

- **Employee communications was the activity most likely to receive increased funding** in the past 3 yrs.
- **Corporate/institutional advertising** topped the list for cuts.
- The typical communication dep't budget, now about \$3.5 million, is expected to reach \$4.3 million in the next 3 yrs.
- About 20% of budgets will be spent on **outside talent & services** in '95, up from 13% 4 yrs ago.

Nearly half of respondents report to top mgmt; but only 1/3 oversee stockholder rels & issues analysis. 25% head their companies' investor or gov't rels activities. 60% report "communications" is used to describe the pr function (see box). Other findings show corp pros on the cutting-edge:

1. BY-PASSING THE MEDIA

Respondents anticipate "a continuation of the trend toward journalistic sensationalism at the expense of fact." To cope, many are targeting messages to specific audiences, bypassing the press & broadcast media. "The need to tell it all & tell it fast applies more today than ever before. The public no longer tolerates a 'mum' corporation," declares one respondent.

Communicators are looking for special-interest groups & gov't regulators to form stronger alliances during the next few years. Their companies will come under increasing pressure to prove they "are good corporate citizens."

2. RESULTS ORIENTED PR

A majority of respondents expect their mgmts to step up their demands for "business-related results" from pr activities. 60% say this has already happened. ("Managing Corporate Communications in a Competitive Climate" -- CB report #1023)

Despite this good news, it's troubling to be told our corporate colleagues are only now "working to" align their goals with their companies'. Is this a researcher's biased view of pr? Has CB evidence that these practitioners have been operating in a vacuum? Or that corporate pr has been behind the times? Like many of its members, CB uses the narrow, process-describing term "communications"...which may work against the very *outcomes* situation this study describes. Semantics is positioning...

ITEM OF INTEREST TO PROFESSIONALS

QUAKER STRATEGY OF "SPEAK TRUTH TO POWER" usually disarms those with authority. A Quaker magazine adapts this candor to its fundraising appeal. After asking "Why should I make a gift to Friends Journal?" the first box to check reads: "To be honest, I can afford to."

UNITED WAY CASE: ANSWER TO CRISIS IS PRIOR WORK ON BASICS

A year ago, United Way of America was embroiled in a highly-publicized crisis (pr 5/18/92). Sunshine Overkamp, svp-corp comms, weathered the firestorm & offers these lessons learned from her experience. "These are things everybody knows. But you really learn them [viscerally] when you get into a crisis of the proportion we were in," she told pr.

1. **Communicate your positive messages day-in & day-out before any crisis hits.** People will not listen to you when you are in the middle of a crisis. That's not the time to get out basic information. Invest now in positive, day-to-day communications. "If you cut your budget, your staff & your ability to communicate" -- as many organizations are doing -- "you are setting yourself up for a difficult time."

Case-in-point: The crisis originated at UWA's national organization, not at the local UWs -- which are autonomous, completely independent. But during the crisis "we discovered people didn't know the difference between local & national UW. From April thru Dec, every UW screamed 'I am local.' There wasn't a single piece of paper, brochure, poster, pamphlet, ad, talk show in this country in which a UW participated that they didn't talk about being local."

Research done in April found 40% of the public knew UWs are local. But measured again in July and Dec, the number of people in the know remained at 40%. "Thru that whole period of time when everybody screamed 'local, local, local,' **nobody heard it.**" Yet many still believe you solve the problem by "getting the facts out." Question is: when can they hear? Answer: not in the midst of crisis.

2. **Rumors are worse than reality.** But this isn't a reason to panic every time you hear one during a crisis. "Just calmly & carefully track it down, find out what the truth is, & then deal with it head on. We let all our constituents know when a rumor was incorrect."
3. **Have your whole organization & constituencies ready for the possibility of a crisis.** "My communication staff was ready. We'd been thru a number of crises before with the Red Cross, Boy Scouts, Desert Storm. We could put together a contingency situation room in minutes. Had contingency plans & forms for everything from A to Z. They could be ready in minutes. Trained. But that's not enough. We didn't have the rest of our organization ready. We didn't have our board ready. I didn't have my husband & children ready."



