

- In this era of utility takeovers, **George Miraben & Jay Gonzales** at Tucson Electric Power created a matrix of relationship values & resultant activities any potential purchaser would have to continue or risk erosion/loss of investment. PR was recognized as a major company asset.

SUBJECT IS NOT NEW... FORTUNE HELPED KICK IT OFF

Ann Morrison, then ass't mng ed, told the Arthur Page Society in '92: "Corporate reputation is the most important asset a company has and it must be managed as any resource." As a member of the board of editors overseeing the annual "Most Admired Corporation" ratings, she pointed out that 5 of the 8 attributes evaluated by some 8,000 outside directors, financial analysts & peers are more qualitative than quantitative -- thus **perceptions play a more crucial role in the judgments than do facts** (pr 6/8/92).

ITEMS OF INTEREST TO PROFESSIONALS

1996 was the most prolific year in magazine history. 933 new mags were launched in the US. These are listed in the 12th annual edition of Samir Husni's 1997 Guide to New Consumer Magazines. Among the top launch categories, sex moved from No. 1 ranking in '95 to 5th place in '96 with 51 new launches. Sports moved to the top with 111 new titles -- 41 more than last year. Remaining top 5 new mag categories are epicurism (58 new titles), special interest (57) & computers (53). Husni sees no let down in the proliferation of new mags for '97 -- new launches are averaging 100 per month. (\$295; Oxbridge Communications, 800/955-0231)

PRSA's new dpr Richard George will get his APR, he told pr. "PRSA values APR a great deal & feels it's important that I do it as well."

President's Summit for America's Future pushes support for employee volunteerism. Held April 27-29 in Philadelphia, session drew Bush, Carter, Ford, Clinton -- plus governors, CEOs, 4500 delegates & 1000 reporters. Target is programs for children, getting employers to start or enhance activities of their workers. White House termed it an "unprecedented gathering of the nation's leaders", got Colin Powell to chair. pr will carry soon a roundup of cutting-edge employee volunteer programs of the past several years.

How much does customer delight cost? A study of 17 companies considered superior in customer service found they made investments of up to 2% of gross sales in formal, continuous service education programs. But -- such training is paid in today's dollars, while it offsets sales costs in tomorrow's most expensive dollars, advises the author of *Achieving Excellence Through Customer Service* (Best Sellers Publishing, Mpls).

WHO'S WHO IN PUBLIC RELATIONS

DIED. Ovid Davis, 82, long-time gov't rels ofcr, The Coca Cola Co. As PRSA pres in '65, took the first step in forming PRSSA by inviting

reps from the 6 schools with on-campus pr "clubs," "fraternities" or "societies" to attend the '65 Nat'l Conference as guests of PRSA.

AN EMPLOYEE COMMUNICATION PROGRAM THAT MOTIVATES BEHAVIOR

As competition comes to the electric industry, New York Power Authority's (NYPA) focus is shifting from external to internal communications "that are strategic & behaviorally based," Carl Patrick, dir, nuclear policy & info, told pr. Effectiveness of this strategy is illustrated by NYPA's reduction in outage time from 116 days to only 47 at its FitzPatrick plant.

BACKGROUND

At nuclear power plants, fuel is put into the reactor, the reactor is started up & operates until the fuel is gone. Then the plant has to be shut down & refueled. Industry average for this shutdown, or "outage," is 45 days. "There aren't any revenues during an outage so you want to minimize the down time & maximize the work done. Our problem was that in the past this took far too long" -- 116 days.

OBJECTIVE & APPROACH

To cut outage time using communications. "The outage managers came to us & asked if we could help. I thought, here's an opportunity for behavioral communications! We asked them, 'What do you want people to do differently when they come in to work; what behaviors do you want to change?'"

Communications to affect these behaviors were approached strategically. "Typically pr people have a brilliant idea & go ahead & do it, rather than asking what objective does this address. We had a lot of brilliant ideas. We winnowed thru them asking, which strategy will that support? How will it make the outage go better?" The strategies included:

- **Heighten awareness:** Ensure staff understands the importance of a successful outage.
- **Build confidence:** Show staff they are capable of a successful outage.
- **Emphasize individual's role:** Focus on what they need to do differently during the outage.
- **Improve contractor effectiveness:** Integrate them better into activities & processes.
- **Update staff frequently on outage status:** Ensure they feel well-informed & knowledgeable.
- **Carry sr mgmt messages:** Provide vehicles for direction & recognition.

"Then we put together a plan. We identified 1) information needed for people to do their jobs better, 2) how to get that info to them, 3) important media, 4) triggering events, 5) ways to remind them, 6) ways to make them put into action the information they received, 7) ways to reward, recognize & reinforce positive performance."



TACTICS

1. **Series of advance articles in weekly newsletter** to build awareness & confidence. "There were a lot of skeptics. We built their confidence primarily thru these articles 3-4 months prior to the outage -- profiling the planning process, role, preparations & goals. We got people ready, giving them the information on what they'd need to do differently during the outage."
2. **Series of pre-outage "family nights"** to communicate specifics of the outage efforts to employees' families. Employees work 6 12-hr shifts/week during outage -- directly affecting family life.
3. **Establish outage logo/look/theme** to identify these com'ns. Design & produce stickers, buttons, etc. to support outage com'ns.
4. **Communicate daily** via newsletter, e-mail, voice-mail hotline, electronic bulletin board system & concise status posters at each entrance. "As soon as someone walked into the plant we wanted to trigger that change in behavior. Posters said 'We gained 12 hours on the schedule' or 'We lost 2 hrs' and 'We completed this job & the next big thing coming up is....' *Bang them over the head with it, get them thinking about it as soon as they enter the plant. Then when they get to their desks, they're already thinking about what's next for them.*"
5. **Twice daily, update 5 message boards** located around the plant with outage status reports.
6. **Kick-off & mid-point events** where plant manager & his 3 general mgrs greeted everybody on their way in handing out coffee & donuts. "It was a pleasant kick in the butt that said 'It's outage time; time to shift gears & put into practice all the things we've been talking about.'" Set up coffee stations calling them "refueling stations" & also gave out power bars -- loaded with energy & granola. "The donuts were a lot more popular, but the symbolism was there."
7. **Create a hotline for contractors** to improve their effectiveness. "We have about 500 employees at the plant. During the outage about 1000 contractors come in to work. They don't know the procedures, where things are. With the hotline, if they need to contact someone they just call the hotline & someone connects them."

MOTIVATING CRITICAL PATH BEHAVIOR

During an outage many jobs need to be done in sequence -- ie, can't weld the pipe till you fix the valve. The longest sequence of jobs is the "critical path." It determines how long the outage will be. If it's behind an hour, then the outage will be an hour longer. "Nuclear power plants are highly proceduralized -- you need signoffs, permits, authorizations, parts. We have lines waiting for these things. A few days into the outage we noticed guys on critical path were waiting on line when they should be going to the head of the line. We used our newsletter, hotlines, e-mail to say 'If you're on critical path, go to the head of the line. The rest of you folks, don't give them grief for doing this.' A very simple concept we introduced & kept drumming in."

Pictures of people standing in line taken at 7am went out at 10am in the newsletter to help get the message across.

RESULTS

Outage was completed in 47 days. "There were a lot of factors involved in this success. It's difficult to quantify, but there is no doubt communication had a role." Poll of employees at the plant shows 99% found the info *helpful*; 67%, *very helpful*. Bottomline, 67% could do their jobs better because of the program. "To me, that's a ringing endorsement. I've been trying to elevate the role of communicator in the nuclear industry. We made some real converts with this."

Effective channels: Regarding communication vehicles, *e-mail* was the most effective both on- & off-site, followed by *plant status posters* on-site & the *newsletter* off-site. (More from Carl Patrick, 914/681-6247)

NON-FINANCIAL INDICATORS CAN BACKFIRE IF BECOME "PR COMMODITY"

Swedish PR Ass'n project to get these included in accounting (*pr* 3/10) is something "pr should be deeply & thoughtfully engaged in -- with caveats," believes John Budd (Omega Group & *pr* columnist). His thoughts:

- "Specific data is not a prologue to the future. All analysts have access to the same hard data. The difference in judgment, one analyst vs. another, is an assessment of the non-financial variables. In this context, a presentation to analysts communicates more than data. It shows off competence, presence, management interplay, coherence of strategy ... a whole series of intangibles, an amalgam that gives an analyst either confidence or concern about a company & its CEO."
- "If we go all out & aggressively promote this concept, it will ultimately have its value discounted & be seen as yet another form of imaging. Analysts will shy away simply because they are always suspicious of pr 'spinning.'"
- "At the moment the validity of the importance of non-financials is a given. Thus, our best approach is to quietly make the case to our CEOs as to why we must focus on communicating these subjective values.... I would treat this new interest & recognition among corporate management of the importance of the **non-financials as a precious resource** and not make it a "pr commodity."

JERRY BRYAN REPORTS (vp, corp com'ns, Sverdrup Corp, Maryland Heights, MO) the SPRA effort "supports what we learned in the 1980s by launching a 3-pronged investor relations program for a private company.

- Goals were to: a) generate internal capital sufficient to remain privately held in an era of inflationary expansion; b) tie key people to the firm for the long haul; and c) leverage non-material assets into a market discriminator leading to higher-margin, longer-term relationships with major clients. Results? Still privately held, growing, smiling.
- As SPRA indicates, public relations can generate asset growth in the categories of intellectual property & value-added relationships. It's time for them to be recognized, measured & added to the balance sheet."