

Public Relations Handbook



Dilenschneider
Forrestal
Third Edition
Revised

The Dartnell Public Relations Handbook

Robert L. Dilenschneider

Dan J. Forrestal

With a Special Section on the Health Care Field



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Foreword

One of the most important trends in recent years has been the integration of public relations into the marketing mix. No longer do corporations view it as a separate, narrow-objective tactic, a tactic that is isolated from other marketing activities. Today, most marketers understand that public relations must be linked with other marketing disciplines. They recognize that the planning and implementation of a public relations program must harmonize with overall marketing objectives.

That recognition is what makes this new edition of the *Public Relations Handbook* so important. Authors Robert L. Dilenschneider and Dan J. Forrestal appreciate marketing's role in public relations. They explore the myriad ways public relations can be used as a marketing tool. Writing from both agency and client perspectives, the authors provide practical information, illustrated by case histories.

Public relations has multiple marketing applications. Corporations can use it for everything from issue management to strategic planning to image enhancement. They can coordinate PR efforts with promotions and advertising to improve trade relations. Or they can launch financial relations programs that can support initial public offerings, orchestrate security analyst meetings, and communicate sensitive merger and acquisition information.

Public relations, like all marketing disciplines, has become a field of specialists. Just as the old advertising generalist had given way to specialists in direct-response advertising, business-to-business advertising, and the like, public relations now breaks down into many areas of expertise.

You'll find public relations agencies that focus on special events. Others bill themselves as financial PR strategists. Within corporations, you'll find communications' employees who are responsible only for internal newsletters, bro-

chures, and magazines; others are media relations experts. This increasing specialization facilitates interaction between public relations and other disciplines, which respond positively to this new breed of specialists. A corporate marketing director, for instance, welcomes the PR professional who understands trade relations; that marketing director feels comfortable including the public relations person in planning as well as in implementation.

In this book, the gamut of specialized PR activities are covered. An especially timely section concentrates on health-care public relations. More so than ever before, hospitals, HMOs, and other health-care organizations are aggressively marketing their services. Within this marketing mix, PR has become a key component. What that component entails is discussed as it relates to this field.

In the 1980s and beyond, corporate communication and PR agency executives must understand their marketing roles. It is no longer enough for them to be great release writers or to establish terrific media contacts. Today and in the future, they must understand how their skills dovetail with those of other marketing professionals. How can they best work with a market research department or firm? How can they contribute to the sales department's efforts to open up new channels of distribution? How can they maximize the impact of the ad agency's new campaign?

There is a strategy here that didn't exist—or at least, was not common—a decade ago. Public relations professionals must be prepared to deal with a staggering variety of people, issues, and subjects.

This excellent book contains information to help prepare the public relations practitioner to meet the challenge.

—GEORGE LAZARUS
Marketing News Columnist
Chicago Tribune

Introduction

Only eight years have elapsed since The Dartnell Corporation published its Second Edition of the *Public Relations Handbook*. However, the appearance of this Third Edition is by no means premature. Much new material has been assembled by the authors, Robert L. Dilenschneider, president and chief executive officer of Hill and Knowlton, and Dan J. Forrestal, public relations consultant of Forrestal & Associates who formerly was director of public relations for Monsanto Corporation. Much of it relates not merely to small details that needed updating but to the sweeping changes that have come over the theory and practice of public relations. This industry (or business) is still not far out of its formative years, and only in the past decade has it grappled with some fundamental issues in its own development.

Meanwhile, its growth has been rapidly accelerating as a consequence of the "information revolution." Everywhere people have been challenged by the need to know, as they have confronted options and choices had they never had or even heard about before—exotic new investment forms, gaudy new consumer products such as home computers and videocassette recorders. To be a conscientious citizen today one has had to master at least the rudiments of such matters as the technology of the space shuttle, the safety factor in nuclear power plants, and gyrations of the dollar in international money markets. Whoever it was that said, "knowledge is power," could have added, "and you can't survive without it." Ironically, a major Wall Street scandal of the 1980s involved trading in *inside information*.

Vast stores of data accumulated in computer memories and have been spewing forth from machines that seem to operate at the speed of light. Corporations now had continuing relations with a number of different "publics": their

stockholders, investment banks, consumers of their products, suppliers of raw materials, the communities they were established in, government regulators, and environmentalists and other concerned groups. The penalty for neglecting any of them could mean corporate death.

