



APR Cohort: Session 7

Friday, May 1, 2020

12-1 p.m.

join.me/mospra_director

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Conference ID: 910-070-824#

KSA: Leading the PR Function





MOSPRA APR Cohort: Session 7

Today's Agenda:

1. Welcome
2. Checking in on progress
3. Highlights of **Leading the PR Function (18 percent of exam)**
4. Scenario Questions/Practice
5. Next Steps





Checking in
Where are you at in your process?
What do you need from me?
Anything we need to review?





Key Characteristics of PR Leaders

- Set clear direction.
- Produce results by inspiring and motivating others.
- Address issues important to the organization and are a catalyst for change and improvement.
- Are able to adapt the style of their leadership while maintaining core principles that sustain the organization.





Key Areas of Leading the PR Function

Business Literacy

1. **Know your SEC filings** for publicly-traded companies
 - 10-K
 - 10-Q
 - 8-K
 - Proxy Statement
 - MD&A (Management Discussion & Analysis of Financial Conditions)





Key Areas of Leading the PR Function

Business Literacy

1. **Know your Business Laws and Regulations (Securities Act and related SEC filings)**
 - Sarbanes-Oxley Act (SOX)-- covers corporate auditing accountability, responsibility and transparency; law enacted following Enron scandal
 - Disclosure requirements take two forms: those that are mandated by statute and those required to avoid fraud; means that senior officials (including PR officers) of a corporation are mandated to disclose material information that could be considered important by a reasonable investor



Key Areas of Leading the PR Function:

Organizational Structures

- **Line management** (product/profit/marketing – engineers, production staff, those who directly increase the bottom line)
- **Staff management** (PR, legal counsel, HR, finance – those who advise the board and CEO)
- **Asymmetrical vs. symmetrical organizations:**
 - ❑ **Asymmetrical** = organization gets what it wants without changing how it does business internally; culture **resists change** (similar to closed systems, which don't adapt to external changes); **authoritarian** culture; **communications are structured, one-sided** and formalized within a decision-making hierarchy (i.e.: military); **decision-making is centralized at highest level**; little input from middle and lower level employees; high division of labor; efficiency over innovation
 - ❑ **Symmetrical** = organizations that thrive on **negotiation, conflict resolution** and compromise with operating procedures; **incorporates goals of its publics**; **communication incorporates feedback** at all levels; rewards **innovation**



