litigation. But the brand was in tatters and Firestone sales to this day are likely less than would have been the case otherwise. Conversely, Ford came out successfully by defining it as a tire problem.

How do you think communications were handled after the Los Angeles Metrolink crash?

It was the most ham-handed handling of a crisis I've ever witnessed. The PR person should have been fired (she resigned). They had no knowledge of NTSB (National Transportation

Safety Board) rules and procedures, for starters. And before anybody knew what was going on, she came out and admitted Metrolink's culpability—so the problem was already defined before a thorough vetting of the facts, and before NTSB got involved in the investigation.

I followed this closely, because I was the chair that helped write the rules and procedures for interaction with the NTSB in the mid-1990s. Based on that background, I can say that everybody should have a basic understanding of what the investigatory rules are around something like this—that's just doing your basic crisis communications homework.

In this case, the appropriate course of action—versus messaging—would have been something along the lines of full cooperation with NTSB, and showing commitment to the safety of passengers. For example, they could have announced at some point a total review of safety procedures, while also remaining open and transparent. That would have been an example of *responsible*, immediate action.

What can PR agencies learn from the communication styles of the two presidential camps?

Answering that is a tall order. Here's why: Political campaigns are unique animals in the way they are covered by the American media. First of all, a lot of agencies engage in activities to generate press. That's what we do. But that's not necessarily what a presidential campaign is about. It's instead about engaging in *news management*. There are so many journalistic resources applied to covering a campaign that your job is to have that news coverage come out as favorably as possible—and to be able to drive the news coverage with the messages of your campaign.

Fair enough—then which presidential campaign is better at news management?

The Obama campaign has done a good job of communicating the excitement and hopes a lot of Americans place in Obama. Everybody knows his supporters have that level of passion and hope for change. That message is coming across beautifully. On the negative side, the Obama campaign hasn't been particularly effective in handling negative news stories. Early stories about the senator's previous drug use and so on came out during the primaries and they just weren't effective at tapping those down. Similarly, they Reverend Wright story just went on and on and on. It did some real damage. He should have broken with the reverend much earlier—but that's just hindsight.

The McCain campaign has twice recently taken famous actions to drive the media and story—and to put the Obama campaign in a defensive position. The selection of Palin is an example. It was a week before the Obama campaign even figured out how to deal with that, and they still haven't managed it very well. The second action, as mentioned is McCain's suspension of the campaign to deal with economic issues. Those bold moves focus on his leadership, and both were very adroitly done. On the negative side, they frequently will not fully address negative issues in a way that puts them to rest quickly. An example would be when the media started covering Palin and the Bridge to Nowhere statements. There were five days to a week of news stories on how they were disingenuous about that issue in their messaging and ads. That eroded a widely held opinion that McCain was an honest straight shooter. They should have addressed that more quickly.

Those critiques aside, I want to say that I have been involved in or closely followed every presidential campaign for the last couple of decades—and the communications efforts on both sides this time around are the best I've ever seen.

What final lessons can agencies glean from this political season?

Don't use campaigns as role models for communications—because what campaigns and agencies do is fundamentally different. They're different playing fields. Even if you're in an agency and you're dealing with news management, it won't come to within a fraction of the coverage a presidential campaign receives.

However, there are elements of what's going on in the political season that can be useful. One example is the way campaigns move quickly and decisively to address issues. The best campaigns are about breaking a news cycle down to move on to other issues or to give their own issues legs. So my advice is to study this as a PR person. Recognize when you need to move quickly, and then have the fortitude to act quickly. That means convincing folks on the client side to move quickly—even if you have conservative CEO or legal departments standing in the way.

Another example is finding the touch points for your public and then finding simple messages to support that. Presidential campaigns are very good at identifying simple messages that touch us as individuals, not just as a society. That's powerful. For example, this financial crisis affects you, me, my mom, my dad and my kids. Check out your 401k from work and it's suddenly personal.

But there are also things to avoid from the campaigns. Don't make them your model of effective communications, but instead study the takeaways like message discipline and decisive action. Taking those pieces and working them into your daily work for clients can be very beneficial. **FV**

Brian Pittman

FIRMVOICE
SEPT 24, 2008

Preventing People Poaching: Lateral Hiring Among Agencies—and How to Stop It

MARINA MAHER
PRESIDENT
MARINA MAHER COMMUNICATIONS

TOM COYNE
PRESIDENT
COYNE PR

TIMOTHY M. GARDNER
ASSOCIATE PROFESSOR OF MANAGEMENT
OWEN GRADUATE SCHOOL OF BUSINESS
VANDERBILT UNIVERSITY

DEBORAH LEVY
VP OF TALENT RECRUITMENT
MANNING SELVAGE & LEE

KEN JACOBS
PRINCIPAL
JACOBS COMMUNICATIONS CONSULTING

MICHAEL LASKY
DAVIS & GILBERT

For many firms, poaching of key staff is a very real problem—one that not only threatens any given agency's number one asset and talent base, but which also can create animosity between firms, and ultimately hurt the industry as a whole. Despite this, not many in communications are willing to discuss the practice—much less offer practical, defensive guidelines for preventing it.

Coined "lateral hiring" in HR circles, poaching "is the reality of a competitive industry like PR where in 2008 we are seeing an increase in the amount of new business prospects and a shortage of qualified talent," confirms **Marina Maher**, president of **Marina Maher Communications**. "Everyone is desperate for good talent. For example, I just came back from the Worldcom PR Group Americas Region meeting with over 80 firms—and everyone talked about the search for talent," she says.

So how are the most successful agencies coping with this threat? What managerial—and legal steps—can you take to protect your agency's greatest asset from competitors? What are the procedures and systems that successful agencies use to retain the best in the business? How do the great agencies keep their outstanding performers year in and year out? We asked your peers for their answers to these and other pressing questions—and finally broke the silence surrounding this touchy topic. Here's their advice:

1. Take the blinders off—analyze retention rates. "Poaching happens every day. From entry to senior levels, staff gets called by recruiters and HR people at other agencies every day," says **Tom Coyne**, president, **Coyne PR**. "There's a real shortage of talent in PR. There is a lot of churn, and it's driven by a confluence of things, including: a 'grass is greener' mentality, high levels of burnout because it's 24/7 and agencies thinking they can create an instant culture by taking people from other shops."

"National surveys from a variety of sources suggest that forty to eighty percent of people that change jobs without an intervening spell of unemployment did no job search prior to making the move. A big portion of these were the result of poaching," says **Timothy M. Gardner**, associate professor of Management (Organization Studies) at the Owen Graduate School of Business at **Vanderbilt University**, who is currently working on a research study on poaching and teaches an MBA elective class on the practice and ethics of lateral hiring.

Once you recognize this reality, believes Coyne, "You can work toward keeping your best people by focusing on retention rates. My retention rate, for example, is 92 percent. And over ten years, I've lost less than ten people to other agencies. In fact, if someone gets an offer, I always say 'Listen to it and take it if it's good.' Why? Because I believe we have built a culture where people feel valued here and I'm not afraid to lose those who don't fit into it."

2. Begin at the beginning—start by hiring the right people. Deborah Levy, vice president of talent recruitment at **Manning Selvage & Lee**, agrees with Coyne's insistence on ensuring a cultural fit with hires: "A part of the hiring process—and one that allows agencies to differentiate themselves and engage the best possible talent—is to match their business needs."

In other words: Your best defense against poachers is making sure you have the right people on board when you first hire them. "We are really attuned to hiring people who are the right cultural fit," elaborates Maher. "Even the smartest person will never work out if it's not a good cultural fit. So, keeping the best talent starts with hiring the best talent—both experienced and entry level hires. We always look to hire smart talent, diverse skill sets and those with the greatest potential—not the person doing the job next door."

Agencies never get to poach the very best talent, not if you're taking care of them," according to Coyne.

3. Recognize non-traditional threats—poaching often comes from the client side. "PR people often get offered jobs from clients—it happens a lot," says Coyne. "While there's not a lot you can do about that, it's worth being aware of. In addition, I recommend an 'attitude of gratitude' if this happens to you. All it has done is grow my business, because I've treated them right and helped them grow their career. Now that they're on the inside at a client company, business often comes back."

4. Career path employees—give them a stake in your shared futures. So how do you ensure you're "taking care" of your best and brightest, as Coyne puts it? "The answer is to think career paths—show your employees the next step so they don't have to go wandering to find it. Start with your reviews process. Don't just review against their current job title—build in goals that work against any of their weaknesses to get them to the next level. Include goals for advancement training and show how those items fit into the next job up," he says.

"Train them and pay them to be trained. In my case, I make vice presidents. That's what I do at my firm," Coyne says. "I don't care if they end up vice presidents here or elsewhere—I want my people to know I'm growing their careers."

5. Evaluate your agency culture against common factors for high retention. "A great employer relationship is like a happy marriage," continues Coyne. "If you're dedicated to the person the other end and you do certain things every day to show that, that's the bond that will keep the person there when others knock."

Ken Jacobs, principal at **Jacobs Communications Consulting**, a firm that helps agencies with staff performance

and retention, agrees: "In my view, keeping staff from being poached is about keeping them happy." He thinks this is driven by the following seven critical factors:

- Management that listens (e.g., surveys, one-on-one meetings, suggestion boxes)
- Regular communications and feedback (e.g., reviews, thank you notes, good news alerts)
- Involved staff (e.g., employees working on the business, not just in it)
- Competitive compensation (incl. benefits tailored to generational preferences)
- Clear agency vision (e.g., leadership, vision and values employees can buy into)
- Training (i.e., millennials expect it as a point of entry)
- Workplace fun (i.e., teamwork and friendship builds community and stems poaching)

Levy agrees: "Listening to what your employees need and want is key," she says. "What do they think they need to continue growing and learning and how can we deliver it to them? What are their greatest interests and areas of expertise? Always offering employees a wealth of opportunities to grow as professionals in an environment that supports this growth will give them little reason to pursue jobs at another agency."

6. Build a protective legal matrix. "In today's competitive business environment, it's more imperative to make sure you're proactive. That includes speaking with counsel and understanding the key concepts that can work together in a sort of legal defensive matrix," says Michael Lasky, Davis & Gilbert. These can include:

- Non-competition agreements. These are designed to prevent a departing employee from working for a competitor or in a competitive business for a period of time after he or she departs from the company. It is an industry-based restriction and represents a rather tight set of "handcuffs," Lasky reports.
- Customer- or client-based restrictions (restrictive covenants). These are provisions that restrict the departing executive, for a period of time, from servicing customers or clients that he or she personally rendered services to during the period of employment, according to Lasky.
- Non-raiding provisions. These prohibit the departing employee from hiring or assisting in hiring another employee of the former employer. The goal is to prevent compounding the harm that the departure of a subsequent employee or worse yet, a group of co-workers, might cause to a company.
- Benefit forfeitures and protections. Many companies are updating their long-term incentive or stock-option plans to include forfeitures in the event the former employee violates some requirement of the original contract of employment or a severance agreement executed in connection with the employee's departure, Lasky offers.

7. If all else fails, let go—poached stars often underperform. "Competing agencies practice what we call 'pounding the wound' to poach talent. They'll find out what bothers prospects about their current jobs, and then continually emphasize those problems and how they don't exist at the new firm," Gardner says. "But for that to happen, they have to first be talking to employees who aren't happy where they are." His point: "If it's not a great fit, they'll be looking anyway. That's when competitors move in."

The good news in all this for agencies is this: "The best research suggests that stars dramatically underperform once they leave their home firm," Gardner says. "People are productive due to their teams, co-workers and organizational contexts. So, while it's a hit to lose a good employee, chances are the new company will have overpaid for their services." **FV**

Brian Pittman

FIRMVOICE
SEPT 24, 2008

We need Servant Leaders, Not Senior Leaders:
Six Ways to Maintain Executive Level Involvement in Accounts

By Patrice Tanaka, Co-Chair, Chief Creative Officer, whatcanbe Ambassador, CRT/tanaka

It's a fine balancing act to maintain senior level involvement in accounts—which clients expect at varying degrees—without overshadowing and disempowering account team leaders. I know I haven't always been as graceful or effective in this regard as I would have liked. But over the years, I have found the following approaches to be effective in both positioning and supporting account leaders as the "hero" to their clients while maintaining senior level visibility with clients:

1. Communicate with your account team leaders exactly how you would like to be involved with their clients. This includes participating in program development, being kept in the loop on major client and account developments, attending key client meetings, etc. I've found it helps to clearly communicate your expectations upfront to account team leaders about how you want to be involved with clients, explaining, if necessary, that it's not because you don't trust their judgment, but that it's simply good business practice for senior agency executives to remain in close contact with clients.

I would elaborate by saying that you and the account leader share the same goal, i.e., to keep and grow client business by making sure that the full resources of the agency are being deployed to deliver success for clients and that you, personally, are committed to helping them succeed for the agency and for their clients.

2. Offer yourself as a resource to the account team to help them deliver better work than they could do without your involvement. Over the years, I've done a lot of behind-the-scenes work in brainstorming, writing and editing plans and other documents that are sent out under the signature of account team leaders and their teammates. When clients have responded with praise, this has helped to build their confidence in the agency, their account team and in individual team members. This makes everyone look good, especially you for having the good sense to hire talented people and to trust them to do great work for clients.

Often your account service folks—especially smart managers—will let their clients know that senior management is involved in their account through your behind-the-scenes support and championing of the team and, by extension, the client. This type of servant-leadership approach characterizes how our management team here strives to support employees.

3. Assist account team leaders and members in preparing for important client meetings. This can be done in the same way we prep clients with media training to help them successfully handle media interviews and communicate key messages, while gracefully handling difficult questions. As we know, the best way for account executives to learn and grow into strong account managers is by successfully handling challenging clients and accounts. We can help them to succeed by coaching them on how to counsel clients, including engaging in "role playing" so they can learn to think on their feet in developing cogent responses to difficult questions that might be asked of them.

4. Handle and communicate key account team changes to the client. Senior agency management can use these opportunities to communicate key account staffing changes to the client while reassuring them the agency will do whatever it takes to ensure that servicing of their account does not suffer. Once a key replacement is in place, it is a great opportunity for senior management to continue communicating with the client to ensure that the transition has gone smoothly and that the client feels well looked after, especially during this critical period.

5. Create opportunities to engage with clients. This includes leading or participating in semi-annual or annual client-agency evaluations, getting involved in planning meetings, attending major client presentations, hosting a celebration of an account team victory to which you invite their clients, sending books or articles that a client may be interested in reading for personal or professional edification, inviting clients to industry or other professional development events and celebratory events spotlighting the agency or agency leader. Celebratory events of this nature are, in fact, very reinforcing of a client's decision to hire and work with their chosen agency.

6. Take every opportunity to help people succeed and brag about them to clients and colleagues. There's nothing more reassuring for clients than to know their account people are "stars" and highly regarded by agency management. Again, this is a win-win-win situation—good for the employee, their clients and the agency. Employees who are treated as valuable talent by agency management whose expectation is that they will do great work usually rise to the occasion.

Overall, the most valuable role that senior leaders can play in fostering strong client-agency relationships is to make sure accounts are serviced by teams with the right talent and experience for the assignment—and that these teams have the proper resources and support to deliver great work. Getting these fundamentals right is usually the most effective way to position the agency and senior management as being committed to serving the best interest of their clients.

FIRMVOICE
SEPT 17, 2008

Flat Is Beautiful:
Why an "Army of Entrepreneurs" Agency Model Is Now Essential

By Jennifer Prosek, CEO, Cubitt Jacobs & Prosek Communications

When my daughter was born in 2007, I was overjoyed and terrified. Of course, I was nervous about being a first-time mom. But what really scared me was the possibility that the company I had spent ten years building might sputter, shrink and fail if I diverted my focus, even for an instant. I wasn't one hundred percent sure my management team could fill my shoes. I knew, in some respects, this was the moment of truth.

As it happened, my concerns were unfounded. Just over a year later, I am celebrating my daughter's first birthday and another year of double-digit growth. But what I am really celebrating is the fact that I have built a true management team, capable of running a sustainable business versus an owner-led practice.

The outcome could have been very different. As we grew from fewer than a dozen people in one office to 75 professionals on two continents, we struggled with a problem common to most small and mid-sized firms: How do you create effective management when you are constantly consumed with client and employee needs and the myriad other details of running a business?

As the company expanded, we had our fair share of growing pains and management missteps. We made some senior hires who looked good on paper but were disappointing in practice. Our infrastructure could not always handle our growth spurts and our hiring for entry-level and junior staff was uneven.

But gradually and mostly organically, we developed an organizational and management structure that filled three key objectives: It supported our agency goals, helped us provide great service to clients, and—perhaps most important—supported our staff in reaching their professional goals.

While each agency is different, there are principles and practices that were helpful to us and are likely to be useful to others. As stated, my maternity leave could have marked the beginning of the end. Instead, it marked our arrival at a new stage, with a self-sustaining culture and team that can run the business, and even survive its founder.

While earning my MBA at Columbia nearly a decade ago, I learned the true measure of success is building a company that survives and thrives, even if the founder exits. That lesson stayed with me and has shaped my thinking.

From my experience, every small and mid-sized public relations agency needs every member of the team to have an "owner's mindset." That means they understand the big picture, are committed to keeping each account fresh, are almost insanely focused on client service and are capable of independent decision making.

What does this mean for management? It means your management philosophy and practice must be based in empowerment and creating an entrepreneurial culture. That doesn't mean people get to run amok. You need leaders, managers and supervisors. But to really make "management by empowerment" successful, the focus must be on encouraging every employee to truly "own" their accounts and clients—and their careers. It's "follow your bliss" in the workplace.

For example, four of our departments—Digital Media, Editorial Services, Investor Relations and Events—were started by employees. Not only are we now able to provide those services to clients, they offer opportunities for new and existing staff who want to pursue those specialties.

An entrepreneurial culture is also transparent. People simply do better work and are more conscientious when they understand the organization and their contribution. In many cases, that transparency includes sharing financial information (with the exception of individual salaries). Seeing how the numbers add up helps people understand why each client is important and the reality of overhead costs.

And when it comes to building a "management by empowerment" culture, flat is beautiful. Clearly, all companies need lines of authority and supervision—but those things should help the agency function efficiently, not squash initiative and creativity. In my view, this is the only structure of the future, as firms compete for the best of the "new generation" which does not respond to traditional management rules, hierarchies and structures.

People also need tools and resources, including professional-development workshops and classes. The results can be surprising. In one case, after participating in a staff-led new business workshop, a summer intern took her newfound knowledge and skills and landed two new clients.

And let's not forget the rewards. Paying market salaries just isn't enough. Today's top talent are looking for international travel experiences, financial support for MBAs and graduate degrees and new business development rewards. Our unique "commission for life" program, which rewards employees at all levels for new business contribution, has created an "army of entrepreneurs" who are invested in the company's growth as it aligns with their personal financial and professional opportunity.

For small and mid-sized firms to succeed, every person must be actively contributing. In our experience, the most effective way to accomplish that is to give employees autonomy, encouragement and resources. That way, they have the best chance of hitting the agency trifecta: a satisfying career in a dynamic, financially stable agency with interesting accounts and happy clients.

Jennifer Prosek is CEO of Cubitt Jacobs & Prosek Communications with offices in New York, Connecticut and London. She can be reached at jprosek@cjpcom.com and (212) 279-3115 x104.

FIRMVOICE
SEPT 10, 2008

Buzz Agencies:
Is Controversy Good for PR?

By Peter Himler, Principal, Flatiron Communications LLC

The well-intentioned, but ill-conceived *New Yorker* magazine cover featuring Senator and Mrs. Obama as terrorist and radical, respectively, was a powerful illustration that was meant as satire. For some, that is how it was received. For others, however, it struck a resonant sour chord prompting a maelstrom of criticism and, incidentally, robust newsstand sales.

I posted about the cover at the time, attempting to look past the controversy at the motivations of the magazine's proprietors, and how their quest for edginess — even in questionable taste — sparked a media firestorm. I reminded my readers that the *New Yorker* resides within Condé Nast, a profitable publishing empire whose culture demands the manufacture of buzz — without which editors have been known to perish.

The publication of each new CN glossy often arrives accompanied by breathless gossip fodder about some glam party devised solely to increase single copy sales. We already know about the annual *Vanity Fair* Oscar and *GQ* Man of the Year bashes, but I'll wager that some Condé Nast editor right now is weighing the publicity potential of an Amy Winehouse photo spread.

It is out of this culture, and a mandate to broaden readership beyond the shrinking pool of literati, that the *New Yorker* seemed to have hatched the idea for the Obama cover.

As controversial as the image was, we must give credit to Condé Nast's editors, marketers and publicists for keeping it buzzworthy month after month. This is exactly what their publishers charge them to do. And isn't publicity — online, offline and byline — the primary measure by which agencies also are judged and compensated by their clients?

Individuals, companies and institutions continue to crave that profile in *BusinessWeek,* in-studio shot on Today or lead post in TechCrunch. Even the most digitally savvy agencies remain beholden to the almighty media placement, in spite of other industry-transformative forces that deliver the groundswell of support the smarter enterprises seek.

Recently, Senator McCain's new (old) communications team released an audacious TV commercial comparing Senator Obama's celebrity to that of Britney Spears and Paris Hilton. The tasteless spot achieved its goal of sparking a mass and micro media feeding frenzy. Moreover, the campaign paid next to nothing, while generated millions of dollars in ad equivalency through free TV news coverage and YouTube streams.

That lone commercial achieved its goal of generating public discourse second-guessing Senator Obama's qualifications. It did so with a creative (albeit insidious) execution designed specifically to foment controversy and thus, publicity.

The Olympics, Oscars and elections aside, the typical PR agency "deliverable" today may consist of a handful of media hits that almost invariably fall short of delivering the change the client truly seeks. The fragmented media, and the diluted influence that comes with it, let alone a less PR-reliant journalist, may finally motivate agencies to explore new ways to engage and activate their clients' important audiences.

No longer will that single *Newsweek* story produce the bankable buzz and business bang for the buck that sophisticated clients increasingly demand. Sure, it's good for someone's ego, but what does it mean for sales, stock price and reputation?

Account teams must now look beyond media relations, or they too shall perish. Currently, this may involve listening to and joining the online conversation, creating and optimizing compelling digital content, playing alongside your clients' constituents in the growing number of micro-focused social sandboxes, and most importantly, doing it all with sufficient flair and authenticity to win believers, not just media impressions.

At the same time, PR creative types must work harder than ever before to conceive program ideas that demand the attention of a much wider swath of the media spectrum — even if this means creating some controversy (within reason). If the industry doesn't take ownership of this core PR competency, some advertising or digital marketing firm surely will (assuming the lines don't blur completely).

We also must experiment or as author, engineer and digital marketing pundit Mike Moran advises, "Do it Wrong Quickly," until we get it right. Help your clients find their voices and engage their constituents. Help them build their digital footprints, so potential constituents can more readily find them. And don't retire your media pitching skills just yet. The right kind of "placement" in the right outlet can still get tongues-a-wagging. **FV**

Peter Himler is founder and principal of Flatiron Communications LLC, a New York-based PR/media consultancy. He pens an award-winning PR blog called The Flack and serves as president of The Publicity Club of New York.

FIRMVOICE
AUG 27, 2008

Happy Staff Means Happy Clients: How to Create the Best PR Workplace Possible

CHRISTINE BARNEY
CEO
RBB PUBLIC RELATIONS

Plenty has been written in the industry trade publications about the seemingly high rate of churn among entry level account execs at agencies. But the truth is the brightest and best agencies, many of them Council members, manage to not only retain top talent but also to become "destination agencies" for PR job seekers, senior executives and managers. What's more, agencies that hold onto superstar talent also hold onto clients. Translation: A happy workplace is a profitable workplace.

Take Council member firm rbb Public Relations, which was recently lauded as *PR Week*'s Agency of the Year and also recognized as one of 35 finalists in *The Wall Street Journal*'s "Top Small Workplaces" listing, done in conjunction with the Evanston, Ill. non-profit Winning Workplaces, which evaluated firms for inclusion. In fact, the agency has turned the art of keeping staff — and clients — happy and on board into a science, due in no small part to several key management practices.

We asked the boutique agency's CEO Christine Barney to spill the secret of rbb's success. Surprisingly, she agreed to tell all. Here, she reveals how her shop has become one of the best PR workplaces in the country — and how you can do the same:

Why does your agency continually receive recognition as a great place to work?

As recently as two weeks ago, *The Miami Herald* featured us on the cover of "Business Monday" talking about just that. It comes down to creating what we call an "Employee-Driven Workplace." Being a great place was a core pillar when we founded the agency in 2001. Our philosophy is to give people freedom to create their own environment — and we believe clients will stay longer by doing that. There is a business rationale behind this and the numbers bear it out.

What specific management practices make you a great place to work?

The core of this philosophy isn't about *stopping* behaviors. It's about asking people to actively be the architects of the firm's culture and workplace. A few years ago in 2006, there were a lot of new employees here because we were growing. That was a good thing, but some people felt we had lost a bit of the culture we had when firm was first founded.

So the employees came up with "extracurricular groups." They started with the "rbb Extras" group, which focused on building social interactivity between firm members and bringing our values to life. Then we created the "rbb Works" group, which deals with operational issues. Then there's the "rbb Think Tank," which does professional development, and the "rbb News" group, which focuses on firm branding and recognition.

How do you manage those groups — how do they work?

We treat each one of those groups like an account — with dedicated hours and budgets. Each employee is part of one of these groups and averages ten to 15 hours per month in any one of them. For example, we may budget $400 per person for firm professional development, which can include anything from conferences or seminars or live training. On the other hand, we also send people to courses that run $2,000+ for individual development.

So far, our surveys show that 100% of staff loves this system. It empowers them. Who am I to say, for example, that we should use Cision or Burrelle's? Instead, we let the staff decide in the rbb Works team. That's just one example of empowering staff to create their own workplace culture and procedures.

What benefits do you offer to foster happy employees?

We call our benefits program the "Total Rewards Program." It has four areas: pay and benefits, work environment, recognition, and learning and development. We conduct a quarterly "What your firm returned to you" summary that breaks out what employees received. For example, the benefits in our "pay and benefits" category include 15-17 paid holidays, 15-27 vacation days, 100 percent paid for medical coverage, 410(k) with a match, free parking, snacks, an in-house gym, incentive programs and so on. You can work at any large agency and find these kinds of benefits. But it's really our work environment and recognition areas that attract and keep people.

What makes your physical work environment attractive?

We offer a flexible workplace. We allow every staffer from VP to book-keeper to choose their schedules and locations of where to work. They can commute whenever they want and choose their hours accordingly. They can work from home when they need to. They can work part time, if necessary.

But you can't just have a flexible workplace without the technology in place to make it work. So, we built an Intranet. It lists where we are and what we're doing at any time so everybody knows — we're not averse to stating that we're at the doctor or vet at any given time on it. We also provide cell and data phones for staff and encourage them to use them as their personal phones, as well. We also provide laptops and single-number reach phone numbers, where if you dial my number, it'll ring on my cell phone, office line or at home.

Do you have an open-book policy?

We keep open books so everybody in the firm knows our profitability, expenses and so on. We have weekly account meeting and anybody in firm is welcome. That way they can see things as minor as increased copy expenses and offer solutions. The only thing they can't see are individual salaries.

Aren't other agencies doing the same things you are?

Few agencies embrace the mindset of a true "Employee-Driven Workplace." In PR, we always talk about giving control of the brand to consumers. Well, if you are serious about this as an agency executive or owner, you have to give up control of the environment to your employees. You have to trust them to do it — that's essential for this to succeed.

Does a happy workforce really translate to happier paying clients?

Our average client tenure and staff tenure are exactly same: nine years. That's not a coincidence. Our turnover rate is three percent. We've only had one person leave the firm so far this year — and it was an intern who became an account coordinator and decided the career wasn't a good fit. And five of six VPs here started at the account coordinator level. So, we hold onto talent *and* clients.

What advice can you give other agencies who want to be great places to work?

Practice what you preach to clients: Don't talk at your employees, talk *with* them. If you give up control of the environment to your employees, you'll see results. For example, when we redid the office environment, our employees said they wanted more communal space. So we built communal spaces and bought laptops for everybody. We put up furniture options and let staff pick accessories. Again, the tip is to not cut corners. Some of these things may cost more at the onset, with greater payout later.

Another tip is there can only be one culture. There can't be different rules for higher-ups and the rank-and-file. People are amazed when I say I don't have a private office. When we bought into the open office environment, I participated. Right now, I'm doing this interview from our open floor. We have big, open spaces and alcoves branching off like petals to deflect sound. All three partners are in the open space here. And people work in different places here at different times. I may write a release at my desk or in the bean bag in the play room, for example.

Finally, embrace the "Employee-Driven Workplace." It's not a concept for the Internet Age or for cutting-edge types or granolas. It's a management philosophy that impacts cost structures by reducing staff and client turnover. The heart of this business is your employees. They know best. The numbers bear it out. I know, because our profitability grows as staff happiness does. It's win-win-win all around and works, regardless of agency size. **FV**

Brian Pittman

FIRMVOICE
AUG 20, 2008

Are You a Great Facilitator?
Traits That Make Agencies More Productive, Creative and Profitable

RALPH KATZ
PRINCIPAL
COOPERKATZ

It's easy to believe great leaders are born that way. But the truth is great leadership is more a science than art, or even natural ability. In fact, while many stellar agency heads, VPs and execs may share certain key traits, most adhere to certain key practices and principles to bring out the best in their teams and agency work. In other words: They work at it.

Ralph Katz is a perfect example. But he's taken the disciplined pursuit of effective leadership to an even higher level that most. As the Principal of Council member agency CooperKatz, he received training as a facilitator during his 18 years at Burson-Marsteller, starting in the late 1970s. He carried those skills with him when he co-founded CooperKatz.

Good facilitation, he tells us, is a combination of directly hitting the problem and taking "excursions." It involves everything from organizing the meeting to asking the right questions and recording all the contributions, to shaping everything into workable ideas. It requires discipline, creativity and enthusiasm.

He's doing something right: *The Holmes Report* named CooperKatz "Best Agency of the Year" in its size category (under $5 million fee income). Here he shares a few pointers to help other agency heads reap the awards of facilitation:

How do you use facilitation at CooperKatz?

We start every client relationship with a strategy and messaging session with their top people. Once we develop the strategies and messages, we do a facilitated creative brainstorming session.

But this is not a free for all. Disciplined creativity is what we're all about. If you are going to brainstorm, you need to have some process around it. A trained facilitator can provide that: You can create an energetic, carefully planned brainstorming session. That's an agency's responsibility.

We do it for everything. If we need to come up with fresh ideas for a client, we put a session together. If we are asked to pitch or re-pitch business, we'll do a session. Even for the littlest thing, we'll do a session.

What are some of the facilitator's responsibilities?

A serious facilitator's role is to get the background, set objectives with the client, develop an agenda that's going to get what that client needs out of it. And the facilitator keeps the session on schedule.

You have to help the account team invite the right people. We always invite people who have nothing to do with the account but have interesting experiences or are generally creative. Then, you're responsible for making the whole session run, to keep it energetic, the pace going, to challenge people and make sure they don't feel threatened so they will take risks.

What "tricks of the trade" can you share for getting the most out of teams?

The facilitator encourages participation while finding subtle ways to check negativity. The first rule is, "No negatives." There are certain negative phrases to listen for: "Just to play devil's advocate," "I don't want to be a naysayer, but…" and about a dozen more. I listen for those and cut them off.

Another thing that encourages people is to have a scribe. I like to be the scribe, and I write down ideas as close to verbatim as possible. That makes people feel good. They feel bad if you miss an idea or write it down incorrectly. My job is to capture all of this. Writing it down becomes the most important thing. A little gem of an idea could get lost, but because it's on the board, we come back later and build on it.

A facilitator's job is to multiply the effectiveness of participants. So although some ideas may come from a creative person sitting alone in their office, what you're hoping is that one person's ideas stimulate those creative people and give you better — and more — ideas. That's the dynamic of a facilitated session.

One of the big arguments is whether the facilitator should be throwing in ideas. I fall on the side of "not really," although I break my own rule every once in a while. If you are trying to think of ideas, you're not paying attention, you aren't writing things down and you aren't stimulating discussion. There is nothing that breaks down the group like the facilitator lobbying for his or her own ideas.

How do you get things started?

Ideally, we start with pre-session exercises so participants come to the meeting with ideas. We'll ask clients, "What are five headlines you would like to see about this product?" It's a great icebreaker.

We sometimes use an exercise called "Get fired." Give me an idea for this client that's sure to get you fired. People go wild. And then, we shape it into an idea that *wouldn't* get you fired.

Every facilitator has his or her own tricks. I have one that not everybody can have: I can ask really dumb questions — questions others may be embarrassed to ask. Part of my job is to make sure we're doing things the general public will understand. I play the role of the general public. I ask, "How can you explain this to me in a way I can understand?"

Who makes a good facilitator?

Anyone who is creative and outgoing can learn to do it, but it helps to have training. You have to have a lot of energy: The

facilitator never sits. You sit down and the entire energy changes. If we do a six-hour session, and that six-hour session is "get your lunch and keep going," I stand for six hours and walk around the room. Good facilitators are:

- genuinely enthusiastic
- willing to put their own ego aside
- able to listen
- able to realize the importance of each person's ego
- willing to do whatever it take to get session going, able to think on their feet
- instinctively know when to change direction
- able to withhold judgment — that means they don't omit ideas they don't like; they write *everything* down.

It's a lot of responsibility because a bad session wastes a lot of valuable time — let alone that you are still behind the eight-ball if you don't come up with some ideas.

What are some of the rules agency readers can apply to their own sessions?

- The basic rules are these:
- No negatives.
- Lots of ideas.
- Build on ideas.
- Everyone is equal.
- Have fun. (Sometimes, we put out magnetic Etch-a-Sketches, Play-Doh and other toys. Sometimes, you need to be working with your hands to give your mind a rest.)

How does the process enhance client relations — and profitability?

Clients really do tend to love what we do. We are so often the catalyst for the top level of a company to get together in a room for several hours, with the phones off. They are amazed at what comes out of that. It can make a real impact on the client organization.

Again, it comes down to taking responsibility as an agency to come up with great ideas. Because of this process, we've won a few accounts you wouldn't think we could win because of our size.

In terms of profitability, we certainly don't have a specific metric for measuring the impact. It comes out in better ideas that win business, better strategies, the chance to bring fresh thinking to an existing client.

It pays off with our people because they love chance to speak up, It gives them a seat at the table they wouldn't have elsewhere: We truly celebrate the wins together — not just the account team.

It also speeds things up. We know we have a job to do and we know we need to get some ideas. We don't sit on anything. Because we have this process, we can jump on it. This process makes it easy.

How else has it helped your firm?

I really think a well-planned, well-led facilitated session is a great way to get a multi-agency team working together. When you raise your hand and say, "We'll be the facilitators," you have a very prominent position within the agency roster with the client. We did that for Virgin Mobile and a number of other clients. Because we say, "We run these facilitations all the time; we can do it," we're the lead agency on a multi-discipline team. And that's a great position to be in. **FV**

Roxanna Guilford-Blake

FIRMVOICE
AUG 13, 2008

Global PR May Require an HQ on the Move — a Center That Follows the Sun

By Dave Senay, President and CEO, Fleishman-Hillard

Earlier this year, my colleagues got a bit of a start — especially those in our firm's hometown of St. Louis — when a posting on my internal blog carried the headline: "Fleishman-Hillard Moving Headquarters..."

It had been on my mind for some time: To temporarily "move" our headquarters operations to other regions of the world. With that in mind, the CEO's office moved to Asia-Pacific in March/April; in June, Europe became the headquarters, following a varied itinerary that was heavy on visits with staff, as well as conversations with clients about their issues and priorities. We also spent time reviewing operations, pitching new business, recruiting new staff, visiting with partner agencies and doing promotional work.

Fully 70 percent of Fleishman-Hillard's top 100 clients ask us to work for them on more than one continent, as do 50 percent of our next 100 largest clients. As never before, our clients are really acting globally, and looking to us to help them align their communications to thrive in a global market. By taking our headquarters on the move — and sending a steady flow of blog entries on the experience out to our team — I hoped to make the global nature of our firm more tangible to our people, and help them feel more connected to one another.

Did these two months on the road accomplish that goal? Definitely. Were the jet lag, customs paperwork, and overall wear and tear worth it? Without question.

This was a transforming experience — documented in part on our fleishman.com site as *Reflections on 30 Days in Asia* and *Reflections on 30 Days in Europe.* These are non-agency specific blogs that try to capture some aspect of the culture and current (or in some cases, distant past) events. Feel free to post your own comments. Meanwhile, here are a few observations:

First, the "skills gap" in our profession between the United States and the rest of the world is a myth. The U.S. by no means defines the cutting edge when it comes to the practice of PR, and any gap that still exists from region to region is closing fast. In Japan, for example, where public relations is still relatively young, I saw our team helping clients cultivate relationships using social media with a skill and sophistication that rivals anything I've seen stateside.

I suspect that one reason for this growing parity is that the rising influence of digital channels truly is a global phenomenon. In London, I took part in a client and media event to launch the findings of the Fleishman-Hillard/Harris Interactive Digital Influence Index — the most detailed study to date on the influence of the Internet on European consumers. We all knew the leading role the Internet plays in influencing consumer decisions and behavior. But no one in that room expected its influence to be more than *double* that of the next channel, television. My guess is that we'll see similar results when we extend this research to Asia.

I had the pleasure of taking part in several other external events, including: A panel discussion in Mumbai to review a survey of U.S. and European C-Level executives' perspectives on India's reputation and readiness to "go global"; a visit to the Ministry of Foreign Affairs in Beijing for frank discussions of the U.S. political scene, the Western media and ways China might communicate differently in the run-up to the Olympics and beyond; and a presentation at Sciences Po in Paris on Barack Obama's breakthrough use of social media (http://pov.fleishman.com/?p=662).

In encounters like these with news media, political leaders, academics and other thought leaders, I was struck by their intense curiosity about what we do, and their hunger for knowledge about trends and developments in our business. It's a hunger we must continue to feed on a global basis.

After returning, one of my colleagues asked me how difficult it was to function so far away from the center of our organization. Well, I started out from the premise that you can't lead a global enterprise sitting in your headquarters office, and these journeys only served to reinforce that belief. Taking our headquarters on the road was liberating in ways that more than made up for any momentary inconveniences.

It also helped me redefine what the "center of our organization" really means. As does any global business enterprise, our firm has a headquarters office. But we don't have a fixed center. That's because we truly operate as a network — with a moving center of energy that follows the sun, time zone by time zone, as our people serve our clients around the world. **FV**

Dave Senay is president and CEO of Fleishman-Hillard International Communications. One of the world's leading public relations firms, Fleishman-Hillard has built its reputation by using strategic communications to deliver what its clients value most: meaningful, positive and measurable impact on the performance of their organizations.

FIRMVOICE
AUG 13, 2008

Why Agency Growth Matters and How to Drive It (Even During Down Times)

DIANE WEISER
PRESIDENT & COO
WEISSCOMM PARTNERS

WeissComm Partners, founded in 2001, has become the 16th largest independent firm in the PR business, according to O'Dwyer's 2007 survey. Similarly, the agency was recently ranked 20th in *PRWeek*'s 2008 Agency Rankings. These rankings are particularly remarkable because the agency specializes exclusively in healthcare accounts. Founded by Chairman and CEO Jim Weiss, WeissComm is headquartered in San Francisco, with additional offices in New York; Chicago; Washington, DC; and London.

O'Dwyer's ranked WeissComm the fastest growing agency among top 100 independent agencies in the U.S., based on 77% billings growth between 2006 and 2007. The firm expects 2008 billings to reach $17 million. To find out how the firm created—and managed—such aggressive growth, we spoke with President and COO Diane Weiser in San Francisco. Her secrets of success:

When did WeissComm first realize the importance of growing the firm?

I really think the "aha" moment was when Jim realized the opportunity to diversify beyond biotech and biopharma. That's when Jim and I partnered, about four years ago, to really take the agency to the next level—to catapult into other sectors of healthcare, including pharmaceuticals and devices and diagnostics. We're now moving into health services, as well.

What motivates such rapid growth?

The first thing is the great talent we've brought on. Our philosophy is to bring in the best in the businesses—the highest caliber talent. This is a people business: People attract clients and clients attract good people; it's an ongoing cycle.

And then, by virtue of having the great people and the great clients, you're producing excellent, hopefully award-winning, results that will enhance your reputation and continue that cycle.

We spent a lot of time developing a vision for WeissComm. That vision is to be the best independent, integrated global communications company working with healthcare organizations, where we can make a difference with and for people we believe in. That's both a highly motivating growth strategy and a lens through which we make many decisions related to our growth.

How important is it for a growth-oriented PR firm to find a new business development sparkplug?

Really, it starts with establishing solid, strong, reliable client relationships. The easiest business to grow is the business you have. Organic growth comes from all of our sparkplugs who are managing business across the agency.

Jennifer Gottlieb, the firm's new business developer, clearly helped WeissComm gain a strong foothold on the East Coast. She was essential to growing the pharmaceutical side of our business. Angela Gillespie in San Francisco and Nigel Breakwell in London have also helped drive growth.

It's not just the leaders of the various offices who need to be incentivized to bring in new business. *Everybody* needs to be a sparkplug. We look for people who want to be part of a growing firm, who want to grow their own business and portfolio of business to contribute to the company's ongoing growth.

What other factors have supported your rapid growth? What will keep you growing over the next several years?

Growth in the healthcare industry has certainly fueled our growth—particularly the interest of pharmaceutical and device companies in supporting product communications and clinical-trial recruitment.

Another trend in the industry has been the growth within the biotechnology sector: There is strong interest in increasing partnerships between the pharmaceutical and biotech sectors. So there's an enhanced need for communicators, like the folks at WeissComm, who understand the intricacies of communicating within both kinds of organizations—the big pharmaceutical company as well as the smaller biotech or biopharma firm. As those organizations partner on marketing initiatives, development initiatives and the like, they need seasoned professionals who "get" the mindset for both worlds.

The final factor is our model. It's unique. Our healthcare-only, senior–based model has differentiated us and fueled our growth.

Looking ahead, enhancing our service offerings will be a growth engine. We are looking at bringing design and creative services in-house; expanding our services and offerings in the regulatory/policy realm in Washington, DC; and further growing our global organization.

As with any organization, it's critical we ensure clients continue to get the best service: the service they've grown accustomed to—the service that has created the reputation we have in the market. And—this is something I hold near and dear, as well—staying true to the values that brought us to where we are today is critical to our future growth.

Rapid growth usually means rapid hiring. What are your guiding principles for hiring?

We're very selective about whom we hire. Our guiding principles focus on a couple of things. One of them is our core values, which include:

- Commitment to excellence, integrity and honesty;
- passion for the industry, the science and the patients we serve,
- the entrepreneurial spirit,
- being dissatisfied with the status quo,
- and willingness to challenge ourselves—and clients—to do the best job.

We also look for:

- An "A-plus or nothing" mentality,
- and drivers—people with driving personalities who aren't driven by their clients. That's a very big point for us. "Drive, don't be driven" is an internal mantra. We want people who speak their minds and who are confident in their counsel.

Fortunately, referrals are still our main source, which is great. That just speaks to the importance of building our reputation.

How long can WeissComm sustain such a heady pace?

To infinity.

We're obviously in growth mode and our goal is to continue on a rising trajectory. As we look at our four-year plan, we're cognizant of when we need to accelerate or slow down the pace to make appropriate investments in infrastructure, talent and service offerings.

I think there's an ebb and flow in all businesses to ensure there is thoughtful and paced growth. That's really what we're focused on right now.

The long-term business goals for us are to remain independent and to grow a U.S. organization of 120-150 employees with 50-plus outside the US. We currently have 81 employees, so we're on track to achieve those goals. **FV**

Roxanna Guilford-Blake

FIRMVOICE
JULY 30, 2008

Proof of Excellence:
Why Agencies Enter PR Award Programs and How the Best Bring Home the Bling

CHRISTINE BARNEY
CEO
RBB PUBLIC RELATIONS

BETSY QUINN
Sr. VP/Strategic & Creative Services Director
Ketchum

DOUG SPONG
PRESIDENT
CARMICHAEL LYNCH SPONG

RICH GOLDBLATT
SR. VP/GROUP DIRECTOR
M. BOOTH & ASSOCIATES

PR industry awards and accolades are calling cards of excellence. More than foyer decorations and lobby bling — though prospects clearly appreciate working with agencies recognized as best in class — they proclaim to clients and prospects that your work is worth every dollar (and then some). Industry kudos also drive agency visibility and brand via trade press coverage, press release distribution (online and off) and other ancillaries.

Yet competition is fierce and the threshold for entry is high. So how can you win recognition for your agency's exemplary work? What key PR industry awards should you consider budgeting for — and how can you make your entries stand head and shoulders above the rest? What traits do repeat agency winners' campaigns and submissions share? What tangible results, support materials and metrics impress judges the most? For the answers to these questions and more, we spoke with industry executives to learn their secrets of winning awards that can earn industry kudos and greater client or prospect visibility for your agency's good work.

Which awards programs should you enter?

All of our agency sources highly tout the big, national programs like the PRSA Silver and Bronze Anvils, the *PR Week* Awards, *The Holmes Report*'s SABRE Awards, *Bulldog Reporter*'s Bulldog Awards, the *PR News* Platinum Awards, PRSA's Big Apple Awards and MARCOM, along with industry-specific PR and marketing awards programs focused on your clients' niche or specialty, such as the National Agri-Marketing Awards or those sponsored by The Society of American Travel Writers or the hospitality Sales & Marketing Association International, for example.

It's also a good idea to compete within your region, in programs such as the PRSA Classics Awards (Minneapolis), PRSA Gold Pick Awards (Denver) and the PRSA Anvil Awards (San Francisco). In addition, some agencies enter awards programs outside of the PR industry to reflect integrated-marketing or brand-marketing initiatives.

The real rewards of winning awards

According to Christine Barney, CEO of Miami-based rbb Public Relations (www.rbbpr.com) and *PR Week*'s 2008 Agency of the Year, there is a clear link between awards and business development. rbb enters awards programs, Barney says, because they are "a foundation for rbb's best practices culture," supports recruitment and retention efforts, and supports business development. "When we survey clients, we find rbb's credentials and awards rank among the top five reasons new clients choose us," she adds.

Barney also points out that key industry awards are displayed in the company's conference room, right off its lobby. The lobby features special signage denoting "PR Week 2008 Agency of the Year," and personal and community recognition awards are displayed throughout the office and in other conference rooms — and these add distinction and prestige to the office atmosphere, which clients are sure to notice.

According to Betsy Quinn, senior vice president and director of strategic and creative services for Ketchum West, part of New York City-based Ketchum (www.ketchum.com), "entering awards programs is one of the responsibilities of being an industry leader." In addition, these competitions demonstrate the work and valuable partnerships the agency has with its clients and they allow the agency to share best practices and build visibility for its talent and the agency as a whole. Awards motivate hard-working teams, she notes.

Doug Spong, president of Minneapolis-based Carmichael Lynch Spong (www.clynch.com), explains that entering awards programs help to position an agency to clients and prospects — repeat wins (the firm is one of the three most award-winning firms for 13 consecutive years) attracts interest from prospective clients. Award wins also help with talent acquisition, and they reinforce to your staff that your firm sets the high-water mark for work. "I always tell our staff and business development department that the expense of entering and winning awards is our single best investment in new business acquisition," he notes.

"Unfortunately, the vast majority of our awards sit in storage boxes. We simply don't have the shelf space in our six domestic offices to display all of the bling from the past 13 years," Spong says, adding "we do have 57 Silver Anvils, 36 Bronze Anvils, 10 PR Week and 10 SABRE Awards proudly displayed as you step off the elevator in Minneapolis and our other offices."

Rich Goldblatt, senior vice president and group director at New York City-based M. Booth & Associates (www.mbooth.com), says his firm enters award programs because they recognize the work the agency has done, serve as the highest form of recognition for employees who have worked hard to make their campaigns shining stars of the firm, and they serve as encouragement to help drive account teams to think more creatively and measure programs more effectively. Furthermore, he adds, "We can link winning awards to new business leads."

Overall, these PR executives say clients' reactions to awards are positive, praiseworthy and exciting. They also say clients encourage them to enter awards programs in PR, marketing, digital, promotion, advertising and specialty areas.

Secrets of successful award submissions

Barney has two major secrets to success. First, select only those campaigns with measurable media hits and impressive coverage. Second, ensure your submission is a "winner" by

keeping it brief, including clips, providing metrics, etc.

In fact, she says, rbb has an awards coordinator who sends out requests for applications to team leaders and notes the programs that have been mentioned throughout the year that would be especially appropriate. A team leader coordinates the application, an outline is done, and submissions are read by staff members, clients and sometimes by outside colleagues. All entries are written to tell a story of success that is designed to engage the judges, but not overwhelm them with facts. Because awards are part of rbb's culture, its awards budget, Barney points out, is flexible. "rbb enters only those programs we truly feel created a new best practice or used unique strategies to deliver meaningful results."

At Ketchum, individual teams and their clients choose which programs to submit for awards, Quinn explains, adding "campaigns that stand the best chance of winning are those that have solved a significant challenge for a client, set clear communications objectives, established effective measurement plans, demonstrated a clear understanding and insight into their target audiences, conveyed impeccable strategic thinking and highly innovative creative solutions, and delivered undeniable value to the client's business."

Spong says his firm selects award program entries on: Does the work present his clients' best work? Is the work the best in the clients' industries?' Does the campaign rank as among the firm's best work?

Spong adds that his firm spends more than $150,000 annually to enter, win and sponsor three national and four regional awards programs because awards "are the single most effective investment in positioning the firm."

According to Goldblatt, his agency leaves it up to its group heads to determine which awards the agency's campaigns are best qualified. "We stress strong upfront research, measurable objectives, creativity and flawless execution. However, the key is whether the campaign delivered the client's objectives."

While Goldblatt wouldn't disclose his agency's annual budget for awards programs, he says it has been increasing 10-15 percent annually. "It is easy to justify the costs in terms of internal and external recognition and prospect leads," he points out, adding that awards submissions are becoming an increasingly important part of his agency's culture.

Tales from the front: Examples of standout, award-winning campaigns

In describing a recent award-winning campaign, "Keep Delta My Delta," Quinn says Ketchum worked with Delta Airlines in its fight against a hostile takeover attempt by U.S. Airways. In less than two months, the campaign, she notes, created a groundswell of opposition by attracting more than 100,000 supporters via www.keepdeltamydelta.org; by generating more than 150,000 letters to policymakers; by generating more than 220 million media impressions; and by creating a coalition of hundreds of national, state and local consumer groups, elected officials and community leaders, all of whom issued public statements opposing the deal. U.S. Airways dropped its bid for Delta just 55 days into the campaign — and the award entry stood out because the team demonstrated how it achieved measurable results.

The entry's two-page summary and support materials told a compelling and convincing story about how public affairs played an integral role in mobilizing advocates against the merger and swayed Delta Creditors Committee to support Delta's reorganization plan in spite of analysts' support for the merger, Quinn adds, noting that the budget for entering awards programs are not as important as the growth and success of client tams and the clients themselves. "Without a doubt," she says, "awards are a priority to the agency and our clients because they are an important part of our culture and an embodiment of our core values."

Spong notes that his firm won a *PR Week* Award in March 2008 for Dunkin' Brands for a corporate social responsibility (CSR) program targeted at benefiting first responders, relationships between first responders and Dunkin' Brands retailers; and awareness and value of the CSR program among customers of the Dunkin' Brands retail banners.

Glodblatt says M. Booth & Associates recently won Bulldog and MARCOM awards for I Can't Believe It's Not Butter and Wish-Bone salad dressing. Last year, he continued, Unilever set out on a mission to find new ways to communicate the portion control and nutritional benefits of its innovative spray products. M. Booth created an integrated program centered on an online Web series called "Sprays in the City." The program featured animated versions of both products. The campaign successfully increased purchase intent and health perceptions. During the six-week campaign, purchase intent rose over 20 percent for both brands, with one million site visits and episodes viewed and more than 40 million media impressions generated. **FV**

David S. Chartock

FIRMVOICE
JULY 16, 2008

Getting Your Agency in Top Shape to Be Sold

ART STEVENS
MANAGING PARTNER
STEVENSGOULDPINCUS

Most agency principals love to practice PR. Their primary job is doing great marketing for their clients. For this reason, they often don't think about their career end game — their exit strategy from their firm. However, a failure to build and structure your agency in the correct way can cost you hundreds of thousands, if not millions, of dollars when it comes to selling out. Buyers look for a business that is managed in a certain way; a business that offers certain kinds of potential; and one that demonstrates certain characteristics of stability. So, what are the key steps that an agency principal should take to ensure that he or she garners the highest possible price when it comes time to sell? The Firm Voice checked in with expert Art Stevens, managing partner at StevensGouldPincus, for the answers:

What are the three biggest mistakes that PR principals make in terms of grooming their firms for sale?

The first mistake PR principals make is taking more satisfaction in generating great ideas for clients than in making more money for themselves. Where is it written in the PR scriptures that making more money is gauche? That you're more obligated to your clients and employees than to yourself?

Let me shatter a prevailing myth among PR agency owners. It is perfectly permissible to satisfy your clients and make a lot of money at the same time. How? By learning how to be a better business person — not just a PR professional.

Running a sloppy business while doing great work for clients is a disservice to PR agency principals and their families. The bottom line in running a PR agency is to produce a bottom line. There are two reasons to do this: to generate far greater income personally and to have a more valuable asset to sell when the time comes.

The second major mistake is skimping on generating ongoing financial information and updates on how the business is going. Far too many PR agencies make use of internal bookkeeper/controllers, as well as outside accounting firms, who are not familiar with the metrics of running a PR agency. Without the proper information readily at hand, it's difficult to run a profitable agency.

The third major mistake in grooming a firm for sale is not to have strong second line management in place. Considering that many agency principals plan to phase out after the sale of their firm, buyers evaluate who else can be in charge. If your next in command doesn't have the proper credentials there may go a possible sale.

Do you have any examples?

We often advise agencies to hold off on trying to get sold until they meet the following criteria: can demonstrate three consecutive years of both increased revenues and profitability; have strong second line management in place; have financial statements that are professionally done and conform to generally accepted PR agency accounting principles; and don't have any one client that represents more than 20% of total revenue. In addition, their operating systems from keeping books to billing to forecasting need to be well organized and efficient.

How do you avoid these mistakes? What solutions do you recommend?

If an agency owner wants to sell his or her business you need to get on board right now. And I mean right now. If you don't know how to run a business that generates profits and streamlines your operations, find someone who does. That person can be an outside consultant, a controller who knows the PR business or a professional pr manager who can be recruited from another agency. You must begin a brand new mindset which says that a PR agency is a business and must be run as such.

What are the top traits buyers look for in an agency?

The most important trait is how the agency will fit into the buyer's operation. What attributes does the agency bring to the buyer that can create synergy, new business and greater offerings to the buyer's clients?

- Niche. Does the agency bring expertise in a niche practice that augments what the buyer needs?
- Management. Will the management of the agency add to the strength of professional capability that the buyer already has?
- Geography. Does the buyer need to be in the geographic region of the agency to better service existing clients as well as to generate more business?

Critical mass: many buyers simply want to get bigger faster so that they can compete more effectively.

What profit margins do buyers want to see?

Buyers generally would like to see at least a 15 percent profit margin when recasting financial statements. Recast financial statements normalizes the compensation and perks the owner takes to reflect industry standards. However, according to a recent survey conducted by StevensGouldPincus examining PR agency profitability trends, most PR agencies now run average at least 20 percent profitability.

What is the typical multiple of net profit that buyers will pay for an agency?

The current rule of thumb is five to seven times net profit and/or one times the average annual net fee billing for the last three years. Certain niches, like healthcare, interactive and investor

relations, will go for higher than average purchase prices.

Assuming an agency principal is too busy practicing PR to whip the agency in shape to be sold, what are the alternatives?

There are a number of alternatives: the agency principal can start today to get his agency in shape to sell it in two to three years. He can simply cross off the option of selling the agency at all and continue the business as usual. He can find another agency to merge with that is compatible. He can develop a succession plan to sell the business to key employees at a price well below market value.

Another option would be to embark on an aggressive business development program to take the agency to new levels. Once at this vantage point, however long it takes, the agency owner can then explore all of these options – as well as selling the agency to an interested buyer. **FV**

Art Stevens is managing partner at StevensGouldPincus, merger and management consultants to the communications industry. He is also the author of "The Persuasion Explosion," a book about the growth and influence of public relations and former president of PRSA-NY. He and his firm StevensGouldPincus have facilitated a number of mergers and acquisitions since the inception of the firm in 2004.

Brian Pittman

FIRMVOICE
JULY 9, 2008

Why Your Agency Should Offer a Profit-Sharing Plan

CHRIS BROHOSKI
WAGGENER EDSTROM WORLDWIDE

One of the hallmarks of a great PR firm is continuity of its staff, and especially top management. When a great agency finds great performers, it is able to keep them. After all, that consistency of quality is what clients expect in their business partners—and its absence is actually a leading reason many clients shop around for other agencies.

Because they understand this requirement, many more forward-thinking and competitive agencies have tried a variety of creative ways to keep outstanding performers on the reservation—from extravagant salaries, benefits and perks to stock options. But one of the most popular employee enticements remains profit sharing. Profit sharing can be extended to greater numbers of employees than other options, and the company only has to pay out when it makes sufficient profit. Best of all, when it works as promised, the profit-sharing plan is an incentive to work harder and smarter to help make the company profitable. Advocates of profit sharing swear by the approach and recommend it wholeheartedly.

So why don't more firms offer profit sharing plans?

Short answer: They don't work for every company. To help you determine whether profit sharing plans might be an incentive to add to your staff retaining and recruiting arsenal, we checked in with Chris Brohoski, director of total rewards for Bellevue, WA-based Waggener Edstrom Worldwide (www.WaggenerEdstrom.com), where for the past six years, she is and continues to be responsible for compensation, benefits and HRIS globally. Here's her take—along with her tips and recommendations for setting up a profit sharing plan for your top performers, or for improving the one you already have in place.

Why should a company offer a profit-sharing plan to its employees?

Part of how a PR firm can incent its employees is through sharing its profits, which is usually part of a total rewards or compensation package.

Which types of employees should a company offer profit sharing?

Different size companies have different needs. An organization needs to evaluate how its business and employees can benefit from this type of program and where they are in their own development and maturation. Some companies may benefit from offering profit sharing to all employees, some may benefit from tying to pay for performance results, others may benefit from a more blended approach.

What are the biggest downsides to a profit-sharing plan?

As with all reward based programs, it's always the responsibility of the organization to make sure there are clear guidelines and expectations set around how, when and why a profit-sharing plan will take place. Here are a few things to keep in mind:

- Stay transparent. If you communicate regularly with employees you avoid misunderstanding about the plan and the payouts. Over time it could become an entitlement.
- Make sure to have clear guidelines set out and accessible for employees to read.

What mistakes do companies make when setting up a profit-sharing plan?

Companies need to be clear on what they want and expect as a result of any plan. By setting expectations on what employees are accountable for it helps ensure clear understanding and provide a clearer line of sight between the work employees do and the potential reward.

What is a typical percentage of profit that would be distributed to non-owner employees?

According to third-party research, three-to-four percent is an average across various industries.

What proof is there that profit-sharing works to motivate employees? If an agency principal decided to test a profit-sharing plan for five years, how would he or she know it was successful?

As with any program, it is critical to implement a set of metrics so you can keep a pulse on the effectiveness of any program. Traditionally this can be done via employee surveys, exit interview data and comparing that to the company's overall performance.

What types of agencies should not offer profit-sharing, if any?

Again there is no "one size fits all" approach. Any agency would need to assess the value of a profit-sharing program against their current development, retention and growth plans to determine if a plan makes sense for them right now, and if it does, what type of a plan would be best.

What are the elements of an effective, motivating profit-sharing plan?

We've found that effective plans should:

- Provide a clear tie to overall agency results
- Deliver on-going communication on progress towards goals and expectation setting annually about what results could look like

- Exhibit some level of consistency in positive payout history

How important is it for a company with a profit-sharing plan to show employees the connection between their work and company profits, and how do you accomplish this?

Use on-going communication from leadership to share how the agency is doing on its goals and reminders of what employees can do everyday to help the agency achieve success (e.g. reporting all time, minimizing over-servicing, reduction/monitoring of non-billable travel and most importantly delivering GREAT work) and celebrate success.

What is the difference in effect between a profit-sharing plan for most employees as opposed to a bonus program for outstanding financial performance, which would be given to high-performing employees?

Ultimately, an individual company needs to decide if they feel offering a profit-sharing plan is right for them in their current development cycle and what manner of program makes the most sense. Depending on the company's goals, some may choose a plan that shares profits with all employees, while others may focus on the pay for performance model and a third option could be to offer a blended approach.

There is no one solution that works best for any company and it is the responsibility of the leadership of the company, after having solicited and taken into account their employee's input, to choose the approach that works best for them. **FV**

FIRMVOICE
JULY 9, 2008

Employee Ownership? It's Culture Over Structure

By Lynn Casey, Chair & CEO, Padilla Speer Beardsley

My firm is employee owned, the result of its former leaders' interest in remaining independent and its current leaders' disinterest in taking on large amounts of debt to purchase the firm.

We created our Employee Stock Ownership Plan in 1993. For the next eight years, the company contributed the equivalent of nearly 15 percent of employee salaries to the ESOP trust. As a result, we were able to retire our previous leadership debt free.

The ESOP addressed our financial succession. It also delivered another important benefit: Differentiation. Our employee-owned structure became a point of distinction at a critical period in our growth. We were beginning to reach beyond our legacy Midwest corporate and investor-relations practices and to compete nationally with firms that were more established in B2B and B2C marketing territory. Workplace differentiation was paramount to recruiting and retaining talent and clients.

Given that, you might expect the rest of this piece to lobby, wholesale, on behalf of ESOPs. Not so. Creating and operating an employee-owned structure isn't for everyone. It requires a high level of financial discipline. It carries an administrative cost. And it demands gut-level discussions about the timing of major shareholder departures and retirements in order to minimize repurchase liability.

An employee-ownership structure isn't for everyone. However, the ESOP experience has convinced me that an employee-ownership *culture* IS for everyone. Although an Employee Stock Ownership Plan may be the most direct route to creating that culture, there are many ways to foster an ownership mentality.

I can testify to that last point first-hand, since Padilla's employee-ownership culture was established long before we created the ESOP. Scan the grid below and you'll see that the Rights and Responsibilities that guide our ESOP are not exclusive to a type of structure – only to a type of mindset. And when that mindset happens, however it happens, everybody wins.

Open Books and Open Minds

Many public relations firms have some level of open-book management. Our view is the more you help employees understand the business, the more likely they are to enter their time, get invoices out the door, and think twice before they expand the scope of work without prior client approval. Review financial statements at monthly staff meetings, and everyone will understand how a consulting firm makes money, where that money goes, and how they can help keep more of it within the company.

All-Out Sharing

Making more money for the company begs the question of who benefits from the additional income. Before we became an ESOP, we gave year-end bonuses to every employee. The bonus pool was based on income; the bonuses checks were based on individual performance. After we become an ESOP, we chose to continue performance-based bonuses in addition to ESOP contributions, since the latter cannot account for individual performance. If your company doesn't make performance bonuses available to all employees, reconsider this if at all possible. It's not just the money. It's a show of respect and an acknowledgement that everyone who plays a part in the firm's success should benefit from the firm's success.

Ideas from Anywhere

On our Intranet is an employee-generated "Top Ten" list in support of an ESOP (read: employee-ownership) culture. Reason Four says "It's great to be an employee owner at Padilla because we can voice our opinions about all aspects of the company with freedom." That mindset is not exclusive to an ESOP any more than a good idea is the sole domain of senior management. Of course, we must temper these "ideas from anywhere" with the insight that's available only to those who lead the company. But top down is dead, if it ever lived at all in successful professional-service firms. An employee- ownership culture fosters more ideas — and more good ideas — in addition to loyalty and pride.

Shared Solutions

Some firms survey staff on their level of engagement. Many don't. They fear the answers will create an "us vs. them" attitude between managers and staff. In an ownership culture, that's less likely to happen. Problems – and their solutions — are a shared responsibility. If employees share in the rewards, they also must share in surfacing issues and finding answers.

An employee-ownership structure helped my firm define its point of difference. I'm grateful for that. I'm even more enthused that the ownership *culture* behind an ESOP is available to all public relations firms regardless of structure. If you're not already there, I encourage you to embrace the culture of employee ownership and make it your own.

Rights & Responsibilities of Employee Ownership

Rights	Responsibilities
To share in finacial success of the company.	To contribute to the finacial success of the company.
To vote on issues affecting the company as defined in the ESOP plan.	To exercise your right to vote and to do so based on careful consideration of the facts at hand.
To be well informed about the management and strategic direction of the company.	To accept and support management decisions and initiatives.

Rights	Responsibilities
To question business practices that you do not believe are in the company's best interests.	To help find solutions and not just point out problems.
To have access to the information that illustrates how your actions and decisions affect company profitability.	To evaluate your actions and decisions from an ownership perspective.

FV

Lynn Casey is the, chair and CEO of Minneapolis, MN-based Padilla Speer Beardsley. She is also a founding partner of the Worldcom Public Relations Group.

FIRMVOICE
JUNE 25, 2008

Managing your PR Firm By the Numbers to Increase Profit

RON WEINER
PRESIDENT
PERELSEN WEINER

Some of the best-managed PR firms can typically generate net profits of 20-30%. Yet many settle for less, while others don't even make it to either ballpark. Although great strides have been made industry-wide in the past several years — as the business has grown, so too has the financial acumen and sophistication of PR firms — the fact remains that a significant number of agency principals put so much *in* their business, practicing the craft of PR, that there's little time left for working *on* their businesses to push for exceptional profit margins.

How can you join the elite agencies and start hitting the upper registers in terms of net profit? Put simply, the secret to generating such profit margins is being able to manage your firm by the numbers — by following a few key ratios and doing what they "tell" you to do. To help push your firm to the next level of profitability, even amidst an economic downturn, we spoke with Ron Weiner, president of Perelsen Weiner, a New York City-based Certified Public Accounting firm that has represented (and continues to represent) many public relations firms over the past 40 years in addition to a wide range of other professional service firms. Weiner has also honed his skills on this topic as it applies to PR by working with the Council of Public Relations Firms on its Benchmark survey for the past two years.

Perelsen Weiner is particularly familiar with profitability management and compensation systems for service businesses and has been the subject of a Harvard Business School case study taught to all first-year MBA students. Here's his take on how you, too, can manage by the numbers to maximize profitability in the months ahead:

What are the trends in profit margins for professional service firms?

Profit margins in professional service firms have generally been trending upward as management has been becoming more and more sophisticated. Recently however with the downturn in the economy there is greater downward pressure on margins. Better managers will manage through the downward period with less adverse consequences and better position their firms for the time when there is renewed growth.

What are profit trends for PR agencies compared with other professional service firms?

PR firms have been subjected to greater pressure than some other professional firms but overall have done quite well comparatively.

Margins are important but sometimes firms are willing to sacrifice margins for investment in the business (e.g.. specialty personnel, IT, etc). It is often wise to invest now for future returns but one should measure what the returns are anticipated to be and if they are not there then the investment should be reevaluated.

What are the general characteristics of PR firms that earn 20-30% net profit every year?

Top performing PR firms have a number of common characteristics. First they understand their clients' needs well and are able to communicate that understanding well back to their clients and through superior service to their clients target audiences. Secondly they understand the value they add to their clients and price their services appropriately. In addition they understand what it costs to produce their client services and manage their costs to optimize productivity.

Why can't every agency achieve this level of profitability? What obstacles stand in the way — personally, professionally and managerially?

Most firms understand their clients well. Indeed all exist to provide good service to their clients but are often economically impaired due to their pricing and cost management decision making. Let's take your definitions of the best managed firms earning net profits of 25% per year and less well managed firms earning 10% per year and ask ourselves where that 15% difference can come from?

In essence there are only two areas; pricing and cost management. On the pricing side the better managers recognize that every one per cent increase in pricing reduces the difference between the best performing firms at 25% and the field at 10% by one fifteenth [25% less10% equals 15% divided by 1%]. Many would argue that quality clients are not gained or lost over a five per cent pricing differential. The question is whether the firm has the discipline to seek it and enforce it?

On the cost side it is all about the productivity of personnel. If you analyze your financial statements you will generally find that almost 70% to 80% of your operating costs are payroll related and another 5% to 10% are occupancy costs. It is how payroll related costs are managed that is the ultimate determiner of profitability.

The best managers have reasonable expectations of client service hours to be provided by the members of the firm. They make certain the firm is right sized to deliver those client service hours and they measure to make sure that those client service hours are no less valued by the client. This is achieved by requiring that client service hours are accurately reported and that the firm is fairly compensated for the time expended [cost incurred] on each client. Where there are shortfalls in performance by either personnel or in client payment for services rendered timely actions are taken to remedy the problem.

What are the top three challenges in managing operating expenses in terms of agency profitability?

The top three challenges are client service billable hour quality,

client service billable hour productivity, and compensation of personnel.

What qualities should an agency principal look for in current and future clients that are most likely to help them achieve higher net profit margins?

An agency principal should look for those clients where the firm can make a difference and be appreciated for it. If those two components don't exist then at best it will be lower margin client or a doomed relationship.

To what degree is undercharging for services a problem in achieving solid profit margins? Where do agencies go wrong in setting fees?

Agencies and clients go through a mutual selection process at the beginning of their relationship. The premises set up then will govern the economic relationship in the future and change will be difficult unless there is mutual agreement. Frequently, agencies over service their clients in the pursuit of client satisfaction, with out regard to their own economic interests. As my professor once said "people don't do what is expected unless it is inspected". Agencies must have the appropriate client service inspection tools in place and use them.

Appropriate tools include billable hour standards, reasonable standard hourly rate structures, measuring client profitability and tying in compensation to profitability.

What are the key metrics a PR firm should look at every day? Every week? Every month?

PR firms are professional service businesses. They do not get new business or retain clients unless they provide good service. Well-managed firms make certain they deliver their service well on a daily basis. That means defining their service deliverables at the beginning and making certain they deliver them timely. Therefore work needs be scheduled and schedules met as the highest priority.

Similarly annual budgets should be created for the firm and broken down monthly. Monthly financial statements should be prepared comparing monthly and year to date results to budget as well as to the prior year.

In addition it is important to review performance timely. Therefore on not less than a monthly basis billable hour productivity by person should be reviewed against previously established standards. Many firms have as a standard between 1600 and 1800 billable client service hours a year for all but senior management.

Furthermore work in process and accounts receivable should be reviewed monthly to assure that the firm is being adequately and timely compensated for its services. If it is determined that the client is being over serviced relative to the firms compensation then it must be addressed on a timely basis to remedy the problem by managing the service process better and/or by addressing the compensatory relationship with the client.

Work in process should not exceed more than 30 days of service and accounts receivable should be collected timely in accordance with the terms agreed up at the inception of the relationship.

In professional service firms the old rule of thumb is "one third for labor, one third for overhead and one third for profit". Firms should compare their performance against this axiom by doing the following:

- Determine your professional labor costs
- Multiply by three to determine your targeted revenue
- Add up all of your operating costs other than professional labor costs.
- Set up a summary comparative income statement with the following headers: Actual, Target, Difference, Net Realized Fees, Operating Costs, Professional Labor, Other Operating Costs, Total Operating Costs, and Profit.

Any difference in revenue will be due to pricing differences. If all other operating costs exceed professional labor one should question why. The next largest operating expenses after professional labor are typically support personnel, employee benefit costs including payroll taxes, and occupancy costs which generally run 5% to 10% of revenue.

The pricing differences can be further analyzed if the firm has standard hourly rates. If so additional categories should be added so that the comparative income statement has the following headers: Actual, Target, Difference, Standard Time Charges Less: discounts, Net Realized Fees, Operating Costs, Professional Labor, Other Operating Costs, Total Operating Costs, and Profit.

To the extent standard time charges are less or more than three times professional labor it will show up in the difference column. This represents the difference due to your standard rate structure versus an assumption that it will be three times your direct labor and can be due to your rate structure or billable hour productivity, which can be easily ascertained by looking at each component. Firms often set billable rates based on salary divided by anticipated billable hours. We would suggest using a billable hour standard that reflects your own reality.

The difference between the standard time charges and the Net realized Fees are discounts from your standard rates and are often the largest expense after payroll. This is the cost to manage after professional payroll by assuring satisfactory levels of billable hours and quality of performance. Essentially it is up to management to assure the satisfactory performance of existing professional personnel or to replace them.

All other costs other than professional payroll, discounts and occupancy costs are either payroll related or relatively insignificant. They are not be ignored but put in perspective.

Lastly if professional payroll costs and other costs are each expressed as a percentage of standard billable time charges that is the cost to produce a dollar of client service, whether collectable or not. As stated before it should not more than $.67 if

standard billable hours are met and the billing rate structure is priced to yield standard time charges three times professional labor. If the rate structure is higher the percent and therefore cost to produce should be lower and vice versa, firms often use compensation systems to drive performance but that is outside the scope of this article.

What are the best ways to avoid mistakes in managing for profitability?

The best way to avoid mistakes is by keeping in close contact with clients to assure service quality. All other problems can be cured internally.

What are the best ways an agency principal can get his or her staff on board with regard to achieving profitability and management goals?

Compensation systems should be designed to enhance the economic drivers of firm profitability. Those include productivity as measured by billable hours, client profitability, new business development, client management and other related activities. **FV**

FIRMVOICE
JUNE 25, 2008

Expanding Your PR Firm:
Five Lessons Learned for Opening a Satellite Office

ED MOED
MANAGING PARTNER
& CO-FOUNDER
PEPPERCOM

DOUG SPONG
PRESIDENT
CARMICHAEL LYNCH
SPONG

SABRINA HORN
PRESIDENT & CEO
HORN GROUP

LYNN CASEY
CHAIR AND CEO
PADILLA SPEER
BEARDSLEY

RICK FRENCH
PRESIDENT & CEO
FRENCH/WEST/VAUGHN

TOM COYNE
PRESIDENT & CEO
COYNE PR

Have you ever had a client request additional services from you in a distant city? Has a prospect ever guaranteed a chunk of business to get you jump-started in a "foreign" market? Or how about this: Does your agency have special expertise that would perfectly suit business in, say, Silicon Valley or Boise or Miami?

If so, then you've already recognized that opening a satellite office can be a heady proposition. It means you're growing or *going* to grow. And it can be your first step to becoming a national (or international) powerhouse.

But how do you make the leap to a new office in a strange, distant market with new staff—without putting your core business in jeopardy? After all, many such expansions have signaled the beginning of the end for some agencies, or at least the end of profitability. So what are the best strategic reasons for opening subsidiary offices? What mistakes have others made? What risks should you be aware of when opening a subsidiary office? Which best practices should you follow to optimize your chances at success?

Here are the answers—and more—framed in five essential lessons of successful expansion, according to PR agency execs who've exported their brand and business to other locations:

1. Be strategic: evaluate strengths, weaknesses, opportunities and threats (SWOT)

According to **Ed Moed**, managing partner and co-founder of New York City-based **Peppercom** (www.peppercom.com), it's important to first evaluate the opportunities an expansion offers through the lens of the strengths it will give your agency. "For example, one of the best reasons and biggest opportunities fueling successful subsidiaries is that such an expansion would fill a strategic gap in your organization—where the geography of that office or the expertise for that office or level of staff, such as executives, can provide new services that you can't," he explains.

Additional motivating factors, says **Doug Spong**, president of **Carmichael Lynch Spong** (www.clynch.com) of Minneapolis, MN, are to "Evolve from a boutique to a regional firm or from a regional firm to a national firm, or from a national firm to a global firm—to open your pasture for larger business development opportunities, to attract more, better and different talent outside your hometown office, to better serve the needs of your clients, particularly those who are national or global in scale, and for existing talent to relocate and remain a part of your firm."

Sabrina Horn, president and CEO of San Francisco-based **Horn Group** (www.horngroup.com), agrees, noting that "Expanding your corporate footprint, capitalizing on new market opportunities from a client-based perspective and leveraging talent are all good reasons to open a subsidiary office."

Lynn Casey, chair and CEO of Minneapolis, MN-based **Padilla Speer Beardsley** (www.psbpr.com), notes that having access to other brand-building assets is a good reason to open a subsidiary office. "For example," Casey says, "Padilla's only subsidiary office is in New York. At the time, establishing roots in the media and financial capital of the country was critically important to doing work for major clients, including Fortune 500 companies located in our HQ community."

In addition to these reasons, **Rick French**, president and CEO of Raleigh, NC-based **French/West/Vaughn** (www.fwv-us.com), says "A PR agency would want to open a subsidiary office to reach prospective new clients who may only be open to working with firms that have a presence in their local markets."

"Improving client service is yet one more reason to open a subsidiary office," adds **Tom Coyne**, president and CEO of Parsippany, NJ-based **Coyne PR** (www.coynepr.com).

2. Check your ego at the door — don't attempt expansion for the wrong reasons

It's true what they say: Size isn't everything, especially when it comes to strategizing agency growth. So despite common belief, "The *worst* reason to open a subsidiary office is because you want to grow or get bigger," says Moed. "You have to look at a market and ask if there is something your firm can offer. There has to be a compelling reason for new clients to hire you in a new market."

"Vanity," French adds, is not a good reason to enter a new market with a subsidiary office.

Spong observes that "If you are not founded in a particular market, you will always be perceived as an outsider. So before opening a subsidiary office, make sure the market you wish to enter is ripe with prospective clients that fit your sweet spot as a firm."

The Horn Group embraced Spong's perspective when it expanded to Boston and New York. "But it wasn't because there was a client pursuing us there," Horn says. "We expanded because there were technology companies with which to expand our portfolio and no competition at the time."

Coyne agrees, adding that you cannot build a subsidiary office around a single account. "It must be built around a portfolio of clients." He says he bases his evaluation for entering a market with a subsidiary office on the potential of that market. "For example, we are looking at opening a subsidiary office in San Francisco and we are basing an entrance into that market on the large pool of talent in that market as well as the large amount of new potential business, from lifestyle to technology, and because of the time zone. We want an office in every time

zone around the world so we can service clients 24/7 and offer a greater quality of life for employees. The best companies provide 24/7 service without forcing employees to work 24/7," Coyne explains.

But don't expect instant success: "You have to assume a subsidiary office may not be profitable for up to one year," Coyne adds. Spong believes you have to give a new subsidiary office at least six months to be profitable; Moed says it can take from 18-36 months; and French believes it can take two to three years.

3. Start off on the right foot — watch these signs to monitor your new office closely

Once you have opened a subsidiary office, these PR firm executives say there are several signs to look for that may indicate the subsidiary office may not work out over the long haul. The most important of these signs is employee turnover and a lack of or loss of clients. Another sign is the inability to attract the right talent that will grow the office's business.

While opening a subsidiary office and attracting talent and clients are challenging for your home office, they are even more challenging for a new subsidiary office, these PR firm executives point out. Finding a cultural fit is part of attracting talent, Moed notes, adding that "people can try to change, but if they can't, there is no solution to this challenge."

Managerial communication with the office and staff can also prove challenging. To overcome this obstacle, Moed recommends placing as many calls as possible to the head of the subsidiary office and visit it as much as possible.

Another challenge, according to French, is maintaining a budget. "Opening a new office is expensive. Costs can quickly get out of hand because of 'needs' that always pop up. So you need to carefully manage expenses so the office doesn't become a cost burden to the rest of the agency while the new office establishes itself," French says.

Spong adds that "Getting the invitation to all of the right agency reviews" as a newcomer is also a challenge. He suggests the solution is to "Have a specific marketing and business development plan unique to that market that leverages a distinct, proprietary and relevant position for that firm."

Coyne, on the other hand, says that business systems are one of the biggest challenges to opening a subsidiary office. The office infrastructure, he adds, must be functional, from the servers to the phone systems. "Without the infrastructure, you are set up for failure. Therefore, you must plan, plan and plan—even before the key is put in the lock on the office door," Coyne emphasized.

In addition, before you open a subsidiary office, you need to hire local people. "They need to be A-listers—people who understand the city in which your subsidiary office is in," Moed says.

4. Create growth opportunities for your new remote staffers to ensure buy-in

You also need to give the head of the subsidiary office room to move, Casey says. Horn offers that one strategy that has worked for her firm when hiring for a subsidiary office is to take people from the core office and put them in the location and hire people in that market. "This will give you a combination of local people who have the connections and a person or people who know how your agency's culture works," she says.

Coyne suggests empowering the leader of the subsidiary office to hire his or her own team, but also recommends having your HR team visit the subsidiary office to ensure you have a second set of eyes following the careers and growths path of each employee.

Once you have hired your subsidiary office team, Coyne recommends conducting frequent phone conversations and updates with lead management personnel and frequently visiting the office to help build that office's team. Additionally, Horn recommends setting reasonable expectations and goals and adjusting them as needed.

5. Market your new services specifically to the area based on your agency's strengths

Now that you have hired your staff and have begun to indoctrinate them into your agency's culture, the next step is to market the office. To do this, Moed says you have to understand what your overall strengths are and position yourself to those strengths. "Don't try to be all things to all people," Moed advises.

French says the subsidiary office should be marketed as an agency "brand," while Horn says it is best to network with your practice group communities and attend industry-specific conferences and events.

Spong adds the best way to market the new subsidiary office is with a "soft" opening. "We go in with a soft opening because if you go in with a big bang, others will later notice when you have a big bust if things go awry."

Coyne's best advice this: "Spend extra time and focus on the planning for your subsidiary office. Build extra time into everything you do." Meanwhile, French offers this suggestion: "Choose your market wisely and analyze whether your brand is strong enough to be competitive in that market."

Similarly, Moed advises "researching the market really well. Think about whether you can really be unique or have a clear selling point in that market; and then make sure you really want to spend the time traveling back and forth regularly to make the subsidiary office a success," he says. **FV**

David S. Chartock

FIRMVOICE
JUNE 25, 2008

It's Not the Economy, Stupid

By Darryl Salerno, president, Second Quadrant Solutions

As we approach what many believe will be an economic slide, your actions as an agency leader will determine how well you perform through the downturn and after the economy rebounds. Many agencies assume that if the economy takes a turn for the worse, it inevitably means they will also feel the pain and therefore should take measures in anticipation of the reduction of income. However, many of the steps taken by agencies will actually increase the odds they will become victims of the downturn, rather than protect them against it.

For example, many agencies will begin to take a hard look at their expense categories and try to trim expenses for relatively incidental categories like travel, dues & subscriptions, new business, etc. With 75-80% of all expenses tied up in compensation and rent, it's clear that this course of action is futile in the long-run. Even if you could cut all other expense categories by 20%, at most you would generate four percentage points of profit. And unless you are currently wasting significant amounts of money in these areas, cutting deeply will lead to service reductions that can hurt the efficiency of the business.

More frequently, agencies become extremely reluctant to make new hires or will consider cutting staff due to reductions in client budgets. With so much of our income going to compensation, this seems to be the right approach to protect against economic difficulties. It is always a good idea to remove poor performers from your agency, regardless of the state of the economy, but those decisions should be made on the basis of performance, not profits. In the agency world, the only thing we have to sell is the time of our staff. If you have a good employee, you should be extremely reluctant to part with that person and if an excellent new hire becomes available, you should jump at the chance to bring him or her on board.

So what if you find that your agency is not growing or that you have lost some business due to budget cut-backs and lost clients?

What frequently happens is that the clients who remain get additional servicing from the account staff working on their business. The employees want to remain busy and management generally condones or encourages this over-servicing in order to keep the remaining clients happy. Although understandable, this is a major mistake.

Once you get clients accustomed to receiving more service than they are paying for, it is difficult to reduce the work when you have other business for your staff to work on. You will essentially be jeopardizing the metrics that are necessary to generate a reasonable profit.

If client cut-backs create a situation where staff has available time, that time should be used for the benefit of the agency with increased marketing, strategic new business initiatives and networking. Smart agencies dedicate a percentage of time from their best employees to this effort on a regular basis and increase the time allocation during difficult economic times.

It may seem counter-intuitive to increase your outreach when the economy indicates there will be a reduction in business, but that's not true. Consider that even in good economic times, when you factor in lost clients, non-recurring projects and slashed budgets, the average agency loses 30-35% of its business from one year to the next. Assuming there is $3-4 billion in total PR budgets, this indicates that between $900 million and $1.4 billion will change agencies this year even if the industry experiences no growth. If the industry shrinks by 10%, there will still be $500 million to $1 billion in new business wins for the year.

Good agencies can grow significantly, regardless of the state of the economy. Even when the dotcom bubble burst, roughly 30% of the ranked agencies grew from 2000 to 2001, despite a significant drop in the total PR budgets across the board.

In the final analysis, if you are faced with budget reductions, don't overreact and take actions that can hurt your agency in the long run. Allocate available resources to those areas that will help you grow: develop a strategic plan to sell new products to existing accounts; increase your networking activities to increase your new business opportunities; improve your agency's visibility through enhanced marketing initiatives.

Under no circumstances should you assume that a softening of the economy will inevitably mean your business will suffer. You have far more control over your success than you may believe. **FV**

Darryl Salerno is president of Second Quadrant Solutions, an organization dedicated to helping professional services companies maximize their financial health. Reach him at: darryl@secondquadrant.com.

FIRMVOICE
JUNE 18, 2008

A Professional Service Industry Expert Analyzes, Compares and Offers Advice to the Public Relations Industry

ASHISH NANDA
HARVARD LAW SCHOOL

When it comes to leadership training, sometimes the best learning opportunities come from observing industries other than your own. While they may seem like night and day, a PR firm and an investment bank, for example, may have more in common than you think.

That's because there are several similarities across disparate professional service industries. Delivering client service, for example, is one common denominator. The distinguishing characteristic, however, is that the most valuable assets of professional service organizations are their people.

Bringing an unrivaled understanding of this symmetry is **Ashish Nanda,** the Robert Braucher Professor of Practice, Faculty Director of Executive Education, and research director of the Program on the Legal Profession at Harvard Law School, who recently conducted his fifth leadership training session for members of the **Council of Public Relations Firms**, called, "Leading High-Performing Teams," which is based on the Harvard Business School case method.

How can we learn from other professional service industries — where do the relevant similarities exist for PR firms?

First, all professional service firms' (PSFs') strategic assets are its people. A colleague of mine likes to call them "elevator assets." Each day in the evening a firm's most important assets essentially go down the elevator and walk out the front door. It is important to give your people a compelling reason to return the next day.

Second, the output in public relations is similar to the output of PSFs in other professions. They are all providing high-quality service.

Third, professionalism is a promise to place client service ahead of personal interest. Only then does the professional gain the client's trust. That means it is of the utmost importance to behave and perform in a professional manner, placing client interest foremost.

Fourth, PSFs within the same profession share a codified body of knowledge. Therefore, if you want public relations to be treated as a profession by insiders and by society at large, it is important for the profession to develop a sense of what shared knowledge all PR professionals must possess, and what specialized skills they must acquire.

Since you began working with the Council and its members five years ago, what are your observations about the public relations industry?

I have been impressed with the energy and creativity of the people I have met. On the whole, I have found people in public relations inquisitive and passionate about what they do. They evince a great desire to learn. For instance, one of the participants told me after this morning's session: "This is like oxygen for me."

I have also found the relative youth of the industry's leadership — and the number of women in positions of responsibility — refreshing, compared with other professions. If there is a weakness, I would say that there is a lack of confidence in PR's status as a profession. Lawyers and accountants, by comparison, offer a stark contrast; they are confident about their professional identity and status. PR staff have a more difficult time convincing themselves and their clients that they are professionals.

What can the PR industry as a whole do to bolster its professional credentials?

Industry associations play a key role in bolstering professional identity. These associations give professionals a sense of community and belonging. Associations help professions develop codes of conduct, certify professionals who adhere to professional norms, self-regulate the profession to ensure that professionals are behaving professionally, and nurture opportunities for professionals to learn and develop.

What is your advice for PR firms, and the PR industry, when it comes to dealing with "outside" competition, particularly as it relates to the ascendancy of new media and digital communications platforms?

Technology is a tool, an enabler, not a friend or an enemy. How one uses technology and responds to technological development determines whether it becomes a source of opportunities or threats. To remain competitive, you must be ahead of the curve; must help shape the world, rather than have change forced upon you. There are certainly risks and threats now, but there are also opportunities… in spheres like Internet-based PR, and engaging multiple audiences in different places synchronously.

The medium has changed, but the core, the approach of public relations, has not. Firms must be flexible and think broadly. In my opinion, small PR firms should be able to use technology to be more responsive, creative, and flexible than some of the 'media giants.' This is also a time that PR can consider opportunities to make some inroads into areas that would otherwise be considered traditional advertising.

How should PR firms prepare for an economic downturn?

I have three observations:

- I worry a little bit about the youth of some the firms' leaders. Younger professionals who have not experienced a recession

may not be well prepared for it, particularly if this downturn lasts longer than previous ones.

- International firms should consider re-allocating resources. Pay attention to strong markets — both geography and industry-wise. Firms should be adjusting, not across the board, but in a thoughtful, measured manner.