Eliminating the technical barriers to the ever-rising volume of information exchange has not been a particularly serious problem. The innovating hardware of telecommunications has pretty much kept up with the demand. On the human side, however, there were large obstacles yet to be cleared away. On the surface, the right to know seemed absolute and indisputable, but when you got down to details, difficulties loomed. It wasn't just the mania, endemic in Washington, for classifying everything "top secret." In private business and nonprofit organizations as well, there wasn't much enthusiasm for disclosing delicate matters. Accordingly, the powers-that-be holed up in their fortresses behind their moral certainties, and a junior public relations person was assigned to keep the wolves at bay.

The picture has changed remarkably fast. The Freedom of Information Act has lived up to its grand name by prying open the federal archives, and officialdom has suddenly become very available and quite talkative. The President's cabinet members clamor to be interviewed on the morning talk shows. Top corporate executives have been stepping off their pedestals to speak their minds—and sometimes do some listening too. It was a time of opening up; even the Russians had a word for it, *glasnost*, which became the theme song of the Gorbachev regime.

It was an auspicious time to have a job that emphasized gathering and elucidating information. At its best, public relations embodied a dual job—first, sorting out and comprehending the economic, financial, and social pressures that affect the performance of the client organization and second, keeping the world-at-large familiar with and favor-

ably inclined toward that same client. As Bob Dilenschneider says in this *Handbook* (see Chapter 3, page 35), "Public relations people who are at the top of their jobs learn that all targets are moving targets, and that therefore the nature of the work and the exercise of good judgment require ceaseless renewal of information and insights."

Many public relations people, no doubt, still spend their days doing traditional chores—grinding out routine press releases, composing banquet speeches for serious executives, preparing copy for the annual report. How different is a day in the life of someone at the cutting edge of the business, which may start with organizing a presentation to defend the company's performance before an audience of security analysts, then explaining to a business magazine writer how the company's new electronic product works.

Today's public relations arena has no place for hacks. In the past, the PR jobs had often gone to newsmen who welcomed the chance to bolster their retirement funds. They usually had good news sense and wrote clear prose, but they lacked the kind of style that might have added distinction to the message. Gresham's Law was operative here, and the more imaginative and ambitious younger men and women moved in and took over. Inevitably, they began thinking of public relations as a desirable lifetime career.

That thought led quickly on to the notion of declaring it a profession. It might not matter much if some ambitious young people wanted to be thought of as members of a professional group, but "credentialism" would rear its ugly head. Trouble results whenever professional status is used to exclude potential new members. They might be required to obtain licenses, or maybe pass a test (just as budding lawyers must pass their bar examinations). Lawyers are a relatively homogenous group. Public relations embraces many different functions that would not fit comfortably under one roof. A way to get around that would be to establish

more public relations schools around the country like the schools of journalism that have sprouted on so many campuses. As a matter of fact, a good many journalism graduates never see the inside of a newspaper office; they wind up in public relations.

The really serious concern is not how to ensure an adequate supply of young public relations people, but to determine how educationally fit they are for the job. The authors argue commendably that the best schooling for a career in public relations is a sound grounding in the liberal arts—history, sociology, psychology, literature, and political science—augmented perhaps by courses in economics and corporate finance, business law, and business organization. Regardless of what intellectual competences a person may bring to the job, the human quality that is most vital is a veneration for truth. Uncompromising, unwavering honesty is, of course, desirable in its own right, but there are several reasons it should be stressed in public relations. In public relations work, particularly, personal reputations are at stake, and what the public will tolerate least of all is lying. Nixon's Presidency collapsed not because he approved the bugging of a room in the Watergate building but because he—and the aides who managed his public relations—played fast and loose with the truth. Similarly, in the case of the Iranian arms deal during the second Reagan administration, it was the deviousness of the participating officials that hurt the most.

Another reason its veracity must be kept above suspicion is that public relations is a comparatively young industry. The memory of its unsavory forebears, the "flacks" and "press agents" who would flinch at nothing to get a client favorable mention in the papers, lingers on. To this day, when a too obviously favorable profile of a public figure appears in print, the cynical reaction is: "They did a PR job on him."

