# Working With Your Public Relations Firm

A GUIDE FOR CLIENTS

Council *of* Public Relations Firms

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Check out www.prfirms.org for more information about member firms that have been screened for professional standards of client service, fiscal accountability, staff development and ethical practice, as well as for information about other resources available from the Council of Public Relations Firms.

# INTRODUCTION

A recent study by the Strategic Public Relations Center at the University of Southern California's Annenberg School explored how and why companies use a public relations firm. The study found that the number one reason organizations use a public relations firm is for its strategic/market insight. The PR "Generally Accepted Practices" Study is available on the Council of Public Relations Firms' Web site at: **www.prfirms.org/resources/research**.

Whether this is your first experience working with outside counsel or your hundredth, much of the success of the relationship depends on mutual trust, respect and established ground rules that work for you and your public relations firm.

This guide will help you get the most out of your relationship with your public relations firm by outlining the basic operational elements involved, as well as examining important people/management skills that help create an effective partnership.

Companies come in all sizes and so do their public relations needs. How they work with their public relations firms can vary greatly. A large multinational corporation, for example, may have different resources to commit to public relations than a small start-up company. The fundamental ingredients that contribute to a strong and productive working relationship, however, are universal. Successful working partnerships are rooted in such basic principles as trust, open and honest communication and respect. If the partnership has these elements as building blocks, you will maximize your productivity and prospects for success.

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## NOW THAT YOU'VE SELECTED A PUBLIC RELATIONS FIRM

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## The Search Process Was the Beginning of the Relationship

Congratulations! If you've just completed a search for a public relations firm, you are probably glad it's behind you. It's hard work choosing the right firm to meet your particular needs, challenges and/or opportunities. This is exciting for both you and your public relations firm – now it's time to build on the momentum! Before making the final selection, you no doubt reviewed:

**Credentials:** The firm has the resources and the know-how to get the job done.

**Chemistry:** The personalities and the work ethic of the people working on both sides of the account should mesh to create a productive partnership.

**Strategic insight/counseling capabilities:** The firm has the strategic counseling ability to help you achieve your objectives.

## Assembling the Team

The public relations firm will assemble a team that suits your particular needs. The firm will assign professionals to the client team with a range of talents at many levels.

The people from your company who are assigned to work with the public relations firm should be accessible and responsive. It is usually a good idea to also educate or inform other key internal personnel about the public relations firm you've hired and what they can do for your organization.

## Be Prepared to Lead and Make Decisions

Once your team is in place, consider who at your organization will be the liaison with the public relations firm. The lead "client" contact will be most successful if he/she:

**Is a decision-maker and responsive:** There are plenty of situations that require immediate attention in the public relations business. Meeting a reporter's deadline or getting approval for an important document often requires quick response times. In a time-sensitive business like public relations, you can be sure that results will suffer whenever there is inaction. The lead client contact should be in a position to make decisions and move projects forward.



**Knows the company's business:** The lead client contact should know the ins and outs of the company's business strategy and all the key players within the company. The ability to combine your organization's business goals with the public relations effort is critical.

**Has management experience:** The lead client contact does not necessarily need to have an extensive background in public relations in order to work with a public relations firm. It is important to have experience managing a team and/or outside counsel.

**Is a team leader:** A great team leader knows how to get the most out of his or her teammates. He or she knows how to motivate people and encourage cooperation among diverse personalities.

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GETTING STARTED

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# GETTING STARTED

## Team Approach

The concept of team is mentioned frequently because this partnership is truly a group effort. Only when the client succeeds does the public relations firm succeed – and there are several steps that a client can take to help insure success for both parties.

The PR "Generally Accepted Practices" Study mentioned earlier found that a successful public relations program is closely aligned with an organization's business goals.

*"The more that the public relations function is designed, practiced and evaluated in close alignment with an organization's strategic business goals, the greater the perceived contribution to the organization's success."*

**– Executive Summary, Public Relations Generally Accepted Practices Study**

## Orientation Day or Meeting

A good way to jump-start the engagement is to get all of the people who will be working on the account in the same room – and on the same page. This is also an easy way to introduce the firm to the key internal people from your organization to exchange information and begin the assimilation process. An orientation meeting can also serve to help the firm set expectations and learn first-hand about your organization's culture and daily operations.

This day can easily double as the kick-off for the planning process. Goals and objectives, after all, should be clearly understood by all parties from Day One.

