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*businesses in this quarterly newsletter, distributed to over 1000 firms in 29 member countries.*

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## What's New @ ICCO

### **ICCO Annual General Meeting convened in London**

On October 11 and 12, the ICCO Executive Committee and Board of Management met in London for the organisation's Annual General Meeting. The two-day event was hosted by the Public Relations Consultants Association (PRCA) of the UK. Representatives from approximately 20 countries discussed ongoing projects, raised issues relevant to their local member firms and had the chance to debate industry topics with their peers – some of the best PR professionals in the business – from an international perspective.

### **New ICCO credentials available**

A new and much-awaited credentials presentation for ICCO is now available online. All you need to know about the aim of our organisation, our main activities and our international membership base can be found within. Specific criteria for membership and information on ethical and professional management standards are also included.

*For a copy of the PowerPoint presentation, visit [www.iccopr.com](http://www.iccopr.com) under 'About Us'.*

### **Membership outreach and mentoring programme launched**

As part of a renewed effort to ensure the ICCO network maintains an international reach that is representative of the growth in our industry, board members are actively engaging with trade associations and other fledgling organisations in countries not currently represented within ICCO. For qualifying associations, Full Member status may be offered right away. Otherwise an interested organisation may now be assigned a 'mentor country' (typically one with cultural/language ties or close proximity) to assist in setting up an independent trade association for firms or in the transition from Observer status to full-fledged membership.

Outreach efforts are underway in Canada, South Africa, Argentina, Korea, Japan and Brazil, among others. If you have any suggestions for potential ICCO members, please let us know.

### **Dues structure under review**

In response to questions raised by some of the membership, ICCO has commenced an official review of its dues structure. The current system, unchanged for several years, takes into account both the number of consultancy members in a given trade association and their combined total fee income so that smaller associations with less established firms pay proportionately less. However, the fact that all members currently enjoy the same level of benefits coupled with enormous discrepancies in the resources available to different associations make it that much more difficult to create a sense of 'fairness' across geographies. ICCO has decided to tackle this complex issue with the professional help of a consultancy specialised in all aspects of association management. The consultancy will conclude the project and submit its recommendations before the end of the year.

### **Parting company with ICCO College**

ICCO College is a venture that offers online training to young PR professionals and to which ICCO has lent provisional support in the form of branding and promotion. However, given the lack of demand from within our membership base and the divergence from our core activities, the ICCO board has voted to

discontinue all association with the project by the end of November. Students currently enrolled will be notified by College management of any plans to operate as an independent organisation.

### **PR Group Austria now 'PR Quality Austria'**

The national trade association and ICCO member for Austria has changed its name. Formerly called PR Group Austria, the organisation now goes by 'PR Quality Austria'. According to ICCO board representative Peter Menasse, the new name should reflect the high-calibre professionalism of its members as certified by the Consultancy Management Standard (CMS). CMS accreditation is a requisite for membership in Austria and now a main focus of the organisation's activities.

### **PRGlobal conference supported by ICCO**

In September, ICCO acted as a media partner for one of *PRWeek's* latest initiatives, "PRGlobal". The one-day conference served to bring together PR professionals from around the world to explore the ins and outs of international reputation management. Prema Sagar, an ICCO Executive Committee member and Principal/Founder of Genesis Burson-Marsteller in India, spoke on the Emerging Markets panel. According to her, the conference packed in a lot of interesting content that would have benefited from a second day in order to allow for longer discussions.

ICCO also sent Executive Committee member Richard Houghton (CEO of Carrot Communications) and Board Representative David Gallagher (CEO of Ketchum UK) to the event.

### **Talent research underway**

In-depth research into one of the PR industry's hottest issues – how to retain "talent" – has been commissioned by ICCO. The research will be carried out over the coming months with the help of graduate students from New York University. Cooperation with the Institute of Public Relations (IPR) of the U.S. means that top knowledge professionals will also be on hand to contribute.

The research, which should offer valuable insight to consultancies and their corporate clients alike, will explore many facets of the talent issue but retain a core focus on retention. Results of the study should be available by spring of 2008.

