



Helping Company News Reach the Right People

By EDWARD SEGAL

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For entrepreneurs, the time-honored news release has become more than a communications and marketing tool. Press releases can serve as an insurance policy of sorts when they're sent directly to clients, prospects and analysts as well as to the media.

This way, even if reporters and editors ignore the information, the intended audience will see it nevertheless.

Dallas-based Titan Ventures LLP used press releases to get off the ground when it opened in October 2001. The company wanted to buy and resell underused or abandoned software-related intellectual-property assets of Fortune 500 companies, failed start-ups, venture-capital firms and other businesses and educational institutions.

But Titan didn't have software to resell. To build its product inventory quickly, the company sent a news release to the media announcing its launch. It also sent the same announcement by e-mail to more than 400 business executives, venture capitalists, universities and networking contacts culled from the Rolodexes of the four founding partners. The e-mails included a personalized message from a partner asking for acquisition leads.

Recipients began forwarding the message on to friends, colleagues, and potential acquisition candidates with immediate results, says chief executive officer Reagan Lancaster. Within hours, company executives began receiving phone calls and return e-mails seeking more information and offers to sell rights to software products.

Other Good Uses

Todd Defren, managing director of the San Francisco office of PR firm Sterling Hager, Inc., calls press releases "the most cost-effective and versatile types of marketing tools on the planet." You may want to use them to get the word out about your company because of these strengths:

- **Flexibility.** News releases can serve many important PR purposes, whether to introduce your company to the media, help generate stories about products or position you as a source of information or interviews to reporters.
- **Easy to create.** News releases needn't and shouldn't be lengthy, because most readers have short attention spans. The most effective releases are no more than two double-spaced pages long and

concise, with a succinct headline saying what your news is about.

- **Control.** News releases provide the ultimate in message management. You decide not only what, when and how to say something, but also whom to say it to, how often to say it, and who will receive it.
- **Low cost.** News releases cost only pennies to send via mail, fax, or e-mail. For Titan Ventures, the cost of sending its news release was about two dozen hours of staff time to prepare the e-mail distribution list.
- **Longevity.** News releases can enjoy an almost unlimited shelf life. Once an announcement is stored in searchable databases, reporters can find, refer to and use the information in it for years to come.

Essential Rules

To ensure news releases work hard for you and that your target audience sees the information, consider the following tips:

- **Have something newsworthy to say.**

A news release should have something newsworthy to announce. Don't use them simply to rehash advertising or brochure copy or include hype that may deter readers. "Press releases should reflect real business activity," says Mark Devaney, PR director of Grafica Group, a marketing firm in Chester, N.J. Appropriate topics include new clients or partnerships, new technologies and awards or other recognition your start-up receives.

Denver-based Authentor Systems Inc., founded in 1998, develops and markets Web access-control security software. To help stir up interest and business leads, the company

pumped out a series of press releases to news and nonnews contacts alike -- 17 announcements between April and November of 2001.

The releases were embedded in e-mail messages and sent only to reporters who would most likely be interested in each particular topic. Recipient groups included local business writers in Denver, trade-publication reporters who track e-business security issues and journalists on financial-services, health-care or government beats.

But what did this young company have to talk about? Plenty, including new products, customers, partnerships, staff and funding from venture capitalists. Since a continuous drumbeat of company news can bore recipients, founder and executive vice president Bob Forbes varied the topics of the releases.

"The key is to mix the content so that it's something different every time," he says. "Each release was designed to explain another piece of the Authentor pie, so people didn't get the same message over and over again."

- **Don't overdo it.**

Know where to draw the line, and check your ego at the door. Simply churning out announcements mindlessly or to meet an arbitrary quota can backfire. "Pumping out press releases when an exec sneezes will ultimately make the start-up look silly," Mr. Devaney says.

Keep press releases short and free of jargon or buzzwords. But don't forget to include details any reader will want to know: who, what, when, where, why and how.

- **Know what you want to accomplish.**

Establish clear and realistic goals for the results you'd like to achieve from your releases. This can include communicating momentum about your company, generating traffic on your Web site, increasing sales, keeping investors updated on your progress, or establishing or protecting your position in the marketplace.

Mr. Forbes says his firm's releases were designed to demonstrate and communicate the company's growth and momentum to new business leads, potential alliance partners and industry analysts.

Grafica's Mr. Devaney says a start-up also can use news releases to "put their stake in the ground" for a new product, service or technology, which can help establish or maintain an advantage over competitors.

Once you know what you want the release to do, write it so that it addresses the interests, needs or concerns of target readers, whether they're investors, prospects, customers or employees. Tailor the contents by using appropriate headlines, facts, figures and quotes from company officials.

- **Spread it around.**

Don't be shy about giving out copies of your release. "Spread your net as wide as possible," says Denise O'Berry, president of The Small Business Edge Corp., a small-business consulting firm in Tampa, Fla. Be sure that your contact lists are accurate and up-to-date. If sending releases by e-mail, provide recipients with the opportunity to unsubscribe from the distribution list.

If you distribute your news releases via a private distribution service, such as PR

Newswire or Business Wire, it may be included as content on major Internet sites, including Yahoo! and Lycos, or featured on specialized Web sites that follow the news of particular industries or professions.

Both services require an annual membership fee to post releases, plus several hundred dollars extra to send the release to reporters via e-mail and be stored in an online database. The fee is based on the length of the release and the distribution list.

Ms. O'Berry also recommends that entrepreneurs hand out news releases at networking events, business expos and trade shows; fax or mail them to local chambers of commerce; and post copies on company Web sites. Authentor posted news releases on its Web site as often as three times a month. It also sent e-mails to business contacts alerting them to the latest release and inviting them to read the entire text online.

A lot of people apparently have. The company gets about 100,000 hits on its home page monthly and about 30% go on to read one or more of the posted releases, says Mr. Forbes. The firm's "news room" is the most popular feature on the Web site, he adds.

- **Keep your eyes and ears open.**

Create a system to help track and monitor responses or comments you receive from your news release. When appropriate, be prepared to act on the feedback you receive. "People thought at first that we were looking for failed software," says Mr. Lancaster. "We had to emphasize later that we were seeking only the best software in the business.

Sending the news release to nonnews organizations helped define, explain and promote the company's position and business strategy. "The feedback also changed our definition of what we thought was a good deal for us," says Mr. Lancaster. "Our guidelines for the caliber of the software we were interested in buying changed and raised our levels of expectations."

- **Be prepared for success.**

It's difficult to know what reaction your news releases will generate, but be prepared to handle the response, no matter what happens.

At Titan Ventures, the early stream of responses soon turned into a flood. Mr. Lancaster recalls being buried almost immediately by the volume of e-mails and phone calls. The partners soon realized they couldn't keep up with the deluge and hired three full-time staffers to manage the leads.

The company eventually received more than 1,000 acquisition leads, about 100 of which were worth further discussion. To date, deals have been signed to acquire the software-related intellectual property of 11 companies and more contracts are in the pipeline.

So that no opportunities slip through the cracks, "make sure you answer all of your responses in a timely manner and aren't overwhelmed by them. Speed counts, and you shouldn't be afraid to hire someone to help," Mr. Lancaster says.

-- Mr. Segal, author of *"Getting Your 15 Minutes of Fame, and More: A Guide to Guaranteeing Your Business Success"* (John Wiley, 2000), conducts workshops on media training, presentation skills and effective public-relations strategies. His Web site is www.publicrelations.com. You can reach him at edwardsegal@aol.com.