## Setting the Objectives & Measurement Criteria

In order to achieve success, you must plan for success. That requires setting objectives and goals and determining how to measure whether or not they are achieved.

## An objective should:

1. Specify a desired outcome (raise awareness, improve relationships, build preference, or generate sales, etc.).
2. Identify target audience(s).

3. Be measurable.

4. Refer to "ends," not "means."

5. Establish a timeframe in which the objective is to be achieved.

6. Agree on interim milestones to monitor progress.

Process goals, such as "get publicity" or "launch a product" do not make good objectives. Publicity or media relations may, however, be part of the process to achieve an objective.

**– From "Guidelines for Setting Measurable Public Relations Objectives," published by the Institute for Public Relations, 1999.**

## Measurement

The good news is that there are several ways to measure the progress of a public relations program. The bad news is that there is no universal method of measurement in public relations. The critical step is to work with your firm to establish a benchmark which allows your organization to track progress/success for specified criteria, whether they are media coverage, sales or enhancing your organization's reputation.

In order to help justify your public relations expenditures to management – and/or show Return on Investment (ROI) – you should plan to spend a portion of your allocated public relations budget on measurement. Review the literature on existing evaluation techniques to get a better understanding of what you can afford. (See "Demonstrating the Value of Public Relations," prepared by the Council of Public Relations Firms, for more information.)

## Reporting Procedures and Operations

An important part of a productive relationship is having periodic discussions about ongoing projects as well as the overall direction of the account. This keeps everybody up to speed while allowing new ideas to grow and constructive criticism to become a regular part of the dialogue.

Depending on the scope of the relationship, you may have a few projects or a few dozen projects active at any one time. With so many balls in the air, the best way to prevent them from crashing to the ground is to communicate regularly. Whether it is weekly status reports, monthly meetings or quarterly reviews, find the right forum and frequency to ensure everybody is moving in the right direction.



## Get a Reputation for Being the Best Client in Town

By incorporating the following elements into your relationship, you will enhance the relationship with your public relations firm.

**Demonstrate trust:** There is a delicate balance between providing direction and allowing room for creativity. If you respect the skills and experience of your firm, you should feel comfortable allowing them room to be creative as long as they keep you informed and involved.

**Offer praise/criticism:** If you are generous with your encouragement and praise and constructive with your criticism, you will gain the respect of everyone who works for you. If the firm has put in exceptionally long hours on a project, recognition of this fact can help motivate the team for the next big project. These things are not exclusive to public relations; indeed they are instrumental in all productive partnerships.

**Be a source of knowledge and information:** Public relations firms can provide insight and perspective to the relationship. While it will be important that the firm show initiative in learning your business, your team should also be providing the firm with pertinent data, news, research, etc. You will be well served by giving your public relations firm a steady diet of information to process, thereby allowing them to create plans, brainstorm new ideas and create solutions to help your business.

**Provide access:** The more access your public relations firm has to key people in your organization, such as the CEO, specialists (scientists, engineers, analysts) and the field managers, the more information they will have – and the better job they will do. Communication with other marketing entities (e.g., your advertising agency) is also important in order to promote a united, integrated marketing front.

**Create a partnership:** Integrate the firm with your staff so they feel like this is a true partnership.

**Be open to the firm's counsel:** You have hired the firm for its expertise, so hear what they have to say. You can always choose to use, modify or ignore this counsel as you see fit.

**Keep it fresh:** Keeping a relationship fresh and creative is a challenge that requires effort from both sides. There are ways of maintaining a high energy level on the account such as changing meeting venues, introducing new people from your company to the firm and seeking different perspectives from the firm.

## Follow-through

It is not unusual to have to manage several public relations projects at any one time. In order to reach the highest possible efficiency on those projects, everybody working on the account must deliver what is expected of them. From conception to execution, follow through will be critical to your success.

## Performance Issues

One reason for having regular meetings and conversations with your firm is to make sure their performance is at the highest level possible. If the firm's performance is falling short, steps should be taken to correct the problem(s). A written or verbal warning is a typical method of putting a firm on notice. The warning can detail the areas that need improvement and the steps that are necessary to get back on track. If the firm continues to underachieve despite sufficient warning, it is fair to put the account up for review and to find a firm that is better suited to your needs.

