

A proposal to establish the
Honeywell
ENERGY MANAGEMENT INFORMATION CENTER



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August 1979

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WHY THIS PROGRAM?

We believe that Honeywell objectives related to short-term sales, long-term market development, and the company's reputation as a leader in energy products and services will be served if the following were to happen:

- If the general public would readily conceive of "energy management" as a direct contributor to savings of scarce fuels.
- If new concepts of energy management were put into a perspective that the average person understands and values.
- If special target audiences, particularly news media executives, security analysts, Honeywell customer groups and potential Honeywell customers would identify Honeywell as an authority on the subject of managing energy.
- If the public at large and particularly specific elements important to Honeywell would begin to think of the company as the major factor in energy management -- not because Honeywell says it is, but because everyone begins to sense it is -- as a result of continuing coverage in the news media most people trust.

To achieve its public relations goals for energy management, two things must happen. First, Honeywell must maintain its leadership in this field. Secondly, a system needs to be devised to project Honeywell's prominence into the consciousness of millions of Americans and thousands of opinion leaders who now are not interested in Honeywell's role.

This proposal explains how such a system, proved elsewhere, can be put into effective use for Honeywell.

SUMMARY OF PROPOSAL

We propose establishment of the Honeywell Energy Management Information Center to identify, develop and publicize newsworthy energy data that have a direct relationship to the energy products and services that Honeywell sells.

The Center will be a fact-finding, analysis and news-distribution operation. It will be directed by a Honeywell employee who is knowledgeable about energy, understands Honeywell and can represent the company as an effective spokesman. The staff will consist of trained professionals of the Byoir organization.

The Center's purpose will be to create continuing, long-term exposure in the nation's news media for the specific advantages of professional energy management. The stories and publicity materials, each of which would be attributed to the Honeywell Energy Management Information Center, will supplement the day-to-day, product-related publicity materials on energy now being written and distributed by Honeywell's divisional public relations managers.

Through this means of producing publicity, we can bring Honeywell to the front page of America's newspapers and to the forefront of the energy issue. We will be making news because of what we say rather than what we do. As a result, every story will require careful study, and our facts must be correct, and correctly interpreted.

The system of producing hard-news publicity material, which will form the basis of this Center's operation, has been proved highly effective through Byoir's work for many issue-oriented clients including The Road Information Program, The Motorcycle Safety Foundation, The National Food Processors Association, and Honeywell itself.

Materials emanating from the Center will take Honeywell's energy story deep into America, reaching editors, columnists, and broadcast journalists who, up to now, have not been exposed frequently to Honeywell's point of view. The incisive factual copy the Center generates will provide a continuing Honeywell presence in the major daily newspapers, wire services and magazines, plus the news segments of radio and television.

This publicity-generating operation will have a snowballing effect. We could expect that the Center will eventually become the focal point of hundreds of press inquiries about energy-related subjects.

One result will be broad recognition of Honeywell's role as a major factor in energy control and the creator of energy management systems. More importantly, we will be able to reach the key decision makers and potential customers Honeywell values through the news media these executives rely upon for credible news and information.

This is not the type of program that can be conducted properly on a part-time or short-range basis and its success depends primarily on staffing it with experienced public relations people. When properly done, the results of such an undertaking can be surprisingly rewarding, but short cuts only waste time and money. Our intermediate target is the editor, the news director, and the writer -- journalists of sophistication who examine their sources with care. When poorly done, materials attempting to thrust a corporation into the mainstream of public issues often fall flat.

On the other hand, many of the publicity stories resulting from Byoir's efforts on behalf of clients who used this technique over a period of years have ended up on the front pages of major U.S. papers across the country. In some cases, such as stories appearing recently in the Washington Star (And Now Another Highway Hazard: Unsafe Bridges), the Chicago Sun Times (Potholes? Congress to the Rescue!), the Milwaukee Journal (Group Finds U.S. Roads in Awful Shape) and the Oregon Journal (Oregon Drivers Drop \$69 a Year Down Potholes), these actually have been the lead story of the day.

