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**Title:** Predatory Threats and the Evolution of PR: How to Thrive in the Coming Years

Public Relations Strategist

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**Summary:** So whatever happened to the go-go 1990s? You know, when the PR business was so easy that all you needed was a pulse. Maybe some of those millennium doomsayers who predicted the world would end weren't as crazy as we thought. After all, for many people, the world as they knew it ended with last year's slumping economy and the horror of Sept. 11.

Unlike the last decade, the coming years will require more from those of us who hope to survive in the business of reputation management. Not only will PR practitioners need a keen fight-or-flight response in defense of the predators to our profession, but thriving in public relations will also require a quick adaptation to an ever-changing economic, political and social climate.

It used to be that organizations were valued by tangible assets such as real estate, equipment, inventory and cash. However, in recent years, companies have looked for ways to shed these costly physical and financial assets by relying on outsourcing, contract manufacturing, just-in-time inventory, and leasing vs. owning. Today, new assets are adding value to a company's bottom line: intangible assets, which include such things as corporate reputation, brand preference, employee loyalty, community goodwill and management credibility.

According to information compiled by the Council of Public Relations Firms from a study by Ernst & Young titled "Measures That Matter," anywhere from 30 percent to 50 percent of a company's value rests in its intangible assets. You know, the areas for which you and I are responsible. How skillfully we manage the worth of these nonfinancial assets will have a direct impact on our company's (or client's) overall valuation. In fact, Ernst & Young states the more analysts use nonfinancial measures, the more accurate their earnings forecasts.

Along with the growing value of intangible assets come new predators and threats to our practice. Beware of management consultants who have formalized such practices as "reputation assurance." To ensure we don't slide to the bottom of the food chain, PR practitioners must defend their turf against these wannabe reputation managers who charge more, predict and measure outcomes better, who already have earned a seat next to the CEO, and were global in focus long ago.

Preventing our own extinction requires an evolution of better predicting and measuring of both tangible and intangible outcomes for our organizations. Tangible outcomes include such things as trial, purchase, market-share growth, earnings growth and market valuation. Intangible outcomes include brand awareness, consideration, preference and loyalty, among others.

To continue fueling the momentum of our industry, our profession must close the gap with management consultants by attracting higher-quality people. This includes the top MBA and liberal arts grads, and mid-career transfers from nontraditional fields such as law, health care and finance. Expect to offer higher salaries for talented people, to provide more generous benefits and deferred compensation, and to pay closer attention to quality-of-life issues.

Practitioners who embrace this evolution of tying outcomes to intangible assets and attracting higher-quality people will not only survive, but also thrive in the coming decade. Remember that in the quest for fire, we're the keepers of the flame when it comes to reputation.

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