In exalting truth, care should be taken to distinguish it from objectivity. A public relations firm is not obliged to take a polygraph test with every statement it makes. It is in the business of promoting or selling an elusive commodity—a favorable public impression of its clients, which, among other things, might be a person, a grocery product, a political party, or a controversial cause. A PR professional cannot be expected to approach his or her assignment with a vacant mind. To each case the professional brings a set of judgments whose acceptance needs to be won. What is not defensible, however, is for there to be a concealment or distortion of known truths for the sake of desired outcomes.

Regard for the truth had been the implied issue that long divided public relations from the press. Journalists gave the impression that they were the anointed guardians of the First Amendment while the PR people were always flirting with venality. Four decades as an editor of a business magazine have convinced me that that's a lot of nonsense. Aside from a few cranks who tried to bar the way to the executive offices and monopolize the interviewing or demanded to see unedited versions of our article, PR people were most cooperative and helpful.

The fact of the matter was that the journalists looked down on the PR people, critical of the way they did the work; *real* reporters ripped their stories out of the throats of reluctant witnesses and did not sit in cushy offices reading books. Action reporting was all right as long as journalism confined itself chiefly to crime and politics and war. But it was no way to cover more complicated, technical subjects that required help from the experts.

Around the time OPEC first jolted the world with its oil-price shock, there was a surge of demand for explanatory reporting of business economics and finance—areas in which nonspecialist news people were woefully weak. The

deficiency was soon corrected as able younger reporters, sensing where good salaries were, shifted over. At the same time, the journalists swallowed their pride and went to the public relations offices for help.

Thus did the information revolution forge a new alliance, an alliance that benefits the best practitioners of both disciplines and their audiences.

—ROBERT LUBAR
Retired Managing Editor
Fortune

About the Authors

Robert L. Dilenschneider was elected president and chief executive officer of Hill and Knowlton, Inc., on March 4, 1986. He is a member of the firm's board of directors.

Dilenschneider joined Hill and Knowlton in 1967 in New York, shortly after receiving an M.S. degree from Ohio State University. He received a B.A. degree from the University of Notre Dame. In 1978 he moved to Chicago to organize the firm's National Division, opening more than 15 offices and building the operation from 50 employees to the current 600.

At Hill and Knowlton, Dilenschneider's responsibilities have covered a variety of fields, ranging from major corporations and professional groups to trade associations and educational institutions, and included dealing with regulatory agencies, labor unions, consumer groups, and minorities, among others. He has directed communications activities during the U.S. Steel/Marathon merger, the Kansas City Hyatt disaster, the Three-Mile Island accident, and the Bendix/Martin-Marietta takeover, and participated in communicating the redevelopment of assets in numerous companies—from the high tech business to heavy industry. He has also personally counseled six of *Fortune's* "10 Toughest Bosses."

Dilenschneider is a member of the Chicago Association of Commerce and Industry, the Steering Committee of the Founder's Council of the Field Museum of Natural History, the Public Relations Society of America, the Economic Club of New York, the International Public Relations Association, the Wisemen, the Advisory Board of the New York Hospital-Cornell Medical Center, and the U.S.-Japan Business Council. He is a former member of the board of directors of United Charities of Chicago and the board of the Council of the City of New York. He received New York's

"Big Apple" award in recognition of his contributions in making that city great.

Dilenschneider is widely published and has lectured before scores of professional organizations and colleges, including the University of Notre Dame, Ohio State University, and New York University.

Dan J. Forrestal has been a public relations counselor of Forrestal & Associates, with offices in St. Louis, Missouri, since 1974, when he took early retirement as chief public relations executive of Monsanto Company. He has provided public relations appraisals for a wide variety of corporate clients, the most recent being General Motors Corporation, Detroit.

Forrestal joined Monsanto Company as assistant director of the Industrial and Public Relations Department in January 1947, becoming director of public relations in 1958. During his 27½ years at the multinational corporation, many of the company's programs and publications received national recognition. In 1974 he received two major national awards, the American Academy of Achievement Award for Excellence and the Golden Anvil Award from the Public Relations Society of America (PRSA).

A native of St. Louis, Forrestal started his career on the *St. Louis Globe-Democrat*, and over 19 years served in various capacities: sportswriter, music columnist, feature editor, war correspondent, and assistant managing editor. In overseas assignments in 1945 and 1946, he represented the North American Newspaper Alliance syndicate and the Columbia Broadcasting System.

Forrestal served as national president of PRSA in 1957 and as chairman of the Public Relations Seminar Committee in 1967. In 1984 he was listed among "the 40 leading public relations professionals in the world" at a New York

dinner observing the 40th anniversary of *Public Relations News*, a publication distributed to 91 nations.