How PR Leadership Affects the Line Management & Bottom Line

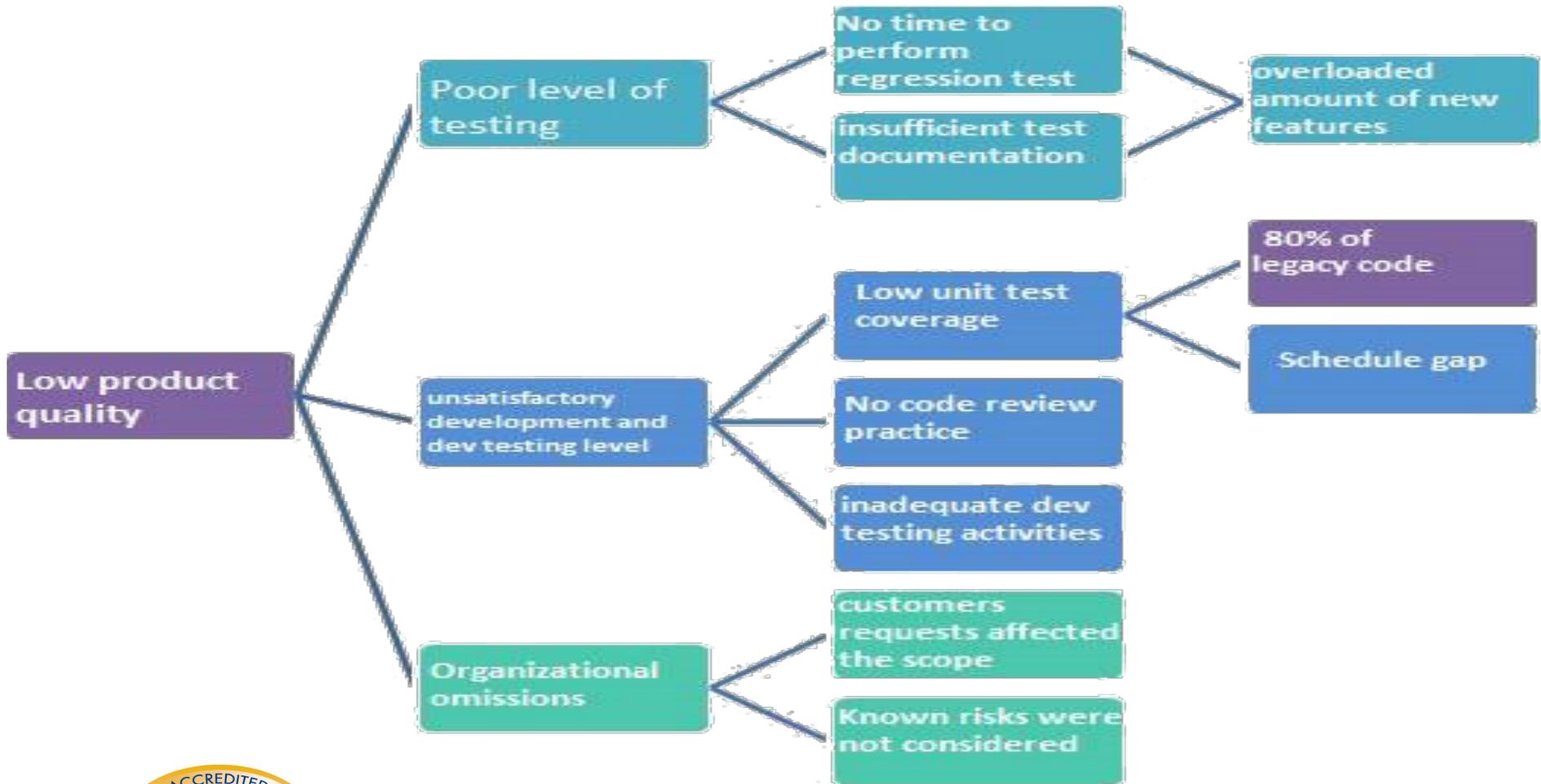
Consider yourself the moral compass of your organization

- Anticipates, analyzes and interprets public opinion, attitudes and issues that positively or negatively affect the organization
- Counsels others in the **C-suite** on ramifications of policy changes, courses of action and communications, as well as social responsibility
- Researches and evaluates programs and communications to achieve the informed public understanding necessary for the success of the organization (= getting public or staff buy in)
- Plans and implements the organization's efforts to influence or change in public policy
- Sets measurable objectives, creates plans, sets budgets, recruits and trains staff or volunteers to implement campaigns that help the organization achieve their goals