- Professional service firms have historically been slow to adjust their staffing during downturns. Be careful about adding to the workforce right now, otherwise you may be most under pressure to cut in a few months. This is a time to be disciplined about hiring.

What are the three most common traits of successful people in professional service firms?

They are achievement-oriented. They build and lead effective teams. They are great at nurturing long-lived institutions. **FV**

FIRMVOICE
MAY 28, 2008

Going Global:
How to Break into Profitable New Markets

LISA SEPULVEDA
CEO, NORTH AMERICA
EURO RSCG
WORLDWIDE PR

AEDHMAR HYNES
CEO
TEXT 100
PUBLIC RELATIONS

DONNA IMPERATO
PRESIDENT, CEO
COHN & WOLFE

MARGERY KRAUS
PRESIDENT, CEO
APCO WORLDWIDE

LOU HOFFMAN
PRESIDENT, CEO
THE HOFFMAN AGENCY

MIKE SWENSON
PRESIDENT
BARKLEY PUBLIC
RELATIONS

The decision to go "global" and expand your business will most likely be based on your client's international presence or intentions. Or it may be driven by a strategic push to leverage your practice areas and expertise in exciting, burgeoning markets ranging from Dubai to India and even the EU. But is going global really right for you?

If so, which markets are most suited to which of your core specialties—and how can you best break into them? For example, is it better to partner with an existing shop in that market—or should you hire a staffer there with on-the-ground, local experience? What are the biggest opportunities and pitfalls of going global?

While global PR is often the territory of larger agencies, there are a few agencies doing international PR that have 20, 30, or even 40 employees and don't have offices in foreign countries. But clearly, international PR is not for everyone. We asked leaders in the field for an assessment of the opportunities and pitfalls.

Pursuing the Hottest Global Markets

China, India and the Middle East are currently the hottest international markets for PR firms because they are "emerging markets," according to Lisa Sepulveda, CEO, North America, Euro RSCG Worldwide PR (www.eurorscgpr.com) of New York.

In addition to India and China, Thailand and Vietnam "have been incubating their own technology markets and are targets of international enterprises that are diversifying their business. Key practices include digital lifestyle, peer media, corporate social responsibility and clean tech," adds Aedhmar Hynes, CEO of San Francisco-based Text 100 Public Relations (www.text100.com).

Donna Imperato, president and CEO of New York City-based Cohn & Wolfe (www.cohnwolfe.com) notes that Indonesia is also a prime market because it is the fourth most populous country in the world. "And you can't ignore the rapid emergence of nations such as Thailand, the Philippines, and Malaysia," she adds.

Furthermore, Imperato notes, "more sophisticated markets continue to grow in importance. For example, Singapore, Hong Kong, Korea and Japan are among them. They are on everyone's list for pan-Asian pitches. People forget that Japan is the world's second largest economy. Eastern Europe is also growing in importance."

"However, older western markets do continue to see growth, and the eroding pound may see more business move back to this market as it becomes less expensive," says Sepulveda.

With the global economy growing from $22.8 trillion to $53.3 trillion from 1990 through 2007, entering global markets "is not a choice" for clients seeking growth, explains Margery Kraus, president and CEO of Washington, D.C.-based APCO Worldwide (www.apcoworldwide.com).

As a result, APCO goes "where our clients need us to go," Kraus says, adding that "decisions to expand into new markets are evaluated by our executive committee based on input from clients and regional CEOs. Each year we assess the need and make the appropriate investments. Recently that has included Dubai, Africa, India and the Association of Southeast Asian Nations (ASEAN) region, namely Thailand and Vietnam."

What an Agency Needs to Be a Global Player

To enter new global markets "you should strive to leverage a current client to expand into a new market, with the new market based on the client's priorities," says Lou Hoffman, president and CEO of The Hoffman Agency of San Jose, CA (www.hoffman.com).

In addition, PR firms seeking an international footprint must have "strong and globally-minded talent with specialized knowledge on global issues, local markets and industry expertise," Hynes notes, adding that "a PR firm must also have a collaborative mindset and provide a robust infrastructure that supports multi-country accounts."

International clients also want insight into their target audiences. This can be difficult for smaller agencies that don't have talent on the ground in a given country, because published research doesn't usually keep up with the pace of change, adds Imperato.

Partnering to Achieve Global Expansion

So is it even possible to represent clients internationally without opening an office? Some agencies have formed alliances with specific firms in target overseas markets or joined PR agency networks with international affiliates.

Sepulveda confirms that "where wholly-owned offices are not available, it is critical to develop and maintain a strong affiliate network" or to hire local consultants.

IPREX, a network of 60 independent PR firms around the globe, is one such network, according to Mike Swenson, president of Kansas City, MO-based Barkley Public Relations (www.barkleyus.com).

"We have been in it for 15 years. It allows independent agencies to have a network of professionals around the world in more than 30 countries," he says. "We depend on them for ideas and help for clients. It also provides support with regard to being a

global entity. Furthermore, as multi-national PR continues to focus on going global, a network helps independent firms compete by having the same if not better capabilities than multinational firms." In addition to IPREX, other networks include Worldcom and Pinnacle, he says.

Hoffman, however, is not a proponent of partnering, "at least in major markets. It has been our experience that clients hold the lead agency responsible for the quality of service delivery, a challenging proposition with barriers ranging from culture to language. Furthermore, for all the time that goes into managing, guiding, teaching and cajoling the partner, it is difficult to make money in this structure."

Hynes believes that partnering viability depends on the market. "In markets that are driven by connections, such as Korea and China, partnering would be the preferred model. This would also apply to those markets that have high levels of bureaucracy and low levels of legal certainty (generally emerging markets)."

Hynes adds that in other markets "you can take the 'green field' route and build your own capability. Australia would be an example of this type of market. In either case, a strong level of local investment is essential to ensure a consistent global offering."

The Hoffman Agency is a $10 million firm with 130 employees worldwide. It has offices in San Jose, Denver, Hong Kong, Singapore, Taiwan, Beijing, Shanghi, Seoul, Korea, Tokyo, London, and Munich. Hoffman is aware of a number of small firms doing business overseas through affiliate/partner relationships. However, he too agrees that it takes a sizable investment to build a global infrastructure, which typically precludes smaller firms from going global.

Another route to global growth is acquisition. According to Imperato, "acquisitions are common, and most if not all PR agencies are doing it, but multinational companies have a hard time finding a cultural fit if they are trying to expand their network. A local consultant can possibly help with that. But in the end, business growth locally requires local expertise."

Global Mistakes Can Be Costly

Hoffman acknowledges that it is expensive to build a global infrastructure, which is why he says the vast majority of PR firms with global footprints come from conglomerates. Furthermore, he notes that it's not just the obvious expenses of office space and legal costs that go with entering an overseas market: "Hiring the wrong person can be an expensive mistake overseas."

In addition, Kraus points out that political, economic and social concerns impact business. "With the increased rush to globalize — and the pressure companies feel — it is easy to make mistakes," she adds.

These costly mistakes, says Kraus, include basing decisions on previous experience in another market; being unprepared for shifting landscapes resulting from elections, coups, civil wars or other political events; and being insensitive to social and cultural differences.

Hoffman adds that dealing with the unexpected in a foreign country can be challenging and costly as well. For example, "take the seemingly innocuous task of placing a classified ad in China. For a foreign company, there are three different government agencies that have to approve the ad. In our experience, the third agency required a change to the ad, which then required the revised ad to go back to the first two government agencies for their approval. What would have been a 15-minute task in the U.S. took 11 hours in China."

Is Globalization Reshaping the PR Industry's Future?

According to Kraus, "the future of public relations requires learning to work with a wide array of stakeholders with their own thoughts and ideas. The firms that succeed in the future will be those that acknowledge and respect a global understanding that embraces two-way learning on a culture-by-culture basis."

Hynes believes globalization "will instigate a rationalization and consolidation of local PR shops, and the cost of doing PR around the world will level out as salaries and establishment costs in emerging market rise."

Sepulveda maintains that the convergence of the Internet and global media is continuing to reshape the future of PR. "It is creating a rapidly expanding market in which we now expect to reach 100 million people — where we use to reach just 10 million — with a single Web page or news report. We have to think globally and act locally."

David S. Chartock

Top Dos and Don'ts for Entering a Global Market

1. Do make a comprehensive appraisal of the market you wish to enter. Your appraisal should include the product and service from a competitive viewpoint; the transparent decision-making process; the strength of the rule of law to protect you, your employees and your interests; and how rampant corruption is in that market.

2. Do look beyond your business plan to other success factors that enhance your ability to do business.

3. Do play by your own rules, ethics and values.

4. Do pay close attention to the cultural gaps. For example, there are distinct differences between the French and the British, even though both fall under the European banner.

5. Do know your colleagues and partners because one key to success is building strong, reliable relationships.

6. Do set reasonable timelines and targets.

7. Do hire people who have knowledge and experience in each market, including influential senior staff from your network who are able to introduce the company's culture, systems and processes quickly into the new market.

8. Do hire local consultants to help you with the legal requirements of a wholly-owned business versus joint ventures.

1. Don't use services you can't control.

2. Don't put your fate in the hands of third parties with questionable backgrounds and whose "political" connections make them radioactive to some audiences.

3. Don't take your experience from one market to another. Each market requires a local knowledge blended with a global strategy.

4. Don't promise global reach if you can't deliver.

5. Don't be misled by those who speak English well. Make sure they have the skills you need.

6. Don't leave your new office leadership out in the cold. Provide them with consistent support from your global network.

7. Don't discount your rates to compete with local, cheaper firms or you will always be stuck in a price war.

8. Don't think you are superior. Attitude plays a key role in overseas markets and varies from culture to culture. **FV**

FIRMVOICE
MAY 28, 2008

How PR Firms Can Work More Successfully with Corporate Procurement

J. FRANCISCO ESCOBAR
PRESIDENT
JFE INTERNATIONAL CONSULTANTS

A decade ago, client procurement professionals had little or no visibility in the agency business beyond the C-suite. Today, client procurement professionals—those who keep a watchful eye on corporate purchases, contracts and costs—are causing the PR industry as a whole to re-assess its new-business pitching practices and its fee structures, and to be much more attentive to all issues involving cost.

The increasing use of procurement means agencies need to learn to deal with this trend, understand the role and values of procurement professionals, and, in turn, learn to educate procurement officers about the business of PR and marketing communications.

What does all this mean to you, and how will it affect your business model moving forward? What kind of weight will client procurement specialists really have in determining which agency a client chooses in the future? Will this affect your bottom line in terms of retainer fees?

J. Francisco Escobar, president of Dallas-based JFE International Consultants, is a business management advisor to major advertisers and service providers in the marketing communications industry. He previously managed marketing procurement for Texas Instruments for 14 years and has served as a consultant working with marketing procurement professionals for the last five years. He is also an advisor and consultant to the Council of Public Relations Firms and has participated on many panels regarding this issue since 2003. Here he answers these and more questions to help you successfully navigate the client's procurement process now and in the years ahead:

How are a client's procurement personnel influencing/changing how the PR business operates?

Generally speaking, client procurement professionals' involvement in client/agency PR relationships is causing the PR industry as a whole to re-examine its pricing models, including an agency's direct (i.e. labor) and indirect (i.e. overhead) costs, profitability levels, and client "pass-thru" expense, such as program out-of-pockets. To a lesser degree, but surely expected to expand, is procurement's role in the selection and contracting process. As this becomes more prevalent, PR agencies will need to be more educated about key procurement "care-abouts" when it comes to responding to RFIs/RFPs/RFQs, as well as negotiating equitable terms in their client service agreements. Overall, PR firms need to become much more buttoned up with respect to the actual running of their businesses and learn how to deal with these relatively new players in the mix.

Is this a trend? A fad? Why?

It is definitely *not* a fad, but it is certainly a trend that is here to stay and only grow in importance. The "insignificant" purchasing departments that characterized client organizations for most of the 20th century have, in the last two decades, evolved into global procurement and strategic sourcing functions. Their charter and empowerment varies from company to company, but typically includes control of all third-party expenditures by managing the contracting, pricing and authorization process with any and all suppliers. Given the economic downturn caused by the dot-com debacle, and now the housing/credit crisis, and the attention to corporate governance resulting from failure and fraud at major corporations, procurement's role as a steward of all outside costs and ambassador of ethical behavior has been firmly rooted going forward.

What kind of weight does procurement have in determining which agency a client chooses?

It depends. Procurement — done right — carries no direct weight in the agency selection process. Procurement's primary responsibility is to ensure that the selection process is fair, unbiased and thorough. Procurement must own the process, not the decision, from the make-up of the client selection team to the evaluation form that must be used to determine the winner. At most, procurement may serve as a "tie-breaker" or "influencer" based on the risk or financial viability of various candidates.

Why is procurement gaining such influence?

In cases where client procurement appears to be (or actually is) selecting agencies, this is, in my opinion, a marketing communications procurement "worst" practice. The ultimate "buyers" of the PR service are the client communications and PR stakeholders, and as such, they are ultimately responsible for choosing the PR partners with whom they will work on an ongoing basis. PR agencies confronted with this situation need to appeal to the "true" stakeholders or else decline to participate in the procurement-driven selection process. Like agency search consultants, procurement needs to remain impartial in the selection process, yet steer the decision to a mutually beneficial outcome for both the client and the selected agency.

What does it mean with regard to retainer fees?

Procurement's involvement will undoubtedly lead to a much higher level of scrutiny as to how these fees are derived. Procurement's role is to ascertain the reasonableness of suppliers' cost to their corporation and to validate that they are getting the best value for their money. Procurement needs to have some level of comfort that the make-up of the retainer fees reflect competitive pricing in the marketplace. In the case of PR, for the most part, procurement is buying people's time as it relates to campaign ideas and the execution of programs. The pricing (i.e., agency billing rates) of individuals assigned to the client account, which is representative of the retainer fees, needs to be somewhat transparent to procurement. By this, I

mean the average direct labor cost by agency job title or function, an understanding of the agency's indirect overhead factor applied to direct labor, and the agency's mark-up for profit.

What does it mean with regard to the types of PR campaigns implemented?

There should be absolutely no bearing on actual campaigns due to procurement involvement. Procurement does not own the PR budget and, under no circumstances should it have any say on the types of output that agencies produce. Procurement may get involved in the pricing of various types of campaigns and provide guidance to their internal stakeholders on getting "more bang for their buck" by varying the mix. But ultimately, it is the client communications and PR staff who determine the scope of services based on their unique requirements and budget. On the other hand, client finance or management may affect campaign implementations by arbitrarily and indiscriminately cutting PR budgets.

What does it mean with regard to measurement of these campaigns?

At its core, procurement is about fact-based management through metrics. On the other hand, most client procurement organizations are fairly unenlightened and uneducated about the PR discipline and marketing communications industry. Additionally, the discipline and industry have historically not been very adept at measurement, quantification of impact, and calculation of ROI. With this is mind, I believe that measurement belongs to the analytics experts, most of whom reside neither at the client nor agency organizations. Procurement can certainly be involved in helping both parties identify and select appropriate, independent third parties that can successfully and accurately measure the impact and return on investment from executed PR campaigns.

What challenges do PR agencies' face in dealing with a client's (or prospective client's) procurement decision-makers and their influence, and what are the solutions to each of these challenges?

The three biggest challenges that agencies face in this new phenomenon, are 1) not embracing the new reality by ignoring their influence and pretending that "they" will simply just go away; 2) dealing with unenlightened and uneducated client procurement personnel; and 3) the misalignment and lack of linkage between client communications and PR stakeholders and their own procurement departments.

The solution to the first challenge is straightforward — accept procurement's involvement, understand their role and particular "care-abouts," and treat them like real people rather than adversaries (the latter leads to a self-fulfilling prophecy).

The second challenge requires agency personnel to educate procurement, as much as possible, about the marketing communications industry in general and the PR discipline in particular. This can be accomplished by allowing them into the agency so that they can see firsthand exactly what the business is all about. In many cases, this will make procurement advocates for an agency.

There is no easy answer to the third challenge. Recent surveys by a major trade association indicate that the misalignment and lack of linkage between marketing, procurement and the stakeholders they are chartered to support has not improved in the past three years, and remains at unsatisfactorily low levels. Unfortunately, this can put agencies in the difficult position of reconciling between two competing client organizations that are not in sync with each other. Alternatively, proactive agencies can and must reconcile these differences in order to maintain a harmonious and productive working relationship with their clients.

How do you educate procurement personnel on the value of PR? What are the results?

Metrics, metrics, metrics — but it is more important to convince the client's chief marketing or communications officer. Procurement mostly needs to be assured that, compared to other PR agencies, they are not overpaying for a particular agency — and if they are paying comparatively more, then they need to understand why. If you are the Michael Jordan or Brad Pitt in the industry, then you will command a bigger cost to the client. **FV**

David S. Chartock

FIRMVOICE
MAY 21, 2008

Diversify or Die:
How Agencies Benefit By Hiring a Diverse Workforce

DAVID MILLER
U.S. TALENT ACQUISITION MANAGER
HILL & KNOWLTON

NIKITA DAVIS
VICE PRESIDENT
STAFFING DIRECTOR, HR KETCHUM

BRAD MACAFEE
PARTNER, MANAGING DIRECTOR
PORTER NOVELLI

KIM HUNTER
CHAIRMAN, CEO
LAGRANT COMMUNICATIONS

No doubt about it—your agency's greatest resource is its talent pool. But too many agencies fail to ensure their talent pool's depth and breadth through diversity. They hire staff with the same skills, backgrounds, networks and even attitudes. The result of such homogeneity is often stagnant growth—or worse. After all, individuals with different backgrounds, cultures and generational perspectives can yield the new ideas and skills essential to survive—and thrive—in today's rapidly changing communications market.

Sounds good in theory, right? But how can you choose the right talent you need to meet your agency's growth goals? Where do you go for new blood—which schools, disciplines and even geographies hold the best hidden gems and untapped talent? How can you ensure you don't hire the wrong person in your quest for fresh faces and skills? We asked leading agency execs how they are improving their talent pools through diversity—and how you can do the same.

According to David Miller, U.S. talent acquisition manager for New York City-based Hill & Knowlton (www.hillandknowlton.com), "Diversity is a necessary component of any thriving business. It is through having employees with diverse backgrounds and ethnicities that a company is able to draw from these backgrounds in order to expand the spectrum of their abilities to service the client."

Diversity, adds Nikita Davis, vice president, staffing director, HR for New York City-based Ketchum (www.ketchum.com), is inclusivity—men and women from different nation's and cultures, ethnic groups, generations, backgrounds, and skill sets. A diverse employee, she says, "can be, either a PR practitioner or a non-practitioner—the non-practitioner can become a PR person. It could be for example, someone who has worked for the government for many years, but has transferable skills that may not be PR-specific, but will help the PR effort."

Brad MacAfee, partner and managing director, New York City-based Porter Novelli (www.porternovelli.com), believes simply that "diversity is trying to bring the right mixture of people and talents together."

How Firms Achieve Diversity

All firms interviewed for this article indicated that diversity is based on specialization, age, gender and skill set. Hunter points out that all 21 of his employees are diversity employees because his firm focuses on the African-American and Hispanic markets to provide multi-cultural services to its clients.

Davis reports that Ketchum's diversity hires include individuals with internship experience at the junior level, or on the more senior level, it could include individuals who have worked in healthcare, brand marketing, corporate law, media or government.

At Porter Novelli, MacAfee says their professional diversity efforts also include employees with backgrounds in technology, journalism or senior executives who have been at other agencies and have had similar clients and experience.

In addition to summer internships, H&K, Porter Novelli and Ketchum hire diversity candidates through the usual routes: advertising, employee referrals and networking. Positions range from entry level, account associate, account executive, account supervisor, to vice present and above. Ketchum, Davis observes, also looks for diversity candidates through alumni and professional organizations.

Besides colleges and universities, Hunter says he recruits diversity candidates using Craig's List, Monster.com, through networking and through his company's own database and Web site.

Miller says Hill & Knowlton "instituted a lucrative referral bonus program to motivate our staff to share their positive work experiences with their peers in the PR community. We have also stepped up our attendance at PR industry events and focused career fairs around the country."

Miller adds that Hill & Knowlton recently won the Dillard University account "due to our growing multi-channel practice. We are working with them on re-branding, media relations and a web site redesign." He says that this "is a new client win, and we worked with several diversity practitioners i.e., those with different ethnic backgrounds) on the pitch. These same practitioners are now on the account."

Training Diversity Candidates

"One of the big pitfalls of diversity is training," notes MacAfee. "As a profession," he explains," "we are good at orientation, but we are not as strong on training. Training is bringing someone in who may not have all of the experience in this industry and taking them through a course or set of courses on how to be a good practitioner. Often, many organizations outsource this type of training."

Davis agrees, noting that Ketchum offers "PR 101 for those who have not previously worked in an agency. We also have Ketchum College, which offers weekly courses on client relationship management, presentation skills, financial skills, and writing skills."

(Additionally, the Council of PR Firms and Counselors Academy launched an online PR orientation program earlier this year called PRQuickstart. Visit the site at http://www.prquickstart.com).

Once Trained, Do You Know How to Retain Diversity Talent?

One of the secrets to attracting a diversity candidate, notes Kim Hunter, chairman and CEO of LAGRANT Communications (www.lagrantcommunications.com) in Los Angeles, is "the person doing the recruitment has to demonstrate passion and commitment and not lip service when it comes to hiring. The industry makes an assertive effort for recruitment, but where it falls short is with development and retention of diversity employees."

"The challenge to retaining diversity employees is opportunity," Hunter says. "If a diversity candidate comes into the organization and does not see others in their diversity group, it sends a signal that there is very little advancement of their own individual career."

MacAfee agrees, saying that he believes that the solution to retaining diversity employees is to insure that hiring managers have the same level of commitment and broad view as diversity employees. Achieving this, "starts from the top. Managers must demonstrate this is the type of organization we have and that this is an important business imperative that drives business results," he adds.

As with all employees, the best way to "retain a diverse talent base," Miller recommends, "is to keep them stimulated with challenging client work and keep them inspired by their peers and management." **FV**

David S. Chartock

FIRMVOICE
MARCH 26, 2008

Employee Ownership Spurs Morale — But It's Not For Every Firm

BRAD SCHWARTZBERG
PARTNER &
CO-CHAIRMAN
DAVIS & GILBERT, LLC

LYNN CASEY
CHAIR AND CEO
PADILLA SPEER BEARDSLEY

Very few PR firms are employee owned, and for good reason — the approach does not work across the board — but execs at firms that *do* incorporate shares of ownership for employees say their programs have proved beneficial and profitable. But these programs need to be finely tuned to an agency's overall mission and then monitored closely to make sure the ROI — both for firms and participants — is substantial and sustainable.

The primary purpose of employee ownership is that it serves as a device for attracting and retaining talent in preparation for a sale, explains Brad Schwartzberg, a partner and co-chairman of the corporate department of the New York-based law firm of Davis & Gilbert, LLC.

"There are two sides to a plan," Schwartzberg says: One side is to ensure employees will stay with your firm and won't be lured away by competitors; the other side is to prepare the firm for sale and allow the employees to share in the profits, if and when the firm is sold.

Employee ownership also has its drawbacks — the most significant being which employees will participate in the plan. After all, Schwartzberg points out, "You don't want to alienate employees who may significantly contribute to the firm."

The structure of the plan, he adds, will impact employee performance.

Generally, Schwartzberg says, there are three types of employee ownership. One is real equity or stock, another is true equity when an employee buys into the firm, and the third is phantom equity.

With true equity, he explains, the firm benefits in the form of new capital. With phantom equity, there is a contractual obligation between the PR firm and the employee, which gives the employee a percentage of the profit when the firm is sold.

Phantom equity, he continues, is better for employee retention and the attraction of new employees. The only downside is it is taxed as short-term capital gains after the sale.

Regardless of the plan type, Schwartzberg said, all plans need a structure. That structure must have a governing plan that can be modified by the firm's board when it's needed. In addition, each plan participant should sign an equity agreement governing the specifics of their grant.

Furthermore, the participating employee must make sure that whatever the plan, it is compliant with Rule 409A of the IRS Code. Rule 409A addresses deferred compensation and can impose penalties on the recipient if it is not compliant, he explains.

"Coinciding with the implementation of a plan, employees should sign a restrictive covenant – a non-solicitation agreement with regard to employees and clients," Schwartzberg adds, noting that a restrictive covenant protects the firm from a loss of employees and clients.

He estimates that the cost to roll out an employee ownership plan can range from $10,000 to $25,000.

Minneapolis-based Padilla Speer Beardsley (www.psbpr.com) is one firm that created an Employee Stock Ownership Plan (ESOP) in 1992 to "ensure a smooth financial transition to PSB's third generation of leadership in 2000," Chair and CEO Lynn Casey says, adding that PSB became 100 percent employee owned in 2003.

Casey says the firm's ESOP, which acts as a tax deferred savings account for purchasing the shares of retiring shareholders, was fed an average of 12 percent of all eligible salaries, enabling the acquisition of 75 percent of the firm debt free from the previous CEO and other retiring leaders.

Managing an ESOP, Casey notes, "takes a degree of fiscal discipline that might be higher than most mid-sized firms would agree to undertake." However, "without the ESOP, the firm's new leaders would have gone heavily into debt or would have had to sell the firm."

Casey and Schwartzberg both said that the effectiveness of an employee ownership plan should be based on how it helped the PR firm recruit talent and retain valued employees. Employee ownership is not for every PR firm, but for those firms that are interested, all plan types should be clearly investigated, along with why employee ownership is sought, the benefits to firm owners and employees, and the short-term and long-term impact it will have on the growth of the firm. **FV**

David S. Chartock

FIRM VOICE:
OUTSTANDING BEST PRACTICES FOR PUBLIC RELATIONS FIRMS

CHAPTER 2 NEW BUSINESS

INTRODUCTION:

If new business acquisition is the lifeblood of any public relations firm, then knowing exactly what prospects look for when hiring agencies is critical. That's precisely what the Council and Kelton Research probed in an industry-wide survey, which included in-house corporate communicators.

Answering the question, "What's the top selling point you look for when hiring a firm?", 31% said they focus on a firm's specialization or unique expertise, 18% said it comes down to a firm's network of influencers, 15% said they look for a firm's ability to complement their internal capabilities, 13% said it's all about a firm's ability to quantify results, and 8% said they hire firms because it's more cost-effective than adding staff.

But new business generation is far more complicated than knowing these generalized hiring hot buttons. After all, superlative rainmaking involves researching which geographic, consumer and practice sectors are or will soon be hot—e.g., policy work, crisis and issues management, investor relations, digital, healthcare, consumer tech, Hispanic and other ethnic markets, etc.—and recognizing how to brand and position your firm to take advantage of these growth sectors. It involves convincing clients and prospects alike of PR's superior ROI in the marketing mix, and extends to packaging, presenting and marketing your firm in good and bad times alike. And it can also include actually turning away new business that could be bad for your business—by, for starters, being more selective in the RFPs your firm pursues.

Each of these essential new business development areas is touched upon in the 15 articles that follow—and more. From proven ways for crafting wining client proposals to new business pitching pitfalls to avoid, it's all here: hundreds of tips and rainmaking strategies sure to help your firm attract—and keep—more new clients in the year ahead.

FIRMVOICE
MAR 4, 2009

Follow the Money: Capital Markets Expert Projects PR Growth Areas for 2009, Shares Turnaround Forecasts for 2010 and Offers Tips to Help Firms Navigate Until Then

ELIZABETH SAUNDERS

Many firms are struggling to get a bead on the market's bottom and a better picture of when prospects for clients will begin to turn around, so they can budget for new campaigns and programs accordingly. While there is no magic eight ball, one indicator may be what shops with investor relations practices are hearing from clients—as their work ties directly to protecting, communicating and pushing shareholder value. With that in mind, we checked in with Elizabeth Saunders, who specializes in crisis communications and companies facing strategic change such as restructurings and spin-offs in her role as managing director of FD, a global network of corporate communications, capital markets, public affairs and business consulting services.

Renown for her expertise in the area of corporate governance and issues involving shareholder activism, Saunders offered this perspective on what the future holds and how firms should prepare now:

What's your take on the state of the financial markets—and the resulting impacts you're seeing on PR and even IR firms?

A fifth of the companies out there today probably won't be around as independent public companies five years form now, because they don't have access to the credit they need and don't have as much cash on hand to invest in building the business. And also, there are an awful lot of them that have the choice to go private that probably will. So when you take that into consideration, it's going to be tough for PR firms whose entire general practices are linked to good, healthy companies trying to grow and market their products and businesses—because all that will continue to slow down. Put simply, there will be less of them (clients) and they will spend less money

That said, niche firms will do better. If you have a niche practice in, say, the Latino markets, then you're not going away, for example. But, general broad-based marketing and tech-oriented companies will certainly see fewer dollars.

But where the best PR firms will continue to grow is in areas of communicating financial shifts. There will be so many financial shifts for large companies this year, and there is a heightened sensitivity among the boards, that they will need to communicate those shifts—things like buying a company, selling part of a business, cutting dividends to conserve cash, doing equity offerings because you need cash and so on. Those are the economic realities our clients will continue to face this year—and they offer opportunities for financially savvy firms operating in this space.

Elaborating on that heightened sensitivity from board members, firms that can work at the board level to communicate difficult financial information certainly will be well positioned for the next several years. It's not like all the bad financial information will be vetted by June 1.

What are you hearing from clients in finance about when this will all turn around?

Credit markets must open up for a sustained period of time to give people access to the money necessary to fuel growth—so the smartest people I talk to on Wall Street these days are saying turnaround looks like 2010, if we're lucky. At the earliest, they're talking mid-2010. That's 18 months from now—and we in PR must figure how to navigate that time span now.

Your tips for helping firms navigate those 19 months, then?

We talk about that all day here. First, the threat to PR firms now is attempting to play in that (financial) arena without having a cadre of financial expertise. To get board level respect on financial topics, you have to be very conversant not just in any company's P&L, but also in how the markets work. It's a short fuse for companies working with PR firms without that expertise.

That said, firms with IR expertise will be well positioned—and so will firms with crisis and issues management experience. The positive for all PR firms is that with Wall Street imploding and with the legal community laying off large numbers, those are two brilliant places to turn to in order to build new talent.

PR firms that weren't positioned with that kind of expertise in the past could never really attract investment bankers and investment lawyers because of robust compensations—but now so many of them are being forced into new careers. PR firms that figure that out and who are willing to invest there will be set for the next couple of years—they will get assignments other PR firms won't get.

I'd like to know that these investment lawyers and bankers are extremely well connected individuals. If you get an ex investment banker from a mid level investment bank, that's someone who may have worked on 100 deals in three years. The network of contacts is spectacular and that's the network we in PR need access to more than ever.

Do you think PR firms will make those kinds of high level talent investments now?

It will be interesting to see if PR firms go that route, because it's out of a general PR firms comfort zone. I am extremely used to this area. I can say that firms need to think this way, because, again, generalist firms will have hard time surviving and competing for reduced number of mainstream dollars. IR and what we're doing is all about new dollars, new crises and new activist situations. It's not about fighting for the same pie—it's a new pie and it will expand.

Define activist situations—and how are they an opportunity for firms?

Activist investors are short-term oriented institutions that invested in a company and are losing money on their position and attempt to compel management in a direction to see a better return. For example, they might compel management to sell a company, to put them on the board or whatever will give them a voice to move the company forward and get stock prices up.

The reason 2009 is such a big year for activist institutions and boards is that most institutions are under water in most of their positions. If the market continues to be weak, they will not assume stock prices will go up. So they believe they have to compel companies to do something to move stock prices up. So the point to firms is that all this shareholder activism work is new. They begin at varying levels of pushing management and boards to new directions.

How do they do that—how does that translate to billable client work?

The first way to compel action is through media strategy. You go out and criticize management's strategy in press on something like "Power Lunch." That and anything related to CNBC is an easy way for activists to get a forum.

At the other end of the spectrum are proxy battles. You can be on either side from a PR firm perspective. You could be hired by the activists, or you could be hired by the companies to protect against activists and then compelling support form employees, analysts, suppliers, investors and so on. It's everything we do in PR—just a different application.

It's a very fresh and exciting world. After doing this for 12 years, I can say that the last nine months have been huge in terms of growth and activity. Again, there is a lot of growth available now for PR firms staffed with financial people. Crisis is huge, too. Overall, in the capital markets function, there is huge growth because boards are pushing management to communicate with investors and all stakeholders more. Capital markets is a hot practice area, in particular, because of the investor activism I outlined.

What resources would you point firms to for research into these areas?

NIRI [The National Investor Relations Institute] is brilliant for this. I'm on their emerging issues committee. They offer a huge body of knowledge, a weekly magazine, seminars on these subjects and key white papers. They offer access to great speakers, like the Wendy's activism guy, for example. You can go to a small conference and hear the best crisis and activism tips firsthand. They generate lots of research and conference calls on things like "Top IR Practices for Communicating in Tough Times."

Another great resource, one that costs a few hundred dollars, is "The Corporate Counsel." It's the bible for many of us in this space, and is a weekly blog written by security lawyers who bubble up to the top everything that is happening in this area.

I've heard that more companies are getting rid of their IR departments—is that true, and what does that mean to firms?

Yes, we're seeing that, too. It means that companies are outsourcing to firms like us—they're cutting costs and this is an opportunity for us. Most seasoned IRO (investor relations officers) can be hired now by firms, as a result. There's a great opportunity there.

What other major developments should we watch for in the IR world that might impact PR firms?

The biggest thing in the IR world was last August when the SEC said public companies have to use the website more effectively. Now everything is on hold until the new SEC is in office and proven competent. Watch this over the next few months. There will be developments. **FV**

Brian Pittman

FIRMVOICE
FEB 18, 2009

Demonstrate + Deliver = Dollars:
How to Convince Companies They Need PR Help Now

WILL SPIVEY
MANAGING PARTNER
TRONE

TIM SCHRAMM
SVP
COYNE PR

TOM AMBERG
PRESIDENT & CEO
CUSHMAN/AMBERG
COMMUNICATIONS

Most client-side, market savvy execs recognize that outside PR counsel is critical for growing, protecting and promoting the brand—even in down times. And most chief marketing officers (and corporate communicators?) are reluctant to cut back on PR efforts as their budgets are being slashed, because communications programs are typically viewed as being more cost effective than those of other disciplines. Even so, budgets are tightening as the recession worsens—and even the most ardent advocates of hiring (or keeping) an agency may be cutting back.

So the challenge isn't convincing the decision makers who sign our checks of the value of PR: It's about demonstrating the value of *your* counsel, according to the agency leaders we spoke with on this topic. Following are the insights of three of these key sources. Much of their collective wisdom comes down to this: Demonstrate and deliver. Here's how it's done, especially in tough times:

1. Deliver, don't pitch. The key to making your case is to deliver relevant insights, says Will Spivey, managing partner, Trone. No one has time to be pitched. Your potential clients want content. What wins for Trone, he says, is to deliver the insights, relevance and smart thinking that represent solutions the client never thought of. You want to have a conversation about solutions for the prospect, not sing your agency's praises through a bullhorn, he says.

Tim Schramm, senior vice president at Coyne PR, offers a similar perspective: "I think the biggest thing you have to convey is that you can provide them with ideas, with a level of thinking that they cannot get themselves. That's why people seek outside counsel. Once you establish that, you can then "backfill' with your agency's expertise—the strength of the team, the experience in the agency, and so on," he explains. It's talking about the prospect's issues *and* "relating it to something we've had experience in."

Coyne's client roster helps make that case—being able to cite Disney, Kraft, Goodyear and Shell, among others, "shows we have a breadth of knowledge across industries." After all, Schramm says, clients want to know who they are working with.

But be careful, warns Spivey. That conversation needs to be about the prospect, he counsels. A potential client doesn't want to hear when you were founded or by whom. Put simply: Prospects (and clients) will be happier when the focus is on them, not on you. "It's about engaging in a dialogue, discussing the situation, business challenges and possible solutions. *That* should be the pitch," says Spivey.

Any business-development seminar offers the same advice, he says. But many agencies still don't follow through. Why? Sometimes, they are afraid to do things differently. But sometimes, Spivey says, they lack the systems and processes to provide the relevant insights that win clients.

2. The engine that drives the work drives the pitch. To deliver relevant insights, says Spivey, you must have the research tools in place. So the same engine that drives the PR effort drives the pitch, he explains. One of the tools Trone has is place is a consumer panel it can mine for research. He tells of a prospect that called on a recent Friday and gave the agency seven days to make a pitch. Using the consumer panel, the firm conducted a survey. The results—from 3,000 consumers—came in Monday. The team mined the data to come up with insights about the prospect, pulled everything together and made the pitch Friday.

"Insights are not the result of a wise person sitting in room by herself," Spivey says. "What's needed is a system—a process—to identify and deliver that relevant message." As with all great PR, insight starts with research—and a business pitch, where prospects are expecting some tailored value, is no different. If you can't deliver a tailored, relevant message or solution when talking to the potential client, asks Spivey, how can they expect you to deliver one to their audiences?

3. Still—make the case for PR. For the most part, potential clients grasp the impact and power of PR. They know they want an agency partner, even in down times. The question, says Tom Amberg, president and CEO of Cushman/Amberg Communications, is *which* agency they want. Nevertheless, it can pay to outline the general value of PR counsel, rather than assuming prospects are up-to-date on its value over, say, advertising, for example. Among the points he believes should be referenced in the pitch along these lines:

- The value of the agency's particular skill sets
- The importance of an outside perspective
- The economics (e.g., that the client can access these skills on a part-time basis—hiring a la carte, if necessary, specifically for what the client needs)
- The benefit of *ongoing* counsel to reputation and brand
- Access to the creative input of the entire agency (i.e., the client isn't relying on the wisdom of one or two individuals, but all of your creative resources)

In addition, Schramm also suggests "stressing the role of the agency as an extension of the client's internal communications department. It may sound obvious, but it's important to bring up," he says.

4. Bring prospects up to speed regarding PR's Power. Sometimes, potential clients don't realize how much the PR function has evolved. "Some may still see it as merely a

publicity machine," says Amberg.

That needs to be reframed in terms of delivering a message to an audience, he says. "Shift their thinking away from the idea that an agency is all about media relations, in whatever form that may take." Help them understand the real value is not in getting stories out there and exposure, but in driving messages, contribution to the conversation surrounding a company, product, service or brand—and, ultimately, in impacting, protecting and strengthening reputation. Media relations, trade shows, interactive online media, crisis and issues communications—it all comes down to message management, says Amberg, not media clips or "publicity."

Schramm agrees: Even thought the basics are the same, the way the message is delivered—and the various stakeholders PR now reaches—has changed, notes Schramm. "There's been a little blurring of the lines." Clients may need a little education.

5. They understand the value, but… So, if companies understand the value of PR, an agency that can deliver relevant insights about and for the prospect should be thriving, right? Well, that ignores the obvious: Companies are cutting budgets. As much they may value PR in theory, that budget item is being trimmed, too.

The message Amberg hears is generally this: "We love what you do. We just don't have any budget." That sentiment, he says, suggests a temporary cutback, not a permanent one. "I think these budgets will come back and continue to expand," he says. This make this downturn very different from the recession of the early 1980s, he points out. Then, clients would outright *eliminate* outside PR counsel. That's not the case today, where it's looking like PR budgets are being trimmed, while advertising or other related budgets are suffering a worse fate entirely.

So, in a perverse way, these budget cuts overall can be seen as something of a positive—since they're not being shelved outright. "It's a vote of confidence," Amberg says. "It's just a really hard vote to live with." **FV**

Roxanna Guilford-Blake

FIRMVOICE
FEB 11, 2009

PR Firms Beating Recession:
How to Grow When Markets Slow—Chaikin Points to IR, Crisis and Health Care as Profit Prospects

SCOTT CHAIKIN

Despite recession, many PR firms are positioned not only to weather an economic downturn—but to actually succeed under current market conditions. Dix & Eaton is a perfect example. The firm, with a much higher proportion of senior professionals than most agencies, is enjoying a surprisingly high client retention rate (over 90% in 2008), and has held onto many of its top clients for more than ten or even 20 years—surviving waves of turnover within client companies through the decades, according to firm head Scott Chaikin.

"We have a low voluntary turnover among staff, and we generally have a working and often a personal relationship with our client CEOs," offers Chaikin when asked for the secrets of the firm's success. "We're also business people first and communicators second—we're able to help our clients support their business strategies by engaging their most important stakeholders: customers, employees and investors." In addition, "We're employee-owned, which affects all of the above," he says.

Perhaps more revelatory is that investor relations (IR) is a major growth area for Dix & Eaton. "This binds us more closely to the needs of the C-Suite," Chaikin explains. "Corporate leaders are more engaged in IR than anything else we do, with the occasional exception of crisis communications." In addition, "IR is changing—we're seeing fewer analysts, less visibility into expectations of financial performance, increasing tension with activist investors seeking control or to force a sale and so on." The upshot, according to Chaikin is that the "need to be proactive, to frame and tell the investible story and to integrate communications among stakeholders has become more and more important."

Ultimately, he believes more firms need to understand how IR affects C-level thinking and impacts all communications disciplines—whether IR is part of any given firm's offering or not. "CEOs like advisors who can help them see around corners, can understand what their cultures need and will accept and can assess the broad implications of a decision—how multiple constituencies will react," Chaikin elaborates.

The upshot, according to Chaikin, for firms seeking stability and growth in the year ahead is that, "This is a time when organizations have to ramp up communication—especially internally—and focus not just on transparency, but also on painting a clear and compelling vision." To that, "We see IR, healthcare, crisis communications and corporate branding as areas particularly ripe growth," shares Chaikin. Read on for more details and recession-busting best practices:

How exactly does IR affect C-level thinking—and where does PR fit in?

In terms of affecting C-level thinking, it does a couple of things. First, it's the most visible scorecard of management's performance. It's important on a personal basis for them—it's what investors see when they're tracking stock, it impacts employees tracking the stock through their 401ks, and so on. Also, because of two way communication part of it—you're having a give and take with an investor(s) or analyst(s)—you get a lot of feedback in those conversations from sophisticated observers on the job management is doing, on its strategy and on the company's prospects. It can actually become part of the business decision making process. In a general way, then, that's how it affects CEO and other executives' thinking. It does it at a level that media relations, for example, can't hope to reach.

So how do IR outputs and efforts shape or impact other communications efforts?

First, management is very careful about what it says to investors and that concern about disclosure gets reflected in what management can stay to employees, news media, customers and so on—it all becomes part of the disclosure to investors. That basically means that it starts with IR and trickles down to the other disciplines or practice areas. There are a lot of hard rules and soft rules about what can and can't be communicated—so IR impacts how transparent and candid an organization can and is willing to be in every other communications channel.

When you talk to CEOs, particularly about general PR, they will want to know how PR will support and impact their IR effort. We see that particularly in terms of media relations and crisis communications. Again, everything flows down and is impacted by and from IR. In general, IR has the most attention from the company's leadership. It's as simple as that.

How is the IR practice being impacted by recession?

At the most basic level, it's being impacted on the budget side. That affects those of us being paid to provide counsel—we're seeing our budgets cut. It also reflects what the companies themselves are doing. IR is partially reporting (compliance and reporting anything that's material) and partially marketing (what you're doing with the website, for example, to attract and make it easier for investors to get to know you; what you're doing with the annual report and presentations, etc.). Of those two areas, the marketing side is getting less attention right now. One of places you see that is that there's less contact with investors—typically at conferences or road trips where you'd normally be meeting investor groups. Companies are travelling less to meet with investors and prospective investors. Common sense tells you that if you want to sell more product or stock, you have to do more marketing and outreach—but when companies have to make tough budget choices, marketing like this is often what gets dialed back across the board.

Is IR a growth area for PR firms or are these totally unrelated fields? Any advice for those who want to take advantage of IR opportunities in the year ahead?

I think it is a real growth area—if the firm has some IR capability. It's not that it's completely unrelated to the rest of what we do—but it's different enough and certainly takes a very different set of skills. Specifically, it requires more financial acumen than a lot of what PR people do requires. It's a story you're telling around numbers. So you have to understand numbers. A lot of the people we have in our IR group have an MBA or are accountants by background. That's part of it. It's also the most highly regulated part of this entire field—and there are a lot of land mines for those companies or consultants who don't understand those regulations. It constantly evolves, and it takes a lot of energy to keep up with that.

To that, groups like NIRI (National Investor Relations Institute) do a great job of the training needed. They get it. It's a very, very different marketplace and it's incredibly hard to do this if you don't understand how an investor things and how decisions get make in money markets and how money flows around the capital markets. Not many business reporters understand this, much less the PR people who work with them.

In addition, you're also dealing with totally different people, beyond the media. You're working with analysts and are more likely to deal with the CFO. That means you'd better be financially literate and on top of the day's markets. So, for a PR firm wanted to take advantage of this area, you need to first have the capabilities. Hire or acquire it—or partner with an IR firm that may not, for example, have the capabilities your PR firm has. That's probably the best way in.

IR, simply put, is the "seat at the C-suite table" that communicators have been talking about for decades. Short of actually practicing it, however, I think there's a lot of value in beginning to learn how IR works. If you're dealing with public companies, this is very, very important to your client. It's a real asset to understand that part of their life and responsibilities, if nothing else. It's valuable, even if you're not going to practice it.

What are the biggest changes/developments you see now in IR?

The biggest is the disintegration of the investment banking world. What that means, among other things, is there are many fewer analysts. What companies lose when they lose analyst coverage is 1) lost exposure because analysts publish research, which is how investors learn about companies, and 2) access to investor prospects because analysts frequently take companies to meet with clients and investors. Analysts do a lot of the marketing for public companies. Now much of that's gone, and this is likely to be a longstanding issue.

Another development is lack of predictability in terms of performance. From an IR perspective, we want to give investors some kind of idea of what to expect. Future planning is a big deal, but now companies are opting to say nothing or next to nothing. They can't go quiet, but they won't say much. Those two trends don't work together well. If you're doing less outreach and saying less, there's nothing for analysts and investors to act on.

A third development is that these two things are affecting the counseling side—so there's much less merger and acquisition activity.

What are you hearing from clients—are they optimistic about the year ahead?

We're hearing that the next six months will be tough, and some think it will be that way into next year. But the majority of them see things getting better in the second half of this year—though none will say that with much confidence. We're basically hearing unprecedented uncertainty. Nobody wants to bet a lot on their guess as to what the future holds.

What is the biggest challenge you see for PR firms in the year ahead?

The biggest challenge will be an erosion of work and a combination of budget cuts, because companies can't see when the revenues are going to start to climb again. A lot of them respond by holding budgets low. We also will lose a lot of companies that will go bankrupt or be sold. That obviously limits the client pool. I think it's happening already, since there's a real contraction in the amount of work out there.

What I'm hearing from my peers is there's more talk about the "possibility" of new business than any "real" new business. There are a lot of RFPs flying around, but they're either not being awarded or the budgets are smaller. And I'm afraid those are not going to make up in 2009 what the industry will lose.

Your suggestions for coping with that reality?

Because I don't think the new business plug will fill the hole, my answer is: Stay close to clients, help them keep perspective and see as far ahead as they can so they can take advantage of the uptick when it happens. Related: We haven't stopped giving clients new ideas because of the knowledge they won't have money to invest in them. We keep giving them new ideas, because at some point, companies will invest in new activity. We're also trying to help clients find less expensive ways to do things and they appreciate that "thinking like a partner."

Big areas of opportunity/growth for PR this year?

More of our proposals are likely to have a majority of tactics in social media over traditional media, and that wasn't true six months to a year ago. IR and corporate branding, again, are other areas of growth we see in the year ahead. For both of those areas, it's a question of when clients are ready—but they're both areas where companies are getting kind of "dusty" now, meaning they're putting that activity on the shelf. When business picks up, they will want to catch up on those areas. We had quite a bit of corporate branding work, for example, that was about to kick off when the economy started to dip and we expect that to come back when clients put energy into repositioning themselves. That will probably happen around the third quarter. In IR, companies will have to fight harder for investor attention and dollars in the second half of the year—and that will be big opp.

We also think healthcare is an opportunity now. We're all still getting sick, and this area is more recession resistant than many industries. It's a fast growing sector. I also think public affairs will have a lot of growth, though that's not our turf.

You're an award-winning writer—how does writing influence what you do at work?

I used to write short stories—and I won a few short story contests. It's taken me a while to figure this out, but the way it's helped is that I can find, boil down and tell a compelling story. That's an important thing we all do for our clients. Beyond that, nothing exists in fiction without the reader. You sit down to write fiction, and are completely focused on the audience and reader's experience. That helps a lot in terms of envisioning the audience for our work and who our ultimate constituency is: employees, legislators, investors and so on.

Do you still write?

I write a great memo. Seriously, though, I don't think I'm alone in thinking that writing skills have become more important as the format has become shorter. It's hard to write a good email, and easier to write bad one. It's the same thing on Twitter.

On a higher level, it's critical to communicate clearly to clients. It's hard to be convincing or persuasive with a poorly written document. So, writing is a discipline that helps organize people's thinking. Good writers tend to have an easier time organizing their thinking in a persuasive way. In terms of managing a PR firm, one of the things that's required of a leader is clarity: Colleagues want to know where we're going, how to get there and how we're doing along the way. Being able to put that in writing in clear way is extraordinarily helpful. **FV**

Brian Pittman

FIRMVOICE
FEB 4, 2009

Change We Can Believe In? Obama's Healthcare Policy Could Drive New Business for PR

By Jeff Chertack, Vice President, Health Policy, Ogilvy PR

When looking at the potential direction of health policy in the Obama Administration, you're already behind before the ink dries on the page. But even though the situation is dynamic, there are some strong indications for the direction we'll see the new administration take over the next couple of years.

The change in administration holds much opportunity for communicators—especially one that had an unprecedented ability to connect with the American people during the campaign. The White House and Congress will be selling their ideas to the American people—as well as the interests on either side of the issue. Agencies with a mix of solid healthcare expertise and knowledge of how public policy affects their clients' business will be positioned for success in 2009.

A Peek at President Obama's Agenda

President-elect Obama touted his bi-partisan approach, and some parts of his healthcare agenda will undoubtedly find support across party lines. Wide support exists for expanding health information technology, improving prevention and management of chronic diseases, encouraging workplace wellness and school programs to fight childhood obesity, and increasing the number of primary care providers. Setting national standards and helping reduce health disparities may also become bigger issues. It remains to be seen whether healthcare reform with progress piecemeal or as a comprehensive package.

Other parts of Obama's healthcare agenda will face a much harder bi-partisan test. His agenda calls for prohibiting insurance companies from denying coverage based on medical preconditions, legalizing drug re-importation, requiring pharmaceutical companies to disclose drug pricing and lifting the ban on Medicare's ability to negotiate drug prices, including those in the Part D program.

Another "reform" of Part D might be to eliminate the so-called "donut hole" that requires seniors to pay out of pocket for their drugs once they have reached a certain spending limit. This was, and remains, one of the most contentious elements of the otherwise well-received implementation of the Medicare drug benefit. The strengthened Democratic majority in Congress could seek to wrap this up in the cloak of needed economic relief, but drug companies and their congressional supporters will see any change to Part D as opening the door to mandatory drug price negotiations and government-controlled healthcare.

Because the president made expanded access to health care coverage a centerpiece of his campaign, his administration and Congress will eventually have to tackle the problem of the 46 million people without health insurance coverage. His ambitious plan is to offer affordable, portable coverage to those who are not covered by their employer or who do not quality for government programs like Medicare or the State Children's Health Insurance Program (SCHIP). Employers would need to "pay or play," meaning that they would need to provide health insurance or pay into a national insurance fund. All children would be required to have health insurance purchased by their parents. A national health insurance exchange is proposed to help individuals and small companies find and compare insurance policies on their own.

Taking party politics out of the equation, the current economic picture provides some parameters for agenda-setting. Similar to other priority areas, initiatives that are budget-neutral or budget-cutting will gain the most traction. Those that are budget-busting have little to no chance of advancing until the economy turns around. It's unclear whether calling something a necessary investment in the future health of America will resonate while the collective national wallet is shrinking. The cost of the new administration's healthcare coverage package will compete with other large national priorities and will be huge hurdle to overcome. Still, while Obama needs 60 votes to get reform through the Senate, and the Democrats didn't quite get there in November, there are enough moderate Republicans to help him get to 60 votes.

Women's Health Will Take Priority

One area likely to see drastic change is women's health policy. In issues ranging from emergency contraception to sex education to redefining common contraceptives as forms of abortion, the Bush Administration was guided by conservative and religious views rather than science and medical expertise. Largely left to contend with wedge issues over the past eight years, women's health stalwarts such as Senators Collins, Snowe, Clinton and Mikulski will likely push for greater funding of family planning and comprehensive sex education as well as renew efforts to bring women's health into parity with men's health. Also, expect to see a quick end to the controversial "conscience clause" regulation that prevents clinics that receive federal funds from refusing to hire healthcare providers who opt out of providing contraception on religious grounds.

Renovation Time at FDA

The FDA has seen more than its share of criticism from the Democratically-controlled Congress. But Republicans have also voiced concern over the agency's handling of food safety and the approval of Ketek, among other issues. It's time for an overhaul, so expect to see a "back to the drawing board" approach at FDA. Transparency and accountability are likely to take priority under strong new leadership. Look for a new FDA head that knows how to work with industry, yet keep it accountable. And, expect further scrutiny of real or perceived conflicts of interest between the agency, industry and healthcare professionals.

More on the "T Word"

Transparency will be a healthcare buzzword in Washington in

2009. In addition to conflicts of interest and oversight of food and drug safety, transparency also means cost-savings. Government negotiation of drug pricing, pharmaceutical IP and patents and the pathway for follow-on biologics will be hot topics. These are all ways to potentially drive cost out of the health-care system. When couched in this frame, it is easier to see how we could see movement on legislation that in the past has been thwarted by lack of political will.

Striking the Right Tone

The advocacy groups are aligning. When the strange bedfellows come together, that generally means that public opinion is converging on the need for real action. Today, we have unions aligned with corporate America, doctors aligned with insurance companies. The question is whether these "big tents" can remain standing when it comes time to hash out the details. The key for this administration will be communicating the value of the platforms and strategies—keeping the coalitions together and not ending up with competing legislation in the later stages. What is crystal clear is that the cost of doing nothing is untenable and unsustainable. For these reasons 2009 won't look like 1994. **FV**

This article was also published in the Council's "Inauguration Edition" of its Issue Monitoring Report. A PDF can be downloaded at www.prfirms.org.

FIRMVOICE
JAN 28, 2009

Marketing Your Firm in a Stormy Economy: Embrace Strengths, Don't Overreach and Sharpen Social Media Skills — Here's How

CURTIS SMITH
DIRECTOR OF BUSINESS DEVELOPMENT
CARMICHAEL LYNCH SPONG

DAVID ERICKSON
DIRECTOR OF E-STRATEGY
TUNHEIM PARTNERS

DOUG BARTON
MANAGING PARTNER
TRONE, INC.

No smart agency is going to sacrifice marketing at the altar of the recession. Yet the economic downturn *does* mean change, and smart agency leaders are seeking low-cost approaches to marketing—approaches with the potential to yield profitable new business even as other sectors shrink, retrench and retreat.

So what exactly are the brightest and best of your PR firm colleagues doing to get the word out to clients and prospects today? What new tools and techniques are they embracing—and what tried and true tactics are they revisiting? For the answers, we interviewed several sources to find. Here's how they're handling current challenges—their advice is both simple and profound:

1. Dig deeper, not wider—focus on your strengths. Cast a wide net—but not too wide. "Despite the recession, our firm is pressing forward like we've always done," says **Curtis Smith**, director of business development at **Carmichael Lynch Spong**. "The most important plan for our firm is to keep a strong marketing presence using several disciplines from direct database mailings, email marketing, advertising, interactive and, of course, public relations. The key is to cast a wide net without spreading your resources too thin."

David Erickson, director of e-strategy at **Tunheim Partners**, calls for a similar balance. A common agency mistake—especially during a recession—is casting too broad a net, he says, rather than "being strategic and targeted in your marketing communications."

Keep a strong presence in as many areas as you can *without* overextending your reach, counsels Smith. "Some agencies tend to try several things and abandon their efforts too early without looking closely at the return," he cautions.

Similarly, **Doug Barton**, managing partner, **Trone, Inc.**, says the recession represents a time to focus on your strengths. For Trone, that means building relationships with prospects, focusing on areas—such as pet care—where it has a high degree of expertise, says Barton. It's a matter of going deeper instead of wider. "We're deeper in a category, as opposed to trying to touch all these categories where we don't have a level of expertise to differentiate ourselves. We tell our clients to differentiate themselves. Let's try to practice what we preach."

It comes down to relevance, he says. That's the difference, obviously, between a targeted, customized email marketing effort and spam. It's also the key to search-engine optimization.

2. Get listed—revisit firm directories, online and off. Keeping your agency profile up-to-date in various online and print industry directories is very important, especially with the directories that have a search option, says Smith. "If a prospective client is looking for specific experience that you've recently acquired, you'll want to be easily accessible." (for Council members, the Council's "Find a Firm" online directory is a significant New Business generator.)

Erickson emphasizes the value of comprehensive online profiles. "Because social networks examine the commonalities (contacts, education, employment, industries, interests, etc.) between members of the network, the more you give, the more you get. The more information you divulge about yourself on these networks, the more opportunities you'll have to make connections."

3. Show and tell—use Web video to spotlight work. "The nice thing about the Web is that you can demonstrate, rather than simply tell people about your expertise," says Erickson. His advice? Use online video. Video "allows you to highlight projects in which you've excelled in an easily consumed and much more compelling manner than text."

Smith offers similar advice. "We're currently working on a redesign of our website, which will include highlight videos and photos, visual profiles of our client work, and images of our new headquarters in Minneapolis, as well as other offices, an important part of our agency's culture. It's important to use these visuals across several different areas—social media, email and website."

4. Deploy social media—start with staff networks. During this recession, agencies have access to robust social media, providing them with robust, low-cost marketing tools. In some ways, the recession may be speeding the inevitable. "Advertising and marketing budgets have been moving online as a general trend during the past few years and the weak economy has accelerated that trend," says Erickson, who blogs about these issues at e-strategyblog.com.

While social media worked well marketing Trone's clients, it hasn't been quite as effective for marketing the agency, says Barton. Nevertheless, "It has yielded some success within targeted industries. Part of that has to do with age," he says. Many decision makers on the client side are older, and they simply aren't embracing social media. But that's going to change as the generations change. Accordingly, all three experts we consulted tap social media to market their firms during down times. Here are some of their tips:

• **Social media begins at home.** Social networking depends upon relationships *between people*, so start with your employees' own social networks and help them build their own business relationships using tools like LinkedIn, Twitter and Facebook, Erickson counsels. There's always a risk of employees posting inappropriate content or divulging sensitive information, but an agency's social media policy must be "flexible enough to allow employees to get the most out of this medium," he says. Trone deals with this by encouraging all employees to blog on the agency's intranet. It takes away much of the

risk and allows material to be vetted. Select content is posted on the agency's public website. "It keeps our people engaged, but lets us be a little more selective of what goes outside the walls."

• **Know your prospects.** Monitoring online conversations about brands and industries allows Trone to stay on top of what's happening with clients and prospects—and quickly provide the intelligence they need. It's about creating relevant insight quickly, Barton says. And that's a powerful marketing tool.

• **Don't expect immediate results.** Social media marketing typically doesn't have an immediate payoff, says Erickson. Although these networks take time to build, the benefits will be realized over the long term and their value will grow over time.

• **Find ways to measure impact.** "Some of the great social media tracking sites like Addict-o-matic and Serph have been extremely helpful in keeping an eye on the agency's reputation," says Smith. (See more on metrics next week.)

5. Watch your step—"low cost" doesn't mean lowering standards. While discussing low-cost marketing strategies, our experts offered a few warnings about potential pitfalls, caveats and cautionary tips. Among them:

• **Maintain your standards.** Don't abandon—or fail to create—agency-specific prospect criteria, Smith says. "Ensuring the pursuit of the right opportunities in a troubled economy is essential to using your resources in the most effective way."

• **Don't forget about current clients.** "Tell your existing relationships things they may not know about you—like in-house expertise, specialty practice areas, etc.," says Erickson.

• **Don't discount your value.** "Probably the biggest mistake I see agencies making is lessening the value and cost of their services," says Smith. "Giving discounted rates can only minimize what your agency does as a value-based service." **FV**

Roxanna Guilford-Blake

FIRMVOICE
OCT 15, 2008

Selling Digital Capabilities to Clients:
Ten Tips for Packaging and Presenting Digital PR for Greater Results

CORD SILVERSTEIN
EVP OF
INTERACTIVE SERVICES
CAPSTRAT

CHARLIE KONDEK
DIRECTOR OF NEW
MEDIA RELATIONS
MS&L DIGITAL

DAVID ERICKSON
DIRECTOR OF
E-STRATEGY
TUNHEIM PARTNERS

JILLIAN FROEHLICH
SOCIAL MEDIA PRACTICE
GROUP CO-CHAIR
CARMICHAEL LYNCH
SPONG

SAM FORD
DIRECTOR OF
CUSTOMER INSIGHTS
PEPPERCOM

JACQUELINE KOLEK
SENIOR DIRECTOR
PEPPERCOM

Social media and digital practice services are areas of tremendous growth for PR firms right now. But behind the buzz and excitement, many prospects and clients don't fully understand these concepts; they don't grasp how these tools can help them achieve their business goals. They may not even share your understanding of what comprises digital PR and social media.

Moreover, competition is fierce. A recent Council of PR Firms survey asked, "When it comes to selling your firm's digital capabilities to clients, barriers include..." Sixty-one percent cited competition from a client's other service firms; only 21% selected, "We are mostly successful when we pitch this capability."

So, how *do* you package, sell, and present these practice areas to current and potential clients? We turned to some experts for advice, and they delivered:

1. Educate and guide. Client training is essential, even for those who *think* they understand new media. Fail to train your client and you *both* lose. Often, agencies assume clients have a clearer understanding than they really do, warns Cord Silverstein, EVP of Interactive Services for Capstrat. "I don't care how savvy they think or say they are, you need to provide education and training."

Be prepared to repeat yourself, warns Charlie Kondek, director of new media relations, MS&L Digital. There's no such thing as a bad or repetitive question. "We're eager to articulate our perspective and strategy repeatedly with our clients at every stage of the work."

David Erickson, director of e-strategy at Tunheim Partners, suggests using analogies. He offers some examples: "Blogs are word-of-mouth on steroids; search engine marketing is advertising, while search engine optimization is earned media."

2. Define your terms. Don't assume "digital PR," "social media," etc. mean the same thing to you and to your clients. Everyone involved must arrive at a common definition before moving forward, warns Jillian Froehlich, co-chair of the Carmichael Lynch Spong social media practice group.

[FORD PHOTO>] "My fear is that not only are clients and agencies referring to something different but the definition differs from agency to agency and from client to client," says Sam Ford, director of customer insights for Peppercom. "I think it's smart for any PR professional to start a conversation with a current or potential client by ensuring you have the same thing in mind when it comes to digital PR."

Kondek agrees, noting that MS&L Digital has developed its own working set of definitions. "We adjust them to meet the client's definitions, or adjust the client's to ours."

3. Tailor your efforts. Don't overwhelm your client. Pitching digital PR is about tailoring efforts to a client's comfort level, says Froehlich.

It needs to fit their size. "One thing we do is make most of our ideas scalable, so that we can upsize them or downsize them depending on the comfort level and immediate needs of the client," says Kondek.

Digital media is all about individualization: Think about how your product uniquely fits a potential client's need, says Sam Ford. "If you hand them a list of capabilities that resembles the book-like menu at The Cheesecake Factory, they'll be afraid that you're a jack of all trades and a master of none."

4. Meet clients where they are. Jacqueline Kolek, senior director, Peppercom, sees clients at all stages of the digital spectrum. Some recognize and embrace the opportunities digital media present; others simply don't know where to begin. "The biggest challenge we face is ensuring a client's digital efforts are aligned with their overall communications strategy and business growth objectives. Too often, companies are looking to do a digital program in a vacuum," she says.

Colleague Sam Ford agrees. "It's about understanding how digital tactics match a company's intended outcomes, not just counting the number of touch-points or measuring the quantity of outputs and claiming that 'proves' success."

It pays to take it slowly, says Silverstein. Capstrat provides a variety of social media offerings that let clients test the waters while mitigating risk. Clients see some small successes, achieve incremental gains, and become comfortable marketing in completely new ways; once they get their feet wet, they can then venture into deeper waters. Some agencies are willing to swing for the fences and to take chances, Silverstein says, but a more cautious approach is the wiser path.

5. Do your homework. "Before you do anything, listen to what is happening online," says Silverstein. For instance, Capstrat performs an Online Reputation Analysis for clients. The agency records all relevant online mentions and conversations. Capstrat can then triage conversations to determine which require action. "The key is data, analytics, tracking," he says. You need to have an absolutely clear picture of what's happening online. (And what you learn may surprise the client—positively or negatively, he adds.)

If you can demonstrate online conversations (good or bad) about clients or their brands are taking place, your clients will have a natural interest in addressing those conversations, counsels Erickson.

Whatever you learn, put it all in context for the client, says Froehlich. "Chatter can seem much louder than it actually is."

You need to show what's happening *and* what it means.

6. Lead by example. To sell these services, you should probably be using them, say several of the experts consulted. Blogging is a superb way to demonstrate expertise and establish thought leadership, and educate clients and potential clients about Internet marketing in general and your capabilities in particular, says Erickson. It can also generate leads.

7. Measure. Clear, measureable goals and demonstrable ROI are crucial, says Froehlich. In fact, says Kolek, "the biggest mistake an agency can make is not designing a program with measurable business results. Digital programs can help clients achieve a range of goals, from enhancing reputation to building brand awareness to generating thought leadership and supporting recruiting efforts. It may sound simple, but we need to first begin with a clear definition of what we are trying to achieve and then map out how social media will get us there."

"Show concrete examples of previous campaigns accompanied with web analytics that demonstrate actual results," says Erickson. At the same time, demonstrate potential cost savings versus other media. Often, "digital media is going to be much more efficient and less expensive than traditional media."

8. Secure C-suite involvement. If you don't have buy-in from the top brass, it may not matter how good your ideas are: They may never come to fruition. In fact, in the aforementioned Council of PR Firms survey, 23% of agency respondents cited C-suite reluctance as a significant barrier to selling digital capabilities.

Peppercom often deals with the issue, says Kolek. "Our research has illustrated a significant gap exists within many companies between the marketing and communications professionals who understand the power of social media and the C-suite. The key is to speak to the CEO, CFO or other senior leadership in language they understand: How will this microsite drive sales, how will a blog position the company as a thought leader on a specific issue, or how will this podcast help us reach new customers."

9. Don't forget the audience. Research the client's target audience to demonstrate its online presence, and provide statistics about its online behavior, counsels Erickson.

Sam Ford agrees: "Agencies thinking about digital media need to spend less time exclusively on what the client wants and more time on what the audience wants," he says. "That doesn't mean the decision won't ultimately come down to the campaign the client is interested in launching, but if it's not one you truly feel will resonate with the intended audience, you're setting yourself up for failure. More than likely, an unsuccessful campaign will be blamed on the agency's implementation rather than a flawed client strategy."

10. Address the inevitability. If clients and prospects still don't get it, it may be time for the pithy one-liner. "My one-line selling point to clients and prospective clients is, 'You may not be interested in social media, but social media is interested in you,'" says Erickson. Silverstein has a similar perspective: "These things cannot be ignored. They are going to happen whether you get involved or not." **FV**

Roxanna Guilford-Blake

FIRMVOICE
OCT 8, 2008

RFP Gold: Seven Ways to Win New Business in a Tight Economy, Despite Low Quality RFPs

JERRY SWERLING
STRATEGIC PR CENTER DIRECTOR
ANNENBERG SCHOOL FOR COMMUNICATION
USC

PATRICK FORD
PRESIDENT & CEO USA
BURSON-MARSTELLER

LINDA CLARKE
EXECUTIVE VICE PRESIDENT
EASTWICK COMMUNICATIONS

DAN ORSBORN
SENIOR PARTNER, PR PRACTICE LEADER
SELECTRESOURCES INTERNATIONAL

As you know, RFPs are crucial to agency growth—and as much as a third of firm business can come via RFP responses. But they're also a bane of agency life: Many are poorly written, poorly conceived and often downright vague. In fact, "A minimum of thirty to forty percent of RFPs are inadequate, based on my experience," says Jerry Swerling, a PR management consultant with over 35 years of experience as a senior-level communications educator and professional, principal of Swerling & Associates, and director of the Strategic PR Center at the Annenberg School for Communication, University of Southern California.

Compounding the problem is the fact that low-quality RFPs don't just hurt agencies—they also hurt clients who don't end up with the right agency for their needs. The problem is so pervasive that Swerling helped create the Council's "Fit to Win" new business evaluation guide to help counter it.

Why are problematic RFPs often the norm? One reason is that prospects aren't always sophisticated about the communications function. Other times, requests are written by staff who don't know what their company wants or needs. Either way, you can't write a suitable RFP if you don't fully grasp the scope of the work of PR or how it can benefit your business. In such cases, the process is flawed and the losers are agencies who expend considerable resources jumping through hoops in an extended RFP vetting that goes multiple rounds and lasts months.

How can you avoid the RFP cattle call—and tap only the best opportunities? What red flags should you watch for when an RFP crosses the transom? How can you maximize your chances to win the business for those RFP's you deem worthy? For the answers, we checked with several Council members and new business procurement consultants. Here's the best of their advice:

1. Beat increased RFP competition in the months ahead—become an educator. "RFPs are not going to dry up in the current economy," says Patrick Ford, president and CEO USA, Burson-Marsteller. "There is a lot of pressure on companies in a tight market to make sure they're getting more than one POV when they're looking at ways to make their operations as efficient as possible and to make sure they're getting the most value for their communications. That won't go away over the next few months. It will increase."

In addition: "Since we'll likely see even more RFPs putting huge demands on us in short time frames in this economy, part of the PR job now is going to increasingly be about educating prospects and clients on what good PR is and what kinds of expectations they should have of us. Clients and prospects aren't in the business of driving agencies crazy—so be patient, step back and educate them. Communicate with them that they can get the best relationship out of agencies without putting unreasonable burdens on the firms they're asking to pitch."

Swerling adds this: "Recognize that an unsophisticated RFP is a sign of an unknowledgeable client. Use this as an opportunity to educate the prospect and to sell your service. Reframe everything in their terms and tie answers to their business objectives—show them how you can help them achieve their goals."

2. Avoid the herd-and-trough mentality—get in early. "Don't become dependent on RFPs," continues Ford. "Instead, get in early before they feel the need to send out a request. Do that by using research to pinpoint their emerging needs and opportunities early. For example, we do qualitative and quantitative opinion research on clients beyond current campaigns. We bring that to the table with areas for improvement across their brands."

He further advises "cross pollination" of information and resources across agency research, practice and new business departments: "Drive more regular dialog and sharing of market intelligence among senior people to help you connect the dots and spot opportunities with clients before they even get to the point of issuing an RFP," Ford says.

Similarly, "We go to prospects and present case studies of how we're providing services in the digital, integrated, global or strategic practice areas for existing clients, some of whom might be in their markets," says Ford. "Those meetings include a presentation of opportunities and areas of improvement. If you do this, you've already prompted their thinking and helped them formulate a new direction. When they draft an RFP, you're the one who helped them pinpoint opportunities. You were there from the beginning. Who do you think they're going to work with?"

3. Watch for common red flags—and read between the lines. "I've done searches from the corporate side and agency side," says Linda Clarke, executive vice president at Eastwick Communications. Some of the common problems she has noted include: laundry lists of questions that don't tie to the company's business goals, requests that suggest an arms-length process (i.e., RFPs containing phrases like, "The agency can submit three questions by email."), and questions that focus only on the tactical versus the strategic.

"These requests suggest they're asking you to be a cheerleader, not strategic partner," Clarke cautions. "They're not seeking a consultative, long-term relationship or inviting you in."

Swerling agrees: "Know what makes for a bad RFP—and avoid it. For example, is it: vaguely worded and templated? Conversely, does it describe unfulfillable expectations? Is it exhaustive and too detailed?" In addition, "If your first contact from a prospect is an RFP that asks, 'How would you solve our problem?'—that's horrible. What happens if the company takes

the strategic work and ideas you put into the response and then you don't get hired? A sign of a bad situation is someone asking outright for a solution to a problem."

"Red flags to watch for include cattle calls," adds **Dan Orsborn**, senior partner and PR practice leader at **SelectResources International**, which issues RFPs for clients. "If an RFP went out to 50 or 100 agencies, you'll hear about it word of mouth," assures Orsborn, who was a former head of Porter Novell (Los Angeles office) and Edelman (San Francisco office). In addition, he cautions against RFPs that:

- Don't clarify the budget. (This means somebody is shopping for the lowest dollar work.)
- Don't clarify "scope of work."
- Don't offer information or opportunities to connect with the client.
- Don't exhibit realistic timing.

"We have done more than 400 reviews for companies that really put agencies through their paces," Orsborn explains. "It's a three month process for the company and can be a two month process for agencies, if you're dealing with Fortune 500 companies. So if an RFP says they need a response next week—that's a huge red flag. Walk away."

4. Limit senior staff involvement in the tactical details of RFP responses. "We have an RFP center on our Intranet where we've collected the questions that typically get asked, like 'How many facilities do you have?' and 'How many employees?' Don't reinvent the answers for those—pull from a repository," Ford suggests. "Answer boilerplate questions with boilerplate answers from your library, and have junior level staff pull those. Bring in senior level leadership at higher level questions such as, 'How can your agency drive our company's business goals?'"

Swerling breaks it down like this: "You can see significant time and cost savings when it comes to RFP responses by booking six to ten hours of an entry level person's time to do the framing research about the prospect that your senior people can later build answers around," he says. "A really sharp account coordinator or even sharp intern can do this. Set up the framework, he suggests, and have them research and pull the following related to the prospect's business from online and offline sources alike:

- Five key financial points
- Five key product points
- Five key competitive points
- Revenues if public
- Key communications strategy

"For this last item, just ask them to tell you what they think the prospect's key communications strategy appears to be based on their releases and things you can pull from online newsrooms," Swerling suggests. The next step: "Hand all this information up the chain of command to the person in charge of new business," Swerling advises. "They then take the headlines and the bullets and wrap the agency's capabilities around those specifics."

5. Stand out, stand apart—or stand down and lose the business. "You have to stand out," Ford says. "I've seen RFP responses from other firms. Clients have shown these to me, and they all look the same. Most of them, for example, will adapt the client's own colors—so they all have the same color scheme. They'll have the same standard charts and even similar affiliate or office location maps. We have 50 offices and 70 affiliates worldwide and I saw an agency I know only has three offices submit a map that looked just like ours, because they called, for example, somebody in Kuala Lumpur and made a one-shot affiliate deal."

His point: "Recognize the reality that all the books look similar. Come up with something compelling, and don't fall into the trap of answering RFPs by rote. Sure, you can pull boiler plate answers from a template if they're for the more tactical sections or questions—but your packaging and more strategic content needs to be fresh. For example, breathlessly talking about your news bureau won't stand out. Everybody does that. Instead, highlight something like your innovative social media efforts and successes."

6. Connect, don't pitch—seek out prospects issuing RFCs. Instead of being railroaded into working with clients seeking free consultation and tips via RFPs, Swerling advises responding to those who put out RFCs: "A Request for Credentials typically includes 25 questions or so built around establishing a long-term relationship," he explains. These are questions any agency manager should be able to answer easily and include question like:

- Client rank: "Where would we rank as a client among all your clients if the budget were X$?"
- Team: "What would the team on our account look like? Given that we have $X to spend, what kind of staffing would you assign to this. How many people would that include and what would their expertise areas be? Who are they and what's their experience?"
- Longevity: "Who are your major clients and what have you won client-wise in the last year?"

"These types of questions aren't asking for a free strategy," Swerling says. "They're asking what you're like to work with, if there's a lot of churn and so on. That's a good sign."

7. Stop, look, listen—be more selective and you'll be more successful. "Agencies have tried to be more selective because these get sent out all over creation," Ford concludes. "But there are clients who have smart people who put together logical, clear and understandable RFPs. Those are the ones you want. Respond to only those. There were times we all used to chase everything that came in over transom, but you dilute your resources doing that. So be more selective. Stop. Think. And be willing to walk away."

Swerling agrees: "Be ruthlessly honest with the types of checklists provided in the Council's "Fit to Win" new business evaluation guide," he says. "Only go after new business that's appropriate. The more ruthless you are, the higher your win percentage will be."

Note: The Council is currently developing a first-of-its-kind online instrument to help clients design an agency search, which will include guidelines to creating an RFP. It will be launched in early 2009. **FV**

Brian Pittman

FIRMVOICE
JULY 30, 2008

Public Relations Firms Can and Should Protect Their Speculative Creative Work in Competitive Pitches

MICHAEL LASKY
DAVIS & GILBERT

With the sharp increase in competitive pitches and RFPs, public relations firms are doing more and more work in speculative pitches in the *hope* of landing the assignment. But that is no reason why public relation firms should give away their creative concepts and strategies. (See last week's op-ed by Jerry Johnson for more on protecting your creative intellectual property)

Public relations firms can and should take a series of steps to protect their intellectual property when pitching prospective clients, or even seeking new projects from existing clients. The more public relations practitioners act as if their intellectual property is valuable, the greater value it will have — and the more PR firms will be valued for their marketing strategy and expertise. To get some answers on some of the best ways your PR firm can and should protect its speculative creative work, we spoke with Michael Lasky, partner and chair of the Public Relations Law Group of the New York City-based law firm of Davis & Gilbert (www.dglaw.com), a firm specializing in meeting the legal needs of marketing communications companies.

How can a public relations firm best protect its creative ideas and concepts in speculative pitches to potential clients?

There are two general ways. The first is to provide the potential client prior to the pitch with a non-disclosure agreement. This non-disclosure agreement should clearly state that the prospective client will not use or disclose the creative work and ideas of the pitching agency unless and until a mutually-agreeable form of compensation is worked out.

The second way is for the pitching agency to include protection in the pitch materials themselves. There are two basic types of laws that protect ideas. These are the copyright and trademark laws. This means that the written submission itself should have a copyright notice on it. It should also include a notice that the material contains confidential and proprietary information protected by the U.S. intellectual property laws. This note does not have to appear as a "turnoff" to the potential client. Rather it can actually enhance the reputation of the pitching agency to the potential client by demonstrating that the pitching agency creates valuable intellectual property and knows how to protect it.

The written submissions of the pitching agency are likely to include logos or taglines or other names or logos that the pitching agency created to help brand the program or business of the potential client. Those names and logs and taglines are protected by U.S. trademark law and those names, taglines and logos should have a trademark notice near any appropriate materials in the written pitch.

If there were a lawsuit, how does the PR firm prove its creative ideas and concepts were stolen?

Typically, in the pitch, the pitching agency would provide a written submission to the potential client which would include the pitching agency's creative ideas and concepts. The pitching agency would try to establish the substantial similarity between the ideas and concepts that they pitched to the potential client and those that were ultimately used by the potential client.

How is it possible that a PR firm could ever lose rights to its creative ideas and concepts?

There are two ways. The first way for the pitching agency to lose its rights could occur before the pitch. The potential client may provide the pitching agency with an unreasonable non-disclosure agreement in the fine print, which requires the pitching agency to transfer the ownership of its creative ideas and concepts. Agencies should read this type of agreement carefully and with work with experienced legal counsel because such agreements should not be signed by the pitching agency.

How do you deal with the transfer of ownership provisions in the non-disclosure agreement or pitch agreement?

You don't sign them. If you have to sign a non-disclosure agreement, it should come from the agency's legal counsel or the agency's legal counsel should revise the potential client's non-disclosure agreement so that it is acceptable by both parties.

Sometimes clients pay for pitches in exchange for ownership. Is this acceptable?

This is not acceptable. The amount of money an agency is offered is usually so nominal that it is really not compensation for the actual value of the pitching agency's creative ideas and concepts. Accepting this nominal payment becomes, in essence, a license for the potential client to use the pitching agency's ideas without hiring them.

I am hearing from many PR agencies that the costs of creating a pitch for a potential client may run upwards of $75,000 to $100,000 in time and expenses and their pitch contains their highest level of thinking and best ideas. So, is a nominal payment of a couple of thousand dollars just compensation? Again, the answer is clearly 'no.'

Assuming the pitch agreements don't transfer ownership, what steps can an agency take to limit its exposure?

If there is not a signed non-disclosure agreement, then you especially need to include in your pitch materials your copyright notice and the notice that these materials contain information that is confidential and proprietary under the U.S. intellectual property laws.

If you have taken appropriate precautions, and a client still takes your ideas or your creative materials, what can you do?

There are a variety of alternatives. The first is a legal letter to the potential client setting forth the basis for the pitching agency's claim of violation of the non-disclosure agreement, violation of copyright law and/or violation of trademark law.

It is important to note here that the potential client, even if it is a large company, is comprised of individual executives and it only takes one thoughtless person at a potential client to have your ideas or creative materials stolen. In other words, this conduct may not necessarily be endorsed by senior management at the potential client.

For example, in the real world, five or more agencies may pitch a potential client. There may be several people from the potential client in the pitch meeting, all of whom see the competitive submissions. There could be an instance of just one person at the potential client's who does not appreciate the protection that the pitching agency has on its intellectual property and carelessly gives the ideas of one of the unsuccessful pitching agencies to the chosen agency. In such an instance, the letter from the agency's legal counsel may need to be directed to the general counsel of the potential client or a very senior officer of the potential client, who may or may not be totally unaware of what has occurred. In such an instance, the agency or its legal counsel would investigate the claim and agree to a fair and negotiated payment to the pitching agency.

If that doesn't work, the next step would be the filing of a lawsuit for violation of the non-disclosure agreement, copyright and trademark law — assuming of course, the pitching agency has followed the steps outlined in this interview. **FV**

FIRMVOICE
JULY 23, 2008

The Agency Pitch Conundrum:
How to Reconcile "Giving Away" Creative

By Jerry Johnson, Executive Vice President, Strategic Planning, Brodeur

Perhaps one of the more nettlesome issues among public relations firms is how to handle the creative pitch process. Specifically, to what extent should an agency "give away" creative?

This issue always leads to heated discussion because it touches both emotion and the pocketbook.

Let's start with the pocketbook. As we all know, creative pitches are expensive. In a lean economy where money is tight and new budgets are rare, gambling with dollars on creative that may or may not do the trick is a risky proposition indeed. In my twenty years in the business, even small pitches will run an agency $5k to $15k in staff time. Large, multi-million dollar assignments that involve several steps — from credentials to proposals to in-person pitching — can run well over $100k in time from start to finish. Add to that out-of-pocket expenses. At agencies where I've worked, it is not unusual to spend anywhere from $10k to $100k just on hard costs associated with creative.

Beyond pocketbook, there are the emotional or intangible costs.

Why should an agency offer up one of its most precious assets—creativity—without any compensation? Doesn't that degrade and devalue the core value of the agency in the first place? And doesn't that open the door for organizations to simply issue request for proposals (RFPs) in search of "free" ideas rather than a real communications partner?

Then there are those crazy creative demands that show up in RFPs. Brodeur received an RFP that requires all participants to not only submit creative, but also a video of the brainstorming session that led to the creative!

There are "fair" clients out there. My recent favorite was several years ago when Wells Fargo did the right and noble thing and actually paid the two finalists (Brodeur was one) for the final program idea and creative. By compensating the finalists for their creative, Wells Fargo not only received higher quality, but also signaled that they would be a good partner once the business was secured.

Unfortunately, few are willing to pay for the creative in a new business pitch. At the same time, my friends on the corporate side of the table say they need evidence that an agency can apply their creativity to their specific need. They don't want to see what you've done for others. They want to see how the agency can and would think for *them*.

I don't see how an agency can do that absent giving clients some creative investment.

What do I mean by creative?

At its simplest level, creative is an idea. It is analyzing a situation, drawing insight into a client's issue and delivering an idea based on that insight that translates into strategy. At this level, creative can simply be words on a page, or a narrative in a conversation. It is an idea that generates what we often call that "aha" moment — a moment that opens the client to a new way of looking at and addressing their communications problem.

I regularly include one or more creative elements in pitches. I don't view it as a "give-away." I view it as an investment. That investment varies based on the assessment of each individual opportunity. To mitigate any pocketbook or emotional baggage, I do the following:

- Pitch creative selectively. Creative is akin to marketing and promotion. Do it selectively. Only include speculative creative for opportunities that are (a) well matched to our agency's strengths; (b) well funded; and (c) have good long-term promise that merits the investment required of good creative.

- Pitch creative strategically. The issue is not necessarily the specific creative content. It is the content that opens a client's eyes to the agency's core skills and underscores its strategic skill set. Not everyone responds to the same thing in the same way. I loosely follow an outline called "Chemistry by Design" to try and organize creative in a way that makes the most sense given the personality and culture of the client.

- Pitch creative economically. The good news is that with today's technology, there are more and more economical ways to show creativity that are not very costly. Want to put together a video? Purchase a flip video camera for $125, shoot, edit and upload to YouTube. Off-the-shelf packages can produce a podcasts for peanuts. Online and overseas outsourcing agents can develop logos and creative around simple concepts at incredibly low prices.

The fact is much of the creative we "give away" never gets used. A recent figure I saw estimated that number to be greater than 50 percent. Sounds right to me. I find, however, that it is a very good way of giving client insight into who we are and how we think. It needn't be expensive, just good. **FV**

Jerry Johnson is executive vice president of Strategic Planning at Brodeur. Over the past twenty years Jerry has done the "agency holding company trifecta," having worked at Ogilvy (WPP), Powell Tate (IPG), and now Brodeur (Omnicom).

FIRMVOICE
JULY 23, 2008

Diversity, Dollars, Done Right: New Ways Agencies Can Grab a Piece of the Growing Hispanic Market

MANNY RUIZ
PRESIDENT, MULTI-CULTURAL MARKETS, HISPANIC PR

Hispanics now make up more than 14 percent of the U.S. population — and that number is projected to reach 102.6 million people by the year 2050. Indeed, as a result, many companies are looking to customize their marketing efforts for this growing and increasingly prosperous group. But how effective is a marketing strategy explicitly targeting Latinos? What mistakes do agencies make when they try to target this demographic? How successful are PR agencies that have developed Hispanic divisions?

We spoke with **Manny Ruiz,** president, multicultural markets, at **Hispanic PR Wire** in Miami, FL, as well as co-chair of PRSA's national diversity committee and host of PRSA's new monthly podcast "PRSA Diversity Today," which explores multicultural and diversity issues, to find out. His answers and tips:

How sound is this marketing strategy?

It is obviously very sound given the fact that this market represents 15 percent of the U.S. population — which is larger than the entire population of Canada. Not only is the Hispanic market important, but when you combine it with the African-American population, you are now addressing nearly 35 percent of the U.S. population. This is an emerging market right in our backyard that is ready to be tapped.

To what degree do Hispanics require messages targeted to their culture and language?

To the degree that an American living in Germany may need to be targeted in culture and language. That is the degree to which the Hispanics want to be targeted. People get caught up in marketing to Latinos in their language. That is critical. But equally critical is that the marketing be culturally relevant.

What mistakes do some agencies make when they try to target this demographic?

The biggest mistake they make is not necessarily how they target the market, but how they choose *not* to target the market. What I mean by this is that agencies don't understand why they need to address this market — and do it right. They don't strategically think how this market is changing. In many states, Hispanics are increasingly doing what they do in California: They are a minority-majority state, meaning there are more minorities than not.

How successful are PR agencies who have developed Hispanic divisions?

They're rockin'. These agencies are gaining the following benefits: They have a more complete package in terms of outreach to show to clients; they are in tune with markets that have not yet fully been captured; and they are employing staff who are more representative of the demographics of our country and will be in a better position immediately than their competitors who do not yet address this demographic.

What are the key differences between Latino and other U.S. media that most PR people don't yet understand?

Latino media are increasingly interested in content that is multilingual because a lot of content is in Spanish, but you also need it in English because Latino media outlets are producing content for multiple audiences, some of whom are Spanish-dominant, some of whom are English-dominant, and some of whom are bilingual. Also, the English version is used to cross-reference Spanish content. Other differences are that the Latino media staffs are smaller — so PR firms should be selective at press conferences, especially when they want to do a full-fledged Spanish-language press conference. It doesn't make sense to hold a full-fledged Spanish press conference unless there is a celebrity involved or it is a major press conference. If not, don't invest in a major press conference.

To effectively market to Latinos, position the story as "advice for living." This is the secret formula to the most successful marketing and PR strategies developed. Latinos are very savvy about multimedia and the Internet, so don't overlook an Internet component to your strategy.

What is the difference between pitching Latino media outlets compared with other U.S. media outlets?

It helps to be fluent in Spanish, but it is not prohibitive to reach out to them if you only speak English. They want you to reach out. However, you will make greater headway if you speak Spanish. Another important tip, which I can't over-emphasize, is to make sure your story has an "advice for living" story angle.

Which topics resonate particularly with the Hispanic media and audiences?

The top topics are family-related angles, entertainment, education, health, self-improvement, self-reliance and personal empowerment angles. These are the pillars of strong story interest for this demographic group.

How should PR people tie into these?