*Watch the ICCO website at [www.iccopr.com](http://www.iccopr.com) for further developments.*

## **Industry Highlights**

### **CPRF survey confirms widespread growth and active hiring in the US**

The Council of Public Relations Firms (CPRF), the US trade association, conducted a "quick survey" of its members in the second quarter of this year in an effort to gauge the health of the consultancy industry in the world's biggest and most-developed market. The results showed a very strong first half in revenue terms, with nearly 50% of respondents ahead of forecast.

In addition, US member firms provided some interesting data on the recruitment and retention of talent. Here are a few excerpts:

- 60% of participating firms increased their staff during the first half of 2007, including nearly all of the large network agencies.
- Mid-level people are by far the most sought-after type of talent at firms across the country.
- Nearly two-thirds of respondents have polled employees to assess the relationship between employee job satisfaction and job retention.
- The most effective 'tool' for retention lies with the firm's own people and culture.
- More than half of participating firms have increased their training budgets in 2007.

*To learn more about the US public relations industry, visit the CPRF website at [www.prfirms.org](http://www.prfirms.org).*

## **Upward trend in Italian PR continues**

Member firms of the Italian trade association, Assorel, boasted double-digit growth in billings in 2006: an impressive 12% over the previous year. As of July 2007 the positive trend looked set to continue, with the approximately 50 member agencies – representing the vast majority of the market in revenue terms – showing an increase of 8%. Assorel attributes much of this growth to its member firms knowing how to take advantage of new opportunities in the market.

*For further analysis of the PR sector in Italy, visit [www.assorel.it](http://www.assorel.it).*

## **PRCA book helps firms 'double their profitability'**

Neil Backwith, author of *Managing Professional Communications Agencies*, maintains that agencies are notorious for over-servicing their clients and, as a result, deliver less-than-impressive profitability. According to his research, average profitability continues to hover around 10% with over-servicing levels of some 30%.

His book, which was recently published by the Public Relations Consultants Association (PRCA) of the UK and has already won many fans in the business world, gives step-by-step instructions on how to overcome such common revenue pitfalls and dramatically improve performance. It offers practical and proven solutions for meeting the business challenges faced by agencies every day around the world.

*To order a copy, go to [www.prca.org/profitability](http://www.prca.org/profitability).*

## **Thinkers' Corner**

### **"Translating our Responsibility into Irresponsibility"**

It would seem Corporate Social Responsibility (CSR) is well on the way to becoming a divisive concept. The issue over which we tend to argue most is where CSR begins and where it ends. The battle among fiercely competing brands to present a 'fairer' face to the consumer comes dangerously close to the point of translating responsibilities into irresponsibility. And yet, one cannot help thinking that the business of identifying our 'responsibilities' ought to be easier!

CSR was first embraced as a concept in the 1970s, since which time its core meaning has remained unchanged: performance based on awareness of our responsibilities towards society, while also respecting the shared values of our employees and all other stakeholders from production through to consumption.

In 1988, when we professionals of today were mere fledglings, the US ice cream manufacturer Ben & Jerry's carried out a survey on the ins and outs of corporate social responsibility for business. As I see it, no company that diverges from the course set back then has the right to talk about the concept of CSR.

Looking back at corporate history, we could actually describe this survey as 'the first-ever social stakeholder report'. Briefly, it took the following form. B&J's management signed up a consultant by the name of John Tepper Marlin, who was asked to produce a report on how Ben & Jerry's perceived its social responsibilities towards all of the company's social stakeholders. Throughout his commission, the consultant was given free rein to talk to anyone, request any data or paperwork and ask any questions. He began with the company staff, interviewing employees on different shifts. From there he moved on to the retail outlets. It was then time to tackle all the links of the supply chain, from dairy producers through to distribution. Not content with this, Marlin also interviewed residents, professional associations and relevant NGOs in the locality of B&J's production facilities. He even approached investors. At the end of all these interviews, Marlin drew up and signed the "Ben & Jerry's 1988 Social Responsibility Performance Report". Ben & Jerry's has since produced 16 such reports.

When you enter the Ben & Jerry's website today, you have access to a mine of information on CSR issues. There are details of the global warming awareness campaign the company is running, facts on the Sudanese genocide in Khartoum, lists of 50 ways to support world peace and the things you can do as an individual to combat environmental pollution.

