

MEANWHILE... A) Significant declines in tv viewing were reported by Nielsen. Networks immediately disputed the research, even tho they were gathered from "people meters." Nielsen subsequently released a study claiming 500,000 to 1 million persons are watching tv daily outside their homes -- at work, bars, hotels -- and thus go uncounted.

B) New subscription service, "See Spot Run," compiles candidates' tv ads each week so their messages & sales tactics can be followed. \$125/week from Campaign Industry News.

C) Alleged business bandit Charles Keating, in his campaign to take his side of the case public, confirmed what many practitioners have found about media choice. He told the Arizona Republic he prefers live tv interviews, which 1) can be dominated by a strong personality & 2) cannot be edited. Keating ducks attempts at in-depth questioning by print reporters.

For practitioners desirous of using the medium effectively, these comments of producer Stu Silverman offer guidance: "Television reassures us...it doesn't offend or challenge an audience. It's designed to do the opposite of art, to reassure rather than excite." In short, if you want to work people up use street theatre, artistic posters or music. If reinforcement, calming or reassurance is your goal, use tv.

**NEW YORK WON'T TAX PR AFTER ALL,
BUT CAUSE FOR CONCERN STILL EXISTS**

State's General Assembly decided to exclude pr from its new tax package, much to the relief of

NY practitioners who had feared duty on their services would result in: a) firms, especially smaller ones, being forced out of state -- or out of business; b) negative cash flow. Clients want results, and results aren't always readily evident. How would they feel about a tax on top of fees?; c) administrative nightmares. It would've been expensive to have proper personnel and/or systems to figure out restructuring of ledgers, etc; d) crippled service industry, the fastest growing segment of NY's economy.

PRSA chapter pres David Bicofsky says pr firms & their suppliers generate more than \$554 million per year of business for NY. "The tax is officially dead, which is good for the people of New York," he told prr. "It really would've damaged the economy." But Bicofsky says he won't pop the cork until the new proposal omitting pr has the Governor's signature.

NY is 5th, joining Florida, Connecticut, Kentucky & DC, to consider such legislation. "What it means for the future is more the issue," exec vp PRSA Betsy Kovacs told prr. She says hard lobbying and grassroots efforts from firms, individual practitioners and PRSA helped turn the tide. Other states are not to be ignored -- PRSA has developed a task force to work with local chapters on issue, which is bound to come up again.

Readers: Next week's issue will be accompanied by the questionnaire for prr's 26th Annual Survey of the Profession. Please watch for it and fill it out. Your input is important to us!

Vol.33 No.21
May 21, 1990

**XEROX RESTORES ITS POSITION THRU CULTURAL CHANGE,
LONG-TERM QUEST FOR QUALITY IS BASED ON RELATIONSHIP BUILDING**

About 10 years ago, Xerox (Stamford) realized it had lost sight of its consumers' needs. Having started the industry by introducing the first copier in '59, it virtually owned the market. But suddenly, Japanese competitors were on the scene selling simpler copiers cheaper. American companies cropped up, touting new high-end copiers. Xerox began to sink among the competition. "We had been accustomed to people standing in line to buy our products," corp comms mgr Sam Malone admitted to prr. "Suddenly, they had a choice. We lost market shares, revenues & returns. We were in deep yogurt."

CEO David Kearns met with an advisory team of consultants plus 25 Xerox execs. Concluded company needed a "cultural change," an organization-wide initiative, "Leadership Through Quality," aimed to instill total commitment to customer requirements in every aspect of the organization.

New Xerox principles ensure consistency thruout the organization: a) **common process**; b) **common tools**; c) **common ingenuity**.

**SPECIAL INGREDIENTS
IN XEROX'S OVERHAUL**

Leadership: 1. **Participative Managers.** They must not only "talk quality," but also "walk quality." No more autocratic decisionmaking. Managers must be counselor, coach, confessor & facilitator. They must foster a drive for quality in all employees.

2. **Accessibility.** Xerox leaders must be accessible to employees at all levels. A manufacturing employee can express concerns to the CEO.

Program Starts With Employee Relations:

1. **Teamwork** had been lacking, with individual efforts lauded instead. Advisory team: a) changed methods of awards & appreciations. No longer awarded individuals, but gave cash awards to employee teams for quality improvements & innovations; b) implemented such programs as "Teamwork Day." Similar to fairs or trade shows with booths, people milling about, Teamwork Days are open to the public. First ones were held in plant cafeterias, now reception halls must be rented.

