

PR News

Building the bridge between PR and the bottom line.

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As Budget Season Begins, Pricing Models Attract Scrutiny

And yet, new thinking remains at the margins

As PR managers prepare for the fourth quarter and early 2015, they're creating new and innovative programs designed to leverage both social media channels and digital PR. Yet altering pricing models remains decidedly below the radar. Despite the dramatic and ongoing changes in PR services, many agencies are sticking with the traditional retainer model. Agencies don't

want to upset the apple cart. They don't seem to be getting much pressure from their clients either, who after all are paying the freight. But that's generating some conversation.

"PR is being progressive and creative with new ideas and adapting to changes in the marketplace, but it's not being progressive on how it charges for new services," said Robb Henshaw, VP of marketing and communications at **inPowered**, a content marketing platform whose clients include **Walt Disney Co.**, **Ford Motor Co.** and **Samsung**.

In January Henshaw—with the blessing of his CEO—severed relations with the PR agency inPowered had been using since early 2013. Part of the problem: the agency's pricing model was woefully inflexible. He would not name the agency.

"For most PR agencies, today's pricing models are totally out of whack," Henshaw said. "The vast majority [of agencies] still want to lock in a three-to-six month commitment from the client, without any commitment from the agency regarding performance.

In any other industry, if you were asked for that kind of budget upfront, without performance, the person would tell you to go jump off a bridge."

Since inPowered took PR in-house the company has garnered 20x better results with its communications—and saved the \$25,000 monthly agency fee, to boot, according to Henshaw. He stressed that inPowered will most likely reengage agencies sometime in 2015, but will only accept RFPs from those firms that offer a performance-based pricing model.

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DID YOU KNOW

1. Agencies are gradually starting to offer more flexible pricing models. (p. 1)
2. Stakeholders along the supply chain can influence corporate reputation. (p. 1)
3. Meeting with an editorial board is a good-news-bad-news situation. (p. 2)
4. Despite growth, many PR agencies are not raising their billing rates. (p. 3)
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6. Agencies are on the hook to create a financial planning calendar for clients. (p. 8)
7. The benefit of reaching minorities goes beyond gaining market share. (p. 10)

► B2B Marketing and PR

By Mary Buhay

PR Can Help Engage the Supply Chain



Digital tools for those who are not always 'on'

The journey to produce, deliver and eliminate items used by consumers depends on vast networks of businesses collaborating quietly toward mutual success. However, breakdowns in understanding and practices among suppliers and vendors do occur, and go public in a matter of seconds via posts on digital and social media platforms. Take how **Cadbury Malaysia** dealt with a crisis earlier this year during a health ministry investigation into the presence of pork DNA in two of the company's chocolate products. Reports were leaked via social media, which led to calls

for a boycott, lawsuits and even a holy war from some enraged leaders of Malaysia's significant Muslim population. The chocolate maker was later exonerated by the country's agency overseeing Islamic affairs.

PR pros know that stakeholders along their supply streams can influence corporate reputation just as much as the end customer. To examine some of the ways that companies have effectively used digital and social media in their supply chains, we turned to a trio of PR managers working in B2B communications for their insight.

Gary Frantz
Director,
Corporate
Communications,
Con-way Inc.

There is no employee more mobile than a truck driver. Unlike most workers, a truck driver's "office" is the cab of his or her truck. For some, it's home for three or four weeks at a time. For others, it is their office

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PR Advice from the Pros

"Empathize before you strategize."

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PR News' Best PR Advice Compendium
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Group Editor, Matthew Schwartz, 212.621.4940, mschwartz@accessintel.com
Editorial Director/Events, Steve Goldstein, 212.621.4890, sgoldstein@accessintel.com
Graphic Designer, Yelena Shamis, 301.354.1838, yshamis@accessintel.com
Content Manager, PR Events, Richard Brownell, 212.621.4693, rbrownell@accessintel.com
Writer/Editor, Brian Greene, 212.621.4917, bgreene@accessintel.com
Director of Marketing & Event Logistics, Kate Schaeffer, 301.354.2303, kschaeffer@accessintel.com
Senior Marketing Manager, Laura Snitkovskiy, 301.354.1610, lsnitkovskiy@accessintel.com
VP of Marketing, PR News Group, Amy Jefferies, 301.354.1699, ajefferies@accessintel.com
Marketing Coordinator, Rachel Scharmann, 301.354.1713, rscharmann@accessintel.com
VP of Content, Tony Silber, 203.899.8424
SVP/Group Publisher, Diane Schwartz, 212.621.4964, dschwartz@accessintel.com
President & CEO, Don Pazour
Chief Operating Officer, Heather Farley



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Client Services:

Phone: 888.707.5814 • Fax: 301.309.3847
 e-mail: clientservices@accessintel.com

New York Editorial Office:

88 Pine Street, Suite 510, New York, NY 10005
 Phone: 212.621.4890 • Fax: 212.621.4879

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▶ How To...

Brace for an Editorial Board Meeting

By Andy Gilman



Meeting with editorial boards and reporters is a good-news-bad-news situation. The good news: the conversation is more in-depth, includes reporters and editors who know a bit more about your brand or organization and can generate multiple stories over time. The bad news: the conversation is more in-depth, includes reporters and editors who know a bit more about your brand or organization and can generate multiple stories over time.