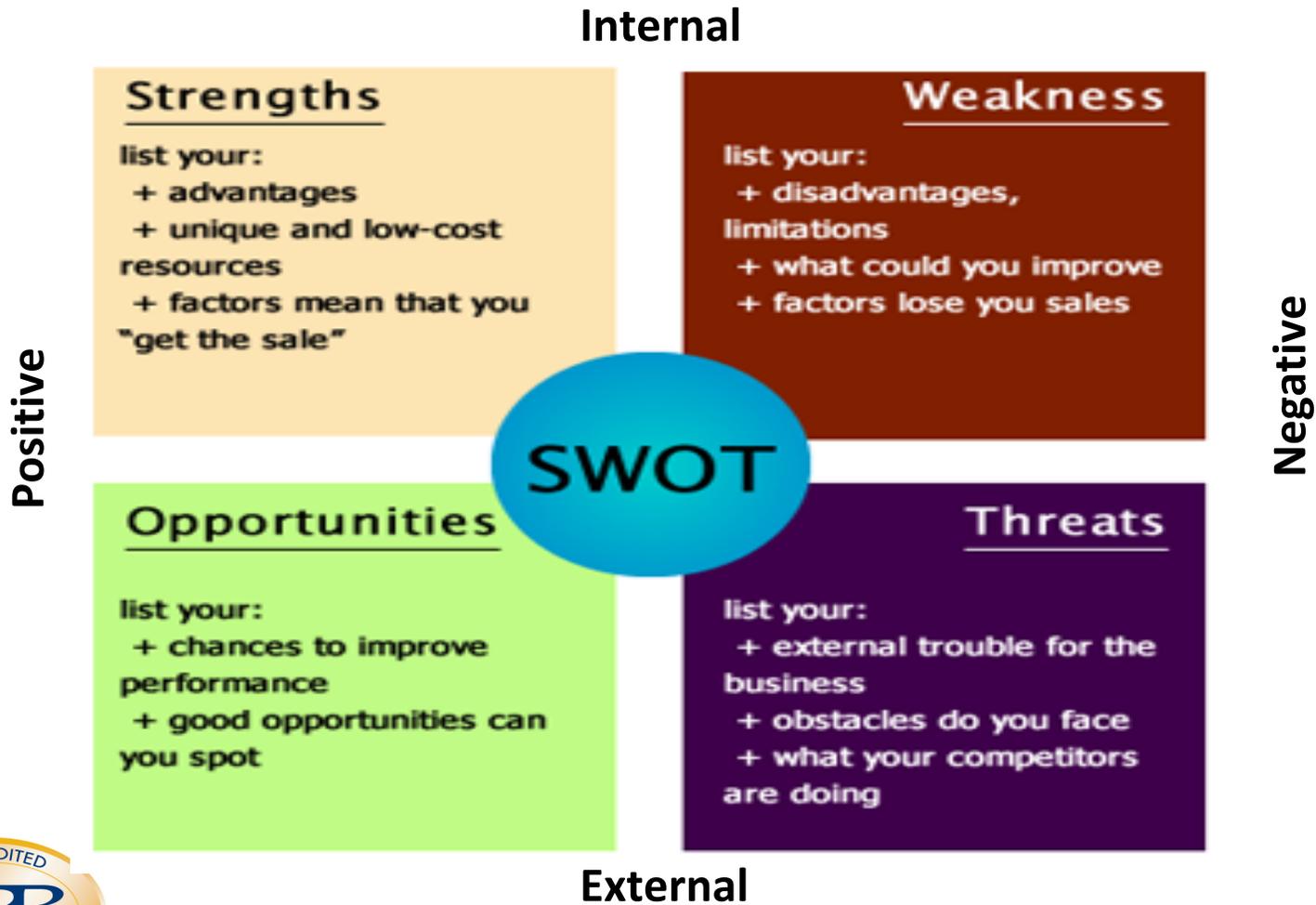
Note the importance of RPIE for each of these leadership functions.



Problem Solving: Drill Down Technique



Problem Solving: SWOT Analysis



Problem Solving: SWOT Analysis

Summary of *SWOT Analysis*

Strengths

- Creative staff dedicated to developing new strategic direction for the department
- Commitment to our values: Student Success, Academic Excellence, Community Engagement, Diversity and Inclusiveness
- Teaching faculty with strong academic backgrounds and diverse thematic interests that bring diversity to our program
- Commitment to teaching social science with an intense critical analysis component

Weaknesses/Limitations

- Lack of diversity among staff and students
- Current outreach and communications materials do not adequately reflect the dynamic character of the department
- When weaknesses are identified, past processes have not led to action
- Limited ability to impact strategic decisions of university leadership
- Limited reach – we are currently not capturing the potential students that would enrich our program

Opportunities

- University strategic planning process underway that opens doors for the department
- Key actors in university leadership that support the independent initiatives of the communications department
- Students with new fresh and new ideas that help us to “think out of the box”
- Increased enrollment if our strategic plan is successful would increase resources for the department

