



THE UNIVERSAL ACCREDITATION BOARD ACCREDITATION STUDY COURSE

BUSINESS LITERACY FINANCIAL LITERACY

Session **11**

Reading to be assigned BEFORE this session

- ▶ Detailed list of Knowledge, Skills and Abilities tested, Candidate's Preparation Guide for the Examination for Accreditation in Public Relations.
 - Section 2: Business Literacy

Note to Accreditation Chair or Head Coach

Business literacy is important in public relations. As a result of PRSA's major practice survey – what practitioners really need to know and be able to do to do well – business literacy is weighted at 10 percent of the multiple-choice Examination. True literacy will, of course, be reflected in the written materials you present to the Readiness Review Panel, and in that interview. In practice, it permeates everything we do.

It's not easy to teach or coach. Usually business literacy is acquired on the job, over time. But many early career positions in public relations are focused, rather than general, and do not offer wide acquaintance in the field of business operation and management. Candidates for accreditation may need to broaden their knowledge. Even for those who practice in a specialized field such as education or health care, a higher level of business literacy will be valuable in dealing with constituencies and decision-makers in the community.

- ▶ **A possible tool**
 - > **Consider organizing** one or more Business Literacy seminars or roundtables for your candidates. Assemble a cross-section of panelists, equip them with a handful of questions to be answered in 50 or 100 words or less, go through as many questions as you have time for, and allow time for questions from the candidates. For a panel of six, you ought to be able to handle one 50-word question in three to five minutes; a 100-word question in less than 10 minutes.
 - > **Sets of ideas follow**, about where to find panelists, how to proceed, and questions you might ask. These are thought-starters. Do what you think best, in light of your candidates' background, the resources in your community, and the business environment in your region. (*Please let the UAB know how it works. See Report, page 4.*)

- ▶ These seminars are focused on **basic literacy** – how things work in the world of business, for people who lack broad experience in that world. As a follow-up, or an alternate if your candidates are reasonably well oriented in business, consider offering a seminar on Financial Literacy. Some ideas follow the notes for Business Literacy.
- ▶ **Procedure:**
 - > Draw panelists from your own membership or from community
 - > Collaborate with Chamber of Commerce to select people from community
 - > For each session, try for a mix of profit-making, nonprofit and governmental organizations
 - > Organize as units of about one hour, with half a dozen panelists
 - > Distribute questions in advance; ask panelists to come prepared with notes for brief responses
 - > Run the units as a series over different days, or in sequence on a Saturday, with different panelists or different questions
 - > Consider breakfast, lunch, coffee or after-work sessions – whatever works in your community for the executives you want
 - > Use your events management skills: Send reminders, make reminder phone calls, remember crucial matters can arise fast in a business and change plans
 - > Consider asking panelists to designate a substitute who could take over
 - > Consider audio or video recording for later use or review by candidates
- ▶ **Panelists**
 - > From your own membership, other public relations people or from community
 - School: Community relations staff, administrators or board members
 - Hospital or medical clinic: Public relations staff or administrator
 - City or county government: Staff, council members, supervisors
 - Manufacturer: Public relations staff, manager, executive, marketer
 - Bank: Public relations staff, manager, vice-president
 - Agriculture/ranching. Farmer/rancher, ag banker, Farm Bureau/Grange person
 - Investments: Someone who manages investments in stocks, bonds, mortgages
 - Export/import: Someone whose organization sells or buys overseas, or both
 - Association executive: Trade association. Auto dealers, pharmacists, restaurants, grocers, or manager of multiple associations
 - Major retailer – department store, Target, Staples, grocers . . .
 - Small retailer – florist, gift shop, shoe store
 - Service organization – auto repair shop, rent-all, cosmetology salon
 - Social service organization – United Way, YMCA/YWCA, shelter, children's agency
 - Independent owner – accountant, attorney, cleaning service, day care
 - Insurance company
 - Real estate firm
 - Construction: residential, commercial or heavy/highway
 - Public investor-owned utility – gas, electric, water, telephone

- ▶ **Ask panelists** to speak in terms of the organization, not their own department or office. If preferred, answer in terms of their whole industry

- ▶ **Possible questions (50 words or less):**
 - > Where does your money come from – the money you operate on?
 - > Who decides how you will spend it?
 - > How far ahead do you budget?
 - > When would you borrow money?
 - > What would make you lay off people?
 - > What would make you hire new people?
 - > What could put you out of business?
 - > What could double your business, or give you 20% growth?
 - > What is your competition?
 - > Do you ever collaborate with competitors, or join with them in any way?
 - > What kind of a profit margin is enough to keep you in business?

- ▶ **Possible questions (100 words or less):**
 - > How would you go about introducing a new product or service?
 - > Who would your target audiences be for a new product or service?
 - > What motivates your organization to do better?
 - > Who would get promoted in your organization – what characteristics, what background?
 - > What values are important in your business?
 - > What regulatory agencies affect your operation – two or three – and how do they affect you.?
 - > What is the biggest threat to your organization right now?
 - > Briefly, how are you organized, in terms of who reports to whom, who supervises whom, who is responsible for transmitting information from level to level, up or down or sideways?

- ▶ **Follow up, if time permits:** Specifically, about public relations in your organization.
 - > How do you plan for communications?
 - > Do you have a public relations person on the executive decision-making team?
 - > Do you plan on the basis of target audiences?
 - > How do you think your public relations resources are put to best use?
 - > How do you measure results from public relations?
 - > What happens if you feel the need for public relations help and have no budget for it?

► **Follow-up reading:**

Candidates who need to improve their business literacy will benefit from reading business publications. Suggest a couple of hours a week in the library – for some time – getting acquainted with *Business Week*, *Fortune*, *Forbes*, *The Wall Street Journal*, and *American Demographics*. Call their attention to the Business Guidelines and Style in the Associated Press Stylebook and Libel Manual, a low-cost “book shelf” item which every candidate should purchase.

► **Financial Reporting Literacy**

Follow the same procedure as in organizing the basic Business Literacy Seminars, but look for panelists who work in investor relations or are familiar with that field. Ask them to help plan a session covering the following questions, or other items they think are more significant.

- 1) What does prompt and full disclosure mean, and what does SEC Regulation FD – Fair Disclosure – require? How do you handle this?
- 2) How about the Sarbanes-Oxley Act of 2002 that overhauled corporate governance requirements, federal disclosure laws and the oversight of public accounting forms and requires CEO and CFO certification of periodic reports?
- 3) What’s a “quiet period”? What can you not do during that time?
- 4) What’s an SEC Form 8-K? In your business, what do you do with it?
- 5) What goes into a news release on quarterly or annual financial results?
- 6) What’s a Consolidated Statement of Income?
- 7) What’s a Balance Sheet?
- 8) What’s an SEC Form 10-K and a Proxy Statement, and how does the timing of their distribution relate to the Annual Report to Shareholders and the Annual Meeting of Shareholders?
- 9) What must go into the Annual Report?

- **Report:** If you hold one or more seminars, the UAB will appreciate some feedback. Send e-mail to Ferne G. Bonomi, APR, Fellow PRSA, UAB Coach’s Guide work group coordinator: f.bonomi@att.net with a copy to Kathy Mulvihill, UAB Manager, kathy.mulvihill@prsa.org