

Public Relations Institute of New Zealand

**What Can Public Relations
Offer New Zealand Business?**

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WHAT CAN PUBLIC RELATIONS OFFER NEW ZEALAND BUSINESS?

I want to begin by giving you some background on the New Zealand Business Roundtable, of which I am a member.

In the early 1980s a group of business executives met together on a casual basis to discuss common business issues.

The Business Roundtable has grown from this loose group into an incisive think tank, constantly researching and assessing its own business viewpoints. Like us or not, we are contributing in a major and constructive way to the decision making processes and vision of our society.

Our charter commits us to promoting overall New Zealand interests, including a more prosperous economy and a fair society.

Membership is by invitation to the chief executives of major businesses, and is limited to around 45 persons.

Every member of the Business Roundtable shares a vivid picture of the potential of our country, and willingly devotes time and effort to help realise it. Our individual prosperities and the partisan viewpoints of sectoral groups have been set aside for the goals we seek collectively for New Zealand.

Although we have advocated the opening up and restructuring of the economy and the need to make tough political choices, we examine every issue as it arises.

In 1984, when financial crisis loomed as a result of the snap election and the foreign exchange markets were closed, an increasing number of people in business began to sense that a continuation of the same economic agenda of subsidies, protection, budget deficits, inflation and stop-go policies would prove terminal.

We were not content - as we have never been content - with mere conjecture. We have engaged New Zealand analysts and other professionals to help us understand the problems and advise on how they can be fixed. A cardinal rule within the organisation is that we will not commit ourselves to a policy position unless we have first done our homework.

We have now done our homework for several years. We have commissioned over 50 publications - studies into key areas of the New Zealand economy. Many submissions to the government and to parliamentary committees have been made.

We have looked at the Commerce Act, privatisation, labour market reform, telecommunications, social welfare, education and immigration.

Over the next year, we shall be publishing reports on agricultural marketing, health, housing, central banking and local government.

In the course of each investigation, we solicit information and comment from national and international specialists. Although the work frequently comes under attack from interest groups who feel threatened by its conclusions, it is seldom challenged for its quality or integrity.

We defend free speech and free thought as vital to a healthy democracy, particularly in a country that has had to accept the need for radical changes to make its way more successfully in the world. In response to our steady compilation of economic thought, we believe there has been a sea change of public opinion towards the views we have put forward.

More people are reading our research - which is available to you and any other group. They are concluding that it is challenging and probing - not easily dismissed.

There is a real role for professionals like yourselves in understanding and analysing what makes countries prosper, which policies work and which don't, and why.

More than anyone else, public relations practitioners are in a position to catch new currents of private and public opinion, and to communicate them.

It is your role to identify these trends and communicate them to your clients for measurement, interpretation, and competitive application.

In this way, public relations can act as a key change agent in a world that is not about to stop changing. Politicians and editorialists may yearn for teabreaks, stability and a return to the graveyard calm that was New Zealand. But as we have learned, we succumb to those temptations at our cost, and the rest of the world continues to pass us by.

You have a major role to play in bringing New Zealand into the twenty-first century restructured, competitive and positioned to give our young people the chance of a better future.

But I'm getting a little ahead of myself. Before I talk about how you can do that, I want to briefly examine your current role. I will then suggest to you ways in which you have more to offer New Zealand business, particularly in the context of an open and competitive economy.

There is no doubt that public relations is a little understood profession. To a certain extent you, as practitioners, must be held accountable for that.

While the public policy role of public relations is well established in most overseas countries, it remains relatively under-developed in our own.

What is more, in the eyes of many you continue to sit uncomfortably alongside New Zealand business.

Corporate managers still view public relations with scepticism. Although the public relations professional's role is to cast doubt on assumptions, business still interprets this as a lack of belief in the product.

Sitting on the other side, the media - and to some extent the public - still see you as serving the interests of your paymasters.

The true role of public relations should be somewhat different.

From the public's point of view, the public relations professional should be the can opener to the life, thoughts and values of corporate clients.

Commerce is naturally pre-disposed towards self-protection. In bad times, it simply bunkers down.

Lacking an independent viewpoint in tough times, businesses often fail to distinguish between the kind of communication that reaches out for interchange with new audiences - that expands new horizons - and the kind of information that must remain private.

Life in the corporate can is safe and protected - but it is also dark.

The very best public relations turns the light on.

