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Public Relations Client Strategies

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Weaving the Fabric of a Company

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Building a Public Relations Company Today

One of the great challenges of building a public relations agency today is ensuring that there is a clearly articulated vision for the company. Over the past seventy-five years, public relations has matured as an industry. Today, we are a $3.7 billion industry and the top six companies are owned by public companies, which manage many brands—public relations agencies, advertising agencies, interactive agencies, and promotional companies—all under one umbrella. According to O'Dwyer's, there are 135 companies with revenues ranging from $400,000 up to $261 million.

The vision needs to articulate not only the core values of the company, but most importantly, what sets it apart from its competitors, what makes it a unique place for people to work, what it can offer clients that no other agency can, and what new ideas it is bringing to the practice that are changing the industry as a whole. The vision needs to be inspirational for all of the people working at the company—a concept that is strong enough to be a rallying point for the entire company.

The company's management team needs to show how this vision is woven into the fabric of the company in the way the company is run, how ideas are created, and how services are delivered to clients, each and every day. One of the great challenges in our field today is that many firms are run by good managers and good public relations practitioners, but not great leaders. This was not true when the public relations industry was founded. John Hill, Harold Burson, Carl Byoir, David Finn, and Bill Ruder, among others, built great companies around their own vision of the unique contributions the public relations process—as a way of approaching problem solving or meeting new challenges—could make for the leadership of corporations, not-for-profit institutions, and governments.

My organization is a young company, spun out of a larger company five years ago. When we were formed, our team worked hard to articulate how we were different from our competition. We needed to be able to explain to ourselves, as well as to our people, why it was important to start a new firm. It was not enough to be driven by an entrepreneurial spirit. We believed we were formulating a type of company that was different. As a team, we spent a great deal of time formulating our vision for how we wanted to practice the discipline of public relations, as well as exploring the type of culture we wanted to create at the company. To be a successful company, it is important to have a firm consensus among the top managers as to the company's direction and operational philosophy. That doesn't mean there won't be differences of opinion. In fact, differences are good, because they make leadership work harder to identify the driving concept that brings everyone together. Only then will the vision really become part of the fabric of the entire company.

We recognized early on that it was up to the management team to make sure that vision permeated the entire organization. Each of us had an important role to play in making this happen. We needed to put in place processes, ways of working, and most importantly, attitudes that would ensure that we would achieve this goal. That kind of unity makes a significant difference in the company's ability to execute on the vision, and it does not come overnight.

Our vision touches what we believe public relations is all about. It helps identify the types of services we want to be able to offer our clients, as well as the manner in which we offer these services and, most importantly, the way we work with each other as colleagues.

Differentiating Your Firm

At the core of what we are all about is the concept that *ideas matter*. Understanding the power of an idea means understanding the context in which events take place, decisions are made, and change occurs. Consequently, research is at the cornerstone of everything we do. But it is only the first step. There are many factors that are essential to the way we do business: understanding the shifting landscape of communications today, examining the strategic framework of our clients' businesses, recognizing what motivates consumer and customer behavior today, creatively looking for the new and fresh approach, flawless execution through finely tuned teams, and working as partners with our clients.

Often, our approach calls for exploring ideas outside the traditional public relations envelope, finding new answers, new channels, and the next group of influencers who hold the public's trust. Communication systems today are incredibly fast and interconnected. The Internet has changed the way people hear and learn about things, the way they communicate with each other, and it continues to disintermediate the traditional influencers upon which public relations has relied so heavily in the past. It has brought a whole new host of challenges and opportunities to the business.

Ensuring a similar approach across the organization has been critical to building our brand. The processes we put in place have been important in helping us achieve this. Public relations, like many service businesses, is a personality-driven business, and certainly whoever is running a particular piece of our business will bring a unique touch to it. However, we have processes we ensure go across the entire organization that help bring a consistent quality of service to our clients. The way we interact with our clients is a fundamental part of our success. Our clients are our partners. We don't work separately, and we don't work in parallel. We work together.

I recently had a client ask me how much it would cost to have someone in our company sit in their office while a member of the management was on maternity leave. My answer: "Absolutely nothing!" We were working on their business anyway, and we'd love nothing better than to sit in their office so we can get even closer to their team.

Generating Revenue

We've grown at a rate of about 20 percent each year for the last three years. Our growth has been steady and consistent. The majority of this growth has been from our existing clients. Many companies place a higher value on generating new business rather than servicing their clients. Often, new business is seen as being sexier than client service. We have worked hard to ensure that this is not the attitude at our company. That is not to say we don't have a new business focus, but we recognize that about 75 percent of our growth has come from our clients, either by deepening our relationship with the client through new assignments or by our clients referring us to their colleagues at other companies. So when we look at new business, we know the best way to get new business is to do outstanding work for the clients we already have.

