

GAP

Generally Accepted Practices

Report 1: Corporate Findings

GAP VIII: Eighth Communication and Public Relations
Generally Accepted Practices Study (Q4 2013 data)

Draft 6/12/14

USCAnnenberg
School for Communication
and Journalism

*Strategic Communication
and Public Relations Center*

About the SCPRC

- Launched 2002
- Mission: Advance the study, practice and value of the communication/public relations function
 - Serve as COM/PR Think Tank
 - Conduct applied research in partnership with other like-minded organizations
 - Help bridge the academic/practitioner gap
 - Inform/drive PR/COM curricula

About the SCPRC: Partners and Supporters

Founding Partners

- Annenberg Foundation
- AT&T
- Avery Dennison
- Council of PR Firms
- GM
- Raytheon
- SC Johnson Co.
- Weber Shandwick

Subsequent Partners

- Home Depot
- HP
- Ketchum
- Nissan
- Occidental Petroleum
- Toyota
- Waggener Edstrom
- Edelman

About GAP: Background and Goals

- Compiled and published biennially by SCPRC
 - Think tank, drive curricula, bridge the academy/professional gap
- 8 studies over 10 years
- The largest, most comprehensive study of its type
- *A free service to the profession and the academy*
- Goals
 - Track and analyze the interrelationships between PR/Communication and organizational mission, strategy, character, management, etc.
 - Provide CCOs with:
 - Actionable data on key management issues
 - Key trends
 - Best Practices
 - Meet the need for a global framework via partnership with Global Alliance for Public Relations and Communication Management

About GAP: Going Global

- Global framework being built through partnership with Global Alliance for Public Relations and Communication Management
- GAP-like studies underway in Australia, Brazil, Canada, South Africa, New Zealand
- Local partners: Field studies and analyze local data
- SCPRC: Analyze and report on combined meta data, serve as guide and counselor
- Results at Global Communication Forum, Madrid, September

GAP VIII: The Team

Jerry Swerling, M.A.
Director, PR Studies
Director SCPRC

Kjerstin Thorson, Ph.D.
Assistant Professor
Research Director SCPRC

Burghardt Tenderich, Ph.D.
Associate Professor
Associate Director SCPRC

Aimei Yang, Ph.D.
Assistant Professor
USC Annenberg School for Communication and Journalism

Zongchao (Cathy) Li
PhD in Strategic Communication ('15) University of Miami.

Emily Gee, Emily Savastano
Masters in Strategic Public Relations
USC Annenberg ('14/'15)

In Consultation With
David Michaelson, Ph.D., Managing Director, Teneo Strategy
Forrest Anderson, MBA, Communications Research and Strategy Consultant

GAP VIII: Professional Support

GAP VIII has been supported by these leading professional organizations:



The Arthur W. Page Society, the 400+ members of which are generally the heads of communication in major U.S. organizations



Institute for Public Relations (IPR), which serves as research partner, contributing its expertise in researching the science underlying the practice of communication



International Association of Business Communicators (IABC), with its 13,000 member global network of communicators

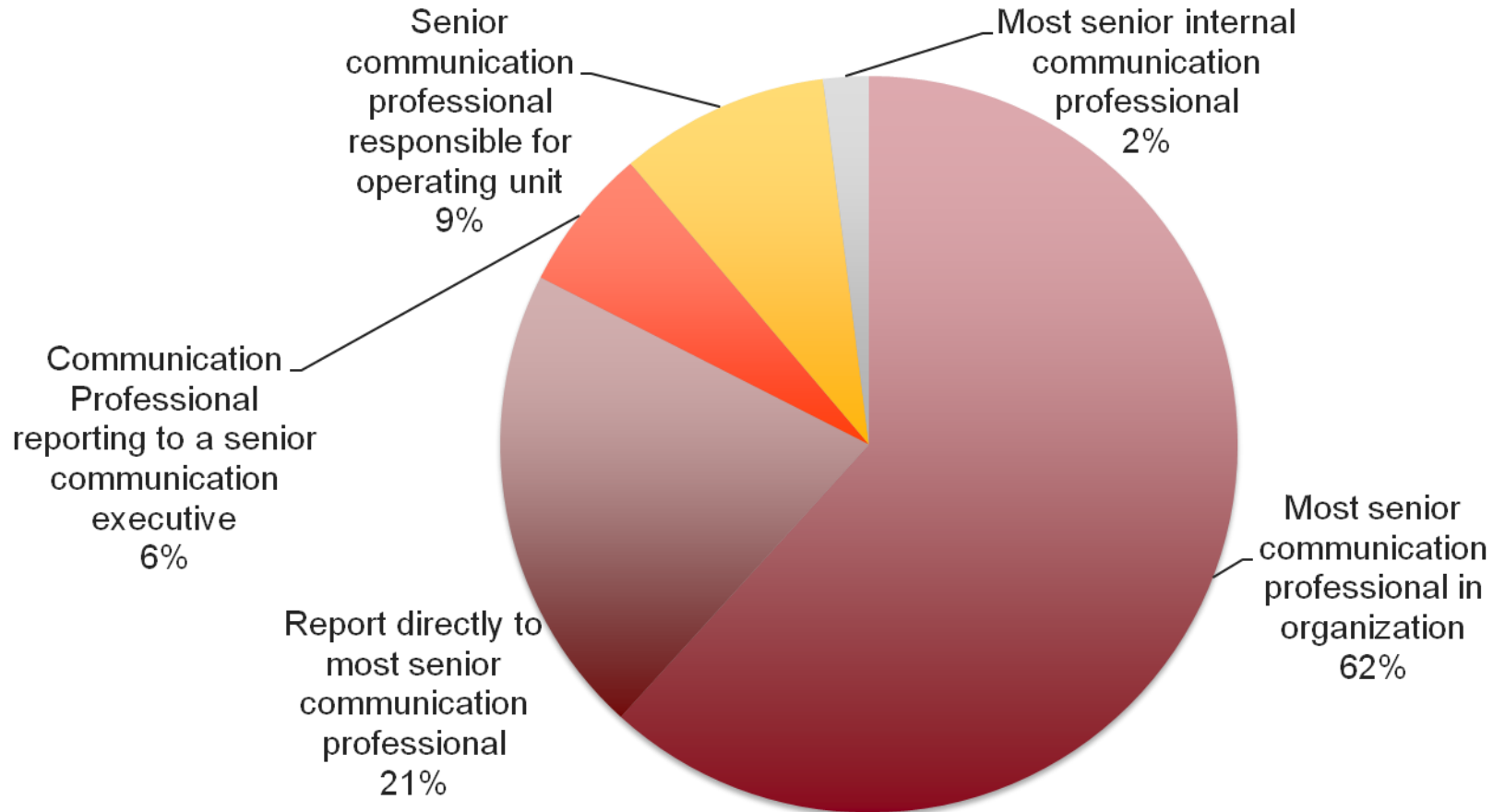


Public Relations Society of America (PRSA) with its 21,000 members

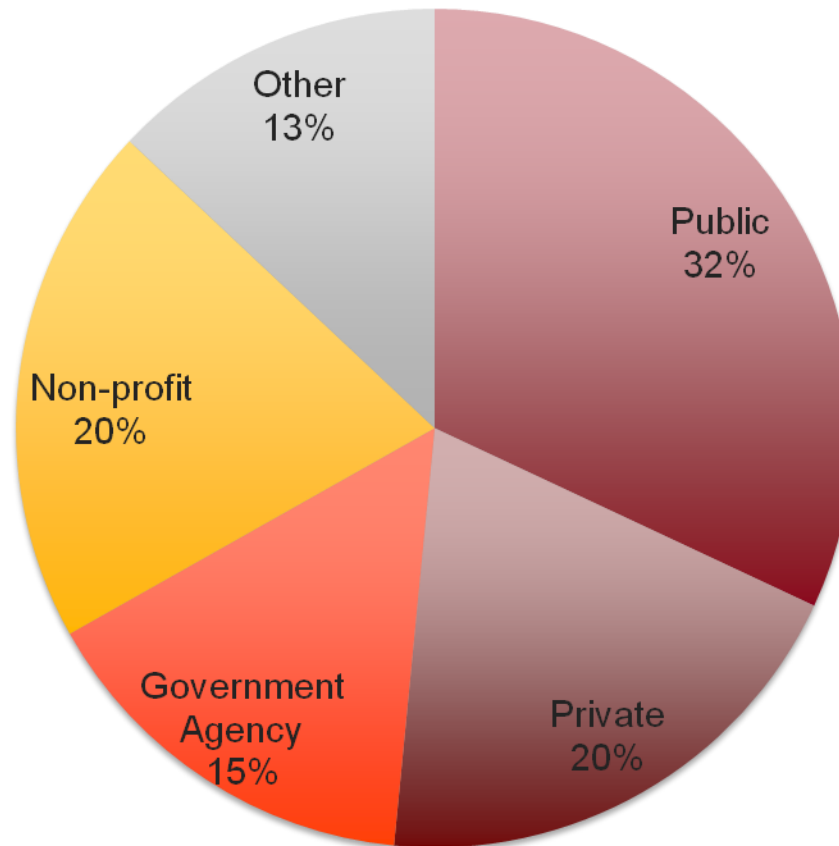
GAP VIII: Sample, Methodology, Etc.

- More content re. role of the function in culture, values, strategy, etc.
- More emphasis on large (vs. very small) organizations
- Believed to be the largest and most comprehensive ongoing study of senior-level PR/Comm practitioners in the US
- Sampled from combined, multiple lists of senior-level practitioners
 - Each received multiple invitations to participate
 - Tightly screened for status, level of responsibility, etc.
- Online survey, Q4 2013; 1000+ responses; 347 qualified participants
- Believed to be representative of the broad population of senior practitioners.
- *Note 1: Direct Y/Y comparisons may be problematic due to changes in sample. Nonetheless, cumulative findings are generally consistent and compelling, particularly with regard to the relationships between specific practices and beliefs, and specific successful outcomes.*
- *Note 2: While correlation does not prove causality consistent patterns across multiple studies are highly compelling and should not be dismissed.*
- *Note 3: To be deemed statistically valid, combinations of variables were tested to achieve a strength (coefficient, or r^2) having a degree of significance (probability, or p) of .05 or greater.*
- For more information email scprc@usc.edu.

Respondents' Roles in their Organizations (Screened)

