

## **GUEST COMMENTARY**

### **Dealing with the media**

**Ten tips for communicating effectively with those strange and wily creatures – reporters.**

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By Bill Haynes

As private equity firms raise larger funds and need to put their money to work in a highly competitive environment, they increasingly have the resources and inclination to engage in a public relations program. Private equity firms are looking to marketing and public relations as key tools to help raise awareness with prospective companies in which they can invest and generate more proprietary deal flow, as well as inform investment bankers of their target industries and experience, and keep limited partners informed of their success.

Many private equity firms hope to stand out from the crowd by identifying and promoting key differentiators, such as the success of their portfolio companies and the insights of their partners. Whether it's their management friendly approach, deep expertise in healthcare, world-beating returns, operating company experience, the marquis names of their partners, or a unique combination of these attributes, many private equity firms are finding that it behooves them to reach out and work with the media to broadcast their value proposition to their target audiences – current and potential LPs, company CEOs, operating division heads, investment bankers, and potential employees.

A few private equity professionals are excellent at speaking with the media. These GPs are on top of marketplace trends, are clear, articulate, and have a point of view, share stories and anecdotes, help reporters with information, access and guidance, and do all this within the reporter's deadline. But these are the exception.

Most private equity professionals are focused – and rightly so - on managing their portfolios, and occasionally take time to speak with reporters when they make an investment. But that is the extent of their experience. A few have only had positive articles appear, and may feel immune from bad coverage as they receive calls from friends and family about their latest magazine profile. While others, who feel they have been burned by the media, forswear ever talking to a reporter again.

The reality of working with the media is neither extreme, but rather somewhere in between. Working with the media is a process in which the long-term engagement should be a positive one that benefits the partner and firm, the reporter and publication, and ultimately the readers. For this to happen, there are a few rules of thumb private equity professionals should follow to get the maximum long-term benefit from a media relationship, while mitigating risk:

### **BE PREPARED**

Know in advance as much about the reporter, publication, story angle, and deadline as possible. A good public relations firm will do this due diligence for you and prepare an overview for your review prior to an interview. Tailor your comments to the publication's readership. For example, trade publications will be most interested in news specific to your industry such as a new product, alliance, etc. Local daily and weekly newspapers are most interested in the regional economic impact of your news, such as hiring/firing, expansion plans, and regional trends. National media outlets for the most part are not interested in the workings of a non-public company. They are most interested in drawing larger lessons from company news, such as the broad economic impact, and how the news is indicative of a larger trend or theme.

### **KNOW THE RULES**

Everything you say is considered "on the record," and can be quoted unless you indicate otherwise and get confirmation before you say it. If you want to provide contextual information that helps clarify your position, but don't want to have the information attributed to you, you have several options. You can tell the reporter (in advance) that what you would like to say is:

- "Off the record," which means that the information cannot be directly used by the reporter (some reporters, however, do not define this term as such – confirm this in advance).
- "Not for attribution," meaning the information can be published, but the identity of the source must be withheld. You should suggest that if they use the information it should be attributed to "an industry source."
- "On background," which means the information can be background information for a story, but not for attribution.

Numerous times I have witnessed senior executives share confidential information – about the terms of the deal, the future of senior management, their view of a company's products, or a humorous and very quotable (but not particularly appropriate) anecdote – only to say it's off the record after they say it. This drives reporters nuts. They are put in a very uncomfortable situation. They can use the information if they want to, but they know that it might jeopardize future discussions with the executive and the firm. Most reporters in this situation take the time to explain the process, and ask to use a variation of the information, or to use it not for attribution. If it is a critical piece of information, they know their editors will insist they use it.

### **HAVE KEY MESSAGES**

Jot down in advance the three main points you want to get across in the interview. Make sure they are credible and have facts, figures and anecdotes to support them. Try to find opportunities to “bridge” to these points, where possible. These messages should be tied to the firm’s key differentiators. How, for example, is your recent investment in a particular technology company indicative of the type of companies the firm is targeting and has had success with in the past? What does your investment in the company say about your view of the sector? How is your approach unique?