Depending on the product or service that you represent, you need to do a quick survey of what the target audience believes or thinks. This research should be done formally and informally as to where they are on the issues. For example, you can use Google as a resource to find how Hispanics have reacted to certain issues, products and services. Also, use Hispanic PR Wire, hispanicBusiness.com and hispanicAd.com as resources to determine how Hispanics feel about certain issues. They all contain information on what different companies and organizations are doing to reach this demographic. **FV**

FIRMVOICE
JUNE 18, 2008

How to Avoid Taking on New Business That Is Bad for Business

ANNE KLEIN
PRESIDENT
ANNE KLEIN COMMUNICATIONS GROUP

ELAINE CUMMINGS
PRINCIPAL
EASTWICK COMMUNICATIONS

ROBERT MATHIAS
MANAGING DIRECTOR
OGILVY PUBLIC RELATIONS WORLDWIDE

FORD HARDING
PRESIDENT
HARDING & COMPANY

PR agencies expend tremendous energy attracting and signing new clients. In their eagerness, they often bring on clients that don't work out. The goal of any PR agency is to create a good fit between client and agency. This takes work. But how can you recognize a client that's not a good fit with your firm before you sign a contract? Are there telltale signs you should be able to see in your first few meetings? Here, PR firm leaders tell their secrets of how to avoid taking on new business that is bad for business:

First, says Anne Klein, president of Anne Klein Communications Group (www.annekleincg.com) of Marlton, N.J., do not ignore your own guidelines when it comes to new clients.

For example, "We were convinced by an environmental officer to represent a privately-owned chemical plant run by a brother and sister team. They had a superfund site, several environmental violations, etc. We like the environmental officer, but the brother could not make a decision without checking with his sister, who was an attorney. We tried and tried to get approval of materials, but they never came. After a year, the brother and sister asked what we had done for them. Actually, we had accomplished a lot, but there was more wheel-spinning than anything else. The account evaporated when we had virtually no more work to do," Klein recalls.

Mistakes and/or misjudgments in bringing in new clients happen all the time. Elaine Cummings, principal of Mountain View, CA-based Eastwick Communications (www.eastwick.com), notes, "We landed a very large account and were brought in by the senior person on the client's team. Little did we know that the people who worked for the senior person were happy with their current agency and did not want to make a change. A short time later, the senior person was moved to a different group and his team was put in charge of the agency. It was an unfortunate situation all around and it drove home the need for us to really understand who the decision maker is, but just as importantly, who are the decision influencers and who will be critical to our success in a client engagement."

"There are times," explains Robert Mathias, managing director of New York City-based Ogilvy Public Relations Worldwide (www.ogilvypr.com), "when you hear a client describe the work they want done and it is clear and it might be evident that there is a mismatch between the client and our skills. Usually, the client wants a very straight, simple implementation and is not interested in our thinking or point of view or how we can add value. The lesson is that you have to recognize it and listen to it. Often you are excited about a brand or fee and you convince yourself it will change and oftentimes it doesn't and the team becomes demoralized and it is not a beneficial relationship. If you made a commitment to a client, you need to fulfill it and make the best of a bad situation."

Ford Harding, author of "Rain Making — 2nd Edition — Attract New Clients No Matter What Your Field," and president of the Maplewood, NJ-based consulting firm of Harding & Company (www.hardingco.com), points out that in the current economy, "PR firms are likely to take on clients and assignments they shouldn't. Hunger spoils your judgment," and there are red flags of a problem client.

For example, Harding says, "If a client isn't clear about what it wants, it is a sign for caution."

Mathias adds that other red flags are where the discussions or identification of budgets are not there or are soft, or if there s a lack of alignment between your team and the client's desires.

Klein says other red flags include when the client's management team is in flux and if the client has a reputation of going through one agency after another. When these red flags occur, she says, you have to evaluate them and determine if the account is in trouble.

On its website, the Council offers "Fit to Win", an evaluation tool designed to help firms assess new business prospects. The page offers a self-test, which includes these questions:

- Is the business a good fit, strategically?
- Is the business a good fit, culturally?
- Is the business a good fit, financially?
- Is the business a good fit, operationally?
- How competitive are we?
- What are the expectations?
- Are there any hidden cards or jokers?
- What is really motivating us to pursue this account?

Mathias recommends that if red flag situations can not be resolved, "walk away from the prospect."

Cummings says to air concerns, be direct and be honest. But again, if there is no resolution to red flag situations, "part company."

Harding adds that "if you tell someone you aren't the right firm for them today, you will have extra credibility tomorrow."

He further recommends that the "break up" be handled professionally by saying: "This isn't working and that's not good for either of our firms." And, Klein adds, be prepared with an agency exit strategy.

The only situations in which an agency may want to try and work it out with a client is if the agency believes it can achieve great results and the agency team is excited to be working with the account, Cummings observes.

Harding believes it is also worth sticking with a difficult client if you can give the client a decent ROI, "even if it means reduced profit or a modest loss for the agency. This is even more important if the work is highly visible in your marketplace.

Other than clients who would ask you to do something unethical or illegal, Mathias says avoid clients who want you to "advocate anything but the truth about their product or an issue." And, Klein adds, avoid "those clients who expect immediate results and tell you they want to be on the front page of their daily newspaper. Also, avoid clients who want implementation-type programs." **FV**

David S. Chartock

FIRMVOICE
JUNE 11, 2008

Ten Pitfalls of International PR

By Lou Hoffman, CEO, The Hoffman Agency

As a growing number of companies search for revenues outside the U.S. corridors, there's an expectation for PR to provide air cover. Unfortunately, the same pitfalls handicap international PR time and time again. With acknowledgement to David Letterman, here's our top-10 list of international PR mistakes.

No. 1: Americanitis

Some U.S. executives think that having a high profile in the U.S. market guarantees a hero's welcome when they land on foreign shores. After all, why shouldn't the image they've spent years cultivating in the U.S. magically cross the Atlantic and Pacific, conform to local societies, adapt to local market nuances and reach out to their targeted constituencies? Unfortunately, such an attitude leads to thinking that the same PR tactics and strategies that work so well in the U.S. can be thrown over the fence to be used in other countries. Instead, each and every country has its own market characteristics, culture, language, society beliefs, etc., which must be taken into account.

No. 2: Lack of Budget

There's a tendency to allocate PR budgets for overseas programs based on revenue. For example, if Asia Pacific constitutes 10 percent of the company's revenue, then 10 percent of the PR budget should be allocated for Asia Pacific. Based on this type of thinking, an annual global PR budget of $500,000 translates into $50,000 for Asia-Pacific to cover Japan, China, Korea, Taiwan, Hong Kong and Singapore. Needless to say, it's just not possible. A more effective approach involves companies examining their business objectives and allocating PR budget based on supporting those business objectives. There's no single funding formula for success.

No. 3: Spreading Resources Too Thin

Related to the above, companies often find they don't have resources and/or budgets to effectively target all the markets in a given region. For example, a company might be focusing on the UK, Germany, France and Italy, but the PR budget is only $200,000 for all of Europe. Instead of doing a good job in two of the markets, they spread their resources too thinly across the four target countries and don't move the needle anywhere. In this type of situation, a company gains better ROI by focusing its PR dollars on fewer markets.

No. 4: Corporate HQ Control

Often, the funding for a PR program overseas comes out of the U.S. coffers. It stands to reason that the U.S. PR executive would want some involvement in the international PR activities and how the money is spent. Makes sense. But when the corporate HQ exercises strict control and approval over every overseas action, an incredible bureaucracy takes hold that handicaps the international PR effort. Just the simple task of approving a news release can turn into a nightmarish saga as inputs ping pong between HQ and the country office, exhausting everyone's time.

No. 5: Inability to Localize Content

Contrary to some perceptions, localizing content goes far beyond the translation of materials. Look at the daily newspapers from Japan, the U.S. and Germany on any given day. The headlines will be different with the exception of major world news events. Naturally, the business issues high on the radar vary from country to country. Yet most companies aren't willing to put in the time to localize content and messages for each target country. The more effort a company puts into shaping content to the specific characteristics of a particular market, the stronger the content becomes for the targeted audience.

No. 6: Treat Translation of Press Materials as an Administrative Task

A PR activity's efforts can go down the drain if the translation of the press materials is not handled accurately. Years ago, we had a client situation in Korea in which the Korean word for merger was used instead of the Korean word for partnership. The client company was traded on Nasdaq, and all hell broke loose when the release went out incorrectly announcing a merger with a Korean company.

No 7: Unrealistic Expectations

An American company enjoys a high profile and substantial market share in the U.S., so it automatically expects the same type of profile in a foreign market. The reality is that the media doesn't know the company or knows very little. Like any "new kid on the block," the company needs to build its reputation through hard work and establishing new relationships. It takes time for a company to build a strong image in the U.S., and the same is true for international markets.

No. 8: Conducting International PR Long Distance

Some companies consider flinging their news releases into foreign countries via news release distribution services as a form of international PR. Others purchase directories that list the local media—and in some cases, the names of publications' reporters – in a given country. But the power of PR comes from the relationships with the local influencers, government officials and media as well as understanding the nuances of the local market. This can only be achieved with local feet on the street.

No. 9: Lack of Local Spokespeople

Often, companies operate what amounts to a sales office in an overseas market. The top executive in such an office focuses on sales. Deploying this person as a company spokesperson

can be a challenge, since he or she is rewarded based on the quarter's sales results, not building a long-term image. And leveraging executives from outside a given country often means sacrificing local market knowledge (not to mention the language issue).

No. 10: Don't Strive to Be an Asset to the Local Market

"We're committed to the local market." Every company targeting a foreign market says these words, but many don't take actions to support the statement. This is a bigger issue than PR. Companies should be looking for ways to become an asset to the local community and local economy. It doesn't have to require a large investment in money and time. Instead, it's more a symbol of the commitment and respect to the local market. I'll never forget my first overseas press event in Japan years ago when the VP of marketing plopped his first transparency on the overhead projector and only two-thirds of the slide showed up on the screen. No one had told us that the format for overhead projectors in Japan was smaller than in the U.S. I was mortified while my client experienced an even stronger emotion. The lesson being, successful international PR starts by plugging into each local market. **FV**

Lou Hoffman is CEO of The Hoffman Agency, a PR company focused on the tech sector with offices in the United States, Asia Pacific and Europe. E-mail him atlhoffman@hoffman.com.

FIRMVOICE
APRIL 9, 2008

Sealing the Deal with a Compelling Targeted Client Proposal

JERRY SCHWARTZ
PRESIDENT
G.S. SCHWARTZ & CO.

DAN ORSBORN
SENIOR PARTNER
SELECT RESOURCES
INTERNATIONAL

In the increasingly competitive environment of account acquisition, you may get only one chance to sign that new client. Often the difference between success and failure boils down to your own writing — touting your agency's strengths and track record in a compelling, convincing way in a client proposal. Although your firm may have the right tools and resources to win the account, the "sell" in your proposal is instrumental in sealing the deal.

How do PR firms put together successful prospective client proposals to sign that tough new client? Leading execs offer the following advice:

According to Jerry Schwartz, president of New York City-based G.S. Schwartz & Co. (www.schwartz.com) and Sandra Hermanoff, president and CEO of Hermanoff and Associates (www.hermanoff.net) of Farmington Hill, MI, there are several "first steps" that must be taken following an initial prospective client meeting before a prospective client proposal is written. These include:

- Assemble your team (include research, graphics, creative and editorial personnel) and appoint a team leader.
- Evaluate employee skill sets and strategically match those employees who believe will work best with the prospective client.
- Brainstorm a vision of what the proposal will look like and how much you are willing to spend to acquire the client.
- Do due diligence and make sure that you completely understand the client's goals and objectives and determine whether you can meet and exceed their expectations.
- Decide how extensive your research will be. Include how the prospective client is portrayed online, in the media and with other key audiences.
- Determine how the proposal will be presented. Will it be by a team?
- Impose deadlines and hurdles.
- Hold milestone meetings to discuss ideas and do analysis.

"Understand what the client wants and make sure you have a good grounding in it. We have found that some agencies haven't read an RFP or listened to what the client wants. In addition, if there are any questions you are unclear about, go back and get it cleared up," adds Dan Orsborn, senior partner at Select Resources International (www.selectresources.com), a Santa Monica, CA-based firm that manages agency searches for marketers for Fortune 500 companies.

It all starts with research

Schwartz, Hermanoff and Orsborn all agree that research is essential. Schwartz said it can range from the "man on the street to Wall Street," but points out that primary and secondary research must be done.

Hermanoff, on the other hand, believes that the type of research an agency conducts "is largely dependent upon the budget of the prospective client or what the agency is willing to spend."

"If the budget warrants," she says, "qualitative and quantitative analysis should be done. In that situation, we would involve our research partner to provide an initial overview of the company and how its various audiences view the prospective new client."

"Sometimes," Hermanoff notes, "a client will furnish research that is relatively current."

Match the proposal's "tone" to the specific client needs

The prospective client proposal also needs a "tone." Schwartz says "the tone of the proposal should be based the team leader's judgment and analysis of the proposal and the prospect."

Orsborn says the "tone should be based on clients' key audiences. If it is a financial services company, for example, that calls for a certain [more formal] tone. Agencies make mistakes with tone all the time — and proposals often miss target audiences as a result, which could exclude the agency from consideration by the prospective client."

"Avoid extraneous information that is impressive to you as an agency, but is not relevant to the client," Orsborn points out. "Make sure anything you tell the prospective client about your capabilities is relevant specifically to them and their marketing problem. Remember, the client wants to know what you can do for them."

Hermanoff points out that a PowerPoint presentation should be "mixed with eyeball to eyeball discussion. It's 90 percent chemistry and relationship building." Orsborn agrees, adding that PowerPoint should be mixed with "some [other visuals] — and stage the room in a particular way, or offer an agency tour if it is relevant. Don't just only do PowerPoint. Be imaginative and creative in your presentation."

Follow up tenaciously — but don't expect a second chance to shine

Following up on the prospective client proposal can help seal the deal. "If we like the prospective client and feel we have a potential partnership, we have called local media in the past,

before the relationship has begun, to gauge their interest in doing a story. The prospective client often likes the extra effort and appreciates the introduction to a reporter whom they may not know yet," Hermanoff adds.

Schwartz says his "belief is that once the client has your proposal, it's done. They either loved you or they didn't."

Orsborn recommends following up with the prospective client with questions that need to be answered or a request for other information. This will create a dialogue that allows you to stay in the client's mindset and also provides the agency with additional opportunities to impress them. "Remember to ask great questions and keep the process going," he adds, "so you can begin to formulate a relationship even before you get hired. This creates a feeling of being on a team." **FV**

David S. Chartock

FIRMVOICE
APRIL 2, 2008

A Flexible Business Strategy Can Help Land the Right Clients

BRANDON EDWARDS
PRESIDENT & CEO
DAVIES PUBLIC AFFAIRS

JACK MODZELEWSKI
PRESIDENT, CLIENT RELATIONS
SENIOR PARTNER
FLEISHMAN-HILLARD

DAVID GRANT
PRESIDENT
LVM GROUP

Knowing the types of clients you want — and winning their business — requires having a business strategy that supports the clients' and the firm's needs. If you want to be one of those firms, you need to examine your business strategy. Here, leading PR agency execs offer some advice on how to do that.

Most important, you need a disciplined business development and brand building strategy, consistently targeting key prospect companies in your core industry areas, according to **Brandon Edwards**, president and chief operating officer of **DAVIES Public Affairs** (www.daviespublicaffairs.com) in Santa Barbara, Calif.

"It all starts out with the right people and the right expertise. If we meet with a prospective client and they are looking for something very specific from us, we will introduce them to the people with the expertise they are looking for. If they, for example, are getting bad financial media coverage, we will sit down with them and our experts who deal with the financial media every day. We discuss their needs and they see if they want our firm to put together a plan for them," explains **Jack Modzelewski**, president, client relations and a senior partner with St. Louis-based **Fleishman-Hillard** (www.fleishman.com).

At **LVM Group** (www.lvmgroup.com) in New York City, agency president **David Grant** says his "marketing committee meets periodically to review what areas we want to be in; then we identify whom we wish to approach, and then we aggressively (but tastefully) go after those prospects."

Some firms are "fortunate," adds **Jerry Taylor**, general manager of New York City-based **Lippe Taylor** (www.lippetaylor.com), who says his firm's reputation for "delivering results has attracted all of his agency's clients. When we receive an RFP, we vet the potential client very carefully for a cultural fit, budget to accomplish what they envision, and finally, show them how we can be successful."

There are ways to make a client want you, Taylor adds. At Lippe Taylor, "We listen to what the prospect is saying — ask tons of questions, craft agreed-upon goals and deliver innovative strategies that will achieve the objectives within their budget parameters."

"We describe why we think we're right for them and send them samples of our work and testimonials from clients who have worked for us," LVM's Grant explains.

At DAVIES, Edwards says, "We focus most of our message on client successes and value created for clients — case studies and results, not claims about our smarts, effectiveness, coolness, or culture. Some clients are kind enough to allow us to use their names and specific examples, but many of the examples have the specifics removed to protect the clients' identities."

While Lippe Taylor does not deviate from its strategy, Taylor says his firm has leveraged its data to go after a target audience. For example, he notes that the company has focused on its "direct to women" core competency but leveraged its data to win accounts that have targeted men. In such instances, "we revealed how women are the primary influencers and/or the buyers of everything from cars, grooming products and menswear," he adds.

According to Modzelewski, it is case-specific. For example, he notes, "one company called a few days ago and wanted a plan from us before we met. Then there are situations when we contact the company and say we would be very interested in working with them — our research indicates it would benefit them to meet with us — and then see if they want us to come back to them with a plan."

Edwards says he believes that there are times when a new strategy is required, such as when the firm is "launching a new practice area or targeting a new industry," both of which would require a PR firm "to focus more on the experience and expertise of specific senior staff people than on specific client examples."

Edwards emphasizes that until a PR firm can create a track record of results for clients in a specific specialty area, the case-study approach would have to be modified to attract clients.

A key to creating a track record, Edwards says, is to make sure your firm can offer an experienced senior counselor with deep industry experience that can be supported by a team. He added that PR firms should adopt this as a firm-wide philosophy and strategy for positioning, business development and prospect development.

The LVM Group also changes strategy to attract new clients. "Examples might be if we're too involved in one area, or if we get a new person who has expertise in a particular area," Grant says, adding that his firm has incorporated this strategy into the firm's overall approach to getting new clients, but "It's a long-time process that has to be frequently tweaked."

Modzelewski says FH considers many different strategies when analyzing a prospect's particular needs, but the firm is also looking for new strategies for existing clients.

Strategies, Modzelewski points out, should be developed for the client and be based on the expertise a firm can offer that client. "It is not a single strategy, it is a combination of everything a firm has to offer," he says, "because these days there are more ways for public relations firms to offer clients strategic help than ever before." **FV**

David S. Chartock

Note: Considering what client business is right for your firm? See the Council of Public Relations Firm's new business questionnaire "Fit to Win," which can be found on the Council's site here.

FIRMVOICE
APRIL 2, 2008

Weathering the Storm By Making Rain

TOM COYNE
PRESIDENT & CEO
COYNE PUBLIC
RELATIONS

As surely as there is a wide variety of agency missions and client goals, there is an equally vast pool of rainmaking strategies. Some public relations firms use their reputation to attract new clients, others use networking, and some rely on referrals — and many firms use all of those approaches and more. In addition, making rain has been further complicated by the recent explosion of new media forms and advancing technologies like SEO — which have dramatically changed clients' expectations of PR results.

How can your firm tap into its key strengths to build relationships with potential new clients and seal the deal — and then deliver successful results to achieve a perpetual growth mode? Leading firm execs offer the following tactical and strategic insights:

Parsippany, N.J.-based Coyne Public Relations (www.coynepr.com), for example, uses its proprietary Results First process, according to president and CEO, Tom Coyne. This process, he explains, "is our strategic approach to program development. It is a process that starts with the end in mind — the desired outcome for the client — that helps focus our strategic and creative direction."

Toward that end, Coyne says, "We carefully target clients that resonate with the type of work our staff wants to do. To that end, all staff members participate in attracting new clients — and if a staff member brings a lead to the agency that becomes a client, we give that staff member 10 percent of that client's first year's fees."

"Of course, there needs to be people working on some of the details. Much of my day is focused on new business, as is my assistant creative director, Beth Kimmerling and Jeff Leopold who handles the marketing of the agency," Coyne notes.

Coyne adds that while his agency relied on direct marketing to prospective clients in the past, "our current clients are very generous and recommend us quite often. In addition, many of our trade relationships, especially with the Council of Public Relations Firms, generate numerous leads."

However, before a client is signed, Coyne does as much research as possible to ensure the client is a "great fit" and that there are people at Coyne who want to work on the business.

"If the desire to work on a client is not there, we will not reach the high level of expectations we set for ourselves. However, once we have decided to pursue an opportunity, we look at all aspects of the potential client's business to determine how we can best help them with their public relations needs," Coyne adds.

New York City-based Peppercom (www.peppercom.com) uses a different type of strategy, explains Steve Cody, managing partner & co-founder: "We have a PR team that treats the agency as a client. The team is run like any other client account, with a budget and monthly hours assigned to the team. We see the account as one of our most important clients. The publicity that the team creates through media relations efforts, speaking opportunities and awards submissions has led to a number of new business leads."

"We also believe that industry involvement has paid huge dividends in this area. Our senior staff is actively involved in a number of associations, including the Arthur W. Page Society and PRSA Counselor's Academy, among others. We are also directors on various boards, such as the College of Charleston. In these roles we are driving new initiatives and thought leadership in the industry, which is ultimately expanding awareness of the agency," Cody adds.

Continuing, Cody notes that "periodic communications of thoughtful bylined articles and pieces by management are also sent to Peppercom's ever-expanding database that is now around 2,500 strong. This has directly resulted in a few new business opportunities because we were able to keep our name in front of potential clients."

According to Cody, Deborah Brown, the managing director of strategic development for Peppercom, is responsible for attracting new clients. Her role was created to strengthen strategic new business opportunities and partnership development. "Deborah is in charge of making opportunistic new business calls based upon timely opportunities. When calling prospects, she lays out their problem and then offers Peppercom as a solution

Like Coyne, Peppercom hears about prospective new clients through its roles on industry boards and organizations, as well as from existing clients, friends of the agency and Deborah's opportunistic calls. Peppercom also has "Project Infiltration," he explains.

"Project Infiltration" is an annual ritual whereby Peppercom creates a client "wish list" consisting of companies it wants as clients. This, Cody said, is usually a list of approximately eight clients. "We assign a team to do a deep dive into the company and its competitors, and then the team creates a two-page document to present their findings to senior management," he adds.

Elaborating, Cody notes that "for first round meetings with prospective clients, we do the same research, but supplement it with company media coverage, competitive insights, research on at what investors are saying, and what Wall Street insiders are saying."

Cody says that to attract and retain a new client costs the agency "10-15 percent if based on a $250,000/year account." Coyne, on the other hand, said "as an agency we have spent in excess of $100,000 in staff time for a single new business initiative, but as a general rule, our program development costs average $20,000 to $25,000 per new client."

According the Council's **Annual Business Benchmark** study, the average cost of business development as a percentage of a PR firm's annual revenue is slightly more than 2 percent.

David S. Chartock

10 Do's and Don'ts for Attracting New Clients

Dos:

- Ensure client prospects view the PR agency as a partner, not a vendor.
- Make sure the competitive field consists of five or fewer competing agencies.
- Set a minimum standard for annual account budgets.
- Anticipate the impact the client would have on agency resources and morale.
- Figure out how to build rapport with the prospective client at every step of the pitching process.
- Attract great staff.
- Pursue the business that the great staff wants to work on.
- Be creative.
- Be honest and upfront with the potential client about what to expect from your agency.
- Have fun.

Don'ts:

- Don't submit off-the-shelf work.
- Don't overwhelm the prospective client with calls or information about your agency.
- Don't take on business in a field in which you do not have core competency.
- Don't stray outside your region of expertise if you are a regional agency.
- Don't practice the old bait and switch. The team that presents should be the team that works on the account.
- Don't pursue business that does not interest your staff.
- Don't create unrealistic expectations for the client or your agency.
- Don't ever lie.
- Don't over promise and under deliver.
- Don't just "go through the motions" of a new business pitch – show the client why you want to work with them. **FV**

Sources: Coyne PR's Tom Coyne and Peppercom's Steve Cody.

FIRM VOICE:
OUTSTANDING BEST PRACTICES FOR PUBLIC RELATIONS FIRMS

CHAPTER 3
TALENT & TRAINING

INTRODUCTION:

As with any service-based sector where creativity is a premium, talent remains the PR agency world's ultimate differentiator—and each firm's greatest asset. That explains, in part, why winning the talent wars is a top initiative and primary concern for agency heads and human resources—and why many firms work hard to keep their best recruiting and retention secrets tightly under wrap.

The good news: Thanks to probing reporting and willingness among members to improve the standards of practice in the public relations industry overall, many Council member firms have finally broken their silence this past year—and unveiled what works and doesn't in recruiting and keeping the brightest and best.

This chapter presents the best of this year's best retention and training practices—and provides you and your team with a one-stop shop of real world strategies and techniques sure to give you the competitive edge necessary to not only win great accounts, but also service them with cutting edge creative and support. From anti-poaching tips and fresh ideas attracting nontraditional, diverse talent to senior executive tips for setting up university-level professional development programs, what you read here will help you drive retention, results and ROI. Whether you're an agency owner, manager or staff member—you're sure find something in the following pages that will help you get the most out of yourself and your team.

FIRMVOICE
MAR 4, 2009

Staying Current, Competitive and on the Cutting Edge: How Junior Staff Can Supercharge Agencies and Improve Client Relationships When It Counts Most

RICK LEONARD
MANAGING DIRECTOR
STANTON COMMUNICATIONS

MARIE DOMINGO
PRINCIPAL
DOMINGO COMMUNICATIONS

DAVID ERICKSON
DIRECTOR OF E-STRATEGY
TUNHEIM PARTNERS

JASON MANDELL
PARTNER & CO-FOUNDER
LAUNCH SQUAD

"Clients benefit from the fresh perspectives and insights that younger staff bring to their business," says **Rick Leonard**, managing director, **Stanton Communications**. "It adds new dimensions to our client relationships and reflects the depth and range of experience and value we can offer."

Marie Domingo, director of public relations at **Silver Peak Systems** (and principal at **Domingo Communications**), agrees. "The agency's value to its clients generally isn't that they're merely extra arms and legs, but rather strategic counselors," says Domingo, who spent many years on the client side at such companies as Sony and Sun Microsystems. "Senior leaders at agencies should empower all junior staffers to live and breathe our day-to-day thoughts and consider what keeps us up at night."

The gift that junior staffers have is they generally can think outside the box, she says—"up and above the press release." The question isn't whether you should be doing this; the question is: How do you do it effectively? Here are some of the insights offered by those who have been there.

1. Practice intense immersion and keep staff current. The best way to train junior staff members is to immerse them in the client's industry, says Domingo. "Do that very early on," she says. Allow them to ask *all* the questions they may have.

David Erickson, director of e-strategy at **Tunheim Partners**, agrees. "The key is for junior staffers to stay current," he says. "We emphasize with our staff the importance of anticipating problems and opportunities for our clients by knowing their industry thoroughly, staying on top of trends and sharing their insights with our clients." One of the basics you need to reinforce—across all levels—is your staff's need to know the clients *and* the reporters/bloggers covering that client. That means *you* may need to do your own homework.

2. Leverage social media tools to boost client touch points. If your people are going to be able to do their research well, you must give them accurate information. "All too often, I hear from established journalists venting that they can't believe that someone from XYZ agency just pitched them on a new product, technology or executive that they'd never cover," says Domingo.

Social media is a critical part of this "homework," she says. Erickson agrees. "Our junior staff use social media extensively, so they've got their ear to the ground for client-related online chatter. We have clients who follow our staff on Twitter for their insight and the resources they share in that venue."

3. Convey five proven precepts of stellar client relations. Cultivating and sustaining client relationships are vital components of PR. They may be soft skills, but they're as important as any other your people have. "Even if you do an amazing job at getting results for a client, if you can't develop a good relationship with them, it's almost all for naught," says **Jason Mandell**, partner and co-founder of **Launch Squad.**

He offers a seminar—open to all levels, but focused on junior staffers—about this very issue. It's based on these five basic precepts:

- **Listen and learn.** All clients are different, have different styles. There's no client-relations template.
- **Be proactive, not reactive.** Constant communication is crucial.
- **Be accessible and responsive.** You need to be available: Client calls do not go to voicemail.
- **Cultivate trust and credibility.** Be honest, straightforward. Build an "on-the-level relationship."
- **Reflect.** At times, step back and assess the relationship.

You want to help junior staffers learn to read clients, listen and react, and tailor services and approach appropriately, he says. And perhaps the best way to do this is to…let them do it.

5. Set staff loose and provide elbow-to-elbow support. One mistake some larger firms make is not letting junior staffers engage with the client from the outset. But making them wait builds up tension, fear, and anxiety. "We throw them into the fire pretty quickly," says Mandell, of Launch Squad's approach. "For some people, working directly with clients comes naturally. Others need a little more encouragement and feedback.

Since Launch Squad uses a team approach, there's always someone to help the less-experienced staffers. "There's a lot of elbow-to-elbow learning," Mandell says. The junior staffer doesn't have to go it alone, but neither does he or she have to wait to become involved.

On a similar note, Stanton's Leonard included younger staffers in a recent business roundtable. The event included current clients and prospects, as well as a panel of experts—and it gave those staffers a sense of what's involved on the marketing side.

Perhaps more important, it involved them in the future of the firm, he says. It gave them not only an investment in their own work, but a role in the agency's continued success. "They learned that new business is everyone's responsibility," says Leonard. **FV**

Roxanna Guilford-Blake

FIRMVOICE
FEB 4, 2009

How to Keep Your Job:
Six Secrets of Proving Your Value to Your Boss—No Matter Your Agency Level

DON SPETNER
KORN/FERRY

Hiring, firing and retiring are on a lot of PR practitioners' minds these days. Simply put, the economy has put the freeze on recruiting, layoffs loom and senior execs are wondering when things will rebound so they can finally cash out with some semblance of security.

"Recruiting is for emergency use only right now among PR firms," confirms **Don Spetner**, who joined **Korn/Ferry** in 2000 after serving as VP of corporate communications at SunAmerica and Nissan, and who spent ten years with three major advertising and PR agencies before that, including RuderFinn. "It hasn't been taken away—but it's only there for where you *really* need it. In fact, the only real recruiting going on right now is if you have to replace someone very valuable or if you won a big account and have to staff it—that's about it."

With fewer new jobs available, "Those we have become that much more valuable, regardless of level" adds Spetner, whose practice focuses, in part, on recruiting executives with expertise in communications, media and investor relations, internal communications, advertising, branding and crisis management.

Translation: In today's market, job security is concern number one for everyone from AEs to industry veterans. So how bad is the current slowdown from an HR perspective, really? What PR jobs or practice areas may be hiring in the months ahead and how can teams prepare for that rebound now? And what can you do to make sure your job isn't the next job on the chopping block? Spetner provides the answers:

Can you quantify the slowdown you're seeing in PR hiring—any metrics you can point to?

Interestingly, we just closed the books on 2008, and in our communications practice it was our best year ever. We were actually up 56% over the prior year. Why? The market was phenomenal and our practice was well positioned. But the biggest driving factor was the market. That changed once everybody realized we were deep in recession at year's end.

Last year was great, but I expect to see a 20 percent drop in recruiting for jobs that go out to search in 2009. But I have to note that there are *still* jobs out there. It's not like there's no movement at all.

It's also worth noting that the recruiting market lags reality by about four to six months. This is truer on the corporate side than the agency side, because it takes a while for corporations to decide to open the floodgates on hiring, and then it takes a while longer to get the position approved and to fill it. Overall, that's a three to six month process. Agencies move more nimbly. Everything about the agency process, actually, is quicker: They hire more quickly and they fire more quickly.

What, if any, PR jobs are hiring now—in terms of staff level, practice areas, geography and even income levels?

Two practice areas are continuing to hire: First, health care on both the agency and corporate sides, is still very robust. And public affairs is big, because of the change in administrations.

As for specialty areas, one area that's still hot and will continue to be is digital media, new media, and all things social media. Investor relations won't be as hot as you might think. And internal communications will continue to be strong. The reason is it merges with social and digital media. What's more: Corporations are just starting to figure out how to use social media internally, which creates a lot of opportunity for agencies.

In terms of level and geography, we expect to see more senior level jobs open up to recruitment. The reason: CEOs will get blown out on the client side, and the communications person usually gets blown out at that time, as well. There's less volume of those jobs, but they're good jobs and they tend to turn over in bad times. For agency readers, I'd like to note that most replacements in these scenarios also come from the corporate side—not the agency practice. Geographically speaking, there will be a slump across all geographies. There is no bright light globally. One exception might be Washington, D.C. But Dubai and all other places will be hit. There really is no refuge.

How will this impact PR income levels across the board?

There will be a drop in income in 2009, but it will be largely bonus driven—and primarily at senior levels. I don't think you'll see salaries overall come down dramatically.

What are you advising to PR staff/practitioners seeking jobs now?

First, be patient. I think 12 months of real pain is what to expect. Second, don't be picky. Take what's available and be very flexible on your salary requirements and open up your criteria. There are not a lot of jobs out there, so don't get picky. Also: Freelance wherever possible and network like mad. That pays off when things turn around later.

What are the best ways for a PR person—senior or otherwise—who has lost a job to stand out as a future hire?

I have three tips here: Be visible, be positive and be relevant. This is how to stand out. Being visible is as simple as writing, publishing and getting your name out there. File op-eds. Build a blog. Being positive means that if you are stressed and beaten down and worried, don't communicate that—enthusiasm and presence is a huge part of the hiring process. It's critical. Relevant is a nice way of saying don't be a stalker and annoy-

ing and imposing—reach out only when appropriate. Certain people, when you see their name in your inbox or message pad, cause you to groan. Other people make you wonder what they're doing and how they're being proactive when you see their emails—so be relevant, and interesting. Don't be needy.

What key skills are going to be a big draw in 2009?

For the next 12 months, the skill set will shift to cost management, doing more with less, and crisis management. When the economy rebounds, the demand will change back to creativity, growth, innovation, sales skills and the other areas typically stressed in growth periods.

Your tips for NOT getting laid off during recession, regardless of level?

Some of these recap what I already outlined, but my six tips for keeping your job are to:

- **Be positive.** If you're at work, you need to be the one who is still in early, excited, driven—and all of that. That kind of person doesn't jump to the top of lists for cuts.
- **Be flexible.** Don't be tied to old job descriptions. Be flexible and open to different ways of working, to slashing your budgets with external contractors or vendors, and to parting with people who aren't great performers but who you like. Just open up to the reality of new demands.
- **Be willing to take less money**. You may even want to, depending on how close you are to finances, go to your boss and say, "If you're looking at ways to deal with this, I am open to a salary reduction or tabling the bonus," etc. What happens a lot—and I say this because I've been in the room a lot with the executives going through the cut list—is that a person comes up who is a great performer and has a higher salary. Because of that higher salary, you stand out. Then the discussion comes up that if they ask you to take a pay cut, you'll be demoralized and there's speculation that you won't work out after that, and they say, "Let's just terminate." Preempt that from happening by communicating that you're open to change.
- **Put yourself in management's shoes.** That really means being budget conscious. The management team is stressed about reducing the workforce and costs. If you proactively go to them with ideas, including compensation reduction, they'll be open to your solutions and it can help you with job security.
- **Be innovative.** That can mean finding new ways to generate revenue, or unique ways to cut costs. Think outside the box and test some beliefs. Don't wait for the usual approvals process. Just try new ideas. Test them.
- **Recalibrate your expectations.** This is the most important one. What I'm seeing now—and this happened in the last recession—is that we are all hanging on to the goals, aspirations and milestones we created during boom times. That speaks to all kinds of different things: the horizon you had for when you retire, material things, a bigger house, a vacation home, a trip and so on. Whatever you had in mind for reward—including the money you think you should be making, your title, and the types of projects you expected to be working on—recalibrate it all. Reset the bar. **FV**

Brian Pittman

FIRMVOICE
JAN 7, 2009

Battle Market Doldrums:
Nine Ways to Engage Top Talent for Superior Results in '09

STEVE CODY
MANAGING PARTNER & CO-FOUNDER
PEPPERCOM

TOM COYNE
PRESIDENT
COYNE PR

CAROL COOKERLY
PRESIDENT
COOKERLY PUBLIC RELATIONS

JASON MANDELL
PARTNER & CO-FOUNDER
LAUNCH SQUAD

Retaining your stars is a strong defense against market doldrums. But merely keeping them on board isn't the challenge. In fact, retention may be easier during a recession. What's more difficult is keeping them *engaged*.

The recession may be hurting your pocketbook, but don't let it hurt your best asset: your stars.

Keep your stars even more engaged and loyal, advises **Steve Cody**, managing partner and cofounder of **Peppercom**. And an economic downturn may provide the opportunity to do just that, believes **Tom Coyne**, president, **Coyne PR**. "Time is a wonderful thing if you use it right" to make a difference for your firm and your stars, he suggests, adding that now may be a perfect window to focus on HR issues, training and other housekeeping areas in an effort to get the most out of top talent.

Here's how some agencies are using the down time to nurture stars—and cultivate potential ones (next week, we'll learn more about their strategies for dealing with the recession—and lessons they learned from previous ones):

1. Over communicate—consider them more than employees. Stay close to your top performers. Treat them as colleagues and partners, says Cody; after all, they want to shine, so don't leave them in the dark.

"Over-communicate to the stars," he advises. Articulate both what's expected of them, *and* where the agency is headed. Share as much information as possible about the agency's plans and activities. Make stars part of your agency's sales and marketing strategy, suggests Cody. For example, Peppercom rotates the internal publicity team—so stars get involved in top-level strategy. That ensures "they *get* Peppercom," Cody says. "It's not just communicating the how and what. You need to share the positive—and the fears and frustration," he adds.

2. Open up—be transparent and honest. If one piece of our experts' advice was universal, it was this: Be transparent. There's no disagreement over sharing information about the agency with stars. But Coyne doesn't limit it to his stars. He makes a point of keeping everyone apprised.

"Friendship doesn't know titles," he warns. The information will spread. He shares information with the whole staff. It's a fine line, though. You don't want to scare people, Coyne says; instead, you want to foster a team attitude. A few months ago, for example, he held a meeting with everyone and reassured them that things were going well, but he also warned that he didn't know what lay ahead in the first quarter. "That was a major wake up call," he says. And account execs took it seriously. In the weeks that followed the meeting, he received more business leads from account teams than he ever had before.

3. Learn during lulls—use the time to train. Lulls offer an ideal opportunity not only for formal training, but also for activities that engage your stars on a variety of levels. Training is the last place you should cut costs, says Cody.

It doesn't have to be formal. If your people are interested in trying something new, move them around so they can: Encourage them to do something totally different, says Cody. It helps build them as professionals.

Some firms may be tempted to cut training first. But it's the last place Peppercom would, Cody says. One of his hobbies is stand-up comedy, for example—and in 2008, he decided to share it with the firm to enhance team building and improve presentation skills. "It built rapport, and gave participants a chance to have fun and blow off steam," he says. They also learned a lot, and honed their skills. A professional comedian provided a critique. "That allowed participants to see nuances in their presentations—and then to see when they failed to listen to feedback," Cody says. "It was one of the best team building experiences I've ever seen."

4. Be more flexible—allow teleworking. At **Cookerly Public Relations** in Atlanta, any staff member who is a senior account executive or above may telework one day every other week with a supervisor's permission. (The policy rose out of Cookerly's work for the Clean Air Campaign; the goal was to help reduce traffic congestion and air pollution.) According to **Carol Cookerly**, the firm's president, "Of our 18 employees, nine have permission to telework, and seven take full advantage of the program on a regular basis."

One of those works remotely full time, from out-of-state. This person is one of Cookerly's stars whose husband was transferred to Kentucky.

"Having the telecommuting program in place took all the mystery out of the situation," says Cookerly. The upshot: She was able to retain one of her stars. It has worked out beautifully. "Do I miss her? Oh, yeah. But I'll take her anyway I can get her."

And for the other agency leaders, it relieves some of the pressure of running their lives. They can schedule repairs and installations without having to arrange for time off work. "They are happier, better employees." (For more telecommuting strategies, see the Nov. 19, 2008 issue of *The Firm Voice*.)

5. Embrace pro bono—create karma and autonomy. If his team doesn't have a lot of work, Coyne lets his AEs run pro bono campaigns for charities of choice. During fall of 2008, for example, the firm donated $150,000 in fee time.

It's always easy to find busy work during slow periods, he says, but pro bono work helps a good cause—and it's good corporate karma, Coyne believes. An AE will work on thousands of campaigns during a career, but it's the work that's done for free

that will often stand out among the fondest memories. "It fills the day and fills the heart," he says.

During slow times, Coyne also gives AEs permission to do more for clients, within reason. Such autonomy enhances AE satisfaction *and* bolsters client service.

6. Swap jobs—put yourself in their shoes. Cody and Peppercom partner Ed Moed swap jobs twice a year with AEs and do their work for a day. The approach has uncovered several issues, including acoustics, space, technology and time management. Peppercom has made fundamental changes as a result. Seeing things from your stars' perspectives can help you create a more attractive environment for them.

Even if you don't take it as far as Peppercom does, it's important to listen. For instance, **Launch Squad** cultivates an open, collaborative work environment, explains **Jason Mandell**, partner and co-founder. It's developing a "newly energized people strategy" that involves mentoring, feedback and a comprehensive review process. (See next week's issue for more on LaunchSquad's initiatives in HR and elsewhere.)

7. Recognize and reward excellence—spotlight achievement. Don't underestimate the value of praise. Giving credit and applause where due can help nurture your stars and keep them in the fold. For example, one of Peppercom's emerging stars developed a webinar titled, "How to Become a Hero in the Midst of a Financial Meltdown." It became such a good tool that the agency uses it routinely. And the subsequent webinar series was named after the person who developed that first one.

8. Don't skimp—resist short-term cuts. The consensus of the experts interviewed: Continue to compensate your stars appropriately. The key question, says Coyne, is: "Am I meeting their needs financially and then some?" Tough times are not an excuse not to give raises, he adds.

Neither is it time to nickel and dime employees on benefits, says Cookerly. That means going with best-in-class providers and not charging employees for perks such as parking. In fact, she says she'd adjust the salaries before she'd tinker with the benefits. For her, it comes down to treating her people with decency. "Always consider that people have options," says Cookerly. "Never take people for granted."

Even in a recession, your stars are attractive targets for recruitment, Cookerly cautions.

9. Protect your base—plan for poachers. Chances are, you aren't the only one interested in cultivating your top talent. Poaching happens, regardless of the economy. Cody recently had a top-five agency calling various members of his staff. He knew the CEO and called to ask the recruiter to lay off. Often, a recruiter acts without senior management approval, says Cody. In this case, the one call took care of it. (For more on poaching see the Sept. 24, 2008, issue of *The Firm Voice*.)

Coyne takes a slightly different perspective. His firm receives five to 10 calls a day. It's a compliment, he says: "People just want a dose of what you have." **FV**

Roxanna Guilford-Blake

FIRMVOICE
JAN 7, 2009

Revisit Nontraditional Hires in Recession:
Hire Creative Artists and You Might Recruit a Star

By Steve Bryant, Executive VP, USA, Publicis Consultants | PR

In this economy, finding new talent may be the last thing on your mind—but not so fast. In times like these, we need to expect much more from our people, and that makes every hire a high-stakes decision.

That's why *The Firm Voice* asked me to describe my own background as a creative artist and the perspective it can lend to a consideration of non-traditional hires.

I've made a career of public relations—March will mark my 25th year in the business—even though I never previously pictured myself in the business world. I thought business was for "jocks and frat boys" when I started behavioral science research, even as a high school student. Business seemed an even more remote venture when I veered off unpredictably into a career as a classical singer.

Nonetheless, I learned about the PR agency world when I took a temporary job to make ends meet at EvansGroup, a predecessor agency of Publicis Consultants | PR. Answering phones led to proofing copy, which led to part-time employment, which led to my current national role in the same firm 25 years later.

However unlikely it seems, it truly wasn't. In fact, my own story serves as a lesson for me every time I review candidates for a position on our staff. Sure, my resume appeared a complete misfit for the requirements of our profession. In an open search, it would have dropped to the bottom of the stack.

Yet, my background, it turns out, is quite perfect for the job—despite the absence of a PR degree. I learned about business, unknowingly, from my businessman father. My early behavioral science work taught me principles of psychology and statistics. My experience as a high school debater helped with presentation skills and persuasion. My arts experience gave me a flair for creative assignments. Like most young artists, I had cultivated a number of PR and events management skills to promote my own career. Sure, there was a lot to learn on the job, but my background made me a fast learner.

Eventually, I discovered that a business career didn't involve selling my soul to the devil. In many ways, it allowed me to do more professional work that I could manage in the under-funded arts world. So my hiring was a good gamble, and the modest risk paid off with long-term loyalty and decades of productivity and leadership.

Maybe you should be taking a closer look at the arts community for talent. There are some good reasons that your efforts may be rewarded:

- Artists are communicators and promoters by nature, so their skills are often transferable.
- Artists are an ambitious and committed lot. Why else would they aspire to a highly competitive career with so few prospects for full-time employment?
- Performing artists are often accomplished at working effectively in a teamwork environment. They can enhance agency culture and productivity.
- Artists, sadly, are accustomed to working for peanuts. By comparison, PR salaries will appear as untold riches.
- Here's the one potential hitch—and how to get around it. It takes a lot of commitment and confidence to declare oneself an artist and to aspire to a career in the arts. Consequently, it can be a major disappointment to set aside, or downscale, that goal.

You can make this career transition more agreeable in several ways:

- Be open to a part-time schedule that allows the artist to continue some arts work along with the agency job.
- Permit a flexible schedule that allows for occasional daytime rehearsals or auditions.
- Artists love applause—who doesn't?—so recognize their agency contributions, too, especially those of a creative nature.
- Tap artist employees for creative assignments—they may have more to offer and they may welcome the chance to apply their talents.

Of course, nine in ten artists are probably dead wrong for your firm, but there are some amazing talents waiting in the wings for a chance to excel in the PR business. Don't hesitate to recruit in this neglected arena. It could pay off big time. **FV**

Steve Bryant is executive VP, USA, for Publicis Consultants | PR. The firm ranks 12th globally and in the United States represents principally Living Brands in the health and wellness, food and nutrition and home industries. Steve has won more than 100 industry awards and still gives the occasional concert.

FIRMVOICE
DEC 3, 2008

Non-Traditional Hires Can Help Crack the Code for Growth

By Stacy Reyan, Senior Vice President of Human Resources, APCO Worldwide

It may seem counterintuitive, but it's true: The best potential employees for PR firms are often those who have never worked at agencies. While there's no doubt that traditional PR backgrounds and communication skill sets will always be valuable to our industry, more and more firms are realizing that non-traditional hires bring new perspectives and experiences that can jump-start company growth and enhance the value offered to clients.

Firms may consider looking to complement its team of communication professionals with subject-matter experts. Individuals who have worked in corporations or government are often great candidates for agency jobs. They bring specialized industry expertise and institutional knowledge that can complement a firm's broader communication service offering, rounding out an agency's services and enriching the value of what is offered to clients.

Non-agency candidates often have strong networks within their previous industries, which may help to raise a firm's visibility and expand its own network of potential business partners. But the firm isn't the only one to benefit; non-traditional hires are happy, too. Many say that getting to work with a number of clients and applying their skills and experience to a variety of business challenges are among the best parts about moving to an agency.

"Non-traditional hires at the mid- to senior-level are absolutely integral to our human resources strategy," says Neal Cohen, CEO of APCO's Americas region. "We discovered early on that achieving APCO's global business objectives would depend on having a high-performing team with a broad base of experiences and a diverse set of skills."

Of course, there are a couple of challenges when onboarding non-traditional hires. Special attention needs to be given to helping them understand and adjust to how a service firm works, both from a cultural perspective and from an operational standpoint. It can be difficult to shift to a client-focused approach if the new hire has spent his or her career focused on the inner workings of a single business. The time-driven nature of agency work may require some adjustment as well. Not all non-traditional hires are going to have the core skill sets in project management and business development that are typically expected from their PR peers. This requires thought about how their skills can complement their PR counterparts while they learn the business.

It's also important to remember to promote the expertise of new, non-traditional hires to traditional employees. Long-time agency staff may not immediately see opportunities to integrate a new hire's specialized skills, so allow some time for idea-sharing.

When considering how to incorporate non-traditional employees to the agency world, two-way networking is crucial. Host a welcome reception at the agency, and invite current clients, the new hire's former professional colleagues and contacts, as well as agency colleagues to the event. This can be a great way to elevate internal awareness of the new employee, their network and background, while also introducing additional members of the individual's professional network to the agency and its services. If successfully executed, non-traditional hiring can elevate a PR firm to a new level of high-value expertise and client service. **FV**

FIRMVOICE
OCT 22, 2008

Supercharge Your Agency's Training Initiatives: Ten Tips for Creating a Professional Development Program That Drives Retention, Results and ROI

MICHAEL GLAZER
DEAN
BURSON-MARSTELLER UNIVERSITY

SHANA HARRIS
SENIOR VICE PRESIDENT
WARSCHAWSKI

DIANE HOEY
DIRECTOR, TRAINING AND DEVELOPMENT
CHANDLER CHICCO

ROBERT BURNSIDE
CHIEF LEARNING OFFICER
KETCHUM

PR practitioners from account coordinators to agency principals recognize that training, education and professional development are crucial to any firm's success. After all, a firm's greatest asset is its talent base—and the better versed your staff is in the latest tools, technologies and tactics, the greater your output and client satisfaction. What's more, professional development is often cited by new hires and talent acquisitions as a major draw—and it's a powerful retention tool in competitive markets, as well.

So how can you make sure your training programs deliver the results you, your staff—and your clients—need? We spoke with agency leaders with a solid track record in these areas to find out their best tactics and strategies. Heed their counsel: Success stories from Burson-Marsteller University, Ketchum College and others can become *your* success stories, if you follow these ten recommendations:

1. Promote collaboration. Use the power of collaboration and social networking both online and in the flesh. Allow participants to learn from (and with) each other. "Our client leadership program, for example, blends eLearning and classroom learning to give participants the freedom to choose what they learn, when they learn and with whom they learn," explains Michael Glazer, dean, Burson-Marsteller University (B-MU)."We even have participants who watch or listen to content on their iPhones."

It's about connecting, he says: "We all want to feel as though we are part of a larger, global network. B-MU uses technology to help extend relationships and strengthen our sense of community."

Shana Harris, senior vice president of Warschawski, focuses on cultivating collaboration and teamwork. "Create a culture where people can ask questions and have the ability to collaborate and work together as a team," she advises.

2. Customize the program. Chandler Chicco offers a personalized training plan for each individual, says Diane Hoey, director, training and development. An individual and his or her team leader will sit down, go through the training program and hand select the elements most relevant to that individual, she explains.

Personalization is important at Burson as well: B-MU strives to provide opportunities for each member to achieve his or her own distinct growth potential, according to the program's online overview, which adds that learning experiences "are tailored to individuals by level, job function and specialization."

You should also customize to the culture of the particular office, the program description suggests: "We understand how important it is for learning, just like business, to take place in a way that is natural and effective within local cultures. Our programs are tailored to each region. That makes the learning experiences more effective, and helps Burson's staff better apply what they learn in serving clients."

3. Make it accessible. "Our online training center makes it easy to access the tools and materials needed to take full advantage of B-MU," continues the B-MU synopsis. And, because classroom time can be limited, B-MU also provides smaller modules to make the process more self-paced, portable and accessible.

4. Promote training opportunities. Chandler Chicco promotes training through email, email newsletters and an agency-wide Intranet. Managers will remind those who do not respond, says Hoey. Consistent follow-up is crucial: It's not enough to address it during the annual performance review, she cautions. "I check in once a quarter and ask managers and staff if they've had recent discussions regarding performance training," says Hoey.

5. Take it to the top. Training needs to include all levels, including the C-suite. For example, while Ketchum College training programs and content goes up to VP level, the agency's Ketchum Leadership Institute offers programs up to the CEO level, says Robert Burnside, chief learning officer, Ketchum.

6. Look beyond your firm—and industry. Ketchum College has three schools or skill areas it focuses on: leadership, core business skills and practice industries. A well-rounded PR person needs all of those, says Burnside. For instance, Ketchum has upgraded nutrition expertise in its foods and consumer sections. "We went to Tufts University in Boston, their Friedman School of Nutrition, and asked them to collaborate with us," Burnside says. The result: An on-going program with 12 modules reviewed by Tufts nutrition scientists. "We want them to go long and deep in their practice areas," he says.

External trainers and outside programs can bolster your professional development program, agrees Hoey. She finds outside trainers in a variety of ways: Word of mouth, people coming to the agency from other companies, ideas from other agencies—even cold calls from trainers. (A professional presenter will run about $2,000 to $4,000 a day, says Burnside.)

7. Tap into existing resources. Internally led programs have been very successful at Chandler Chicco. They are specific, says Hoey, generally focusing on best-practice presentations built around case studies.

Warschawski has had good experience using insiders, too. "Team members vote on a topic which they'd like to learn more about and a senior team member gives a two-hour interactive session on that topic. The sessions are not only educational; they provide an opportunity for senior members to practice their presentation skills," says Harris.

Ketchum has found this approach rewarding for all involved. "The people who teach, love to do it. Part of our culture is a love of learning. I have a line of people who want to teach," says Burnside. Their compensation? A button that identifies them as "Ketchum College staff." (And, he says, there's an added bonus: Involving executives is a good way ensure C-suite support.)

8. Demand high-quality content and delivery. Don't settle for less than exceptional content *and* delivery. "If you present best info in a lame way, people won't absorb it," warns Burnside. "We expect high-energy, high-performance delivery in addition to world-class content."

9. Recognize success. Recognize and reward achievement, Glazer encourages. For example, B-MU looks "at each individual's commitment to their own — and their colleagues' — professional development when considering them for new assignments, larger roles and greater levels of compensation," according to the site. Chandler Chicco also uses tangible rewards. "Our staff earns an extra day off if they participate in eight trainings a year," Hoey says.

10. Set goals and measure success. Set clear goals for your agency and share them with your team, Harris advises. This provides clarity and promotes unity and collaboration. And then make sure you meet the goals. It's not just about mastering a test, stresses Burnside. It's about the deliverables. "We're not testing for grasp of the concepts, but delivery of the skills, so we don't 'test.'" He is adamant: "It's not about taking a multiple choice test. The client doesn't care if you get it. They want you to execute on it." **FV**

Roxanna Guilford-Blake

FIRMVOICE
OCT 8, 2008

Bridging the Generation Gap Helps Agencies:
Ten Tips for Working with Millennials

By Aaron Uhrmacher, Social Media Consultant, Text 100 Public Relations

There's a lot of talk about the Millennials these days. They're also called Generation Y, Echo Boomers and, sarcastically, Generation Why? (That all came from Wikipedia—the Millennials' utmost authority on everything that can't be found on Facebook.) The Millennial generation encompasses people born roughly between 1982 and 1994. This group is regularly said to be wreaking havoc on corporate life, making supposedly outrageous demands for things like "work/life balance" and "benefits."

Even though I fall a few years short of wearing the Millennial tag, I can identify with this group in many ways and I consider myself part of them. After all, I started out as an account executive and quickly earned the senior social media consultant moniker. So, if you have Millennials on staff and you're looking for a little insight into what makes them tick, here are some tips you might find useful:

1. Let us work remotely: We can work at Starbucks and even from home. By creating a less structured physical work environment, you can stimulate us, encourage our creativity and teach us how to work smarter. Start with a trial month and evaluate the results. You might be surprised at how well we manage our time when it belongs to us.

2. Give us iPhones: Most companies only provide phones to management. If you want us to stay connected, give us the tools to do so. Blackberries are fine, but iPhones are much cooler. And they work on corporate networks.

3. Create opportunities for social interaction: If you want us to enjoy where we work, make it a place we want to be. Give us the chance to connect with our co-workers in an environment that promotes social interaction. Host group brainstorm sessions, take us bowling (or to the theater, or paintballing) and remember to celebrate our success outside the confines of the workplace.

4. Give us feedback: If you like our work, let us know. If you don't, let us know. We've been using blogs, social networks and other platforms for years where we receive immediate feedback from our friends. We expect the same at work, and we look forward to it.

5. Compensate us: Not just with money, but with other benefits. Creative incentives go a long way. Gym memberships are expensive, so are dinners. Having free bagels and OJ once a week shows we're part of the family.

6. Give us more work: Not just busy work, but smarter work. Empower us to help win new business or participate in our client's online community building efforts. We may have skills that you don't. We know how to use Photoshop, build web pages and blogs, and create social networks.

7. Take an interest in us: Start an internal blog where we can share other parts of our personalities, communicate with people at all levels of the organization and continue to ensure that our company is a place we all want to be.

8. Put us in charge: Yes, we want to be the boss and, no, we don't always want to pay our dues. We're admittedly impatient, but there are projects that we can work on that will benefit the company and will demonstrate our potential.

9. Let us teach: We can sometimes find answers quicker with Google than with proprietary software. We can automate coverage searches with online tools. And we can interact with reporters and bloggers using some of the tools you see as time wasters. Let us show you how technology lets us work smarter.

10. Make us read this article: If we work for you, we believe in what your firm does. We want to be a part of it. Share this story and let's discuss if we're on the same page. If we're not, what can we do to change that? **FV**

FIRMVOICE
SEPT 24, 2008

Preventing People Poaching:
Lateral Hiring Among Agencies—and How to Stop It

MARINA MAHER
PRESIDENT
MARINA MAHER COMMUNICATIONS

TOM COYNE
PRESIDENT
COYNE PR

TIMOTHY M. GARDNER
ASSOCIATE PROFESSOR OF MANAGEMENT
OWEN GRADUATE SCHOOL OF BUSINESS
VANDERBILT UNIVERSITY

DEBORAH LEVY
VP OF TALENT RECRUITMENT
MANNING SELVAGE & LEE

KEN JACOBS
PRINCIPAL
JACOBS COMMUNICATIONS CONSULTING

MICHAEL LASKY
DAVIS & GILBERT

For many firms, poaching of key staff is a very real problem—one that not only threatens any given agency's number one asset and talent base, but which also can create animosity between firms, and ultimately hurt the industry as a whole. Despite this, not many in communications are willing to discuss the practice—much less offer practical, defensive guidelines for preventing it.

Coined "lateral hiring" in HR circles, poaching "is the reality of a competitive industry like PR where in 2008 we are seeing an increase in the amount of new business prospects and a shortage of qualified talent," confirms **Marina Maher**, president of **Marina Maher Communications**. "Everyone is desperate for good talent. For example, I just came back from the Worldcom PR Group Americas Region meeting with over 80 firms—and everyone talked about the search for talent," she says.

So how are the most successful agencies coping with this threat? What managerial—and legal steps—can you take to protect your agency's greatest asset from competitors? What are the procedures and systems that successful agencies use to retain the best in the business? How do the great agencies keep their outstanding performers year in and year out? We asked your peers for their answers to these and other pressing questions—and finally broke the silence surrounding this touchy topic. Here's their advice:

1. Take the blinders off—analyze retention rates. "Poaching happens every day. From entry to senior levels, staff gets called by recruiters and HR people at other agencies every day," says **Tom Coyne**, president, **Coyne PR**. "There's a real shortage of talent in PR. There is a lot of churn, and it's driven by a confluence of things, including: a 'grass is greener' mentality, high levels of burnout because it's 24/7 and agencies thinking they can create an instant culture by taking people from other shops."

"National surveys from a variety of sources suggest that forty to eighty percent of people that change jobs without an intervening spell of unemployment did no job search prior to making the move. A big portion of these were the result of poaching," says **Timothy M. Gardner**, associate professor of Management (Organization Studies) at the Owen Graduate School of Business at **Vanderbilt University**, who is currently working on a research study on poaching and teaches an MBA elective class on the practice and ethics of lateral hiring.

Once you recognize this reality, believes Coyne, "You can work toward keeping your best people by focusing on retention rates. My retention rate, for example, is 92 percent. And over ten years, I've lost less than ten people to other agencies. In fact, if someone gets an offer, I always say 'Listen to it and take it if it's good.' Why? Because I believe we have built a culture where people feel valued here and I'm not afraid to lose those who don't fit into it."

2. Begin at the beginning—start by hiring the right people. Deborah Levy, vice president of talent recruitment at **Manning Selvage & Lee**, agrees with Coyne's insistence on ensuring a cultural fit with hires: "A part of the hiring process—and one that allows agencies to differentiate themselves and engage the best possible talent—is to match their business needs."

In other words: Your best defense against poachers is making sure you have the right people on board when you first hire them. "We are really attuned to hiring people who are the right cultural fit," elaborates Maher. "Even the smartest person will never work out if it's not a good cultural fit. So, keeping the best talent starts with hiring the best talent—both experienced and entry level hires. We always look to hire smart talent, diverse skill sets and those with the greatest potential—not the person doing the job next door."

Agencies never get to poach the very best talent, not if you're taking care of them," according to Coyne.

3. Recognize non-traditional threats—poaching often comes from the client side. "PR people often get offered jobs from clients—it happens a lot," says Coyne. "While there's not a lot you can do about that, it's worth being aware of. In addition, I recommend an 'attitude of gratitude' if this happens to you. All it has done is grow my business, because I've treated them right and helped them grow their career. Now that they're on the inside at a client company, business often comes back."

4. Career path employees—give them a stake in your shared futures. So how do you ensure you're "taking care" of your best and brightest, as Coyne puts it? "The answer is to think career paths—show your employees the next step so they don't have to go wandering to find it. Start with your reviews process. Don't just review against their current job title—build in goals that work against any of their weaknesses to get them to the next level. Include goals for advancement training and show how those items fit into the next job up," he says.

"Train them and pay them to be trained. In my case, I make vice presidents. That's what I do at my firm," Coyne says. "I don't care if they end up vice presidents here or elsewhere—I want my people to know I'm growing their careers."

5. Evaluate your agency culture against common factors for high retention. "A great employer relationship is like a happy marriage," continues Coyne. "If you're dedicated to the person the other end and you do certain things every day to show that, that's the bond that will keep the person there when others knock."

Ken Jacobs, principal at **Jacobs Communications Consulting**, a firm that helps agencies with staff performance

and retention, agrees: "In my view, keeping staff from being poached is about keeping them happy." He thinks this is driven by the following seven critical factors:

- Management that listens (e.g., surveys, one-on-one meetings, suggestion boxes)
- Regular communications and feedback (e.g., reviews, thank you notes, good news alerts)
- Involved staff (e.g., employees working on the business, not just in it)
- Competitive compensation (incl. benefits tailored to generational preferences)
- Clear agency vision (e.g., leadership, vision and values employees can buy into)
- Training (i.e., millennials expect it as a point of entry)
- Workplace fun (i.e., teamwork and friendship builds community and stems poaching)

Levy agrees: "Listening to what your employees need and want is key," she says. "What do they think they need to continue growing and learning and how can we deliver it to them? What are their greatest interests and areas of expertise? Always offering employees a wealth of opportunities to grow as professionals in an environment that supports this growth will give them little reason to pursue jobs at another agency."

6. Build a protective legal matrix. "In today's competitive business environment, it's more imperative to make sure you're proactive. That includes speaking with counsel and understanding the key concepts that can work together in a sort of legal defensive matrix," says **Michael Lasky**, **Davis & Gilbert.** These can include:

- **Non-competition agreements.** These are designed to prevent a departing employee from working for a competitor or in a competitive business for a period of time after he or she departs from the company. It is an industry-based restriction and represents a rather tight set of "handcuffs," Lasky reports.
- **Customer- or client-based restrictions (restrictive covenants).** These are provisions that restrict the departing executive, for a period of time, from servicing customers or clients that he or she personally rendered services to during the period of employment, according to Lasky.
- **Non-raiding provisions.** These prohibit the departing employee from hiring or assisting in hiring another employee of the former employer. The goal is to prevent compounding the harm that the departure of a subsequent employee or worse yet, a group of co-workers, might cause to a company.
- **Benefit forfeitures and protections.** Many companies are updating their long-term incentive or stock-option plans to include forfeitures in the event the former employee violates some requirement of the original contract of employment or a severance agreement executed in connection with the employee's departure, Lasky offers.

7. If all else fails, let go—poached stars often underperform. "Competing agencies practice what we call 'pounding the wound' to poach talent. They'll find out what bothers prospects about their current jobs, and then continually emphasize those problems and how they don't exist at the new firm," Gardner says. "But for that to happen, they have to first be talking to employees who aren't happy where they are." His point: "If it's not a great fit, they'll be looking anyway. That's when competitors move in."

The good news in all this for agencies is this: "The best research suggests that stars dramatically underperform once they leave their home firm," Gardner says. "People are productive due to their teams, co-workers and organizational contexts. So, while it's a hit to lose a good employee, chances are the new company will have overpaid for their services." **FV**

Brian Pittman

Do you speak CFO? You'd better if you want to keep your

FIRMVOICE
SEPT 10, 2008

Speaking CFO:
How Financial Literacy Can Improve Performance from Execs to AEs

MARK RAPER
CHAIRMAN & CEO
CRT/TANAKA

biggest and most profitable clients. After all, a seat at the proverbial table is really only possible for agencies, execs and even account coordinators who grasp and speak the language of the client CFO, which is grounded in the world of finance and operations. While few in PR would advocate agency financial literacy at Sarbox or IR levels, there's no doubt that becoming fluent in the metrics, financials and accounting principles that make clients happy when evaluating returns and ROI can help careers, client retention and ultimately the bottom line.

Where do you start — what business metrics and finances do client CEOs and CFOs really care about? How can you train your staff to speak the lingo to improve client service and communication — while proving your value? We checked with CRT/tanaka chairman and CEO Mark Raper to see how it's done there — and how you, too, can speak CFO to strengthen your hand with client C-suites:

Do you find new PR hires aren't generally numbers oriented?

The predominant group in PR — new hires or otherwise — are words people. But value is most often measured by our clients in financial terms. That being the case and knowing we're in the service industry, we have to understand our clients and their business. Those are prerequisites of being a great agency — so we can't just be good at the "word side" of the communication side of the game. We also have to be adept at the financial side.

More agencies we're talking to these days are hiring people with diverse backgrounds. Some of these people may have general business degrees. Or they may be people with experience in cultural anthropology or even sociology — areas focused on understanding markets and the consumer. But as a rule, we're not hiring accountants or people with finance courses under their belt. So we have found that we almost always have to teach financial literacy and work to keep staff engaged in the numbers.

So how do you keep staff financially engaged?

We want to develop risk-takers and entrepreneurs. Financial and business literacy is a big part of that — and it starts with a spirit of openness and transparency across the agency. For example, all staff from senior level to account coordinators are kept extraordinarily in the loop on financial topics and senior management makes significant efforts to ensure that all staff understand the important financial side of agency life, and the business implications.

For example, we spend a considerable amount of time at our monthly staff meetings reviewing the financials for the agency, as well as answering any questions about these financials. And, for employees that have had the ability to attend board meetings, it's even more incredible the level of time and effort that goes into analyzing the financials.

Additionally, we helped create a mini-MBA course for our staff (and all of the Lumin Collaborative, a group of like-minded, independent PR agencies) to better understand business. Importantly, all staff are expected to understand their client's business as well as they do.

Does your "spirit of openness" translate to an open book policy?

It does. It's part of the fulfillment of our responsibility to make our people better personally and professionally. It's an important part of growth for our employees — otherwise they're stuck in the tactical their entire professional careers. This lets them see how what they do day to day impacts the business overall.

What's your process for reviewing financials?

We spend time using our own balance sheet and P&L to help people understand financials of any company and clients — starting with us. We review everything except salaries. The breakdown is we do it at monthly staff meetings. We go through top line expenses, margins and answer any questions that come up. Examples might include, "Why did we spend more in parking this month?" We appreciate that kind of questioning — it means people are engaged.

My tip here for other agencies would be to welcome questions and to not run through financial terms too fast. For example, "EBIDA." Stop and explain that it's earnings before taxes — even if nobody asks. Sometimes, people are reluctant to step up and profess ignorance of these things. You have to do it for them. Try not to overwhelm people with accounting terminology. Go slow. Keep it simple.

Apart from monthly staff meetings, each practice area reviews individual margins by client and talks about it in practice meetings at a minimum of once a month. Everybody in that practice area is in attendance. We have health, corporate, interactive and consumer practices — and each one of them holds these as cross-office meetings via phone. They review the financial documents online. All visuals are on camera and live.

Because our shareholders are also employees, we also have an annual meeting where all of the financials are reviewed in great detail. That is supplemented by an offsite training once a year where we walk through a "financial and business literacy" session. Anybody can come to any of these meetings — from the monthly staff and practice meetings to annual shareholder meetings.

Beyond that, we conduct town hall meetings every two months where any staff with a question, grievance or issue can air it. We sit there and answer questions sometimes until 8:30 p.m. at night. I run those rotating through our four offices. The next one is in Norfolk, then Los Angeles. Financial issues often come up at

those times, especially ones related to ownership and bonuses.

Finally, we also conduct board meetings. We have standing members and rotate people from mid-management in to attend. We review finances then and talk about ways to improve them. Our CFO goes in great detail over the finances then — and people review those materials in advance.

The key here is we don't just preach business literacy and espouse an open book policy. That's not enough. You have to support that with regularly scheduled meetings that touch every corner of the practice. If you're not doing something along the lines of any of these meetings I've talked about at least quarterly, then you're not doing your job.

You mentioned bonuses — do they really instill a sense of engagement in business literacy?

Incentives and things like a bonus pool tend to get people interested in line items more specifically. Then they really want to understand how it works. I would recommend that as a starting point for any agency. Beyond that, ownership incentives really can empower employees to see things in business terms. That's a big motivator. I would seriously consider providing some level of ownership to as many employees as possible. It will get people into the finances more effectively than anything else you can put on the table. In our case, every employee who joined us in the past had some ownership at nine months.

Is ownership that important to younger staff and millennials?

We actually found ownership has different value at different life stages. So a kid out of college likes the idea of stock — but will take cash first. Ownership has more value later as you have kids and so on. So one of lessons we learned was that it depends on life and professional stages. Overall, however, it has worked well for us and our employees.

How does your mini-MBA course work — is it a model for other agencies?

Our course is one we share with all Lumin members. One of the topics in the course is "Business Illuminated." It's a quick executive version of an MBA program for communicators. Specifically, we talk about: strategic planning, financial implications in a quasi accounting way and reading balance sheets.

It runs over 14 weeks, every other week, and is held two to three hours in the evenings. We rotate speakers by availability and also have outside instructors come in. For example, we recently had someone from University of Minnesota business school come in and talk about what everybody needs to know about business markets.

In between each class, there's homework and textbook to read. In the end, the graduates get a subscription to one of the top business publications, like *Forbes* or *BusinessWeek*.

My advice to other agencies would be to implement something similar. It doesn't have to be on such a big scale — even brown bag lunches with outside instructors coming in once a month would be enough to begin to increase financial literacy across the agency.

How does your staff bone up on client businesses and finances?

One of things we've done periodically is try to send people into our client and work from the client side for some period of time — so they get a firm understanding of the client's business, their pain points and what keeps them up at night. We love having our folks go in and office within client locations — we wish every client would give us that access. We encourage them to meet with client sales staff and even go on sales calls. For example, I was at Target on a sales call recently.

This helps staff realize what metrics and performance benchmarks are important to clients. Overall, ROI is going to be different every time and for every client. Sometimes, it's sales or a vote getting up or down or even something intangible like employee engagement. They see that firsthand when they're working alongside clients.

Beyond that, measurement and metrics are stressed at the account coordinator level. Each person has their own PG, or performance goal. Each individual and their supervisor works out some way they can improve their skills and their business literacy and they give it a measurable goal. For example, a staff member can seek to broaden client relationships by ten percent. We tie that to performance reviews and correlate those goals to financial metrics so they're things staff thinks about every day.

We want them to think first of what they do and how it impacts the client. We don't want PR people doing their job and not knowing why they're doing it. And all of that, starting with establishing measurable goals and metrics for any program or campaign, is ultimately manifest on a balance sheet.

Do you support continued business education — or help pay for MBAs?

Absolutely. After six months of employment, we offer time off and financial subsidies. For example, we offer up to $5,200 for a post graduate degree.

What final tips can you offer other agencies for helping staff "speak CFO"?

Add business books to your library. One book we use for our MBA class is "MBA in a Nutshell," by Milo Sobel. Also, add financial bookmarks or articles to the company intranet.

Finally: Make finance fun and not so off-putting. Anybody who is curious will find it fun as long as it's relevant and impacts their lives. Part of that includes making finances less intimidating. Ease people into it. Start with a bonus plan and balance sheet meetings. Financial literacy really should be more mainstream in our industry. We really need to broaden its appeal in PR, and these are good starting points. **FV**

Brian Pittman

If I were to quickly rate and generalize about our agency busi-

FIRMVOICE
AUG 6, 2008

The People Equation: Can You Keep and Develop Them?

By Ed Menninger, founding partner, Communicating@CulturalContext

ness, I'd say that in managing clients most agencies get an "A" or "A-". We care. It shows and more often than not, the results go from very good to outstanding. If I were then to go on to the financial scorecard, I suspect we don't do as well—but certainly good enough to average a "B" to "B+". OK there some "A" grades. But if I were to go the people equation or, how well do we develop and retain our people, the number of "Cs" that show up wouldn't really surprise anyone.

People development is one of the hardest tasks for the agency world. A perspective: I've talked to a number of people who have come to the agency world from other disciplines and other parts of the PR world—corporation, government—nutrition—environment. We come across as… shall we say "brusque"? We are under time pressures and billability pressures and we tend to want people to "get to the point" very quickly. There is the ubiquitous situation of the senior person returning from the very tough client meeting and confronted upon returning to the office by a junior person charging up to her and saying, "I need to see you, now!" She will usually be greeted by the gesture of raised hands, palms out and the stern voiced, "Not now"! This visual can be repeated time and time again—just a part of our business behavior— something we've all seen.

What's needed is not a change in the intensity level of our business or the on-going ability of all to "juggle" in order to survive, but rather a dedication by managers (mid-level as well as senior) to take a deep breath and think about how to make these individual players into a better team. Part of our job is developing our people. We must coach them to be better team members and that starts with respect for you the manager and that respect is grounded in trust. No trust—no coaching—no people development—no retention. To be trusted one needs to come across as: competent, communicative, caring and consistent. If the person isn't competent (even if nice) it's hard to trust that person. If the person doesn't communicate except on his/her laptop or blackberry, you don't know what they are thinking. If the person doesn't show any interest in other human being, it also makes trust impossible and finally, if mangers are not consistent, i.e. Democrat in the AM, Republican in the PM and Libertarian after nightfall, then the employee can't figure out which one he'll meet when he goes to talk with that supervisor. OK, you have trust, now coaching begins. Its elements are fairly simple: Think about and record the performance of the employee. Learn to listen. Seek agreement on what needs to be done and plan to reward good results and note failures and the steps needed to be taken for improvement. Look for results that the employee can achieve and you can monitor. It may take time but it's time well spent.

Finally, a few simple thoughts to make managing easier: (1) Take time to listen; (2) Give good examples; (3) Don't pull rank; (4) Care about the person; (5) Keep people informed; (6) Encourage people; (7) Stretch people; (8) Give praise when a job is well done and do it close to the time of the action for which you are praising them. Most importantly: when the job's not well done, focus the conversation on behavior not personality. Isn't this common sense? Well yes, but I don't think it's common practice. Let's turn it into common practice and those grades in "people management" will move right up through "B" heading for "A". **FV**

Ed Menninger is a founding partner of the New York City based consultancy, Communicating@CulturalContext specializing in the people equation. He conducts workshops, speaks and writes on this subject and does individual coaching. He is a former Burson-Marsteller Managing Director and EVP and is a PRSA APR and Fellow. Ed can be reached at edmenninger@aol.com.

FIRMVOICE
JULY 16, 2008

PR Firms Differ on the Best Way to Train Outstanding Account Executives

STAN LEVENSON
CEO
LEVENSON & BRINKER PUBLIC RELATIONS A

TOM LOESCH
EXECUTIVE VICE PRESIDENT
TUNHEIM PARTNERS.

ROBERT BURNSIDE
PARTNER & CHIEF LEARNING OFFICER
KETCHUM

SANDY HERMANOFF
PRESIDENT & CEO
HERMANOFF PUBLIC RELATIONS

A PR firm's account service people are among its most important employees. After all, they provide the crucial connection between agency and client. Indeed, to most clients, the account executive is the agency. A great account service team can cement an agency relationship for years. A poor one can destroy it in a heartbeat.

But, how do you insure that your account managers understand the fine art of account service? Where does somebody learn the skills critical for taking good care of a PR client? These often intangible skills are certainly not taught in college.

We asked leading PR firm executives what the most critical skills for account service professionals are and how they impart them.

Seeking the most admirable skills

Some of the most important skills an account service person should have include being service-minded, being able to manage expectations, being accountable, being able to communicate frequently, and working with a client in the spirit of partnership, explains Stan Levenson, CEO of Dallas-based Levenson & Brinker Public Relations (www.levensonbrinkerpr.com).

Another key skill is the ability to not only respond but anticipate client needs, adds Tom Loesch, executive vice president of Minneapolis-based Tunheim Partners (www.tunheim.com/).

Still, presentation, writing, relational and creative skills are the most important skills an account service person needs to succeed, adds Robert Burnside, partner and chief learning officer at New York City-based Ketchum (www.ketchum.com).

Sandy Hermanoff, president and CEO of Farmington Hills, MI-based Hermanoff Public Relations (www.hermanoff.net) agrees that writing and communications skills are essential, but adds that solid customer service/organizational skills, a dedicated team commitment and loyalty to the agency and its clients are equally important.

Continuing, Hermanoff believes the most difficult skill to teach to an account service person is "understanding that we are counselors to our clients and that we should be framing a strategy for our clients, not the other way around. We need to be 10 steps ahead of our clients."

Burnside, on the other hand, says financial skills are the most difficult to teach an account service person, while Loesch and Levenson maintain the toughest skill to teach is how to think on a strategic level.

Where do some staffers drop the ball?

The most common mistakes inexperienced account services people tend to make is that they do not plan in a program context, they are not service-minded to the media, they produce incomplete meeting reports, and they are not aware of staff-time budgets that assure client profitability, Levenson adds.

According to Loesch, the biggest mistakes also include not being aggressive enough, being afraid to make a suggestion, and taking something for granted. Burnside believes the biggest mistake is not listening to the client and not understanding the client's needs; and Hermanoff says the biggest mistakes include doing too much too quickly to prove their worth to the firm, not asking enough questions about research, trying to please the boss and not the client, and not being a team player.

Hermanoff adds that the quality most valued in an account service person is honesty. Burnside believes it is empathy. Loesch maintains it is delivering results and being proactive instead of reactive, and Levenson suggests the top qualities are professionalism, leadership, accessibility and dependability.

With all of these qualities and skills, an account service person's academic background also plays a key role in how that individual fits in to both an agency's culture and interacts with clients. For this reason, Levenson says an ideal academic background includes liberal arts, psychology, sociology, marketing, journalism and strategic communications.

Account executives and account service pros — how do they differ?

Hermanoff says the biggest difference between an account executive (AE) and an account service professional is "responsibility and accountability. The account manager is responsible and accountable for the supervisory 'business' aspects of accounts, such as fees, budgeting hours, strategic planning and direction as well as growing the account and other new business initiatives. An AE is more focused on the execution and details of one or more accounts and is accountable to the account manager."

More simply put, "an AE is focused on task accomplishment and the account manager is focused on relationships," Burnside points out.

"The account manager has a higher level of accountability to make sure client expectations are met and to drive strategy and service as a mentoring coach to the AE," Loesch says.

Levenson, however, believes it is all semantics, adding that "a successful AE is an account manager and more."

Training team members for optimal results

Regardless of the job title, academic background, qualities and skills, account service people need training. At Hermanoff's firm

this is a mix of internal team building exercise, initiatives and leveraging resources from public relations organizations such as Worldcom, the Council of Public Relations Firms, and the PRSA Counselors Academy, to help educate and inform team members.

At Ketchum, account service people received training through Ketchum College and active mentoring by team leaders, Burnside explains. Tunheim offers its account service people a training program consisting of individual development plans, internal topic seminars, external seminars, such as those offered by the Council of Public Relations Firms, and agency-wide training, such as client-service seminars, Loesch notes.

Still, Levenson says, "we educate. We do not train. This entails understanding and appreciating the strategic PR planning process, encouraging creative; being aware of competitive influences and understanding both demographic and psychographics. Our mission is to emotionally and spiritually relate, not merely inform." **FV**

David S. Chartock

FIRMVOICE
MAY 21, 2008

Diversify or Die:
How Agencies Benefit By Hiring a Diverse Workforce

DAVID MILLER
U.S. TALENT ACQUISITION MANAGER
HILL & KNOWLTON

NIKITA DAVIS
VICE PRESIDENT
STAFFING DIRECTOR, HR KETCHUMA

BRAD MACAFEE
PARTNER, MANAGING DIRECTOR
PORTER NOVELLI

KIM HUNTER
CHAIRMAN, CEO
LAGRANT COMMUNICATIONS

No doubt about it—your agency's greatest resource is its talent pool. But too many agencies fail to ensure their talent pool's depth and breadth through diversity. They hire staff with the same skills, backgrounds, networks and even attitudes. The result of such homogeneity is often stagnant growth—or worse. After all, individuals with different backgrounds, cultures and generational perspectives can yield the new ideas and skills essential to survive—and thrive—in today's rapidly changing communications market.

Sounds good in theory, right? But how can you choose the right talent you need to meet your agency's growth goals? Where do you go for new blood—which schools, disciplines and even geographies hold the best hidden gems and untapped talent? How can you ensure you don't hire the wrong person in your quest for fresh faces and skills? We asked leading agency execs how they are improving their talent pools through diversity—and how you can do the same.

According to David Miller, U.S. talent acquisition manager for New York City-based Hill & Knowlton (www.hillandknowlton.com), "Diversity is a necessary component of any thriving business. It is through having employees with diverse backgrounds and ethnicities that a company is able to draw from these backgrounds in order to expand the spectrum of their abilities to service the client."

Diversity, adds Nikita Davis, vice president, staffing director, HR for New York City-based Ketchum (www.ketchum.com), is inclusivity—men and women from different nation's and cultures, ethnic groups, generations, backgrounds, and skill sets. A diverse employee, she says, "can be, either a PR practitioner or a non-practitioner—the non-practitioner can become a PR person. It could be for example, someone who has worked for the government for many years, but has transferable skills that may not be PR-specific, but will help the PR effort."

Brad MacAfee, partner and managing director, New York City-based Porter Novelli (www.porternovelli.com), believes simply that "diversity is trying to bring the right mixture of people and talents together."

How Firms Achieve Diversity

All firms interviewed for this article indicated that diversity is based on specialization, age, gender and skill set. Hunter points out that all 21 of his employees are diversity employees because his firm focuses on the African-American and Hispanic markets to provide multi-cultural services to its clients.

Davis reports that Ketchum's diversity hires include individuals with internship experience at the junior level, or on the more senior level, it could include individuals who have worked in healthcare, brand marketing, corporate law, media or government.

At Porter Novelli, MacAfee says their professional diversity efforts also include employees with backgrounds in technology, journalism or senior executives who have been at other agencies and have had similar clients and experience.

In addition to summer internships, H&K, Porter Novelli and Ketchum hire diversity candidates through the usual routes: advertising, employee referrals and networking. Positions range from entry level, account associate, account executive, account supervisor, to vice present and above. Ketchum, Davis observes, also looks for diversity candidates through alumni and professional organizations.

Besides colleges and universities, Hunter says he recruits diversity candidates using Craig's List, Monster.com, through networking and through his company's own database and Web site.

Miller says Hill & Knowlton "instituted a lucrative referral bonus program to motivate our staff to share their positive work experiences with their peers in the PR community. We have also stepped up our attendance at PR industry events and focused career fairs around the country."

Miller adds that Hill & Knowlton recently won the Dillard University account "due to our growing multi-channel practice. We are working with them on re-branding, media relations and a web site redesign." He says that this "is a new client win, and we worked with several diversity practitioners i.e., those with different ethnic backgrounds) on the pitch. These same practitioners are now on the account."

Training Diversity Candidates

"One of the big pitfalls of diversity is training," notes MacAfee. "As a profession," he explains," "we are good at orientation, but we are not as strong on training. Training is bringing someone in who may not have all of the experience in this industry and taking them through a course or set of courses on how to be a good practitioner. Often, many organizations outsource this type of training."

Davis agrees, noting that Ketchum offers "PR 101 for those who have not previously worked in an agency. We also have Ketchum College, which offers weekly courses on client relationship management, presentation skills, financial skills, and writing skills."

(Additionally, the Council of PR Firms and Counselors Academy launched an online PR orientation program earlier this year called PRQuickstart. Visit the site at http://www.prquickstart.com).

Once Trained, Do You Know How to Retain Diversity Talent?

One of the secrets to attracting a diversity candidate, notes Kim Hunter, chairman and CEO of LAGRANT Communications

(www.lagrantcommunications.com) in Los Angeles, is "the person doing the recruitment has to demonstrate passion and commitment and not lip service when it comes to hiring. The industry makes an assertive effort for recruitment, but where it falls short is with development and retention of diversity employees."

"The challenge to retaining diversity employees is opportunity," Hunter says. "If a diversity candidate comes into the organization and does not see others in their diversity group, it sends a signal that there is very little advancement of their own individual career."

MacAfee agrees, saying that he believes that the solution to retaining diversity employees is to insure that hiring managers have the same level of commitment and broad view as diversity employees. Achieving this, "starts from the top. Managers must demonstrate this is the type of organization we have and that this is an important business imperative that drives business results," he adds.

As with all employees, the best way to "retain a diverse talent base," Miller recommends, "is to keep them stimulated with challenging client work and keep them inspired by their peers and management." **FV**

David S. Chartock

FIRMVOICE
MAY 21, 2008

PR Agency Pros Who Turn Corporate

By Dr. Leslie Gaines-Ross, chief reputation strategist and Elizabeth Rizzo, vice president, reputation research, Weber Shandwick

DR. LESLIE GAINES-ROSS
CHIEF REPUTATION STRATEGIST
WEBER SHANDWICK

ELIZABETH RIZZO
VP, REPUTATION RESEARCH
WEBER SHANDWICK

A new and more complex corporate communications landscape is presenting companies of all sizes and types with never-before-seen business challenges. Whether mastering revolutionary technologies that instantaneously spread news and opinions to audiences across geographic borders or satisfying an ever-growing group of demanding stakeholders, the role of the chief communications officer (CCO) has changed dramatically. As one Fortune 500 company CCO said: *"The function's strength will be enhanced — not diluted by bringing together a wider range of constituents —messaging/activities to shareholders, customers, government entities, analysts, employees, media, etc. — all under one umbrella."*

To better understand the evolving, critical role of the CCO, Spencer Stuart and Weber Shandwick partnered with KRC Research to conduct the first wave of *The Rising CCO* research. Survey participants included 141 senior corporate communications professionals at Fortune 500 companies in the U.S. and Europe. The research revealed that Most Admired Company CCOs are more likely to have PR agency backgrounds than CCOs in Contender Companies* (42 vs. 32 percent). With this in mind, we explored the benefits and challenges PR agency professionals face if they decide to shift careers to the client-side and how much weight companies should give to PR agency experience when hiring CCOs. Here are five on-the-job differences between agency alum CCOs and non-agency alum CCOs that were highlighted in *The Rising CCO.*

1. Agency alum CCOs' reputation management skills give them a competitive edge. As noted above, highly regarded company CCOs are more likely to have worked for a PR agency than those in less highly regarded companies. A few reasons could explain this notable difference. Agency alum, who often have juggled several companies at once, may have more varied experience dealing with clients' reputational issues than non-agency alum. Likewise, as reputation management becomes a rising priority on board and CEO agendas, companies may prefer senior communications professionals with the deep and diverse training in reputation-building and -recovery that agency experience provides. Either way, the news appears positive for PR agency professionals. Whether agency professionals are considering a future corporate position or strengthening upper management skills, they should highlight their reputation know-how on their resumes.

2. Agency alum CCOs are global-ready. The survey highlighted that agency alum CCOs appear less challenged than non-agency alums with "managing a wide array of global offices" (15 vs. 26 percent mentioned this factor as a challenge). Agency life today does an excellent job of grooming future CCOs for dealing with multiple geographies. A growing majority of corporate strategies and issues extend beyond national borders and prepare agency-trained PR professionals to be hyper-sensitive to cultural and regional differences.

3. Agency alum CCOs may be surprised by the lack of understanding about PR. Agency alum CCOs are more likely to report confronting a "lack of understanding of the corporate communications function in other parts of the organization" than their non-agency alum counterparts (39 vs. 31 percent). It is not entirely surprising that agency alum CCOs are unaccustomed to corporate colleagues' limited knowledge of PR's role. After spending time in an agency environment where everyone has first-hand knowledge of how good and bad communications can impact company success, agency alum moving to corporate positions should be prepared for working with colleagues with limited to no communications know-how.

