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Public relations strategies for a softening tech economy

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By **Jon Boroshok**

Despite the economic slowdown and dot-com layoffs, many New England technology companies remain in business, doing their best within a tight labor market. Because they have been reluctant to cut highly sought technical personnel in today's labor market, their public relations and marketing departments are often the first to suffer.

Some tech companies cutting back on in-house marketing communications (marcom) have begun looking outside their organizations for cost-effective public relations and other marcom services. They often discover that traditional PR agencies provide more services than necessary or sometimes require retainers in excess of \$15,000 per month. That's often beyond their budgets, especially when a company is simply looking to beef up its own efforts.

As they curb spending or downsize, economically astute companies will outsource marcom to providers who can pick up the slack and provide services on a smaller, flexible scale, often on a project-basis. Small boutique agencies, virtual PR teams, and individual practitioners are a growing alternative for companies of all sizes, even those with monthly marcom budgets under \$10,000. Like their clients, these outside sources have to work smarter, faster and cheaper in a slowing economy.

"PR can be broken down into a series of projects or definable events, and does not have to be a nebulous years-long awareness campaign," said Jeff Geibel, president of Belmont-based Geibel Marketing and Public Relations. "Many buyers of PR services assume they are off the hook with the cliché of wanting 'full service.' What they don't realize is that this is mostly an agency overhead specification, not a capability statement. The best value in PR services comes from aligning your actual needs with the core competencies of the PR provider. Anything else is fluff, and a lot of fluff is both sold and bought in the PR business."

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Working on a project basis usually goes against the grain of the profit models of larger agencies, which often need steady retainers to make sure financial goals and obligations are met.

Clients have begun questioning the return on investment of marcom programs, and wonder if they are paying for results or just the pretty view from their agency's conference room.

Burlington-based iWant.com, a direct marketing service provider, selected Marcom Outsource of Westford to help launch new products and services on a project basis.

"I've worked with larger agencies in the past, and found that we were serviced by junior players," said Mark Belinsky, iWant.com's vice president of marketing. "We decided to go to an agency with more of an Internet-economy way of doing business. We wanted to pay for results, not babysitting."

The same went for Adlex, a provider of performance management appliances in Marlborough. "We were looking for specific services and found that traditional PR agencies would not allow us to work with a flexible budget or provide focused, project-based programs," said Rich Harrison, vice president of marketing at Adlex. "Independent, virtual agencies can offer more flexibility and versatility to fulfill our needs."

In adapting to market changes, agencies are starting to resemble consulting firms, and smaller clients are again desirable as outsource providers find ways to service them profitably.

Embracing the free agent economy, some senior marcom practitioners living in the suburbs are starting to "just say no" to adding two hours of commute time — departing downtown agencies (or being downsized in favor of cheaper, junior staff) to work for their own clients and smaller agencies closer to home. This is creating more affordable, project-based PR/marcom options for many technology companies with refined, controlled budgets.

"Outsourcing is also a viable option for medium and large companies," said Mary Harrington of APEXtechPR, based in Winchendon. "As long as the outsourced team manages the program effectively, free agents can provide accounts of all sizes with more personalized and specialized service, give them more control over account activities, provide a cost-effective alternative to agency overhead, and the company can hire senior-level professionals who commit themselves to the program, and aren't spread too thin, as they often are in an agency."

For a number of clients, outsourced and project-based marcom has an economic rationale, even in a strong economy. It allows companies to do more short-term activities without a large commitment. It also offers a flexible, needs-based budget that allows clients to pay for resources and counsel on an "as-used" basis. If a project proves successful, it can lead to longer-term relationships. Projects are a great "test drive" for both the agency and the client — a way to see if they enjoy working together.

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