What makes this format a great opportunity also makes it an opportunity for a meltdown if you don't prepare your spokespersons and/or C-suite executives appropriately.

The key lies in preparation for this specific forum and its unique opportunities and challenges. It's rare that you will learn of a meltdown as we occasionally see on TV.

The meltdown in the editorial board tends to show up after the meeting via a loss of credibility, poor coverage and an irritated senior executive.

Why meet with an editorial board? As the name implies, it's a great opportunity to build a relationship with the publication's leadership. You can provide insight about your company and, if the editors are objective, persuade them of your position and get more favorable coverage for the long term.

Here are several tips on how to avoid a meltdown during these meetings:

1. Not negotiating ground rules. Yes, the editorial board meeting happens in the publication's offices. And the staff likes to use the same ground rules for all applicants.

However, you can still negotiate certain aspects of the meeting, such as when you can go "off the record," whether recording devices can be used, who will attend from your organization and topics that are off the table.

2. Going off the record. Wait, an editorial board is supposed to be off the record and for background. It is, but I've never met an editor or senior writer who wasn't looking for some news that could be verified separately.

Even if the attendees never actually use the "off the record" comment, background information can send inquiring minds into directions you don't want. There are exceptions to this rule, but be very careful to make sure that note taking stops and recording devices are turned off during the true "off the record" moments.

3. Failure to explain trends and key topics in your industry. Editorial boards expect the company spokesperson to demonstrate broader knowledge of the industry or field in which you play.

If all you do is push narrow company/organization perspectives, the questions are bound to get testier and the long-term impact will be lessened.

4. Not preparing supporting information. Whether it's a leave behind, an infographic or a key chart, use additional material that will help you make your point.

5. Not preparing for different media. There's a good chance that the meeting will be recorded and some of the video will run on the publication's website. That's fine, but prepare to do this after the interview.

6. Bridging before answering a question. There are different types of blocking and bridging responses, depending on the interview. On TV it's okay to often acknowledge an issue and bridge; however, the editorial board may require a more on-point answer before bridging.

7. Not remembering that you can "block" certain questions. Just because it's a candid discussion, doesn't mean that you have to answer all questions that reveal proprietary information. You still can't go into issues related to personnel records or litigation or products under development.

8. Failure to research the members of the board. It's not hard to find their bios, LinkedIn profiles and recent articles by reporters and editors (when they were reporters). At the very least, these outlets tell you what they write about.

It might reveal their slant on an issue. Knowing facts where someone worked before or even where they went to school, allows you to connect and make the conversation a bit more personal.

9. Not simulating the interview. Bring in a few team members, rehearse the opening comments and how to frame the issues.

10. Not coming in with key messages and stories. Sure, it's supposed to be a longer discussion and more in-depth. But any audience still is interested in your best answers, backing them up with how you developed the message along with the supporting information.

Editorial boards are more of a conversation than the typical interview. Proper preparation increases the odds of success and limits the chances of a meltdown. **PRN**

CONTACT:

Andy Gilman is president-CEO of CommCore Consulting. He can be reached at agilman@commcoreconsulting.com.

Rate of Change

With advertising schedules on the wane, more and more marketing dollars are flowing to PR agencies. But whether agencies are capitalizing on the trend is another story.

► **A New Bill for PR?** From late December through June, top-line revenue grew for 74 percent of PR agencies responding to an exclusive study conducted by **Gould+Partners**. However, monthly retainers grew for just 33 percent of the agencies responding to the survey. “The PR industry continues to grow,

but the majority of firms are not raising their billing rates and/or retainers proportionately when they give raises,” said Rick Gould, managing partner of Gould+Partners. The study includes responses from 46 PR agencies, with total net revenue of \$400-plus million in 2013. Highlights from the survey are below. **PRN**

Trending the Industry

	Up	Down	No Change
1. Net Revenue	74%	13%	13%
2. Base Salaries	78%	0%	22%
3. Revenue Per Professional	44%	30%	26%
4. Monthly Retainers	33%	28%	39%
5. Operating Profits	61%	13%	26%
	Yes	No	
6. Did your billing rates increase in the first 6 months of 2014?	30%	70%	
7. Did your write-off of time charges increase?	52%	48%	
	12/31/13	6/30/14	
8. What percentage of total net revenue did your largest client represent?	17%	19%	

METHODOLOGY: The objective of this survey was to determine key trends in the industry geared toward growth, increased labor costs and resulting increase/decrease in operating profit.

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PR News Announces 2014 Digital PR Awards Finalists

An increasing number of companies and organizations are now deploying a digital-first PR strategy. Whether it's Facebook communications, mobile apps or video, we've got all the bases covered with PR News' 2014 Digital PR Awards. We hope to see you at the Grand Hyatt in New York City on October 10 for this year's event, which features some of the top consumer and B2B brands and PR agencies. To register to attend, please go to prnewsonline.com.

