

LEGAL

HOW AGENCIES THRIVED RATHER THAN SURVIVED IN A CHALLENGING YEAR



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The public relations industry has undergone seismic changes shaped by this year's unprecedented public health, economic, social and equal justice developments.

Each year, my law firm Davis & Gilbert conducts a survey focused on the changes experienced by the public relations sector, and perhaps no year in history brought more changes to the daily work routine across the entire global workforce than 2020 has. I analyzed the biggest challenges and opportunities in Davis & Gilbert's recently-issued [Public Relations Industry 2020 Survey Trends & Highlights](#).

According to the data, now more than ever, PR firms are implementing programs to help drive growth and success. These programs range from diversity initiatives, changing perceptions about remote work, technological advances, financial rigors and operations, enhanced service offering, new practice areas, re-imagined organization structure, and potential consolidations likely in store on the other side of the pandemic.

Revenue and Profit Impacts

This year's survey shows an ever-widening division between the "winners and losers" of 2020, 42% of firms predicting a revenue increase (down 34% from 2019) and only slightly more – 48% – predicting a profit increase (down 16% from 2019). On the other end of the spectrum, a whopping 52% of firms predicted a decrease in revenue (down 38% from 2019).

Due to the growing chasm between the top performing and bottom performing firms, we looked at what the top performing firms had in common to better understand what was helping drive their revenue and profit numbers. Here are some key takeaways:

Specialty Matters:

- Top performing firms tended to have at least some operations in one of three specialties: Healthcare PR, Public Affairs PR, or Integrated Marketing. Equally importantly, specialization at these top performing firms was tempered by diversification of service offering with specialization within the area of sector.

Size Matters:

- 57% of firms expecting increased profits have over 50 employees and 55% of firms expecting increased profits have 100 employees or more.

Technology Matters:

- 50% of the firms that increased profit this year have wisely invested in technology to work with client teams in a seamless way.

Diversity Matters:

- 100% of the top performing firms, measured by an increase in revenue, have committed to increase their proportion of people of color between 16-25% in the next 6 months.

Supporting Parents Matters:

- 44% of the firms that increased profit had programs to support working parents with more protected flexibility.

Beyond COVID

The pandemic's impact on remote work has been unprecedented, and PR firms are expecting to maintain some portions of their employees on a remote work basis. Out of the 87 firms that responded, virtually all— 98%—will have some component of their workforce working remote upwards of two days a week for the first

quarter of 2021. Additionally, over 60% of firms expect to permanently implement a policy more favorable to remote work post-pandemic compared to what existed pre-pandemic.

The outlook for the future was mixed. While over 80% of firms that increased revenue in 2020 were understandably “cautiously optimistic” about an increase in business in 2021, 60% of firms with a negative outlook for the next 12 months were firms with less than 30 employees.

Interestingly, once market conditions stabilize, 17% of firms reported that they are more likely to sell their firm because of the events of 2020.

At the PProvoke Media's Entrepreneurs' Forum, I provided a more detailed analysis of the report, which can be read [here](#).

To access the full report, please click [here](#).