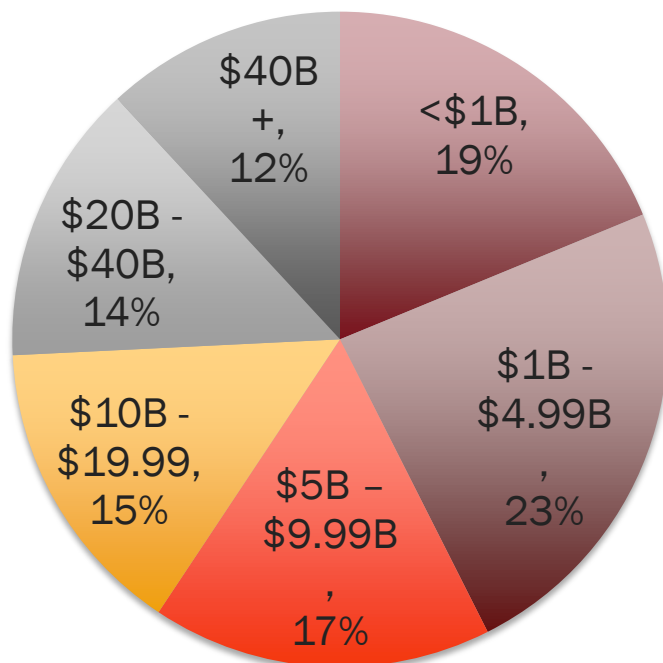


Respondents' Organizational Settings

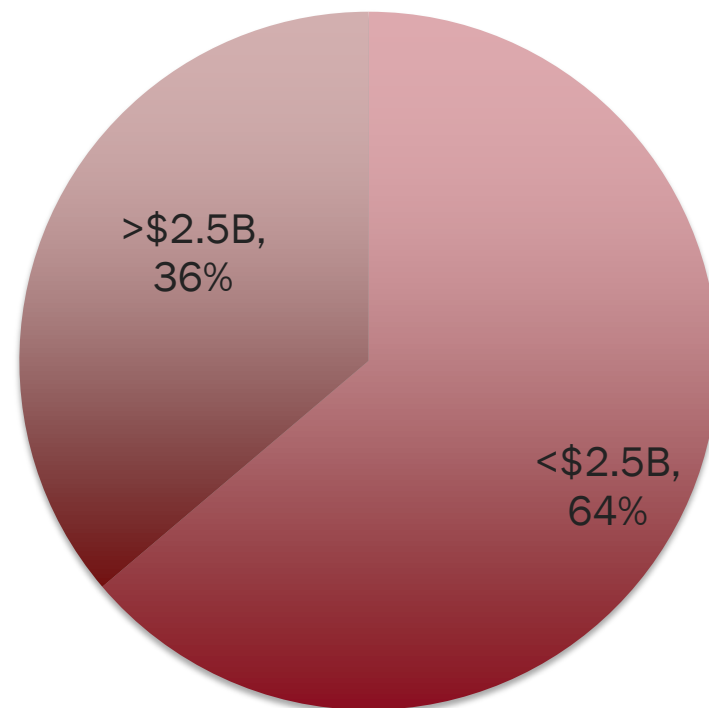


Respondents' Company Size by Revenue

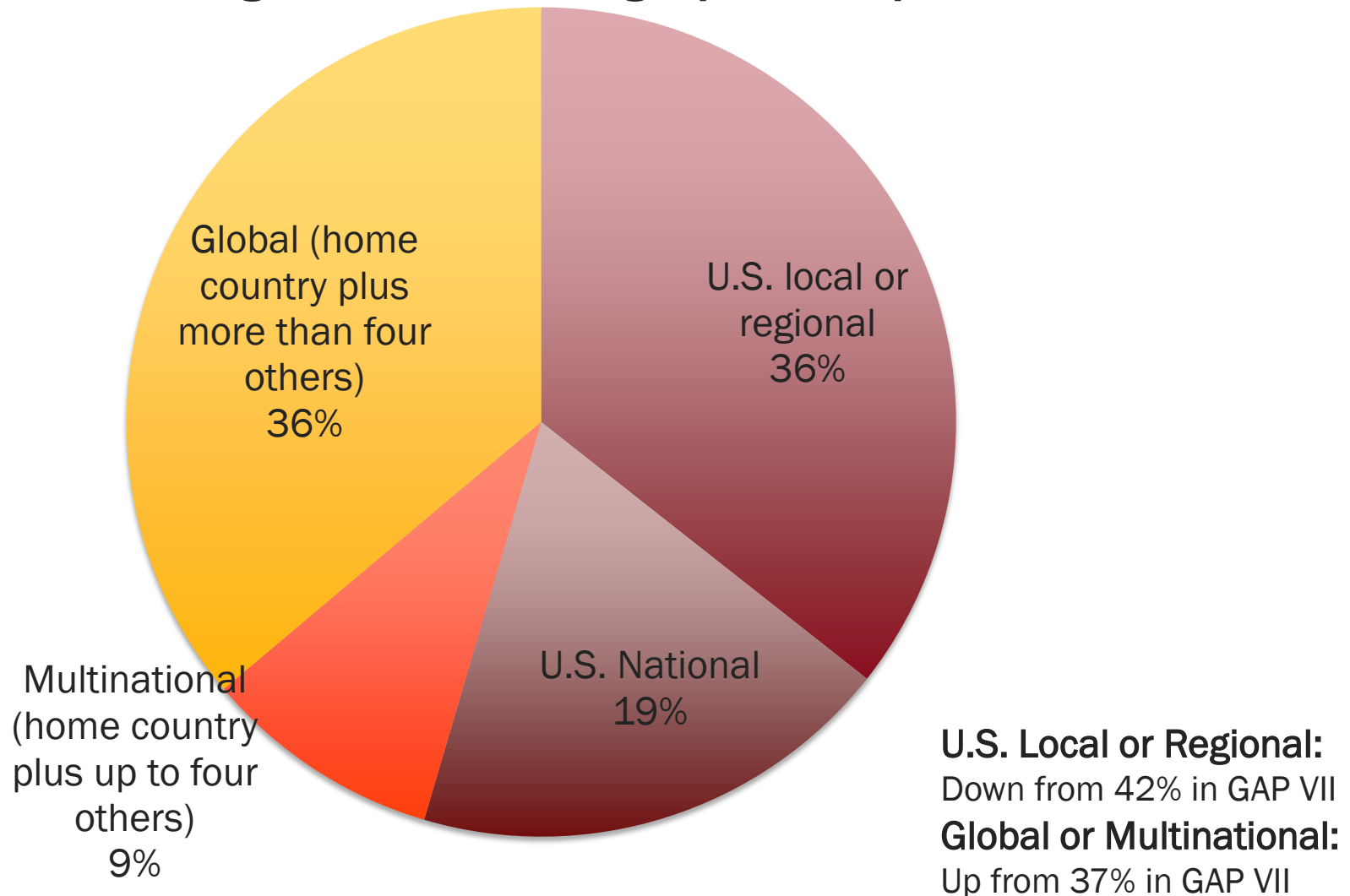
Public Companies



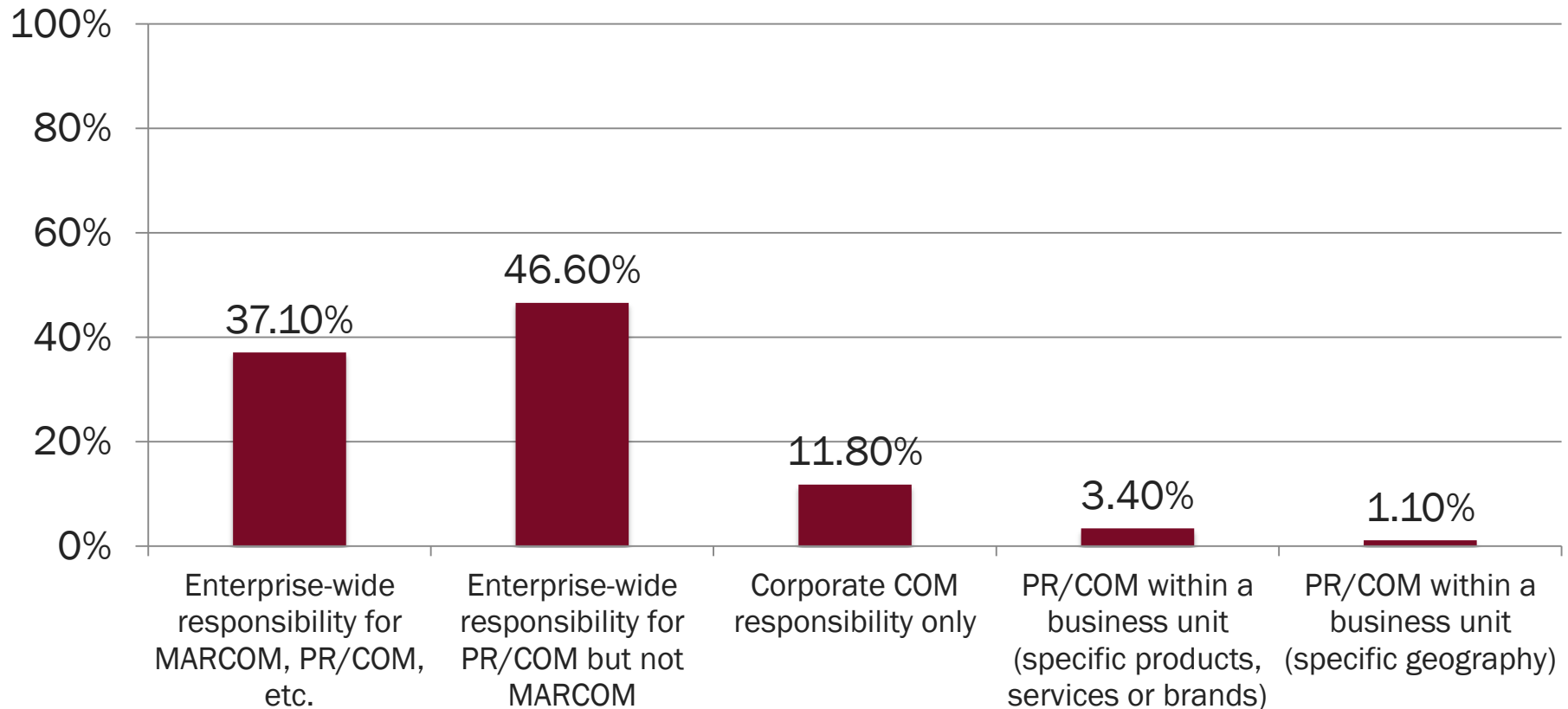
Private Companies



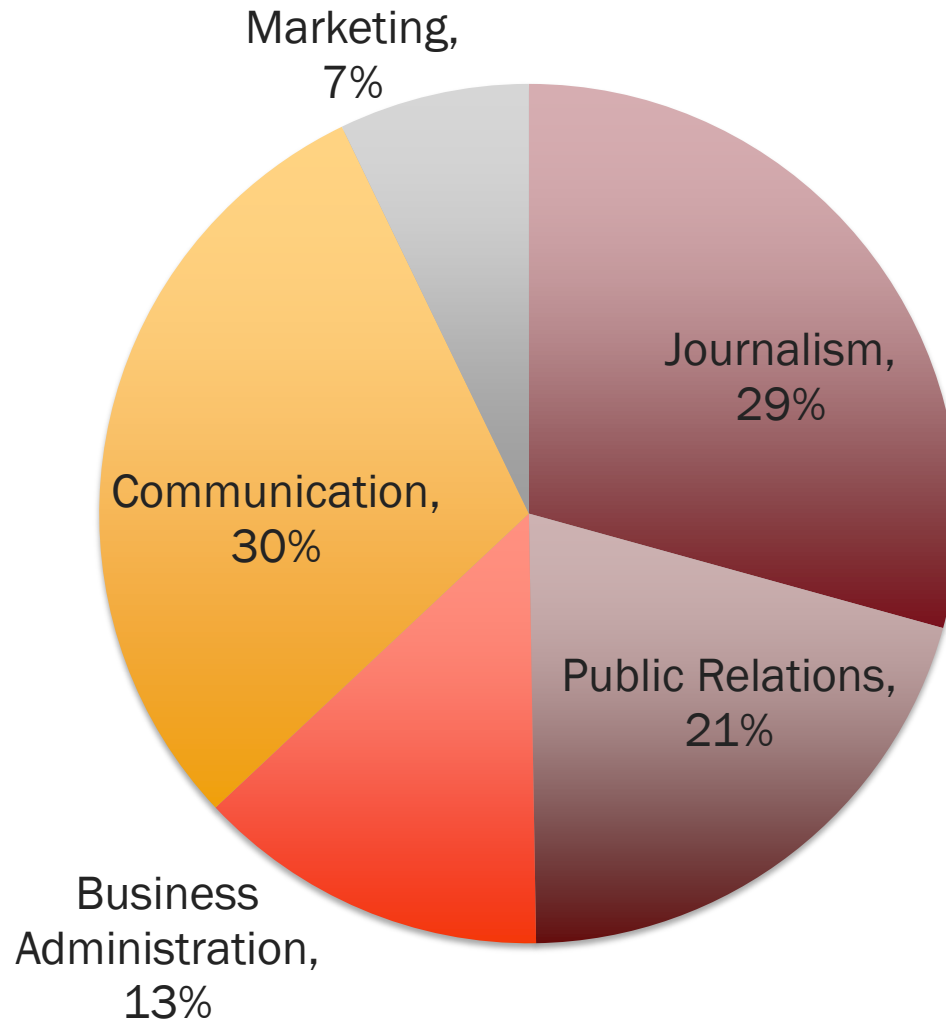
Respondents' Organizations: Geographic Scope



Respondents' Areas and Scope of Responsibility



Respondents' Academic Degrees



- 80%: Degree in Journalism, PR or Communication; 75% in GAP VII

GAP VIII: Corporate Data - Topics by Section

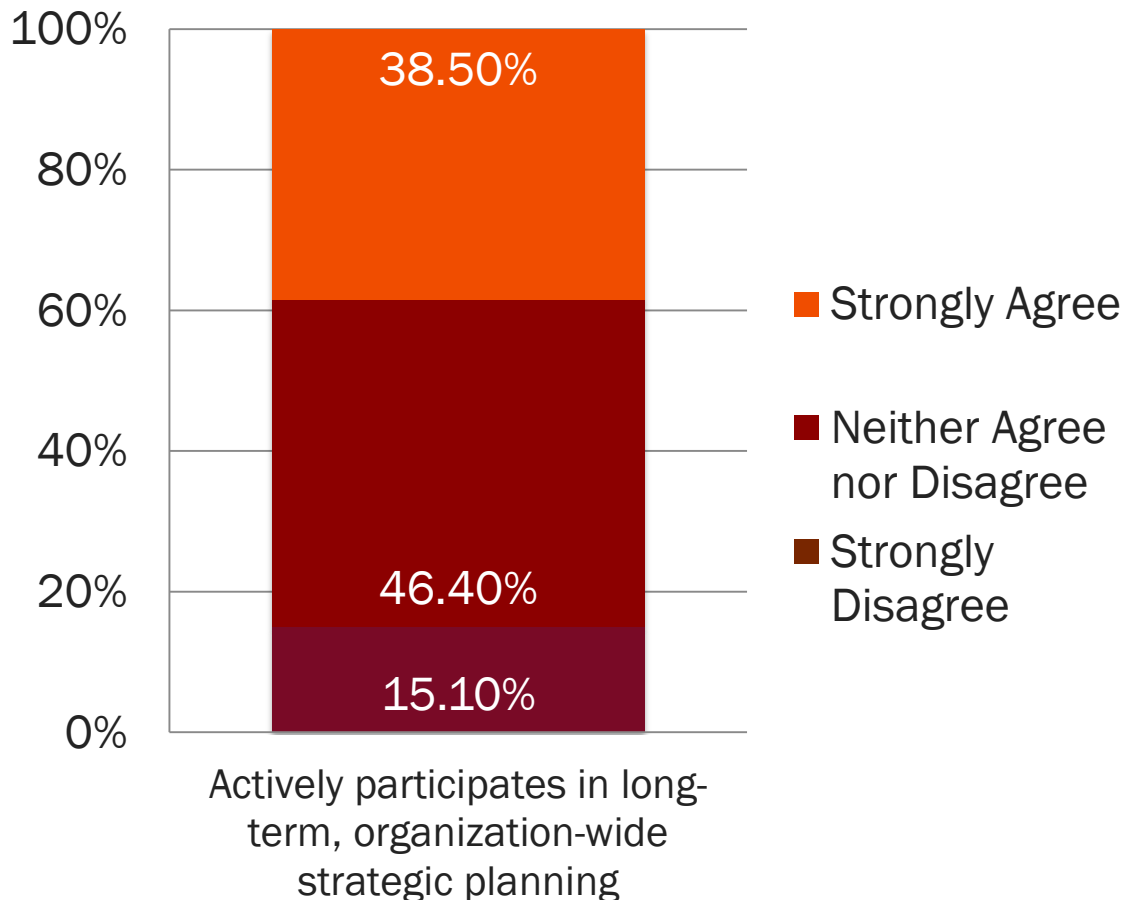
1. Roles, Perceptions and Expectations of the COM/PR Function
2. Organizational Integration
3. Organization and Reporting
4. Budgets
5. Staffing
6. Functions and Responsibilities
7. The Media Environment
8. Measurement and Evaluation
9. Agency Relationships
10. Excellence and Best Practices



GAP VIII, Section 1

Roles, Perceptions and Expectations of the COM/PR Function

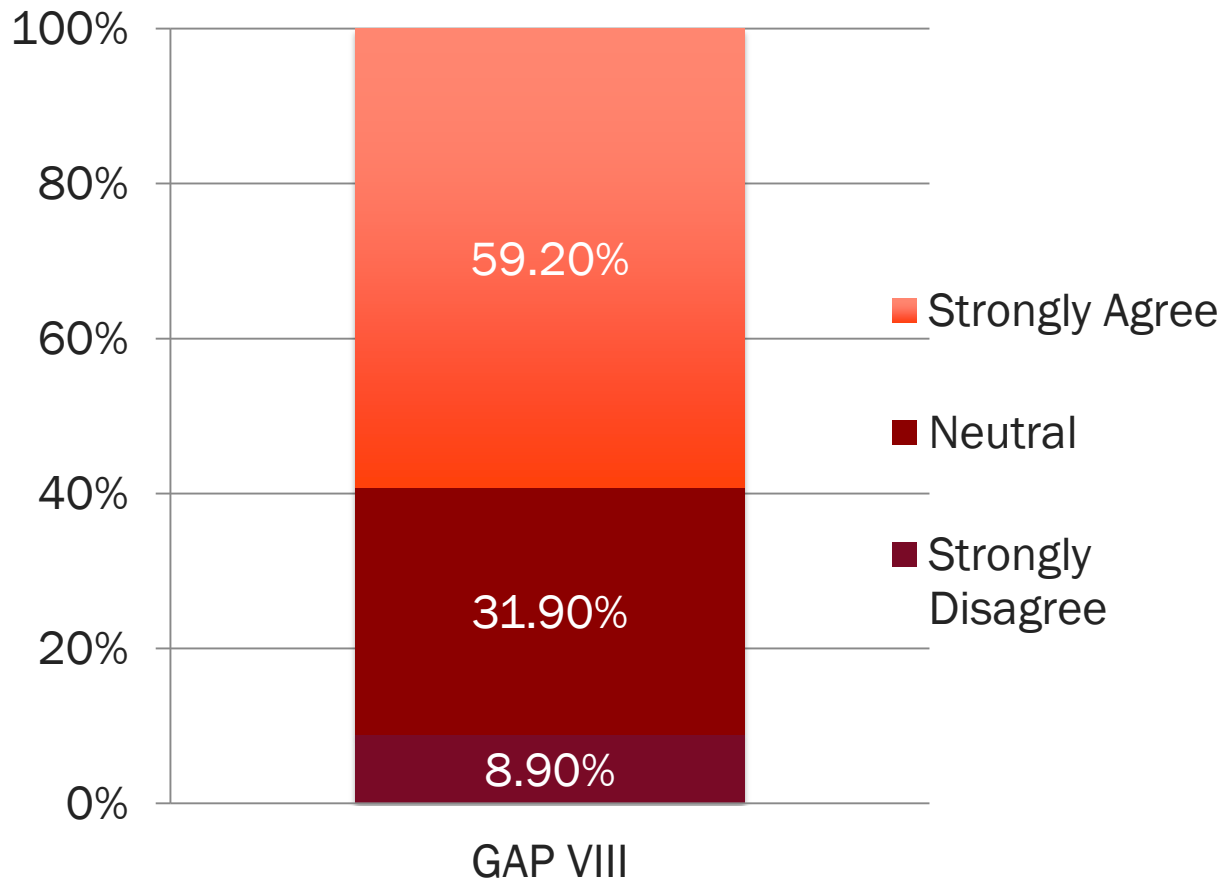
PR/COM is Involved in Organizational Strategic Planning (Internal Credibility Factor 1)



About 40% report that PR/Com actively participates in corporate strategic planning, while over 45% view this as grey area. Over 15% report they are uninvolved in such planning.

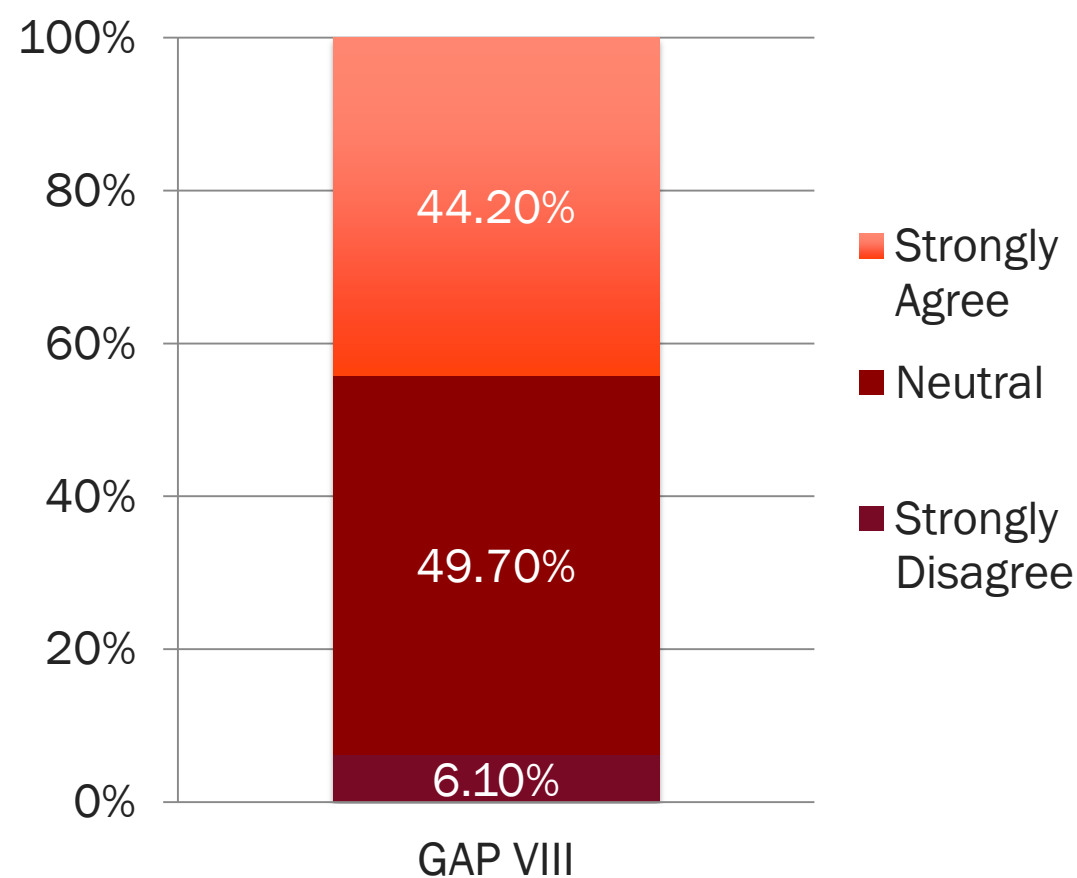
Measured on a 7-point Scale. 'Strongly agree' equals 1/2. 'Strongly disagree' equals 6/7.