Digital Communicator of the Year

- Andrew Bowins, MasterCard
 - Mitzi Emrich, MWW
- Sam Ford, Peppercomm
- Ian Cohen, Weber Shandwick

Digital PR Team of the Year

- Cisco Systems • Human Rights Campaign
 - United Nations Foundation

PR Firm of the Year | Digital

- Dixon Schwabl • MWW
- Waggener Edstrom Communications

Blog

- General Electric • Human Rights Campaign
 - MasterCard • Samsung Electronics
- SHIFT Communications • Time Warner Cable
 - USANA Health Sciences

Blogger

- Chris Brogan • Kenneth D. Makovsky
- Peter Shankman • Brian Solis

Cause Marketing/CSR

- APCO Worldwide • APTA + DDC Advocacy
 - Kruger Products USA Inc.
- Marina Maher Communications
 - Powell Tate on behalf of National Women's Law Center
 - SheKnows • Toyota & 360i

Contest/Game

- Allstate Insurance Company
- Carrington College • Cramer-Krasselt
- Current Lifestyle Marketing • Esurance
- Hilton Worldwide • KC Projects, LLC
- SPN Communications • Symantec Corp.

Digital Marketing Campaign (\$100k - 200k)

- AICPA • Kronos Incorporated • Newlink Group

Digital Marketing Campaign (\$100k and under)

- Colangelo & Partners Public Relations
- Defense Health Agency • Marina Maher Communications • rbb Public Relations
 - Solomon McCown & Company

Digital Marketing Campaign (\$200k - 500k)

- APTA + DDC Advocacy • Coty Inc.
 - GolinHarris • R&R Partners
- Weber Shandwick St. Louis, New York and Chicago

Digital Marketing Campaign (\$500k +)

- The Clorox Company • FCB Health
- FleishmanHillard • Racepoint Global

Digital PR Campaign – General Excellence

- Coty Inc. • Cramer-Krasselt • Cramer-Krasselt
 - MWW • rbb Public Relations
- Seminole Hard Rock Hotel & Casino Tampa
 - Taylor Strategy • Waggener Edstrom Communications • Weber Shandwick
- Weber Shandwick with Pedigree Brand



APCO Worldwide, finalist in the Cause Marketing/CSR category.



Esurance, finalist in the Contest/Game category.

Email Newsletters

- Columbia University School of Nursing
- Coyne Public Relations • Otter Products

Employee Communications Online

- Baxter, supported by Ruder Finn Inc
 - Kindred
- RFBinder on behalf of CVS Caremark

Facebook Communications

- 451 Marketing • Alpaytac
- Brand Definition • FSC Interactive
 - KC Projects, LLC
- MD Anderson Cancer Center • Pfizer and GCI Health • TCIP Turkish Catastrophe Insurance Pool
 - Weber Shandwick

Influencer Communications

- Biosector 2 and Novartis Oncology
 - Catalyst IMG
- Finn Partners on behalf of Jamba Juice
 - Marina Maher Communications
 - Meredith Xcelerated Marketing
 - Sway Group

Intranet

- AutoTrader Group
- Baxter, supported by Ruder Finn Inc.

- BBVA Compass • BMW North America with MSLGROUP • inVentiv Health

- The Nature Conservancy
- Victaulic

Listening Campaign

- 451 Marketing • Makovsky
- MasterCard • Molina Healthcare Inc.
 - Purple Strategies
 - Weber Shandwick

Location-based Digital Campaign

- Adobe • Eastern Virginia Medical School
 - Esurance

Media Relations Campaign

- Access Communications
- Bhava Communications
- Capitol Media Partners
- Cramer-Krasselt • TopFire Media

Microsite/Custom Site

- Cisco Systems
- PhRMA, Connections Media and The Herald Group
 - Hilton Worldwide
- Lincoln Financial Group Retirement Plan Services
 - MWW • Racepoint Global
- Ricoh Americas Corporation & Weber Shandwick
 - Waggener Edstrom Communications

Mobile App

- APCO Worldwide • Booz Allen Hamilton
 - Carpet One Floor & Home
 - Coca-Cola North America
 - Current Lifestyle Marketing
 - MD Anderson Cancer Center

Most Engaged Brand

- 451 Marketing • Association Headquarters Inc.
 - Cohn & Wolfe • MWW • Transamerica

New Digital Service/Product

- Accenture
- Blueocean Market Intelligence Services Private Limited
- BP and Ogilvy Public Relations
 - National Retail Federation
 - University of Alberta



AICPA, finalist for Digital Marketing Campaign (\$100k-\$200k).

