

Seminar On Topic The Changing Role of Public Relations in the Financial Services Industry will be explored at June 27-29 seminar of PRSA's Financial Institutions Section. Wyman is keynote speaker, will go into greater detail about industry's new mgmt environment & strategic issues that are arising. Other topics include a case study in industry change; revolution in business reporting; teaching comm techniques to execs; changing role of corp philanthropy. Audience participation thru discussion & hands-on workshops. Cocktail reception with NY fin'l writers also. To register call Isobel Sanders at 212/826-1750.

#### NEW TOOLS OF THE TRADE

¶For the first time, widescale telecommunications is possible with previously incompatible equipment. Written communications to one or 100,000 people anywhere in the world can be delivered in a controlled time frame by Western Union's new Access System. Sender doesn't need specialized equipment. System is activated by conventional office machines such as phone, word processor, FAX, Telex/TWX terminals, or computers. It can maintain a computer file for frequently used lists. (For info write Thom O'Connor, corp comms mgr, WU, 1 Lake St, Upper Saddle River, NJ 07458.)

¶Because of their vulnerability to public opinion, administrators in the healthcare environment, or any care setting, need to understand & know how to use public relations. The Health Care Facility's Public Relations Handbook by Lew Riggs is a compendium of these techniques. Useful for experienced practitioners as well as beginners -- but primarily valuable for persuading management. Includes indepth info on planning & organizing a pr dep't; types of info needed by dep't; budgeting your prgm; developing print comms; understanding & practicing media rels; planning & running special events; promoting healthcare education; methods of communicating with special publics; fundraising; defining pr & marketing and how to use them effectively; evaluating pr prgms -- the pr audit; choosing pr counsel; getting mgmt to accept pr. Includes examples of tools & aids used by hospital pr staffs -- i.e. readership survey questionnaire, patient questionnaire, campaign publicity guide. 10 well-known healthcare practitioners contributed chapters. (Available from Aspen Systems Corp, 1600 Research Blvd, Rockville, MD 20850. \$28.50; 253 pgs.)

"Public relations is one of the fastest growing fields today, both nationally and internationally. It pervades every facet of organizational life. A primary reason for the phenomenal growth of public relations as a key function in management is the phenomenal growth of public opinion as a bottom line force in the world. What the public thinks can now be rapidly transformed into action through a sophisticated information processing and communications system the like of which we have never seen before."

-- from The Health Care Facility's Public Relations Handbook

¶Vast amounts of information are for sale thru online databases. User at one computer hooks into another -- & its database -- by telephone. Directory of Online Databases tells you who & where they are, type of database, content including geographic scope & dates of info, and conditions to gain access. Includes indices by subject, producer, online service; index to telecommunications networks, thru which databases are accessible, by online service org'n; index to databases by name. Intro section clarifies terminology for novices, discusses pricing policies & criteria for choosing an online service. Subscription includes 2 issues, 2 updates. (\$60, US; \$66, Canada & Mexico; \$72 elsewhere. From Cuadra Assocs, 2001 Wilshire Blvd, Santa Monica, Calif. 90403.)

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#### BECAUSE HUMAN VALUES ARE SIMILAR EVERYWHERE, CATERPILLAR FINDS COMMUNICATIONS, PUBLIC AFFAIRS CAN BE STANDARDIZED -- EVEN LOBBYING, ETHICS CODE

"What works here works there." Byron DeHaan, dpa, Caterpillar Tractor (Peoria) told Int'l Mgmt & Development Institute the themes & means of internal communications used by his company are the same in one location as another, the same overseas as at home. Company's magazine appears in English & French -- but has same contents. Monthly newspapers overseas are "roughly the same" as edition in Peoria.

Standard wisdom is "when in Rome..." DeHaan feels "adaptation & coloration & local practices are fine when you're new somewhere, but as you become seasoned you'll find a standard model works better." Caterpillar's lobbying exemplifies the point. In US & Canada, a 2-tier system applies: 1) trade associations or US Chamber/NAM-type groups lobby, but 2) individual companies & organizations also go directly to legislators & administrative agencies. Both also do grassroots work.

In Europe, all the eggs are in one basket. Lobbying is not done by individual companies. Highly structured, bottom-up ass'ns laboriously develop positions at local, regional, national & international levels. Stands taken often end up being bland as a result -- like industry ass'n positions in US or Canada. DeHaan personally tested direct lobbying, spending a week calling on European Economic Community officials about a ruling which would have harmed Caterpillar. "They welcomed hearing from us." Some told him he was the first representative of an individual company they'd talked with under such circumstances. MNCs "may not be well served" by industry ass'ns on many issues, so Caterpillar intends to apply stateswide 2-level approach in Europe. Mike Samuels, vp, International Chamber of Commerce of the US, agrees. "Be active in your own behalf overseas."

Caterpillar has a code of worldwide business operations. Ethics document is in its 3rd edition. "Ethics and operational methods can be duplicated worldwide." It is distributed to all managers, any employee who wants one.

Company is experienced in international trade. 57% of sales are made overseas, a volume of \$3.5 billion -- making it US' no. 3 exporter. It has 14 plants overseas.

"Don't be afraid to tackle controversial issues" is DeHaan's rule for standardized communications in a competitive world climate. Company mag recently featured -- and praised -- 25th anniversary of EEC, a touchy issue for US workers who see jobs being done at overseas locations which under protectionist policies they might do. Similarly firm stance is taken on lobbying. "We expect our government affairs representatives to make a difference, not just gather information."