PR/COM Recommendations are Taken Seriously by Senior Management (Internal Credibility Factor 2)



Measured on a 7-point Scale. 'Strongly agree' equals 1/2. 'Strongly disagree' equals 6/7.

C-Suite Believes that PR/COM Contributes to Financial Success (Internal Credibility Factor 3)

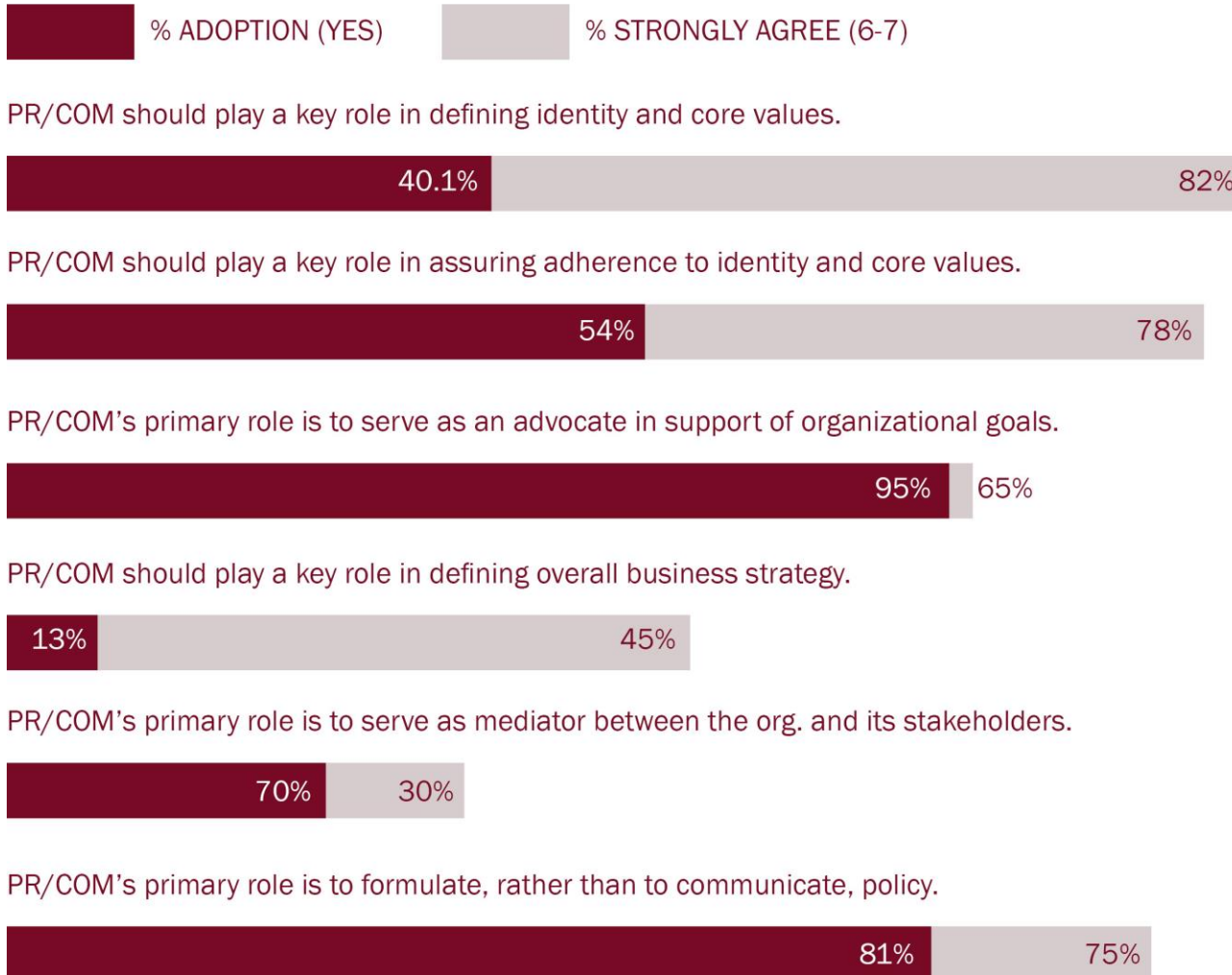


Measured on a 7-point scale. 'Strongly agree' equals 6/7. 'Strongly disagree' equals 1/2.

Important Because *All Three* Internal Credibility Factors Correlate With Other Factors that are Beneficial to the PR/COM Function and the Organization, both Internally and Externally

PRACTICES AND BELIEF CORRELATIONS	Successful	Good External Reputation	Innovative	Flexible	Democratic	People-First	Ethical	Proactive	Long-Term/Strategic	Aggressive	Confident
Role in strategic planning	X	X	X	X	X	X	X	X	X	X	X
Recommendations taken seriously	X	X	X	X	X	X	X	X	X	X	X
Contribution to financial success	X	X	X	X	X	X	X	X	X	X	X

Role in Defining Identity, Values, Business Strategy, etc: The Belief/Adoption Gap (Aspirational Rather than Actual)



Higher scores for Adoption than Agreement may indicate disagreement with terminology, i.e. "We have adopted this practice but I don't see it as our 'primary' role."

Important because **adoption** of those functions and beliefs correlates with other factors that are beneficial to the PR/COM function and the organization, both internally and externally

PRACTICES AND BELIEFS CORRELATIONS	Mean (1 - 7)	% Strongly Agree	% Adoption	Successful	Good External Reputation	Innovative	Flexible	Democratic	People-First	Ethical	Proactive	Long-Term	Strategic	Aggressive	Confident
PR/COM should play a key role in assuring adherence to identity and core values.	6.09	78.3%	54.2%	X	X	X	X	X	X	X	X	X	X	X	X
PR/COM should play a key role in defining overall business strategy.	5.24	45.20%	13.60%	X	X	X	X	X	X		X	X			X
PR/COM should play a key role serving as a mediator between the organization and its stakeholders.	4.48	30.30%	70.20%	X	X	X	X					X	X		X
PR/COM should play a key role in defining organizational identity and core values.	6.15	81.60%	40.10%			X	X	X	X	X	X	X	X		
PR/COM should play a key role as advocate in support of organizational goals.	5.65	64.90%	95.70%					X		X	X	X	X	X	

* Correlations apply to companies adopting specific practices, beliefs, etc.

Other Beliefs and Practices that Correlate with Beneficial Factors

PRACTICES AND BELIEFS	Mean (1-7)	% Strongly Agree	Successful	Good External Reputation	Innovative	Flexible	Democratic	People-First	Ethical	Proactive	Long-Term	Strategic	Aggressive	Confident
We are making increasing use of audience research	4.01	18.90%	X	X	X	X	X	X		X	X	X		X
Senior management is comfortable with (reduced) degree of control over messaging.	4.35	18.90%	X	X	X	X	X		X	X	X	X	X	X
There is a need for COM/PR pro's who can interpret data and use it to plan campaigns.	5.83	68.00%	X											
We use social media to engage in conversations with members of the public	4.93	49.10%		X	X	X	X	X		X				
COM/PR's responsibility is to develop and maintain org. voice across all channels.	5.69	68.00%				X					X	X		
We are tracking and analyzing the conversations stakeholders are having among themselves.	3.98	22.90%			X					X	X	X		
Social media pervade every aspect of our business.	3.52	17.10%			X	X	X	X		X	X	X		

A role/belief that correlates with *negative* factors

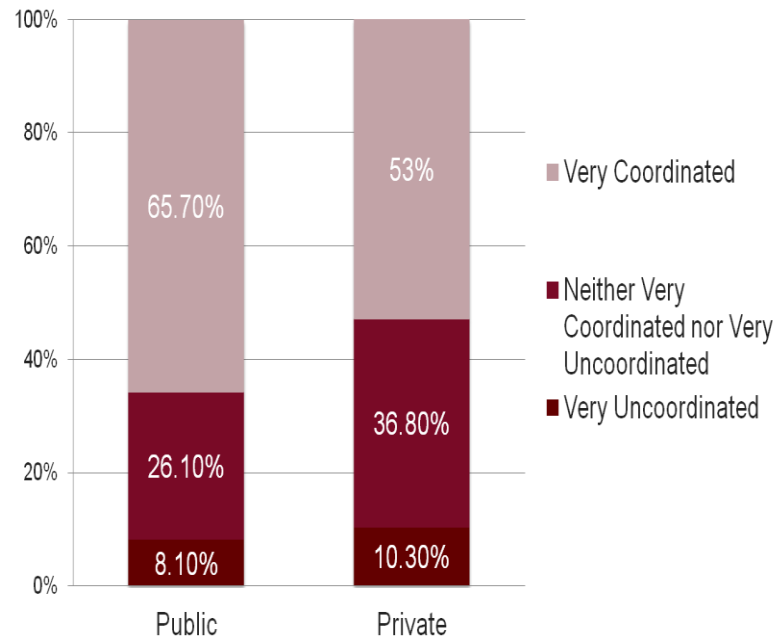
PRACTICES AND BELIEF CORRELATIONS	Mean (1-7)	% Strongly Agree	Rigid	Conservative	Poor External Reputation
Senior management expects our primary focus to be on traditional media relations	4.08	23.50%	X	X	X



GAP VIII, Section 2

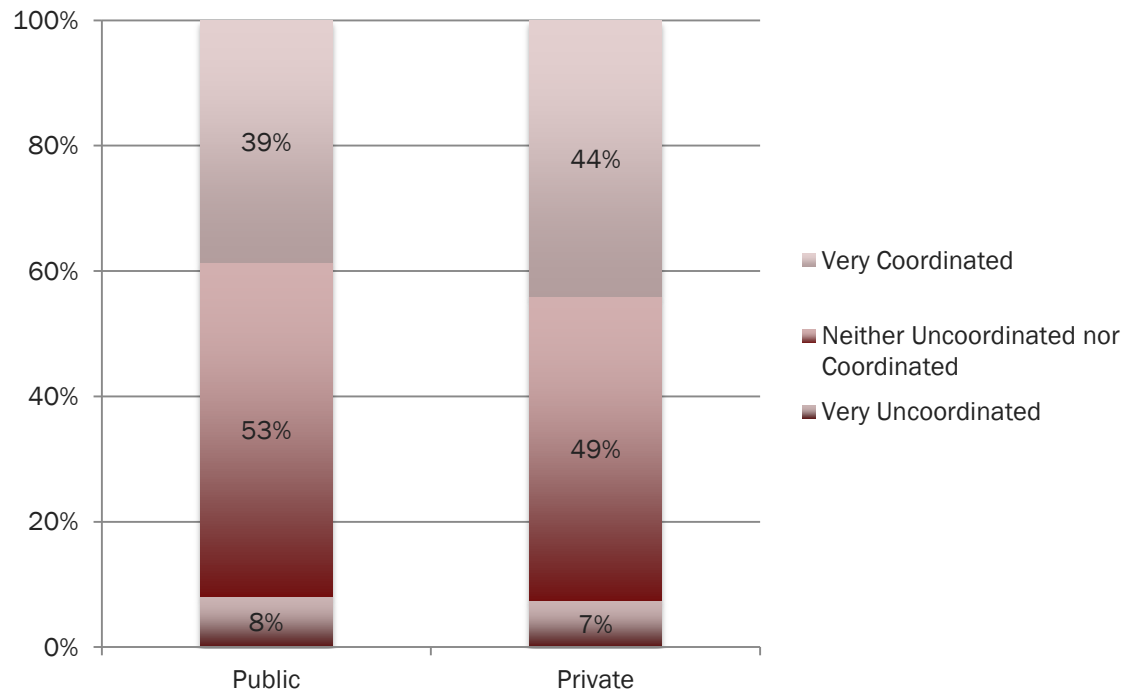
Organizational Integration and Coordination

Intra-Functional Integration/Coordination Among Communication Functions



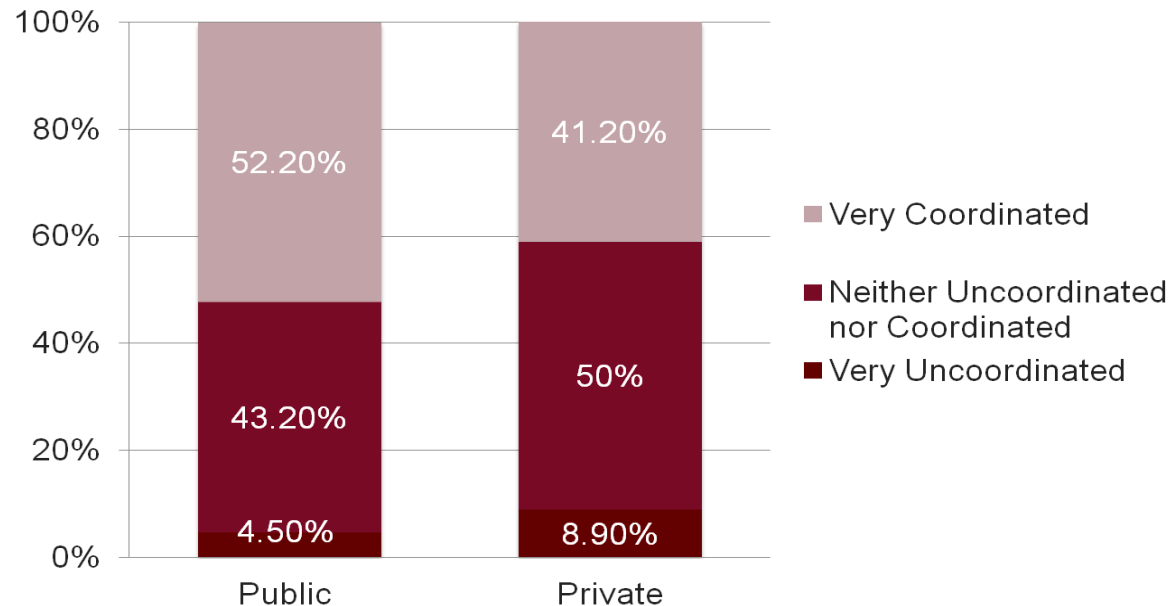
- Solid integration/coordination among COM functions

Inter-Departmental Integration/Coordination Between COM/PR and Marketing



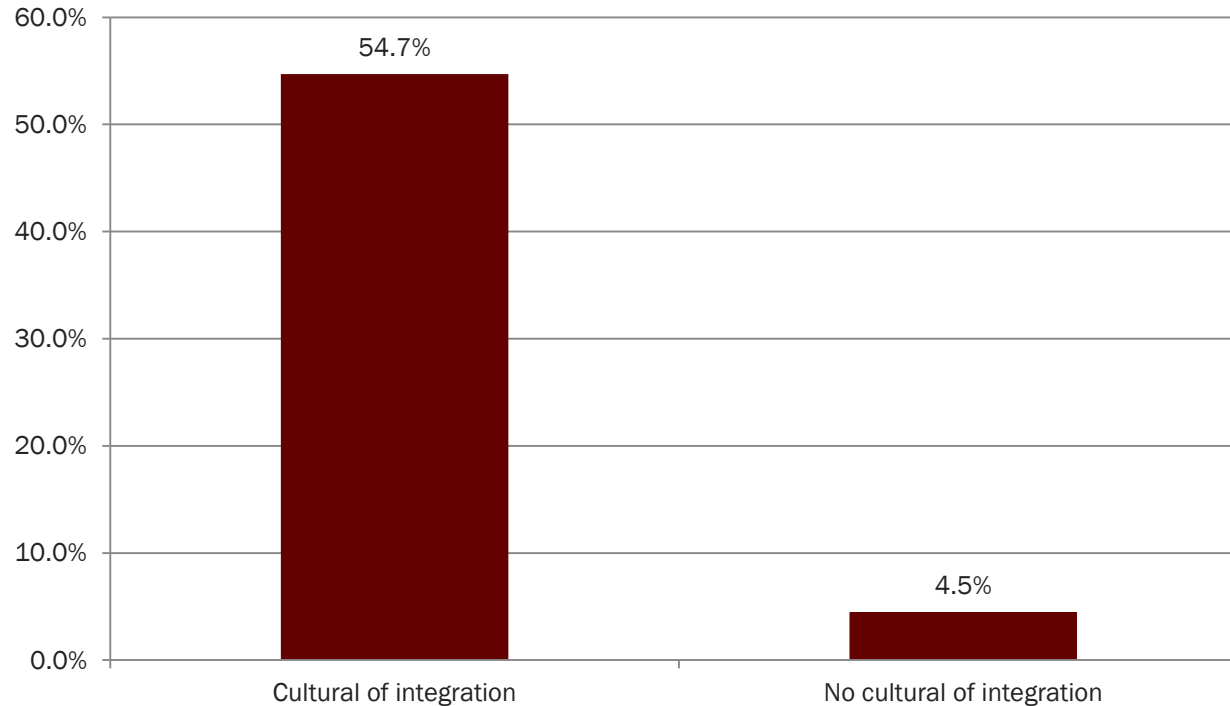
- Integration and coordination between the PR department and marketing have much room for improvement

Inter-Departmental Integration/Coordination Between COM/PR and Other Corporate Functions



- Integration and coordination between the PR department and other corporate functions have much room for improvement.

