

CHAPTER 7

Public Relations Planning and Budgeting

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PR Play 7-1
Basic Planning Steps

1. Identify Issues (Determine purpose – Situation Analysis*)
2. Design Research Questions
3. Conduct Initial Research (Research Actions)
4. Select Goal – must be attainable – realistic and reachable
5. Write Backgrounder (Case) Statement [Chapters 5 and 6]
6. Identify and Rank Audiences
7. Craft Messages
8. Determine Channels
9. Determine Aperture (Best time to deliver messages)
10. Write Objectives
11. Craft Strategies (what, to whom, how)
12. Select Tactics (Vehicles/Tools)
13. Prepare Budget
14. Design Gantt Chart (Calendar Time Line) [Chapter 7]
15. Measure Your Work (Evaluate) – an assessment
16. Further Research (What changes would you make?)

*See Situation Analyses following PR Play 7-2

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PR Play 7-2

Public Relations Planning GOST – Plus Mission

Generally, a public relations plan or campaign will have only one *goal* – many times based on an organization's purpose or mission. That *goal* (realistic and reachable/attainable) may have several *objectives* associated with it. Each *objective* could have a number of *strategies*, although experts believe the *strategies* (messages) should be limited so that audiences remember them. However, the number of *tactics* that can be developed for a given strategy is almost infinite [certainly, there are many ways to deliver the message(s)].

Mission or Purpose – A clear and succinct reason the organization came into existence – its purpose. It answers the question: “Why we are here to serve you – why we are in business? (This is who we are; what we think about ourselves; what we want to do; and why we deserve your support.) The corporate mission statement, with a broad focus and a customer orientation, provides management with a sense of purpose. A brief statement defines “What business are we in.” It should have a broad focus and a customer orientation. Example:

Mission Statement – Cherry Hill Public Library

The Cherry Hill Public Library (CHPL) is dedicated to providing a variety of library materials and services, access to innovative technologies, and a wide range of programs to meet the informational, educational and cultural interests of the community. CHPL recognizes its value and responsibility to society as an educational, social and cultural resource – committed to upholding the public's access to information.

Adopted April 26, 2006

Goal – The desired outcome of the plan (or project). The primary result an organization is attempting to achieve through its public relations efforts. Where the organization wants to be sometime in the future. Usually a more specific expression of a mission or purpose. Often related to one specific aspect of the mission or purpose. Is commonly described as the outcome of a plan of action. (Example – The Cherry Hill Public Library (CHPL) will become known as “The Heart of Town.”)

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PR Play 7-2 continued

Objective – Single goals broken into subsets known as objectives. They are specific milestones that measure progress toward the achievement of a goal. Objectives must:

1) address the desired result in terms of behavioral change; 2) designate the target public(s); 3) specify the expected level of accomplishment; 4) identify the time frame in which the accomplishments are to occur. Objectives are major aims in measurable terms. It is that measurement that helps determine – in the evaluation stage – the success of the overall PR plan. (Example – **1.0*** Within the next year, increase the number of family memberships at the CHPL by 25 percent.)

Strategy – A general, well thought out plan of action. What must be done, to whom, how it will happen, and why you want it to happen. It is a broad plan of action an organization uses to achieve one or more of its objectives. (Example – **1.1** Demonstrate that the CHPL is committed to achieving and maintaining excellence in providing public library services to the community – meeting the needs of residents, businesses, organizations and their employees and members.) Strategies carry a strategic message or messages – even if implied or subliminal – to targeted audiences. They are the thoughts behind an objective.

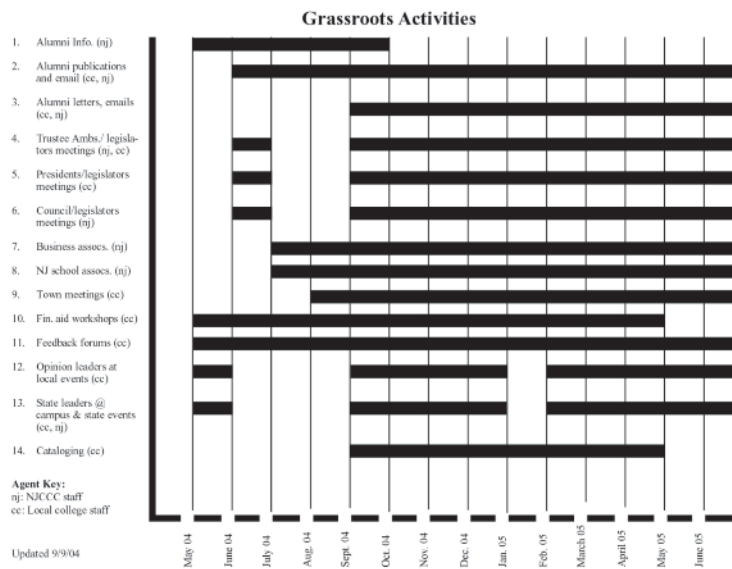
Tactic – Specific activity, tool or task conducted to carry out and achieve strategy. (Example – **1.1.1** Produce and distribute e-newsletter Book Bytes using school district distribution list to reach younger families and make available in hard copy for those who would rather not receive it electronically. The same distribution offer would be given to all other organizations in the municipality.)

