

**2008 Atlas Award Presentation
on International Public Relations**

*Crisis to Progress:
Emerging Into a Better World Through Communication*

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PRSA Atlas Award for Lifetime Achievement
in International Public Relations**

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Seen that! Done that! So what!

Skepticism hardens with every new crisis, especially if the latest crisis follows hard on the heels of the one before. People apply a patina of skepticism to information, the media and to the structures that create our society's landscape. The layers of skepticism thicken with each new crisis, and their degree of thickness differentiates "settled societies" from those in perpetual crisis — the latter being coated more heavily.

The silver lining is that skepticism incites change. Skepticism is a feeling of dissatisfaction and as such it can lead to the asking of deeper and more searching questions, a search for clearer answers, and a demand for more information. It makes individuals in crises-prone societies resilient and resourceful.

Skepticism, in its quest for answers, heralds new ways of seeing and of communicating.

Why I Chose This Topic

I chose this topic because I wanted to reflect on my career in public relations, to draw on my experiences, and to share with you my thoughts on where this sector is heading.

I have had the pleasure (and it truly has been that) to work my way up in this sector and see my profession bloom in Turkey. Even though public relations in Turkey has only started to gain ground in the last few years, the industry is developing quickly and earning legitimacy. While this has been going on at home, I have had the good fortune to travel around the world and observe how other countries view and use public relations. Working with local clients and international clients in a local arena, what has never failed to fascinate me in my 20-plus years in this sector is how local experience in Turkey is strikingly relevant in a global context.

Never is this more so than in crisis situations, be they of local or international origin.

Crisis situations require, above all, caution — not in the sense of acting slowly, but in the sense of careful assessment, precise action, utilization of experience and response to the inevitable spread of skepticism. And an appropriate response can only be achieved by sustaining an effective communication flow. This is a constant, whether managing a local crisis for a global company or a global crisis for a local company.

We need to share the gleanings from our experiences in Turkey, a country beset by a frequent cycle of crisis and progress, and to apply these to global companies.

Allow me to sketch for you the landscape in Turkey so that I may share with you how my company, my partners and I have approached public relations for local and global companies facing crises and how important public relations is to creating progress from crisis.

Turkey – Coping with Crises

Turkey is a young republic troubled, even now, by a continual cycle of emerging and subsiding crises. From World War II until the beginning of the 90s, the country has averaged one major currency devaluation every seven years or so. In addition to the cycle of economic crises, Turkey has also suffered from political upheavals, terrorism and natural disasters (like the earthquake in 1999), all adding to the potential for crisis.

More specifically, in the last two decades there have been two major financial crises that have widely affected Turkey's business and social life. In 1994, unhealthy fiscal policies contrived with economic vulnerability to cause a major economic crisis. The dollar rose 104 percent against the Turkish lira and inflation soared to three digits, causing a massive rise in unemployment and spreading misery to millions.

In 2001, a face-off between the president and the prime minister triggered the collapse of an already unstable economy, with even more disastrous consequences. Overnight rates topped out at 7500 percent, hundreds of thousands lost their jobs and numerous companies were forced to close their doors. The crisis of 2001 caused a 9.5 percent decrease in Turkey's GNP (in USD terms).

Recent crises of politics and terrorism rumble on, added to which we have a mounting global economic crisis which, having begun as a financial earthquake in the U.S., is broadcasting tsunamis worldwide. Its full impact on Turkey has yet to materialize, but the prospect of a deluge is building.

Each of these crises has had its own effects on my society, on its stock market, public policies, industries, social organizations and the various components of its social fabric. But what they all have in common, in Turkey and in similar cases abroad, is that each new crisis has a psychological effect on that society; it creates a sense of social insecurity. This insecurity varies in severity, but it is marked by a skeptical outlook of restless dissatisfaction with the world as presented because of doubts about its veracity. In short, there is a prevalent insecurity in the present.

Every society goes through crises and experiences insecurities, but what makes a country like Turkey stand out is the sheer abundance of crises, one after the other. So, in contrast to a “settled society,” the crisis–progress cycle is speeded up. The crisis occurs, its effects ripple through society faster and the backlash is harsher, but it also subsides quicker and, most importantly, the resulting push to progress and adoption of the new is that much more dramatic.

Resilient and Resourceful

Agility in resolving and progressing from a crisis is gained and reinforced by this quickened crisis–progress cycle.

But how or, more correctly, why do we progress from crisis to recovery? The simple answer: innate need. In the face of crisis, individuals and corporations need to advance tenaciously or they will cease to exist (or, at least, cease to remain relevant). They must, therefore, develop ways to remedy the emerging insecurity. And this remedy must allay their fear and skepticism.

