

Briefing for appointment of a  
Public Relations Agency for the IPO of  
Rural Electrification Corporation Ltd.



Rural Electrification Corporation Limited

The IPO Opportunity

# C o n t e n t s

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## An introduction

## An introduction

### **Introduction**

Call it an IPO. Or a Rs. 1,000 crore opportunity. Either way, June 2007 will see the biggest thing to happen to Rural Electrification Corporation Ltd. (REC) in over 50 years of quiet, yet sterling, service to electrify Rural India. We are looking for a PR Agency. Someone who will partner our will. Match our enthusiasm. In short, help us make the most of the electrifying times ahead.

### **What are we looking for?**

We believe that ambition drives vision. At the same time, vision shows ambition.

Yes, our upcoming IPO is as ambitious as they come. But we need to back that up with a strategic framework of effective communications exercises. That is where a good PR Agency comes in.

We have already developed a desired set of PR activities. While we remain open to suggestions and inputs from the PR Agency, the key focus will be to implement the set of activities REC has zeroed in on, rather than ideate and suggest what we should do.

More than just strategic inputs, therefore, the ability to successfully execute activities will be a key area for evaluation and selection.

### **The Process**

Being a responsible public sector organisation, REC will adopt a process of competitive bidding. Not just to ensure lowest rates, this process will also help us select the right organisation. One that will deliver on activities we have chalked out. An organisation that is sure of its abilities to deliver, and accept an objective performance based system of payment.

### **About REC**

We are a Government of India Public Sector Enterprise with a net worth of Rs. 41,620 crore.

We promote rural electrification projects all over the country, by providing financial assistance to State Electricity Boards (SEB), State Government Departments and Rural Electric Cooperatives for the same.

Rated AAA by CRISIL, CARE and Fitch, we have been awarded the Mini-Ratna status by the Government of India, and are amongst the Top 10 PSUs in the country.

## The Criteria

## Core Criteria

### What REC is looking for in the PR Agency

#### **The Team on the account**

- The single most important criteria would be the Team the PR Agency can deploy on the REC account.
- At REC the expectation is that the PR Agency allocate key and senior personnel to interact and directly handle the account.
- It is also hoped and expected that the Team will be able to travel with REC for, both, domestic and international road shows.
- The seniority, experience set and competence of the Team, will be the single most important individual criteria.

#### **Clients**

- REC hopes to appoint a PR Agency that has an impressive set of clients and demonstrated competence on other large accounts.
- While not essential, it would help if the PR agency has some Public Sector Undertakings as clients.

#### **Size**

- Other things being equal, REC would prefer to deal with one of the top ten agencies.
- It is, however, open to small and boutique agencies if top management is willing to directly work on the REC account.

## Other Criteria

### **Network and affiliations**

- REC would prefer agencies that are part of an international network. This will be particularly useful in organising Road Shows for the IPO in few key cities internationally.

### **Experience in handling IPOs**

- It would help if the PR Agency has significant experience in handling major IPOs. Significant experience, in this case, would mean having handled at least 5 issues in the last three years. And major, in this case, would mean issues of over Rs. 500 crore.
- But let it not be assumed that REC will automatically appoint the organisation with the largest experience in this area.

### **Standing**

- It should have been operating in India for at least 5 years now.

### **Location**

- The PR Agency certainly needs to have an office, if not headquarters in Delhi.
- An office that should be able to pretty much independently service the REC account

## The Activities

## Coverage in Print media

### What this entails

- Coverage in Print media is a key expectation of the PR Agency.
- In the Print media, REC's focus and matrices for measuring performance will limit itself to optimum coverage in, say, the top five newspapers and magazines in a region.
- REC sees the PR campaign in Print happening in three phases:

### Pre-IPO

- In the pre-IPO phase, REC expects coverage in key publications, in English and Indian languages.
- This coverage, in the form of features [as opposed to "news"], primarily focuses on the organisation's activities, thus elevating REC from its current low profile to a level of more visibility and recognition for the work it does.
- REC sees this as a series of 4 to 6 stories [in dailies] and 2 to 3 stories [in periodicals] over a period of, say, 6 weeks leading up to the IPO.
- The stories have different focus in different publications. In the common press, the stories will revolve around how REC activities impact the availability of power in the country. In business publications, more focus is expected on the business and financial model and operating parameters of REC.
- REC would also welcome and pay for activities that cover electricity generation, transmission and distribution in India in a positive manner.
- Here REC's interest would be in large ticket coverage like, say, special coverage in business publications.