A key to public relations planning is remembering that tactics help achieve a specific strategy, which helps achieve a specific objective. When successfully combined, synergy has been achieved because the goal has been reached.

(*To view a complete, award-winning plan, "Philadelphia Phillies – A Crisis Communication Plan Commissioned by *Courier-Post*" go to www.larrylitwin.com and click on Student Resources, Classroom handouts, No. 49. Plans use a decimal system for easy reference. The plan received the 2006 Pepperpot Award from the Philadelphia chapter of the Public Relations Society of America for Crisis Communication and the Frank X. Long Achievement Award for "excellence in writing and creativity.")

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PR Play 7-3 Gantt Charts



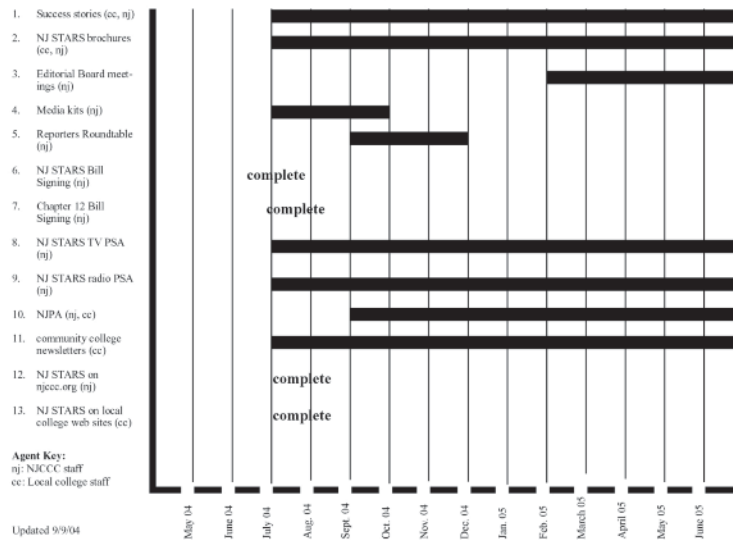
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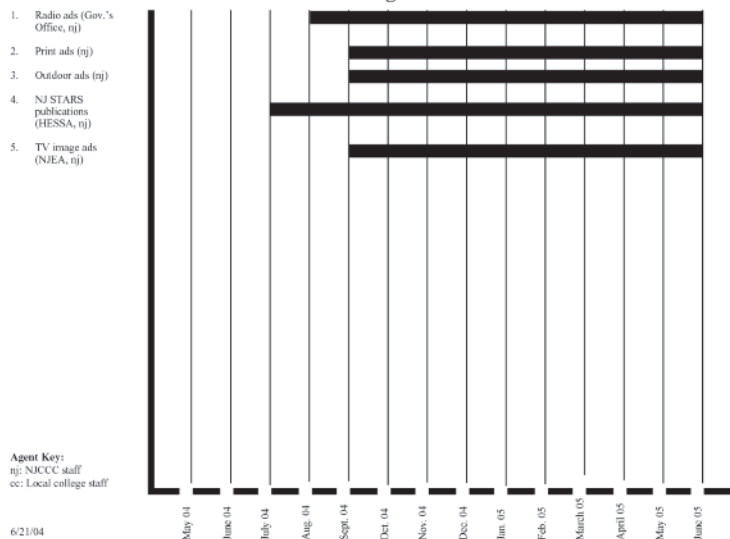
PR Play 7-3 continued

Gantt Charts

Public Relations Activities



Advertising Activities



Jacob C. Farbman – Director of Communications
 New Jersey Council of Community Colleges

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PR Play 7-4

Thorough Planning + Proper Execution=Positive Results

Wayne Stewart – Johnson & Johnson

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PR Play 7-5

Collaborate > Create > Succeed

Cargill® Foods – Minneapolis

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PR Play 7-6
A Planning Rule

Generally, a public relations plan or campaign will have only one goal – many times based on an organization's purpose or mission. That goal may have several objectives associated with it. Each objective could have a number of strategies, although experts believe the strategies (messages) should be limited so that audiences remember them. However, the number of tactics that can be developed for a given strategy is almost infinite [certainly, there are many ways to deliver the message(s)].

