



Putting Strategy Into Action At PR Newswire

The Client

PR Newswire was founded in 1954 in the US. Originally set up to deliver Public Relations news releases to the business and financial communities, its services are now used by 70% of the US Fortune 500 companies. Focus on the UK and Europe markets came with the acquisition of PR Newswire by the London-based media organisation United Business Media (UBM) in 1982. Four years ago, UBM brought Two-Ten into the fold. The acquisition made PR Newswire the largest distributor of corporate news in the UK.

The Challenge

The strategic objective of the company is to occupy the same position in Europe as it occupies in the US, in what has become a fiercely competitive market since deregulation.

Having identified the objective, the company's management was faced with the challenge of defining the commercial strategy in depth, and developing and deploying the organisation to achieve it.

Why OPDC?

PR Newswire's HR Director, Janet Gourand, had only recently joined the company from Christie's, the auction house. While at Christie's, she had been struck by how often the board relied on anecdotal evidence as the basis for its strategic decision-making. OPDC consultants had introduced the concept of the Balanced Scorecard, as a vehicle for generating and implementing strategy to Janet, but she had not had a chance to implement it there. Balanced Scorecard was, she believed, exactly the right method for PR Newswire.

The Brief

OPDC and PR Newswire determined between them that the two main priorities were to clarify the company's development strategy, and to establish a Balanced Scorecard as the means of communicating the strategy to employees and tracking progress against their objectives.

Over an initial two-day workshop, the OPDC consultant and the management team concentrated on:

- clarifying what the PR Newswire strategy was aiming to do;
- exploring the Balanced Scorecard and what it does;
- translating the strategy into a Balanced Scorecard format;

- adding measures and targets to the Balanced Scorecard;
- agreeing action plans.

The action plans and goals were refined in a follow-up process where both the concept of Balanced Scorecard and its relevance to their day-to-day operations were cascaded to all staff.

The Intervention

Under OPDC consultant's guidance, PR Newswire has been able to distil its vision, its corporate values, its strategic goals and its performance benchmarks onto one page – which doubles up as an interim appraisal document for its staff. One of the major strengths of the Balanced Scorecard is its relevance to staff in all disciplines, not just those in sales. The PR Newswire Scorecard is divided into four perspectives: the Customer Perspective, the Finance Perspective, the Process Perspective and the Learning and Growth Perspective, each with its own high-level goals.

The Customer Perspective relates to the market-facing staff and includes tangible benchmarks by which progress can be judged, such as:

- Growth of disclosure market share in the UK;
- Improvement in customer retention over the prior year;
- Increase in the number of targeted customers who buy more than one high value product.

The Finance Perspective covers both sales and internal financial controls and sets targets for:

- Profit and loss;
- Cash management;
- Building monthly/quarterly forecast methodology.

The Process Perspective largely concentrates on the way the company is managed internally, always notoriously hard to benchmark. The goals set here include:

- Planning and delivering continuous improvements to processes and procedure;
- Measuring and increasing productivity across the business via Key Performance Indicators;
- Improving the company's disciplined approach to product management.

The Learning and Growth Perspective addresses the issues of staff development, another difficult area to gauge, and looks at:

- Ensuring an optimum level of resources;
- Improving the service culture and;
- Continuing to set objectives and goals of all staff.

From this framework, management at PR Newswire have been able to agree very specific targets with their staff and the data against which these will be judged. While many of the targets will be self-evident, in areas such as Learning and Growth these will include levels of internal staff promotion and staff turnover.

The Outcome

The true indication of the success of such a project needs some time to assess, and Janet Gourand is positive of the benefits to date. “The Balanced Scorecard has proved to be a workable and sustainable management tool for us,” she says. “It has cascaded right down through the organisation and its application is observed rigorously.” An analyst attends the board meeting each month and gives each attendee a progress report for onward communication in each function. This ensures that the exercise is repeated at less senior levels in the organisation. Janet is also particularly pleased that, with OPDC’s help, they have captured the contribution of all the company’s activities on the Scorecard. “It shows that it isn’t just sales and finance that are important,” she says. “The Scorecard shows how all staff in all functions contribute to the goal of the business.”

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