New Site

- Anadolu Group • Booz Allen Hamilton
- Jefferson National • Ricoh Americas Corporation & Weber Shandwick
- SPN Communications • TopFire Media
 - Wells Fargo & Company

Online Community

- APTA + DDC Advocacy
 - Biosector 2 and Novartis Oncology
 - Marina Maher Communications
- Mashable • MWW • Pfizer and GCI Health
 - RFBinder on behalf of CVS Caremark
 - United Nations Foundation

Online Newsroom

- Cisco Systems • AT&T with FleishmanHillard
 - Inseem Press Room • MasterCard
 - POM Wonderful's Press Room
 - Weber Shandwick

Podcast or Videocast

- AT&T Corporate Communications
 - Content Marketing Institute
- San Francisco International Airport

Public Affairs Campaign

- APCO Worldwide • APTA + DDC Advocacy
 - Bravo Group • Capitol Media Partners
- Powell Tate on behalf of National Women's Law Center
 - Purple Strategies
- TCIP Turkish Catastrophe Insurance Pool

Redesign/Relaunch of a Site

- 11mark • BRT & NJI Media • General Electric
 - General Motors • National Retail Federation

- Pepco Holdings Inc. • San Francisco International Airport • U.S. Chamber of Commerce

SEO (Search Engine Optimization)

- 451 Marketing • University of Alberta

Social Networking Campaign

- Barnes & Noble College Marketing
 - Boza Agency • Coty Inc.
- Kronos Incorporated • Ogilvy Public Relations
- RFBinder on behalf of Truvia brand, Cargill Inc.
 - Safe Kids Worldwide • SPM Communications
 - Sway Group
- Weber Shandwick on behalf of MilkPEP

Twitter Communications

- 451 Marketing • APCO Worldwide
 - Citizen Relations for P&G
- Esurance • Marina Maher Communications
 - Meet Minneapolis & Spong
- RFBinder on behalf of Truvia brand, Cargill Inc.

Use of Facebook

- Essencius • FleishmanHillard
- Fresh Ideas Group • Molina Healthcare Inc.
 - NETEYE GmbH
- Weber Shandwick with Pedigree Brand

Video

- Booz Allen Hamilton • Critical Mass and Current
 - Current Lifestyle Marketing
- Kaiser Permanente • Porter Novelli
 - PRISM Marketing/MSLGroup
- Toyota and Discovery Education
 - Weber Shandwick on behalf of MilkPEP
- Weber Shandwick on Behalf of Ocean Spray

Viral Campaign

- Catalyst IMG • Clever Girls Collective
 - Cramer-Krasselt • LEWIS PR
- Taylor Strategy • United Nations Foundation
 - Weber Shandwick

WOW! Campaign

- 451 Marketing • The Clorox Company
 - EVB • Human Rights Campaign
 - Mullen • United Nations Foundation
- Weber Shandwick with the National Pork Board

Northwestern Mutual Goes to Bat for Childhood Cancer

Campaign focuses on all those brave moms

Flashing a cancer survivor tattoo on a bare chest and throwing crutches off the side of a building, kids defy sickness, sadness and pain as they grapple with childhood cancer. These bold scenes are not usually associated with a financial

diagnosed with cancer in 2014, according to the American Cancer Society. That's about 43 kids per day. Unfortunately, less than 5 percent of the National Institutes of Health total funding for cancer research supports childhood cancer research.

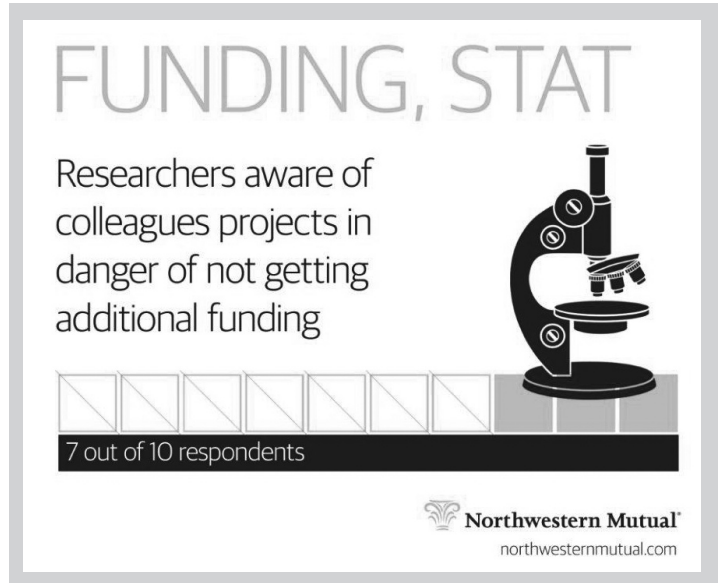
In fact, nine in 10 childhood cancer researchers say a lack of funding is the biggest obstacle to finding a cure, according to research commissioned by Northwestern Mutual.

In addition, there are the emotional and financial burdens that families deal with as they battle for their child's life.

That's why Northwestern Mutual launched its Childhood Cancer Program. The program, which debuted in July 2012, is designed to accelerate the search for cures to childhood cancers by providing research funds and supporting families facing the daily struggles of these diseases.

NEW CAUSE

Founded in 1857, Northwestern Mutual has a deep legacy of supporting a variety of community



Courtesy: Northwestern Mutual

The graphic above is one of the stats from a survey the PR campaign conducted regarding the need to fund childhood cancer research.

21,000
Number of people who engaged with the content during the first week of the PR campaign

security company, but that's exactly the kind of emotional messages that **Northwestern Mutual** conveys in its latest video, as it helps families fight the number one disease killer of children. A total of 15,780 children and adolescents will be

programs both in Milwaukee, Wis., its corporate headquarters, as well as the communities that have satellite offices.

For the first time, the company created a national philanthropic effort that rallied its employees and nationwide network of more than 10,000 financial representatives behind one social cause—childhood cancer.