2. **Integration.** So employees can understand each others' needs & concerns. Tech development program, for example, requires incoming engineers to go on the road with service reps to learn their job, their needs.
3. **Communication.** "We spend a lot of time communicating the quality message, why it's important, what the employees' roles are," says Malone.

Next Step Is Customer Relations Focus:

1. **Tech Development Program** mentioned above also clues engineers in to consumer concerns prior to the point of product design. Engineers are able to see the impact of a specific feature or part.
2. **Emphasis on internal as well as external customers.** Manufacturing personnel must make products for sales & service people -- internal customers. Tho they're intraorganizational, quality is still emphasized. "Every employee has an absolute focus on customers and customer requirements."
3. Ongoing process **for determining customer satisfaction.** "We send out surveys every month to a sample population of Xerox users -- the decisionmakers, people who pay the bills, administrators. We have 65 districts and can break down consumer satisfaction within each one."

Kearns made 22 trips to Japan to get a look at what the Japanese were doing right. An audit showed they were able to sell their copiers for less than it cost Xerox to make theirs. Quality vp James Sierk: "At first we denied the competitive problem, then we thought it was currency translations that made the difference, or perhaps Japanese government support. But in the end, we realized that the Japanese simply managed better than we did."

- OTHER ESSENTIAL ELEMENTS**
- A) **Benchmarking.** Convinced that its resurgence would come by measuring itself according to external standards, Xerox formulated a strategy which required each functional area to compare itself to its best counterpart outside Xerox to: 1) develop operating targets (benchmarks); 2) meet or exceed those standards.
- B) **Just-In-Time Manufacturing.** A staple technique in Japan, JIT calls for delivery of parts to assembly operations just prior to their use, eliminating expensive stockpiling. A cultural change for American industry.

RESULTS... are evident after 6 years of quality program. Research shows customer satisfaction is up 38%. Products are at the top of industry analysts' ratings, awarded medals of excellence. Financially, company is stronger than ever. Integral to Xerox's commitment to quality is its ongoing application of the quality initiative. "The pursuit of quality is a race with no finish line," says Kearns.

GERBER DECIDES PLANT TOURS NOT WORTH THE RISKS Safety, liability, interruption of productivity, chance of espionage, even sabotage. Tho plant tours are great public information devices, are they worth the headaches? Gerber Baby Foods has ended its 78-year tradition of ushering tourists thru its Fremont, Mich. facility to view baby food in the making. Jim Lovejoy, dir corp communication, detailed for pr factors contributing to the decision:

1. **Space.** "We had to add more lines to the manufacturing process. There was no longer a mezzanine." One fun feature of the tour had been an L-shaped balcony which allowed tourists to look over the cooking facilities. But it had to be eliminated as Gerber grew. Space problem presented concerns about...
2. **Safety.** People came thru on golf-cart like vehicles, often were blocked by plant equipment. Also, some of the rooms reached an uncomfortable 120 degrees in the summer.
3. **Espionage.** "We're not talking rocket science, but we do have a number of proprietary manufacturing equipment and processing secrets." Lovejoy says company is expanding its product line and plans to market foods to the older child. "There are a number of new marketing innovations."

WHAT NOW FOR THE PUBLIC? A research firm questioned community leaders to determine what the draw was to the town of 3,600. Turns out many were attracted to the free plant tour -- an average of 15,000 people yearly. "We realized the impact may be great for the average merchant on Main Street," says dpr Steve Long.

So Gerber has developed an alternative to the tours -- a visitors center that will feature a gift shop, fun facts, a 3-D movie about a day in the life of a baby. "We're trying to meet the community's needs," says Long. He says he's unconcerned about any slippage in public image -- the center should be a success.

CURRENT RESEARCH ON EFFECTS OF TV ADDING IMPORTANT UNDERSTANDING OF MASS COMMUNICATION LIMITS The net impact of television is to make people 1) passive, 2) tense, 3) unable to concentrate, 4) hostile, 5) leave viewers in worse moods than before they began to watch, finds a major new study supported by National Institute of Mental Health & others. The coup de grace: it takes more skill & concentration to eat than to watch tv.

The 13-yr series of studies involved 1200 subjects who carried pagers & reported their thoughts, activities & moods whenever they were beeped. It does seem to settle the argument about how much tv people watch -- an average of 2 hrs/day or half their free time. They watch when they can more than to see particular programs. TV ranks with the family, church & school as our prime forces of socialization, the researchers conclude.

Study has been published in book form, titled Television & the Quality of Life: How Viewing Shapes Everyday Experience, by Robert Kubey & Mihaly Csikszentmihalyi.