4. New agency alum CCOs will be under pressure to prove themselves. The research identified how CCOs hailing from PR agencies feel greater pressure than those not from agencies to prove themselves quickly when starting new jobs. Nearly three-quarters of new agency alum CCOs report that they are given six months or less to prove themselves, while fewer non-agency alum CCOs feel the same pressure to perform that quickly (73 vs. 62 percent). Whether this timetable is real or perceived, more agency alum CCOs appear to believe that they need to adapt quickly to corporate-side culture and make a demonstrable difference.

5. Agency alum CCOs have homework before day one. CCOs with agency background report different experience gaps than CCOs without agency background. In response to a question on areas of expertise they would like to develop, agency alum CCOs reported wanting deeper new media abilities (48 vs. 37 percent of non-agency alum CCOs, respectively) and legal/regulatory experience (33 vs.16 percent of non-agency alum CCOs, respectively). PR agency alum that take corporate positions should learn as much as they can about digital and regulatory issues before entering those corporate doors. Since agencies can silo individuals by practices such as healthcare, technology, corporate/finance, digital and public affairs, agency alum CCOs can find themselves becoming too specialized relative to their non-agency CCO peers. Generalist skills can have advantages.

In contrast, agency alum CCOs have the upper hand on a few characteristics. They are more confident than their non-agency alum counterparts with their business/financial issues expertise (57 vs. 46 percent, respectively, report they do not need to enhance their business expertise) and wider global exposure (69 vs. 60 percent, respectively, report not needing more global experience). This latter finding is consistent with the earlier finding on agency alum CCOs' greater comfort dealing with global management challenges. In addition, agency PR professionals who become CCOs are more comfortable with public speaking — only 15 percent of CCOs from agencies feel they need to develop this critical skill compared to 25 percent of CCOs without agency experience.

The Rising CCO suggests that PR agency executives bring highly prized assets to potential corporate employers when hired to lead the corporate communications function. Among their most valuable talents include skills in reputation management, business/financial matters and global issues. Since these are the areas that surveyed CCOs hope to focus on in the coming months, these skills can make agency-grown CCOs shine.

*Results were evaluated in total and by participating company reputation ranking, as based on *Fortune* magazine's 2007 "World's Most Admired Companies" list. In general, Most Admired Companies are those most highly ranked in their respective industries on overall reputation. Contender Companies are ranked in their industries' bottom half. **FV**

Dr. Leslie Gaines-Ross is chief reputation strategist and Elizabeth Rizzo is vice president, reputation research at Weber Shandwick (www.webershandwick.com)

FIRMVOICE
APRIL 30, 2008

Are You Consistently Hiring and Retaining the Best? Leading PR Firms Share Best Practices

BRANDON EDWARDS
PRESIDENT & COO
DAVIES PUBLIC AFFAIRS

PETER STANTON
PRESIDENT
STANTON COMMUNICATIONS

TARA LILIEN
SVP, DIRECTOR OF HUMAN RESOURCES
MANNING SELVAGE & LEE

JUDITH HARRISON
VP, HUMAN RESOURCES
WEBER SHANDWICK

The most successful PR firm leaders in the business will tell you that their number one criterion for building an exciting, prosperous, constantly growing agency is *people* — outstanding people. The formula sounds so easy, it's almost a cliché.

But why do some firms grow into behemoths and some languish near the bottom of the standings? Why are some consistently thriving and many in a constant struggle for solvency?

If hiring great people is the key, just how do you do that . . . and why do so many agencies fall short? What are the "rules" and processes that successful agencies follow to increase their success rate in hiring?

And once you are able to hire that great account manager or media relations director, how do you hold on to him or her? So many PR firms seem capable of hiring one or two — or even a string of — great people, but they fail to build a lasting team. How do the great agencies keep their outstanding performers year in and year out?

1. What are the most important human qualities you look for in a candidate?

At Davies Public Affairs in Santa Barbara, CA (www.daviespublicaffairs.com), the firm looks above all "at the character, integrity and personality fit, versus resume experience," says firm President and COO Brandon Edwards. The emphasis should be on "fit," he adds. He says they also look for candidates to be curious about finding the best ways to accomplish tasks, "so they can make things work better for our clients," he notes.

Peter Stanton, President at Stanton Communications of Washington, D.C. (www.stantoncomm.com) looks for enthusiasm and flexibility and a willingness to work collaboratively with others. He says his firm begins the job candidate search based on education and experience, but for higher level candidates "instinct does play a role."

Tara Lilien, SVP and North American Director of Human Resources at New York City-based Manning Selvage & Lee (www.mslpr.com), says she primarily looks for job candidates "who embody a strong commitment to clients, energy and competitiveness for business development, innovation and creativity that lead to breakthrough ideas for our clients."

2. How do you screen and interview to find the best employees?

According to Edwards, his firm uses a number of unique screen techniques, ranging from a "Colby test" to assess a candidate's work style and unique abilities to handwriting analysis, because "it reveals all the things about a person they are adept at concealing in an interview process."

Both Davies and Stanton rely on structured and unstructured interviews when assessing job candidates. Brandon Edwards notes that 20 percent of interviews are structured and 80 percent is free form. "In a structured interview, we give people questions and ask them to rate their responses from 1-5. For unstructured interviews, we rely on the [interviewer's] reaction to the [interviewee.]

Edwards says his firm uses the formal approach to identify and screen candidates, often using 6-10 Davies' employees at different levels to determine character and fit, and the informal approach in subsequent interviews to further determine fit.

Stanton notes that in addition to asking job candidates a structured set of questions, "we ask them about what they enjoy doing most, about their successes, and about things they were involved in that did not go well and why."

At New York City-based Weber Shandwick (www.weber-shandwick.com), Judith Harrison, vice president for human resources, says they primarily look for candidates to show how they have added value above and beyond expectations in previous positions. She also notes that a key element during the interview is to ensure that everyone who comes into contact with a candidate "knows how to sell the [firm's] culture and the opportunity at hand."

3. How has the economy affected your ability to find top talent?

Both Edwards and Stanton say the current economy has not affected the availability or quality of job candidates.

However, Edwards notes that he has hired individuals even when he did not have a position for them because "if there is a great talent, you don't want to pass them up."

In addition, Edwards, Stanton, Harrison and Lilien all say that they use "standard" methods of recruitment that include online job postings, and other forms of advertising, referrals and by word-of-mouth, recruiters and various resources from the Council of Public Relations Firms, including its Career Center (http://prfirms.org/index.cfm?fuseaction=Page.viewPage&pageId=476).

4. What do you do to keep employees happy?

Not surprisingly, many PR firm principals believe that financial compensation is a key to retaining outstanding employees. According to Edwards, "we want salary structures to be midpoint in the industry and total compensation, including bonuses, in the top 10 percent.

Still, he sees "an odd trend," he says, in over-compensation for people with 2-10 years of experience" and admits he does not

know the reason for it.

To keep employees happy, his firm also offers a development and training program.

Lilien says her agency offers employees the opportunity to work in different cities and different countries to learn about new cultures; flexible schedules; and a volunteer program and various pro-bono opportunities.

Stanton offers a unique perk: "Friday Happy Hours consisting of free wine or beer. It is something people really look forward to… usually every Friday." **FV**

David S. Chartock

FIRMVOICE
MARCH 26, 2008

In-House Development Programs Provide Employees with the Right Tools

JENS BANG
PRESIDENT AND CEO,
CONE, INC.

In-house employee development programs have been used by PR firms for some time, but the importance of such programs has been amplified by the growing need for more sophisticated preparation and campaign implementation across a swath of media forms and technological advances. While these programs vary from firm to firm, they all target the same results — properly trained staff members who understand their firm's culture, clients, and processes and procedures that need to be applied in the daily conduction of a firm's business.

How do PR firms create and implement these programs in ways that foster success? Agency leaders offer the following tips and insights:

Chicago-based CKPR (www.ckpr.biz) offers extensive training, according to Joel Curran, CKPR's managing director. "We have a suite of training programs that have been developed for the entire company, as well as more tailored training initiatives exclusively for CKPR employees," he says. These include:

C-K Advantage Presentation Training. CKPR takes advantage of C-K's proprietary presentation training program, a two-day journey through the fundamentals of effective public speaking and best practices for utilizing presentation resources. Courses are tailored for senior, mid-level and junior staff. Refresher courses are offered on a periodic basis.

Art of New Business Training. Beginning in 2008, employees are exposed to the "pitch of the month" with reveals, and reviews, the story behind the pitch and the education each employee can take away for their next big opportunity.

C-K Financial Management Training. Ongoing staff development that teaches the fundamentals of C-K's financial management philosophy and covers the agency management resources available to help employees better manage the complete suite of financial resources.

Ethics Training. CKPR provides employees with the Council of Public Relations Firms' Ethics Training program.

Boston-based Cone, Inc. (www.coneinc.com), on the other hand, has a "college" for its employees. According to Jens Bang, president and CEO of Cone, Inc., "Cone College is an in-house training program that offers 24 different courses each year. The curriculum is constantly evolving to meet the needs of our employees and combines core and elective classes, led by mid- and senior- level staff. In addition, Cone offers monthly knowledge - sharing sessions called In The Know on a variety of topics."

Program effectiveness is judged on "the success of our in-house training program through employee evaluations and our annual performance review process," Bang added. CKPR uses employee surveys and employee focus groups to judge the effectiveness of its training programs, Curran noted.

A key element of any PR firm's training is on communicating the value of PR to its clients. This too will vary from firm to firm. Cone does it through weekly/monthly team meetings, staff involvement in new business and internal training. Because it is part of an integrated agency, CKPR spends less time talking about how to sell the value of one discipline over another and focuses on how to sell great ideas rooted in smart brand strategies.

For many firms, the cost of training is proprietary. At Cone, Bang said, it ranges from $8,000 to $12,000 and more. The cost of training at Cone, he pointed out, is a non-billable item that is included in that range.

The bottom line, Bang added, is employee loyalty. And loyalty, at Cone, is coupled with ongoing training, a mentor program, recognition rewards for extra work, a recognition program and rewards for years of service, career advancement opportunities, the opportunity to cross train and expand their skill base, paid time off to do volunteer work, flexible work schedules to assist with work/life balance, American Express Gift Checks that are given as spot rewards, an annual performance bonus program, an employee referral program and a new business referral bonus program.

When all is considered, what you invest in your employees will come to benefit your firm through employee retention and company growth. **FV**

David S. Chartock

FIRMVOICE
MARCH 19, 2008

Tapping the 'Right Stuff' in an Account Executive

LAURA TOMASETTI
MANAGING PARTNER
360 PUBLIC RELATIONS

Finding that "right" person to fill an account executive (AE) position is a task that just keeps getting tougher for agency leaders, given all the complexities of modern PR. And as the hiring process gets tougher, the time investment becomes more significant —on the part of the agency seeking help as well as its prospects. A laundry list of qualifications — such as ample experience, administrative and people skills, and some modicum of "street cred" — are combed over prior to interviews, but it's often a more intangible and elusive "chemistry" that agencies truly seek.

How do PR firm managers zero in on this "perfect package" when hiring AEs? When it comes to "chemistry," how does one quantify the unquantifiable? Here, top-level PR pros at leading agencies dissect the process:

Conceptual qualities — not to be overlooked

Experience in working with the news media, knowledge of key industry sectors that the firm works with frequently and the ability to be "comfortable multi-tasking and thinking on their feet quickly," are among the key qualities Knoxville-based Ackermann PR (www.ackermannpr.com/) looks for in an account executive, notes president and CEO Cathy Ackermann. "They also have to possess a confidence level that allows them to learn and move into the more strategic counseling areas of our business over time," she adds. But "'chemistry' and overall 'smarts' are as important as "the usual requirements of good writing and verbal communications skills," says Ackermann.

"The AE level is a challenging one because account executives need to be able to handle a diverse range of projects while also 'drilling down' to really learn a client's business," says Laura Tomasetti, managing partner at Boston-based 360 Public Relations (www.360publicrelations.com/). "Once someone reaches the AE level, he or she should already have developed relationships with a base of key influencers — media, bloggers, analysts, etc. — and be able to articulate a client's story, orally and in writing. Research and digital media skills are important too," she points out.

Richmond, Va.-based CRT/tanaka (www.crt-tanaka.com/) looks to hire AEs having two-plus years experience along with tactical areas of expertise and organizational skills, says firm president Mike Mulvihill. Assistant AEs must have been in that position for at least a year before a promotion to AE will be considered. More globally, he said his agency looks for someone who can "think, process information and connect the dots. We're looking for attitude, potential and a willingness to take risks. Good communication skills are obviously an imperative and we're a little old-fashioned in that we still highly prize good writing skills."

The want ads are not always your best bet

It's practically instinct to craft a classified ad for Monster.com or Craigslist when an AE position needs filling, but you might be short-selling yourself if you're not also open to more untraditional (yet highly orthodox) sources. Some of the best ways to find AE candidates, according to these executives, include word-of-mouth references from industry pros, including your existing employees, along with internal promotions, agency Web sites, unconventional advertising boards such as LinkedIn.com, and, of course, constant networking.

"We interview even when we do not have positions open and try to maintain a backlog of good candidates," Ackermann says. Beyond a fairly rigorous interview process that involves both one-on-one and group interviews, the firm also requires a writing test and sometimes does "personality profile" tests as well.

After the hire is made, the real work begins

Once hired, a new AE at Ackermann PR goes through an intense week-long orientation in which most of the staff participates, Ackermann says. There are also ongoing professional development opportunities, including both in-house and off-site seminars. For account staff in particular, the agency offers a Career Mapping program that helps the agency understand the new hire's long-term ambitions and puts an agreed-upon program in place that is measured quarterly. Younger account staff members also have mentors who are not their direct supervisors, she adds.

CRT/tanaka is currently revamping its initial training process, Mulvihill notes. In the past, it has included an orientation that involved educating the new hire about systems, culture and approach. There is also training on the company's nine share values that are the foundation of how the company approaches clients. "Once the orientation ends, we bring new hires up to date on client background and try to educate them about the client industry. We end up writing off a good amount of time spent on accounts during the first month as on-the-job training," he explains.

"In the past, we have periodically administered personality measures and more recently have started administering Gallop-based Strength Finders assessments," Mulvihill says. "We do administer a pre-hire writing test, but most of the candidate screening process is about getting a good feel for what type of person they are and how well they can fulfill the roles we have identified for them."

While many AEs at 360 Public Relations come up through the ranks and have received training along the way, Tomasetti noted that the firm encourages ongoing professional development through a combination of onsite and outside programs. However, all AEs, she continued, "must take a writing test designed to demonstrate their aptitude for articulating a client's story with clarity and in a compelling fashion, as well as their

attention to detail and focus on quality. The writing test also gives us a sense of a candidate's research skills and how inclined they are to take the initiative to 'find out more,' since they have Internet access during the test."

For 2008, Ackermann PR plans to hire two new AEs, including one internal candidate who can be promoted to this position. 360 Public Relations plans to add 15-20 percent more AEs this year through outside hires and internal promotions, and CRT/tanaka will hire 3-6 AEs this year, depending on how much the firm grows, and in which categories it grows.

To learn more about careers in public relations, visit the Council's Career Center.

Or visit PR QuickStart for an online tutorial on working at a public relations firm. **FV**

David S. Chartock

FIRM VOICE:
OUTSTANDING BEST PRACTICES FOR PUBLIC RELATIONS FIRMS

CHAPTER 4
DIGITAL PR & ONLINE

INTRODUCTION:

Digital PR continues to be among the industry's fastest growing practice sectors—with RFPs for Internet-based programs holding strong even as markets slowed last year. Put simply, online efforts reflect not only where the public now goes for news, information and products—but Web initiatives also are very low cost, considering the extent to which they help clients and companies build brand, buzz and the bottom line.

Equally important, social media, Web 2.0 and new media allow organizations to build online communities and engage their publics directly in ways never before thought possible—ways that truly help establish trust and confidence in any given company, client, service or product. From launching corporate or CEO blogs to engaging in viral YouTube video campaigns and even building a Facebook fan page for your client, the possibilities are endless.

The following 23 articles and over [50] sources reveal how others are taking advantage of these exciting opportunities—and outline exactly how your teams can do the same to grow your firm's business. From building a better agency website that attracts more clients to tapping Twitter as a media relations and productivity tool, what you find here will help newcomers and digital immigrants get started. And if you're a digital native already incorporating social media and Web 2.0 techniques into your PR programs, these tactics and techniques will help you take your online efforts to the next level.

From applying valuable social media lessons used by Obama's 2008 Presidential Campaign to measuring the ROI of your existing social media programs, it's all here—with hundreds of practical tips designed to keep your team, client or company ahead of the competition by engaging consumers and publics in promising new ways. Now is the time to plug into this booming PR profit center as clients continually seek bigger digital footprints and call for increasingly effective, innovative online efforts.

FIRMVOICE
FEB 25, 2009

Six Essential Steps of Building a Digital Brand:
How Firms Are Using "Digital Savvy" to Drive Business in PR's Fastest Growing Practice Area

JILLIAN MCDOWELL
CO-CHAIR, SOCIAL MEDIA PRACTICE GROUP
CARMICHAEL LYNCH SPONG

SAM FORD
DIRECTOR OF CUSTOMER INSIGHTS
PEPPERCOM

STACY BECKER
"SPROCKET" TEAM MEMBER
COYNE PR

MIKE SAZILLO
"SPROCKET" TEAM MEMBER
COYNE PR

JILLIAN FROEHLICH
CO-CHAIR, SOCIAL MEDIA PRACTICE GROUP
CARMICHAEL LYNCH SPONG

ROB AMBERG
VICE PRESIDENT & GENERAL MANAGER,
CUSHMAN/AMBERG COMMUNICATIONS

With digital PR being among the top practice areas seeing growth in a slower economy, almost every agency wants to be perceived as digitally "savvy" among prospects and existing clients alike. But demonstrating your competence involves considerably more than mouthing the right buzzwords and Tweeting every five minutes.

Building a reputation for digital competence—and thereby snagging a bigger slice of the marketing budget—involves learning, listening and never losing sight of your client's goals, as opposed to jumping onto exciting new technologies for their own sake. So, how can you develop that expertise, and get the word out to d rive business once you have? We checked with your firm colleagues for their tips, techniques and tactics—here's the best of their advice:

1. Resist the temptation to jump right in—instead practice the "45-1 rule." Developing a reputation for being digitally savvy starts with education, says **Jillian McDowell**, co-chair of **Carmichael Lynch Spong**'s social media practice group. "That includes reading case studies, staying on top of—and ahead of—the latest research and industry trends, and sharing relevant information with stakeholders within the organization. These are all activities which aid in building a strong internal knowledge base."

Sam Ford, director of customer insights for **Peppercom, agrees**: "If a firm wants to be a thought leader in the digital space, it has to show that it fundamentally understands the tenets of online culture," he says. "Most important on that list is 'listening' more than you speak—and engaging in a conversation, not just broadcasting ideas."

To that, **Coyne PR** has a 45-1 rule. A staffer needs to spend at least 45 minutes getting to know a blogger before opening up a conversation, says **Stacy Becke**r, a member of the "sPRocket team," the agency's internal think tank for social and digital media. "The most important thing you can do is *listen*," she reiterates.

Several of our experts stress this point: It's about the client and the message: "We have to be willing to participate in dialogue in the public sphere, without trying to make the conversation only about us," says Ford.

2. After monitoring and listening—experiment and engage. If learning is the first fundamental step the second one is "walking the walk" and utilizing digital strategies personally, professionally and for agency communications," says McDowell.

"Agencies can make a stronger case when trying to sell-in digital strategies if they can showcase the steps they've taken internally to become digitally competent and share what they learned along the way." The lessons learned will help you develop "strategic, client-specific digital strategies," she says.

At Coyne PR, everyone has blog or contributes to one, says Becker. In addition:

- 90% are involved in social networks
- 78% are on Facebook
- 93% are on LinkedIn
- 64% tweet on Twitter

Clients expect to hear those kinds of metrics or details pegged to a shop's social media engagement before signing. Beyond that, being involved also means cultivating relationships. Becker and her colleague, **Mike Sazillo,** are adamant on this point. Becker works with "mom bloggers" among others; Sazillo, with automotive bloggers. They've cultivated relationships in those sectors. They read the blogs. They know the people writing them. And they listen, to discover what the bloggers think, do and want, allowing them to customize content—and avoid embarrassing missteps.

For instance, one of Coyne's clients is General Mills. If a "mom blogger" has a child with a peanut allergy, it would be a big misstep to send a sample of a peanut product. The point: You can easily embarrass yourself and your client if you don't have a pitch that fits the blogger's niche, warn Becker and Sazillo. Every mistake, from typos to inapt pitches, can be widely publicized. (If you have any doubts, check out the bad pitch blog at http://badpitch.blogspot.com.) Web content can be forever.

3. Practice transparency—be authentic and ethical. Still, while you are developing rapport with bloggers or others in various social media channels, you need to remember: You're there to represent your client, says Sazillo. It's a matter of ethics. Ethics demand that you be transparent and authentic

"The biggest mistake an agency could make when building a digital brand is to not be transparent or advise against transparent strategies," says **Jillian Froehlich,** co-chair (with McDowell) of Carmichael Lynch Spong's social media practice group. "The digital age is all about being authentic."

4. Remember: Trend watching ≠ being savvy. "I think that some people mistake trend tracking for savvy," says Ford. Some agencies believe they can develop a forward-thinking digital reputation by telling clients about the latest trend rather than what makes sense for a particular brand. Too often, he says, strategy gets lost in the pursuit of the trend of the day; that does a disservice both to an agency's long-term reputation and to the client's efforts.

Simply having digital capabilities is not enough: The key is never to show how these tools makes sense for a client's business goals, to reach out to the needs and wants of their desired audience, he says.

Rob Amberg, vice president and general manager, **Cushman/Amberg Communications,** offers similar advice: "I think being digitally savvy means you have to not only understand what's out there, but have good ideas about how to make ideas work in the digital space. It's one thing to know Facebook demographics for a certain age group. It's another to have workable ideas in that space that show results. You don't have to be an implementer if you can show good strategic thinking."

The most common mistake Amberg sees is companies trying to be everywhere in the digital space. An agency will have a presence on Facebook, MySpace, Twitter, a blog, a YouTube channel, etc., but they will have the same content each place. "It's better … to pick the most meaningful tools for the right audiences, and to focus on maintaining meaningful content," he says.

Ford agrees. "Platforms may rise and fall, like Friendster, and terms such as 'viral' may fall out of favor, but many of the underlying principles of a smart online campaign stand the test of time."

5. Get the word out—communicate digital competency. You don't just want to be competent. You want to *communicate* competency. "Agencies can effectively communicate their digital competency by proactively sharing relevant digital trends with their clients—along with a point of view on how the information is pertinent to their brand," says Froehlich. That way, if clients receive questions internally about digital platforms, they know they have a resource. As for prospects, agencies can use digital tactics throughout the new business process—for example, sharing a video case study via a YouTube channel—again, showing they "walk the walk."

Amberg offers some tactics for communicating competency. "For existing clients, I think it has to be in the form of a face-to-face meeting. Invite them to your office for lunch and do a showcase presentation on the agency's capabilities as well as ideas you have for that particular client. Echoing a common theme among his fellow agency leaders, he says "A client will be more interested in listening if you make it about them."

For prospects, if they aren't active in the digital space now, "It makes zero sense to reach out to them that way," he says. One possible approach: Show them what their competition is doing and why it would benefit them to listen to your ideas. But whether you are dealing with clients or prospects, "at the end of the day, however good your capabilities are, they care only how it affects them." Amberg says.

6. Integrate, don't isolate—it's all still PR. At Coyne PR, the social/digital media function is part of the agency's broader PR effort. It's a mistake to separate the digital business from the rest of the agency, say Becker and Sazillo: Social media isn't a specialty—it's another media category.

Digital strategies aren't any different than traditional public relations ones. They should always connect to a client's communications and business objectives, agrees Froehlich. "As every dollar counts in today's economy, measurement standards should be proposed at the commencement of each project and revisited throughout the scope to consistently demonstrate ROI," she says.

Whether you are already deeply involved in digital media or are just getting started, move slowly and never forget your goal. Take the right amount of time to set your strategy and have a measurable objective, Amberg counsels. "Flashy creative may get you looks, but it won't keep clients long term," he says. "You can't do it halfway or it will be obvious you are only dabbling."

Sazillo agrees. "Start slow, do what you know, do what you feel comfortable with. Don't forget, it really *is* PR." **FV**

Roxanna Guilford-Blake

FIRMVOICE
FEB 25, 2009

Facing the Facebook Revolution:
Why PR Execs and Staff Should Get with the Program

By Chris Lukach, Vice President and Co-Owner, Anne Klein Communications Group, LLC

Despite PR firms across the globe espousing the value of Web 2.0, precious few executives at these firms have actually begun dipping their toes into social networking. At the same time, many of the junior staff who already are active with social networks limit their application to keeping up with friends and family.

That's about to change, and that's a good thing. People in business have taken to scanning their rolodexes to send out "friend requests," and all social networks have blossoming professional networking audiences. I should know. Social networking for business caught me by surprise, too.

Though I have been active on both Facebook and MySpace since taking my first PR job (yes, they've been around that long), it was only six months ago that one of my active clients first extended a "friend" invite. I was surprised, and a little torn. Despite being a social-networking evangelist for years, I had limited myself to using it for keeping up with hometown friends and college buddies.

With reluctance, I accepted—then the flood gates opened. Several more clients became friends, plus other professional colleagues. I even began joining groups supporting my professional associations. Soon, my social-networking dynamic had completely changed.

I feared overexposing myself, and crossing some self-imposed professional boundary. I've listened to critics who cite building Facebook relationships with business contacts as getting too personal, and I was pleased to find this really isn't the case.

Connect—Personally, Efficiently, Effectively

There's no question that email and the Web ushered in a new age of business communication—one where civility is often absent; humor is dangerous; and the sign-off "sincerely" doesn't really resonate. In our business landscape, too often business relationships begin with just a phone call or e-mail trail; the well-known advantages of "putting names to faces" are often lost.

But increasingly, the proliferation of social networking sites is hinting at the potential to fix the damage done by our email-driven world over the last two decades. Building relationships with business contacts on a social networking site is a way to use a virtual environment to connect more personally—to share common interests, learn about each others' backgrounds and personal lives, and much more. Social networking sites are not exactly face-to-face communication, but they can go a long way toward restoring some benefits of face-to-face communication when used appropriately.

Ten minutes on Facebook (or another social networking site of your choice) during a slow point in the day is an easy, efficient way to re-connect with and stay informed about your professional contacts. It's cheaper than lunch and with less awkward silence than an unsolicited phone call. (Plus, it gives you much more to talk about the next time you do connect face-to-face.)

Get Started—Take Your Pick

There are plenty of social networking sites from which to choose—from Badoo to Xanga, and every letter in between—so find the one that's a right fit for you. Currently, MySpace, Facebook and LinkedIn are far and away the market leaders, and a great jumping off point. Facebook, once only open to college students, now boasts 124 million members of all ages; MySpace, an unbelievable 246 million; and LinkedIn, 30 million.

LinkedIn is marketed as *the* social networking site for business professionals, but critics (including this author) can't help but find it a bit stuffy. Its primary benefit, the ability to pair with your professional contacts, is interesting, but limited and impersonal. MySpace enjoyed market dominance for some years, and it claims a majority of its members are over the age of 35. But, in recent years, Facebook has been gaining significant steam. I'm of the set that prefers Facebook for professional networking. It strikes the right balance of personality and professionalism.

You will need to exercise a little restraint when building a social network presence. Young professionals especially, take note: When you commit to using social networking sites for professional reasons, err on the side of caution. That means take down the photos from that last bar crawl.

Be smart. A good maxim is, "Don't post anything you wouldn't want your parents to see." Use common sense. Avoid heavy political commentary, talking about how much money you make or how much you may hate your boss or your employees.

But beyond that, the rest is easy. Just be yourself.

My guess? It probably won't be but a few years (months, perhaps) before the day when you log onto Facebook (or the social network of record for that time) to touch base with a client or colleague, instead of reaching for your rolodex or shooting off an email. So why wait? Start building your social network now. And don't be afraid to introduce your contacts to social networking; they'll be glad you did.

It's clichéd to say we're "people" people, but it's true—we wouldn't be in communications if we weren't. So let's take advantage of social networking sites, our renewed opportunity to put personality back in our personal interactions. **FV**

Chris Lukach is Vice President and Co-owner of Anne Klein Communications Group, LLC, a national full-service communications firm based in Marlton, N.J., and the Philadelphia office of Pinnacle Worldwide.

FIRMVOICE
FEB 11, 2009

Obama Teaches Us Six Social Media Lessons:
How Tech Can Transform More Than Politics

By Evan Kraus, Senior Vice President, Director of APCO Online

Barack Obama ran a transformational presidential campaign that soared above his rivals in leveraging the power of technology, and there are clear signs that the new Obama administration will utilize technology in new ways as part of its effort to be a transformational presidency.

Use of technology is nothing new in politics, as sophisticated databases and computer systems have been in place for decades to increase the efficiency and sophistication of polling, direct mail and other traditional tactics. But Obama's campaign set a new standard in two ways: He made online a central front in his campaign and heavily utilized new and emerging technologies to raise money to recruit, mobilize and inform supporters.

With primary rival Hillary Clinton far ahead in levels of support among traditional Democratic leaders and fundraisers across the country, Obama had no choice but to rely on online channels to build a new constituency of matching strength and potential. This strategic decision, along with the natural synergy between Obama's youth, visual appeal and rhetorical gifts with the style of the Internet, gave Obama powerful new ways to use the online channel as a positioning, communication and organizational vehicle.

Obama's reliance on the online channel for his campaign—and his likely plans as president—leveraged important trends in media consumption. The Pew Research Center found that 33 percent of Americans (and half of young Americans) received most of their campaign news online in the 2008 presidential election, compared with ten percent just four years earlier.

During the campaign, Obama's brand, message, activities and communication style were all optimized for the online channel. His website routinely received two to three times more traffic than those of his leading rivals, topping out at nearly ten million unique visitors in late October. He had four times as many online friends as John McCain and more than three million supporters on Facebook. His YouTube videos were watched almost 100 million times, and he frequently distributed campaign announcements via text message and email, often before giving them to the mainstream media. His campaign used blogs, photo galleries and even a mobile ringtone to build energy and excitement among his supporters. Through these and other efforts, Obama was able to secure more than ten million email addresses of supporters. This positioning was not accidental—the campaign spent more than $500,000 on its Facebook strategy alone.

One of the Obama campaign's most significant accomplishments was its ability to use the energy created online to achieve meaningful results. Obama worked with Facebook co-founder Chris Hughes to launch his own social networking site called MyBarackObama.com, which recruited more than eight million volunteers, attracted more than 500,000 accounts and helped organize more than 30,000 supporter-created campaign events in all 50 states. Obama's online fundraising prowess was well-documented; nearly half of all his campaign donations came from small donors over the Internet.

Obama's campaign was the first to utilize interactive text messaging, and he built the program by promising exclusive or first access to key announcements (such as the vice presidential pick) to text-message recipients, which encouraged more than three million to register their numbers with the campaign. The campaign also encouraged supporters—especially young supporters—to help shape the media narrative about his campaign by applauding their activity and empowering them with tools. By freeing up this powerful part of his base, Obama allowed supporters to overwhelm social media sites with pro-Obama content, some of which was featured by mainstream media reporters (YouTube's self-proclaimed "Obama girl" was parodied on "Saturday Night Live.")

Harnessing Online to Transform Government

As the transition to his presidency moved forward, a key question has been what Obama will do to harness the online support, infrastructure and strategy he has built. Every indication is that he plans to use the online channel to govern as significantly as he used it to campaign in the following ways:

- Transforming communication. Obama is likely to be a "new-media president," utilizing the online channel to have an ongoing conversation with the American people. The WhiteHouse.gov and other government Web properties are likely to be transformed from broadcast channels to interactive social networks that include elements like comment-enabled YouTube videos as a 21st-century version of the fireside chat, discussion areas to solicit feedback on policy positions and the needs of Americans, and blogs and Twitter feeds to give every American deep insight into the workings of their government. Agency websites will also be more interactive. It will take the effort of the entire U.S. government to respond to the avalanche of input from 300 million Americans once they are asked.

- Shaping policy. Obama has already solicited policy suggestions for healthcare reform on his Change.gov site. In addition, he has announced that plans to enact a five-day comment period before signing any non-emergency legislation to allow Americans to register their point of view and become more a part of the legislative process.

- Mobilizing grassroots. Obama could be the first sitting president with his own grassroots army in place; he easily could mobilize the ten million supporters for whom he has email addresses or mobile phone numbers in unprecedented ways to lobby Congress and other political leaders to push his legislative priorities. In addition, Obama will undoubtedly be

aggressive in raising awareness among his supporters about important legislative actions and debates, such as during barnstorms across the country to rally support for some of his proposals.

Implications for PR and Public Affairs Practitioners

President Obama's apparent desire to use technology to humanize the Office of the President, enhance transparency, grow participation in policy debates and keep citizens involved with their government will have a profound impact on how companies, associations and coalitions advocate on their own behalf. Here is advice for practitioners in the public affairs and public relations fields:

1. Online is essential. Online communities, and the passionate debates they support, can be difficult to navigate, penetrate and influence, but avoiding them in any campaign is very risky in today's world.

2. Adapt your style. Obama's campaign clearly reinforced that personality wins online, as do informality, personalization and a high degree of interactivity. It is better to adapt the corporate culture than lose the battle online.

3. Empower others. Although it is preferred to route all communication through trained expert spokespeople, one main lesson of the 2008 campaign is that although letting go creates some risks, the rewards can be astronomically high.

4. Build online coalitions. Find your allies online and work hard to get them active—provide the tools and platforms if necessary. These online coalitions are increasingly important, and political leaders within the new administration will pay attention to them.

5. Mobilize the grassroots. Grassroots mobilization has evolved from helpful to absolutely essential. Direct lobbying of the White House and related agencies by citizens not only will be easier and more effective, but also welcomed by Obama's Administration.

6. Find and use the best tools, tactics and channels. There are millions of online communities and hundreds of different ways to get things done online. Finding the right mix of tactics, and the right targeting strategy, can make the difference between winning and losing. **FV**

This article was also published in the Council's "Inauguration Edition" of its Issue Monitoring Report. A PDF can be downloaded at www.prfirms.org.

FIRMVOICE
FEB 4, 2009

Metrics for the New Millennium:
The Latest Shortcuts, Challenges and Faux Pas of Measuring ROI for Digital PR Efforts

JOHN BELL
EXECUTIVE CREATIVE DIRECTOR
360° DIGITAL INFLUENCE
OGILVY PR

KATIE PAINE
FOUNDER & CEO
KD PAINE & PARTNERS

MARCI DE VRIES
VP, DIGITAL COMMUNICATIONS
IMRE

Agencies are passionately embracing social media, but many fail to consummate the relationship: They either don't measure anything—or they don't measure value and ROI. The biggest mistake is not measuring at all, but the second biggest is counting and valuing the wrong things, says John Bell, executive creative director, 360° Digital Influence, Ogilvy Public Relations Worldwide.

"Agencies are particularly clueless about measuring the value of social media in terms of business benefit, I assume because they have English degrees, not MBAs," says Katie Paine, founder and CEO, KD Paine & Partners, adding that most good measurement programs are being done in-house, not by PR firms.

At best, agencies are tracking brand mentions, she says. "Very few are measuring actual value and ROI of their efforts." (Paine should know. Her book, "Measuring Public Relationships: The Data-Driven Communicator's Guide to Measuring Public Relationships," was published in December, 2007. She also provides a wealth of online resources, including the Social Media Compendium, from her publication *The Measurement Standard*.)

Evolution, Not Revolution

Of course, many agencies are trying to develop meaningful metrics. It's an evolving process even for the best of them. Most are working with custom key performance indicators (KPIs) for each engagement, says Bell. "That can be effective toward performance measurement—which is half the battle. It doesn't really solve ROI as the KPIs are not the end game: Sales, preference, intent to purchase, etc., are."

Ogilvy has been measuring social media-based word of mouth (WOM) marketing work for the past four years. (Bell blogs on these issues at http:/ johnbell.typepad.com/weblog.) "At first, it was enough to 'count' things—word of mouth mentions, inbound links, etc." Then it moved to KPIs. "This helped us always have a relevant number but wasn't as broadly applicable," explains Bell. "Now we measure via Conversation Impact and despite the capital letters in the name, it is a very straightforward yet powerful model."

Using some simple KPIs and "a couple of useful formulas," the agency reports reach, preference and action:

- Reach refers to Web metrics and includes search visibility (which, he says, is a great proxy for reach).
- Preference "is where the formulas come to play as we count positive WOM mentions, share of voice, and two other criteria to actually report … impact, not just output."
- Action "is whatever conversion we are driving, from sales to click-to-action to registrations."

Getting Started

"The great part about all digital media is that for every effort, there is a metric created somewhere," says Marci De Vries, vice president, digital communications, IMRE. On a very basic level, the results of social media PR can be measured via website statistics. If you choose to become more advanced with your online cultivation (say, for example, a word-of-mouth program), you can measure activity from the folks who are promoting you online.

A third, more advanced method of measurement is to scan social media and enumerate the shift in public dialogue, she explains. Software is available today that scans blogs, Twitter, micromedia, etc. to generate a numeric "snapshot" of how people are talking about you or your client.

Multiple Metrics

There is no single metric that all clients agree is most important, says De Vries. Her advice? "Measure everything possible and help clients understand why the data shift is significant for their business. Then work with them to ensure that your program data actually addresses/solves their business problem."

Paine concurs. "Let's face it, some agencies are hired to fix reputation, which may mean keeping the brand out of the media (social or otherwise); and some are hired to promote products and still others are hired to set agendas," she says. "How can you possibly have a single metric for all the various scenarios that PR agencies are faced with?"

Bell agrees that there's no single metric, but he offers a slightly different take: "We are moving toward a set of models that everyone will accept."

Lay the Groundwork

As in any relationship, unrealistic expectations can be dangerous. To avoid disappointed clients, says De Vries, prepare them for how social media differs from traditional print media. "Remind your clients—and yourself—that social media, and the Web in general, basically work exactly backward from anything you may have been doing," she counsels. "You work really hard for small results initially, but a few months down the line, all of a sudden you have this powerhouse of a social network that you can then mobilize in real time on behalf of your client."

Moreover, "eyeball metrics" will be vastly different, De Vries says. A media hit in *Real Simple* generates millions of eyeballs. Social media may generate 1000 or so visits per venue per month when you're just getting started. (The numbers increase as your social media network takes hold, but this requires a bit of time.) The client must understand this, she warns.

Part of preparing the client comes down to knowing what you want to achieve. Set clear, measureable goals before beginning any work and then measure against those goals, says Paine. So if the goal is to "increase awareness," you poll people to find out if they are aware. "It's all about tying social media efforts to company strategy—if the social media program is contributing to the achievement of company goals, you can measure value. If not, why are you doing it?"

Common Mistakes

Paine identified several common mistakes agencies make when it comes to measuring social media. Among them:

1. Confusing monitoring with measurement. Counting the number of postings is meaningless—you need to see whether the postings in fact position you correctly, whether they leave anyone more likely to buy the product, etc.

2. Handling measurement yourself. That damages credibility. "It's the fox guarding the henhouse. Who's going to believe anything they have to say?"

3. Confusing activity with results. "Too many measurement reports only say what they did – not what benefit they earned for the company."

4. Failing to benchmark. Unless you put your results into context, measurement is a wasted effort, she warns. "You need to know how well you're stacking up against the competition; otherwise you have no idea whether a 20 percent positive month is good or bad."

Think Like an Accountant

Count how much money you are saving if you can't figure out how many products you're helping sell, Paine counsels. "Be creative about the value. Dell's Ideastorm can measure success by the value of each new, usable idea. Circuit City's Blue Shirt Nation measures value in terms of reduced turnover. That's real ROI."

It gets back to the difference between activity and results. "Until agencies start thinking about the business benefit they are generating, they are producing (and measuring) activity—and any good CEO knows better than to confuse activity with results," says Paine. **FV**

Roxanna Guilford-Blake

FIRMVOICE
JAN 21, 2009

The Truth about Social Media's Dark Side: How Agencies Can Avoid Embarrassment and Manage the Twitter Time Suck

DAVID WESCOTT
VICE PRESIDENT
APCO ONLINE

CHARLIE KONDEK
DIRECTOR OF NEW MEDIA RELATIONS
MS&L DIGITAL

JACQUELINE KOLEK
SENIOR DIRECTOR
PEPPERCOM

CORD SILVERSTEIN
EVP OF INTERACTIVE SERVICES
CAPSTRAT

SAM FORD
DIRECTOR OF CUSTOMER INSIGHTS
PEPPERCOM

Over the last decade, there's been no shortage of hand-wringing over how the Web leads to lost productivity. Those criticisms are now directed at social media. And yes: Social media can be a time suck and even bring embarrassment to your firm. But while the tool is relatively new, the challenge is not.

"Distractions are distractions, whatever form they take—it could be a phone call, or a television set in the lunchroom, or even that quirky colleague who works down the hall," says ***David Wescott,*** *vice president,* ***APCO Online.***

Likewise, the risks are similar. "Understand that social media tools are just that—tools. We use them for good reasons or bad, but you can embarrass yourself or offend a client just as easily on the phone or in person as you could on a blog," he explains.

Charlie Kondek, director of new media relations, MS&L Digital, agrees—and thinks such diversions have their place. "I believe it was John Cleese who said, 'If you want creative workers, give them enough time to play," he says. "If gathering around a co-worker's desk to chortle at an old *Kids in the Hall* clip on YouTube inspires us to greater camaraderie and creativity, then it serves a good purpose."

That said, we checked with your peers seeking guidelines for maximizing social media productivity and minimizing its potential downsides in your and your staff's workdays. Their tips:

1. Decide what's appropriate—contextualize everything. For Wescott, the distinction between time wasted and time well spent is clear. "Our job has always been about maintaining focus on your work and preventing distractions." He expects his social media team to spend its time "identifying online opinion leaders and discussion drivers, and helping clients build relationships with them. You can't do that by playing Scrabble or Twittering about the party you crashed last night."

In many ways, it's just common sense, says Jacqueline Kolek, senior director, Peppercom. Context is everything. For example, she distinguishes between her LinkedIn profile—which is for professional networking—and her Facebook and MySpace presences, which are purely social.

She offers another bit of common sense: "The old adage says never discuss politics or religion in the workplace. Social media should follow those same guidelines."

But even those issues don't *have* to be off limits, says Kondek. "When we discover something about each other via social media that could potentially be a source of conflict, that same instinct tells us to be respectful of our differences," he says. "I'm thinking of this last election in particular. Seeing your colleague's or client's political views expressed with candor might surprise you, but like anything else in the workplace, it has to be dealt with in a professional manner."

And that touches on another challenge: In an agency, the line between personal and professional is blurred, says Cord Silverstein, Capstrat's EVP of interactive services. "Agency life is absolutely not a nine-to-five gig. There is definitely a challenge when it comes to separating professional and personal time, but that is one of the things that you need to realize when it comes to working for an agency."

2. A little indiscretion is a dangerous thing—seek balance between professional and personal. Not only is the line between personal and professional blurred; the connotation of "personal" has changed. It doesn't necessarily mean "private" any more, warns Wescott. "In the digital age, people use the same social media tools to present themselves both personally and professionally. My clients and colleagues see what I share."

Such discretion sounds like basic common sense, especially for a PR pro, right? Don't be so sure. "I've seen PR professionals share status updates like 'I don't feel like working today' or pictures of themselves drunk," says Wescott. "A good rule of thumb is to think: What would someone who doesn't know you think if the item you're about to share on Facebook was the first thing they learned about you."

It's about finding a balance.

"I believe in free speech—our profession depends on it," says Wescott. "Just understand: You're sharing information with more than your family or close friends. The greatest single threat to your online 'personal brand' is often times your own sick sense of humor."

3. Set limits cautiously—nobody likes command and control. Some firms block access to social media sites; Peppercom has few limits. "Our philosophy is that those who use and embrace social media in their personal lives are better positioned to advise clients on what works and what doesn't when it comes to digital programs. We have multiple agency blogs and encourage all employees to write guest posts or share content on our internal PepperWiki," says Kolek.

What is generally verboten is posting about clients. "Our employees are restricted from blogging about any client-related work, unless of course it is part of a digital media program," she adds.

Capstrat, too, gives its people a lot of flexibility. "The bottom line … is that each individual needs to decide what social media tools and technology will deliver benefits for our agency, as well as our clients—and which do not. They need to make those decisions and then be held accountable for those decisions," says Silverstein.

While there's always the risk of wasting time, you want your people engaged in social media. Capstrat employees are expected to use it daily. They are also expected to manage their time effectively and complete their responsibilities. They are complementary, not conflicting, goals.

4. Have a message for the medium—focus on quality over quantity. It's not just goofing off that wastes time: Even the purely professional use of social media can squander agency resources if you don't know what you're doing.

"It's easy to get enthusiastic about social media, but when it comes to maintaining an official presence, you need to be honest about what you have time and resources to do," says **Sam Ford,** director of customer insights for **Peppercom.** "We've had great success … because we limit our focus to make sure we value quality over quantity."

If you haven't been keeping up, don't try to catch up all at once. Start small, counsels Kondek. "Put up a Facebook profile and don't add anything that makes you uncomfortable. Blog about your hobbies, but keep it clean. Use Twitter just to see what the other people in your industry are up to. Then, as you get more comfortable, share." The return will be a better degree of connection "with colleagues, clients, vendors—and an appropriate level of fun."

5. It's not the tool, it's how you use it—put strategy first. "I think that time can certainly be wasted in social media if you don't know what you are doing there," says Ford. Some people think they should be "on Facebook" because that's the latest trend. They don't identify why it makes sense for them or their brand, he says. "Devoting significant time to these communities without a strategy is problematic."

Ultimately, it comes down to engagement. "I consider 'to engage with the community' to be a completely valid strategy in many cases," Ford says. "But bear in mind that truly engaging with a community means being a part of the conversation (not just speaking, but also listening), and that can take a lot of time to do well. If there is a strategic reason and devotion to true conversation, engaging is never a waste of time." **FV**

Roxanna Guilford-Blake

FIRMVOICE
JAN 7, 2009

What's Next: Digital PR Pathfinder Decries Lack of Social Media Strategy Among Agencies—Offers Tips for Tapping New Tools in the New Year

KATHY BAUGHMAN
FOUNDER
HLB COMMUNICATIONS

"I'm always asking 'What's next?' I love being the pathfinder and discovering both new and more efficient ways of doing things," says HLB Communications founder Kathy Baughman. "I thrive on fusing seemingly unrelated information, approaches or bits of knowledge to form something fresh and unexpected."

Specifically, Baughman has developed considerable expertise in emerging digital PR—and all things social media. Here, she discusses how these new technologies, tools and techniques are reshaping the way agencies conduct their business, why so few agencies seem to embrace or even grasp their impact…and how to successfully make the leap and incorporate social media into your marketing mix for optimal success in 2009:

What's the biggest mistake you see agencies making when it comes to social media?

My observation about what's going on in the market is that companies have increasingly been experimenting with social media and are now coming to agencies for expertise. They're going to their agency partners and saying, "We need a social marketing program or WOM." But the problem is that it becomes a sort of a la carte marketing program. It's almost like they're just checking "social media" off a list as a standalone initiative. And too many agencies are happy to oblige on that level, versus rolling these things into an overall strategy. So, they find themselves in a situation with social media petri dishes all over the place and no idea how to connect them in a strategic way.

The result of experiments that don't tie to strategy is that you have no idea of the individual impact of those efforts on the client's goals—and you get no true sense of their power. What you have is an inability, then, to really measure the impact of these social media efforts. Again, agencies these days are more than happy to take that smaller piece of the business and run with it. But they really would get a bigger piece of the business if they pressed pause and said, "OK, this is one piece of a bigger strategy. What are we trying to accomplish here?" Rather than saying that they're going to do X or Y viral video or Z Facebook page as separate tactics, agencies really need to be asking the right overarching, strategic questions.

What are those questions?

They're the same questions you'd ask and build any traditional PR program around: what is the goal or objective, what is the story you want your customers to tell the rest of the marketplace, where should those stories be told, what is your story syndication strategy and how will you measure your results?

For example, say the goal is to reach tens of thousands of moms online to let them know that your product helps make their homes safer (i.e., the story you want them to tell the rest of their community). Well, do you need to create a new mom community online or tell your story through advocates in existing online communities? Beyond that, where do you want your "story" to appear and how are you going to get it out there? For example, tagging and RSS feeds can be used. You can push your stories out via Windows Live, or through Facebook. Regardless of the channels you choose, you now have a strategy that can be used over and over again—not a one-time effort jumping on any given, popular social media tool or applications.

How do you measure and determine a social media strategy's ROI?

There are two ways. One is to tie directly to KPI—key performance indicators. For example, do I want to generate sales, or increase awareness, etc.? These are nothing new—they're typical PR performance indicators. So, you need to figure out how to measure what's happening with your stories and key messages in social media as they relate back to KPIs. A concrete example might be "product downloads." Can you measure how many product downloads are coming through your user generated content (UGC)?

This is very, very powerful—if you can design your social media community correctly and put hooks in to measure these things. Another important area to measure in social media beyond KPIs is "health and wellness." If I created a community site, I need to know on an ongoing basis how vibrant and relevant that community is, because there is a direct correlation between health and wellness of that community and its ability to deliver on the KPIs.

Otherwise, you end up with social media community ghost towns—and that's what we see a lot when agencies execute a la carte social media campaigns. People put up a community and nobody goes there and nobody engages on an ongoing basis. But if you have a health and wellness index, you know and track metrics like how many community members you have, its growth rate over time and so on. You are essentially measuring the volume of the stories being told and their relevance.

In our case with clients, we have 40 things we monitor for our health and wellness index—so we're not surprised from month to moth that there are no new stories or posts. That way, we don't end up with a community ghost town, because we're doing triage on ongoing basis.

What warnings can you share with agencies thinking of offering social media to clients?

Most important is that this isn't tactical and a one shot deal. It's not an experiment. So, get strategic, press pause and figure out how to create an overarching customer strategy using social

media that will drive business objectives.

Beyond that, don't say you can do something you can't do. A lot of agencies out there are making it up as they go. This is NOT lost on CMOs and other client decision makers. I hear this a lot from them—they say there's no methodology.

Then what exactly do clients want from agencies offering social media?

They want leadership and strategy. It takes a long time to have credibility in this space. Clients know that. So they're looking for "urban planning"—the map of how all these various social media tools and channels fit together to grow their business. There was a line in the TV show "Mad Men" that said, "You have a lot of bricks, but no building." Companies are cautious of that.

Clients are looking for agency partners to help them construct that "building"—and they will get the expertise from anybody. It doesn't have to be a PR agency. They want a partner who can provide a proven methodology pegged to metrics that can show real ROI.

Are you seeing RFPs for social media slow down due to recession?

No. This area is busier than ever. This is a huge growth area for PR firms. It touches on everything. But you have to get to the right people in the organization to take advantage of this—from internal communications to issues management and so on. Social media touches a lot of disciplines, all of which report to the CMO. So, there are a lot of virtual teams that form around this. Think about what strength you bring as a PR partner to that virtual team, task force or steering committee.

Of all a client's agency partners, isn't PR most suited to lead the social media charge?

It's not always something PR can or has to "lead." I have seen people from PR firms have a key role, but these things are typically led internally inside the client organization. Offering to "lead the charge" for them won't be credible within that organization. So know your specialty and focus on that.

What trends in social media should agencies be watching for in 2009?

First is having the "social media blueprint" I'm talking about. Strategy, strategy, strategy—that's the trend and the big push now. It's what clients want most. A second trend I see is aggregation. In general, I like the things that help you aggregate information from various channels, tools or interfaces. As people set up Facebook and Twitter accounts, alongside their email, phone and web applications—this will become more needed. It's just a lot of information to manage. Related to that, I expect the "user experience" to become more important in this space. User experience is king—and visual interfaces are going to become simpler and more intuitive. **FV**

Brian Pittman

FIRMVOICE
DEC 3, 2008

How Social Media Can Streamline Agency Operations, Enhance Client Service — and Perhaps Even Save Money

CHARLIE KONDEK
DIRECTOR OF NEW MEDIA RELATIONS
MS&L DIGITAL

SCOTT CHAIKIN
CHAIRMAN AND CEO
DIX & EATON

BRETT WEINER
PARTNER
LAUNCHSQUAD

DAVID ERICKSON
DIRECTOR
OF E-STRATEGY
TUNHEIM PARTNERS

JOHN MALLEN
PRESIDENT
JMC MARKETING
COMMUNICATIONS
& PR

Social media is more than the coming thing. It's been the thing for a while now, and if your agency hasn't explored its potential, you could be missing opportunities to better coordinate in-house communications, promote your agency, and strengthen client relationships.

Thus, it only makes sense that many top agencies have been involved in social media since long before the term began cropping up. From the ubiquitous YouTube to the emerging Yammer, agencies have harnessed social media to their advantage.

We asked leaders from several member agencies about how they use social media. Their insights and advice can help you fine-tune your approach.

Put it to work

"I use it to stay abreast of market conditions, industry trends, and news specific to our clients. I've even used it as a way to stay in touch with clients, vendors, and colleagues in new media beyond a pitch or a specific exchange," says Charlie Kondek, director of new media relations, MS&L Digital.

He's not alone.

Scott Chaikin, chairman and CEO of Dix & Eaton, cites some recent examples of how his firm has deployed social media to benefit not only its clients, but the agency:

"A LinkedIn survey asked colleagues to share best practices based on the recent economic downturn. The responses allowed Dix & Eaton to provide real-time feedback to clients. The agency used Twitter and Facebook to promote the grand opening of a new DSW store," he says.

It posted videos from its "Stop Recycling Ideas" marketing campaign on YouTube. "We can track hits and push people back to our own Web site."

Following an executive roundtable on communications during economic crises, D&E created a Wiki forum to continue the conversation.

Sometimes, your clients will help drive which approaches you take. For example, many of LaunchSquad's clients provide the social-media-related technologies. So logically, the firm tries to make use of its clients' products, says Brett Weiner, partner. "It gets everyone involved…and it helps us in terms of client services."

Among the client applications LaunchSquad deploys:

- TimeBridge. In addition to traditional scheduling functions, TimeBridge Personal Scheduling Assistant allows the users to show your free/busy data on their Web site and/or social networks.
- Yammer. Essentially a closed version of Twitter, Yammer is a microblogging service launched in September.

LaunchSquad needs to keep current. "We're inside the bubble," says Weiner. "Our clients test us every day." It also comes down to knowing what you sell. "If you're selling social networking marketing services, you should probably be using social networking for marketing your own services," says David Erickson, director of e-strategy, Tunheim Partners.

Be specific and clear: "Don't pack 100 things into one application; make the application specific to a concentrated audience," says Chaikin. "Develop a clear, consistent message for each application."

Collaborate and communicate: "Social media is an organizational tool that enables team members to communicate with each other — as well as with others outside the company walls — in real time," Chaikin explains. Internally, it promotes collaboration. And, "as a firm marketing tool, we are able to reach out to current clients, as well as prospects. We are also able to do research on their background."

Kondek agrees. It facilitates contact, allowing people to conveniently and quickly share ideas, spot trends, and keep abreast of conditions. "It's easy to spot a useful article, for example, and post it to a colleague's Facebook profile."

Consider a blog: "For large and mid-sized agencies, blogging and social media can be an incredibly efficient way of keeping everyone in the agency abreast of all that's going on. Keeping everyone in the loop helps every employee think about how their projects or clients may contribute to or benefit from other clients," says Ericson.

An internal blog can serve that purpose — and it can be a collaborative tool for working on specific projects or with specific clients, he adds. Secured blogs can also be a way for clients to stay up to the minute on the status of their projects while also collaborating with their agency team. (For more on how to make your blog — be it internal or public — see the Sept. 17, 2008 article in *The Firm Voice*, "Seven Rules for Better Blogs: How to Create an Agency Blog that Drives Buzz and Business."

Don't expect miracles, but …

Not everyone interviewed has fully embraced social media. "It's hard for us to understand how to improve using social media. In a small agency we are not required to communicate with colleagues across the global time zones," says John Mallen, president, JMC Marketing Communications & PR. He adds that the firm does communicate with members of the Public Relations Global Network, but it uses a much older application: email. "Other on-line social marketing tools have been talked about and to a much lesser degree tinkered with, but e-mail rules."

He did try — and, because he recognizes the potential, he hasn't given up on it. "For a while I had a remote, virtual assistant through Daybreak Office Solutions. My goal was to get the agony of keeping time slips off my plate, so I set up a Twitter account. When doing this, I'd tweet. Doing that, another tweet. My assigned assistant, whom I met only once, is half my age. You'd think Twitter would be second nature [to the assistant]. Not so. We reverted to the former manner of communications."

Moreover, several agency execs we consulted — including Mallen — haven't found that social media can directly reduce costs.

Developing a campaign, regardless of the media type, takes time. "And time equals money," says Chaikin. Nevertheless, when compared to traditional media buying, social media can save money and allow you to reach a broad audience for free, he acknowledges. But there's a caveat: "Depending on the audience you're trying to reach, broad might not be better."/p>

While many agencies have success stories, their experience is still anecdotal. "I think we'll need to wait and see studies that outline the impact and the real 'reach' of social media," says Chaikin. But given the low cost of entry, don't wait until the all the research is in, he says. "Get in and try it."

Just try it

"Keep an open mind and start small," says Kondek. "Before you say something like, 'Twitter? I don't get it,' try it for a couple of weeks, see if there are situations where it does fit, see how other people are using it — especially if you're in a position of leadership. Don't just shoot things down on reflex."

Mallen, despite some disappointments, agrees. He's continuing to learn — even in the process of preparing his responses to The Firm Voice. "Discussing this with our Public Relations Global Network sparks far more dialogue than I ever imagined."

An agency ignores the power of social media it its own risk. "The 21st century is bringing forth a major change in the estates" — politics, administration, judiciary and media — and how they connect with the public at large, says Mallen. Social networking will be the means of maintaining the connections and steering individuals and clusters of individuals to a message — and to action.

So keep plugging, counsels Mallen. "My advice is to keep at it. I believe that this highly symmetrical, real-time, interactive technology will reshape what we're about." **FV**

Roxanna Guilford-Blake

FIRMVOICE
NOV 12, 2008

Digital PR Pitfalls and Promises: What Agencies Don't Get (But Must) About Social Media

B.L. OCHMAN

Social media and Internet communications are definite growth vehicles for agencies nationwide, and expertise in these areas could help bolster and sustain firms through tough economic times, according to internationally respected blogger B.L. Ochman, whose "What's Next Blog" about Internet marketing is rated in the top 50 in the world by Ad Age Power 150.

But, Ochman cautions, many in the agency world aren't prepared—or suited—to step into the social media arena and take advantage of these opportunities: "The disconnect I see on the agency side is many traditional shops still seem to think they can create an online or social media platform and direct the nature of the conversation in those channels—that's a fundamental mindset that needs to be changed," says Ochman, who is also an Internet marketing strategist to Fortune 500 companies, including IBM, McGraw-Hill, Ford Motors and others.

"Agencies instead need first to approach social media as listeners," says Ochman. "Go to where the conversation about your client is taking place. Find out what people are saying about you and your industry. Listen to their concerns—only then should you begin to create the platform for communicating with them. It sounds simple, but this continues to mystify many agencies and corporations, because they're just used to pushing the message and agenda."

There's an old Bonnie Raitt song that goes, "You can make me do what you want me to, but you got to know how," Ochman relates. "The song is true," she says. "You can change people's minds and perceptions—and agencies have a very real and important reason to exist doing that. But you can't just steamroll your way into public opinion in social media and online communities."

Social media is "conversational communications," she stresses. "That's something ad agencies aren't going to get or be able to master. It's not something heavy handed PR agencies or even corporate communications teams who believe they can perpetuate fake blogs are going to be able to master, either," Ochman cautions. "You lose credibility in the online world if you try something like putting fake comments and not allowing negative comments on its blog tied to [a recent diet drug]."

So how can you ensure that your firm is ready to embrace social media and grow your practice as online communities grow—without falling victim to common digital PR pitfalls? Ochman's advice:

What red flags should agencies watch for when it comes to working with clients on social media campaigns or projects?

If the client's legal department has to approve every post or comment, then the client shouldn't be in the social media space. I wouldn't work with them. If the CEO wants a blog but isn't willing to write it or at least post a strong POV occasionally, then the client shouldn't be blogging. If the client wants to see overnight ROI on a blogging initiative, then walk away. These types of efforts require long-term commitment and investment—they're not quick fixes. I know it's hard to walk away from money and a prospect, but if you have to convince them to see social media as a conversation versus as a broadcast channel, then it's going to backfire.

Can you think of an example of a client or company who has learned this the hard way?

When Dell started their One to One blog, they really blundered. It happened to be the name of a porn blog and they hadn't checked it. Then when they launched the Direct2Dell blog, they didn't accept negative comments at first. But to their great credit, a couple weeks later they stopped everything to get on the right track and came back ready to listen, ready to field negative comments and ready to take real action on issues raised online." The upshot: "They built a presence and relationship with people online, so that when the exploding battery thing happened, they were already in the space and able to blog about it."

What missteps must agencies avoid when it comes to executing social media campaigns?

One major problem I see is not having staff on board who are already using social media. Another problem is not staffing up or budgeting staff to focus on social media. Working with a consultant is a great idea—but not if you just want somebody to come in and "do social media" for you to solve the problem. I have clients who hire me to do their blogs and then they don't read them once they're up. That is a recipe for failure. If the client or company doesn't actively embrace this by committing their own resources and time, then it won't be sustainable.

Another problem is that companies will bring in consultants to set up social media platforms and build out their corporate blogs—and then they won't bother driving traffic to these channels. You have to advertise and publicize these things—on traditional outlets as well as using social media. For example, participate in Twitter and FriendFeed and so on to begin to drive traffic to your network. But that costs money. It's not cheap or free. It takes time and resources—and you need to budget for that.

Do you have any tips you can share with agencies about budgeting for social media?

Just that: Include a budget for driving traffic there. Think about how you're going to get people there. You can't just build it. Forrester did a study that found that corporations spend more than $1 million to create social networks on their sites, but most of those have less than 100 participants. Why? Because they're

not in on the conversation—they're not out there promoting their presence, and they're not talking about what people really care about online. Again, you can't dictate the conversation and topics. You have to listen and then build your content around the needs you're hearing. Again, it's conversation, conversation, conversation.

Is there any other discipline that can do this better than PR?

Many companies are starting positions called Conversation Director. An example is Saul Colt, with FreshBooks—which is a cloud computing version of QuickBooks. He's on Twitter, FriendFeed and has a blog. He announces on Twitter that he'll be in San Antonio to talk about FreshBooks over dinner and he introduces people there. He has a real community and evangelists following what they're doing. Is that PR? Is he a "PR" person? I don't think they see it that way. But I do think that PR people as "communicators" are especially well positioned to facilitate, contribute to and engage in the online conversation. So, sure, it's a good fit, regardless of what you call the position.

Who else besides Dell do you think is doing an exemplary job in social media?

I think Zappos is doing a great job integrating social media with the tangible world and traditional networking. Their CEO started out on Twitter saying something like, "I'm in the airport for an hour. I'll give away 25 shoes to next 50 people who follow me." He made you go to his site to pick out what you wanted and engage with his customer service. I love that company, and once had a problem with their customer service. I said so on Twitter and he emailed me. Twenty minutes later, he had read my email exchange with his customer service and had gotten back to me saying, "We're wrong and need to improve our training." He gave me a $100 discount and I ended up spending $200. That's the way to do it.

Another example is Comcast Cares on Twitter. They had an experience, apparently, where a Comcast repair guy fell asleep on a customer's couch while on hold with his own customer service department. The customer filmed it and it was Googled. It got something like 1.5 million views in a couple of days. The company's answer was Comcast Cares. Their person on Twitter is all over it, 24/7. As soon as somebody says something about the company, he's there and fixes your problems. That's a very real way to make a very real impact — 140 characters at a time on a social network that people once thought was silly.

Are these types of efforts typically agency or corporate driven?

Some are agency driven. There are some really smart PR people from the agency side involved on Twitter. They'll help journalists, bloggers and others—and every once in a while, they might pitch you. That's OK because they're a part of the conversation. They're active online. Some of the best examples of corporations using Twitter may very well have been instigated by their PR agency partners. The one thing I'd like to stress here is that it's a waste of time for companies to talk to their ad agencies about this—they just don't get it.

What are the biggest threats you see out there to the future of agencies?

Not keeping up—that's the threat. I think many agencies are unable to convince their clients this is worth doing. Their clients may still want a pile of clips. So the threat there is not keeping up—and not communicating the opportunities to clients. You can't do that based on reading a book. You've got to get out there and engage in this yourself before you can sell someone else on it.

PR agencies must assume the role of educator in all of this. They also have to be willing to say no to clients who won't engage in social media on its own terms. But most agencies won't walk away from money. That's a problem.

The ultimate consequence of not keeping up and not educating clients is that agencies could become less relevant. If you're not credible in this space and not winning the respect of clients seeking to have conversations with their customers directly, then your business is gone. Simply put, the clients will turn to whichever practice area can master this first. For example, there are firms out there calling themselves "social media agencies." That could either be a division of your PR firm—or it could be a more virtual organization that is able to pull together a group of people with social media skills that can move faster than traditional, possibly bloated PR firms.

Brains on Fire is a great example. It's a different kind of agency—it's not an ad agency, and it's not a PR firm. Their Fiskateer case study is exemplary, and worth looking at here. They use principles of both disciplines and integrate social media. My big message to PR agencies comes down to this: Many firms are starting digital PR or social media divisions now, but I'm not convinced they're paying attention to how fast things are changing. If you're not getting engaged in these tools and communities now, you could be running out of time. **FV**

Brian Pittman

FIRMVOICE
NOV 5, 2008

Does Sex Still Sell? Tips for Promoting Touchy Topics, Keeping Agency-Client Love Alive—and Using Social Media

LISA HAGENDORF,
DIRECTOR OF PUBLIC RELATIONS, DIGITAL MEDIA
PLAYBOY ENTERPRISES

While she doesn't work with PR agencies at Playboy, Lisa Hagendorf, director of public relations, digital media at Playboy Enterprises, says she does have advice for firms and account execs seeking to keep the love alive with their clients—advice drawn from her six years working in the New York and San Francisco offices of Edelman. "First, stop incessantly sending emails," says Hagendorf, who now develops and implements communications strategies and programs to support the strategic goals of Playboy's online and wireless business, i.e. Playboy.com and Playboy Mobile. "A quick conference call—or ideally an in-person meeting—is a much more effective use of time, energy, and resources than dozens of emails going back and forth. Plus, you can avoid risking confusion over tone or meaning. Brainstorms are most effective when all the brain-power is sitting in the same room."

In addition, she stresses the importance of managing client expectations. "Just because your client insists that the 46th anniversary of his local hardware store is worthy of international headlines, he may be mistaken," Hagendorf says, touching upon a common refrain in agencies. "You are the PR guru being paid to offer your expertise, so do not be afraid to push back and instead carve out more realistic goals for securing relevant and attainable media coverage." Equally important, she believes is monitoring "what your client's competition is doing to keep ahead of the game. Set up daily Google alerts and track where the competition is generating coverage and how they are being positioned," she counsels. "Learn from their successes and failures so that you can emulate or avoid them accordingly."

As the resident digital PR guru at Playboy, Hagendorf's expertise certainly ranges further afield than tactical advice for maintaining a healthy, happy relationship with clients. Here, she digs deeper and offers insight into everything from what it's like to practice online communications for an organization whose primary product is, well, sex—to best practices for incorporating social media, online social networks, YouTube and even blogs into communications programs and campaigns:

Is the old adage "sex sells" true?

The old adage of "sex sells" is true, but only to a point. If a story you are pitching is not newsworthy or compelling, the initially apparent "sexiness" only will get you so far. In my case, working for Playboy certainly gets my emails and voicemails returned faster than others, but I must be confident that what I am pitching is interesting and appropriate, both to the media outlet and to the journalist's beat.

What is the best part of doing PR for Playboy?

Besides the inherent cocktail-party cache of working for Playboy, the best part about doing PR for the company is being associated with one of the most iconic and recognizable brands in the world. Because Playboy is celebrating its 55th anniversary in January, millions of people around the world have had the opportunity to experience the brand in numerous ways—via *Playboy* magazine, Playboy.com, Playboy TV, Playboy Radio, Playboy Mobile, Playboy's globally licensed consumer products, the Playboy Club at the Palms Casino Resort in Las Vegas, our freestanding mono-brand fashion boutiques, E! Entertainment Television's top-rated show "The Girls Next Door," etc. Therefore, my PR role is especially important now, more than ever, to help ensure that the messages about the brand are being communicated in the most effective and innovative ways.

What's the most challenging part of doing PR for Playboy?

I think that the most challenging part about doing PR for Playboy is that people already may have experienced the brand in specific ways, or a friend of theirs has, stigmatizing their association with it. Some media hear that I work for "Playboy" and assume that my pitch involves nudity. In fact, some of my most successful pitches—like the new blog from San Francisco 49ers linebacker Patrick Willis on Playboy.com, the recently deceased young literary lion David Foster Wallace's whose first piece of fiction in a major magazine appeared in *Playboy*, and even Playboy.com's A-list of where to find the country's most mouth-watering burgers—have nothing to do with women at all. That is what I love about my current role. I am pitching sports media one day, literary media the next and foodies on the following day. When reporters answer my call, they rarely have any idea what it is regarding, which is a fun way to keep them on their toes regarding Playboy's latest news.

How has new media/digital media changed PR at Playboy?

Driving PR for Digital Media here has enabled me to demonstrate Playboy's ability to keep up with consumers' demand for 24/7 information, as well as to thrive in this ever-changing media environment. It also has afforded me opportunities to target niche reporters, from the wireless-technology reporter at *USA Today* to the editor at *Mobile Marketer*. Via Playboy.com and Playboy Mobile, Digital Media allows Playboy to offer more "touch points" with the brand and in more convenient ways than ever before. Clearly, Playboy is now on "on-the-go" experience, seamlessly fitting into consumers' hectic lifestyles and delivering the exciting content they are seeking.

How is Playboy establishing a presence in social media?

Playboy is establishing a presence in social media in many ways, including PlayboyU.com, which is Playboy's free site mixing collegiate journalism, entertainment and cross-campus dialogue. The site serves as the online destination for Playboy's collegiate content, including the Playboy All America teams,

guides to student life, college bar reviews, college mascot interviews and more. The site also offers a glimpse into the world of Playboy with exclusive party coverage, videos, and contributions from Playboy personalities. Creating a sense of exclusivity, Playboy U's membership is for college students only (women and men must be 18 and older and have an .edu address to join). We never intend to open up the community to the masses. Additionally, Playboy U is distinct within social networking. We like to think of Playboy U as a "campus advisor," an expert on how to make the most of the college experience. By allowing members to bring the Playboy brand to life and connecting them to the world of Playboy, Playboy U offers a completely different experience than what they would expect on Facebook or MySpace.

What recent digital media initiatives is Playboy most proud of that others can learn from?

For Playboy Mobile, my highlight has been the inaugural campaign for Miss Playboy Mobile 2008, a nationwide model search where women posted non-nude profiles on www.mspbm.com and men and women voted for their favorites via their mobile phones. The winner was crowned at the Hugh Hefner Sky Villa, a $40,000-per-night luxurious suite in the Palms Casino Resort in Las Vegas, during CTIA last April. It was the first time that a mobile program became part of the Playboy franchise; next year, the search is going global to include over 30 countries and territories. Now, women aspire to be Playmates (*Playboy* magazine), Cyber Girls (Playboy.com), and Miss Playboy Mobile (Playboy Mobile) whose crown winner, Amber J from Seattle, is featured on page 34 in the November issue. Stay tuned for Playboy Mobile's first-ever mobisode called "Interns," an entertaining reality series based on the lives of three college students who interned at Playboy's Fifth Avenue offices last summer: Think "minimum wage, maximum perks."

For Playboy Online, my highlight has been the first-ever online search for the 55th Anniversary Playmate who will appear in the January 2009 issue of *Playboy* magazine and on Playboy.com. To celebrate its new relationship with YouTube, Playboy simultaneously announced the launch of a nationwide talent search on www.youtube.com/playboycasting that enabled female fans to submit non-nude videos on YouTube to be selected for a private audition with *Playboy*'s assistant photo editor Holly Madison, the star from E's top-rated reality TV series, "The Girls Next Door." Six winning submissions celebrated the opportunity with a trip to the world-renowned Playboy Mansion in Los Angeles for a Playboy.com pictorial, participation in a catalog fashion shoot featuring Playboy's latest apparel collections, and an audition with Holly to be *Playboy* magazine's 55th Anniversary Playmate. Previously, women only could audition via archaically mailing applications or attending a live model search in select cities nationwide. This unprecedented nationwide online search enabled women to submit three-dimensional videos on YouTube, the world's most popular online video community allowing millions of people to discover, watch, and share originally created videos.

Your tips to others in PR for promoting or publicizing touchy topics and products?

When promoting or publicizing sexy—and likely sensitive—topics, my best tips are to know your audience and to cement your contacts. The last thing you want to do is to burn bridges by offending a reporter, so go where the media will appreciate and genuinely want your story. Try pitching to non-traditional press. Blogs are fantastic opportunities for generating awareness virally and encouraging other sites to help tell your story. Plus, they are usually less conservative and more open-minded than print press. Also, use your closest media contacts as sounding boards for potential stories. They are your best resources for honestly telling you if your story is compelling and often will provide suggestions for making it even more so.

What are you most passionate about in your job?

I am passionate about so many parts of my job, but I most enjoy pitching and writing. I honestly can help attribute my success with these two critical PR skills to my degree in English. Although my college degree has been challenged by outsiders wondering what one "does" with an English degree, I can attest that it makes for the strongest communicators and writers. I honestly still enjoy devising a PR strategy, writing the press release, and then pitching it. Of course, developing a strong network of media contacts always helps and I constantly strive to grow my database. **FV**

Brian Pittman

FIRMVOICE
OCT 29, 2008

Seven Ways to Step Up:
PR Firms Should Lead Social Media Strategy—Here's How

By Mike Hollywood, Director of New Media, Cone

Social media rule and now everybody wants to be on Facebook. In fact, our recent 2008 Cone Business in Social Media Study reveals that 60 percent of Americans are using social media and of those, 59 percent are already interacting with companies online; 25 percent interact more than once per week. Expect your phone to ring any second with your clients demanding you augment their communications campaign with an innovative digital strategy.

While you're waiting for your clients to take a breath so you can interject your opinion, consider two things. First, be thankful the client called you. The seemingly obvious choice for developing a social media strategy might be a digital agency, but visual appeal and clever widgets don't necessarily achieve what should be the primary objective: sound strategy; getting the right message across to the right audience and securing the desired response. Social media strategy isn't an endgame. It's one part of a larger communications plan, which may include a Facebook application or Google gadget, if the audience is right.

No, the social media strategy is best left up to the PR agency. Our channel agnosticism affords us the luxury of looking at the entire media landscape before deciding which channels are best for our client's message AND audience.

The second thing to consider is this: Your client may not have realistic expectations of social media. You have to have a thick skin to play in the social media game, and clients have to be prepared to give up control of a conversation that may not always be kind to their brand. In social media, it's enough just to be a part of the conversation, but clients can't expect to lead it. Make sure you manage expectations. And, never enter into a social media strategy without helping your clients answer the two most important questions: "Is social media really the best spend of your money," and "Will it accomplish your communications goals?"

Clients may approach the space with distorted expectations having seen some viral campaign that got attention, but did it really work? Remember the "Elf Yourself" craze a few years ago—can you remember which office supply business actually did it? Warn clients not to get hooked on something that CAN be a waste of time and money if not done properly.

Here are some tips to keep in mind when developing a social media strategy:

1. Be channel agnostic: A particular campaign may be appropriate for Facebook, a Google gadget or it may work on Twitter—or none of the above. Step back and look at the value of each one of these focuses, but don't be driven by them.

2. Don't create content with the intent of being viral: Viral follows quality. Create thoughtful, meaningful, engaging content and focus it on the right audiences and it will catch on virally.

3. Don't get distracted by the latest thing: A good strategy doesn't recommend communication vehicles just on the basis of being new.

4. Take a stand: Establish a strong voice and messaging, but avoid rigidity. Good conversations within new media are just like good offline conversations—dynamic, varied and engaging.

5. Loosen your grip: Allow consumers to express their own thoughts and ideas, whether through text, audio, video, art or even a simple opportunity to voice approval (or disapproval—you may actually learn something valuable from your detractors).

6. Take the shotgun approach: Don't aim to reach your target goal with just one shot. Spread the marketing ammunition around and test many different social media approaches. Then, optimize by focusing your efforts on tactics that yield success, and cutting those that do not. You can mitigate risk in social media because the barrier for entry is so low.

7. Add value (always): Ask yourself, "Have we enriched our consumers' day with useful information, insights, tools or experiences?" A shiny new widget that does not add value for the consumer will not add value for your client. **FV**

Mike Hollywood is the director of new media for Cone, a Boston-based strategy and communications agency engaged in building brand trust.

FIRMVOICE
OCT 29, 2008

Reprioritizing the Media Pyramid:
Who Are the New Influencers—and What Must Agencies Do to Influence Them?

BRETT WEINER
PARTNER
LAUNCHSQUAD

GUR TSABAR
VP & GROUP MANAGER
NEW MEDIA STRATEGIES
KETCHUM

DAVID WESCOTT
VICE PRESIDENT
APCO ONLINE

The ascendency of the blogger and the ubiquity of social media have transformed the practice of media relations—and call into question our understanding of who the real influencers really are. Savvy agencies already recognize that PR campaigns seeking to build brand and communicate with key client publics can no longer overlook the new social media tools and channels.

A survey conducted last year by the Council and APCO Worldwide was revealing. Although 52 percent of PR execs surveyed agreed with the statement, "Our firm does a good job identifying the specific interests of individual bloggers and sending them relevant information," a full 65 percent of bloggers surveyed *disagreed* with the corollary: "PR firms do a good job identifying the specific interests of individual bloggers and sending them relevant information."

Obviously, PR pros who understand bloggers communicate better with them—and the agencies who've mastered blogger and social media relations have a leg up on the competition when it comes to driving brand and buzz for clients. It's an unmistakable—but too-often overlooked—truth. If your team can't identify—and reach—the new influencers, you and your client risk failure.

We checked in with several social media-savvy Council members to learn what they are doing to connect with these "new influencers"—and how they are getting their clients' stories out. Here's their advice:

1. Re-think your notion of "influencer." Audiences are much more fragmented, says *Brett Weiner,* partner, *LaunchSquad.* As a result, "a much larger universe of people are discussing issues that may relate to your clients."

The environment is fluid and dynamic: Today's obscure blogger may hold tremendous sway tomorrow. Weiner adds, however, that since many of his firm's clients are unknown early-stage tech companies, all PR is good PR. "So we're interested in all bloggers."

Such a catholic approach makes sense in this new environment. "In reality, everyone is now an influencer to some degree or another," says Gur Tsabar, vice president and group manager, new media strategies at Ketchum.

David Wescott, vice president, APCO Online, offers a similar perspective: "The new influencers are smart and creative people who share opinions and drive discussions online," he says.

2. Stop, look, listen—and engage. Firms can identify their most relevant influencers simply by listening, says Tsabar. It costs nothing, but few PR practitioners do, he says.

Research, read, listen, counsels Weiner. It sounds simple, but you can't start to promote yourself unless you first engage. Read the blogs you pitch. As Harold Hill once expounded: You gotta know the territory.

And, says Wescott, you must define the community. Are you focusing on the moms that drive consumer spending? Environmental activists? People who are interested in a part of the political spectrum? Then it's a matter of reading and seeing who is driving the online discussion. Who is starting the thread? "The research is largely qualitative, but it's not without metrics," he says.

3. Don't put new wine in old wineskins. You have to throw out many of the old rules. In the past, there was a rhythm to tech PR, Weiner says: It was driven by press releases and editorial calendars. But tactics based on those tools no longer apply. Moreover, PR people are trained to want to control the story but that's no longer an option, he says.

"You don't really have control of your story any more. With social media, the influencers are going to take control." So, instead, work with them in a way that gives them the resources they need, Weiner advises.

"I've found that approaching social media from a 'media relations' perspective really doesn't work because the expectations and metrics are different," says Wescott, adding that many agencies are not equipped to manage a communications environment where consumers are publishers and everyone has a voice.

Don't lead with the pitch, he adds. "Non-pitch conversations aren't always billable, so we tend to avoid them—and that's the first mistake we make."

In fact, "Impersonal, mass-produced email pitches are the butt of bloggers' jokes," he warns. It's an easily remedied problem: Get to know bloggers before you ask them for anything. "To earn credibility and influence in social media, you have to join an existing group discussion and advocate for those participating in it. You can't do that when you're introducing yourself to a blogger by 'pitching' her or him," he says. "That's not easy, but it's imperative if you want to be successful."

Tsabar is adamant on this point: Too many PR practitioners are still trying to impose their old ways on this new world; and to the extent that these behaviors continue, PR as we know it will fail, he says. "Blanketing bloggers wholesale with press releases is a sure-fire recipe for personal and professional embarrassment."

4. Be honest and transparent. Ghost blogging or posting anonymous comments on a blog will not work. "You can't fake it," counsels Weiner. (And you shouldn't: The CPRF Statement

of Principles includes the following: "We believe that our clients and the public are best served when third-party relationships with spokespeople, partners and allies are open and transparent.")

5. The fundamentals still apply—stories and relationships. While it's crucial to adapt to the new environment, don't abandon the fundamentals, warns Weiner. A big mistake some agencies make is starting with the tactic rather than the storyline. "You have to have a story to tell. You have to know why it's important." It's not about being on Facebook or developing a presence on Second Life. It's about the story.

Another fundamental: Relationships matter. "If I'm a PR pro and I have strong relationships with all the beat reporters and editors that matter to my clients, I'm going to gain placements for my clients. If I'm a social media pro and I have relationships with the people my clients care about most, my success won't necessarily translate into 'placements' on blogs—but I'll still add measurable value to the client," says Wescott, emphasizing that we should be measuring the strength of the relationships we build for clients.

"Go to where the bloggers are and do a lot of listening. Be an advocate for them," he adds. "Demonstrate that you belong in and support their community. Most important, be sincere and show respect, in your own way. It helps if your company allows you to show a little of your own personality as you network through an online community; this is especially helpful at larger firms where more than one person might reach out to a blogger."

"Be human," advises Tsabar. "When reaching out to bloggers, for example, drop the corporate/marketing speak, and just talk to the person behind the blog, much the same way you would 'shoot-the-shit' with anyone else. Simply infusing humanity into your clients' communications can go a very long way in this quintessentially human space."

Blogs, wikis, podcasts, social networks, etc. are just pieces of technology, he says. "The Web has everything to do with one thing, and one thing only: *people*. The Web is a living, breathing organism that ebbs and flows 24 hours a day. And the bottom line is that the PR practitioners that figure out how to connect with the *people* behind these new media technologies are the ones who will ultimately succeed." **FV**

Roxanna Guilford-Blake

FIRMVOICE
OCT 01, 2008

Blogs, Blackberries and Biden: Facing New Media Realities in Politics, PR and the Press

By Larry Rasky, Chairman, Rasky Baerlein Strategic Communications; Former Biden Press Secretary

In the waning days of the campaign leading up to the Iowa caucuses in January, credible political blogs were filled with speculation on the possibility of a Caucus Day surprise by Senator Joe Biden. Nobody expected us to beat Barack or Hillary, but a surprising third or solid fourth would not have shocked anyone.

Our crowds were strong in that last week, averaging around 400 to 500 people. But compared to Senator Obama's 10,000-strong rallies, the Biden crowds by themselves could not have convinced the skeptical DC political press to buy into our election eve mirage.

No, the seeds of our surprise were sewn in the digital wilderness during the autumn doldrums of the Iowa campaign. It was big news when the *Storm Lake Times* (Storm Lake, Iowa, population 10,076) made the first newspaper endorsement of the campaign season on October 20th, 2007. And it was not just big news in Storm Lake. When *The Times* endorsed Joe Biden (and not the big three—can you believe John Edwards was one of them?) the Google alerts of every political reporter in America went off.

And when Jeff Zeleny of *The New York Times* wrote about the endorsement of Biden by the *Storm Lake Times* on his campaign blog, every political activist in Iowa and elsewhere read it on their Blackberry.

When you look at a story on your Blackberry, logos and bylines tend to disappear. You cannot tell the difference between *The New York Times* and the *Storm Lake Times* on a two-inch screen. In the digital universe, information is democratized. And in the compressed and busy time of a political campaign, any new piece of information can have an instant impact.

The Times was not the only Biden endorsement. Over the course of six months, Joe Biden was endorsed by a dozen state representatives, each one sparking a mass campaign email and ensuing coverage. Through the magic of "The Fix," Chris Cillizza's indispensible blog on washingtonpost.com (by far the best adaption of modern technology in the news business), every political junkie in America knew Biden was competitive with the top tier in the Iowa endorsement race.

But it wasn't just the blogs and Blackberries. One of the best things about political campaigns is the egalitarian nature of the operation. With so little time and so much to do, age and seniority go out the window. All you look for are live bodies who can step up, take responsibility and get the job done.

Such moments lead to the elevation of youth and, in this campaign (and not just Biden's) the empowerment of kids who could deploy the latest technology in ways heretofore unimagined.

Early on, our star-studded Internet team of Eric Carbone, Joel Meister and Tim Westimer, developed a You-Tube application called "Head-to-Head," that repurposed debate video in almost-real time to showcase Joe Biden's answers versus those of his opponents. One of the reasons Senator Obama selected Senator Biden was because he was routinely declared the winner of a dozen televised debates.

The best moment of the Biden campaign came when NBC's Brian Williams asked a snippy question about whether Biden felt confident he could restrain his verbal proclivities. Biden's one-word answer—Yes!—became an instant Internet classic and spawned a number of home-made You-Tube ads accentuating the theme, "Joe Biden—Yes."

But not all You-Tube videos are harmless. At last count, the Reverend Jeremiah Wright's verbal excursions had been watched over ten million times on "The Tube." The digital video gods giveth and they taketh away.

For what it's worth, it does not appear to me that, at least so far, new media is playing as big a role in the general election as it did in the primaries. Even online fundraising is down.

Perhaps it's battle fatigue and perhaps it's just that all the Internet users have already made up their mind. Or, perhaps, like the World Series and Monday Night Football, most Americans still want the old tube on to gather the family for a look at the finalists.

Whatever the case, my guess is that when the debates come, the campaigns will find a way to use YouTube to magnify the gaffes somebody made on the old tube and demonstrate again why politics has forever changed. **FV**

FIRMVOICE
SEPT 17, 2008

Seven Rules for Better Blogs:
How to Create an Agency Blog that Drives Buzz and Business

STEVE CODY
MANAGING PARTNER & CO-FOUNDER PEPPERCOM

DAVID JONES
VICE PRESIDENT HILL AND KNOWLTON CANADA

DONALD E. MARTELLI
VICE PRESIDENT MANNING SELVAGE & LEE BOSTON

JILLIAN (BEAUMAN) FROEHLICH
SENIOR ASSOCIATE CARMICHAEL LYNCH SPONG

JEREMY PEPPER
MANAGER OF PUBLIC RELATIONS BOINGO WIRELESS

TED WEISMANN
LOIS PAUL & PARTNERS

No doubt about it: Agency blogs can be a great way to attract prospects. They're also primo vehicles for communicating your shop or management's expertise and thought leadership in certain practice areas or key markets. And it goes without saying that agency blogs are almost a requisite for firms selling digital and Web 2.0 services to clients.

But agency blogs can sometimes backfire and yield less of a return than initially expected. Consider first that there are already many agency blogs out there offering a take on the day's news or latest industry related issues—so agencies offering "more of the same" run the risk of getting lost in the clutter. Similarly, many agency blogs fail to speak to prospect needs and interests, and instead become part of the PR echo chamber. Worse, agency reputations can boom or bust based on the positions and opinions carved out by individuals online.

So how do the best in the business manage these risks and generate blogs that are not only compelling to existing clients, staff and, yes, competitors—but also to prospects? How can you launch a great blog or supercharge the one you have? And what blogging pitfalls must you avoid? Leading PR execs offer the following guidelines for creating blogs that drive buzz (and business):

1. Step back and evaluate your reasons for launching a blog. "My number one warning to other agencies thinking of blogging is not to do it if it's a 'me too' type of thing or because you think you have to," cautions **Steve Cody**, managing partner and co-founder of **Peppercom**, whose own blog is "RepMan" and agency blog is "Reason Enough."

According to Cody, the number one reason to blog is, "because you have a unique point of view and can contribute something new and fresh to the conversation." More than that, "We blog because we need to walk the walk," he says. "We can't sell clients on the power of social media if we're not doing it ourselves. You can't media train a client if you haven't been on CNN, for example. The thought leadership that comes out of blogging is great—but it's a tangential value-add, to tell the truth. Doing this really is about building credibility."