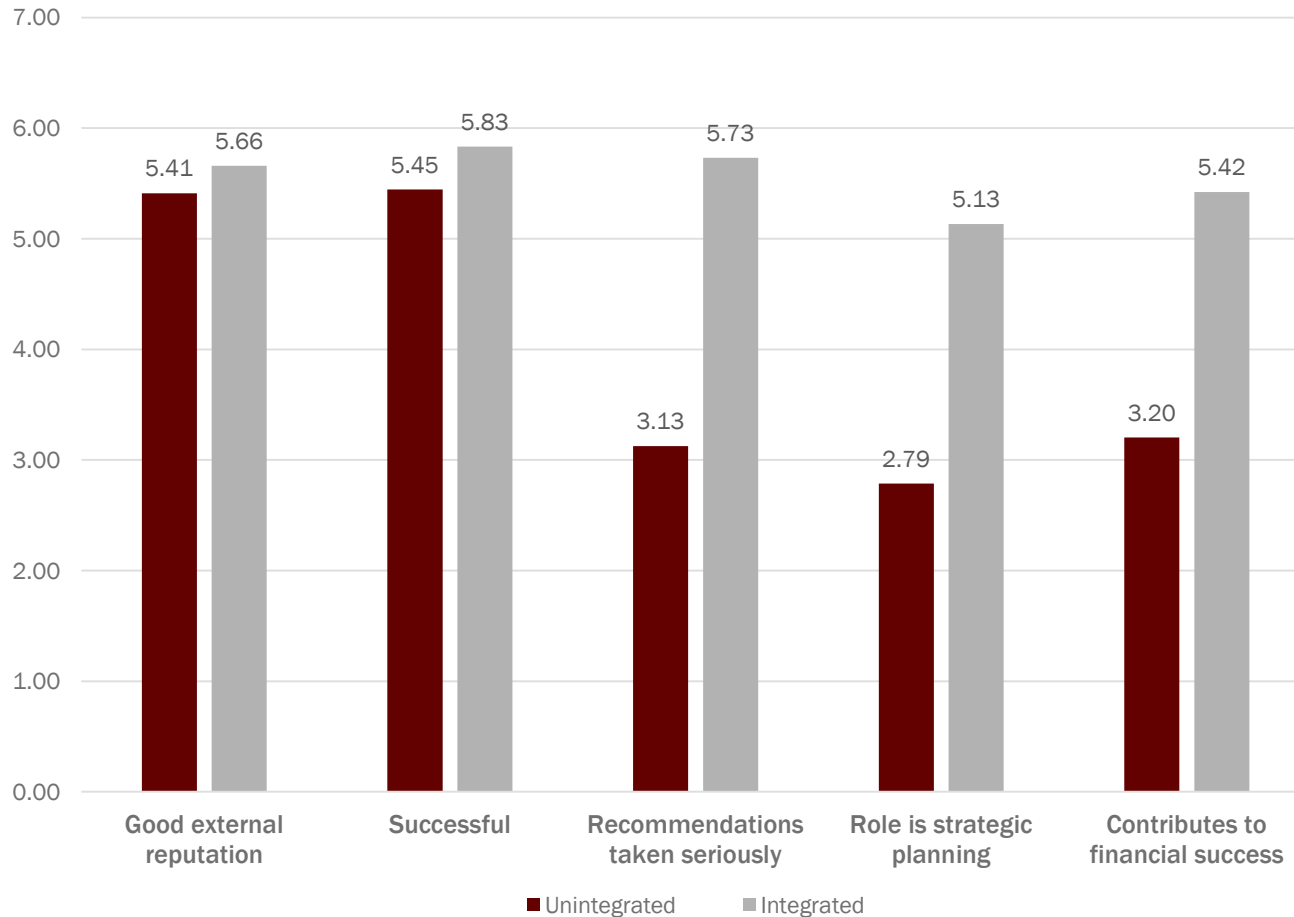
A Culture of Integration/Coordination: All Three Measures



Culture of integration defined as Top 3 Box on *all three* integration measures.

- 54.7% of corporations report all three kinds of integration, i.e. a “Culture of Integration/Collaboration”
- 4.5% are not integrated at all.

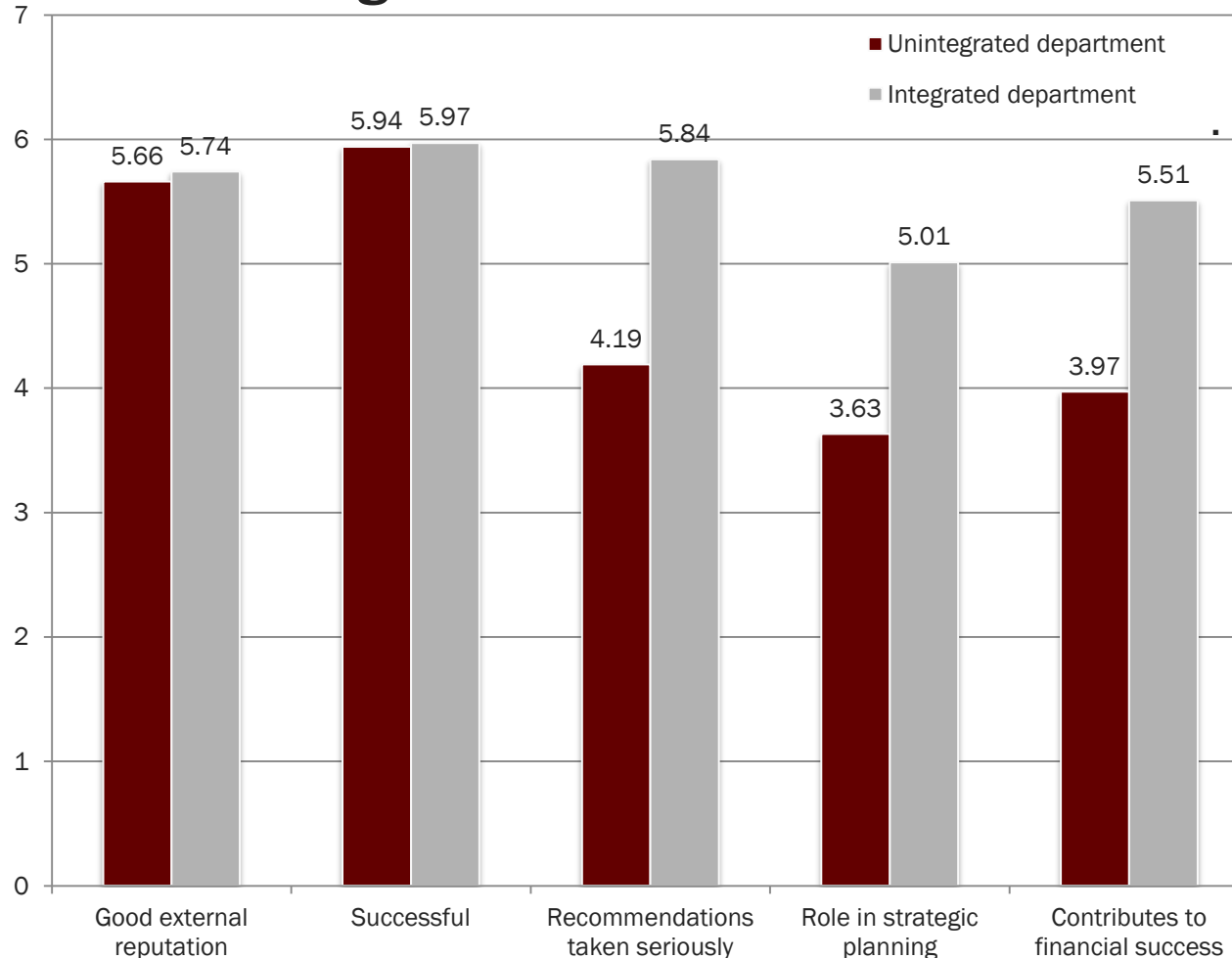
The Benefits of Integration/Coordination Among COM/PR Functions



Organizations where the COM/PR functions are better integrated and coordinated are much more likely to score high on *internal* success factors, suggesting that the function has a more valued role internally.

BUT, such integrated organizations are no more likely than unintegrated to score high on *external* success factors, suggesting that such integration does not, in itself, make a difference re. reputation, etc.

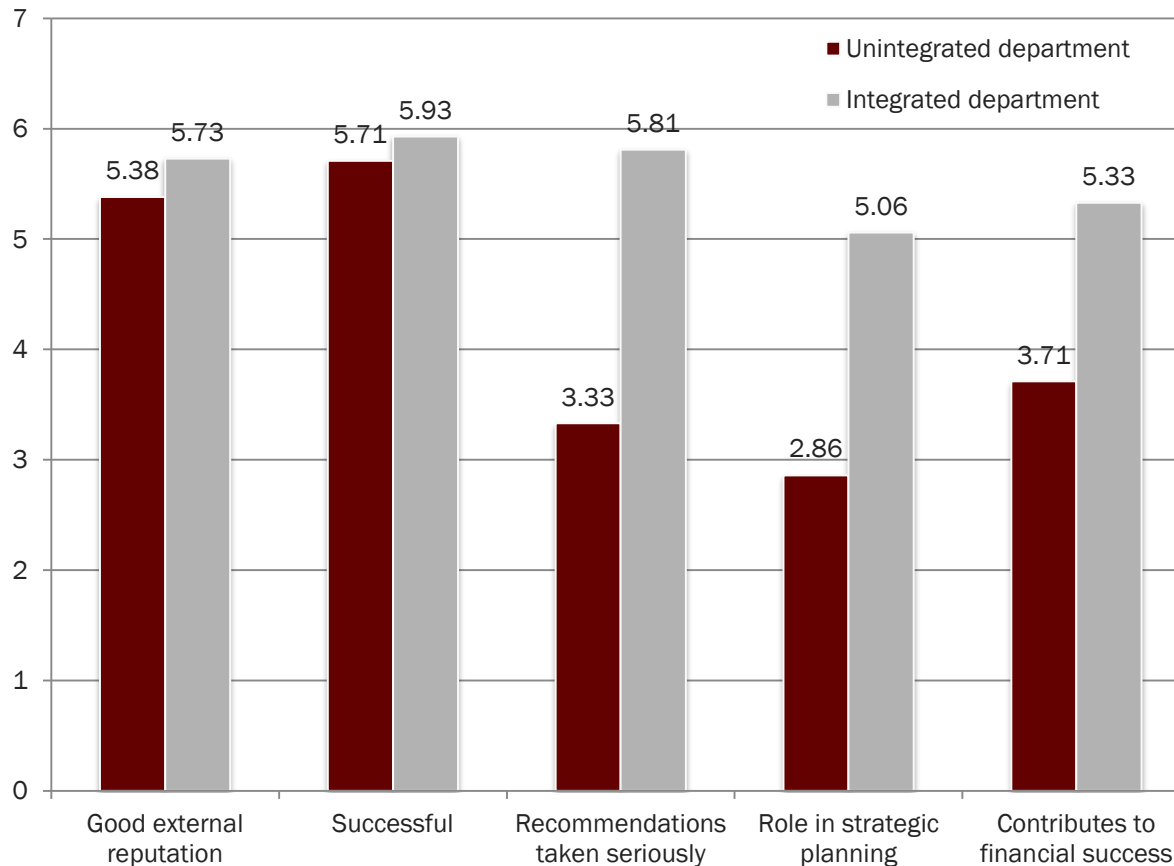
The Benefits of Integration/Coordination Between COM/PR and Marketing



Organizations where the COM/PR function is better integrated and coordinated with Marketing are much more likely to score high on **internal** success factors, suggesting that the function has a more valued role internally.

BUT, such integrated organizations are no more likely than unintegrated to score high on **external** success factors, suggesting that such integration does not, in itself, make a difference re. reputation, etc.

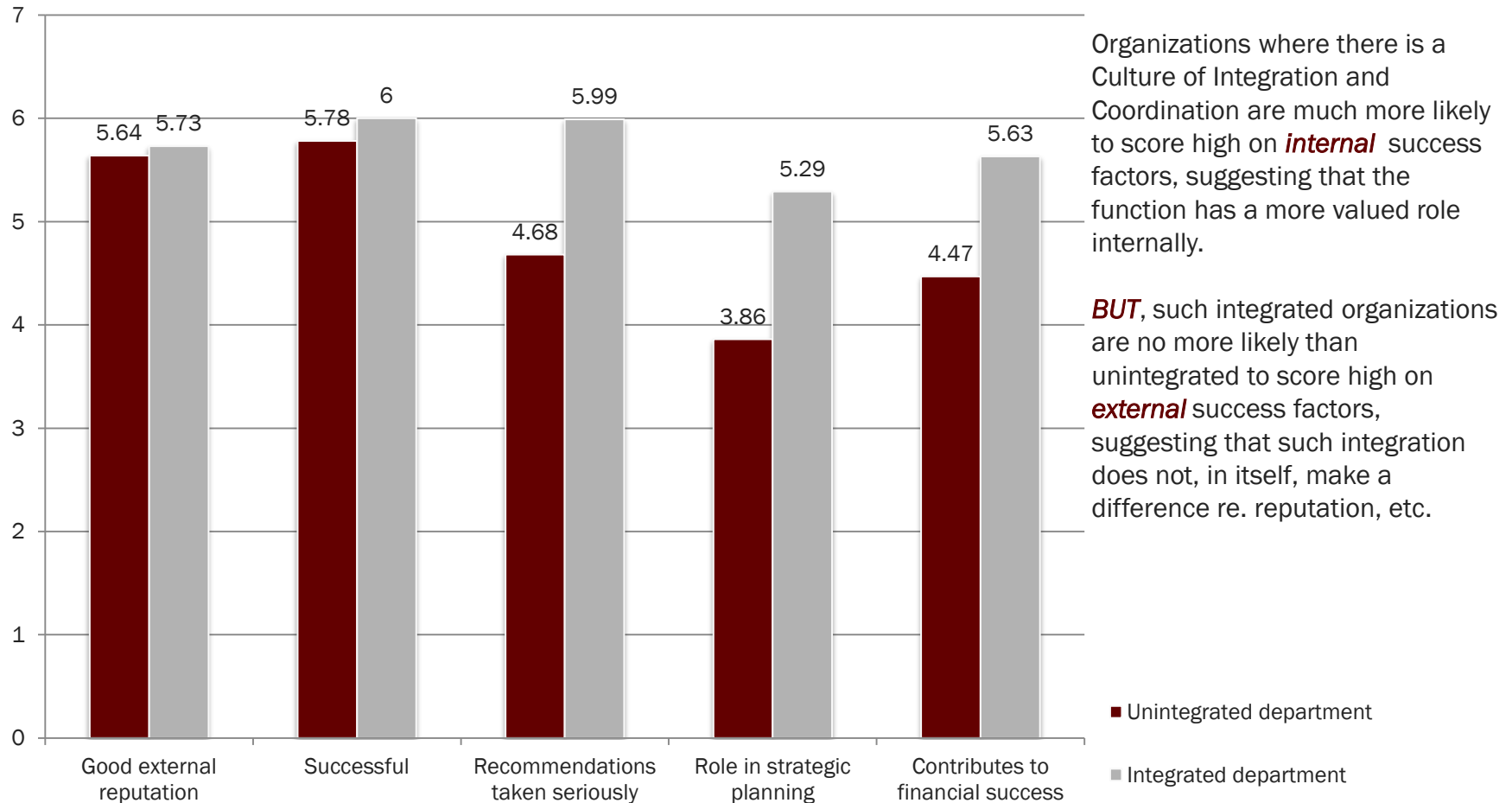
The Benefits of Integration/Coordination Between COM/PR and Other Corporate Functions (Finance, Law, Ops, etc.)



Organizations where the COM/PR function is better integrated and coordinated with other corporate functions are much more likely to score high on **internal** success factors, suggesting that the function has a more valued role internally.

BUT, such integrated organizations are no more likely than unintegrated to score high on **external** success factors, suggesting that such integration does not, in itself, make a difference re. reputation, etc.

