



The Interview

Steffan Williams started Capital MS&L five years ago, but is already challenging the great names of the financial PR industry for some of the leading advisory mandates in London and overseas.

Steffan and his team have always been great supporters of AngelNews. We thought you might be interested to hear from Steffan how he has managed to grow such a successful business in such a short space of time, whilst remaining passionate about his first love, rugby.

Q. OK so let's get down to business - what does a passion for rugby have in common with being MD of a PR company?

A. Passion is a good characteristic, which is underrated in business. Because we are passionate we have been able to grow by a factor of 10 since we started. I personally learnt about passion through my love of rugby. Rugby is the ultimate team sport - it requires people of different sizes and shapes to work together to create a winning team - even Jonah Lomu could not win the world cup on his own. We need that passionate team spirit to make Capital MS&L succeed.

Our business is about selling our brains and our ideas. To get scale in these areas we need to work as a team so that we can be innovative and offer different skills sets to our clients.

Q. You founded Capital MS&L - what made you do it and why?

A. I always had the ambition to set up my own business. Perhaps it was a touch of arrogance that I might do a good job, motivated by the belief that if I could create some value.

Fundamentally, I wanted to start a business long before I met this industry. In fact, I know almost nobody who started out wanting to be in PR - but those of us who did lucked out because as an early 30 something you could set up a business in PR in a way that would have been impossible in other professional advisory areas like law or investment banking. As there are no legal regulatory issues, in theory anyone can set themselves up in PR. Sadly for new entrants, today, the barriers are rising.

Q. Who is your hero and why?

- A.** Alan Parker, the founder of Brunswick which is, probably, the leading financial PR firm in major capital markets. He has built up the pre-eminent business of this kind by himself, including an amazing brand and culture. I would certainly like to try and emulate his success.

Q. How hard do you really work?

- A.** I have an interesting attitude to work. I think about work through almost all my waking moments - sending texts all the time is just the outward personification of this. I may go to a lot of rugby matches or on skiing trips, but they are often work related. I have no concept of retirement as I cannot define work in the way my lawyer friends do, but equally I am not chained to a desk all day, so maybe it's not work as they see it.

I think the secret of enjoying working life is to do what you are passionate about. The only caveats are that you have to have half a brain and work hard!

Q. Apart from rugby how do you unwind?

- A.** I watch rugby as I don't play any more - it has surprised me that watching has become a bit of a passion, which is not something I originally envisaged. I do a lot of skiing in the wintertime and in the summer I am obsessively into fly-fishing. Fly fishing is a bit of a contrast to team-based rugby. It's a bit like skiing. The common theme between all three is that to do any of them successfully you have to concentrate 100% on them while you are doing them. You cannot catch a rising trout if you are thinking about an email, so they are all good safety valves for me, as they do enable me to switch off from work for a short time. I also love reading more and more.

Q. Who were your first clients and why did they take you on?

- A.** Most importantly, when we started we went out of our way not to poach clients from previous employers, as this was not the ethos we wanted in the business.

So, my first client was a friend of mine who was an entrepreneur who runs an IT Services business, who said he would hire me, whatever. This meant I had a client on day one. He was a very small client, but I am incredibly grateful that one of my mates had given me a project. It gave me great confidence and we could say to all new prospects that we already had a client. Our 2nd client was David Giampaolo (of Pi Capital) who had been a client in the past. He said to me "if you tell me you will do a great job, I will hire you." We did by the way!

Q. How did you achieve your growth levels in such a short time?

A. There were two things.

First we got on board a strategic investor on day one, which meant we did not have to worry about back office issues and they also gave us a source of introductions to new clients. This allowed us to leapfrog other competitors who set up at the same time.

Secondly we always encourage everyone in our team to sell. So they must always be thinking about new business, especially with existing clients. This means they include us when they grow or introduce us to other divisions within their groups which leads to extra work. It also means that our existing clients are happy to refer us to their own contacts, which gives us new clients.

The back up this selling ethos, we reward our staff when they sell successfully. The result is good client retention and good staff retention.

Q. Tell us a bit about the deal you did with Publicis Groupe who is your strategic investor. Is there anything you would have done differently if you were doing the deal today?