The opportunity for developing and telling hard-news energy stories exists at Honeywell. We must think about them in a non-corporate way and present them so that hard-nosed journalists will find them important. To be successful, we must keep doing this, week after week, until the Honeywell Energy Management Information Center becomes established as a reliable source of meaningful, analytical information about certain aspects of the energy situation in this country.

THE DATA/ANALYSIS/REPORTING CONCEPT

Because it is so broad, the subject of energy lends itself to myriad interpretations not only by newspeople but by representatives of special interest groups, companies and trade associations as well.

Trained journalists know there is immense news value in translating the vast subjects of energy shortages into terms that make sense to the private citizen.

This, essentially, is what we will be doing at the Honeywell Energy Management Information Center. Our purpose will be to present, through the news media, material that demonstrates the value of sound energy management in conserving precious energy supplies. We will deal with a number of specific subjects. These will relate directly to the concerns of cost, supply and general lifestyle that are of particular interest to the broad public.

Our purpose is to gradually build a broad public awareness of Honeywell's involvement in the critical work of managing energy use. To penetrate the consciousness of millions of Americans, we have to relate this Honeywell activity to subjects in which most people already are interested. To a certain extent, this is an easy task because the energy issue already is important in the public mind. People honestly are looking for solutions.

But this also creates a problem, because there are many special interest groups who already have begun to capitalize on the energy situation on behalf of their own product or service.

To communicate successfully amidst this mass of messages, we have developed a system at Byoir that relates in a newsworthy way the specific work of several of our clients to current public concerns.

We developed this technique about eight years ago and have used it successfully on behalf of many issue-oriented clients since that time, including Honeywell.

Essentially, the system involves preliminary analysis of the company's marketing strategy, collection of data, analysis of our findings and preparation of a written research report, the writing of press materials based on the report, and placement of the study and the press materials with the media.

We have done this many dozens of times, and here are three examples of how it has worked:

Motorcycle Safety Foundation

A recent study for the Motorcycle Safety Foundation was designed to encourage young riders to wear helmets and to overcome the argument that helmets restrict vision, hamper hearing and sometimes cause neck injuries. Our study, which drew substantial press attention in the 9 states where it was released, compared rider attitudes with laboratory tests and accident statistics. While it did not have the purpose of putting down the contentions of motorcycle riders about helmet use, it did draw a great deal of attention to the value of wearing a helmet for safety purposes.

National Food Processors Association

For the National Food Processors Association, a study now in preparation will provide important information on the relative costs of canned goods versus other foods and offer important buying information for housewives. We are planning production of a television documentary film based on the study that will be released along with newspaper stories in major cities.

The Road Information Program

For The Road Information Program a study about the effect of bad roads on fuel economy in New Jersey showed that motorists there waste 256 million gallons of gasoline a year because of the bad pavement. It also showed that the substandard roads cost New Jersey motorists \$86.7 million a year in excessive wear and damage to tires, brakes, steering and suspension systems. Similar studies were released in 37 other states and resulted in large amounts of newspaper and radio publicity, including many front page stories. In the past five years we have researched 14 road-related subjects for this client alone and developed these into 226 studies released to the media in 47 states.

HONEYWELL STUDIES

We have applied this technique twice at Honeywell, focusing first on energy and later on fire deaths.

The 1977 blackout in New York City presented a significant news opportunity. For purposes of discussion, we developed a study that showed homes and businesses in the state could cut energy use by an average of 29 percent and save some \$3.1 billion a year.

Our study showed homeowners they could save \$375 a year on their energy bills and that commercial building owners could expect to save about \$8,500.

Half of the savings would come from installing clock thermostats in homes and energy management systems in commercial buildings. The remainder would be realized by better insulation and reducing the use of lights, heat and air conditioning when rooms or buildings were unoccupied.