The Benefits of a Culture of Integration/Coordination



- **DATA BEG THIS QUESTION:**
 - *Why are all forms of collaboration associated with three powerful internal success factors, but no more likely to be associated with important external success factors (e.g. good external reputation)?*
- **WHEN CONSIDERING THE ANSWER REMEMBER THIS:**
 - *Per the following slide, all three internal success factors associated with greater internal collaboration are themselves associated with multiple internal AND EXTERNAL success factors.*

All three internal success factors associated with higher levels of integration/collaboration correlate with other factors that are beneficial to the PR/COM function and the organization, both internally and externally

PRACTICES AND BELIEF CORRELATIONS	Successful	Good External Reputation	Innovative	Flexible	Democratic	People-First	Ethical	Proactive	Long-Term/Strategic	Aggressive	Confident
Role in strategic planning	X	X	X	X	X	X	X	X	X	X	X
Recommendations taken seriously	X	X	X	X	X	X	X	X	X	X	X
Contribution to financial success	X	X	X	X	X	X	X	X	X	X	X

HYPOTHESIS: A Process for Optimizing the CCO Role and the Communication Function

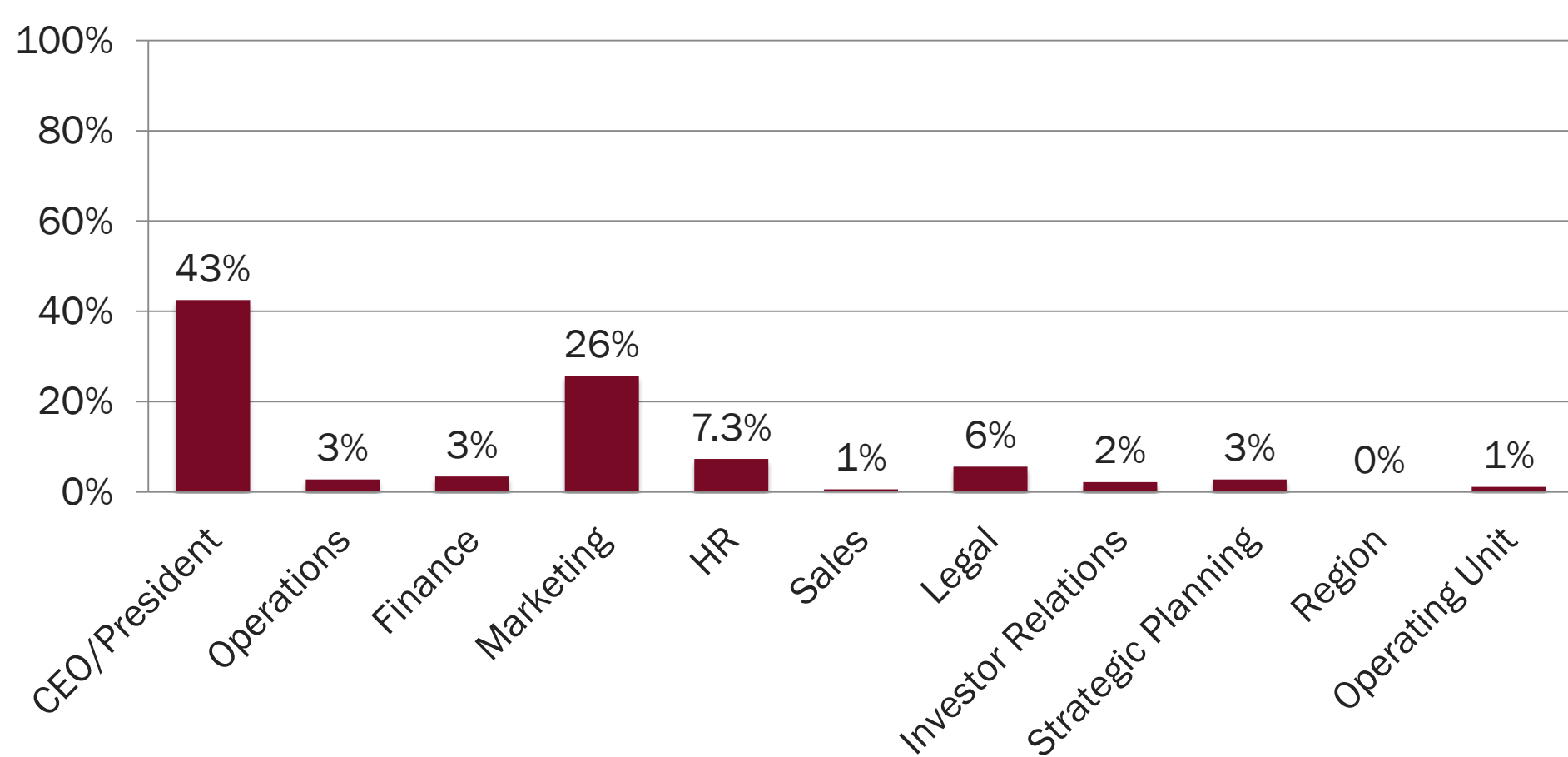
- *In many organizations, championing coordination/collaboration (i.e. fostering a culture of integration/collaboration) is an effective strategy for creating an **internal** environment in which the PR/COM function can be optimized...*
- *Such optimization can lead to an enhanced role in organizational planning, internal credibility for the function, etc...*
- *That enhanced role leads to greater influence on **external** factors such as Success, External Reputation, etc.*



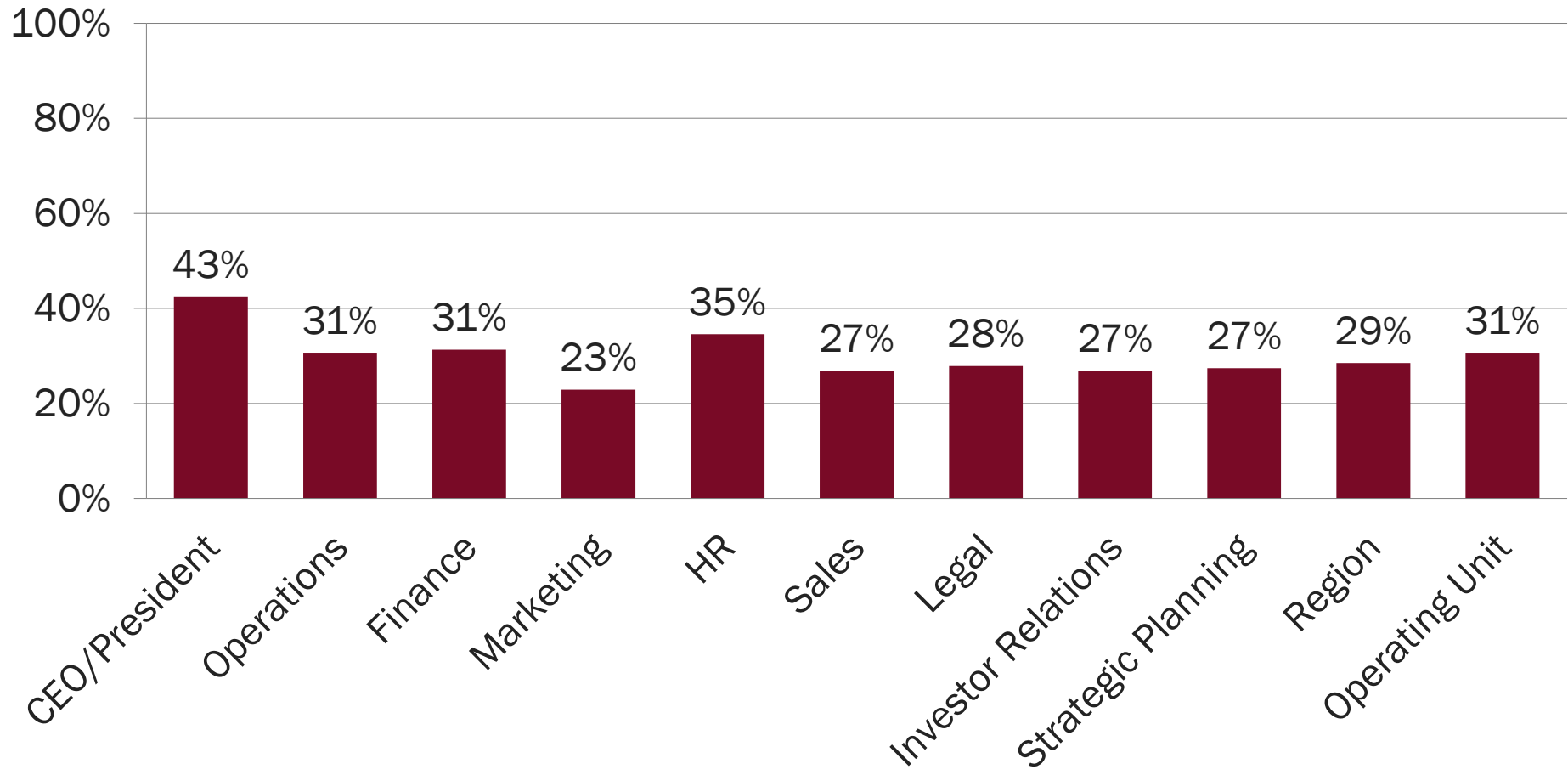
GAP VIII, Section 3

Organization and Reporting

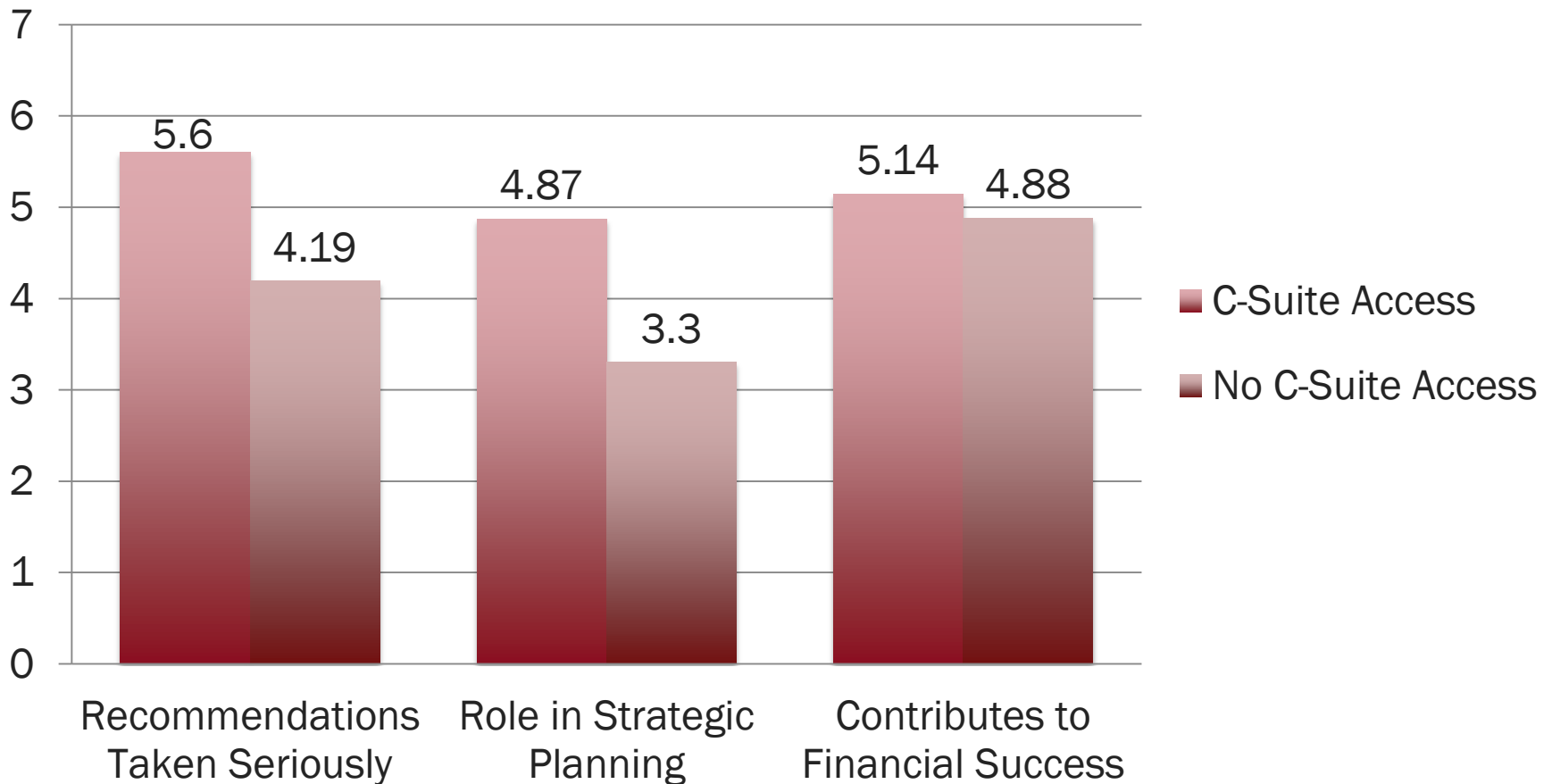
Organization and Reporting: Solid Reporting Lines



Organization and Reporting: Dotted Reporting Lines



Organization and Reporting: The Benefits of C-Suite Access



- *As has been the case in all eight GAP Studies the value of a C-Suite reporting line cannot be overstated.*

Factoids: Organization and Reporting

- 97% of COM/PR departments have a single solid reporting line
- 86% have a line (solid or dotted) to the C-Suite
- C-Suite reporting line (dotted or solid) seen as much more appropriate than others (score of 5.0 on a 7 point scale vs. 3.3; Marketing: 4.04)
- The key is access, not solid vs. dotted line
- 49% strongly agreed that their reporting line is appropriate
- 21% strongly disagreed.
- 50% have more than one dotted reporting line
- Multiple reporting lines don't diminish perceived appropriateness

Factoids: The Relationship Between Reporting Line and Integration/Coordination

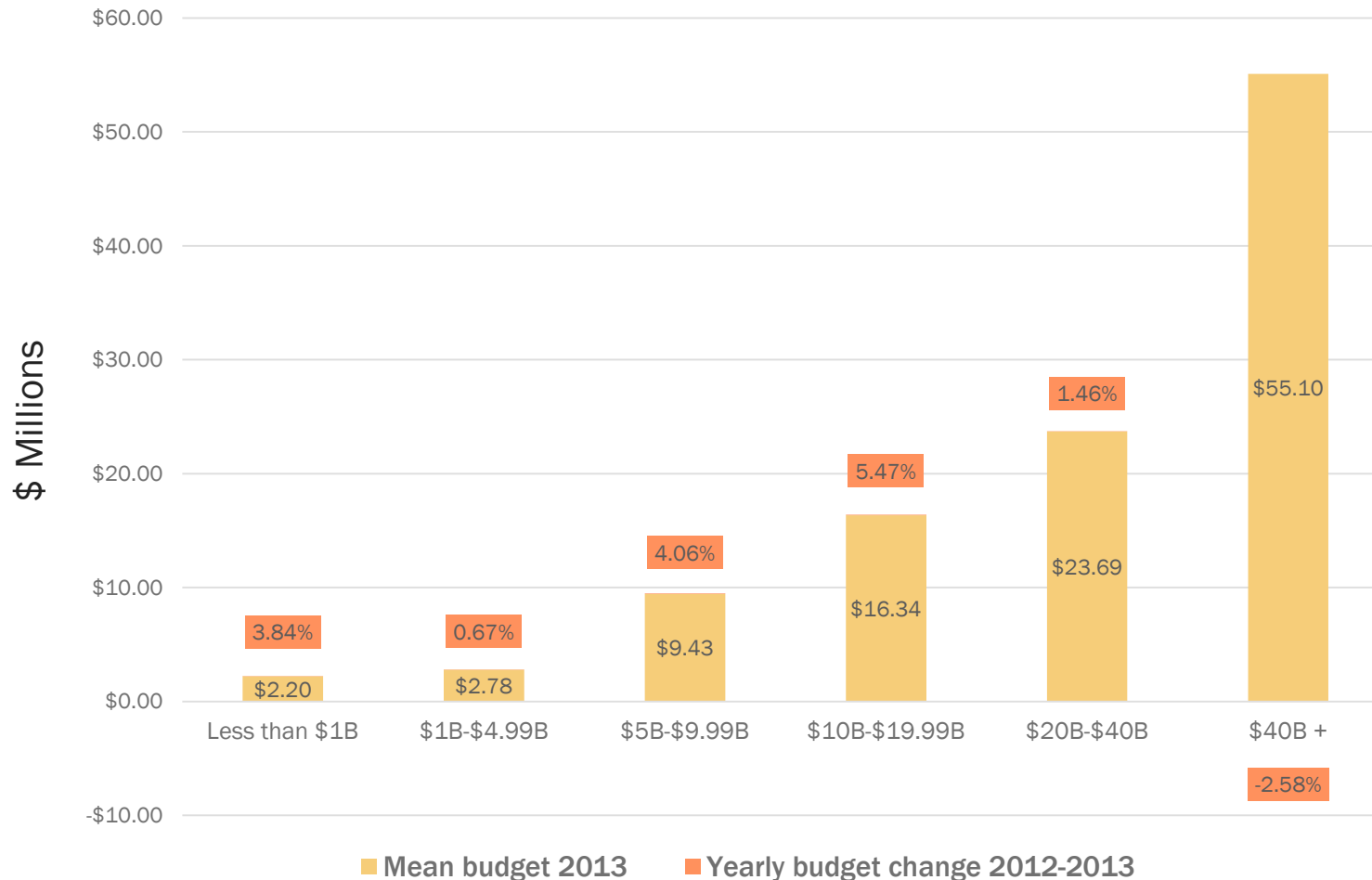
- Respondents with access to the C-Suite (solid or dotted line) report:
 - A higher level of intra-departmental integration/coordination than those who do not (5.5 vs. 5.15)
 - A higher level of integration/coordination with marketing than those who do not (5.1 vs. 4.4)
 - A higher level of integration/coordination with other corporate functions than those who do not (5.3 vs. 4.8)
- Bottom line:
 - C-Suite access is associated with higher levels of internal collaboration
 - Higher levels of internal collaboration are associated with higher levels of internal influence, credibility, etc.
 - Higher levels of internal influence, credibility etc. better enable PR/Comm to influence reputation, success, etc.