While blogging isn't new, it's not too late to start, says Cody. "It has basically become the price of admission for clients seeking Internet expertise in the same way that you can't sell green or sustainability programs without having one of your own," he stresses.

2. Eschew the echo chamber—carve out a unique voice and niche. "My number one tip to agency blogs is to get over yourself," says **David Jones**, vice president, **Hill and Knowlton Canada**. "It's about the community—not your firm. Content is king, so go easy on the self-promotional navel-gazing. You don't have to avoid it completely. Moderate self congratulation is acceptable," he says. "Respect the community that's giving you their time and attention by providing expertise, perspective and insights that they can use."

Donald E. Martelli, vice president, **Manning Selvage & Lee**, Boston, agrees: "The key to running a successful agency blog is to not come across like a know it all. Be part of the conversation, don't monopolize it. It pays to develop original thought content on topical items like social networking, for example. Clients, potential clients and people in the business don't want to read repurposed news. We're hired as excellent communicators who thrive on challenging people's opinions and changing minds—so if your blog is simply a news stream of AP stories with general commentary, you're not going to have a following. It's very tough to appear original these days, especially when it comes to social media. Everyone is doing it. What sets you apart from the rest of the pack is original content. It sounds simple, but is tough to do, especially these days when blogs—especially PR and marketing blogs—are a dime a dozen."

Cody agrees: "The problem with most PR blogs in general is they all take the digital road less traveled," he says. "Try to post about things the mainstream PR blogs aren't talking about. If you see other posts on any given week about, say, the Olympics, China, Palin or whatever—don't pile on. Instead, look around and write about what you're bumping into every day. A road trip, for example, is a great opportunity to blog about something fresh."

His point: "Clients and prospects don't care about the PR blog echo chamber. Break out of it. You're not doing this for your peers or to impress other agencies. So lose the PR mentality, look at the wider world and write about topics that concern the prospects you want to attract—not the things that Bulldog or Paul Holmes or Julia Hood are writing about," Cody advises.

If that's a challenge, he suggests posting regularly on what he calls the "Four pillars of society," which are, as he sees it, are: religion, entertainment (not celebrities), politics (at the grassroots level) and businesses.

3. Let metrics be your guide—track and revisit posts that pulled prospects. "If you've already launched an agency blog and it's lying fallow or not picking up more reader interest, then you need to turn to measurement to disrupt the model and the way you think," Cody suggests.

"Use your web analytics to identify the top and most read subjects or posts. See what readers are focused on and zero in on that," he advises. "If culinary prospects, for example, seem to click through or comment on trends related to healthy living, pump up the volume of posts on that. If your blog continues to suck, go back at least 90 days and find the one or two topics that generated the most traffic and then blow that out."

4. Dig into social media widgets and multimedia options—starting with podcasts. "We have noticed blog traffic is often driven by video and audio—not just traditional blog posts," Cody says. "One way to revive an agency blog that has flat lined is to supercharge it with a podcast. People don't just consume text anymore, and podcasts are a great entry point into this. It works," he assures.

For example, the agency's largest client, Whirlpool Corporation, is a direct result of its "RepChatter" podcast, which is linked to the "RepMan" blog. "They included us in an agency search because of that podcast," Cody shares. "Their contact would not have included us in the initial RFP is she had heard it and liked its hip, irreverent take."

5. Look inward—consider blogs as internal communications tools. "Blogs can also be a great medium for internal communications, because of they provide a central forum for employees to share information, industry perspectives and their big ideas," says **Jillian (Beauman) Froehlich**, a senior associate at **Carmichael Lynch Spong**.

"For example, every employee here at the agency has access to upload content to the blog—learning how to post to it is even a part of new employee training. Having many contributing authors provides a flow of posts featuring perspectives about news stories or campaign ideas relevant to our clients," says Froehlich. "It also allows those who may not have blogged before the opportunity to try doing so in an easy and inviting environment." Her quick tips for using blogs internally:

- When starting an internal blog, generate traffic by promoting it at staff meetings, via email or through contests.
- Create a welcoming environment where employees can feel comfortable—and not criticized—for lending their perspectives.
- Tag posts well so that readers can easily revisit information at a later date

"Maintaining internal blogs is time intensive," Froehlich cautions. "Having an agency of potential authors avoids having one person responsible for content development as part of their workload." In addition, "Interaction is one of the biggest benefits of having an internal blog," she says. "So create an environment of engagement and conversation, rather than having a handful of people posting with no one commenting."

At the end of the day, an internal blog should reflect the organization and people behind it, Froehlich stresses: "Use the blog to communicate—and enhance—your organization's culture."

6. Get formal—establish or revisit agency blogging guidelines. "Establish an agency blog, but do not force staff to blog," warns **Jeremy Pepper**, who worked at **Weber Shandwick** counseling Fortune 500 clients on social media prior to joining **Boingo Wireless** as manager of public relations. "Find out which staffers *do* want to blog, and give them the platform. However, make sure they can blog during office hours—with a billing code—rather than force them to do it on their own time."

In addition, Pepper advises establishing social media guidelines for staff. "Relay to them that what they say is public, and to be mindful that while even if they are 'off the clock,' they are still representing the firm and the clients. This goes beyond blogging to include Twitter, Facebook and other public social networks," says Pepper.

7. Don't just post—promote, promote, promote. "A great way to get the word out about your blog to key prospects is to write about the companies you want to work with and to comment on how they approached announcements and so on," say. "That way, when you target them through business development vehicles, they will see you wrote about them with some interesting thoughts and prescriptive suggests. Then they'll hopefully subscribe to the feed."

Weismann also advises including links to your blogs as part of the agency signature in all emails to clients and prospects. "It's also important to know what your clients are looking for," he says. "For example, we've added keywords into our metatags and use Google Analytics to see what keywords our clients and prospects are using. Finally, 'link love' is a reality in today's blogosphere. The more you link to and comment on other blogs, the more traffic you'll get back. It's all about being part of the conversation." **FV**

Brian Pittman

FIRMVOICE
SEPT 24, 2008

Know Your Social Media Score:
Web Guru Tackles Twitter, Advises Agencies Take Quiz

JOHN BELL
360° DIGITAL INFLUENCE TEAM AT OGILVY PUBLIC RELATIONS WORLDWIDE

No doubt about it: Social media from blogs to podcasts, Twitter to Facebook, Digg to del.icio.us and beyond have changed not only how PR professionals engage client audiences, but also how they work with each other and communicate daily with each other and those same clients. Yet a number of firms remain cautious about jumping into the digital fray—and others, while impressed with the possibilities, remain unsure as to how new tools translate to programs, campaigns and results clients will pay for.

So where do PR agency execs and account coordinators alike turn for clarity on social media? What are the first steps you can take to tap the possibilities? What are the do's and don'ts of engaging Twitter and similar tools in your day-to-day work?

For the answer, we checked in with social media guru John Bell, who heads up the global 360° Digital Influence team at Ogilvy Public Relations Worldwide. He suggested PR agencies and practitioners start by gauging their social media needs preparedness. Specifically, he advised taking Ogilvy's online quiz dubbed "Your Social Media Score." "It's a useful, tongue-in-cheek tool to figure out where you are in all this," he said. In addition, he offered links to the firm's "Twitter Best Practices" and "Twitter Pitch" guidelines. Not content with links, we pressed with further questions. His answers, tips and social media lessons:

Is Twitter a potential time suck—how can a PR person manage that?

It might be. But the benefits outweigh the time suck. The 140 character limit ends up filling all those gaps we have in the day in terms of spare time to absorb new information. In one way, you can see that as efficient. But you could also see it as mind-numbing density. I often wonder what happened to those moments when you'd stare into space and have a good idea—but it's actually more engaging than annoying.

Does that depend on generational preferences and abilities?

I think it caters to behaviors we associate with a "digital native," which would be your younger demographic. But I'm not that young. I won't tell you how old I am, because I have issues. I am a "digital immigrant" by age, and I find these tools helpful and not intrusive at all. So, Twitter caters to my natural ADD tendencies. While I don't have ADD, I do have a dynamic of wanting to do several things at once.

How can agencies manage Twitter usage in terms of productivity?

It makes you more productive—not less. That's the point here. My team is in the digital practice, so we don't try to manage it all. That flies in the face of what we're all about—and it's actually not what social media is about, either. Put simply, people find a purpose for these tools in their work lives. Some of it is clear and short term, and some of it's more about long-term relationship building without a payoff for months. So, I wouldn't recommend agencies limit this. I instead recommend getting your people trained to use it more effectively.

Do you check it (Twitter) all day?

It's built into my interfaces, from feed readers to my Blackberry. I'm also a proud new owner of a new squishy device at home—my Chumby—that I call Puff Vlade. It's by my bed stand and I'm looking at my Twitter feed regularly on it. It's compelling and insidious at the same time.

How do you advise others get into using Twitter (at work and otherwise)?

Start with listening. Go to Tweet Scan. Put in your client's name or brand and you'll be surprised at what you see. People are talking about you. So start there. The next step is to jump in and to start to build followers and follow people who are of interest to you. We are using Twitter to:

- Stay in touch with our peers and colleagues.
- Ask questions of the crowd. For example, I might ask my followers if they have an example of a financial institution using social media well today. Within minutes, I have responses. It is real knowledge sharing and it only takes a few minutes. Another way to look at is as an immediate focus group if you have 460 followers.
- Coordinate events and conferences. It's also great for planning and executing around an event. For example, if we go to a social media conference, we're actually communicating in a back channel via Twitter. We facilitated video blogging for client Lenovo during the Olympics. Our Twitter handle was "Lenovo 2008." Anyone on our team or extended family of coordinators was sharing during that to pull it off. We also created a "hash tag" that collected them all. We used that as a communications channel during the live event. So, this can be very helpful during live events. We have also gone to conferences where there are simultaneous sessions. We can Twitter and draw staff from the less interesting sessions to the more compelling ones.

How are clients and companies using it in campaigns?

My overall tip to your readers is to look at how others in your client's markets are using it. That said, Dell Outlets uses it well to communicate special events. Wachovia now has a Twitter feed where they're listening to customers and answering questions from customers. They are clearly looking for their mentions and responding to when people comment on their service. They're saying outright that this is new and important, and they

want to be of help. Dell, again, is alerting customers to special deals on Twitter. JetBlue is talking about service issues and problems on Twitter. The CEO of Zappos has a feed. It's an open dialog and he's responding to people. The PBS Engage Team is on Twitter more or less telling people about the neat stuff they're doing in a conversational way so it's not seen as messaging. Comcast Cares is another example of a company using Twitter for customer service purposes.

The point is that people are finding very interesting and legitimate uses of Twitter to push business agendas forward. We will see the measurable impact of these efforts over time—but suffice it to say that this isn't a bunch of goofballs taking their dogs for walks and putting that up on Twitter.

How is your agency using Twitter as a media relations tool?

In terms of traditional media relations—like pitching the press via Twitter—the most prolific Twitter using group at our agency is probably our tech practice. No wonder. Tech journalists adopted micro-blogging as a behavior and it's easy to follow them that way.

Stowe Boyd, a consultant who is routinely pitched by tech companies to talk about their Web 2.0 products, put a stake in the ground saying he just wanted Twitter pitches—not emails. He called it the "twitpitch." He's posted instructions for twitpitching. The PR community hasn't yet embraced that hook, line and sinker—but there's a lesson and opportunity there, especially for agencies in the technology space.

Beyond that, my team doesn't really "pitch." Instead, we're more about engagement. We'll find out who is prolific talking about a brand on Twitter and see if there's some way we might be of use—engaging them, not pitching. That's the true utility of social media.

So how is your agency using Twitter as a client relations tool?

That's interesting. We have many clients who are on Twitter, mostly because my group is focused on the digital practice. It's helped us build closer relationships with those clients. For example, David Churbuck with Lenovo is a prolific blogger, Twitter user and social network guy who walks the walk. For us to connect with him on Twitter is routine. We don't think of it as a client relations tool. It's natural.

It's probably not used across other PR practice areas this way. While that may change with time, I don't think Twitter is the first common social media behavior I expect to see erupting out of agencies in the future.

If not Twitter as the social media tool for agencies—then what?

A great start would be if everyone would just adopt an RSS feed reader on their desktop with 150 feeds relevant to them and their clients. It would institutionalize a listening behavior in PR pros that's fundamental to the rest of this. We've been talking about this "new media" for years—but now we have to get granular and RSS feeds can push it there.

How should an agency NOT use Twitter?

Don't use it to broadcast messages. You really have to buy into the whole conversation thing. I would say, you should also be thoughtful about using "Direct Tweets." They can be seen as intrusive. Overall, the examples of things that haven't worked well have been people who haven't bought into the idea of maintaining conversations. For example, Baskin Robbins started a Twitter feed that died out.

Another tip is that you have to have critical mass on this to get buy in. Get clients to use it internally and among themselves first. A handful of people need to be involved on the client side or it won't happen. Other social media basics:

- Don't pretend to be someone you're not.
- Don't Tweet anything about your client, coworkers or friends that you don't want them to see, because they will.
- Don't use Twitter to communicate your mundane tasks in life.
- Don't use it to push messaging. I say it again because it's that important.
- Don't be afraid to get into it. People are afraid of their privacy being hacked, and so on. But that stuff doesn't happen as much as you might think.

What's next—what other social media tools should agencies watch?

That's a great question. Obviously, everybody's attention over the next few days will be on Google Chrome. We are also going to see more tools that allow us to aggregate our social grasp. Friendfeed kind of does that. But there will be more tools that allow each of us to collect our presence on different platforms, from Twitter to social networks and blogs.

That will help us manage this centrally. That's got to happen. Social media is a fire hose of information and behaviors that you can't keep up with. Others have called this the "Attention Economy." With all this abundance, there are two things that will remain scarce: time and our attention. Anything that can help us remain connected with the least friction will rise to the surface and make these things easier to manage.

When Twitter first came out, it was dismissed as a trivial tool, but has proved itself more interesting and valuable over time. That's happened again and again in social media. So pay attention to the next thing you want to laugh at. Explore, listen and keep an open mind. **FV**

Brian Pittman

FIRMVOICE
AUG 6, 2008

Helping Clients Communicate with Customers in a Consumer-Driven World

PETE BLACKSHAW

One day in 2006, a man named Vincent Ferrari had a disturbing, argumentative telephone conversation with an AOL sales rep. Ferrari recorded it and posted it on YouTube. More than 62,827 viewings later, AOL's reputation was irretrievably damaged. Pete Blackshaw, executive vice president of Nielsen Online digital Strategic Services in Covington, KY, argues that in today's age of instantaneous consumer-generated media, customers can now inalterably influence marketing communications.

Blackshaw's new book, "Satisfied Customers Tell Three Friends, Angry Customers Tell 3,000: Running a Business in Today's Consumer-Driven World," discusses the impact of consumers' new freedom to blow off steam about bad service or deficient products. Consumer generated media, he argues, is a force that businesses in general and PR practitioners specifically need to reckon with seriously. Since consumers trust other consumers above companies or brands, a company's success depends on its credibility and its ability to gain the trust and support of Web-savvy, outspoken and influential customers. In the book, using tales of mass consumer advocacy and the power of bloggers and ordinary Joes with an Internet connection, Blackshaw advises executives on how to build credibility into their businesses through blogs, Web sites and video postings. We grabbed Blackshaw to get his take on the role of PR professionals in harnessing—or at least responding to—this new consumer power.

Social media have been around for several years now. How well do companies understand their potential impact on sales and reputation?

The fastest growing media is that which consumers create and share among themselves. It's TIVO-resistant and presents long-lasting sources of influence. Increasingly, companies are recognizing that this is a very big deal. Many learn the hard way, as bad customer experiences, amplified online, can both impact sales and erode brand reputation.

Thanks to the proliferation of word of mouth and consumer-generated media (www.clickz.com/experts/brand/cmo/article.php/3515576 (CGM)), we are becoming a consumer-controlled surveillance culture. There's no question consumers aggressively monitor marketers and brands. They take notes, share them with others, and increase leverage by gathering, "remixing (www.clickz.com/experts/brand/emkt_strat/article.php/3574721), and pooling brand intelligence." For many marketers, this reverse-surveillance is a humbling, destabilizing, and sobering reality.

In which online venues or channels are consumers having the greatest impact on businesses?

The venues continue to expand, so the answer will always change. That said, the most venues with impact are the ones with the greatest potential to unleash a "network effect." Blogs also have great impact because of the way other bloggers or consumers link or subscribe to them. Blogs also index extraordinarily well in search results, which in turn increases exposure and "media impressions" against the commentary.

Consumer-generated multi-media, or what I sometimes refer to as CGM2, also has high impact, and we see this repeatedly with high-impact, often high-exposure YouTube videos. As I outline several times in my book, video makes for very compelling viral content. And because video allows the consumer to document good or bad news with a much higher order of persuasion, it can have a huge impact.

How well do companies respond to online attacks on them by consumers?

Companies are in the very early stages of figuring this out, and PR professionals can play a huge role in providing a responsible, consumer-centered roadmap. This is more art than science, but there are many steps brands can take to both insulate and protect themselves both before and after an attack. In the book, for example, I talk extensively about the largely untapped potential of the brand Website as a first line of defense. Most brand Websites remained impenetrably inflexible, and lack the agility and flexibility to address issues in real time. When in double, consumer and other key influencers - even Wikipedia editors for that matter - will default to the brand Website for guidance and perspective. In many cases, they are left totally disappointed. Search engines either don't exist or fire back blanks on really obvious queries, and getting answers on the most basic of questions can be painfully frustrating. Blogs and social media clearly help, but they can't be too divorced from the core Web infrastructure.

I also encourage companies to really get a handle on their key advocates or enthusiasts. When in trouble, these individuals can quickly become a brand's best defender. The key is to develop processes and profiling approaches that help you identify and segment your best advocates. This is a big focus for me right now at Nielsen.

What are the biggest mistakes companies make when they try to take part in the online conversation about their products or practices?

Companies have limited patience, and they sometimes want results too fast. Inevitably, they get sloppy, and sloppiness leads to embarrassment - public embarrassment. Too many brands want to 'change or influence" the conversation overnight, and it just doesn't work like that. The most important message I dial home in my book is the importance of first establishing credibility. If you stumble into someone else's conversation sans credibility, you are just asking for public humiliation.

Get smart first. Focus on listening first.

What role should public relations be playing in these online conversations with consumers?

I work with PR firms all the time, and I see a range of activity. In some cases, I've seen PR firms architect the entire brand social media strategy, in other cases I've seen them play a key role in supporting and executing against an already agreed upon plan.

Here's how I think about it. Historically, PR has been all about managing 'influencers,' and that typically included media, government, celebrities, and "credentialed' experts. Now we have consumer-influencers entering the scene, with more leverage and control than ever before, and it makes logical sense for PR to simply expand it's net to accommodate those influencers. But along the way, I think, PR will need to redefine its role and essence into something fundamentally broader, as social media is softening corporate and agency silos in a very big way. Traditional ad agencies and digital firms are as equally eager to manage these new "influencers" as they see them as a de facto advertising channel.

Also, to really do this right, I think PR firms are going to have to get much smarter and savvier about the root causes of what drivers buzz and conversation - particularly customer service - and develop practices to help clients get key operations nailed at the source. I worry that too many PR firms are looking for that "viral hit" when they should be trying to figure out how to REALLY fix the issue that consistently drives the most negative buzz for bands: service. I acknowledge this is difficult, because the incentives are not always aligned to nurture that level of long term thinking.

Should companies be merely reactive to conversations that occur, or should they be proactive about stirring up conversations?

There's an acceptable zone of being practice, and I suggest some order of conservatism in the early stages. Build better Web sites than can "sense and respond" to key issues as they come up. Test social media tools like blogs or online communities in the brand's backyard. Perhaps open a twitter account and get some learning with real-time customer support or dialogue. Things like that.

Words like "stirring up" conversations make me nervous. Inevitably, brands get back buzz for stirring up the pot too much. You are far better off having smart strategies to get "new news" to your opt-in key influencers.

What role can a corporate blog play in moderating the online conversation about a company?

If executed properly, blogs can play a great role, and I outline over a dozen great examples in the book, from Patagonia to Sun Microsystems. I don't want to overstate the value of blogs as a "solve all" panacea, but they do help large and small companies establish a meaningful beachhead into a whole new way of thinking about how to interact with consumers, customers, or users.

How will consumer-generated conversations change the way we do business in the future?

It's already changing the way we do business. Companies may not admit this overtly, but I don't think there's a CEO on the planet that doesn't lose some level of sleep over the prospect of bad news hitting search results, or YouTube, or even Wikipedia. All of this is creating an entirely new accountability standard, and yes, it absolutely will change the way companies do business. I predict, for instance, that listening processes will become a powerful new source of competitive advantage for companies. Companies need better radar, and without radar to detect the conversational blips on the map, and the direction in which they are headed, you just can't fly the company plane. We're now in an environment where the "blips" are everywhere - and in hundreds of forms: text, audio, video, instant message, and more.

How should corporate communicators prepare for this future?

Honestly, I think the PR industry needs a fundamentally new strategy. Your industry has a much bigger role to play, and because you historically have been externally focused, you are in a unique role to create new value for clients. That strategy needs to take a much more thoughtful view of what really drives word-of-mouth and conversation - well beyond the sex and sizzle of one-trick pony social media quick hits— and I think you need to be a strong voice of reason and temperance about what works and what doesn't.

I also predict that "service" truly is the next major phase of marketing, and the PR industry needs to ask whether it sees a bigger role in that strategic matrix for brands. I'm working extensively with consumer affairs and customer service professionals, and they clearly recognized that that "this is their moment" to assume new leadership, and expand the scope of their long-neglected function. PR should be thinking the same way, but they may need to become much more "operation-focused." PR firms need to be able to calculate or forecast the impact of brand reputation — or level of positive or negative consumer-generated media - from key investments in customer service, employee training, and beyond. Again, what my book is driving home - quite emphatically - is that buzz and conversation, and ultimately brand reputation, emanates most from credible business processes. PR should know every "talk driver" inside and out.

That's a tall order, but an exciting one. **FV**

FIRMVOICE
JULY 23, 2008

Websites that Woo and Wow:
Secrets of a Powerful PR Agency Site That Attracts New Clients

DAMIAN RINTELMANN
DIRECTOR OF WEB OPERATIONS
MS&L DIGITAL

LESLIE GAINES-ROSS
CHIEF REPUTATION STRATEGIST
WEBER SHANDWICKA

CICI GORDEN
VICE PRESIDENT
CONE

MINDY RUBINSTEIN
PARTNER
CORPORATE COMMUNICATIONS
KETCHUM

CHAD LATZ
SENIOR VICE PRESIDENT & GROUP DIRECTOR
KETCHUM INTERACTIVE

PR firms are increasingly called upon to develop superior website strategies for their clients, but when it comes to the agency's own site, the same level of care and attention may not have been applied. So how can your firm overcome this predisposition and create a sticky website that attracts — and keeps — prospects?

What's more: What are the elements of an outstanding PR agency site? Which optimization tools and techniques do the best agencies use? What do clients look for when they visit your site — from case studies and client lists, to specialty areas, agency marketing philosophies, leadership profiles and more? We interviewed several agency executives for the answers while viewing and studying their sites. Here are their secrets of building websites that woo and wow prospects without fail:

Web-savvy PR firms use their sites to inform prospective clients, existing clients and prospective employees about their agency. Fore example, Damian Rintelmann, director of web operations at MS&L Digital of Ann Arbor, MI, says his firm relaunched its site in March to improve its presence while simultaneously targeting potential clients and prospective employees (click here for the site's "Join Us" website section). And, when visiting the site, prospects "Look to see if we have industry thought leaders in different areas of expertise — so we've highlighted that, too," he says.

Similarly, Leslie Gaines-Ross, chief reputation strategist for Weber Shandwick, New York City — who was involved in the design structure of her firm's site—says it introduces prospective clients and employees to the firm's mission. It's also targeted to the media, students seeking internships and executives wanting to know more about PR, the firm and its partners, such as IPG, of which Weber Shandwick is a part and with whom it does a lot of collaborative work. "Visitors look to see if we are global. They want to know the markets we serve, they want to know our specialties and practice groups, our leadership, management, awards we have won, what we are doing lately, and how we serve our clients," she adds.

Cici Gorden, vice president of Boston-based Cone Public Relations, says her firm's site is for prospective and existing clients alike. It's also geared toward potential employees. In addition, "We can track which pages get the highest views and our career opportunities is the highest," she says, underscoring the benefits of web analytics.

"A lot of prospective clients start making a list of agencies by searching for one online, or they will have heard someone from Cone speak at a conference," Gorden continues. "They'll go online to see if Cone provides the services in the areas they need. They also look for research and case studies," she says, exhorting other agencies to add these features to their sites.

Mindy Rubinstein, partner, corporate communications, at New York City-based Ketchum, says the firm's site is designed "to help visitors get a sense of the personality of the agency and the people who work at it. Most people are looking for the agency's expertise, whether the agency has done work in a specific category, or whether the agency has been recognized and for what.

Your homepage: the online gateway to your firm

MS&L's homepage describes the agency and its expertise, including practice groups. A key element is that it leads to thought leadership pages to let visitors view the agency's thoughts on issues within the industries in which the agency has expertise. The homepage displays news about the agency, as well.

One of the most striking elements on Weber Shandwick's home page is the agency's research and thought leadership platform called "Advocacy Starts Here." In addition to news highlights, awards and current events, the homepage offers a blurb on the meaning of advocacy, rotating photos of people as a visual representation of the power of advocacy, a description of *pro bono* and volunteer work, and career and internship pages, which discuss what it's like to work at the agency.

Cone's homepage is a flash homepage featuring changing visuals and verbiage that present a fun entrance to the agency's site and to make it more eye-catching (i.e., less text heavy). It also offers easy navigation to allow the visitor to go directly to their area of interest. "We have this overall rubber-band theme going on throughout the site to symbolize bringing things together, that we can stretch and grow, and that we can provide solutions to clients," says Gorden. "So when you look at the crisis prevention image, it is a pair of broken glasses held together by a rubber band. Brand marketing is an image of a toy rubber-band-powered balsa wood airplane to symbolize the ability to move forward," Gorden shares, underscoring the power of consistent brand imagery and user-friendly icons on an agency website.

Ketchum's homepage has been designed for simple navigation. It uses one-word descriptions to simplify things for the user. There is also a prominent interactive, rotating graphic that highlights site features and information for key audiences. A redesigned expertise section and thought leadership section is also highlighted. These networking graphics, Rubinstein says, can change at any time based on what is going on at the agency. And, at the bottom right, there is always a case study that features the agency's work, clients and perspectives.

Optimizing for search

A key element to all powerful PR firm sites is the degree to which a site is optimized for search. Rintelmann says MS&L's site is heavily optimized using the Plone content management

system. "Plone helps us take all of the content and structure it so search engines can search the site for relevant content. We also use keywords that clients and people in the industry and media will search for, such as 'experts.' 'insight' and 'ideas.' We also use key terms that help establish the site as a leader, such as a multi-log. This is a belief we have regarding conversations that take place online. We feel conversations take place simultaneously in different locales and we want our clients to take part in these conversations," he adds.

Optimization on Weber Shandwick's site focuses on press releases that are optimized for search engines, and content is regularly updated on multiple pages, providing links.

Gorden says Cone optimizes key search words and focuses on cause-branding and research. Cause-branding, she explains, is "aligning a company with social issues and corporate social responsibility."

At Ketchum, not only does the firm optimize its site for search, but it also offers search strategies as a service to clients, according to Chad Latz, senior vice president and group director of New York City-based Ketchum Interactive.

"We are fans of organic search, which involves structuring the content of a site in a way that aligns it with the way people search for content online," Latz explains.

"To address organic search, we make sure that we have the appropriate key words and Meta data. We encourage visitors to think of search as part of the content strategy. This is done by thinking of what information visitors may be interested in and making sure that content and Meta data is included in the page structures," Latz adds.

If you're new key word optimization and are curious about what types of keywords agencies in similar markets are using, simply go to any agency website, click on the "view" pulldown and select "source." Scroll through the code copy for "meta" tags, which will be followed by keywords.

Case studies help bring in business

Case studies on PR firm sites are very important, according to all the sources we interviewed. Rintelmann, Gaines-Ross, Gorden and Rubinstein all say case studies show the type of work an agency has done in specific practice areas of expertise. This feature also showcases the agency's staff, and their expertise and strategy for a specific type of client. In fact, all our sources agree that case studies, fields of expertise, testimonials and management listed on a firm's site showcases the firm, practice groups, specialties and excellent client service to other existing clients as well as to potential clients seeking an agency for long-term work or for a specific assignment — to such an extent that these key areas have essentially become de facto elements of any effective agency website.

While a PR firm's site is another tool by which a firm can inform, educate and attract new employees and clients, measuring its success varies from agency to agency. For example, MS&L, Rintelmann says, used an analytics program to monitor and measure clicks and unique visitors. "It also helps us to understand how content is performing," he adds, with a clear takeaway that content, sections, features and even design elements can be adjusted and restrategized accordingly.

Weber Shandwick, Gaines-Ross shares, uses HitBox, a monitoring program that tracks all of the pages on the company's site and generates reports on a monthly basis.

According to Gorden, Cone "looks at site usage, tracks it and links it to new clients. We then ask our clients if they have been to our site and whether it was a determining factor in choosing our agency." **FV**

David S. Chartock

FIRMVOICE
MAY 14, 2008

How Is Social Media Changing Your Practice?

JERRY JOHNSON
EXECUTIVE VICE PRESIDENT, STRATEGIC PLANNING
BRODEUR WORLDWIDE

BEN BILLINGSLEY
VICE PRESIDENT
HORN GROUP

GUR TSABAR
VICE PRESIDENT
KETCHUM'S INTERACTIVE STRATEGY GROUP

GERALD SCHWARTZ
PRESIDENT
G.S. SCHWARTZ & CO

JUD BRANAM
MANAGING DIRECTOR
MS&L DIGITAL

KATHY OBERT
CHAIRMAN & CEO
EDWARD HOWARD

Every agency knows it's true: PR campaigns seeking to build brand and communicate with key client publics can no longer overlook new social media tools and channels. Put simply, there is a conversation going on right now about your client online—and chances are that you will need to be a part of it (or at least, aware of it) if your next product launch, program or messaging platform is to be successful.

But, how interested are clients *really* in social media, and what are they demanding in the way of social media PR efforts? In response, how are traditional agencies making the leap from social media neophytes to digerati elite? How can you ensure that your team is skilled in using new media tools ranging from blogs and podcasts to social networks, twitter, forums, virtual worlds and beyond? Read on for a review of how other PR firms are rising to the challenge of social media—so you can retain clients and impress prospects seeking to build brand and buzz online. How interested are your clients and prospects in your firm's web 2.0/social media capabilities? According to this issue's Quick Hit survey, social media capabilities are either extremely or moderately important to 83% of clients. When this same question was asked about a year ago, that percentage was 78%.

To What Extent Are Clients Demanding Social Media PR?

Agency leaders almost universally report that most of their clients are interested in exploring social media to some degree.

At Boston-based **Brodeur Worldwide** (www.brodeur.com), **Jerry Johnson**, executive vice president, strategic planning estimates that some 75 percent of the agency's clients are now asking about new PR technologies. But, he adds, "they are struggling to understand how to maximize their investment in social media."

Likewise, **Bonin Bough**, executive vice president for Screengrab, New York City-based **Weber Shandwick's** (www.webershandwick.com) digital and emerging media practice, reports that "about 70 percent of our clients are asking about social media," such as YouTube, FaceBook, blogs and word-of-mouth approaches.

Both **Ben Billingsley**, vice president of San Francisco-based **Horn Group** (www.horngroup.com) and **Gur Tsabar**, vice president of New York City-based **Ketchum's** Interactive Strategy Group (www.ketchum.com), report that nearly all of their clients are asking about social media PR.

Gerald Schwartz, president of New York City-based **G.S. Schwartz & Co.** (www.schwartz.com) notes that client inquiries about social media have been increasing steadily by 20 percent over the past two years.

The reasons for clients' interest vary. Billingsley believes it's because clients are interested in building communities with customers and prospects and see FaceBook applications and video through channels such as YouTube as ways to connect with end users. Tsabar says clients are asking about social media because they now "recognize there is a vibrant, robust world online. The second reason is economic – it is a cost-effective way to reach people on a very personalized basis."

Jud Branam, managing director of MS&L Digital in Ann Arbor, MI, part of New York City-based **Manning Selvage & Lee** (www.mslpr.com) recently constructed a branded social network for Saturn so the automaker could take blogging and conversations about their products to the next level. The site (www.imsaturn.com) was established as an enthusiasts' site and consists of blogging, member content, the ability to upload photos and videos, and it has a tie-in to the TV show, "Project Runway," that Saturn sponsors.

Are You Using the Right Social Media Tools?

Obviously when it comes to social media, one size does not fit everyone, observes **Kathy Obert,** chairman and CEO of Cleveland, OH-based **Edward Howard** (www.edward-howard.com). Agencies need to help clients choose the right vehicles based on their needs and resources, she adds.

Blogs, Schwartz says, are the most common social media tool "because they are a fast and inexpensive way to get communications going without filters by editors and reporters, such as on the evening news."

In addition to blogs, **Joel Richman**, director of social media for Andover, MA-based **PAN Communications** (www.pan-communications.com), says his agency is using FaceBook, LinkedIn, AIM and Yahoo messenger.

Branam adds that MS&L uses blogs to for new media outreach programs, YouTube for video outreach and FaceBook and MySpace to build awareness of clients' products and for product loyalty programs.

Brodeur is advising its clients to use podcasts for client-generated content and websites that allow them to build their own FaceBook-like sites, Johnson points out.

The Horn Group, Billingsley notes, uses RSS readers, del.icio.us and DIGG as social bookmark tools, and FaceBook and LinkedIn internally to make contact with reporters and to pool its networks.

Despite the burgeoning use of social media tools, some are less popular. Richman says twitter and wikis are rarely used because clients don't have an interest in them. In addition, Billingslley, Schwarz and Johnson agree that Second Life is not used much because it has simply not been proven.

JOEL RICHMAN
DIRECTOR OF SOCIAL MEDIA
PAN COMMUNICATIONS

Schwartz also believes YouTube "is not that effective a tool, because the target audience is broad. It ranges from children to adults." In addition, "with YouTube, you're going to put up a video that requires more work to be compelling and may have copyright issues attached to it."

No Future without Social Media

Bough says social media is critical to the survival of PR firms "because PR is one of the biggest forms of communications for brands." Citing a Forrester Research study on the Top 20 Brands, he notes that "nearly 25 percent of all impact on brands on the Internet is user generated."

"All media is becoming social," Billingsley adds. "Ultimately, the practice of public relations won't change all that much. We are still going to be in the business of influencing decisions, but the tools and the language are changing," he says.

Branam believes that the knowledge and use of social media "will become core skills for every PR practitioner" and that agencies need to take steps now to train their employees.

Brodeur, Johnson adds, holds one-hour professional development sessions twice a month. Their most recent was on podcast technology.

Edward Howard, according to Obert, provides weekly training using "a team that makes a presentation every Tuesday on the newest social media tools and which social media tools work and which ones don't work." Training at Weber Shandwick is more structured through Screengrab University, which, Bough says, consists of in-person classes that discuss social media sites and tools.

The Horn Group, Billingsley says, holds social media boot camps at each of its offices, as well as periodic professional development sessions and, recently, a social media webinar which was open to employees, clients, prospective clients and the community at large, he adds. Employee training for social media is done using internal blogs, podcasts, video logs, and social networks at Ketchum, Tsabar notes.

While the steps to train employees on social media varies from agency to agency, Tsabar says the first step at Ketchum is teach employees how to open a FaceBook account and what to do once you are on it. This was done by setting up an RSS reader for every employee to monitor their news. Then, he says, Ketchum also has its employees write individual blog posts on the agency's internal blogs so they can experience what it is like to be a blogger. They also received detailed knowledge of the Wikipedia community by being "walked through" the fundamentals of a Wikipedia page.

Next, employees will be taught how to harness the power of social networks. "We are starting to set up training on LinkedIn and Facebook. The training will focus on how we will use it as an internal tool, the details of which are being worked out now," Tsabar adds. **FV**

David S. Chartock

FIRMVOICE
APRIL 23, 2008

Go Digital or Go Home — Why Your Firm Should Start a Digital Division

JOHN BELL
MANAGING DIRECTOR
OGILVY PUBLIC RELATIONS WORLDWIDE

JUD BRANAM
DIRECTOR OF MS&L DIGITAL
MANNING SELVAGE & LEE

TIM OLIVER
PRESIDENT
MORGAN & MYERS

"The best reason to start a digital group is to stay in business."

That is the opinion of John Bell, managing director and executive creative director at Ogilvy Public Relations Worldwide (www.ogilvypr.com) in the Washington, D.C. office of the New York-based firm.

And he's not alone in that opinion.

According to a recent Council survey of its members, 60% of participating firms currently have a dedicated digital group, up from 49% a year ago. Further, 78% of participating firms claimed that their clients are either "extremely or moderately interested" in their digital/web 2.0 capabilities."

There's no doubt that Web 2.0 tools and technologies are creating disruptive change in the PR business. Practitioners are clamoring to bring themselves up to speed on how these new technologies work . . . and they're just as anxious to find out how they can be applied cost-effectively. Into this breach have stepped many PR firms, large and small, who have created digital PR divisions designed to exploit the hot demand for PR based in search optimized marketing, corporate blogs, corporate video, social media, word of mouth and other interactive modalities.

Should your firm consider creating a separate digital PR company or division or even just a digital team? What are the opportunities? What are the risks and costs? If you decide not to create a digital group of some sort, how can you keep pace with client demand for PR 2.0 services?

More from Bell: "Public relations has been, is and will continue to go digital – changing how we serve clients and accomplish our mission. PR firms must have the expertise native to their organization. They can not 'farm it out.'"

A digital group, adds Jud Branam, director of MS&L Digital of the Ann Arbor, MI office of New York City-based Manning Selvage & Lee (www.mslpr.com), allows an agency to offer integrated services, keep up with changing trends and offers the ability to offer a comprehensive array of client services.

"Plus, it is a revenue producer. We were a standalone company (Hass Associates) 10 years ago that was built on a vision that the Web and interactive technologies will transform the PR business and that has been accurate," Branam observes.

Similar to MS&L, Morgan & Myers, Inc. (www.morganyers.com) of Waukesha, WI, acquired, in 2000, the assets of a firm "that had more digital experience than we did," explains Tim Oliver, president of Morgan & Myers.

According to Bell, there are three types of digital groups. "The simplest digital group is the digital media relations team. This is what a lot of small social media shops, especially on the West Coast, have created. They really understand how traditional media is changing to embrace a wider swathe of influencers and are good at getting coverage in this way. The second more involved type includes what I will call digital strategists. These are the folks that bridge business communications consulting with deep, hands-on digital experience. They know what is possible. They also know how to build a variety of communications and marketing solutions for clients. The third type and most involved digital group marries the digital strategy team with a Web 2.0 design and build team," he explains.

These experts say that if you don't have a digital group yet, you need to take the following steps first:

- Create an executive mandate within your agency.
- Seek out and hire those immersed in digital or identify digital savvy employees that are currently part of your team.
- If you are looking to start a digital group now, you may be late to the game and may therefore want to consider outsourcing Web development, programming and online measurement.
- Develop a digital strategy and the services you want to provide to clients.
- Structurally integrate the group into your firm. This allows you to involve your digital team as early as possible with each client. In other words, make it a core proactive within your agency with a practice group leader.

"Properly integrated, your digital people can participate in download sessions with clients, account people and be the door opener for your digital expansion efforts (providing) good cross-pollination of ideas, while keeping budget battles to a minimum," Oliver observes.

Oliver, Branam and Bell all agree that all clients can benefit from your digital group, noting that all of your clients already have a digital presence.

To effectively compete against existing digital groups, Oliver, Branam and Bell say you must hire or have the digital talent first, you must educate all of your employees about the potential of digital, and you must be innovative and begin to build your digital practice with primary services.

Oliver says it is also important to demystify and simplify the digital process and offer a Web metric they may not have considered.

Branam adds that since digital allows you to be targeted, "focus on your message, and have tremendous reach and visibility on the search engines, (and if you do) clients will seek you out online."

What does it cost to start a digital group? Bell says there are two answers. The first is that it is negligible to the cost of going out of business. The other is you need to plan for hiring seasoned, well-paid and sought after digital experts. "There are no shortcuts," he notes.

Branam adds that the biggest cost is salaries. "Salaries for (digital experts) are escalating faster than those for PR account directors, account executives, senior account executives and vice presidents."

In addition to salaries, Bell says one of the many changes that digital PR groups will bring to the PR industry is a new enthusiasm and expertise in a culture of conversation. This will enhance and even change the culture of messaging that is both the foundation of PR and marketing.

"Digital teams have an added ability to form direct relationships between themselves, their clients and their publics," Bell says.

"The other big change," Bell adds, "will be around digital measurement. Because it is digital, it can be measured. That by itself is a curse as much as a blessing. We are going through a phase now where we are inundated with data points. The next step will be a common valuation for public outreach or word-of-mouth marketing."

Branam believes that digital is changing the way PR is practiced by moving away from traditional media and into the merging media spaces. And, as it becomes more interactive and multimedia, Web metrics will move toward more direct ROI-based results by measuring traffic, Web sign-ins and e-commerce. "We are moving more toward a more measurable period in PR because of digital," he maintains.

The biggest change for PR in a digital world is the evolution of social networks and their power to build trust or take it away with a single post, Oliver adds. "Measurement is more dynamic and qualitative. Success is now measured by share of discussion in a word-of-mouth world where transparency and storytelling rule 24/7," Oliver points out.

Continuing, Oliver says had it not been for the acquisition of the assets of a firm with more digital experience than his firm had, "we'd be obsolete without a working knowledge of the technology."

Will you? **FV**

David S. Chartock

FIRMVOICE
APRIL 23, 2008

Five Tips to Presidential Candidates on Using the Internet (And They Also Apply to CEOs!)

By Kenneth D. Makovsky, President, Makovsky + Company

Nearly half a century ago, television transformed the presidential election. Our current national election is also undergoing a radical reshaping … as a direct result of the rise of the new social media.

Senator John Kennedy of Massachusetts joined Vice President Richard Nixon for the first-ever televised presidential debate in 1960. People who listened on the radio believed that Nixon won the debate; television viewers credited Kennedy with the win. It was the dramatic visual contrast between the two that made all the difference. On TV, Nixon looked pale, sweaty and uncomfortable; Kennedy was young, polished and confident. It was his television persona that may have cost Nixon the White House.

There are three important lessons to learn here: image matters; the medium is a factor in crafting the image; and the media evolve.

More than 75 million U.S. viewers tuned in to watch that first Kennedy-Nixon debate; and in 2004, 75 million Americans used the internet to participate in the political process, according to the Pew Internet & American Life Project.[1] In the intervening four years, the numbers have nearly doubled. In 2008, one in four Americans (24%) said they regularly learned something about the latest presidential campaign from the internet, up from 13 percent in 2004.[2]

(Last year, the Council hosted a client advisory committee meeting, and this topic was front and center. There were some interesting opinions and predictions made by a couple of campaign strategists. Click here to read, or click here to listen to podcast.)

For politicians, the social media represent a potential political juggernaut that comes with substantial risks, as well as rewards. Here are five tips for candidates about how to adapt to this new world order.

1. Beware of the "gotcha": There are no more out-of-town runs to test speeches and make mistakes; everyone's a reporter today. If there's any kind of problem, you can count on some citizen journalist with a digital camera, cell phone or PDA to share your gaffe with the world within a matter of minutes.

2. Don't pander: If you promise one thing in one location and something different somewhere else, you will be found out. Candidates who change their personae or promises in different markets may find themselves ridiculed in video mash-ups that expose their contradictory statements.

3. Understand the medium: The social media abhor conventional marketing. They rely on word-of-mouth endorsements from independent third-parties. You can't treat them as you would the traditional media, with a mass mailing of press releases and video B-roll.

4. Look for new opportunities to dialogue: For example, as a public service, YouTube offers a YouChoose channel as a place for candidates to showcase their speeches, television interviews and ads. Viewers interested in the grittier — often embarrassing — actuality will gravitate to opposition websites or YouChoose's sister site, YouTube.

5. Tone down the nastiness: In this election, your words can come back to haunt you, as a Clinton campaign volunteer in Iowa recently discovered when she made the mistake of emailing a vicious smear that targeted Obama.[3] This kind of tactic could well have boomeranged on Clinton, tarnishing her image. The email was swiftly denounced by Clinton campaign manager Patti Solis Doyle and the volunteer was asked to leave.

The new rules of engagement for a presidential candidate also apply to the CEO. Be aware of your vulnerabilities. Be consistent in your communications. Know your stakeholders and where they get their information. Keep looking for new ways to connect and communicate. And do the right thing … always.

A few years back, former California Governor (and current candidate for California Attorney General) Jerry Brown wrote, "Bloggers are a force. The established order of politics (EOP) and the MSM [mainstream media] face a big challenge from this fearless army."[4]

I couldn't agree more.

About 70% of Americans — nearly 211 million people — use the internet.[5] An estimated one in four of them reads blogs[6]… of which there are now nearly 113 million.[7] There are also over 250 million pieces of tagged social media.[8] Just one social network — LinkedIn, a virtual gathering place for more than 20 million experienced professionals — grew an astonishing 260 percent between 2006 and 2007.[9]

The social media are not a passing fad … for politicians or corporate CEOs. Increasingly, they matter to their stakeholders. Thus, social media are critical to their career, if they care about their credibility, their reputation and their future. **FV**

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1 http://www.pewinternet.org/PPF/r/150/report_display.asp
2 http://www.pewinternet.org/PPF/r/234/report_display.asp
3 http://www.politico.com/blogs/bensmith/1207/Clinton_staffer_on_antiObama_email_chain.html
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6 http://blog.nj.com/jerseyblogs/2007/09/is_anyone_reading_this_the_lat.html
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8 http://technorati.com/about/
9 http://webmill.blogspot.com/2007/08/social-media-july-2007-statistics.html

FIRMVOICE
APRIL 16, 2008

PR 3.0 — The Era of Disruptive PR

By Nick Ragone, SVP and Director of Client Development, Ketchum PR, and Chris Kooluris, who heads Ketchum's Disruptive Media

NICK RAGONE
SVP & DIRECTOR OF
CLIENT DEVELOPMENT
KETCHUM PR

CHRIS KOOLURIS
HEAD OF DISRUPTIVE
MEDIA
KETCHUM PR

Just as the Internet is transitioning from "Web 2.0" to "Web 3.0," public relations is making a similar sort of transition.

If PR in the mid-1990's gave rise to enhanced one-way communication through the mass adoption of email and the Internet, and more recently new technologies like blogs, podcasts and other online tools have spurred something resembling two-way communications, then what's on the horizon?

We don't believe it will be driven by new technology so much as it will be a change in mindset. We call it "disruptive PR," or to state it more accurately: companies and brands engaging their enthusiasts and stakeholders on *their* terms, not the companies'. In reality, it means ceding a little bit of the brand's identity to the enthusiasts who love it most by looking at the world through a new set of eyes: the enthusiasts. That might seem like a subtle evolution, but in fact it's a striking departure from the current landscape.

This won't really be a matter of choice; it's going to be a necessity – a table stake for companies that want to remain relevant in a world where irrelevance is quickly becoming the norm.

Why will that be the case? Quite simply, with every passing day fewer and fewer people are consuming media – *any* type of media. We know traditional media is suffering – look no further than the continued layoffs at the networks, newsweeklies and newspapers as Exhibit A – but that doesn't mean all those eyeballs are automatically migrating to "mainstream" Web sites, either. Some are – look no further than sites like PerezHilton, TMZ, Engagdet, Gizmodo and others as Exhibit B – but in reality only a few dozen Web sites are genuinely thriving in this new world.

A large – and growing – number of people are becoming increasingly preoccupied with *their* interests because *their* interests can now be catered to. And this happens in lots of different ways: through social networks, micro-blogs, niche sites, gaming worlds, viral programming, and so on. The list is endless and growing (sort of like infinity+1).

The essential truth – for companies the word would be scary truth – is this: Consumers don't have to consume anything anymore that doesn't speak to their interests. If you're a die-hard Mets fan, your media consumption may consist of Metsblog.com, SportsNet NY, and the Mets Facebook group, and little else. You may fit the coveted marketing profile – young man between 18-34 – but if brands (that aren't called the New York Mets) want to reach you, they had better relate it back to the Mets somehow. That's not an easy thing to do.

To use a real life example, take the case of Dr Pepper, a Ketchum client. Their primary target audience is young men, and their primary brand attribute is that it's flavorful. Given that, their marketing and PR voice has always been a bit irreverent.

But our client Greg Artkop challenged us to go beyond that. No more doing the stuff that the brand thinks is cool; let's engage our enthusiasts by doing something that *they* think is cool, with the hope being that it would create a deeper connection.

Our concept: Encourage Guns N' Roses frontman Axl Rose to release his decade-in-the-making album *Chinese Democracy* by offering a free Dr Pepper to everyone in America if the album drops in 2008.

At first blush it might seem bizarre, but to date it's generated over 300 million impressions and has created an almost immeasurable connection between the brand and millions of GNR fans. Why? Because the brand put itself in the place of one of its sub-demographics – music enthusiasts – and approached it from their perspective: what would *they* appreciate, find entertaining, and think is cool. And we made it authentic and funny by purposely excluding estranged GNR guitarists Slash and Buckethead from the free Dr Pepper offer – a small but critical touch.

It worked so well that the reclusive Axl Rose actually thanked Dr Pepper on the official GNR Web site, and revealed that he would share his Dr Pepper with Buckethead because a few of his tracks were still on the album. That might seem like an insignificant thing to most people, but to the GNR fans we were targeting, this was news – big news. They appreciated what Dr Pepper had done, mostly because it was so unexpected, unusual, and out of the ordinary for a company. Their feedback to us (in the form of thousands of blogposts): who knew that Dr Pepper had a sense of humor?

Disruptive PR isn't about attention grabbing stunts, cheesy ploys, or message-driven campaigns. Quite the opposite: It's relating to enthusiasts in a way that attracts their attention – disrupts them so to speak – on their terms, not ours. It's not easy – in fact it's very hard – but it's going to be essential for brands to remain relevant. **FV**

Nick Ragone is an SVP and Director of Client Development at Ketchum PR. Chris Kooluris heads Ketchum's Disruptive Media group.

FIRMVOICE
APRIL 9, 2008

It's The Community, Stupid

By David Wescott, Vice President, APCO Online

Most PR-driven social media outreach "strategies" fail today for a simple reason – they focus on technology and forget community.

Leaders in social media such as Brian Solis and Susan Getgood have been making this argument for some time now. Yet too many PR firms still frame their social media proposals as a laundry list of technology tools. "We'll put your video news release on YouTube so it can 'go viral,'" they'll tell a client. "We'll give your company a Facebook page. We'll build a blog for you. We'll even put your company in 'Second Life.'" Of course, once all this tool-building is done, there's precious little left in the budget to let anyone outside of the office know you've done it, and there's even fewer resources to measure success.

Social media outreach relies on the same core principles of communication one finds in traditional public relations – credibility, transparency, and creativity, to name a few. But to be truly credible in this space, a PR practitioner must recognize that "social media people" don't want you to use these new tools to push out press releases. Bloggers don't want to be "pitched" as if they were reporters and they're not going to look at your "fact sheet" just because you called it "fact sheet 2.0". If PR pros want to join the online discussion, that's great – but they must have something truly relevant and interesting to add. Learning what's truly relevant takes time and effort.

We know that most social media enthusiasts tend to be more educated, more affluent, and more involved in their communities than the average person. We also know that they are growing in numbers and influence. However, while most PR firms have used the same tools social media enthusiasts have, firms haven't yet leveraged the online channel to communicate with these educated, affluent, and involved people in a way that resonates with them. We understand that "bloggers aren't journalists," but we reach out to them as if they were – with impersonal e-mails, generic press releases, and sterile marketing materials.

At APCO Worldwide, our work focuses on the nexus of policy, communication and reputation – so we know a lot about campaigns. A city council candidate that knocks on doors and builds relationships with voters by listening and learning will almost always be a cut above the candidate who relies on billboards and automated phone calls.

So when APCO built a blog called Virtual Vantage Points that discusses how online discussions impact mainstream debates – particularly political debates – we decided against banner ads and a full-court press on media. Instead, we started to have conversations with smart people who care about the latest news in politics and new media. More than 1000 people are discussing a host of issues with us, including Senator Obama's speech on race and Governor Romney's speech on religion, the latest poll numbers and endorsements, and who is using social media effectively in the presidential campaign. The tool we used is a "micro-blogging" platform called Twitter and the (free) account we started is called "Campaign2008." But the value comes in the conversations and relationships we're building with smart and interesting people. When we do publish a link to the blog, our "followers" know it's relevant to the discussion. The audience for our blog is steadily increasing, and the feedback for our content is overwhelmingly positive.

The lesson here for social media practitioners (and everyone else) is simple: investing in large-scale technology is pointless if you haven't taken the time to apply it in a relevant context for the people you mean to reach. You can't ask a community to support a brand or an issue if you haven't made the effort to earn the trust and support of the community in advance.

In practice, it is often much more important to join an authentic online discussion with a few e-mails and blog comments than it is to start an artificial one with a massive and expensive online experiment. The relationships you build within online communities, through demonstrating respect and sharing relevant and helpful content, are paramount to success. **FV**

David Wescott directs the social media team at APCO Worldwide.

FIRMVOICE
MARCH 26, 2008

Tech PR: Two Driving Forces Shaping the Future of Our Business

By Sabrina Horn, President, CEO, Horn Group, Inc.

The field of technology PR is at the forefront of embracing the newest, most progressive approaches to communications. By necessity and by definition, tech PR professionals need to use technology to do their jobs. But really, it's as much about using technology as it is about approach. Tech PR folks are leading the way in integrated communications campaigns, in understanding and navigating the blogosphere, in charting a new way for clients to build their brands online, and thinking much more broadly into business beyond the basics of publicity.

Whether large or small, clients are requiring their agencies to offer a broader suite of services that combine both the verbal brand with the visual brand. Incorporating these services is almost a must, and requires some serious thought, both in terms of the restructuring of agency infrastructures, approaches to client service, and employee professional development. Mentoring a Java programmer is different from mentoring a PR account supervisor, for example. Tracking time across two different billing models must be sorted out. Should PR folks be expected to understand the details of a web site deployment? How do project managers come into play? Is there a new hire with a new job description that is capable of overseeing it all? How are integrated campaigns measured? As we know, talk is cheap. Actually doing integrated work is a brave new world for many of us and not for the faint at heart. But, it is undoubtedly the future of our business. Tech PR is leading the way and is perhaps the best place to learn and listen.

No conversation about tech PR (or really any kind of PR for that matter) is ever complete without some discussion of the economy and the markets. In a global M&A cycle, tech agencies may experience difficulty growing because virtually every client in a portfolio could be acquired. Unless you have Oracle, Microsoft, Google or SAP — your client base is in flux. The venture capital guys like acquisitions because they get their money out quicker, no lock ups, no being tied to the stock market. It's safer for them. Agencies in tech PR are in major sales and business development mode because they have to be often putting a strain on employees to "do it all," and provide the best client service. I have varying opinions on taking stock in companies. We are not an investment community although we surely do invest in our clients' prospects and future success. Be careful. Work with your clients for a while before investing. Set a threshold to a percentage. Even better, set up your own fund out of retained earnings and use that instead of trading off your precious retainer.

Where will it go? We'll be hiring more marketing communications generalists. We'll be expanding the skillsets of our PR people. We'll be on the treadmill for a while longer — business development skills will be paramount. Client retention has never been more important. And the 24/7 total transparency of the Internet will continue to breed a new type of influencer, a new form of media that we have a very important role in shaping. Turn your antennae on. What you did yesterday won't work today, or tomorrow. Its like I always say to our new employees. If you don't know the answer to something, go ask somebody. If they don't know, just make it up. Get it? It's time to make it up! **FV**

FIRMVOICE
MAR 19, 2008

The Empire Strikes Back

By Gerald S. Schwartz, President, G.S. Schwartz & Co. Inc., New York; Co-Founder, Digital Power and Light, New York

In a galaxy not so far, far away, "Turf Wars" will determine who dominates digital space.

Rattling light sabers at the recent New York Breakfast Roundtable held by the Council was the topic of "Turf Wars," referring to who's going to star in the production of new media or digital marketing. Specifically, acolytes questioned whether public relations agencies can win the battle for the digital promotion of goods, services and ideas that are currently neither the domain of interactive advertising nor traditional public relations, which has focused primarily on magazines, newspapers, radio and TV — media from the last millennium.

This new universe is neither ours nor theirs right now. Ad agencies can't figure out how to make money on it. Web designers, well, design Websites. And public relations firms have generally lacked the commitment or the talent. Other would-be conquerors of this space include promotion agencies, direct marketers, graphic designers, videographers, media distribution services and even corporate IT departments. Everyone wants to enter the space race. Some want in because they want to be famous, the next Yoda, or at least Seth Godin. Others, like advertising, want or need the revenue. Still others are desperately facing a future of obsolescence, such as video news release companies. However, there is no DARTH of reasons why it belongs in public relations. Here are three:

The force dwells in third-party endorsements, only these endorsements are now online, not offline, like Buy.com instead of bylines.

Digital works best when integrated with the weapons we use now. So, many journalists, for example, wield their power on both digital and traditional platforms.

If we lose the digital domain, the traditional weapons may become worthless as stand-alones, leaving us marooned in space.

This is no phantom menace. In fact, at G.S. Schwartz & Co. last year, we launched a totally separate company called Digital Power and Light, a content-based solutions provider, to attack the clones and go where no PR man, or woman, has ever gone before.

Why a separate business? We wanted a defensive strategy. The ultimate buyer, the client, has not yet accepted that digital marketing is part of Public Relations anymore than Investor Relations, which has become a separate empire with its own rebel troopers and rebel alliance. And Investor Relations is not the only time this has happened. Very arguably, Public Relations has battled and lost such other disciplines as database management, market research, public affairs, government relations, sports marketing and, my favorite loss, word-of-mouth marketing. (How did that last one happen and so quickly, with its own trade association, too? I thought word-of-mouth is what we always did. Guess we didn't PLANET.)

Yes, there are some giant global public relations empires and some highly specialized solo tech firms successfully doing digital public relations, but the vast majority of rocket scientists see digital public relations (versus interactive advertising) as a satellite business, so doubters keep reducing it to blogs, podcasts, webinars and occasional postings on social networking sites.

May the Force be with you. **FV**

FIRM VOICE:
OUTSTANDING BEST PRACTICES FOR PUBLIC RELATIONS FIRMS

CHAPTER 5 CLIENT RELATIONS

INTRODUCTION:

The PR agency business is at its core a service industry. With more firms to choose from as competing disciplines make inroads into traditional communications, it's therefore more critical than ever for PR shops to practice superior client service—especially during periods of economic uncertainty, where every billable client hour counts. Compound this with the fact that clients are demanding more for less, and it's clear: Keeping the love alive and maintaining long-term relationships with key clients is perhaps the most important part of your practice if you hope to stay in business over the long-term.

So how do you do that? What exactly do clients want from their agency partners these days? What must you deliver to ensure you're not cut from client marketing budgets when the going gets tough? What are the risks and rewards of such best practices as embedding employees at clients? How can you better hire, train and rotate your staff into and off accounts? What are the best shops doing to impress demanding clients? What PR outputs and results win clients over? And how can you increase your client satisfaction rates—starting today?

The answers to these questions and more follow. These twenty in-depth service journalism articles outline the very best client retention secrets that successful, veteran account reps have been using for years. Now your account teams can do the same deliver the same stellar levels of service, and keep even the most demanding-yet-lucrative accounts happy.

FIRMVOICE
MAR 11, 2009

Never Run in the Pentagon:
Keeping the Right Perspective on Client Service during Economic Uncertainty Is Crucial

By Jim Cowen, Vice President, Emergency Risk Communications, Ogilvy Public Relations Worldwide

A sense of urgency shows commitment. That logic sent me speeding down a Pentagon corridor with a folder tucked clumsily under one arm. How vital was the document to my boss' meeting? It didn't matter. He asked for it and I was trying to break a land speed record in getting it to him.

When I neared the entrance to his E-ring office, he stepped out into the hallway and calmly raised his hand. "Never run in the Pentagon, lieutenant," he said.

His few words conveyed volumes. My sprint hadn't shown commitment, it showed chaos, the absolute last thing he wanted expressed to the people at that meeting. My heart was in the right spot. My brain wasn't. I completely misread the situation.

What I did read correctly, however, was that lesson, a simple one that's stuck with me more than ten years after that embarrassing moment: Always consider how things look from your client's point of view.

In the communications field, I've found it particularly helpful to apply this perspective wherever and whenever possible. Truth is, though, it's a practice that benefits nearly anyone in any field—because whether you're selling widgets, awareness or ideas, we all communicate something, market something, sell something. And, more important, we all work for someone.

Put yourself in your client's shoes and ask yourself a few basic questions: How would I view the services or product that I've been providing? Would I find them truly valuable? Would I pay for them? Really?

Unless you've been living on Mars, you know how tough the economic climate has become. Budgets are tight. You need every tool possible to not only win new business, but to keep your existing business. Client service has never been as important as it is right now. So here are some tips to help you honor your client's perspective, and hopefully strengthen that relationship:

• Deliver more than the baseline. Companies outsource when it's more economical to pay a specialist than to do it themselves. The moment that you no longer save them time and effort or fail to provide insightful ideas, you're vulnerable to being replaced by someone who will. So strengthen your position by going a step further than the minimum. What else were you thinking that didn't go into that final presentation? Were there some ideas that had merit, but might not fit perfectly into the client's current objectives? Tell them anyway, and explain your thinking. Read the same trade magazines your clients do. Don't just forward interesting articles. Comment on how they relate to their challenges and what can be learned from them. Send unsolicited ideas or opportunities that might be completely out of your existing scope of work. See an opportunity for your client to be featured in a trade publication? Set it up. Care about their issues and you'll become more of a partner than a vendor.

• Advise. Nobody likes a know-it-all. Nobody likes a know-nothing, either. Clients pay for your advice. If you have an idea that is grounded in experience, research and insight—then offer it. Don't tell people what they want to hear. Give them your honest, but tactful, assessment. But if you reject an idea, have an alternative recommendation. You don't think the client needs an enormous annual report that is dated the moment it gets printed? Tell them and explain the pros and cons. Offer a more effective and efficient solution. They'll appreciate hearing new options that save them time and money and you'll earn credibility for not selling them something they didn't need.

• Speak like you'd want to be spoken to. Consultant speak can be pedantic and boring. Outlaw the abuse of vague adjectives in written products and verbal presentations. Seriously, what does it really mean when you claim to provide, "robust, comprehensive and integrated knowledge management solutions?" Scrap the fluff. Speak to your clients in legitimate, actionable terms and use examples to which they can relate. Explain how you solved another client's problem. Clarify the thought process behind the initial plan, admit to mistakes along the way, and describe how you corrected your actions to overcome missteps. Make them want you to apply that same creative and organized manner of thinking to their challenge.

• Come clean on what you don't know. The biggest hole that you can dig is the one that spins around an un-truth. Bottom line, if you don't know then say you don't know. It's far less damaging to admit you're not up to speed on something than to overreach on your capability. Clients appreciate candor. They know you can't see and hear everything. And if you have been doing the homework suggested in the first point above, they know you are on top of potential opportunities for them.

Are any of these points groundbreaking news? Of course not. But try to actually put them into practice on a regular basis. It's tough. How many times has it just been easier to regurgitate what you know the client will accept, rather than taking it a step further? When was the last time you took a hard, honest look at the flowery language in your deliverables or on your website? Think about how it looks to the people you want to work for. It makes a difference. **FV**

Jim Cowen is a vice president in the Emergency Risk Communications group of Ogilvy Public Relations Worldwide. He is a former lieutenant in the US Navy.

FIRMVOICE
DEC 17, 2008

Keeping the Love Alive in 2009:
How to Maintain Long-Term Relationships with Stellar Clients

JERRY OLSZEWSKI
CHIEF CLIENT OFFICER
& SENIOR PARTNER
KETCHUM

DAVID IMRE
PRESIDENT & CEO
IMRE
COMMUNICATIONS

TOM BEALL
MANAGING DIRECTOR,
GLOBAL SOCIAL
MARKETING PRACTICE
OGILVY PR

CHRISTIN CRAMPTON DAY
PRINCIPAL
& CO-OWNER
SCHENKEIN

There's nothing like a long-term relationship—or better yet, many long-term relationships—to keep your agency warm during a cold, dark recession. For example, here are some agency/client "romances" that have endured through the best and worst of times:

Forty clients have been with Ketchum for 5 years or longer—and seven have been with the firm for more than 25 years, says Chief Client Officer and Senior Partner Jerry Olszewski. Among the 40 long-term relationships are Kodak, FedEx, Roche, P&G, IBM, Kikkoman, Hyundai and Nokia.

Similarly, Imre Communications has worked with Travelers since 2000, The Home Depot (2000), and John Deere (2004), says David Imre, president and CEO.

And Ogilvy PR's long-term clients include the Centers for Disease Control and Prevention (since 1987), The National Heart, Lung and Blood Institute (1997), The National Institute of Neurological Disorders and Stroke (1998) and the Centers for Medicare and Medicaid Services (2000), reports Tom Beall, managing director, global social marketing practice.

So how can you, too, cultivate such longstanding (and lucrative) relationships? And what can you do to keep the love alive with your best clients during down times?

In talking to agency leaders about how they keep client relationships strong, we learned that while each client relationship is different, as with true love, the fundamental things apply. We also learned it's important to nurture the relationship—not only with the client firm, but also with your individual contacts. After all, in this economy, today's contact at one company could be your entrée to another tomorrow. Here's a breakdown of our sources' best tips:

1. Know your client—check in frequently. The most important thing is to know your client, says Imre. "You have to understand what's important in their world—have empathy and understanding for their situation."

Christin Crampton Day, principal and co-owner of Schenkein, agrees. Frequent check-ins are crucial, she says. Taking clients to lunch and coffee is important, as is involving them in community and industry events. Helping them stay on top of their game makes them look good to their bosses—and that makes you look good with the client, she explains.

Let the client know that you know their business and are looking out for them, advises Beall. "In addition to fostering good personal and professional relationships with clients, we knowingly strive to regularly advance new and sometimes unexpected ideas and suggestions," he adds. To do this successfully, the agency must stay abreast of clients' environments—both internal and external—and identify and advance responses to opportunities.

2. Make it personal—friends don't fire friends. "Get to know not only your client's industry, but also them as an individual," says Imre. Like Day, he advocates face-to-face contact. "We don't over rely on email or telephone and we make it a point to see our clients face-to-face whenever possible."

Even simple things can cement relationships. "Acknowledging milestones such as birthdays, and sending holiday and wedding gifts, may seem mundane, but they help foster enduring associations. Client contacts who move on can be clients in the future," says Day. Follow those people's careers and stay in touch.

The company is obviously important, too, she adds. But she's seen a lot of turnover in corporate positions. So connecting with the person as well as the organization creates continuity. (Of course, it's also critical to build relationships with the new client team. Day, among others, addressed the issue in the Aug. 13, 2008 of *The Firm Voice*: "Four Secrets of Keeping the Account: What to Do When Your Client Hires a New CCO or CEO.")

The personal approach has paid off for Schenkein. Right now, the firm's longest relationship is two years. But as contacts have left for other organizations, they have returned to Schenkein. Day had one client contact work with her firm at three different companies. "It's all about relationships," she says.

Is this conflating the personal and the professional? Absolutely. "What you are doing is building a personal relationship. You are building a friendship," she says. "Friends don't like to fire friends."

3. Look beyond individuals—build organizational allegiance. Olszewski offers a somewhat different perspective: Build the relationship between the client company and the agency. "The individuals involved are stewards of that relationship but the relationship is bigger than any individual," he says. "I think there's a tendency to see client-relationship building as something that's 'personality driven' when, in fact, there's so much that can be learned, embraced and repeated all across the business." Client relationships are strengthened by the personal relationships, he says, "but they're sustained over time by a professional approach."

4. Fan the flames—follow several key tenets. There's no template for keeping the love alive, but as with any romance, you *can* fan the flames with several best practices, says Olszewski. One is instilling trust. He and his colleagues helped to identify several other key tenets, including:

- A win-win mindset: This is one in which the client and the agency achieve measurable success through the relationship and feel invested in each other's success.
- An outside-in approach: "Stay focused on the client need or opportunity and deliver the agreed ROI."

- **No surprises:** "Okay, *very few* surprises," Olszewski concedes.

- **Mutual respect:** That's easy to say and not always so easy to do, "but longstanding relationships are invariably grounded in respect."

- **Celebrating success:** "The strongest relationships have an incredible fluidity between the client and agency teams and a shared sense of purpose."

- **Unwavering belief:** "Believe that long-term client relationships are still possible, even at a time when loyalty seems hard to come by," says Olszewski.

- **Constant feedback:** Informal check-ins and formal feedback can help you take the pulse of a relationship. For example, **Schenkein** developed a short, easy-to-complete feedback survey. It's a formalized way to seek feedback at the end of a project. "Continuous feedback and continuous improvement is crucial to a successful relationship," adds Olszewski. "Ask a lot of questions, never miss an opportunity for constructive criticism, and be fast about solving problems."

- **Active listening:** "Listen to the client," Olszewski continues. And, adds Day, learn their communication style. Understanding communication style is critical to figuring out what a client wants, she says. "You can't just communicate in your preferred style." (Day uses an approach called Emergenetics [www.emergenetics.com].)

- **Delivering solutions:** "We deliver on all commitments and constantly reinvent ourselves. Clients respect firms that bring solutions and ideas that transcend," says Imre.

- **Senior involvement:** "Stay involved and know when to get involved," Imre counsels. "Clients expect—and deserve—agency leaders to be involved on accounts. I periodically attend internal planning meetings and key client meetings. Clients want to know that senior leaders are constantly thinking of them and working on their behalf."

- **Frugality:** "Spend the client's money as if it were your own," Olszewski says. In addition, "Be explicit about the relationship-building behaviors you want to see from your staff," says Olszewski. "Measure them and reward them."

5. Don't get complacent—deliver fresh results. Don't let your love grow stale; avoid becoming too comfortable or complacent, advises Beall. "Keep them fresh and dynamic, through new ideas, new people and resources, and new or improved approaches. Never forget that continuing the engagement is based in what we deliver today—and tomorrow—not what we did back then," he says.

Olszewski offers similar advice: Refresh and reinvent. In successful relationships, both the client and the agency fully embrace the need to evolve in terms of talent, strategies and creative approaches.

Imre agrees. "Long-term client relationships are driven by a constant stream of smart, fresh ideas and results-driven work," he says.

Of course, it ultimately comes down to delivering results. "Clients pay handsomely for our services. They also should expect nothing less than smart thinking, flawless execution and outcomes that deliver value and a meaningful return on their investment in us," says Beall. "Chemistry matters, but meaningful—and measurable—results keep the love alive." **FV**

Roxanna Guilford-Blake

FIRMVOICE
DEC 10, 2008

What Do Clients Want? Client Budgets Reflect Commitment to PR and Prudence

MARK SNEIDER
MANAGING DIRECTOR
REARDON SMITH WHITTAKER

LISA VISCONTI
DIRECTOR OF MARKETING
VAI

CLIFTON LAMBRETH
ZONE MANAGER
FORD MOTOR COMPANY

DAVID MCCULLOCH
DIRECTOR, PUBLIC RELATIONS
CISCO SYSTEMS

CHERYL P. HEIKS
DIRECTOR OF COMMUNICATIONS AND EVENTS
BEWELL.COM

Even before the downturn was officially dubbed a "recession," businesses were preparing for a leaner 2009. They don't, however, appear to be blindly slashing their PR and marketing budgets. In fact, a random — and unscientific — sampling suggests clients continue to value the counsel of their agencies, but they are going to be more focused on results. They will insist accountability. And while they probably won't sever agency ties altogether, they may do some serious trimming.

The message to agencies is clear: Clients are going to expect more from their agency and they will need your cooperation and guidance.

A survey conducted in March — before the Wall Street meltdown — hints at this trend. The 2008 Client's Perspective on Economic Conditions (www.rswus.com/survey) was commissioned by Reardon Smith Whittaker (RSW), a lead-generation and business-development firm focused on PR and marketing.

While 77% of the businesses responding said that the economic conditions had moderately or greatly affected their operations, 76% indicate that they had no plans to alter their use of outside agencies.

But while the relationships may remain, look for budgets to shrink, says RSW managing director Mark Sneider. Clients "aren't sure of where things are going as we head into 2009, so their natural reaction is to hold back."

Sneider's analysis captures the attitudes of several of the companies The Firm Voice contacted.

Commitment to PR on a tighter budget

"A recession forces businesses to re-think all budget expenditures and determine adequate return on investment. At this time, VAI's [2009] PR budget remains intact, but should we need to re-evaluate it based on the current economic conditions, we will do that," says Lisa Visconti, director of marketing at VAI, an enterprise software developer.

Clifton Lambreth expects Ford Motor Company to cut its PR budget, but only commensurate to sales volume — he expects a roughly 15% drop. Lambreth is zone manager for Ford in marketing and sales operations; he's involved in decision making for Ford and its dealers' advertising budgets. He's also the author of the book *Ford and the American Dream — Founded On Right Decisions*.

"You know what Henry Ford said: 'Stopping advertising to save money is like stopping your watch to save time.'" And that applies to PR. "We are a traffic-driven business. We have to create demand." In the coming year, damage control will also be important. For instance, he says, one challenge will be to get the media to refer to a bridge loan as just that — not as a "bail out."

Cisco's financial year runs August to July, and it doesn't anticipate major fluctuations in PR spend before the end of the fiscal year, says David McCulloch, director, public relations, Cisco Systems.

"What we will do is ensure our budgets are aligned behind those priorities that best position Cisco for the upturn when it comes. We believe economic downturns present us with opportunities to get closer to customers, to differentiate ourselves from our rivals, and to gain market share at their expense. PR certainly plays a key role in that strategy."

Don't expect any dramatic shifts. Cisco "manages obsessively for the long term, which means we tend not to make dramatic changes in our PR strategy or spend from year-to-year. Of course, we tweak our strategy as we see long-term trends unfolding, but it's impossible to drive meaningful, global communications programs if you revisit your budget or priorities too often."

One organization plans to increase its PR budget in 2009. But that's to be expected. BeWell.com, a social network that connects consumers with physicians and health experts, officially launched just this month, explains Cheryl P. Heiks, director of communications and events. (It's is owned by LLuminari, a health media firm.)

As she points out, health is always a concern for consumers regardless of the economy; healthcare may not be recession proof, but it is less subject to the vagaries of the economy.

But there's another reason, she says: LLuminari's conviction that PR is an important factor in any successful consumer offering.

Greater accountability

Whether budgets go up, down, or remain stable, expect clients to demand even greater accountability and transparency.

Help clients execute a PR plan based on their needs, but be prepared to do so on a smaller budget and/or fewer hours, counsels Diane Dady, marketing manager at VAI. "PR consultants should have open discussions with their clients about what they want to achieve and what PR vehicles will make the most sense based on the company's budget."

"We're keeping an eye on how we spend money," says Heiks. And she expects the same from her agency. Lambreth, too, predicts greater emphasis on tracking results and more accountability.

McCulloch is blunt on this point. "Bottom line: A client should never need to ask its agency whether its money is being spent effectively." The best agencies are proactive and transparent in reporting budget information and results side-by-side, he says. "If the agency can see a program isn't working well, they should be the ones to suggest killing it and refocusing the budget elsewhere. That's one of the key ways in which a PR agency can become a trusted advisor, and it's especially true in more difficult economic times."

Another thing that's true during stressful economic times: A craving for the fundamentals.

Back to basics

"In a tough economy, people go back to basics," Heiks says. Here's what that looks like to the clients consulted:

- Cultivate relationships. Relationships are more important than ever, Heiks says. In a tough economy people turn to those they can trust.
- Tell the story. Lambreth and Heiks both stress the importance of actively telling the story.
- Do more with less. Budget constraints will require you to think creatively about what you can and can't live without, says Heiks.
- Solve the client's problem. "If you come in with solutions, we're listening," says Lambreth.

What they're listening for, of course, are your ideas on how they can take advantage of a less-than-ideal situation.

Crisis and opportunity

Smart agencies recognize that difficult economic times present opportunities, not only risks, McCulloch says.

"Companies such as Cisco will be fiscally prudent and look for ways to save money, but we may do so by looking for economies of scale through the expansion of existing agency relationships into more international markets, or perhaps by consolidating work with fewer vendors," he explains. "When companies like ours take these sorts of action, it certainly presents upside opportunities for agency leaders who are proactive in discussions with their clients versus those who are passively sitting back hoping budget cuts won't be forthcoming." **FV**

FIRMVOICE
NOV 12, 2008

Client Relations Conundrum:
Embedding Employees at Clients—the Risks, Rewards and Best Practices

COREY DUBROWA
PRESIDENT, NORTH AMERICA
WAGGENER EDSTROM WORLDWIDE

JOHN MALLEN
PRESIDENT
JMC MARKETING COMMUNICATIONS & PR

DANIEL FEINSTEIN
PARTNER
DAVIS & GILBERT

MICHAEL C. LASKY
PARTNER & CHAIR, PUBLIC RELATIONS LAW PRACTICE
DAVIS & GILBERT LLP

Your A-list clients may want—even need—agency staff to work onsite. And, handled correctly, embedding an employee in a client's office can strengthen the relationship with your client, give you the opportunity to provide more advanced counsel, and lead to expanded business opportunities. But such an arrangement is fraught with pitfalls. Handled poorly, you could damage the relationship with your client, lose your best AE and even end up in legal difficulties.

The Firm Voice consulted both PR and legal experts to help you navigate the terrain. There are myriad risks, but there are also myriad rewards. Here are seven tips to help you avoid the former and reap the latter:

1. Embedded arrangements work best when the situation is clearly defined. You don't want an open-ended, ambiguous arrangement, counsels **Corey duBrowa,** president, North America, for **Waggener Edstrom Worldwide**. His firm has had employees embedded in a number of organizations, including Microsoft, GE Healthcare and Starbucks.

He offers a few examples of when it works best:

- during leaves of absence
- when a client has asked for more time to decide on making a permanent hire
- when the client wants to include additional projects, or projects outside the scope of the agency's usual work

Whatever the situation, you want to define the employee's role and the length of the stay. "We can be most successful when both factors are agreed upon and in place."

Problems are more likely to arise when the assignment is open-ended or when the embedded employee turns out to be a longer-term solution than anticipated, he says. Make sure everyone's expectations are clear up front, he says.

John Mallen, president, **JMC Marketing Communications & PR**, agrees. Each time JMC has embedded a team member, the decision was based on a specific need. One involved closing a plant near Columbus, Ohio. "We provided onsite staff working with the HR team in briefing employees, and handling the telephone inquiries that would flow once the announcement was made—especially from the media."

2. Focus on skills. Find out what skills the client needs before embedding an employee, says duBrowa. That may sound obvious, until you consider chemistry factor. Your client may feel particularly comfortable with a certain AE and specifically request him or her. That's not a bad thing of course, but make sure that individual's skill set really meets the client's needs.

Ultimately, he concedes, chemistry and comfort may end up being the primary factors. And that's valid. But you need to discuss the skills necessary to achieve the goals—with the client and the potential "embed-mate" in order to identify the best person for the assignment. Chemistry may make for good bedfellows, but mutual understanding makes for a successful relationship.

3. Determine if the AE is an agency person or a corporate person. Having a good fit isn't just a matter of chemistry with the client, says Mallen. Chemistry can also apply to work style. When you embed a worker, "In effect, you have an agency personality working in a corporate situation," he explains. "The tempo and environments are radically different."

4. Address the identity crisis. With a dual supervisory relationship, your employee can become unclear as to who is the boss. He or she may have security clearance with the client, a client email account, parking pass, etc.—which will make them feel like one of the client's employees. Make it clear: He or she is living with the client company, but is still answerable to your firm.

It's therefore important to keep the employee "tethered," says duBrowa. He suggests that, one day a week, the embedded employee needs to come "home" to the agency.

Mallen offers a similar warning. "It is a natural phenomenon, as when a president appoints a cabinet member: They typically take on the interests and causes of the agencies they're sent to oversee." (Think Henry II's appointment of *Thomas BecketasArchbishop of Canterbury.)*

Mallen further warns that your HR policies will inevitably be compared to the client's. "This can cause problems with the deployed staffer as well as his or her colleagues back at the ranch."

5. Anticipate poaching. A bad match between the embedded agency employee and the client is an obvious hazard. But if the relationship is perfect, you may face another hazard: Poaching.

An agency can put wording in a contract to prevent the client from "poaching" the employee, counsels attorney **Michael C. Lasky**, partner and chair, public relations law practice, **Davis & Gilbert LLP**. (Along with his colleague, **Daniel Feinstein**, a partner in the litigation and labor and employment groups, Lasky provided *The Firm Voice* with a legal perspective on some of the issues related to embedding employees.)

Some agencies have a provision in their agency/client agreements specifying the client cannot hire an agency employee who worked on the client's business for some period of time after the employee leaves the agency, without the agency's

consent. Some agency/client agreements go further and provide a fee (equivalent to a recruitment or headhunting fee) if the client, or more commonly former client, does not honor this provision, according to Lasky and Feinstein.

duBrowa agrees: Contracts need to address such eventualities, but points out: You need to go into the situation with your eyes open: Even with clear understandings among all parties, it still happens. It's a risk of such an arrangement.

And, adds Mallen, there's one more risk: Your client could hire the embedded staffer *and* fire your agency.

7. Be aware of potential liability issues. By having one of your employees at a client, you risk something happening to the employee at the client's office for which your employee may try to hold you responsible—such as sexual harassment—says Lasky. After all, legally, you are the employer.

But even though there are myriad risks, it's still worth pursuing, he adds. "While you do risk events taking place at the client for which you may be sued, it seems to me the potential benefits of strengthening the client relationship outweigh those risks." **FV**

Roxanna Guilford-Blake

FIRMVOICE
NOV 5, 2008

Election Offers Lessons in Transitions:
Ten Timely Tips for Tapping New Blood—and Rotating Staff off Key Accounts

KEN EUDY
CEO
CAPSTRAT

KAREN ALBRITTON
PRESIDENT
CAPSTRAT

SARA JANE WHITMAN
DIRECTOR
PEPPERCOM

LYNNE DOLL
PRESIDENT
THE ROGERS GROUP

Look no further than this week's presidential election, and you'll see that people sometimes clamor for change and new blood—whether it be in the form of new administrations or fresh ideas. It's no different in the agency world—particularly when servicing long-term, top-shelf clients.

It's bound to happen eventually: A top client needs some fresh blood and new ideas—or a stellar AE has peaked and craves new opportunities. But when is it the right time to rotate staff off and on accounts? How can you manage the transition to optimize success for all parties involved—and keep the client happy and business bustling?

There's a lot at stake. The transition can go *very* badly—*or* it can breathe new life and new energy into the relationship, notes Ken Eudy, CEO, Capstrat. We spoke to several agency execs who've been through and managed the process in the past, and asked them to share their insights about making such a shift—and making sure it works for everyone involved. Here's their insight and best tips:

1. Be strategic—first ask when and why. Our experts agree: Ultimately, it comes down to what's best for the client relationship and what's best for the employee. Capstrat, for example, has undertaken several successful team transitions in recent years, says President Karen Albritton. "Sometimes it begins with a client request, but is also done proactively as a way to better align our team with the client's changing needs."

A common impetus for change is the desire "to infuse the account with new thinking," agrees Sara Jane Whitman, director, Peppercom. Other times to consider a move include when the account is taking a new focus or when personalities simply don't mesh.

It's important to be both proactive and reactive. Sometimes, you need to respond to the needs of a client. Other times, you should take the initiative. Don't wait until a staffer is bored or dying to do something new; they'll look elsewhere to find a new challenge, says Lynne Doll, president, The Rogers Group. "Agency supervisors should understand their team members' interests and career goals and create a plan to help them achieve them."

If you staff an account with both the client's and employee's priorities in mind, you create a win-win-win—for the client, the agency, and the team members, says Doll. So it may make sense to rotate not just when the client needs certain expertise, but when a staffer wants to expand his or her experience.

But, she warns, you have to time the transition carefully. For instance, don't make a major change in staffing in the midst of a time-sensitive client program; it's unfair to the client and the new agency staffer assigned to the client. "Timing is everything when it comes to rotating staff."

2. Communicate clearly—and consistently. "Why" and "when" may be the easy parts. "How" can be tricky, since team transitions force execs to juggle employee needs, client needs, egos, and, of course, the agency's own best interests. Through it all, however, "Consistent communications with clients are critical. They ensure that we know—in advance—upcoming client needs and can staff the account appropriately," says Doll. By keeping the communication open and candid, she's avoided some of the pitfalls of rotations, such as bruised egos and disappointed clients.

Don't handle this via email, warns Whitman; communicate changes by phone or in person. "Communicating account changes in an email sends a bad sign to clients. We want our clients to understand and trust how we're managing their account. Having the open, one-on-one conversation about change is a critical component to building and maintaining that trust."

3. Don't obfuscate causes—practice transparency. While it's sometimes delicate, it's important to be honest about why a change is being made—both with the client and with the employee, Whitman counsels. "If the change is based on performance or personality, that's something we've probably addressed before and shouldn't come as a surprise. We'll often look for a challenging opportunity or better match for an employee's skill set to take away some of the sting."

Albritton also recommends candor. "We have had success where we have been able to have an open, honest, and direct conversation with our client contacts about their needs and how we can best meet those needs."

4. Step back—consider a lower-level change. You don't always have to make a radical change to invigorate a relationship. "At Peppercom we have a number of accounts that have been with us for years" says Whitman. Mixing up the team helps keep things fresh. "We tend to do that more with junior staff than with the day-to-day account leads so that we invigorate the account while keeping the client relationship and knowledge base intact."

5. Recognize contributions—engage the "rotated" employee. To mitigate bruised feelings Capstrat makes sure to recognize the contributions of the team members rotating off the account. In some cases, these people helped bring the client into the agency. In others, they helped grow the client's business. "We enroll them in helping to work through the transition and share their institutional knowledge," Albritton says. Capstrat also quickly redeploys those folks on other accounts. Such an approach cultivates successful transitions. "We have generally seen that professionals will put their individual egos aside for the good of the firm."

6. Eliminate surprises—try to consult the client first.

Whenever possible, "We like to work with our clients as opposed to letting them in on a change after the fact," says Whitman. "For example, if a new hire comes on board or time frees up for another employee who we feel would be perfect for an account, we'll often go to the client first. We'll explain that we have an ideal person for the team who is passionate about their business and see what they think." When they can't consult with the client in advance, Peppercom does "everything we can to let them know as soon as possible so there are no surprises."

7. Don't dawdle—rapid response begets trust. Once the decision is made, act quickly. "If someone is leaving the company, prompting a change, let the client know sooner rather than later; if personalities don't match or something else is awry, act quickly before you lose trust with a client," says Whitman.

8. Start fresh—look beyond the swap. For example, Capstrat seeks to "re-win" the business whether the client brings on a new contact or if Capstrat initiates the change, says Eudy. "Often, it is not just swapping team members, it may be altering the mix of services we provide or how we organize our team to align with the client's team," adds Albritton. "We treat team transitions like new client relationships." Capstrat provides updated team lists, reviews communications processes, updates reporting and begins to establish personal relationships. "We have a member of the management committee conduct check-ins with the client throughout the process to get feedback that can help the new team."

9. Be realistic—remember that bad chemistry happens. No matter how well you prepare or how well you manage the rotation, sometimes the chemistry just isn't there, says Eudy. "The good news is, if you have a reservoir of good will, you can work through that." You need to cultivate the sort of relationship that allows the client to be comfortable raising a hand and saying "nothing personal, but this is not a good fit. It's essential to jump on it quickly, before relationship is damaged," he counsels.

Whitman offers similar advice. "It's important to recognize that even when you have the right team in place based on experience, personalities are incredibly important to consider," she says. "If the client/agency relationship is not working, we try to make a seamless change as quickly as possible."

10. Take responsibility—bring the new contact up to speed. Especially in long term, multi-year relationships, clients may go through many transitions, says Eudy. And they may wonder "Why is it incumbent upon us to bring our new account leader up to speed on our business?" The answer, he says, is: It *shouldn't* be. The responsibility lies with you, says Eudy. "You have to take responsibility for doing your part for training that new account leader." **FV**

Roxanna Guilford-Blake

FIRMVOICE
OCT 15, 2008

Start Horsing Around:
New Ideas for Supercharging Agency Creativity and Impressing Clients

DORY ANDERSON
CARMICHAEL LYNCH SPONG

Creativity can be an agency's hallmark—that hard to quantify "a-ha!" element or driving force that attracts prospects while keeping clients happy and staff inspired to consistently deliver stellar work. But it's one thing to bill your agency as a creative powerhouse—check out the countless websites touting creativity without illustrating it and you'll see it's true—and another thing entirely to inculcate it into your culture day in and day out in such a way that drives concrete, measurable results for clients.