In the last two years, the results have been significant, as Northwestern Mutual has contributed more than \$6 million to the cause, funded more than 35,000 hours of vital research and provided support to more than 3,000 families. The company was able to leverage social media (for the first time) to support a cause by curating

3 Tips on Driving Cause Programs

Social impact programs are strategic investments that can successfully communicate what a brand stands for, help drive positive societal impact and achieve a range of business objectives. These objectives include building and improving brand reputation, retaining and recruiting employees and increasing preference and purchase among consumers.

Having developing numerous successful cause programs throughout the last 25 years, we know there are numerous factors critical to a program's sustained success. When it comes to consumers, it is critical to ensure transparency of your mission and goals, demonstrate authentic alignment with the right social issue and communicate in a continual and compel-

ling way the impact of your efforts. Equally important to a program's long-term effectiveness ensuring that critical internal stakeholders are engaged and aligned from the get-go. As we look back on cause programs that didn't garner a high-level of business or social impact, they most likely failed of one or more of what we call the "Four Cs."

- ▶ **Consensus.** Confirm alignment and agreement among internal stakeholders on the business objectives of the program and clarify the department and individual roles. Unfortunately, too often many programs fail due to lack of agreement and accountability among key leaders.
- ▶ **Capacity.** Ensure that you have enough talent and time allocated to the program to effectively execute. A truly successful program is embedded into the culture of an organization, with nearly all departments

playing important roles. This cannot be a one-person operation.

- ▶ **Commitment.** Take a long-term approach and make the necessary investments to achieve your program goals. Success around cause programs does not happen overnight; it can't simply be a Q4 promotion. Programs can take up to three years to achieve strong momentum and maturity. Smart companies plan and act accordingly.
- ▶ **Champion.** Recruit internal leaders to be strong advocates for the program. The best programs are built from the inside out, relying on senior leadership, as well as front-line employees, to participate, promote and advocate on behalf of the program. —R.M.



Rich Maiore

content that told an authentic brand story, championing funds for childhood cancer and creating compelling, simple opportunities that empowered people to make a difference.

THE GOALS

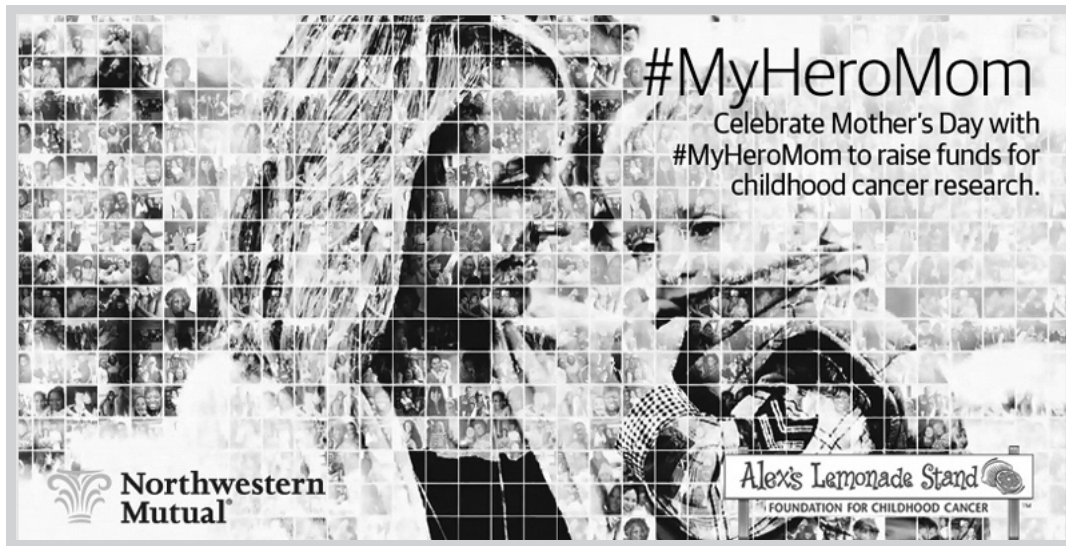
The company's most recent social media campaign in 2014, called #MyHeroMom, was able to leverage the spirit of the Mother's Day holiday by celebrating all moms as heroes, especially those brave mothers who help their kids battle cancer.

The effort aimed to achieve the following objectives:

- Increase awareness of Northwestern Mutual's Childhood Cancer Program
- Grow social media fans and increase overall engagement
- Elevate awareness of the need to support childhood cancer research
- Drive funding for childhood cancer research (up to \$50,000)

Northwestern Mutual initiated #MyHeroMom, a two-week campaign, with a \$25,000 donation to Alex's Lemonade Stand Foundation for Childhood Cancer (ALSF), encouraging consumers, employees and financial representatives to support the cause by helping to raise an additional \$25,000.

Each time a consumer uploaded an image of his



Cone Communications created a Facebook tab for Northwestern Mutual's #MyHeroMom campaign. The tab included a digital mosaic and animated gallery that featured photos honoring moms for their heroic acts of love to raise funds for childhood cancer research.

