

## ITEMS OF IMPORTANCE FOR PRACTITIONERS

20 QUESTIONS FOR EVALUATING PRACTITIONERS' WORK ON ISSUES include: • Do you understand the organization's position on the top 3 issues of importance? • Have you reviewed your management structure to maximize synergy in research & communication? • Do training programs exist to familiarize stakeholders with company issues & the policy process? • What process exists to ensure stakeholder insights on your key issues? • What controls exist to ensure the inclusion of this information in decisionmaking? • Is there a process to ensure adherence to corporate policies, with follow through actions reflected in compensation & work records? (Copy from Issue Action Publications 703/777-8450; or from prr)

IPRA GOLD PAPER ON EVALUATION will be launched at IPRA conference in Perth, Australia, Nov 16-18. "Our aim is to cover practical ways of setting up public relations activities to incorporate evaluation techniques & to help practitioners understand some of the methods available to them," explains IPRA past pres Jim Pritchitt who is coordinating work on the paper. "The committee would still welcome any contribution from practitioners on aspects of evaluation, including measuring success, setting benchmarks & practices that work. (Contact Pritchitt, 15 The Outpost, Northbridge 2063, NSW Australia; +612/948-7304; fax +612/948-7397)

BOOKS HAVE BECOME A STANDARD TACTIC in issue & political campaigns -- and are being used in pr programs. Small wonder when you consider this surprising data: movie box office revenues are predicted to reach \$5.9 billion by '98; book sales will be \$32 billion that year! Flicks get the hype, but books draw by far the larger numbers. Info is from a study by investment bankers Veronis, Suhler. Contrast: newspapers will pull in only \$60.2 billion in subscriptions & ad revenue combined -- only twice as much as books, advertising included. **Cautions:** 1) If you do a book, remember the Petroleum Broadcasting Network rule. Invest as much time & effort in promoting the book as in producing it. 2) It can't matter whether anyone reads the book. Its existence, the title, and the quotation + publicity you arrange are what matter. **Benefit:** Books are one of the most targeted media of all.

## WHO'S WHO IN PUBLIC RELATIONS

**ELECTED.** Women Execs in PR officers for '94-'95: pres, Linda Taber (Linda Taber & Co); pres-elect, Marilyn Castaldi (sr vp, Fleishman-Hillard); vp, Claire Coleman (comms dir, CHF Industries); sec'y, Marge Warder (Warder Communications); treas, Valerie Di Maria (exec vp, GCI Group).

Rising Star Award from Texas PR Ass'n for leadership in TPRA & outstanding contributions to the profession.

Katherine Heaviside (pres, Epoch 5 Marketing, Huntington, NY) named the '94 Women In Business Advocate by US Small Business Administration.

**HONORS.** Lee Vela (dpa, Patrick Media Group, Houston) receives the

## UTILITIES' SITUATION HARBINGER OF NEW ENVIRONMENT FOR ALL

The combination of (1) competitive economic policy ("let the market decide"), (2) wise use of scarce resources, (3) public demand to participate in decisions (since they ultimately pay anyway) has given utilities a daunting challenge. They're the testbed -- but organizations of all types will likely feel the impact. And there will be fallout, in addition, since utilities serve every community & everyone in them. An in-depth look at a societal trend.

Utilities are facing fundamental change -- from monopoly to competition. On April 20, Calif Public Utilities Commission proposed to restructure the state's entire electric supply industry, opening the market to competition & what it calls "direct access" -- where consumers can choose their supplier. CPUC proposes industrial customers get direct access by '96; residential customers by 2002. While only Calif has come forward with a proposal, the issue is alive nationwide: "I don't think anyone thinks there won't be more competition," **Charles Kelly, vp of comms & pr, Entergy (New Orleans)**, told prr.

**Deregulation.** Much like AT&T & the airline industry -- though not as uniform since utilities are regulated at the state level & regs differ. "We consider it inevitable so we're going to work with it. There's really no compelling argument to deny customers a choice," **Tony Ledwell of Pacific Gas & Electric (SF)** told prr.

**FORERUNNER** Least Cost Planning, begun 18 yrs ago, evolved into Integrated Resource Planning (IRP). Originated from the many problems of nuclear plant construction & cost overruns. "There were moves afoot to get more advance approval into the process of planning & more involvement of regulators & other stakeholders on the front end. IRPs started as a result of people saying we shouldn't let this overbuilding happen again," **Wally Nixon, dir of regulatory policy, Entergy (Little Rock)** told prr.

**Complicated Concept.** "IRP means you look at your growth & demand, your supplies, figure out programs on the demand (customer) side & supply side, integrate those programs to come up with a least cost portfolio of resources to meet customer needs." Entergy has put together an IRP in New Orleans. City Council adopted an ordinance in '91, established a collaborative community group that "worked with us over a period of a year or more as we put our plan together."



