

is a bellwether for firms in other states to watch. (More from the firm, 3 Greentree Centre, Marlton, NJ 08053; 609/988-6560; fax 609/988-6564)

A Triggering Event that Motivated Instant Behavior occurred at Antioch College. At its annual alumnae/i reunion (a staged triggering event), a retired civil engineer designed an irrigation system for the college's on-campus hotel & meeting place, assembled the materials & got other attenders to install it -- all over one weekend. "The new system was in place & operable in about two hours, an example of expertise, ingenuity & in-kind service at work for the benefit of the college," Antioch reported.

V-Mail Is Becoming an Anti-Communication Device. More & more people never answer a ringing phone -- as a means of screening calls. Sort of a no-cost, and more effective, version of Caller ID service that displays the number of the caller. Notice how sometimes your party answers in the middle of the voice mail message you're leaving? It's bad enough having to listen to "push 1, push 2, etc." Suspicion is rising when you get v-mail that your party really is sitting right there listening -- and that's more erosion of trust in communication.

The First Public for New CEOs to Get to Is Not the Media. Employees, customers & similar key stakeholders come first, as Stephen Wolf's entree to USAir's top job demonstrates once again. The ex-United CEO spent his first days on the job meeting with employees & declined media interviews. PR staff put out the news of his selection, and what beside pie-in-the-sky statements -- the kind that haunt you later -- can a person new to a position offer anyway? Keep media away until substantive comment is possible, usually about 6 months -- no matter how they harangue & plead & threaten. Tell reporters this is why you're doing so, of course. Experience shows many will see the wisdom, and be more interested in interviews later as a result.

Overcome a Boycott with a Buycott. One counterproductive effect of boycotts -- which few targets or (more importantly) boycotters seem to know about, but which the literature makes clear -- is that the target's sales go up. All that attention stimulates awareness or re-awareness or just curiosity. If you're boycotted, one strategy is to capitalize on this by organizing a buycott -- urging your supporters purposely, overtly & very publicly to buy your products in protest of the boycott. A few may do this spontaneously, but like most things these days it takes an organized, systematized campaign for real impact.

WHO'S WHO IN PUBLIC RELATIONS

RETIREES. Judith Bogart as head of pr & achievements in pr mgmt, comty rels at Sive/Young & Rubicam (Cincinnati). & PRSA service. The former PRSA pres. will do part-time consulting.

Lowell Ludford (regional pa mgr, 3M, St. Paul) receives PRSA/Minnesota's first Classic Award for volunteering his time & talents to make the comty better thru comms.

HONORS. Jim Strenski (chrm, Public Communications Inc, Tampa) receives 1995 PRSA/Tampa Bay Chapter Lifetime Achievement Award honoring his career

REPUTATION MANAGEMENT NOT PR, BUT SOUND PR KEY TO IT

"Building a good reputation starts in the boardroom, not with a news release," writes Davis Young in his soon-to-be-released (March 1) book, Building Your Company's Good Name. Reputation management needs public relations input (lots of it) along the way. The public relations person provides input to reputation policy and carries out that policy. That person should be on every senior management team. It is the responsibility of that team -- particularly the CEO -- to set parameters for that policy.

"Public relations is not reputation management. Rather, it is an outgrowth of reputation policy. Think of public relations as a mirror on the wall in your home; it reflects what you are. Think of reputation management as the foundation of your house; if it is unsound, your house will tumble to the ground, mirror and all."

OVERRIDING GOAL OF REPUTATION IS TO STRENGTHEN TRUST

Example: To increase sales, XYZ Chemical must enhance perceptions of trustworthiness. But its product

contains controversial compounds that are a priority target for environmentalists. The company agrees these compounds in their worst forms & poorly handled are hazardous, but disputes they are bad in all forms. The controversy around these compounds creates reputation-threatening issues for manufacturers & customers. People must understand why XYZ Chemical is acceptable. Without it, XYZ is guilty until proved innocent. Before communicating proactively, the company must measure at least 35 out of a potential 40 points in the following chart.

REPUTATION RADAR SCREEN FOR JUDGING WHERE YOU ARE

Table with 8 rows of criteria and 5 columns of ratings (1-5) under a Low-High scale.



Poke hard at these 8 issues, Young advises. Otherwise you are courting a public relations disaster, particularly with an environmentally (or otherwise) sensitive product issue.

IMPORTANT ADDITIONAL FACT FINDING YOUNG RECOMMENDS:

- | | |
|---|--|
| a) analysis of scientific data | d) ask your trade ass'n to help you review status of pending legislation |
| b) focus groups | |
| c) secondary research on what competitors are doing to tell their story on similar issues | e) face-to-face listening with stakeholders, particularly critics |

(\$22.95, 200 pgs, hardcover; available thru bookstores using order code ISBN-0-8144-0308-5)

ANNUAL MEETINGS: CAN THEY IMPACT SHARE PRICE ?