## How to Handle Change

A change of personnel – from either the client organization or the public relations firm – is inevitable during the life of an account. Sometimes it is a welcomed shift, but sometimes it can slow the team's momentum. The key is not to get derailed by such a change. Make sure there are several people on your team who can pinch-hit when there is an illness or vacation that takes a key player off the account for a while. Also, be sure to inform these people of major account developments and projects. This preparation will help create as seamless a transition as possible when a switch in personnel is required.

## Senior-level Involvement

Knowing that the agency is dedicating senior staff to your account is a reassuring feeling for most clients. Senior leadership and experience is also why most organizations hire certain public relations firms. While it might not be daily, make a point of talking periodically with senior counsel from your firm. This will help both sides stay current on account activities and accurately assess the progress of the work.

## Working with Multiple Firms

There will likely be times when you will be working with more than one outside agency. Integrating multiple agencies effectively – a public relations firm, an advertising agency and a direct marketing group, for example – will require a deft touch and a firm hand from the client contact(s). The key to making these groups coalesce is to focus all parties on a common goal, namely helping you achieve your organization's business goals. Set the tone early; coordinate an annual planning meeting with all of the agencies. Also, be sure to encourage information sharing whenever the different groups overlap in their assignments. Healthy competition is good – but a cooperative spirit among all of the players is even better.



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FORMALIZING THE RELATIONSHIP

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# FORMALIZING THE RELATIONSHIP

## There are several documents offered by the Council of Public Relations Firms that can help you during the initial phase of the relationship.

Recognizing that every firm and every client has unique policies and protocols, these documents are offered as “industry standards” that establish a consistent model for good commercial relationships among public relations firms and their clients. For example, the conflict and exclusivity guidelines represent an important step for our industry, and many of the documents include provisions to help provide greater protection for clients’ confidential information, a key issue in matters of potential conflict. We encourage you to adopt them as guidelines, tailoring them with the advice of legal counsel for your particular needs.

The following documents can be found at the Council of Public Relations Firms’ Web site at **www.prfirms.org/client/docs.asp**. Each document meets a unique need identified by the Council of Public Relations Firms’ members, the Client Advisory Committee and the Client Practices Committee:

**The Agency Client Agreement** offers a model for a solid business relationship that should meet the needs of most corporate public relations directors, their General Counsel and purchasing officers, while offering public relations firm’s certainty in their business relationships and the ability to apply their best resources on behalf of their clients.

**The Authorization to Begin Work** is an important initial phase of a relationship, clarifying for the agency the available budget during the time the full agency client agreement is being prepared and staffed. The Council recommends that no firm should commence work without a signed Authorization to Begin Work.

**The Potential Client Pitch/Joint Venture Submission Agreement** provides agencies and clients with a document that establishes the ground rules for materials and work involved in a new business project or strategic partnership solicitation. It is strongly recommended that every firm participating in a pitch use this document so that the ground rules are clear and consistent.

**The Third Party Confidentiality Agreement** addresses the ownership of work, ideas and other forms of intellectual property that are provided by an agency to a business partner or other non-client.



**The Conflict and Exclusivity Guidelines** establish policies and procedures that address the often difficult questions of real and perceived client conflicts.

Whatever the nature of the conflict, there are many acceptable and successful models for handling conflict issues when they arise. Considerations for the scope or duration of the task, the size of the account, the location of the assignment, and the skills being purchased from the firm should be analyzed to determine what constitutes a legitimate conflict. Here are models for consideration for both you and your firm.

- Ensure that the firm has designated a separate team to handle your business and that the agency will take necessary provisions to ensure confidentiality among its staff. This generally means no sharing of client information between teams.
- If the firm has more than one office, identify which one will handle your account, thus maintaining physical separation. Be certain that each office observes appropriate conflict policies.
- If the conflict exists only with a portion of the assignment, consider subcontracting the conflicting project to another agency or freelancer.
- Ensure total separation of services and practices, allowing an agency, for example, to provide corporate communications work for one client and online communications for another.

Ensuring the protection of clients’ proprietary information is essential to making these models work. The guidelines highlight five key strategies for maintaining confidentiality:

- Request agency confidentiality agreements
- Request employee non-disclosure agreements
- Create a secure team working environment, which can include technology solutions like separate servers
- Restrict information sharing at internal meetings and presentations
- Ensure team motivation through distinct team groups

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AGENCY COMPENSATION

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# AGENCY COMPENSATION

## How Public Relations Firms Charge

The client/agency relationship should produce a successful financial arrangement that:

Encourages agency involvement

Rewards success with growth

Supports long-term relationships

Lets the agency run its own business

One of the first conversations you will want to have with your new firm is about billing and how you will be charged. In general, you are paying for your firm's time. It's important not to confuse how public relations firms charge and how advertising agencies charge. Public relations firms – similar to management consulting firms and law firms – primarily provide strategic counsel; they also provide implementation. Compensation, therefore, has traditionally been a revenue-based or top down model as opposed to the cost-based, bottom-up model the advertising industry uses.