We obtained our data from the Department of Energy, Housing and Urban Development, the American Association of Architects, National Bureau of Standards, New York State Energy Office, Federal Power Commission and the Census Bureau.

Byoir researchers met with technical experts, planning, programming and policy officials, librarians and researchers at these organizations. We also met with marketing, research and engineering people in the Residential and Commercial Divisions and Energy Resources Center at Honeywell.

Once collected, the data was analyzed in terms of its news value and woven into our research report. We provided draft copies to main data sources for their review and comments. We also wrote publicity material about the study for media placement.

The energy report served as a useful discussion tool in explaining how the data/analysis/reporting technique might be used as an effective public relations tool at Honeywell. We have, since that time, successfully conducted and publicized a fire-deaths study for the Honeywell Consumer Products Center.

Here, we focused on the increasing number of residential fire deaths. More than 9,000 persons will die this year in fires, making this the third largest cause of accidental death in the United States. At 42.4 deaths per million population, the United States has the highest fire-death rate among the industrialized nations of the world. Approximately three-quarters of all fire deaths occur in homes.

We examined the residential fire-death trend since 1971 and found it is increasing currently. In spite of this, only one-fourth of the nation's 80 million homes have one or more smoke detectors installed.

We learned from marketing executives that Honeywell's sale of smoke detectors was weak in the South, which has the highest residential fire death rate per million population of any region. So we concentrated our attention in this area and developed a fire-death study in Louisiana which reported that 80 lives and \$20 million in property damage could be saved if each home had at least one smoke detector and an escape plan.

The study pointed out that three-fourths of Louisiana homes have no fire-warning device and that the state ranks 10th in the nation in home-fire deaths per million persons. It also said that about 115 Louisiana residents are killed each year in home fires, that paid insurance claims from home-fire property damage average \$28.7 million a year, and that more than 950,000 of the state's 1.3 million residences have no fire-warning device.

This study took 10 weeks to research, develop and place. We assigned two Byoir analysts from our Washington office to compile the data, develop the conclusions and obtain federal and state clearances on the material.

We got our data from the U.S. Fire Administration, The Louisiana State Fire Marshal's Office, Johns Hopkins University, and the U.S. Department of Health, Education and Welfare.

When approved, we hand-placed the study and press releases with daily newspapers and wire services in Baton Rouge and New Orleans and mailed copies to papers in the rest of the state, as well as to important consumer trade publications.

The study was newsworthy. It contained factual information that editors could use. And use it they did, word for word from the press releases. This Honeywell news story reached 90 percent of the newspaper circulation throughout Louisiana.

HONEYWELL ENERGY STUDIES

We have a number of localized energy studies in mind that might be produced for distribution on a state-by-state basis by the Honeywell Energy Management Information Center. Here are five examples:

Fuel-Saver Thermostat

The fuel-saver thermostat lends itself to a series of state studies -- similar to the pilot project we conducted in New York State -- that would tell homeowners how much they might save on their fuel bills with automatic set-back and set-up.

Computerized Energy Mangement

We might conduct a study on the amount of energy that could be saved by small-and-medium size commercial buildings in a given state if computerized energy management systems were used to control energy use. Or we might examine the savings for industry in various states if computerized energy management was used in factories, refineries and so forth.

Solar Controls

A study might be done on the number of residences in a given state that easily could be converted to use solar energy for hot water, heating and air conditioning needs and the amount of energy this would save as well as the long-term cost benefits to the homeowner.

Intermittent Pilot Lights

A study could be conducted in a given state on the cost and the amount of energy that is wasted by homes that use gas-burning stoves where the pilot light remains lit constantly. These costs would be compared against the cost of installing intermittent pilot lights, given the dollar savings for homeowners on fuel bills.

Electronic Air Cleaners

We might examine commercial establishments in a state and determine how much energy might be saved by the use of electronic air filtration. We also could determine savings to the building owner or to tenants in terms of cutting cleaning costs and extending the life expectancy of drapes and other fabrics, painting and wallpapering.

