

Business may be slowing, but it is not stopping

LAST week, former Senate President Manny Villar spoke before the KBP Top Level Management Conference held at the Taal Vista Lodge, Tagaytay City and shared his thoughts on the ongoing financial crisis. For him the Wall Street collapse was a great equalizer, knowing that a lot of moneyed individuals and families have become poorer due to huge amounts of investments lost in the fall-out. They are suffering in silence, he said, and are not willing to come out to tell their stories.

His prognosis was no prognosis, saying that even the best financial analysts around the world have been clueless about what the definitive next steps should be to manage the situation, let alone get out of the rut. Taking a cue from his ST (Sipag at Tiyaga) personal brand equity, he opined that during this time, the value of agap is more superior to sipag, thus declaring "Daig ng maagap ang masipag." He pushed for a proactive stance and for Filipinos to carefully plan ahead for the more difficult future.

Indeed, times are tough. It is upon us. From a half-full, half-empty mindset, the optimist in you will say, this will pass and better times will come your way, realizing that tough times don't have to signal tough times for you and your business. Your pessimist side, though, may pronounce, "You'll never make it, you're doomed."

However, if you put a strategy in place, you can not only weather, but perhaps even grow, during uncertain times. A bad strategy is to do nothing, an even worse strategy is to slow down and cut your marketing and PR efforts. This is a time for savvy business people to take action. Spend the time that others are using to worry and complain to take the lead and become proactive. So what can you do from the PR standpoint?

1. Prepare an executable communication road map responsive to the existing business environment. If the contemporary market, or any other issue, is posing a major challenge for your business, make sure that you are ready to respond publicly as necessary. Prepare a timetable. Set out a list of strategic messages. Choose

and media-train a spokesperson. And prepare for the tricky or complicated questions. It is highly recommended to control the timing of negative announcements, but you should be ready, one way or the other, when reporters start to heat up your landline or cell phone.

2. Be quick on the draw and react swiftly. You know when times are tough. When people are arguing in the media over whether we're in a recession or not, chances are you're probably there. And if not, at least marketing-wise, act as though you are. As sports aficionados say, football has its two-minute drill. Put in place communication and PR drills for these times. Run and run fast.

3. Craft messages suitable to the times. How can your product or service be positioned so that you can create a PR pitch that fits the economic, social and political times? Don't dwell on doom-and-gloom stories. It is best to come up with a cost-saving story, a stress-reducing story, a feel-good story, or even how consumers continue to shop extravagantly during this time. Be creative with your stories and get them out in the media. Your goal is to make your customer economize, relax and develop a more upbeat stance. Make the move, while your competition is playing risk-aversion.

4. Let the whole story out. If a negative story breaks, you are better off releasing all the details as quickly and as forthrightly as possible. Crisis managers will tell you that it's much better to endure one very bad day in the line of media fire than to become a regular bad-news item as bits and pieces leak out over time. There are exceptions, but getting your whole story out hurriedly is usually the fastest way to get off the front page or the business news headline.

5. Highlight the encouraging elements of your story. In your storytelling, you may discuss the problem up front, but please, don't dwell on it. If your sales are off, but your cash position leaves you well armed to weather a recession, say so. If you are cutting down the number of employees to re-

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engineer the company on a more solid footing, say so. Most of your internal and external stakeholders by this time recognize that you are operating in a difficult time. But they'll be happy to hear compelling news that better days are ahead.

6. Correct damaging coverage. To ignore the news (especially bad news) in a time of stability and plenty is risky. It is always prudent to straighten out errors in the way you or your company is being covered by media. After all, you have the Right of Reply to invoke. But it's particularly critical in times of uncertainty that you act quickly to reign in damaging reports. Negative stories that might have no credibility at all in normal circumstances suddenly sound plausible when some of the biggest financial institutions in the world have botched up. In such situations, call media outlets directly or, better yet, have a face-to-face meet-up to have a discussion or explain your side. Whether good or bad news, you have to make sure it is precise.

7. Communicate with your ears. In other words, listen, and listen well. It's key to better interaction, whether you're communicating to your clients, government contacts, stockholders or employees. Most PR problems are born out of non-attention, while quality listening brings clear connections, builds understanding and develops better working relationships. Implement not-so-complicated devices such as surveys, conduct "tell-me-more" meetings, "brown bag" assemblies, across-the-table chats, and even "water cooler talks" can help generate feedback.