### **IPO**

- During the IPO, REC envisages 3 to 5 stories on the front or business pages, with brief details of the IPO, and what the market is saying about it.

### **Post-IPO**

- Post-IPO, REC expects 3 stories.
- One, on the extent of subscription [REC fully expects the issue to be oversubscribed several times over].
- Another, on the allotment ratios.
- And finally, a story on the day trading opens in the script.



## Newspapers

Spreading the word

A senior member of the Power Ministry will be invited to feature as Guest Editor of a leading daily, e.g. The Economic Times, for an entire week.

The idea is to bring forth the rapid strides taken by the power sector in general, with an increased emphasis on the achievements on the Rural Electrification front.

Some of the possibilities with this initiative are:

- The Editor's Note could cover specific issues that the Rural Power Infrastructure faces, and what he sees as the likely solutions.
- An article a day could be dedicated to various key projects undertaken by REC recently, highlighting how they have had an impact on the changing fortunes of the region where they are implemented.

## Coverage on Television

### **What this entails**

- REC envisages TV coverage, primarily, in the form of features and coverage in financial market related programs.
- The phases and content more or less mirror what we are doing for Print.
- Additionally REC sees coverage in specific programs and formats, details of which can be found here.



### **Television Programs**

A day in the life of a CEO

The show invites viewers to take a peek into the hectic lives of top-notch CEOs, taking them on a whirlwind tour from the home, to factory, to boardroom, to meetings, following the CEOs, wherever they go. Along the way, CEOs discuss various topics, which include their goals, future plans, etc, with the anchor.

The show presents an ideal opportunity to showcase REC's efforts to electrify Rural India, with an anchor accompanying Mr. Lakhina on a tour of recently electrified villages. It could involve one-to-one interactions with farmers, new breed entrepreneurs (who have benefited from electrification, and are eager to express their gratitude), village elders (who have witnessed the rebirth of their village due to electrification), etc.



## Television Programs

### Walk the Talk

Noted journalist and Indian Express Editor-in-Chief, Shekhar Gupta, interviews the personality of the week. The featured personalities are usually top-notch politicians, mega film stars and sportsmen.

Featuring Mr. Lakhina (or a senior member of the Power Ministry) on this show can go a long way in bringing REC's rural electrification initiatives in the spotlight. The questions could revolve around REC's current achievements, prominent schemes (eg. RGGVY), future targets, etc.



### Television Programs

#### The Big Interview

Renowned journalist Vir Sanghvi interviews prominent personalities from various sections of society. The show has a serious and credible feel about it, and would be a good medium to put forth REC's viewpoints, future plans, etc. The featured guest could either be a senior member of the Power Ministry, or Mr. Lakhina himself.



## Television Programs

### The Big Fight

The show usually features top politicians combating each other with the help of a live audience. It's a debate where each party has a limited time to respond to questions.

We could have Mr. Lakhina as the chief guest, with a panel consisting of Social Activists (who work for the betterment of rural folk) questioning him about REC's Rural Electrification initiatives. The audience could also consist of a smattering of village heads, district collectors, etc.

This would be an ideal scenario in which to bring forth the giant leaps that REC has taken towards its goal of electrifying Rural India, and also a forum to garner support for the same.

## Journalist Visits

### What this entails

Journalist walking through lush fields



Presenting, Rural India, Alive! A tale of triumph, inspired by power.

The concept is to have few select journalists visit a recently electrified village. Recently electrified as the benefits of electrification will be fresh (as against assumed as a given).

