

was behind his desire to study literature at Princeton. "Literature deals with relationships, people-to-people & people-to-society. That has much more significance than numerical formulas. It never occurred to me to concentrate on finance" in college.

An exit interview with John Whitehead, retiring CEO of investment bankers, Goldman, Sachs & Co, elicited this comment:

- Q. You plan to spend time studying corporate responsibility. Do you feel the task is particularly urgent?
- A. Unless the private sector in the next few years pays attention to solving some of the country's social problems, we'll be in for another huge round of fruitless gov't expenditures. The American people will not stand for these problems going unsolved. I am convinced the gov't cannot solve them because it doesn't have the management talent or the organizational structure. Private-sector companies must pick up responsibility -- not out of the goodness of their hearts, but in order to make a profit.

Another indicator of how social programs are in the best interest of corporate sponsors: 49.4% of people identified in external crimes against financial institutions in '83 were drug users, up from 44.3% in '82. Over 18% were repeat offenders. There's a bottom line impact for banks to take the lead in working for stricter law enforcement against pushers & the organized crime drug network, as well as rehab programs for addicts.

ITEMS OF INTEREST TO PROFESSIONALS

¶Plain English is essential in building relationships. It's hard enough to get past that barrier of cold, impersonal technology and warm up to a computer. Even harder when an association's news release touting computer graphics writes in computerese: "Graphics software tools are programmer-callable subroutines that allow a user flexibility in developing applications on a variety of output devices such as raster displays or pen plotters." Another reason to avoid this kind of language is to keep from looking foolish.

¶Developing a crisis communications plan should be a corporate priority, parallel to other strategic planning, advises Western Union's brochure, "When Every Second Counts." Guidelines are based on a survey of America's largest corporations -- with or without such plans. Brochure tells a) what to do, b) who needs to know, c) ways to reach them, d) how to tell them, e) when to tell them, f) dos, g) don'ts, and offers suggestions for initiating a plan if you haven't yet developed one. (Copies from WU Electronic Mail, 1651 Old Meadow Rd, Dep't 13, McLean, Va. 22102; 800/336-3797, in Va. call 703/448-8877 ext. 13)

¶World's oldest public relations firm begins 81st year. Founded by Ivy Lee, T.J. Ross and Associates (NYC) marked its anniversary quietly with a toast among officers, staff & some friends. Gordon Sears, firms 4th CEO, is a former client who joined Ross in 1964. Other officers are David Frank, pres, a former Wall Street Journal writer, with Ross since '55; Theodor Shumeyko, sr vp, who merged his firm into T.J. Ross 3 yrs ago; Bernard Landou, vp, a former pr mgr at the NY Stock Exchange, with Ross since '80. Jack O'Dwyer criticizes the firm for not publishing client lists & financial data...but there are those who believe it is exactly this behavior that marks true professionals, not bragging about size & profits. How many law firms' balance sheets or client lists have you seen lately?

pr reporter

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IN CORPORATE TAKEOVERS, AS EVERYWHERE, THIRD PARTY SUPPORT IS THE KEY; PHILLIPS OIL'S REBUFF OF RAIDER PROVES CONCEPT OF "LATENT READINESS"

A decade of building public relationships came to Phillips' aid when attacked by corporate raider T. Boone Pickens. What ensued proves the value of positive latent readiness -- that reservoir of relationships & loyalty built up over time, and their influence even on those not personally familiar with the organization. "We've built a base of people who care about us. You don't do that overnight. If you think a hired gun can come in to protect your organization from a takeover and you haven't established an identity before then, you'll have problems," dpr Bill Adams told pr.

Phillips' "strong suit" is constituency building programs. "Where ever we go on assignments, we stop and meet the media people -- whether they're at a daily or weekly paper. Later they may work at The Wall Street Journal or NYTimes. It doesn't take long to get to know them all."

Its corporate advertising program is another relationship builder. Theme -- "The Performance Company" (pr 6/4/84) -- is based on what Phillips "has done for you today. Not what we're going to do for you tomorrow or what we did yesterday. People know us by that out here. We talk about concepts, things that make life better." And the company actively supports programs to make the quality of life better for its neighbors. So when a takeover attempt was launched by Pickens -- which under SEC regs greatly curtails communication activities -- "our friends helped us."

What touched it off was a Dec.12 rally -- initiated because of strong, positive support from the community -- which drew 5,000 people to hear speakers extolling Phillips' virtues. Town fathers made sure the media was alerted. It was a "tremendous event that exploded the issue all across the country" -- picked up by AP, network tv, McNeil/Leherer Report, CNN and others. "206 press people worked on the story for the next 3 weeks. We couldn't initiate calls to update them. But if they called asking for info, we helped them within legal limits. Or suggested outside people who could give them the info. We had people from energy action type consumer advocates to the Daniel Yergin types at Harvard expressing concern for us. Gov. White of Texas came out in our favor even tho Pickens is from Amarillo."

