

The Dollars and Sense of PR

What financial executives need to know about
managing public relations

Ned Steele
President, Ned Steele Communications, Inc.
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Does PR matter?

Just Ask:

- Andersen
- Toyota and GM
- Tylenol
- Anyone who's been on Oprah

PR departments like PR firms

Good Value

95%

Not Good Value

3%

Source: PRWeek, 12-00

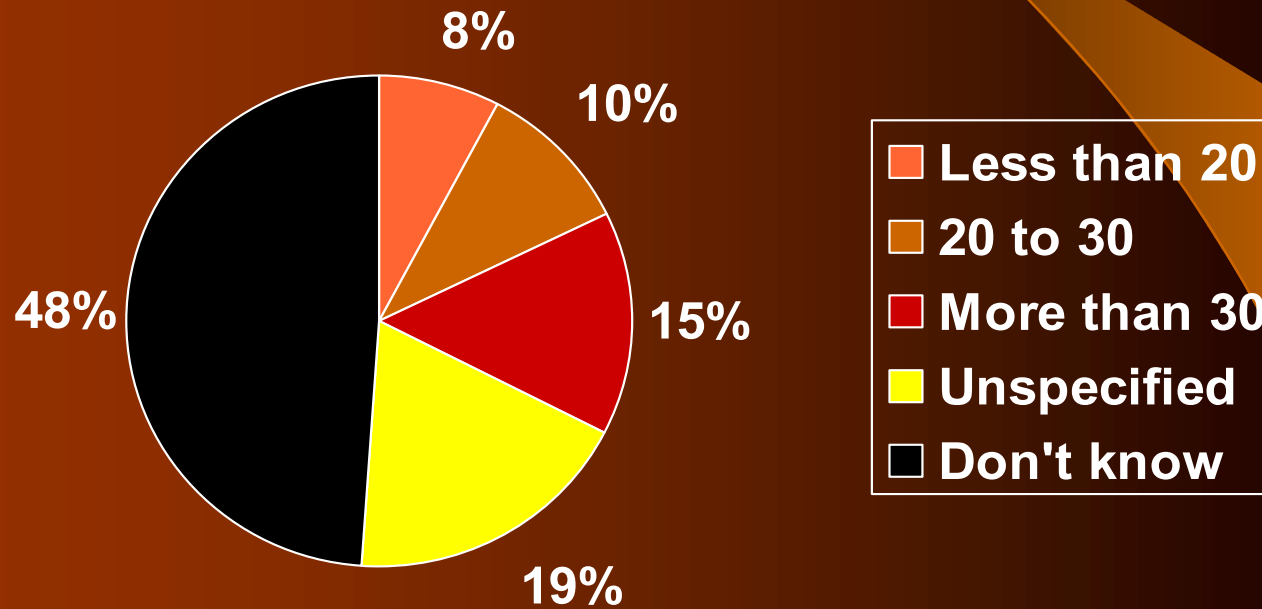
PR firm hiring criteria

Quality of execution	32%
Strategic counsel capabilities	32%
Quality of client service	21%
Creativity	8%
Cost	2%
Other	4%

Source: Harris/Impulse Research

How PR dep'ts count:

How many hours does your PR retainer buy?



Source: PRWeek, 12-00

*“ACCOUNTANTS ARE IN
DEMAND. GO FIGURE.”*

The New York Times

April 7, 2002

**“ACCOUNTING
GRADUATES SEE
DEMAND FOR THEIR
SERVICES WANE”**

THE WALL STREET JOURNAL

April 24, 2002

PR: ALL YOU NEED TO KNOW



Why? - Why Now? - Why You?

PR Tools

- Press release
- Press kit
- VNRs
- SMTs
- Fax/email blasts



PR is also:

- Not Advertising
- Credibility You Can't Buy
- The Great Equalizer
- Usually cost-effective
- Part of a marketing strategy