Forrestal currently serves as a member of the President's Council of St. Louis University, of which he is an alumnus, and on the advisory board of St. John's Mercy Medical Center in St. Louis County. He is a member of Sigma Delta Chi, the Harvard Club of New York City, and the Board of Governors of the Saint Louis Club in his home city.

He was coauthor of the 1967 and 1979 editions of Dartnell's *Public Relations Handbook*. He recently authored books based on the 75-year-history of Monsanto, *Faith, Hope and \$5,000*, and on the 75-year history of the A. E. Staley Manufacturing Company, *The Kernel and the Bean*, both published by Simon and Schuster. In 1981 and 1982, Forrestal was editor of the *V.P. Fair Magazine*, published in conjunction with the St. Louis area's largest single civic observation. He has been a frequent contributor of articles in national business and professional journals.

During a twenty-year career in communications, David B. Williams has developed wide-ranging expertise in public relations, publications, and advertising. A former editor for the major medical publisher C. V. Mosby & Co. and *The Journal of the American Student Dental Association*, he has a special interest in health and medical topics.

Williams is currently public relations manager for Kiwanis International, serving as the organization's spokesman on various matters of national interest, including membership. He has played a key role in the recent Kiwanis public service campaign to support First Lady Nancy Reagan's efforts to combat school-age drug abuse. The Kiwanis promotion has garnered more than \$12 million in public-service space and air time.

A respected writer and editor, Williams has authored nu-

merous magazine articles and contributed to several books in the areas of science, management, communications, and public relations. His communications work has brought him such honors as the George Washington Medal from Freedoms Foundation and recognition in *Who's Who in America*.

Acknowledgments

I am delighted to have this opportunity to thank and congratulate the authors and editors responsible for Parts 1, 2, and 3 of the Third Edition of Dartnell's *Public Relations Handbook*. Hill and Knowlton has always been extremely proud of its relationship with the *Handbook*, long regarded by all members of the profession as the industry bible.

In particular, I would like to thank the many Hill and Knowlton professionals who took time out from their busy schedules to share with us their knowledge of the profession. Each of their individual contributions is outstanding. Taken as a whole, their work demonstrates a remarkably broad knowledge of an increasingly complex business. It is a credit to these professionals and, I believe, their company that their writing fully conveys the accumulated wisdom of a public relations firm in its 60th year of industry leadership.

The Hill and Knowlton staff who contributed to this edition of the *Handbook* undoubtedly first learned their craft with the assistance of earlier editions. It is thus entirely fitting that the next generation of public relations practitioners will benefit from the experience and knowledge contained within this new compilation.

—Robert L. Dilenschneider

As author of the internal public relations section, Parts 4 and 5, of this *Handbook*, I have tried to practice what I preached: to stress how important it is for the so-called listening process to prevail. As a result, my narrative is alive with contemporary comments and examples from a broad range of communicators who were initially contacted with the simple question, "What's going on?"

Particularly since so many of the nation's employees have been caught in the discomforts of corporate belt-tightening, job insecurities, and widespread unrest, the role of internal communications becomes all the more urgent as the eighties begin to wind down. Communications can enlist support, understanding, and productivity by efforts to inform and to "level with" those in employee ranks.

In light of the immensity of the problem, I contacted almost 100 public relations colleagues—including many longtime, respected friends—soliciting their ideas, their experiences, their recommendations. The feedback was heartening. So many wanted to help in order to underline the validity of the practice of public relations as a business function.

There have been a few exceptional participants whose identity merits mention. My intrepid and long-suffering secretary, Frankie Spriesterbach, has been a vigilant and diligent heroine. Mary W. Wilson, director of the Public Relations Society of America Information Center in New York, has been a skillful bird dog whenever elusive information was otherwise unfindable.

The International Association of Business Communicators also provided assistance, adding an important dimension to the book. Also, the Public Relations Foundation for Research and Education gave first-time-ever permission for use of the most recent Foundation lectures. Gathering up the material and spearheading the effort to obtain permission from his Board of Trustees was Don Bates, New York public relations counselor serving as the Foundation administrator. When approached for his help, Bates's response was "OK. Right away." And he added, "It's for a good cause." Such sums up the total experience.

—*Dan J. Forrestal*