

Business Acumen Remains a Priority for PR Professionals

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Too often I have seen PR professionals excel at their core competencies while lacking in business knowledge. With so many professionals holding degrees in journalism this should not be a surprise, but there being an identified cause for the issue at hand does not make the problem any less urgent.

No passing grade for colleges

In 2013, Matt Ragas, PhD and Ron Culp of DePaul University surveyed a representative sample of Arthur W. Page Society members on this very topic. 84,5 percent of respondents said they found it very important for business 101 to be part of the training and education of strategic communications students. When asked whether they thought schools delivered on this, no less than 81,9 answered negative. What does the select membership of the Page Society put high on their list of topics that need to be covered in business 101 education? The top three looks like this (in decreasing order of importance): understanding the basics of financial statements, a primer on financial terminology and understanding the contribution of communication to company strategy.

Looking around me, it does not look like much has changed since 2013. Just to give one anecdotal but telling example that pertains to financial statements: a great many PR professionals I know – even those that have moved on from entry-level positions – can not wrap their heads around the ontological differences that exist between the accounting and financial realities of companies. Equipment that eats into net

profits through amortizations but doesn't represent a cash out? Don't ask a communicator to explain it to you.

Dire consequences of limited knowledge

Not understanding how businesses work has consequences. Senior leaders pick up on the lack of business knowledge of communicators when they struggle to get the messaging right in a press release or other deliverables, or when they miss the mark when they give strategic counsel.

But this is not only about the quality of work delivered, it is also about making a case for the work (to be) performed. Communicators who do not understand and talk business sufficiently, will not impress C-level staff with their calculations of projected or actual ROI. And let's not even discuss the question whether they will sufficiently account for the time value of money when they make the case for major investments.

Moving forward

Communication professionals should not settle for this situation. I recommend they acquire business skills early on in their career. MBAs and executive MBAs remain valid options but are not available to everybody because of the investment in time and money they come with. The good news is that you do not need to be \$100,000 in debt to understand how businesses function. Accessible alternatives run from taking accelerated management programs or any stand-alone courses to simply opening your web browser to Google difficult to grasp concepts. Sites such as Investopedia offer a wealth of free high-quality content.

Managers of in-house staff or consultancy agencies need to step up to the plate as well. A minimum of business knowledge

needs to be required from any but entry level staff. This means that business acumen needs to be plugged into personal development plans. Finally – and this us back to where we started – liberal arts colleges need to understand that public relations is much more than writing and editing, and that communicators who lack a fundamental understanding of how businesses work will fail to serve them well.



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