As a result, every client is equally critical to us. Regardless of whether they're paying us $10,000 or $150,000 a month, we're going to deliver the same high quality of service. Many agencies tend to treat their smaller clients as if they are not as important as their larger clients. For us, every client within our portfolio is equally important. Otherwise, we should not be working with them.

Market/Client Feedback

It is critical to be in touch with clients on a regular basis and to learn as early as possible when problems arise. If an idea isn't working, if there is a weakness in the team, or if something else isn't going right, we address the issue immediately. Our work can be an evolutionary process, and we need to understand why something isn't having the impact that was intended. Only then can we make the necessary changes to remedy the situation.

There is a core group of five of us who are in contact on a regular basis with every client in the agency. We each spend a minimum of 50 percent of our time on client work. We are all actively engaged and constantly stay abreast of our clients' businesses, how the environment is changing for them, and what our teams need to be doing to ensure that we are addressing newly emerging business issues.

Growing Into New Areas

We are very focused on growing in areas where we have real expertise. We have developed a discipline of not pursuing every piece of business that comes along. If it's not in an area where we have strength, we're very hesitant to pursue it. With that being said, it's important to continually find inroads into new industries and new areas of growth. Key to accomplishing this is an understanding of how to leverage knowledge gained as a result of client work into new growth areas. For example, as a result of our work with a number of financial services companies throughout the 1990s, we developed an expertise in privacy and data/identify theft. As this issue has emerged as a major problem for all types of organizations, ranging from retailers to educational institutions, we have been able to develop a unique service that is unmatched in the industry.

Similarly, five years ago we were approached by a no-calorie sweetener, Splenda, to develop a promotional idea that would enable millions of consumers across America to see that this product not only tasted better but also had no negative health side effects. We got our opportunity for this assignment not because we were a food and beverage agency, but because of our understanding of consumer behavior and our knowledge about the changing nature of the types of channels and influencers consumers trust and turn to today for advice. The reason Splenda hired us was that we had some interesting ideas and approaches on how to get people to taste the product: ideas that came from our strength in other areas. We turned one of our fundamental strengths towards establishing a presence in a new industry. Our success for this client has enabled us to pick up other clients in the food and beverage industry, and we have quickly grown this practice into one of the largest in the country.

Introducing a New Product in a Stagnant Category: A Case Study

As the manufacturer of a new product (which could function both as an ingredient as well as a stand-alone product) in a stagnant category, our client was facing a major challenge—enticing consumers to taste the product. The brand team simply needed to get the product out there and get people to taste it. But that was not a simple task, as many consumers had great loyalty to the competitive products and saw no reason to try a new product.

We got the idea to go to Necco, the company that makes the Valentine's Day hearts, and ask them to make sugar-free hearts. On Valentine's Day, we sampled 10 million no-calorie hearts across the country. Through our promotional efforts, we were able to get millions of people to taste the new product and start to change perceptions. Moreover, the media across the country carried the story, including a major morning show.

Our next challenge was to launch an initiative that would support the company's effort to get the product in restaurants and food service. We recognized that chefs in our society are today's taste setters and are extremely influential on consumer purchases and behaviors. Just look at the impact of the Food Network. So we decided to reach out to top chefs across America and invite them to cook with the product. The ability to cook with the product was a key differentiator over the competition. No other product was heat-stable. This new product enabled consumers to cook and bake recipes that could never be done before.

We utilized chefs strategically to get the word out and generate recipe coverage in key publications as well as drive consumer traffic to the Web site. We worked with the chefs to create tasting events in key cities across the country, showcasing different uses depending on the local cuisine—American, Southwestern, Mexican, and Latin American. We posted the recipes on the Web site, resulting in significantly increased traffic. We were able to reach a community of enthusiasts and supporters who would, in turn, serve as brand ambassadors and help get the word out on how to use the product beyond putting it in a beverage. With the obesity epidemic in America, a good-tasting product that had no calories was going to be perceived as being healthier for you. The health message, coupled with the unique cooking and baking properties, enabled us to carve out a niche that distinguished the product from the competition.

Building a Successful Team

When hiring new people, we look for both skills and cultural fit. We're very interested in having a professionally diverse workforce and hiring people who come from very different backgrounds. We've hired people from the media, accounting firms, advertising, research firms, and so on. We have M.B.A.'s, financial analysts, and Ph.D.'s on our team. A range of backgrounds is important if you are going to create a firm that encourages creative problem solving. We believe we can teach the discipline of public relations and look for people who can bring different backgrounds to the mix.

We often say our job begins when someone tells us "no." If something were easy to accomplish, our clients wouldn't need us. They could do it internally. They look to us to creatively find new ways of meeting communications challenges, and that takes a certain type of personality. Creativity is a must, no matter what anyone's training might be. Persistence and a strong belief that change is not only a possibility, but an obtainable reality, are important personality traits.