"Win, lose or draw, observers from Bartlesville to Wall Street were giving Bartlesvillians at least part of the credit for fending off Picken's hostile takeover. Even tho it may not have had any legal effect, it certainly was an unprecedented show of support from a community for an employer," Mayor Archie Robins said. "It (the town's opposition) was organized and almost exclusively put over by non-Phillips people." Observers as far away as Wall Street said the Boone Busters were at least part of the reason for the quick settlement." -- Dallas Morning News



Spontaneous support also came from people in the arts & humanities -- who Phillips has helped sponsor over the years -- writing articles in their newsletters & letters to congressmen; school children writing thousands of postcards to the President; teachers; Chinese community; sports community where Phillips sponsors US swimming & diving teams. "All sorts of constituencies came together on our side." While Pickens gave interviews to national media, Phillips made extensive use of this 3rd party contact program -- its underground network of friends.

Legal dep't determined what day-to-day messages could go on company bulletin boards to keep employees informed. "We couldn't put out anything ourselves. Only articles written in what they called the 'unbiased press' -- Dow Jones ticker, Wall Street Journal, NYTimes & Washington Post."

Since Dec.24 settlement, message about a wage freeze has been put on employee bulletin boards. But Phillips is still restricted about going into detail. "We're hamstrung. We have a rumor center but we can't do anything about them. It's a case of having your public relations abilities bound & gagged and only able to use a tip or two of your fingers. Imagine what we could do if we were untied."

The outcome was that the company bought back Pickens' stock and to do so will have to restructure financially. Some may argue with this decision. Also, Phillips may have gotten some support from people fed up with takeovers & greenmail. But the evidence is clear that the public had a latent readiness to favor the company -- based on its solid & ongoing public relations programs.

"It's a fact! A local sporting goods store sold 50 Boone-Buster T-T-shirts to an individual representing Mesa Petroleum for their annual Christmas party." -- News Report

"Nobody recorded how Mr. Pickens reacted when he stepped on an elevator in NY last Monday afternoon and ran right into a man wearing a Boone-Buster T-shirt. Evidently a Phillips supporter wore one on his way to an appointment with a NY banker." -- News Report

Traditionally, the big corporation is the bad guy; and the little company wears the white hat. Not so this time. "We had an individual with a small, 700-person company make a run on one of the largest corporations in the world. Yet this individual was portrayed as the villain. Normally that would never happen. Instead, the large company would deserve to be broken and the little guy would be a white hat riding out of the sunset from Amarillo." -- Bill Adams

BUDGET DATA: CHARGES BY PR FIRMS UP 17% FOR OFFICERS, 29% FOR JUNIORS OVER 1981...BUT PAY STILL SEEN TOO LOW

Average hourly rates now charged by US & Canadian public relations firms billing straight time range from \$91 for officers (up from \$78 in '81) to \$45

for junior professionals (up from \$35 in '81). Average rates for firms charging fee + time are about the same today as for those billing straight time.

Data is from a survey by PRSA's Counselors Academy. Average charges for billable support services are \$17 for clerk-typists, \$25 for word processor operators, \$24 for bookkeepers, \$47 for production supervisors, \$30 for interns/staff assistants, \$16 for mailroom supervisors.

Highest single rate reported was for a principal of a West Coast firm, \$350/hr. Next highest hourly rates: an NYC principal at \$275; a Midwest principal at \$250; and the Northeast, South & Mountain States checking in at \$200.

Region	Level	Straight Time Avg Hrly Rate	Average Salary
Northeast	Officers	\$106	\$54,023
	Jr Professionals	45	18,150
NYC	Officers	128	59,000
	Jr Professionals	57	21,156
South	Officers	87	43,368
	Jr Professionals	31	15,819
Midwest	Officers	86	51,289
	Jr Professionals	40	17,923
Mountain States	Officers	81	44,938
	Jr Professionals	44	17,348
Pacific	Officers	98	52,773
	Jr Professionals	51	18,349
Canada	Officers	82	53,141
	Jr Professionals	59	22,125

Average salaries for principals (\$61,202) and officers (\$51,219) tabulate closely to prr's 1984 median salary for top level practitioners in counseling firms: \$50,000. 1984 Fees & Compensation survey was conducted by Counselors Academy's Firm Management Committee, chaired by Bernie Ury (Chi).

Because PR Firms Aren't Charging Enough Profession Suffers, Says Gerry Schwartz

Quality people aren't coming into public relations because the salaries being offered aren't enough to entice

the best & brightest. "Why should someone who's really good, bright & aggressive go into public relations for \$15,000/yr to start when they could get \$25-50,000 in data processing or by getting an MBA? Or into advertising where there are a lot of salaries at the \$50-75,000 range?" asks the pres of G.S. Schwartz & Co. (NYC).

He blames this on fee structures. "Fees haven't gone up much over the last 10 years and costs have. Biggest squeeze has been on salaries. When agencies (sic) like Hill & Knowlton take \$2-3,000/month accounts -- rather than their usual \$5-10-20,000/month accounts -- they destroy the value of public relations & the pricing structure. For them to bother with an account that small means the fee structure is kept lower. And it perpetuates itself. The dollars aren't there to attract better people to the profession."

IF YOU BELIEVE CRITICS CLAIMING "SOCIAL RESPONSIBILITY" IS PASSE & NUMBER-CRUNCHING IS ALL, READ THIS

Two instructive cases from a recent issue of Business Week include, first, a review of Hallmark card's gains under a new, non-family exec vp (& possibly next CEO)

Irvine Hockaday: "Chance," he is fond of saying, "favors the prepared mind." Hockaday's preparation involves a desire to understand people. "My philosophy for succeeding in business is that you have to develop relationships," he says. That