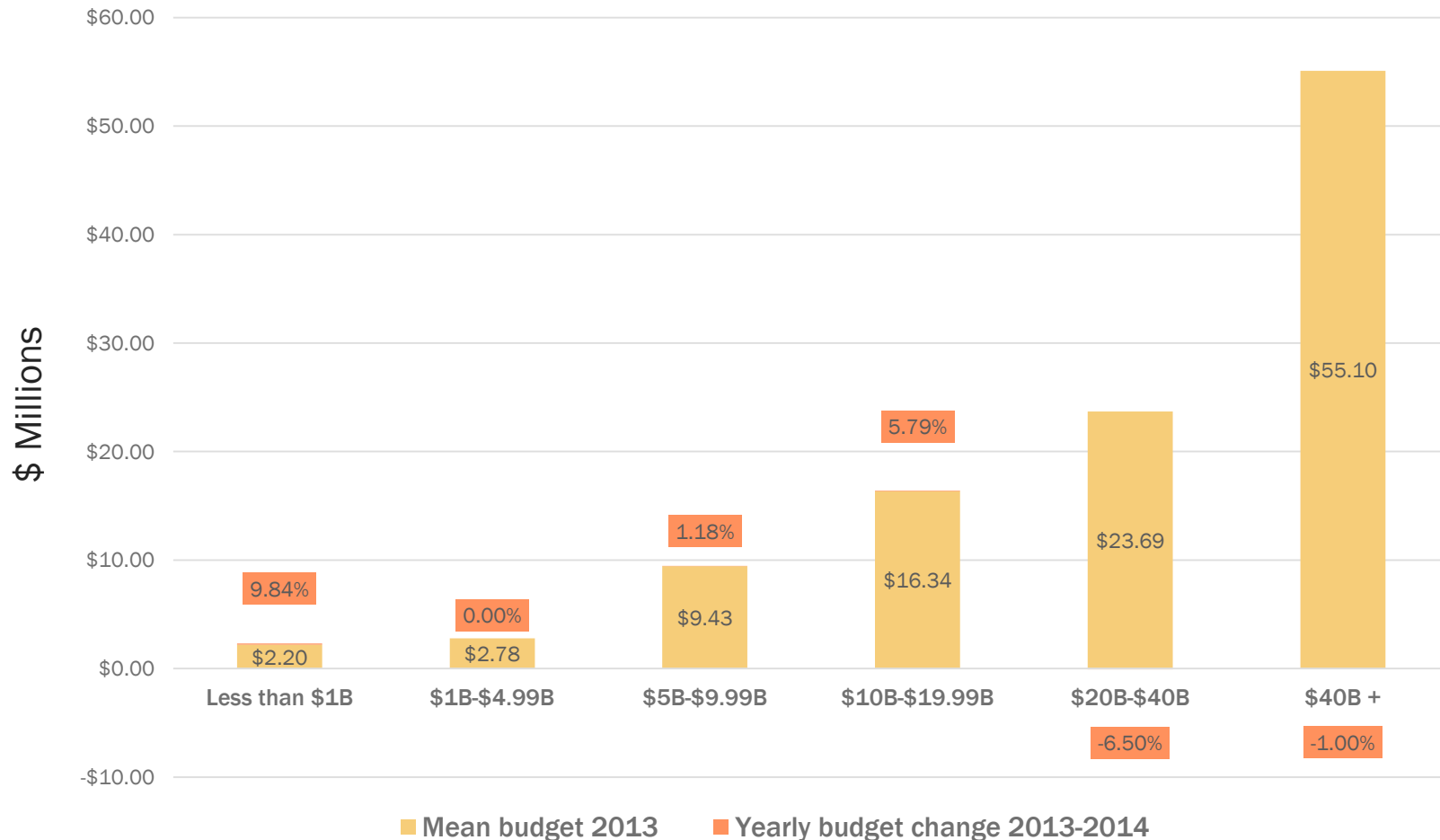
GAP VIII, Section 4

Budgets

Budgets: Public Companies, 2013 vs. 2012 by Self-report



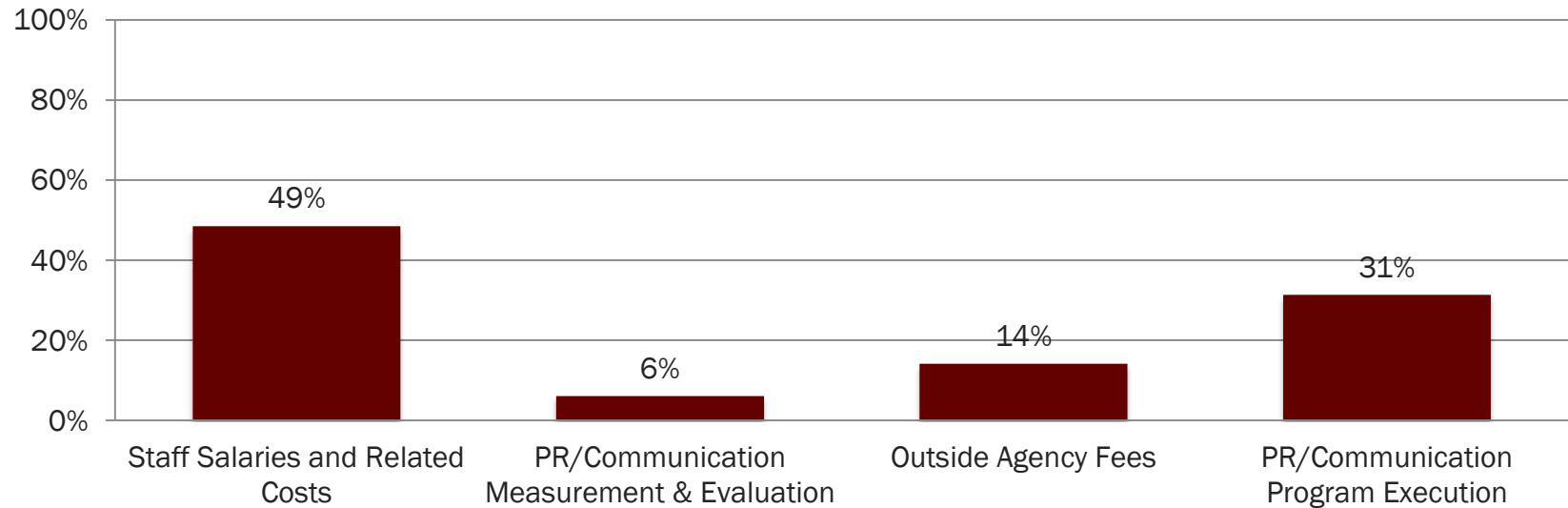
Budgets: Public Companies, 2014 vs. 2013 by Self-report



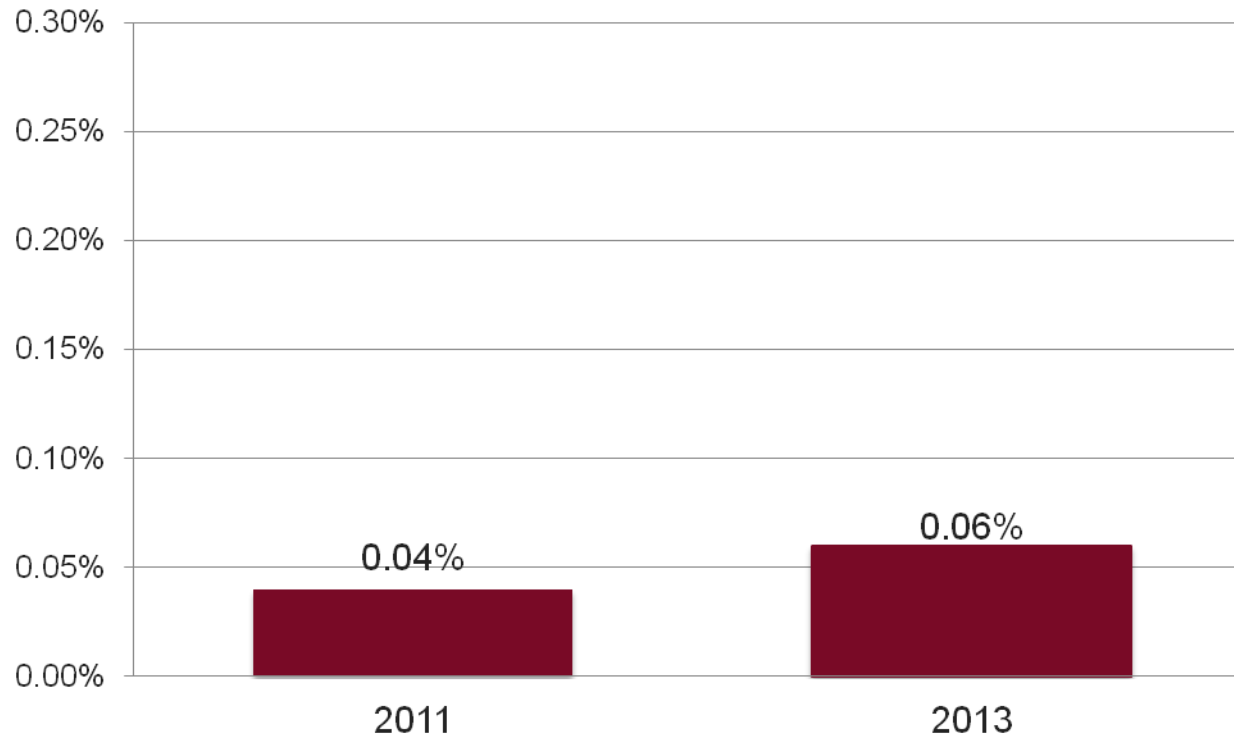
Budgets: 2014 Expectations by Scope of Respondents' Responsibilities

	Scope: Your Responsibilities
	% Expecting Budget Increases
U.S. local or regional	42.9%
U.S. national	50.0%
Multi-national	58.3%
Global	46.3%

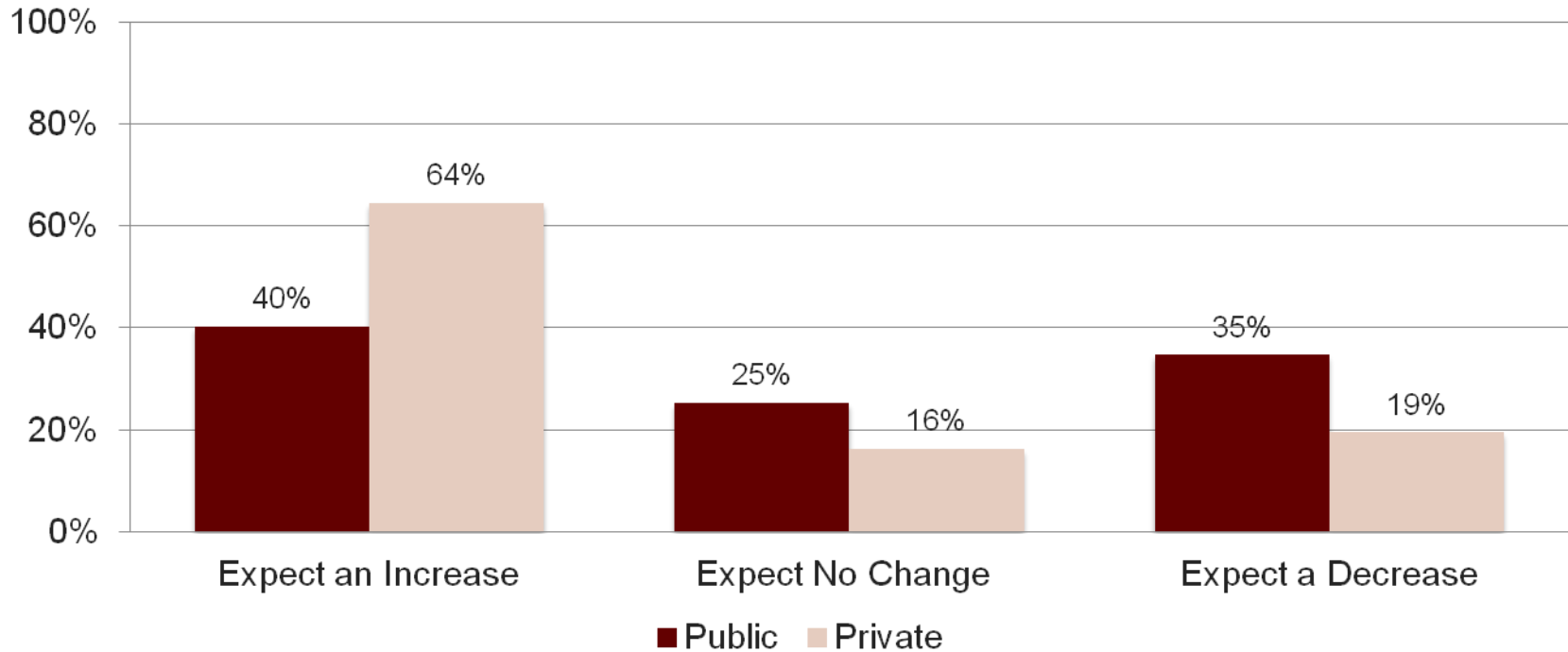
Budgets: Allocations



Budgets: PR:GR Comparison, Large Public Companies, 2013 vs. 2011 (PR/COM Budget as % of Gross Revenue)



