

✓ to
PR

✓ or not to
PR

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Whether launching a new product category or handling a **CRISIS**, PR shouldn't be overlooked as a viable option.

DO WE NEED PR?

That is the question being asked as many executives and CEOs see their bottom line shrink. Although PR remains a marketing tactic that is one of the least understood, it is a valuable tool that can make or break a company's reputation, whether you're introducing a new product, announcing a major personnel change or handling a crisis. In fact, if public relations is not handled correctly during a crisis, that in itself can become part of the news. Think of the recent case with the executives at American Airlines, Enron or even Martha Stewart.

Advertising is what you pay for, public relations is what you pray for—that's what a professor once told me. Before embracing PR, a marketing executive must have a good working knowledge about how this discipline works and its difference from advertising. Senior executives should fully un-

derstand the basics of public relations: It is a long-term process and requires a solid commitment from the powers-that-be. There is nothing worse than starting and stopping PR campaigns, which sends a bad signal to the media and to your investors, not to mention to consumers.

FIRST, ASK YOURSELF QUESTIONS

To determine whether you should move ahead with a public relations program, answer a few questions:

- **What are your needs?** Think about why your company needs PR. Are you launching a new product line? Announcing a merger? Handling a crisis? Announcing the opening of a new factory? Changing your image? Nail down the exact reason, so you can determine the scope of the public relations needed.
- **Do you have support from your executive management and senior management team?** Do you have support from your senior team? Are they behind you? It will make your life far easier if they are. Keep in mind that your independent PR counsel can be your best friend in times of crisis. He or she will, no doubt, be able to think about ramifications that you or your senior team might not even consider. Have a meeting with management, and bring a PR professional to talk to the team to discuss the options. Just as you would build your case for a merger or for launching a new category, you need to build your case for PR step-by-step and explain the discipline to those that may not understand it. Consider yourself a lobbyist or salesperson.
- **Do you have the resources?** Do you have the inside staff to properly execute a public relations effort? Do you need to hire an outside vendor? Announcing a positive story is very different than

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handling an ongoing crisis, whether it is an equipment failure, a lawsuit or an injury. Often, in a bad crisis, outside counsel will have the expertise that your internal PR counsel may not have. Be smart. Now is not the time to worry about ego. If looking outside, PR practitioners and agencies will either charge by the hour or the project. A seasoned PR professional can charge between \$150 and \$250 per hour. If you are contemplating a press kit, you just need a competent professional who can write. Look for rates ranging from \$50 to \$75 per hour.

• **What is your point of difference?** If you are announcing a positive story, is there really a point of difference? Announcing a new color is not news. Announcing a re-vamped website is also not news. Announcing that you are unveiling a chain of fitness stores would definitely be news if you've only sold directly to retailers before.

• **Do you have a PR hangover?** Meaning, are you recovering from bad publicity? If you are, you will need to think carefully about how to move forward. Remember, it takes much longer to get out of a PR doghouse than it does to get in. The Dixie Chicks are still digging out from their snafu when they said they were embarrassed to be from the same state as President Bush, and Trent Lott clearly violated just about every “PR Don't” there is.

• **Who is your target audience?** Do you need to communicate to consumers, investors, the neighborhood planning task force or friends of the company? Once you look at this carefully, you can decide whether PR is the right tactic. Maybe it is really direct mail or advertising. Maybe you need to think about an editorial in your local newspaper. Maybe you need to think about a magazine like Maxim or Stuff, instead of Men's Health or Runner's World. A PR counsel can help you focus. For instance, if you are announcing the opening of a new store or plant, your target would be the business editor at the local newspaper or a trade news source. If your plant is going to be controversial in any way, you need to develop a community grassroots outreach plan where you meet with the mayor's office or the planning board. If you are announcing a merger, you need to develop a financial message that is legally complete, meaning that it conforms to all SEC regulations. For this announcement, you would be communicating with the business editors or the Wall Street Journal if your company is public or high-profile. Maybe you simply have a new product and you want fitness editors to try it out. Forget WSJ.