What's more, many agencies say they're "creative," but haven't yet instituted a culture of creativity and management practices that let their staff—senior execs to account coordinators—stretch and flex their creative muscles. Carmichael Lynch Spong certainly breaks that mold—look no further than senior principal and chairperson of brand marketing Dory Anderson's official headshot, and you'll see it's true.

"I'm pretending to be a horse in the picture," explains the senior principle and chairperson of brand marketing at the agency. "Our bio photos are meant to demonstrate something we're passionate about in our personal lives. I competitively show horses, so I thought I'd take a creative twist with my photo. It demonstrates a few things, including: that I can think about things from a different perspective, that I don't take myself too seriously, that I'm not worried about what others think of me, and that I'm willing to break the rules" Anderson says. "All of those elements are essential for creativity in others," she believes. "They're part of what inspires award- and client-winning work."

In fact, her efforts since joining the agency in 1994 have helped make it one of the most decorated PR firms worldwide, bringing home several national awards, including a number of Silver and Bronze Anvils. Before that, she was at Bozell Worldwide, where she handled communications projects for NordicTrack. Currently, she leads client teams for American Standard, Clorox, Jenn-Air, Lifetouch Inc., Masterbrand Cabinets and Maytag.

Here, she shares several secrets of her—and the agency's—creative successes, and offers tips to help other firms supercharge their own creativity to attract (and keep) clients:

What kinds of comments do you get about your picture?

One is that I'm the "work horse" of the group. The second is unmentionable. Other then that, people like that we're able to be more creative here about things as seemingly mundane as a headshot.

When or where are you most inspired as a creative person?

I feel most creative when I'm in an unlikely or unusual place. For example, I was in an advertising creative review this morning for a client, which inspired me to come up with some unsolicited ideas that I may share with a different client as a result of seeing other work.

How would you define your agency's "creativity" brand?

That's a harder one to answer. When I think of our creative brand, its' not about creativity for its own sake. It's not compromising between insightful strategy and creative execution. That's the heart of it.

Is creativity one of the key attractors of clients to agencies? How is it manifest?

Let's put it this way: No client has ever told us they are content with uninspired work. Everybody is always looking for creative work—they always want that "big idea." An agency's creative drive really needs to be shared by the client and prospect—that's where good creative can manifest itself. It's about having a shared passion for creative ideas. It's not necessarily just about finding that big, hairy creative idea for us.

Creativity is more of a philosophical approach. It could be as simple as how to approach an email pitch to an editor. Maybe it's taking and leveraging a current news event as the impetus to introduce your client's pitch. Or maybe it's something insightful you learned from your consumer research that you can use as a hook.

For example, we embrace what our client American Standard stands for—and we even inject a little humor into it, based on client research of what customers want from toilets that they're not getting. Specifically, we introduced a new toilet for them not long ago. We embraced potty humor in that announcement, with a release headline like, "A Watershed Moment in Toilet History," and phrases like, "Not a company to take flushing sitting down, American Standard has reinvented the way toilets work…" The pitch angle was something along the lines that here was a new toilet that could give you the confidence to flush and never look back. That angle came from the research focusing on what customers who bought toilets wanted.

How can an agency quantify and then communicate its creativity in a concrete way that attracts clients and prospects?

We quantify creativity like we quantify all our work: We measure the objectives, strategies and tactics of our programs against outputs and outcomes. Outputs is the work generated by the idea—things like the number of people who attended an event or the number of stories generated. Outcomes are the impacts of those outputs on the client's business—things like changing the level of awareness or perception, and whether we're driving

inquiries or an impact on sales. So, the short answer is that we don't measure or quantify creativity for its own sake—we measure against business goals.

So you're advising against an agency branding itself as merely a creative powerhouse?

PR should be rooted in insightful strategy and clear business goals or objectives—and then marrying that up with creative execution. The American Standard program is an example, again. We did our research first—it wasn't driven by creativity, it was driven by data. We found people got frustrated with their toilets and leaving plungers in the bathrooms. They wanted confidence they could have people over to the house and everything would work without embarrassment. Anything creative about that campaign came from the research—not the other way around. So, that's what I'd advise any agency to focus on as a "creative differentiator"—think research and strategy first, not flashy creative. Think creative in support of business goals—that's what attracts prospects and new business.

What does your agency do to ignite and foster creativity?

The first thing is helping our staff realize we all need to change our perspectives to see things differently. It's sort of like in the Matrix, where Neo needed to understand there was no spoon. The way we get to that point is by leveraging access to research in the context of understanding consumer insights, as mentioned. Most of our work is consumer marketing, so we're looking at their attitudes, behaviors and how they live their lives. This is all about reaching them on an emotional level. We do that by brainstorming ideas beyond features and benefits—ideas that focus instead on how the product or service makes somebody feel. That really is the best place to start to inspire creativity—focusing on consumer emotional hot buttons.

So how do you brainstorm creative ideas that hit those emotional hot buttons?

One example is "Friday Morning Jolt." It's open to all staff, and we do it every week. Its' a chance to do some creative exercises that may or may not be related to a client project. Just the other day, for example, we were challenged to do an online maze game. But we had to use the keys backwards. Up went down, and right went left. We had some races. It was a challenge and helped us "not follow the rules." This goes back to the idea that to think creatively, you need to approach things from a different perspective.

We also do something called, "Free Thinking Brainstorms." Client teams will highlight an opportunity with a certain client and people who want to participate in a lunchroom brainstorm and come up with ideas can join in over a free lunch. The most recent one I was in, for example, included UNO cards. There were four buckets of ideas. Each one was assigned a color. If you drew a red card, you had to come up with idea for the topic area that was red. Some co-op ideas with other clients dealing with similar environmental and green positioning issues came out of that.

Another thing I recommend to other firms is an open physical work space. In fact, we moved into our new building 18 months ago—and open space is the heart of our layout now. The whole point here, with few offices, is for people to interact, feel the buzz and think "without walls," both figuratively and literally.

What other tips for fostering greater creativity can you share with agencies?

My first tip is to be persistent. Creativity requires persistence. Keep pushing. Second, have lots of ideas. The best way to find a good idea is to have a lot to choose from. Third is to know your creative personality—whether you're an egg layer or live birther. Let me explain: We have a lot of clients rooted in outdoor brands. So a lot of times, we think in the terms that are natural for those clients. One of them is in the hunting and fishing space, and once suggested that creative thinking can be equated with being an egg layer or live-birther. Either you lay lots of eggs and choose from those only the best ones and grow them—or you take all your time and energy and focus on one big idea. We prefer to have lots of ideas, with more to choose from.

My fourth tip is to be inquisitive. Ask, "What if?" Be students of our culture—many of us were former journalists, so tap into that experience. And fifth is to get inspired—borrow ideas from others. Look at other categories or industries and see what's worked there. A good tool that can help with this is to take a look at PR award winners in categories that are very different from your practice areas.

What is the biggest roadblock to creativity in the agency world?

I can think of three. First is trying too hard to find the right answer. Second one is people following the rules. The solution to that is to tear down conventions and look at things from a different point of view. Third is worrying about what others think. People get too hung up on whether the idea will impress the boss.

Can creativity be taught? If so, how?

I'm not sure creativity needs to be taught. I think it's innate. Think to your childhood and all the creative things you did. So, we each need to learn how to unleash our inner child and find what's already in there. We're all creative. **FV**

Brian Pittman

FIRMVOICE
OCT 01, 2008

Reacting to the Wall Street Meltdown: How Agencies Can Best Advise Clients During Economic Crises

MARK HASS
GLOBAL CHIEF EXECUTIVE OFFICER
MANNING SELVAGE & LEE

LARRY E. SNODDON
VICE CHAIRMAN,
APCO WORLDWIDE

ANDY POLANSKY
PRESIDENT
WEBER SHANDWICK

BUD GREBEY
SVP, GLOBAL CORPORATE COMMUNICATIONS PRACTICE LEADER
WAGGENER EDSTROM

MATT HARRINGTON
PRESIDENT AND CEO, U.S.
EDELMAN

PAUL TAAFFE
CEO
HILL AND KNOWLTON

Reverberations of the economic meltdown, announced bailout and resulting stock market rollercoaster ride continue to be felt this week by agencies and clients alike, with the bailout bill having failed its first vote in the House of Representatives. And it goes without saying that the repercussions of these developments will continue to be reshape agency and client business plans and communications strategies in the weeks and months ahead, as companies gird themselves for tighter economic times.

So how exactly are agencies and clients alike handling the news? What are firms recommending to their clients—especially those in affected sectors—as they struggle to cope and scope out likely scenarios for their products, services or brands? How are the best firms working with their clients, given these sudden changes? We queried agencies nationwide. Here's a sampling of the responses to date on this very fluid situation—and several pointed, top-drawer suggestions for agencies to consider in the weeks ahead:

Looking Inward: Values-Based Communication Is Critical in Times of Economic Turmoil

"The economic news is very industry specific," said Mark Hass, global chief executive officer at Manning Selvage & Lee. "The financial and financial services world is being jolted and reshaped. Those clients are focused on communicating clearly and often to their various constituencies, both internal and external, about what is happening. There is a complex, high stakes communication process unfolding on Wall Street and in Washington, as Congress and the media vet the Treasury Department's plans. For chief communications officers of the companies and institutions involved, these are the most trying days of their careers."

For clients in other sectors, the need to communicate, especially internally, is just as urgent, Hass added: "In times of great trouble, great brands and companies rely on the core values that define them. They work hard to communicate those values, use them to connect to consumers and others, and usually emerge stronger," he said.

As a result: "We are advising our clients to do just that and avoid the temptation to go dark, reminding them that authenticity and transparency are especially important in tumultuous times." So what does this mean to other agencies and practitioners—how can you best serve clients in these tumultuous times? Hass offered this perspective:

- Emphasizing the sound judgment of senior executives. "The role of a communications agency now is to give clients great advice based less on experience and more on instinctive and sound judgment," he said. "Judgment is especially important now, given that no one in our industry has had experience with a situation quite like this."
- Being an advocate for clients amid the meltdown. "Of course, we are also advocating for those clients and brands, making sure their communications programs, both the traditional ones and the new ones that are emerging from this crisis, are effectively executed," said Hass.
- Increasing client involvement in digital outreach. "In times like these, an effective grasp of what is happening in the digital space is crucial. We like to say that the third vital component of a contemporary communications firm is its ability to empower activists for client brands and causes," said Hass. "Now, more than ever, that is true, and we are urging our clients to increase their involvement in the digital space."

Not Over-Reacting: This Is the Time to Pinpoint Vulnerabilities and Plan Accordingly

"It is too early for clients to react, given the uncertainties and volume of debate around what the government will do," said Larry E. Snoddon, vice chairman, APCO Worldwide and managing director of APCO's New York office. "Best in class companies are not over-reacting. Rather, they are using this as an opportunity to identify emerging issues that may result from the current financial situation." In that context, Snoddon said the agency is offering the following counsel to clients—and advised others to do the same:

- Anticipating problem areas. "Make sure you have a process in place to anticipate emerging issues. In these uncertain times, carefully looking at how you communicate (and what you communicate) with internal audiences is essential," Snoddon said.
- Reprioritizing critical issues. "In addition, firms are working with clients to help create new, more effective ways to prioritize critical issues," he said.
- Separating noise from essentials. "Companies need partners who can help them distinguish essential information from noise," added Snoddon. "Clients need a methodical approach to this analysis and could well benefit from thinking from people outside their industries, since many of the issues will no longer be merely financial, but also social and political."

Andy Polansky, president, Weber Shandwick, agreed with this general take, adding: "The first question is whether a client has significant exposure with respect to the current financial crisis—whether it be real or perceived," he said "If so, we are helping them act swiftly and decisively to restore confidence among their various stakeholders."

In terms of deliverables, "This could mean anything from a reassuring email to employees, to a CEO letter to key customers, to a special statement targeting investors," shared Polansky. "At a minimum, we are providing strategic counsel in the near term

and helping clients shore up their risk management processes for the long-run."

Counseling Clients against Knee-Jerk Responses: Long-Term Strategies Are Needed

"Like virtually every global company, ours is paying attention to the economic issues in the U.S. and is considering the long and short-term global market impact," said **Bud Grebey**, senior vice president and Global Corporate Communications practice leader at **Waggener Edstrom.** "That said, I believe the unprecedented changes underway in the global economy represent opportunity for agencies offering innovative communications strategies."

Specifically, "We're seeing a movement away from traditional corporate PR toward a much more consultative approach to communications—less of an emphasis on tactics and a greater focus on strategies and programs that will drive business goals," Grebey explained.

In addition, Grebey said all clients, with varied degrees of success, are anticipating "What's Next?" "During economic turmoil, there are always companies that take knee-jerk reactions or bury their heads when it comes to communications. I see less of that taking place in the current situation. I think this is largely due to the fact that, in the past decade, 'communications' has matured beyond a stove-piped public relations component and is now seen as an integral part of an organizations' business strategy."

Grebey advised PR firms take the following steps and make the following recommendations to clients in the weeks ahead:

- **Thinking big-picture.** "Stay focused on the long term; continue to broaden interaction with stakeholders; think globally; and, look to innovative communications such as social networking and online opportunities to support your business goals," he counseled.
- **Revisiting internal communications.** "This is not a good time to cut back on employee communications—in fact, constant and open dialogue between company leaders and employees is essential during times of uncertainty," Grebey said.
- **Refocusing on credibility and trust.** "Transparency and global citizenship are increasing in importance every day, and are a key differentiator in the marketplace," he added. "An organization's activities—and to whom and how they are communicated—must be ethical, authentic and credible."

On a different note, Grebey said firms should strengthen client-agency relationships during tumultuous times. "The client-agency relationship must be an open partnership. At Waggener Edstrom we have established relationships with our clients and they trust that we are considering the effects of the economy and building that into our planning cycles," he shared. "Our working relationships with our clients haven't changed—it's just adding the sudden market changes to our dialogue and making sure that we are talking about it as it relates to the effects that it could have."

Restoring Confidence: Plans Must Change Quickly to Match Shifts in Perception

"The common theme throughout this current Wall Street crisis is the loss of trust and confidence in institutions and governments," said **Matt Harrington**, president and CEO, U.S., **Edelman**. "As communications counselors, we are in a unique position to help companies demonstrate why trust in them is still warranted, to help them be transparent with their key stakeholders and to help them solidify relationships with the wide range of stakeholders key to their continued success."

While the eye of the storm is in the financial community right now, he said, "The highly integrated, global economy we live in requires that all participants be more actively engaged in communicating how they're navigating today and planning for the future."

So how are the agency's clients handling the market news? "Our clients are assessing how the marketplace is shifting and the ways in which they need to alter their messaging and their communications campaigns," Harrington shared. "Corporate reputations have always been fragile, but now we're seeing perceptions change even more quickly. We're not seeing clients stop their activities, but rather intelligently checking that their programs are continuing to deliver, have an impact on their business and provide a solid return on investment."

Here's what Harrington said they're recommending or executing now:

- **Focusing on all stakeholder groups, including internal audiences.** "In turbulent times, communications needs to be a central part of strategic planning and moving business forward," he said. "It is important to provide guidance and perspective for all of a client's stakeholders, from internal audiences to customers and to each client's broader stakeholder universe."
- **Reassessing and adjusting communications plans.** "In partnership with our clients, we are assessing plans to ensure that they can continue to achieve their stated goal in a very fluid environment and if not, adjusting them accordingly," Harrington said.
- **Pinpointing potential client vulnerabilities.** "We are working closely with our clients to ensure we have an accurate read on their current strengths and where they may have vulnerabilities," said Harrington. "Also key is understanding the dynamics of their particular market/industry and their competition. Armed with this information, we're then able to factor against the external environment and make educated decisions."

Syncing Monitoring and Messaging: Strategic Communications Principles Are Compressed

Paul Taaffe, CEO, **Hill and Knowlton**, added this: "Those in the financial sector are struggling to keep up with the pace of developments. Those in other sectors are holding their breath, waiting to see if more shoes will drop, and rapidly rethinking their assumptions of what 2009 will look like," he said. Based on

that, here's what Taaffe thinks agencies should be recommending to clients:

- **Responding quickly.** "'Jack be nimble, Jack be quick,'" he said. "In this enormously fluid environment, the half-life for communications strategies and messages can be measured in hours, versus days, weeks or months. This requires minute-to-minute monitoring of events and the ability to adjust rapidly." In addition, "The same strategic communications principles apply here as they do in times of normalcy, only that time is considerably compressed," he said.

- **Not being afraid to communicate.** "While instinct suggests the need to let the dust settle before committing to a communications message or strategy, in fact now is the time to communicate with key audiences to help them process what is happening and how it impacts their relationship with the respective company," said Taaffe. "Not communicating is not an option and there is employee concern in all companies, but financial clients are not even getting the facts out and this has major consequences in international markets."

- **Starting reputation rebuilding now.** "There needs to be round-the-clock hand-in-hand coordination, given the speed at which events are moving, and the inability to predict what might occur next," Taaffe said. "While there needs to be focus on the triage of handling the daily and hourly developments, this cannot be at the expense of over-the-horizon planning—how the company wants to be positioned and perceived after all is said and done. The reputation rebuild needs work now while damage limitation is still happening." **FV**

Brian Pittman

FIRMVOICE
SEPT 24, 2008

We need Servant Leaders, Not Senior Leaders: Six Ways to Maintain Executive Level Involvement in Accounts

By Patrice Tanaka, Co-Chair, Chief Creative Officer, whatcanbe Ambassador, CRT/tanaka

It's a fine balancing act to maintain senior level involvement in accounts—which clients expect at varying degrees—without overshadowing and disempowering account team leaders. I know I haven't always been as graceful or effective in this regard as I would have liked. But over the years, I have found the following approaches to be effective in both positioning and supporting account leaders as the "hero" to their clients while maintaining senior level visibility with clients:

1. Communicate with your account team leaders exactly how you would like to be involved with their clients. This includes participating in program development, being kept in the loop on major client and account developments, attending key client meetings, etc. I've found it helps to clearly communicate your expectations upfront to account team leaders about how you want to be involved with clients, explaining, if necessary, that it's not because you don't trust their judgment, but that it's simply good business practice for senior agency executives to remain in close contact with clients.

I would elaborate by saying that you and the account leader share the same goal, i.e., to keep and grow client business by making sure that the full resources of the agency are being deployed to deliver success for clients and that you, personally, are committed to helping them succeed for the agency and for their clients.

2. Offer yourself as a resource to the account team to help them deliver better work than they could do without your involvement. Over the years, I've done a lot of behind-the-scenes work in brainstorming, writing and editing plans and other documents that are sent out under the signature of account team leaders and their teammates. When clients have responded with praise, this has helped to build their confidence in the agency, their account team and in individual team members. This makes everyone look good, especially you for having the good sense to hire talented people and to trust them to do great work for clients.

Often your account service folks—especially smart managers—will let their clients know that senior management is involved in their account through your behind-the-scenes support and championing of the team and, by extension, the client. This type of servant-leadership approach characterizes how our management team here strives to support employees.

3. Assist account team leaders and members in preparing for important client meetings. This can be done in the same way we prep clients with media training to help them successfully handle media interviews and communicate key messages, while gracefully handling difficult questions. As we know, the best way for account executives to learn and grow into strong account managers is by successfully handling challenging clients and accounts. We can help them to succeed by coaching them on how to counsel clients, including engaging in "role playing" so they can learn to think on their feet in developing cogent responses to difficult questions that might be asked of them.

4. Handle and communicate key account team changes to the client. Senior agency management can use these opportunities to communicate key account staffing changes to the client while reassuring them the agency will do whatever it takes to ensure that servicing of their account does not suffer. Once a key replacement is in place, it is a great opportunity for senior management to continue communicating with the client to ensure that the transition has gone smoothly and that the client feels well looked after, especially during this critical period.

5. Create opportunities to engage with clients. This includes leading or participating in semi-annual or annual client-agency evaluations, getting involved in planning meetings, attending major client presentations, hosting a celebration of an account team victory to which you invite their clients, sending books or articles that a client may be interested in reading for personal or professional edification, inviting clients to industry or other professional development events and celebratory events spotlighting the agency or agency leader. Celebratory events of this nature are, in fact, very reinforcing of a client's decision to hire and work with their chosen agency.

6. Take every opportunity to help people succeed and brag about them to clients and colleagues. There's nothing more reassuring for clients than to know their account people are "stars" and highly regarded by agency management. Again, this is a win-win-win situation—good for the employee, their clients and the agency. Employees who are treated as valuable talent by agency management whose expectation is that they will do great work usually rise to the occasion.

Overall, the most valuable role that senior leaders can play in fostering strong client-agency relationships is to make sure accounts are serviced by teams with the right talent and experience for the assignment—and that these teams have the proper resources and support to deliver great work. Getting these fundamentals right is usually the most effective way to position the agency and senior management as being committed to serving the best interest of their clients. **FV**

FIRMVOICE
SEPT 10, 2008

Speaking CFO:
How Financial Literacy Can Improve Performance from Execs to AEs

MARK RAPER
CHAIRMAN & CEO
CRT/TANAKA

Do you speak CFO? You'd better if you want to keep your biggest and most profitable clients. After all, a seat at the proverbial table is really only possible for agencies, execs and even account coordinators who grasp and speak the language of the client CFO, which is grounded in the world of finance and operations. While few in PR would advocate agency financial literacy at Sarbox or IR levels, there's no doubt that becoming fluent in the metrics, financials and accounting principles that make clients happy when evaluating returns and ROI can help careers, client retention and ultimately the bottom line.

Where do you start — what business metrics and finances do client CEOs and CFOs really care about? How can you train your staff to speak the lingo to improve client service and communication — while proving your value? We checked with CRT/tanaka chairman and CEO Mark Raper to see how it's done there — and how you, too, can speak CFO to strengthen your hand with client C-suites:

Do you find new PR hires aren't generally numbers oriented?

The predominant group in PR — new hires or otherwise — are words people. But value is most often measured by our clients in financial terms. That being the case and knowing we're in the service industry, we have to understand our clients and their business. Those are prerequisites of being a great agency — so we can't just be good at the "word side" of the communication side of the game. We also have to be adept at the financial side.

More agencies we're talking to these days are hiring people with diverse backgrounds. Some of these people may have general business degrees. Or they may be people with experience in cultural anthropology or even sociology — areas focused on understanding markets and the consumer. But as a rule, we're not hiring accountants or people with finance courses under their belt. So we have found that we almost always have to teach financial literacy and work to keep staff engaged in the numbers.

So how do you keep staff financially engaged?

We want to develop risk-takers and entrepreneurs. Financial and business literacy is a big part of that — and it starts with a spirit of openness and transparency across the agency. For example, all staff from senior level to account coordinators are kept extraordinarily in the loop on financial topics and senior management makes significant efforts to ensure that all staff understand the important financial side of agency life, and the business implications.

For example, we spend a considerable amount of time at our monthly staff meetings reviewing the financials for the agency, as well as answering any questions about these financials. And, for employees that have had the ability to attend board meetings, it's even more incredible the level of time and effort that goes into analyzing the financials.

Additionally, we helped create a mini-MBA course for our staff (and all of the Lumin Collaborative, a group of like-minded, independent PR agencies) to better understand business. Importantly, all staff are expected to understand their client's business as well as they do.

Does your "spirit of openness" translate to an open book policy?

It does. It's part of the fulfillment of our responsibility to make our people better personally and professionally. It's an important part of growth for our employees — otherwise they're stuck in the tactical their entire professional careers. This lets them see how what they do day to day impacts the business overall.

What's your process for reviewing financials?

We spend time using our own balance sheet and P&L to help people understand financials of any company and clients — starting with us. We review everything except salaries. The breakdown is we do it at monthly staff meetings. We go through top line expenses, margins and answer any questions that come up. Examples might include, "Why did we spend more in parking this month?" We appreciate that kind of questioning — it means people are engaged.

My tip here for other agencies would be to welcome questions and to not run through financial terms too fast. For example, "EBIDA." Stop and explain that it's earnings before taxes — even if nobody asks. Sometimes, people are reluctant to step up and profess ignorance of these things. You have to do it for them. Try not to overwhelm people with accounting terminology. Go slow. Keep it simple.

Apart from monthly staff meetings, each practice area reviews individual margins by client and talks about it in practice meetings at a minimum of once a month. Everybody in that practice area is in attendance. We have health, corporate, interactive and consumer practices — and each one of them holds these as cross-office meetings via phone. They review the financial documents online. All visuals are on camera and live.

Because our shareholders are also employees, we also have an annual meeting where all of the financials are reviewed in great detail. That is supplemented by an offsite training once a year where we walk through a "financial and business literacy" session. Anybody can come to any of these meetings — from the monthly staff and practice meetings to annual shareholder meetings.

Beyond that, we conduct town hall meetings every two months where any staff with a question, grievance or issue can air it. We sit there and answer questions sometimes until 8:30 p.m. at

night. I run those rotating through our four offices. The next one is in Norfolk, then Los Angeles. Financial issues often come up at those times, especially ones related to ownership and bonuses.

Finally, we also conduct board meetings. We have standing members and rotate people from mid-management in to attend. We review finances then and talk about ways to improve them. Our CFO goes in great detail over the finances then — and people review those materials in advance.

The key here is we don't just preach business literacy and espouse an open book policy. That's not enough. You have to support that with regularly scheduled meetings that touch every corner of the practice. If you're not doing something along the lines of any of these meetings I've talked about at least quarterly, then you're not doing your job.

You mentioned bonuses — do they really instill a sense of engagement in business literacy?

Incentives and things like a bonus pool tend to get people interested in line items more specifically. Then they really want to understand how it works. I would recommend that as a starting point for any agency. Beyond that, ownership incentives really can empower employees to see things in business terms. That's a big motivator. I would seriously consider providing some level of ownership to as many employees as possible. It will get people into the finances more effectively than anything else you can put on the table. In our case, every employee who joined us in the past had some ownership at nine months.

Is ownership that important to younger staff and millennials?

We actually found ownership has different value at different life stages. So a kid out of college likes the idea of stock — but will take cash first. Ownership has more value later as you have kids and so on. So one of lessons we learned was that it depends on life and professional stages. Overall, however, it has worked well for us and our employees.

How does your mini-MBA course work — is it a model for other agencies?

Our course is one we share with all Lumin members. One of the topics in the course is "Business Illuminated." It's a quick executive version of an MBA program for communicators. Specifically, we talk about: strategic planning, financial implications in a quasi accounting way and reading balance sheets.

It runs over 14 weeks, every other week, and is held two to three hours in the evenings. We rotate speakers by availability and also have outside instructors come in. For example, we recently had someone from University of Minnesota business school come in and talk about what everybody needs to know about business markets.

In between each class, there's homework and textbook to read. In the end, the graduates get a subscription to one of the top business publications, like *Forbes* or *BusinessWeek*.

My advice to other agencies would be to implement something similar. It doesn't have to be on such a big scale — even brown bag lunches with outside instructors coming in once a month would be enough to begin to increase financial literacy across the agency.

How does your staff bone up on client businesses and finances?

One of things we've done periodically is try to send people into our client and work from the client side for some period of time — so they get a firm understanding of the client's business, their pain points and what keeps them up at night. We love having our folks go in and office within client locations — we wish every client would give us that access. We encourage them to meet with client sales staff and even go on sales calls. For example, I was at Target on a sales call recently.

This helps staff realize what metrics and performance benchmarks are important to clients. Overall, ROI is going to be different every time and for every client. Sometimes, it's sales or a vote getting up or down or even something intangible like employee engagement. They see that firsthand when they're working alongside clients.

Beyond that, measurement and metrics are stressed at the account coordinator level. Each person has their own PG, or performance goal. Each individual and their supervisor works out some way they can improve their skills and their business literacy and they give it a measurable goal. For example, a staff member can seek to broaden client relationships by ten percent. We tie that to performance reviews and correlate those goals to financial metrics so they're things staff thinks about every day.

We want them to think first of what they do and how it impacts the client. We don't want PR people doing their job and not knowing why they're doing it. And all of that, starting with establishing measurable goals and metrics for any program or campaign, is ultimately manifest on a balance sheet.

Do you support continued business education — or help pay for MBAs?

Absolutely. After six months of employment, we offer time off and financial subsidies. For example, we offer up to $5,200 for a post graduate degree.

What final tips can you offer other agencies for helping staff "speak CFO"?

Add business books to your library. One book we use for our MBA class is "MBA in a Nutshell," by Milo Sobel. Also, add financial bookmarks or articles to the company intranet.

Finally: Make finance fun and not so off-putting. Anybody who is curious will find it fun as long as it's relevant and impacts their lives. Part of that includes making finances less intimidating. Ease people into it. Start with a bonus plan and balance sheet meetings. Financial literacy really should be more mainstream in our industry. We really need to broaden its appeal in PR, and these are good starting points. **FV**

Brian Pittman

FIRMVOICE
AUG 27, 2008

Playing Well with Others — How to Work with Client Partners for Greater Impact and Influence

MARK BEAL
MANAGING PARTNER
TAYLOR

JULIE BATLINER
MANAGING PRINCIPAL & CHIEF CLIENT RELATIONS OFFICER
CARMICHAEL LYNCH SPONG

BARBY K. SIEGEL
MANAGING DIRECTOR OF GLOBAL CONSUMER MARKETING
OGILVY PUBLIC RELATIONS

CHRISTINE SIMEONE
SENIOR VICE PRESIDENT
LOIS PAUL & PARTNERS

As consumers increasingly gather their news and information from a wide variety of sources — ranging from traditional media to their mobile devices — clients can no longer rely solely on one or two disciplines to cut through message clutter and drive results, says Mark Beal, managing partner at member firm, Taylor.

That's why clients are turning to integrated planning and projects. "Different clients call it different things — holistic planning, integrated planning and 360° planning are just a few examples," says Julie Batliner, managing principal and chief client relations officer at member firm Carmichael Lynch Spong. "At the end of the day, it's all of the marketing disciplines working together to ensure all brand contact with consumers or customers is relevant, consistent and moving the needle."

The upshot is PR's seat at the table now requires not only strategic know-how, but also the ability to play well with other key disciplines — all of which are vying for the client's attention, kudos and budget. So how can you step into the breach and master the art of working well with integrated partners? We checked in with Council members who've got it down to a science. Their best practices and tips follow:

1. Don't compete — leave egos and budget battles at the door. "Working 360 is about collaboration, not competition. It's a chance for agency partners to free their minds, to think big and think beyond their discipline," says Barby K. Siegel, managing director of global consumer marketing at member firm Ogilvy Public Relations. "The key is for all the agencies representing various disciplines — like PR, digital, advertising, promotion, media buying and so on — to come to the table with the client challenge as the number one focus, rather than a group of agencies or tactics fighting for budget."

"Leave your egos at the door, please. When all the agencies put on their consumer insight and marketing hats and think together — then the big bold idea can emerge for amplification across channels," Siegel says.

2. See beyond your silo — read and speak the language of client partners. "It is critically important for the 360 team to understand the 'job' of each discipline. While all the disciplines will ultimately ladder up to that one big idea and core brand essence, each discipline may get there in a different way," Siegel says. "For PR, the job might be to educate or to align key influencers, whereas for another channel the job might be broad awareness around, for example, a brand icon."

Christine Simeone, senior vice president with Lois Paul & Partners, an affiliate of council member Fleishman Hillard, adds this: "Not only do all client partners need to be talking — but they need be speaking the *same language*. That means understanding the fundamentals of each others' disciplines."

For example: "I don't think there's enough communication between PR and IR," Simeone says. "So I joined the National Investor Relations Institute (NIRI) — not because I 'do' IR, but because I need to communicate with people who do."

Simeone says she also attends the annual NIRI conference — returning with notes and materials to share with her colleagues in brown bag sessions. "I actually do a summary of what we can learn from IR and how it translates to advice we can give to our team's clients," she says, adding that she also subscribes to and reads *Investor Relations Update*.

"The real tip is for agencies to read beyond the PR trades," Simeone says. "Analysts, IR, PR people, marketing, internal communications — we should all be talking to each other and understanding the key issues each of the other disciplines are facing. You don't get that by staying in your silo."

3. Be a facilitator — orchestrate the communications between partners. Simeone also believes PR should, when possible, step up as the traffic cop for client-related updates and notices. "This keeps everybody in the loop when developments happen that impact various disciplines, and it also serves as a reminder that PR controls communications in general."

Specifically, she suggests agencies build a list of key client partner contacts — and then generate an email update form to distribute to that list whenever the client issues a statement, responds to a market rumor or issues a release. These updates can also include notification when analyst reports break or even summaries of media mentions pulled from feeds the agency subscribes to.

"Put these things in a digest and send them out to everybody," Simeone suggests. "Take charge of this by being the one who makes the recommendation of who and what needs to be on that list," she says "And make the recommendation that you distribute and manage the list, if appropriate."

4. Don't always lead — adjust to client and partner expectations. Batliner builds on Simeone's point by advocating caution when taking charge across disciplines. "At times, PR has led the process — and other times, we've worked with the advertising agency that is leading the charge," she shares. "Whatever is going to work best for the client, we make work," she says.

The key, she says, is to "Designate who's in charge early on to avoid confusion and multiple executive chefs in the kitchen, each planning a different main meal versus a perfect combination of the main entrée and supporting side dishes that marry well." Her tips for working well with integrated partners for optimal results:

- Set expectations early. "Set the expectation for playing

well with each other in early planning stages," Batliner suggests. "It's ideal if this direction comes from the client."

- **Decide who's leading the charge.** "Starting from the same body of knowledge surrounding the target, agree on objectives, positioning and the brand idea that will be used across all disciplines."

- **Conduct status calls.** "Share, share and share more by meeting and talking regularly," Batliner recommends. "For example, for our Trane client, we have bi-weekly 360° status calls with all partners including media buying and strategy, direct response media services, advertising, online advertising and trade."

5. Provide solutions — schedule live updates with partners to share best practices. Simeone agrees with Batliner's take on status updates. "I work with a global multimillion dollar public company whose agency partners are worldwide. I set up a regular call with their European and Latin American agencies," she elaborates, adding that these meetings are built around the following agenda items:

- **Works in progress:** What are you working on now that others could help with or leverage in other regions?

- **Key challenges:** Do you have new challenges or difficulties you're managing with the client or client's media audiences?

- **Best practices:** Do you have any examples of what is working for you that others can learn from?

"Build a real agenda along these lines and conduct these phone meetings at least every other week," advises Simeone. "Take the reins and realize these meetings and other regular updates don't really need to include the client."

6. Build camaraderie and shared vision — consider immersion workshops. A challenge when working with agency partners is zeroing in on a common shared vision and unified goal, says Taylor's Mark Beal. To arrive at that shared vision, he advocates approaching client assignments with a team first attitude as opposed to agency-first.

Specifically, he recommends all client partners participate in a brand immersion experience together for a two or three day period. "Through this process, all the partners not only truly understand their client's business, target consumer, challenges, goals and competitive landscape — but along the way, also build camaraderie and a team-first attitude and approach," he shares. "By completion of the immersion phase, the integrated partners have quickly and effectively built a team that is greater than the sum of its parts."

Beal also advises building bridges with client partners offsite. "Take time to work proactively with the other partners away from the formal client meetings to develop and identify unsolicited solutions and strategies," he suggests.

7. Participate in annual sales meetings with clients — and shape the agenda. Simeone pushes the concept further: "If your client is global, you need to push for face to face meetings with all marketing communications interests at least annually. We actually recommend our clients tie these meetings to their global sales meetings. Goals are being set for the sales force at that time — so it's a good time for all communicators to piggy back onto the agenda and location."

This positions the PR agency as more of a strategic partner from the start, Simeone says. "If necessary, offer to manage the event. Offer to create and drive the agenda. Set it up, and you'll automatically have a seat at that table," she assures, adding that these are also appropriate times to set up educational workshops with other integrated partners. "Walking them through how PR contributes to the client's business is a great way to assume a more influential role. For example, consider a brief presentation on social media and how it impacts the client and its agency partners," she suggests.

8. Win the ears of client and partner execs — starting at the client pitch. "The pitch process is your first interaction with client and agency partner senior execs," says Simeone. "That's when you want to set up a 'buddy program.' Do that by following up right after that meeting and finding a reason once a month to check in at the senior level."

And if you can, "Float the idea for a quarterly PR counsel meeting with the head of marketing, the CFO and the CEO all in the room to tell you about their challenges, opportunities, customer feedback and so on," Simeone suggests. "This raises your strategic partnership profile — and gives you the metrics and goals you can use later to show how you're moving the needle." **FV**

Brian Pittman

FIRMVOICE
AUG 27, 2008

Green Fatigue's Timely Lesson:
Clients Want Agencies to Look Past the Easy Hook

By Vivian Deuschl, Corporate Vice President, Public Relations, The Ritz Carlton Hotel Company

Kermit the Frog summed up the current state of eco-tourism public relations when he lamented "It's not that easy being green" on Sesame Street. Public relations practitioners eager to find something positive to pitch to the media are finding that, Al Gore and Leonardo DiCaprio notwithstanding, it's a growing challenge generating eco-tourism coverage with a press corps increasingly suffering from "green fatigue."

The symptoms — including skepticism about claims of sustainability and cutting edge technology — are something all PR practitioners should take care to avoid with a constant reality check (and not just when tying clients to the "green" movement, but with all major trends).

Agency executives urging their clients to jump on the proliferation of organic product offerings, environmentally friendly initiatives and any other program which makes claims of being a saver of the earth had best think twice before making promises to their clients of great coverage possibilities. While it isn't necessary to invent the next hybrid to gain significant ink or broadcast time, there is increasing suspicion on the part of reporters with new expertise in environmentalism that "trendiness" is taking over "cutting edge" when it comes to "going green."

While many of the products being introduced to consumers have the "creds" to be considered genuine, many more are coming on the market with questionable claims to authenticity. Some of the reasons agencies are jumping on the bandwagon can be traced to the poor economy and the media's seeming obsession with reporting bad news. When looking for new "hooks" to interest mainstream media, some firms are seeing the back to nature movement as a solid way to score positive attention for their clients increased awareness of corporate social responsibility, including protecting the environment.

One of the most effective ways to avoid charges of "greenwashing" by the media is to make sure you and your client do their homework before touting the eco-friendly advantages of a product or service. At The Ritz-Carlton Hotel Company, we have a twenty-year history of giving back to the community, but have recently raised the commitment level to involve our guests in opportunities through programs like "Giveback Getaways," offering chances for groups and vacationers to take part in our long-time Community Footprints CSR initiatives.

Wary of being seen as jumping on the bandwagon, we enlisted the advice and guidance of one of the most experienced, third party experts in the field. When pitching a story to a skeptical reporter at *USA Today*, we suggested she speak with this impartial resource helped to soften the tone of the piece. While we did not escape a sardonic reference to the program as being similar to Marie Antoinette feeding the peasants before returning to her grand estate, the expert strongly backed our efforts as meaningful, sustainable and responsible. We avoided the temptation to jump into these programs before enlisting the advice of someone who the media found to have an impeccable record of credibility and knowledge. **FV**

While it may not be that easy being green, it can work if agencies and their clients can claim a seat at the table as the discussion of what does and does not qualify as eco-friendly, socially responsible initiatives. The last time I checked neither Al Gore nor Leonardo Di Caprio were available as spokespersons.

FIRMVOICE
AUG 20, 2008

Tonic for Tough Times: How Savvy Firms Can Increase Sales and Client Satisfaction

SCOTT FRIEDMAN
REGIONAL DIRECTOR, NORTH AMERICA
TEXT 100 GLOBAL PUBLIC RELATIONS

MIKE THOMPSON
SENIOR VICE PRESIDENT
CRC PUBLIC RELATIONS

CATHY ACKERMANN
FOUNDER
ACKERMANN PR

SHERRI FALLIN
PRESIDENT & CEO
DUFFEY COMMUNICATIONS

Even in a down economy, agencies all over the country are not only keeping clients, but encouraging them to maintain — or even expand — the services and products used in their public relations campaigns. And these add-ons are not only a winner for these firms' bottom lines. They also contribute to the success of clients whose sectors may be stalling — further ensuring client loyalty.

Yet one of the biggest challenges for PR firms is pressing clients for more business without alienating longterm clients. The wrong approach to offering additional services could get a "no" from a client every time, whether it's now or in the future when you'll want to leverage a stable of steady clients against continued growth.

To bring you the best practices in increasing sales and quality of service, we polled your peers and a few rainmaking gurus for their top tips. Here, they tell you what they're doing to get their clients coming back for more:

Demonstrating Value without Sacrificing Fees

"Cross selling services is important at all times because it demonstrates that you are always thinking about your client's challenges and exposing them to new thinking," says **Scott Friedman**, regional director, North America, Text 100 Global Public Relations. "But it becomes even more critical in down times as they face new challenges to their business and communications."

Friedman acknowledges certain difficulties in cross selling: "One of the biggest challenges is achieving an understanding with the client that the new services fall outside the existing retainer. Often clients will seek to have the new services squeezed into the existing scope of work, which naturally requires tradeoffs in terms of the ongoing communications program."

Text 100 is addressing this challenge "by clearly demonstrating the value of our services and by trying not to compromise in the way we charge for these services." Continues Friedman: "We strive first to keep the new services completely separate from the retainer and existing scope of work. This enables us to continue to provide all of the foundation services the client is used to and demonstrate the true value of the additional services."

Friedman offers these quick tips for cross selling services while maximizing value for clients:

- **Stop talking and listen.** "PR professionals who can't listen to their clients will never spot opportunities. Cross selling is about being a great consultant, which requires good listening skills," he says. "Clients will always see through attempts to up-sell, but great consultancy always brings more work."
- **Show them someone new.** "Clients buy agencies to have access to a breadth of thinking and capabilities," Friedman says. "So be bold about introducing them to consultants who are not part of the everyday account team."
- **Deliver.** It seems obvious, he stresses, "But the best thing you could do to generate additional cross selling opportunities is to deliver great results on existing projects."
- **Don't try to be something you're not.** To be an effective consultant, you sometimes have to admit when you do not know something, Friedman advises: "Be ready to walk away from a conversation, but promise to bring in someone later who can address the issue at hand."
- **Don't under-value your services.** "The more you compromise on the pricing for new projects and services, the less the client will value them — and the harder it will be next time to land the project at the price it deserves," he cautions.

Focusing on the Clients' Needs, Not the Economy

"We have always felt cross selling is important if it meets the client's needs," explains **Mike Thompson**, senior vice president for Alexandria-based CRC Public Relations. In fact, he cautions agencies *not* to back off on showing clients new services, even though they might not want to spend more money during slow economic times.

If the program will help the client, it is up to the agency to be able to communicate that effectively. It is up to the agency to be able to identify what the client needs to achieve its goals. "If you focus on the clients, they will stay with you in the good and bad times," he says.

Recently, to position a client as a leader in their industry, CRC developed a plan for the client to do an annual summit. This event positioned the client as a recognized leader in critical issues faced by companies in its industry — and has resulted in an increase in its budget with CRC.

Thompson considers this a great example of a successful "up" sell: "We run the entire program — from securing the venue, to booking high-end keynote speakers and presenters, to deciding what everyone is going to eat for lunch. We basically added a new annual project to the package."

Concludes Thompson: "We never looked at this as how can we bill more hours. We're more interested in the result than how many hours area we billing for client X. We want to help them achieve their goals."

Taking a Strategic Planning and Consulting Approach

"We're not pushing as many of the more 'tactical' products as

we would in good times," shares Cathy Ackermann, founder of Knoxville-based Ackermann PR. "If we take a purely tactical approach with clients, they may end up spending a lot of money on pretty materials, but with no results," she explains. "They might not need that pretty brochure as much as they should invest in a strategy to position them or give them a competitive edge — or maybe offer a new service that no one else is offering."

"We are always selling, but we do very *consultative* selling," Ackermann adds. "People don't feel we're calling on them like sales people. We spend a great deal of time researching and discussing what will help their business the most. We listen to their needs and tune in on how to meet them."

She gives this example: "Last week we facilitated two strategic planning retreats for clients. One was a large law firm with multiple offices, and the other was a 100-year-old construction company trying to reinvent itself," Ackermann says. "They were both of very high value to the clients in that they helped them change their thinking in the way they are doing business."

Providing Solutions: Helping Clients in Tough Times

"Cross selling is important no matter what the economic times are," says Sherri Fallin, president and CEO of Atlanta-based Duffey Communications. "You never know when your client may need a certain service, and want to be able to recognize it before they need it. It's always a good time to make the clients aware of all you provide."

Specifically, Fallin and her team will always bring up new options for clients in weekly conference calls or meetings with clients. "We'll ask them if they have considered social media marketing, experiential marketing or other services. We are not so much cross selling as offering solutions," she explains. "We talk about what is available if they present a need."

She will also use casual lunches with clients as an opportunity to educate them about possible new services, by way of sharing success stories about what worked well for other clients.

The main challenges Fallin faces when trying to sell new products to clients are budget and fear of trying something new. "The client may agree with our proposal, but won't have it in their budget to do it. Our clients suffer from increasing costs, decreased sales, too — the same things everyone is feeling." The answer, she assures, is to position your a services as part of the solution and your agency as a partner. **FV**

Julien A. Sharp

FIRMVOICE
AUG 13, 2008

Four Secrets of Keeping the Account: What to Do When Your Client Hires a New CCO or CEO

JASON MANDELL
PARTNER & CO-FOUNDER LAUNCHSQUAD

LYNNE DOLL
PRESIDENT THE ROGERS GROUP

CHRISTIN CRAMPTON DAY
PRINCIPAL & CO-OWNER SCHENKEIN

It happens frequently: Your client appoints a new corporate communications officer or even CEO—and your firm finds itself suddenly facing a vulnerable period. Here's why: New executives, often anxious to prove themselves, may want to make wholesale changes—changes that could include ousting you and your business. The good news? Often, the relationship can be saved—even strengthened—if you have a plan in place for responding to new client contacts.

We checked with several Council members for a look into how they negotiate these sometimes tricky transitions. We boiled the best of their practices and tips into these four key steps:

1. Prepare for Change—That Means Now

Prepare for such a change by staying at the top of your game, advises Jason Mandell, partner and co-founder of San Francisco-based LaunchSquad. When a new executive comes aboard, you want to be able to respond *immediately* to requests for media lists, editorial calendars, reports, and so on—that inspires confidence, he says. If it takes a few days to gather that information, you hurt your image.

Another way to prepare is to cultivate multiple contacts within the client company. "It's the best way to ensure your agency is connected to the leaders in the company, and also increases the likelihood that you're valued and recognized by multiple decision makers," says Lynne Doll, president of Los Angeles-based The Rogers Group.

This approach establishes you as an integral part of the team *and* provides from-the-trenches insights into how PR efforts are working, Mandell notes. Moreover, if you are doing a good job, there will be multiple people singing your praises to the new executive, he adds. You might not only save your current business, but also expand it.

Once you know a changing of the guard is imminent, do some research, advises Mandell. Among the questions to answer:

- Is the executive new to the industry?
- Which PR agencies did he or she work with before?
- What sort of PR and marketing efforts occurred under his or her tenure?

Having this information will prepare you for your first meeting with the new contact—a *tête à tête* you'll want to have a soon as possible.

2. Push for a Meeting—and Listen

Once the new exec comes on board, don't wait for him or her to get in touch with you. Make that initial contact yourself. Invite him or her to breakfast, lunch or dinner, counsels Christin Crampton Day, principal and co-owner of Denver-based Schenkein. But while it's a mistake to wait to be contacted, neither do you want to be too aggressive, she warns. The new person is busy getting up to speed and may have other immediate priorities. You need to demonstrate the flexibility to work within his or her timeframe, she says.

During the meeting, bring your new contact up to date on current PR efforts, says Mandell. "Don't assume they're getting that [information] internally." Likewise, you can't assume that your past successes for the client will carry a lot of weight.

Don't talk *too* much, though. Perhaps the most important thing you can do in that initial meeting is listen, says Mandell. You should also ask questions: Now is *not* the time to be subtle. "Talk to the new person in a very overt way about how they like to work and how they like to communicate." It may be hard to ask point blank, he acknowledges, but it's worth the discomfort. "The more openly you can talk about these things with the new contact, the more likely you are to develop a better rapport more quickly."

Day offers similar advice. "Don't spend all your time talking and selling them on how great you are. It's just as important, if not more important, to be a good listener and ask smart questions."

"The first thing an agency needs to do is listen to a new client contact and learn about their priorities, preferences, and objectives," adds Doll. Once you understand that, you should then demonstrate an interest and ability to adjust accordingly.

3. Don't Cling to the Past

Such flexibility is crucial. "Don't be too married to the way it's been done in the past. Show you are a change agent and an experienced counselor that can be a valuable member of their team moving forward," says Day.

"A new CCO or CEO doesn't want to hear, 'This is the way we've always done it,'" explains Doll.

In fact, notes Mandell, one of the biggest mistakes you can make is displaying "over-allegiance" to the prior contact. If the new contact senses your attachment to a predecessor, he or she may lose faith in your firm.

4. Deal with a Potential Search

No matter how prepared and proactive you are, eventually you'll have to deal with a new executive's inclination to start from scratch. If the client decides to conduct a search, you'll need to make some hard decisions. Mandell advises evaluating it like any new business opportunity. You may decide it's not worth it to move forward. (See the June 18, 2008, article "How to Avoid Taking on New Business That Is Bad for Business.")

"If you think the new client executive really wants to make a change, then maybe it's not in your firm's best interests to invest in pitching no matter how emotionally invested you are," agrees Day.

But first, learn the rationale for the search, she says. Assume nothing. "Ask direct and probing questions," including whether the client has concerns about your agency's performance—or if they are seeking new services, says Day. "In some cases the new client executive may not realize your firm also provides those services."

Doll agrees. "I think it's critical to have a candid conversation with a new CCO or CEO about his or her perspective on the agency's work and understand why they want to conduct an agency review."

The Rogers Group has been successful in convincing new client contacts not to conduct an agency review, she reports. How? The firm sets specific objectives, establishes a timeline for reaching them and agrees to a formal evaluation at the end of that time. "When we deliver the results, clients are very pleased they didn't run a review." **FV**

Roxanna Guilford-Blake

FIRMVOICE
AUG 6, 2008

Clients Speak Out:
What Kind of Service We Want (and Don't Want) from Our PR Firm

JENNY DERVIN
CORPORATE COMMUNICATIONS DIRECTOR
JETBLUE AIRWAYS.

DAVID MCCULLOCH
PUBLIC RELATIONS DIRECTOR
CISCO SYSTEMS.

CORINNE KOVALSKY
PR DIRECTOR
RAYTHEON COMPANY

HARVEY GREISMAN
GROUP EXECUTIVE, WORLDWIDE COMMUNICATIONS
MASTERCARD WORLDWIDE

When there's a disconnect between what the client expects in the way of service and what the PR firm delivers, the account can go south — slowly, almost imperceptibly, or in a big hurry — but almost always culminating in a break up. On the other hand, when the agency understands what the client wants and produces it consistently, this heaven-made marriage can last for decades.

While communication is obviously key to understanding specific client needs, some PR firms get client service *institutionally* — great service is bred to the bone, part of the agency's very fabric and culture. And obviously, outstanding service goes beyond award-winning campaigns. Indeed, even if a PR firm produces knock-your-socks-off creativity, inattentive or brusque service can kill the relationship in a snap.

To bring the client service issue into clearer focus, we asked corporate communications managers for their perspective. What are the qualities, habits and behaviors that please them and cause them to give their PR firms high marks? Which service blunders have annoyed them and which have caused them to sever relationships? What are the key components of great PR agency service?

Industry knowledge, good chemistry and innovative thinking are the essential ingredients of great PR agency service, says Jenny Dervin, corporate communications director for JetBlue Airways. She notes that JetBlue's account management team must serve as an extension of the company's internal team. "They have to be willing to roll up their sleeves and get down in the trenches when we need them," she says.

"Chemistry, results and great ideas," adds David McCulloch, public relations director at Cisco Systems. He says an agency must execute the client's strategy well, while also serving as counsel.

Corinne Kovalsky, PR director at Raytheon Company, believes "a great PR agency is responsive to a client's needs, but a truly great agency helps drive the relationship by understanding the client's business imperatives and bringing them unsolicited intelligence and opportunities," she says. In other words, anticipation is the recipe's secret sauce."

Harvey Greisman, group executive, worldwide communications for MasterCard Worldwide, agrees, noting that it is all about business objectives, "but real business objectives, such as increased sales, halting unfair regulation, or the passage of friendly regulation. Along the way, I look for competitive insights, cutting-edge practices and the guts to say, 'no, that won't work.' I also look to leverage the power of their international network and to leverage their influencer network. No company can have a large enough ecosphere of influencers on its side — our agency needs to assist us in the techniques to reach more, and the ability to leverage their own network influencers and perhaps those of their other clients."

Keys to success — what do clients value most?

Greisman says it is important to know your account management team members well so that both sides can speak candidly and productively about problems and opportunities. Dervin agrees: "Knowing [the PR team] on a personal and professional level enhances the working relationship," she says.

Kovalsky also believes the best relationships blend business and collegiality. Cisco's McCulloch elaborates: "It's tough to build really effective working relationships with your agency if the only time you see them is in front of a white board or PowerPoint presentation. A little social time together is essential, but I think many of my colleagues are happy to keep the balance of the business/friendship blend towards business."

In addition, Dervin says, "It is important for an agency to have a clear understanding of the path you're forging and follow the direction that is provided."

Greisman takes it a step further, saying that he wants an agency that can "challenge established assumptions, bring new facts to bear on a situation and help direct or re-direct the corporate plan."

Kovalsky falls in between those positions, and says she looks for a PR agency to be her partner. "There are times when that means following directions, but there are times when I will ask them to take the lead on a specific project or priority and keep me posted," she says.

Where do agencies drop the ball?

While clients certainly strive for that "perfect" match, they understand that agencies are not infallible. One of the worst service blunders Dervin has seen an agency make is believing one solution can be a cookie-cutter approach to solving problems.

Other situations observed by Dervin include agencies that do not plan ahead, have untrained spokespeople, and do not follow through on media monitoring to show a return on investment. To avoid such situations, she says, JetBlue encourages socializing and branching out to other departments and meeting key colleagues. Doing so allows the agency to get to know the client's company from the inside out so they can truly understand a client's needs.

Generally speaking, Greisman says, "the worst errors are committed when an agency doesn't understand the client's business and the competitive environment, key messaging and business priorities, and established communications practices such as what constitutes authorized and non-authorized spokesmanship."

McCulloch says the worst blunder he has seen a PR agency make is showing a lack of attention to detail, while for Kovalsky it is the lack of detail in an agency's monthly billing process.

McCulloch adds that agencies must learn to strike a balance between efficient and effective service and the client should encourage getting to know key colleagues. Kovalsky acknowledges that "it's not that black and white — it very much depends on the company and the agency."

Greisman says he is "annoyed by an over-reliance on quantitative measures of success, such as clip counts and impressions achieved. There has to be more emphasis on qualitative measures — especially on the achievement of real business results."

How do clients measure PR success?

To measure the success of its agencies, Dervin says JetBlue assesses the internal team's confidence in the agency's ability to get the job done without them.

Kovalsky believes success comes from having a partner (agency) that thinks strategically and not just opportunistically.

McCulloch says Cisco measures success on quantitative and qualitative media results and relationship metrics. "We work with Context Analytics for measurement, Zogby for polling, and we use various in-house polling and tracking tools to monitor the health of our agency relationships."

MasterCard, Greisman says, measures success on "the achievement of real business results. Did the agency help bring us closer to achieving that? To what extent is my team better able to do their jobs through agency support — I also include that high up on measures of success." **FV**

David S. Chartock

FIRMVOICE
JULY 9, 2008

Showing Clients How to Get the Most Out of Their Public Relations Firm

THOMAS AMBERG
PRESIDENT
CUSHMAN/AMBERG COMMUNICATIONS

ABBY CARR
PRINCIPAL
BLISS PR

GARY STOCKMAN
CEO
PORTER NOVELLI

HILLARY JM TOPPER
PRESIDENT & CEO
HJMT COMMUNICATIONS

RICK FRENCH
PRESIDENT & CEO
FRENCH/WEST/VAUGHN

TOM COYNE
PRESIDENT & CEO
COYNE PR

It's said that clients get the PR agency they deserve. Treat the agency correctly, and you receive great service and great creative. Treat them shabbily, and you get a shabby outcome. That analysis may be simplistic, for certainly the agency has a responsibility to manage the client relationship so both sides are pleased with the process and the results.

But one thing is clear: When the client doesn't understand how its PR firm produces its best work, the relationship can founder. When agency staff feel abused, they can become frustrated and cynical, setting up an "us-them" relationship, which leads to a cascade of tension on both sides, and even the loss of the account.

So what's the secret of managing clients so everybody's happy, and you and your team do your best work? First you need to understand what qualities make a great client and a great relationship. Then you've got to gently — but firmly, tactfully and diplomatically — guide clients to constructive, collaborative behavior.

We asked executives at leading PR firms for tips on what makes an ideal client-agency relationship and how you can achieve it.

Qualities of great clients

What should you be looking for in an ideal client?

Thomas Amberg, president of Chicago-based Cushman/Amberg Communications (www.cushmanamberg.com) believes that a great client puts a high value on the partnership between the agency and itself and seeks out—and takes — the agency's counsel on key issues confronting the business.

Abby Carr, a principal of New York City-based Bliss PR (www.blisspr.com), agrees that a firm produces its best work when the agency and client form a collaborative team, allowing both agency and client staff to work as equals. This can yield great ideas from either side. But she also notes that great clients also provide firms with solid direction and clear priorities, constructive feedback, and success metrics. Most importantly, they understand how PR works and what it can do, she says.

Gary Stockman, CEO of News York City-based Porter Novelli (www.porternovelli.com) adds to this list "openness" — the quality of confiding in the PR firm and providing candid, in-depth information. "The best clients," he says, "encourage the agency to challenge them, pushing both strategically and creatively. This requires a client who is confident and committed to an open collaboration."

Expanding on the openness theme, Hillary JM Topper, president and CEO of Westbury, N.Y.-based HJMT Communications (www.hjmt.com) praises clients who are accessible. Accessible clients are those who make time for sharing their vision, helping to plan campaign strategy and who provide the necessary product and company background.

Financial considerations are just as important as the other characteristics. Paying without disputing and paying on time demonstrates a respect between the client and the firm, she adds.

Managing the client relationship for success

Most agency executives agree that it's the PR firm's responsibility to take the lead in managing the client relationship. So how do you show your client how to respect the values and exhibit the behavior that lead to fun work and outstanding results?

"There's no one right way. I guess it begins with finding the right client in the first place — one that respects what we do, understands the value and limitations of what can be done, and considers us a partner rather than a vendor," Amberg says.

Topper notes that her firm has a set of questions they ask ourselves when it first meets with a client to help qualify the lead and make sure they are a match for her agency's values. "If at anytime we realize they aren't the right fit, we will talk with the client and if it doesn't improve, we will end the relationship. We have a clause in all of our agreements that either party can cancel the agreement with 30 days written notice," she explains.

However, Carr points out that "some clients are not trainable, and the agency puts up with bad behavior because the client is so important. In other cases, we find that it's not too dissimilar to parenting — lots of strong positive feedback for good behavior, and when they do something that you really don't like, someone senior in the agency says, 'Next time, can we do things a little differently?' We do not have formal training for this — it is conducted more as a modeling by our senior staff."

When is comes to values and behavior, Carr says it basically boils down to the Golden Rule — do unto others as you would have them do unto you. "That means respect for the individual and the team — professional conduct, always, and no shouting matches, blaming fests or drop-dead deadlines that don't really exist. We also do not let a client dictate who in the agency does a particular task," she explains.

Establish your goals early in the relationship

"One of our key goals is to help the client get the best out of the agency. There is an old expression, 'the best client gets the best from the agency.' We view it as part of our responsibility. We view it as making all clients a best client," Stockman emphasizes.

"Clients have less and less time to participate in non-work related activities. However, we have a monthly wine tasting at the

firm to which clients are often invited, and we get to know them that way," says Carr. "We also try to take our out-of-town clients out to dinner when they are in New York. "

When clients decline to play by the "rules"

"Regardless of how much we stress the importance of collaborative relationships, there are some clients that will always view us as vendors, not partners," Amberg points out, noting that his firm has had a few cases in past years in which it has had to fire clients, but they are clearly the exception. And, if a client insists on doing something a certain way, he says there are no problems as long as it is both ethical and proper. "They may well have a better idea. What we want is a partnership, and not everything in a partnership is always agreeable to both parties," he says.

According to Carr, at any given time, there are always a half dozen people and/or firms that her agency would do anything for because "they are good people who treat us well and know how to say thank you," she says. Similarly, at any given time, there are "two or three people who can be counted on to make our staff jump through hoops for no reason, and/or to be first to take the credit and last to say thank you."

"If it's an important client (in terms of revenues) or a very good strategic fit, we try to work with them to make things better. If not, we give it little time to see if they self-correct and, if not, we resign the business," Carr adds, noting that "it actually feels good, when you resign a client because it's not a good fit or the client is exhibiting consistently bad behavior. Any if our clients are at all overbearing or abusive with our staff, there is nothing that will create more employee loyalty than resigning an abusive client."

Both Stockman's and Topper's firms believe in the benefits of periodically conducting a review of the agency-client relationship. In fact, they say this fosters a dialogue about what the client and the agency can each do better.

Great clients pay on time but may question fees

Agency principals agree that a great client respects the PR firm as a business, especially its need to make a fair profit. Yet some clients will always pressure an agency on price. "It goes back to whether the client views you as a vendor or a partner," Amberg says, even though fixed fees and payment terms are spelled out in contracts.

Stockman adds: "When a client perceives they are receiving good value for their investment, there are rarely payment holdups. We help this process along by sending clients regular status reports with a clear ROI with their invoices."

"Clients will always argue down fees," Topper notes, "especially in a down economy. However, the choice PR professionals have to make is whether or not they can walk away from the job. It's almost like playing a game of Russian Roulette — who will be the one to cave in the fastest? If your agency is struggling and you really can't afford to take the loss, then you may want to cave in. If you feel your agency can take the loss, then you have more flexibility to walk away. Nine times out of ten, the client will not let you walk. If they are satisfied, they will pay the fee."

"Over time," Stockman says, "we have seen the client teams that share the greatest productivity, creativity and client satisfaction also turn out to be the ones who deliver the strongest business performance. And those relationships have incredible longevity for the business as well." **FV**

David S. Chartock

FIRMVOICE
JUNE 11, 2008

What Do Digital-Marketing Clients Want from Public Relations?

MIKE MORAN
CONTENT DISCOVERY ENGINEER
IBM SOFTWARE GROUP

Digital marketing is completely changing the rules of the marketing discipline and function. Unfortunately, we are not sure what the new rules are. We know that digital marketing is powerful, and we have seen some amazing evidence of it both in terms of marketing successes as well as reputation disasters that have been precipitated by blogs, social media, search engine optimization, and other advances. It's a new unregulated and uncontrolled frontier, and the best way to keep up with this rapidly changing world is to jump in and make adjustments on the fly. Mike Moran, distinguished engineer for content discovery, IBM Software Group and author of the Internet marketing book, "Do It Wrong Quickly: How the Web Changes the Old Marketing Rules," and co-author of best-selling book, "Search Engine Marketing, Inc.," explains how PR people need to respond to new client expectations about digital marketing — and how these new tools create opportunities for PR firms.

You wrote a book about digital marketing in which you exhort marketers to "do it wrong quickly." Why is it necessary to do things wrong?

Well, I'm not trying to get people to do things wrong on purpose. If you're like me, you don't need anyone's help with that. What I think is helpful is for all of us to admit that most of what we do *is* wrong. It's not the best. It could be improved. Sometimes, it's flat-out bone-headed.

So, what we should all be doing is to treat digital marketing as an experiment. Try things, knowing that they are probably wrong, but measure the results so you can see how far off they are. Then try something else. Gradually, you'll get closer and closer to what your customers really want. It's amazing how smart we look when we pay attention to the feedback our customers already give us.

How should a PR agency explain to a client that they are going to be charged for the agency engaging in aggressive experimentation? How can a PR agency justify this to the client?

It's easy. The Web is still relatively new, so "best practices" really don't exist yet. What your clients care about is what practices fit their businesses best, because you are likely to find that different clients benefit from different approaches. Sure, you could act as though you know exactly what you're doing, and you could pretend that everything worked even when it flopped, but I suspect anyone who does that will eventually run out of clients to fool.

And, anyway, suppose that I was just such an expert. Suppose that somehow magically I know absolutely what should be done. Guess what — a week from now, something will change. Someone will come out with something new. Someone else will think up a new technique. Even if I know everything, I won't know it for long unless I keep trying things. And, I have to admit to you, I really don't feel as though I am an expert in everything a client should do, and I think the people who are good at this stuff realize how little we all know sometimes. Working in this kind of massive change every day is very humbling, so why not admit that to your clients and tell them that we will work it through together. If some of them would rather go to someone who lies to them about how they have it all under control, let them. They'll be back.

What key advantages does digital marketing offer to PR practitioners that traditional marketing doesn't?

Well, for one thing, digital marketing is based much more on PR principles than old-style marketing. On the Web, the customer must decide at every moment to click one more time, to decide whether one more second will be spent on this message, so the traditional breathless hyperbole does not hold anyone's attention. Marketers must attract people rather than interrupt them. PR people know how to do this because they are the experts at the interesting story. Where in the past, PR people had gatekeepers like editors and producers who kept their stories from the markets they wanted to reach, now PR folks can craft stories for social media, and viral marketing techniques can help them to spread because your customers are the gatekeepers who decide if they pass your stories along to anyone else.

How does search impact PR's traditional tactics, such as media relations?

Search has become yet another gatekeeper for the PR person. In the past, you had to get "clips" in the mainstream media to get your message to its target, but now you can use search engines to reach people directly. Press releases, for example, are increasingly read by the general public, because search engines find them. Search is just one more gatekeeper that can pass your message along to your target market.

What specifically do you think PR professionals should do wrong quickly?

I think PR people should make friends with marketers, instead of trying to keep the professions separate. They should help marketers with viral marketing through their storytelling skills. And they should become the storytelling experts for their organizations or client bases. Teach the rank-and-file employees how to operate in public so that they can tell their own stories through blogs, message boards and other free techniques. Some of these forays will result in mistakes, but they won't be fatal ones. Get experience and get smarter about how to do it each day. Mistakes are not as bad as being missing in action in a brand new, growing medium.

What do you think clients expect from public relations firms these days that's different from the past?

I think clients expect that PR firms will break out of their assigned roles and take a more holistic view of what clients need from them. I think they particularly expect that business value will come down to more than just counting clips or showing increasing brand awareness. PR people must ally with marketers and market researchers so that they can see how what they do results in bottom-line improvements. A lot of what is needed comes out of the metrics of direct marketing, which I talk about at length in my book. (So go out and buy three copies for your 100 closest friends.)

PR people talk about conducting a "conversation" with customers and prospects. How do today's new marketing technologies impact that conversation process?

Web 2.0 gives your customers a free printing press, where they can put their own opinions out there right next to the company's message. It's imperative that companies keep track of what is being said, using reputation monitoring software (if they have a few bucks) or Google Alerts (if they can make do with what's free), and then they must respond. In large companies, this might seem quite challenging for a small PR team, so you must deputize people throughout the company to know how to respond to feedback in their respective corners of the world. The PR professional is the best person to teach these skills and provide coaching and mentoring as situations arise.

How do these technologies affect PR's venerable "art of storytelling?"

As I said before, storytelling has never been more important. As more of marketing depends on people choosing to listen to you, telling an interesting story is one of the few ways to keep their attention.

How important do you think bloggers should be to PR professionals?

For most businesses, bloggers are already important and they are becoming more so. Small businesses might be covered by bloggers now, but were never covered by mainstream media, so for them, it is extremely important. Perhaps only 100 people are reading that blog, but if it's 100 of your best customers, then you care. But even big companies are paying attention. I interviewed Steve Swasey, the top PR person at Netflix, for my last book. He told me that Netflix treats bloggers like press. He explained that Netflix invited a blogger as one of just five media people to the unveiling of their download service, because Mike Kaltschnee of the *Hacking Netflix* blog had one million subscribers. Steve told me that the media outlets they invited were for their investors, but that Mike was directly reaching their customers — a good review meant one million customers might give it a try. There's no other way they could have pulled that off.

IBM does a lot of blogging and permits its employees to do a lot of blogging. How important is outbound blogging in this new world of digital marketing?

It depends on the company. IBM is a company that sells products and services that lend themselves to being explained in great detail — there's lots of information around everything that customers care about. And IBM is filled with employees that are experts in things people care about, so letting them blog works really well. On the other hand, if your product is already well understood and there's no real expertise that you can pass along, starting a blog won't help. **FV**

FIRMVOICE
JUNE 4, 2008

Managing Expectations, Methodical Attention to Detail are Keys to Avoiding Client Billing Surprises

SHERRI FALLIN
CEO
DUFFEY COMMUNICATIONS

BONNIE HANSER
COO
HANSER & ASSOCIATES

JOHN SENG
PRESIDENT, FOUNDER
SPECTRUM SCIENCE COMMUNICATIONS

MICHAEL BIGELOW
COO
WAGGENER EDSTROM

Clients often don't know what to expect in the way of billing from their agencies. They may not understand what is billable and what is not, nor do they always understand the agency's tiered billing for various executives. Should clients be billed for research or should the agency provide it? Should they be billed for a subscription to Cision or some other service? In any case, the last thing you want is your client arguing about bills.

The solution, of course, is to carefully manage client expectations about billing. So how can you effectively manage expectations to avoid client billing surprises? Here's what PR firm leaders recommend:

What are some key client misunderstandings about billing?

The most common misunderstandings include payment terms, "month of service" invoices and out-of-pocket expenses, according to Sherri Fallin, CEO of Atlanta-based Duffey Communications (www.duffey.com). To avoid confusion around terms and invoices, Fallin says clients should be emailed copies of the statement and terms in the contract. As for out-of-pocket expenses, she recommends providing the client with "very detailed" records on the invoice — which should be accompanied by a thorough activity report, she adds.

Other causes of confusion include the definition of "retainer" — how the client will be billed when items exceed the retainer for the month — and a clear understanding of which expense items are marked up, says Bonnie Hanser, COO of West Des Moines, IA-based Hanser & Associates (www.hanser.com). She adds that proactive communication with the client — making your methods clear — is essential for dodging disarray regarding these practices.

In addition, there are mistakes made by the firm that often lead to unwanted surprises for clients, and these include billing the wrong person within the client's organization, sending a bill without an activity report, and charging the client for something they feel they should not have been charged for, says John Seng, president and founder of Washington, D.C.-based Spectrum Science Communications (www.spectrum-science.com).

To make sure bills get to the right people, Seng says his agency uses a log and registration process that must include all client information. "It is always someone else's name; to send an invoice, it may even be a different address and a third person who is the contact," he notes. When a bill arrives without an activity report, "it's an uphill climb," he says. So, he adds, activity reports are normally sent at the beginning of the month or at some other specified time if requested by the client,

Start out with detailed documentation — and keep it updated

Michael Bigelow, COO of Waggener Edstrom (www.WaggenerEdstrom.com) of Bellevue, WA, says "we don't see a lot of client misunderstandings because we use a 'terms of engagement' template we have our clients complete, or that we complete together."

He says the template includes "the initial term of engagement, the anticipated annual budget, a payment schedule, the time of month the client wants to be billed, an understanding of what the advancement of services will be, the dollar level of direct cost we can incur as out-of-pocket expenses without the client's approval, the client's accounts payable contact information, and our contact person at the agency."

To avoid client complaints about unexpected bills, Fallin says she makes sure her account service personnel are trained to always obtain written pre-approval on any expense, whether it's a fee or out-of-pocket cost not included within the scope of work spelled out in the contract. And, if the client requests the agency's assistance with a project that falls outside the scope of work, she says to respond by telling the client it would require an additional budget — which must be approved in writing by the client.

Seng agrees, summarizing that a "paper trail" should be kept.

Key tip: Be proactive — spell everything out in advance to avoid surprises

Managing a client's expectations about billing is done from the outset of the agency/client relationship by spelling everything out under "scope of work" in the client's contract, Fallin says, adding that billing practices are explicit in the contract. "However, prior to signing a contract, we ensure that the agency's staff and the client's staff are well aware of budget terms and billing practices," she points out.

"We always begin a relationship and major projects with a start-up meeting. This allows us to explain our role and the client's role as we work together. The meeting includes a clear explanation of our billing process. Furthermore, our contracts have specific language for 'retainer' and project-based work. It defines our billing structure, billing cycle, payment timeframe, etc., to avoid any confusion," Hanser explains.

Seng adds that if clients balk with regard to billing at the outset of the relationship, both the agency and the client need to decide if the relationship should take the next step. "The key word is 'outset' — if the relationship doesn't look like it's going to work from the beginning, don't get involved," he advises.

Unlike many other agencies, Seng points out, "most of our client contracts these days are generated by the client, and they contain all of the details, including the billing terms."

Things don't always go as planned — so keep clients informed every step of the way

Fallin recommends having the client sign off on any additional fees or expenses prior to incurring them, In addition, inform your staff that they are not allowed to incur any expense or perform work that could result in additional fees unless they have prior written approval for the extra budget. "If there is any ambiguity about it, the client request must be brought to the attention of the agency's management team for resolution," she adds.

Hanser says it is important to explain the benefits and ROI to the client that may be a result of extra hours of service or more out-of-pocket expenses — show them how the extra expense was money well spent.

Seng offers the following client-billing example that highlights why you must prepare the client in advance for unexpected large bills. "We were asked to work overtime, and it quadrupled the size of our team dedicated to this client," he relates. "As soon as we were asked to do this, we communicated to the client that the invoicing would be extraordinary. This situation involved a month-long crisis period for the client, so my vice president kept the client apprised of the billing snapshot every two or three days. The client's reaction was: 'We understand. We need you. Keep going. And most importantly, everything was documented with emails and telephone conversations in which notes were recorded. There was no ambiguity as a result."

Bigelow concludes that the key to eliminating client billing surprises is to view the billing process as the agency's "responsibility to adapt to the client's processes and not to have them adapt to the way we want to do things." **FV**

David S. Chartock

FIRMVOICE
MAY 21, 2008

Client Retention Magic: How to Create Long-Term Relationships

KEN MAKOVSKY
CHAIRMAN
MAKOVSKY & COMPANY

Client retention is the big buzzword of the day among agencies seeking new ways to stem loss during challenging economic times. After all, it's far easier to drive additional revenue through existing clients than to drive prospects through your door. Even so, retaining clients is a darned difficult task—and the masters of account renewal have traditionally been very reluctant to reveal the methods behind their magic.

Enter Ken Makovsky, chairman of New York City-based Makovsky & Company (www.makovsky.com), which currently enjoys an extremely high client-retention rate. His goal is 80 percent this year—and he's on track to make it. Here, for *Firm Voice* readers, he breaks his silence and offers his prescription for transforming the miracle of superior client retention into an everyday practice at your agency:

What is your client retention rate—what are the metrics?

In 2003, it was 78 percent; in 2004 it was 71 percent, 2005, 80 percent; 2006, 71 percent, 2007, 70 percent. Our goal for 2008 is 80 percent. The metrics used are as follows: A client must be a client over a 19-month period. For example, to be counted as a retained client for 2008, they had to be a client in mid-2006, all of 2007 and through the end of January 2008.

What is the key to building a strong, long-term relationship with your client?

This links back to our agency tagline, "The Power of Specialized Thinking," which is the depth of our knowledge and understanding that we bring to a particular client's business. We are specialists in specific industries—health, technology, financial services, professional services, investor relations—and so we are able to tailor the way we work to the culture of the industry, as well as the client's culture. Thus, we know what is valued by each client. We keep close tabs on whether the program is working. We make it a policy to always try to tell the client something he or she didn't know.

You have to realize also that our business is very dynamic, and client needs can change rapidly—regarding the people we work with at the client, the client's substantive needs, the outcomes required and sometimes even processes that need to be in place. There has got to be a system to monitor all of this, rather than approaching it without criteria that we know determine the success of all client relationships. Further, the better our retention the easier and less expensive it is to achieve or exceed annual revenue goals.

What commitment do you personally have to each of your clients in terms of maintaining the relationship?

I meet with clients on an as-needed basis. There are certain clients I am involved with because of a specific expertise I can contribute. Otherwise, the clients are covered by others through the leadership of our team members. We currently have 65 clients.

Do you have monthly meetings with each of your clients? Do you have a policy?

The policy is our Quality Commitment Program. This is a system that helps set a standard for quality performance in the firm. It also sets a standard for probing client problems and getting to the bottom of them. It puts a focus on the client relationship as well as the substance of the work we do for the client. All of these aspects are expressed in our Quality Commitment meeting, held once a month and dedicated to several clients. One executive heads up the Quality Commitment committee and there are other rotating members. The aim is to get the benefit of the approaches used by the various disciplines in the firm.

We also retain an independent auditor, who calls our clients two to three times a year to find out how we are doing. It is a five-minute interview or done via email. It has always been my philosophy that you need to solicit complaints from clients, as they will not always reveal to their team minor problems that gradually build into larger ones. The idea is to cut them off at the pass.

The program evolved because the firm was growing, and I wanted to have a system in place that enabled me to remain in touch with my clients and still grow the business. Today we are billing at an $11 million level, and the program is as effective as ever.

How important for client retention is it for your people to have a relationship with the client CEO?

I encourage it, but it isn't always the CEO. If we represent a division, it is whoever is in charge of that division. It can vary by practice. In investor relations, we naturally have a relationship with the CEO and CFO with every single client. In health, it might be the head of marketing with whom we have a relationship or the CEO. For professional services clients, it might be the head of marketing or communications, and in such cases, we would try to build a relationship with the CEO. So when we do our Quality Commitment Program, we will go to the CEO to get his or her evaluation of us.

What are your top tips to other agencies for boosting retention?

For long-term relationships, it is understanding and adapting to the client's culture. For example, we've had a certain client for seven years. It has involved consistency with the agency's personnel who can pass on the culture to new people who come on board. What drives clients crazy in a long-term relationship is if they have to keep re-explaining their company. As such, retaining agency people becomes a factor too. As a result, we

set goals for retaining agency people as well because it ultimately affects client retention. These goals are numerical. For example, we want to retain 80 percent of our staff. To achieve this, we set goals that will exceed expectations for the agency and put measures in place to reach that goal.

What are the top three reasons clients leave an agency—and how does one prepare for each of those?

The top three reasons clients leave an agency are: 1) budget cuts or other issues 2) an agency not keeping promises 3) agency staff turnover.

A number of years ago I took a survey of clients on why they leave agencies. The number one thing they look for is agencies who keep promises. They cite firms meeting editorial quotas and changing attitudes, to meeting deadlines and returning phone calls on time.

With regard to the first reason, you can't do anything about it. But we do try to anticipate non-budget issues. When we get a new client and have our internal Quality Commitment meeting, we raise the question: What are anticipated problems that could occur with this client? And, we prepare for them. Another solution is to have a good internal tracking system to ensure promises are kept. The third reason, on the agency side, is you need to have personnel policies that ensure that people want to stay. If you have a change in personnel on the client side, you should be in the client's office presenting to the new staff member right away. This presentation must include a total history of the agency-client relationship. Even clients put this off. You have to push hard to get such a meeting and it should be looked upon as an opportunity for the agency to sell itself again.

What is the biggest blunder agencies make when it comes to retention—and the number one thing a reader can do right now to stem client loss?

The biggest blunder agencies make is taking clients for granted. A lot of times agencies do not pay attention to the little details. That could be everything from a small request by the client to the fact the client is looking for pro-active strategic guidance. Agencies also need to be pro-active because this is a very customized business. You have to be sensitive to client needs.

The number one thing an agency can do to stem client loss is a preventive measure: Pick up the phone and ask how we're doing. Most agencies don't do this. As a result, they don't learn what the business and culture needs are to make that client happy. **FV**

FIRMVOICE
MAY 7, 2008

Should Clients Keep PR Efforts Going at Full Speed in Today's Economy?

Here's What PR Firm Leaders Advise

DOUG SPONG
PRESIDENT
CARMICHAEL LYNCH SPONG

BRAD RODNEY
MANAGING PARTNER
M. BOOTH & ASSOCIATES

DAVID HERRICK
GENERAL MANAGER
KAPLOW COMMUNICATIONS

LLOYD TRUFELMAN
PRESIDENT & CEO
TRYLON SMR

Let's face it: It's a natural inclination during an economic slowdown for management to cut back on marketing expenses. For decades, marketing pros have been pushing back to that with an argument that boils down to this: Economic slowdowns (or recessions or depressions, call them what you will) are precisely the time to keep the marketing pedal to the metal. While competitors are slowing down, this is our chance to capture market share and come out on top when things finally turn around. The PR pro's variation on this theme is typically this: While we may have to cut back on some of our marketing, public relations consistently delivers more bang for the buck than any other marketing discipline, so the PR budget should remain steady (in fact, the more we think about it, we should probably increase PR spending!).

What are you hearing from your clients about this year's budgets . . . and what are you advising them to do in the face of a slowdown? How can we protect our clients and how can we protect our budgets? We asked some of PR's most successful leaders how they're dealing with tougher economic times:

Stay the Course, Seize Market Share

In spite of the economy, clients are telling Doug Spong, president of Minneapolis, MN-based Carmichael Lynch Spong (www.carmichaellynchspong.com) that in most cases they are planning to slightly *increase* their 2009 PR budgets.

Clients like Harley-Davidson, he adds, have the attitude that "we recognize there's a recession, but we've chosen not to participate." Spong says Harley-Davidson takes a long-term view of their performance and the relevance of the brand to its core enthusiasts. However, he points out, his "clients in the home products market are more cautious."

Brad Rodney, managing partner of New York City-based M. Booth & Associates (www.mbooth.com), also says his clients have a sense of caution because everyone is talking about the economy and it's is in all of the headlines. "But no one is talking about shrinking their PR budgets," he adds.

David Herrick, general manager of New York City-based Kaplow Communications (www.kaplowpr.com), reports that "in some cases, budgets are going down. In some cases, they're going up. . . For our agency, budgets across the board are stable. The difference is that our clients are paying close attention to the economic environment and they want to make sure that what they are spending is delivering the best possible value."

In fact, Herrick observes, most clients in general want more done with less money. M. Booth's Rodney notes that if clients have to cut back, "we have to get even smarter about what we are doing and show them a return on investment with greater focus."

How Should Clients Respond to the Downturn?

Spong recommends that his clients "spend a bit more to leapfrog competitors in their markets. I also tell them to be patient—the economy will improve at some point—and then make sure they always put their brand in a position to be on top when the economy does recover."

Lloyd Trufelman, president & CEO of New York City-based Trylon SMR (www.trylonsmr.com) bullishly recommends that clients respond to the current economic downturn with aggressive marketing, arguing that during recessions it increases both sales and profits.

Spong says he recommends that his clients invest in PR in a tough economy because there is a very efficient share of voice that can be generated. Likewise, Kaplow's David Herrick admits, "we have not been shy about going in and recommending aggressive PR programs for all of our clients."

He also tells his clients that when they cut back on expensive disciplines, such as advertising, PR can fill the gap at a fraction of the cost—similar results for only 10-15% of the cost.

Trufelman also emphasizes PR's efficiency advantages, asserting that "marketers are doing themselves a disservice if they are not examining public relations programs as a cost-effective media channel for tough times."

But Herrick warns that this premise of PR's superior efficiency needs to be proven by measurement.

Spong agrees that it's critical to build a robust measurement and ROI analysis into each client's PR program. "We also encourage the client to take the same information from other disciplines such as advertising, direct response, interactive, and promotion, and roll it up into one ROI analysis so they can judge for themselves that there is no greater efficient discipline that PR."

Using Digital Media in Tough Times

At Kaplow Communications, increased efficiency means extending PR programs for clients outside the bounds of traditional print and broadcast media, according to Herrick. It means taking them online to blogs and social networks "so they can reach out to where their customers work and play," he says.

Trylon SMR's Trufelman reports that client demand for tools that enable the direct-to-consumer delivery of content, such as RSS feeds, "buddy" lists, customizable news home pages and corporate video are soaring. "Most consumers do not want ads," he says, "but they do want credible news and information, which therefore makes PR/media relations more crucial than ever in a digitally-driven, recessionary environment."

Likewise, Herrick adds, "Our clients, understand that word-of-mouth recommendations are twice as powerful to consumer decisions as advertising." **FV**

David S. Chartock

FIRMVOICE
APRIL 30, 2008

What Clients Want:
Your Opinion — Based on Research, Experience, Business Insight

By Ken Eudy, CEO, Capstrat

A few years ago, our agency was kicking off work for a new client, which promised to be our largest. I was meeting with the CEO. We were having what I thought was a productive chat, discussing the issue that had prompted them to hire us. Innocently enough, I asked, "What do you think….?"

He didn't let me finish the question. "What do *I* think?" he tersely repeated my question. "That's not why I hired you. I hired you to find out what *you* think."

I've been mindful of that rebuke ever since. Clients hire agencies for lots of reasons. We most often get hired because clients believe our firm has some insight or expertise that they don't have in-house. Clients are entitled to our point of view.

How many times have you been in strategy sessions with clients in which other participants waited to find out what the CEO thinks? Then they rush to form a cheering session for the CEO's point of view.

Sure, there are CEOs that want parrots as advisors. But who wants to work for that kind of client? In our experience, CEOs and others in the executive suite are genuinely open to our point of view. If they could come up with the right approach, they wouldn't have hired us in the first place.

How do you ensure that your clients will take your counsel seriously?

Base your advice on research.

I once worked for an agency that had in-house polling capabilities. A researcher had a sign in his office that read, "There is nothing so devastating to an opinion as a number."

Almost every executive we've worked with has had a high regard for research. Many times, they've sat in rapt attention as I or someone else has briefed them on public opinion related to their company or industry.

I use the term "research" broadly. It can be research your agency or client commissioned, or secondary research. It can be phone surveys or focus groups. But at the heart of it, there is power in *listening* to your client's customers or stakeholders.

But you haven't earned your fee if you just project a bar graph or pie chart that illustrates public opinion. Your ultimate job as a research-driven counselor is to synthesize from research an insight that can help your client map out a winning strategy.

Base your advice on experience.

It's one thing to spout off your top-of-mind opinion. It's more credible to relate your advice to similar, relevant case studies for which your agency no longer has the duty of confidentiality.

After all, your experience is a prime reason your firm was engaged in the first place.

Some counselors may shy away from analogizing to other cases. And I have worked with CEOs who, with the wave of a hand, said, "But our challenge is different."

Fair enough. But if you can introduce the analogy with the appropriate caveat, you will burnish your reputation as a public relations veteran worth keeping close by. Many CEOs are fascinated with how other companies face their challenges, and your insights can build confidence, even when those specific insights don't provide the answer for the current dilemma.

Base your advice on corporate goals.

The C-suite is not focused merely on marketing or corporate communications, finance or operations. Neither should your counsel focus on what's best for a particular department. It's imperative to know your client's business as well as your client does. Impossible? In some cases, yes. But it's a laudable objective. A good CEO will conclude quickly that your counsel is valuable if you demonstrate an understanding of his or her metrics of business success.

Last year, one of our client CEOs was recommending our firm to another CEO. He paid what I thought was the ultimate compliment: "I never meet with them for 15 minutes without learning something new."

You can't shine in the executive suite unless you have an opinion — and it's important that it be your own, not a worshipful echo of the CEO's. **FV**

FIRM VOICE:
OUTSTANDING BEST PRACTICES FOR PUBLIC RELATIONS FIRMS

CHAPTER 6
MEDIA ISSUES & TRENDS

INTRODUCTION:

The clients public relations firms serve and audiences they reach are in great flux. Perhaps nowhere is this more apparent than in the mainstream media and even political arenas, where great change has come in a short amount of time. For example, the news hole isn't what it used to be—and competition for space in coveted outlets is skyrocketing as a result. Similarly, bloggers and other media are filling the vacuum created by media closures and decreased editorial space. And little needs to be said about the changes brought and wrought by the Obama Presidency.

Make no mistake about it: Policy and media work remain a bastion for many, if not most, PR firms' practices and billings—even as digital, crisis and IR increase in prominence.

So what are the best and brightest firms doing to adjust to these changes? What transformative changes, exactly, have transpired in the press, politics and beyond that impact and threaten to reshape the public relations practice—and what can you expect to see in the months ahead? How are the brightest firms forecasting these trends and triangulating these developments to best position themselves and their clients for growth?

For the past year, *The Firm Voice* asked these and many more questions of top PR executives, frontline account execs, leading trend-spotters and even Pulitzer Prize-winning members of the media. The answers in the following pages confirm, among other things, that traditional media relations remains a PR staple. After all, earned media continues to influence and drive reputation, brand and consumer buying behaviors while, for example, advertising arguably wanes in impact, reach and ROI. The insights that follow also confirm that today's buzzwords could be tomorrow's biggest business opportunities for public relations firms—and that the time to prepare for them is now.

