

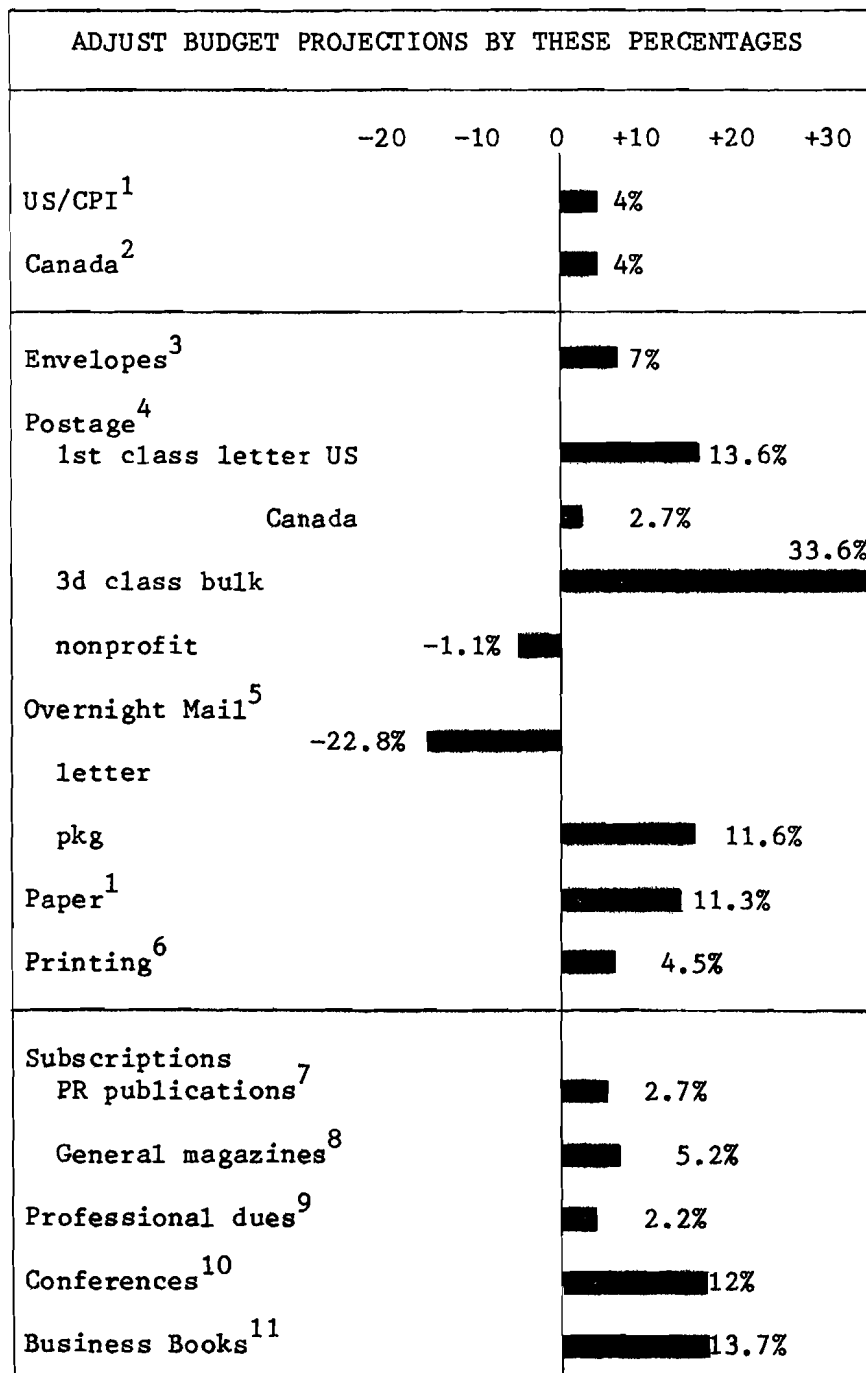
# pr reporter

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## ANNUAL BUDGETEER ISSUE: EVERYTHING IS ON THE UP & UP -- UNFORTUNATELY