Residents will talk more animatedly (even without prior briefing) on life before and after electrification.

And hopefully will emerge from this a few stories of human interest.

One can choose a setting that is also idyllically located, in naturally beautiful surroundings; the journalists are on a job, but it does not hurt if the job takes you to beautiful places.

Journalist sitting with village women



Journalist: "Up till last year, Nivri was like any of the hundreds of sleepy hamlets across India. Progress, to the folks here, was an alien concept."

"But now, with the advent of electrification, Nivri has turned the corner.

Dreams that were till now repressed, have begun to take wing."

"Let's hear what the people of Nivri have to say."

Village women (speaking the local dialect, with English sub-titles):  
"Back when there was no power our lives were very much in the dark."

"But now the situation has changed, thanks to REC."

"We've set up our very own weaving unit. It's the first of its kind in our village!"

"We weave chatais and sell them at the town market."

"Power has changed our lives. Thanks REC!" (Says this with hands folded in a namaskar)

Cut to the Journalist in a school with smiling kids, all of who are clamouring to get in the camera



Journalist: "Thanks to REC, the future of these tiny tots is secure. No longer will they have to undertake a 5-mile long trek when they go

to secondary school."

"With electrification, the school can now dream of becoming a full-fledged educational institution, and not just a stop-gap arrangement."

"In fact, plans are already afoot to bring in the first computer!"

Turning to the children (speaks in local dialect):

"So what do you say boys and girls..."

Children shout with joy, "Hurray REC!!!"

Cut to Journalist sitting alongside a village trader who is, surprisingly, trading via the Internet



Journalist: "What we are about to witness will help you truly understand just how far reaching an impact electrification has had on Nivri and its people."

"Meet Keshav. In the not too distant past, Keshav had to go all the way to the Taluka market to sell his food grain. And yes, the mouse was his sworn enemy!"

"But with the advent of electrification things have changed, and how!"

Keshav (speaking the local dialect): "Greetings friends. I'm Keshav. I used to sell food grain in the Taluka market. Took me lot of hard work to get my wares there. But now, thanks to REC, I have a computer at home, and can trade from here. REC has changed my life. Really. Thank you!"

Journalist: "So as you can make out, REC is seeing to it that Rural India doesn't remain rural anymore!"

Cut to vista of farmer, lush field, electricity towers



VO: "With its ambitious mandate, REC is inspiring a Rural Renaissance that is sweeping villages across the length and breadth of India. With the tide turning in their favour, villagers are a happy folk. They can safely look forward to an electrifying tomorrow."

"Truly, it's about bringing Rural India alive!"

## Events

### What this entails



**Mohammad Yunus**  
Bangladeshi banker, economist and winner of the Nobel Prize for Peace



**Amartya Sen**  
Philosopher, economist and winner of the Nobel Prize for Economics



**Nelson Mandela**  
South African civil rights leader and winner of the Nobel Prize for Peace

### Guest Lecture

REC can organize a guest lecture at a prestigious venue (such as Vigyan Bhavan) on the links between power, economic development and income levels. A noted personality can be invited to speak on the occasion.

Seen on this page: design for the invite, and a list of suggested speakers



M. F. Husain

### **Painters**

Well-known artists are commissioned to do a painting, on a theme decided by REC, such as 'India Empowered' or 'Power is Growth'.

Suggested artists: M. F. Husain, S. H. Raza, Ganesh Pyne

The name Maqbool Fida Husain has become almost synonymous with contemporary Indian art, and deservedly so, for no single artist has popularised Indian art, within the country or internationally, as Husain has done. His endless quest for his cultural roots and a fearlessly open-minded willingness to absorb diverse influences has made M. F. Husain one of the most recognizable figures of contemporary Indian art.



S. H. Raza

### Painters

Raza was one of the founders of the Progressive Artist's Group, along with

K. H. Ara and F. N. Souza. He has participated in numerous exhibitions, including the Sao Paulo Biennale in 1958, the Biennale de Menton, in France in 1966, 1968 and in 1978, and Contemporary Indian Painting, at the Royal Academy in London, in 1982. He was conferred the Padma Shree Award by the President of India, in 1981. Raza lives and works in France.



