

## **SECTION D: EMERGING BEST PRACTICES**

As stated at the beginning of this report, one of the goals of this study was to identify Generally Accepted Practices (GAPs), by which we mean those specific PR practices, and patterns or combinations of practices, that are typically to be found in contemporary organizations. This is an important function in and of itself because there is general acknowledgement that the profession's body of knowledge is sorely lacking in hard data regarding a variety of fairly fundamental issues.

However, it is important to distinguish these Generally Accepted Practices from so-called "Best Practices," meaning those practices that, over time, have proven themselves to be consistently reliable contributors to organizational success.

Nonetheless, in compiling the results of this study the authors have identified a number of practices and patterns which, when combined with available indicators of success (especially inclusion in Fortune Magazine's "Most Admired Companies" list) appear to have the earmarks of what can be called "Emerging Best Practices." While from a hard-core statistical standpoint further study might be required to confirm that these are, indeed, Best Practices, the authors' many years of professional experience led them to conclude that the data in support of these practices make a compelling circumstantial case.

While some readers might view some of these Emerging Best Practices as being self-evident and/or already in widespread use, their inclusion here is essential, for these reasons:

- 1) The overall findings of this study clearly show that they are far from universally accepted and supported.
- 2) If they are to be moved from the anecdotal category to that of accepted practice, they must be formally added to the body of professional knowledge, which their inclusion here will hopefully achieve.

### 1. Forge a Strategic Role for PR

Observation: As stated in the Executive Summary of this report, the more that the public relations function is designed, practiced, and evaluated in alignment with the organization's strategic business goals, the greater its support from top management, the larger its budget in terms of its PR/GR ratio (see below), the greater its contribution to strategic planning, and the greater its perceived contribution to the success of the organization.

Emerging Best Practice: The greater the extent to which the PR function is positioned as a *strategic* (rather than tactical) contributor, the higher the PR budget and the greater the role in setting the strategic direction of the company. This means that the PR function should focus on the organization's overall strategic business goals, rather than more tactical communications objectives.

### 2. Seek the Right Reporting Line

Observation: Among companies included in Fortune Magazine's list of Most Admired Companies, PR is far more likely to report to the Executive Office.

Emerging Best Practice: As a rule, PR is generally better supported and most effective when it reports to the Executive Office.

### 3. Know Your PR:GR Ratio

Observation: Among companies included in Fortune Magazine's list of Most Admired Companies, a larger percentage of gross revenues is dedicated to PR (i.e. they have higher PR/GR ratios). While the so-called Advertising to Sales (A/S) ratio is a standard guideline in the advertising field, no such guidelines exist in PR.

Emerging Best Practice: Know your PR/GR ratio (public relations budget as a percentage of gross revenue), seek comparable data for organizations of comparable size in comparable industries, and use that data as a rationale for budgeting. While no two organizations are exactly alike, and organizational goals in combination with market conditions dictate budgets, the PR professional should not be totally lacking in comparative budgeting data.

#### 4. Use PR Agencies Appropriately

Observation: Among companies included in Fortune Magazine's list of Most Admired Companies, agency usage, especially on an agency of record basis, is more universal than among companies in general. Also, among both "Most Admired" companies and those not appearing on that Fortune list, the top two reasons for working with agencies are "strategic market insight and experience" and "offset limitations of internal staff. Finally, respondents across the board noted that their greatest concerns about working with agencies are costs, staff turnover, and assigning junior staff to projects.

Emerging Best Practice: If your situation warrants and allows, select an agency based on its ability to provide strategic added value on an ongoing, rather than sporadic basis. Make certain that there is a mutual comfort level with all issues pertaining to cost and staffing at the beginning of the relationship.

#### 5. Focus On Crisis Avoidance and Management

Observation: Among companies included in Fortune Magazine's list of Most Admired Companies, there is a far greater likelihood that "crisis avoidance and mitigation" is used as a gauge of the effectiveness of the PR function and that PR budgets will be relatively high.

Emerging Best Practice: With senior management and other organizational functions, establish a crisis prevention and management plan and update it as necessary.

### 6. Be Proactive Rather Than Reactive

Observation: “Most Admired” and other responding companies are equally likely to describe themselves as being highly “proactive.”

Emerging Best Practice: In order to be truly proactive, an organization must be “ahead of the curve” vis-à-vis its knowledge of its environment. This suggests that increasing use is being made of increasingly sophisticated tools for the monitoring of issues, media and stakeholder groups.

### 7. Focus On Ethics

Observation: “Most Admired” and other responding companies are equally likely to describe themselves as being highly “ethical” and having “good external reputations.”

Emerging Best Practice: The PR function should serve as an advocate for the important role ethical business practices play in establishing and maintaining a positive organizational reputation.

### 8. Build A Reputational Reserve

Observation: “Most Admired” companies have cut their PR budgets in the last year by larger percentages than companies of comparable size that are not on the Fortune list. They are probably better able to afford such cuts because of their larger base investments in PR and the strength of their existing reputations.

Emerging Best Practice: An appropriate investment in building reputation will better position an organization to maintain that reputation, at lower cost, during difficult economic times.

### 9. Focus On Evaluation

Observation: Many companies are beginning to move beyond such simplistic – and even questionable – methods of evaluation as number and/or circulation of media clips, ad equivalencies, etc., and are increasingly considering such factors as crisis avoidance and mitigation. Also, measures having the greatest potential impact on organizational leadership (contribution to sales, share, etc.) fall to the bottom of the list of currently used measurement techniques. Ergo, much work remains to be done to demonstrate the value of public relations. Many organizations are undertaking and/or supporting research in this area.

Emerging Best Practice: Determine what type(s) of evaluation would be best suited to your organization, investigate their availability, and support their development.