Budgets: Expectations, 2014 vs. 2013

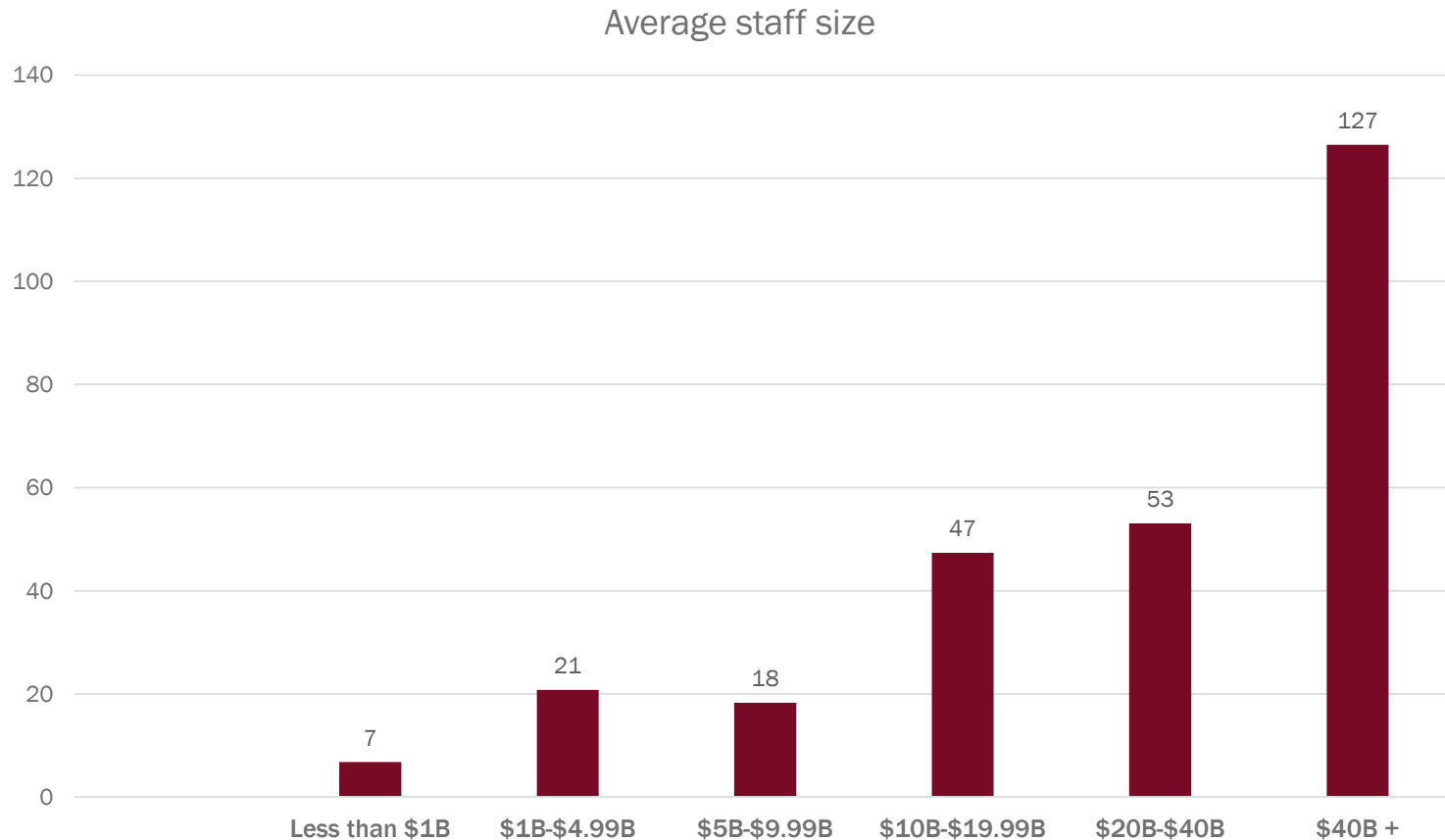




GAP VIII, Section 5

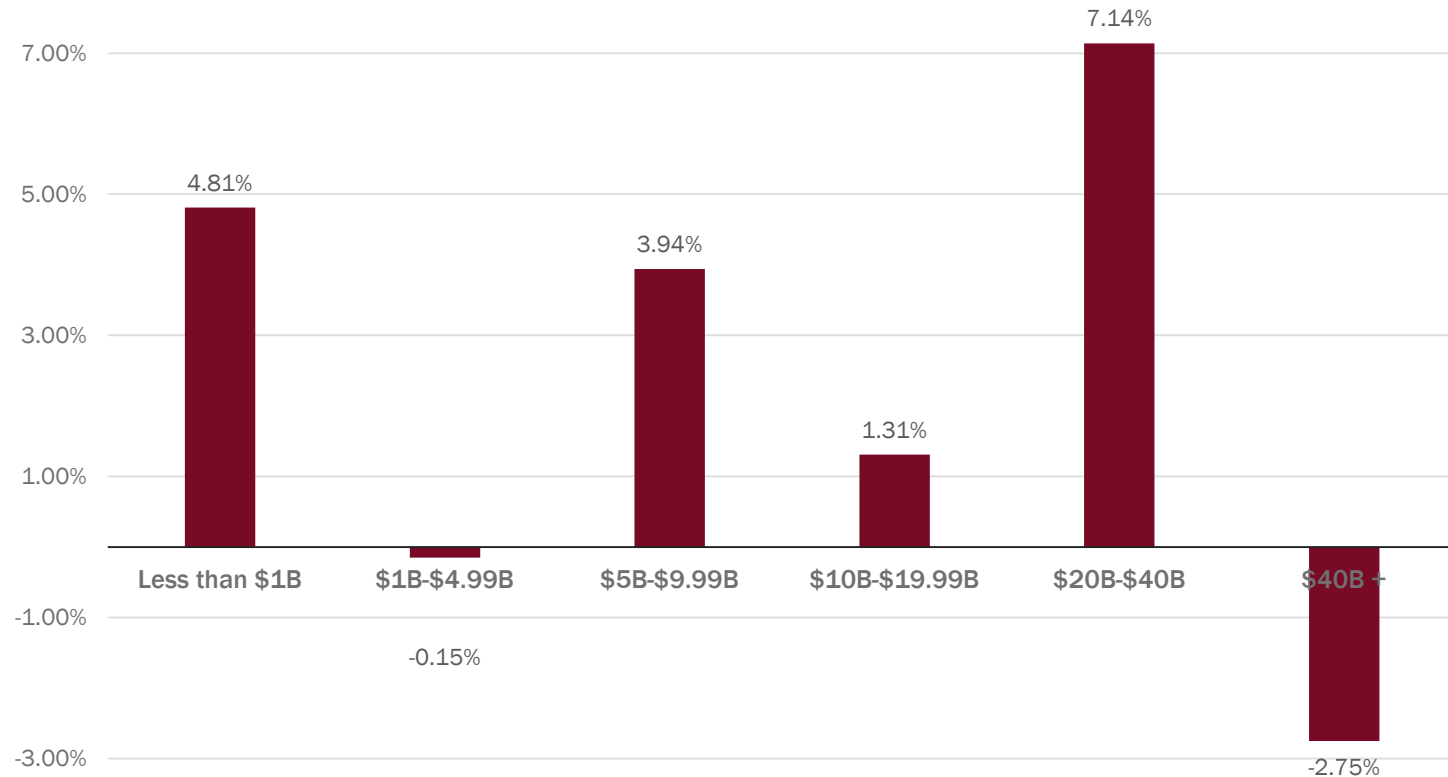
Staffing

Staffing: All Companies, Q4 2013

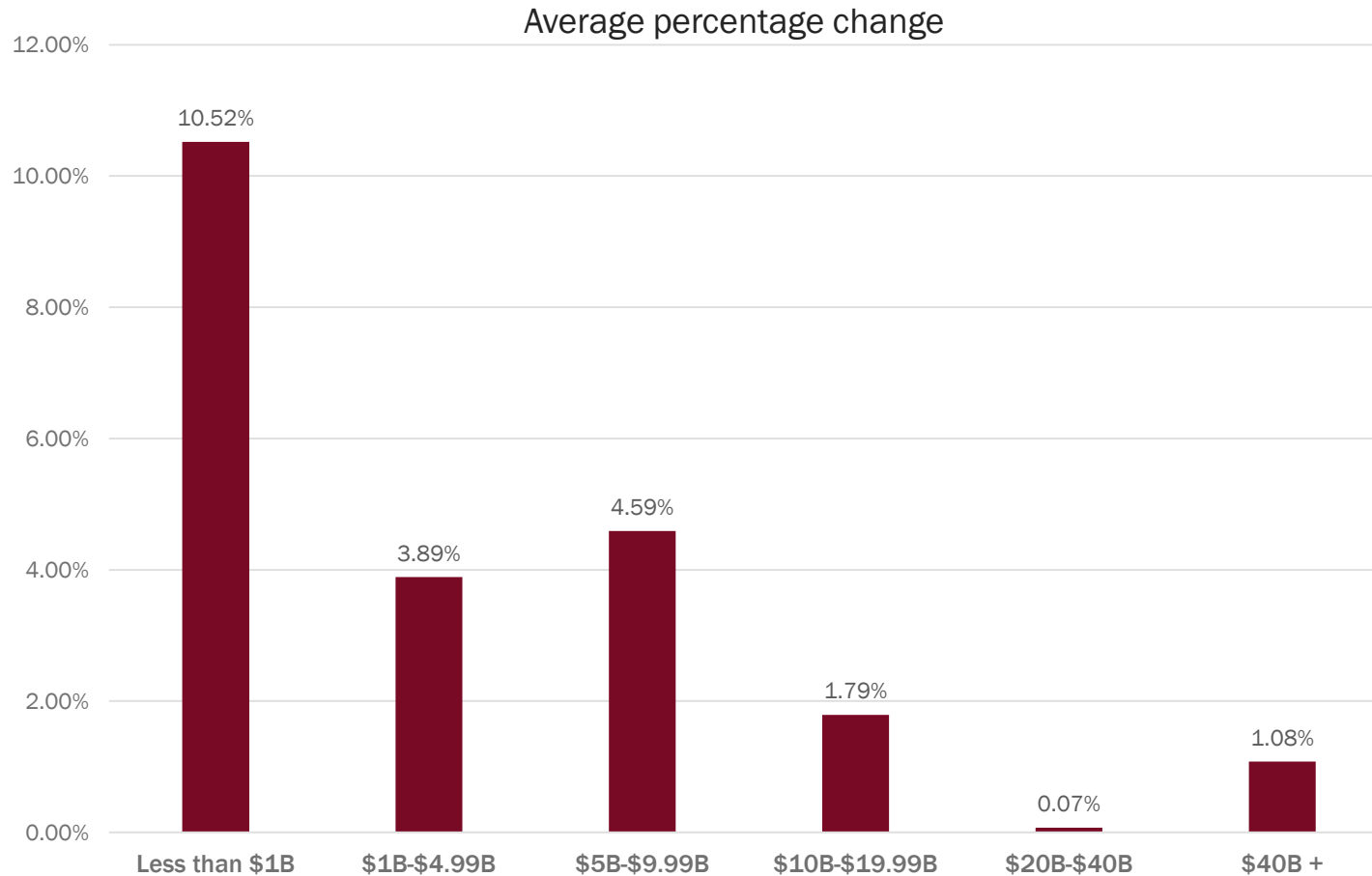


Staffing: All Companies, Change, 12 Months Prior

Average percentage change



Staffing: All Companies, Change, 12 Months Ahead



Staffing: 12 Month Expectations, by Geographic Scope

Geographic Scope	Expect Increase		Expect Decrease		No Change		Total
	%	N	%	N	%	N	N
U.S. local or regional	40.0%	8	45.0%	9	15.0%	3	20
U.S. national	58.8%	20	17.6%	6	23.5%	8	34
Multi-national	57.1%	12	33.3%	7	9.5%	2	21
Global	45.7%	43	28.7%	27	25.5%	24	94

Staffing: 12 Month Expectations, by Industry Category

(For informational purposes only except where total N may be adequate, i.e. 8+)

Industry	Expect Increase		Expect Decrease		No Change		Total
	%	N	%	N	%	N	N
Communications	100.0%	2	0%	0	0%	0	2
Construction	33.3%	2	16.7%	1	50.0%	3	6
College or University	100.0%	1		0		0	1
Energy/Natural Resources	62.5%	5	12.5%	1	25.0%	2	8
Entertainment	25.0%	1	25.0%	1	50.0%	2	4
Finance: Banking	62.5%	5	25.0%	2	12.5%	1	8
Finance: Insurance (excluding health insurance)	55.6%	5	33.3%	3	11.1%	1	9
Finance: Brokerage and other services	40.0%	2	40.0%	2	20.0%	1	5
Government/Public Administration	0%	0	100%	2	0%	0	2
Healthcare: Providers	50.0%	3	16.7%	1	33.3%	2	6
Healthcare: Payers (health insurance, etc.)	0%	0	0%	0	100%	1	1
Healthcare: Manufacturers (pharma, device, etc.)	33.3%	3	22.2%	2	44.4%	4	9
Manufacturing or marketing: Consumer products	41.7%	5	16.7%	2	41.7%	5	12
Manufacturing or marketing: B2B products	54.5%	12	45.5%	10	0%	0	22
Media	80.0%	4	20.0%	1	0%	0	5
Professional services (accounting, architecture, consulting, etc.)	50.0%	8	25.0%	4	25.0%	4	16
Retailing (restaurants, consumer products, etc.)	50.0%	4	37.5%	3	12.5%	1	8
Technology	44.4%	12	33.3%	9	22.2%	6	27
Tourism/Travel	66.7%	2	33.3%	1		0	3
Transportation/Shipping	75.0%	6	12.5%	1	12.5%	1	8
Utility-Public	20.0%	1	40.0%	2	40.0%	2	5



GAP VIII, Section 6

Functions and Responsibilities

Functions, and Responsibilities: Core*, 2013

Function/Responsibility	%	Function/Responsibility	%
Media Relations	92.8%	Employee/Internal Communications	70.0%
Corporate Communication/Reputation (Other than Advertising)	85.0%	Corporate Image (Logo Usage etc.)	67.1%
Crisis Management	83.0%	Issues Management	66.0%
Social Media Participation	81.3%	Community Relations	65.4%
Social Media Monitoring	79.0%	Marketing PR/Product PR	64.8%
Executive Communication	76.4%	Public Affairs	59.4%
Measurement and Evaluation of Communication Effectiveness	73.2%	Advertising-Corporate Image, Issues	58.8%
Social Media Measurement	72.0%	Multimedia Production	53.6%
Corporate External Website	71.5%		

*Core = More than 50% of respondents have responsibility

Functions and Responsibilities,* Significant Changes, GAP VII vs. VIII

Function/ Responsibility*	2011	2013	Change
Issues management	58%	71%	+13%
Social media participation	66%	74%	+8%
Multimedia production	40%	47%	+7%
Search engine optimization	31%	37%	+6%
Social media monitoring	70%	72%	+2%
Internal communications	80%	77%	-3%
Customer relations	15%	12%	-3%

- Web-related functions continue to show growth, reflecting fundamental changes in the profession.
- Increase in Issues Management can be seen as web-related, given that issues often first emerge on the web

* *Primary budgetary responsibility*

Functions and Responsibilities: Use of Storytelling Techniques

Question: In the past 12 months has your organization's PR/COM department used narrative storytelling techniques? Yes: 71.5% No: 21.3% Don't Know: 7.2%

Purpose of Using Storytelling	N	%
To engage with external audiences	217	63%
To engage with internal audiences	172	50%
To communicate across a variety of media channels	158	46%
In transmedia campaigns	14	4%
To convey each part of the overall story on the most appropriate platform for that part	89	26%
To facilitate creation of content in partnership with external audiences	66	19%

- A large majority of respondents use narrative storytelling techniques, and they communicate brand content via a variety of channels. This practice indicates some form of transmedia storytelling, even if very few organizations (4%) use this terminology.



GAP VIII, Section 7

The Media Environment

The Media Environment: Establishing Context

Extent of Usage (1-7); Core = 4.0+

	Mean
Creating content designed to be spread via social media	5.16
Twitter	5.11
Production of online videos	5.01
Facebook	4.77
Print newspapers	4.75
Using two or more social or sharing media platforms in one campaign	4.72
Print magazines	4.70
Sharing of online videos	4.65
YouTube	4.64
Search Engine Optimization	4.58
LinkedIn	4.36
Creating content in partnership with external audiences	4.27
Online editorial web sites	4.09

	Mean
Multimedia content for mobile devices	3.72
Television	3.31
Radio	2.81
Google Plus	2.68
Online audio (e.g. podcasts)	2.62
Instagram	2.37
Crowdsourcing	2.19
Pinterest	2.01
Wiki	2.02
Vine	1.87
Other	1.64

*1=Didn't use; 7=Used significantly

The Media Environment: Establishing Context

Scope of Social Media Use: Minimum vs. Maximum

	Mean (1-7)	% Strongly Agree (6-7)
We use social media to engage in conversations with members of the public.	4.93	49.1
Social media pervade every aspect of our business (i.e. customer relations and support, tech support, management, int. com, etc.)	3.52	17.8

The Media Environment: The Degree to Which Use of Specific Platforms Correlates with Positive Outcomes

Digital/Social Practice	Good Reputation	Successful
Spreadable content	Significant	Significant
Twitter	Significant	Insignificant
Producing Online Videos	Insignificant	Significant
Facebook	Insignificant	Insignificant
Linkedin	Very Significant	Significant
SEO	Insignificant	Significant
YouTube	Insignificant	Insignificant
Co-creating content	Very Significant	Very Significant

The Media Environment: Changes, GAP VII - VIII

Digital/Social Practice	2011	2013	+/-
Spreadable content	NA	5.16	NA
<i>Twitter</i>	<i>4.33</i>	<i>5.11</i>	<i>.78</i>
Producing Online Videos	4.19	5.01	.82
<i>Facebook</i>	<i>4.75</i>	<i>4.77</i>	<i>Flat</i>
Using two or more digital/social platforms in a campaign	NA	4.72	NA
Sharing online videos	4.48	4.65	.17
Linkedin	NA	4.63	NA
SEO	4.48	4.58	.10
YouTube	NA	4.56	NA
Co-creating content	NA	4.27	NA
Online editorial web sites (“Corporate” or “Service” Journalism)	NA	4.09	NA

The Media Environment: Use and Management of Social Media

Department	Reported to Use SM to Communicate with External Audiences	Reported to Have Extensive Control Over SM (6-7 on 1-7 scale,)
PR/Communication	88.8%	72.6%
Marketing/Sales	65.1%	43.8%
Customer Relations	35.4%	6.6%
Human Resources	34%	5.4%
Information Technology	9.5%	8.9%
Technical Support	4.6%	72.6%

- Risk of multiple voices, lack of consistency?

Totals do not equal 100 due to multiple choices.