Why should companies allocate resources to social issues when they also have the option of simply making money and keeping that as their focus? This question constitutes the centrepiece of the CSR debate. Civil society began gathering strength towards the end of the 1980s. Meanwhile, advances in information technology during the 1990s brought a new dimension to the business of accessing information, processing it, and producing fresh information. With the potent combination of these two developments, certain people started having sleepless nights. It became plain that making money was not enough on its own to guarantee survival and that plans for a sustainable future would necessarily have to take social sensitivities and values into account. As a result, organisations such as Greenpeace and the WWF (World Wide Fund for Nature) came to symbolise the 'social risks' for the corporate world. And the prospect of social risks goaded companies into creating policies that were more 'responsible'.

As the drive towards more responsible action gradually took root, the field of social reporting flourished. At the same time however, some detected a business opportunity. The idea of 'exploiting' society's good intentions in order to increase sales did not seem a bad idea at all. Messages along the lines of "Buy my product, and I will use 10% to build a school!" have raised the spectre of *responsibility* mutating into *irresponsibility*. Although not all companies are so forthright in the messages they put forth, they do want to see a clear commercial return on resources allocated towards 'social responsibility'.

Statements of the kind cited above have begun to mushroom in education, tuition, culture, the arts, health, sport – and in every other field with the potential to stimulate society's good intentions. Take a closer look at the authors of these statements, and you will find unequivocal evidence of serious dirt in the raw material, production and supply processes as well as of bankrupt customer and employee satisfaction practices. When a company presents such an outlandish tableau, how can it possibly have credibility in the area of corporate social responsibility?

Another new arrival on the scene has been the 'wheeler-&-dealer' agent that conducts CSR audits and awards companies certificates for the privilege. In the belief that certification will allow them to create a difference in their marketing activities, companies now seek ways to 'buy' such accreditation. And those that manage to do so then trumpet their virtues in television commercials, blissfully unaware of any future repercussions....

And what should we make of the phenomenon whereby organisations representing civil society hand out awards for corporate-backed social responsibility projects? After all, companies should have a duty to be responsible towards society in the first place. At one time, it wasn't uncommon to find insurance companies placing full-page newspaper ads in which they bragged about paying clients full compensation for losses caused by fire. Yet aren't they paid premiums to cover losses in situations of precisely this kind? To my mind, the notion of granting CSR awards closely parallels the attitude of those insurance companies. *Companies ought to fulfil their responsibilities towards society in any case.*

So what are we doing handing out awards? It becomes apparent that we are dealing with an issue absolutely riddled with contradictions.

Companies bent on translating their responsibilities into irresponsibility face the kind of reputation damage that is not easily repaired. Shell is possibly the most recent example of what can happen to a corporation when it fails to recognise reputation as its primary source of capital.

Sakhalin, one of the sleepy islands en route to the North Pole, is the chosen site of one of Shell's new pipeline projects. The island and its environs are also the natural habitat of the endangered grey whale. Parallel with its energy project, Shell has so far produced some 29 reports on whale conservation and protection of the endangered species from environmental effects. All the same, the company has consistently failed to satisfy the NGOs concerned, and as a result, the WWF has published an announcement in the influential business newspaper, *The Financial Times*, publicly condemning Shell's

'insensitivity'. Today Shell is perceived in the international public eye as a company that kills off whales, despite having allocated resources to invest in their preservation!

You might be tempted to think, "why should I care?" about the 100 remaining grey whales. You might also close your eyes to the horrifying working conditions of child labourers employed in remote corners of Africa, Southeast Asia and Latin America to manufacture global brands. And perhaps the melting of the polar ice cap due to the impact of global warming doesn't concern you in the slightest. But do we really have the luxury of ignoring the radiation waves that struck the shores of the Black Sea after Chernobyl; of passively watching the closure of the Yatağan Thermoelectric Power Plant following a European Court of Human Rights ruling; or of disregarding the horror of a poisonous gas leak in the Yalova area after the Marmara earthquake?

Social responsibility is the kind of awareness that a company has to have from day one of its inception: awareness of its employees and surroundings, of society and the world in general, and, by association, of itself. A company reflects its performance only through policies that are entirely 'sincere'. Practices that lack sincerity and integrity exemplify "the translation of responsibility into irresponsibility".

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