9. Harness the power of social media. The Internet, social networks, frequently visited websites and a great number of blogs, among others have changed the media landscape forever. Their ubiquity makes it harder to put bad news under the rug, but on the other hand it's easier to float your story. The social media allow you to connect directly to your targeted publics and to hear directly back from them in a shorter period of time. It allows you to make information readily and widely avail-

able without relying on the filter of conventional media. You may ignore it at your own peril, but if you embrace it, you'll find untold—and previously impossible—advantages.

10. Show your authentic character. If you are serious about building and protecting your reputation, aim to do the right thing constantly and consistently. Reputable companies all follow this path: one, they do the right thing; two, they are seen to be doing the right thing; and three, they don't get number one and number two mixed up. They don't treat a crisis situation simply as a PR problem. Nor do they assume people will automatically understand or believe that they have done the right thing. Hard times usually offer an opportunity for struggling businesses to display their true character. An opportunity, when handled well, can work in your favor.

11. Boost employees' psychic income. In today's recessionary economy where raises and bonuses often make the "cutback" list, companies are challenged to find cost-effective and meaningful internal PR ways to keep employee morale high and ignite motivation. Recognition strategist Globoforce believes that acknowledging employees with "thank you"s and small rewards answers the basic human need for something fundamentally important: psychic income. When integrated into a total rewards program, this approach to recognition has a lasting impact—one that is more powerful than cash compensation.

In an economic downturn, cutting back on communication is a dangerous tactic. PR guru Glenn Selig warned that "if consumers and other businesses don't know about your company, they can't find you." Hard economic times, he says, may be the best time to launch a PR campaign. Notwithstanding Selig's counsel, the reality is fewer companies will actively market their companies during the economic downturn. This leaves the field wide open for those who do. For most businesses it doesn't make sense to wait for things to get better. Truly, the economy may be slowing but it's not stopping. The pie may be smaller but there are still many pieces of it to be had. ■

Landbank, SSS to sell Meralco shares

by DORIS DURLAO
Inquirer.net

GOVERNMENT financial institutions led by Land Bank of the Philippines and the pension fund Social Security System (SSS) have agreed to sell their minority stakes in power retailer Manila Electric Co. (Meralco) as a block for about P83 a share—a premium over the bluish chip's closing price of P58 on Friday.

Landbank president Gilda Pico told reporters the effective selling price would be about P90 a share, equal to the price the Government Service Insurance System got when it sold its 27-percent stake to beverage and food group San Miguel Corp.

Pico said it was still uncertain who would buy the shares. She said Land Bank would sell 46 million shares, including those lodged with PDC Nominee Corp., equivalent to about four percent of Meralco.

"Maybe next week, there will be a final agreement," she said.

San Miguel president Ramon Ang said San Miguel was interested in acquiring more Meralco shares but said "not yet" when asked if the company was looking specifically at the shares held by government financial institutions (GFIs).

"Why should we back out? It's a good deal," Ang said of San Miguel's Meralco stock acquisition, despite the uncertainty facing Meralco in getting government approval for a power rate increase.

When asked why Land Bank was selling its stake in Meralco, Pico said: "We can use it [the proceeds] for funding priority loans."

"There is interest, which will be paid in installments, so effectively we're selling it at P90," she said.

Wealth Securities analyst Bernard Avinante meanwhile said that if San Miguel would decide to acquire the stake of GFIs in Meralco, it could trigger a tender offer—a legally required offer to buy shares held by minority shareholders when an investor buys at least 35 percent in a publicly held company.

Industry sources said the Lopez family that runs Meralco owns about 34 percent of the company.

As of Sept. 30, the top 10 stockholders of Meralco were PCD Nominee Corp. (held by stockbrokers on behalf of undisclosed local clients) with 41.23 percent, First Philippine Union Fenosa Inc. with 22.7 percent, First Philippine Holdings Corp.—the Lopez group's flagship firm for power generation investments—with 10.68 percent, PCD Nominee Corp. (for foreign clients) with 7.4 percent, the SSS with 3.94 percent, Land Bank with 3.76 percent, Meralco Pension Fund with 2.18 percent, Board of Administrator of Employee Stock Option Plan of Meralco with 0.97 percent, Philippine Health Insurance Corp. with 0.17 percent and the Home Development Mutual Fund with 0.15 percent. ■

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