The Media Environment: Coordination of Social Media (1 – 7 Scale)

Level of coordination	Percentage of respondents
Well coordinated	33.3%
Moderately coordinated	55.3%
Poorly coordinated	11.3%

* 86% moderately/well coordinated reduces risk of inconsistency



GAP VIII, Section 8

Measurement and Evaluation

Measurement and Evaluation: Context, Overall Approach

	%
1. We use measurement and evaluation methods developed by our in-house communication team.	49.3
2. We use the standard measures that have been recommended by professional organizations within the field (e.g. Institute for Public Relations).	25.9
3. We use proprietary measures recommended by our agencies and communication consultants.	20.5
4. We are considering adopting recommended standard measures but have not yet implemented these measures.	13.0
5. We do not measure or evaluate public relations activities.	11.2

Measurement and Evaluation: Context

	Mean (1-7)	% Strongly Agree (6-7)
We are making increasing use of audience research in planning and executing our campaigns	3.96	21.9%
We are tracking and analyzing the conversations our stakeholders are having among themselves	3.77	30.5%
There is a need for COM/PR professionals who can interpret data and use it to plan programs	5.94	71.4%

Measurement and Evaluation: Core (4.0+) and Top Ten Tools

CORE (4.0+)		NON-CORE	
Influence on Reputation	5.01	Total Circulation	3.98
<i>Social or Online Media Metrics</i>	<i>4.87</i>	Relevance to Stakeholders	3.93
Content Analysis of Clips	4.65	Share of Discussion	3.86
Total Number of Clips	4.35	Knowledge Levels Among Stakeholders	3.65
Total Impressions	4.3	Return on Investment	3.62

- Social metrics ascending, ad equivalencies disappearing
- As in all prior GAPs the most frequently used metric barely exceeds 5.0
 - Implications of the continued lack of faith in available tools?

1 = Don't use; 7=Use significantly

Measurement and Evaluation: Factoid

- Those who do not measure or evaluate PR/COM activities are much more likely to describe themselves as being:

Rigid

Autocratic

Reactive/Short-Term

Tactical (rather than Strategic)

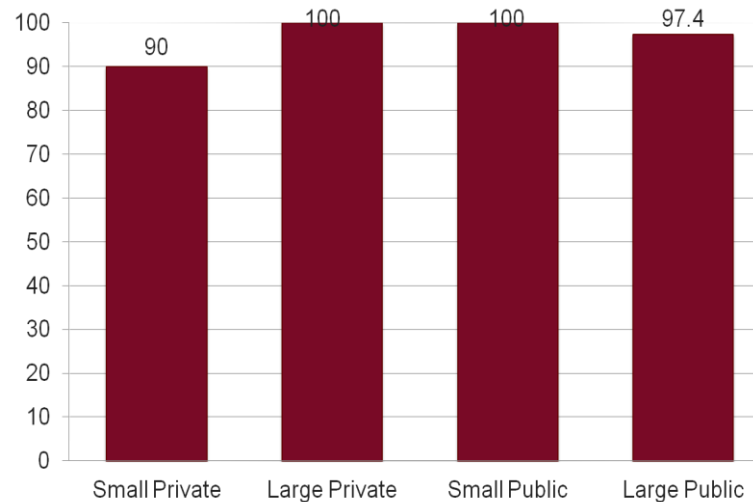
Conservative



GAP VIII, Section 9

Agency Relationships

Agency Relationships: Percentages Working With Agencies

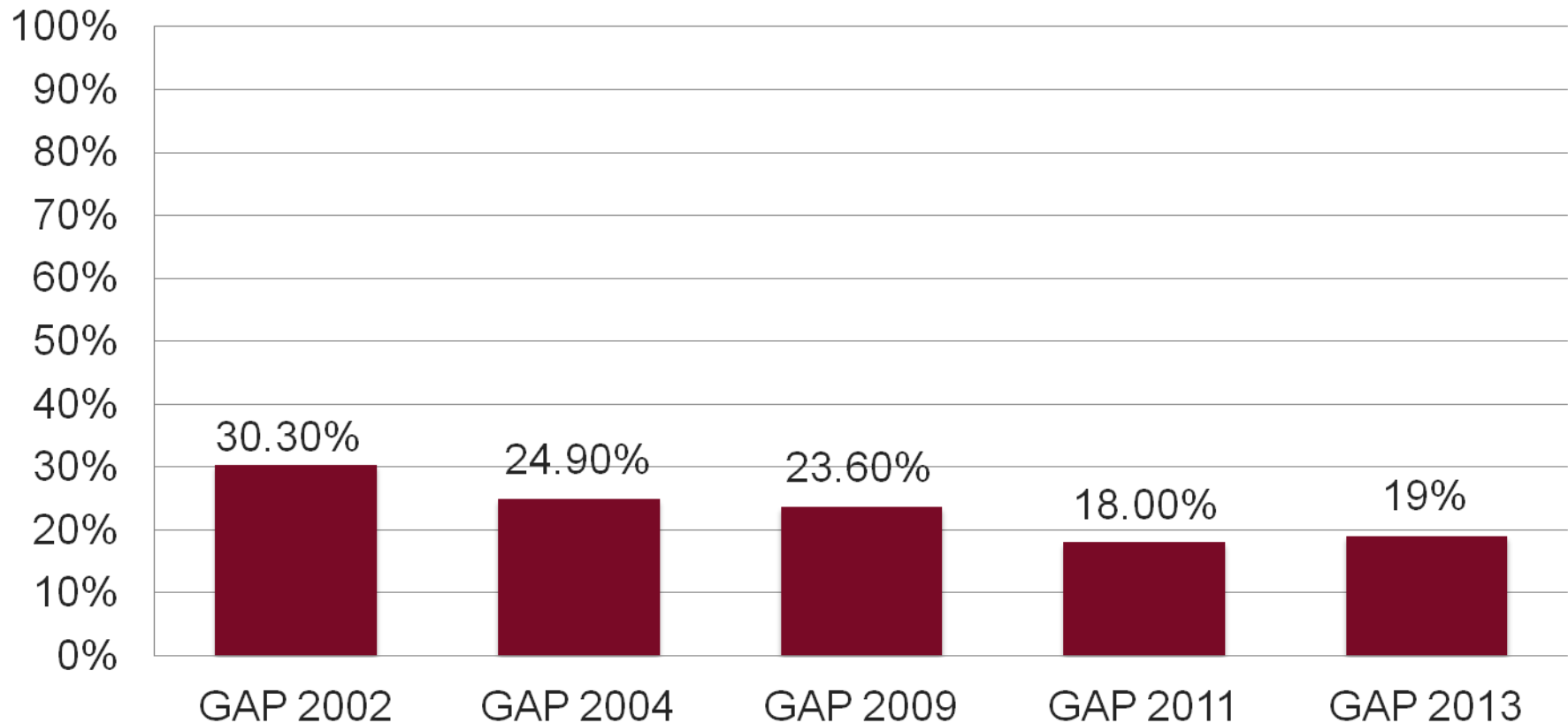


- Agency relationships continue to be nearly universal

Agency Relationships: Top Reasons – Two Tiers

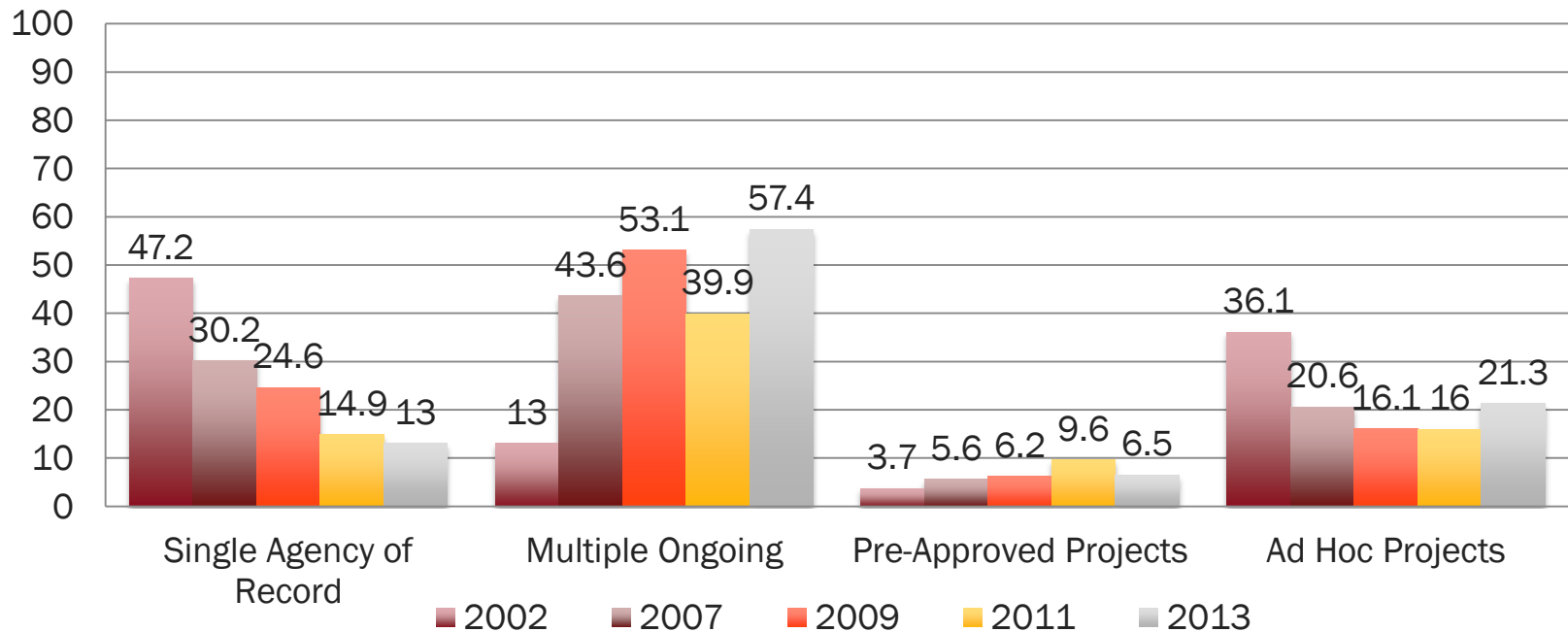
Creative thinking	5.56
Additional arms and legs	5.55
Objective, independent council	5.44
Strategic insight	5.41
Expertise, media relations	4.72
Expertise, digital and social media	4.55
Limit on internal headcount	4.25
Expertise, crisis management	4.24
Expertise, specific product markets	4.23
Expertise, specific geographic markets	4.22
Cheaper than adding staff	4.20
Increase geographic reach	4.08
Expertise, measurement and evaluation	3.93
Expertise, research and analysis	3.82
Expertise, socially diverse audiences	3.40

Agency Relationships: Fee Allocations as % of Total Budget



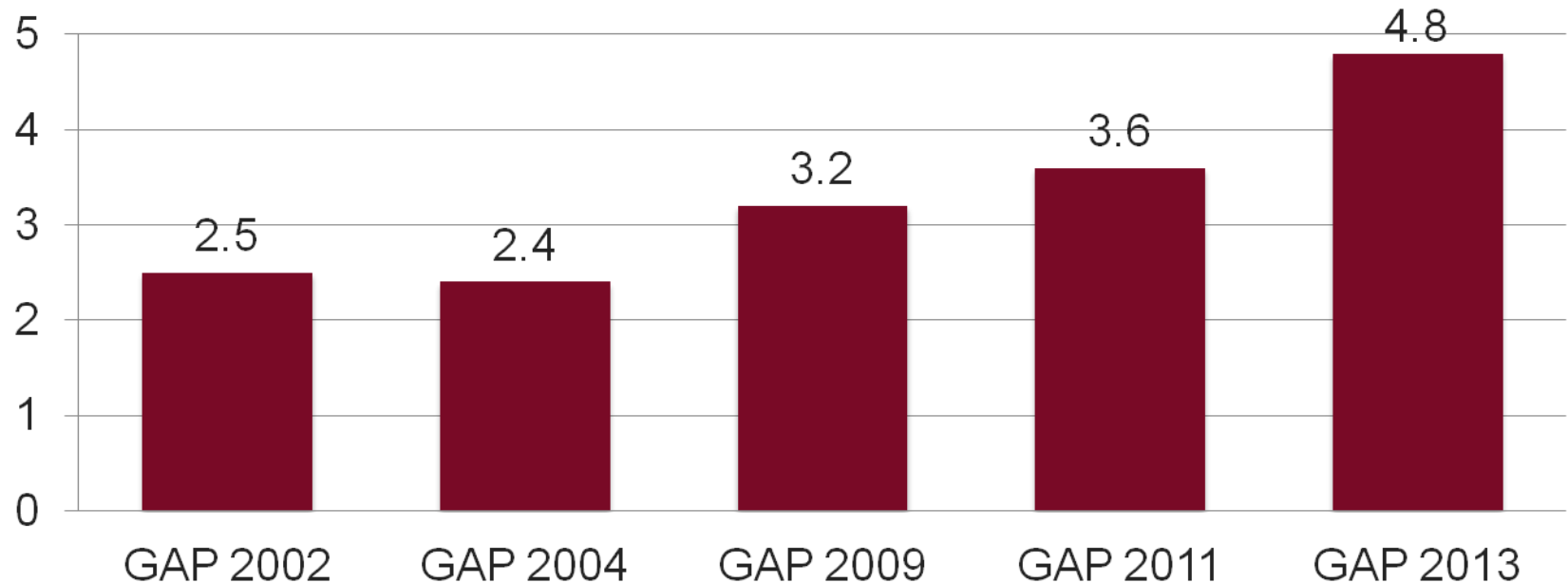
- The percentage of total budget allocated to agency compensation may have flattened out

Agency Relationships: Type, Public Companies, 2002 - 2013



- Agency of record relationships continue to decline
- Ongoing relationships with multiple agencies: the new norm

Agency Relationships: Number of Agencies Used, 2002 - 2013



- Increase is partially related to higher frequency of larger companies in the sample, but overall trend is clear



GAP VIII, Section 10

Excellence and Best Practices

Excellence and Best Practices: Insights for Success

- Measurement: use it to enhance PR/Communication's internal position of strength:
 - Adopt a rigorous approach to strategic planning tied to business goals/strategies, data, etc; objectively assess sacred cows.
 - Focus on measurable objectives tied to business strategy and goals; measure business outcomes rather than communication outputs.
 - Use the best available, most credible measurement tools.
- Media environment:
 - Recognize that the traditional mass media relations model is no longer the overriding priority.
 - Embrace a two-way engagement model of communication.
 - Assess the usefulness of specific platforms based on strategy and data rather than buzz or popularity
- Agency relationships: Focus on strategic and creative ROI rather tactical execution and/or arms and legs alone.

Excellence and Best Practices: The Communication Leadership Cycle: A Hypothetical Model for Optimizing the Function

An attempt to create a hypothetical five-factor cyclical model linking practices associated with positive outcomes in a logical way.

- *Hypothesis 1: Factor 1 is the optimal entry point, but will vary by situation.*
- *Hypothesis 2: The Factors follow a logical pattern or sequence.*

Factor 1: Given that when the PR/communication function has access to the C-Suite, it is in a stronger position to help define the overall business strategy, identity and core values of the organization: *Earn (through results) meaningful access to the C-Suite.*

Factor 2: Given that (1) when PR/Communication has C-Suite access it is in a stronger position to help define the overall business strategy, identity and core values of the organization, and (2) enhanced integration and collaboration are associated with enhanced internal influence for PR/Communication: *Champion internal integration and collaboration, with the PR/Communication function showing the way.*

Factor 3: Given that enhanced internal influence for PR/Communication will enhance its ability to affect organizational policy and behavior: *Have, or obtain, the organizational, business and professional skills necessary to use that influence wisely and effectively.*

Excellence and Best Practices: The Communication Leadership Cycle: A Hypothetical Model for Optimizing the Function

Factor 4: Given that the ability to influence organizational policy and behavior will strengthen PR/Communication's ability to affect internal and external perceptions of success, reputation, etc: *Optimize PR/Communication people, processes and procedures to successfully take advantage of the opportunity.*

Factor 5: Given that successfully taking advantage of the opportunity will enhance the value of PR/Communication's access to the C-Suite, its contribution to defining the overall business strategy, identity and core values of the organization, etc: *Continually reinforce and strengthen each of the Five Factors.*

Excellence and Best Practices:

Most Importantly, Embrace Change; The Transition from Old School to New School is Gaining Speed

Old School

- Perspective limited by experience, training
- Lacks C-Suite access
- Communicates, doesn't formulate, policy
- Is non-integrated, silo'd
- Doesn't seriously measure
- Emphasizes tactics over strategy
- Uses agencies primarily for arms and legs
- Is satisfied with limited role

New School

- Constantly seeks, evaluates and adopts beneficial practices, characteristics
- Embraces full potential of social media – not shiny objects
- Uses the best of available measurement tools, and pushes for better ones
- Has C-Suite access
- Formulates *and* communicates policy
- Champions integration/collaboration
- Has strong business, organizational and professional skills
- Emphasizes strategy over tactics
- Recognizes and seeks to achieve the discipline's full potential

FIN