But before we see the remedy, we reach the most crucial juncture. An unremitting cycle of crises nurtures in the individual two things: resilience and resourcefulness. And, in the face of crisis after crisis, it is these strengths that gain prominence.

Having set the stage for progress within a crisis, what is the catalyst?

Communication

What is the role of communication — of public relations specifically — in this crisis–progress paradigm? We see that to overcome skepticism and to progress from a crisis, using our hard-earned resilience and resourcefulness, we need a catalyst to move us forward. And it is precisely at this point that communication comes in.

Communication has two functions in crisis situations; to articulate the nature of the crisis and to indicate ways to move forward. Public relations practitioners working directly with companies that are involved in or are affected by a particular crisis will be at the forefront in determining what information is communicated, how it is communicated and through what media, etc. This period will test the company’s resilience and it will determine the direction that the crisis and the ensuing progress will take. All companies, however, must deal with a crisis whether they are directly affected or not, because crises affect societies as a whole and insecurity is contagious. At this point, communication delivers the cure. Communication can remedy a crisis for society or a company by placing the crisis in context and by searching for new ways to deal with it. Public relations practitioners must know their clients, but they must also understand the many facets of the crisis at hand and have their fingers on the social pulse so they can lead change.

But also communication can step outside the crisis-progress paradigm and administer an inoculation against crises in countries with a high frequency of crises-progress cycles. In that context, communication can move from presenting and dealing with a situation to managing the issues that potentially lead to a crisis. Communication can therefore be proactive — i.e. act as a vaccine — by preventing or at least softening the blow at hand. We therefore preempt *crisis management* by focusing on *issue management*, where communication has potentially its most cogent effect. We can see how public relations practitioners have a crucial role to play in identifying and effecting positive change as opportunities arise.

Though the crises of 1994 and, more especially, 2001 were local to Turkey, we managed our clients' communication processes for the duration and now those clients enjoy a global presence beyond what they had previous to the crises. There were also companies who had located their EMEA regional centers in Turkey just before a crisis, but were forced by the crises to step back and close their Turkey office while struggling to keep their brands in the very same market. From this we gained significant experience in managing communication during corporate withdrawal. Meanwhile, other companies cut their communications budgets (as did our clients in 2001), which pushed us to create ever more effective communication on shrinking public relations budgets.

Sweeping pessimism aside, each crisis has included its own unique opportunities. Weak players were eliminated, while the strong survived and went on to thrive in the new world that emerged. Their strengthened positions owe considerable debt to pertinent and consistent communication.

Case Study: Koc Group's Arcelik

Koc Group's Arcelik consumer durables brand is a model of resilience and resourcefulness in a crisis.

A *Fortune* Global 500 company, Koc Group is the largest and most reputable holding company in Turkey. It makes a considerable contribution to the national economy — its combined revenues contributing 9 percent of Turkey's GDP and its exports 8 percent of the national total. It retains the most extensive distribution network in Turkey, with more than 12,000 points of reach through its sector-leading companies in automotives, banking, consumer durables, energy and retailing, while the Group's international operations contribute about 30 percent of its revenues.

Domestically, Arcelik is the market leader in white goods and electronics by a wide margin, with a market share of around 58 percent. It is present in 106 other countries under its own name and through the 10 brands (Beko, Grundig, Blomberg and others) that it owns. Strange as it may sound, the company made big leaps in market share, brand image and revenue because of the major crises of 1994 and 2001, the 1999 earthquake and the Gulf War in neighboring Iraq. Those crises were milestones for the company and played a seminal role in creating its strong position.

Arcelik, under the threat of the 2001 crisis, decided to grow its business via exports and overseas operations; starting production plants and increasing its domestic and overseas efforts. Simultaneously, the company actually enlarged its communication efforts because it recognized the crisis as an opportunity to shout and make itself heard in a less “cluttered” environment and when it was more effective to do so.

The firm came out of the crisis stronger than when it went in. Consolidated sales rose nearly 47 percent from 2001 to 2002 while most other private sector players were looking for ways just to remain in the market. In 2005, a mere four years after the crisis broke, the company had tripled its consolidated sales. At the end of 2007, with total assets of \$5.1 billion (in a Group total of \$51.2 billion), Arcelik is still moving onwards and upwards.

The role of communication in this result can hardly be overplayed. Arcelik strengthened its communication with internal and external stakeholders, investing in communication and public relations activities and placing them at the center of its corporate strategy, even during the darkest days of the crisis. In contrast to many companies in those risky, unstable times, Arcelik saw the importance of communication to building value through intangible yet powerful assets such as reputation, and moved boldly.

