

## DOING WHAT'S RIGHT PAYS OFF ON BOTTOM LINE DESPITE GRIPES

"Everything we do for the right reason ends up making us more money. That's the message I've got to get across to corporate America," explains Yvon Chouinard, founder of Patagonia, in an article about him in the premier issue (April) of Icon Thoughtstyle Magazine.

He uses his company as an instrument of change in the world, tithing 10% of pretax profits, or 1% of sales (whichever is greater), to offbeat environmental groups on the theory that local activists work most effectively. Last year the company gave \$1.1 million to more than 200 groups.

Many angry customers have responded, according to the article -- removing their names from its mailing list, returning previously purchased clothing. Each receives a personal letter asking them to put aside singular objections & consider the worthiness of other recipients on its list -- which it publishes.

Sometimes employees also object to recipients but Chouinard won't withhold donations to accommodate an employee: "I tell them that if they object, they can go work somewhere else. But I remind them that their new boss probably wouldn't give any money to anyone."

New mag's mission is to explore & study extreme accomplishment, including both extraordinary successes & profound failures. Primary audience: "young, ambitious men who think & dream about their own futures." (595 Broadway, 4th floor, NYC)

"The most employable people in our society are women who have raised a family. They're a gold mine, but most companies won't hire them because they've never had a career." More than half Chouinard's payroll is female. To keep new moms working, Patagonia has lactation consultants, a nursing room & an on-site nursery partitioned from the cafeteria by a plate glass window.

## ITEM OF IMPORTANCE TO PRACTITIONERS:

Nat'l Directory of Corporate Public Affairs 1997: a) Lists corporate professionals in public & comty affairs, gov't rels & lobbying, pr/com'ns, policy planning & regs. b) Provides contact info on over 1,900 major US corp'ns. c) Includes descriptions of their foundations & charitable trusts, PACs, pub'ns & related personnel. d) Identifies major recipients of philanthropy & PAC funding. e) Provides national listing of corporate state & federal lobbyists. f) Added this year are e-mail addresses & fax numbers. (\$95 from Columbia Books, 1212 New York av N.W., Wash, DC 20005; fax 202/898-0775)

## WHO'S WHO IN PUBLIC RELATIONS

PEOPLE. Douglas Pinkham becomes pres, Public Affairs Council (DC)

April 1, Peter Kenderdell promoted to vp.

## BEST - PRACTICES STUDY PINPOINTS EFFECTIVE COM'NS APPROACHES

Public Affairs Group (DC) & pr consultant Tom Moore developed the research for a group of sponsors who are benchmarking their com'ns plans & processes against each other. Areas studied include: community rels; crisis com'ns; employee com'ns; investor rels; issues mgmt; media rels; public affairs. Some findings:

### FACE-TO-FACE COMMUNICATION IS USED FOR:

- **Training; helping managers to communicate** (SmithKline just starting; Whirlpool, Texas Instruments -- "The biggest development for us has been a brand new publication, Leader's Digest. It's a Web-based pub'n specifically targeted to a certain level of manager, but anybody can get access to it.")
- **Building a favorable communications climate** (Federal Express)
- **Mandated amount of time** (40 minutes/per employee/per month) for supervisors to spend communicating face-to-face, about company priorities (Federal Express)
- **Making employee communication personal & fun** (Thrifty Rent-A-Car)
- **A disappointing experience:** "Like everyone else, we tried a variety of officer-manager, face-to-face meetings. These go on as time permits, but they haven't worked that well. For some reason, not a lot of information sinks through." (Pioneer Hi-Bred International)

### EFFECTIVE USE OF ELECTRONIC COMMUNICATION:

- **Little or no paper-based communication** (Lotus Development Corp, Pioneer Hi-Bred International); much decreased use (Xerox)
- **Creation & linkage of databases** to facilitate internal communication, cooperation (Lotus Development Corp, Xerox, Whirlpool)
- **Heavy reliance on Intranet** (USAA, Pioneer Hi-Bred Int'l, Xerox)
- **Daily pub'ns** (or nearly daily) with headlines/briefs covering company's business (SmithKline -- print; Pioneer Hi-Bred Int'l & Xerox -- Intranets)
- **Using e-mail for feedback** (USAA, Xerox)



**EFFECTIVE PRACTICES IN INVESTOR RELATIONS:**

- **Understanding analysts' process** for evaluating company stock, providing them info in terms of "the inputs to their equation" to encourage them to change stock valuation to what company & IR officer believe it should be (PepsiCo)
- **Regular presentations to key internal managers** at the company who are stockholders (Philip Morris)
- **Bringing company directors along** for key meetings with large shareholders (Chrysler)

(More from Public Affairs Group, 202/463-3766; or Tom Moore, 301/279-9455)

Benchmarking shows the state of communications today -- what's working (or not) for whom. These findings are not a yardstick by which to measure your own organization's processes, nor are they a blueprint to follow. They do offer another perspective & helpful insights as you evolve your own organization's processes & goals.