From input to outcome

Press Release

Inputs

Placement

Outputs

Attitude/Behavior

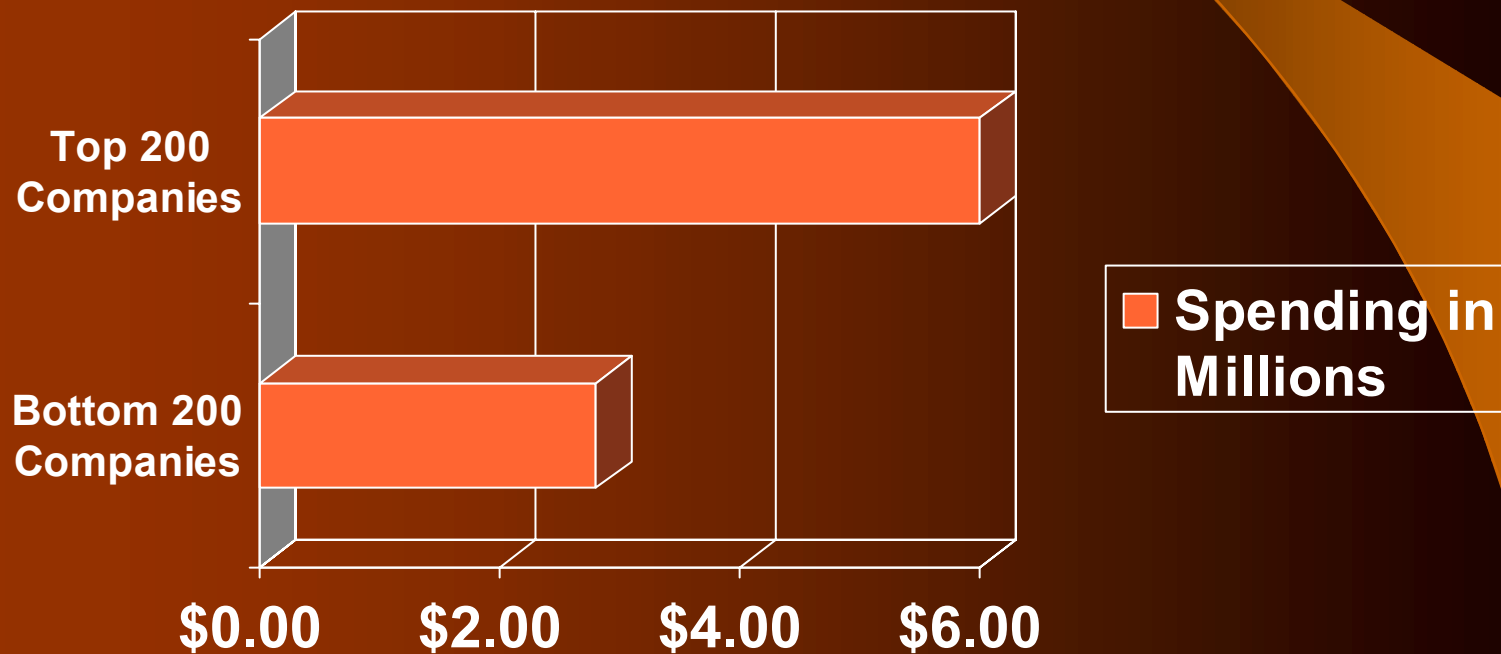
Outcomes

BUYING PR:

- Who sells it
- How it's bought
- Markups, Commissions, and !*#*%'s
- The Contract
- The Invoice