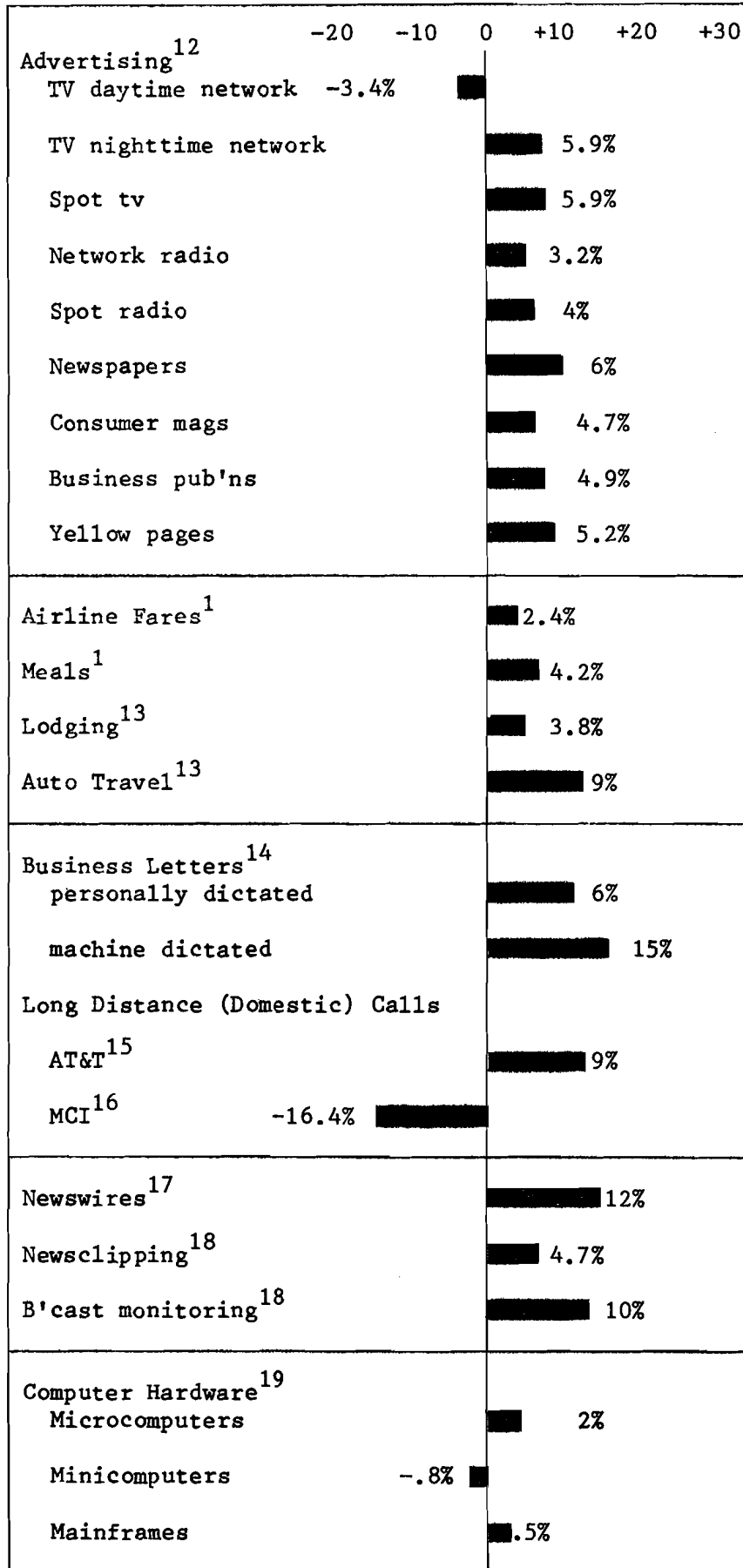
Prices are higher & inflation is up. Paper & postage are more expensive, affecting everything else. Computer hardware seems to be rebounding from last year's dip & long distance calling rates are up from '87.

Paper leads the inflation pack at an 11.3% increase over last year. "Paper is inflating faster than the general rate & there is a great deal of discussion about this," Andrew Clem (Bureau of Labor Statistics) told *pr*. "The industry is very close to operating at full capacity. Demands are high & supplies are tight." Other industries are forced to follow. Envelopes are up 7% while biz letters took a giant step forward. Biz books are more expensive averaging \$31.77. Printing costs are up 4.5%, & subscriptions prices are higher.

Postage USPO finally dealt the long anticipated punch -- 25 cents for a 1 oz letter -- a 13% hike from last year. Also up are 3d class rates. But nonprofit rates are down.



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Overnight Mail Perhaps to ease the blow of increased postage, US Express Mail has come down in price -- \$8.75 for an overnight letter -- \$2.00 less than last year. Seems to be the bargain, but remember that there is no pick up, & payment must be made up front. Second best bet offered by Purolator at \$13.75. Emery & Federal Express are \$14.00 -- tho all offer specials to good customers. For 2 lb packages, Express Mail is up to \$12.00 -- \$1.25 more than '87. The other couriers have kept the same prices.

Newswire Services are up, but are offering more. Betty Tai of PR Newswire attributes 12% hike to the addition of over 100 more circuits.

Advertising A funny year -- especially network tv. Elections, Olympics, writer's strike, Black Monday & cable crunch threw off predictions of how much networks could charge. Results are not too dramatic a difference since '87. Daytime network ad rates again lower while nighttime increased 5.9%, up from 3.2% in '87. Newspaper advertising again takes a leap of 6%, tho slightly less than last year's 6.5% jump.

Computer Hardware Tho it dipped in '87, this industry is raising prices again. Only minicomputers are down

(slightly). Micros & mainframes are up 1.9% & .5%, respectively.

Computer Software Impossible to gauge due to constant changes & modifications.

Photography "No real increase," according to Helen Canavan, American Society of Magazine Photographers. Most services -- for annual reports, brochures, in-house publications, film strips, slide shows, etc.-- fall in a range of \$801-\$1600 per day & have for years. "The rates photographers are applying now are similar to what they charged in 1984."