Building internal relations across the oceans is its "Visit USA" program. Employees from abroad come here for 2 weeks -- paid for by themselves via payroll deductions. First week they see NYC, Niagara Falls, other tourist sights. Second week is spent at Peoria HQ, where they stay with local employees. Company does not subsidize program, even expenses of host families. Yet it is oversubscribed on both ends. Which proves DeHaan's point: people are pretty much alike everywhere.

¶For copies of Caterpillar's code, write DeHaan, pa dep't, CT, 100 NE Adams St, Peoria, Ill. 61629. For 74-pg report on international trade policy suggestions, "The Renewal of America in the 1980s," issued by Fowler-McCracken Commission, write IMDI, 2600 Virginia Ave NW, Wash DC 20037.

IS IT NEWS TO ANNOUNCE PR ACTIVITIES?  
H&K STUDY FOR UTILITY PROVES INTEREST  
OF PRESS & PUBLIC IN THE SUBJECT

As builder of the bellwether Seabrook nuclear plant, Public Service Co. of NH has been caught in regulatory, rate & financial controversies for

a decade. It slowly built a pr staff -- primarily pio's & comty rels -- but even its friends berate its pr policies. Hill & Knowlton conducted a costly (\$200,000) communications audit which found PSNH "has suffered a decline in public approval because of its inability to communicate effectively on certain key issues."

To announce the findings and detail remedial steps, a news conference was called. That plus follow-up resulted in prominent coverage in most media within the utility's service area. Interest in the subject suggests recognition of the fact that public relationships are an important ingredient in an organization's operations.

Copies of H&K's report & recommendations were distributed with no holds barred. Criticisms include: 1) mgmt keeps pr staff in the dark, 2) material is too technical, 3) company interests dominate, rather than the public interest, 4) PSNH spokespersons are not coordinated & on occasion contradict one another. Primary recommendation is to elevate public relations in the mgmt structure, hire a vp-pa to pull all activities together. PSNH announced it is doing both & more.

RESULTS. PSNH's strategy of dealing openly with its public relations failures worked. "Public Service Co. admits it has an image problem" reads one headline. "PSNH Zeroes in on Public Image Problem" says another.

One negative result: some media homed in on the expense. An editorial writer said H&K found an "easy mark" & milked it. Another asked why so much was spent on a NY firm "to discover what any disinterested observer could have told the company for nothing...it has a lousy public image." News svc mgr Nick Ashooh told prr that on balance the company feels going public with the report was helpful.

"We must caution here about possible misunderstanding of the value of good media relations. Many PSNH people we interviewed have the impression that better relationships with the media may help solve serious problems of the utility. This is simply not so. The print and electronic media feel they must report the news in a straightforward way, neither favoring nor undercutting PSNH. Their editorial comments will reflect their own positions in the future, as in the past, whether this helps or harms the utility. Any harmony existing between individuals in the media and people within PSNH will not, and should not, influence their objectivity in covering events or their subjectivity in stating positions."

SEAL TO IDENTIFY CORPORATIONS  
THAT GIVE TO PHILANTHROPY  
PROPOSED BY GRASSROOTS MOVEMENT

A movement is on the rise to see that Reaganomics produces what it said it would -- private contributions to the human services. Campaign features National Seal of Philanthropy, designed to stimulate private sector giving. Seal signifies that a company has given 1% - 5% of annual gross profit to a nonprofit human service or cultural concern.

"We're hoping to accumulate support to put muscle into Reagan's program," says Lewis Randa, chrm, Human Services Endorsement System. He heads a school for handicapped & terminally ill children. "Our vision is to offer the American consumer the altruistic leverage of patronizing philanthropic companies, while providing socially conscious businesses with a system of recognition for their acts of public generosity."

Grassroots teams are working to get cities, states & congressmen to support a proclamation for presentation to Reagan -- hoping to get his signature & support. "We started with a proclamation by town selectmen in Sherborn, Mass. because we saw how effective a grassroots campaign can be with the New Hampshire & Vermont roles in the nuclear freeze campaign," Randa told prr.

Seal itself was originally a human fingerprint meant to be symbolic of man's unique capacity for compassion and kindness. It is currently under redesign because many saw it as a fingerprint signifying criminals & crime rather than individualism. It was not pretested. (Copy of proclamation, more info from prr.)

MANAGING MULTIPLE IMAGES SIMULTANEOUSLY  
IS KEY TO STRATEGIC POSITIONING --  
MAJOR CHALLENGE TO PRACTITIONERS

Success of any organization depends on strategic positioning within the markets where it chooses to compete. Financial institutions are no exception. "There are 3 common wisdoms about what makes a bank successful -- 1) good asset & liability management; 2) 'good' markets, and 3) good locations. While important, none is sufficient to cause the difference between success or failure," Bill Wyman, managing partner - fin'l industries practice, Booz-Allen, Hamilton (NYC) told prr. Good strategic positioning is the key.

Role of public relations is changing within this new strategic management environment. Practitioners must 1) clearly understand the organization's strategy; 2) know which markets it intends to focus on; 3) know what image it wants to create in each market. Wyman warns that it will be difficult to manage multiple images simultaneously. "For example, your bank may want to be seen as a very modern, state-of-the-art institution by the mass market, emphasizing its automated teller machines, home terminals, etc. At the same time, it may want to attract the high networth individuals by appearing to be a very personal bank without machinery, except in the background, and having very high quality personal service. These are difficult images to create simultaneously since media reach both groups." This is a warning all organizations -- and practitioners -- heed.



"This seal merges the competitive spirit of capitalism & the democratic spirit of generosity. It will bridge the gap between philanthropic intention & the incentive to contribute."