Ganesh Pyne

### Painters

Ganesh Pyne lives and works out of Kolkata. Working mostly in tempera, his paintings are rich in imagery and symbolism. The lines are bold, precise, controlled and the drawings that emerge are potent both in form and content. Stripped of color, they convey the architectonic quality in the structuring of the images.

## The Responses

## How does REC expect the PR Agency to respond?

### **An initial response**

- REC expects the PR Agency to send back an initial response, from which a few PR Agencies will be short listed for the next step.
- While the PR Agency is free to respond in any form and format it desires, REC would prefer responses to be structured according to the criteria listed here. Fulfilling this preference would give REC an impression that the Agency concerned is keen to work on the account, and that this is more than just another pitch that would elicit a standard template response.
- The PR Agency's response should cover [and preferably be in this format]:

### **The Organisation**

- The background [when it was founded, who were the key founders...]
- The Management Team
- Network and affiliations
- A soft copy of the Agency's standard credentials presentation.

### **Clients**

- Major Clients [currently handled]
- Major Clients [handled in the past]
- Client references. Should REC need referrals, please provide a list of 5 current and 5 ex-clients that could be spoken with. This list should contain the organisation name, period of association, the person REC should speak with, and contact numbers.

### **Services**

- A list of the bouquet of allied services that the PR Agency routinely offers.
- Here REC would be interested if writers, speechwriters, photographers, event management, etc. are included as part of the services on offer.
- REC would also need to know if these services and resources are in-house or sourced externally.

### **Case Studies**

- A list of IPOs handled [in the past three years].
- Case studies [or synopses] of 3 recent [in the last two years] and major PR campaigns handled, including press clippings and other material on it.

### **The Team**

- What team would the PR Agency allocate, if it were to handle the REC account?
- What would be the composition of the team?
- Would the team have access to "Shared Services" like, say, writers and photographers?
- REC needs to have specific information on names, profiles, experiences, accounts handled by the Team, previous organisations, how long they have been with the PR Agency concerned, to whom does the Team report.
- Besides REC, how many other accounts would this Team handle?
- If the Team cannot handle something or REC needs to speak with someone above the Team, whom does REC speak with?

### **The Activities**

- In this document, REC has zeroed in on a set of PR activities. And yes, REC's search is for a PR partner that will take this program and implement it.
- Nevertheless, REC would like to know of the Agency's independent views.
- REC would like to know if the PR Agency:
  - Agrees with, or
  - Proposes dropping, or
  - Is uncomfortable with or
  - Is unable to deliver on any of the activities envisaged.
- Equally REC would like to know of activities that the Agency would otherwise propose, but are not included in the current PR program.

## The Presentation and Meeting

From the initial responses, REC would shortlist a few organisations and invite them to present. What does REC expect at the presentation?

### **The Presentation**

- REC sees this as a set of interactions, in three parts.
- Part 1 would be the standard credentials presentation.
- Part 2 would be a meeting REC would like to have on a one-on-one basis with the Team that would directly handle the account.
- It is hoped that the PR Agency doesn't find it rude if REC insists upon meeting the Team alone, i.e., without other senior people from the Agency who may be involved, but not directly working on the account.

## The Costs

REC would prefer the PR Agency indicate costs on three different bases:

### **A fee based system**

- What would the Agency charge if it were a monthly fee based system?

### **Activity based payment system**

- Essentially a break-up of activities and what would the Agency charge REC for each activity.
- The advantage of this system lies in the fact that if there are more activities than planned and therefore more work and effort at the Agency end, REC pays more; while if there is less activity, REC pays less.

### **Performance based payment system**

- Would the Agency be open to a performance based system?
- In a performance based system, REC would pay for coverage on a success basis.
- If there is more coverage REC pays more, if the coverage is less the Agency gets paid less.
- Activities that cannot be covered on a success basis [like photography or writing a speech] can be covered under an effort based payment system.