

Public relations



# Talking heads

Accounting firms have varied attitudes towards corporate communications. Some have in-house departments, while others contract to external consultants. [Robin Lynam](#) asks about the two differing approaches

Illustrations by Tree Tree Tes

**W**hether it's called corporate communications, marketing or public relations, accountants know it when they see it – and many tend to regard it with ambivalence or even mild suspicion.

Nevertheless, more Hong Kong firms are dipping their toes into the communications business. While the six largest firms all have in-house communications departments on top of global representation from big public relations agencies, smaller firms are cautiously appraising the potential value of communications.

Take PKF, a mid-sized firm that is considering creating an in-house post for a marketing professional to improve its communications. "Developing a marketing culture within a professional firm is a strong element of its growth and development," says Henry Leung, PKF's senior partner in Hong Kong.

PKF, like many small- and medium-sized firms, has so far been getting by with one or two individuals taking such care as they can of communications while also shouldering other responsibilities.

Another firm in that boat is Baker Tilly. "We do not regularly find ourselves enlisting the services of public relations agencies," says Beatrice Fan, a manager in charge of marketing and business development. "Overall, it is our belief that media coverage is better earned than paid, in terms of integrity," adds Fan, suggesting that the firm prefers a more organic rather than active approach in getting press attention.

Fan says that, on rare occasions, Baker Tilly staff work in partnership with public relations agencies to raise awareness of and attendance at sponsored events. "With the support of public relations firms, we can reach target audiences that would normally be out of our scope," she says.

"The challenge for mid- and small-sized firms is that if they want to stand out from the crowd, they have to be bold and confident in their communications," says Damien Ryan, managing director of Ryan Financial Communications.

Ryan's agency has undertaken work, including media training, for Grant Thornton, KPMG and PricewaterhouseCoopers.

"[Firms] need a confident communicator, or at least counsel, to show the partners – who by nature may be conservative – that they can do [public relations] in a low-risk, high-impact environment," he says.

**Mix and match**

Although firms often see delegating the communications responsibility to an agency

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or keeping it in house as an either-or choice, Ryan's belief is that the ideal arrangement is to have both.

"In-house PR [operations] are very valuable because they have the relationships internally," Ryan says. "That allows them to get things done in terms of approval, budget and buy-in to go ahead with a certain direction. What they don't have, necessarily, is a broader overview of issues impacting the firm, or partners, or their clients indirectly.

"This might be a slight generalization," but in-house PRs tend to be good on industry magazines and direct media where the link to their product or service is apparent," he adds. "What we try to do – and I think what other public relations agencies try to do – is bring in broader scope. Get them into mainstream media and attach them to issues which are broader than the product."

One example of such an approach is the relationship between Mazars and Hydrogen China, a small public relations agency with offices in Hong Kong and Shenzhen. "The benefits of working with an external public relations agency such as Hydrogen are that, firstly, they are not accountants and may well – and often do – have a different perspective which can be helpful for us to consider," says Ken Morrison, managing director at Mazars. "Also, they have contacts with the media which we do not have, and thus can often gain access for placing news, information or articles of interest where this is not always readily available to us in house."

Grant Thornton, meanwhile, implements its communications strategy with both an in-house public relations team and outside

agencies. "They mainly assist us to establish and sustain media relations; help align our corporate messaging and branding from a professional perspective; help develop and deliver major campaigns to raise brand awareness; and provide immediate support for our ad hoc communications initiatives," says Daniel Lin, managing partner at Grant Thornton Jingdu Tianhua.

Lin agrees that internal marketers have a better understanding of the profession and the firm's strengths and weaknesses, and are helpful in improving internal communications within the company.

Another important function of an in-house

public relations department is managing the internal politics of the firm, says Ryan. "The challenge for a lot of firms is to ensure that communications is used for the good of the brand and not for individuals or practice areas, things that may dilute a broader strategic role for the company," he says.

Hydrogen and Mazars have been working together for four years, with the agency on retainer. According to Wim Harrington, a Hydrogen managing director, a structure is in place to get to consensus on strategy so the agency can implement it. "Mazars has a communications board and it meets regularly to discuss issues that could be communicated in





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the media that would benefit the firm’s brand image,” he explains.

### Setting boundaries

When engaging a public relations agency, firms tend to limit the commitment to a particular project, but most public relations consultants argue that the real value to the client comes from a more regular relationship – particularly when there is an emergency to be managed. “With a crisis situation you do need to understand how an organization works,” says Ryan.

Many public relations agencies are geared towards financial clients and can knowledg-

ably address issues such as corporate governance and investor relations. But often public relations is regarded as a relatively cheap alternative to advertising. This, Harrington argues, is the wrong way to look at it. “The difference between advertising and public relations is that advertising will give you brand awareness, but good public relations will give you credibility,” he says.

The dollar value of good public relations can be calculated, he explains. “The formula used to be based on AVE – advertising value equivalency – but that’s an old fashioned way of simply adding up the space used for a story and calculating what it would have

cost as advertising dollars.”

What matters more, Ryan argues, is who the coverage reaches and the message that it puts across. “A good agency should always be smart about how they present opportunities. It’s easy to get coverage. That’s not a challenge. But the coverage has to be supporting the strategic objectives of the firm, and by that I mean that any coverage should be speaking to the stakeholders who they care most about, and communicating a message that resonates with them,” he says.

Often agencies try to position the firm’s partners as authorities on big accounting issues. When partners’ opinions appear in the media, they build their firm’s brand awareness and its professional status and credibility among stakeholders. Over time, it can highlight a firm’s areas of expertise. “If the objective is to build a credible awareness of the firm, then having commentary from the firm’s experts in the media is a good way to do that,” Harrington says.

Speed is an important factor, he warns. “Just recently there have been changes in the value-added tax structure in Shanghai, and Mazars have experts to advise companies in China on how they need to restructure. But so does every other accounting firm, so speed is important. We have to get something to the media that is hot and relevant to their readers,” he says.

It isn’t just the bigger firms, Ryan argues, that can benefit from focusing more on media relations. “Small firms have often got a great story to tell in this market – they may be nimble, they may be boutique, it’s more hands on. These elements need to be communicated.” **A**