Many clients are satisfied with traditional approaches to budgets, with professional fees based on billing rates that incorporate a reasonable agency profit. However, where clients consider other compensation approaches, it is essential that firms and clients approach these discussions in a proactive manner with dedicated business and financial personnel who engage early in the process.

## Compensation Models

Please see the Council's "Trends in Public Relations Firms Fee Compensation" for a better understanding of industry compensation models.

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WHAT YOU CAN EXPECT FROM YOUR PUBLIC RELATIONS FIRM

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# WHAT YOU CAN EXPECT FROM YOUR PUBLIC RELATIONS FIRM

*"Member firms will serve their clients by applying the fullest capability to achieve each client's business objectives, and charging a fair price for that service."*

**– The Council of Public Relations Firms' Council Code**

After signing the Letter of Agreement and/or the Authorization to Begin Work, the working relationship begins and your public relations firm is "on the clock." As the client, you are entitled to solid professional service and competence for your money. Your firm is being paid to deliver on a set of goals and objectives. To that end, the firm should provide constant and consistent effort, sound counsel and honest accounting of everything they do on your organization's behalf.

## 10 "Rules of Engagement" For a Long-term Relationship

As a client, you should expect your public relations firm to demonstrate:

1. Effort/Diligence: Your firm should provide you with steady and consistent effort. Results cannot always be guaranteed, so the effort to achieve those results is of paramount importance.
2. Solution-orientation: The firm should regularly think about and suggest ways to help you solve your business problems.
3. Enthusiasm: The team should be motivated and enthusiastic to be working on your business; energy and focus is contagious and very productive. This is an intangible element that is hard to enforce, but should be strongly encouraged.
4. Honesty: Still the best policy, honesty is the enabler of a productive relationship. An honest dialogue should be part of your partnership.

5. Respect: Your firm should always show you professional courtesy and be sensitive to your needs and situation.
6. Full disclosure of all billing/accounting: There should be no guesswork and no mystery about how much time your firm is spending on your business and how much it is billing you.
7. Ethical business practices: The public relations industry has established ethical guidelines for its practitioners to follow.
8. Responsibility: The firm is responsible for its work and for its conduct.
9. Confidentiality: The firm must ensure the protection of your proprietary information.
10. Attentiveness: There should always be someone to answer your call or be able to work on a project on short notice.



# appendix

CLIENT–AGENCY ASSESSMENT TOOLS: REPORT CARD

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## Client-Agency Assessment Tools: Report Card

A report card is a simple way to assess the effectiveness of your public relations firm. This sample report card provides a list of typical public relations services as well as important relationship elements that can and should be reviewed periodically. Evaluations such as this can be given annually, semi-annually or even more frequently depending on your preference and needs.

CLIENT ________________ PR FIRM ________________ DATE ________________

| CLIENT SERVICE | Superior | Good | Needs Improvement | Action Steps / Comments |
|---|---|---|---|---|
| Responsiveness | | | | |
| Ability to Meet Deadlines | | | | |
| Quality of Writing | | | | |
| Strategic Counsel | | | | |
| Creativity | | | | |
| Media Placement | | | | |
| Chemistry | | | | |
| Enthusiasm for What They Do | | | | |
| Commitment to Excellence in Client Service | | | | |
| Initiative | | | | |
| Approach to Financial Account Management: Managing Budget | | | | |
| Measurement Protocols | | | | |
| Ability to Meet All Needs | | | | |
| Accessibility | | | | |
| Willingness to Take Instruction | | | | |

Source: “Hiring a Public Relations Firm,” Council of Public Relations Firms



## Mission Statement

The Mission of the Council of Public Relations Firms is to advance the business of public relations by building the value of public relations as a strategic business tool, by setting industry standards, by helping member firms manage successful and profitable businesses, and by promoting the benefits of a career in a public relations firm.

Produced by Magnet Communications: www.magnet.com
A Member of the Council of Public Relations Firms