Taking part in implementing a policy to place communication firmly in the center of its corporate strategy, I witnessed Arcelik’s enthusiasm to make communication a corporate reflex that affected all operational activities positively.

With superb internal communication activities and an outstanding public relations effort, the company improved its reputation among its stakeholders and positioned itself as the most widely known and one of the most trusted companies in the country. Despite the economic crises, the earthquake and the Gulf War, Arcelik became Turkey’s most recognized of all brands in the 14 years since 1994, according to research by ACNielsen. The importance of this achievement can only be truly appreciated if one understands the depth and breadth of the skepticism that prevailed following on from the repeated crises.

So, my personal experience tells me that crisis environments open up important opportunities for public relations practitioners.

What’s Next?

Where do we go from here? With the next crisis looming, how should we act, or specifically, how do we communicate now?

A Process of Sharing

Real sharing — not mere communicating but dialogue — is vital. Though mass media still plays an important role in our lives, people are increasingly turning to other media because of the greater possibilities of interaction. Information is not just transmitted; it is ingested, debated and developed through interaction.

Utilize Social Media

The need for sharing is expressed most strongly in social media. The trend to social media is already established and I predict that it will grow and increasingly shape the future of communication. Mass communication channels have been abused and, therefore, their credibility is waning. It is here, where institutional control is weakest, that new perspectives, approaches and solutions are presented and discussed. Social media is the new medium of communication between individuals. It has few constraints and its boundaries are yet to be discovered. It is in this arena where control shifts from corporations to individuals.

Social Marketing and Social Entrepreneurship

Social marketing and social entrepreneurship have become important in the past couple of decades and will become even more so, in large part due to the crisis-progress continuum. Social marketing, a key proactive tool when people are looking for positive news and progress, is a means of dealing with issues that affect society. Communication is central to its delivery and the consolidation of its advantages for society and the company. A company plays its part by identifying a local need and finding innovative ways to meet it. In a crisis environment, a company employing social marketing and communicating its commitment to meeting a local need can effect positive social change and enhance its reputation.

Social entrepreneurship and the work of social entrepreneurs are essential in this situation. Social entrepreneurs — people who identify and work to effect solutions to social problems through utilizing their entrepreneurial skills — are sorely needed. When moving from crisis to crisis, it is these individuals who combine their entrepreneurial resourcefulness with a mission to change society. This is no longer just the responsibility of those in NGOs, but also of the private sector.

Creativity, Creativity, Creativity

Creativity is essential to progress. It is a necessity. Here, we do not mean creative in an artistic sense, but rather in the sense of finding new approaches and practices based on new ways of seeing and new understandings. For instance, blogging is a creative approach to mass media and mass communication on the Internet. In conditions of stability and seamless organization (i.e. in the absence of crises) such creativity is not required, but in conditions of instability or insecurity such approaches provide hope. Crises require new approaches, outlooks and ideas.

A Pioneering Spirit

A pioneering outlook is an essential ingredient for progress from a crisis. Looking afresh at the world frees the mind to make changes — be they minor policy changes or a metamorphosis in the way of doing business — but, having identified the opportunities, the time comes to take the appropriate risks.

In Conclusion

Progress comes through communication, so a crisis is a golden opportunity for public relations practitioners. A state of perpetual crisis leads to a state of perpetual progress. People want to believe that a more transparent, fairer, more risk-averse and better regulated system will result from a crisis. The role of communication during a crisis is to constantly and consistently answer skepticism.

Communication needs new tools, approaches and focuses to effect change. It is our responsibility as public relations practitioners to identify and adapt to these changing needs. To change the world through communication, we have to drive the communication process to recreate companies that can anticipate, respond to and, preferably, lead during a crisis.

Making public relations more credible and promoting communication as an effective solution provider will, in large measure, moderate the crisis-progress cycle. And new public relations tools will lead to new ways of seeing and of communicating effectively.

A further byproduct of effective communication (in the sense of more transparent, more risk averse, more regulated information transfer) is the ability to gauge the probable impact of an approaching crisis. Effective communication can determine how the crisis is viewed, its degree of impact, and how it is dealt with. As public relations practitioners, it is our duty to effectively communicate information and to inform about the need and power of this communication. As such, we can not only lessen the impact of new crises but exact positive change.

About the 2008 Atlas Award Recipient – Ceyda Aydede

Ceyda Aydede, founder and president of Global Public Relations and Consultancy, is a graduate of the Industrial Engineering Department of Bogazici University, which she attended after completing her education at the Izmir American College. She then continued her education at Hesser College, New Hampshire, USA, where she participated in an International Business Internship program encompassing the communication of retail institutions. In 1977, she started her career at Arthur Anderson Auditing Firm in Istanbul.