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PR Play 7-7

Set goals that are SMART: specific, measurable, attainable, realistic and tangible, and also include a time frame.

Hallie Crawford – Career Coach and Trainer – Atlanta

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PR Play 7-8

Three Helpful Budgeting Guidelines

1. Know the cost of what you propose to buy.
2. Communicate the budget in terms of what it costs to achieve specific results.
3. Use the power of your computer to manage the program.

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PR Play 7-9

An important point to remember or understand about budgeting is that it reflects the emphasis that the organization has decided to give to your department.

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PR Play 7-10

PR Budgeting Rules of Thumb

Practitioners must:

1. Have realistic budgets.
2. Use them to direct staff efforts.
3. Review them frequently with clients and top management.
4. Be able to link costs to performance (tactics) and outcomes.

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PR Play 7-11

Primary Approaches to Budgeting

1. Top Down Budgeting
2. Build-up Budgeting

Within these two primary approaches/methods

- Zero-Based
- Task-Objective
- Historical
- Competitive
- Percent of Sales
- Flexible
- Combination

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PR Play 7-12

Line item or running budgets use this – or a similar – format. Line items are inserted as needed for a complete budget. Whether the budget is for an entire organization, department or project, “running” (line) budgets are recommended. They keep track of revenue sources, projected expenditures and eventually, actual expenses. Thanks to Excel® you could develop columns for the previous year, the full current year and the full next year, showing projected and actual expenditures (historical budget) – for comparison purposes. (See PR Play 7-13)

Line Item	January	February	March	April	May	June	July
Revenues							
Total Revenues							
Expenses							
Total Expenses							
Total Revenues							
Net Profit/Loss							

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PR Play 7-13

Burwyn Arts Center – Program Line Item Budget

Fiscal Year 2010	PUBLIC RELATIONS BUDGET PROPOSAL - BURWYN ARTS CENTER									
	FY 08 Actual	FY 09 Requested	FY 09 Actual	FY 09 Spent	FY 09 Surplus	FY 10 Request	Inc./Dec.	%		
Personnel										
Salaries	\$63,300	\$67,915	\$66,675	\$66,675	0	\$70,008	58+		\$69,678	FY 10 Actual
Hourly Wages	2,756	3,000	2,800	2,785	15	3,000	78+		3,000	
Health Insurance	7,245	7,900	7,897	7,897	0	9,766	118+		8,500	
Dental Insurance	5,315	6,000	5,950	5,950	50	6,764	118+		6,150	
Workers' Comp.	5,315	6,000	5,950	5,950	50	6,764	118+		6,150	
Temporary Services	2,000	2,500	2,000	1,994	6	2,500	258+		2,000	
Employee Morale	200	250	200	195	5	250	258+		225	
	\$82,610	\$88,243	\$86,172	\$86,182	-10	\$91,301	68+		\$88,268	
Operations										
Office Supplies	\$5,825	\$6,000	\$5,750	\$5,573	77	\$6,000	48+		\$5,850	
Computer Supplies	1,455	1,500	1,400	1,345	35	1,500	148+		1,500	
Postage	8,120	18,000	17,300	18,233	-733	22,000	208+		21,000	
Telephone/Fax	5,400	5,750	5,600	5,542	58	6,048	88+		5,830	
Overnight Delivery	3,000	1,200	1,000	998	2	1,200	208+		1,100	
Clipping Services	2,000	2,200	2,000	1,838	162	2,100	58+		2,100	
Photography	3,500	\$3,750	3,600	3,430	170	3,500	58+		3,700	
Equipment Maintenance	600	600	600	461	139	600	08+		600	
Special Events	3,000	2,500	2,000	1,876	124	2,500	258+		2,000	
	\$39,110	\$41,560	\$39,550	\$39,396	54	\$45,868	168+		\$43,700	
Advertising										
Print Design	2,000	2,500	2,250	2,100	150	2,500	108+		2,250	
Print Placement	22,000	25,000	24,000	23,238	762	25,000	48+		25,000	
Radio Production	3,000	3,300	3,000	3,150	-150	3,500	178+		3,350	
Radio Placement	24,000	27,500	25,000	24,654	346	27,000	108+		26,000	
Outdoor Production	-0-	2,000	1,800	1,873	75	-0-	NA		-0-	
Outdoor Rental	-0-	7,250	5,400	5,500	-100	-0-	NA		-0-	
	\$51,000	\$67,550	\$61,450	\$60,317	\$933	\$68,500	58+		\$66,600	
Publications										
Design	\$6,300	\$6,750	\$4,500	\$4,325	\$1,025	\$5,000	108+		\$4,800	
Typesetting	3,500	4,250	4,000	4,155	-155	4,500	138+		4,300	
Mechanical Prep	2,400	2,800	2,500	2,490	10	2,750	108+		2,500	
Printing	25,500	26,000	25,000	23,343	343	26,000	128+		26,500	
Distribution	1,500	1,650	1,500	1,425	75	2,000	258+		1,600	
Miscellany										
Consultants' Fees	\$4,500	\$5,000	\$4,750	\$4,675	\$75	\$5,000	58+		\$4,800	
Professional Development	750	1,000	800	785	15	1,000	208+		900	
Travel	1,250	1,500	1,400	1,356	44	1,750	258+		1,400	
Entertainment	500	500	500	482	18	500	08+		500	
Memberships, Dues	1,200	1,400	1,400	1,350	50	1,450	48+		1,450	
	\$9,200	\$9,400	\$8,850	\$8,648	\$202	\$9,700	108+		\$9,050	
Totals	\$216,350	\$246,013	\$233,422	\$232,463	\$959	\$248,049	78+		\$239,011	