**SECOND STUDY: "CORPORATE COMMUNICATIONS BENCHMARK - 1997"**

Indepth look at current state of the art & practice of strategic corporate communications was sponsored by Edelman PR Worldwide, Opinion Research Corp & the Integrated Mktg Com'ns Dep't at Northwestern U. 16-pg questionnaires were sent to sr communicators at 700 public companies. Overall findings:

- **No formal plans.** 97% indicate their programs place high emphasis on alignment with business goals. Yet less than 60% have a written plan.
- **Questionable goals.** 95% ranked financial performance as the most important issue corporate communicators are looking to address in the next 2-3 yrs. Followed closely by Intranet (94%) & Internet usage (91%).  
*"Although respondents report Intranet & Internet technology is becoming more important, the common trend is to use this technology to deliver communication 'to' various audiences rather than as a 2-way means of communication," notes James Fink of ORC. Only 50% indicated they would use electronic com'ns to solicit feedback from various stakeholder groups. Also, despite reports that measurement of com'ns effectiveness is considered "important" or "very important" by 70%, only 31% plan to use Intranet & Internet technology as part of their measurement efforts.*
- **Reporting line better.** Over half report directly to the CEO/pres/chrm.
- **Strategy, counseling key.** 93% participate in strategic counseling with the CEO -- a majority at least weekly (61%); 1 in 7 on a daily basis.
- **Coca-Cola was the company most admired** for its corporate communications activities. Tied for 2nd are General Electric & IBM, 3rd was Microsoft.

Study will be released in 4 reports: 1) Current Practices & Issues; 2) Structure, Function & Operations; 3) Planning, Goals & Measurement; 4) Functional Areas & Audiences. Part 1 is due out early April; remaining parts will be released individually, 3-weeks apart.

(More from Marianne Swallie at Edelman, 312/240-2685)

**CASE: PARTNERSHIP OF LIBRARIES & HEALTHCARE PROVIDERS**

Called Born To Read (BTR), program 1) reaches out to new & expectant "at-risk" parents, 2) helps them raise children who will grow to enjoy reading by encouraging reading aloud to their children, 3) breaks the intergenerational cycle of illiteracy. 3-yr national demonstration project is administered by Ass'n for Library Service to Children (ALSC, div of American Library Ass'n) & funded by Prudential Foundation.

**PROGRAMS AT DEMONSTRATION SITES**

Five libraries were selected based on innovation & creativity of their program proposal, evidence of need, enthusiasm & commitment to project goals. Each got \$30,000. First programs started March '95. Examples:

- **Targeting a multi-lingual population,** Sutter County Library involves 4 healthcare agencies & 11 community org'ns including the local Migrant Head Start Program. Activities include a major public awareness campaign, parenting programs, infant & parent storytimes & BTR graduation celebrations at community sites. Sunsweet Growers is a sponsor.
- **Going on site,** Leslie Perry Memorial Library trains literacy volunteers, conducts storytimes & hosts programs for parents of newborns. Collection of picture books is placed at Granville-Vance District Health Dep't and parenting classes & storytimes are held at 3 local housing projects & at the Health Dep't on Prenatal & Well-Child Clinic days.

"Although no additional site money is available at this time, one of the overall goals is to have other libraries across the country secure local funding & implement BTR programs in their communities," explains Linda Bostrom of the BTR staff. "A few state libraries have begun the process of making BTR a statewide program available to all their sites."

ALSC has produced a **training manual** (budget worksheets, step-by-step program planning, media/promo activities, curriculum outlines, tips on raising local funding) & companion **video** that 1) shows local ass'ns, civic leaders & potential fundraisers the important role the library plays in producing a healthy, literate community, & 2) trains staff, giving them ideas & proven techniques (tips from other successful BTR programs).

Hillary Clinton is Honorary Chair of the BTR advisory committee. "We are also working with the White House in conjunction with President Clinton's literacy initiative." (More from ALSC, 50 E. Huron st, Chicago 60611; 312/280-2166; fax 312/280-3257)