

Shareholder Critics
Cite 7 Major Areas

Interfaith Center for Corporate Responsibility coordinates shareholder actions for 65 religious organizations that own \$5-million in stocks. At '86 annual meetings they're asking for altered policies in these areas:

- pesticides (e.g., Union Carbide)
- pharmaceutical issues
- equal employment
- Central American debt problems
- South African investment
- reinvesting in plant communities

Major push is militarism/nuclear war. Ford, Raytheon, Textron & United Technologies are being asked to report dollar value of their Star Wars contracts. Eastman Kodak to examine the ethics of its participation in Star Wars. McDonnell Douglas to hold a space weapons symposium to hear expert testimony on Star Wars.

AT&T is asked to drop its management contract for Sandia Labs, a nuke weapons facility. Burlington Northern & Santa Fe Southern railroads to review transporting nuclear warheads. Others are Rockwell & Allied Signal (for plants they operate), Martin Marietta for the MX missile.

Under questioning for accepting military contracts are GE & Singer. Filers note short-term gains are made at expense of "long-term growth, diversification, flexibility & product development." Tenneco is asked to set up a permanent standing cmte to review military contracts.

WHO'S WHO IN PUBLIC RELATIONS

ELECTED. Foundation for Public Relations Research & Education 1986 officers: pres, Frank LeBart (principal, Kearns & West, Lexington, Mass); vp's, Paul Alvarez (chrm & CEO, Ketchum Public Relations, NYC), John Felton (vp-corp comms, McCormick & Co, Hunt Valley, Md), James Tolley (vp-pa, Chrysler, Detroit); treas, Stan Sauerhaft (exec vp, Hill And Knowlton, NYC); new trustees, Robert Carboni (vp comms, Northwestern Mutual Life, Milwaukee), J. Kenneth Clark (vp-corp comms, Duke Power, Charlotte, NC), Eugene Miller (sr vp-corp rels & planning, United States Gypsum, Chi).

MILESTONE. Fordham U Grad School of Biz Admin introduces its first pr course in Spring semester. 14-wk, 3-credit course is called "Managing Public Relations." Instructor is Richard Weiner (pres, Richard Weiner Inc, NYC). It's 1 of few pr courses in any grad biz school.

ELECTED. PRSA Section Chairs for 1986: Association, Pamela Gillen Heisler (vp, Business Council of Ga, Atlanta); Corporate, Robert Crosby (mpa, Amoco, Chi); Counselors Academy, Joe Epley (pres, Epley Assocs, Charlotte); Educational & Cultural Org'ns, Philip Toman (dir, info svcs, Christina School Dist, Newark, Del); Educators, Michael Hesse (chrm, adv'g & pr dep't, UAla); Fin'l Institutions, Kirk Hallahan (sr vp-pa, Calif League of Savings Institutions, LA); Gov't, Herbert Kassner (chief, pa ofc, US Army, Vicksburg, Miss); Health, Leonard Schodowski (dpa, Hutzel Hospital, Detroit); Investor Rels, Demaris Hetrick (mgr, investor & pub rels, Harsco Corp, Camp Hill, Penn); Pub Afrs, Frederic Seidner (vice chrm, PRB, Chi); Social Svcs, Virginia Pie', (dir, media coord, American Nat'l Red Cross, DC); Technology, Joel Strasser (sr vp, Dorf & Communications, NYC); Travel & Tourism, Julie Simon (pres, Julie Simon Communications, Miami); Utilities, William Morris (vp-comms, Metropolitan Edison, Reading, Penn).

pr reporter

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2 EX-CORPORATE PR PROS HEAD NEW GROUP WITH GOAL OF CHANGING THE PERCEPTION OF HUMAN SERVICES BY MAKING THEM FOR-PROFIT; DONOR & DONEE ORGANIZATIONS ALIKE COULD BE SUBSTANTIALLY AFFECTED

"We'd like to focus & accelerate a movement begun in the last 5-6 years," J. Arthur Boschee told prr. He leaves Control Data as gen'l mgr pr to become exec vp & COO of Alpha Center for Public/Private Initiatives (Mpls & NYC). Doug Ades, ex-vp for social policy at Chemical Bank (NYC), is CEO. "Our mission is to help with the expansion & creation of for-profit human services companies. We're the only national organization doing this."

More than 100 municipal services are now privatized -- done by for-profit companies. But very few in the human services. "The rationale, from our perspective, is if you can generate rather than consume capital, you can maintain & expand your (continued on pg. 2)

COMBINE ENTREPRENEURSHIP WITH ENLIGHTENED SELF INTEREST
AND YOU COULD HAVE A PROFIT-MAKING HUMAN SERVICE

"For decades, we have assumed that solving social problems entails an endless one-way flow of resources. We have characterized these problems (e.g., unemployment, crime, alcohol & drug abuse) as bottomless pits into which we pour billions of public & private dollars, with little hope of a return on the 'investment.' Often, it seems the best we can expect from our human services sector is to maintain an uneasy status quo.

"What would happen if we changed our expectations? What if we could learn to see human services as business opportunities -- turn resource-users into resource-producers? Can we think & act as entrepreneurs in the human services sector?"

"It is time, now, for the beginning of enterprise, venture, risk, & return in the human services sector. The mission of the Alpha Center is singular & clear: expansion & creation of businesses in human services areas traditionally served by government or non-profit organizations.

"Alpha exists to help business find the profit potential, not just the moral imperative, in addressing social problems. 'Business' here means major corporations, middle-market companies, and new firms. It also means ventures developed by nonprofits as they move away from subsidy in the direction of self-sufficiency. The objective is to encourage human services entrepreneurship by individuals & organization who recognize the opportunity for measurable return alongside the chance to address a social need."



services to more people without having to find more money from contributors or raise taxes. Ultimately, more people will be served. And that's what it's all about."