• **Do you have the budget?** PR may provide more value than advertising, but it does cost money. Unfortunately, many senior executives do not have a realistic sense of what

PR costs. Agencies charge either on a project basis, or by the hour. A seasoned PR professional at a large agency will likely charge about \$275 per hour. Individual practitioners who have been in the business for over 15 years will charge at least \$150 an hour. PR practitioners are trained professionals; don't be surprised by these numbers. Sometimes you can use lower-cost vendors, but you may get what you pay for. Having an article on the front page of the Wall Street Journal above the fold or a cover equipment placement in Fitness magazine is a huge PR home run and will do far more for your company's credibility than an ad. Could you really accomplish this without outside help?

Now, with some answers in mind to the above questions, you're ready to move ahead. Is it PR you really need? Will you need an outside vendor? An independent person? A small agency? A large agency? A name agency? Can you handle it in-house?

SECOND, CHOOSE YOUR PR RESOURCE

Choosing a PR resource may seem like a daunting task, but rest assured, it's not. You just need to approach it step-by-step:

• **Ask colleagues or friends for a recommendation.** No doubt, you have colleagues who have worked with a PR firm or person in the past. Ask them about their experience with that firm, what the task was, and whether they achieved stated goals. Remember, your outside PR help doesn't need to be in your area or even close by at all. With email and the Internet, all you need to worry about is whether your practitioner or agency is good and if they have a successful track record.

• **Review websites.** The website of an agency or vendor should give you a pretty good idea of the scope of the agency's work, its style and successes. If it is a good website, there should be case studies that outline specific experiences.

• **Interview the freelance choices in person.** Public relations, like any professional relationship between the supplier and the client, involves chemistry. You must feel comfortable with the agency or the individual you have chosen.

• **Check references.** Be sure to check companies they've worked with. Ask about deliverables and quality of work.

FINALLY, LAUNCH THE RELATIONSHIP

Once you have chosen your agency or freelancer, there are a few more steps to get your relationship moving forward:

• **Set up an internal system.** Make sure that there is a system in place to support this new relationship. Countless relationships have failed because a client has not properly set up an internal system to work with

the agency or person. This means that the agency should have a “go-to” person for daily requests so if your agency or freelancer needs to process a media request or seek approval of a press release, it can get done directly and quickly. Preferable are two contacts so if something needs to be decided quickly and the main contact is unavailable, an alternative is around.


• **Select a spokesperson.** Make sure that you have someone knowledgeable and media savvy to serve as your spokesperson or handle media interviews. Have your PR vendor train the person if they haven't been or aren't comfortable. Dealing with the media is trickier than you can imagine; they can ask unexpected questions in unexpected ways so you should be ready.

• **Set up a reporting and review system.** Ensure that your agency or freelancer is providing monthly reports outlining progress during the month. Review your program frequently to ensure that you are attaining your goals. Remember that PR is a long-term investment in most cases so it may take some time.

• **Be prepared to change direction.** The market changes, your business changes, and the economy changes. Be prepared for a mid-course correction, if necessary. Be open-minded, and be ready to suggest a change or willing to listen to that suggestion.

• **Listen to PR counsel.** OK, we all have egos, and this may be a tough one. You have hired a PR practitioner because this is what he or she knows how to do. You may not always understand the reasoning, but with the proper explanation it should make sense why a particular approach has been recommended. Ask why. Listen hard. And be open.

Many kings and queens of business have fallen because they think they know more about handling a crisis or other situation than their PR counsel. Have an open discussion if you disagree, but bets are that your PR counsel knows more about handling a communications crisis or difficult situation than you do. The idea is to stay out of the PR doghouse. Ask Martha. She can tell you it's not a fun place to be.

Public relations is not an exact tool. However, if used correctly, it is one of the most useful business disciplines in the marketing cookbook. You may not become a master chef of this mysterious trade immediately, but, if you can learn how to add a dash here or a sprinkle there—using the steps outlined—you'll end up with a gourmet plan that will keep you and your company satisfied, good times or bad. 

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