A social media campaign, called #MyHeroMom, was able to leverage the spirit of the Mother's Day holiday by celebrating those brave mothers who help their kids battle cancer.

mom to **Twitter, Instagram** or **Facebook** with the hashtag #MyHeroMom, a \$5 donation from Northwestern Mutual Foundation was sent to ALSF.

Northwestern Mutual also created a one-minute how-to video for **YouTube** about #MyHeroMom so consumers could be guided in their engagement options.

Northwestern Mutual rallied employees and financial representatives to send images and messages to honor their moms, and some of these images were featured in the how-to video.

"The campaign offered an easy, yet profound way for consumers, employees and financial representatives to celebrate the

positive impact their moms have in their lives, while supporting innovative research aimed at developing cures to improve the lives of children battling cancer," said Nichole Lecher, director of strategic philanthropy and community relations at Northwestern Mutual.

The campaign launched on April 29 on Facebook, featuring a digital mosaic of a mom and her child surrounded by a collage of campaign photos.

The press release illustrated how support of #MyHeroMom would help moms like Dash Wallooppillai and her 11-year-old daughter, Ishani, as she battles a cancerous tumor.

Wallooppillai rallied her family to stay strong when Ishani was diagnosed at age three and underwent numerous rounds of surgery, chemotherapy and radiation—and when she relapsed at age six.

She worked with doctors to make sure Ishani was taken care of during the treatments. Ishani is now off treatments and in remission.

THE RESULTS

#MyHeroMom was launched using an earned/owned/paid media approach, including two paid blogger partnerships and a **Thunderclap** partnership. The Mother's Day effort achieved all campaign goals, including the full donation of \$50,000 to ALSF and funding 1,000 hours of childhood cancer research.

The campaign launched with a feature story on Examiner.com and a link to

the video. More than 500 images were uploaded, and about 3,000 more social actions (shares, likes, retweets) were taken. The campaign also generated 130,000 YouTube views and about 53,000 impressions from **LinkedIn**.

More than 330,000 people viewed the #MyHeroMom content, and 21,000 people engaged with the content during the first week of the campaign.

The partnership with Thunderclap engaged 415,184 people, and the campaign exceeded typical benchmarks by both blog partnerships, garnering nearly 1.5 million impressions.

Mom bloggers—and even a few dad bloggers—generated dialogue about the importance of supporting the cause and Northwestern Mutual's commitment to raising awareness and donations among a key business audience: moms. **PRN**

CONTACT:

This article was written by Rich Maiore, senior VP for social impact/CSR Group at Cone Communications. He can be reached at rmaiore@conecomm.com.

Pricing

► Page 1

“More and more VPs of communication and marketing are holding out for the true PR partner, which is invested in the success of the client,” Henshaw said. “It’s got to start with the brand side saying, ‘I won’t work with agencies that have an antiquated retainer model.’”

Although changes in pricing models are still on the fringe, there is some movement.

In late August, Illinois renewed its contract with **FleishmanHillard** to handle promotion of Get Covered Illinois (to expand health insurance coverage as part of the Affordable Care Act), according to the **Associated Press**.

The \$25.6 million contract with FleishmanHillard includes tighter controls over who gets paid at the highest rate of \$282 per hour, AP said, adding that the first-year contract drew criticism for its hourly rates, which far exceeded contracts other states signed for similar work.

“It’s quickly becoming less about structured fees, with a fixed budget, and more in favor of creating a more flexible approach that best syncs up with the cli-

ents’ business needs,” said Alan Marcus, New York office lead for **SHIFT Communications**.

Marcus recommended two tips for how PR agencies can be more flexible with pricing and develop more creative budgeting for clients:

► **Create a financial planning calendar.** Depending on the client’s financials you might offer a lower rate for a few months, which the client agrees will get bumped up at a later date once the top and bottom lines look healthier. “You have to show empathy for the client’s spreadsheet,” Marcus said.

► **Partner with the client to think about mutually appealing financial incentives.** In light of a constantly changing marketplace, don’t paint your agency into a corner regarding pricing. The first three months of the relationship may require one type of pricing model (such as a fixed project fee for planning) while the next three months may require a different model, one that is perhaps more

dependent on tangible earned media results.

Being more flexible with pricing models should benefit both sides of the table and enhance the relationship.

“The ability to empathize with clients’ business needs and business cycles shows you have a deeper understanding of their business overall,” Marcus said, adding that financial planning is a growing part of the conversation with his clients. “That’s where the real thinking comes in; there’s more strategy involved, especially when you have to look at budgets on a shorter-term basis.”

Of course, when it comes to PR pricing a lot depends on the size of the agency and the type of client. The vagaries of the economy also come into play.

“We’ll negotiate fee-for-service and spend a ton of time meeting with clients, discussing the scope of the campaign, the deliverables, how we’ll be measured and the fee,” said Helene Solomon,

“For most PR agencies, today’s pricing models are totally out of whack.”

CEO of **Solomon McCown & Co.** (SM&C), adding that she’s not getting requests right now from clients for more flexible pricing. “It’s very precise deliverables, but at the end of the day, it’s still fee-for-service.”

