

BRIEFING NOTE

Advisors

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What is Public Relations?

Getting PR to work and how it differs from IR

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- Both PR and IR (Financial PR) seek to influence influencers;
- PR and IR should be ensuring the Company's view point is heard;
- PR is focussed on the Company's operations and relations with non-financial stakeholders and interest groups, including governments;
- PR is responsible for internal Company communications especially cultural change;
- PR is intimately linked to marketing and sales activities;
- IR is highly specialised and targeted at retail investors, financial analysts, institutional investors and the general capital markets community.

The Role of Public Relations

The Chartered Institute of Public Relations defines PR in the following way:

“Public Relations is about reputation - the result of what you do, what you say and what others say about you. Public Relations is the discipline **which looks after reputation**, with the aim of **earning understanding and support and influencing opinion and behaviour**. It is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its public.”

Looking after reputation

While popular culture may regard Public Relations (PR) as either frivolous or sinister, engaging in public relations is a core component of any successful organization’s strategy and day-to-day tactical activity. Effective PR, working in tandem with marketing and advertising is proven to – among many things – educate customers on the purpose of your business and products; help drive sales; recruit and retain talent; retain a good relationship with your local community (local Government, neighbours) and protect company’s reputation in times of crisis.

Fighting your corner in a crisis

Changing your internal culture...is not easy

Where PR ends and marketing and advertising begin is increasingly difficult to define in a world of social media and online influencers but simply, PR uses third parties (journalists, customers, employees, to name but three) to advocate on your behalf. PR campaigns are designed to influence by ensuring your target audience: thinks something positive about you; feels something positive about you (emotional engagement, even for a b2b audience is key to people remembering and being motivated to act) and then does something you want them to do, such as buy your products or services.

PR overlaps with marketing and advertising

PR always works alongside the more specialist Investor Relations (IR) discipline, sometimes amplifying stories and messages to a wider audience, such as customers and employees.

See ACF Explains Investor Relations

PR Disciplines

Different PR disciplines

Many PR professionals and PR agencies specialize in certain areas, whilst others are more generalist. For any business looking for PR support, the key areas to focus on include:

Exhibit 1: The 7 PR disciplines

Key Areas for PR Advice

Corporate communications
 Business to business communications (b2b)
 Crisis and issues management
 Consumer marketing
 Board changes etc.
 Industry analyst relations (as opposed to financial analysts)
 Public affairs (Government/NGO relationships)

Source: ACF Research

You may require some or all of the advice and execution in exhibit 1. For example, if you are looking for planning permission to change a building's use, then Public affairs, plus corporate communications and employee communications are key. If you are aiming to make the most of attendance at a trade show, to drive prospects to your stand, then business to business communications is what you are looking for. If you are looking to build up workplace morale, then internal, employee engagement is critical.

Exhibit 2: PR key audiences

Key Stakeholders for PR Programmes

General media
 Non-financial journalists
 Politicians national and local
 The general public
 Other businesses
 Other non-financial stakeholders
 Social Media

Source: ACF Research

There are specialist PR agencies but a full-service agency has a wide range of essential skills for a company to use

If you are a smaller business pick your need to maximise the impact of your budget

PR advice and execution areas – see exhibit 1

No one knows more PR companies than a journalist or another communications professional. ACF has several local and global top-level communications professionals on its roster.

Stakeholders PR should address – see exhibit 2

Does the Media still Matter?

General press interest and understanding is essential if your audience still reads the press

Do not expect to get coverage in the FT or the WSJ unless you are a global 500 company by valuation

Traditionally, PR was regarded as media relations. Yet the rise of social media has seen many publications disappear and newsrooms shrink.

The answer to the questions of whether the media still matters is: yes, if your audience still reads the media and no, if they don't.

There are still many people who watch the news, read a local news site or a trade magazine but there are also a great many who do not. So, understanding the channels by which you can reach your audience is key. A good PR agency will have access to tools and data bases to help run this analysis.