OTHER USES OF HONEYWELL STUDIES

These research reports will find use in other ways beyond the publicity they obtain for Honeywell in the general news media. Here are a few supplementary uses:

- By divisional PR managers to broaden their product-related energy stories and to get more coverage for Honeywell in important trade publications.
- As factual information for speeches given by Honeywell executives.
- For reshaping into position papers that the public affairs staff can use in discussions with government and regulatory officials.
- By advertising and sales promotion people and trade show coordinators to help them tell Honeywell's energy story effectively.

STRUCTURE AND STAFF

The staffing, structure and location of the information center should be dictated by these specific needs:

1. A central authority and central focus.
We need a place and a person to form the base for the information center and these both should be identified clearly with Honeywell. We need an executive to quote in news releases and to use as a spokesman on occasional television and radio presentations when we use the broadcast media to obtain further exposure for the studies. We also need a direct link to Honeywell's work in energy management.
2. Conceptualization and subject development.
This is a journalistic process. It involves identifying various opportunities to translate Honeywell's work in energy into newsworthy copy.
3. Journalistic data gathering, analysis and writing.
4. Media contact, placement and interchange.
Effective release of the stories from the information center will require a good deal of media know-how and contact.

We feel this program should be directed by a full-time Honeywell employee who would be located in Minneapolis. We believe that Mario Santrizos, Honeywell's corporate director of public relations, can fulfill this requirement initially until the program's activity reaches a level where a full-time spokesman will be needed to conduct radio and television interviews, give speeches and so forth.

The work of conceptualizing and subject development, plus the functions of data gathering, analysis and media contact, would be in the hands of the Carl Byoir organization.

For this work, at least at the outset, we envision a Byoir staff of two additional full-time professionals who would report to the Byoir account executive. One would be a full-time journalistic researcher, who would be

responsible for the nuts-and-bolts data gathering operation, the analysis of data, and the writing of the basic research reports.

This person would be located in Washington, D.C., preferably in the Byoir office there. This Washington contact is critical to the success of the operation. The principal information sources that the Center will use are located there. They include the Department of Energy, the American Association of Architects, the American Petroleum Institute, the National Bureau of Standards, the Federal Power Commission, and so forth. It also is important that all of the Byoir people who have done research for this type of program now are located in Washington. We would need to rely heavily on their experience and counsel and we might consider transferring one of them onto the Honeywell Information Center staff.

Conducting research for the kinds of energy studies we will develop is a painstaking process, normally requiring eight to twelve weeks per subject. It also demands almost daily contact with the principal information sources, and, more importantly, the ability to cultivate their enthusiasm so they will be responsive and cooperative in helping us obtain useful and accurate information quickly.

The other full-time professional would be a writer and publicist responsible for much of the journalistic writing associated with the program, including preparation of news releases, wire stories, editorials, speeches, features, radio scripts and so forth. This person would be located in New York with the account staff now assigned to Honeywell.

The conceptualizing of three to four major subjects each year and the preparation of some 60 individual reports will be handled by the account executive who will manage this program and coordinate the work done by Byoir department and regional office people who will be assisting with media and placement work.

With the staff in place as outlined we do not anticipate the need for any additional full-time secretarial support. The Byoir writer would share present secretarial support assigned to the account in New York, and the Byoir researcher would use secretarial support available in the Byoir Washington office.

We feel the success of this program depends primarily on staffing it with experienced public relations people who are free to work on the project full-time.

Honeywell divisional and corporate PR managers have day-to-day public relations concerns that would conflict with their successful implementation of this work. They need to release product-related trade stories, respond to a constant stream of media inquiries, write speeches, coordinate special events, attend marketing information meetings, and so forth.

The Honeywell Energy Management Information Center team need to be able to stand aside from the day-to-day concerns of doing corporate or divisional public relations work. Consequently, we feel that a free-standing organization, composed of people with special skills, should be established.