One Example "In Minnesota, there's a small company that runs a day-treatment center for mentally disturbed teenagers. They're able to do it at 1/2 the cost and 1/3 the time as the state's residential facilities. And they're able to keep the teenagers in their home communities rather than shipping them out to residential care centers. County gov't pays for this. It's a model that could go into every county in the country, but it requires strategic planning, financing, public understanding. If a corporation wanted to sponsor a program like this, they'd have a good business opportunity."

Who's On Board Founders (\$50,000 annually for 4 yrs) are Illinois Bell, Hospital Corp of America, Control Data, Ginn Corp & John Whitehead, ex-sr partner, Goldman Sachs (see pr 1/14/85). Other supporters are GM, PaineWebber, Arthur Andersen & Co, Toledo Trust, Shawmut Bank of Boston. Additional founders & supporters are being sought.

Types Of Services For-profit opportunities are envisioned in halfway houses, job training, substance abuse treatment, remedial training for school dropouts, hospice care, emergency counseling for crime victims, employment programs for refugees & the homeless, homemaking services for the elderly & disabled, among others.

While Alpha Center is presently nonprofit and providing free services, "at some point, as you might guess from our philosophy, we would like to become self-sufficient. But we haven't determined exactly how we want to do that yet." Another manifestation of private enterprise is the way startup funds are pitched. Founders are offered "early access to new markets" and "screened & qualified investment leads" along with the social responsibility rewards.

What Alpha Offers Free technical assistance to 1) NPOs wishing to become self-sufficient or profitmaking, 2) corporations wanting to form (or link with) a human service company; and 3) gov't bodies reassessing their social welfare policies and looking at alternative delivery systems.

Initial Thrust To gain support for its concept thru standard public relations techniques. Alpha will promote linkages, referrals, business partnerships, marketing opportunities, and other forms of "networking" among social entrepreneurs. And run info & education campaigns aimed at biz leaders, entrepreneurs, public officials, educators, nonprofit mgrs, media.

Source Of Capital For Social Entrepreneurs Thru its for-profit subsidiary, National Seed Capital Fund (drawn from individual & institutional investors), Alpha will make \$50,000 to \$250,000 equity investments in 50 to 75 human services ventures. Fund will also foster creation of local seed capital funds.

Effect On Fund Raising Alpha urges "converting 'charitable' capital into investment, with human and monetary returns." In short, instead of giving money away, companies can invest it in the same services for the public and yet earn a return. (Info from Boschee at Southgate Ofc Plaza, Ste.955, 5001 W 80th St, Mpls 55437; 612/831-5506)

POCKET-SIZE BOOKLET LETS CRISIS PLAN GO WITH YOU EVERYWHERE

Here's a crisis communication problem to think about. Murphy's Law: You've conscientiously put together a thorough plan on what to do when an emergency occurs. You've filed copies in your office and with all those who need to know the procedures. Then the emergency happens while you're out of the office...can't get to your files. Has this happened to you? Or have you considered the possibility?

Solution is a 2 1/4 x 3 1/2", wallet-size booklet carrying the details of your plan. Air Force pao Randy Sipe of the Defense Information School (Ft. Harrison, Ind.) has put together a 25-pager for distribution thruout the corps. It gives guidelines on releasing info about the emergency, the people involved, dealing with the media & other curiosity seekers. Also contains key phone numbers, extra pages that allow for localization. It's a miniature that is a gem.

13TH ANNUAL SOCIAL RESPONSIBILITY REPORT SHOWS RISING INTEREST & EXPENDITURE; ICCR'S RESOLUTIONS ILLUSTRATE CRITICS' THINKING

¶Staple community projects go on & on. 91% of respondents report involvement. Most attention still goes to 1) arts, 2) schools, 3) health, 4) youth. Rising are 5) neighborhood improvement, 6) drug & alcohol abuse, 7) senior citizens.

¶Education gets the most contributions. Also, 54% now report in-kind giving, growing rapidly. Printing, meeting facilities, office equipment are typical donations. Computer equipment is popular.

¶EEO is moving toward upward mobility for women & minorities. Of '84 promotions among respondents, women got 20%, minorities 21%.

¶Environment/energy interest is declining, as most companies have formal policies in place. Sensitivity to investing in enterprises that harm the environment is high.

¶Enlightened self-interest makes health & wellness a major area. Programs for employees are virtually everywhere. New direction is preventive health -- where Canada outshines US 2 to 1. In offering health-related premium discounts, e.g., for non-smokers, Canada also leads. (Copy from the Center, 1850 K St NW, Wash DC 20006-2284)

COMMUNITY PROJECTS MOST FREQUENTLY REPORTED: % OF 161 TREND COMPANIES					
Programs	1984 %	1983 %	1982 %	1981 %	1980 %
Arts & Cultural	76	80	81	83	66
Student & School	73	74	77	78	66
Local Health	70	70	64	72	60
Youth	69	68	73	78	66
Neighborhood Improvement	64	59	62	61	48
Race Relations	51	49	49	52	40
Handicapped	49	51	49	46	32
Drug or Alcohol Abuse	46	45	38	43	37
Senior Citizens & Retired Persons	40	38	38	38	33
Safety	40	40	34	38	39
Crime Prevention	31	29	28	36	28
Housing	27	25	25	27	22
Transportation	23	29	29	28	27
Day-Care	20	22	20	22	14
Anti-Pollution	19	23	21	16	14