A. Before I started Capital MS&L, I was approached by a couple of companies who said they would back me if I set up in business. I created a business plan and took it to them and a few others. I suppose it was our own beauty parade really. Publicis won because the financial deal was good and no worse than anyone else's. Also we felt they were very large and did not do what we do, which gave more scope for them to want to help us. We did not ignore the fact that they seemed the nicer guys.

With hindsight deal it was a smart thing to do - we would never have created the value if we have if we had tried to build it ourselves. Where we stand today, they are pretty pleased with their investment and pay us the compliment of letting us get on with it.

Q. How do you see PR?

A. PR is helping companies, and organisations and individuals to communicate as **effectively** as possible with certain stakeholder groups. The primary groups we are involved with are financial, other PRs would be focused on other groups. We believe PR should be about effective communication and not hype.

Q. What is its raison d'être?

A. It continues to amaze me how many people cannot articulate what they or their business actually does. They think "our numbers do the talking" and don't understand why their valuation is lower than their competitors'. There is intense competition for people's ears - you need to manage what they will listen to and what they will hear. For example there are over 1,600 companies on AiM. What chance has any one of those got unless they do something about it? And if you are a privately owned SME, it's even worse - how do you get anyone to notice you?

Q.. How can you value the worth of your PR agency?

- A.** This is incredibly difficult to do and is the question I get asked the most. What a client should do is agree and set some benchmarks with their PR adviser and then judge against those. If you can measure, you can manage the relationship.

Setting these benchmarks usually involves research to understand what they should be. So often our first piece of work with a client is research and not PR work.

Q. When should you start using PR or financial PR?

- A.** If you are a truly entrepreneurial team you will already have asked yourself, who are we and where do we want to get to? You also are probably already using PR even if this is still at the stage where you are still operating word of mouth - the first level of PR. The real question is when you should start using a PR adviser.

Consider your potential audience and what you want them to know about you. Take financial PR, which is focused on corporate and financial audiences. The sooner you want the attention of these people, the sooner you should start using financial PR. So if you want VC funding, to float or even a trade sale, the earlier you start the better.

You must embrace financial PR fully - it's a never ending relationship once you start, but if you get it right, in the future it will be you who can call the situation not advisers because you will have pre-qualified people approaching you to offer their services (i.e. advisers) or potential investors in or buyers of your company.

Q. Is there ever a time when you should keep quiet and out of the eyes of the media?

- A.** Well, I think not if you are a fast growth company or if you aspire to be one. If you don't tell people what is going on they may think, rightly or wrongly that you are going backwards. But don't fabricate news, you probably have something interesting to say even if you don't yet realise it. You should communicate even during the tough times, so you earn your audience's respect. The market will reward openness. Even if you have to go two steps back to go three steps forward, transparency will be rewarded.

Remember, when you are running a business your audience also includes your suppliers and your customers as well as your staff and investors. Keep them in the loop too.

Q. Are the needs of your big clients different from the needs of your little clients?

A. Philosophically no. We find that the principal difference is that the larger the client, the more global and the greater breadth in terms of sectors. Our own clients range from tiny private companies to some of the world's biggest companies. We work best with companies that share our own ambitious attitude. We don't want to work with the ones that don't want to communicate.

Q. How important is it to mix PR with other marketing initiatives?

A. Co-ordination is really important. Different marketing activities have different effects and are equally valid. The more joined up your effort is, the better it will be. The difference between our big and small clients is that the bigger ones find it harder to link up the message. Our own industry, the marketing industry, does not help in this regard. Ad agencies, in particular, find it hard to work with PRs because we use very different internal business lines of reporting. Ad agencies have account handlers and creatives who are very separate groups, PRs typically have a team of people who combine these roles.

Q. Do you think branding or people are more important in a PR company?

A. The two are inextricably linked - people are the means of production - branding is the people - things they say at work and socially - they are the most practical example of what the brand means - companies who fail to understand that a brand is not just about functional characteristics, but also about emotional attributes have got it wrong. I am sure you can think of companies that do the same thing, but go about it in a different way.