Travel & Accommodations are costing more. Meal prices have increased 4.2%. Air travel between US cities is up 2.4%. Cost per mile of auto travel is 28 cents up from 25.17 cents in '87. Hoteliers are raising rates, averaging \$80.00 for 4 adults -- \$3.00 more than last year. Business travelers know the \$200 room is becoming more common but so are \$50 rooms in some all-suite hotels.

Conferences are more expensive by an average of \$50.00 in adjustment to the higher costs of everything else.

Dues are up slightly, CPRS being the only one to raise rates -- \$243 to \$255. "We raise them every year about 5%," a CPRS source told pr.

SHUFFLE OFF TO BUFFALO

...for your next conference or convention. Study shows it & Roanoke, Va. tie for the title of cheapest cities for business travel. Over double in price is NYC, topping the list of most expensive & far outdistancing runners up Boston & D.C.

Average Daily Costs (biz district hotel room, 3 meals & rental car)<sup>20</sup>

<u>The Heavy Seven</u>		<u>The Seven Cheapest</u>	
NYC	\$276.24	Buffalo	
Boston	\$239.60	Roanoke, Va	\$108.20
D.C.	\$231.37	Spokane, Wa	\$121.82
Newark	\$215.56	Rochester, Minn	\$122.24
Chicago	\$214.75	Springfield, Minn	\$123.24
Phila	\$214.45	Corpus Christi	\$127.83
Stamford, Ct	\$198.19	Atlanta, Ga	\$128.49

Average: \$158.08

SOURCES: 1) Bureau of Labor Statistics, 2) Statistics Canada, 3) Massachusetts Envelope Company, 4) US Postal Service, 5) Federal Express, Purolator Courier, Emery, 6) Graphic Arts Monthly, 7) Average price changes in 6 publications, 8) Magazine Publisher's Ass'n, 9) Average of CPRS, IABC, PRSA dues, 10) Average of CPRS, IABC, PRSA nat'l conference fees, 11) Publisher's Weekly, 12) Marketing & Media Decisions, Aug '88, 13) AAA, 14) Dartnell, 15) AT&T, 16) MCI, 17) PR Newswire, 18) Burrelle Press Clipping Bureau, 19) Computer & Business Equipment Manufacturers Ass'n, 20) Corporate Travel Magazine

EMPLOYEE LOYALTY IS IMPORTANT  
NO MATTER WHAT JACK WELCH SAYS,  
BECAUSE IT REACHES BEYOND THE WORKPLACE

When highly visible CEOs like GE's Welch denigrate loyalty, how should professions more in tune with human relations respond? "Loyalty to a company, it's nonsense," he claims. If he means not being loyal when the organization is clearly wrong, that's enlightened. The "my company right or wrong" approach has done great damage to many.

But the evidence seems to be he does not believe in being loyal -- as his many well-documented firings & other anti-personnel acts attest. "Neutron Jack" they call him; like the neutron bomb he kills the people but leaves the real estate standing. While he has his strategy & explains it well, Welch is the bellwether of the "people don't matter" or "employees are interchangeable parts" theory. This is consistent with the current Wall Street ideal of "get mine, no matter the price to society or to others." Some implications of such shortsightedness:

Loyalty Equals Civilization 1. Teamwork & cooperation & trust are the basis of community. Peter Drucker notes (pr 5/9/88) every organization is, first, a human community. People make organizations, not dollars or products.

2. If loyalty to a company or employer is unimportant, doesn't it follow that loyalty to country, society, church, etc are also unimportant? Without an organized society, there would be no need for businesses or managers -- nor a chance to "maximize profit" or "cash in on assets" or even to "be # 1," as Welch says he wants to be. Therefore, loyalty to society precedes all else.
3. Organizations, after all, are where we invest our energies, talent & time. Do we want to feel it's for naught? Anthropology teaches that loyalty flows to where we spend most of our time -- meaning work (& family). If employers fail to return that loyalty, eventual explosions are predictable.
4. Because we are social animals, loyalty is basic to our psyches. It's not going too far to say that people who cannot feel loyalty are mentally unhealthy. Good workers & managers need sound mental health.

Does the world of business or making money supercede these basic tenets of living? If so, then by definition business is uncivilized. Is Upton Sinclair's "The Jungle" being recycled in our times? It is interesting to note that GE also gave us Taylorism & Boulwarism, earlier versions of this worldview.

Compare IBM's Approach Economics columnist David Warsh touts Big Blue as the opposite pole: "undertaking an enormous retraining effort to avoid layoffs." Reason: "Layoffs are themselves expensive ... recruiting & training investments are lost. Unemployment insurance costs more. Quality of production declines. Community relations are impaired. The full costing of these intangibles should be weighed against the pink slips."

Perhaps the precept that "It's easier to keep a present customer than to win a new one" should be joined by "It's better to retain a present employee than get a new one." Any practitioner who's ever done even amateurish cost accounting on replacing an employee knows it's one of the most expensive moves in business.

¶IBM's people-first tactic is described in The IBM Lesson: The Profitable Art of Full Employment (Times Books; \$17.95) by Harvard Biz Schl prof D. Quinn Mills.