FIRMVOICE
JAN 28, 2009

Trend Spotting for PR:
Brands, Buzzwords and Business Opportunities Firms Must Prepare for in 2009

MARIAN SALZMAN
CMO
PORTER NOVELLI

With a new administration now a week into its work, it seems some of the fog of uncertainty plaguing the public, businesses and even the PR practice these past months may be clearing. But what exactly can we expect to find on the other side of the haze—what specific developments, issues and trends can we and our clients expect to see in the weeks, months and year ahead?

What's going to be hot—from key practice areas to buzzwords—and what's not? How can we be better prepared for what the future holds? What steps should we be taking now to position our firms and clients for growth once the recession breaks? For the answers and clarity you crave in these times, we checked with trends expert and Porter Novelli CMO Marian Salzman, who was named among the "top five trendspotters in the world" in 2004 by global publisher VNU.

Credited with coining and popularizing the marketing term "metrosexual," Salzman, author of 15 books, including *"Next Now"* and *"*The Future of Men*,"* has formerly been CMO, JWT Worldwide; chief strategy officer, Euro RSCG Worldwide; president, Young & Rubicam's Intelligence Factory; worldwide director, Department of the Future, TBWA International. Prior to the TBWA\Chiat\Day merger, Salzman was director of consumer insights and emerging media at Chiat\Day. In addition, she co-founded Cyberdialogue, the first online market research company worldwide. She brings that considerable expertise, vast vitae and gift for vision to bear here:

Is the future bright or bleak for PR firms—and why?

First off, I think we'll see the more innovative agencies succeeding by seeing the world in much broader strokes—like advertising of the past has. Based on my background in the advertising world, I can say there are significant differences in how the two disciplines approach things. Advertisers see the world in much broader strokes and are used to solving problems in a much more disruptive, yet holistic fashion. They've traditionally been more fearless and not afraid to get bruised. They've often rallied around what the "vision" and opportunities are, versus focusing on things like recession, layoffs and coping tactics. So, I expect the best and most nimble PR firms to emulate that, to a certain extent.

That said, this is the worst economy any of us has ever worked in. As a result, a lot of us are having doubts right now—despite the hopes we've placed in change [driven by a new administration]. We all want to believe that 2010 will be a gangbuster year. We want to believe that: the Obama administration will speak to dramatic positive changes, that digital will create a new landscape with new dialogues, that globalism is here to stay and that localization will create all kinds of new opportunities for communications reaching out to communities—but at the same time, we also recognize that people are getting laid off, making less money and that the new normal is much more "distrustful," when it comes to business.

This is where you're seeing people in communication looking over their shoulders, at their bank balances and at their staff, saying, "Are you the people I can get in the foxhole with?" It's the same with regard to new business prospects. Firms are looking at them saying, "Are you a client that will be thriving in two to three years here?" These are the key questions for firm managers and others looking forward. Everybody's really looking hard for areas in which find optimism—because it will certainly be a hard 2009.

Fair enough—then what key areas must PR firms focus on to thrive in a "hard 2009"?

- Value: The winners—and this goes for PR firms as well as their clients and prospects—will be anybody with good value and values propositions. For example, Wal-Mart is doing a phenomenal job in retail driving home the message that they get that Americans are redefining "smart consumption" and not "conspicuous consumption" as what's important to them.

- Vision: Similarly, anybody with a strategic plan and a vision for where they need to be by 2010 and 2011 will stand out—and be recognized for having such a plan. For example, I think people right now are wowed by how smart Ford is being looking forward. They appear to have a solid communications plan in place. They appear strategic and are looking beyond the tough times already. The press and public will have more respect than ever for companies who can communicate those long-term strategies—and will have obvious concern, reflected in buying or investing patterns, in companies that aren't doing as good of a job crafting or communicating those strategic, forward-looking plans. Clearly, there is significant opportunity here for PR firms.

- Service: Other winners will be organizations actively embracing change, especially around the idea of service. Non-profits, like Teach for America and Teach for India—those types of groups are putting people into real social service oriented jobs, and I think that movement is going to be a big deal in the year ahead.

- Utility: As for consumer products and brands to watch—anything that emphasizes functionality and utility will gain traction and is a good area for firms to focus client work on. That extends, of course, to technology and the Internet, with Craigslist and Google being good examples.

- Ritual: In recession, people are also looking toward things that reinforce rituality and sentimentality. That can include products as simple as slow cookers. These types of things will be on the rise. Another area will be online dating services and online networks, especially those pegged to alumni organizations or class reunions. These will be areas of opportunity as people retrench and go back to "safe spaces"—manageable terrain, online and off. I think you'll see more

and more people reaching out to high school friends through tools like Facebook, for example, because people know what to expect with those people.

- Trust Marks: Related to that are trust marks—anything we can trust is going to see a resurgence. Madoff robbed us of the ability to trust neighbors and others without due diligence and certification. On that note, we are going to be looking for more government intervention to ensure trust, and there will be more of a focus on the public interest and civic-minded trust marks. We'll be looking for more proof points—and will be willing to pay for someone or some organization to verify things. Clients in these spaces should do well and so should agencies working with them.

- New Energy: Additionally, new and alternative energy and all things green will continue to be a major growth area. That said, I believe people are being overly optimistic thinking we'll talk green at expense of the economy. The economy will come first, and we'll get the planet right second. Priorities will be: household, employment and family first, then your neighborhood and planet.

- Hope: We will be really, really prepared to buy into and lust for brands that make us feel optimistic. We won't want false hope—but we'll want the truth and a reason to believe. Brands that can tap into or provide that will go far. I guess Obama is the first brand I believe in that has given me hope.

Beyond that, I think we'll start to look for and reward brands that tell the truth and are transparent, even when they make mistakes. We won't fault brands for their mistakes, but we will for their failures to disclose those mistakes in the first place.

What do you expect the big buzzwords to be this year?

- Reboot: I think that is the big word of the year. I was arguing that and Thomas Friedman put it in his column, and it's been on the cover of *Marie Claire* and *Men's Health* recently. It's the idea that our systems are broken, and we're calling the Geek Squad or your IT department for a reboot. We need to do it at throttle speed: the corporate world, health care, education, entrepreneurship, community—all of it. We also need to reboot how we allocate our time and priorities.

- Obama-nation: This is another one people are dwelling upon. It's risky—we're putting huge pressure on one man and his policies. But we'll wee that magnified in the short term. I think that is probably a word that we'll be exhausted by the second quarter.

- Frugalista: This is another fashionable term—built around the idea that being frugal is the new being fashionable. It's the thinking that, "I don't shop anymore. I shop for deals." Retail therapy is dead, and shopping as sport is over. It's people buying only what they need.

What big PR buzzwords do you expect to see more of in 2009?

- Digital: This is an exhausting word. People will also be exhausted by "social media." But these are still going to be critically important in terms of key practice areas. It's just that using the terms like they're new will get tired. Everything will be digital and social media-related by the end of year. So discussing it may seem like having a meeting about the future of the dial tone. It's all part of the practice now.

- Measurement and ROI: These will continue to be big, and yes, exhausting. We'll see them everywhere. This is due to the influence of the CFO and the economy and the need for everybody to taunt, and prove, their value. We will see more of that.

- Narrowcasting: Niche marketing and narrowcasting tied to the idea of indentifying passionate small samples you can turn on to move larger markets will be a major concept and practice focus in 2009 and beyond. From Muslim Americans to fly fishing—any group of a million or two million people or so that share a common passion, geography or whatever can move the needle and markets. Reaching them separately based on their needs and passions will be a big focus.

What's out and what's in 2009 in general?

Generic answers. Templates. A lot of boilerplate stuff. That's over. Everything needs to be unique response and targeted—automated response and outreach is over.

Also out are relationships without substance. Relationships have to have ROI—that goes for employee relationships, media relationships, personal relationships and so on.

Out will be executive education—you won't see a lot of corporations sending employees to training and development events. They will be expected to learn by hacking at it. People won't have money to spend to travel and learn. It'll all be self initiative, reading newsletters, books, consuming information, talking and so on—but not paying for it anymore. That's especially the case at the senior levels—people won't be sending execs to MBA school on the company dime this year. Beyond that, my sense is there will be a pushback against training and development in the short term. This is a new brick wall to overcome. It's also an opportunity if you provide real world relevance and return.

How is the recession impacting the agency business from your perspective?

I think the big impacts are that this is a time of soul searching and seeking to understand what kind of business we should be in. Clients will help us define what services they will buy from us and at what price. What geography should we be in, should we be remote, how should we be working? It will be a period of redefinition for agencies. But if we have the right value add and right strategic counsel and awareness of what's around the next corner in terms of trends, and how to manage perceptions of what happens when we turn that corner, then we will be able to continue to charge a premium for our services. The problem is we've fallen into, in many cases, a commodity business.

This is an opportunity to re-stake our claim to delivering premium services. This is the time to exceed expectations and show value by delivering results. To that, we have to be more strategic. Every person in an agency at every level has to be strate-

gic—about the client, the client's business objectives, the client's budget, the agency's budget and the agency's objectives.

It will be a bit like going to fitness camp: My little niece watched "The Biggest Loser" recently, so it's on my mind. I think those contestants killed themselves losing that excess weight and I respected that. It's a microcosm for what we will see in the year ahead for agencies.

All agencies are coping the same way. We're all figuring out what our strengths are, who has the personal stamina, who has the optimistic spirit and who can dig deep. Everybody is looking for greater teamwork and more of a 24/7 mentality of always caring, which is different than "always on." Everybody needs a chance to recharge, but always caring is important.

Your advice to agencies for staying relevant and in the black in 2009?

You need to have a USP (unique selling position) that makes you stand out big time from the competition now. What is special about your agency? If ours is "intelligent influence" and it's about "right conversation with the right people to make right things happen," others will have to find different positions. It must be as fundamental to you as what's in your water.

A lot of people are saying it will be a ruthlessly competitive environment this year. But I think it needs be a more friendly and collegial environment, where people have to grow relationships they have and protect them—while being decent to competitors. Like Detroit, we all need each other to survive. If we can't spend money growing and nurturing ourselves for next 12 months, we need a culture we can fall back on to make sure we grow and thrive. We have to make up with soul what we can't spend on.

It will be a testament to whether we have a true industry culture versus a mindset where we're in it for the quick cash. Those with the culture and soul will thrive. Those without it may survive. It's as simple as that. **FV**

Brian Pittman

FIRMVOICE
JAN 21, 2009

Post-Inaugural PR: What to Expect in Politics and the PR Agency Business in 2009

MARK PENN

Many assumed a "wait and see" stance these past few weeks as uncertainty continued to drive the markets and outlook for the PR firm business and beyond. Yet that holding pattern may shake out as businesses get a clearer bead on the future, precipitated in part by yesterday's inauguration finally signaling a shift from promising to *practicing* change.

So what exactly does the future hold for the agency business under an Obama administration? What lessons can we—as a profession and as individual practitioners—learn from President Obama's communications strategies, techniques and tactics? Where will policy and PR intersect in the year ahead—and what does it all mean to you and your day-to-day work?

For the answers, we checked with Mark Penn, whose domain is the nexus between PR and politics. Worldwide CEO of Burson-Marsteller and president of market research, polling and consulting firm Penn, Schoen and Berland, he has advised both Clintons, Tony Blair and Bill Gates. In 2007, he authored "Microtrends: The Small Forces behind Tomorrow's Big Changes," the paperback edition of which will be published in spring. Precipitating its release is Penn's new "Microtrends" column, which runs regularly in the "Media and Marketing" section of WSJ.com and focuses on demographic trends in society, business and politics.

Here, Penn—who has been called the "Master of the Message" by *Time* magazine and the "Guru of Small Things" by *The New York Times*—gives us a sneak peak of his trend-spotting talents to help you navigate the months ahead, and shares his post-inaugural analysis of the new administration, its key communications challenges, and the year ahead for Corporate America and its agency partners:

If you were advising Obama's first 100 days from a communications perspective—what would you advise?

I think the most important thing in the beginning of a new term is to make sure you'll lay out the vision of where you're taking the country, that you bring people together around that vision, and that you then bring people together and lay out some of the specifics. Those are three things Bush didn't do that at the beginning of his second term.

How do you think the new administration has handled its communications efforts thus far?

Everything has been going very well—starting with a round of excellent appointments. I think he's done the right thing in not trying to act as president before the inauguration, and they have done a reasonably efficient job in getting out all their major announcements. I think at the end of this period—at the end of pre-inauguration period, where we were up until yesterday—he appears to have put together a very, very strong cabinet, and people are very hopeful about what that cabinet can accomplish.

What communications innovations or strategies do you think we can expect from the Obama administration? What lessons might those efforts suggest for PR agencies?

I think the question will be whether they can speak directly to a fervent group of supporters and get them behind their legislative proposals in the same way they were behind the candidate before. They were the first presidential campaign able to reach a significant majority of Americans online. We can anticipate that the president for first time will not just do a website, but will communicate actively via email, social media and the Internet in general. Innovations aside, I think the televised presidential addresses—as led off by the inauguration and the State of the Union speech—will be his most important communications ahead. They are the Super Bowls of political communications.

What have been its communications team's biggest challenges from your perspective? How were those handled?

So far, I don't think they've had a significant challenge. I take that back. The most significant challenge was around the Illinois governor situation. They handled it well by separating themselves from the governor. They did an investigation of all contacts that appeared to be credible and addressed any questions about their involvement by anybody in the incoming administration.

What are the biggest challenges you see on the horizon for the Obama administration from a communications perspective?

I think you could say the biggest challenge is likely to be a year or year and a half from now—when it will be time for people to assess whether commitments made now were fulfilled.

What communications challenges do you see in store for Corporate America and its agency partners in 2009?

The biggest challenge is what to do in a shrinking marketplace in a world where advertising is becoming less effective and PR more effective. I expect more clients will use PR. The challenge in this environment is to get clients to increase their PR to gain market share—and to once and for all utilize the proper mix of advertising and PR, which was historically too weighted to advertising.

How can agencies do that?

In the first quarter, you should be focused on gauging the full

impact of the economic slowdown. During that period, plan on how to gain market share for clients now so when the recession is over, those who have gained market share will be well positioned for growth.

What key opportunities and growth areas do you see on the horizon for agencies?

I think we're going to be looking outside the U.S. for growth opportunities, particularly in Asia and the Middle East. I also think agencies are obviously going to be looking for issue work that's going to result from the new administration creating new policies—and I think we're going to look for additional crisis related work that comes from so many companies going through financial crisis and expanding their need to communicate to employees.

What specific practices areas will take a hit?

I think clients are generally cutting back out of caution. But I do think that the public relations field overall is going to do better than advertising. Clients have been under-spending on PR all along.

What are you hoping to accomplish with the WSJ.com "Microtrends" column?

The latest one is on "new info" shoppers…we just posted it. The idea is that instead of window shopping, people are doing "Windows shopping," meaning they're browsing for information online before purchasing. The column underscores how important independent information about products has become in shopping—and how we under-serve clients in not understanding how the shopping process has changed from a communications perspective.

As far as what we're hoping to accomplish: We're going to highlight weekly changes I see going on that are relevant to marketing communications—and it will all be leading up to the paperback coming out in April. I believe more than ever that these small changes that we're ignoring are having a profound impact on society, economy and communications. The entire financial crisis started with subprime mortgages—that's a great example of what I call a "microtrend."

There will be new chapters in this edition of the book—new ones on a lot of the micro-groups that came out of the financial crisis, like the "New Mattress Stuffers," etc. There's also a new chapter about the dramatic increase of people living together who aren't married—they're called "Cohabitors." Those are some examples of what you can expect in the book and column.

Your advice to other council members for managing their firms during recessionary times?

I think that with the growth of the importance of online communications and of digital images, we all must together underscore that the value clients can get out of PR has never been higher. That way, when they come to making their budgets, they use a scalpel and not a sledge hammer.

So many people are now information seekers that the info they respond to is what they look for, rather than just advertising information. That's a fundamental change that makes PR affect what gets printed and how it's found more important than ever.

What do you love about your work in the field?

What we're trying to do is called "Evidence Based PR." What I love is relating a more scientific research-based approach to communications and PR and seeing how that works.

Has the PR industry sufficiently embraced research to help clients?

I think there's a lot of room for growth in using research to understand how communications works and what the most effective strategies are. We're also creating a series of Web related tools that you can watch for [on the Burson-Marsteller site] that give measures of your communications effectiveness. The answer is that measurement and research is critical to great public relations. **FV**

Brian Pittman

FIRMVOICE
JAN 14, 2009

Are You a Media Savvy Leader?
How Agency Heads Can Boost Results in a Tight Economy

DAVID HENDERSON

"As with most of the business world, the majority of agency heads are excellent managers and sales people—not media savvy leaders," believes veteran media strategist, blogger and Emmy Award winning former CBS News correspondent **David Henderson**, who has worked for several top national agencies and whose new book "The Media Savvy Leader" hit bookstores this month after nearly two years of research and analysis of top corporate leaders. "They know how to sell the business, manage people and work on the bottom line—but they're not leaders who step out in front of the industry and inspire greatness."

The exceptions, however, are obvious, according to Henderson. "Steve Cody, of Peppercom, is a man I would call an authentic, media savvy leader. He is guided by one word: reputation. That reputation is built by action and direct, ongoing relationships. That's especially the case when he works with the media. He communicates with the press even when he or his agency isn't after something," Henderson explains.

Another example: "Richard Edelman inspires greatness—as did his father, Dan. Richard is charismatic. When he speaks, he speaks from his heart and soul. You believe it, because he believes what he's saying. He speaks in stories, which is a key trait of media savvy leaders. Not long ago, for example, Richard had prostate surgery and he wrote straight out of his heart on his blog about it. Any man over 50 would be touched by his candor in talking about what he went through and sharing information transparently."

So why is "media savvy" leadership so important these days—particularly in the agency world—and what exactly are the traits of a media savvy leader? Henderson spills the details here, along with his take on how PR firms can stay in the black when everything's looking red:

Why is it more critical now than ever before to be a media savvy leader?

Two concepts: competitive differentiation and "earned media." Take a look at the economy; advertising doesn't do it anymore. It used to be you'd advertise on TV or in the paper to achieve that. Now, that's changed. So it's imperative that leaders of organizations understand how to talk with the media, both online and mainstream—that has replaced advertising. That's why they call it earned media.

Why'd you write this book—what gave birth to the idea of a media savvy leader?

I've been researching this topic for a long time. I was a journalist by training and was always fascinated by leaders of organizations who could stand in front of a microphone and communicate their mission, control the message and communicate their excitement. I was also struck by how few executives could do this. So, I gathered material on this over the years—and decided to write this book a few years back.

Bringing it back to present: We live in competitive times, punctuated by the demise of traditional media, declining ad revenues, and the explosion of digital media and Web 2.0., brought on in part by blogs and interactive data management platforms for sites like Twitter and Facebook. So, we live in times of great change in what is called "the media."

And yet, we still have this small group of leaders who seem to "get it" and understand the importance in these competitive times of having a trusted face and voice—that's what a media savvy leader is all about. I am talking about the likes of people from Oprah and Steve Jobs to Richard Branson and Gary Shapiro, who heads the Consumer Electronics Association. Some of the best are equally communicating across traditional platforms and social media. Good examples are Mark Cuban and others who invite people and customers to meet up with them on Twitter or Facebook or wherever, and who check their own emails.

They are out there controlling their image, excitement and reputation—the brand, if you will. They're also rolling up their shirt sleeves and taking ownership for driving the visibility of their organizations.

What is the result or ROI of their driving that visibility?

The results are greater credibility, trust and perception of value for their organizations. Ultimately, it impacts the bottom line. Leadership can translate to sales success and higher profits. For nonprofits, it translates to greater funding, media attention and involvement by influencers. For example, I interviewed Layli Miller-Muro (executive director of the Tahirih Justice Center) for the book. She personally takes charge of how the communications of her organization is run. She is a media darling of Washington. She gets coverage and communicates her messages clearly, and has been doing so for eleven years.

So what are the common threads between these outstanding communicators you studied? How do you define a media savvy leader—what are the traits?

The first thing is they accept ownership for communicating the image of their corporation. They don't delegate it to an agency or corporate communications department.

Second is they practice daily engagement and relationship building with the media. They develop their own personal and trusted media contacts. For example, Steve Jobs "courts" Walt Mossberg at *The Wall Street Journal* and David Pogue at *The New York Times*. These are the two most influential tech writers in the world. He interfaces with them via email and telephone. They have direct access to each other. Gary Shapiro at CESA says he is talking to business reporters and trade reporters directly every single day—not just during media tour or announcements. That builds this exec's trust level with the reporter. That way, an exec isn't a promoter, but a trusted resource. Reporters like that access. But at most companies, a

reporter calls up and there's a buffer of communications or lawyers—as opposed to real dialog.

It's important to note that you develop media contacts to build up rapport and trust, not to pitch them a story. You do it to be a resource for them. That's the purpose, you're not after something. If you see it that way, then the returns will be there over the long run.

A third trait is understanding the importance of storytelling. When they talk, you feel their excitement. It's charismatic—but charisma really can be learned. It comes along with storytelling. If we parrot slogans and jargon, we sound impersonal and phony. But if we're speaking from the heart, people feel it. Anybody can be charismatic in their own field, because it's grounded in belief. So the secret sauce is truly believing your story and telling people why what you do excites you. Telling the truth and being transparent communicates excitement—by telling our story. A big element many companies overlook is that authentic storytelling isn't about you. Instead, it's about speaking to why your audience should care. What is the value for them? Sharing a personal vision and experience gets to that.

A fourth trait, really, is grasping and using online tools and social media. I write in the book how businesses and organizations that need public relations are being let down by agencies. I think the inability of the PR business to really comprehend what Web 2.0 is about is shocking. So, real leaders get in there and they take a look at the trends in media and online and get active there. For example, if you're going to offer a CEO blog, you have to be prepared to spend an hour a day doing it—not every other day. Also important is understanding and respecting the online world's mindset of sharing—it's all about developing conversations with constituents.

A fifth trait is getting into conversations with stakeholders. The CEO of Zappos is a great example. This is a terrific company with great customer service. And you can even have a conversation with the CEO of Zappos on Twitter. He also has a blog.

A sixth trait is understanding that perception is a fragile thing. A recent study, referenced in the book, found that 82 percent of shareholder value is perception—it's intangible and feeling. Each one of these leaders understands that. They get that one single misstep can hurt their reputation and that of the organization. When you recognize that, you see the importance of rolling up your sleeves and taking charge of it yourself.

The book included red flags indicating ineffective leadership. Can you share some of those here—as they relate to agency management?

I met with a major agency recently and they were talking about doing a speakers bureau for a client. I haven't heard that idea for ten years. Some agencies are still sending out paper press kits. They just don't get it—the media has outpaced those ideas. Agencies are into "faux newswires" like PR Web, and so on. Well, you might as well take your money and have a nice party. Those things don't work. You can do this stuff yourself for free using del.icio.us or Digg if you want your release to show up online. Tools like Stumbleupon and Flickr let you do all this quickly online—and it costs nothing.

Again, this shows a complete lack of understanding of where media is going—it's based on an old concept that press releases result in stories. They don't. It's not important to use a wire service to send out a press release to a gazillion media points because it won't result in a story, and what you're doing is the antithesis of what reporters want in today's competitive world: exclusivity. That's how they keep their jobs. A release on the wire or online is already read by everybody. That's the opposite of media leadership.

Jobs, Branson and others don't do that. For any company, there are six to ten reporters who really matter—and media savvy leaders like these guys build relationships with them. So, a common trait among leaders, again, is that they have direct media relationships.

What's the number one mistake you've seen agency leaders make in downturns when working with clients?

I think the number one thing is trying to fix what the client is saying they need right now, but not looking forward to see the potential of what lies ahead. What they need to be is more strategic. For example, a CEO blog is a tactic. Why do you want it? Where are you going with this—what is the purpose and how does it fit in with your long-term plans? Answer those questions before picking up on the tactics.

So, the number one thing agency leaders need to do in providing counsel to clients now is helping clients see long-term opportunities and potential. And in that, the Web is a major factor. The mistake is thinking short term. The Web is truly the competitive differentiator for companies—and will only get greater.

Based on that, and what you outline in the book—what are clients looking for now?

I talk to a lot of corporate communications people about this. Contrary to belief, size doesn't matter in a PR agency. It doesn't matter if an agency comes in and says, "We have 97 offices worldwide." Each office has its own franchise and demands for profit. Beyond that, agencies often bring in expensive suits and silver hair in expensive presentations to prospects and clients. What they should do is bring in the people who are going to do the work—that's more honest and credible.

Chemistry is also important to clients. It's not unlike dating. I talked with Barbara Robinson at Dun & Bradstreet for the book. She said it's all about the chemistry between the agency and the internal team. She said whether the agency would be fun to work with is important. PR is hard work, why not make it fun?

Also important is the reputation of the top PR strategist—clients are looking for expertise, articles and even books by the key agency strategist they'll be working with. They need to have top quality strategists with recognizable names on the account.

Finally, clients want PR people who can help chart a bold new direction for their company. You've got to not be afraid to push the client to make some tough decisions and take bold new directions. It's almost like what Obama is telling the country. **FV**

Brian Pittman

FIRMVOICE
OCT 01, 2008

Meet the Media: Pulitzer Winner Gives Inside Scoop on Newsroom Trends, Hiring Journalists and Ten Common Mistakes AEs Can Easily Avoid

TOM HALLMAN JR.

Senior execs down to account coordinators have heard it all before: The media frequently complains that releases and pitches—or any PR crafted communiqué, for that matter—misses the boat. Some journalists say these staples of media relations are poorly written. Others say they contain zero news value. The list goes on and on.

The good news is many savvy, veteran journalists don't see things in such a critical, "us or them" light. In fact, the most pragmatic among these encourage and welcome PR input—and see much of the media's haranguing as useless posturing, downright naïve or both. The most PR-friendly of these say agencies can boost their media hit rates just by recognizing the newsroom realities their targets face every day, and by incorporating the fundamentals of effective storytelling into their copy or pitches.

Count Tom Hallman Jr. among these enlightened editorial gatekeepers. In fact, the *Oregonian* features reporter and Pulitzer Prize winner for feature writing has coached communicators at agencies nationwide in the art of storytelling via various PR training conferences. Here, he cuts to the chase and gives agency staff an inside look into changes and challenges impacting newsroom staff these days—and how to use that insight to boost hit rates and long-term media relations:

How is the newsroom changing these days—how do those changes impact an AEs job?

The first big change is reorganization. Virtually every newsroom in the country is facing either buyouts or layoffs, while reorganizing both their print editions and online sites. So it's a historic time of transformation in the industry. For example, the print publication in general is becoming more of a magazine in content—featuring more forward-thinking stories and analysis of what the news means to the reader.

The breaking news material is moving online. Online, in fact, will become more like what radio is now—a lot of information, with fresh news and updates burying older headlines and newsflashes every 30 minutes. Important in this is recognizing that print papers will have staying power moving forward—they're just not going to look like the "news" papers of yesteryear.

I think it's also important to note that agencies shouldn't overlook small market publications and papers—because those are increasingly doing relatively well financially. Some are even growing. Papers in places like Wyoming, for example, are growing due to their energy boom. Papers in the areas like the South with circulations of 50,000 and under are also doing well because they're focused on hyper-local coverage. The real tip here is that these outlets seed pickup in larger papers and websites. You don't have to pitch Chicago, New York City or Los Angeles anymore to get play nationwide. Smaller papers have more space to do your stories—and a good piece on any of their sites could see pickup online in those key metro areas.

A second big change is lead times. I've seen many pitches lately from agencies that don't realize that because of this transformation, you can't send an idea out Monday and hope it gets in the Sunday paper. You now have to see print in terms of longer lead times.

A third change related to all of this the increasing importance of multimedia. While print will want access to experts and real people to quote, along with background and back story—online will want video, charticles, multimedia doodads and Internet glitter. Web widgets are a big deal now. The more widgets you have, the more appealing your idea is to a reporter. It's just one more thing to click on. Editors want that. Readers feel empowered and interact with the news that way—so think about shooting video, doing a podcast and so on, instead of just writing a text release or pitching and firing it off.

Based on the reorganization and layoffs you mention, do you think we'll see more journalists looking to join agencies from the media side?

I actually think many of the media writers I work with today are less creative than the PR people pitching us. It's really creative in PR now—it's not enough to simply be good at "media relations" anymore. You have to be versatile to keep up with various clients and social media and so on. So, sure: There might be some journalists who can make that leap, but only the most creative of them will survive in the agency world.

The shakeout is getting rid of reporters who were into filing a blurb and never leaving the desk. They'd get a few quotes and write a 15 inch story and that was it. That just doesn't cut in anymore, no matter which side of the media relationship you're on.

That said, journalists who are out of work will be looking for jobs in PR and as spokespeople. But it's a very different world. They have to learn how to navigate this and use their core skills more creatively. The best of them will use their reportage to figure out what the client's real story is.

What traits do you think agencies should be looking for in hiring these folks?

First is curiosity—that's a commonality across both PR and the press. Another skill journalists have to have, especially in editorial meetings, is the ability to get along with others and sell themselves. The reporter of the past who hid away in a cubby just doesn't exist anymore. And the aggressive, in your face journalist isn't something you'll want to bring into your agency, either. So that's another overlap: PR people have to sell themselves to the client and the media, and they have to be personable.

Clearly, a respect of deadlines is important. And while you don't

need a "love" of writing, you do need an appreciation for story. The good news is people aren't really natural born storytellers. But you can be taught how to find, shape and "report" a good story. In a world full of noise, the best reporters and PR people are those who can nail the angle, hook and storyline. Writing the perfect graph or lead is just icing.

Finally, I would advise agencies to really be on the lookout out for former media people who can be good mentors. You want recovering journalists who are willing to train y our team on what newsrooms are really like. You want people who are teachers and who can explain the media process to PR people.

What are the ten most common mistakes agencies make when working with the media?

If I had to boil the concerns and complaints I've heard most often through the years, they would be these:

1. Lack of timeliness.

2. Not targeting outreach. For example, two weeks ago a pitch was blanketed to three editors and five reporters here. I saw the pitch and recognized it was a story. But I couldn't sell it, because everybody saw it and it looked shopworn.

3. Not having all the players lined up for access. This happens far more on the agency side than with corporate communications departments.

4. Not vetting the sources and giving them the information they need to answer our questions.

5. Gatekeeping and putting restrictions on the interview.

6. Not providing contact information.

7. Taking rejection personally. The best PR person I dealt with was with a hospital. She'd tick off four ideas and I'd say they didn't work. She'd come right back with more later.

8. Not knowing the subject area like the beat reporter.

9. Not being up front with deliverables. This is basically over-selling and under-delivering—like when a CEO or source is suddenly unavailable. This happens more frequently, of course, when we work through agencies.

10. Being a control freak and trying to micromanage the media. Be invisible during the interview. Facilitate and that's it. Don't be like a Soviet spy. Agencies do that to show the client they're doing their job, but it backfires. If you've done everything right—like having a good story, targeting a good reporter and providing access—then trust that the process will work out. **FV**

Brian Pittman

FIRMVOICE
SEPT 10, 2008

Avoiding Press Blacklists:
How to Use Media Lists — and Still Build Valuable Relationships

JANE MAZUR
MEDIA RELATIONS GROUP EVP
OGILVY PR

JEFF HOOPER
EXECUTIVE VICE PRESIDENT
ACKERMANN PR

ALBIE JARVIS
SENIOR VICE PRESIDENT
PORTER NOVELLI

DAVID FUSCUS
PRESIDENT AND CEO
XENOPHON GROUP

ALISSA PINCK
VICE PRESIDENT, GENERAL MANAGER
JS2 COMMUNICATIONS

As many PR practitioners at agencies nationwide may recall, *Wired* magazine's Chris Anderson posted hundreds of email addresses he claimed had "spammed" him with unsolicited pitches on his "Long Tail" blog last year. The fallout was significant, with many in PR and even media crying foul (one comment, for example, stated that his posting the emails was "mean spirited"). Ultimately, many in PR began to take a second look at the media lists they bought out of the box — and others began double and triple checking their own propriety media lists.

So where does the practice of purchasing, building, checking and then employing media lists to pitch journalists stand? What are Council members doing to make sure they don't end up on a similar blacklist — and is it possible to use a one-size-fits all media list out of the box without alienating the press? Here's a quick breakdown of the answers — along with tips for using your media lists in the smartest — and most successful — ways possible:

1. Use third party tools as foundations for proprietary databases. "If you're building your own list, which is what we do here, don't reinvent the wheel. Start with a solid base," advises **Jane Mazur**, executive vice president of the media relations group at **Ogilvy PR**. "Talk to your colleagues and bring together existing databases that you may already have. Compare what you have against other sources like The Yellow Book or Cision, which is what we use — and remember that a print-only directory is limited," she says.

"These tools are only as good as their frequency of updates. You want something that's updated regularly and online directories typically are more current," Mazur says.

Jeff Hooper, executive vice president at **Ackermann PR**, adds this: "We have tried a variety of sources over the last six years or so and there are shortcomings in all the media database services in terms of currency — but Cision continues to be the best for us."

Even so, Hooper and team use the service as a foundation only. "We start there and add proprietary notes we discover along the way into our own ACT database. For example, we subscribe to the ProfNet alerts and have a staffer cull them to find pitching preferences, keywords and hot buttons to add to the database."

2. Pull only fresh lists and update databases regularly. "We are constantly pulling information and updates from a variety of sources, and our own staff calling out to the media," Mazur says. "It all goes into an Excel spreadsheet that feeds into our database. The spreadsheet is broken into name, beat, outlet, pitching preferences and past coverage tabs."

When it comes time to pull a media list from the database, "We have a media specialist group pull it, depending on the client practice area," Mazur says. "Whether it's an AE or account coordinator, these lists are always pulled fresh. If it's a list for a campaign we recently worked on, however, we might use it as is."

"Keep your media lists current all the time," seconds **Albie Jarvis**, senior vice president at **Porter Novelli**. "Editors change publications and beats frequently. Your lists need to keep pace with media change," he says. "Use PR tools like Gorkana Alert and Cision updates to keep your lists up to date on an ongoing basis. Don't wait until your next big announcement to refresh your media list."

3. Ensure database accuracy and re-qualify lists prior to use. "Once we've pulled a list, we fact check it. Specifically, we send verification emails," Mazur says. These emails typically read along the lines of, "We are currently working with X client. Are you still covering Y space? If not, who is covering this area and would you like to receive further information from us?'"

But even that's not enough: "We also get our people on the phone sometimes just to verify contacts and pitching preferences," she says. "My advice is to first instruct staff on media etiquette, because reporters really hate being called for simple contact confirmation if the person on the other end of the line isn't prepared," Mazur cautions. "Make sure staff understands the reporters' beat first, knows when a good time to approach them is and has questions nailed down. Ask, 'Are you still covering X beat,' as opposed to 'What do you cover?'"

Jarvis advises prioritizing media lists prior to use: "Not every name on a media list has the same PR value," he says. "Before a launch, you and your team should review the list and discuss which media outlets are most important and which reporters are most likely to cover the news. Those are the editors you should spend the bulk of your time on for media outreach."

David Fuscus, president and CEO of **Xenophon Group**, elaborates: "You have to budget staff and time for real research and review of lists or you're shortchanging clients," he says. "We budget staff hours for researching who has been writing on any client-related topic using Factiva, MediaAtlas, Vocus and other tools. It's more expensive to do — but every nickel you put into doing real list research comes back to you dressed up as a quarter. You will see success rates from six to ten times higher if you roll up your sleeves and review lists as opposed to practicing plug-and-play PR."

4. Consider out of the box lists, but exercise due diligence. "There are times when you'll want to buy a list that's not proprietary," Mazur admits. "Holiday gift guides are good examples because those are lists of people actively seeking input and ideas. In those cases, start the process by making sure you're working only with a credible company with a track

record. Seek out companies that have clients who can give testimonial and that you can call," she suggests. For example, Mazur says the agency uses The Gift List for pitching holiday guides.

Additional quick tips for vetting third-party media lists:

• Be very specific in your requests. "You can get something that's very generic," she warns. "For example, you can't just request a list of beat reporters covering 'luxury items.' Instead, you have to specify long lead versus short leads, regional or national, job level or type and even medium or media type, from blogs to print."

• Ask the hard questions. "Don't just pick up the list online or through a CSR. Have a conversation with somebody in detail. Make sure you can have a real dialog if you're not getting what you need — without the extra charges," Mazur says.

• Match the list to the purpose. "There are companies like PIMS that have lists for things like mailings — that's a different thing," adds Mazur. "If the list isn't for pitching but for sending out press kits, for example, the criteria and vetting can be at different levels — so match the list with the purpose. A generic list that includes *Wired* for a blog pitch will only get you in trouble," she warns. "But that same list might work for sending out a mailer."

• Don't accept lists at face value. Alissa Pinck, vice president and general manager of JS2 Communications, adds this: "Go over your lists with a fine-toothed comb. Go beyond beat and read their pitching tips, if included. Many agencies will accept a downloaded or exported list and simply extract emails from it without reviewing the whole Excel or DB file. So, stop. Check out the other fields. Scroll out past the 'beat' column and you'll see things like 'pitching preferences' or even 'keyword relevance.'"

That's the higher level of intelligence that a simple email won't give you — it's what you're paying for, Pinck stresses. "It's also what helps you eliminate the wrong contacts so you don't end up on a blacklist." Similarly, she advises against relying on guarantees. "You have to go through the list manually. Review it. Cull it. Call the names on it."

5. Recognize that email blasts may work occasionally. Blasting the media inflames the media and doesn't deliver sustainable ROI — unless you have real news that's relevant across markets, beats or media that you have to get out quickly, according to Mazur. "It might work then. But that will never happen with soft and lifestyle pitches," she cautions. "Another time when it might work is when you're pitching something service-y or evergreen. Those are the few situations where the media doesn't have an expectation that it's tailored to them."

6. Respond rapidly and personally when blacklisted. "We weren't on Chris Anderson's list," Mazur says. "But if you end up on a blacklist, recognize you're not alone. Use it to learn what that specific journalist wants and follow up accordingly with a call or some personal outreach to set things right. The truth is many in the media do value PR and recognize that media lists and untargeted pitches are just another drop in the bucket. The key is to separate yourself from that practice by serving the media as well as your paying client. They're both clients. Treat them that way."

Jarvis says it's always good to personalize pitches when using media lists — and it's not just about avoiding media ire. Instead, it's about maximizing long-term results for clients: "You may have a great media list. But if you send out a mass email blast rather than personalizing your pitch to individual reporters, you are missing an opportunity to connect," he concludes. **FV**

Brian Pittman

FIRMVOICE
JULY 30, 2008

Witnesses to History:
PR Can Now Create Its Own Content

By Julia Weede, Vice President, Vollmer Public Relations

2008 may be the year that we saw the passing of an era. For the last several years, PR professionals have followed the occasional news reports of staff cuts at the nation's large and small newspapers. We have known that we are experiencing change in American print journalism.

Yet for the last several years even as staffs were cut, someone has always been at the end of the phone when we called a daily paper with a pitch. That "someone" was usually a senior beat reporter who managed to use their 20 years' experience to know a good story, report and write it to fit into an ever-shrinking news hole. My admiration grew for the daily miracle of thoughtful, well-written pieces by experienced newspaper journalists.

But it may be that we remember 2008 as the year when it all changed. As buyouts and cutbacks thin the ranks of American journalism, we are witnessing the loss of some of the nation's most knowledgeable print journalists. Lawrence Downes recently commented in the *New York Times,* "As newspapers lose money and readers, they have been shedding great swaths of expensive expertise."

I'm sure you can create your own list of names. Growing numbers of senior reporters, editors and columnists are leaving mainstay dailies like the *Washington Post*, *The New York Times* and the McClatchy papers. Reporters undergoing reorganization at papers like the *Wall Street Journal* and *USA Today* are being reassigned to entirely new beats or double beats. The shift is sudden and increasingly dramatic.

To fill the gap, remaining editors are turning to freelancers, or dropping coverage altogether. As one top section editor of a major national newspaper said when asked by my colleague if someone on the editor's staff might be interested in a client's story, "Staff? I have no staff. I have two people and a bunch of freelancers."

This shift is changing the content of stories that Americans read. Editors are often forced to set aside well-researched stories on tough topics to increasingly cover the expedient stories that are written quickly on short turn-around. Recently a 10-year major industry reporter said to me, "Sure, I think this is an interesting story, and it should be covered. But it will take me three days to research and report, and my editor won't let me take that much time any more."

What does it mean for our clients who rely on us to help them to participate in thoughtful dialog on issues that are critical to them? How do we have a dialog when the most experienced journalists are no longer there to chronicle the discussion?

Certainly new media, the catalyst for this evolution, is part of the solution. Clients will always need to engage with their stakeholders, and many see a boon in the ability to have that conversation with customers directly, without journalistic filters. We at our firm are always delighted when we see company leaders willing to risk open, honest dialog with customers in creative new ways — they are almost always handsomely rewarded for their transparency.

For some clients it is time to rethink traditional media roles. Who says you can't create and distribute your own content? What do you and your client have to offer in this brave new world that people want to know? The barriers to entry are surprisingly low, and the potential is yet unknown. Create it!

And for those clients and PR professionals who, like me, believe a story in a national daily newspaper is still a gold standard of PR, it is time to do what we do differently. Now, more than ever, we need to help our clients understand what journalists need to do their jobs, rather than perpetuate the myth that they are vending machines for stories on demand. We need to do our best to help reporters get good stories written:

Remember in this environment even the best reporters don't have time to connect many dots. Connect them, research them, summarize them and offer links to supporting material.

Don't just talk about your client's best attributes; provide direct access for journalists to see those attributes being demonstrated.

And remember that the number of stories making it into print is shrinking — offer up your best and leave the routine press releases to online distribution.

Last month I happened to catch a veteran Washington Post reporter on the day that she and her editor took the buyout. When I jokingly asked, "Who am I gonna call now?" she only half-jokingly replied, "Beats me. We were just sitting around the newsroom speculating that it won't be long before there is no one left to pick up the phone when you guys call." While no one yet believes the *Washington Post* will disappear, it was a jolt to the system. The good news is that she will continue occasional freelancing. The irony? She's going into PR. **FV**

Julia Weede is a Vice President and national media strategist for VOLLMER Public Relations in New York and Texas. VOLLMER is a leading U.S. public relations firm that specializes in integrated, results-driven strategies and tactics.

FIRMVOICE
JULY 16, 2008

The Online Rush to Fill an Ever-Widening News Hole

By Lloyd P. Trufelman, President & CEO, Trylon SMR

From a new media perspective, there is little difference from the way the industry was five years ago. It's more a question of how information dissemination has evolved.

Things are moving faster and the news hole is larger. The old days of sending press releases to fax machines are long gone. Now it's all about the Internet and e-mail. The challenge with fax machines was always "the last 10-feet" — how would the paper make it from the machine to a reporter's desk. That problem has disappeared. Now it's all done by e-mail and even instant messenger.

With a bigger news hole, everyone is in competition with each other. Everybody is more or less in the 24/7 multimedia news-gathering and dissemination business.

However, with all the layoffs at major newspapers and magazines, there is a real danger of a drop-off in editorial quality. The old model of reporters carefully vetting their own stories, which are then vetted by editors, raises a question of current accuracy and credibility because of the cutbacks.

The newspapers' sole advantage in this new media world is that they can cover things more comprehensively than other media. Ironically then, they seem to be shooting themselves in the foot with all the cutbacks.

Nevertheless, while reporters are being laid off in the daily newspapers and hiring in journalism is slowing down, some hiring in PR and marketing is going up. While that might be good for the PR industry, it has wider societal implications if the trend continues. It means less coverage of real news, and more coverage of manufactured news and corporate spin.

In an effort to fill that ever-increasing news hole, bloggers have become an essential part of the information dissemination process.

If you take the word "blogger" or "blog" and change it to "pamphlet" or "newsletter," from an editorial point of view, it's pretty much the same.

A PR practitioner's dealings with a blogger need to be straightforward, focused, and targeted. In addition, the criteria for approaching a blogger isn't much different from approaching a regular reporter.

For some reason though, the PR industry has put up a kind of artificial wall. As a result, a lot of the outreach that PR firms should be conducting towards bloggers has been taken away by so-called viral marketing and buzz marketing firms which are in essence pitching bloggers but usually in the worst way possible from a PR point of view.

The small difference between pitching bloggers and pitching traditional reporters and editors is mainly the result of hyper-specialization. Many bloggers maintain legitimate, well-researched, well-executed blogs. The only difference is the lack of a major infrastructure behind the blog, with regards editing and vetting.

There is going to be a merge between bloggers and traditional news organizations. Bloggers realize that any connection to a larger mainstream media organization helps them in terms of research, standards, and the possibility for increased ads sales.

For the media organizations, the more they get active in the blogosphere, the more they move away from the print model, which for all intents and purposes, in terms of demographic trends, is dead.

In one respect then, newspapers, the print media, and the mainstream media, are becoming more like bloggers in that they have to move faster.

Sometimes there is material that a print newspaper, or even an online version of a newspaper, would be reluctant to have in their news columns. So they use the blog as a sort of overflow, putting in material that's not completely checked out, or not 100 percent "newsworthy."

At the end of the day though, the first thing you need is good content. If you have good content then you're going to have an audience. And if you're going to have an audience, then you're going to be able to sell ads. Unless you're running a dot org site, you're going to be interested in the largest audience possible.

While print media and online are merging, the move by radio and television online is not as fast. However, that's basically due to bandwidth. Increased bandwidth to business and the home is the next major trend.

Radio and TV stations now realize that they need to run an online component as robust as their on-air component.

Often, radio stations will give a report and then recommend listeners download a specific podcast from the radio station's web site for more details. That, in turn, drives traffic to the site and builds brands. It also gives increased ad sales opportunities.

It is the same with television stations, although that's more difficult because video bandwidth is more cumbersome and video files move slower.

Since YouTube launched, TV stations have realized that the Iron Curtain that had been wrapped around the industry emphasizing "broadcast quality," doesn't really seem to matter as much.

Two years from now everything is just going to move faster. The drop-off trend in print media from physical print, to newspapers,

to online, will accelerate. Eventually, a printed newspaper will be a premium product, available as a convenience for those who want to pay extra for it. And it won't be too long before a number of major dailies stop printing on newsprint altogether.

Inroads made with television moving online will accelerate and more online video will result in less traditional TV and cable. And with mobile communications, increased technology will make content easier to stream and transmit on to cell phones. **FV**

Lloyd P. Trufelman, APR is president and CEO of Trylon SMR (www.trylonSMR.com) a New York-based strategic media relations agency exclusively serving clients in the technology, media and telecom industries. Contact: info@trylonSMR.com

FIRMVOICE
JUNE 4, 2008

Avoiding Costly Mistakes:
How to Copy 'Right' and How Not to Copy 'Wrong'

By Michael C. Lasky, Partner/Co-Chair, Litigation Chair, Public Relations Law Practice, Sara Edelman, Partner, Litigation, and Shirin Keen, Associate, Litigation, Davis & Gilbert, LLP

MICHAEL C. LASKY

SARA EDELMAN

SHIRIN KEEN

Every day, public relations firms distribute copyright-protected material. You may be unintentionally violating the federal copyright law when you photocopy a magazine article and share it with your clients by e-mail, post an industry newsletter on your company's intranet site or distribute a research report at a client presentation. As technology makes distributing works easier and easier, it is even more important to be mindful of copyright issues because the penalties can be severe – no matter how innocent the infringement may seem. This article provides a brief overview of copyright law and some tips about how to copy "right" and copy "wrong."

WHAT IS PROTECTED BY COPYRIGHT LAW?

Copyright law protects "original works of authorship," and includes a wide variety of creative materials such as:

- books, magazines, newspapers and blogs
- music and lyrics
- videos, movies, and television broadcasts
- photographs and other artwork
- games and software
- charts, graphs and maps

Copyright law protects works created in all media such as print, electronic and digital formats. A work enjoys copyright protection from the moment it is created. Contrary to popular belief, a work does not need to contain the copyright symbol © in order to be protected by copyright law.

WHAT RIGHTS DOES COPYRIGHT LAW PROTECT?

Under copyright law, the owner of a work has a number of exclusive rights, including the right to:

- reproduce the work
- distribute copies of the work
- create a new or derivate work based on the original work
- display the copyrighted work
- perform the copyrighted work

Generally, therefore, you must obtain permission from the copyright owner of a work before you can reproduce, display or distribute that work inside or outside of your company.

With this background, here are two basic practices to avoid and two basic practices to follow:

DON'T: DUPLICATE COPYRIGHTED WORKS WITHOUT PERMISSION

The making of a copy of a copyrighted work by any means (such as photocopying, scanning, digitizing, ripping, or downloading) constitutes a "reproduction." Likewise, the unauthorized "posting" or "uploading" of creative material may implicate the "display" and "distribution" rights granted by copyright law.

Digital, electronic and online materials are subject to the same protections as non-digital, traditional or paper-based works. However, there are further legal risks associated with using digital content. Many publishers of copyrighted works distributed electronically have embedded tracking software that detects each time the work is downloaded, printed, forwarded, shared or copied. PR News, and several other PR trade newsletters, have embedded this software.

Tampering with this software can lead to a finding of willful copyright infringement and should not be attempted.

Widespread copying that deprives the copyright owner of the opportunity to sell, license or exploit a work – such as routinely copying issues of a subscription publication to increase the number of copies available to your firm – is strictly prohibited. Only limited copying of a lawfully-owned copyrighted work for personal use may be allowed. For example, printing out a copy of an electronically-distributed publication to read at your leisure away from your computer.

DON'T: DISTRIBUTE COPYRIGHTED WORKS WITHOUT PERMISSION

You can share a legally-owned copy of a copyrighted work, such as by circulating a hard copy of a printed publication by a routing list. However, distribution of a copyrighted work to the public for commercial purposes is exclusively reserved to the copyright holder.

Likewise, posting material on the Internet may also violate a copyright holder's exclusive right to publicly display, or in the case of audiovisual works, publicly perform the work.

Isolated distribution of a limited portion of a copyrighted work (such as press clippings) on an *occasional and infrequent* basis may be allowed, but should be avoided. In short, systematic distribution, especially to a large audience, should not be done absent authorization.

DO: MAKE AUTHORIZED USES AND USE AUTHORIZED DISTRIBUTION METHODS FOR YOUR FIRM

Most publications such as newsletters and magazines are available by paid subscription. That subscription or license agreement describes how many copies of a work may be made or

distributed. Review these agreements carefully before reproducing a copyrighted work. You should purchase the necessary number of subscriptions or obtain a company-wide subscription to ensure that the appropriate number of your company's employees have access to a printed publication.

The correct practice for circulating printed materials is by distribution list. While this may seem cumbersome, it is necessary to avoid an infringement claim.

Information found online can be appropriately shared by providing the web address or a hyperlink to the original source – as long as the source referenced is not an infringing work (for example, do not share links to pirated videos or music).

Providing a web address or a link which directs the user to the original source is not copyright infringement because the address itself is not copyrighted. In this instance, no copies are made and the distribution, display or performance of the work itself remains within the control of the copyright owner.

Aggregators such as NEXIS or Google can also aid in sharing information and copyrighted works by referring clients to these services, without incurring a risk of infringement. For example, NEXIS obtains licenses from publishers to make their content available to its clients, and "Google Alerts" provide limited excerpts of recent content on particular subjects along with a link to the original source in a manner they have determined is compliant with fair use.

DO: OBTAIN PERMISSION

If it is necessary for business reasons to make or distribute copies of a particular copyrighted work such as an entire article or research report, obtain written permission in advance from the copyright owner. Stick to the permitted uses, or go back for further permission if needed.

CONCLUSION

By complying with copyright law in an informed way, copyright owners who create original content receive fair compensation for the use of their work and organizations gain access to the content they need to assist their clients while avoiding litigation and potential damages. However, failing to educate employees about copyright law may well expose public relations firms to substantial risk. **FV**

FIRMVOICE
APRIL 16, 2008

Complex Media Landscape Demands Better Media Training

RON SACHS
PRESIDENT, CEO
RON SACHS
COMMUNICATIONS

VICKEE ADAMS
SVP, U.S. DIRECTOR OF
MEDIA
COMMUNICATIONS
PRACTICE
HILL & KNOWLTON

With the explosive range of new media forms, many of them raw and decidedly frank, the importance of proper spokesperson training has been amplified for PR firms. Furthermore, the depth of that training can have an incalculable impact on how well your client's messages are interpreted and delivered by the numerous varieties of press — all of which can effect their own bottom lines and, as a result, your firm's value to them.

For this reason, Xenophon Strategies, Inc. (www.xenophonstrategies.com) of Washington, D.C., offers a number of different types of training, according to president and CEO David Fuscus.

"We offer straight spokesperson training, which consists of ways to improve a spokesperson's skills and daily interaction with journalists; and we offer advanced spokesperson training, which teaches people how to deal with adversarial situations with journalists and it teaches them how to impact news stories. We also train clients for specific interviews by topic," Fuscus explains.

Tallahassee, FL-based Ron Sachs Communications, Inc. (www.ronsachs.com) trains spokespeople to handle any challenge, problem or crisis, according to firm president and CEO Ron Sachs.

Ron Sachs Communications offers an interactive media training process. "We teach clients strategies and practices to best communicate with the media, whether they are disseminating positive news or facing a crisis. Our media training process includes an entertaining and informative presentation with sound byte clips of expert communications and embarrassing blunders. It also includes on-camera training so participants become comfortable in front of a camera," Sachs says.

Xenophon Strategies' spokesperson training program includes a number of different courses because one size does not fit all, Fuscus adds.

Included in Xenophon Strategies' program is training for interviews, specific issues, media training targeted at corporate executives, and training CEOs how to better use their company's own communications function. "Our basic philosophy is to customize the training to fit the specific needs of the client," Fuscus says.

Spokesperson training assures the agency and the client of three things: the opportunity to evaluate and test the messages for a media interview or a speaking engagement; to enhance or provide solid message delivery skills for the spokesperson; and to gain a comfort level for the overall focus of the campaign, explains Vickee Adams, senior vice president and U.S. director of the Media Communications Practice at New York City-based Hill & Knowlton (www.hillandknowlton.com).

Elaborating, Adams says, Hill & Knowlton's Media Communications Practice offers executive coaching in media or presentation skills for c-suite leaders and media training and presentation skills training for all professionals across a wide range of industries. "We provide training and rehearsal for financial and industry analyst meetings, legislative hearings, video conferences, Web casting, panel moderation and crisis preparedness," she adds.

"We deliver our training through a network of trainers across the U.S. and around the world. We use diagnostic tools, mock interviews, lecture, demonstration and a variety of other tools to help clients communicate. Our sessions are designed to fit our clients' requests for timing and accommodate a variety of participants from one to 100. We receive very good feedback on the effectiveness of our work," she explains.

Adams, Fuscus and Sachs say the best spokespeople are:

- Steadfast, strategic thinkers, and trustworthy, articulate writers.
- Able to withstand the pressure of a communications crisis.
- Able to give advice bosses may not want to hear.
- Able to understand the medium with which they are dealing as well as a reporter's motivations.
- Able to support their messages with credible information.
- Even with these traits, there are dos and don'ts spokespeople should observe. They include:
- Do communicate what you want to get out of the training.
- Do ask questions, especially when you don't understand what to do when you are told to do something.
- Do always tell the truth. Honesty is the best policy. Dishonesty or lies of omission may surface and become very damaging.
- Do report your own bad news. You are always better able to react to your own bad news when you release it. When you relinquish that control by withholding your bad news, the news will come out on someone else's schedule and with their messaging and implications instead of yours.
- Do designate one spokesperson in a crisis. Multiple spokespeople may confuse the press or contradict one another, especially in a crisis. Always give regular, timely and informative updates to the media.
- Do be timely. The news cycle is 24/7. Respond to the media inquiries in a timely manger and never miss an opportunity to put your organization's best foot forward.

- Do be prepared and keep the focus on message delivery
- Don't over-talk. Deliver your messages and, when you are done, just shut up!
- Don't say "no comment." Declining to comment implies guilt. There is usually an answer you can give that is better than "no comment."
- Don't wing it.

An example of putting your best foot forward, Sachs says, was when a major financial organization experienced internal theft involving hundreds of thousands of dollars. "We trained the company's top leaders and their spokesperson to disseminate the news in the most constructive manner possible. We counseled them to reassure the media that they had identified the problem and were taking step to handle it responsibly and to prevent another occurrence," Sachs adds.

In a non-crisis scenario, Fuscus says his firm was running a large public affairs campaign for a trade association. This included interviews by editorial boards, followed by in-person visits by the association's spokesperson to 50 targeted newspapers across the country.

"Our client visited these newspapers and conveyed his message, resulting in 34 editorials favoring our client's position," Fuscus adds.

Adams said one of her favorite examples involved a lawyer from a large telecommunications firm who had to face CNBC very early on a Monday morning. This lawyer, Adams recalls, "had never handled a live, remote broadcast interview before and she had only been in her position for one month. Her story was complicated, filled with detailed facts and figures and was compromised by a lot of previous information about the company that had occurred long before her tenure. After a weekend of messaging, coaching, rehearsal, and yes, wardrobe suggestions, she absolutely nailed it! She delivered every message point, bridged to examples with ease and looked great. Most importantly, the client's business and legal goal was achieved." **FV**

David S. Chartock

FIRMVOICE
APRIL 9, 2008

Getting the Most Out of Your Campaign During an Election Year

JOSEPH CLAYTON
CEO
WIDMEYER COMMUNICATIONS

TONY BULLOCH
EVP, PUBLIC AFFAIRS PRACTICE
OGILVY PUBLIC RELATIONS WORLDWIDE

There is no question that election years impact PR campaigns. During a time when coverage in major media is dominated by the candidates — and their platforms, which target a wealth of PR-informed topics such as healthcare, education, personal finance and rising prices — revamped strategies are required to raise the visibility of your PR efforts. And with those strategies come opportunities — if you work smartly to be part of the larger story.

"Public affairs and policy campaigns are all about advocacy and raising issues," explains Joseph Clayton, CEO of Washington, D.C.-based Widmeyer Communications (widmeyer.com). "For PR professionals working on those campaigns, elections represent huge opportunities to raise visibility and put issues squarely on the front page and the evening news," Clayton observed.

Tony Bullock, executive vice president in the Public Affairs Practice of the Washington, D.C. office of New York-based Ogilvy Public Relations Worldwide (www.ogilvypr.com), agrees, adding that "national campaigns often shine the spotlight where it might not otherwise go. As the candidates discuss issues, such as healthcare, energy policy, education, housing, environmental protection, immigration policy and transportation, we can help find opportunities for our clients to join in the debate and showcase their thought leadership and expertise."

"Campaigns," Bullock, says, "remind our association, non-profit and corporate clients that the electoral process will determine who tomorrow's policymakers will be."

Elaborating, Larry Rasky, Chairman of Boston-based Rasky Baerlein Strategic Communications (www.rasky.com), points out, "Election campaigns illuminate public policy issues that often form the foundations of PR campaigns. If you are on your toes, they give the opportunity, as issues come to the floor, to position your client's point of view within the context of what is really going on in the world and what will matter once the election is over."

Rasky, Clayton and Bullock say there are several challenges to PR-campaign success in election years. These include:

- Getting the issues that matter to your client addressed in the context of the campaign.
- Having the media take a closer look at your client.
- Having issues falling by the wayside.
- A packed media schedule and other events, such as the Olympics, dominating news coverage.
- If there is no competitive debate on an issue (where all candidates agree on an issue and how to resolve it), the media may not find anything worth covering.
- When clients get "sucked" into the political debate that is contrary to their communications objectives.

They propose that solutions to these challenges include:

- Be productive in making sure your issues are in the dialogue of the political campaign.
- Exercise proper care and judgment before addressing or seeking out media coverage.
- When there is an absence of conflict and no one will pay attention to an issue, create a different news element.
- Getting a candidate to engage in your issue can also help ensure reporters pay attention.
- New media tools may also aid PR efforts by creating unique ways to draw attention to certain issues (via YouTube, social networking sites, podcasts, etc.) because these outlets attract various audiences and they are not under pressure to fill space with political stories and ad spots.
- Where possible, control the setting and terms of engagement.
- Make sure clients avoid taking positions or making public statements that could be interpreted as showing partisanship or intolerance of any particular point of view.
- Use outlets and placements that are less risky, such as op-eds and blogs, as opposed to live television or press conferences.

Strive harder for relevance

PR firms — and often, their clients — are well aware that an election year can also adversely affect a PR campaign. In such circumstances, Clayton explains, "The news cycle will often be dominated by coverage of an election, especially if it is a Presidential election." As a result, he adds, "issues not being addressed by the candidates will have to fight for attention. And if it is not a policy-oriented PR campaign, it will also become a challenge to find reporters not covering the political scene because many reporters who would normally cover policy issues are assigned to the political beat during an election year."

Bullock agrees, adding that to overcome adversity, a PR firm should look for ways to showcase the clients' messages and points of view. This is accomplished, he says, by positioning your clients to address issues directly elevated by a campaign.

"When candidates are discussing issues — such as the need for alternative forms of energy and biofuels, the complexities of providing universal healthcare coverage, the adverse impact on certain industry sectors that could result from an overly restrictive immigration policy, or the government's role to reduce greenhouse gas emissions — then look for opportunities for your clients to become part of the debate," Bullock adds. **FV**

David S. Chartock

FIRMVOICE
APRIL 2, 2008

The Dad Factor: Fathers Emerge as Key Audience for Consumer Marketers

By Laura Tomasetti, Managing Partner, 360 Public Relations

LAURA TOMASETTI
MANAGING PARTNER
360 PUBLIC RELATIONS

Moms are still in charge of the majority of spending on consumer goods and services coming into the home today. But a social shift is well underway and dads provide a new, less saturated opportunity for consumer marketers — and can be a valuable leverage point when talking to mom.

According to U.S. Census data, there are 25.8 million dads with children 0-18 and more than 66 million dads in all in the U.S., with 29 the average age of the new dad. That's a sizable group to ignore when pitching a product or service. Further, with the increase in households with both parents working and, at the same time, a rising divorce rate producing more single parent moments, there is ample opportunity – and need – for dads to step up their participation in the parenting process, including making decisions about everything from the weekly groceries, to meals out, family vacations, college-savings plans and more.

Sixty-percent of moms of children 0-18 say their partner is an "involved dad," according to Silver Stork Research. One third of dads report making dinner 4-5 times a week. And in one of the most telling signs of the times, only 15 percent of dads say they are at their best when at work. That is a shift — from the traditional dad role as provider to the new dad of today, who wants to participate more at home. And moms have bought in — 85 percent say they would buy products to encourage dad involvement, according to Silver Stork Research's U.S. Mom Market Report.

What The Dad Factor Means for PR

PR agencies can leverage the "dad factor" in their campaigns about mealtime, playtime and everything in between. Mainstream media, from *Time* to *GQ*, and a host of blogs, such as *daddytypes.com*, *athomedad.com* (for stay-at-home dads), *greatdad.com* and "Geek Dad" on *Wired.com*, are brimming with news about products, services and topics with dad appeal. There are more than 100 dad groups on *MeetUp.com*. And, it's hard to escape an image of the celebrity dad in *People* magazine — from Brad to Tom to Matt Lauer. These are just a few illustrations of "the dad factor."

There are numerous channels for communicating with dads, and dads are a receptive audience. Moms are receptive too — responding positively to messaging, imagery and events that convey dad involvement. Take, for example, two very different brands: LEGO, an established, classic brand, and e-tailer Diapers.com, a new offering in the parenting space. To build a story around Diapers.com, we started by surveying moms on the diapering experience. We found that dads were doing their part — with 87 percent stepping up to the changing table. The "dads on diaper duty" story resonated with mom bloggers and parenting media — many wrote about Diapers.com, with the dad factor as their lead.

LEGO found that it needed two distinct messages to appeal to moms and dads — with moms focused on education benefits and dads on entertainment. The latter translated to a series of local market events that brought dads and kids together for a hands-on brand experience at "LEGO Imagination Days."

In other instances, one message and one campaign can work on two levels — appealing to both mom and dad. Parents, not just mom and not just dad, are interested in brands that simplify everyday responsibilities, save time and enhance family time. The Crock-Pot brand, for example, is a "tweener" brand that can speak to both moms and dads simultaneously because it does something both are interested in — making dinnertime easier. Reaching dads via men's media and online with Crock-Pot recipes and mealtime tips is as important as reaching mom-directed media and it has a "gee whiz" factor — it's a new story for men's media and the dad audience offers a new consumer segment and potential growth opportunity for the Crock-Pot brand.

Driven by the dad factor, a new parenting partnership has emerged and that presents some distinct opportunities for PR practitioners to:

- Actively target dads through dad-directed media, blogs and groups.
- Develop messaging that speaks directly to dads, acknowledging and empowering dads.
- Include dads in your campaigns targeting moms — moms respond positively to messages and images that convey dad involvement.

When leveraged, dads can be a powerful trigger and a brand advocate. If ignored, you may be missing an opportunity for your clients and limiting your campaign's success potential. **FV**

FIRM VOICE:
OUTSTANDING BEST PRACTICES FOR PUBLIC RELATIONS FIRMS

CHAPTER 7
KEY PRACTICE AREAS
(CRISIS, CSR, MEASUREMENT, REPUTATION, WRITING)

INTRODUCTION:

The Council recently surveyed readers of *The Firm Voice*, asking for insight into the biggest challenges agencies are facing—and what articles they'd like to see more of to help them. The answers revealed that building new business, retaining client relationships and building an agency brand were the top three concerns shared by most firm principles, managers and staff. Editorial areas readers wanted to see addressed included digital PR and social media, media relations and client relations best practices. Training and talent retention were also high on the list.

A glance at the table of contents for this book reveals that every one of these key PR firm management areas is addressed in these manual pages—and has been vigorously covered by *The Firm Voice* in its first year. These results are encouraging—they suggest we're meeting reader and member needs.

But the surveys also revealed that readers also wanted to see other key practice areas and firm topics addressed—subjects that don't fall so neatly into the categories outlined above and in earlier chapters. These included calls for more measurement-related articles, crisis and issues management stories and even pieces on such topics as varied as investor relations, green PR and corporate social responsibility (CSR), policy work and PR writing.

The following 21 articles represent our commitment to and reportage on these—and other—topics over the past year. Some present case studies of successful PR campaigns implemented by Council members, others dissect PR's rising role in CSR and ethical business.

FIRMVOICE
FEB 11, 2009

Raising PR's Role in Ethical Business:
Seven Essential Steps in Communicating Client Corporate Responsibility for Greater Impact, Influence

JILL SCHMIDT
CHAIR, CORPORATE AND IR GROUP
CARMICHAEL LYNCH SPONG

CHRISTOPHER BAUER
OWNER
BAUER ETHICS SEMINARS

ANN T. SUBERVI
PRESIDENT
UTOPIA COMMUNICATIONS

SCOTT BEAUDOIN
SVP, DIRECTOR OF CAUSE MARKETING
MS&L

MICHAEL BUCKINGHAM
FOUNDER AND CREATIVE DIRECTOR
HOLY COW CREATIVE

Discussions about ethics and corporate social responsibility abound. But Jill Schmidt, chair, corporate and investor relations group, Carmichael Lynch Spong, points out a disturbing parallel trend: Public trust in companies is down and skepticism is up. She's not implying a causal relationship; however, the consumer skepticism should be seen as warning flag.

Because of greater access to information, namely, the Internet—the average consumer can scrutinize a company's practices, from how it treats its employees to its environmental footprint, more carefully than ever before. The implications are clear: Not only must companies communicate clearly about ethics and social responsibility; they must also live up to their hype. And that's where agencies come in—with corporate social responsibility (CSR) representing both a new business opportunity for firms to step in and counsel clients, and a call to arms.

But determining PR's role in ethical business can be tricky, and it means your clients—and you, as well—must take the high road. Here's a look at what several experts had to say about communicating corporate responsibility, from how it's done to caveats and notes of caution to those seeking to cash in on today's crisis of trust in Corporate America:

1. Be clear, and start early. "This is, ultimately, a case where simpler is better. Clear, direct, unambiguous comments work best here—'artful' or high-concept language isn't needed: Go for absolute clarity," says Christopher Bauer, Ph.D., owner, Bauer Ethics Seminars. "The ethics/CSR message can't be preachy and the agency's words have to match their actions. I know these ideas sound obvious but, again, agencies slip up on both of these all the time—especially on the latter."

2. Start early and be direct. Weave that message into early communications with the client, Bauer says. Make it part of the conversation from the outset "so that ethics and CSR are simply a part of how the firm is identified in the client's mind."

Ann T. Subervi, president, Utopia Communications, calls for directness. "We're an ethically focused agency, and we tell prospects up front that we only work with highly principled clients who put a premium on CSR. If they don't buy in on the importance of CSR [from the beginning], they're probably not a good fit for our agency," she says. "We feel strongly that CSR is integral to good public relations, and the clients we choose to work with feel the same way."

3. Walk the walk yourself. "Too many agencies use CSR, ethics and reputation management as buzz words to close a sale. They would do well to make sure they are internalizing these concepts before they look to sell them to others," Subervi says. "Few agencies actually do true ethics training, and fewer still enforce ethics among the rank and file—or their clients."

Bauer agrees: "If you believe an agency's role is simply to be a mouthpiece for the client, I think that you have already abdicated a significant piece of your ethical obligation," he says. "Word gets around—a lack of integrity with any client will get back to the rest of the agency's clients sooner or later."

But you don't have to walk in lockstep. "A firm's vision of CSR need not match those of the client," he adds. "However, it *is* important that the firm's ethical and CSR visions and those of the client's not be in direct conflict."

4. Provide the business rationale. Agencies have the responsibility to show why corporate responsibility and ethics are good business. "MS&L works across industry sectors to develop programs and platforms that give clients a voice in CSR discussions, increase transparency and demonstrate the business rationale for CSR initiatives," says Scott Beaudoin, senior vice president and director of cause marketing at MS&L.

"Studies show over and over again that good ethics are good business," notes Bauer. "Since an agency should be committed to their clients' success, modeling and reinforcing good ethics for their clients are simply good PR practices."

Schmidt agrees: Ethics and social responsibility need to be part of the overall business strategy. The role of the agency is to provide wise counsel—even when it's uncomfortable.

5. Speak out and make "recommendations." If the client's ethical behavior isn't matching its ethical message, the agency needs to speak out. You must be willing to have those difficult conversations, Schmidt says. "You have to be willing to provide the counsel."

Bauer agrees. "It seems to me that part of the agency's role is to actively point out ethical and CSR issues it sees in its clients' dealings and image," he says. "This is no different than any other feedback the agency would provide to help protect the client's image in the marketplace."

Michael Buckingham, founder and creative director of Holy Cow Creative, works exclusively with churches—and even his clients struggle with this. "I put on the hat of educator. Often, the best response is very simply, 'While I appreciate what you are trying to do, we can't do that and here's why.'" And that must be followed by a solution—a recommendation, he says. "The word 'recommend' carries a lot of weight and repositions their viewpoint. It reminds them who you are."

6. Customize the message. Ethics and social responsibility may be absolutes, but how you communicate them isn't. Agencies can help a client understand who its stakeholders are and craft its messages accordingly, says Schmidt. A company can't be all things to all people. Your agency can play a critical role in developing a picture of what your clients stand for and communicating that.

Beaudoin, too, stresses that point. MS&L conducts strategic analyses of each client's existing efforts and initiatives. Using those findings, it works with each client to develop a robust communications strategy, he explains. "As an industry, we must counsel our clients on the best way to add their stories to this conversation with both context and credibility." MS&L does this by:

- "communicating with multiple audiences;
- using third-party credibility;
- creating and building research-driven insights that educate, engage, and activate;

utilizing online and off-line storytelling techniques; and leveraging influencers and societal context to achieve CR objectives."

7. Remember that values matter. Beaudoin cites a new MS&L survey (conducted in partnership with GfK Roper), that examines some of the corporate values consumers find most important. Among other things, it found that 56% of Americans said it is crucial for them to know about the values of the companies with which they do business.

The survey revealed that financial success and corporate responsibility are not mutually exclusive: "The findings underscore the need for marketers to shift their business focus from being driven by a coherent set of core values to one that emphasizes how those values can be communicated effectively at every touch point," says Beaudoin. Otherwise, clients "risk undermining both their relationships with their customers *and* their long-term success." **FV**

Roxanna Guilford-Blake

FIRMVOICE
DEC 10, 2008

Inaugural Speech Peek:
What to Expect — and How Make Better Executive Speeches

FRANK MANKIEWICZ
VICE CHAIRMAN
HILL & KNOWLTON

Frank Mankiewicz is vice chairman of Hill & Knowlton in Washington, D.C. He has been president of National Public Radio, regional director for the Peace Corps in Latin America, campaign director for 1972 Democratic presidential nominee George McGovern, and press secretary to Sen. Robert F. Kennedy. He even earned a spot on Nixon's enemies list. He made time recently to speak with *The Firm Voice* about Barack Obama's inaugural address next month.

Based on what you've heard in the past, what can we expect from Mr. Obama's inaugural speech?

First of all, eloquence. He's capable of eloquent remarks, and I think he'll certainly dig in to it with this speech.

I think we will hear some echoes of his early campaign — which itself was echoing his first book, The Audacity of Hope.

I think we'll hear references to "a new day in Washington" and less bitter partisanship and acrimony. A lot of people think that's admirable; I'm not so sure it is. I'm for adversity myself. I think partisan warfare — or, at least, combat — is probably the way history is made in the USA. But let's see what happens. I think when everyone agrees, we don't usually come up with things that are very good — or necessary. We can get together on naming a post office, but if there's unity on the problem of reforming health insurance, I'd be suspicious. But that's just crankiness on my part. I think we will see some of that; and some unity, of course, is desirable.

We'll hear reference to the great economic crisis for which he will be preparing. The next day, he could sign an economic stimulus package which might go a long way to make the stock market calm down and help the economy improve.

I think we'll see a combination of "can't we all get along," some hard-hitting stuff on how to solve the crisis, and other major issues Obama has stressed all through his campaign, such as health insurance; jobs; a sound economy; and a foreign policy based, at least in part, on morality and what used to be — and hopefully can be restored as — traditional American values.

The way in which we're viewed abroad is going to be of some concern, and I think you'll see it echoed in the inaugural address.

I think it's going to be pretty good; it should run about 20 minutes.

What are the truly memorable inaugural speeches?

Obviously Lincoln's second inaugural address; it was probably the best speech ever given.

FDR. JFK. Ronald Reagan was something else again. That's about it.

Harry Truman contributed something in his 1949 inaugural address. He listed a number of points. When he came to point four, he talked about what we now call foreign aid. That was a really precursor, the beginning of a whole new stance for America in the world. Truman will be remembered for that. For many years, foreign aid was called the "Point Four Program." Today, no one remember the first three points. At least I certainly don't!

Is there anything business executives can learn from past inaugural speeches?

Very little. The inaugural address is not given by a chief executive who's concerned about the quarterly returns or the projection of profit and loss.
Inaugural addresses don't focus much on the short-term profits. I never saw an executive speech that didn't.

I wouldn't begin to compare inaugural addresses to an executive's speech. The circumstances are so different. An inaugural address is only given once in a lifetime — if he's lucky, twice. (FDR, of course, had four).

A CEO can expect to give a speech once a week. The speech depends on the audience, the circumstances, and what he's trying to sell. A president coming into office doesn't have anything to sell except ideas. This is a country based largely on ideas. A president has to be very careful how he marshals those.

Do superior inaugural speeches and superior private executive speeches have anything in common?

Very little. I've never seen an inspiring executive speech; I've certainly never heard one.

The purpose of executive speeches are either to smooth things over or to point to a rosier picture than the facts seem to project. They have some company-specific significance.

Inaugural addresses, after all, are for the whole country and in, in a certain way, for the whole world. Private executives don't talk like that.

What are some of the most common — or most egregious — mistakes you've heard in executive speeches? What makes you roll your eyes?

The attempted loftiness of mission statements. When they start talking about "our mission" and "what distinguishes us from other companies." Of course, there isn't anything that distinguishes them from other companies. [The mission is to] Buy Cheap, Sell Dear, and make it look good.

Anything else?

Well, they're all rather pedestrian in style, which partly is deliber-

ate. After all, when executives speak to deliver the annual report to the board, or make a speech to employees, or even at a commencement, they are not craftsmen of great oratory — that's not why they are hired.

Pedestrian, ordinary, immediate language is only a problem if one is looking for great speeches. Such a speech to a board of directors might convey exactly what the CEO wanted to convey and be a remarkable speech — without being memorable.

Presidents want their inaugural addresses to be memorable. I don't think any CEO going before the board thinks "I hope 20 years from now, high school students will recite this speech from memory!"

So, given that executives can't turn to the inaugural speeches for guidance, what tips or rules can you offer for more effective executive speeches?

It depends upon the skill of the executive and what he wants to convey. There've been a lot of chief executives who have done splendid jobs. Part of doing that splendid job is conveying in spoken form the ideas they want to get across. They ought to be tailoring what they say to the audience they want to reach. That could mean an economy of words, a touch of eloquence, a reference to pop culture or immediate issues to which the audience can respond.

But I think it's tough to say, "here's what an executive should be doing." It's very hard to lay down any general rules for executive speeches.

Let's turn back to the upcoming inaugural address, then. What should we be watching for?

Watch for how much of the speech relates to the immediate situation and how much is about our future, our history. Also, take a look at the television glimpses of the faces around the crowd — the official faces, including former presidents and leaders of the opposition. It will be interesting.

It's going to be the largest crowd in history. I'd be surprised if fewer than a million people are there. And television will carry this around the world. People will be watching in Nepal and Yemen. It's going to be quite something to see. **FV**

Brian Pittman

FIRMVOICE
NOV 19, 2008

Green is the New Red, White and Blue: Why Green Policies and PR May Become Increasingly Important to Agencies and Clients

ANDY POLANSKY
PRESIDENT
WEBER SHANDWICK

More clients than ever before seem to be expressing real interest in sustainability initiatives—with the upshot that more agencies are building up their green practice areas, or at least considering the possibilities. Similarly, more agencies are crafting long-term corporate social responsibility (CSR) programs pegged in part to environmental social governance or sustainability issues.

Yet despite all this interest and business impetus for such programs, it's not always easy for agencies to successfully break into this burgeoning field of focus—and many, rightly so, are wondering what they can do to successfully make the jump. What's more, savvy agencies are wondering what steps they can and should take to build credibility by practicing what they preach before advocating such programs with their A-list clients.

To answer some of the key questions agencies might face around these issues and to help you navigate the tricky transition to green PR, we checked in with Weber Shandwick's Andy Polansky, who gave us the inside story on his agency's green efforts, how he thinks an Obama administration will impact sustainability programs nationwide—and whether or not other firms should consider ISO 14001 "Green Certification," which the firm was awarded for all its U.S. offices earlier this year, meaning every office has achieved proficiency in recycling, saving paper and using energy efficient compact fluorescent light bulbs among other steps:

How will Obama's election impact environmental and sustainability efforts in corporate America?

Energy independence and clean energy—including a cap on carbon, upgrading our electricity grid and supporting the auto industry in its moves to electric vehicles—were all publicly stated goals by Obama and represent a major shift in focus for the White House. I think these efforts and others will have a significant impact on Corporate America. We can also expect environmental protection measures out of the EPA that will be more stringent and have an impact on business, especially those in resource management, heavy industry and manufacturing.

How do you expect this to impact agency counsel to clients? Do you expect to see more sustainability programs being recommended by firms?

In general, our counsel on green is it has to be done with rigor and transparency and be based in reality. What some consider green, others see as green washing or not even worth a mention. Overall, corporations need to be strategic in thinking about how they approach this area and they need to treat it as a long-term investment.

Our Cleantech practice, for example, is doing extremely well. We expect to see more private and public investment and innovation around renewable technologies, smart grid developments and advanced transportation options—those are all big opportunities for business and also represent associated opportunities for agencies. Cleantech is one of our fastest growing practice areas—and we see that continuing.

We also have a global sustainability practice—called Planet 2050—that is working with clients on some of these areas. It remains to be seen what new policies will emerge and what they will mean for business, but it's a safe bet that sustainability issues will grow in importance globally, and so will related work for agencies. Corporations are very focused on this now and are even being pushed by NGOs into this area. We're seeing a lot of opportunities to counsel clients and offer supporting communications efforts in those areas.

What is the agency itself doing in this space beyond counseling clients on sustainability?

A green work environment is very important to our people. We want to walk the walk, not just talk the talk—which is why we pursued the ISO certification. Our focus was and is focused on four key areas: One, how we work with supplies; two, paper use; three: energy use; and four, waste and recycling. We formed green teams in our offices around the world, and initially received certification in our London office. It's a model for how we rolled it out across North America. And in 2009, we will be rolling out the program in Asia.

What have the results been—any reactions from employees on the certification?

We just did our annual employee survey. It was terrific to see how supportive our staff has been. Many are now actively engaged in the process. They are bringing new ideas to the table now so we can make a difference. I don't have a specific statistic, but the feedback internally and externally about our certification has been overwhelmingly positive.

What's interesting about the ISO 14001 certification is it's an ongoing process—it's not just about getting the certificate and it's over. We continually improve, are audited and every day try to demonstrate our commitment to a green workplace.

Why did the agency pursue ISO certification—what drove the effort?

The driver was our people wanting to see a greener work environment. Of course, walking the walk, as mentioned, was important as far as clients were concerned, too. If you have good business practices, you are more credible when providing counsel. If you are focused on sound environmental policies, that's something clients appreciate if they're looking to engage you on those issues. They want to know what we are doing as an agency.

Is this something you would recommend to other agencies? What were the total costs in terms of time, expenditures and resources to achieve this—what's the "return"?

Every agency has to determine what's best for them—whether it be pursuing ISO 14001 certification or something different. I do think it's important that agencies make a commitment in this area—and it's important to employees and society in general.

We're still trying to quantify the upfront costs, and the back-end savings, but these efforts typically pay off on the bottom line as well. Certainly, we did assign a number of people to a task force to approach this process with the rigor it deserves. But a lot of people in our organization and throughout our offices were happy to volunteer to spend time in this area.

As for return: Our employees are our most important asset. Anything we can do to work with employees to have them feel even more engaged helps. Our survey shows it has been a success on that front. My focus is on creating a great work environment—and "green" is a part of that.

Do you see green, sustainability and even CSR efforts becoming bigger practice areas for agencies moving forward?

Absolutely. I think it's quite the norm now for most corporate reputation assignments in RFPs we see to have CSR as essential components of the program. They want to see what we've done with other clients in this area. I've heard some people question whether the current economic situation is going to reduce corporations' focus on CSR and sustainability issues. But my view is companies will continue to focus on sustainability, CSR and similar initiatives regardless of macroeconomic situations and the business climates they face. **FV**

Brian Pittman

FIRMVOICE
NOV 19, 2008

Issues Management — The Heart and Mind of a Radical in a Capitalist Body

By John Davies, Chairman & CEO, DAVIES and Chairman, Blaze PR

Managing defining issues of public debate is similar to influencing your 14 year-old son. Without reason, some days it works without conflict, and others it does not. The fun part is that every day you start over.

When issues management works, you feel like a genius. It means your narrative dominated discussion; your allies covered your flank in harmony and your opponents over-stepped. This means a good night's sleep. That is, until the next morning when you start afresh as issues and challenges mutate, demanding a new plan.

As the CEO of a Public Affairs firm, as well as owner of a Public Relations firm, I've seen that the challenges of issues management takes a different kind of professional. Smart, yes. But more than that, cool, secure enough to listen, and independent to make a strong recommendation and stand behind it. Quick, trained reflexes are a must.

In Issues Management, you win or lose.

That victory or defeat in the court of public opinion will very likely define the near term and possibly long term future for our client.

The greatest challenge in issues management is that it seems to be easier and safer to sit things out unless pushed or motivated to act. At least at first sitting out seems wise. Ultimately, to win or lose, you must face conflict. I do not like to fight, but I hate to lose even more.

Given advance warning and planning, we can achieve Sun Tzu's over quoted advice from The Art of War that the best battle we can win is the one we do not have to fight.

Yet with respect due to Sun Tzu, at times one has to fight.

To battle in any arena is exhausting and dangerous. In the public opinion arena, to emerge victorious or even just unhurt takes an all-consuming effort, requiring a unique cool and discipline.

Those who have not been fans of corporate America have little fear of conflict. In fact, Saul Alinsky, one of the architects of the radical movement said, "Conflict is the essential core of a free and open society." His modern follower, Markos Moulitsas Zuniga, the founder of the Daily KOS blog adds, "The tactics may change, but the soul of the radical endures."

Good Issues management professionals have the heart and mind of a radical in a capitalist body.

Kos gets it right when he says the tactics, like his blog, may evolve, but the ideal endures. Today we have many more tools and channels but the essence of winning public debates have survived since the great days of Rome:

1. The winner always creates the agenda of debate.

In every debate, there is a winning agenda and a losing agenda. Find your winning agenda.

When working to add environmental controls to a coal plant, the debate can be, "it is too old and dirty, let's close it," or it can be, "we can improve air quality beyond EPA standards without building a new plant or increasing electric rates."

Defining the agenda of debate is like determining what game we are going to play. I like chess or hearts. My friend likes gin or cribbage. If we play chess or hearts, I win a lot. Sometimes I even "misplace" the cribbage board.

In health care, when insurance companies and hospitals battle over contracts, there are two games. The payer says, "Health care costs are out of control and it is the hospital's fault." The hospital says, "You deserve quality health care at the hospital of your choice." Will costs dominate the agenda of debate, or will quality, fairness and choice?

Not only is the winner the one who creates the agenda, the winner also defines the question before it is asked.

The best example is an old one. In 1992, when Hillary Clinton became the health care czar she was able to get work with public support because the question was, "Do we need to fix our health care system in the U.S.?" Answer: a loud "Yes."

Fast-forward a dozen months or so and nothing changed except the question. The new question was, "Do you want the post office running our health care system?" Answer: a loud "No."

What's your winning agenda, what's your winning question?

2. Tell a compelling story of right and wrong, good and evil.

Great leaders attract supporters with compelling stories (see President-elect Obama). They create distinctions between good and bad. They create heroes and villains.

Stories involve others, and they engage both the right and left sides of our brain. They inspire and anger.

Find a winning agenda, create an Oscar-winning presentation of the story, and repeat it.

3. Craft a simple strategy — act, change, act.

Complex strategies never work. Better to be simple and ready to change as the ground shifts. While the strategy can shift, our story needs to stay aligned.

4. You have to be audacious.

Be a leader. Don't be foolish or foolhardy, be bold and fearless. Patton once stated, "In planning any operation, it is vital to remember and constantly repeat to oneself two things: In war, nothing is impossible provided you use audacity, and do not take counsel of your fears."

Our firm is distinguished from our competitors in that we have the audacity to actually do things. Many firms simply offer advice and sit on the sidelines. And if they execute, it is usually safe and avoids the key conflict.

We are not afraid to join the fight. We press to get our story out now so that our message and strategy transcends theory and is actual. While we are quick to act boldly, what prevents it from recklessness is that our actions are driven by a well-researched strategy and guided by robust quality control.

5. Identify and build an army. Activate your army.

The favorite tool of radicals going all the way back to the days of Rome is the street protest. On the business side, we have to be more subtle.

While we need to build an army, today it is getting more and more sophisticated. Seth Godin's Tribe tells the story of how we use grassroots support to empower and motivate others to tell our story for us.

In Tribe, Godin points out that, "[W]hat people really want is the ability to connect to each other, not to companies. So the permission is used to build a tribe, to build people who want to hear from the company because it helps them connect, it helps them find each other, it gives them a story to tell and something to talk about."

Working in issues management in every corner of the nation, it is clear that most people form tribes in some form or another with or without us. The challenge is to ensure there is a tribe for people to join by making it something people want to join.

There's not as much glamour to issues management as there is to public relations, and at times it can be as much fun as carrying a dozen wet cats in a burlap bag. Yet for those of us who like to look at the scoreboard, there is nothing like winning the daily skirmishes and the overall wars. In fact, it's addicting. **FV**

FIRMVOICE
NOV 12, 2008

Crisis Communications Planning:
Now Is the Time to Review Critical Lessons for Private and Public Sector Clients Alike

By John Ullyot, Senior Vice President for Media Relations and Issues Management, Public Affairs, Hill and Knowlton, Washington D.C.

In today's world, digital and wireless communications have changed how to plan communications in times of crisis. The natural disasters that struck Burma and China earlier this year are instructive and offer some communications lessons.

In Burma, where a military regime tightly controls information, the rest of the world struggled to learn the extent of the impact of the cyclone. In contrast, the devastating earthquake that struck China earlier in May, where the broad access to wireless and digital communications—including cell phone cameras and streaming video—meant that vast amounts of information flowed across China and around the world.

These events offer a cautionary tale for those who are involved in communications planning. The fact of the matter is that because of such technology, we need to be prepared for an overabundance of information; information that moves faster than any government agency, first responder or traditional news organization can move. If such technology and information is managed properly, the result can save lives. If not, the outcome can be confusion, chaos and panic.

In today's world such technology cannot be controlled, short of shutting down or disabling networks. Therefore, we need to test our plans and systems to ensure that they are designed for such a scenario, to break through the clutter and noise. In short, accurate and timely information can prove as vital as shelter, medical care and food supplies in times of disaster. And, the importance of making sure that spokespersons are properly trained to deliver clear messages in the face of a crisis cannot be understated.