### **CONNECT YOUR NEWS TO A LARGER TREND**

Whenever possible, use your news as illustrative of larger economic, business, or industry trends. Reporters want to use information useful to as many of their readers as possible, and want to identify new trends first. By keeping abreast of the latest trends in the private equity marketplace, from investing and liquidity trends, sector issues, new private equity best practices, legal and regulatory changes, the state of limited partner relations, etc., and sharing insights with reporters, private equity professionals can become “thought leaders,” sought after and cited by the media for their timely insights. Trend stories can be pitched to the media as part of a recent investment or liquidity event, or on their own via an e-mail or personal meeting in a reporter’s city tied to a business trip or media tour. Food is a draw for reporters. I have found that a number of good long-term reporter-client relationships have started with an initial relationship-building meetings over lunch.

### **MAKE THEMATIC POINTS EARLY**

Make your big picture points early in the conversation and then support them later with facts, figures and anecdotes, e.g., “There are three primary reasons we have grown so successfully: First..., Second..., Third...” Or, “the biggest change I see in the marketplace right now is...,” and describe the changing dynamics and how your firm is taking steps to address these changes. Return to your themes again at the end of the conversation. Often a good reporter’s final question will be whether there is anything else you would like to add. This is a good opportunity to underscore one more time the main points you wanted to make.

### **HAVE ANSWERS TO DIFFICULT QUESTIONS**

Think of the top five questions you hope the reporter does not ask, and write down in advance how you will answer them. This is often an overlooked part of interview preparation. Good public relations firms will work with you to identify and prepare to respond to these questions. Occasionally, executives will tell me that they “don’t want to be asked that question.” Unfortunately, there is no preventing a reporter from asking the question, you can only control how to respond to it. You want to avoid “no comment,” and don’t lie, but credibly address and deflect the questions. It is often useful in certain situations to engage in pre-interview role playing, asking the tough questions to executives and then discussing and refining the responses.

## **DON'T GUESS OR LIE**

If you don't have the necessary information on hand to answer a question, don't guess, say you'll get back to the reporter with the answer as soon as possible, and before their deadline. It is human nature not to admit not knowing something, and to feel the need to respond. Unfortunately, with often tight deadlines, it may be too late for a retraction once you've realized the information you provided was wrong.

## **TELL A STORY**

Everyone likes a good story, especially if it illustrates a key point. Before the interview takes place, think of an anecdote or two that illustrates your main points and find a way to weave it into the interview. The executives who give the best interviews are often not the ones with the latest industry facts and figures – reporters can find much of that information themselves. The best interviewees are the ones who can take a complex and sometimes boring topic and make it simple and real, and often personal. How did you meet the CEO of the company you invested in? How did you persuade him to accept your bid? What was the seminal moment when you knew the deal was yours?

## **BE CONCISE**

Take the time needed to make your point, but don't wander and attempt to fill time with information that doesn't add clarity and support your key messages. While illustrative and colorful stories are good, unfocused rambling is not. Reporters are often on tight deadlines and will quickly become annoyed if it appears you are wasting their time. They quickly assess how useful you are likely to be to them. If they tune out or drop off, you miss your opportunity for the immediate interview, and sometimes for future interviews as well.

## **BE RESPECTFUL**

Respect reporters and treat them like clients. Respect their deadlines. Their mission is to gather news fast, accurately, and first, and to present it in a compelling way to their readers that is newsworthy, accurate, interesting, and on time. The more you can help them do this, the more chance you have to be included positively in an article.

With a little preparation, private equity professionals can successfully harness the power of the media to raise awareness, share their perspectives, and increase their credibility. As they experience for themselves the benefits of positive media coverage, or witness their competitors' recent investments and marketplace perspectives generating positive articles in the media, private equity managers will increasingly view public relations as a key strategic component of their business operations.

*Bill Haynes is President of BackBay Communications, a leading Boston-based national public relations firm focused on the financial and professional services sectors. Mr. Haynes has more than 15 years experience in brand positioning and corporate communications for private equity firms, investment banks, brokerage firms, financial technology companies, law firms, and research and consulting firms. He can be reached at [bill.haynes@backbaycommunications.com](mailto:bill.haynes@backbaycommunications.com).*