Q. How important are journalists to PR people?

A. There is a misconception that PR is media relations - media relations is in fact really an important subset of PR. There is much PR to be done outside the mainstream media. But don't forget the fourth estate is an incredibly powerful commentator. Therefore journalists are incredibly important. It is still true that if a major national paper says that a company is great or terrible, there will be a commensurate positive or negative effect.

Also remember these days there are fewer journalists and they are busier than ever, so they are waiting for PR people to ring them up. I would moot that if the entire PR industry refused to ring journalists on any one day there would be hardly any stories appearing the next day in the papers. A PR company will be behind the vast majority of stories in the papers - just think of Max Clifford and the celebrities he makes and breaks.

Q. Is it safe to talk to journalists without going via a PR company?

A. Yes it is, but it's all about risk factors. For most people talking to a journalist is a surreal experience - if it goes well then great, but if it goes badly it can be the worst week of your life. So, my main suggestion is always to prepare before talking to journalists.

Off the record does not mean what it used to. If you give them a really good story they will nearly always run it anyway. The advantage of a good PR person is that they regularly talk to journalists. Not only do they know which journalists play by the rules, but they nearly always have other stories which they can use to barter with the journalist. Don't forget the journalist's job is to run stories that sell the publication. That does not make them bad people.

If no-one is listening to your story it is because that story won't help to sell the publication.

Q. What are the typical mistakes companies make when they do talk to journalists?

A. They don't prepare. They don't get help to find out what to expect. For example in a normal conversation you build up your argument and end with your conclusions. With journalists you only conclude. Also you should remember that media does not go away - it will live with you forever. Many business owners believe they are lords of all they survey, but this is never the case when it comes to the media.

Lastly, never forget that bad news makes much better copy than good news.

Q. What tips would you offer an entrepreneur starting out in media?

A. Hire the very best people you can and have them stick around. If you have clients they are your most important assets. Look after them.

Q. How close should you be to your PR adviser?

A. Get very close. It's like any advisory relationship - the more you put in the more you get out. Arms length a PR adviser cannot do anything, so don't be remote and tell them what you are up to. Then they can look for an angle that will help you. If you have got your PR relationship right you are probably getting your other business relationships right.

Q. Can a "late entrant" who has never used PR make up the ground compared with a competitor who has exploited PR from day one?

A. Yes absolutely - that is a very frequent scenario for us - only caveat is that we can catch up, but if you then stop everything will slide back again. You have to be consistent forever. If you do stop, the market will assume nothing is happening at best

Q.. Media is cool - tell us a bit about the other companies that make up Publicis Groupe.

A. Publicis also own the colossal ad agencies Saatchi & Saatchi, Publicis and also Freud Communications. The latter have tremendous clout over the tabloids as they represent all the Hollywood studios.

We are much smaller than these, but Publicis has a number of other smaller companies in its portfolio. It is very keen on nurturing smaller companies - there are about 30 of them in a building down the street

Q. Is media a global game these days - should we all be acting global and thinking local?

A. The straightforward answer is yes. However, if you make widgets in Huddersfield - telling the Kuala Lumpur market may not be terribly important if none of your customers or suppliers are there. Remember the internet has made a huge difference so you can be clever with your PR. But do set this in the context of the global market - for some companies based in the West, a story breaking in the Far East may have an effect and if you are looking to sell your business it may just be that your potential purchaser is currently sitting in India or China.

Q. Lastly, tell us about your own best PR story.

A. Years ago I worked for RHM. Their CEO told me they were going to reuse the original ads with the boy on the bicycle, but they could not find the lad. I suggested that they put out a press release saying they were looking for him. It was an enormous success with the story appearing in all the first editions in great slots e.g. on p5 of The Sun and p3 of The Daily Mail. I went to bed happy, thinking I had done a great job for the client. The next day I was rung too early by a colleague and told to go and buy the Daily Star. There was an enormous story about the secret shame of the Hovis boy who, by now, had a prison record longer than a French stick. It was the journalist who broke the second story who won tabloid scoop of the year! However, there is a moral to the story, Hovis' sales saw an enormous spike that coincided with all the publicity.

For further information, please contact Steffan Williams, Capital MS&L, steffan.williams@capitalmsl.com or telephone +44 (0) 20 7307 5330