



What's to worry?

Plenty, according to PR guru Harold Burson, founding chairman of international network Burson-Marsteller

Like Charles Dickens wrote more than a century ago, this is both the best of times and the worst of times for public relations.

It is the best of times because the value of public relations is increasingly appreciated and valued by those who require and employ and pay for our services – our employers and our clients. They recognise the need for and the value of our services in this uncertain economic environment.

It is the worst of times because public relations is among the early budget casualties in times of recession – and there's little doubt that we are in the midst of a slack economic stage that will likely have an adverse impact on public relations budgets for most of next year.

But a turndown in the economy – no matter its severity – will not bring to a halt those public relations activities of a strategic nature and those of importance to the CEO.

In fact, senior public relations advisers have the opportunity to become even more important to their clients and employers in today's environment, as CEOs start questioning the return to them and their companies on funds expended for public relations.

And, somewhat perversely, a period of recession such as we are experiencing can result in job opportunities for talented professionals, as CEOs weigh the qualifications of their present chief public relations officer incumbents. It is during tough times that our talents are put to the greatest stress – and are scrutinised the most.

That's the good news.

The bad news is that public relations budgets worldwide are being slashed and hundreds of public relations staffers are now without jobs.

The vast majority of them – if the recovery from past recessions can be taken as a predictor of the future – will, in due course, resume their careers in public relations.

Hopefully, they will be employed in the future for tasks that are more central to their employer's business mission than is usually the norm in boom times fuelled by the exaggerated exuberance of the recent dotcom/Internet phenomenon.

What about public relations firms in a recession environment? Like their clients engaged in a global economy, public relations firms – especially the 20 or so larger firms – will suffer a downturn in business and a squeeze on profits.

Most, if not all of them, have already reduced staff and severely curtailed discretionary spending, principally non-client travel. Some will suffer more layoffs as clients withhold budgets.

On the revenue side, some parts of the business will be more affected than others. Those firms heavily engaged in public affairs and crisis management will suffer less than those highly dependent on activities like positioning and branding or investor relations and mergers and acquisitions.

Some high-tech firms have already experienced a loss of more than half their peak revenues. Ironically, at a time when marketers should be spending more on public relations to create a greater awareness and understanding of their products and services, product publicity and other marketing initiatives are 'on hold' – if not cancelled outright.

Nor are there many opportunities to bolster revenues through acquisitions (no matter how misguided the acquisition might be!).

The fact is, there are now relatively few public relations or related speciality firms of real size remaining to be acquired that would seriously boost the revenues of a firm in the £70m range.

But this present downturn in the economy will eventually be reversed and the growth of public relations as a business discipline will resume the growth that started with the end of World War II a half century past.

Once again, the principal focus will be on recruiting and retaining people capable of delivering the results expected from them by their employers and clients.

Sadly, the fact is that the demand for public relations professionals of extraordinary competence is outstripping our ability to train such people.

That, I believe, is our real challenge – training and development programmes that produce people who can measure up to the high expectations of those they serve.

It's a task that starts during a person's formal education and it should continue throughout one's career.

Unfortunately, we – all of us public relations professionals in positions of responsibility – have not faced up to the challenge.

Until we do so, there will always be more good jobs available than there are qualified people to fill them.

But I am optimistic about the future of public relations. After all, when there's strong and growing demand for a product or a service, what's to worry? ■

Harold Burson was in the UK last month to receive an honorary degree from the University of Leeds.