Threats

- Official university rules and guidelines inhibit our ability to reach key audiences and implement our strategic plan
- Budget constraints
- Changes in university leadership could redefine strategic direction and diminish support for the department
- Limited creativity in the organizational culture
- Students continue to see us as an “easy department with no math requirement”, rather than the robust and diverse department that we hope to become



Credit: University of Wisconsin-Parkside





Key Areas of Leading the PR Function: **Resource Management**

- Budgets
- Financial statements
- Balance sheets
- P&L statements





Scenario-Based Question:

As the new public relations manager of a large communications firm, you are tasked by a vice president to create a pitch for a line of new business to a potential client in the healthcare industry. As you research the publicly traded company, you become aware of the their past financial issues. To better assess the company's strengths and weaknesses, which of the following documents would give you the best overview of their state of affairs? (pick one)





Scenario-Based Question: Answer options

- A. 10-K
- B. Proxy Statement
- C. 10-Q
- D. 8-K
- E. SWOT Analysis





Scenario-Based Question: Answer & Rationale

A. 10-Q (quarterly report)- this contains unaudited financials; filed 35 days after the close of each of the first 3 quarters

B. Proxy Statement: produced to benefit shareholders to prepare them to discuss/vote at their upcoming meetings; focuses on changes to the board of directors, executives' salaries, bonuses and option plans for key management

C. 10-K (annual report): The 10-K includes the Management Discussion and Analysis of Financial Condition (MD&A), which provides essential information for PR pros, and must be filed within 60 days after the close of a company's fiscal year. The annual report provides comprehensive overview of a company, including crucial information such as history, organizational structure, equity, holdings, earnings per share and subsidiaries. This gives you an overview of the financial health for the past year. The MD&A is where companies list their SWOT (strengths, weaknesses, opportunities, and threats) facing the company and its industry.

D. 8-K (current report): This is for unscheduled material or corporate events that are important to shareholders and the SEC; helps determine significant problems like litigation or executive wrongdoing; these also contain any problems facing the entire industry or product category.

E. SWOT Analysis: This problem-solving tool but not an official document.





Scenario-Based Question:

You are a public relations specialist for a publicly-traded, international clothing company tasked with writing the earnings press release to accompany the annual report of the fiscal year that ended last week. As you're working on your release, your boss brings you a report detailing an issue with one of your major suppliers in Europe. The report says that major structural deficiencies have been found in the supplier's manufacturing plant. The building was shut down immediately and will have to remain closed for at least six months.

What must you do when you receive this information? (pick 2)





Scenario-Based Question: Answer options

- A. Let your boss know that you don't need to mention it in your earnings press release since you are addressing the year that just ended.
- B. Include a brief analysis of this issue in your earnings press release, providing a framework for how it will be addressed in the MD&A.
- C. Include this issue as part of a SWOT analysis in your earnings press release.
- D. Recommend to your boss that your company send out a news release that day specifically addressing the issue with the supplier and the impact the plant closure is expected to have on your company.





Scenario-Based Question: Answer & Rationale

- B. Include a brief analysis of this issue in your earnings press release, providing a framework for how it will be addressed in the MD&A.
- D. Recommend to your boss that your company send out a news release that day specifically addressing the issue with the supplier and the impact the plant closure is expected to have on your company.

Rationale:

- Strategies & Tactics 11th, pp. 319: Timely disclosure is essential. A company must act promptly (within minutes or a few hours) to dispel or confirm rumors that result in unusual market activity or market variations.
- The Sarbanes-Oxley Act requires responsibility, transparency and disclosure (think Enron) – APR Study Guide p. 71





Next Up: Session 8

KSA: Managing Issues & Crisis Communications (13% percent of exam)

Wednesday, May 20: 12-1 p.m

- **EPR 11th edition:** Ch. 1 (Issue Management, Crisis Management)
Ch. 11, 12 (Planning for Program Implementation)
Ch. 13 (Crisis Communication)
- **Strategies and Tactics**, chapter 10
- **APR Study Guide:** pgs. 107-110