Between 1979 and 1989, Ceyda Aydede occupied public relations and sales manager positions at the Migros Supermarket chain, which is a subsidiary of one of the largest corporations in Turkey, the KOC Group. In 1989, having completed various projects in many areas of public relations, Aydede founded her own company, Global Tanitim Public Relations and Consultancy. Today, Global Public Relations and Consultancy is 19 years old and well known and respected for its success in meeting its clients' objectives internationally.

Aydede has been an IPRA (International Public Relations Association) member since 1989, Council member since 1992, Board member since 1996 and was president in 2003. She is also a board member of ICCO (International Communication Consultancy Organization), and a member of PRSA (Public Relations Society of America), and TUHID (Turkish Public Relations Association) and one of the founders of KAGIDER (Women Entrepreneurs Association of Turkey) and IDA (Communications Consultancy Companies Association of Turkey).

Aydede was chosen as “The Most Successful Business Woman” of the Public Relations sector for the year 2000 by the *Dunya Newspaper* and she was awarded by AHID (Ankara Public Relations Association) and the Ankara Chamber of Commerce for representing the Turkish PR sector most professionally for the year 2001. Ceyda Aydede was named “Business Entrepreneur of the Year” in 2002 by *Ekonomist Magazine*, Turkey.

Ceyda Aydede has been lecturing at the Yeditepe University Public Relations Department since 1995 and she has published four books: “PR Campaigns,” “A Professional Relationship: Media and Public Relations,” “Blog Era” and “Rising Trend: Corporate Social Responsibility.”

The Atlas Award for Lifetime Achievement in International Public Relations

Established in 1995 by the International Section of the Public Relations Society of America (PRSA), the Atlas Award for Lifetime Achievement in International Public Relations recognizes individuals who have made extraordinary contributions to the practice and profession of public relations on a global scale. Through a substantial body of their work, recipients have demonstrated leadership in international public relations for employees, clients, institutions, governments, agencies or other organizations. The Atlas Award is presented during the annual PRSA International Conference. As part of the Award recognition, each recipient is invited to prepare a White Paper on a specific aspect of international public relations practice.

Atlas Award Recipients:

- 1995 – **John M. Reed, APR, Fellow PRSA**, United States
- 1996 – **José Rolim Valença**, Brazil
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- 2006 – **Manuel Alonso M.**, Mexico
Mike Okereke, Nigeria
- 2007 – **Jack Bergen**, United States
Loula Zaklama, Egypt
- 2008 – **Ceyda Aydede**, Turkey

About the PRSA International Section

History and Goals: Through professional development, networking programs, as well as a chapter outreach initiative, the PRSA International Section serves and advances the professional needs and interests of PRSA members currently engaged in – or interested in entering – the growing practice of international public relations. The Section also provides a forum for the exchange of information for practitioners worldwide and acts as a resource for PRSA members whose professional work may be in other specialized areas of practice but may require global or country-specific public relations expertise.

Membership: The Section is open to public relations professionals worldwide who are involved in or who have an interest in international public relations and who belong to PRSA. For more information on becoming a member, visit the Section's Web site (www.international.prsa.org).

Programs:

- In October 2008, senior public relations practitioners gathered for a luncheon at Siemens Corporation in New York City to discuss and analyze the Arthur W. Page Society's groundbreaking report, "The Authentic Enterprise: Relationships, Values & the Evolution of Corporate Communications," analyzing the communications role of tomorrow's CEO and chief communications officer. The guest speaker was Roger Bolton, senior counselor to APCO Worldwide, preceded by opening remarks from Jack Bergen and George Nolen of Siemens Corp.
- In December 2008, the International Section will partner with the U.S. Council for International Business for a presentation by Nancy McLernon, president & CEO of the Organization for International Investment (OFII). This presentation and luncheon will address the distinct communication challenges U.S. subsidiaries of companies headquartered abroad can expect to face in the wake of the ongoing financial crisis and the most momentous U.S. presidential election in a generation.

Other Accomplishments and Benefits:

- The Section works with the Global Alliance for Public Relations and Communications Management, which includes more than 61 national and international professional public relations associations.
- In support of PRSA's Global Initiatives Committee, the Section is committed to progress on international initiatives.
- Section members have been active individually in visits to other professional public relations societies and academic institutions, and in responding to requests for PRSA Certification of curriculum in universities abroad.
- Section members have access to the e-Group, a secure online forum allowing members the opportunity to share advice and ideas on topics relevant to our Section.

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