Once you have defined which media are still consumed by your end audience, then a PR team will or should do the following:

- Identify key journalists and meet with them to educate them about your business;
- Identify upcoming opportunities where you can feature, for example: a story about a city's property market; an article on innovations or the results of a CPR/PEA/JORC/NI 43-101 in the basic materials or oil & gas sectors and phase trial results in healthcare; a feature on local employers; a profile opportunity on up-and-coming business leaders;
- Pitch proactive news and feature stories to the media, about your company, products and employees;
- Help counter criticism and negative stories through briefing your side of the story; putting out positive news items.

What about Social Media?

Social media provides a wealth of opportunities to engage directly with your audience and also to use influential individuals with followers to advocate on your behalf. For many small companies it can seem daunting to engage but it's important that you do. It's also very easy to run analytics to ensure that you are reaching the right people and having the right impact. You should also ensure that PR is working in conjunction with paid (i.e. marketing/advertising) campaigns, which can start for very low budgets. In many instances, a PR agency can run your social feeds and paid campaigns on your behalf. Here are some basics to start to think about:

An understanding of social media and how to use it is a modern necessity

Social media metrics are widely and inexpensively available

- **Linked In** – this is *the* b2b social channel and so it's important that your management team have up to date profiles and share interesting content; you should also think about having a company page, too, to share news; encourage your employees to be ambassadors for the company and share news via Linked In.
- **Twitter** – this can be an effective way to share news with journalists and to engage with customers. Tracking Twitter can also keep you ahead of any issues, such a customer dissatisfaction, so your PR and customer teams can deal with something swiftly. There are many free tools that help you track and manage Twitter.
- **Instagram** – whilst Instagram is not a b2b channel, it's *the* channel to engage with consumers and, in many instances, employees and wider society. Instagram is highly visual and enables you to share a more human side of the organization. Why not have a trainee share their experience as a new employee? Or your receptionist talk about why they love to work at the company?

Hiring a PR Agency

SMEs should avoid glitter names – you need your budget to be meaningful to your agency.

If you're a small to medium-sized business, it's likely you won't have a dedicated PR person on staff. Hiring a PR agency provides instant expertise and bandwidth. Finding a PR agency can be done in the following ways:

- Ask your advisors – your strategic advisors will have relationships with trusted agencies and they'll know what will suit you;
- Go to an industry body, such as the CIPR or PRCA, who will help you find a list of agencies;
- Ask a journalist who they recommend – they will be connected to the good, proactive agencies.

Once you have a shortlist (no more than four as it can be a time-consuming exercise) then the critical next stage is to provide your PR agency with a brief.

The brief outlines what your business goals are and what your communications objectives are, your target audiences, plus relevant information (i.e. product launches).

Be specific about how you will measure the success of the campaign. Ask your advisor or the agency for a template you can fill in. As part of the brief, you need to be clear about budgets.

To be clear: good PR requires investment and investment over a consistent period of time. It is not prohibitive but nor can it be done cheaply. The budget depends very much on your brief, your sector and specialisms required and geographies to be covered. You can also choose to pay a monthly retainer or a flat project fee.

The Difference between PR and IR

PR is concerned with operations, internal and external cultural change, and non-financial stake holders and “police” including governments.

Both IR and PR are there for crisis management and both seek to influence the influencers.

IR is a highly specialised activity concerned with the financial markets’ ecosystem alone.

The difference between PR and IR - Both PR and IR (Financial PR) seek to achieve the same general goals – to influence the influencers, promote the Company’s side of an issue (by ensuring the Company’s view point is heard and understood) and defend the Company in times of crisis, where this is possible. The difference is that IR (Financial PR) is highly specialised and targeted toward retail investors, financial analysts and the capital markets community in general.

The **difference** is that PR is focused on communications surrounding the Company’s actual operational/business activities with influencers, governments, politicians, non-financial regulators, the general non-financial media and crucially, internal communications and cultural change (in general, a very difficult thing for many companies to achieve). PR is also intimately linked to marketing and sales activities and strategies.

We strongly recommend reading our complementary briefing note on Investor Relations (Financial PR) on our website at ACF Explains Investor Relations

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