Financial analysts ranked "management's ability to communicate its vision" at an annual meeting has a greater impact on share price (44%) than a major corporate announcement (38%) or a discussion of earnings trends (36%), reveals a survey by National Public Relations (Toronto). "Meeting Expectations: How Canadian Business Views the Annual Meeting" compares & contrasts the views of 100 CEOs & sr mgrs, 50 fin'l analysts & 20 biz journalists across Canada [but applicable to any annual meeting]. Findings:

- A company's ability to *share its vision & its future outlook* contributes most to a successful annual meeting, say 50% of analysts & 47% of media.
- But sr mgmt is focused on *tactics & approval of resolutions*. A well-organized, smoothly run meeting is its priority & success measure (48%).
- All respondent groups acknowledge the *value of a vigorous Q&A period*, but 30% of analysts & 37% of media cite an *inability to answer questions* as the most frequent "mistake" companies make.
- What areas need the most improvement? Analysts & media cite *more effective presentations, greater shareholder involvement & shorter, more focussed meetings*.
- 75% of execs say shareholder activism is a concern. 33% cite unplanned incidents or protests as their *worst nightmare*. 47% of media & 40% of analysts believe *shareholder activism & the potential for disruption of annual meetings is increasing*. But, only 35% of respondent companies have a *contingency plan* to deal with shareholder activism.
- 77% of sr mgrs invite media to attend annual meetings. But only 15% see media coverage as a measure of success of their annual meetings. Not surprisingly, 42% of media say sr mgmt is reluctant to talk to them; only 32% describe mgmt as "very" accessible. 51% of media judge CEOs able to handle Q&A well; 46% rate CEOs as "good speakers."

(More from David Weiner, 416/586-0180; fax 416/586-9916)

"REALITY IS IN THE EYE OF THE BEHOLDER": ALAN HIRSCH RE *TIMES*

Responding to NYTimes Mag's piece on Bernays (pr 1/22) that sees pr as nefarious, Alan Hirsch, pres of G+A Communications (NYC) writes that the author's

"understanding of history is weak. He wants to believe 'there is some reality within the haze in which we are enveloped.' I ask what's the problem? Where's the haze? All events are staged & always have been. You can start with birthdays, graduation day, weddings, funerals, Thanksgiving Day, the Olympic games, the Academy Awards, Armistice Day...you get the idea."

Hirsch further illustrates: When Charles Lindbergh landed safely in Paris in 1927, no reporters were able to reach him. "Despite the fact that reporters had not met with or spoken a single word to Lindbergh, they proceeded to file stories that detailed the flier's every word & act. Young reporter William Shirer -- who would go on to write *Berlin Diary & The Rise and Fall of the Third Reich* -- was amazed to discover the liberties reporters sometimes took in their stories. He later wrote in his memoirs, 'It was surprising, too, at least to a cub like me, that the foreign correspondents had put so much trust in their imagination.'" (Air & Space, April/May 1990).

IN HEALTHCARE, EXACTLY WHO IS THE CUSTOMER TO BE SATISFIED ?

- A. It appears to be **3rd party payers** -- insurance co's, HMOs, Blue Cross.
- B. But most are covered by insurance at their jobs, so is it **employers?** They decide which one or group of insurers to offer their workers.
- C. Yet many **employees** pay some portion of the cost; a few people have their own **individual** coverage, or no insurance (self-pay); and employees can often choose among several plans offered thru their employer. Are these actual **patients** then the customer, or still just the client?

While the often stern, seemingly self-serving policies of HMOs -- most of which are for-profit stock companies -- presently seem to mandate choices, in fact there are a multiplicity of "customers." Service providers must satisfy, or delight, them all. Want a challenge? Work in healthcare pr.

ITEMS OF IMPORTANCE TO PRACTITIONERS

¶ **Recent Battle Over Sales Tax On PR Services**, directed at Anne Klein & Associates (Marlton, NJ) by the NJ Div. of Taxation, has ended in a victory for the **firm** -- but the battle is not over for other NJ firms. "This decision applies only to Anne Klein & Associates, and only for the audit period in question. The NJ Division of Taxation has NOT conceded anything regarding the differences between advertising & public relations. Further action is still needed to prevent the Division from attempting to impose the adv'g sales tax on other pr firms, & on freelance writers, management consultants & others whose heretofore nontaxable professional services the Division could conceivably characterize as 'advertising services,'" states a news release from Klein. Further work on this issue is planned. This