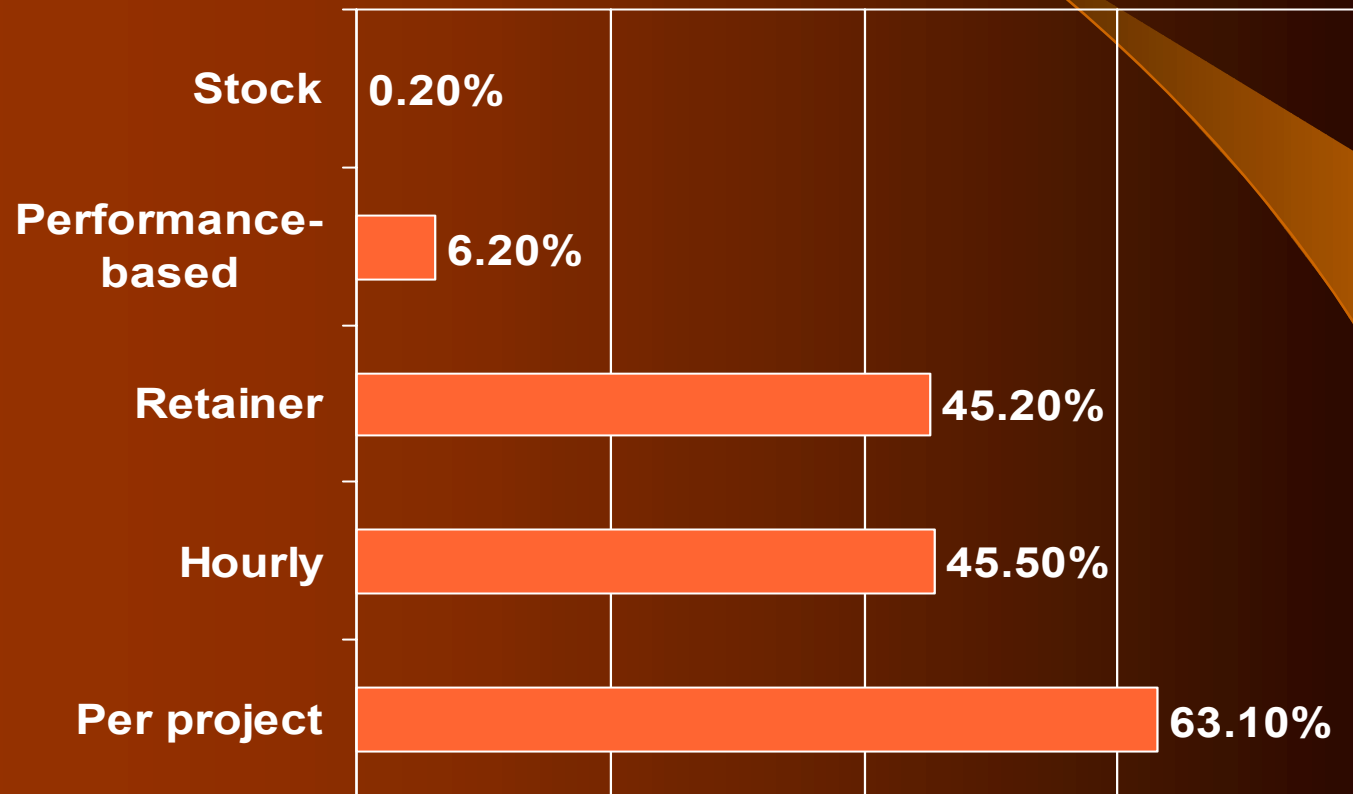
PR Spending and Reputation

Fortune Reputation Ranking



Source: Harris/Impulse Research

How PR is paid for



Source: PRWeek, 12-00

Satisfaction w/pay method

Very/somewhat

83%

Changing

17%

Source: PRWeek, 12-00

The Contract

- Scope
- Budget
- Terms: when & how
- Expenses
- Indemnity
- Negotiate
- See a sample invoice

Markups and commissions

- *Almost* as prevalent as advertising
- 15-20% is typical
- Markups ↑ Fee ↓ */vs./* Fee ↑ Markup ↓
- Why do they do it?
- You can:
 - Prepay
 - Pay directly
 - Negotiate
 - D-I-Y

The Invoice

- Tracks contract terms
- Clear & concise
- Includes report
- Explains expenses
- No surprises

Make Sure You Get...

- Goals & objectives
- Plan & budget that make sense
- Information
- Stewardship & responsibility
- Responsiveness & flexibility

Results Reports

INCREASING PR VALUE

- Measuring Value
- Getting More
- Spending Less

What is value?

- “Half my advertising is a waste of money”
- “...*I just don't know which half.*”

Measurements

- Quantity
- \$ value of space
- Quality (scoring)
- Cost-per-clip
- Sales/revenue
- Attitude/behavior
 - Media
 - Customers

Measurement Variables

- Volume/quantity
- Prominence
- Favorability
- Accuracy/fairness
- Right targets
- % on message
- Cost-effectiveness
- **Vs. competitor**
- Attitude & behavior
- Sales & identity
- Cost
- **Replicability**
- **Leveragibility**
- Repackageability

“ I saw you
somewhere”

“You folks are
everywhere!”

Getting More: 10 ways

1. Invest in brainpower & creativity
2. Play the “knowledge card” daily
3. Align PR goals with business goals
4. Tap into brand equity
5. Develop, use alliances
6. Look at competitors
7. Everyone on same page
8. Use the Internet
9. Prepare for The Worst
10. Repackage-Replicate-Leverage

Spending Less: 10 ways

1. Set smart strategic goals
2. Set smart tactical goals
3. Reopen, Review, Negotiate!
4. Try new ways
5. Explore markup alternatives
6. Take ancillary services in-house
7. Cut packaging costs
8. Weigh agency's staffing levels
9. Technology and right-staffing
10. Replicability

Traps to dodge

- Don't pay for WWD if you want SI
- The Outputs-Outcomes Trap
- Expectations Mismatch
- Agency staff promotions & title inflation
- Forget the "I" in Identity-Message-Delivery
- Forget the "D"
- Forget the "M"
- Anything that can't answer the "why" question

Take this home:

- Invest in brainpower
 - PR = Identity-Message-Delivery
 - Look outside to define outputs, outcomes
- It's OK to get involved!
- PEEK AT THE EMERGENCY PLAN
- TALK TO YOUR PR FOLKS

For copies of this presentation
and more information:

www.mediaimpact.biz



Ned Steele

212-243-8383

neds@mediaimpact.biz