Solomon is flexible with the fee-for-service model—to a point. “If there’s a change in the business we’ll reevaluate the scope of what we’re doing for that client,” she said. **PRN**

CONTACT:

Robb Henshaw, robb.henshaw@inpwr.com; Alan Marcus, amarcus@shiftcomm.com; Helene Solomon, hsolomon@solomonmccown.com.

If You Pay Peanuts You Get Monkeys

Procurement exists for one purpose: to ensure the organization receives maximum value from consultants, suppliers and vendors. Unfortunately, many clients and a few PR agency principals define value as downward pressure on agency compensation through securing the lowest possible price for services. Here are a few ways to boost the value for both the agency and the client:

► **Collaborate with your PR firm on the most fair, equitable compensation.** There are several different ways to invoice PR fees. First, there’s the fixed retainer fee, usually invoiced monthly in advance for a planned scope of work (SOW) and estimated fees. Fixed retainers make it easy to forecast expenses for clients, but tough for agencies

that go above and beyond. Second, there’s a project fee that has one or more identifiable projects within a defined time frame. Project fees are capped based on the agreed upon SOW. If that scope changes, most agencies present a revised one reflecting the change in fees. Third, the most common form of agency compensation is hourly billing. For publicly traded companies that need to accrue expenses in the period they are incurred, hourly billing is the most transparent form of compensation. However, it takes diligence for the agency to forecast, and for the client to manage month to month.

► **Don’t let incentive comp become a disincentive for PR firms.** Despite everyone’s best intentions, incentive fees are rare. The few such arrangements we’ve struck have put a portion of our profit at risk if we underperform against agreed-upon metrics, with the incentive of additional fee to over perform.

► The underlying assumptions of agency fees.

Whatever the fee arrangement, billing rates are established based on three basic parts: cost of people, overhead and profit margin. Cost of people refers to salary and related expenses (benefits, payroll taxes) for professionals billing time to clients. Generally, the more experienced the worker, the greater their value to the firm and its clients. That’s why senior-level people who get it right the first time, get it done fast and achieve bigger results are better compensated and have higher billing rates.

This sidebar was written by Doug Spong, founder and president of Spong (with offices in Minneapolis and New York.) He can be reached at doug.spong@spongpr.com.



Doug Spong

Supply Chain

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during the day, as they navigate city streets making pickups and deliveries, or during the night, as they drive between cities shuttling freight from one service center to another.

Con-way's drivers are trained professionals: When they are behind the wheel they are 100 percent focused on the safe and efficient operation of the vehicle. They strive to avoid any activity that distracts them from this primary responsibility.

How do we engage with this key resource and make sure we are communicating with them effectively? What digital strategies and social media tools do we apply? At a time when the trucking industry is facing a severe shortage of drivers, overcoming the recruiting and communications challenge—and employing effective digital strategies and tactics to do so—has never been more important.

At Con-way, we leverage various social media venues. We share news with employees and recognize their success through internal digital platforms, as well as externally via **Twitter** and **YouTube**. At our Con-way Truckload long-haul division, we employ dedicated websites, such as “Steering Your Health,” where drivers can read and share tips on safety, healthy eating lifestyles and exercise, while on the road.

We also use blogs and podcasts to share information, build online communities and gather feedback. Our monthly podcast, “Your Voice is Heard,” has company executives speaking exclusively about driver-focused issues, as well as questions submitted directly from drivers.

The “Your Voice is Heard” podcasts, in conjunction with other digital strategies and platforms, are effective at keeping Con-way Truckload's drivers engaged and communicating.

Knowledge is shared in a productive and authentic manner, all of which support developing a positive team culture where employees feel included, respected and valued.

Our drivers are professionals whose knowledge, experience and skill are fundamental to our success as an enterprise. Their thoughtful contributions of ideas and suggestions, and the digital tools and strategies that foster open, frank and frequent communications, make us a better company for our customers.



John T. Friedman,
Corporate Responsibility Communications

Director, Group Corporate Communications,
Sodexo Group

One of the challenges communicators face when advocating the use of digital media is the paradox that people alternatively fear the power of digital media yet find it frivolous; questioning how a tweet can really drive brand value.

While Twitter can seem to be quite simplistic—reduced to 140 characters or less—when used in combination with other tools it can have a great place in a communications effort.

Many powerful messages—such as “Houston, we’ve had a problem here” (Apollo 13) and the note that alerted the world to the plight of 33 miners in Chile, “Estamos bien en el refugio, los 33,” culminating in their rescue—required far fewer than 140 characters. But these short notes were effective because they were part of a larger context.

For example, in November 2013 **Sodexo** hosted its first-ever live, interactive online engagement using Twitter.

We set specific goals for this chat and the blogs that accompanied it. One of the goals was to increase readership of our annual reports. We realized a 370 percent increase (year-over-year) in site visits while the blogs received more than 14,000 visits as well.

The total number of people following those 120 Twitter accounts was 257,935 and the total number of impressions was 7,277,188.

In addition, for 65 minutes, 120 contributors, including a wide range of stakeholders, from consumers and advocates to suppliers and partners, participated in the chat. They asked questions, and shared and commented on our answers, which generated a total of 780 tweets.

Perhaps most important, digital media offer a forum for ongoing dialogue with our stakeholders, helping us to understand which issues matter the most to people.