4. **There is a huge difference between good & bad reporters. Spend your time with the good ones.** "We had 1500 reporters asking for information. At first we answered each reporter with the same amount of time & attention. But we don't have a large pr staff. We had to make decisions about where we spent our time & efforts with reporters. It went against my grain at first because my belief was you make sure every reporter gets everything they need. But this changed after several reporters continually made large factual errors -- & I'm not talking about opinion or how they slanted the story. I'm talking about facts. So, if you have to make a choice, spend your time with the good reporters."

5. **All constituencies count -- and particularly internal ones.** Sit down now and make a list of every constituency you have. Make sure someone is assigned to each one. In the middle of a crisis, it's easy to overlook one. "We didn't cover our own internal staff as well as we should have. We were so busy handling our crisis from an external basis, no one was handling it from an internal basis. And we're still having repercussions from it."

6. **A good lawyer who understands the importance of the court of public opinion can be your best ally.** "I'm one of those people who always thought 'those lawyers are playing with my clear language & muddying it up.' But we had a team of lawyers that were incredible. There wasn't a single time they were obstructionists. If you have a lawyer who lets you worry about the court of public opinion, and they worry about the court system & what could happen, you end up with a better product from the two of you."

7. **Take care of yourself. This is the most important lesson I learned.** I would kick my people out when I saw them about to snap. But there was no one to kick me out. I learned the hard way that you need to take care of yourself. It's the best thing you can do for yourself & your organization."

"Our #1 audience is our local UWs. In 1991 (our last normal year), we had 1400 (as members of UWA). We now have 1012. We still have some out but they're beginning to be back."

"I slept in my office in a sleeping bag on the floor for a couple months. It was a timing issue. At 9:30pm every evening we'd get the Washington Post and then work thru the night correcting the information. 3am conference calls with our lawyers & pr counsel were commonplace. They were wonderful. They answered their phones and made sense. We were able to get answers to the local UWs by the time they arrived at their offices the next morning. So when their local papers got the Post articles, they could answer any questions. My sleeping bag left here July 4th. We had a big ceremony -- that was freedom day."

CONFERENCE BOARD STUDY: VOLUNTEER PROGRAMS "POWERFUL"

"Corporate volunteer programs have turned out to be an unexpectedly powerful resource for the companies sponsoring them," says Leon Martel, svp - research. Which shows again that execs & their info sources are -- not unexpectedly -- behind the curve of what practitioners know from actual practice, since personalized programs like this have been the forefront of pr for some time.

"In encouraging the uniquely American trait of helping others, these companies have helped themselves." Major findings from a recent study CB did with The Points of Light Foundation:

- 77% of companies surveyed say volunteer programs **benefit corporate strategic goals;**
- 80% agree that volunteer programs **improve employee retention & enhance training;**
- 90% say volunteer programs **build teamwork skills, improve morale, attract better employees.**

Because they forward the strategic goals, most mature volunteer programs have become well-integrated within the corporate structure.

- 50% of respondents have made community service a **part of their company's mission statement;** 31% use volunteer programs as part of their strategy to address critical business issues.
- More than 50% acknowledge a **connection between volunteer programs & profitability.** An even larger percentage registered *stronger* agreement to factors that directly affect profitability, including improved morale & better teamwork.

The importance of these factors in attracting & retaining quality employees has allowed volunteer programs to survive & thrive thru restructuring & downsizing. Respondents agree that **in uncertain times, people have a greater need to do something good & meaningful.**

454 execs responded. In-depth interviews were conducted with 30 & on-site visits to a smaller number. Follow-up interviews with financial & exec officers and public & community relations dirs supplemented survey results. ("Corporate Volunteer Programs: Benefits to Business" -- report #1029, CB, 845 Third Ave, NYC 10022; 212/759-0900)

ANOTHER CB STUDY FINDS PRACTITIONERS' STAR RISING, BUT...

Communications executives' [sic] clout is growing, according to a study of 150 major organizations. 80% "are working to align their own plans with the company's overall strategic goals"; half expect to "globalize their strategy by the mid-90s." Points from the research: