

- **Crucial or cosmetic.** The more I hear people say, "I won't indulge in a pr exercise," the more I realize there is a perception gap between what is "cosmetic" and what is "crucial." If a company takes a decision in the context of the pr impact at a strategic level & consistently maintains that, it can have a huge impact on profitability, operational ability & sustainable success. This requires evaluation, education (& training), & enterprise web or partnerships, environmental impact assessments &, above all, ethics.

USE THE RESULTS TO PREPARE AN IPRA MILLENNIUM CHARTER

At the end of his term, Hayes hopes to be able to provide answers to these probing questions:

- Do we speak the language of business to give us credibility?
- Are we in the key strategic meetings forcing our issues on the agenda?
- Do we know enough?
- Are our organizations structured in such a way that they can develop global strategies as well as communicate regionally & locally?
- Can we focus on the intellectual framework & methodologies that make us truly interactive pr professionals?
- Are we the pioneers recognizable by the arrows in our backs?

ITEMS OF INTEREST TO PROFESSIONALS

Study: **Awareness does not change behavior.** Most Americans are aware of the life-saving benefits of diet & exercise, yet obesity is increasing, shows a phone survey by CDB Research & Consulting. Survey shows again that respondents' answers reflect their intentions rather than their actions -- a major weakness of survey research. Findings:

- Twice as many adults say they eat 5 or more servings of fruits & vegetables in their diets today (32%) compared to 15% in '94.
- 66% say they are exercising the recommended 3 times/week.
- But obesity rates are rising -- from 51% (men) & 41% (women) in '81-'84 to 59% (men) & 49% (women) a decade later. Obesity is defined as being 20% over a person's ideal weight.

Although 3 of 4 adults still believe (78% in '94, 75% in '96) that with proper diet & exercise a person can reduce his or her risk of developing a life-threatening illness, **rising obesity rates show Americans fail to do anything with that knowledge.** (More info: 212/367-6829)

"Fortunately, oui already speak the language," reads the flyer announcing Kerker Marketing Communications' relocation. Firm is moving from Bloomington, Minn, to France Avenue in Edina, "just 4500 miles west of Paris." Along with the announcement, came, by Federal Express, a loaf of French bread -- a successful attention getter in these offices ... fait accompli. (See prr 4/10/95 on "Structural Graphics")

UNDERSTANDING ISSUES & MARKETING MEANS KNOWING DEMOGRAPHICS

The study of demographics helps you "understand why certain issues pop up & others decline." David Foot, Canada's leading demographer & economist, told CPRS conference: "If you want to know where you're going in the future, you'd better understand where you've come from in the past." Some essential facts that shape our present & future:

1915-19 (WWI)	Hardly anyone born during this time
1920s	When the soldiers came home, lots of births
1930s-early 40s	Not many births (Depression, WWII)
1946-1966	Babyboom
1966-1980	Babybust
1980-into the 90s	Babyboom Echo

Foot uses these demographic realities as a template for dealing with issues or approaching people -- whether as consumers or employees:

- **How Managers Got There:** Top mgmt in many org'ns are in their mid to late 50s -- born in the late 30s, early 40s, when the birth rate was down. "They're there not necessarily because they are so great but because they are in short supply."
- **Generation \$\$ War:** Richest people are in their late 50s, early 60s -- the ones now retiring. Should they get senior citizen discounts? Free checking? Free healthcare? At the expense of Generation-Xs who aren't nearly as well off? What are your orgn's policies on this?
- **It Creates Markets:** In the 80s, boomers were buying their first homes. Housing market soared. Toy companies became profitable because of echo kids. At the same time, bust generation moved into the youth market-place. Beer industry got into trouble. Early retirement was the new HR tool, but few were available to take it (those born during the 30s).
- **Boomers' Impact:** In the 90s, they're moving out of child bearing ages. Time to cut back on day care facilities & maternity wards. They're paying off their debts (interest rates are going down) & they're investing (driving up the stock market). They're living in the suburbs driving mini vans. Youth market is growing -- echo kids are in their teens.
- **Workplace Shifts:** Boomers flooded the job market driving wages down, unemployment up. "Boomers are a rectangle. Business hierarchy is a triangle. Ever try to push a rectangle up a triangle? By the late 80s we were discovering career blockaging, plateauing. By the 90s, sr execs were saying the old structure wasn't working anymore, beginning to reengineer the corporation. With ever more workers in their mid to late 40s -- all competing for mid-mgmt positions & too young to bridge to



early retirement -- we had to develop a new HR strategy. *It's called the severance package.*

"Smart org'ns realized the only way to push a rectangle up a triangle is to flatten the triangle. That's why we've been layering & flattening corporate structures. But where you flatten the triangle, promotions become limited. Lateral moves become important. Education is a life-long process because we now have more lateral moves in our lifetime."

- **Babyboom is not a world-wide phenomenon.** In the western world, only 3 countries have a babyboom -- Canada, US & Australia/New Zealand. These are immigrant-receiving countries of the post war period. Immigrants tend to be in their 20s, prime child bearing ages.
- **Age Groups Stick Together:** "Europe is much older than North America. Quebec is the oldest province in Canada. That's why it's attracted to Europe. *Is building a Disney World in Paris a wise investment?"*
- **Equal Pay Effects:** Babyboom in Australia is spread out over 30 yrs because equal pay for women didn't get there 'til the 70s. Peak number of births occurred in '72. "Ever wonder why Australia did so well at the Olympic Games? They were 24 in '96 -- prime gold medal winning ages."
- **Worker Shortage Fuels Technology:** Fertility plummeted from 5 to 2 children/family in Japan over the late 40s, early 50s. 20 yrs later Japan started to run out of young workers. "They were trying to become a global economic power with a slow growing workforce. This is why Japan discovered technology in the mid to late 60s, early 70s. Productivity took off. This has nothing to do with the brilliance of Japanese mgmt. It does have to do with the fact that Americans dropped 2 atomic bombs on their country 52 yrs ago to terminate the war in the Pacific."
- **"Introducing New Technology in an Aging Population** is not an automatic success. Statistics Canada shows that 25% of Canadian households have access to the Internet -- but only 9.5% are using it. I bet they're all under 35. 2.5 million Generation X's (early 30s) are on the Net. 5.5 million baby busters (late teens, 20s) are on the Net. 7 million echo kids coming thru will all be on the Net. That's 15 million of Canada's 30 million people under 35 on the Net. Only trouble is they don't have any money. *So, if you think you're going to market to aging boomers on the Net, you're mistaken.*"
- **Statistically Female-dominant Societies:** In '81, Canada (like the US) became one. Now, 50.8% are female, 49.2% male. In managing issues or marketing, understand that the majority of consumers & voters are women.
- **Boomers' Spending:** Moving from childcare to pet care. Their aging cats & dogs are needing more attention -- a booming business of the future. Book purchases are up because they are spending more time at home. Lotteries are booming because people 40+ buy tickets. People go to their first casino in their early 50s -- another booming business. As is the cruise business. Charity is more popular; contributions rise as people enter their 40s & 50s. **Last year more money was spent on bird seed & feeders in North America than on all of professional sports. Culture is displacing sports as boomers age.**

(More from Foot's book *Boom, Bust & Echo: How to Profit from the Coming Demographic Shift*, General Distribution Services, Buffalo, NY)

IPRA PRESIDENT USING HIS YEAR TO CONDUCT USEFUL STUDY

The practice & intellectual underpinnings of the profession are the focus. Thru interviews & discussions with CEOs & other mgmt disciplines, academics, pr & pa execs & consultants, et al, Roger Hayes intends to:

TEST 3 PROPOSITIONS ABOUT THE PROFESSION'S EVOLVING ROLE

1. Corporate pr/pa is a general mgmt function, instrumental in strategic change, i.e. (potentially) a source of sustainable org'n success.
2. Relationships with all stakeholders increasingly will be placed at the heart of organizational decisionmaking.
3. Models of "best practice" *global* communication plans should be developed embracing implementation, evaluation, strategy & the consulting process.

ASSIST IN THE "INEVITABLE" REAPPRAISAL OF THE ROLE OF BUSINESS

"Serving the public interest is what makes public relations a profession, rather than serving just our masters. We shall need not just professional competence, but a conscience too." The new agenda for most institutions brings "enormous" implications for pr. Some new agenda items include:

- **Consensus not confrontation/trust not transaction.** There is a philosophical shift as the global ecological view becomes linked to spiritual values, solving societal problems together, a kind of civilized capitalism based on trust.
- **The "inclusive" stakeholder approach.** Giving due weight to key relationships, thinking longer-term, building relationships. Consensus resulting from controversy but not adversarial attitudes. Corporate goals & visions must align with stakeholder needs & values.
- **Business leadership/influencing issues.** PR/pa must be global as well as local & become an essential tool of exec leadership putting people & communicating at the center of corporate decisionmaking & inextricably binding external strategy with internal culture.
- **Strategy vs. tactics.** Mgmt thinks communications is all-embracing, but they do not necessarily come to us for help. If they do, it tends to be tactical & implementation rather than strategic & counsel.
- **Constraints to coherence.** Even leaving aside the cowboys in our unregulated field -- the growth of publicists & propaganda spin doctors which distort the fundamentals of public interest & dialogue -- even setting to one side the fragmentation of pr which exacerbates the lack of intellectual coherence, the encroachment of the whole area of Business & Society is not being handled in any systematic way. It requires a framework, an holistic approach.