Public Relations Workflow
In-House vs. Outsourced Functions

How do public relations professionals decide which functions to outsource to a third party and which to keep in-house? Thomson Financial collected feedback from PR professionals at agencies and in-house at corporations via one-on-one phone discussions. Participants were derived from a pool of U.S. based firms and agencies, and were guaranteed anonymity. For more information, please contact Kara Newman at kara.newman@thomson.com.

Key Findings

Overall, the ultimate "one-stop" workflow solution for PR pros would be **easy to use** and navigate, contains **comprehensive media coverage**, has outstanding **monitoring and reporting functions**, and is **cost-effective**.

Both companies and agencies said they tend to use a patchwork of various vendors and outside tools to gather contact lists, track and gather clips, etc. A single, affordable end-to-end solution would be highly desirable but does not currently exist.

Agencies and other vendors are widely used at corporations to help supplement functions performed by in-house PR teams, particularly for media monitoring and competitive intelligence, and media analysis/measurement. PR teams generally consider perception analysis "nice to have" but not necessary.

Reports tracking the quantity and quality of media coverage are valued, but can be time-consuming to compile -- agencies in particular expressed a wish to have a "nice shiny report to pass along to clients."

One common complaint was that PR agencies tend to hoard media contact lists, and that vendors/directories of reporter contacts often are out-of-date and expensive. In-house PR teams would like access to a cost-effective, well-maintained **media contact database**.

New media communications generally are kept in-house, not outsourced to an agency or vendor.

PR professionals are starting to track blogs, particularly those focused on industry niches or penned by key "influencer" bloggers.

Although all participants described their organizations as "comfortable" with Web 2.0, only a few are reaching out with viral video, social networking, or other technologies. Larger, more-tech savvy companies are using podcasting and online video regularly, and PR agencies increasingly are pushing their clients in this direction. **Less expensive, high quality video production** figured on multiple wish lists.

Study Results

Structure of PR teams

Public relations teams said they share functions with corporate communications, marketing, investor relations, and media relations, and (less often) sales teams.

Reporting lines varied widely - while most PR pros surveyed said they report into Corporate Communications, other responses included the CFO and Chief Legal Officer.

Functions performed by PR teams include media relations, media monitoring, competitive intelligence, product marketing, and (to a lesser degree), analyst relations, and oversight of the press and/or IR websites. Agencies perform all of the above on behalf of their clients, as well as media training, crisis planning, and "news creation."

PR budgets vary widely. A range of $200K to $1 million for annual budgets was cited most often, with a high of $5 million for companies with larger PR teams and greater scope of activities.

Outsource vs. In-house

Agencies and other vendors are widely used at corporations to help supplement functions performed by in-house PR teams. Functions commonly outsourced include:

> Media monitoring & competitive intelligence - free Internet & paid online services, as well as databases utilized by agencies. In some larger companies with multiple PR contacts responsible for different brands or regions, monitoring is relatively fragmented, with each division monitoring their respective areas and competitors. Some companies said that agencies do not provide links to clips quickly enough.

> Media analysis & measurement. Measurement is an ongoing challenge, but is considered a critical function for proving ROI of PR to the senior management team.

> Perception analysis - agency or other vendor provides this analysis. Company loyalty to existing vendors tends to be high: "If it ain't broke, don't fix it." Some participants said a lower-cost solution would drive a decision to change vendors. Smaller-cap companies described this as a "nice to have" service, not a "need to have."

Both companies and agencies said they tend to use a patchwork of various vendors and outside tools to gather contact lists, track and gather clips, etc. A single, affordable end-to-end solution would be highly desirable but does not currently exist. As one large technology company explained, "It has been difficult to find and piece together a workflow solution…We would like an end-to-end solution, but we haven't found the right solution."

New media communications generally are kept in-house, not outsourced to an agency/vendor.

Expectations & Challenges

Reporting was consistently cited as a key component of any system that could be used to track/measure media coverage. PR agencies cited reports as critical for "demonstrating the agency's value" to clients; creating these quarterly, weekly, even daily reports can be time-consuming and automating this would be valued by agencies. Companies also expressed interest in report creation tools for their own use. As one large agency put it, "I would like a nice shiny report to pass along to clients, to help them justify spend internally."

Companies complained that PR agencies tend to hoard media contact lists, and that vendors/directories of reporter contacts frequently are out-of-date and prohibitively expensive. In-house PR teams would like access to a cost-effective media contact database.

One popular database praised for its outstanding content was criticized for its "complicated interface," and "overwhelming," "difficult to navigate" fields and options. An intuitive, easy to use system would be valued.

Companies said that the ultimate end-to-end workflow solution would be easy to use and navigate, contains comprehensive media coverage, has effective monitoring and reporting functions, and is cost-effective. Strong customer service was mentioned, but less frequently.

New Media Communications

Blogs are not universally embraced by PR professionals, but are slowly gaining attention:

> PR functions are starting to track blogs, particularly those in industry niches or penned by key "influencer" bloggers. In addition, an increasing number of PR pros are proactively reaching out to bloggers in addition to traditional media; some say they are "treating bloggers like journalists," sending press releases but also holding bloggers accountable for accuracy. Others are taking a "wait-and-see" approach to social media and blogs.

> Companies satisfied with coverage in traditional media outlets were less likely to see value in coverage by blogs.

> Time constraints were cited most often as rationale for not tracking blogs, or doing so sporadically. Free online tools such as Google were the most common way to monitor blogs.

> Some companies also write blogs as a means of communication or news creation, but it can be difficult for key executives or other communicators to find time to contribute to blogs.

New media communications generally are kept in-house, not outsourced to an agency or vendor. One large consumer company said that vendors are used on a case-by-case basis to create and push online video to YouTube.

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PR agencies are particularly savvy about new media outreach, and are recommending podcasting/video outreach to their clients. Less expensive, high quality video production was mentioned on multiple wish lists by agencies as well as in-house PR teams. Agencies also cited tracking video as a pain point; particularly the expense of video monitoring.

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