

Public Relations: Antidote for Small Business Failure

By Robert A. Kelly

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When small businesses fail, the wreckage is often assigned to undercapitalization, among other mistakes. Seldom is failure attributed to a lack of effective communications that might have modified the behavior of sales prospects in a positive way, thus averting bankruptcy.

In my view, raising money for new businesses is a skill best left to others, but smart, aggressive communications is not. As the entrepreneur, you cannot rely on your financing source to create the broad public exposure your business needs if it is to survive. Ideally from Day 1, you must take the lead in this vital effort accepting the fact that good results come only after careful planning and implementation of a realistic and workable public relations strategy.

Before you achieve real growth and prosperity, your target audiences must not only become aware that your company exists, they must be motivated to take action. Doing something about how your business is perceived means a well-planned public relations program that can reach, persuade and move those prospects to action.

And, by the way, not just prospects. Other target audiences need public relations attention, too, if they are to take the actions you desire – employees, residents and leaders of the community, unions, suppliers and activists. Put another way, (and paraphrasing advertising great, Bruce Barton), you will have relations – of some kind – with your internal and external audiences whether you want them or not!

At the root of it all, is a simple truism we all know but tend to forget: people act on their perception of the facts. If the small business owner is to have an effect on those perceptions, he/she must deal with them promptly and effectively.

So the question for you, Ms. or Mr. Small Business Wannabe, is, have you thought about some of the unattended perceptions out there that could nudge your fledgling business closer to bankruptcy than success? Perceptions that, if left unattended, may well result in actions that run

counter to those you and your banker may desire?

For example:

- 0 If sales prospects are unaware of your product or service, you will not get them as customers.
- 0 And if those customers don't remain convinced of the value of your product or service, you lose them.
- 0 If employees believe you don't care about them, productivity suffers.
- 0 If a minority person believes you discriminate when you don't, a host of unnecessary problems may ensue.
- 0 If community residents don't perceive your business as a good place to work, you have employee hiring and retention problems.
- 0 If insurance carriers perceive you as a bad risk, they don't provide the business coverage you need.
- 0 If journalists are suspicious of your motives and you don't convince them otherwise, you get "bad press."
- 0 If business people believe what some competitors say about your firm, that joint venture you want so badly may not come about.
- 0 And, as you grow bigger, if government regulators believe your products are not completely safe, sales will almost certainly be negatively affected.
- 0 If legislators are unaware of your opinions or don't believe you, unwanted regulations result.
- 0 And, when you grow big enough to become a public company, if security analysts believe you can't manage your company, they won't recommend your company to investors.

Obviously, small businesses have limited resources to apply despite potentially damaging and unattended perceptions held by those audiences most important to the success of their businesses.

Still, there are certain cost-effective activities you can undertake to reach them. And considering the survival nature of this topic, while some expense is involved, you may wish to research nearby public relations professionals willing to partner with you during the early days of your enterprise.

Together, you may move in this direction:

First, rank your external audiences as to importance. For example, #1 customers; #2 prospects; #3 employees; #4 local and trade media; #5 your local business community; #6 community leaders, and so forth.

Second, as time permits, interact with members of each audience and jot down their impressions of your business, especially problem areas.

Third, prepare tailored messages that not only provide details about your product and service quality and diversity, but addresses problems that surfaced during your conversations.

Fourth, consider the most effective means for communicating each message to each audience. This may include simple meetings, briefings, news releases, news announcement luncheons, media interviews, facility tours, special promotional events, a brochure, and a variety of other communications tactics.

How will you know that your efforts are changing perceptions for the better? Over time, you should notice increased awareness of your business, especially how it's doing in the marketplace; increased receptiveness to your messages by customers; a growing public perception of the role your business plays in its industry and in the community; and, of course, growing numbers of prospects.

Such results are tracked by speaking on a regular basis with people among each of your key audiences, by monitoring print and broadcast media for mentions of your messages or viewpoints, and by interaction with key customers and prospects.

Remember what is at stake – nothing less than the survival of your business!

So, keep an eye on what's most important, and remember that people in your community or marketing area behave like everyone else – they take actions based on their perception of the facts they hear about you and your business.

And that means you must deal promptly and effectively with those perceptions by doing what is necessary to reach them and to persuade them to your way of thinking, thus moving them to take actions that lead to the success of your business.

end

PR consultant Bob Kelly was director of PR for Pepsi-Cola Co.; AGM-PR, Texaco Inc.; VP-PR, Olin Corp.; VP-PR, Newport News Shipbuilding; director of communications, U.S. Department of the Interior, and deputy assistant press secretary, The White House.

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