Whether business likes it or not, commercial activity is both public and private. The lifeblood of commerce is public support. No corporate entity can function without the goodwill and understanding of its wider community.

This understanding is partly built around the formal exchange of information - through the annual report, or media relations, or newsletters.

It is also built on every piece of communication taking place, noticed and unnoticed, at every level of the organisation. The very way an organisation conducts its business is in itself a communication.

But there is a further way in which public relations practitioners can play a role in New Zealand business. This role is far wider than any I have mentioned thus far.

Next month, the National government will deliver its first budget.

A government is never in a better position to spell out its vision, and its strategy to achieve it, more clearly than in its first budget. For a moment, the community will stop and turn its full attention to that communication.

It is a chance to wipe the communications slate clean and start again. If the government does its job well, there will be a deeper appreciation of the truth about New Zealand's parlous economic state. If the facts are put before it, I believe the electorate will accept that the economy is in a mess and that the road ahead is long and tough.

But the government must also provide a realistic basis for hope. This budget - more than any other - gives National an opportunity to paint an exciting picture of the future of New Zealand. They must use it to create a climate where optimism and growth are possible.

While the budget will inevitably try to wean New Zealanders away from our longstanding dependence on the welfare state, it must also create a business climate in which enterprise can be nurtured. The vision must be strategic, long term, bold, articulate and arresting.

Picking up the vision will be people like yourselves.

You too must play a role in helping make New Zealanders believe in a competitive and entrepreneurial future. Business is society's wealth-creating process. Cast a vote against enterprise and you vote for life in an economic backwater.

Through your work many individual enterprises already enjoy a high reputation. But public relations contributes little at this stage to the overall perception of commerce in New Zealand.

Business is still not regarded as a priority by most New Zealanders - perhaps at best a necessary evil. We do not have a passion for service, for quality, for finding out and satisfying the needs of the world's most demanding customers.

We are not yet preoccupied with ourselves as aggressive traders in the world's market places. Instead, we are preoccupied with our isolation. We see ourselves as an inconsequential country at the end of the world.

A recent Massey University study found that we did not connect effort with prosperity. While we wanted high levels of comfort and security we did not believe in the hard work needed to achieve them. As one of the authors put it: "New Zealanders want more than they are prepared to work for."

The huge challenge for public relations in New Zealand is to take the image of business as boring and mundane and turn it into something creative and dynamic, something that is recognised as being at the very core of a successful society - the way it is in Asia, for instance.

We in business know we have to earn that kind of standing. Business has been tarnished in recent years. Much opprobrium has been heaped on business heroes who turned out to be less than heroic. In most cases, however, the true greedies in my view were those who chased high interest investments or a quick turn on their shares. Business is risky, and if you like high risk investments don't cry if you get burned.

Lessons have been learned from that experience, and they will stand us in good stead. Little by little we are building a new economy and a new class of business manager. We need to encourage and celebrate world class business men and women - and seek greater community recognition for their achievements. The task is not hopeless, despite the anti-business mentality that has prevailed in New Zealand. Polls tell us that the community's rating of business is not good, but it is better than that of the media, politics and the trade union movement.

There are other ways in which the public relations industry can help lead New Zealand out of the economic fortress.

The recent Porter project - which the Business Roundtable co-sponsored - concluded that we had not clearly identified or established our competitive advantages as a nation.

Fortunately, the report also offered a few helpful suggestions. For example, it repeatedly directed us to look at our own "clean, green, unspoiled" image to help differentiate New Zealand in marketing agricultural products. This calls for creative public relations strategies. You - public relations practitioners - can help build such competitive advantages.

At the end of the Porter report, the authors wrote: "There is nothing inevitable about New Zealand's economic decline... Unlike many nations, we still have the luxury of a choice."

The Business Roundtable has been engaged in researching that choice. We have been speaking at functions like this; we have been catalysts for change.

The outlook for New Zealand is swinging on a hinge. A failure of nerve by the National party caucus could undo all the hard work of recent years and set back our prospects for a decade. Tough and determined action could break the mould. I believe international investors would then look at us through new eyes, and the business community would shift to a much more confident and expansionary mode.

I am hopeful that there will be a positive message for your industry to communicate in the near future. If you do the job well you have the capacity to profoundly influence our commercial direction, and a great deal to offer New Zealand business.

I urge you to pick up this positive challenge.