We're very team-oriented, so we look for people who like to work as part of a larger group but who are also entrepreneurial in nature. We look for people who have strong opinions but are also open to having their ideas challenged. We're not an organization where the most senior person says something and it just happens. We're an organization where everybody has a voice; everyone has the opportunity to give input, and we very much like people to further develop their ideas by responding to challenges and advice from their co-workers.

Being a Public Relations CEO

An effective public relations chief executive officer (CEO) needs to be deeply familiar with the industry itself. One needs to have worked with different types of clients and assignments, and to have risen through the ranks. Such an individual will be more effective in the long run than an outside hire from a different industry. A public relations CEO should also have very strong financial management skills and should understand how to balance financial management and find efficiencies with the delivery of great service.

A public relations CEO has to be a leader for the organization. He or she must understand what it takes to build and deepen client relationships and build a team that works well together. He or she needs to enjoy the new business process. Moreover, he or she must be willing to invest the time to ensure that the entire organization understands the company vision.

One of the more difficult aspects of being a CEO in the public relations field is attempting to benchmark your company against your competitors. We are a small industry and are only beginning to develop a body of information that enables better financial management. While in business school in the early 1990s, I tried to do an analysis of the industry using numbers that were readily available in other industries, such as the percentage of revenues invested in research and development, or on technology or marketing. It was difficult to get accurate information on even the revenues generated per employee. This has been changing over the past decade, and it is an important tool in order to make informed decisions about financial management.

Financial management can also be difficult for a small industry like ours, because we tend not to have the most advanced tools from a technological perspective. For example, there are no specific accounting systems designed for the public relations industry.

Difficult Situations

Clients look at the partnerships with their agencies very differently. Some see an agency simply as a vendor, while others view it as a close partner. Frustrations can stem from situations where something about the relationship between the client and the agency holds both back from performing at the highest level.

Chemistry is the make-or-break factor in any relationship. I used to be upset when we didn't win an assignment and, upon inquiring as to why, were told the chemistry wasn't right. I have learned over the years that in most of these situations, over time, the relationship wouldn't have worked.

It can be a very difficult situation when one knows the delivery on the work would be stronger if the team members could find a way to work closer together. Public relations work can only be as strong as the relationship between the firm and the client.

Another frustration is that, as the field has evolved, we have more and more job applicants with majors in public relations. Our clients are in a broad range of fields, and we need people who bring a depth of expertise in different industries. We need to have people in the field who bring deep category experience and have great intellectual curiosity. We also need people who understand business, so attracting more M.B.A.s would be a plus.

However, a major problem is that public relations is not the highest-paying industry in the world, and many of the most skilled, intelligent, and creative individuals can make more money in other fields such as consulting. And for many younger individuals, college students, and recent college graduates, their opinion of what public relations is has come predominantly from popularization of the field. For example, look at Samantha on "Sex and the City." What is depicted on the show is quite different from a lot of the work we actually do. Sometimes I think there's not a full enough understanding of what the field is all about, particularly among potential recruits.

In the post-World War II era, when this field was being created, there were many talented and powerful public relations people sitting at the table with the CEO. I'm not sure the same circumstance exists today. In the l970s and l980s, there were great public relations executives, like Herb Schmertz at Mobil and Marilyn Laurie at AT&T, running large and powerful public relations operations. This is becoming rarer. I'm not sure, at the corporate level, that people who are sitting in the most senior corporate communications positions have quite the same seat at the table as they might have had forty years ago. I think that diminished stature hurts the profession in general, making recruitment more difficult.

Advice for Team Members

The perennially most important issue to worry about is whether you are the best solution for your client—whether an internal or external client. Have you brought the most rigorous thinking to the challenge? Some of us sit in creative sessions and come up with creative ideas that might deliver the media solutions, but does the idea fundamentally address the issue at hand? We have to ask ourselves whether we have fully analyzed the issue and rigorously questioned whether our idea is the right one. This is the number-one priority, and it's something I repeat constantly to everyone at my company.

In addition, it is important for us to understand the challenges one's clients face, not only from the marketplace but also from their organizations. Too many times, people in the agency world get annoyed with their clients.

However, they don't truly understand the challenges their clients are facing every day and what it's like to be sitting in their chairs. I think it's very important for those of us on the agency side to understand and empathize as best we can with the challenges faced by the majority of our clients.

Another important aspect of our job is for each of us to be strategically creative. Creativity for its own sake is not enough. It must be focused creativity requiring out-of-the-box thinking, but with a definite purpose in mind. We live in a very cluttered world. There's lots of noise out there, and one must break through that noise to focus on what is truly important. It doesn't matter what category you're in. This is true no matter the industry.