**Complicated Process.** Nixon feels process is time consuming, costly, "difficult to resolve issues through consensus" & many participants want to "micromanage." While he feels collaboratives offer an opportunity for improving relations, in New Orleans it wasn't always a smooth road. But new programs will be rolling out there this fall.

**CHANGING ENVIRONMENT**

In recent weeks, Entergy has made proposals to change its IRP process in its other locations "because of the increase in competition in the industry. It's making us more conscious of what our rates are." Conservation & efficiency programs involved in IRP often bring higher rates. These programs ask utilities to "unsell our own product -- to go out & conserve energy in customers' homes & businesses." Result is selling less to those customers, sending rates up since fixed production & distribution costs are spread across fewer KWHs.

**More Change?** Some, especially environmental advocates, fear restructuring will do away with IRPs. "Barely 2 yrs after the National Energy Policy Act declared IRP to be the benchmark for progressive utility regulation, & before some states have even begun to carry out this mandate, California seems to be considering dismantling the most elaborate resource planning process in the country," notes Calif Energy Commission attorney John Chandley. "No one should shed a tear. To remain relevant, we in government have to change ourselves to adapt to the new perceptions of reality."

"The IRP process is being turned upside down by the competitive marketplace issue," says **Anna West, Kearns & West (SF)**. Her firm did an IRP for Portland General Electric. "Competition is forcing a very exposed look at the economics of power generation."

**PUBLIC RELATIONS ISSUES**

1. "It's a **complicated issue for a communicator** because most people don't think about utilities until they're not there," **Elizabeth Pecsai, San Diego Gas & Electric**, told prr.
2. "**Employees are our priority public.** We're helping them understand what's going on, why this change is happening, how it will affect them, how we'll do our jobs differently, why we're reducing costs so sharply," **Nick Ashooh, Niagara Mohawk Power (Syracuse)**, told prr. Issued a report to employees 1 yr ago, CIRCA 2000, spelling out "what we see ahead."

Last week, on the anniversary, gave employees an update saying competition is coming much faster than expected, need to respond more quickly. "We're just completing a round of special employee meetings where company officers have gone to all work locations to lay out the problem, take questions & lead a discussion on what's going on. It's a fundamental change (for workers) & that's where we're focusing."

Internal comm has changed at Entergy. "3 or 4 yrs ago our internal pub'ns covered who had the latest baby & who had 25 yrs of service. Now it's 80% hard news about what's happening in our industry, how to be a better company, why we're doing the things we're doing."

3. "**The big question is where is this going to leave all the social & environmental programs that are funded by utilities?**" asks Ledwell. Utilities are highly active in support of education. "We're a mini-education dep't for the states we're in," says Kelly. "We spend a lot of money & put a lot of people into helping education. Do you do that if you're competitive? It will raise costs. Yes, there are things you do as a good corporate citizen. But do you do it at the level we're doing it now?" Alternate energy development may also slow down: "A utility might be willing to experiment with solar because it could be covered in the cost of operations. But if you go to competitive & it's not covered, you don't do it -- just like any other business."

4. PR is "going to have to be able to **prove that the things we do provide value to the customer & have an impact on profitability.** We didn't always have to do that," notes Kelly. Previous obligations were in the regulatory area. Now pr at Entergy is shifting people & resources to support customer service & marketing. "We need to hone our marketing skills considerably from what they've been in the past."

**"Making sure employees understand all this is crucial.** Making sure customers understand is important, but bottomline is they're going to go where their interests are best served. We want that to be us." -- Nick Ashooh

"We're endeavoring to demonstrate to customers our added value, that we offer more than just the gas or electricity they buy from us," explains Ashooh. "We're working with the rest of the company to see that efficiency improvements are communicated to customers so they understand we're upgrading our customer service operations. Price is going to be extremely important, but it's not just a matter of price, it has to be better service as well. We're changing communication to focus more on service & overall value."

5. "**You can translate competition to mean fewer people.** We're down 20% in this dep't over the last couple years," says Kelly, "& I expect the trend to continue." Niagara Mohawk is reducing its numbers by 1500 in 2 yrs -- mostly through attrition with some layoffs. Just announced a voluntary employee reduction plan hoping to reduce by another 1500. "If that doesn't work, we may have layoffs but we're trying to avoid that. What's telling about our getting through to employees is our union representatives are working very closely with mgmt on these programs, along with proposed work changes to improve efficiency," explains Ashooh.

How fast will change come? "There are so many questions out there to answer. I hope we can do this in an orderly way. We don't want to helter skelter change it to the point that we face some of the bad things from the telephone breakup. Utilities aren't fighting competition, but we will be aggressive to make sure it's orderly & our customers & shareholders are protected during this transition period," states Kelly.

**IS THERE ANY ORGANIZATION WHERE SOME OF THESE CONDITIONS DON'T APPLY?**