Mark Fields – Rowan (N.J.) University Graduate Student

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PR Play 7-14

How Agencies Are Paid

Agencies bill clients through commissions, hourly rates, project fees or a combination of all three. Below is an explanation of all three:

Commission – A form of compensation to an agency for designing and placing advertisements. Historically, this was calculated as 15 percent of the amount spent to purchase space or time in the various media used for the advertising. In recent years, the commission has, in many cases, become negotiable and may even be based on some measure of the campaign's success.

Fee – A payment made by a client to a public relations or advertising agency in lieu of, or in addition to, the agency's commission for such projects as a display ad design, commercial or public service announcement script, newsletter, research project, etc. Also referred to as a *Project Fee* or *Flat Fee*.

Hourly Rate – Compensation paid to a public relations or advertising agency based on the amount of time – plus materials (out of pocket expenses known as OOP) – spent providing its services.

Bona fide agencies will usually recommend which of the compensation methods – or combination of the three – is best for a prospective client.

PR Play 7-15
Typical Public Relations Agency Fee Schedule –
Burwyn Associates

FEES AND EXPENSES

Burwyn Associates' fees are based on hours worked, plus expenses (materials) – for the services provided. A portion of Burwyn's fees is payable in advance each month. We refer to this payment as our "retainer." (For ongoing programs, the retainer is equivalent to one-12th of the estimated annual budget). Fees for the month in excess of the retainer amount, and expenses, will be billed at the end of the month. If the retainer exceeds the total of fees and expenses, the excess is credited. Any retainer balance remaining at the end of our engagement will be refunded.

Hourly Rates

	Ongoing Programs*	Projects**	Crisis & Special Situations***
President, EVP, COO	\$275	\$325	\$450
Senior Vice Presidents	\$235	\$275	\$400
VPs & Account Managers	\$175—\$195	\$200-\$225	\$295
Account Executives	\$150-\$170	\$175-\$190	\$245
Other Professional Staff	\$115-\$140	\$145-\$170	\$195
Production/ Support/Clerical	\$55	\$75	\$95

All Personnel

Travel:

One-half the applicable hourly rate, except:

- (1) Travel overnight away from home, which is full rate, with a minimum eight hours per day, and
- (2) Travel for crisis situations, which is full rate.

* Ongoing programs rate requires annual budget commitment of at least \$96,000.

** Minimum advance payment for projects is \$12,000.

*** Minimum advance payment for crisis is \$25,000.

*** Minimum fee for special situations is \$2,500.

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PR Play 7-15 continued

Expenses:

Incidental out-of-pocket (OOP) expenses, such as postage, phone, travel and entertainment on client's behalf is billed as incurred, without markup. Costs for outside products or services, such as printing, photography, graphic design, artwork, production, materials, etc., are billed at gross cost which includes the standard 15% agency service charge. Charges for outside products or services in excess of \$500 are payable in advance.

Terms:

Work will begin upon receipt of retainer and signed Letter of Agreement. Invoices are payable upon receipt. A service charge of 1.5% per month is imposed on all bills not paid within 14 days. If a bill remains unpaid after 30 days, Burwyn will discontinue work until payments are received to make your account current. Burwyn reserves the right to terminate an account for non-payment of bills. Additional terms and conditions are set forth in the Letter of Agreement. (See www.larrylitwin.com for examples of Letters of Agreement or e-mail larry@larrylitwin.com.)

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