Elizabeth Hill,
Director of Corporate and Social Responsibility,

Rubicon Global

Rubicon Global is a sustainable, technology-based waste stream solutions company. We help our customers reduce costs, increase recycling and work towards long-term sustainability goals. Rubicon Global is 100-percent independent. We do not own landfills, trucks or recycling operations so that we can be the best advocate for our customers and for the environment.

As Rubicon Global's Director of Corporate and Social Responsibility, I manage our relationship with B Lab, the nonprofit organization helping businesses meet higher standards of transparency, accountability

and performance as Certified B Corporations (<http://www.bcorporation.net/>). B Lab is an excellent example of how to keep stakeholders engaged through social media and other digital platforms. B Lab's resources help Rubicon Global find suppliers that align with our mission, engage with fellow B Corps and communicate our own story. B Lab provides its B Corp community with:

- Private B Corp Resources Portal
- Shareable Ad and video campaigns, such as #BtheChange
- Monthly “Call to Action” (company goal or activity) and a toolkit to make it happen
- Online tools for engaging and attracting talent
- Newsletters announcing newly Certified B Corps, news and discounts from the B Corp community
- Annual B Corp Champions Retreat for networking and peer education
- Web-based “State of the B” meetings
- Community Calendar for local B Corp events
- Facilitated B2B introductions to other Certified B Corps
- B Corp Ambassador Blog

B Lab's offerings are helpful to companies of all sizes and in all industries. These resources and events keep Rubicon Global connected to, engaged with and excited about the B Corp movement. **PRN**

CONTACT:

Mary Buhay, mbuhay@gibbs-soell.com; Gary Frantz, frantz.gary@con-way.com; John T. Friedman, john.friedman@sodexo.com; Elizabeth Hill, elizabeth.hill@rubiconglobal.com.



Creating a Different Message for the Workplace

PR profession needs to push for more inclusion

National Hispanic Heritage Month, which kicks off next week, Black History Month and Asian-Pacific American Heritage Month celebrate the positive impact these multiple cultures have on the country. As the U.S. becomes more diverse, it is troubling that the PR industry, responsible for many of the messages we see in the public, has been slow to catch on. These month-long ethnic celebrations should serve as a reminder for PR pros to push for more inclusion in the industry, and ultimately create campaigns that reach and appeal to the entire market, as opposed to just the majority.

Here are two compelling reasons why you should support diversity in your workplace:

► **Minorities are trendsetters.** The benefit of reaching minorities goes beyond gaining market share. It is also a way to make a bigger impact in the general market.

According to the Market Research Blog, African-American males have been long regarded as trendsetters in the consumer retail sector. Like African-American males, other

minorities lead many trends that resonate across several different types of audiences.

The key is leveraging these insights to assemble a team that has the knowledge and cultural sensitivity to create compelling, multicultural campaigns that respect all audiences.

► **Better crisis management.** It is crucial to have a multicultural perspective to weigh during a crisis, especially on issues wrought with racial tensions.

Multicultural PR teams have the ability to impact messages and the way stories are framed for public consumption. By being truly multicultural, these teams possess a perspective that non-diverse teams lack.

To gain these insights is a function of having a more diverse workplace, of course.

Following are three steps toward that goal:

► **Secure visibility.** Well-seasoned multicultural professionals are often members and supporters of multicultural industry and professional organizations, such as the National Black Public Relations Society, and Hispanic Public Relations Association.

Establishing working relationships with these organiza-

tions that go beyond sponsorships is an effective way to gain visibility. You can express your interest of engaging with a multicultural industry organization by serving as a resource.

For instance, demonstrating how your ethnic stakeholders relate to your organization is a great way to start a dialogue.

Large brands conduct various studies focusing on how ethnic groups interact with them, and share the findings at prominent conferences for ethnic professionals and newsmakers like **Hispanicize** or **ColorComm**.

► **Gain credibility.** As you gain visibility, multicultural professionals will look closely at your company and evaluate if it's truly committed to forming a diverse work environment.

A key diversity indicator is the amount of multicultural professionals in leadership roles, so shining the spotlight on high-ranking minority executives is a must-do.

You can rely on publications that cover diversity in business, such as *Hispanic Business* and *Black Enterprise*, as media vehicles to promote your multicultural talent.

The articles can focus on the importance of your executive's role, the value he or she brings to the company and how the executive's background and

perspective are assets to the organization.

► **Provide resources.** A company that values diversity provides resources for their employees to grow, such as Employee Resource Groups (ERG). ERGs are voluntary, employee-led groups that serve as a resource for members and organizations by fostering a diverse, inclusive workplace.

Not only are ERGs attractive to potential employees, but they also keep current employees motivated by providing a sense of belonging.

From a PR standpoint, you can leverage ERGs by developing programs that have a positive benefit on the community.

Incorporating a multicultural lens can lead to diversity of thought and help PR/communications teams yield fresh ideas and business-driven results for their clients. It's about time our industry catches up with the rest of the world. **PRN**

CONTACT:

Christina Steed is senior VP at Flowers Communications Group. She can be reached at csteed@flowerscomm.com. Follow her on Twitter, @ccsteed.

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