One of the things I love to do is take someone who has worked in health care, for example, and put them on a wine account, because there is a good chance they're going to think differently about the typical difficulties of that type of account. Coming from a different subset in the field, such individuals bring a much-needed dose of new ideas. Simply doing things the same old way won't work in the long run, and will never help a company differentiate itself from competitors. The reason our clients look to us is that we're going to bring new and different kinds of thinking to help them solve their problems.

It's also critical for individuals in the field to understand that media for media's sake is worthless. We have to understand why they're going after an article, inclusion in a blog, or a three-minute story on a morning show. What is that coverage going to help us accomplish, and why is it strategically right for the challenges or opportunities the company is facing?

Finally, when you call a reporter, remember he or she is just like you. Try to figure out exactly who they are before you pick up the phone. We have enough tools to be able to research a reporter beforehand so we never call just a name on a media list. This is a pet peeve of people in the media, and it is hard to understand why this still goes on. For anyone to pick up the phone and call a reporter without having read articles by that individual on the topic that's being pitched is unacceptable. How would you like to get a phone call from someone who had absolutely no idea who you are or what your interests are, and waste your time? A critical component of the training program we have for our entry-level hires is teaching them how essential it is to do as much research as possible before making a phone call to anyone.

The Evolving Job of the CEO

As a result of technology, new channels of communication are opening up and evolving faster and faster. Part of the job of the leadership of the company is to ensure that people in this field understand how to use those new channels, and to make sure we are delivering the most comprehensive communications program to our clients. The leadership of the company needs to ensure that everyone on the team is keeping abreast of how technology is changing communications.

CEOs also need to understand not only what is current, but what is going to be available three or six months from now. For instance, it took corporations a very long time before they started to capitalize on blogs. Many clients, in fact, have rules against their employees accessing or participating in blogs at work. But since lots of customers are using them, we have to at least be sure we know what's going on with this and any other emerging communications channels.

Amy Binder is chief executive officer of the New York City-based RF|Binder Partners Inc., one of the companies of the Ruder Finn Group, the largest public relations/marketing communications operation in New York and the second-largest independent communications firm in the world. In addition to overseeing the business direction and growth of the agency, Ms. Binder is focused on ensuring that every client receives consistent, high-quality service and has continual access to the agency's best creative and strategic thinking.

Ms. Binder brings more than twenty-five years of experience developing corporate reputation and branding programs. She has extensive experience creating communications strategies that drive all aspects of a company's internal and external communications efforts. Her specific expertise is developing communications campaigns that are integrated with a company's overall marketing strategy and leverage the marketing investment. She brings an understanding of the issues and influencers that drive the business-to-business customer as well as consumer decision-making processes. She also brings extensive *experience in dealing with communications issues due to technological, economic, and social change. Her work has been characterized by creating communications programs that help various constituencies understand, accept, and work with change. Major clients have included Agfa, Bank of America, Citibank, Dunkin' Brands, Eli Lilly, Fujifilm, Johnson & Johnson, Lexmark, MphasiS, Polaroid, Seagram, Staples, Textron, TIAA-CREF, WorldCom, and XO Communications.*

For the five years leading to the formation of RF|Binder Partners, Ms. Binder, as president of Ruder Finn Americas, was responsible for growing the firm's work with Fortune 100 corporations as well as entrepreneurial start-ups that were developing new business models as a result of the Internet, new technologies, and the dynamic business environment. As a result of her work, Marketing Computers *selected the firm in 2000 as "Agency of the Year."*

Before joining the Ruder Finn Group, Ms. Binder was director of communications for the city of New Rochelle, where she focused primarily on community-based programming and economic development initiatives. She left there to form the Ruder Finn Group's urban marketing division and worked for corporations involved with community relations including American Can, and for cities around the country including Wichita, Kansas; New Orleans, Louisiana; Miami, Florida; and Johnstown, Pennsylvania. She began her career in public relations in Boston, Massachusetts, first working at Newton & Nicolazzo and then at Agnew, Carter, McCarthy.

Ms. Binder started her career as a freelance photographer primarily handling corporate assignments. She studied at Rhode Island School of Design and the Center of the Eye in Aspen, Colorado. She has two published books of her work.

Ms. Binder has spoken before many groups including the National Media Conference, and the Public Relations Society of America. She teaches classes and lectures on a regular basis at the Columbia University Graduate School of Business. She serves on the selection committees of a number of industry awards panels including the Silver Anvils, the highest award in the public relations industry. She has written numerous articles on public relations and related topics. She is also a board member of the Columbia University Graduate School of Business e-business initiative and the Institute for Public Relations.

Ms. Binder received her A.B. with honors from Brown University and her M.B.A. from the Graduate School of Business at Columbia University.

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