In preparation for testimony earlier this year on communications planning for a nuclear terrorist attack in front of the U.S. Senate Committee on Homeland Security, Hill & Knowlton commissioned a nationwide survey to provide a benchmark of current awareness of issues relating to the scenario of an attack on a major American city. The three key results were:

- Almost half of all Americans believe they are not equipped today with sufficient information about what they should do in the event of an attack;
- The closer people are to an actual attack, the more likely they are to look to, and rely on, information from local emergency management authorities, as opposed to federal authorities and leaders; and
- Of all the types of information provided in the aftermath of an attack, people place a premium on messages that are, in order: (a) accurate, giving the full facts, no matter how negative, followed by (b) information that is timely. Comparatively few are interested in more abstract, general information such as how the nation will respond to the attack.

The research results and the observations from the natural disasters in China and Burma offer some important lessons for the government's communications planning. To save lives, the government should focus on core areas including the role of interagency coordination, pre-event message development, stakeholder identification, spokesperson identification and preparation, involving media and digital organizations, public-private partnerships, education and awareness efforts, the criticality of period immediately after an event, and training and lessons learned. This holds true for other entities, including corporations, who must be prepared to act when disaster strikes.

It is important that the government's communications plans recognize the need to have a means of providing sufficient content and spokespersons to ensure a stream of accurate and contextual information; to have in place a wholly aligned coordination and communication among federal, state and local authorities; and to provide adequate information to deal with a scenario such as a terrorist nuclear attack.

In addition to the U.S. government's accomplishments in terms of preparing our nation for such an event, it needs to ensure that the communications planning recognizes the powerful technological and societal forces that have fundamentally changed the manner in which the public receives and shares information, and by identifying those remaining barriers to effective communications. **FV**

John Ullyot is Senior Vice President for Media Relations and Issues Management and leads the Public Affairs practice in H&K's Washington, DC office. This article is an excerpt of the testimony that John delivered before the Senate Committee on Homeland Security on May 15, 2008. The full written testimony can be found at http://hsgac.senate.gov/public/_files/051508Ullyot.pdf.

FIRMVOICE
OCT 29, 2008

Politics & PR Agencies:
Former White House Insider Gives a Peek into the Pressures Faced by McCain and Obama Teams

JENNIFER MILLERWISE DYCK
APCO WORLDWIDE

Political PR and PIO work may be the pinnacle of the practice—the public and media scrutiny is unrelenting, and the stakes are incredibly high. The communications techniques, tools and strategies from messaging to issues management employed at such a high level—whether for a presidential campaign or post-election in the White House itself—certainly offer lessons for the rest of us in the agency world.

Nobody knows this better than Jennifer Millerwise Dyck, who before joining APCO Worldwide served as director of public affairs at the Central Intelligence Agency (CIA) and was deputy communication director for Bush-Cheney '04 before that. She also served as press secretary and deputy assistant for communications to VP Cheney from 2001 to 2003—and was White House assistant press secretary during the first ten months of the Bush administration.

Based in APCO's Washington, D.C. headquarters, she now assists APCO clients in the areas of crisis communication, media relations, public relations and government relations. In this capacity, she agreed to give us a quick behind-the-scenes look into the pressures faced by both the McCain and Obama campaigns in this week before the election—and to share not only a glimpse into the inner workings of the communications function in the West Wing, but also her tips for keeping your firm functioning at its best in any high-intensity situation. Her insight starts here:

Based on your experience in the last election, what key challenges are the current campaigns' communications teams likely facing right now, considering the election is one week away?

They're dealing with exhaustion and the challenges associated with living in a bubble. At this point in a campaign some staff members are pulling all-nighters at headquarters while others are on the road, waking in a new city every morning. Despite lack of sleep and inability to escape your job and colleagues, you must always maintain a detail-oriented focus and a fresh perspective.

Are there any lessons in that for agencies?

I think any high-intensity work environment is familiar with these challenges. Agencies are often hired by our clients to provide an outside perspective, a reality check or an untraditional way to solve a problem. It's easy to become increasingly drawn into the minutia of the work as you become more familiar with the client, so it's important to maintain the fresh outside perspective that they often need.

What was the toughest part of the WH assistant press secretary job?

I seem to be focused on sleep deprivation and living in a bubble—but these, too, are challenges of working in a White House. The intensity of media scrutiny is without parallel—the press is literally feet from your desk.

Can you give an example of that intense scrutiny at work in the West Wing?

I was in the West Wing on 9-11 and was evacuated that morning with our colleagues in the media. We all re-entered the West Wing just a few hours later, when there was great uncertainty about many things from safety to the meaning of what this new era meant for our country.

The news took over television and papers were dominated by 9-11 coverage. There were no commercials, no regular programming and the network anchors hosted all day long. There was a constant need for information. It was a difficult work environment, yet one where the media and WH staff worked together well. There was insatiable appetite for information that had to constantly be balanced with the need to verify and provide accurate information to the public—a responsibility we shared with the media.

What was the best part of the of the WH assistant press secretary job?

The best part was being part of a team that is all working toward similar goals, while having the ability to learn firsthand from seasoned veterans—it's the greatest way to learn.

The intensity, albeit challenging at times, is also exhilarating. And, although it is cliché, you truly are a part of history. It is impossible to walk into that building every day without getting chills—if you ever don't, you know it is time to move on.

Do you have any media relations rules of success—any lessons for agencies working with a tough press corps?

Two come to mind: 1) Think through a message before delivering it to ensure it will be understood in full context. 2) And don't grow tired of a message—although it may be something that you have said a thousand times, it takes much repetition before it begins to sink in with an audience.

What skills from those days in the political crucible serve you best in your work at APCO?

The skills I learned in government and campaigns: Think things through; be comfortable with repetition; and maintain a detail-oriented focus and a fresh perspective. **FV**

Brian Pittman

FIRMVOICE
OCT 22, 2008

Countering the Tailspin with Trust:
PR Offers Bridge Over Troubled Water for Financial Services Firms to Reach Boomers

By Barb Iverson, President, Financial Services, Weber Shandwick

With the financial sector in a tailspin, maintaining the trust of the baby boom generation is critical for financial services firms and the agencies who work with them. Seventy-four million American boomers—people born between 1946 and 1964—will retire in droves over the next decade. Public relations professionals, especially those specializing in financial services, must tap the tremendous buying power of this group amid unprecedented market upheavals.

Last fall, two distinct trends collided. The first wave of the subprime mortgage failure emerged just as America's first baby boomer, Kathleen Casey-Kirschling, applied for Social Security benefits. An estimated 3.2 million boomers will turn 62 this year alone. While boomers have a strong interest in financial and retirement topics, the way they receive information has changed dramatically in the past decade, forcing public relations campaigns to go beyond traditional techniques to reach and reassure this audience.

Research shows that boomers rely less on institutions and more on peers for news, information and decisions related to purchasing products and services. To succeed, boomers must be reached through word-of-mouth with convincing messages from familiar, trusted voices. Boomers have unrivaled influence and rich peer-advisor networks, yet Boomer-to-Friend (B2F) communications are overlooked by many PR practitioners.

The "B2F Connections" survey Weber Shandwick conducted with KRC Research found boomers are highly influential, serving as important peer resources for purchasing decisions. On average, boomers are asked for recommendations nearly twice per week or 90 times per year. Among boomers who made recommendations over a 12-month time frame, nearly nine out of 10 said friends ask for their opinions on important decisions.

Many boomers are skilled advocates, actively sharing advice and referrals, and reaching three times the number of people than their less-engaged peers. However, an unhappy advocate, or "badvocate," will spread their dissatisfaction to six times as many people as the non-advocate.

Countering this trend, "B2F Connections" identified financial services as an area where boomers fall silent. Retirement planning, investments, banking and insurance aren't benefiting from boomer buzz. Of the 89 percent of boomers asked for recommendations in the past 12 months, just five percent said these recommendations included financial services products and services.

Financials services companies that can break this silence will strike gold.

Many companies portray boomers as isolated and alone with their financial worries. Boomers don't self-identify with isolation, so marketing efforts should portray them as they are—immersed in work, social settings and community activities.

Equally important, buzz where the boomers buzz:

- Water Cooler Boomers. Many boomers plan to or will be forced to work for some time, so penetrate the workplace. Counsel clients to consider on-site product/service placements, sponsor work-time activities or host online product "primers."

- Community Boomers. A sizable 42 percent of boomers' purchases are influenced by a company's social or environmental policies. Are your clients committed to social responsibility? If so, tell boomers about it so they can make informed decisions and become advocates.

- Techno Boomers. Two-thirds of boomers use the Internet to make purchasing decisions. Eight out of 10 boomers use the Internet for more than email and almost half are online daily. Make sure online boomer communities are part of your marketing mix.

Boomers have transformed peer-to-peer communications just as they have everything else. Whether they will fully incorporate retirement in the B2F dialogue remains to be seen. Active, informed and engaged boomers can become a powerful network for PR professionals who make the connection. **FV**

About the author: Barb Iverson is president of Weber Shandwick's financial services industry practice group. Weber Shandwick—a global public relations agency which has done significant work in the retirement services space reaching baby boomers—has managed such accounts as the Business Roundtable/Pension Coalition, ING, Aetna Financial Services, CIGNA Retirement & Investment Services, the U.S. Treasury, the Federal Reserve Banks, Nuveen Investments, and the Life and Health Insurance Foundation for Education. Barb can be reached at biverson@webershandwick.com

About the survey: The telephone survey fielded by KRC Research was conducted from November to December 2006. The survey included responses from 502 boomers in the United States. Boomers are defined as people born between 1946 and 1964 (ages 42-60 at the time of interviewing). The survey has a margin of error of ±4.4 percentage points at the 95 percent confidence level. In addition, a general population survey was conducted to compare boomers with other generations such as Generation X, Generation Y and seniors.

FIRMVOICE
AUG 20, 2008

Words that Wow:
Reflections on the Power of Public Relations

By Gerald S. Schwartz, President, G.S. Schwartz & Co.; Co-Founder, Digital Power and Light

Words create perceptions. They make and break reputations. They lend resonance to our deeds — and they're the building blocks of our work in this field. As such, they can be very powerful.

No one recognized this reality more profoundly — or put it to practice more effectively — these past several months than all-American regular guy, Randy Pausch, who died July 25th at age 47. The father of two and a professor at Carnegie Mellon University, his life, and death, story has been well publicized since he was terminally diagnosed last August, after which he delivered his "The Last Lecture" speech on September 18 at Carnegie Mellon.

Of all the many words in his lectures, emails, book and articles, one quote hits you like a tome: "I'm focused more on what [my kids] are going to lose than what I'm going to lose." Wow, words. Witty or wry, woeful or wonderful reminders of the power of thoughts printed out. It makes little difference whether they come to us online or offline. Content reigns, no, it pours like tears over Randy's requiem.

New media have changed the power of words and public relations. Now, we frequently go direct to the consumer. As a result, reporters, editors and broadcasters are no longer the gatekeepers. Arguably, we are. But we forget. We forget the power of what we do. Not idle talk, trite truisms, boring banalities, but real stuff, the sustenance of everyday life — publicity, gossip, buzz, hype.

We overlook the role we play as PR people, the impact, the influence the simple nudge of our work, a mere sentence sometimes sliding slowly down a slippery or well-slogged slope, subtly or not so subtly steering the subtext with a sprinkle of subliminal saccharine. Maybe our modesty mirrors an inability to measure our meaning or methods. Maybe we don't really believe what we sell. Maybe we're just too busy.

Pursuing clients and profits, wealth and prestige, we forget the staggering significance of our PR strategies on the simplest of goals. And it's not solely the field's most skilled and prominent, but also the lucky kid who hits the front page for his client with a first time pitch. A single, naive key stroke can create history and alter the future, and certainly keep a client happy. It's incredible to consider that the power to win an election, win an award, win salesperson of the year or win the approval of some constituency can now reside in the hands of a 25-year-old who runs out the door at 5:00 p.m. — instead of somebody with 25 years of experience and great contacts. Whew, who knew?

I was 25 years old once when, working at a giant global agency, my boss said the power and influence of what we do is magnified by the complex, if not difficult, problems of our clients and a world where we waged war. He was referring to that agency's high-profile accounts at that time — ITT and the Chilean affair, or Greece under Papadopoulos. They even promoted the Shah of Iran while his military machine massacred masses. "We shine during tough times," he remarked over the top of his bifocals with split lenses, while scratching too-long side burns and unbuttoning the collar of his polyester pop-print shirt.

That was 30 years ago, in the mid-1970s, long before Arpanet, which became the Internet. This development changed our business for the good, and forever. Not only can we do what we never could before, but the Internet helps to spread the message of our good works farther and faster than word of mouth. Now, everybody knows what my wise, old boss knew: Public relations is hot, public relations is cool, public relations is exciting, interesting and fun — with a low barrier of entry, yet no barrier to success. PR is the perfect career for the new millennials.

Given the affect and effect of our work, we probably don't charge enough. Some of us have always been value-billers, anyway, because nobody gets rich on hourly rates, said a lawyer friend when I was starting my business in 1981. Look at a Wall Street firm's compensation, which pales against the size of deals. I'm frequently reminded of a tale about the late Mark McCormick of IMG fame, when meeting a potential client. After stating his fees for organizing a big sports event, the prospect said, "A million dollars for making a few phone calls?" Legend has it that McCormick then reached into his pocket, pulled out a few quarters and said, "If you think it's easy, here, you make the calls."

So Benedict bows, Obama beams, Ballmer backs off and Burma's beset. Popes, politicians, potentates, the prominent and the purposeful, people pursuing power and a lot of other "Ps" employ PR people. They need us and they all use us. They pay us for our words. That is what we do. We can only hope ours are as powerful as those of Randy Pausch. **FV**

FIRMVOICE
JUNE 18, 2008

Musings on Measurement

By David Morse, Vice President for Communications, The Robert Wood Johnson Foundation

Puzzlement #1—what's the brand?

I'm a sap for musical theater—Rodgers and Hammerstein's *The King and I* is one of my favorites and always brings a tear to my eye. I even played a song from the musical at my wedding. But my favorite scene from the movie version is when Yul Brynner, the King, muses to Anna about how he's to rule his kingdom and how will he know what he's doing is right: "*Is a puzzlement!*," he roars.

Several years ago, just after I joined the Robert Wood Johnson Foundation, our then-CEO and I brought together about 25 staff from all levels of the organization, along with a few board members, to ascertain the characteristics of our foundation's brand. To even consider that a foundation *had* a brand was an unprecedented endeavor for my, or any, foundation: brands were the province of the corporate world and of large non-profit organizations that provided direct benefits, like education, health care or social services. We had a mission statement, well-articulated goals, and a tag line, most often heard on NPR, but we didn't have, or didn't think we had, a brand.

We sat at a large, open-square table, each with a laptop computer before us, for what Dave Richardson, president of Wirthlin Worldwide (now Harris Interactive), the lead facilitator of the 5-hour evening session, called an *Advanced Strategy Lab*. Dave peppered the group with questions. We each entered brief answers on our laptops, and then viewed our collective responses almost immediately on a large screen at the front of the room. His first question was simple: "What business are you in?" Our dominant answer was simple, too: "We're in the grantmaking business." Dave paused and asked the question again: "What business are you in?" Again the same answer. But he clearly expected a different response, so he asked a slightly different question: "Is grantmaking the *purpose* of your business, or is it *what* you do?"

You could almost see the collective light bulbs going on in the heads around the room, and could see them literally on the screen at the front: "Aha, we're in the *social change* business—the business of improving health and health care for all Americans. Grantmaking is *what* we do—a means to our goals (and, we later discovered, far from the only means), not *why* we do it." But what was abundantly clear was that we considered the Robert Wood Johnson Foundation to be, essentially, a bank or an ATM machine—you put your card in, in the form of an grant application and, after some due diligence, you got your money (or not, if your application was turned down). And that was a conventional wisdom about foundations, from both inside and outside the philanthropic world—that we were essentially transactional organizations.

Puzzlements #2 and 3—What's the measure and does it matter?

Thankfully, that conventional wisdom has changed rapidly inside the Robert Wood Johnson Foundation. Yet changing the way we and others—our grantees and communications partners, opinion leaders and policymakers—think about our business of social change poses a big challenge—how do we measure progress toward our end goals? If you're in the business of being a philanthropic bank, measurement seems fairly simple—numbers of grants made, dollars "out the door" to meet annual required payout, geographic and demographic distribution of grant funds. But if you're in the social change business, outcomes measurement seems far more complex. What's the marginal contribution of my foundation, a grantee, or any other single organization to driving down smoking rates among America's youth, increasing enrollment of eligible kids in the State Children's Health Insurance Program, rolling back the national epidemic of childhood obesity, or improving the quality and equality of health care in, say, Cleveland or Memphis? And can we measure the contribution, and the cost-effectiveness, of our communications efforts toward those goals? Since we're a health foundation, we often think in the language of prevention and treatment— what's the right formulary and dose of communications to reach a particular goal?

One of what Jim Collins would call our "big, hairy, audacious goals" is to ensure that all Americans have affordable, stable health care coverage. There are 47+ million uninsured people in the U.S. and that number is growing. With our $10+ billion in assets, we could probably buy an inexpensive, high-deductible health insurance policy for a few million uninsured Americans for a year—that's easily measureable—but we wouldn't have a foundation any more.

So we've focused on increasing the salience and the political and economic unacceptability of 47+ million uninsured in America. For several years, we have mounted a series of *Cover the Uninsured* campaigns, with our partners GMMB, GYMR, and the polling firm Public Opinion Strategies, to help change the frame—the perceptive boundary—in which the public, opinion leaders and policymakers know and understand who the uninsured are, and thus increase the salience of who they are and the propensity of policymakers to act. We've done market research, conducted polls and focus groups, tested and re-tested messages, done pre and post-campaign analyses. Since beginning these campaigns, the dominant frame *has* changed. The research tells us that the public no longer sees the uninsured as the downtrodden looking for a handout, but rather people like *us*—80% of them parents and kids in working families, your close relatives, your neighbors and friends—who aren't uninsured by choice, but because they or their employer can't afford it.

Is that a communications success? While the fundamental goal of stable, affordable coverage for all Americans is still elusive, we seem to have achieved what we believe to be one of the building blocks toward reaching that goal. But what's our foun-

dation's marginal contribution toward creating a new conventional wisdom about the uninsured? We've asked an outside evaluator—a political scientist at the University of Minnesota—to help us answer that question. Maybe we'll know when he reports back to us in a few months.

My colleagues Kristen Grimm, CEO of Spitfire Strategies and Edith Asibey, of Asibey Consulting, say it's OK to measure contribution rather than attribution." My former boss calls it "plausible connectivity"—a reasonable link between what we sought to do and the desired outcome, even if there's a lot of noise in the system that makes it difficult, if not impossible, to tease out the marginal contribution. But I'm still searching for that magic measurement bullet. **FV**

David Morse is vice president for communications for the Robert Wood Johnson Foundation, a leader among U.S. philanthropies in advancing strategic communications to transform health care, promote dramatic improvements in public health, and serve the most vulnerable among us.

FIRMVOICE
JUNE 11, 2008

How to Sell Crisis Services Before Your Client Needs Them

LARRY KAMER
SENIOR PARTNER/
CO-CHAIR
CORPORATE PRACTICE
GROUP
FLEISHMAN-HILLARD

JOE CLAYTON
CEO
WIDMEYER
COMMUNICATIONS

Clients are often in denial about the need for crisis preparedness. Some do not anticipate or think broadly enough about where or what might become a crisis for their organization. So when a crisis does occur, such as a hostile takeover, an environmental disaster, an information leak, executive misconduct, or even a product recall, there is often a delay in the response, including the seeking out of expert crisis communications counsel. Of course, the longer a company waits to respond in a skillful way, the worse the disaster can get.

As a result, PR firms that offer crisis counseling want to be called at the first sniff of disaster. Agencies that specialize in crisis counseling want to be called into a situation where there is a plan at the first hint of a problem before the press and the bloggers get wind of it. Therefore, you need to know how to sell crisis services long before your client needs them. Here's what PR firm leaders recommend:

First and foremost, sensitize your clients to the need for crisis planning

According to **Larry Kame**r, senior partner and co-chair of the Corporate Practice Group at the San Francisco office of St. Louis-based **Fleishman-Hillard** (www.fleishman.com), while a lot of companies have been heavily investing in physical and data security since September 11, 2001, they aren't close to what they should be in terms of holistic, enterprise-wide crisis preparation — especially as it affects corporate reputation.

Kamer adds that there are crisis-prone industries — such as energy producers, utilities, transportation companies and hospitals — which should not be in denial about crisis preparedness.

"Leading companies in their sectors seem to attract crises, but this provides no comfort or reason for complacency," Kamer says.

"It isn't that companies are in denial about crisis preparedness, but if they have not had a recent experience with a crisis, they are not sensitive to the risks involved," observes **David Fuscus**, president and CEO of Washington, D.C.-based **Xenophon Strategies** (www.XenophonStrategies.com).

"In our experiences, major corporate clients are not only willing but expect to develop comprehensive crisis communications plans to address risks of all kinds," says **Mark Behan**, president of Glen Falls, NY-based **Behan Communications** (www.behancom.com).

The key is to have clients prepare for a crisis in advance. "For example, in the past, clients in the coal mining industry prepared for crises scenarios in advance of any crisis. They invested in planning so that if and when a crisis erupted, they knew what to do. That way, they didn't have to deal with unexpected questions," explains **Joe Clayton**, CEO of Washington, D.C.-based **Widmeyer Communications** (www.widmeyer.com).

Always have the worst-case scenario in mind

"Our approach is to integrate crisis communications planning in the public affairs, issue management and media strategies we develop for most clients. It is our view that a communications plan for the 'worst-case scenario' often helps the client see [possibilities] more clearly and avoid reputational risks," Behan says.

Fuscus says his firm sensitizes clients to the need for crisis planning by using past examples — especially in their industries — of mismanaged crisis situations to demonstrate how the lack of preparation and availability of resources led to the mismanagement. "We are also very frank with company executives about what happens if they don't effectively manage a crisis. The firing of top executives and plunge in share price tends to get their attention," he adds.

Kamer says there are four methods that are most effective when sensitizing a client to the need for crisis planning. These include pointing out what competitors or admired companies are doing; working with legal departments or outside counsel, especially if a case or investigation is pending; routine revisions or consolidations of existing crisis plans; and crisis media training, which allows an agency or consultant to sit down with a client and work through real-world scenarios.

To let clients know about crisis management services, Kamer says, information is worked into annual plans at F-H. At Xenophon Strategies, it is mostly by referral based on the agency's vast experience with crisis management, Fuscus points out.

"The greatest challenge we face in working with a client during a crisis is the management of conflicting information with regard to the nature and extent of the problem, the options for addressing it, and a clear understanding of what external constituencies expect and demand," Behan says.

Meet the preparedness challenge — and be ready to respond in a timely manner

Kamer says distinguishing between noise and threat is a challenge. "There is an overwhelming organizational desire to just make the damn thing go away. It won't. Executives get caught up in displacement activities such as group editing of press releases. Therefore, it is up to the crisis management consultant to hone in fixing the problem, staying ahead of the story, setting measurable objectives, and keeping faith with stakeholders whose trust may be frayed," he adds.

Fuscus maintains that the greatest challenge is getting legal and communications to understand each other's needs. From their training, lawyers see a crisis as a situation fraught with litigation risk and want the company to say as little as possible.

Communications experts see the situation as one in which the company itself as well as its brand are at risk, so they want to fully engage in defining the situation, he explains.

Furthermore, he believes PR firms have a deeper level of experience with crisis communications and crisis management.

Larger PR firms, Kamer points out, can bring specialized resources to a crisis situation, including the ability to deploy staff to an affected factory, for example, or a headquarters, before a regulatory agency descends.

Still, Kamer adds, one of the biggest misconceptions clients have about managing a crisis has to do with the role of the media. They think reporters care about their company's plight or have a hidden agenda.

Elaborating, Fuscus says clients mistakenly believe some aspects of a crisis situation can be kept out of the press. "In a crisis, all details, good or bad, make it into the media, so a company had better be telling their own story, even if there are elements to it that cast the client in a less than appealing light," Fuscus notes.

To counter misconceptions clients have about managing a crisis, Fuscus says his firm uses detailed case studies and examples from their crisis management experience so a client fully understands how modern media works.

Clayton says countering a client's misconceptions boils down to articulating a strategy to the client and explaining your reasoning behind it. "Then you hope the client makes the right decision," he adds. **FV**

David S. Chartock

FIRMVOICE
JUNE 4, 2008

How Important Is Reputation and How Do You Manage It?

JACK BERGEN
SENIOR VP
CORPORATE AFFAIRS
& MARKETING
U.S. OPERATIONS,
SIEMENS AG

Next to media relations, reputation management has long been a staple of the public relations and communications practice—particularly when companies faced damaging news, announcements or media attacks. Agencies therefore learned to master the fine art of building, protecting and communicating brands, images and reputations—to the point where this particular expertise had become downright scientific in terms of tactics, techniques and measurable outputs.

Then came social media—and all bets were suddenly off. Today's typical PR agency faces numerous new challenges when it comes to managing client reputations. For starters, social media has changed where and how an organization's reputation is fostered and, increasingly, damaged. What's more, the last 10 years have seen trust in corporate America decline drastically, with the upshot that the public is more cynical than ever before when it comes to a brand's reputation—and PR's role in communicating it. As a result, many agencies are moving into monitoring and contributing to social media channels—while also initiating cause marketing and CSR efforts for clients … all in an effort to stay one step ahead of potential brand detractors and online "badvocates."

Jack Bergen, senior VP corporate affairs and marketing for U.S. operations at Siemens AG in New York, and former president of the Council of Public Relations Firms, believes business experience shows us that a good reputation helps a company sell its products, recruit the best and brightest and attract the most desirable business partners. Reputation also influences performance in the financial markets and has been compared to an insurance policy or money in the bank for a rainy day.

He should know. After all, Bergen helped turn Jack Welsh's reputation around at GE.

Here, Bergen, who has also served as a senior VP to CBS Corp., CEO of the GCI Group, president of U.S. operations for Hill & Knowlton and director of strategic communications for General Electric, offers top-level insights into fulfilling this key PR role:

How would you define reputation management?

The ability to help companies explain what they stand for to all of their stakeholders and to protect the company from competitors and others who would in any way disparage the company.

How does a company know what its reputation is?

The best measure of a reputation is whether its various stakeholders vote with their feet – whether people come to work there — and whether the best people want to stay the — and whether shareholders buy the stock, whether the media looks at the company as a thought leader, and certainly whether customers give the company the benefit of the doubt. Reputation doesn't sell a product — it is like a brand. It reassures customers of what they get from the company they can depend on.

How do you measure and evaluate it?

You can measure by stock price, how well it does in the marketplace, by indices like *Fortune* magazine's "Most Admired Company" ranking. *Financial Times* and the *Wall Street Journal* do rankings too. Next, do your own benchmark research. Go to a research firm and ask them to go to your customers and ask their opinions.

What is PR's role in leading the reputation management charge—who else is involved, discipline wise?

Besides PR, it is advertising and investor relations. PR drives it because PR is the one discipline that looks for credibility. And reputation is equal to credibility.

Is reputation management best suited for an in-house department or an agency?

Both have a role. The agency gives you an objective perspective of the stakeholders and can maintain contact with the stakeholders. Stakeholders will say things to the agency that in-house staffers won't — they are the eyes and ears of a company in a way the company can't be. Second, the agency is able to help the company understand what other companies have done in similar situations. The in-house people are also important because the stakeholders want to know they are talking to members of the company. So the internal people have to be the spokespeople for the company.

How can PR take a greater leadership role?

I think PR needs to be known as the "expert" on reputation. PR needs to do studies and research and analysis of reputation — which a number of agencies are doing quite well.

Why is reputation management important to smaller to mid-size companies?

I think big companies have the advantage of a large investor base and have loyalty and awareness because they have a large group of investors. Smaller and mid-size companies don't have that advantage and need to work harder to build their reputations. Often, they are not publicly traded and, therefore, don't have the large investor base, so they need reputation management more than ever.

What are current challenges PR firms face in helping to manage a client's reputation, and what are the solutions to each of these challenges?

One of the biggest challenges an agency has is getting access to all of the research, information and data on a company — if you are not part of the company, how do you get that? The solution: companies must be much more open with their agencies and provide them with the data they need.

Another challenge that an agency faces is that it may not be the only agency working for a company. A firm may have to share the work with other agencies — and reputation management touches every part of a company and requires that an agency know everything about all of their stakeholders.

What about internal communications? Where does employee engagement fit into reputation management — and what must a PR firm do to help a client with regard to employee engagement?

At GE, in the early 1980s, we had a situation where Jack Welch, then CEO of GE, was trying to make the company leaner and more profitable, and he downsized the company significantly. As a result, he got the name "Neutron Jack." The name came about because the neutron bomb was a big issue at the time. It killed people but had no affect on buildings. So he got this name because he was basically downsizing and people lost jobs, but the buildings still stood. He asked the communications team to make the name go away and help employees understand what he was doing. What we did with the communications team was focus on dealing with the various stakeholders, including employees. Welch spent a lot of time at GE's Crotonville Employee Training Center. During employee classes at the training center, he explained what was going on. He worked very hard to get the word out about what he was doing to managers in GE, and what it meant to the company. His time at the training center was the major factor in turning around GE. He came up with some great ideas in the 1990s that made GE the most admired company during the period. In working with these employees, he listened to their ideas to change the company and created a change management process called "Work-Out," in which managers sat with their employees and not only listened to their ideas, but responded to them by either acting on those ideas, or telling them why the ideas did not have merit. This is one of the things I saw happen at GE.

Because Jack Welch started with employees and empowered them, they could reach out to customers. If you get to employees and recruits — people who want to be employees — the word will spread even to those who don't work for the company. It builds respect for the company.

Since reputation influences performance in the financial markets, what advice would you give agency execs to help them improve their client's reputation in today's economy?

The best advice I could give is try to help the company understand what financial analysts are saying about their market and their competitors.

What are the biggest reputation-management blunders PR people make?

Thinking you can turn things around quickly — it takes a long, long time. For a situation like GE, it took three or four years. Once there is a turnaround, reputation can be kept.

The key point I want to make is that agencies play a vital role in reputation management — and helping companies acquire reputation-management skills helps the PR industry maintain its leadership in reputation management. **FV**

FIRMVOICE
MAY 28, 2008

What Is the Role for PR in a Company's CSR Efforts?

By Krista Pilot, Senior Vice President, DKC

"CSR purists" tend to have a negative view of PR, seeing spin in place of substance. It is as if they fear that some will think that CSR is only PR, a nice story presented to off-set bigger problems.

To counter the image of CSR as fluff or spin, these purists proclaim the value of metrics. If it doesn't have metrics, or isn't prescribed by the GRI (Global Reporting Initiative – a standard for reporting CSR externally), then they turn up their collective noses at it. Of course metrics are important – for CSR or PR. Companies have to back up claims of environmental or social goodness.

PR agencies have an important stake in the rapidly growing CSR field. CSR reports are increasingly the focal point for CSR strategy and tracking results. These reports are generally designed and created by CSR purists, and involve the most senior leadership at Fortune 100 companies. Often the CSR Report (also called Sustainability or Citizenship Report) is created by teams who report into functions other than communications (legal, government relations, public affairs, environment).

As such, these reports often have a text book feel to them, created for other CSR professionals but not for a wider audience. Similarly, without communications input, many of the larger stories, often good for the company and the cause, are never told beyond the report, or highlighted for different audiences, including the press.

When the corporate communications departments, and their PR agencies, finally get the review and input, it comes with a mandate: "OK, here's the report, go promote it." PR agency executives are then left to pick through a massive tome (these reports are approaching 100 plus pages in many cases) and see what can be pitched to the media.

To avoid this scenario, PR executives need to get smart and take a page from the playbook of the CSR purists. There's no magic here; just get educated about the issues and the jargon and then ask for a seat at the table. PR professionals should involve themselves in every step of CSR reporting – from strategy to data collection to the creation of the public document. Our value is in knowing the media – a key stakeholder, to use the lingo – and having a keen sense of what makes a good story. PR agencies, once armed with basic knowledge about CSR, should focus on three areas when advising clients:

- Relevancy: Look at all of the data and anecdotal stories with an eye to materiality: what really matters to the business of this firm? Are the stories being told, and data presented, really focusing on what's important? For example, if a firm's biggest challenge is with using outsourced labor in China, five stories about the great things being done with a small US white collar workforce aren't as relevant. Similarly, a company that operates only in developed countries probably shouldn't trumpet its great policy for working with indigenous peoples in the developing world.

- Narrative: Help the purists to see the forest for the trees. What kind of story does the data tell about the company? How do we generalize about the company and its values from a recitation of numbers and programs? So the company reduced greenhouse gas emissions by 30% over the last few years. How does this compare to others? Where does this commitment fit within the context of the business and its mission?

- Honesty: The report cannot simply recite the company's good works with some pretty pictures of butterflies and forests. It needs to present a balanced look at the company's impacts on society from a social, economic and environmental (triple bottom line) perspective. Play reporter and look at this with a critical eye. Is the data positioned in its most favorable light (i.e. percentage changes without showing real numbers)? Is a pilot program in operation at one location presented as company wide initiative? A good reporter will see through the generalizations and ask the hard questions, and agency executives should do the same.

In conclusion, PR agencies should get educated and engage the purists early on. PR is not a dirty word – and should not be presented as fluff or spin. Rather, it is a way of communicating what a company is doing to a diverse group of constituencies. PR should be proudly embraced as companies engage the public in a dialogue about their impacts – positive and negative – on society. Good PR input strengthens CSR reports and the stories and media pitches that derive from those documents. The purists need to be persuaded that we are their allies in relating to the public; not their enemies. There's enough room for all of us at the CSR table. **FV**

Krista Pilot is senior vice president for corporate accounts and business development at DKC, a full service integrated marketing and communications agency. Her current clients include Hanger Network (makers of EcoHangers), McGraw-Hill and United Technologies. Prior t joining DKC, she served as director of community affairs for Untied Technologies Corp. (NYSE;UTX). She was responsible for corporate responsibility (CR) at UTC, including leading the development of the company's first three CR reports. She served as the liaison delegate for UTC to the World Business Council for Sustainable Development, and handled relations with external groups such as non-governmental organizations, socially responsible investment firms an rating agencies. She also led UTC's philanthropic activities and volunteerism on a national and international basis. Krista can be reached at: Krista_Pilot@dkcnews.com

FIRMVOICE
MAY 14, 2008

The Mistake of Message Mimicry

By Ron Loch, Senior Vice President, Gibbs & Soell Public Relations

An interesting thing happened when Barack Obama shocked the political world with his decisive win in the Iowa Democratic caucuses with a message of "change." Presidential candidates from both political parties claimed the message as their own. Hillary Clinton said she had been creating change for 35 years, John Edwards called himself an agent of change, Mitt Romney said he spent a lifetime making change and Mike Huckabee claimed to be the Republican's agent of change.

The presidential race has evolved considerably since the Iowa caucuses, but this lemming-like response to a successful message raises an interesting question about positioning and the value of differentiation. Why is it that when standing apart is often the key to political and marketing success, so many competitors use the same language?

Buzzword Bingo

Using *The Mission Statement Book* as reference, a writer for *Marketing Magazine* tallied the most frequently used words from the mission statements of 301 of America's top companies. The results suggest that many of these enterprises believe their mission is exactly that of the others, since many of the statements appear to be interchangeable.

The root cause of this sameness is the use of common language: *service* is mentioned in 230 of the statements, *quality* 194 times, *value* is in 183 statements, *leader* occurs in 104 and *best* is in 102.

Certainly, these features and benefits are important, but alone they serve only as banal expressions with little, if any, context. The end result is generic statements that read something like: "company x is a leader in its industry delivering the best service and quality to ensure superior value for its customers." Sound familiar?

The marketers at IBM apparently sense a message mimicry epidemic is occurring as well. Their current ad campaign pokes fun at the clichés businesses use to discuss their approach to innovation. One television spot features a meeting attendee shouting "bingo" as a corporate leader walks through a PowerPoint presentation using buzzwords to explain the company's approach to innovation.

The point of the "Stop Talking, Start Doing" ad campaign is to get companies to enlist IBM information services, but the fact that every business person watching is in on the joke about "buzzword bingo" says a lot about the prevalence of trite corporate messages.

The Lure of Common Language

So, why do companies tend to copy positioning from their peers? There appear to be three common reasons:

- *Follow the Leader:* The thought that acting and sounding like the leader will make them eventually win over market share and put them in the top spot. Often this theory is rooted in the self-belief that theirs is the better product or service and that they should rightfully own the leadership positioning. Unfortunately, this approach is more likely to increase the opponent's brand recognition, reduce the challenger's credibility and leave customers with no compelling reason to change.

- *Fear of Omission:* The fear that without capturing every possible compelling reason for a person to choose their company, service or product, they'll miss opportunities to connect with someone. In reality this everything-including-the-kitchen-sink approach serves only to dilute the message to the point it does not motivate anyone.

- *Path of Least Resistance:* Just as the American pioneers pushed west using the trails cut by the explorers before them, communicators look at what is working in their market and follow suit, particularly when venturing into new territory. While it can be time saving, it doesn't make them stand out in the marketplace.

Find a Point of Attack

Great messaging begins by discovering what unfulfilled needs exist that can be credibly addressed. In the case of Obama, he's communicating that he is a fresh face in Washington who is not tainted by the partisan rancor that defined the past two administrations.

Being a central player in the political taffy pull, Clinton couldn't claim change in the same way Obama could. Her strength – Washington experience – was, to some voters, her weakness. The Obama camp followed "Offensive Marketing Principle No. 2" in the book *Marketing Warfare* by Al Ries and Jack Trout: "Find a weakness in the leaders' strength and attack at that point."

Try Harder

The classic example of this strategy in action is the Avis rental car, "We Try Harder" campaign. Launched in 1963, the campaign used Hertz's market domination to its advantage by suggesting that Avis tried harder to please its customers because it had too. It's difficult to imagine many companies admitting to the world that they are number two in a market, but there's no disputing the success of the strategy.

Prior to the campaign, Avis was an unprofitable company with 11 percent of the U.S. rental car market. Within a year of launching the campaign, Avis was profitable. Within four years, it had tripled its market share. Forty-five years later, Avis continues to use the "We Try Harder" tagline and is neck-and-neck with Hertz in U.S. airport car rentals market share.

What Can You Do for Me?

In both of these cases, the message is more about what the customer or voter will get than about what the person or company is. Obama supporters believe they will get a leader with few partisan scars and Avis renters get people who will work harder to please them. These are clearly defined positions that differentiate both and resonate with enough people to keep them competitive, if not put them in the lead.

So, business communicators need to take the time to weigh their company's positioning against the competition. If it is too similar for stakeholders to clearly understand the differentiated offer, they should change, stop talking, start doing and try harder to come up with something better. After all, imitation may very well be the greatest form of flattery, but effective business communication is about driving home a differentiated, compelling message, not flattering the competition. **FV**

Ron Loch is a senior vice president at Gibbs & Soell Public Relations (www.gibbs-soell.com), a full-service PR agency that combines solid strategy and creative thinking with tactical know-how to help companies market their products and manage issues. Headquartered in New York City, G&S also has offices in Chicago, Raleigh and Zurich. Partner agencies in Beijing, Shanghai, Tokyo and Latin America round out its global network. Ron can be reached at rloch@gibbs-soell.com

FIRMVOICE
MAY 14, 2008

Holy Hit! What You Learn When You Handle PR for the Pope

PETER STANTON
STANTON COMMUNICATIONS

You may have worked with a top-tier celebrity, a world-renowned CEO, even a super-model? But how many PR firms get to work with the Pope—and what's that like?

On Pope Benedict XVI's recent visit to the U.S., Stanton Communications (www.stantoncomm.com) of Washington, D.C., was part of a comprehensive media team directed by the Catholic Archdiocese, which included Catholic communicators from around the country.

What was it like to be involved in such a once-in-a-lifetime PR opportunity? How was Stanton Communications chosen to participate? What did they learn? We spoke with Peter Stanton, president of Stanton Communications to find out.

FV: What did you learn about the Pope from this experience?

He's a different personality than many assumed that he was. This, after he had been characterized as somewhat rigid and a little bit autocratic. I didn't know what to expect before he came. In fact, he was diplomatic, very warm and very engaging.

What was your firm's role in the visit?

Our role was to help the Archdiocese determine where media could be placed at each event, how many media representatives could be located at each event, which media would be in each location, and we also worked in support of the Archdiocese as a daily media interface and coordinator with the U.S. Secret Service on security-related issues.

What was involved working with the U.S. Secret Service? Did you and your staff have to undergo background checks?

Yes, we had to undergo background checks. They [the Secret Service] are consummate professionals, wonderful to work with and very understanding of the media's requirements.

What was your role in setting up the audience with those abused by priests and what did you think about the press coverage of that event?

I had nothing to do with it. Our role was limited to the New York portion of the event and that event took place in Washington, D.C. It was my impression that this event was a last-minute addition to the schedule and arranged by the Vatican. Furthermore, the press coverage for this event was not the issue. The issue was the impact of the Pope's gesture. I think it was the right thing to do.

What surprises did this assignment give you?

There were many. The biggest surprise was that the media and the public were so excited and engaged with the Pope. Also, the media are changing the way they do their job, especially when it comes to technology and filing procedures. For example, as recently as 1995, when we did the last Papal visit, when you have a large venue like Yankee Stadium, we had to set up photo darkrooms so photographers could process their film or provide runners who could carry undeveloped film to a drop location where their bureaus could pick up the film. This time, however, everything was done digitally and many still photographers were shooting video for their publication's Web sites.

What types of challenges did this assignment present and what were the solutions to each of these challenges?

There were challenges of access by the media to the events, movement of the media to the events and within each venue, credentialing, and for everyone, not just my staff, the church, the Archdiocese and many Catholic communicators around the country. This was a 24-hour-a-day operation for four days, and it was physically taxing. The solution to access to the media involved making decisions on media access with many positions highly desirable. So, if you gave one news organization a highly desirable position at one event, we had to give another a highly desirable position at another event.

To determine fairness, we categorized the media by type. If it was a wire or syndicate, we tried to make sure each of them had some level of equivalency throughout the four days and the same with newspapers, photo agencies, magazines, radio and television. To address movement of the media at each venue, specific personnel (members of Stanton Communications, the Archdiocese and Catholic Communicators) were assigned as media escorts. With regard to credentialing, each venue had multiple media positions and we established a coding system that enabled us to identify each and every position and then we gave the media assigned to that position a badge to wear around their neck that identified for Stanton Communications, where they were supposed to go.

What, if anything, would you do differently the next time you handle PR for a future Papal visit?

I think I would try to expand the accommodations we made for the press if at all possible. Our venues were small and we were only allowed to bring in a limited number of media representatives. And when you have over 6,000 credentialed journalists, then it is difficult to satisfy everyone's request for access.

What kind of messaging did you implement for each event your firm was involved in and did you measure the results and how did you measure the results?

We did not implement any messaging and we did not measure any results. If there was any measurement at all, it was the qual-

ity of the media coverage that resulted and the consensus was that the coverage was very good. The Pope delivered his own messages and did not need us to help him shape them.

Did you do this assignment pro-bono? If so, why?

We provided our staff pro-bono basis on the days of the events because everyone who was working in support of these events on the day that each happened worked as volunteers; so we felt the need to do the same. However, there was a fee involved for services leading up to the Pope's arrival. **FV**

Brian Pittman

FIRMVOICE
MAY 7, 2008

Is Modern Comms Technology Ringing the Death Knell of 'Real' Communications?

By Ron Sachs, President, Ron Sachs Communications

Recently, I posed a simple challenge to the smart graduate students in a packed college classroom: "Raise your hand if you've written a letter to someone who is important to you, with your own hand, within the past year?" Only a few hands were raised in response — and some of them were only referring to greeting cards.

The answer is largely the same among other adults — and pre-college-age youth. We don't really 'write' in our own hand anymore. We type it, text it, speak it through a portable device. Satellite, Skype and techno-hype have become today's "communications."

Even worse, as the real written word is an endangered species of communications, so, too, is the one-on-one conversation that is the other main anchor of human connection. My own daughters would often prefer a quick cell phone chat to an actual face-to-face meeting — and they're indicative of a growing trend.

This is a global warning — a not-so-silent silent alarm: we're in the beginning of the end of real communications that actually convey warmth, personal involvement and concern. There is no rebel force fighting to retain the last vestiges of human contact that could prevent us all from being locked in our own narrow stalls of technology.

Incredible advances in technology have 'shrunk' the planet. Today, the mere push of a button or keyboard transports us to other people in other places. Clearly, the benefits are bountiful and have led to giant leaps of advancement in many fields. I get it.

We are the 'best' communicators of modern time because of the speed with which we can do it: from remote locations, having an inane cell phone chat with anyone — just because we can; having the world at our command via the internet, even if the time we actually spend going somewhere or visiting with other people is a fraction of what it should be; effortlessly texting a message when we've largely forgotten what our own handwriting looks like.

At a Thanksgiving dinner two years ago, I watched a friend's teen text her way through dinner, rarely looking up to relate to the people gathered in her home. The scene is repeated every day — at home, work, school, on the street.

I have largely banned hand-held communications devices from any meetings in our business conference room — because it seems just plain rude for people to isolate their attention to a tool…and to ignore the people in the room.

We are seduced by the addictive allure of devices that we don't fully understand but still are determined to use — from our first waking moments to our last conscious acts of the day. The human race is in a frantic daily sprint to constantly stay in touch. In the process, we have lost real touch with the most important principles of human connectedness.

Dennis Kneale, the former managing editor of Forbes magazine, experimented with giving up his communications devices for a week. He broke down in tears during a "Today Show" interview in recalling the difficulty of this new 'separation anxiety.'

Multi-function technology has devolved us into multi-tasking fanatics who willingly choose to isolate in the process of 'communicating.' The result of all of this connectivity: we may be witnessing and hastening the end of real human communication.

The death of the real written and spoken word has not yet occurred — but we are close to laying them both to rest. Ironically, we believe we are communicating at the highest level when, in fact, we have reduced the art to a cold, technical exercise devoid of deeper thought, feeling and warmth.

Former NBC news anchorman Tom Brokaw warned in a recent speech that the generation emerging from college is in danger of living a 'virtual life' instead of an actual life. But the tech virus has spread to all of us.

The new technology has empowered all of us to become instant publishers and producers (YouTube phenoms) — but in the process we also have fragmented the audience, shortened our attention span, lowered the quality of most communication exchanges and converted Andy Warhol's predicted "15 Minutes" of fame into a scant 15 seconds.

This is an ominous threat — largely unrecognized by many among us because we are so enthralled with the technology that has captivated our attention, time and interest. The answer to this threat is for each of us to examine how we communicate with the world — and what we should do differently to become the masters of our technology rather than its willing slaves.

It all could begin with a simple letter, in your own hand, to your mother. **FV**

Ron Sachs, a former newspaper and television journalist, was Director of Communications to the late Gov. Lawton Chiles, of Florida. Since 1996, he has owned a Tallahassee-based Ron Sachs Communications. He may be contacted at rsachs@ronsachs.com.

FIRMVOICE
MAY 7, 2008

PR's Role in Driving Corporate Social Responsibility:
Burson Comments on its Rewards and Pitfalls

HAROLD BURSON
CHAIRMAN
BURSON-MARSTELLER

Though corporations have been donating money and goods to worthy causes for more than a century, the 1980s ushered in a harsher corporate ethic — one that focused on "maximizing shareholder investment" and one that put giving back to the community on the back burner. The current version of corporate altruism wearing the cloak of Corporate Social Responsibility, or CSR, has achieved new currency. Many PR firms are rushing to help corporations decide where and whom to help and how to publicize these efforts to achieve the maximum halo effect.

But what should the role of the PR firm be in driving Corporate Social Responsibility? What qualities should a company look for in a CSR initiative? What mistakes do organizations make when formulating a CSR strategy? Can or should CSR be used to help a company with a bad reputation for, say, product quality?

To get some answers and some wisdom, we asked the venerable Harold Burson, founder and chairman at Burson-Marsteller (www.bm.com) to discuss today's uses (and abuses) of CSR.

The 87-year-old Burson, who is heading to China this August for the Olympics, calls today's version of Corporate Social Responsibility a "re-introduction." He observes that it's based on the age-old premise that the corporation's obligation is to serve its stakeholders and that the greatest payback from a CSR investment comes from initiatives that benefit those with the closest business connection to its growth and profitability — mainly its own employees.

We asked Burson his thoughts about what is now driving CSR, what mistakes some firms make, and what role PR should play in helping its clients with their CSR agenda.

FV: What role can and should PR play in helping clients find a corporate social responsibility agenda — should we be actively proposing initiatives, or should we simply be publicizing them?

I definitely think we should be proposing them, initiating them, and fighting for their adoption with management. Publicizing them is the least important part, because PR consists of two elements. One is behavior — how people act. It gets down to if you talk the talk you have to walk the walk — it has to be backed by appropriate behavior. The most important thing is, how does a company conduct itself and deal with its customers and employees? Communications is second to that.

What makes a great CSR program — what are the qualities that can really help a company burnish its reputation?

The program has to be relevant to that company's business. It has to reflect and be tied into that company's business and cannot be outside the company's sphere of activity. There has to be a business purpose to it. Coca Cola Co., for example, is making a major investment in improving water sources in Africa. Water is the principle component of the Coca Cola product line. Therefore, its knowledge on water is extremely important. They are helping small towns locate water sources, purify water and make it more drinkable.

What mistakes have you seen corporations make when formulating and implementing a CSR program?

Probably the biggest mistake is over-committing themselves and not realizing how much funding it is going to take to do it. There is also a big mistake as to which program is funded. A corporation needs sufficient funds to publicize a program and let people know they have done it. Not doing enough research upfront is also a pitfall that needs to be avoided. What matters is what stakeholders feel is the most appropriate [CSR program] a company should get involved in. The best CSR programs reflect what a company's CEO, CFO or officers or directors are interested in.

How helpful can a CSR program be to a company that is digging out of scandal or fighting back from product quality problems?

I think it is peripheral to the main objective. It probably can bring about some goodwill, but until the basic problem is resolved, I don't think doing good on one hand and not resolving the problem on the other hand will work very well. People think CSR is new. It has been around for a long time. Some companies have been socially responsible for a very long time. They're just better organized than before. But people are also doing it because it is fashionable for some companies. Unless a company is serious about it and makes a commitment from the top of the company and through the organization, it isn't worth the expenditure in money or human resources.

How do you think tight economic times will affect the willingness of corporations to embark on CSR initiatives?

I think it is based on a company's profitability and how it feels it can afford to spend on what might be called elective items. If profitability decreases, I feel certain there will be a decrease is philanthropy and corporate responsibility spending — and anything that does not contribute to the bottom line. **FV**

Brian Pittman

FIRMVOICE
APRIL 30, 2008

The Passion Overflows to Pro Bono Project

Aedhmar Hynes is citizen of the world. She and her family moved to the U.S. several years ago; she now holds dual citizenship in Ireland and the United States. Aedhmar lists "mother of four" with her other important title of Text 100 CEO, the $60 million multinational firm grew over 12% last year. Text 100 includes among its new accounts an exciting pro bono client that the management team agreed to take on.

Q: How did Text 100 get involved in a pro bono project?

Aedhmar: We had a meeting of the Text 100 leadership team across the agency's 31 offices. The firm is at a great place in its growth and maturity; it has lots of momentum. We started discussing the importance of doing things outside of the day-to-day work. The managers put several pro bono ideas on the table; we looked at six individual NGOs to determine which would be a good fit with the work, values and culture of Text 100 and where public relations would help the cause. Whatever we did, it needed to be global.

Q: What is the organization and can you describe the Text 100 involvement?

Aedhmar: The non-profit is called TechnoServe; it was founded in 1968 and today employs over 500 people. It provides business solutions to help eliminate poverty around the globe. For one of its projects, the Bill & Melinda Gates Foundation is providing about $ 47 million to fund a coffee initiative that will help 180,000 farmers in East Africa. In poor rural areas, farming is often the most viable economic activity. TechnoServe empowers farmers to increase the quality, yield and value of their crops.

The organization also recognizes that small, growing businesses are a critical engine of growth that create jobs as well as markets for products and services. TechnoServe supports the entrepreneurs who have the drive and ambition to build businesses across a variety of sectors, such as agribusiness, manufacturing, and tourism. One of the ways they do this is through business plan competitions. TechnoServe evaluates the business plans submitted by entrepreneurial men and women based on the sustainability of the idea and how it will involve the whole village — they look to impact the entire value chain and assess how it will drive social change. They don't donate money; they get involved in projects, helping to grow the local economy.

Once the Text 100 management team selected TechnoServe I got involved from the outset. In early February, I attended a board of directors meeting in Peru and Colombia where I was able to see projects that were up and running.

Q: What is Text 100's role?

Aedhmar: Text 100 is looking at TechnoServe branding initiatives and corporate communications with a strong new media component to help them better communicate with donors, partners and other stakeholders. We're providing PR support locally on the ground in US and South Africa; we already have a team working in Johannesburg. We want to make sure the branding will resonate.

There's great enthusiasm internally as well. Our work with TechnoServe is connecting Text 100 employees around the world.

The hallmark of Text 100 is that we work as one team; this project has had a tremendous impact on the company. We've giving back and it's very powerful. People like working for a company that cares deeply; people are committed to an organization aligned with their own values.

In addition, Text 100 currently has a sabbatical program: after 6 years a employee can take a 3 months paid leave. We are attempting to redefine that program to include the opportunity to go and work with TechnoServe as an in-country volunteer.

Q: What's been the impact on you, personally?

Aedhmar: It's been life changing. To work with an organization that really impact lives is extraordinary; it gives more meaning to what we do.

The experience in Peru was amazing and the people that TechnoServe is helping left a lasting impression. For example, we met Martha an entrepreneur who has developed a business selling jams and fruit-based products. Martha's story began when her husband lost his job and she found herself with no option but to start a little business selling jam produce door-to-door and office-to-office. She works out of her kitchen in very basic conditions. Because she didn't have a weighing scale or thermometer, she cooked a huge dinner for all of her neighbors and charged them a nominal amount for the meal. Many came, and the profit she received from this gave her enough start up costs to get her business going.

She was so determined to get some help that when she heard about TechnoServe six months ago, she contacted them asking for assistance. The TechnoServe team was able to help her develop a small business plan, educate her on hygiene and technical issues and gave her advice on packaging, marketing and labeling. Later in the same trip, I was able to meet with farmers who are growing the fruit for her jam; much of the village is involved.

FIRMVOICE
MARCH 19, 2008

Employing Measurement Research for Success

TIM MARKLEIN
EVP, GENERAL MANAGER
MEASUREMENT
WEBER SHANDWICK

Measurement research is an unquestionable component of agency strategy when it comes to proving the value of public relations to your clients. However, the wide diversity of media targets and gamut of client industries require different forms of measurement. Mix in the even wider variety of now-conventional media forms, such as video, podcasts, webcasts, blogs, etc., and the advanced technologies behind SEO, and the complexity of measurement is further intensified.

Not surprisingly, the methods and strategies used to measure results vary widely from firm to firm. "No two organizations define results in the same way," says Christine Barney, CEO of rbb Public Relations (www.rbbpr.com).

The types of measurements used can also vary from client to client, Barney noted. For example, rbb's larger accounts rely on measurement companies such as KD Paine, Vocus and Cision, For mid-size and small clients, most of rbb's technologies are self-created. "We maintain a centralized database of traditional values — media impressions, ad equivalencies, etc. The remainder of the tools — message point penetration, media audits, media coverage analysis, media outlet penetration, activity impact scoring — are done by rbb's staff. Lead tracking comes from the client's sales department," Barney adds.

Weber Shandwick (www.webershandwick.com) employs a variety of research and measurement methods, added Tim Marklein, executive vice president and general manager, measurement practice — including polling, surveys, focus groups, media content analysis, social media analysis, competitive intelligence, advocate profiling, advocacy network analysis and marketing mix analysis.

"The research tools we use are determined based on the client objectives, audiences and timeframe, as well as the appropriateness of the research methodology," Marklien offers. "For instance, when measuring customer satisfaction or profiling potential advocates, we tend to use more traditional survey research (online and offline). When evaluating messaging and competitive position, we focus more on content analysis and competitive intelligence."

Weber Shandwick, he continued, uses its own WeberWorks system along with integrated survey work done with KRC Research. The firm is investing significant energy in a new outcomes-driven and client-customized measurement model (ARROW), which incorporates a pliable set of metrics to meet the needs of any client situation. The model, Marklein says, is specifically designed to break down measurement silos for a more holistic approach across functions, agencies, campaigns and even data sources. "We are also investing in breakthrough approaches to help clients understand, mobilize and measure Advocacy for their organizations and brands," he adds.

Rbb uses a proprietary process, Barney says. "Our proprietary start-up process ensures that we have the right strategy and the right resource allocation to deliver results that move the needle for our clients. Since the core of rbb's work is marketing PR, our ultimate objective is to measure the number of leads generated and sales. On a secondary level, we measure message opportunity – how many people we've reached. We use a host of traditional measurement tools like media impressions and message point penetration. We conduct primary research in the form of media audits to determine current vs. desired perceptions. Then we add a proprietary system we call the Activity Impact Score. It provides a numerical rating, audience reach and equivalent ad dollar to non-media activities like speaking engagements and events so they can be tallied in with media results to give one overall impression and ad equivalency number," Barney explains.

Continuing, Barney says some clients prefer to measure only outputs rather than outcomes if they lack to the ability to do the internal sales tracking required to get a true return on investment. "Because of our open dialogue about results measurement there are no surprises when its time for contract renewal. rbb's focus on accountability and finding the right tracking to suit clients yields additional business," she says.

"Many of our campaigns," Barney points out, "link to a dedicated URL where we can track eyeballs and ultimately closed sales. The information we've collected from analyzing respondents often results in changes to the sales message or offering."

Clients are using measurement — and the insights it offers — to listen more closely to the market, reassess PR objectives, better understand where they are winning or losing key battles, focus resources and messages, and optimize their communications spend, Marklein explains, adding that his firm has found measurement helps strengthen the client relationship because it enables the firm to provide more strategic value. "In some cases it does expand a client's budget. But the most important benefit is the increased strategic value and better results for the PR campaign," he adds.

In conclusion, Marklein says, "Measurement research can serve as both a scorecard to assess successes and failures of clients' communications programs and a fact-based platform to make informed decisions on communications strategy. Clients use the data to formulate strategies for various campaigns, to help launch businesses, develop new markets, drive competitive positioning, build reputations and win proxy fights. They also use the research to set realistic expectations and goals, and to monitor progress against these targets. By creating an ongoing measurement program, clients can better understand where they are going, make decisions along the way — and change courses if necessary." **FV**

To purchase one of the Council's measurement booklets, go here.

David S. Chartock

FIRM VOICE:
OUTSTANDING BEST PRACTICES FOR PUBLIC RELATIONS FIRMS

CHAPTER 8
COUNCIL OF PUBLIC RELATIONS FIRMS

INTRODUCTION:

Public relations firms are among the most highly specialized consultants and services helping companies though tough times—providing everything from recession-critical investor relations and crisis counsel to media training, to internal communications and even Internet media measurement and monitoring. Public relations firms are also there to help companies grow when times are good—offering marketing communications strategies that span disciplines and deliver real results and growth for clients. What more, PR firms are uniquely positioned over other disciplines to help companies build brands, protect reputation and reach all stakeholder groups—from employees to media, investors and even critics.

That's why, in part, today's agency partners are increasingly seen by clients as key counselors with a seat in the C-suite. Put simply: PR firms provide valuable market intelligence, research, perspective, expertise and industry depth and experience to companies and clients.

Yet who provides these things for PR firms? Who extends that same market intelligence, research, expertise and support to the agencies themselves? The answer is The Council of Public Relations Firms. The national trade association for public relations firms, the Council offers a variety of valuable member benefits, ranging from industry surveys on the critical issues and challenges facing firms, to the searchable directory, Find a Firm, Career Center service, RFP-Builder, and Council Events schedule. Beyond that, the Council advocates for member firms and the industry at large—contributing to the increased profile the business of public relations currently enjoys.

The Council has been doing this for over ten years now. In fact, last year marked a decade since its inception. In 1998, the Council ended its first year with 39 members. Today, membership stands at over 100 firms, reports Ray Kotcher, Senior Partner/Chief Executive Officer, Ketchum; 2008-2009 Chair, The Council of Public Relations Firms. "That is a testament not only to the role of the Council in our industry, but also to our industry's role in today's global business world," he writes in a following piece spotlighting the Council. "What's more, since 1998, revenues for PR firms in the U.S. have grown from $2.5 billion to a projected $4.7 billion for last year—evidence of the rising value of the service we provide."

The Council and *The Firm Voice*—by pooling all the strengths and resources of its members—has been an important part of this growth. While the following op-eds and spotlights underscore this, more Council-specific editorial (96 pieces, in fact), penned by Council President Kathy Cripps and Council SVP Matt Shaw, can be found in both the "PR Matters" and "Quick Hit" sections of *The Firm Voice*.

FIRMVOICE
DEC 10, 2008

The Second Decade of the Council Brings Great Promise

By Ray Kotcher, Senior Partner/Chief Executive Officer, Ketchum; 2008-2009 Chair, Council of Public Relations Firms

The Council of Public Relations Firms turned 10 this year, and I think what this organization has achieved is worth celebrating. I also believe those achievements have fortified us for whatever lies ahead.

In 1998, the Council ended its first year with 39 member firms. Today, firm membership stands over 100, and our members represent some 12,000 employees in more than 40 U.S. cities and in 70 countries. That is a testament not only to the role of the Council in our industry, but also to our industry's role in today's global business world. Since 1998, revenues for PR firms in the U.S. have grown from $2.5 billion to a projected $4.7 billion for this year — evidence of the rising value of the services we provide.

The Council — by pooling all of our strengths and resources — has been an important part of this growth.

Ten years ago, Facebook and MySpace didn't yet exist; today, the popular social networking sites are a primary way that people around the world connect online — and PR is a lead discipline for tapping into this potential.

Indeed, throughout all this change — and, specifically, as one-directional mass communication has given way to multilevel conversations with consumers — PR firms have not only kept pace but often have led the way in shaping how new tools will be used and helping our clients stay up-to-date.

Agencies have taken on ever-growing roles as trusted partners for companies looking to build equity, trust and authenticity. Companies increasingly seek our counsel in managing issues and crises. And more and more, they look to us to help navigate key new concerns around social responsibility and stakeholder engagement. PR firms are making real, high-level contributions to corporations.

While the economy is going to test all industries in the months ahead, I think the public relations industry is in a position of strength.

Public relations agencies will be the most efficient way for companies to access the breadth and depth of communications and marketing expertise that they will need. And I believe the value of public relations will be clearer than ever. In fact, when I became chairman of the Council of PR Firms last year, I said that I didn't think there had ever been a better time in PR — I still feel that way today. We've been through tough economic times before, and we've emerged stronger and better.

So, despite the tough economic times we're facing around the globe right now, I believe the public relations industry — and PR firms, in particular — will continue to grow because of the relevance of the services we provide.

With all of these things, I see great times ahead for both the Council and our industry. Most of you reading this can attest to the growing sophistication of our business. Companies increasingly are turning to communication and public relations functions — and to agencies — for more strategic and higher-level advice. And the current patterns indicate that corporate public relations will have more responsibility for ethics and advocacy in the future. For agencies, that means we will need to provide sophisticated, sound counsel.

At the Council, we are committed to helping member firms find and attract the additional talent we'll need to meet these responsibilities. For instance, we all know that our industry needs more diversity in skill sets, thinking, educational background and experiences. I believe we can achieve this as agencies by:

- working more closely with the colleges and universities that train future PR professionals to make sure they understand the evolving needs of PR firms;
- encouraging mid-career professionals from other industries — business, law, technology (wherever we have needs) — to consider public relations and then helping them with the transition into our world;
- and providing continuous training of the talent we already have — preparing current PR professionals to be ready to take on expanded counseling roles for our clients

The Council's leadership training program with Harvard is one example, and as public relations helps navigate the increasingly complex stakeholder "ecosystem", other alliances will occur. And, of course, we will have to be sure our compensation structure is competitive with other industries so that we can pursue top-notch graduates.

A broader role as counselors also will open the door for public relations to lead more integrated pitches. As the value of the services we offer becomes clearer to clients and prospects, our role as an equal contributor in the overall marketing mix will become clearer, too.

The potential that lies ahead is significant. And our industry's advances so far reassure me that it is attainable. Looking back again at revenue growth for a moment, I think it's also important to point out that revenues for PR firms in the U.S. have nearly doubled over the last 10 years. That outpaces the aggregate growth of the marketing agency sector — the agencies in all disciplines — whose revenues increased just 17% over that period. While other marketing communications agencies have a larger share, I do believe our rate of growth is a clear demonstration that the perceived value of what we do is rapidly on the rise. **FV**

FIRMVOICE
OCT 22, 2008

A Decade of Building Bridges and Business: Reflections on the Council's 10th Anniversary

DAVID DROBIS
FOUNDING CHAIRMAN OF THE COUNCIL OF PUBLIC RELATIONS FIRMS

"I'm thrilled to take part in the Council's tenth anniversary celebration this week," says **David Drobis**, the founding chairman of the **Council of Public Relations Firms**, who retired full time from **Ketchum** in 2004 as chairman. "It's important to mark milestones, and this is one worth celebrating."

"It's great to come back and see that the Council is stronger than ever. In the beginning, I certainly wasn't sure it would become an institution," he says. "The membership is very involved and the retention rate is good—it's very satisfying to see," continues Drobis, who in 2000 was named among the top ten most influential people in PR in the 20th century by *PR Week*, and who was presented a year later with the National Public Relations Professional Achievement Award from Ball State University. A past board member of PRSA's Counselors Academy, a member of its International Committee, College of Fellows and Past-President of the New York Chapter of PRSA, Drobis has also been president of The Arthur W. Page Society—among countless other distinctions.

Amid these accolades and achievements, several career highlights stand out for Drobis—including his being named last month to the Arthur W. Page Society Hall of Fame, and his involvement in the founding of the Council.

We asked Drobis to dig deeper and to share the inside scoop into how this mission of communicating the value of PR to businesses helped him and others give life to the Council those ten years ago. He does that and more here—while also sharing several secrets of his successful career in PR:

What has impressed you most through the years about the Council's growth?

From a distant perspective since I haven't been directly involved in some time, I'm most impressed by the enthusiastic participation of the industry in the Council, and I'm thrilled with the fact that almost all the major agencies are involved. And most of the mid- and small-sized agencies seem to be even more involved than ever. Securing that involvement was crucial then and continues to be pivotal—that's what the Council is all about.

In the beginning most of the involvement in the Council came from the CEOs of the member firms. We were not reaching down into the firms as we are today. That has changed over the years. The Council is doing round tables, surveys and events—and I see there's a lot more participation through member organizations. That is a great achievement—building and then sustaining that level of involvement over ten years. It's truly terrific. As part of that, I love "The Firm Voice." It helps create that sense of community and is a great way to drive involvement. I hope more members get involved in the publication.

Why was the Council conceived—what need did you see it meeting for public relations firms?

We needed a trade organization for the industry. PRSA and IABC are professional organizations. Their mission is to advance the skills of the profession. The difference between those organizations and the Council is that the Council's mission is to advance the profession as a consulting business. People who work in our member firms are professionals who also are in the business of public relations. This is different than professionals in corporate or other organizations whose business may be pharma or tech or the automotive industry, client organizations.. So, that was the impetus for the Council. We needed a trade organization that represented our business.

Can you dig into the Council's origins blow by blow—what were the challenges and who led the charge?

By way of background, the Counselors Academy is a section within PRSA for PRSA members who are individual consultants or who work in firms. But as part of PRSA, its objectives and goals were to advance professional skills, not the way firms operate as a business. So reaching back, the PRCA (Public Relations Consultants Association) was the PR trade association in London. There were similar associations throughout Europe. They were all members of ICCO (International Communications Consultancy Organisation). They would all come to the U.S. to meet with their agency counterparts who were members of the Counselors Academy. The problem was that because of the Counselors charter, we could not work together on business measurements such as salary surveys and other business benchmarks.

Two people from this European contingency were most involved. One was Peter Hehir, who was chairman of Countrywide Porter Novelli. He was also the chair of PRCA. The other was Jean-Léopold Schuybroek, executive chairman of Interel, a Brussels based strategic communications and public affairs consultancy. At that time, he was president of ICCO. They came over to a Counselor's meeting and tried to convince us to form a trade association—they thought it was amazing there wasn't one yet. From there, a couple of people I got involved.

People like Gary Meyer (of Mona Meyer McGrath and Gavin; became part of Weber Shandwick in 1988), Sandy Harbrecht (president, Paul Werth Associates) and Gwin Johnston (founder, JohnstonWells) wanted to form this organization and talked me into working with them because they realized they needed a person from a big agency behind this—so I certainly can't take full credit for starting the Council.

We started working with Peter and Jean Leopold and the others, and the first thing we did was get a group of 20 people or so together for an organizing meeting. We talked about the advantages and disadvantages of the type of organization we proposed—and that was the genesis.

What was the Council's first official activity?

The first thing we did was a survey among firms we wanted involved in an association. Goals for the organization as well as budgets and assessments for the new trade organization were a large part of the survey and initial discussions. We had pinpointed a need and we needed to secure support.

Aside from that, I would say the first official activity that really set things off was the hiring of Jack Bergen to be the first executive director. Jack had both agency and corporate experience. He really was the person who could take the new organization and run with it. His military experience was also a big asset in getting us off the ground. He did a terrific job of building it up, getting recognition for the Council and building its presence.

Has the Council lived up to its mission?

I have been pleased to see how well it seems to be going in terms of providing agencies metrics to run the business. For example, the "Find a Firm" tool gets three to four hundred visits a day. That's incredible. Further examples are the benchmarking and salary surveys. *PR Week* started doing it after we did. But again, our mission is to help agencies in their business growth—that's what a trade association does: It helps members grow. Ours also legitimizes the PR firm world as a business by advocating for the industry. In the past, when *The New York Times*, for example, wrote about PR—they went to various individuals who would talk about the industry. We needed a spokesperson, and now we have it.

So what was the biggest challenge in growing the Council beyond its founding?

Getting big agency involvement was the biggest hurdle; all trade associations need the engagement of the largest organizations in the field. It was overcome by just getting a couple of them in first, and then the rest wanted to be part of party. One of the reasons the mid-sized firms and the larger firms wanted a trade association was that the Counselors Academy was made up of mostly smaller agencies. They wanted to make it representative, from small to large. Big agencies are more than half of the business (based on revenues) —so we really needed them to be a part. Small and mid-sized firms have great leaders—but we need big agency involvement because it benefits everybody and rounds the organization out.

How has your vision and POV on the industry shaped or informed the Council's mission?

My speech to the Arthur Page Society upon receiving its Hall of Fame Award was all about building relationships. Any success I've had I attribute to relationships I've had in my career as well as the relationships I've helped clients build with their constituencies. The Council is all about the same thing—people coming together for one major goal: to build their firms. Relationships are what I attribute my successes to—and it's also the thing I'd attribute the Council's successes to, as well.

What is the benefit of being a member? Why get involved?

The advantage of being a Council member is that you're not alone. Even though we're all competitive—and few industries are this competitive—we can independently be successful while also growing the entire profession. The whole is greater than the sum of its parts. We have so much talent in this business When we bring it together, it tremendously benefits all of us. I'd add also that in our own firms, we often get stuck on one perspective. A good trade organization can open the world in a different way for each of our members.

In addition, a lot of us are great communicators—but very few of us went to business school. We are pushing for more of that now. For example, I'm helping the American University in Washington's School of Communications develop programs with its business school. I've recently lectured at USC Annenberg, where they are doing a lot of cross-educational programs. I'm happy to see this is becoming more important at most of the major universities teaching public relations. The Council's work with Syracuse is a great example where we are looking at the school's communications curricula so they can gear students more toward business The bottom line is that when you're a public relations major going into the agency business, you need to understand accounting, legal, marketing and so on. The Council helps you run your business more effectively—it gives you those tools.

What critical issues do you see facing agencies now—your tips for facing them?

Talent development and growth were the two major issues facing our profession when we started the Council and not, surprisingly, they remain our most important issues today. This is the nature of the professional service business and I expect they will be the Council's focus for many years to come. In terms of talent. I'd like to see the Council become more involved in partnering with the schools on training and in building diversity within the profession. I understand we need students who have diverse background and training. But I think communications understanding and training should be a part of that. And if we don't like the way schools are training for our profession, we need to be working with those schools to help them supply us with better talent.

The Council is, and will continue to, put forward solutions around this issue. It can work increasingly with schools, like what it's doing with the Howard University Career Fair and so on. We ought to be doing as much of that type of thing as we can. It's an uphill battle, I know. But we have to keep at it. It will strengthen the industry. **FV**

Brian Pittman

FIRMVOICE
MARCH 12, 2008

The Firm Voice: Helping to Meet the Challenges Today's PR Agencies Face

By Ray Kotcher, CEO, Ketchum

As the 2008 chair of the Council of Public Relations Firms, I am delighted to welcome you to this inaugural issue of *The Firm Voice*. I am confident that this publication will be an important source of information and actionable ideas for PR agency practitioners — particularly as we adapt and respond to the unprecedented change that is shaping our business and as we partner with our clients to navigate that change and leverage its immense potential.

With that in mind, I want to share my thoughts on how the profound impact of the Internet, the empowered voices of employees and customers, the globalization of communication and business, the forces of social and political change and the heightened expectations for the role and responsibility of business are all coming together to create an unprecedented moment of influence and opportunity for those who work inside of our client organizations and for us, the agencies that serve them.

First, media relations is and always has been the primary tool of public relations and today's media set is more potent than ever — capable of driving dramatic, demonstrable and measurable shifts in attitudes, opinions and behaviors. The Internet has changed forever content creation — and control — and just about anyone or any group now can create and disseminate their messages to broad audiences — or highly targeted ones. These "citizen publishers" have influence that is beginning to rival the traditional media. It is no longer about one or even two-way channels — today's communication dynamic is about content that can emanate from multiple sources and move in many directions, simultaneously. We and our clients must be prepared to engage in a conversation that includes the voices of the traditional media and the voices amplified by the new media.

As more and more voices representing more and more interests become engaged, our clients need to be sure that their organizational values and deeds are in alignment with the words that they use to describe themselves — that their internal culture, vision, mission and behaviors serve as the foundation for the external story they wish to tell about their products or companies and the reputations they wish to build. Stakeholders are demanding straight answers about how a company treats it employees, about its supply chain, its products and services, finances, governance and impact on greater society. And if they don't get those answers, they will go in search of them.

And in this is the opportunity. This goes to the heart of public relations' core competency. For nearly a century we have been about creating conversations and building relationships and understanding by applying an unparalleled knowledge of media dynamics to move information through and drive networks of influence. With that competency more valued than ever, is it any wonder then that we find our space so crowded with so many communication disciplines competing for our clients and claiming that they can do what we have always done and done so well? And this brings us to a big, blinking yellow light — in today's world where the stakes are greater, the pace swifter, the dialogue richer and the questions and answers more complex, we need to work harder, smarter and together to ensure that we sustain our strategic advantage.

Today, business, media and public relations are playing on a world stage. In addition to everything else, clients I speak with are challenged by the demands of managing communications 24/7 on a global basis. As a result, many are currently thinking through how they should structure their own departments and utilize their agencies to do this in the most effective and efficient way. This is a challenge not only because of distance and time, but because of the media infrastructure country to country and the communications habits and the dramatic differences in how content is disseminated and consumed.

As the agency business moves up the value chain and we take our place at the table, we will need to find the talent to meet the demands and capitalize on the opportunities our clients are placing in front us. We will need to recruit and retain experienced business people who understand the world of our clients and can navigate the intricacies of internal change or the vast complexities of the global social, political and economic landscape. But we also need to find fresh talent that has grown up with the new media and bring unique perspectives about creating compelling communications in our newly networked world. This means young people for whom the language of the new media is their mother tongue and those who are fluent in all its forms of expression.

I know this talent is out there. We all have them in our agencies. But we need to continue to look for them, explain this exciting moment for public relations and its bright future and convince them of the great career opportunities that lie ahead. If we work hard enough — and work together — we will continue to find this talent. And this is important because something else that has not changed in the past century is that: we remain a talent-based business. And in this new world, it is the talent, perhaps more than anything else, that will allow us to create, deliver and sustain client value. I see this as another one of our great, collective challenges but one of the most exciting and important challenges of all.

In future issues, we look forward to your perspectives and practical advice on all of this and more. Welcome to *The Firm Voice*. **FV**

FIRMVOICE
OCT 29, 2008

Dangers Equal Opportunity for Smart Marketers, PR Firms

By Matt Shaw, Vice President, Council of Public Relations Firms

A clear consensus emerged during the annual Critical Issues Forum sponsored by the Council of Public Relations Firms at the Yale Club last week: dangers and challenges ranging from new tactics and a rapidly shifting media landscape to the impending global economic downturn are significant growth opportunities for clients and PR firms that can adapt to change quickly and master new ways of delivering value.

"Not only will PR firms survive, I believe the entire profession today is looking at the biggest opportunity to grow both their influence and size since Ivy Lee and Edward Bernays founded modern public relations nearly 100 years ago," said keynote speaker David D'Alessandro, former CEO of John Hancock financial Services and author of the new business bestseller, *Executive Warfare*. "But PR professionals must adapt quickly to new media and tactics, and they must understand business from the CEO/CFO perspective to succeed. If you want to run with the pack, learn to howl like a wolf."

Speaking to more than 150 prominent PR leaders who gathered at the Council Forum during the Council's tenth anniversary year, D'Alessandro suggested that all leaders of PR firms assemble and test their senior staff soon to ask three vital questions:

1. What was reported in your client's last quarterly EBIT?

2. Can you name the members of your client's Board of Directors?

3. Can you name one immediate strategic acquisition target for your client based on their current situation and long-term objectives?

D'Alessandro, who began his career in public relations, advised everyone to convince their clients to engage in social and other digital media, "because they will be part of that whether they like it or not. The future belongs to those who can speak YouTube."

Following the keynote address and a lively Q&A session, Babson College President Leonard A. Schlesinger led an energetic, substantive "Socratic Debate" on these and other "dangerous" issues, featuring an eminent panel of PR experts with a wide range of experience and background: Jack Bergen, senior vice president, Corporate Affairs and Marketing, Siemens Corporation; Harris Diamond, CEO, Weber Shandwick; John Onoda, senior consultant, Fleishman Hillard; and Jim Sluzewski, vice president, Corporate Communications & External Affairs, Macy's Inc.

Schlesinger posed a series of provocative questions regarding the future of PR to both the panel and those in attendance. Topics ranged from the future of large traditional PR firms and competitive threats to the impact of digital media and CEOs who do not understand or appreciate the role of public relations.

While everyone agreed that large public relations firms will thrive and survive if they are nimble and maintain a high level of creativity, there was some debate when Onoda suggested that white papers from management consulting firms such as McKinsey and BCG are more thorough and strategic than those of most PR firms. Diamond conceded their expertise, but reminded the group that "McKinsey is not creative, and they are not our competition." Sluzewski concurred, noting that the bar for creativity is higher today than ever in an "Oh My God" (OMG) culture, where a key responsibility of PR firms is to protect clients from negative OMG events.

Asked how they would restore credibility in a company facing a crisis such as AIG, Bergen said that rehabilitation had to start from the inside, so that every employee became, in effect, an ambassador to the outside world. Onoda noted that transparency becomes less of an issue when companies make ethics a consistent practice. Asked what they might do differently in their early careers based on what they know now, Bergen and Sluzewski stressed travel and foreign languages, while Diamond stressed the importance of specialization in what has traditionally been considered a "generalist" profession.

Following lunch, the audience was treated to a spirited "live" interview of Jeff Hayzlett, chief business development officer, Eastman Kodak Company, by the Wall Street Journal's Suzanne Vranica. Hayzlett noted that Kodak's business model had changed radically since the emergence of digital photography, and that he planned to continue aggressive marketing throughout the economic downturn by eliminating duplication, clarifying functions, and streamlining where possible.

"I'm shifting my spend toward priorities in part by focusing on the comparative value of various tactics and disciplines," Hayzlett said. Noting that traditional print media was still important in Japan, China and other countries, he said that while new media and innovative communications tactics are important, it was still imperative to evaluate their purpose and effect before moving forward.

"This was certainly one of our most topical, vigorous Critical Issue Forums," said Council President Kathy Cripps. "The key takeaway is that public relations firms will become more important than ever in the years ahead, but they need to continue to be smart, flexible, creative, business-focused and, of course, value-driven." **FV**

FIRMVOICE
MAR 25, 2009

The Rationale for Hiring a Public Relations Firm (Especially Now), Part 1

By Kathy Cripps, President, Council of Public Relations Firms

Over the past few months, we have received inquiries — from members and others — relating to the value of hiring a public relations firm at a time when client organizations are cutting back on spending.

Those conversations were the inspiration behind this column.

What follows is part one of a two-part column. This is not meant to be the last word on the benefits of working with a public relations firm, but rather a thought starter that can be shared with people who might need support in selling in the services of an outside public relations firm (e.g. clients, procurement, prospects, etc.).

At the beginning of the year, *Advertising Age(1)* predicted that public relations would be among the bright spots in 2009. B2B Magazine similarly claimed that business-to-business marketers were increasingly turning to public relations even as overall budgets are being reduced.

So, why would these two venerable trade publications tout the relative strength of public relations versus the other marketing disciplines they cover? While its star has been ascending for some time, this moment in time has created perhaps public relations' greatest opportunity to shine. "For business, public relations is an increasingly vital marketing tool—especially as traditional forms of advertising struggle to catch consumers' attention." *The Economist* (2)

That observation from *The Economist* was supported in part by a landmark study conducted by marketing giant Procter & Gamble in 2005. When P&G employed a marketing mix model for six brands over a one to three year period, it found:

- PR drives sales, often on a par with advertising;

- PR delivers stellar ROI (275%), much greater than advertising;

PR Provides a halo effect over other marketing tactics.

P&G is not the only company singing the praises of public relations. In a 2006 survey of marketers conducted by The Association of National Advertisers (ANA), public relations ranked number one in terms of its overall value to the enterprise.

In today's communications environment, defined by a shrinking 'traditional' media and a proliferation of digital platforms and social media (interchangeable terms these days), characteristics that have always been a part of the DNA of public relations firms — speed, reach, market intelligence, stakeholder engagement and storytelling (meaning a vivid explanation of a point of view) — are essential for businesses that want to succeed.

If you need to convince your company that a public relation firm is in the organization's best interest, this article provides a rationale:

"9 Reasons to Hire a Public Relations Firm"

1. Ever Ready

The reputational stakes have never been higher for businesses the world over. As if battling an historic recession wasn't enough, companies today must perform in a virtual fishbowl at a time when the actions of corporations are being intensely scrutinized.

Monitoring the conversations taking place about one's company, and being prepared to act on negative or potentially damaging news is a daunting responsibility in its own right, even more so when added to the myriad other responsibilities of today's corporate communicator.

Public relations firms commonly serve as an extension of their clients' staff and are ever ready to provide services that achieve agreed-upon goals. Firms provide a critical perspective for their clients, keeping them abreast of all manner of news and chatter, advising them on the best ways to respond, or in some cases to simply listen.

The new tools/platforms, specifically the power of search engines, have also upped the ante when it comes to reputation. Consider the public relations implications of this quote, taken from a 2007 *Wired*magazine article, "*Google is not a search engine, but a reputation management system."* Others have posited that we are indeed moving from the Information Age to the Reputation Age. A 2007 article in *Business Week* showed how public relations could effectively measure and protect reputation.

2. Objective Expertise

Public relations firms serve as integral and trusted partners by providing critical outside perspective to businesses around the globe, and around the clock. Today's sophisticated public relations firms offer a wide variety of specialized expertise – market intelligence that can be difficult to bring in house. In fact, on a recent Council of Public Relations Firms/Kelton survey, a firm's specialization or unique expertise was the number one answer given by clients to the question that asked for the most effective argument or selling point for hiring a PR Firm. (see Quick Hit)

Objectivity is an important part of providing smart public relations counsel. Businesses profit from having not only the expert advice of its public relations firm to call upon, but also their unvarnished and experienced outsiders' perspective.

From marketing communications to crisis managers and corporate reputation experts who know how to mitigate risk, today's public relations firms provide strategic counsel all types of

organizations across the full spectrum of communications programs.

3. Digital Know-How

One of the reasons that public relations has been validated so emphatically by the business community is the rapidly evolving nature of communications itself.

In a word: Digital.

The "What" (information) may essentially be the same, but the "How" keeps changing. Companies today need a combination of communications counselor, navigator and interpreter to do it right.

Today's public relations firms have the expertise and experience to help clients maximize social media platforms such as blogs, Twitter, YouTube, Facebook and many more social media networks.

4. Stakeholder Engagement and Influence

Who you know is important, but so too is the diplomacy of interaction. Public relations firms excel in researching, identifying and communicating with the online and offline 'influencers' who are important to a business's success. Hiring an outside public firm can dramatically improve a company's ability to engage its key stakeholders, such as: employees, media, online influencers, community leaders, shareholders and public officials. In the same Council survey referenced on #2, having access to a public relations firm's network of influencers was the second most common answer being a firm's specialty/expertise. **FV**

Footnotes:
(1) Advertising Age "Ad and Media Jobs Continue to Fall During Recession," 1/5/09
(2) The Economist, "As advertising struggles, public relations steps into the breach," 1/19/06

FIRMVOICE
APRIL 8, 2009

The Rationale for Hiring a Public Relations Firm (Especially Now), Part 2

By Kathy Cripps, President, Council of Public Relations Firms

In the March 24th issue, we published the first half of a paper under development called the "Rationale for Hiring a Public Relations Firm." Points 1-4 covered public relations firms' ability to offer clients:

1. Ever Ready Service:
2. Objective Expertise:
3. Digital Know-How:
4. Stakeholder Engagement and Influence::

Here are points 5–9:

5. Storytellers

Trained to be advocates, the ability to persuade through clear explanation is at the top of the hierarchy of skills public relations firms offer their clients. Further, public relations firms have a legacy of integrating the voice of the customer into communications initiatives. Voice of the customer (VOC) is an important concept today and PR practitioners are highly suited for gathering customer input and reflecting their stories in their true voices.

Agency personnel are expert content creators who author Web sites, speeches, bylines, position papers, op-eds, brochures, Q&As and, of course, press materials.

Public relations firms help their clients' garner third party credibility from "earned" media — the classic strength of public relations vs. other marketing functions. The credibility that public relations and editorial content provide has only become more valued as marketing noise increases and companies search for ways to cut through the clutter.

"In all this clutter and fragmentation, it falls to public relations professionals to lead companies into this conversation between consumers, mainstream media, employees, analysts, investors, bloggers and competitors around brands." — *Sir Martin Sorrell, CEO, WPP (speech: "Public Relations: The Story Behind a Remarkable Renaissance," IPR dinner, November, 2008)*

6. Creative Platforms

Whether it's figuring out the most appropriate message to present to the media, or developing a comprehensive communications strategy, clients want the best idea, period.

Creativity often inspires and informs the communications strategies proposed by public relations firms. This flows naturally to the tactics implemented in various public relations campaigns, including, but not exclusive to, events, web design, experiential marketing, collateral material, and the always-important media relations.

The "earned" media aspect of public relations — unlike the "paid for" placement of other marketing disciplines — has to meet a very high, built-in standard. It must pass through the skeptical filter of producers, reporters, bloggers and citizen journalists before it can reach the public. Each of these media and online conduits evaluate each public relations tactic and pitch, then decide whether it's important, interesting and — ultimately — newsworthy to their audience.

That's a very high bar. But it forces the public relations firm practitioner to continually fine-tune the relevance of every marketing effort, public relations campaign, public affairs initiative and/or crisis response.

7. Speed to Market

Public relations firms are built for speed and are conditioned to work in the 24/7 Information Age. Just as they were configured to work with traditional media's deadlines and requirements back in the day, today's firms have incorporated the ethos – and the dialect - of the digital age into their workplace culture.

8. It Makes Financial Sense

Relative to the cost of doing business, hiring a public relations firm can be extremely cost effective. For organizations to develop in-house public relations and communications specialization, the cost can be prohibitively expensive. Additionally, pubic relations firms typically work across multiple industries, geographies and cultures, enabling them to cross-pollinate ideas, providing their clients with more robust offerings that can be tapped as needed. Public relations firms are also able to provide peak-load capacity, which can scale up or down as programs ebb and flow.

9. The Risk of Inaction

Information has never moved so fast or reached so many people. And people consume their (preferred) information form and test their perceptions quicker than ever. Even during tough times, when it comes to communications in general, and implementing a public relations strategy specifically, doing nothing is often not an option for any serious business or organization. Today's public relations firms work at the highest level of strategic consultation down to the critical 'tactical' work being done in the trenches, always making sure the client is prepared and competitive. **FV**

FIRM VOICE:
OUTSTANDING BEST PRACTICES FOR PUBLIC RELATIONS FIRMS

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